

NEW ISSUE

Bank Qualified; Book-Entry Only

RATING: S&P “AA-”

See “MISCELLANEOUS - Bond Rating” herein

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), (1) the interest on the Bonds is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, (2) the interest on the Bonds is exempt from Missouri income taxation by the State of Missouri and (3) the Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. See “TAX MATTERS” in this Official Statement.

\$9,500,000
CITY OF GRANDVIEW, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2014

Dated: Date of Delivery

Due: March 1, as shown on inside cover

The General Obligation Bonds, Series 2014 (the “**Bonds**”), will be issued by the City of Grandview, Missouri (the “**City**”), for the purposes of providing funds to (i) finance the costs of acquiring, constructing, renovating, equipping, repairing and improving they City’s parks and recreation system and public safety facilities and equipment, as further described herein under the section captioned “**PLAN OF FINANCING – The Project,**” and (ii) pay costs of issuing the Bonds.

The Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York (“**DTC**”). DTC will act as securities depository for the Bonds. The Bonds will be available for purchase in denominations of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. DTC will receive all payments with respect to the Bonds from UMB Bank, N.A., Kansas City, Missouri, as Paying Agent for the Bonds. DTC is required to remit such payments to DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. Semiannual interest will be payable on March 1 and September 1, beginning on September 1, 2015.

The Bonds are subject to redemption prior to maturity as described under the caption “**THE BONDS – Redemption Provisions.**”

THE BONDS AND INTEREST THEREON WILL CONSTITUTE GENERAL OBLIGATIONS OF THE CITY, PAYABLE FROM AD VALOREM TAXES WHICH MAY BE LEVIED WITHOUT LIMITATION AS TO RATE OR AMOUNT UPON ALL OF THE TAXABLE TANGIBLE PROPERTY, REAL AND PERSONAL, WITHIN THE TERRITORIAL LIMITS OF THE CITY.

The Bonds are offered when, as and if issued by the City, subject to the approval of legality by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel. Piper Jaffray & Co. of Leawood, Kansas, has served as financial advisor to the City in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery in book-entry form through DTC, New York, New York on or about December 23, 2014.

STIFEL

\$9,500,000
CITY OF GRANDVIEW, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2014

MATURITY SCHEDULE

Serial Bonds

<u>Maturity</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>Yield</u>	<u>CUSIP®</u>
2017	\$ 30,000	2.000%	102.928%	0.650%	386748 LE5
2018	45,000	2.000	103.130	1.000	386748 LF2
2019	390,000	2.000	103.673	1.100	386748 LG0
2020	410,000	3.000	108.240	1.350	386748 LH8
2021	435,000	3.000	108.216	1.600	386748 LJ4
2022	455,000	3.000	108.056	1.800	386748 LK1
2023	480,000	2.000	100.667*	1.900	386748 LL9
2024	505,000	2.000	100.000	2.000	386748 LM7
2025	530,000	2.500	102.318*	2.150	386748 LN5
2026	560,000	2.500	101.316*	2.300	386748 LP0
2027	585,000	2.750	101.964*	2.450	386748 LQ8
2028	615,000	2.750	101.633*	2.500	386748 LR6
2029	650,000	3.000	102.605*	2.600	386748 LS4
2030	685,000	3.000	101.946*	2.700	386748 LT2
2031	720,000	3.250	102.909*	2.800	386748 LU9
2032	760,000	3.250	102.253*	2.900	386748 LV7
2033	800,000	3.500	103.208*	3.000	386748 LW5
2034	845,000	3.500	102.556*	3.100	386748 LX3

* Priced to call date.

* * *

CITY OF GRANDVIEW, MISSOURI

ADMINISTRATIVE OFFICES

1200 Main Street
Grandview, Missouri 64030

MAYOR AND BOARD OF ALDERMEN

Leonard D. Jones, Jr., *Mayor*
Michael Allen, *Ward I*
Sandy Kessinger, *Ward I*
Brian Hochstein, *Ward II*
Annette Turnbaugh, *Ward II*
James N. Crain, *Ward III*
John Maloney, *Ward III*

ADMINISTRATION

Cory L. Smith, *City Administrator*
Kirk Decker, *Assistant City Administrator*
Cemal Gungor, *Finance Director*
Becky Schimmel, *City Clerk*

BOND COUNSEL

Gilmore & Bell, P.C.
Kansas City, Missouri

UNDERWRITER

Stifel, Nicolaus & Co., Inc.
Memphis, Tennessee

FINANCIAL ADVISOR

Piper Jaffray & Co.
Leawood, Kansas

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the City, the Financial Advisor or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the City and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by Bond Counsel, the Financial Advisor or the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. The Underwriter has reviewed the information in the Official Statement in accordance with, and as part of, its responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of that information.

THIS PRELIMINARY OFFICIAL STATEMENT IS DEEMED TO BE FINAL (EXCEPT FOR PERMITTED OMISSIONS) BY THE BOARD FOR PURPOSES OF COMPLYING WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

In connection with this offering, the Underwriter may over allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, or under any state securities or "blue sky" laws. The Bonds are offered pursuant to an exemption from registration with the Securities and Exchange Commission. Superb

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OFFICIAL STATEMENT

\$9,500,000
CITY OF GRANDVIEW, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2014

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to (1) the City of Grandview, Missouri (the “**City**”) and (2) the General Obligation Bonds, Series 2014 (the “**Bonds**”), of the City, dated the date of delivery, to be issued in the principal amount of \$9,500,000.

The City

The City is a fourth class city and political subdivision organized and existing under the laws of the State of Missouri. The City is located on the southern edge of Jackson County, Missouri, approximately 15 miles south of downtown Kansas City, Missouri. As of July 1, 2013, the U.S. Census Bureau estimated City’s population at 24,881. For general, economic and financial information about the City see *Appendix A* attached hereto.

Purpose of the Bonds

The Bonds were approved by the voters of the City at an election duly held in the City on August 5, 2014. The City proposed two general obligation bond questions to the voters at said election. The first question proposed that the City issue general obligation bonds in an amount not to exceed \$8,700,000 for the purpose of acquiring, constructing, renovating, equipping, repairing and improving facilities for the City’s parks and recreation system. Over 70% of the qualified voters of the City voting on the first question voted in its favor. The second question proposed that the City issue general obligation bonds in an amount not to exceed \$4,300,000 for the purpose of acquiring, constructing, renovating, repairing and improving public safety facilities and equipment. The second question was approved by over 77% of the qualified voters of the City voting on the second question. See the captions “**PLAN OF FINANCING**” and “**THE BONDS**” herein.

Security and Source of Payment

The Bonds will be general obligations of the City and will be payable from ad valorem taxes which may be levied without limitations as to rate or amount upon all taxable property, real and personal, within the territorial limits of the City. See also the caption “**THE BONDS – Security and Sources of Payment for the Bonds**” herein.

Other Outstanding Obligations payable

In addition to the Bonds, the City is obligated to levy ad valorem taxes sufficient to pay the principal and interest requirements on the City’s other general obligation bonds as set forth in this Official Statement under *Appendix A – “DEBT STRUCTURE OF THE CITY – Current Long-Term General Obligation*

Indebtedness” attached hereto. The City is also obligated on an annually renewable basis to make certain lease payments under lease purchase financings described under *Appendix A – “DEBT STRUCTURE OF THE CITY – Other Long-Term Obligations of the City”* attached hereto. The lease payments are payable solely from funds annually appropriated by the Board of Aldermen and are not payable from amounts in the City’s Debt Service Fund which is available solely to make payments on the City’s general obligation bonds.

Other Unissued Obligations

After the issuance of the Bonds, the City will have authority to issue the remaining \$3,250,000 of bonds for the parks project and the remaining \$250,000 of bonds for the public safety project, all as approved at the August 5, 2014, election. The City has plans to issue the remaining amount of the bonds sometime in early 2016. If such bonds are issued, the City will be obligated to meet from ad valorem taxes the principal and interest on such bonds. See *Appendix A - “DEBT STRUCTURE OF THE CITY- Current Long-Term General Obligation Indebtedness”* attached hereto.

Financial Statements

The audited financial statements of the City for fiscal year ended September 30, 2013, are included in *Appendix B* hereto. The financial statements in *Appendix B* have been examined by Cochran, Head, Vick & Co., P.C., Certified Public Accountants, Kansas City, Missouri, whose report thereon is also included in *Appendix B* hereto.

Rating

The Bonds have been assigned the rating set forth on the cover page by Standard & Poor’s, a Division of McGraw-Hill, Inc. (“S&P”). See the caption **“MISCELLANEOUS - Bond Rating”** herein.

Continuing Disclosure Information

The City has agreed to provide certain annual financial information and notices of certain events to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system (“EMMA”), in accordance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. See the caption **“CONTINUING DISCLOSURE”** herein and *Appendix C: “FORM OF CONTINUING DISCLOSURE AGREEMENT”* attached hereto.

PLAN OF FINANCING

Authorization and Purpose of Bonds

The Bonds are authorized pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 26 of the Missouri Constitution and Chapter 95 of the Revised Statutes of Missouri, as amended, and are being issued pursuant to an ordinance of the Board of Aldermen of the City (the **“Bond Ordinance”**) for the purpose of (i) acquiring, constructing, renovating, equipping, repairing and improving facilities for the City’s park and recreation system and public safety facilities and equipment as authorized by propositions approved by the voters of the City at the August 5, 2014, election and (ii) paying the costs of issuing the Bonds.

The Project

The Bonds are being issued pursuant to the Bond Ordinance for the purposes of acquiring, constructing, renovating, equipping, repairing and improving the City’s parks and recreation system and public safety facilities and equipment (the **“Project”**). The portion of the Project devoted to the City’s public safety

facilities and equipment will include the installation of a City-wide communications system, the acquisition of several fire trucks, the renovation of a fire station, the construction of police storage facilities, and the construction of a shooting range for the City’s police department. The portion of the Project devoted to the City’s parks and recreation system will include renovating, repairing, equipping and improving Shalimar Park, the east side Meadowmere Park, and Splash Park.

Sources and Uses of Funds

The following table summarizes the estimated sources of funds, including the proceeds from the sale of the Bonds, and the expected uses of such funds, in connection with the plan of financing:

	<u>Parks Project</u>	<u>Public Safety Project</u>	<u>Total</u>
Sources of Funds:			
Principal Amount of the Bonds	\$5,450,000.00	\$4,050,000.00	\$9,500,000.00
Original issue premium	<u>162,221.46</u>	<u>120,549.89</u>	<u>282,771.35</u>
Total	<u>\$5,612,221.46</u>	<u>\$4,170,549.89</u>	<u>\$9,782,771.35</u>
Uses of Funds:			
Deposit to the Project Fund	\$5,536,482.24	\$4,114,266.61	\$9,650,748.85
Costs of issuance for the Bonds, including Underwriter’s discount	<u>75,739.22</u>	<u>56,283.28</u>	<u>132,022.50</u>
Total	<u>\$5,612,221.46</u>	<u>\$4,170,549.89</u>	<u>\$9,782,771.35</u>

THE BONDS

The following is a summary of certain terms and provisions of the Bonds. Reference is hereby made to the Bonds and the provisions with respect thereto in the Bond Ordinance for the detailed terms and provisions thereof.

General Description

The Bonds are being issued in the aggregate principal amount of \$9,500,000. The Bonds are dated as of the date of original delivery of and payment for such Bonds and the principal is payable on March 1 in the years and in the principal amounts set forth on the inside cover page, subject to redemption and payment prior to maturity upon the terms and conditions described under the section herein captioned “**THE BONDS – Redemption Provisions.**” Interest on the Bonds is calculated at the rates per annum set forth on the inside cover page, computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall consist of fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable from the date thereof or the most recent date to which said interest has been paid and is payable semiannually on March 1 and September 1 in each year, beginning September 1, 2015.

Payment of the interest on the Bonds will be made to the person in whose name such Bond is registered on the registration books (the “**Bond Register**”) at the close of business on the 15th day (whether or not a Business Day) of the calendar month next preceding an interest payment date (the “**Record Date**”). Interest on the Bonds will be paid to the Registered Owners thereof by check or draft mailed by UMB Bank, N.A., Kansas City, Missouri (the “**Paying Agent**”), to each Owner at the address shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner, or in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner and given to the Paying Agent not less than 15 days prior to the Record Date for such interest payment, containing

the electronic transfer instructions including the name and address of the bank (which shall be in the continental United States), the ABA routing number and the account number to which such Owner wishes to have such transfer directed.

Principal on the Bonds will be paid by check or draft to the Registered Owner of such Bond at the maturity of such Bond or otherwise, upon presentation and surrender of such Bond at the principal payment office of the Paying Agent in Kansas City, Missouri.

Security and Sources of Payment for the Bonds

The Bonds will constitute general obligations of the City and will be payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City.

Redemption Provisions

Optional Redemption. At the option of the City, the Bonds or portions thereof maturing on March 1, 2023, and thereafter may be called for redemption and payment prior to their Stated Maturity on March 1, 2022, and thereafter as a whole or in part on any date at a Redemption Price equal to 100% of the principal amount redeemed, plus accrued interest thereon to the Redemption Date.

Notice and Effect of Call for Redemption. In the event of a redemption, the Paying Agent will give written notice of the City's intention to redeem and pay the Bonds by first-class mail to the State Auditor of Missouri, and to the Registered Owner of each Bond, such notice to be mailed not less than 30 days prior to the redemption date. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed will become due and payable on the redemption date, at the redemption price therein specified, and from and after the redemption date (unless the City defaults in the payment of the redemption price) such Bonds or portion of Bonds shall cease to bear interest.

So long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent will provide the notices of Bonds to be redeemed to DTC. It is expected that DTC will, in turn, notify the DTC Participants and that the DTC Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a DTC Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Paying Agent, a DTC Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, will not affect the validity of the redemption of such Bond.

Book-Entry Only System

Ownership interests in the Bonds will be available to purchasers only through a book-entry only system (the "**Book-Entry Only System**") described in *Appendix D*.

Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System

If the Book-Entry Only System is discontinued the following provisions would apply: Each Bond when issued will be registered by the Paying Agent in the name of the owner thereof on the Bond Register. Bonds are transferable only upon the Bond Register upon presentation and surrender of the Bonds, together with instructions for transfer. Bonds may be exchanged for Bonds in the same aggregate principal amount and maturity upon presentation to the Paying Agent, subject to the terms, conditions and limitations set forth in the Bond Ordinance and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, transfer or exchange.

CUSIP® Numbers

It is anticipated that CUSIP® identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds, nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and payment for any Bonds.

SECURITY FOR THE BONDS

General

Pledge of Full Faith and Credit. The Bonds will constitute general obligations of the City and will be payable as to both principal and interest from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are irrevocably pledged under the Bond Ordinance for the prompt payment of the principal of and interest on the Bonds as the same become due.

Levy and Collection of Annual Tax. Under the Bond Ordinance, there is levied upon all of the taxable tangible property within the City a direct annual tax sufficient to produce the amounts necessary for the payment of the principal of and interest on the Bonds as the same become due and payable in each year. Such taxes shall be extended upon the tax rolls in each year, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the City are levied and collected. The proceeds derived from said taxes shall be deposited in the Debt Service Fund, shall be kept separate and apart from all other funds of the City and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due and the fees and expenses of the Paying Agent.

LEGAL MATTERS

Legal Proceedings

As of the date hereof, there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the City or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act in connection with the authorization, issuance and sale of the Bonds, or the constitutionality or validity of the Bonds or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof, or which might affect the City's ability to meet its obligations to pay the Bonds.

Approval of Legality

All legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel. Bond Counsel has participated in the preparation of this Official Statement, but the factual and financial information appearing herein has been supplied or reviewed by certain officials of the City or other sources, as referred to herein.

TAX MATTERS

The following is a summary of the material Federal and State of Missouri income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of Federal income taxation that may be relevant to investors in light of their

personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the Federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Missouri, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding Federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under the law existing as of the issue date of the Bonds:

Federal and Missouri Tax Exemption. The interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

Alternative Minimum Tax. Interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bank Qualification. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Bond Counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds but has reviewed the discussion under the heading “**TAX MATTERS.**”

Other Tax Consequences

Original Issue Premium. If a Bond is issued at a price that exceeds the stated redemption price at maturity of the Bond, the excess of the purchase price over the stated redemption price at maturity constitutes “premium” on that Bond. Under Section 171 of the Code, the purchaser of that Bond must amortize the premium over the term of the Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss

and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Agreement with UMB Bank, N.A., as Dissemination Agent, the City has agreed to provide to the Municipal Securities Rulemaking Board (the "**MSRB**"), not later than 180 days after the end of each fiscal year, (1) the audited financial statements of the City for that fiscal year and (2) certain operating data of the City (the "**Annual Report**"). The financial statements of the City are audited by the City's independent certified public accountants. The City has also agreed to provide prompt notice to the MSRB of the occurrence of certain material events with respect to the Bonds. See *Appendix C: "FORM OF CONTINUING DISCLOSURE AGREEMENT"*.

The City has entered into prior undertakings under Rule 15c2-12 (the "**Rule**"). The City believes it has complied during the past five years with its prior undertakings under the Rule, except as follows:

1. The City's annual financial information and operating data required to be provided pursuant to its prior continuing disclosure undertakings were filed late for every year except for the fiscal year ended September 30, 2013, which was timely filed. The filings for the other years range from 2 to 25 days late.
2. The annual filings prior to the filing for the fiscal year ended September 30, 2013 were not linked to the Infrastructure Facilities Revenue Bonds (Gateway Commons Project), Series 2003A, for which the City is an obligated person under the Rule.
3. The annual filing for the fiscal year ended September 30, 2011, was not linked to the Refunding Certificates of Participation, Series 2011, until April 10, 2014, but all information was available in the City's filings for its other issues.
4. The City did not file a notice of rating change in connection with the underlying rating change and the rating change of the bond insurer of its Certificates of Participation, Series 2003, as required by the continuing disclosure undertaking for that issue.

The City subsequently filed its annual financial information and operating data for issues subject to prior undertakings under the Rule with MSRB through its EMMA website for the fiscal years ended September 30, 2009, 2010, 2011 and 2012. Furthermore, the City has subsequently linked on EMMA its annual financial

information and operating data for the fiscal year ended September 30, 2013, to all prior debt obligations subject to continuing disclosure undertakings. The City has also subsequently filed a notice of rating change under its Certificates of Participation, Series 2003, describing the City's underlying rating change and the rating change of the bond insurer for that issue. In connection with the issuance of the Bonds, the City will institute written procedures to promote future compliance with its undertakings to disclose financial information under the Rule.

MISCELLANEOUS

Bond Rating

Standard & Poor's, a Division of McGraw-Hill, Inc. ("**S&P**"), has assigned the Bonds the rating of "AA-". Such rating reflects only the view of S&P at the time the rating is given, and neither the City nor the Underwriter make any representation as to the appropriateness of the rating, or that the rating will not be changed, suspended or withdrawn.

The City has furnished S&P with certain information and materials relating to the Bonds and the City that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions made by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. The Underwriter has not undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of the ratings of the Bonds or to oppose any such proposed revision or withdrawal. Pursuant to the Continuing Disclosure Agreement, the City is required to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of the ratings of the Bonds but has not undertaken any responsibility to oppose any such proposed revision or withdrawal. See *Appendix C: "FORM OF CONTINUING DISCLOSURE AGREEMENT."* Any such revision or withdrawal of the rating could have an adverse effect on the market price and marketability of the Bonds.

Financial Advisor

Piper Jaffray & Co. (the "**Financial Advisor**") has acted as Financial Advisor to the City in connection with the sale of the Bonds. The Financial Advisor has assisted in various matters relating to the planning, structuring and issuance of the Bonds and various other debt related matters, including advice in the preparation of this Official Statement. The Financial Advisor has not passed on the accuracy or completeness of the factual information contained in this Official Statement. The Financial Advisor will not be a manager or a member of any purchasing group submitting a proposal for the purchase of the Bonds.

Certain Relationships

Gilmore & Bell, P.C., Bond Counsel, has represented the Financial Advisor in transactions unrelated to the issuance of the Bonds, but is not representing the Financial Advisor in connection with the issuance of the Bonds.

Underwriting

Stifel Nicolaus & Co. Inc. (the "**Underwriter**"), has agreed to purchase the Bonds from the City at the price of \$9,725,848.85 (the principal amount of the Bonds, plus an original issue premium of \$282,771.35, less an underwriting discount of \$56,922.50). The Underwriter is purchasing the Bonds from the City for resale in the normal course of the Underwriter's business activities. The Underwriter may sell a certain amount of the Bonds at a price greater than such purchase price, as shown on the inside cover hereof. The Underwriter

reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

Certification and Other Matters Regarding Official Statement

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the City, certified public accountants, and other sources, as referred to herein, which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized.

Simultaneously with the delivery of the Bonds, the Mayor of the City, acting on behalf of the City, will furnish to the purchaser of the Bonds a certificate which shall state, among other things, that to the best knowledge and belief of such officer, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

The form of this Official Statement, and its distribution and use by the purchaser of the Bonds has been approved by the City. Neither the City nor any of its officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the financial condition of the City or the City's ability to make payments required of it; and further, neither the City nor its officers, directors or employees assumes any duties, responsibilities or obligations in relation to the issuance of the Bonds other than those either expressly or by fair implication imposed on the City by the Bond Ordinance.

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Additional Information

Additional information regarding the City or the Bonds may be obtained from Piper Jaffray & Co., Attention: Todd Goffoy, 11635 Rosewood Street, Leawood, Kansas 66211 (913-345-3373), or from the City, Attention: Cemal Gungor, Director of Finance, 1200 Main Street, Grandview, Missouri 64030 (816-316-4800).

CITY OF GRANDVIEW, MISSOURI

By: _____ /s/ Leonard D. Jones, Jr.
Mayor

APPENDIX A

CITY OF GRANDVIEW, MISSOURI

**GENERAL, ECONOMIC AND FINANCIAL INFORMATION
FOR THE CITY**

APPENDIX A

CITY OF GRANDVIEW, MISSOURI

GENERAL, ECONOMIC AND FINANCIAL INFORMATION FOR THE CITY

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GENERAL AND ECONOMIC INFORMATION

Location and Size

Situated on the southern edge of Jackson County approximately 15 miles south of downtown Kansas City, Missouri, the City encompasses approximately 15 square miles located along U.S. Highway 71 and bordered on the north and west by Kansas City, Missouri. The City's estimated population in 2013 was 24,881.

Government and Organization

The City is a municipal corporation and city of the fourth class organized and existing under the constitution and laws of the State of Missouri since February 6, 1912, and is governed by a Board of Aldermen/City Administrator form of government and exercises powers of municipal government specifically granted by the State of Missouri. The Board of Aldermen is composed of six members, two elected from each of the City's three wards, to serve staggered two-year terms without restriction as to reelection. The Mayor is elected at-large for a two-year term. The Board of Aldermen establishes utility and tax rates and authorizes all municipal indebtedness.

The current members of the City's Board of Aldermen are:

<u>Name</u>	<u>Office</u>	<u>First Elected</u>	<u>Year Current Term Expires</u>
Leonard D. Jones, Jr	Mayor	1998 ⁽¹⁾	2016
Michael Allen	Alderman Ward I	2014	2016
Sandy Kessinger	Alderman Ward I	2014	2016
Brian Hochstein	Alderman Ward II	2013	2015
Annette Turnbaugh	Alderwoman Ward II	2010	2016
James N. Crain	Alderman Ward III	1980	2016
John Maloney	Alderman Ward III	2011	2015

(1) First elected to the Board of Aldermen in 1998; appointed to the position of Mayor in January 2014, and elected to that position in April 2014.

The Mayor and Board of Aldermen appoint a City Administrator, who acts as the chief administrative officer of the City. The current City Administrator is Cory L. Smith, who has held that position since 1991. Prior to that time, he served as Assistant City Administrator for the City for 12 years. The City budget, prepared by the City Administrator and Assistant City Administrator, is reviewed and adopted by the Board of Aldermen. The City Administrator is responsible for appointing all other department heads and for directing the operations of the City in accordance with policies set by the Board of Aldermen.

The Assistant City Administrator is Kirk Decker, who has held that position since 2005. Cemal Gungor was appointed to the position of Finance Director on June 30, 2014. Mr. Gungor was formerly a financial manager for the City of Kansas City, Missouri. Becky Schimmel serves as City Clerk.

Employees

The City has a total of 203 full-time equivalent employees as follows: 113 in public safety, 10 in public works, 10 in the water/sewer department, 35 in parks and recreation, 27 in administration and finance and 8 in community development. The fire department's employees are represented by a union. There are currently no labor disputes and the City considers its relationship with the employees to be excellent.

Employee Retirement and Pension Plans

The City is a participant in the Social Security retirement plan. In addition, the City participates in the state-wide Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS was created in 1967 and is governed by State statute. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax-exempt.

All full-time employees are eligible to participate in LAGERS. Benefits vest after five years of credited service. Employees who retire on or after age 60 (55 for police and fire) with five or more years of service are entitled to an allowance for life based upon the benefit program then in effect. The allowance is equal to a benefit factor multiplied by the final average salary multiplied by the number of years of service. LAGERS also provides early retirement, death and disability benefits. The City contributes all amounts necessary to finance the coverage of its employees using the actuarial basis specified by State statute.

The City's full-time employees do not contribute to the pension plan. The City is required by state statute to contribute at an actuarially determined rate using the entry age actuarial cost method. For the year ended September 30, 2014, the City's annual pension cost of \$636,806 was equal to the required and actual contributions. Employers' contribution rates are adjusted annually in order to reflect the changes in the composition of each employer's employee pool and assumptions of the system. This is accomplished by annual actuarial valuations. In accordance with Revised Statutes of Missouri (RSMo) Section 70.730, the employer contribution rate charged to the valuation group of an individual employer will not increase by more than 1% of payroll from the previous year in the absence of any benefit changes. If a benefit change is adopted, the employer contribution rate charged to the valuation group of an individual employer will be allowed to increase by more than 1% of payroll. According to LAGERS' Annual Financial Report (as of 2014), the City of Grandview's LAGERS funding percentage breakdown is:

General Division	112.0%
Police Division	90.1%
Fire Division	108.4%

The City offers other post-employment benefits as described in Note 10 to the Comprehensive Audited Financial Report, included as **Appendix B** to this Official Statement.

Risk Management

The City obtains health and dental, and workers' compensation insurance coverage through its membership in Midwest Public Risk (MPR), a not-for-profit corporation consisting of governmental entities and political subdivisions. MPR was formed as a public entity risk retention pool to cover health and dental, workers' compensation, and property and casualty claims for its members. The City pays monthly and annual premiums to MPR for all coverage. The agreement with MPR provides that MPR will be self-sustaining through member premiums, although MPR has the authority to assess members for any deficiencies of revenues under expenses for any single plan year. Also, MPR has the authority to declare refunds to members for the excess of revenues over expenses relating to any single plan year. MPR has not had deficiencies in any of the past three fiscal years and management of the City is not aware of any deficit situation in MPR which would require an accrual of a liability as of September 30, 2013. Also, there have been no significant changes in coverage for 2013 and the City has not incurred any claims which have exceeded its coverage in any of the past three years.

Services and Facilities

Municipal Utilities and Services. The City provides public safety services including fire, ambulance and police protection, maintenance of streets and sanitary sewer services.

The Grandview Police Department is comprised of 55 sworn officers and 14 civilian support employees. The Police Department is involved in various community programs such as D.A.R.E., neighborhood watch groups and the Grandview Youth Court, a program designed to educate area youth in the justice system. The Grandview Fire Department staff includes a Fire Chief, three Assistant Fire Chiefs and over 40 uniformed firefighters manning three fire stations. A full complement of firefighters also function as paramedics or EMTs.

The City's water is supplied by Jackson County Public Water Supply District No. 1 who purchases its water from Kansas City, Missouri. Natural gas is supplied by Missouri Gas Energy. Electricity is provided by Kansas City Power and Light and Aquila, Inc.

The City provides various recreational and cultural services under the responsibility of the governing body with assistance from an appointed Parks and Recreation Commission. Included in these services are 13 public parks totaling over 200 acres, two outdoor aquatic centers, three ball field complexes and a 60,000 square foot state-of-the art community center. Located on Grandview's southeast border is the Longview Lake area totaling 4,830 acres. Longview Lake provides a 950-acre lake and beach area, full service marina, water skiing, fishing and boat rental and an extensive trail system. Also located within five miles of the City are five 18-hole golf courses and a 9-hole par three golf course.

Transportation and Communication Facilities. The City's close proximity to the metropolitan Kansas City area provides residents with a wide variety of transportation services, including water, air and rail transport. The City is approximately 40 miles from Kansas City International Airport and 20 miles from both the Downtown Airport in Kansas City, Missouri, and Johnson County Executive Airport in Olathe, Kansas. Jet service is available to every part of the United States and overseas with flight times to either U.S. coast of approximately three hours.

Local phone service is provided by Southwestern Bell and long distance service is provided by several suppliers. Internet access is available to residents of the City through several internet service providers, including Google Fiber. The City, being part of the Kansas City metropolitan area, has access to all communication facilities of the area, including radio and television stations, cable television and daily, as well as weekly newspapers.

Educational Institutions and Facilities. Most of the City is served by the Grandview C-4 School District which is comprised of six elementary schools, one junior high school and one high school. A small portion of the City is also served by Hickman Mills C-1 School District. The Missouri Department of Elementary and Secondary Education (DESE) administers the Missouri School Improvement Program, whereby school districts are evaluated in all areas of operation, including curriculum, facilities, teaching staff and administrative staff. The evaluation culminates with the placing of each district in one of three categories: "fully accredited," "provisionally accredited" or "unaccredited." The Grandview C-4 School District has been awarded a "fully accredited" status, and the Hickman Mills C-1 School District has been designated as "provisionally accredited." The classification is not a bond or debt rating, but solely an evaluation made by DESE.

The City's residents also have easy access to the Kansas City metropolitan area's fifteen colleges and universities, seven community colleges and numerous technical schools. Longview Community College is located immediately adjacent to the City.

Medical and Health Facilities. The City has access to several hospitals throughout the metropolitan area which provide inpatient/outpatient facilities as well as a full range of diagnostic and therapeutic services. There are many general practitioners and specialists practicing within the City.

ECONOMIC INFORMATION CONCERNING THE CITY

Commerce, Industry and Employment

Major Employers. Listed below are the major employers located in the City and the number employed by each:

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Grandview C-4 School District	Education	615
Peterson Manufacturing Company	Truck safety lighting manufacturer	518
Burger & Brown Engineering	Engineering and machining services	514
Mead WestVaco Calmar	Spray trigger mechanism manufacturer	340
City of Grandview	Municipal government	210
Ruskin Company	Manufacturing	194
Durham School Services	Student transportation provider	189
U.S. Toy Company, Inc.	Toy distributor	181
Sam's Club ⁽¹⁾	Retail	166
Triumph Structures-Kansas City, Inc.	Precision machining aluminum & hard metals	138

Source: Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2013.

⁽¹⁾ Sam's Club closed at the end of October 2013, when a new Sam's Club was opened in Raymore, Missouri (approximately 10 miles from Grandview).

General Demographic Statistics

The following table sets forth general demographic statistics for the City:

<u>Year</u>	<u>Estimated Population</u>	<u>Per Capita Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2013	24,881	21,340	33.7	4,018	6.9%
2012	24,630	21,490	36.0	3,912	7.3%
2011	26,140	21,112	35.8	3,888	9.0%
2010	24,522	22,760	36.8	3,772	9.5%
2009	24,464	19,720	36.6	3,912	9.9%

Source: Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2013.

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Building Construction

The following table indicates the number of building permits and total estimated valuation of these permits issued within the City over a five-year period. These numbers reflect permits issued either for new construction or for major renovation.

<u>Year</u>	<u>Commercial Construction</u>		<u>Residential Construction</u>	
	<u># of Permits</u>	<u>Value</u>	<u># of Permits</u>	<u>Value</u>
2013	54	\$21,433,058	31	\$3,708,614
2012	23	\$ 5,578,125	23	\$2,671,000
2011	37	10,383,733	16	2,004,000
2010	26	9,987,450	25	3,055,000
2009	13	8,561,276	27	2,955,000

Source: City of Grandview.

FINANCIAL INFORMATION

General Description of Financial Practices

Accounting and Auditing Procedures. The accounting and reporting policies of the City conform to generally accepted principles applicable to local government. The modified accrual basis of accounting is utilized by the City. Under the modified accrual basis of accounting, revenues are recorded when they become susceptible to accrual (i.e., amounts measurable and available to finance the City's operations or of a material amount and not received at the normal time of receipt). Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Significant revenues which are considered susceptible to accrual include property taxes, sales taxes, utility and franchise taxes, interest and certain state and federal grants and entitlements. Expenditures, other than interest on long-term debt, are recorded when the fund liability is incurred.

City policies require an annual independent audit to be made of the financial statements of the various funds and account groups by an independent certified public accounting firm selected by the Board of Aldermen. The City's auditor for fiscal year 2013 was Cochran, Head, Vick & Co., P.C., Certified Public Accountants, Kansas City, Missouri.

Financial Reporting. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2012. This was the 26th consecutive year that the City has received this award.

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Budget Process. The City is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the City's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk. The City's budget process is as follows:

- | | |
|----------------------|--|
| May | - Board of Aldermen briefing on budget outlook and revenue forecast. |
| June | - Budget instructions distributed. |
| July | - Preliminary departmental budget submission. |
| August | - Departmental budget review meetings. |
| | - Public hearing for the proposed tax levy and debt retirement. |
| | - Preliminary annual budget submitted to Board of Aldermen. |
| | - Board of Aldermen work sessions to review departmental budgets. |
| | - Adoption of general purpose and debt levies. |
| Prior to September 1 | - Certification of tax levy to County Clerk. |
| September | - Budget work session to discuss pay and benefit issues. |
| | - Budget work session of Funds and summary of Board modifications. |
| | - Adoption of ordinance of annual budget. |

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History of Revenues, Expenditures and Changes in Fund Balances

In accordance with established accounting procedures of governmental units, the City records its financial transactions under various funds. The largest is the General Fund, from which all general operating expenses are paid and to which taxes and all other revenues not specifically allocated by law or contractual agreement to other funds are deposited. Excerpts from the City's audited financial statements for the fiscal year ended September 30, 2013, are included in this Official Statement as **Appendix B**. Copies of prior fiscal year's audits and financial reports are on file with the City Clerk. The following table sets forth the revenues, expenditures and fund balances for the City's governmental funds for the three fiscal years shown. (Amounts for the fiscal year ended September 30, 2014, are not yet available.)

THREE-YEAR HISTORY OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND

	Year Ending September		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
REVENUES			
Taxes	\$9,469,226	\$9,038,808	\$8,836,129
Licenses & Permits	491,434	449,682	561,510
Intergovernmental revenues	1,500,887	1,379,385	1,301,780
Charges for services	1,515,416	1,314,047	1,463,553
Fines and forfeitures	1,125,706	1,183,416	1,317,275
Interest	139,243	45,508	7,066
Other	<u>311,600</u>	<u>296,488</u>	<u>390,277</u>
TOTAL REVENUES	14,553,512	13,707,334	13,877,590
EXPENDITURES			
General government	2,974,094	3,100,989	3,260,687
Public safety	8,549,553	8,725,708	8,594,237
Community development	663,109	678,657	1,433,582
Public works	1,347,294	1,398,517	699,810
Culture and recreation	<u>746,030</u>	<u>729,569</u>	<u>584,796</u>
TOTAL EXPENDITURES	14,280,080	14,633,440	14,573,112
Excess of revenues over (under) expenditures	273,432	(926,106)	(695,522)
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	38,666	24,546	26,969
Transfers in	556,654	1,296,172	382,605
Transfers out	<u>(396,000)</u>	<u>(556,000)</u>	<u>(175,000)</u>
Total other financing sources (uses)	199,320	764,718	234,574
Net change in fund balances	472,752	(161,388)	(460,948)
FUND BALANCES:			
Fund balance at beginning of year	<u>5,562,108</u>	<u>6,034,860</u>	<u>5,873,472</u>
Fund balance at end of year	<u>\$ 6,034,860</u>	<u>\$ 5,873,472</u>	<u>\$5,412,524</u>

Source: Comprehensive Annual Financial Reports for the Fiscal Years Ended September 30, 2011, 2012 and 2013.

Sales Tax Collections

Historical Collections. The following table sets forth the City's sales tax collection for the last three fiscal years:

Fiscal Year Ended <u>9/30</u>	Transportation <u>(0.5%)</u>	Capital Improvement <u>(0.5%)</u>	Community Center <u>(0.5%)</u>	General Fund <u>(1.0%)</u>
2014	\$1,105,112	\$1,215,364	\$1,105,190	\$2,430,726
2013	1,152,625	1,256,106	1,146,210	2,512,243
2012	1,173,845	1,284,031	1,133,197	2,568,078
2011	1,178,814	1,237,354	1,120,281	2,570,599

Source: Comprehensive Annual Financial Reports for the Fiscal Years Ended September 30, 2011, 2012 and 2013. Unaudited financial statements of the City for the Fiscal Year Ended September 30, 2014.

2013 Closure of Largest Remitter of Sales Taxes. Sam's Club, the largest retailer in the City, closed at the end of October 2013, when a new Sam's Club was opened in Raymore, Missouri (approximately 10 miles from Grandview).

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DEBT STRUCTURE

Debt Summary

The following table summarizes certain financial information concerning the City. This information should be reviewed in conjunction with the information contained in this section and the excerpts of financial statements of the City in **Appendix B** hereto.

2014 Assessed Valuation ⁽¹⁾	\$250,414,967
2014 Estimated Actual Valuation ⁽²⁾	\$1,048,037,355
Population (2013).....	24,881
Outstanding General Obligation Bonds (Direct Debt) ⁽³⁾	\$12,160,000
Overlapping General Obligation Debt ⁽⁴⁾	\$25,827,000
Total Direct and Overlapping General Obligation Debt	\$37,987,000
Ratio of Direct Debt to Assessed Valuation	4.86%
Ratio of Direct Debt to Estimated Actual Valuation.....	1.16%
Per Capita Direct Debt	\$488.73
Ratio of Direct and Overlapping Debt to Assessed Valuation.....	15.17%
Ratio of Direct and Overlapping Debt to Estimated Valuation.....	3.62%
Per Capita Direct and Overlapping Debt	\$1,526.75

⁽¹⁾ Includes 2014 real and personal property assessment as certified by the Jackson County Clerk. For further details see **“PROPERTY TAX INFORMATION CONCERNING THE CITY.”**

⁽²⁾ Estimated actual valuation is calculated by dividing different classes of property by the corresponding assessment ratio. For a detail of these different classes and ratios see **“PROPERTY TAX INFORMATION CONCERNING THE CITY.”**

⁽³⁾ All outstanding general obligation bonds of the City, including the Bonds.

⁽⁴⁾ For further details see **“DEBT STRUCTURE.”**

Current Long-Term General Obligation Indebtedness

The following table sets forth all of the outstanding general obligation indebtedness of the City as of November 1, 2014:

<u>Category of Indebtedness</u>	<u>Date of Indebtedness</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
General Obligation Bonds, Series 2010	November 23, 2010	\$4,250,000	\$ 2,660,000
General Obligation Bonds, Series 2014	December 23, 2014	9,500,000	<u>9,500,000</u>
TOTAL			<u>\$12,160,000</u>

Voters at the August 2014 election approved the issuance by the City of \$4,300,000 general obligation bonds for public safety facilities and equipment, and \$8,700,000 general obligation bonds for parks and recreation facilities and equipment. The issuance of the bonds is not expected to result in an increase in the debt service levy.

History of General Obligation Indebtedness

The following table sets forth debt information pertaining to the City as of the end of each of the last five fiscal years:

<u>As of September 30</u>	<u>Total (Gross) Outstanding Debt</u>	<u>Total Net Outstanding Debt⁽¹⁾</u>	<u>Net Outstanding Debt as Percentage of Assessed Value</u>
2013	\$3,699,899	\$2,561,262	0.97%
2012	4,689,564	3,548,127	1.35
2011	5,500,000	4,411,770	1.70
2010	2,400,000	1,137,260	0.42
2009	3,300,000	2,169,407	0.77

Source: Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2013.

⁽¹⁾ Gross general obligation debt reduced by Debt Service Fund balance available to pay principal.

General Obligation Bond Debt Service Requirements

The following table sets forth debt service requirements for all of the outstanding general obligation indebtedness of the City as of the date hereof:

<u>Fiscal Year Ending September 30</u>	<u>Outstanding Bonds Total Debt Service</u>	<u>Bonds Being Offered</u>		<u>Total</u>
		<u>Principal</u>	<u>Interest</u>	
2015	\$1,037,475.00		\$ 188,738.33	\$ 1,226,213.33
2016	1,046,100.00		273,975.00	1,320,075.00
2017	335,968.75	\$ 30,000.00	273,675.00	639,643.75
2018	<u>328,656.25</u>	45,000.00	272,925.00	646,581.25
2019		390,000.00	268,575.00	658,575.00
2020		410,000.00	258,525.00	668,525.00
2021		435,000.00	245,850.00	680,850.00
2022		455,000.00	232,500.00	687,500.00
2023		480,000.00	220,875.00	700,875.00
2024		505,000.00	211,025.00	716,025.00
2025		530,000.00	199,350.00	729,350.00
2026		560,000.00	185,725.00	745,725.00
2027		585,000.00	170,681.25	755,681.25
2028		615,000.00	154,181.25	769,181.25
2029		650,000.00	135,975.00	785,975.00
2030		685,000.00	115,950.00	800,950.00
2031		720,000.00	93,975.00	813,975.00
2032		760,000.00	69,925.00	829,925.00
2033		800,000.00	43,575.00	843,575.00
2034		<u>845,000.00</u>	<u>14,787.50</u>	<u>859,787.50</u>
TOTAL	<u>\$2,748,200.00</u>	<u>\$9,500,000.00</u>	<u>\$3,630,788.33</u>	<u>\$15,878,988.33</u>

Overlapping General Obligation Indebtedness

The following table sets forth overlapping indebtedness of political subdivisions with boundaries overlapping the City as of November 1, 2014, and the percent attributable (on the basis of assessed valuation) to the City:

<u>Taxing Jurisdiction</u>	<u>Net Outstanding General Obligation Indebtedness</u>	<u>Percent Applicable to City</u>	<u>Amount Applicable to City</u>
Grandview C-4 School District	\$37,245,000	60%	\$22,347,000
Hickman Mills Consolidated School District No. 1	34,800,000	10%	<u>3,480,000</u>
TOTAL			<u>\$25,827,000</u>

Source: Bond Registration Reports of Missouri State Auditor.

Legal Debt Capacity

Article VI, Sections 26(b) and 26(c) of the Constitution of Missouri limits the net outstanding amount of authorized general obligation bonds for a city to 10 percent of the assessed valuation of the city. Article VI, Sections 26(d) and 26(e), however, provides that a city may, with the required voter approval, issue general obligation bonds in an amount not to exceed an additional 10 percent of assessed valuation for street, water system, sewer system and electric utility system improvements, provided the total general obligation indebtedness of a city does not exceed 20 percent of the assessed valuation. Based on the City's assessed valuation for 2014 and taking into account the Bonds and the remaining voter-approved but unissued general obligation bonds, the City's legal debt margin is:

Constitutional Debt Limit (20% of 2014 Assessed Valuation)	\$50,082,993
General Obligation Indebtedness ⁽¹⁾	<u>(15,660,000)</u>
Legal Debt Margin	<u>\$34,422,993⁽¹⁾</u>

⁽¹⁾ The legal debt margin will be greater than the amount shown after reducing the outstanding general obligation indebtedness by the amount in the City's Debt Service Fund available to pay principal.

Future Issuance of Bonds or Other Long-Term Obligations

Following the issuance of the Bonds, the City will have \$250,000 remaining voter-approved authorization to issue general obligation bonds for public safety facilities and equipment, and \$3,250,000 general obligation bonds for parks and recreation facilities and equipment. The City currently expects to issue the remaining voter-approved bonds in 2016. Neither the issuance of the Bonds, nor the issuance of the remaining voter-approved bonds is expected to result in an increase in the debt service levy.

The City is considering entering into a financing agreement under which the City would agree, subject to moneys being appropriated by the Board of Aldermen, to make certain payments from legally available funds, if and to the extent required to repay the debt service requirements for bonds to be issued to pay eligible costs of a tax increment financing redevelopment project. See ***“Other Long-Term Obligations of the City -- Possible Future Annual Appropriation Obligations for Tax Increment Financing—Truman Corners Shopping Center.”***

Other Long-Term Obligations of the City

Series 2011 Certificates of Participation. On July 26, 2011, the City approved the delivery of its Refunding Certificates of Participation, Series 2011 (the “Series 2011 Certificates”), in the original principal

amount of 8,405,000 for the purpose of advance refunding the City’s outstanding Certificates of Participation, Series 2003 (the “Series 2003 Certificates”), issued by the City in the original principal amount of \$11,690,000 for the purposes of (a) acquiring, constructing and installing a new community center, (b) acquiring and installing a trunked radio system for the City’s communication system, and (c) acquiring and installing energy conservation improvements in city buildings and facilities. The Series 2011 Certificates are payable from rental payments by the City, subject to annual appropriation by the City Council, pursuant to an annually-renewable lease purchase agreement. The City has historically made these rental payments from Parks Sales Tax receipts and anticipates doing so in the future. The remaining rental payments distributable with respect to the Series 2011 Certificates are as follows:

Fiscal Year Ended September 30	Principal Portion	Interest Portion	Total Basic Rent
2015	\$ 390,000.00	\$ 266,060.00	\$ 656,060.00
2016	415,000.00	253,985.00	668,985.00
2017	445,000.00	241,085.00	686,085.00
2018	475,000.00	224,910.00	699,910.00
2019	500,000.00	207,910.00	707,910.00
2020	530,000.00	189,810.00	719,810.00
2021	565,000.00	169,322.50	734,322.50
2022	595,000.00	148,278.75	743,278.75
2023	625,000.00	124,622.50	749,622.50
2024	650,000.00	99,122.50	749,122.50
2025	690,000.00	71,977.50	761,977.50
2026	730,000.00	42,776.25	772,776.25
2027	<u>660,000.00</u>	<u>13,860.00</u>	<u>673,860.00</u>
TOTAL	<u>\$7,270,000.00</u>	<u>\$2,053,720.00</u>	<u>\$9,323,720.00</u>

Obligations secured by annually appropriated funds do not constitute an indebtedness for purposes of any Missouri statutory or constitutional debt limit. Such obligations are payable solely from annually appropriated funds of a governmental body available therefor and neither taxes nor a specific source of revenues can be pledged to make payments on such obligations. Any increase in taxes required to generate sufficient funds with which to make payments on such obligations are subject to voter approval.

Annual Appropriation Obligations for Tax Increment Financing—Gateway Commons. On December 1, 2003, the City entered into a financing agreement with the Missouri Development Finance Board (MDFB) to obtain a \$5,665,000 loan to finance certain public and private improvements in the Gateway Commons TIF District No. 9. The loan is due in annual installments through March 1, 2026, with interest rates ranging from 3.125% to 5.375%. In connection with the formation of the TIF District and obtaining the loan, the City has agreed to loan up to \$450,000 of the proceeds to the transportation development district (TDD) associated with the TIF project. The loan is subordinate to the MDFB bonds. At September 30, 2013, \$449,663 has been advanced by the City. The incremental property and sales taxes generated in the TIF District, as well as the amounts repaid on the TDD loan, are pledged by the City to the repayment of this loan. Any additional amounts necessary to make the loan payments are, subject to annual appropriation, payable from General Fund revenues. Restricted assets related to this issue include \$582,907 in the debt service related accounts. Total principal and interest remaining on the bonds is \$6,383,722. For 2013, principal and interest paid and incremental tax revenues were \$408,069 and \$287,508, respectively. The remaining annual principal and interest payable in connection with the Gateway Commons TIF District No. 9 are as follows:

Fiscal Year Ended September 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 205,000	\$ 219,919	\$ 424,919
2016	225,000	209,169	434,169
2017	240,000	197,544	437,544
2018	260,000	185,044	445,044
2019	280,000	171,194	451,194
2020	305,000	155,838	460,838
2021	330,000	139,169	469,169
2022	350,000	121,319	471,319
2023	380,000	102,156	482,156
2024	410,000	81,163	491,163
2025	440,000	58,319	498,319
2026	<u>865,000</u>	<u>23,247</u>	<u>888,247</u>
TOTAL	<u>\$4,290,000</u>	<u>\$1,664,081</u>	<u>\$5,954,081</u>

Possible Future Annual Appropriation Obligations for Tax Increment Financing—Truman Corners Shopping Center. The City has entered into a redevelopment agreement with RED Legacy, LLC, for implementation of the “Truman’s Landing Tax Increment Financing Redevelopment Plan” (the “Plan”). The City is considering entering into a financing agreement under which the City would agree, subject to moneys being appropriated by the Board of Aldermen, to make certain payments from legally available funds, if and to the extent required to repay the debt service requirements for bonds to be issued in an approximate amount of \$12,000,000, to pay costs of the project that is the subject of the Development Agreement. The bonds would first be payable from incremental property and sales taxes generated in the redevelopment area designated in the Plan. Any additional amounts payable by the City would be subject to annual appropriation and payable from General Fund revenues. Whether the City will enter into the financing agreement is uncertain and is dependent upon the outcome of ongoing negotiations with RED Legacy, LLC.

Other TIF Financing Obligations. The City has formed other tax increment financing districts, but is obligated only to the extent of the incremental tax revenues for the other districts. At September 30, 2013, the amount of outstanding developer agreements was \$2,632,156 and are payable through 2025 to the extent incremental taxes are available. During 2012, the developer for TIF #10 declared bankruptcy and property related to the TIF project that was used as collateral for the developer’s bank loan was acquired by a bank. The bank subsequently sold the property to another developer that is not using the property for the original purpose as defined in the TIF agreement. As a result, \$1,338,032 of developer obligations due to the original developer are no longer an obligation of the City and have been adjusted from the developer agreements obligation and reported as forgiveness of indebtedness on the statement of activities. For 2013, payments on the developer agreements were \$202,651. Incremental revenues were \$278,024 from City and intergovernmental sales and property taxes in the funds that are responsible for these obligations.

Revenue Bonds. The City currently has no outstanding enterprise revenue bonds.

No Prior Default

The City has never defaulted on the payment of any of its obligations, and has never failed to appropriate funds to pay its annually renewable lease purchase obligations and other obligations that are subject to annual appropriation.

PROPERTY TAX INFORMATION

Property Valuations

Assessment Procedure: All taxable real and personal property within the City is assessed annually by the County Assessor. Missouri law requires that personal property be assessed at 33 1/3% of true value (except for a few subclasses of minimal value that are assessed at a lower percentage) and that real property be assessed at the following percentages of true value:

Residential real property.....	19%
Agricultural and horticultural real property.....	12%
Utility, industrial, commercial, railroad and all other real property	32%

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the state legislature adopted a maintenance law in 1986. On January 1 in every odd-numbered year, each County Assessor must adjust the assessed valuation of all real property located within the county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The County Assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the Board of Equalization. The County Board of Equalization has the authority to adjust and equalize the values of individual properties appearing on the tax rolls.

Current Assessed Valuation. The following table shows the total assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the City, including state assessed railroad and utility property, according to the final assessment for calendar year 2014 for property owned as of January 1, 2014 (subject to adjustment through December 31, 2014):

<u>Type of Property</u>	<u>Total Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Total Estimated Actual Valuation</u>	<u>% of Actual Valuation</u>
Real Property:				
Residential	\$127,265,600	19.00%	\$669,818,947	63.91%
Agricultural	121,074	12.00%	1,008,950	0.10
Commercial ⁽¹⁾	<u>64,857,006</u>	32.00%	<u>202,678,144</u>	<u>19.34</u>
Total Real Property	\$192,243,680		\$873,506,041	83.35
Personal Property	<u>58,171,287</u>	33.33% ⁽²⁾	<u>174,531,314</u>	<u>16.65</u>
TOTAL PROPERTY	<u>\$250,414,967</u>		<u>\$1,048,037,355</u>	<u>100.00%</u>

⁽¹⁾ Includes State Assessed and Local Utilities.

⁽²⁾ Assumes all personal property is assessed at 33 1/3%; because certain subclasses of tangible personal property are assessed at less than 33 1/3%, the estimated actual valuation for personal property would likely be greater than that shown above. See “**Assessment Procedure**” discussed above.

History of Property Valuations: The total assessed valuation of all taxable tangible property situated in the City, including state assessed railroad and utility property, and estimated fair market value, according to the assessments of January 1 in each of the following years, has been as follows:

<u>Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>
2014	\$250,414,967	+1.2%
2013	247,440,097	-5.0
2012	260,383,084	+0.6
2011	258,787,123	-2.5
2010	265,539,937	NA

Source: Jackson County Clerk's assessed valuation notices to the City.

Property Tax Levies and Collections

Tax Collection Procedure: Property taxes are levied and collected for the City by the County, for which the County receives a collection fee of 1% of the gross tax collections made.

The City is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the City's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk. The City must fix its ad valorem property tax rates and certify them to the County Clerk not later than October 1 for entry in the tax books.

The County Clerk receives the county tax books from the County Assessor, which set forth the assessments of real and personal property. The County Clerk enters the tax rates certified to him by the local taxing bodies in the tax books and assesses such rates against all taxable property in the City as shown in such books. The County Clerk forwards the tax books by October 31 to the County Collector, who is charged with levying and collecting taxes as shown therein. The County Collector extends the taxes on the tax rolls and issues the tax statements on or about November 1. Taxes are due by December 31 and become delinquent if not paid to the County Collector by that time. All tracts of land and city lots on which delinquent taxes are due are charged with a penalty of 18% of each year's delinquency. All lands and lots on which taxes are delinquent and unpaid are subject to sale at public auction in August of each year.

The County Collector is required to make disbursements of collected taxes to the City each month. Because of the tax collection procedure described above, the City receives the bulk of its moneys from local property taxes in the months of December, January and February.

Tax Rates

Debt Service Levy. The City's debt service levy for the 2015 fiscal year is \$0.3800 per \$100 of assessed valuation. Once indebtedness has been approved by the voters and bonds are issued, the City is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The Board of Aldermen may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

Operating Levy. The City's operating levy for the 2015 fiscal year is \$1.0000 per \$100 of assessed valuation. The operating levy does not require annual voter approval but the Board of Aldermen cannot raise the rate above that approved in the last election (\$1.00).

Parks and Recreation Levy. The City's parks and recreation levy for the 2015 fiscal year is \$0.1200 per \$100 of assessed valuation.

The following table shows the City's tax levies (per \$100 of assessed valuation) for the current fiscal year and each of the last four fiscal years.

Tax Year Ended <u>December 31</u>	Fiscal Year Ended <u>September 30</u>	General <u>Fund</u>	Parks <u>Fund</u>	Debt Service <u>Fund</u>	Total <u>Levy</u>
2014	2015	\$1.0000	\$0.1200	\$0.3800	\$1.5000
2013	2014	1.0000	0.1200	0.3800	1.5000
2012	2013	1.0000	0.1200	0.3800	1.5000
2011	2012	1.0000	0.1200	0.3800	1.5000
2010	2011	1.0000	0.1200	0.3800	1.5000

Tax Collection Record

The following table sets forth tax collection information for the City for the last five fiscal years.

Fiscal Year Ended <u>September 30</u>	Total Taxes <u>Levied</u>	Collections within the <u>Fiscal Year of the Levy</u>		Collections in Subsequent <u>Years</u>⁽¹⁾	Total Taxes Collected⁽¹⁾	
		<u>Amount</u>	<u>%</u>		<u>Amount</u>	<u>%</u>
2013	\$4,708,106	\$4,464,804	94.8%	--	\$4,464,804	94.8%
2012	4,945,708	4,624,906	93.5	\$158,676	4,783,582	96.7
2011	4,942,490	4,666,724	94.4	200,785	4,867,509	98.5
2010	5,024,738	4,725,891	94.1	200,230	4,926,121	98.0
2009	4,782,244	4,415,352	92.3	299,046	4,714,398	98.6

Source: Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2013.

⁽¹⁾ Does not reflect collections subsequent to the Fiscal Year ended September 30, 2013.

Major Property Taxpayers

The following table sets forth the major property taxpayers in the City for the 2013 calendar year.

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2013 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
KCPL-GMOC	Utility	\$ 4,994,136	1.92%
Peterson Manufacturing	Truck safety lighting mfg	3,872,458	1.49
Grand Summit Golf	Recreation	3,526,271	1.35
CRP2 Holdings Botts LLC	Real Estate	2,000,000	0.77
Triumph Structures – Kansas City	Construction Materials Distributor	1,969,536	0.76
DESC Remain Derman LTD	Real Estate Holding Company ⁽¹⁾	1,894,393	0.73
Caravan Ingredients Co.	Bakery & food ingredients mfg	1,766,960	0.68
US Toy Company	Toy distributor	1,773,457	0.68
Sam's Real Estate	Real estate ⁽²⁾	1,687,918	0.65
Grandview Road III LLC	Industrial	<u>1,494,400</u>	<u>0.57</u>
TOTAL		\$24,979,529	9.59%

Source: Jackson County, Missouri Department of Collections.

⁽¹⁾ Truman Corner's Shopping Center, which is the subject of the redevelopment agreement discussed under the caption **“DEBT STRUCTURE--Other Long-Term Obligations of the City-- Possible Future Annual Appropriation Obligations for Tax Increment Financing—Truman Corners Shopping Center.”**

⁽²⁾ Former site of Sam's Club, which is part of the Truman Corners Shopping Center redevelopment area. Sam's Club closed at the end of October 2013, when a new Sam's Club was opened in Raymore, Missouri (approximately 10 miles from Grandview).

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APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE CITY
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2013**

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CITY OF GRANDVIEW, MISSOURI

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

Prepared by the Finance Department

Phillip S. Smith, Acting Finance Director

**Member of the Government Finance Officers Association
Of the United States and Canada**

Independent Auditors

**Cochran Head Vick & Co., P.C.
Certified Public Accountants**



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March 14, 2014

**CITIZENS, HONORABLE MAYOR, BOARD OF ALDERMEN, CITY OF GRANDVIEW,
MISSOURI**

The Comprehensive Annual Financial Report (CAFR) of the City of Grandview, Missouri, for the fiscal year ended September 30, 2013 is hereby submitted for your review. This report is submitted to you in compliance with Missouri Revised Statute 105.145 (2) which requires an annual report to the Board of Aldermen on the financial condition of the City.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The independent auditing firm of Cochran Head Vick & Co., P.C. has audited the City of Grandview's financial statements. The purpose of the audit was to provide reasonable assurance that the City's financial statements for year ended September 30, 2013 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the government-wide and fund financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

This report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board. GAAP now requires that management provide a narrative introduction, overview, an analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Grandview's MD&A can be found immediately following the Independent Auditor's Report.

PROFILE OF THE CITY

The City of Grandview, originally incorporated in 1912, is organized as a fourth-class city under State statutes. The City operates under a Board of Alderman/City Administrator form of government. The Board is comprised of a Mayor and six Aldermen. The Mayor is elected at-large for a two-year term. The City is divided into three wards with two Aldermen elected from each ward for two-year terms. The Municipal Judge is elected at-large.

The Board of Aldermen is responsible for enacting ordinances, resolutions, and policies governing the City as well as appointing the City Administrator, the City Clerk, and members of various advisory boards. The Board adopts an annual budget and sets the levy to be assessed against real and personal property. The City Administrator is authorized to transfer budgeted amounts between departments within any fund and/or authorize departmental expenditures in excess of budgeted amounts. Any revision that alters the total expenditures of any fund must be approved by the Board of Aldermen. The City Administrator is responsible for administering the City's activities in accordance with the policies and budget adopted by the Board of Aldermen.

The City of Grandview, Missouri encompasses 15 square miles and has a population of approximately 24,881. The City is located in southern Jackson County, about 15 miles south of downtown Kansas City, Missouri. Kansas City borders Grandview on the north, east, and west. The former Richards-Gebaur Airport (now an intermodal facility) is immediately south of the City and Longview Lake adjoins the City's eastern border.

The City provides the following services: police and fire protection, emergency medical services, code enforcement, building inspections, construction and maintenance of streets and infrastructure, sanitary sewerage utility, recreational activities and cultural events, and general government services such as general administration, finance and accounting, planning and zoning, license office, county tax collections, and municipal court.

SUMMARY OF LOCAL ECONOMIC CONDITIONS

The City of Grandview made some important strides in fiscal year 2013. The following is a glimpse of some of the key accomplishments within the City.

Economic Development

- The City selected and contracted with the Zimmer Companies as the City's new economic development team to promote development on Main Street, the Highway 150 Corridor, the I-49 Corridor, and the industrial areas adjacent to the new Honeywell/NNSA development.

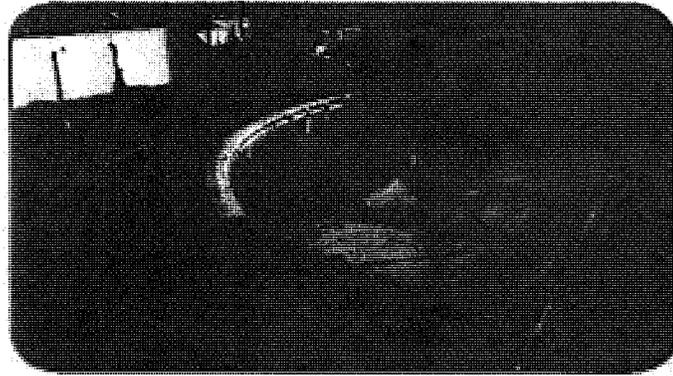
- The City's economic development team developed a cooperative relationship with property owners in the downtown area to promote further development, small business growth, entrepreneurship, and other possibilities.
- Through the efforts of the Community Development Department, the Board of Aldermen adopted the Highway 150 Sustainable Development Corridor Plan. This offers a range of development examples, opportunities and preferences for future corridor development for that two-mile stretch of highway through Grandview.
- The Community Development Department initiated the I-49 Sustainable Redevelopment Corridor study, using a federal grant to pay for approximately 67% of the cost of developing a plan, which has now been adopted by the Board of Aldermen to promote redevelopment along the new interstate.



- The Planning Commission reviewed several development related cases, updated the Future Land Use Map for the Highway 150 Corridor, and rezoned land along Highway 150 to prepare for future development.
- Public Works completed the Main Street Phase III project, which extends the corridor improvements to 15th Street. Phase IV improvements will begin this spring, and further corridor improvements will extend to the east side of Main Street/Highgrove are currently in the planning process.

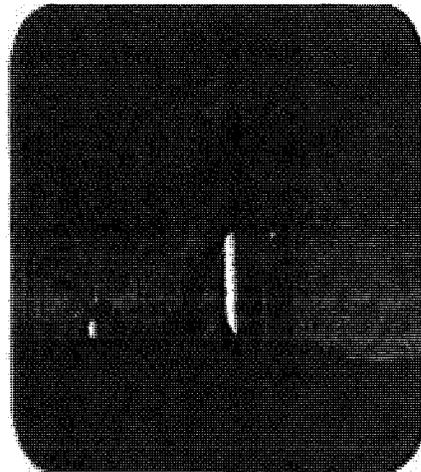


- Public Works also coordinated the Civic Plaza area improvements at 8th and Main Street, featuring a fountain, archway, shade trees, plantings and park benches – just across the street from the parking lot currently used for the Farmers Market, which will start up again this spring.



Public Infrastructure and Facilities

- In an effort to reduce or eliminate inflow and infiltration problems in City sanitary sewers, which cost the City substantially for excessive treatment by the Little Blue Valley Sewer District, Public Works has completed about half of the study and evaluation of key problem areas in the City.
- The City initiated a legal challenge to the location of an asphalt plant in Kansas City near Grandview's southwestern border and adjacent to both the Missouri Highway 150 and I-49 corridors. Based on expert review of the plant emissions as violating EPA standards for health and safety, Grandview is attempting to stop the Missouri Department of Natural Resources' issuance of a permanent permit for this plant.



Public Safety

- The Public Information Office coordinated the implementation of an emergency citizen information system to alert Grandview residents within minutes about public safety concerns, snow emergencies, impending severe weather, or other important community activities or events that may occur on a sporadic basis.
- As a Police Department, Grandview took part in over 22 community events including tours, health fairs, day camps, crime prevention classes, child safety seat inspections, K-9 demos, and other presentations along with attending numerous recruitment fairs at various locations.
- The Police Department also received recognition by international police professionals over the past two years, hosting law enforcement visitors from all over the world. As the only agency in the metro area to host other international agencies, Grandview also partnered with the University of Paris to provide cooperative training courses.



- A new electronic accident report program and database allows for more streamlined entry of accident reports and a website for insurance companies or citizens to obtain accident reports.
- Grandview received over half a million dollars in grant funding, shared county sales taxes, and reimbursements for police services. About half of that comes from Jackson County COMBAT sales tax funds. The Traffic Unit has now secured \$64,000 in traffic safety funding for 2014, 73% more than the amount received in 2013.

Miscellaneous

- The Court Administrator streamlined Municipal Court operations, purged outdated files and held an Amnesty Day to clean up old cases and outstanding warrants, collecting more court revenues in 2013 than in previous years.

- The City staff developed the Grandview Citizens Academy to provide citizens with information and demonstrations by all city departments in an effort to create a greater awareness and understanding of the City's numerous operations.



- The City supported the creation of the Grandview Arts Council to encourage citizens and others interested in art, music, dance, theatre, photography, and other art forms to develop a forum for displays, concerts, plays, or other events that promote the arts, creativity and culture. Local artists are now on display at City Hall and The View.



RELEVANT FINANCIAL POLICIES

The City's reserve policy indicates that the City will maintain an unassigned fund balance equal to or greater than 20% of general fund operating expenditures and obligated debt service transfers. Unassigned general fund balance for fiscal year 2013 represents 37.1% of total general fund expenditures.

AWARDS AND ACKNOWLEDGEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grandview for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This was the 26th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of

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

I would like to thank the Board of Aldermen for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. Preparation of this report would not have been possible without the dedicated efforts of the entire City staff. I would like to especially thank Acting Finance Director Phil Smith, Accounting Supervisor Frank Merkle, Senior Accountant Rita Lohkamp, and Finance Assistant Kimberly Mosley, for all of their hard work and coordination in compiling the City's financial data. Sincere thanks also go to all City staff that provided assistance. I would also like to thank our independent auditors, Cochran Head Vick & Co., P.C., for the professional manner in which they have accomplished our audit and their assistance in the publication of the City's Comprehensive Annual Financial Report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Cory L. Smith".

Cory L. Smith
City Administrator



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

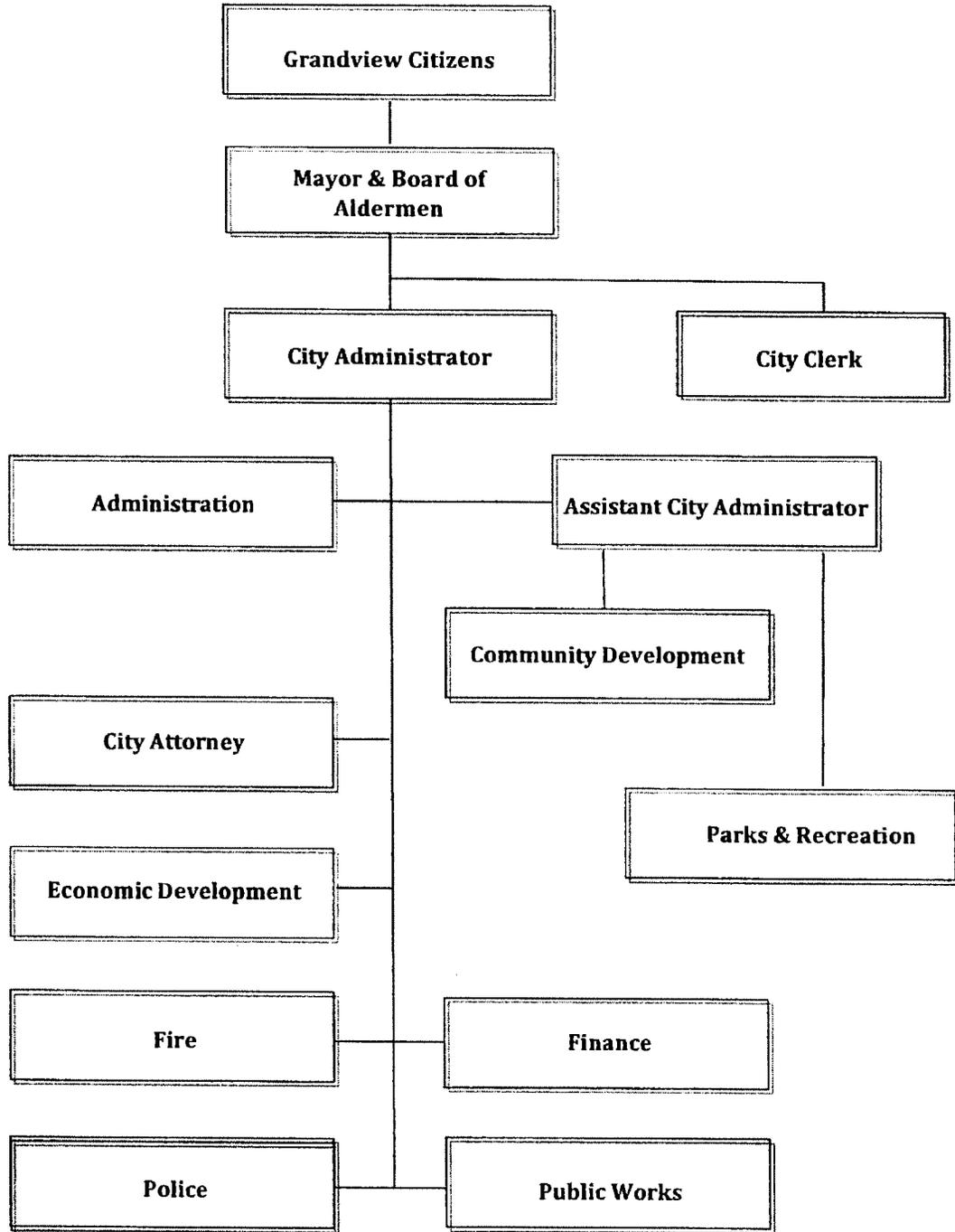
**City of Grandview
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

**CITY OF GRANDVIEW, MISSOURI
ORGANIZATIONAL CHART
SEPTEMBER 30, 2013**



CITY OF GRANDVIEW
LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2013

ELECTED OFFICIALS:

Mayor	Leonard D. Jones, Jr.
Alderman, Ward I	Sandy Kessinger
Alderman, Ward I	Brent Steeno
Alderman, Ward II	Brian Hochstein
Alderman, Ward II	Annette Turnbaugh
Alderman, Ward III	James N. Crain
Alderman, Ward III	John Maloney
Municipal Court Judge	Donald Crow

CITY OFFICIALS:

City Administrator	Cory L. Smith
Assistant City Administrator	Kirk Decker
City Clerk	Becky Schimmel
City Engineer	Larry Finley
Community Development Director	Chris Chiodini
Acting Finance Director	Phillip S. Smith
Fire Chief	Chuck Thacker
Parks & Recreation Director	Eric Lucas
Police Chief	Charles Iseman
Public Works Director	Dennis Randolph

FINANCE DEPARTMENT OFFICIALS:

Acting Finance Director	Phillip S. Smith
Senior Accountant	Rita M. Lohkamp
Accounting Supervisor	Frank Merkle
License Office Supervisor	Debbie Bowlin
Finance Assistant	Kimberly Mosley
Accounting Clerk	Lori Burnett



COCHRAN HEAD VICK & CO., P.C.

& Co

Certified Public Accountants

1251 NW Briarcliff Pkwy
Suite 125
Kansas City, MO 64116
(816) 584-9955
Fax (816) 584-9958

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Board of Aldermen
City of Grandview, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grandview, Missouri (the City) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Offices

1333 Meadowlark Lane
Kansas City, KS 66102
(913) 287-4433
(913) 287-0010 FAX

6700 Antioch Rd, Suite 460
Merriam, Kansas 66204
(913) 378-1100
(913) 378-1177 FAX

400 Jules Street
Suite 415
St. Joseph, MO 64501
(816) 364-1118
(816) 364-6144 FAX

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and Schedule of Funding Progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections 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.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2014, on our consideration of the City's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Cochran Hand Vick & Co., P.C.

Kansas City, Missouri
March 14, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2013

As management of the City of Grandview, Missouri, we offer readers this narrative overview and analysis of the financial activities of the City of Grandview, Missouri, for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

- The assets of the City of Grandview exceeded its liabilities at the close of the most recent fiscal year by \$59,914,952 (net position). Of this amount, \$3,867,547 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- During FY 2013, the City's net position increased by \$350,193 from the City's "governmental activities" and decreased by \$383,453 from the City's "business-type activities."
- The City's debt obligations decreased by \$1,535,000 during the current fiscal year as \$960,000 of general obligation debt, \$405,000 in certificates of participation and \$170,000 of the TIF loan were retired. In addition, new developer agreements were approved for \$251,442 and retirements and other adjustments were processed on developer agreements for \$1,540,683.

Overview of the Financial Statements

This discussion and analysis is provided as an introduction to the basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are a broad overview of the City's finances in a manner similar to a private business.

The *statement of net position* presents all of the City's assets and liabilities with the difference between the two reported as *net position*. Net position is an important measure of the City's overall financial health. The increases and decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

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

Both of the government-wide financial statements report functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) or from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities for the City included general government, public safety, community development, public works, and culture and recreation. The business-type activities for the City included the sanitary sewer system.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *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 may be useful in evaluating the City's near-term financing requirements.

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

Proprietary funds. The City uses two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its sanitary sewer activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its self-insurance activities. Because these services predominately benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City's agency 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.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also contains certain *required supplementary information* regarding budgetary, pension, and other post-employment obligation information. The combining statements for the nonmajor funds are presented immediately following the required supplementary information.

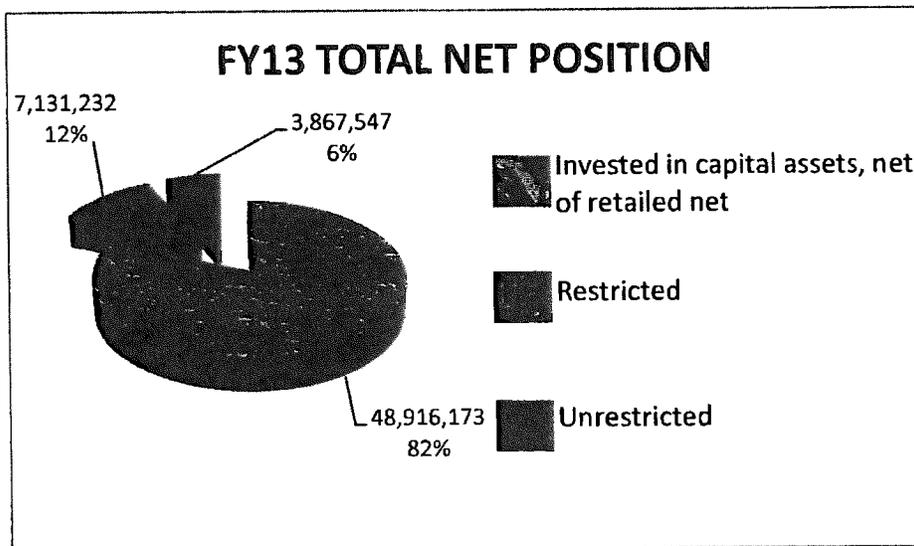
Government-wide Financial Analysis

Net Position

The following table reflects the condensed Statement of Net Position as of September 30, 2013 and 2012:

City of Grandview Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 19,303,390	\$ 20,709,322	\$ 4,995,529	\$ 5,193,181	\$ 24,298,919	\$ 25,902,503
Capital assets	47,023,635	48,681,885	9,965,069	10,073,815	56,988,704	58,755,700
Total assets	66,327,025	69,391,207	14,960,598	15,266,996	81,287,623	84,658,203
Deferred outflows	662,790	-	-	-	662,790	-
Long-term liabilities outstanding	17,307,524	19,463,766	14,604	15,127	17,322,128	19,478,893
Other liabilities	4,196,192	4,459,489	517,141	439,563	4,713,333	4,899,052
Total liabilities	21,503,716	23,923,255	531,745	454,690	22,035,461	24,377,945
Net position:						
Net investment in capital assets	38,951,104	39,532,182	9,965,069	10,073,815	48,916,173	49,605,997
Restricted	7,131,232	7,107,949	-	-	7,131,232	7,107,949
Unrestricted	(596,237)	(1,504,225)	4,463,784	4,738,491	3,867,547	3,234,266
Total net position	\$ 45,486,099	\$ 45,135,906	\$ 14,428,853	\$ 14,812,306	\$ 59,914,952	\$ 59,948,212



At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the government as a whole. However, unrestricted net position for the governmental activities are negative primarily due to the City's issuance of the Tax Increment Finance bonds related to the Gateway Commons.

The City's combined net position stayed the same at \$59.9 million primarily from the net operating loss on the business-type activities being offset by an increase in charges for services in the governmental activities. The City's unrestricted net position for governmental activities was negative by \$596,237. However, total unrestricted net position was positive by \$3,867,547 including the business-type activities.

The largest portion of the City's net position (81.6%) reflects its investment in capital assets (e.g. land, buildings, machinery & equipment and infrastructure), less any related debt used to acquire those assets that are 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 its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (11.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (6.5%) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's total net position decreased by \$33,260 during FY 2013. The governmental activities net assets increased by \$350,193 while the business-type activities decreased by \$383,453.

Changes in Net Position

The following table reflects the revenues and expenses from the City's activities for the year ended September 30, 2013 and 2012:

	City of Grandview Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues						
Charges for services	\$ 4,398,242	\$ 3,981,829	\$ 2,876,113	\$ 2,722,648	\$ 7,274,355	\$ 6,704,477
Operating grants and contributions	1,171,743	1,254,258	-	-	1,171,743	1,254,258
Capital grants and contributions	381,657	447,107	-	-	381,657	447,107
General revenues						
Property taxes	4,201,221	4,249,041	-	-	4,201,221	4,249,041
Intergovernmental activity taxes	595,934	641,009	-	-	595,934	641,009
Sales and use taxes	6,178,561	6,273,901	-	-	6,178,561	6,273,901
Franchise and other taxes	3,691,528	3,761,739	-	-	3,691,528	3,761,739
Other revenue	2,203,303	1,086,103	4,902	45,998	2,208,205	1,132,101
Total revenues	<u>22,822,189</u>	<u>21,694,987</u>	<u>2,881,015</u>	<u>2,768,646</u>	<u>25,703,204</u>	<u>24,463,633</u>
Expenses:						
General government	3,653,698	3,386,360	-	-	3,653,698	3,386,360
Public safety	9,141,085	9,361,819	-	-	9,141,085	9,361,819
Community development	1,914,661	1,970,762	-	-	1,914,661	1,970,762
Public works	4,536,309	3,963,152	-	-	4,536,309	3,963,152
Culture and recreation	2,812,750	2,929,355	-	-	2,812,750	2,929,355
Interest on long-term debt	633,993	653,746	-	-	633,993	653,746
Sanitary Sewer	-	-	3,043,968	3,120,284	3,043,968	3,120,284
Total expenses	<u>22,692,496</u>	<u>22,265,194</u>	<u>3,043,968</u>	<u>3,120,284</u>	<u>25,736,464</u>	<u>25,385,478</u>
Increases in net position before transfers	129,693	(570,207)	(162,953)	(351,638)	(33,260)	(921,845)
Transfers	220,500	201,217	(220,500)	(201,217)	-	-
Increase in net position	350,193	(368,990)	(383,453)	(552,855)	(33,260)	(921,845)
Net position, beginning (as restated)	45,135,906	45,504,896	14,812,306	15,365,161	59,948,212	60,870,057
Net position, ending	<u>\$ 45,486,099</u>	<u>\$ 45,135,906</u>	<u>\$ 14,428,853</u>	<u>\$ 14,812,306</u>	<u>\$ 59,914,952</u>	<u>\$ 59,948,212</u>

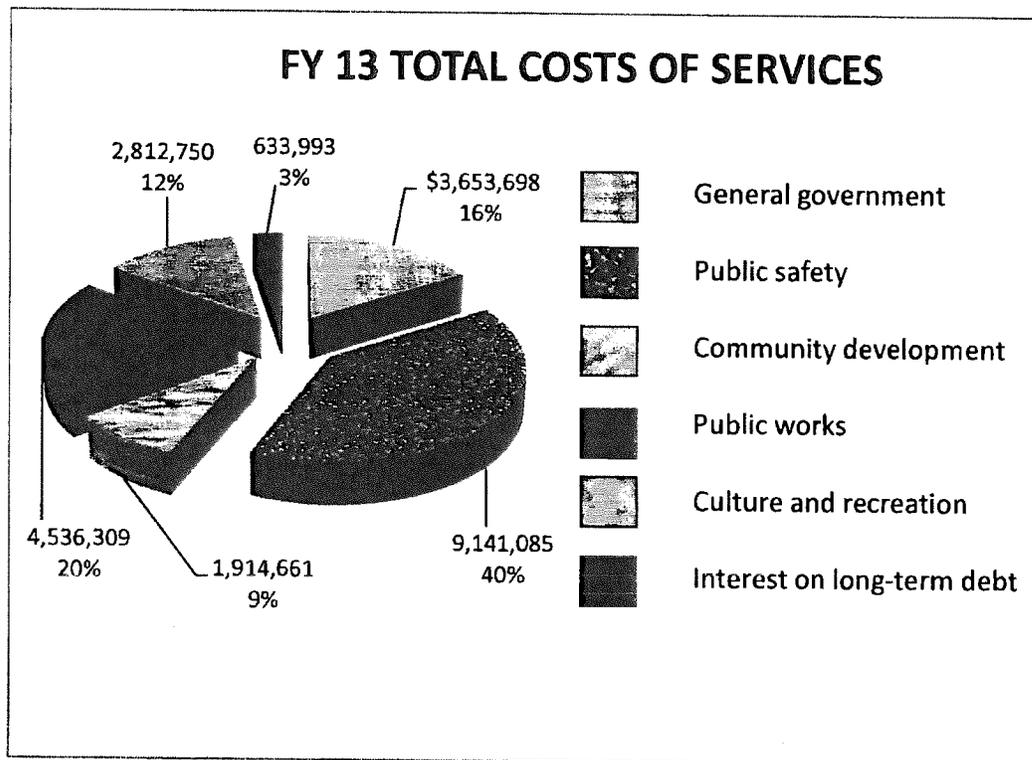
Governmental Activities

Governmental activities increased the City's net position by \$350,193. Sales and use taxes, the largest governmental category, were \$6,178,561 or 27.1% of total revenues from governmental activities. For the fiscal year ended September 30, 2013 revenues totaled \$25,703,204 (governmental and business-type). Revenues from governmental activities totaled \$22,822,189 or 88.8% of the total City revenues. With the exception of various program revenues from charges for services which increased and forgiveness of indebtedness from a TIF developer agreement which increased other revenues, all other tax revenues decreased slightly from the previous fiscal year. Expenses from governmental activities totaled \$22,692,496 or 88.2% of the total City expenses. Expenses increased primarily due to various public works construction projects during FY 2013.

Certain revenues are generated that are specific to governmental program activity. These totaled \$5,951,642. The following table shows expenses and net costs of services of the governmental activities for the year ended September 30, 2013 and 2012:

Net Cost of City of Grandview Governmental Activities

	Total Costs of Service		Net Costs of Service	
	2013	2012	2013	2012
General government	\$ 3,653,698	\$ 3,386,360	\$ 1,316,802	\$ 1,334,305
Public safety	9,141,085	9,361,819	7,947,799	8,159,322
Community development	1,914,661	1,970,762	1,768,329	1,884,892
Public works	4,536,309	3,963,152	3,225,392	2,618,407
Culture and recreation	2,812,750	2,929,355	1,848,539	1,931,328
Interest on long-term debt	633,993	653,746	633,993	653,746
Total	<u>\$ 22,692,496</u>	<u>\$ 22,265,194</u>	<u>\$ 16,740,854</u>	<u>\$ 16,582,000</u>



As previously noted, expenses from governmental activities totaled \$22,692,496. However, net costs of these services were \$16,740,854. The difference represents direct revenues received from charges for services of \$4,398,242, operating grants & contributions of \$1,171,743, and capital grants and contributions of \$381,657. Taxes and other revenues of \$17,091,047 were collected to cover these net costs.

Business-type Activities

Business-type activities decreased the City's net position by \$383,453 which included net transfers out of \$220,500. Operating revenues increased by \$153,465 primarily due to a sewer rate increase of 8%, and expenses slightly decreased by \$76,316 due to less sewer maintenance and operating costs.

Financial Analysis of the City's Funds

The General Fund is the chief operating fund of the City. The fund balance of the General Fund at September 30, 2013 was \$5,412,524 or 37.1% of actual expenditures. The fund balance decreased \$460,948 from the previous year's balance which was due to the excess of expenditures over revenues of \$695,522, net transfers in of \$207,605, and gain on sale of capital assets of \$26,969. Total general fund revenues increased by 1.2% and general fund expenditures decreased by 0.4%. The City recognizes the need for a fund balance that can adequately absorb any downturn in economic events to avoid changes and reductions in service levels. Thus the City is firmly committed to maintaining at a minimum, an amount equal to 20% of expenditures in the General Fund balance.

The Transportation Sales Tax Fund ended the year with a fund balance of \$1,099,825, an increase of \$395,513 or 56.2% which primarily resulted from more sales tax revenues and grant reimbursements received than street construction project costs incurred during FY 2013.

The Capital Improvement Sales Tax Fund ended the year with a fund balance of \$2,057,934, a decrease of \$136,721 or 6.6% which is primarily due to less sales taxes and grant reimbursements received than capital outlay costs incurred during FY 2013.

The Parks and Public Works Projects Fund was established in FY 2009 to account for various park improvement capital projects and the construction of a Public Works / Parks maintenance facility. It was funded with the issuance of 2009 series general obligation bonds in the amount of \$3,300,000 and the issuance of 2010 series general obligation bonds of \$4,250,000. It ended the year with a fund balance of \$2,650,620, a decrease of \$268,929 or 10.3% due to various park improvement projects.

The General Debt Service Fund ended the year with a fund balance of \$1,138,437, a decrease of \$2,800 or 0.2% due to less property tax revenues received than debt expenditures incurred during FY 2013.

The Tax Increment Financing (TIF) Fund is a combination of all the City's active TIF projects which is overseen by the TIF Commission. It ended the fiscal year with a fund balance of \$1,136,589, a decrease of \$292,796 or 25.8% which is primarily due to payments to taxing districts, debt service payments, and various transfers out in excess of tax revenues received during FY 2013.

General Fund Budgetary Highlights

The final General Fund expenditure budget increased by \$135,948 over the previous fiscal year. The budget increase primarily affected personal services and purchased services. The supplies budget remained essentially unchanged and the general fund capital outlay expenditure budget was insignificant. There was a decrease of budgeted transfers to other funds of \$521,000 for a net decrease in budgeted expenditures and transfers out for FY 2013 of 2.6%. Budgeted revenues were 5.3% less than the prior fiscal year, including a decrease in budgeted transfers from other funds of \$915,600.

Actual general fund revenues including transfers in were \$273,389 or 1.9% less than budgeted which was primarily due to a less tax revenues and interest earnings received than budgeted. Actual expenditures and transfers out were \$274,416 or 1.9% less than budgeted.

General fund budget amendments of \$463,000 for expenditures and transfers were processed during the fiscal year.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2013, is \$56,988,704 (net of accumulated depreciation). The investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities and infrastructure. Capital assets decreased by \$1,766,996 during FY 2013.

City of Grandview's Capital Assets
(Amounts expressed in thousands, net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 3,365	\$ 3,220	\$ -	\$ -	\$ 3,365	\$ 3,220
Construction in process	2,919	2,900	-	-	2,919	\$ 2,900
Buildings	9,000	9,600	-	-	9,000	9,600
Improvements	2,839	3,133	-	-	2,839	3,133
Machinery and equipment	2,678	2,771	260	245	2,938	3,016
Infrastructure	26,223	27,058	9,705	9,829	35,928	36,887
Total	<u>\$ 47,024</u>	<u>\$ 48,682</u>	<u>\$ 9,965</u>	<u>\$ 10,074</u>	<u>\$ 56,989</u>	<u>\$ 58,756</u>

Additional information regarding the City's capital assets can be found in Notes 1 and 5 to the basic financial statements.

Major capital events during the current fiscal year included the following:

- Main Street project totaling \$404,000.
- Street overlay and slurry seal totaling \$360,000.
- Farmer’s Market totaling \$270,000.
- Storm Drainage and Sewer project totaling \$248,000.
- Sidewalk and Curb repair and replacement totaling \$158,000.
- Land Acquisitions totaling \$155,600.
- Police vehicle replacement totaling \$145,000.
- Power Pro Ambulance Cots totaling \$120,000.
- Aerial Platform Lift Truck totaling \$97,000.
- Byars Road Trail Project totaling \$54,000.

Future capital events include the following:

- Main Street project totaling \$2,650,000.
- Parks improvements totaling \$2,225,000.
- Street overlay and slurry seal totaling \$440,000.
- New sidewalk and curb construction and repairs totaling \$290,000.
- Park maintenance projects and equipment totaling \$283,500.
- West Frontage Road engineering and design totaling \$200,000.
- Police vehicle replacement totaling \$175,000.
- Public Works vehicle and equipment replacement totaling \$120,000.
- Storm drainage projects totaling \$100,000.
- Sewer equipment replacement totaling \$82,500.

Debt Administration

The City, at the end of FY 2013, had \$18,397,156 of outstanding obligations from governmental activities. This was a decrease of \$2,824,241 from the previous year. The City had no outstanding debt from business-type activities.

**City of Grandview's Outstanding Debt
(Amounts expressed in thousands)**

	Governmental Activities	
	2013	2012
Governmental G.O. Bonds	\$3,630	\$4,590
Certificates of Participation	7,645	8,050
TIF Loan	4,490	4,660
Developer Agreements	2,632	3,921
Total	\$18,397	\$21,221

During FY 2013, \$960,000 of general obligation debt, \$405,000 in certificates of participation and \$170,000 of the TIF Loan were retired. In addition, new developer agreements were approved for \$251,442 and retirements and other adjustments were processed on developer agreements for \$1,540,683.

As of September 30, 2013, the City's total issued General Obligation (G.O.) Bonded Debt was \$3,630,000. The City has statutory authority to issue debt equal to 20% of the City's total assessed valuation or \$49,488,019. This, less our outstanding debt, and available cash leaves a legal debt margin of \$46,996,657, which is 95.0% of the City's total bonding capacity.

The City's most recent General Obligation Bonds have been rated AA- from Standards & Poor and the Certificates of Participation have been rated Aa3 by Moody's Investors Service. Bonds so rated are judged to be of upper grade. Factors contributing to the rating include a strong development pattern, favorable financial performance that reflects an expanding local economy, debt position, General Fund balance and strong voter support.

Additional information regarding the City's Long-term Debt can be found in Note 6 to the basic financial statements.

Economic Factors and Next Year's Budget and Rates

In light of recent economic conditions, next year's proposed General Fund budget was determined based on a slight decrease in both revenues and expenditures. Budgeted revenues including transfers have been decreased by \$121,784 or 0.8 % and budgeted expenditures including transfers reflect an overall decrease of \$430,754 or 3.0%.

For FY 2014, the General Fund property tax levy rate is \$1.00 in accordance with state requirements. The City's fees and charges for the governmental activities are unchanged while the business-type activities reflect an increase of 8%.

Requests for Information

This financial report is designed to provide the reader a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to Phillip S. Smith, Acting Finance Director, City of Grandview, 1200 Main Street, Grandview, MO 64030.

CITY OF GRANDVIEW, MISSOURI
Statement of Net Position
September 30, 2013

	Governmental Activities	Business-type Activities	Total Primary Government
ASSETS			
Cash and investments	\$ 14,253,906	\$ 4,586,896	\$ 18,840,802
Receivables:			
Accounts	941,208	401,653	1,342,861
Property taxes	352,541	-	352,541
Other taxes	1,922,459	-	1,922,459
Accrued interest	25,112	6,980	32,092
Due from other governments	265,570	-	265,570
Prepaid items	335,306	-	335,306
Restricted assets:			
Cash and investments	751,708	-	751,708
Accrued interest	5,917	-	5,917
Loan receivable	449,663	-	449,663
Capital assets:			
Nondepreciable	6,441,262	-	6,441,262
Depreciable, net	40,582,373	9,965,069	50,547,442
Total assets	<u>66,327,025</u>	<u>14,960,598</u>	<u>81,287,623</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	662,790	-	662,790
Total deferred outflows of resources	<u>662,790</u>	<u>-</u>	<u>662,790</u>
LIABILITIES			
Accounts payable	1,083,834	463,256	1,547,090
Accrued liabilities	478,373	16,336	494,709
Unearned revenue	28,741	-	28,741
Liabilities payable from restricted assets:			
Accrued interest payable	73,132	-	73,132
Deposits due others	168,801	-	168,801
Long-term liabilities:			
Due within one year	2,363,311	37,549	2,400,860
Due in more than one year	17,307,524	14,604	17,322,128
Total liabilities	<u>21,503,716</u>	<u>531,745</u>	<u>22,035,461</u>
NET POSITION			
Net investment in capital assets	38,951,104	9,965,069	48,916,173
Restricted :			
Debt service	2,440,898	-	2,440,898
Capital projects	3,157,759	-	3,157,759
Cultural and recreation	1,373,485	-	1,373,485
Other purposes	159,090	-	159,090
Unrestricted (deficit)	(596,237)	4,463,784	3,867,547
Total net position	<u>\$ 45,486,099</u>	<u>\$ 14,428,853</u>	<u>\$ 59,914,952</u>

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF GRANDVIEW, MISSOURI
Statement of Activities
For the Year Ended September 30, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Functions/Programs							
Primary government:							
Governmental activities							
General government	\$ 3,653,698	\$ 2,336,896	\$ -	\$ -	\$ (1,316,802)	\$ -	\$ (1,316,802)
Public safety	9,141,085	921,236	272,050	-	(7,947,799)	-	(7,947,799)
Community development	1,914,661	146,332	-	-	(1,768,329)	-	(1,768,329)
Public works	4,536,309	29,567	899,693	381,657	(3,225,392)	-	(3,225,392)
Culture and recreation	2,812,750	964,211	-	-	(1,848,539)	-	(1,848,539)
Interest on long-term debt	633,993	-	-	-	(633,993)	-	(633,993)
Total governmental activities	<u>22,697,496</u>	<u>4,398,242</u>	<u>1,171,743</u>	<u>381,657</u>	<u>(16,740,854)</u>	<u>-</u>	<u>(16,740,854)</u>
Business-type activities							
Sanitary sewer	3,043,968	2,876,113	-	-	-	(167,855)	(167,855)
Total primary government	<u>\$ 25,736,464</u>	<u>\$ 7,274,355</u>	<u>\$ 1,171,743</u>	<u>\$ 381,657</u>	<u>(16,740,854)</u>	<u>(167,855)</u>	<u>(16,908,709)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					2,773,524	-	2,773,524
Property taxes, levied for debt service					1,081,587	-	1,081,587
Property taxes, levied for recreation					346,110	-	346,110
Intergovernmental activity taxes					595,934	-	595,934
Sales and use taxes					6,178,561	-	6,178,561
Franchise and business taxes					3,691,528	-	3,691,528
Intergovernmental not restricted to a specific purpose					142,039	-	142,039
Investment earnings					3,096	4,002	7,098
Forgiveness of indebtedness					1,338,032	-	1,338,032
Miscellaneous					720,136	900	721,036
Transfers					220,500	(220,500)	-
Total general revenues and transfers					<u>17,091,047</u>	<u>(215,598)</u>	<u>16,875,449</u>
Change in net position					350,193	(383,453)	(33,260)
Net position, beginning of year, as restated					45,135,906	14,812,306	59,948,212
Net position, end of year					<u>\$ 45,486,099</u>	<u>\$ 14,428,853</u>	<u>\$ 59,914,952</u>

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF GRANDVIEW, MISSOURI
Balance Sheet - Governmental Funds
September 30, 2013

	Tax									
	General Fund	Transportation Sales Tax	Capital Improvement Sales Tax	Parks and Public Works Projects	General Debt Service	Increment Financing Fund	Non-Major Governmental Funds	Total Governmental Funds		
ASSETS										
Cash and investments	\$ 4,561,571	\$ 890,047	\$ 1,895,763	\$ 2,866,551	\$ 1,125,507	\$ 87,557	\$ 2,637,315	\$ 14,064,311		
Receivables:										
Accounts	886,942	-	-	-	-	-	54,266	941,208		
Property Taxes	238,482	-	-	-	86,595	-	27,464	352,541		
Sales and franchise taxes	1,001,616	247,121	395,959	-	-	83,454	194,309	1,922,459		
Accrued interest	5,959	3,606	1,805	9,003	1,907	-	2,408	24,688		
Due from other funds	15,199	-	-	-	-	-	-	15,199		
Due from other governments	166,337	-	-	-	-	99,233	-	265,570		
Prepays, deposits and other assets	315,570	-	-	-	-	-	19,736	335,306		
Restricted assets:										
Cash and investments	168,801	-	-	-	-	582,907	-	751,708		
Accrued interest	-	-	-	-	-	5,917	-	5,917		
TIF loan receivable	-	-	-	-	-	449,663	-	449,663		
Total assets	\$ 7,360,477	\$ 1,140,774	\$ 2,293,527	\$ 2,875,554	\$ 1,214,009	\$ 1,308,731	\$ 2,935,498	\$ 19,128,570		
LIABILITIES										
Accounts payable	\$ 423,441	\$ 40,949	\$ 235,593	\$ 254,934	\$ 231	\$ 25,139	\$ 88,508	\$ 1,068,795		
Accrued liabilities	421,897	-	-	-	-	-	33,745	455,642		
Court and performance bonds	168,801	-	-	-	-	-	-	168,801		
Due to other funds	-	-	-	-	-	246	14,953	15,199		
Other liabilities	3,600	-	-	-	-	-	25,141	28,741		
Total liabilities	1,017,739	40,949	235,593	254,934	231	25,385	162,347	1,737,178		
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - taxes	199,116	-	-	-	-	75,141	99,233	23,848		
Unavailable revenue - ambulance billings	601,489	-	-	-	-	-	47,524	601,489		
Unavailable revenue - other	129,609	-	-	-	-	-	47,261	224,394		
Total deferred inflows of resources	930,214	-	-	-	-	75,141	146,757	71,109		
FUND BALANCES										
Nonspendable	315,570	-	-	-	-	-	19,736	335,306		
Restricted	-	1,099,825	2,057,934	2,620,620	1,138,637	1,136,589	1,715,958	9,769,563		
Committed	89,250	-	-	-	-	-	-	89,250		
Assigned	36,773	-	-	-	-	-	966,393	1,003,166		
Unassigned (deficit)	4,970,931	-	-	-	-	-	(45)	4,970,886		
Total fund balances	5,412,524	1,099,825	2,057,934	2,620,620	1,138,637	1,136,589	2,702,042	16,168,171		
Total liabilities, deferred inflows of resources and fund balances	\$ 7,360,477	\$ 1,140,774	\$ 2,293,527	\$ 2,875,554	\$ 1,214,009	\$ 1,308,731	\$ 2,935,498	\$ 19,128,570		

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF GRANDVIEW, MISSOURI
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2013

Fund balances of governmental funds	\$ 16,168,171
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements.	47,023,635
Long-term liabilities for items such as bonds and certificates of participation are not current obligations and, therefore, not recorded in the governmental fund statements. This amount includes \$662,790 of deferred amount on refunding reported as a deferred outflow of resources.	(19,008,045)
Certain revenues are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the governmental funds.	1,223,221
Liabilities for interest on long-term debt are recognized only when due in the governmental fund statements but are accrued in the government-wide statements.	(73,132)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service fund are reported with governmental activities in the statement of net position.	152,249
Net position of governmental activities	<u>\$ 45,486,099</u>

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF GRANDVIEW, MISSOURI
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
Year Ended September 30, 2013

	General Fund	Transportation Sales Tax	Capital Improvement Sales Tax	Parks and Public Works Projects	General Debt Service	Tax Increment Financing Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:								
Taxes	\$ 8,836,129	\$ 1,132,625	\$ 1,256,106	\$ -	\$ 1,059,298	\$ 111,377	\$ 1,566,016	\$ 13,981,551
Intergovernmental activity taxes	-	-	-	-	-	687,554	-	687,554
Licenses and permits	561,510	-	-	-	-	-	-	561,510
Intergovernmental	1,301,780	188,680	192,977	-	-	-	12,000	1,695,437
Charges for services	1,463,553	-	-	-	-	-	945,826	2,409,379
Fines and forfeitures	1,317,275	-	-	-	-	-	-	1,317,275
Investment earnings	7,066	(5,314)	2,732	(6,752)	2,053	-	3,311	3,096
Other	390,277	-	-	-	-	106,839	277,674	774,790
Total revenues	13,877,590	1,335,991	1,451,815	(6,752)	1,061,351	905,770	2,804,827	21,430,592
EXPENDITURES:								
Current:								
General government	3,260,687	-	-	-	17,747	-	-	3,278,434
Public safety	8,594,237	-	-	-	-	-	-	8,594,237
Public works	1,433,582	-	-	-	-	-	-	1,433,582
Community development	699,810	-	-	-	-	185,987	404,872	1,290,669
Culture and recreation	584,796	-	-	-	-	-	1,492,742	2,077,538
Payments to taxing districts	-	-	-	-	-	371,855	-	371,855
Capital outlay	-	940,478	1,588,536	262,177	-	-	257,639	3,048,830
Debt service:								
Principal retirement	-	-	-	-	960,000	372,651	405,000	1,737,651
Interest and fiscal charges	-	-	-	-	86,404	240,819	292,001	619,224
Total expenditures	14,573,112	940,478	1,588,536	262,177	1,064,151	1,171,312	2,852,254	22,452,020
Excess of revenues over (under) expenditures	(695,522)	395,513	(136,721)	(268,929)	(2,800)	(265,542)	(47,427)	(1,021,428)
OTHER FINANCING SOURCES (USES):								
Transfers in	382,605	-	-	-	-	-	855,149	1,237,754
Transfers out	(175,000)	-	-	-	-	(27,254)	(815,000)	(1,017,254)
Sale of capital assets	26,969	-	-	-	-	-	-	26,969
Total other financing sources (uses)	234,574	-	-	-	-	(27,254)	40,149	247,469
Net change in fund balances	(460,948)	395,513	(136,721)	(268,929)	(2,800)	(292,796)	(7,278)	(773,959)
Fund balances, beginning of year	5,873,472	704,312	2,194,655	2,889,549	1,141,437	1,429,385	2,709,320	16,942,130
Fund balances, end of year	\$ 5,412,524	\$ 1,099,825	\$ 2,057,934	\$ 2,620,620	\$ 1,138,637	\$ 1,136,589	\$ 2,702,042	\$ 16,168,171

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF GRANDVIEW, MISSOURI
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balance to the Statement of Activities
For the Year Ended September 30, 2013

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (773,959)
<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.</p>	
Capital outlay costs in excess of capitalization threshold	1,508,106
Net book value on disposal of capital assets	(90,527)
Depreciation	(3,075,829)
<p>Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds.</p>	
Charges of service	110,080
Tax revenues	(1,861)
Miscellaneous	(59,755)
<p>The issuance of long-term debt 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. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. The following amounts are the net effect of these differences in the treatment of long-term debt and related items.</p>	
Development agreement obligations incurred	(251,442)
Payments on developer agreements	202,651
Principal payments on long-term debt	1,535,000
Forgiveness of indebtedness	1,338,032
Premiums and discounts, net	(18,899)
Changes in accrued interest expense	4,130
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Change in compensated absences payable	(27,827)
Change in net pension obligation	44,526
Change in OPEB obligation	(40,836)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the Internal Service fund is reported with governmental activities</p>	
	(51,397)
Change in net position of governmental activities	\$ 350,193

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF GRANDVIEW, MISSOURI
Statement of Net Position
Proprietary Funds
September 30, 2013

	<u>Enterprise Fund Sanitary Sewer</u>	<u>Governmental Internal Service Fund</u>
ASSETS		
Current assets:		
Cash and investments	\$ 4,586,896	\$ 189,595
Receivables, net:		
Accounts	212,893	-
Unbilled services	188,760	-
Accrued interest	6,980	424
Total current assets	<u>4,995,529</u>	<u>190,019</u>
Noncurrent assets:		
Depreciable capital assets, net	<u>9,965,069</u>	<u>-</u>
Total noncurrent assets	<u>9,965,069</u>	<u>-</u>
Total assets	<u>14,960,598</u>	<u>190,019</u>
LIABILITIES		
Current liabilities:		
Accounts payable	463,256	15,039
Accrued liabilities	16,336	22,731
Compensated absences	<u>37,549</u>	<u>-</u>
Total current liabilities:	<u>517,141</u>	<u>37,770</u>
Noncurrent liabilities		
Net pension obligation	5,716	-
OPEB obligation	<u>8,888</u>	<u>-</u>
Total noncurrent liabilities	<u>14,604</u>	<u>-</u>
Total liabilities	<u>531,745</u>	<u>37,770</u>
NET POSITION		
Net investment in capital assets	9,965,069	-
Unrestricted	<u>4,463,784</u>	<u>152,249</u>
Total net position	<u>\$ 14,428,853</u>	<u>\$ 152,249</u>

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF GRANDVIEW, MISSOURI
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2013

	<u>Enterprise Fund Sanitary Sewer</u>	<u>Governmental Internal Service Fund</u>
Operating revenues:		
Charges for services	\$ 2,876,113	\$ -
Total operating revenues	<u>2,876,113</u>	<u>-</u>
Operating expenses:		
Services operation and maintenance	991,037	-
Sewer treatment charges	1,791,266	-
Depreciation and amortization	261,665	-
Other	-	56,498
Total operating expenses	<u>3,043,968</u>	<u>56,498</u>
Operating (loss)	<u>(167,855)</u>	<u>(56,498)</u>
Nonoperating revenues:		
Investment earnings	4,002	-
Other income	900	5,101
Total nonoperating revenues	<u>4,902</u>	<u>5,101</u>
Income (loss) before transfers	<u>(162,953)</u>	<u>(51,397)</u>
Transfers out	<u>(220,500)</u>	<u>-</u>
Change in net position	<u>(383,453)</u>	<u>(51,397)</u>
Net position, beginning of year	<u>14,812,306</u>	<u>203,646</u>
Net position, end of year	<u>\$ 14,428,853</u>	<u>\$ 152,249</u>

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF GRANDVIEW, MISSOURI
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2013

	Enterprise Fund Sanitary Sewer	Governmental Internal Service Fund
Cash flows from operating activities:		
Receipts from customers	\$ 2,825,008	\$ 5,101
Payments to suppliers for goods and services	(2,109,849)	(34,874)
Payments to employees for services and benefits	(595,399)	-
Net cash provided (used) in operating activities	119,760	(29,773)
Cash flows from noncapital financing activities:		
Transfers out	(220,500)	-
Net cash used in noncapital financing activities	(220,500)	-
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(152,919)	-
Net cash used in capital and related financing activities	(152,919)	-
Cash flows from investing activities:		
Interest received	20,555	705
Net cash provided by investing activities	20,555	705
Net (decrease) in cash and cash equivalents	(233,104)	(29,068)
Cash and cash equivalents, beginning of year	4,820,000	218,663
Cash and cash equivalents, end of year	\$ 4,586,896	\$ 189,595
Reconciliation of operating loss to net cash provided (used) in operating activities:		
Operating loss	\$ (167,855)	\$ (56,498)
Adjustments to reconcile operating loss to net cash provided (used) in operations:		
Depreciation and amortization	261,665	-
Nonoperating revenues	900	5,101
Changes in assets and liabilities:		
Receivables	(52,005)	-
Accounts payable	77,323	15,001
Accrued expenses and deposits	(268)	6,623
Net cash provided (used) in operating activities	\$ 119,760	\$ (29,773)

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF GRANDVIEW, MISSOURI
Statement of Assets and Liabilities -
Fiduciary Funds
September 30, 2013

Assets	<u>Agency Funds</u>
Cash and investments	<u>\$ 84,467</u>
Total assets	<u><u>\$ 84,467</u></u>
Liabilities	
Due to other governments	<u>\$ 84,467</u>
Total liabilities	<u><u>\$ 84,467</u></u>

The accompanying notes to the basic financial statements are an integral part of this statement

CITY OF GRANDVIEW, MISSOURI
Notes to the Basic Financial Statements
September 30, 2013

1. Summary of Significant Accounting Policies

Introduction

The City of Grandview, Missouri (the City), was incorporated in 1912 and covers an area of approximately 15 square miles in Jackson County, Missouri. The City is a city of the fourth class and operates under a Mayor-Board of Aldermen/City Administrator form of government. The City Administrator is the chief administrative officer of the City. The City provides services to approximately 25,000 residents in many areas, including law enforcement, fire protection, paramedic services, sewer services, community enrichment and development, and various social services. Education services are provided by the Consolidated School District No. 4, a separate governmental entity.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America applicable to local governments. The following represents the more significant accounting and reporting policies and practices of the City.

Reporting Entity

Generally accepted accounting principles require that the financial statements present the City (the primary government) and its component units. Component units are required to be included in the City's reporting entity due to the significance of their operational or financial relationships with the City. Based on the evaluation criteria, the Tax Increment Financing (TIF) Commission of Grandview, Missouri is reported as a blended component unit. The TIF is governed by an eleven-member board of which six members are appointed by the City. The remaining five members are appointed by the respective taxing districts' boards. Although it is legally separate from the City, the TIF is reported as if it were part of the primary government because its sole function is to use TIF as a method to finance infrastructure improvements through incremental property and sales taxes. The TIF does not issue separate financial statements.

Fund Types and Major Funds

Government-wide Statements

The statement of net position and the statement of activities display information about the primary government as a whole. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties. The government-wide statement of activities presents a comparison between expenses and program revenues for each program of the governmental activities. Expenses are specifically associated with a service, program or department and, therefore, are clearly identifiable to a particular function. The City does not allocate indirect expenses, with the exception of costs related to workers compensation insurance, investment management fees, and vehicle fuel costs. Program revenues include charges paid by the recipients of goods, services or privileges offered by the programs, and 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-are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

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Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting fund type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (other than those in proprietary funds) are accounted through governmental funds.

The City reports the following major governmental funds:

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

Transportation Sales Tax – This capital project fund accounts for the proceeds from a one-half percent sales tax to be used for road and bridge improvement projects within the City.

Capital Improvement Sales Tax – This capital project fund accounts for the proceeds from a one-half percent sales tax to be used for acquiring capital equipment and improving City facilities and infrastructure.

Parks and Public Works Projects – This capital project fund accounts for the proceeds from the Series 2009 general obligation bond issue to be used to finance various park improvement projects, and the design of a parks and public works maintenance facility.

General Debt Service – This fund accounts for the accumulation of resources for, and the payment of, principal, interest, and fiscal charges on the City's general obligation bonds.

Tax Increment Financing Fund - Accounts for resources of the City's tax increment financing activities.

Proprietary Funds

The City reports the following major proprietary fund:

Sanitary Sewer Fund – This fund accounts for the acquisition, operation, and maintenance of the City's sanitary sewer utility facilities and services.

The City also reports the following fund type:

Internal Service Fund – This fund accounts for costs and claim amounts which are below current insurance deductibles.

CITY OF GRANDVIEW, MISSOURI
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Fiduciary Funds

Agency Funds – These funds account for sales taxes collected by the City on behalf of the Jackson County Tax Fund which accounts for property taxes collected and remitted to Jackson County, Missouri, the 71/150 Highway Transportation Development District, and the Grandview Crossing Community Improvement District. Agency funds are used to report assets held in a trustee or agency capacity for others. Since by definition these assets are being held for the benefit of a third party and cannot be used to support activities or obligations of the City, these funds are not incorporated into the government-wide statements.

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide 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 flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, sales taxes and donations. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. This is a similar approach to that used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental Fund Financial Statements

All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available. The City considers funds available if collectible within the current period or within 60 days of year-end and available to pay obligations of the current period. This includes investment earnings and state-levied locally shared taxes, including motor vehicle fees. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made when all other eligibility requirements have been met and the amount is received within the 60 day availability period.

The City's property tax is levied by Jackson County, Missouri (the County) each September 1st on the assessed value of the prior January 1st date for all real and personal property located within the City. Property taxes are billed by the County on November 1st of each year, and are considered to be delinquent by the County after December 31st following the levy date.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

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Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which have not matured are recognized when due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Fund Financial Statements

All proprietary funds are accounted for using the economic resource measurement focus and the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Proprietary fund operating revenues, such as charges for services, are defined as those that 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. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's ongoing operations. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenue and expenses. Non-operating revenues, such as investment earnings, are those that result from non-exchange transactions or ancillary activities.

Cash and Investments

The City maintains a cash and investment pool in which a majority of the City's funds share. Each fund type's portion of this pool is displayed in the financial statements as cash and investments, and investments made in accordance with bond ordinances are reflected as restricted cash and investments. The City's cash and investments are primarily considered to be cash on hand, certificates of deposits, and federal agency securities. Investments are reported at fair value based on quoted market prices. Interest earned from the pool is allocated to the funds on the basis of average monthly cash and investment balances. Funds with overdrawn balances are not charged interest.

Accounts Receivable

Governmental activities accounts receivable consists of ambulance charges, code violation charges and other miscellaneous services provided to citizens. Business-type activities represent billed and unbilled sewer charges.

Prepaid Items

Prepaid items reflect the payment of insurance premiums for coverage that benefits more than one fiscal period. The premium amounts are amortized over the policy periods.

Restricted Assets

Certain unspent proceeds of the City's bonds and TIF loan, as well as certain resources set aside for their repayment, are classified as restricted assets on the applicable balance sheets and statement of net position because they are maintained in separate bank or trust accounts and their use is restricted by applicable debt covenants. Restricted assets in the General Fund consist of amounts held for court and performance bonds.

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Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., 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. In the governmental fund financial statements, capital assets are charged to expenditures as purchased, and capitalized in the proprietary fund statements. Capital assets are defined by the City as assets with a cost of \$5,000 or greater and an estimated useful life of at least one year. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value on the date received. Additions or improvements and other capital outlays that significantly extend the useful life of an asset or that significantly increase the capacity of an asset are capitalized.

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 is included as part of the capitalized value of the assets constructed. There was no interest capitalized during the year. All capital assets, except land and construction in progress, are depreciated. Depreciation on these assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Governmental activities:	
Buildings	25 to 50
Infrastructure	20 to 50
Improvements, other than buildings	15 to 50
Furniture and fixtures	5 to 20
Equipment	5 to 15
Vehicles	6
Business activities:	
Sanitary sewer lines	80
Equipment	7 to 8

Compensated Absences

Under terms of the City's personnel policy, employees are granted paid time off (PTO) and short-term disability leave in varying amounts, based upon length of service. Paid time off begins to accrue from the date of hire into a part-time or full-time position and may not be taken until it is earned. A maximum of 232 hours may be rolled over to the following fiscal year. Unused paid time off of greater than 232 hours at the end of each fiscal year will be forfeited. Employees will receive Family and Medical Leave protection concurrently with qualified PTO. Employees will be paid for unused PTO upon separation from the City after six months of employment.

In addition, all regular full-time employees are eligible for 8 hours paid time off per fiscal year to be used for wellness visits and 8 hours for a floating holiday. Wellness and floating holiday time not used at the end of the fiscal year will be forfeited. Approved paid time off for wellness and prevention will not be deducted from the employee's paid time off accrual.

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All regular full time employees will accrue 8 hours per month, with a maximum accrual of 1000 hours, to be used as Short-Term Disability. Short-Term Disability Leave is 100% paid leave for an employee who is unable to work due to his/her disability or the need to care for a spouse, dependent child, or parent with a serious health condition. Injuries or illnesses covered by worker's compensation are not eligible for Short Term Disability benefits. The employee is eligible for Short-Term Disability benefit only after 40 hours consecutive absence for a single event. Employees, who are actively employed at the time of elective, qualified retirement, receive a lump sum payment equal to 25% of their accumulated short term disability hours, subject to a maximum payment of 250 hours. Vested or accumulated paid time off and short term disability is accrued when earned in the government-wide and proprietary financial statements. A liability is reported in the governmental funds only if it has matured as a result of employee resignations or retirements.

Long-term Liabilities

The accounting treatment of long-term debt depends on whether debt proceeds were used to acquire or improve assets used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of certificates of participation payable, revenue bonds payable, developer obligations payables, and accrued compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for long-term debt in the proprietary fund is the same in the fund statements as it is in the government-wide statements.

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or refunded debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: taxes, ambulance billings and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Interfund Transfers

Permanent re-allocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

CITY OF GRANDVIEW, MISSOURI
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Fund Balances

Governmental funds report the following fund balance classifications:

Non-Spendable – This consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – This consists of amounts where constraints are placed on the use of those resources which are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – This consists of amounts which can only be used for specific purposes pursuant to constraints imposed by Ordinances passed by the Board of Aldermen.

Assigned – This consists of amounts which are constrained by City management's intent for these to be used for a specific purpose but are neither formally restricted by external sources nor committed by Board of Aldermen action. The City Administrator has the authority to assign amounts for a specific purpose in this category pursuant to the City's GASB 54 policy passed by the Board of Aldermen. Likewise, the City Administrator has the authority to take necessary actions to un-assign amounts in this category.

Unassigned – This consists of the residual fund balance that does not meet the requirements for the non-spendable, restricted, committed, or assigned classifications. A positive unassigned fund balance is only possible in the general fund.

The City has a fund balance policy that provides guidance for programs with multiple revenue sources. The policy is to use restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

The City has a minimum Unassigned Fund Balance policy for the General Fund equal to 20% of annual revenues. Detailed information on the City's governmental fund balance classifications may be found in Note 13 in the notes to the financial statements.

Net Position

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

Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted – This consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

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Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Statement of Cash Flows

Proprietary Fund investments maintained in the City's pooled investments are readily convertible to known amounts of cash, and so near to their maturity that they present insignificant risk of changes in value because of changes in interest rates, and generally have a maturity of less than three months when purchased. Accordingly, for purposes of the statement of cash flows, these investments are considered cash equivalents.

Stewardship, Compliance and Accountability

The Missouri Revised Statutes (RSMo) require all political subdivisions of the State prepare an annual budget. Governmental funds required to have legally adopted budgets include the general fund. Annual budgets for all governmental funds are adopted using the modified accrual basis of accounting. Budgeted expenditures cannot exceed budgeted revenues and unencumbered positive fund balances as required by Section 67.010 RSMo. Actual expenditures exceeded budgetary appropriations in the Law Enforcement Block Grant Fund by \$140.

Missouri Revised Statutes

RSMo section 302.341 requires the City to annually calculate the percentage of its general revenue that comes from traffic violations. Any such revenues that exceed 30% of total general revenues are required to be transferred to the Director of the Missouri Department of Revenue. In the current year, the City has reported fines and forfeitures, which includes traffic violations and other additional items, in the amount of \$1,317,275. This amount is approximately 8% of total general revenues of \$16,870,547 and, accordingly, the City believes that they are in compliance with the requirements of the Statute.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

2. Deposits and Investments

A summary of the carrying values of deposits, investments and petty cash at September 30, 2013 is as follows:

Deposits	\$ 6,161,516
Investments	13,508,861
Petty Cash	<u>6,600</u>
Total	<u>\$ 19,676,977</u>

CITY OF GRANDVIEW, MISSOURI
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These carrying values are reflected on the financial statements as follows:

Government-wide:	
Deposits and investments	\$ 18,840,802
Restricted assets	751,708
	19,592,510
Agency fund:	
Deposits and investments	84,467
Total	\$ 19,676,977

Investment Policy

The City deposits and invests all monies as allowed by state statute and in accordance with its investment policy. State statutes allow the City to deposit in open accounts and certificates of deposit, and to invest in direct obligations of the U.S. Government, U.S. Government agency obligations and repurchase agreements. Statutes also require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or a disinterested third party and must be of the kind prescribed by states statutes and approved by the State of Missouri.

The City maintains a cash and investment pool, which is available for use by most funds. Substantially, all excess cash is invested in repurchase agreements, certificates of deposits, and federal agency securities. Each fund's portion of this pool is displayed as pooled cash and investments or in restricted assets. Interest earned is allocated to the funds on the basis of average monthly cash and investment balances. Cash and investments are held separately by some of the City's funds. Additionally, certain restricted assets are invested in accordance with bond ordinances by the trustee in money market mutual funds and U.S. Government agency obligations.

The carrying amount, maturity segment, and ratings for the City's investments at September 30, 2013 are as follows:

	Investment Maturity		Rating
	Under one year	One to five years	
<u>Pooled investments</u>			
Federal Home Loan Bank	\$ -	\$ 1,964,200	Aaa
Federal Farm Credit Bank	-	2,476,500	Aaa
Federal National Mortgage Association	-	5,490,454	Aaa
Federal Home Loan Mortgage Corporation	-	2,994,800	Aaa
<u>Restricted investments</u>			
Gateway Commons TIF Fund:			
Financial Square Treasury Money Market Fund	582,907	-	AAA-m
	\$ 582,907	\$ 12,925,954	

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will be unable to fulfill its obligations. It is the City's policy to minimize credit risk by limiting its investments to Certificates of Deposit, bonds, or other obligations of the United States, and other debt securities given the highest available rating by a nationally recognized statistical rating organization. The ratings shown above are by Standard & Poor's as of year-end for each investment.

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Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For deposits, the City follows state statutes which require pledged collateral with a fair value equal to 100% of the funds on deposit, less insured amounts. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize all deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name but does not limit the holdings of any one counterparty.

At September 30, 2013, the pooled U.S. Government agency investments were held by the City's financial institution in the City's name. The securities underlying the repurchase agreement were held by the financial institution's agent in the City's name. Restricted investments are held in the City's name by the bond trustee in accordance with the related bond indentures.

At September 30, 2013, the City's deposits were insured by Federal depository insurance and uninsured deposits were fully collateralized by securities held by the City's agent in the City's name.

Interest Rate Risk

The City's investment policy limits investment maturities to five years as a means of managing its exposure to fair value losses arising from changes in interest rates. To minimize the risk of loss, the City matches investments to anticipated cash flows and diversifies the investment types to the extent practicable. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

The U.S. Government agency obligations above have maturity dates ranging from April 22, 2016 to September 13, 2018.

Concentration of Credit Risk

The City's investment policy does not limit the amount that can be invested with any one issuer. Investments that represent more than 5% of the City's investments consist of U.S. Government agency securities and are included above.

3. Tax Revenues

Tax revenues, including interest and penalties, by fund type for fiscal year 2013 were as follows:

	General Fund	Transportation Sales Tax	Capital Improvement Sales Tax	General Debt Service	TIF Fund	Nonmajor Governmental Funds	Total
Property tax	\$ 2,713,238	\$ -	\$ -	\$ 1,059,298	\$ -	\$ 338,926	\$ 4,111,462
Sales tax	2,512,243	1,152,625	1,256,106	-	111,377	1,146,210	6,178,561
Intergovernmental activity taxes	-	-	-	-	687,554	-	687,554
Franchise tax	3,521,045	-	-	-	-	-	3,521,045
Transient guest tax	-	-	-	-	-	80,880	80,880
Cigarette tax	89,603	-	-	-	-	-	89,603
Total	<u>\$ 8,836,129</u>	<u>\$ 1,152,625</u>	<u>\$ 1,256,106</u>	<u>\$ 1,059,298</u>	<u>\$ 798,931</u>	<u>\$ 1,566,016</u>	<u>\$ 14,669,105</u>

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The City's property tax is levied each September 1 on the assessed value as of the prior January 1 for all real and personal property located in the City. Property taxes are billed by Jackson County on November 1, and are considered delinquent after December 31 following the levy date. The City and County collect property taxes on behalf of each other and each receives a fee equal to 1.0% to 1.6%, respectively, of the gross amount of taxes collected. Taxes held on behalf of the County are reported in the Jackson County Tax Agency Fund. Taxes remaining unpaid for two years after that date are submitted to Jackson County for collection through foreclosure proceedings.

Assessed values are established by the Jackson County Assessor subject to review by the County's Board of Equalization and State Tax Commission. The assessed value for real property, including railroad and utility properties, located in the City as of January 1, 2012, on which the fiscal 2013 levy was based, was \$260,383,084.

The City is permitted by Missouri state statutes to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services, other than payment of principal and interest on long-term debt, up to \$.20 per \$100 of assessed valuation for recreation and in unlimited amounts for the payment of principal and interest.

Property tax levies per \$100 assessed valuation for the budget year ended September 30, 2013, were as follows:

General Fund	\$ 1.0000
Park Levy Fund	0.1200
Debt Service Fund	<u>0.3800</u>
 Total Levy	 <u>\$ 1.5000</u>

The City has passed ordinances to establish fifteen tax increment financing districts (TIF). The establishment of these districts allows the City to provide public improvements to encourage developers to construct and make new investments within blighted, conservation or economic areas. Through the use of TIF districts, the City can utilize the taxes generated by the incremental increase in property values and sales taxes from the date the TIF was established and the combined levies of all taxing jurisdictions for infrastructure improvements.

Sales tax revenues result from a 1% levy on all receipts from the retail sale of tangible personal property or taxable services within the City subject to taxation by the State of Missouri. Transportation sales tax revenues result from a 1/2% levy on all receipts and is for the purpose of street maintenance. The capital improvement sales tax revenues result from a 1/2% levy on all receipts and is to be used to acquire equipment and make City facility and infrastructure improvements. The community center sales tax revenues result from a 1/2% levy on all receipts to be used to construct and operate a community center.

Property taxes receivable include related interest and penalties, and other taxes receivable consist of sales, local use, cigarette and franchise taxes, reduced by an appropriate allowance for uncollectible taxes.

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4. Intergovernmental Revenue

Intergovernmental revenues during fiscal year 2013 consisted of the following:

	General Fund	Transportation Sales Tax	Capital Improvement Sales Tax	Non-major Governmental Funds	Total
Federal:					
Department of Justice	\$ 8,681	\$ -	\$ -	\$ 12,000	\$ 20,681
Highway safety	24,966	-	-	-	24,966
Department of Transportation	87,096	188,680	192,977	-	468,753
State:					
Motor vehicle fuel tax	618,208	-	-	-	618,208
Motor vehicle sales tax	160,789	-	-	-	160,789
Vehicle registration fees	102,384	-	-	-	102,384
Financial institution tax	11,044	-	-	-	11,044
Real replacement tax	130,994	-	-	-	130,994
Local:					
Drug task force tax	157,618	-	-	-	157,618
Total	<u>\$ 1,301,780</u>	<u>\$ 188,680</u>	<u>\$ 192,977</u>	<u>\$ 12,000</u>	<u>\$ 1,695,437</u>

Due from other governments at September 30, 2013 consists of state vehicle fuel and sales taxes, state vehicle registration fees, intergovernmental activity taxes, and grants.

5. Capital Assets

Changes in capital asset activity for 2013 are as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balances</u>
Business-type activities:				
Capital assets, being depreciated				
Sewer lines	\$ 14,241,789	\$ 54,720	\$ -	\$ 14,296,509
Vehicles and equipment	752,097	98,199	(15,828)	834,468
Total capital assets, being depreciated	<u>14,993,886</u>	<u>152,919</u>	<u>(15,828)</u>	<u>15,130,977</u>
Less accumulated depreciation for:				
Sewer lines	4,413,244	178,023	-	4,591,267
Vehicles and equipment	506,827	83,642	(15,828)	574,641
Total accumulated depreciation	<u>4,920,071</u>	<u>261,665</u>	<u>(15,828)</u>	<u>5,165,908</u>
Total capital assets, being depreciated, net	<u>10,073,815</u>	<u>(108,746)</u>	<u>-</u>	<u>9,965,069</u>
Total business-type activities capital assets, net	<u>\$ 10,073,815</u>	<u>\$ (108,746)</u>	<u>\$ -</u>	<u>\$ 9,965,069</u>

CITY OF GRANDVIEW, MISSOURI
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	<u>Beginning</u> <u>Balances</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u> <u>Balances</u>
Governmental activities:				
Capital assets, not being depreciated				
Land and land rights	\$ 3,219,918	\$ 155,604	\$ (11,070)	\$ 3,364,452
Construction in progress	2,899,630	298,968	(279,708)	2,918,890
Infrastructure in progress	<u>1,597,646</u>	<u>76,883</u>	<u>(1,516,609)</u>	<u>157,920</u>
Total capital assets, not being depreciated	<u>7,717,194</u>	<u>531,455</u>	<u>(1,807,387)</u>	<u>6,441,262</u>
Capital assets, being depreciated				
Buildings	17,294,995	-	(457,465)	16,837,530
Improvements, other than buildings	5,615,364	13,416	(382,581)	5,246,199
Furniture, fixtures, vehicles and equipment	11,045,237	799,430	(1,751,118)	10,093,549
Infrastructure	<u>49,014,694</u>	<u>1,971,192</u>	<u>-</u>	<u>50,985,886</u>
Total capital assets, being depreciated	<u>82,970,290</u>	<u>2,784,038</u>	<u>(2,591,164)</u>	<u>83,163,164</u>
Less accumulated depreciation for:				
Buildings	7,695,333	604,525	(462,712)	7,837,146
Improvements, other than buildings	2,482,047	275,651	(350,356)	2,407,342
Furniture, fixtures, vehicles and equipment	8,273,958	828,849	(1,687,569)	7,415,238
Infrastructure	<u>23,554,261</u>	<u>1,366,804</u>	<u>-</u>	<u>24,921,065</u>
Total accumulated depreciation	<u>42,005,599</u>	<u>3,075,829</u>	<u>(2,500,637)</u>	<u>42,580,791</u>
Total capital assets, being depreciated, net	<u>40,964,691</u>	<u>(291,791)</u>	<u>(90,527)</u>	<u>40,582,373</u>
Total governmental activities capital assets, net	<u>\$ 48,681,885</u>	<u>\$ 239,664</u>	<u>\$ (1,897,914)</u>	<u>\$ 47,023,635</u>

Depreciation expense charged to governmental activity functions are as follows:

General government	\$ 255,208
Public safety	522,711
Community development	695
Public works	1,562,003
Culture and recreation	<u>735,212</u>
Total depreciation expense - governmental activities	<u>\$ 3,075,829</u>

CITY OF GRANDVIEW, MISSOURI
Notes to the Basic Financial Statements
September 30, 2013

6. Long-term Obligations

The following is a summary of changes in long-term obligations of the City for the year ended September 30, 2013:

	Beginning Balances	Additions	Adjustments/ Retirements	Ending Balances	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 4,590,000	\$ -	\$ 960,000	\$ 3,630,000	\$ 970,000
Certificates of participation	8,050,000	-	405,000	7,645,000	375,000
TIF loan payable	4,660,000	-	170,000	4,490,000	200,000
Developer agreements	3,921,397	251,442	1,540,683	2,632,156	-
Unamortized premium	167,739	-	34,394	133,345	-
Unamortized discount	(56,601)	-	(4,197)	(52,404)	-
*Compensated absences	790,484	853,625	825,798	818,311	818,311
*Net pension obligation	165,830	-	44,526	121,304	-
*OPEB obligation	212,287	40,836	-	253,123	-
Total	\$ 22,501,136	\$ 1,145,903	\$ 3,976,204	\$ 19,670,835	\$ 2,363,311
Business-type activities:					
Compensated absences	\$ 39,043	\$ 41,608	\$ 43,102	\$ 37,549	\$ 37,549
Net pension obligation	7,814	-	2,098	5,716	-
OPEB obligation	7,313	1,575	-	8,888	-
	\$ 54,170	\$ 43,183	\$ 45,200	\$ 52,153	\$ 37,549

* - Primarily liquidated by the General Fund in prior years

General Obligation Bonds

The Missouri State Constitution permits a city, by vote of either two-thirds or four-sevenths of the voting electorate, depending upon the date of the election, to incur general obligation indebtedness for "city purposes" not to exceed 10% of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not to exceed, in the aggregate, an additional 10% of the assessed value of taxable tangible property, for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues, and/or sanitary or storm sewer systems, and purchasing or constructing waterworks, electric or other light plants, provided the total general obligation indebtedness does not exceed 20% of the assessed valuation of taxable property.

At September 30, 2013, the constitutional general obligation debt limit (based on the assessed value at January 1, 2013 of \$247,440,097) was \$49,488,019. General obligation debt subject to the debt limit is \$3,630,000 of bonds outstanding, with \$1,138,637 available in the General Debt Service Fund.

CITY OF GRANDVIEW, MISSOURI
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General obligation capital related bonds were issued in the amount of \$7,550,000 to finance park improvements and the construction of a parks and public works facility. The outstanding balances as of September 30, 2013 are as follows:

\$3,300,000 General Obligation Bonds, Series 2009, due in annual installments of \$50,000 to \$900,000 through March 1, 2014; interest at 2.00% to 2.50%	\$ 50,000
\$4,250,000 General Obligation Bonds, Series 2010, due in annual installments of \$325,000 to \$1,020,000 through March 1, 2018; interest at 1.00% to 2.25%	<u>3,580,000</u>
Total general obligation bonds	<u>\$ 3,630,000</u>

TIF Loan Payable

On December 1, 2003, the City entered into a financing agreement with the Missouri Development Finance Board (MDFB) to obtain a \$5,665,000 loan to finance certain public and private improvements in the Gateway Commons TIF District No. 9. The loan is due in annual installments through March 1, 2026, with interest rates ranging from 3.125% to 5.375%. In connection with the formation of the TIF District and obtaining the loan, the City has agreed to loan up to \$450,000 of the proceeds to the Transportation Development District (TDD) associated with the TIF project. The loan is subordinate to the MDFB bonds. At September 30, 2013, \$449,663 has been advanced by the City. The incremental property and sales taxes generated in the TIF District, as well as the amounts repaid on the TDD loan, are pledged by the City to the repayment of this loan. Any additional amounts necessary to make the loan payments are, subject to annual appropriation, payable from General Fund revenues. Restricted assets related to this issue include \$582,907 in the debt service related accounts. Total principal and interest remaining on the bonds is \$6,383,722. For 2013, principal and interest paid and city and intergovernmental incremental tax revenues were \$408,069 and \$287,508, respectively.

The annual debt service requirements to amortize all debt outstanding as of September 30, 2013 exclusive of developer agreements, unamortized bond issuance premiums and discounts, compensated absences, net pension obligations and other postemployment obligations are as follows:

	General Obligation Bonds		TIF Loan		Certificates of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 970,000	\$ 67,200	\$ 200,000	\$ 229,644	\$ 375,000	\$ 277,535
2015	990,000	47,475	205,000	219,919	390,000	266,060
2016	1,020,000	26,100	225,000	209,169	415,000	253,985
2017	325,000	10,969	240,000	197,544	445,000	241,085
2018	325,000	3,656	260,000	185,044	475,000	224,910
2019-2023	-	-	1,645,000	689,674	2,220,000	691,665
2024-2027	-	-	1,715,000	162,728	3,325,000	376,015
	<u>\$ 3,630,000</u>	<u>\$ 155,400</u>	<u>\$ 4,490,000</u>	<u>\$ 1,893,722</u>	<u>\$ 7,645,000</u>	<u>\$ 2,331,255</u>

CITY OF GRANDVIEW, MISSOURI
Notes to the Basic Financial Statements
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Developer Agreements

The City has three developer agreements in which developer financed project costs have been certified by the City as eligible to be reimbursed from tax increment financing revenues attributable to each project. Under tax increment financing plans, the developer may be reimbursed up to the certified cost amount from incremental taxes during a period not to exceed 23 years. Accordingly, certified project costs in excess of amounts reimbursed to date are reflected as a long-term obligation of the City. TIF revenues have been projected to produce sufficient funds to reimburse the developer for certified costs. These obligations are limited solely to the amount of incremental taxes received attributable to each respective project; any deficiencies are the sole responsibility of the developer and do not constitute an obligation of the City.

At September 30, 2013, the amount of outstanding developer agreements was \$2,632,156 and are payable through 2025 to the extent incremental taxes are available. During 2012, the developer for TIF #10 declared bankruptcy and property related to the TIF project that was used as collateral for the developer's bank loan was acquired by a bank. The bank subsequently sold the property to another developer that is not using the property for the original purpose as defined in the TIF agreement. As a result, \$1,338,032 of developer obligations due to the original developer are no longer an obligation of the City and have been adjusted from the developer agreements obligation and reported as forgiveness of indebtedness on the statement of activities.

For 2013, payments on the developer agreements were \$202,651. Incremental revenues were \$278,024 from City and intergovernmental sales and property taxes in the funds that are responsible for these obligations.

Conduit Debt

The City is authorized to issue industrial revenue bonds to provide financial assistance to a private-sector entity for the acquisition and construction of industrial facilities deemed to be in the public interest. Bonds are secured by the property financed and are payable solely from payments received on the underlying lease agreement. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. At September 30, 2013, there are three outstanding industrial revenue bond issues with a total principal amount of approximately \$21 million.

7. Interfund Activity

Interfund transfers for the year ended September 30, 2013, were as follows:

	Transfers	
	In	Out
General Fund	\$ 382,605	\$ 175,000
TIF Fund	-	27,254
Nonmajor governmental	855,149	815,000
Sanitary Sewer	-	220,500
Total	\$ 1,237,754	\$ 1,237,754

Transfers are used to (1) move revenues from the fund that a statute or the budget requires to collect them to the fund that statute or budget requires to expend them, (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, (3) to segregate money for anticipated capital projects, (4) and to transfer residual balances from closed TIF projects to the associated sales tax funds.

CITY OF GRANDVIEW, MISSOURI
Notes to the Basic Financial Statements
September 30, 2013

8. Cooperative Agreement for Sewer Service

In September 1978, the City entered into an agreement for sewerage treatment services with the Little Blue Valley Sewer District, whereby the City was given the right to connect to the Little Blue Valley Sewer District treatment system. Under this agreement, the City pays a quarterly fee based upon discharge into the system. In the fiscal year ended September 30, 2013, the City incurred costs of \$1,379,981 under the provisions of this agreement. Under a similar agreement with Kansas City, Missouri, the City incurred costs of \$417,285.

9. Employees' Retirement System

Plan Description

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo. 70.600-70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under Internal Revenue Code Section 401(a) and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102, or by calling 1-800-447-4334.

Funding Policy

The City's full-time employees do not contribute to the pension plan. The City is required to contribute at an actuarially determined rate; the current rate is 7.3% (general), 5.6% (police) and 7.2% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by state statute.

Annual Pension Cost

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

Annual required contribution	\$	662,523
Interest on net pension obligation		12,589
Adjustment to annual required contribution		<u>(179,791)</u>
Annual pension cost		495,321
Actual contributions		<u>541,944</u>
Increase (decrease) in NPO		(46,623)
NPO, beginning of year		<u>173,643</u>
NPO, end of year	\$	<u><u>127,020</u></u>

CITY OF GRANDVIEW, MISSOURI
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The annual required contribution (ARC) was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 6% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2010 was 30 years for the General division, 2 years for the Police division and 2 years for the Fire division. The amortization period as of February 28, 2011 was 30 years for the General division, 1 year for the Police division and 30 years for the Fire division.

Trend Information

The following trend information regarding annual pension cost is presented as of the system's fiscal year ended June 30:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 467,707	82.5%	\$ 81,849
2012	577,061	84.1	173,643
2013	495,321	109.4	127,020

Funding Status and Progress

As of February 28, 2013, the most recent actuarial valuation date, the plan was 99% funded. The actuarial accrued liability for benefits was \$16,155,567, and the actuarial value of assets was \$15,953,431, resulting in an unfunded accrued liability of \$202,136. The annual covered payroll (annual payroll of active employees covered by the plan) was \$8,131,526.

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 is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

10. Other Post-employment Benefits

Plan Description

The City provides employees that retire under LAGERS at the same time they end their service to the City the opportunity for continuation of medical and dental insurance coverage offered through Midwest Public Risk (MPR), a risk pool comprised of about 100 entity members. It has been determined that MPR functions as an agent multiple-employer plan.

CITY OF GRANDVIEW, MISSOURI
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Retirees who elect to continue coverage in the medical and dental plans offered through MPR are required to pay a contribution until the employee becomes eligible for Medicare. Since the retirees pay the premiums each year, the City's share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. This implicit rate subsidy is considered an other postemployment benefit (OPEB) under GASB 45. The benefits and benefit levels are governed by City policy and the MPR pool arrangement.

The pool arrangement with MPR is maintained to collect premiums and pay claims and administrative costs and does not qualify as an OPEB plan and is not treated as holding assets in order to offset GASB 45 liabilities. The plan is not accounted for as a trust fund since an irrevocable trust has not been established. There is no stand alone financial report for the plan.

Funding Policy

GASB Statement No. 45 does not require funding of the OPEB liability, and the City has chosen not to fund the liability. City policy dictates the payment of retiree claims as they become due. The City does not pay retiree benefits directly, as they are paid implicitly over time through employer subsidization of active premiums that would be lower if retirees were not part of the experience group.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, which represents an amount that is actuarially determined in accordance with the requirements of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year plus the amortization of the unfunded actuarial liability over thirty years.

For the year ended September 30, 2013, the annual OPEB costs are as follows:

	Governmental Activities	Business- Type Activities	Total
Annual required contribution	\$ 57,895	\$ 2,141	\$ 60,036
Interest on net OPEB obligation	10,614	366	10,980
Adjustment to annual required contribution	(13,152)	(453)	(13,605)
Annual OPEB cost (expense)	55,357	2,054	57,411
Less: Expected net employer contributions	14,521	479	15,000
Increase in net OPEB obligation	40,836	1,575	42,411
Net OPEB obligation, September 30, 2012	212,287	7,313	219,600
Net OPEB obligation, September 30, 2013	<u>\$ 253,123</u>	<u>\$ 8,888</u>	<u>\$ 262,011</u>

CITY OF GRANDVIEW, MISSOURI
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The City's annual OPEB cost, the percentage of annual OPEB costs estimated to be contributed to the plan, and the net OPEB obligation for the fiscal year ending September 30, 2013 are as follows:

	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Governmental Activities:				
	9/30/2011	\$ 71,797	22.3%	\$ 170,950
	9/30/2012	55,858	26.0%	212,287
	9/30/2013	55,357	26.2%	253,123
Business-Type Activities:				
	9/30/2011	\$ 2,161	0.9%	\$ 5,726
	9/30/2012	2,066	23.2%	7,313
	9/30/2013	2,054	23.3%	8,888
Total:				
	9/30/2011	\$ 73,958	21.6%	176,676
	9/30/2012	57,924	25.9%	219,600
	9/30/2013	57,411	26.1%	262,011

Funded Status and Funding Progress

As of July 1, 2011, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is \$418,386. There are no assets set aside for funding the plan as of that date, thus the entire amount is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$7,291,266, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 5.7%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and 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 about whether the actuarial value of plan assets increase or decrease over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and 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.

CITY OF GRANDVIEW, MISSOURI
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September 30, 2013

In the July 1, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 5% investment rate of return and an annual healthcare cost trend rate, which includes the inflation rate assumption, of 8.5% initially, reduced by decrements to an ultimate rate of 5% after eight years. The UAAL is being amortized on a level-dollar, open-period basis over a period of thirty years.

11. Commitments and Contingencies

Legal Matters

There are claims and/or lawsuits to which the City is, or may be, a party as a result of certain law enforcement activities, injuries and various other matters and complaints arising in the ordinary course of City activities. The City also participates in a number of federal and state-assisted grant programs which are subject to financial and compliance requirements with each applicable grant, and any disallowed costs resulting from such audits become the liability of the City. The City's management and legal counsel anticipate the potential claims against the City, if any, which are not covered by insurance, resulting from such matters would not materially affect the financial position of the City.

Encumbrances

Encumbrance accounting is used in the governmental funds by recording purchase orders, contracts and other commitments for the expenditure of funds in order to assure effective budgetary control and accountability. Encumbrances are reported in restricted, committed, or assigned fund balance categories. All appropriations lapse at year-end. The following encumbrances were outstanding at year end:

Fund	Outstanding Encumbrances
General Fund	\$ 126,023
Transportation Sales Tax	121,328
Capital Improvement Sales Tax	1,234,483
Parks and Public Works Projects	591,137
Nonmajor Governmental Funds	85,745
Sanitary Sewer	233,567
Total	\$ 2,392,283

Commitments

Capital projects often extend over several years. The City has made normal commitments for future expenditures related to capital projects programs. Project authorizations and expenditures since inception are as follows:

Project	Authorization	Obligations Since Inception
Byars Road Trail Project	\$ 90,000	\$ 54,190
Farmer's Market Place	500,000	297,302
KCSR Crossing over Blue Ridge Boulevard	450,000	228,099
Main Street (Phase IV)	177,099	103,731
Public Works / Parks Facility	2,660,547	2,505,496
Total	\$ 3,877,646	\$ 3,188,818

CITY OF GRANDVIEW, MISSOURI
Notes to the Basic Financial Statements
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Risk Management

The City obtains health and dental, and workers' compensation insurance coverage through its membership in Midwest Public Risk (MPR), a not-for-profit corporation consisting of governmental entities and political subdivisions. MPR was formed as a public entity risk retention pool to cover health and dental, workers' compensation, and property and casualty claims for its members. MPR has been established as assessable pools and accounting records are maintained for each line of coverage on a policy year basis. The City pays monthly and annual premiums to MPR for all coverage. The agreement with MPR provides that MPR will be self-sustaining through member premiums, although MPR has the authority to assess members for any deficiencies of revenues under expenses for any single plan year. Also, MPR has the authority to declare refunds to members for the excess of revenues over expenses relating to any single plan year. MPR has not had deficiencies in any of the past three fiscal years and management of the City is not aware of any deficit situation in MPR which would require an accrual of a liability as of September 30, 2013. Also, there have been no significant changes in coverage for 2013 and the City has not incurred any claims which have exceeded its coverage in any of the past three years.

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. At September 30, 2013, the City contracted with a commercial insurance provider for property and casualty insurance. The City maintains the Insurance Deductible Internal Service Fund to pay minor claims and the deductibles under the property and casualty insurance policies. The City's deductibles for the following types of insurance coverages for fiscal year ended September 30, 2013 are as follows: General liability \$5,000; Automobile liability \$500/\$1,000; Law Enforcement \$10,000; EMS \$5,000; Public Officials \$10,000; and Property \$5,000.

12. TIF projects

During the year ended September 30, 2013, the City closed TIF projects 2, 7 and 11 as all outstanding developer obligations had been paid and there was no more development activity related to the projects. All residual balances in the special allocation funds were remitted to the appropriate taxing jurisdictions. Amounts were paid to Jackson County in the amount of \$274,076, \$72,117, and \$25,662 for TIF projects 2, 7 and 11, respectively, and were shown on the financial statements as payments to taxing districts.

CITY OF GRANDVIEW, MISSOURI
Notes to the Basic Financial Statements
September 30, 2013

13. Fund Balances

Fund balances at year end are as follows:

	General Fund	Trans Sales Tax	Capital Impr. Sales Tax	Parks & Pub. Works Projects	General Debt Service	Tax Increment Financing	Non-Major Govt Funds	Total Govt Funds
Fund balances:								
Nonspendable:								
Prepaid items	\$ 315,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,736	\$ 335,306
Restricted for:								
Debt service	-	-	-	-	1,138,637	1,136,589	165,672	2,440,898
Transportation projects	-	1,099,825	-	-	-	-	-	1,099,825
Parks & public works projects	-	-	-	2,620,620	-	-	1,179,176	3,799,796
Community redevelopment	-	-	2,057,934	-	-	-	352,795	2,410,729
Law enforcement	-	-	-	-	-	-	18,315	18,315
Committed to:								
Miscellaneous	89,250	-	-	-	-	-	-	89,250
Assigned to:								
Parks & public works projects	-	-	-	-	-	-	27,060	27,060
Community redevelopment	-	-	-	-	-	-	939,333	939,333
Miscellaneous	36,773	-	-	-	-	-	-	36,773
Unassigned:	4,970,931	-	-	-	-	-	(45)	4,970,886
Total fund balances	<u>\$ 5,412,524</u>	<u>\$ 1,099,825</u>	<u>\$ 2,057,934</u>	<u>\$ 2,620,620</u>	<u>\$ 1,138,637</u>	<u>\$ 1,136,589</u>	<u>\$ 2,702,042</u>	<u>\$ 16,168,171</u>

14. Restatement of Prior Period Net Position

As of September 30, 2012, the beginning net position of the governmental activities was restated due to the implementation of the Governmental Accounting Standards Board Statement No. 65 (GASB 65). Under GASB 65, debt issuance costs should be expenses as incurred.

	Governmental Activities
Net Position, beginning of year as previously reported	\$ 45,467,952
Debt issuance costs	(332,046)
Net Position, beginning of year as restated	<u>\$ 45,135,906</u>

15. Subsequent Events

The City evaluated subsequent events through March 14, 2014, the date the financial statements were available to be issued. No subsequent events were identified that required disclosure in the financial statements.

CITY OF GRANDVIEW, MISSOURI
Required Supplementary Information
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 9,210,484	\$ 9,210,484	\$ 8,836,129	\$ (374,355)
Licenses and permits	537,000	537,000	561,510	24,510
Intergovernmental	1,449,750	1,449,750	1,301,780	(147,970)
Charges for services	1,365,350	1,365,350	1,463,553	98,203
Fines and forfeitures	1,135,500	1,135,500	1,317,275	181,775
Interest and other	445,000	455,000	397,343	(57,657)
Total Revenues	<u>14,143,084</u>	<u>14,153,084</u>	<u>13,877,590</u>	<u>(275,494)</u>
Expenditures:				
Current:				
General administration	2,963,236	3,211,236	3,260,687	(49,451)
Public safety	8,755,876	8,765,876	8,594,237	171,639
Public works	1,400,229	1,430,229	1,433,582	(3,353)
Community development	688,283	688,283	699,810	(11,527)
Parks and recreation	751,904	751,904	584,796	167,108
Total Expenditures	<u>14,559,528</u>	<u>14,847,528</u>	<u>14,573,112</u>	<u>274,416</u>
Excess of Revenues Over (Under) Expenditures	<u>(416,444)</u>	<u>(694,444)</u>	<u>(695,522)</u>	<u>(1,078)</u>
Other Financing Sources (Uses):				
Transfers in	380,500	380,500	382,605	2,105
Transfers out	-	(175,000)	(175,000)	-
Sale of capital assets	-	-	26,969	26,969
Total Other Financing Sources (Uses)	<u>380,500</u>	<u>205,500</u>	<u>234,574</u>	<u>29,074</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (35,944)</u>	<u>\$ (488,944)</u>	<u>(460,948)</u>	<u>\$ 27,996</u>
Fund Balance, Beginning of Year			<u>5,873,472</u>	
Fund Balance, End of Year			<u>\$ 5,412,524</u>	

Note to Required Supplementary Information:

GAAP is the budgetary basis used to prepare this schedule

CITY OF GRANDVIEW, MISSOURI
Required Supplementary Information
Schedules of Funding Progress

Employee Retirement System

	(a)	(b)	(b) - (a)	(a)/(b)	(c)	(b)-(a)/(c)
Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAL as a Percentage of Covered Payroll
2/28/2011	\$ 15,711,726	\$ 16,167,711	\$ 455,985	97%	\$ 8,621,330	5%
2/29/2012	16,534,066	16,506,433	(27,633)	100%	8,419,649	
2/28/2013	15,953,431	16,155,567	202,136	99%	8,131,526	2%

Other Post Employment Benefits

	(a)	(b)	(b) - (a)	(a)/(b)	(c)	(b)-(a)/(c)
Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAL as a Percentage of Covered Payroll
7/1/2007	\$ -	\$ 643,437	\$ 643,437	0%	\$ 7,382,844	9%
7/1/2009	-	555,908	555,908	0%	7,717,798	7%
7/1/2011	-	418,386	418,386	0%	7,291,266	6%

CITY OF GRANDVIEW, MISSOURI
Notes to Required Supplementary Information
September 30, 2013

Legal Compliance—Budgetary Control

Although the City is required to prepare an annual operating budget for all funds, there is no requirement to report on the budget for proprietary and similar trust funds. Therefore, the financial statements include a comparison of budget to actual only for the governmental funds. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

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

1. Prior to September 1, the City Administrator submits to the Board of Alderman a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and transfers and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget for all funds is legally enacted through passage of an ordinance.
4. The City Administrator is authorized to transfer budgeted amounts between departments within any fund and/or authorized departmental expenditure in excess of budgeted amounts. Any revision that alters the total expenditures of any fund must be approved by the Board of Aldermen.



CITY OF GRANDVIEW, MISSOURI
Combining Balance Sheet - Non-Major Governmental Funds
September 30, 2013

	<u>Special Revenue</u>	<u>2003 COP Debt Service</u>	<u>Public Works Facility Construction</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and investments	\$ 2,444,640	\$ 165,672	\$ 27,003	\$ 2,637,315
Receivables:				
Accounts	54,266	-	-	54,266
Taxes	27,464	-	-	27,464
Sales and franchise taxes	194,309	-	-	194,309
Accrued interest	2,345	-	63	2,408
Prepaid items	19,736	-	-	19,736
Total assets	<u><u>\$ 2,742,760</u></u>	<u><u>\$ 165,672</u></u>	<u><u>\$ 27,066</u></u>	<u><u>\$ 2,935,498</u></u>
LIABILITIES				
Accounts payable	\$ 88,502	\$ -	\$ 6	\$ 88,508
Accrued liabilities	33,745	-	-	33,745
Due to other funds	14,953	-	-	14,953
Other liabilities	25,141	-	-	25,141
Total liabilities	<u>162,341</u>	<u>-</u>	<u>6</u>	<u>162,347</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	23,848	-	-	23,848
Unavailable revenue - other	47,261	-	-	47,261
Total deferred inflows of resources	<u>71,109</u>	<u>-</u>	<u>-</u>	<u>71,109</u>
FUND BALANCES				
Nonspendable	19,736	-	-	19,736
Restricted	1,550,286	165,672	-	1,715,958
Assigned	939,333	-	27,060	966,393
Unassigned (deficit)	(45)	-	-	(45)
Total fund balances	<u>2,509,310</u>	<u>165,672</u>	<u>27,060</u>	<u>2,702,042</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 2,742,760</u></u>	<u><u>\$ 165,672</u></u>	<u><u>\$ 27,066</u></u>	<u><u>\$ 2,935,498</u></u>

CITY OF GRANDVIEW, MISSOURI
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended September 30, 2013

	<u>Special Revenue</u>	<u>2003 COP Debt Service</u>	<u>Public Works Facility Construction</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES:				
Taxes	\$ 1,566,016	\$ -	\$ -	\$ 1,566,016
Intergovernmental	12,000	-	-	12,000
Charges for services	945,826	-	-	945,826
Investment earnings	3,320	1	(10)	3,311
Other	277,674	-	-	277,674
Total revenues	<u>2,804,836</u>	<u>1</u>	<u>(10)</u>	<u>2,804,827</u>
EXPENDITURES:				
Current:				
Community development	404,872	-	-	404,872
Culture and recreation	1,492,742	-	-	1,492,742
Capital outlay				
Public safety	12,270	-	-	12,270
Culture and recreation	238,076	-	-	238,076
Public works	-	-	7,293	7,293
Debt service:				
Principal	-	405,000	-	405,000
Interest and fiscal charges	-	292,001	-	292,001
Total expenditures	<u>2,147,960</u>	<u>697,001</u>	<u>7,293</u>	<u>2,852,254</u>
Excess of revenues over (under) expenditures	<u>656,876</u>	<u>(697,000)</u>	<u>(7,303)</u>	<u>(47,427)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	175,149	680,000	-	855,149
Transfers out	(815,000)	-	-	(815,000)
	<u>(639,851)</u>	<u>680,000</u>	<u>-</u>	<u>40,149</u>
Net changes in fund balances	17,025	(17,000)	(7,303)	(7,278)
Fund balances, beginning of year	<u>2,492,285</u>	<u>182,672</u>	<u>34,363</u>	<u>2,709,320</u>
Fund balances, end of year	<u>\$ 2,509,310</u>	<u>\$ 165,672</u>	<u>\$ 27,060</u>	<u>\$ 2,702,042</u>

CITY OF GRANDVIEW, MISSOURI
Combining Balance Sheet - Non-Major Special Revenue Funds
September 30, 2013

	Neighborhood Parks	Police Forfeiture	Law Enforcement Block Grant	Housing Rehabilitation	Park Levy	Human Square	Economic Development Enhancement	Community Center Sales Tax	Total
ASSETS									
Cash and investments	\$ 162,788	\$ 18,278	\$ 14,908	\$ 108,114	\$ 1,025,671	\$ 32,575	\$ 32,455	\$ 1,049,851	\$ 2,444,640
Receivables:									
Accounts	-	-	-	-	-	-	54,266	-	54,266
Taxes	-	-	-	-	27,464	-	-	-	27,464
Sales and franchise taxes	-	-	-	-	-	-	-	194,309	194,309
Accrued interest	-	37	-	122	1,277	38	249	622	2,345
Prepaid Items	-	-	-	-	-	-	-	19,736	19,736
Total assets	\$ 162,788	\$ 18,315	\$ 14,908	\$ 108,236	\$ 1,054,412	\$ 32,613	\$ 86,970	\$ 1,264,518	\$ 2,742,760
LIABILITIES									
Accounts payable	\$ 859	\$ -	\$ -	\$ 22	\$ 13,317	\$ 7	\$ 20,029	\$ 54,268	\$ 88,502
Accrued liabilities	-	-	-	-	-	-	2,014	31,731	33,745
Due to other funds	-	-	14,953	-	-	-	-	-	14,953
Other liabilities	-	-	-	-	-	-	-	25,141	25,141
Total liabilities	\$ 859	\$ -	\$ 14,953	\$ 22	\$ 13,317	\$ 7	\$ 22,043	\$ 111,140	\$ 162,341
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - taxes	-	-	-	-	23,848	-	-	-	23,848
Unavailable revenue - other	-	-	-	-	-	-	47,261	-	47,261
Total deferred inflows of resources	-	-	-	-	23,848	-	47,261	-	71,109
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	19,736	19,736
Restricted	161,929	18,315	-	108,214	1,017,247	32,606	17,666	194,309	1,550,286
Assigned	-	-	-	-	-	-	-	939,333	939,333
Unassigned (deficit)	-	-	(45)	-	-	-	-	-	(45)
Total fund balances	\$ 161,929	\$ 18,315	\$ (45)	\$ 108,214	\$ 1,017,247	\$ 32,606	\$ 17,666	\$ 1,153,378	\$ 2,509,310
Total liabilities, deferred inflows of resources and fund balances	\$ 162,788	\$ 18,315	\$ 14,908	\$ 108,236	\$ 1,054,412	\$ 32,613	\$ 86,970	\$ 1,264,518	\$ 2,742,760

CITY OF GRANDVIEW, MISSOURI
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Special Revenue Funds
Year Ended September 30, 2013

	Neighborhood Parks	Police Forfeiture	Law Enforcement Block Grant	Housing Rehabilitation	Park Levy	Human Square	Economic Development Enhancement	Community Center Sales Tax	Total
REVENUES:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 338,926	\$ -	\$ 80,880	\$ 1,146,210	\$ 1,566,016
Intergovernmental	-	-	12,000	-	-	-	-	-	12,000
Charges for services	-	-	-	-	-	-	-	945,826	945,826
Investment earnings	613	(18)	121	174	1,441	52	(218)	1,155	3,320
Other	92,675	2,326	-	-	7,314	-	165,007	10,352	277,674
Total revenues	93,288	2,308	12,121	174	347,681	52	245,669	2,103,543	2,804,836
EXPENDITURES:									
Current:									
Community development	-	-	-	78	-	-	404,771	-	404,872
Culture and recreation	108	-	-	-	-	-	-	1,492,634	1,492,742
Capital outlay:									
Public safety	-	9	12,261	-	-	-	-	5,861	12,270
Culture and recreation	-	-	-	78	232,215	-	-	-	238,076
Total expenditures	108	9	12,261	78	232,215	23	404,771	1,498,495	2,147,960
Excess of revenues over (under) Expenditures:	93,180	2,299	(140)	96	115,466	29	(159,102)	605,048	656,876
OTHER FINANCING SOURCES (USES):									
Transfers in	-	-	-	-	-	-	175,000	149	175,149
Transfers out	-	-	-	-	(135,000)	-	-	(680,000)	(815,000)
Net changes in fund balances	93,180	2,299	(140)	96	(19,534)	29	15,898	(74,803)	17,025
Fund balances, beginning balance	68,749	16,016	95	108,118	1,036,781	32,577	1,768	1,228,181	2,492,285
Fund balances, end of year	\$ 161,929	\$ 18,315	\$ (45)	\$ 108,214	\$ 1,017,247	\$ 32,606	\$ 17,666	\$ 1,153,378	\$ 2,509,310

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Neighborhood Parks
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment earnings	\$ 700	\$ 613	\$ (87)
Other Revenue	<u>5,000</u>	<u>92,675</u>	<u>87,675</u>
Total Revenues	<u>5,700</u>	<u>93,288</u>	<u>87,588</u>
 Expenditures:			
Culture and Recreation	<u>14,000</u>	<u>108</u>	<u>13,892</u>
 Excess of Revenues Over (Under) Expenditures	<u>\$ (8,300)</u>	<u>93,180</u>	<u>\$ 101,480</u>
 Fund Balance, Beginning of Year		<u>68,749</u>	
 Fund Balance, End of Year		<u>\$ 161,929</u>	

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Police Forfeiture
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment earnings	\$ 400	\$ (18)	\$ (418)
Other Revenue	70	2,326	2,256
Total Revenues	<u>470</u>	<u>2,308</u>	<u>1,838</u>
Expenditures:			
Capital Outlay - Public Safety	<u>10,000</u>	<u>9</u>	<u>9,991</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (9,530)</u>	<u>2,299</u>	<u>\$ 11,829</u>
Fund Balance, Beginning of Year		<u>16,016</u>	
Fund Balance, End of Year		<u>\$ 18,315</u>	

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Law Enforcement Block Grant
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 12,000	\$ 12,000	\$ -
Investment earnings	-	121	121
Total Revenues	<u>12,000</u>	<u>12,121</u>	<u>121</u>
Expenditures:			
Capital outlay - Public Safety	12,000	12,261	(261)
Total Expenditures	<u>12,000</u>	<u>12,261</u>	<u>(261)</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>(140)</u>	<u>\$ (140)</u>
Fund Balance, Beginning of Year		<u>95</u>	
Fund Balance, End of Year		<u>\$ (45)</u>	

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Housing Rehabilitation
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment earnings	\$ 1,400	\$ 174	\$ (1,226)
Total Revenues	<u>1,400</u>	<u>174</u>	<u>(1,226)</u>
Expenditures:			
Community development	5,000	78	4,922
Total Expenditures	<u>5,000</u>	<u>78</u>	<u>4,922</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (3,600)</u>	<u>96</u>	<u>\$ 3,696</u>
Fund Balance, Beginning of Year		<u>108,118</u>	
Fund Balance, End of Year		<u>\$ 108,214</u>	

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Park Levy
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 330,000	\$ 338,926	\$ 8,926
Investment earnings	18,000	1,441	(16,559)
Other	-	7,314	7,314
Total Revenues	<u>348,000</u>	<u>347,681</u>	<u>(319)</u>
Expenditures:			
Capital outlay - Culture & Recreation	347,000	232,215	114,785
Total Expenditures	<u>347,000</u>	<u>232,215</u>	<u>114,785</u>
Excess of Revenues Over (Under) Expenditures	<u>1,000</u>	<u>115,466</u>	<u>114,466</u>
Other Financing Sources (Uses):			
Transfers out	(135,000)	(135,000)	-
Total Other Financing Sources (Uses)	<u>(135,000)</u>	<u>(135,000)</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (134,000)</u>	<u>(19,534)</u>	<u>\$ 114,466</u>
Fund Balance, Beginning of Year		<u>1,036,781</u>	
Fund Balance, End of Year		<u>\$ 1,017,247</u>	

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Inman Square
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment earnings	\$ 500	\$ 52	\$ (448)
Total Revenues	<u>500</u>	<u>52</u>	<u>(448)</u>
Expenditures:			
Community Development	1,000	23	977
Total Expenditures	<u>1,000</u>	<u>23</u>	<u>977</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (500)</u>	<u>29</u>	<u>\$ 529</u>
Fund Balance, Beginning of Year		<u>32,577</u>	
Fund Balance, End of Year		<u>\$ 32,606</u>	

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Economic Development Enhancement
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 119,200	\$ 80,880	\$ (38,320)
Investment earnings	1,500	(218)	\$ (1,718)
Other	140,000	165,007	25,007
Total Revenues	<u>260,700</u>	<u>245,669</u>	<u>(15,031)</u>
Expenditures:			
Community Development	707,084	404,771	302,313
Total Expenditures	<u>707,084</u>	<u>404,771</u>	<u>302,313</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (446,384)</u>	<u>(159,102)</u>	<u>\$ 287,282</u>
Other Financing Sources (Uses):			
Transfers in	495,000	175,000	(320,000)
Total Other Financing Sources (Uses)	<u>495,000</u>	<u>175,000</u>	<u>(320,000)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 48,616</u>	15,898	<u>\$ (32,718)</u>
Fund Balance, Beginning of Year		<u>1,768</u>	
Fund Balance, End of Year		<u>\$ 17,666</u>	

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Community Center Sales Tax
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive Negative</u>
Revenues:			
Taxes	\$ 1,200,000	\$ 1,146,210	\$ (53,790)
Charges for services	985,200	945,826	(39,374)
Investment earnings	20,000	1,155	(18,845)
Other	10,000	10,352	352
Total Revenues	<u>2,215,200</u>	<u>2,103,543</u>	<u>(111,657)</u>
Expenditures:			
Culture and Recreation	1,569,867	1,492,634	77,233
Capital Outlay	6,500	5,861	639
Total Expenditures	<u>1,576,367</u>	<u>1,498,495</u>	<u>77,872</u>
Excess of Revenues Over (Under) Expenditures	<u>638,833</u>	<u>605,048</u>	<u>(33,785)</u>
Other Financing Sources (Uses):			
Transfers in	-	149	149
Transfers out	(680,000)	(680,000)	-
Total Other Financing Sources (Uses)	<u>(680,000)</u>	<u>(679,851)</u>	<u>149</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (41,167)</u>	<u>(74,803)</u>	<u>\$ (33,636)</u>
Fund Balance, Beginning of Year		<u>1,228,181</u>	
Fund Balance, End of Year		<u>\$ 1,153,378</u>	

CITY OF GRANDVIEW, MISSOURI
Combining Balance Sheet - Tax Increment Financing Fund Projects
September 30, 2013

	Tax Increment Financing District No. 2		Tax Increment Financing District No. 7		Tax Increment Financing District No. 8		Tax Increment Financing District No. 9		Tax Increment Financing District No. 10		Tax Increment Financing District No. 11		Tax Increment Financing District No. 12		Tax Increment Financing District No. 13		Tax Increment Financing District No. 15		Gateway Commons TIF Project	Total
	Tax Increment	Financing	Tax Increment	Financing	Tax Increment	Financing	Tax Increment	Financing	Tax Increment	Financing	Tax Increment	Financing								
ASSETS																				
Cash and investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables:																				
Taxes	-	-	-	-	1,915	-	23,660	-	-	-	-	-	-	-	-	10,355	-	47,524	-	83,454
Due from other governments	-	-	-	-	97	-	22,596	-	75,932	-	-	-	-	-	608	-	-	-	-	99,233
Internal balances	-	-	-	-	-	-	-	31,518	-	-	-	-	-	-	-	-	-	-	(31,518)	-
Restricted assets:																				
Cash and investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	582,907
Accrued interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,917
TIF loan receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	449,663
Total assets	-	-	-	-	23,025	-	118,446	-	77,391	-	-	-	-	-	11,278	-	63,790	-	1,014,801	1,308,731
LIABILITIES																				
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	336	-	1,476	-	-	-	-	-	246	-	140	-	23,187	25,385
DEFERRED INFLOWS OF RESOURCES																				
Unavailable revenue - taxes	-	-	-	-	97	-	22,596	-	75,932	-	-	-	-	-	608	-	47,524	-	-	99,233
Unavailable revenue - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,524
Total deferred inflows of resources	-	-	-	-	97	-	22,596	-	75,932	-	-	-	-	-	608	-	47,524	-	-	146,757
FUND BALANCES																				
Restricted	-	-	-	-	22,928	-	95,514	-	(17)	-	-	-	-	(246)	10,530	-	(6,921)	-	1,014,801	1,136,589
Total liabilities and fund balances	-	-	-	-	23,025	-	118,446	-	77,391	-	-	-	-	-	11,278	-	63,790	-	1,014,801	1,308,731

CITY OF GRANDVIEW, MISSOURI
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Tax Increment Financing Fund Projects
Year Ended September 30, 2013

	Tax Increment Financing District No. 2	Tax Increment Financing District No. 7	Tax Increment Financing District No. 8	Tax Increment Financing District No. 9	Tax Increment Financing District No. 10	Tax Increment Financing District No. 11	Tax Increment Financing District No. 12	Tax Increment Financing District No. 13	Tax Increment Financing District No. 15	Gateway Commons Debt Service	Total
REVENUES:											
Taxes	\$ -	\$ 162	\$ 6,236	\$ 80,515	\$ -	\$ -	\$ -	\$ 24,464	\$ -	\$ -	\$ 111,377
Intergovernmental activity taxes	106,576	79,506	24,940	206,994	112,022	14,951	71,382	71,183	-	-	687,554
Other	-	-	-	79,000	-	-	-	-	-	-	27,839
Total revenues	106,576	79,668	31,176	366,509	112,022	14,951	71,382	95,647	27,839	-	905,770
EXPENDITURES:											
Current:											
Community development	1,705	1,294	1,821	4,443	13,268	3,776	6,387	93,525	59,768	-	185,987
Payments to taxing districts	274,076	72,117	-	-	-	25,662	-	-	-	-	371,855
Debt service:											
Principal retirement	-	7,385	-	-	130,000	-	65,266	-	-	-	170,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	240,819
Total expenditures	275,781	80,796	1,821	4,443	143,268	29,438	71,653	93,525	59,768	-	1,171,312
Excess of revenues over (under) Expenditures:	(169,205)	(1,128)	29,355	362,066	(31,246)	(14,487)	(271)	2,122	(31,929)	(410,819)	(265,542)
OTHER FINANCING SOURCES (USES):											
Transfers between TIF funds	-	(149)	(25,000)	(418,625)	(2,105)	-	-	-	-	418,625	(27,254)
Transfers out	-	(149)	(25,000)	(418,625)	(2,105)	-	-	-	-	418,625	(27,254)
Net changes in fund balances	(169,205)	(1,277)	4,355	(56,559)	(33,351)	(14,487)	(271)	2,122	(31,929)	7,806	(292,796)
Fund balances, beginning balance	169,205	1,277	18,573	152,073	33,334	14,487	25	8,408	25,008	1,006,995	1,429,385
Fund balances, end of year	\$ -	\$ -	\$ 22,928	\$ 95,514	\$ (17)	\$ -	\$ (246)	\$ 10,530	\$ (6,921)	\$ 1,014,801	\$ 1,136,589

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
TIF #2
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Sales and intergovernmental activity taxes	\$ -	\$ 106,576	\$ 106,576
Total Revenues	<u>-</u>	<u>106,576</u>	<u>106,576</u>
Expenditures:			
Community Development	-	1,705	(1,705)
Payments to taxing districts	<u>300,000</u>	<u>274,076</u>	<u>25,924</u>
Total Expenditures	<u>300,000</u>	<u>275,781</u>	<u>24,219</u>
Excess of Revenues Over (Under) Expenditures	<u>(300,000)</u>	<u>(169,205)</u>	<u>130,795</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (300,000)</u>	<u>(169,205)</u>	<u>\$ 130,795</u>
Fund Balance, Beginning of Year		<u>169,205</u>	
Fund Balance, End of Year		<u>\$ -</u>	

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
TIF #7
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Sales and intergovernmental activity taxes	\$ 104,000	\$ 79,668	\$ (24,332)
Total Revenues	<u>104,000</u>	<u>79,668</u>	<u>(24,332)</u>
Expenditures:			
Community Development	2,200	1,294	906
Payments to taxing districts	-	72,117	(72,117)
Debt service	100,000	7,385	92,615
Total Expenditures	<u>102,200</u>	<u>80,796</u>	<u>21,404</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 1,800</u>	<u>(1,128)</u>	<u>\$ (2,928)</u>
Other Financing Sources (Uses):			
Transfers out	-	(149)	149
Total Other Financing Sources (Uses)	<u>-</u>	<u>(149)</u>	<u>149</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ 1,800</u>	<u>(1,277)</u>	<u>\$ (2,779)</u>
Fund Balance, Beginning of Year		<u>1,277</u>	
Fund Balance, End of Year		<u>\$ -</u>	

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
TIF #8
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Sales and intergovernmental activity taxes	\$ 27,000	\$ 31,176	\$ 4,176
Investment earnings	400	-	(400)
Total Revenues	<u>27,400</u>	<u>31,176</u>	<u>3,776</u>
Expenditures:			
Community Development	<u>5,000</u>	<u>1,821</u>	<u>3,179</u>
Total Expenditures	<u>5,000</u>	<u>1,821</u>	<u>3,179</u>
Excess of Revenues Over (Under) Expenditures	<u>22,400</u>	<u>29,355</u>	<u>6,955</u>
Other Financing Sources (Uses):			
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	-
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(25,000)</u>	-
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (2,600)</u>	4,355	<u>\$ 6,955</u>
Fund Balance, Beginning of Year		<u>18,573</u>	
Fund Balance, End of Year		<u>\$ 22,928</u>	

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
TIF #9
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Sales and intergovernmental activity taxes	\$ 279,000	\$ 287,509	\$ 8,509
Investment earnings	500	-	(500)
Other	79,000	79,000	-
Total Revenues	<u>358,500</u>	<u>366,509</u>	<u>8,009</u>
Expenditures:			
Community Development	6,000	4,443	1,557
Total Expenditures	<u>6,000</u>	<u>4,443</u>	<u>1,557</u>
Excess of Revenues Over (Under) Expenditures	<u>352,500</u>	<u>362,066</u>	<u>9,566</u>
Other Financing Sources (Uses):			
Transfers out	(425,000)	(418,625)	6,375
Total Other Financing Sources (Uses)	<u>(425,000)</u>	<u>(418,625)</u>	<u>6,375</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (72,500)</u>	<u>(56,559)</u>	<u>\$ 15,941</u>
Fund Balance, Beginning of Year		<u>152,073</u>	
Fund Balance, End of Year		<u>\$ 95,514</u>	

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
TIF #10
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Sales and intergovernmental activity taxes	\$ 108,000	\$ 112,022	\$ 4,022
Investment earnings	150	-	(150)
Total Revenues	<u>108,150</u>	<u>112,022</u>	<u>3,872</u>
Expenditures:			
Community Development	4,500	13,268	(8,768)
Debt service	144,000	130,000	14,000
Total Expenditures	<u>148,500</u>	<u>143,268</u>	<u>5,232</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (40,350)</u>	<u>(31,246)</u>	<u>\$ 9,104</u>
Other Financing Sources (Uses):			
Transfers out	-	(2,105)	2,105
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,105)</u>	<u>2,105</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (40,350)</u>	<u>(33,351)</u>	<u>\$ 11,209</u>
Fund Balance, Beginning of Year		<u>33,334</u>	
Fund Balance, End of Year		<u>\$ (17)</u>	

CITY OF GRANDVIEW, MISSOURI

TAX INCREMENT FINANCING DISTRICT NO. 2

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>		<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUES:			
Taxes	\$ 94,400	\$ 93,275	\$ 92,595
Interest	<u>-</u>	<u>2,074</u>	<u>909</u>
Total revenues	<u>94,400</u>	<u>95,349</u>	<u>93,504</u>
EXPENDITURES:			
General - Community development	<u>50</u>	<u>2</u>	<u>277</u>
Excess of revenues over expenditures	94,350	95,347	93,227
OTHER FINANCING USES:			
Transfers out	<u>(94,400)</u>	<u>(94,400)</u>	<u>(91,000)</u>
Excess of revenues over (under) expenditures and other uses	<u>\$ (50)</u>	947	2,227
FUND BALANCE, beginning of year		<u>3,083</u>	<u>856</u>
FUND BALANCE, end of year		<u>\$ 4,030</u>	<u>\$ 3,083</u>

CITY OF GRANDVIEW, MISSOURI

TAX INCREMENT FINANCING DISTRICT NO. 3

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>		<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUES:			
Taxes	\$109,800	\$112,235	\$ 108,114
Interest	<u>3,600</u>	<u>6,760</u>	<u>9,346</u>
Total revenues	<u>113,400</u>	<u>118,995</u>	<u>117,460</u>
EXPENDITURES:			
General - Community development	<u>201,225</u>	<u>277</u>	<u>2,480</u>
Excess of revenues over (under) expenditures	(87,825)	118,718	114,980
OTHER FINANCING USES:			
Transfers out	<u>-</u>	<u>-</u>	<u>(273,736)</u>
Excess of revenues over (under) expenditures and other uses	<u>\$ (87,825)</u>	118,718	(158,756)
FUND BALANCE, beginning of year		<u>87,402</u>	<u>246,158</u>
FUND BALANCE, end of year		<u>\$206,120</u>	<u>\$ 87,402</u>

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
TIF #13
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Sales and intergovernmental activity taxes	\$ 112,000	\$ 95,647	\$ (16,353)
Total Revenues	<u>112,000</u>	<u>95,647</u>	<u>(16,353)</u>
Expenditures:			
Community Development	120,100	93,525	26,575
Total Expenditures	<u>120,100</u>	<u>93,525</u>	<u>26,575</u>
 Excess of Revenues Over (Under) Expenditures	 <u>\$ (8,100)</u>	 <u>2,122</u>	 <u>\$ 10,222</u>
Fund Balance, Beginning of Year		<u>8,408</u>	
Fund Balance, End of Year		<u>\$ 10,530</u>	

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
TIF #15
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 50,000	\$ 27,839	\$ (22,161)
Total Revenues	<u>50,000</u>	<u>27,839</u>	<u>(22,161)</u>
Expenditures:			
Community Development	100,000	59,768	40,232
Total Expenditures	<u>100,000</u>	<u>59,768</u>	<u>40,232</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (50,000)</u>	<u>(31,929)</u>	<u>\$ 18,071</u>
Fund Balance, Beginning of Year		<u>25,008</u>	
Fund Balance, End of Year		<u>\$ (6,921)</u>	

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Gateway Commons TIF Project
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment earnings	\$ 1,000	\$ -	\$ (1,000)
Total Revenues	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Expenditures:			
Debt Service - Community Development	<u>412,069</u>	<u>410,819</u>	<u>1,250</u>
Excess of Revenues Over Expenditures	<u>(411,069)</u>	<u>(410,819)</u>	<u>(2,250)</u>
Other Financing Sources (Uses):			
Transfers in	<u>385,000</u>	<u>418,625</u>	<u>33,625</u>
Total Other Financing Sources (Uses)	<u>385,000</u>	<u>418,625</u>	<u>33,625</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (26,069)</u>	7,806	<u>\$ 31,375</u>
Fund Balance, Beginning of Year		<u>1,006,995</u>	
Fund Balance, End of Year		<u>\$ 1,014,801</u>	

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
2003 COP Debt Service
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Investment earnings	\$ 1,000	\$ 1	\$ (999)
Total Revenues	<u>1,000</u>	<u>1</u>	<u>(999)</u>
Expenditures:			
Debt service - principal	465,000	405,000	60,000
Debt service - interest and fiscal costs	<u>295,810</u>	<u>292,001</u>	<u>3,809</u>
Total Expenditures	<u>760,810</u>	<u>697,001</u>	<u>63,809</u>
Excess of Revenues Over (Under) Expenditures	<u>(759,810)</u>	<u>(697,000)</u>	<u>62,810</u>
Other Financing Sources (Uses):			
Transfers in	670,000	680,000	10,000
Total Other Financing Sources (Uses)	<u>670,000</u>	<u>680,000</u>	<u>10,000</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (89,810)</u>	(17,000)	<u>\$ 72,810</u>
Fund Balance, Beginning of Year		<u>182,672</u>	
Fund Balance, End of Year		<u>\$ 165,672</u>	

CITY OF GRANDVIEW, MISSOURI

TAX INCREMENT FINANCING DISTRICT NO. 9

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>		<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUES:			
Taxes	\$ 30,300	\$ 259,840	\$387,219
Interest	-	5,221	6,780
Other	<u>78,400</u>	<u>79,000</u>	<u>78,393</u>
Total revenues	<u>108,700</u>	<u>344,061</u>	<u>472,392</u>
EXPENDITURES:			
General – Community development	<u>-</u>	<u>93</u>	<u>3,974</u>
Excess of revenues over expenditures	108,700	343,968	468,418
OTHER FINANCING SOURCES (USES):			
Transfers in	-	100,000	-
Transfers out	<u>(408,700)</u>	<u>(380,572)</u>	<u>(386,899)</u>
Total other financing sources (uses)	<u>(408,700)</u>	<u>(280,572)</u>	<u>(386,899)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$(300,000)</u>	63,396	81,519
FUND BALANCE, beginning of year		<u>146,392</u>	<u>64,873</u>
FUND BALANCE, end of year		<u>\$ 209,788</u>	<u>\$146,392</u>

CITY OF GRANDVIEW, MISSOURI

TAX INCREMENT FINANCING DISTRICT NO. 10

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>		<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUES:			
Taxes	\$152,000	\$103,493	\$146,096
Interest	<u>100</u>	<u>846</u>	<u>165</u>
Total revenues	<u>152,100</u>	<u>104,339</u>	<u>146,261</u>
EXPENDITURES:			
General – Community development	<u>154,360</u>	<u>103,943</u>	<u>147,243</u>
Excess of revenues over (under) expenditures	<u>\$ (2,260)</u>	396	(982)
FUND BALANCE, beginning of year		<u>276</u>	<u>1,258</u>
FUND BALANCE, end of year		<u>\$ 672</u>	<u>\$ 276</u>

CITY OF GRANDVIEW, MISSOURI

TAX INCREMENT FINANCING DISTRICT NO. 11

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>		<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUES:			
Taxes	\$19,800	\$9,026	\$ -
Interest	<u>-</u>	<u>265</u>	<u>-</u>
Total revenues	<u>19,800</u>	<u>9,291</u>	<u>-</u>
EXPENDITURES:			
General – Community development	<u>19,800</u>	<u>3</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	9,288	-
FUND BALANCE, beginning of year		<u>-</u>	<u>-</u>
FUND BALANCE, end of year		<u>\$9,288</u>	<u>\$ -</u>

CITY OF GRANDVIEW, MISSOURI

TAX INCREMENT FINANCING DISTRICT NO. 12

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>		<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUES:			
Taxes	<u>\$147,200</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES:			
General – Community development	<u>147,200</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>
FUND BALANCE, beginning of year		<u>-</u>	<u>-</u>
FUND BALANCE, end of year		<u>\$ -</u>	<u>\$ -</u>

CITY OF GRANDVIEW, MISSOURI

TAX INCREMENT FINANCING DISTRICT NO. 13

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>		<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUES:			
Taxes	\$196,800	\$112,523	\$205,482
Interest	<u>-</u>	<u>896</u>	<u>-</u>
Total revenues	<u>196,800</u>	<u>113,419</u>	<u>205,482</u>
EXPENDITURES:			
General - Community development	<u>196,800</u>	<u>115,053</u>	<u>220,289</u>
Excess of revenues under expenditures	<u>\$ -</u>	(1,634)	(14,807)
FUND BALANCE, beginning of year		<u>47,285</u>	<u>62,092</u>
FUND BALANCE, end of year		<u>\$ 45,651</u>	<u>\$ 47,285</u>

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NONMAJOR DEBT SERVICE FUND

2003 Series COP--To account for transfers in and other resources to be used to pay the principal and interest on the 2003 Series Certificates of Participation.

CITY OF GRANDVIEW, MISSOURI

2003 COP DEBT SERVICE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED SEPTEMBER 30, 2008
(With Comparative Actual Amounts for 2007)

	<u>2008</u>		<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUES:			
Interest	\$ <u>45,000</u>	\$ <u>72,725</u>	\$ <u>68,477</u>
EXPENDITURES:			
Debt service-			
Principal	260,000	260,000	250,000
Interest and fiscal costs	<u>479,000</u>	<u>476,170</u>	<u>479,705</u>
Total expenditures	<u>739,000</u>	<u>736,170</u>	<u>729,705</u>
Excess of revenues under expenditures	(694,000)	(663,445)	(661,228)
OTHER FINANCING SOURCES:			
Transfers in	<u>733,000</u>	<u>733,000</u>	<u>733,000</u>
Excess of revenues and other sources over expenditures	<u>\$ 39,000</u>	69,555	71,772
FUND BALANCE, beginning of year		<u>1,155,280</u>	<u>1,083,508</u>
FUND BALANCE, end of year		<u>\$1,124,835</u>	<u>\$1,155,280</u>

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Parks and Public Works Projects
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Interest	\$ 100,000	\$ (6,752)	\$ (106,752)
Expenditures:			
Capital outlay	<u>1,514,500</u>	<u>262,177</u>	<u>1,252,323</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (1,414,500)</u>	<u>(268,929)</u>	<u>\$ 1,145,571</u>
Fund Balance, Beginning of Year		<u>2,889,549</u>	
Fund Balance, End of Year		<u>\$ 2,620,620</u>	

CITY OF GRANDVIEW, MISSOURI
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
General Debt Service
Year Ended September 30, 2013

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Taxes	\$ 1,210,000	\$ 1,059,298	\$ (150,702)
Investment earnings	20,000	2,053	(17,947)
Total Revenues	<u>1,230,000</u>	<u>1,061,351</u>	<u>(168,649)</u>
Expenditures:			
General government	18,100	17,747	353
Debt service - principal	960,000	960,000	-
Debt service - interest and fiscal costs	87,826	86,404	1,422
Total Expenditures	<u>1,065,926</u>	<u>1,064,151</u>	<u>1,775</u>
Excess of Revenues Over Expenditures	<u>\$ 164,074</u>	<u>(2,800)</u>	<u>\$ (166,874)</u>
Fund Balance, Beginning of Year		<u>1,141,437</u>	
Fund Balance, End of Year		<u>\$ 1,138,637</u>	

CITY OF GRANDVIEW, MISSOURI
Statement of Changes in Assets and Liabilities - Agency Funds
Year Ended September 30, 2013

	Balance September 30, 2012	Additions	Deductions	Balance September 30, 2013
<u>Jackson County Tax Fund</u>				
ASSETS:				
Cash and investments	\$ 62,271	\$ 10,015,029	\$ 9,992,833	\$ 84,467
LIABILITIES:				
Due to other governments	\$ 62,271	\$ 10,015,029	\$ 9,992,833	\$ 84,467
<u>71/150 Highway TDD</u>				
ASSETS:				
Cash and investments	\$ -	\$ 52,963	\$ 52,963	\$ -
LIABILITIES:				
Undistributed taxes	\$ -	\$ 52,963	\$ 52,963	\$ -
<u>Grandview Crossing CID</u>				
ASSETS:				
Cash and investments	\$ -	\$ 33,499	\$ 33,499	\$ -
LIABILITIES:				
Undistributed taxes	\$ -	\$ 33,499	\$ 33,499	\$ -
<u>Total - All Agency Funds</u>				
ASSETS:				
Cash and investments	\$ 62,271	\$ 10,101,491	\$ 10,079,295	\$ 84,467
LIABILITIES:				
Undistributed taxes	\$ -	\$ 86,462	\$ 86,462	\$ -
Due to other governments	62,271	10,015,029	9,992,833	84,467
	\$ 62,271	\$ 10,101,491	\$ 10,079,295	\$ 84,467

STATISTICAL SECTION

This part of the City of Grandview's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Tables

Financial Trends

These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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Revenue Capacity

These tables contain information to help the reader assess the City's two most significant local revenue sources: sales tax and property tax.

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Debt Capacity

These tables 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.

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Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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Operating Information

These tables 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.

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

CITY OF GRANDVIEW, MISSOURI
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Table 1

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 11,981,137	\$ 14,332,240	\$ 15,431,540	\$ 26,840,460	\$ 29,093,901	\$ 32,997,393	\$ 34,711,402	\$ 38,100,329	\$ 39,532,182	\$ 38,951,104
Restricted	10,786,408	10,891,150	12,194,152	12,921,992	13,610,606	13,178,550	13,040,648	9,130,769	7,107,949	7,131,232
Unrestricted	(163,594)	(247,975)	145,494	1,567,405	467,527	(820,730)	(1,973,676)	(1,354,927)	(1,172,179)	(596,237)
Total governmental activities net position	\$ 22,603,951	\$ 24,975,415	\$ 27,771,186	\$ 41,329,857	\$ 43,172,034	\$ 45,355,213	\$ 45,778,374	\$ 45,876,171	\$ 45,467,952	\$ 45,486,099
Business-type activities										
Net investment in capital assets	8,232,704	8,458,969	9,774,832	9,738,366	10,205,462	10,418,672	10,474,833	10,276,383	10,073,815	9,965,069
Unrestricted	4,314,542	4,997,224	4,503,608	5,255,336	5,584,809	5,324,743	5,288,551	5,088,778	4,738,491	4,463,784
Total business-type activities net position	\$ 12,547,246	\$ 13,456,193	\$ 14,278,440	\$ 14,993,702	\$ 15,790,271	\$ 15,743,415	\$ 15,763,384	\$ 15,365,161	\$ 14,812,306	\$ 14,428,853
Primary government										
Net investment in capital assets	20,213,841	22,791,209	25,206,372	36,578,826	39,299,363	43,416,065	45,186,235	48,376,712	49,605,997	48,916,173
Restricted	10,786,408	10,891,150	12,194,152	12,921,992	13,610,606	13,178,550	13,040,648	9,130,769	7,107,949	7,131,232
Unrestricted	4,150,948	4,749,249	4,649,102	6,822,741	6,052,336	4,504,013	3,314,875	3,733,851	3,566,312	3,867,547
Total primary government activities net position	\$ 35,151,197	\$ 38,431,608	\$ 42,049,626	\$ 56,323,559	\$ 58,962,305	\$ 61,098,628	\$ 61,541,758	\$ 61,241,332	\$ 60,280,258	\$ 59,914,952

Note: Beginning in FY 2004, Unrestricted Net Position for governmental activities were significantly reduced and in some fiscal years caused a deficit due primarily to the City's issuance of the Tax Increment Finance bonds related to the Gateway Commons.

Note: net investment in capital assets beginning in FY 2007 includes the prior period adjustment for infrastructure assets acquired prior to FY 2003 in accordance with GASB Statement No. 34.

CITY OF SPRINGFIELD, ILLINOIS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 2,925,283	\$ 2,846,395	\$ 3,104,261	\$ 3,121,441	\$ 3,405,633	\$ 3,425,226	\$ 3,371,308	\$ 3,265,463	\$ 3,386,360	\$ 3,653,698
Public safety	6,868,284	7,687,462	7,938,953	8,523,904	8,838,274	9,129,529	9,144,832	8,782,942	9,361,819	9,141,005
Community development	4,200,164	1,595,398	911,940	1,218,870	1,287,560	3,210,643	3,154,586	3,517,946	1,970,762	1,914,661
Public works	1,967,939	2,267,733	2,536,727	3,204,886	3,506,617	3,334,411	3,443,846	3,999,354	4,536,309	4,536,309
Culture and recreation	2,643,305	2,528,603	2,777,800	2,825,105	3,084,608	2,896,851	2,722,684	2,907,768	2,929,355	2,812,750
Interest on long-term debt	998,722	987,873	955,432	923,676	896,847	923,043	633,432	753,008	692,973	633,993
Total governmental activities expenses	19,612,699	17,913,464	18,223,113	19,826,882	21,109,539	20,919,703	22,471,688	23,225,481	22,304,423	22,692,496
Business-type activities:										
Sewer	1,769,501	1,692,539	1,780,425	1,786,418	1,990,516	2,505,109	2,418,425	2,890,743	3,120,284	3,043,968
Total business-type activities expenses	\$ 21,382,200	\$ 19,606,003	\$ 20,003,538	\$ 21,613,300	\$ 23,100,055	\$ 23,424,812	\$ 24,890,113	\$ 26,116,224	\$ 25,424,707	\$ 25,736,464
Total primary government expenses	\$ 41,000,000	\$ 37,519,467	\$ 38,226,651	\$ 41,439,182	\$ 44,209,594	\$ 44,344,515	\$ 47,361,801	\$ 50,000,000	\$ 47,729,130	\$ 48,428,960
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,683,025	\$ 1,853,934	\$ 1,817,600	\$ 1,718,108	\$ 1,807,363	\$ 1,774,002	\$ 2,037,583	\$ 2,045,482	\$ 2,052,055	\$ 2,336,896
Public safety	426,198	394,433	503,380	590,688	831,682	850,986	678,968	853,944	839,944	921,236
Community development	330,037	213,388	202,283	190,534	170,084	170,354	108,092	321,004	83,870	146,332
Public works	14,013	17,882	11,480	10,120	12,874	14,985	21,065	14,314	15,933	29,567
Culture and recreation	723,111	1,079,105	1,079,105	1,037,944	1,064,077	1,011,306	1,043,788	941,207	988,027	964,211
Operating grants and contributions	1,365,344	1,346,923	1,340,369	1,293,818	1,266,772	1,226,691	1,365,609	1,341,643	1,254,258	1,171,743
Capital grants and contributions	554,862	237,732	266,505	17,099	1,912,979	996,589	675,414	908,292	447,107	381,657
Total governmental activities program revenues	5,098,590	5,143,437	5,179,561	4,842,112	7,045,831	6,044,913	5,930,519	6,625,886	5,683,194	5,951,642
Business-type activities:										
Charges for services	2,332,676	2,336,586	2,281,970	2,309,490	2,282,994	2,262,974	2,361,719	2,542,750	2,722,648	2,876,113
Capital grants and contributions	30,000	316,412	207,702	2,309,490	349,013	122,900	94,200	39,175	2,722,648	2,876,113
Total business-type activities program revenues	2,362,676	2,652,998	2,489,672	2,309,490	2,632,007	2,385,874	2,455,919	2,581,925	2,722,648	2,876,113
Total primary government program revenues	\$ 7,461,266	\$ 7,796,435	\$ 7,669,233	\$ 7,151,602	\$ 9,677,838	\$ 8,430,787	\$ 8,386,438	\$ 9,207,811	\$ 8,405,842	\$ 8,827,755
Net (expense)/revenue	\$ (14,514,109)	\$ (12,770,027)	\$ (13,045,552)	\$ (14,984,770)	\$ (14,063,708)	\$ (14,874,790)	\$ (16,541,169)	\$ (16,599,593)	\$ (16,621,229)	\$ (16,740,834)
Governmental activities	613,175	960,459	709,247	523,072	641,491	(119,235)	37,994	(308,818)	(397,636)	(1,678,852)
Business-type activities	\$ (13,900,934)	\$ (11,809,568)	\$ (12,336,305)	\$ (14,461,698)	\$ (13,422,217)	\$ (14,994,025)	\$ (16,508,675)	\$ (16,908,413)	\$ (17,018,865)	\$ (16,908,709)
Total primary government net expense										
General Revenues and Other Changes In Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 4,312,659	\$ 4,483,568	\$ 4,596,662	\$ 4,925,810	\$ 4,934,556	\$ 5,632,288	\$ 5,245,665	\$ 5,236,584	\$ 4,890,050	\$ 4,797,155
Sales and use taxes	6,953,992	7,155,007	7,237,273	7,368,676	7,438,968	6,397,293	5,987,349	6,297,365	6,273,901	6,178,561
Franchise, business and cigarette taxes	2,682,573	2,834,634	2,947,037	3,369,334	4,413,609	3,594,685	4,579,790	3,906,879	3,761,739	3,691,538
Unrestricted grants and contributions	77,150	92,075	64,835	74,120	84,315	59,914	43,498	217,755	150,175	142,039
Investment earnings	350,963	397,251	690,226	992,588	838,791	817,187	503,963	376,208	191,132	3,096
Miscellaneous	537,023	41,956	234,142	329,737	346,639	421,102	452,510	496,818	744,796	2,088,168
Transfers	133,000	145,000	71,148	69,500	126,100	135,500	151,500	165,783	162,100	220,500
Total governmental activities	15,049,360	15,141,491	15,841,323	17,129,765	18,202,978	17,057,969	16,964,330	16,697,392	16,213,010	17,091,047
Business-type activities										
Investment earnings	87,855	92,828	184,148	258,623	228,268	207,879	132,925	75,548	45,319	4,002
Miscellaneous	150	660	-	3,067	60,288	-	1,050	830	679	900
Transfers	(133,000)	(145,000)	(71,148)	(69,500)	(126,100)	(135,500)	(151,500)	(89,405)	(201,217)	(220,500)
Total business-type activities	(46,995)	(51,512)	113,000	192,190	162,456	72,379	(17,525)	(13,027)	(155,219)	(215,500)
Total primary government	\$ 15,002,365	\$ 15,089,979	\$ 15,954,323	\$ 17,321,955	\$ 18,365,434	\$ 17,130,348	\$ 16,946,805	\$ 16,607,987	\$ 16,057,791	\$ 16,875,449
Change In Net Position										
Governmental activities	\$ 535,251	\$ 2,371,464	\$ 2,795,771	\$ 2,144,995	\$ 4,139,270	\$ 2,183,179	\$ 423,161	\$ 97,797	\$ (408,219)	\$ 350,193
Business-type activities	566,180	908,947	822,247	715,262	803,947	(46,836)	19,669	(398,223)	(52,852)	(383,453)
Total primary government	\$ 1,101,431	\$ 3,280,411	\$ 3,618,018	\$ 2,860,257	\$ 4,943,217	\$ 2,136,343	\$ 443,130	\$ (300,426)	\$ (961,074)	\$ (33,260)

CITY OF GRANDVIEW, MISSOURI
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Table 3

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Reserved	\$ 467,595	\$ 494,524	\$ 515,076	\$ 606,430	\$ 708,629	\$ 560,469	\$ 292,675	\$ 236,130	\$ 274,152	\$ 315,570
Unreserved	4,709,399	4,485,814	4,235,582	4,418,533	5,090,449	4,448,176	5,269,433	-	-	-
Nonspendable										
Restricted								280,000	8,150	89,250
Committed								5,768,730	44,510	36,773
Assigned								5,546,660	5,873,472	4,970,931
Unassigned								6,284,860	5,873,472	5,412,524
Total general fund	<u>\$ 5,176,994</u>	<u>\$ 4,980,338</u>	<u>\$ 4,750,658</u>	<u>\$ 5,024,963</u>	<u>\$ 5,799,078</u>	<u>\$ 5,008,645</u>	<u>\$ 5,562,108</u>	<u>\$ 6,284,860</u>	<u>\$ 5,873,472</u>	<u>\$ 5,412,524</u>
All other governmental funds										
Reserved	\$ 3,456,540	\$ 4,221,813	\$ 3,746,151	\$ 5,658,321	\$ 5,196,094	\$ 4,499,948	\$ 7,804,604			
Unreserved, reported in:										
Special revenue funds	7,546,174	6,975,568	9,085,695	8,725,430	10,086,030	9,206,544	5,698,763	\$ 13,198	\$ 13,095	\$ 19,736
Capital projects funds	1,296,540	73,832	268,272	55,808	53,534	3,263,292	2,284,072	13,714,354	9,999,266	9,769,563
Nonspendable										
Restricted										
Committed										
Assigned								1,178,571	1,056,297	966,393
Unassigned										(45)
Total all other governmental funds	<u>\$ 12,299,254</u>	<u>\$ 11,271,213</u>	<u>\$ 13,100,118</u>	<u>\$ 14,439,559</u>	<u>\$ 15,335,658</u>	<u>\$ 16,969,784</u>	<u>\$ 15,787,439</u>	<u>\$ 14,906,123</u>	<u>\$ 11,068,658</u>	<u>\$ 10,755,647</u>

Beginning in FY 2011, GASB 54 became effective which establishes five new categories for Fund Balance Reporting.

CITY OF GRANDVIEW, MISSOURI
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Table 4

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 13,708,599	\$ 13,981,175	\$ 14,435,838	\$ 15,422,555	\$ 16,514,705	\$ 15,130,836	\$ 15,770,042	\$ 15,712,944	\$ 14,886,727	\$ 14,669,105
Licenses and permits	515,376	487,792	561,063	522,592	485,342	436,002	495,811	491,434	449,682	561,510
Intergovernmental	1,997,356	1,676,750	1,671,709	1,387,037	1,331,087	1,286,605	1,773,421	2,427,661	1,851,539	1,695,437
Changes for services	1,996,390	2,358,855	2,390,786	2,327,071	2,575,249	2,584,341	2,311,260	2,408,399	2,243,905	2,409,379
Fines and forfeitures	883,009	1,041,986	924,541	919,766	1,042,281	965,136	1,103,387	1,125,706	1,183,416	1,317,275
Interest	340,392	388,207	673,531	972,430	842,952	805,651	496,622	372,524	189,998	3,096
Other	605,386	54,315	246,995	373,269	360,277	292,221	428,677	482,110	555,786	774,790
Total revenues	20,046,508	19,989,080	20,904,463	21,924,720	23,151,893	21,500,792	22,379,220	23,020,778	21,361,053	21,430,592
Expenditures										
Current:										
General government	2,633,828	2,972,212	2,731,691	3,041,602	3,210,986	3,081,199	2,933,820	2,992,518	3,118,791	3,278,434
Public safety	6,366,262	6,917,751	7,342,400	7,988,752	8,138,657	8,495,639	8,440,827	8,549,533	8,725,708	8,594,237
Community development	806,447	846,396	870,274	1,230,432	1,260,663	1,190,339	1,356,287	1,347,294	1,398,517	1,433,582
Public works	1,133,848	1,173,722	1,251,245	1,367,600	1,404,806	1,376,467	1,168,088	1,418,066	1,551,753	1,290,669
Culture and recreation	1,786,498	2,006,678	2,204,118	2,176,972	2,424,433	2,198,175	2,080,169	2,220,869	2,270,611	2,077,538
Payments to taxing districts								545,804	273,058	371,855
Capital outlay	11,844,089	5,289,443	3,278,440	2,767,273	3,734,090	3,811,203	4,719,478	6,738,958	6,277,837	3,048,830
Debt service:										
Principal	2,113,792	1,178,856	815,000	897,247	943,255	3,073,598	1,709,595	3,069,073	1,589,305	1,737,651
Interest	1,172,023	973,719	938,039	910,596	878,389	929,030	793,679	1,025,779	630,089	619,224
Total expenditures	27,856,787	21,358,777	19,431,207	20,380,474	21,995,279	24,155,650	23,201,943	27,907,914	25,835,669	22,452,020
Excess of revenues over (under) expenditures	(7,810,279)	(1,369,697)	1,473,256	1,544,246	1,156,614	(2,654,858)	(822,723)	(4,887,136)	(4,474,616)	(1,021,428)
Other financing sources (uses)										
Transfers in	2,583,740	2,400,464	3,184,393	2,100,950	1,496,572	1,853,051	2,161,662	2,746,307	2,492,172	1,237,754
Transfers out	(2,448,740)	(2,255,464)	(3,113,245)	(2,031,450)	(1,370,472)	(1,717,551)	(2,010,162)	(2,580,524)	(2,290,955)	(1,017,254)
Proceeds from capital lease	-	-	54,821	-	-	-	-	-	-	-
Proceeds from loan	-	-	-	-	387,500	-	-	-	-	-
Proceeds from refunding bonds	-	-	-	-	-	-	-	8,405,000	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-	42,341	38,666	24,546	26,969
Payments to bond escrow agent	-	-	-	-	-	-	-	(8,313,755)	-	-
Proceeds from issuance of bonds	5,665,000	-	-	-	-	3,300,000	-	4,250,000	-	-
Premium / discount on bonds	(93,736)	-	-	-	-	63,051	-	182,878	-	-
Total other financing sources (uses)	5,706,264	145,000	125,969	69,500	513,600	3,498,551	193,841	4,728,572	225,763	247,466
Net change in fund balances	\$ (2,104,015)	\$ (1,224,697)	\$ 1,599,225	\$ 1,613,746	\$ 1,670,214	\$ 843,693	\$ (628,882)	\$ (158,564)	\$ (4,248,833)	\$ (773,959)
Debt service as a percentage of non capital expenditures	15.81%	12.35%	10.08%	10.06%	9.51%	19.03%	13.03%	18.21%	10.74%	11.25%

CITY OF GRANDVIEW, MISSOURI
GOVERNMENTAL ACTIVITIES TAX BY REVENUE SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Table 5

<u>FISCAL YEAR</u>	<u>SALES TAX</u>	<u>PROPERTY TAX</u>	<u>FRANCHISE TAX</u>	<u>CIGARETTE TAX</u>	<u>TRANSIENT GUEST TAX</u>	<u>TOTAL</u>
2004	\$ 6,953,992	\$ 4,312,659	\$ 2,305,157	\$ 136,791	-	13,708,599
2005	7,155,007	4,250,349	2,451,281	124,538	-	13,981,175
2006	7,237,273	4,548,466	2,511,181	138,918	-	14,435,838
2007	7,368,676	4,961,450	2,964,628	127,801	-	15,422,555
2008	7,438,968	4,950,966	4,008,212	116,559	-	16,514,705
2009	6,397,293	5,632,288	3,490,055	104,630	-	15,624,266
2010	5,987,549	5,445,584	4,219,578	117,331	-	15,770,042
2011	6,297,366	5,265,816	4,056,746	93,016	-	15,712,944
2012	6,273,900	4,851,087	3,585,261	102,886	\$ 73,593	14,886,727
2013	6,178,561	4,799,016	3,521,045	89,603	\$ 80,880	14,669,105

Note: Beginning in January of 2012, the City imposed a new Transient Guest Tax.

CITY OF GRANDVIEW, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GENERAL FUND
LAST SIX FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year					
	2008	2009	2010	2011	2012	2013
REVENUES:						
Taxes	\$ 9,913,235	\$ 9,079,776	\$ 9,646,949	\$ 9,469,226	\$ 9,038,808	\$ 8,836,129
Licenses & Permits	485,342	436,002	495,811	491,434	449,682	561,510
Intergovernmental revenues	1,331,087	1,286,605	1,318,592	1,500,887	1,379,385	1,301,780
Charges for services	1,584,981	1,635,057	1,321,848	1,515,416	1,314,047	1,463,553
Fines and forfeitures	1,042,281	965,136	1,103,387	1,125,706	1,183,416	1,317,275
Interest	222,398	208,800	129,843	139,243	45,508	7,066
Other	217,780	172,611	339,375	311,600	296,488	390,277
Total revenues	<u>14,797,104</u>	<u>13,783,987</u>	<u>14,355,805</u>	<u>14,553,512</u>	<u>13,707,334</u>	<u>13,877,590</u>
EXPENDITURES:						
General government	3,192,418	3,061,900	2,915,408	2,974,094	3,100,989	3,260,687
Public safety	8,138,657	8,495,639	8,440,827	8,549,553	8,725,708	8,594,237
Community development	757,449	764,058	724,254	1,347,294	1,398,517	1,433,582
Public works	1,404,806	1,376,467	1,356,287	663,109	678,657	699,810
Culture and recreation	649,659	643,856	707,245	746,030	729,569	584,796
Total expenditures	<u>14,142,989</u>	<u>14,341,920</u>	<u>14,144,021</u>	<u>14,280,080</u>	<u>14,633,440</u>	<u>14,573,112</u>
Excess of revenues over (under) expenditures	654,115	(557,933)	211,784	273,432	(926,106)	(695,522)
OTHER FINANCING SOURCES (USES):						
Sale of capital assets	-	-	42,341	38,666	24,546	26,969
Transfers in	283,000	327,500	360,500	556,654	1,296,172	382,605
Transfers out	(163,000)	(560,000)	(61,162)	(396,000)	(556,000)	(175,000)
Total other financing sources (uses)	<u>120,000</u>	<u>(232,500)</u>	<u>341,679</u>	<u>199,320</u>	<u>764,718</u>	<u>234,574</u>
Net change in fund balances	774,115	(790,433)	553,463	472,752	(161,388)	(460,948)
FUND BALANCES:						
Fund balances, beginning of year	<u>5,024,963</u>	<u>5,799,078</u>	<u>5,008,645</u>	<u>5,562,108</u>	<u>6,034,860</u>	<u>5,873,472</u>
Fund balances, end of year	<u>\$ 5,799,078</u>	<u>\$ 5,008,645</u>	<u>\$ 5,562,108</u>	<u>\$ 6,034,860</u>	<u>\$ 5,873,472</u>	<u>\$ 5,412,524</u>

**CITY OF GRANDVIEW, MISSOURI
SALES TAX COLLECTIONS
PAST SIX FISCAL YEARS**

Table 7

FISCAL YEAR ENDED SEPTEMBER 30	General Fund (1.0%)	TRANSPORTATION SALES TAX (0.5%)	CAPITAL IMPROVEMENT SALES TAX (0.5%)	COMMUNITY CENTER SALES TAX (0.5%)
2013	\$ 2,512,243	\$ 1,152,625	\$ 1,256,106	\$ 1,146,210
2012	2,568,078	1,173,845	1,284,031	1,133,197
2011	2,570,599	1,178,814	1,237,354	1,120,281
2010	2,445,098	1,114,586	1,143,643	1,015,808
2009	2,589,043	1,194,211	1,213,731	1,091,605
2008	2,962,357	1,387,344	1,406,010	1,277,723

CITY OF GRANDVIEW, MISSOURI
TOTAL CITY TAXABLE SALES BY CATEGORY
(AMOUNTS EXPRESSED IN HUNDREDS)
LAST TEN FISCAL YEARS

Table 8

Sales by Retail Category:	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Auto dealers and supplies	\$ 504,091	\$ 461,524	\$ 483,734	\$ 468,286	\$ 436,185	\$ 360,959	\$ 363,979	\$ 381,109	\$ 377,130	\$ 330,954
Building materials and farm tools	202,761	224,958	244,824	181,442	308,060	119,837	75,837	67,363	82,605	158,071
Eating and drinking establishments	279,858	297,326	290,908	300,437	295,988	286,163	272,247	262,731	243,695	274,406
Food stores	230,323	211,551	235,232	266,568	218,464	214,963	200,890	208,980	201,078	199,996
General merchandise	228,948	262,644	290,430	295,209	337,234	323,890	287,847	284,017	248,383	258,228
Hardware, plumbing, heating & cooling	122,755	156,198	170,347	132,792	130,376	101,370	93,804	107,859	107,632	104,860
Home furnishings	10,589	13,102	17,573	19,203	19,411	12,426	7,108	7,889	8,972	7,071
Other retail stores	872,952	877,839	819,500	857,900	840,456	800,986	744,245	756,740	733,517	681,607
Service stations	25,695	32,121	33,618	28,995	31,647	31,984	25,460	30,285	31,112	14,582
Utilities	252,015	257,506	271,836	288,063	303,104	306,630	320,936	317,619	302,578	356,499
All other outlets	149,652	143,601	136,373	109,998	115,533	122,578	118,296	189,156	293,748	147,905
Total	\$ 2,879,639	\$ 2,938,371	\$ 2,994,375	\$ 2,948,893	\$ 3,036,459	\$ 2,681,787	\$ 2,510,650	\$ 2,613,749	\$ 2,630,450	\$ 2,534,179

Note: Missouri statutes prohibit cities from disclosing principal sales tax remitters and the respective amounts of sales tax revenue remitted.
Source: Missouri Department of Revenue.

CITY OF GRANDVIEW, MISSOURI
SALES TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(IN PERCENT)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Direct Sales Tax Rate of Grandview										
General Fund	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Transportation	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Capital Improvements	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Community Center	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Total Direct Sales Tax	2.500									
Total Local Option Sales Tax Rate										
State of Missouri	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
Missouri State Conservation	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Missouri State Parks and Soil	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Jackson County	0.750	0.750	0.750	1.125	1.125	1.125	1.125	1.125	1.125	1.125
City of Grandview	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500
Kansas City Zoologic	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.125	0.125
Total Direct and Overlapping Sales Tax Rate	7.475	7.475	7.475	7.850	7.850	7.850	7.850	7.850	7.975	7.975

Source: Missouri Department of Revenue.

CITY OF GRANDVIEW, MISSOURI
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Table 10

FISCAL YEAR	REAL PROPERTY				OTHER PROPERTY			TOTAL ASSESSED VALUE	DIRECT TAX RATE	ESTIMATED MARKET VALUE	ASSESSED VALUE AS A PERCENTAGE OF MARKET VALUE
	RESIDENTIAL PROPERTY	AGRICULTURAL PROPERTY	COMMERCIAL PROPERTY	TOTAL	PERSONAL PROPERTY	RAILROADS & UTILITIES	TOTAL ASSESSED VALUE				
2004	\$ 126,652,609	\$ 141,655	\$ 50,710,587	\$ 177,504,851	\$ 60,511,424	\$ 5,180,958	\$ 243,197,233	\$ 1.46	\$ 912,593,022	26.6%	
2005	128,209,329	132,820	55,923,514	184,265,663	60,715,222	5,102,103	250,082,988	1.46	935,688,807	26.7%	
2006	143,003,864	123,337	60,091,973	203,219,174	63,552,909	4,579,878	271,351,961	1.44	1,017,798,440	26.7%	
2007	144,896,298	126,287	62,923,197	207,945,782	61,393,403	4,625,552	273,964,737	1.45	1,037,392,010	26.4%	
2008	149,872,687	126,810	60,788,373	210,787,870	65,877,335	4,506,303	281,171,508	1.45	1,054,929,081	26.7%	
2009	150,004,275	114,659	61,693,705	211,812,639	64,400,226	4,075,401	280,288,266	1.47	1,051,167,854	26.7%	
2010	138,168,487	114,518	60,599,038	198,882,043	60,400,589	3,700,659	262,983,291	1.50	979,206,524	26.9%	
2011	139,162,192	119,968	59,939,081	199,221,241	61,589,779	4,728,917	265,539,937	1.50	999,557,234	26.6%	
2012	138,287,037	119,952	55,875,297	194,282,286	58,927,577	5,577,260	258,787,123	1.50	996,390,747	26.0%	
2013	139,445,236	121,973	56,983,984	196,551,193	57,424,441	6,407,450	260,383,084	1.50	1,019,804,520	25.5%	

Note: The assessed value is set at 19% for residential property, 12% for agricultural property, and 32% for commercial property of the estimated fair market value.
Source: Jackson County Assessor's Office.

CITY OF GRANDVIEW, MISSOURI
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Table 11

Fiscal Year	CITY OF GRANDVIEW					OVERLAPPING RATES				
	GENERAL	PARKS	DEBT SERVICE	TOTAL	SCHOOL DISTRICT	COUNTY	STATE	TOTAL		
2004	\$ 0.96	\$ 0.12	\$ 0.38	\$ 1.46	\$ 5.14	\$ 1.23	\$ 0.03	\$ 7.86		
2005	0.96	0.12	0.38	1.46	5.14	1.23	0.03	7.86		
2006	0.95	0.11	0.38	1.44	5.45	1.23	0.03	8.15		
2007	0.96	0.11	0.38	1.45	5.45	1.23	0.03	8.16		
2008	0.96	0.11	0.38	1.45	5.45	1.23	0.03	8.16		
2009	0.98	0.12	0.38	1.47	5.61	1.23	0.03	8.34		
2010	1.00	0.12	0.38	1.50	5.89	1.23	0.03	8.65		
2011	1.00	0.12	0.38	1.50	5.89	1.23	0.03	8.65		
2012	1.00	0.12	0.38	1.50	5.89	1.23	0.03	8.65		
2013	1.00	0.12	0.38	1.50	5.89	1.23	0.03	8.65		

Note: All rates expressed as tax rates per \$100 of assessed valuation.

Note: School district rate is from Consolidated School District #4.

Note: County rate includes Jackson County, Community College, Library, Handicap Workshop, and Mental Health.

Note: State rate is Missouri Blind Pension.

Note: The City of Grandview is permitted to levy taxes up to \$1.00 per \$100 of assessed valuation for general government services other than payment of principal and interest on long-term debt, up to \$.20 per \$100 of assessed valuation for recreation and in unlimited amounts for the payment of principal and interest.

CITY OF GRANDVIEW, MISSOURI
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO

Table 12

TAXPAYER	2013			2004		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE
KCPL-GMOC	\$ 4,994,136	1	1.92%	-	-	-
Peterson Manufacturing	3,872,458	2	1.49%	\$ 4,031,069	3	1.61%
Grand Summit Golf	3,526,271	3	1.35%	3,925,103	5	1.57%
CRP 2 Holdings Botts LLC	2,000,000	4	0.77%	-	-	-
Triumph Structures - Kansas City	1,969,536	5	0.76%	-	-	-
DECS Remain Derman Limited	1,894,393	6	0.73%	4,003,897	4	1.60%
Caravan Ingredients Company	1,766,960	7	0.68%	4,278,883	2	1.71%
US Toy Company	1,773,457	8	0.68%	2,572,639	6	1.03%
Sam's Real Estate	1,687,918	9	0.65%	1,938,173	8	0.78%
Grandview Road III LLC	1,494,400	10	0.57%	1,779,644	9	0.71%
Sika Corporation	-	-	-	4,310,886	1	1.72%
Aquila Corporation	-	-	-	2,427,722	7	0.97%
Southwestern Bell	-	-	-	1,758,273	10	0.70%
TOTALS	\$ 24,979,529		9.59%	\$ 31,026,289		12.40%

Source: Jackson County Collections Office.

**CITY OF GRANDVIEW, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Table 13

FISCAL YEAR ENDED SEPTEMBER 30	TOTAL TAX LEVY FOR FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY	AMOUNT	PERCENTAGE OF LEVY
2004	\$ 4,395,356	\$ 4,179,241	95.1%	\$ 182,041	99.2%
2005	4,039,176	3,897,527	96.5%	106,675	99.1%
2006	4,509,429	4,209,841	93.4%	265,510	99.2%
2007	4,732,408	4,429,383	93.6%	214,006	98.1%
2008	4,836,905	4,515,012	93.3%	229,864	98.1%
2009	4,782,244	4,415,352	92.3%	299,046	98.6%
2010	5,024,738	4,725,891	94.1%	200,230	98.0%
2011	4,942,490	4,666,724	94.4%	200,785	98.5%
2012	4,945,708	4,624,906	93.5%	158,676	96.7%
2013	4,708,106	4,464,804	94.8%	-	94.8%

Source: Jackson County Collections Office.

**CITY OF GRANDVIEW, MISSOURI
SUMMARY OF DEBT STRUCTURE
AS OF SEPTEMBER 30, 2013**

Table 14

2012 Assessed Valuation (1)	\$260,383,084
2012 Estimated Actual Valuation (2).....	\$1,205,583,287
Population	24,881
Outstanding General Obligation Bonds - Direct Debt (3)	\$3,630,000
Overlapping General Obligation Debt	\$26,565,000
Total Direct and Overlapping General Obligation Debt	\$30,195,000
Ratio of Direct Debt to Assessed Valuation	1.39%
Ratio of Direct Debt to Estimated Actual Valuation	0.30%
Per Capita Direct Debt	\$145.90
Ratio of Direct and Overlapping Debt to Assessed Valuation	11.60%
Ratio of Direct and Overlapping Debt to Estimated Valuation	2.50%
Per Capita Direct and Overlapping Debt	\$1,213.58

- (1) Includes 2011 real and personal property assessment as certified by the Jackson County Clerk.
- (2) Estimated actual valuation is calculated by dividing different classes of property by the corresponding assessment ration.
- (3) Includes all outstanding general obligation bonds of the City.

CITY OF GRANDVIEW, MISSOURI
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 15

Fiscal Year	GOVERNMENTAL ACTIVITIES						TOTAL	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	TIF LOAN	MTEC LOAN	CAPITAL LEASE				
2004	\$ 4,365,000	\$ 11,010,000.00	\$ -	\$ -	\$ -	\$ 15,375,000	3.13%	\$ 603	
2005	3,890,000	10,310,000	5,579,020	-	-	19,779,020	4.03%	776	
2006	3,430,000	10,070,000	5,468,217	-	54,821	19,023,038	3.94%	754	
2007	2,925,000	9,820,000	5,347,414	-	37,574	18,129,988	3.33%	735	
2008	2,400,000	9,560,000	5,211,611	387,500	19,319	17,578,430	3.23%	725	
2009	3,360,716	9,295,000	5,065,808	314,949	-	18,036,473	3.31%	737	
2010	2,556,285	9,020,000	4,905,005	240,027	-	16,721,317	3.07%	646	
2011	5,629,229	7,716,922	4,759,202	-	-	18,105,353	3.33%	693	
2012	4,689,564	7,406,289	4,603,399	-	-	16,699,252	3.07%	678	
2013	3,699,899	7,045,656	4,437,596	-	-	15,183,151	2.79%	610	

Note: See Table 17 for personal income data.

CITY OF GRANDVIEW, MISSOURI
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Table 16

FISCAL YEAR	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUND	NET BONDED DEBT OUTSTANDING	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2004	\$ 4,365,000	\$ 563,822	\$ 3,801,178	1.40%	149
2005	3,890,000	932,986	2,957,014	1.08%	117
2006	3,430,000	1,394,943	2,035,057	0.72%	83
2007	2,925,000	1,886,212	1,038,788	0.40%	43
2008	2,400,000	2,400,000	-	0.00%	0
2009	3,360,716	1,130,593	2,230,123	0.85%	91
2010	2,556,285	1,262,740	1,293,545	0.49%	53
2011	5,629,229	1,088,230	4,540,999	1.73%	185
2012	4,689,564	1,141,437	3,548,127	1.35%	145
2013	3,699,899	1,138,637	2,561,262	0.97%	104

Note: See table 10 for property value data.
 Note: See table 20 for population data.

CITY OF GRANDVIEW, MISSOURI
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2013

Table 17

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
Debt repaid with property taxes:			
Consolidated School District No. 4	\$ 38,165,000	60.00%	\$ 22,899,000
Hickman Mills School District	36,660,000	10.00%	3,666,000
Subtotal, overlapping debt			26,565,000
City Direct debt			15,183,151
Total direct and overlapping debt			<u>\$ 41,748,151</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Grandview. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: The debt outstanding data and applicable percentages provided by each governmental entity.

CITY OF GRANDVIEW, MISSOURI
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Table 18

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$50,016,598	\$54,270,392	\$54,792,947	\$56,234,302	\$56,057,653	\$52,596,658	\$53,107,987	\$51,757,425	\$52,076,617	\$49,488,019
Total net debt applicable to limit	3,801,178	2,957,014	2,035,057	1,038,788	-	6,419,407	5,387,260	4,411,770	3,448,563	2,491,363
Legal debt margin	<u>\$46,215,420</u>	<u>\$51,313,378</u>	<u>\$52,757,890</u>	<u>\$55,195,514</u>	<u>\$56,057,653</u>	<u>\$46,177,251</u>	<u>\$47,720,727</u>	<u>\$47,345,655</u>	<u>\$48,628,054</u>	<u>\$46,996,656</u>

Total net debt applicable to the limit as a percentage of debt limit

7.60%	5.45%	3.71%	1.85%	0.00%	12.20%	10.14%	8.52%	6.62%	5.03%
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Legal Debt Margin Calculation for Fiscal Year 2013

Assessed Value	\$ 247,440,097
Debt Limit (20% of assessed value)	49,488,019
General Obligation Bonds Issued	3,630,000
Less: Amount available in Debt Service	1,138,637
Net General Obligation Bonded Debt Applicable to Debt Limit	2,491,363
Legal Debt Margin	<u>\$ 46,996,656</u>

Note: Article 6, Section 26 (b) & (c) of the Missouri Constitution permits any county or city, by vote of four-sevenths of qualified elected electors voting thereon, to incur an indebtedness to the city purposes not to exceed 10 percent of the value of the taxable tangible property therein, as shown by the last assessment.

Note: Article 6, Section 26 (d) & (e) of the Missouri Constitution provides that any city may become indebted not exceeding in the aggregate an additional 10 percent of the value of the taxable tangible property for the purpose of acquiring right-of-ways, constructing, extending and improving streets and avenues and/or sanitary or storm sewer systems and an additional 10 percent for purchasing or construction of waterworks, electric or other light plants provided the total general obligated indebtedness of the city does not exceed 20 percent of the assessed valuation.

CITY OF GRANDVIEW, MISSOURI
PLEGGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

Table 19

FISCAL YEAR	SEWER REVENUE BONDS						
	SEWER CHARGES AND OTHER	LESS: OPERATING EXPENSES	NET AVAILABLE REVENUE	DEBT SERVICE PRINCIPAL	DEBT SERVICE INTEREST	COVERAGE	
2004	\$ 2,332,676	\$ 1,590,669	\$ 742,007	-	-	-	-
2005	2,336,586	1,512,090	824,496	-	-	-	-
2006	2,281,970	1,502,411	779,559	-	-	-	-
2007	2,309,490	1,568,137	741,353	-	-	-	-
2008	2,282,994	1,786,571	496,423	-	-	-	-
2009	2,262,974	2,258,828	4,146	-	-	-	-
2010	2,361,719	2,165,931	195,788	-	-	-	-
2011	2,542,750	2,628,781	(86,031)	-	-	-	-
2012	2,722,648	2,859,189	(136,541)	-	-	-	-
2013	2,876,113	2,782,303	93,810	-	-	-	-

Note: Operating expenses excludes depreciation, interest expense, amortization, non-operating expenses, and payments in lieu of taxes.
 Note: The City of Grandview does not have any outstanding sewer revenue bonds over the last ten years.

**CITY OF GRANDVIEW, MISSOURI
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Table 20

<u>YEAR</u>	<u>POPULATION (1)</u>	<u>PERSONAL INCOME (1)</u>	<u>PER CAPITA INCOME (1)</u>	<u>MEDIAN AGE (1)</u>	<u>SCHOOL ENROLLMENT (2)</u>	<u>UNEMPLOYMENT RATE (1)</u>
2004	25,492	\$ 575,813,296	\$ 22,588	33.4	4,266	5.8%
2005	25,492	526,868,656	20,668	33.4	4,130	5.6%
2006	25,241	529,505,698	20,978	35.1	4,102	4.5%
2007	24,664	491,676,840	19,935	35.2	3,921	5.2%
2008	24,234	490,593,096	20,244	35.3	3,957	7.3%
2009	24,464	482,430,080	19,720	35.4	3,912	9.9%
2010	25,898	544,427,756	21,022	35.5	3,772	9.5%
2011	26,140	551,867,680	21,112	35.8	3,888	9.0%
2012	24,630	529,298,700	21,490	36.0	3,912	7.3%
2013	24,881	530,960,540	21,340	33.7	4,018	6.9%

Sources: (1) Information provided by the City of Grandview Economic Development Department.

(2) Information provided by School District.

**CITY OF GRANDVIEW, MISSOURI
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Table 21

EMPLOYER	2013			2004		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY
Consolidated School District # 4	615	1	4.82%	680	2	5.08%
Peterson Manufacturing Company	518	2	4.06%	475	3	3.55%
Burger & Brown Engineering	514	3	4.03%	-	-	-
Mead Westvaco Calmar, Inc.	340	4	2.67%	-	-	-
City of Grandview	210	5	1.65%	155	8	1.16%
Ruskin Company	194	6	1.52%	-	-	-
Durham School Services	189	7	1.48%	-	-	-
US Toy Company, Inc.	181	8	1.42%	300	4	2.24%
Sant's Club	166	9	1.30%	-	-	-
Triumph Structures - Kansas City, Inc.	138	10	1.08%	-	-	-
House of Lloyd	-	-	-	1,000	1	7.47%
Sika Corporation	-	-	-	300	4	2.24%
Thyssen Access Corporation	-	-	-	265	6	1.98%
Mission Plastics North	-	-	-	160	7	1.19%
King Louie International, Inc.	-	-	-	150	9	1.12%
Rite Way Magic Supply	-	-	-	150	9	1.12%
TOTAL	3,065		24.04%	3,635		27.15%

Source: City of Grandview Occupational License System.

CITY OF GRANDVIEW, MISSOURI
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Table 22

Function:	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	20.0	19.0	20.0	21.0	21.0	20.0	21.0	22.0	29.0	30.0
Public Safety										
Police										
Officers	51.0	48.0	51.0	49.0	50.0	52.0	52.0	56.0	51.0	51.0
Civilians	13.0	14.0	13.0	12.0	12.0	15.0	14.0	11.0	16.0	17.0
Fire										
Firefighters and officers	39.0	39.0	38.0	38.0	39.0	40.0	40.0	42.0	42.0	44.0
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Works										
Engineering	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.5	2.0	2.0
Maintenance	13.0	14.0	14.0	15.0	11.0	10.0	9.0	8.5	8.0	9.0
Sewer	6.0	6.0	6.0	5.0	8.0	7.0	8.0	10.0	9.5	9.5
Culture and Recreation	15.0	16.0	16.0	14.0	17.0	18.0	18.0	15.0	43.0	39.0
Community Development	10.0	10.0	9.0	10.0	10.0	10.0	8.0	8.0	8.0	8.0
Total	<u>171.0</u>	<u>170.0</u>	<u>171.0</u>	<u>168.0</u>	<u>172.0</u>	<u>176.0</u>	<u>174.0</u>	<u>176.0</u>	<u>209.5</u>	<u>210.5</u>

Source: City of Grandview Payroll Records.

Note: Changed methodology for computing FTEs for Culture and Recreation beginning in FY 2012.

CITY OF GRANDVIEW, MISSOURI
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Table 23

FUNCTION	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
UCR arrests	1,172	1,197	1,123	1,247	1,201	1,315	1,153	1,422	428	347
Parking violations	289	254	311	240	209	287	216	925	59	204
Traffic violations	9,817	9,420	7,956	10,029	11,738	10,424	7,799	8,711	9,982	12,242
Fire										
Number of fire calls answered	637	679	734	692	670	777	750	355	618	651
Number of ambulance calls answered	1,881	2,041	2,150	2,217	2,415	2,475	2,310	2,745	2,617	2,582
Inspections	601	403	302	487	150	150	255	241	746	107
Public Works										
Street resurfacing (miles)	5.9	5.9	4.7	3.0	2.6	5.8	5.0	2.8	2.4	2.4
Potholes repaired (square yards)	3,647	2,726	4,036	6,415	4,568	1,168	300	828	2,017	88
Culture and Recreation										
Community center admissions	90,279	124,895	115,149	128,456	138,103	145,367	131,248	119,365	123,417	143,776
Community Development										
Construction permits issued	93	75	134	110	132	98	97	124	114	135
Value of construction	\$ 25,597,682	\$ 18,875,500	\$ 16,166,209	\$ 10,427,509	\$ 9,971,236	\$ 8,279,053	\$ 13,117,025	\$ 12,868,594	\$ 9,213,599	\$ 25,636,625
Wastewater Flow										
(millions of gallons)	838	965	862	762	960	1,267	1,414	1,207	1,054	1,269

Note: Parking and traffic violation data is not available prior to 2002.

Note: The Community Center opened in February of 2004.

Sources: Various government departments.
Wastewater flow was provided by Little Blue Valley Sewer District.

CITY OF GRANDVIEW, MISSOURI
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Table 24

FUNCTION	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	17	17	17	17	17	17	17	17	17	17
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works										
Streets (miles)	107	109	110	110	113	113	113	113	113	113
Streetslights	1,235	1,258	1,255	1,255	1,287	1,281	1,283	1,283	1,283	1,374
Traffic signals	19	19	19	19	19	19	19	19	19	19
Culture and recreation										
Parks acreage	209	255	255	255	255	255	255	255	255	255
Parks	13	13	13	13	13	13	13	13	13	13
Swimming pools & spray grounds	3	3	3	3	2	2	3	3	3	3
Tennis courts	2	2	2	2	2	2	2	2	2	2
Community centers	1	1	1	1	1	1	1	1	1	1
Sewer										
Sanitary sewers (miles)	110	110	114	114	117	117	117	117	117	117

Sources: Various city departments.



APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of December 9, 2014 (the “Continuing Disclosure Agreement”), is executed and delivered by the **CITY OF GRANDVIEW, MISSOURI** (the “City”) and **UMB BANK, N.A.**, as dissemination agent (the “Dissemination Agent”).

RECITALS

1. This Continuing Disclosure Agreement is being executed and delivered in connection with the delivery by the City of **\$9,500,000 General Obligation Bonds, Series 2014** (the “Bonds”), pursuant to an ordinance adopted by the governing body of the City on December 9, 2014 (the “Ordinance”).

2. The City and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”). The City is the only “obligated person” (as defined by the Rule) with responsibility for continuing disclosure hereunder.

In consideration of the mutual covenants and agreements herein, the City and the Dissemination Agent covenant and agree as follows:

Section 1. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report filed by the City pursuant to, and as described in, **Section 2** of this Continuing Disclosure Agreement.

“**Beneficial Owner**” means any registered owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**Business Day**” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the payment office of the Trustee or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

“**Dissemination Agent**” means UMB Bank, N.A., Kansas City, Missouri, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the City.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“**Fiscal Year**” means the 12-month period beginning on October 1 and ending on September 30 or any other 12-month period selected by the City as the Fiscal Year of the City for financial reporting purposes.

“**Material Events**” means any of the events listed in **Section 3(a)** of this Continuing Disclosure Agreement.

“**MSRB**” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“**Participating Underwriter**” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“**Rule**” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Provision of Annual Reports.

(a) The City shall not later than **180** days after the end of the City’s fiscal year, commencing with the year ending September 30, 2014, file, or cause to be filed, with the MSRB, through EMMA, the following financial information and operating data (the “**Annual Report**”):

(1) The audited financial statements of the City for the prior fiscal year, prepared in accordance with generally accepted accounting principles. If audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the summary unaudited financial information contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the fiscal year of certain financial information and operating data contained in the final Official Statement, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the City is an “**obligated person**” (as defined by the Rule), which have been filed with the MSRB and is available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The City shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**.

(b) Not later than the date specified in subsection (a) for providing the Annual Report to the MSRB, the City shall either (1) provide the Annual Report to the Dissemination Agent,

with the Annual Report Checklist and Instructions in the form attached as **Exhibit B** hereto, providing written instructions to file the Annual Report as specified in subsection (a), or (2) provide written notice to the Dissemination Agent that the City has provided the Annual Report to the MSRB (or will do so prior to the deadline specified in subsection (a)). The City shall provide the Annual Report as a searchable portable document file (pdf) or in such other format as is prescribed by the MSRB.

(c) The Dissemination Agent shall file a notice with the MSRB in substantially the form attached as **Exhibit C**, if the Dissemination Agent has not received either an Annual Report with filing instructions or a written notice from the City that it has provided an Annual Report to the MSRB by the date required in subsection (a).

(d) The Dissemination Agent shall:

(1) notify the City each year, not later than 90 days prior to the date for providing the Annual Report to the MSRB, send the City the form of Annual Report Checklist and Instructions (Exhibit B hereto), along with notification of the date on which the Annual Report must be provided to the Dissemination Agent or the MSRB (provided, however, that the failure of the Dissemination Agent to deliver such notification will not excuse the City from any obligation under this Agreement); and

(2) promptly following receipt of the Annual Report and Annual Report Checklist and Instructions required in subsection (b) above, unless the City has stated that the Annual Report has already been filed with the MSRB, file the Annual Report with the MSRB through EMMA, and provide the City with written evidence that the Annual Report has been filed pursuant to this Continuing Disclosure Agreement, stating the date it was filed with the MSRB.

Section 3. Reporting of Material Events.

(a) No later than 10 Business Days after the occurrence of any of the following events, the City shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (“**Material Events**”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of certificate holders, if material;
- (8) certificate calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the City;

- (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

(b) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Material Event, contact the City's finance officer or his or her designee, or such other person as the City shall designate in writing to the Dissemination Agent from time to time, inform such person of the event, and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d). If in response to a request under this subsection (b), the City determines that such event would not constitute a Material Event, the City shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent whether or not to report the occurrence pursuant to subsection (d).

(c) Whenever the City obtains knowledge of the occurrence of a Material Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the City shall promptly notify and instruct the Dissemination Agent in writing to report the occurrence pursuant to subsection (d).

(d) If the Dissemination Agent receives written instructions from the City to report the occurrence of a Material Event, the Dissemination Agent shall promptly file a notice of such occurrence with the MSRB, with a copy to the City. Notwithstanding the foregoing, notice of Material Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the registered owners of affected Bonds pursuant to the Ordinance.

Section 4. Termination of Reporting Obligation. The City's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the City's obligations under this Continuing Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the City, and the City shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the City shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agent. The City may, from time to time, appoint or engage a successor Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the City. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the City pursuant to this Continuing Disclosure Agreement. The initial Dissemination Agent is UMB Bank, N.A., Kansas City, Missouri.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the City and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the execution of such amendment by the Dissemination Agent so requested by the City shall not be unreasonably withheld) and any provision of this Continuing Disclosure Agreement may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters

provides the City and the Dissemination Agent with its written opinion that the undertaking of the City contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Agreement.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the City shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the City shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, the Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an event of default under the Ordinance or the Bonds, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

Section 9. Duties and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the City agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The City shall pay the fees, charges and expenses of the Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement.

Section 10. Notices. Any notices or communications to or among any of the parties to this Continuing Disclosure Agreement may be given by registered or certified mail, return receipt requested, or by confirmed facsimile or electronic mail, or delivered in person or by overnight courier, and will be

To the Issuer: **City of Grandview, Missouri**
1200 Main Street
Grandview, Missouri 64030
Attention: Finance Director
Telephone: (816) 316-4800

To the Dissemination Agent: **UMB Bank, N.A.**
2 South Broadway, 6th Floor
St. Louis, Missouri 63102
Telephone: (314) 612-8469
Fax: (314) 612-8498
julie.wiegers@umb.com

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 11. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 12. Severability. If any provision in this Continuing Disclosure Agreement, the Ordinance or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 13. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 15. Governing Law. This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the City and the Dissemination Agent have caused this Continuing Disclosure Agreement to be executed as of the day and year first above written.

GRANDVIEW, MISSOURI

By: _____
Title: Mayor

UMB BANK, N.A.,
as Dissemination Agent

By: _____
Title: Authorized Officer or Signatory

EXHIBIT A

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

The financial information and operating data contained in the tables under the following described headings in *Appendix A* of the final Official Statement:

- **FINANCIAL INFORMATION**
 - Sales Tax Collections

- **DEBT STRUCTURE** (*Other than Debt Summary and Overlapping General Obligation Indebtedness*)

- **PROPERTY TAX INFORMATION**
 - Current Assessed Valuation
 - Tax Rates
 - Tax Collection Record

EXHIBIT B

ANNUAL REPORT CHECKLIST AND INSTRUCTIONS

(Must be submitted electronically, in a searchable pdf.)

TO: UMB Bank, N.A.
Attention: _____
E-mail: _____
Telephone: (816) _____

RE: Submission of Annual Report Pursuant to the Continuing Disclosure Agreement dated as of December 9, 2014 (the “Agreement”), between the City of Grandview, Missouri, and UMB Bank, N.A., as Dissemination Agent, as supplemented and amended, relating to \$9,500,000 principal amount of General Obligation Bonds, Series 2014

Pursuant to the above-referenced Agreement, the undersigned hereby submits to you an Annual Report for the fiscal year ended September 30, _____, which Annual Report is required to be filed with the MSRB no later than 180 days following the end of such fiscal year.

This Annual Report includes the below-listed items, in *searchable pdf electronic files*.

1. Financial Statements: *(check applicable box)*

- Audited financial statements
- (If audited financial statements are not yet available) -- Unaudited financial statements*

2. Updated Final Information and Operating Data:

Updates of the information contained in the tables contained under the following headings in Appendix A of the final Official Statement for the most recent issue of Bonds:

- FINANCIAL INFORMATION
 - Sales Tax Collections
- DEBT STRUCTURE OF THE CITY *(Other than Debt Summary and Overlapping General Obligation Indebtedness)*
- PROPERTY TAX INFORMATION
 - Current Assessed Valuation
 - Tax Rates
 - Sales Tax Collections

3. Instructions for Filing: *(check applicable box)*

- Filing is Required by Dissemination Agent.** *(check this box if the above-listed information has not already been filed with the MSRB through EMMA). The Dissemination Agent is hereby instructed to file the attached information with the MSRB through EMMA, as required under Section 2(a) of the Agreement.*

- No Filing is Required by Dissemination Agent.** *(check this box if the above-listed information has already been filed with the MSRB through EMMA) The above-listed information has been filed with the MSRB through EMMA, as required under Section 2(a) of the Agreement. Evidence of filing is attached.*

Date submitted: _____

CITY OF GRANDVIEW, MISSOURI

By: _____
Name:
Title:

EXHIBIT C

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Grandview, Missouri
Name of Issue: \$9,500,000 General Obligation Bonds, Series 2014
Name of Obligated Person: City of Grandview, Missouri
Date of Issuance: December 23, 2014

NOTICE IS HEREBY GIVEN that the City of Grandview, Missouri, has not filed an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of December 9, 2014, between the City of Grandview, Missouri, and UMB Bank, N.A., as Dissemination Agent. [The Issuer has informed the Dissemination Agent that the Issuer anticipates that the Annual Report will be filed by _____.]

Dated: _____, ____.

UMB BANK, N.A., as Dissemination Agent on behalf
of the **CITY OF GRANDVIEW, MISSOURI**

cc: City of Grandview, Missouri

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APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The Bonds are available in book-entry only form. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Ownership interests in the Bonds will be available to purchasers only through a book-entry system (the **“Book-Entry System”**) maintained by The Depository Trust Company, New York, New York.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

The Depository Trust Company (**“DTC”**), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a **“banking organization”** within the meaning of the New York Banking Law, a member of the Federal Reserve System, a **“clearing corporation”** within the meaning of the New York Uniform Commercial Code, and a **“clearing agency”** registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (**“Direct Participants”**) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (**“DTCC”**). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**“Indirect Participants”**). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (**“Beneficial Owner”**) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an

authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions of principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

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APPENDIX E

FORM OF OPINION OF BOND COUNSEL

Honorable Mayor and Board of Aldermen
City of Grandview, Missouri

Stifel, Nicolaus & Co., Inc.
Memphis, Tennessee

Re: \$9,500,000 City of Grandview, Missouri, General Obligation Bonds, Series 2014

We have acted as bond counsel to the City of Grandview, Missouri (the “**City**”), in connection with the issuance by the City of the above-captioned bonds (the “**Bonds**”). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon and subject to the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and legally binding general obligations of the City, payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City.

2. The interest on the Bonds (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Missouri, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the City complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds are “**qualified tax-exempt obligations**” within the meaning of Section 265(b)(3) of the Code.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,