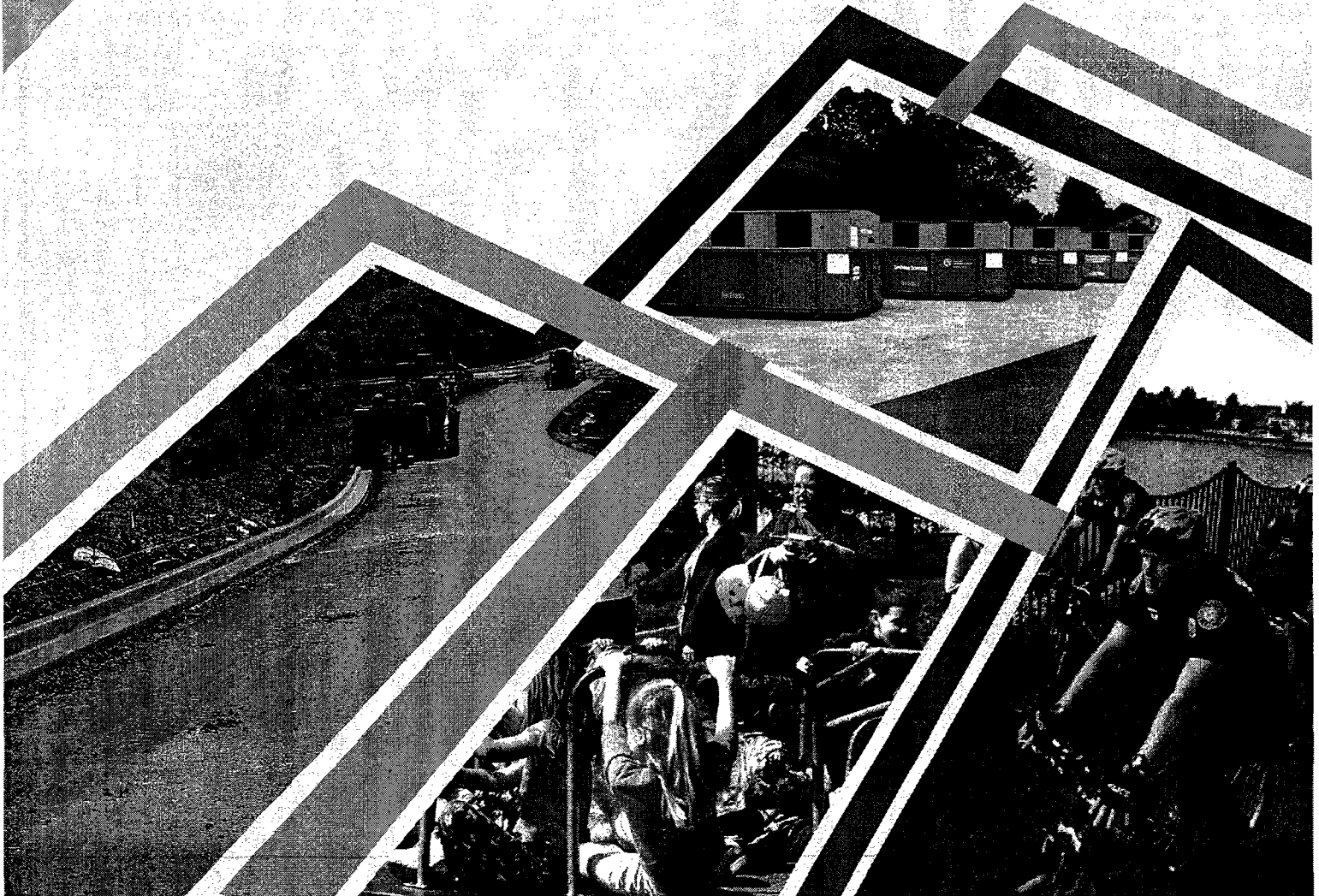
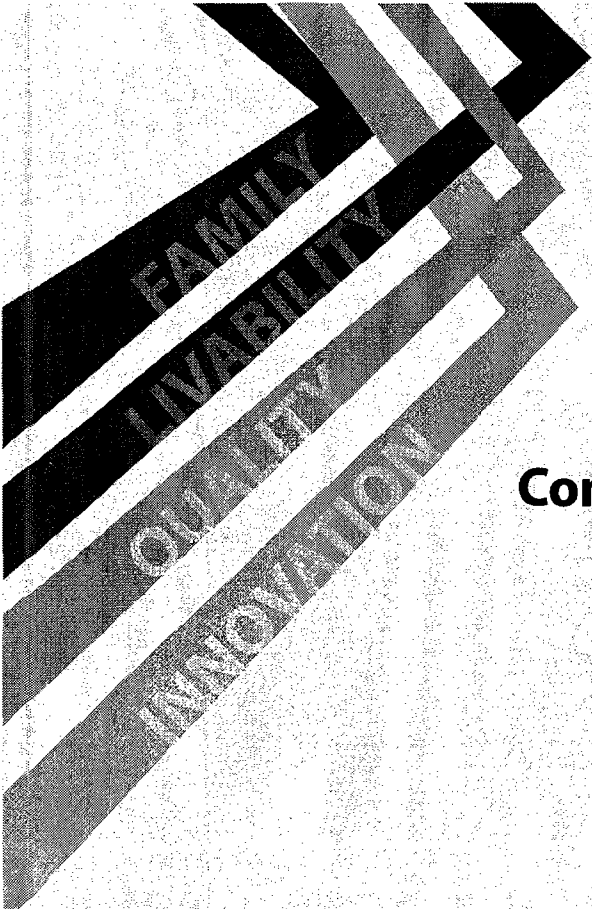


The City of

Blue Springs
Missouri

**Comprehensive Annual Financial Report
Blue Springs, Missouri
For the Fiscal Year Ended
September 30, 2011**





CITY OF BLUE SPRINGS, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For The Fiscal Year Ended
September 30, 2011

Prepared by the Finance Department



CITY OF BLUE SPRINGS, MISSOURI

Comprehensive Annual Financial Report

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Introductory Section

City of Blue Springs, Missouri

**Principal Officials
2010-2011**

Mayor and City Council

Honorable Carson Ross, Mayor

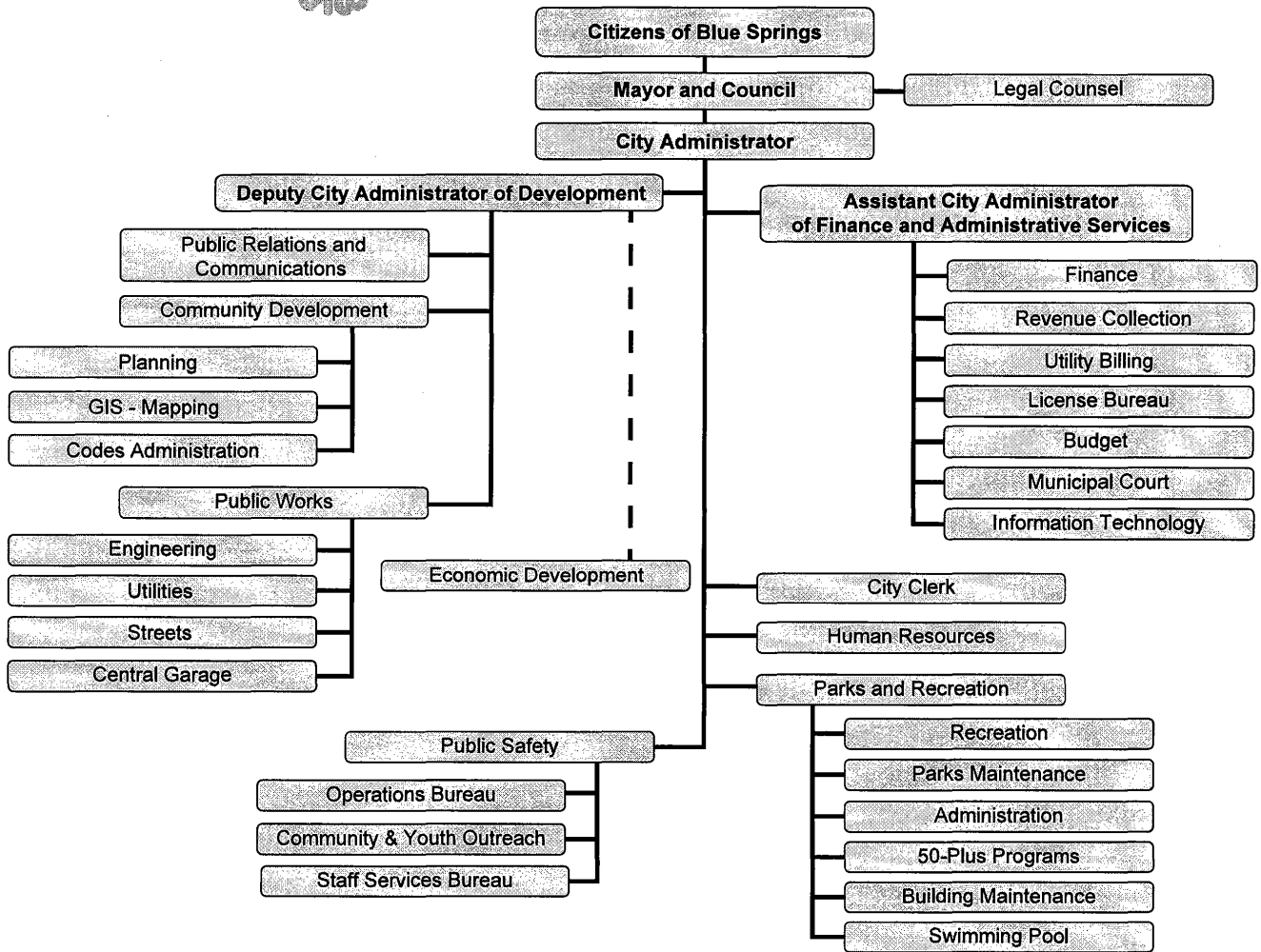
Honorable Jeff Quibell	District I
Honorable Dale Carter	District I
Honorable Kent Edmondson	District II
Honorable Chris Lievsay	District II
Honorable Grant Bowerman	District III
Honorable Ronald Fowler	District III

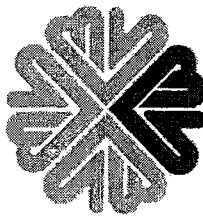
Administration

Eric Johnson	City Administrator
Todd Pelham	Deputy City Administrator of Development
Christine Cates	Assistant City Administrator
Bob McDonald	City Attorney
Karen Van Winkle	Director of Finance
Dan Hood	Information Technology Director
Sue Heiman	Human Resources Director
Wayne McCoy	Chief of Police
Oliver DeGrate	Director of Public Works
Roscoe Righter	Director of Parks and Recreation
Scott Allen	Director of Community Development



City of Blue Springs Organizational Chart





The City of Blue Springs

February 10, 2012

Honorable Mayor, Members of the City Council, and Citizens of the City of Blue Springs:

The Comprehensive Annual Financial Report of the City of Blue Springs, Missouri for the fiscal year ended September 30, 2011, is hereby submitted for your review. This report is submitted for your review in compliance with the provisions of Article V, Section 5.4 (f) of the City Charter.

The responsibility for the accuracy of the data and the completeness and fairness of its presentation, including all disclosures, rests with the City of Blue Springs. To the best of our knowledge and belief, the financial statements are accurate in all material aspects and are presented in a manner that fairly depicts 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 report was prepared by the City's Finance Department staff in accordance with generally accepted accounting principles (GAAP), which are uniform minimum standards and guidelines for financial accounting and reporting in the United States. This report is intended to provide sufficient information to permit the assessment of stewardship and accountability and to demonstrate legal compliance.

The City of Blue Springs' financial statements, as required by the Charter, have been audited by Cochran, Head, Vick and Co., P.C. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit that there was reasonable basis for rendering an unqualified opinion that the City of Blue Springs' financial statements for the fiscal year ended September 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Blue Springs was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in the City of Blue Springs' separately issued Single Audit Report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the City

The City of Blue Springs was incorporated in 1880 and became a fourth-class city in 1904. Under the provisions of the Missouri State Statutes governing fourth-class cities, a Mayor/Board of Alderman/ City Administrator form of government was adopted. On April 6, 1993, the citizens of Blue Springs voted to create a Charter Commission that was charged with the task of drafting a Home Rule Charter. The Commission submitted their proposed Charter to the citizens on April 5, 1994, which recommended the establishment of a Mayor/City Council/City Administrator form of government. Upon approval of the voters, the new City Charter became effective with the first meeting of the City Council on April 18, 1994. In accordance with the newly adopted Home Rule Charter, the registered voters within the City elect a Mayor

for a four-year term and six Council members, two from each of three geographic districts, to serve staggered three-year terms as representatives on the City Council.

All policy making and legislative authority are vested in the City Council. This body is responsible for passing ordinances, adopting the budget, appointing committees and hiring the City Administrator. The City Administrator, as chief administrative officer of the City, is responsible for carrying out the policies and ordinances adopted by the Governing Body, overseeing the day-to-day operations of the City and for appointing the directors of the various City departments. This position serves at the discretion of the City Council.

The City of Blue Springs provides a full range of municipal services including police protection; water and sanitary sewerage utilities; planning, construction and maintenance of highways, streets and infrastructure; emergency medical service; community planning and development; planning, maintenance and construction of parks facilities; recreational activities; youth outreach programs; "50-Plus" social services; and general administrative oversight.

In fulfilling its responsibilities for reliable financial statements, management depends on the City's system of internal control. This system is designed to provide reasonable assurance that assets are effectively safeguarded and that transactions are executed in accordance with management's authorization and are properly recorded.

The City Council is required to adopt a final budget no later than the close of the fiscal year. The annual budget serves as the foundation for the City of Blue Springs' financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department directors may transfer resources within a department as they see fit. Transfers between departments, however, need approval from the City Administrator.

Factors affecting Financial Condition

Local Economy.

Blue Springs is strategically located near the center of Jackson County, Missouri at the eastern edge of the Kansas City metropolitan region and covers 22.21 square miles of territory. The community is served by two state highways (7 and 40) and one Interstate highway (I-70), providing convenient commuter access to the various cultural, educational, social, legal, financial and marketing institutions of the region. The community is also served by Kansas City Southern Railroad, which provides efficient rail service connections for several industrial sites within the City.

Blue Springs has proven to be one of the fastest growing cities in Missouri over the last 30 years. In the 1970's, its total population quadrupled over the previous decade. Following the 1990 census, it was reported that, during the previous decade, Blue Springs was one of the top ten fastest growing cities in the state of Missouri with the population increasing by 54.8% to a total of 40,153 residents. The results of the 2000 Census revealed that the City has again increased in population during the last decade by another 20% to a total of 48,050. The final results of the 2010 Census revealed a slight decrease in population to 52,575, an increase of 9.42% since 2000.

Long-term financial planning.

The City of Blue Springs prepares a six-year financial projection of financial condition, which includes capital outlay projections as well as a six-year Capital Improvement Program (CIP). The CIP includes proposed budgets for constructing, maintaining, upgrading, and replacing the City's physical infrastructure, including Water and Sewer capital improvements. The fiscal year 2011-12 budget includes projects totaling an estimated \$21.3 million on capital projects. In preparing the budget, needs are assessed, public improvements are prioritized and costs are projected. This budget is reviewed annually and projects are re-prioritized and the financial condition of the City is evaluated.

During fiscal year 2011, the City Council adopted a stabilization arrangement that sets aside 30% of budgeted General Fund expenditures of the prior fiscal year. The 30% of operating expenditures are divided into two reserve categories, the Emergency Reserve and the Budget Stabilization Reserve. The fund balance in the general fund falls within the policy guidelines set by the Council for budgetary and planning process.

Relevant financial policies

The City's Stabilization Arrangement Policy indicates that the City will maintain thirty percent of general operating expenditures and obligated debt service transfers as emergency reserve and budget stabilization balance. At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,060,154 or 17% of total general fund expenditures. In compliance with the City's Enterprise Fund Policy, a comprehensive rate study was performed in 2010 for both the Water and Sewer Utilities. Minimal rate increases related to this study continue to be implemented over the next two years.

Major initiatives

The City continues to work with the Blue Springs Economic Development Corporation and the University of Missouri on the development of a knowledge based science and technology Innovation Park. Progress continues to be made at the Adams Dairy Landing Shopping Center. In 2011, the City was awarded the Domestic Violence Grant which had not been received in 2010. The City continues to work toward completion of several projects funded by American Recovery and Reinvestment Act funds. Included is the expansion of the Sni-a-bar Wastewater Treatment Plant, which is a \$30 million dollar project that is approximately fifty percent complete. In addition, the City completed the Highway 7 & Colbern Rd. intersection project and will bid the \$12 million Woods Chapel Road improvement project (Duncan Rd. to Briarwood) this year. This project is being funded by the 2008 voter approved bond issue.

Awards and Acknowledgements

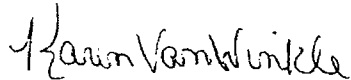
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Blue Springs, Missouri for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2010. The City has been the recipient of this award since 1982.

In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our 2011 report continues to conform to the Certificate of Achievement program requirements, and we will submit this report to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriation budget dated October 1, 2010. In order to qualify for this Award, the City's budget document must be judged to be proficient in several categories including policy documentation, financial planning and organization.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the finance department. I wish to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Due credit should also be given to the Mayor and the members of the City Council for their continued interest and support in planning and conducting the affairs of the City in a responsible and progressive manner.

Respectfully submitted,



Karen Van Winkle
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Blue Springs
Missouri

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

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



Linda C. Danson

President

Jeffrey R. Emer

Executive Director

Financial Section



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 City Council
City of Blue Springs, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Blue Springs, Missouri (the City) as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

As described in Note 1 to the financial statements, the City adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in 2011.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. 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.

February 10, 2012

Cochran Head Vicksburg PC

**City of Blue Springs, Missouri
Management's Discussion and Analysis
Fiscal Year Ended September 30, 2011**

This discussion and analysis of the City of Blue Springs (City) financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2011. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$142,721,303 (net assets). Of this amount, \$25,842,052 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$2.5 million. Business-type activities accounts for an increase of \$5.7 million in net assets while governmental activities net assets decreased by \$3.2 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$38,973,691 an increase of \$397,766 in comparison with the prior year.
- Approximately 50 percent or \$19,422,121 of the combined governmental fund balances of \$38,973,691 is available for discretionary spending by the City. The remaining fund balance is either restricted by outside parties or not in spendable form. The general fund increased by \$1.7 million, capital projects fund decreased by \$1.8 million and the TIF fund increased by \$227,168.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,060,154 or 17 percent of total general fund expenditures.
- The City's total debt increased by \$10,062,538 or 11 percent during the current fiscal year. The key factor in this increase was issuance of \$12,277,740 in Sewer Revenue Bonds for the Sni-A-Bar Waste-Water Treatment Plant expansion. The city retired \$3,329,120 of outstanding debt in FY2011.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic 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 designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets.

- Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Blue Springs is improving or deteriorating.
- Other non-financial factors to consider are changes in the City's property tax base and the condition of the City's capital assets (roads, buildings, and water and sewer lines) to assess the overall health of the City.

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

**City of Blue Springs, Missouri
Management's Discussion and Analysis
Fiscal Year Ended September 30, 2011**

The government-wide financial statements of the City can be divided into two categories:

- **Governmental activities** – Most of the City's basic services are reported in this category, including General Government, Public Works, Highways and Streets, Public Safety, Parks & Recreation and Economic Development. Property taxes, sales taxes, gross receipts taxes, user fees, interest income, and state and federal grants finance these activities.
- **Business-type activities** – The City charges a fee to customers to cover all or most of the cost of certain services it provides. The Water Fund, Sewer Fund, and Golf Course Fund are included here.

The government-wide financial statements can be found on pages 22-23 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Blue Springs, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The City uses three types of funds to manage resources: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds** – Most of the City's basic services are reported in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them. During the current year, the City implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement changed the fund balance classifications for the governmental funds. See Note 1 to the financial statements for additional information regarding fund balance classifications.

The basic governmental fund financial statements can be found on pages 24-27 of this report.

- **Proprietary funds** – Business operations for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
 - The City's enterprise funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
 - The City uses one internal service fund, Central Garage, to report activities that provide supplies and services for the City's other programs and activities.

The basic proprietary fund financial statements can be found on pages 28-30 of this report.

- **Fiduciary funds** – are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Blue Springs own programs. The City is the fiduciary for the Jackson County Tax, Employees Flex Benefits, Eastern Jackson County Betterment Council, Coronado Drive Transportation Development District (Wal-Mart TDD) and Adams Farm Transportation Development District agency funds.

The basic fiduciary fund financial statements can be found on page 31 of this report.

**City of Blue Springs, Missouri
Management's Discussion and Analysis
Fiscal Year Ended September 30, 2011**

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. The notes to the basic financial statements are on pages 32-57 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning budgetary comparison schedules for the general fund. Required and other supplementary information, including combining statements, individual fund schedules and individual fund budgetary comparison schedules for non-major governmental funds can be found on pages 58-77 of this report. Statistical Information can be found beginning on page 78.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets

The following Table (MD-1) reflects the condensed Statement of Net Assets:

**Table MD-1
City of Blue Springs' Net Assets**

	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 43,130,475	\$ 44,309,249	\$ 45,808,398	\$ 38,896,458	\$ 88,938,873	\$ 83,205,707
Capital assets	78,768,429	81,985,005	85,119,282	73,276,573	163,887,711	155,261,578
Total assets	<u>121,898,904</u>	<u>126,294,254</u>	<u>130,927,680</u>	<u>112,173,031</u>	<u>252,826,584</u>	<u>238,467,285</u>
Other liabilities	3,132,649	2,864,106	4,400,589	2,885,381	7,533,238	5,749,487
Long-term debt	65,481,616	66,968,381	37,090,427	25,541,124	102,572,043	92,509,505
Total liabilities	<u>68,614,265</u>	<u>69,832,487</u>	<u>41,491,016</u>	<u>28,426,505</u>	<u>110,105,281</u>	<u>98,258,992</u>
Net assets:						
Investment in capital assets, net of related debt	48,629,336	59,694,748	48,753,483	47,749,588	97,382,819	107,444,336
Restricted	17,423,528	6,973,655	2,072,904	2,077,870	19,496,432	9,051,525
Unrestricted (deficit)	(12,768,225)	(10,206,636)	38,610,277	33,919,068	25,842,052	23,712,432
Total net assets	<u>\$ 53,284,639</u>	<u>\$ 56,461,767</u>	<u>\$ 89,436,664</u>	<u>\$ 83,746,526</u>	<u>\$ 142,721,303</u>	<u>\$ 140,208,293</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Blue Springs, assets exceeded liabilities by \$142,721,303 at September 30, 2011.

The largest portion of the City's net assets \$97,382,819 (68 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any outstanding related debt used to acquire those assets. The City of Blue Springs 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 assets \$19,496,432 (14 percent) represents resources that are subject to external restrictions on how they may be used. Unrestricted net assets total \$25,842,052 (18 percent) may be used to meet the government's ongoing obligations to citizens and creditors.

**City of Blue Springs, Missouri
Management's Discussion and Analysis
Fiscal Year Ended September 30, 2011**

Changes in Net Assets

The following Table (MD-2) reflects the revenues and expenses from the City's activities:

Table MD-2

City of Blue Springs' Changes in Net Assets

	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 6,748,068	\$ 6,442,419	\$ 15,219,942	\$ 14,815,868	\$ 21,968,010	\$ 21,258,287
Operating grants and contributions	567,701	457,455	-	-	567,701	457,455
Capital grants and contributions	4,535,142	1,248,938	7,169,853	5,054,010	11,704,995	6,302,948
General revenues						
Property taxes	5,345,937	5,373,148	-	-	5,345,937	5,373,148
Sales taxes	10,227,290	9,639,673	-	-	10,227,290	9,639,673
Franchise taxes	5,311,660	6,111,034	-	-	5,311,660	6,111,034
Intergovernmental Activity taxes	2,598,427	1,981,710	-	-	2,598,427	1,981,710
Motor vehicle tax	1,622,392	1,616,683	-	-	1,622,392	1,616,683
Hotel tax	573,835	572,571	-	-	573,835	572,571
Other taxes	442,196	438,226	-	-	442,196	438,226
Unrestricted investment earnings	419,579	334,685	137,601	135,489	557,180	470,174
Other	588,977	504,639	-	-	588,977	504,639
Total revenues	38,981,204	34,721,181	22,527,396	20,005,367	61,508,600	54,726,548
Expenses:						
General government	5,747,148	5,952,221	-	-	5,747,148	5,952,221
Public works	1,165,906	1,157,261	-	-	1,165,906	1,157,261
Highways and streets	14,911,575	13,175,169	-	-	14,911,575	13,175,169
Public safety	12,475,129	11,855,976	-	-	12,475,129	11,855,976
Parks and recreation	4,059,046	3,926,898	-	-	4,059,046	3,926,898
Economic development	625,859	3,023,924	-	-	625,859	3,023,924
Water	-	-	8,215,144	7,378,974	8,215,144	7,378,974
Sewer	-	-	7,315,040	6,991,779	7,315,040	6,991,779
Golf course	-	-	1,670,943	1,836,939	1,670,943	1,836,939
Interest on long-term debt	2,809,800	1,921,555	-	-	2,809,800	1,921,555
Total expenses	41,794,463	41,013,004	17,201,127	16,207,692	58,995,590	57,220,696
Increase (decrease) in net assets before transfers	(2,813,259)	(6,291,823)	5,326,269	3,797,675	2,513,010	(2,494,148)
Transfers	(363,869)	(316,026)	363,869	316,026	-	-
Changes in net assets	(3,177,128)	(6,607,849)	5,690,138	4,113,701	2,513,010	(2,494,148)
Net assets, October 1	56,461,767	63,069,616	83,746,526	79,632,825	140,208,293	142,702,441
Net assets, September 30	\$ 53,284,639	\$ 56,461,767	\$ 89,436,664	\$ 83,746,526	\$ 142,721,303	\$ 140,208,293

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

Governmental activities. Several factors caused net assets for governmental activities to decrease by \$3,173,151. Key elements of these changes are as follows:

Overall revenues increased by \$4,260,023 due to increases in some revenues and decreases in others. Changes in revenue from 2010 are as follows:

- Sales taxes increased in total by \$587,617 or 6 percent from 2010 primarily due to the opening of several additional retail stores in the Adams Dairy Landing redevelopment area.
- Property taxes decreased by \$27,211 or .5 percent during the year.
- Intergovernmental activity taxes increased by \$616,717 due to the TIF Fund collecting additional Economic Activity Taxes (EATS) and Payments in Lieu of Taxes (PILOTS) related to new retail stores in the Adams Dairy Landing Redevelopment area.
- Charges for Services increased by \$305,649 or 4.7 percent in 2011 mostly due to an adjustment to EMS service fees allowance for uncollectible. Based upon three years of billing history with the 3rd party billing company, the allowance has been reduced from 65 to 60 percent. Community Development construction permit fees and Parks and Recreation Programs fees were down due to the economy.
- Franchise taxes decreased by \$799,374 or 13 percent. This decrease is due to the recognition of the final franchise tax settlement in FY2010.
- Operating Grants and Contributions increased by \$110,246 or 24 percent due to the renewal of the Domestic Violence grant for fiscal year 2011.
- Capital Grants and Contributions increased by \$3,286,204 or 263 percent due primarily to a \$2.9 million grant for the completion of the 7 Hwy. and Colbern Road Intersection.
- Investment interest earnings increased in 2011 by \$84,894 or 25 percent due to the interest subsidy on the 2009B Build America Bonds in the amount of \$249,911. Interest rates have continued to decrease with the average yield for the City's portfolio ending the year at 0.57 percent for 2011 down from 0.75 percent in 2010. This decrease is in direct relationship to the current overall economy.

Overall expenses decreased by \$781,459 due to increases in some expenses and decreases in others. Changes in expenses from 2010 are as follows:

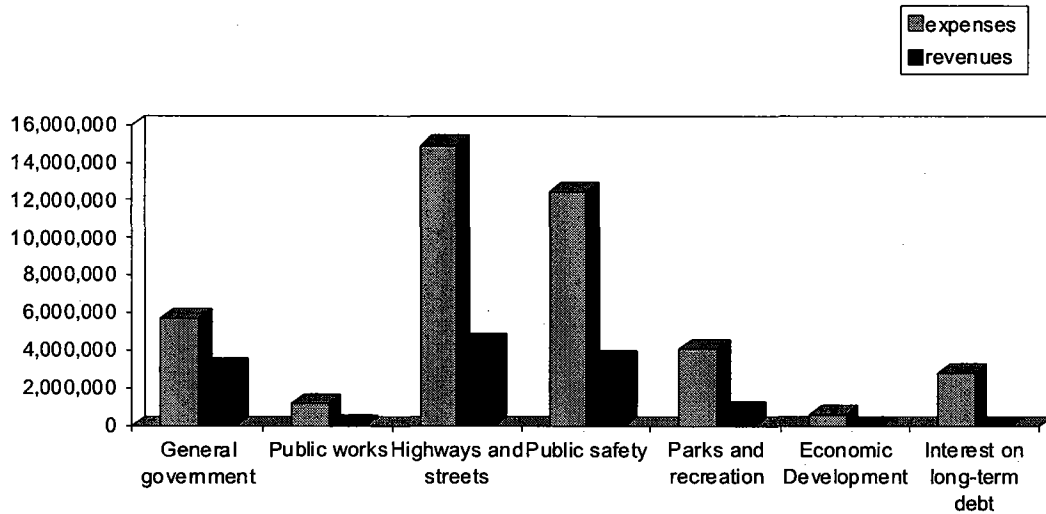
- General government expenses decreased \$205,073 or 3.4 percent due to the reduction of four full time positions and the reduction in capital outlay expenses.
- Highways and Streets increased by \$1.7 million due to an increase in electrical utilities, an increase of 379,105 for the street overlay program and the completion of the Highway 7 and Colbern Road Intersection project.
- Interest on long term debt increased by \$888,245 primarily due to interest payments made on the 2010 Special Obligation Bonds in the amount of \$806,945.
- Economic development expenses decreased by \$2.4 million due to fewer certified developer costs for the City's TIF projects in 2011

**City of Blue Springs, Missouri
Management's Discussion and Analysis
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Expenses and Program Revenues – Governmental Activities

The following Table (MD-3) reflects the expenses and revenues from the City's governmental activities:

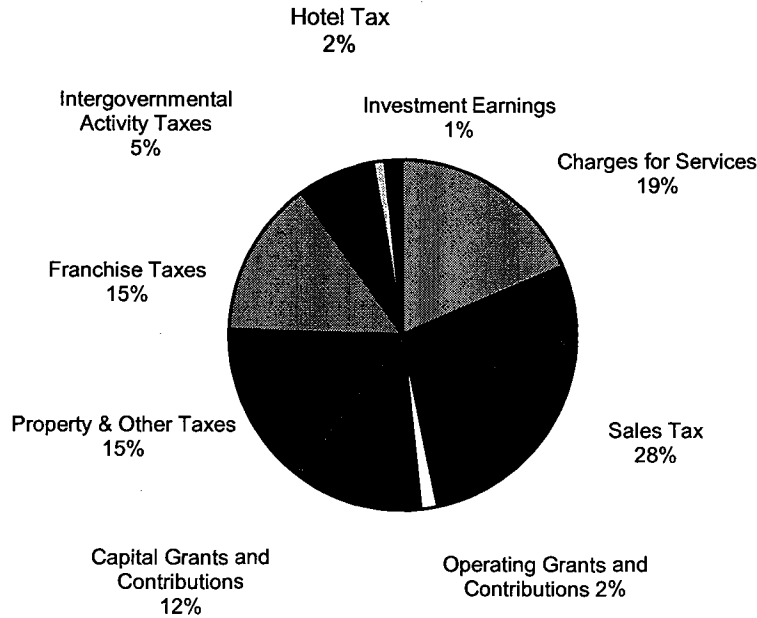
**Table MD-3
City of Blue Springs' Expenses and Program Revenues-Governmental Activities**



Revenues by Source– Governmental Activities

The following Table (MD-4) reflects the revenues by source from the City's governmental activities:

**Table MD-4
City of Blue Springs' Revenues by Source-Governmental Activities**



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Fiscal Year Ended September 30, 2011**

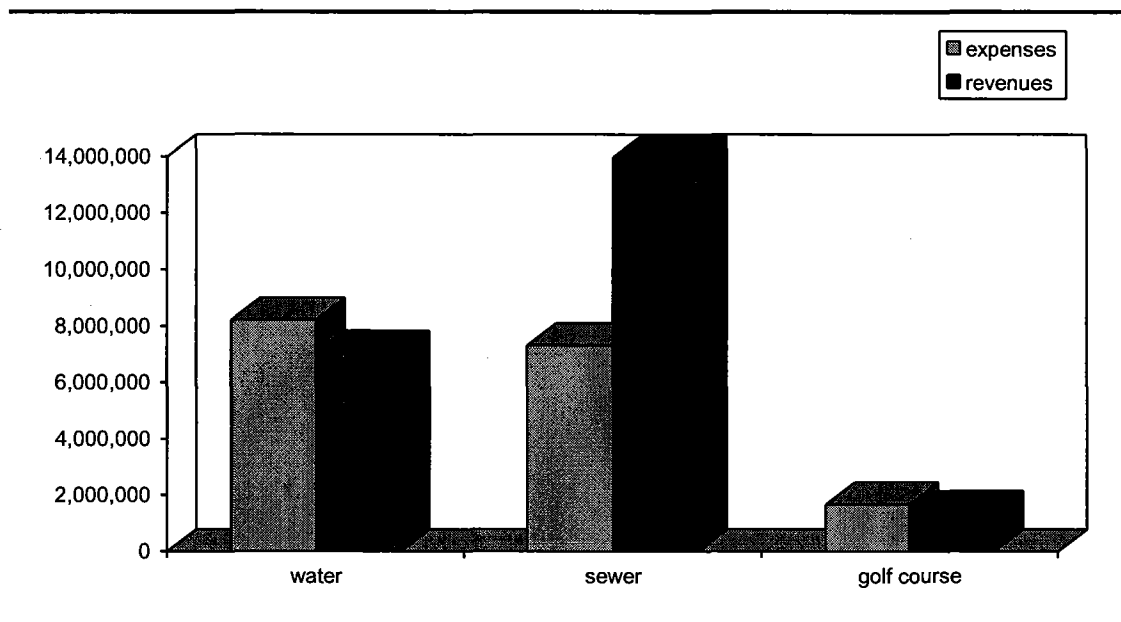
Business-type activities. Business-type activities net assets increased by \$5,690,138 or 6.8 percent. Key elements of this increase are as follows:

- Net assets for the Sewer Utility Fund increased by \$6,473,164 primarily due to Recovery Act funding related to the expansion of the Sni-a-Bar Wastewater Treatment Plant as well as related receivables from an interlocal agreement.
- Net assets for the Water Utility Fund decreased by \$843,489 due to depreciation of \$917,305 exceeding new assets.
- Net assets for the Golf Course increased by \$60,463.
- Golf Course expenses continue to exceed revenues causing the need for a transfer of \$363,869 from the general fund to assist in covering the cost of debt service for the year.

Expenses and Program Revenues – Business-Type Activities

The following Table (MD-5) reflects the expenses and revenues from the City's business-type activities:

**Table MD-5
City of Blue Springs' Expenses and Program Revenues-Business-Type Activities**

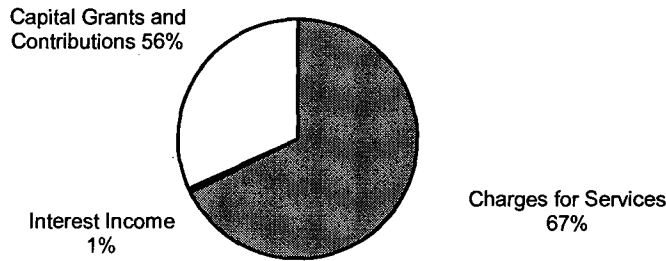


**City of Blue Springs, Missouri
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Revenues by Source– Business-Type Activities

The following Table (MD-6) reflects the revenues by source from the City's business-type activities:

**Table MD-6
City of Blue Springs' Revenues by Source-Business-Type Activities**



Financial Analysis of the City's Funds

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

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

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$38,973,691 an increase of \$397,766 in comparison with the prior year. Approximately 50 percent or \$19,422,121 of the combined governmental fund balance is available for discretionary spending and is made up of the committed, assigned and unassigned categories. The general fund increased by \$1.7 million, capital projects fund decreased by \$1.8 million and TIF funds increased by \$227,168.

During fiscal year 2011, the City Council adopted a stabilization arrangement that sets aside 30% of budgeted General Fund expenditures of the prior fiscal year. The 30% of operating expenditures are divided into two reserve categories, the Emergency Reserve and the Budget Stabilization Reserve.

The Emergency Reserve is set at 20% of budgeted General Fund expenditures of the prior fiscal year and shall only be used if one of the following three things occurs: (1) the City directly experiences a natural disaster or urgent event that jeopardizes public safety; (2) the Federal Government and/or State of Missouri formally declare a disaster or emergency; or (3) no reasonable budget adjustments are available to continue providing essential services to the public.

The Budget Stabilization Reserve is set at 10% of budgeted General Fund expenditures of the prior fiscal year. The Budget Stabilization Reserve shall only be used if one of the following four things occurs: (1) the City experiences a sudden and unexpected decline in ongoing revenues greater than 10% of General

**City of Blue Springs, Missouri
Management's Discussion and Analysis
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Fund operating revenues; (2) short term stabilization is needed to minimize significant changes in insurance rates or premiums; (3) funds are needed as part of a matching grant for a major project or (4) sudden or unexpected capital outlay replacement is needed (this includes equipment or facility failures).

The fund balance of the City's general fund increased by \$1,749,689 during the current fiscal year. Key factors in this increase are a result of closely monitoring revenues and expenditures throughout the year and are noted as follows:

- Personal Services were (\$17,726) or less than one percent below budget. The budget amendment that was approved at the June 6, 2011, City Council meeting included an increased appropriation of \$25,000 for overtime related to snow removal.
- Materials and Supplies were (\$280,518) or 17% below budget for the year. A significant portion of this variance is due to savings in Streets in the amount of (\$111,945). All departments experienced some savings in materials and supplies during this fiscal year.
- Contractual Services were (\$439,724) or 5.6% below budget. All departments experienced some savings in contractual services during this fiscal year.
- Capital Outlay was (\$183,144) or 3.7% below budget. The majority of this savings was realized in the Police Department as patrol cars were not purchased with the funds that were budgeted in FY 2010-11 due to timing of the purchase and evolution of available new car products.
- Outstanding General Fund encumbrances at September 30, 2011, totaled \$310,234.

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds.) These projects are reported separately from ongoing operating activities to enhance the understanding of the City's capital activities and to avoid distortions in financial resources trend information. At the end of the current fiscal year the fund balance of the capital projects fund is \$16,053,845, which is a decrease of \$1,805,829 from last year. The fund balance decrease is related to the spending down of General Obligation Bonds and Build America Bonds that were issued to complete various street projects including; Moreland School Rd. and Colbern & 7 Hwy.

The Encumbrances for the General Fund decreased to \$310,234 from \$555,994 for a difference of \$245,760. Capital Projects Fund increased to \$3,863,918 from \$2,945,721 for a difference of \$918,197.

The TIF Fund has five active TIF projects; Fall Creek, Highway 7 & 40 Highway, Copperleaf Village, Woods Chapel and Adams Farm. The total combined fund balance for the TIF Fund is \$5,301,026 of which \$4.9 million is in the Adams Farm TIF. This project encompasses 65 acres of redevelopment that will consist of three projects with total retail and restaurant space of 635,345 square feet. During 2009, the City had issued \$14.5 million in Special Obligation Bonds to fund infrastructure improvements for the district. In fiscal year 2010, the City issued an additional \$16,805,000.

The Fall Creek project, approved in 1998, comprises 40 acres proposed to contain redevelopment of 202,000 square feet of retail space. The project is being funded through CID bonds. Expenditures exceeded revenues by \$48,559 primarily due to a decrease in PILOTS for FY2011.

The Copperleaf Village TIF, approved in 2005, is a developer financed project established to redevelop a deteriorated 20,820 square foot shopping center. The project is operational; though two pad sites have not yet been completed as contemplated in the TIF Plan. The fund balance for 2011 is \$168,070 which will be paid to the developer upon completion of various project requirements.

Highway 7 & 40 Highway TIF is also a developer financed project. Approved in 2007, the 25 acre Plan includes two redevelopment project areas with a total of 134,000 square feet of grocery and retail space. Previously, only project B had been activated for this TIF; the project was modified in 2010 to include Project C. In 2010, no additional project costs were certified and payments were made to the developer in the amount of \$123,905 resulting in an amount owed to the developer of \$1,196,584.

The Woods Chapel project was approved in 2008 to redevelop 26 acres of land for approximately 154,825 square feet of retail space and a bank. A portion of this project has been activated; no businesses are currently in the district.

**City of Blue Springs, Missouri
Management's Discussion and Analysis
Fiscal Year Ended September 30, 2011**

Proprietary Funds. The City's proprietary fund statements provide the same type of information found in the government-wide statements but in more detail.

Unrestricted net assets of the water and sewer funds at the end of the year amounted to \$7,632,725 and \$32,856,421 respectively. The golf course fund has an unrestricted net assets deficit of \$1,878,869 for an increase in the deficit of \$94,000 from last year. Other factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights:

The general fund revenues for the year ended September 30, 2011 were \$27,734,756 or \$4,842,177 over budget. During the year there was a \$190,458 increase in appropriations between the original and the final budget amount of \$22,892,579. Expenditures ended the year at \$23,720,370 or \$1,666,867 below the final budget amount of \$24,887,237. Below is an analysis of variances between final budget and actual revenues and expenditures.

Revenues:

- Taxes were \$2,715,721 above budget due primarily to the receipt of \$1,426,480 for the T-Mobile wireless telecommunications franchise tax settlement. Sales taxes were \$369,514 or 6 percent over budget. Of this amount \$261,239 can be attributed to Adams Dairy Landing. KCP&L franchise taxes were \$456,229 or 23 percent above the budgeted amount. The AT&T video franchise taxes were \$137,445 over budget while Comcast cable franchise taxes were \$8,419 below budget suggesting that not only are cable subscribers considering other options, but satellite customers are also. Franchise taxes are not collected on satellite TV.
- Licenses & Permits ended the year \$124,856 above budget. The majority of this amount is due to building permit revenue being \$104,257 or 58 percent over budget. Due to the declining trend in building permit revenue, the budget for FY2011 was very conservative and the development at Adams Dairy Landing and Hy-Vee have contributed significantly to this category.
- Intergovernmental revenue was \$55,847 over budget. The majority of this is due to a \$39,095 increase in motor vehicle sales taxes.
- Charges for Services ended the year \$400,959 or 12.6 percent over budget. The majority of this increase is due to increased billings related to EMS services.
- Fines and Forfeitures ended the year \$41,847 or 6 percent below budget. This decrease is due to a decreased number of tickets written and processed and collected in Municipal Court.
- Interest Income ended the year \$49,310 or 35 percent below budget. Interest income was budgeted at an average rate of 1 percent based upon 2010 rates and the average yield for the City's portfolio for 1.90% for the 2010-11 fiscal year. The actual average yield was 0.57%
- Other income ended the year \$204,315 or 53 percent over budget. This is primarily due to the receipt of a workers compensation dividend from MPR for \$86,217, insurance settlements and restitution totaling \$79,308, developer reimbursement for funding agreements totaling \$26,974 and MPR loss control incentives and program reimbursements totaling \$77,492.

Expenditures:

- General Government was under budget by \$460,332 primarily due to savings in the category of Contractual Services. The majority of the savings was due to the reductions the departments made to keep costs down, salaries related to open positions and no expenditures for the Minor Home Repair Program.
- Public Works was under budget by \$140,212 primarily due to savings in the category of Contractual Services and salaries related to open positions.
- Highways and Streets were over budget by \$114,025 primarily due additional costs related to snow removal and increased electrical utility costs for street lights.
- Public Safety was under budget by \$458,931 primarily due to savings in the categories of Capital Outlay and Contractual Services.

**City of Blue Springs, Missouri
Management's Discussion and Analysis
Fiscal Year Ended September 30, 2011**

- Parks was under budget by \$221,417 primarily due to savings in the categories of Contractual Services. The majority of the savings was due to reductions departments made to keep costs down.

Outstanding General Fund Encumbrances at September 30, 2011 totaled \$310,234.

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, 2011, amounts to \$163,887,711, net of accumulated depreciation. This investment in capital assets includes land and other non-depreciable assets, buildings, improvements, machinery and equipment, park facilities, and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$8,626,133 or 5.6 percent (a 16.2 percent increase for business-type activities and a 3.9 percent decrease for governmental activities). The increase is a result of current year capital additions exceeding depreciation expense. Significant capital asset additions include land purchased for the Missouri Innovation Park, Keystone Park lighting and additional construction in progress related to the Sni-A-Bar Wastewater Treatment Plant expansion.

**Table MD-7
City of Blue Springs' Capital Assets
(Net of depreciation)**

	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Land and land rights	\$ 12,924,205	\$ 11,560,857	\$ 3,747,184	\$ 3,747,184	\$ 16,671,389	\$ 15,308,041
Construction in progress	12,085,101	12,084,342	20,651,124	6,209,904	\$ 32,736,225	\$ 18,294,246
Buildings and improvements	5,128,708	5,755,793	5,952,539	6,137,142	\$ 11,081,247	\$ 11,892,935
Equipment and vehicles	1,939,541	1,215,553	328,573	552,384	\$ 2,268,114	\$ 1,767,937
Infrastructure	46,690,874	51,368,460	54,439,862	56,629,959	\$ 101,130,736	\$ 107,998,419
Total	\$ 78,768,429	\$ 81,985,005	\$ 85,119,282	\$ 73,276,573	\$ 163,887,711	\$ 155,261,578

Additional information on the City's capital assets can be found in Note 6 on pages 43-45 of this report.

**City of Blue Springs, Missouri
Management's Discussion and Analysis
Fiscal Year Ended September 30, 2011**

Long-term Debt. At the end of the current fiscal year, the City of Blue Springs had total outstanding debt obligations of \$102,568,066. Of this amount, \$18,605,000 comprises debt backed by the full faith and credit of the government and \$17,900,000 is Neighborhood Improvement District debt for which the government is liable in the event of default by the property owners subject to the assessment. The Certificates of Participation debt outstanding total of \$6,450,000 is subject to annual appropriation by the City and was used to finance the City's golf course and conference center. The total Special Obligation Bond debt related to the Adams Farm TIF is \$30,845,000. Subject to annual appropriation, the City collects TIF revenues on behalf of the district and transfers those revenues for repayment of this debt. The development agreement outstanding debt listed below represents the outstanding bonds for the Fall Creek Tax Increment Financing District and the certified developer costs associated with the 'pay as you go', Hwy 7 & 40 Hwy & Copperleaf Village TIFs and additional certified costs for the Adams Farm TIF. In 2010, the City obtained a direct loan through the Department of Natural Resources to fund the Sni-a-bar Sewer Plant expansion. As of the end of the fiscal year, the loan amount was just under \$14.7 million; at completion, the loan is expected to be approximately \$27 million.

The City's total debt increased by \$10,062,538 or 11 percent during the current fiscal year. The key factor was the increase of approximately \$12 million in the State Revolving Fund loan to fund the Sni-a-bar Sewer Plant expansion.

**Table MD-8
City of Blue Springs' Outstanding Debt Obligations**

	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Capitalized leases	\$ -	\$ -	\$ 7,472	\$ 92,570	\$ 7,472	\$ 92,570
General Obligation Bonds	18,605,000	19,450,000	-	-	18,605,000	19,450,000
Compensated Absences	574,762	609,979	-	-	574,762	609,979
Development Agreements	13,386,972	13,591,502	-	-	13,386,972	13,591,502
Certificates of Participation	2,350,000	2,595,000	4,100,000	4,305,000	6,450,000	6,900,000
Neighborhood Improvement Note	-	-	17,900,000	18,325,000	17,900,000	18,325,000
Deferred amount on refunding	(329,004)	(389,773)	(140,772)	(151,601)	(469,776)	(541,374)
Net OPEB obligation	211,603	153,386	10,656	14,139	222,259	167,525
Special Obligation bonds	30,845,000	31,305,000	-	-	30,845,000	31,305,000
Discount/Premium on Issuance	(339,118)	(346,713)	514,967	544,535	175,849	197,822
LAGERS Obligation	176,401	-	8,883	-	185,284	-
State Revolving Fund	-	-	14,689,221	2,411,481	14,689,221	2,411,481
Total	\$ 65,481,616	\$ 66,968,381	\$ 37,090,427	\$ 25,541,124	\$ 102,572,043	\$ 92,509,505

Missouri statutes limit the amount of general obligation debt that a unit of government can issue to twenty percent of the total assessed value of taxable property located within the City's boundaries. The legal debt limit for the City is \$144,938,547.

Additional information regarding the City's long-term debt can be found in Note 7 on pages 45-51 of this report.

**City of Blue Springs, Missouri
Management's Discussion and Analysis
Fiscal Year Ended September 30, 2011**

Economic Factors and Next Year's Budget and Rates

General Fund revenues for fiscal year 2012 are projected to total \$23,176,351. This represents an overall increase of 2.1 percent. This increase is primarily due to the City being awarded a Domestic Violence grant for the 2012 fiscal year.

General Fund budgeted expenditures are projected to total \$24,254,862 compared to \$23.8 million in fiscal year 2011. This represents a 1.7 percent increase. Personal Services expenditures were reduced by 1.1 percent for fiscal year 2012, while slight increases were recognized in Contractual Services and Capital Outlay.

During the current fiscal year, unassigned fund balance in the general fund increased to \$4,060,154. The City has not appropriated this amount in the 2012 fiscal year.

In April 2011, the citizens of Blue Springs voted to enact a new 1/2 cent sales tax dedicated to public safety. This sales tax went into effect October 1, 2012 and is projected to raise approximately \$3.0 million dollars annually. The total budgeted Public Safety Sales Tax expenditures for FY2012 are \$11,360,943. Included in this amount is funding for Supplies, Contractual Services and Capital Outlay as well as Personal Service costs associated with 17 new full time positions, building improvements and the federally mandated radio system upgrade.

During fiscal year 2011, the city implemented the second annual rate increase resulting from the 2010 water and sewer rate study. The rate increase provides funding for ongoing operating costs and capital improvements as well as plans to repay debt. During August 2008, the voters approved bond issuances in the amount of \$35 million for sewer improvements and a no tax increase issue of \$28 million for street projects. The City has issued bonds and continues to work on the street and sewer projects. Moreland School Road extension was completed in 2010, the Hwy 7 & Colbern Road intersection project was completed in December 2011 and the Woods Chapel Road project will be bid in February 2012 with construction to begin in the spring. In addition to these street projects, the Sni-a-Bar wastewater treatment plant expansion is 50 percent complete and schedule for completion December 2012.

Requests for Information

This report is designed to provide an overview of the City of Blue Springs's finances for all those with an interest in the government's finances. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, City of Blue Springs, 903 W. Main St., Blue Springs, Missouri 64015 or by visiting the City's website at www.bluespringsgov.com.



CITY OF BLUE SPRINGS, MISSOURI
Statement of Net Assets
September 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals 2011	
Assets				
Cash and investments	\$ 34,434,126	\$ 18,976,364	\$ 53,410,490	\$ 199,146
Receivables (net of allowances for uncollectibles)				
Taxes	2,288,170	-	2,288,170	-
Accounts	1,218,919	1,792,410	3,011,329	1,050
Accrued interest	143,238	40,654	183,892	-
Internal balances	2,000,055	(2,000,055)	-	-
Due from other governments	1,487,979	6,977,379	8,465,358	-
Inventories	150,829	240,538	391,367	-
Prepaid items	358,964	294,663	653,627	-
Special assessments:				
Due in one year	-	1,306,356	1,306,356	-
Due in more than one year	-	17,475,000	17,475,000	-
Unamortized bond issue costs	1,048,195	705,089	1,753,284	-
Capital Assets:				
Land and construction in progress, non-depreciable	25,009,306	24,398,308	49,407,614	-
Other capital assets, net of depreciation	53,759,123	60,720,974	114,480,097	8,056
Total assets	121,898,904	130,927,680	252,826,584	208,252
Liabilities				
Accounts payable	1,080,533	3,711,018	4,791,551	80,892
Accrued liabilities	777,746	81,275	859,021	13,774
Court bonds	63,657	-	63,657	-
Accrued interest	554,742	113,810	668,552	-
Customer deposits	655,971	480,839	1,136,810	-
Unearned revenue	-	13,647	13,647	-
Short-term note payable	-	-	-	100,000
Noncurrent liabilities:				
Due in one year	2,396,398	671,212	3,067,610	-
Due in more than one year	63,085,218	36,419,215	99,504,433	-
Total liabilities	68,614,265	41,491,016	110,105,281	194,666
Net Assets				
Invested in capital assets, net of related debt	48,629,336	48,753,483	97,382,819	8,056
Restricted for:				
Capital projects	9,309,534	-	9,309,534	-
Debt service	6,719,322	2,072,904	8,792,226	-
Tourism	507,793	-	507,793	-
Programs and other	886,879	-	886,879	-
Unrestricted (deficit)	(12,768,225)	38,610,277	25,842,052	5,530
Total Net Assets	\$ 53,284,639	\$ 89,436,664	\$ 142,721,303	\$ 13,586

CITY OF BLUE SPRINGS, MISSOURI
Statement of Activities
For the year ended September 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Governmental Activities:								
General government	\$ 5,747,148	\$ 3,095,525	\$ 10,116	\$ -	\$ (2,641,507)	\$ -	\$ (2,641,507)	\$ -
Public works	1,165,906	54,941	-	-	(1,110,965)	-	(1,110,965)	-
Highways and streets	14,911,575	-	-	4,433,128	(10,478,447)	-	(10,478,447)	-
Public safety	12,475,129	2,971,402	528,210	10,131	(8,965,386)	-	(8,965,386)	-
Parks and recreation	4,059,046	626,200	29,375	91,883	(3,311,588)	-	(3,311,588)	-
Economic development	625,859	-	-	-	(625,859)	-	(625,859)	-
Interest and fiscal charges	2,809,800	-	-	-	(2,809,800)	-	(2,809,800)	-
Total Governmental Activities	41,794,463	6,748,068	567,701	4,535,142	(29,943,552)	-	(29,943,552)	-
Business-Type Activities:								
Water	8,215,144	7,052,276	-	-	-	(1,162,868)	(1,162,868)	-
Sewer	7,315,040	6,800,171	-	7,169,853	-	6,654,984	6,654,984	-
Golf course	1,670,943	1,367,495	-	-	-	(303,448)	(303,448)	-
Total Business-Type Activities	17,201,127	15,219,942	-	7,169,853	-	5,188,668	5,188,668	-
Total Primary Government	\$ 58,995,590	\$ 21,968,010	\$ 567,701	\$ 11,704,995	(29,943,552)	5,188,668	(24,754,884)	-
Component Unit:								
Economic development	564,854	-	470,180	-	-	-	-	(94,674)
Total Component Unit	\$ 564,854	\$ -	\$ 470,180	\$ -	-	-	-	(94,674)
General Revenues:								
Taxes:								
Sales					10,227,290	-	10,227,290	-
Property					5,345,937	-	5,345,937	-
Franchise					5,311,660	-	5,311,660	-
Intergovernmental activity taxes					2,598,427	-	2,598,427	-
Motor vehicle					1,622,392	-	1,622,392	-
Hotel					573,835	-	573,835	-
Other taxes					442,196	-	442,196	-
Interest					419,579	137,601	557,180	3,250
Miscellaneous					588,977	-	588,977	-
Transfers					(363,869)	363,869	-	-
Total general revenues and transfers					26,766,424	501,470	27,267,894	3,250
Changes in net assets					(3,177,128)	5,690,138	2,513,010	(91,424)
Net Assets-Beginning of year					56,461,767	83,746,526	140,208,293	105,010
Net Assets-End of year					\$ 53,284,639	\$ 89,436,664	\$ 142,721,303	\$ 13,586

See Accompanying Notes to the Basic Financial Statements

CITY OF BLUE SPRINGS, MISSOURI
Balance Sheet - Governmental Funds
September 30, 2011

	General	Capital Projects	TIF Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 12,638,642	\$ 14,915,296	\$ 4,849,768	\$ 2,030,420	\$ 34,434,126
Receivables (net of allowances for uncollectibles)					
Taxes	1,655,985	458,138	69,835	104,212	2,288,170
Accounts	713,085	490,335	-	-	1,203,420
Accrued interest	79,776	58,351	-	5,111	143,238
Interfund receivables	1,770,520	326,911	-	-	2,097,431
Due from other governments	215,306	935,363	337,310	-	1,487,979
Prepaid items	299,353	-	58,169	-	357,522
Total assets	<u>\$ 17,372,667</u>	<u>\$ 17,184,394</u>	<u>\$ 5,315,082</u>	<u>\$ 2,139,743</u>	<u>\$ 42,011,886</u>
Liabilities					
Accounts payable	\$ 374,624	\$ 640,214	\$ 14,056	\$ 260	\$ 1,029,154
Accrued liabilities	769,097	-	-	-	769,097
Court bonds	63,657	-	-	-	63,657
Customer deposits	655,971	-	-	-	655,971
Deferred revenue	29,981	490,335	-	-	520,316
Total liabilities	<u>1,893,330</u>	<u>1,130,549</u>	<u>14,056</u>	<u>260</u>	<u>3,038,195</u>
Fund Balances					
Nonspendable:					
Prepaid items	299,353	-	58,169	-	357,522
Interfund receivables	1,770,520	-	-	-	1,770,520
Restricted:					
Capital projects	-	9,309,534	-	-	9,309,534
Debt service	-	-	5,242,857	1,476,465	6,719,322
Tourism	-	-	-	507,793	507,793
Public safety	-	-	-	155,225	155,225
Other purposes	131,654	600,000	-	-	731,654
Committed:					
Budget stabilization reserve	2,349,202	-	-	-	2,349,202
Emergency reserve	4,698,403	-	-	-	4,698,403
Other purposes	127,254	284,932	-	-	412,186
Assigned:					
Land purchase	1,819,921	-	-	-	1,819,921
Capital projects	-	5,859,379	-	-	5,859,379
Other purposes	222,876	-	-	-	222,876
Unassigned:	4,060,154	-	-	-	4,060,154
Total fund balances	<u>15,479,337</u>	<u>16,053,845</u>	<u>5,301,026</u>	<u>2,139,483</u>	<u>38,973,691</u>
Total liabilities and fund balances	<u>\$ 17,372,667</u>	<u>\$ 17,184,394</u>	<u>\$ 5,315,082</u>	<u>\$ 2,139,743</u>	<u>\$ 42,011,886</u>

CITY OF BLUE SPRINGS, MISSOURI
Reconciliation of the Balance Sheet - Governmental Funds to the
Statement of Net Assets
September 30, 2011

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

Ending fund balances - total governmental funds \$ 38,973,691

Governmental funds report capital outlays as expenditures. However, in the Statement of Net Assets the cost of those assets is capitalized and shown at cost, net of accumulated depreciation. This is the amount of net capital assets reported in the Statement of Net Assets 78,739,979

Long-term assets are not available to pay for current period expenditures and are therefore deferred in the fund statements 520,316

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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Bond issuance costs, net 1,048,195
Accrued interest payable (554,742)
Long-term debt (65,478,979)

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 assets 36,179

Total net assets of governmental activities \$ 53,284,639

CITY OF BLUE SPRINGS, MISSOURI
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended September 30, 2011

	General	Capital Projects	TIF Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 17,748,788	\$ 3,091,079	\$ 483,118	\$ 1,682,983	\$ 23,005,968
Intergovernmental activity taxes	-	-	2,598,425	-	2,598,425
Licenses and permits	629,447	-	-	-	629,447
Intergovernmental revenues	2,755,501	3,920,846	-	-	6,676,347
Charges for services	3,575,629	-	-	-	3,575,629
Administrative charges	1,406,709	-	-	-	1,406,709
Fines and forfeits	884,777	-	-	-	884,777
Interest	89,007	75,285	710	254,576	419,578
Donations	55,672	-	-	-	55,672
Other	589,226	315,000	-	-	904,226
Total revenues	<u>27,734,756</u>	<u>7,402,210</u>	<u>3,082,253</u>	<u>1,937,559</u>	<u>40,156,778</u>
Expenditures:					
Current:					
General government	5,312,805	-	-	158,820	5,471,625
Public works	844,437	-	-	-	844,437
Highways and streets	2,407,243	-	-	-	2,407,243
Public safety	11,721,175	-	-	20,900	11,742,075
Parks	3,680,470	-	-	-	3,680,470
Economic development	-	-	383,397	-	383,397
Capital outlay	-	10,310,341	-	-	10,310,341
Debt service:					
Principal retirement	-	-	803,905	1,090,000	1,893,905
Interest and fiscal charges	-	-	1,654,109	1,040,019	2,694,128
Total expenditures	<u>23,966,130</u>	<u>10,310,341</u>	<u>2,841,411</u>	<u>2,309,739</u>	<u>39,427,621</u>
Excess of revenues over (under) expenditures	<u>3,768,626</u>	<u>(2,908,131)</u>	<u>240,842</u>	<u>(372,180)</u>	<u>729,157</u>
Other financing sources (uses):					
Transfers in	797,318	2,276,261	-	961,780	4,035,359
Transfers out	<u>(2,816,255)</u>	<u>(1,173,959)</u>	<u>(13,674)</u>	<u>(362,862)</u>	<u>(4,366,750)</u>
Total other financing sources (uses)	<u>(2,018,937)</u>	<u>1,102,302</u>	<u>(13,674)</u>	<u>598,918</u>	<u>(331,391)</u>
Net change in fund balances	1,749,689	(1,805,829)	227,168	226,738	397,766
Fund balances - beginning of year	<u>13,729,648</u>	<u>17,859,674</u>	<u>5,073,858</u>	<u>1,912,745</u>	<u>38,575,925</u>
Fund balances - end of year	<u>\$ 15,479,337</u>	<u>\$ 16,053,845</u>	<u>\$ 5,301,026</u>	<u>\$ 2,139,483</u>	<u>\$ 38,973,691</u>

**CITY OF BLUE SPRINGS, MISSOURI
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances -
 Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2011**

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

Net changes in fund balances - total governmental funds	\$ 397,766
<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. This is the amount by which capital outlay exceeded depreciation in the current period:</p>	
Capital outlay	3,821,154
Depreciation expense	(7,634,921)
Capital contribution	428,164
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds</p>	
Deferred revenue	(1,744,315)
<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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items</p>	
Principal payments	1,893,905
Certified developer obligations	(139,375)
Amortization of issuance costs and deferred amounts	(68,364)
Change in accrued interest payable	(47,308)
<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>	
Compensated absences	35,217
Change in LAGERS net pension obligation	(175,202)
Change in other post employment benefit obligations	(58,459)
<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>	
	<u>(25,967)</u>
Total changes in net assets of governmental activities	<u>\$ (3,177,128)</u>

CITY OF BLUE SPRINGS, MISSOURI
Statement of Net Assets -
Proprietary Funds
September 30, 2011

	Business - Type Activities - Enterprise Funds			Total	Governmental
	Water	Sewer	Golf		Activities -
Assets	Fund	Fund	Fund		Internal
					Service Fund
Current assets:					
Cash and investments	\$ 7,587,892	\$ 10,783,349	\$ 605,123	\$ 18,976,364	\$ -
Receivables (net of allowances for uncollectibles)					
Accounts	820,423	960,042	11,945	1,792,410	15,499
Accrued interest	11,644	29,010	-	40,654	-
Special assessments	-	1,306,356	-	1,306,356	-
Inventory	156,551	38,593	45,394	240,538	150,829
Prepaid items	158,171	136,492	-	294,663	1,442
Total current assets	<u>8,734,681</u>	<u>13,253,842</u>	<u>662,462</u>	<u>22,650,985</u>	<u>167,770</u>
Noncurrent assets:					
Unamortized bond issue costs	-	560,757	144,332	705,089	-
Due from other governments	-	6,977,379	-	6,977,379	-
Noncurrent special assessments	-	17,475,000	-	17,475,000	-
Capital Assets:					
Land and construction in progress, non-depreciable	786,030	21,361,834	2,250,444	24,398,308	-
Other capital assets, net of depreciation	20,042,121	34,499,405	6,179,448	60,720,974	28,450
Total noncurrent assets	<u>20,828,151</u>	<u>80,874,375</u>	<u>8,574,224</u>	<u>110,276,750</u>	<u>28,450</u>
Total assets	<u>29,562,832</u>	<u>94,128,217</u>	<u>9,236,686</u>	<u>132,927,735</u>	<u>196,220</u>
Liabilities					
Current liabilities:					
Accounts payable	580,667	3,119,811	10,540	3,711,018	51,379
Accrued liabilities	41,783	39,492	-	81,275	8,649
Accrued interest	-	99,738	14,072	113,810	-
Customer deposits	465,745	-	15,094	480,839	-
Unearned revenue	-	-	13,647	13,647	-
Interfund payable	-	-	-	-	97,376
Long-term debt due in one year	-	454,568	216,644	671,212	-
Total current liabilities	<u>1,088,195</u>	<u>3,713,609</u>	<u>269,997</u>	<u>5,071,801</u>	<u>157,404</u>
Noncurrent liabilities:					
Interfund payable	-	-	2,000,055	2,000,055	-
Long-term debt	13,761	32,655,398	3,750,056	36,419,215	2,637
Total noncurrent liabilities	<u>13,761</u>	<u>32,655,398</u>	<u>5,750,111</u>	<u>38,419,270</u>	<u>2,637</u>
Total liabilities	<u>1,101,956</u>	<u>36,369,007</u>	<u>6,020,108</u>	<u>43,491,071</u>	<u>160,041</u>
Net Assets					
Invested in capital assets, net of related debt	20,828,151	23,317,808	4,607,524	48,753,483	28,450
Restricted for:					
Debt service	-	1,584,981	487,923	2,072,904	-
Unrestricted (deficit)	7,632,725	32,856,421	(1,878,869)	38,610,277	7,729
	<u>\$ 28,460,876</u>	<u>\$ 57,759,210</u>	<u>\$ 3,216,578</u>	<u>\$ 89,436,664</u>	<u>\$ 36,179</u>

CITY OF BLUE SPRINGS, MISSOURI
Statement of Revenues, Expenses, and Changes in Fund Net Assets -
Proprietary Funds
For the Year Ended September 30, 2011

	Business - Type Activities - Enterprise Funds			Total	Governmental
	Water Utility	Sewer Utility	Golf Course		Activities - Internal Service Fund
Operating revenues:					
Charges for services	\$ 7,038,111	\$ 6,793,864	\$ 1,353,841	\$ 15,185,816	\$ 1,193,765
Other	14,165	6,307	13,654	34,126	-
Total operating revenues	<u>7,052,276</u>	<u>6,800,171</u>	<u>1,367,495</u>	<u>15,219,942</u>	<u>1,193,765</u>
Operating expenses:					
Personal services	832,900	775,259	515,691	2,123,850	123,701
Administrative and support services	696,871	709,838	-	1,406,709	-
Materials and supplies	918,541	1,209,638	355,546	2,483,725	745,419
Purchased water and sewer services	4,199,643	1,388,552	-	5,588,195	-
Contractual services	595,429	633,873	331,270	1,560,572	313,113
Utilities	54,455	323,828	-	378,283	-
Depreciation	917,305	1,474,025	269,138	2,660,468	5,021
Total operating expenses	<u>8,215,144</u>	<u>6,515,013</u>	<u>1,471,645</u>	<u>16,201,802</u>	<u>1,187,254</u>
Operating income (loss)	<u>(1,162,868)</u>	<u>285,158</u>	<u>(104,150)</u>	<u>(981,860)</u>	<u>6,511</u>
Nonoperating revenues (expenses):					
Interest income	46,961	90,598	42	137,601	-
Interest expense and fiscal charges	-	(800,027)	(199,298)	(999,325)	-
Total nonoperating revenues (expenses)	<u>46,961</u>	<u>(709,429)</u>	<u>(199,256)</u>	<u>(861,724)</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>(1,115,907)</u>	<u>(424,271)</u>	<u>(303,406)</u>	<u>(1,843,584)</u>	<u>6,511</u>
Capital contributions	-	6,059,853	-	6,059,853	-
Special assessments	-	1,110,000	-	1,110,000	-
Transfers in	272,418	-	363,869	636,287	-
Transfers out	-	(272,418)	-	(272,418)	(32,478)
Change in net assets	<u>(843,489)</u>	<u>6,473,164</u>	<u>60,463</u>	<u>5,690,138</u>	<u>(25,967)</u>
Total net assets-beginning of year	<u>29,304,365</u>	<u>51,286,046</u>	<u>3,156,115</u>	<u>83,746,526</u>	<u>62,146</u>
Total net assets-end of year	<u>\$ 28,460,876</u>	<u>\$ 57,759,210</u>	<u>\$ 3,216,578</u>	<u>\$ 89,436,664</u>	<u>\$ 36,179</u>

CITY OF BLUE SPRINGS, MISSOURI
Statement of Cash Flows -
Proprietary Funds
For the Year Ended September 30, 2011

	Business-Type Activities - Enterprise Funds				Governmental
	Water Utility	Sewer Utility	Golf Course	Total	Activities Internal Service Fund
Cash flows from operating activities:					
Receipts from customers and users	\$ 6,871,704	\$ 6,637,408	\$ 1,271,528	\$ 14,780,640	\$ 1,187,480
Payments to suppliers and service providers	(6,118,080)	(2,774,527)	(658,596)	(9,551,203)	(1,067,064)
Payments to employees	(827,046)	(769,703)	(515,691)	(2,112,440)	(123,619)
Net cash provided by (used in) operating activities	(73,422)	3,093,178	97,241	3,116,997	(3,203)
Cash flows from noncapital financing activities:					
Interfund advances/transfers	272,418	(272,418)	363,869	363,869	36,674
Net cash provided by (used in) noncapital financing activities	272,418	(272,418)	363,869	363,869	36,674
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(260,746)	(14,015,668)	-	(14,276,414)	(33,471)
Intergovernmental grants	-	363,239	-	363,239	-
Proceeds from issuance of debt	-	12,277,738	-	12,277,738	-
Special assessments received	-	1,171,539	-	1,171,539	-
Principal payments on debt	-	(425,000)	(290,098)	(715,098)	-
Interest payments on debt	-	(813,107)	(178,135)	(991,242)	-
Net cash (used in) capital and related financing activities	(260,746)	(1,441,259)	(468,233)	(2,170,238)	(33,471)
Cash flows from investment activities:					
Purchases of investments	(7,507,971)	(9,804,627)	-	(17,312,598)	-
Sale of investments	8,495,000	9,359,000	-	17,854,000	-
Interest on investments	74,147	82,391	42	156,580	-
Net cash provided by (used in) investing activities	1,061,176	(363,236)	42	697,982	-
Net increase (decrease) in cash and cash equivalents	999,426	1,016,265	(7,081)	2,008,610	-
Cash and cash equivalents at beginning of year	31,260	933,306	612,204	1,576,770	-
Cash and cash equivalents at end of year	\$ 1,030,686	\$ 1,949,571	\$ 605,123	\$ 3,585,380	\$ -
Reconciliation of amounts reported on the statements of net assets:					
Cash and cash equivalents	\$ 1,030,686	\$ 1,949,571	\$ 605,123	\$ 3,585,380	\$ -
Investments	6,557,206	8,833,778	-	15,390,984	-
Total cash and investments	\$ 7,587,892	\$ 10,783,349	\$ 605,123	\$ 18,976,364	\$ -
Reconciliation of cash flows from operating activities:					
Operating income (loss)	\$ (1,162,868)	\$ 285,158	\$ (104,150)	\$ (981,860)	\$ 6,511
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	917,305	1,474,025	269,138	2,660,468	5,021
Change in other post employment benefits	4,755	647	-	5,402	957
Changes in assets and liabilities:					
Accounts receivable	(198,347)	(162,763)	4,086	(357,024)	(6,285)
Inventories	277,012	(10,534)	19,497	285,975	(21,253)
Prepaid items	(15,186)	401	1,250	(13,535)	(6)
Payables and accrued expenses	86,132	1,506,244	7,473	1,599,849	11,852
Customer deposits	17,775	-	(12,651)	5,124	-
Deferred revenue	-	-	(87,402)	(87,402)	-
Net cash provided by (used in) operating activities	\$ (73,422)	\$ 3,093,178	\$ 97,241	\$ 3,116,997	\$ (3,203)
Supplemental Information:					
Noncash capital and related financing activities:					
Capital contributions	\$ -	\$ 5,833,090	\$ -	\$ 5,833,090	\$ -

CITY OF BLUE SPRINGS, MISSOURI
Statement of Net Assets -
Fiduciary Funds

September 30, 2011

Assets	Agency Funds
Cash and investments	\$ 181,453
Accounts receivable	192,713
 Total assets	 <u>\$ 374,166</u>
 Liabilities	
Due to other governments	\$ 331,547
Employee flexible benefit deposits	2,453
Membership Deposits	40,166
 Total liabilities	 <u>\$ 374,166</u>

CITY OF BLUE SPRINGS, MISSOURI
Notes to the Basic Financial Statements
September 30, 2011

(1) Summary of Significant Accounting Policies

The City of Blue Springs, Missouri (the City) was incorporated in 1904 and covers an area of approximately 22.0 square miles in Jackson County, Missouri. The City is a home rule chartered city and operates under the mayor/council/administrator form of government. The City Administrator is the chief administrative officer of the City. The City provides services to approximately 56,000 residents in many areas, including law enforcement, water and sewer services, community enrichment and development, and various social services. Elementary, secondary, and junior college education services are provided by various school districts, fire protection services are provided by a separate fire protection district, all of which are separate governmental entities.

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 represent the more significant accounting and reporting policies and practices of the City.

A. Financial Reporting Entity

Blue Springs, Missouri is a home rule chartered city in which citizens elect the Mayor and six council members from three districts. In evaluating the City's financial reporting entity, management has considered all potential component units. The accompanying basic financial statements present the City and the component units over which the City is financially accountable. Financial accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships).

The following component unit is blended in the City's basic financial statements:

- The Tax Increment Financing (TIF) Commission is governed by an eleven-member board of which six members are appointed by the City Council. 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 payments in lieu of taxes and economic activity taxes. The TIF Commission does not issue separate financial statements.

The following component unit is discretely presented in the City's basic financial statements:

- The Blue Springs Economic Development Corporation (EDC) is a not-for-profit business development organization funded by both public and private sector monies. Although it is legally separate from the City, the EDC is reported as a component unit because the City is financially accountable for the EDC as it provides a major source of revenue. The EDC is governed by a twelve-member board of which five members are appointed by the City Council. The EDC does not issue separate financial statements.

The Missouri Innovation Park, Inc. (MIP)(formerly the Blue Springs Growth Initiatives, Inc.) is a not-for-profit business development organization funded by both public and private sector monies. The board of the BSGI is comprised entirely of board members of the EDC. Although it is legally separate from the EDC and the City, the BSGI has been consolidated in the accompanying financial statements as it is financially interrelated to the EDC.

CITY OF BLUE SPRINGS, MISSOURI
Notes to the Basic Financial Statements
September 30, 2011

B. Basis of Presentation

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the City, the primary government, as a whole, with the exclusion of fiduciary funds. 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. Internal activity is eliminated to avoid "doubling up" revenues and expenses.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Therefore, each of the governmental fund financial statements includes a reconciliation with brief explanations to better identify the relationship between the governmental fund statements and the government-wide statements.

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 are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services 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.

FUND FINANCIAL STATEMENTS

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. 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 for through governmental funds.

The following are the City's major governmental funds:

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

Capital Projects Fund accounts for resources used for the acquisition and/or construction of capital facilities, except those accounted for in proprietary funds.

CITY OF BLUE SPRINGS, MISSOURI
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TIF Fund accounts for resources of the City's tax increment financing activities.

PROPRIETARY FUNDS

Proprietary funds are used to account for the City's ongoing activities that are similar to those often found in the private sector.

The following are the City's major proprietary funds:

Water Utility Fund accounts for the provision of water services to residents of the City. All activities necessary to provide such service are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Sewer Utility Fund accounts for the provision of sewer services to residents of the City. All activities necessary to provide such service are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Golf Course Fund accounts for all golf activity services related to the City golf course plus professional shop sales. All activities to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service.

In addition, the City reports an Internal Service Fund which accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost reimbursement basis. The City's internal service fund is the Central Garage Fund.

FIDUCIARY FUNDS

The City maintains five fiduciary funds, the Jackson County Tax Agency Fund, which accounts for property taxes collected and remitted to Jackson County, Missouri; Employee Flex Benefit Agency Fund, which accounts for funds contributed by City employees to a tax-exempt flexible benefits plan; Eastern Jackson County Betterment Council Agency Fund, which accounts for membership deposits of the Council; Adams Dairy Landing CID which accounts for fund received by the community improvement district; Coronado Drive TDD Fund and Adams Farm TDD Fund account for funds received by these transportation development districts. Fiduciary 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.

C. *Measurement Focus/Basis of Accounting*

All governmental funds utilize the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and current liabilities are included on the balance sheet of the fund financial statements. Under the modified accrual basis of accounting, revenues are recorded as collected unless 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. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current period.

CITY OF BLUE SPRINGS, MISSOURI
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Significant revenues that are considered susceptible to accrual include property taxes, sales 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.

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

The City records property tax receivables and revenue at the time the lien attaches to the property. Licenses and permits, fines and forfeitures, charges for services and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

The economic resources measurement focus and the accrual basis of accounting are utilized by the proprietary funds. Under this basis of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net assets. Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. All other revenues and expenses are considered nonoperating. In reporting the financial activity of its proprietary funds, the City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements. Those include the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations; Accounting Principles Board Opinions; and Accounting Research Bulletins of the Committee on Accounting Procedures. The City also has the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected to apply those pronouncements, unless these pronouncements conflict with or contradict GASB pronouncements.

D. Cash, Cash Equivalents and Investments

The City maintains and controls a cash pool in which a majority of the City's funds share. Each fund's portion of the pool is displayed on their respective balance sheet/statement of net assets as "cash and investments". The City's cash and cash equivalents are primarily considered to be cash on hand, amounts in demand deposits and certificates of deposits. For purposes of the statement of cash flows, short-term investments held in proprietary funds with a maturity date within three months of the date acquired by the City, if any, are considered cash equivalents.

Investments are recorded on the financial statements at amortized cost, which approximates fair value.

E. Inventories and Prepaid Items

Inventories are valued at the lower of cost (first-in, first-out) or market (net realizable value). Inventory quantities are determined by physical count at each year-end. Inventory in the Water Utility Fund consists primarily of water meters and water line maintenance materials. Inventory in the Sewer Utility Fund consists primarily of sewer line maintenance materials. Inventory in the Central Garage Fund consists of vehicle maintenance materials. Inventory in the Golf Course Fund consists of pro-shop merchandise and food supplies. Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items.

CITY OF BLUE SPRINGS, MISSOURI
Notes to the Basic Financial Statements
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F. Capital Assets

Capital assets acquired for general governmental purposes are recorded as expenditures in the governmental fund financial statements and are capitalized at cost or estimated historical cost in the governmental activities column in the government-wide financial statements. Capital assets owned by the proprietary funds are stated at cost or estimated historical cost in the proprietary fund financial statements and in the business-type activities column in the government-wide financial statements. All contributed capital assets received from federal, state or local sources are recorded at fair value at the time received. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Additions, improvements and costs that significantly extend the useful life of an asset are capitalized. The cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the accounts in the year of sale or retirement and any resulting gain or loss is reflected in the basic financial statements. Fully depreciated assets are included in the capital asset accounts until their disposal.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. A total of \$69,000 in interest expense was included as part of the cost of the capital assets under construction in connection with sewer plant expansion projects.

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Infrastructure – water and sewer lines, storm sewers, reservoirs, wells, roads and bridges	20-60 years
Buildings and improvements	20-60 years
Equipment and vehicles	5-15 years
Computer equipment and software	3 years

G. Unamortized Bond Issue Costs

Bond issue costs arising from the issuance of debt are capitalized and are amortized over the period the related debt is outstanding using the straight-line method.

H. Compensated Absences

Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days up to the maximum accruable over two years. Employees are not paid for accumulated sick leave upon termination.

Vested or accumulated vacation leave is accounted for as follows:

Governmental Funds - The accumulated liabilities for employee vacation leave is recorded in the governmental activities column of the government-wide financial statements.

Proprietary Funds - The costs of vacation leave are accrued in the respective funds as earned by City employees and recorded in the proprietary fund financial statements and the business-type activities column of the government-wide financial statements.

CITY OF BLUE SPRINGS, MISSOURI
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I. Net Asset Classifications

In the government-wide statements, equity is shown as net assets and classified into three components:

- (1) Invested in capital assets, net of related debt – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) Restricted net assets – consisting of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.
- (3) Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

J. Fund Balances

As of September 30, 2011 the City implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement changed the fund balance classifications for the governmental funds. In the fund financial statements, governmental funds now report the following fund balance classifications:

- (1) 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.
- (2) 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.
- (3) Committed – This consists of amounts which can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council.
- (4) Assigned – This consists of amounts which are constrained by City management’s intent to be used for a specific purpose but are neither formally restricted by external sources nor committed by City Council action. The City Administrator has the authority to assign amounts for a specific purpose in this category. Likewise, the City Administrator has the authority to take necessary actions to un-assign amounts in this category.
- (5) 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.

CITY OF BLUE SPRINGS, MISSOURI
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The City has stabilization arrangements that set aside 30% of the prior year's budgeted General Fund expenditures. The 30% is divided into two reserve categories, the emergency reserve at 20% and the budget stabilization reserve at 10%. The emergency reserve shall only be used if the City directly experiences a natural disaster that jeopardizes public safety, the Federal Government or State of Missouri formally declare a disaster or emergency or if no reasonable budget adjustments are available to continue providing essential services to the public. The budget stabilization reserve shall only be used if there is a sudden or unexpected decline in ongoing revenues greater than 10% of General Fund operating revenues, short term stabilization is needed to minimize significant changes in insurance rates or premiums, funds are needed as part of a matching grant for a major project for which budgeted funds are not available or for sudden or unexpected capital outlay replacement needs such as a facility failure. If the reserves are spent below the minimum required level, the City will develop and implement a plan to replenish the reserves. This plan will restore the reserves within 2 years for the emergency reserve and 5 years for the budget stabilization reserve. During an economic downturn, the timeline for restoring the reserves will not begin until revenues have stabilized.

K. Budgetary Data

The City Council follows these procedures in establishing the budget:

- (1) Prior to September 1, the City Administrator submits to the City council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to October 1, the budget is legally enacted through passage of an ordinance.
- (4) The legal level of control is at the fund level. City management cannot amend the budget without receiving the approval of the City Council. The City Administrator is authorized to approve overspending of budgeted line items within any fund as long as the total expenditures within the fund do not exceed the total approved budgeted expenditures for that fund. However, overspending of total expenditures of any fund requires approval by the City Council.

K. Use of Estimates

The preparation of basic 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 disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

L. Changes in Classification

The presentation of certain amounts in the previous year has been changed to conform to the presentation adopted for the current year.

CITY OF BLUE SPRINGS, MISSOURI
Notes to the Basic Financial Statements
September 30, 2011

(2) Deposits and Investments

At September 30, 2011, the carrying values of deposits and investments are summarized as follows:

Investments:	
Short-term investments held in trust	\$ 5,411,813
U.S. agency securities	38,479,494
Total investments	43,891,307
Deposits and repurchase obligations	9,841,846
Certificates of deposit	48,086
Petty cash	9,850
Total	\$ 53,791,089

Deposits and investments are reflected in the financial statements as follows:

	Government-wide statement of net assets	Fiduciary funds statement of net assets	Total Primary Government	Component Unit	Grand Total
Cash and investments	\$ 53,410,490	\$ 181,453	\$ 53,591,943	\$ 199,146	\$ 53,791,089

Investment Policy

Missouri State Statutes authorize the City to deposit funds in open accounts and certificates of deposit. 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 State Statutes and approved by the State.

The City maintains a cash and investment pool, which is available for use by most funds. Each fund type's portion of this pool is displayed as "Cash and investments". Interest earned is allocated to the funds on the basis of average monthly cash and investment balances. Funds with overdrawn balances are charged for interest. All investments are carried at amortized cost, which approximates fair value. Cash and investments are held separately by some of the City's funds. Additionally, certain restricted assets, related to bond ordinances and indentures and capital lease certificates, are held in escrow by financial institutions' trust departments.

Credit Risk

The credit risk for deposits and investments is the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligations. It is the City's policy to limit its investments to Certificates of Deposit and Bonds or other obligations of the United States. Presented below is the actual rating by Moody's Investor Service as of year end for each investment type:

Investment Type	Fair Value	Rating as of September 30, 2011
Federal Home Loan Banks	\$ 14,588,677	AAA
Federal National Mortgage	11,326,536	AAA
Fed. Home Loan Mortgage Corporation	12,564,281	AAA
	\$ 38,479,494	

Custodial Credit Risk

CITY OF BLUE SPRINGS, MISSOURI
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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. 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 investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize the demand deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name.

At September 30, 2011, the City's deposits and repurchase obligations were insured by Federal depository insurance and uninsured deposits and repurchase obligations were fully collateralized by securities held in the City's name by their financial institution's agent. Accordingly, management has determined that none of the City's deposits or investments was exposed to custodial credit risk as of September 30, 2011.

Interest Rate Risk

The City's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of September 30, 2011, the City's investments had the following maturities:

	Investment Maturities (in years)		
	Fair Value	Less Than 1	1 - 5
Investment type:			
Debt Securities			
U.S. agencies	\$ 38,479,494	\$ 7,035,216	\$ 29,444,278
Other Investments:			
Short-term investments held in trust	5,411,813		
Total	<u>\$ 43,891,307</u>		

Concentration of Credit Risk

As of September 30, 2011, the following table lists the issuers of securities, and the respective fair value of those securities, that represent 5% or more of total City's investments:

Issuer	Investment Type	Total Fair Value	Percentage
Fed. Home Loan Banks	U.S. agency securities	\$ 14,588,677	38%
Fed. Natl. Mtg.	U.S. agency securities	11,326,536	29%
Fed. Home Loan Mtg.	U.S. agency securities	12,564,281	33%

CITY OF BLUE SPRINGS, MISSOURI
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(3) Tax Revenues and Taxes Receivable

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 in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all property for which taxes are unpaid. Taxes remaining unpaid for two years after that date are submitted to Jackson County for collection through foreclosure proceedings. Property taxes levied on September 1, 2011, are for the budget year ended September 30, 2012, and therefore, have not been reflected in the accompanying basic financial statements.

Assessed values are established by the Jackson County Assessor subject to review by the County's Board of Equalization. The assessed value for property, including railroad and utility properties located in the City as of January 1, 2010, on which the fiscal year ended September 30, 2011, levy was based, was \$724,692,736. During the year ended September 30, 2011, the City collected approximately 96% of property taxes which were levied in the period.

The City is permitted by Missouri State Statutes to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services (General Fund), other than the payment of principal and interest on long-term debt, and in unlimited amounts for the payment of principal and interest on long-term debt. Property tax levies per \$100 assessed valuation for the year ended September 30, 2011 were as follows:

	Levy (Dollars)
General Fund	\$ 0.5759
Debt Service Fund	<u>0.1500</u>
Total	<u>\$ 0.7259</u>

The City has established TIF Districts that allows the City to provide public improvements by encouraging 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 economic activities from the date the TIF District was established and the combined levies of all taxing jurisdictions for infrastructure improvements. Tax revenue collected in the current year for the Districts is recorded in the TIF Fund.

(4) Tax Collection Services

Jackson County, Missouri prepares and mails the City's property tax bills. The County and City collect property and other taxes on behalf of each other. The County and City receive a fee equal to 1.00% of the gross amount of current taxes collected. The City also has the County bill the motor vehicle licenses fee on the City's behalf. The County receives a fee of 1.00% of the gross amount collected.

The County collected approximately \$7,841,000 of the City's taxes and City sticker fees, resulting in a collection charge of \$78,410 paid by the City to the County for the year ended September 30, 2011.

The City accounts for its collection of County taxes in the Jackson County Tax Fund (an Agency Fund). The City collected and remitted approximately \$18.3 million of County taxes resulting in collection fees of \$183,545 for the year ended September 30, 2011.

CITY OF BLUE SPRINGS, MISSOURI
Notes to the Basic Financial Statements
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(5) Interfund Activity

Interfund transfers for the year were as follows:

<u>Transfers to</u>	<u>Transfers From</u>						<u>Total</u>
	<u>General</u>	<u>Capital Projects</u>	<u>TIF Fund</u>	<u>Other Governmental</u>	<u>Sewer Fund</u>	<u>Internal Service</u>	
General Fund	\$ -	\$ 738,782	\$ 13,674	\$ 12,384	\$ -	\$ 32,478	\$ 797,318
Capital Projects Fund	2,276,261	-	-	-	-	-	2,276,261
Other Governmental	176,125	435,177	-	350,478	-	-	961,780
Water Fund	-	-	-	-	272,418	-	272,418
Golf Course Fund	363,869	-	-	-	-	-	363,869
Total	\$ 2,816,255	\$ 1,173,959	\$ 13,674	\$ 362,862	\$ 272,418	\$ 32,478	\$ 4,671,646

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Any transfers within the governmental funds or within the proprietary funds have been eliminated in the government-wide statement of activities.

Charges for Services

The General Fund provides administrative and other support services for Water and Sewer enterprise funds. Amounts charged to these funds for such services were \$696,871 and \$709,838, respectively.

Interfund receivable and payable balances at year-end were as follows:

<u>Interfund Receivable</u>	<u>Interfund Payable</u>		
	<u>Golf Course</u>	<u>Central Garage</u>	<u>Total</u>
General Fund	\$ 1,673,144	\$ 97,376	\$ 1,770,520
Capital Projects Fund	326,911	-	326,911
Total	\$ 2,000,055	\$ 97,376	\$ 2,097,431

The interfund payable of the Golf Course Fund represent advances to the Golf Course Fund for operating expenses and debt service payments and are not expected to be repaid within the next fiscal year. The City has reported a nonspendable fund balance in the General Fund and an assigned fund balance in the Capital Projects Fund in the amounts of \$1,673,144 and \$326,911, respectively.

CITY OF BLUE SPRINGS, MISSOURI
Notes to the Basic Financial Statements
September 30, 2011

(6) Capital Assets

A summary of changes in capital assets for the year follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 11,560,857	\$ 1,363,348	\$ -	\$ 12,924,205
Construction in progress	12,084,342	2,434,861	2,434,102	12,085,101
Total capital assets, not being depreciated	<u>23,645,199</u>	<u>3,798,209</u>	<u>2,434,102</u>	<u>25,009,306</u>
Capital assets, being depreciated				
Buildings & building improvements	21,288,302	43,078	93,856	21,237,524
Equipment and vehicles	8,203,181	1,229,165	252,492	9,179,854
Infrastructure	154,256,035	1,787,017	-	156,043,052
Total capital assets being depreciated	<u>183,747,518</u>	<u>3,059,260</u>	<u>346,348</u>	<u>186,460,430</u>
Less accumulated depreciation for:				
Buildings & building improvements	15,532,509	670,162	93,855	16,108,816
Equipment and vehicles	6,987,628	505,177	252,492	7,240,313
Infrastructure	102,887,575	6,464,603	-	109,352,178
Total accumulated depreciation	<u>125,407,712</u>	<u>\$ 7,639,942</u>	<u>\$ 346,347</u>	<u>132,701,307</u>
Total capital assets being depreciated, net	<u>58,339,806</u>			<u>53,759,123</u>
Governmental activities capital assets, net	<u>\$ 81,985,005</u>			<u>\$ 78,768,429</u>

CITY OF BLUE SPRINGS, MISSOURI
Notes to the Basic Financial Statements
September 30, 2011

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets, not being depreciated				
Land	\$ 3,747,184	\$ -	\$ -	\$ 3,747,184
Construction in progress	6,209,904	14,441,220	-	20,651,124
Total capital assets, not being depreciated	<u>9,957,088</u>	<u>14,441,220</u>	<u>-</u>	<u>24,398,308</u>
Capital assets, being depreciated				
Buildings & building improvements	10,707,257	-	-	10,707,257
Equipment and vehicles	4,237,389	61,957	101,896	4,197,450
Infrastructure	83,781,368	-	5,750	83,775,618
Total capital assets being depreciated	<u>98,726,014</u>	<u>61,957</u>	<u>107,646</u>	<u>98,680,325</u>
Less accumulated depreciation for:				
Buildings & building improvements	4,570,115	184,603	-	4,754,718
Equipment and vehicles	3,685,005	285,768	101,896	3,868,877
Infrastructure	27,151,409	2,190,097	5,750	29,335,756
Total accumulated depreciation	<u>35,406,529</u>	<u>\$ 2,660,468</u>	<u>\$ 107,646</u>	<u>37,959,351</u>
Total capital assets being depreciated, net	<u>63,319,485</u>			<u>60,720,974</u>
Business-type activities capital assets, net	<u>\$ 73,276,573</u>			<u>\$ 85,119,282</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Component Unit:				
Capital assets, being depreciated				
Leasehold improvements	\$ 6,035	\$ -	\$ -	\$ 6,035
Equipment	18,257	-	-	18,257
Total capital assets being depreciated	<u>24,292</u>	<u>-</u>	<u>-</u>	<u>24,292</u>
Less accumulated depreciation for:				
Leasehold improvements	346	263	-	609
Equipment	12,168	3,459	-	15,627
Total accumulated depreciation	<u>12,514</u>	<u>\$ 3,722</u>	<u>\$ -</u>	<u>16,236</u>
Total capital assets being depreciated, net	<u>\$ 11,778</u>			<u>\$ 8,056</u>

CITY OF BLUE SPRINGS, MISSOURI
Notes to the Basic Financial Statements
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General Government	\$ 164,471
Public Works	333,960
Highways & Streets	6,464,602
Public Safety	251,822
Parks	425,087
Total depreciation expense for governmental activities	\$ 7,639,942
Business-type activities:	
Water Utility	\$ 917,305
Sewer Utility	1,474,025
Golf Course	269,138
Total depreciation expense for business-type activities	\$ 2,660,468
Component unit:	
Economic Development	\$ 3,722

(7) Long-term Debt and other Obligations

The following is a summary of long-term debt transactions of the City for the year:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
*Compensated absences	\$ 609,979	\$ 624,375	\$ 659,592	\$ 574,762	\$ 574,762
General obligation bonds	19,450,000	-	845,000	18,605,000	850,000
Certificates of Participation	2,595,000	-	245,000	2,350,000	255,000
Deferred amount on refunding	(389,773)	-	(60,769)	(329,004)	(60,769)
Special obligation bonds	31,305,000	-	460,000	30,845,000	535,000
Net discount/premium on issuances	(346,713)	-	(7,595)	(339,118)	(7,595)
Development agreements	13,591,502	243,385	447,915	13,386,972	250,000
*LAGERS obligation	-	176,401	-	176,401	-
*Net OPEB obligation	153,386	58,217	-	211,603	-
	66,968,381	1,102,378	2,589,143	65,481,616	2,396,398
Business-type Activities:					
Certificates of Participation	4,305,000	-	205,000	4,100,000	220,000
Special assessment - neighborhood improvement bonds	18,325,000	-	425,000	17,900,000	425,000
Net discount/premium on issuances	544,535	-	29,568	514,967	29,568
Capital lease obligations	92,570	-	85,098	7,472	7,472
Deferred amount on refunding	(151,601)	-	(10,829)	(140,772)	(10,828)
Sewer Revenue Bonds	2,411,481	12,277,740	-	14,689,221	-
LAGERS obligation	-	8,883	-	8,883	-
Net OPEB obligation	14,139	2,657	6,140	10,656	-
	25,541,124	12,289,280	739,977	37,090,427	671,212
Total primary government	\$ 92,509,505	\$ 13,391,658	\$ 3,329,120	\$ 102,572,043	\$ 3,067,610

* Primarily liquidated by the General fund in prior years.

CITY OF BLUE SPRINGS, MISSOURI
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Governmental activities long-term debt is comprised of the following:

General obligation bonds:

\$1,110,000 - 2004A General Obligation Bonds due in installments of \$20,000 to \$110,000 through March 1, 2019; interest at 2.4% to 4.4%	\$ 780,000
\$2,440,000 - 2009A General Obligation Bonds due in installments of \$520,000 to \$700,000 through March 1, 2019; interest at 3.0% to 3.5%	2,440,000
\$12,560,000 - 2009B General Obligation Build America Bonds due in installments of \$880,000 to \$1,695,000 through March 1, 2019; interest at 5.39% to 5.89%	12,560,000
\$3,590,000 - 2010 General Obligation Refunding Bonds due in installments of \$435,000 to \$825,000 through March 1, 2015; interest at 2.375% to 5.0%	2,825,000
Total general obligation bonds	<u>18,605,000</u>

Certificates of Participation

\$4,225,000 - 2005 - Refunding Certificates of Participation in installments of \$210,000 to 415,000 through September 1, 2019; interest at 3.0% to 4.5%.	2,350,000
Total certificates of participation	<u>2,350,000</u>

Special obligation bonds

\$14,500,000 - 2009 Special Obligation Bonds - Adams Farm Project in installments of \$230,000 to \$1,005,000 through December 1, 2039; interest at 3.0% to 6.375%.	14,040,000
\$16,805,000 - 2010 Special Obligation Bonds - Adams Farm Project in installments of \$60,000 to \$1,065,000 through December 1, 2039; interest at 3.0% to 5.0%.	16,805,000
Total special obligation bonds	<u>30,845,000</u>

Development agreements

13,386,972

Net discount/premium on issuances

(339,118)

Deferred amount on refunding

(329,004)

Compensated absences

574,762

LAGERS obligation

176,401

Net other post employment obligations

211,603

Total governmental activities long-term debt	65,481,616
Less: amounts due within one year	(2,396,399)
Total governmental activities long-term debt due in more than one year	<u>\$ 63,085,217</u>

CITY OF BLUE SPRINGS, MISSOURI
Notes to the Basic Financial Statements
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Special Obligation Bonds and Development Agreements

The City's Special Obligation Bonds are recorded as a liability of the City to match revenue streams to the related debt for which they have been pledged.

The City and other taxing districts and governmental entities have pledged a portion of future property tax and sales tax revenues to repay the \$14.5 million in Series 2009 Special Obligation Bonds and \$16.805 million in Series 2010 Special Obligation Bonds issued to finance redevelopment projects within the Adams Farm Tax Increment Financing (TIF) project. The bonds are payable solely from the incremental increase in property taxes and sales taxes generated within the TIF plan as well as revenues pledged by other taxing districts through cooperative agreements. TIF revenues and other pledged revenues were projected to produce sufficient funds to meet debt service requirements over the life of the bonds. Should these revenues not be sufficient to meet the required debt service obligations, the City, subject to annual appropriation, is obligated to make such debt service payments from any other sources of its revenues. However, the City intends to annually appropriate funds sufficient to make all payments required by the bonds for the next fiscal year. Management does not anticipate that any of the City's funds will be required to make up any deficiency in bond payments during the next fiscal year.

Additionally, the City has entered into certain developer agreements (four as of September 30, 2011) whereby developer financed project costs that have been certified by the City as eligible are reimbursed from tax increment financing revenues attributable to each respective 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 were projected to produce sufficient funds to reimburse the developer for certified costs. The developer 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 Commission or of the City.

At September 30, 2011, total principal and interest remaining on the Special Obligation Bonds was \$52.3 million and the outstanding developer obligations was \$13.4 million. The bonds are scheduled to mature at varying amounts through 2040 and the developer obligations are payable to the extent incremental taxes are available for a period not to exceed 23 years.

For the current year, principal and interest paid on the bonds and developer obligations totaled \$2,458,014. Incremental revenues from the City included \$483,118 in sales taxes. The remaining funds necessary to meet the current year debt service requirements were derived from incremental tax revenues from the Adams Farm TDD, the Coronado Drive TDD, as well as taxes from other districts and governmental entities, developer contributions, and debt trust funds.

CITY OF BLUE SPRINGS, MISSOURI
Notes to the Basic Financial Statements
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Business-Type activities long-term debt is comprised of the following:

Certificates of Participation

Golf Course Fund -	
\$5,575,000 - 2005 Refunding Certificates of Participation in installments of \$185,000 to \$380,000 through September 1, 2025; interest at 3.0% to 4.5%	<u>\$ 4,100,000</u>

Special Assessments - Neighborhood Improvement Bonds

Sewer Fund -	
\$18,725,000 - 2009 Neighborhood Improvement District Bonds installments of \$400,000 to \$1,530,000 through February 15, 2029; interest at 3.0% to 5.0%	<u>17,900,000</u>

Sewer Revenue Bonds	<u>14,689,221</u>
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Net discount/premium on issuances	<u>514,967</u>
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Deferred amount on refunding	<u>(140,772)</u>
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Capital lease obligations	<u>7,472</u>
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LAGERS obligation	<u>8,883</u>
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Net other post employment benefit obligations	<u>10,656</u>
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Total business-type activities long-term debt	37,090,427
Less: amounts due within one year	<u>(671,212)</u>
Total business-type activities long-term due in more than one year	<u><u>\$ 36,419,215</u></u>

Sewer Revenue Bonds

In 2010, the City issued its not to exceed \$30,789,000 Sewage System Revenue Bonds (State of Missouri - Direct Loan Program), Series 2010, The City is participating in the State of Missouri's Direct Loan Program of the DNR and the Clean Water Commission of the State of Missouri. The 2010 revenue bonds mature through 2030 with interest at 1.52%. As eligible project costs are incurred, the City requests reimbursements from project funds held by the bond trustee. As the City receives reimbursements, the outstanding balance of the bonds increases. The City anticipates utilizing the full amount of the bonds to fund current and future projects. A debt service schedule will be established once the project is completed and the final amount of the bonds has been determined. As of September 30, 2011, the outstanding balance of the bonds was \$14,689,221.

CITY OF BLUE SPRINGS, MISSOURI
Notes to the Basic Financial Statements
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The annual debt service requirements to amortize all debt outstanding (exclusive of compensated absences, capital leases, the Sewer Revenue Bonds, the deferred amount on refunding, development agreements, and OPEB obligations) as of September 30, 2011 are as follows:

Year Ending September 30,	Governmental Activities						Total	
	General Obligation Bonds		Certificates of Participation		Special Obligation Bonds		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 850,000	\$ 894,729	\$ 255,000	\$ 91,394	\$ 535,000	\$ 1,312,621	\$ 1,640,000	\$ 2,298,744
2013	890,000	862,823	270,000	79,919	835,000	1,292,071	1,995,000	2,234,813
2014	910,000	838,974	275,000	70,469	890,000	1,266,196	2,075,000	2,175,639
2015	535,000	819,175	290,000	60,500	960,000	1,238,446	1,785,000	2,118,121
2016	100,000	801,637	310,000	49,625	1,015,000	1,208,821	1,425,000	2,060,083
2017-2021	3,240,000	3,597,292	950,000	77,000	5,330,000	5,496,834	9,520,000	9,171,126
2022-2026	7,325,000	2,305,976	-	-	5,295,000	4,499,675	12,620,000	6,805,651
2027-2031	4,755,000	433,062	-	-	7,430,000	3,075,385	12,185,000	3,508,447
2032-2036	-	-	-	-	4,310,000	1,526,216	4,310,000	1,526,216
2037-2039	-	-	-	-	4,245,000	518,563	4,245,000	518,563
	\$ 18,605,000	\$ 10,553,668	\$ 2,350,000	\$ 428,907	\$ 30,845,000	\$ 21,434,828	\$ 51,800,000	\$ 32,417,403

Year Ending September 30,	Business-type Activities				Total		Total	
	Certificates of Participation		Neighborhood Impr. Bonds		Business-type Activities		Primary Government	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 220,000	\$ 168,869	\$ 425,000	\$ 797,905	\$ 645,000	\$ 966,774	\$ 2,285,000	\$ 3,265,518
2013	230,000	158,969	450,000	784,780	680,000	943,749	2,675,000	3,178,562
2014	250,000	150,919	450,000	771,280	700,000	922,199	2,775,000	3,097,838
2015	260,000	141,856	800,000	750,530	1,060,000	892,386	2,845,000	3,010,507
2016	250,000	132,106	825,000	720,030	1,075,000	852,136	2,500,000	2,912,219
2017-2021	1,475,000	497,330	4,675,000	3,062,025	6,150,000	3,559,355	15,670,000	12,730,481
2022-2026	1,415,000	158,375	5,935,000	1,829,490	7,350,000	1,987,865	19,970,000	8,793,516
2027-2031	-	-	4,340,000	333,500	4,340,000	333,500	16,525,000	3,841,947
2032-2036	-	-	-	-	-	-	4,310,000	1,526,216
2037-2039	-	-	-	-	-	-	4,245,000	518,563
	\$ 4,100,000	\$ 1,408,424	\$ 17,900,000	\$ 9,049,540	\$ 22,000,000	\$ 10,457,964	\$ 73,800,000	\$ 42,875,367

CITY OF BLUE SPRINGS, MISSOURI
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Capital Lease Obligations

The City has entered into one capital leasing agreement as of September 30, 2011 for golf carts. The scheduled minimum lease payment under the agreement includes interest of 5.7%. The cumulative amount of assets acquired under the capital lease described above amounted to \$246,469 with related accumulated depreciation of \$246,469 as of September 30, 2011.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2011 were as follows:

Year ending September 30:	
2012	7,508
Less imputed interest	(36)
Present value of minimum lease payments	\$ 7,472

Restricted Assets

The 2009 Special Obligation Bonds, 2009 Neighborhood Improvement Bonds, and the 2005 Certificates of Participation trust indentures require the City to establish certain special trust funds in the name of the City. Assets of these special funds consist of cash and investments stated at fair value, and are reported in the accompanying balance sheet as cash and investments as follows:

<u>Account</u>	TIF Fund	COP Debt Service Fund	Sewer Fund	Golf Course Fund	Total
Project Funds	\$ 103,222	\$ -	\$ -	\$ -	\$ 103,222
Capitalized Interest Funds	6	-	-	-	6
Debt Service and Other Reserve Funds	4,417,727	353,324	1,584,981	487,923	6,843,955
	\$ 4,520,955	\$ 353,324	\$ 1,584,981	\$ 487,923	\$ 6,947,183

Legal Debt Margin

The State Constitution permits a City, by vote of four-sevenths of the voting electorate in a general election or by vote of two-thirds of the voting electorate in a special 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, constructing, extending, and improving streets and avenues and/or sanitary or storm sewer systems, and purchasing or constructing waterworks, electric, or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation of taxable property.

At September 30, 2011, based on the assessed valuation as of January 1, 2010, of \$724,692,736, the constitutional total general obligation debt limit for "City purposes" was \$144,938,547, which, after reduction for outstanding general obligation bonds of \$18,605,000, and neighborhood improvement bonds of \$17,900,000, net of amounts available in the General Obligation Bond Debt Service fund of \$1,053,964, provides a general obligation debt margin of \$109,487,511.

CITY OF BLUE SPRINGS, MISSOURI
Notes to the Basic Financial Statements
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Short-Term Note Payable – Component Unit

The EDC has a short-term promissory note for the purpose of funding ongoing operations. In September 2011, the City remitted \$100,000 to the EDC in order to pay off this note. Subsequent to year end, the note was paid off in full.

	Beginning Balance	Additions	Retired	Ending Balance
Short-term note payable	\$ 100,000	\$ -	\$ -	\$ 100,000

The short-term note payable consisted of the following at September 30, 2011
Maturing August 5, 2012:

5.0% Short-term note payable	\$ 100,000
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Conduit Debt

The City has issued taxable industrial revenue bonds to provide financial assistance to private business for economic development. Under related agreements, the City will lease the projects to the businesses and the rental therefrom shall be applied to pay the debt service on the bonds. The bonds and the interest thereon are special obligations of the City payable solely from the rental payments and shall not constitute obligations of the City. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements. As of September 30, 2011, there were two series of taxable industrial revenue bonds outstanding, with an aggregate principal amount payable of \$3.5 million (Durvet \$1.5 million, and Meyer Lab \$2.0 million).

(8) Leases

A. Heartland Properties

The City entered into a 15-year lease agreement in 1997 whereby the City leases four acres of property to Jefferson Plaza Investors. During fiscal year 2001, the lease obligation was transferred to Cherokee South. In July 2005, the lease obligation was transferred to Heartland Properties. During 2007, the tenant exercised the option to purchase the property. The purchase agreement provides for minimum payments due in annual installments equal to the previous lease agreement. The agreement is collateralized by property owned by Heartland. In January of 2011 the City entered into a purchase agreement whereby Heartland purchased the property for a one-time payment of \$315,000.

B. Conference Center

In 1998, the City entered into a lease agreement with RMT of Blue Springs for the lease of the property on which the hotel portion of the building housing the conference center stands. The lease term began in the 2000 fiscal year when construction of the conference center was completed.

The capital lease is a 15-year lease with annual rental payments of \$32,689. The lease contains an option for RMT of Blue Springs to purchase the property at the end of the lease term for \$150. If the tenant opts to exercise the purchase option, the annual rental payments for the first three years of the lease term may be deferred until the purchase option is exercised. At this time, the annual rental payments deferred from the first three years will be due plus interest calculated at 4% per year. However, the tenant will not be required to pay the interest accrued if the lease payments deferred from the first three years are paid in the sixth, seventh, and eighth years of the lease agreement.

CITY OF BLUE SPRINGS, MISSOURI
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During 2004, the agreement was amended. A new provision was added deferring the payment of rent, whereby RMT is to pay the City the base rent plus the amount in arrears at such time that RMT achieves a profit. Should RMT exercises the purchase option, the provision for payment in lieu of base rent in the event of a profit shall survive and be in full force for thirty-six months after the exercise of the option.

As of September 30, 2011, the total future minimum lease payments were \$490,335 and are recorded on the City's fund financial statements as Accounts Receivable and Deferred Revenue in the Capital Projects Fund.

(9) Sewerage Service Agreement

In 1971, the City entered into an agreement to provide sewer service to the City of Grain Valley. In return, the City of Grain Valley is billed for operating costs incurred by the City of Blue Springs based on percentages of users. Service charges for the City of Grain Valley were \$367,869 for the year ended September 30, 2011 and were recorded as charges for services in the Sewer Utility Fund.

(10) Federal Forfeiture Activity

The City's police department participates in a federal forfeiture and seizure revenue sharing program along with other law enforcement jurisdictions. During the year ended September 30, 2011, the City had revenues of \$544 and expenditures of \$8,681 related to this program, leaving an ending balance of \$6,592 in their federal forfeiture account.

(11) Commitments and Contingencies

A. 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 the Internal Revenue Code Section 401(a) and it is tax-exempt.

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

Funding Status

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; the current rate is 6.6% (General) and 8.5% (Police) 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.

CITY OF BLUE SPRINGS, MISSOURI
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Annual Pension Cost

The City's annual pension cost and net pension obligation (NPO) were as follows:

Annual required contribution	\$ 1,046,800
Interest on net pension obligation	0
Adjustment to annual required contribution	0
Annual pension cost	1,046,800
Actual contributions	861,516
Increase (decrease) in NPO	185,284
NPO beginning of year	0
NPO end of year	\$ 185,284

The required annual contribution (ARC) was determined as part of the February 29, 2009 and February 28, 2009 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.25% 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 0.0% to 6.0% 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 at February 29, 2008 was 15 years for the General division and 15 years for the Police division. The amortization period as of February 28, 2009 was 30 years for the General division and 30 years for the Police division.

Three-Year Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
9/30/09	\$ 723,097	100.0 %	\$ -
9/30/10	742,719	100.0 %	-
9/30/11	1,046,800	82.3 %	185,284

As of February 28, 2011, the most recent actuarial valuation date, the plan was 94 percent funded. The actuarial accrued liability for benefits was \$26,251,669 and the actuarial value of assets was \$24,756,142, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,495,527. The covered payroll (annual payroll of active employees covered by the plan) was \$11,674,417, and the ratio of the UAAL to the covered payroll was 13 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF BLUE SPRINGS, MISSOURI
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B. Post Employment Health Benefits

In addition to providing pension benefits the City provides the post employment healthcare benefits described below.

Plan Description

The City provides for a continuation of medical, prescription drug, hearing and vision insurance benefits to employees that retire from City employment and who participate in the Missouri Local Government Employees Retirement System (LAGERS). The City provides retiree healthcare benefits through the Midwest Public Risk (MPR), which is a risk pool comprised of approximately 115 entity members. It has been determined that MPR functions as an agent multiple-employer plan. The plan does not issue separate financial statements.

The City requires the retirees to pay 125% of the premiums charged to active employees. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. (The retiree insurance is guaranteed issue; no medical questionnaire is required.) The difference between these amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 45 (GASB Statement 45).

Retirees and spouses have the same benefits as active employees. However, all retiree coverage terminates upon Medicare entitlement or if payment is not received on a timely basis. When the retiree attains Medicare eligibility age, it may be a COBRA qualifying event for the spouse.

Funding Policy

GASB Statement 45 does not require funding of the OPEB liability, and the City has chosen not to fund it. City policy dictates the payment of retiree claims as they become due.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) 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 a period of time that the City has selected as being thirty years.

CITY OF BLUE SPRINGS, MISSOURI
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The following table shows the components of the City's annual OPEB cost for the year, the amount of expected employer contributions to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	\$	59,304
Interest on net OPEB obligation		9,633
Adjustment to annual required contribution		<u>(11,203)</u>
Annual OPEB cost (expense)		57,734
Less: Net employer contributions		<u>3,000</u>
Increase in net OPEB obligation		54,734
Net OPEB obligation - October 1, 2010		<u>167,525</u>
Net OPEB obligation - September 30, 2011	\$	<u><u>222,259</u></u>

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, 2011 and 2010 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2009	\$ 62,926	15.4%	\$ 112,273
9/30/2010	58,252	5.2%	167,525
9/30/2011	57,734	5.2%	222,259

Funded Status and Funding Progress

As of July 1, 2009, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City was \$330,869. 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 \$10,023,631, which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 3.3 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and 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 is increasing or decreasing 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 BLUE SPRINGS, MISSOURI
Notes to the Basic Financial Statements
September 30, 2011

The projected unit credit actuarial cost method is used in the July 1, 2009 actuarial valuation. At this valuation date, actuarial present value of benefits is determined for each participant. The sum of these actuarial present values of benefits allocated to the current valuation year is the normal cost for the plan year. The sum of actuarial present values of benefits allocated to all valuation years preceding the valuation date represents the actuarial accrued liability.

The actuarial assumptions include a 5.75 percent investment rate of return. The actuarial assumptions for healthcare cost trend is a growth factor of 10.0 percent for the first year and then declining by 0.5 percent per year until 5.5 percent is reached. The 5.5 percent growth is used on a go-forward basis and includes an inflation rate of 5.0 percent. The UAAL will be amortized over a period of 30 years using an open level-dollar basis.

C. Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is a member of the Midwest Public Risk (MPR), formerly Mid-America Regional Council Insurance Trust (MARCIT), a not-for-profit corporation consisting of local governments 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 annual premiums to MPR for all coverages. The agreement with MPR provides that MPR will be self-sustaining through member premiums. MPR has the authority to assess members for any deficiencies of revenues under expenses for any single plan year. Likewise, 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.

D. Street, Wastewater Treatment Plant, and Water Treatment Plant Improvements

In 1981, the voters approved a revenue bond issue in the amount of \$19 million to finance the construction of a water treatment plant and for improvements to the City's water system. In 1984, the City issued \$3.8 million in revenue bonds to construct a water line to Kansas City, Missouri. The City has no immediate plans to issue the remaining \$15.3 million bonds and construct the plant.

In August 2008, the voters of Blue Springs approved a no tax increase bond issue for \$28 million for improvements to Woods Chapel Road, Moreland School Road and the intersection of Colbern Road and Highway 7. In December 2009, the City issued \$15 million in General Obligation and Build America Bonds to begin work on these projects. The remaining bonds will be issued in the future as needed for the completion of these projects.

In November 2009, the City authorized the issuance of \$30,789,000 of revenue bonds from the State Revolving Fund of Missouri for the upgrade and expansion of the Sni-A-Bar Wastewater Treatment Plant. As of September 30, 2011, the City has drawn \$2,411,481 from these funds. The remaining funds are expected to be drawn and the project completed by the end of 2012. In November 2009, the City entered into an agreement with the City of Grain Valley, Missouri which provides that the City of Grain Valley will pay for 47.5% of the debt issued for the expansion.

E. Contractual Commitments

The City has commitments resulting from construction contracts totaling approximately \$4,000,000 and \$10,200,000 in the Capital Project and Enterprise Funds, respectively. The City expects to receive the contracted services during fiscal year 2012.

CITY OF BLUE SPRINGS, MISSOURI
Notes to the Basic Financial Statements
September 30, 2011

The City has entered into a contract to purchase a minimum of 1,875,000 gallons of water per day from the City of Kansas City, Missouri. This minimum may be recalculated on a monthly basis based upon actual usage of the City as defined in the agreement. The contract expired in May 2011 and purchases are currently being made on a month to month basis while a new contract is being negotiated. The total amount paid for purchased water under this agreement for the year ended September 30, 2011 totaled \$1,626,355. During 2010, the City of Kansas City, Missouri informed the City that it had not been meeting its minimum requirements for the past several years. Although the City of Kansas City, Missouri has made no formal claim, management estimates that the maximum possible for any potential claim is \$2.7 million.

The City had entered into a contract with the City of Independence, Missouri that expired in December 2010. Purchases are being made on a month to month basis while a new contract is being negotiated. The total amount paid for purchased water under this agreement for the year ended September 30, 2011 totaled \$1,031,530.

The City entered into a contract to purchase a minimum of 1,000,000 gallons of water per day from the City of Grain Valley, Missouri. This contract runs through February 2025. The total amount paid for purchased water under this agreement for the year ended September 30, 2011 totaled \$500,091. In addition, under the agreement the City is to pay charges for capital projects associated with the water contract not to exceed the monthly amortization of the project costs of \$19,100,000. The total amount paid under this agreement for capital project charges for the year ended September 30, 2011, totaled \$1,041,668.

The City has entered into an agreement with RMT of Blue Springs for the operation of the Conference Center. Under the agreement, the City is to pay RMT \$140,000 each year through 2025 until such time that RMT achieves a profit on the operation of the Center. In any year that RMT achieves a profit, the City is to negotiate with RMT to pay an amount deemed to allow RMT to operate the Center on a "break even" basis. If no such amount can be agreed upon, the City is not obligated to pay RMT for the operation of the Center.

F. *Litigation*

The City is involved in lawsuits arising in the ordinary course of activities, including claims regarding construction contract issues, personal injury and discriminatory personnel practices, property condemnation proceedings, and suits contesting the legality of certain taxes. While these cases may have future financial effect, management, based on advice of counsel, believes that their ultimate outcome will not be material to the basic financial statements.

G. *Federal Assistance*

The City has received financial assistance from various federal and state agencies in the form of grants and entitlements. These programs are subject to audit by agents of the granting authority. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the City.

(11) *Subsequent Events*

The City has evaluated subsequent events through the date of the independent auditors' report which is the date the financial statements are available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered a part of the basic financial statements.

Such information includes:

- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund
- Schedules of Funding Progress

Budgetary Data

The legal level of control is at the fund level. City management cannot amend the budget without receiving the approval of the City Council. The City Administrator is authorized to approve overspending of budgeted line items within any fund as long as the total expenditures within the fund do not exceed the total approved budgeted expenditures for that fund. However, overspending of total expenditures of any fund requires approval by the City Council.

The City utilizes encumbrances for budgetary reporting purposes. Encumbrances relating to certain contractual agreements, supplies and equipment that have been ordered but not received are reported in the year the commitment arises for budgetary reporting purposes. However, for financial reporting purposes, the goods or services are reported when they are received.

CITY OF BLUE SPRINGS, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 15,225,195	\$ 15,033,067	\$ 17,748,788	\$ 2,715,721
Licenses and permits	504,590	504,591	629,447	124,856
Intergovernmental revenues	2,259,715	2,699,654	2,755,501	55,847
Charges for services	3,174,670	3,174,670	3,575,629	400,959
Administrative charges	-	-	1,406,709	1,406,709
Fines and forfeits	926,624	926,624	884,777	(41,847)
Interest	195,670	138,317	89,007	(49,310)
Donations	-	30,745	55,672	24,927
Other	415,657	384,911	589,226	204,315
Total revenues	<u>22,702,121</u>	<u>22,892,579</u>	<u>27,734,756</u>	<u>4,842,177</u>
EXPENDITURES				
Current:				
General Government:				
City Council	374,645	417,141	362,956	54,185
Municipal Court	390,777	390,777	334,114	56,663
Legal Services	174,353	174,353	150,488	23,865
City Administration	439,913	447,808	565,022	(117,214)
Public Relations and Communications	169,586	171,185	161,975	9,210
Human Resources	329,964	362,964	355,664	7,300
Economic Development	285,000	414,191	324,759	89,432
Community Development	727,187	770,478	602,499	167,979
Codes Administration	577,165	577,165	572,252	4,913
Geographic Information Systems	133,194	155,367	136,758	18,609
Finance - Accounting & Budget	592,528	592,528	544,561	47,967
License Bureau	348,833	348,833	319,892	28,941
Revenue Collections	212,085	212,085	203,268	8,817
Information Systems	682,692	707,135	647,470	59,665
	<u>5,437,922</u>	<u>5,742,010</u>	<u>5,281,678</u>	<u>460,332</u>
Public Works:				
Engineering and Administration	937,649	961,149	820,937	140,212
Highways and Streets:				
Street Maintenance	2,199,802	2,347,713	2,461,738	(114,025)
Public Safety:				
Police Administration	293,781	309,038	298,023	11,015
Staff Services	1,402,034	1,421,996	1,328,412	93,584
Operations	5,138,216	5,296,808	5,250,941	45,867
Professional Services	1,136,164	1,136,164	1,139,632	(3,468)
Community Youth Outreach Unit	1,417,315	1,632,181	1,321,799	310,382
Emergency Medical Services	2,238,279	2,238,279	2,236,728	1,551
	<u>11,625,789</u>	<u>12,034,466</u>	<u>11,575,535</u>	<u>458,931</u>

(continued)

CITY OF BLUE SPRINGS, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES (continued)				
Parks:				
Parks Administration	406,805	406,805	484,809	(78,004)
Recreation	336,813	335,985	325,090	10,895
Swimming Pools	388,940	403,186	315,827	87,359
Parks Maintenance	1,541,451	1,590,337	1,533,939	56,398
Vesper Hall (50+ programs)	328,121	336,541	313,480	23,061
Building Maintenance	639,820	729,045	607,337	121,708
	<u>3,641,950</u>	<u>3,801,899</u>	<u>3,580,482</u>	<u>221,417</u>
Total expenditures	23,843,112	24,887,237	23,720,370	1,166,867
Excess (deficiency) of revenues over expenditures	(1,140,991)	(1,994,658)	4,014,386	6,009,044
OTHER FINANCING SOURCES (USES)				
Transfers in	1,979,285	1,979,285	797,318	(1,181,967)
Transfers out	(570,000)	(570,000)	(2,816,255)	(2,246,255)
Total other financing sources (uses)	<u>1,409,285</u>	<u>1,409,285</u>	<u>(2,018,937)</u>	<u>(3,428,222)</u>
Net change in fund balances	<u>\$ 268,294</u>	<u>\$ (585,373)</u>	1,995,449	<u>\$ 2,580,822</u>
Fund Balances - Beginning of year			<u>13,173,654</u>	
Fund Balances - End of year - budget basis			15,169,103	
Adjustments:				
Encumbrances			310,234	
Fund balance - End of year - GAAP basis			<u>\$ 15,479,337</u>	
Net change in fund balance - budget basis			\$ 1,995,449	
Adjustments:				
Encumbrances - beginning of year			(555,994)	
Encumbrances - end of year			310,234	
Net change in fund balance - GAAP basis			<u>\$ 1,749,689</u>	

CITY OF BLUE SPRINGS, MISSOURI
Required Supplementary Information
Schedules of Funding Progress

Employee Retirement System

Year Ended	Actuarial valuation date	(a) Actuarial value of assets	(b) Actuarial liability (AAL)	(b) - (a) Unfunded AAL (UAAL)	(a)/(b) Funded ratio	(c) Annual covered payroll	(b)-(a)/(c) UAAL as a percentage of covered payroll
9/30/2009	2/28/2009	\$ 21,453,115	\$ 22,952,179	\$ 1,499,064	93%	\$ 11,291,832	13%
9/30/2010	2/28/2010	22,514,383	23,465,036	950,653	96%	11,379,494	8%
9/30/2011	2/28/2011	24,756,142	26,251,669	1,495,527	94%	11,674,417	13%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Other Post Employment Benefits

Year Ended	Actuarial valuation date	(a) Actuarial value of assets	(b) Actuarial liability (AAL)	(b) - (a) Unfunded AAL (UAAL)	(a)/(b) Funded ratio	(c) Annual covered payroll	(b)-(a)/(c) UAAL as a percentage of covered payroll
9/30/2008	January 1, 2007	\$ -	\$ 335,543	\$ 335,543	0.00%	\$ 9,843,910	3.4%
9/30/2010	January 1, 2009	-	330,869	330,869	0.00%	10,023,631	3.3%

OTHER SUPPLEMENTARY INFORMATION
COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

Hotel Motel Tax Fund – established to account for the financial activity related to the collection of the hotel occupancy taxes.

Public Safety Sales Tax Fund – established to account for collection of the City's public safety sales tax and related expenditures including equipment, additional personnel and facility renovations.

General Obligation Bond Debt Service Fund – established to account for the accumulation of resources for, and the payment of, principal, interest, and other related costs of the City's general obligation bonds.

COP Debt Service Fund – established to account for the accumulation of resources for, and the payment of, principal, interest, and other related costs of the City's certificates of participation debt.

CITY OF BLUE SPRINGS, MISSOURI
Combining Balance Sheet - Non-Major Governmental Funds
September 30, 2011

Assets	Hotel Motel Tax	Public Safety Sales Tax	General Obligation Debt Service	C.O.P. Debt Service	Total Other Governmental Funds
Cash and investments	\$ 441,092	\$ 155,225	\$ 1,011,603	\$ 422,500	\$ 2,030,420
Receivables (net of allowances for uncollectibles)					
Taxes	66,701	-	37,511	-	104,212
Accrued interest	-	-	5,111	-	5,111
Total assets	\$ 507,793	\$ 155,225	\$ 1,054,225	\$ 422,500	\$ 2,139,743
Liabilities					
Total liabilities	\$ -	\$ -	\$ 260	\$ -	\$ 260
Fund Balances					
Restricted:					
Debt service	-	-	1,053,965	422,500	1,476,465
Tourism	507,793	-	-	-	507,793
Public safety	-	155,225	-	-	155,225
Total fund balances	507,793	155,225	1,053,965	422,500	2,139,483
Total liabilities and fund balance	\$ 507,793	\$ 155,225	\$ 1,054,225	\$ 422,500	\$ 2,139,743

CITY OF BLUE SPRINGS, MISSOURI
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances - Non-Major Governmental Funds
For the Year Ended September 30, 2011

	Hotel Motel Tax	Public Safety Sales Tax	General Obligation Debt Service	C.O.P. Debt Service	Total Other Governmental Funds
Revenues:					
Taxes	\$ 573,836	\$ -	\$ 1,109,147	\$ -	\$ 1,682,983
Interest	539	-	253,966	71	254,576
Other	-	-	-	-	-
Total revenues	<u>574,375</u>	<u>-</u>	<u>1,363,113</u>	<u>71</u>	<u>1,937,559</u>
Expenditures:					
Current:					
General government	140,000		18,820	-	158,820
Public Safety	-	20,900	-	-	20,900
Debt service:					
Principal retirement	-	-	845,000	245,000	1,090,000
Interest and fiscal charges	-	-	934,470	105,549	1,040,019
Total expenditures	<u>140,000</u>	<u>20,900</u>	<u>1,798,290</u>	<u>350,549</u>	<u>2,309,739</u>
Excess of revenues over (under) expenditures	<u>434,375</u>	<u>(20,900)</u>	<u>(435,177)</u>	<u>(350,478)</u>	<u>(372,180)</u>
Other financing sources (uses):					
Transfers in	-	176,125	435,177	350,478	961,780
Transfers (out)	<u>(362,862)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(362,862)</u>
Total other financing sources (uses)	<u>(362,862)</u>	<u>176,125</u>	<u>435,177</u>	<u>350,478</u>	<u>598,918</u>
Net change in fund balances	71,513	155,225	-	-	226,738
Fund balances - beginning of year	<u>436,280</u>	<u>-</u>	<u>1,053,965</u>	<u>422,500</u>	<u>1,912,745</u>
Fund balances - end of year	<u>\$ 507,793</u>	<u>\$ 155,225</u>	<u>\$ 1,053,965</u>	<u>\$ 422,500</u>	<u>\$ 2,139,483</u>

CITY OF BLUE SPRINGS, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Hotel Motel Tax Fund
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 481,408	\$ 481,408	\$ 573,836	\$ 92,428
Interest	831	831	539	(292)
Total revenues	<u>482,239</u>	<u>482,239</u>	<u>574,375</u>	<u>92,136</u>
EXPENDITURES				
Current:				
General government	145,000	145,000	140,000	5,000
Total expenditures	<u>145,000</u>	<u>145,000</u>	<u>140,000</u>	<u>5,000</u>
Excess (deficiency) of revenues over expenditures	<u>337,239</u>	<u>337,239</u>	<u>434,375</u>	<u>97,136</u>
OTHER FINANCING (USES)				
Transfers out	(363,308)	(363,308)	(362,862)	446
Total other financing sources (uses)	<u>(363,308)</u>	<u>(363,308)</u>	<u>(362,862)</u>	<u>446</u>
Net change in fund balances	<u>\$ (26,069)</u>	<u>\$ (26,069)</u>	71,513	<u>\$ 97,582</u>
Fund Balances - Beginning of year			<u>436,280</u>	
Fund Balances - End of year			<u>\$ 507,793</u>	

CITY OF BLUE SPRINGS, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Public Safety Sales Tax Fund
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EXPENDITURES				
Current:				
Public safety	-	217,820	176,125	41,695
Total expenditures	-	217,820	176,125	41,695
Excess (deficiency) of revenues over expenditures	-	(217,820)	(176,125)	41,695
OTHER FINANCING (USES)				
Transfers in	-	217,820	176,125	(41,695)
Total other financing sources (uses)	-	217,820	176,125	(41,695)
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund Balances - Beginning of year			-	
Fund Balances - End of year - budget basis			-	
Adjustments:				
Encumbrances			155,225	
Fund balance - End of year - GAAP basis			\$ 155,225	
Net change in fund balance - budget basis			\$ -	
Adjustments:				
Encumbrances - beginning of year			-	
Encumbrances - end of year			155,225	
Net change in fund balance - GAAP basis			\$ 155,225	

CITY OF BLUE SPRINGS, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Obligation Debt Service Fund
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 1,126,570	\$ 1,126,570	\$ 1,109,147	\$ (17,423)
Interest income	270,161	270,161	253,966	(16,195)
Total revenues	<u>1,396,731</u>	<u>1,396,731</u>	<u>1,363,113</u>	<u>(33,618)</u>
EXPENDITURES				
Current:				
General government	-	-	18,820	(18,820)
Debt Service:				
Principal retirement	850,000	850,000	845,000	5,000
Interest and fiscal charges	954,864	954,864	934,470	20,394
Total expenditures	<u>1,804,864</u>	<u>1,804,864</u>	<u>1,798,290</u>	<u>6,574</u>
Excess (deficiency) of revenues over expenditures	(408,133)	(408,133)	(435,177)	(27,044)
OTHER FINANCING (USES)				
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers In	500,000	500,000	435,177	(64,823)
Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>435,177</u>	<u>(64,823)</u>
Net change in fund balances	<u>\$ 91,867</u>	<u>\$ 91,867</u>	-	<u>\$ (91,867)</u>
Fund Balances - Beginning of year			<u>1,053,965</u>	
Fund Balances - End of year			<u>\$ 1,053,965</u>	

CITY OF BLUE SPRINGS, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - COP Debt Service Fund
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Interest	\$ 95	\$ 95	\$ 71	\$ (24)
Total revenues	95	95	71	(24)
EXPENDITURES				
Debt Service:				
Principal retirement	245,000	245,000	245,000	-
Interest and fiscal charges	106,019	106,019	105,549	470
Total expenditures	351,019	351,019	350,549	470
Excess (deficiency) of revenues over expenditures	(350,924)	(350,924)	(350,478)	446
OTHER FINANCING SOURCES (USES)				
Transfers in	350,924	350,924	350,478	(446)
Total other financing sources (uses)	350,924	350,924	350,478	(446)
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund Balances - Beginning of year			422,500	
Fund Balances - End of year			<u>\$ 422,500</u>	

CITY OF BLUE SPRINGS, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 2,983,480	\$ 2,983,480	\$ 3,091,079	\$ 107,599
Intergovernmental revenues	256,000	256,000	3,920,846	3,664,846
Interest	62,000	62,000	75,285	13,285
Other	85,000	85,000	315,000	230,000
Total revenues	<u>3,386,480</u>	<u>3,386,480</u>	<u>7,402,210</u>	<u>4,015,730</u>
EXPENDITURES				
Capital outlay	10,699,610	16,725,412	11,228,538	5,496,874
Total expenditures	<u>10,699,610</u>	<u>16,725,412</u>	<u>11,228,538</u>	<u>5,496,874</u>
Excess (deficiency) of revenues over expenditures	<u>(7,313,130)</u>	<u>(13,338,932)</u>	<u>(3,826,328)</u>	<u>9,512,604</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,373,400	2,053,479	2,276,261	222,782
Transfers out	(1,016,000)	(1,016,000)	(1,173,959)	(157,959)
Total other financing sources (uses)	<u>357,400</u>	<u>1,037,479</u>	<u>1,102,302</u>	<u>64,823</u>
Net change in fund balances	<u>\$ (6,955,730)</u>	<u>\$ (12,301,453)</u>	<u>(2,724,026)</u>	<u>\$ 9,577,427</u>
Fund Balances - Beginning of year			<u>14,913,953</u>	
Fund Balances - End of year - budget basis			12,189,927	
Adjustments:				
Encumbrances			3,863,918	
Fund balance - End of year - GAAP basis			<u>\$16,053,845</u>	
Net change in fund balance - budget basis			\$ (2,724,026)	
Adjustments:				
Encumbrances - beginning of year			(2,945,721)	
Encumbrances - end of year			3,863,918	
Net change in fund balance - GAAP basis			<u>\$ (1,805,829)</u>	

CITY OF BLUE SPRINGS, MISSOURI
Combining Balance Sheet - TIF Fund Projects
September 30, 2011

Assets	Fall Creek TIF	Copperleaf TIF	Highway 7&40 TIF	Woods Chapel TIF	Adams Farm TIF	Total
Cash and investments	\$ 20,232	\$ 130,578	\$ 13,554	\$ 35,673	\$ 4,649,731	\$ 4,849,768
Taxes receivable	10,071	-	3,636	-	56,128	69,835
Due from other governments	14,104	37,495	5,355	-	280,356	337,310
Prepaid items	58,169	-	-	-	-	58,169
Total assets	\$ 102,576	\$ 168,073	\$ 22,545	\$ 35,673	\$ 4,986,215	\$ 5,315,082
Liabilities						
Accounts payable	\$ -	\$ 3	\$ 13,585	\$ -	\$ 468	\$ 14,056
Total liabilities	-	3	13,585	-	468	14,056
Fund Balances						
Nonspendable:						
Prepaid items	58,169	-	-	-	-	58,169
Restricted:						
Debt service	44,407	168,070	8,960	35,673	4,985,747	5,242,857
Total fund balances	102,576	168,070	8,960	35,673	4,985,747	5,301,026
Total liabilities and fund balance	\$ 102,576	\$ 168,073	\$ 22,545	\$ 35,673	\$ 4,986,215	\$ 5,315,082

CITY OF BLUE SPRINGS, MISSOURI
Combining Schedule of Revenues, Expenditures, and Changes in
Fund Balances - TIF Fund Projects
For the Year Ended September 30, 2011

	Fall Creek TIF	Copperleaf TIF	Highway 7&40 TIF	Woods Chapel TIF	Adams Farm TIF	Total
Revenues:						
Taxes	\$ 57,313	\$ -	\$ 24,824	\$ -	\$ 400,981	\$ 483,118
Intergovernmental activity taxes	348,826	45,341	110,282	20,984	2,072,992	2,598,425
Interest	69	138	16	36	451	710
Total revenues	<u>406,208</u>	<u>45,479</u>	<u>135,122</u>	<u>21,020</u>	<u>2,474,424</u>	<u>3,082,253</u>
Expenditures:						
Current:						
Economic development	4,817	4,203	13,123	2,954	358,300	383,397
Debt service:						
Principal retirement	220,000	-	123,905	-	460,000	803,905
Interest and fiscal charges	229,950	-	-	-	1,424,159	1,654,109
Total expenditures	<u>454,767</u>	<u>4,203</u>	<u>137,028</u>	<u>2,954</u>	<u>2,242,459</u>	<u>2,841,411</u>
Excess of revenues over (under) expenditures	<u>(48,559)</u>	<u>41,276</u>	<u>(1,906)</u>	<u>18,066</u>	<u>231,965</u>	<u>240,842</u>
Other financing sources (uses):						
Transfers (out)	<u>(6,840)</u>	<u>(221)</u>	<u>(668)</u>	<u>(103)</u>	<u>(5,842)</u>	<u>(13,674)</u>
Total other financing sources (uses)	<u>(6,840)</u>	<u>(221)</u>	<u>(668)</u>	<u>(103)</u>	<u>(5,842)</u>	<u>(13,674)</u>
Net change in fund balances	(55,399)	41,055	(2,574)	17,963	226,123	227,168
Fund balances - beginning of year	<u>157,975</u>	<u>127,015</u>	<u>11,534</u>	<u>17,710</u>	<u>4,759,624</u>	<u>5,073,858</u>
Fund balances - end of year	<u>\$ 102,576</u>	<u>\$ 168,070</u>	<u>\$ 8,960</u>	<u>\$ 35,673</u>	<u>\$ 4,985,747</u>	<u>\$ 5,301,026</u>

CITY OF BLUE SPRINGS, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Mall at Fall Creek TIF
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and intergovernmental activity taxes	\$ 375,650	\$ 375,650	\$ 406,139	\$ 30,489
Interest	-	-	69	69
Total revenues	<u>375,650</u>	<u>375,650</u>	<u>406,208</u>	<u>30,558</u>
EXPENDITURES				
Current:				
Economic Development	4,187	4,187	4,817	(630)
Debt Service:				
Principal retirement	220,000	220,000	220,000	-
Interest and fiscal charges	229,950	229,950	229,950	-
Total expenditures	<u>454,137</u>	<u>454,137</u>	<u>454,767</u>	<u>(630)</u>
Excess (deficiency) of revenues over expenditures	<u>(78,487)</u>	<u>(78,487)</u>	<u>(48,559)</u>	<u>29,928</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,840)	(6,840)	(6,840)	-
Total other financing sources (uses)	<u>(6,840)</u>	<u>(6,840)</u>	<u>(6,840)</u>	<u>-</u>
Net change in fund balances	<u>\$ (85,327)</u>	<u>\$ (85,327)</u>	<u>(55,399)</u>	<u>\$ 29,928</u>
Fund Balances - Beginning of year			<u>157,975</u>	
Fund Balances - End of year			<u>\$ 102,576</u>	

CITY OF BLUE SPRINGS, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Copperleaf Village TIF
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and intergovernmental activity taxes	\$ 43,084	\$ 43,084	\$ 45,341	\$ 2,257
Interest	125	125	138	13
Total revenues	<u>43,209</u>	<u>43,209</u>	<u>45,479</u>	<u>2,270</u>
EXPENDITURES				
Current:				
General government	84,982	84,982	4,203	80,779
Debt Service:				
Principal retirement	-	-	-	-
Total expenditures	<u>84,982</u>	<u>84,982</u>	<u>4,203</u>	<u>80,779</u>
Excess (deficiency) of revenues over expenditures	(41,773)	(41,773)	41,276	83,049
OTHER FINANCING SOURCES (USES)				
Transfers out	(215)	(215)	(221)	(6)
Total other financing sources (uses)	<u>(215)</u>	<u>(215)</u>	<u>(221)</u>	<u>(6)</u>
Net change in fund balances	<u>\$ (41,988)</u>	<u>\$ (41,988)</u>	41,055	<u>\$ 83,043</u>
Fund Balances - Beginning of year			127,015	
Fund Balances - End of year			<u>\$ 168,070</u>	

CITY OF BLUE SPRINGS, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Highway 7 & 40 TIF
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 119,242	\$ 139,242	\$ 135,106	\$ (4,136)
Interest	60	60	16	(44)
Total revenues	<u>119,302</u>	<u>139,302</u>	<u>135,122</u>	<u>(4,180)</u>
EXPENDITURES				
Current:				
General government	118,649	138,649	13,123	125,526
Debt Service:				
Principal retirement	-	-	123,905	(123,905)
Total expenditures	<u>118,649</u>	<u>138,649</u>	<u>137,028</u>	<u>1,621</u>
Excess (deficiency) of revenues over expenditures	<u>653</u>	<u>653</u>	<u>(1,906)</u>	<u>(2,559)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(653)	(653)	(668)	(15)
Total other financing sources (uses)	<u>(653)</u>	<u>(653)</u>	<u>(668)</u>	<u>(15)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(2,574)</u>	<u>\$ (2,574)</u>
Fund Balances - Beginning of year			<u>11,534</u>	
Fund Balances - End of year			<u>\$ 8,960</u>	

CITY OF BLUE SPRINGS, MISSOURI
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Adams Farm TIF
For the Year Ended September 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and intergovernmental activity taxes	\$ 2,558,756	\$ 3,058,756	\$ 2,473,973	\$ (584,783)
Interest	500	500	451	(49)
Total revenues	<u>2,559,256</u>	<u>3,059,256</u>	<u>2,474,424</u>	<u>(584,832)</u>
EXPENDITURES				
Current:				
Economic Development	-	500,000	358,300	141,700
Debt Service:				
Principal retirement	-	-	460,000	(460,000)
Interest and fiscal charges	1,965,618	1,965,618	1,424,159	541,459
Total expenditures	<u>1,965,618</u>	<u>2,465,618</u>	<u>2,242,459</u>	<u>223,159</u>
Excess (deficiency) of revenues over expenditures	<u>593,638</u>	<u>593,638</u>	<u>231,965</u>	<u>(361,673)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,006)	(4,006)	(5,842)	(1,836)
Total other financing sources (uses)	<u>(4,006)</u>	<u>(4,006)</u>	<u>(5,842)</u>	<u>(1,836)</u>
Net change in fund balances	<u>\$ 589,632</u>	<u>\$ 589,632</u>	226,123	<u>\$ (363,509)</u>
Fund Balances - Beginning of year			<u>4,759,624</u>	
Fund Balances - End of year			<u>\$ 4,985,747</u>	

AGENCY FUNDS

Agency Funds are used to account for resources received by the City as agent.

Jackson County Tax Fund – accounts for Jackson County, Missouri property taxes collected on behalf of the County.

Employees Flexible Benefit Fund – accounts for funds contributed by employees to a tax-exempt flexible benefit plan.

Eastern Jackson County Betterment Council Fund – accounts for membership deposits of the Council.

Adams Dairy Landing Community Improvement District – accounts for amounts collected on behalf of the District.

Coronado Drive Transportation Development District – accounts for amounts collected on behalf of the District.

Adams Farm Transportation Development District – accounts for amounts collected on behalf of the District.

CITY OF BLUE SPRINGS, MISSOURI

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

Jackson County Tax Fund	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
Assets:				
Cash	\$ 40,234	\$ 18,281,318	\$ 18,277,109	\$ 44,443
Liabilities:				
Due to other governments	\$ 40,234	\$ 18,281,318	\$ 18,277,109	\$ 44,443
Employees Flexible Benefit Fund				
Assets:				
Cash	\$ 5,111	\$ 8,870	\$ 11,528	\$ 2,453
Liabilities:				
Employee flexible benefit deposits	\$ 5,111	\$ 8,870	\$ 11,528	\$ 2,453
Eastern Jackson County Betterment Council Fund				
Assets:				
Cash	\$ 41,926	\$ 4,600	\$ 6,360	\$ 40,166
Liabilities:				
Membership Deposits	\$ 41,926	\$ 4,600	\$ 6,360	\$ 40,166
Adams Dairy Landing CID				
Assets:				
Cash	\$ -	\$ 96,329	\$ 1,938	\$ 94,391
Taxes receivable	-	96,926	96,329	597
Total assets	\$ -	\$ 193,255	\$ 98,267	\$ 94,988
Liabilities:				
Due to other governments	\$ -	\$ 96,926	\$ 1,938	\$ 94,988
Coronado Drive TDD				
Assets:				
Cash	\$ -	\$ 500,205	\$ 500,205	\$ -
Taxes receivable	77,241	498,734	500,205	75,770
Total assets	\$ 77,241	\$ 998,939	\$ 1,000,410	\$ 75,770
Liabilities:				
Due to other governments	\$ 77,241	\$ 998,939	\$ 1,000,410	\$ 75,770
Adams Farm TDD				
Assets:				
Cash	\$ -	\$ 692,102	\$ 692,102	\$ -
Taxes receivable	96,715	711,733	692,102	116,346
Total assets	\$ 96,715	\$ 1,403,835	\$ 1,384,204	\$ 116,346
Liabilities:				
Due to other governments	\$ 96,715	\$ 1,403,835	\$ 1,384,204	\$ 116,346
Total - All Agency Funds				
Assets:				
Cash	\$ 87,271	\$ 19,583,424	\$ 19,489,242	\$ 181,453
Taxes receivable	173,956	1,307,393	1,288,636	192,713
Total assets	\$ 261,227	\$ 20,890,817	\$ 20,777,878	\$ 374,166
Liabilities:				
Due to other governments	\$ 214,190	\$ 20,781,018	\$ 20,663,661	\$ 331,547
Employee flexible benefit deposits	5,111	8,870	11,528	2,453
Membership Deposits	41,926	4,600	6,360	40,166
Total liabilities	\$ 261,227	\$ 20,794,488	\$ 20,681,549	\$ 374,166

DISCRETELY PRESENTED COMPONENT UNIT

CITY OF BLUE SPRINGS, MISSOURI
Combining Statement of Net Assets
Discretely Presented Component Unit
Blue Springs Economic Development Corporation
September 30, 2011

	<u>Program</u>			Total Consolidated Component Unit
	Blue Springs Economic Development Corporation	Missouri Innovation Park, Inc.	Inter-Organization Activity	
Assets				
Cash and investments	\$ 98,405	\$ 741	\$ -	\$ 99,146
Deposits in escrow	-	100,000	-	100,000
Receivables:				
Accounts	1,050	-	-	1,050
Due from primary government	-	-	-	-
Notes	203,996	-	(203,996)	-
Depreciable capital assets, net	8,056	-	-	8,056
Total assets	<u>311,507</u>	<u>100,741</u>	<u>(203,996)</u>	<u>208,252</u>
Liabilities				
Accounts payable	6,814	74,078	-	80,892
Accrued liabilities	13,774	-	-	13,774
Short-term note payable	100,000	203,996	(203,996)	100,000
Total liabilities	<u>120,588</u>	<u>278,074</u>	<u>(203,996)</u>	<u>194,666</u>
Net Assets				
Invested in capital assets	8,056	-	-	8,056
Unrestricted	182,863	(177,333)	-	5,530
Total net assets	<u>\$ 190,919</u>	<u>\$ (177,333)</u>	<u>\$ -</u>	<u>\$ 13,586</u>

CITY OF BLUE SPRINGS, MISSOURI
Combining Statement of Activities
Discretely Presented Component Unit
Blue Springs Economic Development Corporation
For the Year Ended September 30, 2011

	<u>Program</u>			Total Consolidated Component Unit
	Blue Springs Economic Development Corporation	Missouri Innovation Park, Inc.	Inter-Organization Activity	
Revenues:				
Intergovernmental revenues	\$ 385,000	\$ -	\$ -	\$ 385,000
Contributions	74,877	-	-	74,877
In-kind contributions	10,276	27	-	10,303
Interest	676	2,574	-	3,250
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	470,829	2,601	-	473,430
	<hr/>	<hr/>	<hr/>	<hr/>
Expenses:				
Current:				
Economic Development	390,103	174,751	-	564,854
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	390,103	174,751	-	564,854
	<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets	80,726	(172,150)	-	(91,424)
Net assets - beginning of year	110,193	(5,183)	-	105,010
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets - end of year	<u>\$ 190,919</u>	<u>\$ (177,333)</u>	<u>\$ -</u>	<u>\$ 13,586</u>

Statistical Section

STATISTICAL SECTION

This part of the City of Blue Springs' 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

1 - 4

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

Revenue Capacity

5 - 10

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

Debt Capacity

11 - 15

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future

Demographic and Economic Information

16 - 17

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

Operating Information

18 - 20

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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 2004; schedules presenting government-wide information include information beginning in that year.

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

	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities								
Invested in capital assets, net of related debt	\$ 74,350,440	\$ 78,487,890	\$ 78,680,058	\$ 75,421,297	\$ 73,392,096	\$ 68,013,508	\$ 59,694,748	\$ 48,629,336
Restricted	10,270,621	8,056,155	8,086,101	9,363,978	9,141,264	9,902,864	6,793,655	17,423,528
Unrestricted	5,979,396	7,020,847	8,188,902	9,442,255	6,129,460	(14,846,756)	(10,206,636)	(12,768,225)
Total governmental activities net assets	\$ 90,600,457	\$ 93,564,892	\$ 94,955,061	\$ 94,227,530	\$ 88,662,820	\$ 63,069,616	\$ 56,281,767	\$ 53,284,639
Business-type activities								
Invested in capital assets, net of related debt	\$ 49,993,501	\$ 51,366,319	\$ 51,532,431	\$ 53,298,946	\$ 49,883,666	\$ 47,141,204	\$ 47,749,588	\$ 48,753,483
Restricted	632,403	486,630	491,173	504,990	489,099	487,923	2,077,870	2,072,904
Unrestricted	4,253,022	6,765,826	8,244,184	9,657,585	12,289,968	32,003,698	33,919,068	36,610,277
Total business-type activities net assets	\$ 54,878,926	\$ 58,618,775	\$ 60,267,788	\$ 63,461,521	\$ 62,662,733	\$ 79,632,825	\$ 83,746,526	\$ 89,436,664
Primary government								
Invested in capital assets, net of related debt	\$ 124,343,941	\$ 129,854,209	\$ 130,212,489	\$ 128,720,243	\$ 123,275,762	\$ 115,154,712	\$ 107,444,336	\$ 97,382,819
Restricted	10,903,024	8,542,785	8,577,274	9,868,968	9,630,363	10,390,787	9,051,525	19,496,432
Unrestricted	10,232,418	13,786,673	16,433,086	19,099,840	18,419,428	17,156,942	23,712,432	25,842,052
Total primary government net assets	\$ 145,479,383	\$ 152,183,667	\$ 155,222,849	\$ 157,689,051	\$ 151,325,553	\$ 142,702,441	\$ 140,208,293	\$ 142,721,303

Notes: GASB 34 was implemented in the 2004 fiscal year, so only eight fiscal years are shown.
In 2006, the City implemented GASB 46, which changed the reporting for restricted net assets.

Table 2

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

	2004	2005	2006	2007	2008	2009	2010	2011
Expenses								
Governmental activities:								
General government	\$ 5,061,078	\$ 5,162,402	\$ 5,872,381	\$ 7,241,811	\$ 9,417,156	\$ 6,722,852	\$ 5,952,221	\$ 5,747,148
Public works	1,734,022	1,061,284	1,182,225	1,114,645	1,085,815	1,150,617	1,157,261	1,165,906
Highways and streets	8,825,368	8,909,445	10,682,407	18,328,434	12,583,751	12,091,281	13,175,169	14,911,575
Public safety	9,173,252	9,903,600	10,853,511	10,844,451	11,387,848	11,308,429	11,855,976	12,475,129
Parks and recreation	2,971,296	3,451,261	3,697,637	3,644,910	3,926,097	3,808,823	3,926,898	4,059,046
Economic Development	-	-	-	-	-	22,120,492	3,023,924	625,859
Interest and fiscal charges	1,423,327	1,248,918	834,021	807,943	768,656	720,823	1,921,555	2,809,800
Total governmental activities expenses	<u>29,188,343</u>	<u>29,736,910</u>	<u>33,122,182</u>	<u>41,982,194</u>	<u>39,169,323</u>	<u>57,923,317</u>	<u>41,013,004</u>	<u>41,794,463</u>
Business-type activities:								
Water	5,211,945	6,231,010	6,707,118	7,133,548	7,028,585	7,691,581	7,378,974	8,215,144
Sewer	4,471,163	4,966,863	6,173,085	6,365,722	7,248,223	7,438,288	6,991,779	7,315,040
Golf Course	1,703,288	1,869,774	1,840,266	1,851,144	1,920,248	1,850,615	1,836,939	1,670,843
Total business-type activities expenses	<u>11,386,396</u>	<u>13,067,647</u>	<u>14,720,469</u>	<u>15,350,414</u>	<u>16,197,056</u>	<u>16,980,484</u>	<u>16,207,692</u>	<u>17,201,127</u>
Total primary government expenses	<u>\$ 40,574,739</u>	<u>\$ 42,804,557</u>	<u>\$ 47,842,651</u>	<u>\$ 57,332,608</u>	<u>\$ 55,366,379</u>	<u>\$ 74,903,801</u>	<u>\$ 57,220,696</u>	<u>\$ 58,995,590</u>
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$ 2,952,107	\$ 3,317,649	\$ 3,280,500	\$ 3,438,438	\$ 3,192,776	\$ 3,526,012	\$ 3,050,375	\$ 3,095,525
Public works	263,335	107,735	336,522	240,110	303,539	50,586	26,376	54,941
Highways and streets	1,000	600	1,200	5,023	-	-	-	-
Public safety	1,792,071	1,857,024	1,962,360	2,020,941	2,448,292	2,826,024	2,732,433	2,971,402
Parks and recreation	527,557	595,549	596,353	679,237	645,069	645,069	633,235	626,200
Operating grants and contributions	833,101	729,039	960,638	718,617	684,440	649,095	457,455	567,701
Capital grants and contributions	2,972,351	5,947,809	6,516,879	10,522,467	1,529,944	1,578,255	1,248,938	4,535,142
Total governmental activities program revenues	<u>9,341,522</u>	<u>12,555,405</u>	<u>13,654,452</u>	<u>17,624,833</u>	<u>8,834,951</u>	<u>9,275,041</u>	<u>8,148,812</u>	<u>11,850,911</u>
Business-type activities:								
Charges for services:								
Water	5,533,238	6,744,738	7,629,315	7,208,618	6,454,183	6,459,597	6,651,551	7,052,276
Sewer	4,240,036	5,555,895	5,812,493	5,995,606	6,141,450	6,621,395	6,731,206	6,800,171
Golf Course	1,013,571	1,384,868	1,482,474	1,658,689	1,750,262	1,516,109	1,433,111	1,367,495
Capital grants and contributions	744,003	2,459,503	620,600	2,572,073	289,624	18,812,221	5,054,010	7,169,853
Total business-type activities program revenues	<u>11,530,848</u>	<u>16,145,004</u>	<u>15,544,882</u>	<u>17,434,986</u>	<u>14,635,519</u>	<u>33,409,322</u>	<u>19,869,878</u>	<u>22,389,795</u>
Total primary government program revenues	<u>\$ 20,872,370</u>	<u>\$ 28,700,409</u>	<u>\$ 29,199,334</u>	<u>\$ 35,059,819</u>	<u>\$ 23,470,470</u>	<u>\$ 42,684,363</u>	<u>\$ 28,018,690</u>	<u>\$ 34,240,706</u>
Net (expense)/revenue								
Governmental activities	\$ (19,846,821)	\$ (17,181,505)	\$ (19,467,730)	\$ (24,357,361)	\$ (30,334,372)	\$ (48,648,276)	\$ (32,864,192)	\$ (29,943,552)
Business-type activities	144,452	3,077,357	824,413	2,084,572	(1,561,537)	16,428,838	3,682,186	5,188,668
Total primary government net expense	<u>\$ (19,702,369)</u>	<u>\$ (14,104,148)</u>	<u>\$ (18,643,317)</u>	<u>\$ (22,272,789)</u>	<u>\$ (31,895,909)</u>	<u>\$ (32,219,438)</u>	<u>\$ (29,202,006)</u>	<u>\$ (24,754,884)</u>
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Sales taxes	\$ 9,191,460	\$ 9,587,464	\$ 9,690,850	\$ 10,057,093	\$ 10,119,903	\$ 8,843,215	\$ 9,639,673	\$ 10,227,290
Property taxes	4,738,263	4,716,407	4,975,870	5,153,731	5,421,561	5,288,096	5,373,148	5,345,937
Franchise taxes	2,894,796	3,097,345	3,254,497	3,705,535	5,413,715	5,096,487	6,111,034	5,311,660
Intergovernmental Activity Taxes	-	-	-	-	-	662,481	1,981,710	2,598,427
Hotel	495,672	524,755	548,352	586,635	591,127	493,983	572,571	573,835
Other taxes	2,219,170	1,939,272	1,747,842	1,802,724	1,759,356	1,995,432	2,054,909	2,064,588
Interest	266,799	408,735	705,272	966,719	894,555	367,671	334,685	419,579
Miscellaneous	4,749	-	192,206	1,500,396	718,366	611,431	504,639	588,977
Gain on disposal of capital assets	-	124,315	-	-	-	-	-	-
Transfers	-	(452,353)	(256,990)	(143,003)	(148,921)	(303,724)	(316,026)	(363,869)
Total governmental activities	<u>19,810,909</u>	<u>19,945,940</u>	<u>20,857,899</u>	<u>23,629,830</u>	<u>24,769,662</u>	<u>23,055,072</u>	<u>26,256,343</u>	<u>26,766,424</u>
Business-type activities:								
Interest	76,764	210,139	567,610	966,158	613,828	237,530	135,489	137,601
Transfers	-	452,353	256,990	143,003	148,921	303,724	316,026	363,869
Total business-type activities	<u>76,764</u>	<u>662,492</u>	<u>824,600</u>	<u>1,109,161</u>	<u>762,749</u>	<u>541,254</u>	<u>451,515</u>	<u>501,470</u>
Total primary government	<u>\$ 19,887,673</u>	<u>\$ 20,608,432</u>	<u>\$ 21,682,499</u>	<u>\$ 24,738,991</u>	<u>\$ 25,532,411</u>	<u>\$ 23,596,326</u>	<u>\$ 26,707,858</u>	<u>\$ 27,267,894</u>
Changes in Net Assets								
Governmental activities	\$ (35,912)	\$ 2,764,435	\$ 1,390,169	\$ (727,531)	\$ (5,564,710)	\$ (25,593,204)	\$ (6,607,849)	\$ (3,177,128)
Business-type activities	221,216	3,739,849	1,649,013	3,193,733	(798,788)	16,970,092	4,113,701	5,690,138
Total primary government	<u>\$ 185,304</u>	<u>\$ 6,504,284</u>	<u>\$ 3,039,182</u>	<u>\$ 2,466,202</u>	<u>\$ (6,363,498)</u>	<u>\$ (8,623,112)</u>	<u>\$ (2,494,148)</u>	<u>\$ 2,513,010</u>

Note: GASB 34 was implemented in the 2004 fiscal year, so only seven fiscal years are shown.

Table 3

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ 743,306	\$ 879,990	\$ 2,537,181	\$ 2,453,085	\$ 2,570,622	\$ 2,758,255	\$ 2,505,963	\$ 2,680,486	\$ 2,585,922	\$ -
Unreserved	6,026,129	6,917,633	6,029,373	6,852,457	7,846,412	9,112,054	8,635,056	9,700,183	11,143,726	-
Nonspendable										2,069,873
Restricted										131,654
Committed										7,174,859
Assigned										2,042,797
Unassigned										4,060,154
Total General Fund	\$ 6,769,435	\$ 7,797,623	\$ 8,566,554	\$ 9,305,542	\$ 10,417,034	\$ 11,870,309	\$ 11,141,019	\$ 12,380,669	\$ 13,729,646	\$ 15,479,337
All other governmental funds										
Reserved	\$ 5,122,576	\$ 4,118,871	\$ 8,868,531	\$ 5,215,662	\$ 9,185,884	\$ 3,528,551	\$ 2,148,966	\$ 7,095,640	\$ 9,822,955	\$ -
Unreserved, reported in:										
Special revenue funds	-	10,936	-	49,536	161,217	262,018	358,830	363,631	436,280	-
Capital project funds	6,133,542	5,927,822	1,343,931	2,733,941	(1,325,929)	5,331,632	6,593,008	2,479,359	14,587,042	-
Nonspendable										58,169
Special revenue funds										16,053,845
Restricted/Committed/Assigned										5,242,857
Capital projects funds										2,139,483
TIF fund										5,242,857
Other governmental funds										2,139,483
Total all other governmental funds	\$ 11,256,118	\$ 10,057,629	\$ 10,212,462	\$ 7,999,139	\$ 8,021,172	\$ 9,122,201	\$ 9,100,804	\$ 9,938,630	\$ 24,846,277	\$ 23,494,354

(1) GASB 54 was implemented during fiscal year 2011. The City did not restate fund balance in prior years to comply with the new presentation format.

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 16,356,955	\$ 17,088,193	\$ 17,540,930	\$ 18,117,769	\$ 18,670,374	\$ 19,704,229	\$ 21,755,056	\$ 19,248,967	\$ 21,148,583	\$ 23,005,968
Intergovernmental activity taxes	-	-	-	-	-	-	-	662,481	1,981,709	2,598,425
Licenses, fees and permits	463,303	533,156	579,575	760,058	777,131	772,510	746,020	917,980	572,183	629,447
Intergovernmental	5,002,488	3,346,988	5,449,791	6,243,461	7,948,706	8,055,156	3,576,748	3,893,513	3,935,449	6,676,347
Charges for services	2,879,237	4,185,922	4,110,007	4,156,716	5,114,710	4,515,378	4,870,792	4,981,920	4,697,653	4,982,338
Fines, forfeitures, and court costs	469,762	425,530	553,597	722,021	748,320	753,690	777,911	924,684	957,684	894,777
Interest	365,353	371,166	269,240	411,450	705,272	896,722	894,555	367,671	334,685	419,578
Donations	92,881	119,756	57,972	137,971	133,924	153,479	41,003	82,816	56,735	55,672
Other	886,799	458,592	584,760	282,247	268,160	1,641,225	803,366	687,218	559,601	904,226
Total revenues	26,506,778	26,535,303	29,125,872	30,831,693	34,366,597	36,562,349	33,465,451	31,767,208	34,244,282	40,156,778
Expenditures										
General Government	4,082,149	4,351,160	4,656,520	4,757,872	5,451,595	6,815,363	6,242,211	6,195,290	5,602,502	5,471,625
Public works	1,394,317	1,523,242	1,570,692	1,022,693	993,707	1,038,256	938,675	898,418	848,364	844,437
Highways and Streets	2,960,046	1,726,890	1,876,221	1,848,000	1,774,500	2,203,282	2,144,303	2,067,920	2,206,235	2,407,243
Public safety	8,353,303	8,680,545	9,426,396	9,659,194	10,241,806	10,623,207	10,919,674	10,821,665	11,649,900	11,742,075
Parks and recreation	2,602,387	2,618,110	2,685,209	3,237,531	3,392,075	3,415,753	3,621,081	3,545,496	3,549,907	3,680,470
Economic Development	-	-	-	-	-	-	-	12,660,575	14,212,124	383,397
Capital outlay	7,236,511	5,145,501	6,460,272	8,325,707	8,920,232	7,893,555	7,993,886	5,305,272	7,777,445	10,310,341
Debt Service										
Principal	1,525,000	1,725,000	1,251,336	873,436	1,440,000	1,140,000	1,109,587	1,278,955	1,316,011	1,893,905
Interest	616,227	1,105,267	1,404,822	1,413,570	791,517	764,869	704,544	1,010,720	2,063,257	2,694,128
Total expenditures	28,769,940	26,875,715	29,331,458	31,137,803	32,995,432	33,892,284	33,673,961	43,774,311	49,245,745	39,427,621
Excess of revenues over (under) expenditures	(2,263,162)	(440,412)	(205,586)	(306,110)	1,371,165	2,670,065	(208,510)	(12,007,105)	(15,001,463)	729,157
Other Financing Sources (Uses)										
Bond Proceeds	4,940,000	-	1,110,000	4,225,000	-	-	-	14,500,000	31,805,000	-
Refunded Bond Proceeds	4,470,000	-	-	-	-	-	-	-	3,590,000	-
Discount on Issuance	-	-	-	-	-	-	-	(144,034)	(3,643,181)	-
Payment to refunded bond escrow agent	(4,440,061)	-	-	(5,084,537)	-	-	(421,330)	-	(210,274)	-
Transfers in	4,364,179	1,633,273	1,566,062	1,173,324	741,274	381,232	3,993,280	1,676,368	2,418,388	4,035,359
Transfers out	(3,040,587)	(1,611,887)	(1,545,712)	(1,606,327)	(978,914)	(496,993)	(4,114,127)	(1,947,753)	(2,701,844)	(4,366,750)
Sale of capital assets	-	-	-	124,315	-	-	-	-	-	-
Total other financing sources (uses)	6,293,531	21,386	1,129,350	(1,169,225)	(237,640)	(115,761)	(542,177)	14,084,581	31,258,089	(331,391)
Net change in fund balances	\$ 4,030,369	\$ (419,026)	\$ 923,764	\$ (1,474,335)	\$ 1,133,525	\$ 2,554,304	\$ (750,687)	\$ 2,077,476	\$ 16,256,626	\$ 397,766
Debt service as a percentage of non capital expenditures	15.20%	19.37%	11.42%	9.87%	8.40%	5.91%	6.31%	6.01%	8.99%	12.89%

Table 5

Total City Taxable Sales by Category
Current Fiscal Year and Four Years Ago

<u>Sales by Retail Category:</u>	<u>2007</u>	<u>2011</u>
Retail	\$ 595,309	\$ 626,092
Manufacturing	3,739	3,208
Restaurants	20,176	29,592
Services	24,337	25,458
All other outlets	923	2,532
Total	\$ 644,484	\$ 686,883

Note: Amounts are in Thousands of Dollars. This schedule is intended to show the current year and nine years ago; however, amounts for years prior to 2007 are not available

Source: Missouri Department of Revenue

Table 6

Sales Tax Rates
Direct and Overlapping Governments
Last Ten Calendar Years
(in percent)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Direct Sales Tax Rate City of Blue Springs</u>										
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
<u>Direct Sales Tax Rate City of Blue Springs</u>	<u>1.500</u>	<u>1.500</u>	<u>1.500</u>	<u>1.500</u>	<u>1.500</u>	<u>1.500</u>	<u>1.500</u>	<u>1.500</u>	<u>1.500</u>	<u>1.500</u>
<u>Transportation Development District</u>										
Adams Farm TDD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	1.000	1.000
Home Depot TDD	0.000	0.000	0.000	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Coronado Drive TDD	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.500	0.500	0.500
<u>Total Direct Sales Tax Rate</u>	<u>1.500</u>	<u>1.500</u>	<u>1.500</u>	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>	<u>3.500</u>	<u>3.500</u>	<u>3.500</u>
<u>Total Local Option Sales Tax Rate</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
State of Missouri	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
Mo. State Conservation	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Mo. 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	0.875	0.750	0.750	0.750	1.125	1.125	1.125	1.125	1.125	1.125
City of Blue Springs	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500
Central Jackson County Fire Protection District	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.500	0.500	0.500
<u>Total Direct and Overlapping Sales Tax Rate</u>	<u>6.600</u>	<u>6.475</u>	<u>6.475</u>	<u>6.475</u>	<u>6.850</u>	<u>6.850</u>	<u>6.850</u>	<u>7.350</u>	<u>7.350</u>	<u>7.350</u>

Note: The rates shown for the Transportation Development Districts apply within those districts only.

Source: Missouri Department of Revenue

Table 7

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

Fiscal Year Ended September 30,	Real Property				Other Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Market Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Agricultural Property	Commercial Property	Total	Personal Property	Railroads & Utilities				
2002	\$ 322,362,451	\$ 81,661	\$ 80,179,261	\$ 402,623,373	\$ 116,846,244	\$ 7,972,647	\$ 527,442,264	0.7500	\$ 2,323,689,321	22.70%
2003	337,154,581	88,095	79,202,065	416,444,741	121,304,731	6,858,371	544,607,843	0.7523	2,408,449,254	22.61%
2004	388,906,198	80,947	96,173,026	485,160,171	115,557,219	6,859,574	607,576,964	0.7130	2,716,544,835	22.37%
2005	401,285,697	180,788	99,568,477	501,034,962	117,035,906	6,528,205	624,599,073	0.7140	2,796,547,859	22.33%
2006	446,162,760	182,141	103,291,773	549,636,674	120,162,987	5,507,669	675,307,330	0.7027	3,050,590,961	22.14%
2007	456,882,349	184,193	107,901,822	564,968,364	124,234,987	5,507,022	694,710,373	0.7029	3,133,659,560	22.17%
2008	493,629,422	181,943	115,500,336	609,311,701	129,576,528	5,360,046	744,248,275	0.6671	3,366,373,178	22.11%
2009	499,748,063	172,367	121,072,121	620,992,551	130,285,814	4,879,636	756,158,001	0.6689	3,416,537,286	22.13%
2010	474,190,733	170,782	121,505,173	595,866,888	121,476,300	4,550,413	721,893,401	0.7259	3,255,881,283	22.17%
2011	476,649,966	165,812	121,890,009	598,705,787	119,506,303	6,480,646	724,692,736	0.7259	3,270,101,882	22.16%

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.

Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per \$100 assessed value)

Fiscal Year	City Direct Rates (1)			Overlapping Rates (2 & 3)					
	Basic/General Rate	Debt Service	Total Direct	Central Jackson County Fire	Metropolitan Junior College	Blue Springs School District	Jackson County	State	Total Overlapping
2002	0.6000	0.1500	0.7500	0.8600	0.2300	4.6000	1.1130	0.0300	6.8330
2003	0.6023	0.1500	0.7523	1.2081	0.2300	4.6500	1.1130	0.0300	7.2311
2004	0.5630	0.1500	0.7130	1.1488	0.2300	5.3893	1.1070	0.0300	7.9051
2005	0.5640	0.1500	0.7140	1.1350	0.2300	5.3893	1.1070	0.0300	7.8913
2006	0.5527	0.1500	0.7027	1.1146	0.2171	5.3893	1.0598	0.0300	7.8108
2007	0.5529	0.1500	0.7029	1.1146	0.2172	5.3893	1.0632	0.0300	7.8143
2008	0.5471	0.1500	0.6971	1.1029	0.2132	5.3893	1.0523	0.0300	7.7877
2009	0.5489	0.1500	0.6989	1.1058	0.2143	5.5307	1.0610	0.0300	7.9418
2010	0.5759	0.1500	0.7259	1.0974	0.2266	5.5307	1.0596	0.0300	7.9443
2011	0.5759	0.1500	0.7259	1.0497	0.2329	5.7286	1.0596	0.0300	8.1008

- Notes:
- The General Fund levy rates are limited by Missouri Statutes to \$1.00 per \$100.00 assessed valuation. There is no limit on the levy rates for General Debt and Interest.
 - County Tax Breakdown for Current Year:

Health & Welfare Fund	0.1218
General Fund	0.1952
Road & Bridge Fund	0.0880
Park Fund	0.1380
Mid-Continent Public Library	0.3200
Handicap	0.0748
Mental Health	0.1218
Total County	1.0596
 - Two other school districts are in the City of Blue Springs. School tax rates for the current year in these districts are:

Grain Valley Reorganized #5	5.2115
Lee's Summit Reorganized #7	5.9347

Note: Taxes are due November 1, delinquent after December 31. Interest of 1.5% per month, up to a maximum of 18% annually is added for each month of delinquency. Collections are enforced through the attachment and sale of the property. Commercial real property is also assessed an additional "replacement tax" of 1.437 per \$100 assessed value.

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2011			2002		
	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-Mart Stores, Inc.	\$ 5,026,091.00	1	0.69%	\$ 2,186,950.00	4	0.41%
KCPL - Greater MO Oper. Co. (Aquila)	4,952,141.00	2	0.68%	6,237,798.00	1	1.18%
George & Jeanette Ward	3,856,340.00	3	0.53%	2,840,593.00	2	0.54%
HD Development of Maryland Inc.	2,014,811.00	4	0.28%			
Southern Union Company	1,753,311.00	5	0.24%	2,197,312.00	3	0.42%
St. Mary's Hospital	1,600,001.00	6	0.22%			
Blue Springs Development Three Inc.	1,599,235.00	7	0.22%			
Fike Metal Products Corp.	1,567,707.00	8	0.22%	1,513,278.00	7	0.29%
Akers Apartments LLC	1,529,975.00	9	0.21%			
Royal Investments Group Inc.	1,344,000.00	10	0.19%			
Haldex				2,088,012.00	5	0.40%
Southwestern Bell				2,045,753.00	6	0.39%
BS Ford - Robert Balderston				1,201,126.00	10	0.23%
White Oak Ventures				1,344,000.00	8	0.25%
Sunnyside Garden Apartments				1,267,558.00	9	0.24%
Total	<u>\$ 25,243,612</u>		<u>3.48%</u>	<u>\$ 22,922,380.00</u>		<u>4.35%</u>

Source: Jackson County Collection Department

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Taxes Levied for Fiscal Year	Collected within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 3,936,159	\$ 3,762,443	95.59%	\$ 156,558	\$ 3,919,001	99.56%
2003	4,085,057	3,908,880	95.69%	156,448	4,065,328	99.52%
2004	4,319,897	4,157,979	96.25%	144,785	4,302,764	99.60%
2005	4,430,699	4,258,261	96.11%	150,889	4,409,150	99.51%
2006	4,762,600	4,588,481	96.34%	148,804	4,737,285	99.47%
2007	4,939,713	4,751,744	96.19%	163,564	4,915,309	99.51%
2008	5,195,766	5,071,884	97.62%	92,585	5,164,469	99.40%
2009	5,754,504	5,513,233	95.81%	201,703	5,714,936	99.31%
2010	5,825,726	5,633,240	96.70%	73,196	5,706,436	97.95%
2011	6,239,956	6,009,470	96.31%			

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Total Primary Government	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds	Leasehold Revenue Bonds	Special Obligation Bonds	Certificates of Participation	Development Agreement			
2002	\$ 9,534,772	\$ 6,065,000	\$ -	\$ -	\$ -	\$ 22,230,504	1.90%	459.74
2003	8,649,772	5,325,000	-	-	-	23,372,444	1.95%	477.01
2004	9,218,436	4,720,000	-	-	-	22,584,650	1.83%	457.20
2005	8,760,000	-	-	3,925,000	-	21,105,032	1.59%	406.57
2006	7,860,000	-	-	3,510,000	-	30,105,840	2.21%	566.98
2007	7,065,000	-	-	3,300,000	-	35,722,739	2.39%	662.94
2008	5,970,000	-	-	3,075,000	-	36,871,242	2.44%	670.01
2009	5,219,470	-	14,500,000	2,835,000	-	63,623,776	3.95%	1,142.30
2010	19,450,000	-	31,305,000	2,595,000	-	92,075,553	6.01%	1,649.60
2011	18,605,000	-	30,845,000	2,350,000	-	14,689,221	6.68%	1,937.87

Fiscal Year	Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita (1)
	Leasehold Revenue Bonds	Capital Leases	Certificates of Participation	Neighborhood Improvement	State Revolving Fund Loan			
2002	\$ 6,540,000	\$ 90,732	\$ -	\$ -	\$ -	\$ 22,230,504	1.90%	459.74
2003	6,000,000	190,172	-	-	-	23,372,444	1.95%	477.01
2004	5,400,000	143,714	-	-	-	22,584,650	1.83%	457.20
2005	-	132,532	5,300,000	-	-	21,105,032	1.59%	406.57
2006	-	283,340	5,115,000	10,475,000	-	30,105,840	2.21%	566.98
2007	-	215,239	4,925,000	17,490,000	-	35,722,739	2.39%	662.94
2008	-	278,350	4,725,000	17,490,000	-	36,871,242	2.44%	670.01
2009	-	188,617	4,515,000	18,725,000	-	63,623,776	3.95%	1,142.30
2010	-	92,570	4,305,000	18,325,000	2,411,481	92,075,553	6.01%	1,649.60
2011	-	7,472	4,100,000	17,900,000	14,689,221	101,883,665	6.68%	1,937.87

Notes: See Table 16 for personal income and population data. The 2006 ratios are calculated using personal income and population data from table 16 which is an estimate.

Table 12

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Est. Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation and NID Bonds	Less Amounts Available in Debt Service	Total		
2002	\$ 9,534,772	\$ (948,597)	\$ 8,586,175	0.37%	177.57
2003	8,649,772	(955,538)	7,694,234	0.32%	157.03
2004	9,218,436	(1,081,783)	8,136,653	0.30%	164.72
2005	8,760,000	(458,436)	8,301,564	0.30%	159.92
2006	18,335,000	(1,112,774)	17,222,226	0.56%	324.34
2007	24,555,000	(1,126,322)	23,428,678	0.75%	434.79
2008	23,460,000	(906,079)	22,553,921	0.67%	409.84
2009	23,944,470	(1,053,475)	22,890,995	0.67%	410.98
2010	37,775,000	(1,053,965)	36,721,035	1.13%	657.88
2011	36,505,000	(1,053,965)	35,451,035	1.08%	674.29

Notes: 1 See Table 7 for property value data.
2 See Table 16 for population data.

City of Blue Springs, Missouri
Direct and Overlapping Governmental Activities Debt
As of September 30, 2011

<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			
City of Blue Springs	\$ <u>18,605,000</u>	100.00%	\$ <u>18,605,000</u>
Total direct debt	<u>18,605,000</u>		<u>18,605,000</u>
Blue Springs Reorganized #4 School District	137,945,000	92.00%	126,909,400
Grain Valley Reorganized #5 School District	41,010,515	5.20%	2,132,547
Central Jackson County Fire Protection District	<u>12,900,000</u>	90.00%	<u>11,610,000</u>
Total overlapping debt	<u>191,855,515</u>		<u>140,651,947</u>
Total direct and overlapping debt	\$ <u><u>210,460,515</u></u>		\$ <u><u>159,256,947</u></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 Blue Springs. 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.

Legal Debt Margin Information
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit (1)	\$ 105,488,453	\$ 108,921,569	\$ 121,515,393	\$ 124,919,815	\$ 135,061,466	\$ 138,942,075	\$ 148,849,655	\$ 151,231,600	\$ 144,378,680	\$ 144,938,547
Total net debt applicable to limit	8,586,175	7,694,234	8,136,653	8,301,564	17,222,226	23,428,678	22,553,921	22,890,995	36,721,035	35,451,035
Legal Debt Margin	96,902,278	101,227,335	113,378,740	116,618,251	117,839,240	115,513,397	126,295,734	128,340,605	107,657,645	109,487,512
Total net debt applicable to the limit as a percentage of debt limit	8.139%	7.064%	6.696%	6.646%	12.751%	16.862%	15.152%	15.136%	25.434%	24.459%

Legal Debt Margin Calculation for Fiscal Year 2011	
Assessed Value	\$ 724,692,736
Debt Limit (20% of assessed value)	144,938,547
General obligation:	
City-Wide	18,605,000
Neighborhood Improvement Districts	17,900,000
Total Bonded Debt	36,505,000
Less:	
Debt Service Fund Balance	1,053,965
Total net debt applicable to limit	35,451,035
Legal debt margin	\$ 109,487,512

Notes:

1 - Article 6, Section 26(b) of the Missouri Constitution permits any county or city, by vote of four-sevenths of qualified electors voting thereon, to incur an indebtedness for city purposes not to exceed 5 percent of the value of the taxable tangible property therein, as shown by the last assessment.

1 - Article 6, Section 26(c) of the Missouri Constitution permits any county or city, by vote of four-sevenths of qualified electors voting thereon, to incur additional indebtedness for city purposes not to exceed 5 percent of the value of the taxable tangible property therein, as shown by the last assessment.

1 - 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.

Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Revenues		Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Coverage
					Principal	Interest (2)	
2002	\$ 9,777,574	3	\$ 6,919,731	\$ 2,857,843	\$ 350,000	\$ 44,344	7.25
2003	9,135,943		7,059,966	2,075,977	365,000	30,345	5.25
2004	10,594,041	4	9,683,108	910,933	375,000	15,563	2.33
2005	13,527,396	5	9,368,387	4,159,009	-	-	-
2006	13,744,338	6	10,977,950	2,766,388	-	-	-
2007	13,232,926	7	11,040,024	2,192,902	-	-	-
2008	12,595,633		11,526,280	1,069,353	-	-	-
2009	13,080,992		11,815,907	1,265,085	-	-	-
2010	13,382,757		11,106,770	2,275,987	-	-	-
2011	13,852,447		12,338,827	1,513,620	-	-	-

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- Notes:
- 1 Operating expenses excludes depreciation, interest expense, amortization, and non-operating expenses.
 - 2 Includes estimated fiscal charges.
 - 3 Includes City of Grain Valley payment for sewer treatment facility.
 - 4 Includes intergovernmental grants for Adams Dairy Parkway for \$681,677.
 - 5 Includes intergovernmental grants for Adams Dairy Parkway for \$1,226,763.
 - 6 Includes intergovernmental grants for Adams Dairy Parkway for \$302,530
 - 7 Includes intergovernmental grants for Adams Dairy Parkway for \$28,702.

Table 16

Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year (3)	Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (1)
2002	48,355	\$ 1,167,898,726	\$ 24,153	33.40	13,009	3.30%
2003	48,998	1,201,180,278	24,515	35.30	13,012	5.70%
2004	49,398	1,235,205,956	25,005	35.30	13,312	2.90%
2005	51,910	1,323,979,351	25,505	35.90	13,286	3.50%
2006	53,099	1,364,803,597	25,703	35.10	13,608	3.70%
2007	53,885	1,493,692,200	27,720	33.10	13,871	3.40%
2008	55,031	1,508,674,865	27,415	35.26	13,951	3.40%
2009	55,698	1,609,727,898	28,901	33.10	14,085	6.30%
2010	55,817	1,531,618,480	27,440	35.50	14,162	7.60%
2011	52,575	1,524,464,700	28,996	34.80	14,174	7.80%

Note: The information for 2006 is an estimate.

Sources 1 Information provided by KCADC through the Blue Springs Economic Development Council - Claritas report
 2 Information provided by school districts.
 3 The information shown is for calendar years.

Table 17

Principal Employers
Current Year and Nine Years Ago

Employer	2011			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Blue Springs School District	1,613	1	6.03%	1613	1	6.56%
St. Mary's Hospital of Blue Springs	615	2	2.30%	615	3	2.50%
Kohl's Distribution Center	450	3	1.68%	450	4	1.83%
Price Chopper	402	4	1.50%	402	5	1.63%
Wal-Mart Stores, Inc.	392	5	1.47%	376	6	1.53%
Fike Corporation	350	6	1.31%	338	7	1.37%
Hy-Vee	340	7	1.27%	330	8	1.34%
Haldex, Inc.	338	8	1.26%	230	10	0.93%
City of Blue Springs	268	9	1.00%	251	9	1.02%
Gemaco	225	10	0.84%			
Harmon Industries				652	2	2.65%
Total	<u>4,993</u>		<u>18.67%</u>	<u>5,257</u>		<u>21.37%</u>

Source: Blue Springs Economic Development Corporation and Mid-America Regional Council.

Table 18

Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Administration	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00
Legal	-	-	-	-	-	-	-	1.00	1.00	1.50
Public relations and communications	-	-	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Human resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Information services	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00
Community development	6.19	6.19	7.20	7.20	7.20	7.20	7.20	7.20	7.20	6.00
Codes administration	7.23	7.23	7.23	8.00	9.00	10.00	10.46	11.46	10.46	8.46
Geographic information systems	-	-	0.20	0.20	0.20	1.20	1.20	1.20	1.20	1.00
Economic development	2.00	2.00	2.00	2.00	2.00	2.00	N/A	N/A	N/A	N/A
Finance	19.80	19.80	20.30	21.90	21.90	21.90	22.90	22.90	22.90	23.90
Municipal court	3.12	3.12	4.12	4.62	5.62	5.62	5.62	5.62	5.62	6.12
Public Works	15.94	14.94	12.94	12.94	12.94	12.54	12.54	12.14	10.00	9.00
Highways and streets	15.30	15.30	15.30	15.30	15.30	17.30	16.30	16.30	16.30	15.30
Public Safety										
Administration	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
Operations	54.23	54.23	53.23	59.23	59.23	63.00	63.00	66.00	71.00	67.00
Staff services	30.85	31.85	29.20	26.20	26.20	26.20	18.00	17.00	18.00	18.00
Professional standards	3.00	3.00	6.65	7.65	7.65	8.65	15.20	16.20	17.20	16.00
Community/youth outreach	15.00	14.00	15.00	17.50	17.50	17.00	18.65	20.15	20.15	20.00
Parks and Recreation										
Administration	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.50	5.50	5.00
Building Maintenance	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00
50-Plus Programs	6.32	6.32	7.47	7.47	7.47	7.47	7.99	7.99	7.99	7.24
Parks Maintenance	19.60	19.60	19.60	19.60	19.60	20.33	20.33	20.33	20.33	19.71
Recreation	2.75	2.75	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Swimming pool	11.04	11.04	11.00	-	-	-	-	-	-	-
Water										
Operations	4.00	4.00	5.00	4.50	5.00	5.00	5.33	5.33	5.33	5.00
Maintenance	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Sewer										
Operations	4.00	4.00	5.00	4.50	5.00	5.00	5.33	5.33	5.33	5.00
Maintenance	4.00	4.00	4.00	4.00	6.00	6.00	6.00	6.00	6.00	6.00
Sni-A-Bar treatment plant	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Central Garage fund	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total	<u>255.37</u>	<u>256.37</u>	<u>261.44</u>	<u>258.81</u>	<u>263.81</u>	<u>272.41</u>	<u>272.05</u>	<u>278.65</u>	<u>281.51</u>	<u>268.23</u>

Source: City of Blue Springs Budget

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Number of Citations Issued	N/A	N/A	N/A	9,777	10,162	9,691	10,800	13,296	13,402	12,198
Public Works										
Street Overlay (lane miles)	2.68	6.17	N/A	8.76	4.50	-	55.00	48.00	36.00	38.00
Potholes Repaired	1,805	2,452	4,936	8,045	7,181	10,561	6,129	3,650	7,503	3,199
Crack Sealing (Sq. Yds.)	516,163	1,007,583	993,848	831,734	1,360,234	717,795	621,927	560,475	273,950	936,577
Slurry Seal (Sq. Yds.)	138,291	155,521	166,309	140,157	199,700	208,517	0.00	0.00	0.00	0.00
Parks and Recreation										
Park Shelter Reservations	N/A	N/A	N/A	1,117	1,075	1,000	1,222	955	1,243	1,201
Vesper Hall Rentals	N/A	N/A	N/A	142	118	105	62	90	50	64
Number of Participants in Recreation Programs	N/A	N/A	N/A	173,112	166,991	183,116	160,400	181,675	182,100	180,700
Number of Pool Passes Sold	N/A	N/A	N/A	348	409	427	416	384	350	394
Pool Attendance	N/A	N/A	N/A	62,312	65,399	65,732	68,302	55,769	51,808	52,000
Community Development										
Building Permits Issued	601	593	645	518	507	491	527	460	490	544
Number of Nuisance Violations Cited	951	1,111	1,409	1,537	3,174	2,363	3,051	2,571	3,660	3,912
Water										
Number of customers	19,174	19,324	19,417	19,972	19,959	20,134	20,427	20,439	20,356	20,377
Water main breaks	104	119	53	57	87	84	51	60	76	90
New water connections	329	337	297	386	391	217	138	48	58	56
Sewer										
Number of customers	18,586	19,092	18,868	19,225	19,414	19,742	19,887	19,932	20,073	20,148
New Sewer Connections	349	312	304	328	227	212	231	66	68	76

Table 20

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Police sub-stations	-	-	-	1	2	2	1	1	2	2
Vehicles	17	17	17	17	17	17	18	18	22	22
Public Works										
Total area (square miles)	18.00	21.21	21.21	21.67	22.01	22.01	22.11	22.11	22.21	22.21
Paved miles	214.00	221.00	221.00	227.00	232.67	239.06	240.31	262	252	252
Street Lights	2,449	2,463	2,278	2,418	2,570	2,613	2,409	2,409	2,531	2,535
Storm sewers (miles)	74.00	78.00	79.00	82.00	82.60	87.61	89.79	120	122	118
Parks and Recreation										
Park acreage - Developed & Golf Course *	679.00	679.00	679.00	376.00	376.00	416.00	515.00	515.00	594.00	594.00
Park acreage - Undeveloped & Preserved *				323.00	323.00	302.00	341.00	341.00	262.00	262.00
Parks - Developed	12	12	12	14	14	14	14	14	14	14
Parks - Undeveloped	4	4	4	4	4	5	7	7	7	7
Swimming pools	2	2	2	2	2	2	2	2	2	2
Soccer fields	12	12	12	12	12	11	12	12	12	12
Tennis courts	21	23	23	20	20	21	20	20	20	20
Skate Parks	-	-	-	1	2	2	2	2	2	2
Baseball fields	6	6	6	6	6	8	8	8	8	8
Softball fields	13	15	15	15	15	14	15	15	15	15
Miles of walking/bike trails	-	-	-	10	15	15	15	17	17	17
Community centers	2	2	2	2	1	1	1	1	1	1
Conference centers	1	1	1	1	1	1	1	1	1	1
Public golf courses	1	1	1	1	1	1	1	1	1	1
Football fields	-	-	-	-	-	3.00	3	3	3	3
BMX race track	-	-	-	-	-	1.00	1	1	1	1
Basketball courts	-	-	-	-	-	7.00	7	7	7	7
Sand Volleyball courts	-	-	-	-	-	14.00	14	11	11	11
Picnic shelters	-	-	-	-	-	18.00	18	18	18	18
Playgrounds	-	-	-	-	-	15.00	15	15	15	15
Dog Park Facility	-	-	-	-	-	1.00	1	1	1	1
Water										
Water mains (miles)	215.00	222.00	224.00	229.00	230.00	230.10	232.50	275.00	277.00	277.00
Fire hydrants	2,040.00	2,111.00	2,166.00	2,213.00	2,280.00	2,305.00	2,350.00	2,377.00	2,406.00	2,429.00
Average daily consumption (millions of gallons)	5.20	5.40	5.40	5.60	4.50	5.33	4.80	4.7	4.4	4.6
Sewer										
Number of treatment plants	2	2	2	2	2	2	2	1	1	1
Sewers mains (miles)	238.00	245.00	246.00	332.00	332.90	348.01	350.69	274.00	275.00	277.00
Average daily treatment (millions of gallons)	7.68	7.88	9.60	5.03	3.08	3.35	4.97	5.08	5.9	4.7
Manhole lined	N/A	N/A	N/A	N/A	N/A	10.00	96	0	25	27
Mains lined	N/A	N/A	N/A	N/A	N/A	50.00	88	48	46	107
Main point repairs	N/A	N/A	N/A	N/A	N/A	14.00	23	43	10	8
Chimney seal installed on manhole	N/A	N/A	N/A	N/A	N/A	38.00	21	0	1	18

* Note: Distribution of park land between developed and undeveloped was unavailable prior to 2005