

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**



June 30, 2000

**CITY OF INDEPENDENCE, MISSOURI**

Comprehensive Annual Financial Report

For the Fiscal Year July 1, 1999  
Through June 30, 2000

***Mayor***

Rondell F. Stewart

***City Council***

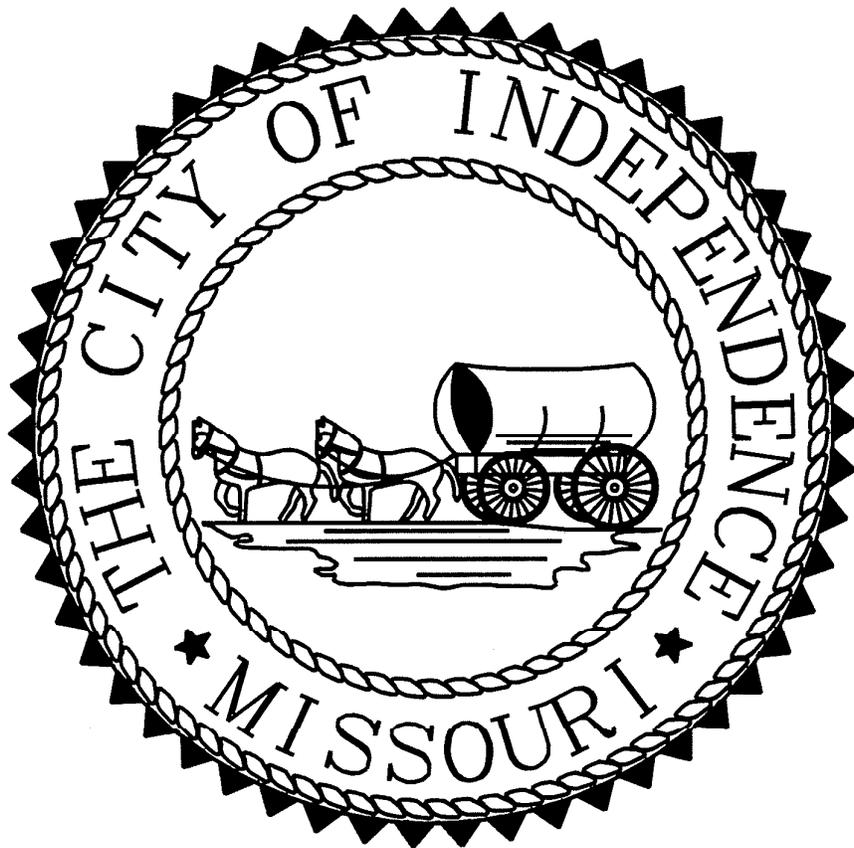
Don Reimal	District #1
John Perkins	District #2
Renee Paluka	District #3
Charlie Rich	District #4
Lucy Young	At-large
William McDonald	At-large

***City Manager***

Larry N. Blick

***Prepared by the Department of Finance***

***James C. Harlow, Director of Finance and Administration***



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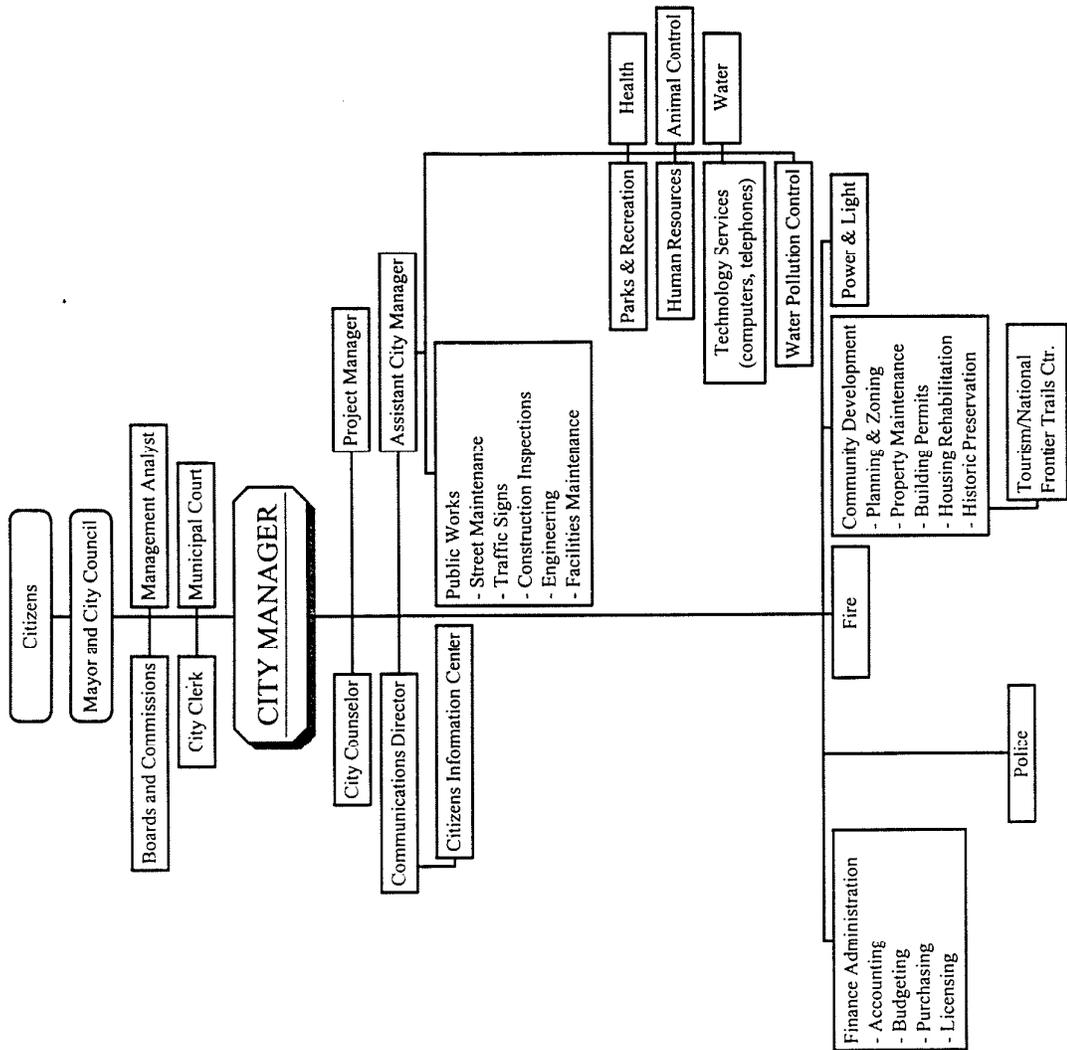
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# INTRODUCTORY

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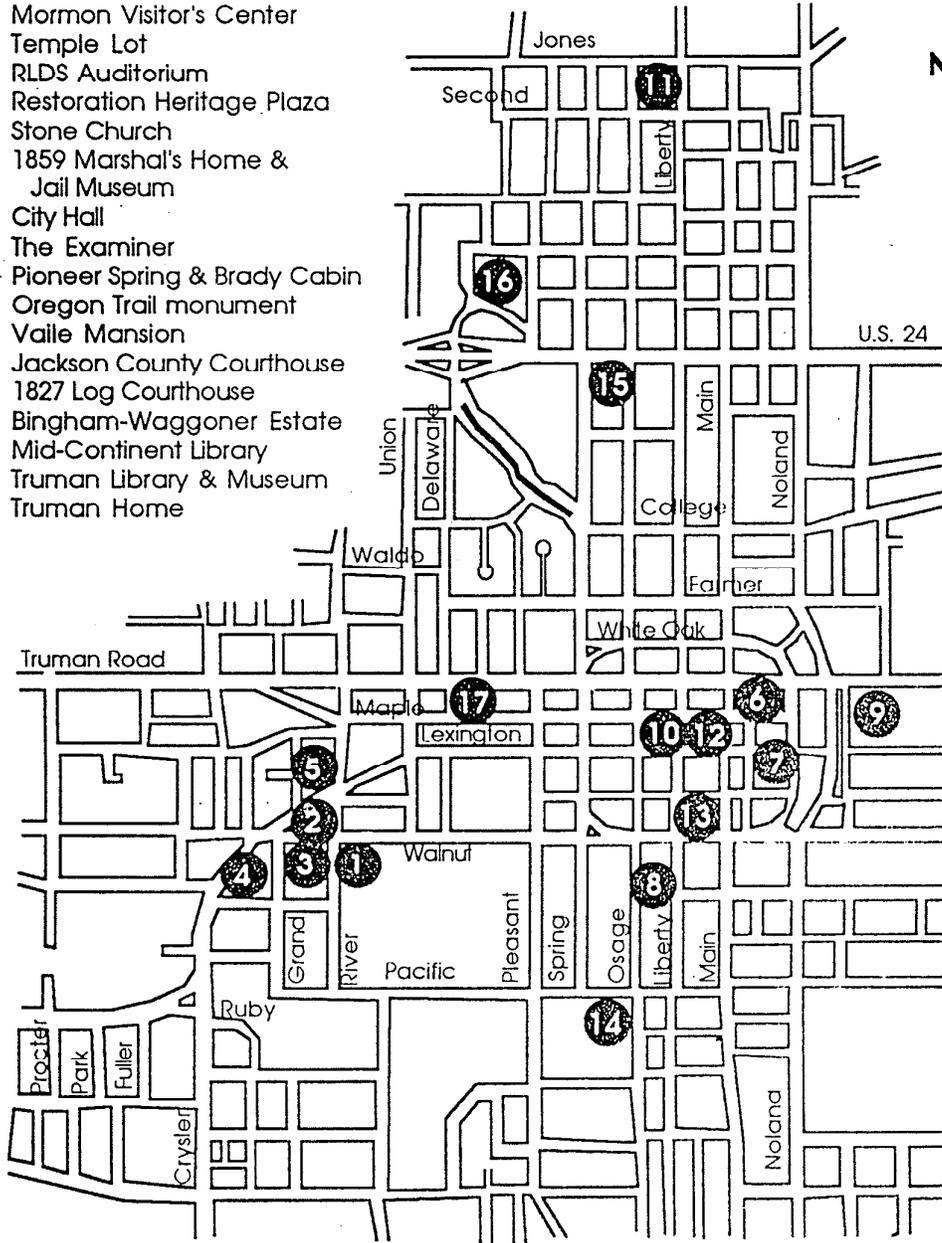
# CITY OF INDEPENDENCE, MISSOURI

## Organizational Chart



# Historic Independence

1. Mormon Visitor's Center
2. Temple Lot
3. RLDS Auditorium
4. Restoration Heritage Plaza
5. Stone Church
6. 1859 Marshal's Home & Jail Museum
7. City Hall
8. The Examiner
9. Pioneer Spring & Brady Cabin
10. Oregon Trail monument
11. Vaile Mansion
12. Jackson County Courthouse
13. 1827 Log Courthouse
14. Bingham-Waggoner Estate
15. Mid-Continent Library
16. Truman Library & Museum
17. Truman Home



# City of Independence

111 EAST MAPLE • P.O. BOX 1019 • INDEPENDENCE, MISSOURI 64051-0519

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November 1, 2000

## HONORABLE MAYOR, COUNCIL AND CITY MANAGER:

The Comprehensive Annual Financial Report (CAFR) of the City of Independence, Missouri, for the fiscal year ended June 30, 2000, is submitted to you for your review in compliance with the provisions of Article 3, Section 3.34 of the City Charter. The General Purpose Financial Statements contained herein have been audited by independent auditors as required by Article 2, Section 2.26 of the Charter.

Finance Department staff prepared this CAFR following objectives of financial reporting outlined by the Governmental Accounting Standards Board. The CAFR's role is to assist in making economic, social and political decisions and to assist in assessing accountability to the citizenry by:

- Comparing actual financial results with the legally adopted budget, where appropriate;
- Assessing financial condition and results of operations;
- Assisting in determining compliance with finance-related laws and regulations; and,
- Assisting in evaluating the efficiency and effectiveness of City operations.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation including all disclosures, rests with the City.

The CAFR, which consists of three parts, is organized to facilitate understanding by the non-financially oriented reader as well as provide all necessary information for the most sophisticated financial observer.

The **Introductory Section** is designed to introduce the reader to the report and includes this transmittal letter, the City's organizational chart, a list of principal officials, and the Certificate of Achievement for Excellence in Financial Reporting for the previous year's CAFR. The transmittal letter is formatted to explain in simplified narrative terms the fiscal position represented in the financial statements, schedules, notes and statistical tables.

The first part of the **Financial Section** includes the Auditor's Report and the General Purpose Financial Statements (GPFS). The Auditor's report discloses the opinion of the independent auditors with regard to the presentation of the financial statements and internal control. The GPFS are the "combined" financial statements of the City and the notes to these financial statements. These basic combined financial statements and notes are designed to provide an overview of the City's financial position and results of

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operations. The remainder of the Financial Section presents "combining" and "individual" fund statements and schedules which focus on individual funds rather than fund types.

The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. This section is designed to provide the user with a broader and more complete understanding of the City and its financial affairs than is possible from only the financial statements and supporting schedule presentations included in the financial section. It also provides information that is useful to potential investors in the City's general obligation and revenue bonds.

For purposes of preparing this CAFR, all entities which are controlled by, or dependent on, the City are included. Determination of whether an entity is controlled by, or dependent on, the City is made on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the City, or the City's obligation to fund any deficit that may occur. There are no other entities which are either controlled by, or dependent on, the City of Independence that meet these criteria and should, therefore, be included as part of this report. Major services provided by the City include public safety, public works, recreation, health, as well as electric, water and sanitary sewer utilities. Various school districts provide educational services, all of which are separate governmental entities.

**ECONOMIC CONDITION AND OUTLOOK**

Incorporated in 1849, the City of Independence is the county seat of Jackson County and borders on the eastern edge of Kansas City, Missouri. Independence is the fourth largest city in Missouri and offers residents and businesses unique location advantages. Its central location in the "Heart of America" means that traveling, shipping, receiving and communications are more economical because of shorter distances to most parts of the country. Situated along major highway (I-70, I-35, & I-29) and rail routes, access to Independence from all parts of the nation, as well as, Canada and Mexico is excellent. The City's 78 square miles accommodate its residents and numerous businesses with 28 square miles of industrial land available for future growth and development.

The City of Independence is organized as a constitutional charter city under the Missouri statutes utilizing the Council-Manager form of government. In accordance with the charter, the registered voters within the City elect a mayor and six council members to serve four-year terms as representatives on the City Council. An election for four district seats is conducted as a unit, while elections for mayor and two at-large council seats are conducted two years later. The Council appoints a City Manager to serve as the chief administrative officer of the City.

The City has experienced an increase in population since 1940 when the Bureau of the Census reported a population of 16,066. The largest growth period occurred in the 1960's when the population increased from 62,328 to 111,630, an increase of 79.1%. During the 1970's, the City's population grew by only .1%. During the same time, Kansas City's population decreased 11.7%. The City's Community

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Development Department estimates the current population to be 116,867 representing a modest increase from the 1991 Census report of 112,600.

The median income per household in the City rose from \$6,031 in 1960 to \$34,495 in 2000. The median age is thirty-seven. The median value of housing is \$79,449 compared to \$85,197 in Jackson County and \$83,480 in the State of Missouri. The 2000 unemployment rate for the City is 2.9%. The labor force in Independence encompasses a wide variety of skills and occupations: technical, sales, and administrative support occupations (36.31%); managerial and professional specialty occupations (20.93%); operators, fabricators, movers, and laborers (17.37%); service, craft, and repair occupations (24.75%); and farming (0.64%). The education level in Independence of individuals twenty-five or older, consists of 38.26% with some college to a college degree, 40.08% of high school graduates, and 21.65% with less than a high school education.

Historically, the character of the City has been viewed as predominantly residential. In recent years, industrial expansion in the City has accompanied the growth in population. The City has several industrial sites which have been set aside to assure orderly development in light of the anticipated increase in industrial activity.

**MAJOR INITIATIVES**

The City continued its program of neighborhood revitalization which unites the City, businesses, schools, churches and citizens in an effort to improve the appearance and quality of our neighborhood. Neighborhoods will develop their own programs including incentives for self-help, housing improvements, code enforcement, enhanced public service, and a greater sense of community awareness. To assist in this, a City supported home rehabilitation loan program was implemented.

In harmony with both the City's Vision Statement and Strategic Goals, the City conducted extensive management and supervisory training sessions.

**FINANCIAL INFORMATION**

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.

In addition to the independent audit and the internal control system, the Charter provides that the City Council appoints a Management Analyst. The Management Analyst performs such duties as directed by the Council. These duties include the periodic review of all departments and the preparation of an annual report to the Council. The Finance Department and Management Analyst work cooperatively with the independent auditors in performing their annual audit.

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The Audit and Finance Committee, comprised of three members of the City Council, acts in an advisory capacity to the City Council and reviews financial information for appropriateness, reliability, clarity, timeliness and compliance with generally accepted accounting principles and legal requirements. In addition, this committee reviews the audit functions and adequacy of internal control systems.

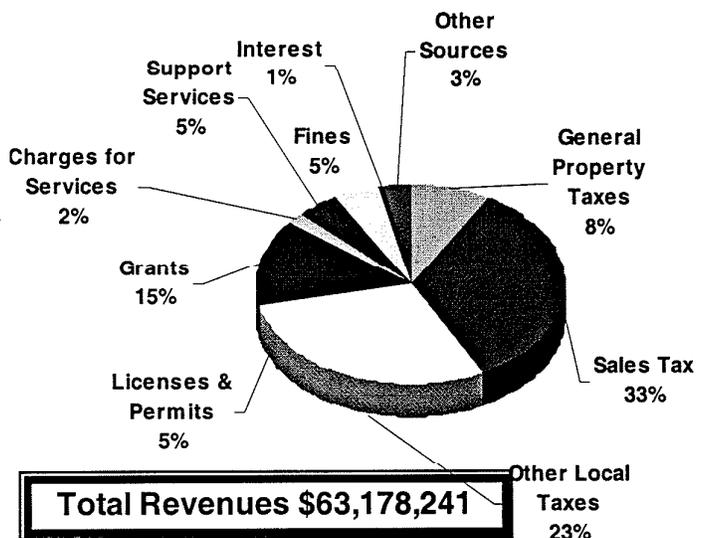
Budgetary control is maintained at the department level. Purchase orders and contracts are encumbered prior to their release to vendors. Any items which would result in expenditures in excess of departmental budgets are not released until alternative sources of payment are made available. Open encumbrances as of June 30, 2000, are reported as reservations of fund balances since the City intends to honor the purchase orders and contracts.

The City's accounting records for general governmental operations (governmental funds), agency funds and expendable trust funds are maintained on a modified accrual basis, with revenues being recognized when measurable and available, and expenditures being recorded when the liability is incurred. The City's accounting records for proprietary funds and non-expendable trust funds are maintained on the accrual basis. The accrual basis recognizes revenues when earned and expenses are recorded when the liability is incurred.

**General Governmental Functions** - Revenue and other financing sources of the General Fund for 1999-00 total \$53,538,615. This compares with \$50,288,109 in the 1998-99 year and is an increase of \$3,250,506 or 6.5%. Revenues and operating transfers of the Special Revenue Funds totaled \$9,639,626. The total of the City's general governmental operating revenues and other sources was \$63,178,241.

The largest single source of revenue for the City is sales tax which increased 32.2% to \$21,571,917 from a prior fiscal year total of \$16,314,978. This includes \$7,186,835 sales tax revenue for streets and parks approved by the voters in August 1998 with an effective date of January 1, 1999. Excluding this amount, the increase is 5.0%. Utility payments in lieu of taxes increased 1.3% to \$8,430,063 from a prior fiscal year total of \$8,318,843. Intergovernmental revenues reflect an increase of \$337,147 with a continued increase in grant activity. Charges for services for 1999-00 amounted to \$955,414, an increase of \$195,965 over last year. Fines and forfeitures reflect an increase of 12.4% over last year. Licenses and permits increased by \$451,781. Interest revenues

**Comparison of Revenue Sources  
1999-00**



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increased 32.3%. Other sources of revenue reflected an increase from the previous year of \$1,029,242 or 144.6%.

The graph on the previous page and table below illustrate a comparison of major revenue and other financial sources for the General and Special Revenue Funds for the last two fiscal years.

Program	1999-00	% of Total	1998-99	Increase or (Decrease)	
				Amount	Percent
General Property Taxes	\$ 5,349,979	8.5%	\$ 5,186,790	\$ 163,189	3.1%
Sales Tax	21,571,917	34.1%	16,314,978	5,256,939	32.2%
Other Local Taxes	15,192,586	24.0%	14,985,289	207,297	1.4%
Licenses & Permits	2,928,678	4.6%	2,476,897	451,781	18.2%
Grants	9,211,550	14.6%	8,874,403	337,147	3.8%
Charges for Services	955,414	1.5%	759,449	195,965	25.8%
Support Services	2,889,644	4.6%	3,070,849	(181,205)	-5.9%
Fines	2,997,092	4.7%	2,666,064	331,028	12.4%
Interest	340,558	0.5%	257,496	83,062	32.3%
Other Sources	1,740,823	2.8%	711,581	1,029,242	144.6%
<b>Total</b>	<b>\$ 63,178,241</b>	<b>100.0%</b>	<b>\$ 55,303,796</b>	<b>\$ 7,874,445</b>	<b>14.2%</b>

**Federal, State and Local Grant Programs** - The City's grant revenue from federal, state and county governmental units was \$13,815,850 during the year ended June 30, 2000, an increase of \$2,869,012 or 26.2% from the fiscal year 1999 amount of \$10,946,838. Public Safety revenue increased primarily due to the Federal funding of the Flood Buyout program and Jackson County DARE funding. Shared revenues had increases in motor vehicle fees and sales taxes. Transportation revenue increased during the current fiscal year due to increased activity in Federal road improvement projects. Health revenues decreased primarily due to a decrease in Federal funding of the Emergency Shelter and Maternal and Child Health Programs. Non-programmed revenues increased due to spending related to the Community Development Block Grant Act.

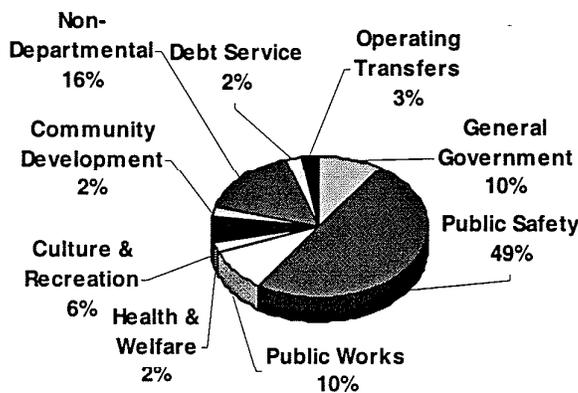
**Federal, State & Local Grant Programs  
Comparison of Last Five Fiscal Years**

Program Identity	1999-00	1998-99	1997-98	1996-97	1995-96
Public Safety	\$3,673,556	\$1,877,957	\$1,343,007	\$977,732	\$751,740
Transportation	3,197,313	1,754,267	1,657,640	275,765	759,489
Health, Environmental	275,951	893,138	300,117	544,802	906,875
Non-Programmed	1,906,083	1,876,792	1,540,992	776,212	1,132,137
Shared Revenues	4,762,947	4,544,684	4,418,410	4,363,297	4,149,924
<b>Total</b>	<b>\$13,815,850</b>	<b>\$10,946,838</b>	<b>\$9,260,166</b>	<b>\$6,937,808</b>	<b>\$7,700,165</b>

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General operating activities of the City, totaling \$61,193,178 for fiscal year 1999-00, are recorded as expenditures and operating transfers as follows: General Fund \$53,461,434 and Special Revenue Funds \$7,731,744, and are shown in the following graphs and tables classified by program and major class.

**Comparison of Expenditures By Program  
1999-00**

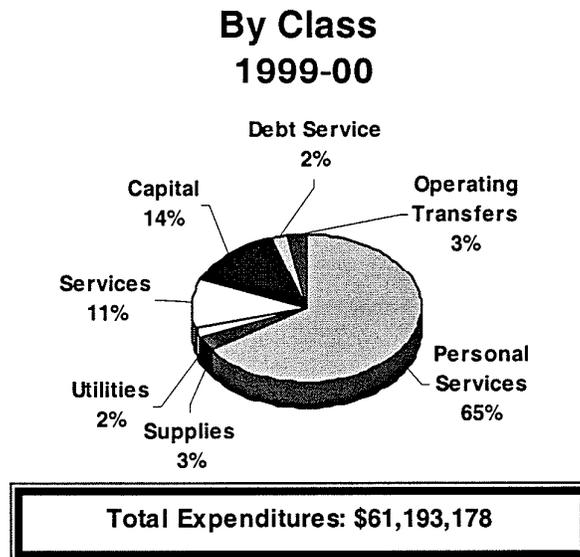


**Total Expenditures \$61,193,178**

Program	1999-00	% of Total	1998-99	Increase or (Decrease)	
				Amount	Percent
General Government	\$ 6,021,065	9.8%	\$ 5,628,079	\$ 392,986	7.0%
Public Safety	30,360,187	49.6%	28,603,191	1,756,996	6.1%
Public Works	5,976,941	9.8%	6,847,093	(870,152)	-12.7%
Health & Welfare	1,175,739	1.9%	1,214,950	(39,211)	-3.2%
Culture & Recreation	3,465,943	5.7%	2,480,903	985,040	39.7%
Community Development	1,365,055	2.2%	1,500,797	(135,742)	-9.0%
Non-Departmental	9,851,479	16.1%	9,106,887	744,592	8.2%
Debt Service	1,257,250	2.1%	1,191,593	65,657	5.5%
Operating Transfers	1,719,519	2.8%	1,261,630	457,889	36.3%
<b>Total</b>	<b>\$ 61,193,178</b>	<b>100.0%</b>	<b>\$ 57,835,123</b>	<b>\$ 3,358,055</b>	<b>5.8%</b>

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As in prior years, Public Safety Programs, consisting of the Police and Fire Departments received the largest portion of the operating funds to finance their activities. The activities of these departments comprised 56.8% of the General Fund and 49.6% of the General and Special Revenue funds combined. The largest expenditure class, Personal Services, accounts for 65.6% of the expenditures for the General and Special Revenue funds. Professional Services and Capital expenditures account for 10.6% and 13.8% respectively.



Class	1999-00	% of Total	1998-99	Increase or (Decrease)	
				Amount	Percent
Personal Services	\$ 40,156,804	65.6%	\$ 38,589,001	\$ 1,567,803	4.1%
Supplies	1,841,074	3.0%	1,940,097	(99,023)	-5.1%
Utilities	1,264,964	2.1%	1,249,046	15,918	1.3%
Services	6,503,812	10.6%	6,833,278	(329,466)	-4.8%
Capital	8,449,757	13.8%	6,770,478	1,679,279	24.8%
Debt Service	1,257,248	2.1%	1,191,593	65,655	5.5%
Operating Transfers	1,719,519	2.8%	1,261,630	457,889	36.3%
<b>Total</b>	<b>\$ 61,193,178</b>	<b>100.0%</b>	<b>\$ 57,835,123</b>	<b>\$ 3,358,055</b>	<b>5.8%</b>

**Proprietary Operations** - Enterprise Funds, which are the Power & Light, Water and Sanitary Sewer are used to finance and account for the acquisition, operation and maintenance of City utility facilities and services which are intended to be entirely or predominately self-supporting from user charges and for which periodic net income measurement is deemed necessary. The operations are accounted for in a way

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that shows a profit or loss comparable to private enterprises. Operations are funded by current revenues. Construction is funded principally by revenue bond proceeds, federal and state grants, municipal and private contributions and current revenues. The Storm Water fund is inactive with the exception of depreciation expense.

Electric rates were last increased by 5.29% on July 1, 1989.

The City purchased the Missouri Water Company on March 31, 1986. This utility has been in existence since 1884 and provides direct retail service to more than 45,649 customers living in Independence and eastern Jackson County, as well as, eleven cities and public water districts. Sales to wholesale customers represents approximately 49.2% of volume of water sold and 27.4% of total operating revenue.

Water rates were last increased in October 1990. The rate structure increased the average quarterly residential customer bill, based on 1,500 cubic feet of consumption, \$1.12 or 4.4%. An average commercial customer's monthly bill, based on 2,500 cubic feet of consumption, increased \$1.47 or 3.8%. Charges to wholesale customers were not increased at that time.

Sanitary sewer service rates were increased with an effective date of July 1, 1998. The City's rate structure consists of a volume charge for each one hundred cubic feet of water consumption. Charges for sanitary sewer service are assessed on the actual water consumption of commercial and industrial accounts and the average monthly water consumption during the winter months for residential accounts.

Comparative data for the City's Power & Light, Water and Sanitary Sewer Funds for the past four fiscal years are presented in the following tabulation:

	<b>1999-00</b>	<b>1998-99</b>	<b>1997-98</b>	<b>1996-97</b>
<b>Gross Revenues</b>	\$ 70,349,124	\$ 69,173,245	\$ 67,552,096	\$ 61,774,504
<b>Net Income</b>	5,320,990	9,224,098	8,151,345	5,501,792
<b>Additions</b>				
<b>Depreciation</b>	6,546,375	6,140,639	6,297,786	6,625,074
<b>Non-Operating Expense</b>	6,565,516	6,488,426	6,191,101	5,794,607
<b>Interest Expense</b>	1,525,383	1,251,342	2,145,766	2,228,462
<b>Income Available for Debt Service</b>	19,958,264	23,104,505	22,785,998	20,149,935
<b>Annual Debt Service</b>	\$ 2,919,760	\$ 3,095,463	\$ 3,249,615	\$ 3,253,240
<b>Coverage</b>	6.84	7.46	7.01	6.19

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**Water Fund**

	<b>1999-00</b>	<b>1998-99</b>	<b>1997-98</b>	<b>1996-97</b>
<b>Gross Revenues</b>	\$ 16,656,302	\$ 15,400,654	\$ 15,814,097	\$ 15,342,158
<b>Net Income</b>	2,664,840	1,494,787	3,317,490	2,501,107
<b>Additions</b>				
<b>Depreciation</b>	1,706,619	1,678,760	1,641,578	1,614,059
<b>Non-Operating Expense</b>	1,042,947	1,041,049	1,122,540	1,094,706
<b>Interest Expense</b>	1,585,560	1,521,275	1,569,740	1,585,010
<b>Income Available for Debt Service</b>	6,999,966	5,735,871	7,651,348	6,794,882
<b>Annual Debt Service</b>	\$ 2,435,560	\$ 2,410,313	\$ 2,355,705	\$ 2,307,884
<b>Coverage</b>	2.87	2.38	3.25	2.94

**Sanitary Sewer Fund**

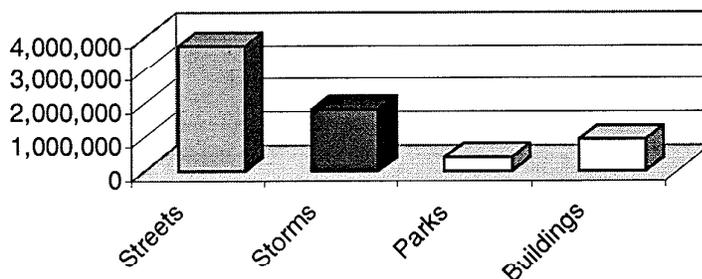
	<b>1999-00</b>	<b>1998-99</b>	<b>1997-98</b>	<b>1996-97</b>
<b>Gross Revenues</b>	\$ 13,463,695	\$ 13,208,379	\$ 12,397,234	\$ 11,949,809
<b>Net Income</b>	1,998,587	1,818,117	1,961,130	1,327,302
<b>Additions</b>				
<b>Depreciation</b>	1,795,116	1,703,877	1,719,123	1,706,275
<b>Non-Operating Expense</b>	1,094,237	1,073,229	1,017,257	990,096
<b>Interest Expense</b>	98,289	108,296	-	1,383
<b>Income Available for Debt Service</b>	4,986,229	4,703,519	4,697,510	4,025,056
<b>Annual Debt Service</b>	\$ -	\$ -	\$ -	\$ -
<b>Coverage</b>	N/A	N/A	N/A	N/A

The other proprietary funds are the Central Garage Fund and Stay-Well Health Care Fund. The garage, after several years of deficit operations, now has a positive retained earnings.

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**Public Improvement Programs** - The following graph and table summarize the City's public improvement program for fiscal year 1999-00. The City accomplished this program through the use of City personnel and outside contractors.

**Public Improvement Expenditures 1999-00**



	Appropriation Balance 6/30/99	Appropriations	Expenditures	Appropriation Balance 6/30/99
Streets	\$ 4,648,596	999,232	3,746,340	1,901,488
Storms	412,819	2,289,933	1,791,182	911,570
Parks	313,842	100,500	392,623	21,719
Buildings	1,773,034	243,009	907,143	1,108,900
<b>Total</b>	<b>7,148,291</b>	<b>3,632,674</b>	<b>6,837,288</b>	<b>3,943,677</b>

**Sales Tax for Streets & Parks Improvements** - In August 1998, a half-cent sales tax was approved for streets and parks improvements with three-eighths going to streets and one-eight going to parks. This tax, which will expire in five years, will be used to improve streets, bridges and parks. Revenues in the Street Improvements Sales Tax Fund for 1999-00 totaled \$5,432,905. Revenues in the Parks Improvement Sales Tax Fund totaled \$1,838,752.

**Debt Administration** - As of June 30, 2000, there were no outstanding general obligation bonds, and outstanding revenue bonds totaled \$62,145,731. A detail listing of the City's debt can be found in the Notes to the General Purpose Financial Statements section of this report. The City's current legal debt margin for general obligation bonds is \$195,585,654.

**City of Independence, Missouri  
 Comprehensive Annual Financial Report for  
 June 30, 2000**

**General Obligation Bonds** - The General Obligation Bonds of the City were defeased in fiscal year 1993-94 and the debt service levy was eliminated. The ratio of net general bonded debt to assessed valuation of property for tax purposes and the amount of bonded debt per capita are useful to management, residents and investors as indicators of the City's financial status. These ratios at the close of fiscal year 1999-00 were as follows:

	<b>Direct</b>	<b>Overlapping</b>	<b>Total</b>
Gross Bonded Debt	\$ -	\$67,654,115	\$67,654,115
Less: Available Debt Service Funds	-	1,448,444	1,448,444
Net Bonded Debt	<u>\$ -</u>	<u>\$66,205,671</u>	<u>\$66,205,671</u>
Assessed Value January 1, 1999	977,928,272		
Ratio of Debt to Assessed Value	N/A	6.8%	6.8%
Population	116,867		
Debt per Capita	N/A	\$566.50	\$566.50

**Revenue Bonds** - In 1986 the City purchased the water utility that serves the City and a large portion of eastern Jackson County. To accomplish this acquisition, the City issued \$47,500,000 of revenue bonds. These revenue bonds were originally issued on March 27, 1986 as variable rate bonds with the interest rate being adjusted every seven days. On June 3, 1987, the bonds were re-offered with flexible interest rates and maturity dates ranging from one to 270 days. These bonds were converted to fixed interest rates and the principal outstanding was reduced by \$6,050,000 on January 6, 1999. As of June 30, 2000, the total principal balance of the Water Revenue Bonds was \$35,150,000.

On September 2, 1998, the City issued \$23,520,000 in Electric Utility Refunding Revenue Bonds. This transaction resulted in an economic gain (difference between the present value of the old and new debt service payments) of \$3,948,898. As of June 30, 2000, the total principal balance of the Electric Utility Revenue Bonds was \$26,995,731.

**Tax Increment Financing (TIF)** - Three new TIF agreements, Drumm Farm, Eastland Center, and North Independence, were approved bringing the total active agreements to twelve. On April 1, 2000, the City called \$2,500,000 of the bonds for the Homart Development Project. As of the date of this letter, the remaining bonds of \$2,095,000 have been called. The City anticipates the Crossroads project to be completed with the fourth quarter, 2000 economic activity taxes. This will complete two of the TIF projects.

**City of Independence, Missouri  
Comprehensive Annual Financial Report for  
June 30, 2000**

**Cash Management** - The Finance Department strives to keep abreast of current trends and procedures for cash management and forecasting to ensure the most efficient and profitable use of the City's cash resources. While efforts are made to maximize the return on the City's investment dollar, the primary concern is to always assure the return of principal.

A three-year banking service agreement was signed and went into effect on November 1, 1995. This agreement invested substantially all excess cash in an interest-bearing Account (formerly a SUPER NOW account) earning at a rate equal to the 91-day United States Treasury Note. In an effort to minimize exposure to potential unnecessary "year 2000" issues and concerns, the banking services agreement was extended by mutual consent through November 1, 2001.

**Risk Administration**- During the fiscal year, the City renewed all major insurance policies (property, boiler and machinery, general liability, automobile liability, public official's liability and law enforcement liability.) With the assistance of a risk management consultant, all major liability coverage insurance policies were put up for bid and subsequently awarded. Significant attention is being given to cost control in the area of health insurance.

**PROSPECTS FOR THE FUTURE**

The City, for the last several years, has been improving its infrastructure of roads, bridges, sidewalks, storm sewers and buildings primarily through the use of intergovernmental revenues. Due to improving current economic conditions, Independence has experienced some growth in its revenue. However, the modest improvement does not eliminate the need to closely monitor and control upward pressure on costs.

A particular concern is the lack of growth in the resources that support the basic governmental services accounted for in the General Fund. The cost of providing services and the demand for greater levels of service have increased faster than the growth in revenues which support the services. This problem is not unique to the City of Independence in that many other units of government are experiencing the same difficulty.

**OTHER INFORMATION**

**Y2K** - Due to the steps the City took to address the Y2K issue, the transition to Y2K had little or no impact on our operations.

**Independent Audit** - The financial statements for the fiscal year ending June 30, 2000, as required by the Charter, were audited by KPMG, LLP and their opinion is included in this report. The audit was conducted in such a manner as to enable the auditors to form an opinion on the general purpose financial statements taken as a whole. KPMG, LLP has issued an unqualified opinion on these financial statements. An unqualified opinion is the best opinion which an organization can receive on its financial statements from an independent Certified Public Accountant. It indicates that the auditors' examination has allowed them to conclude that the general purpose financial statements are fairly stated in all material respects.

**City of Independence, Missouri  
Comprehensive Annual Financial Report for  
June 30, 2000**

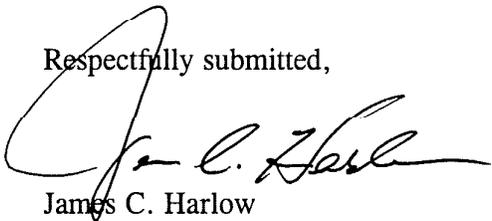
Their audit was made in accordance with generally accepted auditing standards and applicable regulations pertaining to single audits of governmental units.

**Awards** - 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 Independence for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1999. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable, efficiently organized comprehensive annual financial report, the contents of which 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 only. We believe our current report continues to conform to the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City is also the recipient of GFOA's Award for Distinguished Budget Presentation for its annual budget for the fiscal year beginning July 1, 1999. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award

**Acknowledgments** - The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the dedicated services of several members of the Finance Department. I would also like to thank the firm of KPMG, LLP for their assistance and patience in the preparation of this annual report.

Respectfully submitted,



James C. Harlow  
Director of Finance and Administration

CITY OF INDEPENDENCE, MISSOURI

GFOA Certificate of Achievement

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of Independence,  
Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1999

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.



*Cary Brubaker*  
President  
*Jeffrey L. Essler*  
Executive Director

FINANCIAL

**REPORT OF INDEPENDENT AUDITORS**



1000 Walnut, Suite 1600  
P.O. Box 13127  
Kansas City, MO 64199

## Independent Auditors' Report

The Honorable Mayor and Members  
of the City Council  
City of Independence, Missouri:

We have audited the general purpose financial statements of the City of Independence, Missouri (the City) as of and for the year ended June 30, 2000, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Independence, Missouri as of June 30, 2000 and the results of its operations and the cash flows of its Proprietary Fund Types and Nonexpendable Trust Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and account group financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Independence, Missouri. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The schedules of funding progress and employer contributions in footnote 12 are not a required part of the general purpose financial statements, but are supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. We have applied to the schedules of funding progress and employer contributions certain limited procedures prescribed by professional standards, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the schedules.

In accordance with Government Auditing Standards, we have also issued our report dated October 3, 2000 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

**KPMG LLP**

October 3, 2000



KPMG LLP, KPMG LLP, a U.S. limited liability partnership, is a member of KPMG International, a Swiss association.

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

The general purpose financial statements, or “liftable” statements, are intended to provide an overview of the financial position and results of operations for the City as a whole. They also serve as an introduction to the more detailed statements and schedules that follow. Separate columns are used for each fund type and account group. The notes to the general purpose financial statements form an integral part of the general purpose financial statements and contain the “Summary of Significant Accounting Policies” and other notes necessary for adequate disclosure.

CITY OF INDEPENDENCE, MISSOURI

Combined Balance Sheet -- All Fund Types and Account Groups

June 30, 2000

With Comparative Totals For June 30, 1999

	Governmental Fund Types		Proprietary Fund Types		Fiduciary Fund Types Trust and Agency	Account Groups		Totals	
	General	Special Revenue	Enterprise	Internal Service		General Fixed Assets	General Long-term Debt	(Memorandum Only) 2000	1999
Assets and Other Debits									
Pooled cash and investments (note 3)	\$ 4,531,716	4,920,674	48,091,682	3,863,730	105,145	--	--	61,858,918	54,621,572
Receivables:									
Taxes	1,877,298	753,879	--	--	--	--	--	2,631,177	2,616,333
Accounts (net of allowance of \$443,632) (note 1D)	623,685	--	13,310,223	--	--	--	--	13,310,223	11,640,501
Special assessment principal and accrued interest	39,407	449,401	232,816	--	--	--	--	1,305,902	810,799
Accrued interest	149,405	--	1,256,720	20,275	1,160	--	--	1,317,562	1,184,204
Other	531,215	23,808	124,108	--	--	--	--	297,321	290,769
Due from other funds (note 6)	1,058,576	369,132	1,758,080	515	--	--	--	5,131,944	2,435,694
Due from other governments (note 5)	--	375,982	--	--	--	--	--	4,739,239	4,568,522
Due from employees	--	--	--	--	--	--	--	8,799,628	8,419,663
Inventory	--	--	8,702,063	97,565	--	--	--	41,538	40,963
Prepaid items	583,209	--	41,538	--	--	--	--	35,978,403	35,424,217
Restricted assets (notes 3 and 8)	--	15,671,358	19,723,836	--	--	--	--	271,477,814	255,126,379
Property, plant, and equipment, net (note 7)	--	--	232,036,512	126,881	--	39,314,421	--	25,000	25,000
Advance to other funds (note 6)	--	--	25,000	--	--	--	--	2,661,326	2,836,245
Deferred debt issue costs	--	--	2,661,326	--	--	--	--	1,642,688	2,050,856
Prepaid employee benefits (note 13)	--	--	1,642,688	--	--	--	--	129,391	128,830
Other deferred charges	--	--	129,391	--	--	--	--	--	--
Amount to be provided for retirement of general long-term debt	--	--	--	--	--	42,535,319	--	42,535,319	27,741,797
Total assets and other debits	\$ 9,394,511	6,415,667	329,735,983	4,108,966	106,305	39,314,421	42,535,319	453,893,393	409,969,611

(Continued)

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types		Account Groups		Totals	
	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Debt	(Memorandum Only)		
									2000	1999	
<b>Liabilities, Fund Equity, and Other Credits</b>											
Accounts and contracts payable	\$ 624,665	344,517	220,258	5,557,289	20,120	1,060			6,767,909	7,407,667	
Due to other funds (note 6)	220,958	372,744	2,893,457	1,634,137		10,648			5,131,944	2,435,694	
Accrued items	1,120,855	14,181		2,830,457	10,360	4,870			3,980,723	2,367,238	
Compensated absences - current				1,470,010	1,598				1,471,608	1,376,917	
Other current liabilities	264,185		1,350,424	283,066					1,897,675	2,735,538	
Deferred revenue	761,882	4,412,628	383,554						1,145,436	970,701	
Note payable									4,412,628	2,529,000	
Employee benefits payable (notes 8 and 13)					1,406,728			3,739,984	5,146,712	5,877,946	
Medical self-insurance claims (note 15)					597,882				597,882	419,000	
Liabilities payable from restricted assets:											
Deposits and court bonds	172,605			1,055,587					1,228,192	1,130,744	
Interest on long-term debt				372,796					372,796	383,727	
Current maturities on revenue bonds (note 8)				2,495,000					2,495,000	2,385,000	
Current maturities on loan payable (note 8)				520,000					520,000	495,000	
Revenue bonds payable (note 8)				59,650,731				530,400	60,180,731	62,002,790	
Loan payable (note 8)				1,120,000					1,120,000	1,640,000	
General obligation/TIF bonds payable (note 8)								2,095,400	2,095,000	4,740,000	
TIF loan payable (note 8)								24,415,000	24,415,000	7,240,000	
Capital lease obligations (note 8)				125,476				1,700,639	1,826,115	1,495,200	
Compensated absences - long-term (note 8)				3,853,109	73,188			10,054,696	13,980,993	13,702,445	
Advances for construction (note 9)				389,310					389,310	414,545	
Advances from other funds (note 6)				25,000					25,000	25,000	
<b>Total liabilities</b>	<b>3,165,150</b>	<b>5,144,070</b>	<b>4,847,693</b>	<b>81,381,968</b>	<b>2,109,876</b>	<b>16,578</b>		<b>42,535,319</b>	<b>139,200,654</b>	<b>121,774,172</b>	
<b>Fund equity and other credits:</b>											
Investment in general fixed assets							39,314,421		39,314,421	35,812,525	
Contributed capital (note 10)				45,357,862					45,357,862	44,394,443	
Retained earnings:											
Reserved (note 8)				500,000					500,000	500,000	
Unreserved				202,496,153	1,999,090				204,495,243	193,846,795	
Fund balances (notes 17 and 18):	1,560,069	2,602,520	2,640,306			2,684			6,805,579	7,538,382	
Reserved											
Unreserved:											
Designated	2,045,488		14,793,222			74,852			16,913,562	8,764,123	
Undesignated	2,623,804	(1,329,923)				12,191			1,306,072	(2,660,829)	
<b>Total fund equity and other credits</b>	<b>6,229,361</b>	<b>1,272,597</b>	<b>17,433,528</b>	<b>248,354,015</b>	<b>1,999,090</b>	<b>89,727</b>	<b>39,314,421</b>		<b>314,692,739</b>	<b>288,195,439</b>	
<b>Total liabilities, fund equity, and other credits</b>	<b>\$ 9,394,511</b>	<b>6,416,667</b>	<b>22,281,221</b>	<b>329,735,983</b>	<b>4,108,966</b>	<b>106,305</b>	<b>39,314,421</b>	<b>42,535,319</b>	<b>453,893,393</b>	<b>409,969,611</b>	

See accompanying notes to general purpose financial statements.

## CITY OF INDEPENDENCE, MISSOURI

Combined Statement of Revenues, Expenditures, and Changes in Fund  
Balances – All Governmental Fund Types and Expendable Trust Funds

Year Ended June 30, 2000

With Comparative Totals For Year Ended June 30, 1999

	Governmental Fund Types			Fiduciary Fund Types	Totals (Memorandum Only)	
	General	Special Revenue	Capital Projects	Expendable Trust	2000	1999
<b>Revenues:</b>						
Taxes (note 4)	\$ 26,044,001	7,640,418	4,515,063	—	38,199,482	31,932,412
Licenses and permits	2,928,678	—	—	—	2,928,678	2,476,897
Intergovernmental (note 5)	7,310,843	1,900,707	4,604,300	—	13,815,850	10,913,472
Utility payments in lieu of taxes (note 6)	8,430,063	—	—	—	8,430,063	8,318,843
Charges for services	955,413	—	404,285	18,019	1,377,717	815,537
Interfund charges for support services (note 6)	2,889,644	—	—	—	2,889,644	3,070,849
Fines, forfeitures, and court costs	2,997,092	—	—	—	2,997,092	2,666,064
Investment Income	244,745	95,813	503,911	8,386	852,855	430,556
Sale of property, plant, and equipment	63,838	—	—	—	63,838	44,245
Other (note 6)	455,326	2,555	162,895	46,788	667,564	266,960
<b>Total revenues</b>	<b>52,319,643</b>	<b>9,639,493</b>	<b>10,190,454</b>	<b>73,193</b>	<b>72,222,783</b>	<b>60,935,835</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	6,021,065	—	—	—	6,021,065	5,628,079
Public safety	30,360,187	—	—	—	30,360,187	28,603,191
Public works	5,976,941	—	—	—	5,976,941	6,847,093
Health and welfare	1,175,739	—	—	—	1,175,739	1,214,950
Culture and recreation	1,764,834	1,701,109	—	—	3,465,943	2,480,903
Community development	—	1,365,055	—	111,303	1,476,358	1,500,797
Nondepartmental	4,178,234	23,103	—	3,000	4,204,337	5,094,621
Capital outlay	2,183,758	4,155,356	16,026,290	—	22,365,404	13,282,127
<b>Debt service:</b>						
Principal (note 8)	483,532	—	2,915,000	—	3,398,532	950,267
Interest and fiscal agent fees	84,745	—	951,702	—	1,036,447	802,889
<b>Total expenditures</b>	<b>52,229,035</b>	<b>7,244,623</b>	<b>19,892,992</b>	<b>114,303</b>	<b>79,480,953</b>	<b>66,404,917</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>90,608</b>	<b>2,394,870</b>	<b>(9,702,538)</b>	<b>(41,110)</b>	<b>(7,258,170)</b>	<b>(5,469,082)</b>
<b>Other financing sources (uses):</b>						
Proceeds from capital leases	688,971	—	—	—	688,971	254,074
Proceeds from bond issuance	530,000	—	17,445,000	—	17,975,000	7,240,000
Operating transfers in (note 6)	—	133	1,696,643	—	1,696,776	1,371,913
Operating transfers out (note 6)	(1,232,398)	(487,121)	(133)	—	(1,719,652)	(1,261,630)
<b>Total other financing sources (uses)</b>	<b>(13,427)</b>	<b>(486,988)</b>	<b>19,141,510</b>	<b>—</b>	<b>18,641,095</b>	<b>7,604,357</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>77,181</b>	<b>1,907,882</b>	<b>9,438,972</b>	<b>(41,110)</b>	<b>11,382,925</b>	<b>2,135,275</b>
<b>Fund balances (deficit), July 1</b>	<b>6,152,180</b>	<b>(635,285)</b>	<b>7,994,556</b>	<b>119,067</b>	<b>13,630,518</b>	<b>11,495,243</b>
<b>Fund balances, June 30</b>	<b>\$ 6,229,361</b>	<b>1,272,597</b>	<b>17,433,528</b>	<b>77,957</b>	<b>25,013,443</b>	<b>13,630,518</b>

See accompanying notes to general purpose financial statements.

## CITY OF INDEPENDENCE, MISSOURI

Combined Statement of Revenues, Expenditures, and Changes in  
Fund Balances – Budget and Actual (Budget Basis) –  
General and Special Revenue Fund Types

Year Ended June 30, 2000

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance– Favorable (Unfavorable)	Budget	Actual	Variance– Favorable (Unfavorable)
Revenues:						
Taxes	\$ 26,269,637	26,044,001	(225,636)	496,000	432,564	(63,436)
Licenses and permits	2,631,725	2,928,678	296,953	—	—	—
Intergovernmental	7,540,802	7,310,843	(229,959)	—	48,531	48,531
Utility payments in lieu of taxes	8,432,994	8,430,063	(2,931)	—	—	—
Charges for services	870,627	955,413	84,786	—	—	—
Interfund charges for support services	2,837,310	2,889,644	52,334	—	—	—
Fines, forfeitures, and court costs	2,861,375	2,997,092	135,717	—	—	—
Interest	180,067	244,745	64,678	12,013	10,771	(1,242)
Other	453,325	519,164	65,839	—	2,555	2,555
Total revenues	<u>52,077,862</u>	<u>52,319,643</u>	<u>241,781</u>	<u>508,013</u>	<u>494,421</u>	<u>(13,592)</u>
Expenditures – current:						
General government	6,156,013	6,089,782	66,231	—	—	—
Public safety	30,989,564	30,897,319	92,245	—	—	—
Public works	6,222,402	6,189,676	32,726	—	—	—
Health and welfare	1,354,186	1,193,500	160,686	—	—	—
Water pollution	296,377	262,999	33,378	—	—	—
Culture and recreation	1,807,469	1,757,622	49,847	616,888	601,481	15,407
Other	7,097,713	6,385,851	711,862	—	—	—
Total expenditures	<u>53,923,724</u>	<u>52,776,749</u>	<u>1,146,975</u>	<u>616,888</u>	<u>601,481</u>	<u>15,407</u>
Excess of revenues over (under) expenditures	(1,845,862)	(457,106)	1,388,756	(108,875)	(107,060)	1,815
Other financing sources (uses):						
Proceeds from bond issuance	—	530,000	530,000	—	—	—
Proceeds from capital leases	667,029	688,971	21,942	—	—	—
Operating transfers in	—	—	—	—	133	133
Operating transfers out	(1,261,528)	(1,232,398)	29,130	—	—	—
Total other financing sources (uses)	<u>(594,499)</u>	<u>(13,427)</u>	<u>581,072</u>	<u>—</u>	<u>133</u>	<u>133</u>
Excess (deficiency) of revenues and other sources over expendi- tures and other uses	<u>\$ (2,440,361)</u>	<u>(470,533)</u>	<u>1,969,828</u>	<u>(108,875)</u>	<u>(106,927)</u>	<u>1,948</u>
Fund balances, July 1		6,152,180			178,867	
Encumbrances, outstanding		1,487,615			72,173	
Encumbrances, prior year outstanding		(40,032)			—	
Encumbrances, prior year		(1,059,615)			(1,540)	
Encumbrances, prior year expired		159,746			297	
Fund balance, nonbudgeted funds		—			1,129,727	
Fund balances, June 30		<u>\$ 6,229,361</u>			<u>1,272,597</u>	

See accompanying notes to general purpose financial statements.

## CITY OF INDEPENDENCE, MISSOURI

Combined Statement of Revenues, Expenses, and Changes in  
Retained Earnings/Fund Balances – All Proprietary Fund  
Types and Nonexpendable Trust Fund

Year Ended June 30, 2000

With Comparative Totals For Year Ended June 30, 1999

	Proprietary Fund Types		Fiduciary Fund Type	Totals	
	Enterprise	Internal Service	Non- expendable Trust	(Memorandum Only)	
				2000	1999
Operating revenues:					
Sale of electric energy	\$ 67,741,998	—	—	67,741,998	66,343,685
Sale of water	15,073,939	—	—	15,073,939	14,048,642
Sanitary sewerage charges	12,654,387	—	—	12,654,387	12,626,408
Repairs and maintenance charges	—	1,126,988	—	1,126,988	1,272,081
Premiums	—	6,770,993	—	6,770,993	6,556,846
Interest income	—	—	615	615	544
Other operating revenue	393,131	—	—	393,131	358,864
<b>Total operating revenues</b>	<b>95,863,455</b>	<b>7,897,981</b>	<b>615</b>	<b>103,762,051</b>	<b>101,207,070</b>
Operating expenses:					
Electric utility plant operations	50,390,860	—	—	50,390,860	46,068,740
Water system operations	9,656,334	—	—	9,656,334	9,664,783
Sewer system operations	8,477,466	—	—	8,477,466	8,504,860
Public works	—	1,099,563	—	1,099,563	1,105,292
Health care plan expenses	—	7,698,620	—	7,698,620	5,738,617
Depreciation and amortization	10,071,446	11,514	—	10,082,960	9,711,659
Payments to General Fund in lieu of taxes (note 6)	8,430,063	—	—	8,430,063	8,318,843
Other	58,560	—	—	58,560	56,496
<b>Total operating expenses</b>	<b>87,084,729</b>	<b>8,809,697</b>	<b>—</b>	<b>95,894,426</b>	<b>89,169,290</b>
<b>Operating income (loss)</b>	<b>8,778,726</b>	<b>(911,716)</b>	<b>615</b>	<b>7,867,625</b>	<b>12,037,780</b>
Nonoperating revenues (expenses):					
Investment income	4,441,310	231,838	—	4,673,148	4,488,811
Interest expense	(3,209,232)	(1,118)	—	(3,210,350)	(2,880,913)
Other	164,356	—	—	164,356	138,229
Administrative fees for revenue bonds and certificates of participation	(8,009)	—	—	(8,009)	(89,655)
Amortization of debt issue costs	(176,218)	—	—	(176,218)	(137,710)
	<b>1,212,207</b>	<b>230,720</b>	<b>—</b>	<b>1,442,927</b>	<b>1,518,762</b>
<b>Income (loss) before operating transfers</b>	<b>9,990,933</b>	<b>(680,996)</b>	<b>615</b>	<b>9,310,552</b>	<b>13,556,542</b>
Operating transfers in (note 6)	—	52,728	—	52,728	52,728
Operating transfers out (note 6)	(29,852)	—	—	(29,852)	(163,011)
<b>Net income</b>	<b>9,961,081</b>	<b>(628,268)</b>	<b>615</b>	<b>9,333,428</b>	<b>13,446,259</b>
Add credit arising from transfer of depreciation on contributed assets to contributed capital (note 10)	1,315,634	—	—	1,315,634	1,298,886
<b>Transferred to retained earnings</b>	<b>11,276,715</b>	<b>(628,268)</b>	<b>615</b>	<b>10,649,062</b>	<b>14,745,145</b>
<b>Retained earnings/fund balances, July 1</b>	<b>191,719,438</b>	<b>2,627,358</b>	<b>11,157</b>	<b>194,357,953</b>	<b>179,612,808</b>
<b>Retained earnings/fund balances, June 30</b>	<b>\$ 202,996,153</b>	<b>1,999,090</b>	<b>11,772</b>	<b>205,007,015</b>	<b>194,357,953</b>

## CITY OF INDEPENDENCE, MISSOURI

Combined Statement of Cash Flows – All Proprietary  
Fund Types and Nonexpendable Trust Fund

Year Ended June 30, 2000

With Comparative Totals For Year Ended June 30, 1999

	Proprietary Fund Types		Fiduciary Fund Type	Totals	
	Enterprise	Internal Service	Non- expendable Trust	(Memorandum Only)	
				2000	1999
Operating activities:					
Operating income (loss)	\$ 8,778,726	(911,716)	615	7,867,625	12,037,780
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	10,071,446	11,514	—	10,082,960	9,711,659
Interest on investments	—	—	—	—	(544)
Changes in assets and liabilities:					
Accounts receivable and unbilled revenue	(2,018,128)	—	—	(2,018,128)	(996,670)
Accrued interest	—	1,379	—	1,379	—
Inventory	(387,450)	7,485	—	(379,965)	2,119,716
Due from other funds	(718,328)	(410)	—	(718,738)	708
Prepaid items and other	407,593	—	—	407,593	(46,532)
Preliminary survey charges and other	(561)	—	—	(561)	—
Accounts and contracts payable	511,568	(27,085)	—	484,483	(1,341,227)
Accrued expenses	1,319,380	2,738	—	1,322,118	373,694
Compensated absences	318,584	7,092	—	325,676	345,183
Customer deposits	48,208	—	—	48,208	49,748
Employee benefits payable	—	(211,754)	—	(211,754)	(282,986)
Deferred charges	—	—	—	—	511,285
Advance to other funds	—	—	—	—	343,285
Due to other funds	602,443	—	—	602,443	(96)
Other current liabilities	83,439	178,882	—	262,321	(115,000)
Net cash provided by (used in) operating activities	19,016,920	(941,875)	615	18,075,660	22,710,003
Capital and related financing activities:					
Advances for construction	(25,235)	—	—	(25,235)	111,755
Principal paid on lease participation certificates (note 8)	—	—	—	—	(161,199)
Proceeds from refunding/revenue bonds	—	—	—	—	26,130,000
Payment to escrow agent	—	—	—	—	(23,774,878)
Principal paid on revenue bonds and note payable (note 8)	(2,880,000)	—	—	(2,880,000)	(8,515,000)
Payment of bond issue/remarking costs	—	—	—	—	(1,341,095)
Additions of property, plant, and equipment	(21,205,938)	(4,776)	—	(21,210,714)	(17,479,553)
Deferred charge on refunding	—	—	—	—	(2,251,329)
Advances from other funds	—	—	—	—	(185,165)
Interest paid on debt	(3,220,163)	—	—	(3,220,163)	(2,723,341)
Net cash used in capital and related financing activities	\$ (27,331,336)	(4,776)	—	(27,336,112)	(30,189,805)

(Continued)

## CITY OF INDEPENDENCE, MISSOURI

Combined Statement of Cash Flows – All Proprietary  
Fund Types and Nonexpendable Trust Fund, Continued

Year Ended June 30, 2000

With Comparative Totals For Year Ended June 30, 1999

	Proprietary Fund Types		Fiduciary Fund Type	Totals	
	Enterprise	Internal Service	Non- expendable Trust	(Memorandum Only)	
				2000	1999
Noncapital financing activities:					
Other revenue	\$ 164,356	—	—	164,356	138,229
Operating transfers in	—	52,728	—	52,728	52,728
Operating transfers out	—	—	—	—	(163,011)
Net cash provided by noncapital financing activities	164,356	52,728	—	217,084	27,946
Net cash provided by investing activities – interest and dividends on investments	5,284,247	230,720	—	5,514,967	4,721,696
Net increase (decrease) in cash and cash equivalents	(2,865,813)	(663,203)	615	(3,528,401)	(2,730,160)
Cash and cash equivalents, July 1	70,681,331	4,526,933	11,158	75,219,422	77,949,582
Cash and cash equivalents, June 30	\$ 67,815,518	3,863,730	11,773	71,691,021	75,219,422
Noncash capital and related financing activities - contributed capital	\$ 2,279,053	—	—	2,279,053	2,898,641
Components of cash and cash equivalents at end of year:					
Unrestricted	\$ 47,591,682	3,863,730	11,770	51,467,182	46,940,681
Restricted	20,223,836	—	—	20,223,836	28,278,741
	\$ 67,815,518	3,863,730	11,770	71,691,018	75,219,422
Composition of Fiduciary Fund Types, cash, and investments:					
Waggoner Memorial (Nonexpendable Trust Fund)			\$ 11,770		11,158
Miscellaneous (Expendable Trust Fund)			77,857		133,948
Flexible Benefits Plan (Agency Fund)			15,518		16,380
			\$ 105,145		161,486

See accompanying notes to general purpose financial statements.

## **NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

The notes to the general purpose financial statements include a summary of accounting policies followed and items of information used by the City that are judged to be most appropriate for full disclosure in the preparation of the general purpose financial statements.

## CITY OF INDEPENDENCE, MISSOURI

### Notes to General Purpose Financial Statements

June 30, 2000

#### (1) Summary of Significant Accounting Policies

The City of Independence, Missouri (the City) was incorporated in 1849 and covers an area of approximately seventy-nine square miles in Jackson County, Missouri. The City is a charter city and operates under the City Council/City Manager form of government. The City Manager is the chief administrative officer of the City. The City provides services to residents in many areas, including law enforcement, fire protection, electrical, water and sewer services, community enrichment and development, recreation, and various social services. Elementary, secondary, and junior college education services are provided by various school districts, all of which are separate governmental entities.

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

##### *(A) The Financial Reporting Entity*

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criteria for including a potential component unit within the reporting entity is the City's financial accountability for the potential component unit. An entity is considered a component unit if City officials appoint a voting majority of the component unit's governing body and the City is able to impose its will upon the component unit. Additionally, if the entity provides specific financial benefits to or imposes specific financial burdens on the City, it may be considered a component unit.

The Tax Increment Financing Commission (TIF) 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. The TIF is legally separate from the City, has no budget or financial operations, and its sole function is to advise the City concerning the use of TIF as a method for the City to finance redevelopment projects. These activities are included in the accompanying general purpose financial statements as a blended component unit as part of the Tax Increment Financing (Capital Projects) Fund.

##### *(B) Basis of Presentation*

The accounts of the City are organized and operated on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund equities, revenues, and expenditures or expenses. The various funds are grouped by type in the accompanying general purpose financial statements. The following fund types and account groups are used by the City:

## CITY OF INDEPENDENCE, MISSOURI

### Notes to General Purpose Financial Statements

June 30, 2000

#### GOVERNMENTAL FUND TYPES

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 reported in Governmental Funds. These funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the combined balance sheet. The following are the City's Governmental Fund Types:

- *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.
- *Special Revenue Funds* – are used to account for revenues derived from specific taxes, governmental grants, or other revenue sources which are designated to finance particular functions or activities of the City.
- *Capital Projects Funds* – are used to account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds and Nonexpendable Trust Funds.

#### PROPRIETARY FUND TYPES

Proprietary Funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is on determination of net income. The following are the City's Proprietary Fund Types:

- *Enterprise Funds* – are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the periodic determination of net income or loss is deemed appropriate.
- *Internal Service Funds* – are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

## CITY OF INDEPENDENCE, MISSOURI

### Notes to General Purpose Financial Statements

June 30, 2000

#### FIDUCIARY FUND TYPES

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, other governmental units, and/or other funds.

- *Trust Funds* – include Nonexpendable and Expendable Trust Funds. The City's Nonexpendable Trust Fund is the Waggoner Memorial Trust Fund and is accounted for in essentially the same manner as Proprietary Funds. The City's Expendable Trust Fund consists of the Miscellaneous Expendable Trust Fund, the Truman Memorial Building Fund, and the Mayor's Benefit Fund, and are accounted for in essentially the same manner as Governmental Funds.
- *Agency Fund* – includes the Flexible Benefits Plan used to account for contributions made by employees to the City's cafeteria plan.

#### ACCOUNT GROUPS

- *General Fixed Assets Account Group* – is established to account for all fixed assets of the City, other than those accounted for in the Proprietary Funds.
- *General Long-term Debt Account Group* – is established to account for all long-term indebtedness of the City, except that accounted for in the Proprietary Funds.

#### (C) *Basis of Accounting*

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the combined balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all Governmental Fund Types, Expendable Trust Funds, and the Agency Fund. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "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. The City considers real estate taxes as available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are real estate taxes, utility franchise taxes, special assessments, interest, and certain state and federal grants and entitlements. Sales taxes collected and held by the State of Missouri at year-end on behalf of the City also are recognized as revenue. 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 in cash.

## CITY OF INDEPENDENCE, MISSOURI

### Notes to General Purpose Financial Statements

June 30, 2000

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

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Special assessments recorded in the Governmental Fund Types are recorded as deferred revenue in the year the assessments are levied and recognized as revenue in equal annual amounts over the period that the assessment is billed. Annual installments not yet collected are reflected as special assessments receivable.

All Proprietary Funds and Nonexpendable Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the combined balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary Fund Type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The accrual basis of accounting is utilized by the Proprietary and Nonexpendable Trust Fund Types. Under this basis of accounting, revenues are recognized when earned (including unbilled revenue) and expenses are recorded when liabilities are incurred, if measurable. In reporting the financial activity of its Proprietary Funds, the City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as 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 Procedure.

#### ***(D) Accounts Receivable***

Accounts receivable result primarily from sales of electricity, water, and sewer services accounted for in the Power and Light, Water, and Sanitary Sewer (Enterprise) Funds, respectively. An estimated amount has been recorded for services rendered but not yet billed as of the close of the fiscal year. Accounts receivable for Enterprise Funds at June 30, 2000 include billed receivables, net of allowance for uncollectible accounts of \$443,632, and unbilled revenues totaling \$6,580,419.

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

**(E) Investments**

All investments (excluding short-term investments held in trust) are stated at fair value. The fair value of marketable securities is based on quotations which are generally obtained from National Securities Exchanges. Where marketable securities are not listed on an exchange, quotations are obtained from brokerage firms or National Pricing Services.

**(F) Inventory**

Inventory of the Enterprise Funds consists of the coal supply and electric, water, and sanitary sewer utility materials and is valued at average cost. Inventory of the Internal Service Fund consists of vehicle and equipment parts and materials and is valued at the lower of cost (first-in, first-out) or market.

**(G) Property, Plant, and Equipment**

Property, plant, and equipment owned by the Proprietary Funds are stated at cost or estimated historical cost. For property acquired from another utility, the difference between the net cost of plant assets recorded by the selling entity and the purchase price is recorded as an acquisition adjustment. Contributions of fixed assets received from federal, state, or local sources are recorded as assets and contributed capital at fair market value at the time of receipt. Additions, improvements, and expenditures that significantly extend the useful life of an asset are capitalized. Depreciation has been provided over the estimated useful lives using the composite method. Depreciation on utility vehicles and heavy equipment is charged to clearing accounts and redistributed to various operating, construction, and other accounts. The estimated useful lives are as follows:

	<u>Years</u>
Power and Light Fund:	
Production plant	25-45
Transmission plant	28-40
Distribution plant	25-40
Transportation equipment	7
General plant	19-40
Water Fund:	
Source of supply	15-50
Pumping	20-50
Water treatment	40-50
Transmission and distribution system	20-100
General plant	5-50
Acquisition adjustment	30
Nonutility property	10
Sanitary Sewer Fund:	
Equipment	5-25
Sewer system	40-100
Plant	<u>25</u>

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

Fully depreciated fixed assets are included in the property, plant, and equipment accounts until their disposal. Units retired plus the cost of removal, less salvage, are charged against accumulated depreciation with no gain or loss recognized. Depreciation of plant and equipment acquired through contributions is recorded as an expense and a reduction of contributed capital.

The interest cost of borrowed funds is not capitalized.

**(H) General Fixed Assets**

General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the Governmental Funds and capitalized at historical cost in the General Fixed Assets Account Group. Contributed general fixed assets are recorded at fair market value at the time donated.

Certain improvements, including roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems, have not been capitalized. Such assets are immovable and of value only to the City; therefore, the purposes of stewardship for capital expenditures are satisfied without recording these assets.

No depreciation is provided on general fixed assets and interest has not been capitalized.

**(I) Deferred Charges**

Revenue bond issuance costs and related refunding costs and losses arising from the issuance of debt in the Proprietary Funds are capitalized and amortized over the period the related debt is outstanding. Organization costs are being amortized over five years. Other deferred charges consist of preliminary engineering and other survey charges for proposed additions to the enterprise utility plants, which are recorded as deferred charges until the City Council decides whether the project should be pursued. If the project is abandoned, the charges are expensed. If the project is constructed, the charges are capitalized upon completion.

**(J) Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the Governmental Fund Types and Expendable Trust Funds. Encumbrances are reported as reservations of fund balances because they do not constitute expenditures or liabilities.

**(K) Compensated Absences**

Under the terms of the City's personnel policy, City employees are granted vacation based upon length of service. Sick leave is granted at the rate of eight hours per month. Sick leave may be accumulated without limitation. Upon termination, compensation for accrued sick leave is paid up to the equivalent of six months' regular earnings at the employee's current rate of pay and compensation for vacation is paid up to a maximum of four hundred hours.

## CITY OF INDEPENDENCE, MISSOURI

### Notes to General Purpose Financial Statements

June 30, 2000

Vested or accumulated vacation and sick leave for employees of Governmental Funds is recorded as an expenditure in the period it is used and considered payable from current financial resources. The estimated value of leave earned by employees, which may be used in subsequent years and is therefore payable from future resources, is recorded in the General Long-term Debt Account Group. Vested or accumulated vacation and sick leave of Proprietary Funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

**(L) Capital Leases**

Property, plant, and equipment financed by capital leases are reflected as assets and corresponding liabilities of the Enterprise Funds and the related depreciation expense is provided on the same basis as assets financed with other resources. General fixed assets financed by capital leases are reported as assets and corresponding liabilities in the account groups and their acquisition is reported as an expenditure and other financing source in the Governmental Funds.

**(M) Reserves and Designations**

Reserves are reported in the various funds to indicate that a portion of the fund balance/retained earnings is restricted by law or contract for a specific purpose. Designations of unreserved fund balances in Governmental Funds indicate City management's plans for use of financial resources in a future period.

**(N) "Memorandum Only" Total Columns**

Total columns on the accompanying general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or cash flows in conformity with GAAP. Interfund transactions have not been eliminated from the combined totals and the totals do not present consolidated information.

**(O) Statement of Cash Flows**

The Proprietary Fund's investments maintained in the City's pooled investments are readily convertible to known amounts of cash and are so near to their maturity that they present insignificant risk of changes in value because of changes in interest rates. Accordingly, these investments are considered cash equivalents.

**(P) Use of Estimates**

The preparation of general purpose financial statements in conformity with GAAP 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 general purpose financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## CITY OF INDEPENDENCE, MISSOURI

### Notes to General Purpose Financial Statements

June 30, 2000

#### (2) Budgets and Budgetary Accounting

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

- Prior to May 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to June 27, the City Council adopts the budget. If the City Council fails to adopt the budget on or before that date, the budget, as submitted or amended, goes into effect.
- The City Manager is authorized to transfer budgeted amounts between divisions of a department within any fund; however, any revisions that alter the total appropriations within any fund, or that transfer appropriations between departments, must be approved by the City Council. The 1999-2000 budget was amended during the year for transfers and supplemental appropriations. The budget amendments were approved by the City Council.
- Expenditures may not exceed appropriations for any department without City Council approval. Unencumbered appropriations lapse at year-end.
- Formal budgets are used as a control device for all funds; however, there is no requirement to report on the budget. Therefore, the general purpose financial statements include a comparison of budget to actual only for the General and Tourism Special Revenue Governmental Funds. Annual operating budgets are not prepared for Capital Projects Funds and the other special revenue although budgets on a project basis are prepared. Therefore, these funds have been omitted from the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budget Basis).

The City's policy is to prepare the annual operating budget on a basis which includes encumbrances as the equivalent of expenditures. The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budget Basis) – General and Special Revenue Fund Types is prepared on this basis. Certain reclassifications between budgeted revenues and transfers have been made to facilitate the comparison with actual operations.

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds does not include encumbrances outstanding at year-end as expenditures because encumbrances are reported as reservations of fund balances in accordance with GAAP for the modified accrual basis of accounting. Adjustments necessary to convert the results of operations under the modified accrual basis to the budget basis are included as reconciling items on the budget basis statement.

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

**(3) Deposits and Investments**

Missouri State Statutes authorize the City, with certain restrictions, to deposit or invest in open accounts, time deposits, U. S. treasury notes, and certificates of deposit. Statutes also require that collateral pledged must have a fair market 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 of Missouri.

The City maintains a cash and investment pool which is available for use by most funds. Substantially all excess cash is invested in U. S. treasury securities and money market funds. Each fund type's portion of this pool is displayed on the combined balance sheet as pooled cash and investments or in restricted assets. Interest earned is allocated to the funds on the basis of average monthly cash and investment balances. Only Enterprise Funds with overdrawn balances are charged for interest. 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.

The carrying values of deposits and investments are summarized as follows:

Investments:	
Short-term investments held in trust	\$ 15,671,358
U. S. treasury securities	<u>65,878,480</u>
Total investments	81,549,838
Deposits	16,288,173
Petty cash	<u>9,310</u>
	<u>\$ 97,847,321</u>

Deposits and investments of the City are reflected in the general purpose financial statements as follows:

	<b><u>Carrying</u></b>
	<b><u>Amount</u></b>
Pooled cash and investments	\$ 61,868,918
Restricted assets	<u>35,978,403</u>
Total	<u>\$ 97,847,321</u>

*Deposits* – At June 30, 2000, the carrying amount of the City's deposits was \$16,288,173 and the bank balance was \$20,297,494. Of the bank balance, \$100,000 was covered by federal depository insurance (FDIC) and \$20,197,494 was covered by collateral held at the Federal Reserve under joint custody agreements.

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

*Investments* – The City’s investments are categorized as either (1) insured and registered for which the securities are held by the City or its agent in the City’s name, (2) uninsured and unregistered for which the securities are held by the bank’s trust department or agent in the City’s name, or (3) uninsured and unregistered for which the securities are held by the bank or by its trust department or agent, but not in the City’s name. At June 30, 2000, the City’s investments in U. S. treasury securities of \$65,878,480 were classified as category (2) above. Short-term investments held in trust represent money markets or mutual funds, which are not subject to categorization.

**(4) Tax Revenue**

Tax revenue, including interest and penalties, by fund type for the year ended June 30, 2000 is as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Real estate tax	\$ 5,290,136	21,019	1,846,289
Railroad utilities tax	38,824	—	—
Cigarette tax	634,169	—	—
Transient guest tax	—	432,564	—
Sales tax	14,385,082	7,186,835	2,668,774
Franchise tax	5,695,790	—	—
	<u>\$ 26,044,001</u>	<u>7,640,418</u>	<u>4,515,063</u>

The City’s real estate tax is levied each November 1 on the assessed value as of the prior January 1 for all real property located in the City. Real estate taxes are due on December 31 following the levy date. On January 1, a lien attaches to all property for which taxes are unpaid. Jackson County bills and collects all real estate taxes for the City and charges a 1.5% to 1.6% commission on all taxes collected.

Assessed values are established by the Clay and Jackson County Assessors, subject to review by the Jackson County Board of Equalization and State Tax Commission. The assessed value for real property, including railroad and utility properties, located in the City as of January 1, 1999, on which the fiscal 2000 levy was based, was \$734,350,997. In the year ended June 30, 2000, the City collected 95.50% of real estate taxes which were levied in that period.

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

The City is permitted by Missouri State Statutes to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services, other than payment of principal and interest on long-term debt, up to \$.40 per \$100 of assessed valuation for public health and recreation 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 June 30, 2000 were \$.51 for the General Fund, \$.24 for Public Health and Recreation, \$.46 for the Independence Square Benefit District Fund, \$.125 for the Park Improvement Sales Tax Fund, and \$.375 for the Street Improvement Sales Tax Fund.

The City has passed ordinances to establish TIFs. The establishment of these districts allows the City to provide public improvements to encourage developers to construct and make new investments within blighted, conservation, or economic areas. Through the use of a TIF district, the City can utilize one-half of the incremental Jackson County and City sales taxes, plus the taxes generated by the incremental increase in property values from the date the TIFs were established, and the combined levies of all taxing jurisdictions for infrastructure improvements. Tax revenues (real estate and sales taxes) available to the TIFs for the year ended June 30, 2000 were \$4,515,063 and were included as tax revenue in the Tax Increment Financing (Capital Projects) Fund.

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

**(5) Intergovernmental Revenue and Receivables**

Intergovernmental revenue during fiscal year 2000 consisted of the following:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Federal:				
Federal Emergency Management Agency:				
Emergency Management Assistance	\$ 41,212	—	—	41,212
Flood Buyout Program	7,445	—	1,414,709	1,422,154
Department of Health and Human Services:				—
Home Visitation Capacity Building	99,759	—	—	99,759
Administration on Aging	25,000	—	—	25,000
Homeless Challenge	30,458	—	—	30,458
Childcare and Development Block Grant	5,485	—	—	5,485
Department of Housing and Urban Development:				
Community Development Block Grant	—	1,417,580	—	1,417,580
Home Investment Partnership Grant	—	434,596	—	434,596
Department of Transportation:				
Highway Planning and Construction	—	—	2,741,627	2,741,627
State and Community Highway Safety	79,543	—	—	79,543
Department of Justice:				
Community Oriented Policing Services (COPS)	383,990	—	—	383,990
Office of National Drug Control Policy	298,251	—	—	298,251
Office of Justice Programs	86,479	—	—	86,479
Violence Against Women Grant	258,533	—	—	258,533
Local Law Enforcement Block Grant	36,896	—	—	36,896
Law Enforcement Assistance Grant	12,000	—	—	12,000
Other	99,121	—	—	99,121
Total federal	<u>1,464,172</u>	<u>1,852,176</u>	<u>4,156,336</u>	<u>7,472,684</u>
State and local:				
Department of Health and Human Services	114,621	—	—	114,621
Department of Revenue:				
Motor vehicle fuel tax	3,334,677	—	—	3,334,677
Motor vehicle sales tax	846,922	—	—	846,922
Motor vehicle fees	562,923	—	—	562,923
Jackson County Anti-Drug Tax	334,095	—	—	334,095
Jackson County Funding of D.A.R.E. Program	550,996	—	—	550,996
Jackson County Urban Road System	—	—	447,964	447,964
Other	102,437	48,531	—	150,968
Total state and local	<u>5,846,671</u>	<u>48,531</u>	<u>447,964</u>	<u>6,343,166</u>
Total	<u>\$ 7,310,843</u>	<u>1,900,707</u>	<u>4,604,300</u>	<u>13,815,850</u>

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

Amounts due from other governments at June 30, 2000 are as follows:

	<u>Federal</u>	<u>State and Local</u>	<u>Total</u>
General:			
Department of Justice:			
Office of National Drug Control – HIDTA	\$ 55,459	—	55,459
Office of Community Oriented Policing Services	63,885	—	63,885
Office of Justice Programs	84,289	—	84,289
Department of Revenue:			
Motor vehicle fuel tax	—	570,000	570,000
Motor vehicle sales tax	—	82,962	82,962
Motor vehicle license fees	—	125,000	125,000
Other	56,526	20,455	76,981
	<u>260,159</u>	<u>798,417</u>	<u>1,058,576</u>
Special Revenue:			
Department of Housing and Urban Development			
Community Development Block Grant	355,877	—	355,877
Rental Rehabilitation	20,105	—	20,105
	<u>375,982</u>	<u>—</u>	<u>375,982</u>
Capital Projects:			
Department of Transportation – Highway			
Planning and Construction	1,685,562	—	1,685,562
Department of Natural Resources	29,928	3,392	33,320
Jackson County – Urban Road System	—	1,322,198	1,322,198
Tax Increment Financing Projects	—	263,601	263,601
	<u>1,715,490</u>	<u>1,589,191</u>	<u>3,304,681</u>
Total	<u>\$ 2,351,631</u>	<u>2,387,608</u>	<u>4,739,239</u>

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

**(6) Interfund Transactions**

**(A) Interfund Receivables and Payables**

Interfund receivable and payable balances at June 30, 2000 were as follows:

	<b>Receivable</b>	<b>Payable</b>
General	\$ 531,215	220,958
Special Revenue:		
Community Development Grant Act	—	352,548
Street Improvements Sales Tax	366,132	—
Rental Rehabilitation	—	14,099
Independence Square Benefit District	—	4,192
Tourism	—	1,905
	366,132	372,744
Capital Projects:		
Street Improvements	—	2,396,099
Buildings and Other Improvements	—	392,839
Tax Increment	2,476,002	102,300
Park Improvements	—	2,219
	2,476,002	2,893,457
Enterprise:		
Power and Light	431,500	568,928
Water	179,353	12,762
Sanitary Sewer	1,147,227	20,753
Storm Water	—	1,031,694
	1,758,080	1,634,137
Internal Service – Central Garage	515	—
Trust and Agency – Flexible Benefit Plan	—	10,648
	\$ 5,131,944	5,131,944

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

**(B) Interfund Advances**

Interfund advances receivable and payable balances at June 30, 2000 were as follows:

	<u>Receivable</u>	<u>Payable</u>
Enterprise:		
Sanitary Sewer	\$ 25,000	—
Storm Water	—	25,000
	<u>\$ 25,000</u>	<u>25,000</u>

**(C) Interfund Charges for Support Services**

Interfund charges for support services and rent paid to the General Fund during fiscal year 2000 were as follows:

	<u>Interfund Charges</u>	<u>Rent</u>
Tourism Special Revenue Fund	\$ 10,000	6,150
Power and Light Fund	1,549,864	63,496
Sanitary Sewer Fund	508,315	18,524
Water Fund	821,465	32,635
	<u>\$ 2,889,644</u>	<u>120,805</u>

Rent charges, which consist of leased office space, are included in other revenue of the General Fund.

Interfund charges for customer service support services and telephone operators were paid (recorded as operating expenses) to the Water Fund (recorded as income) during fiscal year 2000 as follows:

Sanitary Sewer Fund	\$ 249,025
Power and Light Fund	<u>608,725</u>
	<u>\$ 857,750</u>

**(D) Payments in Lieu of Taxes**

The payments of \$6,468,776, \$911,346, and \$1,049,941 in fiscal year 2000 by the Power and Light, Water, and Sanitary Sewer (Enterprise) Funds, respectively, to the General Fund in lieu of taxes represent franchise taxes and real estate taxes on plant in service. The franchise tax rate, established by City ordinance at 9.08%, is applied to gross billed operating revenues less amounts written off to arrive at the franchise tax due the General Fund. Real estate taxes are charged at a set amount.

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

**(E) Interfund Operating Transfers**

Interfund operating transfers for fiscal year 2000 were as follows:

	<u>Transfer To</u>	<u>Transfer From</u>
General	\$ —	1,232,398
Special Revenue:		
Community Development Block Grant Act	—	487,121
Tourism	133	—
	<u>133</u>	<u>487,121</u>
Capital Projects:		
Street Improvements	488,119	—
Buildings and Other Improvements	539,928	133
Storm Drainage	376,473	—
Park Improvements	292,123	—
	<u>1,696,643</u>	<u>133</u>
Enterprise Fund – Sanitary Sewer	—	29,852
Internal Service – Employee Benefit Fund	52,728	—
Total operating transfers	<u>\$ 1,749,504</u>	<u>1,749,504</u>

**(7) Fixed Assets**

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2000</u>
Land	\$ 8,209,380	2,407,956	—	10,617,336
Buildings	9,293,847	388,471	—	9,682,318
Improvements other than buildings	1,858,585	570,915	—	2,429,500
Office furniture and equipment	2,941,273	594,059	780,494	2,754,838
Mobile equipment	10,748,989	1,751,035	1,074,286	11,425,738
Other equipment	2,760,451	432,350	788,110	2,404,691
	<u>\$ 35,812,525</u>	<u>6,144,786</u>	<u>2,642,890</u>	<u>39,314,421</u>

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

A summary of property, plant, and equipment of the Enterprise and Internal Service Fund Types at June 30, 2000 is as follows:

	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$ —	93,979
Building and improvements	—	141,187
Sanitary sewer lines	54,452,873	—
Production	129,413,788	—
Treatment plant	26,059,525	—
Transmission and distribution equipment	130,886,285	—
General plant	24,280,318	—
Furniture and equipment	339,855	182,281
Acquisition adjustment	15,303,334	—
Construction in progress	24,965,153	—
Nonutility property	150,810	—
	<u>405,851,941</u>	<u>417,447</u>
Less accumulated depreciation	<u>173,815,429</u>	<u>290,566</u>
	<u>\$ 232,036,512</u>	<u>126,881</u>

Construction in progress at June 30, 2000 represents improvements to and expansion of the City's sanitary sewer system, water utility system, storm water utility system, and renovation of the electrical utility system.

**(8) Long-term Debt**

The State Constitution permits a city, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for "city purposes" not to exceed 10% of the assessed value of taxable tangible property. The State Constitution also permits a city, by vote of two-thirds of the voting electorate under a special election or four-sevenths under a general election, to incur additional general obligation indebtedness not exceeding, 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 and plants, provided that the total general obligation indebtedness of the city does not exceed 20% of the assessed valuation of taxable property.

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

The following is a summary of changes in long-term debt of the City for the year ended June 30, 2000:

**General Long-term Debt Account Group**

	<u>TIF Bonds</u>	<u>TIF Loans</u>	<u>Revenue Bonds Payable</u>	<u>Capital Lease Obligations</u>	<u>Employee Benefits Payable (Note 13)</u>	<u>Compen- sated Absences</u>
Balance, June 30, 1999	\$ 4,740,000	7,240,000	—	1,495,200	4,259,464	10,007,133
Increase	—	17,445,000	530,000	688,971	—	217,055
Retired	<u>(2,645,000)</u>	<u>(270,000)</u>	<u>—</u>	<u>(483,532)</u>	<u>(519,480)</u>	<u>(169,492)</u>
Balance, June 30, 2000	\$ <u>2,095,000</u>	<u>24,415,000</u>	<u>530,000</u>	<u>1,700,639</u>	<u>3,739,984</u>	<u>10,054,696</u>

**Proprietary Funds**

	<u>Revenue Bonds</u>	<u>Loan Payable</u>	<u>Capital Lease Obligations</u>	<u>Compen- sated Absences</u>
Balance, June 30, 1999	\$ 64,387,790	2,135,000	—	3,629,096
Increase	—	—	125,476	224,013
Retired	<u>(2,385,000)</u>	<u>(495,000)</u>	<u>—</u>	<u>—</u>
Amortization of deferred loss	142,941	—	—	—
Balance, June 30, 2000	\$ <u>62,145,731</u>	<u>1,640,000</u>	<u>125,476</u>	<u>3,853,109</u>

**(A) Revenue Bonds**

Revenue bonds payable at June 30, 2000 are comprised of the following individual issues:

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

Power and Light Fund:

\$23,520,000 1998 Electric Utility Refunding Bonds, due in annual installments of \$700,000 to \$2,040,000 through June 1, 2014, interest at 4.0% to 4.8%, callable at par after June 1, 2003	\$ 21,700,000
Less deferred loss on refunding	(1,989,269)
\$8,590,000 1993 Electric Utility Refunding Revenue Bonds, due in annual installments of \$100,000 to \$1,950,000 through June 1, 2014, interest at 4.5% to 7.5%, callable 4.5% at par after June 1, 2002	7,285,000

Water Fund:

\$36,000,000 1986 Water Utility Remarketing Bonds, principal due in annual installments of \$850,000 to \$5,010,000 through June 30, 2017, interest at approximately 3.25% to 5.0%	<u>35,150,000</u>
	<u>\$ 62,145,731</u>

The annual requirements to pay principal and interest on revenue bonds payable at June 30, 2000 are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Revenue Bonds</u>	
		<u>Interest</u>	<u>Total</u>
2001	\$ 2,495,000	2,860,555	5,355,555
2002	2,660,000	2,759,120	5,419,120
2003	2,810,000	2,649,205	5,459,205
2004	2,920,000	2,530,045	5,450,045
2005	3,085,000	2,405,693	5,490,693
2006-2017	<u>50,165,000</u>	<u>14,654,638</u>	<u>64,819,638</u>
	<u>\$ 64,135,000</u>	<u>27,859,256</u>	<u>91,994,256</u>

The power and light revenue bond ordinance and the water revenue bond indenture require that the systems be accounted for in separate Enterprise Funds. They also require that after sufficient current assets have been set aside to operate the systems, all remaining monies held in the funds be segregated and restricted in separate special reserves and accounts in the following sequences:

<u>Account</u>	<u>Restriction</u>
Principal and interest	For the monthly accumulation of monies to meet the maturing revenue bond principal and interest requirements.
Depreciation and emergency (water only)	For the accumulation of \$500,000 to finance emergency repairs and system improvements.

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

Surplus account monies are reflected as unrestricted cash. The required reserves are reported in the accompanying combined balance sheet as restricted assets and reservations of retained earnings as follows:

<u>Account</u>	<u>Enterprise Funds</u>	
	<u>Restricted Assets</u>	<u>Reserved Retained Earnings</u>
Principal and interest	\$ 241,986	—
Depreciation and emergency	500,000	500,000
Total revenue bond reserves	741,986	500,000
Customer deposits	1,055,587	—
Capital improvements (see next paragraph)	12,670,263	—
Operations (see next paragraph)	5,256,000	—
Total	<u>\$ 19,723,836</u>	<u>500,000</u>

The City established the capital improvements account in the Power and Light Fund to account for unexpended monies appropriated for capital improvements. The operations account provides for paying current expenses in the event current revenues prove insufficient.

Various bond ordinances and indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. The City is in compliance with all such financial limitations and restrictions.

Restricted assets in the General Fund of \$583,209 at June 30, 2000 consist of cash on deposit for a workers' compensation bond (note 15), a debt service reserve (note 8), and municipal court bond deposits.

**(B) Tax Increment Financing**

On November 1, 1994, the City issued \$5,115,000 in Tax Increment Financing Revenue Bonds – Series 1994, due in annual installments of \$115,000 to \$515,000 through April 1, 2015 and bearing interest at 8.75%. Subsequent to year-end, a payment of \$2,095,000 was paid by the City for extinguishments of this debt in full.

On June 1, 1999, the City entered into a \$7,240,000 loan payable with the Missouri Development Finance Board, due in annual installments of \$270,000 to \$835,000 through June 1, 2011 and bearing interest at 4.0% to 5.25%. The proceeds of the loan are to be used for costs related to redevelopment of Bolger Square.

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

On April 1, 2000, the City issued a \$11,850,000 loan payable with the Missouri Development Finance Board, due in annual installments of \$677,556 to \$1,307,556 through April 1, 2020 and bearing interest at 5.8% to 6.2%. The proceeds of the bond issuance are to be used for costs related to redevelopment of Hartman Heritage Area.

On May 1, 2000, the City issued a \$5,595,000 loan payable with the Missouri Development Finance Board, due in annual installments of \$293,482 to \$846,000 through April 1, 2012 and bearing interest at 5.8% to 6.2%. The proceeds of the bond issuance are to be used for costs related to the redevelopment of the Eastland Center Area.

The annual requirements to pay principal and interest on TIF loans payable at June 30, 2000 are as follows:

<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2001	\$ 385,000	1,311,927	1,696,927
2002	875,000	1,321,763	2,196,763
2003	1,185,000	1,281,801	2,466,801
2004	1,330,000	1,222,281	2,552,281
2005	1,345,000	1,153,003	2,498,003
2006–2016	19,295,000	7,819,460	27,114,460
	<u>\$ 24,415,000</u>	<u>14,110,235</u>	<u>38,525,235</u>

Restricted assets in the Capital Projects Funds of \$15,671,358 consist of funds available for debt service relating to the Tax Increment Financing Revenue Bonds – Series 1994, both 2000A's, and the TIF loan payable.

**(C) Sanitary Sewer Loan Payable**

On July 1, 1998, the City entered into a loan payable with the Missouri Development Finance Board in the amount of \$2,610,000, due in semiannual installments of \$235,000 to \$290,000 through June 30, 2003 with interest at 4.75% to 5.00%. The payments will be funded by annual appropriations.

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

The annual requirements to pay principal and interest on the sanitary sewer loan payable at June 30, 2000 are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 520,000	74,644	594,644
2002	545,000	49,250	594,250
2003	575,000	21,625	596,625
	<u>\$ 1,640,000</u>	<u>145,519</u>	<u>1,785,519</u>

**(D) Capital Lease Obligations**

Capital leases payable at June 30, 2000 are comprised of the following:

Governmental Funds:

CHICORP lease, interest at 6.85%, monthly installments through April 1, 2006; a lease utilized to renovate the HVAC of City Hall	\$ 505,667
First National Bank of Louisburg, interest at 5.25%, semiannual installments through December 1, 2001; a lease utilized to purchase two fire pumper trucks and various equipment for the Fire Department	95,000
First National Bank of Louisburg, interest at 5.75%, semiannual installments through October 1, 2005; a lease utilized to purchase a fire truck, vehicles, rescue equipment, and a telephone system	262,617
Kansas State Bank of Manhattan, interest at 6%, annual installments through July 13, 2003; a lease to purchase a Daewoo DH Excavator	75,078
Deere Credit, Inc., interest at 5.75%, annual installments through August 20, 2002; a lease to purchase a John Deere 672CH motor grader	81,277
IBM Corporation, interest at 5.69%, monthly installments through September 1, 2002; a lease to purchase an IBM magnetic tape drive	22,579
Emergency One, Inc, interest at 4.84%, annual installments through May 18, 2005; a lease to purchase a non-walk-in rescue unit on a commercial chassis and custom pumpers on 2 Emergency One Cyclone chassis	442,029
IBM Corporation, interest at 6.69%, monthly installments through June 1, 2003; a lease to purchase an IBM AS/400 Model 720, related components, and software for the Technology Services Department	216,392
	<u>\$ 1,700,639</u>

Proprietary Funds:

Caterpillar Financial Services Corporation, interest at 6.25%, annual installments through December 2003; a lease to purchase a back-end loader and a front-end loader	\$ 125,476
	<u>125,476</u>

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

Assets acquired through capital leases in the General Fixed Assets Account Group amounted to \$4,241,619 as of June 30, 2000.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2000 were as follows:

<u>Year Ending June 30,</u>	<u>General Long-term Debt</u>
2001	\$ 503,209
2002	415,083
2003	404,063
2004	264,590
2005	266,180
Thereafter	<u>119,448</u>
	1,972,573
Less imputed interest	<u>271,934</u>
Present value of minimum lease payments	<u>\$ 1,700,639</u>

**(9) Advances for Construction**

As new additions to the water distribution system are constructed, the Water (Enterprise) Fund requires the developer or wholesaler to advance the estimated cost of the water main extension or improvement. Upon project completion, any excess of the advance over the project cost is refunded to the developer or wholesaler or vice versa. The advances for construction at June 30, 2000 were \$389,310.

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

**(10) Contributed Capital**

The sources and composition of contributed capital at June 30, 2000 are as follows:

	<b>Enterprise Funds</b>			
	<b>Power and Light</b>	<b>Water</b>	<b>Sanitary Sewer</b>	<b>Total</b>
Federal and state grants	\$ —	130,163	25,058,991	25,189,154
Contributions from municipality, developers, and special assessments	2,256,822	16,251,022	28,202,513	46,710,357
	2,256,822	16,381,185	53,261,504	71,899,511
Less accumulated depreciation	(644,158)	(1,823,584)	(24,073,907)	(26,541,649)
Total contributed capital	\$ 1,612,664	14,557,601	29,187,597	45,357,862

A reconciliation of contributed capital for the year ended June 30, 2000 is as follows:

	<b>Enterprise Funds</b>			
	<b>Power and Light</b>	<b>Water</b>	<b>Sanitary Sewer</b>	<b>Total</b>
Balance, July 1, 1999	\$ 1,136,268	13,303,734	29,954,441	44,394,443
Contributions	542,226	1,457,333	279,494	2,279,053
Depreciation transferred	(65,830)	(203,466)	(1,046,338)	(1,315,634)
Balance, June 30, 2000	\$ 1,612,664	14,557,601	29,187,597	45,357,862

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

**(11) Segments of Enterprise Activities**

The City maintains four Enterprise Funds, the operations of which are financed primarily by user charges. Additional financial data for these funds as of and for the year ended June 30, 2000 is as follows:

	<u>Power and Light Fund</u>	<u>Water Fund</u>	<u>Sanitary Sewer Fund</u>	<u>Storm Water Fund</u>	<u>Total</u>
<b>Assets:</b>					
Current assets	\$ 34,285,881	25,390,948	13,840,401	—	73,517,230
Restricted assets	18,903,887	686,791	133,158	—	19,723,836
Property, plant, and equipment, net	121,760,319	65,313,387	44,959,683	3,123	232,036,512
Other	2,763,711	1,298,227	396,467	—	4,458,405
	<u>\$ 177,713,798</u>	<u>92,689,353</u>	<u>59,329,709</u>	<u>3,123</u>	<u>329,735,983</u>
<b>Liabilities and equity:</b>					
Current liabilities	\$ 6,412,101	1,658,954	2,672,210	1,031,694	11,774,959
Liabilities payable from restricted assets	2,439,708	1,350,517	653,158	—	4,443,383
Long-term liabilities	27,911,528	35,084,690	1,753,098	25,000	64,774,316
Deferred credits	—	385,310	4,000	—	389,310
Fund equity	140,950,461	54,209,882	54,247,243	(1,053,571)	248,354,015
	<u>\$ 177,713,798</u>	<u>92,689,353</u>	<u>59,329,709</u>	<u>3,123</u>	<u>329,735,983</u>
Working capital (deficit)	<u>\$ 27,873,780</u>	<u>23,731,994</u>	<u>11,168,191</u>	<u>(1,031,694)</u>	<u>61,742,271</u>
Operating revenues	\$ 68,018,177	15,161,233	12,684,045	—	95,863,455
Operating expenses:					
Depreciation and amortization	6,546,375	1,706,619	1,795,116	23,336	10,071,446
Other	56,859,636	10,626,240	9,527,407	—	77,013,283
Operating income (loss)	4,612,166	2,828,374	1,361,522	(23,336)	8,778,726
Nonoperating revenues (expenses)	708,824	(163,534)	637,065	—	1,182,355
Net income (loss)	<u>\$ 5,320,990</u>	<u>2,664,840</u>	<u>1,998,587</u>	<u>(23,336)</u>	<u>9,961,081</u>
Acquisition of property, plant, and equipment, net	\$ 16,289,145	2,109,702	2,189,585	—	20,588,432
Contributed capital:					
Contributions	\$ 542,226	1,457,333	279,494	—	2,279,053
Transfer of depreciation	65,830	203,466	1,046,338	—	1,315,634
Net increase (decrease)	<u>\$ 476,396</u>	<u>1,253,867</u>	<u>(766,844)</u>	<u>—</u>	<u>963,419</u>

## CITY OF INDEPENDENCE, MISSOURI

### Notes to General Purpose Financial Statements

June 30, 2000

#### (12) Employee 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 to LAGERS, P. O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

##### *Funding Policy*

The City's full-time employees do not contribute to the pension plan. The City is required by Missouri State Statute to contribute at an actuarially determined rate; the current rate is 7.6% (general), 6.6% (police), and 13.5% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the City Council. The contribution provisions of the City are established by Missouri State Statute.

##### *Annual Pension Cost*

For 2000, the City's annual pension cost of \$3,767,817 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 1995 and/or 1996 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.0% per year, compounded annually, before retirement and 4.0% per year, compounded annually, after retirement; (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation; (c) additional projected salary increases ranging from 0.0% to 4.0% per year, depending on age, attributable to seniority/merit; and (d) pre and postretirement mortality based on the 1984 Group Annuity Mortality table set back no years for men and six 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 28, 1998 was fifteen years.

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

*Required Supplementary Information (Unaudited)*

*Schedule of Employer Contributions*

<b>Fiscal Year Ending</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
June 30, 1998	\$ 3,728,732	100 %	\$ —
June 30, 1999	3,929,148	100	—
June 30, 2000	3,767,817	100	—

*Schedule of Funding Progress*

<b>Actuarial Valuation Date</b>	<b>(a) Actuarial Value of Assets</b>	<b>(b) Entry Age Actuarial Liability</b>	<b>(b) - (a) Unfunded Accrued Liability (UAL)</b>	<b>(a)/(b) Funded Ratio</b>	<b>(c) Annual Covered Payroll</b>	<b>(b)-(a)/(c) UAL as a Percentage of Covered Payroll</b>
02/28/98	\$ 82,600,634	79,757,633	(2,843,001)	104 %	\$ 39,430,308	N/A %
02/28/99	91,438,251	87,994,995	(3,443,256)	104	42,681,231	N/A
02/28/00	105,409,941	92,016,767	(13,393,174)	115	44,020,535	N/A

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 29, 1996 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

**(13) Reimbursement of Employee Contributions to LAGERS**

As allowed by Missouri State Statutes, the City refunded the accumulated contributions of the City's employees and elected to reimburse LAGERS over a fifteen-year period ending 2008. The amount of the annual reimbursement to LAGERS from the City is approximately \$522,000; however, this figure will be adjusted annually based on changes in actuarial assumptions. Amounts reimbursed are reported as expenditures/expenses of each fund for the year in which they are paid to LAGERS. Reimbursement will be made from the following funds:

- General,
- Tourism,
- Community Development Grant Act,
- Power and Light,
- Water, and
- Sanitary Sewer.

## CITY OF INDEPENDENCE, MISSOURI

### Notes to General Purpose Financial Statements

June 30, 2000

A separate Internal Service Fund entitled "Employee Benefits" was established to account for the increased cost ensuing from the refund of contributions to employees. The City's Enterprise Funds (listed above) provided an actuarially determined initial contribution of \$3,237,699 to the fund which prepaid the entire portion of their obligation. The Employee Benefits Fund is remitting these monies to LAGERS over fifteen years and has a balance of \$1,406,728 at June 30, 2000. The Governmental Funds contribute actuarially determined amounts based on annual payroll contributions. At June 30, 2000, \$3,739,984 is recorded in the General Long-term Debt Account Group for the Governmental Funds portion.

#### (14) Postretirement Health Benefits

In addition to the pension benefits described in note 13, the City provides postretirement health care benefits to all retiring employees meeting the service criteria. Expenditures for postretirement health care benefits are recognized as retirees report their claims. During 2000, expenditures of approximately \$1,785,619 were recognized for postretirement health care. The City has approximately 439 participants currently eligible to receive benefits.

#### (15) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As a result, there are a number of claims and/or lawsuits to which the City is a party as a result of certain law enforcement activities, injuries, and various other matters and complaints arising in the ordinary course of City activities. The City is entitled to the defense of sovereign and official immunity against tort action that provides immunity except in two areas, motor vehicles and the condition of property of governmental entities. The City carries commercial property, boiler and machinery, life, and flood insurance, and settlements have not exceeded insurance coverage for each of the past three fiscal years.

The City is a member of the Missouri Public Entity Risk Management Fund (MOPERM). MOPERM is a body corporate and politic created by the Missouri General Assembly to provide liability protection to participating public entities, their officials, and employees. The City pays annual premiums to MOPERM for law enforcement liability, general liability, public official errors and omission liability, and automobile liability insurance coverage. The agreement with MOPERM provides that MOPERM will be self-sustaining through member premiums. MOPERM has the authority to assess members for any deficiencies of revenues under expenses for any single plan year. Likewise, MOPERM has the authority to declare refunds to members for the excess of revenues over expenses relating to any single plan year. MOPERM had no deficiencies in any of the past three fiscal years.

The City is self-insured for workers' compensation. An excess coverage insurance policy, limited to \$10,000,000 per accident, covers specific medical claims in excess of \$500,000 per occurrence. In order to maintain this self-insured status for workers' compensation, the State of Missouri requires the City to maintain an escrow account in the amount of \$350,000. This amount is reflected as restricted assets and designated fund balance of the General Fund. Workers' compensation liabilities were immaterial at June 30, 2000.

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

The City offers its employees a contributory self-insurance health care plan. An excess coverage insurance policy covers the portion of specific claims in excess of \$125,000 and aggregate claims in excess of \$6,771,266. The portion of premiums paid by the City totaling \$6,770,993 are reflected as expenditures/expenses of the various funds and premium revenue in the Staywell Health Care (Internal Service) Fund. Claims incurred but not reported are actuarially determined and are accrued as a liability in the Internal Service Fund.

The claims liability of \$597,882 reported in the Staywell Health Care Fund at June 30, 2000 is based on the requirement that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

	<b>Medical Claims Payable</b>		
	<u>2000</u>	<u>1999</u>	<u>1998</u>
Beginning of year	\$ 419,000	534,000	493,000
Incurred	7,154,531	4,784,584	4,301,978
Paid	<u>(6,975,649)</u>	<u>(4,899,584)</u>	<u>(4,260,978)</u>
End of year	<u>\$ 597,882</u>	<u>419,000</u>	<u>534,000</u>

**(16) Commitments**

***Construction Commitments***

At June 30, 2000, the City had commitments of approximately \$14,243,232 to complete construction contracts. Of this amount, \$9,289,502 relates to the Enterprise Funds.

***Purchase Capacity and Transmission Service Agreements***

On August 21, 1985, the City Council approved a Firm Power Service Purchase Agreement with the MidAmerican Energy Company, Inc. (MidAmerican) and a Capacity Purchase and Transmission Service Agreement with the Kansas City Power & Light Company (KCPL). The MidAmerican Agreement (as amended) calls for the purchase of annual electric generating capacity average of 15 megawatt (Mw) from May 1, 1999 through May 31, 2000. The KCPL Agreement (as amended) calls for the City purchase of 60 Mw of electric generating capacity and associated energy each year through May 31, 2000 and 90 Mw of electric generating capacity and associated energy for the year ending May 31, 2005. The KCPL Agreement also provides for the transmission wheeling of the MidAmerican purchased power into the Independence electric system. Minimum power scheduling of energy under the KCPL Agreement is one-third of the City's maximum hours scheduled megawatts for any other hourly period during a day's period.

The rates for the purchase of electric energy capacity from MidAmerican and KCPL are based on fixed capacity demand charges and variable energy charges which take into consideration such items as actual kilowatt hours purchased, fuel costs, and costs of production. The delivered cost of capacity and energy under the two Agreements, including all demand, transmission, and energy charges, totaled approximately \$18,890,000 for fiscal year 2000. The projected annual cost of the KCPL Agreement for fiscal year 2001 is estimated at approximately \$16,730,000.

**CITY OF INDEPENDENCE, MISSOURI**

Notes to General Purpose Financial Statements

June 30, 2000

The KCPL Agreement, as amended, also provides for the sale of 55 Mw annually through May 31, 2000 and 30 Mw for the year ending May 31, 2001. During the twelve months ending May 31, 2000, the City sold 55 Mw of reserve generation capacity to KCPL for a total of \$891,000.

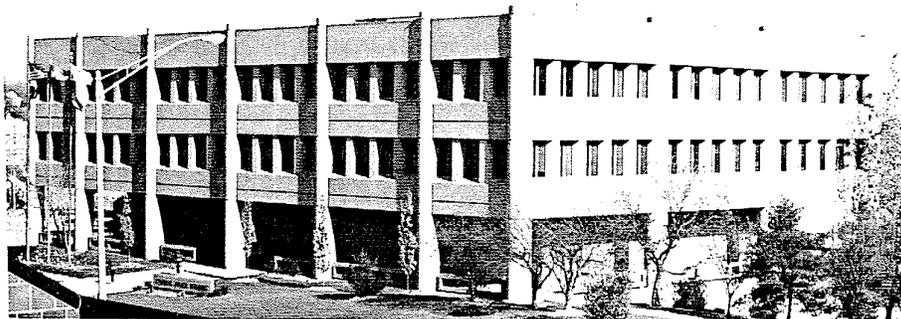
**(17) Deficits**

The accumulated deficits in the amounts of \$3,943 in the Community Development Grant Act, \$1,020 in the Buildings and Other Improvements, and \$3,823 in the Park Improvements (Capital Projects) Funds; and \$1,053,571 in the Storm Water (Enterprise) Fund will be eliminated by future revenues or operating transfers.

**(18) Fund Equity**

Reserved and designated fund balances at year-end are as follows:

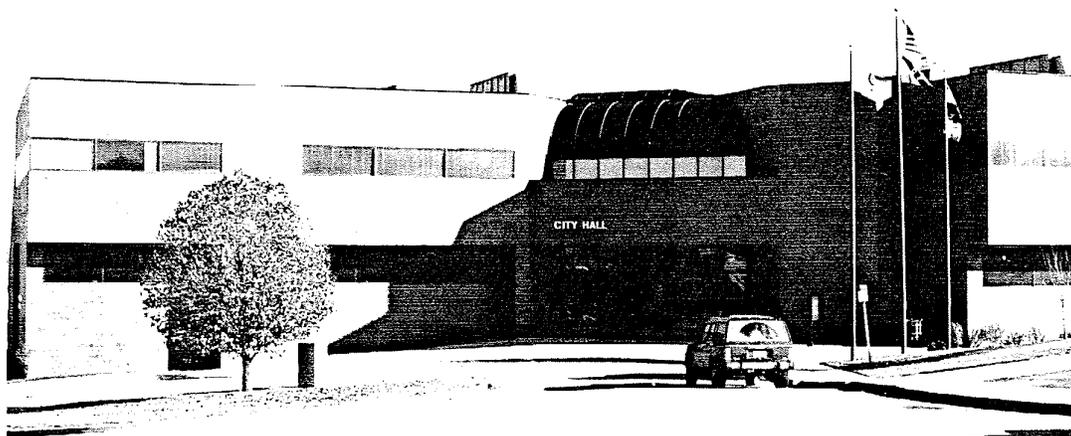
	<b>Governmental Fund Types</b>			<b>Fiduciary Fund Types</b>
	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Trust and Agency</b>
Fund balances:				
Reserved for:				
Encumbrances	\$ 1,487,615	2,602,520	2,640,306	2,684
Debt service	60,604	—	—	—
Domestic violence	11,850	—	—	—
Total fund balances reserved	<u>1,560,069</u>	<u>2,602,520</u>	<u>2,640,306</u>	<u>2,684</u>
Unreserved:				
Designated for:				
Police equipment	152,064	—	—	—
Charitable contributions	—	—	—	69,852
Workers' compensation (note 15)	350,000	—	—	—
Capital projects	1,161,743	—	14,793,222	5,000
Strategic goal	381,681	—	—	—
Total fund balances designated	<u>2,045,488</u>	<u>—</u>	<u>14,793,222</u>	<u>74,852</u>
Undesignated	<u>2,623,804</u>	<u>(1,329,923)</u>	<u>—</u>	<u>12,191</u>
Total fund equity	<u>\$ 6,229,361</u>	<u>1,272,597</u>	<u>17,433,528</u>	<u>89,727</u>



*Police Building  
223 N. Memorial Dr.*



*Roger T. Sermon Community Center  
201 N. Dodgion*

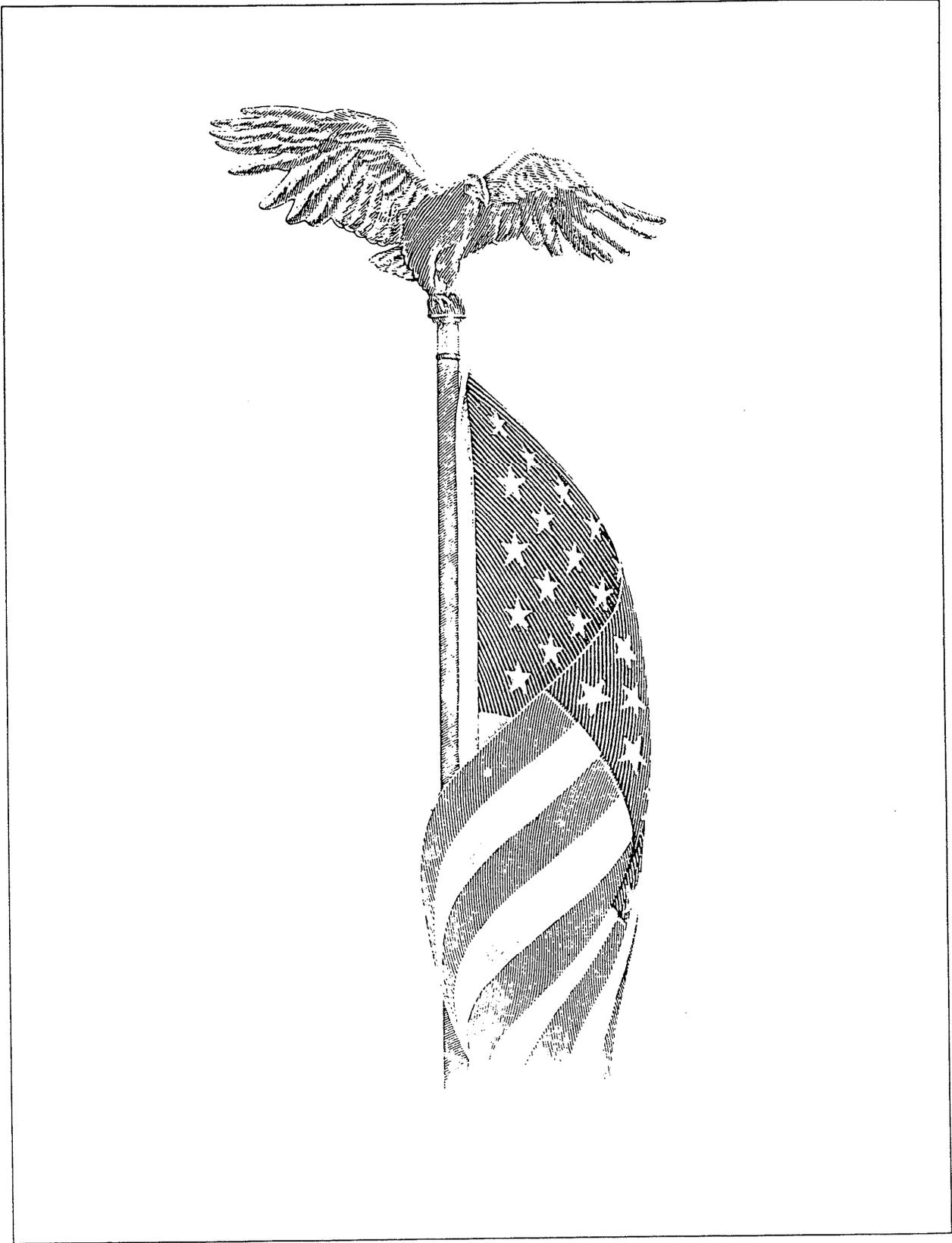


*City Hall  
111 E. Maple St.*

## **ADDITIONAL INFORMATION**

### **Combining and Individual Fund and Account Group Financial Statements and Schedules**

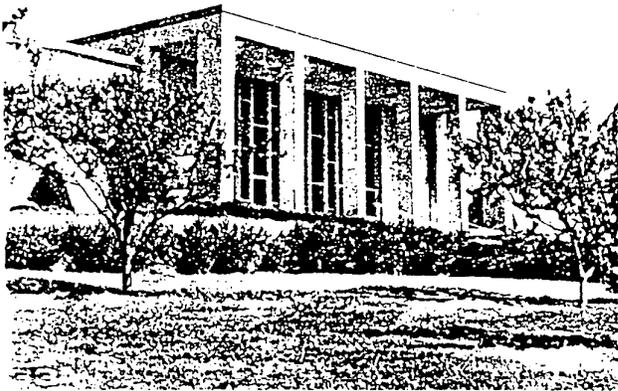
The financial statements of individual funds and account groups contain data beyond what is included in the general purpose financial statements. This data is presented to provide additional financial information in order to better inform the users of the general purpose financial statements.



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*Harry Truman*



## **GENERAL FUND**

The General Fund is used to account for all revenues and expenditures not accounted for in other funds. The essential character of this fund is determined by the commitments from appropriated resources. Functions financed from the General Fund include: General Government, Public Safety, Public Works, Health and Welfare, and Culture and Recreation. The General Fund operates in accordance with a formal budget.

## CITY OF INDEPENDENCE, MISSOURI

## General Fund

Schedule of Revenues and Expenditures –  
Budget and Actual (Budget Basis)

Year Ended June 30, 2000

With Comparative Actual Figures For Year Ended June 30, 1999

	2000		Variance – Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Real estate taxes, including penalties	\$ 5,215,243	5,290,136	74,893	5,127,032
Railroad and utilities tax	34,500	38,824	4,324	39,291
Cigarette tax	590,000	634,169	44,169	579,968
Sales tax	14,129,894	14,385,082	255,188	13,695,329
Franchise tax:				
Water	20,000	18,722	(1,278)	15,546
Gas	3,230,000	2,724,193	(505,807)	2,775,364
Electricity	170,000	170,562	562	188,301
Telephone	2,450,000	2,277,867	(172,133)	2,299,404
Cable television	430,000	504,446	74,446	383,577
Total taxes	<u>26,269,637</u>	<u>26,044,001</u>	<u>(225,636)</u>	<u>25,103,812</u>
Licenses and permits:				
Motor vehicle licenses	450,291	429,563	(20,728)	418,567
Business licenses:				
Occupation licenses	1,170,070	1,199,290	29,220	1,054,169
Liquor licenses	72,375	74,823	2,448	72,381
Building permits	730,543	1,046,687	316,144	761,817
Food handlers' permits	35,000	42,172	7,172	37,364
Planning examinations and licenses	101,896	73,850	(28,046)	22,570
Other	71,550	62,293	(9,257)	110,029
Total licenses and permits	<u>2,631,725</u>	<u>2,928,678</u>	<u>296,953</u>	<u>2,476,897</u>
Intergovernmental:				
Federal grants:				
Emergency Management Assistance	36,560	41,212	4,652	27,985
Public Health Nursing	230,000	174,417	(55,583)	195,484
Dial-A-Ride	10,000	7,722	(2,278)	9,684
Other	1,489,815	1,240,821	(248,994)	1,255,727
Total federal grants	<u>\$ 1,766,375</u>	<u>1,464,172</u>	<u>(302,203)</u>	<u>1,488,880</u>

(Continued)

## CITY OF INDEPENDENCE, MISSOURI

## General Fund

Schedule of Revenues and Expenditures –  
Budget and Actual (Budget Basis), ContinuedYear Ended June 30, 2000  
With Comparative Actual Figures For Year Ended June 30, 1999

	2000		Variance – Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
State grants:				
Department of Revenue:				
Motor vehicle fuel tax	\$ 3,271,000	3,334,677	63,677	3,144,974
Motor vehicle sales tax	825,053	846,922	21,869	799,527
Motor vehicles fees	597,703	562,923	(34,780)	582,033
Financial institutions tax	18,000	18,425	425	18,149
Department of Natural Resources	—	—	—	19,491
Other	79,523	136,733	57,210	4,095
Total state grants	<u>4,791,279</u>	<u>4,899,680</u>	<u>108,401</u>	<u>4,568,269</u>
Local grants:				
Jackson County	944,748	885,091	(59,657)	803,552
Other	38,400	61,900	23,500	85,577
Total local grants	<u>983,148</u>	<u>946,991</u>	<u>(36,157)</u>	<u>889,129</u>
Total intergovernmental	<u>7,540,802</u>	<u>7,310,843</u>	<u>(229,959)</u>	<u>6,946,278</u>
Utility payments in lieu of tax:				
Power and light	6,486,555	6,468,776	(17,779)	6,404,789
Sanitary sewer	1,063,774	1,049,941	(13,833)	1,058,894
Water	882,665	911,346	28,681	855,160
Total utility payments in lieu of tax	<u>\$ 8,432,994</u>	<u>8,430,063</u>	<u>(2,931)</u>	<u>8,318,843</u>

(Continued)

## CITY OF INDEPENDENCE, MISSOURI

## General Fund

Schedule of Revenues and Expenditures –  
Budget and Actual (Budget Basis), ContinuedYear Ended June 30, 2000  
With Comparative Actual Figures For Year Ended June 30, 1999

	2000		Variance – Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Charges for services:				
General government:				
Planning and zoning fees	\$ 28,550	36,333	7,783	34,044
Board of adjustment fees	1,650	1,350	(300)	700
Sale of police and fire reports	50,700	51,421	721	51,923
Sale of maps, books, and plans	4,000	16,263	12,263	6,363
Computer service charges	36,350	37,626	1,276	26,046
Public safety – other police and fire charges	254,377	246,841	(7,536)	218,505
Health:				
Animal shelter charges	55,000	50,705	(4,295)	56,463
Animal ID tags	500	270	(230)	820
Cemetery:				
Sale of cemetery lots	35,000	33,700	(1,300)	25,110
Sale of monument bases	10,000	5,060	(4,940)	8,439
Cemetery service	60,000	55,656	(4,344)	49,025
Public health and recreation:				
Park concessions	8,500	4,378	(4,122)	5,785
Arts and crafts fees	32,500	40,126	7,626	36,177
Sermon Community Center	35,000	13,329	(21,671)	12,847
Recreation rentals	36,000	40,199	4,199	32,108
National Frontier Trail Center:				
Admissions	29,000	37,703	8,703	29,886
Gift shop	39,500	34,322	(5,178)	34,170
Miscellaneous charges:				
Sale of street signs	2,000	4,000	2,000	1,018
Special assessments	60,000	29,408	(30,592)	83,586
Solid waste disposal	72,000	85,917	13,917	37,222
Other charges	20,000	130,806	110,806	9,212
Total charges for services	870,627	955,413	84,786	759,449
Interfund charges for support services	2,837,310	2,889,644	52,334	3,070,849
Fines, forfeitures, and court costs:				
Fines and forfeitures	2,409,261	2,543,897	134,636	2,308,489
Court costs	337,747	334,854	(2,893)	309,721
Special warrant collections	114,367	118,341	3,974	47,854
Total fines, forfeitures, and court cost	\$ 2,861,375	2,997,092	135,717	2,666,064

(Continued)

## CITY OF INDEPENDENCE, MISSOURI

## General Fund

Schedule of Revenues and Expenditures –  
Budget and Actual (Budget Basis), Continued

Year Ended June 30, 2000

With Comparative Actual Figures For Year Ended June 30, 1999

	2000		Variance – Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Interest	\$ 180,067	244,745	64,678	234,685
Other:				
Sale of fixed assets	50,000	63,838	13,838	44,245
Rents	120,460	124,226	3,766	124,137
Damage claims	20,000	23,101	3,101	19,437
Contributions and Housing Authority PILOT	137,865	135,275	(2,590)	22,008
Miscellaneous nonoperating revenue	125,000	172,724	47,724	84,320
Total other	453,325	519,164	65,839	294,147
Total revenues	52,077,862	52,319,643	241,781	49,871,024
Expenditures:				
General government:				
City Council	320,705	320,698	7	290,577
City Clerk	396,815	394,982	1,833	378,024
City Manager	797,025	797,013	12	618,265
Technology Services	1,485,765	1,448,670	37,095	1,573,867
Municipal Court	498,997	498,957	40	433,864
Law Department	662,864	662,808	56	577,377
Finance Department:				
Administration	246,385	272,278	(25,893)	234,219
Accounting	596,351	602,007	(5,656)	595,864
Licensing	161,706	160,610	1,096	153,570
Purchasing	350,788	320,282	30,506	334,188
Total Finance Department	1,355,230	1,355,177	53	1,317,841
Personnel Department	339,217	332,657	6,560	325,438
National Frontier Trails Center	299,395	278,820	20,575	309,433
Total general government	\$ 6,156,013	6,089,782	66,231	5,824,686

(Continued)

## CITY OF INDEPENDENCE, MISSOURI

## General Fund

Schedule of Revenues and Expenditures –  
Budget and Actual (Budget Basis), ContinuedYear Ended June 30, 2000  
With Comparative Actual Figures For Year Ended June 30, 1999

	2000		Variance – Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Public safety:				
Police Department:				
Administration	\$ 2,062,592	2,038,997	23,595	747,378
Operations	10,070,661	10,135,186	(64,525)	10,206,810
Support services	4,741,277	4,608,207	133,070	4,455,401
Total Police Department	<u>16,874,530</u>	<u>16,782,390</u>	<u>92,140</u>	<u>15,409,589</u>
Fire Department:				
Administration	287,201	281,569	5,632	243,449
Suppression	10,140,739	10,160,213	(19,474)	9,675,693
Fire prevention	477,116	480,504	(3,388)	454,750
Training	205,747	211,143	(5,396)	194,052
Maintenance	416,200	393,561	22,639	436,377
Total Fire Department	<u>11,527,003</u>	<u>11,526,990</u>	<u>13</u>	<u>11,004,321</u>
Total public safety	<u>28,401,533</u>	<u>28,309,380</u>	<u>92,153</u>	<u>26,413,910</u>
Public works:				
Engineering:				
Administration	241,366	167,209	74,157	267,829
Engineering	2,190,293	2,285,172	(94,879)	2,129,133
Total engineering	<u>2,431,659</u>	<u>2,452,381</u>	<u>(20,722)</u>	<u>2,396,962</u>
Maintenance – street maintenance	<u>3,790,743</u>	<u>3,737,295</u>	<u>53,448</u>	<u>3,533,213</u>
Total public works	<u>6,222,402</u>	<u>6,189,676</u>	<u>32,726</u>	<u>5,930,175</u>
Health and welfare – Health Department:				
General services	937,844	799,091	138,753	848,446
Animal control	416,342	394,409	21,933	399,434
Total health and welfare	<u>\$ 1,354,186</u>	<u>1,193,500</u>	<u>160,686</u>	<u>1,247,880</u>

(Continued)

## CITY OF INDEPENDENCE, MISSOURI

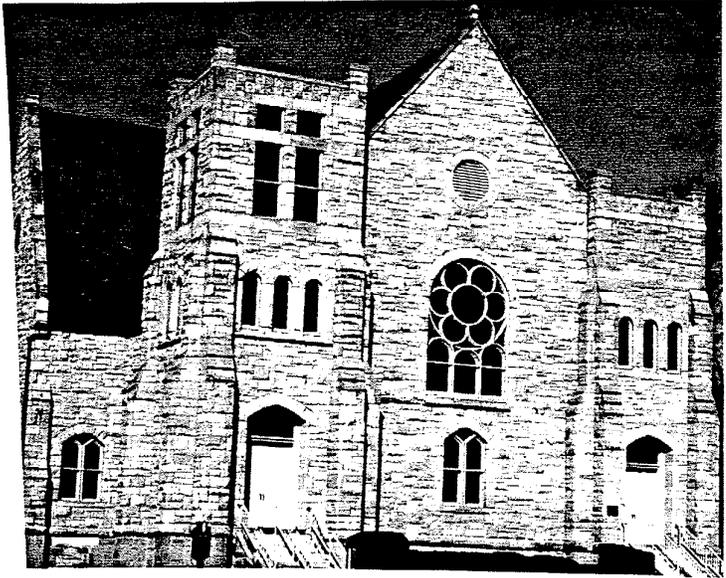
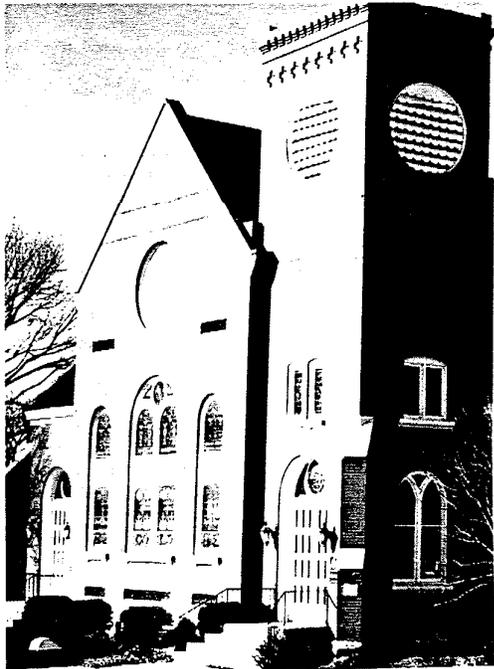
## General Fund

Schedule of Revenues and Expenditures –  
Budget and Actual (Budget Basis), ContinuedYear Ended June 30, 2000  
With Comparative Actual Figures For Year Ended June 30, 1999

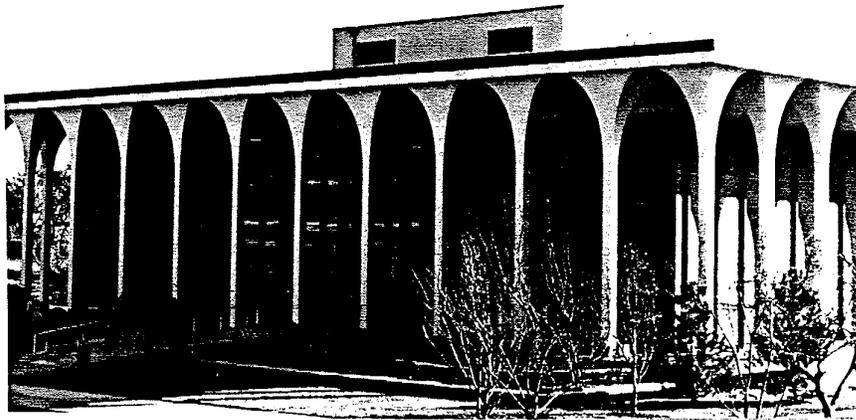
	2000		Variance – Favorable (Unfavorable)	1999 Actual
	Budget	Actual		
Community development:				
Planning and permits	\$ 1,271,260	1,259,036	12,224	1,196,118
Inspection	477,072	498,231	(21,159)	455,761
Administration	162,623	164,273	(1,650)	144,877
Code enforcement	547,296	542,075	5,221	423,232
Historic preservation	129,780	124,324	5,456	123,851
Total community development	<u>2,588,031</u>	<u>2,587,939</u>	<u>92</u>	<u>2,343,839</u>
Water pollution	296,377	262,999	33,378	305,964
Culture and recreation	1,807,469	1,757,622	49,847	1,680,221
Acquisition of capital leases	859,131	789,561	69,570	440,599
Other	6,238,582	5,596,290	642,292	5,437,738
Total expenditures	<u>53,923,724</u>	<u>52,776,749</u>	<u>1,146,975</u>	<u>49,625,012</u>
Excess of revenues over (under) expenditures	<u>(1,845,862)</u>	<u>(457,106)</u>	<u>1,388,756</u>	<u>246,012</u>
Other financing sources (uses):				
Proceeds from capital leases	—	1,218,971	1,218,971	254,074
Operating transfers in	—	—	—	163,011
Operating transfers out	—	(1,232,398)	(1,232,398)	(841,226)
Total other financing uses	<u>—</u>	<u>(13,427)</u>	<u>(13,427)</u>	<u>(424,141)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (1,845,862)</u>	<u>(470,533)</u>	<u>1,375,329</u>	<u>(178,129)</u>
Fund balance, July 1		6,152,180		7,785,760
Encumbrances, outstanding		1,487,615		1,059,615
Encumbrances, prior year outstanding		(40,032)		(89,414)
Encumbrances, prior year		(1,059,615)		(2,711,298)
Encumbrances, prior year expired		159,746		285,646
Fund balance, June 30		<u>\$ 6,229,361</u>		<u>6,152,180</u>

See accompanying independent auditors' report.

*Below: First Baptist Church  
500 W. Truman Road*

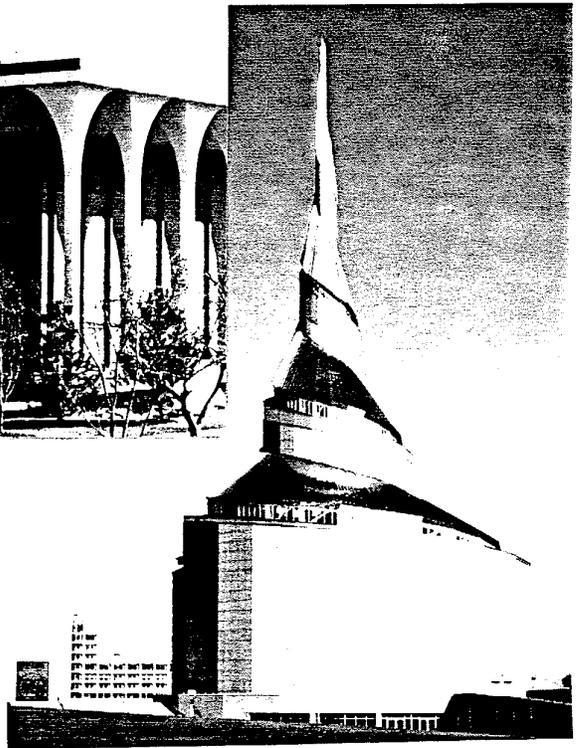


*Above: Stone Church, 1888  
1012 W. Lexington*



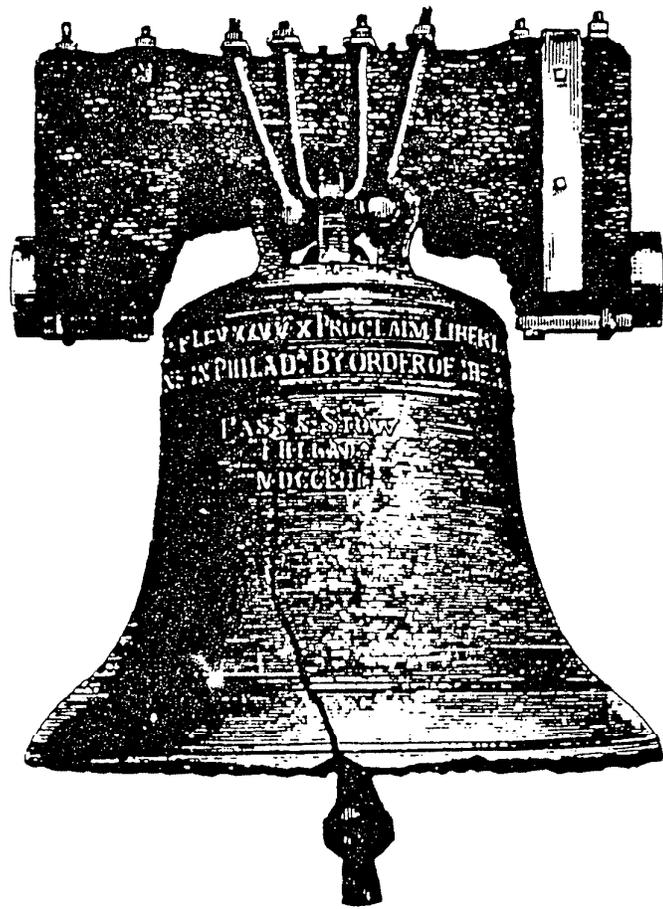
*Above: Mormon Visitor's Center  
931 W. Walnut*

*Right: RLDS Temple  
River and Walnut*



## **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for resources allocated by law or contractual agreement for specific purposes. These funds derive their revenue from special taxes or allocated revenue sources and continue in existence as long as governmental resources are allocated for their specific purposes.



## **COMMUNITY DEVELOPMENT GRANT ACT**

This fund is used to account for all projects which are funded by the Federal Community Development Block Grants.

## **TOURISM**

This fund is used to account for expenditures for tourism which are financed out of the Transient Guest Tax.

## **INDEPENDENCE SQUARE BENEFIT DISTRICT**

This fund is used to account for expenditures to improve the City's downtown business district which are financed by a special property tax levy on those businesses which are benefited.

## **RENTAL REHABILITATION**

This fund is used to account for expenditures to improve rental property within the City which are funded by state and federal grants.

## **STREET IMPROVEMENT SALES TAX**

This fund is used to account for all street projects which are funded by the 3/8 cents street improvement sales tax.

## **PARKS IMPROVEMENT SALES TAX**

This fund is used to account for all park projects which are funded by the 1/8 cent park improvement sales tax.

CITY OF INDEPENDENCE, MISSOURI

All Special Revenue Funds

Combining Balance Sheet

June 30, 2000

With Comparative Totals For June 30, 1999

	Community Development Grant Act	Tourism	Independence Square Benefit District	Rental Rehabilitation	Street Improvement Sales Tax	Park Improvement Sales Tax	Totals	
							2000	1999
<b>Assets and Other Debits</b>								
Pooled cash and investments	\$ —	143,125	915	—	3,856,060	920,574	4,920,674	1,245,753
Taxes receivable	—	37,000	4,382	—	534,373	178,124	753,879	700,882
Due from other funds	—	—	—	—	366,132	—	366,132	126,875
Due from other governments	355,877	—	—	20,105	—	—	375,982	196,003
Total assets and other debits	\$ 355,877	180,125	5,297	20,105	4,756,565	1,098,698	6,416,667	2,269,513
<b>Liabilities and Fund Balances</b>								
Accounts payable	\$ 2,052	29,815	—	4,454	266,906	41,290	344,517	238,347
Due to other funds	352,548	1,905	4,192	14,099	—	—	372,744	126,875
Note payable	—	—	—	—	4,412,628	—	4,412,628	2,529,000
Accrued expenses	5,220	5,535	—	1,549	—	1,877	14,181	10,576
Total liabilities	359,820	37,255	4,192	20,102	4,679,534	43,167	5,144,070	2,904,798
Fund balances:								
Reserved for encumbrances	108,644	72,173	—	100,693	2,264,825	56,185	2,602,520	1,471,881
Unreserved – undesignated	(112,587)	70,697	1,105	(100,690)	(2,187,794)	999,346	(1,329,923)	(2,107,166)
Total fund balances	(3,943)	142,870	1,105	3	77,031	1,055,531	1,272,597	(635,285)
Total liabilities and fund balances	\$ 355,877	180,125	5,297	20,105	4,756,565	1,098,698	6,416,667	2,269,513

See accompanying independent auditors' report.

CITY OF INDEPENDENCE, MISSOURI

All Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2000  
With Comparative Totals For June 30, 1999

	Community Development Grant Act	Tourism	Independence Square Benefit District	Rental Rehabilitation	Street Improvement Sales Tax	Park Improvement Sales Tax	Totals
							2000
							1999
Revenues:							
Taxes:							
Real estate tax	---	---	21,019	---	---	---	21,019
Sales tax	---	---	---	---	5,390,125	1,796,709	7,186,835
Transient guest tax	---	432,564	---	---	---	---	432,564
Total taxes	---	432,564	21,019	---	5,390,125	1,796,709	7,640,418
Intergovernmental	1,417,580	48,531	---	434,596	---	---	1,900,707
Interest	---	10,771	220	---	42,779	42,043	95,813
Other	---	2,555	---	---	---	---	2,555
Total revenues	1,417,580	494,421	21,239	434,596	5,432,905	1,838,752	9,639,493
Expenditures:							
Culture and recreation	---	530,551	---	---	---	1,170,558	1,701,109
Community development	930,459	---	---	434,596	---	---	1,365,055
Capital outlay	---	---	---	---	4,155,355	---	4,155,356
Nondepartmental	---	---	23,103	---	---	---	23,103
Total expenditures	930,459	530,551	23,103	434,596	4,155,355	1,170,558	7,244,623
Excess of revenues over (under) expenditures	487,121	(36,130)	(1,864)	---	1,277,549	668,194	2,394,870
Other financing sources (uses):							
Operating transfers in	---	133	---	---	---	---	133
Operating transfers out	(487,121)	---	---	---	---	---	(487,121)
Total other financing sources (uses)	(487,121)	133	---	---	---	---	(486,988)
Excess (deficiency) of revenues and other sources over expenditures and other uses	---	(35,997)	(1,864)	---	1,277,549	668,194	1,907,882
Fund balances, July 1	(3,943)	178,867	2,969	3	(1,200,513)	387,337	(635,285)
Fund balances, June 30	(3,943)	142,870	1,105	3	77,031	1,055,531	1,272,597
							(635,285)

See accompanying independent auditors' report.



*Pioneer Spring and Brady Cabin, ca. 1830  
Truman and Noland Roads*



*Blevyn Davis House, Glendale Gardens*

## **STREET IMPROVEMENTS**

This fund is used to account for construction projects financed by the 1974 Street Bond issue, interest derived thereon, and state and federal grants.

## **TAX INCREMENT FINANCING**

This fund is used to account for activity in association with Tax Increment Financing agreements entered into by the City. Revenues are the result of additional or incremental revenues generated by the development area, and disbursements are the return of these monies in fulfillment of the obligation established by the agreement.

## **BUILDING AND OTHER IMPROVEMENTS**

This fund is used to account for the acquisition, construction, and improvement of nonproprietary or trust fund buildings and facilities of the City.

## **STORM DRAINAGE**

This fund is used to account for the acquisition and construction of the City's infrastructure to control the run-off surface water.

## **PARK IMPROVEMENTS**

This fund is used to account for the acquisition and construction of the City's park land.

## **REVOLVING PUBLIC IMPROVEMENTS**

This fund, which is legally mandated by City Charter, is used to account for the cost of public work or improvements funded by special assessments.

CITY OF INDEPENDENCE, MISSOURI

All Capital Projects Funds

Combining Balance Sheet

June 30, 2000

With Comparative Totals For June 30, 1999

Assets	Street Improvements	Tax Increment Financing	Buildings and Other Improvements	Storm Drainage	Park Improvements	Revolving Public Improvements	Totals	
							2000	1999
Pooled cash and investments	\$ 10	133,480	—	8,786	1	213,694	355,971	760,235
Receivables:								
Special assessment principal and accrued interest	449,401	—	—	—	—	—	449,401	138,377
Other	—	215	23,593	—	—	—	23,808	172,024
Restricted cash	—	15,671,358	—	—	—	—	15,671,358	6,797,111
Due from other funds	—	2,476,002	—	—	—	—	2,476,002	1,253,478
Due from other governments	2,612,291	263,601	395,469	33,320	—	—	3,304,681	3,452,058
Total assets	\$ 3,061,702	18,544,656	419,062	42,106	1	213,694	22,281,221	12,573,283

Liabilities and Fund Balances

Liabilities:								
Accounts and contracts payable	\$ 152,504	—	27,243	38,906	1,605	—	220,258	529,363
Due to other funds	2,396,099	102,300	392,839	—	2,219	—	2,893,457	1,253,478
Other current liabilities	—	1,350,424	—	—	—	—	1,350,424	2,293,406
Deferred revenue	383,554	—	—	—	—	—	383,554	502,480
Total liabilities	2,932,157	1,452,724	420,082	38,906	3,824	—	4,847,693	4,578,727
Fund balances (deficit):								
Reserved for encumbrances	2,096,070	540	287,394	239,706	16,596	—	2,640,306	4,998,922
Unreserved:								
Designated for capital projects	242,550	15,671,358	—	—	—	—	15,913,908	6,797,111
Undesignated	(2,209,075)	1,420,034	(288,414)	(236,506)	(20,419)	213,694	(1,120,686)	(3,801,477)
Total fund balances (deficit)	129,545	17,091,932	(1,020)	3,200	(3,823)	213,694	17,433,528	7,994,556
Total liabilities and fund balances	\$ 3,061,702	18,544,656	419,062	42,106	1	213,694	22,281,221	12,573,283

NOTE: The negative unreserved, undesignated fund balance in the Street Improvements Fund arises because the reserve for encumbrances include purchase orders issued for services which will be paid for by expenditure-driven grants. Revenues for these grants cannot be recognized until the expenditures are made. These grants amount to \$1,658,938 and, if recorded, would reduce the negative undesignated fund balance to \$1,545,933.

See accompanying independent auditors' report.

CITY OF INDEPENDENCE, MISSOURI

All Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2000

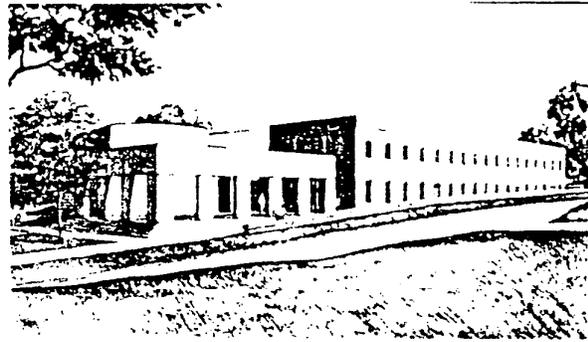
With Comparative Totals For June 30, 1999

	Street Improvements	Tax Increment Financing	Buildings and Other Improvements	Storm Drainage	Park Improvements	Revolving Public Improvements	Totals
							2000
							1999
Revenues:							
Taxes		4,515,063					4,515,063
Intergovernmental	2,833,863						3,764,198
Charges for services	319,285		355,728	1,414,709			2,039,069
Interest	(110,002)	85,000					36,581
Other	50,775	602,796				1,117	167,760
			11,620		100,500		162,895
Total revenues	3,093,921	5,202,859	367,348	1,414,709	100,500	1,117	10,190,454
Expenditures:							
Capital outlay	3,746,340	9,189,002	907,143	1,791,182	392,623		16,026,290
Debt service - principal		2,990,000					2,990,000
Debt service - interest		876,702					876,702
Total expenditures	3,746,340	13,055,704	907,143	1,791,182	392,623		19,892,992
Excess (deficiency) of revenues over expenditures	(552,419)	(7,852,845)	(539,795)	(376,473)	(292,123)	1,117	(9,702,538)
Other financing sources (uses):							
Bond proceeds		17,445,000					17,445,000
Operating transfers in	488,119		539,928	376,473	292,123		1,696,643
Operating transfers out			(133)				(133)
Total other financing sources	488,119	17,445,000	539,795	376,473	292,123		19,141,510
Excess (deficiency) of revenues and other sources over expenditures and other uses	(164,300)	9,592,155				11,117	9,438,972
Fund balances (deficit), July 1	293,845	7,499,777	(1,020)	3,200	(3,823)	202,577	7,994,556
Fund balances (deficit), June 30	129,545	17,091,932	(1,020)	3,200	(3,823)	213,694	17,433,528

See accompanying independent auditors' report.



*Oregon Trails Monument, Independence Square*



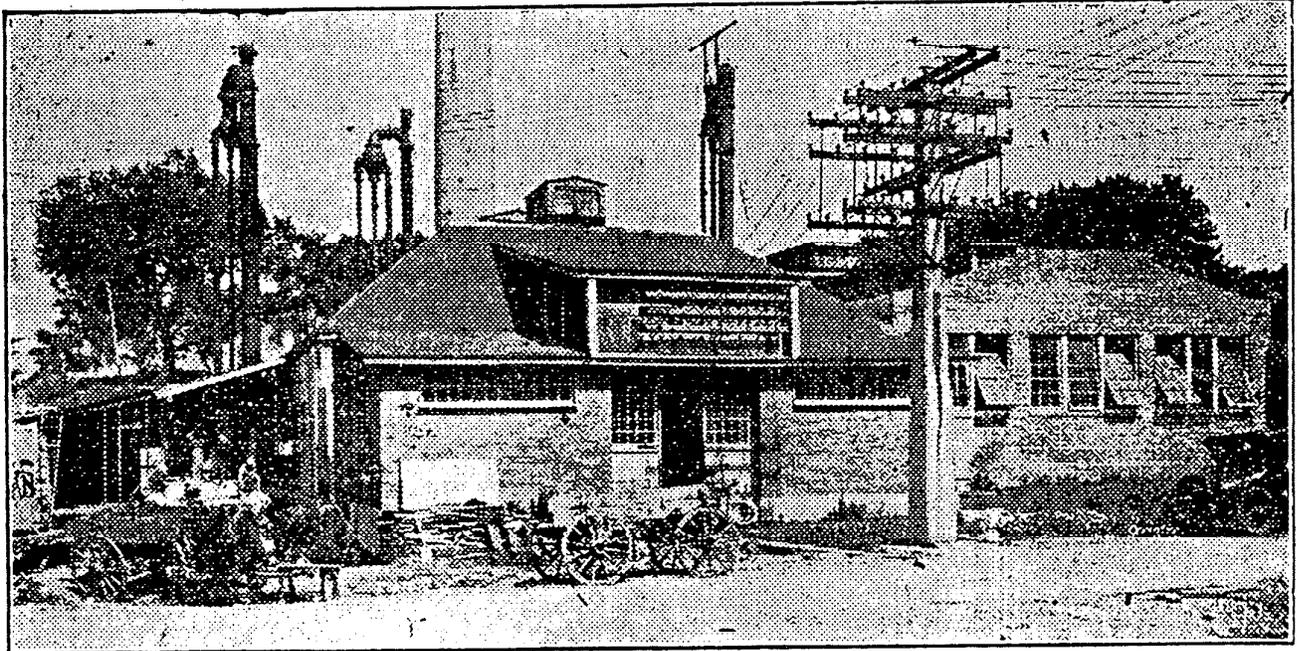
*National Frontier Trails Center*



## **ENTERPRISE FUNDS**

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the government's council is that the costs of providing goods or services on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

# THE CITY LIGHT PLANT IN 1925



## NEW RATES

Effective February 1, 1930

# CITY LIGHT DEPARTMENT

### RESIDENCE RATE

1st	-----	30-KWH @ .06 $\frac{1}{2}$
2nd	-----	30-KWH @ .05 $\frac{1}{2}$
All over	-----	60-KWH @ .05
Minimum Charge	-----	.75

### COMBINATION RATE

Bills are based on 5-KWH per room. The following is figured on a 5-room house:

1st	-----	25-KWH @ .06 $\frac{1}{2}$
2nd	-----	25-KWH @ .04 $\frac{1}{2}$
All over	-----	50-KWH @ .02 $\frac{1}{2}$
Minimum Charge	-----	.75

### COMMERCIAL LIGHTING

RATES are as follows:

1st	-----	150-KWH @ .06 $\frac{1}{2}$
2nd	-----	150-KWH @ .05 $\frac{1}{2}$
All over	-----	300-KWH @ .05
Minimum Charge	-----	.75

### POWER RATES

1st	-----	250-KWH @ .05
2nd	-----	250-KWH @ .04
Next	-----	2000-KWH @ .03
Next	-----	2500-KWH @ .02 $\frac{1}{2}$
All over	-----	5000-KWH @ .02

### Minimum Charge

1st 10 Horse-power	-----	\$1.00 Each
All over	-----	.75 Each

## **POWER AND LIGHT**

This fund is used to account for the provision of electrical services to the residents and businesses of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service and future acquisitions.

## **WATER**

This fund is used to account for the pumping, transmission and distribution of water to the residents and businesses in the City and areas outside the City limits as well as wholesale customers operating in surrounding communities and districts in Eastern Jackson County. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing, and related debt service.

## **SANITARY SEWER**

This fund is used to account for the disposal of waste water and industrial waste for most residents and businesses in the City and areas outside the City limits. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing, and related debt service.

## **STORM WATER**

This fund was established to account for the public service of collection and conveyance of storm water runoff generated in the City and areas outside the city limits. Because of the absence of a revenue source to fund this activity, all expenditures necessary to provide such services are accounted for in the General Fund, including but not limited to, administration, operations, maintenance, financing, and related debt service.

CITY OF INDEPENDENCE, MISSOURI

All Enterprise Funds  
Combining Balance Sheet

June 30, 2000  
With Comparative Totals For June 30, 1999

Assets	Power and Light	Water	Sanitary Sewer	Storm Water	Totals	
					2000	1999
Current assets:						
Pooled assets and investments	\$ 15,887,089	21,638,232	10,566,361	—	48,091,682	42,402,590
Receivables:						
Accounts (net of allowance of \$324,777, \$58,730, and \$60,125, respectively)	4,570,168	1,207,709	951,927	—	6,729,804	5,182,554
Unbilled revenue	4,995,083	774,836	810,500	—	6,580,419	6,457,847
Special assessment principal and accrued interest	—	134,273	98,543	—	232,816	204,201
Accrued interest	649,989	454,064	152,667	—	1,256,720	1,117,448
Other	—	124,108	—	—	124,108	—
Total receivables	10,215,240	2,694,990	2,013,637	—	14,923,867	12,962,150
Due from other funds	431,500	179,353	1,147,227	—	1,758,080	1,039,752
Inventory, at average cost	7,717,653	871,234	113,176	—	8,702,063	8,314,513
Prepaid expenses and other current assets	34,399	7,139	—	—	41,538	40,963
Total current assets	34,285,881	25,390,948	13,840,401	—	73,517,230	64,760,068
Restricted assets	18,903,887	686,791	133,158	—	19,723,836	28,278,741
Property, plant, and equipment:						
Utility plant in service	222,408,392	69,961,607	72,787,217	339,855	365,497,071	344,994,640
Acquisition adjustment	2,755,569	12,547,766	—	—	15,303,335	15,303,335
Construction in progress	19,859,912	1,578,211	3,527,030	—	24,965,153	23,152,538
Nonutility property	—	40,014	46,368	—	86,382	86,382
Less accumulated depreciation	245,023,873	84,127,598	76,360,615	339,855	405,851,941	383,536,995
Net property, plant, and equipment	123,263,554	18,814,211	31,400,932	336,732	173,815,429	164,356,760
Advances to other funds	121,760,319	65,313,387	44,959,683	3,123	232,036,512	219,180,235
Deferred charges:						
Deferred debt issue costs	—	—	25,000	—	25,000	25,000
Prepaid employee benefits	1,559,628	1,062,267	39,431	—	2,661,326	2,836,245
Preliminary survey charges and other	1,204,083	235,960	202,645	—	1,642,688	2,050,356
Total assets	\$ 177,713,798	92,689,353	59,329,709	3,123	329,735,983	317,259,375

(Continued)

Schedule 7 (Cont'd)

	Liabilities and Fund Equity					Totals	
	Power and Light	Water	Sanitary Sewer	Storm Water	2000	1999	
Current liabilities:							
Accounts and contracts payable	\$ 4,334,483	806,235	416,571	—	5,557,289	5,045,721	
Accrued expenses	543,512	306,483	1,980,462	—	2,830,457	1,511,077	
Compensated absences	965,178	291,980	212,852	—	1,470,010	1,375,439	
Due to other funds	568,928	12,762	20,753	1,031,694	1,634,137	1,031,694	
Other current liabilities	—	241,494	41,572	—	283,066	199,627	
Total current liabilities	6,412,101	1,658,954	2,672,210	1,031,694	11,774,959	9,163,558	
Liabilities payable from restricted assets:							
Customer deposits	735,638	186,791	133,158	—	1,055,587	1,007,379	
Interest on long-term debt	109,070	263,726	—	—	372,796	383,727	
Current maturities of revenue bonds	1,595,000	900,000	—	—	2,495,000	2,385,000	
Current maturities of loan payable	—	—	520,000	—	520,000	495,000	
Total liabilities payable from restricted assets	2,439,708	1,350,517	653,158	—	4,443,383	4,271,106	
Long-term liabilities:							
Revenue bonds payable	25,400,731	34,250,000	—	—	59,650,731	62,002,790	
Loan payable	—	—	1,120,000	—	1,120,000	1,640,000	
Capital lease obligations	—	—	125,476	—	125,476	—	
Compensated absences	2,510,797	834,690	507,622	—	3,853,109	3,629,096	
Advances from other funds	—	—	—	25,000	25,000	25,000	
Total long-term liabilities	27,911,528	35,084,690	1,753,098	25,000	64,774,316	67,296,886	
Deferred credits - advances for construction	—	385,310	4,000	—	389,310	414,545	
Total liabilities	36,763,337	38,479,471	5,082,466	1,056,694	81,381,968	81,146,095	
Fund equity (deficit):							
Contributed capital	—	—	—	—	—	—	
Retained earnings (deficit):	1,612,664	14,557,601	29,187,597	—	45,357,862	44,394,443	
Reserved for revenue bond retirement	—	500,000	—	—	500,000	500,000	
Reserved for depreciation and emergency	139,337,797	39,152,281	25,059,646	(1,053,571)	202,496,153	191,219,437	
Unreserved	—	—	—	—	—	—	
Total retained earnings (deficit)	139,337,797	39,652,281	25,059,646	(1,053,571)	202,996,153	191,719,437	
Total fund equity (deficit)	140,950,461	54,209,882	54,247,243	(1,053,571)	248,354,015	236,113,880	
Total liabilities and fund equity	\$ 177,713,798	92,689,353	59,329,709	3,123	329,735,983	317,259,975	

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

## All Enterprise Funds

## Combining Statement of Revenues, Expenses, and Changes in Retained Earnings

Year Ended June 30, 2000

With Comparative Totals For Year Ended June 30, 1999

	Power and Light	Water	Sanitary Sewer	Storm Water	Totals	
					2000	1999
Operating revenues:						
Sale of electric energy and services	\$ 67,741,998	—	—	—	67,741,998	66,343,685
Sale of water	—	15,073,939	—	—	15,073,939	14,048,642
Sanitary sewerage charges	—	—	12,654,387	—	12,654,387	12,626,408
Other operating revenue	276,179	87,294	29,658	—	393,131	358,864
Total operating revenues	68,018,177	15,161,233	12,684,045	—	95,863,455	93,377,599
Operating expenses:						
Production fuel	6,095,461	—	—	—	6,095,461	5,916,318
Purchased power	20,958,476	—	—	—	20,958,476	18,032,116
Production	6,444,718	3,502,911	—	—	9,947,629	9,119,958
Transmission and distribution	7,959,126	2,069,591	—	—	10,028,717	10,093,900
Customer service	2,413,030	948,119	—	—	3,361,149	3,118,550
General and administrative	5,787,862	2,879,488	1,769,053	—	10,436,403	10,479,370
Sewerage pumping and treatment	—	—	2,155,578	—	2,155,578	2,242,148
Maintenance	—	—	1,445,004	—	1,445,004	1,400,009
Intermunicipal agreements	—	—	2,931,500	—	2,931,500	2,705,518
Depreciation and amortization	6,546,375	1,706,619	1,795,116	23,336	10,071,446	9,704,013
Payroll taxes	732,187	256,225	176,331	—	1,164,743	1,130,496
Payments to General Fund in lieu of taxes	6,468,776	911,346	1,049,941	—	8,430,063	8,318,843
Other	—	58,560	—	—	58,560	56,496
Total operating expenses	63,406,011	12,332,859	11,322,523	23,336	87,084,729	82,317,735
Operating income (loss)	4,612,166	2,828,374	1,361,522	(23,336)	8,778,726	11,059,864
Nonoperating revenues (expenses):						
Interest income	2,330,947	1,495,069	615,294	—	4,441,310	4,266,450
Interest expense	(1,525,383)	(1,585,560)	(98,289)	—	(3,209,232)	(2,880,913)
Other	—	—	164,356	—	164,356	138,229
Administrative fees for revenue bonds and certificates of participation	—	(8,009)	—	—	(8,009)	(89,655)
Amortization of debt issue costs	(96,740)	(65,034)	(14,444)	—	(176,218)	(137,710)
Total nonoperating revenues (expenses)	708,824	(163,534)	666,917	—	1,212,207	1,296,401
Income (loss) before operating transfers	5,320,990	2,664,840	2,028,439	(23,336)	9,990,933	12,356,265
Operating transfers out	—	—	(29,852)	—	(29,852)	—
Net income (loss)	5,320,990	2,664,840	1,998,587	(23,336)	9,961,081	12,356,265
Add credit arising from transfer of depreciation on contributed assets to contributed capital	65,830	203,466	1,046,338	—	1,315,634	1,298,886
Transferred to retained earnings	5,386,820	2,868,306	3,044,925	(23,336)	11,276,715	13,655,151
Retained earnings, July 1	133,950,977	36,783,975	22,014,721	(1,030,235)	191,719,438	178,064,287
Retained earnings, June 30	\$ 139,337,797	39,652,281	25,059,646	(1,053,571)	202,996,153	191,719,438

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

## All Enterprise Funds

## Combining Statement of Cash Flows

Year Ended June 30, 2000

	<u>Power and Light</u>	<u>Water</u>	<u>Sanitary Sewer</u>	<u>Storm Water</u>	<u>Total</u>
Operating activities:					
Operating income (loss)	S 4,612,166	2,828,374	1,361,522	(23,336)	8,778,726
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	6,546,375	1,706,619	1,795,116	23,336	10,071,446
Changes in assets and liabilities:					
Receivables	(1,278,261)	(511,292)	(228,575)	—	(2,018,128)
Due from other funds	(427,786)	(178,081)	(112,461)	—	(718,328)
Inventory	(215,187)	(205,862)	33,599	—	(387,450)
Prepaid expenses and other current assets	(216)	(359)	—	—	(575)
Prepaid employee benefits	190,960	178,317	38,891	—	408,168
Preliminary survey charges and other	—	—	(561)	—	(561)
Accounts and contracts payable	229,320	124,193	158,055	—	511,568
Accrued expenses	120,561	(17,933)	1,216,752	—	1,319,380
Compensated absences	266,585	10,265	41,734	—	318,584
Due to other funds	568,928	12,762	20,753	—	602,443
Other current liabilities	—	41,867	41,572	—	83,439
Customer deposits	30,480	8,154	9,574	—	48,208
Net cash provided by operating activities	<u>10,643,925</u>	<u>3,997,024</u>	<u>4,375,971</u>	<u>—</u>	<u>19,016,920</u>
Capital and related financing activities:					
Advances for construction	—	(29,235)	4,000	—	(25,235)
Principal paid on revenue bonds and note payable	(1,535,000)	(850,000)	(495,000)	—	(2,880,000)
Interest paid on debt	(1,531,710)	(1,590,164)	(98,289)	—	(3,220,163)
Additions of property, plant, and equipment	(16,693,127)	(2,182,343)	(2,330,468)	—	(21,205,938)
Net cash used in capital and related financing activities	<u>(19,759,837)</u>	<u>(4,651,742)</u>	<u>(2,919,757)</u>	<u>—</u>	<u>(27,331,336)</u>
Noncapital financing activities – other revenue	—	—	164,356	—	164,356
Investing activities – interest and dividends on investments	<u>2,937,404</u>	<u>1,731,549</u>	<u>615,294</u>	<u>—</u>	<u>5,284,247</u>
Net increase (decrease) in cash and cash equivalents	(6,178,508)	1,076,831	2,235,864	—	(2,865,813)
Cash and cash equivalents, July 1	<u>40,969,484</u>	<u>21,248,192</u>	<u>8,463,655</u>	<u>—</u>	<u>70,681,331</u>
Cash and cash equivalents, June 30	S <u>34,790,976</u>	<u>22,325,023</u>	<u>10,699,519</u>	<u>—</u>	<u>67,815,518</u>
Noncash capital and related financing activities - contributed capital	S <u>542,226</u>	<u>1,457,333</u>	<u>279,494</u>	<u>—</u>	<u>2,279,053</u>
Components of cash and short-term investments at end of fiscal year:					
Unrestricted	S 15,887,089	21,638,232	10,566,361	—	48,091,682
Restricted	18,903,887	686,791	133,158	—	19,723,836
	S <u>34,790,976</u>	<u>22,325,023</u>	<u>10,699,519</u>	<u>—</u>	<u>67,815,518</u>

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

## Schedule of Operating Expenses – Power and Light Fund

Years Ended June 30, 2000 and 1999

	2000			1999		
	Operations	Maintenance	Total	Operations	Maintenance	Total
Production fuel:						
Coal			\$ 3,463,533			4,436,284
Gas			1,996,737			1,245,741
Oil			635,191			234,293
Total production fuel			6,095,461			5,916,318
Purchased power:						
Purchased energy			11,763,608			10,147,146
Purchased capacity (net)			8,632,500			7,284,000
Border customers			26,528			30,220
Control and dispatching			535,840			570,750
Total purchased power			20,958,476			18,032,116
Production (other):						
Blue Valley Station:						
Supervision and engineering	\$ 408,154	468,954	877,108	419,819	397,024	816,843
Steam	619,772	915,678	1,535,450	524,873	1,359,676	1,884,549
Electric	475,433	203,588	679,021	530,126	212,400	742,526
Structures and improvements	—	303,001	303,001	—	47,705	47,705
Miscellaneous	887,549	605,091	1,492,640	996,457	446,582	1,443,039
	<u>2,390,908</u>	<u>2,496,312</u>	<u>4,887,220</u>	<u>2,471,275</u>	<u>2,463,387</u>	<u>4,934,662</u>
Missouri City Station:						
Supervision and engineering	19,777	22,610	42,387	7,082	12,705	19,787
Steam	211,348	274,300	485,648	176,489	225,619	402,108
Electric	207,991	127,906	335,897	179,516	212,687	392,203
Structures and improvements	—	111,075	111,075	—	8,751	8,751
Miscellaneous	106,692	276,898	383,590	70,526	60,099	130,625
	<u>545,808</u>	<u>812,789</u>	<u>1,358,597</u>	<u>433,613</u>	<u>519,861</u>	<u>953,474</u>
Combustion Turbine Station:						
Supervision and engineering	—	500	500	—	14,991	14,991
Generation expenses	918	136,460	137,378	646	175,620	176,266
Structures and improvements	—	40,349	40,349	—	32,450	32,450
Miscellaneous	4,249	16,425	20,674	14,524	49,618	64,142
	<u>5,167</u>	<u>193,734</u>	<u>198,901</u>	<u>15,170</u>	<u>272,679</u>	<u>287,849</u>
Total production (other)	\$ <u>2,941,883</u>	<u>3,502,835</u>	<u>6,444,718</u>	\$ <u>2,920,058</u>	<u>3,255,927</u>	<u>6,175,985</u>
Transmission and distribution:						
Transmission:						
Supervision and engineering	\$ 123,290	11,465	134,755	130,675	10,573	141,248
Overhead expenses	28,921	1,305	30,226	76,390	2,379	78,769
Station expenses	41,258	280,021	321,279	30,763	216,204	246,967
Wheeling charges	604,928	—	604,928	893,528	—	893,528
Underground line expense	142	445	587	—	—	—
Miscellaneous	—	—	—	367	—	367
Total transmission	\$ <u>798,539</u>	<u>293,236</u>	<u>1,091,775</u>	<u>1,131,723</u>	<u>229,156</u>	<u>1,360,879</u>

(Continued)

## CITY OF INDEPENDENCE, MISSOURI

## Schedule of Operating Expenses – Power and Light Fund, Continued

Years Ended June 30, 2000 and 1999

	2000			1999		
	Operations	Maintenance	Total	Operations	Maintenance	Total
Distribution:						
Supervision and engineering	\$ 82,363	34,404	116,767	92,869	34,002	126,871
Overhead lines	576,003	2,552,490	3,128,493	468,913	2,407,003	2,875,916
Station expenses	248,043	91,172	339,215	307,776	59,297	367,073
Street lights and traffic signals	136,447	436,573	573,020	149,898	436,955	586,853
Meters	166,356	395,488	561,844	156,175	332,769	488,944
Customer installations	1,194	—	1,194	584	—	584
Underground lines	585,141	379,588	964,729	319,262	450,563	769,825
Dispatching communication	541,108	—	541,108	506,908	—	506,908
Line transformers	—	148,191	148,191	—	97,642	97,642
Miscellaneous	334,040	158,750	492,790	387,688	116,857	504,545
Total distribution	<u>2,670,695</u>	<u>4,196,656</u>	<u>6,867,351</u>	<u>2,390,073</u>	<u>3,935,088</u>	<u>6,325,161</u>
Total transmission and distribution	\$ <u>3,469,234</u>	<u>4,489,892</u>	<u>7,959,126</u>	\$ <u>3,521,796</u>	<u>4,164,244</u>	<u>7,686,040</u>
Customer service:						
Supervision			180,273			146,804
Meter reading			587,786			594,439
Customer records and collections			1,218,644			1,039,552
Provisions for doubtful accounts			303,535			311,280
Miscellaneous			122,792			139,346
Total customer service			<u>2,413,030</u>			<u>2,231,421</u>
General and administrative:						
Salaries			689,546			651,975
Office supplies			181,883			258,779
Insurance			423,746			368,765
Injuries and damage			375,745			218,539
Employee benefits			2,267,865			2,286,792
Outside services			1,220,699			1,066,146
Miscellaneous			675,427			514,974
Administrative expenses – transfers			(47,049)			(55,270)
Total general and administrative			<u>5,787,862</u>			<u>5,310,700</u>
Depreciation and amortization			6,546,375			6,140,639
Payroll taxes			732,187			716,160
Payments to General Fund in lieu of taxes			6,468,776			6,404,789
Total operating expenses			<u>\$ 63,406,011</u>			<u>58,614,168</u>

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

## Schedule of Changes in Fixed Assets – Power and Light Fund

Year Ended June 30, 2000

	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2000</u>
Property, plant, and equipment:				
Production plant	\$ 112,157,988	5,839,929	—	117,997,917
Transmission plant	21,820,730	6,315	8,834	21,818,211
Distribution plant	60,310,155	7,420,640	1,056,308	66,674,487
General plant	14,928,260	1,107,896	118,379	15,917,777
Utility plant in service	209,217,133	14,374,780	1,183,521	222,408,392
Acquisition adjustment	2,755,569	—	—	2,755,569
Construction in progress	16,555,075	19,623,667	16,318,830	19,859,912
	228,527,777	33,998,447	17,502,351	245,023,873
Total accumulated depreciation	<u>116,949,387</u>	<u>6,940,377</u>	<u>626,210</u>	<u>123,263,554</u>
Net property, plant, and equipment	<u>\$ 111,578,390</u>	<u>27,058,070</u>	<u>16,876,141</u>	<u>121,760,319</u>

Depreciation and amortization for the years ended 2000 and 1999 were allocated as follows:

	<u>2000</u>	<u>1999</u>
Expense	\$ 6,546,375	6,140,638
Capitalized as construction in progress and other	<u>394,002</u>	<u>377,665</u>
	<u>\$ 6,940,377</u>	<u>6,518,303</u>

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

## Schedule of Operating Statistics – Power and Light Fund

Year Ended June 30, 2000

	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Revenue</u>	<u>KWH</u>
Sale of electric energy:				
Metered:				
Residential	47,804	48,653	\$ 34,356,064	459,141,471
Small general services	2,731	2,773	2,323,421	24,772,300
General services–space heating	2	2	847	12,081
Large general services	1,684	1,644	19,012,259	313,070,258
Large general services–prime voltage	12	13	1,119,645	21,377,584
Large general services–space heating	2	2	8,198	116,579
Total electric general services	50	51	2,251,056	43,046,575
Schools, churches, and hospitals	278	284	2,084,326	32,459,266
Schools, churches, and hospitals, all electric	5	5	92,203	1,732,972
Large power services	6	6	1,622,391	38,515,680
Interruptible services	1	1	348,581	8,195,632
Sewer pumping	7	7	43,782	460,421
City traffic signals	58	59	65,548	641,475
Wholesale (border customers)	—	—	94,695	4,571,810
Wholesale (interchange)	—	—	1,756,250	31,821,000
Capacity sale	—	—	857,250	—
	<u>52,640</u>	<u>53,500</u>	66,036,516	979,935,104
Unmetered:				
Private security lighting	1,371	1,442	229,917	1,189,009
City public street lighting	10,850	10,813	648,357	8,527,793
	<u>12,221</u>	<u>12,255</u>	878,274	9,716,802
Increase (decrease) in unbilled revenue			108,852	(1,139,816)
Other operating revenue			994,535	—
Total operating revenue			<u>\$ 68,018,177</u>	<u>988,512,090</u>
Net generation				214,604,564
Wholesale power purchased				839,980,770
Unintentional interchange				75,000
Net generation and power purchased				<u>1,054,660,334</u>
Retail energy sales				952,119,280
Wholesale (border customers) sales				36,392,810
Power and light usage (building and substations)				<u>1,586,238</u>
Net disposition				<u>990,098,328</u>
Transmission and distribution operating losses				<u>64,562,006</u>

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

## Schedule of Operating Expenses – Water Fund

Years Ended June 30, 2000 and 1999

	2000			1999		
	Operations	Maintenance	Total	Operations	Maintenance	Total
<b>Production:</b>						
Source of supply:						
Supervision and engineering	\$ 17,584	130	17,714	17,367	—	17,367
Labor and expenses	170,336	—	170,336	164,589	—	164,589
Structures and improvements	—	37,615	37,615	—	7,986	7,986
Miscellaneous	—	122,212	122,212	—	182,860	182,860
<b>Total source of supply</b>	<b>187,920</b>	<b>159,957</b>	<b>347,877</b>	<b>181,956</b>	<b>190,846</b>	<b>372,802</b>
<b>Power and pumping:</b>						
Supervision and engineering	25,362	9,093	34,455	25,785	18,294	44,079
Fuel/power purchased	961,018	—	961,018	942,400	—	942,400
Labor and expenses	152,458	—	152,458	170,306	—	170,306
Structures and improvements	—	4,700	4,700	—	14,663	14,663
Miscellaneous	—	52,213	52,213	—	39,867	39,867
<b>Total power and pumping</b>	<b>1,138,838</b>	<b>66,006</b>	<b>1,204,844</b>	<b>1,138,491</b>	<b>72,824</b>	<b>1,211,315</b>
<b>Water treatment:</b>						
Supervision and engineering	29,739	12,391	42,130	30,492	13,107	43,599
Chemicals	593,686	—	593,686	510,522	—	510,522
Labor and expenses	462,362	—	462,362	382,223	—	382,223
Structures and improvements	—	303,332	303,332	—	23,926	23,926
Miscellaneous	—	548,680	548,680	—	399,586	399,586
<b>Total water treatment</b>	<b>1,085,787</b>	<b>864,403</b>	<b>1,950,190</b>	<b>923,237</b>	<b>436,619</b>	<b>1,359,856</b>
<b>Total production</b>	<b>\$ 2,412,545</b>	<b>1,090,366</b>	<b>3,502,911</b>	<b>\$ 2,243,684</b>	<b>700,289</b>	<b>2,943,973</b>
<b>Transmission and distribution:</b>						
Supervision and engineering	\$ 50,440	101,797	152,237	46,360	96,084	142,444
Storage facilities	13,643	129,315	142,958	13,508	527,587	541,095
Transmission and distribution lines	327,932	468,337	796,269	342,894	522,347	865,241
Meters	171,318	123,294	294,612	168,363	137,296	305,659
Customer installations	47,787	—	47,787	46,753	—	46,753
Services	—	162,873	162,873	—	91,531	91,531
Hydrants	—	34,496	34,496	—	24,464	24,464
Miscellaneous	332,634	105,725	438,359	290,616	100,057	390,673
<b>Total transmission and distribution</b>	<b>\$ 943,754</b>	<b>1,125,837</b>	<b>2,069,591</b>	<b>\$ 908,494</b>	<b>1,499,366</b>	<b>2,407,860</b>

(Continued)

## CITY OF INDEPENDENCE, MISSOURI

## Schedule of Operating Expenses – Water Fund, Continued

Years Ended June 30, 2000 and 1999

	2000			1999		
	Operations	Maintenance	Total	Operations	Maintenance	Total
Customer service:						
Customer accounting paid and collecting:						
Supervision			\$ 124,088			110,468
Meter reading			667,966			716,257
Customer records			19,716			(49,453)
Provision for uncollectible amounts			62,828			43,136
Total customer accounting paid and collecting			874,598			820,408
Sales promotion – expenses			73,521			66,721
Total customer service			948,119			887,129
General and administrative:						
Salaries			447,044			421,379
Office supplies and expense			293,284			232,907
Insurance			—			15,183
Injuries and damages			214,867			167,473
Employee benefits			845,428			834,535
Outside services			938,869			1,329,976
Miscellaneous			139,996			179,634
Total general and administrative			2,879,488			3,181,087
Depreciation and amortization			1,706,619			1,678,760
Payroll taxes			256,225			244,734
Payments to General Fund in lieu of taxes			911,346			855,160
Other			58,560			56,496
Total operating expenses			\$ 12,332,859			12,255,199

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

## Schedule of Changes in Fixed Assets – Water Fund

Year Ended June 30, 2000

	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2000</u>
Property, plant, and equipment:				
Production plant:				
Source of supply	\$ 6,614,016	112,190	—	6,726,206
Pumping plant	4,681,679	35,667	27,682	4,689,664
Water treatment plant	11,566,240	10,346	—	11,576,586
Transmission and distribution equipment	40,177,481	2,337,547	121,441	42,393,587
General plant	4,137,123	607,743	169,302	4,575,564
	<u>67,176,539</u>	<u>3,103,493</u>	<u>318,425</u>	<u>69,961,607</u>
Utility plant in service	67,176,539	3,103,493	318,425	69,961,607
Acquisition adjustment	12,547,766	—	—	12,547,766
Construction in progress	1,010,238	567,973	—	1,578,211
Nonutility property	40,014	—	—	40,014
	<u>80,774,557</u>	<u>3,671,466</u>	<u>318,425</u>	<u>84,127,598</u>
Total accumulated depreciation and amortization	<u>17,251,948</u>	<u>1,893,345</u>	<u>331,082</u>	<u>18,814,211</u>
Net property, plant, and equipment	<u>\$ 63,522,609</u>	<u>1,778,121</u>	<u>(12,657)</u>	<u>65,313,387</u>

Depreciation and amortization for the years ended 2000 and 1999 were allocated as follows:

	<u>2000</u>	<u>1999</u>
Expenses	\$ 1,706,619	1,678,760
Capitalized as construction in progress and other	<u>186,726</u>	<u>154,565</u>
	<u>\$ 1,893,345</u>	<u>1,833,325</u>

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

## Schedule of Operating Statistics – Water Fund

Year Ended June 30, 2000

	Number of Customers		Revenue	MGS*
	Beginning of Year	End of Year		
Sale of water:				
Residential	42,229	42,558	\$ 7,777,844	3,318,523
Commercial	2,686	2,749	2,014,589	938,581
Industrial	8	8	225,018	202,940
Public authority	56	58	123,779	62,987
Resale	13	13	4,131,174	4,379,477
Private fire protection	251	263	42,182	—
Public fire protection	—	—	545,244	—
	<u>45,243</u>	<u>45,649</u>	<u>14,859,830</u>	<u>8,902,508</u>
Increase in unbilled revenue			(15,938)	
Other operating revenue			<u>230,047</u>	
Total operating revenue			<u>\$ 15,073,939</u>	
Thousands of gallons pumped –				
Courtney Bend Plant			10,081,973	
Less total sales			<u>8,902,508</u>	
Unaccounted for water			<u>1,179,465</u>	

\* Thousand gallons sold.

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

## Schedule of Changes in Fixed Assets – Sanitary Sewer Fund

Year Ended June 30, 2000

	<b>Balance July 1, 1999</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2000</b>
Property, plant, and equipment:				
Collection plant	\$ 48,104,632	1,530,958	—	49,635,590
Pumping plant	4,786,560	61,891	31,168	4,817,283
Treatment and disposal plant	11,689,293	2,890,463	96,817	14,482,939
General plant	3,680,628	286,405	115,628	3,851,405
Utility plant in service	68,261,113	4,769,717	243,613	72,787,217
Construction in progress	5,587,325	2,106,306	4,166,601	3,527,030
Nonutility property	46,368	—	—	46,368
	73,894,806	6,876,023	4,410,214	76,360,615
Total accumulated depreciation	29,842,028	1,795,116	236,212	31,400,932
Net property, plant, and equipment	\$ 44,052,778	5,080,907	4,174,002	44,959,683

Depreciation charges for the years ended June 30, 2000 and 1999 were allocated as follows:

	<b>2000</b>	<b>1999</b>
Expense	\$ 1,795,116	1,703,877

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

## Schedule of Operating Statistics – Sanitary Sewer Fund

Year Ended June 30, 2000

	Number of Customers		Revenue	CCF*
	Beginning of Year	End Year		
Sale of sanitary sewer services:				
Residential	37,195	38,712	\$ 7,898,920	2,860,163
Commercial:				
Base	3,442	3,482	3,207,039	1,802,752
Surcharge	—	—	791,885	—
Contract waste treatment	—	—	244,525	—
Intermunicipal agreements:				
Sugar Creek	—	—	333,201	—
Kansas City	—	—	64,936	—
Lee's Summit	—	—	12,353	—
	<u>40,637</u>	<u>42,194</u>	<u>12,552,859</u>	<u>4,662,915</u>
Other operating revenue			101,528	
Increase in unbilled revenue			<u>29,658</u>	
Total operating revenue			<u>\$ 12,684,045</u>	

\* Hundred cubic feet.

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

## Schedule of Changes in Fixed Assets – Storm Water Fund

Year Ended June 30, 2000

	<b>Balance July 1, 1999</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2000</b>
Property, plant, and equipment:				
General plant	\$ 339,855	—	—	339,855
Accumulated depreciation	313,397	23,335	—	336,732
Net property, plant, and equipment	<u>\$ 26,458</u>	<u>(23,335)</u>	<u>—</u>	<u>3,123</u>

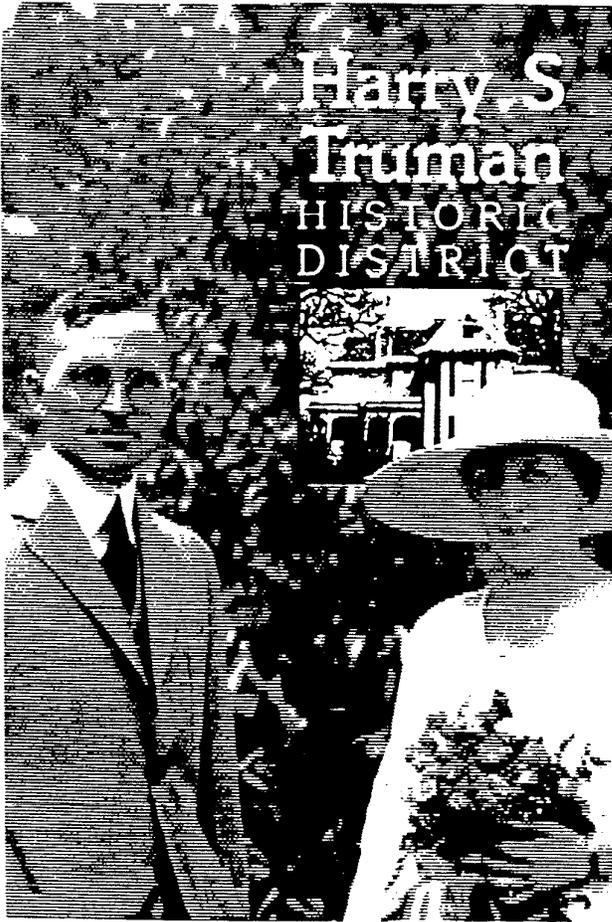
Depreciation charges for the years ended June 30, 2000 and 1999 were allocated as follows:

	<u>2000</u>	<u>1999</u>
Expense	\$ <u>23,336</u>	<u>180,737</u>

See accompanying independent auditors' report.

## **INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis.



## **CENTRAL GARAGE**

This fund is used to account for costs of maintenance of the City's fleet of vehicles and mobile equipment and related charges to other departments.

## **EMPLOYEE BENEFITS**

This fund is used to account for all financial activity associated with the reimbursement to the Missouri Local Government Employees Retirement System (LAGERS) for the refunding of employee contributions made to the system.

## **STAYWELL HEALTH CARE**

This fund is used to account for the costs of the City's self-insured health care plan.

## CITY OF INDEPENDENCE, MISSOURI

All Internal Service Funds

Combining Balance Sheet

June 30, 2000

With Comparative Totals For June 30, 1999

Assets	Central Garage	Employee Benefits	Staywell Health Care	Totals	
				2000	1999
Current assets:					
Pooled cash and investments	\$ 13,016	2,127,502	1,723,212	3,863,730	4,526,933
Accrued interest receivable	—	20,275	—	20,275	21,654
Due from other funds	515	—	—	515	105
Inventory, at average cost	97,565	—	—	97,565	105,050
Total current assets	111,096	2,147,777	1,723,212	3,982,085	4,653,742
Property, plant, and equipment	417,447	—	—	417,447	419,809
Less accumulated depreciation	290,566	—	—	290,566	286,190
Net property, plant, and equipment	126,881	—	—	126,881	133,619
Total assets	\$ 237,977	2,147,777	1,723,212	4,108,966	4,787,361
<b>Liabilities and Fund Equity</b>					
Current liabilities:					
Accounts and contracts payable	\$ 20,120	—	—	20,120	47,205
Accrued expenses	10,360	—	—	10,360	7,622
Compensated absences – current	1,598	—	—	1,598	1,478
Other current liabilities – medical self-insurance claims	—	—	597,882	597,882	419,000
Total current liabilities	32,078	—	597,882	629,960	475,305
Employee benefits payable	—	1,406,728	—	1,406,728	1,618,482
Compensated absences – long-term	73,188	—	—	73,188	66,216
Total liabilities	105,266	1,406,728	597,882	2,109,876	2,160,003
Fund equity – retained earnings	132,711	741,049	1,125,330	1,999,090	2,627,358
Total liabilities and fund equity	\$ 237,977	2,147,777	1,723,212	4,108,966	4,787,361

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

## All Internal Service Funds

Combining Statement of Revenues, Expenses, and  
Changes in Retained EarningsYear Ended June 30, 2000  
With Comparative Totals For June 30, 1999

	Central Garage	Employee Benefits	Staywell Health Care	Totals	
				2000	1999
Operating revenues:					
Repairs and maintenance charges	\$ 1,126,988	—	—	1,126,988	1,272,081
Premiums	—	—	6,770,993	6,770,993	6,556,846
Total operating revenues	<u>1,126,988</u>	<u>—</u>	<u>6,770,993</u>	<u>7,897,981</u>	<u>7,828,927</u>
Operating expenses:					
Public works	1,099,563	—	—	1,099,563	1,105,292
Health care plan expenses	—	—	7,698,620	7,698,620	5,738,617
Depreciation and amortization	11,514	—	—	11,514	7,646
Total operating expenses	<u>1,111,077</u>	<u>—</u>	<u>7,698,620</u>	<u>8,809,697</u>	<u>6,851,555</u>
Operating income (expense)	15,911	—	(927,627)	(911,716)	977,372
Nonoperating revenues – interest income	(1,118)	102,597	129,241	230,720	222,361
Income (expense) before operating transfers	14,793	102,597	(798,386)	(680,996)	1,199,733
Operating transfers in	—	52,728	—	52,728	52,728
Operating transfers out	—	—	—	—	(163,011)
Net income (expense)	14,793	155,325	(798,386)	(628,268)	1,089,450
Retained earnings, July 1	<u>117,918</u>	<u>585,724</u>	<u>1,923,716</u>	<u>2,627,358</u>	<u>1,537,908</u>
Retained earnings, June 30	<u>\$ 132,711</u>	<u>741,049</u>	<u>1,125,330</u>	<u>1,999,090</u>	<u>2,627,358</u>

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

All Internal Service Funds

Combining Statement of Cash Flows

Year Ended June 30, 2000

	<u>Central Garage</u>	<u>Employee Benefits</u>	<u>Staywell Health Care</u>	<u>Total</u>
Operating activities:				
Operating income (expense)	\$ 15,911	—	(927,627)	(911,716)
Adjustments to reconcile operating income (expense) to cash provided by (used in) operating activities:				
Depreciation and amortization	11,514	—	—	11,514
Changes in assets and liabilities:				
Accrued interest	—	1,379	—	1,379
Inventory	7,485	—	—	7,485
Due from other funds	(410)	—	—	(410)
Account and contracts payable	(27,085)	—	—	(27,085)
Accrued expenses	2,738	—	—	2,738
Compensated absences	7,092	—	—	7,092
Employee benefits payable	—	(211,754)	—	(211,754)
Other current liabilities – medical self- insurance claims payable	—	—	178,882	178,882
Net cash provided by (used in) operating activities	17,245	(210,375)	(748,745)	(941,875)
Capital and related financing activities – acquisition and construction of capital assets	(4,776)	—	—	(4,776)
Noncapital financing activities – operating transfer in	—	52,728	—	52,728
Investing activities – interest and dividends on investments	(1,118)	102,597	129,241	230,720
Net increase (decrease) in cash and cash equivalents	11,351	(55,050)	(619,504)	(663,203)
Cash and cash equivalents, July 1	1,665	2,182,552	2,342,716	4,526,933
Cash and cash equivalents, June 30	\$ 13,016	2,127,502	1,723,212	3,863,730

See accompanying independent auditors' report.

## **TRUST AND AGENCY FUNDS**

Trust and Agency Funds are established to account for the assets held by the City as trustee, custodian, or agent for individuals, governmental entities, and private organizations. The City has fiduciary responsibilities for the funds' assets and makes expenditures only in accordance with the purpose for which assets were received.



*Truman Home  
219 N. Delaware*

*Vail Mansion, 1881  
1500 N. Liberty  
30 rooms, Victorian style*



*World War I Memorial Building*

## **NONEXPENDABLE TRUST FUND**

### ***Waggoner Memorial***

This fund is used to account for citizen donations, the interest on which is used for maintenance of the Memorial Building.

## **EXPENDABLE TRUST FUNDS**

### ***Miscellaneous Expendable Trust***

This fund is used to account for small amounts of money such as donations provided the City for specific purposes.

### ***Truman Memorial Building Restoration Fund***

This fund is used to account for the restoration of the Truman Memorial Building.

### ***Mayor's Benefit Fund***

This fund is used to account for donations to the Mayor's Benefit Fund.

## **AGENCY FUND**

### ***Flexible Benefit Plan***

This fund is used to account for contributions made by employees to the City's cafeteria plan for health care, medical, and/or dental expenses, and dependent care costs.

## CITY OF INDEPENDENCE, MISSOURI

Trust and Agency Funds

Combining Balance Sheet

June 30, 2000

With Comparative Totals For June 30, 1999

	Non- expendable Trust Fund Waggoner Memorial	Miscellaneous Expendable Trust	Expendable Trust Funds		Agency Fund Flexible Benefit Plan	Totals	
			Truman Memorial Building Restoration Fund	Mayor's Benefit Fund		2000	1999
<b>Assets and Other Debits</b>							
Pooled cash and investments	\$ 11,770	72,436	5,360	61	15,518	105,145	161,486
Due from employees	—	—	—	—	—	—	7,267
Accrued interest	—	1,160	—	—	—	1,160	496
Total assets and other debits	\$ 11,770	73,596	5,360	61	15,518	106,305	169,249
<b>Liabilities, Fund Equity, and Other Credits</b>							
Liabilities:							
Accounts and contracts payable	\$ —	1,060	—	—	—	1,060	3,805
Other current liabilities	—	—	—	—	4,870	4,870	11,572
Due to other funds	—	—	—	—	10,648	10,648	23,647
Total liabilities	—	1,060	—	—	15,518	16,578	39,024
Fund balances:							
Reserved for encumbrances	—	2,684	—	—	—	2,684	380
Unreserved:							
Designated for charitable contributions	—	69,852	—	—	—	69,852	122,763
Designated for capital projects	5,000	—	—	—	—	5,000	5,000
Undesignated	6,770	—	5,360	61	—	12,191	2,082
Total fund balances	11,770	72,536	5,360	61	—	89,727	130,225
Total liabilities, fund equity, and other credits	\$ 11,770	73,596	5,360	61	15,518	106,305	169,249

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

## Expendable Trust Funds

## Combining Statement of Changes in Revenues, Expenses, and Fund Balances

Year Ended June 30, 2000  
With Comparative Totals For June 30, 1999

	Miscellaneous Expendable Trust	Truman Memorial Building Restoration Fund	Mayor's Benefit Fund	Totals	
				2000	1999
Revenues:					
Charges for services	\$ 18,019	—	—	18,019	19,507
Interest	8,077	279	30	8,386	5,300
Other	34,600	10,188	2,000	46,788	8,194
Total revenues	60,696	10,467	2,030	73,193	33,001
Expenditures:					
Community development	111,303	—	—	111,303	18,900
Other	—	—	3,000	3,000	5,374
Total expenditures	111,303	—	3,000	114,303	24,274
Excess of revenues over (under) expenditures	(50,607)	10,467	(970)	(41,110)	8,727
Fund balances, July 1	123,143	(5,107)	1,031	119,067	110,340
Fund balances, June 30	\$ 72,536	5,360	61	77,957	119,067

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

## Agency Fund

## Statement of Changes in Assets and Liabilities

Year Ended June 30, 2000

<u>Flexible Benefit Plan Fund</u>	<u>Balance June 30, 1999</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2000</u>
Assets:				
Pooled cash and investments	\$ 16,380	31,023	31,885	15,518
Due from employees	7,267	—	7,267	—
	<u>\$ 23,647</u>	<u>31,023</u>	<u>39,152</u>	<u>15,518</u>
Liabilities:				
Accounts payable	\$ —	155,576	150,705	4,871
Due to other funds	23,647	—	13,000	10,647
	<u>\$ 23,647</u>	<u>155,576</u>	<u>163,705</u>	<u>15,518</u>

See accompanying independent auditors' report.

## **GENERAL FIXED ASSETS ACCOUNT GROUP**

The General Fixed Assets Account Group is established to record and account for fixed assets with useful lives of greater than one year acquired for general City purposes. Excluded from this account group are the fixed assets of the Enterprise, Internal Service, and Trust and Agency Funds.

## CITY OF INDEPENDENCE, MISSOURI

## Schedule of General Fixed Assets by Source

June 30, 2000

With Comparative Figures For June 30, 1999

	<u>2000</u>	<u>1999</u>
General fixed assets:		
Land	\$ 10,617,336	8,209,380
Buildings	9,682,318	9,293,847
Improvements other than buildings	2,429,500	1,858,585
Office furniture and equipment	2,754,838	2,941,273
Mobile equipment	11,425,738	10,748,989
Other equipment	2,404,691	2,760,451
	<u>\$ 39,314,421</u>	<u>35,812,525</u>
Investments in general fixed assets:		
Current operations:		
General Fund	\$ 16,557,616	14,770,069
Tourism Fund	55,256	49,254
Federal grants	3,455,279	1,406,530
State grants	528,561	528,561
General obligation bonds	126,794	126,794
Acquired prior to June 30, 1984	17,870,626	18,805,008
Other	720,289	126,309
	<u>\$ 39,314,421</u>	<u>35,812,525</u>

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

## Schedule of General Fixed Assets by Function and Activity

June 30, 2000

Function and Activity	Total	Land	Buildings	Improvements Other than Buildings	Office Furniture and Equipment	Mobile Equipment	Other Equipment
<b>General government:</b>							
City Hall	\$ 3,473,835	745,972	1,930,192	797,671	—	—	—
Police Building	2,008,241	255,000	1,753,241	—	—	—	—
City Council	31,922	—	—	5,013	26,909	—	—
City Clerk	125,125	—	—	—	125,125	—	—
City Manager	132,522	—	—	—	52,316	—	80,206
National Frontier Trails Center	65,190	—	—	—	55,261	—	9,929
Computer Services	823,089	—	—	1,665	821,424	—	—
Municipal Court	12,469	—	—	—	12,469	—	—
Law Department	20,407	—	—	6,036	14,371	—	—
Finance Department	144,917	—	—	—	127,727	17,190	—
Personnel Department	28,411	—	—	—	28,411	—	—
<b>Total general government</b>	<b>6,866,128</b>	<b>1,000,972</b>	<b>3,683,433</b>	<b>810,385</b>	<b>1,264,013</b>	<b>17,190</b>	<b>90,135</b>
<b>Public safety:</b>							
Police Department	3,868,356	46,423	—	201,947	717,874	2,193,730	708,382
Fire Department	6,041,523	—	1,941,186	87,061	223,553	3,480,804	308,919
Planning Department	397,870	—	—	—	105,234	244,964	47,672
Emergency Department	259,748	—	—	44,231	—	—	215,517
<b>Total public safety</b>	<b>10,567,497</b>	<b>46,423</b>	<b>1,941,186</b>	<b>333,239</b>	<b>1,046,661</b>	<b>5,919,498</b>	<b>1,280,490</b>
<b>Public works:</b>							
Engineering	692,572	—	—	41,450	185,229	323,901	141,992
Maintenance	4,226,858	—	34,004	77,198	21,123	3,573,758	520,775
Storm sewer	86,882	—	—	14,415	—	72,467	—
<b>Total public works</b>	<b>5,006,312</b>	<b>—</b>	<b>34,004</b>	<b>133,063</b>	<b>206,352</b>	<b>3,970,126</b>	<b>662,767</b>
<b>Health and welfare:</b>							
Health Department	167,554	—	—	—	44,272	94,076	29,206
Animal Control	302,589	—	123,830	7,068	10,463	112,344	48,884
Cemetery	214,783	1,230	—	4,191	5,151	169,949	34,262
<b>Total health and welfare</b>	<b>684,926</b>	<b>1,230</b>	<b>123,830</b>	<b>11,259</b>	<b>59,886</b>	<b>376,369</b>	<b>112,352</b>
<b>Culture and recreation:</b>							
Park maintenance	1,668,410	25,000	388,471	54,931	33,143	995,805	171,060
Recreation	379,181	27,500	60,312	4,662	87,217	112,952	86,538
Tourism	1,356,882	1,036,555	305,342	—	14,985	—	—
<b>Total culture and recreation</b>	<b>3,404,473</b>	<b>1,089,055</b>	<b>754,125</b>	<b>59,593</b>	<b>135,345</b>	<b>1,108,757</b>	<b>257,598</b>
<b>Public use facilities:</b>							
Other	6,544,158	2,424,657	3,137,540	981,961	—	—	—
<b>Total general fixed assets allocated to function</b>	<b>\$ 39,314,421</b>	<b>10,617,336</b>	<b>9,682,318</b>	<b>2,429,500</b>	<b>2,754,838</b>	<b>11,425,738</b>	<b>2,404,691</b>

See accompanying independent auditors' report.

## CITY OF INDEPENDENCE, MISSOURI

Schedule of Changes in General Fixed Assets by  
Function and Activity

Year Ended June 30, 2000

<u>Function and Activity</u>	<u>General Fixed Assets July 1, 1999</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>General Fixed Assets June 30, 2000</u>
General government:				
City Hall	\$ 3,473,835	—	—	3,473,835
Police Building	2,008,241	—	—	2,008,241
City Council	25,488	6,434	—	31,922
City Clerk	137,106	1,539	13,520	125,125
City Manager	48,199	100,751	16,428	132,522
National Frontier Trails Center	77,111	9,146	21,067	65,190
Computer Services	923,228	310,849	410,988	823,089
Municipal Court	15,415	4,482	7,428	12,469
Law Department	20,038	6,036	5,667	20,407
Finance Department	144,850	12,567	12,500	144,917
Personnel Department	36,276	1,046	8,911	28,411
Total general government	<u>6,909,787</u>	<u>452,850</u>	<u>496,509</u>	<u>6,866,128</u>
Public safety:				
Police Department	3,862,874	608,313	602,832	3,868,355
Fire Department	6,002,280	672,528	633,286	6,041,522
Planning Department	454,415	40,695	97,238	397,872
Emergency Department	261,783	—	2,035	259,748
Total public safety	<u>10,581,352</u>	<u>1,321,536</u>	<u>1,335,391</u>	<u>10,567,497</u>
Public works:				
Engineering	555,622	160,846	23,896	692,572
Maintenance	4,240,744	622,737	636,623	4,226,858
Storm sewer	86,882	—	—	86,882
Total public works	<u>4,883,248</u>	<u>783,583</u>	<u>660,519</u>	<u>5,006,312</u>
Health and welfare:				
Health Department	158,424	34,293	25,163	167,554
Animal Control	314,371	—	11,782	302,589
Cemetery	205,056	49,082	39,355	214,783
Total health and welfare	<u>677,851</u>	<u>83,375</u>	<u>76,300</u>	<u>684,926</u>
Culture and recreation:				
Park maintenance	1,055,727	676,284	63,601	1,668,410
Recreation	331,767	47,414	—	379,181
Tourism	1,359,753	5,700	8,571	1,356,882
Total culture and recreation	<u>2,747,247</u>	<u>729,398</u>	<u>72,172</u>	<u>3,404,473</u>
Public use facilities	6,334,259	209,899	—	6,544,158
Other	3,678,781	2,564,145	1,999	6,240,927
	<u>\$ 35,812,525</u>	<u>6,144,786</u>	<u>2,642,890</u>	<u>39,314,421</u>

See accompanying independent auditors' report.

## **GENERAL LONG-TERM DEBT ACCOUNT GROUP**

The General Long-term Debt Account Group reflects the City's liability for general obligation debt outstanding, as well as that portion of liabilities for compensated absences of Governmental Funds which is not expected to be liquidated with expendable available financial resources.

## CITY OF INDEPENDENCE, MISSOURI

## Schedule of General Long-term Debt

June 30, 2000

With Comparative Figures For June 30, 1999

	<u>2000</u>	<u>1999</u>
Other debits – amount to be provided for retirement of general long-term debt	\$ <u>42,535,319</u>	<u>27,741,797</u>
General obligation TIF bonds payable	\$ 19,540,000	4,740,000
TIF loan payable	6,970,000	7,240,000
Revenue bonds payable	530,000	—
Capital lease obligations	1,700,639	1,495,200
Compensated absences	10,054,696	10,007,133
Employee benefits payable	<u>3,739,984</u>	<u>4,259,464</u>
	<u>\$ 42,535,319</u>	<u>27,741,797</u>

See accompanying independent auditors' report.

STATISTICAL

Table 1

City of Independence, Missouri										
General Governmental Expenditures by Function										
Total (a)	General Government	Public Safety	Public Works	Health & Welfare	Culture & Recreation	Community Development	Non-Departmental	Debt Service		
1991	40,453,033	6,061,664	20,470,893	5,311,032	1,099,571	1,573,539	485,380	3,001,195	2,449,759	
1992	39,547,789	4,385,732	22,020,984	4,721,619	1,138,718	1,585,848	753,764	3,040,927	1,900,197	
1993	39,369,718	4,276,566	22,208,616	4,318,668	1,043,937	1,497,064	660,145	3,569,279	1,795,443	
1994	40,060,595	4,715,130	22,505,090	4,140,247	1,068,079	1,517,978	1,110,984	3,196,325	1,806,762	
1995	43,452,685	6,202,999	24,274,529	4,750,098	883,014	1,642,344	960,911	4,137,601	601,189	
1996	43,976,403	5,135,501	24,002,906	5,532,316	991,262	1,683,247	1,379,783	4,435,609	815,779	
1997	44,874,496	5,119,322	23,312,495	5,346,312	948,268	1,762,330	2,847,386	4,640,616	897,767	
1998	47,785,172	5,354,047	24,506,016	5,374,067	1,089,234	2,008,489	3,667,406	4,915,430	870,483	
1999	\$56,573,493	\$5,628,079	\$28,603,191	\$6,847,093	\$1,214,950	\$2,480,903	\$1,500,797	\$9,106,887	\$1,191,593	
<b>2000</b>	<b>\$59,473,658</b>	<b>\$6,021,065</b>	<b>\$30,360,187</b>	<b>\$5,976,941</b>	<b>\$1,175,739</b>	<b>\$3,465,943</b>	<b>\$1,365,055</b>	<b>\$9,851,478</b>	<b>\$1,257,250</b>	

a) Represents General Fund and Special Revenue Funds. Excludes operating transfers.

Table 2

**City of Independence, Missouri**  
**General Governmental Revenue by Source**

	<i>Total (a)</i>	<i>Taxes &amp; In Lieu of Taxes (b)</i>	<i>License &amp; Permits</i>	<i>Intergovernmental</i>	<i>Charges for Services</i>	<i>Intragovernmental (c)</i>	<i>Fines &amp; Forfeitures</i>	<i>Interest</i>	<i>Other (d)</i>
1991	35,788,258	24,242,056	1,223,120	4,078,391	325,828	2,709,844	1,738,441	378,790	1,091,788
1992	36,795,122	25,208,593	1,400,040	4,599,983	343,618	2,681,998	1,795,543	136,891	628,456
1993	38,822,069	26,459,470	1,550,092	4,986,772	359,767	2,589,027	2,088,736	44,413	743,792
1994	42,313,976	28,313,660	1,757,212	5,971,261	470,900	2,622,480	2,193,204	83,293	901,966
1995	42,613,320	28,731,356	1,728,067	6,277,620	607,956	2,686,712	1,682,239	244,473	654,897
1996	44,421,023	30,167,780	1,891,026	6,715,227	489,537	2,828,007	1,602,145	303,844	423,457
1997	46,796,951	30,829,229	2,299,681	7,541,534	567,026	2,895,953	1,903,081	352,240	408,207
1998	48,950,279	32,273,672	2,325,055	7,647,165	637,404	2,749,077	2,409,688	425,876	482,342
1999	\$54,886,711	\$36,487,057	\$2,476,897	\$8,874,403	\$759,449	\$3,070,849	\$2,666,064	\$257,496	\$294,496
2000	\$61,959,137	\$42,114,482	\$2,928,678	\$9,211,550	\$955,414	\$2,889,644	\$2,997,092	\$340,558	\$521,719

a) Represents: General Fund and Special Revenue Funds. Excludes other financing sources (uses.)

b) General Property Taxes, Sales Tax and Other Local Taxes.

c) Interfund Charges for Support Services.

d) Includes revenue from Sale of Property, and revenue not included in other categories.

Table 3

**City of Independence, Missouri**  
**General Fund, Public Health & Recreation, Debt Service**  
**Property Tax Levies and Collections**

<i>Year Ended June 30</i>	<i>Net Current Tax Levy</i>	<i>Current Tax Collections</i>	<i>Percent of Levy Collected</i>	<i>Delinquent Tax Collections</i>	<i>Total Tax Collections</i>	<i>Total Collections as Percent of Net Current Tax Levy</i>	<i>Outstanding Delinquent Taxes</i>	<i>Outstanding Delinquent Taxes as Percent of Net Current Tax Levy</i>
1991	4,077,957	3,835,313	94.05%	186,160	4,021,473	98.61%	320,841	7.87%
1992	4,264,977	3,990,062	93.55%	298,280	4,288,342	100.55%	583,485	13.68%
1993	4,302,151	4,083,837	94.93%	262,809	4,346,646	101.03%	487,022	11.32%
1994	4,389,816	4,137,260	94.25%	226,048	4,363,308	99.40%	419,170	9.55%
1995	4,388,141	4,233,148	96.47%	303,406	4,536,554	103.38%	270,757	6.17%
1996	4,539,910	4,203,803	92.60%	169,654	4,373,457	96.33%	437,210	9.63%
1997	4,724,273	4,460,502	94.42%	328,281	4,788,783	101.37%	372,700	7.89%
1998	4,984,727	4,644,002	93.16%	261,611	4,905,613	98.41%	451,814	9.06%
1999	\$5,034,573	\$4,856,639	96.47%	\$336,502	\$5,193,141	103.15%	\$293,246	5.82%
<b>2000</b>	<b>\$5,385,674</b>	<b>\$5,135,996</b>	<b>95.36%</b>	<b>\$137,931</b>	<b>\$5,273,927</b>	<b>97.93%</b>	<b>\$404,993</b>	<b>7.52%</b>

Table 4

**City of Independence, Missouri**  
**Assessed and Estimated Actual Values of Taxable Property**

<i>As of January 1,</i>	<i>Real Property</i>	<i>Personal Property</i>	<i>Railroad &amp; Utilities</i>	<i>Total Assessed Value</i>	<i>Total Fair Market Value</i>	<i>Percentage of Fair Market Value</i>
1991	556,587,670	144,328,333	10,558,426	711,474,429	2,842,202,456	29.54%
1992	560,409,211	154,940,380	10,762,026	726,111,617	2,993,576,570	28.72%
1993	571,503,140	148,486,975	11,576,125	731,566,240	2,999,924,476	28.64%
1994	577,338,830	167,228,728	12,043,452	756,611,010	3,109,565,440	29.02%
1995	607,752,380	189,899,506	12,836,118	810,488,004	3,208,875,904	30.72%
1996	613,435,010	203,408,373	13,270,911	830,114,294	3,396,799,773	29.80%
1997	656,083,710	217,040,179	12,224,657	885,348,546	3,462,907,864	31.49%
1998	663,252,770	220,203,155	9,949,439	893,405,364	3,677,519,353	29.62%
1999	\$729,733,570	\$230,747,110	\$4,617,427	965,098,107	4,096,490,672	23.56%
<b>2000</b>	<b>\$742,563,735</b>	<b>\$230,747,110</b>	<b>\$4,617,427</b>	<b>977,928,272</b>	<b>4,240,368,802</b>	<b>23.06%</b>

*Note: Assessed value is set at 12% for agricultural property, 19% for residential property, and 32% for commercial property of the estimated fair market value.*

Table 5

<b>City of Independence, Missouri</b>																										
<b>Property Tax Rates - All Direct and Overlapping Governments</b>																										
<i>For Assessed Valuations As of January 1,</i>	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000																
<b>CITY TAX RATES: (1)</b>																										
General	\$0.500	\$0.510	\$0.510	\$0.520	\$0.520	\$0.530	\$0.520	\$0.520	\$0.510	\$0.510																
Public Health & Recreation	0.210	0.220	0.220	0.230	0.230	0.240	0.240	0.240	0.240	0.240																
Debt Service	0.060	0.040	0.040	0.000	0.000	0.000	0.000	0.000	0.000	0.000																
<b>Total City Tax Rate</b>	<b>0.770</b>	<b>0.770</b>	<b>0.770</b>	<b>0.750</b>	<b>0.750</b>	<b>0.770</b>	<b>0.760</b>	<b>0.760</b>	<b>0.750</b>	<b>0.750</b>																
METROPOLITAN JUNIOR COLLEGE				0.220	0.220	0.220	0.220	0.220	0.550	0.230																
INDEPENDENCE SCHOOL DISTRICT (3)	3.300	3.380	3.300	3.300	3.350	3.990	4.040	4.290	4.290	4.460																
<b>COUNTY TAX RATES: (2)</b>																										
County	0.629	0.540	0.540	0.500	0.510	0.500	0.530	0.530	0.550	0.560																
Mid-Continent Public Library	0.310	0.310	0.310	0.310	0.330	0.330	0.330	0.330	0.330	0.330																
Handicap	0.066	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080																
Mental Health	0.130	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133	0.133																
<b>Total County Tax Rate</b>	<b>1.135</b>	<b>1.063</b>	<b>1.063</b>	<b>1.023</b>	<b>1.053</b>	<b>1.043</b>	<b>1.073</b>	<b>1.073</b>	<b>1.093</b>	<b>1.103</b>																
STATE:	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030																
<b>Total Tax Rate For All Overlapping Governments</b>	<b>\$5.235</b>	<b>\$5.243</b>	<b>\$5.163</b>	<b>\$5.103</b>	<b>\$5.403</b>	<b>\$6.053</b>	<b>\$6.123</b>	<b>\$6.373</b>	<b>\$6.713</b>	<b>\$6.573</b>																
<p>(1) The General Fund and Public Health &amp; Recreation Fund levy rates are limited by Missouri Statutes to \$1.00 and \$.40 per \$100 assessed valuation. There is no limit on the levy rates for General Debt and Interest.</p> <p>(2) County Tax Breakdown for current year.</p> <table style="margin-left: 40px;"> <tr> <td>Health &amp; Welfare Fur</td> <td>\$0.16</td> </tr> <tr> <td>General Fund</td> <td>0.17</td> </tr> <tr> <td>Road &amp; Bridge Fund</td> <td>0.14</td> </tr> <tr> <td>Park Fund</td> <td>0.09</td> </tr> <tr> <td></td> <td><u>\$0.56</u></td> </tr> </table> <p>(3) Three other school districts are in the Jackson County portion of the City of Independence. School tax rates for the current year in these districts are:</p> <table style="margin-left: 40px;"> <tr> <td>Fort Osage Reorganized #1</td> <td>\$4.42</td> </tr> <tr> <td>Blue Springs Reorganized #4</td> <td>\$4.60</td> </tr> <tr> <td>Kansas City School District</td> <td>\$4.95</td> </tr> </table> <p>NOTE 1): Taxes are due November 1, delinquent after December 31. A penalty of 1% per month, up to a maximum of 10% is added for each month of delinquency. Collections are enforced through the attachment and sale of the property.</p> <p>NOTE 2): Commercial real property is also assessed an additional "replacement tax" of 1.437 per \$100 assessed value.</p>											Health & Welfare Fur	\$0.16	General Fund	0.17	Road & Bridge Fund	0.14	Park Fund	0.09		<u>\$0.56</u>	Fort Osage Reorganized #1	\$4.42	Blue Springs Reorganized #4	\$4.60	Kansas City School District	\$4.95
Health & Welfare Fur	\$0.16																									
General Fund	0.17																									
Road & Bridge Fund	0.14																									
Park Fund	0.09																									
	<u>\$0.56</u>																									
Fort Osage Reorganized #1	\$4.42																									
Blue Springs Reorganized #4	\$4.60																									
Kansas City School District	\$4.95																									

Table 6

<b>City of Independence, Missouri</b>			
<b>Special Assessment Collections</b>			
<i>Year Ended June 30,</i>	<i>Special Assessment Billings</i>	<i>Assessments Collected (1)</i>	<i>Total Outstanding Assessments</i>
1991	515,986	256,363	699,966
1992	329,974	116,655	913,285
1993	170,334	247,853	835,766
1994	45,734	101,058	780,442
1995	74,248	133,882	720,808
1996	139,575	120,018	740,365
1997	66,214	33,101	773,478
1998	145,958	278,298	641,138
1999	\$349,400	\$179,739	\$810,799
<b>2000</b>	<b>\$550,231</b>	<b>\$134,440</b>	<b>(2) \$1,226,590</b>

(1) Includes collection of current, delinquent and deferred special assessments.

(2) Includes \$79,311 held in escrow.

Table 7

<p style="text-align: center;"><b>City of Independence, Missouri</b></p> <p style="text-align: center;"><b>Ratio of Net General Bonded Debt to Assessed Value</b></p> <p style="text-align: center;"><b>and Net Bonded Debt per Capita</b></p>									
<i>Year Ended June 30,</i>	<i>Estimated Population</i>	<i>Assessed Value</i>	<i>General Obligation Bonded Debt</i>	<i>Less Debt Service Funds</i>	<i>Net Bonded Debt</i>	<i>Ratio of Net Bonded Debt to Assessed Value</i>	<i>Net Bonded Debt Per Capita</i>		
1991	112,600	711,474,429	3,275,000	88,285	3,186,715	0.4	28.30		
1992	113,165	726,111,617	2,140,000	52,787	2,087,213	0.3	18.44		
1993	113,561	743,446,460	1,090,000	56,452	1,033,548	0.1	\$9.10		
1994	113,802	756,611,010	-	-	-	-	-		
1995	113,761	810,488,004	-	-	-	-	-		
1996	114,931	830,079,209	-	-	-	-	-		
1997	115,531	885,348,546	-	-	-	-	-		
1998	115,851	893,405,364	-	-	-	-	-		
1999	116,155	\$965,098,107	-	-	-	-	-		
<b>2000</b>	<b>116,867</b>	<b>\$977,928,272</b>	-	-	-	-	-		

Table 8

<b>City of Independence, Missouri</b> <b>Computation of Legal Debt Margin</b> <b>June 30, 2000</b>		
<b><u>Assessed Value at January 1, 2000: *</u></b>		
Jackson County		\$977,893,122
Clay County		<u>35,150</u>
		<b>\$977,928,272</b>
Constitutional Debt Limit ** (20% of Assessed Value)		\$195,585,654
Total Bonded Debt		\$62,145,731
Less:		
Water Utility Bonds	\$35,150,000	
Electric Utility Bonds	<u>26,995,731</u>	
		<u>62,145,731</u>
Total General Obligation Debt		0
Less: Debt Service Fund Balance		<u>0</u>
Applicable Debt Limit		<u>0</u>
<b>Legal Debt Margin</b>		<b><u>\$195,585,654</u></b>
<p>* All Tangible Property.</p> <p>** 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.</p> <p>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 of city purposes not to exceed 5 percent of the value of the taxable tangible property therein, as shown by the last assessment.</p> <p>Article 6, Section 26(d) &amp; (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 system 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.</p>		

Table 9

<p style="text-align: center;"><b>City of Independence, Missouri</b>  <b>Computation of Direct and Overlapping Debt</b>  <b>June 30, 2000</b></p>						
<i>Jurisdiction</i>	<i>General Obligation Bond Issues Outstanding</i>	<i>Amount Available Debt Service Funds</i>	<i>Net Debt Outstanding</i>	<i>Percentage Applicable to City of Independence</i>	<i>Amount Applicable to City of Independence</i>	
<b>City of Independence</b>	----	----	----	----	----	----
Jackson County	-	-	-	0.0%	-	
Jackson County School Districts:						
Metropolitan Junior College	\$ -	-	-	0.00%	-	
Independence	61,365,000	-	61,365,000	100.00%	61,365,000	
Kansas City	-	-	-	0.00%	-	
Blue Springs Reorganized #4	58,800,000	14,200,434	44,599,566	10.20%	4,549,156	
Fort Osage Reorganized #1	13,919,673	0	13,919,673	12.50%	1,739,959	
	<u>\$134,084,673</u>	<u>\$14,200,434</u>	<u>\$119,884,239</u>		<u>\$67,654,115</u>	

Table 10

		City of Independence, Missouri									
		Ratio of Annual Debt Service Expenditures for General Bonded Debt To Total General Governmental Expenditures									
		Year Ended June 30									
		1991	1992	1993	1994	1995	1996	1997	1998	1999	1999
Bond Retirements:											
23 Street Right-of-Way											
1968 Street											
1969 Street											
1974 Street	\$920,000	\$965,000	\$1,015,000	\$1,055,000	0	0	0	0	0	0	0
1968 Fire											
1969 Fire	30,000	35,000	35,000	35,000							
1974 Fire											
1968 Sewer											
1969 Sewer	145,000	135,000	0	0	0	0	0	0	0	0	0
1972 Police Bldg.											
<b>Total Bond Requirement:</b>	\$1,095,000	\$1,135,000	\$1,050,000	\$1,090,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Interest and Agent Fees</b>	\$217,268	\$163,832	\$107,945	\$55,445	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Debt Service</b>	\$1,312,268	\$1,298,832	\$1,157,945	\$1,145,445	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total General Governmental Expenditures (a)</b>											
	\$40,453,033	\$39,547,789	\$39,369,718	\$40,060,595	\$45,452,685	\$43,975,403	\$44,874,496	\$47,785,172	\$56,573,493	\$59,473,658	
<b>Ratio of Debt Service to General Governmental Expenditures</b>	3.24%	3.28%	2.94%	2.86%	0.00%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%

(a) Represents General Fund and Special Revenue Funds.

Table 11

City of Independence, Missouri							
Revenue Bond Coverage - Power & Light Revenue Bonds							
Year Ended June 30,	Gross Revenue	Current Expenses (1)	Net Revenue Available For Debt Service	Debt Service Requirements			
				Principal	Interest	Total	
1991	58,464,867	37,494,647	20,970,220	635,000	2,627,695	3,262,695	6.43
1992	58,192,507	38,620,694	19,571,813	680,000	2,584,515	3,264,515	6.00
1993	55,155,224	39,522,251	15,632,973	725,000	2,538,275	3,263,275	4.79
1994	58,624,361	40,787,834	17,836,527	895,000	2,364,893	3,259,893	5.47
1995	58,748,836	41,427,298	17,321,538	920,000	2,341,335	3,261,335	5.31
1996	62,980,774	43,122,409	19,858,365	980,000	2,271,559	3,251,559	6.11
1997	61,774,504	41,624,569	20,149,935	1,045,000	2,208,240	3,253,240	6.19
1998	67,552,096	44,766,098	22,785,998	1,115,000	2,134,615	3,249,615	7.01
1999	\$69,173,245	\$46,068,740	\$23,104,505	\$1,090,000	\$2,005,463	\$3,095,463	7.46
<b>2000</b>	<b>\$70,349,124</b>	<b>\$50,390,860</b>	<b>\$19,958,264</b>	<b>\$1,535,000</b>	<b>\$1,384,760</b>	<b>\$2,919,760</b>	<b>6.84</b>

(1) Excludes Depreciation, Interest Expense, Amortization, Non-Operating Expense and Payments in Lieu of Taxes.

Table 12

**City of Independence, Missouri**  
**Revenue Bond Coverage - Water Revenue Bonds**

Year Ended June 30,	Gross Revenue	Current Expenses (1)	Net Revenue Available For Debt Service	Debt Service Requirements			
				Principal	Interest (2)	Total	
						Coverage	
1991	14,176,412	6,042,499	8,133,913	0	2,549,475	2,549,475	3.19
1992	14,690,187	6,961,755	7,728,432	500,000	1,823,393	2,323,393	3.33
1993	13,951,496	6,676,822	7,274,674	550,000	1,303,142	1,853,142	3.93
1994	13,615,001	7,213,855	6,401,146	600,000	1,145,287	1,745,287	3.67
1995	14,678,604	7,693,996	6,984,608	650,000	1,656,007	2,306,007	3.03
1996	15,798,683	9,629,563	6,169,120	700,000	1,590,965	2,290,965	2.69
1997	15,342,158	8,547,276	6,794,882	750,000	1,557,884	2,307,884	2.94
1998	15,814,097	8,162,749	7,651,348	800,000	1,555,705	2,355,705	3.25
1999	\$15,400,654	\$9,664,783	\$5,735,871	\$900,000	\$1,510,313	\$2,410,313	2.38
<b>2000</b>	<b>\$16,656,302</b>	<b>\$9,656,336</b>	<b>\$6,999,966</b>	<b>\$850,000</b>	<b>\$1,585,560</b>	<b>\$2,435,560</b>	<b>2.87</b>

(1) Excludes Depreciation, Interest Expense, Amortization, Non-Operating Expense and Payments in Lieu of Taxes  
(2) Excludes \$6,050,000 reduction of debt due to remarketing.

Table 13

City of Independence, Missouri						
Revenue Bond Coverage - Sanitary Sewer Revenue Bonds						
Year Ended June 30,	Gross Revenue	Current Expenses (1)	Net Revenue Available For Debt Service	Debt Service Requirements		
				Principal	Interest	Total
Coverage						
1991	8,039,293	6,031,184	2,017,882	--	--	--
1992	8,226,992	6,958,935	1,268,057	--	--	--
1993	8,120,465	7,350,947	769,518	--	--	--
1994	7,634,369	7,987,449	(353,080)	--	--	--
1995	8,318,756	6,814,676	1,504,080	--	--	--
1996	10,030,225	7,406,757	2,623,468	--	--	--
1997	11,949,809	7,924,753	4,025,056	--	--	--
1998	12,397,234	7,699,724	4,697,510	--	--	--
1999	\$13,208,379	\$8,504,860	\$4,703,519	--	--	--
<b>2000</b>	<b>\$13,463,695</b>	<b>\$8,477,466</b>	<b>\$4,986,229</b>	--	--	--

(1) Excludes Depreciation, Interest Expense, Amortization, Non-Operating Expense and Payments in Lieu of Taxes.

Table 14

**City of Independence, Missouri**  
**Demographic Statistics**

<i>Year Ended June 30,</i>	<i>Population (1)</i>	<i>Median Household Income (2)</i>	<i>Median Age (2)</i>	<i>School Enrollment</i>	<i>Unem- ployment Rate (3)</i>
1991	112,600	26,048	33.4	15,945	5.40%
1992	113,165	27,885	34.0	15,486	5.70%
1993	113,561	28,320	34.4	15,357	5.80%
1994	113,802	28,306	35.6	15,464	4.50%
1995	113,761	30,369	34.5	16,286	4.20%
1996	114,931	31,395	34.9	15,821	4.20%
1997	115,531	32,970	35.2	15,667	3.30%
1998	115,851	34,544	35	16,746	3.70%
1999	116,115	32,776	35	16,361	2.90%
<b>2000</b>	<b>116,867</b>	<b>39,495</b>	<b>37.14</b>	<b>16,167</b>	<b>2.90%</b>

*Sources:*

*(1) Statistics provided by City of Independence Community Development Department.*

*(2) Mid-America Regional Council & Claritas, Inc.*

*(3) Unofficial statistics provided by the State of Missouri Division of Employment Security.*

Table 15

<b>City of Independence</b>				
<b>Construction Permits</b>				
Year Ended Dec 31,	<u>Commercial Construction (1)</u>		<u>Residential Construction (1)</u>	
	Number of Permits	Value	Number of Permits	Value
1990	305	23,003,556	171	14,092,309
1991	362	19,647,711	270	21,702,631
1992	301	18,158,880	307	22,299,100
1993	344	20,983,812	347	32,023,555
1994	335	36,501,212	322	30,979,437
1995	263	21,953,940	324	34,898,729
1996	368	41,951,212	780	32,781,341
1997	290	46,214,864	732	41,552,561
1998	370	\$36,386,117	751	\$47,477,592
<b>1999</b>	<b>282</b>	<b>\$72,399,536</b>	<b>616</b>	<b>\$40,362,632</b>

1) Source: City of Independence Community Development Department - Calendar year basis.

Table 16

**City of Independence Missouri**

**Principal Property Taxpayers**

**June 30, 2000**

<i>Taxpayer</i>	<i>Type of Business</i>	<i>2000 Assessed Valuation (1)</i>	<i>Percent of Total Assessed Valuation</i>
Simon Property Group LP	Retail	\$17,060,539	1.74 %
Community Center Two, LLC	Retail	8,916,846	0.91
Independence Regional	Hospital	8,025,805	0.82
Space Center of Kansas City	Warehouse	7,943,111	0.81
Noland Fashion Square	Retail	5,784,019	0.59
POB Apollo Independence	Retail	5,104,007	0.52
Southern Union Company	Utility	4,690,886	0.48
Southwestern Bell	Utility	3,839,661	0.39
Independence Apartments	Housing	3,675,079	0.38
Commercial Distribution	Warehouse	2,240,000	0.23
Subtotal		<u>\$67,279,953</u>	<u>6.88</u>
Taxpayers not listed		<u>910,648,319</u>	<u>93.12</u>
<b>TOTAL</b>		<u><b>\$977,928,272</b></u>	<u><b>100.00 %</b></u>

1) Listed values are real estate assessed values which provide the basis for property tax revenue.

Table 17

<b>City of Independence, Missouri</b>			
<b>Miscellaneous Statistical Data</b>			
<b>June 30, 2000</b>			
<b>Governmental Structure</b>			
Date of Organization:	1827	Current Statistics:	
Date of Incorporation:	1849	Population	116,867
Charter Adopted:	December 5, 1961	Households	51,113
Form of Government:	Council/Manager	Registered Voters	66,765
Current Number of Employees			
<b>City Facilities and Services</b>			
<b>Utilities:</b>		<b>Fire Protection:</b>	
<u>Electric Power</u>		Stations	10
Number of power stations	5	Employees	174
Number of customers	53,500	Vehicles	44
Daily average use (Mwh)	2,790		
Maximum daily use (Mwh)	5,506	<b>Police Protection:</b>	
Peak Hourly Use (MW)	292.0	Stations	2
Miles of T&D Circuits	650.0	Employees	275
		Vehicles	108
<u>Sanitary Sewer System</u>			
Miles of sewer mains	515	<b>Streets:</b>	
Number of customers	42,209	Total area (sq. mi.)	78
Number of treatment plants	1	Paved miles	580
Daily average treatment (in MGD)	10.0		
Maximum daily capacity of treatment (in MGD)	18.0		
<u>Water System</u>		<b>Recreation:</b>	
Miles of water mains	683	Parks:	
Number of customers	45,649	Acreage	724
Number of fire hydrants	3,840	Number	41
Daily average consumption (in millions of gallons)	25	Community Centers	1
Maximum daily pumpage (in millions of gallons)	37	Fitness Centers	1
		Ball Fields	53
<b>Nongovernmental Services and Facilities</b>			
<b>Education:</b>		<b>Transportation:</b>	
Elementary and High School Enrollment	16,167	Bus systems (operated by KCATA)	1
Elementary schools	21	Taxi services	3
Junior High (Middle) Schools	4		
High Schools	4	<b>Communications: (served by)</b>	
Pre-school and Kindergartens	10	Daily Newspapers	2
Parochial and Private	13	Radio Stations	49
Teachers	1,115	TV Stations	10
Administrators	70	<b>Hospitals</b>	
Colleges	2	Number	2
		Bed space	556
<u>Hotels/Motels</u>	12	<b>Bank/Credit Union Facilities</b>	32

Table 18

<p style="text-align: center;"><b>City of Independence</b>  <b>Schedule of Insurance</b>  <b>June 30, 2000</b></p>					
<i>Description</i>	<i>Policy Number</i>	<i>Termination Date</i>	<i>Risk Covered</i>	<i>Limits</i>	<i>Premium</i>
1. National Union Fire Zurich American a) All risk property insurance on building and contents. Replacement cost coverage basis.	ST2604412 PBM299418700	07/01/2001 07/01/2001	All risk including property damage, flood, earthquake, transit, expediting, hazardous material cleanup, extra expense and automatic coverage.	\$200,000,000	\$150,075 \$119,917
2. Reliance National Zurich American b) Boiler and Machinery coverage of listed equipment. Most covered items fall under Power and Light Department.	NZC-0116395 PBM299418700	07/01/2001 07/01/2001	Boiler & Machinery coverage including expediting, ammonia containment, water damage, hazardous materials, business interruption.	\$75,000,000	\$81,434 \$81,434
3. Missouri Public Entity Management Liability insurance coverage for law enforcement liability, general liability, public official errors and omission liability and automotive liability.	1038	01/01/2001	Automobile liability claims Law enforcement liability claims General liability claims Public officials liability claims	\$2,000,000 per occurrence	\$261,243
Sirpro - Reliance Excess Liability	NUAB16C408-00	01/01/2001	Coverage for claims not covered by Missouri's Sovereign Immunity Statute	\$10,000,000	\$34,000
4. National Union Fire Excess Worker's Compensation and Employer's Liability Insurance	415-99-19	04/25/2001	Loss by on-the-job injury of employees	\$10,000,000	\$12,715
5. North River Insurance Co.	610-222232-7	06/15/2001	Public Officials Bonds	\$50,000-City Mgr. \$50,000 Pur. Agnt \$400,000-Fin. Dir.	\$1,319 (3 year premium)

Table 18

<p align="center"><b>City of Independence</b>  <b>Schedule of Insurance</b>  <b>June 30, 2000</b></p>					
<i>Description</i>	<i>Policy Number</i>	<i>Termination Date</i>	<i>Risk Covered</i>	<i>Limits</i>	<i>Premium</i>
6. Hartford Insurance Co.	37PEPEZ3581	6-15-01	Public employees blanket bond & 3-D crime policy	\$400,000	\$6,606 (3 year premium)
7. AVEMCO Insurance Co.	A1C500000456	07/01/2001	Reinsurance for Staywell Plan Specific stoploss @ \$125,000 Aggr. Att. Point @ \$9,177,300	See risk covered	\$190,933
8. Nation's Bank		Continuous	Escrow Account-Worker's Compensation	\$225,000	\$350
9. Highmark Life Insurance Co.	907872	06/01/2001	Life Insurance coverage for each employee. Also covers for accidental death, disability and dismemberment.	\$150,000/person	\$.38/\$1,000 of Annual Salary
10. Staywell Health Care Plan		Continuous	Self-Insured Health Care Plan	Various limits	Cost varies per emp.
11. National Flood Insurance Program	FL2-0347-59221	12/22/2000	Flood Insurance coverage for Rock Creek Pumping Station	\$266,200	\$2,380
12. HealthNet HMO		Continuous	Health plan for enrolled employees.	Various limits	Cost varies per emp.

Table 18

City of Independence Schedule of Insurance June 30, 2000					
<i>Description</i>	<i>Policy Number</i>	<i>Termination Date</i>	<i>Risk Covered</i>	<i>Limits</i>	<i>Premium</i>
13. Humana Health Care Plan		Continuous	Health plan for enrolled employees.	Various limits	Cost varies per emp.
14. Delta Dental of Missouri		Continuous	Dental plan for enrolled employees.	Various limits	Cost varies per emp.
15. United Dental Care		Continuous	Dental plan for enrolled employees.	Various limits	Cost varies per emp.
16. The Hartford		09/01/2001	Long term disability insurance.	60% of Individual employees' salary.	\$0.168/100 of annual salaries.