

**CITY OF INDEPENDENCE, MISSOURI  
FINANCIAL AND OPERATING  
REPORT**



**FOR PERIOD ENDED**

**December 31, 2011**

**PREPARED BY:  
FINANCE DEPARTMENT**

# City of Independence

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

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January 26, 2012

**Honorable Mayor  
Members of the City Council  
City Manager & Department Directors**

## Re: December 2011 Financial Report

The Financial Report of the City of Independence for the period ended December 31<sup>st</sup> is submitted herewith. This report reflects 50% of the 2011-12 fiscal year operations for the funds represented.

The current budget for General Fund estimated revenues are the same as the original estimate. Projected revenues for the year are expected to be \$1,668,564 less than the estimate. The projected revenues, for the most part, reflect trends that were developed last spring. Note this projection is based on six months of actual operating results. Totals by revenue category can be found in the table below. Additional information can be found following this transmittal letter. Due to the slow recovery in the general economy and

specifically retail sales we are paying very close attention to sales tax revenue. Current projections for sales tax are at the original estimate. Utility franchise fees are down \$1,046,608. At this point the Gas franchise fee is down \$407,223 and telephone is down \$692,183. The

<b>General Fund Revenues</b>					
	<b>Original Est. Revenue</b>	<b>Adjusted Est. Revenue</b>	<b>Projected</b>	<b>Variance of Proj. to Adj.</b>	<b>%</b>
Taxes	\$53,863,643	\$53,863,643	\$52,461,453	(\$1,402,190)	-2.7%
Licenses & Permits	3,353,927	3,353,927	3,163,893	(190,034)	-6.0%
Grants	5,424,684	5,424,684	5,349,842	(74,842)	-1.4%
Charges for Services	1,959,993	1,959,993	1,966,273	6,280	0.3%
Interfund Services	3,943,428	3,943,428	3,906,236	(37,192)	-1.0%
Fines & Forfeitures	4,716,854	4,716,854	4,716,855	1	0.0%
Interest	89,700	89,700	82,561	(7,139)	-8.6%
Other Revenue	468,425	476,147	512,700	36,553	7.1%
Debt Proceeds				0	
Total	<u>\$73,820,654</u>	<u>\$73,828,376</u>	<u>\$72,159,812</u>	<u>(\$1,668,564)</u>	<u>-2.3%</u>

variance from City owned utilities is \$323,514 less than the original projection. Revenue from Business Licenses and Permits continue to be impacted by the economy. Current projections are \$165,001 less than the original projection. Detail for these revenues can be found at the end of this letter.

The fiscal year to date expenditures for the General Fund are \$35,307,644 and encumbrances are \$1,850,464. The total is \$37,158,109. This represents 53.1% of the adjusted budget. This is more than the current month's proportion of 50%. This includes a number of blanket encumbrances written at the

beginning of the year. The variance column adjusts for \$350,760 of salary savings which are projected in various departments. This variance may increase during the year. Salary and benefit projections show that 51.3% of the budget for this category has been expended.

<b>General Fund Expenditures &amp; Encumbrances</b>						
	<b>Adopted Budget</b>	<b>Adjusted Budget</b>	<b>Actual To Date</b>	<b>%</b>	<b>Projected</b>	<b>Variance of Proj. to Adj.</b>
General Government	\$7,502,356	\$7,502,356	\$3,760,202	50.1%	\$7,502,356	\$0
Public Safety	43,180,090	43,226,850	22,987,220	53.2%	43,226,850	0
Public Works	5,684,843	5,684,843	2,929,145	51.5%	5,684,843	0
Health	2,558,732	2,561,204	1,251,362	48.9%	2,561,204	0
Parks & Recreation	1,939,556	1,941,606	1,141,781	58.8%	1,941,606	0
Council Goals	250,000	448,027	84,250	18.8%	448,027	0
TIF Distribution	0	0	(1,050)	0.0%	0	0
Other	8,562,218	8,590,418	5,005,199	58.3%	8,239,658	(350,760)
<b>TOTAL</b>	<b>\$69,677,795</b>	<b>\$69,955,304</b>	<b>\$37,158,109</b>	<b>53.1%</b>	<b>\$69,604,544</b>	<b>(\$350,760)</b>

**Projected Financial Position - June 30:**

The chart on the right is a projection of the fund balance account for the General Fund for this fiscal year. Total Fund Balance is decreasing by \$2,337,005 as a result of the expected change of \$1,031,820 of restricted, committed or assigned funds and the \$1,305,185 decrease of unassigned funds.

<b>Fund Balance Activity</b>	
<b>Beginning Fund Balance</b>	\$4,824,952
Current Fiscal Year	
Revenues	72,159,812
Expenditures	69,604,544
Rev. over/(under) Expenditures	2,555,268
Prior Year Encumbrances	749,414
Transfers In	
Transfers Out	4,142,859
<b>Projected Ending Fund Balance</b>	<b>\$2,487,947</b>

**Projected Unassigned Fund Balance - June 30**

Of the \$4,824,952 of beginning fund balance reported above, the unassigned portion is \$2,302,039. The difference represents restricted, committed or assigned fund balance components. The unassigned portion is expected to decrease by \$1,305,185 to a projected unassigned fund balance of \$996,854 at the end of this fiscal year. Several factors are impacting this change, including the revenue and expenditure variances. The City Manager is continuing this year to evaluate vacancies to measure salary savings during the fiscal year. Departments are also being asked to consider reductions in non-personal service accounts. Several of the revenue and expenditure categories will fluctuate from month to month without an explainable reason. I will not adjust the year end projection for these revenues until I am comfortable a sustainable trend has been established. Detail information regarding unassigned fund balance can be found following this transmittal letter.

<b>Unassigned Fund Balance Activity</b>	
<b>Beginning Unassigned Fund Balance</b>	\$ 2,302,039
Approved Budget Variances	3,873,072
Projection Variances:	
Revenue Variance	(1,668,564)
Expenditure Variance	(350,760)
Net Budget Variance	2,555,268
Transfers Authorized by the Budget	
Other:	
Increases	275,559
Decreases	4,136,012
<b>Projected Ending Unassigned Fund Balance</b>	<b>\$ 996,854</b>

**City Council Goals Account**

The following is an analysis of the City Council Goals Account. The chart shows the amounts allocated to the various projects.

Description	Allocation Amount	Expended or Encumbered	Balance
Carry-over Balance from Prior Year	\$198,003		
Current Year Authorization	<u>250,000</u>		
	<u>\$448,003</u>		
<b><u>Current Year Allocations:</u></b>			
Police Lobby Modifications	2,764		2,764
Neighborhood Block Celebrations	5,000	2,009	2,991
Graffiti Abatement Program	9,900		9,900
Graffiti Reward Program	500		500
Demo. of Dangerous Bld. & Property Clean-up	87,590		87,590
Mowing & Refuse Cleanup on Private Property	80,000	20,000	60,000
Neighborhood Park Matching Grants	10,139	10,000	139
Neighborhood Cleanup Program	20,000	10,000	10,000
Youth Recreation Program Scholarships	50,000	25,000	25,000
Foreclosed and Neglected Property	10,000		10,000
Hungry & Homeless and Youth Council	37,003	16,019	20,984
Delaware Historic Streetscape	25,000		25,000
Englewood Art District	58,000		58,000
Northwest Com. Development Corp.	40,000		40,000
<b>Total</b>	<u>\$435,896</u>	<u>\$83,028</u>	<u>\$352,868</u>
<b>Unallocated Balance</b>	<u>\$12,107</u>		

**License Surcharge Fund**

Revenues this fiscal year from the license surcharge on building construction which went into effect on January 1, 2001 is \$192,159 and the unreserved fund balance is \$628,613.

**Street Improvements Sales Tax Fund**

The Street Improvement Sales Tax Fund has been set-up to account for the one-half cent transportation sales tax identified for streets and bridges. The following analysis shows the funds available for new projects based on the current projection of sales tax revenue and the current appropriations for specific projects. The sales tax projections will be adjusted monthly to reflect the variance between projected and actual.

The amounts for budget and projected expenditures will be adjusted as funds are appropriated for new projects. Our fund balance projection for June 30<sup>th</sup> is \$682,242.

<b><u>Street Improvement Sales Tax Fund</u></b>				
<b><u>Revenues:</u></b>	<b>Actual As Of</b>	<b>Current Fiscal Year</b>		
	<b>Prior Fiscal Year</b>	<b>Budget</b>	<b>Projected</b>	<b>Variance</b>
Sales Tax	\$7,406,892	7,409,246	7,618,705	209,459
Interest	1,172	200	250	50
Other	107,857			0
<b>Total Revenues</b>	<b>\$7,515,921</b>	<b>7,409,446</b>	<b>7,618,955</b>	<b>209,509</b>
<b><u>Expenditures:</u></b>				
Non-Departmental	10,520	7,000	7,000	0
Debt Service	72,016	537,531	537,531	0
Capital Appropriations	3,636,242	7,116,637	7,116,637	0
<b>Total Expenditures</b>	<b>3,718,778</b>	<b>7,661,168</b>	<b>7,661,168</b>	<b>0</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>3,797,143</b>		<b>(42,213)</b>	
<b><u>Other Fin. Sources (Uses)</u></b>				
Debt Proceeds				
Transfers In				
Transfers Out	1,840,723	1,767,280	1,767,280	
<b>Total Other Financing</b>	<b>(1,840,723)</b>		<b>(1,767,280)</b>	
<b><u>Fund Balance:</u></b>				
Encumbrances	1,956,419			
Other Reserves				
Unreserved	535,316		682,242	
<b>Total</b>	<b>2,491,735</b>		<b>682,242</b>	

**Park Improvements Sales Tax Fund**

The Park Improvements Sales Tax Fund has been set-up to account for the one-quarter cent sales tax identified for parks and recreation. The following analysis shows the funds available for new projects based on the current projection of sales tax revenue and the current appropriations for specific projects. The sales tax projections will be adjusted monthly to reflect the variance between projected and actual.

The amounts for budget and projected expenditures will be adjusted as funds are appropriated for new projects. Our fund balance projection for June 30<sup>th</sup> is (\$6,174,380).

<b><u>Park Improvement Sales Tax Fund</u></b>				
<b><u>Revenues:</u></b>	<b>Actual As Of</b>	<b>Current Fiscal Year</b>		
	<b>Prior Fiscal Year</b>	<b>Budget</b>	<b>Projected</b>	<b>Variance</b>
Sales Tax	\$3,703,969	3,704,624	3,809,352	104,728
Interest	1	10,500		(10,500)
Charges for Services	505,648	576,500	576,500	0
Other	634,653	0	0	0
<b>Total Revenues</b>	<b>\$4,844,271</b>	<b>4,291,624</b>	<b>4,385,852</b>	<b>94,228</b>
<b><u>Expenditures:</u></b>				
Debt Service	2,167,589	2,163,778	2,163,778	0
Operating	2,445,206	2,528,762	2,528,762	0
Capital	503,626	861,084	861,084	0
<b>Total Expenditures</b>	<b>5,116,421</b>	<b>5,553,624</b>	<b>5,553,624</b>	<b>0</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(272,150)</b>		<b>(1,167,772)</b>	
<b><u>Other Fin. Sources (Uses)</u></b>				
Debt Proceeds				
Transfers In	10,000			
Transfers Out				
<b>Total Other Financing</b>	<b>10,000</b>		<b>0</b>	
<b><u>Fund Balance:</u></b>				
Encumbrances	359,733			
Other Reserves				
Unreserved	(5,366,341)		(6,174,380)	
<b>Total</b>	<b>(5,006,608)</b>		<b>(6,174,380)</b>	

**Fire Sales Tax Fund**

The Fire Sales Tax Fund has been set-up to account for the portion one-eighth cent sales tax identified for the fire service. The following analysis shows the funds available for new projects based on the current projection of sales tax revenue and the current appropriations for specific projects. The sales tax projections will be adjusted monthly to reflect the variance between projected and actual.

The amounts for budget and projected expenditures will be adjusted as funds are appropriated for new projects. Our fund balance projection for June 30<sup>th</sup> is \$474,139.

<b>Fire Sales Tax Fund</b>				
<b>Revenues:</b>	<b>Actual As Of</b>	<b>Current Fiscal Year</b>		
	<b>Prior Fiscal Year</b>	<b>Budget</b>	<b>Projected</b>	<b>Variance</b>
Sales Tax	\$1,853,069	1,852,312	1,904,676	52,364
Interest	1,130	2,000	250	(1,750)
Other	35,473			
<b>Total Revenues</b>	<b>\$1,889,672</b>	<b>1,854,312</b>	<b>1,904,926</b>	<b>50,614</b>
<b>Expenditures:</b>				
Debt Service	550,313	552,213	552,213	0
Operating	1,960,120	1,688,767	1,688,767	0
Capital	1,170			0
<b>Total Expenditures</b>	<b>2,511,603</b>	<b>2,240,980</b>	<b>2,240,980</b>	<b>0</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(621,931)</b>		<b>(336,054)</b>	
<b>Other Fin. Sources (Uses)</b>				
Debt Proceeds				
Transfers In				
Transfers Out				
<b>Total Other Financing</b>	<b>0</b>		<b>0</b>	
<b>Fund Balance:</b>				
Encumbrances	83,267			
Other Reserves				
Unreserved	726,926		474,139	
<b>Total</b>	<b>810,193</b>		<b>474,139</b>	

**Police (Capital) Sales Tax Fund**

The Police (Capital) Sales Tax Fund has been set-up to account for the one-eighth cent capital improvements sales tax identified for police equipment. The following analysis shows the funds available for new projects based on the current projection of sales tax revenue and the current appropriations for specific projects. The sales tax projections will be adjusted monthly to reflect the variance between projected and actual.

The amounts for budget and projected expenditures will be adjusted as funds are appropriated for new projects. Our fund balance projection for June 30<sup>th</sup> is \$489,547.

<b>Police (Capital) Sales Tax Fund</b>				
<b>Revenues:</b>	<b>Actual As Of</b>	<b>Current Fiscal Year</b>		
	<b>Prior Fiscal Year</b>	<b>Budget</b>	<b>Projected</b>	<b>Variance</b>
Sales Tax	\$1,979,695	1,970,708	2,033,567	62,859
Interest	1,706	2,100	325	(1,775)
Other	105,403		34,000	34,000
<b>Total Revenues</b>	<b>\$2,086,804</b>	<b>1,972,808</b>	<b>2,067,892</b>	<b>95,084</b>
<b>Expenditures:</b>				
Debt Service	511,713	515,113	515,113	0
Capital	1,507,307	2,870,346	2,870,346	0
Carry over Capital		161,182	161,182	0
<b>Total Expenditures</b>	<b>2,019,020</b>	<b>3,546,641</b>	<b>3,546,641</b>	<b>0</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>67,784</b>		<b>(1,478,749)</b>	
<b>Other Fin. Sources (Uses)</b>				
Debt Proceeds				
Transfers In				
Transfers Out				
<b>Total Other Financing</b>	<b>0</b>		<b>0</b>	
<b>Fund Balance:</b>				
Encumbrances	161,182			
Other Reserves				
Unreserved	1,806,689		489,547	
<b>Total</b>	<b>1,967,871</b>		<b>489,547</b>	

**Storm Water Sales Tax Fund**

The Storm Water Sales Tax Fund has been set-up to account for the one-quarter cent sales tax identified for storm water system improvements. The following analysis shows the funds available for new projects based on the current projection of sales tax revenue and the current appropriations for specific projects. The sales tax projections will be adjusted monthly to reflect the variance between projected and actual.

The amounts for budget and projected expenditures will be adjusted as funds are appropriated for new projects. Our fund balance projection for June 30<sup>th</sup> is \$1,619,630.

<b><u>Storm Water Sales Tax Fund</u></b>				
<b><u>Revenues:</u></b>	<b>Actual As Of Prior Fiscal Year</b>	<b>Budget</b>	<b>Projected</b>	<b>Variance</b>
Sales Tax	\$3,703,882	\$3,704,624	\$3,809,353	104,729
Intra-governmental				
Interest	9,896	10,500	1,200	(9,300)
Other	84,761		19,464	19,464
<b>Total Revenues</b>	<b>\$3,798,539</b>	<b>\$3,715,124</b>	<b>\$3,830,017</b>	<b>\$114,893</b>
<b><u>Expenditures:</u></b>				
Operating	1,476,040	2,264,990	2,264,990	-
Capital	4,004,466	7,302,260	7,202,424	(99,836)
<b>Total Expenditures</b>	<b>5,480,506</b>	<b>9,567,250</b>	<b>9,467,414</b>	<b>(99,836)</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,681,967)</b>		<b>(5,637,397)</b>	
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In				
Transfers Out				
Debt Proceeds				
<b>Total Other Financing</b>	<b>0</b>		<b>0</b>	
<b><u>Fund Balance</u></b>				
Encumbrances	1,316,529			
Designated Fund Balance				
Unreserved	5,940,498		1,619,630	
<b>Total</b>	<b>7,257,027</b>		<b>1,619,630</b>	

**Central Garage**

The Garage Fund realized a net loss of \$336 for this month of the fiscal year and a net loss of \$25,429 for the year to date. The Director of Public Works must review this closely to insure the net income of the Central Garage Fund does not vary greatly from the expectations provided in the Operating Budget for this fiscal year. Also, the Director should look at any fluctuations in income from month to month. The chart on the right reflects the activity of the Central Garage after six months of operation.

<b><u>Central Garage Operating Statement</u></b>		
	<b>Current Month</b>	<b>Year to Date</b>
<b>Revenue:</b>		
Repairs & Other Income	<u>168,810</u>	<u>\$1,123,976</u>
<b><u>Operating Expenses:</u></b>		
Personal Services	56,443	333,271
Other Services	30,695	220,514
Supplies	88,445	620,050
Capital Outlay		
Depreciation Expense	<u>276</u>	<u>1,654</u>
Total Expenses	175,859	1,175,489
Net Income from Operations	(7,049)	(51,513)
<b><u>Other Income/Expense:</u></b>		
Interest Income/Expense	3	51
Misc. Income	6,710	26,033
<b><u>Net Income/(Loss)</u></b>	<b><u>(\$336)</u></b>	<b><u>(\$25,429)</u></b>
Fund Equity, Beginning		87,876
Transfers In/(Out)		
<b><u>Fund Equity, Ending</u></b>		<b><u>\$62,447</u></b>

**Street Improvement (Capital Project Fund)**

The following financial analysis shows the funds available for new projects in the Street Improvements Capital Project Fund. In this analysis the amount shown as ‘Due from Federal Government’ represents receivables from the Missouri Department of Transportation for work performed on 39<sup>th</sup> Street, 23<sup>rd</sup> and Noland road, Little Blue Parkway and R.D. Mize Road. The amount for ‘Due from Other Local Government’ and ‘Other’ represents receivables from the County Urban Road System (CURS) and TIF Funds. Of the \$708,877 that is due from the ‘Other’ the City has submitted requests of \$4,294; approximately \$483,940 is retained from payments to contractors, leaving \$220,643 ready for submission. Of the \$2,441,596 that is ‘Due from Federal Government’, \$2,441,360 has been requested; approximately \$0.00 is retained from payments to contractors, leaving \$236 ready for submission.

<b><u>Street Improvements Fund</u></b>	
<b>Assets</b>	
Cash	
Special Assessment Receivable	
Due From Federal Government	2,441,596
Due From Other Local Government	192,830
Due From Other	708,877
Contributions Receivable	
Total	3,343,303
<b>Liabilities &amp; Credits</b>	
Accounts Payable	2,032
Deferred Revenue	676,770
Due To Other Funds	2,994,075
Funds In Escrow	
Total	3,672,876
<b>Fund Balance</b>	<b>(\$329,573)</b>

**Workers’ Compensation Fund**

The Worker’s Compensation Fund is an internal service fund and functions as a self-funded insurance program. Of the total liabilities for claims of \$2,479,257, 70.7% or \$1,752,789 are long term liabilities. Current incurred but not reported (IBNR) claims are estimated to be \$3,914. Non-current IBNR is estimated at \$2,016. Current liabilities include \$110,000 for major claims. Non-current liabilities include \$1,435,214 for major claims.

**Stay Well Health Care Plan**

With the consolidation of the employee health care plans into the self-funded Stay Well Health Care Plan as of January 1, 2010 a separate financial and activity report will be prepared.

<b><u>Worker's Compensation Fund</u></b>	
<b>Assets</b>	
Pooled cash and investments	2,769,510
Accounts receivable	70,700
<b>Total Assets</b>	<b>2,840,210</b>
<b>Current Liabilities</b>	
Accounts and contracts payable	
Accrued liabilities	3,569
Compensated absences	13,427
Deferred Revenue	1,107,487
Worker's Comp claims	726,468
<b>Total Current Liabilities</b>	<b>1,850,951</b>
<b>Noncurrent liabilities</b>	
Compensated absences	30,647
Other Post Employment Benefits	21,038
Worker's Comp claims	1,752,789
Total noncurrent liabilities	1,804,474
<b>Total Liabilities</b>	<b>3,655,425</b>
<b>Net Assets</b>	
Invested in capital assets, net of debt	-
Unrestricted	(815,215)
Total net assets (deficit)	(815,215)
<b>Total liabilities and net assets</b>	<b>2,840,210</b>

### **Power and Light Fund**

Total operating revenues of the Power and Light Fund of \$74,920,404 reflect an increase of \$7,219,199 over fiscal year 2010-11 operating revenues of \$67,701,205 or 10.7%. Key factors contributing to increased revenues were an increase in unbilled revenue of \$3,033,949 and in retail sales of \$4,959,698 which was offset by a decrease in sales to other utilities of \$ 841,111. A 5% rate increase took effect in August 2011.

Total operating expenses of the Power and Light Fund of \$69,860,426 reflect an increase of \$6,456,371 over fiscal year 2010-11 operating expenses of \$63,404,055 or 10.2%. Contributing to increased expenses were increases: in production costs of \$43,57,223, in depreciation and amortization expenses of \$1,019,501, in general and administrative expenses of \$544,524, in customer accounts costs of \$373,133 which was offset by decreases in: transmission costs of \$248,787 and customer service of \$97,045.

### **Water Fund**

Total operating revenues of the Water Fund of \$12,243,398 reflect an increase of \$919,541 from fiscal year 2010-11 total operating revenues of \$11,323,857 or 8.12%. A rate increase is responsible for the increase.

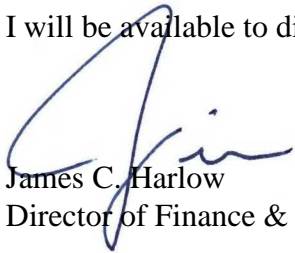
Total operating expenses of the Water Fund of \$9,900,651 reflect an increase of \$557,573 from fiscal year 2010-11 total operating expenses of \$9,343,078 or 5.97%. An increase in main failures is the most noteworthy impetus for the overall increase in expenses.

### **Sanitary Sewer Fund**

Total operating revenues of the Sanitary Sewer Fund of \$9,118,346 reflects an increase of \$659,894 from fiscal year 2010-11 total operating revenues of \$8,458,452 or 7.8 %. This increase is attributable to a rate increase that went into effect August 1, 2010.

Total operating expenses of the Sanitary Sewer Fund of \$8,683,888 reflect an increase of \$131,813 from fiscal year 2010-11 total operating expenses of \$8,552,074 or 1.5 %. This increase is attributable to an increase in depreciation and an increase in PILOT due to the higher revenues.

I will be available to discuss any questions you may have regarding this information.



James C. Harlow  
Director of Finance & Administration

**City of Independence, Missouri**  
**Analysis of General Fund Revenues - Actual Plus Estimated**

Months of Actual Revenue: 6		Actual	Estimated			Variance	
Description	Original Budget	Revised Budget	Revenue Through December	Revenue To Year End	Projection Adjustment	Total Projected Revenue	To Budgeted Revenues
<b>Property Taxes:</b>							
<b>General Property Taxes:</b>							
Real Estate	7,403,484	7,403,484	7,371,188	(50,241)	50,469	7,371,416	-32,068
R.R. & Other Utility	33,500	33,500		33,495	5	33,500	0
<b>Total Property Taxes</b>	<b>7,436,984</b>	<b>7,436,984</b>	<b>7,371,188</b>	<b>-16,746</b>	<b>50,474</b>	<b>7,404,916</b>	<b>-32,068</b>
<b>Sales and Use Taxes:</b>							
Local Option Sales Tax	16,268,536	16,268,536	7,874,453	8,186,299	207,784	16,268,536	0
Cigarette Tax	490,000	490,000	228,863	229,542	31,595	490,000	0
<b>Total Sales and Use Taxes</b>	<b>16,758,536</b>	<b>16,758,536</b>	<b>8,103,317</b>	<b>8,415,840</b>	<b>239,379</b>	<b>16,758,536</b>	<b>0</b>
<b>Utility Franchise Fees:</b>							
Water	22,000	22,000	13,802	10,946		24,748	2,748
Gas	6,000,000	6,000,000	1,521,769	4,071,008		5,592,777	-407,223
Telephone	5,000,000	5,000,000	2,097,408	2,210,409		4,307,817	-692,183
Electricity	425,000	425,000	245,811	193,241		439,052	14,052
Cable Television	601,000	601,000	295,062	321,523	20,415	637,000	36,000
<b>Total Utility Franchise Fees</b>	<b>12,048,000</b>	<b>12,048,000</b>	<b>4,173,851</b>	<b>6,807,127</b>	<b>20,415</b>	<b>11,001,392</b>	<b>-1,046,608</b>
<b>Payments in Lieu of Taxes</b>							
Power & Light in Lieu of Taxes	13,494,227	13,494,227	7,264,156	5,624,284	301,037	13,189,477	-304,750
Water Service in Lieu of Taxes	2,335,896	2,335,896	1,187,566	1,055,004	74,561	2,317,132	-18,764
Sanitary Sewer in Lieu of Taxes	1,790,000	1,790,000	893,702	850,297	46,001	1,790,000	0
<b>Total Payments in Lieu of Taxes</b>	<b>17,620,123</b>	<b>17,620,123</b>	<b>9,345,424</b>	<b>7,529,586</b>	<b>421,599</b>	<b>17,296,609</b>	<b>-323,514</b>
<b>Total Taxes</b>	<b>53,863,643</b>	<b>53,863,643</b>	<b>28,993,779</b>	<b>22,735,807</b>	<b>731,867</b>	<b>52,461,453</b>	<b>-1,402,190</b>
<b>Business Licenses &amp; Permits:</b>							
Occupation Licenses	1,389,000	1,389,000	568,471	920,915	(70,386)	1,419,000	30,000
Liquor Licenses	107,000	107,000	3,850	98,066	5,084	107,000	0
Bld. Trades Licenses and Exams	141,000	141,000	65,193	70,291	(35,484)	100,000	-41,000
Fin - Other License/Permits	50,000	50,000	22,801	25,100	2,099	50,000	0
Building Permits, Com. Develop.	644,000	644,000	214,363	324,482	(8,845)	530,000	-114,000
Construction Permits, Public Works	230,000	230,000	68,981	94,462	26,557	190,000	-40,000
Nursing Home Permits	750	750	450	308	(8)	750	0
Day Care Permits	6,817	6,817	4,369	3,963	(1,515)	6,817	0
Food Handler's Permits	105,000	105,000	55,870	51,732	(2,602)	105,000	0
Massage Therapist Appl	3,620	3,620	8,930	982	(6,292)	3,620	0
Other Food Permits	136,740	136,740	90,373	48,921	(2,554)	136,740	0
Ambulance Permits & Licenses	37,000	37,000	16,516	15,814	4,670	37,000	0
Plan Reviews - Health Dept.	3,000	3,000	5,142	1,164	(3,306)	3,000	0
<b>Subtotal Bus. Licenses &amp; Permits</b>	<b>2,853,927</b>	<b>2,853,927</b>	<b>1,125,309</b>	<b>1,656,199</b>	<b>(92,582)</b>	<b>2,688,926</b>	<b>-165,001</b>
<b>Non-business Licenses &amp; Permits:</b>							
Motor Vehicle Licenses	500,000	500,000	480,476	(5,509)		474,967	-25,033
<b>Subtotal Non-bus. Lic. &amp; Permits</b>	<b>500,000</b>	<b>500,000</b>	<b>480,476</b>	<b>(5,509)</b>		<b>474,967</b>	<b>-25,033</b>
<b>Total Licenses &amp; Permits</b>	<b>3,353,927</b>	<b>3,353,927</b>	<b>1,605,785</b>	<b>1,650,690</b>	<b>(92,582)</b>	<b>3,163,893</b>	<b>-190,034</b>
<b>Intergovernmental Revenue:</b>							
<b>Federal:</b>							
Emergency Management							
Public Health Nursing							
Community Health ed							
Dial-a-ride	25,393	25,393		21,647	3,746	25,393	0
Other							
<b>Total Federal</b>	<b>25,393</b>	<b>25,393</b>		<b>21,647</b>	<b>3,746</b>	<b>25,393</b>	<b>0</b>

**City of Independence, Missouri**  
**Analysis of General Fund Revenues - Actual Plus Estimated**

Months of Actual Revenue: 6		Actual	Estimated			Variance	
Description	Original Budget	Revised Budget	Revenue Through December	Revenue To Year End	Projection Adjustment	Total Projected Revenue	To Budgeted Revenues
<b>State:</b>							
Financial Institutions Tax	30,000	30,000	20,040	6,274		26,314	-3,686
Gasoline Tax	3,245,000	3,245,000	1,591,665	1,530,879	122,456	3,245,000	0
Motor Vehicle License Fees	600,000	600,000	223,231	316,559		539,790	-60,210
Motor Vehicle Sales Tax	750,000	750,000	347,718	357,581	11,982	717,280	-32,720
Other							
<b>Total State</b>	<b>4,625,000</b>	<b>4,625,000</b>	<b>2,182,654</b>	<b>2,211,293</b>	<b>134,438</b>	<b>4,528,384</b>	<b>-96,616</b>
<b>Other:</b>							
Jackson County Drug Task Force	570,500	570,500	248,552	297,725	29,257	575,534	5,034
Jackson County Dare Program	178,791	178,791	190,787	24,640	(21,867)	193,560	14,769
Mid Am Reg Council	25,000	25,000	12,500	14,471		26,971	1,971
Other Misc. Grants							
<b>Total Other</b>	<b>774,291</b>	<b>774,291</b>	<b>451,839</b>	<b>336,836</b>	<b>7,390</b>	<b>796,065</b>	<b>21,774</b>
<b>Total Intergovernmental Revenue</b>	<b>5,424,684</b>	<b>5,424,684</b>	<b>2,634,492</b>	<b>2,569,775</b>	<b>145,574</b>	<b>5,349,842</b>	<b>-74,842</b>
<b>Charges for Current Services:</b>							
<b>General Government:</b>							
Planning & Zoning Fees	9,200	9,200	5,599	4,637		10,236	1,036
Board of Adjustment Fees	3,000	3,000	2,400	1,360		3,760	760
Sale of Maps, Books, Plans	12,000	12,000	2,097	7,190	2,713	12,000	0
Sale of Police Reports	29,500	29,500	16,806	14,457	(1,763)	29,500	0
Sale of Fire Reports	500	500	29	227		256	-244
Computer Service Charges			150			150	150
<b>Health:</b>							
Animal Shelter Fees	114,990	114,990	68,480	46,566		115,046	56
Animal ID Tags	21,000	21,000	10,738	10,323		21,061	61
Other Health Programs	2,250	2,250	4,059	1,376		5,435	3,185
<b>Public Safety:</b>							
Reimb. For Police Services	7,000	7,000	4,597	4,205	199	9,000	2,000
School Resource Officers	499,679	499,679	213,414	291,952	(5,688)	499,679	0
Alarm Charges - Police	25,000	25,000	16,100	11,390	(2,490)	25,000	0
Alarm Charges - Fire	2,000	2,000	2,325	868		3,193	1,193
<b>Recreation:</b>							
Program Fees	64,000	64,000	14,812	36,581		51,393	-12,607
Concessions	7,000	7,000	4,044	2,864		6,909	-91
Pool Fees							
Center Fees/Club Memberships	28,000	28,000	12,299	16,333		28,632	632
Facility Rentals	56,700	56,700	28,708	33,135		61,843	5,143
<b>National Frontier Trails Center:</b>							
NFTC - Admissions & Rentals	54,000	54,000	20,972	25,380	7,648	54,000	0
NFTC - Gift Shop	28,000	28,000	10,192	12,662	5,147	28,000	0
<b>Cemetery:</b>							
Sale of Cemetery Lots	3,250	3,250	2,100	1,364		3,464	214
Sale of Monument Bases	3,500	3,500	1,483	1,926		3,410	-90
Grave Opening Charges	47,000	47,000	24,695	24,225		48,920	1,920
<b>Other Charges:</b>							
Sale of Street Signs	300	300	211	169		380	80
Special Assessments	170,000	170,000	96,854	99,464		196,318	26,318
Sale of Recycled Material	16,000	16,000	7,154	7,458		14,612	-1,388
Solid Waste Disp Fees	80,000	80,000	46,719	34,836		81,556	1,556
Miscellaneous Charges	676,124	676,124	135,589	516,932		652,521	-23,603
<b>Total Charges for Current Services</b>	<b>1,959,993</b>	<b>1,959,993</b>	<b>752,626</b>	<b>1,207,881</b>	<b>5,766</b>	<b>1,966,273</b>	<b>6,280</b>

**City of Independence, Missouri**  
**Analysis of General Fund Revenues - Actual Plus Estimated**

Months of Actual Revenue: 6		Actual	Estimated			Variance	
Description	Original Budget	Revised Budget	Revenue Through December	Revenue To Year End	Projection Adjustment	Total Projected Revenue	To Budgeted Revenues
<b>Fines and Court Costs</b>							
Fines & Forfeitures	4,162,694	4,162,694	1,783,991	2,120,711	257,993	4,162,694	0
Court Costs	403,964	403,964	203,256	203,893	(3,185)	403,964	0
Police Training	61,718	61,718	27,696	31,047	2,975	61,718	0
Domestic Violence	61,718	61,718	27,741	31,228	2,749	61,718	0
Dwi/drug	26,760	26,760	7,949	13,933	4,879	26,760	0
Special Warrant Collection							
<b>Total Fines and Court Costs</b>	<b>4,716,854</b>	<b>4,716,854</b>	<b>2,050,633</b>	<b>2,400,811</b>	<b>265,411</b>	<b>4,716,855</b>	<b>1</b>
<b>Interest Income</b>							
Interest	4,200	4,200	318	2,475		2,793	-1,407
Special Assessments - Interest	500	500	(387)	287		-99	-599
Interest - Other	85,000	85,000	27,615	52,252		79,867	-5,133
<b>Total Interest Income</b>	<b>89,700</b>	<b>89,700</b>	<b>27,547</b>	<b>55,014</b>		<b>82,561</b>	<b>-7,139</b>
Interfund Chgs. For Supp. Serv.	3,943,428	3,943,428	1,953,633	1,952,603		3,906,236	-37,192
<b>Other Revenue:</b>							
Sale of Land	2,000	2,000		1,003		1,003	-997
Sale of Fixed Assets	124,400	124,400	14,957	83,390	26,054	124,400	0
Rents	155,000	155,000	106,523	72,675		179,199	24,199
Damage Claims	2,000	2,000		920	1,080	2,000	0
Contributions	10,000	17,722	9,638	11,306		20,944	3,222
Housing Auth. In Lieu of Taxes							
Cash Over/Short			119			119	119
Discounts Taken	25	25	20	15		35	10
Misc. Non-operating Revenue	175,000	175,000	64,597	91,298	29,105	185,000	10,000
Proceed from Capital Lease							
<b>Total Other Revenue</b>	<b>468,425</b>	<b>476,147</b>	<b>195,854</b>	<b>260,607</b>	<b>56,239</b>	<b>512,700</b>	<b>36,553</b>
<b>Total Revenue</b>	<b>73,820,654</b>	<b>73,828,376</b>	<b>38,214,348</b>	<b>32,833,189</b>	<b>1,112,275</b>	<b>72,159,812</b>	<b>(1,668,564)</b>

**City of Independence, Missouri**  
**Analysis of General Fund Unassigned Fund Balance**

	<b>Budget</b>	<b>December 31st</b>	<b>Variance</b>	<b>Notes</b>
<b>Beginning Unassigned Fund Balance</b>	\$ 2,302,039	\$ 2,302,039	\$ -	
<b>Current Fiscal Year Activity:</b>				
<u>Estimated Revenues:</u>				
City Council Approved Revenue Estimates	\$73,820,654	\$73,828,376	\$7,722	
Projected Revenue Variances for the Year	-	(\$1,668,564)	(\$1,668,564)	
Net Projected Revenues	73,820,654	\$72,159,812	(\$1,660,842)	
<u>Appropriations/Expenditures:</u>				
City Council Approved Appropriations	\$69,677,795	\$69,955,304	\$277,509	
Projected Expenditure Variances for the Year	-	(\$350,760)	(\$350,760)	
Net Projected Expenditures	69,677,795	\$69,604,544	(\$73,251)	
Net Revenues Over/(Under) Expenditures	4,142,859	2,555,268	(1,587,591)	
<b>Transfers Out:</b>				
Council Goals			-	
Crackerneck Creek TIF	4,142,859	4,142,859	-	
Storm Water Fund			-	
Total	4,142,859	4,142,859	-	
<b>Transfers In:</b>				
Central Garage Fund			-	
Total	-	-	-	
<b>Other:</b>				
Reservations of Fund Balance:				
Police Forfeitures	-	(8,015)	(8,015)	
Protested Revenues	-	6,847	6,847	
Cancellation of Prior Year Encumbrances	-	85,547	85,547	
Transfer from/(to) Designated Fund Balance	-		-	
Appropriations funded from Fund Balance Components:				
City Council Strategic Goals	-	198,027	198,027	
TIF Distributions (GTIF)	-		-	
Grant Close-out	-		-	
Total	-	282,406	282,406	
<b>Projected Year End Unassigned Fund Balance</b>	<b>\$ 2,302,039</b>	<b>\$ 996,854</b>	<b>\$ (1,305,185)</b>	

**Notes:**

**City of Independence, Missouri**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2011**

<b>Assets</b>	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
Pooled cash and investments	2,532,082	12,212,682	14,744,764
Receivables:			
Taxes	6,934,474	9,846,133	16,780,606
Accounts	115,413	13,414	128,827
Special assessment principal and accrued interest	795,402	1,322,003	2,117,405
Due from component unit to primary gvmt	-	220,643	220,643
Due from other governments	694,363	4,040,972	4,735,335
Restricted assets	199,380	21,252,512	21,451,893
Total assets	\$ 11,271,114	\$ 48,908,359	\$ 60,179,473
<b>Liabilities and Fund Balances</b>	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
Liabilities:			
Accounts and contracts payable	35,508	303,633	339,141
Due to primary government from component unit	-	220,643	220,643
Accrued items	2,853,336	141,403	2,994,738
Other current liabilities	384,431	17,145	401,576
Deferred revenue	1,618,740	1,660,567	3,279,307
Liabilities payable from restricted assets:			
Deposits and court bonds	199,381	-	199,381
Total liabilities	5,091,395	2,343,390	7,434,786
Fund Balances:			
Nonspendable	-	-	-
Restricted	455,293	45,775,799	46,231,092
Committed	1,157,922	789,170	1,947,092
Assigned	1,927,628	-	1,927,628
Unassigned	2,638,876	-	2,638,876
Total fund balance	6,179,719	46,564,969	52,744,688
Total liabilities and fund balance	\$ 11,271,114	\$ 48,908,359	\$ 60,179,473

See accompanying reports for detail on Other Governmental Funds.

**City of Independence, Missouri**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Six Months Ending December 31, 2011**

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>			
Taxes	19,648,355	19,937,459	39,585,814
Licenses and permits	1,605,785	191,830	1,797,615
Intergovernmental	2,634,492	13,150,031	15,784,523
Charges for services	752,626	386,760	1,139,386
Interfund charges for support services	1,953,633	-	1,953,633
Fines, forfeitures, and court costs	2,050,633	-	2,050,633
Investment Income	27,547	71,774	99,321
Sale of property, plant, and equipment	14,957	129,082	144,039
TIF Developer Contributions	-	832,549	832,549
Reimbursements from component unit	-	2,218,408	2,218,408
Other	180,897	542,219	723,116
Total revenues	<u>28,868,924</u>	<u>37,460,114</u>	<u>66,329,038</u>
<b>Expenditures:</b>			
Current:			
General government	3,708,877	21,627	3,730,504
Public safety	20,699,260	1,652,459	22,351,719
Public works	2,796,103	-	2,796,103
Health and welfare	1,217,053	301,287	1,518,340
Culture and recreation	1,067,200	1,985,237	3,052,437
Community development	1,274,880	1,504,366	2,779,246
Storm Water	-	703,630	703,630
Nondepartmental/other	4,814,500	135,881	4,950,382
Capital outlay	49,947	19,529,608	19,579,555
Debt service:			
Principal	104,944	1,075,748	1,180,692
Interest and fiscal agent fees	11,217	5,171,142	5,182,359
Total expenditures	<u>35,743,979</u>	<u>32,080,985</u>	<u>67,824,965</u>
Excess (deficiency) of revenues over expenditures	<u>(6,875,055)</u>	<u>5,379,128</u>	<u>(1,495,927)</u>
<b>Other financing sources (uses):</b>			
Transfers in-utility payments in lieu of taxes	9,345,424	-	9,345,424
Transfers in	-	1,434,756	1,434,756
Transfers out	(1,115,602)	(1,434,756)	(2,550,358)
Total other financing sources (uses)	<u>8,229,822</u>	<u>-</u>	<u>8,229,822</u>
Net change in fund balances	1,354,767	5,379,128	6,733,895
Fund balances, beginning	4,824,952	41,185,841	46,010,793
Fund balances, ending	<u>\$ 6,179,719</u>	<u>\$ 46,564,969</u>	<u>\$ 52,744,688</u>

See accompanying reports for detail on Other Governmental Funds.

**City of Independence, Missouri**  
**Statement of Expenditures & Encumbrances**  
**General Fund**  
**For the Six Months Ending December 31, 2011**

	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Expenditures - Current Year</b>	<b>Expenditures - Prior Year</b>	<b>Total Expenditures</b>	<b>Encumbrances - Current Year</b>
General Government:						
City Council	409,522	409,522	174,961	1,220	176,181	79
City Clerk	366,678	366,678	141,352	3,765	145,117	899
City Manager	838,697	838,697	468,031	850	468,881	4,365
National Frontier Trails Center	372,833	372,833	166,068	4,997	171,066	1,059
Technology Services	1,716,104	1,716,104	892,519	9,024	901,544	3,734
Municipal Court	751,614	751,614	362,721	884	363,605	6,757
Law	764,018	764,018	339,837	-	339,837	9,377
Finance	1,873,956	1,873,956	931,600	4,792	936,391	47,094
Human Resources	408,934	408,934	206,698	1,795	208,493	3,051
Total General Government	<u>7,502,356</u>	<u>7,502,356</u>	<u>3,683,787</u>	<u>27,327</u>	<u>3,711,115</u>	<u>76,415</u>
Public Safety:						
Community Development	2,545,018	2,545,018	1,263,367	11,513	1,274,880	431,188
Police	24,885,849	24,932,609	12,331,909	63,557	12,395,466	535,621
Fire	15,749,223	15,749,223	8,346,342	50,685	8,397,027	78,793
Total Public Safety	<u>43,180,090</u>	<u>43,226,850</u>	<u>21,941,618</u>	<u>125,755</u>	<u>22,067,373</u>	<u>1,045,602</u>
Public Works	5,684,843	5,684,843	2,642,000	154,103	2,796,103	287,145
Storm Water	-	-	-	-	-	-
Health	2,558,732	2,561,204	1,202,552	14,501	1,217,053	48,810
Parks and Recreation	1,939,556	1,941,606	1,052,162	15,038	1,067,200	89,619
Non-Departmental	8,187,370	8,215,570	4,692,436	38,057	4,730,493	275,809
Council Goals	250,000	448,027	60,185	44,512	104,697	24,065
Debt Service	-	-	-	-	-	-
Capital Outlay	374,848	374,848	33,954	17,042	50,996	3,000
TIF Distribution	-	-	(1,050)	-	(1,050)	-
Total Other	<u>18,995,349</u>	<u>19,226,098</u>	<u>9,682,239</u>	<u>283,253</u>	<u>9,965,492</u>	<u>728,448</u>
Total Expenditures & Encumbrances	<u><u>69,677,795</u></u>	<u><u>69,955,304</u></u>	<u><u>35,307,644</u></u>	<u><u>436,336</u></u>	<u><u>35,743,979</u></u>	<u><u>1,850,464</u></u>

**CITY OF INDEPENDENCE, MISSOURI**

Balance Sheet

Proprietary Funds

December 31, 2011

Assets	Enterprise Funds					Internal Service Funds
	Power and Light	Water	Sanitary Sewer	Events Center	Total	
<b>Current assets:</b>						
Pooled cash and investments	\$ 22,448,220	500,216	7,199,582	(380,319)	29,767,699	9,123,121
Receivables:						
Accounts (net of allowance of \$1,027,656)	9,999,195	1,841,611	1,293,431	815,422	13,949,659	726,131
Unbilled revenue	8,166,659	1,116,420	1,043,762	—	10,326,841	—
Special assessment principal and accrued interest	194,609	—	3,159	—	197,768	39,117
Accrued interest	—	—	—	—	—	—
Other	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—
Due from other governments	149,159	—	—	—	149,159	—
Inventory	11,983,882	658,330	70,420	—	12,712,632	—
Prepaid items	1,142,415	185,225	74,078	—	1,401,717	—
Restricted assets	1,757,111	502,853	419,942	—	2,679,907	—
<b>Total current assets</b>	<b>55,841,250</b>	<b>4,804,656</b>	<b>10,104,374</b>	<b>435,103</b>	<b>71,185,382</b>	<b>9,888,370</b>
<b>Noncurrent assets:</b>						
Restricted assets	13,622,565	4,263,831	—	7,336,259	25,222,655	—
Capital assets:						
Nondepreciable	16,320,890	3,546,683	4,962,222	5,796,315	30,626,111	93,979
Depreciable, net	174,549,911	107,517,996	66,415,440	65,037,618	413,520,965	36,181
Advance to other funds	—	—	—	—	—	—
Deferred debt issue costs	1,866,616	1,147,441	—	3,241,904	6,255,961	—
Prepaid employee benefits	—	—	—	—	—	—
Other deferred charges	(239,213)	653,135	0	—	413,922	—
<b>Total noncurrent assets</b>	<b>206,120,769</b>	<b>117,129,086</b>	<b>71,377,663</b>	<b>81,412,096</b>	<b>476,039,614</b>	<b>130,160</b>
<b>Total assets</b>	<b>\$ 261,962,018</b>	<b>121,933,742</b>	<b>81,482,037</b>	<b>81,847,199</b>	<b>547,224,996</b>	<b>10,018,530</b>
<b>Liabilities and Net Assets</b>						
<b>Current liabilities:</b>						
Accounts and contracts payable	\$ 3,209,750	176,680	172,764	1,745	3,560,938	18,644
Accrued items	1,365,090	461,163	1,253,622	—	3,079,875	35,925
Other current liabilities	350,634	32,066	12	—	382,712	349
Deferred revenue	—	—	—	—	—	1,107,487
Current portion of long-term obligations	5,424,917	3,588,836	322,930	340,000	9,676,683	49,416
Current portion of capital lease	4,895	2,154	783	—	7,833	—
Employee benefits payable	—	—	—	—	—	—
Medical self-insurance claims	—	—	—	—	—	2,768,461
Liabilities payable from restricted assets	1,955,810	810,027	391,175	1,169,572	4,326,584	—
<b>Total current liabilities</b>	<b>12,311,096</b>	<b>5,070,926</b>	<b>2,141,287</b>	<b>1,511,317</b>	<b>21,034,624</b>	<b>3,980,281</b>
<b>Noncurrent liabilities:</b>						
Revenue bonds payable	60,871,220	40,321,541	—	83,550,645	184,743,405	—
Other long term liabilities	—	—	—	—	—	—
Other post employment benefits	8,222,259	3,313,645	2,507,898	—	14,043,802	352,671
Compensated absences – long-term	3,641,793	993,625	722,729	—	5,358,148	100,257
Advances for construction	43,422	79,942	—	—	123,364	—
Advances from other funds	—	—	—	—	—	—
Medical self-insurance claims	—	—	—	—	—	1,752,789
<b>Total noncurrent liabilities</b>	<b>72,778,694</b>	<b>44,708,753</b>	<b>3,230,627</b>	<b>83,550,645</b>	<b>204,268,720</b>	<b>2,205,717</b>
<b>Total liabilities</b>	<b>85,089,790</b>	<b>49,779,680</b>	<b>5,371,914</b>	<b>85,061,962</b>	<b>225,303,344</b>	<b>6,185,999</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	131,930,421	71,324,815	71,376,879	(5,829,541)	268,802,576	130,160
Restricted for:						
Debt service	7,866,829	500,000	—	—	8,366,829	—
Unrestricted	37,074,978	329,247	4,733,243	2,614,778	44,752,246	3,702,371
<b>Total net assets</b>	<b>176,872,229</b>	<b>72,154,062</b>	<b>76,110,123</b>	<b>(3,214,763)</b>	<b>321,921,651</b>	<b>3,832,531</b>
<b>Total liabilities and net assets</b>	<b>\$ 261,962,018</b>	<b>121,933,742</b>	<b>81,482,037</b>	<b>81,847,199</b>	<b>547,224,996</b>	<b>10,018,530</b>

**CITY OF INDEPENDENCE, MISSOURI**  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Six Months Ending December 31, 2011

	<b>Enterprise Funds</b>					<b>Internal Service Funds</b>
	<b>Power and Light</b>	<b>Water</b>	<b>Sanitary Sewer</b>	<b>Events Center</b>	<b>Totals</b>	
Operating revenues:						
Charges for services	\$ 73,931,927	12,064,566	9,023,503	—	95,019,995	1,123,976
Miscellaneous	988,477	178,832	94,843	—	1,262,153	9,852,082
Total operating revenues	<u>74,920,404</u>	<u>12,243,398</u>	<u>9,118,346</u>	<u>—</u>	<u>96,282,148</u>	<u>10,976,058</u>
Operating expenses:						
Personal services	11,233,328	3,669,079	2,653,748	—	17,556,156	409,889
Other services	7,263,742	2,435,146	3,451,180	—	13,150,068	10,570,543
Capital Outlay	(445)	16,004	—	—	15,559	—
Supplies	32,847,384	863,394	270,349	—	33,981,127	622,197
Other expenses	3,904,448	1,356,941	59,569	—	5,320,959	—
Depreciation and amortization	7,344,915	1,560,086	1,355,339	944,794	11,205,134	1,654
Total operating expenses	<u>62,593,373</u>	<u>9,900,651</u>	<u>7,790,186</u>	<u>944,794</u>	<u>81,229,003</u>	<u>11,604,283</u>
Operating income	<u>12,327,031</u>	<u>2,342,748</u>	<u>1,328,160</u>	<u>(944,794)</u>	<u>15,053,145</u>	<u>(628,225)</u>
Nonoperating revenues (expenses):						
Interest revenue	2,831	120	1,058	4,066	8,075	6,062
Miscellaneous revenue (expense)	456,557	1,011,571	48,416	2,588,042	4,104,586	2,210,001
Interest expense	(1,442,511)	(1,058,261)	(27)	(2,556,062)	(5,056,860)	—
Total nonoperating revenue (expenses)	<u>(983,122)</u>	<u>(46,569)</u>	<u>49,446</u>	<u>36,046</u>	<u>(944,199)</u>	<u>2,216,063</u>
Income before contributions and transfers	11,343,909	2,296,178	1,377,607	(908,748)	14,108,946	1,587,840
Capital contributions	24,297	180,851	—	—	205,148	—
Transfers out - Utility payments in lieu of taxes	(7,264,156)	(1,187,566)	(893,702)	—	(9,345,424)	—
- Other	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Change in net assets	<u>4,104,050</u>	<u>1,289,464</u>	<u>483,905</u>	<u>(908,748)</u>	<u>4,968,670</u>	<u>1,587,840</u>
Total net assets:						
Beginning of the period	<u>172,768,179</u>	<u>70,864,598</u>	<u>75,626,218</u>	<u>(2,306,015)</u>	<u>316,952,980</u>	<u>2,244,692</u>
End of the period	<u>\$ 176,872,229</u>	<u>72,154,062</u>	<u>76,110,123</u>	<u>(3,214,763)</u>	<u>321,921,651</u>	<u>3,832,531</u>

**CITY OF INDEPENDENCE, MISSOURI**

**Statement of Fiduciary Net Assets**

**Fiduciary Funds**

**December 31, 2011**

<b>Assets</b>	<b>Private-Purpose Trust Funds</b>	<b>Agency Funds</b>
Pooled cash and investments	\$ 33,681	213,800
Accrued interest receivable	-	494
Total assets	<u>\$ 33,681</u>	<u>214,294</u>
<b>Liabilities</b>		
Accounts and contacts payable	\$ 3,134	—
Funds held in Escrow	3,468	66,992
Employee deferred credit	—	147,302
Total liabilities	<u>\$ 6,602</u>	<u>214,294</u>
<b>Net Assets</b>		
Held in trust	<u>\$ 27,079</u>	

**City of Independence, Missouri  
Combining Balance Sheet  
Special Revenue Funds  
December 31, 2011**

<b>Assets</b>	<b>Tourism</b>	<b>Independence Square Benefit District</b>	<b>Community Development Grant Act</b>	<b>Rental Rehabilitation</b>	<b>Consolidated Sales Tax</b>	<b>License Surcharge</b>	<b>Grants</b>	<b>Total</b>
Pooled cash and investments	1,139,504	9,254	(121,637)	(27,905)	5,052,534	2,141,877	(707,299)	7,486,326
Receivables:								
Taxes	100,000	17,769	-	-	2,730,740	-	-	2,848,510
Accounts	-	-	-	-	-	-	9,732	9,732
Special assessment principal and accrued interest	-	-	-	-	-	-	260	260
Due from other governments	-	-	131,531	45,208	-	-	846,218	1,022,957
Total assets	<u>\$ 1,239,504</u>	<u>\$ 27,023</u>	<u>\$ 9,893</u>	<u>\$ 17,303</u>	<u>\$ 7,783,275</u>	<u>\$ 2,141,877</u>	<u>\$ 148,911</u>	<u>\$ 11,367,786</u>
	<b>Tourism</b>	<b>Independence Square Benefit District</b>	<b>Community Development Grant Act</b>	<b>Rental Rehabilitation</b>	<b>Consolidated Sales Tax</b>	<b>License Surcharge</b>	<b>Grants</b>	<b>Total</b>
<b>Liabilities and Fund Balances</b>								
Liabilities:								
Accounts and contracts payable	3,336	-	-	-	282,921	-	15,343	301,601
Accrued items	15,284	-	8,570	(4)	89,587	-	27,966	141,403
Other current liabilities	-	-	-	17,300	(155)	-	-	17,145
Deferred revenue	-	-	-	-	-	-	145,994	145,994
Total liabilities	<u>18,621</u>	<u>-</u>	<u>8,570</u>	<u>17,296</u>	<u>372,353</u>	<u>-</u>	<u>189,303</u>	<u>606,143</u>
Fund Balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	716,897	27,023	1,323	7	7,410,922	2,141,877	(40,392)	10,257,656
Committed	503,987	-	-	-	-	-	-	503,987
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balance	<u>1,220,884</u>	<u>27,023</u>	<u>1,323</u>	<u>7</u>	<u>7,410,922</u>	<u>2,141,877</u>	<u>(40,392)</u>	<u>10,761,643</u>
Total liabilities and fund balance	<u>\$ 1,239,504</u>	<u>\$ 27,023</u>	<u>\$ 9,893</u>	<u>\$ 17,303</u>	<u>\$ 7,783,275</u>	<u>\$ 2,141,877</u>	<u>\$ 148,911</u>	<u>11,367,786</u>

**City of Independence, Missouri**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Special Revenue Funds**  
**For the Six Months Ending December 31, 2011**

	Tourism	Independence Square Benefit District	Community Development Grant Act	Rental Rehabilitation	Sales Tax	License Surcharge	Grants	Total
<b>Revenues:</b>								
Taxes	662,949	24,670	-	-	9,291,636	-	-	9,979,255
Licenses and permits	-	-	-	-	-	191,830	-	191,830
Intergovernmental	15,575	-	488,508	90,350	-	-	2,061,841	2,656,273
Charges for services	-	-	-	-	297,687	-	50,327	348,014
Investment Income	151	45	-	-	1,457	329	153	2,136
Sale of property, plant, and equipment	10	-	-	-	49,754	-	79,318	129,082
Other	4,593	-	-	-	48,906	-	43,363	96,862
Total revenues	683,278	24,716	488,508	90,350	9,689,440	192,159	2,235,002	13,403,453
<b>Expenditures:</b>								
Current:								
General government	-	-	-	-	-	-	21,627	21,627
Public safety	-	-	-	-	1,020,490	-	631,969	1,652,459
Health and welfare	-	-	-	-	-	-	301,287	301,287
Culture and recreation	805,835	-	-	-	1,179,403	-	-	1,985,237
Community development	-	-	220,498	90,350	-	-	1,193,518	1,504,366
Storm water	-	-	-	-	703,630	-	-	703,630
Nondepartmental	-	-	-	-	-	-	126,992	135,547
Capital outlay	-	25,723	-	-	5,312,030	-	-	5,337,753
Debt service:								
Principal	-	-	-	-	825,000	-	-	825,000
Interest and fiscal agent fees	-	-	-	-	310,894	-	-	310,894
Total expenditures	805,835	25,723	220,498	90,350	9,360,001	-	2,275,394	12,777,800
Excess (deficiency) of revenues over expenditures	(122,557)	(1,007)	268,010	-	329,439	192,159	(40,392)	625,653
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(268,010)	-	(438,735)	(728,011)	-	(1,434,756)
Total other financing sources (uses)	-	-	(268,010)	-	(438,735)	(728,011)	-	(1,434,756)
Net change in fund balances	(122,557)	(1,007)	-	-	(109,296)	(535,851)	(40,392)	(809,103)
Fund balances, beginning	1,343,440	28,030	1,323	7	7,520,218	2,677,728	-	11,570,746
Fund balances, ending	\$ 1,220,884	\$ 27,023	\$ 1,323	\$ 7	\$ 7,410,922	\$ 2,141,877	\$ (40,392)	\$ 10,761,643

**City of Independence, Missouri  
Balance Sheet  
Sales Tax Funds  
December 31, 2011**

<b>Assets</b>	<b>Street Sales Tax</b>	<b>Parks Sales Tax</b>	<b>Storm Water Sales Tax</b>	<b>Police Sales Tax</b>	<b>Fire Sales Tax</b>	<b>Total Sales Tax Funds</b>
Pooled cash and investments	728,367	(5,430,324)	6,613,458	1,804,839	1,336,194	5,052,534
Receivables:						
Taxes	1,079,389	549,467	549,470	277,651	274,764	2,730,740
Total assets	<u>\$ 1,807,755</u>	<u>\$ (4,880,857)</u>	<u>\$ 7,162,928</u>	<u>\$ 2,082,490</u>	<u>\$ 1,610,957</u>	<u>\$ 7,783,275</u>
	<b>Street Sales Tax</b>	<b>Parks Sales Tax</b>	<b>Storm Water Sales Tax</b>	<b>Police Sales Tax</b>	<b>Fire Sales Tax</b>	<b>Total Sales Tax Funds</b>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accounts and contracts payable	51,961	43,203	107,325	673	79,759	282,921
Accrued items	-	46,675	42,911	-	-	89,587
Other current liabilities	-	(155)	-	-	-	(155)
Total liabilities	<u>51,961</u>	<u>89,723</u>	<u>150,237</u>	<u>673</u>	<u>79,759</u>	<u>372,353</u>
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	1,755,794	(4,970,580)	7,012,692	2,081,817	1,531,198	7,410,922
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	<u>1,755,794</u>	<u>(4,970,580)</u>	<u>7,012,692</u>	<u>2,081,817</u>	<u>1,531,198</u>	<u>7,410,922</u>
Total liabilities and fund balance	<u>\$ 1,807,755</u>	<u>\$ (4,880,857)</u>	<u>\$ 7,162,928</u>	<u>\$ 2,082,490</u>	<u>\$ 1,610,957</u>	<u>\$ 7,783,275</u>

**City of Independence, Missouri**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Sales Tax Funds**  
**For the Six Months Ending December 31, 2011**

	Street Improvement Sales Tax	Park Improvement Sales Tax	Storm Water Sales Tax	Public Safety Sales Tax	Fire Sales Tax	Total Sales Tax Funds
<b>Revenues:</b>						
Taxes	3,682,316	1,850,956	1,851,027	981,760	925,577	9,291,636
Charges for services	-	297,687	-	-	-	297,687
Investment Income	201	0	893	232	130	1,457
Sale of property, plant, and equipment	-	7,200	-	42,554	-	49,754
Other	28,095	897	19,464	-	450	48,906
Total revenues	<u>3,710,612</u>	<u>2,156,741</u>	<u>1,871,384</u>	<u>1,024,547</u>	<u>926,157</u>	<u>9,689,440</u>
<b>Expenditures:</b>						
Current:						
Public safety	-	-	-	864,744	155,746	1,020,490
Culture and recreation	-	1,179,403	-	-	-	1,179,403
Storm Water	-	-	703,630	-	-	703,630
Nondepartmental/other	5,703	2,851	-	-	-	8,554
Capital outlay	3,468,832	431,108	1,412,090	-	-	5,312,030
Debt service:						
Principal	400,000	425,000	-	-	-	825,000
Interest and fiscal agent fees	133,281	82,351	-	45,856	49,406	310,894
Total expenditures	<u>4,007,816</u>	<u>2,120,713</u>	<u>2,115,719</u>	<u>910,600</u>	<u>205,152</u>	<u>9,360,001</u>
Excess (deficiency) of revenues over expenditures	<u>(297,205)</u>	<u>36,028</u>	<u>(244,335)</u>	<u>113,946</u>	<u>721,005</u>	<u>329,439</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(438,735)	-	-	-	-	(438,735)
Total other financing sources (uses)	<u>(438,735)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(438,735)</u>
Net change in fund balances	(735,940)	36,028	(244,335)	113,946	721,005	(109,296)
Fund balances, beginning	2,491,735	(5,006,608)	7,257,027	1,967,871	810,193	7,520,218
Fund balances, ending	<u>\$ 1,755,794</u>	<u>\$ (4,970,580)</u>	<u>\$ 7,012,692</u>	<u>\$ 2,081,817</u>	<u>\$ 1,531,198</u>	<u>\$ 7,410,922</u>

**City of Independence, Missouri**  
**Balance Sheet**  
**Debt Service Fund**  
**December 31, 2011**

<b>Assets</b>	<b>Debt Service Fund</b>	<b>Total</b>
Pooled cash and investments	3,567	3,567
Receivables:		
Taxes	-	-
Special assessment principal and accrued interest	837,803	837,803
Restricted assets	94,000	94,000
Total assets	\$ 935,369	\$ 935,369

<b>Liabilities and Fund Balances</b>	<b>Debt Service</b>	<b>Total</b>
Liabilities:		
Deferred revenue	837,803	837,803
Total liabilities	837,803	837,803
Fund Balances:		
Nonspendable	-	-
Restricted	97,567	97,567
Committed	-	-
Assigned	-	-
Unassigned	-	-
Total fund balance	97,567	97,567
Total liabilities and fund balance	\$ 935,369	\$ 935,369

**City of Independence, Missouri**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Debt Service Fund**  
**For the Six Months Ending December 31, 2011**

	<b>Debt Service Fund</b>	<b>Total</b>
<b>Revenues:</b>		
Charges for services	33,263	33,263
Investment Income	184	184
Total revenues	33,447	33,447
<b>Expenditures:</b>		
Current:		
Nondepartmental	334	334
Debt service:		
Principal	-	-
Interest and fiscal agent fees	17,521	17,521
Total expenditures	17,855	17,855
Excess (deficiency) of revenues over expenditures	15,592	15,592
<b>Other financing sources (uses):</b>		
Total other financing sources (uses)	-	-
Net change in fund balances	15,592	15,592
Fund balances, beginning	81,975	81,975
Fund balances, ending	\$ 97,567	\$ 97,567

**City of Independence, Missouri**  
**Combining Balance Sheet**  
**Capital Projects Funds**  
**December 31, 2011**

<b>Assets</b>	<b>Street Improvements</b>	<b>Revolving Public Improvements</b>	<b>Consolidated Tax Increment Financing</b>	<b>Buildings and Other Improvements</b>	<b>Storm Drainage</b>	<b>Park Improvements</b>	<b>Total</b>
Pooled cash and investments	(2,994,075)	19,753	7,240,321	193,722	(16,155)	279,223	4,722,789
Receivables:							
Taxes	-	-	6,997,623	-	-	-	6,997,623
Accounts	-	-	3,682	-	-	-	3,682
Special assessment principal and accrued interest	483,940	-	-	-	-	-	483,940
Due from component unit to primary gvmnt	220,643	-	-	-	-	-	220,643
Due from other governments	2,638,720	-	241,081	-	-	138,214	3,018,015
Restricted assets	-	-	21,158,512	-	-	-	21,158,512
Total assets	<u>\$ 349,228</u>	<u>\$ 19,753</u>	<u>\$ 35,641,220</u>	<u>\$ 193,722</u>	<u>\$ (16,155)</u>	<u>\$ 417,437</u>	<u>\$ 36,605,204</u>

<b>Liabilities and Fund Balances</b>	<b>Street Improvements</b>	<b>Revolving Public Improvements</b>	<b>Tax Increment Financing</b>	<b>Buildings and Other Improvements</b>	<b>Storm Drainage</b>	<b>Park Improvements</b>	<b>Total</b>
<b>Liabilities:</b>							
Accounts and contracts payable	2,032	-	-	-	-	-	2,032
Due to primary government from component unit	-	-	220,643	-	-	-	220,643
Deferred revenue	676,770	-	-	-	-	-	676,770
Total liabilities	<u>678,802</u>	<u>-</u>	<u>220,643</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>899,445</u>
<b>Fund Balances:</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	35,420,577	-	-	-	35,420,577
Committed	(329,573)	19,753	-	193,722	(16,155)	417,437	285,183
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	<u>(329,573)</u>	<u>19,753</u>	<u>35,420,577</u>	<u>193,722</u>	<u>(16,155)</u>	<u>417,437</u>	<u>35,705,760</u>
Total liabilities and fund balance	<u>\$ 349,228</u>	<u>\$ 19,753</u>	<u>\$ 35,641,220</u>	<u>\$ 193,722</u>	<u>\$ (16,155)</u>	<u>\$ 417,437</u>	<u>\$ 36,605,204</u>

City of Independence, Missouri  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Capital Project Funds**  
For the Six Months Ending December 31, 2011

	Street Improvements	Revolving Public Improvements	Consolidated Tax Increment Financing	Buildings and Other Improvements	Storm Drainage	Park Improvements	Total
<b>Revenues:</b>							
Taxes	-	-	9,958,204	-	-	-	9,958,204
Intergovernmental	10,372,129	-	106,339	-	-	15,290	10,493,758
Charges for services	5,483	-	-	-	-	-	5,483
Investment Income	(39)	3	69,445	8	-	38	69,454
TIF Developer Contributions	-	-	832,549	-	-	-	832,549
Reimbursements from component unit	1,102,806	-	1,115,602	-	-	-	2,218,408
Other	-	-	239,540	205,817	-	-	445,357
Total revenues	<u>11,480,379</u>	<u>3</u>	<u>12,321,680</u>	<u>205,825</u>	<u>-</u>	<u>15,328</u>	<u>24,023,214</u>
<b>Expenditures:</b>							
Capital outlay	12,641,681	-	1,266,874	268,010	-	15,290	14,191,856
Debt service:							
Principal	-	-	250,748	-	-	-	250,748
Interest and fiscal agent fees	-	-	4,842,727	-	-	-	4,842,727
Total expenditures	<u>12,641,681</u>	<u>-</u>	<u>6,360,350</u>	<u>268,010</u>	<u>-</u>	<u>15,290</u>	<u>19,285,331</u>
Excess (deficiency) of revenues over expenditures	<u>(1,161,302)</u>	<u>3</u>	<u>5,961,330</u>	<u>(62,185)</u>	<u>-</u>	<u>38</u>	<u>4,737,883</u>
<b>Other financing sources (uses):</b>							
Transfers in	1,178,541	-	-	256,215	-	-	1,434,756
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,178,541</u>	<u>-</u>	<u>-</u>	<u>256,215</u>	<u>-</u>	<u>-</u>	<u>1,434,756</u>
Net change in fund balances	17,239	3	5,961,330	194,030	-	38	6,172,639
Fund balances, beginning	(346,812)	19,750	29,459,247	(308)	(16,155)	417,400	29,533,120
Fund balances, ending	<u>\$ (329,573)</u>	<u>\$ 19,753</u>	<u>\$ 35,420,577</u>	<u>\$ 193,722</u>	<u>\$ (16,155)</u>	<u>\$ 417,437</u>	<u>\$ 35,705,760</u>

**City of Independence, Missouri**  
**Balance Sheet**  
**TIF Funds**  
**12/31/11**

<b>Assets</b>	<b>Mid Town Truman</b>	<b>RSO</b>	<b>Bolger Square</b>	<b>Santa Fe</b>	<b>Sterling Village</b>	<b>Hartman Heritage</b>	<b>Drumm Farm</b>	<b>Eastland Center</b>	<b>North Indep.</b>	<b>Mount Washington</b>	<b>Sub-Total TIF Funds</b>
Pooled cash and investments (note 3)	77,561	148	-	12,157	104,664	835,772	1,099,989	4,159,011	6,877	32,585	6,328,765
Receivables:											
Taxes	45,118	19,207	-	18,261	12,945	788,745	155,513	1,213,622	38,385	6,832	2,298,628
Accounts (net of allowance of \$443,838) (note 1D)	-	-	-	-	-	-	-	3,682	-	-	3,682
Due from other governments (note 5)	-	-	-	-	-	23,400	1,560	131,891	1,510	720	159,081
Restricted assets (notes 3 and 8)	-	-	-	953,741	-	1,904,968	-	5,016,389	-	-	7,875,098
Total assets	<u>\$ 122,679</u>	<u>\$ 19,355</u>	<u>\$ -</u>	<u>\$ 984,160</u>	<u>\$ 117,608</u>	<u>\$ 3,552,885</u>	<u>\$ 1,257,062</u>	<u>\$ 10,524,596</u>	<u>\$ 46,772</u>	<u>\$ 40,137</u>	<u>\$ 16,665,254</u>
<b>Liabilities and Fund Balances</b>	<b>Mid Town Truman</b>	<b>RSO</b>	<b>Bolger Square</b>	<b>Santa Fe</b>	<b>Sterling Village</b>	<b>Hartman Heritage</b>	<b>Drumm Farm</b>	<b>Eastland Center</b>	<b>North Indep.</b>	<b>Mount Washington</b>	<b>Sub-Total TIF Funds</b>
Liabilities:											
Due to primary government from component unit	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	122,679	19,355	-	984,160	117,608	3,552,885	1,257,062	10,524,596	46,772	40,137	16,665,254
Committed	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total fund balance	<u>122,679</u>	<u>19,355</u>	<u>-</u>	<u>984,160</u>	<u>117,608</u>	<u>3,552,885</u>	<u>1,257,062</u>	<u>10,524,596</u>	<u>46,772</u>	<u>40,137</u>	<u>16,665,254</u>
Total liabilities and fund balance	<u>\$ 122,679</u>	<u>\$ 19,355</u>	<u>\$ -</u>	<u>\$ 984,160</u>	<u>\$ 117,608</u>	<u>\$ 3,552,885</u>	<u>\$ 1,257,062</u>	<u>\$ 10,524,596</u>	<u>\$ 46,772</u>	<u>\$ 40,137</u>	<u>16,665,254</u>

**City of Independence, Missouri**  
**Balance Sheet**  
**TIF Funds**  
**12/31/11**

<b>Assets</b>	<b>Hy-V ee</b>	<b>Noland Rd Auto Plaza</b>	<b>Crackerneck Creek</b>	<b>Old Landfill</b>	<b>Cornerstone Apts</b>	<b>Trinity</b>	<b>HCA</b>	<b>Cinema East</b>	<b>TIF App Fees</b>	<b>Sub-Total TIF Funds</b>	<b>Total TIF Funds</b>
Pooled cash and investments (note 3)	140,644	9,161	380,183	70,869	122,890	129,696	56,466	-	1,647	911,556	7,240,321
Receivables:											
Taxes	91,014	1,193	221,405	246,428	373,883	40,250	3,724,822	-	-	4,698,995	6,997,623
Accounts (net of allowance of \$443,838) (note 1D)	-	-	-	-	-	-	-	-	-	-	3,682
Due from other governments (note 5)	35,690	-	40,465	-	-	4,150	1,695	-	-	82,000	241,081
Restricted assets (notes 3 and 8)	-	-	9,662,725	-	-	-	3,620,689	-	-	13,283,414	21,158,512
<b>Total assets</b>	<b>\$ 267,348</b>	<b>\$ 10,354</b>	<b>\$ 10,304,778</b>	<b>\$ 317,297</b>	<b>\$ 496,773</b>	<b>\$174,096</b>	<b>\$ 7,403,673</b>	<b>\$ -</b>	<b>\$ 1,647</b>	<b>\$ 18,975,966</b>	<b>\$ 35,641,220</b>
<b>Liabilities and Fund Balances</b>	<b>Hy-Vee</b>	<b>Noland Rd Autobody</b>	<b>Crackerneck Creek</b>	<b>Old Landfill</b>	<b>Cornerstone Apts</b>	<b>Trinity</b>	<b>HCA</b>	<b>Cinema East</b>	<b>TIF App Fees</b>	<b>Sub-Total TIF Funds</b>	<b>Total TIF Funds</b>
Liabilities:											
Due to primary government from component unit	-	-	-	-	-	-	220,643	-	-	220,643	220,643
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220,643</b>	<b>-</b>	<b>-</b>	<b>220,643</b>	<b>220,643</b>
Fund Balances:											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	267,348	10,354	10,304,778	317,297	496,773	174,096	7,183,030	-	1,647	18,755,323	35,420,577
Committed	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
<b>Total fund balance</b>	<b>267,348</b>	<b>10,354</b>	<b>10,304,778</b>	<b>317,297</b>	<b>496,773</b>	<b>174,096</b>	<b>7,183,030</b>	<b>-</b>	<b>1,647</b>	<b>18,755,323</b>	<b>35,420,577</b>
<b>Total liabilities and fund balance</b>	<b>\$ 267,348</b>	<b>\$ 10,354</b>	<b>\$ 10,304,778</b>	<b>\$ 317,297</b>	<b>\$ 496,773</b>	<b>\$174,096</b>	<b>\$ 7,403,673</b>	<b>\$ -</b>	<b>1,647</b>	<b>18,975,966</b>	<b>35,641,220</b>

City of Independence, Missouri  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
TIF Funds  
For the Six Months Ending December 31, 2011

	Mid Town Truman	RSO	Bolger Square	Santa Fe	Sterling Village	Hartman Heritage	Drumm Farm	Eastland Center	North Indep.	Mount Washington	Sub-Total TIF Funds
<b>Revenues:</b>											
Taxes (note 4)	(25,898)	19,207	-	17,479	20,457	1,107,677	501,020	2,886,727	47,842	3,896	4,578,406
Intergovernmental (note 5)	-	-	-	-	-	-	-	-	-	-	-
Investment Income	10	2	-	465	12	27,414	10,710	24,466	1	4	63,084
TIF Developer Contributions	-	-	-	832,549	-	-	-	-	-	-	832,549
Other (note 6)	-	-	-	52,840	-	-	-	-	-	-	52,840
Total revenues	<u>(25,888)</u>	<u>19,208</u>	<u>-</u>	<u>903,332</u>	<u>20,470</u>	<u>1,135,091</u>	<u>511,730</u>	<u>2,911,193</u>	<u>47,843</u>	<u>3,900</u>	<u>5,526,879</u>
<b>Expenditures:</b>											
Current:											
Capital outlay	-	-	-	1,501	-	20,107	3,875	638,238	-	-	663,720
Debt service:											
Principal (note 8)	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal agent fees	-	47,500	-	250,402	-	356,663	83,738	754,569	11,500	-	1,504,370
Total expenditures	<u>-</u>	<u>47,500</u>	<u>-</u>	<u>251,903</u>	<u>-</u>	<u>376,769</u>	<u>87,613</u>	<u>1,392,807</u>	<u>11,500</u>	<u>-</u>	<u>2,168,091</u>
Excess (deficiency) of revenues over expenditures	<u>(25,888)</u>	<u>(28,292)</u>	<u>-</u>	<u>651,430</u>	<u>20,470</u>	<u>758,322</u>	<u>424,117</u>	<u>1,518,386</u>	<u>36,343</u>	<u>3,900</u>	<u>3,358,788</u>
<b>Other financing sources (uses):</b>											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(25,888)	(28,292)	-	651,430	20,470	758,322	424,117	1,518,386	36,343	3,900	3,358,788
Fund balances, beginning	148,568	47,647	-	332,730	97,139	2,794,563	832,945	9,006,210	10,429	36,237	13,306,466
Fund balances, ending	<u>\$ 122,679</u>	<u>\$ 19,355</u>	<u>\$ -</u>	<u>\$ 984,160</u>	<u>\$ 117,608</u>	<u>\$ 3,552,885</u>	<u>\$ 1,257,062</u>	<u>\$ 10,524,596</u>	<u>\$ 46,772</u>	<u>\$ 40,137</u>	<u>\$ 16,665,254</u>

City of Independence, Missouri  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
TIF Funds  
For the Six Months Ending December 31, 2011

	Hy Vee	Noland Rd Auto Plaza	Crackerneck Creek	Old Landfill	Cornerstone Apts	Trinity	HCA	Cinema East	TIF App Fees	Sub-Total TIF Funds	Total TIF Funds
<b>Revenues:</b>											
Taxes (note 4)	346,434	10,265	521,443	163,065	373,883	183,837	3,780,872	-	-	5,379,799	9,958,204
Intergovernmental (note 5)	-	-	106,339	-	-	-	-	-	-	106,339	106,339
Investment Income	13	0	4,453	2	16	4	1,872	-	0	6,361	69,445
TIF Developer Contributions	-	-	-	-	-	-	-	-	-	-	832,549
Reimbursements from component unit	-	-	1,115,602	-	-	-	-	-	-	1,115,602	1,115,602
Other (note 6)	-	-	186,700	-	-	-	-	-	-	186,700	239,540
Total revenues	346,448	10,265	1,934,537	163,066	373,899	183,841	3,782,744	-	0	6,794,801	12,321,680
<b>Expenditures:</b>											
Current:											
Capital outlay	-	-	29,909	-	-	2,903	568,478	-	1,864	603,154	1,266,874
Debt service:											
Principal (note 8)	232,355	-	-	-	-	18,393	-	-	-	250,748	250,748
Interest and fiscal agent fees	16,357	-	2,388,446	-	-	13,607	919,947	-	-	3,338,357	4,842,727
Total expenditures	248,712	-	2,418,355	-	-	34,903	1,488,425	-	1,864	4,192,259	6,360,350
Excess (deficiency) of revenues over expenditures	97,736	10,265	(483,818)	163,066	373,899	148,938	2,294,319	-	(1,864)	2,602,542	5,961,330
<b>Other financing sources (uses):</b>											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	97,736	10,265	(483,818)	163,066	373,899	148,938	2,294,319	-	(1,864)	2,602,542	5,961,330
Fund balances, beginning	169,612	89	10,788,596	154,231	122,874	25,158	4,888,711	-	3,511	16,152,781	29,459,247
Fund balances, ending	\$ 267,348	\$ 10,354	\$ 10,304,778	\$ 317,297	\$ 496,773	\$ 174,096	\$ 7,183,030	\$ -	\$ 1,647	\$ 18,755,323	\$ 35,420,577

**CITY OF INDEPENDENCE, MISSOURI**

Combining Statement of Net Assets

Internal Service Funds

December 31, 2011

	<b>Central Garage</b>	<b>Staywell Health Care</b>	<b>Worker's Compensation</b>	<b>Total (Exhibit 5)</b>
<b>Assets</b>				
Current assets:				
Pooled cash and investments	\$ 376,905	5,976,707	2,769,509	9,123,121
Accounts receivable	4,497	650,934	70,700	726,131
Accrued interest receivable	—	—	—	—
Due from other funds	—	—	—	—
Inventory	39,117	—	—	39,117
Prepaid Items	—	—	—	—
Property, plant, and equipment, net:				—
Land and infrastructure	—	—	—	—
Buildings, property, and equipment, net	—	—	—	—
Advance to other funds	—	—	—	—
Deferred debt issue costs	—	—	—	—
Prepaid employee benefits	—	—	—	—
Other deferred charges	—	—	—	—
Total current assets	<u>420,519</u>	<u>6,627,641</u>	<u>2,840,210</u>	<u>9,888,370</u>
Noncurrent assets:				
Property, plant, and equipment:				
Land	93,979	—	—	93,979
Depreciable property, plant, and equipment	189,040	—	—	189,040
Less accumulated depreciation	(152,859)	—	—	(152,859)
Total noncurrent assets	<u>130,160</u>	<u>—</u>	<u>—</u>	<u>130,160</u>
Total assets	<u>\$ 550,679</u>	<u>6,627,641</u>	<u>2,840,210</u>	<u>10,018,530</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts and contracts payable	\$ 18,644	—	—	18,644
Accrued liabilities	32,356	—	3,569	35,925
Deferred Revenue	—	—	1,107,487	1,107,487
Compensated absences - current	35,989	—	13,427	49,416
Employee benefits payable	—	—	—	—
Other Current Liabilities	—	349	—	349
Self-insurance claims	—	2,041,993	726,468	2,768,461
Total current liabilities	<u>86,989</u>	<u>2,042,342</u>	<u>1,850,951</u>	<u>3,980,281</u>
Noncurrent liabilities:				
Compensated absences - long-term	69,610	—	30,647	100,257
Other post employment benefits	331,633	—	21,038	352,671
Self-insurance claims	—	—	1,752,789	1,752,789
Total liabilities	<u>488,232</u>	<u>2,042,342</u>	<u>3,655,424</u>	<u>6,185,999</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	130,160	—	—	130,160
Unrestricted	(67,713)	4,585,299	(815,215)	3,702,371
Total net assets (deficit)	<u>62,447</u>	<u>4,585,299</u>	<u>(815,215)</u>	<u>3,832,531</u>
Total liabilities and net assets	<u>\$ 550,679</u>	<u>6,627,641</u>	<u>2,840,210</u>	<u>10,018,530</u>

**CITY OF INDEPENDENCE, MISSOURI**

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Internal Service Funds

For the Six Months Ending December 31, 2011

	<b>Central Garage</b>	<b>Staywell Health Care</b>	<b>Worker's Comp</b>	<b>Total (Exhibit 6)</b>
Operating revenues:				
Charges for services	\$ 1,123,976	—	—	1,123,976
Miscellaneous	—	9,852,082	—	9,852,082
Total operating revenues	<u>1,123,976</u>	<u>9,852,082</u>	<u>—</u>	<u>10,976,058</u>
Operating expenses:				
Personal services	333,271	—	76,618	409,889
Other services	220,514	9,742,445	607,584	10,570,543
Supplies	620,050	—	2,147	622,197
Capital outlay	—	—	—	—
Depreciation and amortization	1,654	—	—	1,654
Total operating expenses	<u>1,175,490</u>	<u>9,742,445</u>	<u>686,349</u>	<u>11,604,283</u>
Operating Income	<u>(51,514)</u>	<u>109,637</u>	<u>(686,349)</u>	<u>(628,225)</u>
Nonoperating revenues:				
Interest revenue	51	5,572	439	6,062
Miscellaneous revenue	26,034	1,076,483	1,107,484	2,210,001
Total nonoperating revenue	<u>26,085</u>	<u>1,082,055</u>	<u>1,107,925</u>	<u>2,216,063</u>
Income before transfers	<u>(25,429)</u>	<u>1,191,692</u>	<u>421,576</u>	<u>1,587,840</u>
Transfers in (out)	—	—	—	—
Change in net assets	<u>(25,429)</u>	<u>1,191,692</u>	<u>421,576</u>	<u>1,587,840</u>
Total net assets (deficit):				
Beginning of the period	87,876	3,393,607	(1,236,791)	2,244,692
End of the period	\$ <u>62,447</u>	<u>4,585,299</u>	<u>(815,215)</u>	<u>3,832,531</u>

**CITY OF INDEPENDENCE, MISSOURI**  
**Combining Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2011**

	<b>Private- Purpose Trust Fund</b>	<b>Total</b>	<b>Agency Funds</b>			<b>Total</b>
	<b>Miscellaneous Expendable Trust</b>		<b>Flexible Benefit Plan</b>	<b>Miscellaneous Agency Fund</b>	<b>Seniors Travel Programs</b>	
<b>Assets</b>						
Pooled cash and investments	\$ 33,681	33,681	147,302	31,116	35,382	213,800
Accrued interest receivable	—	—	—	494	—	494
Total assets	<u>\$ 33,681</u>	<u>33,681</u>	<u>147,302</u>	<u>31,610</u>	<u>35,382</u>	<u>214,294</u>
Due from flexible benefit plan			—	—		
<b>Liabilities</b>						
Accounts and contacts payable	\$					
Internal balances (note 6)	3,134	3,134	—	—	—	—
Liabilities payable from restricted assets:						
Funds held in Escrow	3,468	3,468	—	31,610	35,382	66,992
Employee deferred credit	—	—	147,302	—	—	147,302
Total liabilities	<u>6,602</u>	<u>6,602</u>	<u>147,302</u>	<u>31,610</u>	<u>35,382</u>	<u>214,294</u>
<b>Net Assets</b>						
Held in trust	<u>\$ 27,079</u>	27,079				

**CITY OF INDEPENDENCE**  
**SCHEDULE OF CASH & INVESTMENTS BY FUND**  
December 31, 2011

FUND	CASH & INVESTMENTS	RESTRICTED CASH	DUE TO POOLED CASH	TOTAL
<b>GENERAL</b>	2,532,082.43	199,380.49	-	2,731,462.92
<b>SPECIAL REVENUE</b>				
TOURISM	1,139,504.15	-	-	1,139,504.15
CDA	-	-	(121,637.48)	(121,637.48)
RENTAL REHAB	-	-	(27,905.33)	(27,905.33)
INDEP. SQUARE BENEFIT	9,253.53	-	-	9,253.53
STREET SALES TAX	728,366.72	-	-	728,366.72
PARKS SALES TAX	-	-	(5,430,323.79)	(5,430,323.79)
STORM WATER SALES TAX	6,613,458.29	-	-	6,613,458.29
POLICE SALES TAX	1,804,838.92	-	-	1,804,838.92
FIRE SALES TAX	1,336,193.96	-	-	1,336,193.96
LICENSE SURCHARGE	2,141,876.64	-	-	2,141,876.64
GRANT	-	-	(707,299.24)	(707,299.24)
<b>TOTAL</b>	<u>13,773,492.21</u>	<u>-</u>	<u>(6,287,165.84)</u>	<u>7,486,326.37</u>
<b>DEBT SERVICE FUND</b>	3,566.59	94,000.00	-	97,566.59
<b>CAPITAL PROJECTS</b>				
STREET	-	-	(2,994,074.54)	(2,994,074.54)
TIF	7,240,321.13	21,158,512.40	-	28,398,833.53
BUILDING	193,721.94	-	-	193,721.94
STORM DRAINAGE	-	-	(16,155.37)	(16,155.37)
PARKS	279,223.09	-	-	279,223.09
REVOLVING PUBLIC IMPROV.	19,752.55	-	-	19,752.55
<b>TOTAL</b>	<u>7,733,018.71</u>	<u>21,158,512.40</u>	<u>(3,010,229.91)</u>	<u>25,881,301.20</u>
<b>ENTERPRISE</b>				
POWER & LIGHT	22,448,219.74	15,379,675.46	-	37,827,895.20
WATER	500,215.68	4,766,684.95	-	5,266,900.63
SEWER	7,199,582.18	419,942.19	-	7,619,524.37
EVENTS CENTER	-	7,336,259.25	(380,318.83)	6,955,940.42
<b>TOTAL</b>	<u>30,148,017.60</u>	<u>27,902,561.85</u>	<u>(380,318.83)</u>	<u>57,670,260.62</u>
<b>INTERNAL SERVICE</b>				
EMPLOYEE BENEFITS	-	-	-	-
CENTRAL GARAGE	376,904.77	-	-	376,904.77
PHARMACY BENEFIT FUND	-	-	-	-
STAYWELL INSURANCE	5,976,707.02	-	-	5,976,707.02
WORKER'S COMPENSATION	2,769,509.25	-	-	2,769,509.25
<b>TOTAL</b>	<u>9,123,121.04</u>	<u>-</u>	<u>-</u>	<u>9,123,121.04</u>
<b>TRUST &amp; AGENCY</b>				
WAGGONER	-	-	-	-
MISC TRUST	33,681.02	-	-	33,681.02
SUSIE PAXTON BLOCK TRUST	31,115.75	-	-	31,115.75
SENIORS TRAVEL PROGRAMS	35,381.60	-	-	35,381.60
FLEXIBLE BENEFITS	147,302.26	-	-	147,302.26
<b>TOTAL</b>	<u>247,480.63</u>	<u>-</u>	<u>-</u>	<u>247,480.63</u>
<b>GRAND TOTAL</b>	<u><b>63,560,779.21</b></u>	<u><b>49,354,454.74</b></u>	<u><b>(9,677,714.58)</b></u>	<u><b>103,237,519.37</b></u>

**CITY OF INDEPENDENCE  
SCHEDULE OF CASH & INVESTMENTS BY CATEGORY**

December 31, 2011

INSTITUTION	DUE DATE	ORIGINAL COST	MARKET VALUE	YIELD
<b>CASH IN BANK</b>		103,210,867.03	103,210,867.03	
<b>CERTIFICATE OF DEPOSIT</b>				
<b>TOTAL</b>		0.00	0.00	
<b>U. S. TREASURY NOTES &amp; AGENCY NOTES</b>				
Commerce	02/15/27	18,887.50	26,652.34	7.074%
<b>TOTAL</b>		18,887.50	26,652.34	
<b>GRAND TOTAL</b>		103,229,754.53	103,237,519.37	