



**AGENDA
CITY OF HARRISONVILLE
BOARD OF ALDERMEN
REGULAR MEETING
CITY HALL
JUNE 17, 2013
7:00 PM**

- 1. Call to Order**
 - A. Roll Call**
- 2. Pledge of Allegiance**
- 3. Ceremonial Matters**
 - A. Appointment of David Atkinson to Historic Preservation Commission**
 - B. Appointment of Billy Tudor to Enhanced Enterprise Zone Board**
 - C. Re-Appointments of Brent Caruthers, Clint Miller, and Ed Roberts to Park Board**
- 4. Public Participation**
- 5. Approval of Minutes**
 - A. Board of Aldermen - Regular Meeting - May 20, 2013 7:00 PM**
- 6. Agenda Items**

- A. **2012 Audit Presentation**
- B. **Ernest Marble (2805 East Outer Road) Has Requested Permission from the Board of Aldermen to Have Numerous Animals (Chickens, Ducks, Goats...see Attached Letter) on His Property Per Section 210.190 of the Animal Regulations**
- C. **Council Bill 036: A Resolution Authorizing the City Administrator to Execute an Agreement with Hanrahan Paving for Asphalt Overlay Services in an Amount Not to Exceed \$118,092.60**
- D. **Council Bill 037: A Resolution Authorizing the City Administrator to Execute an Agreement with Vance Brothers for Micro-Surfacing Services in an Amount Not to Exceed \$30,890.86**
- E. **Council Bill 038: An Ordinance to Amend the Code of Ordinances of the City of Harrisonville, Chapter 225, Section 225.490, General Rules and Section 225.530, Boats, Permits and Regulations**
- 7. **Aldermen and Committee Reports**
- 8. **Report from the City Administrator**
 - A. **Presentation of 2013 Single Family Cost of Living Comparison**
- 9. **Report from the Mayor**
- 10. **Questions from the Media**
- 11. **Adjourn to Executive Session**
- 12. **Adjourn From Regular Session**

Posted on City Hall Bulletin Board this 13th day of June

Kim Hubbard, City Clerk

The Board of Aldermen meeting is an open meeting but is not a meeting of the public. There is a place on the agenda for comments of citizens under PUBLIC PARTICIPATION. Our rule is that comments by any individual or group shall not exceed (4) minutes. The Board of Aldermen request that concerns be initially addressed at the appropriate action level before coming to the Board of Alderman

COMMISSION

STATE OF MISSOURI)
COUNTY OF CASS)
CITY OF HARRISONVILLE)

THE CITY OF HARRISONVILLE TO ALL WHO SHALL SEE THESE PRESENTS-GREETING:

KNOW YE, that in pursuance of the Mayor and Board of Aldermen, and in pursuance of the Statute and Ordinances in such cases made and approved, and by virtue of the power and authority in us vested, we do hereby

APPOINT AND COMMISSION

David Atkinson TO THE OFFICE OF THE **Historic Preservation Commission**
And he is hereby authorized and empowered to discharge the duties of said office according to law; to have and to hold said office with all privileges and emoluments to the same of right pertaining unto her the said **Historic Preservation Commission**

For and during the term of 3 years ending May 2016 or until his successor in said office shall be duly appointed and qualified.

IN TESTIMONY WHEREOF, we have caused this to be signed by the Mayor of the City of Harrisonville and witnessed by the Clerk of said City, and the seal of said City to be affixed hereto.

Done at Harrisonville, in said County, this 3rd day of June 2013.

Mayor

ATTEST:

City Clerk

Attachment: David Atkinson, Historic Preservation Commission (1049 : Atkinson Appointment to HPC)

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Historic Preservation Commission

for

David Atkinson

=====

COMMISSION

STATE OF MISSOURI)
COUNTY OF CASS)
CITY OF HARRISONVILLE)

THE CITY OF HARRISONVILLE TO ALL WHO SHALL SEE THESE PRESENTS-GREETING:

KNOW YE, that in pursuance of the Mayor and Board of Aldermen, and in pursuance of the Statute and Ordinances in such cases made and approved, and by virtue of the power and authority in us vested, we do hereby

APPOINT AND COMMISSION

Billy Tudor TO THE OFFICE OF THE **Enhanced Enterprise Zone (EEZ) Board**
And he is hereby authorized and empowered to discharge the duties of said office according to law; to have and to hold said office with all privileges and emoluments to the same of right pertaining unto him the said **Historic Preservation Commission**

For and during the term of 5 years ending August 2018 or until his successor in said office shall be duly appointed and qualified.

IN TESTIMONY WHEREOF, we have caused this to be signed by the Mayor of the City of Harrisonville and witnessed by the Clerk of said City, and the seal of said City to be affixed hereto.

Done at Harrisonville, in said County, this 17th day of June 2013.

Mayor

ATTEST:

City Clerk

Attachment: Billy Tudor, Enhanced Enterprise Zone Board (1063 : Appointment of Billy Tudor to Enhanced Enterprise Zone Board)

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Enhanced Enterprise Zone Board

for

Billy Tudor

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COMMISSION

STATE OF MISSOURI)
COUNTY OF CASS)
CITY OF HARRISONVILLE)

THE CITY OF HARRISONVILLE TO ALL WHO SHALL SEE THESE PRESENTS-GREETING:

KNOW YE, that in pursuance of the Mayor and Board of Aldermen, and in pursuance of the Statute and Ordinances in such cases made and approved, and by virtue of the power and authority in us vested, we do hereby

APPOINT AND COMMISSION

Ed Roberts TO THE OFFICE OF THE Harrisonville Park Board
And he is hereby authorized and empowered to discharge the duties of said office according to law; to have and to hold said office with all privileges and emoluments to the same of right pertaining unto him the said Harrisonville Park Board

For and during the term of 3 years ending June 2016 or until his successor in said office shall be duly appointed and qualified.

IN TESTIMONY WHEREOF, we have caused this to be signed by the Mayor of the City of Harrisonville and witnessed by the Clerk of said City, and the seal of said City to be affixed hereto.

Done at Harrisonville, in said County, this 17th day of June 2013.

Mayor

ATTEST:

City Clerk

Attachment: Ed Roberts, Park Board (1062 : Re-Appointments of Brent Caruthers, Clint Miller and Ed Roberts to Park Board)

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Harrisonville Park Board

for

Ed Roberts

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COMMISSION

STATE OF MISSOURI)
COUNTY OF CASS)
CITY OF HARRISONVILLE)

THE CITY OF HARRISONVILLE TO ALL WHO SHALL SEE THESE PRESENTS-GREETING:

KNOW YE, that in pursuance of the Mayor and Board of Aldermen, and in pursuance of the Statute and Ordinances in such cases made and approved, and by virtue of the power and authority in us vested, we do hereby

APPOINT AND COMMISSION

Clint Miller TO THE OFFICE OF THE **Harrisonville Park Board**
And he is hereby authorized and empowered to discharge the duties of said office according to law; to have and to hold said office with all privileges and emoluments to the same of right pertaining unto himthe said **Harrisonville Park Board**

For and during the term of 3 years ending June 2016 or until his successor in said office shall be duly appointed and qualified.

IN TESTIMONY WHEREOF, we have caused this to be signed by the Mayor of the City of Harrisonville and witnessed by the Clerk of said City, and the seal of said City to be affixed hereto.

Done at Harrisonville, in said County, this 17th day of June 2013.

Mayor

ATTEST:

City Clerk

Attachment: Clint Miller, Park Board (1062 : Re-Appointments of Brent Caruthers, Clint Miller and Ed Roberts to Park Board)

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Harrisonville Park Board

for

Clint Miller

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COMMISSION

STATE OF MISSOURI)
COUNTY OF CASS)
CITY OF HARRISONVILLE)

THE CITY OF HARRISONVILLE TO ALL WHO SHALL SEE THESE PRESENTS-GREETING:

KNOW YE, that in pursuance of the Mayor and Board of Aldermen, and in pursuance of the Statute and Ordinances in such cases made and approved, and by virtue of the power and authority in us vested, we do hereby

APPOINT AND COMMISSION

Brent Caruthers TO THE OFFICE OF THE **Harrisonville Park Board**
And he is hereby authorized and empowered to discharge the duties of said office according to law; to have and to hold said office with all privileges and emoluments to the same of right pertaining unto himthe said **Harrisonville Park Board**

For and during the term of 3 years ending June 2016 or until his successor in said office shall be duly appointed and qualified.

IN TESTIMONY WHEREOF, we have caused this to be signed by the Mayor of the City of Harrisonville and witnessed by the Clerk of said City, and the seal of said City to be affixed hereto.

Done at Harrisonville, in said County, this 17th day of June 2013.

Mayor

ATTEST:

City Clerk

Attachment: Brent Caruthers, Park Board (1062 : Re-Appointments of Brent Caruthers, Clint Miller and Ed Roberts to Park Board)

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Harrisonville Park Board

for

Brent Caruthers

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**MINUTES
CITY OF HARRISONVILLE
BOARD OF ALDERMEN
REGULAR MEETING
CITY HALL
MAY 20, 2013
7:00 PM**

1. Call to Order

The meeting was called to order at 7:00 PM by Mayor Kevin Wood

Attendee Name	Title	Status	Arrived
Bill Mollenhour	Board Member	Absent	
Bret Reece	Board Member	Present	
David Dickerson	Board Member	Present	
Doug Meyer	Board Member	Present	
Ivan Stull	Board Member	Present	
Marcia Milner	Board Member	Present	
Morris Coburn	Board Member	Present	
Stacey Dahlman	Board Member	Present	
Kevin Wood	Mayor	Present	

Others present were: City Administrator Keith Moody, City Attorney Steve Mauer, Finance Director Mike Tholen, Community Development Director Rick DeLuca, Police Chief John Hofer, City Clerk Kim Hubbard, Public Information Specialist Sheryl Stanley, Parks and Recreation Director Chris Deal, Public Works Director Jerry Gibbs, Electric Department Director Keith Thomas, and Assistant Public Works Director Eric Patterson.

Mayor Wood commented on what a great job the Electric Department did during the power outage Sunday evening.

2. Pledge of Allegiance

3. Ceremonial Matters

1. Service Awards to Dee Shelton, 30 Years, and Gabe Dalton, 15 Years

Mayor Wood, Director Tholen and City Administrator Moody recognized Dee Shelton, Finance Department, for her thirty (30) of service to the City. Mrs. Shelton stated she had enjoyed working for the City and serving the citizens of Harrisonville.

Mayor Wood, Parks and Recreation Director Deal and City Administrator Moody recognized Gabe Dalton, Community Center, for his fifteen (15) years of service to the City.

2. Appointments to Boards and Commissions

Mayor Wood recommended the appointment of Don Allen to the Park Board. Mayor Wood stated that Mr. Allen has been attending the Park Board meetings for the last of couple of years.

Alderman Reece made the motion to approve the appointment of Mr. Allen. Alderman Milner seconded the motion and the motion passed unanimously by a voice vote of those present.

Mayor Wood asked that the next three (3) re-appointments be combined into one motion. Mayor Wood made his recommendations of Carol Bohl and Megan Rudell to the Historic Preservation Commission and Jeff Cryderman to the Board of Building and Engineering Appeals.

Alderman Dickerson made the motion to approve the re-appointments recommended by Mayor Wood. Alderman Dahlman seconded the motion and the motion was approved by a 6-1 voice vote of those present with Alderman Coburn voting No.

4. Public Participation

Scott Emmons, 201 W. Washington discussed, an issue that he had with a Harrisonville Officer that occurred on May 9th on S. Brookhart Road when he was going to work on his bicycle. Mr. Emmons also noted that he realized that he was not in conformance with City Ordinance. Mr. Emmons was directed to speak with Chief Hofer.

Earnest Marble, 2805 S.E. Outer Road, addressed the Board that he would like a permit to have chickens. Mr. Marble stated he had seven (7) acres. Mayor Wood noted the Board was unable to take action on an item without it being on the agenda. Mr. Marble thought he was going to be on the agenda but there had been a miscommunication with City Clerk Hubbard as he had not gotten his letter to the clerk in time to be put on the agenda. Mr. Marble is to be on the June 3 agenda.

5. Approval of Minutes

1. Board of Aldermen - Regular Meeting - May 6, 2013 7:00 PM

RESULT:	ACCEPTED [UNANIMOUS]
MOVER:	David Dickerson, Board Member
SECONDER:	Doug Meyer, Board Member
AYES:	Reece, Dickerson, Meyer, Stull, Milner, Coburn, Dahlman
ABSENT:	Bill Mollenhour

6. Agenda Items**1. Commercial & State Route 291**

Director DeLuca reviewed a powerpoint presentation with two options for the 291 and Commercial Street area. Director DeLuca noted, according to the Citizen Survey for the last couple of years the dissatisfaction with traffic flow. Director DeLuca also talked about access management and noted this had been done with the Mechanic and Wall Street alignment and that it had cut the number of accidents in half in that area.

Director DeLuca reported the two options had been presented to the 291 and 71 TDD and were thought of as being good ideas.

2. A Resolution Authorizing the City Administrator to Execute an Agreement with Jedd Beasley for the Purpose of Abatement of Health and Environmental Violations 2013-2014

City Attorney Mauer read Council Bill 030 by title only.

Director DeLuca reviewed the bids which were received and reported staff's recommendation was to accept Jedd Beasley's bid.

Council Bill 030 became Resolution 020.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Stacey Dahlman, Board Member
SECONDER:	Bret Reece, Board Member
AYES:	Reece, Dickerson, Meyer, Stull, Milner, Coburn, Dahlman
ABSENT:	Bill Mollenhour

3. A Resolution Authorizing the City Administrator to Execute an Agreement with Drake-Scruggs Equipment for the Purpose of Purchasing a New 60' Tree Trimming Bucket Device in an Amount Not to Exceed \$124,150.

City Attorney Mauer read Council Bill 031 by title only.

Director Thomas reviewed the bids that were received and reported staff's recommendation was approval of the Drake's & Scruggs bid.

Minutes Acceptance: Minutes of May 20, 2013 8:00 PM (Approval of Minutes)

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	David Dickerson, Board Member
SECONDER:	Ivan Stull, Board Member
AYES:	Reece, Dickerson, Meyer, Stull, Milner, Coburn, Dahlman
ABSENT:	Bill Mollenhour

4. A Resolution Amending Lease Agreement of Trap and Skeet Range at North Lake

City Attorney Mauer read Council Bill 032 by title only.

Director Deal reviewed that the current contract with Heartland Trap and Wobble Skeet has been going well and is currently up for renewal. Director Deal reported staff's recommendation was the lease be extended for a period of ten (10) years.

Council Bill 032 became Resolution 022.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Ivan Stull, Board Member
SECONDER:	David Dickerson, Board Member
AYES:	Reece, Dickerson, Meyer, Stull, Milner, Coburn, Dahlman
ABSENT:	Bill Mollenhour

5. A Resolution Authorizing the City Administrator to Execute an Agreement with Wald Company to Provide a Fireworks Display on July 4, 2013 at a Cost Not to Exceed \$11,000

City Attorney Mauer read Council Bill 033 by the title only.

Director Deal reviewed the bid process and there was one bid received from Wald & Company Incorporated. Director Deal reported the fireworks show would last approximately twenty (20) minutes and he would like to do something special for Parks and Recreation fifty (50) years. Alderman Dahlman asked about having vendors during the Fourth of July Celebration. Director Deal stated he is planning on having a bounce house, increasing the concessions at the pool, and that the Boy Scouts and a local church plan on having vendors, and there will be music at the amphitheater.

Council Bill 033 became Resolution 023.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Bret Reece, Board Member
SECONDER:	Marcia Milner, Board Member
AYES:	Reece, Dickerson, Meyer, Stull, Milner, Coburn, Dahlman
ABSENT:	Bill Mollenhour

6. A Resolution Authorizing the City Administrator to Execute an Agreement with Redzone to Provide Closed-Circuit Televised Inspection of the City Sewer System at a Cost Not to Exceed \$91,872.

City Attorney Mauer read Council Bill 034 by title only.

Minutes Acceptance: Minutes of May 20, 2013 8:00 PM (Approval of Minutes)

Mayor Wood noted the improvement with the vultures at the water tower. Director Gibbs reported he and Alderman Mollenhour traveled to Whiteman Air Force Base at Knob Noster where they picked up two frozen deceased vultures and installed them on the water tower the same day. Mr. Gibbs noted there were very few vultures Friday evening and in about two weeks lights should be installed on the water tower.

Director Gibbs reviewed the Sanitary Sewer CCTV Inspection Services bids and reported it was staff's recommendation the bid be awarded to Redzone at an amended amount of \$96,307.20 instead of the initial amount in the packet of \$91,872.00. Director Gibbs went on to review this is different than regular closed circuit TV. This is robotics and the information received will be incorporated with the City's GIS. Also, if this is approved there will need to be \$10,000 in the budget each year for the software storage.

Alderman Reece made a motion to amend the cost from \$91,872.00 to \$96,307.20. Alderman Meyer seconded the motion and was approved unanimously by a voice vote of those present.

Council Bill 034 was approved as amended to become Resolution 024.

RESULT:	ADOPTED AS AMENDED [UNANIMOUS]
MOVER:	Doug Meyer, Board Member
SECONDER:	Ivan Stull, Board Member
AYES:	Reece, Dickerson, Meyer, Stull, Milner, Coburn, Dahlman
ABSENT:	Bill Mollenhour

7. A Resolution Establishing a New Policy Governing Long-Term Parking on City-Owned Lots.

City Attorney Mauer read Council Bill 035 by title only.

Chief Hofer reviewed the request and reported the item had been before the Public Safety Committee with their recommendation and staff's recommendation for approval with a \$120 annual fee and a vehicle weight of under 20,000 pounds.

Council Bill 035 became Resolution 025.

RESULT:	ADOPTED [6 TO 1]
MOVER:	Bret Reece, Board Member
SECONDER:	Doug Meyer, Board Member
AYES:	Reece, Meyer, Stull, Milner, Coburn, Dahlman
NAYS:	David Dickerson
ABSENT:	Bill Mollenhour

8. An Ordinance Amending Chapter 310 Enforcement and Obedience to Traffic Regulations Sections 310.060 and 310.070

City Attorney Mauer read Council Bill 036 by title only.

Minutes Acceptance: Minutes of May 20, 2013 8:00 PM (Approval of Minutes)

Chief Hofer reviewed Council Bill 036 and reported this would mirror the Missouri State Statute and would aid in the protection of the City's Police Officers and Emergency Personnel.

Chief Hofer reported this item had been to the Public Safety Committee with recommendation for approval and that it was staff's recommendation for approval.

Council Bill 036 was moved to a second reading.

City Attorney read Council Bill 036 for a second reading.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Marcia Milner, Board Member
SECONDER:	Stacey Dahlman, Board Member
AYES:	Reece, Dickerson, Meyer, Stull, Milner, Coburn, Dahlman
ABSENT:	Bill Mollenhour

7. Aldermen and Committee Reports

Alderman Coburn asked Mr. Moody why, on the vehicle replacement schedule for the police department, it did not show a pickup and ambulance that he had seen parked at the station. He also inquired about the Corvette for the DARE program. Mr. Moody stated that the Corvette belonged to Harrisonville NETT, and the other two vehicles are not on the list as they are not used much and he had concentrated on vehicles that were used by administration and patrol.

Alderman Coburn reported he had received complaints regarding the parking on Pearl Street and asked about the No Parking. Alderman Reece noted that since he was in fourth or fifth grade there has been parking on both sides of Pearl Street during church services.

Alderman Coburn asked Mr. Moody what was the status of the survey of employees on why they would or would not want to live in Harrisonville. Mr. Moody responded that the survey was being developed internally.

Alderman Coburn then noted the article in the Cass County Democrat talking about Belton and their historic preservation and wondered if the City was doing anything. Mr. Moody referred Alderman Coburn to the Missouri Main Street website.

Alderman Coburn stated he thought there needed to be a state audit of utilities as the insert that had been included with the utility bill did not add up. Mr. Moody reported to Alderman Coburn that there are dollars set aside for capital projects and that there is some debt. Alderman Coburn asked why these funds are not reflected. Mayor directed Mr. Tholen, Mr. Moody and Alderman Coburn to sit down and discuss this.

Alderman Dickerson reported he is the liason for the HPC and believes that the Commission is wanting to step-up their action in the community for the historic preservation of the square.

Alderman Reece stated that whatever the parking situation, good for those that are going to church. Alderman Reece also noted the Harrisonville.com is easy to remember and the City should look at purchasing magnets for City vehicles with the website on it. Alderman Reece asked everyone to keep those in Oklahoma in their prayers.

8. Report from the City Administrator

1. Presentation of 2013 Single Family Cost of Living Comparison

Mr. Moody stated that he would make his presentation on the 2013 Single Family Cost of Living Comparison at the next meeting since this meeting had run a little long. Mr. Moody also noted that the Police Facility is progressing.

9. Report from the Mayor

Mayor Wood had no report.

10. Questions from the Media

There were no questions from the media.

11. Adjourn to Executive Session

Alderman Stull moved to adjourn to Executive Session for the purpose of section 610.021 (1), legal actions. Alderman Reece seconded the motion and was approved with the following roll call vote:

Ayes: Aldermen Reece, Meyer, Milner Coburn, Dahlman, Stull

Nays: Alderman Dickerson

Absent: Alderman Mollenhour

Alderman Dickerson left at 8:24 PM

The Board adjourned to Executive Session at 8:24 PM

The Board reconvened to regular session at 8:30 PM

12. Adjourn From Regular Session

Alderman Coburn made the motion to adjourn from regular session. Alderman Milner seconded the motion and was approved by a voice vote of those present.

The regular session adjourned at 8:31PM.

APPROVED by the Mayor this 17th day of June 2013

Kevin Wood, Mayor & Ex-Officio
Chairman of the Board of Aldermen

ATTEST:

Kim Hubbard, City Clerk

Minutes Acceptance: Minutes of May 20, 2013 8:00 PM (Approval of Minutes)



TO: Board of Aldermen
FROM: Mike Tholen, Director
DATE: June 13, 2013
SUBJECT: 2012 Audit Presentation

Type of Item: *Presentation*

Steven Driever of Dana F. Cole & Co. will be at the meeting to review their audit of the City's Consolidated Annual Financial Report (CAFR) for the fiscal year ending 12-31-2012. Staff is reviewing the draft of their report (approximately 100 pages), and will forward it to the Board as soon as possible.

This item is a presentation, and no action is required of the Board. There are generally some questions from Board members later as a followup, and both the staff and the audit firm will be happy to answer those as they occur.

Discussion Item (ID # 1070)

2012 Audit Presentation

Attachments:

City of Harrisonville Draft-Audit (PDF)

CITY OF HARRISONVILLE, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2012

Attachment: City of Harrisonville Draft-Audit (1070 : 2012 Audit Presentation)

DRAFT

Prepared by: Mike Tholen
Director of Finance

CITY OF HARRISONVILLE, MISSOURI
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AND OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-133

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DRAFT

June , 2013

Honorable Mayor and Members of the Board of Aldermen:

The Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Harrisonville, Missouri for the fiscal year ended December 31, 2012. This report is required under RSMo. 105.145 and is submitted for your information and review.

The responsibility for accuracy, completeness, and fairness of the data presented, including all disclosures, rests with the City. I believe the report as presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of annual operations of the City, both on a Government-wide and a fund basis.

The City of Harrisonville Finance Department prepares the year end trial balances and supporting schedules, and assists in the preparation of the financial statements, which undergo an annual audit by an independent certified public accountant. The City's financial statements have been audited by the accounting firm of Dana F. Cole & Company, LLP and that audit resulted in an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2012 are fairly presented in conformity with accounting principles generally accepted in the United States of America. That opinion, and the procedures and testing that led to it, is found in the "Independent Auditors' Report" at the beginning of the Financial Section of the CAFR.

Following the independent auditors' report and opinion is management's discussion and analysis (MD&A) of the financial statements. This analysis, along with the basic financial statements and notes, provide an overview of the City's financial position and operating results. The supplemental and statistical sections help provide a broader understanding of Harrisonville and along with the introductory section, provide context to the report.

Profile of the City of Harrisonville

The town of Harrisonville was established in 1837 and was named in honor of Albert G. Harrison, one of the first two U.S. Congressional representatives elected from the state of Missouri. Harrisonville became incorporated in 1851. S.G. "Squire" Allen was appointed the first mayor of the town in 1857, and Col. H. W. Younger, father of the infamous Cole Younger, was elected mayor in 1859. There is a rich local history of the Civil War era in Harrisonville, and in the decades following the war, the town grew in importance as the county seat of Cass County and as a transportation hub for the region.

Today, Harrisonville is home to approximately 10,000 residents, with manufacturing and distribution facilities representing several major national firms. It still serves as a transportation center, with Interstate 49 and several state highways providing access to the Kansas City metropolitan area as well as the recreation areas of south-central Missouri.

The City of Harrisonville is a Fourth Class city organized under Missouri statutes, and is governed by a Mayor and 8-member Board of Aldermen, two from each of the four wards. The Mayor and Board appoint a City Administrator to serve as the chief administrative officer of the city, and to oversee the operations of all City departments. Harrisonville provides a full complement of general governmental services including police and fire protection, emergency medical services, parks and recreation, public works services, an airport, and general administrative services. The City also provides electrical distribution, water and sanitary sewer services, all of which are accounted for in the financial statements as business-type activities.

Factors affecting financial conditions

Local economy - Overall retail sales have recovered to the levels enjoyed prior to the recession, and we see some local businesses investing in renewal. While housing remains stalled in the nationwide slump, economic development continues to focus on the creation and expansion of employment opportunities. Outside investors have continued to show interest in Harrisonville's location and workforce when considering potential business sites. Harrisonville's place as a regional trade center for basic goods and services has helped shelter the community from more severe economic downturns.

Long-term financial planning - The City of Harrisonville prepares a five-year Capital Improvement Plan (CIP) for constructing, maintaining and replacing the City's physical infrastructure. These projects are reviewed annually and updated as conditions, prices, resources and priorities change. These projections are included as a part of the five-year financial projection of each of the City's operating funds during the Board of Alderman's annual budget process. By Board policy, the City maintains a reserve in each of the operating funds for budgetary and planning purposes.

Cash management and risk management - The primary concern of the City's cash management policy is the safety of principal. The City follows a conservative investment policy which is closely monitored by staff and reviewed annually. Investment yield remains low compared to historical averages, but the security of the investment principal is the City's overarching priority. Cash balances of the various funds are consolidated for maximum earnings flexibility. Following the close of the fiscal year, the City renewed all major insurance policies after a review and update of exposures and pricing. With both cost and risk on the increase, insurance coverage is an area which receives significant attention.

The preparation of this report would not have been possible without the year-round dedication and hard work of the staff of the Finance Department, with special recognition to our Accounting Specialist, Debra Goss. The City's independent audit firm of Dana F. Cole & Company, LLP was instrumental in the preparation of this report, and highly professional in their dealings with our staff. I would also like to thank Mayor Wood, the Board of Aldermen, and City Administrator Keith Moody for their continued interest in and support of the maintenance of the financial health of our City.

Respectfully submitted,

Michael E. Tholen
Director of Finance

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CITY OF HARRISONVILLE, MISSOURI
 PRINCIPAL OFFICIALS
 DECEMBER 31, 2012

MAYOR AND BOARD OF ALDERMEN

Kevin Wood
 Stacey Dahlman
 Doug Meyer
 Morris Coburn
 Marcia Milner
 David Dickerson
 Bret Reece
 Bill Mollenhour
 Ivan Stull

Mayor
 Alderman Ward I
 Alderman Ward I
 Alderman Ward II
 Alderman Ward II
 Alderman Ward III
 Alderman Ward III
 Alderman Ward IV
 Alderman Ward IV

ADMINISTRATOR AND DEPARTMENT HEADS

Keith Moody
 Jerry Gibbs
 Keith Thomas
 Rodney Jacobs
 Chris Deal
 Rick DeLuca
 Kim Hubbard
 Mike Tholen
 John Hofer
 Larry Francis
 Steven E. Mauer
 Kevin Anderson
 Joseph Cambiano

City Administrator
 Director of Public Works and Water/Sewer Superintendent
 Electric Department Director
 Street Superintendent
 Director of Parks and Recreation
 Director of Community Development
 City Clerk
 Director of Finance
 Chief of Police
 Fire Chief and Director of Emergency Management
 City Attorney
 Municipal Judge
 City Prosecuting Attorney

INDEPENDENT AUDITORS

Dana F. Cole & Company, LLP

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the Board of Aldermen
City of Harrisonville, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri, as of and for the year ended December 31, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri, as of December 31, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7 through 13 and 57 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Harrisonville, Missouri's basic financial statements. The other supplemental information, pages 61 to 71, and the schedule of expenditures of federal awards, pages 92 to 94, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplemental information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Harrisonville, Missouri's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report Issued in Accordance with Government Auditing Standards

In accordance with Governmental Auditing Standards, we have also issued our report dated June , 2013, on our consideration of the City of Harrisonville, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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Overland Park, Kansas
June , 2013

CITY OF HARRISONVILLE, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Harrisonville, Missouri has prepared financial statements in accordance with GASB 34 guidelines since 2003. This section of the report is intended to provide a summary of the City's financial condition and outlook, and should be considered along with the transmittal letter and financial statements in any evaluation of the City's financial condition.

Fiscal Year Highlights

Harrisonville continues to be a financially stable community, although the economic slump has affected our residents. Property tax revenues decreased in FY 2012 because of lower personal property tax valuations, but overall net assets have increased. Harrisonville's central location in the county and its status as a full-service city help maintain that stability and allow for many forward-looking investments:

The City continued to work on a new Police station to replace the current cramped and aged facility. This is undertaken using existing reserves, as voters are reluctant to take on additional tax or debt burden at this time, even as they acknowledge the need to replace the facility. The new station is expected to be occupied in late 2013, with a total investment of approximately two million dollars.

These statements include the Towne Center TIF expenditures, which impact the net assets of the City. The anchor tenant opened in spring 2007. One additional padsite has been occupied, and a hotel has been opened on the south end. The two remaining padsites are still open for development. The City budgeted and contributed General Funds to help meet the debt service schedule in 2012, but will need additional development to continue to service the debt without impacting other City funds.

The collection of sales tax revenues increased in 2012, compared to earlier years. While recovering from the downturn, the revenue from existing sales taxes had shown little overall growth in recent years. This could be an area of concern if continued over time since the sales tax is the largest single revenue source to the General Fund, and forms the basis of debt service payments for the Community Center. Sales tax revenues mirror national and regional economic trends, which are largely outside the City's control, but are important to both our community and our revenue stream. These trends are closely monitored by City staff for their effect on both present and projected expenditure plans.

The City's business-type activities (utility funds) showed stable sales and usage, reflecting the community growth patterns. Utility customer and load growth is a key indicator of community financial health, as the number of residents is tied directly to available revenues and demands for city services. Prior to FY 2012, the City revised its administrative charge schedule, which resulted in lower utility rates and reduced transfers to the General Fund. The City forecasts stable utility rates for the next few years.

The City advance refunded the 2003 Certificates of Participation used to construct the Community Center. Taking advantage of lower interest rates, and without extending the terms of the debt, the refunding will save over \$800,000 in interest over the remaining life of the certificates.

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CITY OF HARRISONVILLE, MISSOURI MANAGEMENT'S DISCUSSION AND ANALYSIS

The Comprehensive Annual Financial Report

This comprehensive annual financial report consists of seven parts:

- Introductory section which includes the transmittal letter,
- Management's discussion and analysis (this part),
- Basic financial statements and accompanying notes,
- Required supplemental information,
- Other supplemental information, and
- Statistical information

In prior years, the principal focus of local governmental financial statements was to summarize fund-type information on a current financial resource basis. This current accounting model presents information in two ways. The government-wide financial statements provide both short and long-term information about the City's overall financial status. These are prepared on a full accrual basis to present information in a format more familiar to corporate accounting users. Fund financial statements are still included to provide useful information on individual parts of the government.

Government-Wide Financial Statements

The basic financial statements include two government-wide financial statements: the statement of net position and the statement of activities. These statements can be found on pages 14 through 16. The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by the private sector.

The City is divided into the following activities:

Governmental activities - All of the City's basic services are considered governmental activities, including public safety, public works, general administration and parks. These activities are supported primarily with general revenue such as sales and property taxes, fines and permit fees.

Business-type activities - The City's enterprise activities are included here. These operations charge a fee for services that is intended to recover the cost of operations.

Fund Financial Statements

Another major section of the basic financial statements is the fund financial statements, found on pages 17 to 27, along with their explanatory notes on pages 28 through 56. The fund financial statements provide detailed information about each of the City's most significant funds, called "major funds." All other funds are summarized and presented in a single column called "nonmajor."

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CITY OF HARRISONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Harrisonville currently has two kinds of funds:

Governmental funds - Most of the City's basic services are included in governmental funds. These statements are prepared on a modified accrual basis, meaning they measure current financial resources and uses. Capital assets and other long-lived assets, along with any long-term liabilities are not presented in the governmental fund statements, but additional information about them is provided at the bottom of the statements, and in the notes.

Proprietary funds - These statements include business-type enterprise funds. The statements for these funds are presented on the accrual basis and include all assets and liabilities, both current and long-term. This is the same basis used on the government-wide financial statements.

Statement of Net Position

The following table summarizes the combined statement of net position as of December 31, 2012, compared with the same information for the fiscal year ending December 31, 2011:

City of Harrisonville's Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
ASSETS						
Current and other assets	18,890,006	19,991,662	11,254,009	10,106,999	30,144,015	30,098,661
Deferred outflows of resources	983,964		100,727		1,084,691	
Capital assets	<u>22,610,092</u>	<u>22,742,202</u>	<u>34,810,179</u>	<u>34,321,543</u>	<u>57,420,271</u>	<u>57,063,745</u>
TOTAL ASSETS	<u>42,484,062</u>	<u>42,733,864</u>	<u>46,164,915</u>	<u>44,428,542</u>	<u>88,648,977</u>	<u>87,162,406</u>
LIABILITIES						
Other liabilities	1,558,846	880,359	1,550,331	1,344,082	3,109,177	2,224,441
Long-term liabilities	<u>24,735,021</u>	<u>26,183,181</u>	<u>12,155,871</u>	<u>12,323,350</u>	<u>36,890,892</u>	<u>38,506,531</u>
TOTAL LIABILITIES	<u>26,293,867</u>	<u>27,063,540</u>	<u>13,706,202</u>	<u>13,667,432</u>	<u>40,000,069</u>	<u>40,730,972</u>
NET POSITION						
Invested in capital assets, net of related debt	14,660,071	13,911,126	22,757,615	22,603,002	37,417,686	36,514,128
Restricted	1,186,071	2,662,683	2,194,593	2,557,484	3,380,664	5,220,167
Unrestricted	<u>344,053</u>	<u>(903,485)</u>	<u>7,506,505</u>	<u>5,600,624</u>	<u>7,850,558</u>	<u>4,697,139</u>
TOTAL NET POSITION	<u>16,190,195</u>	<u>15,670,324</u>	<u>32,458,713</u>	<u>30,761,110</u>	<u>48,648,908</u>	<u>46,431,434</u>

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CITY OF HARRISONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

The summary reveals the overall balance in the City between governmental assets and business-type assets. The governmental activities capital assets includes the value of the community center, while the long-term obligations and restricted assets in the same column reveals the offsetting debt, final construction obligations, and financing reserves, as well as the debt associated with the Towne Center TIF.

Statement of Activities

The following table reflects the revenues and expenses for the City's activities for the fiscal year ending December 31, 2012, compared with the same information for the fiscal year ending December 31, 2011:

City of Harrisonville's Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
REVENUES						
Program revenues						
Charges for services	4,542,293	4,521,705	16,869,999	16,294,563	21,412,292	20,816,268
Operating grants and contributions	144,163	939,601			144,163	939,601
Capital grants and contributions	85,219	423,327	280,500	982,687	365,719	1,406,014
General revenues						
Taxes	6,884,801	6,776,932			6,884,801	6,776,932
Investment earnings	29,815	33,593	216,092	227,646	245,907	261,239
Transfers	(32,595)	(490,485)	32,595	490,485		
Other miscellaneous revenues	294,193	320,148			294,193	320,148
Total revenues	<u>11,947,889</u>	<u>12,524,821</u>	<u>17,399,186</u>	<u>17,995,381</u>	<u>29,347,075</u>	<u>30,520,202</u>
EXPENSES						
General Government	1,795,064	1,974,816			1,795,064	1,974,816
Administration of Justice	2,688,722	2,663,787			2,688,722	2,663,787
Street	871,419	1,217,982			871,419	1,217,982
Economic Development	225,041	191,704			225,041	191,704
Animal control	167,154	162,758			167,154	162,758
Airport	319,622	321,968			319,622	321,968
Emergency Services	2,472,147	2,489,922			2,472,147	2,489,922
Park	590,728	529,697			590,728	529,697
Community Center	1,506,078	1,450,404			1,506,078	1,450,404
Towne Center TIF	12,766	10,187			12,766	10,187
CDBG Pass-through	6,500	753,740			6,500	753,740
Interest on long-term debt	772,777	860,401			772,777	860,401
Electric			11,247,956	10,637,961	11,247,956	10,637,961
Water/Sewer			3,703,248	3,652,972	3,703,248	3,652,972

Attachment: City of Harrisonville Draft-Audit (1070 : 2012 Audit Presentation)

CITY OF HARRISONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Harrisonville's Statement of Activities (Continued)

	Activities		Activities		Total	
	2012	2011	2012	2011	2012	2011
EXPENSES (Continued)						
Aquatic Center			276,719	289,610	276,719	289,610
Refuse			473,660	466,719	473,660	466,719
Total expenses	<u>11,428,018</u>	<u>12,627,366</u>	<u>15,701,583</u>	<u>15,047,262</u>	<u>27,129,601</u>	<u>27,674,628</u>
CHANGE IN NET POSITION	519,871	(102,545)	1,697,603	2,948,119	2,217,474	2,845,574
NET POSITION, beginning of year	<u>15,670,324</u>	<u>15,772,869</u>	<u>30,761,110</u>	<u>27,812,991</u>	<u>46,431,434</u>	<u>43,585,860</u>
NET POSITION, end of year	<u>16,190,195</u>	<u>15,670,324</u>	<u>32,458,713</u>	<u>30,761,110</u>	<u>48,648,908</u>	<u>46,431,434</u>

This summary shows that approximately 99% of program revenues are charges for services. The majority of the City's total revenue comes from the business-type activities of the Electric and Combined Water and Sanitary Sewer Utilities. Program revenues overall decreased 5.6% in 2012 from 2011 with the largest cuts stemming from lower operating and capital grants. In the governmental activities area, taxes were the largest single source of income, led by the sales tax revenues generated for the General Fund and the Community Center. Total tax revenue from all sources increased 1.6% primarily due to additional tax revenues in 2012.

Total program expenses for 2012 are \$27,129,601 with the majority, \$15,701,583, stemming from business-type activities. Governmental activities expenditures decreased 10.5% from the previous fiscal year primarily due to the CDBG pass-through grant with expenditures in the prior year of approximately \$750,000. The total of business-type activity spending increased 4.3%.

Public safety expenses, at \$5,160,869, totaled approximately 45% of the governmental activities, while the electric utility expenses comprise the majority of the business-type expenses.

The total net position of the City increased 4.8% in 2012.

Fund Statements

The City of Harrisonville fund statements can be found on pages 17 through 27 of the financial statements. Governmental funds ended the year with an overall increase in net position and the business-type funds showed an increase, and the overall City posted an increase in net position.

Attachment: City of Harrisonville Draft-Audit (1070 : 2012 Audit Presentation)

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CITY OF HARRISONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

Budget Variances

There is one area of significant difference between the original adopted budget and the final approved budget for the City's General Fund in FY 2012. It is in capital projects, which reflects the amount of unfinished capital work from 2011 which was reappropriated into the 2012 budget, as well as several newly authorized construction projects and equipment purchases. All budget amendments are reviewed and approved by the Board of Aldermen.

Capital Assets

City of Harrisonville Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	890,750	890,750	1,588,031	1,588,031	2,478,781	2,478,781
Buildings	22,181,460	21,161,576	17,329,750	16,431,247	39,511,210	37,592,823
Machinery and equipment	5,913,699	5,739,569			5,913,699	5,739,569
Equipment and transmission			35,899,525	27,321,199	35,899,525	27,321,199
Streets	5,501,977	4,856,178			5,501,977	4,856,178
Construction-in-progress	341,814	1,192,513	1,614,106	9,562,914	1,955,920	10,755,427
	<u>34,829,700</u>	<u>33,840,586</u>	<u>56,431,412</u>	<u>54,903,391</u>	<u>91,261,112</u>	<u>88,743,977</u>
Less accumulated depreciation	<u>12,219,608</u>	<u>11,098,384</u>	<u>21,621,233</u>	<u>20,671,848</u>	<u>33,840,841</u>	<u>31,770,232</u>
Total	<u>22,610,092</u>	<u>22,742,202</u>	<u>34,810,179</u>	<u>34,231,543</u>	<u>57,420,271</u>	<u>56,973,745</u>

Major Capital Asset Events FY 2012

Street, sidewalk, curb and stormwater projects in excess of \$309,000
 New transformer project for north substation began
 Over \$112,000 in electrical distribution improvements
 \$191,000 in water and sewer line improvements
 Over \$250,000 in water tower maintenance
 Over \$500,000 in wastewater treatment plant improvements
 \$239,000 in capital improvements at the community center

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CITY OF HARRISONVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Administration

During the year ended December 31, 2012, the City of Harrisonville received the final advance in Wastewater Revenue Bonds which began in 2009, for a total of approximately \$3,900,000. These bonds are utilized under the Missouri Department of Natural Resources State Revolving Fund. During the year ended December 31, 2012, the City of Harrisonville issued \$7,830,000 in refunding certificates of participation to advance refund the 2003 issuance. Details of the existing debt obligations of the City are discussed in Note 6 to the financial statements.

The City continues to have no general obligation debt.

Economic Outlook

The City of Harrisonville, Missouri continues to benefit from a relatively stable economic situation, and shows some signs of progress. Overall employment has remained steady, as has sales tax collection. Some new retail development is still under way, and Harrisonville continues to be in the minds of potential commercial and industrial customers. The Board of Aldermen and city staff take a vigilant approach to monitoring the City's financial health, identifying and acting on trends in order to forestall any major problems.

Financial Contact

These financial statements are designed to provide a general overview of the City's finances and to demonstrate the City's accountability. Any questions or request for additional information should be directed to the Director of Finance, 300 E. Pearl Street, Harrisonville, Missouri 64701.

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BASIC FINANCIAL STATEMENTS

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CITY OF HARRISONVILLE, MISSOURI
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash	128,226	950,785	1,079,011	181,036
Investments	6,335,714	4,601,292	10,937,006	
Accounts receivable, net of allow- ance for doubtful accounts	642,259	2,045,691	2,687,950	
Taxes receivable	913,631		913,631	176,682
Accrued interest receivable	12,230		12,230	
Inventories	86,414	627,757	714,171	
Prepaid expenses	163,669	57,646	221,315	
Restricted cash	763,163	287,157	1,050,320	198,761
Restricted investments	181,014	1,907,436	2,088,450	
Due from other funds		776,245	776,245	
Due from component unit	9,663,686		9,663,686	
Capital assets				
Land	890,750	1,588,031	2,478,781	
Construction-in-progress	341,814	1,614,107	1,955,921	
Other capital assets, net of accumulated depreciation	<u>21,377,528</u>	<u>31,608,041</u>	<u>52,985,569</u>	
TOTAL ASSETS	<u>41,500,098</u>	<u>46,064,188</u>	<u>87,564,286</u>	<u>556,479</u>
DEFERRED OUTFLOWS OF RESOURCES				
Debt issuance costs, net of amortization	458,814	100,727	559,541	
Unamortized payment to escrow agent on defeasance of long-term debt	<u>525,150</u>		<u>525,150</u>	
Total deferred outflows of resources	<u>983,964</u>	<u>100,727</u>	<u>1,084,691</u>	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>42,484,062</u>	<u>46,164,915</u>	<u>88,648,977</u>	<u>556,479</u>

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CITY OF HARRISONVILLE, MISSOURI
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Accounts payable	167,954	841,740	1,009,694	90,009
Accrued expenses	507,076	41,990	549,066	
Unearned revenue	90,424	49,224	139,648	
Liabilities payable from restricted assets	17,147		17,147	
Meter deposits		617,377	617,377	
Due to other funds	776,245		776,245	
Due to primary government				9,663,686
Due to developers				5,326,059
Noncurrent liabilities				
Due within one year	1,227,948	964,759	2,192,707	
Due in more than one year	<u>23,507,073</u>	<u>11,191,112</u>	<u>34,698,185</u>	
TOTAL LIABILITIES	<u>26,293,867</u>	<u>13,706,202</u>	<u>40,000,069</u>	<u>15,079,754</u>
NET POSITION				
Invested in capital assets, net of related debt	14,660,071	22,757,615	37,417,686	
Restricted for:				
Capital improvements	181,014	151,200	332,214	
Debt service	987,820	2,043,393	3,031,213	
Other purposes	17,237		17,237	
Unrestricted	<u>344,053</u>	<u>7,506,505</u>	<u>7,850,558</u>	<u>(14,523,275)</u>
TOTAL NET POSITION	<u>16,190,195</u>	<u>32,458,713</u>	<u>48,648,908</u>	<u>(14,523,275)</u>
TOTAL LIABILITIES AND NET POSITION	<u>42,484,062</u>	<u>46,164,915</u>	<u>88,648,977</u>	<u>556,479</u>

Attachment: City of Harrisonville Draft-Audit (1070 : 2012 Audit Presentation)

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

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CITY OF HARRISONVILLE, MISSOURI
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012

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Functions/programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Operating		Primary Government		Component Unit	
		Charges for Services	Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Business-Type Activities
Primary government							
Governmental activities							
General Government	1,795,064	1,936,801	144,163		285,900	285,900	
Administration of Justice	2,688,722	251,138			(2,437,584)	(2,437,584)	
Street	871,419				(871,419)	(871,419)	
Economic Development	225,041				(225,041)	(225,041)	
Animal Control	167,154				(167,154)	(167,154)	
Airport	319,622				(319,622)	(319,622)	
Emergency Services	2,472,147	1,399,295			(1,072,852)	(1,072,852)	
Park	590,728	28,807		85,219	(476,702)	(476,702)	
Community Center	1,506,078	926,252			(579,826)	(579,826)	
Towne Center Project	12,766				(12,766)	(12,766)	
CDBG pass-through expenses	6,500				(6,500)	(6,500)	
Interest on long-term debt	772,777				(772,777)	(772,777)	
Total governmental activities	11,428,018	4,542,293	144,163	85,219	(6,656,343)	(6,656,343)	
Business-type activities							
Electric	11,247,956	11,688,342		280,500	440,386	440,386	
Water/Sewer	3,703,248	4,581,605			1,158,857	1,158,857	
Aquatic Center	276,719	137,666			(139,053)	(139,053)	
Refuse	473,660	462,386			(11,274)	(11,274)	
Total business-type activities	15,701,583	16,869,999		280,500	1,448,916	1,448,916	
Total primary government	27,129,601	21,412,292	144,163	365,719	(6,656,343)	(5,207,427)	
Market Place Component Unit	451,858						(451,858)
General revenues							
Taxes							
Property tax					915,825	915,825	
Local sales tax					4,239,538	4,239,538	375,555
Franchise taxes					1,572,099	1,572,099	
Other taxes					157,339	157,339	182,280
Investment earnings					29,815	216,092	192
Transfers in (out)					(32,595)	32,595	
Other miscellaneous revenues					294,193	294,193	
Total general revenues					7,176,214	7,424,901	558,027
CHANGE IN NET POSITION							
NET POSITION, beginning of year					519,871	1,697,603	106,169
NET POSITION, end of year					15,670,324	30,761,110	(14,629,444)
					16,190,195	48,648,908	(14,523,275)

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

CITY OF HARRISONVILLE, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2012

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ASSETS

	General Fund	Community Center Fund	Towne Center TIF Fund	Emergency Services Fund	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash	19,487		107,734		1,005	128,226
Investments	5,378,283	421,587			535,844	6,335,714
Accrued interest receivable	12,230					12,230
Accounts receivable						
Taxes receivable	630,102	55,511	153,673	463,118	123,630	642,259
Due from other funds	192,114				129,856	913,631
Due from component unit	275,000					192,114
Inventories	51,235					275,000
Prepaid insurance	97,600	15,102		35,179	7,606	86,414
Restricted cash	17,237		726,963	43,361	18,963	163,669
Restricted investments	113,975				67,039	763,163
						181,014
TOTAL ASSETS	6,787,263	492,200	988,370	541,658	883,943	9,693,434

LIABILITIES AND FUND BALANCES

LIABILITIES						
Accounts payable	83,840	20,174	550	24,281	39,109	167,954
Due to other funds		53,577		674,103	240,679	968,359
Accrued expenses	70,810	4,182		43,398		118,390
Deferred revenue	48,271	29,431			12,722	90,424
Liabilities payable from restricted assets	17,147					17,147
Total liabilities	220,068	107,364	550	741,782	292,510	1,362,274
FUND BALANCES (DEFICIT)						
Nonspendable	148,835	15,102		78,540	7,606	250,083
Restricted	114,065		987,820		86,002	1,187,887
Assigned		369,734			537,528	907,262
Unassigned (deficit)	6,304,295			(278,664)	(39,703)	5,985,928
Total fund balances	6,567,195	384,836	987,820	(200,124)	591,433	8,331,160
TOTAL LIABILITIES AND FUND BALANCES	6,787,263	492,200	988,370	541,658	883,943	9,693,434

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

CITY OF HARRISONVILLE, MISSOURI
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 DECEMBER 31, 2012

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

Fund balance - total governmental funds		8,331,160
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets	34,829,697	
Less accumulated depreciation	<u>(12,219,605)</u>	
		22,610,092
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Certificates of participation	(7,295,000)	
Tax increment revenue bonds	(7,785,000)	
Tax increment note payable	(9,000,000)	
Promissory note payable	(171,931)	
Accrued interest payable	(388,686)	
Capital lease payable	<u>(265,136)</u>	
		(24,905,753)
Governmental funds report the effect of issuance costs, premiums, and discounts when the debt is first issued, whereas these amounts are deferred and amortized in the government-wide statements.		
Bond discount	142,269	
Bond premium	(77,137)	
Unamortized payment to escrow agent for defeasance on long-term debt	525,150	
Bond cost, net of amortization	<u>458,814</u>	
		1,049,096
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(283,086)
Assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		
Due from component unit for note payable and accrued interest		<u>9,388,686</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>16,190,195</u>

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

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CITY OF HARRISONVILLE, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2012

REVENUES	General Fund	Community Center	Towne Center TIF Fund	Emergency Services Fund	Nonmajor Funds	Total Governmental Funds
Taxes						
Property	645,713		127,909		142,203	915,825
Sales	2,336,576		310,307		1,592,655	4,239,538
Franchise	1,572,099					1,572,099
Other	141,399				15,940	157,339
Licenses, fees and permits	161,692					161,692
Charges for services	1,775,109	926,252		1,399,295	28,807	4,129,463
Grants	144,163				85,219	229,382
Fines and forfeitures	251,138					251,138
Interest	25,222	1,701	233		2,659	29,815
Miscellaneous	237,128	15,238	125	36,177	5,525	294,193
Total revenues	7,290,239	943,191	438,574	1,435,472	1,873,008	11,980,484
EXPENDITURES						
Current						
General Government	1,667,057					1,667,057
Administration of Justice	2,581,042					2,581,042
Street	635,787					635,787
Economic Development	210,273					210,273
Animal Control	160,398					160,398
Airport	171,867					171,867
Emergency Services				2,389,722		2,389,722
Park					488,375	488,375
Community Center		1,197,703				1,197,703
Towne Center Project			12,766			12,766
CDBG pass-through expenses	6,500					6,500
Debt service						
Principal	35,940		245,000		535,000	815,940
Interest	17,095		370,219		312,382	699,696

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CITY OF HARRISONVILLE, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2012

	General Fund	Community Center	Towne Center TIF Fund	Emergency Services Fund	Nonmajor Funds	Total Governmental Funds
EXPENDITURES (Continued)						
Capital outlay	663,205	268,800		59,653	28,825	1,020,483
Total expenditures	6,149,164	1,466,503	627,985	2,449,375	1,364,582	12,057,609
REVENUES OVER (UNDER)						
EXPENDITURES BEFORE						
OTHER FINANCING						
SOURCES (USES)	1,141,075	(523,312)	(189,411)	(1,013,903)	508,426	(77,125)
OTHER FINANCING SOURCES (USES)						
Defeasance of Certificates of Participation to escrow agent:						
Payments to escrow agent		(1,283,500)				(1,283,500)
Proceeds to escrow agent		(7,802,185)				(7,802,185)
Issuance of refunding certificates of participation		7,830,000				7,830,000
Premium on issuance		85,707				85,707
Costs of issuance		(113,522)				(113,522)
Transfers in	231,770	204,450	165,042	811,251	1,165,580	2,578,093
Transfers out	(987,449)				(1,623,239)	(2,610,688)
Total other financing sources (uses)	(755,679)	(1,079,050)	165,042	811,251	(457,659)	(1,316,095)
NET CHANGE IN FUND BALANCES	385,396	(1,602,362)	(24,369)	(202,652)	50,767	(1,393,220)
FUND BALANCES, January 1, 2012	6,181,799	1,987,198	1,012,189	2,528	540,666	9,724,380
FUND BALANCES (DEFICIT), December 31, 2012	6,567,195	384,836	987,820	(200,124)	591,433	8,331,160

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

CITY OF HARRISONVILLE, MISSOURI
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
 THE STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2012

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

Net change in fund balances - total governmental funds	(1,393,220)
--	-------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital outlay	1,020,483	
Depreciation	<u>(1,152,593)</u>	(132,110)

The issuance of long-term debt (e.g., bonds, loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Bond principal payments	245,000	
Proceeds of long-term debt	(7,830,000)	
Premium received on issuance on long-term debt	(85,707)	
Costs paid on issuance of long-term debt	113,522	
Net proceeds from issuance to escrow agent	7,802,185	
Payment to escrow agent	1,283,500	
Amount from proceeds to escrow agent to satisfy bond issuance costs and account for premium received	27,815	
Certificates of participation payments	535,000	
Capital lease payments	35,940	
Amortization of premiums and discounts	<u>(100,896)</u>	2,026,359

Attachment: City of Harrisonville Draft-Audit (1070 : 2012 Audit Presentation)

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CITY OF HARRISONVILLE, MISSOURI
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
 THE STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2012

Some expenses in the statement of activities that do not require the use
 of current financial resources and, therefore, are not reported as
 expenditures in governmental funds.

Compensated absences

18,842

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

519,871

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

Attachment: City of Harrisonville Draft-Audit (1070 : 2012 Audit Presentation)

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CITY OF HARRISONVILLE, MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2012

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	Electric Fund	Water/ Sewer Fund	Nonmajor Enterprise Funds	Total
ASSETS				
Current Assets				
Cash	797,544	90,931	62,310	950,785
Investments	2,233,836	2,367,456		4,601,292
Accounts receivable	1,455,067	524,674	65,950	2,045,691
Due from other funds	102,142	674,103		776,245
Inventories	463,150	164,607		627,757
Prepaid insurance	20,931	33,202	3,513	57,646
Total current assets	<u>5,072,670</u>	<u>3,854,973</u>	<u>131,773</u>	<u>9,059,416</u>
Noncurrent Assets				
Restricted cash	146,299	89,715	51,143	287,157
Restricted investments	538,990	1,268,389	100,057	1,907,436
Bond cost, net of amortization	34,468	66,259		100,727
Capital assets				
Land	99,716	1,488,315		1,588,031
Construction-in-progress	9,347	1,604,760		1,614,107
Other capital assets, net of accumulated depreciation	<u>5,206,992</u>	<u>25,475,804</u>	<u>925,245</u>	<u>31,608,041</u>
Total noncurrent assets	<u>6,035,812</u>	<u>29,993,242</u>	<u>1,076,445</u>	<u>37,105,499</u>
TOTAL ASSETS	<u>11,108,482</u>	<u>33,848,215</u>	<u>1,208,218</u>	<u>46,164,915</u>
LIABILITIES				
Current Liabilities				
Accounts payable	769,376	72,263	101	841,740
Accrued expenses	24,161	17,829		41,990
Deferred revenue	49,224			49,224
Meter deposits	617,377			617,377
Current portion of long-term obligations	<u>230,654</u>	<u>734,105</u>		<u>964,759</u>
Total current liabilities	<u>1,690,792</u>	<u>824,197</u>	<u>101</u>	<u>2,515,090</u>
Noncurrent liabilities				
Noncurrent portion of long-term obligations	<u>1,506,355</u>	<u>9,684,757</u>		<u>11,191,112</u>
TOTAL LIABILITIES	<u>3,197,147</u>	<u>10,508,954</u>	<u>101</u>	<u>13,706,202</u>
NET POSITION				
Invested in capital assets, net of related debt	3,610,936	18,221,434	925,245	22,757,615
Restricted for:				
Debt service	685,289	1,358,104		2,043,393
Capital improvements			151,200	151,200
Unrestricted	<u>3,615,110</u>	<u>3,759,723</u>	<u>131,672</u>	<u>7,506,505</u>
TOTAL NET POSITION	<u>7,911,335</u>	<u>23,339,261</u>	<u>1,208,117</u>	<u>32,458,713</u>

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

CITY OF HARRISONVILLE, MISSOURI
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2012

	Electric Fund	Water/Sewer Fund	Nonmajor Enterprise Funds	Total
REVENUES				
Charges for services	<u>11,688,342</u>	<u>4,581,605</u>	<u>600,052</u>	<u>16,869,999</u>
EXPENSES				
Production		1,303,350		1,303,350
Distribution	8,591,775	419,330		9,011,105
Administration	2,313,462	813,636	660,025	3,787,123
Depreciation	<u>261,116</u>	<u>790,229</u>	<u>90,354</u>	<u>1,141,699</u>
Total expenses	<u>11,166,353</u>	<u>3,326,545</u>	<u>750,379</u>	<u>15,243,277</u>
INCOME (LOSS) FROM OPERATIONS	<u>521,989</u>	<u>1,255,060</u>	<u>(150,327)</u>	<u>1,626,722</u>
NONOPERATING INCOME (EXPENSE)				
Transfers in			32,595	32,595
Interest income	10,407	204,703	982	216,092
Interest expense	<u>(81,603)</u>	<u>(376,703)</u>		<u>(458,306)</u>
Total nonoperating income (expense)	<u>(71,196)</u>	<u>(172,000)</u>	<u>33,577</u>	<u>(209,619)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	450,793	1,083,060	(116,750)	1,417,103
Capital grants and contributions		<u>280,500</u>		<u>280,500</u>
CHANGE IN NET POSITION	450,793	1,363,560	(116,750)	1,697,603
TOTAL NET POSITION, beginning of year	<u>7,460,542</u>	<u>21,975,701</u>	<u>1,324,867</u>	<u>30,761,110</u>
TOTAL NET POSITION, end of year	<u>7,911,335</u>	<u>23,339,261</u>	<u>1,208,117</u>	<u>32,458,713</u>

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

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CITY OF HARRISONVILLE, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2012

	Electric Fund	Water/Sewer Fund	Nonmajor Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	11,723,975	4,641,812	605,120	16,970,907
Cash payments to suppliers	(10,186,453)	(1,690,816)	(589,707)	(12,466,976)
Cash payments to employees	<u>(546,058)</u>	<u>(827,513)</u>	<u>(71,023)</u>	<u>(1,444,594)</u>
Net cash provided by (used in) operating activities	<u>991,464</u>	<u>2,123,483</u>	<u>(55,610)</u>	<u>3,059,337</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due from other funds	(102,142)	(478,144)		(580,286)
Transfers in	<u></u>	<u></u>	<u>32,595</u>	<u>32,595</u>
Net cash provided by (used in) noncapital financing activities	<u>(102,142)</u>	<u>(478,144)</u>	<u>32,595</u>	<u>(547,691)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(134,010)	(1,472,529)	(23,796)	(1,630,335)
Capital grants and contributions		280,500		280,500
Proceeds from long-term debt		612,231		612,231
Payments of long-term debt	(175,000)	(599,100)		(774,100)
Interest paid on bonds	<u>(76,059)</u>	<u>(376,703)</u>	<u></u>	<u>(452,762)</u>
Net cash used in capital and related financing activities	<u>(385,069)</u>	<u>(1,555,601)</u>	<u>(23,796)</u>	<u>(1,964,466)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Net investment activity	(54,223)	(320,251)	38,234	(336,240)
Interest on investments	<u>10,407</u>	<u>208,990</u>	<u>982</u>	<u>220,379</u>
Net cash provided by (used in) investing activities	<u>(43,816)</u>	<u>(111,261)</u>	<u>39,216</u>	<u>(115,861)</u>
NET INCREASE (DECREASE) IN CASH	460,437	(21,523)	(7,595)	431,319
CASH, January 1, 2012	<u>483,406</u>	<u>202,169</u>	<u>121,048</u>	<u>806,623</u>
CASH, December 31, 2012	<u>943,843</u>	<u>180,646</u>	<u>113,453</u>	<u>1,237,942</u>

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CITY OF HARRISONVILLE, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2012

	Electric Fund	Water/Sewer Fund	Nonmajor Enterprise Funds	Total
ALLOCATION OF CASH				
Unrestricted	797,544	90,931	62,310	950,785
Restricted	146,299	89,715	51,143	287,157
	<u>943,843</u>	<u>180,646</u>	<u>113,453</u>	<u>1,237,942</u>
Reconciliation of Income (Loss) From Operations to Net Cash Provided by (Used in) Operating Activities				
Income (loss) from operations	<u>521,989</u>	<u>1,255,060</u>	<u>(150,327)</u>	<u>1,626,722</u>
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation	261,116	790,229	90,354	1,141,699
Bond premium discount		(11,554)		(11,554)
(Increase) Decrease in assets:				
Accounts receivable	29,890	60,207	5,068	95,165
Inventories	17,005	(19,864)		(2,859)
Prepaid expenses	1,722	(1,749)	(766)	(793)
Increase (Decrease) in liabilities:				
Accounts payable	153,962	40,771	61	194,794
Accrued expenses	1,532	4,180		5,712
Compensated absences	(1,495)	6,203		4,708
Deferred revenue	(21,253)			(21,253)
Meter deposits payable	26,996			26,996
Total adjustments	<u>469,475</u>	<u>868,423</u>	<u>94,717</u>	<u>1,432,615</u>
Net cash provided by (used in) operating activities	<u>991,464</u>	<u>2,123,483</u>	<u>(55,610)</u>	<u>3,059,337</u>

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

Attachment: City of Harrisonville Draft-Audit (1070 : 2012 Audit Presentation)

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CITY OF HARRISONVILLE, MISSOURI
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012

	Agency Fund
ASSETS	
Cash and cash equivalents	324,936
Investments	1,150,549
Taxes receivable	<u>85,365</u>
TOTAL ASSETS	<u>1,560,850</u>
LIABILITIES	
Deposits	1,544,876
Accounts payable	<u>15,974</u>
TOTAL LIABILITIES	<u>1,560,850</u>
NET POSITION	<u> </u>

See accompanying notes to financial statements.

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Harrisonville, Missouri have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. REPORTING ENTITY

Harrisonville, Missouri is a fourth class city in which citizens elect the mayor at large and eight council members by wards. The accompanying financial statements present the City's primary government and any component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). In determining the financial reporting entity, the City complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the City appointed a voting majority of the units' board and the City is either able to impose its will on the unit or a financial benefit or burden exists.

The City has developed criteria to determine whether outside agencies with activities which benefit the citizens of the City, including joint agreements, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the City exercises oversight responsibility, which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters, scope of public service and special financing relationships. Component units are reported in the City's financial statements as follows:

Blended Component Units

Towne Center TIF Fund

This fund accounts for the proceeds of the TIF notes issued to pay for the Towne Center Redevelopment Project along with the tax proceeds and uses generated by the District. The City has not adopted an annual budget for this fund.

Discretely Presented Component Unit

Market Place TIF District

This District accounts for the revenues and expenses associated with the Market Place Redevelopment Project.

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the activities of the City except the fiduciary funds. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

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

Community Center Fund - This fund is responsible for the operations of the City's Community Center. The fund is financed by charges for services.

Towne Center TIF Fund - This fund accounts for the proceeds of the TIF notes issued to pay for the Towne Center Redevelopment Project along with the tax proceeds and uses generated by the District. The City has not adopted an annual budget for this fund.

Emergency Services Fund - This fund is responsible for the operations of the City's emergency services. The fund is financed by taxes and emergency service revenues.

The government reports the following major proprietary funds:

Electric Fund - The Electric Fund accounts for the billing and collection of charges for electric service for most city residents. Revenues are used to pay for both operations and capital outlay to maintain this service.

Water and Sewer Fund - The Water and Sewer Fund accounts for the billing and collection of charges for water and sanitary sewer services to the residents of the City and a limited number of customers outside of city limits. All activities necessary to provide such services are accounted for in this fund.

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Additionally, the government reports the following funds:

Governmental Funds

Park Fund - The Park Fund is primarily used for the maintenance of the City's parks. The fund is financed by property and license fees.

Sales Tax Fund - The Sales Tax Fund is used to accumulate revenues from a special sales tax for capital improvements.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of financial resources for, and the payment of, the principal and interest for the 2012 Certificates of Participation which were issued for the use in the advance refunding of the 2003 Certificates of Participation.

Proprietary Funds

Aquatic Center Fund - The Aquatic Center Fund is used to account for the operations of the Aquatic Center.

Refuse Fund - The Refuse Fund is used to account for the provision of refuse collection to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

Agency Fund

This fund accounts for the City's fiduciary responsibility to track receipts and disbursements associated with the Highway 71/291 Partners in Progress TDD.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

The government-wide financial statements are reported using the economic resources management focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to

CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (Continued)

pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property tax, sales taxes, franchise taxes, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

The City applies all applicable pronouncements of the Financial Accounting Standards Board (FASB) in accounting and reporting for proprietary activities issued on or before November 30, 1989, unless the pronouncements conflict with applicable Governmental Accounting Standards Board (GASB) guidance as prescribed by GASB Statement No. 20, which has been superseded by GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 1989 FASB and AICPA Pronouncements". No pronouncements of the FASB issued after November 30, 1989 have been adopted if they conflict or contradict GASB pronouncements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in-lieu-of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETS

Budgets for the City are prepared and adopted on the cash basis of accounting for all governmental and proprietary funds. The City Administrator may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The City Council approved amendments to the budget during the year. The actual results of operations are presented in comparison to the budgets on the combined statement of revenues, expenditures and changes in fund balances - budget and actual - all governmental fund types. All governmental funds have a legally adopted annual budget. Appropriations lapse at year end, but may be re-appropriated in the following year.

E. CASH AND INVESTMENTS

For the purpose of the statement of cash flows, the City considers all highly liquid investments (including restricted assets except for those held by trustees) with a maturity of three months or less when purchased to be cash equivalents, along with demand deposits and certificates of deposit. As of December 31, 2012, the City had no cash equivalents.

The City's investment policies are structured to conform to Missouri Statute 30.270. The City is authorized to invest in U.S. Treasury Obligations, U.S. Government Agency Securities and Instruments of Government Sponsored Corporations, Certificates of Deposit at Commercial Banks and S & L Associations, and Repurchase Agreements. Investments are reported at fair value.

F. RESTRICTED CASH AND INVESTMENTS

Certain cash and investment accounts are restricted for construction projects, debt service, and compliance with bond covenants. Assets are also restricted in the proprietary funds for refunding customer meter deposits.

G. INTERFUND TRANSACTIONS

During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources, to provide services and construct assets. Legally authorized transfers are treated as operating transfers and are included in the results of operations for both Governmental and Proprietary Funds.

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. PREPAIDS AND INVENTORIES

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

Inventories, consisting of materials and supplies, are valued at lower of cost or market. Cost is determined using first-in, first-out (FIFO) basis.

I. CAPITAL ASSETS

Prior to GASB Statement No. 34, capital assets for governmental funds were recorded in the General Fixed Asset Account Group and were not depreciated. The new model requires that all capital assets, whether owned by governmental activities or business-type activities be recorded and depreciated in the government-wide financial statements.

Capital assets, including infrastructure are defined as assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year.

Capital assets are stated at cost or at estimated fair value at time of donation. The accounting for property, plant and equipment and accumulated depreciation in the Electric and the Water/Sewer Funds are recorded at cost less retirements in the manner prescribed by the Federal Power Commission and/or the National Association of Railroad and Utility Commissioners.

The City's policy is to capitalize interest on proprietary funds and construction projects until substantially completed. Major expenditures for property and those which substantially increased useful lives are capitalized. Maintenance, repairs and minor renewals are expensed when incurred. When capital assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

General infrastructure assets acquired prior to January 1, 2003, are not reported in the basic financial statements. General infrastructure assets include all roads, bridges, and other infrastructure assets acquired subsequent to January 1, 2003.

Depreciation of buildings, equipment and vehicles is computed using the straight-line method over the following estimated useful lives:

Buildings and processing facilities	15 - 55 years
Machinery and equipment	5 - 20 years
Transmission lines and mains	50 years

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. COMPENSATED ABSENCES

Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The amount of accrued vacation benefits included in the government-wide financial statements, related to governmental activities, for the year ended December 31, 2012 is \$283,085. Business-type activity funds reported accrued vacation benefits for the year ended December 31, 2012 of \$103,307.

K. LONG-TERM OBLIGATIONS, BOND DISCOUNTS/PREMIUMS, AND AMORTIZATION OF BOND COSTS

In the government-wide and proprietary fund financial statements, outstanding debt is reported as liabilities. Bond issuance costs and bond discounts or premiums are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

L. NET POSITION

Government-Wide Statements

Net position are displayed in three components:

Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position consists of net position with constraints placed on the use either by external groups, such as creditors, grantors, contributors or laws and regulations of other governments; or through constitutional provision or enabling legislation.

Unrestricted net position do not meet the definition of "restricted."

Fund Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. NET POSITION (Continued)

Fund Statements (Continued)

The classifications used in the governmental fund financial statements are as follows:

Nonspendable

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted

This classification includes amounts for which constraints have been placed on the use of the resources either by external groups such as creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or by law through constitutional provisions or enabling legislation.

Committed

This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City currently has no amounts classified in this category.

Assigned

This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the Council delegating this responsibility to the City Administrator through the budgetary process.

Unassigned

This classification includes the residual fund balance for the General Fund and any deficit balance is any other fund.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The more significant estimates in the financial statements are allowance for bad debts, depreciation, and accrued liabilities.

N. CAPITALIZATION OF INTEREST

Net interest cost on funds borrowed to finance the construction of capital assets are capitalized and depreciated over the life of the related asset for proprietary fund types. Interest is not capitalized for governmental fund types within the fund financial statements.

O. REVENUES

Billings for utility services are rendered on a monthly basis. Unbilled revenues from the last billing date to the end of the period are accrued in the period of usage and included in accounts receivable.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

NOTE 2. CASH AND INVESTMENTS

Cash

Custodial Credit Risk for deposits is the risk that in the event of bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation.

As of December 31, 2012, all of the City's deposits with financial institutions were fully insured or collateralized.

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Investments

The City's investments at December 31, 2012 are summarized below:

Investment	Unrestricted	Restricted
Investments held by trustee (Bond Reserves)		
Money market funds		1,033,440
Certificates of deposit	5,761,881	370,779
Federal Farm Credit Bank (AAA)	2,469,342	
Federal Home Loan Bank (AAA)	1,142,649	218,265
Federal National Mortgage Association (AAA)	1,563,134	465,966
	<u>10,937,006</u>	<u>2,088,450</u>
Maturities		
Less than six months	3,437,246	1,378,773
Six months to one year	1,137,850	193,725
Over one year	6,361,910	515,952
	<u>10,937,006</u>	<u>2,088,450</u>

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to maturities of less than two years without prior approval of the Board of Aldermen.

Credit Risk

The City's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The City will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities.

Investments will be limited to the instruments listed below, unless approved by the Board of Aldermen.

Investment Instrument	Maximum Percent of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities	
Instruments of Government Sponsored Corporations	100%
Certificates of Deposit	
Commercial Banks	50%
Savings and Loan Associations	50%

NOTE 3. ACCOUNTS RECEIVABLE/TAXES RECEIVABLE

	Accounts	Taxes	Allowance for Doubtful Accounts	Receivables, Net
<u>Governmental Activities</u>				
General		630,102		630,102
Ambulance	2,263,118		(1,800,000)	463,118
Community Center	58,311		(2,800)	55,511
Park	84,087			84,087
Towne Center TIF		153,673		153,673
Sales tax	39,543	129,856		169,399
Total governmental activities	<u>2,445,059</u>	<u>913,631</u>	<u>(1,802,800)</u>	<u>1,555,890</u>
			Allowance for Doubtful Accounts	Receivables, Net
<u>Business-Type Activities</u>				
Electric	1,696,756		(241,689)	1,455,067
Water/Sewer	654,379		(129,705)	524,674
Refuse	85,384		(19,434)	65,950
Total business-type activities	<u>2,436,519</u>		<u>(390,828)</u>	<u>2,045,691</u>

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 4. PROPERTY TAXES

The assessed valuation of the tangible property for the purpose of local taxation as of May 31, 2012 was as follows:

Real estate	95,845,535
Personal property	<u>22,091,806</u>
	<u>117,937,341</u>

The tax levy per \$100 of assessed valuation of tangible property for the calendar year 2012 was as follows:

General operating	0.5585
Park	<u>0.1264</u>
	<u>0.6849</u>

Property taxes may attach as an enforceable lien on property as of January 1. Taxes are levied no later than November 1 and are due and payable at that time. All unpaid taxes levied by November 1 become delinquent January 1 of the following year.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 was as follows:

	Balance January 1, 2012	Additions and Transfers	Retirements and Transfers	Balance December 31, 2012
<u>Governmental Activities</u>				
Capital assets, not being depreciated				
Land	890,750			890,750
Construction-in-progress	<u>1,192,513</u>	<u>185,944</u>	<u>(1,036,643)</u>	<u>341,814</u>
Total capital assets, not being depreciated	<u>2,083,263</u>	<u>185,944</u>	<u>(1,036,643)</u>	<u>1,232,564</u>
Capital assets, being depreciated				
Buildings and improvements	21,161,576	1,019,884		22,181,460
Streets	4,856,178	645,799		5,501,977
Machinery and equipment	<u>5,739,569</u>	<u>205,499</u>	<u>(31,369)</u>	<u>5,913,699</u>
Total capital assets, being depreciated	<u>31,757,323</u>	<u>1,871,182</u>	<u>(31,369)</u>	<u>33,597,136</u>

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (Continued)

	Balance January 1, 2012	Additions and Transfers	Retirements and Transfers	Balance December 31, 2012
<u>Governmental Activities (Continued)</u>				
Less accumulated depreciation for:				
Buildings and improvements	(5,430,828)	(658,754)		(6,089,582)
Streets	(1,137,420)	(197,698)		(1,335,118)
Machinery and equipment	(4,530,136)	(296,141)	31,369	(4,794,908)
Total accumulated depreciation	<u>(11,098,384)</u>	<u>(1,152,593)</u>	<u>31,369</u>	<u>(12,219,608)</u>
Total capital assets, being depreciated, net	<u>20,658,939</u>	<u>718,589</u>		<u>21,377,528</u>
Governmental activities capital assets, net	<u>22,742,202</u>	<u>904,533</u>	<u>(1,036,643)</u>	<u>22,610,092</u>
<u>Business-Type Activities - Electric Fund</u>				
Capital assets, not being depreciated				
Land	99,716			99,716
Construction-in-progress		9,347		9,347
Total capital assets, not being depreciated	<u>99,716</u>	<u>9,347</u>		<u>109,063</u>
Capital assets, being depreciated				
Buildings and improvements	3,701,257			3,701,257
Equipment and transmission lines	<u>8,215,000</u>	<u>124,662</u>	<u>(45,551)</u>	<u>8,294,111</u>
Total capital assets, being depreciated	<u>11,916,257</u>	<u>124,662</u>	<u>(45,551)</u>	<u>11,995,368</u>

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (Continued)

	Balance January 1, 2012	Additions and Transfers	Retirements and Transfers	Balance December 31, 2012
<u>Business-Type Activities - Electric Fund (Continued)</u>				
Less accumulated depreciation for:				
Buildings and improvements	(1,909,983)	(68,227)		(1,978,210)
Equipment and transmission lines	<u>(4,662,829)</u>	<u>(192,889)</u>	<u>45,551</u>	<u>(4,810,167)</u>
Total accumulated depreciation	<u>(6,572,812)</u>	<u>(261,116)</u>	<u>45,551</u>	<u>(6,788,377)</u>
Total capital assets, being depreciated, net	<u>5,343,445</u>	<u>(136,454)</u>		<u>5,206,991</u>
Business-type activities - Electric Fund capital assets, net	<u>5,443,161</u>	<u>(127,107)</u>		<u>5,316,054</u>
<u>Business-Type Activities - Water/Sewer Fund</u>				
Capital assets, not being depreciated				
Land	1,488,315			1,488,315
Construction-in-progress	<u>9,652,914</u>	<u>273,721</u>	<u>(8,321,876)</u>	<u>1,604,759</u>
Total capital assets, not being depreciated	<u>11,141,229</u>	<u>273,721</u>	<u>(8,321,876)</u>	<u>3,093,074</u>
Capital assets, being depreciated				
Buildings and improvements	10,745,992	874,705		11,620,697
Equipment and transmission lines	<u>19,067,732</u>	<u>8,681,899</u>	<u>(182,684)</u>	<u>27,566,947</u>
Total capital assets, being depreciated	<u>29,813,724</u>	<u>9,556,604</u>	<u>(182,684)</u>	<u>39,187,644</u>

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (Continued)

	Balance January 1, 2012	Additions and Transfers	Retirements and Transfers	Balance December 31, 2012
<u>Business-Type Activities -</u>				
<u>Water/Sewer Fund (Continued)</u>				
Less accumulated depreciation for:				
Buildings and improvements	(6,952,736)	(255,857)		(7,208,593)
Equipment and transmission lines	(6,115,638)	(570,293)	182,684	(6,503,247)
Total accumulated depreciation	(13,068,374)	(826,150)	182,684	(13,711,840)
Total capital assets, being depreciated, net	16,745,350	8,730,454		25,475,804
Business-type activities - Water/ Sewer Fund capital assets, net	27,886,579	9,004,175	(8,321,876)	28,568,878
<u>Business-Type Activities -</u>				
<u>Aquatic Center</u>				
Capital assets, being depreciated				
Buildings and improvements	1,983,998	23,796		2,007,794
Equipment	38,467			38,467
Total capital assets, being depreciated	2,022,465	23,796		2,046,261
Less accumulated depreciation for:				
Buildings and improvements	(1,013,296)	(88,958)		(1,102,254)
Equipment	(17,366)	(1,396)		(18,762)
Total accumulated depreciation	(1,030,662)	(90,354)		(1,121,016)
Business-type activities - Aquatic Center capital assets, net	991,803	(66,558)		925,245

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (Continued)

The following table summarizes the depreciation by function for the year ended December 31, 2012:

	Governmental Activities	Business-Type Activities
General Government	139,444	
Administration of Justice	107,680	
Street	235,632	
Economic Development	14,768	
Animal Control	6,756	
Airport	147,755	
Emergency services	88,903	
Park	101,810	
Community Center	309,845	
Electric		261,116
Water and Sewer		790,229
Aquatic Center		90,354
	<u>1,152,593</u>	<u>1,141,699</u>

NOTE 6. LONG-TERM DEBT

Governmental Activities

Changes in the debt for the year ended December 31, 2012 consisted of the following:

	Balance January 1, 2012	Addi- tions	Retire- ments	Balance December 31, 2012	Due in One Year
Capital lease obligations	301,076		(35,940)	265,136	38,073
Tax Increment Revenue					
Bonds	8,030,000		(245,000)	7,785,000	265,000
Tax Increment Revenue					
Note	9,000,000			9,000,000	
Promissory Note	171,931			171,931	12,705
Certificates of					
Participation (COP)	8,530,000		(8,530,000)		
Refinanced Certificates of					
Participation (COP)		7,830,000	(535,000)	7,295,000	630,000
Compensated absences	301,928	283,085	(301,928)	283,085	283,085
COP premium		85,707	(8,570)	77,137	8,570
Less: note discount	(151,754)		9,485	(142,269)	(9,485)
Total governmental debt	<u>26,183,181</u>	<u>8,198,792</u>	<u>(9,646,953)</u>	<u>24,735,020</u>	<u>1,227,948</u>

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Compensated Absences

Compensated absences are payable upon separation from employment which could occur at any time and are, therefore, considered payable within one year and are liquidated by the governmental fund responsible for generating the liability. The liability is allocated to each fund as follows:

General	226,579
Park	11,703
Community Center	27,029
Ambulance	17,774
	<u>283,085</u>

Capital Lease Obligations

The City has entered into a capital lease agreement for the purchase of airport hangers. The lease agreement qualifies as a capital lease for financial reporting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The cumulative amount of assets acquired under the capital lease described above amounted to \$596,729 as of December 31, 2012.

Future minimum lease payments under capital leases together with the present value of net minimum lease payments consist of the following:

Year Ending December 31,	
2013	53,034
2014	53,034
2015	53,034
2016	53,034
2017	53,034
Thereafter	53,034
Total minimum lease payments	318,204
Less amount representing interest	53,068
Present value of future minimum lease payments	<u>265,136</u>

CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Tax Increment Revenue Bonds

June 1, 2007, the City issued \$8,630,000 in Tax Increment Revenue Bonds for the purpose of providing funds to refinance the 2005 Tax Increment Financing Temporary Notes, pay accrued interest on the Temporary Notes, fund a deposit to the debt service reserve for the bonds, and pay costs related to the issuance of the bonds. The City anticipates that it will pledge the incremental payments in-lieu-of taxes and, subject to annual appropriation, Economic Activity Taxes generated by the private development within the Towne Center TIF District. The Bonds do not constitute a general obligation of the City of Harrisonville. Interest is paid semiannually on May 1 and November 1. Principal is due each year on November 1 through the maturity date of November 1, 2028. The interest rate on this issue ranges from 4.25% to 5.0%.

Aggregate annual principal and interest payments applicable to the TIF Bonds are:

Year Ending December 31,	Principal	Interest
2013	265,000	354,469
2014	300,000	341,219
2015	300,000	328,469
2016	335,000	315,719
2017	340,000	301,063
2018 - 2022	2,115,000	1,254,088
2023 - 2027	2,815,000	704,388
2028	<u>1,315,000</u>	<u>60,819</u>
	<u>7,785,000</u>	<u>3,660,234</u>

Tax Increment Revenue Note

On December 18, 2009, the City issued \$9,000,000 in Tax Increment Revenue Notes for the purpose of providing funds to pay for certain reimbursable costs associated with the Cooperation, Financing, and Pledge Agreement (CFP Agreement) dated December 18, 2009, between the City, Harrisonville MP, LLC, The Harrisonville Market Place Transportation Development District A (TDD A), and The Harrisonville Market Place Transportation Development District B (TDD B).

The City has pledged the incremental payments in-lieu-of taxes and Economic Activity Taxes generated by the private development within the Market Place TIF District. Additional revenues generated by the TDD A and TDD B districts are also pledged to the repayment of the Note. The Note does not constitute a general obligation of the City.

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Tax Increment Revenue Note (Continued)

From the date of this Note, the applicable interest rate on the unpaid principal balance of this Note was 6% per annum. During 2011, the interest rate on this note was adjusted to 4.75% with payments due annually. The restructured note does not call for regular principal payments and no balloon payment is disclosed on the note. The City is required to submit collections of revenues for the district to a separate account, which is used to pay the required annual payment.

Annual interest payments applicable to the full balance of the TIF notes are \$427,500. The principal due for the year ended 2012 or thereafter is \$9,000,000.

Certificates of Participation

In August 2003, \$12,835,000 of insured Certificates of Participation were issued for the purpose of financing the acquisition of land and the construction and equipping and furnishing of the new community center facility, renovating and improving the City's existing City Hall building and its fire station and emergency medical services facility and to acquire an aerial ladder fire truck. Rental payments are due December 1 of each year with interest payments due June 1 and December 1. The final payment is due December 1, 2022. Rental payments are payable solely from amounts which may, but are not required to be, appropriated annually by the City. The City has not pledged general tax revenues, funds or moneys to pay this obligation.

The base lease between the City as lessor and Commerce Bank, N.A. as lessee and trustee transfers a leasehold interest in certain real estate held by the City to the trustee. The term of the base lease is August 1, 2003 through December 1, 2022, or the date the Certificates have been paid in full, whichever is earlier. These were defeased with a transfer to the escrow trustee in addition to the net proceeds of issued debt to satisfy future principal and interest requirements until maturity.

On May 1, 2012, Refunding Certificates of Participation were issued to advance refund the 2003 issued Certificates of Participation disclosed above in the amount of \$7,830,000 at rates ranging from 2.000% to 2.750% and matures on December 1, 2022 with semi-annual interest payments.

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Certificates of Participation (Continued)

Aggregate annual principal and interest payments are as follows:

Year Ending December 31,	Principal	Interest
2013	630,000	177,163
2014	650,000	164,563
2015	665,000	151,563
2016	700,000	138,263
2017	720,000	117,263
2018 - 2022	<u>3,930,000</u>	<u>305,138</u>
	<u>7,295,000</u>	<u>1,053,953</u>

Promissory Note Payable

In 2011, the City entered into a promissory note payable with the Missouri Department of Natural Resources for the purpose of constructing and installing energy savings equipment. In December 2011, the City received \$171,931 to assist with upcoming costs for these expenses in the Community Center. The note bears interest at 2% and requires annual payments based on annual energy savings audits to be conducted by Siemens Industry. The payment is calculated to be one-half of the annual energy savings, which is approximately \$16,000 for the Community Center and is expected to be repaid within fifteen years.

Aggregate annual principal and interest payments are as follows:

Year Ending December 31,	Principal	Interest
2013	12,705	3,439
2014	12,959	3,185
2015	13,219	2,925
2016	13,483	2,661
2017	13,753	2,391
2018 - 2022	73,000	7,720
2023 - 2026	<u>32,812</u>	<u>1,033</u>
	<u>171,931</u>	<u>23,354</u>

CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (Continued)

Business-Type Activities

Changes in the debt for the year ended December 31, 2012 consisted of the following:

	Balance January 1, 2012	Addi- tions	Retire- ments	Balance December 31, 2012	Due in One Year
2002 Waterworks and Sewerage Revenue Bonds	2,840,000		(200,000)	2,640,000	210,000
2003 Waterworks and Sewerage Revenue Bonds	2,435,000		(140,000)	2,295,000	145,000
2005 Waterworks and Sewerage Revenue Bonds	1,265,000		(75,000)	1,190,000	80,000
2007 Electric System Refunding Revenue Bonds	1,890,000		(175,000)	1,715,000	200,000
2010 Waterworks and Sewerage Revenue Bonds	3,288,541	612,231	(184,100)	3,716,672	187,800
Promissory Note	380,000			380,000	28,334
Compensated absences	98,600	103,307	(98,600)	103,307	103,307
	<u>12,197,141</u>	<u>715,538</u>	<u>(872,700)</u>	<u>12,039,979</u>	<u>954,441</u>
Add: Bond premium	137,326		(11,554)	125,772	11,554
Less: Bond discount	<u>(11,117)</u>		<u>1,236</u>	<u>(9,881)</u>	<u>(1,236)</u>
Total business-type activities debt	<u>12,323,350</u>	<u>715,538</u>	<u>(883,018)</u>	<u>12,155,870</u>	<u>964,759</u>

Compensated Absences

Compensated absences are payable upon separation from employment which could occur at any time and are, therefore, considered payable within one year and are liquidated by the governmental fund responsible for generating the liability. The liability is allocated to each fund as follows:

Electric	31,890
Water/Sewer	<u>71,417</u>
	<u>103,307</u>

Revenue Bonds

October 23, 2002, the City issued \$4,370,000 in Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund Program). \$3,660,000 of the bonds were issued for the purpose of extending and improving the City's combined waterworks and sewerage system and \$710,000 of the bonds were issued to refund a prior issue of bonds of the City.

CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Revenue Bonds (Continued)

The bonds are to be paid by the net revenues of the system and are secured by a first lien on the revenues. Interest is paid semiannually on January 1 and July 1. Principal is due each year on July 1 through the maturity date of July 1, 2023. The interest rate on this issue ranges from 2.05% to 5.0%.

April 1, 2003, the City issued \$3,295,000 in Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund) for the purpose of financing certain improvements to the City's sewer system. The bonds are to be paid by the net revenues of the system and are secured by a first lien on the revenues. Interest is paid semiannually on January 1 and July 1. Principal is due each year on January 1 through the maturity date of January 1, 2024. The interest rate on this issue ranges from 2.0% to 5.25%.

August 15, 2004, the City issued \$1,475,000 in Combined Waterworks and Sewerage System Refunding Revenue Bonds to provide funds to refund a portion of the City's outstanding Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bonds, Series 1996 in the original principal amount of \$3,870,000, dated May 1, 1996 and to pay the costs of issuance of the Bonds. The bonds are to be paid by the net revenues of the system and are secured by a first lien on the revenues. Interest is paid semiannually on March 1 and September 1. Principal is due each year on September 1 through the maturity date of September 1, 2009. The interest rate on this issue ranges from 2.5% to 3.25%.

May 19, 2005, the City issued \$1,710,000 in Combined Waterworks and Sewerage System Revenue Bonds (State Revolving Fund) for the purpose of financing certain improvements to the City's sewer system. The bonds are to be paid by the net revenues of the system and are secured by a first lien on the revenues. Interest is paid semiannually on January 1 and July 1. Principal is due each year on July 1 through the maturity date of July 1, 2025. The interest rate on this issue ranges from 3.0% to 5.0%.

September 1, 2007, the City issued \$2,730,000 in Electric System Refunding Revenue Bonds for the purpose of providing funds to refund outstanding Series 1999 Electric System Revenue Bonds. The bonds are to be paid by the net revenues of the system and are secured by a first lien on the revenues. Interest is paid semiannually on May 1 and November 1. Principal is due each year on November 1 through the maturity date of November 1, 2020. The interest rate on this issue ranges from 4.0% to 4.5%.

March 2010, the City issued the Combined Waterworks and Sewerage System Revenue Bonds that can be drawn on for a maximum principal amount of \$4,300,000. Semiannual interest payments are due each January 1 and July 1, commencing July 1, 2010. Interest is determined by 30% of the Revenue Bond Index as published in The Bond Buyer. Principal payments are due each January 1 and July 1, commencing July 1, 2011 and maturing on July 1, 2030. As of December 31, 2012, the City has drawn down \$3,288,541 on this bond.

CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Revenue Bonds (Continued)

Aggregate annual principal and interest payments applicable to the revenue bonds are:

Year Ending December 31,	Principal	Interest
2013	822,800	441,663
2014	836,600	409,181
2015	850,400	374,680
2016	874,400	339,559
2017	913,400	302,859
2018 - 2022	4,539,900	916,794
2023 - 2027	2,252,800	174,878
2028 - 2030	466,372	20,374
	<u>11,556,672</u>	<u>2,979,988</u>

As of December 31, 2012, the sinking funds and the reserve funds were adequately funded and the City was in compliance with its rate covenants for all bonds.

Promissory Note Payable

In 2011, the City entered into a promissory note payable with the Missouri Department of Natural Resources for the purpose of constructing and installing energy savings equipment. In December 2011, the City received \$380,000 to assist with upcoming costs for these expenses in the Water/Sewer facilities. The note bears interest at 2% and requires annual payments based on annual energy savings audits to be conducted by Siemens Industry. The payment is calculated to be one-half of the annual energy savings, which is approximately \$36,000 for the Water/Sewer facilities and is expected to be repaid within fifteen years.

Aggregate annual principal and interest payments applicable to the promissory note are:

Year Ending December 31,	Principal	Interest
2013	28,334	7,600
2014	28,901	7,033
2015	29,479	6,455
2016	30,068	5,866
2017	30,670	5,264
2018 - 2022	162,799	16,871
2023 - 2026	69,749	2,099
	<u>380,000</u>	<u>51,188</u>

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND TRANSACTIONS

Transfers during the year ended December 31, 2012 were as follows:

	Transfers out:		Total
	General	Sales Tax	
Transfers in:			
General		231,770	231,770
Community Center		204,450	204,450
Town Center TIF	165,042		165,042
Water/Sewer			
Emergency Services		811,251	811,251
Nonmajor proprietary funds	32,595		32,595
Nonmajor governmental funds	<u>789,812</u>	<u>375,768</u>	<u>1,165,580</u>
Total	<u>987,449</u>	<u>1,623,239</u>	<u>2,610,688</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8. INTERFUND BALANCES

	Due from:			Total
	Emergency	Community Center	Nonmajor	
Due to:				
Water/Sewer	674,103			674,103
Electric			102,142	102,142
General		<u>53,577</u>	<u>138,537</u>	<u>192,114</u>
Total	<u>674,103</u>	<u>53,577</u>	<u>240,679</u>	<u>968,359</u>

The balance of amounts due to the Water/Sewer, Electric, and General funds are a result of the Funds having a negative claim on the City's pooled cash accounts. Governmental fund balances are not included in the government-wide statement of net assets.

NOTE 9. PENSION PLAN

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

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (Continued)

Plan Description (Continued)

benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under Internal Revenue Code Section 401(a) and it is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, 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 to contribute at an actuarially determined rate; the current rates are 15.3% for police, 12.2% for general and 14.6% for fire of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by state statute.

Annual Pension Cost

For 2012, the City's annual pension cost of \$757,176 was greater than the required and actual contribution by \$42,111 for an accumulated net pension obligation of \$151,908. The required contribution was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2012 included (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually; (b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation; (c) additional projected salary increases, ranging from 0% to 6.0% per year, depending on age and division, attributable to seniority/merit; and (d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2010 was 30 years for the General division, 22 years for the Police division and 30 years for the Fire division. The amortization period as of February 28, 2011 was 30 years for the General division, 17 years for the Police division and 15 years for the Fire division.

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

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLAN (Continued)

TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/10	583,818	92.7%	42,619
06/30/11	699,594	90.4%	109,797
06/30/12	755,865	94.6%	151,908

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)
02/28/10	9,150,219	11,307,123	2,156,904
02/28/11	9,201,007	11,717,760	2,516,753
02/28/12	10,580,458	12,548,285	1,967,827
Actuarial Valuation Date	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percent of Covered Payroll
02/28/10	81%	5,131,408	42.0%
02/28/11	79%	5,290,056	47.6%
02/28/12	84%	5,308,670	37.1%

NOTE 10. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property of the participants. Investments are managed by the plan's trustee under several investment options. The choice of the investment options is made by the participants.

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 11. COMMITMENTS

As of December 31, 2012, the City had outstanding commitments totaling \$926,944 for various contracts, including \$584,695 for an electrical substation transformer and \$157,400 for the police station capital building project.

NOTE 12. MAJOR SUPPLIERS

During the year ended December 31, 2012, the City relied upon two vendors for the generation and transmission of all electricity purchased for resale totaling \$7,383,541 and \$469,151, respectively. Accounts payable of \$697,542 for generation is included in the December 31, 2012 financial statements.

NOTE 13. LEASES RECEIVABLE

On June 13, 2005, the City entered into an agreement with Sprint Spectrum L.P., to the right to install, maintain and operate the radio communications equipment, antennas and appurtenances located on a portion of the City's water tower. This lease agreement is for five years and shall automatically be extended for two additional five year terms unless Sprint Spectrum L.P. provides written notice to the City at least six months prior to the end of the then current lease term; and for an additional two five year terms after that unless either the City or Sprint Spectrum LP terminates provides written notice to the other party at least six months prior to the end of the current lease term. If at the end of the second five-year extension term this agreement has not been terminated, the agreement shall continue for additional one-year terms. The lease calls for annual rental increases of 3% annually. This lease was extended for the first additional five year term in the year ending December 31, 2010. This agreement provided lease income of \$19,817 for the year ended December 31, 2012.

On July 15, 2005, the City entered into an agreement with Verizon Wireless LLC to the right to construct, operate and maintain a communications facility, including required antennas and equipment structures on a portion of the City's water tower. On September 11, 2008, this agreement was amended to increase the number of antennas and to amend the additional extension terms. The lease agreement is for five years and shall automatically be extended for four (5) year terms unless written notice is provided at least six months prior to the end of the then current lease term. If at the end of the fourth (5) year extension term this agreement has not been terminated, the agreement shall continue for additional one year terms until such time that proper notice is given by either party. This lease calls for annual rental increases of 3% annually. This lease was extended for the first additional five year term in the year ending December 31, 2010. This agreement provided lease income of \$29,056 for the year ended December 31, 2012.

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE 13. LEASES RECEIVABLE (Continued)

The following is a schedule by years of minimum future rentals on the noncancellable operating leases as described above as of December 31, 2012:

Year Ending December 31,	
2013	45,587
2014	46,955
2015	26,335
	<u>118,877</u>

NOTE 14. SELF-INSURANCE

The City is a member of the MPR (Midwest Public Risk), a not-for-profit corporation consisting of governmental entities incorporated in 1984 to acquire insurance for its members. MARCIT operates as a purchasing pool and is not a joint venture activity of the City. The City has no control over budgeting, financing, management selection, or the governing body. MPR provides both conventional and self-insurance coverage for its members including medical, dental, property, casualty, general liability and worker's compensation. The City participates in the worker's compensation insurance coverages.

MPR manages the cash and investment pool, funded by insurance premiums, on behalf of its members. MPR's investment pool consists of interest bearing deposits, U.S. Treasury, and U.S. governmental agency obligations.

In the event that a deficit occurs with respect to any fiscal year of MPR for which the City was a participant at any time during such year, and in the event that MPR determines that an assessment is required in order to provide additional funds for the obligations of MPR for such year, and further, in the event that the City was covered by the types of benefits requiring the assessment during the time period in which the assessment arose, the City is obligated to pay its pro rata share of any such assessment, irrespective of whether or not the City is a member of MPR at the time of such assessment.

MPR's financial statements are presented in its Comprehensive Annual Financial Report.

NOTE 15. RISK MANAGEMENT

In its normal course of business, the City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers' compensation and natural disasters for which the City carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year and no significant losses in the past three years.

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NOTES TO FINANCIAL STATEMENTS

NOTE 16. WATER PURCHASE AGREEMENT

The City and the City of Kansas City, Missouri, have entered into an agreement to construct a transmission main, pump station, elevated tank, and metering/regulating facility for the purpose of future water purchases at a maximum rate consumption of 5 million gallons per day.

Based on the agreement, the City of Harrisonville is to submit monthly payments over a twenty-year term to the City of Kansas City, Missouri for \$19,543. This payment is calculated for the future value of estimated construction costs incurred for transmission main, pump station, and elevated tank. During the year ending December 31, 2012, the City of Harrisonville provided the City of Kansas City, Missouri \$234,516.

The construction of the metering/regulating facility (meter vault) is to be paid solely from the City of Harrisonville for an estimated cost of \$60,000. The costs of construction for the transmission main, pump station, and elevated tank will be shared between both Cities. The estimated share of costs for the City of Harrisonville is \$3,159,184. After completion of the project, the transmission main, pump station, and elevated tank will be owned by the City of Kansas City, Missouri. The City of Kansas City, Missouri will be responsible for the operation and maintenance of said property. All payments made by the City of Harrisonville are accounted for as an intangible asset. After completion of the project, these costs will be amortized over the estimated life of the property. The project is expected to be completed by 2013. The following is a schedule by years of future payments on the agreement as described above:

Year Ending December 31,	
2013	234,516
2014	234,516
2015	234,516
2016	234,516
2017	234,516
2018 - 2022	1,172,580
2023 - 2027	1,172,580
2028 - 2029	39,086
	<u>3,556,826</u>

NOTE 17. DEFICIT FUND BALANCE

The Emergency Service Fund had a deficit fund balance of \$200,124. Intentions to restore this balance will be done through transfers from the General Fund.

NOTE 18. SUBSEQUENT EVENTS

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through June , 2013, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF HARRISONVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2012

	General Fund			Variance
	Budget			Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	4,693,259	4,764,259	4,714,611	(49,648)
Licenses, fees and permits	170,750	185,750	161,692	(24,058)
Charges for services	1,811,635	1,781,460	1,775,109	(6,351)
Grants	868,000	565,198	195,866	(369,332)
Fines and forfeitures	250,500	250,500	251,138	638
Interest	9,900	24,900	27,272	2,372
Miscellaneous	179,100	179,100	237,128	58,028
TOTAL REVENUES	7,983,144	7,751,167	7,362,816	(388,351)
EXPENDITURES				
General Government				
Mayor and Board	175,525	177,555	143,571	33,984
Finance	969,475	936,725	868,803	67,922
Administration	610,065	564,202	456,276	107,926
Codes enforcement	261,280	234,280	207,554	26,726
Property management	163,265	153,265	154,822	(1,557)
Total General Government	2,179,610	2,066,027	1,831,026	235,001
Administration of Justice				
Administration and dispatch	483,495	489,160	465,928	23,232
Patrol	2,111,820	2,068,257	1,938,861	129,396
Total Administration of Justice	2,595,315	2,557,417	2,404,789	152,628
Street	776,765	776,765	760,505	16,260
Economic Development	231,890	233,890	210,273	23,617
Animal Control	168,950	191,801	160,398	31,403
Airport	258,285	257,485	224,901	32,584
CDBG pass-through expenses		15,512	6,500	9,012
Capital outlay	1,222,000	2,965,426	512,934	2,452,492
TOTAL EXPENDITURES	7,432,815	9,064,323	6,111,326	2,952,997

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CITY OF HARRISONVILLE, MISSOURI
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED DECEMBER 31, 2012

	General Fund			Variance Positive (Negative)
	Budget Original	Budget Final	Actual	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>550,329</u>	<u>(1,313,156)</u>	<u>1,251,490</u>	<u>2,564,646</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	241,250	241,250	231,770	(9,480)
Transfers out	<u>(1,027,408)</u>	<u>(1,072,408)</u>	<u>(987,449)</u>	<u>84,959</u>
Total other financing sources (uses)	<u>(786,158)</u>	<u>(831,158)</u>	<u>(755,679)</u>	<u>75,479</u>
NET CHANGE IN FUND BALANCES	<u>(235,829)</u>	<u>(2,144,314)</u>	495,811	<u>2,640,125</u>
FUND BALANCE, beginning of year - budget basis			<u>5,500,285</u>	
FUND BALANCE, end of year - budget basis			5,996,096	
Accrual adjustments			<u>571,099</u>	
FUND BALANCE, end of year - fund basis			<u>6,567,195</u>	

Attachment: City of Harrisonville Draft-Audit (1070 : 2012 Audit Presentation)

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CITY OF HARRISONVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2012

	Community Center			Variance Positive (Negative)	Emergency Services Fund			Variance Positive (Negative)
	Budget Original	Budget Final	Actual		Budget Original	Budget Final	Actual	
REVENUES								
Charges for services	965,930	948,345	920,059	(28,286)	1,377,600	1,377,600	1,210,594	(167,006)
Interest	400	400	1,701	1,301				
Miscellaneous	9,000	10,190	15,238	5,048	16,700	31,700	36,177	4,477
TOTAL REVENUES	975,330	958,935	936,998	(21,937)	1,394,300	1,409,300	1,246,771	(162,529)
EXPENDITURES								
Community Center	1,166,995	1,232,182	1,197,703	34,479				
Emergency Services					2,059,885	2,119,885	2,103,138	16,747
Capital outlay	76,630	266,188	268,800	(2,612)	119,625	119,625	59,653	59,972
TOTAL EXPENDITURES	1,243,625	1,498,370	1,466,503	31,867	2,179,510	2,239,510	2,162,791	76,719
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(268,295)	(539,435)	(529,505)	9,930	(785,210)	(830,210)	(916,020)	(85,810)
OTHER FINANCING SOURCES (USES)								
Transfers in	182,310	182,310	204,450	22,140	785,210	830,210	811,251	(18,959)
Payment to escrow agent			(1,283,500)	(1,283,500)				
Total other financing sources (uses)	182,310	182,310	(1,079,050)	(1,261,360)	785,210	830,210	811,251	(18,959)
NET CHANGE IN FUND BALANCES	(85,985)	(357,125)	(1,608,555)	(1,251,430)			(104,769)	(104,769)
FUND BALANCE (DEFICIT), beginning of year - budget basis			1,976,565				(569,334)	
FUND BALANCE (DEFICIT), end of year - budget basis			368,010				(674,103)	
Accrual adjustments			16,826				473,979	
FUND BALANCE (DEFICIT), end of year - fund basis			384,836				(200,124)	

Transactions related to the advance refunding for the Certificates of Participation were not budgeted, including the payment to the escrow agent in the Community Center Fund.

CITY OF HARRISONVILLE, MISSOURI
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1. BUDGETARY INFORMATION

An annual budget prepared under the cash basis of accounting is adopted in December prior to the beginning of each fiscal year for all revenues and expenditures of the General Fund of the City. The primary basis of budgetary control is at the department level. Departments may not legally exceed their total appropriation without the Board of Aldermen approval. A review of the current year's budget is made by the departments in December of each year and interdepartmental transfers are made with Board of Aldermen approval. Any remaining unencumbered appropriations lapse at fiscal year end unless reappropriated by the Board of Aldermen. Any increase in appropriations during the fiscal year must be approved by the Board of Aldermen.

NOTE 2. REAPPROPRIATIONS

It is the City's policy to reappropriate monies in the next fiscal year for projects or activities which were authorized in the previous year but not completed. The statements for 2012 show the General Fund with expenditures under budget in the amount of \$2,952,997, but the Board of Aldermen authorized the reappropriation of \$2,484,205 into the 2013 budget, primarily for incomplete capital projects.

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OTHER SUPPLEMENTARY INFORMATION

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CITY OF HARRISONVILLE, MISSOURI
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2012

	Park Fund	Sales Tax Fund	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS				
ASSETS				
Cash			1,005	1,005
Investments		535,844		535,844
Accounts receivable	84,087	39,543		123,630
Taxes receivable		129,856		129,856
Prepaid insurance	7,606			7,606
Prepaid sales tax remittance				
Restricted cash	541	18,422		18,963
Restricted investments	<u>67,039</u>			<u>67,039</u>
TOTAL ASSETS	<u>159,273</u>	<u>723,665</u>	<u>1,005</u>	<u>883,943</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Deferred revenue	12,722			12,722
Due to other funds	102,142	138,537		240,679
Accounts payable	<u>8,926</u>	<u>30,183</u>		<u>39,109</u>
Total liabilities	<u>123,790</u>	<u>168,720</u>		<u>292,510</u>
FUND BALANCES				
Nonspendable	7,606			7,606
Restricted	67,580	18,422		86,002
Assigned		536,523	1,005	537,528
Unassigned (deficit)	<u>(39,703)</u>			<u>(39,703)</u>
Total fund balances	<u>35,483</u>	<u>554,945</u>	<u>1,005</u>	<u>591,433</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>159,273</u>	<u>723,665</u>	<u>1,005</u>	<u>883,943</u>

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CITY OF HARRISONVILLE, MISSOURI
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2012

	Park Fund	Sales Tax Fund	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes				
Property	142,203			142,203
Sales		1,592,655		1,592,655
Other	15,940			15,940
Charges for services	28,807			28,807
Grants	85,219			85,219
Interest	215	2,442	2	2,659
Miscellaneous	5,525			5,525
Total revenues	<u>277,909</u>	<u>1,595,097</u>	<u>2</u>	<u>1,873,008</u>
EXPENDITURES				
Park	488,375			488,375
Debt service				
Principal			535,000	535,000
Interest			312,382	312,382
Capital outlay	28,825			28,825
Total expenditures	<u>517,200</u>		<u>847,382</u>	<u>1,364,582</u>
REVENUES OVER (UNDER) EXPENDI- TURES BEFORE OTHER FINANCING SOURCES (USES)	<u>(239,291)</u>	<u>1,595,097</u>	<u>(847,380)</u>	<u>508,426</u>
OTHER FINANCING SOURCES (USES)				
Defeasance of Certificates of Participation to escrow agent:				
Payments to escrow agent				
Transfers in	319,699		845,881	1,165,580
Transfers out		(1,623,239)		(1,623,239)
Total other financing sources (uses)	<u>319,699</u>	<u>(1,623,239)</u>	<u>845,881</u>	<u>(457,659)</u>
NET CHANGE IN FUND BALANCES	80,408	(28,142)	(1,499)	50,767
FUND BALANCES (DEFICIT), January 1, 2012	<u>(44,925)</u>	<u>583,087</u>	<u>2,504</u>	<u>540,666</u>
FUND BALANCES, December 31, 2012	<u>35,483</u>	<u>554,945</u>	<u>1,005</u>	<u>591,433</u>

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CITY OF HARRISONVILLE, MISSOURI
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Aquatic Center Fund	Refuse Fund	Total
ASSETS			
Current Assets			
Cash	37,584	24,726	62,310
Accounts receivable		65,950	65,950
Prepaid insurance	3,513		3,513
Total current assets	<u>41,097</u>	<u>90,676</u>	<u>131,773</u>
Noncurrent Assets			
Restricted cash	51,143		51,143
Restricted investments	100,057		100,057
Property and equipment	<u>925,245</u>		<u>925,245</u>
Total noncurrent assets	<u>1,076,445</u>		<u>1,076,445</u>
TOTAL ASSETS	<u>1,117,542</u>	<u>90,676</u>	<u>1,208,218</u>
LIABILITIES			
Current Liabilities			
Accounts payable	<u>101</u>		<u>101</u>
NET POSITION			
Invested in capital assets, net of related debt	925,245		925,245
Restricted for:			
Capital improvements	151,200		151,200
Unrestricted	<u>40,995</u>	<u>90,677</u>	<u>131,672</u>
TOTAL NET POSITION	<u>1,117,440</u>	<u>90,677</u>	<u>1,208,117</u>

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CITY OF HARRISONVILLE, MISSOURI
 NONMAJOR ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2012

	Aquatic Center Fund	Refuse Fund	Total
REVENUES			
Charges for services	<u>137,666</u>	<u>462,386</u>	<u>600,052</u>
EXPENSES			
Administration	186,365	473,660	660,025
Depreciation	<u>90,354</u>		<u>90,354</u>
Total expenses	<u>276,719</u>	<u>473,660</u>	<u>750,379</u>
LOSS FROM OPERATIONS	<u>(139,053)</u>	<u>(11,274)</u>	<u>(150,327)</u>
NONOPERATING REVENUES			
Transfers in	32,595		32,595
Interest income	<u>944</u>	<u>38</u>	<u>982</u>
Total nonoperating revenues	<u>33,539</u>	<u>38</u>	<u>33,577</u>
CHANGE IN NET POSITION	(105,514)	(11,236)	(116,750)
TOTAL NET POSITION, beginning of year	<u>1,222,954</u>	<u>101,913</u>	<u>1,324,867</u>
TOTAL NET POSITION, end of year	<u>1,117,440</u>	<u>90,677</u>	<u>1,208,117</u>

Attachment: City of Harrisonville Draft-Audit (1070 : 2012 Audit Presentation)

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CITY OF HARRISONVILLE, MISSOURI
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012

	Aquatic Center Fund	Refuse Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	137,666	467,454	605,120
Cash payments to suppliers	(116,047)	(473,660)	(589,707)
Cash payments to employees	<u>(71,023)</u>	<u> </u>	<u>(71,023)</u>
Net cash used in operating activities	<u>(49,404)</u>	<u>(6,206)</u>	<u>(55,610)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	<u>32,595</u>	<u> </u>	<u>32,595</u>
Net cash provided by noncapital financing activities	<u>32,595</u>	<u> </u>	<u>32,595</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	<u>(23,796)</u>	<u> </u>	<u>(23,796)</u>
Net cash used in capital and related financing activities	<u>(23,796)</u>	<u> </u>	<u>(23,796)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	944	38	982
Net investment activity	<u>38,234</u>	<u> </u>	<u>38,234</u>
Net cash provided by investing activities	<u>39,178</u>	<u>38</u>	<u>39,216</u>
NET DECREASE IN CASH	<u>(1,427)</u>	<u>(6,168)</u>	<u>(7,595)</u>
CASH, January 1, 2012	<u>90,154</u>	<u>30,894</u>	<u>121,048</u>
CASH, December 31, 2012	<u>88,727</u>	<u>24,726</u>	<u>113,453</u>
ALLOCATION OF CASH			
Unrestricted	37,584	24,726	62,310
Restricted	<u>51,143</u>	<u> </u>	<u>51,143</u>
	<u>88,727</u>	<u>24,726</u>	<u>113,453</u>

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CITY OF HARRISONVILLE, MISSOURI
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012

	Aquatic Center Fund	Refuse Fund	Total
Reconciliation of Loss From Operations to Net Cash Used in Operating Activities			
Loss from operations	(139,053)	(11,274)	(150,327)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	90,354		90,354
(Increase) Decrease in:			
Accounts receivable		5,068	5,068
Prepaid expenses	(766)		(766)
Increase in:			
Accounts payable	61		61
Total adjustments	<u>89,649</u>	<u>5,068</u>	<u>94,717</u>
Net cash used in operating activities	<u>(49,404)</u>	<u>(6,206)</u>	<u>(55,610)</u>

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CITY OF HARRISONVILLE, MISSOURI
NONMAJOR SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2012

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	Park Fund			Sales Tax Fund		
	Budget		Variance	Budget		Variance
	Original	Final	Positive (Negative)	Original	Final	Positive (Negative)
REVENUES						
Taxes	157,874	157,874	155,468	1,776,250	1,776,250	1,657,307
Charges for services	21,620	21,620	28,807			(118,943)
Grants			85,219			
Interest	1,200	1,200	215			2,442
Proceeds from the sale of assets			1,357			
Miscellaneous	3,000	3,000	4,168			
Total revenues	183,694	183,694	275,234	1,776,250	1,776,250	1,659,749
EXPENDITURES						
Park	452,855	451,855	428,912			
Capital outlay	50,000	99,572	86,254			
Total expenditures	502,855	551,427	515,166			
EXCESS OF REVENUES OVER (UNDER)	(319,161)	(367,733)	(239,932)	1,776,250	1,776,250	1,659,749
EXPENDITURES			127,801			(116,501)
OTHER FINANCING SOURCES (USES)						
Transfers in	319,700	319,700	319,699			
Transfers out			(1)	(1,776,250)	(1,776,250)	(1,623,239)
Total other financing sources (uses)	319,700	319,700	319,699	(1,776,250)	(1,776,250)	(1,623,239)
NET CHANGE IN FUND BALANCES	539	(48,033)	79,767			36,510
FUND BALANCE (DEFICIT), beginning of year - budget basis		(114,329)				379,219
FUND BALANCE (DEFICIT), end of year - budget basis		(34,562)				415,729
Accrual adjustments		70,045				139,216
FUND BALANCE, end of year - fund basis		35,483				554,945

CITY OF HARRISONVILLE, MISSOURI
NONMAJOR SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2012

	Total			Variance Positive (Negative)
	Budget Original	Final	Actual	
REVENUES				
Taxes	1,934,124	1,934,124	1,812,775	(121,349)
Charges for services	21,620	21,620	28,807	7,187
Grants			85,219	85,219
Interest	1,200	1,200	2,657	1,457
Proceeds from the sale of assets			1,357	1,357
Miscellaneous	3,000	3,000	4,168	1,168
Total revenues	<u>1,959,944</u>	<u>1,959,944</u>	<u>1,934,983</u>	<u>(24,961)</u>
EXPENDITURES				
Park	452,855	451,855	428,912	22,943
Capital outlay	50,000	99,572	86,254	13,318
Total expenditures	<u>502,855</u>	<u>551,427</u>	<u>515,166</u>	<u>36,261</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,457,089</u>	<u>1,408,517</u>	<u>1,419,817</u>	<u>11,300</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	319,700	319,700	319,699	(1)
Transfers out	(1,776,250)	(1,776,250)	(1,623,239)	153,011
Total other financing sources (uses)	<u>(1,456,550)</u>	<u>(1,456,550)</u>	<u>(1,303,540)</u>	<u>153,010</u>
NET CHANGE IN FUND BALANCES	<u>539</u>	<u>(48,033)</u>	<u>116,277</u>	<u>164,310</u>
FUND BALANCE, beginning of the year - budget basis			<u>264,890</u>	
FUND BALANCE, end of year - budget basis			381,167	
Accrual adjustments			<u>209,261</u>	
FUND BALANCE, end of year, fund basis			<u>590,428</u>	

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CITY OF HARRISONVILLE, MISSOURI
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2012

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Interest	<u> </u>	<u> </u>	<u> 2</u>	<u> 2</u>
EXPENDITURES				
Debt Service				
Principal	500,000	500,000	535,000	35,000
Interest	<u>402,590</u>	<u>402,590</u>	<u>312,382</u>	<u>(90,208)</u>
Total expenditures	<u>902,590</u>	<u>902,590</u>	<u>847,382</u>	<u>(55,208)</u>
EXCESS OF REVENUES UNDER EXPENDITURES	(902,590)	(902,590)	(847,380)	(55,206)
OTHER FINANCING SOURCES				
Transfers in	<u>905,090</u>	<u>905,090</u>	<u>845,881</u>	<u>(59,209)</u>
NET CHANGE IN FUND BALANCES	<u>2,500</u>	<u>2,500</u>	(1,499)	<u>(114,415)</u>
FUND BALANCE, beginning of year			<u>2,504</u>	
FUND BALANCE, end of year, fund basis			<u>1,005</u>	

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CITY OF HARRISONVILLE, MISSOURI
ALL PROPRIETARY FUNDS
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2012

	Electric Fund				Water/Sewer Fund				Aquatic Center Fund			
	Budget		Actual	Actual Over (Under) Budget	Budget		Actual	Actual Over (Under) Budget	Budget		Actual	Actual Over (Under) Budget
	Original	Final	Actual		Original	Final	Actual		Original	Final	Actual	
REVENUES												
Charges for services	11,685,265	11,690,047	11,723,975	33,928	4,405,719	4,405,719	4,641,812	236,093	147,660	133,660	137,666	4,006
Grants							280,500	(119,500)				
Total revenues	<u>11,685,265</u>	<u>11,690,047</u>	<u>11,723,975</u>	<u>33,928</u>	<u>4,405,719</u>	<u>4,805,719</u>	<u>4,922,312</u>	<u>116,593</u>	<u>147,660</u>	<u>133,660</u>	<u>137,666</u>	<u>4,006</u>
EXPENSES												
Production	8,000,000	8,000,000	7,852,692	147,308	1,312,425	1,321,160	1,147,738	173,422				
Distribution	3,035,435	2,339,960	2,879,819	(539,859)	664,895	636,895	609,676	27,219				
Administration	1,948,100	1,948,100	134,010	1,814,090	783,795	783,795	760,915	22,880	157,555	194,555	187,069	7,486
Capital outlay	12,983,535	12,288,060	10,866,521	1,421,539	1,413,140	2,044,892	1,472,529	572,363	23,800	23,800	23,796	4
Total expenses					<u>4,174,255</u>	<u>4,786,742</u>	<u>3,990,858</u>	<u>795,884</u>	<u>181,355</u>	<u>218,355</u>	<u>210,865</u>	<u>7,490</u>
INCOME (LOSS) FROM OPERATIONS	<u>(1,298,270)</u>	<u>(598,013)</u>	<u>857,454</u>	<u>1,455,467</u>	<u>231,464</u>	<u>18,977</u>	<u>931,454</u>	<u>912,477</u>	<u>(33,695)</u>	<u>(84,695)</u>	<u>(73,199)</u>	<u>11,496</u>
OTHER INCOME (EXPENSE)												
Transfers in												
Interest income	6,000	6,000	10,407	4,407	6,500	6,500	208,990	202,490	32,595	32,595	32,595	(156)
Proceeds of long-term debt							612,231		1,100	1,100	944	
Payments of long-term debt	(175,000)	(175,000)	(175,000)		(599,100)	(599,100)	(599,100)					
Interest expense	(81,605)	(81,605)	(76,059)	5,546	(241,620)	(241,620)	(376,703)	(135,083)				
Total other income (expense)	<u>(250,605)</u>	<u>(250,605)</u>	<u>(240,652)</u>	<u>9,953</u>	<u>(834,220)</u>	<u>(221,989)</u>	<u>(154,582)</u>	<u>67,407</u>	<u>33,695</u>	<u>33,695</u>	<u>33,539</u>	<u>(156)</u>
REVENUES OVER (UNDER) EXPENSES	<u>(1,548,875)</u>	<u>(848,618)</u>	<u>616,802</u>	<u>1,465,420</u>	<u>(602,756)</u>	<u>(203,012)</u>	<u>776,872</u>	<u>979,884</u>		<u>(51,000)</u>	<u>(39,660)</u>	<u>11,340</u>
NET POSITION, January 1, 2012, budget basis			<u>3,202,009</u>				<u>3,713,722</u>				<u>228,444</u>	
NET POSITION, December 31, 2012, budget basis			<u>3,818,811</u>				<u>4,490,594</u>	<u>4,490,594</u>			<u>188,784</u>	
Accrual adjustments			<u>4,092,524</u>				<u>18,848,667</u>				<u>928,656</u>	
NET POSITION, December 31, 2012,			<u>7,911,335</u>				<u>23,339,261</u>				<u>1,117,440</u>	

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CITY OF HARRISONVILLE, MISSOURI
ALL PROPRIETARY FUNDS
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2012

	Refuse Fund				Total			
	Budget		Actual	Actual Over (Under) Budget	Budget		Actual	Actual Over (Under) Budget
	Original	Final			Original	Final		
REVENUES								
Charges for services	477,435	477,435	467,454	(9,981)	16,716,079	16,706,861	16,970,907	264,046
Grants						400,000	280,500	(119,500)
Total revenues	<u>477,435</u>	<u>477,435</u>	<u>467,454</u>	<u>(9,981)</u>	<u>16,716,079</u>	<u>17,106,861</u>	<u>17,251,407</u>	<u>144,546</u>
EXPENSES								
Production					1,312,425	1,321,160	1,147,738	173,422
Distribution					8,664,895	8,636,895	8,462,368	174,527
Administration	477,435	477,435	473,660	3,775	4,454,220	3,795,745	4,301,463	(505,718)
Capital outlay					3,385,040	4,016,792	1,630,335	2,386,457
Total expenses	<u>477,435</u>	<u>477,435</u>	<u>473,660</u>	<u>3,775</u>	<u>17,816,580</u>	<u>17,770,592</u>	<u>15,541,904</u>	<u>2,228,688</u>
INCOME (LOSS) FROM OPERATIONS			<u>(6,206)</u>	<u>(6,206)</u>	<u>(1,100,501)</u>	<u>(663,731)</u>	<u>1,709,503</u>	<u>2,373,234</u>
OTHER INCOME (EXPENSE)								
Transfers in					32,595		32,595	32,595
Interest income	100	100	38	(62)	13,700	13,700	220,379	206,679
Proceeds of long-term debt						612,231	612,231	
Payments of long-term debt					(774,100)	(774,100)	(774,100)	
Interest expense					(323,225)	(323,225)	(452,762)	(129,537)
Total other income (expense)	<u>100</u>	<u>100</u>	<u>38</u>	<u>(62)</u>	<u>(1,051,030)</u>	<u>(471,394)</u>	<u>(361,657)</u>	<u>109,737</u>
REVENUES OVER (UNDER) (EXPENSES)	<u>100</u>	<u>100</u>	<u>(6,168)</u>	<u>(6,268)</u>	<u>(2,151,531)</u>	<u>(1,135,125)</u>	<u>1,347,846</u>	<u>2,482,971</u>
NET POSITION, January 1, 2012, budget basis			<u>30,894</u>				<u>7,175,069</u>	
NET POSITION, December 31, 2012, budget basis			24,726				8,522,915	
Accrual adjustments			<u>65,950</u>				<u>23,935,797</u>	
NET POSITION, December 31, 2012			<u>90,676</u>				<u>32,458,712</u>	

STATISTICAL SECTION (Unaudited)

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	72 - 77
Revenue Capacity These schedules contain information to help the reader assess the City's two most significant local revenue sources: sales tax and property tax.	78 - 83
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	84 - 86
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	87 - 89
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	90 - 91

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City fully implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information includes information beginning in that year. The City implemented GASB Statement No. 54 in 2011; schedules that include governmental fund balance classifications for years prior to 2011 are presented on pre-GASB 54 format.

Information presented in this section is required by GASB 44 to include current year plus nine years of subsequent data. In most cases, the City has not presented nine years of subsequent data as it is not readily available or has not been tracked by the City in the past.

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CITY OF HARRISONVILLE, MISSOURI
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	9,204,560	10,365,100	2,781,772	9,633,168	10,352,096	10,653,678	11,264,304	12,728,792	13,911,126	14,660,071
Restricted	4,604,770	4,604,770	9,074,255	2,163,749	2,914,819	2,959,767	2,180,313	2,184,248	2,662,683	1,186,071
Unrestricted	7,453,120	3,560,840	8,433,882	2,713,047	1,268,017	1,823,309	1,557,045	859,829	(903,485)	344,053
Total governmental activities net assets	16,657,680	18,530,710	20,289,909	14,509,964	14,534,932	15,436,754	15,001,662	15,772,869	15,670,324	16,190,195
Business-type activities										
Invested in capital assets, net of related debt	7,570,235	11,707,657	11,926,787	14,601,242	15,296,549	15,656,284	17,241,269	21,441,550	22,603,002	22,757,615
Restricted	7,827,300	4,472,772	5,062,744	2,106,963	1,947,727	2,131,131	2,044,493	2,054,861	2,557,484	2,194,593
Unrestricted	2,560,926	1,872,470	1,462,099	3,436,005	4,757,742	5,467,973	5,513,489	4,316,580	5,600,624	7,506,505
Total business-type activities net assets	17,958,461	18,052,899	18,451,630	20,144,210	22,002,018	23,255,388	24,799,251	27,812,991	30,761,110	32,458,713
Primary government										
Invested in capital assets, net of related debt	16,774,795	22,072,757	14,708,559	24,234,410	25,648,645	26,309,962	28,505,573	34,170,342	36,514,128	37,417,686
Restricted	7,827,300	9,077,542	14,136,999	4,270,712	4,862,546	5,090,898	4,224,806	4,239,109	5,220,167	3,380,664
Unrestricted	10,014,046	5,433,310	9,895,981	6,149,052	6,025,759	7,291,282	7,070,534	5,176,409	4,697,139	7,850,558
Total primary government net position	34,616,141	36,583,609	38,741,539	34,654,174	36,536,950	38,692,142	39,800,913	43,585,860	46,431,434	48,648,908

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CITY OF HARRISONVILLE, MISSOURI
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EXPENSES										
Governmental activities										
General Government	1,239,192	1,367,852	1,493,889	1,603,302	1,710,746	1,774,334	1,794,612	1,787,553	1,974,816	1,795,064
Administration of Justice	2,023,094	2,069,482	2,107,865	2,285,891	2,461,933	2,816,808	2,592,948	2,643,954	2,663,787	2,688,722
Fire and Emergency	487,334	566,472	508,970	601,405	575,410	588,701	367,525			
Street	824,475	661,579	775,628	1,158,699	1,104,687	1,157,618	1,258,830	1,398,582	1,217,982	871,419
Economic Development	127,729	175,428	146,492	219,247	177,994	201,947	155,637	179,210	191,704	225,041
Animal Control		123,536	126,134	125,710	151,092	156,545	143,313	143,878	162,758	167,154
Airport	265,250	286,368	317,388	304,269	325,579	391,387	347,264	331,203	321,968	319,622
Ambulance	1,009,100	1,212,598	1,111,446	1,727,803	950,069	945,798	2,017,191	2,237,316	2,489,922	2,472,147
Park	461,456	448,005	384,071	412,841	452,080	466,886	470,549	530,106	529,697	590,728
Community Center			1,008,296	1,271,835	1,289,607	1,277,944	1,413,738	1,367,488	1,450,404	1,506,078
Towne Center Project		56,253		5,990,284	1,074,469	5,678	15,923	18,726	10,187	12,766
CDBG pass-through expenses			515,560	529,657	1,169,186	919,217	902,258	873,168	860,401	772,777
Interest on long-term debt	183,775	30,375	8,495,739	16,230,943	11,442,852	10,702,863	11,479,788	11,511,184	12,627,366	11,428,018
Total governmental activities expenses	6,745,695	6,997,948								
Business-type activities										
Electric	7,014,723	7,920,827	9,399,627	10,493,071	11,320,839	11,171,665	10,820,766	11,029,794	10,637,961	11,247,956
Water and Sewer	2,870,247	3,302,385	3,380,979	3,673,566	3,908,279	4,245,705	4,031,290	4,214,590	3,652,972	3,703,248
Aquatic Center	260,106	244,723	212,027	205,686	204,045	233,572	252,734	229,978	289,610	276,719
Refuse	367,971	395,955	468,035	381,763	388,345	367,444	416,592	452,778	466,719	473,660
Total business-type activities expenses	10,513,047	11,863,890	13,460,668	14,754,086	15,821,508	16,018,386	15,521,382	15,927,140	15,047,262	15,701,583
Total primary government expenses	17,258,742	18,861,838	21,956,407	30,985,029	27,264,360	26,721,249	27,001,170	27,438,324	27,674,628	27,129,601
PROGRAM REVENUES										
Governmental activities										
Charges for services										
General Government	1,563,715	1,693,836	1,683,963	1,849,033	1,922,835	2,269,442	1,943,791	2,024,687	1,985,007	1,936,801
Administration of Justice	317,111	264,794	266,771	259,829	253,109	248,580	235,958	226,217	239,292	251,138
Ambulance	897,502	972,945	809,767	823,444	874,553	981,217	1,104,773	1,362,127	1,423,372	1,399,295
Park	40,783	38,973	11,570	13,192	28,503	25,313	23,276	22,609	24,015	28,807
Community Center			639,621	822,254	807,219	750,617	784,011	870,262	850,019	926,252
Operating grants and contributions	86,770	111,019	548,062	250,797	632,643	184,774	36,610	218,541	939,601	144,163
Capital grants and contributions								320,525	423,327	85,219
Total governmental activities program revenues	2,905,881	3,081,567	3,959,754	4,018,549	4,518,862	4,459,943	4,128,419	5,044,968	5,884,633	4,771,675
Business-type activities										
Charges for services	7,053,349	7,434,758	9,236,930	11,278,076	12,185,598	11,712,338	11,355,377	11,529,975	11,200,157	11,688,342
Electric	3,584,958	3,627,557	3,823,889	4,277,089	4,503,439	4,651,353	4,866,050	4,588,165	4,458,249	4,581,605
Water and Sewer										

CITY OF HARRISONVILLE, MISSOURI
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
PROGRAM REVENUES										
Business-type activities (Continued)										
Charges for services (Continued)										
Aquatic Center	182,536	138,370	127,512	141,807	135,088	133,344	125,189	125,450	166,394	137,666
Refuse	377,066	433,625	414,649	386,359	398,383	399,814	424,579	451,427	469,763	462,386
Capital grants and contributions								2,017,313	982,687	280,500
Total business-type activities program revenues	<u>11,197,909</u>	<u>11,634,310</u>	<u>13,602,980</u>	<u>16,083,331</u>	<u>17,222,508</u>	<u>16,896,849</u>	<u>16,771,195</u>	<u>18,712,330</u>	<u>17,277,250</u>	<u>17,150,499</u>
Total primary government program revenues	<u>14,103,790</u>	<u>14,715,877</u>	<u>17,562,734</u>	<u>20,101,880</u>	<u>21,741,370</u>	<u>21,356,792</u>	<u>20,899,614</u>	<u>23,757,298</u>	<u>23,161,883</u>	<u>21,922,174</u>
NET (EXPENSE) REVENUE										
Governmental activities	(3,839,814)	(3,916,381)	(4,535,985)	(12,212,394)	(6,923,990)	(6,242,920)	(7,351,369)	(6,466,216)	(6,742,733)	(6,656,343)
Business-type activities	<u>684,862</u>	<u>(229,580)</u>	<u>142,312</u>	<u>1,329,245</u>	<u>1,401,000</u>	<u>878,463</u>	<u>1,249,813</u>	<u>2,785,190</u>	<u>2,229,988</u>	<u>1,448,916</u>
Total primary government net expense	<u>(3,154,952)</u>	<u>(4,145,961)</u>	<u>(4,393,673)</u>	<u>(10,883,149)</u>	<u>(5,522,990)</u>	<u>(5,364,457)</u>	<u>(6,101,556)</u>	<u>(3,681,026)</u>	<u>(4,512,745)</u>	<u>(5,207,427)</u>
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental activities										
Taxes	5,011,887	5,051,726	5,629,641							
Property taxes			745,358		867,421	906,279	864,193	896,169	816,771	915,825
Sales taxes			3,234,247		3,523,837	3,605,629	3,388,455	3,978,397	4,186,070	4,239,538
Franchise taxes			1,360,063		1,485,734	1,969,979	1,657,903	1,762,577	1,622,045	1,572,099
Other taxes			153,767		161,988	152,724	215,065	211,217	152,046	157,339
Unrestricted investment earnings	123,496	162,454	304,196	630,951	649,256	313,661	118,459	37,719	33,593	29,815
Miscellaneous	479,440	605,554	361,347	308,063	260,722	196,470	458,050	351,344	320,148	294,193
Transfers	<u>(9,148)</u>	<u>(30,323)</u>							<u>(490,485)</u>	<u>(32,595)</u>
Total governmental activities	<u>5,605,675</u>	<u>5,789,411</u>	<u>6,295,184</u>	<u>6,432,449</u>	<u>6,948,958</u>	<u>7,144,742</u>	<u>6,702,125</u>	<u>7,237,423</u>	<u>6,640,188</u>	<u>7,176,214</u>
Business-type activities										
Unrestricted investment earnings	278,297	293,695	260,171	363,335	456,808	374,907	294,050	228,550	227,646	216,092
Miscellaneous			(3,752)							
Transfers	<u>9,148</u>	<u>30,323</u>							<u>490,485</u>	<u>32,595</u>
Total business-type activities	<u>287,445</u>	<u>324,018</u>	<u>256,419</u>	<u>363,335</u>	<u>456,808</u>	<u>374,907</u>	<u>294,050</u>	<u>228,550</u>	<u>718,131</u>	<u>248,687</u>
Total primary government	<u>5,893,120</u>	<u>6,113,429</u>	<u>6,551,603</u>	<u>6,795,784</u>	<u>7,405,766</u>	<u>7,519,649</u>	<u>6,996,175</u>	<u>7,465,973</u>	<u>7,358,319</u>	<u>7,424,901</u>
CHANGE IN NET POSITION										
Governmental activities	1,765,861	1,873,030	1,759,199	(5,779,945)	24,968	901,822	(649,244)	771,207	(102,545)	519,871
Business-type activities	<u>972,307</u>	<u>94,438</u>	<u>398,731</u>	<u>1,692,580</u>	<u>1,857,808</u>	<u>1,253,370</u>	<u>1,543,863</u>	<u>3,013,740</u>	<u>2,948,119</u>	<u>1,697,603</u>
Total primary government	<u>2,738,168</u>	<u>1,967,468</u>	<u>2,157,930</u>	<u>(4,087,365)</u>	<u>1,882,776</u>	<u>2,155,192</u>	<u>894,619</u>	<u>3,784,947</u>	<u>2,845,574</u>	<u>2,217,474</u>

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CITY OF HARRISONVILLE, MISSOURI
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
GENERAL FUND										
Nonspendable									137,711	148,835
Restricted		96,836	98,729	145,388	120,742	134,148	122,118	101,466	113,630	114,065
Unassigned		5,354,289	5,907,713	6,889,715	7,585,851	8,203,393	8,179,575	7,202,484	5,930,458	6,304,295
Reserved	96,031									
Unreserved	4,460,635	5,451,125	6,006,442	7,035,103	7,706,593	8,337,541	8,301,693	7,303,950	6,181,799	6,567,195
Total General Fund	4,556,666	5,451,125	6,006,442	7,035,103	7,706,593	8,337,541	8,301,693	7,303,950	6,181,799	6,567,195
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable									112,270	101,248
Restricted									2,549,053	1,073,822
Assigned									1,064,581	907,262
Unassigned									(183,323)	(318,367)
Reserved	13,021,963	4,488,718	8,975,526	3,145,133	1,150,442	1,020,234	1,081,070	1,107,459		
Unreserved, reported in:										
Special revenue funds	1,753,096	1,986,099	1,951,151	1,367,780	3,380,010	3,532,205	2,350,584	2,523,616		
Total all other governmental funds	14,775,059	6,474,817	10,926,677	4,512,913	4,530,452	4,552,439	3,431,654	3,631,075	3,542,581	1,763,965

CITY OF HARRISONVILLE, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - MODIFIED ACCRUAL
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUES										
Taxes	5,150,857	5,218,302	5,655,312							
Property				838,427	848,607	911,262	874,222	923,255	891,842	915,825
Sales				3,234,247	3,523,837	3,605,629	3,388,455	3,978,397	4,186,070	4,239,538
Franchise				1,360,063	1,485,734	1,969,979	1,657,903	1,762,577	1,622,045	1,572,099
Other				153,767	156,076	152,724	215,065	211,217	152,046	157,339
Licenses, fees and permits	175,018	218,957	168,712	177,356	225,187	411,668	140,049	193,055	162,417	161,692
Fines and forfeitures	317,111	264,794	266,771	259,829	253,109	248,580	235,958	226,217	239,292	251,138
Charges for services	2,326,982	2,486,797	2,976,209	3,330,567	3,407,923	3,614,921	3,715,802	4,086,630	4,119,996	4,129,463
Grants	86,770	111,019	548,062	250,797	632,643	184,774	36,610	539,066	1,362,928	229,382
Investment earnings	123,496	162,454	304,196	630,951	649,256	313,661	118,459	37,719	33,593	29,815
Miscellaneous	479,440	300,271	361,347	308,063	260,722	196,470	458,050	351,583	336,855	294,193
Total revenues	8,659,674	8,762,594	10,280,609	10,544,067	11,443,094	11,609,668	10,840,573	12,309,716	13,107,084	11,980,484
EXPENDITURES										
General Government	1,162,419	1,272,272	1,397,997	1,431,657	1,615,486	1,675,957	1,705,939	1,686,829	1,875,373	1,667,057
Administration of Justice	1,920,966	1,963,411	2,009,591	2,089,362	2,374,198	2,720,316	2,481,177	2,529,476	2,554,360	2,581,042
Fire and Emergency	402,584	493,252	436,963	468,515	494,272	514,913	305,195			
Street	722,383	523,318	605,250	919,331	860,268	888,273	986,420	1,139,023	962,085	635,787
Economic Development	124,763	174,691	140,205	202,192	161,770	186,738	140,428	164,220	176,936	210,273
Animal Control	122,572	120,403	123,001	114,109	145,331	149,789	136,557	137,122	156,002	160,398
Airport	157,181	219,711	220,636	209,147	222,207	275,850	232,654	219,903	180,079	171,867
Ambulance	945,909	1,112,618	1,022,975	1,631,773	865,527	859,740	1,914,395	2,087,034	2,324,734	2,389,722
Park	389,963	373,674	308,696	318,377	378,458	396,746	395,146	462,220	462,593	488,375
Community Center		56,253	840,759	965,729	994,485	979,138	1,112,725	1,066,878	1,151,513	1,197,703
Towne Center Project			34,300	5,955,984	1,248,099	5,678	15,923	18,726	10,187	12,766
CDBG pass-through expenses									753,740	6,500
Capital outlay	1,463,657	8,864,084	4,003,841	589,934	1,254,285	849,141	1,142,304	1,938,203	1,837,010	1,020,483
Debt service										
Principal	49,983	450,000	500,000	525,000	7,410,000	575,000	780,000	825,000	733,926	815,940
Interest and fiscal fees	183,775	534,407	515,560	508,060	1,165,574	879,454	862,495	833,404	820,637	699,696
Total expenditures	7,646,155	16,158,094	12,159,774	15,929,170	19,189,960	10,956,733	12,211,358	13,108,038	13,999,175	12,057,609

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CITY OF HARRISONVILLE, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS - MODIFIED ACCRUAL
LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,013,519	<u>(7,395,500)</u>	<u>(1,879,165)</u>	<u>(5,385,103)</u>	<u>(7,746,866)</u>	<u>652,935</u>	<u>(1,370,785)</u>	<u>(798,322)</u>	<u>(892,091)</u>	<u>(77,125)</u>
OTHER FINANCING SOURCES (USES)										
Proceeds from sale of assets	12,835,000	444,783	6,886,342		8,435,895				171,931	(1,283,500)
Proceeds of long-term debt										2,578,093
Payments to escrow agent	973,095	1,642,286	1,170,714	1,236,060	1,307,535	1,343,412	1,425,335	3,779,288	2,680,436	(2,610,688)
Transfers in	<u>(982,243)</u>	<u>(1,672,609)</u>	<u>(1,170,714)</u>	<u>(1,236,060)</u>	<u>(1,307,535)</u>	<u>(1,343,412)</u>	<u>(1,425,335)</u>	<u>(3,779,288)</u>	<u>(3,170,921)</u>	<u>(2,610,688)</u>
Transfers out										
Total other financing sources (uses)	12,825,852	414,460	6,886,342		8,435,895				(318,554)	(1,316,095)
NET CHANGES IN FUND BALANCES	13,839,371	(6,981,040)	5,007,177	(5,385,103)	689,029	652,935	(1,370,785)	(798,322)	(1,210,645)	(1,393,220)
DEBT SERVICE AS A PER- CENTAGE OF NONCAPITAL EXPENDITURES	3.8%	13.5%	8.4%	6.7%	47.8%	14.4%	14.8%	14.8%	12.8%	13.7%

CITY OF HARRISONVILLE, MISSOURI
 ASSESSED VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year Ended December 31,	Real Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate
2003	81,770,408	25,139,884	106,910,292	0.75
2004	83,590,337	25,542,567	109,132,904	0.75
2005	90,182,211	24,702,214	114,884,425	0.75
2006	92,956,701	24,305,736	117,262,437	0.75
2007	91,927,554	23,243,342	115,170,896	0.77
2008	93,646,146	21,440,771	115,086,917	0.78
2009	93,250,444	25,538,774	118,789,218	0.66
2010	94,022,248	25,241,452	119,263,700	0.66
2011	94,424,728	23,546,390	117,971,118	0.67
2012	95,845,535	22,091,806	117,937,341	0.68

Source: Cass County Assessor's Office

Note: A statewide real property reassessment program was implemented January 1, 1985, to create a more equitable sharing of the property tax burden by owners of real property.

Assessed value was determined by applying one of three percentages to the "Market Value." Those percentages are 32 for commercial, 19 for residential, and 12 for agriculture.

Tax rates are per \$100 of assessed value.

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CITY OF HARRISONVILLE, MISSOURI
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST NINE FISCAL YEARS

Fiscal Year Ended December 31,	City Direct Rates				Overlapping Rates			
	General Fund	Ambulance Fund	Park Fund	Total Direct	State	Other	Total Overlapping Rates	Total Direct and Overlapping
2004	0.5129	0.1161	0.1161	0.7451	0.03	5.58	5.61	6.36
2005	0.5129	0.1161	0.1161	0.7451	0.03	6.00	6.03	6.78
2006	0.5129	0.1161	0.1161	0.7451	0.03	6.04	6.07	6.82
2007	0.5278	0.1195	0.1195	0.7668	0.03	6.04	6.07	6.84
2008	0.5358	0.1213	0.1213	0.7784	0.03	6.19	6.22	7.00
2009	0.5422	0.0000	0.1227	0.6649	0.03	6.19	6.22	6.88
2010	0.5422	0.0000	0.1227	0.6649	0.03	6.20	6.23	6.89
2011	0.5501	0.0000	0.1245	0.6746	0.03	6.20	6.23	6.90
2012	0.5585	0.0000	0.1264	0.6849	0.03	6.18	6.21	6.90

Source: Cass County Collector

Note: The City's direct property tax rate may be increased only by a majority vote of the City's residents.

CITY OF HARRISONVILLE, MISSOURI
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentages of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentages of Total Assessed Valuation
Church & Dwight/USA Detergents	5,212,300	1	4.42	4,808,819	1	4.50
Wal-Mart	3,214,380	2	2.73	3,253,980	2	3.04
Harrisonville MP II LLC	2,334,710	3	1.98			
Sutherlands Lumber Co.	1,566,790	4	1.33			
HFMD Properties LLC	1,387,360	5	1.18			
Harrisonville MP LLC	1,377,660	6	1.17			
Mill-Walk Mall	1,373,200	7	1.16	1,447,390	3	1.35
Harrisonville Crossings Properties	930,640	8	0.79			
Universal Forest Products	798,290	9	0.68	923,815	6	0.86
H.V. Hotel Investment LLC	746,450	10	0.63			
AHG, Inc.				1,084,810	5	1.10
Crown Properties, LC				574,420	8	0.54
Eaglepicher Pharmaceutical				1,267,660	4	1.19
CHEP USA				670,115	7	0.63
Vista Productions				563,780	9	0.53
Camden Regency Healthcare				527,850	10	0.49
TOTALS	<u>18,941,780</u>		<u>15.88</u>	<u>15,122,639</u>		<u>13.86</u>

Data provided by the Cass County Collector

Attachment: City of Harrisonville Draft-Audit (1070 : 2012 Audit Presentation)

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
2003	806,103	699,505	86.78	80,082	779,587	96.71	208,632	25.88
2004	813,143	618,866	76.11	59,899	678,765	83.47	343,010	42.18
2005	856,078	767,070	89.60	52,999	820,069	95.79	379,019	44.27
2006	873,722	806,434	92.30	52,926	859,360	98.36	103,845	11.89
2007	883,130	728,365	82.48	79,768	808,133	91.51	24,077	2.73
2008	895,837	858,631	95.85	19,441	878,072	98.02	22,087	2.47
2009	789,830	763,896	96.72	16,587	780,483	98.82	33,796	4.28
2010	792,984	721,512	90.99	9,515	731,027	92.19	72,313	9.12
2011	795,833	746,929	93.85	13,051	759,980	95.49	61,198	7.69
2012	807,753	732,284	90.66	52,050	784,334	97.10	23,419	2.90

NOTES: Amounts relating to railroad and utility property taxes are not included above.

Taxes paid under protest are held by the respective County Collector until the protest is resolved. This schedule presents taxes paid under protest at June 30 as delinquent, and subsequent remittances to the City are included as delinquent tax collections.

CITY OF HARRISONVILLE, MISSOURI
DIRECT AND OVERLAPPING
SALES TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	City Rate	Cass County	State	Total
2003	1.500	1.250	4.225	6.975
2004	1.500	1.250	4.225	6.975
2005	1.500	1.250	4.225	6.975
2006	1.500	1.250	4.225	6.975
2007	1.500	1.250	4.225	6.975
2008	1.500	1.250	4.225	6.975
2009	1.875	1.250	4.225	7.350
2010	1.875	1.250	4.225	7.350
2011	1.875	1.250	4.225	7.350
2012	1.875	1.750	4.225	7.850

Source: Missouri Department of Revenue

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CITY OF HARRISONVILLE, MISSOURI
TAXABLE RETAIL SALES
LAST TEN CALENDAR YEARS
(in thousands of dollars)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
TOTAL RETAIL SALES	<u>172,140</u>	<u>177,596</u>	<u>188,185</u>	<u>189,753</u>	<u>199,144</u>	<u>200,585</u>	<u>198,251</u>	<u>192,046</u>	<u>201,671</u>	<u>204,736</u>

Note: This report does not breakout taxable sales by retail category as some detail information is considered confidential by state law.

Source: Missouri Department of Revenue

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

Fiscal Year Ended December 31,	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Participation	Revenue Bonds	Promissory Note	Capital Lease Payable	Revenue Bonds	Promissory Note				
2003	12,835,000			524,823	12,520,000			25,879,823	0.15	2,668
2004	12,385,000			502,164	11,730,000			24,617,164	0.13	2,462
2005	11,885,000			478,160	12,685,000			25,048,160	0.13	2,444
2006	11,360,000			452,732	11,860,000			23,672,732	0.12	2,287
2007	10,810,000	8,630,000		425,794	11,175,000			31,040,794	0.15	2,985
2008	10,235,000	8,630,000		397,257	10,290,000			29,552,257	0.15	2,842
2009	9,635,000	17,450,000		367,027	9,580,000			37,032,027	0.18	3,561
2010	9,010,000	17,250,000		335,002	9,059,375			35,654,377	0.18	3,428
2011	8,530,000	17,030,000	171,931	301,076	11,718,541	380,000		38,131,548	0.17	3,806
2012	7,295,000	16,785,000	171,931	265,136	11,556,672	380,000		36,453,739	0.16	3,634

CITY OF HARRISONVILLE, MISSOURI
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2012
(UNAUDITED)

	General Obligation Bonds		
	Ordinary (1)	Additional (2)	Total
Assessed valuation	<u>117,937,341</u>	<u> </u>	<u>117,937,341</u>
Constitutional debt limit	11,793,734	11,793,734	23,587,468
Less general obligation bonds payable	<u>11,793,734</u>	<u>11,793,734</u>	<u>23,587,468</u>
Cash and securities available for retirement	<u>11,793,734</u>	<u>11,793,734</u>	<u>23,587,468</u>

- (1) Article VI, Sections 26(b) and (c) of the State Constitution permits the City, by vote of two-thirds of the voting electorate, to incur an indebtedness for City purposes not to exceed 10% of the taxable tangible property therein as shown by the last completed assessment.
- (2) Article VI, Sections 26(d) and (e) of the State Constitution provides that the City may become indebted not exceeding the aggregate and additional 10% for the purpose of acquiring rights-of-way, constructing, extending and improving streets and avenues and/or sanitary or storm systems, and purchasing or construction waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation.

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CITY OF HARRISONVILLE, MISSOURI
COMPUTATION OF DIRECT AND ESTIMATED OVERLAPPING DEBT
DECEMBER 31, 2012

Taxing Jurisdiction	Gross Debt Less Sinking Fund (1)	Approximate Percentage Applicable to Harrisonville (1)	Approximate Amount Applicable to Harrisonville (1)
School Districts, Cass R-IX	26,130,000	65%	16,984,500
Direct debt obligations of the City of Harrisonville (general obligation bonds), net of debt service funds	_____	0%	_____
Total direct and estimated overlapping debt	<u>26,130,000</u>		<u>16,984,500</u>

(1) On the basis of assessed valuation.

NOTE: Other government entities whose boundaries overlap the City have outstanding bonds payable from ad valorem taxes. This schedule of direct and estimated overlapping ad valorem debt was compiled from information furnished by the jurisdictions responsible for debt. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no representation regarding the reliability of such information is made.

Furthermore, certain entities listed in the statement may have issued additional bonds and such entities may have programs requiring the issuance of substantial additional bonds, the amounts of which cannot be determined at this time.

Lease purchase agreements are not included in this schedule but have been included in the past. This change accounts for the significant difference among this year and previous years' schedules.

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CITY OF HARRISONVILLE, MISSOURI
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Personal Income	(3) School Enrollment	(2) Unemployment Rate
2003	9,700	175,570,000	18,100	2,409	4.00%
2004	10,000	185,000,000	18,500	2,442	4.00%
2005	10,250	194,750,000	19,000	2,436	4.30%
2006	10,350	201,825,000	19,500	2,507	4.30%
2007	10,400	205,920,000	19,800	2,500	4.30%
2008	10,400	201,040,000	19,331	2,504	6.10%
2009	10,400	201,040,000	19,331	2,580	10.00%
2010	10,400	201,040,000	19,331	2,580	10.00%
2011	10,019	218,915,150	21,850	2,580	7.90%
2012	10,030	230,630,000	23,063	2,585	6.40%

Data Sources:

- 1 Bureau of Census and City estimates
- 2 KCADC and City estimates
- 3 School District

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CITY OF HARRISONVILLE, MISSOURI
PRINCIPAL EMPLOYERS
THIS FISCAL YEAR AND FOUR YEARS AGO

Employer	2012			2008	
	Employees	Rank	% of Total Employment	Employees	Rank
Wal-Mart Distribution Center	775	1	25.01%	775	1
Wal-Mart	397	3	12.81%	390	2
Cass R-IX Schools	386	4	12.46%	367	3
Cass Medical Center	412	2	13.29%	330	4
Cass County Government	285	5	9.20%	285	5
City of Harrisonville	214	7	6.91%	225	6
Casco Area Workshop	200	8	6.45%	220	7
Church & Dwight Co., Inc.	231	6	7.45%	208	8
Crown Care Center	101	9	3.26%	101	9
Family Center	98	10	3.16%	98	10
Total Employment	3,099			2,999	

Source: Harrisonville Area Chamber of Commerce and Economic Development

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CITY OF HARRISONVILLE, MISSOURI
 SCHEDULE OF PROPERTY VALUE, CONSTRUCTION PERMITS ISSUED
 AND TOTAL DOLLARS ON DEPOSIT AT YEAR END
 WITH LOCAL BANKS AND SAVINGS AND LOANS
 LAST TEN YEARS

Year	Construction Permits and Value (1) and (2)				Total Year End Deposits at Local Banks (Thousands)	Total Property Value (3)
	Residential Number	Value	Commercial Number	Value		
December 2003	285	6,649,324	130	9,240,581	226,089	106,910,292
December 2004	316	13,415,449	144	13,083,218	237,597	109,132,904
December 2005	355	7,176,302	189	3,676,090	286,990	114,894,425
December 2006	400	5,132,062	267	9,475,391	249,989	117,262,437
December 2007	861	6,049,296	154	14,936,040	339,313	115,170,896
December 2008	319	3,054,774	93	59,978,221	277,759	115,086,917
December 2009	245	1,672,246	68	1,180,815	295,081	118,789,218
December 2010	276	1,283,561	95	18,650,228	317,327	119,263,700
December 2011	318	1,403,626	98	3,392,188	329,770	117,971,118
December 2012	240	2,103,410	76	3,685,500	341,344	117,937,341

- (1) Permit totals include additions to existing structures.
- (2) Information obtained from Codes Administration Department.
- (3) Assessed valuation.

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CITY OF HARRISONVILLE, MISSOURI
CAPITAL ASSET STATISTICS
BY FUNCTION/PROGRAM
LAST SEVEN FISCAL YEARS

Function/Program	Fiscal Year						
	2006	2007	2008	2009	2010	2011	2012
Police							
Patrol units	23	23	23	23	23	20	20
Police stations	1	1	1	1	1	1	1
Fire							
Fire stations	1	1	1	1	1	1	1
Fire hydrants	660	660	670	678	678	678	678
Streets							
Miles	69	69	69	69	69	69	69
Street lights	900	900	900	900	900	900	900
Miles of storm sewers	9	9	9	9	9	9	9
Parks							
Parks	6	6	6	6	6	6	6
Acreage	250	250	250	250	250	250	250
Golf courses	2	2	2	2	2	2	2
Swimming pools	2	2	2	2	2	2	2
Tennis courts	4	4	4	4	4	4	4
Community centers	7	7	7	7	7	7	7
Sewer							
Sanitary sewer (miles)	54.0	54.0	54.0	54.0	54.0	54.0	54
Plant capacity (mgl)	1.3	1.3	1.5	1.5	2.0	2.0	2
Treatment plants	1	1	1	1	1	1	1
Service connections	4,079	4,094	4,102	4,084	4,071	4,037	4,062
Maximum daily capacity of treatment plant in gallons	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Water							
Miles of water mains	56	56	56	56	56	56	56
Service connections	4,152	3,984	3,992	3,978	3,966	3,923	3,937
Daily average consump- tion in gallons	1,300,000	1,300,000	1,300,000	950,000	950,000	950,000	950,000

Source: City Department Heads

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CITY OF HARRISONVILLE, MISSOURI
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
 BY FUNCTION/PROGRAM
 LAST SEVEN FISCAL YEARS

Function/Program	Fiscal Year						
	2006	2007	2008	2009	2010	2011	2012
General Government							
Management	5	5	5	5	5	4	4
Finance	7	7	8	7	6	7	6
Codes	4	4	4	4	4	4	2
Community Development	2	2	1	2	2	2	3
Police							
Officers	20	20	20	21	23	25	23
Civilians	6	6	5	6	6	6	6
Animal control	2	2	1	2	2	2	1
Court	1	1	1	1	1	1	1
Fire/EMS							
Firefighters/Director	5	5	5	1	1	1	1
Firefighters/Paramedics/EMT's	4	2	3	19	17	15	19
Clerk	1	1	1	1	1	1	1
Public Works							
Engineering	1	1	1	1	1	1	1
Streets	8	8	8	8	7	7	8
Electric	9	9	9	9	8	8	7
Water	13	13	13	13	13	12	12
Wastewater	4	5	5	4	4	4	4
Airport	1	1	1	1	1	1	1
Community Center/Parks	<u>10</u>	<u>9</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>10</u>	<u>8</u>
Total	<u>103</u>	<u>101</u>	<u>102</u>	<u>116</u>	<u>113</u>	<u>111</u>	<u>108</u>

Source: Jan Harper, City of Harrisonville

Attachment: City of Harrisonville Draft-Audit (1070 : 2012 Audit Presentation)

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CITY OF HARRISONVILLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2012

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
<u>Environmental Protection Agency</u>			
Pass-through Missouri Department of Natural Resources			
ARRA - Capitalization Grants for Clean Water State Revolving Funds	C295365-05	66.458	55,500
State Energy Program		81.041	770,278
Energy Efficiency and Conservation Block Grant Program (EECBG)		81.128	225,000
			<u>1,050,778</u>
<u>Department of Transportation</u>			
Pass-through Missouri Department of Transportation			
Airport Improvement Program	09-110C-1	20.106	37,860
State and Community Highway Safety		20.600	4,885
Alcohol Impaired Driving Countermeasures Incentive Grants I		20.601	2,740
			<u>45,485</u>
<u>Department of Homeland Security</u>			
Pass-through Missouri Department of Public Safety			
Disaster Grants - Public Assistance	1961-DR-MO	97.036	1,363
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>1,097,626</u>

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2012

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Harrisonville, Missouri and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2. SUBRECIPIENTS

The City of Harrisonville, Missouri provided no federal awards to subrecipients.

NOTE 3. PURPOSES OF FEDERAL PROGRAMS

A brief description of the purpose of each federal program follows:

Capitalization Grants for Clean Water State Revolving Funds (66.458)

To create State Revolving Funds (SRF's) through a program of capitalization grants to States which will provide a long-term source of State financing for construction of wastewater treatment facilities and implementation of other water quality management activities. The capitalization grant that is deposited in the State's SRF is used to provide loans and other types of financial assistance, but not grants, to local communities and intermunicipal and interstate agencies. The capitalization grant that is deposited from funds available under the American Recovery and Reinvestment Act of 2009 are considered grants and not loans to local communities.

Airport Improvement Program (20.106)

To assist sponsors, owners, or operators of public-use airports in the development of a nationwide system of airports adequate to meet the needs of civil aeronautics. The purpose of the law includes the investment in transportation, environmental protection, and airport infrastructure that will provide long-term economic benefits.

State and Community Highway Safety (20.600)

To provide a coordinated national highway safety program to reduce traffic crashes, deaths, injuries, and property damage.

Alcohol Impaired Driving Countermeasures Incentive Grants I (20.601)

To encourage States to adopt effective programs to reduce crashes resulting from persons driving while under the influence of alcohol.

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CITY OF HARRISONVILLE, MISSOURI
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2012

NOTE 3. PURPOSES OF FEDERAL PROGRAMS (Continued)

Disaster Grants - Public Assistance (97.036)

To assist State and local governments in responding to and recovering from the devastating effects of disasters by providing assistance for debris removal, emergency protective measures and the repair, restoration, reconstruction or replacement of public facilities or infrastructure damaged or destroyed.

State Energy Program (81.041)

The program provides financial and technical assistance to State governments to create and implement a variety of energy efficiency and conservation projects in order to provide leadership to maximize the benefits of energy efficiency and renewable energy through communications and outreach activities, technology deployment, and accessing new partnerships and resources across the geographic panorama of the United States and its territories.

Energy Efficiency and Conservation Block Grant Program - EECBG (81.128)

The program provides financial and technical assistance to assist State and local governments create and implement a variety of energy efficiency and conservation projects.

NOTE 4. LOCAL GOVERNMENT CONTRIBUTIONS

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the schedule of expenditures of federal awards.

NOTE 5. ADDITIONAL AUDITS

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy, efficiency and program results which may result in disallowed costs to the City. However, City management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at December 31, 2012.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and
Members of the Board of Aldermen
City of Harrisonville, Missouri

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Harrisonville, Missouri, as of and for the year ended December 31, 2012, which collectively comprise the City of Harrisonville, Missouri's basic financial statements and have issued our report thereon dated June , 2013. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Harrisonville, Missouri's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting as item 2012-1. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

DRAFT

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Harrisonville, Missouri's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

The City of Harrisonville, Missouri's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of Harrisonville, Missouri's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

DRAFT

Overland Park, Kansas
June , 2013

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Mayor
and Members of the Board of Aldermen
City of Harrisonville, Missouri

Compliance

We have audited the City of Harrisonville, Missouri's compliance with the types of compliance requirements described in the OMB Circular A-133 "Compliance Supplement" that could have a direct and material effect on each of the City of Harrisonville, Missouri's major federal programs for the year ended December 31, 2012. The City of Harrisonville, Missouri's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Harrisonville, Missouri's management. Our responsibility is to express an opinion on the City of Harrisonville, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Harrisonville, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Harrisonville, Missouri's compliance with those requirements.

In our opinion, the City of Harrisonville, Missouri complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended December 31, 2012.

DRAFT

Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the governing body, administration, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

DRAFT

Overland Park, Kansas
June , 2012

CITY OF HARRISONVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012

SECTION I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness identified:	___ Yes <u>X</u> No
Significant deficiencies identified that are not considered to be material weaknesses:	<u>X</u> Yes ___ No
Noncompliance matter to the financial statements disclosed:	___ Yes <u>X</u> No

Federal Awards

Internal control over major programs:	
Material weakness identified:	___ Yes <u>X</u> No
Significant deficiencies identified that are not considered to be material weaknesses::	___ Yes <u>X</u> No
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accord- ance with section 510(a) of Circular A-133:	___ Yes <u>X</u> No
Identification of major programs:	CFDA No.
State Energy Program	81.041
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as a low-risk auditee?	___ Yes <u>X</u> No

Attachment: City of Harrisonville Draft-Audit (1070 : 2012 Audit Presentation)

CITY OF HARRISONVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012

SECTION II. FINANCIAL STATEMENT FINDINGS

2012-1 RELIANCE UPON THE AUDITOR

Condition

Management should possess the ability to reconcile all accounts and prepare financial statements in accordance accounting principles generally accepted in the United States of America. The preparation of financial statements under this basis of accounting requires that management possess the ability to properly record and classify transactions in a general ledger, reconcile all accounts, measure and record needed adjustments to the accounts, and prepare the financial statements and related disclosures without the assistance from the auditors.

Criteria

As described in our engagement letter, management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of financial statements, including the notes to the financial statements in conformity with accounting principles generally accepted in the United States of America and the schedule of expenditures of federal awards.

Questioned Costs

None.

Effect

The potential exists that a material misstatement of the financial statements could occur and not be prevented or detected by the City's internal control.

Recommendation

We recommend that the City review and approve the proposed auditor adjusting entries, the adequacy of financial statement disclosures prepared by the auditors, and apply analytic procedures to the draft financial statements among other procedures as considered necessary by management.

Management's Response

The City relies on the auditor to propose adjustments necessary to prepare the financial statements including the related note disclosures. The City reviews such financial statements and approves all adjustments. The City also uses analytic procedures among other procedures necessary to complete the Management Discussion and Analysis.

CITY OF HARRISONVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012

SECTION III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

DRAFT

CITY OF HARRISONVILLE, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2012

The prior audit findings are as follows:

FINANCIAL STATEMENT FINDINGS

2011-1 RELIANCE UPON THE AUDITOR

Management should possess the ability to reconcile all accounts and prepare financial statements in accordance accounting principles generally accepted in the United States of America. The preparation of financial statements under this basis of accounting requires that management possess the ability to properly record and classify transactions in a general ledger, reconcile all accounts, measure and record needed adjustments to the accounts, and prepare the financial statements and related disclosures without the assistance from the auditors. See current year finding 2012-1.

DRAFT



STAFF REPORT

TO: Board of Aldermen
FROM: John Hofer, Director
DATE: June 11, 2013
SUBJECT: Ernest Marble Animal Request

Type of Item: *Approval*

Issue: Ernest Marble (2805 East Outer Road) has requested permission from the Board of Aldermen to have numerous animals which are prohibited by City Ordinance 210.190.

Background: Mr. Marble is requesting permission from the Board of Aldermen to have numerous animals (chicken, ducks, goats, etc.) on his property per Section 210.190 of the animal regulations. Mr. Marble desires to raise these animals to supplement his income by selling the eggs from the chickens and ducks and the offspring of the goats. On March 5th the Animal Control Division received a report of farm animals on this property and started an investigation. After several attempts to have Mr. Marble obtain the proper permits a citation was issued to Mr. Marble on April 16th. Mr. Marble is requesting to keep no more than 50 chickens, 20 ducks, and 10 Nigerian/Pygmy goats. The applicant has provided a letter of support from one of the adjacent land owners, Ms. Doris Danforth.

On June 13th Chief Animal Control Officer Kristi Osborne visited with Mr. Marble at his home and has provided the attached report along with pictures. During this visit, Osborne located a donkey on the property which was not listed in Mr. Marble's request. We have also been informed that to operate a hobby farm as requested, Mr. Marble will need to obtain an agricultural license from the State of Missouri.

Recommendation: I would suggest that if it is the Board's pleasure to grant this permit that it be for very short period of time and a limited number of animals on a trial basis.

Attachments:

1. Letter from Mr. Marble
2. Letter from Doris Danforth
3. Report from Animal Control (Citation)
4. City Code- Section 20-190 to 210-260
5. Map-Location of Property

6. Memo From ACO (Site Visit)
7. ACO Pictures of property
8. Memo from Mr. Deluca

Action Item (ID # 1065)

Ernest Marble (2805 East Outer Road) Has Requested Permission from the Board of Aldermen to Have Numerous Animals (Chickens, Ducks, Goats...see Attached Letter) on His Property Per Section 210.190 of the Animal Regulations

Attachments:

Marble Animal Request (DOC)

Marble Attachments (PDF)

Marble Pics (PDF)

Marble Memo (ACO) (DOCX)

RESULT: APPROVED [7 TO 1]

MOVER: David Dickerson, Board Member

SECONDER: Marcia Milner, Board Member

AYES: Mollenhour, Reece, Dickerson, Stull, Milner, Coburn, Dahlman

NAYS: Doug Meyer

M E M O R A N D U M

TO Mayor Wood & Board of Aldermen

FROM Rick DeLuca, Director of Community Development

DATE June 11, 2013

SUBJECT Marble Animal Request

Ernest Marble (2805 East Outer Road) has requested permission from the Board of Aldermen to have numerous animals (chickens, ducks, goats...see attached letter) on his property per Section 210.190 of the Animal Regulations.

The report from Animal Control is attached for your information. They informed Mr. Marble that he would have to approach the Board of Aldermen to obtain permission to have these animals. At that time Animal Control gave them a copy of the applicable regulations that they would have to comply with if the Board approved their request.

List of Attachments

- Attachment 1: Letter from Mr. Ernest Marble
- Attachment 2: Letter from Doris Danforth (2607 East Outer Road)
- Attachment 3: Report from Animal Control
- Attachment 4: City Code – Sections 210.190 to 210.260
- Attachment 5: Map – Location of Property

TO: Harrisonville City Council

From: Ernest Marble

I have owned the last 2 lots inside the city limits for the last 25 years and have always raised some kind of Livestock! I have roughly 7 Acres located on East Outer road South.

I have Chickens, Ducks and Nigerian Dwarf Goats that I raise to supplement My Income by selling Eggs from the Chickens and Ducks and Kids from the goats!

I recently received notice from Harrisonville Animal Control that I needed a Permit for the Chickens and such! I am just trying to maintain ownership of my Property and Make a Living.

That is the purpose of this letter: The Livestock is contained at all times and has portable housing that is located 300 feet off of the roadway and borders on the North with Doris Danforth (See Attached Letter stating that there is no issue with my keeping livestock) On the South I am bordered by the county and on the east by a farm that raises cattle and Sheep (Strasbaugh Property)!

I will keep no more than 50 chickens at one time and no more than 20 ducks and will house no more than 10 Nigerian/Pygmy goats at any given time! Just as a Note Pygmy goats are great for clearing land and removing brush from the property

I wish to be issued a permit for the purpose of running a small Hobby farm

Thank You

Ernest Marble



Attachment: Marble Attachments (1065 : Ernest Marble Animal Request)

MRS. KENNY DANFORTH
2607 E OUTER RD SOUTH
HARRISONVILLE MO 64701

APRIL 30, 2013

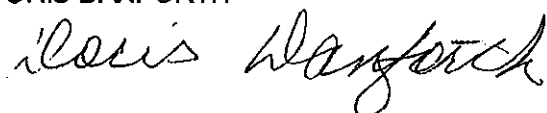
RE: ERNIE AND DIXIE MARBLE

TO WHOM IT MAY CONCERN:

DIXIE AND ERNIE HAVE BEEN OUR NEIGHBORS FOR DECADES. IT IS MY UNDERSTANDING THAT THERE IS AN ISSUE WITH THEIR CHICKENS, DUCKS, AND GOATS, BEING ON THEIR PROPERTY. MYSELF AND MY FAMILY HAVE NOT EXPERIENCED ANY PROBLEMS WITH THIS ISSUE. THEY ARE NEVER ON OUR PROPERTY OR AT OUR FAMILY BUSINESS. WE HAVE LIVED HERE FOR MANY YEARS AND WE APPRECIATE ALL OF OUR NEIGHBORS, INCLUDING THE MARBLE FAMILY. THEY ARE ALL VERY KIND AND MORE THAN HELPFUL AND ALL CONSIDERED DEAR FRIENDS. WE HAVE NO ISSUES WITH ANY OF OUR NEIGHBORS INCLUDING THE MARBLE FAMILY AND THEIR LIVESTOCK.

SINCERELY

DORIS DANFORTH

A handwritten signature in black ink that reads "Doris Danforth". The signature is written in a cursive, flowing style.

Attachment: Marble Attachments (1065 : Ernest Marble Animal Request)

Harrisonville Police Department

208 E Pearl, Harrisonville, MO 64701

Offense / Incident Report

Report Date 04/16/2013 1021	Type of Incident KEEPING OF FARM ANIMALS WITHOUT PERMIT	Complaint No. 2013-0711	Case Status CLEARED/CHARGES FILED
---------------------------------------	---	-----------------------------------	---

Supplemental Report

Supp. No. 0001	Date / Time 5/7/2013 2:54 PM	ID 19	Officer Name McGUIRE, JENNIE A.
--------------------------	--	-----------------	---

FOLLOW UP

On 5/4/2013, I, Jennie McGuire ACO #19, issued Mr. Marble a second summons for failing to contact city hall as necessary to obtain a permit at the upcoming Board of Alderman meeting for the month of May.

Summons #121454611

That is all at this time.

Jennie McGuire ACO #19

Images

ID Number 04/17/2013 0958	Date / Time 04/17/2013 0958	Subject Type OFFENSE / INCIDENT	Image / Attachment Type	Sealed ☐
Name		Description ACO REPORT		
Taken Date / Time	Agency	Image Captured By	Original File Name Scan.pdf	

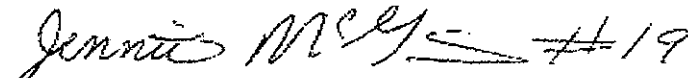
Reporting Officer 19 MCGUIRE, JENNIE	Approving Officer (I) 275 PRINDLE, MICHAEL (Cover Pages Only)
Approving Officer (II) 275 PRINDLE, MICHAEL (Cover Pages Only)	Approving Officer (III) 301 BENNING, STACY (Cover Pages Only)

Report # 2013-711

On 3/5/2013, I, ACO McGuire #19 went to the home of Ernie Marble, address of 2805 SE Outer Road on a report of farm animals on the property. Upon arrival I observed several animals that require a permit. I checked with codes and they confirmed there was no permit for that address. I left a warning for Mr. Marble that he needed to contact the shelter as well as City Hall to get on the agenda for the next Board of Alderman meeting to receive the permit needed to keep his animals. At that time, I also left a copy of the ordinances for Mr. Marble to review. The next Board of Aldermen meeting was scheduled for 3/18/2013. Mr. Marble made no attempt to contact City Hall or the shelter until the evening of the meeting and he contacted the shelter at 16:30 hours. We informed him it was too late to go to that evenings meeting due to failing to get put on the agenda. We also informed him that there would be a meeting on 4/15/2013 where he could attend to get his permit, but he would have to contact City Hall and be put on the agenda prior to the meeting date.

On 4/12/2013 I went to Mr. Marbles residence once again, due to failing to contact City Hall and being put on the agenda for Mondays meeting. I left a warning that his animals needed to be removed by 4/15/2013 or summons would be issued due to not receiving a permit.

On 4/16/2013 I, Jennie McGuire ACO #19 issued Mr. Marble a summons. Summons number 121454608.


Jennie McGuire ACO #19

Attachment: Marble Attachments (1065 : Ernest Marble Animal Request)

It shall be unlawful for any person to feed any migratory waterfowl. It shall be unlawful to create any condition, or allow any condition to exist, which results in a congregation or congestion of migratory waterfowl which results in:

1. An accumulation of waterfowl feces or droppings; or
2. Damage to flora, fauna or private and public property; or
3. A threat or nuisance to the public health, safety or welfare; or
4. A threat to the health, safety or welfare of said migratory waterfowl. (CC 1977 §7-21; Ord. No. 2673 §1, 10-23-00)

SECTION 210.170: KEEPING OF VICIOUS DOG

A. The owner of a vicious dog shall keep such dog securely confined indoors or in a securely enclosed and locked pen or kennel, except when leashed and muzzled as above provided. Such pen, kennel or structure must have secure sides and a secure top attached to the sides. All structures used to confine vicious dogs must be locked with a key or combination lock when such dogs are within the structure. Said structure must have a secure bottom or floor attached to the sides of the pen or the sides of the pen must be imbedded in the ground no less than two (2) feet. Also, such structures must be adequately lighted and ventilated and kept in a clean and sanitary condition.

B. No person shall permit a vicious dog to be kept on a chain, tether or leash.

C. All vicious dogs shall be kept on a leash not longer than four (4) feet outside the animal's kennel and must be muzzled with a device sufficient to prevent such animal from biting other animals or people.

D. A notice on the premises shall be posted, conspicuously visible to the public and reading in letters not less than two (2) inches high "Dangerous Animal Here" or "Beware Dangerous Animal".

E. The owner or keeper of a vicious dog shall present to the Animal Control Department proof that the owner or keeper has procured liability insurance in the amount of at least one hundred thousand dollars (\$100,000.00) covering the twelve (12) month period during which licensing is sought. This policy shall contain a provision requiring the Animal Control Department of the City to be notified by the insurance company of any cancellation, termination or expiration of the policy.

F. It shall be unlawful for any owner or keeper of a vicious dog within the City to fail to comply with the requirements and conditions set forth in this Section. Any dog found to be subject of a violation of this Section may be, in addition to other penalties provided by ordinance, subject to immediate seizure and impoundment for a minimum of ten (10) days or the time necessary for the owner or keeper to show compliance with this Section. Applicable redemption fees shall be the responsibility of the owner. (CC 1977 §7-22; Ord. No. 2673 §1, 10-23-00)

SECTION 210.180: LIMITATIONS UPON OWNERSHIP

The combined total of dogs and cats over four (4) months of age shall not exceed four (4) per dwelling unit or premises in areas zoned for residential use within the City. This restriction shall not apply to animals properly licensed by the owner with the City as of the effective date of this Section, as long as the animals remain licensed. (CC 1977 §7-23; Ord. No. 2673 §1, 10-23-00)

ARTICLE II. KEEPING REGULATIONS

SECTION 210.190: PERMIT REQUIRED

It shall be unlawful for a person to construct or use any building or premises as a stable, barn or yard for horses, mules, cattle, sheep, swine or other animals, including chickens for commercial or domestic purposes, without first obtaining a written permit from the Board of Aldermen specifying the name of the permittee and the location of the building or premises to be so used and the number of animals intended to be kept therein. (CC 1977 §7-31; Ord. No. 2673 §1, 10-23-

00)

SECTION 210.200: FLOOR OF STRUCTURE

The floor of all structures or premises constructed and intended to be used for the purpose of housing or stabling horses, mules, cattle, swine or chickens or other such animals shall be impervious to moisture and be kept free from excreta in a sanitary condition. It shall have a drain connected to the City sewer system with ample perforated heavy floor plates and an easily accessible trap with a volume of at least one-half (½) cubic foot for each animal. A suitable number of hose connections must be provided and the floor scrubbed down thoroughly each day. (CC 1977 §7-32; Ord. No. 2673 §1, 10-23-00)

SECTION 210.210: ACCUMULATION, DISPOSAL OF EXCRETA, REFUSE

A. Every person maintaining any stable, barn or other place in which manure, animal excreta or stable refuse accumulates shall provide a galvanized iron, tin, zinc or other metal-lined box or bin within the area walls of such stable, barn or other such place. Such box or bin in a stable, barn or place with a capacity of ten (10) or more of the animals mentioned in Section 210.200 shall be vented by means of a duct or flue not less than twelve (12) inches square extending through the roof. The termination of the vent shall be carried above the roof of adjoining premises and in no instance be less than ten (10) feet from any window or light well. Boxes or bins in stables, barns or places of a smaller capacity shall be ventilated in accordance with a written permit to be obtained from the Board of Aldermen. No person having charge of such stable, barn or other place shall keep any manure or animal excreta or permit any manure or animal excreta to be kept in or upon any portion of the premises other than the bin or pit described, nor shall any such bin or pit be allowed to be overfilled.

B. All manure, animal excreta or stable refuse must be removed from such stable, barn or place at least semiweekly. (CC 1977 §7-34; Ord. No. 2673 §1, 10-23-00)

SECTION 210.220: SANITARY MAINTENANCE

At all times every stable, barn or other place wherein animals and fowl are kept within the City shall be kept in a clean and sanitary condition. (CC 1977 §7-35; Ord. No. 2673 §1, 10-23-00)

SECTION 210.230: VENTILATION

No ventilators or windows which may be used as ventilators shall be constructed in the area walls of a stable if within ten (10) feet of adjacent property lines, except by special written consent of the Board of Aldermen. All stables and barns must be ventilated by means of louver ventilators in the roof or by openings in area walls where such walls are more than ten (10) feet from adjacent property lines. (CC 1977 §7-36; Ord. No. 2673 §1, 10-23-00)

SECTION 210.240: STORAGE OF FOOD

It shall be unlawful for any person to use any stable, barn or other place where any animal is kept as a place of storage for fruits, vegetables, meats, milk or any other food for human consumption. (CC 1977 §7-37; Ord. No. 2673 §1, 10-23-00)

SECTION 210.250: CONSTRUCTION OF VEHICLES FOR TRANSPORTATION OF EXCRETA – PERMIT

It shall be unlawful for any person to remove, transport or carry manure, animal excreta or stable refuse, except in a tight vehicle which shall be effectually covered with canvas or other covering so as to prevent the contents from being dropped, or to remove, transport or carry manure without a written permit from the Board of Aldermen certifying its approval of the construction of such vehicle. (CC 1977 §7-38; Ord. No. 2673 §1, 10-23-00)

SECTION 210.260: TRANSPORTATION OF EXCRETA GENERALLY

It shall be unlawful for any person to load manure, animal excreta or stable refuse for transportation upon any vehicle elsewhere than within the premises from which the same is to be removed or to remove transport or carry manure or stable refuse through the public streets in such a manner as to permit the same to fall upon any street or to unload, deposit or store manure, animal excreta or stable refuse anywhere within the City without being treated by a larvicide approved by and under the supervision of the Board of Aldermen. (CC 1977 §7-39; Ord. No. 2673 §1, 10-23-00)

ARTICLE III. LICENSES

SECTION 210.270: VACCINATION AND LICENSE REQUIRED

No person shall own, keep, harbor or have custody of any animal over six (6) months of age within this municipality unless same has been currently vaccinated for rabies as provided in Section 210.300 and has been properly licensed by the City of Harrisonville, Missouri. (CC 1977 §7-51; Ord. No. 2673 §1, 10-23-00)

SECTION 210.280: EXCEPTION

The provisions of this Article shall not apply to the keeping of small caged birds, rabbits or aquatic and amphibian animals solely as pets. (CC 1977 §7-52; Ord. No. 2673 §1, 10-23-00)

SECTION 210.290: APPLICATION

Written application for license shall be made to the City and shall state the name, address and telephone number, if any, of the owner and the name, breed, color, sex and distinguishing marks of the animal. License fee shall be paid and proof of vaccination for rabies and distemper shots and sterilization by a licensed veterinarian shall be submitted at the time of making the application. (CC 1977 §7-53; Ord. No. 2673 §1, 10-23-00)

SECTION 210.300: VACCINATION CERTIFICATE

Prior to issuing an animal license tag for dogs and cats, the City shall require the owner of an animal to present a valid certificate of vaccination from a veterinarian that all dogs have been vaccinated for rabies and distemper and all cats have been vaccinated for rabies. This vaccination certificate must show a current vaccination for rabies. (CC 1977 §7-54; Ord. No. 2673 §1, 10-23-00; Ord. No. 2890 §§1--2, 1-17-05)

SECTION 210.310: LICENSE CERTIFICATE

The license certificate shall consist of an original and two (2) duplicates. The certificate shall contain the number of the license, date of issuance, name and address of the owner and a description of the licensed animal. A copy of license certificate shall be provided to owner. (CC 1977 §7-55; Ord. No. 2673 §1, 10-23-00)

SECTION 210.320: ISSUANCE OF TAG

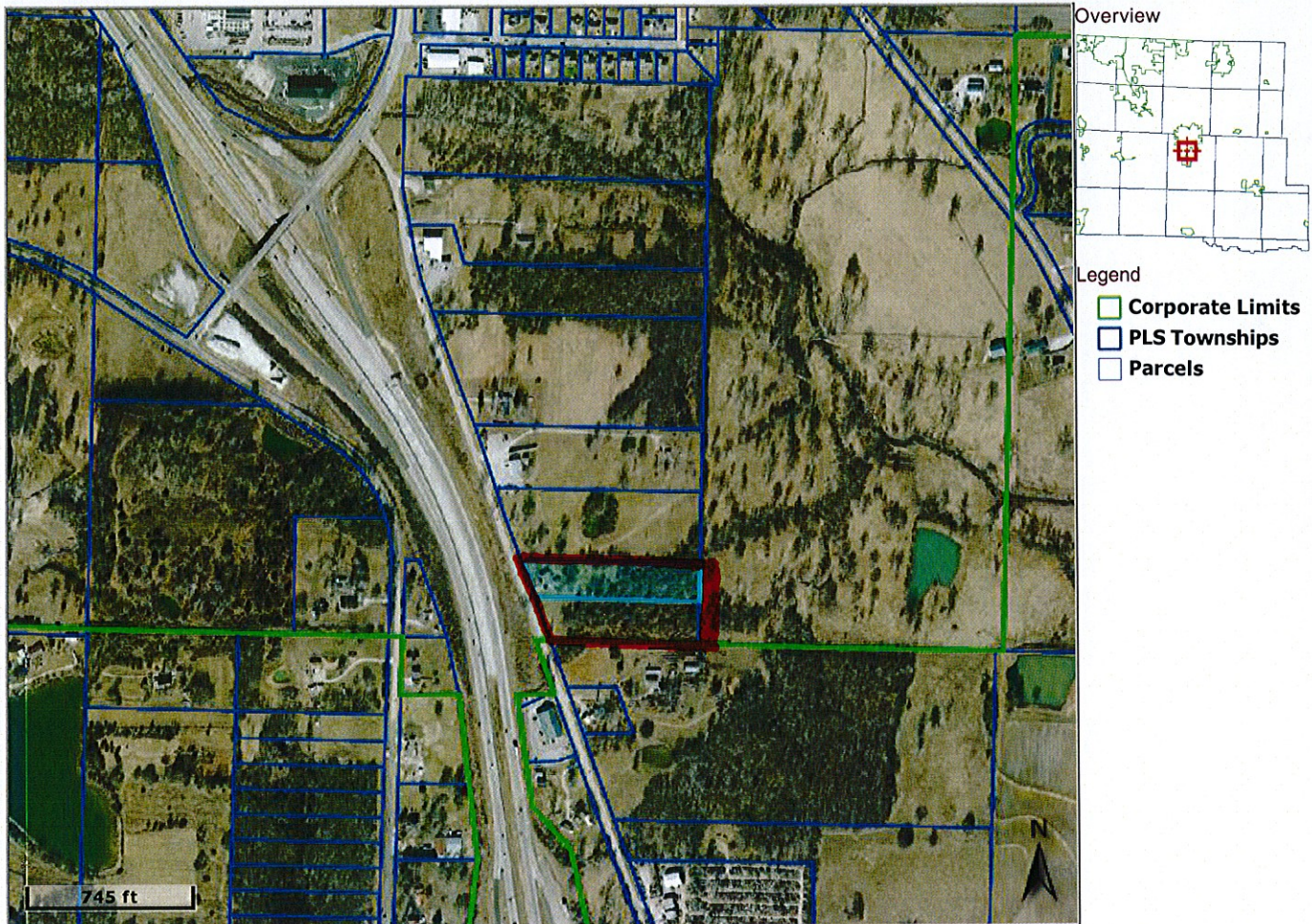
Upon acceptance of license application and fee, the City shall issue a durable tag or identification collar stamped with an identifying number and the year of issuance. Tags shall be designed so that they may be conveniently fastened or riveted to the animal's collar or harness. The fees shall be as follows:

Sterilized animal	\$ 5.00
Non-sterilized animal	8.00
Late fee	5.00
Have a "Heart" tag	10.00*

Cass County, MO



Date Created: 6/11/2013



Parcel ID 132142000000110000
Sec/Twp/Rng 4-44-31
Property Address 2805 EAST OUTER RD
 HARRISONVILLE

Alternate ID n/a
Class Residential
Acreage 3.00

Owner Address MARBLE, ERNEST & DIXIE LEE
 2805 EAST OUTER ROAD
 HARRISONVILLE MO 647010000

District 5713001
Brief Tax Description MARBLE BROS LOT 2

(Note: Not to be used on legal documents)

Last Data Upload: 6/11/2013 2:12:36 AM



developed by
 The Schneider Corporation
www.schneidercorp.com

Attachment: Marble Attachments (1065 : Ernest Marble Animal Request)



Attachment: Marble Pics (1065 : Ernest Marble Animal Request)



Attachment: Marble Pics (1065 : Ernest Marble Animal Request)



Attachment: Marble Pics (1065 : Ernest Marble Animal Request)





Attachment: Marble Pics (1065 : Ernest Marble Animal Request)



6.B.c

Attachment: Marble Pics (1065 : Ernest Marble Animal Request)





Attachment: Marble Pics (1065 : Ernest Marble Animal Request)



Attachment: Marble Pics (1065 : Ernest Marble Animal Request)





Attachment: Marble Pics (1065 : Ernest Marble Animal Request)



**HARRISONVILLE POLICE DEPARTMENT
MEMO**

TO: Chief Hofer
FROM: Chief ACO K. Osborn
DATE: June 13, 2013

REGARDING: Livestock request of Ernest Marble

On today's date at 830 hours I and ACO Jennie McGuire met with Mr. Marble at his residence located at 2805 South east Outer Road. Mr. Marble took us on a tour of the area where his farm animals are kept.

At this time he stated that he is housing 30 chickens, 20 ducks, 9 goats and a donkey. He also has 2 Great Pyrenees dogs in the enclosure. We observed all of the animals are being kept in the same enclosure which he stated is 150' x 150' with a 8' x 8' utility shed where the chickens roost. The donkey has a small pen inside the enclosure with a small shed and tarps for cover. The donkey pen has straw or hay on the ground at least a foot deep that is mixed with mud and has a very pungent smell. We observed a buildup of a muddy looking substance along the South fence line of the enclosure which the water run off enters a ditch. The goats are provided dog houses for their shelter.

I asked him if we could go inside the enclosure. He stated that it was muddy and that he did not have boots on. We were only allowed to look at the animal from outside the enclosure. Since we were not allowed to enter the enclosure we were not able to look inside the chicken shed. He stated that he had cleaned it out yesterday. At this time he showed us that he is feeding hay due to the lack of grass in the animal's area. We observed several water buckets and 2 small swimming pools. From what we could see all of the water seemed to be dirty. He said that he changes the water daily and the swimming pools every other day.

Mr. Marble stated that he intends to enlarge the enclosure which will be located 300 yards from the roadway to 1 acre and have an additional 20 chickens. As we were leaving we observed 3 bee hives located behind his garage. Mr. Marble said that they belonged to someone else.

I informed him that he needs to contact Department of Agriculture in regards to any permit that they would require.

Respectfully,

Kristi K. Osborn
Chief of Animal Control

Attachment: Marble Memo (ACO) (1065 : Ernest Marble Animal Request)

City of
Harrisonville
est. 1836
STAFF REPORT

TO: Board of Aldermen
FROM: Rodney Jacobs, Director
DATE: June 11, 2013
SUBJECT: 2013 Asphalt Overlay Program

Type of Item: *Bid*

Type of Item: *Discussion*

Issue: 2013 Asphalt Overlay Program

Background:

Bids were received on 5-30 for the 2013 Asphalt Overlay and Micro-surfacing program. Six bids were received for the milling and overlay and two bids were received for the micro-surfacing. When the bids were opened and read out loud, Tandem Paving was the apparent low bidder for the asphalt and milling at \$111,659.60 and Vance Brothers was the apparent low bidder for micro-surfacing at \$30,890.86. In reviewing the bids, Tandem Paving had not included the additional quantities from addendum 1. Applying their \$8.72 /sq yd to the additional quantities their bid became \$124,547.76. Hanrahan Paving became the low bid at \$118,092.60. Vance Brothers bid was determined to be correct. A bid summary is attached to the staff report.

Recommendations

The bids were discussed at the June Public Works Committee meeting. The budget line item is 01-6-0907-1002 (\$150,000). The combination of bids are within budget. The Public Works Committee sends a positive recommendation to award the contracts for asphalt paving to Hanrahan Paving (\$118,092.60) and micro-surfacing to Vance Brothers (\$30,890.86). Upon receipt of a Notice to Proceed, the contractors will prepare bonds and bid documents.

Council Bill No. 036**Resolution No. 2013-026****A Resolution Authorizing the City Administrator to Execute an Agreement with
Hanrahan Paving for Asphalt Overlay Services in an Amount Not to Exceed
\$118,092.60**

WHEREAS, the City of Harrisonville has an annual asphalt overlay program as part of its street maintenance efforts, and

WHEREAS, Hanrahan Paving, a paving contractor, can provide such an asphalt overlay service for \$118,092.60,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF HARRISONVILLE, MISSOURI AS FOLLOWS:

Section 1: That the City Administrator of the City of Harrisonville is hereby authorized and directed to enter into an Agreement with Hanrahan Paving for asphalt overlay in an amount not to exceed \$118,092.60.

Section 2: That this resolution shall become effective immediately upon its passage and approval.

PASSED AND RESOLVED by the Board of Aldermen and APPROVED by the Mayor of the City of Harrisonville, Missouri this 17th day of June 2013.

Kevin W. Wood, Mayor and Ex-Officio
Chairman of the Board of Aldermen

ATTEST:

Kim Hubbard, City Clerk

WITNESS my Hand and Seal this 17th day of June 2013

2013 Asphalt overlay program**2 " overlays**

Name	To	Pave L.	feet width	area ft	PC Area	yards	Comments
1 Thunderbird Dr	Maverick Trail (E)	Maverick Trail (W)	AC	1,416	24	33,984	55 3776 edge mill inhouse repair curb prior to overlay
2 Maverick Trail	Thunderbird Dr (E)	Thunderbird Dr (W)	AC	1,016	24	24,384	60 2709 edge mill inhouse repair curb prior to overlay
3 Silver Maple St	Elm St	Younger	PCC	520	24	12,480	55 1387 350' of street is PCC
4 Ann Terrace	Ann Ave	Meadow Dr.	AC	1,463	24	35,112	48 3901 edge mill inhouse repair curb prior to overlay
5 Twin Oak Terrace	Mission Rd	Twin Oaks Drive	AC	429	32	13,728	60 15303 edgemill, in house curb repair
6 Twin Oaks Drive	Twin Taks Ter	Crane	AC	350	26	8,750	60 972 edgemill
7 Twin Oaks Drive	Crane	Bird	AC	740	26	19,240	70 2137 full mill
8 Ridgewood Ct	Ridgewood Rd	Cul De Sac	AC	250	24	6,000	71 667 2" Edge mill 1" profile center
9 Chateau Dr.	Meadow Dr.	Blueberry Dr.	AC	767	24	18,408	55 2045 Edge mill appears to have a good base
10 Ridgewood Rd.	Meghan	Brookridge	AC	621	25	15,525	72 1725 Needs underdrains installed
						Total sqyds	34622

Micro Seal

1 King Terr	King Ave (S)	King Ave (N)	AC	803	24	19,272	59 2141
2 Falcon St	Thunderbird Dr	Maverick Trail	AC	898	24	21,552	64 2395
3 Kay St	Walker St	Joy St	AC	620	24	14,880	55 1653
4 Meghan Drive	Matt	south dead end	AC	1,297	32	41,504	75 4612
5 Meadowlark Dr	Bird Ave	Meghan Dr.	AC	2,822	24	67,728	80 7525
6 Elm St	Galaxie Ave	Price	AC	2,085	28	58,380	75 6487
						Total sqyds	24813



BID FORM**2013 ASPHALT OVERLAY and MICRO-SURFACING PROGRAM**

The Bidder agrees to construct the specified public improvements in Harrisonville, Missouri in accordance with the Plans, Specifications and Contract Documents for the total of the unit prices herein supplied. Bidder agrees that the entire work shown on the Plans and specified in the Bid Documents will be completed for the total herein shown, and that work not specifically identified, as a Bid Item is included in the total of the Bid Items listed below.

Schedule A- Type 3 Virgin Asphalt Overlay

Item #	Item Description	Quantity	Unit	Unit Cost	Bid Total
1	Thunderbird Drive – 2" edge mill and Type 3 virgin asphalt overlay.	2536	S.Y.		
2	Maverick Trail – 2" edge mill and Type 3 virgin asphalt overlay.	2536	S.Y.		
3	Silver Maple – 2" edge mill and Type 3 virgin asphalt overlay.	1335	S.Y.		
4	Ann Terrace – 2" edge mill and Type 3 virgin asphalt overlay.	3901	S.Y.		
5	Twin Oaks Terrace – 2"edge mill and Type 3 virgin asphalt overlay.	1525	S.Y.		
6	Twin Oaks Drive-2"edge mill and Type 3 virgin asphalt overlay.	972	S.Y.		
TOTAL BID	\$				

 Total Bid Amount Written

Attachment: BID FORM (2013-026 : 2013 Asphalt Overlay Program)

Schedule B- Type 3 Micro-Surfacing

Item #	Item Description	Quantity	Unit	Unit Cost	Bid Total
1	King Terrace - King to King	2141	S.Y.		
2	Falcon - Thunderbird to Maverick	2395	S.Y.		
3	Kay Street - Walker to Joy	1653	S.Y.		
4	Megan - Matt to Meadowlark	4612	S.Y.		
TOTAL BID	\$				

Total Bid Amount Written

Contractor may be bid on schedule A or Schedule B or both.

Alternates Add-in

The following streets may be added to the overlay or micro-surfacing list pending additional funding.

Ridgewood Ct	667 sq yds
Twin Oaks	2137 sq yds
Chateau	2045 sq yds
Ridgewood	1725 sq yds



STAFF REPORT

TO: Board of Aldermen
FROM: Rodney Jacobs, Director
DATE: June 13, 2013
SUBJECT: 2013 Microsurfacing

Type of Item: *Bid*

Type of Item: *Discussion*

Issue: 2013 Asphalt Overlay Program

Background:

Bids were received on 5-30 for the 2013 Asphalt Overlay and Micro-surfacing program. Six bids were received for the milling and overlay and two bids were received for the micro-surfacing. When the bids were opened and read out loud, Tandem Paving was the apparent low bidder for the asphalt and milling at \$111,659.60 and Vance Brothers was the apparent low bidder for micro-surfacing at \$30,890.86. In reviewing the bids, Tandem Paving had not included the additional quantities from addendum 1. Applying their \$8.72 /sq yd to the additional quantities their bid became \$124,547.76. Hanrahan Paving became the low bid at \$118,092.60. Vance Brothers bid was determined to be correct. A bid summary is attached to the staff report.

Recommendations

The bids were discussed at the June Public Works Committee meeting. The budget line item is 01-6-0907-1002 (\$150,000). The combination of bids are within budget. The Public Works Committee sends a positive recommendation to award the contracts for asphalt paving to Hanrahan Paving (\$118,092.60) and micro-surfacing to Vance Brothers (\$30,890.86). Upon receipt of a Notice to Proceed, the contractors will prepare bonds and bid documents.

Council Bill No. 037**Resolution No. 2013-027****A Resolution Authorizing the City Administrator to Execute an Agreement with
Vance Brothers for Micro-Surfacing Services in an Amount Not to Exceed
\$30,890.86**

WHEREAS, the City of Harrisonville has an annual micro-surfacing program as part of its street maintenance efforts, and

WHEREAS, Vance Brothers, a paving contractor, can provide such a micro-surfacing service for \$30,890.86,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF HARRISONVILLE, MISSOURI AS FOLLOWS:

Section 1: That the City Administrator of the City of Harrisonville is hereby authorized and directed to enter into an Agreement with Vance Brothers for micro-surfacing in an amount not to exceed \$30,890.86.

Section 2: That this resolution shall become effective immediately upon its passage and approval.

PASSED AND RESOLVED by the Board of Aldermen and APPROVED by the Mayor of the City of Harrisonville, Missouri this 17th day of June 2013.

Kevin W. Wood, Mayor and Ex-Officio
Chairman of the Board of Aldermen

ATTEST:

Kim Hubbard, City Clerk

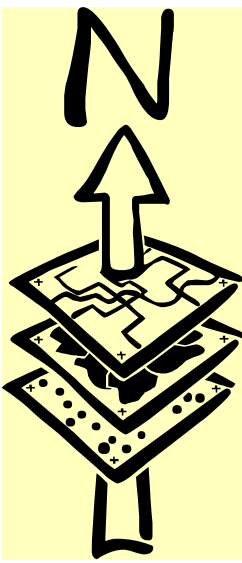
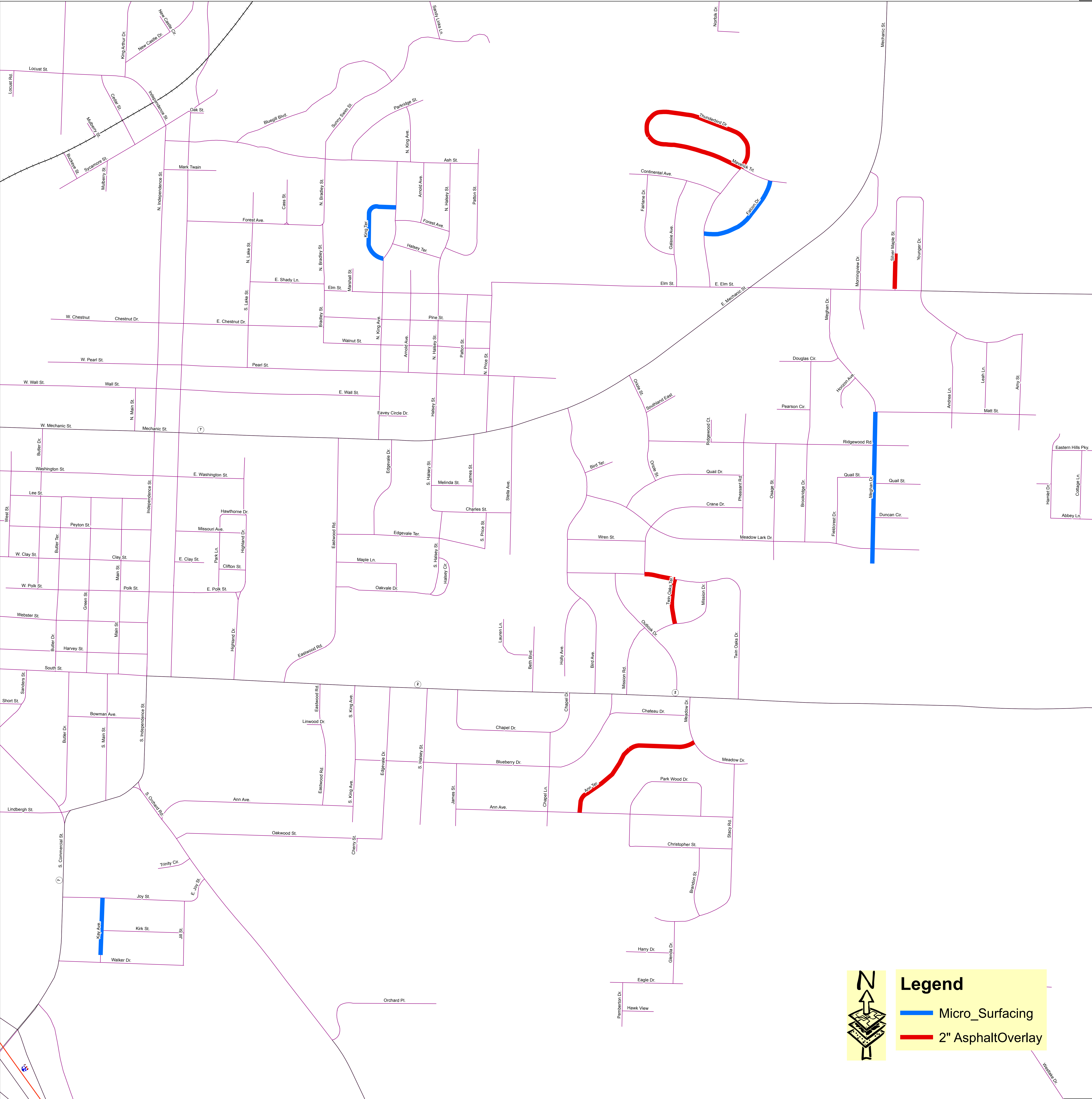
WITNESS my Hand and Seal this 17th day of June 2013

2013 Asphalt overlay program**2 " overlays**

Name	To	Pave L.	feet width	area ft	PC Area	yards	Comments
1 Thunderbird Dr	Maverick Trail (E)	Maverick Trail (W)	AC	1,416	24	33,984	55 3776 edge mill inhouse repair curb prior to overlay
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3 Silver Maple St	Elm St	Younger	PCC	520	24	12,480	55 1387 350' of street is PCC
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9 Chateau Dr.	Meadow Dr.	Blueberry Dr.	AC	767	24	18,408	55 2045 Edge mill appears to have a good base
10 Ridgewood Rd.	Meghan	Brookridge	AC	621	25	15,525	72 1725 Needs underdrains installed
						Total sqyds	34622

Micro Seal

1 King Terr	King Ave (S)	King Ave (N)	AC	803	24	19,272	59 2141
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4 Meghan Drive	Matt	south dead end	AC	1,297	32	41,504	75 4612
5 Meadowlark Dr	Bird Ave	Meghan Dr.	AC	2,822	24	67,728	80 7525
6 Elm St	Galaxie Ave	Price	AC	2,085	28	58,380	75 6487
						Total sqyds	24813



Legend

Micro_Surfacing

2" Asphalt Overlay

BID FORM**2013 ASPHALT OVERLAY and MICRO-SURFACING PROGRAM**

The Bidder agrees to construct the specified public improvements in Harrisonville, Missouri in accordance with the Plans, Specifications and Contract Documents for the total of the unit prices herein supplied. Bidder agrees that the entire work shown on the Plans and specified in the Bid Documents will be completed for the total herein shown, and that work not specifically identified, as a Bid Item is included in the total of the Bid Items listed below.

Schedule A- Type 3 Virgin Asphalt Overlay

Item #	Item Description	Quantity	Unit	Unit Cost	Bid Total
1	Thunderbird Drive – 2" edge mill and Type 3 virgin asphalt overlay.	2536	S.Y.		
2	Maverick Trail – 2" edge mill and Type 3 virgin asphalt overlay.	2536	S.Y.		
3	Silver Maple – 2" edge mill and Type 3 virgin asphalt overlay.	1335	S.Y.		
4	Ann Terrace – 2" edge mill and Type 3 virgin asphalt overlay.	3901	S.Y.		
5	Twin Oaks Terrace – 2"edge mill and Type 3 virgin asphalt overlay.	1525	S.Y.		
6	Twin Oaks Drive-2"edge mill and Type 3 virgin asphalt overlay.	972	S.Y.		
TOTAL BID	\$				

 Total Bid Amount Written

Attachment: BID FORM (2013-027 : 2013 Microsurfacing)

Schedule B- Type 3 Micro-Surfacing

Item #	Item Description	Quantity	Unit	Unit Cost	Bid Total
1	King Terrace - King to King	2141	S.Y.		
2	Falcon - Thunderbird to Maverick	2395	S.Y.		
3	Kay Street - Walker to Joy	1653	S.Y.		
4	Megan - Matt to Meadowlark	4612	S.Y.		
TOTAL BID	\$				

Total Bid Amount Written

Contractor may be bid on schedule A or Schedule B or both.

Alternates Add-in

The following streets may be added to the overlay or micro-surfacing list pending additional funding.

Ridgewood Ct	667 sq yds
Twin Oaks	2137 sq yds
Chateau	2045 sq yds
Ridgewood	1725 sq yds



STAFF REPORT

TO: Board of Aldermen
FROM: Jerry Gibbs, Director
DATE: June 7, 2013
SUBJECT: Lake Harrisonville Canoes and Kayaks

Type of Item: *Amendment*

Background

The current rules for Lake Harrisonville established in the mid 70's and updated in the mid 80's specifically prohibit canoes and is silent with respect to kayaks. The Public Works Committee discussed expanding the use of the lake to include canoes and kayaks last year. The use of the lake is permitted by MODNR. Staff contacted MODNR to ask if expanding the use to include canoes and kayaks would require a modification of our current use permit. Their determination was canoes and kayaks were a low impact use and it would be appropriate as a local decision.

Other changes were also discussed, but no final recommendations were developed.

Analysis

A formal request to allow kayaking at Lake Harrisonville was received from Don Kusmec on June 4th. Staff presented Mr. Kusmec's letter and suggested changes to the rules in line with the committee's discussion in 2012. Canoes and kayaks would be permitted in the same fashion as boats. No other changes are anticipated. These changes do not apply to other city lakes. The suggested changes to Article III Lake Harrisonville are minor and are highlighted in yellow and bolded.

SECTION 225.490: GENERAL RULES

H. No houseboats, sailboats, floating docks, pontoons, etc., will be permitted.

*I. No rafts **or canoes** will be permitted.*

SECTION 225.530: BOATS, PERMITS AND REGULATIONS

*A. All boats, **canoes and kayaks** must have a **current boat** permit issued by the City of Harrisonville before use on Lake Harrisonville. Persons must show boat registration to receive a permit along with a copy of City of Harrisonville or Cass County tax receipt. Only boats registered in the State of Missouri can be eligible to receive a boat permit. **Canoes and kayaks***

are exempt from MO registration and city inspection.

~~B. Only metal, wood or fiberglass boats, will be eligible for a boat permit. Plastic boats with a U.S. Coast Guard sticker attached to the boat will also be eligible for a boat permit.~~

~~€.~~ **B.** Residents of the City of Harrisonville, residents of Cass County and persons who pay City of Harrisonville and/or Cass County taxes are eligible for a boat permit.

Recommendations

The Public Works Committee forwards a positive recommendation to allow canoes and kayaks on Lake Harrisonville. They support the language change to require canoes and kayaks to register and display a sticker.

Council Bill No. 038**Ordinance No. 003-01****An Ordinance to Amend the Code of Ordinances of the City of Harrisonville,
Chapter 225, Section 225.490, General Rules and Section 225.530, Boats, Permits
and Regulations**

**Now, therefore, be it ordained by the Board of Aldermen of the City of Harrisonville,
Missouri, as follows:**

Section 1. That Chapter 225.490 and Chapter 225.530, Code of Ordinances of the City of Harrisonville, Missouri, shall be amended and read as follows:

SECTION 225.490: GENERAL RULES

H. No houseboats, sailboats, floating docks, pontoons, etc., will be permitted.

I. No rafts will be permitted.

SECTION 225.530: BOATS, PERMITS AND REGULATIONS

A. All boats, canoes and kayaks must have a current boat permit issued by the City of Harrisonville before use on Lake Harrisonville. Persons must show boat registration to receive a permit along with a copy of City of Harrisonville or Cass County tax receipt. Only boats registered in the State of Missouri can be eligible to receive a boat permit. Canoes and kayaks are exempt from MO registration and city inspection.

B. Residents of the City of Harrisonville, residents of Cass County and persons who pay City of Harrisonville and/or Cass County taxes are eligible for a boat permit.

Section 2. That a version of these amendments, showing edits and additions to these ordinances, is attached.

Section 3. That this ordinance shall become effective upon its passage and approval.

Roll Call Vote:

Ayes:

Nays:

Absent:

Abstain:

Read two times by title only on June 17, 2013 and passed by the Board of Aldermen this 17th day of June 2013.

Kevin Wood, Mayor & Ex-Officio
Chairman of the Board of Aldermen

ATTEST:

Kim Hubbard, City Clerk

APPROVED by the Mayor this 17th day of June 2013.

June 4, 2013

Mr. Jerry Gibb
City of Harrisonville,
Director of Public Works
P.O. Box 367
Harrisonville, MO 64701

Re: Use of kayaks on Lake Harrisonville

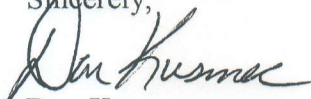
Dear Mr. Gibb,

Thank you for taking the time to talk with me last week about boat use on Lake Harrisonville. In our conversation you mention that a recent engineer report was recommending that canoes and kayaks would be allowed on Lake Harrisonville. And that it appeared that the City of Harrisonville is going to approve the use of canoes and kayaks on Lake Harrisonville. However, if approved, it might be late summer before the City of Harrisonville finishes the appropriate language to add canoes and kayaks for use on Lake Harrisonville.

My wife, Jenny, and I recently purchased two kayaks. We also have a canoe. We would love to be able to enjoy paddling on Lake Harrisonville for the entire summer rather than traveling to lakes in the surrounding counties. I'd like to ask if the City of Harrisonville would consider offering a temporary permit/boat sticker to canoe and kayak owners so that we may enjoy paddling on Lake Harrisonville this summer. Please let me know if the City of Harrisonville would issue a temporary permit/boat sticker for canoe and kayaks. I would gladly pay the permit fee for the ability to enjoy Lake Harrisonville.

Feel free to contact me if you have any questions and the decision of the City of Harrisonville's consideration of offer a temporary permit/boat sticker for canoe and kayaks. My cell phone number is 816-377-8324.

Sincerely,



Don Kusmec
24001 S. Lake Road
Harrisonville, MO 64701

Attachment: Kusmec Let kayaks 6-4-13 (003-01 : Lake Harrisonville Canoes and Kayaks)



TO: Board of Aldermen
FROM: Admin Manager,
DATE: June 13, 2013
SUBJECT: Presentation of 2013 Single Family Cost of Living Comparison

Type of Item: *Report*

Discussion Item (ID # 1068)

Presentation of 2013 Single Family Cost of Living Comparison

Attachments:

How Much Does it Cost To Live in My Town- 2013(PDF)

How Much Does it Cost to Live in Our Town?



What drives the Question?

- Comparison shopping has become a part of our daily lives. Who is providing the best deal?
- Citizens compare costs with friends and family living in different cities. These comparisons can create misconceptions because they generally only look at one or two costs.
- Cost is a fundamental measure of performance, i.e. operating efficiency. Therefore if a community's taxes and utility costs are low, it can be argued that service is being delivered efficiently.

Why do people choose to live in a community?

- Affordability- more than just housing expenses; the prices for consumable goods- like groceries, gasoline, utility services including electric , gas and water
- Taxes
- Employment Opportunities
- Real Estate Value
- Crime Rate
- Proximity to Family and Friends
- Healthcare Facilities
- Education System
- Culture
- Commute Time

Source- Where Should I Live? Important Factors When Deciding the Best Place to Live by David Quilty

Challenges to Providing an Answer

- The data needed is not easily accessible
- Communities may have a variety of taxing jurisdictions (levies), creating a range of taxes applicable within each community
- Communities may have a variety of utility companies serving parts of their city, creating a range of utility costs applicable within each community
- Collection of sales tax and franchise fees on utility services varies from one city to another and from one utility to another within that city
- Each city has a different median household income and median home value

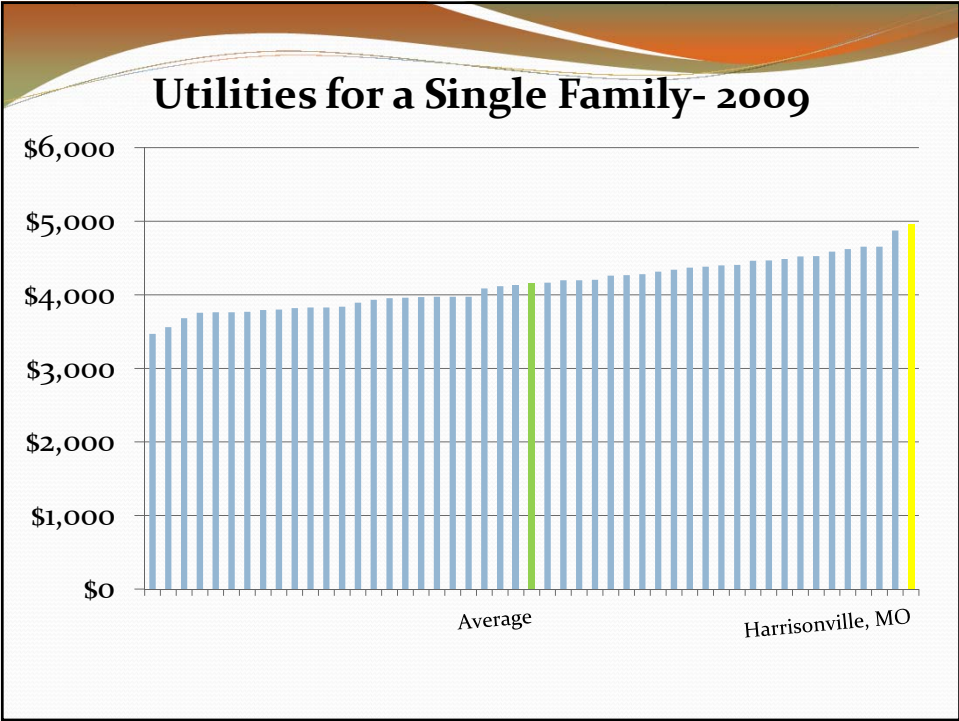
Performance Goals Set for The Project

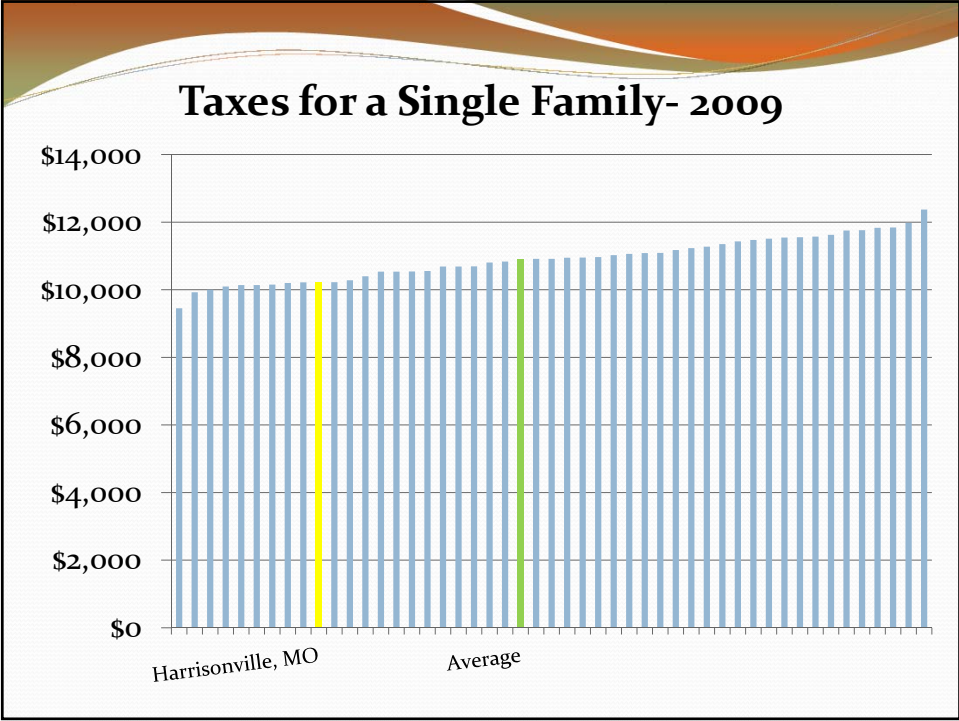
- Model shall be dynamic and remain accurate when assumptions are changed for different single family scenarios
- Point in time costs used except where an average of the past 12 months enhanced accuracy (i.e. electric and natural gas cost adjustments)
- Data shall be formatted so that results can be shown graphically and can be updated every 2 years
- Participating communities shall have the opportunity to review and make corrections prior to the information being made public

What we Learned As We Got Started

- Gathering public information that is accurate from cities is time consuming! You have to talk to the right person and know exactly how to ask the question to get a correct answer
- Apparently the reason this had never been done before is because it is so difficult to do
- There is no way short of performing an audit of a family's annual expenses to arrive at that family's cost of living in their city and certainly no way of deriving those same costs in 47 other cities
- A consistent and conservative approach would yield a solid indicator, serving as a new tool in our toolbox

Single Family Cost Comparison by City As of January 1, 2013				
Cells Highlighted in Green May Be Changed to Run Different Scenarios				
Assumptions:				
Single Family Home (Market Value) =				\$ 252,000
Finished Living Space (square footage) =	2,800			
Value Per Square Foot =		90		
Annual Mortgage Payment for the Single Family Home above =				\$15,835.77
Percent of Value Borrowed =		80%		
Repayment Term =	20	years		
Interest Rate =		4.75%		\$9,576.00
Personal Property Owned (Market Value Subject to Property Tax) =				\$50,000.00
Annual Loan Payments for Personal Property listed above =				\$9,495.86
Percent of Value Borrowed =		80%		
Repayment Term =	5	years		
Interest Rate =		6.00%		\$2,400.00
Gross Single Family Income (Annual) =				\$ 100,000
Savings/Retirement Per Year =		Percent of Gross	10% \$	10,000
(Assumes pretax savings plan)				
Adjusted Gross Income			\$	90,000
(Assumes 10% of income is spent on mortgage interest, 10% goes to pretax savings, and 7% is spent on items that are income tax deductions)				
Federal Income Tax Rate (Effective Tax Rate)				6.5%
Missouri Income Tax Rate = 3.5% up to \$18k, 6% over \$18k				3.50%
MO Deductions: Mortgage Interest+Property Taxes+FICA/Medicare+Married+Children+Fed Income Taxes			\$	34,676.00
Kansas Income Tax Rate = 3.5% up to \$30k, 6.25% from \$30k to \$60k, 6.45% over \$60k				3.50%
KS Deductions: Mortgage Interest+Property Taxes+Deduction Per Family Member			\$	23,576
Estimated Portion of gross income spent on taxes, utilities, social security, and medicare = (For Reference Only)			\$	20,273.50
Amount of Gross Family Income Spent on items Subject to Sales Tax (Assuming 30% of gross income is available for purchases and 75% of the value of those purchases are assumed to be subject to sales tax, with all of those purchases occurring in the City of residence =				
			\$	22,500.0
Household Size =				4
Natural Gas Consumption Per Month (on average) in CCF (or 100 Cubic Feet) = (Assumes .04 CCF per square foot of finished space)				
* 1 CCF = 100 cubic feet or 1 Therm; 1 MCF= 1,000 cubic feet				112
Electric Consumption Per Month (on average) in Kilowatt Hours = (Assumes .5 KWH per square foot of finished space)				
				1,400
Water Consumption Per Month (on average) in Gallons = (Assumes 1,500 gallons per person)				
				6,000
Sewer Generated Per Month (on average) in Gallons = (Assumes 1,500 gallons per person)				
				6,000





What We Learned in 2009

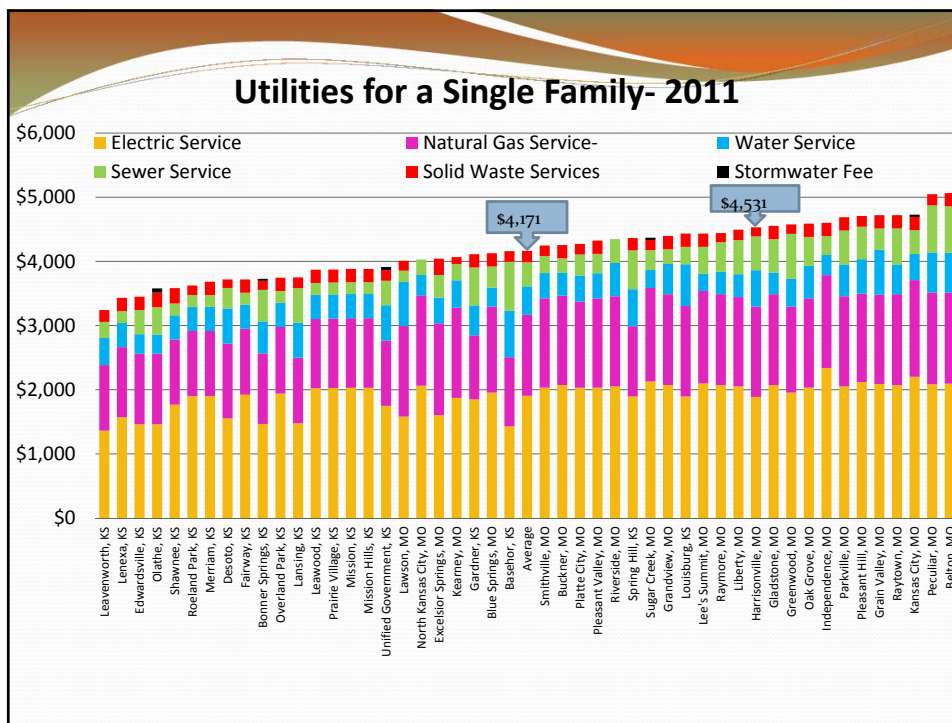
- Taxes make up the majority of a family's costs (72% on average)
- Public perception that our utilities were high was accurate; ours were the highest
- Harrisonville's taxes were among the lowest (lowest 20%)
- The total cost for Harrisonville residents was average
- Communities served by regional water/sewer authorities generally enjoyed lower costs for these services, and Kansas communities enjoyed the lowest gas and electric rates
- The city with the lowest tax obligation had only 7.2% of total taxes supporting City activities (compared to Harrisonville's 8.2%) and the city with the lowest utility costs had 0% of those costs under the control of their city, compared to 66% in Harrisonville

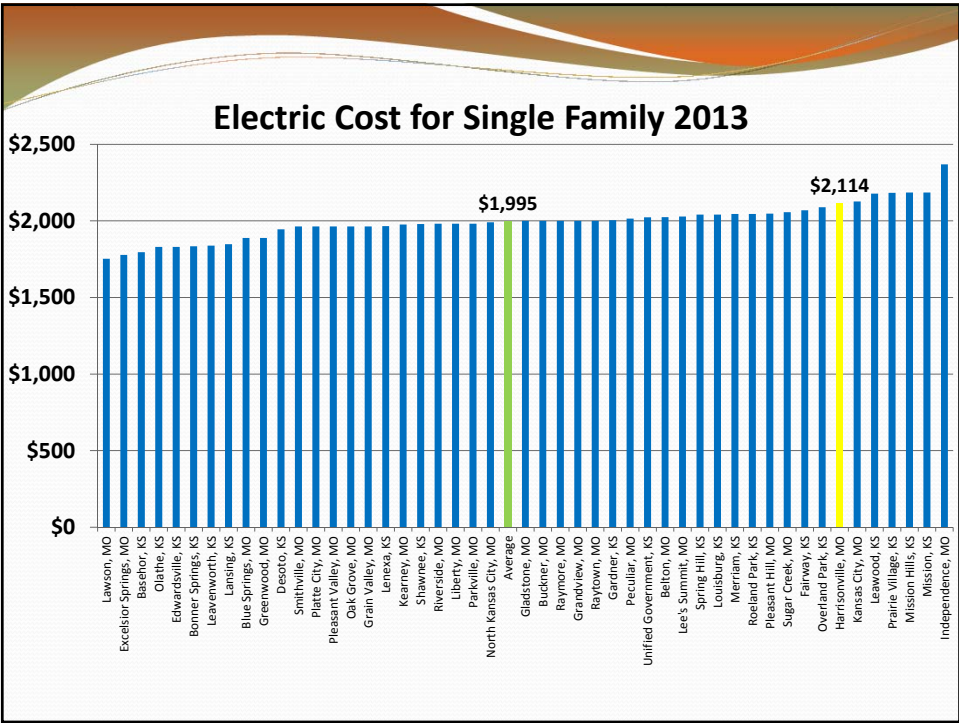
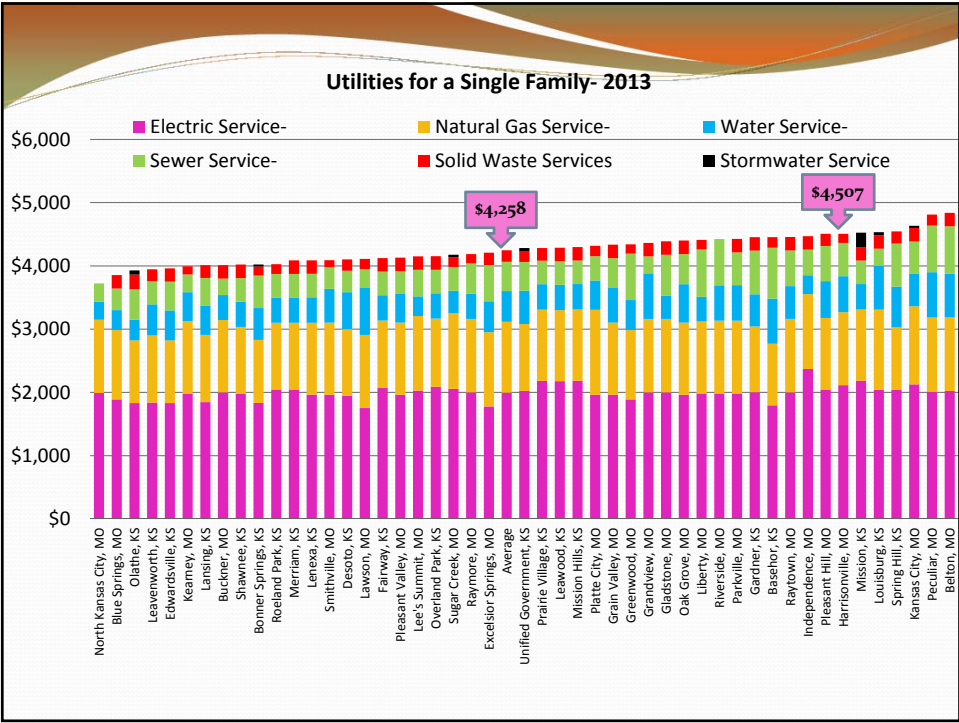
How We Used This Information

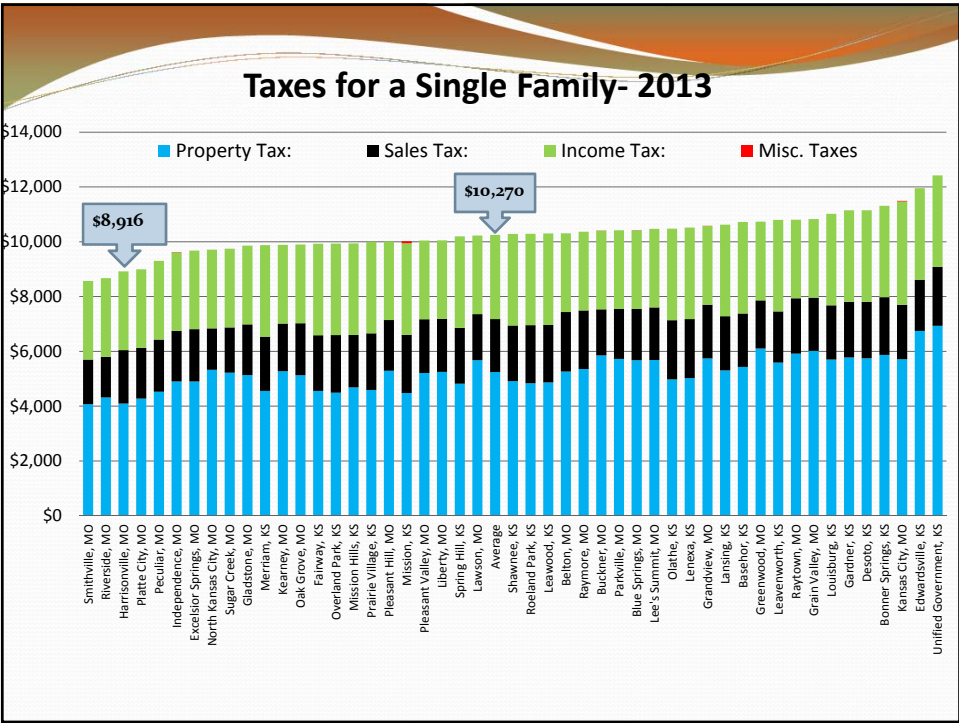
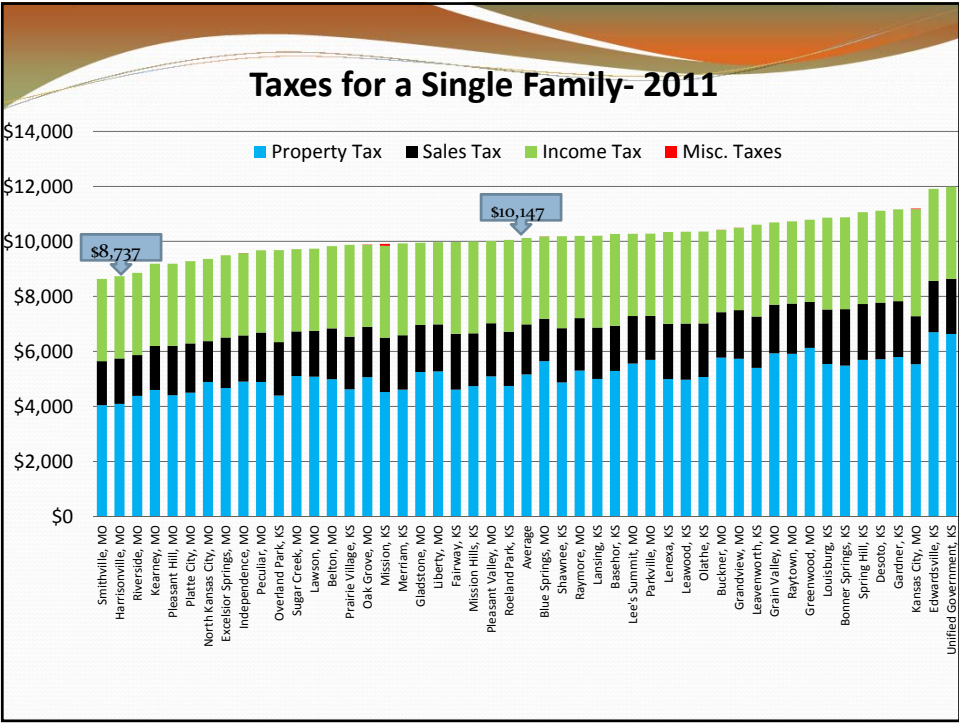
- The greatest potential for change lay with our utilities since we manage all but the gas service
- We revisited our Administrative Service Charge, reducing those costs to the water/sewer/electric utilities by roughly 50%
- Energy saving projects were initiated at water/sewer facilities
- Operating efficiencies focused on utilities
- A 2.5% reduction in water/sewer/electric user fees went into effect 1/1/11
- Taxes are artificially low. Raising taxes is the other half of balancing our cost equation

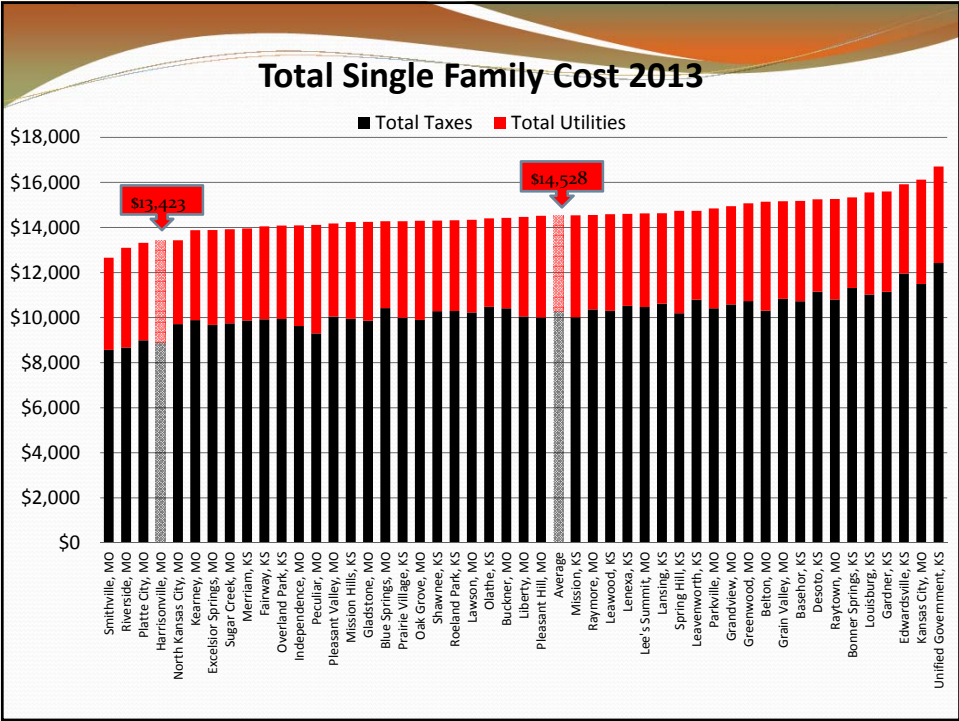
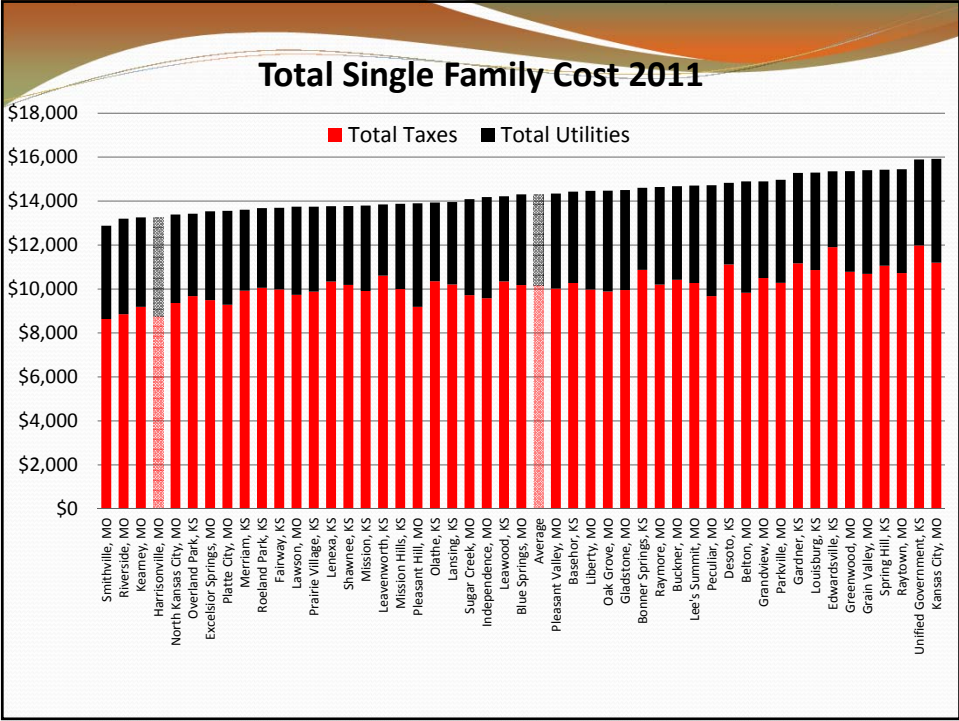
Changes/Observations for 2013

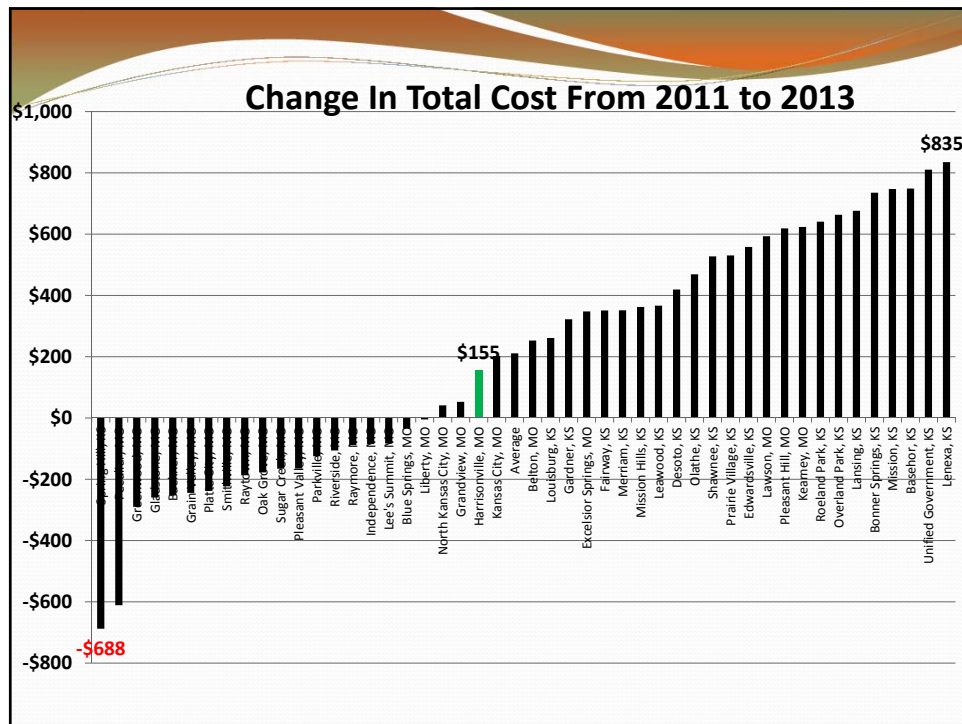
- State Income Tax calculations needed to be more sophisticated, taking into account deductions, the impact of this change was an increase in cost in Kansas and a decrease in cost in Missouri
- An average sales tax rate was used for each community which now includes special district sales taxes (TDD, CID, NID) this accounts for some of the increase in taxes
- Cost increased \$211 on average between 2011 and 2013 (2011 costs were amended to reflect the more sophisticated income tax calculation model developed in 2013)
- On average 71% of the total cost are taxes (29% are utilities)
- Electric and Natural Gas costs went up in Kansas while electric was unchanged and gas went down in Missouri
- Electric fees are almost always the largest part of total utilities (46%) followed by gas (27%), then water (11%), sewer (11%), refuse (4%) and finally storm water (1%)
- Property tax is almost always the largest part of total taxes (51%) followed by income tax (30%), then sales tax (19%)











2011 to 2013 Comparison

- Harrisonville's position stayed the same for 2013 (4th most affordable out of 48)
- Harrisonville's total cost went from \$1,049 below average to \$1,104 below average (7.6% below average)
- The Metro Average Cost went up \$211 while Harrisonville's increased by only \$154 even with an additional .5% 911 sales tax and adding the 1% TDD sales tax to our total sales tax rate
- 59% (\$123) of the increase in the metro average was due to taxes increasing, Harrisonville taxes increased \$179, utilities decreased \$24
- The range from most expensive to least expensive city increased from \$3,043 to \$4,048, eliminating the top & bottom 5 reduces the range to \$1,458

Summary & Conclusion

- The comparison achieved all four of its goals
- The comparison allows us to provide residents a complete answer to their cost questions
- The comparison is not “THE” measure of performance - it is “A” measure and should be used in conjunction with your other performance measurement tools such as citizen satisfaction surveys (service quality) and productivity and effectiveness measures in developing policy
- Cost totals are very consistent for the metro.



Each City must determine their own cost goal/strategy.

Knowing how you compare to your competition is more valuable than knowing your total.

How did your cost estimate compare?

Questions?



With so much to offer, the perfect hometown is...

HARRISONVILLE!

Why live anywhere else? If you are currently commuting to work in Harrisonville or anywhere in the greater Kansas City area, we invite you to consider making a move to Harrisonville. We have the complete package, so come for a visit and see all we have to offer.





Great Quality of Life

Harrisonville is the county seat of Cass County and a perfect example of what small town living should be. Our quiet neighborhoods are well maintained and enjoy a low crime rate. The city is home to more than 20 churches and numerous civic clubs and organizations. Residents also have access to 7 parks, 2 golf courses, 4 lakes, 2 public swimming pools, and a state of the art, full service Community Center.

In addition, Harrisonville has a number of great employers, and Interstate 49 offers an easy drive to the metro for those who are employed in the city. If you're spending too much time on the road and too much of your paycheck at the gas pump, living in Harrisonville can save you time and money.



Affordable Living

Harrisonville has a wide variety of housing for every income level. If someone wants to build, more than 250 single family lots are available in five distinct subdivisions. Beyond great housing value, Harrisonville is the most affordable Missouri community in the southeast quadrant of the KC metro, with one of the lowest tax levies (sales and property taxes) and utility rates that are comparable to those paid in the city and suburbs. Shoppers can choose from a great mix of national chain retailers and independent business owners, and gasoline prices are always among the lowest in the area.



First Rate Schools

The Harrisonville school district is fully accredited by the Missouri Department of Elementary and Secondary Education and has been honored for Distinction in Performance for five of the last seven years. Approximately 2,600 students attend school in the district in grades K-12. The ratio of students to classroom teachers is 17:1. Teachers have an average of 10.2 years' experience and over 43% have their Master's Degree or higher.

Harrisonville High School is an A+ School and is accredited by the North Central Association. The graduation rate is 90%, and the Class of 2012 was eligible for \$1.8 million in scholarship monies, including \$320,000 in A+ monies. Students' ACT composite score in 2011-12 was 21.8, earning FHHS a position on Ingram's top 10 area school list. High school students enjoy modern amenities, such as a 700-seat performing arts center and 3800-seat stadium with artificial turf.



On the sports side, the Wildcats are highly regarded in both boys and girls sports with a number of state championships to their credit. But, it doesn't end there. From music to theater to student government, and even to robotics, Harrisonville students distinguish themselves every year, winning individual accolades and team awards.



Cass Career Center provides career and technical education for both high school students and adults. Eleven career and technology programs are offered along with ITA, practical nursing, and community education courses.



Outstanding Medical Care

Physicians, dentists, chiropractors, and others are available to care for you and your family during illness or injury. In addition, the city is home to the new \$99 million Cass Regional Medical Center. As a critical access hospital, CRMC maintains a 21-bed medical/surgical unit, a 4-bed intensive care unit, and a 10-bed behavioral health unit. Services include emergency care, general and specialty surgery, and nationally-recognized cardiac rehabilitation and diabetes education programs. In addition, specialists in over 20 different areas treat patients on the Cass Regional campus in either the medical center or the adjoining Rock Haven Medical Mall. The hospital offers advanced diagnostic capabilities, such as MRI, CT and PET-CT scan, digital mammography, nuclear medicine, and a nationally-accredited sleep study lab. Cass Regional Medical Center also operates a general surgery clinic and an ear, nose and throat clinic in Harrisonville.



Convenient to Everywhere

Harrisonville is located at the junction of Missouri Highways 2, 7, 291 and Interstate 49 (formerly U.S. Highway 71), giving motorists great access to anywhere! Here are some quick travel times in the immediate area:

- Belton/Raymore/Grandview - 13 minutes
- Leck Summit/Kansas City - 20 minutes
- Johnson County, KS - 25 minutes
- KC Plaza - 35 minutes
- Downton KC - 45 minutes



In addition, the wonderful lakes and streams of Missouri, as well as larger cities such as St. Louis, Des Moines, Omaha and Tulsa, are all within easy driving distance. If one prefers to travel by air, commercial flights are available at KCI and many types of private aircraft can land, take off and re-fuel at Lawrence South Memorial Airport, located south of Harrisonville and adjacent to I-49.

For More Information, Contact
Community Development Department
816-380-8912
Or Visit Our Website
<http://ci.harrisonville.mo.us>

