

**CITY OF GRANDVIEW
MISSOURI**

**Comprehensive
Annual Financial
Report**



**For the fiscal Year Ended
September 30, 2010**

CITY OF GRANDVIEW, MISSOURI

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

Prepared by the Finance Department

Shirley A. Moses, Finance Director

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

Independent Auditors

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



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Introductory Section



March 15, 2011

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

The Comprehensive Annual Financial Report (CAFR) of the City of Grandview, Missouri, for the fiscal year ended September 30, 2010 is hereby submitted for your review. This report is submitted to you in compliance with Missouri Revised Statute 105.145 (2) which requires an annual report to the Board of Aldermen on the financial condition of the City.

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

The independent auditing firm of Cochran Head Vick & Co., P.C. has audited the City of Grandview's financial statements. The purpose of the audit was to provide reasonable assurance that the City's financial statements for year ended September 30, 2010 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the government-wide and fund financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

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

PROFILE OF THE CITY

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

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

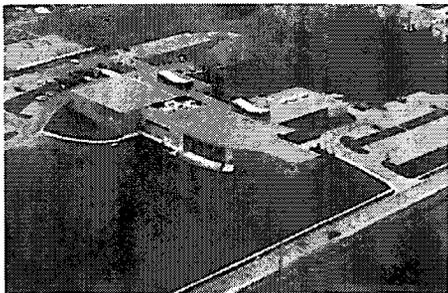
The City of Grandview, Missouri encompasses 15 square miles and has a population of approximately 25,500. The City is located in southern Jackson County, about 15 miles south of downtown Kansas City, Missouri. Kansas City borders Grandview on the north, east, and west. The former Richards-Gebaur Airport (now an intermodal facility) is immediately south of the City and Longview Lake adjoins the City's eastern border.

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

SUMMARY OF LOCAL ECONOMIC CONDITIONS

The City has felt the impact of the national and global financial crisis and the shrinking economy that has ruled over these past few years. Grandview also has felt the result of declining property assessments, lower sales tax receipts, and restrained residential development. Still, the City continues to make progress in a number of areas, to improve or replace infrastructure and equipment, significantly enhance our marketing efforts, and set the stage for an eventual economic recovery. To illustrate, here are some of the many positive trends occurring in our community. We don't deny that we have significant challenges, but City officials are working diligently to improve, and we foresee a brighter future ahead.

- Last year, the Transportation Sales Tax was renewed by voters, providing another ten years of funding for new roads and for annual road resurfacing and maintenance.
- Construction is complete for the new U.S. 71/Missouri 150 highway interchange and the road widening and improvements continue east toward Lee's Summit.
- New homes are being built in several areas of Grandview like Sunrise Farms and Creek wood, averaging about 30 a year despite the difficult housing market and economy since 2008. Home sales have remained brisk, and there have been relatively few foreclosures.
- The former Richards-Gebaur Airbase and airport has been redeveloped by CenterPoint to provide hundreds of acres of industrial building space, primarily for warehousing and distribution, and promising hundreds more jobs in future years.
- The City developed and approved a new Trails Plan in 2010 to guide future trail expansion.
- The Capital Improvements Sales Tax (renewed in 2007) continues to provide funding to replace and upgrade vehicles and equipment for the Police, Fire/EMS, and Public Works Departments. This has included not only police cars, ambulances, and fire trucks, but digital in-car video cameras, mobile data terminals, defibrillators, radios, firefighting gear, CAD software, station upgrades, and dump trucks and other heavy equipment.
- The View, Grandview's premier 7-year-old community center, continues to offer state-of-the-art fitness equipment, classes, personal training, swimming, team and free-style basketball and other sports, a youth activity room, and banquet and meeting facilities.



- The former Grandview Plaza Shopping Center, partially vacant when sold in 2009, is now the new International House of Prayer (IHOP) University, and after only four months, is already serving 1,000 students.
- Citizens are still able to pay county taxes in person, as well as register or license their cars or renew their driver's licenses, at Grandview City Hall. The City's property tax rate has remained the same as it was in 1985.

- The City's state-of-the-art website offers a wealth of information on the City, the Grandview Chamber of Commerce, local businesses, community center, special events, key dates, community meetings and activities, economic development, and "how to" procedures.
- Grandview has now hosted "Kansas City Ability Day" for the last three years, offering events and activities for children and others who are physically challenged, and looks forward to hosting this truly inspiring event again in 2011.



- The majority of businesses in Grandview have survived with relatively few layoffs, and many are planning for new growth and investment in 2011. Several new businesses have opened in the past couple of years in spite of the economy. Grandview has nearly 600 businesses still employing around 10,000 people.

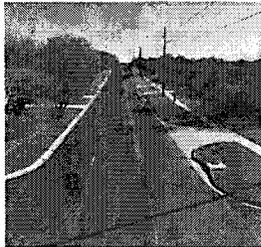
The past few years have been challenging to the City; however, we believe that the following projects, which are now on our horizon, will positively impact the dynamics of reinvestment in our community:

- Using bonds approved by voters in 2008 (without a tax increase), more park improvements will be made in 2011 and 2012. Last year's fantastic splash park or "sprayground" in John Anderson Park will be followed this year with "Bumble's Forest" at Meadowmere Park.

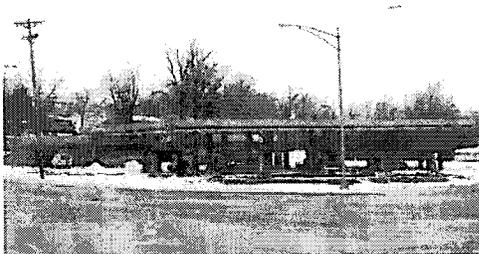


- The bond issue mentioned above is also funding the design and construction of a new, combined public works/park maintenance facility featuring green design features and shared space for both maintenance operations. Construction should begin later this year.

- The long-awaited Main Street Corridor Phase I improvements will begin this winter.
- The new \$670 million NNSA/Honeywell manufacturing plant is under construction, with 2,000 jobs being relocated to the Botts Road and Highway 150 area starting in 2012.
- Botts Road south of the Grandview city limits is being widened and improved to Missouri Highway 150, and a new diverging diamond interchange is being built to accommodate the traffic associated with the huge new Honeywell facility by late 2012.
- The 135th Street widening project (5th Street to Botts) and Botts Road widening (135th to 139th) in Grandview will also be occurring over the next year or so.



- Grandview has received federal funds to stretch local funds for street improvements like the 2nd/3rd Street connector and Main Street Corridor.
- A new trail adjacent to the new Highway 150 road improvements is being designed.
- A new medical office building and pharmacy to be located at the southwest corner of Byars Road and Missouri 150 is planned to start construction later this year.
- A new QuikTrip located on 150 Highway is currently under construction and planned to open later this year.



- A Highway 150 Corridor study is planned to start this spring to help plan for and guide the significant growth and development expected along there soon and in the future.
- The annual “Harry’s Hay Days” is being revamped to provide more features and community activities this spring; and “Music on Main” this fall should be bigger than ever.

RELEVANT FINANCIAL POLICIES

The City's reserve policy indicates that the City will maintain an unreserved fund balance equal to or greater than 20% of general fund operating expenditures and obligated debt service transfers. Unreserved general fund balance for fiscal year 2010 represents 39.3% of total general fund expenditures. The general fund received a large wireless franchise tax settlement which was not used for operations per the City's revenue policy.

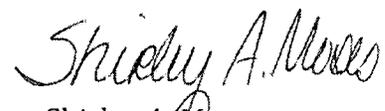
AWARDS AND ACKNOWLEDGEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grandview for its comprehensive annual financial report for the fiscal year ended September 30, 2009. This was the 23rd consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,


Cory L. Smith
City Administrator


Shirley A. Moses
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Grandview
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

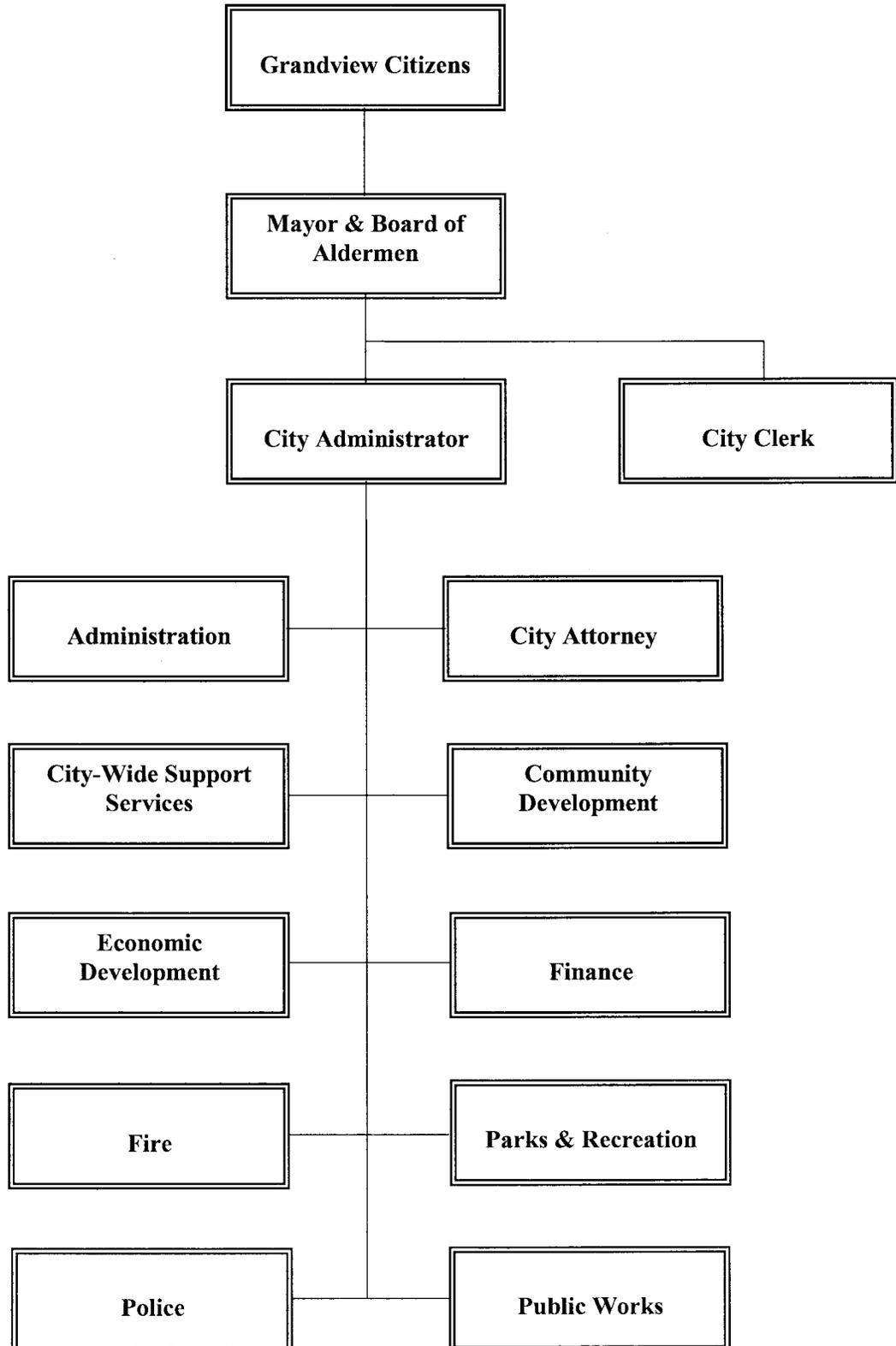
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

CITY OF GRANDVIEW, MISSOURI
Organizational Chart
September 30, 2010



CITY OF GRANDVIEW, MISSOURI
List of Principal Officials
September 30, 2010

Elected Officials:

Mayor	* vacant
Alderman, Ward I	Stephen S. Dennis
Alderman, Ward I	Leonard D. Jones, Jr.
Alderman, Ward II	Joseph Runions, Jr.
Alderman, Ward II	Annette Turnbaugh
Alderman, Ward III	James Crain
Alderman, Ward III	Anthony Preyer
Municipal Court Judge	Donald Crow

City Officials:

City Administrator	Cory L. Smith
Assistant City Administrator	Kirk Decker
City Clerk	Becky Schimmel
City Collector & Treasurer	Shirley A. Moses
City Engineer	Larry Finley
Community Development Director	Chris Chiodini
Economic Development Director	Alan Kenyon
Finance Director	Shirley A. Moses
Fire Chief	Chuck Thacker
Parks & Recreation Director	Tony Finlay
Police Chief	Larry Dickey
Public Works Director	Dennis Randolph

Finance Department Officials:

Finance Director	Shirley A. Moses
Assistant Finance Director	Phillip S. Smith
Senior Accountant	Rita M. Lohkamp
Accounting Supervisor	Frank Merkle
License Office Supervisor	Debbie Bowlin
Municipal Court Clerk	Cindi Inman

* Mayor Robert M. Beckers died on August 24, 2010, leaving the office of Mayor temporarily vacant. Pursuant to state statute and City Code, the duties of Mayor are being handled by Alderman Stephen S. Dennis, who also serves as Board President. A new Mayor will be chosen in the regular municipal election on April 5, 2011.

