

CITY OF GRANDVIEW MISSOURI

Comprehensive Annual Financial Report



**For the fiscal Year Ended
September 30, 2011**

CITY OF GRANDVIEW, MISSOURI

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

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**



CITY OF GRANDVIEW, MISSOURI

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Introductory Section



March 30, 2012

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, 2011 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, 2011 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.

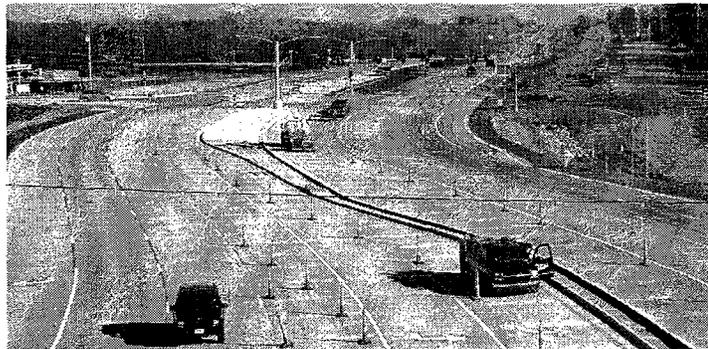
SUMMARY OF LOCAL ECONOMIC CONDITIONS

Despite the struggling economy, housing market, and nominal increase in new jobs over the past year, the City of Grandview made some important strides in 2011. The following is a glimpse of some of the key accomplishments within the City of Grandview in 2011.

Community/Economic Development

- The Board of Aldermen has voted and approved the tax increment financing (TIF) proposal from RED Development, for the redevelopment of Truman Corners Shopping Center.
- The Board of Aldermen, after several public hearings and consideration of all evidence presented, voted to void the Truman Corners TIF plan (TIF No. 5) and redevelopment agreement due to the lack of progress and continued loss of business. That TIF plan was approved over 13 years ago. Since then, as many as three developers have submitted proposals for the redevelopment of the center.

- The Board also gave approval of Chapter 353 tax abatement incentives for the construction of the new medical office building on Missouri Highway 150. The facility had its grand opening on October 31. The 20,000 square-foot building located at 7201 E. 147th street serves as the newest addition to the “New Grandview Triangle” and has added more than 60 jobs, including primary care and specialty physicians.
- Amendments were made to the Grandview Zoning Ordinance regarding the location of donation bins, abandoned commercial signs and free-standing sign height in an effort to keep Grandview clean and attractive, while allowing sign visibility along the highway.
- The City initiated the Highway 150 Sustainable Development Corridor Study to create a plan that will allow for the most sustainable and suitable development along there for many years to come, even during difficult economic times.

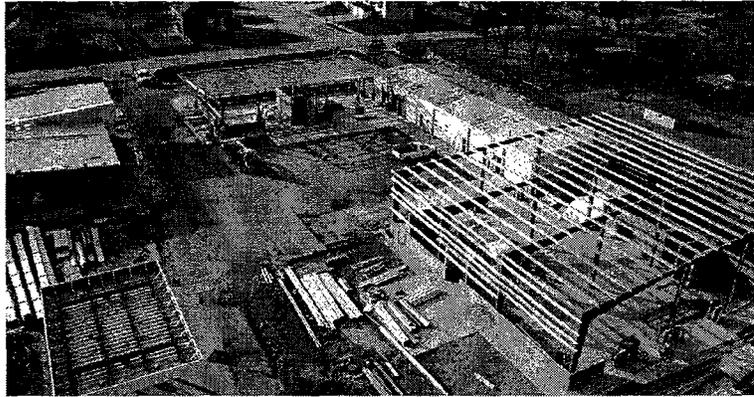


- The City placed the hotel/motel tax of 5% before local voters in August of 2011 to promote tourism in the community and the City received a favorable vote of approval.
- The City completed dangerous building cases related to the Welcome Home and Daisy Apartments, forcing the owners in each case to bring these properties up to minimum building preservation code standards, thus providing for more safe and sanitary structures and conditions for tenants.
- The City was awarded CDBG neighborhood preservation funds to help promote the construction of new homes in the Norby Gardens subdivision.

Public Infrastructure and Facilities

- City contractors completed Phase I of the Main Street Corridor Project, from the Kansas City Southern Railroad tracks to 10th Street, with new concrete sidewalks, lighting, curb, driveways, landscaping, benches, signals, signs and more.

- City-hired architects completed the design of the new Park/Public Works Maintenance Facility, and construction started at the end of July. The new PPW facility will be located at the corner of 139th Street and Winchester Avenue, the site of the existing Public Works complex. The new facility not only combines two previously separate operations, but will have architectural features that make it energy efficient and environmentally friendly. Occupancy is expected to take place this spring.



- Construction began on “Brumble’s Forest”, the new destination playground in Meadowmere Park, which is supposed to be the most unique and innovative playground in the region. Despite delays due mostly to weather, a grand opening is expected to take place in the spring of 2012.



- Parks and Recreation completed various smaller projects, including new flooring in the fitness area of *The View*, masonry work at the Municipal Services Building, and slurry sealing of the parking lots at *The View* and the Shalimar Baseball Complex.

- The selected contractor completed the Botts Road – Phase II (135th Street to 139th Street) project and started Phase III of the Botts Road project.



- Construction/reconstruction of the 2nd/3rd Street Connection was completed.
- Public Works constructed the Skyline Sanitary Sewer replacement project.
- Consultants worked with Public Works to complete the second year of inflow and infiltration studies to address sanitary sewer system leaks and storm water infiltration.
- Architects completed the design, and Public Works secured federal grant funds for the Farmer's Market Place improvements, which will begin this summer.
- Working in conjunction with the Grandview School District, a grant was awarded for the Safe Routes to School Program.
- Contractors completed the annual slurry seal, overlay, sidewalk/curb, pavement marking, sanitary sewer, and storm drainage improvements.
- Public Works hosted the spring and fall community solid waste clean-up.
- The City sent a Public Works crew and equipment to assist in the Joplin, Missouri tornado recovery and clean-up efforts for a week last May.

Public Safety

- The Fire department continued to improve its services, by enhancing its response system with the implementation of web-based software system that is compatible with the department's EMS incident reporting software.
- The Police Department is now using an operational intelligence model that integrates location-based crime and traffic data to more effectively deploy law enforcement resources, particularly in certain target areas.
- The Police Department's Domestic Violence Unit outperformed all other metro-area departments and was recognized for its excellent Lethality Assessment Program (LAP).

- The Police Department implemented new training standards for the SWAT unit, which now brings them into compliance with national standards.
- The City outsourced prisoners to the Ray County Jail, employed video arraignments, maintained a higher inmate population in our own facility, and used more flexibility in setting bonds, thus cutting overall detention costs by as much as \$50,000.
- Special donations amounting to \$10,000 allowed the Police Department to purchase additional new police equipment this past year.
- The Police Department implemented The Volunteers in Police Service (V.I.P.S.), a community outreach program based on a very successful national model, where members of the community, who are 18 years of age or older, donate their time and skills to contribute to the overall success of both the department and the community.

Miscellaneous

- Despite declining revenues, the City successfully balanced its budget for 2012 without layoffs, pay cuts, benefit cuts, furloughs, or significant service reductions to the public. The City has, however, cut ten positions over the past three budget years, reduced liability insurance costs by over 20%, cut training/travel costs significantly, cut back on part-time and seasonal staffing, reduced vehicle maintenance costs, downsized vehicular equipment, cut back on legal fees, and reduced overall utility and supply costs.
- The City Clerk implemented a new digital records program to aid in searching for ordinances, resolutions and minutes electronically, which should be launched on the City website in 2012.
- The City purchased and successfully implemented a new financial management system, replacing the City's 18-year-old system, thus allowing department directors real time financial information to more effectively manage their budgets, purchases, fixed assets, and overall accounting operations.
- The Public Information Office implemented a new emergency notification system, which gives city staff the ability to call thousands of residents within minutes. Whether the community needs to be informed of a water main break, an approaching storm, tornado or other crisis, the new emergency notification system is the most efficient way to reach them with the news. Home phone numbers are already included, but residents' cell phone numbers can be added through the sign-up process on the website.
- The City expanded the Grandview Government Channel (Channel 2) broadcast by adding it to the AT&T U-Verse channel line-up.

- The 9th annual Pets Helping People event was once again a success, with over 500 rabies vaccinations being administered to enhance the health and safety of the community. Organizers also obtained record donations from businesses through sponsorships, making the total collection over \$4,500, along with 1,200 pounds of canned goods to benefit the Grandview Assistance Program.



- The Parks and Recreation Department hosted the 4th annual Kansas City Ability Day for families and disabled individuals at The View, and more than 400 people participated in the event last year.
- The City adapted its website (www.grandview.org) to be compatible with the small screens of smart phones and tablets. Visitors to the City's website can now use their mobile devices to view upcoming events and the latest news, visit the web pages of all city departments, and find specific resources or businesses within the community.
- Grandview became part of the social media world by creating accounts on Facebook and Twitter. Don't forget to "like" and "follow" the City for the latest news and pertinent information.
- The Parks and Recreation Department started offering online registration for its programs and activities.

In spite of all the gloomy national and economic news, there are plenty of reasons to celebrate Grandview's 100-year anniversary this year. The City has weathered more than its share of adversity in the past thirty years or more, but Grandview is moving forward, and with a little help from the overall economy, we see many more exciting things happening in the near future, as well as the long term.

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 2011 represents 42.3% 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, 2010. This was the 24th 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, 2010

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



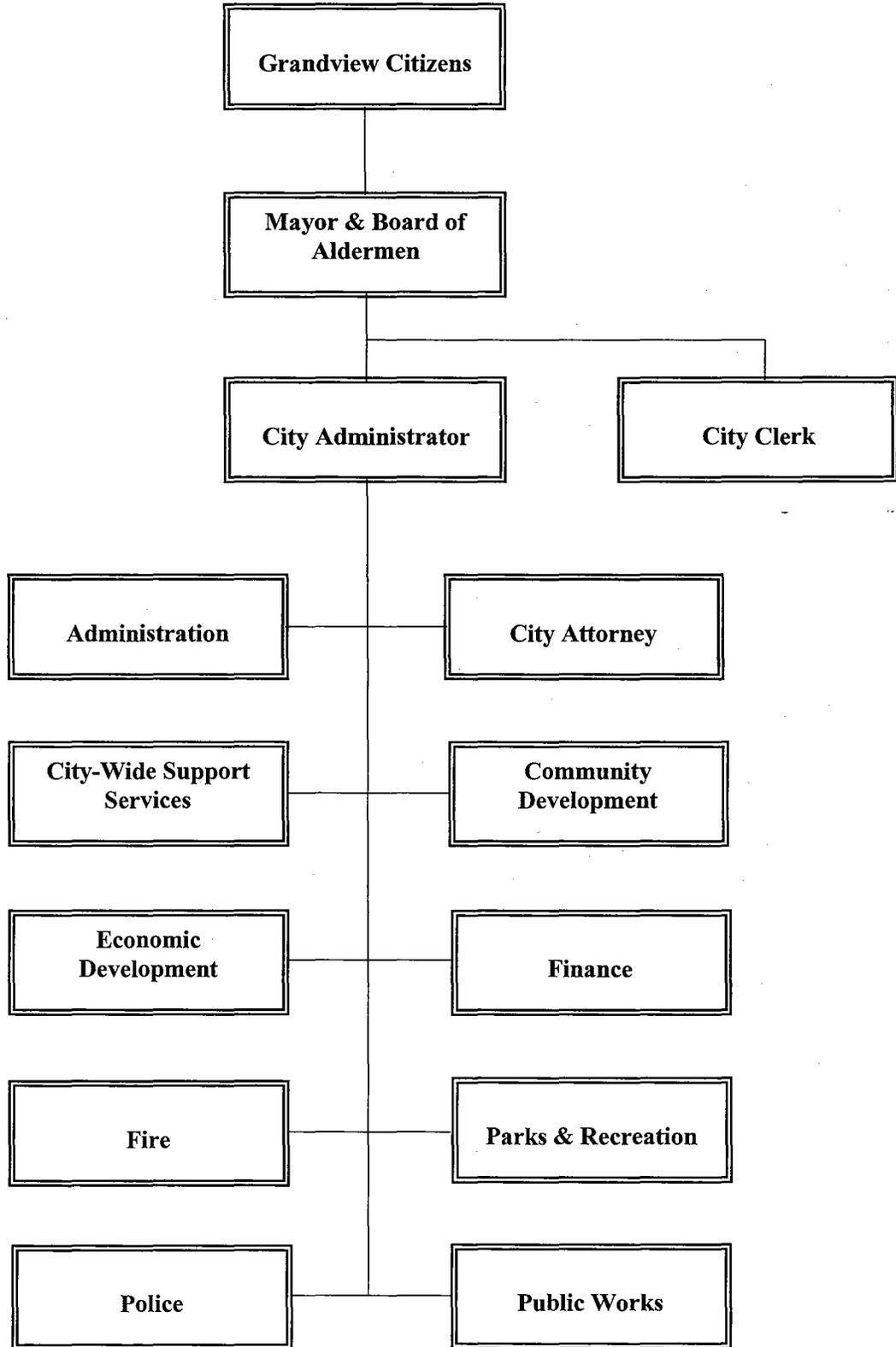
Linda C. Danison

President

Jeffrey R. Enos

Executive Director

CITY OF GRANDVIEW, MISSOURI
Organizational Chart
September 30, 2011



CITY OF GRANDVIEW, MISSOURI
List of Principal Officials
September 30, 2011

Elected Officials:

Mayor	Stephen S. Dennis
Alderman, Ward I	Brent Steeno
Alderman, Ward I	Leonard D. Jones, Jr.
Alderman, Ward II	Joseph Runions, Jr.
Alderman, Ward II	Annette Turnbaugh
Alderman, Ward III	James N. Crain
Alderman, Ward III	John Maloney
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	Charles Iseman
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 Supervisor	Kelly Elliott

