

CITY OF GRANDVIEW MISSOURI

Comprehensive Annual Financial Report



**For the fiscal Year Ended
September 30, 2012**

CITY OF GRANDVIEW, MISSOURI

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

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 20, 2013

**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, 2012 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, 2012 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 24,630. 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 fiscal year 2012. The following is a glimpse of some of the key accomplishments within the City of Grandview in fiscal year 2012.

Economic Development

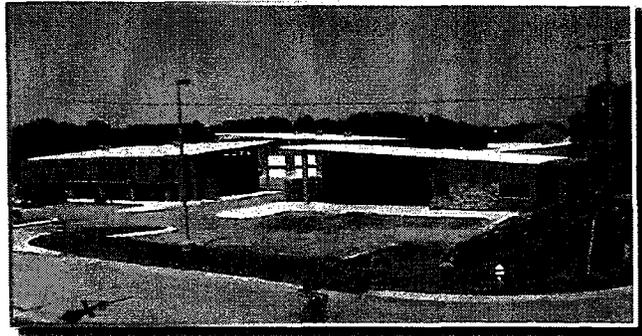
- Prompted the owners of 80 Industrial-Zoned Acres along Botts Road to seek certification as a Development-Ready Site and one of only 14 certified sites around the state

- Assisted in the Relocation of Businesses into Grandview or to new facilities within Grandview along West Main and Duck Road.
- The Board of Aldermen voted and approved a tax increment financing (TIF) proposal from RED Legacy, for the redevelopment of Truman Corners. The new Development, Truman's Market Place, is scheduled to open in 2014.

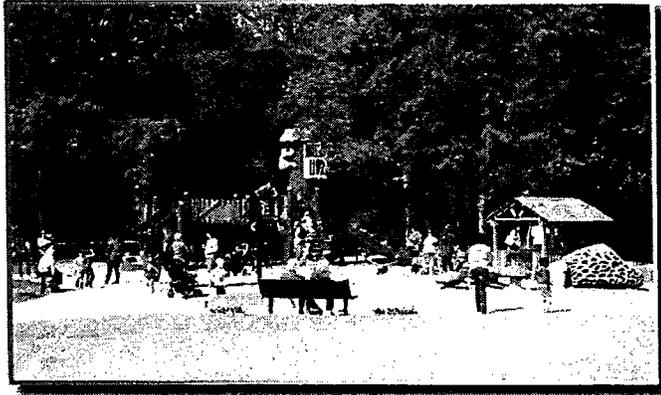


Public Infrastructure and Facilities

- The City completed the design and construction of the new Park/Public Works Maintenance Facility. The new PPW facility is 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 also has architectural features that make it energy efficient and environmentally friendly.



- Construction was completed on "Brumble's Forest", the new destination playground in Meadowmere Park, which is said to be the most unique and innovative playground in the region.



- Parks and Recreation completed various smaller projects, including completion of the 2012 Aquatics & Athletic Facilities Feasibility Study for future recreation planning and programming, and the acquisition of 10 Acres of Additional Land for Future Park Development on Byars Road.

Public Safety

- The Police Chief initiated the Volunteers in Police Service (VIPS) Program to allow a limited number of citizens to volunteer their services in the department to provide Support Services to the department, freeing up officers to concentrate on operations.
- The City used money from the Police Department's Forfeiture Account to remodel the Patrol Roll Call Room, a room used 24/7 by 35 or more Patrol Officers.
- The Department purchased six new ToughBooks (Mobile Data Terminals) and eight Tactical Radios, replacing outdated ones
- The City purchased four new Ford Interceptors, with the intention of replacing the entire fleet over the next three years. The new cars are rated 18/26 in miles per gallon, which is 5 mpg better than the previous Ford Crown Victorias, but have 38 more hp and a 5-year/ 100,000 mile warranty.
- The City Ambulances are now equipped with power Lift Cots to reduce stress and strain on paramedics and reduce back injuries and medical costs.
- The City's Outdoor Warning Sirens were upgraded.
- The Fire Department implemented a new on line Fire Reporting Software and Computerized Fire Inspection Records application.

- Firefighters problem-solved budget constraints by installing a new frame and frame liner under the Reserve Pumper Truck. This resulted in keeping the vehicle fully operational, while delaying the need for replacement of this vehicle for an additional three years.

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, frozen ten positions over the past several 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 purchased and successfully implemented a new financial management system on time and within budget in fiscal year 2011. One important aspect of the project is to now have the City's payroll processed in-house rather than by a third party vendor. This allows department managers to drill down into payroll details for real time management and analysis of payroll expenses for their department programs. Payroll went live and became fully operational on January 1, 2013.

In spite of the gloomy national and economic news, there were plenty of reasons to celebrate Grandview's 100-year anniversary. 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.



Mayor, Steve Dennis attending 100th Year Celebration

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 2012 represents 40.1% of total general fund expenditures.

AWARDS AND ACKNOWLEDGEMENT

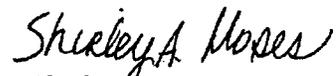
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grandview for its comprehensive annual financial report for the fiscal year ended September 30, 2011. This was the 25th consecutive 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, 2011

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.



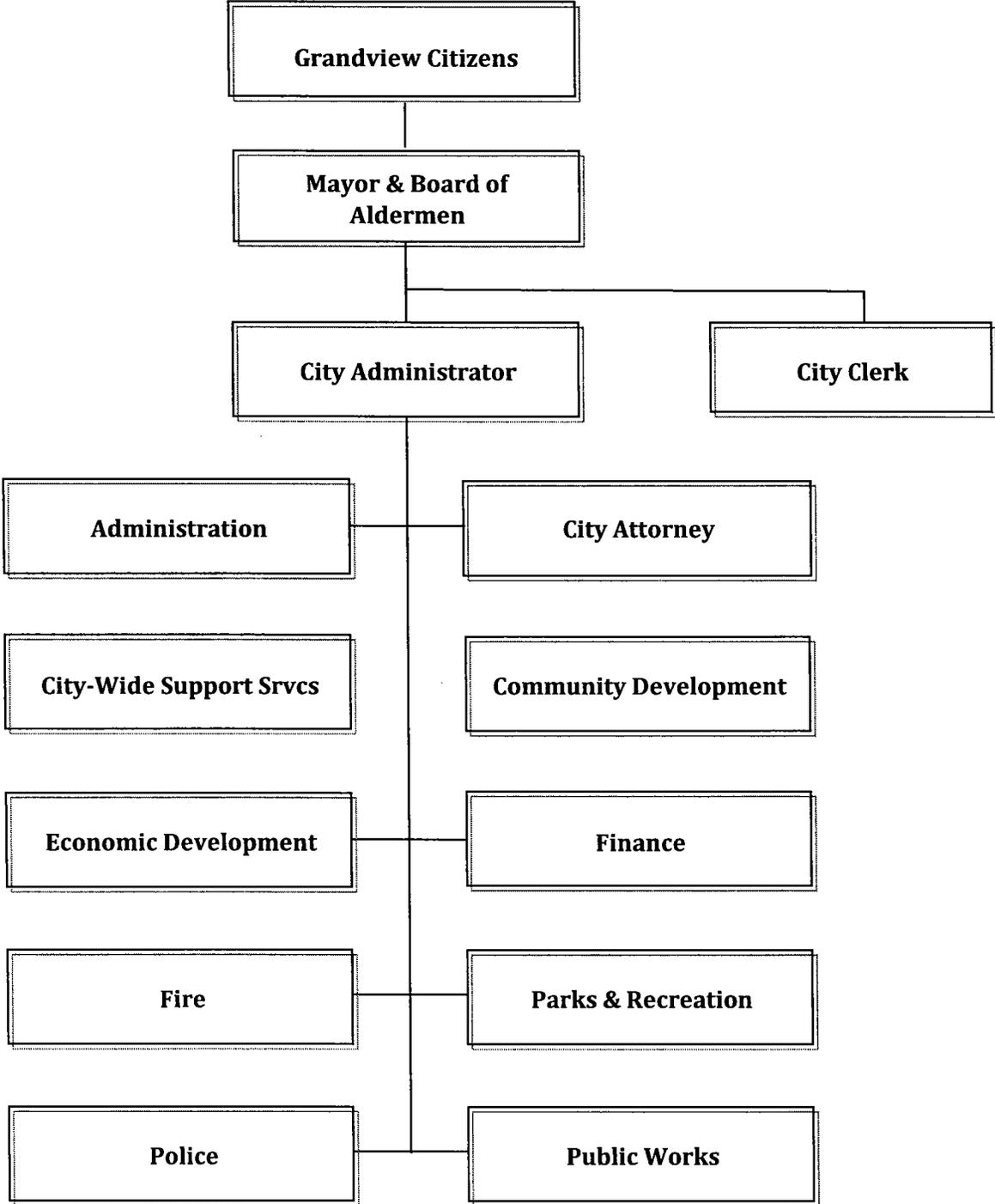
Christopher P. Morrill

President

Jeffrey R. Emor

Executive Director

**CITY OF GRANDVIEW, MISSOURI
ORGANIZATIONAL CHART
SEPTEMBER 30, 2012**



CITY OF GRANDVIEW

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2012

ELECTED OFFICIALS:

Mayor	Stephen S. Dennis
Alderman, Ward I	Leonard D. Jones, Jr.
Alderman, Ward I	Brent Steeno
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	Eric Lucas
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

