

Appendix A
October 27, 2009

THE CITY OF KANSAS CITY

The City of Kansas City is a constitutional home rule city located in parts of Jackson, Clay, Platte and Cass counties on the western border of the State of Missouri.

As of October 20, 2009, Kansas City has \$231,220,000 principal amount of sewerage system revenue bonds outstanding. \$35,940,000 of Kansas City's outstanding Clean Water Master Trust Participant Obligations (the "**Outstanding Senior Bonds**") stand on a parity with respect to net revenues of its sewerage system, which includes both sewer user charges and stormwater charges. \$46,290,000 of Kansas City's outstanding Clean Water Master Trust Participant Obligations and \$148,990,000 of Kansas City's outstanding non-Program bonds are subordinate to the Outstanding Senior Bonds with respect to revenues from sewer user charges and therefore do not have a lien on revenues from stormwater charges. In addition, \$2,035,000 of Kansas City's outstanding Clean Water Master Trust Participant Obligations are a general obligation of Kansas City.

Financial Information Concerning Kansas City

This **APPENDIX A** incorporates by reference the audited financial statements provided by Kansas City to NRMSIR's and to the appropriate SID, if any. The following table sets out revenues and expenses for only the sanitary sewer revenues deposited into Kansas City's Sewer Enterprise Fund for the years indicated:

(For Fiscal Year ended April 30, 2009)
(In Thousands)
(Sanitary Sewer Only)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Revenue:					
Other Sewer	52,747	56,638	60,782	64,848	69,850
Interest Income	3,115	2,514	3,393	3,613	4,753
Total Revenue	<u>941</u>	<u>2,288</u>	<u>1,850</u>	<u>2,779</u>	<u>1,419</u>
	56,803	61,440	66,025	71,241	76,022
Expenses:					
Sewage treatment and pumping	\$14,992	\$16,059	\$16,109	\$17,932	18,969
Sewer Maintenance	9,633	11,664	11,677	13,419	16,489
Administration and general	8,141	9,568	10,607	13,193	14,510
Industrial Waste Control	1,846	1,827	2,029	2,021	2,264
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>	<u>0</u>
Total Expenses*	34,612	39,118	40,422	46,565	52,232
Available Debt Service	22,191	22,321	25,603	24,676	23,790
Annual Debt Service	16,635	18,574	16,750	17,892	19,276
Gross Debt Service Coverage	1.33x	1.2x	1.53x	1.38x	1.23x
Less: SRF Subsidy	3,163	3,266	3,458	3,381	3,242
Net Current Debt Service	13,472	15,308	13,292	14,511	16,034
**Net Debt Service Coverage	1.65x	1.46x	1.93x	1.70x	1.48x

*Does not include Depreciation, Interest Expense and Fiscal Agents Fees.

**Per the City's Parity Bond Ordinances, Debt Service Requirement can be reduced by SRF Subsidies for the purposes of calculating debt service coverage ratio.

Source: City of Kansas City.