

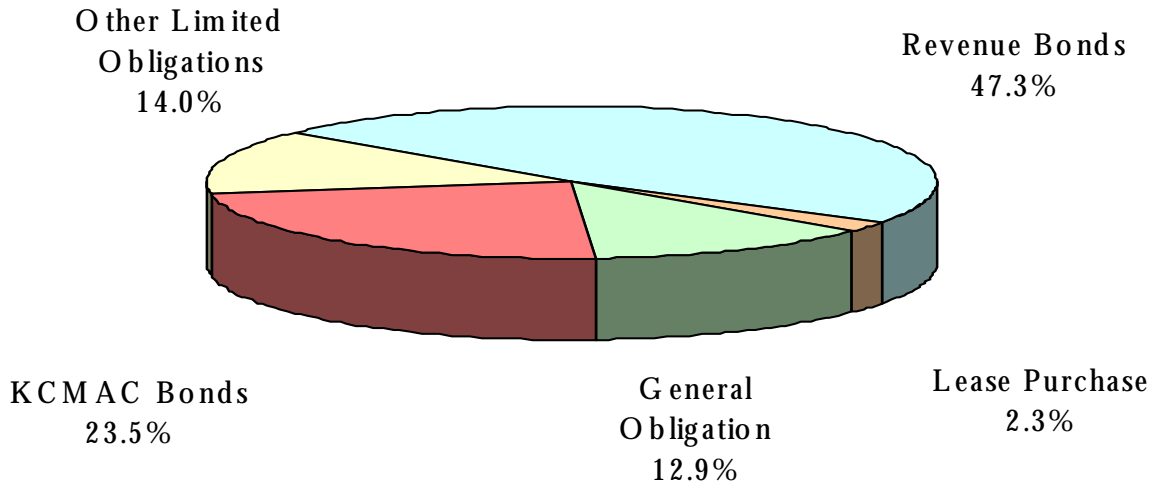
# MUNICIPAL DEBT

## OUTSTANDING MUNICIPAL DEBT

The residents of Kansas City have committed to maintaining and enhancing the quality of life in Kansas City through the renovation and construction of facilities that ensure future development and continue cultural and recreational opportunities. Those projects requiring a large capital investment have been financed using one or more of the following mechanisms: general obligation bonds, revenue bonds, notes payable or capital leases. It is estimated that by April 2004, outstanding bonds, notes and capital leases will approximate \$1.112 billion: \$142.6 million in general obligation bonds, \$526.2 million in revenue bonds, \$261.5 million in KCMAC capital leases, \$25.7 million in equipment leases and \$156.0 million in other limited obligations.

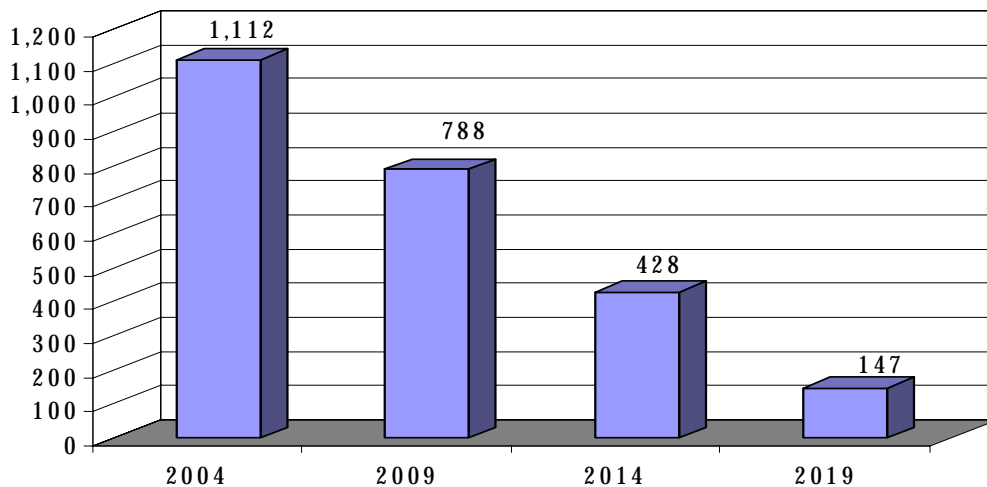
### OUTSTANDING BONDS AND CAPITAL LEASES

AS OF APRIL 30, 2004



### OUTSTANDING BONDS AND CAPITAL LEASES

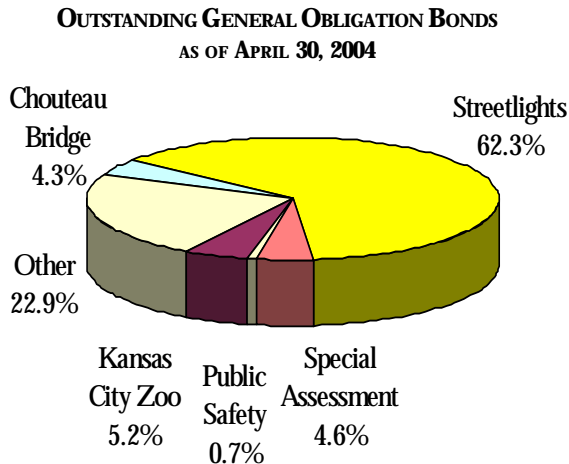
(IN MILLIONS)



## GENERAL OBLIGATION BONDS

General obligation bonds have increased in recent years with voter approval of public safety, zoo, sanitary sewer, Chouteau Bridge and streetlight project bonds.

The first and second series (1989 and 1991A) of the \$39.7 million in public safety bonds authorized by voters in November 1988 total \$36.0 million. The \$36.0 million financed equipment purchases and construction and renovation of facilities for the Police and Fire Departments. An additional \$3.7 million in public safety bonds were sold in 1995-96. The Series 1989 G.O. bonds were fully paid in FY 2000. The Series 1991A and Series 1992 were advance-refunded in FY 1998-99 and was called for redemption in FY 2001 and FY 2003, respectively.



The first and second series of general obligation bonds (Series 1991 and 1992) for design and construction of a new zoo exhibit totaled \$50.0 million. The \$50.0 million bond sale, an additional \$21.0 million from the city's capital improvements sales tax, zoo admission fees and support from the Friends of the Zoo provided the construction funds for a new zoo twice the size of the old one. The Series 1991 and 1992 bonds were refunded in fiscal year 1998-99. The series 1991 bonds were then redeemed in FY 2000-01 and the series 1992 bonds will be called in FY 2002-03.

In November 1988, voters approved an authorization to sell up to \$30.0 million in general obligation bonds for sanitary sewer purposes. Bonds for sewer special assessment projects financed sewer improvements in

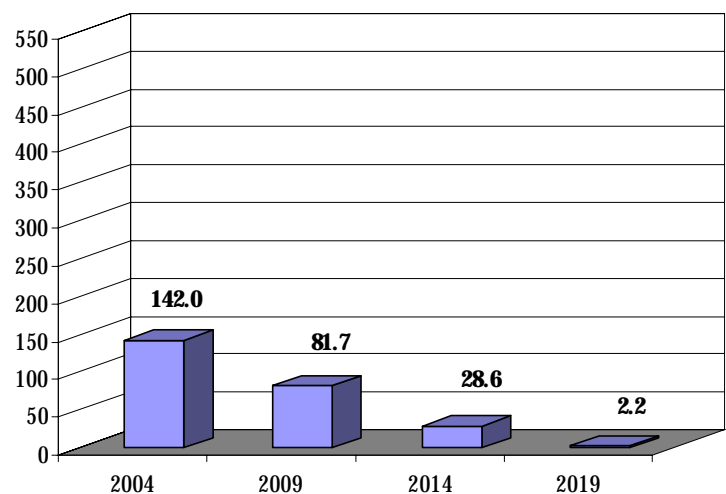
developed areas. In April 1997, \$5.7 million of sanitary sewer bonds were issued to refund portions of Series 1991 and 1996A. The net present value savings derived from the refunding was \$1.2 million. The first, second and third series of sanitary sewer bonds total \$17.1 million. The City Charter limits the use of authorized general obligation bonds for a period of twelve years immediately following such approval. Hence, the authorization for the remaining but unissued sewer bonds of \$12.9 million expired in November 2000.

Chouteau Bridge Project general infrastructure bonds were authorized in August 1996 and total \$10.1 million. Proceeds from these bonds paid the city's share of the cost of designing and constructing a replacement for the Chouteau Bridge which opened in December 2001.

In April 1997, voters authorized the issuance of up to \$110.0 million for the purchase of an existing street lighting system from Kansas City Power & Light Company and construction of an upgraded and expanded street light system. The City has issued Series 1997B, 2000A and 2002A bonds for \$40.0 million, \$59.3 million and \$10.7 million, respectively. In April, 2002, the city sold \$10.7 million in general obligation bonds to complete the streetlight purchase, upgrade and expansion project begun in 1997. These bonds will be retired in FY 2021-22.

In Fiscal Year 1998-99, refunding bonds in the amount of \$48.5 million were issued for the purpose of refunding General Obligation bonds Series 1991A and 1992. The refunding of these bonds allowed the City

**OUTSTANDING YEAR END BALANCE SUMMARY  
GENERAL OBLIGATION BONDS  
(IN MILLIONS)**



to realize net present value savings of \$2.6 million.

In August, 2002, the city sold \$695,000 in Neighborhood Improvement District General Obligation Bonds for the purpose of improving street pavement, drainage, and lighting associated with the Janssen Place historic neighborhood. These bonds will be repaid by an annual assessment to the benefitting property owners.

In November 2002, voters authorized the sale of up to \$35 million in General Obligation Bonds for the purpose of addressing downtown infrastructure (45%) and deferred maintenance (55%). It is anticipated that the first sale of \$17.5 million of these bonds will be sold in early in FY 2003-04.

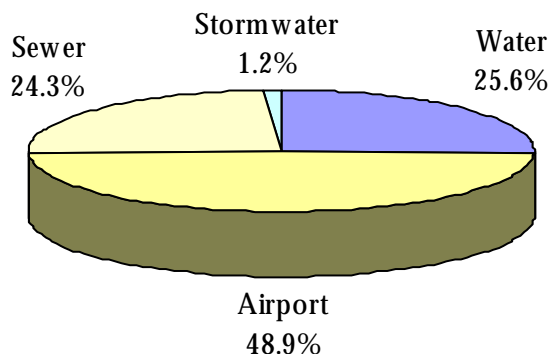
The principal amount outstanding for General Obligation Bonds is estimated to be \$142.6 million in April 2004.

## REVENUE BONDS

In August 1996, voters approved the issuance of \$150.0 million of waterworks revenue bonds. From December 1996 to April 2002 a total of \$84.9 million in bonds were sold to finance extensions and improvements of the Water System of the City.

In September 1996, \$45.6 million in water refunding revenue bonds were issued to refund \$45.1 million in

OUTSTANDING REVENUE BONDS  
AS OF APRIL 30, 2004

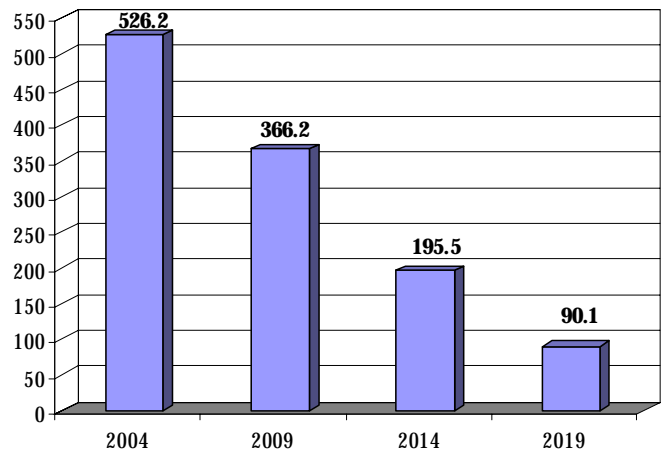


Water Revenue Bonds 7th Issue, Series A & B bonds maturing in the years 1996 to 2009. This refunding obtained a net present value savings of \$3.9 million. In

May 1998, \$38.3 million in refunding bonds were issued for the partial redemption of the 1992 and 1994 issues and obtained a net present value savings of \$2.2 million. In April 2002, a total of \$17.5 million in water revenue bonds were sold to finance improvements to the water system.

The City issues wastewater revenue bonds to finance

OUTSTANDING YEAR END BALANCE SUMMARY  
REVENUE BONDS AND LOANS



the extension and improvement of the sewerage system. In 1992, \$11.3 million in sewer system bonds, \$9.5 million from a 1960 authorization and \$1.8 million from the \$66.0 million authorized in March 1988, were sold. From the 1988 authorization, additional sales of \$64.2 million in sewer revenue bonds were made from 1995 to 1997. In November 1997, voters authorized the issuance of up to \$125.0 million in wastewater revenue bonds. From April 1998 to November 2002, a total of \$79.0 million of these bonds have been sold. In August 2001, the city refunded all outstanding Series 1992 bonds in order to achieve a net present value savings of \$1.2 million. In FY 2001-02, the Missouri State Environmental Improvement and Energy Resources Authority (EIERA) and the Missouri Department of Natural Resources (DNR) refunded their State Revolving Fund Program sewer revenue bonds. These refunded bonds were used to purchase the City's sewer revenue bonds. This transaction resulted in a net present value savings of \$1.2 million to the city as well.

In December 2000, the City entered into a \$1.3 million

loan agreement with the Missouri Department of Natural Resources for the purpose of providing matching funds for grants from the State of Missouri. In February 2002, the city entered into a loan agreement for an additional \$5.9 million in stormwater loans from the Missouri Department of Natural Resources. In addition to the loan, an additional \$2.5 million in stormwater grant funds will be provided to the department. These loan proceeds and grants will finance the planning, acquisition, construction, repair, rehabilitation or extension of the City's stormwater system. Outstanding stormwater loans are projected to total \$6.5 million as of April 30, 2004.

In August 1988, \$330.0 million in airport revenue bonds were authorized. From September 1989 to November 1994, \$266.8 million of the \$330.0 million in authorization were sold. These bonds financed the construction of a new runway, two garage facilities as well as building and grounds improvements. There have also been three series of refunding bonds issued, Airport Refunding Revenue Bonds, Series 1995, 1997, and 1999. These bonds refunded Series 1987, 1989A, 1989B, and 1994B Airport Revenue Bonds to obtain net present value savings of \$6.1 million.

In August 2000, voters authorized the issuance of up to \$395.0 million in additional revenue bonds for the purpose of acquiring land and constructing, extending, improving and equipping the City's airports. In December 2000, the City issued \$10.0 million of these bonds to finance the Consolidated Airport Rental Car Facility Project. The sale of approximately \$135.9 million in airport revenue bonds is anticipated to be issued in FY 2002-03 to complete the terminal renovation project and economy parking projects.

Outstanding bonds for water, sewer, stormwater loans, and airport purposes are projected to total \$526.2 million as of April 2004.

Water bond covenants require that the water system meet an annual rate covenant. Net revenues must exceed annual debt service by 1.1 times on all outstanding bonds. An analysis of five years of historical data indicates that the debt coverage ratio for water bonds ranged from 1.2 to 2.1 times.

Sewer bond covenants require that the sewer system

meet the same 1.1 coverage. The same analysis of sewer bond coverage indicates net revenues have been greater than the required 1.1 coverage, with net revenues covering debt 1.6 to 1.8 times.

**Table 1: Net Revenue to Debt Ratio**

<b>Year</b>	<b>Water</b>	<b>Sewer</b>	<b>Airport</b>
<b>1998</b>	1.8	1.6	2.8
<b>1999</b>	2.1	1.8	3.1
<b>2000</b>	2.0	1.6	2.9
<b>2001</b>	1.8	1.7	3.1
<b>2002</b>	1.2	1.6	1.8

Airport bond covenants require that the airport meet an annual rate covenant as well. Net revenues must exceed annual debt service by 1.0 times on all outstanding bonds. In the last five years, net revenues have covered debt by 1.8 to 3.1 times.

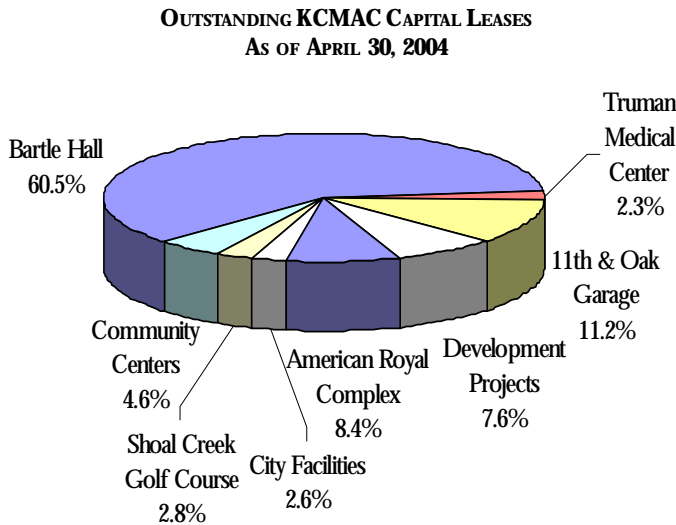
## **KCMAC CAPITAL LEASES**

The capital lease is a rapidly growing financing mechanism in Kansas City. In April 1973, the city began to pay the Jackson County Sports Authority for bonds used to finance the American Royal Arena. In 1991-92, the city refinanced \$5.3 million of Jackson County Sports Authority debt. As of April 30, 2004, the outstanding capital lease principal of these bonds is estimated to be \$1.0 million. The KCMAC Series 1992A bonds are scheduled to be retired in FY 2004-05.

The City began to use capital lease financing through the Kansas City Municipal Assistance Corporation (KCMAC) in 1985 with the financing of the \$15 million Bartle Hall North project. State authorized legislation and voter approval to increase the hotel/motel and restaurant taxes provided the funds to further expand the Bartle Hall Convention Complex. In September 1990 and May 1991, \$162.9 million in capital lease bonds were issued for this purpose. In November 1995, \$34.2 million in bonds were issued to refinance the Series 1990B1 and 1990B2 bonds, and in February 1996, an additional \$137.3 million in bonds were issued to refinance Series 1991B bonds. The total net present value savings obtained from the refinancing was \$5.1

million. As of April 30, 2004, the outstanding principal for this project is estimated to be \$159.4 million.

The KCMAC capital lease bonds for renovation of the Barney Allis Plaza were refunded in 1995. The refunding issue for Barney Allis Plaza was part of the Bartle Hall Refunding Bonds, Series 1995A.



In October 1992, KCMAC issued \$22.3 million in improvement and refunding bonds to finance the following: renovation of Swope Ridge Geriatric Center; acquisition of the Agnes Building; and refunding of the 1987 Municipal Service Center Bonds. The KCMAC Series 1992B bonds are scheduled to be retired in FY 2007-08.

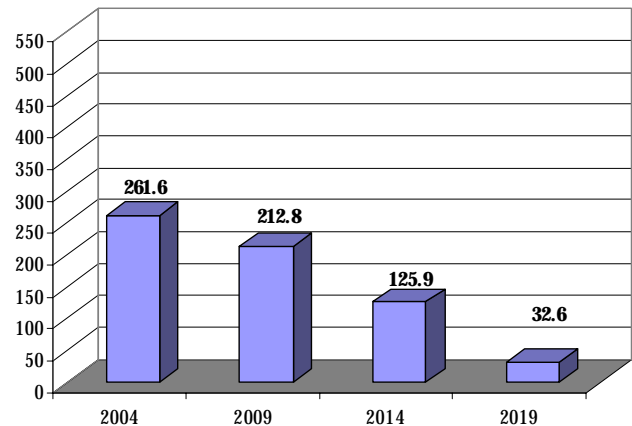
The City Council approved a KCMAC bond issue totaling \$42.3 million in 1994-95. These bonds were issued to finance the following projects: six new community centers, Northland road projects, Broadway and Southwest Boulevard streetscapes, Tiffany Springs Park, and Parkway, Palestine and 18th and Vine area improvements and the hazardous materials fire station. Debt service for these projects is paid by the capital improvement sales tax, and a \$12.50 vehicle license fee on vehicles registered in the city. Outstanding principal of \$12.2 million as of April 30, 2003 on the KCMAC Series 1994B is scheduled to be retired by FY 2013-14.

In August 1996, the city issued KCMAC leasehold revenue bonds to finance the renovation of Kemper Arena and Municipal Auditorium. The total amount of bonds issued for this project was \$20.0 million. Outstanding debt for this issue is anticipated to total

\$19.3 million in April 2004 and is scheduled to be retired in FY 2015-16.

In August 1998, the city issued \$8.6 million of refunding bonds to fully refund the KCMAC Truman Medical Center Series 1991A bonds. The total net present value savings obtained from the refinancing was \$0.6 million. The refunded bonds were initially issued to construct an office building and parking facility for Truman Medical Center. As of April 30, 2004, the principal outstanding on these bonds will total \$6.2 million with a scheduled retirement date in FY 2011-12. These bonds are repaid by an annual lease payment from Truman Medical Center. On the same date, the city issued more KCMAC leasehold revenue bonds in the principal amount of \$7.4 million. The bonds financed the construction of the Shoal Creek golf course at Hodge Park which opened in 2001. Golf course user fees provide the debt service payment for this series with all debt scheduled to be retired in FY 2018-19.

**OUTSTANDING YEAR END BALANCE SUMMARY  
KCMAC CAPITAL LEASES**



In May 1999, leasehold revenue bonds financed the land acquisition of a new municipal parking garage at 11<sup>th</sup> and Oak (\$5.9 million) and the purchase of 1,833 existing streetlights from Missouri Public Service (\$2.0 million). In May 2001, the KCMAC issued \$24.9 million of leasehold revenue bonds to finance the construction of the municipal parking garage. Debt service for the 11th and Oak Parking Garage will be provided by a portion of the city's parking meter revenues, space rentals in the facility, and the city's General Fund.

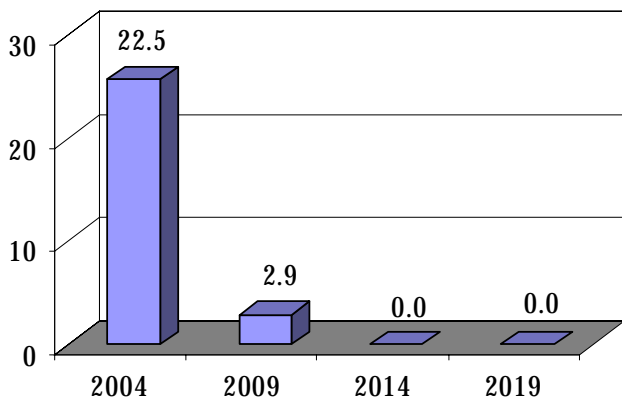
In September 2001, the City issued tax-exempt and taxable leasehold revenue bonds in the par amount of \$20.2 and \$0.54 million of leasehold revenue bonds. The bond proceeds will finance three separate public infrastructure projects: Prospect North Project which constructs a portion of Maplewoods Parkway; Zona Rosa, a development project which is to construct Northwest Prairie View Road; and Fairyland Redevelopment Project which constructs public infrastructure for housing and commercial activities at 75th and Prospect in the city.

In the spring of 2003, the city will issue up to \$60 million in KCMAC bonds for the purpose of defeasing the KCMAC Series 1994B (Community Centers) in the amount of \$14.5 million; a total of \$30 million for the purchase and implementation of an Enterprise Resource Planning (ERP) system to improve the finance, payroll, tax collection and human resources applications utilized by City personnel in City operations; and up to \$12 million for additional infrastructure improvements in the general area of Barry Road, N. Congress Avenue, and M-152 associated with the Zona Rosa commercial development.

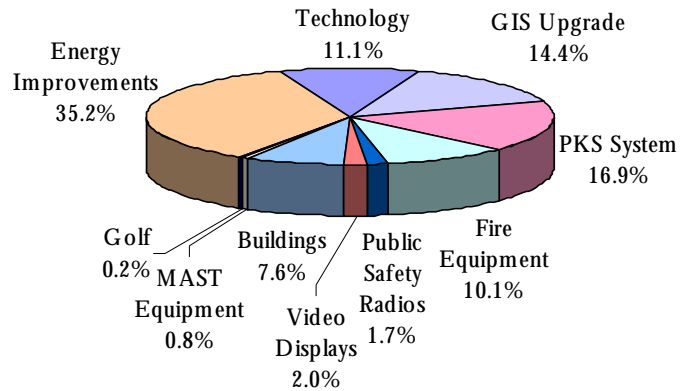
## MUNICIPAL LEASE PURCHASE AGREEMENTS

The City has used lease purchase agreements as a method to finance the procurement of capital assets. The City has utilized lease purchase agreements to finance the Kemper Arena scoreboard, replace aging

OUTSTANDING YEAR END BALANCE SUMMARY  
LEASE-PURCHASE AGREEMENTS



OUTSTANDING LEASE-PURCHASE AGREEMENTS  
AS OF APRIL 30, 2004



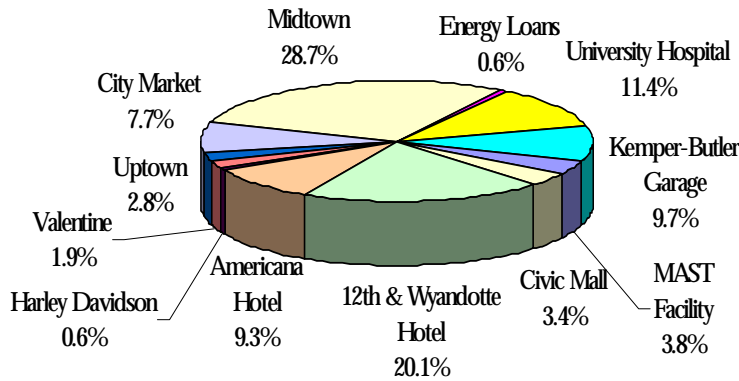
vehicle equipment, purchase computers and telecommunications equipment, funded a portion of the cost of the capital construction management software system known as Project Knowledge, install an energy management system, purchase buildings for the Police and Parks & Recreation Departments, finance the police and fire Radio Enhancements Project, and finance the purchase of defibrillators for the Metropolitan Ambulance Services Trust (MAST).

In FY 2002-03, the city entered into lease purchase agreements to upgrade the city's mainframe computer, a new fire truck, and an upgrade of the city's Geographic Information System. Outstanding debt for these lease agreements is anticipated to total \$25.7 million by April 30, 2004.

## OTHER LIMITED OBLIGATIONS

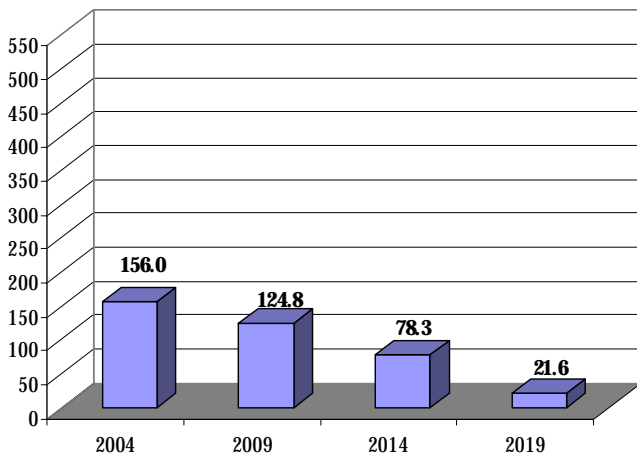
The City Council has approved several redevelopment plans for blighted areas of the city. They determined it was desirable for the city to assist in financing these projects through the issuance of lease revenue bonds. These projects were as follows: the Civic Mall, the 13th & Wyandotte Hotel, the Muehlebach Hotel Redevelopment Plans, the Midtown Redevelopment Project, Uptown Theater Project and the Valentine Redevelopment Project. The total amount of bonds sold to finance these projects was \$113.1 million. The hotels bonds were issued through Land Clearance for Redevelopment Authority (LCRA) and the others were issued through the Missouri Development Finance Board (MDFB). It is anticipated that Tax Increment Finance (TIF) revenues will be

**OUTSTANDING LIMITED OBLIGATIONS  
AS OF APRIL 30, 2004**



allocated by the City and the TIF Commission to pay a portion of the debt service. The outstanding debt for these bonds is expected to total \$103.2 million in 2004.

**OUTSTANDING YEAR END BALANCE SUMMARY  
LIMITED OBLIGATION AND NOTES  
(IN MILLIONS)**



In January 1996, the city issued through the MDFB, \$8.3 million in leasehold revenue bonds, which financed the renovation of the Metropolitan Ambulance Services Trust (MAST) ambulance service facility. The outstanding debt for this bond issue is anticipated to total \$5.8 million in April 2004. Debt service for this issue is provided by the city's General Fund with a small contribution by MAST. Debt is scheduled to be retired in FY 2015-16.

A \$1.5 million loan from MDFB was used to

provide funds for the construction of the Harley-Davidson Motor Company Project. The outstanding debt on this financing is anticipated to total \$1.0 million in April 2004.

The City has an agreement with the Planned Industrial Expansion Authority (PIEA) concerning the redevelopment of the City Market. In conjunction with this redevelopment, the PIEA issued \$11.5 million in lease revenue bonds. In September 1998, these bonds were refunded by issuing \$15.0 million in refunding bonds achieving a net present value savings of \$0.4 million. These bonds are funded through the city's capital improvement program with gaming funds and are scheduled to be retired in FY 2014-15.

In June 2001, PIEA also issued taxable leasehold revenue bonds to finance the design and construction of a three-story public parking facility containing 988 parking spaces to serve the needs of Kemper Arena and Hale Arena and to serve businesses locating in the Central Industrial District in the vicinity of 16<sup>th</sup> and Genessee in the City. The anticipated bonds outstanding in April 2004 is \$15.1 million. These bonds will be repaid by parking rentals at the new garage and the city's General Fund.

In March 2001, the Industrial Development Authority (IDA) of the City of Kansas City, Missouri issued \$18.3 million of taxable leasehold revenue bonds. The proceeds were used to finance the redevelopment of the University Hospital. The project consists of refinishing the building into office and storage space for the City and converting the old bed tower into 224 residential units. City leases totaling \$819,000 per year and multifamily lease income are expected to pay debt service on the bonds.

Energy loans totaling \$1.60 million from the Missouri Department of Natural Resources were secured in July 2000 and December 2001. The proceeds from the first loan were used to convert mercury vapor lights into energy efficient high pressure sodium vapor lights. The second was used to replace 150-watt incandescent red lamps found in traffic signals with new, energy saving, 14-watt LED lamps. This debt service is paid by energy savings from the new streetlights and traffic signals.

# DEBT BURDEN RATIOS

In an effort to monitor the City's ability to finance capital projects funded through long-term obligations, an analysis of debt burden ratios has been prepared. This analysis includes all debt issues as of April 30, 2002. The City's current debt ratio status, as it relates to general obligation debt, capital leases, overlapping debt and other limited obligations can be found in the following table. The tables on the following pages provide tabular information on municipal debt.

<b>Table 2: Debt Burden Ratios</b>	<b>Status on April 30, 2002</b>
<b>Outstanding Debt per Capita</b>	
General Obligation Debt	\$371
General Obligation, Capital Leases and Other Ltd. Obligation	\$1,446
General Obligation, Capital Leases, Other Ltd. Obligation and Overlapping Debt	\$2,699
<b>Debt Outstanding as a Percent of True Market Value of Property</b>	
General Obligation Debt	0.75%
General Obligation, Capital Leases and Other Ltd. Obligation	2.93%
General Obligation, Capital Leases, Other Ltd. Obligation and Overlapping Debt	5.47%
<b>Debt per Capita as a Percent of per Capita Income</b>	
General Obligation Debt	1.53%
General Obligation, Capital Leases and Other Ltd. Obligation	5.98%
General Obligation, Capital Leases, Other Ltd. Obligation and Overlapping Debt	11.15%
<b>Debt Service as a Percent of General Municipal Fund Expenditures</b>	
General Obligation Debt	2.74%
General Obligation, Capital Leases and Other Ltd. Obligation	8.76%
<b>Percentage of Debt Outstanding Retired in 10 years</b>	
General Obligation Debt	72.00%
Capital Leases and Other Ltd. Obligation	52.00%

**Municipal Debt Table I**  
**Bonded Indebtedness by Fund**

	<b>Outstanding Bonds 4/30/2002</b>	<b>Redemptions 2002-03</b>	<b>Bonds Sold 2002-03 (as of 12/31/02)</b>	<b>Outstanding Bonds 4/30/2003</b>	<b>Authorized But Unissued 12/31/2002</b>	<b>Redemptions 2003-04</b>	<b>Outstanding Bonds 4/30/2004</b>
<b>Total All Funds</b>	\$ 723,753,100	\$ 37,352,000	\$ 22,695,000	\$ 709,096,100	\$ 600,080,000	\$ 40,230,900	\$ 668,865,200
<b>General Obligation Bonds</b>	\$ 164,150,000	\$ 10,855,000	\$ 695,000	\$ 153,990,000	\$ 35,700,000	\$ 11,360,000	\$ 142,630,000
General Debt and Interest Fund	58,281,000	5,499,000	--	52,782,000	35,700,000	5,784,000	46,998,000
Sewer Special Assessment Fund	8,604,000	1,066,000	--	7,538,000	--	1,076,000	6,462,000
Streetlight Project Fund	97,265,000	4,265,000	--	93,000,000	----	4,475,000	88,525,000
Neighborhood Improvement District	--	25,000	695,000	670,000	----	25,000	645,000
<b>Utility Funds</b>	\$ 559,603,100	\$ 26,497,000	\$ 22,000,000	\$ 555,106,100	\$ 559,380,000	\$ 28,870,900	\$ 526,235,200
Water							
Revenue Bonds	153,470,000	8,970,000	--	144,500,000	65,090,000	9,605,000	134,895,000
Kansas City Airports Revenue Bonds and PFC Airport Revenue Bonds	278,265,000	10,325,000	--	267,940,000	448,240,000	10,790,000	257,150,000
Host Special Facility Fund							
Revenue Bonds	--	--	--	--	--	--	--
Sewer							
Revenue Bonds	120,785,000	6,885,000	22,000,000	135,900,000	46,050,000	8,165,000	127,735,000
Storm							
Revenue Loan	7,083,100	317,000	--	6,766,100	--	310,900	6,455,200
<b>Museum Fund</b>	\$ --	\$ --	\$ --	\$ --	\$ 5,000,000	\$ --	\$ --
Museum							
Revenue Bonds	--	--	--	--	5,000,000	--	--

**Municipal Debt Table II**  
**Debt Service Requirements by Fund**  
**All Funds**

	<b>Redemptions</b>	<b>Interest</b>	<b>Fiscal Fee</b>	<b>Total Debt</b>
	<b>2003-04</b>	<b>Requirements</b>	<b>Requirements</b>	<b>Requirements</b>
	<b>2003-04</b>	<b>2003-04</b>	<b>2003-04</b>	<b>2003-04</b>
<b>Total Requirements - All Funds</b>	\$ 40,230,900	\$ 36,824,697	\$ 682,698	\$ 77,738,295
<b>General Municipal Funds</b>	\$ 10,284,000	\$ 7,516,416	\$ 4,700	\$ 17,805,116
General Obligation Bonds				
General Debt and Interest Fund	5,784,000	2,522,608	2,250	8,308,858
Streetlight Debt Fund	4,475,000	4,966,968	1,450	9,443,418
Neighborhood Improvement District	25,000	26,840	1,000	52,840
<b>Utility Funds*</b>	\$ 28,870,900	\$ 28,878,665	\$ 642,998	\$ 58,392,563
Water Fund				
Revenue Bonds	9,605,000	7,246,114	1,600	16,852,714
Kansas City Airports Fund				
Revenue Bonds	7,200,000	7,663,666	27,870	14,891,536
Kansas City PFC Fund				
Revenue Bonds	3,590,000	6,826,000	5,000	10,421,000
Sewer Fund				
Revenue Bonds	8,165,000	7,033,462 **	606,628 **	15,805,090
Storm Water Fund				
Loan	310,900	109,423	1,900	422,223
<b>Special Assessment Funds</b>	\$ 1,076,000	\$ 429,616	\$ 35,000	\$ 1,540,616
Sewer Special Assessment Fund				
General Obligation Bonds	1,076,000	429,616 **	35,000 **	1,540,616

\*The Utility Funds portion of this table only reflects the debt service requirements on bonds issued as of December 31, 2002.

This amount may vary from the amounts budgeted for fiscal year 2002-2003 if the requesting departments include funding for debt service requirements for bonds anticipated to be issued in fiscal year 2004.

\*\*This amount reflects gross interest amount due, and does not include any interest credits as provided under the Missouri State Revolving Fund Program.

\*\*\* This includes projected Missouri Department of Natural Resources and trustee fees.

**Municipal Debt Table III**  
**Bonded Indebtedness by Purpose**

	<b>Outstanding Bonds 4/30/2002</b>	<b>Redemptions 2002-03</b>	<b>Bonds Sold 2002-03 (as of 12/31/02)</b>	<b>Outstanding Bonds 4/30/2003</b>	<b>Authorized But Unissued 12/31/2002</b>	<b>Redemptions 2003-04</b>	<b>Outstanding Bonds 4/30/2004</b>
<b>Total All Funds</b>	<b>\$ 723,753,100</b>	<b>\$ 37,352,000</b>	<b>\$ 22,695,000</b>	<b>\$ 709,096,100</b>	<b>\$ 600,080,000</b>	<b>\$ 40,230,900</b>	<b>\$ 668,865,200</b>
<b>General Obligation Bonds</b>	<b>\$ 164,150,000</b>	<b>\$ 10,855,000</b>	<b>\$ 695,000</b>	<b>\$ 153,990,000</b>	<b>\$ 35,700,000</b>	<b>\$ 11,360,000</b>	<b>\$ 142,630,000</b>
Public Safety	18,515,000	2,455,000	---	16,060,000	---	2,555,000	13,505,000
Kansas City Zoo	32,255,000	2,415,000	---	29,840,000	---	2,575,000	27,265,000
Chouteau Bridge	7,335,000	585,000	---	6,750,000	700,000	610,000	6,140,000
General Debt & Interest Portion	176,000	44,000	---	132,000	35,000,000	44,000	88,000
Sanitary and Storm Sewers	8,604,000	1,066,000	---	7,538,000	---	1,076,000	6,462,000
Streetlight	97,265,000	4,265,000	---	93,000,000	---	4,475,000	88,525,000
Neighborhood Improvement District	---	25,000	695,000	670,000	---	25,000	645,000
<b>Revenue Bonds</b>	<b>\$ 559,603,100</b>	<b>\$ 26,497,000</b>	<b>\$ 22,000,000</b>	<b>\$ 555,106,100</b>	<b>\$ 559,380,000</b>	<b>\$ 28,870,900</b>	<b>\$ 526,235,200</b>
Water	153,470,000	8,970,000	---	144,500,000	65,090,000	9,605,000	134,895,000
Sewer	120,785,000	6,885,000	22,000,000	135,900,000	46,050,000	8,165,000	127,735,000
Airports (including PFC Bonds)	278,265,000	10,325,000	---	267,940,000	448,240,000	10,790,000	257,150,000
Special Facility	---	---	---	---	---	---	---
Storm Water Loan	7,083,100	317,000	---	6,766,100	---	310,900	6,455,200
<b>Museum Bonds</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 5,000,000</b>	<b>\$ ---</b>	<b>\$ ---</b>
Kansas City Museum	---	---	---	---	5,000,000	---	---

**Municipal Debt Table IV**  
**Debt Service Requirements by Purpose**  
**All Funds**

	<u>Redemptions</u> <u>2003-04</u>	<u>Interest</u> <u>Requirements</u> <u>2003-04</u>	<u>Fiscal Fee</u> <u>Requirements</u> <u>2003-04</u>	<u>Total</u> <u>Debt Service</u> <u>Requirements</u> <u>2003-04</u>
<b>Total Requirements - All Funds</b>	\$ 40,230,900	\$ 36,824,697	\$ 682,698	\$ 77,738,295
<b>General Obligation Bonds</b>	\$ 11,360,000	\$ 7,946,032	\$ 39,700	\$ 19,345,732
Public Safety	2,555,000	746,049	850	3,301,899
Kansas City Zoo	2,575,000	1,460,525	-	4,035,525
Chouteau Bridge	610,000	314,108	700	924,808
1997 Refunding General & Debt Portion	44,000	1,927	700	46,627
Neighborhood Improvement District (NID)	25,000	26,840	1,000	52,840
Sanitary and Storm Sewers	1,076,000	429,616 **	35,000 ***	1,540,616
Streetlight	4,475,000	4,966,968	1,450	9,443,418
<b>Revenue Bonds*</b>	\$ 28,870,900	\$ 28,878,665	\$ 642,998	\$ 58,392,563
Water	9,605,000	7,246,114	1,600	16,852,714
Sewer	8,165,000	7,033,462 **	606,628 ***	15,805,090
Airports (including PFC Revenue Bonds)	10,790,000	14,489,666	32,870	25,312,536
Storm Water Loan	310,900	109,423	1,900	422,223

\*The Utility Funds portion of this table only reflects the debt service requirements on bonds issued as of December 31, 2002. This amount may vary from the amounts budgeted for fiscal year 2003-2004 if the requesting departments include funding for debt service requirements for bonds anticipated to be issued in fiscal year 2004.

\*\*This amount reflects gross interest amount due, and does not include any interest credits as provided under the Missouri State Revolving Fund Program.

\*\*\* Includes projected Missouri Department of Natural Resources and trustee fees.

**Municipal Debt Table V**  
**Indebtedness by Purpose**  
**Capital Lease / Other Ltd. Obligation Bonds**

	<b>Debt</b> <b>4/30/2002</b>	<b>Principal</b> <b>2002-03</b>	<b>Sales</b> <b>2002-03</b> <b>(as of 12/31/02)</b>	<b>Actual</b> <b>Debt</b> <b>4/30/2003</b>	<b>Principal</b> <b>2003-04</b>	<b>Estimated</b> <b>Debt</b> <b>4/30/2004</b>
<b>Total All Funds</b>	\$ 476,164,128	\$ 21,415,555	\$ 11,496,606	\$ 466,245,179	\$ 22,955,222	\$ 443,289,957
<b>Equipment Leases</b>	\$ 30,825,860	\$ 8,458,683	\$ 11,496,606	\$ 33,863,783	\$ 8,199,136	\$ 25,664,647
Fire Equipment 1997	4,583,361	1,255,298	--	3,328,063	1,324,787	2,003,276
Municipal Auditorium Video Displays 1998	471,126	106,875	--	364,251	115,608	248,643
Kemper Arena Video Displays 1998	517,104	117,305	--	399,799	126,890	272,909
Energy Management Johnson Controls 1 & 2	9,179,280	1,121,179	--	8,058,101	1,179,276	6,878,825
Police Crime Lab 1998	531,226	229,129	--	302,098	240,239	61,858
Police Radio Enhancement 1998	1,388,983	971,306	--	417,677	417,677	--
Parks & Recreation Bldg. Refinancing 1999	1,084,659	180,092	--	904,567	188,732	715,835
PBX System 1999	1,420,919	307,200	--	1,113,719	323,258	790,461
Police Radio Enhancement 2000	1,518,506	528,022	--	990,484	555,285	435,199
Swope Parkway Building	1,564,918	193,238	--	1,371,680	202,559	1,169,121
Key Corp PC Life Cycle	498,556	463,395	--	35,161	35,161	--
IBM PC Life Cycle	2,078,159	888,856	--	1,189,302	874,810	314,492
CPU	398,370	316,170	532,531	614,731	207,811	406,920
Golf Equipment	95,856	21,830	--	74,026	22,863	51,163
Lotus Financing 2002	212,309	212,309	--	--	--	--
Johnson Control 2002	2,633,558	228,975	--	2,404,583	239,685	2,164,898
PKS System	2,303,487	1,191,039	4,566,497	5,678,946	1,331,535	4,347,410
IBM Enterprise License Agreement 2002	--	31,146	1,710,397	1,679,251	353,862	1,325,390
Fire Truck 2002	--	27,077	661,681	634,604	55,837	578,766
GIS 2002	--	--	4,025,500	4,025,500	331,983	3,693,517
MAST Defibrillators	345,484	68,243	--	277,241	71,278	205,963

**Municipal Debt Table V  
Indebtedness by Purpose  
Capital Lease / Other Ltd. Obligation Bonds**

	<b>Debt 4/30/2002</b>	<b>Principal 2002-03</b>	<b>Sales 2002-03 (as of 12/31/02)</b>	<b>Actual Debt 4/30/2003</b>	<b>Principal 2003-04</b>	<b>Estimated Debt 4/30/2004</b>
<b>Table V Continued</b>						
<b>Capital Leases</b>	<b>\$ 388,532,937</b>	<b>\$ 11,770,000</b>	<b>\$ --</b>	<b>\$ 376,762,937</b>	<b>\$ 13,069,956</b>	<b>\$ 363,692,981</b>
Bartle Hall Expansion	170,112,937	5,880,000	--	164,232,937	4,874,956	159,357,981
Truman Medical Center (Refunding Bonds)	7,215,000	520,000	--	6,695,000	545,000	6,150,000
American Royal Arena / Jackson Co. /Kemper	22,760,000	1,165,000	--	21,595,000	1,225,000	20,370,000
Imp. and Refunding (Blue River, Swope Ridge, etc.)	7,930,000	1,135,000	--	6,795,000	1,200,000	5,595,000
Community Centers	13,685,000	705,000	--	12,980,000	745,000	12,235,000
MAST Facility	6,500,000	325,000	--	6,175,000	340,000	5,835,000
Municipal Aud. and Americana Hotel	14,960,000	200,000	--	14,760,000	290,000	14,470,000
Municipal Aud. and Muehlebach Hotel	32,765,000	645,000	--	32,120,000	795,000	31,325,000
PIEA River Market Refunding Bonds	13,295,000	595,000	--	12,700,000	635,000	12,065,000
Civic Mall	5,690,000	190,000	--	5,500,000	200,000	5,300,000
Hodge Park Golf Course	7,335,000	40,000	--	7,295,000	50,000	7,245,000
11th and Oak Parking Garage	30,250,000	180,000	--	30,070,000	685,000	29,385,000
Missouri Public Service Street Lights	1,515,000	190,000	--	1,325,000	200,000	1,125,000
Zona Rosa Project	6,523,252	--	--	6,523,252	128,252	6,395,000
Prospect North Project	11,276,748	--	--	11,276,748	411,748	10,865,000
Fairyland Project	2,945,000	--	--	2,945,000	85,000	2,860,000
Century Towers Project	18,325,000	--	--	18,325,000	280,000	18,045,000
Kemper Garage Project	15,450,000	--	--	15,450,000	380,000	15,070,000
<b>Other Limited Obligations</b>	<b>\$ 56,805,331</b>	<b>1,186,872</b>	<b>--</b>	<b>55,618,460</b>	<b>1,686,130</b>	<b>53,932,329</b>
Midtown Redevelopment Project	46,400,000	580,000	--	45,820,000	1,040,000	44,780,000
Valentine Redevelopment Project	3,200,000	100,000	--	3,100,000	125,000	2,975,000
Uptown Theater Project	4,660,000	170,000	--	4,490,000	180,000	4,310,000
Harley-Davidson (MDFB Loan Only)	1,257,500	125,000	--	1,132,500	125,000	1,007,500
Energy Loan for Street Light Project	1,287,831	211,872	--	1,075,960	216,130	859,829

**Municipal Debt Table VI**  
**Authorized Debt and Amount Issued**  
(in 000s)

Bond Type/Purpose	Date Authorized	Amount Authorized	Amount Issued			Total Not Issued
			Prior to 2001-02	2001-02	2002-03	
<b>General Obligation:</b>						
Chouteau Bridge	August, 1996	10,800	10,100	--	--	700
Downtown & Neighborhood Imp	November, 2002	35,000	--	--	--	35,000
Streetlight & Equipment	April, 1997	110,000	99,295	10,705	--	--
<b>Sub-Total</b>		\$ <b>155,800</b>	\$ <b>109,395</b>	\$ <b>10,705</b>	\$ --	\$ <b>35,700</b>
<b>Revenue:</b>						
Kansas City Museum	March, 1988	5,000	--	--	--	5,000
Water Works	August, 1996	150,000	67,410	17,500	--	65,090
Airport	August, 1988	330,000	126,760	140,000	--	63,240
Airport	August, 2000	395,000	10,000	--	--	385,000
Sewer System	November, 1997	125,000	39,950	17,000	22,000	46,050
<b>Sub-Total</b>		\$ <b>1,005,000</b>	\$ <b>244,120</b>	\$ <b>174,500</b>	\$ <b>22,000</b>	\$ <b>564,380</b>
<b>Total</b>		\$ <b>1,160,800</b>	\$ <b>353,515</b>	\$ <b>185,205</b>	\$ <b>22,000</b>	\$ <b>600,080</b>

In past years, the voters of Kansas City have authorized the City to issue general obligation and revenue bonds to finance various capital improvement projects as shown above. At present, there is a total of \$600 million in authorized bonds that remained unissued. Various revenue bonds have been issued to finance capital improvements for the Water, Sewer and Airport systems. General obligation bonds have also been issued to finance Public Safety Projects, a new Zoo, the construction of a new Chouteau Bridge, Sewer Improvement Projects and the Streetlighting Project.

The significant use of this debt financing has enabled the city to address several major capital improvement priorities. However, due to the fact that the budget is limited to showing only the annual cost of repaying the principal and interest on the debt, the specific projects and expenditures are not directly reflected in the document. Municipal Debt Table I summarizes the amount of general obligation and revenue bond indebtedness currently authorized, and the amount outstanding.

**Municipal Debt Table VII  
Statement of Legal Debt Margin  
As of April 30, 2002**

	<u>General Obligation Bonds Ordinary</u>	<u>Additional</u>	<u>Total</u>
<b>Assessed Valuation for City, County and State Purposes</b>			\$ 5,495,416,000
<b>Constitutional Debt Limit:</b>	\$ 549,541,600	\$ 549,541,600	\$ 1,099,083,200
General Obligation Bonds Payable*	\$ 58,626,000	\$ 105,869,000	\$ 164,495,000
Less: Debt Service Fund Balances Available for Retirement of Bonds	\$ 11,178,000	\$ 3,467,000	\$ 14,645,000
Total Amount of Bonds Payable Applicable to Debt Limit	\$ 47,448,000	\$ 102,402,000	\$ 149,850,000
Margin Above Bonds Payable	\$ 502,093,600	\$ 447,139,600	\$ 949,233,200
General Obligation Bonds Authorized - Unissued	\$ 700,000	\$ --	\$ 700,000
<b>Legal Debt Margin</b>	<b>\$ 501,393,600</b>	<b>\$ 447,139,600</b>	<b>\$ 948,533,200</b>

**LEGAL DEBT MARGIN**

Sections 26(b) and (c) of the Missouri Constitution permit the City, by a vote of qualified electors, to incur indebtedness for City purposes not to exceed 10% of assessed valuation. Sections 26(d) and (e) of the Constitution provide that any city may become indebted not exceeding, in the aggregate, an additional 10% for the purpose of acquiring the right-of-way, constructing, extending and improving streets and avenues and/or waterworks, electric or light plants provided the total general obligation indebtedness does not exceed 20% of assessed valuation. Based on the City's current assessed valuation of \$5.495 billion, the Constitution would allow the city to issue as much as \$948.5 million in general obligation debt. Although the use of general obligation debt has increased in recent years to fund major infrastructure initiatives, the City remains well below the legal limit. As of April 30, 2002, the City had a general obligation indebtedness of \$164.15 million.

\* Total additional general obligation bonds include \$8.6 million in general obligation bonds for sanitary sewers and \$97.265 million of general obligation bonds for the street light project. For the purpose of calculating the legal debt limit, the outstanding balance as of April 30, 2002 under the column "General Obligation Bonds Ordinary" was calculated to include the outstanding balance of Series 1992, which includes the bonds refunded by Series 1998 Crossover Refunding Bonds. Pro-rated refunding bonds outstanding attributable to the Series 1992 Bonds are excluded from the calculation.