



LEE'S SUMMIT
MISSOURI

Annual Comprehensive Financial Report

For The Year Ended June 30, 2023

CITY OF LEE'S SUMMIT, MISSOURI
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

Report issued by the Department of Finance

CITY OF LEE'S SUMMIT, MISSOURI

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Introductory Section



LEE'S SUMMIT

MISSOURI

December 28, 2023

Honorable Mayor, City Councilmembers, and Citizens of the City of Lee's Summit, Missouri:

Transmitted herewith is the annual financial report for the City of Lee's Summit, Missouri (the City) for the fiscal year ended June 30, 2023. The Finance Department prepared this report and responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City, as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the Government

The City was organized on December 1, 1865 under the laws of the State of Missouri. The City became a Charter City on April 2, 1996 when voters approved the Home Rule Charter. The charter established a government in which the City Council, consisting of eight members, two per district, elected by their respective district's citizens, performs the legislative duties of the City. The City Council holds Regular Session meetings the first three Tuesdays of each month. The executive power in the City is vested in the Mayor, who is recognized as the head of the City for all legal and ceremonial purposes. The Mayor is elected at large by the City electorate. The City Manager is the chief administrative officer of the City and is appointed by the Mayor with the advice and consent of a majority of the City Council.

Lee's Summit consists of approximately 65 square miles and is located at the suburban edge of the Kansas City metropolitan area. The City has experienced significant growth, expanding from a population of approximately 28,000 in 1980 to a population of more than 105,000 today.

The City is well served by several interstate, federal and state highways. Interstate 470, which rings the southeastern part of the Kansas City metropolitan area, and connects with Interstates 70 and 435, dissects the City of Lee's Summit. These interstates also connect with Interstates 35 and 29, thereby giving Lee's Summit excellent access to the entire metro area. Two federal highways, U.S. 50 and U.S. 40, and two state highways, M-291 and M-150, also connect Lee's Summit to Kansas City and the surrounding area. Significant road improvements throughout the community over the past ten years have enhanced safety, alleviated traffic congestion, and opened areas for development. Amtrak and the Union Pacific Railroads also serve the City. The Lee's Summit Municipal Airport has both north/south and crosswind directional runways.

Utility service in the City is mixed between public and private companies. Water and sanitary sewerage utilities are operated by the City's Water Utilities Department. Water and sewerage rates are established to meet the total revenue requirements of the utilities. Natural gas is supplied by Spire (formerly Missouri Gas Energy/Laclede Gas Company) and electricity by Evergy (formerly Kansas City Power and Light). Both traditional and cellular phone service is provided by numerous companies.

All major commercial television networks, independent local stations as well as public television and various cable & satellite television companies service the City, and a number of AM and FM stations broadcast throughout the area.

In addition to the *Kansas City Star* daily newspaper and its supplemental *Lee's Summit Journal*, the city is served by the *Lee's Summit Tribune* and *The Examiner*.

Education

The City of Lee's Summit boundaries overlap several school districts. The Lee's Summit R-7 School District represents 83% of the total area and is recognized as one of the top educational systems in the state and nation. In 2020, voters approved a \$224 million no tax increase bond issue that is helping the school district renovate older facilities as well as expand to serve more students in Lee's Summit. The school district's enrollment has increased from 9,125 students in 1990 to 17,844 in 2023 with growth expected to continue. The R-7 School District has 18 elementary schools, four middle schools, three high schools, an alternative secondary school, a secondary technology academy, an early education center, a special-education, day-treatment center, and the Lee's Summit R-7 Aquatic Center. A second early education center is scheduled to open in 2024. Within City limits, the Blue Springs R-4 School District also has an elementary school and a middle school. There are numerous higher education institutions located within the Kansas City metropolitan area that are accessible to residents in Lee's Summit. For continuing education and associate's programs, the Metropolitan Community College–Longview is another award-winning institution with nearly 3,500 students enrolled per year. Undergraduate completion programs are available through the University of Central Missouri's Missouri Innovation Campus.

The Mid-Continent Public Library system has undergone a transformation in recent years, with the renovation of two of its existing facilities and the addition of a third facility along Highway 50 East that opened in June 2020. The most recent renovation occurred at the west central facility on Oldham Parkway. The facility received a complete redesign along with adding a community room and other coworking spaces. It reopened to the public in early 2022. The northeast central facility on Colbern Road reopened to the public in May 2021 after undergoing extensive renovations to expand the building's footprint as well as add coworking space for entrepreneurs and small businesses and other areas designed for collaboration.

Recreation and Cultural Facilities

Lee's Summit Parks and Recreation is continuing to reinvest in the community to provide high quality recreational opportunities for residents of all ages. Velie Park and Pleasant Lea Park both received significant renovations in the 2023 fiscal year, bringing numerous improvements to the community including an outdoor fitness area, reconstruction of park trails and plenty of new equipment for everyone to enjoy.

In addition to updating current parks, Lee's Summit Parks and Recreation is constantly exploring new ways to expand offerings to improve the quality of life of Lee's Summit residents. Our Gold

Medal award-winning parks department manages 32 parks, 91 miles of trails, four community centers, a water park, three splash pads, an amphitheater, a skate park, two disc golf courses and an ice rink with seasonal pickleball courts.

To help serve the population, a volunteer program was created, with those volunteers contributing tens of thousands of hours to assist with making Lee's Summit a healthy and active place to live and work. Lee's Summit Parks and Recreation nurtures public and private partnerships with county parks, private developers and other City departments to create and maintain land agreements, new neighborhood parks and the two dog parks.

Along with providing recreational opportunities, Lee's Summit Parks and Recreation also supports and encourages arts and culture throughout the City. Lee's Summit Parks and Recreation partners with the Mid-Continent Public Library to provide free children's events and hosts free music events at the Legacy Park Amphitheater. Through these efforts, Lee's Summit Parks and Recreation ensures the continuance and growth of a thriving arts community in Lee's Summit.

The Park Board continues to support significant improvements to existing Parks and Recreation facilities based on a citizen-based strategic plan called "Legacy for Tomorrow and Beyond" with voters approving a 15-year extension of the Parks and Soils sales tax in 2016. These projects are funded through user fees, Parks and Soils sales tax and property taxes as well as cooperative development agreements in which potential neighborhood park land is donated by developers.

Lake Jacomo, Longview Lake, Blue Springs Lake and Prairie Lee Lake are located in Jackson County Parks within the city limits of Lee's Summit and offer numerous recreational activities such as boating, fishing, camping, skiing and swimming. These lakes attract visitors from throughout the Kansas City metropolitan area.

Commerce, Industry and Employment

The City of Lee's Summit has a broad spectrum of major employers. They include companies that manufacture everything from plastic containers to tools and electronic components. In addition to manufacturing, there are a wide variety of services such as customer service centers for pharmaceuticals, data management and processing centers along with hospitals and educational institutions.

The City has seen its retail sales tax base increase significantly in recent years. The pattern of retail development in Lee's Summit follows closely with major traffic routes. Several large mixed-use developments have moved forward in recent years with more expected in the near future. The area near U.S. 50 Highway and Interstate 470 has become a major retail hub for the City. Streets of West Pryor is a 70-acre mixed-use development featuring a McKeever's Market, Firebirds Wood Fired Grill, FirstWatch and Shake Shack along with luxury apartments. The 800,000-square-foot Summit Woods Crossing is also located west of U.S. 50 Highway and just south of Interstate 470. It includes anchor tenants such as Lowe's, Kohl's, Best Buy, Target, and specialty stores such as Michaels. Summit Fair, a 507,000-square-foot, open-air lifestyle center, is located east of U.S. 50 Highway and just south of Interstate 470. It features a variety of stores, including JC Penney, restaurants, specialty retailers and is the home of a brand-new Furniture Mall of Missouri, which opened in late 2022. Discovery Park is another significant mixed-use development set to break ground in late 2023 north of Interstate 470 between Northeast Colbern Road and Northeast Douglas Street. The nearly \$1 billion development will feature a mix of retail, office space, apartments, hotels and grocery options. Smaller centers are scattered throughout the City, generally along highways M-291, M-150 and U.S. 50.

The City, in cooperation with the Unity Village School of Christianity, approved the annexation and development of approximately 300 acres of land south of Colbern Road in 2012. This property contains an estimated 2.2 million square feet capacity for ‘Class A’ and other commercial oriented development upon full build out. ‘Class A’ properties represent the highest quality buildings in their market and area. They are generally newer properties built within the last 15 years with top amenities, high-income earning tenants and low vacancy rates. Class A buildings are typically well-located in the market, professionally managed, and demand the highest rent with little or no deferred maintenance issues.

John Knox Village is recognized as one of the most comprehensive not-for-profit retirement communities in the country. As a life plan community, John Knox Village offers a variety of engaging lifestyle opportunities in independent living, assisted living/residential care and skilled nursing as well as an abundance of services and amenities. The Village also provides home health and hospice services to patients who live both on campus and across the metropolitan area. Located on more than 400 acres, residents enjoy services and amenities with housing choices, ranging from free standing homes to apartment complexes, including private assisted living apartments and a skilled nursing center.

Lee’s Summit is expecting growth to continue in both commercial and residential development. With new and reconstructed highway interchanges, there are new development and redevelopment opportunities throughout the City. The Interstate 470 and 350/50 Highway interchange opened up approximately 150 acres of commercial land for new development and improved access to two regional shopping centers with 1.2 million square feet of retail space. It also helped reduce traffic congestion and improve safety. The Strother Road Interchange provides convenient access from the interstate to a light industrial area as well as Lee’s Summit Municipal Airport while alleviating traffic congestion, increasing economic development in the area. Other recent projects include a new interchange on U.S. 50 Highway and Blackwell Road and reconstruction of the interchange on U.S. 50 Highway at M-291 South. The replacement of the U.S. 50 Highway bridge over Chipman Road was also completed in September 2022 providing reliable service and sidewalks for pedestrians. These interchange and bridge projects help alleviate traffic congestion, improve safety and spur economic development.

The following table sets forth average annual unemployment figures for Lee’s Summit and for the State of Missouri, obtained from the Bureau of Labor Statistics, compared to national figures:

Year	Area Unemployment Rate	Statewide Unemployment Rate	United States Unemployment Rate
2023	2.4%	2.6%	3.6%
2022	2.6%	2.1%	3.6%
2021	5.2%	4.2%	5.9%
2020	2.5%	8.0%	11.0%
2019	2.5%	3.0%	3.6%
2018	2.7%	3.1%	4.0%

Major Initiatives

The 2023 fiscal year was a year of transition for the City of Lee's Summit. Mark Dunning was selected to begin as city manager in September 2022 after previously serving as the City's assistant city manager of infrastructure and development. The City also named two new assistant city managers. Ryan Elam assumed the role of assistant city manager in August 2022. Previously, Elam had served as the director of development services for the City for six years. And Donna Lake was announced as assistant city manager, beginning February 2023. Lake brings more than 30 years of public sector experience, most recently serving as the fire chief for the City of Kansas City, Missouri. They both join Assistant City Manager Christal Weber and City Manager Mark Dunning as the City's executive team.

The City of Lee's Summit continues to be an active and growing community. The City's population has grown from 28,416 in 1980, to 47,253 in 1990, 70,700 in 2000 and 91,364 in the 2010 census to an estimated population of more than 105,000 today.

In 2023, the City began laying the groundwork for what will be a transformative project for Downtown Lee's Summit. The City will break ground on a downtown mixed-use development in late 2023, which will include a farmers market and event space, outdoor performance area, pavilion, restaurants, a boutique hotel and apartments. The first phase is expected to open in 2025. The City is working with LANE4 Property Group as the master developer, GLVM Architecture as the master architect, Biederman Redevelopment Ventures as the district manager, McCownGordon for construction services and Downtown Lee's Summit Main Street and the Downtown Lee's Summit Community Improvement District.

Voters continue to show their support for the City of Lee's Summit, overwhelmingly approving three general obligation bond questions in 2023, totaling \$186 million. The bond funding will provide for public safety improvements to enhance safety and emergency services; transportation investment to improve safety, mobility and livability; and reinvestment in City facilities to enhance services.

The City remains committed to public safety, with two new fire stations expected to be completed in the near future. Two new facilities – Fire Station No. 4 and Fire Station No. 5 – were part of the City's 2019 general obligation bond question. The City also recently completed Fire Station No. 3, which opened in 2020. In 2022, voters approved a new public safety sales tax, which is expected to exceed \$10 million annually to support the expansion and services necessary to meet the safety needs of the community.

Lee's Summit has become a destination for developers, with several high-profile developments currently in construction or beginning construction soon. Among those high-profile developments are Streets of West Pryor, Discovery Park and Paragon Star, making Lee's Summit an attractive place for residents and visitors alike. The City anticipates new, long-term growth resulting from the decision of Property Reserve, Inc. to develop 4,200 acres of property not previously available to the market. The land is in two large tracts located within the city. Approximately 1,100 acres are situated in the north portion of the City adjacent to Interstate 470. The second parcel consists of approximately 3,100 acres located between the central and southern portions of the City adjacent to Route 291. This development is expected to occur slowly over the course of the next 20 years.

The City of Lee's Summit completed its strategic planning process – *Ignite! Your Ideas. Our Future.* – with the adoption of the strategic plan framework in August 2019 and the adoption of the implementation plan in September 2020. This plan captures the long-term vision for the community and provides direction for the City. The strategic plan identified seven critical success factors, including strategic economic development; cultural and recreational amenities; community health and wellbeing; City services and infrastructure; strong neighborhoods with housing choice; collaborative relations with education partners; and community engagement. This is the fourth such plan that the community of Lee's Summit has collaborated together to create. The first strategic plan was completed in 1993 with a follow-up in 1998 and 2009. Strategic planning has contributed to Lee's Summit's exceptional quality of life, outstanding City services and many of the hallmarks of our City, including our renovated downtown corridor.

Long-Term Financial Planning

Over the years, one of the City's strengths has been its strong financial condition and prudent financial management. The City has diligently developed and implemented annual budgets that provide our citizens consistent, reliable municipal services and programs.

The City has experienced growth in revenue categories such as property tax, sales tax and vehicle tax in recent years. The City's General Fund reserve balance has remained in a healthy position allowing for some planned spenddown of balances for one-time purposes including development of the Downtown Market Plaza across from City Hall.

Growth in General Fund expenditures are projected to continue because of a tight labor market and inflationary factors. Revenue sources will be monitored closely and City leaders will explore options for revenue sources to keep pace with those pressures.

Financial Information

Management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management.

The accounts of the City are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, equities, revenues and expenditures or expenses.

Budgetary control is maintained to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund, Special Revenue Funds and Debt Service Funds are included in the annual appropriated budget. The level of budgetary control is established at the activity level by the encumbrance of purchase orders with material balances before their release to vendors. Purchase orders that result in an overrun of activity balances are not released until alternative sources of payment are made available.

Single Audit

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is subject to periodic evaluation by the management of the City.

As a part of the City's single audit, tests are made to determine the effectiveness of internal control, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with certain applicable laws and regulations. The results of the City's single audit for the fiscal year ended June 30, 2023 provided no instances of material weaknesses in internal control. This report is available in the City of Lee's Summit's separately issued Single Audit Report.

Major Revenue Sources

The City's largest source of revenue is from sales taxes. Combined property, sales, franchise, and excise tax revenues comprise approximately 75% of total governmental revenue.

Property tax is an ad valorem tax, levied on all real and personal property, based upon the assessed valuation as established by the County Assessor on January 1st of each year. Real property assessed valuation is determined by applying the "market value" times the appropriate assessment ratios. They are as follows: Commercial/Industrial - 32%; Residential - 19%; and Agricultural - 12%. Personal property assessed valuation is set at 33% of market value and is determined by the State Tax Commission. Each year the City Council must set the rates to be levied for the City's property taxes.

Utility franchise fees are gross receipt taxes levied on all service charges for customers subscribing to natural gas, electricity, telecommunications and cable television service within the City's boundaries. Franchise taxes are directly dependent on the weather conditions and will vary with extreme periods of heat or cold.

The road excise tax is in the form of a license tax on building contractors to be paid on all development which requires a building permit and results in additional traffic (vehicle trips). These revenues are used to construct streets, roads, bridges and related improvements.

Sales taxes comprise approximately 30% of total governmental revenue. The City imposes a total sales tax of 2.75% on all goods and commodities sold within the City limits with the exception of pharmaceutical drugs and farm machinery. The State of Missouri receives the tax from the respective businesses and distributes the funds monthly to the City. The general sales tax is a one cent sales tax used for the General Fund.

In June 2020, Lee's Summit voters approved a use tax, which is applied instead of a local sales tax on goods purchased from certain online and out-of-state sellers for delivery and use in Lee's Summit. The use tax rate is the same as the sales tax rate of 2.75%.

The transportation tax is a one-half cent sales tax used for funding transportation projects only. This tax is not levied on utilities.

The capital project sales tax is a one-half cent sales tax with a sunset as approved by the voters of Lee's Summit for streets, roads, bridges, stormwater, and other transportation related improvements. The tax became effective beginning April 1, 1998. This tax was approved by voters in April 2017 for an additional fifteen years at the same rate. This tax will sunset on March 31, 2033.

The local parks sales tax is a one-quarter cent sales tax with a sunset to fund four key elements of the "Legacy for Tomorrow" plan. Previously, this tax rate was three-eighths cent. The new rate became effective on April 1, 2008. These revenues will be used to fund future capital projects and operations. This tax will sunset on March 31, 2033.

The public safety sales tax is a half-cent sales tax for the purpose of providing support for law enforcement, fire protection, emergency responses and other public safety services. At the time the tax was approved by voters, the City adopted a resolution committing to an ongoing base of \$42 million from the General Fund for public safety purposes.

The state motor vehicle fuel tax is distributed to the City on the city-to-state population ratio. The ratio is based on the U.S. census figures and will fluctuate with statewide consumption and population changes, as they become measurable.

The City actively applies for many federal and state pass-through grant funds that may be available. Many of these grants are designed to provide start-up funds or are for limited periods of time.

Enterprise Funds

The City operates four Enterprise Funds: Combined Waterworks and Sewerage System, Airport, Solid Waste Management (Sanitary Landfill) and Harris Park Community Center.

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and where periodic determination of revenues earned, expenses incurred and/or net income is deemed appropriate of capital maintenance, public policy, management control, accountability or other purposes.

Combined Waterworks and Sewerage System

The City's combined Water and Sewer System revenues include water and sewer connection fees intended to fund significant capital improvement projects identified in their respective master plans. The rate structure provides a capital improvement funding mechanism to upgrade and replace existing transmission and collection lines.

A strategic plan for the Water Utilities Department was adopted by the City Council in December 2011. This plan outlined a need to improve customer understanding and relations; to develop a program for the renewal of existing aged infrastructure; to establish appropriate policies to address financial challenges; and to proactively address long-term needs to ensure a sustainable utility.

The City purchases its water from the City of Independence, Missouri and the City of Kansas City, Missouri Water Department. Sewage treatment is provided by the Little Blue Valley Sewer District, which charges member cities on a volume treated basis. The City of Lee's Summit represents approximately 25% of the normalized flow of the Little Blue Valley metro sewer district.

Airport

The City operates the Lee's Summit Municipal Airport, which is designated by the Federal Aviation Administration as a reliever airport for the Kansas City metropolitan area. It is designed to reduce congestion at larger air carrier airports by providing general aviation pilots with alternate landing facilities. It is further classified as a general aviation utility airport serving planes with gross weights of less than 60,000 pounds and landing speeds less than 140 knots. The airport is equipped with two runways, a 5,500-foot North/South runway and a 4,000-foot crosswind runway.

The airport supports an estimated 69,000 takeoffs and landings of personal and business aircraft each year. The Airport houses approximately 154 aircraft in 20 buildings and tie down spots. In 2021, City Council adopted an updated Airport Master Plan and Airport Business Plan, which define the airport's goals and objectives and establish a strategy to guide airport development for the next 20 years. The Lee's Summit Municipal Airport is seeking to establish itself as a gateway to the Kansas City metropolitan area by attracting more corporate aviation and improving services and marketing.

Solid Waste Management (Sanitary Landfill)

During 2019, the daily commercial operations of the landfill were ceased as it reached capacity. The landfill continues to offer public disposal for citizens, Household Hazardous Waste, yard waste/composting and several other environmental programs. The landfill is currently in the post closure phase.

Harris Park Community Center

The Harris Park Community Center, formerly known as the Recreation Center is a multipurpose recreational facility providing indoor recreational opportunities for all ages. The Center offers summer day camp for children, recreational athletic leagues, programs instructional classes, special events and rentals.

Awards

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 Lee's Summit, Missouri for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 45th consecutive year that the government achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

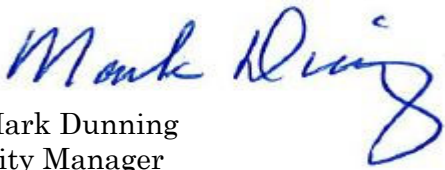
Independent Audit

The City Charter requires an annual audit to be made of the financial statements of the various funds. This audit is performed by an independent certified public accounting firm selected by the City. The City's auditor is RSM US LLP.

Acknowledgments

The preparation of this report was accomplished through the efforts of the staff of the Finance Department in cooperation with the City's auditors, RSM US LLP. Our sincere thanks to all of those who assisted.

Respectfully submitted,



Mark Dunning
City Manager



Bette Wordelman
Finance Director

THE CITY OF LEE'S SUMMIT

MAYOR

Bill Baird

DISTRICT 1

Hillary Shields
Mia Prier

DISTRICT 3

Phyllis Edson
Beto Lopez

DISTRICT 2

John Lovell
Andrew S. Felker

DISTRICT 4

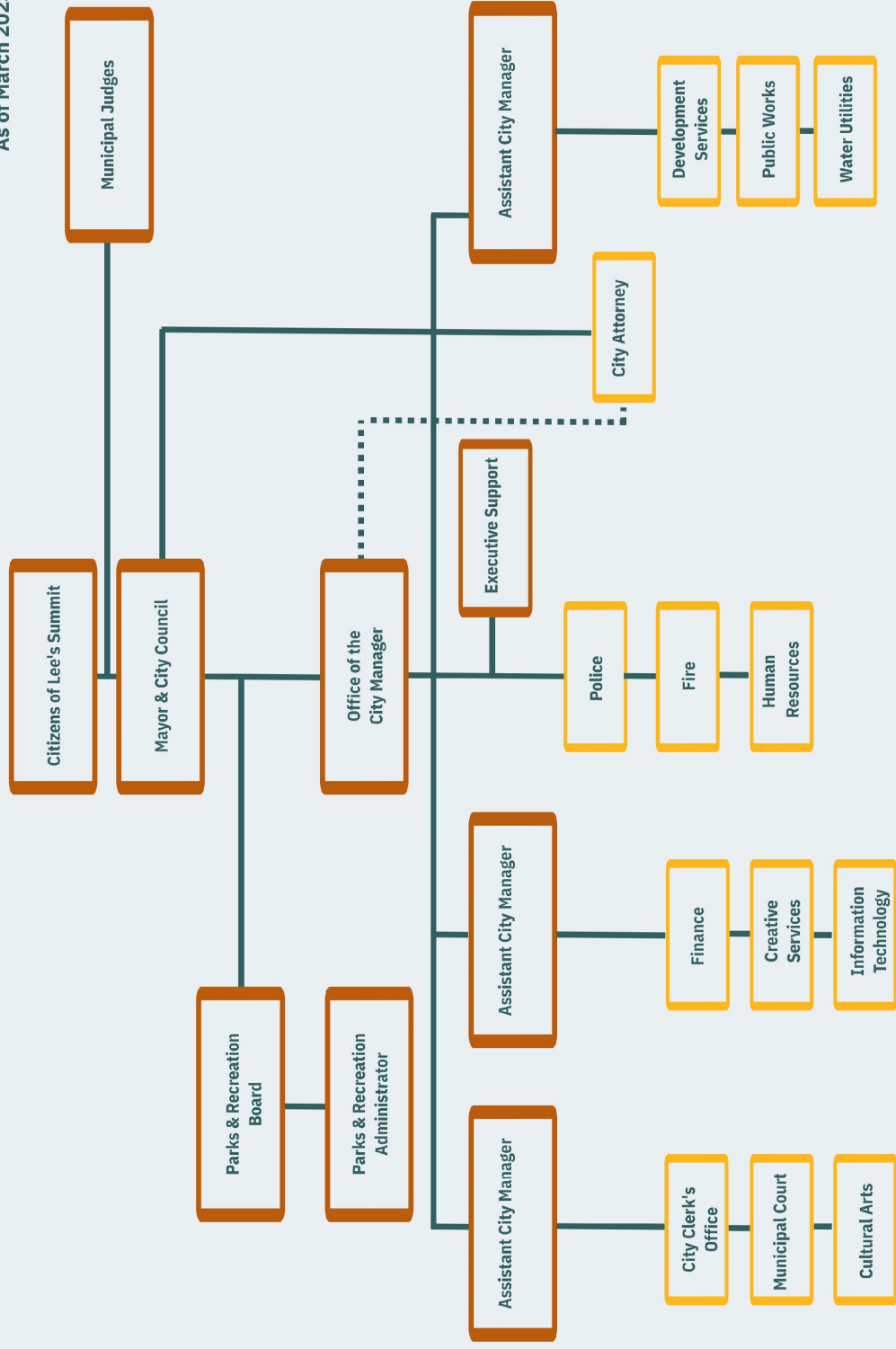
Fred DeMoro
Faith Hodges

FINANCE & BUDGET COMMITTEE

Hillary Shields, Chair
John Lovell, Vice Chair
Faith Hodges
Beto Lopez
Phyllis Edson, Alternate

ADMINISTRATION

Mark Dunning, City Manager
Christal Kliever Weber, Assistant City Manager
Ryan Elam, Assistant City Manager
Donna Lake, Assistant City Manager
Bette Wordelman, Finance Director
Brian Head, City Attorney
Travis Forbes, Police Chief
Mike Snider, Fire Chief
Anita Dickey, Human Resources Director
Joshua Johnson, Development Services Director
Vacant, Chief Technology Officer
Joe Snook, Parks Administrator
Michael Park, Public Works Director
Mark Schaufler, Water Utilities Director
Cheryl Nash, Creative Services Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lee's Summit
Missouri**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Financial Section



Independent Auditor's Report

RSM US LLP

Honorable Mayor and Members of the City Council
City of Lee's Summit, Missouri

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lee's Summit, Missouri (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lee's Summit, Missouri, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the pension and OPEB schedules, and the budgetary comparison schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining nonmajor governmental fund financial statements and budgetary comparison schedules, listed in the table of contents as supplemental information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining nonmajor governmental fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RSM US LLP

Kansas City, Missouri
December 28, 2023

CITY OF LEE'S SUMMIT, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2023

As management of the City of Lee's Summit, Missouri (the City), we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. This is the 21st year of reporting in conformance with the guidelines prescribed in Governmental Accounting Standards Board's (GASB) Statement No. 34. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the City of Lee's Summit exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,153,769,210 (net position). Of this amount, unrestricted net position was \$64,698,274.
- The City's total net position increased \$82.4 million. Of this amount, \$58.9 million was from the City's "governmental activities" and the balance was from the "business-type activities."
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$152,940,915, an increase of \$12.5 million compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$44,538,976 or 52 percent of total general fund expenditures.
- The City's total debt decreased by \$6.4 million (11%) during the current fiscal year. Factors in this decrease are scheduled reductions in excess of additions to the City's debt.

Overview of The Financial Statements

- This discussion and analysis is provided as an introduction to the basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

CITY OF LEE'S SUMMIT, MISSOURI

Government-Wide Financial Statements. The *government-wide financial statements* are a broad overview of the City's finances in a manner similar to a private business.

The *statement of net position* presents all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Net position is an important measure of the City's overall financial health. The increases and decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements report functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) separate from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities for the City included general government, public works and streets, public safety, planning and development, and parks and recreation. The business-type activities for the City include the combined waterworks and sewerage system, municipal airport, sanitary landfill, and recreation center.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with finance-related legal requirements. These funds are divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

CITY OF LEE'S SUMMIT, MISSOURI

Proprietary Funds. The City uses two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles and equipment, management information systems, central building services, and self-insurance activities. Because these services predominately benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements.

Notes To The Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also contains certain *required supplementary information* regarding budgetary and pension information. The combining statements for the nonmajor funds and internal service funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of the City's financial position. As of June 30, 2023, assets plus deferred outflows of resources exceed liabilities plus deferred inflows of resources by \$1,153,769,210. The largest portion of the City's net position, \$874,653,184 (76%), reflects its investment in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The following table reflects the condensed Statement of Net Position as of June 30, 2023 and 2022:

	Net Position					
	Governmental Activities		Business type activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 232,915,618	\$ 223,342,311	\$ 98,771,655	\$ 87,012,190	\$ 331,687,273	\$ 310,354,501
Capital assets	603,983,953	581,194,262	318,577,056	307,255,270	922,561,009	888,449,532
Total assets	<u>836,899,571</u>	<u>804,536,573</u>	<u>417,348,711</u>	<u>394,267,460</u>	<u>1,254,248,282</u>	<u>1,198,804,033</u>
Deferred outflows of resources	14,115,731	14,194,832	350,056	351,682	14,465,787	14,546,514
LT liabilities outstanding	53,225,441	59,211,205	7,301,638	6,768,423	60,527,079	65,979,628
Other liabilities	33,758,724	27,526,094	3,506,458	3,452,514	37,265,182	30,978,608
Total liabilities	<u>86,984,165</u>	<u>86,737,299</u>	<u>10,808,096</u>	<u>10,220,937</u>	<u>97,792,261</u>	<u>96,958,236</u>
Deferred inflows of resources	16,322,607	43,166,987	829,991	1,806,427	17,152,598	44,973,414
Net position:						
Net investment in capital assets	556,076,128	525,556,405	318,577,056	307,255,270	874,653,184	832,811,675
Restricted	147,459,459	122,543,860	66,958,293	61,547,128	214,417,752	184,090,988
Unrestricted	<u>44,172,943</u>	<u>40,726,854</u>	<u>20,525,331</u>	<u>13,789,380</u>	<u>64,698,274</u>	<u>54,516,234</u>
Total net position	<u>\$ 747,708,530</u>	<u>\$ 688,827,119</u>	<u>\$ 406,060,680</u>	<u>\$ 382,591,778</u>	<u>\$ 1,153,769,210</u>	<u>\$ 1,071,418,897</u>

CITY OF LEE'S SUMMIT, MISSOURI

At the end of the current fiscal year, the City is able to report positive balances invested in capital assets, net of related debt and restricted net position. There were seven funds that did not have positive fund balances. The Todd George Tax Increment Financing (TIF) Fund is a capital project fund with an interfund loan outstanding. The Entitlement Fund is a special revenue fund that is waiting on grant reimbursement. This fund currently has a temporary loan from other funds until proceeds are received. Four other funds are capital project funds. These include: Blue Parkway and Colbern Road CID which accounts for improvements related to an annexed area in the City, New Longview Farm TIF for historical preservation and improvements in the Longview Farm area, Summit Woods TIF, and the Bond Indebtedness Fund, which accounts for bond issuances associated with the no-tax-increase general obligation bond questions that voters approved in April 2023. Lastly, the Sanitary Landfill is an enterprise fund that accounts for landfill operations and capital projects. These funds have temporary loans or advances from other funds.

The City's combined net position increased to \$1.154 billion from \$1.071 billion as a result of this year's revenues exceeding expenses as reflected in the next table. The City's unrestricted net position for governmental activities was \$44.2 million. Total unrestricted net position was \$64.7 million including business-type activities of \$20.5 million.

By far, the largest portion of the City's net position (76%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Total net position of \$1.154 billion is comprised of \$874.7 million invested in capital assets, net of related debt; \$214.6 million is restricted for pension, capital projects, debt service, parks and recreation, and economic development; \$64.7 million is unrestricted.

Net position increased \$82.4 million during the current fiscal year. Twenty-eight percent of this increase represents the increase in business type activities.

CITY OF LEE'S SUMMIT, MISSOURI

Statement of Activities

The following table reflects the revenues and expenses from the City's activities for the years ended June 30, 2023 and 2022:

	Changes In Net Position					
	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 19,428,321	\$ 17,179,701	\$ 56,783,365	\$ 52,850,460	\$ 76,211,686	\$ 70,030,161
Operating grants and contributions	4,491,469	7,478,806	-	-	4,491,469	7,478,806
Capital grants and contributions	20,436,069	16,542,506	5,854,788	1,602,693	26,290,857	18,145,199
General revenues:						
Property taxes	46,037,898	43,849,742	-	-	46,037,898	43,849,742
Sales and use taxes	64,588,767	56,917,649	-	-	64,588,767	56,917,649
Other revenue	24,503,136	19,092,219	1,005,333	(1,754,336)	25,508,469	17,337,883
Total revenues	<u>179,485,660</u>	<u>161,060,623</u>	<u>63,643,486</u>	<u>52,698,817</u>	<u>243,129,146</u>	<u>213,759,440</u>
Expenses:						
Public works	25,631,200	26,346,325	-	-	25,631,200	26,346,325
Public safety	51,633,856	40,418,376	-	-	51,633,856	40,418,376
Parks and rec	14,817,404	12,065,452	-	-	14,817,404	12,065,452
Planning and dev	3,969,146	3,721,242	-	-	3,969,146	3,721,242
General govt	21,042,072	21,589,917	-	-	21,042,072	21,589,917
Interest on LT debt	1,540,328	1,855,058	-	-	1,540,328	1,855,058
Combined water and sewer	-	-	35,865,442	31,019,719	35,865,442	31,019,719
Sanitary landfill	-	-	223,706	(377,340)	223,706	(377,340)
Airport	-	-	4,441,823	4,203,347	4,441,823	4,203,347
Rec Center	-	-	1,430,880	1,295,809	1,430,880	1,295,809
Stormwater utility	-	-	182,976	19,470	182,976	19,470
Total expenses	<u>118,634,006</u>	<u>105,996,370</u>	<u>42,144,827</u>	<u>36,161,005</u>	<u>160,778,833</u>	<u>142,157,375</u>
Change in net position before transfers	60,851,654	55,064,253	21,498,659	16,537,812	82,350,313	71,602,065
Transfers	(1,970,243)	30,192	1,970,243	(30,192)	-	-
Change in net position	<u>58,881,411</u>	<u>55,094,445</u>	<u>23,468,902</u>	<u>16,507,620</u>	<u>82,350,313</u>	<u>71,602,065</u>
Net position, beginning	<u>688,827,119</u>	<u>633,732,674</u>	<u>382,591,778</u>	<u>366,084,158</u>	<u>1,071,418,897</u>	<u>999,816,832</u>
Net position, ending	<u>\$ 747,708,530</u>	<u>\$ 688,827,119</u>	<u>\$ 406,060,680</u>	<u>\$ 382,591,778</u>	<u>\$ 1,153,769,210</u>	<u>\$ 1,071,418,897</u>

Governmental Activities

Governmental activities increased the City's net position by \$58.9 million.

Sales and Use taxes, the largest governmental category at 35% finished the year at \$64.6 million which was a \$7.7 million increase or 13% over the prior year. The City's continued modernization of its revenue sources likely contributed in part to the large increase in revenues. The City implemented a use tax in October 2020 and a Public Safety Sales Tax in December 2022, which is used for the operation of the Fire and Police Departments, including expansion of services, equipment, compensation and training. Voters also approved a 3% adult-use nonmedical marijuana which took effect October 1, 2023.

Property taxes, the second largest governmental category at 25% finished the year at \$46 million which reflected an increase of \$2.2 million or 5% over the prior year. This increase is due primarily to the allowance of a CPI adjustment and new construction growth. The third largest category, Franchise tax, came in at \$13.9 million for an increase of \$1.3 million. Overall, governmental revenues finished the year \$18.4 million above the prior year for the reasons discussed.

CITY OF LEE'S SUMMIT, MISSOURI

For the fiscal year ended June 30, 2023, revenues totaled \$243.3 million (governmental and business-type), an increase of \$29.7 million or 14% over prior year. Revenues from governmental activities totaled \$182 million or 74% of the total City revenues.

Governmental activities expenses increased \$12.6 million or 8% for the fiscal year ended June 30, 2023 compared to the fiscal year ended June 30, 2022. This decrease is primarily due to decreases in public works and parks, offset by increases in public safety and general government expenditures this fiscal year, including related capital projects.

The following table shows expenses and program revenues of the governmental activities for the years ended June 30, 2023 and 2022:

	Net Cost Of Governmental Activities			
	Total Cost Of Service		Net Cost Of Service	
	2023	2022	2023	2022
General government	\$ 21,042,072	\$ 21,589,917	\$ (16,575,886)	\$ (11,407,493)
Public safety	51,633,856	40,418,376	(38,139,864)	(29,533,226)
Public works and streets	25,631,200	26,346,325	(3,470,067)	(9,029,327)
Planning and development	3,969,146	3,721,242	(3,796,944)	(3,536,846)
Parks and recreation	14,817,404	12,065,452	(10,755,058)	(9,433,407)
Interest on long-term debt	1,540,328	1,855,058	(1,540,328)	(1,855,058)
Total	\$ 118,634,006	\$ 105,996,370	\$ (74,278,147)	\$ (64,795,357)

As previously noted, expenses from governmental activities totaled \$118.6 million. However, net costs of these services were negative \$74.3 million. The difference represents direct revenues received from charges for services of \$19.4 million, operating grants and contributions of \$4.5 million and capital grants and contributions of \$20.4 million. Taxes and other revenues of \$133.2 million were collected to cover these net costs.

Business-Type Activities

Business-type activities net position increased by \$23.5 million in the current year.

Overall revenues increased \$11.2 million or 21.3% compared to last year. This was primarily due to an increase in water and sewer services and airport revenues. Overall expenses increased \$6.3 million or 17.3% compared to the prior year. This is due to an increase in water and sewer costs, airport expense, and landfill post-closing costs.

CITY OF LEE'S SUMMIT, MISSOURI

Financial Analysis of The City's Funds

The General Fund is the chief operating fund of the City. The fund balance of the General Fund at June 30, 2023 was \$44.9 million or 54% of actual expenditures. This represents a decrease of \$3.4 million or a 7% decrease over the previous year's balance. The reduction in fund balance was part of an intentional planned investment in one-time expenditures. Strong revenues combined with a tight labor market and continued supply chain issues enabled the City to increase investment in enhanced services and capital assets. Revenues increased \$4.2 million, or 5%, and expenditures increased by \$7.7 million, or 10%, over the previous fiscal year.

The City recognizes the need for a fund balance that can adequately absorb a downturn and avoid changes and reductions in service levels. In September 2023, the City Council adopted an ordinance that requires a General Fund reserve in an amount equal to that of at least three (3) months (25%) of regular General Fund operating revenues or expenditures, whichever is greater based on the prior fiscal year; to address emergencies and provide for economic stability. The new policy also requires the City Manager to propose uses of any General Fund balance that exceeds thirty-five percent (35%) of the prior fiscal year revenue or expenditures. This requirement encourages use of higher levels of General Fund balance for community services.

The Debt Service Fund ended the year with a fund balance of \$15.4 million, an increase of \$2.8 million. Voters approved three no-tax-increase general obligation bond questions in April 2023, totaling \$186 million. These general obligation bonds will allow the City to enhance emergency preparedness by funding key public safety improvements (\$74 million), invest in critical transportation infrastructure (\$98 million), and provide funds needed to reinvest in City facilities to extend their use and enhance service (\$14 million). During fiscal year 2023, the City issued bonds of \$5.420 million, which was the final issuance under the 2019 voter approved ballot issue. The total general obligation debt outstanding at fiscal year-end is \$29.62 million. The City previously held the debt service tax levy constant for several years. A no-tax-increase ballot initiative was approved by voters in April 2021 granting a \$.10 increase in the General Operating Levy with a planned corresponding reduction in the debt levy. Following that voter-approved operating levy change, the City plans to hold the debt levy constant at \$.3697 per \$100 assessed valuation for the foreseeable future.

The Capital Improvement Sales Tax Fund ended the year with a fund balance of \$43.4 million, an increase of \$5.5 million from the prior year. Sales and Use tax revenues were 5% higher than prior year. Capital outlay was down 27% compared to the previous year, primarily due to timing of projects which can fluctuate yearly.

The Blue Parkway and Colbern Road CID Fund ended the year with a fund balance of negative \$3.7 million. The negative balance is due to costs associated with the tax increment financing (TIF) district that will be reimbursed with tax funds generated from future development in this area.

CITY OF LEE'S SUMMIT, MISSOURI

The Combined Water and Sewerage system recorded an increase of \$22.1 million in net position for the year. Operating revenues increased by \$3.8 million during the year.

The Sanitary Landfill fund recorded a decrease of \$221,000 in net position for the year. In April 2019 operations were ceased at the landfill as it had reached capacity. The landfill closed near the end of the fiscal year and is currently in initial steps of post closure phase.

The Airport Fund recorded an increase of \$1.7 million in net position for the year. Efforts to pursue grant funding are expected to continue in the next fiscal year.

General Fund Budgetary Highlights

Differences between the original and the final amended budget can be summarized as follows:

The total original expenditure budget (excluding transfers) of \$87,655,927 increased to \$88,139,623 for an increase of \$483,696. The budget increase was due primarily to increases in personnel costs, inflationary pressures and strategic enhancements in service offerings.

Actual expenditures were \$5.4 million less than the amended budget. Vacancies due to the tight labor market along with supply chain disruptions contributed to the slowed spending.

Actual revenues were \$4.5 million more than budgeted. Property taxes came in \$1.5 million above budgeted levels. Sales tax ended the fiscal year up \$4.5 million compared to the budgeted levels. Franchise receipts came in \$749,000 above budget. Franchise tax revenues are paid by utilities and can vary with customer usage.

The revenue increases were recognized and applied during the year to address inflationary cost increases and shore up the City's insurance reserve. As a result, budgeted transfers out increased by \$9.1 million during the year.

Capital Assets And Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2023 amounts to \$922.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems improvements, collections systems, machinery and equipment, park facilities, and infrastructure. Capital assets increased by \$34.1 million during the period.

CITY OF LEE'S SUMMIT, MISSOURI

Major capital events during the current fiscal year included the following:

- Progress Construction on new Fire Stations #4 and #5 totaling \$6.3 million.
- Progress Construction on Stormwater Infrastructure Improvements totaling \$1.7 million.
- Progress Construction on M291 North Interchange with US50 totaling \$1 million.
- Progress Construction on Chipman Road-Bent Tree to View High totaling \$1.4 million.
- Progress Construction on Browning Street Extension to Hamblen Road totaling \$3.4 million.
- System additions and improvements in the Combined Waterworks and Sewerage Fund at a cost of over \$13.2 million; including water main rehab of \$5.7 million, Tower recoating of \$1.8 million, Cedar Creek Improvements of \$1.1 million, CIPP lining manhole rehab of \$1.6 million, and water meter/equipment replacement of \$1 million.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 7,857,966	\$ 7,857,966	\$ 29,427,167	\$ 26,846,596	\$ 37,285,133	\$ 34,704,562
Construction in progress	48,747,696	41,866,486	18,160,119	21,078,755	66,907,815	62,945,241
Buildings	76,860,670	70,932,293	-	-	76,860,670	70,932,293
Improvements	84,385,415	83,756,887	398,481,882	382,338,573	482,867,297	466,095,460
Machinery & equipment	52,702,251	50,507,560	4,082,283	4,065,315	56,784,534	54,572,875
Infrastructure	613,791,595	586,014,655	-	-	613,791,595	586,014,655
Right-to-use leased assets	786,610	232,892	-	-	786,610	232,892
Right-to-use subscription assets	454,421	-	-	-	454,421	-
Accumulated depreciation	(281,602,671)	(259,974,477)	(131,574,395)	(127,073,966)	(413,177,066)	(387,048,443)
	<u>\$ 603,983,953</u>	<u>\$ 581,194,262</u>	<u>\$ 318,577,056</u>	<u>\$ 307,255,273</u>	<u>\$ 922,561,009</u>	<u>\$ 888,449,535</u>

These capital assets are funded by traditional bond financing, impact fees, and user charges. For more detailed information on capital assets, refer to Note 4 in the Notes to Basic Financial Statements.

Debt Administration

The City, at the end of fiscal 2023, had a total of \$71.3 million of outstanding long-term obligations. This was a decrease of \$3.7 million or 5% from the previous year. Those long-term obligations included \$29.62 million of General Obligation bonds and \$21.65 million of Tax Increment Financing bonds related to the Summit Fair shopping center.

The City's maintained its aggressive debt retirement schedule. Governmental debt decreased by \$6.4 million due to pay off of maturing obligations in excess of new bonds issued.

CITY OF LEE'S SUMMIT, MISSOURI

As of June 30, 2023, the City's total issued and authorized General Obligation (G.O.) Bonded Debt was \$29.62 million. The City has statutory authority to issue debt equal to 20% of the City's total assessed valuation or \$529,039,831. This, less outstanding debt, authorized and unissued debt, and available cash, leaves a legal debt margin of \$509,036,886, which is 96% of the City's total bonding capacity. Bonded debt, net of available debt service funds, amounted to approximately \$197 per capita and represented less than 1% of the assessed value of taxable property.

General Obligation Bonds retired \$4 million of their principal amount outstanding this year along with interest payments of \$961,000.

The City's General Obligation bonds have most recently been rated Aaa by Moody's Investors Services and AA+ by Standard and Poors.

The City has \$21.65 million in TIF debt outstanding for various public infrastructure improvements associated with the Summit Fair shopping area.

Additional information on the City's long-term debt can be found beginning with Note 5.

Economic Factors and Next Year's Budgets And Rates

Combined General Fund revenues for fiscal year 2024 are projected to total \$95.1 million. This represents an increase of \$7.7 million over the prior year budget. The City continues to experience growth in revenue categories such as property taxes, sales taxes and licenses, permits and fees.

General Fund expenses are projected to total \$95.5 million compared to \$99.7 million budgeted in fiscal year 2023 as amended. This represents a \$4.2 million decrease. The budget for fiscal year 2024 includes a planned one-time use of General Fund balance of \$316,000.

Personnel Services expenditures are estimated using a wage adjustment pool for the employee pay-for-performance system. For fiscal year 2024, the organization continues to focus on wage increases for current employees to increase retention and job satisfaction.

Because of Lee's Summit's strong growth, much of the budget is dedicated to capital improvement (CIP) funding. The City prepares a five-year CIP annually, which includes a detailed description of the various projects and their funding sources.

The City continues to monitor economic conditions for signs of a potential economic downturn and make contingent plans to adjust if necessary to any signs of negative economic trends.

Requests for Information

This financial report is designed to provide the reader a general overview of the City's finances. Questions or requests for more information concerning any of the information provided in this report should be directed to Bette Wordelman, Finance Director, City of Lee's Summit, 220 SE Green Street, Lee's Summit, Missouri 64063.

Basic Financial Statements

CITY OF LEE'S SUMMIT, MISSOURI

STATEMENT OF NET POSITION

June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 163,654,676	\$ 89,226,618	\$ 252,881,294
Receivables (net of allowance)			
Taxes	13,945,394	-	13,945,394
Accounts and other	4,252,007	6,753,816	11,005,823
Interest	890,588	154,138	1,044,726
Leases	181,455	318,766	500,221
Due from other governments	1,740,486	141,524	1,882,010
Inventories	280,592	1,179,556	1,460,148
Prepaid expenses	4,816	3,824	8,640
Other assets	5,150	-	5,150
Restricted assets			
Cash and investments	6,010,104	-	6,010,104
Pension asset	41,950,350	993,413	42,943,763
Capital assets			
Nondepreciable	56,605,662	47,587,286	104,192,948
Depreciable, net	547,378,291	270,989,770	818,368,061
Total assets	836,899,571	417,348,711	1,254,248,282
Deferred Outflows Of Resources			
Pension	12,740,877	208,150	12,949,027
Other post employment benefits	1,374,854	141,906	1,516,760
Total deferred outflows of resources	14,115,731	350,056	14,465,787
Liabilities			
Accounts payable and accrued expenses	10,599,616	3,961,966	14,561,582
Payroll liabilities	2,442,002	210,646	2,652,648
Accrued interest payable	323,671	-	323,671
Unearned revenue	7,530,415	25,906	7,556,321
Customer deposits - payable from restricted deposits	1,175,488	251,728	1,427,216
Internal balances	963,621	(963,621)	-
Long-term obligations			
Due within one year			
Compensated absences	407,497	19,833	427,330
Bonds	10,175,000	-	10,175,000
Leases	82,414	-	82,414
Subscription liability	59,000	-	59,000
Due in more than one year			
Compensated absences	5,567,049	427,306	5,994,355
Other post employment benefits	5,169,948	263,972	5,433,920
Bonds	41,763,185	-	41,763,185
Leases	562,824	-	562,824
Subscription liability	162,435	-	162,435
Closure and postclosure liability	-	6,610,360	6,610,360
Total liabilities	86,984,165	10,808,096	97,792,261
Deferred Inflows Of Resources			
Pension	12,727,493	254,581	12,982,074
Leases	177,266	313,510	490,776
Other post employment benefits	2,537,422	261,900	2,799,322
Deferred amount on refunding	880,426	-	880,426
Total deferred inflows of resources	16,322,607	829,991	17,152,598
Net Position			
Net investment in capital assets	556,076,128	318,577,056	874,653,184
Restricted for			
Pension	41,963,734	946,982	42,910,716
Public Safety	5,161,012	-	5,161,012
Debt service	15,368,943	-	15,368,943
Capital projects	71,895,027	66,011,311	137,906,338
Parks and recreation	6,438,306	-	6,438,306
Economic development	5,677,548	-	5,677,548
Other purposes	954,889	-	954,889
Unrestricted	44,172,943	20,525,331	64,698,274
Total net position	\$ 747,708,530	\$ 406,060,680	\$ 1,153,769,210

CITY OF LEE'S SUMMIT, MISSOURI

STATEMENT OF ACTIVITIES For The Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Position		
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 21,042,072	\$ 3,427,102	\$ 1,039,084	\$ -	\$ (16,575,886)	\$ -	\$ (16,575,886)
Public safety	51,633,856	11,217,949	2,276,043	-	(38,139,864)	-	(38,139,864)
Public works and streets	25,631,200	548,722	1,176,342	20,436,069	(3,470,067)	-	(3,470,067)
Community development	3,969,146	172,202	-	-	(3,796,944)	-	(3,796,944)
Parks and recreation	14,817,404	4,062,346	-	-	(10,755,058)	-	(10,755,058)
Interest on long-term debt	1,540,328	-	-	-	(1,540,328)	-	(1,540,328)
Total governmental activities	118,634,006	19,428,321	4,491,469	20,436,069	(74,278,147)	-	(74,278,147)
Business-Type Activities							
Waterworks and sewerage system	35,865,442	52,152,589	-	5,421,679	-	21,708,826	21,708,826
Sanitary landfill	223,706	2,854	-	-	-	(220,852)	(220,852)
Airport	4,441,823	3,155,805	-	433,109	-	(852,909)	(852,909)
Recreation center	1,430,880	1,472,117	-	-	-	41,237	41,237
Stormwater Utility	182,976	-	-	-	-	(182,976)	(182,976)
Total business-type activities	42,144,827	56,783,365	-	5,854,788	-	20,493,326	20,493,326
Total primary government	\$ 160,778,833	\$ 76,211,686	\$ 4,491,469	\$ 26,290,857	(74,278,147)	20,493,326	(53,784,821)
General Revenues							
Taxes							
Property taxes, levied for general purposes					36,020,807	-	36,020,807
Property taxes, levied for debt service					10,017,091	-	10,017,091
Franchise taxes					13,939,239	-	13,939,239
Sales and use taxes, and other taxes					64,588,767	-	64,588,767
License taxes					1,526,424	-	1,526,424
Motor vehicle taxes					4,933,026	-	4,933,026
Investment income (loss)					2,053,154	1,005,333	3,058,487
Other revenues					1,695,454	-	1,695,454
Gain on sale of assets					355,839	-	355,839
Transfers					(1,970,243)	1,970,243	-
Total general revenues and transfers					133,159,558	2,975,576	136,135,134
Change in net position					58,881,411	23,468,902	82,350,313
Net position - beginning					688,827,119	382,591,778	1,071,418,897
Net position - ending					\$ 747,708,530	\$ 406,060,680	\$ 1,153,769,210

CITY OF LEE'S SUMMIT, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Debt Service	Capital Improvement Sales Tax	Blue Parkway and Colbern Road CID	Public Safety Series 2022B	ARP Act	Total Nonmajor Funds	Total Governmental Funds
Assets								
Pooled cash and investments	\$ 37,100,014	\$ 14,289,749	\$ 41,294,964	\$ 80,164	\$ -	\$ 7,535,084	\$ 47,264,543	\$ 147,564,518
Receivables (net of allowance)								
Taxes	6,016,788	1,416,786	2,080,221	-	-	-	4,431,599	13,945,394
Accounts and other	3,787,422	-	395,875	-	-	-	68,710	4,252,007
Interest	738,811	23,287	70,631	56	-	-	44,650	877,435
Lease receivable	181,455	-	-	-	-	-	-	181,455
Due from other funds	575,080	-	24,000	-	-	-	5,000	604,080
Due from other governments	938,323	-	-	-	-	-	802,163	1,740,486
Prepaid items	4,816	-	-	-	-	-	-	4,816
Other assets	5,150	-	-	-	-	-	-	5,150
Advances to other funds	330,000	-	360,000	-	-	-	3,589,859	4,279,859
Restricted assets								
Cash and investments	16,163	-	-	-	5,591,069	-	402,872	6,010,104
Total assets	\$ 49,694,022	\$ 15,729,822	\$ 44,225,691	\$ 80,220	\$ 5,591,069	\$ 7,535,084	\$ 56,609,396	\$ 179,465,304
Liabilities, Deferred Inflows Of Resources And Fund Balances Liabilities								
Accounts payable and accrued liabilities	\$ 971,810	\$ -	\$ 779,110	\$ 79,291	\$ 2,451,411	\$ 4,669	\$ 3,611,601	\$ 7,897,892
Payroll liabilities	2,181,340	-	-	-	-	-	143,029	2,324,369
Deposits payable	972,139	-	-	-	-	-	203,349	1,175,488
Unearned revenue	-	-	-	-	-	7,530,415	-	7,530,415
Due to other funds	-	-	-	-	492,587	-	895,493	1,388,080
Advances from other funds	-	-	-	3,694,480	-	-	765,000	4,459,480
Total liabilities	4,125,289	-	779,110	3,773,771	2,943,998	7,535,084	5,618,472	24,775,724
Deferred Inflows Of Resources								
Property tax	501,512	360,879	-	-	-	-	98,146	960,537
Lease related	177,266	-	-	-	-	-	-	177,266
Unavailable revenue	-	-	-	-	-	-	610,862	610,862
Total deferred inflows of resources	678,778	360,879	-	-	-	-	709,008	1,748,665
Fund Balances (Deficits)								
Nonspendable								
Prepaid amounts	4,816	-	-	-	-	-	-	4,816
Advances to other funds	330,000	-	-	-	-	-	-	330,000
Restricted								
Public safety	-	-	-	-	2,647,071	-	2,513,941	5,161,012
Bridges, streets and signals	-	-	43,446,581	-	-	-	25,024,055	68,470,636
Parks and recreation	-	-	-	-	-	-	6,438,306	6,438,306
Economic development	-	-	-	-	-	-	5,677,548	5,677,548
Debt service reserve	-	15,368,943	-	-	-	-	-	15,368,943
Other capital projects	-	-	-	-	-	-	3,424,391	3,424,391
Other purposes	16,163	-	-	-	-	-	938,726	954,889
Committed								
Bridges, streets and signals	-	-	-	-	-	-	351,700	351,700
Landfill care	-	-	-	-	-	-	4,811,270	4,811,270
Cemetery care	-	-	-	-	-	-	1,231,417	1,231,417
Assigned								
Other capital projects	-	-	-	-	-	-	1,593,384	1,593,384
Unassigned	44,538,976	-	-	(3,693,551)	-	-	(1,722,822)	39,122,603
Total fund balances (deficits)	44,889,955	15,368,943	43,446,581	(3,693,551)	2,647,071	-	50,281,916	152,940,915
Total liabilities, deferred inflows and fund balances (deficits)	\$ 49,694,022	\$ 15,729,822	\$ 44,225,691	\$ 80,220	\$ 5,591,069	\$ 7,535,084	\$ 56,609,396	\$ 179,465,304

CITY OF LEE'S SUMMIT, MISSOURI

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION June 30, 2023

Total Fund Balance - Governmental Funds \$ 152,940,915

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net position.

Governmental capital assets	848,511,466
Less: Accumulated depreciation	(256,530,398)

Pension assets are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net position.

41,240,394

Some of the City's taxes and receivables will be collected after year end but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred inflows of resources in the funds.

1,571,399

Pension-related deferred outflows of resources are not due and payable in the current year, and, therefore, are not reported in the governmental funds.

12,592,119

Other postemployment benefit-related deferred outflows of resources are not due and payable in the current year, and, therefore, are not reported in the governmental funds.

1,284,128

Pension-related deferred inflows of resources are not due and payable in the current year, and, therefore, are not reported in the governmental funds.

(12,545,554)

Other postemployment benefit-related deferred inflows of resources are not due and payable in the current year, and, therefore, are not reported in the governmental funds.

(2,369,978)

Interest on long-term debt is not accrued in the governmental funds but rather is recognized as an expenditure when due.

(323,671)

The assets and liabilities of internal service funds are included in the governmental activities in the statement of net position.

25,437,249

Some liabilities and deferred inflows, such as compensated absences and bonds payable (net of unamortized discounts), are not due and payable in the current period and are not included in the fund financial statements but are included in the governmental activities of the statement of net position.

Compensated absences	(5,654,392)
Bonds payable	(51,270,000)
Unamortized discounts	191,678
Unamortized premiums	(859,863)
Deferred amount on refunding	(880,426)
Leases	(645,238)
Other post employment benefit liability	(4,981,298)

Total net position - governmental activities \$ 747,708,530

CITY OF LEE'S SUMMIT, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS For The Year Ended June 30, 2023

	General Fund	Debt Service	Capital Improvement Sales Tax	Blue Parkway and Colbern Road CID	Public Safety Series 2022B	ARP Act	Total Nonmajor Funds	Total Governmental Funds
Revenues								
Taxes								
Property	\$ 27,597,450	\$ 9,949,503	\$ -	\$ -	\$ -	\$ -	\$ 8,296,617	\$ 45,843,570
Sales	25,214,642	6,050,736	12,718,607	12,132	-	-	19,661,285	63,657,402
Franchise	13,939,239	-	-	-	-	-	-	13,939,239
License	-	-	-	-	-	-	923,311	923,311
Bed	-	-	-	-	-	-	642,456	642,456
Motor vehicle	4,933,026	-	-	-	-	-	-	4,933,026
Other tax	263,908	18,196	-	-	-	-	6,805	288,909
Fines and forfeitures	1,059,172	53,023	-	-	-	-	19,862	1,132,057
Licenses and permits	3,285,490	-	-	-	-	-	-	3,285,490
Intergovernmental	2,276,043	-	395,875	-	-	780,467	1,039,084	4,491,469
Charges for services	10,879,848	-	-	123	-	-	4,130,803	15,010,774
Investment income (loss)	443,871	202,182	428,435	676	171,069	-	691,093	1,937,326
Other	1,302,766	-	41,340	-	-	-	351,473	1,695,579
Total Revenues	91,195,455	16,273,640	13,584,257	12,931	171,069	780,467	35,762,789	157,780,608
Expenditures								
Current								
General government	20,092,008	-	66	-	-	-	2,338,082	22,430,156
Public safety	48,019,768	-	-	-	-	-	2,201,526	50,221,294
Public works and streets	10,161,826	-	-	-	-	-	-	10,161,826
Community development	4,314,484	-	-	-	-	-	-	4,314,484
Parks and recreation	-	-	-	-	-	-	8,806,996	8,806,996
Debt service								
Principal	63,934	9,370,000	-	-	-	-	1,965,000	11,398,934
Interest and other charges	43,260	960,839	-	-	48,300	-	1,096,016	2,148,415
Capital outlay	-	-	8,122,280	1,473	2,895,698	14,247	22,124,455	33,158,153
Total Expenditures	82,695,280	10,330,839	8,122,346	1,473	2,943,998	14,247	38,532,075	142,640,258
Excess (Deficiency) Of								
Revenues Over	8,500,175	5,942,801	5,461,911	11,458	(2,772,929)	766,220	(2,769,286)	15,140,350
Expenditures								
Other Financing Sources (Uses)								
Issuance of bonds	-	-	-	-	5,420,000	-	-	5,420,000
Issuance of Leases (as lessee)	554,010	-	-	-	-	-	-	554,010
Transfers in	516,759	-	-	-	-	-	8,634,282	9,151,041
Transfers out	(12,965,587)	(3,175,000)	-	-	-	(766,220)	(847,677)	(17,754,484)
Total Other Financing Sources (Uses)	(11,894,818)	(3,175,000)	-	-	5,420,000	(766,220)	7,786,605	(2,629,433)
Net Change In Fund Balances (Deficits)								
	(3,394,643)	2,767,801	5,461,911	11,458	2,647,071	-	5,017,319	12,510,917
Fund Balances (Deficits)								
Beginning	48,284,598	12,601,142	37,984,670	(3,705,009)	-	-	45,264,597	140,429,998
Ending	\$ 44,889,955	\$ 15,368,943	\$ 43,446,581	\$ (3,693,551)	\$ 2,647,071	\$ -	\$ 50,281,916	\$ 152,940,915

CITY OF LEE'S SUMMIT, MISSOURI

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For The Year Ended June 30, 2023

Net Change In Fund Balances - Total Governmental Funds \$ 12,510,917

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$19,626,173 in the current period was exceeded by capital outlays over the capitalization threshold totaling \$21,917,723. 2,291,548

Governmental funds report the entire net sales price (proceeds) from sale of an asset as an other financing source of \$17,881 because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets of \$17,881. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold. -

Contributions of capital assets are recorded as capital contributions in the statement of activities. Contributions primarily represent infrastructure assets. 20,436,069

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned. 797,441

The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are netted with debt and amortized in the statement of activities. In the Statement of Activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the net effect of these differences in the treatment of long-term debt and related items:

Issuance of bonds	(5,420,000)
Issuance of lease	(554,010)
Repayment of principal	11,335,000
Repayment of lease	63,934
Bond discount amortization	(12,487)
Bond premium amortization	479,508
Deferred amount on refunding	111,082
Change in accrued interest payable	29,984

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Other post-employment benefits expense	(259,145)
Compensated absences	(1,408,420)
Pension expense	10,222,735

Internal service funds are used by management to charge the costs of certain activities internally to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. 8,257,255

Change in net position of governmental activities \$ 58,881,411

CITY OF LEE'S SUMMIT, MISSOURI

**STATEMENT OF NET POSITION (DEFICIT) - PROPRIETARY FUNDS
June 30, 2023**

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Combined Waterworks And Sewerage System	Sanitary Landfill	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets						
Current assets						
Cash and investments	\$ 86,163,282	\$ 10,760	\$ 2,213,443	\$ 839,133	\$ 89,226,618	\$ 16,090,158
Receivables (net of allowance)						
Accounts and other	3,278,635	-	163,259	-	3,441,894	-
Unbilled accounts	3,311,922	-	-	-	3,311,922	-
Interest	142,996	-	10,839	303	154,138	13,153
Due from other funds	784,000	-	-	-	784,000	-
Due from other governments	-	-	141,524	-	141,524	-
Leases receivable	-	-	318,766	-	318,766	-
Inventories	1,139,275	-	40,281	-	1,179,556	280,592
Prepaid expenses	-	-	3,824	-	3,824	-
Other assets	-	-	-	-	-	-
Advances to other funds	379,621	-	-	-	379,621	-
Total current assets	95,199,731	10,760	2,891,936	839,436	98,941,863	16,383,903
Noncurrent assets						
Pension asset	903,559	-	89,854	-	993,413	709,956
Capital assets						
Nondepreciable	18,759,441	2,614,454	26,213,391	-	47,587,286	104,250
Depreciable, net	233,812,437	229,047	36,832,786	115,500	270,989,770	11,898,635
Total noncurrent assets	253,475,437	2,843,501	63,136,031	115,500	319,570,469	12,712,841
Total assets	348,675,168	2,854,261	66,027,967	954,936	418,512,332	29,096,744
Deferred Outflows Of Resources						
Pension	189,323	-	18,827	-	208,150	148,758
Other post-employment benefits	127,948	-	13,958	-	141,906	90,726
Total deferred outflows of resources	317,271	-	32,785	-	350,056	239,484
Liabilities						
Current liabilities						
Accounts payable	3,785,464	4,088	119,452	52,962	3,961,966	2,701,724
Salaries payable	156,137	-	20,429	34,080	210,646	117,633
Unearned revenue	-	-	25,906	-	25,906	-
Compensated absences	16,255	-	1,561	2,017	19,833	16,255
Customer deposit	169,128	-	82,600	-	251,728	-
Total current liabilities	4,126,984	4,088	249,948	89,059	4,470,079	2,835,612
Noncurrent liabilities						
Advances from other funds	-	200,000	-	-	200,000	-
Subscription Liabilities	-	-	-	-	-	221,435
Compensated absences	352,765	-	37,147	37,394	427,306	303,899
Closure and post-closure liability	-	6,610,360	-	-	6,610,360	-
Other post-employment benefits	240,096	-	23,876	-	263,972	188,650
Total noncurrent liabilities	592,861	6,810,360	61,023	37,394	7,501,638	713,984
Total liabilities	4,719,845	6,814,448	310,971	126,453	11,971,717	3,549,596
Deferred Inflows Of Resources -						
Pension	231,554	-	23,027	-	254,581	181,939
Other post-employment benefits	236,139	-	25,761	-	261,900	167,444
Leases	-	-	313,510	-	313,510	-
Total deferred inflows of resources	467,693	-	362,298	-	829,991	349,383
Net Position (Deficit)						
Net investment in capital assets	252,571,878	2,843,501	63,046,177	115,500	318,577,056	11,579,301
Restricted for capital projects	64,777,283	-	1,234,028	-	66,011,311	-
Restricted for pension	861,328	-	85,654	-	946,982	676,775
Unrestricted	25,594,412	(6,803,688)	1,021,624	712,983	20,525,331	13,181,173
Total net position (deficit)	\$ 343,804,901	\$ (3,960,187)	\$ 65,387,483	\$ 828,483	\$ 406,060,680	\$ 25,437,249

CITY OF LEE'S SUMMIT, MISSOURI

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (DEFICIT) - PROPRIETARY FUNDS
For The Year Ended June 30, 2023**

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Combined Waterworks And Sewerage System	Sanitary Landfill	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating Revenues						
Charges for services	\$ 51,677,351	\$ -	\$ 1,001,392	\$ 1,162,001	\$ 53,840,744	\$ 13,758,155
Material and fuel sales	187,109	-	2,106,070	-	2,293,179	-
Other	288,129	2,854	48,343	310,116	649,442	86,678
Total operating revenues	52,152,589	2,854	3,155,805	1,472,117	56,783,365	13,844,833
Operating Expenses						
Salaries, wages and employee benefits	4,960,202	-	738,404	764,522	6,463,128	3,933,722
Water purchases	10,026,273	-	-	-	10,026,273	-
Utilities	649,977	-	86,006	113,216	849,199	363,126
Repairs and maintenance	805,976	-	88,542	33,912	928,430	1,010,557
Sewer services	10,035,260	-	-	-	10,035,260	-
Fuels and lubricants	119,614	-	1,638,342	-	1,757,956	7,828
Depreciation	5,504,956	30,039	1,334,632	19,155	6,888,782	2,714,077
Interdepartment charges	776,192	-	159,782	20,343	956,317	196,780
Miscellaneous	2,986,992	193,667	390,638	662,708	4,234,005	4,462,360
Total operating expenses	35,865,442	223,706	4,436,346	1,613,856	42,139,350	12,688,450
Operating income (loss)	16,287,147	(220,852)	(1,280,541)	(141,739)	14,644,015	1,156,383
Nonoperating Revenues (Expenses)						
Interest income (loss)	898,556	-	104,011	2,766	1,005,333	133,709
Interest expense	-	-	-	-	-	(3,995)
Gain (loss) on disposal of capital assets	-	-	(5,477)	-	(5,477)	337,958
Total nonoperating revenues (expenses)	898,556	-	98,534	2,766	999,856	467,672
Income (Loss) Before Capital Grant and Contributions And Transfers	17,185,703	(220,852)	(1,182,007)	(138,973)	15,643,871	1,624,055
Capital Grants And Contributions Transfers In	5,421,679	-	433,109	-	5,854,788	-
Transfers In	794	-	2,531,057	-	2,531,851	6,658,306
Transfers Out	(519,718)	-	(38,371)	(3,519)	(561,608)	(25,106)
Change In Net Position (Deficit)	22,088,458	(220,852)	1,743,788	(142,492)	23,468,902	8,257,255
Total Net Position (Deficit)						
Beginning	321,716,443	(3,739,335)	63,643,695	970,975	382,591,778	17,179,994
Ending	\$ 343,804,901	\$ (3,960,187)	\$ 65,387,483	\$ 828,483	\$ 406,060,680	\$ 25,437,249

CITY OF LEE'S SUMMIT, MISSOURI

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS For The Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Combined Waterworks And Sewerage System	Sanitary Landfill	Airport	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash Flows From Operating Activities						
Cash received from customers	\$ 50,901,373	\$ (563)	\$ 3,138,946	\$ 1,472,117	\$ 55,511,873	\$ 13,845,709
Cash paid to suppliers	(24,057,138)	(14,905)	(2,341,499)	(835,125)	(27,248,667)	(5,385,189)
Cash paid to employees	(5,051,301)	-	(788,051)	(745,757)	(6,585,109)	(4,018,770)
Net cash provided by (used in) operating activities	21,792,934	(15,468)	9,396	(108,765)	21,678,097	4,441,750
Cash Flows From Noncapital Financing Activities						
Transfers in	794	-	2,531,057	-	2,531,851	6,658,306
Transfers out	(519,718)	-	(38,371)	(3,519)	(561,608)	(25,106)
Due from other funds	1,194,000	-	-	-	1,194,000	(2,000,000)
Advances from other funds	-	-	(2,230,441)	-	(2,230,441)	-
Net cash provided by (used in) noncapital financing activities	675,076	-	262,245	(3,519)	933,802	4,633,200
Cash Flows From Capital And Related Financing Activities						
Principal paid on subscription liability	-	-	-	-	-	(232,986)
Interest paid on subscription liability	-	-	-	-	-	(3,995)
Capital grants	5,421,679	-	316,198	-	5,737,877	-
Additions to capital assets	(17,941,085)	-	(233,262)	(36,221)	(18,210,568)	(2,321,729)
Proceeds from sale of capital assets	-	-	(5,477)	-	(5,477)	337,958
Net cash provided by (used in) capital and related financing activities	(12,519,406)	-	77,459	(36,221)	(12,478,168)	(2,220,752)
Cash Flows Provided By Investing Activities						
Interest received (paid)	911,403	-	101,520	3,008	1,015,931	142,030
Net cash provided by investing activities	911,403	-	101,520	3,008	1,015,931	142,030
Net increase (decrease) in cash and cash equivalents	10,860,007	(15,468)	450,620	(145,497)	11,149,662	6,996,228
Cash and Cash Equivalents - Beginning of Year	75,303,275	26,228	1,762,823	984,630	78,076,956	9,093,930
Cash and Cash Equivalents - End of Year	\$ 86,163,282	\$ 10,760	\$ 2,213,443	\$ 839,133	\$ 89,226,618	\$ 16,090,158
Reconciliation of operating income (loss) to net cash provided by (used in) operating income (loss)	\$ 16,287,147	\$ (220,852)	\$ (1,280,541)	\$ (141,739)	\$ 14,644,015	\$ 1,156,383
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	5,504,956	30,039	1,334,632	19,155	6,888,782	2,714,077
Changes in assets, liabilities, deferred outflows and inflows of resources:						
(Increase) decrease in inventories	(48,063)	-	61,939	-	13,876	(13,687)
(Increase) decrease in accounts receivable	(862,584)	(3,417)	(24,688)	-	(890,689)	876
(Increase) in unbilled revenue	(388,632)	-	-	-	(388,632)	-
(Increase) in leases receivable	-	-	1,143,124	-	1,143,124	-
(Increase) in prepaid expenses	-	-	4,283	-	4,283	5,458
(Increase) in other assets	8,165	-	-	-	8,165	-
(Increase) decrease in pension related assets, outflows and inflows	(216,448)	-	(21,168)	-	(237,616)	(170,507)
Increase (decrease) in accounts payable	1,383,044	2	(44,411)	(4,946)	1,333,689	663,691
Increase (decrease) in salaries and wages payable	46,944	-	(43,035)	4,415	8,324	24,202
Increase (decrease) in customer deposits	-	-	(1,990)	-	(1,990)	-
Decrease in accrued landfill closure/postclosure care costs	-	178,760	-	-	178,760	-
Increase (decrease) in other post employment benefits outflow and liability	15,288	-	1,416	-	16,704	11,993
Increase (decrease) in deferred inflows - leases	-	-	(1,133,305)	-	(1,133,305)	-
Increase (decrease) in accrued compensated absences	63,117	-	13,140	14,350	90,607	49,264
Total adjustments	5,505,787	205,384	1,289,937	32,974	7,034,082	3,285,367
Net cash provided by (used in) operating activities	\$ 21,792,934	\$ (15,468)	\$ 9,396	\$ (108,765)	\$ 21,678,097	\$ 4,441,750

CITY OF LEE'S SUMMIT, MISSOURI

Supplemental Disclosure Of Cash Flow Information

The City has the following noncash transactions: \$5,421,679 in water and sewer lines were contributed during fiscal year 2023 and \$433,109 relates to accounts receivable on capital grants for the Airport.

CITY OF LEE'S SUMMIT, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

1. Summary Of Significant Accounting Policies

The City of Lee's Summit, Missouri (the City) was incorporated in 1868 and covers an area of approximately 64 square miles in Jackson and Cass Counties, Missouri. Lee's Summit is a charter city operating under an elected Mayor-City Council form of government. The City Manager is the chief administrative officer of the City. The City provides services to more than 105,000 residents in many areas, including law enforcement, fire protection, water and sewer services, community enrichment and development and various social services. Educational services are provided by separate governmental entities.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The following represents the more significant accounting and reporting policies and practices of the City.

Reporting Entity

The City is governed by an elected eight-member council and a mayor. As required by GAAP, these financial statements present the City of Lee's Summit (the primary government). The City does not have any component units.

Related Organization — The City's officials are also responsible for appointing the board members of the Land Clearance for Redevelopment Authority (LCRA). The City appoints five of the five Board members; however, the City has no accountability for the LCRA beyond making the appointment. The City provides no funding to the LCRA.

Basis Of Presentation

The City's basic financial statements include both the government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major and, in the aggregate, nonmajor funds).

Government-Wide Financial Statements: The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City. As a general rule, interfund activity has been eliminated from these statements to minimize the duplication of internal activities, with the exception of interfund services provided and used. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for services to external parties for support.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or a function. Program revenues include (a) charges paid by recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meet operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: Following the government-wide financial statements are separate fund financial statements for the City's governmental and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds in their respective categories.

Since the accounting differs significantly between the governmental funds and the governmental activities of the government-wide financial statements, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances identifying categories that required conversion from the fund statements.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. There are two categories of funds used by the City, governmental and proprietary.

Governmental Funds: Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The following are the City's major governmental funds:

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

General Fund - This fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service - This fund accounts for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on long-term obligations other than obligations payable from the operations of Proprietary Fund Types.

Capital Improvement Sales Tax – Capital projects fund established to account for construction of road projects related to the renewal of a 1/2 - cent sales tax by the voters in 2007.

Blue Parkway And Colbern Road CID Fund - Capital projects fund established to account for costs associated with construction of infrastructure in the Blue Parkway and Colbern Road Community Improvement District.

ARP Act Fund – Special revenue fund established to account for federal grant revenues allocated through the American Rescue Plan Recovery Act and the corresponding uses of those grant funds.

Public Safety Series 2022B – Established to account for public safety improvements including construction and equipping costs for Fire Stations No. 4 and No.5.

The other governmental funds of the City are considered nonmajor. They are special revenue and capital project funds, which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Funds: Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus used is the economic resources measurement focus. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City reports the following major enterprise funds:

Combined Waterworks and Sewerage System - This fund accounts for the provision of water and sewer services to the general public. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, financing and related debt service and billing and collection.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Sanitary Landfill - This fund accounts for all assets, liabilities, revenues and expenses relating to the operation of the City-owned sanitary landfill.

Airport - Established to account for all assets, deferred outflows of resources, liabilities, deferred inflows of resources and revenues and expenses relating to the operation of the City-owned airport.

The City reports the following nonmajor enterprise and internal service fund types:

Recreation Center - Established to account for all assets, liabilities, revenues and expenses related to the operation of the City-owned recreation center at Harris Park.

Stormwater Utility - Established to account for activities related to implementing and operating stormwater utility.

Internal Service Funds - These funds account for the costs of the Central Vehicles, Information Technology Services, Self-Insurance Funds and the Building and Equipment Replacement Fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Measurement Focus

Government-Wide Financial Statements: The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of the City are included on the statement of net position.

Fund Financial Statements: All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, certain deferred outflows, current liabilities and certain deferred inflows generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis Of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and proprietary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows, and in the presentation of expenses versus expenditures.

Revenues - Exchange And Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. For the City, available means expected to be received within 60 days of year end.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available (all collected within 60 days) at year end: sales taxes, franchise taxes, interest, grants and rentals.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences, pension, other post-employment benefit obligations, claims and judgments, are recorded only when payment is due (matured). Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Cash, Cash Equivalents And Investments

Investments with an original maturity date of three months or less are considered to be cash equivalents. Interest earned is allocated to individual funds based on their proportionate share of the pool. Missouri state statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of state and local government entities, certificates of deposit and repurchase agreements.

Investments for the City are reported at fair value and amortized cost.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Property Tax Revenue Recognition

Property tax revenue is recognized independent of receivable recognition in the fiscal year for which the taxes have been levied (budgeted). Property tax revenue becomes available within the fiscal year of the levy. Delinquent taxes expected to be received later than 60 days after the close of the fiscal year are classified as deferred inflows within the governmental fund financial statements.

The City's property taxes are levied each November 1 based on the assessed value as of the prior January 1 for all real property and personal property located within the City. Property taxes are billed immediately following the levy date and considered delinquent after December 31 following the levy date. The City does not file liens, as this is performed by the counties. Assessed values are established by county assessors, subject to review by the counties' Boards of Equalization.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The City is permitted by Missouri state statutes to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt.

The tax levy, per \$100 assessed valuation, for the City during the fiscal year was as follows:

General	\$ 0.7669
Park board	0.1163
Debt service	0.3697
Total tax levy	<u>\$ 1.2529</u>

Inventories And Prepaid Items

Inventories are valued at cost, determined on the first-in, first-out (FIFO) method or market. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid expenses represent the payment of insurance premiums for coverage that benefits more than one fiscal period. The premium amounts are amortized over the policy periods. The costs of the prepaid items are recognized as expenditures using the consumption method.

Restricted Assets

Certain proceeds of the City's bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the applicable balance sheets and statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

In addition, the general fund has unspent grant amounts.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Capital Assets

Capital assets include land, buildings, improvements, equipment and infrastructure assets (e.g., roads, bridges, storm sewers and similar items) and are included in the applicable governmental or business-type activities columns in the government-wide financial statements and within the proprietary funds within the fund financial statements. Capital assets, excluding land, are defined by the City as assets with a cost of \$5,000 or greater and an estimated useful life of at least one year. All land purchases are capitalized regardless of cost. All purchased capital assets are measured at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are measured at their estimated acquisition value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Infrastructure, such as streets, intersections and storm sewers, has been capitalized in the government-wide financial statements. The City elected to depreciate its infrastructure assets. Infrastructure assets not completed by year end have been reported as construction in progress.

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities and proprietary funds was included as part of the capitalized value of the assets constructed, until the City implemented GASB Statement No. 89 during the fiscal year ended June 30, 2021, which prospectively eliminated capitalized interest.

Property, plant, equipment and infrastructure are depreciated using the straight-line method over the following estimated lives:

Primary government:	
Buildings	20 to 40 years
Improvements other than buildings	5 to 50 years
Structures and improvements	35 to 75 years
Furniture, fixtures and equipment	3 to 25 years
Infrastructure	15 to 50 years
Right-to-use leased assets:	
Real estate	10 to 15 years
Equipment	3 to 10 years
Right-to-use subscription assets	3 to 5 years

Deferred Outflows Of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first deferred outflow item consists of unrecognized items not yet charged to pension expense related to the net pension asset and contributions paid by the City after the measurement date but before the end of the City's reporting period. The second deferred outflow item consists of unrecognized items not yet charged to OPEB expense.

Compensated Absences

All accumulated vacation, scheduled holiday leave and accumulated sick leave is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the government-wide financial statements as a long-term liability as it is expected to be paid from future resources. Upon leaving employment of the City, an employee is entitled to payment for accrued vacation. Only vested employees are paid sick leave upon retirement or resignation. A liability for these amounts is reported in the governmental funds only if the amounts due at year end have matured.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and obligations are reported in the statement of net position as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Leases

Lessee:

The City is a lessee in leases of land, buildings and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the City's financial statements.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor:

The City is a lessor in a sublease of land and a portion of a building. The City recognizes a lease receivable and a deferred inflow of resources in the City's financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

All leases:

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease payments/receipts to present value, (2) lease term, and (3) lease payments/receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments/receipts included in the measurement of the lease liability/receivable is composed of fixed payments to/from the lessee/lessor.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscriptions

The City is a subscriber to various software agreements that allow the City to use the software. The City recognizes a subscription liability and an intangible subscription asset in the City's financial statements.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments to the vendor.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription liability and subscription asset if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Deferred Inflows Of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City has four items that qualify for reporting in this category. The first deferred inflow item consists of unrecognized items not yet charged to pension expense related to the net pension asset. The second deferred inflow item consists of unrecognized items not yet charged to OPEB expense. The third deferred inflow item consists of lease related receivables discussed previously.

The fourth is the deferred charge on refunding reported in the government-wide and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

On the modified accrual basis of accounting, the City has recorded certain receivables where the related revenue is unavailable. Unavailable revenues have been reported as deferred inflows of resources on the governmental fund balance sheet.

Unbilled Revenue

Both the City's Waterworks and Sewerage System bill their customers on a cyclical basis and, therefore, record estimated unbilled revenues at year end.

Interfund And Related Party Transactions

Transactions between the City's various funds are accounted for as revenues and expenditures or expenses in the funds involved if they are similar to transactions with organizations external to City government.

Activity between funds that is representative of borrowing/lending arrangements outstanding at the end of the fiscal year is referred to as either "due to/due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are shown net of an allowance for doubtful accounts, if applicable.

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported on interfund activity and balances in the funds have been eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Net Position

In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

Net Investment In Capital Assets - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings, that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position - This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

In the governmental financial statements, fund balances are displayed in five components as follows:

Nonspendable - assets that are not available in a spendable form such as inventory, prepaid expenditures, advances to other funds and long-term receivables, not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision-making authority.

Assigned - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

Unassigned - all other resources; the remaining fund balance after non-spendable, restrictions, commitments and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

Fund Balance Classification Policies and Procedures

For committed fund balance, the City's highest level of decision-making authority is the City Council. The formal action that is required to be taken to establish, modify or rescind a fund balance commitment is through a bill or resolution passed by the City Council. Committed fund balances do not lapse at year end.

For assigned fund balance, the City Council is authorized to assign amounts to a specific purpose through their expressed written intent. This authorization is also delegated by the City Council to the City Manager. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed by committed, assigned and lastly unassigned.

For the classification of fund balances, the City considers restricted amounts to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the City considers committed, assigned or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use Of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Deposits And Investments

The City maintains a cash and investment pool that is available for use by all funds. The pool is comprised of deposits, repurchase agreements and other investments.

The foremost objective of the investment program is safety of principal. Investments are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective is to mitigate credit risk and interest rate risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of the City's investments will decrease as a result of an increase in interest rates. The City's investment policy states that the City will minimize the risk that the fair value of fixed income securities in the portfolio will fall due to changes in the general interest rates by structuring the investment portfolio so that fixed income securities mature to meet cash requirements for ongoing operations and by investing operating funds primarily in short-term fixed securities. Unless matched to a specific cost or a reserve fund, the City will not directly invest in securities maturing more than five years from the date of purchase.

The carrying amounts or fair values and the maturities of the City's investments at June 30, 2023 are as follows:

	Carrying Amount Or Fair Value	Less Than 1 Year	1 To 5 Years
U.S. Treasury securities	\$ 188,085,543	\$ 45,923,201	\$ 142,162,342
U.S. Agency securities	50,279,928	22,583,885	27,696,043
Repurchase agreements	89,000	89,000	-
Money market funds, at amortized cost	5,918,643	5,918,643	-
	244,373,114	<u>\$ 74,514,729</u>	<u>\$ 169,858,385</u>
Cash deposits per books	<u>14,518,284</u>		
Cash and investments per statement of net position	<u>\$ 258,891,398</u>		

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2023:

- U.S. Treasury obligations of \$188,085,543 valued using quoted market prices (Level 1 inputs)
- U.S. Agency obligations of \$50,279,928 valued using quoted market prices (Level 1 inputs)
- Repurchase agreements of \$89,000 valued using a matrix pricing model (Level 2 inputs)
- Money market funds of \$5,918,643 are valued at amortized cost

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution or by a single collateral pool established by the financial institution.

The City's policy requires all deposits placed in financial institutions to be at least 105% collateralized with securities that are acceptable to the Finance Director of the City and in accordance with state statutes. As of June 30, 2023, the City's deposits were properly collateralized.

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All trades, where applicable, will be executed by delivery vs. payment to ensure that fixed income securities are deposited in eligible financial institutions prior to the release of funds. All fixed income securities are perfected in the name, or for the account of the City, and are held by a third-party custodian as evidenced by safekeeping receipts. All of the City's investments in repurchase agreements are held by the investment's counterparty, not in the name of the City.

Credit Risk

Credit risk is the risk that the City will not recover its investment due to the ability of the counterparty to fulfill their obligation. The City minimizes credit risk by prequalifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

In addition, the City's investment policy allows for the following investments types: U.S. government obligations, U.S. government agency obligations and U.S. government instrumentality obligations, which have a liquid market with a readily determinable fair value; certificates of deposit and other evidences of deposit at financial institutions; investment-grade obligations of the states of Missouri or Kansas that are "A" rated or better; repurchase agreements whose underlying purchased securities consist of the foregoing; money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities; and local government investment pools, either state-administered or through joint powers statutes and other intergovernmental agreement legislation.

Investment in derivatives of the above instruments or leveraging shall be prohibited per Missouri Revised Statutes.

	Carrying Amount Or Fair Value	AAA/Aaa	Unrated
U.S. Treasury securities*	\$ 188,085,543	\$ 180,154,753	\$ 7,930,790
U.S. Agency securities	50,279,928	29,625,115	20,654,813
Repurchase agreements**	89,000	89,000	-
Money market funds	5,918,643	-	5,918,643
Total	<u>\$ 244,373,114</u>	<u>\$ 209,868,868</u>	<u>\$ 34,504,246</u>

* U.S. Treasury securities are explicitly guaranteed by the U.S. government and, therefore, do not require a rating.

** The collateral underlying the City's repurchase agreements is AAA rated.

Concentration Risk

To the extent possible, investments shall be diversified by limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities). The investment parameters are as follows:

Investment Type	Minimum Allocation	Maximum Allocation
General time deposits	—	50%
U.S. Treasury Securities having principal and interest guaranteed by the U.S. government	15%	100%
U.S. government agencies and governmental sponsored enterprises	—	50%
U.S. government agency callable securities	—	15%

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

Investments in any one issuer (other than U.S. Treasury Securities, mutual funds and external investment pools) that represent 5% or more of the total investments of the City are as follows:

Issuer	Percentage Concentration
Federal Farm Credit Bank	8.88%
Federal Home Loan Bank	6.47%

3. Leases receivable

The City leases land and buildings to third parties. The following are the leases in effect at June 30, 2023 in which the City is a lessor:

Lease type	Lease Term		Discount Rate	Original Balance	6/30/2023 Balance	Revenues		Next Year Receipts
	Beginning	Ending				Lease	Interest	
Governmental activities:								
LS R-7	7/1/2021	5/31/2026	1.96%	\$ 4,529	\$ 2,770	\$ 921	\$ 71	\$ 959
Google Row	7/1/2021	12/31/2036	1.96%	200,443	178,685	12,932	3,608	14,593
				<u>\$ 204,972</u>	<u>\$ 181,455</u>	<u>\$ 13,853</u>	<u>\$ 3,679</u>	<u>\$ 15,552</u>
Proprietary activities:								
Airport Fund:								
Sallee	7/1/2021	7/31/2040	1.96%	\$ 220,131	\$ 200,728	\$ 11,535	\$ 4,039	\$ 13,836
BFRE	7/1/2021	10/31/2027	1.96%	363,367	-	9,562	1,031	-
EAA Hangar 1	3/1/2023	2/28/2032	1.96%	15,745	15,268	1,394	110	1,735
EAA Hangar K	7/1/2021	2/28/2025	1.96%	13,294	6,164	3,626	159	3,760
EAA Hangar L	7/1/2021	8/31/2025	1.96%	13,976	7,410	3,354	181	3,496
EAA Hangar M	7/1/2021	9/30/2033	1.96%	43,333	36,949	3,537	759	3,982
LXT LLC	7/1/2021	3/31/2026	1.96%	32,586	19,234	6,861	449	7,190
SW LLC	7/1/2021	12/31/2024	1.96%	28,359	12,392	8,102	329	8,390
Meisinger Aviation	7/1/2021	3/31/2023	1.96%	3,692	-	1,582	13	-
Midwest Avionics	4/1/2022	3/31/2024	1.96%	54,324	20,621	27,162	692	20,621
				<u>\$ 788,807</u>	<u>\$ 318,766</u>	<u>\$ 76,715</u>	<u>\$ 7,762</u>	<u>\$ 63,010</u>

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

4. Capital Assets

Capital asset activity for the year ended was as follows:

Governmental Activities				
	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023
Nondepreciable capital assets:				
Land	\$ 7,857,966	\$ -	\$ -	\$ 7,857,966
Construction in progress	41,866,486	20,933,416	14,052,206	48,747,696
Total nondepreciable capital assets	49,724,452	20,933,416	14,052,206	56,605,662
Depreciable capital assets:				
Buildings	70,932,293	5,928,377	-	76,860,670
Improvement other than buildings	83,756,887	628,528	-	84,385,415
Furniture, fixtures and equipment	50,507,560	2,958,399	763,708	52,702,251
Infrastructure	586,014,655	27,776,940	-	613,791,595
Right-to-use leased assets:				
Real estate	126,917	12,024	-	138,941
Furniture, fixtures and equipment	105,975	541,694	-	647,669
Right-to-use subscription assets	-	454,421	-	454,421
Total depreciable capital assets	791,444,287	38,300,383	763,708	828,980,962
Less: Accumulated depreciation				
Buildings	41,273,982	2,252,798	-	43,526,780
Improvement other than buildings	37,731,483	4,376,650	-	42,108,133
Furniture, fixtures and equipment	29,705,428	3,501,888	712,056	32,495,260
Infrastructure	151,196,864	12,090,690	-	163,287,554
Right-to-use leased assets:				
Real estate	8,865	18,363	-	27,228
Furniture, fixtures and equipment	57,855	68,304	-	126,159
Right-to-use subscription assets	-	31,557	-	31,557
Total accumulated depreciation	259,974,477	22,340,250	712,056	281,602,671
Total depreciable capital assets, net	531,469,810	15,960,133	51,652	547,378,291
Total governmental activities capital assets, net	\$ 581,194,262	\$ 36,893,549	\$ 14,103,858	\$ 603,983,953

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

	Business-Type Activities			Balance June 30, 2023
	Balance June 30, 2022	Additions	Reclasses/ Deductions	
Nondepreciable capital assets:				
Land	\$ 26,846,596	\$ -	\$ 2,580,571	\$ 29,427,167
Construction in progress	21,078,755	12,734,109	(15,652,745)	18,160,119
Total nondepreciable capital assets	47,925,351	12,734,109	(13,072,174)	47,587,286
Depreciable capital assets:				
Structures and improvements	382,338,573	21,111,436	(4,968,127)	398,481,882
Furniture, fixtures and equipment	4,065,315	16,968	-	4,082,283
Total depreciable capital assets	386,403,888	21,128,404	(4,968,127)	402,564,165
Less: Accumulated depreciation				
Structures and improvements	123,800,147	6,837,607	(2,388,353)	128,249,401
Furniture, fixtures and equipment	3,273,819	51,175	-	3,324,994
Total accumulated depreciation	127,073,966	6,888,782	(2,388,353)	131,574,395
Total depreciable capital assets, net	259,329,922	14,239,622	(2,579,774)	270,989,770
Total business-type activities capital assets, net	\$ 307,255,273	\$ 26,973,731	\$ (15,651,948)	\$ 318,577,056

Depreciation expense was charged to functions as follows:

General government	\$ 1,177,975
Public safety	3,596,051
Public works and streets	10,552,219
Planning and development	43,645
Parks and recreation	4,256,283
Capital assets held by the government's Internal Service	
Funds are charged to the various functions based on their usage of the assets	2,714,077
	<u>\$ 22,340,250</u>

Depreciation expense was charged to functions as follows:

Combined waterworks and sewerage system	\$ 5,504,956
Sanitary landfill	30,039
Airport	1,334,632
Nonmajor enterprise funds	19,155
	<u>\$ 6,888,782</u>

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

5. Long-Term Obligations

Debt payable at June 30, 2023 is composed of the following:

	Interest Rates	Maturity Date	Balance
Governmental Activities			
General obligation bonds:			
Improvement bonds 2016A	1.75 - 2.50	4/1/2029	\$ 3,900,000
Improvement bonds 2017A	1.75 - 5.00	4/1/2026	6,300,000
Total general obligation bonds			<u>\$ 10,200,000</u>
Bonds from direct placement:			
Refunding bonds 2022A (2013A)	1.60	4/1/2025	\$ 15,000,000
Improvement bonds 2022B	3.56	4/1/2026	4,420,000
Total bonds from direct placement			<u>\$ 19,420,000</u>
TIF bonds:			
Summit fair - 2017	3.50 - 4.875	11/1/2037	<u>\$ 21,650,000</u>

The following is a summary of changes in long-term obligations of the City for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities					
General obligation bonds	\$ 14,240,000	\$ -	\$ (4,040,000)	\$ 10,200,000	\$ 2,700,000
Add: Bond premium	1,339,371	-	(479,508)	859,863	-
Total general obligation bonds	<u>15,579,371</u>	<u>-</u>	<u>(4,519,508)</u>	<u>11,059,863</u>	<u>2,700,000</u>
Bonds from direct placement	<u>19,330,000</u>	<u>5,420,000</u>	<u>(5,330,000)</u>	<u>19,420,000</u>	<u>6,925,000</u>
TIF bonds	23,615,000	-	(1,965,000)	21,650,000	550,000
Less: Bond discount	(204,165)	-	12,487	(191,678)	-
Total TIF bonds	<u>23,410,835</u>	<u>-</u>	<u>(1,952,513)</u>	<u>21,458,322</u>	<u>550,000</u>
Leases payable	<u>155,162</u>	<u>554,010</u>	<u>(63,934)</u>	<u>645,238</u>	<u>82,414</u>
Subscription liability	<u>-</u>	<u>283,043</u>	<u>(61,608)</u>	<u>221,435</u>	<u>59,000</u>
Accrued compensated absences	<u>4,516,862</u>	<u>1,966,440</u>	<u>(508,756)</u>	<u>5,974,546</u>	<u>407,497</u>
Other post employment benefits	<u>4,922,992</u>	<u>246,956</u>	<u>-</u>	<u>5,169,948</u>	<u>-</u>
Total governmental activities long-term obligations	<u>\$ 67,915,222</u>	<u>\$ 8,470,449</u>	<u>\$ (12,436,319)</u>	<u>\$ 63,949,352</u>	<u>\$ 10,723,911</u>

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements *(Continued)*

The total long-term liabilities of \$63,949,352 consist of subscription liability, compensated absences and other post-employment benefits of \$221,435, \$320,154 and \$188,650, respectively, related to Internal Service Funds, while the remaining amount of \$63,219,113 is a reconciling item of the Governmental Funds balance sheet to the statement of net position. Compensated absences and other post-employment benefits are primarily liquidated by the General Fund.

Business-Type Activities	Balance			Amounts	
	June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Combined waterworks and sewerage system fund					
Compensated absences	\$ 305,903	\$ 80,168	\$ (17,051)	\$ 369,020	\$ 16,255
Other post employment benefits	227,057	13,039	-	240,096	-
Total waterworks and sewerage fund	<u>532,960</u>	<u>93,207</u>	<u>(17,051)</u>	<u>609,116</u>	<u>16,255</u>
Sanitary landfill fund					
Landfill closure/postclosure care	6,431,600	178,760	-	6,610,360	-
Total sanitary landfill fund	<u>6,431,600</u>	<u>178,760</u>	<u>-</u>	<u>6,610,360</u>	<u>-</u>
Airport fund					
Compensated absences	25,568	83,816	(70,676)	38,708	1,561
Other post employment benefits	22,705	1,171	-	23,876	-
Total airport fund	<u>48,273</u>	<u>84,987</u>	<u>(70,676)</u>	<u>62,584</u>	<u>1,561</u>
Nonmajor enterprise fund:					
Compensated absences	<u>25,061</u>	<u>16,154</u>	<u>(1,804)</u>	<u>39,411</u>	<u>2,017</u>
Total business-type activities long-term obligations	<u>\$ 7,037,894</u>	<u>\$ 373,108</u>	<u>\$ (89,531)</u>	<u>\$ 7,321,471</u>	<u>\$ 19,833</u>

Debt service requirements on long-term debt at June 30, 2023 are as follows:

Year	Governmental Activities					
	General Obligation Bonds		Direct Placement		TIF Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 2,700,000	\$ 232,000	\$ 6,925,000	\$ 397,352	\$ 550,000	\$ 498,625
2025	2,900,000	157,500	9,075,000	266,952	-	-
2026	2,500,000	99,500	3,420,000	121,752	-	-
2027	600,000	49,500	-	-	6,100,000	244,000
2028	600,000	37,500	-	-	-	-
2029 - 2033	900,000	22,500	-	-	-	-
2034 - 2037	-	-	-	-	15,000,000	731,250
	<u>\$ 10,200,000</u>	<u>\$ 598,500</u>	<u>\$ 19,420,000</u>	<u>\$ 786,056</u>	<u>\$ 21,650,000</u>	<u>\$ 1,473,875</u>

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Payment requirements on leases payable at June 30, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 82,414	\$ 14,552	\$ 96,966
2025	72,929	11,963	84,892
2026	66,585	9,507	76,092
2027	32,438	8,007	40,445
2028	33,080	7,365	40,445
2029 - 2033	175,474	26,749	202,223
2034 - 2038	167,025	529	167,554
2039	15,293	88	15,381
	<u>\$ 645,238</u>	<u>\$ 78,760</u>	<u>\$ 723,998</u>

Payment requirements on subscription liability at June 30, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 59,000	\$ 9,787	\$ 68,787
2025	56,503	7,497	64,000
2026	54,111	5,105	59,216
2027	51,821	2,608	54,429
	<u>\$ 221,435</u>	<u>\$ 24,997</u>	<u>\$ 246,432</u>

Tax Increment Revenue Bonds (TIF) - 2017

The tax increment revenue bonds were issued to finance the cost of certain public improvements in the Summit Woods Crossing and Summit Fair redevelopment area. The debt service on these issues is paid solely from Payments in Lieu of Taxes (PILOTS), economic activity tax revenues, special assessments and monies on deposit in the Debt Service Reserve Fund.

General Obligation Debt Margin

The State Constitution permits a city, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for "city purposes" not to exceed 10% of the assessed value of taxable tangible property and to incur additional general obligation indebtedness not exceeding, in the aggregate, an additional 10% of the assessed value of taxable tangible property for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and/or sanitary or storm sewer systems and purchasing or constructing waterworks, electric or other light plants, provided that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuation of taxable property.

At January 1, 2023, the constitutionally imposed total general obligation debt limit was \$529,039,831, which after reduction for authorized general obligation bonds net of available resources in the Debt Service Fund, provides a general obligation debt margin of \$509,036,886.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

Conduit Debt

The City has authorized the issuance of Industrial Development Revenue Bonds to provide economic financial assistance to private entities. These bonds are secured by the improvements that are to be made. The debt service of these issues is paid solely from the private entities; therefore the issues do not constitute a debt of the City and, accordingly, are not included in the City's statement of net position. The details for the Industrial Development Revenue Bonds as of June 30, 2023 are as follows:

<u>Industrial Revenue Bonds by Project</u>	<u>Total Authorized</u>	<u>Total Outstanding</u>
Raintree Village Phase 1	\$ 35,000,000	\$ 35,000,000
Blackwell Residential Rental Project	103,100,000	103,100,000
Summit Square III Apartments Project	72,200,000	72,200,000
Town Centre Industrial Project	24,500,000	24,500,000

6. Construction Commitments and Encumbrances

A summary of the City's commitments on uncompleted construction contracts and the amount, which is expected to be funded by federal and state grants or City funds and unspent bond proceeds, follows:

	<u>Contract Amount</u>	<u>Amount Funded By Grants</u>
Capital improvement sales tax	\$ 12,760,461	\$ -
ARP Act	4,185,754	4,185,754
Nonmajor governmental	10,483,253	25,237
Combined waterworks and sewage system	9,688,489	-
Airport	54,430	54,430
Nonmajor enterprise	128,773	-
	<u>\$ 37,301,160</u>	<u>\$ 4,265,421</u>

A summary of the City's encumbrances at year-end are as follows:

Capital improvement sales tax fund: \$12,770,707
ARP Act fund: \$4,175,000
Nonmajor governmental fund: \$10,089,471
Combined waterworks and sewerage system fund: \$9,045,018

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

7. Interfund Receivables, Payables, Advances And Transfers

The composition of interfund balances as of June 30, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental	\$ 82,493
General fund	Public safety series 2022B	492,587
Capital improvement sales tax	Nonmajor governmental	24,000
Nonmajor governmental	Nonmajor governmental	5,000
Combined waterworks and sewerage system	Nonmajor governmental	784,000
Total		<u>\$ 1,388,080</u>

Interfund payables and receivables represent fund overdraws of cash, which are made in the ordinary course of business.

Interfund balances that are not expected to be repaid within one year are considered advances. The City had the following advances between funds as of June 30, 2023:

Advance From Fund	Advance To Fund	Amount
General fund	Nonmajor governmental	\$ 330,000
Capital improvement sales tax	Nonmajor governmental	360,000
Nonmajor governmental	Blue Parkway/Colbern CID	3,314,859
Nonmajor governmental	Nonmajor governmental	75,000
Nonmajor governmental	Sanitary landfill	200,000
Combined waterworks and sewerage system	Blue Parkway/Colbern CID	379,621
Total		<u>\$ 4,659,480</u>

The \$3,314,859 payable from Blue Parkway and Colbern Road CID represents funds that were escrowed to fund infrastructure improvements during a voluntary property annexation into City limits. This liability will be repaid with revenues generated by future development.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Interfund transfers:

	Transfers To					Total
	General Fund	Nonmajor Governmental Funds	Combined Waterworks and Sewerage System	Airport Fund	Internal Service Funds	
Transfers from						
General	\$ -	\$ 4,673,191	\$ -	\$ 2,230,441	\$ 6,061,955	\$ 12,965,587
Debt Service	-	3,175,000	-	-	-	3,175,000
ARP Act	-	766,220	-	-	-	766,220
Nonmajor Governmental	32,123	16,352	794	300,616	497,792	847,677
Combined Waterworks and Sewerage System	458,054	-	-	-	61,664	519,718
Airport	26,582	-	-	-	11,789	38,371
Nonmajor Enterprise	-	3,519	-	-	-	3,519
Internal Service	-	-	-	-	25,106	25,106
	<u>\$ 516,759</u>	<u>\$ 8,634,282</u>	<u>\$ 794</u>	<u>\$ 2,531,057</u>	<u>\$ 6,658,306</u>	<u>\$ 18,341,198</u>

Transfers are used to move revenues from one fund to the other due to budgetary authorizations or by ordinance in the normal course of business. In addition, unrestricted revenues collected in the General Fund are used to finance various programs in other funds and are transferred in accordance with budgetary authorizations.

8. Employee Retirement Plan

Plan Description

The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

The following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	390
Inactive employees entitled to but not yet receiving benefits	301
Active employees	613
	<u>1,304</u>

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. Employer contribution rates are 10.2% (general), 15.1% (police) and 11.5% (fire) of annual covered payroll.

Net Pension Liability (Asset)

The employer's net pension liability (asset) was measured as of June 30, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2022.

Actuarial Assumptions

The total pension liability in the February 28, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Method:	Individual Entry Age
Asset Valuation Method:	5 - year smoothed market
Inflation:	2.75% wage inflation; 2.25% price inflation
Salary Increase:	2.75% to 7.15% (including wage inflation)
Investment Rate Of Return:	7.00% (net of investment expenses)

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females.

The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above-described tables. The actuarial assumptions used in the February 28, 2022, valuation were based upon experience observed during the most recent 5-year period study for the period March 1, 2015 through February 29, 2020.

The long-term expected rate of return on pension plan investments of 7.00% was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate Of Return</u>
Equity	39.00%	4.16%
Fixed income	28.00%	1.05%
Real assets	33.00%	2.01%

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Discount Rate

The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes In The Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances At June 30, 2022	\$ 240,520,898	\$ 300,118,233	\$ (59,597,335)
Changes For The Year:			
Service cost	5,199,130	-	5,199,130
Interest	16,684,947	-	16,684,947
Difference between expected and actual experience	2,332,291	-	2,332,291
Contributions - employer	-	5,730,611	(5,730,611)
Net investment income (loss)	-	245,470	(245,470)
Benefit payments, including refunds	(9,602,653)	(9,602,653)	-
Administrative expense	-	(133,711)	133,711
Other changes	-	1,720,426	(1,720,426)
Net changes	14,613,715	(2,039,857)	16,653,572
Balances At June 30, 2023	\$ 255,134,613	\$ 298,078,376	\$ (42,943,763)

Sensitivity Of The Net Pension Liability (Asset) To Changes In The Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the employer's net pension liability would be using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	Current Single Discount		
	1% Decrease 6.00%	Rate Assumption 7.00%	1% Increase 8.00%
Net pension liability (asset)	\$ (5,703,790)	\$ (42,943,763)	\$ (73,690,879)

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

Pension Expense, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

For the year ended June 30, 2023 the City recognized pension expense (benefit) of \$(4,768,432). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 6,584,654	\$ 3,484,694
Changes in assumptions	499,565	2,235,611
Difference between expected and actual earnings	-	7,261,769
	<u>7,084,219</u>	<u>12,982,074</u>
Contributions subsequent to the measurement date of June 30, 2022 *	5,864,808	-
Total	<u>\$ 12,949,027</u>	<u>\$ 12,982,074</u>

* Some years may have amounts reported as deferred outflows of resources resulting from contributions subsequent to the measurement date. Those amounts would be recognized as a reduction in the net pension liability (asset) during the following year.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2024	\$ (1,859,914)
2025	(2,604,873)
2026	(5,670,525)
2027	4,599,999
2028	(198,982)
Thereafter	(163,560)
Total	<u>\$ (5,897,855)</u>

Deferred inflows and outflows of resources related to the difference between expected and actual plan experience and assumption changes are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of each measurement period. The deferred inflows of resources related to the difference between expected and actual investment returns is being amortized over a closed five-year period as of the beginning of each measurement period.

9. Other Post-Employment Benefits

Plan Description

In addition to providing the pension benefits described above, the City has a single-employer health care plan that provides employees that retire under the plan the opportunity for continuation of medical and dental insurance coverage offered through the City's fully insured group insurance plan.

Retirees who elect to continue coverage in the medical and dental plans offered through the City are required to pay the entire premium amount until the employee becomes eligible for Medicare. Since the retirees pay the premiums each year, the City share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. The Plan is funded on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. The plan does not issue a stand-alone report.

Employees Covered By Benefit Terms

At January 1, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	19
Active employees	<u>652</u>
	<u><u>671</u></u>

Benefits Provided

Employees must attain a minimum of ten years of service and be less than age 65 to be eligible for retiree coverage. Medical coverage is available to qualifying retirees until Medicare eligibility through the City's group insurance program. Retirees must contribute group plan rates to maintain coverage. Upon retiree death or attainment of age 65, spouses may continue cobra coverage for up to three years not to exceed their own age 65. The required retiree premium rates are based on combined active and retiree experience so retirees are not charged the full age-based projected cost. The City is on a Fully Insured plan. Premiums are reviewed and set annually based on projections and claims history provided by the insurance carrier.

Total OPEB Liability And Changes In OPEB Liability

The City's total OPEB liability was based on an actuarial valuation dated January 1, 2022 using a measurement date of June 30, 2023 and the changes in the OPEB liability are as follows:

OPEB liability - Beginning of year	\$ 5,172,754
Service costs	284,239
Interest	210,424
Differences between expected and actual experience	(51,869)
Changes in assumptions and inputs	(58,628)
Benefit payments/Employer contributions	(123,000)
OPEB liability - end of year	<u>\$ 5,433,920</u>

Changes for the June 30, 2023 measurement date compared to the June 30, 2022 measurement date include the following:

1. The discount rate was changed from 3.9% to 4.0%.
2. The assumed salary scale was revised from 3.0% to 4.0%.
3. The age-based premium costs, retiree contribution premiums and trend assumptions were updated as part of the actuarial evaluation. The January 1, 2023 renewal was taking into account.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The actuarial calculations reflect a long-term perspective that involves estimates of reported amounts and assumptions about the probability of events into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. As allowed by GASB, this reporting requirement is being implemented prospectively. Data is not available for prior years. The actuarial calculations are based on the substantive plan (i.e. benefit terms) and pertinent law as they exist at the measurement date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method:	Entry Age -Level Percent of Pay
Valuation Date:	January 1, 2022
Measurement Date:	June 30, 2023
Salary Scale:	4%
Discount Rate:	4.0% (measurement date); 3.9% (year preceding measurement date)
Mortality:	
Healthy Life	Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General and Public Safety Mortality Tables using Scale MP-2021 Full Generational Improvement
Disabled Life	Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General and Public Safety Disabled Mortality Tables using Scale MP-2021 Full Generational Improvement

To the extent Plan (i.e. Trust) assets are projected to be sufficient to make projected benefit payments, the discount rate will equal the expected return on such assets. To the extent a Plan is not projected to be sufficient make future benefit payments the yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher should be factored in. Plan assets do not apply to the City's program. In order to determine the municipal bond rate the average of the published yields from the S&P Municipal Bond 20-year High Grade and the Fidelity GO AA-20 Years indexes were used. The selected average rates are 3.9% and 4.0% as of the beginning and end of year measurement dates, respectively. These were used as the discount rates to determine present value costs.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

Sensitivity Of The Total OPEB Liability To Changes In The Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

	1% Decrease 3.0%	Current Single Discount Rate Assumption 4.0%	1% Increase 5.0%
Total OPEB Liability	\$ 5,941,521	\$ 5,433,920	\$ 4,967,825

Sensitivity Of The Total OPEB Liability To Changes In The Healthcare Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

	(a) 1% Decrease	Current Trend Assumption	(b) 1% Increase
Total OPEB Liability	\$ 4,752,332	\$ 5,433,920	\$ 6,244,655

(a) 6.50% in 2023 decreasing to an ultimate rate of 4.00% in 2033

(b) 8.50% in 2023 decreasing to an ultimate rate of 6.00% in 2033

OPEB Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To OPEB

For the year ended June 30, 2023, the City recognized OPEB expense of \$410,833. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 1,418,723	\$ 1,673,319
Differences between expected and actual experience	98,037	1,126,003
Total	<u>\$ 1,516,760</u>	<u>\$ 2,799,322</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense over the average remaining service lives of plan participants (actives and retirees) as follows:

Year Ending June 30,	<u>OPEB Expense</u>
2024	\$ (83,830)
2025	(83,830)
2026	(83,830)
2027	(83,830)
2028	(83,830)
Thereafter	(863,412)
Total	<u>\$ (1,282,562)</u>

10. Litigation And Contingent Liabilities

Legal Matters

The City is a party to a number of other lawsuits as a result of condemnation proceedings, zoning decisions, personal injury and certain law enforcement activities. Although potential claims against the City not covered by insurance, if any, resulting from such litigation are not determinable, it is the opinion of the City's legal counsel and management that the resolution of these matters will not have a materially adverse effect on the financial position of the City.

Self-Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. To protect itself against these risks of loss, the City carries liability and fidelity insurance coverage provided by One Beacon Insurance Group and property coverage is provided by Travelers Property Casualty Company of America.

The City is self-insured with respect to its obligations to provide workers' compensation for its employees. The estimated liability for payment of incurred (both reported and unreported) but unpaid claims is recorded in the government-wide and internal service fund financial statements.

At June 30, 2023, the City's total estimated liability for payment of incurred but unpaid claims for workers' compensation was \$2,560,938 and is included in accounts payable in the Workers' Compensation Self-Insurance Fund.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Changes in self-insured claims liability at June 30, 2023 and 2022 were as follows:

Balance - June 30, 2021	\$ 1,388,916
Add: Current year claims and change in estimate	223,363
Less: Claim payments	<u>(369,601)</u>
Balance - June 30, 2022	1,242,678
Add: Current year claims and change in estimate	1,724,993
Less: Claim payments	<u>(406,733)</u>
Balance - June 30, 2023	<u><u>\$ 2,560,938</u></u>

Settled claims have not exceeded insurance coverage in any of the past three years.

11. Closure And Postclosure Care Costs

State and federal laws and regulations require the City to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The City closed the landfill effective April 13, 2019. The \$6,610,360 reported as landfill closure and postclosure liability at June 30, 2023, represents the City's estimate of remaining closure costs and postclosure care costs.

With the closing of the landfill, the City recognized the remaining expenses of closure and postclosure care in 2020, other than the expenses recognized due to the change in future liability estimate. These amounts are based on what it would cost to perform all closure and postclosure care valued in 2020 costs. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The City has documented its commitment to pay for closure and postclosure costs through the issuance of contracts of obligation with the Department of Natural resources. These contracts legally bind the City to pay for closure and postclosure costs. As of June 30, 2023, the City had contract obligations of approximately \$6,400,000 approved by the Department of Natural Resources subsequent to fiscal year end. The City expects that all closure and postclosure care costs, as well as future inflation costs, will be paid from investments held in the Sanitary Landfill and Postclosure funds. However, if these resources are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be recovered through other City funds.

12. Deficits

The accumulated deficit in the funds listed below will be eliminated by future revenues or transfers.

Governmental activities:	
Major Funds:	
Blue Parkway and Colbern Road CID	\$ 3,693,551
Nonmajor Funds:	
Entitlement	41,036
Todd George and 50 Hwy TIF	494,601
Summit Woods TIF	303,373
New Longview TIF	881,312
2024A Bond Issuance	2,500
Business-type activities:	
Major Funds:	
Sanitary Landfill	3,960,187

13. Municipal Court Traffic Violations Fines And Costs

Missouri statute requires municipalities to report an accounting of the percent of “annual general operating revenue” from fines and costs for traffic violations. Total fines and court cost revenues for the fiscal year, which includes fines and court costs related to traffic violations, summed to \$847,648. This accounts for 1.10% of the City’s total general operating revenues of \$76,736,796 for the year ended June 30, 2023.

14. Tax Abatements

The City of Lee’s Summit can grant tax abatements as outlined below:

Tax Increment Financing - The City of Lee’s Summit grants tax diversion to promote new investment, infrastructure improvements, and job growth by providing financial assistance and incentives to redevelopers. Created pursuant to Section 99.800 of the Revised Statutes of Missouri (RSMo). State statute authorizes the redirection of the incremental increase in property taxes prior to the development. State statute also authorizes the redirection of 50% of the incremental increase in taxes generated by economic activities with the project as well. The maximum term is 23 years. Per City policy, incentives granted shall be capped at an amount not to exceed 25% of the total private development costs. To qualify for site specific incentives over the 25% cap, the project must demonstrate extraordinary qualifications.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Section 353 Tax Abatement - Grants tax abatement to encourage investment and assist in the removal of blight and blighting conditions within urban redevelopment areas. The abatement is calculated on the increase in assessed value of both land and improvements. Per City policy, incentives shall be capped at an abatement of 50% over a 10 year period. To qualify for site specific incentives over the 50% cap and/or beyond the initial 10 years, the project must demonstrate extraordinary qualifications.

Section 100 Projects – The City of Lee's Summit can issue taxable bonds to assist with the construction or rehabilitation of eligible commercial facilities. The City takes formal ownership of the business assets and therefore provide property (real and personal) abatement for up to 15 years. Created pursuant to Sections 100.010 to 100.200 RSMo. The abatement is calculated based upon city ownership of the real and/or personal property which would render it exempt from taxes. Sales taxes on purchases of materials used in the construction of the facility may be constructed such that the City's sales tax exemption is used. Per City policy, incentives considered will be at an abatement level of 50% over a 10-year period for new development and redevelopment. Business equipment incentives will be considered at an abatement level of 50% over a 5-year period. To qualify for site specific incentives over these amounts, the project must demonstrate extraordinary qualifications.

LCRA (Land Clearance Redevelopment Authority) - Grants abatement to encourage investment and assists in the removal of blight and blighting conditions with urban renewal areas. Created pursuant to Sections 99.300 to 99.660 RSMo. The abatement is calculated on the increase in assessed value of both land and improvements. Per City policy, incentives shall be capped at an abatement of 50% over a 10-year period. To qualify for site specific incentives over the 50% cap, the project must demonstrate extraordinary qualifications.

The City provided tax abatements under the four economic development programs noted above. For the fiscal year ended June 30, 2023, the City's tax revenue was diverted through various abatements necessary to incent development within the City totaling an estimated \$8,124,080 under the following programs:

Tax Abatement Program	City Portion Of Taxes Affected	Other Organizations' Portion Of Taxes Affected	Total Taxes Affected By Abatements	Less Other Payments	Net Taxes Affected By Abatements	Percentage Abatement	Amount Of Taxes Abated During The Fiscal Year
Tax increment financing	\$ 2,078,040	\$ 4,159,211	\$ 6,237,251	\$ -	\$ 6,237,251	55.66388%	\$ 3,471,896
Section 353 abatement	31,582	151,685	183,267	81,919	101,348	100.00000%	101,348
Section 100 projects	1,348,156	6,736,673	8,084,829	3,861,594	4,223,235	100.00000%	4,223,235
LCRA	63,572	362,187	425,759	98,158	327,601	100.00000%	327,601
							<u>\$ 8,124,080</u>

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The following tax abatement agreements each exceeded 10% of the total amount abated and are included in the previous table:

Lee's Summit East TIF - In August 2006, the City approved the tax increment plan for the area commonly known as "Summit Fair." The project area contains approximately 72 acres in an area that is bounded by US Highway 50 on the west, I-470 and Ward Road on the north, Blue Parkway on the east and NW Chipman Road on the south. The estimated value of tax revenue abated during fiscal year 2023 is \$2,461,127 with the City's portion of taxes abated at \$367,480.

KC Summit Technology 1998 – In February 1998 the City approved a Section 100 plan for the industrial development project located in the former Western Electric facility. This former facility was converted to a multi-tenant office complex. The estimated value of tax revenue abated during fiscal year 2023 is \$821,888 with the City's portion of taxes abated at \$207,582.

15. Pending accounting pronouncements

GASB Statement No. 101, *Compensated Absences* will align the recognition and measurement guidance under a unified model by amending certain previously required disclosures. The statement will be effective for the City with its year ending June 30, 2024.



Required Supplementary Information



CITY OF LEE'S SUMMIT, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
BUDGETARY COMPARISON INFORMATION - GENERAL FUND
For The Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts	With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 66,331,923	\$ 66,331,923	\$ 71,948,265	\$ 5,616,342
Fines and forfeitures	1,081,610	1,081,610	1,059,172	(22,438)
Licenses and permits	3,744,674	3,744,674	3,285,490	(459,184)
Intergovernmental	1,744,763	1,744,763	2,276,043	531,280
Charges for services	9,694,036	9,694,036	10,879,848	1,185,812
Investment earnings	137,280	137,280	443,871	306,591
Other	3,991,137	3,991,137	1,302,766	(2,688,371)
Total revenues	86,725,423	86,725,423	91,195,455	4,470,032
Expenditures				
Current:				
General government				
Administrative	5,077,025	5,077,025	4,420,865	656,160
Finance	12,467,768	12,467,768	12,874,348	(406,580)
Municipal court	1,097,287	1,119,415	986,631	132,784
Legal	2,057,254	2,057,254	1,810,164	247,090
Public Safety				
Law enforcement	25,978,105	26,008,105	25,761,996	246,109
Fire/EMS	23,194,660	23,624,593	22,257,772	1,366,821
Public works and streets				
Public works/engineering	6,861,832	6,828,835	4,191,012	2,637,823
Street operations	6,082,719	6,117,351	5,970,814	146,537
Community development				
Development center	4,839,277	4,839,277	4,314,484	524,793
Debt service				
Principal	-	-	63,934	(63,934)
Interest and other charges	-	-	43,260	(43,260)
Total expenditures	87,655,927	88,139,623	82,695,280	5,444,343
Excess Of Revenues Over (Under) Expenditures	(930,504)	(1,414,200)	8,500,175	9,914,375
Other Financing Sources (Uses)				
Other financing sources - leases	-	-	554,010	554,010
Transfers in	708,024	708,024	516,759	(191,265)
Transfers out	(2,343,456)	(11,519,866)	(12,965,587)	(1,445,721)
Total other financing sources (uses)	(1,635,432)	(10,811,842)	(11,894,818)	(1,082,976)
Net Change In Fund Balances	(2,565,936)	(12,226,042)	(3,394,643)	8,831,399
Fund Balances - Beginning	48,284,598	48,284,598	48,284,598	-
Fund Balances - Ending	\$ 45,718,662	\$ 36,058,556	\$ 44,889,955	\$ 8,831,399

CITY OF LEE'S SUMMIT, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) NOTES TO BUDGETARY COMPARISON INFORMATION For The Year Ended June 30, 2023

Budgets And Budgetary Accounting

The reported budgetary data represents the final approved budget after amendments as adopted by the City Council. Amendments to the original budget were not material, and appropriations lapse at yearend. The basis of accounting is the same for both budgeting and GAAP reporting purposes. The City Council utilizes the following procedures in establishing the budgetary data reflected in the financial statements.

- (1) Prior to the beginning of the fiscal year, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget provides a complete financial plan of all funds and activities for the upcoming fiscal year. In no event shall the total proposed expenditures exceed the estimated revenues to be received plus any unencumbered cash reserves estimated to be on hand at the beginning of the budget year.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to July 1, the budget is legally enacted through passage of an ordinance.

The appropriated budget is prepared by fund, department and program. Department heads may make transfers of appropriations within their departments. Upon written request by the City Administrator, the City Council may, by ordinance, transfer part or all of any unencumbered appropriation balance from one department to another. The legal level of budgetary control is the department level.

Although the City is legally required to prepare budgets for all funds, there is no legal requirement to report on those budgets.

The majority of Special Revenue Funds have annual appropriated budgets; funds that do not are the Entitlement Fund, Landfill Postclosure Fund, Cemetery Trust Fund, Road and Bridge Escrow Fund, Business and Industry Fund, Grants and Settlements Fund, Public Safety Sales Tax Fund and the ARP Act Fund.

Capital projects are budgeted on a project basis rather than on an annual fiscal basis; therefore, a comparison of actual to budget for Capital Project Funds would not be meaningful.

CITY OF LEE'S SUMMIT, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULES OF SELECTED PENSION INFORMATION - MISSOURI LOCAL
GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)**

For The Year Ended June 30, 2023

Schedule Of Contributions

Fiscal Year	Actuarially Determined Contribution	Contribution in Relation to the Required Contribution	Contribution Deficiency	Covered Payroll	Contribution as a Percentage of Covered Payroll
2014	\$ 5,509,368	\$ 5,482,466	\$ 26,902	\$ 34,808,668	15.75%
2015	5,148,222	5,148,222	-	35,306,669	14.58%
2016	4,868,423	4,868,423	-	35,576,862	13.68%
2017	4,146,492	4,146,492	-	35,525,693	11.67%
2018	4,156,827	4,147,466	9,361	37,349,420	11.10%
2019	4,315,843	4,306,690	9,153	37,966,666	11.34%
2020	4,774,003	4,774,003	-	42,993,105	11.10%
2021	5,119,129	5,074,435	44,694	43,152,508	11.76%
2022	6,004,797	5,732,996	271,801	44,833,928	12.79%
2023	5,864,808	5,864,808	-	46,540,017	12.60%

CITY OF LEE'S SUMMIT, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULES OF SELECTED PENSION INFORMATION - MISSOURI LOCAL GOVERNMENT EMPLOYEES
RETIREMENT SYSTEM (LAGERS) (CONTINUED)**

For The Year Ended June 30, 2023

Schedule Of Changes In Net Pension Liability (Asset) And Related Ratios

Fiscal Year Ending June 30,	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability								
Service cost	\$ 4,094,113	\$ 4,116,855	\$ 4,304,459	\$ 4,472,193	\$ 4,609,803	\$ 4,915,753	\$ 5,224,442	\$ 5,199,130
Interest on total pension liability	10,954,647	11,691,666	12,869,316	13,726,033	14,558,105	15,667,986	16,927,227	16,684,947
Difference between expected and actual experience	318,903	(892,732)	(10,067)	(421,915)	3,169,573	4,994,324	(4,357,636)	2,332,291
Changes of assumption	-	6,279,349	-	-	-	-	(3,450,149)	-
Benefit payment, including refunds	(5,400,300)	(5,047,211)	(5,040,382)	(5,832,114)	(6,921,068)	(7,446,261)	(9,308,056)	(9,602,653)
Net change in total pension liability	9,967,363	16,147,927	12,123,326	11,944,197	15,416,413	18,131,802	5,035,828	14,613,715
Total pension liability-beginning	151,726,643	161,721,405	177,869,332	189,992,658	201,936,855	217,353,268	235,485,070	240,520,898
Total pension liability ending (a)	\$ 161,694,006	\$ 177,869,332	\$ 189,992,658	\$ 201,936,855	\$ 217,353,268	\$ 235,485,070	\$ 240,520,898	\$ 255,134,613
Plan Fiduciary Net Position								
Contributions-employer	\$ 4,831,163	\$ 4,153,904	\$ 4,348,764	\$ 4,306,689	\$ 4,437,964	\$ 4,774,887	\$ 5,074,434	\$ 5,730,611
Contributions-employee	-	-	90,862	-	-	-	-	-
Net investment income	3,552,574	(235,139)	21,474,775	24,845,050	15,076,456	3,116,804	66,452,232	245,470
Benefit payments, including refunds	(5,373,300)	(5,047,211)	(5,040,382)	(5,832,114)	(6,921,068)	(7,446,261)	(9,308,056)	(9,602,653)
Pension plan administrative expense	(89,852)	(84,734)	(87,751)	(90,844)	(134,918)	(156,543)	(121,875)	(133,711)
Other (net transfer)	1,714,993	339,826	(157,227)	(62,202)	1,319,477	(1,093,208)	924,145	1,720,426
Net change in plan fiduciary net position	4,635,578	(873,354)	20,629,041	23,166,579	13,777,911	(804,321)	63,020,880	(2,039,857)
Plan fiduciary net position-beginning	176,565,920	181,201,498	180,328,144	200,957,184	224,123,763	237,901,674	237,097,353	300,118,233
Plan fiduciary net position -ending (b)	\$ 181,201,498	\$ 180,328,144	\$ 200,957,185	\$ 224,123,763	\$ 237,901,674	\$ 237,097,353	\$ 300,118,233	\$ 298,078,376
Net pension liability (asset)-ending (a)-(b)	(19,507,492)	(2,458,812)	(10,964,527)	(22,186,908)	(20,548,406)	(1,612,283)	(59,597,335)	(42,943,763)
Plan fiduciary net position as a percentage of the total pension liability	112.05%	101.38%	105.77%	110.99%	117.81%	109.08%	127.45%	123.93%
Covered payroll	\$ 34,283,100	\$ 35,017,663	\$ 36,728,368	\$ 37,483,205	\$ 39,183,044	\$ 42,998,505	\$ 42,399,804	\$ 41,840,822
Net pension liability(asset) as a percent of covered payroll	-56.82%	-7.02%	-29.85%	-59.19%	-52.44%	-3.75%	-140.56%	-102.64%

Note: The above schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

Note: Changes in assumptions—In 2016, amounts reported as changes in assumptions resulted primarily from the changes in the mortality table, inflation rate and salary increase. In 2022, amounts reported as changes in assumptions resulted primarily from changes due to a new experience study covering the period 2015 to 2020, which included change in the mortality table and decrease in the long-term rate of return.

CITY OF LEE'S SUMMIT, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED
RATIOS - OTHER POST EMPLOYMENT BENEFITS
For The Year Ended June 30, 2023**

Fiscal Year Ending June 30,	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability June 30			
Service cost	\$ 229,155	\$ 291,148	\$ 308,374
Interest	153,982	184,128	185,290
Differences between expected and actual experience	-	168,067	(506,295)
Changes in assumptions	799,131	137,117	846,255
Benefit payments	(161,000)	(226,000)	(176,000)
Net Change in Total Pension Liability	<u>1,021,268</u>	<u>554,460</u>	<u>657,624</u>
Total OPEB Liability-Beginning	4,380,219	5,401,487	5,955,947
Total Pension Liability Ending	<u>\$ 5,401,487</u>	<u>\$ 5,955,947</u>	<u>\$ 6,613,571</u>
Covered-employee payroll	\$ 35,567,476	\$ 35,567,476	\$ 40,363,580
Total OPEB liability as a percentage of covered-employee payroll	15.19%	16.75%	16.38%
Fiscal Year Ending June 30,	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB Liability June 30			
Service cost	\$ 433,566	\$ 496,500	\$ 284,239
Interest	180,691	155,653	210,424
Differences between expected and actual experience	(164,677)	(740,503)	(51,869)
Changes in assumptions	499,996	(1,943,043)	(58,628)
Benefit payments	(195,000)	(164,000)	(123,000)
Net Change in Total Pension Liability	<u>754,576</u>	<u>(2,195,393)</u>	<u>261,166</u>
Total OPEB Liability-Beginning	6,613,571	7,368,147	5,172,754
Total Pension Liability Ending	<u>\$ 7,368,147</u>	<u>\$ 5,172,754</u>	<u>\$ 5,433,920</u>
Covered-employee payroll	\$ 40,363,580	\$ 40,708,939	\$ 40,708,939
Total OPEB liability as a percentage of covered-employee payroll	18.25%	12.71%	13.35%

Note: The above schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

CITY OF LEE'S SUMMIT, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS - OTHER POST EMPLOYMENT BENEFITS (CONTINUED) For The Year Ended June 30, 2023

Changes for the July 1, 2019 actuarial valuation relative to the July 1, 2017 valuation include the following:

1. For those actives currently waiving or electing the HDHP, the assumed distribution upon retirement was changed from 55% - Buy Up / 45% - Base to 75% and 25%, respectively.
2. The discount rate changed from 3.0% to 2.6%.
3. The mortality assumption was changed from Society of Actuaries RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted Mortality with MP-2018 Full Generational Improvement to the Society of Actuaries Pub-2010 Public Retirement Plans Headcount Weighted General and Public Safety Mortality Tables using Scale MP-2019 Full Generational Improvement.
4. The retiree per capita costs, retiree contribution premiums and trend assumptions were updated as part of the actuarial evaluation.
5. The assumed proportion of future retirees with a covered spouse was changed from 40% to 35%.
6. The assumed proportion of future retiring employees who elect to participate in insurance with the City upon retirement was 35% (Retirement at ages < Age 55), 40% (Retirement at Ages 55 to 59) and 50% (Retirement at ages 60 to 64). The rate at Retirement Ages 55 to 59 for the current valuation is changed to 45%

Changes for the June 30, 2022 measurement date compared to the June 30, 2021 measurement date include the following:

1. The discount rate was changed from 2.0% to 3.9%.
2. The mortality assumption was updated from Society of Actuaries Mortality improvement scale MP-2020 Full Generational Improvement to the Society of Actuaries Mortality improvement scale MP-2021 Full Generational Improvement.
3. The retiree per capita costs, retiree contribution premiums and trend assumptions were updated as part of the actuarial evaluation. The January 1, 2022 renewal was taken into account.

Changes for the June 30, 2023 measurement date compared to the June 30, 2022 measurement date include the following:

1. The discount rate was changed from 3.9% to 4.0%.
2. The assumed salary scale was revised from 3.0% to 4.0%.
3. The age-based premium costs, retiree contribution premiums and trend assumptions were updated as part of the actuarial evaluation. The January 1, 2023 renewal was taking into account.

Changes of assumptions: The following are the discount rates used in each period:

2023	4.0%
2022	3.9%
2021	2.0%
2020	2.6%
2019	3.0%
2018	3.3%

Supplementary Information

Combining And Individual Fund Financial
Statements And Schedules

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Assets			
Pooled cash and investments	\$ 15,789,389	\$ 31,475,154	\$ 47,264,543
Receivables (net of allowance)			
Taxes	2,172,629	2,258,970	4,431,599
Accounts and other	68,710	-	68,710
Interest	21,340	23,310	44,650
Due from other funds	-	5,000	5,000
Due from other governments	59,380	742,783	802,163
Advances to other funds	200,000	3,389,859	3,589,859
Restricted cash	-	402,872	402,872
Total assets	\$ 18,311,448	\$ 38,297,948	\$ 56,609,396
Liabilities, Deferred Inflows of Resources And Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 585,200	\$ 3,026,401	\$ 3,611,601
Payroll liabilities	143,029	-	143,029
Deposits payable	193,349	10,000	203,349
Due to other funds	50,000	845,493	895,493
Advances from other funds	-	765,000	765,000
Total liabilities	971,578	4,646,894	5,618,472
Deferred Inflows Of Resources			
Property tax	98,146	-	98,146
Other	-	610,862	610,862
Total deferred inflows of resources	98,146	610,862	709,008
Fund Balances			
Restricted			
Public safety	2,513,941	-	2,513,941
Bridges, streets and signals	-	25,024,055	25,024,055
Parks and recreation	6,438,306	-	6,438,306
Economic development	997,400	4,680,148	5,677,548
Other capital projects	-	3,424,391	3,424,391
Other purposes	938,726	-	938,726
Committed			
Bridges, streets and signals	351,700	-	351,700
Landfill care	4,811,270	-	4,811,270
Cemetery care	1,231,417	-	1,231,417
Assigned			
Other capital projects	-	1,593,384	1,593,384
Unassigned	(41,036)	(1,681,786)	(1,722,822)
Total fund balances	17,241,724	33,040,192	50,281,916
Total liabilities, deferred inflows and fund balances	\$ 18,311,448	\$ 38,297,948	\$ 56,609,396

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2023**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Taxes			
Property	\$ 4,154,684	\$ 4,141,933	\$ 8,296,617
Sales	5,349,510	14,311,775	19,661,285
License	—	923,311	923,311
Bed	642,456	—	642,456
Other tax	6,805	—	6,805
Fines and forfeitures	19,862	—	19,862
Intergovernmental	1,020,046	19,038	1,039,084
Charges for services	4,078,918	51,885	4,130,803
Investment income	177,273	513,820	691,093
Other	349,989	1,484	351,473
Total revenues	15,799,543	19,963,246	35,762,789
Expenditures			
Current			
General government	1,145,105	1,192,977	2,338,082
Public safety	2,201,526	—	2,201,526
Parks and recreation	8,806,996	—	8,806,996
Debt service			
Principal	—	1,965,000	1,965,000
Interest and other charges	—	1,096,016	1,096,016
Capital outlay	136,166	21,988,289	22,124,455
Total expenditures	12,289,793	26,242,282	38,532,075
Excess (Deficiency) Of Revenues Over Expenditures	3,509,750	(6,279,036)	(2,769,286)
Other Financing Sources (Uses)			
Issuance of bonds	—	—	—
Transfers in	244,871	8,389,411	8,634,282
Transfers out	(546,267)	(301,410)	(847,677)
Total other financing sources (uses)	(301,396)	8,088,001	7,786,605
Net Change In Fund Balances	3,208,354	1,808,965	5,017,319
Fund Balances - Beginning	14,033,370	31,231,227	45,264,597
Fund Balances - Ending	\$ 17,241,724	\$ 33,040,192	\$ 50,281,916

CITY OF LEE'S SUMMIT, MISSOURI

NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital project) requiring separate accounting because of legal or regulatory provisions or administrative action. The City's nonmajor Special Revenue Funds are as follows:

Park Board - Established to account for activities of the Park Board, which administers operations of all City parks.

Violence Against Women Grant - Established to account for the receipt of federal grant monies for the Violence Against Women Grant.

Entitlement Fund - Established to account for federal funding passed through to other agencies.

Landfill Postclosure Fund - Established to account for reserve set up to cover landfill closure costs the City will incur.

Cemetery Trust Fund - Established to account for plot and monument sales for perpetual care funding.

Road And Bridge Escrow - Established to account for deposits made related to road and bridge improvement projects.

Business And Industry Fund - Established to account for and distribute the proceeds from a 5% tax on certain gross receipts of hotels, motels and similar places of business.

Grants and Settlements Fund – Established to account for various grants and settlements received.

Public Safety Sales Tax Fund – Established to account for and distribute the proceeds from a 0.5% sales tax dedicated to the operations of the Fire and Police departments.

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023**

	Park Board	Violence Against Women Grant	Entitlement Fund	Landfill Post-Closure Fund	Cemetery Trust Fund	Road And Bridge Escrow	Business And Industry Fund	Grants and Settlements	Public Safety Sales Tax	Total Nonmajor Special Revenue Funds
Assets										
Pooled cash and investments	\$ 6,860,490	\$ 898,745	\$ 8,965	\$ 4,654,582	\$ 1,232,671	\$ 544,280	\$ 871,624	\$ 56,815	\$ 661,217	\$ 15,789,389
Receivables (net of allowance)										
Taxes receivable, net	118,380	—	—	—	—	—	—	—	2,054,249	2,172,629
Accounts and other	—	—	—	—	—	—	68,710	—	—	68,710
Interest	6,953	(740)	—	11,281	2,762	769	251	—	64	21,340
Due from other funds	—	—	—	—	—	—	—	—	—	—
Due from other governments	—	53,565	5,815	—	—	—	—	—	—	59,380
Advances to other funds	—	—	—	200,000	—	—	—	—	—	200,000
Total assets	\$ 6,985,823	\$ 951,570	\$ 14,780	\$ 4,865,863	\$ 1,235,433	\$ 545,049	\$ 940,585	\$ 56,815	\$ 2,715,530	\$ 18,311,448
Liabilities, Deferred Inflows of Resources And Fund Balances										
Liabilities										
Accounts payable and accrued liabilities	\$ 307,675	\$ 12,844	\$ 5,816	\$ 54,593	\$ 2,683	\$ —	\$ —	\$ —	\$ 201,589	\$ 585,200
Payroll liabilities	141,696	—	—	—	1,333	—	—	—	—	143,029
Deposits payable	—	—	—	—	—	193,349	—	—	—	193,349
Unearned revenue	—	—	—	—	—	—	—	—	—	—
Due to other funds	—	—	50,000	—	—	—	—	—	—	50,000
Total liabilities	449,371	12,844	55,816	54,593	4,016	193,349	—	—	201,589	971,578
Deferred Inflows Of Resources										
Property tax	98,146	—	—	—	—	—	—	—	—	98,146
Total deferred inflows of resources	98,146	—	—	—	—	—	—	—	—	98,146
Fund Balances (Deficits)										
Restricted										
Public safety	—	—	—	—	—	—	—	—	2,513,941	2,513,941
Parks and recreation	6,438,306	—	—	—	—	—	—	—	—	6,438,306
Economic development	—	—	—	—	—	—	940,585	56,815	—	997,400
Other purposes	—	938,726	—	—	—	—	—	—	—	938,726
Committed										
Bridges, streets and signals	—	—	—	—	—	351,700	—	—	—	351,700
Landfill care	—	—	—	4,811,270	—	—	—	—	—	4,811,270
Cemetery care	—	—	—	—	1,231,417	—	—	—	—	1,231,417
Unassigned	—	—	(41,036)	—	—	—	—	—	—	(41,036)
Total fund balances (deficits)	6,438,306	938,726	(41,036)	4,811,270	1,231,417	351,700	940,585	56,815	2,513,941	17,241,724
Total liabilities, deferred inflows and fund balances (deficits)	\$ 6,985,823	\$ 951,570	\$ 14,780	\$ 4,865,863	\$ 1,235,433	\$ 545,049	\$ 940,585	\$ 56,815	\$ 2,715,530	\$ 18,311,448

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended June 30, 2023**

	Park Board	Violence Against Women Grant	Entitlement Fund	Landfill Post Closure Fund	Cemetery Trust Fund	Road And Bridge Escrow	Business And Industry Fund	Grants and Settlements	Public Safety Sales Tax	Total Nonmajor Special Revenue Funds
Revenues										
Taxes										
Property	\$ 4,154,684	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,154,684
Sales	—	—	—	—	—	—	—	—	5,349,510	5,349,510
Bed	—	—	—	—	—	—	642,456	—	—	642,456
Other tax	6,805	—	—	—	—	—	—	—	—	6,805
Fines and forfeitures	19,862	—	—	—	—	—	—	—	—	19,862
Intergovernmental	1,000	263,848	666,682	—	—	31,676	—	56,840	—	1,020,046
Charges for services	4,010,301	—	—	—	68,617	—	—	—	—	4,078,918
Investment income (loss)	78,711	7,511	—	48,219	29,789	5,427	7,726	(25)	(85)	177,273
Other	341,379	—	—	—	8,610	—	—	—	—	349,989
Total revenues	8,612,742	271,359	666,682	48,219	107,016	37,103	650,182	56,815	5,349,425	15,799,543
Expenditures										
Current:										
General government	—	43,119	618,317	362,092	—	—	119,527	—	—	1,143,055
Public safety	—	—	—	—	—	—	—	—	2,201,526	2,201,526
Parks and recreation	8,668,345	—	—	—	138,651	—	—	—	—	8,806,996
Capital outlay	—	—	—	—	—	2,050	—	—	136,166	138,216
Total expenditures	8,668,345	43,119	618,317	362,092	138,651	2,050	119,527	—	2,337,692	12,289,793
Excess (Deficiency) Of Revenues Over Expenditures	(55,603)	228,240	48,365	(313,873)	(31,635)	35,053	530,655	56,815	3,011,733	3,509,750
Other Financing Sources (Uses)										
Transfers in	244,871	—	—	—	—	—	—	—	—	244,871
Transfers out	—	—	—	—	(16,352)	—	(32,123)	—	(497,792)	(546,267)
Total other financing sources (uses)	244,871	—	—	—	(16,352)	—	(32,123)	—	(497,792)	(301,396)
Net Change In Fund Balances (Deficit)	189,268	228,240	48,365	(313,873)	(47,987)	35,053	498,532	56,815	2,513,941	3,208,354
Fund Balances (Deficits) - Beginning	6,249,038	710,486	(89,401)	5,125,143	1,279,404	316,647	442,053	—	—	14,033,370
Fund Balances (Deficits) - Ending	\$ 6,438,306	\$ 938,726	\$ (41,036)	\$ 4,811,270	\$ 1,231,417	\$ 351,700	\$ 940,585	\$ 56,815	\$ 2,513,941	\$ 17,241,724

CITY OF LEE'S SUMMIT, MISSOURI

BUDGETARY COMPARISON SCHEDULE

PARK BOARD

For The Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variances With Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Property taxes	\$ 3,717,390	\$ 3,644,500	\$ 4,154,684	\$ 510,184
Other tax	20,400	20,000	6,805	(13,195)
Fines and forfeitures	17,365	17,000	19,862	2,862
Intergovernmental	800	-	1,000	1,000
Charges for services	3,940,563	3,460,442	4,010,301	549,859
Investment earnings (loss)	56,600	95,100	78,711	(16,389)
Other	327,149	277,528	341,379	63,851
Total revenues	<u>8,080,267</u>	<u>7,514,570</u>	<u>8,612,742</u>	<u>1,098,172</u>
Expenditures				
Current:				
Parks and recreation	8,282,432	7,200,151	8,668,345	1,468,194
Capital Improvements	274,497	67,011	-	(67,011)
Total Expenditures	<u>8,556,929</u>	<u>7,267,162</u>	<u>8,668,345</u>	<u>1,401,183</u>
Excess of revenues over expenditures	<u>(476,662)</u>	<u>247,408</u>	<u>(55,603)</u>	<u>(303,011)</u>
Other Financing Sources				
Transfers in	250,856	200,856	244,871	44,015
Transfers out	-	(329,185)	-	329,185
Total other financing sources	<u>250,856</u>	<u>(128,329)</u>	<u>244,871</u>	<u>373,200</u>
Net Change In Fund Balances	<u>\$ (225,806)</u>	<u>\$ 119,079</u>	<u>189,268</u>	<u>\$ 70,189</u>
Fund Balances - Beginning			<u>6,249,038</u>	
Fund Balances - Ending			<u>\$ 6,438,306</u>	

CITY OF LEE'S SUMMIT, MISSOURI

**BUDGETARY COMPARISON SCHEDULE
VIOLENCE AGAINST WOMEN GRANT
For The Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variances With Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 263,848	\$ 63,848
Investment earnings (loss)	—	—	7,511	7,511
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>271,359</u>	<u>71,359</u>
Expenditures				
Current:				
General government	<u>200,000</u>	<u>200,000</u>	<u>43,119</u>	<u>156,881</u>
Net Change In Fund Balances	<u>\$ —</u>	<u>\$ —</u>	<u>228,240</u>	<u>\$ 228,240</u>
Fund Balances - Beginning			<u>710,486</u>	
Fund Balances - Ending			<u>\$ 938,726</u>	

CITY OF LEE'S SUMMIT, MISSOURI

NONMAJOR GOVERNMENTAL FUNDS CAPITAL PROJECTS FUNDS

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Enterprise Funds. The City's nonmajor Capital Projects Funds are as follows:

Todd George 50 Highway TIF Fund - Capital projects fund established to account for public improvements needed to support development of property in the 50 highway corridor between Blackwell Road and Todd George Road.

Road And Bridge Improvement – Capital projects fund established to account for road and bridge improvement projects within the City related to a fiscal year 1995 tax levy.

Park Development – Capital projects fund established to account for construction of new parks.

Road And Bridge Excise Tax - Established to account for road and bridge improvement projects within the City related to an excise tax and a ten year capital improvement sales tax that was approved by voters in 1997.

Ritter Plaza Tax Increment Financing - Established to account for public improvements needed to support new private development in M-291 and Swann Road area.

Summit Woods Tax Increment Financing - Established to account for public improvements needed to support new private development in the I-470 and M-350 Highway area.

New Longview Tax Increment Financing 2003 - Established to account for public improvements needed to support new private development in the Longview Farm area.

Longview Farm 2016 Tax Increment Financing - Established to account for redevelopment of certain historic structures on the Longview Farm property.

I-470 Business Center Tax Increment Financing - Established to account for public improvements needed to support development of 125 acres in the I-470 corridor.

Summit Woods East TIF - Capital projects fund established to account for public improvements needed to support new private development in the I-470 and M-350 Highway area.

CITY OF LEE'S SUMMIT, MISSOURI

NONMAJOR GOVERNMENTAL FUNDS CAPITAL PROJECTS FUNDS (*Continued*)

Public Safety Bonds 2016 - Established to account for public safety improvements including emergency series radio equipment and related infrastructure, Fire Station 3 replacement and acquisition of fire equipment and apparatus.

ERP System - Established to account for the acquisition, testing and implementation of new Financial, Procurement, Human Resources and Water Utility Billing software.

Road Improvements 2013 - Established to account for costs to construct road improvements, sidewalks, curbs and drainage facilities for Orchard Street and paved shoulders for Pryor Road.

Public Safety Equipment Replacement - Established to account for revenues and expenditures related to equipment used for public safety that is not included in other replacement programs.

Lee's Summit Sports Complex TIF - Established to account for public improvements needed to support new private development of a sports and entertainment complex in the area of I-470 and View High Drive.

Public Safety Improvements 2020 – Established to account for public safety improvements including Network Infrastructure, In-car and body cameras for the police department, Renovation of the Police and Court Facility as well as the replacement and acquisition of fire equipment and apparatus.

Public Safety Bond 2020B – Established to account for public safety improvements, including design work and construction work on the Fire Station No. 4 replacement and the Fire Station No. 5 replacement and acquisition of fire equipment and apparatus.

Green Street Improvement – Established to account for public improvements in the Green Street area adjacent to City Hall.

Street of West Pryor TIF – Established to account for road, infrastructure and park improvements to Pryor Road, Lowenstein Drive and Lowenstein Park.

General Governmental Capital Projects – Established to account for revenue and expenditures of capital projects that are not included in other specific projects.

Bond Indebtedness – Established to account for and distribute the proceeds for capital projects related to emergency preparedness, transportation, and city facilities reinvestment

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS**

**Page 1 Of 2
June 30, 2023**

	Todd George 50 HWY TIF	Road and Bridge Improvement	Park Development	Road and Bridge Excise Tax	Ritter Plaza TIF	Summit Woods TIF	New Longview TIF	Longview Farm 2016 TIF	I-470 Business Center TIF	Summit Woods East TIF
Assets										
Pooled cash and investments	\$ 50,868	\$ 8,575,967	\$ 4,526,083	\$ 4,117,489	\$ 101,994	\$ 60,429	\$ 140,700	\$ -	\$ 1,524,004	\$ 3,087,833
Receivables (net of allowance)										
Taxes	-	2,000,817	-	-	16,458	-	29,281	7,705	-	153,142
Interest	-	5,426	(6,397)	18,689	103	127	35	(292)	2,830	586
Due from other funds	-	-	-	5,000	-	-	-	-	-	-
Due from other governments	-	-	-	-	60,940	-	40,711	16,149	61,282	396,820
Advances to other funds	-	3,314,859	-	75,000	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 50,868	\$ 13,897,069	\$ 4,519,686	\$ 4,216,178	\$ 179,495	\$ 60,556	\$ 210,727	\$ 23,562	\$ 1,588,116	\$ 3,638,381
Liabilities, Deferred Inflows of Resources And Fund Balances										
Liabilities										
Accounts payable and accrued liabilities	\$ 45,469	\$ 1,507,493	\$ 65,014	\$ 262,589	\$ 3,607	\$ 363,929	\$ 48,987	\$ -	\$ 277,754	\$ 6,337
Deposits payable	-	-	-	-	-	-	5,000	-	-	-
Due to other funds	245,000	-	-	-	-	-	490,000	6,207	-	100,000
Advances from other funds	255,000	-	-	-	-	-	510,000	-	-	-
Total liabilities	545,469	1,507,493	65,014	262,589	3,607	363,929	1,053,987	6,207	277,754	106,337
Deferred Inflows Of Resources										
Unavailable revenue	-	-	-	-	34,248	-	38,052	13,152	-	377,590
Total deferred inflows of resources	-	-	-	-	34,248	-	38,052	13,152	-	377,590
Fund Balances (Deficits)										
Restricted										
Public safety	-	-	-	-	-	-	-	-	-	-
Bridges, streets and signals	-	12,389,576	4,454,672	3,953,589	-	-	-	-	-	-
Economic development	-	-	-	-	141,640	-	-	4,203	1,310,362	3,154,454
Other capital projects	-	-	-	-	-	-	-	-	-	-
Assigned										
Other capital projects	-	-	-	-	-	-	-	-	-	-
Unassigned	(494,601)	-	-	-	-	(303,373)	(881,312)	-	-	-
Total fund balances (deficits)	(494,601)	12,389,576	4,454,672	3,953,589	141,640	(303,373)	(881,312)	4,203	1,310,362	3,154,454
Total liabilities, deferred inflows and fund balances (deficits)	\$ 50,868	\$ 13,897,069	\$ 4,519,686	\$ 4,216,178	\$ 179,495	\$ 60,556	\$ 210,727	\$ 23,562	\$ 1,588,116	\$ 3,638,381

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS**

**Page 2 Of 2
June 30, 2023**

Public Safety Bonds 2016	ERP System	Public Safety Equipment Replacement	Lee's Summit Sports Complex TIF	Public Safety Improvements 2020	Public Safety Bonds 2020B	Green Street Improvements	Street of West Pryor TIF	General Governmental Capital Projects	Bonded Indebtedness	Total Nonmajor Capital Projects Funds
\$ -	\$ 14,148	\$ 1,577,291	\$ 5,389	\$ 48,922	\$ -	\$ 3,413,021	\$ -	\$ 4,231,016	\$ -	\$ 31,475,154
-	-	-	-	-	-	-	51,567	-	-	2,258,970
-	29	1,916	74	-	-	-	184	-	-	23,310
-	-	-	-	-	-	-	-	-	-	5,000
-	-	-	-	-	-	-	166,881	-	-	742,783
-	-	-	-	-	-	-	-	-	-	3,389,859
104	-	-	-	75,298	327,470	-	-	-	-	402,872
\$ 104	\$ 14,177	\$ 1,579,207	\$ 5,463	\$ 124,220	\$ 327,470	\$ 3,413,021	\$ 218,632	\$ 4,231,016	\$ -	\$ 38,297,948
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 223,541	\$ 216,883	\$ -	\$ 4,798	\$ -	\$ 3,026,401
-	-	-	5,000	-	-	-	-	-	-	10,000
-	-	-	-	-	-	-	1,786	-	2,500	845,493
-	-	-	-	-	-	-	-	-	-	765,000
-	-	-	5,000	-	223,541	216,883	1,786	4,798	2,500	4,646,894
-	-	-	-	-	-	-	147,820	-	-	610,862
-	-	-	-	-	-	-	147,820	-	-	610,862
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	4,226,218	-	25,024,055
-	-	-	463	-	-	-	69,026	-	-	4,680,148
104	-	-	-	124,220	103,929	3,196,138	-	-	-	3,424,391
-	14,177	1,579,207	-	-	-	-	-	-	-	1,593,384
-	-	-	-	-	-	-	-	-	(2,500)	(1,681,786)
104	14,177	1,579,207	463	124,220	103,929	3,196,138	69,026	4,226,218	(2,500)	33,040,192
\$ 104	\$ 14,177	\$ 1,579,207	\$ 5,463	\$ 124,220	\$ 327,470	\$ 3,413,021	\$ 218,632	\$ 4,231,016	\$ -	\$ 38,297,948

CITY OF LEE'S SUMMIT, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) NONMAJOR CAPITAL PROJECTS FUNDS

Page 1 Of 2

For The Year Ended June 30, 2023

	Todd George 50 HWY TIF	Road and Bridge Improvement	Park Development	Road and Bridge Excise Tax	Ritter Plaza TIF	Summit Woods TIF	New Longview TIF	Longview Farm 2016 TIF	I-470 Business Center TIF	Summit Woods East TIF	Public Safety Bonds 2016
Revenues											
Taxes											
Property	\$ 1,456,793	\$ —	\$ —	\$ —	\$ 166,496	\$ —	\$ 275,910	\$ 347,087	\$ —	\$ 1,491,080	\$ —
Sales	—	12,108,475	—	—	119,334	—	281,477	39,001	—	1,271,209	—
License	—	—	—	923,311	—	—	—	—	—	—	—
Intergovernmental	—	39,895	244,751	—	(12,254)	—	(17,795)	(2,656)	—	(195,469)	—
Charges for services	1,988	—	—	—	786	1	2,995	1,215	4,817	7,900	—
Other income	—	—	—	—	—	—	—	—	—	—	—
Investment income (loss)	11	43,607	41,848	39,737	8,377	589	241	2,389	12,400	102,292	4
Total revenues	1,458,792	12,191,977	286,599	963,048	282,739	590	542,828	387,036	17,217	2,677,012	4
Expenditures											
Current:											
General government	—	—	1,045	—	718,061	—	10,325	389,246	—	—	—
Debt service											
Principal	—	—	—	—	—	—	—	—	—	1,965,000	—
Interest and other charges	—	—	—	—	—	1	21,916	—	—	1,071,006	—
Capital outlay	994,510	10,007,822	887,380	4,883,678	2,664	—	16,623	5,553	4,817	37,837	—
Total expenditures	994,510	10,007,822	888,425	4,883,678	720,725	1	48,864	394,799	4,817	3,073,843	—
Excess (Deficiency) Of Revenues Over Expenditures	464,282	2,184,155	(601,826)	(3,920,630)	(437,986)	589	493,964	(7,763)	12,400	(396,831)	4
Other Financing Sources											
Issuance of bonds	—	—	—	—	—	—	—	—	—	—	—
Transfers in	—	—	3,000,000	—	—	—	—	—	—	—	—
Transfers out	—	(300,616)	—	—	—	—	—	—	—	—	—
Total other financing sources	—	(300,616)	3,000,000	—	—	—	—	—	—	—	—
Net Change In Fund Balances (Deficits)	464,282	1,883,539	2,398,174	(3,920,630)	(437,986)	589	493,964	(7,763)	12,400	(396,831)	4
Fund Balances (Deficits) - Beginning	(958,883)	10,506,037	2,056,498	7,874,219	579,626	(303,962)	(1,375,276)	11,966	1,297,962	3,551,285	100
Fund Balances (Deficits) - Ending	\$ (494,601)	\$ 12,389,576	\$ 4,454,672	\$ 3,953,589	\$ 141,640	\$ (303,373)	\$ (881,312)	\$ 4,203	\$ 1,310,362	\$ 3,154,454	\$ 104

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR CAPITAL PROJECTS FUNDS**

Page 2 Of 2

For The Year Ended June 30, 2023

ERP System	Road Improvements 2013	Public Safety Equipment Replacement	Lee's Summit Sports Complex TIF	Public Safety Improvements 2020	Public Safety Bonds 2020B	Green Street Improvements	Street of West Pryor TIF	General Governmental Capital Projects	Bonded Indebtedness	Total Nonmajor Capital Projects Funds									
\$	—	\$	—	\$	—	\$	—	\$	—	\$									
							404,567			4,141,933									
							492,279			14,311,775									
										923,311									
							(37,434)			19,038									
			32,183							51,885									
				1,484						1,484									
138	83	15,915	662	20	126,429	71,327	1,914	45,837	—	513,820									
138	83	15,915	32,845	1,504	126,429	71,327	861,326	45,837	—	19,963,246									
		19,634	54,601		65					1,192,977									
										1,965,000									
				120		2,973				1,096,016									
	(2,760)	17,876		90,206	3,334,618	766,619	918,727	19,619	2,500	21,988,289									
	(2,760)	37,510	54,601	90,326	3,334,683	769,592	918,727	19,619	2,500	26,242,282									
138	2,843	(21,595)	(21,756)	(88,822)	(3,208,254)	(698,265)	(57,401)	26,218	(2,500)	(6,279,036)									
		423,191				766,220		4,200,000		8,389,411									
(794)										(301,410)									
(794)		423,191				766,220		4,200,000		8,088,001									
(656)	2,843	401,596	(21,756)	(88,822)	(3,208,254)	67,955	(57,401)	4,226,218	(2,500)	1,808,965									
14,833	(2,843)	1,177,611	22,219	213,042	3,312,183	3,128,183	126,427			31,231,227									
\$	14,177	\$	1,579,207	\$	463	\$	124,220	\$	103,929	\$	3,196,138	\$	69,026	\$	4,226,218	\$	(2,500)	\$	33,040,192

CITY OF LEE'S SUMMIT, MISSOURI

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE**

For The Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variances With Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Property taxes	\$ 9,014,000	\$ 9,014,000	\$ 9,949,503	\$ 935,503
Sales	5,097,589	5,097,589	6,050,736	953,147
Other tax	50,000	50,000	18,196	(31,804)
Fines and forfeitures	50,000	50,000	53,023	3,023
Investment earnings (loss)	86,500	86,500	202,182	115,682
Total revenues	<u>14,298,089</u>	<u>14,298,089</u>	<u>16,273,640</u>	<u>1,975,551</u>
Expenditures				
Current:				
General government	163,000	163,000	-	163,000
Debt Service:				
Principal	8,370,000	8,370,000	9,370,000	(1,000,000)
Interest and other charges	545,000	545,000	960,839	(415,839)
Total expenditures	<u>9,078,000</u>	<u>9,078,000</u>	<u>10,330,839</u>	<u>(1,252,839)</u>
Excess Of Revenues Over Expenditures	5,220,089	5,220,089	5,942,801	722,712
Other Financing Sources (Uses)				
Transfers out	<u>(3,175,000)</u>	<u>(3,175,000)</u>	<u>(3,175,000)</u>	-
Total other financing uses	<u>(3,175,000)</u>	<u>(3,175,000)</u>	<u>(3,175,000)</u>	-
Net Change In Fund Balances	<u>\$ 2,045,089</u>	<u>\$ 2,045,089</u>	2,767,801	<u>\$ 722,712</u>
Fund Balances - Beginning			<u>12,601,142</u>	
Fund Balances - Ending			<u>\$ 15,368,943</u>	

CITY OF LEE'S SUMMIT, MISSOURI

NONMAJOR PROPRIETARY FUNDS

Proprietary Funds are used to account for activities that similar to those found in the private sector. The City's nonmajor Proprietary Funds are as follows:

Recreation Center - Established to account for all assets, liabilities, revenues and expenses related to the operations of the City-owned recreation center at Harris Park.

Stormwater Utility - Established to account for activities related to implementing and operating stormwater utility.

CITY OF LEE'S SUMMIT, MISSOURI

City of Lee's Summit
Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2023

	Nonmajor Enterprise Funds		
	Recreation Center	Stormwater Utility	Total
Assets			
Current assets			
Cash and investments	\$ 552,755	\$ 286,378	\$ 839,133
Interest receivable	703	(400)	303
Total current assets	553,458	285,978	839,436
Noncurrent assets			
Capital assets			
Depreciable, net	115,500	-	115,500
Total noncurrent assets	115,500	-	115,500
Total assets	668,958	285,978	954,936
Liabilities			
Current liabilities			
Accounts payable	52,962	-	52,962
Salaries payable	34,080	-	34,080
Compensated absences	2,017	-	2,017
Total current liabilities	89,059	-	89,059
Noncurrent liabilities			
Compensated absences	37,394	-	37,394
Total noncurrent liabilities	37,394	-	37,394
Total liabilities	126,453	-	126,453
Net Position			
Net investment in capital assets	115,500	-	115,500
Unrestricted	427,005	285,978	712,983
Total net position	\$ 542,505	\$ 285,978	\$ 828,483

CITY OF LEE'S SUMMIT, MISSOURI

City of Lee's Summit
Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

	Enterprise Funds		
	Recreation Center	Stormwater Utility	Total
Operating Revenues			
Charges for services	\$ 1,162,001	\$ -	\$ 1,162,001
Other	310,823	(707)	310,116
Total operating revenues	1,472,824	(707)	1,472,117
Operating Expenses			
Salaries, wages and employee benefits	764,522	-	764,522
Utilities	113,216	-	113,216
Repairs and maintenance	33,912	-	33,912
Depreciation	19,155	-	19,155
Interdepartment charges	20,343	-	20,343
Miscellaneous	479,732	182,976	662,708
Total operating expenses	1,430,880	182,976	1,613,856
Operating income (loss)	41,944	(183,683)	(141,739)
Nonoperating Revenues (Expenses)			
Interest income (loss)	(1,158)	3,924	2,766
Total nonoperating revenues (expenses)	(1,158)	3,924	2,766
Income (Loss) Before Contributions And Transfers	40,786	(179,759)	(138,973)
Transfers Out	(3,519)	-	(3,519)
Change In Net Position	37,267	(179,759)	(142,492)
Total Net Position			
Beginning	505,238	465,737	970,975
Ending	\$ 542,505	\$ 285,978	\$ 828,483

CITY OF LEE'S SUMMIT, MISSOURI

City of Lee's Summit Nonmajor Enterprise Funds Statement of Cash Flows Year ended June 30, 2023

	Enterprise Funds		
	Recreation Center	Stormwater Utility	Total
Cash Flows From Operating Activities			
Cash received from customers	\$ 1,472,824	\$ (707)	\$ 1,472,117
Cash paid to suppliers	(644,649)	(190,476)	(835,125)
Cash paid to employees	(745,757)	-	(745,757)
Net cash provided by (used in) operating activities	82,418	(191,183)	(108,765)
Cash Flows From Noncapital Financing Activities			
Transfers out	(3,519)	-	(3,519)
Net cash provided by (used in) noncapital financing activities	(3,519)	-	(3,519)
Cash Flows From Capital And Related Financing Activities			
Additions to capital assets	(36,221)	-	(36,221)
Net cash provided by (used in) capital and related financing activities	(36,221)	-	(36,221)
Cash Flows Provided By Investing Activities			
Interest received (paid)	(917)	3,925	3,008
Net cash provided by (used in) investing activities	(917)	3,925	3,008
Net increase (decrease) in cash and cash equivalents	41,761	(187,258)	(145,497)
Cash And Cash Equivalents - Beginning Of Year	510,994	473,636	984,630
Cash And Cash Equivalents - End Of Year	\$ 552,755	\$ 286,378	\$ 839,133
Reconciliation of operating income (loss) to net cash provided by (used in) operating income (loss)	\$ 41,944	\$ (183,683)	\$ (141,739)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	19,155	-	19,155
Changes in assets and liabilities:			
Increase (decrease) in accounts payable	2,554	(7,500)	(4,946)
Increase (decrease) in salaries and wages payable	4,415	-	4,415
Increase (decrease) in accrued compensated absences	14,350	-	14,350
Total adjustments	40,474	(7,500)	32,974
Net cash provided by (used in) operating activities	\$ 82,418	\$ (191,183)	\$ (108,765)

CITY OF LEE'S SUMMIT, MISSOURI

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis. The City's Internal Service Funds are as follows:

Central Vehicle Services - Established to account for operating a central maintenance facility for the City's vehicles and equipment.

Unemployment Insurance - Established to account for self-insurance funding for any unemployment claims filed by terminated City employees.

Insurance Claims And Damages Reserve Fund - Established to account for premium refunds and special assessment charges for self-insurance funding for health and dental liability claims.

Information Technology Services (ITS) - Established to account for the City's electronic data processing systems and information services provided for City departments.

Short-term Disability Fund - Established to provide compensation for City employees who are ill and who have exhausted all sick time but are not yet eligible for long-term disability (90 days).

Workers' Compensation Self-Insurance Fund - Established to account for self-insurance funding for any workers' compensation claims filed by City employees.

Central Building Services (CBS) - Established to centralize services related to operations and maintenance of city owned buildings and to account for funding of capital maintenance projects related to the replacement of major building components.

CITY OF LEE'S SUMMIT, MISSOURI
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2023

	Central Vehicle Services	Unemployment Insurance	Insurance Claims And Damages Reserve Fund	I.T. Services	Short- Term Disability Fund	Workers' Compensation Self-Insurance	Central Building Services	Total
Assets								
Current assets								
Cash and investments	\$ 856,945	\$ 277,043	\$ 5,741,579	\$ 3,332,907	\$ 215,623	\$ 4,473,443	\$ 1,192,618	\$ 16,090,158
Interest receivable	(2,590)	431	760	4,942	420	7,798	1,392	13,153
Inventories	280,550	42	—	—	—	—	—	280,592
Total current assets	1,134,905	277,516	5,742,339	3,337,849	216,043	4,481,241	1,194,010	16,383,903
Noncurrent assets								
Pension asset	94,510	—	—	482,983	—	—	132,463	709,956
Capital assets								
Nondepreciable	104,250	—	—	—	—	—	—	104,250
Depreciable, net	10,191,808	—	—	423,584	—	—	1,283,243	11,898,635
Total noncurrent assets	10,390,568	—	—	906,567	—	—	1,415,706	12,712,841
Total assets	11,525,473	277,516	5,742,339	4,244,416	216,043	4,481,241	2,609,716	29,096,744
Deferred outflows of resources								
Pension	19,803	—	—	101,200	—	—	27,755	148,758
Other post employment benefits	16,284	—	—	58,158	—	—	16,284	90,726
Total deferred outflows of resources	36,087	—	—	159,358	—	—	44,039	239,484
Liabilities								
Current liabilities								
Accounts payable	13,660	—	—	93,643	1	2,560,938	33,482	2,701,724
Salaries and benefits payable	20,341	—	—	81,980	879	—	14,433	117,633
Subscription Liabilities	—	—	—	59,000	—	—	—	59,000
Compensated absences	1,967	—	—	7,781	—	—	1,718	11,466
Total current liabilities	35,968	—	—	242,404	880	2,560,938	49,633	2,889,823
Noncurrent liabilities								
Subscription Liabilities	—	—	—	162,435	—	—	—	162,435
Compensated absences	40,665	—	—	221,272	—	—	46,751	308,688
Other post employment benefits	25,113	—	—	128,339	—	—	35,198	188,650
Total noncurrent liabilities	65,778	—	—	512,046	—	—	81,949	659,773
Total Liabilities	101,746	—	—	754,450	880	2,560,938	131,582	3,549,596
Deferred inflows of resources -								
Pension	24,220	—	—	123,773	—	—	33,946	181,939
Other post-employment benefits	30,054	—	—	107,336	—	—	30,054	167,444
Total deferred inflows of resources	54,274	—	—	231,109	—	—	64,000	349,383
Net position (deficit)								
Net investment in capital assets	10,296,058	—	—	—	—	—	1,283,243	11,579,301
Restricted for pension	90,093	—	—	460,410	—	—	126,272	676,775
Unrestricted	1,019,389	277,516	5,742,339	2,957,805	215,163	1,920,303	1,048,658	13,181,173
Total Net position (deficit)	\$ 11,405,540	\$ 277,516	\$ 5,742,339	\$ 3,418,215	\$ 215,163	\$ 1,920,303	\$ 2,458,173	\$ 25,437,249

CITY OF LEE'S SUMMIT, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS For The Year Ended June 30, 2023

	Central Vehicle Services	Unemployment Insurance	Insurance Claims And Damages Reserve Fund	I.T. Services	Short-Term Disability Fund	Workers' Compensation Self-Insurance	Central Building Services	Total
Operating Revenues								
Charges for services	\$ 4,536,410	\$ 49,921	\$ 1,442,033	\$ 4,198,295	\$ 33,497	\$ 1,405,418	\$ 2,092,581	\$ 13,758,155
Other	3,643	—	48,829	13,751	—	18,256	2,199	86,678
Total Operating Revenues	4,540,053	49,921	1,490,862	4,212,046	33,497	1,423,674	2,094,780	13,844,833
Operating Expenses								
Salaries, wages and employee benefits	755,167	—	—	2,699,300	19,300	—	459,955	3,933,722
Utilities	23,529	—	—	—	—	—	339,597	363,126
Repairs and maintenance	44,623	—	—	672,190	—	—	293,744	1,010,557
Fuels and lubricants	4,579	—	—	183	—	—	3,066	7,828
Depreciation	2,529,797	—	—	31,582	—	—	152,698	2,714,077
Interdepartment charges	73,088	—	—	77,490	—	—	46,202	196,780
Miscellaneous	153,685	3,835	1,095,824	877,201	—	1,924,713	407,102	4,462,360
Total Operating Expenses	3,584,468	3,835	1,095,824	4,357,946	19,300	1,924,713	1,702,364	12,688,450
Operating Income (Loss)	955,585	46,086	395,038	(145,900)	14,197	(501,039)	392,416	1,156,383
Nonoperating Revenue								
Interest income (loss)	26,853	2,192	19,309	40,498	1,779	30,202	12,876	133,709
Interest Expense	—	—	—	(3,995)	—	—	—	(3,995)
Gain on disposal of capital assets	337,958	—	—	—	—	—	—	337,958
Total Nonoperating Revenue	364,811	2,192	19,309	36,503	1,779	30,202	12,876	467,672
Income (Loss) Before Transfers	1,320,396	48,278	414,347	(109,397)	15,976	(470,837)	405,292	1,624,055
Transfers in	755,852	—	5,450,000	452,454	—	—	—	6,658,306
Transfers out	(490)	—	—	—	—	—	(24,616)	(25,106)
Total transfers	755,362	—	5,450,000	452,454	—	—	(24,616)	6,633,200
Change In Net Position	2,075,758	48,278	5,864,347	343,057	15,976	(470,837)	380,676	8,257,255
Total Net Position (Deficit) - Beginning	9,329,782	229,238	(122,008)	3,075,158	199,187	2,391,140	2,077,497	17,179,994
Total Net Position (Deficit) - Ending	\$ 11,405,540	\$ 277,516	\$ 5,742,339	\$ 3,418,215	\$ 215,163	\$ 1,920,303	\$ 2,458,173	\$ 25,437,249

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended June 30, 2023**

	Central Vehicle Services	Unemployment Insurance	Insurance Claims And Damages Reserve Fund	I.T. Services	Short-Term Disability Fund	Workers' Compensation Self-Insurance	Central Building Services	Total
Cash Flows From Operating Activities								
Cash received from customers	\$ 4,540,929	\$ 49,921	\$ 1,490,862	\$ 4,212,046	\$ 33,497	\$ 1,423,674	\$ 2,094,780	\$ 13,845,709
Cash paid to suppliers	(340,434)	(3,835)	(1,095,824)	(2,253,299)	—	(606,453)	(1,085,344)	(5,385,189)
Cash paid to employees	(764,647)	—	—	(2,758,623)	(19,161)	—	(476,339)	(4,018,770)
Net cash provided by (used in) operating activities	3,435,848	46,086	395,038	(799,876)	14,336	817,221	533,097	4,441,750
Cash Flows From Noncapital Financing Activities								
Transfers in	755,852	—	5,450,000	452,454	—	—	—	6,658,306
Transfers out	(490)	—	—	—	—	—	(24,616)	(25,106)
Due to other funds	(1,800,000)	—	(200,000)	—	—	—	—	(2,000,000)
Net cash provided by (used in) noncapital financing activities	(1,044,638)	—	5,250,000	452,454	—	—	(24,616)	4,633,200
Cash Flows From Capital And Related Financing Activities								
Principal paid on subscription liability	—	—	—	(232,986)	—	—	—	(232,986)
Interest paid on subscription liability	—	—	—	(3,995)	—	—	—	(3,995)
Additions to capital assets	(2,056,258)	—	—	(745)	—	—	(264,726)	(2,321,729)
Proceeds from sale of capital assets	337,958	—	—	—	—	—	—	337,958
Net cash used in capital and related financing activities	(1,718,300)	—	—	(237,726)	—	—	(264,726)	(2,220,752)
Cash Flows Provided By Investing Activities								
Interest received	29,444	2,199	20,501	43,926	1,797	30,013	14,150	142,030
Net cash provided by (used in) investing activities	29,444	2,199	20,501	43,926	1,797	30,013	14,150	142,030
Net Increase (Decrease) In Cash And Cash Equivalents	702,354	48,285	5,665,539	(541,222)	16,133	847,234	257,905	6,996,228
Cash And Cash Equivalents - Beginning Of Year	154,591	228,758	76,040	3,874,129	199,490	3,626,209	934,713	9,093,930
Cash And Cash Equivalents - End Of Year	\$ 856,945	\$ 277,043	\$ 5,741,579	\$ 3,332,907	\$ 215,623	\$ 4,473,443	\$ 1,192,618	\$ 16,090,158
Operating income (loss)	\$ 955,585	\$ 46,086	\$ 395,038	\$ (145,900)	\$ 14,197	\$ (501,039)	\$ 392,416	\$ 1,156,383
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization	2,529,797	—	—	31,582	—	—	152,698	2,714,077
Changes in assets and liabilities:								
Decrease in accounts receivable	876	—	—	—	—	—	—	876
Increase in inventories	(13,687)	—	—	—	—	—	—	(13,687)
Decrease in prepaid expenses	—	—	—	5,458	—	—	—	5,458
Increase in pension related assets, outflow and inflows	(22,642)	—	—	(115,870)	—	—	(31,995)	(170,507)
Increase (decrease) in accounts payable	(27,243)	—	—	(631,693)	—	1,318,260	4,367	663,691
Increase in salaries and benefits payable	5,235	—	—	15,913	139	—	2,915	24,202
Increase in accrued compensated absences	6,276	—	—	32,583	—	—	10,405	49,264
Increase in other post employment benefits outflow and liability	1,651	—	—	8,051	—	—	2,291	11,993
Total adjustments	2,480,263	—	—	(653,976)	139	1,318,260	140,681	3,285,367
Net cash provided by (used in) operating activities	\$ 3,435,848	\$ 46,086	\$ 395,038	\$ (799,876)	\$ 14,336	\$ 817,221	\$ 533,097	\$ 4,441,750

**Statistical Section
(Unaudited)**

Lee's Summit, Missouri Statistical Section

This part of the City of Lee's Summit's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

Contents

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Financial Trends	86
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	92
These schedules contain information to help the reader assess the government's most significant local revenue sources, sales and property tax.	
Debt Capacity	101
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	105
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	107
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

City of Lee's Summit, Missouri
Net Assets by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 414,531,277	\$ 428,390,412	\$ 444,601,373	\$ 475,492,143	\$ 487,120,128	\$ 502,857,273	\$ 498,495,946	\$ 502,856,009	\$ 525,556,405	\$ 556,076,128
Restricted	85,003,546	85,935,329	83,352,650	72,865,528	97,827,922	84,782,245	103,818,998	109,694,474	122,543,860	147,459,459
Unrestricted	(17,684,391)	(10,048,065)	1,012,936	13,050,613	(11,904,670)	(3,879,459)	9,115,840	21,182,191	40,726,854	44,172,943
Total governmental activities net position	\$ 481,850,432	\$ 504,277,676	\$ 528,966,959	\$ 561,408,284	\$ 573,043,380	\$ 583,760,059	\$ 611,430,784	\$ 633,732,674	\$ 688,827,119	\$ 747,708,530
Business-type activities										
Net investment in capital assets	\$ 220,630,436	\$ 225,267,223	\$ 237,193,092	\$ 257,714,352	\$ 271,846,403	\$ 279,965,082	\$ 289,085,221	\$ 297,175,543	\$ 307,255,270	\$ 318,577,056
Restricted	33,273,761	34,005,871	38,792,349	37,222,417	40,229,441	44,431,811	53,958,190	60,562,748	61,547,128	66,958,293
Unrestricted	1,060,383	5,262,208	2,922,466	5,672,530	8,363,879	13,415,319	9,687,520	8,345,867	13,789,380	20,525,331
Total business-type activities net position	\$ 254,964,580	\$ 264,535,302	\$ 278,907,907	\$ 300,609,299	\$ 320,439,723	\$ 337,812,212	\$ 352,730,931	\$ 366,084,158	\$ 382,591,778	\$ 406,060,680
Primary government										
Net investment in capital assets	\$ 635,161,713	\$ 653,657,635	\$ 681,794,465	\$ 733,206,495	\$ 758,966,531	\$ 782,822,355	\$ 787,581,167	\$ 800,031,552	\$ 832,811,675	\$ 874,653,184
Restricted	118,277,307	119,941,200	122,144,999	110,087,945	138,057,363	129,214,056	157,777,188	170,257,222	184,090,988	214,417,752
Unrestricted	(16,624,008)	(4,785,857)	3,935,402	18,723,143	(3,540,791)	9,535,860	18,803,360	29,528,058	54,516,234	64,698,274
Total primary government net position	\$ 736,815,012	\$ 768,812,978	\$ 807,874,866	\$ 862,017,583	\$ 893,483,103	\$ 921,572,271	\$ 964,161,715	\$ 999,816,832	\$ 1,071,418,897	\$ 1,153,769,210

City of Lee's Summit, Missouri
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Public works and streets	\$ 16,429,506	\$ 14,428,155	\$ 15,206,748	\$ 14,759,666	\$ 22,878,176	\$ 22,500,607	\$ 27,865,543	\$ 29,098,071	\$ 60,749,417	\$ 25,631,200
Public safety	40,972,082	40,950,832	37,568,011	40,634,376	39,613,387	41,548,996	44,656,947	44,521,504	44,847,826	51,633,856
Parks and recreation	7,897,133	8,150,227	8,797,105	9,674,365	9,292,458	10,565,624	12,570,646	14,247,643	24,005,822	14,817,404
Community development	894,521	1,548,183	3,212,299	3,479,519	3,912,862	3,833,363	4,167,521	4,486,466	3,721,212	3,969,146
General government	18,346,278	14,959,896	27,934,309	32,139,295	24,263,116	26,419,866	21,417,465	23,156,137	14,151,128	21,042,072
Interest on long-term debt	3,171,310	2,729,500	2,450,327	2,517,687	5,683,481	2,553,293	2,415,953	2,159,633	1,855,058	1,540,328
Total governmental activities expenses	87,710,830	82,766,793	95,168,799	103,204,908	105,643,480	107,421,749	113,094,075	117,669,454	149,330,463	118,634,006
Business-type activities										
Waterworks and sewerage system	25,871,350	26,385,019	28,211,165	29,061,497	29,115,965	29,269,178	31,492,442	31,804,456	31,019,719	35,865,442
Sanitary landfill	2,873,343	2,744,683	2,611,974	343,754	1,717,642	2,454,125	488,283	901,496	(377,340)	223,706
Airport	2,012,142	1,890,626	2,837,042	1,856,761	2,214,597	2,347,250	2,816,460	3,095,449	4,203,347	4,441,823
Recreation center	1,041,426	1,119,107	1,214,241	1,317,821	1,331,319	1,312,852	1,255,565	993,891	1,315,279	1,430,880
Stormwater utility	—	—	—	—	—	—	—	—	—	182,976
Total business-type activities expenses	31,798,261	32,139,435	34,874,422	32,579,833	34,379,523	35,383,405	36,052,750	36,795,292	36,161,005	42,144,827
Total primary government expenses	119,509,091	114,906,228	130,043,221	135,784,741	140,023,003	142,805,154	149,146,825	154,464,746	185,491,468	160,778,833
Program Revenues										
Governmental activities										
Charges for services										
Public works and streets	600,144	667,442	868,734	886,840	1,135,555	892,742	627,981	702,927	774,492	548,722
Public safety	4,502,832	4,971,094	5,573,365	7,065,941	8,309,713	9,627,006	9,486,885	9,779,563	10,762,831	11,217,949
Parks and recreation	2,825,122	2,961,600	3,029,143	3,057,449	3,019,147	3,474,852	2,801,221	2,632,045	3,609,714	4,062,346
Community development	124,325	138,886	177,298	198,508	183,522	172,213	151,532	184,396	298,232	172,202
General government	1,817,541	2,188,631	2,100,980	2,179,233	2,158,734	2,474,682	3,437,873	3,809,205	3,564,970	3,427,102
Operating grants and contributions	1,169,331	800,689	1,552,368	1,570,982	1,375,031	1,501,881	1,843,985	7,478,806	3,175,474	4,491,469
Capital grants and contributions	3,188,981	4,696,959	13,083,572	24,491,263	5,661,103	6,636,281	9,841,041	5,137,787	62,349,393	20,436,069
Total governmental activities program revenues	14,228,276	16,425,301	26,385,460	39,450,216	21,842,805	24,779,657	28,190,518	29,724,729	84,535,106	44,355,859
Business-type activities										
Charges for services										
Waterworks and sewerage system	33,357,588	33,507,201	37,155,220	38,972,386	40,216,812	40,692,905	41,332,289	45,320,005	48,338,724	52,152,589
Sanitary landfill	2,942,970	3,049,357	3,289,579	716,764	550,830	37,875	50,831	84,950	—	2,854
Airport	1,403,945	1,320,935	4,336,197	7,871,625	1,436,672	1,713,630	2,234,306	2,442,846	3,081,736	3,155,805
Recreation center	1,046,554	1,127,448	1,232,906	1,287,043	1,320,902	1,314,966	1,094,360	1,123,098	1,430,000	1,472,117
Stormwater Utility	—	—	—	—	—	—	—	—	—	—
Capital grants and contributions	4,345,037	2,013,286	4,017,045	5,644,782	8,077,310	5,992,484	3,015,568	899,844	1,602,693	5,854,788
Total business type activities program revenues	43,096,094	41,018,227	50,030,947	54,492,600	51,602,526	49,751,860	47,727,354	49,870,743	54,453,153	62,638,153
Total primary government revenues	57,324,370	57,443,528	76,416,407	93,942,816	73,445,331	74,531,517	75,917,872	79,595,472	138,988,259	106,994,012

City of Lee's Summit, Missouri
Changes in Net Assets (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expense) Revenue										
Governmental activities	\$ (71,258,069)	\$ (66,341,492)	\$ (68,783,339)	\$ (63,754,692)	\$ (83,800,675)	\$ (82,642,092)	\$ (84,903,557)	\$ (87,944,725)	\$ (64,795,357)	\$ (74,278,147)
Business-type activities	4,075,210	8,878,792	15,156,525	21,912,767	17,223,003	14,368,455	11,674,604	13,075,451	18,292,148	20,493,326
Total primary government net expense	(67,182,859)	(57,462,700)	(53,626,814)	(41,841,925)	(66,577,672)	(68,273,637)	(73,228,953)	(74,869,274)	(46,503,209)	(53,784,821)
General Revenues And Other Changes In Net Position										
Governmental activities										
General revenues										
Property taxes	33,714,179	33,891,923	35,178,239	36,718,136	38,051,491	39,795,245	44,081,988	40,105,074	43,849,742	46,037,898
Sales and use taxes	32,220,496	33,898,956	36,576,616	37,662,496	39,369,885	40,993,104	40,862,633	47,581,865	56,917,649	64,588,767
Franchise fees	14,083,783	13,870,764	13,068,478	12,941,800	13,425,421	12,525,332	12,437,756	11,927,603	12,658,932	13,939,239
License taxes	600,233	827,620	647,812	1,436,321	1,087,048	922,389	1,574,018	1,372,152	1,423,594	1,526,424
Motor vehicle taxes	3,397,313	3,514,204	3,616,455	3,663,028	3,704,598	3,653,245	3,787,738	3,900,524	4,039,392	4,933,026
Investment income (loss)	314,089	423,184	1,005,443	417,669	778,964	3,255,225	3,487,316	352,534	(3,307,292)	2,053,154
Other revenue	2,853,000	2,710,908	2,095,470	2,728,628	3,125,423	3,335,497	7,351,467	4,123,873	4,277,593	2,051,293
Transfers	440,422	843,076	1,284,109	627,939	(2,603,322)	(948,296)	(1,008,634)	882,990	30,192	(1,970,243)
Total governmental activities	87,623,515	89,980,635	93,472,622	96,196,017	96,939,508	103,531,741	112,574,282	110,246,615	119,889,802	133,159,558
Business-type activities										
General revenues										
Investment income (loss)	183,324	323,107	449,089	42,972	114,217	1,900,811	2,235,481	204,272	(1,754,336)	1,005,033
Other revenue	—	—	51,100	373,592	—	—	—	956,494	—	—
Transfers	(440,422)	(843,076)	(1,284,109)	(627,939)	2,603,322	948,296	1,008,634	(882,990)	(30,192)	1,970,243
Total business-type activities	(257,098)	(519,969)	(783,920)	(211,375)	2,717,539	2,849,107	3,244,115	277,776	(1,784,528)	2,975,276
Total primary government	87,366,417	89,460,666	92,688,702	95,984,642	99,657,047	106,381,848	115,818,397	110,524,391	118,105,274	136,134,834
Change In Net Position										
Governmental activities	14,777,900	23,639,143	24,689,283	32,441,325	13,138,833	20,890,649	27,670,725	22,301,890	55,094,445	58,881,411
Business-type activities	3,194,272	8,358,823	14,372,605	21,701,392	19,940,542	17,217,562	14,918,719	13,353,227	16,507,620	23,468,602
Total city	\$ 17,972,172	\$ 31,997,966	\$ 39,061,888	\$ 54,142,717	\$ 33,079,375	\$ 38,108,211	\$ 42,589,444	\$ 35,655,117	\$ 71,602,065	\$ 82,350,013

City of Lee's Summit, Missouri
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Nonspendable	\$ 1,926,540	\$ 3,451,583	\$ 4,837,886	\$ 5,167,826	\$ 2,082,174	\$ 2,276,442	\$ 1,258,816	\$ 2,918,562	\$ 2,810,257	\$ 334,816
Restricted	—	—	—	—	—	—	15,208	922,451	306,232	16,163
Unassigned	15,393,241	16,740,463	20,601,442	21,591,323	26,299,152	30,549,334	29,961,111	30,190,610	45,168,109	44,538,976
Total general fund	\$ 17,319,781	\$ 20,192,046	\$ 25,439,328	\$ 26,759,149	\$ 28,381,326	\$ 32,825,776	\$ 31,235,135	\$ 34,031,623	\$ 48,284,598	\$ 44,889,955
All other governmental funds										
Restricted/committed/										
Assigned										
Debt service	\$ 9,147,092	\$ 9,049,545	\$ 8,172,352	\$ 9,636,552	\$ 8,309,464	\$ 8,077,926	\$ 10,882,467	\$ 13,293,335	\$ 12,601,142	\$ 15,368,943
Special revenue funds	8,810,480	9,582,955	10,849,941	11,773,451	12,433,803	12,475,511	12,695,692	13,263,487	14,122,771	17,282,760
Capital project funds	51,186,715	51,334,081	54,011,582	45,008,726	71,500,583	54,443,139	65,309,516	70,160,872	71,856,861	80,815,630
Nonspendable										
Capital project funds	—	—	—	—	—	5,152,285	—	—	—	—
Unassigned										
Special revenue funds	259,998	(22,441)	(6,468)	(114,872)	(153,170)	(54,473)	(75,597)	(103,292)	(89,401)	(41,036)
Capital project funds	(2,252,156)	(11,165,894)	(9,747,785)	(10,110,614)	(9,003,580)	(13,447,841)	(16,357,668)	(9,664,663)	(6,345,973)	(5,375,337)
Total all other governmental funds	\$ 67,152,129	\$ 58,778,246	\$ 63,279,622	\$ 56,193,243	\$ 83,087,100	\$ 66,646,547	\$ 72,454,410	\$ 86,949,739	\$ 92,145,400	\$ 108,050,960

City of Lee's Summit, Missouri
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes:										
Property	\$ 33,631,009	\$ 34,018,964	\$ 34,946,488	\$ 36,720,460	\$ 37,830,276	\$ 39,946,807	\$ 42,461,339	\$ 42,880,166	\$ 43,769,882	\$ 45,843,570
Sales	31,506,326	33,131,893	35,786,096	36,867,671	38,493,358	40,115,398	39,994,209	46,532,509	55,911,917	63,657,402
Franchise	14,083,783	13,870,764	13,068,478	12,941,800	13,425,421	12,525,332	12,437,756	11,927,603	12,658,932	13,939,239
License	593,724	830,167	650,360	1,441,417	1,087,048	891,393	1,581,768	1,379,901	1,431,343	923,311
Bed	342,603	401,460	440,886	443,399	533,037	570,499	440,202	427,983	615,918	642,456
Motor vehicle	3,397,313	3,514,204	3,616,455	3,663,028	3,704,598	3,653,245	3,787,738	3,900,524	4,039,392	4,933,026
Other tax	371,567	365,603	349,634	351,426	343,490	307,207	428,222	621,373	389,814	288,909
Fines and forfeitures	6,683,000	1,661,671	1,584,692	1,380,397	1,279,938	1,260,119	864,528	853,565	955,799	1,132,057
Licenses and permits	1,898,261	2,226,752	2,546,789	2,691,658	2,762,581	2,605,209	3,652,593	4,044,547	4,213,867	3,285,490
Intergovernmental	1,429,137	1,893,124	5,318,300	7,329,575	2,094,361	2,139,338	2,513,520	8,332,748	3,175,474	4,491,469
Charges for services	1,757,827	7,039,230	7,618,039	9,315,916	10,764,152	12,776,167	11,988,371	12,210,024	13,840,573	15,010,774
Interest	276,277	374,618	886,902	374,176	710,234	2,893,944	3,140,342	313,810	(3,087,512)	1,937,326
Other	2,548,479	2,494,438	2,354,766	2,463,264	2,905,917	5,319,340	4,074,882	3,621,393	3,953,543	1,695,579
Total Revenues	98,519,306	101,822,888	109,167,885	115,984,187	115,934,411	125,003,998	127,365,470	137,046,146	141,868,942	157,780,608
Expenditures										
Current										
General government	11,728,975	12,191,505	12,672,598	15,262,654	16,170,372	17,843,986	21,112,251	20,330,317	16,933,080	22,430,156
Public safety	34,361,768	10,115,557	34,588,767	37,477,223	38,387,142	39,843,145	42,898,157	40,837,726	43,938,267	50,221,294
Public works and streets	10,761,292	35,133,894	9,352,070	10,192,055	10,178,521	10,434,096	11,387,972	10,700,748	11,302,014	12,703,676
Community development	894,521	1,548,183	3,212,299	3,479,519	3,912,862	3,833,363	4,185,427	4,285,628	4,296,158	4,314,484
Parks and recreation	5,880,029	6,590,327	6,027,253	6,589,288	6,417,411	7,120,852	6,910,959	7,541,314	7,250,390	8,806,996
Debt service										
Principal retirements	8,745,000	17,787,500	10,357,000	11,321,500	11,448,656	10,127,000	9,506,000	10,560,000	12,177,730	11,398,934
Interest and fiscal charges	3,506,820	3,180,934	3,005,042	2,997,278	4,319,403	3,267,380	3,003,144	2,821,132	2,485,275	2,148,415
Capital outlay										
General government	12,947	17,021	12,164,120	15,060,543	7,127,032	11,248,464	2,002,628	1,518,576	26,607,554	33,158,153
Public works and streets	26,655,680	31,726,375	22,196,327	19,010,345	10,150,347	8,670,423	23,013,284	18,475,395	—	—
Public safety	7,085,710	102,545	322,249	—	4,746,075	3,969,268	2,704,735	1,682,172	—	—
Parks and recreation	1,883,720	1,285,671	1,117,965	488,888	4,602,811	6,859,542	7,922,432	6,597,730	—	—
Total Expenditures	111,516,462	119,679,512	115,015,690	121,879,293	117,460,632	123,217,519	134,646,989	125,350,738	124,990,468	145,182,108

City of Lee's Summit, Missouri
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Deficiency Of Revenues										
Over Expenditures	\$ (12,997,156)	\$ (17,856,624)	\$ (5,847,805)	\$ (5,895,106)	\$ (1,526,221)	\$ 1,786,479	\$ (7,281,519)	\$ 11,695,408	\$ 16,878,474	\$ 12,598,500
Other Financing Sources (Uses)										
Proceeds from bonds	6,840,000	11,402,500	14,075,000	—	48,025,000	3,658,000	9,055,000	5,000,000	15,000,000	5,420,000
Proceeds from sale of assets	—	—	—	—	—	—	3,108,027	167,000	32,038	—
Premium on issuance of bonds	654,643	308,185	551,757	—	803,598	—	—	—	—	—
Discount on issuance of bonds	—	—	—	—	(265,375)	—	—	—	—	—
Payment to escrow for refunding	—	—	—	—	(14,227,844)	—	—	—	(14,805,000)	—
Issuance of leases (as lessee)	—	—	—	—	—	—	—	—	—	554,010
Transfers in	3,674,877	2,348,128	4,941,508	1,527,606	5,492,557	6,068,122	9,335,791	8,341,207	8,437,152	9,151,041
Transfers out	(3,333,133)	(1,703,807)	(3,971,802)	(1,399,058)	(9,785,681)	(8,231,882)	(10,000,077)	(7,911,798)	(6,094,028)	(17,754,484)
Total Other Financing Sources	7,836,387	12,355,006	15,596,463	128,548	30,042,255	1,494,240	11,498,741	5,596,409	2,570,162	(2,629,433)
Net change in fund balances	\$ (5,160,769)	\$ (5,501,618)	\$ 9,748,658	\$ (5,766,558)	\$ 28,516,034	\$ 3,280,719	\$ 4,217,222	\$ 17,291,817	\$ 19,448,636	\$ 9,969,067
Debt service as a percentage of noncapital expenditures	14.50%	22.60%	15.00%	14.80%	15.87%	13.10%	11.46%	12.36%	13.76%	10.99%

City of Lee's Summit, Missouri
Program Revenues by Function/Program
Last Ten Fiscal Years
(modified accrual basis of accounting)

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Public works	\$ 3,789,125	\$ 5,289,401	\$ 13,732,317	\$ 25,378,103	\$ 6,796,658	\$ 7,529,023	\$ 10,469,022	\$ 5,840,714	\$ 62,734,974	\$ 22,161,133
Public safety	5,294,681	5,414,371	6,565,119	8,229,622	9,201,215	10,784,119	10,788,662	10,885,150	12,457,078	13,493,992
Parks and recreation	2,825,937	3,036,600	3,249,143	3,057,449	3,019,147	3,474,852	2,801,221	2,632,045	5,435,108	4,062,346
Planning and development	124,325	138,961	177,298	198,508	183,522	172,213	151,532	184,396	298,232	172,202
General government	2,194,208	2,545,968	2,661,583	2,586,534	2,642,263	2,819,450	3,980,081	10,182,424	3,609,714	4,466,186
Subtotal governmental activities	14,228,276	16,425,301	26,385,460	39,450,216	21,842,805	24,779,657	28,190,518	29,724,729	84,535,106	44,355,859
Business-type activities										
Waterworks and sewerage system	34,172,355	34,802,086	38,757,768	40,608,722	42,666,420	42,457,608	44,211,577	45,604,428	49,857,708	57,574,268
Sanitary landfill	2,942,970	3,049,357	3,289,579	716,764	550,830	37,875	50,831	84,950	—	2,854
Airport	4,934,215	2,039,336	6,750,694	11,880,071	7,064,374	5,941,411	2,366,956	3,058,267	3,165,445	3,881,289
Recreation center	1,046,554	1,127,448	1,232,906	1,287,043	1,320,902	1,314,966	1,097,990	1,123,098	1,430,000	1,472,117
Stormwater Utility	—	—	—	—	—	—	—	—	—	—
Subtotal business-type activities	43,096,094	41,018,227	50,030,947	54,492,600	51,602,526	49,751,860	47,727,354	49,870,743	54,453,153	62,930,528
Total primary government	\$ 57,324,370	\$ 57,443,528	\$ 76,416,407	\$ 93,942,816	\$ 73,445,331	\$ 74,531,517	\$ 75,917,872	\$ 79,595,472	\$ 138,988,259	\$ 107,286,387

City of Lee's Summit, Missouri
All Governmental Funds Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis Of Accounting)

Fiscal Year	Property Taxes	Sales And Use Taxes	Motor Vehicle Taxes	Franchise Fees	Other Taxes	Licenses, Permits, Fines And Forfeitures	Revenues From Use Of Money And Property	Other Revenue	Total Revenues
2014	\$ 33,631,009	\$ 31,506,326	\$ 3,397,313	\$ 14,083,783	\$ 1,307,894	\$ 3,186,964	\$ 276,277	\$ 11,129,740	\$ 98,519,306
2015	34,018,964	33,131,893	3,514,204	13,870,764	1,597,230	3,888,423	374,618	11,426,792	101,822,888
2016	34,946,488	35,786,096	3,616,455	13,068,478	1,440,880	4,131,481	886,902	15,291,105	109,167,885
2017	36,720,460	36,867,671	3,663,028	12,941,800	2,236,242	4,072,055	374,176	19,108,755	115,984,187
2018	37,830,276	38,493,358	3,704,598	13,425,421	1,963,575	4,042,519	710,234	15,764,430	115,934,411
2019	39,946,807	40,115,398	3,653,245	12,525,332	1,769,099	3,865,328	2,893,944	17,218,042	121,987,195
2020	42,461,339	39,994,209	3,787,738	12,437,756	2,450,192	4,517,121	3,140,342	18,576,773	127,365,470
2021	42,880,166	46,532,509	3,900,524	11,927,603	2,429,257	4,898,112	313,810	24,164,165	137,046,146
2022	43,769,882	55,911,917	4,039,392	12,658,932	2,437,075	5,169,666	(3,087,512)	20,969,590	141,868,942
2023	45,843,570	63,657,402	4,933,026	13,939,239	1,854,676	4,417,547	1,919,445	21,215,703	157,780,608

Note:

As set out in Section 32.057 of the Missouri Revised State Statutes, it is a violation to make known in any manner the tax returns or departmental records derived from the Missouri Department of Revenue, including sales taxes, franchise fees, and other tax sources. Due to the confidentiality of earnings information, the above alternative information is provided to assist the users in understanding these revenue sources, including sales taxes, the City's largest own-source revenue.

City of Lee's Summit, Missouri
Sales Tax Revenue
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
City Sales Tax Revenue											
General Fund	\$ 13,584,137	\$ 14,145,869	\$ 15,116,747	\$ 15,582,207	\$ 16,402,093	\$ 17,328,879	\$ 17,344,063	\$ 20,160,221	\$ 24,255,663	\$ 25,214,642	
Road & Bridge Improvement Fund (Transportation)	6,358,517	6,677,898	7,121,477	7,391,179	7,848,034	7,869,314	8,110,897	9,611,124	11,535,714	12,108,475	
Capital Improvements Sales Tax Fund	6,790,655	7,071,794	7,557,410	7,790,055	8,199,738	8,657,073	8,648,544	10,074,191	12,122,313	12,718,607	
Debt Service (Local Parks)	3,179,966	3,326,917	3,560,042	3,694,833	3,923,403	3,939,055	4,053,856	4,809,318	5,765,121	6,050,736	
Public Safety Tax Tax Fund	—	—	—	—	—	—	—	—	—	5,349,510	
TDD & CID Funds (consolidated)	1,593,051	1,909,415	2,430,420	2,409,397	2,120,090	2,321,074	1,836,849	1,877,655	2,233,106	2,215,432	
Total	\$ 31,506,326	\$ 33,131,893	\$ 35,786,096	\$ 36,867,671	\$ 38,493,358	\$ 40,115,395	\$ 39,994,209	\$ 46,532,509	\$ 55,911,917	\$ 63,657,402	

City of Lee's Summit, Missouri
Total City Taxable Sales by Category
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2019	2020	2021	2022	2023
Sales By Retail Category:					
Clothing Department Store/Jewelry	\$ 265,618	\$ 269,811	\$ 300,862	\$ 342,903	\$ 350,262
Grocery Stores	212,535	228,805	235,065	251,767	271,378
Home Centers/Home Repair	146,386	154,472	173,881	185,746	193,880
Full Service Restaurants	109,599	91,045	99,226	152,832	153,420
Limited Service Restaurants	107,767	115,611	119,318	97,044	103,871
Utilities/Telecom/Cable	73,640	91,197	173,546	193,095	197,654
Other Retail General Merchandise	92,054	73,000	91,545	89,620	98,761
Gas Stations with Convenience Stores	40,135	43,411	48,298	46,918	53,508
New/Used Car Dealers	22,337	22,967	23,093	31,654	34,359
All Other Outlets	708,532	670,715	643,171	674,139	744,739
Total	\$ 1,778,603	\$ 1,761,034	\$ 1,908,005	\$ 2,065,718	\$ 2,201,833

Note: Amounts are in thousands of dollars

Source: Missouri Department of Revenue

Ten years of data is not available, but will be accumulated over time.

City of Lee's Summit, Missouri
Sales Tax Rates
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Direct Sales Tax Rate City of Lee's Summit										
General Fund	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%
Capital Projects	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
Transportation	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
Public Safety Sales Tax	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.500%
Local Parks	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%
Total Direct Sales Tax Rate City of Lee's Summit	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%	2.750%
Transportation Development District/Community Improvement District	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%
Total Direct Sales Tax Rate	3.250%	3.250%	3.250%	3.250%	3.250%	3.250%	3.250%	3.250%	3.250%	3.750%
Direct Use Tax Rate City of Lee's Summit										
General Fund	—	—	—	—	—	—	—	1.000%	1.000%	1.000%
Capital Projects	—	—	—	—	—	—	—	0.500%	0.500%	0.500%
Transportation	—	—	—	—	—	—	—	0.500%	0.500%	0.500%
Public Safety Sales Tax	—	—	—	—	—	—	—	0.000%	0.000%	0.500%
Local Parks	—	—	—	—	—	—	—	0.250%	0.250%	0.250%
Direct Use Tax Rate City of Lee's Summit	—	—	—	—	—	—	—	2.250%	2.250%	2.750%
Transportation Development District/Community Improvement District	—	—	—	—	—	—	—	1.000%	1.000%	1.000%
Total Indirect Use Tax Rate	—	—	—	—	—	—	—	3.250%	3.250%	3.750%
Total Local Option Sales Tax Rates										
State of Missouri	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%	4.000%
Mo. State Conservation	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%
Mo. State Parks and Soils	0.100%	0.100%	0.100%	0.100%	0.100%	0.100%	0.100%	0.100%	0.100%	0.100%
Jackson County	1.125%	1.125%	1.125%	1.125%	1.125%	1.125%	1.125%	1.125%	1.125%	1.125%
Jackson County-Community Children's Services	—	—	—	0.125%	0.125%	0.125%	0.125%	0.125%	0.125%	0.250%
Kansas City Zoo	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.125%	0.125%	0.125%	0.125%
City of Lee's Summit	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%	2.750%
Transportation Development District/Community Improvement District	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%
Total Direct And Overlapping Sales Tax Rate	8.600%	8.600%	8.600%	8.725%	8.725%	8.725%	8.850%	8.850%	8.850%	9.475%

Note: The 1% rate shown for Transportation Development Districts and Community Improvement Districts applies to most but not all sales or use tax collections. In some cases, those special taxing districts can overlap resulting in rates as much as 1% above the sales or use tax rates shown herein.

Note: The City began collecting Use Tax in October 2020

Source: Missouri Department of Revenue

City of Lee's Summit, Missouri
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property				Other Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Market Value	Assessed Value As A Percentage Of Actual Value
	Residential Property	Agricultural Property	Commercial Property	Total	Personal Property	Railroads And Utilities				
2014	\$ 1,108,746,200	\$ 1,451,583	\$ 230,459,773	\$ 1,340,657,556	\$ 313,377,047	\$ 38,140,767	\$ 1,692,175,370	1.5540	\$ 7,636,606,943	22.16%
2015	1,124,495,638	1,423,206	231,295,077	1,357,213,921	288,455,371	40,474,902	1,686,144,194	1.5700	7,653,646,514	22.03%
2016	1,201,757,935	1,310,788	245,083,004	1,448,151,727	299,295,035	44,890,274	1,792,337,036	1.5363	8,149,086,142	21.99%
2017	1,220,068,318	1,223,048	254,082,649	1,475,374,015	328,954,444	46,341,994	1,850,670,453	1.5398	8,367,262,925	22.12%
2018	1,299,320,319	1,408,220	282,055,171	1,582,783,710	336,349,873	44,137,496	1,963,271,079	1.5154	9,164,875,610	21.42%
2019	1,333,377,533	1,292,357	295,256,200	1,629,926,090	355,630,630	47,148,477	2,032,705,197	1.5154	9,176,229,323	22.15%
2020	1,548,282,850	1,288,480	414,822,927	1,964,394,257	373,685,998	40,393,173	2,378,473,428	1.3936	10,714,526,563	22.20%
2021	1,679,826,721	1,250,535	381,077,275	2,062,154,531	421,797,616	43,717,890	2,527,670,037	1.4563	11,457,273,878	22.06%
2022	1,728,695,995	1,267,249	392,783,235	2,122,746,479	522,444,106	47,862,842	2,693,053,427	1.4199	12,069,143,330	22.31%
2023	2,257,270,436	1,461,087	504,817,319	2,763,548,842	488,727,440	50,327,033	3,302,603,315	1.2529	15,108,364,783	21.86%

Source: Jackson County and Cass County

Note: The Cass County Assessor's Office does not break out the real property into residential, agricultural and commercial. Thus all real property associated with Cass County is shown as residential.

Note: Assessed value is set at 19% for residential property; 12% for agricultural property; and 32% for commercial property of the estimated market value.

Note: Assessed value does not include Abatement and/or TIF (Tax Increment Financing) values.

**City of Lee's Summit, Missouri
Principal Property Taxpayers,
Current Year and Nine Years Ago**

	2023			2014		
	Taxable Assessed Value	Rank	% Of Total City Net Assessed Value	Taxable Assessed Value	Rank	% Of Total City Net Assessed Value
Evergy West	\$ 42,927,311	1	1.64%	29,087,486	1	1.72%
Sprint	19,124,670	2	0.73%	18,400,816	2	1.09%
Rainier Summit Woods Acquisitions	15,761,600	3	0.60%			
Google Fiber Missouri	11,020,330	4	0.42%			
John Knox Village	9,092,020	5	0.35%	6,888,373	4	0.41%
Southern Union Gas dba MO Gas Energy	8,818,240	6	0.34%	4,838,731	6	0.29%
Wal-Mart	8,668,906	7	0.33%	3,708,503	10	0.22%
JVM Summit Ridge Apartments	7,652,205	8	0.29%			
Summit DC Real Estate Holdings	7,366,080	9	0.28%			
Fairways at Lakewood Gardens, LLC	5,912,306	10	0.23%			
Summit Woods SPE LLC				13,173,632	3	
Cerner				5,195,879	5	0.31%
Toys R Us				4,649,392	7	0.27%
AMLIWS Summit Ridege LLC				4,104,196	8	0.24%
Missouri Gas Engery				3,992,605	9	0.24%
Total	\$ 136,343,668		5.21%	\$ 94,039,613		5.57%

Source: Jackson County Tax Department

NOTE: Providing most recent data available

City of Lee's Summit, Missouri
Direct and Overlapping Property Tax Rates
(Rate Per \$100 Of Assessed Value)
Last Ten Fiscal Years

Fiscal Year	City Of Lee's Summit				Overlapping Rates (See Notes)				Total Direct And Overlapping Tax Rate
	General Fund	Park Board	Debt Service	Total Direct	Lee's Summit R-7 School District	Jackson County	State	Other	
2014	0.9213	0.1630	0.4697	1.5540	6.0627	0.5298	0.0300	0.7535	8.9300
2015	0.9349	0.1654	0.4697	1.5700	6.1192	0.5141	0.0300	0.7550	8.9883
2016	0.9063	0.1603	0.4697	1.5363	5.9813	0.4956	0.0300	0.7425	8.7857
2017	0.9093	0.1608	0.4697	1.5398	5.9957	0.5025	0.0300	0.7431	8.8111
2018	0.8886	0.1571	0.4697	1.5154	5.8777	0.4849	0.0300	0.8133	8.7213
2019	0.8886	0.1571	0.4697	1.5154	5.8811	0.7013	0.0300	0.8159	8.9437
2020	0.7851	0.1388	0.4697	1.3936	5.3280	0.6110	0.0300	0.7308	8.0934
2021	0.8384	0.1482	0.4697	1.4563	5.4705	0.6110	0.0300	0.7529	8.3207
2022	0.9119	0.1383	0.3697	1.4199	5.4837	0.5824	0.0300	0.7236	8.2396
2023	0.7669	0.1163	0.3697	1.2529	5.3089	0.5920	0.0300	0.7217	7.9055

Note (1): Five other school districts are in the City of Lee's Summit. Tax rates in these districts are:

Blue Springs	5.7286
Independence	5.4371
Hickman Mills	6.8667
Grandview	5.9559
Raymore-Peculiar	5.0302

Note (2): Cass County is located in the southern portion of the city (approximately 2 square miles). The Cass County tax rate is \$0.1789 in FY 2022

Note (3): Other breakdown for current year:

Junior College	0.2028
Mental Health	0.1113
Handicap Workshop	0.0836
Library	0.3240
	<u>0.7217</u>

Note (4): Commercial real property is also assessed an additional "replacement tax" of \$1.437 per \$100 assessed value.

**City of Lee's Summit, Missouri
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy For Fiscal Year	Collected Within The Fiscal Year Of The Levy		Collections In Subsequent Years	Total Collections To Date	
		Amount	Percentage Of Levy		Amount	Percentage Of Levy
2014	\$ 25,707,026	\$ 24,968,147	97.1%	\$ 663,196	\$ 25,631,343	99.7%
2015	25,852,261	25,249,083	97.7%	525,513	25,774,596	99.7%
2016	26,744,543	25,996,349	97.2%	673,345	26,669,694	99.7%
2017	27,771,086	27,099,938	97.6%	588,186	27,688,124	99.7%
2018	29,004,228	28,190,476	97.2%	725,830	28,916,306	99.7%
2019	30,194,612	29,461,669	97.6%	637,317	30,098,986	99.7%
2020	32,217,465	30,022,692	93.2%	1,999,102	31,999,246	93.2%
2021	33,321,058	32,668,289	98.0%	536,588	33,204,877	98.0%
2022	35,899,847	35,195,688	98.0%	421,779	35,195,688	98.0%
2023	37,549,117	36,662,249	97.6%		36,662,249	97.6%

Source: Jackson and Cass County

Note: Collections may exceed the levy due to adjustments made by the county subsequent to the initial levy.

City of Lee's Summit, Missouri
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Population	Per Capita
	General Obligation Bonds	Certificates Of Participation	Lease Financing Debt	TIF Bonds	Certificates Of Participation	Revenue Bonds				
2014	\$ 48,242,310	\$ 8,945,991	\$ —	\$ 19,238,377	\$ —	\$ 6,420,237	\$ 82,846,915	93,092	890	
2015	45,825,462	—	6,410,000	17,701,953	—	5,504,489	75,441,904	93,888	804	
2016	52,160,284	—	4,913,000	16,615,529	—	4,568,741	78,257,554	95,430	820	
2017	45,033,231	—	2,511,500	14,299,105	—	3,607,993	65,451,829	95,973	682	
2018	53,372,025	—	—	31,251,459	—	2,622,245	87,245,729	97,135	898	
2019	48,053,925	—	—	29,569,774	—	1,606,497	79,230,196	98,469	805	
2020	49,589,963	—	—	27,083,461	—	575,750	77,249,174	99,618	775	
2021	45,244,067	—	—	25,392,148	—	—	70,636,215	101,108	699	
2022	34,909,371	—	155,162	23,410,835	—	—	58,475,368	104,638	559	
2023	30,479,863	—	866,673	21,458,322	—	—	52,804,858	105,977	498	

City of Lee's Summit, Missouri
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year		General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Net General Bonded Debt Outstanding	Percentage Of Actual Taxable Value ^a Of Property	Per Capita ^b
2014	\$	48,242,310	\$ 7,007,192	\$ 41,235,118	2.44%	443
2015		45,825,462	7,345,112	38,480,350	2.28%	410
2016		52,160,284	6,442,226	45,718,058	2.55%	479
2017		45,033,231	6,911,888	38,121,343	2.06%	397
2018		53,372,025	8,083,046	45,288,979	2.23%	466
2019		48,053,925	7,691,454	40,362,471	1.99%	410
2020		49,589,963	10,362,742	39,227,221	1.65%	394
2021		45,244,067	11,355,165	33,888,902	1.34%	335
2022		34,909,371	9,825,120	25,084,251	0.93%	240
2023		30,479,863	9,617,055	20,862,808	0.63%	197

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

a Taxable Assessed Values provided by Cass and Jackson County Assessors' Offices.

b Population figures provided by Lee's Summit Planning and Development Department.

City of Lee's Summit, Missouri
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share Of Overlapping Debt
Debt repaid with property taxes			
Lee's Summit R-7 School District	\$ 250,115,068	82.88%	\$ 207,295,368
Blue Springs R-4 School District	231,621,285	20.17%	46,718,013
Raymore-Peculiar School District	88,923,348	8.00%	7,113,868
Grandview School District	46,414,500	0.41%	190,299
Hickman Mills School District	69,876,435	0.12%	<u>83,852</u>
Subtotal, overlapping debt			261,401,401
City Direct Debt			<u>52,804,858</u>
Total direct and overlapping debt			<u><u>\$ 314,206,259</u></u>

Note: (1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the City's boundaries and dividing it by each unit's total taxable value.

**City of Lee's Summit, Missouri
Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Legal debt limit (1)	\$ 331,688,357	\$ 329,896,834	\$ 358,467,408	\$ 361,635,661	\$ 384,675,374	\$ 398,196,908	\$ 467,616,828	\$ 456,120,575	\$ 496,792,720	\$ 529,039,831
Total net debt applicable to limit	59,225,808	52,677,888	45,840,774	53,301,112	45,634,954	44,594,440	47,446,441	37,544,834	29,164,880	20,002,945
Legal debt margin	\$ 272,462,549	\$ 277,218,946	\$ 312,626,634	\$ 308,334,549	\$ 339,040,420	\$ 353,602,468	\$ 420,170,387	\$ 418,575,741	\$ 467,627,840	\$ 509,036,886
Total net debt applicable to the limit as a percentage of debt limit	17.86	15.97	12.79	14.74	11.86	11.20	0.10	0.08	0.06	0.04

Note: (1) Under the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation. State statutes also provide that the City may become indebted not exceeding the aggregate an additional 10% for the purpose of acquiring rights-of-way, construction, extending and improving streets and avenues and/or sanitary or storm systems and purchasing or constructing waterworks, electric or other light plants, provide that the total general obligation indebtedness of the City does not exceed 20% of the assessed valuations.

City of Lee's Summit, Missouri
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population	Median Household Income	(1)	Per Capita Personal Income	(1)	Median Age	(1)	Education Level			School Enrollment	Unemployment Rate	
								High School Graduate Percentage	Some College Or Associate's Degree or Higher Percentage	Bachelor's Degree Or Higher Percentage			
2014	93,092										17,615	4.70%	
2015	93,888										17,610	4.20%	
2016	95,430										17,747	3.50%	
2017	95,973										17,927	2.80%	
2018	97,135										18,157	2.70%	
2019	98,469										17,937	2.50%	
2020	99,618										17,805	2.46%	
2021	101,108	\$ 89,969		\$ 45,542		38.3		18.4%		30.4%	48.0%	17,805	5.20%
2022	104,638	\$ 98,960		\$ 44,947		38.4		18.2%		30.9%	48.5%	17,901	2.60%
2023	105,977	\$ 98,960		\$ 44,947		38.8		22.0%		25.9%	48.7%	17,810	2.40%

Source: U.S. Census Bureau, U.S. Bureau of Labor Statistics, City of Lee's Summit Planning Department and Lee's Summit R-7 School District

(1) City specific Data for off census year is not readily available

b Personal income has been estimated based upon the municipal population and per capita personal income presented

**City of Lee's Summit, Missouri
Principal Employers
Current Year and Nine Years Ago**

Employer	2023			2014		
	Employees	Rank	Percentage Of Total City Employment	Employees	Rank	Percentage Of Total City Employment
Lee's Summit R-7 School	2,886	1	4.62%	2,199	1	4.35%
Homeland Security - USCIS	2,200	2	3.52%			
National Benefits Center	1,500	3	2.40%	1,325	3	2.62%
GEHA Holdings Inc	1,313	4	2.10%			
University Health Lakewood Medical Center	1,206	5	1.93%	1,374	2	2.72%
John Knox Village	1,000	6	1.60%	875	5	1.73%
Saint Luke's Health Systems	780	7	1.25%	941	4	1.86%
Rediscover	708	8	1.13%			
City of Lee's Summit	660	9	1.06%	645	6	1.28%
Viracor-Eurofins	594	10	0.95%			
AT&T				619	7	1.22%
National Records Center				550	8	1.09%
Unity Practical School of Christianity				400	9	0.79%
Calmar				397	10	0.79%
	12,847		20.55%	9,325		18.45%

Source: Lee's Summit Economic Development Council: *Workforce, Major Employers*

City of Lee's Summit, Missouri
Full-time Equivalent City Employees by Function
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Administration	27.00	26.31	27.39	26.99	27.98	30.29	30.43	29.75	28.75	30.13
Public Works-Engineering	38.70	38.90	33.80	41.10	42.25	42.25	42.00	42.00	46.00	46.00
Police	204.00	204.00	202.00	202.00	205.50	206.50	207.50	207.50	212.50	224.50
Fire	146.00	144.00	144.00	153.00	154.00	154.00	155.00	155.00	164.67	192.00
Finance	21.00	21.00	22.00	22.00	22.00	22.00	22.00	22.00	23.00	25.00
Planning and development	9.90	8.37	9.70	4.01	4.00	4.00	4.00	-	-	
Court	11.50	12.50	11.29	11.87	11.38	11.96	10.90	10.90	10.90	11.15
Codes administration	16.00	13.35	—	—	—	—	—	-		
Law	10.50	11.50	10.25	10.50	10.51	10.50	10.88	10.88	11.63	12.63
Public Works-Operations	46.70	41.34	38.00	34.20	33.80	33.80	33.80	33.75	33.75	35.12
Development Center	—	7.47	27.68	33.86	36.68	36.68	37.42	40.40	42.40	44.40
Parks and recreation										
Community center	39.26	37.16	37.32	36.99	37.18	37.95	39.00	36.93	29.71	32.92
Parks and recreation	26.15	26.16	26.06	26.23	26.30	25.83	25.93	23.14	24.20	24.24
Pool	17.73	17.44	14.96	14.47	14.61	13.60	13.92	16.66	16.54	17.88
Cemetery	1.00	1.00	1.00	1.00	1.00	1.00	0.90	0.80	0.75	0.75
Harris Park Recreation Center	21.99	22.77	24.23	24.34	25.07	24.31	24.35	18.32	22.73	23.60
Gamber Community Center	10.05	9.41	7.95	7.86	7.38	6.76	6.40	5.39	5.05	6.47
Longview Community Center	—	—	—	—	—	—	28.79	20.98	17.22	18.51
Airport	6.30	6.22	6.26	7.46	9.16	8.46	9.30	9.30	10.40	11.60
Water utilities	60.00	59.50	60.50	60.50	62.50	62.46	66.92	66.92	68.92	70.92
Solid waste	14.80	14.80	14.80	1.00	1.00	1.60	1.60	1.00	1.00	1.00
Central building services	8.80	8.62	10.62	10.62	8.62	8.12	8.12	6.10	6.10	7.10
Fleet	9.00	9.12	9.12	9.12	9.12	9.12	10.12	10.00	10.00	10.00
Information technology services	26.20	25.89	24.71	27.76	28.06	28.13	27.99	28.02	30.02	30.30
Total	772.58	766.83	763.64	766.88	778.10	779.32	817.27	795.74	816.24	876.22

Source: City of Lee's Summit Finance Department

City of Lee's Summit, Missouri
Operating Indicators by Function
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Building Permits Issued (1)										
Residential/single family	319	319	310	324	391	339	428	638	267	137
Residential/multi family	6	7	7	27	52	18	15	26	37	25
Commercial/industrial	9	15	16	32	20	20	16	15	39	29
Additions	1,404	1,943	1,548	1,572	2,047	2,282	2,348	16	8	4
Police protection (2)										
Homicide	—	0.02	0.01	0.03	0.01	0.02	0.02	0.02	0.02	0.18
Rape	0.19	0.19	0.17	0.22	0.31	0.24	0.24	0.24	0.21	0.27
Robbery	0.16	0.20	0.19	0.37	0.38	0.25	0.25	0.25	0.14	0.15
Aggravated Assault	0.62	0.45	0.71	0.48	0.21	0.68	0.68	0.68	1.10	1.45
Burglary	2.87	2.61	2.30	2.15	1.76	2.11	2.11	2.11	1.57	2.01
Larceny	16.98	15.43	15.55	14.02	12.21	17.45	17.45	17.45	13.32	20.23
Motor Vehicle Theft	1.17	1.11	1.10	0.87	1.70	1.82	1.82	1.82	2.45	2.13
Arson	-	-	0.03	0.01	0.02	0.01	0.01	0.01	0.04	0.14
Violent Crime	0.98	0.86	1.09	1.08	1.17	1.20	1.20	1.20	1.47	1.43
Property Crime	21.01	19.14	18.98	17.05	16.70	21.39	21.39	21.39	18.86	25.87
Population	93,092	93,888	95,430	95,973	97,135	98,469	99,618	101,108	104,638	105,977
Traffic Crashes	1,821	1,750	1,800	1,885	2,030	2,098	1,478	1,510	1,811	1,610
Calls for Service	75,325	73,244	67,244	65,235	71,459	71,702	63,550	63,550	66,746	59,573
Number of Officers	142	142	143	143	146	148	148	148	148	148
Animal Control Calls for Service	8,960	9,848	10,518	8,905	10,034	9,745	9,133	9,133	8,579	8,724
Fire protection (1)										
Fire personnel	146	144	144	153	154	154	155	155	161	164
Calls answered	8,917	9,073	10,000	9,811	10,388	10,709	10,313	10,313	11,745	12,102
Water source										
Kansas City Water Co.	27.60%	23.20%	28.60%	25.90%	27.30%	22.00%	31.93%	27.20%	21.80%	28.60%
Independence Water Co.	72.40%	76.80%	71.40%	74.10%	72.70%	78.00%	68.07%	72.80%	78.20%	71.40%
Water										
Number of service connections	34,774	35,160	35,379	35,816	36,322	36,472	36,807	37,241	37,852	38,299
Number of fire hydrants	5,006	5,021	5,076	5,188	5,226	5,273	5,374	5,469	5,571	5,576
Average daily consumption (gallons)	10,390,000	9,270,000	10,150,000	9,950,000	9,944	9,659	10,611,000	10,140,000	10,950,000	10,930,000
Maximum contract amount	27,500,000	27,500,000	32,500,000	32,500,000	32,500,000	32,500,000	32,500,000	32,500,000	32,500,000	32,500,000
Maximum daily demand	19,000,000	19,000,000	21,300,000	18,800,000	1,800,000	1,800,000	26,000,000	19,600,000	25,380,000	25,190,000
Storage capacity (gallons)	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	34,350,000	35,200,000
Water Mains (miles)					622	631	635	638	642	646

(1) Statistics based on calendar year

(2) Statistics based on FBI Uniform Crime Report data per 1,000 residents.

* This includes re-roof permits. In April 2011 a significant hail storm hit the area.

Source: City records

**City of Lee's Summit, Missouri
Capital Asset Statistics by Function
Last Ten Fiscal Years**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police Protection											
Stations	1	1	1	1	1	1	1	1	1	1	1
Fire Protection											
Stations	7	7	7	7	7	7	7	7	7	7	7
Public Works											
Residential centerline miles	271	309	309	306	309	311	315	317	323	328	328
Collector centerline miles	90	92	92	94	95	95	97	97	98	98	98
Arterial centerline miles	91	81	81	83	84	84	84	85	84	84	84
Parks and Recreation											
Parks	28	29	29	29	30	30	30	30	31	31	31
Swimming pools	1	1	1	1	1	1	1	1	1	1	1
Indoor aquatic center	1	1	1	1	1	1	2	2	2	2	2
Tennis courts	15	15	15	15	15	15	15	15	15	15	15
Community centers	3	3	3	3	3	3	4	4	4	4	4
Water											
Miles of water mains	604	607	607	611	617	620	622	629	636	642	646

Source: City records