



LEE'S SUMMIT
MISSOURI

Annual Comprehensive Financial Report

For The Year Ended June 30, 2024

CITY OF LEE'S SUMMIT, MISSOURI
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

Report issued by the Department of Finance

CITY OF LEE'S SUMMIT, MISSOURI

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Introductory Section



LEE'S SUMMIT

MISSOURI

December 18, 2024

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, 2024. The Finance Department prepared this report and is responsible 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. The City of Lee's Summit is proud to have five accredited departments – Police, Fire, Public Works, Parks & Recreation and Water Utilities.

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 106,000 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 and electricity by Evergy. 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 and 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

Multiple school districts are located within the boundaries of Lee's Summit, including the Lee's Summit R-7 School District, which represents approximately 83% of the total area. The Lee's Summit R-7 School District is consistently recognized for its educational excellence and was recently ranked among the top five school districts in Missouri by Niche. The community understands the need for a strong educational system and has shown overwhelming support for the school district in recent years. 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 Lee's Summit 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 center, two early childhood centers, a new pre-kindergarten program and the Lee's Summit R-7 Aquatic Center. The school district's enrollment is currently 17,887 and is expected to grow in the future.

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 approximately 3,200 students enrolled per year. Metropolitan Community College is accredited by the Higher Learning Commission with multiple academic programs also receiving individual accreditation. Undergraduate completion programs are available through the University of Central Missouri's Missouri Innovation Campus.

The Mid-Continent Public Library system has three libraries located within the City of Lee's Summit. The west central facility on Oldham Parkway and the northeast central facility on Colbern Road recently underwent extensive renovations, which also added new features such as community rooms and coworking spaces. The third facility along U.S. 50 opened in June 2020.

Recreation and Cultural Facilities

Lee's Summit Parks & Recreation continuously invests in the community to offer exceptional recreational activities to locals of all ages. In fiscal year 2024, Wadsworth, Lower Banner, and Woods Parks underwent extensive renovations that brought about a number of benefits, such as additional trees, shelters and extensive new playground equipment.

Lee's Summit Parks and Recreation was awarded a \$250,000 grant from the Recreational Trails Program to construct a future bicycle and pedestrian trail along Mouse Creek in south Lee's Summit. The Missouri Department of Natural Resources provided the grant. This marks the largest donation Lee's Summit Park and Recreation has ever received for a local trail project. The Mouse Creek Trail will consist of 1.2 miles of paved trail.

Lee's Summit Parks and Recreation also progressed with the Turf Resurfacing Project in fiscal year 2024, aimed at replacing all playground surfaces with safe and environmentally sustainable materials. The new turf offers improved stability during play, minimizes maintenance and water consumption, and enables wheelchair users to access the playgrounds more easily. Parks completed in 2024 include Pottberg Park, Wadsworth Park, Lower Banner Park, Woods Park, North Lea McKeighan Park, Upper Banner Park and Miller J Fields Park.

Apart from updating the park system, Lee's Summit Parks and Recreation looks for fresh approaches to increase the range of services available to enhance the quality of life of Lee's Summit citizens. The CAPRA Accredited and Gold Medal, award-winning Parks Department manages thirty-two 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.

A volunteer program exists to support Parks and Recreation's population-serving initiatives. Tens of thousands of hours of effort by volunteers help to make Lee's Summit an active and healthy environment to live and work. To build and preserve land agreements, new neighborhood parks, and the two dog parks, Lee's Summit Parks and Recreation works with public and private partners, including county parks, private developers and other City departments.

Lee's Summit Parks and Recreation supports and promotes arts and culture all around the City in addition to offering recreational opportunities. With eight musical amphitheater events in 2024, Parks and Recreation offers free and paid concerts and activities at the Legacy Park Amphitheater. As part of the Sculpture on the Move initiative, artwork is featured in the parks. Added to the Lea McKeighan South Park was a new piece titled Tree Branches and to the Longview Community Center was Say My Name.

In addition, Parks and Recreation continues to offer a wide range of instructional artistic enrichment programs throughout the year. Through these initiatives, Parks & Recreation supports the continuity and expansion of an active arts community in Lee's Summit.

The Parks and Recreation Board remains committed to enhancing current facilities, guided by a citizen-driven strategic plan called Legacy for Tomorrow and Beyond. This initiative received 80% voter approval for a 15-year extension of the Parks and Soils Sales Tax in 2016, which funds future capital projects within the parks system.

Finally, the board worked with the mayor and the City Council to implement a Park Impact Fee to begin in 2026. The fee will be assessed on new development in Lee's Summit and will be used for parkland acquisition and new park development.

Commerce, Industry and Employment

The City of Lee's Summit has a broad spectrum of major employers that 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 soon. The area near U.S. 50 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 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 and just south of Interstate 470. It features a variety of stores, including JC Penny, restaurants, and specialty retailers, and is the home of the Furniture Mall of Missouri, which opened in late 2022. Discovery Park is another significant mixed-use development 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 the Lee's Summit Municipal Airport while alleviating traffic congestion and increasing economic development in the area. Other recent projects include a new interchange on U.S. 50 and Blackwell Road and the reconstruction of the interchange on U.S. 50 at M-291 South. The replacement of the U.S. 50 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 the 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
2024	3.4%	3.7%	4.1%
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%

Major Initiatives

In the 2024 fiscal year, growth was at the forefront once again for the City of Lee’s Summit as several major projects took shape and discussions deepened for the future development of 4,200 acres of property owned by Property Reserve, Inc. not previously available to the market. Lee’s Summit has seen its population grow 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 106,000 today.

In 2023, voters continued to show their support for the City of Lee’s Summit by approving three general obligation bond questions totaling \$186 million to fund public safety, infrastructure and quality of life improvements. Shortly after the questions were approved, the City began planning on how to structure the projects and deliver on the promises made to voters. That behind-the-scenes hard work began to be actualized in the 2024 fiscal year. One of the larger projects – the Joint Operations Facility – is expected to break ground in late 2024 and will house Fire and Police emergency communications and traffic monitoring, Fire Headquarters, the Emergency Operations Center and network infrastructure. Work is also underway on the remodel of Fire Station No. 1, the second phase of the renovation to Police Headquarters and the transformation of former Fire Station No. 5 into a South Police Substation. Those are just some of the projects already making progress as part of those bond questions and will help enhance the City’s public safety resources.

Another transformational project taking place thanks to voters is the construction of Hangar 2 at Lee’s Summit Municipal Airport. Construction is underway on the 50,000-square-foot state-of-the-art facility that will house corporate aircraft and includes a lounge, conference room and observation deck. The City has also partnered with the Lee’s Summit R-7 School District to make Hangar 2 the home of the district’s Aerospace Academy. The project is expected to be complete by late summer 2025.

Public safety is one of the main focuses of the City of Lee’s Summit. In addition to the bond projects mentioned previously, the City delivered on two other projects that were part of the no-tax-increase bond initiative approved in 2019 – Fire Station No. 4 and Fire Station No. 5. The new Fire Station No. 4 replaces the station on Woods Chapel Road built in 1977. The new Fire Station No. 5 replaces the station on Southwest Windemere Drive built in 1980. Both fire stations officially opened in the 2024 fiscal year, with designs aimed at improving firefighter health and

well-being, while also being strategically placed to deliver needed services efficiently and effectively.

Significant progress took place in the 2024 fiscal year for the Green Street project in downtown Lee's Summit. The public components of the mixed-use development are scheduled to open summer of 2025. Those components include a farmers market and event space, outdoor performance area and streetscaped pavilion outside City Hall. The Green Street project will also feature a boutique hotel, apartments and a restaurant building. This project in the heart of Lee's Summit will attract visitors from outside the City and be a destination for those who live and work in Lee's Summit. The City is working with LANE4 Property Group as the master developer, GLVM Architecture as the master architect, McCownGordon for construction services and Downtown Lee's Summit Main Street and the Downtown Lee's Summit Community Improvement District.

The City of Lee's Summit has become an increasingly attractive location for developers and will continue to be as Property Reserve, Inc. brings to market 4,200 acres of previously unavailable land in Lee's Summit. In the 2024 fiscal year, the City and Suburban Land Reserve, Inc. – an affiliate of Property Reserve, Inc. – entered a memorandum of understanding regarding the property. The goal is to develop a proactive approach to planning and zoning, financing and development of the area. The land will be released in five-year tranches based on marketability, public improvements and tax considerations. As this land is released, it will kickstart a new growth phase for the City of Lee's Summit given the extraordinary amount of undeveloped acreage.

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 with consistent, reliable municipal services and programs. The City has also benefited from the continued support from citizens who have approved general obligation bond questions to allow the City to pursue needed capital projects that would not be possible without bond funding.

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 strategically planned spend down of balances for one-time purposes including the development of Green Street adjacent to City Hall.

As development increases and additional land becomes available, the City's General Fund expenditures are expected to grow. However, that development is also expected to spur growth in revenue sources. City leaders continue to monitor both revenues and expenditures closely to ensure the sustainability of the City's financial health.

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, 2024, provided no instances of material weaknesses in internal control. This report is available in the City of Lee's Summit's separately issued Compliance Report.

Major Revenue Sources

The largest revenue sources for the City of Lee's Summit are combined property tax, sales tax, franchise tax and excise tax, which comprise approximately 75% of total governmental revenue.

Property tax is an ad valorem tax, levied on all real and personal property based upon assessed valuation as established by the county assessor on January 1 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 except for 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 1% 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%.

Voters also approved a 3% City sales tax in April 2023 on all retail sales of adult use, non-medical marijuana sold within the City of Lee's Summit.

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 15 years at the same rate. This tax sunsets 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 sunsets on March 31, 2033.

The public safety sales tax is a half-cent sales tax to provide 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.

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 continual 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 Water Utilities was adopted by the City Council in September 2023. This plan identified priorities for the future. Specific areas of emphasis include strengthening the workforce development efforts to improve the size and capability of Water Utilities' employees, addressing and improving customer satisfaction, investing in infrastructure renewal and prioritizing operational optimization.

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 of 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. As part of the 2023 general obligation bond question, the building of Hangar 2 at the airport was approved. The new hangar will be dedicated to corporate aircraft storage and improve the amenities offered at the airport. It's expected to open in late summer 2025. 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 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, 2023. This was the 46th consecutive year the government achieved this prestigious award. 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 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.



Briana Burrichter
Director of Finance

THE CITY OF LEE'S SUMMIT

MAYOR

Bill Baird

DISTRICT 1

Hillary Shields
Mia Prier

DISTRICT 3

Cynda Radar
Beto Lopez

DISTRICT 2

John Lovell
Trish Carlyle

DISTRICT 4

Fred DeMoro
Faith Hodges

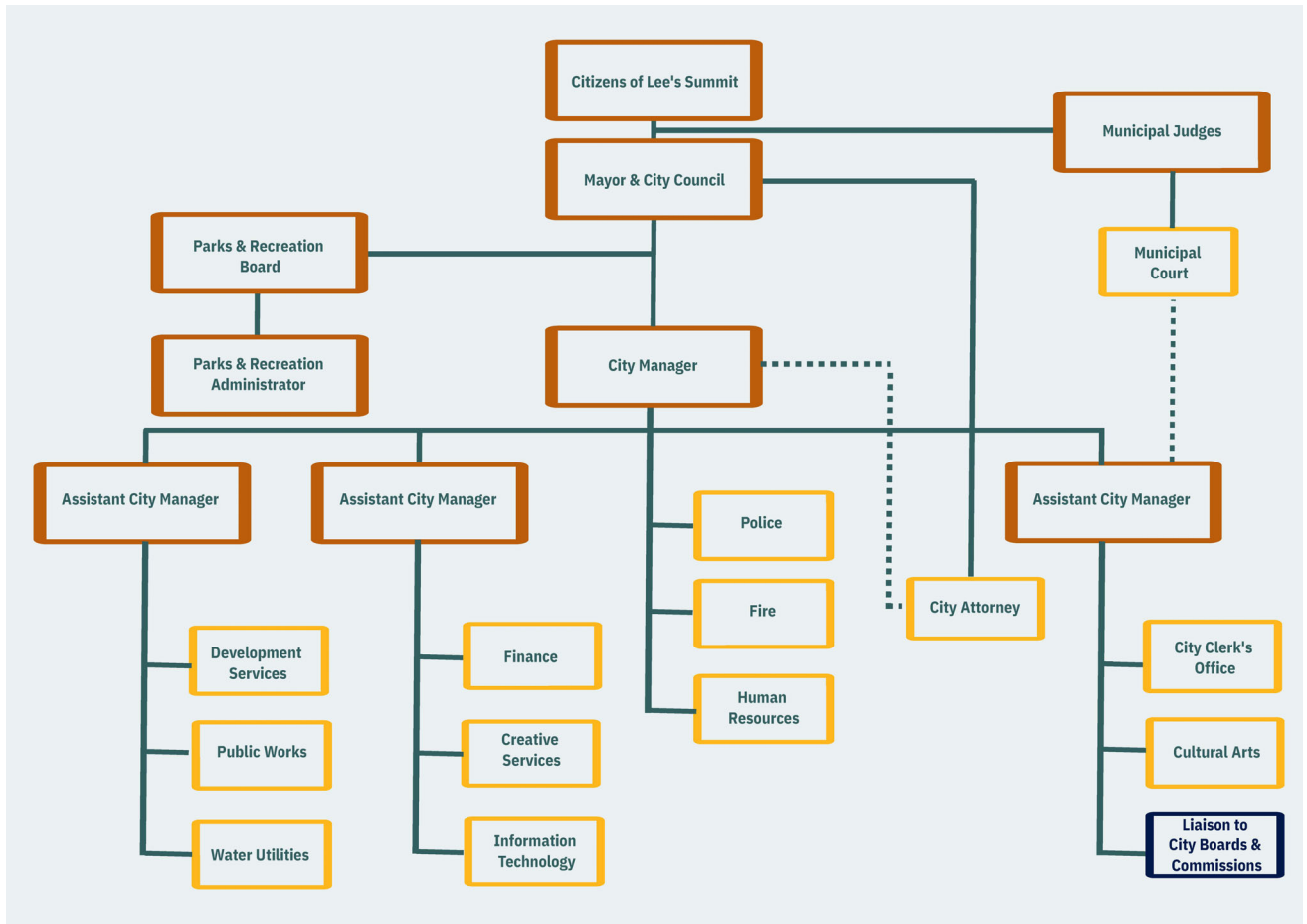
FINANCE & BUDGET COMMITTEE

Hillary Shields, Chair
Beto Lopez, Vice Chair
Trish Carlyle
Fred DeMoro
Cynda Radar, Alternate

ADMINISTRATION

Mark Dunning, City Manager
Christal Kliewer Weber, Assistant City Manager
Ryan Elam, Assistant City Manager
Donna Lake, Assistant City Manager
Briana Burrichter, Director of Finance
Brian Head, City Attorney
Travis Forbes, Police Chief
Mike Snider, Fire Chief
Jennifer Vargo, Interim Director of Human Resources
Aimee Nassif, Interim Director of Development Services
Diana Newman, Director of Information Technology Services
Joe Snook, Parks Administrator
Michael Park, Director of Public Works
Mark Schaufler, Director of Water Utilities
Cheryl Nash, Director of Creative Services

City of Lee's Summit Organizational Chart





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, 2023

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, 2024, 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, 2024, 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 12 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 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 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 18, 2024

CITY OF LEE'S SUMMIT, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2024

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, 2024. This is the 22nd 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 \$1,313,568,560 (net position). Of this amount, unrestricted net position was \$106,828,921.
- The City's total net position increased \$159.8 million. Of this amount, \$122.5 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 \$188,116,970, an increase of \$35 million compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$49,172,957 or 58 percent of total general fund expenditures.
- The City's total debt increased by \$15.1 million during the current fiscal year. The City issued \$24.7 million in General Obligation debt related to no-tax-increase general obligation bond questions approved by voters in April 2023.

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.

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.

CITY OF LEE'S SUMMIT, MISSOURI

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*.

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.

CITY OF LEE'S SUMMIT, MISSOURI

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, 2024, assets plus deferred outflows of resources exceed liabilities plus deferred inflows of resources by \$1,313,568,560.

The largest portion of the City's net position, \$989,678,144 (75%), 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. 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.

The following table reflects the condensed Statement of Net Position as of June 30, 2024, and 2023:

	Net Position					
	Governmental Activities		Business type activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 257,060,893	\$ 232,915,618	\$ 113,322,999	\$ 98,771,655	\$ 370,383,892	\$ 331,687,273
Capital assets	700,661,414	603,983,953	342,932,767	318,577,056	1,043,594,181	922,561,009
Total assets	<u>957,722,307</u>	<u>836,899,571</u>	<u>456,255,766</u>	<u>417,348,711</u>	<u>1,413,978,073</u>	<u>1,254,248,282</u>
Deferred outflows of resources	20,440,152	14,115,731	435,660	350,056	20,875,812	14,465,787
LT liabilities outstanding	66,909,163	53,225,441	6,752,056	7,301,638	73,661,219	60,527,079
Other liabilities	31,756,786	33,758,724	5,694,419	3,506,458	37,451,205	37,265,182
Total liabilities	<u>98,665,949</u>	<u>86,984,165</u>	<u>12,446,475</u>	<u>10,808,096</u>	<u>111,112,424</u>	<u>97,792,261</u>
Deferred inflows of resources	9,319,076	16,322,607	646,289	829,991	9,965,365	17,152,598
Net position:						
Net investment in capital assets	648,439,492	556,076,128	341,238,652	318,577,056	989,678,144	874,653,184
Restricted	139,470,808	147,459,459	77,590,687	66,958,293	217,061,495	214,417,752
Unrestricted	<u>82,267,134</u>	<u>44,172,943</u>	<u>24,561,787</u>	<u>20,525,331</u>	<u>106,828,921</u>	<u>64,698,274</u>
Total net position	<u>\$ 870,177,434</u>	<u>\$ 747,708,530</u>	<u>\$ 443,391,126</u>	<u>\$ 406,060,680</u>	<u>\$ 1,313,568,560</u>	<u>\$ 1,153,769,210</u>

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 five funds that did not have positive fund balances. 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. Three 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, and Lee's Summit Sports Complex TIF for the development of a sports and entertainment complex in the area of I-470 and View High Drive. 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.

CITY OF LEE'S SUMMIT, MISSOURI

The City's combined net position increased to \$1.31 billion from \$1.15 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 \$82.27 million. Total unrestricted net position was \$106.83 million including business-type activities of \$24.56 million.

Total net position of \$1.31 billion is comprised of \$989.68 million invested in capital assets, net of related debt; \$217.06 million is restricted for pension, capital projects, debt service, parks and recreation, and economic development; \$106.83 million is unrestricted.

Net position increased \$159.80 million, or 14 percent, during the current fiscal year. Net position for governmental activities increased 16 percent, while net position for business type activities increased 9 percent.

Statement of Activities

The following table reflects the revenues and expenses from the City's activities for the years ended June 30, 2024, and 2023:

	Changes In Net Position					
	Governmental Activities		Business Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 20,351,399	\$ 19,428,321	\$ 58,788,349	\$ 56,783,365	\$ 79,139,748	\$ 76,211,686
Operating grants and contributions	13,407,580	4,491,469	-	-	13,407,580	4,491,469
Capital grants and contributions	62,099,639	20,436,069	18,845,536	5,854,788	80,945,175	26,290,857
General revenues:						
Property taxes	50,821,755	46,037,898	-	-	50,821,755	46,037,898
Sales and use taxes	76,580,698	64,588,767	-	-	76,580,698	64,588,767
Other revenue	32,295,817	24,503,136	4,608,039	1,005,333	36,903,856	25,508,469
Total revenues	<u>255,556,888</u>	<u>179,485,660</u>	<u>82,241,924</u>	<u>63,643,486</u>	<u>337,798,812</u>	<u>243,129,146</u>
Expenses:						
Public works	31,984,467	25,631,200	-	-	31,984,467	25,631,200
Public safety	56,558,941	51,633,856	-	-	56,558,941	51,633,856
Parks and rec	15,755,961	14,817,404	-	-	15,755,961	14,817,404
Planning and dev	4,663,186	3,969,146	-	-	4,663,186	3,969,146
General govt	24,177,950	21,042,072	-	-	24,177,950	21,042,072
Interest on LT debt	1,956,276	1,540,328	-	-	1,956,276	1,540,328
Combined water and sewer	-	-	36,905,270	35,865,442	36,905,270	35,865,442
Sanitary landfill	-	-	(347,025)	223,706	(347,025)	223,706
Airport	-	-	4,606,645	4,441,823	4,606,645	4,441,823
Rec Center	-	-	1,729,385	1,430,880	1,729,385	1,430,880
Stormwater utility	-	-	8,406	182,976	8,406	182,976
Total expenses	<u>135,096,781</u>	<u>118,634,006</u>	<u>42,902,681</u>	<u>42,144,827</u>	<u>177,999,462</u>	<u>160,778,833</u>
Change in net position before transfers	120,460,107	60,851,654	39,339,243	21,498,659	159,799,350	82,350,313
Transfers	2,008,797	(1,970,243)	(2,008,797)	1,970,243	-	-
Change in net position	<u>122,468,904</u>	<u>58,881,411</u>	<u>37,330,446</u>	<u>23,468,902</u>	<u>159,799,350</u>	<u>82,350,313</u>
Net position, beginning	<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>
Net position, ending	<u>\$ 870,177,434</u>	<u>\$ 747,708,530</u>	<u>\$ 443,391,126</u>	<u>\$ 406,060,680</u>	<u>\$ 1,313,568,560</u>	<u>\$ 1,153,769,210</u>

CITY OF LEE'S SUMMIT, MISSOURI

Governmental Activities

Governmental activities increased the City's net position by \$122.47 million.

Sales and use taxes account for 30 percent of revenues, making it the largest governmental revenue category. In the 2024 fiscal year, sales and use tax revenue increased by \$11.99 million over the prior fiscal year, in large part due to the modernization of the City's revenue sources. 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 percent adult-use nonmedical marijuana which took effect in October 2023.

Property taxes, the second largest governmental category at 20 percent, finished the year at \$50.82 million, an increase of \$4.78 million. Property tax revenue increased 10 percent following property reassessments by Jackson County along with new construction.

Among the largest increases from the prior fiscal year to the current fiscal year was the Capital Grants and Contributions category, due to capital assets contributed to the city by private developers. In the current year, a significant number of developments were completed, which attributed to the \$41.66 million increase in revenue. Additionally, Operating Grants and Contributions increased by \$8.92 million mainly due to increased ARPA federal grant revenue recognized in fiscal year 2024. Overall, governmental revenues finished the year \$76.07 million above the prior year.

For the fiscal year ended June 30, 2024, total revenues – including governmental and business type activities – increased 39 percent to \$337.80 million, compared to the prior year total of \$243.13 million. Revenue from governmental activities accounted for 76 percent of total revenues, while business type activities accounted for 24 percent.

Governmental activities expenses increased 14 percent for the 2024 fiscal year compared to the prior fiscal year. The total cost of service for the fiscal year ended June 30, 2024, was \$135.10 million, up from \$118.63 million the prior fiscal year. Among the reasons for the rise in costs for general government was a six percent pay increase for employees not represented by labor unions, insurance increases and increased staffing levels to meet the needs of the community. Public safety staffing levels also rose in the fiscal year along with heightened equipment needs, which were largely paid for by the Public Safety Sales Tax approved by voters. The increase in Public Works and Streets was due to growth in capital improvement project activity, which can fluctuate annually with scheduling.

CITY OF LEE'S SUMMIT, MISSOURI

The following table shows expenses and program revenues of the governmental activities for the years ended June 30, 2024, and 2023:

	Net Cost Of Governmental Activities			
	Total Cost Of Service		Net Cost Of Service	
	2024	2023	2024	2023
General government	\$ 24,177,950	\$ 21,042,072	\$ (18,932,224)	\$ (16,575,886)
Public safety	56,558,941	51,633,856	(43,408,669)	(38,139,864)
Public works and streets	31,984,467	25,631,200	40,978,807	(3,470,067)
Planning and development	4,663,186	3,969,146	(4,469,704)	(3,796,944)
Parks and recreation	15,755,961	14,817,404	(11,450,097)	(10,755,058)
Interest on long-term debt	1,956,276	1,540,328	(1,956,276)	(1,540,328)
Total	\$ 135,096,781	\$ 118,634,006	\$ (39,238,163)	\$ (74,278,147)

While the total cost of service for governmental activities totaled \$135.10 million, the net costs of these services were negative \$39.24 million. The difference between these numbers is due to direct revenues received from charges for services of \$20.35 million, operating grants and contributions of \$13.41 million and capital grants and contributions of \$62.10 million. Taxes and other revenues of \$159.70 million were collected to cover these net costs.

Business-Type Activities

Business-type activities net position increased by \$37.33 million in the current year.

Total operating revenues increased 4 percent in the current fiscal year, totaling \$58.8 million in the fiscal year ended June 30, 2024. Both the Combined Waterworks and Sewerage System and the Airport saw their operating revenues increase.

Total operating expenses also increased for the Combined Waterworks and Sewerage System and the Airport. The Combined Waterworks and Sewerage System saw its expenses rise by 3 percent, while the Airport saw its expenses increase by 4 percent. Overall, operating expenses rose 2 percent for business type activities in the current fiscal year.

Financial Analysis of The City's Funds

The General Fund is the primary operating fund of the City. The City's unassigned fund balance for the fiscal year ended June 30, 2024, at \$49.17 million, or 58 percent of total General Fund expenditures. The City's unassigned fund balance increased \$4.63 million, or 10 percent, compared to the prior fiscal year. This was due to strong revenue growth and lower than expected expenditures. The City's fund balance has grown in recent years, which has led City Council to look for additional opportunities to invest in the community using fund balance for one-time needs.

CITY OF LEE'S SUMMIT, MISSOURI

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 expenditure. This policy recognizes the importance of a strong fund balance to withstand an economic downturn or large, unexpected expense, while also leveraging the funds for community needs.

For the 2024 fiscal year, General Fund sales tax revenue increased \$1.89 million, or 8 percent compared to the prior fiscal year.

The Capital Improvement Sales Tax Fund was established to account for capital improvement projects related to a ½ cent sales tax approved by voters in 2017. For the fiscal year ended June 30, 2024, the fund balance for the Capital Improvement Sales Tax Fund was \$27.30 million, a decrease of \$16.15 million from the prior fiscal year. The fund balance for the Capital Improvement Sales Tax Fund can fluctuate dramatically from year to year based on the timing of construction projects. Sales tax revenue for the fund increased 5 percent over the prior fiscal year, totaling \$13.41 million compared to \$12.72 million in the 2023 fiscal year.

The Blue Parkway and Colbern Road CID Fund ended the year with a fund balance of negative \$3.65 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.

The Combined Water and Sewerage system recorded an increase of \$37.48 million in net position for the year. Operating revenues increased by \$1.53 million during the year.

The Sanitary Landfill fund recorded an increase of \$347 thousand in net position for the year. In April 2019 operations were ceased at the landfill as it had reached capacity. As of August 2024, the landfill is in the post closure phase.

The Airport Fund recorded a decrease of \$390 thousand in net position for the year. Efforts to pursue grant funding are expected to continue in the next fiscal year.

General Fund Budgetary Highlights

For the 2024 fiscal year, actual revenues were higher than projected, while expenditures were lower than anticipated.

The original budget had expenditures of \$94.74 million, which decreased to \$91.47 million due to an audit adjustment, a tight labor market, and slowed spending due to timing issues. Actual expenditures were \$6.77 million below the final budgeted amounts, caused by the issues mentioned previously.

CITY OF LEE'S SUMMIT, MISSOURI

Revenues exceeded the final budgeted amounts by \$4.45 million. The increase was largely due to higher property and sales tax collections, increased development activity resulting in higher revenue from licenses and permits and greater investment earnings due to changes in interest rates.

In anticipation of higher revenues and lower expenditures, the City did increase budgeted transfers out, the largest being a \$9.79 million transfer to the Green Street Improvement Fund for the development and construction of the Green Street Market.

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, 2024 amounts to \$1.04 billion (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 \$121.03 million during the period.

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

- Progress Construction on new Green Street Market totaling \$15.7 million.
- Progress Construction on M291 North Interchange with US50 totaling \$6.7 million.
- Progress Construction on Chipman Road-Bent Tree to View High totaling \$4.9 million.
- Progress Construction on Colbern Road totaling \$6.7 million.
- Completion of Fire Stations #4 and #5 totaling \$19 million.
- Completion of multiple development projects resulting in contributed infrastructure of streets and stormwater sewers of \$62.1 million.
- System additions and improvements in the Combined Waterworks and Sewerage Fund at a cost of over \$31.4 million; including contributed improvements of sanitary sewer and water lines of \$17.4 million, Cedar Creek Improvements of \$5 million, Colbern Road Improvements of \$1.7 million, Chipman Road Improvements \$1.4 million, and water main rehab and catodic protection of \$2.7 million.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 7,677,910	\$ 7,857,966	\$ 29,427,167	\$ 29,427,167	\$ 37,105,077	\$ 37,285,133
Construction in progress	71,352,992	48,747,696	14,967,774	18,160,119	86,320,766	66,907,815
Buildings	95,909,356	76,860,670	-	-	95,909,356	76,860,670
Improvements	85,363,549	84,385,415	433,057,562	398,481,882	518,421,111	482,867,297
Machinery & equipment	48,066,564	52,702,251	4,064,698	4,082,283	52,131,262	56,784,534
Infrastructure	684,849,680	613,791,595	-	-	684,849,680	613,791,595
Right-to-use leased assets	695,796	786,610	-	-	695,796	786,610
Right-to-use subscription assets	1,275,419	454,421	-	-	1,275,419	454,421
Accumulated depreciation	(294,529,852)	(281,602,671)	(138,584,434)	(131,574,395)	(433,114,286)	(413,177,066)
	<u>\$ 700,661,414</u>	<u>\$ 603,983,953</u>	<u>\$ 342,932,767</u>	<u>\$ 318,577,056</u>	<u>\$ 1,043,594,181</u>	<u>\$ 922,561,009</u>

CITY OF LEE'S SUMMIT, MISSOURI

These capital assets are funded by traditional bond financing, capital improvement sales tax, 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 2024, had a total of \$86.54 million of outstanding long-term obligations. This was an increase of 15.5 million or 22 percent from the previous year. The increase was related to the issuance of general obligation debt approved by voters in April 2023. The City has General Obligation bonds of \$44.68 million outstanding and \$19.59 million of Tax Increment Financing bonds related to the Summit Fair shopping center.

As of June 30, 2024, the City's total issued and authorized General Obligation (G.O.) Bonded Debt was \$44.68 million. The City has statutory authority to issue debt equal to 20 percent of the City's total assessed valuation or \$652.9 million. This, less outstanding debt, authorized and unissued debt, and available cash, leaves a legal debt margin of \$457.4 million, which is 70 percent of the City's total bonding capacity.

General Obligation Bonds retired \$9.63 million of their principal amount outstanding this year along with interest payments of \$630 thousand.

The City's General Obligation bonds have most recently been rated Aaa by Moody's Investors Services.

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 2025 are projected to total \$97.56 million, an increase of 4.3 percent when excluding one-time transfers in the 2024 fiscal year to help fund the Green Street Market. The City projects continued growth in property tax, sales tax and franchise tax revenue along with modest growth in other revenue categories, such as fines and forfeitures and licenses and permits.

General Fund expenses are projected to total \$98.44 million compared to \$103.57 million budgeted in fiscal year 2024 as amended, a decrease of \$5.13 million.

Personnel Services account for the majority of the City's General Fund expenditure. The city continues to focus on providing competitive compensation and benefits to attract and retain quality employees. The 2025 fiscal year budget includes a 4 percent salary increase for employees not represented by a labor union as well as an enhancement to the City's LAGERS pension benefit. In order to deliver service excellence, the budget also includes approximately \$700,000 in personnel expansions and \$1.5 million in non-personnel expansions to help meet community needs as the City continues to grow.

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.

CITY OF LEE'S SUMMIT, MISSOURI

The City continually monitors economic conditions to ensure prudent fiscal management and to be in a position to adjust the budget if necessary if there are 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 Briana Burrichter, Director of Finance, 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, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 173,302,891	\$ 103,760,520	\$ 277,063,411
Receivables (net of allowance)			
Taxes	14,348,124	-	14,348,124
Accounts and other	4,836,165	6,280,346	11,116,511
Interest	1,534,400	158,103	1,692,503
Leases	1,537,375	315,251	1,852,626
Due from other governments	3,808,153	963,967	4,772,120
Inventories	322,773	1,213,016	1,535,789
Prepaid expenses	1,654,853	3,824	1,658,677
Restricted assets			
Cash and investments	25,387,479	-	25,387,479
Pension asset	30,328,680	627,972	30,956,652
Capital assets			
Nondepreciable	79,030,902	44,394,941	123,425,843
Depreciable, net	621,630,512	298,537,826	920,168,338
Total assets	957,722,307	456,255,766	1,413,978,073
Deferred Outflows Of Resources			
Pension	19,246,264	317,001	19,563,265
Other post employment benefits	1,193,888	118,659	1,312,547
Total deferred outflows of resources	20,440,152	435,660	20,875,812
Liabilities			
Accounts payable and accrued expenses	13,950,299	5,505,950	19,456,249
Payroll liabilities	2,970,030	275,491	3,245,521
Accrued interest payable	571,081	-	571,081
Unearned revenue	-	848	848
Customer deposits - payable from restricted deposits	1,254,963	256,050	1,511,013
Internal balances	374,621	(374,621)	-
Long-term obligations			
Due within one year			
Compensated absences	286,052	25,767	311,819
Other post employment benefits	111,066	4,934	116,000
Bonds	11,975,000	-	11,975,000
Leases	65,828	-	65,828
Subscription liability	197,846	-	197,846
Closure and postclosure liability	-	207,536	207,536
Due in more than one year			
Compensated absences	6,166,814	517,824	6,684,638
Other post employment benefits	4,809,898	215,688	5,025,586
Bonds	54,855,880	-	54,855,880
Leases	489,894	-	489,894
Subscription liability	586,677	-	586,677
Closure and postclosure liability	-	6,018,544	6,018,544
Total liabilities	98,665,949	12,654,011	111,319,960
Deferred Inflows Of Resources			
Pension	4,183,514	52,863	4,236,377
Leases	1,505,747	307,668	1,813,415
Other post employment benefits	2,875,164	285,758	3,160,922
Deferred amount on refunding	754,651	-	754,651
Total deferred inflows of resources	9,319,076	646,289	9,965,365
Net Position			
Net investment in capital assets	648,439,492	341,238,652	989,678,144
Restricted for			
Pension	30,328,680	627,972	30,956,652
Public Safety	6,827,687	-	6,827,687
Debt service	15,925,229	-	15,925,229
Capital projects	74,534,930	76,962,715	151,497,645
Parks and recreation	3,747,943	-	3,747,943
Economic development	7,945,334	-	7,945,334
Other purposes	161,005	-	161,005
Unrestricted	82,267,134	24,561,787	106,828,921
Total net position	\$ 870,177,434	\$ 443,391,126	\$ 1,313,568,560

CITY OF LEE'S SUMMIT, MISSOURI

STATEMENT OF ACTIVITIES For The Year Ended June 30, 2024

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	\$ 24,177,950	\$ 3,853,547	\$ 1,392,179	\$ -	\$ (18,932,224)	\$ -	\$ (18,932,224)
Public safety	56,558,941	11,365,672	1,784,600	-	(43,408,669)	-	(43,408,669)
Public works and streets	31,984,467	632,834	10,230,801	62,099,639	40,978,807	-	40,978,807
Community development	4,663,186	193,482	-	-	(4,469,704)	-	(4,469,704)
Parks and recreation	15,755,961	4,305,864	-	-	(11,450,097)	-	(11,450,097)
Interest on long-term debt	1,956,276	-	-	-	(1,956,276)	-	(1,956,276)
Total governmental activities	135,096,781	20,351,399	13,407,580	62,099,639	(39,238,163)	-	(39,238,163)
Business-Type Activities							
Waterworks and sewerage system	36,905,270	53,685,277	-	18,267,687	-	35,047,694	35,047,694
Sanitary landfill	(347,025)	-	-	-	-	347,025	347,025
Airport	4,606,645	3,497,750	-	572,074	-	(536,821)	(536,821)
Recreation center	1,729,385	1,605,322	-	-	-	(124,063)	(124,063)
Stormwater Utility	8,406	-	-	5,775	-	(2,631)	(2,631)
Total business-type activities	42,902,681	58,788,349	-	18,845,536	-	34,731,204	34,731,204
Total primary government	\$ 177,999,462	\$ 79,139,748	\$ 13,407,580	\$ 80,945,175	(39,238,163)	34,731,204	(4,506,959)
General Revenues							
Taxes							
Property taxes, levied for general purposes					39,574,852	-	39,574,852
Property taxes, levied for debt service					11,246,903	-	11,246,903
Franchise taxes					13,775,942	-	13,775,942
Sales and use taxes, and other taxes					76,580,698	-	76,580,698
License taxes					815,852	-	815,852
Motor vehicle taxes					5,268,948	-	5,268,948
Investment income					8,071,367	4,608,039	12,679,406
Other revenues					1,744,710	-	1,744,710
Gain on sale of assets					2,618,998	-	2,618,998
Transfers					2,008,797	(2,008,797)	-
Total general revenues and transfers					161,707,067	2,599,242	164,306,309
Change in net position					122,468,904	37,330,446	159,799,350
Net position - beginning					747,708,530	406,060,680	1,153,769,210
Net position - ending					\$ 870,177,434	\$ 443,391,126	\$ 1,313,568,560

CITY OF LEE'S SUMMIT, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	General Fund	Capital Improvement Sales Tax	Blue Parkway and Colbern Road CID	Total Nonmajor Funds	Total Governmental Funds
Assets					
Pooled cash and investments	\$ 39,947,360	\$ 25,763,633	\$ 142,583	\$ 87,556,379	\$ 153,409,955
Receivables (net of allowance)					
Taxes	6,323,951	2,035,967	-	5,988,206	14,348,124
Accounts and other	4,759,691	-	-	76,474	4,836,165
Interest	1,358,214	69,739	83	89,949	1,517,985
Lease receivable	169,348	-	-	1,368,027	1,537,375
Due from other funds	910,658	52,500	-	48,750	1,011,908
Due from other governments	813,268	2,222,633	-	772,252	3,808,153
Prepaid items	-	-	-	1,338,732	1,338,732
Advances to other funds	-	-	-	3,514,859	3,514,859
Restricted assets					
Cash and investments	6,301	-	-	25,381,178	25,387,479
Total assets	\$ 54,288,791	\$ 30,144,472	\$ 142,666	\$ 126,134,806	\$ 210,710,735
Liabilities, Deferred Inflows Of Resources And Fund Balances (Deficits)					
Liabilities					
Accounts payable and accrued liabilities	\$ 816,252	\$ 2,847,797	\$ 100,326	\$ 6,993,657	\$ 10,758,032
Payroll liabilities	2,459,007	-	-	368,234	2,827,241
Deposits payable	1,046,614	-	-	208,349	1,254,963
Due to other funds	-	-	-	1,206,908	1,206,908
Advances from other funds	-	-	3,694,480	-	3,694,480
Total liabilities	4,321,873	2,847,797	3,794,806	8,777,148	19,741,624
Deferred Inflows Of Resources					
Property tax	624,247	-	-	652,475	1,276,722
Lease related	163,413	-	-	1,342,334	1,505,747
Unavailable revenue	-	-	-	69,672	69,672
Total deferred inflows of resources	787,660	-	-	2,064,481	2,852,141
Fund Balances (Deficits)					
Nonspendable					
Prepaid amounts	-	-	-	1,338,732	1,338,732
Restricted					
Public safety	-	-	-	7,026,388	7,026,388
Bridges, streets and signals	-	27,296,675	-	33,697,065	60,993,740
Parks and recreation	-	-	-	3,747,943	3,747,943
Economic development	-	-	-	31,600,397	31,600,397
Debt service reserve	-	-	-	15,925,229	15,925,229
Other capital projects	-	-	-	13,562,879	13,562,879
Other purposes	6,301	-	-	154,704	161,005
Committed					
Bridges, streets and signals	-	-	-	381,524	381,524
Landfill care	-	-	-	4,875,469	4,875,469
Cemetery care	-	-	-	1,205,111	1,205,111
Assigned					
Other capital projects	-	-	-	2,119,265	2,119,265
Unassigned	49,172,957	-	(3,652,140)	(341,529)	45,179,288
Total fund balances (deficits)	49,179,258	27,296,675	(3,652,140)	115,293,177	188,116,970
Total liabilities, deferred inflows and fund balances (deficits)	\$ 54,288,791	\$ 30,144,472	\$ 142,666	\$ 126,134,806	\$ 210,710,735

CITY OF LEE'S SUMMIT, MISSOURI

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION June 30, 2024

Total Fund Balance - Governmental Funds	\$ 188,116,970
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	966,121,607
Less: Accumulated depreciation	(277,917,246)
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.	29,809,556
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.	1,346,394
Pension-related deferred outflows of resources are not due and payable in the current year, and, therefore, are not reported in the governmental funds.	18,984,210
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.	1,115,391
Pension-related deferred inflows of resources are not due and payable in the current year, and, therefore, are not reported in the governmental funds.	(4,139,814)
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.	(2,686,124)
Interest on long-term debt is not accrued in the governmental funds but rather is recognized as an expenditure when due.	(568,095)
The assets and liabilities of internal service funds are included in the governmental activities in the statement of net position.	29,609,795
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	(6,123,525)
Bonds payable	(64,275,000)
Unamortized discounts	179,191
Unamortized premiums	(2,735,071)
Deferred amount on refunding	(754,651)
Leases	(555,722)
Subscriptions	(611,848)
Other post employment benefit liability	(4,738,584)
Total net position - governmental activities	<u><u>\$ 870,177,434</u></u>

CITY OF LEE'S SUMMIT, MISSOURI

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS
For The Year Ended June 30, 2024**

	General Fund	Formerly major fund Debt Service	Capital Improvement Sales Tax	Blue Parkway and Colbern Road CID	Formerly major fund Public Safety Series 2022B	Formerly major fund ARP Act	Total Nonmajor Funds	Total Governmental Funds
Revenues								
Taxes								
Property	\$ 29,853,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,652,242	\$ 50,505,570
Sales	27,106,417	-	13,407,969	37,869	-	-	35,647,611	76,199,866
Franchise	13,775,942	-	-	-	-	-	-	13,775,942
License	-	-	-	-	-	-	815,852	815,852
Bed	-	-	-	-	-	-	669,363	669,363
Motor vehicle	5,268,948	-	-	-	-	-	-	5,268,948
Other tax	250,793	-	-	-	-	-	1,866	252,659
Fines and forfeitures	1,307,762	-	-	1	-	-	79,000	1,386,763
Licenses and permits	4,027,118	-	-	-	-	-	-	4,027,118
Intergovernmental	1,784,600	-	2,581,188	-	-	-	9,041,792	13,407,580
Charges for services	10,547,256	-	-	383	-	-	4,389,879	14,937,518
Investment income	1,615,023	-	1,649,441	4,791	-	-	3,827,970	7,097,225
Other	1,300,725	-	65	-	-	-	452,770	1,753,560
Total Revenues	96,837,912	-	17,638,663	43,044	-	-	75,578,345	190,097,964
Expenditures								
Current								
General government	20,510,379	-	-	-	-	-	2,486,612	22,996,991
Public safety	48,143,236	-	-	-	-	-	6,583,095	54,726,331
Public works and streets	10,968,837	-	-	-	-	-	-	10,968,837
Community development	4,791,693	-	-	-	-	-	-	4,791,693
Parks and recreation	-	-	-	-	-	-	9,681,367	9,681,367
Debt service								
Principal	76,137	-	-	-	-	-	11,855,000	11,931,137
Interest and other charges	213,980	-	-	-	-	-	2,015,969	2,229,949
Capital outlay	-	-	26,126,287	1,633	-	-	40,710,011	66,837,931
Total Expenditures	84,704,262	-	26,126,287	1,633	-	-	73,332,054	184,164,236
Excess (Deficiency) Of Revenues Over Expenditures	12,133,650	-	(8,487,624)	41,411	-	-	2,246,291	5,933,728
Other Financing Sources (Uses)								
Issuance of bonds	-	-	-	-	-	-	24,685,000	24,685,000
Premium on issuance of bonds	-	-	-	-	-	-	2,266,639	2,266,639
Proceeds from sales of capital assets	2,795,485	-	-	-	-	-	-	2,795,485
Issuance of subscription liabilities	-	-	-	-	-	-	786,848	786,848
Transfers in	1,455,207	-	117,263	-	-	-	31,934,242	33,506,712
Transfers out	(12,095,039)	-	(7,779,545)	-	-	-	(14,923,773)	(34,798,357)
Total Other Financing Sources (Uses)	(7,844,347)	-	(7,662,282)	-	-	-	44,748,956	29,242,327
Net Change In Fund Balances (Deficits)	4,289,303	-	(16,149,906)	41,411	-	-	46,995,247	35,176,055
Fund Balances (Deficits):								
Beginning, as previously reported	44,889,955	15,368,943	43,446,581	(3,693,551)	2,647,071	-	50,281,916	152,940,915
Adjustments	-	(15,368,943)	-	-	(2,647,071)	-	18,016,014	-
Beginning, as adjusted	44,889,955	-	43,446,581	(3,693,551)	-	-	68,297,930	152,940,915
Ending	\$ 49,179,258	\$ -	\$ 27,296,675	\$ (3,652,140)	\$ -	\$ -	\$ 115,293,177	\$ 188,116,970

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, 2024

Net Change In Fund Balances - Total Governmental Funds \$ 35,176,055

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 \$21,464,552 in the current period was exceeded by capital outlays over the capitalization threshold totaling \$55,389,267. 33,906,298

Governmental funds report the entire net sales price (proceeds) from sale of an asset as an other financing source of \$2,795,485 because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets of \$2,618,998. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold. 217,356

Contributions of capital assets are recorded as capital contributions in the statement of activities. Contributions primarily represent infrastructure assets. 62,099,639

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. (225,005)

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, including premium	(26,951,639)
Issuance of subscription liabilities	(786,848)
Repayment of principal	11,680,000
Repayment of lease	76,137
Termination of lease	13,379
Repayment of subscription liabilities	175,000
Bond discount amortization	(12,487)
Bond premium amortization	391,431
Deferred amount on refunding	125,775
Change in accrued interest payable	(244,424)

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	(242,169)
Compensated absences	(469,133)
Pension expense	3,366,993

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. 4,172,546

Change in net position of governmental activities \$ 122,468,904

CITY OF LEE'S SUMMIT, MISSOURI

STATEMENT OF NET POSITION (DEFICIT) - PROPRIETARY FUNDS June 30, 2024

	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	\$ 100,738,529	\$ 5,998	\$ 2,234,974	\$ 781,019	\$ 103,760,520	\$ 19,892,936
Receivables (net of allowance)						
Accounts and other	3,142,399	188	170,454	-	3,313,041	-
Unbilled accounts	2,967,305	-	-	-	2,967,305	-
Interest	146,123	-	11,071	909	158,103	16,415
Due from other funds	195,000	-	-	-	195,000	-
Due from other governments	656,558	-	307,409	-	963,967	-
Leases receivable	-	-	315,251	-	315,251	-
Inventories	1,196,806	-	16,210	-	1,213,016	322,773
Prepaid expenses	-	-	3,824	-	3,824	316,121
Total current assets	109,042,720	6,186	3,059,193	781,928	112,890,027	20,548,245
Noncurrent assets						
Advances to other funds	379,621	-	-	-	379,621	-
Pension asset	580,710	-	47,262	-	627,972	519,124
Capital assets						
Nondepreciable	14,824,238	2,614,454	26,956,249	-	44,394,941	104,250
Depreciable, net	262,656,330	196,366	35,592,091	93,039	298,537,826	12,352,803
Total noncurrent assets	278,440,899	2,810,820	62,595,602	93,039	343,940,360	12,976,177
Total assets	387,483,619	2,817,006	65,654,795	874,967	456,830,387	33,524,422
Deferred Outflows Of Resources						
Pension	293,143	-	23,858	-	317,001	262,054
Other post-employment benefits	109,531	-	9,128	-	118,659	78,497
Total deferred outflows of resources	402,674	-	32,986	-	435,660	340,551
Liabilities						
Current liabilities						
Accounts payable	5,281,572	4,088	179,954	40,336	5,505,950	3,195,253
Salaries payable	188,878	-	25,467	61,146	275,491	142,789
Unearned revenue	-	-	848	-	848	-
Compensated absences	21,781	-	1,977	2,009	25,767	20,131
Closure and post-closure liability	-	207,536	-	-	207,536	-
Other post employment benefits	4,563	-	371	-	4,934	4,079
Current portion of long-term debt:						
Subscription liabilities	-	-	-	-	-	57,171
Customer deposit	169,628	-	86,422	-	256,050	-
Total current liabilities	5,666,422	211,624	295,039	103,491	6,276,576	3,419,423
Noncurrent liabilities						
Advances from other funds	-	200,000	-	-	200,000	-
Subscription liabilities	-	-	-	-	-	115,504
Compensated absences	424,306	-	44,957	48,561	517,824	309,210
Closure and post-closure liability	-	6,018,544	-	-	6,018,544	-
Other post-employment benefits	199,455	-	16,233	-	215,688	178,301
Total noncurrent liabilities	623,761	6,218,544	61,190	48,561	6,952,056	603,015
Total liabilities	6,290,183	6,430,168	356,229	152,052	13,228,632	4,022,438
Deferred Inflows of Resources -						
Pension	48,885	-	3,978	-	52,863	43,700
Other post-employment benefits	263,776	-	21,982	-	285,758	189,040
Leases	-	-	307,668	-	307,668	-
Total deferred inflows of resources	312,661	-	333,628	-	646,289	232,740
Net Position (Deficit)						
Net investment in capital assets	275,886,829	2,810,820	62,447,964	93,039	341,238,652	12,284,378
Restricted for capital projects	75,834,943	-	1,127,772	-	76,962,715	-
Restricted for pension	580,710	-	47,262	-	627,972	519,124
Unrestricted	28,980,967	(6,423,982)	1,374,926	629,876	24,561,787	16,806,293
Total net position (deficit)	\$ 381,283,449	\$ (3,613,162)	\$ 64,997,924	\$ 722,915	\$ 443,391,126	\$ 29,609,795

CITY OF LEE'S SUMMIT, MISSOURI

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION (DEFICIT) - PROPRIETARY FUNDS
For The Year Ended June 30, 2024**

	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	\$ 52,856,451	\$ -	\$ 1,136,510	\$ 1,255,937	\$ 55,248,898	\$ 13,710,266
Material and fuel sales	374,588	-	2,298,778	-	2,673,366	-
Other	454,238	-	62,462	349,385	866,085	99,084
Total operating revenues	53,685,277	-	3,497,750	1,605,322	58,788,349	13,809,350
Operating Expenses						
Salaries, wages and employee benefits	6,228,387	-	848,559	932,159	8,009,105	4,800,942
Water purchases	8,725,237	-	-	-	8,725,237	-
Utilities	647,351	-	74,670	105,950	827,971	337,550
Repairs and maintenance	1,034,096	-	99,401	58,085	1,191,582	1,264,342
Sewer services	10,208,057	-	-	-	10,208,057	-
Fuels and lubricants	110,162	-	1,750,495	-	1,860,657	10,968
Depreciation	5,860,145	30,010	1,336,186	22,461	7,248,802	3,009,098
Interdepartment charges	933,590	-	129,404	25,385	1,088,379	229,393
Miscellaneous	3,158,291	(379,706)	341,273	593,751	3,713,609	4,291,113
Total operating expenses	36,905,316	(349,696)	4,579,988	1,737,791	42,873,399	13,943,406
Operating income (loss)	16,779,961	349,696	(1,082,238)	(132,469)	15,914,950	(134,056)
Nonoperating Revenues (Expenses)						
Interest income	4,409,546	-	173,847	24,646	4,608,039	974,142
Interest expense	-	-	273	-	273	(8,852)
Gain (loss) on disposal of capital assets	46	(2,671)	(26,930)	-	(29,555)	40,870
Total nonoperating revenues (expenses)	4,409,592	(2,671)	147,190	24,646	4,578,757	1,006,160
Income (Loss) Before Capital Grant and Contributions and Transfers	21,189,553	347,025	(935,048)	(107,823)	20,493,707	872,104
Capital Grants and Contributions	18,267,687	-	572,074	5,775	18,845,536	-
Transfers In	-	-	-	-	-	3,312,987
Transfers Out	(1,978,692)	-	(26,585)	(3,520)	(2,008,797)	(12,545)
Change in Net Position (Deficit)	37,478,548	347,025	(389,559)	(105,568)	37,330,446	4,172,546
Total Net Position (Deficit):						
Beginning	343,804,901	(3,960,187)	65,387,483	828,483	406,060,680	25,437,249
Ending	\$ 381,283,449	\$ (3,613,162)	\$ 64,997,924	\$ 722,915	\$ 443,391,126	\$ 29,609,795

CITY OF LEE'S SUMMIT, MISSOURI

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS For The Year Ended June 30, 2024

	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	\$ 54,166,630	\$ (188)	\$ 3,492,050	\$ 1,605,322	\$ 59,263,814	\$ 13,809,349
Cash paid to suppliers	(23,378,207)	(4,574)	(2,310,670)	(795,797)	(26,489,248)	(5,998,137)
Cash paid to employees	(6,072,243)	-	(823,004)	(893,934)	(7,789,181)	(4,799,747)
Net cash provided by (used in) operating activities	24,716,180	(4,762)	358,376	(84,409)	24,985,385	3,011,465
Cash Flows From Noncapital Financing Activities						
Transfers in	-	-	-	-	-	3,312,987
Transfers out	(1,978,692)	-	(26,585)	(3,520)	(2,008,797)	(12,545)
Due from other funds	589,000	-	-	-	589,000	-
Net cash provided by (used in) noncapital financing activities	(1,389,692)	-	(26,585)	(3,520)	(1,419,797)	3,300,442
Cash Flows From Capital And Related Financing Activities						
Interest paid on long-term debt obligations	-	-	273	-	273	-
Principal paid on subscription liability	-	-	-	-	-	(48,760)
Interest paid on subscription liability	-	-	-	-	-	(8,852)
Capital grants	177,931	-	381,131	5,775	564,837	-
Additions to capital assets	(13,335,637)	-	(869,279)	-	(14,204,916)	(3,688,128)
Proceeds from sale of capital assets	46	-	4,000	-	4,046	265,731
Net cash provided by (used in) capital and related financing activities	(13,157,660)	-	(483,875)	5,775	(13,635,760)	(3,480,009)
Cash Flows Provided By Investing Activities						
Interest received	4,406,419	-	173,615	24,040	4,604,074	970,880
Net cash provided by investing activities	4,406,419	-	173,615	24,040	4,604,074	970,880
Net increase (decrease) in cash and cash equivalents	14,575,247	(4,762)	21,531	(58,114)	14,533,902	3,802,778
Cash and Cash Equivalents - Beginning of Year	86,163,282	10,760	2,213,443	839,133	89,226,618	16,090,158
Cash and Cash Equivalents - End of Year	\$ 100,738,529	\$ 5,998	\$ 2,234,974	\$ 781,019	\$ 103,760,520	\$ 19,892,936
Reconciliation of operating income (loss) to net cash provided by (used in) operating income (loss)	\$ 16,779,961	\$ 349,696	\$ (1,082,238)	\$ (132,469)	\$ 15,914,950	\$ (134,056)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	5,860,145	30,010	1,336,186	22,461	7,248,802	3,009,098
Changes in assets, liabilities, deferred outflows and inflows of resources:						
(Increase) decrease in inventories	(57,531)	-	24,071	-	(33,460)	(42,181)
(Increase) decrease in accounts receivable	136,236	(188)	(7,195)	-	128,853	(1)
(Increase) in unbilled revenue	344,617	-	-	-	344,617	-
(Increase) in leases receivable	-	-	779,420	-	779,420	-
(Increase) in prepaid expenses	-	-	-	-	-	(316,121)
(Increase) decrease in pension related assets, outflows and inflows	36,360	-	18,512	-	54,872	(60,703)
Increase (decrease) in accounts payable	1,496,108	-	60,502	(12,626)	1,543,984	493,531
Increase (decrease) in salaries and wages payable	32,741	-	5,038	27,066	64,845	25,156
Increase (decrease) in customer deposits	500	-	3,822	-	4,322	-
Decrease in accrued landfill closure/postclosure care costs	-	(384,280)	-	-	(384,280)	-
Increase (decrease) in other post employment benefits outflow and liability	9,976	-	(6,221)	-	3,755	27,555
Increase (decrease) in deferred inflows - leases	-	-	(781,747)	-	(781,747)	-
Increase (decrease) in accrued compensated absences	77,067	-	8,226	11,159	96,452	9,187
Total adjustments	7,936,219	(354,458)	1,440,614	48,060	9,070,435	3,145,521
Net cash provided by (used in) operating activities	\$ 24,716,180	\$ (4,762)	\$ 358,376	\$ (84,409)	\$ 24,985,385	\$ 3,011,465

CITY OF LEE'S SUMMIT, MISSOURI

Supplemental Disclosure Of Cash Flow Information

The City has the following noncash transactions: \$17,433,198 in water and sewer lines were contributed during fiscal year 2024 and \$572,074 relates to accounts receivable on capital grants for the Airport.

\$1,593,739 and \$100,376 relate to capital asset purchases in accounts payable for Combined Waterworks and Sewerage System, and Airport, respectively.

CITY OF LEE'S SUMMIT, MISSOURI
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

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 106,000 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.

The City's officials are also responsible for appointing the board members of the Lee's Summit Housing Authority (LSHA). The City appoints five of the five Board members; however, the City has no accountability for the LSHA beyond making the appointment. The LSHA is a subrecipient of City federal grant expenditures, but provides no other funding.

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:

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.

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 2017.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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. There is also nonmajor debt service fund which accounts for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on long-term obligations.

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.

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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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 (which include use tax and marijuana tax), franchise taxes, interest, grants and rentals.

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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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	\$ 0.7899
Park board	0.1198
Debt service	0.3697
Total tax levy	<u><u>\$ 1.2794</u></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 or subscription agreements for coverage that benefits more than one fiscal period. The premium or subscription amounts are amortized over the coverage 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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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.

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 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.

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.

Other Post-Employment Benefits

Post-employment benefits are part of an exchange of salaries and benefits for employee services rendered. Of the total benefits offered to attract and retain qualified employees, some benefits, including salaries and active-employee healthcare, are taken after the employees' services have ended. Nevertheless, both types of benefits constitute compensation for employee services. Other post-employment benefit (OPEB) costs are accounted for on an accrual basis in the government-wide and proprietary fund financial statements, charging expenses in the period incurred, with a corresponding liability for benefits to be paid in future periods along with deferred outflows of resources and deferred inflows of resources for OPEB.

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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The carrying amounts or fair values and the maturities of the City's investments at June 30, 2024 are as follows:

	Carrying Amount Or Fair Value	Less Than 1 Year	1 To 5 Years
U.S. Treasury securities	\$ 217,340,699	\$ 64,949,984	\$ 152,390,715
U.S. Agency securities	39,184,828	25,725,406	13,459,422
Repurchase agreements	265,000	265,000	-
Money market funds, at amortized cost	25,306,234	25,306,234	-
	282,096,761	<u>\$ 116,246,624</u>	<u>\$ 165,850,137</u>
Cash deposits per books	<u>20,354,129</u>		
Cash and investments per statement of net position	<u>\$ 302,450,890</u>		

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, 2024:

- U.S. Treasury obligations of \$217,340,699 valued using quoted market prices (Level 1 inputs)
- U.S. Agency obligations of \$39,184,828 valued using quoted market prices (Level 1 inputs)
- Repurchase agreements of \$265,000 valued using a matrix pricing model (Level 2 inputs)
- Money market funds of \$25,306,234 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 Director of Finance of the City and in accordance with state statutes. As of June 30, 2024, the City's deposits were properly collateralized.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

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.

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*	\$ 217,340,699	\$ 200,437,271	\$ 16,903,428
U.S. Agency securities	39,184,828	26,168,907	13,015,921
Repurchase agreements**	265,000	265,000	-
Money market funds	25,306,234	-	25,306,234
Total	<u>\$ 282,096,761</u>	<u>\$ 226,871,178</u>	<u>\$ 55,225,583</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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

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%

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	5.76%

3. Leases receivable

The City leases land and buildings to third parties. The following are the leases in effect at June 30, 2024 in which the City is a lessor:

Lease type	Lease Term		Discount Rate	Original Balance	6/30/2024 Balance	Revenues		Next Year Receipts
	Beginning	Ending				Lease	Interest	
Governmental activities:								
LS R-7	7/1/2021	5/31/2026	1.96%	\$ 459	\$ 1,865	\$ 921	\$ 53	\$ 959
Google Row	7/1/2021	12/31/2036	1.96%	200,443	167,483	12,932	3,390	14,593
				\$ 200,902	\$ 169,348	\$ 13,853	\$ 3,443	\$ 15,552
Landfill Fund:								
Solid Waste Processing Facility	11/1/2023	10/31/2043	5.53%	\$ 1,388,621	\$ 1,368,027	\$ 46,287	\$ 44,366	\$ 98,899
Proprietary activities:								
Airport Fund:								
Sallee	7/1/2021	7/31/2040	1.96%	\$ 220,131	\$ 190,735	\$ 11,535	\$ 3,845	\$ 13,836
EAA Hangar 1	3/1/2023	2/28/2032	1.96%	15,745	13,819	1,550	286	1,735
EAA Hangar K	7/1/2021	2/28/2025	1.96%	13,294	2,491	3,626	88	2,507
EAA Hangar L	7/1/2021	8/31/2025	1.96%	13,976	4,029	3,354	115	3,496
EAA Hangar M	7/1/2021	9/30/2033	1.96%	43,333	33,662	3,537	695	3,982
LXT LLC	7/1/2021	3/31/2026	1.96%	32,586	12,360	6,860	315	7,190
SW LLC	7/1/2021	12/31/2024	1.96%	28,359	4,171	8,102	169	4,195
Midwest Avionics	4/1/2022	3/31/2024	1.96%	54,324	51,892	26,974	907	31,092
Meisinger Aviation	7/12/2023	6/30/2025	1.96%	3,692	2,092	2,043	155	2,148
				\$ 425,440	\$ 315,251	\$ 67,581	\$ 6,575	\$ 70,181

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, 2023	Additions	Deductions	Balance June 30, 2024
Nondepreciable capital assets:				
Land	\$ 7,857,966	\$ 24,189	\$ 204,245	\$ 7,677,910
Construction in progress	48,747,696	53,304,127	30,698,831	71,352,992
Total nondepreciable capital assets	56,605,662	53,328,316	30,903,076	79,030,902
Depreciable capital assets:				
Buildings	76,860,670	19,048,686	-	95,909,356
Improvement other than buildings	84,385,415	1,089,421	111,287	85,363,549
Furniture, fixtures and equipment	52,702,251	6,946,651	11,582,338	48,066,564
Infrastructure	613,791,595	71,058,085	-	684,849,680
Right-to-use leased assets:				
Real estate	138,941	-	-	138,941
Furniture, fixtures and equipment	647,669	-	90,814	556,855
Right-to-use subscription assets	454,421	820,998	-	1,275,419
Total depreciable capital assets	828,980,962	98,963,841	11,784,439	916,160,364
Less: Accumulated depreciation				
Buildings	43,526,780	2,570,276	-	46,097,056
Improvement other than buildings	42,108,133	4,769,325	91,920	46,785,538
Furniture, fixtures and equipment	32,495,260	3,757,185	11,376,842	24,875,603
Infrastructure	163,287,554	13,109,807	-	176,397,361
Right-to-use leased assets:				
Real estate	27,228	13,614	-	40,842
Furniture, fixtures and equipment	126,159	65,690	77,707	114,142
Right-to-use subscription assets	31,557	187,753	-	219,310
Total accumulated depreciation	281,602,671	24,473,650	11,546,469	294,529,852
Total depreciable capital assets, net	547,378,291	74,490,191	237,970	621,630,512
Total governmental activities capital assets, net	\$ 603,983,953	\$ 127,818,507	\$ 31,141,046	\$ 700,661,414

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Business-Type Activities				
	Balance June 30, 2023	Additions	Reclasses/ Deductions	Balance June 30, 2024
Nondepreciable capital assets:				
Land	\$ 29,427,167	\$ -	\$ -	\$ 29,427,167
Construction in progress	18,160,119	14,208,576	17,400,921	14,967,774
Total nondepreciable capital assets	<u>47,587,286</u>	<u>14,208,576</u>	<u>17,400,921</u>	<u>44,394,941</u>
Depreciable capital assets:				
Structures and improvements	398,481,882	34,830,459	254,779	433,057,562
Furniture, fixtures and equipment	4,082,283	-	17,585	4,064,698
Total depreciable capital assets	<u>402,564,165</u>	<u>34,830,459</u>	<u>272,364</u>	<u>437,122,260</u>
Less: Accumulated depreciation				
Structures and improvements	128,249,401	7,203,047	221,178	135,231,270
Furniture, fixtures and equipment	3,324,994	45,755	17,585	3,353,164
Total accumulated depreciation	<u>131,574,395</u>	<u>7,248,802</u>	<u>238,763</u>	<u>138,584,434</u>
Total depreciable capital assets, net	<u>270,989,770</u>	<u>27,581,657</u>	<u>33,601</u>	<u>298,537,826</u>
Total business-type activities capital assets, net	<u>\$ 318,577,056</u>	<u>\$ 41,790,233</u>	<u>\$ 17,434,522</u>	<u>\$ 342,932,767</u>

Depreciation expense was charged to functions as follows:

General government	\$ 1,119,646
Public safety	2,080,431
Public works and streets	14,111,989
Parks and recreation	4,152,486
Capital assets held by the government's Internal Service	
Funds are charged to the various functions based on their usage of the assets	<u>3,009,098</u>
	<u>\$ 24,473,650</u>

Depreciation expense was charged to functions as follows:

Combined waterworks and sewerage system	\$ 5,860,145
Sanitary landfill	30,010
Airport	1,336,186
Nonmajor enterprise funds	22,461
	<u>\$ 7,248,802</u>

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements *(Continued)*

5. Long-Term Obligations

Debt payable at June 30, 2024 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	\$ 3,300,000
Improvement bonds 2017A	1.75 - 5.00	4/1/2026	4,200,000
Improvement bonds 2024A	4.00 - 5.00	4/1/2034	24,685,000
Total general obligation bonds			<u>\$ 32,185,000</u>
Bonds from direct placement:			
Refunding bonds 2022A (2013A)	1.60	4/1/2025	\$ 9,075,000
Improvement bonds 2022B	3.56	4/1/2026	3,420,000
Total bonds from direct placement			<u>\$ 12,495,000</u>
TIF bonds:			
Summit fair - 2017	3.50 - 4.875	11/1/2037	<u>\$ 19,595,000</u>

The following is a summary of changes in long-term obligations of the City for the year ended June 30, 2024:

Governmental Activities	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
General obligation bonds	\$ 10,200,000	\$ 24,685,000	\$ (2,700,000)	\$ 32,185,000	\$ 2,900,000
Add: Bond premium	859,863	2,266,639	(391,431)	2,735,071	-
Total general obligation bonds	<u>11,059,863</u>	<u>26,951,639</u>	<u>(3,091,431)</u>	<u>34,920,071</u>	<u>2,900,000</u>
Bonds from direct placement	<u>19,420,000</u>	-	<u>(6,925,000)</u>	<u>12,495,000</u>	<u>9,075,000</u>
TIF bonds	21,650,000	-	(2,055,000)	19,595,000	-
Less: Bond discount	<u>(191,678)</u>	-	<u>12,487</u>	<u>(179,191)</u>	-
Total TIF bonds	<u>21,458,322</u>	-	<u>(2,042,513)</u>	<u>19,415,809</u>	-
Leases payable *	<u>645,238</u>	-	<u>(89,516)</u>	<u>555,722</u>	<u>65,828</u>
Subscription liability	<u>221,435</u>	<u>786,848</u>	<u>(223,760)</u>	<u>784,523</u>	<u>197,846</u>
Accrued compensated absences	<u>5,974,546</u>	<u>1,118,589</u>	<u>(640,269)</u>	<u>6,452,866</u>	<u>286,052</u>
Other post employment benefits	<u>5,169,948</u>	-	<u>(248,984)</u>	<u>4,920,964</u>	<u>111,066</u>
Total governmental activities long-term obligations	<u>\$ 63,949,352</u>	<u>\$ 28,857,076</u>	<u>\$ (13,261,473)</u>	<u>\$ 79,544,955</u>	<u>\$ 12,635,792</u>

* Reductions to leases payable includes a \$13,379 termination of a lease

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

The total long-term liabilities of \$79,782,692 consist of subscription liability, compensated absences and other post-employment benefits of \$172,675, \$329,341 and \$182,380, respectively, related to Internal Service Funds, while the remaining amount of \$79,028,296 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			Balance			Amounts Due Within One Year
	June 30, 2023	Additions	Reductions	June 30, 2024			
Combined waterworks and sewerage system fund							
Compensated absences	\$ 369,020	\$ 93,322	\$ (16,255)	\$ 446,087			\$ 21,781
Other post employment benefits	240,096	-	(36,078)	204,018			4,563
Total waterworks and sewerage fund	<u>609,116</u>	<u>93,322</u>	<u>(52,333)</u>	<u>650,105</u>			<u>26,344</u>
Sanitary landfill fund							
Landfill closure/postclosure care	6,610,360	-	(384,280)	6,226,080			-
Total sanitary landfill fund	<u>6,610,360</u>	<u>-</u>	<u>(384,280)</u>	<u>6,226,080</u>			<u>-</u>
Airport fund							
Compensated absences	38,708	9,787	(1,561)	46,934			1,977
Other post employment benefits	23,876	-	(7,272)	16,604			371
Total airport fund	<u>62,584</u>	<u>9,787</u>	<u>(8,833)</u>	<u>63,538</u>			<u>2,348</u>
Nonmajor enterprise fund:							
Compensated absences	39,411	13,176	(2,017)	50,570			2,009
Total business-type activities long-term obligations	<u>\$ 7,321,471</u>	<u>\$ 116,285</u>	<u>\$ (447,463)</u>	<u>\$ 6,990,293</u>			<u>\$ 30,701</u>

Debt service requirements on long-term debt at June 30, 2024 are as follows:

Year	Governmental Activities						Total	
	General Obligation Bonds		Direct Placement		TIF Bonds		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest		
2025	\$ 2,900,000	\$ 1,385,247	\$ 9,075,000	\$ 266,952	\$ -	\$ 915,050	\$ 11,975,000	\$ 2,567,249
2026	11,000,000	1,317,100	3,420,000	121,752	-	915,050	14,420,000	2,353,902
2027	6,600,000	842,100	-	-	-	915,050	6,600,000	1,757,150
2028	1,850,000	530,100	-	-	4,595,000	823,150	6,445,000	1,353,250
2029	2,215,000	452,600	-	-	-	731,250	2,215,000	1,183,850
2030 - 2034	7,620,000	1,095,750	-	-	-	3,656,250	7,620,000	4,752,000
2035 - 2037	-	-	-	-	15,000,000	2,559,375	15,000,000	2,559,375
	<u>\$ 32,185,000</u>	<u>\$ 5,622,897</u>	<u>\$ 12,495,000</u>	<u>\$ 388,704</u>	<u>\$ 19,595,000</u>	<u>\$ 10,515,175</u>	<u>\$ 64,275,000</u>	<u>\$ 16,526,776</u>

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Payment requirements on leases payable at June 30, 2024 are as follows:

Year	Principal	Interest	Total
2025	\$ 65,828	\$ 11,816	\$ 77,644
2026	66,585	9,507	76,092
2027	32,438	8,007	40,445
2028	33,080	7,365	40,445
2029	33,734	6,710	40,444
2030 - 2034	178,944	23,279	202,223
2035 - 2039	145,113	6,209	151,322
	<u>\$ 555,722</u>	<u>\$ 72,893</u>	<u>\$ 628,615</u>

Payment requirements on subscription liability at June 30, 2024 are as follows:

Year	Principal	Interest	Total
2025	\$ 197,846	\$ 41,822	\$ 239,668
2026	205,070	31,538	236,608
2027	215,902	20,706	236,608
2028	165,705	9,296	175,001
	<u>\$ 784,523</u>	<u>\$ 103,362</u>	<u>\$ 887,885</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, 2024, the constitutionally imposed total general obligation debt limit was \$652,892,697, which after reduction for authorized general obligation bonds net of available resources in the Debt Service Fund, provides a general obligation debt margin of \$457,419,313.

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, 2024 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	\$ 1,075,897
Blackwell Residential Rental Project	103,100,000	2,382,955
Summit Square III Apartments Project	72,200,000	3,000,000
Town Centre Industrial Project	24,500,000	16,967,187

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	\$ 21,256,542	\$ 8,616,983
Nonmajor governmental	31,825,827	16,673
Combined waterworks and sewage system	5,385,887	1,036,333
Airport	1,185,613	1,185,613
Nonmajor enterprise	127,825	-
	<u>\$ 59,781,694</u>	<u>\$ 10,855,602</u>

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

Capital improvement sales tax fund: \$21,256,542

Airport: \$746,107

Nonmajor governmental fund: \$31,487,313

Combined waterworks and sewerage system fund: \$4,848,918

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, 2024 is as follows:

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental	\$ 910,658
Capital improvement sales tax	Nonmajor governmental	52,500
Nonmajor governmental	Nonmajor governmental	48,750
Combined waterworks and sewerage system	Nonmajor governmental	195,000
Total		<u>\$ 1,206,908</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, 2024:

Advance From Fund	Advance To Fund	Amount
Nonmajor governmental	Blue Parkway/Colbern CID	\$ 3,314,859
Nonmajor governmental	Sanitary landfill	200,000
Combined waterworks and sewerage system	Blue Parkway/Colbern CID	379,621
Total		<u>\$ 3,894,480</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	Capital Improvement Sales Tax	Nonmajor Governmental Funds	Internal Service Funds	
Transfers from					
General	\$ -	\$ -	\$ 10,276,426	\$ 1,818,613	\$ 12,095,039
Capital Improvement Sales Tax	-	-	7,779,545	-	7,779,545
Nonmajor Governmental Combined Waterworks and Sewerage System	972,194	117,263	13,143,698	690,618	14,923,773
Airport	456,428	-	731,053	791,211	1,978,692
Nonmajor Enterprise	26,585	-	-	-	26,585
Internal Service	-	-	3,520	-	3,520
	-	-	-	12,545	12,545
	<u>\$ 1,455,207</u>	<u>\$ 117,263</u>	<u>\$ 31,934,242</u>	<u>\$ 3,312,987</u>	<u>\$ 36,819,699</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.

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

- Transfer of \$9,795,485 from the General fund to the Green street improvement fund for the development and construction of the Green Street Market.
- Transfer of \$1,105,391 from the General fund to ITS internal service fund for expansion request projects.
- Transfer of \$2,600,000 from the Park board fund to the Park development fund to support park related capital projects.
- Transfer of \$558,593 from the Public safety sales tax fund to the Central vehicle services fund to support public safety fleet needs.
- Transfer of \$938,726 from the VAWA grant fund to the General Fund for the reimbursement of grant funded salaries.
- Transfer of \$3,344,622 from the ARP act fund to the Green street improvement fund for the development and construction of the Green Street Market.
- Transfer of \$7,779,545 from the Capital improvement sales tax fund to the Green street improvement fund for the development and construction of the Green Street Market.
- Transfer of \$693,400 from the Combined waterworks and sewerage system to Central vehicle services fund to support the water fleet needs.
- Transfer of \$731,053 from the Combined waterworks and sewerage system to the Green street improvement fund for the development and construction of the Green Street Market.
- Transfer of \$7,000,000 from the Debt service fund to the Park development fund to support park related capital projects.

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.

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	418
Inactive employees entitled to but not yet receiving benefits	322
Active employees	640
	<u>1,380</u>

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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, 2023, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2023.

Actuarial Assumptions

The total pension liability in the February 28, 2023 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 6.75% (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, 2023, valuation were based upon experience observed during the most recent 5-year period study for the period March 1, 2015 through February 29, 2020.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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	35.00%	4.78%
Fixed income	31.00%	1.41%
Real assets	36.00%	3.29%
Alpha	15.00%	3.67%
Strategic assets	8.00%	5.25%
Cash/leverage	-25.00%	-0.29%
	<u>100.00%</u>	

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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Changes In The Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
	(a)	(b)	(a) - (b)
Balances At June 30, 2023	\$ 255,134,613	\$ 298,078,376	\$ (42,943,763)
Changes For The Year:			
Service cost	5,320,677	-	5,320,677
Interest	17,664,613	-	17,664,613
Difference between expected and actual experience	6,123,321	-	6,123,321
Contributions - employer	-	5,865,212	(5,865,212)
Net investment income (loss)	-	10,641,739	(10,641,739)
Benefit payments, including refunds	(10,982,463)	(10,982,463)	-
Administrative expense	-	(195,936)	195,936
Other changes	-	810,485	(810,485)
Net changes	18,126,148	6,139,037	11,987,111
Balances At June 30, 2024	\$ 273,260,761	\$ 304,217,413	\$ (30,956,652)

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	Rate Assumption	1% Increase
	6.00%	7.00%	8.00%
Net pension liability (asset)	\$ 8,645,959	\$ (30,956,652)	\$ (63,662,126)

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, 2024 the City recognized pension expense (benefit) of \$2,990,275. 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	\$ 9,528,674	\$ 2,608,035
Changes in assumptions	162,008	1,628,342
Difference between expected and actual earnings	3,509,886	-
	<u>13,200,568</u>	<u>4,236,377</u>
Contributions subsequent to the measurement date of June 30, 2023 *	6,362,697	-
Total	<u>\$ 19,563,265</u>	<u>\$ 4,236,377</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
2025	\$ 585,132
2026	(2,480,520)
2027	7,790,004
2028	2,606,993
2029	373,051
Thereafter	89,531
Total	<u>\$ 8,964,191</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, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	409
Active employees	<u>310</u>
	<u><u>719</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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Total OPEB Liability And Changes In OPEB Liability

The City's total OPEB liability was based on an actuarial valuation dated January 1, 2024 using a measurement date of June 30, 2024 and the changes in the OPEB liability are as follows:

	<u>Total</u>
Total OPEB liability - Beginning of year	\$ 5,433,920
Service costs	299,413
Interest	227,033
Differences between expected and actual experience	(522,301)
Changes in assumptions and inputs	(181,479)
Benefit payments/Employer contributions	(115,000)
Total OPEB liability - end of year	<u>\$ 5,141,586</u>

Changes for the June 30, 2024 measurement date compared to the June 30, 2023 measurement date include the following:

1. The discount rate was changed from 4.0% to 4.1%.
2. The assumed proportion of future eligible employees electing coverage through the City upon retirement/disability was revised from 45% to 40%.
3. The age-based premium costs, retiree contribution premiums and trend assumptions were updated as part of the actuarial evaluation. The January 1, 2024 renewal was taking into account.

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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2024 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, 2024
Measurement Date:	June 30, 2024
Salary Scale:	4.0%
Discount Rate:	4.1% (measurement date); 4.0% (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
Healthcare Cost Trend:	7.0% in 2024 decreasing to ultimate rate of 4.5% in 2032

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 4.0% and 4.1% 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	Current Single Discount Rate Assumption	1% Increase
	3.1%	4.1%	5.1%
Total OPEB Liability	\$ 5,626,859	\$ 5,141,586	\$ 4,696,316

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	\$ 5,866,517	\$ 5,141,586	\$ 4,529,670

(a) 6.0% in 2024 decreasing to an ultimate rate of 3.5% in 2032

(b) 8.0% in 2024 decreasing to an ultimate rate of 5.5% in 2032

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

For the year ended June 30, 2024, the City recognized OPEB expense of \$388,479. At June 30, 2024, 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	\$ 1,228,516	\$ 1,674,408
Differences between expected and actual experience	84,031	1,486,514
Total	<u>\$ 1,312,547</u>	<u>\$ 3,160,922</u>

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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:

	<u>OPEB Expense</u>
Year Ending June 30,	
2025	\$ (137,967)
2026	(137,967)
2027	(137,967)
2028	(137,967)
2029	(137,964)
Thereafter	(1,158,543)
Total	<u>\$ (1,848,375)</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, 2024, the City's total estimated liability for payment of incurred but unpaid claims for workers' compensation was \$2,594,724 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, 2024 and 2023 were as follows:

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	2,560,938
Add: Current year claims and change in estimate	836,208
Less: Claim payments	<u>(802,422)</u>
Balance - June 30, 2024	<u><u>\$ 2,594,724</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 \$6,226,080 reported as landfill closure and postclosure liability at June 30, 2024, represents the City's estimate of remaining closure costs and postclosure care costs. As of August 2024, the landfill was officially moved into postclosure status.

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, 2024, the City had contract obligations of approximately \$6,226,080 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	\$ 3,652,140
Nonmajor Funds:	
Entitlement	50,138
New Longview TIF	282,255
Lee's Summit Sports Complex TIF	9,136
Business-type activities:	
Major Funds:	
Sanitary Landfill	3,613,162

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 \$1,076,072. This accounts for 1.31% of the City’s total general operating revenues of \$82,270,208 for the year ended June 30, 2024.

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 may approve tax increment financing to promote new investment, infrastructure improvements, and job growth by providing financial assistance and incentives to redevelopers. Created pursuant to Section 99.800, et seq., of the Revised Statutes of Missouri (RSMo). State statute authorizes the redirection of 100% the incremental increase in property taxes and 50% of the increase in sales taxes generated within an approved TIF project. The maximum term is 23 years. The City’s Economic Development Incentive Policy provides further guidance regarding the City Council’s preferences for the use of this incentive.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Chapter 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. The City's Economic Development Incentive Policy provides further guidance regarding the City Council's preferences for the use of this incentive and related abatement tools.

Chapter 100 Projects - The City of Lee's Summit may issue taxable bonds to assist with the construction or rehabilitation of eligible industrial and commercial facilities. The City takes formal ownership of the business assets and provides property tax abatement for up to 25 years. A Chapter 100 Plan is approved pursuant to Sections 100.010, et seq., RSMo. The level of abatement that may be provided through this incentive tool is negotiable, based on the characteristics of the development. The City's Economic Development Incentive Policy provides further guidance regarding the City Council's preferences for the use of Chapter 100 plans.

LCRA (Land Clearance for Redevelopment Authority) – The LCRA Board of Commissioners reviews all requests for abatement under the LCRA Act, which is set forth in Sections 99.300 to 99.730, RSMo. The LCRA Board makes a recommendation to the City Council, which makes the final decision on all LCRA incentive applications. Tax abatement may be provided under the LCRA Act to encourage investment and assist in the removal of blight and blighting conditions with urban renewal areas. The City's Economic Development Incentive Policy provides extensive guidance regarding the types of tools that are available through the LCRA Act, and the City Council's preferences regarding the use of these tools.

The City provided tax abatements under the four economic development programs noted above. For the fiscal year ended June 30, 2024, the City's tax revenue was diverted through various abatements necessary to incent development within the City totaling an estimated \$12,339,076 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	\$ 2,843,993	\$ 4,228,765	\$ 7,685,655	\$ 612,897	\$ 7,072,758	100.00%	\$ 7,072,758
Section 353 abatement	65,028	297,910	362,938	-	362,938	100.00%	362,938
Section 100 projects	739,666	3,797,667	8,567,153	4,029,820	4,537,333	100.00%	4,537,333
LCRA	54,423	311,623	399,180	33,134	366,046	100.00%	366,046
							<u>\$ 12,339,075</u>

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 northwest Chipman Road on the south. The estimated value of tax revenue abated during fiscal year 2024 is \$3,090,313 with the City's portion of taxes abated at \$410,388.

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, 2025.

GASB Statement No. 102, *Certain Risk Disclosures* will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The statement will be effective for the City with its year ending June 30, 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements* will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The statement will be effective for the City with its year ending June 30, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* will improve financial reporting by provided issuers of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. The statement will be effective for the City with its year ending June 30, 2026.

16. Accounting Change - Change in Reporting Entity

Governmental Accounting Standards Board Statement No. 100, Accounting Changes and Error Corrections - Amendment of GASB Statement No. 62, was implemented during fiscal year 2024. The new standard requires that changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period. The Debt Service fund, Public Safety Series 2022B fund and the ARP Act fund were presented as major in fiscal year 2023 and nonmajor in fiscal year 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, 2024

	Budgeted Amounts		Actual Amounts	With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 74,638,288	\$ 74,638,288	\$ 76,255,428	\$ 1,617,140
Fines and forfeitures	1,028,137	1,028,137	1,307,762	279,625
Licenses and permits	2,817,688	2,817,688	4,027,118	1,209,430
Intergovernmental	1,709,710	1,709,710	1,784,600	74,890
Charges for services	10,341,250	10,341,250	10,547,256	206,006
Investment earnings	99,520	99,520	1,615,023	1,515,503
Other	4,206,636	1,756,636	1,300,725	(455,911)
Total revenues	94,841,229	92,391,229	96,837,912	4,446,683
Expenditures				
Current:				
General government				
Administrative	6,343,895	6,434,095	4,975,603	1,458,492
Finance	13,720,868	12,926,288	12,187,525	738,763
Municipal court	1,326,167	1,331,462	1,121,934	209,528
Legal	2,159,999	2,340,012	2,225,317	114,695
Public Safety				
Law enforcement	27,902,825	27,413,868	26,315,527	1,098,341
Fire/EMS	23,273,585	23,447,265	21,827,709	1,619,556
Public works and streets				
Public works/engineering	7,538,986	5,070,587	4,554,542	516,045
Street operations	6,800,042	6,850,131	6,414,295	435,836
Community development				
Development center	5,383,110	5,368,110	4,791,693	576,417
Debt service				
Principal	91,700	91,700	76,137	15,563
Interest and other charges	199,807	199,807	213,980	(14,173)
Total expenditures	94,740,984	91,473,325	84,704,262	6,769,063
Excess Of Revenues Over (Under) Expenditures	100,245	917,904	12,133,650	11,215,746
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	2,795,485	2,795,485	-
Transfers in	554,354	1,493,080	1,455,207	(37,873)
Transfers out	(970,302)	(12,095,039)	(12,095,039)	-
Total other financing sources (uses)	(415,948)	(7,806,474)	(7,844,347)	(37,873)
Net Change In Fund Balances	(315,703)	(6,888,570)	4,289,303	11,177,873
Fund Balances - Beginning	44,889,955	44,889,955	44,889,955	-
Fund Balances - Ending	\$ 44,574,252	\$ 38,001,385	\$ 49,179,258	\$ 11,177,873

CITY OF LEE'S SUMMIT, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) NOTES TO BUDGETARY COMPARISON INFORMATION For The Year Ended June 30, 2024

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, 2024

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
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	5,116,807	5,072,113	44,694	43,166,632	11.75%
2022	6,005,152	5,733,341	271,811	44,836,428	12.79%
2023	5,862,706	5,862,707	(1)	46,526,283	12.60%
2024	6,362,697	6,362,698	(1)	53,045,795	11.99%

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, 2024

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

Fiscal Year Ending June 30,	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	\$ 5,320,677
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	17,664,613
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	6,123,321
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)	(10,982,463)
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	18,126,148
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	255,134,613
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	\$ 273,260,761
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	\$ 5,865,212
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	10,641,739
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)	(10,982,463)
Pension plan administrative expense	(89,852)	(84,734)	(87,751)	(90,844)	(134,918)	(156,543)	(121,875)	(133,711)	(195,936)
Other (net transfer)	1,714,993	339,826	(157,227)	(62,202)	1,319,477	(1,093,208)	924,145	1,720,426	810,486
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)	6,139,038
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	298,078,376
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	\$ 304,217,414
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)	(30,956,653)
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%	119.24%
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	\$ 45,219,651
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%	-68.46%

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, 2024**

Fiscal Year Ending June 30,	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability June 30							
Service cost	\$ 229,155	\$ 291,148	\$ 308,374	\$ 433,566	\$ 496,500	\$ 284,239	\$ 299,413
Interest	153,982	184,128	185,290	180,691	155,653	210,424	227,033
Differences between expected and actual experience	-	168,067	(506,295)	(164,677)	(740,503)	(51,869)	(522,301)
Changes in assumptions	799,131	137,117	846,255	499,996	(1,943,043)	(58,628)	(181,479)
Benefit payments	(161,000)	(226,000)	(176,000)	(195,000)	(164,000)	(123,000)	(115,000)
Net Change in Total OPEB Liability	1,021,268	554,460	657,624	754,576	(2,195,393)	261,166	(292,334)
Total OPEB Liability-Beginning	4,380,219	5,401,487	5,955,947	6,613,571	7,368,147	5,172,754	5,433,920
Total OPEB Liability Ending	\$ 5,401,487	\$ 5,955,947	\$ 6,613,571	\$ 7,368,147	\$ 5,172,754	\$ 5,433,920	\$ 5,141,586
Covered-employee payroll	\$ 35,567,476	\$ 35,567,476	\$ 40,363,580	\$ 40,363,580	\$ 40,708,939	\$ 40,708,939	\$ 49,906,143
Total OPEB liability as a percentage of covered-employee payroll	15.19%	16.75%	16.38%	18.25%	12.71%	13.35%	10.30%

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, 2024

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 for the June 30, 2024 measurement date compared to the June 30, 2023 measurement date include the following:

1. The discount rate was changed from 4.0% to 4.1%.
2. The assumed proportion of future eligible employees electing coverage through the City upon retirement/disability was revised from 45% to 40%.
3. The age-based premium costs, retiree contribution premiums and trend assumptions were updated as part of the actuarial evaluation. The January 1, 2024 renewal was taking into account.

CITY OF LEE'S SUMMIT, MISSOURI

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

2024	4.1%
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, 2024**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Pooled cash and investments	\$ 18,193,645	\$ 14,818,819	\$ 54,543,915	\$ 87,556,379
Receivables (net of allowance)				
Taxes	2,170,850	1,557,544	2,259,812	5,988,206
Accounts and other	76,474	-	-	76,474
Interest	23,755	19,407	46,787	89,949
Leases receivable	1,368,027	-	-	1,368,027
Due from other funds	-	-	48,750	48,750
Due from other governments	28,870	-	743,382	772,252
Prepaid expenses	110,748	-	1,227,984	1,338,732
Advances to other funds	200,000	-	3,314,859	3,514,859
Restricted cash	-	-	25,381,178	25,381,178
Total assets	\$ 22,172,369	\$ 16,395,770	\$ 87,566,667	\$ 126,134,806
Liabilities, Deferred Inflows of Resources And Fund Balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 1,164,835	\$ -	\$ 5,828,822	\$ 6,993,657
Payroll liabilities	368,234	-	-	368,234
Deposits payable	198,349	-	10,000	208,349
Unearned revenue	-	-	-	-
Due to other funds	100,000	-	1,106,908	1,206,908
Total liabilities	1,831,418	-	6,945,730	8,777,148
Deferred Inflows Of Resources				
Property tax	181,934	470,541	-	652,475
Leases	1,342,334	-	-	1,342,334
Unavailable revenue	-	-	69,672	69,672
Total deferred inflows of resources	1,524,268	470,541	69,672	2,064,481
Fund Balances				
Nonspendable				
Prepaid items	110,748	-	1,227,984	1,338,732
Restricted				
Public safety	6,827,687	-	198,701	7,026,388
Bridges, streets and signals	-	-	33,697,065	33,697,065
Parks and recreation	3,747,943	-	-	3,747,943
Economic development	1,563,635	-	30,036,762	31,600,397
Debt service reserve	-	15,925,229	-	15,925,229
Other capital projects	-	-	13,562,879	13,562,879
Other purposes	154,704	-	-	154,704
Committed				
Bridges, streets and signals	381,524	-	-	381,524
Landfill care	4,875,469	-	-	4,875,469
Cemetery care	1,205,111	-	-	1,205,111
Assigned				
Other capital projects	-	-	2,119,265	2,119,265
Unassigned	(50,138)	-	(291,391)	(341,529)
Total fund balances	18,816,683	15,925,229	80,551,265	115,293,177
Total liabilities, deferred inflows and fund balances	\$ 22,172,369	\$ 16,395,770	\$ 87,566,667	\$ 126,134,806

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, 2024**

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues				
Taxes				
Property	\$ 4,408,085	\$ 11,137,241	\$ 5,106,916	\$ 20,652,242
Sales	13,182,209	6,425,967	16,039,435	35,647,611
License	—	—	815,852	815,852
Bed	669,363	—	—	669,363
Other tax	457	1,409	—	1,866
Fines and forfeitures	22,137	56,863	—	79,000
Intergovernmental	8,247,549	—	794,243	9,041,792
Charges for services	4,342,055	—	47,824	4,389,879
Investment income	744,280	557,229	2,526,461	3,827,970
Other	388,215	—	64,555	452,770
Total revenues	32,004,350	18,178,709	25,395,286	75,578,345
Expenditures				
Current				
General government	707,548	—	792,835	1,500,383
Public safety	6,583,095	—	—	6,583,095
Parks and recreation	9,681,367	—	—	9,681,367
Debt service				
Principal	175,000	9,625,000	2,055,000	11,855,000
Interest and other charges	—	822,423	1,193,546	2,015,969
Capital outlay	6,573,012	—	35,123,228	41,696,240
Total expenditures	23,720,022	10,447,423	39,164,609	73,332,054
Excess (Deficiency) Of Revenues Over Expenditures	8,284,328	7,731,286	(13,769,323)	2,246,291
Other Financing Sources (Uses)				
Issuance of bonds	—	—	24,685,000	24,685,000
Premium on issuance of bonds	—	—	2,266,639	2,266,639
Issuance of subscription liabilities	786,848	—	—	786,848
Transfers in	252,556	—	31,681,686	31,934,242
Transfers out	(7,748,773)	(7,175,000)	—	(14,923,773)
Total other financing sources (uses)	(6,709,369)	(7,175,000)	58,633,325	44,748,956
Net Change In Fund Balances	1,574,959	556,286	44,864,002	46,995,247
Fund Balances - Beginning	17,241,724	15,368,943	35,687,263	68,297,930
Fund Balances - Ending	\$ 18,816,683	\$ 15,925,229	\$ 80,551,265	\$ 115,293,177

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.

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

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, 2024**

	Park Board	Violence Against Women Grant	Entitlement Fund	Landfill Post-Closure Fund	Cemetery Trust Fund	Road And Bridge Escrow	Business And Industry Fund	ARP Act Fund	Grants and Settlements	Public Safety Sales Tax	Total Nonmajor Special Revenue Funds
Assets											
Pooled cash and investments	\$ 4,524,782	\$ 128,414	\$ 49,862	\$ 4,642,752	\$ 1,207,010	\$ 574,065	\$ 1,428,023	\$ 416,366	\$ 56,935	\$ 5,165,436	\$ 18,193,645
Receivables (net of allowance)											
Taxes receivable, net	157,464	—	—	—	—	—	—	—	—	2,013,386	2,170,850
Accounts and other	—	—	—	—	—	—	76,474	—	—	—	76,474
Interest	7,971	—	—	11,860	2,847	808	269	—	—	—	23,755
Leases receivable	—	—	—	1,368,027	—	—	—	—	—	—	1,368,027
Prepaid expenses	—	—	—	—	—	—	—	—	—	110,748	110,748
Due from other governments	—	26,936	—	—	—	—	—	1,934	—	—	28,870
Advances to other funds	—	—	—	200,000	—	—	—	—	—	—	200,000
Total assets	\$ 4,690,217	\$ 155,350	\$ 49,862	\$ 6,222,639	\$ 1,209,857	\$ 574,873	\$ 1,504,766	\$ 418,300	\$ 56,935	\$ 7,289,570	\$ 22,172,369
Liabilities, Deferred Inflows of Resources And Fund Balances											
Liabilities											
Accounts payable and accrued liabilities	\$ 577,501	\$ 646	\$ —	\$ 4,836	\$ 3,188	\$ —	\$ —	\$ 416,366	\$ —	\$ 162,298	\$ 1,164,835
Payroll liabilities	177,839	—	—	—	1,558	—	—	—	—	188,837	368,234
Deposits payable	5,000	—	—	—	—	193,349	—	—	—	—	198,349
Unearned revenue	—	—	—	—	—	—	—	—	—	—	—
Due to other funds	—	—	100,000	—	—	—	—	—	—	—	100,000
Total liabilities	760,340	646	100,000	4,836	4,746	193,349	—	416,366	—	351,135	1,831,418
Deferred Inflows Of Resources											
Property tax	181,934	—	—	—	—	—	—	—	—	—	181,934
Leases	—	—	—	1,342,334	—	—	—	—	—	—	1,342,334
Total deferred inflows of resources	181,934	—	—	1,342,334	—	—	—	—	—	—	1,524,268
Fund Balances (Deficits)											
Nonspendable											
Prepaid amounts	—	—	—	—	—	—	—	—	—	110,748	110,748
Restricted											
Public safety	—	—	—	—	—	—	—	—	—	6,827,687	6,827,687
Parks and recreation	3,747,943	—	—	—	—	—	—	—	—	—	3,747,943
Economic development	—	—	—	—	—	—	1,504,766	1,934	56,935	—	1,563,635
Other purposes	—	154,704	—	—	—	—	—	—	—	—	154,704
Committed											
Bridges, streets and signals	—	—	—	—	—	381,524	—	—	—	—	381,524
Landfill care	—	—	—	4,875,469	—	—	—	—	—	—	4,875,469
Cemetery care	—	—	—	—	1,205,111	—	—	—	—	—	1,205,111
Unassigned	—	—	(50,138)	—	—	—	—	—	—	—	(50,138)
Total fund balances (deficits)	3,747,943	154,704	(50,138)	4,875,469	1,205,111	381,524	1,504,766	1,934	56,935	6,938,435	18,816,683
Total liabilities, deferred inflows and fund balances (deficits)	\$ 4,690,217	\$ 155,350	\$ 49,862	\$ 6,222,639	\$ 1,209,857	\$ 574,873	\$ 1,504,766	\$ 418,300	\$ 56,935	\$ 7,289,570	\$ 22,172,369

CITY OF LEE'S SUMMIT, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT) NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended June 30, 2024

	Park Board	Violence Against Women Grant	Entitlement Fund	Landfill Post Closure Fund	Cemetery Trust Fund	Road And Bridge Escrow	Business And Industry Fund	ARP Act Fund	Grants and Settlements	Public Safety Sales Tax	Total Nonmajor Special Revenue Funds
Revenues											
Taxes											
Property	\$ 4,408,085	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,408,085
Sales	—	—	—	—	—	—	—	—	—	13,182,209	13,182,209
Bed	—	—	—	—	—	—	669,363	—	—	—	669,363
Other tax	457	—	—	—	—	—	—	—	—	—	457
Fines and forfeitures	22,137	—	—	—	—	—	—	—	—	—	22,137
Intergovernmental	10,274	151,605	279,622	—	—	4,095	—	7,649,613	152,340	—	8,247,549
Charges for services	4,255,397	—	—	—	86,658	—	—	—	—	—	4,342,055
Investment income (loss)	199,282	43,602	—	226,252	56,326	25,729	53,901	—	2,330	136,858	744,280
Other	297,016	—	—	90,653	546	—	—	—	—	—	388,215
Total revenues	9,192,648	195,207	279,622	316,905	143,530	29,824	723,264	7,649,613	154,670	13,319,067	32,004,350
Expenditures											
Current:											
General government	—	40,503	288,724	252,706	—	—	125,615	—	—	—	707,548
Public safety	—	—	—	—	—	—	—	—	6,583,095	—	6,583,095
Parks and recreation	9,529,582	—	—	—	151,785	—	—	—	—	—	9,681,367
Debt service:											
Principal	—	—	—	—	—	—	—	—	—	175,000	175,000
Capital outlay	—	—	—	—	—	—	—	4,185,754	154,550	2,232,708	6,573,012
Total expenditures	9,529,582	40,503	288,724	252,706	151,785	—	125,615	4,185,754	154,550	8,990,803	23,720,022
Excess (Deficiency) Of Revenues Over Expenditures	(336,934)	154,704	(9,102)	64,199	(8,255)	29,824	597,649	3,463,859	120	4,328,264	8,284,328
Other Financing Sources (Uses)											
Issuance of subscription liabilities	—	—	—	—	—	—	—	—	—	786,848	786,848
Transfers in	252,556	—	—	—	—	—	—	—	—	—	252,556
Transfers out	(2,605,985)	(938,726)	—	—	(18,051)	—	(33,468)	(3,461,925)	—	(690,618)	(7,748,773)
Total other financing sources (uses)	(2,353,429)	(938,726)	—	—	(18,051)	—	(33,468)	(3,461,925)	—	96,230	(6,709,369)
Net Change In Fund Balances (Deficit)	(2,690,363)	(784,022)	(9,102)	64,199	(26,306)	29,824	564,181	1,934	120	4,424,494	1,574,959
Fund Balances (Deficits) - Beginning	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
Fund Balances (Deficits) - Ending	\$ 3,747,943	\$ 154,704	\$ (50,138)	\$ 4,875,469	\$ 1,205,111	\$ 381,524	\$ 1,504,766	\$ 1,934	\$ 56,935	\$ 6,938,435	\$ 18,816,683

CITY OF LEE'S SUMMIT, MISSOURI

BUDGETARY COMPARISON SCHEDULE

PARK BOARD

For The Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variances With
	Original	Final		Final Budget - Positive (Negative)
Revenues				
Taxes				
Property taxes	\$ 4,183,074	\$ 4,183,074	\$ 4,408,085	\$ 225,011
Other tax	16,924	16,924	457	(16,467)
Fines and forfeitures	17,712	17,712	22,137	4,425
Intergovernmental	1,000	1,000	10,274	9,274
Charges for services	4,779,648	4,779,648	4,255,397	(524,251)
Investment earnings (loss)	47,500	47,500	199,282	151,782
Other	354,663	354,663	297,016	(57,647)
Total revenues	9,400,521	9,400,521	9,192,648	(207,873)
Expenditures				
Current:				
Parks and recreation	8,820,342	8,963,911	9,529,582	565,671
Capital Improvements	263,310	263,310	-	(263,310)
Total expenditures	9,083,652	9,227,221	9,529,582	302,361
Excess (deficiency) of revenues over expenditures	316,869	173,300	(336,934)	(510,234)
Other Financing Sources				
Transfers in	246,571	246,571	252,556	5,985
Transfers out	(3,048,955)	(3,048,955)	(2,605,985)	442,970
Total other financing sources (uses)	(2,802,384)	(2,802,384)	(2,353,429)	448,955
Net Change In Fund Balances	\$ (2,485,515)	\$ (2,629,084)	(2,690,363)	\$ (61,279)
Fund Balances - Beginning			6,438,306	
Fund Balances - Ending			\$ 3,747,943	

CITY OF LEE'S SUMMIT, MISSOURI

**BUDGETARY COMPARISON SCHEDULE
VIOLENCE AGAINST WOMEN GRANT
For The Year Ended June 30, 2024**

	<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	\$ 151,605	\$ (48,395)
Investment earnings (loss)	—	—	43,602	43,602
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>195,207</u>	<u>(4,793)</u>
Expenditures				
Current:				
General government	<u>200,000</u>	<u>200,000</u>	<u>40,503</u>	<u>159,497</u>
Excess (deficiency) of revenues over expenditures	<u>—</u>	<u>—</u>	<u>154,704</u>	<u>154,704</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>—</u>	<u>(938,726)</u>	<u>(938,726)</u>	<u>—</u>
Net Change In Fund Balances	<u>\$ —</u>	<u>\$ (938,726)</u>	<u>(784,022)</u>	<u>\$ 154,704</u>
Fund Balances - Beginning			<u>938,726</u>	
Fund Balances - Ending			<u>\$ 154,704</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.

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.

CITY OF LEE'S SUMMIT, MISSOURI

NONMAJOR GOVERNMENTAL FUNDS CAPITAL PROJECTS FUNDS (*Continued*)

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.

291 N & Highway 50 TIF - Established to account for public improvement needed to support the redevelopment of the Highway 291 corridor north of Highway 50.

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.

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

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

2nd and Douglas TIF –Established to account for public improvement needed to support the redevelopment of the northwest corner of SE 2nd Street and SE Douglas Street.

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS**

**Page 1 Of 2
June 30, 2024**

	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
Assets											
Pooled cash and investments	\$ 88,137	\$ 11,510,465	\$ 13,795,172	\$ 4,395,949	\$ 46,893	\$ -	\$ 86,914	\$ 4,459	\$ 2,050,037	\$ 3,389,074	\$ -
Receivables (net of allowance)											
Taxes	-	1,962,317	-	-	18,018	-	21,914	7,649	-	183,208	-
Interest	-	3,952	367	19,160	-	-	23	-	2,716	140	-
Due from other funds	-	22,500	26,250	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	54,665	-	40,954	15,576	61,282	406,085	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-
Advances to other funds	-	3,314,859	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 88,137	\$ 16,814,093	\$ 13,821,789	\$ 4,415,109	\$ 119,576	\$ -	\$ 149,805	\$ 27,684	\$ 2,114,035	\$ 3,978,507	\$ -
Liabilities, Deferred Inflows of Resources And Fund Balances											
Liabilities											
Accounts payable and accrued liabilities	\$ 30,424	\$ 1,648,080	\$ 63,988	\$ 24,967	\$ -	\$ -	\$ 47,709	\$ 420	\$ 713,140	\$ -	\$ -
Deposits payable	-	-	-	-	-	-	5,000	-	-	-	-
Due to other funds	-	-	-	-	-	-	375,000	6,908	-	-	-
Total liabilities	30,424	1,648,080	63,988	24,967	-	-	427,709	7,328	713,140	-	-
Deferred Inflows Of Resources											
Unavailable revenue	-	-	-	-	2,908	-	4,351	1,251	-	45,122	-
Total deferred inflows of resources	-	-	-	-	2,908	-	4,351	1,251	-	45,122	-
Fund Balances (Deficits)											
Nonspendable											
Prepaid items	-	-	-	-	-	-	-	-	-	-	-
Restricted											
Public safety	-	-	-	-	-	-	-	-	-	-	-
Bridges, streets and signals	57,713	15,166,013	13,757,801	4,390,142	-	-	-	-	-	-	-
Economic development	-	-	-	-	116,668	-	-	19,105	1,400,895	3,933,385	-
Other capital projects	-	-	-	-	-	-	-	-	-	-	-
Assigned											
Other capital projects	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(282,255)	-	-	-	-
Total fund balances (deficits)	57,713	15,166,013	13,757,801	4,390,142	116,668	-	(282,255)	19,105	1,400,895	3,933,385	-
Total liabilities, deferred inflows and fund balances (deficits)	\$ 88,137	\$ 16,814,093	\$ 13,821,789	\$ 4,415,109	\$ 119,576	\$ -	\$ 149,805	\$ 27,684	\$ 2,114,035	\$ 3,978,507	\$ -

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS**

**Page 2 Of 2
June 30, 2024**

	ERP System	Public Safety Equipment Replacement	Lee's Summit Sports Complex TIF	Public Safety Improvements 2020	Public Safety Bonds 2020B	Green Street Improvements	291 N & Highway 50 TIF	Street of West Pryor TIF	General Governmental Capital Projects	Public Safety Series 2022B	Bonded Indebtedness	2nd and Douglas TIF	Total Nonmajor Capital Projects Funds
Assets													
Pooled cash and investments	\$ 14,822	\$ 2,102,356	\$ 6,272	\$ 48,977	\$ -	\$ 15,376,536	\$ 79	\$ 29,053	\$ 744,669	\$ 134,098	\$ 53,096	\$ 666,857	\$ 54,543,915
Receivables (net of allowance)													
Taxes	-	-	-	-	-	-	-	66,706	-	-	-	-	2,259,812
Interest	30	2,057	92	-	-	18,000	-	20	-	-	-	230	46,787
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	48,750
Due from other governments	-	-	-	-	-	-	-	164,820	-	-	-	-	743,382
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	1,227,984	-	1,227,984
Advances to other funds	-	-	-	-	-	-	-	-	-	-	-	-	3,314,859
Restricted cash	-	-	-	74,945	245,088	-	-	-	-	624,366	24,436,779	-	25,381,178
Total assets	\$ 14,852	\$ 2,104,413	\$ 6,364	\$ 123,922	\$ 245,088	\$ 15,394,536	\$ 79	\$ 260,599	\$ 744,669	\$ 758,464	\$ 25,717,859	\$ 667,087	\$ 87,566,667
Liabilities, Deferred Inflows of Resources And Fund Balances													
Liabilities													
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 10,500	\$ 31,227	\$ 241,094	\$ 1,853,346	\$ -	\$ -	\$ 419,352	\$ 559,763	\$ 184,812	\$ -	\$ 5,828,822
Deposits payable	-	-	5,000	-	-	-	-	-	-	-	-	-	10,000
Due to other funds	-	-	-	75,000	-	-	-	-	-	-	650,000	-	1,106,908
Total liabilities	-	-	15,500	106,227	241,094	1,853,346	-	-	419,352	559,763	834,812	-	6,945,730
Deferred Inflows Of Resources													
Unavailable revenue	-	-	-	-	-	-	-	16,040	-	-	-	-	69,672
Total deferred inflows of resources	-	-	-	-	-	-	-	16,040	-	-	-	-	69,672
Fund Balances (Deficits)													
Nonspendable													
Prepaid items	-	-	-	-	-	-	-	-	-	-	1,227,984	-	1,227,984
Restricted													
Public safety	-	-	-	-	-	-	-	-	-	198,701	-	-	198,701
Bridges, streets and signals	-	-	-	-	-	-	79	-	325,317	-	-	-	33,697,065
Economic development	-	-	-	-	-	-	-	244,559	-	-	23,655,063	667,087	30,036,762
Other capital projects	-	-	-	17,695	3,994	13,541,190	-	-	-	-	-	-	13,562,879
Assigned													
Other capital projects	14,852	2,104,413	-	-	-	-	-	-	-	-	-	-	2,119,265
Unassigned	-	-	(9,136)	-	-	-	-	-	-	-	-	-	(291,391)
Total fund balances (deficits)	14,852	2,104,413	(9,136)	17,695	3,994	13,541,190	79	244,559	325,317	198,701	24,883,047	667,087	80,551,265
Total liabilities, deferred inflows and fund balances (deficits)	\$ 14,852	\$ 2,104,413	\$ 6,364	\$ 123,922	\$ 245,088	\$ 15,394,536	\$ 79	\$ 260,599	\$ 744,669	\$ 758,464	\$ 25,717,859	\$ 667,087	\$ 87,566,667

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, 2024

	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	\$ 1,477,097	\$ —	\$ —	\$ —	\$ 184,405	\$ —	\$ 351,036	\$ 342,684	\$ —	\$ 1,390,229	\$ —
Sales	—	12,858,364	—	—	130,988	301,286	227,528	35,725	—	1,886,594	—
License	—	—	—	815,852	—	—	—	—	—	—	—
Intergovernmental	—	111,883	30,209	—	30,570	—	40,932	13,844	—	410,388	—
Charges for services	1,949	—	—	—	719	—	2,338	1,228	4,398	8,862	—
Other income	—	—	63,385	—	—	—	—	—	—	—	—
Investment income (loss)	1,560	407,618	631,492	206,720	6,951	2,087	1,226	1,114	90,532	161,945	2
Total revenues	1,480,606	13,377,865	725,086	1,022,572	353,633	303,373	623,060	394,595	94,930	3,858,018	2
Expenditures											
Current:											
General government	—	—	1,550	—	375,799	—	2,338	374,210	—	—	106
Debt service											
Principal	—	—	—	—	—	—	—	—	—	2,055,000	—
Interest and other charges	—	—	—	—	—	—	16,316	—	—	991,539	—
Capital outlay	928,292	10,601,428	1,020,407	586,019	2,806	—	5,349	5,483	4,397	32,548	—
Total expenditures	928,292	10,601,428	1,021,957	586,019	378,605	—	24,003	379,693	4,397	3,079,087	106
Excess (Deficiency) Of Revenues Over Expenditures	552,314	2,776,437	(296,871)	436,553	(24,972)	303,373	599,057	14,902	90,533	778,931	(104)
Other Financing Sources											
Issuance of bonds	—	—	—	—	—	—	—	—	—	—	—
Premium on issuance of bonds	—	—	—	—	—	—	—	—	—	—	—
Transfers in	—	—	9,600,000	—	—	—	—	—	—	—	—
Total other financing sources	—	—	9,600,000	—	—	—	—	—	—	—	—
Net Change In Fund Balances (Deficits)	552,314	2,776,437	9,303,129	436,553	(24,972)	303,373	599,057	14,902	90,533	778,931	(104)
Fund Balances (Deficits) - Beginning	(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
Fund Balances (Deficits) - Ending	\$ 57,713	\$ 15,166,013	\$ 13,757,801	\$ 4,390,142	\$ 116,668	\$ —	\$ (282,255)	\$ 19,105	\$ 1,400,895	\$ 3,933,385	\$ —

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, 2024

	ERP System	Public Safety Equipment Replacement	Lee's Summit Sports Complex TIF	Public Safety Improvements 2020	Public Safety Bonds 2020B	Green Street Improvements	291 N & Highway 50 TIF	Street of West Pryor TIF	General Governmental Capital Projects	Public Safety Series 2022B	Bonded Indebtedness	2nd and Douglas TIF	Total Nonmajor Capital Projects Funds			
Revenues																
Taxes																
Property	\$	—	\$	34	\$	—	\$	—	\$	693,880	\$	—	\$	667,551	\$	5,106,916
Sales										598,950						16,039,435
License																815,852
Intergovernmental										156,417						794,243
Charges for services			28,330													47,824
Other income							79				1,091					64,555
Investment income (loss)	675	94,265	912	7	14,671	274,125	1	3,977	109,140	153,636	353,588	10,217				2,526,461
Total revenues	<u>675</u>	<u>94,265</u>	<u>29,276</u>	<u>7</u>	<u>14,671</u>	<u>274,125</u>	<u>80</u>	<u>1,453,224</u>	<u>109,140</u>	<u>153,636</u>	<u>354,679</u>	<u>677,768</u>				<u>25,395,286</u>
Expenditures																
Current:																
General government			38,831					1				10,681				803,516
Debt service																
Principal																2,055,000
Interest and other charges			44	360							185,287					1,193,546
Capital outlay				106,172	114,606	11,579,818		1,277,691	4,010,041	2,602,006	2,235,484					35,112,547
Total expenditures			<u>38,875</u>	<u>106,532</u>	<u>114,606</u>	<u>11,579,818</u>	<u>1</u>	<u>1,277,691</u>	<u>4,010,041</u>	<u>2,602,006</u>	<u>2,420,771</u>	<u>10,681</u>				<u>39,164,609</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>675</u>	<u>94,265</u>	<u>(9,599)</u>	<u>(106,525)</u>	<u>(99,935)</u>	<u>(11,305,693)</u>	<u>79</u>	<u>175,533</u>	<u>(3,900,901)</u>	<u>(2,448,370)</u>	<u>(2,066,092)</u>	<u>667,087</u>				<u>(13,769,323)</u>
Other Financing Sources																
Issuance of bonds											24,685,000					24,685,000
Premium on issuance of bonds											2,266,639					2,266,639
Transfers in		430,941				21,650,745										31,681,686
Total other financing sources		<u>430,941</u>				<u>21,650,745</u>					<u>26,951,639</u>					<u>58,633,325</u>
Net Change In Fund Balances (Deficits)	<u>675</u>	<u>525,206</u>	<u>(9,599)</u>	<u>(106,525)</u>	<u>(99,935)</u>	<u>10,345,052</u>	<u>79</u>	<u>175,533</u>	<u>(3,900,901)</u>	<u>(2,448,370)</u>	<u>24,885,547</u>	<u>667,087</u>				<u>44,864,002</u>
Fund Balances (Deficits) - Beginning	14,177	1,579,207	463	124,220	103,929	3,196,138	—	69,026	4,226,218	2,647,071	(2,500)	—				35,687,263
Fund Balances (Deficits) - Ending	<u>\$</u>	<u>2,104,413</u>	<u>\$</u>	<u>17,695</u>	<u>\$</u>	<u>13,541,190</u>	<u>\$</u>	<u>244,559</u>	<u>\$</u>	<u>198,701</u>	<u>\$</u>	<u>24,883,047</u>	<u>\$</u>	<u>667,087</u>	<u>\$</u>	<u>80,551,265</u>

CITY OF LEE'S SUMMIT, MISSOURI

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE**

For The Year Ended June 30, 2024

	<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	\$ 10,484,000	\$ 10,484,000	\$ 11,137,241	\$ 653,241
Sales	6,261,140	6,261,140	6,425,967	164,827
Other tax	20,000	20,000	1,409	(18,591)
Fines and forfeitures	50,000	50,000	56,863	6,863
Investment earnings	183,555	183,555	557,229	373,674
Total revenues	<u>16,998,695</u>	<u>16,998,695</u>	<u>18,178,709</u>	<u>1,180,014</u>
Expenditures				
Current:				
General government	173,000	173,000	-	173,000
Debt Service:				
Principal	9,625,000	9,625,000	9,625,000	-
Interest and other charges	640,000	640,000	822,423	(182,423)
Total expenditures	<u>10,438,000</u>	<u>10,438,000</u>	<u>10,447,423</u>	<u>(9,423)</u>
Excess Of Revenues Over Expenditures	<u>6,560,695</u>	<u>6,560,695</u>	<u>7,731,286</u>	<u>1,170,591</u>
Other Financing Sources (Uses)				
Transfers out	<u>(7,175,000)</u>	<u>(7,175,000)</u>	<u>(7,175,000)</u>	<u>-</u>
Total other financing uses	<u>(7,175,000)</u>	<u>(7,175,000)</u>	<u>(7,175,000)</u>	<u>-</u>
Net Change In Fund Balances	<u>\$ (614,305)</u>	<u>\$ (614,305)</u>	<u>556,286</u>	<u>\$ 1,170,591</u>
Fund Balances - Beginning			<u>15,368,943</u>	
Fund Balances - Ending			<u>\$ 15,925,229</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, 2024**

	Nonmajor Enterprise Funds		
	Recreation Center	Stormwater Utility	Total
Assets			
Current assets			
Cash and investments	\$ 489,156	\$ 291,863	\$ 781,019
Interest receivable	909	-	909
Total current assets	490,065	291,863	781,928
Noncurrent assets			
Capital assets			
Depreciable, net	93,039	-	93,039
Total noncurrent assets	93,039	-	93,039
Total assets	583,104	291,863	874,967
Liabilities			
Current liabilities			
Accounts payable	39,952	384	40,336
Salaries payable	61,146	-	61,146
Compensated absences	2,009	-	2,009
Total current liabilities	103,107	384	103,491
Noncurrent liabilities			
Compensated absences	48,561	-	48,561
Total noncurrent liabilities	48,561	-	48,561
Total liabilities	151,668	384	152,052
Net Position			
Net investment in capital assets	93,039	-	93,039
Unrestricted	338,397	291,479	629,876
Total net position	\$ 431,436	\$ 291,479	\$ 722,915

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, 2024

	Enterprise Funds		
	Recreation Center	Stormwater Utility	Total
Operating Revenues			
Charges for services	\$ 1,255,937	\$ -	\$ 1,255,937
Other	341,151	8,234	349,385
Total operating revenues	1,597,088	8,234	1,605,322
Operating Expenses			
Salaries, wages and employee benefits	932,159	-	932,159
Utilities	105,950	-	105,950
Repairs and maintenance	58,085	-	58,085
Depreciation	22,461	-	22,461
Interdepartment charges	25,385	-	25,385
Miscellaneous	585,345	8,406	593,751
Total operating expenses	1,729,385	8,406	1,737,791
Operating income (loss)	(132,297)	(172)	(132,469)
Nonoperating Revenues (Expenses)			
Interest income	18,973	5,673	24,646
Total nonoperating revenues (expenses)	18,973	5,673	24,646
Income (Loss) Before Contributions And Transfers	(113,324)	5,501	(107,823)
Capital Grants And Contributions Transfers Out	5,775 (3,520)	- -	5,775 (3,520)
Change In Net Position	(111,069)	5,501	(105,568)
Total Net Position			
Beginning	542,505	285,978	828,483
Ending	\$ 431,436	\$ 291,479	\$ 722,915

CITY OF LEE'S SUMMIT, MISSOURI

City of Lee's Summit Nonmajor Enterprise Funds Statement of Cash Flows Year ended June 30, 2024

	Enterprise Funds		
	Recreation Center	Stormwater Utility	Total
Cash Flows From Operating Activities			
Cash received from customers	\$ 1,597,088	\$ 8,234	\$ 1,605,322
Cash paid to suppliers	(787,775)	(8,022)	(795,797)
Cash paid to employees	(893,934)	-	(893,934)
Net cash provided by (used in) operating activities	(84,621)	212	(84,409)
Cash Flows From Noncapital Financing Activities			
Transfers out	(3,520)	-	(3,520)
Net cash provided by (used in) noncapital financing activities	(3,520)	-	(3,520)
Cash Flows From Capital And Related Financing Activities			
Capital grants	5,775	-	5,775
Net cash provided by (used in) capital and related financing activities	5,775	-	5,775
Cash Flows Provided By Investing Activities			
Interest received (paid)	18,767	5,273	24,040
Net cash provided by (used in) investing activities	18,767	5,273	24,040
Net increase (decrease) in cash and cash equivalents	(63,599)	5,485	(58,114)
Cash And Cash Equivalents - Beginning Of Year	552,755	286,378	839,133
Cash And Cash Equivalents - End Of Year	\$ 489,156	\$ 291,863	\$ 781,019
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	\$ (132,297)	\$ (172)	\$ (132,469)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	22,461	-	22,461
Changes in assets and liabilities:			
Increase (decrease) in accounts payable	(13,010)	384	(12,626)
Increase (decrease) in salaries and wages payable	27,066	-	27,066
Increase (decrease) in accrued compensated absences	11,159	-	11,159
Total adjustments	47,676	384	48,060
Net cash provided by (used in) operating activities	\$ (84,621)	\$ 212	\$ (84,409)

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, 2024

	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	\$ 1,831,719	\$ 338,030	\$ 6,760,028	\$ 4,619,808	\$ 236,186	\$ 4,570,465	\$ 1,536,700	\$ 19,892,936
Interest receivable	1	470	1,137	4,954	439	8,192	1,222	16,415
Inventories	322,731	42	—	—	—	—	—	322,773
Prepaid expenses	—	—	—	316,121	—	—	—	316,121
Total current assets	2,154,451	338,542	6,761,165	4,940,883	236,625	4,578,657	1,537,922	20,548,245
Noncurrent assets								
Pension asset	72,562	—	—	347,648	—	—	98,914	519,124
Capital assets								
Nondepreciable	104,250	—	—	—	—	—	—	104,250
Depreciable, net	10,884,362	—	—	347,127	—	—	1,121,314	12,352,803
Total noncurrent assets	11,061,174	—	—	694,775	—	—	1,220,228	12,976,177
Total assets	13,215,625	338,542	6,761,165	5,635,658	236,625	4,578,657	2,758,150	33,524,422
Deferred outflows of resources								
Pension	36,630	—	—	175,493	—	—	49,931	262,054
Other post employment benefits	14,604	—	—	51,115	—	—	12,778	78,497
Total deferred outflows of resources	51,234	—	—	226,608	—	—	62,709	340,551
Liabilities								
Current liabilities								
Accounts payable	86,593	—	96	439,920	—	2,594,724	73,920	3,195,253
Salaries and benefits payable	21,716	—	—	101,257	—	—	19,816	142,789
Subscription Liabilities	—	—	—	57,171	—	—	—	57,171
Compensated absences	1,967	—	—	7,781	—	—	1,718	11,466
Other poste employment benefits	570	—	—	2,732	—	—	777	4,079
Total current liabilities	110,846	—	96	608,861	—	2,594,724	96,231	3,410,758
Noncurrent liabilities								
Subscription Liabilities	—	—	—	115,504	—	—	—	115,504
Compensated absences	40,069	—	—	230,033	—	—	47,773	317,875
Other post employment benefits	24,923	—	—	119,405	—	—	33,973	178,301
Total noncurrent liabilities	64,992	—	—	464,942	—	—	81,746	611,680
Total Liabilities	175,838	—	96	1,073,803	—	2,594,724	177,977	4,022,438
Deferred inflows of resources -								
Pension	6,109	—	—	29,265	—	—	8,326	43,700
Other post-employment benefits	35,170	—	—	123,096	—	—	30,774	189,040
Total deferred inflows of resources	41,279	—	—	152,361	—	—	39,100	232,740
Net position								
Net investment in capital assets	10,988,612	—	—	174,452	—	—	1,121,314	12,284,378
Restricted for pension	72,562	—	—	347,648	—	—	98,914	519,124
Unrestricted	1,988,568	338,542	6,761,069	4,114,002	236,625	1,983,933	1,383,554	16,806,293
Total Net position	\$ 13,049,742	\$ 338,542	\$ 6,761,069	\$ 4,636,102	\$ 236,625	\$ 1,983,933	\$ 2,603,782	\$ 29,609,795

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, 2024

	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	\$ 3,422,518	\$ 55,215	\$ 1,758,980	\$ 5,479,945	\$ 36,447	\$ 829,343	\$ 2,127,818	\$ 13,710,266
Other	5,770	—	23,569	3,271	—	60,305	6,169	99,084
Total Operating Revenues	3,428,288	55,215	1,782,549	5,483,216	36,447	889,648	2,133,987	13,809,350
Operating Expenses								
Salaries, wages and employee benefits	758,200	—	—	3,343,332	24,565	—	674,845	4,800,942
Utilities	63,295	—	—	—	—	—	274,255	337,550
Repairs and maintenance	37,646	—	83,984	716,779	—	—	425,933	1,264,342
Fuels and lubricants	7,785	—	—	94	—	—	3,089	10,968
Depreciation	2,771,322	—	—	75,782	—	—	161,994	3,009,098
Interdepartment charges	91,734	—	—	77,500	—	—	60,159	229,393
Miscellaneous	255,840	7,414	986,004	1,564,545	—	1,048,768	428,542	4,291,113
Total Operating Expenses	3,985,822	7,414	1,069,988	5,778,032	24,565	1,048,768	2,028,817	13,943,406
Operating Income (Loss)	(557,534)	47,801	712,561	(294,816)	11,882	(159,120)	105,170	(134,056)
Nonoperating Revenue								
Interest income (loss)	169,723	13,225	306,169	174,456	9,580	222,750	78,239	974,142
Interest Expense	—	—	—	(8,852)	—	—	—	(8,852)
Gain (loss) on disposal of capital assets	86,843	—	—	(673)	—	—	(45,300)	40,870
Total Nonoperating Revenue	256,566	13,225	306,169	164,931	9,580	222,750	32,939	1,006,160
Income (Loss) Before Transfers	(300,968)	61,026	1,018,730	(129,885)	21,462	63,630	138,109	872,104
Transfers in	1,957,715	—	—	1,347,772	—	—	7,500	3,312,987
Transfers out	(12,545)	—	—	—	—	—	—	(12,545)
Total transfers	1,945,170	—	—	1,347,772	—	—	7,500	3,300,442
Change In Net Position	1,644,202	61,026	1,018,730	1,217,887	21,462	63,630	145,609	4,172,546
Total Net Position - Beginning	11,405,540	277,516	5,742,339	3,418,215	215,163	1,920,303	2,458,173	25,437,249
Total Net Position - Ending	\$ 13,049,742	\$ 338,542	\$ 6,761,069	\$ 4,636,102	\$ 236,625	\$ 1,983,933	\$ 2,603,782	\$ 29,609,795

CITY OF LEE'S SUMMIT, MISSOURI

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended June 30, 2024**

	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	\$ 3,428,287	\$ 55,215	\$ 1,782,549	\$ 5,483,216	\$ 36,447	\$ 889,648	\$ 2,133,987	\$ 13,809,349
Cash paid to suppliers	(425,548)	(7,414)	(1,069,892)	(2,328,760)	(1)	(1,014,982)	(1,151,540)	(5,998,137)
Cash paid to employees	(763,235)	—	—	(3,332,159)	(25,444)	—	(678,909)	(4,799,747)
Net cash provided by (used in) operating activities	2,239,504	47,801	712,657	(177,703)	11,002	(125,334)	303,538	3,011,465
Cash Flows From Noncapital Financing Activities								
Transfers in	1,957,715	—	—	1,347,772	—	—	7,500	3,312,987
Transfers out	(12,545)	—	—	—	—	—	—	(12,545)
Net cash provided by (used in) noncapital financing activities	1,945,170	—	—	1,347,772	—	—	7,500	3,300,442
Cash Flows From Capital And Related Financing Activities								
Principal paid on subscription liability	—	—	—	(48,760)	—	—	—	(48,760)
Interest paid on subscription liability	—	—	—	(8,852)	—	—	—	(8,852)
Additions to capital assets	(3,642,763)	—	—	—	—	—	(45,365)	(3,688,128)
Proceeds from sale of capital assets	265,731	—	—	—	—	—	—	265,731
Net cash used in capital and related financing activities	(3,377,032)	—	—	(57,612)	—	—	(45,365)	(3,480,009)
Cash Flows Provided By Investing Activities								
Interest received	167,132	13,186	305,792	174,444	9,561	222,356	78,409	970,880
Net cash provided by (used in) investing activities	167,132	13,186	305,792	174,444	9,561	222,356	78,409	970,880
Net Increase (Decrease) In Cash And Cash Equivalents	974,774	60,987	1,018,449	1,286,901	20,563	97,022	344,082	3,802,778
Cash And Cash Equivalents - Beginning Of Year	856,945	277,043	5,741,579	3,332,907	215,623	4,473,443	1,192,618	16,090,158
Cash And Cash Equivalents - End Of Year	\$ 1,831,719	\$ 338,030	\$ 6,760,028	\$ 4,619,808	\$ 236,186	\$ 4,570,465	\$ 1,536,700	\$ 19,892,936
Operating income (loss)	\$ (557,534)	\$ 47,801	\$ 712,561	\$ (294,816)	\$ 11,882	\$ (159,120)	\$ 105,170	\$ (134,056)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization	2,771,322	—	—	75,782	—	—	161,994	3,009,098
Changes in assets and liabilities:								
Decrease in accounts receivable	(1)	—	—	—	—	—	—	(1)
Increase in inventories	(42,181)	—	—	—	—	—	—	(42,181)
Decrease in prepaid expenses	—	—	—	(316,121)	—	—	—	(316,121)
Increase in pension related assets, outflow and inflows	(12,990)	—	—	(33,466)	—	—	(14,247)	(60,703)
Increase (decrease) in accounts payable	72,933	—	96	346,279	(1)	33,786	40,438	493,531
Increase in salaries and benefits payable	1,375	—	—	19,277	(879)	—	5,383	25,156
Increase in accrued compensated absences	(596)	—	—	8,761	—	—	1,022	9,187
Increase in other post employment benefits outflow and liability	7,176	—	—	16,601	—	—	3,778	27,555
Total adjustments	2,797,038	—	96	117,113	(880)	33,786	198,368	3,145,521
Net cash provided by (used in) operating activities	\$ 2,239,504	\$ 47,801	\$ 712,657	\$ (177,703)	\$ 11,002	\$ (125,334)	\$ 303,538	\$ 3,011,465

**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.

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Financial Trends	87
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	93
These schedules contain information to help the reader assess the government's most significant local revenue sources, sales and property tax.	
Debt Capacity	102
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	106
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	108
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 Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ 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	\$ 648,439,492
Restricted	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	139,470,808
Unrestricted	(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	82,267,134
Total governmental activities net position	\$ 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	\$ 870,177,434
Business-type activities										
Net investment in capital assets	\$ 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	\$ 341,238,652
Restricted	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	77,590,687
Unrestricted	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	24,561,787
Total business-type activities net position	\$ 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	\$ 443,391,126
Primary government										
Net investment in capital assets	\$ 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	\$ 989,678,144
Restricted	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	217,061,495
Unrestricted	(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	106,828,921
Total primary government net position	\$ 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	\$ 1,313,568,560

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Public works and streets	\$ 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	\$ 31,984,467
Public safety	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	56,558,941
Parks and recreation	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	15,755,961
Community development	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	4,663,186
General government	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	24,177,950
Interest on long-term debt	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	1,956,276
Total governmental activities expenses	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	135,096,781
Business-type activities										
Waterworks and sewerage system	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	36,905,270
Sanitary landfill	2,744,683	2,611,974	343,754	1,717,642	2,454,125	488,283	901,496	(377,340)	223,706	(347,025)
Airport	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	4,606,645
Recreation center	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	1,729,385
Stormwater utility	—	—	—	—	—	—	—	—	182,976	8,406
Total business-type activities expenses	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	42,902,681
Total primary government expenses	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	177,999,462
Program Revenues										
Governmental activities										
Charges for services										
Public works and streets	667,442	868,734	886,840	1,135,555	892,742	627,981	702,927	774,492	548,722	632,834
Public safety	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	11,365,672
Parks and recreation	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	4,305,864
Community development	138,886	177,298	198,508	183,522	172,213	151,532	184,396	298,232	172,202	193,482
General government	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	3,853,547
Operating grants and contributions	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	13,407,580
Capital grants and contributions	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	62,099,639
Total governmental activities program revenues	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	95,858,618
Business-type activities										
Charges for services										
Waterworks and sewerage system	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	53,685,277
Sanitary landfill	3,049,357	3,289,579	716,764	550,830	37,875	50,831	84,950	—	2,854	—
Airport	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	3,497,750
Recreation center	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	1,605,322
Stormwater Utility	—	—	—	—	—	—	—	—	—	—
Capital grants and contributions	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	18,845,536
Total business type activities program revenues	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	77,633,885
Total primary government revenues	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	173,492,503

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense) Revenue										
Governmental activities	\$ (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)	\$ (39,238,163)
Business-type activities	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	34,731,204
Total primary government net expense	(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)	(4,506,959)
General Revenues And Other Changes In Net Position										
Governmental activities										
General revenues										
Property taxes	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	50,821,755
Sales and use taxes	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	76,580,698
Franchise fees	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	13,775,942
License taxes	827,620	647,812	1,436,321	1,087,048	922,389	1,574,018	1,372,152	1,423,594	1,526,424	815,852
Motor vehicle taxes	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	5,268,948
Investment income (loss)	423,184	1,005,443	417,669	778,964	3,255,225	3,487,316	352,534	(3,307,292)	2,053,154	8,071,367
Other revenue	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	4,363,708
Transfers	843,076	1,284,109	627,939	(2,603,322)	(948,296)	(1,008,634)	882,990	30,192	(1,970,243)	2,008,797
Total governmental activities	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	161,707,067
Business-type activities										
General revenues										
Investment income (loss)	323,107	449,089	42,972	114,217	1,900,811	2,235,481	204,272	(1,754,336)	1,005,033	4,608,039
Other revenue	—	51,100	373,592	—	—	—	956,494	—	—	—
Transfers	(843,076)	(1,284,109)	(627,939)	2,603,322	948,296	1,008,634	(882,990)	(30,192)	1,970,243	(2,008,797)
Total business-type activities	(519,969)	(783,920)	(211,375)	2,717,539	2,849,107	3,244,115	277,776	(1,784,528)	2,975,276	2,599,242
Total primary government	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	164,306,309
Change In Net Position										
Governmental activities	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	122,468,904
Business-type activities	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	37,330,446
Total city	\$ 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	\$ 159,799,350

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Nonspendable	\$ 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	6,301
Unassigned	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	49,172,957
Total general fund	\$ 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	\$ 49,179,258
All other governmental funds										
Restricted/committed/										
Assigned										
Debt service	\$ 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	\$ 15,925,229
Special revenue funds	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	18,756,073
Capital project funds	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	106,911,347
Nonspendable										
Special revenue funds	—	—	—	—	—	—	—	—	—	110,748
Capital project funds	—	—	—	—	5,152,285	—	—	—	—	1,227,984
Unassigned										
Special revenue funds	(22,441)	(6,468)	(114,872)	(153,170)	(54,473)	(75,597)	(103,292)	(89,401)	(41,036)	(50,138)
Capital project funds	(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)	(3,943,531)
Total all other governmental funds	\$ 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	\$ 138,937,712

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes:										
Property	\$ 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	\$ 50,505,570
Sales	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	76,199,866
Franchise	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	13,775,942
License	830,167	650,360	1,441,417	1,087,048	891,393	1,581,768	1,379,901	1,431,343	923,311	815,852
Bed	401,460	440,886	443,399	533,037	570,499	440,202	427,983	615,918	642,456	669,363
Motor vehicle	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	5,268,948
Other tax	365,603	349,634	351,426	343,490	307,207	428,222	621,373	389,814	288,909	252,659
Fines and forfeitures	1,661,671	1,584,692	1,380,397	1,279,938	1,260,119	864,528	853,565	955,799	1,132,057	1,386,763
Licenses and permits	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	4,027,118
Intergovernmental	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	13,407,580
Charges for services	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	14,937,518
Interest	374,618	886,902	374,176	710,234	2,893,944	3,140,342	313,810	(3,087,512)	1,937,326	7,097,225
Other	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	1,753,560
Total Revenues	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	190,097,964
Expenditures										
Current										
General government	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	22,996,991
Public safety	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	54,726,331
Public works and streets	35,133,894	9,352,070	10,192,055	10,178,521	10,434,096	11,387,972	10,700,748	11,302,014	10,161,826	10,968,837
Community development	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	4,791,693
Parks and recreation	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	9,681,367
Debt service										
Principal retirements	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	11,931,137
Interest and fiscal charges	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	2,229,949
Capital outlay										
General government	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	66,837,931
Public works and streets	31,726,375	22,196,327	19,010,345	10,150,347	8,670,423	23,013,284	18,475,395	—	—	—
Public safety	102,545	322,249	—	4,746,075	3,969,268	2,704,735	1,682,172	—	—	—
Parks and recreation	1,285,671	1,117,965	488,888	4,602,811	6,859,542	7,922,432	6,597,730	—	—	—
Total Expenditures	119,679,512	115,015,690	121,879,293	117,460,632	123,217,519	134,646,989	125,350,738	124,990,468	142,640,258	184,164,236

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Deficiency Of Revenues										
Over Expenditures	\$ (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	\$ 5,933,728
Other Financing Sources (Uses)										
Proceeds from bonds	11,402,500	14,075,000	—	48,025,000	3,658,000	9,055,000	5,000,000	15,000,000	5,420,000	24,685,000
Proceeds from sale of assets	—	—	—	—	—	3,108,027	167,000	32,038	—	2,795,485
Premium on issuance of bonds	308,185	551,757	—	803,598	—	—	—	—	—	2,266,639
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	—
Issuance of subscription liabilities	—	—	—	—	—	—	—	—	—	786,848
Transfers in	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	33,506,712
Transfers out	(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)	(34,798,357)
Total Other Financing Sources (Uses)	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)	29,242,327
Net change in fund balances	\$ (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	\$ 35,176,055
Debt service as a percentage of noncapital expenditures	22.60%	15.00%	14.80%	15.87%	13.10%	11.46%	12.36%	13.76%	10.99%	11.00%

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

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Public works	\$ 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	\$ 72,963,274
Public safety	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	13,150,272
Parks and recreation	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	4,305,864
Planning and development	138,961	177,298	198,508	183,522	172,213	151,532	184,396	298,232	172,202	193,482
General government	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	5,245,726
Subtotal governmental activities	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	95,858,618
Business-type activities										
Waterworks and sewerage system	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	71,952,964
Sanitary landfill	3,049,357	3,289,579	716,764	550,830	37,875	50,831	84,950	—	2,854	—
Airport	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	4,069,824
Recreation center	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	1,605,322
Stormwater Utility	—	—	—	—	—	—	—	—	—	5,775
Subtotal business-type activities	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	77,633,885
Total primary government	\$ 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	\$ 173,492,503

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
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
2024	50,505,570	76,199,866	5,268,948	13,775,942	1,737,874	5,413,881	7,097,225	30,098,658	190,097,964

Note:

As set out in Section 32.057 of the Missouri Revised State Statues, 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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City Sales Tax Revenue										
General Fund	\$ 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	\$ 27,106,417
Road & Bridge Improvement Fund (Transportation)	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	12,858,364
Capital Improvements Sales Tax Fund	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	13,407,969
Debt Service (Local Parks)	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	6,425,967
Public Safety Tax Tax Fund	—	—	—	—	—	—	—	—	5,349,510	13,182,209
TDD & CID Funds (consolidated)	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	3,218,940
Total	\$ 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	\$ 76,199,866

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	2024
Sales By Retail Category:						
Clothing Department Store/Jewelry	\$ 265,618	\$ 269,811	\$ 300,862	\$ 342,903	\$ 350,262	\$ 364,858
Grocery Stores	212,535	228,805	235,065	251,767	271,378	270,857
Home Centers/Home Repair	146,386	154,472	173,881	185,746	193,880	187,157
Full Service Restaurants	109,599	91,045	99,226	152,832	153,420	171,092
Limited Service Restaurants	107,767	115,611	119,318	97,044	103,871	122,166
Utilities/Telecom/Cable	73,640	91,197	173,546	193,095	197,654	175,734
Other Retail General Merchandise	92,054	73,000	91,545	89,620	98,761	104,243
Gas Stations with Convenience Stores	40,135	43,411	48,298	46,918	53,508	59,119
New/Used Car Dealers	22,337	22,967	23,093	31,654	34,359	32,193
All Other Outlets	708,532	670,715	643,171	674,139	744,739	788,165
Total	\$ 1,778,603	\$ 1,761,034	\$ 1,908,005	\$ 2,065,718	\$ 2,201,833	\$ 2,275,585

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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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%	0.500%	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%	2.750%	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%	3.750%	3.750%
Direct Use Tax Rate City of Lee's Summit										
General Fund	—	—	—	—	—	—	1.000%	1.000%	1.000%	1.000%
Capital Projects	—	—	—	—	—	—	0.500%	0.500%	0.500%	0.500%
Transportation	—	—	—	—	—	—	0.500%	0.500%	0.500%	0.500%
Public Safety Sales Tax	—	—	—	—	—	—	0.000%	0.000%	0.500%	0.500%
Local Parks	—	—	—	—	—	—	0.250%	0.250%	0.250%	0.250%
Direct Use Tax Rate City of Lee's Summit	—	—	—	—	—	—	2.250%	2.250%	2.750%	2.750%
Transportation Development District/Community Improvement District	—	—	—	—	—	—	1.000%	1.000%	1.000%	1.000%
Total Indirect Use Tax Rate	—	—	—	—	—	—	3.250%	3.250%	3.750%	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%	0.250%
Kansas City Zoo	0.000%	0.000%	0.000%	0.000%	0.000%	0.125%	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%	2.750%	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%	8.725%	8.725%	8.725%	8.850%	8.850%	8.850%	9.475%	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 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				
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	1,525,207,510	1,174,683	360,545,824	1,886,928,017	379,089,233	34,986,056	2,301,003,306	1.3936	10,714,526,563	21.48%
2021	1,539,991,855	1,272,007	360,817,704	1,902,081,566	384,502,001	37,143,845	2,323,727,412	1.4563	11,457,273,878	20.28%
2022	1,679,826,721	1,250,535	381,082,884	2,062,160,140	427,406,419	38,103,478	2,527,670,037	1.4199	12,069,143,330	20.94%
2023	1,728,695,995	1,267,249	392,787,433	2,122,750,677	528,244,003	42,058,747	2,693,053,427	1.4199	12,068,594,098	22.31%
2024	2,257,270,436	1,461,087	504,817,319	2,763,548,842	494,707,213	44,347,260	3,302,603,315	1.2794	15,107,798,517	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**

	2024			2015		
	Taxable Assessed Value	Rank	% Of Total City Net Assessed Value	Taxable Assessed Value	Rank	% Of Total City Net Assessed Value
Evergy West	\$ 43,901,967	1	1.33%	31,762,541	1	1.88%
Rainier Summit Woods Acquisitions	19,702,016	2	0.60%	13,173,632	2	0.78%
Google Fiber Missouri	12,485,808	3	0.38%			
John Knox Village	11,009,780	4	0.33%	3,757,236	7	0.22%
T Mobile Central LLC (formerly Sprint)	10,732,762	5	0.32%	8,345,195	3	0.49%
Wal-Mart	10,213,620	6	0.31%			
JVM Summit Ridge Apartments	9,910,514	7	0.30%			
Southern Union Gas dba MO Gas Energy	9,651,057	8	0.29%	4,838,731	4	0.29%
Summit at West Pryor LLC	8,311,360	9	0.25%			
Mar Arborwalk LLC	6,404,658	10	0.19%			
Toys R Us				4,457,543	5	0.26%
MREI III Summit Ridge LLC				4,404,196	6	0.26%
Laclede Gas Company (fomerly Missouri Gas Energy)				3,503,664	8	0.21%
Cerner Corporation				3,237,359	9	0.19%
Target				3,168,640	10	0.19%
Total	\$ 142,323,542		4.31%	\$ 80,648,737		4.77%

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	
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	0.9119	0.1383	0.3697	1.4199	5.3089	0.5920	0.0300	0.7217	7.9055
2024	0.7899	0.1198	0.3697	1.2794	4.7112	0.5116	0.0300	0.6360	7.1682

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

Blue Springs	5.0635
Independence	5.1171
Hickman Mills	5.8273
Grandview	5.6620
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	0.1780
Mental Health	0.0953
Handicap Workshop	0.0716
Library	0.2911
	<u>0.6360</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
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%	723,558	36,662,249	97.6%
2024	41,373,023	38,796,250	93.8%		38,796,250	93.8%

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			
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
2024	47,415,071	—	1,340,245	19,415,809	—	—	68,171,125	106,031	643

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
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
2024		47,415,071	10,521,615		34,158,385	1.03%	322

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, 2024

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	\$ 229,490,020	82.88%	\$ 190,201,328
Blue Springs R-4 School District	315,572,536	20.17%	63,650,980
Raymore-Peculiar School District	82,339,938	8.00%	6,587,195
Grandview School District	37,195,122	0.41%	152,500
Hickman Mills School District	65,292,844	0.12%	78,351
Subtotal, overlapping debt			260,670,355
City Direct Debt			68,171,125
Total direct and overlapping debt			<u>\$ 328,841,480</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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Legal debt limit (1)	\$ 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	\$ 652,892,697
Total net debt applicable to limit	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	195,473,384
Legal debt margin	\$ 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	\$ 457,419,313
Total net debt applicable to the limit as a percentage of debt limit	15.97	12.79	14.74	11.86	11.20	0.10	0.08	0.06	0.04	0.30

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	Per Capita Personal Income ⁽¹⁾	Median Age ⁽¹⁾	Education Level			School Enrollment ⁽¹⁾	Unemployment Rate
					High School Graduate Percentage ⁽¹⁾	Some College Or Associate's Degree or Higher Percentage ⁽¹⁾	Bachelor's Degree Or Higher Percentage ⁽¹⁾		
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%
2024	106,031	103,447	47,879	36.8	18.7%	32.9%	48.7%	17,887	3.40%

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			2015		
	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%
	<u>12,847</u>		<u>20.55%</u>	<u>9,325</u>		<u>18.45%</u>

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

NOTE: The most current available information has been reported.

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

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Administration	26.31	27.39	26.99	27.98	30.29	30.43	29.75	28.75	30.13	34.13
Public Works-Engineering	38.90	33.80	41.10	42.25	42.25	42.00	42.00	46.00	46.00	48.00
Police	204.00	202.00	202.00	205.50	206.50	207.50	207.50	212.50	224.50	236.50
Fire	144.00	144.00	153.00	154.00	154.00	155.00	155.00	164.67	192.00	193.25
Finance	21.00	22.00	22.00	22.00	22.00	22.00	22.00	23.00	25.00	26.00
Planning and development	8.37	9.70	4.01	4.00	4.00	4.00	-	-	-	-
Court	12.50	11.29	11.87	11.38	11.96	10.90	10.90	10.90	11.15	12.15
Codes administration	13.35	—	—	—	—	—	-	-	-	-
Law	11.50	10.25	10.50	10.51	10.50	10.88	10.88	11.63	12.63	13.63
Public Works-Operations	41.34	38.00	34.20	33.80	33.80	33.80	33.75	33.75	35.12	39.12
Development Center	7.47	27.68	33.86	36.68	36.68	37.42	40.40	42.40	44.40	44.40
Parks and recreation										
Community center	37.16	37.32	36.99	37.18	37.95	39.00	36.93	29.71	32.92	33.86
Parks and recreation	26.16	26.06	26.23	26.30	25.83	25.93	23.14	24.20	24.24	26.56
Pool	17.44	14.96	14.47	14.61	13.60	13.92	16.66	16.54	17.88	19.53
Cemetery	1.00	1.00	1.00	1.00	1.00	0.90	0.80	0.75	0.75	0.75
Harris Park Recreation Center	22.77	24.23	24.34	25.07	24.31	24.35	18.32	22.73	23.60	23.80
Gamber Community Center	9.41	7.95	7.86	7.38	6.76	6.40	5.39	5.05	6.47	5.52
Longview Community Center	—	—	—	—	—	28.79	20.98	17.22	18.51	19.57
Airport	6.22	6.26	7.46	9.16	8.46	9.30	9.30	10.40	11.60	12.10
Water utilities	59.50	60.50	60.50	62.50	62.46	66.92	66.92	68.92	70.92	72.92
Solid waste	14.80	14.80	1.00	1.00	1.60	1.60	1.00	1.00	1.00	1.00
Central building services	8.62	10.62	10.62	8.62	8.12	8.12	6.10	6.10	7.10	7.10
Fleet	9.12	9.12	9.12	9.12	9.12	10.12	10.00	10.00	10.00	10.00
Information technology services	25.89	24.71	27.76	28.06	28.13	27.99	28.02	30.02	30.30	33.80
Total	766.83	763.64	766.88	778.10	779.32	817.27	795.74	816.24	876.22	913.69

Source: City of Lee's Summit Finance Department

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Building Permits Issued (1)										
Residential/single family	319	310	324	391	339	428	638	267	137	251
Residential/multi family	7	7	27	52	18	15	26	37	25	39
Commercial/industrial	15	16	32	20	20	16	15	39	29	15
Additions	1,943	1,548	1,572	2,047	2,282	2,348	16	8	4	5
Police protection (2)										
Homicide	0.02	0.01	0.03	0.01	0.02	0.02	0.02	0.02	0.18	0.00
Rape	0.19	0.17	0.22	0.31	0.24	0.24	0.24	0.21	0.27	0.28
Robbery	0.20	0.19	0.37	0.38	0.25	0.25	0.25	0.14	0.15	0.21
Aggravated Assault	0.45	0.71	0.48	0.21	0.68	0.68	0.68	1.10	1.45	0.25
Burglary	2.61	2.30	2.15	1.76	2.11	2.11	2.11	1.57	2.01	1.73
Larceny	15.43	15.55	14.02	12.21	17.45	17.45	17.45	13.32	20.23	21.35
Motor Vehicle Theft	1.11	1.10	0.87	1.70	1.82	1.82	1.82	2.45	2.13	2.87
Arson	-	0.03	0.01	0.02	0.01	0.01	0.01	0.04	0.14	0.06
Violent Crime	0.86	1.09	1.08	1.17	1.20	1.20	1.20	1.47	1.43	0.75
Property Crime	19.14	18.98	17.05	16.70	21.39	21.39	21.39	18.86	25.87	26.00
Population	93,888	95,430	95,973	97,135	98,469	99,618	101,108	104,638	105,977	106,031
Traffic Crashes	1,750	1,800	1,885	2,030	2,098	1,478	1,510	1,811	1,610	1,764
Calls for Service	73,244	67,244	65,235	71,459	71,702	63,550	63,550	66,746	59,573	47,221
Number of Officers	142	143	143	146	148	148	148	148	148	171
Animal Control Calls for Service	9,848	10,518	8,905	10,034	9,745	9,133	9,133	8,579	8,724	8,280
Fire protection (1)										
Fire personnel	144	144	153	154	154	155	155	161	164	191
Calls answered	9,073	10,000	9,811	10,388	10,709	10,313	10,313	11,745	12,102	12,128
Water source										
Kansas City Water Co.	23.20%	28.60%	25.90%	27.30%	22.00%	31.93%	27.20%	21.80%	28.60%	22.90%
Independence Water Co.	76.80%	71.40%	74.10%	72.70%	78.00%	68.07%	72.80%	78.20%	71.40%	77.10%
Water										
Number of service connections	35,160	35,379	35,816	36,322	36,472	36,807	37,241	37,852	38,299	38,707
Number of fire hydrants	5,021	5,076	5,188	5,226	5,273	5,374	5,469	5,571	5,576	5,636
Average daily consumption (gallons)	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	9,860,000
Maximum contract amount	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	32,500,000
Maximum daily demand	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	18,630,000
Storage capacity (gallons)	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	34,350,000	35,200,000	35,200,000
Water Mains (miles)				622	631	635	638	642	646	649

(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**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police Protection										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Protection										
Stations	7	7	7	7	7	7	7	7	7	7
Public Works										
Residential centerline miles	309	306	309	311	315	317	323	328	328	331
Collector centerline miles	92	94	95	95	97	97	98	98	98	98
Arterial centerline miles	81	83	84	84	84	85	84	84	84	84
Parks and Recreation										
Parks	29	29	30	30	30	30	31	31	31	31
Swimming pools	1	1	1	1	1	1	1	1	1	1
Indoor aquatic center	1	1	1	1	2	2	2	2	2	2
Tennis courts	15	15	15	15	15	15	15	15	15	15
Community centers	3	3	3	3	4	4	4	4	4	4
Water										
Miles of water mains	607	611	617	620	622	629	636	642	646	649

Source: City records