



# City of Lee's Summit, Missouri

June 30, 2025

# Introductions

## Our Team



**Rachel Dwiggins**  
Managing Partner



**Jacob Holman**  
Partner



**Matt McCall**  
Director



**Allison Swaters**  
Managing Director

# Agenda

1. Audit Scope & Required Auditor Communications
2. Audit Approach and Strategy
3. Accounting Changes
4. Summary of Compliance Report
5. Questions?



# 01

## Audit Scope & Required Auditor Communications



# Audit Scope

- Financial Statement Audit of the City of Lee's Summit, Missouri for the year ended June 30, 2025
- Preparation of the Annual Comprehensive Financial Report (ACFR)
- Uniform Guidance Audit for the year ended June 30, 2025

# Required Auditor Communications

- Responsibilities of auditor, management and governance
- Auditor independence
- Unmodified (clean) opinion issued over the financial statements
- No disagreements with management
- No difficulties encountered in performing the audit
- No unusual accounting policies or methods
- No alternative accounting treatments noted
- Management judgements and accounting estimates
- Recorded audit adjustments – none noted in current year
- Immaterial uncorrected misstatements
- GFOA Certificate of Achievement for Excellence in Financial Reporting

# 02

## Audit Approach and Strategy



# Audit Approach and Strategy

## Risk Assessment

Assess risk based upon:

- Financial statements and financial metrics
- Internal control design
- Discussions with management and governance

## Risk Response & Onsite Fieldwork

Perform substantive audit procedures based upon risk assessment including:

- Test of Detail procedures
  - Confirmations
  - Sampling
  - Recalculations
  - Observations
- Analytical procedures
  - Ratio analysis
  - Trend analysis

## Report Preparation and QC Review

- Assist with drafting of the financial statements and related footnotes and supplementary schedules
- Ensure financial statements tie to financial information tested during fieldwork
- Perform final analytics over financial metrics
- Independent quality control review process

# 03

## Accounting Changes



# Accounting Changes – Changes to or within the Financial Reporting Entity

A GASB entity may change its reporting entity when funds shift between major and nonmajor status due to quantitative thresholds or when a fund's nature is re-evaluated based on qualitative characteristics of financial reporting entity – understandability, reliability, relevance, timeliness, consistency, and comparability

## Changes Based on Quantitative Threshold

Movement from major to nonmajor fund

- Blue Parkway and Colburn Road CID Fund

Movement from nonmajor to major fund

- Debt Service Fund
- Green Street Improvements Fund
- 291 N & 50 Highway TIF Fund
- Bond Indebtedness Fund

## Changed Based on Qualitative Characteristics

- Certain community centers within the Parks Board Fund movement from nonmajor governmental fund to nonmajor enterprise fund
- Sanitary Landfill Fund movement from major enterprise to sub-fund of the General Fund
- Landfill Post Closure Fund movement from nonmajor governmental fund to sub-fund of the General Fund

# Accounting Changes- New Accounting Standards Adopted in 2025

With respect to new accounting standards adopted during the year, we call to your attention the following topics:

## **GASB Statement No. 101 – *Compensated Absences***

Since Statement 16, *Accounting for Compensated Absences*, was issued in 1992, benefit practices have evolved, resulting in inconsistent application of guidance and a lack of guidance for new leave types. Statement 101 creates a unified model for recognition and measurement for all types of compensated absences and eliminates certain previously required disclosures.

## **GASB Statement No. 102 – Certain Risk Disclosures**

- Statement 102 requires governments to disclosure information about certain concentrations or constraints that could affect services provided or the ability to meet obligations as they come due. The statement includes four nonauthoritative examples of concentrations and constraints, including a financial resource provider, collective bargaining, mandated spending, and an employer concentration.

# 04

## Summary of Compliance Report



# Summary of Compliance Report

## Report on Internal Control Over Financial Reporting

- No material weakness or significant deficiencies reported in 2025

## Report on Internal Control Over Compliance

- No material weakness or significant deficiencies reported in 2025

## Opinion on Compliance for the Major Federal Award Program

- Tested in accordance with Uniform Guidance
- One major program tested:
  - 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Funds
- 50% of total federal expenditures subject to testing for compliance
- Unmodified (clean) opinion issued for major program
- No findings or questioned costs reported

# 05

Questions?



# Contact

## Forvis Mazars

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