



LEE'S SUMMIT

M I S S O U R I

Comprehensive Annual Financial Report

For The Year Ended June 30, 2020

CITY OF LEE'S SUMMIT, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

Report issued by the Department of Finance

CITY OF LEE'S SUMMIT, MISSOURI

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Introductory Section



LEE'S SUMMIT

MISSOURI

January 29, 2021

The Honorable Mayor and City Councilmembers:

Transmitted herewith is the annual financial report for the City of Lee's Summit, Missouri (the City) for the fiscal year ended June 30, 2020. The Finance Department prepared this report and responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City, as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

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

Profile of the Government

The City was organized on December 1, 1865 under the laws of the State of Missouri. The City became a Charter City on April 2, 1996 when voters approved the Home Rule Charter. The charter established a government in which the City Council, consisting of eight members, two per district, elected by their respective district's citizens, performs the legislative duties of the City. The City Council holds Regular Sessions the first and third Tuesday of each month and has an additional "Work Session" on the second Tuesday 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. The City Manager is appointed by the Mayor with the advice and consent of a majority of the City Council.

Lee's Summit is approximately 65 square miles in size and is located at the suburban edge of the Kansas City metropolitan area and has absorbed significant growth in the last three decades. In 1980, the City's population was approximately 28,000 and 46,500 in 1990. The city experienced a 53 percent increase in population from 1990 to 2000 and increased in population by more than 29 percent between 2000 and 2010. Today's population is approximately 99,618.

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

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

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

Education

The City of Lee's Summit boundaries overlap several school districts. The Lee's Summit R-7 School District represents 83% of the total area and is recognized as one of the top educational systems in the state and nation. In addition, the R-7 School District has won Missouri's Distinction in Performance Award, the state's highest recognition for academic achievement. The school district's enrollment has increased from 9,125 pupils in 1990 to 17,805 in 2020 and expects growth to continue. The R-7 School District has 18 elementary schools, 3 middle schools and 3 high schools, an alternative secondary school, a secondary technology academy, an early education center, a special-education, day-treatment center, and the Lee's Summit R-7 Aquatic Center. Within City limits, the Blue Springs R-4 School District also has an elementary school and a middle school.

There are numerous higher education institutions located within the Kansas City metro 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-winner with nearly 4,300 students enrolled per year. Undergraduate completion programs are available through the University of Central Missouri's Missouri Innovation Campus.

The Mid-Continent Public Library system has three facilities in Lee's Summit, one in the northeast central section, one in the west central part of the City, and a new facility along

Highway 50 East that opened in June 2020. The northeast central facility on Colbern Road closed temporarily in March 2020 for major renovations.

Recreation and Cultural Facilities

Lee's Summit Parks and Recreation offers a quality of life that is second to none. This Gold Medal Award winning department manages a wide range of programs and activities throughout the Lee's Summit community. Forty-seven full-time staff and hundreds of part-time and seasonal staff care for over 1,200 acres, almost 70 miles of trails, manage four community centers, a water park, an amphitheater, and provide more than 3,100 programs and events annually. To help serve the population, a volunteer program was created; and approximately 3,100 volunteers contributed over 98,000 hours. Lee's Summit Parks and Recreation nurtures public and private partnerships with county parks, private developers and other city departments to create land agreements, new neighborhood parks and the two dog parks.

Lee's Summit Parks and Recreation also supports and encourages arts and culture throughout the City. Through a partnership with the Mid-Continent public Library to provided free children's events, in addition to the free music events held at the Legacy Park Amphitheater, Lee's Summit Parks and Recreation ensures the continuance and growth of a thriving arts community in Lee' Summit.

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

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

Commerce, Industry and Employment

Lee's Summit continues to see growth in commercial and residential development.

New highway interchanges and reconstructed interchanges have provided both development and re-development opportunities throughout the city. The I-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 along with reducing traffic congestion and improving safety. The Strother Road interchange provides convenient access from the interstate to a light industrial area, Lee's Summit Airport, alleviates traffic congestion, and has increased economic development in the area. Projects completed in the last three years include a new interchange on US 50 Highway and Blackwell Road and reconstruction of the interchange on US 50 Highway at M-291 South. These

interchanges will help alleviate traffic congestion, improve safety and spur economic development as well.

The City of Lee's Summit has a broad spectrum of major employers. They include companies that manufacture everything from plastic containers to tools to 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, hospitals and educational institutions. There are nine business sites in Lee's Summit with 500 employees or more.

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 series to patients who live both on campus and across the metropolitan area. Located on over 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.

The City has seen its retail sales tax base increase significantly in the past fifteen years. The pattern of retail development in Lee's Summit follows closely with major traffic routes. The 800,000-square-foot Summit Woods Crossing is located west of US 50 Highway and just south of I-470. It includes anchor tenants such as Lowe's, Kohl's, Best Buy, Target, and specialty stores such as Michaels and Bed Bath and Beyond. Summit Fair, a 507,000-square-foot, open-air lifestyle center, is located east of US 50 Highway and just south of I-470. Opening in August 2009 and anchored by Macy's and JC Penney, it includes men's and women's fashion, fast-casual eateries, sit-down restaurants and specialty retailers. Smaller centers are scattered throughout the City, generally along highways M-291, M-150 and US 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.

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

Year	Area Unemployment Rate	Statewide Unemployment Rate	United States Unemployment Rate
2020	2.50%	4.40%	8.10%
2019	2.50%	3.50%	3.80%
2018	2.70%	3.50%	4.20%
2017	2.80%	3.80%	4.50%
2016	3.60%	4.90%	5.10%
2015	4.00%	5.20%	5.50%

Major Initiatives

The City of Lee's Summit continues to be an active and growing community. 2,348 building permits were issued in calendar year 2020 (including alterations, additions and demolitions).

The City's population has grown from 28,416 in 1980, 47,253 in 1990, 70,700 in 2000 and 91,364 in the 2010 census to an estimated population of 99,618 as of December 2020.

The Coronavirus pandemic began to have an impact on public health and local businesses in March 2020. Many City employees transitioned to working from home. The City's budget for FY21 was modified to anticipate a 10% reduction in sales tax. Budgeted expenditures were also adjusted to reduce training and travel expenditures. The City anticipated receipt of federal grant funds to reimburse the City for expenses related to the pandemic response. Trend monitoring and response plans were put in place to track and adjust operations as necessary contingent upon changing economic conditions.

The City anticipates new, long-term growth resulting from the decision of Property Reserve, Inc. to develop 4,000 acres of property not previously available to the market. The land is in two large tracts located within the city. Approximately 1,000 acres are situated in the north portion of the City adjacent to I-470. The second parcel consists of approximately 3,000 acres located between the central and southern portions of the City adjacent to Route 291. This development is expected to occur slowly over the course of the next 20 years.

Capital projects of \$34 million were constructed during the year using proceeds of General Obligation Bonds, water and sewer connection fees, transportation sales and excise taxes together with grant funds for buildings, street, airport, water and sewer improvements.

The City of Lee's Summit is actively engaged in a strategic planning process- *Ignite! Your ideas. Our future.* To capture the long-term vision for the community and provide direction for the organization. The mayor, city council, senior management, stakeholders and citizen embarked on this process in February 2019. This is the fourth such plan that the community of Lee's Summit has collaborated together to create. The first strategic plan was completed in 1993 with a follow-ups in 1998 and 2009. Many of the accomplishments attributed to the quality of life in our community, and the excellence in City services are a result of these processes. From the City Hall complex to the renovated downtown corridor, strategic planning has dramatically changed the way Lee's Summit has developed during the last 27 years.

Citizen participation has become the norm in Lee's Summit. From involving citizens in identifying problems to inviting them to be part of suggesting solutions, citizens are empowered to contribute their time and talents in many ways. Lee's Summit has a wide variety of volunteer boards and commissions and an opportunity for anyone who desires to get involved. The implementation of our citizen strategic plan is just one of the reasons why Lee's Summit has passed 23 successful ballot issues in a row.

Long-Term Financial Planning

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

The City has experienced growth in revenue categories such as property tax, sales tax and vehicle tax in recent years. The City has made efforts in recent fiscal years to increase the general fund reserve balance to ensure a healthy reserve position. Examples of this effort include careful evaluation of vacant positions which are approved and filled only when essential.

General Fund expenditures are recommended to decrease 2% over the previous year's budget. The decrease is due to travel and training reductions imposed because of fiscal concerns related to the Coronavirus pandemic and also a change in the manner of budgeting for EMS insurance adjustments.

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 adequacy of internal control, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year ended June 30, 2020 provided no instances of material weaknesses in internal control. This report is available in the City of Lee's Summit's separately issued Single Audit Report.

Major Revenue Sources

The City's largest source of revenue is from sales taxes.

Combined property, franchise and excise tax revenues comprise 75% of total governmental revenue. The large increase in this ratio from prior years is due to a change in the budget process for EMS insurance adjustments and tax incentives.

Property tax is an ad valorem tax, levied on all real and personal property, based upon the assessed valuation as established by the County Assessor on January 1st of each year. Real property assessed valuation is determined by applying the "market value" times the appropriate assessment ratios. They are as follows: Commercial/Industrial-32%; Residential-19%; 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 31% of total governmental revenue.

The City imposes a total sales tax of 2.25% on all goods and commodities sold within the City limits with the exception of pharmaceutical drugs and farm machinery. The State of Missouri receives the tax from the respective business and distributes the funds monthly to the City.

The general sales tax is a one cent sales tax used for the General Fund.

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

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

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

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

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

Enterprise Funds

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

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

Combined Waterworks and Sewerage System

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

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

The City purchases its water from the City of Independence, Missouri (68%) and the City of Kansas City, Missouri Water Department (32%). Sewage treatment is provided by the Little Blue Valley Sewer District, which charges member cities on a volume treated basis. The City of Lee's Summit represents approximately 25% of the normalized flow of the Little Blue Valley metro sewer district.

Airport

The City operates the Lee's Summit Municipal Airport, which is designated by the Federal Aviation Administration as a reliever airport for the Kansas City metropolitan area. It is designed to reduce congestion at larger air carrier airports by providing general aviation pilots with alternate landing facilities. It is further classified as a general aviation utility airport serving planes with gross weights of less than 60,000 pounds and landing speeds less than 140 knots. The airport is equipped with two runways, a 5,500 foot North/South and a 4,000 foot crosswind and supports an estimated 69,000 takeoffs and landings of personal and business aircraft each year. The Airport houses approximately 154 aircraft in 20 buildings and tie down spots.

In 2019, development of a new Master Plan and *Airport Business Plan* began by the City. These two plans will assess the potential to improve the financial performance, economic development, and operation. Items identified in the plans will look to increase the operations profitability range from the extended runway and to attract more corporate aviation by improving terminal services and initiating marketing strategies.

The recent runway improvements allow heavier corporate jets to take off and land at the airport, and are expected to boost economic development and redevelopment in Lee's Summit by providing another option for transportation and accessibility.

Solid Waste Management (Sanitary Landfill)

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

Harris Park Community Center

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lee's Summit, Missouri for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 42nd consecutive year that the government achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Independent Audit

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

Acknowledgments

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

Respectfully submitted,



Stephen A. Arbo
City Manager



Bette Wordelman
Finance Director

THE CITY OF LEE'S SUMMIT

MAYOR

Bill Baird

DISTRICT 1

Hillary Shields
Diane Forte

DISTRICT 3

Phyllis Edson
Beto Lopez

DISTRICT 2

Trish Carlyle
Andrew S. Felker

DISTRICT 4

Fred DeMoro
Bob Johnson

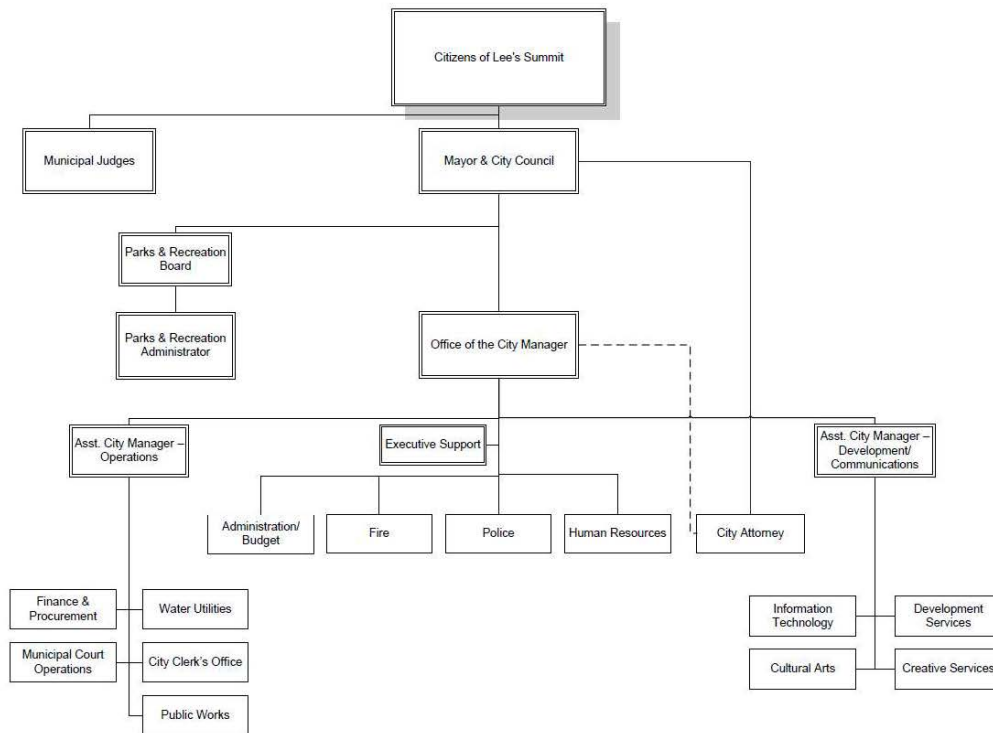
FINANCE & BUDGET COMMITTEE

Bob Johnson, Chairman
Beto Lopez, Vice Chair
Diane Forte
Andrew Felker
Trish Carlyle, Alternate

ADMINISTRATION

Stephen A. Arbo, City Manager
Christal Kliewer Weber, Assistant City Manager-Operations
Mark Dunning, Assistant City Manager-Development Services
Bette Wordelman, Finance Director
Brian Head, City Attorney
Travis Forbes, Police Chief
Mike Snider, Fire Chief
Anita Dickey, Human Resources Director
Ryan Elam, Development Services Director
Steve Marsh, Chief Technology Officer
Joe Snook, Parks Administrator
Dena Mezger, Public Works Director
Mark Schaufler, Water Utilities Director
Cheryl Nash, Creative Services Manager

Organization Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lee's Summit
Missouri**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrell

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

Report on the Financial Statements

We have audited the accompanying 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison, Pension and OPEB Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other 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 combining and individual nonmajor fund financial statements and schedules, listed in the table of contents as supplementary 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. Such 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide assurance on it.

RSM US LLP

Kansas City, Missouri
January 29, 2021

CITY OF LEE'S SUMMIT, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2020

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, 2020. This is the 18th 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 \$964,161,715 (net position). Of this amount, unrestricted net position was \$18,803,360.
- The City's total net position increased \$42.6 million. Of this amount, \$27.7 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 \$103,689,545, an increase of \$4.2 million compared to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$29,961,111 or 38.6 percent of total general fund expenditures.
- The City's total debt decreased by \$260,000 (.2%) during the current fiscal year. Factors in this decrease are scheduled reductions in excess of additions to the City's debt.

Overview Of The Financial Statements

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

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

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

CITY OF LEE'S SUMMIT, MISSOURI

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.

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.

CITY OF LEE'S SUMMIT, MISSOURI

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, 2020, assets plus deferred outflows of resources exceed liabilities plus deferred inflows of resources by \$964,161,715. The largest portion of the City's net position, \$787,581,167 (82%), reflects its investment in capital assets (e.g. land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure), less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The following table reflects the condensed Statement of Net Position as of June 30, 2020 and 2019:

	Net Position					
	Governmental Activities		Business type activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 153,930,958	\$ 149,923,103	\$ 69,285,823	\$ 67,095,783	\$ 223,216,781	\$ 217,018,886
Capital assets	559,634,801	538,981,287	289,629,542	281,682,481	849,264,343	820,663,768
Total assets	713,565,759	688,904,390	358,915,365	348,778,264	1,072,481,124	1,037,682,654
Deferred outflows of resources	12,906,915	10,705,702	561,199	419,587	13,468,114	11,125,289
LT liabilities outstanding	78,856,775	80,924,171	7,374,473	10,805,926	86,231,248	91,730,097
Other liabilities	26,827,095	25,158,962	(971,744)	243,027	25,855,351	25,401,989
Total liabilities	105,683,870	106,083,133	6,402,729	11,048,953	112,086,599	117,132,086
Deferred inflows of resources	9,358,020	9,766,900	342,904	336,686	9,700,924	10,103,586
Net position:						
Net investment in capital assets	498,495,946	502,857,273	289,085,221	279,965,082	787,581,167	782,822,355
Restricted	103,818,998	84,782,245	53,958,190	44,431,811	157,777,188	129,214,056
Unrestricted	9,115,840	(3,879,459)	9,687,520	13,415,319	18,803,360	9,535,860
Total net position	\$ 611,430,784	\$ 583,760,059	\$ 352,730,931	\$ 337,812,212	\$ 964,161,715	\$ 921,572,271

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 nine funds that did not have positive fund balances. Two of these funds, Todd George Tax Increment Financing (TIF) Fund and Park Development, are capital project funds with interfund loans outstanding. One fund, 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. Two 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 and New Longview Farm TIF for historical preservation and improvements in the Longview Farm area. Lastly, the Sanitary Landfill is an enterprise fund that accounts for landfill operations and capital projects. These funds have temporary loans from other funds.

The City's combined net position increased to \$964.2 million from \$921.6 million 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 \$9.1 million. Total unrestricted net position was \$18.8 million including business-type activities of \$9.7 million.

CITY OF LEE'S SUMMIT, MISSOURI

By far, the largest portion of the City's net position (82%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Total net position of \$964.2 million is comprised of \$787.6 million invested in capital assets, net of related debt; \$157.8 million is restricted for pension, capital projects, debt service, parks and recreation, law enforcement and economic development; \$18.8 million is unrestricted.

Net position increased \$42.6 million during the current fiscal year. Thirty-five percent of this increase represents the increase in business type activities.

Statement Of Activities

The following table reflects the revenues and expenses from the City's activities for the years ended June 30, 2020 and 2019:

	Changes In Net Position					
	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 16,505,492	\$ 16,641,495	\$ 44,711,786	\$ 43,759,376	\$ 61,217,278	\$ 60,400,871
Operating grants and contr	1,843,985	1,501,881	-	-	1,843,985	1,501,881
Capital grants and contr	9,841,041	6,636,281	3,015,568	5,992,484	12,856,609	12,628,765
General revenues:						
Property taxes	44,081,988	39,795,245	-	-	44,081,988	39,795,245
Sales and use taxes	40,862,633	40,993,104	-	-	40,862,633	40,993,104
Other revenue	28,638,295	23,692,688	2,235,481	1,900,811	30,873,776	25,593,499
Total revenues	141,773,434	129,260,694	49,962,835	51,652,671	191,736,269	180,913,365
Expenses:						
Public works	27,865,543	22,500,607	-	-	27,865,543	22,500,607
Public safety	44,656,947	41,548,996	-	-	44,656,947	41,548,996
Parks and rec	12,570,646	10,565,624	-	-	12,570,646	10,565,624
Planning and dev	4,167,521	3,833,363	-	-	4,167,521	3,833,363
General govt	21,417,465	26,419,866	-	-	21,417,465	26,419,866
Interst on LT debt	2,415,953	2,553,293	-	-	2,415,953	2,553,293
Combined water and sewer	-	-	31,492,442	29,269,178	31,492,442	29,269,178
Sanitary landfill	-	-	488,283	2,454,125	488,283	2,454,125
Airport	-	-	2,816,460	2,347,250	2,816,460	2,347,250
Rec Center	-	-	1,255,565	1,312,852	1,255,565	1,312,852
Total expenses	113,094,075	107,421,749	36,052,750	35,383,405	149,146,825	142,805,154
Change in net position before transfers	28,679,359	21,838,945	13,910,085	16,269,266	42,589,444	38,108,211
Transfers	(1,008,634)	(948,296)	1,008,634	948,296	-	-
Change in net position	27,670,725	20,890,649	14,918,719	17,217,562	42,589,444	38,108,211
Net position - beginning, as previously stated	583,760,059	573,043,380	337,812,212	320,439,723	921,572,271	893,483,103
Prior period adjustment - change in accounting method	-	5,102,852	-	154,927	-	5,257,779
Prior period adjustment - correction of an error	-	(15,276,822)	-	-	-	(15,276,822)
Net Position - beginning, as restated	583,760,059	562,869,410	337,812,212	320,594,650	921,572,271	883,464,060
Net position ending	\$ 611,430,784	\$ 583,760,059	\$ 352,730,931	\$ 337,812,212	\$ 964,161,715	\$ 921,572,271

CITY OF LEE'S SUMMIT, MISSOURI

Governmental Activities

Governmental activities increased the City's net position by \$27.7 million.

Sales and Use taxes, the second largest governmental category at 31% finished the year at \$40 million which was a \$121,000 decrease or .3% under the prior year. This slight decrease during a challenging economic year reflects continuing strong retail sales in the City's two major shopping centers and two Walmart stores and various dining establishments. Property taxes, the largest governmental category at 33% finished the year at \$44.1 million which had an increase of \$4.3 million or 10.7% over the prior year. This is due primarily to a robust local housing market and new commercial construction. The third largest category, Franchise tax, came in at \$12.4 million for a decrease of \$88,000. Overall, governmental revenues finished the year \$12.5 million above prior year. This increase was rounded out with other smaller revenue categories finishing above prior year: License tax \$.7 million, Licenses and permits \$1 million, and Capital grants \$.4 million.

For the fiscal year ended June 30, 2020, revenues totaled \$191.7 million (governmental and business-type). Revenues from governmental activities totaled \$141.8 million or 74% of the total City revenues.

Governmental activities expenses increased \$5.7 million or 5.3% for the fiscal year ended June 30, 2020 compared to the fiscal year ended June 30, 2019. This increase is primarily due to public safety expenditures this fiscal year, including public safety related capital projects.

The following table shows expenses and program revenues of the governmental activities for the years ended June 30, 2020 and 2019:

	Net Cost Of Governmental Activities			
	Total Cost Of Service		Net Cost Of Service	
	2020	2019	2020	2019
General government	\$ 21,417,465	\$ 26,419,866	\$ (17,437,384)	\$ (23,600,416)
Public safety	44,656,947	41,548,996	(33,868,285)	(30,764,877)
Public works and streets	27,865,543	22,500,607	(17,396,521)	(14,971,584)
Planning and development	4,167,521	3,833,363	(4,015,989)	(3,661,150)
Parks and recreation	12,570,646	10,565,624	(9,769,425)	(7,090,772)
Interest on long-term debt	2,415,953	2,553,293	(2,415,953)	(2,553,293)
Total	\$ 113,094,075	\$ 107,421,749	\$ (84,903,557)	\$ (82,642,092)

As previously noted, expenses from governmental activities totaled \$113.1 million. However, net costs of these services were \$84.9 million. The difference represents direct revenues received from charges for services of \$16.5 million, operating grants and contributions of \$1.8 million and capital grants and contributions of \$9.8 million. Taxes and other revenues of \$113.6 million were collected to cover these net costs.

CITY OF LEE'S SUMMIT, MISSOURI

Business-Type Activities

Business-type activities net position increased by \$14.9 million in the current year.

Overall revenues decreased \$1.7 million or 3.3% compared to last year. This was primarily due to a decrease in airport grant revenues of \$3 million. Overall expenses increased \$669,000 or 1.9% compared to the prior year. This is due to an increase in water and sewer costs and airport expense.

Financial Analysis Of The City's Funds

The General Fund is the chief operating fund of the City. The fund balance of the General Fund at June 30, 2020 was \$31.2 million or 40.2% of actual expenditures. This represents a decrease of \$1.5 million or a 4.5% decrease over the previous year's balance. Revenues increased \$687,000 and expenses increased by \$7.2 million over the previous fiscal year. The reduction in the General Fund balance is attributable primarily to two issues. The City purchased real estate for \$3 million for public improvements on Green Street adjacent to City Hall. That property is anticipated to be developed as a public venue with accompanying commercial facilities including a farmers market and a performing arts space. The funds provided for this purchase were acquired and included in General Fund balance over several years from the sale of other City-owned real estate. The second issue was the inclusion of \$1.7 million of special one-time expenditures including personal protective equipment for Fire Department personnel, a Comprehensive Plan update, and additional funds to complete construction of Fire Station No. 3. The City's fund balance had grown sufficiently over the years that the City was comfortable adopting a budget with these one-time expenditures in excess of budgeted revenues.

The City recognizes the need for a fund balance that can adequately absorb a downturn and to avoid changes and reductions in service levels. The City Council adopted an ordinance committed to maintain an amount equal to that of at least two (2) months of regular General Fund operating revenues or expenditures, whichever is greater (16.67%) based on the prior fiscal year; to address emergencies and provide for economic stability.

The Debt Service Fund ended the year with a fund balance of \$10.9 million, an increase of \$2.8 million or 35%. Voters approved a Public Safety bond issue of \$19,475,000 in August, 2019, and \$9,055,000 of that amount was issued in January, 2020. As of June 30, 2020, the City has an unissued balance of \$10.42 million and the total general obligation debt outstanding is \$49.6 million. The City has held the debt service tax levy constant for several years and monitors fluctuations in fund balance for future no tax increase bond issues. A no-tax-increase ballot initiative is planned for April 2021 asking voters to approve a \$.10 increase in the General Operating Levy with a planned corresponding reduction in the debt levy.

The Capital Improvement Sales Tax Fund ended the year with a fund balance of \$36 million. This represents an increase of \$2.5 million or 7% over the previous year. The increase is due to steady sales tax revenue, higher returns on investments, and transfers in.

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

CITY OF LEE'S SUMMIT, MISSOURI

The Todd George 50 Highway TIF Fund ended the year with a negative fund balance of \$3.5 million. This represents an increase of \$158,000 or 4% over the previous year. The increase is due to property and sales tax revenues from development in the area after a state highway interchange was completed fall 2017.

The Road and Bridge Sales Tax Fund ended the year with a fund balance of \$1.5 million. This represents an increase of \$808,000. The increase is due to increased sales tax revenue and reduced capital outlay.

Park Development Fund ended the year with a negative fund balance of \$4.9 million. This represents a decrease of \$2.7 million or 124% over the previous year. The decrease is due to capital outlay.

The Combined Water and Sewerage system recorded an increase of \$14 million in net position for the year. Operating revenues remained steady during the year.

The Sanitary Landfill fund recorded an increase of \$38,000 in net position for the year. In April 2019 operations were ceased at the landfill as it had reached capacity. The landfill closed near the end of the fiscal year and is currently in initial steps of post closure phase.

The Airport Fund recorded an increase of \$1 million in net position for the year. A 97% reduction in grant funding and reduction of transfers in were the significant changes for the year. Efforts to pursue grant funding are expected to continue in the next fiscal year.

General Fund Budgetary Highlights

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

The total original expenditure budget of \$76,333,812 increased to \$77,467,757 for an increase of \$1,133,945. The budget increase was due primarily to \$636,000 for unexpected failures of stormwater systems, replacement of a wrecked Fire pumper truck at \$235,000, decontamination equipment and supplies need for Coronavirus response at \$117,000, and election costs of \$100,000 for a public safety bond issue. A portion of the increased costs are reimbursable through grants and insurance coverage.

Actual expenditures were \$245,000 more than the amended budget. This was primarily due to increased spending related to the Coronavirus pandemic. It is expected that grant reimbursements in the next fiscal year will offset those expenditures.

Actual revenues were \$1.5 million more than budgeted. Property taxes came in at budgeted levels. Sales tax revenues were below projections by \$800,000 which can be attributed to the impact of the Coronavirus pandemic. Franchise receipts came in \$188,000 below budget. Franchise tax revenues are paid by utilities and can vary with customer usage. Licenses, permits and fees were \$1 million higher than expected due to a robust level of residential and commercial development activity.

CITY OF LEE'S SUMMIT, MISSOURI

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, 2020 amounts to \$849.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems improvements, collections systems, machinery and equipment, park facilities, and infrastructure. Capital assets decreased by \$28.6 million during the period.

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

- Completion of a new wave pool, Summit Waves, totaling \$4.6 million.
- Progress construction on South Ward Road between M-150 Highway to Raintree Parkway totaling \$1.3 million for the year.
- Curb and gutter replacement totaling \$2.8 million for the year.
- Road overlay and slurry seal program totaling \$3.1 million for the year.
- Progress construction Green Street Improvements totaling \$3.1 million for the year.
- Progress on emergency services radio system totaling \$1 million for the year.
- Progress on sanitary landfill closure totaling \$3.1 million for the year.
- Progress construction Fire Station 3 replacement totaling \$4.5 million for the year.
- Progress construction multiple park renovations(Lowenstein/Summit/Howard/Pleasant Lea) totaling \$2 million for the year
- Additional system additions and improvements were completed in the Combined Waterworks and Sewerage Fund at a cost of over \$8.4 million including water main rehab of \$1.9 million and sanitary sewer rehab of \$1.2 million for the year.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 7,857,966	\$ 7,857,966	\$ 26,896,596	\$ 26,037,280	\$ 34,754,562	\$ 33,895,246
Construction in progress	91,443,797	136,498,355	52,209,783	92,285,163	143,653,580	228,783,518
Buildings	64,764,222	64,703,729	-	-	64,764,222	64,703,729
Improvements	74,169,201	52,534,446	321,981,013	269,628,492	396,150,214	322,162,938
Machinery & equipment	40,312,372	38,440,237	3,564,972	3,466,738	43,877,344	41,906,975
Infrastructure	505,409,055	447,517,022	-	-	505,409,055	447,517,022
	<u>\$ 783,956,613</u>	<u>\$ 747,551,755</u>	<u>\$ 404,652,364</u>	<u>\$ 391,417,673</u>	<u>\$ 1,188,608,977</u>	<u>\$ 1,138,969,428</u>

These capital assets are funded by traditional bond financing, impact fees, and user charges. For more detailed information on capital assets, refer to Note 3 in the Notes to Basic Financial Statements.

CITY OF LEE'S SUMMIT, MISSOURI

Debt Administration

The City, at the end of fiscal 2020, had a total of \$75.2 million of outstanding obligations. This was a decrease of \$1.4 million or 1.9% from the previous year.

The City's maintained its aggressive debt retirement schedule. Governmental debt increased by \$2 million due to \$9.1 million in new obligations issued during the fiscal year. Business-type debt decreased by \$1 million during the fiscal year.

As of June 30, 2020, the City's total issued and authorized General Obligation (G.O.) Bonded Debt was \$47,335,000. The City has statutory authority to issue debt equal to 20% of the City's total assessed valuation or \$467,616,828. This, less outstanding debt, authorized and unissued debt, and available cash, leaves a legal debt margin of \$420,170,387, which is 90% of the City's total bonding capacity. Bonded debt, net of available debt service funds, amounted to approximately \$394 per capita and represented 1.65% of the assessed value of taxable property.

General Obligation Bonds retired \$7 million of their principal amount outstanding this year along with interest payments of \$1.5 million.

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

The total revenue bond amount outstanding at June 30, 2020 was \$540,000, which was solely made up of bonds of the Combined Water and Sewer Utility.

The Combined Water and Sewer Utility Fund retired \$995,000 of their principal amount outstanding this year.

The City's Combined Water and Sewer Revenue Bonds were upgraded to an Aa1 rating from Moody's Investors Service. This rating reflects the City's covenant to budget and appropriate for debt service, subject to annual appropriations.

The City has \$27,315,000 in TIF debt outstanding for various public infrastructure improvements associated with the Summit Fair shopping area.

Additional information on the City's long-term debt can be found beginning with Note 4.

Economic Factors And Next Year's Budgets And Rates

Combined General Fund revenues for fiscal year 2021 are projected to total \$70.3 million. This represents an decrease of \$4.6 million over the prior year budget. The City continues to experience growth in revenue categories such as property taxes, sales taxes and licenses, permits and fees.

General Fund expenses are projected to total \$75.9 million compared to \$77.5 million budgeted in fiscal year 2020. This represents a \$1.6 million decrease.

Personal Services expenditures are estimated using a wage adjustment pool for the employee pay-for-performance system. In fiscal year 2021, the organization placed a greater importance on providing wage enhancement for current employees over expanding personnel.

CITY OF LEE'S SUMMIT, MISSOURI

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.

With the onset of the Coronavirus pandemic in March, 2020, the FY21 budget reflected anticipated reductions in revenues. Sales tax revenues were projected to decrease by 10% during fiscal year 21. To date, that reduction has not occurred but the City continues to anticipate a negative economic impact from the pandemic. The CARES Act provided \$5.9 million to offset the costs of responding to the pandemic.

Requests for Information

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

Basic Financial Statements

CITY OF LEE'S SUMMIT, MISSOURI

STATEMENT OF NET POSITION

June 30, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 102,761,502	\$ 61,532,942	\$ 164,294,444
Receivables (net of allowance)			
Taxes	10,371,532	-	10,371,532
Accounts and other	2,879,400	5,048,813	7,928,213
Interest	338,991	237,522	576,513
Due from other governmental agencies	838,793	263,179	1,101,972
Inventories	193,182	510,121	703,303
Prepaid expenses	10,273	8,107	18,380
Other assets	5,943	8,167	14,110
Restricted assets			
Cash and investments	16,769,604	890,304	17,659,908
Pension asset	19,761,738	786,668	20,548,406
Capital assets			
Nondepreciable	99,301,763	79,106,379	178,408,142
Depreciable, net	460,333,038	210,523,163	670,856,201
Total assets	713,565,759	358,915,365	1,072,481,124
Deferred Outflows Of Resources			
Pension	11,440,700	366,582	11,807,282
Other post employment benefits	1,466,215	163,188	1,629,403
Deferred amount on refunding	-	31,429	31,429
Total deferred outflows of resources	12,906,915	561,199	13,468,114
Liabilities			
Accounts payable and accrued expenses	6,459,295	3,905,163	10,364,458
Payroll liabilities	3,241,698	318,060	3,559,758
Accrued interest payable	571,318	17,327	588,645
Unearned revenue	-	30,227	30,227
Customer deposits - payable from restricted deposits	1,432,257	235,189	1,667,446
Internal balances	6,037,571	(6,037,571)	-
Long-term obligations			
Due within one year			
Compensated absences	229,956	19,861	249,817
Bonds	8,855,000	540,000	9,395,000
Due in more than one year			
Compensated absences	4,921,690	410,890	5,332,580
Other post employment benefits	6,116,661	496,910	6,613,571
Bonds	67,818,424	6,466,673	74,285,097
Total liabilities	105,683,870	6,402,729	112,086,599
Deferred Inflows Of Resources			
Pension	7,726,725	296,423	8,023,148
Other post employment benefits	417,623	46,481	464,104
Deferred amount on refunding	1,213,672	-	1,213,672
Total deferred inflows of resources	9,358,020	342,904	9,700,924
Net Position			
Net investment in capital assets	498,495,946	289,085,221	787,581,167
Restricted for			
Pension	23,475,713	856,827	24,332,540
Debt service	10,882,467	794,000	11,676,467
Capital projects	60,157,317	52,307,363	112,464,680
Parks and recreation	4,635,909	-	4,635,909
Economic development	4,155,499	-	4,155,499
Other purposes	512,093	-	512,093
Unrestricted	9,115,840	9,687,520	18,803,360
Total net position	\$611,430,784	\$ 352,730,931	\$ 964,161,715

CITY OF LEE'S SUMMIT, MISSOURI

STATEMENT OF ACTIVITIES For The Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Position		
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 21,417,465	\$ 3,437,873	\$ 542,208	\$ -	\$ (17,437,384)	\$ -	\$ (17,437,384)
Public safety	44,656,947	9,486,885	1,301,777	-	(33,868,285)	-	(33,868,285)
Public works and streets	27,865,543	627,981	-	9,841,041	(17,396,521)	-	(17,396,521)
Community development	4,167,521	151,532	-	-	(4,015,989)	-	(4,015,989)
Parks and recreation	12,570,646	2,801,221	-	-	(9,769,425)	-	(9,769,425)
Interest on long-term debt	2,415,953	-	-	-	(2,415,953)	-	(2,415,953)
Total governmental activities	113,094,075	16,505,492	1,843,985	9,841,041	(84,903,557)	-	(84,903,557)
Business-Type Activities							
Waterworks and sewerage system	31,492,442	41,332,289	-	2,879,288	-	12,719,135	12,719,135
Sanitary landfill	488,283	50,831	-	-	-	(437,452)	(437,452)
Airport	2,816,460	2,234,306	-	132,650	-	(449,504)	(449,504)
Recreation center	1,255,565	1,094,360	-	3,630	-	(157,575)	(157,575)
Total business-type activities	36,052,750	44,711,786	-	3,015,568	-	11,674,604	11,674,604
Total primary government	\$ 149,146,825	\$ 61,217,278	\$ 1,843,985	\$ 12,856,609	(84,903,557)	11,674,604	(73,228,953)
General Revenues							
Taxes							
Property taxes, levied for general purposes					32,605,486	-	32,605,486
Property taxes, levied for debt service					11,476,502	-	11,476,502
Franchise taxes					12,437,756	-	12,437,756
Sales and use taxes, and other taxes					40,862,633	-	40,862,633
License taxes					1,574,018	-	1,574,018
Motor vehicle taxes					3,787,738	-	3,787,738
Earnings on investments					3,487,316	2,235,481	5,722,797
Other revenues					4,074,883	-	4,074,883
Gain on sale of assets					3,276,584	-	3,276,584
Transfers					(1,008,634)	1,008,634	-
Total general revenues and transfers					112,574,282	3,244,115	115,818,397
Change in net position					27,670,725	14,918,719	42,589,444
Net position - beginning					583,760,059	337,812,212	921,572,271
Net position - ending					\$ 611,430,784	\$ 352,730,931	\$ 964,161,715

CITY OF LEE'S SUMMIT, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020

	General Fund	Debt Service	Capital Improvement Sales Tax	Blue Parkway and Colbern Road CID	Todd George 50 HWY TIF	Road and Bridge Improvement	Park Development	Other Governmental Funds	Total Governmental Funds
Assets									
Pooled cash and investments	\$ 21,884,699	\$ 10,546,315	\$ 32,102,826	\$ 86	\$ 98,170	\$ 95,976	\$ 3,986	\$ 24,935,435	\$ 89,667,493
Receivables (net of allowance)									
Taxes	5,541,757	1,602,988	1,449,334	-	-	1,382,088	-	395,365	10,371,532
Accounts and other	2,843,007	-	-	-	-	-	-	35,515	2,878,522
Interest	80,636	36,173	107,368	9	-	585	367	75,181	300,319
Due from other funds	5,274,970	-	1,176,000	-	-	-	-	1,050,000	7,500,970
Due from other governments	540,245	-	-	-	-	-	-	298,548	838,793
Prepaid expenses	4,816	-	-	-	-	-	-	-	4,816
Other assets	5,150	-	-	-	-	-	-	793	5,943
Advances to other funds	1,254,000	-	1,596,000	-	-	3,314,859	-	285,000	6,449,859
Restricted assets									
Cash and investments	15,208	-	-	6,155	-	-	-	16,748,241	16,769,604
Total assets	\$ 37,444,488	\$ 12,185,476	\$ 36,431,528	\$ 6,250	\$ 98,170	\$ 4,793,508	\$ 4,353	\$ 43,824,078	\$ 134,787,851
Liabilities, Deferred Inflows Of Resources And Fund Balances Liabilities									
Accounts payable and accrued liabilities	\$ 991,193	\$ -	\$ 443,660	\$ 28,038	\$ 81,670	\$ 1,246,867	\$ 819,088	\$ 1,926,105	\$ 5,536,621
Payroll liabilities	2,476,813	-	-	-	-	-	-	174,527	2,651,340
Deposits payable	926,550	-	-	-	-	-	-	505,707	1,432,257
Due to other funds	5,000	-	-	379,621	1,575,000	2,000,000	840,000	3,463,920	8,263,541
Advances from other funds	-	-	-	3,314,859	1,925,000	-	3,280,000	1,210,000	9,729,859
Total liabilities	4,399,556	-	443,660	3,722,518	3,581,670	3,246,867	4,939,088	7,280,259	27,613,618
Deferred Inflows Of Resources									
Property tax	1,809,797	1,303,009	-	-	-	-	-	348,635	3,461,441
Other	-	-	-	-	-	-	-	23,247	23,247
Total deferred inflows of resources	1,809,797	1,303,009	-	-	-	-	-	371,882	3,484,688
Fund Balances									
Nonspendable									
Prepaid amounts	4,816	-	-	-	-	-	-	-	4,816
Advances to other funds	1,254,000	-	-	-	-	-	-	-	1,254,000
Restricted									
Bridges, streets and signals	-	-	35,987,868	-	-	3,314,859	-	10,116,214	49,418,941
Parks and recreation	-	-	-	-	-	-	-	4,635,909	4,635,909
Economic development	-	-	-	-	-	-	-	4,155,499	4,155,499
Debt service reserve	-	10,882,467	-	-	-	-	-	-	10,882,467
Other capital projects	-	-	-	-	-	-	-	10,738,376	10,738,376
Other purposes	15,208	-	-	-	-	-	-	496,885	512,093
Committed									
Bridges, streets and signals	-	-	-	-	-	-	-	158,155	158,155
Landfill care	-	-	-	-	-	-	-	5,845,752	5,845,752
Cemetery care	-	-	-	-	-	-	-	1,346,294	1,346,294
Assigned									
Other capital projects	-	-	-	-	-	-	-	1,209,397	1,209,397
Unassigned	29,961,111	-	-	(3,716,268)	(3,483,500)	(1,768,218)	(4,934,735)	(2,530,544)	13,527,846
Total fund balances	31,235,135	10,882,467	35,987,868	(3,716,268)	(3,483,500)	1,546,641	(4,934,735)	36,171,937	103,689,545
Total liabilities, deferred inflows and fund balances	\$ 37,444,488	\$ 12,185,476	\$ 36,431,528	\$ 6,250	\$ 98,170	\$ 4,793,508	\$ 4,353	\$ 43,824,078	\$ 134,787,851

CITY OF LEE'S SUMMIT, MISSOURI

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION June 30, 2020

Total Fund Balance - Governmental Funds \$ 103,689,545

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	749,553,414
Less: Accumulated depreciation	(203,043,634)

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.

19,393,535

Some of the City's taxes 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.	3,484,688
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Pension-related deferred outflows of resources are not due and payable in the current year, and, therefore, are not reported in the governmental funds.	11,269,120
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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.	1,374,732
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Pension-related deferred inflows of resources are not due and payable in the current year, and, therefore, are not reported in the governmental funds.	(7,587,983)
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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.	(391,566)
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Interest on long-term debt is not accrued in the governmental funds but rather is recognized as an expenditure when due.	(531,118)
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The assets and liabilities of internal service funds are included in the governmental activities in the statement of net position.	22,885,946
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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	(4,894,719)
Bonds payable	(74,650,000)
Unamortized discounts	231,539
Unamortized premiums	(2,254,963)
Deferred amount on refunding	(1,213,672)
Other post employment benefit liability	(5,884,080)

Total net position - governmental activities	\$ 611,430,784
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CITY OF LEE'S SUMMIT, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For The Year Ended June 30, 2020

	General Fund	Debt Service	Capital Improvement Sales Tax	Blue Parkway and Colbern Road CID	Todd George 50 HWY TIF	Road and Bridge Improvement	Park Development	Other Governmental Funds	Total Governmental Funds
Revenues									
Taxes									
Property	\$ 23,081,175	\$ 10,892,101	\$ -	\$ -	\$ 1,566,701	\$ -	\$ -	\$ 6,921,362	\$ 42,461,339
Sales	17,344,063	4,053,856	8,648,544	445	297,570	8,110,897	-	1,538,834	39,994,209
Franchise	12,437,756	-	-	-	-	-	-	-	12,437,756
License	-	-	-	-	-	-	-	1,581,768	1,581,768
Bed	-	-	-	-	-	-	-	440,202	440,202
Motor vehicle	3,787,738	-	-	-	-	-	-	-	3,787,738
Other tax	353,945	57,334	-	-	-	-	-	16,943	428,222
Fines and forfeitures	782,983	47,046	-	1	-	-	-	34,498	864,528
Licenses and permits	3,652,593	-	-	-	-	-	-	-	3,652,593
Intergovernmental	1,301,777	-	227,812	-	46,081	32,696	130,000	775,154	2,513,520
Charges for services	9,121,940	-	-	-	1,763	-	-	2,864,668	11,988,371
Investment earnings	774,051	331,995	1,032,719	144	402	72,957	-	928,074	3,140,342
Other	3,765,602	-	-	-	-	575	-	308,705	4,074,882
Total Revenues	76,403,623	15,382,332	9,909,075	590	1,912,517	8,217,125	130,000	15,410,208	127,365,470
Expenditures									
Current									
General government	19,241,450	-	-	-	-	-	1,625	1,869,176	21,112,251
Public safety	42,898,157	-	-	-	-	-	-	-	42,898,157
Public works and streets	11,387,972	-	-	-	-	-	-	-	11,387,972
Community development	4,185,427	-	-	-	-	-	-	-	4,185,427
Parks and recreation	-	-	-	-	-	-	-	6,910,959	6,910,959
Debt service									
Principal	-	7,006,000	-	-	-	-	-	2,500,000	9,506,000
Interest and other charges	-	1,552,541	-	154	-	-	62,277	1,388,172	3,003,144
Capital outlay	-	-	7,772,078	-	1,754,940	6,044,828	6,631,231	13,440,002	35,643,079
Total Expenditures	77,713,006	8,558,541	7,772,078	154	1,754,940	6,044,828	6,695,133	26,108,309	134,646,989
Excess (Deficiency) Of Revenues Over Expenditures	(1,309,383)	6,823,791	2,136,997	436	157,577	2,172,297	(6,565,133)	(10,698,101)	(7,281,519)
Other Financing Sources (Uses)									
Issuance of bonds	-	-	-	-	-	-	-	9,055,000	9,055,000
Proceeds from sales of capital assets	3,053,000	-	-	-	-	-	-	55,027	3,108,027
Transfers in	862,311	-	342,017	-	-	-	3,888,000	4,243,463	9,335,791
Transfers out	(4,196,569)	(4,019,250)	-	-	-	(1,364,616)	(50,196)	(369,446)	(10,000,077)
Total Other Financing Sources (Uses)	(281,258)	(4,019,250)	342,017	-	-	(1,364,616)	3,837,804	12,984,044	11,498,741
Net Change In Fund Balances	(1,590,641)	2,804,541	2,479,014	436	157,577	807,681	(2,727,329)	2,285,943	4,217,222
Fund Balances (Deficits) Beginning	32,825,776	8,077,926	33,508,854	(3,716,704)	(3,641,077)	738,960	(2,207,406)	33,885,994	99,472,323
Ending	\$ 31,235,135	\$ 10,882,467	\$ 35,987,868	\$ (3,716,268)	\$ (3,483,500)	\$ 1,546,641	\$ (4,934,735)	\$ 36,171,937	\$ 103,689,545

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, 2020

Net Change In Fund Balances - Total Governmental Funds \$ 4,217,222

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 \$15,418,917 in the current period was exceeded by capital outlays over the capitalization threshold totaling \$25,466,000. 10,047,083

Contributions of capital assets are recorded as capital contributions in the statement of activities. Contributions primarily represent infrastructure assets. 9,171,506

Governmental funds report the entire net sales price (proceeds) from sale of an asset as an other financing source of \$3,108,027 because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets of \$3,108,027. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold. -

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. 1,612,900

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	(9,055,000)
Repayment of principal	9,506,000
Bond discount amortization	(13,687)
Bond premium amortization	512,962
Deferred amount on refunding	111,081
Change in accrued interest payable	(23,165)

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	(405,729)
Compensated absences	(38,146)
Pension expense	813,928

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. 1,213,770

Change in net position of governmental activities **\$ 27,670,725**

CITY OF LEE'S SUMMIT, MISSOURI

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

June 30, 2020

	Enterprise Funds					Internal Service Funds
	Combined Waterworks And Sewerage System	Sanitary Landfill	Airport	Nonmajor Enterprise Fund (Recreation Center)	Total	
Assets						
Current assets						
Cash and investments	\$ 60,040,369	\$ 432,744	\$ 852,305	\$ 207,524	\$ 61,532,942	\$ 13,094,009
Receivables (net of allowance)						
Accounts and other	2,431,052	25,844	105,218	-	2,562,114	878
Unbilled accounts	2,486,699	-	-	-	2,486,699	-
Interest	222,065	3,659	10,677	1,121	237,522	38,672
Due from other funds	4,834,621	-	-	-	4,834,621	5,000
Due from other governments	-	-	263,179	-	263,179	-
Inventories	468,451	-	41,670	-	510,121	193,182
Prepaid expenses	-	-	8,107	-	8,107	5,457
Other assets	8,167	-	-	-	8,167	-
Advances to other funds	3,280,000	-	-	-	3,280,000	-
Total current assets	73,771,424	462,247	1,281,156	208,645	75,723,472	13,337,198
Noncurrent assets						
Restricted cash and investments	890,304	-	-	-	890,304	-
Pension asset	703,190	31,051	52,427	-	786,668	368,203
Capital assets						
Nondepreciable	27,846,114	161,468	51,098,797	-	79,106,379	104,250
Depreciable, net	193,440,334	2,759,926	14,185,710	137,193	210,523,163	13,020,771
Total noncurrent assets	222,879,942	2,952,445	65,336,934	137,193	291,306,514	13,493,224
Total assets	296,651,366	3,414,692	66,618,090	345,838	367,029,986	26,830,422
Deferred Outflows Of Resources						
Pension	327,682	14,469	24,431	-	366,582	171,580
Other post-employment benefits	143,407	2,473	17,308	-	163,188	91,483
Deferred amount of refunding	31,429	-	-	-	31,429	-
Total deferred outflows of resources	502,518	16,942	41,739	-	561,199	263,063
Liabilities						
Current liabilities						
Accounts payable	3,510,513	217,055	163,368	14,227	3,905,163	962,874
Salaries payable	242,744	5,358	30,726	39,232	318,060	590,358
Accrued interest payable	-	-	17,327	-	17,327	-
Due to other funds	-	-	2,077,050	-	2,077,050	2,000,000
Unearned revenue	4,321	-	25,906	-	30,227	-
Compensated absences	16,094	-	1,972	1,795	19,861	20,642
Current portion of long-term debt:						
Bonds	575,750	-	-	-	575,750	-
Customer deposit	169,428	-	65,761	-	235,189	-
Total current liabilities	4,518,850	222,413	2,382,110	55,254	7,178,627	3,573,874
Noncurrent liabilities						
Compensated absences	328,354	8,551	47,704	26,281	410,890	236,285
Closure and post-closure liability	-	6,430,923	-	-	6,430,923	-
Other post-employment benefits	444,180	19,614	33,116	-	496,910	232,581
Total noncurrent liabilities	772,534	6,459,088	80,820	26,281	7,338,723	468,866
Total liabilities	5,291,384	6,681,501	2,462,930	81,535	14,517,350	4,042,740
Deferred Inflows Of Resources -						
Pension	264,968	11,700	19,755	-	296,423	138,742
Other post-employment benefits	40,847	704	4,930	-	46,481	26,057
Total deferred inflows of resources	305,815	12,404	24,685	-	342,904	164,799
Net Position						
Net investment in capital assets	220,742,127	2,921,394	65,284,507	137,193	289,085,221	13,125,021
Restricted for debt service	794,000	-	-	-	794,000	-
Restricted for capital projects	52,169,257	-	138,106	-	52,307,363	-
Restricted for pension	765,904	33,820	57,103	-	856,827	401,041
Unrestricted	17,085,397	(6,217,485)	(1,307,502)	127,110	9,687,520	9,359,884
Total net position	\$ 291,556,685	\$ (3,262,271)	\$ 64,172,214	\$ 264,303	\$ 352,730,931	\$ 22,885,946

See the notes to basic financial statements.

CITY OF LEE'S SUMMIT, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS For The Year Ended June 30, 2020

	Enterprise Funds					Internal Service Funds
	Combined Waterworks And Sewerage System	Sanitary Landfill	Airport	Nonmajor Enterprise Fund (Recreation Center)	Total	
Operating Revenues						
Charges for services	\$ 40,975,615	\$ -	\$ 866,150	\$ 794,430	\$ 42,636,195	\$ 10,905,579
Material and fuel sales	227,924	-	1,330,296	-	1,558,220	-
Other	128,750	50,831	37,860	299,930	517,371	803,845
Total operating revenues	41,332,289	50,831	2,234,306	1,094,360	44,711,786	11,709,424
Operating Expenses						
Salaries, wages and employee benefits	4,916,708	112,264	630,395	611,477	6,270,844	3,647,053
Water purchases	9,600,469	-	-	-	9,600,469	-
Utilities	649,175	29,220	74,254	102,553	855,202	264,862
Repairs and maintenance	617,174	5,698	106,469	38,006	767,347	779,853
Sewer services	8,202,843	-	-	-	8,202,843	-
Fuels and lubricants	69,677	734	729,860	-	800,271	14,507
Depreciation	4,564,414	30,620	672,798	19,798	5,287,630	2,363,577
Interdepartment charges	659,321	8,217	127,913	21,767	817,218	535,325
Miscellaneous	2,181,695	301,530	412,317	461,964	3,357,506	3,061,660
Total operating expenses	31,461,476	488,283	2,754,006	1,255,565	35,959,330	10,666,837
Operating income (loss)	9,870,813	(437,452)	(519,700)	(161,205)	8,752,456	1,042,587
Nonoperating Revenues (Expenses)						
Interest income (loss)	2,109,931	21,253	104,367	(70)	2,235,481	346,974
Interest expense	(30,966)	-	(62,454)	-	(93,420)	-
Gain on disposal of capital assets	-	-	-	-	-	168,557
Total nonoperating revenues (expenses)	2,078,965	21,253	41,913	(70)	2,142,061	515,531
Income (Loss) Before Contributions And Transfers	11,949,778	(416,199)	(477,787)	(161,275)	10,894,517	1,558,118
Capital Grants And Contributions	2,879,288	-	132,650	3,630	3,015,568	-
Transfers In	-	453,863	1,441,312	-	1,895,175	109,515
Transfers Out	(779,744)	-	(103,278)	(3,519)	(886,541)	(453,863)
Change In Net Position	14,049,322	37,664	992,897	(161,164)	14,918,719	1,213,770
Total Net Position (Deficit)						
Beginning	277,507,363	(3,299,935)	63,179,317	425,467	337,812,212	21,672,176
Ending	\$ 291,556,685	\$ (3,262,271)	\$ 64,172,214	\$ 264,303	\$ 352,730,931	\$ 22,885,946

CITY OF LEE'S SUMMIT, MISSOURI

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS For The Year Ended June 30, 2020

	Enterprise Funds					Internal Service Funds
	Combined Waterworks And Sewerage System	Sanitary Landfill	Airport	Nonmajor Enterprise Fund (Recreation Center)	Total	
Cash Flows From Operating Activities						
Cash received from customers	\$ 41,148,284	\$ 49,128	\$ 2,261,553	\$ 1,094,360	\$ 44,553,325	\$ 11,732,268
Cash paid to suppliers	(21,658,545)	(3,720,875)	(1,499,291)	(627,429)	(27,506,140)	(4,736,501)
Cash paid to employees	(4,777,981)	(110,721)	(621,997)	(635,196)	(6,145,895)	(3,531,876)
Net cash provided by (used in) operating activities	14,711,758	(3,782,468)	140,265	(168,265)	10,901,290	3,463,891
Cash Flows From Noncapital Financing Activities						
Transfers in	-	453,863	1,441,312	-	1,895,175	109,515
Transfers out	(779,744)	-	(103,278)	(3,519)	(886,541)	(453,863)
Advances from other funds	-	-	-	-	-	1,995,000
Advances to other funds	(80,000)	-	(623,304)	-	(703,304)	-
Net cash provided by (used in) noncapital financing activities	(859,744)	453,863	714,730	(3,519)	305,330	1,650,652
Cash Flows From Capital And Related Financing Activities						
Principal payments on long-term debt	(995,000)	-	-	-	(995,000)	-
Interest paid on long-term debt obligations	(35,287)	-	(84,675)	-	(119,962)	-
Capital grants	2,883,609	-	43,088	3,630	2,930,327	-
Additions to capital assets	(12,996,280)	(38,634)	(193,246)	(11,200)	(13,239,360)	(3,798,501)
Proceeds from sale of capital assets	4,669	-	-	-	4,669	168,557
Net cash provided by (used in) capital and related financing activities	(11,138,289)	(38,634)	(234,833)	(7,570)	(11,419,326)	(3,629,944)
Cash Flows Provided By Investing Activities						
Interest received (paid)	2,104,589	34,842	103,106	(314)	2,242,223	348,191
Net cash provided by (used in) investing activities	2,104,589	34,842	103,106	(314)	2,242,223	348,191
Net increase (decrease) in cash and cash equivalents	4,818,314	(3,332,397)	723,268	(179,668)	2,029,517	1,832,790
Cash And Cash Equivalents - Beginning Of Year	55,240,015	3,765,141	129,037	387,192	59,521,385	11,261,219
Cash And Cash Equivalents - End Of Year	\$ 60,058,329	\$ 432,744	\$ 852,305	\$ 207,524	\$ 61,550,902	\$ 13,094,009
Reconciliation of operating income (loss) to net cash provided by operating income (loss)	\$ 9,870,813	\$ (437,452)	\$ (519,700)	\$ (161,205)	\$ 8,752,456	\$ 1,042,587
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	4,564,414	30,620	672,798	19,798	5,287,630	2,363,577
Changes in assets and liabilities:						
(Increase) decrease in inventories	(27,153)	-	(12,190)	-	(39,343)	17,441
(Increase) decrease in accounts receivable	(47,427)	(1,703)	25,550	-	(23,580)	22,844
(Increase) in unbilled revenue	(136,061)	-	-	-	(136,061)	-
(Increase) in prepaid expenses	-	-	(14,866)	-	(14,866)	447
(Increase) in other assets	(720)	-	-	-	(720)	-
(Increase) decrease in pension related assets, outflows and inflows	(3,862)	(451)	475	-	(3,838)	10,040
Increase (decrease) in accounts payable	349,682	(411,653)	(21,422)	(3,139)	(86,532)	(98,182)
Increase (decrease) in salaries and wages payable	75,745	1,347	6,402	(27,441)	56,053	45,962
Increase (decrease) in customer deposits	(517)	-	1,697	-	1,180	-
Decrease in accrued landfill closure/postclosure care costs	-	(2,963,823)	-	-	(2,963,823)	-
Increase (decrease) in other post employment benefits outflow and liability	19,533	1,993	(331)	-	21,195	11,096
Increase (decrease) in accrued compensated absences	47,311	(1,346)	1,852	3,722	51,539	48,079
Total adjustments	4,840,945	(3,345,016)	659,965	(7,060)	2,148,834	2,421,304
Net cash provided by (used in) operating activities	\$ 14,711,758	\$ (3,782,468)	\$ 140,265	\$ (168,265)	\$ 10,901,290	\$ 3,463,891

CITY OF LEE'S SUMMIT, MISSOURI

Supplemental Disclosure Of Cash Flow Information

The City has the following noncash transactions: \$2,879,288 in water and sewer lines were contributed during fiscal year 2020 and \$132,650 relates to accounts receivable on capital grants for the Airport.

CITY OF LEE'S SUMMIT, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

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 98,469 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.

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.

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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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

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

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

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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

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

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

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, liabilities 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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

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

Measurement Focus

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

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

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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Revenues - Exchange And Nonexchange Transactions

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: sales taxes, 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, principal and interest on general long-term debt which have not matured are recognized when paid. 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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Fair Value Measurements

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

Property Tax Revenue Recognition

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

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

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	\$ 0.7851
Park board	0.1388
Debt service	0.4697
Total tax levy	<u>\$ 1.3936</u>

Inventories And Prepaid Items

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

Prepaid expenses represent the payment of insurance premiums for coverage that benefits more than one fiscal period. The premium amounts are amortized over the policy periods.

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.

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. Interest incurred during the construction phase of capital assets of the business-type activities and proprietary funds is included as part of the capitalized value of the assets constructed. There was no interest capitalized during the year ended June 30, 2020.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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 position 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 three items that qualify for reporting in this category. The first 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. The second 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 third 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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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 position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City has two 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.

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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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 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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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 (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use Of Estimates

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

2. Deposits And Investments

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

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

Interest Rate Risk

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

The carrying amounts or fair values and the maturities of the City's investments at June 30, 2020 are as follows:

	Carrying Amount Or Fair Value	Less Than 1 Year	1 To 5 Years
U.S. Treasury securities	\$ 77,061,625	\$ 58,356,975	\$ 18,704,650
U.S. Agency securities	72,081,630	14,245,920	57,835,710
Repurchase agreements	9,027,000	9,027,000	-
Money market funds	4,718,437	4,718,437	-
	162,888,692	<u>\$ 86,348,332</u>	<u>\$ 76,540,360</u>
Cash deposits per books	<u>19,065,660</u>		
Cash and investments per statement of net position	<u><u>\$ 181,954,352</u></u>		

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

The City has the following recurring fair value measurements as of :

- U.S. Treasury obligations of \$77,061,625 valued using quoted market prices (Level 1 inputs)
- U.S. Agency obligations of \$72,081,630 valued using quoted market prices (Level 1 inputs)
- Repurchase agreements of \$9,027,000 valued using a matrix pricing model (Level 2 inputs)
- Money market funds of \$4,718,437 are valued at amortized cost

Custodial Credit Risk

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

The City's policy requires all deposits placed in financial institutions to be at least 105% collateralized with securities that are acceptable to the Finance Director of the City and in accordance with state statutes. As of June 30, 2020, the City's deposits were properly collateralized.

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

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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*	\$ 77,061,625	\$ 52,042,111	\$ 25,019,514
U.S. Agency securities	72,081,630	69,072,720	3,008,910
Money market funds	4,718,437	-	4,718,437
Total	<u>\$ 153,861,692</u>	<u>\$ 121,114,831</u>	<u>\$ 32,746,861</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:

<u>Investment Type</u>	<u>Minimum Allocation</u>	<u>Maximum Allocation</u>
General time deposits	—	30%
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:

<u>Issuer</u>	<u>Percentage Concentration</u>
Federal National Mortgage Association	7.85%
Federal Home Loan Bank	24.55%
Federal Farm Credit Bank	15.93%

CITY OF LEE'S SUMMIT, MISSOURINotes To Basic Financial Statements *(Continued)***3. Capital Assets**

Capital asset activity for the year ended was as follows:

	Governmental Activities			
	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Nondepreciable capital assets:				
Land	\$ 7,857,966	\$ -	\$ -	\$ 7,857,966
Construction in progress	136,498,355	25,190,208	70,244,766	91,443,797
Total nondepreciable capital assets	144,356,321	25,190,208	70,244,766	99,301,763
Depreciable capital assets:				
Buildings	64,703,729	60,493	-	64,764,222
Improvement other than buildings	52,534,446	21,634,755	-	74,169,201
Furniture, fixtures and equipment	38,440,237	3,996,663	2,124,528	40,312,372
Infrastructure	447,517,022	57,892,033	-	505,409,055
Total depreciable capital assets	603,195,434	83,583,944	2,124,528	684,654,850
Less: Accumulated depreciation				
Buildings	34,823,169	2,410,657	-	37,233,826
Improvement other than buildings	26,610,286	3,227,131	-	29,837,417
Furniture, fixtures and equipment	27,048,808	2,444,324	2,031,150	27,461,982
Infrastructure	120,088,205	9,700,382	-	129,788,587
Total accumulated depreciation	208,570,468	17,782,494	2,031,150	224,321,812
Total depreciable capital assets, net	394,624,966	65,801,450	93,378	460,333,038
Total governmental activities capital assets, net	\$ 538,981,287	\$ 90,991,658	\$ 70,338,144	\$ 559,634,801

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

Business-Type Activities				
	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Nondepreciable capital assets:				
Land	\$ 26,037,280	\$ 859,316	\$ -	\$ 26,896,596
Construction in progress	92,285,163	10,232,836	50,308,216	52,209,783
Total nondepreciable capital assets	118,322,443	11,092,152	50,308,216	79,106,379
Depreciable capital assets:				
Structures and improvements	269,628,492	52,352,521	-	321,981,013
Furniture, fixtures and equipment	3,466,738	98,234	-	3,564,972
Total depreciable capital assets	273,095,230	52,450,755	-	325,545,985
Less: Accumulated depreciation				
Structures and improvements	106,590,691	5,248,829	-	111,839,520
Furniture, fixtures and equipment	3,144,501	38,801	-	3,183,302
Total accumulated depreciation	109,735,192	5,287,630	-	115,022,822
Total depreciable capital assets, net	163,360,038	47,163,125	-	210,523,163
Total business-type activities capital assets, net	\$ 281,682,481	\$ 58,255,277	\$ 50,308,216	\$ 289,629,542

Depreciation expense was charged to functions as follows:

General government	\$ 866,321
Public safety	1,170,047
Public works and streets	9,955,367
Parks and recreation	3,427,182
Capital assets held by the government's Internal Service	
Funds are charged to the various functions based on their usage of the assets	2,363,577
	<u>\$ 17,782,494</u>

Depreciation expense was charged to functions as follows:

Combined waterworks and sewerage system	\$ 4,564,414
Sanitary landfill	30,620
Airport	672,798
Nonmajor enterprise funds	19,798
	<u>\$ 5,287,630</u>

CITY OF LEE'S SUMMIT, MISSOURINotes To Basic Financial Statements *(Continued)***4. Long-Term Obligations**

Debt payable at June 30, 2020 is composed of the following:

	Interest Rates	Maturity Date	Balance
Governmental Activities			
General obligation bonds:			
Improvement bonds - 2013A	3.00	4/1/2028	\$ 16,555,000
Refunding (2003) - 2013	4.00	4/1/2023	4,455,000
Improvement bonds - 2013C	5.00	4/1/2021	495,000
Improvement bonds 2016A	1.75 - 2.50	4/1/2029	5,700,000
Improvement bonds 2017A	1.75 - 4.00	4/1/2026	11,075,000
Total general obligation bonds			<u>\$ 38,280,000</u>
Bonds from direct placement:			
Improvement bonds 2020A	1.89	4/1/2023	<u>\$ 9,055,000</u>
TIF bonds:			
Summit fair - 2017	3.50 - 4.875	11/1/2037	<u>\$ 27,315,000</u>
Business-Type Activities			
Combined Waterworks and Sewerage Fund:			
Revenue bonds:			
Waterworks - 2012	2.00	7/1/2021	<u>\$ 540,000</u>

The following is a summary of changes in long-term obligations of the City for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due Within One Year
Governmental Activities					
General obligation bonds	\$ 43,495,000	\$ -	\$ (5,215,000)	\$ 38,280,000	\$ 4,855,000
Add: Bond premium	2,767,925	-	(512,962)	2,254,963	-
Total general obligation bonds	<u>46,262,925</u>	<u>-</u>	<u>(5,727,962)</u>	<u>40,534,963</u>	<u>4,855,000</u>
Bonds from direct placement	<u>1,791,000</u>	<u>9,055,000</u>	<u>(1,791,000)</u>	<u>9,055,000</u>	<u>4,000,000</u>
TIF bonds	29,815,000	-	(2,500,000)	27,315,000	-
Less: Bond discount	<u>(245,226)</u>	<u>-</u>	<u>13,687</u>	<u>(231,539)</u>	<u>-</u>
Total TIF bonds	<u>29,569,774</u>	<u>-</u>	<u>(2,486,313)</u>	<u>27,083,461</u>	<u>-</u>
Accrued compensated absences	<u>5,065,421</u>	<u>602,074</u>	<u>(515,849)</u>	<u>5,151,646</u>	<u>229,956</u>
Other post employment benefits	<u>5,513,106</u>	<u>603,555</u>	<u>-</u>	<u>6,116,661</u>	<u>-</u>
Total governmental activities long-term obligations	<u>\$ 88,202,226</u>	<u>\$ 10,260,629</u>	<u>\$ (10,521,124)</u>	<u>\$ 87,941,731</u>	<u>\$ 9,084,956</u>

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

The total long-term liabilities of \$87,903,585 consist of compensated absences and other post-employment benefits of \$256,927 and \$232,581, respectively, related to Internal Service Funds, while the remaining amount of \$87,414,077 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 July 1, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due Within One Year
Combined waterworks and sewerage system fund					
Revenue bonds	\$ 1,535,000	\$ -	\$ (995,000)	\$ 540,000	\$ 540,000
Add: Bond premium	71,497	-	(35,747)	35,750	35,750
Total revenue bonds	1,606,497	-	(1,030,747)	575,750	575,750
Compensated absences	297,137	103,442	(56,131)	344,448	16,094
Other post employment benefits	395,625	89,992	(41,437)	444,180	-
Total waterworks and sewerage fund	2,299,259	193,434	(1,128,315)	1,364,378	591,844
Sanitary landfill fund					
Landfill closure/postclosure care	9,394,746	87,297	(3,051,120)	6,430,923	-
Compensated absences	9,897	-	(1,346)	8,551	-
Other post employment benefits	17,323	3,974	(1,683)	19,614	-
Total sanitary landfill fund	9,421,966	91,271	(3,054,149)	6,459,088	-
Airport fund					
Compensated absences	47,824	4,375	(2,523)	49,676	1,972
Other post employment benefits	29,893	6,709	(3,486)	33,116	-
Total airport fund	77,717	11,084	(6,009)	82,792	1,972
Nonmajor enterprise fund:					
Compensated absences	24,354	4,821	(1,099)	28,076	1,795
Total business-type activities long-term obligations	\$ 11,823,296	\$ 300,610	\$ (4,189,572)	\$ 7,934,334	\$ 595,611

Debt service requirements on long-term debt at are as follows:

Year	Governmental Activities					
	General Obligation Bonds		Direct Placement		TIF Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 4,855,000	\$ 1,092,350	\$ 4,000,000	\$ 171,140	\$ -	\$ 1,208,525
2022	4,380,000	928,700	4,000,000	95,540	-	1,208,525
2023	4,945,000	805,750	1,055,000	19,940	3,065,000	1,208,525
2024	5,345,000	649,500	-	-	-	1,101,250
2025	5,605,000	495,150	-	-	-	1,101,250
2026 - 2030	13,150,000	726,500	-	-	9,250,000	4,396,250
2031 - 2035	-	-	-	-	-	3,656,250
2036 - 2037	-	-	-	-	15,000,000	1,462,500
	<u>\$ 38,280,000</u>	<u>\$ 4,697,950</u>	<u>\$ 9,055,000</u>	<u>\$ 286,620</u>	<u>\$ 27,315,000</u>	<u>\$ 15,343,075</u>

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Enterprise Funds		
Combined Waterworks And Sewerage		
System		
Revenue Bonds		
Year	Principal	Interest
2021	\$ 540,000	\$ 10,800

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, 2020, the constitutionally imposed total general obligation debt limit was \$467,616,828, which after reduction for authorized general obligation bonds net of available resources in the Debt Service Fund, provides a general obligation debt margin of \$420,170,387.

Combined Waterworks And Sewerage Revenue Bonds

The Waterworks and Sewerage Revenue Bond ordinance requires that the Combined Waterworks and Sewerage System Fund be accounted for in a separate Enterprise Fund. It also requires that, after sufficient current assets have been set aside to operate the system, all remaining monies held in the Combined Waterworks and Sewerage System Fund be segregated and restricted in separate special reserves and accounts. In accordance with the bond ordinance, these bonds are serviced by the Combined Waterworks and Sewerage System Fund operations and are included as a liability of that fund.

Restricted assets of the principal and interest account are to be used for payment of current principal and interest on bonds. Restricted assets of the debt service amount are available to pay principal and interest in the event of a deficiency in the principal and interest account. Restricted assets of the depreciation and replacement account are available to operate, maintain or improve the system, call bonds or for payment of debt service in the event of a deficiency in other restricted assets.

All required minimum reserve amounts for each revenue bond series have been properly maintained by the City at June 30, 2020. The City is also in compliance with minimum net revenue covenants (as defined in the indenture) at June 30, 2020.

Acceleration of Maturity in Event of Default

If the City defaults on the Waterworks and Sewerage Revenue Bond for a period of sixty days, the registered Owners of not less than 25% in aggregate principal amount of bonds then outstanding may by notice in writing delivered to the City, declare the principal of all bonds then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable.

An Owner means the registered owner of any Bond as shown on the bond register maintained by the Bond Registrar.

If, at any time after such declaration, but before the Bonds shall have matured by their terms, all overdue installments of principal and interest on the Bonds, together with the reasonable and proper expenses of the Bond Registrar and Paying Agent, and all other sums then payable by the Authority shall either be paid or provision shall be made for such payment, then and in every such case the Authority shall, but only with the approval of the Owners of not less than 50% in aggregate principal amount of the Bonds Outstanding, rescind such declaration and annul such default in its entirety.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

5. Construction Commitments

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, follows:

	Contract Amount	Amount Funded By Grants
Nonmajor governmental	\$ 5,254,471	\$ -
Combined waterworks and sewage system	1,694,403	-
Airport	329,060	329,060
	<u>\$ 7,277,934</u>	<u>\$ 329,060</u>

6. Interfund Receivables, Payables, Advances And Transfers

The composition of interfund balances as of is as follows:

Receivable Fund	Payable Fund	Amount
General fund	Road & Bridge Improvement	\$ 440,000
General fund	Nonmajor governmental	2,317,920
General fund	Airport	2,077,050
General fund	Internal service	440,000
Capital improvement sales tax	Road & Bridge Improvement	560,000
Capital improvement sales tax	Nonmajor governmental	56,000
Capital improvement sales tax	Internal service	560,000
Nonmajor governmental	Road & Bridge Improvement	100,000
Nonmajor governmental	Park Development	840,000
Nonmajor governmental	Nonmajor governmental	10,000
Nonmajor governmental	Internal service	100,000
Combined waterworks and sewerage system	Todd George/50 Hwy TIF	1,575,000
Combined waterworks and sewerage system	Road & Bridge Improvement	900,000
Combined waterworks and sewerage system	Blue Parkway/Colbern CID	379,621
Combined waterworks and sewerage system	Nonmajor governmental	1,080,000
Combined waterworks and sewerage system	Internal service	900,000
Internal service	General fund	5,000
Total		<u>\$ 12,340,591</u>

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

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

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, 2020:

Advance From Fund	Advance To Fund	Amount
General fund	Todd George/50 Hwy TIF	\$ 770,000
General fund	Nonmajor governmental	484,000
Capital improvement sales tax	Todd George/50 Hwy TIF	980,000
Capital improvement sales tax	Nonmajor governmental	616,000
Road & Bridge Improvement	Blue Parkway/Colbern CID	3,314,859
Nonmajor governmental	Todd George/50 Hwy TIF	175,000
Nonmajor governmental	Nonmajor governmental	110,000
Combined waterworks and sewerage system	Park Development	3,280,000
Total		<u>\$ 9,729,859</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.

The \$980,000, \$770,000, and \$175,000 payable from the Todd George/50 Highway TIF represents interfund loans approved in 2015 to build the Blackwell Road Interchange at US Highway 50. These loans are being repaid with TIF revenues.

The \$3,280,000 payable from the Park Development Fund to the Combined Waterworks and Sewerage System fund is an interfund loan approved in 2018 to acquire and make improvements to the Longview Community Center. This loan is being repaid with Park Fund revenues.

Interfund transfers:

	Transfers To						
	General Fund	Park Development Fund	Capital Improvement Sales Tax Fund	Nonmajor Governmental Funds	Airport Fund	Landfill Fund	Internal Service Funds
Transfers from							Total
General	\$ -	\$ -	\$ -	\$ 4,039,873	\$ 76,696	\$ -	\$ 80,000
Debt Service	-	3,888,000	-	131,250	-	-	-
Road and Bridge Improvement	-	-	-	-	1,364,616	-	-
Park Development	-	-	-	50,196	-	-	-
Nonmajor Governmental	8,804	-	342,017	18,625	-	-	-
Combined Waterworks and Sewerage System	750,229	-	-	-	-	-	29,515
Airport	103,278	-	-	-	-	-	-
Nonmajor Enterprise	-	-	-	3,519	-	-	-
Internal Service	-	-	-	-	-	453,863	-
	<u>\$ 862,311</u>	<u>\$ 3,888,000</u>	<u>\$ 342,017</u>	<u>\$ 4,243,463</u>	<u>\$ 1,441,312</u>	<u>\$ 453,863</u>	<u>\$ 11,340,481</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.

7. 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	305
Inactive employees entitled to but not yet receiving benefits	267
Active employees	612
	<u>1,184</u>

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. Employer contribution rates are 10.6% (general), 13.8% (police) and 12.3% (fire) of annual covered payroll.

Net Pension Liability (Asset)

The employer's net pension liability (asset) was measured as of June 30, 2019, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2019.

Actuarial Assumptions

The total pension liability in the February 28, 2019 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:	3.25%
Salary Increase:	3.25% to 7.15% (including wage inflation)
Investment Rate Of Return:	7.25% (including wage inflation)

Mortality rates were based on the applicable RP-2014 Mortality Tables for both males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2019 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

The long-term expected rate of return on pension plan investments 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate Of Return
Equity	39.00%	4.16%
Fixed income	28.00%	0.89%
Real assets/Real return	33.00%	2.09%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes In The Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
	(a)	(b)	(a) - (b)
Balances At June 30, 2019	\$ 201,936,855	\$ 224,123,763	\$ (22,186,908)
Changes For The Year:			
Service cost	4,609,803	-	4,609,803
Interest	14,558,105	-	14,558,105
Difference between expected and actual experience	3,169,573	-	3,169,573
Contributions - employer	-	4,437,964	(4,437,964)
Net investment income (loss)	-	15,076,456	(15,076,456)
Benefit payments, including refunds	(6,921,068)	(6,921,068)	-
Administrative expense	-	(134,918)	134,918
Other changes	-	1,319,477	(1,319,477)
Net changes	15,416,413	13,777,911	1,638,502
Balances At June 30, 2020	\$ 217,353,268	\$ 237,901,674	\$ (20,548,406)

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)**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 7.25%, as well as what the employer's net pension liability would be using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
	6.25%	7.25%	8.25%
Net pension liability (asset)	\$ 12,857,906	\$ (20,548,406)	\$ (47,929,769)

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

For the year ended June 30, 2020 the City recognized pension expense of \$3,967,789. 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	\$ 4,433,718	\$ 2,020,363
Changes in assumptions	2,599,561	-
Difference between expected and actual earnings	-	6,002,785
	7,033,279	8,023,148
Contributions subsequent to the measurement date of June 30, 2019*	4,774,003	-
Total	\$ 11,807,282	\$ 8,023,148

- * 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.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements *(Continued)*

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
2021	\$ 329,755
2022	(2,385,263)
2023	(1,074,657)
2024	1,201,582
2025	474,471
Thereafter	464,243
Total	<u>\$ (989,869)</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.

8. Other Post-Employment Benefits

Plan Description

In addition to providing the pension benefits described above, the City 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 June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees and/or spouses	21
Active employees	<u>659</u>
	<u>680</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. Effective January 1, 2018 the City switched from Cost-Plus to a Fully Insured plan. Premiums are reviewed and set annually based on projections and claims history provided by the insurance carrier.

Total OPEB Liability And Changes In OPEB Liability

The City's total OPEB liability was based on an actuarial valuation dated July 1, 2019 using a measurement date of June 30, 2020 and the changes in the OPEB liability are as follows:

OPEB liability - Beginning of year	\$ 5,955,947
Service costs	308,374
Interest	185,290
Differences between expected and actual experience	(506,295)
Changes in assumptions and inputs	846,255
Benefit payments/Employer contributions	(176,000)
OPEB liability - end of year	<u><u>\$ 6,613,571</u></u>

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 was 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%.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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%.

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

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2019 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:	July 1, 2019
Measurement Date:	June 30, 2020
Salary Scale:	3%
Discount Rate:	2.6% (measurement date); 3.0% (year preceding measurement date)
Mortality:	RPH-2014 Adjusted to 2006 Total Dataset Headcount-weighted mortality with MP-2018 full generational improvement
Healthcare Cost Trend:	6.5% in 2020 decreasing to ultimate rate of 4.5% in 2026

To the extent Plan (i.e. Trust) assets are projected to be sufficient to make projected benefit payments, the discount rate will equal the expected return on such assets. To the extent a Plan is not projected to be sufficient make future benefit payments the yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher should be factored in. Plan assets do not apply to the City's program. In order to determine the municipal bond rate the average of the published yields from the S&P Municipal Bond 20 year High Grade and the Fidelity GO AA-20 Years indexes were used. The selected average rates are 3.0% and 2.6% 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 1.6%	Current Single Discount Rate Assumption 2.6%	1% Increase 3.6%
Total OPEB Liability	\$ 7,238,980	\$ 6,613,571	\$ 6,034,949

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	\$ 5,761,308	\$ 6,613,571	\$ 7,629,083

(a) 5.5% in 2021 decreasing to an ultimate rate of 3.5% in 2027

(b) 7.5% in 2021 decreasing to an ultimate rate of 5.5% in 2027

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$614,020. At June 30, 2020, 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
Differences between expected and actual experience	\$ 140,055	\$ 464,104
Changes in assumptions	1,489,348	-
Total	<u>\$ 1,629,403</u>	<u>\$ 464,104</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:

	OPEB Expense
Year Ending June 30,	
2021	\$ 120,356
2022	120,356
2023	120,356
2024	120,356
2025	120,356
Thereafter	563,519
Total	<u>\$ 1,165,299</u>

9. 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, 2020, the City's total estimated liability for payment of incurred but unpaid claims for workers' compensation was \$784,937 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, 2020 and 2019 were as follows:

Self Insurance (Workers Comp) Table

Balance - June 30, 2018	\$ 1,534,298
Add: Current year claims and change in estimate	(242,836)
Less: Claim payments	<u>(423,054)</u>
Balance - June 30, 2019	868,408
Add: Current year claims and change in estimate	316,540
Less: Claim payments	<u>(400,011)</u>
Balance - June 30, 2020	<u><u>\$ 784,937</u></u>

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

10. 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 \$6,430,923 reported as landfill closure and postclosure liability at June 30, 2020, represents the City's estimate of remaining closure costs and postclosure care costs.

With the closing of the landfill, the City recognized the remaining expenses of closure and postclosure care this fiscal year. 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, 2020, the City had contract obligations of approximately \$10,400,000 approved by the Department of Natural Resources subsequent to fiscal year end. The City expects that all closure and postclosure care costs, as well as future inflation costs, will be paid from investments held in the Sanitary Landfill and Postclosure funds. However, if these resources are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be recovered through other City funds.

11. 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	\$ 3,716,268
Todd George and 50 Hwy TIF	3,483,500
Park Development	4,934,735

Nonmajor Funds:

Entitlement	75,597
Summit Woods TIF	298,839
New Longview TIF	2,120,831
Public Safety Bonds	1,500
Green Street Improvements	33,777

Business-type activities:

Major Funds:

Sanitary Landfill	3,262,271
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12. Municipal Court Traffic Violations Fines And Costs

Missouri House Bill No. 103 amending RSMo Section 302.341.2 became effective on August 28, 2013. The amendment to the statute now 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 \$642,559. This accounts for 1.05% of the City's total general operating revenues of \$61,440,253 for the year ended June 30, 2020.

13. Tax Abatements

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

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

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (Continued)

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

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

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

The City provided tax abatements under the four economic development programs noted above. For the fiscal year ended June 30, 2020, the City's tax revenue was diverted through various abatements necessary to incent development within the City totaling an estimated \$7,035,241 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	\$ 2,258,553	\$ 4,671,705	\$ 6,930,258	\$ -	\$ 6,930,258	56.67186%	\$ 3,927,506
Section 353 abatement	31,580	151,820	183,400	91,700	91,700	100.00000%	91,700
Section 100 projects	875,855	4,630,922	5,506,777	2,660,147	2,846,630	100.00000%	2,846,630
LCRA	25,665	149,853	175,518	6,113	169,405	100.00000%	169,405
							<u>\$ 7,035,241</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 NW Chipman Road on the south. The estimated value of tax revenue abated during fiscal year 2020 is \$2,704,966 with the City's portion of taxes abated at \$465,767.

KC Summit Technology 1998 – In February 1998 the City approved a Section 100 plan for the industrial development project located in the former Western Electric facility. This former facility was converted to a multi-tenant office complex. The estimated value of tax revenue abated during fiscal year 2020 is \$824,913 with the City's portion of taxes abated at \$192,643.

14. Subsequent Event

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have a significant impact on the economies and financial markets or many countries and all states of the United States of America.

It is unknown how long the adverse conditions associated with the coronavirus will last and what the complete financial effect will be on the City. To date, the City is monitoring fiscal year 2021 revenue and expenditures very closely and reacting accordingly.

In September 2020, the City was approved for Coronavirus Aid, Relief, and Economic Security (CARES) Act grant through the U.S. Department of the Treasury and Jackson County, Missouri in the amount of \$5.92 million. The grant can be applied toward expenditures that were incurred during the period beginning on March 1, 2020 and ending on December 30, 2020.

On January 21, 2021, the City issued Series 2021 GO Bonds for \$5,000,000 maturing on April 1, 2023. The bonds are to be spent on public safety improvements.

15. Accounting pronouncements

The City did not adopt any new accounting pronouncements in 2020, except for GASB Statement No. 95, which deferred the required implementation date of all other GASB Statements as a result of the COVID pandemic.

GASB Statement No. 84, *Fiduciary Activities*, issued February 2017, will be effective for the City beginning with its fiscal year ending June 30, 2021. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

CITY OF LEE'S SUMMIT, MISSOURI

Notes To Basic Financial Statements (*Continued*)

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the City beginning with its fiscal year ending June 30, 2022, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, issued June 2018, will be effective for the City beginning with its fiscal year ending June 30, 2022, with earlier adoption encouraged. Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the City beginning with its fiscal year ending June 30, 2022. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers, and eliminate diversity in practice associated with (1) commitments extended by users, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligation; and improving required noted disclosures.

Required Supplementary Information

CITY OF LEE'S SUMMIT, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) BUDGETARY COMPARISON INFORMATION - GENERAL FUND For The Year Ended June 30, 2020

	Budgeted Amounts		Actual	With Final
	Original	Final	Amounts	Budget - Positive (Negative)
Revenues				
Taxes	\$ 57,516,172	\$ 57,516,172	\$ 57,004,677	\$ (511,495)
Fines and forfeitures	906,890	906,890	782,983	(123,907)
Licenses and permits	2,685,440	2,685,440	3,652,593	967,153
Intergovernmental	1,310,965	1,310,965	1,301,777	(9,188)
Charges for services	8,777,700	8,777,700	9,121,940	344,240
Investment earnings	330,000	330,000	774,051	444,051
Other	3,386,079	3,386,079	3,765,602	379,523
Total revenues	74,913,246	74,913,246	76,403,623	1,490,377
Expenditures				
Current:				
General government				
Administrative	3,631,569	3,835,214	4,151,829	(316,615)
Finance	12,238,365	12,238,365	12,524,559	(286,194)
Municipal court	1,006,168	1,011,265	968,432	42,833
Legal	1,557,619	1,615,661	1,596,630	19,031
Public Safety				
Law enforcement	21,921,344	21,942,912	22,060,867	(117,955)
Fire/EMS	20,678,503	20,795,136	20,837,290	(42,154)
Public works and streets				
Public works/engineering	5,899,083	5,954,642	5,852,931	101,711
Street operations	4,798,115	5,471,516	5,535,041	(63,525)
Development center	4,603,046	4,603,046	4,185,427	417,619
Total expenditures	76,333,812	77,467,757	77,713,006	(245,249)
Excess Of Revenues Over Expenditures	(1,420,566)	(2,554,511)	(1,309,383)	1,245,128
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	3,053,000	3,053,000
Transfers in	906,097	906,097	862,311	(43,786)
Transfers out	(1,143,569)	(1,143,569)	(4,196,569)	(3,053,000)
Total other financing uses	(237,472)	(237,472)	(281,258)	(43,786)
Net Change In Fund Balances	(1,658,038)	(2,791,983)	(1,590,641)	1,201,342
Fund Balances - Beginning	32,825,776	32,825,776	32,825,776	-
Fund Balances - Ending	\$ 31,167,738	\$ 30,033,793	\$ 31,235,135	\$ 1,201,342

CITY OF LEE'S SUMMIT, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) NOTES TO BUDGETARY COMPARISON INFORMATION For The Year Ended June 30, 2020

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 and the Business and Industry 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, 2020

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
2011	\$ 4,347,805	\$ 4,347,805	\$ -	\$ 34,114,082	12.74%
2012	5,805,293	4,992,660	812,633	36,279,509	13.76%
2013	5,394,938	5,059,758	335,180	34,189,853	14.80%
2014	5,509,368	5,482,466	26,902	34,808,668	15.75%
2015	5,148,222	5,148,222	-	35,306,669	14.58%
2016	4,868,423	4,868,423	-	35,576,862	13.68%
2017	4,146,492	4,146,492	-	35,525,693	11.67%
2018	4,156,827	4,147,466	9,361	37,349,420	11.10%
2019	4,315,843	4,306,690	9,153	37,966,666	11.34%
2020	4,774,003	4,774,003	-	42,993,105	11.10%

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

Fiscal Year Ending June 30,	2016	2017	2018	2019	2020
Total Pension Liability					
Service cost	\$ 4,094,113	\$ 4,116,855	\$ 4,304,459	\$ 4,472,193	\$ 4,609,803
Interest on total pension liability	10,954,647	11,691,666	12,869,316	13,726,033	14,558,105
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	318,903	(892,732)	(10,067)	(421,915)	3,169,573
Changes of assumption	-	6,279,349	-	-	-
Benefit payment, including refunds	(5,400,300)	(5,047,211)	(5,040,382)	(5,832,114)	(6,921,068)
Net Change in Total Pension Liability	9,967,363	16,147,927	12,123,326	11,944,197	15,416,413
total pension Liability-Beginning	151,726,643	161,721,405	177,869,332	189,992,658	201,936,855
Total Pension Liability Ending (a)	\$ 161,694,006	\$ 177,869,332	\$ 189,992,658	\$ 201,936,855	\$ 217,353,268
Plan Fiduciary Net Position					
Contributions-employer	\$ 4,831,163	\$ 4,153,904	\$ 4,348,764	\$ 4,306,689	\$ 4,437,964
Contributions-employee	-	-	90,862	-	-
Net investment income	3,552,574	(235,139)	21,474,775	24,845,050	15,076,456
Benefit payments, including refunds	(5,373,300)	(5,047,211)	(5,040,382)	(5,832,114)	(6,921,068)
Pension plan administrative expense	(89,852)	(84,734)	(87,751)	(90,844)	(134,918)
Other (net transfer)	1,714,993	339,826	(157,227)	(62,202)	1,319,477
Net change in plan fiduciary net Position	4,635,578	(873,354)	20,629,041	23,166,579	13,777,911
Plan fiduciary net position-beg	176,565,920	181,201,498	180,328,144	200,957,184	224,123,763
Plan Fiduciary Net Position -ending (b)	\$ 181,201,498	\$ 180,328,144	\$ 200,957,185	\$ 224,123,763	\$ 237,901,674
Net pension liability asset-ending (a)- (b)	(19,507,492)	(2,458,812)	(10,964,527)	(22,186,908)	(20,548,406)
Plan fiduciary net positon as a percentage of the total pension liability	112.05%	101.38%	105.77%	110.99%	117.81%
Covered payroll	\$ 34,283,100	\$ 35,017,663	\$ 36,728,368	\$ 37,483,205	\$ 39,183,044
Net pension liability(asset) as a percent of covered payroll	-56.82%	-7.02%	-29.85%	-59.19%	-52.44%

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.

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, 2020

Fiscal Year Ending June 30,	2018	2019	2020
Total OPEB Liability June 30			
Service cost	\$ 229,155	\$ 291,148	\$ 308,374
Interest	153,982	184,128	185,290
Differences between expected and actual experience	-	168,067	(506,295)
Changes in assumptions	799,131	137,117	846,255
Benefit payments	(161,000)	(226,000)	(176,000)
Net Change in Total Pension Liability	1,021,268	554,460	657,624
Total OPEB Liability-Beginning	4,380,219	5,401,487	5,955,947
Total Pension Liability Ending	\$ 5,401,487	\$ 5,955,947	\$ 6,613,571
Covered payroll	\$ 35,567,476	\$ 35,567,476	\$ 40,363,580
Total OPEB liability as a percentage of covered payroll	15.19%	16.75%	16.38%

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

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

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, 2020

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Assets			
Pooled cash and investments	\$ 12,551,229	\$ 12,384,206	\$ 24,935,435
Receivables (net of allowance)			
Taxes	247,279	148,086	395,365
Accounts and other	35,515	-	35,515
Interest	44,204	30,977	75,181
Due from other funds	840,000	210,000	1,050,000
Due from other governments	144,057	154,491	298,548
Other current assets	-	793	793
Advances to other funds	-	285,000	285,000
Restricted cash	-	16,748,241	16,748,241
Total assets	\$ 13,862,284	\$ 29,961,794	\$ 43,824,078
Liabilities, Deferred Inflows of Resources And Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 240,720	\$ 1,685,385	\$ 1,926,105
Payroll liabilities	174,527	-	174,527
Deposits payable	427,307	78,400	505,707
Due to other funds	51,000	3,412,920	3,463,920
Advances from other funds	-	1,210,000	1,210,000
Total liabilities	893,554	6,386,705	7,280,259
Deferred Inflows Of Resources			
Property tax	348,635	-	348,635
Other	-	23,247	23,247
Total deferred inflows of resources	348,635	23,247	371,882
Fund Balances			
Restricted			
Bridges, streets and signals	-	10,116,214	10,116,214
Parks and recreation	4,635,909	-	4,635,909
Economic development	212,697	3,942,802	4,155,499
Other capital projects	-	10,738,376	10,738,376
Other purposes	496,885	-	496,885
Committed			
Bridges, streets and signals	158,155	-	158,155
Landfill care	5,845,752	-	5,845,752
Cemetery care	1,346,294	-	1,346,294
Assigned			
Other capital projects	-	1,209,397	1,209,397
Unassigned	(75,597)	(2,454,947)	(2,530,544)
Total fund balances	12,620,095	23,551,842	36,171,937
Total liabilities, deferred inflows and fund balances	\$ 13,862,284	\$ 29,961,794	\$ 43,824,078

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, 2020

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Taxes			
Property	\$ 3,611,074	\$ 3,310,288	\$ 6,921,362
Sales	—	1,538,834	1,538,834
License	—	1,581,768	1,581,768
Bed	440,202	—	440,202
Other tax	16,943	—	16,943
Fines and forfeitures	17,083	17,415	34,498
Intergovernmental	542,208	232,946	775,154
Charges for services	2,820,141	44,527	2,864,668
Investment earnings	394,427	533,647	928,074
Other	308,705	—	308,705
Total revenues	8,150,783	7,259,425	15,410,208
Expenditures			
Current			
General government	1,220,767	648,409	1,869,176
Parks and recreation	6,910,959	—	6,910,959
Debt service			
Principal	—	2,500,000	2,500,000
Interest and other charges	—	1,388,172	1,388,172
Capital outlay	75,188	13,364,814	13,440,002
Total expenditures	8,206,914	17,901,395	26,108,309
Deficiency Of Revenues Over Expenditures	(56,131)	(10,641,970)	(10,698,101)
Other Financing Sources (Uses)			
Issuance of bonds	—	9,055,000	9,055,000
Proceeds from sales of capital assets	55,027	—	55,027
Transfers in	227,590	4,015,873	4,243,463
Transfers out	(27,429)	(342,017)	(369,446)
Total other financing sources (uses)	255,188	12,728,856	12,984,044
Net Change In Fund Balances	199,057	2,086,886	2,285,943
Fund Balances - Beginning	12,421,038	21,464,956	33,885,994
Fund Balances - Ending	\$ 12,620,095	\$ 23,551,842	\$ 36,171,937

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.

CITY OF LEE'S SUMMIT, MISSOURI

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS June 30, 2020

	Park Board	Violence Against Women Grant	Entitlement Fund	Landfill Post Closure Fund	Cemetery Trust Fund	Road And Bridge Escrow	Business And Industry Fund	Total Nonmajor Special Revenue Funds
Assets								
Pooled cash and investments	\$ 4,246,969	\$ 365,641	\$ 323	\$ 5,830,256	\$ 1,346,753	\$ 583,102	\$ 178,185	\$ 12,551,229
Receivables (net of allowance)								
Taxes receivable, net	247,279	—	—	—	—	—	—	247,279
Accounts and other	1,156	393	—	—	—	—	33,966	35,515
Interest	17,526	519	—	18,879	4,374	2,360	546	44,204
Due from other funds	840,000	—	—	—	—	—	—	840,000
Due from other governments	—	143,715	342	—	—	—	—	144,057
Total assets	\$ 5,352,930	\$ 510,268	\$ 665	\$ 5,849,135	\$ 1,351,127	\$ 585,462	\$ 212,697	\$ 13,862,284
Liabilities, Deferred Inflows of Resources And Fund Balances								
Liabilities								
Accounts payable and accrued liabilities	\$ 195,029	\$ 13,383	\$ 25,262	\$ 3,383	\$ 3,663	\$ —	\$ —	\$ 240,720
Payroll liabilities	173,357	—	—	—	1,170	—	—	174,527
Deposits payable	—	—	—	—	—	427,307	—	427,307
Due to other funds	—	—	51,000	—	—	—	—	51,000
Total liabilities	368,386	13,383	76,262	3,383	4,833	427,307	—	893,554
Deferred Inflows Of Resources								
Property tax	348,635	—	—	—	—	—	—	348,635
Total deferred inflows of resources	348,635	—	—	—	—	—	—	348,635
Fund Balances (Deficits)								
Restricted								
Parks and recreation	4,635,909	—	—	—	—	—	—	4,635,909
Economic development	—	—	—	—	—	—	212,697	212,697
Other purposes	—	496,885	—	—	—	—	—	496,885
Committed								
Bridges, streets and signals	—	—	—	—	—	158,155	—	158,155
Landfill care	—	—	—	5,845,752	—	—	—	5,845,752
Cemetery care	—	—	—	—	1,346,294	—	—	1,346,294
Unassigned	—	—	(75,597)	—	—	—	—	(75,597)
Total fund balances (deficits)	4,635,909	496,885	(75,597)	5,845,752	1,346,294	158,155	212,697	12,620,095
Total liabilities, deferred inflows and fund balances (deficits)	\$ 5,352,930	\$ 510,268	\$ 665	\$ 5,849,135	\$ 1,351,127	\$ 585,462	\$ 212,697	\$ 13,862,284

CITY OF LEE'S SUMMIT, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended June 30, 2020

	Park Board	Violence Against Women Grant	Entitlement Fund	Landfill Post Closure Fund	Cemetery Trust Fund	Road And Bridge Escrow	Business And Industry Fund	Total Nonmajor Special Revenue Funds
Revenues								
Taxes								
Property	\$ 3,611,074	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,611,074
Bed	—	—	—	—	—	—	440,202	440,202
Other tax	16,943	—	—	—	—	—	—	16,943
Fines and forfeitures	17,083	—	—	—	—	—	—	17,083
Intergovernmental	—	131,629	410,579	—	—	—	—	542,208
Charges for services	2,750,720	—	—	—	69,421	—	—	2,820,141
Investment earnings	152,524	—	—	176,626	40,751	20,025	4,501	394,427
Other	287,835	—	—	—	20,870	—	—	308,705
Total revenues	6,836,179	131,629	410,579	176,626	131,042	20,025	444,703	8,150,783
Expenditures								
Current:								
General government	—	57,499	431,703	109,041	—	—	622,524	1,220,767
Parks and recreation	6,766,067	—	—	—	144,892	—	—	6,910,959
Capital outlay	—	—	—	—	—	75,188	—	75,188
Total expenditures	6,766,067	57,499	431,703	109,041	144,892	75,188	622,524	8,206,914
Excess (Deficiency) Of Revenues Over Expenditures	70,112	74,130	(21,124)	67,585	(13,850)	(55,163)	(177,821)	(56,131)
Other Financing Sources (Uses)								
Proceeds from capital leases	—	—	—	—	55,027	—	—	55,027
Transfers in	227,590	—	—	—	—	—	—	227,590
Transfers out	—	—	—	—	(18,625)	—	(8,804)	(27,429)
Total other financing sources (uses)	227,590	—	—	—	36,402	—	(8,804)	255,188
Net Change In Fund Balances	297,702	74,130	(21,124)	67,585	22,552	(55,163)	(186,625)	199,057
Fund Balances (Deficits) - Beginning	4,338,207	422,755	(54,473)	5,778,167	1,323,742	213,318	399,322	12,421,038
Fund Balances (Deficits) - Ending	\$ 4,635,909	\$ 496,885	\$ (75,597)	\$ 5,845,752	\$ 1,346,294	\$ 158,155	\$ 212,697	\$ 12,620,095

CITY OF LEE'S SUMMIT, MISSOURI

BUDGETARY COMPARISON SCHEDULE**PARK BOARD****For The Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variances With
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues				
Taxes				
Property taxes	\$ 3,506,513	\$ 3,506,513	\$ 3,611,074	\$ 104,561
Other tax	3,950	3,950	16,943	12,993
Fines and forfeitures	17,000	17,000	17,083	83
Charges for services	4,450,250	2,974,996	2,750,720	(224,276)
Investment earnings (loss)	13,074	13,074	152,524	139,450
Other	273,486	269,870	287,835	17,965
Total revenues	8,264,273	6,785,403	6,836,179	50,776
Expenditures				
Current:				
Parks and recreation	8,157,986	8,173,056	6,766,067	(1,406,989)
Excess of revenues over				
expenditures	106,287	(1,387,653)	70,112	1,457,765
Other Financing Sources (Uses)				
Transfers in	221,201	221,201	227,590	6,389
Total other financing sources	221,201	221,201	227,590	6,389
Net Change In Fund Balances	\$ 327,488	\$ (1,166,452)	297,702	\$ 1,464,154
Fund Balances - Beginning			4,338,207	
Fund Balances - Ending			\$ 4,635,909	

CITY OF LEE'S SUMMIT, MISSOURI

**BUDGETARY COMPARISON SCHEDULE
VIOLENCE AGAINST WOMEN GRANT
For The Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variances With
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Licenses and permits				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 131,629	\$ (18,371)
Expenditures				
Current:				
General government	150,000	150,000	57,499	(92,501)
Net Change In Fund Balances	<u>\$ —</u>	<u>\$ —</u>	74,130	<u>\$ 74,130</u>
Fund Balances - Beginning			<u>422,755</u>	
Fund Balances - Ending			<u>\$ 496,885</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:

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.

Storm Water Improvement - Established to account for construction of projects related to a 2007 bond election.

CITY OF LEE'S SUMMIT, MISSOURI

NONMAJOR GOVERNMENTAL FUNDS CAPITAL PROJECTS FUNDS (*Continued*)

US 50 Highway & Route 291 South Exchange - Established to account for construction of road improvements and acquire right-of-way to the US Highway 50 and State Route 291 intersection and bridge system related to the 2013 bond election.

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

Road Improvements - Established to account for costs associated with construction of Strother Road Improvements and View High/I-470 Road Improvements related to a 2010 general obligation bond issue.

Cultural Arts 2013 Bonds - Established to account for costs associated with public improvements for cultural arts, including improvements to the Legacy Park Amphitheater, rehabilitating the old downtown post office/city hall building and creating a downtown outdoor performance and festival space.

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

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

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

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

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

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

CITY OF LEE'S SUMMIT, MISSOURI

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS

Page 1 Of 2
June 30, 2020

	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	\$ 6,712,178	\$ 295,732	\$ 57,662	\$ 73,853	\$ 306,362	\$ 414,057	\$ 3,141,071	\$ -
Receivables (net of allowance)								
Taxes	23,247	9,990	-	9,727	2,403	-	96,278	-
Interest	21,049	1,253	2,294	132	1,024	650	233	-
Due from other funds	210,000	-	-	-	-	-	-	-
Due from other governments	-	30,528	-	8,184	1,125	61,282	53,372	-
Other current assets	-	-	-	-	-	-	-	-
Advances to other funds	285,000	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	2,784,420
Total assets	\$ 7,251,474	\$ 337,503	\$ 59,956	\$ 91,896	\$ 310,914	\$ 475,989	\$ 3,290,954	\$ 2,784,420
Liabilities, Deferred Inflows of Resources And Fund Balances								
Liabilities								
Accounts payable and accrued liabilities	\$ 24,507	\$ 2,325	\$ 358,795	\$ 7,727	\$ 109	\$ 290,821	\$ -	\$ 799,852
Deposits payable	-	-	-	5,000	-	-	-	-
Due to other funds	-	-	-	990,000	-	-	200,000	869,138
Advances from other funds	-	-	-	1,210,000	-	-	-	-
Total liabilities	24,507	2,325	358,795	2,212,727	109	290,821	200,000	1,668,990
Deferred Inflows Of Resources								
Other	23,247	-	-	-	-	-	-	-
Total deferred inflows of resources	23,247	-	-	-	-	-	-	-
Fund Balances								
Restricted								
Bridges, streets and signals	7,203,720	-	-	-	-	-	-	-
Economic development	-	335,178	-	-	310,805	185,168	3,090,954	-
Other capital projects	-	-	-	-	-	-	-	1,115,430
Assigned								
Other capital projects	-	-	-	-	-	-	-	-
Unassigned	-	-	(298,839)	(2,120,831)	-	-	-	-
Total fund balances	7,203,720	335,178	(298,839)	(2,120,831)	310,805	185,168	3,090,954	1,115,430
Total liabilities, deferred inflows and fund balances	\$ 7,251,474	\$ 337,503	\$ 59,956	\$ 91,896	\$ 310,914	\$ 475,989	\$ 3,290,954	\$ 2,784,420

CITY OF LEE'S SUMMIT, MISSOURI

COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS

Page 2 Of 2
June 30, 2020

Storm Water Improvement	US 50 Hwy & Rte 291 South Interchange	ERP System	Road Improvements	Cultural Arts 2013 Bonds	Road Improvements 2013	Public Safety Equipment Replacement	Lee's Summit Sports Complex TIF	Public Safety Improvements 2020	Public Safety Bonds 2020B	Green Street Improvements	Total Nonmajor Capital Projects Funds
\$ -	\$ 13,575	\$ 14,276	\$ -	\$ -	\$ -	\$ 1,268,058	\$ 87,382	\$ -	\$ -	\$ -	\$ 12,384,206
-	-	-	-	-	-	-	6,441	-	-	-	148,086
-	-	46	-	-	-	4,022	274	-	-	-	30,977
-	-	-	-	-	-	-	-	-	-	-	210,000
-	-	-	-	-	-	-	-	-	-	-	154,491
-	-	793	-	-	-	-	-	-	-	-	793
-	-	-	-	-	-	-	-	-	-	-	285,000
1,959,075	2,285,544	-	41,090	-	608,776	-	-	9,069,336	-	-	16,748,241
\$ 1,959,075	\$ 2,299,119	\$ 15,115	\$ 41,090	\$ -	\$ 608,776	\$ 1,272,080	\$ 94,097	\$ 9,069,336	\$ -	\$ -	\$ 29,961,794
\$ 30,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,798	\$ -	\$ 93,058	\$ -	\$ -	\$ 1,685,385
-	-	-	-	-	-	-	73,400	-	-	-	78,400
201,987	-	-	36,491	-	-	-	-	1,080,027	1,500	33,777	3,412,920
-	-	-	-	-	-	-	-	-	-	-	1,210,000
232,380	-	-	36,491	-	-	77,798	73,400	1,173,085	1,500	33,777	6,386,705
-	-	-	-	-	-	-	-	-	-	-	23,247
-	-	-	-	-	-	-	-	-	-	-	23,247
-	2,299,119	-	4,599	-	608,776	-	-	-	-	-	10,116,214
-	-	-	-	-	-	-	20,697	-	-	-	3,942,802
1,726,695	-	-	-	-	-	-	-	7,896,251	-	-	10,738,376
-	-	15,115	-	-	-	1,194,282	-	-	-	-	1,209,397
-	-	-	-	-	-	-	-	-	(1,500)	(33,777)	(2,454,947)
1,726,695	2,299,119	15,115	4,599	-	608,776	1,194,282	20,697	7,896,251	(1,500)	(33,777)	23,551,842
\$ 1,959,075	\$ 2,299,119	\$ 15,115	\$ 41,090	\$ -	\$ 608,776	\$ 1,272,080	\$ 94,097	\$ 9,069,336	\$ -	\$ -	\$ 29,961,794

CITY OF LEE'S SUMMIT, MISSOURI

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

Page 1 Of 2
For The Year Ended June 30, 2020

	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	\$ —	\$ 175,798	\$ —	\$ 320,197	\$ 268,371	\$ 917,381	\$ 1,624,964	\$ —
Sales	—	75,617	—	92,438	49,161	82,007	1,239,611	—
License	1,581,768	—	—	—	—	—	—	—
Fines and forfeitures	—	8,015	—	60	9,244	96	—	—
Intergovernmental	—	14,874	—	16,038	4,051	—	197,983	—
Charges for services	—	555	218	687	516	1,493	7,640	—
Investment earnings	202,142	12,149	23,127	360	9,463	5,665	42,412	96,355
Total revenues	1,783,910	287,008	23,345	429,780	340,806	1,006,642	3,112,610	96,355
Expenditures								
Current:								
General government	—	329,549	—	—	140,645	142,946	—	—
Debt service								
Principal	—	—	—	—	—	—	2,500,000	—
Interest and other charges	1,230	—	219	41,320	—	—	1,300,098	—
Capital outlay	177,249	2,941	—	1,202,536	4,384	840,154	35,208	5,266,160
Total expenditures	178,479	332,490	219	1,243,856	145,029	983,100	3,835,306	5,266,160
Excess (Deficiency) Of Revenues Over Expenditures	1,605,431	(45,482)	23,126	(814,076)	195,777	23,542	(722,696)	(5,169,805)
Other Financing Sources								
Issuance of bonds	—	—	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—	—	—
Transfers out	—	—	(342,017)	—	—	—	—	—
Total other financing sources	—	—	(342,017)	—	—	—	—	—
Net Change In Fund Balances	1,605,431	(45,482)	(318,891)	(814,076)	195,777	23,542	(722,696)	(5,169,805)
Fund Balances (Deficits) - Beginning	5,598,289	380,660	20,052	(1,306,755)	115,028	161,626	3,813,650	6,285,235
Fund Balances (Deficits) - Ending	\$ 7,203,720	\$ 335,178	\$ (298,839)	\$ (2,120,831)	\$ 310,805	\$ 185,168	\$ 3,090,954	\$ 1,115,430

CITY OF LEE'S SUMMIT, MISSOURI

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

Page 2 Of 2

For The Year Ended June 30, 2020

Storm Water Improvement	US 50 Hwy & Rte 291 South Interchange	ERP System	Road Improvements	Cultural Arts 2013 Bonds	Road Improvements 2013	Public Safety Equipment Replacement	Lee's Summit Sports Complex TIF	Public Safety Improvements 2020	Public Safety Bonds 2020B	Green Street Improvements	Total Nonmajor Capital Projects Funds
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	3,577	\$ —	\$ —	\$ —	3,310,288
—	—	—	—	—	—	—	—	—	—	—	1,538,834
—	—	—	—	—	—	—	—	—	—	—	1,581,768
—	—	—	—	—	—	—	—	—	—	—	17,415
—	—	—	—	—	—	—	—	—	—	—	232,946
—	—	—	—	—	—	—	33,418	—	—	—	44,527
38,356	34,687	427	1,756	1,309	9,255	38,726	2,971	14,487	—	—	533,647
38,356	34,687	427	1,756	1,309	9,255	38,726	39,966	14,487	—	—	7,259,425
—	—	—	—	—	—	—	35,269	—	—	—	648,409
—	—	—	—	—	—	—	—	—	—	—	2,500,000
—	—	—	—	—	—	—	—	45,305	—	—	1,388,172
1,243,366	3	—	61,006	111,613	711	203,275	—	1,127,931	1,500	3,086,777	13,364,814
1,243,366	3	—	61,006	111,613	711	203,275	35,269	1,173,236	1,500	3,086,777	17,901,395
(1,205,010)	34,684	427	(59,250)	(110,304)	8,544	(164,549)	4,697	(1,158,749)	(1,500)	(3,086,777)	(10,641,970)
—	—	—	—	—	—	—	—	9,055,000	—	—	9,055,000
—	—	—	—	—	—	962,873	—	—	—	3,053,000	4,015,873
—	—	—	—	—	—	—	—	—	—	—	(342,017)
—	—	—	—	—	—	962,873	—	9,055,000	—	3,053,000	12,728,856
(1,205,010)	34,684	427	(59,250)	(110,304)	8,544	798,324	4,697	7,896,251	(1,500)	(33,777)	2,086,886
2,931,705	2,264,435	14,688	63,849	110,304	600,232	395,958	16,000	—	—	—	21,464,956
\$ 1,726,695	\$ 2,299,119	\$ 15,115	\$ 4,599	\$ —	\$ 608,776	\$ 1,194,282	\$ 20,697	\$ 7,896,251	\$ (1,500)	\$ (33,777)	\$ 23,551,842

CITY OF LEE'S SUMMIT, MISSOURI

BUDGETARY COMPARISON SCHEDULE**DEBT SERVICE****For The Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variances
	Original	Final	Amounts	With Final Budget - Positive (Negative)
Revenues				
Taxes				
Property taxes	\$ 9,085,649	\$ 9,085,649	\$ 10,892,101	\$ 1,806,452
Sales	4,177,807	4,177,807	4,053,856	(123,951)
Other tax	13,802	13,802	57,334	43,532
Fines and forfeitures	48,829	48,829	47,046	(1,783)
Investment earnings	70,061	70,061	331,995	261,934
Total revenues	13,396,148	13,396,148	15,382,332	1,986,184
Expenditures				
Current:				
Debt Service:				
Principal	6,600,000	6,600,000	7,006,000	(406,000)
Interest and other charges	1,705,275	1,705,275	1,552,541	152,734
Total expenditures	8,305,275	8,305,275	8,558,541	(253,266)
Excess Of Revenues Over Expenditures	5,090,873	5,090,873	6,823,791	1,732,918
Other Financing Uses				
Transfers out	(4,495,000)	(4,495,000)	(4,019,250)	475,750
Total other financing uses	(4,495,000)	(4,495,000)	(4,019,250)	475,750
Net Change In Fund Balances	\$ 595,873	\$ 595,873	2,804,541	\$ 2,208,668
Fund Balances - Beginning			8,077,926	
Fund Balances - Ending			\$ 10,882,467	

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.

Health Insurance Reserve Fund - Established to account for the City's comprehensive self-insured health insurance program.

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, 2020

	Central Vehicle Services	Unemployment Insurance	Insurance Claims And Damages Reserve Fund	Health Insurance Reserve Fund	I.T. Services	Short- Term Disability Fund	Workers' Compensation Self-Insurance	Central Building Services	Total
Assets									
Current assets									
Cash and investments	\$ 99,702	\$ 193,693	\$ 1,065,236	\$ 3,048,482	\$ 3,685,264	\$ 202,255	\$ 3,502,968	\$ 1,296,409	\$ 13,094,009
Receivables (net of allowance)									
accounts and other	878	—	—	—	—	—	—	—	878
Due from other funds	5,000	—	—	—	—	—	—	—	5,000
Interest receivable	14	611	3,544	8,194	10,751	568	11,458	3,532	38,672
Inventories	193,140	42	—	—	—	—	—	—	193,182
Prepaid expenses	—	—	—	—	5,457	—	—	—	5,457
Total current assets	298,734	194,346	1,068,780	3,056,676	3,701,472	202,823	3,514,426	1,299,941	13,337,198
Noncurrent assets									
Pension asset	113,605	—	—	—	184,033	—	—	70,565	368,203
Capital assets									
Nondepreciable	104,250	—	—	—	—	—	—	—	104,250
Depreciable, net	11,631,637	—	—	—	26,329	—	—	1,362,805	13,020,771
Total noncurrent assets	11,849,492	—	—	—	210,362	—	—	1,433,370	13,493,224
Total assets	12,148,226	194,346	1,068,780	3,056,676	3,911,834	202,823	3,514,426	2,733,311	26,830,422
Deferred outflows of resources									
Pension	52,939	—	—	—	85,758	—	—	32,883	171,580
Other post employment benefits	19,780	—	—	—	61,813	—	—	9,890	91,483
Total deferred outflows of resources	72,719	—	—	—	147,571	—	—	42,773	263,063
Liabilities									
Current liabilities									
Accounts payable	40,078	59,430	4,050	—	10,314	—	802,795	46,207	962,874
Salaries and benefits payable	27,716	—	—	421,177	126,212	—	—	15,253	590,358
Due to other funds	2,000,000	—	—	—	—	—	—	—	2,000,000
Compensated absences	2,502	—	—	—	15,819	—	—	2,321	20,642
Total current liabilities	2,070,296	59,430	4,050	421,177	152,345	—	802,795	63,781	3,573,874
Noncurrent liabilities									
Compensated absences	28,640	—	—	—	181,071	—	—	26,574	236,285
Other post employment benefits	71,760	—	—	—	116,247	—	—	44,574	232,581
Total noncurrent liabilities	100,400	—	—	—	297,318	—	—	71,148	468,866
Total Liabilities	2,170,696	59,430	4,050	421,177	449,663	—	802,795	134,929	4,042,740
Deferred inflows of resources -									
Pension	42,807	—	—	—	69,345	—	—	26,590	138,742
Other post-employment benefits	5,634	—	—	—	17,606	—	—	2,817	26,057
Total deferred inflows of resources	48,441	—	—	—	86,951	—	—	29,407	164,799
Net position									
Net investment in capital assets	11,735,887	—	—	—	26,329	—	—	1,362,805	13,125,021
Restricted for pension	123,737	—	—	—	200,446	—	—	76,858	401,041
Unrestricted	(1,857,816)	134,916	1,064,730	2,635,499	3,296,016	202,823	2,711,631	1,172,085	9,359,884
Total Net position	\$ 10,001,808	\$ 134,916	\$ 1,064,730	\$ 2,635,499	\$ 3,522,791	\$ 202,823	\$ 2,711,631	\$ 2,611,748	\$ 22,885,946

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, 2020

	Central Vehicle Services	Unemployment Insurance	Insurance Claims And Damages Reserve Fund	Health Insurance Reserve Fund	I.T. Services	Short-Term Disability Fund	Workers' Compensation Self-Insurance	Central Building Services	Total
Operating Revenues									
Charges for services	\$ 3,432,732	\$ 44,040	\$ 1,031,232	\$ —	\$ 4,168,967	\$ 32,318	\$ 850,000	\$ 1,346,290	\$ 10,905,579
Other	24,783	—	63,516	639,630	2,532	—	71,758	1,626	803,845
Total Operating Revenues	3,457,515	44,040	1,094,748	639,630	4,171,499	32,318	921,758	1,347,916	11,709,424
Operating Expenses									
Salaries, wages and employee benefits	695,598	—	—	—	2,623,342	13,912	—	314,201	3,647,053
Utilities	56,926	—	—	—	—	—	—	207,936	264,862
Repairs and maintenance	29,104	—	—	—	483,686	—	—	267,063	779,853
Fuels and lubricants	13,131	—	—	—	8	—	—	1,368	14,507
Depreciation	2,196,676	—	—	—	20,125	—	—	146,776	2,363,577
Interdepartment charges	147,671	—	—	—	348,422	—	—	39,232	535,325
Miscellaneous	587,033	68,268	772,621	16,336	742,006	—	629,723	245,673	3,061,660
Total Operating Expenses	3,726,139	68,268	772,621	16,336	4,217,589	13,912	629,723	1,222,249	10,666,837
Operating Income (Loss)	(268,624)	(24,228)	322,127	623,294	(46,090)	18,406	292,035	125,667	1,042,587
Nonoperating Revenue									
Interest income	200	5,741	31,727	76,711	98,979	5,391	95,966	32,259	346,974
Gain on disposal of capital assets	168,557	—	—	—	—	—	—	—	168,557
Total Nonoperating Revenue	168,757	5,741	31,727	76,711	98,979	5,391	95,966	32,259	515,531
Income (Loss) Before Transfers	(99,867)	(18,487)	353,854	700,005	52,889	23,797	388,001	157,926	1,558,118
Transfers in	—	—	—	—	109,515	—	—	—	109,515
Transfers out	(453,863)	—	—	—	—	—	—	—	(453,863)
Total transfers	(453,863)	—	—	—	109,515	—	—	—	(344,348)
Change In Net Position	(553,730)	(18,487)	353,854	700,005	162,404	23,797	388,001	157,926	1,213,770
Total Net Position - Beginning	10,555,538	153,403	710,876	1,935,494	3,360,387	179,026	2,323,630	2,453,822	21,672,176
Total Net Position - Ending	\$ 10,001,808	\$ 134,916	\$ 1,064,730	\$ 2,635,499	\$ 3,522,791	\$ 202,823	\$ 2,711,631	\$ 2,611,748	\$ 22,885,946

CITY OF LEE'S SUMMIT, MISSOURI

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended June 30, 2020

	Central Vehicle Services	employment Insurance	Insurance Claims And Damages Reserve Fund	Health Insurance 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	\$ 3,457,515	\$ 44,040	\$ 1,094,748	\$ 639,630	\$ 4,171,499	\$ 32,318	\$ 944,602	\$ 1,347,916	\$ 11,732,268
Cash paid to suppliers	(860,421)	(9,063)	(772,961)	(16,336)	(1,637,008)	—	(695,336)	(745,376)	(4,736,501)
Cash paid to employees	(685,495)	—	—	—	(2,539,971)	(13,912)	—	(292,498)	(3,531,876)
Net cash provided by (used in) operating activities	1,911,599	34,977	321,787	623,294	(5,480)	18,406	249,266	310,042	3,463,891
Cash Flows From Noncapital Financing Activities									
Transfers in	—	—	—	—	109,515	—	—	—	109,515
Transfers out	(453,863)	—	—	—	—	—	—	—	(453,863)
Due to other funds	(5,000)	—	—	—	—	—	—	—	(5,000)
Advances from other funds	2,000,000	—	—	—	—	—	—	—	2,000,000
Net cash provided by noncapital financing activities	1,541,137	—	—	—	109,515	—	—	—	1,650,652
Cash Flows From Capital And Related Financing Activities									
Additions to capital assets	(3,640,371)	—	—	—	—	—	—	(168,130)	(3,808,501)
Proceeds from sale of capital assets	178,557	—	—	—	—	—	—	—	178,557
Net cash used in capital and related financing activities	(3,461,814)	—	—	—	—	—	—	(168,130)	(3,629,944)
Cash Flows Provided By Investing Activities									
Interest received	461	5,662	31,106	76,872	99,753	5,337	95,824	33,176	348,191
Net cash provided by (used in) investing activities	461	5,662	31,106	76,872	99,753	5,337	95,824	33,176	348,191
Net Increase (Decrease) In Cash And Cash Equivalents	(8,617)	40,639	352,893	700,166	203,788	23,743	345,090	175,088	1,832,790
Cash And Cash Equivalents - Beginning Of Year	108,319	153,054	712,343	2,348,316	3,481,476	178,512	3,157,878	1,121,321	11,261,219
Cash And Cash Equivalents - End Of Year	\$ 99,702	\$ 193,693	\$ 1,065,236	\$ 3,048,482	\$ 3,685,264	\$ 202,255	\$ 3,502,968	\$ 1,296,409	\$ 13,094,009
Operating income (loss)	\$ (268,624)	\$ (24,228)	\$ 322,127	\$ 623,294	\$ (46,090)	\$ 18,406	\$ 292,035	\$ 125,667	\$ 1,042,587
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation and amortization	2,196,676	—	—	—	20,125	—	—	146,776	2,363,577
Changes in assets and liabilities:									
Decrease in accounts receivable	—	—	—	—	—	—	22,844	—	22,844
Decrease in inventories	17,441	—	—	—	—	—	—	—	17,441
Decrease in prepaid expenses	—	—	—	—	447	—	—	—	447
Decrease (increase) in pension related assets, outflow and inflows	6,965	—	—	—	(4,320)	—	—	7,395	10,040
Increase (decrease) in accounts payable	(43,997)	59,205	(340)	—	(63,333)	—	(65,613)	15,896	(98,182)
Increase in salaries and benefits payable	4,488	—	—	—	36,138	—	—	5,336	45,962
Increase (decrease) in accrued compensated absences	(4,345)	—	—	—	46,037	—	—	6,387	48,079
Increase in other post employment benefits outflow and liability	2,995	—	—	—	5,516	—	—	2,585	11,096
Total adjustments	2,180,223	59,205	(340)	—	40,610	—	(42,769)	184,375	2,421,304
Net cash provided by (used in) operating activities	\$ 1,911,599	\$ 34,977	\$ 321,787	\$ 623,294	\$ (5,480)	\$ 18,406	\$ 249,266	\$ 310,042	\$ 3,463,891

**Statistical Section
(Unaudited)**

Lee's Summit, Missouri Statistical Section

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

Contents

	Page
Financial Trends	79
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	85
These schedules contain information to help the reader assess the government's most significant local revenue sources, sales and property tax.	
Debt Capacity	94
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	98
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	100
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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 388,840,510	\$ 395,912,631	\$ 403,957,177	\$ 414,531,277	\$ 428,390,412	\$ 444,601,373	\$ 475,492,143	\$ 487,120,128	\$ 502,857,273	\$ 498,495,946
Restricted	47,738,657	39,690,100	68,519,039	85,003,546	85,935,329	83,352,650	72,865,528	97,827,922	84,782,245	103,818,998
Unrestricted	(17,532,497)	(1,778,161)	(30,132,403)	(17,684,391)	(10,048,065)	1,012,936	13,050,613	(11,904,670)	(3,879,459)	9,115,840
Total governmental activities net position	\$ 419,046,670	\$ 433,824,570	\$ 442,343,813	\$ 481,850,432	\$ 504,277,676	\$ 528,966,959	\$ 561,408,284	\$ 573,043,380	\$ 583,760,059	\$ 611,430,784
Business-type activities										
Net investment in capital assets	\$ 208,202,388	\$ 211,065,125	\$ 212,923,508	\$ 220,630,436	\$ 225,267,223	\$ 237,193,092	\$ 257,714,352	\$ 271,846,403	\$ 279,965,082	\$ 289,085,221
Restricted	26,915,369	29,539,755	33,282,263	33,273,761	34,005,871	38,792,349	37,222,417	40,229,441	44,431,811	53,958,190
Unrestricted	15,830	(2,277,021)	(2,281,926)	1,060,383	5,262,208	2,922,466	5,672,530	8,363,879	13,415,319	9,687,520
Total business-type activities net position	\$ 235,133,587	\$ 238,327,859	\$ 243,923,845	\$ 254,964,580	\$ 264,535,302	\$ 278,907,907	\$ 300,609,299	\$ 320,439,723	\$ 337,812,212	\$ 352,730,931
Primary government										
Net investment in capital assets	\$ 597,042,898	\$ 606,977,756	\$ 616,880,685	\$ 635,161,713	\$ 653,657,635	\$ 681,794,465	\$ 733,206,495	\$ 758,966,531	\$ 782,822,355	\$ 787,581,167
Restricted	74,654,026	69,229,855	101,801,302	118,277,307	119,941,200	122,144,999	110,087,945	138,057,363	129,214,056	157,777,188
Unrestricted	(17,516,667)	(4,055,182)	(32,414,329)	(16,624,008)	(4,785,857)	3,935,402	18,723,143	(3,540,791)	9,535,860	18,803,360
Total primary government net position	\$ 654,180,257	\$ 672,152,429	\$ 686,267,658	\$ 736,815,012	\$ 768,812,978	\$ 807,874,866	\$ 862,017,583	\$ 893,483,103	\$ 921,572,271	\$ 964,161,715

CITY OF LEE'S SUMMIT, MISSOURI

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis Of Accounting)

Page 1 Of 2

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Public works and streets	\$ 36,254,828	\$ 18,286,042	\$ 23,836,549	\$ 16,429,506	\$ 14,428,155	\$ 15,206,748	\$ 14,759,666	\$ 22,878,176	\$ 22,500,607	\$ 27,865,543
Public safety	36,379,439	39,839,950	40,435,341	40,972,082	40,950,832	37,568,011	40,634,376	39,613,387	41,548,996	44,656,947
Parks and recreation	7,491,321	7,927,148	7,761,931	7,897,133	8,150,227	8,797,105	9,674,365	9,292,458	10,565,624	12,570,646
Planning and development	948,798	940,979	904,265	894,521	1,548,183	3,212,299	3,479,519	3,912,862	3,833,363	4,167,521
General government	18,438,529	16,992,428	16,793,993	18,346,278	14,959,896	27,934,309	32,139,295	24,263,116	26,419,866	21,417,465
Interest on long-term debt	4,604,626	3,745,099	4,287,131	3,171,310	2,729,500	2,450,327	2,517,687	5,683,481	2,553,293	2,415,953
Total governmental activities expenses	104,117,541	87,731,646	79,354,885	87,710,830	82,766,793	95,168,799	103,204,908	105,643,480	107,421,749	113,094,075
Business-type activities										
Waterworks and sewerage system	22,341,294	24,556,071	25,063,889	25,871,350	26,385,019	28,211,165	29,061,497	29,115,965	29,269,178	31,492,442
Sanitary landfill	4,108,646	3,205,632	2,867,606	2,873,343	2,744,683	2,611,974	343,754	1,717,642	2,454,125	488,283
Airport	2,121,901	2,146,464	2,052,157	2,012,142	1,890,626	2,837,042	1,856,761	2,214,597	2,347,250	2,816,460
Recreation center	1,295,805	1,268,716	1,186,856	1,041,426	1,119,107	1,214,241	1,317,821	1,331,319	1,312,852	1,255,565
Total business-type activities expenses	29,867,646	31,176,883	26,615,190	31,798,261	32,139,435	34,874,422	32,579,833	34,379,523	35,383,405	36,052,750
Total primary government expenses	133,985,187	118,908,529	105,970,075	119,509,091	114,906,228	130,043,221	135,784,741	140,023,003	142,805,154	149,146,825
Program Revenues										
Governmental activities										
Charges for services										
Public works and streets	124,975	141,277	358,852	600,144	667,442	868,734	886,840	1,135,555	892,742	627,981
Public safety	4,237,673	4,572,306	4,667,249	4,502,832	4,971,094	5,573,365	7,065,941	8,309,713	9,627,006	9,486,885
Parks and recreation	2,184,127	2,409,223	2,381,440	2,825,122	2,961,600	3,029,143	3,057,449	3,019,147	3,474,852	2,801,221
Planning and development	122,371	153,963	130,251	124,325	138,886	177,298	198,508	183,522	172,213	151,532
General government	1,562,856	1,827,798	1,790,781	1,817,541	2,188,631	2,100,980	2,179,233	2,158,734	2,474,682	3,437,873
Operating grants and contributions	5,664,487	3,046,594	1,400,858	1,169,331	800,689	1,552,368	1,570,982	1,375,031	1,501,881	1,843,985
Capital grants and contributions	1,725,891	4,322,416	1,921,135	3,188,981	4,696,959	13,083,572	24,491,263	5,661,103	6,636,281	9,841,041
Total governmental activities program revenues	15,622,380	16,473,577	14,011,708	14,228,276	16,425,301	26,385,460	39,450,216	21,842,805	24,779,657	28,190,518
Business-type activities										
Charges for services										
Waterworks and sewerage system	26,474,620	28,899,909	31,413,865	33,357,588	33,507,201	37,155,220	38,972,386	40,216,812	40,692,905	41,332,289
Sanitary landfill	2,881,382	2,583,031	2,346,247	2,942,970	3,049,357	3,289,579	716,764	550,830	37,875	50,831
Airport	1,217,812	1,454,730	1,456,710	1,403,945	1,320,935	4,336,197	7,871,625	1,436,672	1,713,630	2,234,306
Recreation center	1,082,156	1,114,367	1,208,496	1,046,554	1,127,448	1,232,906	1,287,043	1,320,902	1,314,966	1,094,360
Capital grants and contributions	1,134,261	1,200,056	1,191,530	4,345,037	2,013,286	4,017,045	5,644,782	8,077,310	5,992,484	3,015,568
Total business type activities program revenues	32,790,231	35,252,093	37,616,848	43,096,094	41,018,227	50,030,947	54,492,600	51,602,526	49,751,860	47,727,354
Total primary government revenues	48,412,611	51,725,670	51,628,556	57,324,370	57,443,528	76,416,407	93,942,816	73,445,331	74,531,517	75,917,872

CITY OF LEE'S SUMMIT, MISSOURI

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Accrual Basis Of Accounting)

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	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense) Revenue										
Governmental activities	\$ (88,495,161)	\$ (71,258,069)	\$ (65,343,177)	\$ (71,258,069)	\$ (66,341,492)	\$ (68,783,339)	\$ (63,754,692)	\$ (83,800,675)	\$ (82,642,092)	\$ (84,903,557)
Business-type activities	2,922,585	4,075,210	11,001,658	4,075,210	8,878,792	15,156,525	21,912,767	17,223,003	14,368,455	11,674,604
Total primary government net expense	(85,572,576)	(67,182,859)	(54,341,519)	(67,182,859)	(57,462,700)	(53,626,814)	(41,841,925)	(66,577,672)	(68,273,637)	(73,228,953)
General Revenues And Other Changes										
In Net Position										
Governmental activities										
General revenues										
Property taxes	38,698,817	36,430,730	35,456,745	33,714,179	33,891,923	35,178,239	36,718,136	38,051,491	39,795,245	44,081,988
Sales and use taxes	28,720,660	29,762,456	32,191,356	32,220,496	33,898,956	36,576,616	37,662,496	39,369,885	40,993,104	40,862,633
Franchise fees	16,249,638	13,743,797	14,080,374	14,083,783	13,870,764	13,068,478	12,941,800	13,425,421	12,525,332	12,437,756
License taxes	458,972	613,669	552,206	600,233	827,620	647,812	1,436,321	1,087,048	922,389	1,574,018
Motor vehicle taxes	—	—	3,262,217	3,397,313	3,514,204	3,616,455	3,663,028	3,704,598	3,653,245	3,787,738
License, permits, fines and forfeitures	3,290,249	2,853,482	2,206,013	2,548,479	2,494,438	2,354,766	2,463,264	2,905,917	2,348,637	3,765,602
Revenues from use of money and property	681,673	606,847	372,899	314,089	423,184	1,005,443	417,669	778,964	3,255,225	3,487,316
Other revenue	243,073	258,110	705,780	304,521	216,470	(259,296)	265,364	219,506	987,860	3,585,865
Transfers	1,324,636	1,766,878	1,060,297	440,422	843,076	1,284,109	627,939	(2,603,322)	(948,296)	(1,008,634)
Total governmental activities	89,667,718	86,035,969	89,887,887	87,623,515	89,980,635	93,472,622	96,196,017	96,939,508	103,532,741	112,574,282
Business-type activities										
General revenues										
Revenues from use of money and property	325,226	236,172	209,943	183,324	323,107	449,089	42,972	114,217	1,900,811	2,235,481
Other revenue	265,587	649,768	—	—	—	51,100	373,592	—	—	—
Transfers	(1,324,636)	(1,766,878)	(1,060,297)	(440,422)	(843,076)	(1,284,109)	(627,939)	2,603,322	948,296	1,008,634
Total business-type activities	(733,823)	(880,938)	(850,354)	(257,098)	(519,969)	(783,920)	(211,375)	2,717,539	2,849,107	3,244,115
Total primary government	88,933,895	85,155,031	89,037,533	87,366,417	89,460,666	92,688,702	95,984,642	99,657,047	106,381,848	115,818,397
Change In Net Position										
Governmental activities	1,172,557	14,777,900	24,544,710	14,777,900	23,639,143	24,689,283	32,441,325	13,138,833	20,890,649	27,670,725
Business-type activities	2,188,762	3,194,272	10,151,304	3,194,272	8,358,823	14,372,605	21,701,392	19,940,542	17,217,562	14,918,719
Total city	\$ 3,361,319	\$ 17,972,172	\$ 34,696,014	\$ 17,972,172	\$ 31,997,966	\$ 39,061,888	\$ 54,142,717	\$ 33,079,375	\$ 38,108,211	\$ 42,589,444

CITY OF LEE'S SUMMIT, MISSOURI

FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Modified Accrual Basis Of Accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2,020
General fund										
Reserved	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Unreserved	—	—	—	—	—	—	—	—	—	—
Nonspendable	7,109,433	2,838,778	2,368,183	1,926,540	3,451,583	4,837,886	5,167,826	2,082,174	2,276,442	1,258,816
Restricted	—	—	—	—	—	—	—	—	—	15,208
Unassigned	5,062,318	10,068,387	12,485,754	15,393,241	16,740,463	20,601,442	21,591,323	26,299,152	30,549,334	29,961,111
Total general fund	\$ 12,171,751	\$ 12,907,165	\$ 14,853,937	\$ 17,319,781	\$ 20,192,046	\$ 25,439,328	\$ 26,759,149	\$ 28,381,326	\$ 32,825,776	\$ 31,235,135
All other governmental funds										
Unreserved, designated										
Debt service	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Unreserved, reported in										
Special revenue funds	—	—	—	—	—	—	—	—	—	—
Capital project funds	—	—	—	—	—	—	—	—	—	—
Restricted/committed/										
Assigned										
Debt service	6,680,546	6,927,878	8,954,615	9,147,092	9,049,545	8,172,352	9,636,552	8,309,464	8,077,926	10,882,467
Special revenue funds	6,558,759	7,119,249	8,271,128	8,810,480	9,582,955	10,849,941	11,773,451	12,433,803	12,475,511	12,695,692
Capital project funds	52,917,276	45,457,890	60,847,069	51,186,715	51,334,081	54,011,582	45,008,726	71,500,583	54,443,139	65,309,516
Nonspendable										
Capital project funds	—	—	—	—	—	—	—	—	5,152,285	—
Unassigned										
Special revenue funds	(105,171)	(173,475)	(45,880)	259,998	(22,441)	(6,468)	(114,872)	(153,170)	(54,473)	(75,597)
Capital project funds	(5,650,774)	(6,160,575)	(3,248,190)	(2,252,156)	(11,165,894)	(9,747,785)	(10,110,614)	(9,003,580)	(13,447,841)	(16,357,668)
Total all other governmental funds	\$ 60,400,636	\$ 53,170,967	\$ 74,778,742	\$ 67,152,129	\$ 58,778,246	\$ 63,279,622	\$ 56,193,243	\$ 83,087,100	\$ 66,646,547	\$ 72,454,410

(1) GASB 54 was implemented during fiscal year 2011. The City did not restate fund balance in prior years to comply with the new presentation format.

CITY OF LEE'S SUMMIT, MISSOURI

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Modified Accrual Basis Of Accounting)

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	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes:										
Property	\$ 38,520,943	\$ 36,807,871	\$ 35,371,737	\$ 33,631,009	\$ 34,018,964	\$ 34,946,488	\$ 36,720,460	\$ 37,830,276	\$ 39,946,807	\$ 42,461,339
Sales	28,720,660	29,762,456	31,537,249	31,506,326	33,131,893	35,786,096	36,867,671	38,493,358	40,115,398	39,994,209
Franchise	16,249,638	13,743,797	14,080,374	14,083,783	13,870,764	13,068,478	12,941,800	13,425,421	12,525,332	12,437,756
License	458,972	613,669	830,823	593,724	830,167	650,360	1,441,417	1,087,048	891,393	1,581,768
Bed	334,472	297,045	310,884	342,603	401,460	440,886	443,399	533,037	570,499	440,202
Motor vehicle	—	—	3,262,217	3,397,313	3,514,204	3,616,455	3,663,028	3,704,598	3,653,245	3,787,738
Other tax	—	—	343,223	371,567	365,603	349,634	351,426	343,490	307,207	428,222
Fines and forfeitures	1,476,020	1,487,468	1,652,152	6,683,000	1,661,671	1,584,692	1,380,397	1,279,938	1,260,119	864,528
Licenses and permits	3,312,931	3,552,866	3,831,801	1,898,261	2,226,752	2,546,789	2,691,658	2,762,581	2,605,209	3,652,593
Intergovernmental	5,768,509	3,270,638	2,397,443	1,429,137	1,893,124	5,318,300	7,329,575	2,094,361	2,139,338	2,513,520
Charges for services	3,443,051	3,767,188	3,844,620	1,757,827	7,039,230	7,618,039	9,315,916	10,764,152	12,776,167	11,988,371
Interest	624,550	558,840	324,724	276,277	374,618	886,902	374,176	710,234	2,893,944	3,140,342
Other	2,790,229	2,853,482	2,206,013	2,548,479	2,494,438	2,354,766	2,463,264	2,905,917	5,319,340	4,074,882
Total Revenues	101,699,975	96,715,320	99,993,260	98,519,306	101,822,888	109,167,885	115,984,187	115,934,411	125,003,998	127,365,470
Expenditures										
Current										
General government	28,034,317	12,248,109	11,930,212	11,728,975	12,191,505	12,672,598	15,262,654	16,170,372	17,843,986	21,112,251
Public safety	33,179,819	33,423,433	34,131,490	34,361,768	10,115,557	34,588,767	37,477,223	38,387,142	39,843,145	42,898,157
Public works and streets	10,477,224	10,103,785	10,927,267	10,761,292	35,133,894	9,352,070	10,192,055	10,178,521	10,434,096	11,387,972
Community development	948,798	940,979	904,265	894,521	1,548,183	3,212,299	3,479,519	3,912,862	3,833,363	4,185,427
Parks and recreation	5,743,896	6,038,617	5,612,207	5,880,029	6,590,327	6,027,253	6,589,288	6,417,411	7,120,852	6,910,959
Debt service										
Principal retirements	9,255,000	12,510,000	27,195,000	8,745,000	17,787,500	10,357,000	11,321,500	11,448,656	10,127,000	9,506,000
Interest and fiscal charges	4,592,654	3,577,259	3,521,740	3,506,820	3,180,934	3,005,042	2,997,278	4,319,403	3,267,380	3,003,144
Capital outlay										
General government	1,205,332	1,153,562	1,027,783	12,947	17,021	12,164,120	15,060,543	7,127,032	11,248,464	2,002,628
Public works and streets	43,249,279	22,292,216	20,493,282	26,655,680	31,726,375	22,196,327	19,010,345	10,150,347	8,670,423	23,013,284
Public safety	2,183,247	1,532,546	2,278,350	7,085,710	102,545	322,249	—	4,746,075	3,969,268	2,704,735
Parks and recreation	594,310	565,270	631,283	1,883,720	1,285,671	1,117,965	488,888	4,602,811	6,859,542	7,922,432
Total Expenditures	139,463,876	104,385,776	118,652,879	111,516,462	119,679,512	115,015,690	121,879,293	117,460,632	123,217,519	134,646,989

CITY OF LEE'S SUMMIT, MISSOURI

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(Modified Accrual Basis Of Accounting)
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	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Deficiency Of Revenues										
Over Expenditures	\$ (37,763,901)	\$ (7,670,456)	\$ (18,659,619)	\$ (12,997,156)	\$ (17,856,624)	\$ (5,847,805)	\$ (5,895,106)	\$ (1,526,221)	\$ 1,786,479	\$ (7,281,519)
Other Financing Sources (Uses)										
Proceeds from bonds	39,300,000	—	38,100,000	6,840,000	11,402,500	14,075,000	—	48,025,000	3,658,000	9,055,000
Proceeds from sale of assets	—	—	—	—	—	—	—	—	—	3,108,027
Premium on issuance of bonds	510,796	—	3,338,722	654,643	308,185	551,757	—	803,598	—	—
Discount on issuance of bonds	(628,000)	—	—	—	—	—	—	(265,375)	—	—
	—	—	—	—	—	—	—	(14,227,844)	—	—
Transfers in	7,213,175	4,493,756	4,738,640	3,674,877	2,348,128	4,941,508	1,527,606	5,492,557	6,068,122	9,335,791
Transfers out	(4,515,276)	(3,317,555)	(3,963,196)	(3,333,133)	(1,703,807)	(3,971,802)	(1,399,058)	(9,785,681)	(8,231,882)	(10,000,077)
Total Other Financing Sources	41,880,695	1,176,201	42,214,166	7,836,387	12,355,006	15,596,463	128,548	30,042,255	1,494,240	11,498,741
Net change in fund balances	\$ 4,116,794	\$ (6,494,255)	\$ 23,554,547	\$ (5,160,769)	\$ (5,501,618)	\$ 9,748,658	\$ (5,766,558)	\$ 28,516,034	\$ 3,280,719	\$ 4,217,222
Debt service as a percentage of noncapital expenditures	11.80%	18.20%	28.40%	14.50%	22.60%	15.00%	14.80%	15.87%	13.10%	11.46%

CITY OF LEE'S SUMMIT, MISSOURI

PROGRAM REVENUES BY FUNCTION/PROGRAM

**Last Ten Fiscal Years
(Accrual Basis Of Accounting)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program										
Governmental activities										
Public works	\$ 1,850,866	\$ 4,463,693	\$ 2,262,038	\$ 3,789,125	\$ 5,289,401	\$ 13,732,317	\$ 25,378,103	\$ 6,796,658	\$ 7,529,023	\$ 10,469,022
Public safety	5,252,875	5,604,458	5,609,585	5,294,681	5,414,371	6,565,119	8,229,622	9,201,215	10,784,119	10,788,662
Parks and recreation	2,345,650	2,409,223	2,381,440	2,825,937	3,036,600	3,249,143	3,057,449	3,019,147	3,474,852	2,801,221
Planning and development	122,371	153,963	140,779	124,325	138,961	177,298	198,508	183,522	172,213	151,532
General government	6,050,618	3,842,240	2,256,724	2,194,208	2,545,968	2,661,583	2,586,534	2,642,263	2,819,450	3,980,081
Subtotal governmental activities	15,622,380	16,473,577	12,650,566	14,228,276	16,425,301	26,385,460	39,450,216	21,842,805	24,779,657	28,190,518
Business-type activities										
Waterworks and sewerage system	27,226,409	29,686,664	31,841,944	34,172,355	34,802,086	38,757,768	40,608,722	42,666,420	42,457,608	44,211,577
Sanitary landfill	2,881,382	2,583,031	2,346,247	2,942,970	3,049,357	3,289,579	716,764	550,830	37,875	50,831
Airport	1,600,284	1,868,031	2,220,161	4,934,215	2,039,336	6,750,694	11,880,071	7,064,374	5,941,411	2,366,956
Recreation center	1,082,156	1,114,367	1,208,496	1,046,554	1,127,448	1,232,906	1,287,043	1,320,902	1,314,966	1,097,990
Subtotal business-type activities	32,790,231	35,252,093	37,616,848	43,096,094	41,018,227	50,030,947	54,492,600	51,602,526	49,751,860	47,727,354
Total primary government	\$ 48,412,611	\$ 51,725,670	\$ 50,267,414	\$ 57,324,370	\$ 57,443,528	\$ 76,416,407	\$ 93,942,816	\$ 73,445,331	\$ 74,531,517	\$ 75,917,872

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
2011	\$ 38,520,943	\$ 28,720,660	\$ —	\$ 16,249,638	\$ —	\$ 4,788,951	\$ 624,550	\$ 12,795,233	\$ 101,699,975
2012	36,807,871	29,762,456	—	13,743,797	—	5,040,334	558,840	10,802,022	96,715,320
2013	35,371,737	31,537,249	3,262,217	14,080,374	1,484,930	5,483,953	324,724	8,448,076	99,993,260
2014	33,631,009	31,506,326	3,397,313	14,083,783	1,307,894	3,186,964	276,277	11,129,740	98,519,306
2015	34,018,964	33,131,893	3,514,204	13,870,764	1,597,230	3,888,423	374,618	11,426,792	101,822,888
2016	34,946,488	35,786,096	3,616,455	13,068,478	1,440,880	4,131,481	886,902	15,291,105	109,167,885
2017	36,720,460	36,867,671	3,663,028	12,941,800	2,236,242	4,072,055	374,176	19,108,755	115,984,187
2018	37,830,276	38,493,358	3,704,598	13,425,421	1,963,575	4,042,519	710,234	15,764,430	115,934,411
2019	39,946,807	40,115,398	3,653,245	12,525,332	1,769,099	3,865,328	2,893,944	17,218,042	121,987,195
2020	42,461,339	39,994,209	3,787,738	12,437,756	2,450,192	4,517,121	3,140,342	18,576,773	127,365,470

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 REVENUES Last Ten Fiscal Years (Modified Accrual Basis Of Accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
City Sales Tax Revenue										
General Fund	\$ 11,298,645	\$ 11,736,388	\$ 13,076,121	\$ 13,584,137	\$ 14,145,869	\$ 15,116,747	\$ 15,582,207	\$ 16,402,093	\$ 17,328,879	\$ 17,344,063
Road & Bridge Improvement Fund (Transportation)	5,361,791	5,548,681	6,161,738	6,358,517	6,677,898	7,121,477	7,391,179	7,848,034	7,869,317	8,110,897
Capital Improvements Sales Tax Fund	5,647,682	5,867,075	6,536,667	6,790,655	7,071,794	7,557,410	7,790,055	8,199,738	8,657,073	8,648,544
Debt Service (Local Parks)	2,679,624	2,775,089	3,080,480	3,179,966	3,326,917	3,560,042	3,694,833	3,923,403	3,939,055	4,053,856
TIF & CID Funds (consolidated)	3,732,918	3,835,223	2,682,243	1,593,051	1,909,415	2,430,420	2,409,397	2,120,090	2,321,074	1,836,849
Total	\$ 28,720,660	\$ 29,762,456	\$ 31,537,249	\$ 31,506,326	\$ 33,131,893	\$ 35,786,096	\$ 36,867,671	\$ 38,493,358	\$ 40,115,398	\$ 39,994,209

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
Sales By Retail Category:		
Clothing Department Store/Jewelry	\$ 265,618	\$ 269,811
Grocery Stores	212,535	228,805
Home Centers/Home Repair	146,386	154,472
Full Service Restaurants	109,599	91,045
Limited Service Restaurants	107,767	115,611
Utilities/Telecom/Cable	73,640	91,197
Other Retail General Merchandise	92,054	73,000
Gas Stations with Convenience Stores	40,135	43,411
New/Used Car Dealers	22,337	22,967
All Other Outlets	708,532	670,715
Total	\$ 1,778,603	\$ 1,761,034

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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%
Local Parks	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%
Total Direct Sales Tax Rate City of Lee's Summit	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%
Transportation Development District/Community Improvement District	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%
Total Direct Sales Tax Rate	3.250%	3.250%	3.250%	3.250%	3.250%	3.250%	3.250%	3.250%	3.250%	3.250%
	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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%
Kansas City Zoo	—	0.125%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.125%
City of Lee's Summit	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%	2.250%
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%	8.725%	8.600%	8.600%	8.600%	8.600%	8.725%	8.725%	8.725%	8.850%

Note: The rate shown for the Transportation Development District/Community Improvement District is for the Summit Fair development only

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				
2011	\$ 1,090,366,221	\$ 1,826,726	\$ 233,119,537	\$ 1,325,312,484	\$ 303,852,879	\$ 24,844,210	\$ 1,654,009,573	1.5258	\$ 7,480,895,310	22.11%
2012	1,085,944,781	1,736,470	207,576,049	1,295,257,300	299,370,428	26,221,756	1,620,849,484	1.5258	7,367,770,686	22.00%
2013	1,096,348,979	1,432,067	212,077,219	1,309,858,265	298,510,960	30,316,580	1,638,685,805	1.5540	7,444,250,964	22.01%
2014	1,108,746,200	1,451,583	230,459,773	1,340,657,556	313,377,047	38,140,767	1,692,175,370	1.5540	7,636,606,943	22.16%
2015	1,124,495,638	1,423,206	231,295,077	1,357,213,921	288,455,371	40,474,902	1,686,144,194	1.5700	7,653,646,514	22.03%
2016	1,201,757,935	1,310,788	245,083,004	1,448,151,727	299,295,035	44,890,274	1,792,337,036	1.5363	8,149,086,142	21.99%
2017	1,220,068,318	1,223,048	254,082,649	1,475,374,015	328,954,444	46,341,994	1,850,670,453	1.5398	8,367,262,925	22.12%
2018	1,299,320,319	1,408,220	282,055,171	1,582,783,710	336,349,873	44,137,496	1,963,271,079	1.5154	9,164,875,610	21.42%
2019	1,333,377,533	1,292,357	295,256,200	1,629,926,090	355,630,630	47,148,477	2,032,705,197	1.5154	9,176,229,323	22.15%
2020	1,548,282,850	1,288,480	414,822,927	1,964,394,257	373,685,998	40,393,173	2,378,473,428	1.3936	10,714,526,563	22.20%

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

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	
2011	0.8966	0.1595	0.4697	1.5258	6.0548	0.5430	0.0300	0.7495	8.9031
2012	0.8966	0.1595	0.4697	1.5258	6.1050	0.5298	0.0300	0.7501	8.9407
2013	0.9213	0.1630	0.4697	1.5540	6.0579	0.5298	0.0300	0.7515	8.9232
2014	0.9213	0.1630	0.4697	1.5540	6.0627	0.5298	0.0300	0.7535	8.9300
2015	0.9349	0.1654	0.4697	1.5700	6.1192	0.5141	0.0300	0.7550	8.9883
2016	0.9063	0.1603	0.4697	1.5363	5.9813	0.4956	0.0300	0.7425	8.7857
2017	0.9093	0.1608	0.4697	1.5398	5.9957	0.5025	0.0300	0.7431	8.8111
2018	0.8886	0.1571	0.4697	1.5154	5.8777	0.4849	0.0300	0.8133	8.7213
2019	0.8886	0.1571	0.4697	1.5154	5.8811	0.7013	0.0300	0.8159	8.9437
2020	0.7851	0.1388	0.4697	1.3936	5.3280	0.6110	0.0300	0.7308	8.0934

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

Blue Springs	5.5500
Independence	5.4977
Hickman Mills	5.5784
Grandview	5.1430
Raymore-Peculiar	5.1823

Note (2): Cass County is located in the southern portion of the city (approximately 2 square miles). The Cass County tax rate is \$0.2220

Note (3): Other breakdown for current year:

Junior College	0.2047
Mental Health	0.1008
Handicap Workshop	0.0620
Library	0.3633
	<u>0.7308</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

PRINCIPAL PROPERTY TAXPAYERS Current Year And Nine Years Ago

	2020			2011		
	Taxable Assessed Value	Rank	% Of Total City Net Assessed Value	Taxable Assessed Value	Rank	% Of Total City Net Assessed Value
Kansas City Power & Light-GMOC (formerly Aquila)	\$ 38,097,537	1	1.87%	\$ 12,135,470	3	0.73%
Sprint	19,875,110	2	0.98%			
Google Fiber	19,852,894	3	0.98%			
Summit Woods SPE LLC	15,021,280	4	0.74%			
Wal-Mart	9,527,366	5	0.47%	4,451,863	7	0.27%
John Knox Village	8,160,541	6	0.40%	6,678,502	5	0.40%
Southern Union dba Mo Gas Energy	6,627,539	7	0.33%	3,992,856	8	0.24%
JVM Summit Ridge Apartments	5,601,452	8	0.28%			
Summit DC Real Estate Holdings	4,998,035	9	0.25%			
Union Pacific	2,835,557	10	0.14%			
Sprint Spectrum				31,385,118	1	1.90%
Cerner				16,221,721	2	0.98%
Toys R Us				6,729,801	4	0.41%
AT&T and Southwestern Bell				5,630,929	6	0.34%
Grand Street Company LLC				3,992,704	9	0.24%
Total	\$ 130,597,311		6.44%	\$ 91,218,964		5.51%

Source: Jackson County Tax Department

Jackson County was unable to provide updated data for the current year, therefore prior year numbers have been repeated.

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
2011	\$	24,874,955	\$ 24,200,420	97.3%	\$ 601,625	\$ 24,802,045	99.7%
2012		24,465,967	23,723,403	97.0%	658,827	24,382,230	99.7%
2013		25,046,007	24,273,164	96.9%	694,003	24,967,167	99.7%
2014		25,707,026	24,968,147	97.1%	659,959	25,628,106	99.7%
2015		25,852,261	25,249,083	97.7%	519,937	25,769,020	99.7%
2016		26,744,543	25,996,349	97.2%	655,930	26,652,279	99.7%
2017		27,771,086	27,099,938	97.6%	577,333	27,677,271	99.7%
2018		29,004,228	28,190,476	97.2%	684,131	28,874,607	99.6%
2019		30,194,612	29,461,669	97.6%	494,093	29,955,762	99.2%
2020		32,217,465	30,022,692	93.2%	—	30,022,692	93.2%

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

Source: Jackson and Cass County

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			
2011	\$ 34,656,369	\$ 12,726,732	\$ —	\$ 29,080,521	\$ 584,700	\$ 13,256,183	\$ 90,304,505	91,364	\$ 988
2012	27,675,436	11,686,486	—	24,254,454	540,273	8,718,881	72,875,530	91,569	796
2013	47,380,186	10,306,239	—	20,379,800	490,846	7,109,562	85,666,633	92,292	928
2014	48,242,310	8,945,991	—	19,238,377	—	6,420,237	82,846,915	93,092	890
2015	45,825,462	—	6,410,000	17,701,953	—	5,504,489	75,441,904	93,888	804
2016	52,160,284	—	4,913,000	16,615,529	—	4,568,741	78,257,554	95,430	820
2017	45,033,231	—	2,511,500	14,299,105	—	3,607,993	65,451,829	95,973	682
2018	53,372,025	—	—	31,251,459	—	2,622,245	87,245,729	97,135	898
2019	48,053,925	—	—	29,569,774	—	1,606,497	79,230,196	98,469	805
2020	49,589,963	—	—	27,083,461	—	575,750	77,249,174	99,618	775

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

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
2011	\$	34,656,369	\$ 6,000,984	\$ 28,655,385	1.73%	314
2012		27,675,436	5,922,455	21,452,545	1.32%	238
2013		47,380,186	6,778,725	40,601,461	2.48%	440
2014		48,242,310	7,007,192	41,235,118	2.44%	443
2015		45,825,462	7,345,112	38,480,350	2.28%	410
2016		52,160,284	6,442,226	45,718,058	2.55%	479
2017		45,033,231	6,911,888	38,121,343	2.06%	397
2018		53,372,025	8,083,046	45,288,979	2.23%	466
2019		48,053,925	7,691,454	40,362,471	1.99%	410
2020		49,589,963	10,362,742	39,227,221	1.65%	394

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, 2020

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	\$ 84,522,551	88.28%	\$ 74,616,508
Blue Springs R-4 School District	174,808,582	20.17%	35,258,891
Raymore-Peculiar School District	34,707,606	8.00%	2,776,608
Grandview School District	19,802,310	0.41%	81,189
Hickman Mills School District	33,158,850	0.12%	39,791
Subtotal, overlapping debt			112,772,988
City Direct Debt			76,673,424
Total direct and overlapping debt			\$ 189,446,412

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Legal debt limit (1)	\$ 327,131,701	\$ 319,634,286	\$ 322,343,269	\$ 331,688,357	\$ 329,896,834	\$ 358,467,408	\$ 361,635,661	\$ 384,675,374	\$ 398,196,908	\$ 467,616,828
Total net debt applicable to limit	27,974,016	56,932,545	55,654,245	59,225,808	52,677,888	45,840,774	53,301,112	45,634,954	44,594,440	47,446,441
Legal debt margin	\$ 299,157,685	\$ 262,701,741	\$ 266,689,024	\$ 272,462,549	\$ 277,218,946	\$ 312,626,634	\$ 308,334,549	\$ 339,040,420	\$ 353,602,468	\$ 420,170,387
Total net debt applicable to the limit as a percentage of debt limit	8.55	17.81	17.27	17.86	15.97	12.79	14.74	11.86	11.20	0.10

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

CITY OF LEE'S SUMMIT, MISSOURI

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Year	Population	Median Household Income	(1)	Per Capita Personal Income	(1)	Median Age	(1)	Education Level			(1)	School Enrollment	Unemployment Rate
								High School Graduate Percentage	Some College Or Associate's Degree or Higher Percentage	Bachelor's Degree Or Higher Percentage			
2011	91,364	\$ 71,772		\$ 31,266		38.8		16.4%	29.9%	50.1%		17,287	6.70%
2012	91,767											17,524	5.30%
2013	92,292											17,559	5.10%
2014	93,092											17,615	4.70%
2015	93,888											17,610	4.20%
2016	95,430											17,747	3.50%
2017	95,973											17,927	2.80%
2018	97,135											18,157	2.70%
2019	98,469											17,937	2.50%
2020	99,618											17,805	2.46%

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

CITY OF LEE'S SUMMIT, MISSOURI

PRINCIPAL EMPLOYERS Current Year And Nine Years Ago

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

Employer	2019			2010		
	Employees	Rank	Percentage Of Total City Employment	Employees	Rank	Percentage Of Total City Employment
Lee's Summit R-7 School	3,116	1	6.16%	2,581	1	6.52%
Homeland Security-USCIS	3,000	2	5.93%	—	—	0.00%
Saint Luke's East - Lee's Summit	1,430	3	2.82%	608	8	1.54%
Truman Medical Center-Lakewood	1,200	4	2.37%	1,128	3	2.85%
John Knox Village	1,000	5	1.98%	1,050	4	2.68%
GEHA Holdings Inc	880	6	1.74%	—	—	0.00%
City of Lee's Summit	786	7	1.55%	659	7	1.67%
Lee's Summit Medical Center	730	8	1.44%	550	10	1.39%
Rediscover	550	9	1.09%	—	—	0.00%
CVS Caremark Inc	450	10	0.89%	559	9	1.41%
Metropolitan Community College-Longview				1,000	5	2.53%
AT&T				1,200	2	3.03%
Immigration & Naturalization Service				900	6	2.27%
	<u>13,142</u>		<u>25.97%</u>	<u>10,235</u>		<u>25.89%</u>

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

Economic Development Council was unable to provide updated information for the current year, therefore most recent data available has been presented.

CITY OF LEE'S SUMMIT, MISSOURI

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Administration	31.00	32.00	27.00	27.00	26.31	27.39	26.99	27.98	30.29	30.43
Public Works-Engineering	37.60	38.95	41.80	38.70	38.90	33.80	41.10	42.25	42.25	42.00
Police	205.20	209.70	208.70	204.00	204.00	202.00	202.00	205.50	206.50	207.50
Fire	146.00	146.00	146.00	146.00	144.00	144.00	153.00	154.00	154.00	155.00
Finance	18.00	18.00	22.50	21.00	21.00	22.00	22.00	22.00	22.00	22.00
Planning and development	9.00	9.00	9.00	9.90	8.37	9.70	4.01	4.00	4.00	4.00
Court	12.75	12.75	12.75	11.50	12.50	11.29	11.87	11.38	11.96	10.90
Codes administration	17.00	17.00	17.00	16.00	13.35	—	—	—	—	—
Law	9.50	9.50	10.50	10.50	11.50	10.25	10.50	10.51	10.50	10.88
Public Works-Operations	47.00	50.24	49.21	46.70	41.34	38.00	34.20	33.80	33.80	33.80
Development Center	—	—	—	—	7.47	27.68	33.86	36.68	36.68	37.42
Parks and recreation										
Community center	6.70	6.75	7.15	39.26	37.16	37.32	36.99	37.18	37.95	39.00
Parks and recreation	24.50	24.95	23.95	26.15	26.16	26.06	26.23	26.30	25.83	25.93
Pool	0.95	1.05	1.60	17.73	17.44	14.96	14.47	14.61	13.60	13.92
Cemetery	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.90
Harris Park Recreation Center	5.85	6.15	6.15	21.99	22.77	24.23	24.34	25.07	24.31	24.35
Gamber Community Center	2.05	2.10	2.15	10.05	9.41	7.95	7.86	7.38	6.76	6.40
Longview Community Center	—	—	—	—	—	—	—	—	—	28.79
Airport	7.60	7.60	7.04	6.30	6.22	6.26	7.46	9.16	8.46	9.30
Water utilities	58.50	59.50	59.50	60.00	59.50	60.50	60.50	62.50	62.46	66.92
Solid waste	14.80	14.80	15.00	14.80	14.80	14.80	1.00	1.00	1.60	1.60
Central building services	9.50	8.50	8.75	8.80	8.62	10.62	10.62	8.62	8.12	8.12
Fleet	9.00	9.00	9.00	9.00	9.12	9.12	9.12	9.12	9.12	10.12
Information technology services	20.00	20.00	22.00	26.20	25.89	24.71	27.76	28.06	28.13	27.99
Total	693.50	704.5	707.75	772.58	766.83	763.64	766.88	778.10	779.32	817.27

Source: City of Lee's Summit Finance Department

CITY OF LEE'S SUMMIT, MISSOURI

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Building Permits Issued (1)										
Residential/single family	170	166	270	319	319	310	324	391	339	428
Residential/multi family	—	—	2	6	7	7	27	52	18	15
Commercial/industrial	13	10	14	9	15	16	32	20	20	16
Additions	1,302	*5,229	1,588	1,404	1,943	1,548	1,572	2,047	2,282	2,348
Police protection (2)										
Homicide	0.02	—	—	—	0.02	0.01	0.03	0.01	0.02	0.02
Rape	0.19	0.18	0.14	0.19	0.19	0.17	0.22	0.31	0.24	0.24
Robbery	0.28	0.33	0.26	0.16	0.20	0.19	0.37	0.38	0.25	0.25
Aggravated Assault	0.57	0.64	0.78	0.62	0.45	0.71	0.48	0.21	0.68	0.68
Burglary	3.16	3.53	2.84	2.87	2.61	2.30	2.15	1.76	2.11	2.11
Larceny	18.76	18.23	18.99	16.98	15.43	15.55	14.02	12.21	17.45	17.45
Motor Vehicle Theft	1.33	1.25	1.17	1.17	1.11	1.10	0.87	1.70	1.82	1.82
Arson	0.05	0.08	0.06	-	-	0.03	0.01	0.02	0.01	0.01
Violent Crime	1.06	1.15	1.18	0.98	0.86	1.09	1.08	1.17	1.20	1.20
Property Crime	23.31	23.09	23.06	21.01	19.14	18.98	17.05	16.70	21.39	21.39
Population	91,364	91,767	92,292	93,092	93,888	95,430	95,973	97,135	98,469	99,618
Traffic Crashes	2,047	1,906	1,753	1,821	1,750	1,800	1,885	2,030	2,098	1,478
Calls for Service	91,037	88,846	77,008	75,325	73,244	67,244	65,235	71,459	71,702	63,550
Number of Officers	136	143	142	142	142	143	143	146	148	148
Animal Control Calls for Service	8,857	8,737	8,474	8,960	9,848	10,518	8,905	10,034	9,745	9,133
Fire protection (1)										
Fire personnel	146	146	146	146	144	144	153	154	154	155
Calls answered	9,144	9,147	9,027	8,917	9,073	10,000	9,811	10,388	10,709	10,313
Water source										
Kansas City Water Co.	19.40%	34.30%	27.90%	27.60%	23.20%	28.60%	25.90%	27.30%	22.00%	31.93%
Independence Water Co.	80.60%	65.70%	72.10%	72.40%	76.80%	71.40%	74.10%	72.70%	78.00%	68.07%
Water										
Number of service connections	34,260	34,242	34,538	34,774	35,160	35,379	35,816	36,322	36,472	36,807
Number of fire hydrants	4,922	4,940	4,940	5,006	5,021	5,076	5,188	5,226	5,273	5,374
Average daily consumption (gallons)	9,650,000	11,603,000	10,790,000	10,390,000	9,270,000	10,150,000	9,950,000	9,944	9,659	10,611,000
Maximum contract amount	21,500,000	21,500,000	27,500,000	27,500,000	27,500,000	32,500,000	32,500	32,500	32,500	32,500,000
Maximum daily demand	20,400,000	22,810,000	25,500,000	19,000,000	19,000,000	21,300,000	18,800,000	1,800,000	1,800,000	26,000,000
Storage capacity (gallons)	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000	35,200,000

(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 STATISTICS BY FUNCTION Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	337	308	271	309	309	306	309	311	315	317
Collector centerline miles	83	88	90	92	92	94	95	95	97	97
Arterial centerline miles	103	83	91	81	81	83	84	84	84	85
Parks and Recreation										
Parks	28	28	28	29	29	29	30	30	30	30
Swimming pools	1	1	1	1	1	1	1	1	1	1
Indoor aquatic center	1	1	1	1	1	1	1	1	2	2
Tennis courts	15	15	15	15	15	15	15	15	15	15
Community centers	3	3	3	3	3	3	3	3	4	4
Water										
Miles of water mains	607	604	604	607	607	611	617	620	622	629

Source: City records