



**CITY OF NORTH KANSAS CITY, MISSOURI**

Annual Comprehensive Financial Report

For The Year Ended September 30, 2021

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**CITY OF NORTH KANSAS CITY, MISSOURI**  
**ANNUAL COMPREHENSIVE**  
**FINANCIAL REPORT**  
*FOR THE YEAR ENDED SEPTEMBER 30, 2021*

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*Prepared by:*  
*Administration Department*

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## **Introductory Section**

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March 29, 2022

Honorable Mayor, Members of the City Council, and  
Citizens of the City of North Kansas City:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2021.

Management assumes the responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

RubinBrown, LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of North Kansas City, Missouri’s financial statements for the year ended September 30, 2021. The independent auditor’s report is located at the front of the financial section of this report.

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. MD&A complement this letter of transmittal and should be read in conjunction with it.

## **GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK**

The City, incorporated as a village in 1912, became a fourth Class City in 1924 and a third Class City in 1954. The City currently has a land area of 4.6 square miles. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation; however, the City is landlocked by the Missouri River and surrounding cities.

The City operates under the mayor/council/administrator form of government. Policy making and legislative authority is vested in the governing body, which consists of a mayor and an eight-member council. The governing body is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing the city administrator. The city administrator is the chief administrative and budget officer of the City and is responsible for carrying out the policies and ordinances of the governing body and overseeing the day-to-day operations of the City. The council is elected on a nonpartisan basis. Council members are elected to two-year staggered terms with four council members elected every year. The mayor is elected to a four-year term. The council members are elected from within their respective wards. The mayor is elected at large.

The City is strategically located in the southwest portion of Clay County on the Missouri River, bordered by Kansas City, Missouri. Two interstate highways (I-29 and I-35) and three state highways (1, 9 and 210) serve the community. It is adjacent to the Kansas City Municipal Airport and just twenty minutes south of the Kansas City International Airport. The Kansas City Area Transportation Authority, which operates a metropolitan-wide bus system, provides frequent, low cost service to all sections of North Kansas City. Industry enjoys easy access to rail service. There are 4,467 people residing in the City with a working population of more than 20,000 persons. The business/industrial payroll is about \$1 billion.

With total governmental fund type revenue of \$30.0 million in fiscal 2021, use of which is prudently allocated by the City Council, the City provides many services not available elsewhere, such as one police officer for every 111 residents, two fire stations with 61 firefighters providing excellent ambulance and fire protection services and two refuse and recycling collections weekly for residential property at no charge to residents.

The City's fiscal year runs from October 1 to September 30. General operations are dependent primarily on a one-cent general sales tax, property taxes, occupation license fees, casino rent, utility franchise taxes and a half-cent public safety sales tax. For the 2020-2021 budget year, revenue totaled \$17.5 million compared to a budget amount of \$14.1 million. Revenue estimate for the budget was conservative factoring in the COVID-19 pandemic, however, sales tax performed significantly better than forecasted and the rental income from the Harrah's Casino came in approximately \$500,000 higher than budgeted. Most general government capital improvements are financed from gaming revenue collections and are accounted for in the Gaming Fund. This Gaming Fund had a total fund balance on September 30, 2021 of approximately \$35.4 million, an increase of \$630,000 due to many projects being delayed because of the COVID-19 pandemic.

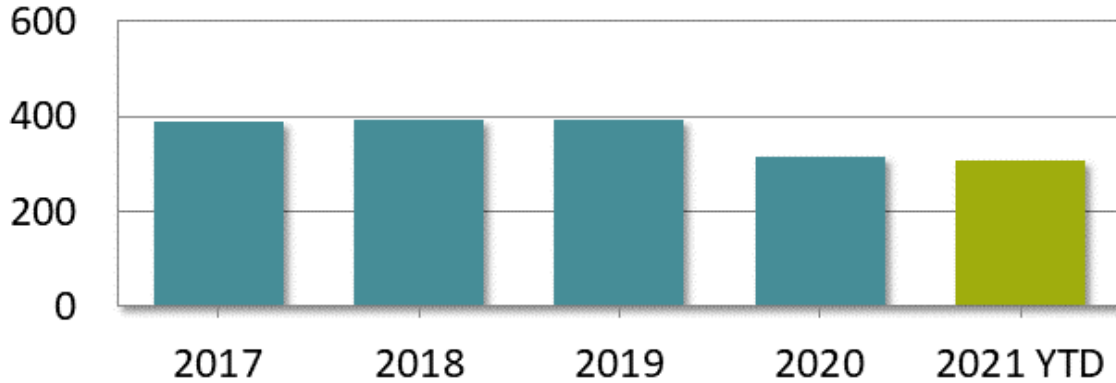
### **The North Kansas City Economy Year 2021 in Review**

North Kansas City's business climate experienced significant disruption in 2020, as building construction and business expansion activity was impacted by the Covid-19 pandemic. However, 2021 saw several increases in activity due to several ongoing construction projects in the City.

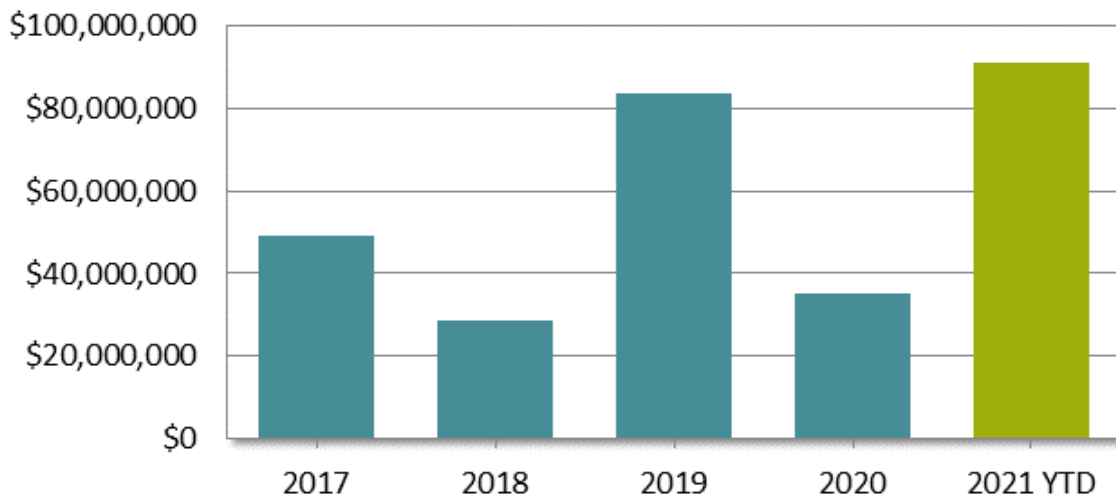
### **New Business Highlights**

While 2021 was a year of ups and downs, Community Development stayed busy issuing building permits and conducts inspections to keep business underway in North Kansas City. The total number of permits issued is close to the number issued in 2020, but permit valuation, a measure of the amount of investment in NKC, has rebounded to 2019 levels, based on larger development projects happening this year.

### Permits Issued by Year



### Total Permit Valuation



Construction activity included the completion and opening of the Aloft and Element hotels and 5,000 square foot conference center in the One North redevelopment area in December of 2020.

North Kansas City also saw new residential construction in 2021. Construction began on multiple new residential areas including the Gallery Lofts (10th and Armour) and 18<sup>th</sup> and Swift. Gallery Lofts is a \$10 million multifamily development with ground-floor gallery and artist studio space and 42 on-site surface parking stalls. 33 of the 49 apartments will be set aside for affordable housing. 18<sup>th</sup> and Swift is a \$40 million investment that will have 208 market rate apartments and amenities.



## **Future Opportunities**

The success of North Kansas City's business community is closely tied to macroeconomic conditions such as regional housing construction, consumer preferences, and national development trends. While recovery from the Covid-19 pandemic is an ongoing concern, general regional trends provide reasons for optimism. Millennials continue to show a stronger propensity to live in walkable urban areas which encourages greater consumer spending. Likewise, real estate developers have become more receptive to infill development. Together, these trends should continue to support new opportunities for North Kansas City.

In 2022, North Kansas City anticipates the continuation of our development boom, with several residential projects including development of the area at Swift and 23rd Avenue that will add nearly 300 apartments, and the Milhaus apartments in the One North TIF District area (six buildings of 36-80 multi-family housing units). Blume NKC, a community of owner-occupied vertical mixed-use townhomes and commercial buildings, combines European live/work design standards with a modern-industrial architecture style inspired by historic North Kansas City buildings was announced in late 2021 with an expected groundbreaking in 2022. These projects will continue the redevelopment and revitalization of many areas in North Kansas City.

## **Planning for the Future**

The Communities for All Ages program recognizes communities that have taken steps to become more welcoming to residents of all ages and, in the process, more vibrant, healthy, and prosperous. North Kansas City was awarded the Bronze Level in August 2019, the Silver Level in February 2020, and in February of this year, we were recognized as a Gold Level community.

In partnership with the NKC Parks & Recreation Board, the City is moving forward with a feasibility study for a new playground in River Forest Park. River Forest Park would be the first park for residents in the fourth ward of the City, generally located on the east side of Interstate 35.

Along with more residential spaces coming into the City, part of the One North Development will include a new grocery store. The full-service grocery store will feature a modern design and layout with fresh produce, baked goods, meats, dairy, a floral section, and more. This new, full-service grocery store will begin construction in 2022.

## Major Initiatives

The COVID-19 pandemic continued to impact City operations throughout the 2021 fiscal year and pushed several capital projects into future years. However, several projects gained traction and made progress in FY 2021.

The Burlington Street Corridor, a major north-south gateway into North Kansas City will begin a three-phase, four-year improvement project in 2022. The City continues to work toward improvements to the Burlington corridor to make it a more green, welcoming, and complete street. Planned improvements will bring improved bicycle, pedestrian, and transit facilities to this major gateway into NKC. The total investment for this project over the next four years is \$24 million.

In late 2020, The City Council established the North Kansas City Equity and Inclusion Committee to uphold community values while promoting community involvement for all residents, especially those from historically underrepresented communities. This committee serves as a resource to promote civic, cultural, and economic engagement to provide feedback on policies to promote diversity, equity, and inclusion through community engagement. Diversity training will be included for City staff, elected officials, and members of the community as part of the initiative and was included in the FY 2022 budget.

All departments shifted resources to manage operations and support the community during the pandemic. The City's public safety departments were regionally active and played a part in obtaining or identifying sources for needed PPE during the pandemic. The City was also part of a core group that identified and help stand up a mass vaccination clinic in the local area.

Operation Safe, a public-private coalition, was formed to provide eligible Missourians an opportunity to receive the COVID-19 vaccine as soon as possible within the State of Missouri's tiered structure. The coalition consisted of Clay County Public Health Center, North Kansas City Hospital, Liberty Hospital, Cerner Corporation, and the cities of Liberty, North Kansas City, Gladstone, Smithville, Kearney, and Excelsior Springs, along with William Jewell College, and Excelsior Springs Hospital. Operation Safe was announced on February 1, 2021 and operated until May 6, 2021. Operation Safe administered nearly 100,000 vaccinations, with a throughput of approximately 70 patients every 10 minutes. At the end of its 3-month operation, 1 in 5 vaccinated Kansas Citians received their COVID-19 shots at Operation Safe, thanks to 4,250 volunteers providing over 50,000 hours of service.

## **Department Focus**

2021 continued to be an extremely challenging year for everyone including the North Kansas City Fire Department. The focus for the first part of the year was helping bring vaccinations to the public with Operation Safe. Operation Safe was a hugely successful public/private partnership which ultimately vaccinated over 97,000 people. Operation Safe was the largest vaccination event in the Kansas City metropolitan area and included volunteer hours and coordination from every City department as well as assistance from other local government and community partners.

City Water/Wastewater crews replaced multiple 70+-year-old water system valves, repaired watermain breaks, and replaced outdated fire hydrants. The same crews work non-stop all year, maintaining the City's six large stormwater pumping stations along the levee system. Large maintenance projects were accomplished this year replacing pumps, pump motors, and other large system components.

Municipal Services crews repaired over 300 potholes and oversaw multiple large HVAC replacements to many City buildings. This division performs year-round street sweeping and street maintenance. This past fall, crews collected over 250,000 cubic feet of leaves from City streets, helping to keep stormwater system operating.

The City partnered with the North Kansas City Road District on Complete Street improvements to the Knox Street corridor between 13th and 14th Avenues. These improvements added new sidewalks, new curb and gutter, improved stormwater drainage, and a new roadway surface to the area.

Over the next three years, the Public Works Department will take a deep dive into our underground infrastructure by facilitating master planning studies of the stormwater, sanitary sewer, and water distribution systems. The studies will help identify issues with the existing systems and plan for future improvements.

North Kansas City Police Department has partnered with LexisNexis to deliver the power of crime mapping and analysis 24 hours a day, 7 days a week. The information provided is intended to promote community awareness and encourage the use of crime prevention measures. Users can sign up for an automated neighborhood watch report set to their specifications. These reports are generated automatically and can be received daily, weekly, or monthly to the email address of your choice.

The City received a Planning Sustainable Places grant from the Mid America Regional Council to undertake the East-West Connectivity Study. There are only three places to cross the interstate in North Kansas City, making I-35 a barrier for people who are walking or biking in NKC. This study is examining ways to make the east-west connection on Armour Road safer and more comfortable. Earlier this year, the online survey for this project received over 200 responses. This study will be completed in the spring.

### **Financial Information**

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

In addition, the City maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of all funds are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level. For more detailed financial information, please refer to the Management's Discussion and Analysis that begins on page four of this document.

### **Debt Administration**

At year-end, the City had two Hospital revenue bond issues outstanding. These issues combined with hospital capital leases total to \$68.3 million in long-term debt. Otherwise, the City was debt free.

## OTHER INFORMATION

### Independent Audit

The governing body selected the firm of RubinBrown LLP for the annual audit. This was the third year of a four-year contract. The auditors, in conducting the engagement, used auditing standards generally accepted in the United States of America. The auditor's report on the basic financial statements is included in the financial section of this report.

### 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 for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2020. To receive a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR 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.

### Acknowledgments

We would like to express our appreciation to the City employees who contributed to the preparation of this report. Credit should also be given to the Mayor and the City Council for their interest and support in planning and conducting the operations of the City in a responsible and progressive manner.

**Respectfully submitted,**



Nick Hawkins  
Finance Manager



Kim Nakahodo  
Interim City Administrator



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of North Kansas City  
Missouri**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

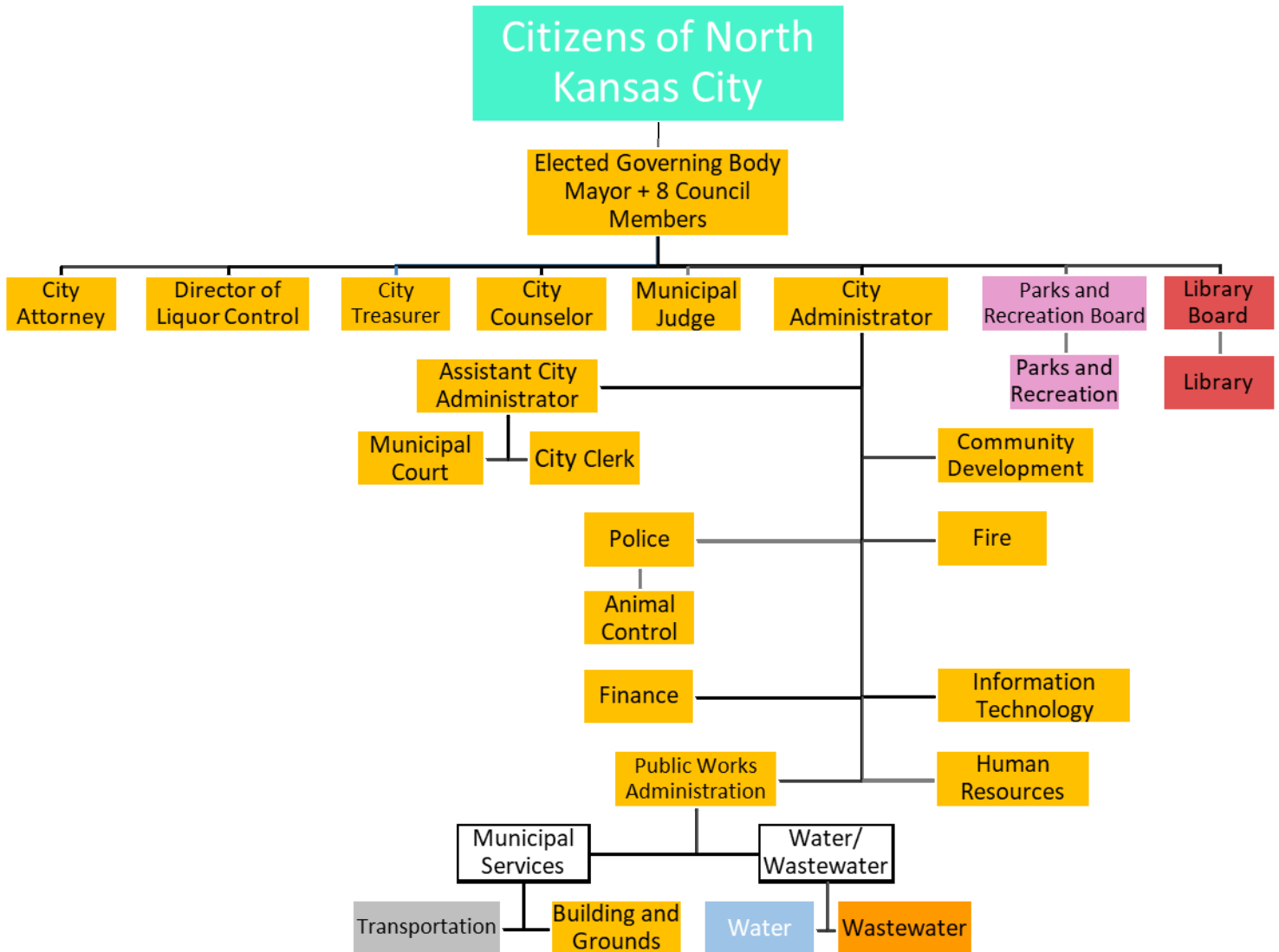
September 30, 2020

*Christopher P. Morrill*

Executive Director/CEO

# CITY OF NORTH KANSAS CITY, MISSOURI

## ORGANIZATIONAL CHART Year Ended September 30, 2021



# CITY OF NORTH KANSAS CITY, MISSOURI

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## PRINCIPAL OFFICIALS

### CITY OF NORTH KANSAS CITY LEADERSHIP

#### Elected Officials

Bryant DeLong	Mayor
Wesley Graves	Councilmember Ward I
Anthony Saper	Councilmember Ward I
Jesse Smith	Councilmember Ward II
Lisa Tull	Councilmember Ward II
Zachary Clevenger	Councilmember Ward III
Adam Roberts	Councilmember Ward III
Amie Clarke	Councilmember Ward IV
Ana Pellumbi	Councilmember Ward IV
David Silvers	City Treasurer

#### Management Team

Kim Nakahodo	Interim City Administrator
Thomas Barzee	City Counselor
David Hargis	Fire Chief
Kevin Freeman	Police Chief
Anthony Sands	Public Works Director
Nicholas Hawkins	Finance Manager
Casey Campbell	Human Resources Manager
Stephen Roberts	Information Technology Manager
Xue Wood	Community Development Director
Victoria Meier Ressler	Parks & Recreation Director
Lori Mangan	Public Library Executive Director
Crystal Doss	City Clerk

#### Advisory Boards

Board of Zoning Adjustment  
Industrial Development Authority  
Liquor Control Board of Review  
North Kansas City Hospital Board of Trustees  
North Kansas City Library Board  
North Kansas City Parks and Recreation Board  
Planning Commission  
Police and Fire Personnel Board  
Tax Increment Finance Commission  
Crummett Beautification Committee  
Equity and Inclusion Committee



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## **Financial Section**

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www.RubinBrown.com

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

## Independent Auditors' Report

The Honorable Mayor and  
Members of the City Council  
City of North Kansas City, 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 North Kansas City, Missouri (the City), as of and for the year ended September 30, 2021, 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.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of North Kansas City Hospital, which represents 94 percent and 98 percent, respectively, of the assets and revenues of the business-type activities and represents 100 percent of the assets and revenues of the major enterprise fund. We also did not audit the financial statements of North Kansas City Hospital Pension Plan, which represents 70 percent and 63 percent, respectively, of the assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for North Kansas City Hospital and North Kansas City Hospital Pension Plan, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the North Kansas City Hospital, the North Kansas City Hospital Pension Plan and the City of North Kansas City Police Officers' and Fire Fighters' Retirement Fund were not audited in accordance with *Government Auditing Standards*.

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, based on our audit and the reports of the other auditors, 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 of North Kansas City, Missouri, as of September 30, 2021, 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, the pension and postemployment benefit information, and the budgetary comparison 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 and other auditors 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, and the other auditors, do not express an opinion or provide any assurance on the information because the limited procedures do not provide us or the other auditors 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 other schedules, as listed in the table of contents, 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, 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 them.

**Other Reporting Required By *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*RubinBrown LLP*

March 29, 2022

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## **Management's Discussion And Analysis**

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# CITY OF NORTH KANSAS CITY, MISSOURI

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

We offer those interested in the financial statements for the City of North Kansas City, Missouri (the City) this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of September 30, 2021 and 2020 by \$889,534,507 and \$856,352,006 (net position), respectively. Of this amount, \$468,924,394 and \$446,396,156 (unrestricted net position) for 2021 and 2020, respectively, may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$33,051,975 for 2021 compared to an increase of \$5,225,231 for 2020. The increase in net position compared to the prior year was mostly attributable to flat Charges for Services in the Hospital Fund and increased Hospital expenses.
- The City's governmental funds reported combined ending fund balances of \$67,428,559 and \$60,528,581 as of September 30, 2021 and 2020, respectively. For fiscal years 2021 and 2020, \$19,845,515 and \$17,592,442, respectively, of the total ending fund balance is available for spending at the government's discretion (unassigned fund balance). All of the unassigned fund balance for 2021 and 2020 was reported in the General Fund.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was 106 percent of total General Fund expenditures compared to 112 percent of the 2020 General Fund expenditures.
- The City's long-term debt, excluding compensated absences, increased by \$24,494,000 during fiscal year ended September 30, 2021 and \$9,536,000 during the fiscal year ended September 30, 2020. The change in 2021 and 2020 is primarily due to payments made on Hospital revenue bonds and capital leases and a new debt issuance by the Hospital.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements include the statement of net position and the statement of activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both government and business type activities are included in this analysis of government-wide financial statements.

## **CITY OF NORTH KANSAS CITY, MISSOURI**

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### Management's Discussion and Analysis (*Continued*)

The statement of net position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City 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 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).

Both of the government-wide financial statements distinguished functions of the City that are principally supported by taxes and gaming revenues (governmental activities) 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 of the City include general government, public safety, public works, culture and recreation, transportation and sanitation. The business-type activities of the City include the hospital, health and community center, water, water pollution control and communications.

The government-wide financial statements include only the City. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the City.

**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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 a government's near-term financial requirements.

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

## **CITY OF NORTH KANSAS CITY, MISSOURI**

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### Management's Discussion and Analysis (*Continued*)

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund which is considered to be a major fund. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

**Proprietary Funds** - The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains five enterprise funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements provide separate information for the Hospital Fund, as this fund is considered to be a major fund of the City. Data from the other four enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non major enterprise funds is provided in the form of combining statements elsewhere in this report.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The fiduciary funds of the City are pension trust funds. Total net position of the fiduciary funds for the years ended September 30, 2021 and 2020 were \$405,317,211 and \$359,485,407, respectively.

**Notes To Basic 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 presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees and the General Fund's budgetary comparison.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and pension trust funds are presented immediately following the notes to basic financial statements and the required supplementary information.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's total net position has increased from a year ago. The following table reflects total net position for 2021 of \$889,534,507 which represents an increase of \$33,172,428 from 2020's net position.



## CITY OF NORTH KANSAS CITY, MISSOURI

### Management's Discussion and Analysis (*Continued*)

Of the City's net position, 49 and 44 percent as of September 30, 2021 and 2020, respectively, reflects its investment in capital assets (e.g., land, buildings and improvements and equipment), less any related debt used to acquire those assets that is 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 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.

	Governmental Activities 2021	Business-Type Activities 2021	Total 2021	Governmental Activities 2020	Business-Type Activities 2020	Total 2020
Current and other assets	\$ 93,430,102	\$ 598,528,902	\$ 691,959,004	\$ 71,940,546	\$ 539,238,843	\$ 611,179,389
Capital assets	81,445,874	353,230,459	434,676,333	80,939,198	341,198,326	422,137,524
<b>Total Assets</b>	<b>174,875,976</b>	<b>951,759,361</b>	<b>1,126,635,337</b>	<b>152,879,744</b>	<b>880,437,169</b>	<b>1,033,316,913</b>
Deferred outflows of resources	1,562,445	39,196,282	40,758,727	2,607,404	37,613,209	40,220,613
Current liabilities	2,305,054	130,101,567	132,406,621	2,778,456	147,525,808	150,304,264
Noncurrent liabilities	1,874,762	88,271,912	90,146,674	2,024,907	41,012,155	43,037,062
<b>Total Liabilities</b>	<b>4,179,816</b>	<b>218,373,479</b>	<b>222,553,295</b>	<b>4,803,363</b>	<b>188,537,963</b>	<b>193,341,326</b>
Deferred Inflows	17,126,627	38,179,635	55,306,262	7,310,210	21,247,458	28,557,668
Net position:						
Net investment in capital assets	81,445,874	284,241,459	365,687,333	80,939,198	297,212,326	378,151,524
Restricted	11,328,780	43,594,000	54,922,780	7,229,464	25,050,000	32,279,464
Unrestricted	62,357,324	406,567,070	468,924,394	55,204,913	390,846,631	446,051,544
<b>Total Net Position</b>	<b>\$ 155,131,978</b>	<b>\$ 734,402,529</b>	<b>\$ 889,534,507</b>	<b>\$ 143,373,575</b>	<b>\$ 713,108,957</b>	<b>\$ 856,482,532</b>

A restricted portion of the City's net position (6.1 percent and 3.7 percent for fiscal years 2021 and 2020, respectively) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$468,924,394 and \$446,051,544 for 2021 and 2020, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reports positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

The City's total net position increased by \$33,051,975 and \$5,225,231 for fiscal years 2021 and 2020, respectively. The governmental-type activities increased by \$11,758,403 and \$2,093,000 in fiscal years 2021 and 2020, respectively. This higher increase compared to the prior year is attributable to an increase in gaming revenue as well as an increase in sales tax compared to 2020, which were lower due to the pandemic. The total business-type activities' net position increased by \$21,293,572 and \$3,131,331 in fiscal years 2021 and 2020, respectively. The higher increase in net position compared to the prior year was mostly attributable to an increase in revenue and interest earned by the hospital.

# CITY OF NORTH KANSAS CITY, MISSOURI

## Management's Discussion and Analysis (Continued)

The following table highlights the City's revenues and expenses for the fiscal years ended September 30, 2021 and 2020. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting.

	Governmental Activities	Business-Type Activities	Total 2021	Governmental Activities	Business-Type Activities	Total 2020
	2021	2021		2020	2020	
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 6,814,280	\$ 688,175,680	\$ 694,989,960	\$ 6,335,574	\$ 598,315,156	\$ 604,650,730
Operating grants and contributions	763,752	—	763,752	220,148	—	220,148
Capital grants and contributions	—	—	—	—	—	—
General revenues:						
Property taxes	2,555,527	—	2,555,527	2,457,918	—	2,457,918
Other taxes	13,587,352	—	13,587,352	11,887,658	—	11,887,658
Gaming/unrestricted	9,324,703	—	9,324,703	5,681,811	—	5,681,811
Investment earnings	329,937	25,943,830	26,273,767	879,305	18,797,007	19,676,312
Other	2,660,407	1,340,539	4,000,946	2,098,252	13,473,775	15,572,027
<b>Total Revenues</b>	<b>36,035,958</b>	<b>715,460,049</b>	<b>751,496,007</b>	<b>29,560,666</b>	<b>630,585,938</b>	<b>660,146,604</b>
<b>Expenses:</b>						
General government	5,268,141	—	5,268,141	4,521,067	—	4,521,067
Public safety	8,543,544	—	8,543,544	11,424,906	—	11,424,906
Public works	3,700,926	—	3,700,926	3,790,908	—	3,790,908
Culture and recreation	2,201,170	—	2,201,170	2,182,029	—	2,182,029
Transportation	274,445	—	274,445	340,118	—	340,118
Sanitation	—	—	—	—	—	—
Hospital	—	684,234,000	684,234,000	—	617,061,000	617,061,000
Health and community center	—	3,205,369	3,205,369	—	3,008,958	3,008,958
Water	—	2,197,380	2,197,380	—	2,218,713	2,218,713
Water pollution control	—	7,297,210	7,297,210	—	8,987,643	8,987,643
Communications	—	1,521,847	1,521,847	—	1,386,031	1,386,031
<b>Total Expenses</b>	<b>19,988,226</b>	<b>698,455,806</b>	<b>718,444,032</b>	<b>22,259,028</b>	<b>632,662,345</b>	<b>654,921,373</b>
<b>Change In Net Position Before Transfers</b>	<b>16,047,732</b>	<b>17,004,243</b>	<b>33,051,975</b>	<b>7,301,638</b>	<b>(2,076,407)</b>	<b>5,225,231</b>
Transfers	(4,289,329)	4,289,329	—	(5,207,738)	5,207,738	—
<b>Change In Net Position</b>	<b>11,758,403</b>	<b>21,293,572</b>	<b>33,051,975</b>	<b>2,093,900</b>	<b>3,131,331</b>	<b>5,225,231</b>
<b>Net Position - Beginning Of Year</b>	<b>143,373,575</b>	<b>713,108,957</b>	<b>856,482,532</b>	<b>141,279,675</b>	<b>709,977,626</b>	<b>851,257,301</b>
<b>Net Position - End Of Year</b>	<b>\$ 155,131,978</b>	<b>\$ 734,402,529</b>	<b>\$ 889,534,507</b>	<b>\$ 143,373,575</b>	<b>\$ 713,108,957</b>	<b>\$ 856,482,532</b>

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services and sales, operating and capital grants and contributions. General revenue includes taxes, gaming revenue and other unrestricted revenue sources.

## CITY OF NORTH KANSAS CITY, MISSOURI

### Management's Discussion and Analysis (*Continued*)

The following table below discloses cost of services for governmental activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by local taxes or other general revenue or transfers.

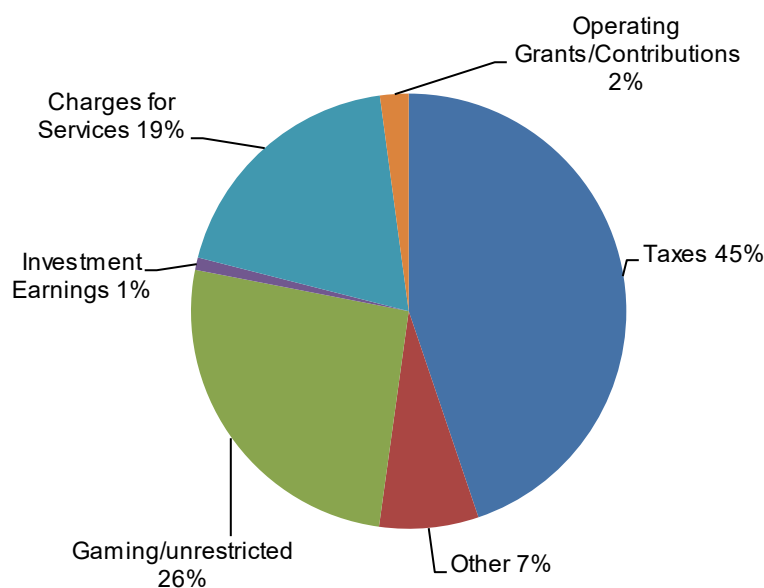
	Total Cost Of Service		Net Cost Of Service	
	2021	2020	2021	2020
General government	\$ 5,268,141	\$ 4,521,067	\$ (1,098,945)	\$ (1,326,390)
Public safety	8,543,544	11,424,906	8,317,895	11,158,238
Public works	3,700,926	3,790,908	3,239,745	3,790,908
Culture and recreation	2,201,170	2,182,029	2,012,278	2,054,125
Transportation	274,445	340,118	(60,779)	26,425
<b>Total</b>	<b>\$ 19,988,226</b>	<b>\$ 22,259,028</b>	<b>\$ 12,410,194</b>	<b>\$ 15,703,306</b>

Net cost of services is 62 percent and 71 percent of total cost of services in 2021 and 2020, respectively. This reflects a continued reliance on taxes and other general revenue sources to fund the cost of services.

### Governmental Activities

The graphs below show the percentage of the total governmental activities' revenues allocated by each revenue type for 2021 and 2020:

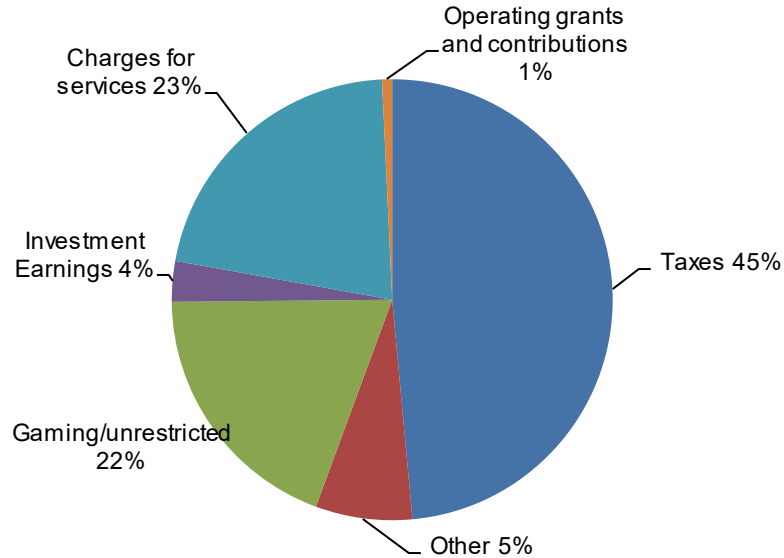
**Revenues By Source - Governmental Activities - 2021**



**CITY OF NORTH KANSAS CITY, MISSOURI**

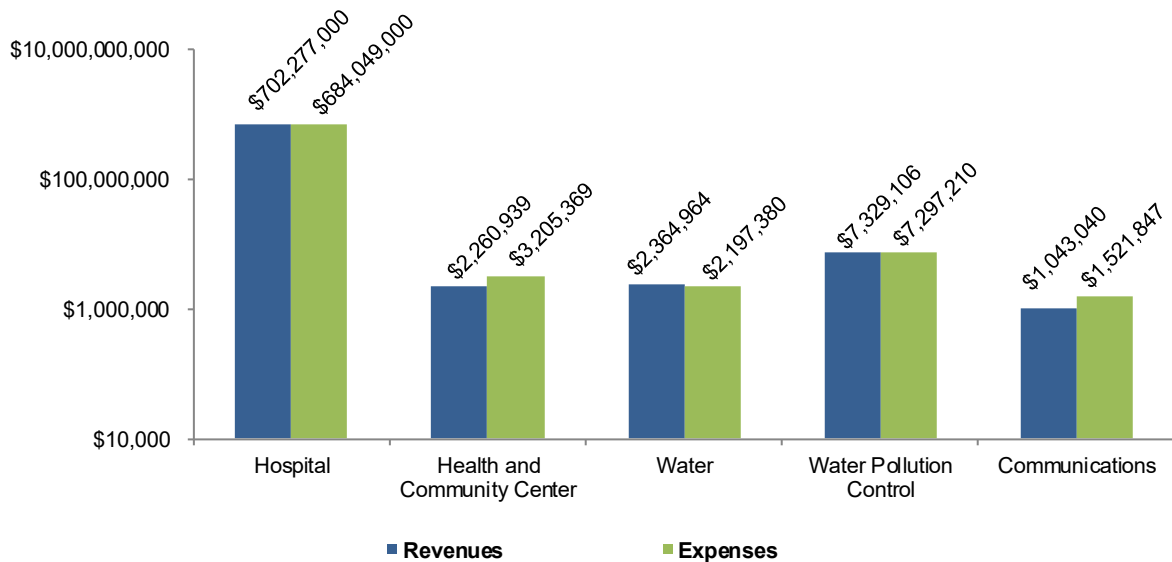
Management’s Discussion and Analysis (Continued)

**Revenues By Source - Governmental Activities - 2020**



Total business-type activities’ revenue for the fiscal year 2021 was \$715,460,049. All but \$12,998,049 of this revenue was generated from a specific business-type activity. The graphs below show a comparison between the business-type activity expenses and program revenues for 2021 and 2020.

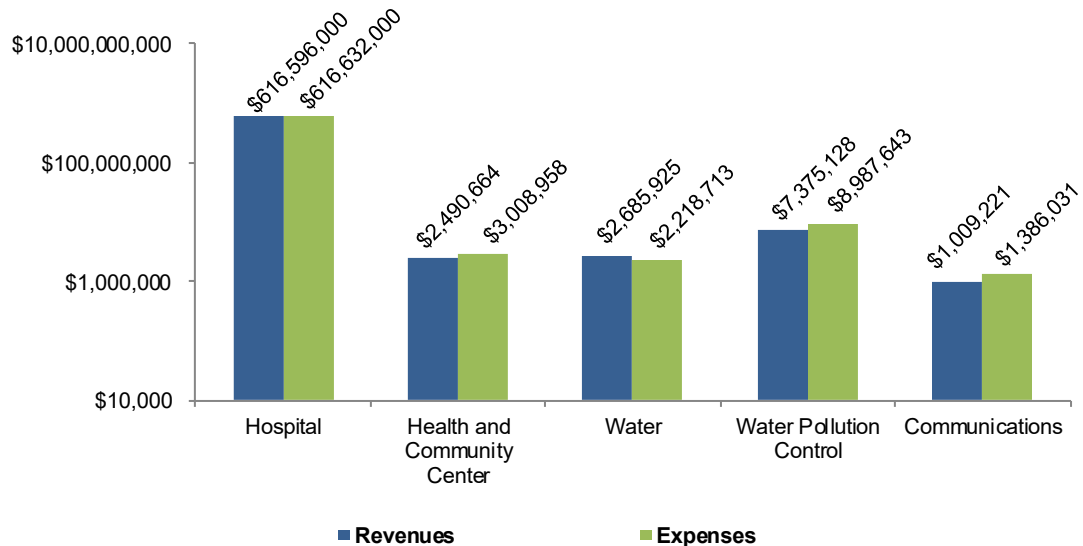
**Revenues And Expenses - Business-Type Activities - 2021**



# CITY OF NORTH KANSAS CITY, MISSOURI

## Management's Discussion and Analysis (Continued)

### Revenues And Expenses - Business-Type Activities - 2020



**Business-Type Activities** - Business-type activities increased the City's net position by \$21,293,572 and \$3,131,331 in fiscal years 2021 and 2020, respectively, accounting for the majority of the growth in the government's net position.

The Hospital Fund showed an operating loss of \$6,193,000 compared to an operating loss of \$29,333,000 and experienced a change in net position of \$18,228,000 and (\$36,000) for fiscal years 2021 and 2020, respectively. The increase in net position was mainly attributable to an increase in operating revenues.

### Financial Analysis Of The Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** - The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Management's Discussion and Analysis (*Continued*)

The City's governmental funds reported combined ending fund balances of \$67,428,559 and \$60,528,581 as of September 30, 2021 and 2020, respectively. Approximately 30 percent and 29 percent of this total amount or \$19,845,515 and \$17,592,442 for 2021 and 2020, respectively, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is non-spendable (\$562,846), restricted (\$8,582,783), or assigned (\$38,437,415) to indicate it is not available for new spending. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$19,845,515 while total fund balance reached \$20,305,185. This is up from the 2020 unassigned fund balance of \$17,592,442 and total 2020 General Fund balance of \$18,528,419. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 106 percent of total General Fund expenditures for 2021, while total fund balance represents approximately 126 percent of that same. Unassigned fund balance represented 112 percent of total General Fund expenditures for 2020, while total fund balance represented approximately 118 percent of that same amount.

The fund balance of the City's General Fund increased by \$1,776,766 in the current fiscal year due to the first tranche of the American Rescue Plan funds and higher than expected sales taxes primarily.

The Gaming Revenue Fund increased \$629,196 in the current fiscal year. This is primarily due to fewer transfers out and revenue recovery from the pandemic which lowered revenues due to the casino being closed for multiple months.

Total governmental fund expenditures increased from \$23,801,898 in 2020 to \$24,846,651 in 2021 which is due to more capital spending and personnel expense increases.

**Proprietary Funds** - The City of North Kansas City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

### **General Fund Budgetary Highlights**

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

- General Fund revenues were conservatively estimated and assumed losses in several major categories including sales taxes and rentals due to the anticipated effect of the COVID-19 pandemic. Revenue was budgeted at \$14.1 million, but came in at \$18.0 million due to significant increases in sales taxes and rental. Sales tax exceeded budget and were higher than any of the previous five years.
- The total original expenditure budget of \$16,706,678 was increased to \$17,125,898 mainly due to increases in the City's share of the GEMT program. Expenses came in under budget by approximately \$860,000 due to vacancies in the Police department, Administration and lower than anticipated health premiums.

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Management's Discussion and Analysis (*Continued*)

#### Capital Asset And Debt Administration

**Capital Assets** - The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021 and 2020, were \$434,676,333 and \$422,137,524, respectively, (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment and construction-in-progress. The total net decrease in the City's investment in capital assets for the current fiscal year was 0.04 percent (a 4 percent decrease for governmental activities and a 3 percent decrease for business-type activities).

Additional information on the City's capital assets can be found in Note 3 of this report.

**Debt** - The City's Hospital enterprise fund had revenue bonds outstanding totaling \$64,982,000 and \$36,681,000 as of September 30, 2021 and 2020, respectively. The City's Hospital enterprise fund had capital leases outstanding totaling \$3,363,000 and \$7,093,000 as of September 30, 2021 and 2020, respectively. The City's Hospital enterprise fund did not have any notes payable with outstanding as of September 30, 2021. The City's Hospital enterprise fund had notes payable with outstanding balances totaling \$77,000 as of September 30, 2020. The City's Hospital enterprise fund did pay \$22,506,000 and \$9,536,000 in principal on total outstanding debt for fiscal years 2021 and 2020, respectively. The City's Hospital enterprise fund added \$47,000,000 in debt during 2021.

The City's available general obligation legal debt margin was \$66,811,806 and \$66,846,324 as of September 30, 2021 and 2020, respectively.

#### City Of North Kansas City's Outstanding Debt - Revenue Bonds, Capital Leases, Notes Payable

	Business-Type Activities		Maturity
	2021	2020	
2013A Hospital revenue bonds	\$ —	\$ 17,548,000	2025
2013B Hospital revenue bonds	17,982,000	19,133,000	2025
2020 Hospital revenue bonds	47,000,000	—	2030
Capital leases	3,363,000	7,093,000	2025
Notes payable	—	77,000	2020
<b>Total</b>	<b>\$ 68,345,000</b>	<b>\$ 43,851,000</b>	

Additional information about the City's long-term debt can be found in Note 5 to the financial statements.

#### Economic Factors And Next Year's Budgets And Rates

- The City's compensation plan allowed for a 3.0 percent merit based pay increase for the full-time non-Union represented employees.
- The budget included a 0.4 percent decrease to the LAGERs pension plan contribution.
- The budget assumed that health insurance premiums would increase 5.0 percent.
- All of these factors were considered in preparing the City's budget for the 2022 fiscal year.

#### Requests For Information

These financial statements and discussions are designed to provide our citizens, taxpayers, investors and creditors with a complete disclosure of the City's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write Nicholas Hawkins, Finance Manager, City of North Kansas City, 2010 Howell, North Kansas City, Missouri, 64116.

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## **Basic Financial Statements**

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# CITY OF NORTH KANSAS CITY, MISSOURI

## STATEMENT OF NET POSITION

September 30, 2021

Page 1 Of 2

	Governmental Activities	Business-Type Activity	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 53,778,832	\$ 63,883,405	\$ 117,662,237
Investments	12,705,123	2,377,272	15,082,395
Current portion of restricted and designated assets	202,196	2,619,000	2,821,196
Receivables, net of allowances for uncollectibles of \$20,321,000:			
Taxes	4,347,847	—	4,347,847
Accounts	1,343,283	73,031,597	74,374,880
Special assessments	—	144,792	144,792
Accrued interest	38,280	7,308	45,588
Due from other governmental units	913,793	—	913,793
Inventory	—	10,416,462	10,416,462
Prepaid items	145,422	11,490,466	11,635,888
Property held for resale	417,424	—	417,424
<b>Total Current Assets</b>	<b>73,892,200</b>	<b>163,970,302</b>	<b>237,862,502</b>
<b>Noncurrent Assets</b>			
Designated assets:			
Cash and cash equivalents	—	13,195,000	13,195,000
Investments	—	367,709,000	367,709,000
Other assets	—	1,120,000	1,120,000
Investment in joint ventures	—	6,875,000	6,875,000
Receivables, special assessments	—	906,519	906,519
Net pension asset	19,537,902	44,753,081	64,290,983
Capital assets:			
Nondepreciable	37,812,386	12,192,527	50,004,913
Depreciable, net	43,633,488	341,037,932	384,671,420
<b>Total Noncurrent Assets</b>	<b>100,983,776</b>	<b>787,789,059</b>	<b>888,772,835</b>
<b>Total Assets</b>	<b>174,875,976</b>	<b>951,759,361</b>	<b>1,126,635,337</b>
<b>Deferred Outflows Of Resources</b>			
Pension related amounts	1,562,445	39,196,282	40,758,727
OPEB related amounts	—	—	—
<b>Total Deferred Outflows Of Resources</b>	<b>1,562,445</b>	<b>39,196,282</b>	<b>40,758,727</b>

# CITY OF NORTH KANSAS CITY, MISSOURI

## STATEMENT OF NET POSITION

September 30, 2021

Page 2 Of 2

	Governmental Activities	Business-Type Activity	Total
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	\$ 2,154,684	\$ 26,640,402	\$ 28,795,086
Compensated absences	119,665	47,584,165	47,703,830
Estimated reimbursement payable	—	49,377,000	49,377,000
Court bonds payable	30,705	—	30,705
Current portion of revenue bonds, notes payable and capital lease payable	—	3,881,000	3,881,000
Current portion of reserve for liability risks	—	2,619,000	2,619,000
<b>Total Current Liabilities</b>	<b>2,305,054</b>	<b>130,101,567</b>	<b>132,406,621</b>
<b>Noncurrent Liabilities</b>			
Compensated absences	1,874,762	174,912	2,049,674
Total OPEB liability	—	—	—
Reserve for liability risks	—	5,357,000	5,357,000
Revenue bonds, notes payable and capital lease payable	—	64,464,000	64,464,000
<b>Total Noncurrent Liabilities</b>	<b>1,874,762</b>	<b>88,271,912</b>	<b>90,146,674</b>
<b>Total Liabilities</b>	<b>4,179,816</b>	<b>218,373,479</b>	<b>222,553,295</b>
<b>Deferred Inflows Of Resources</b>			
Property taxes	4,278,252	—	4,278,252
OPEB related amounts	—	—	—
Pension related amounts	12,848,375	38,179,635	51,028,010
<b>Total Deferred Inflows Of Resources</b>	<b>17,126,627</b>	<b>38,179,635</b>	<b>55,306,262</b>
<b>Net Position</b>			
Net investment in capital assets	81,445,874	284,241,459	365,687,333
Restricted for:			
Capital projects	5,927,319	—	5,927,319
Bridges and streets	2,453,268	—	2,453,268
Public safety	11,822	—	11,822
City beautification	190,374	—	190,374
Culture and recreation	2,745,997	—	2,745,997
Donor purposes	—	43,594,000	43,594,000
Unrestricted	62,357,324	406,567,070	468,924,394
<b>Total Net Position</b>	<b>\$ 155,131,978</b>	<b>\$ 734,402,529</b>	<b>\$ 889,534,507</b>

# CITY OF NORTH KANSAS CITY, MISSOURI

## STATEMENT OF ACTIVITIES For The Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Position		
		Charges For Services And Sales	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government		
					Governmental Activities	Business- Type Activities	Total
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General government	\$ 5,268,141	\$ 6,367,086	\$ —	\$ —	\$ 1,098,945	\$ —	\$ 1,098,945
Public safety	8,543,544	158,384	67,265	—	(8,317,895)	—	(8,317,895)
Public works	3,700,926	—	461,181	—	(3,239,745)	—	(3,239,745)
Culture and recreation	2,201,170	132,180	56,712	—	(2,012,278)	—	(2,012,278)
Transportation	274,445	156,630	178,594	—	60,779	—	60,779
<b>Total Governmental Activities</b>	<b>19,988,226</b>	<b>6,814,280</b>	<b>763,752</b>	<b>—</b>	<b>(12,410,194)</b>	<b>—</b>	<b>(12,410,194)</b>
<b>Business-Type Activities</b>							
Hospital	684,234,000	675,299,000	—	—	—	(8,935,000)	(8,935,000)
Health and community center	3,205,369	2,259,163	—	—	—	(946,206)	(946,206)
Water	2,197,380	2,265,820	—	—	—	68,440	68,440
Water pollution control	7,297,210	7,313,660	—	—	—	16,450	16,450
Communications	1,521,847	1,038,037	—	—	—	(483,810)	(483,810)
<b>Total Business-Type Activities</b>	<b>698,455,806</b>	<b>688,175,680</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(10,280,126)</b>	<b>(10,280,126)</b>
<b>Total Primary Government</b>	<b>\$ 718,444,032</b>	<b>\$ 694,989,960</b>	<b>\$ 763,752</b>	<b>\$ —</b>	<b>(12,410,194)</b>	<b>(10,280,126)</b>	<b>(22,690,320)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property tax					2,555,527	—	2,555,527
Franchise taxes					2,424,750	—	2,424,750
Sales taxes					9,071,570	—	9,071,570
Other taxes					2,091,032	—	2,091,032
Gaming/unrestricted					9,324,703	—	9,324,703
Investment earnings					329,937	25,943,830	26,273,767
Miscellaneous					2,660,407	1,340,539	4,000,946
<b>Transfers</b>					<b>(4,289,329)</b>	<b>4,289,329</b>	<b>—</b>
<b>Total General Revenues And Transfers</b>					<b>24,168,597</b>	<b>31,573,698</b>	<b>55,742,295</b>
<b>Change In Net Position</b>					<b>11,758,403</b>	<b>21,293,572</b>	<b>33,051,975</b>
<b>Net Position - Beginning Of Year</b>					<b>143,373,575</b>	<b>713,108,957</b>	<b>856,482,532</b>
<b>Net Position - End Of Year</b>					<b>\$ 155,131,978</b>	<b>\$ 734,402,529</b>	<b>\$ 889,534,507</b>

# CITY OF NORTH KANSAS CITY, MISSOURI

## BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2021

	General	Gaming Revenue	Nonmajor Governmental Funds	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 15,617,135	\$ 28,525,048	\$ 9,636,649	\$ 53,778,832
Investments	3,693,784	6,730,066	2,281,273	12,705,123
Receivables, net of allowance for uncollectibles:				
Taxes	1,620,989	—	2,726,858	4,347,847
Accounts	1,334,593	4,825	3,865	1,343,283
Accrued interest	11,370	20,686	6,224	38,280
Due from other governmental units	—	518,906	394,887	913,793
Prepaid items	104,088	—	41,334	145,422
Property held for resale	—	—	417,424	417,424
Current portion of restricted and designated assets	202,196	—	—	202,196
<b>Total Assets</b>	<b>\$ 22,584,155</b>	<b>\$ 35,799,531</b>	<b>\$ 15,508,514</b>	<b>\$ 73,892,200</b>
<b>Liabilities</b>				
Accounts payable and accrued expenditures	\$ 627,276	\$ 444,459	\$ 1,082,949	\$ 2,154,684
Payable from restricted assets, court bonds	30,705	—	—	30,705
<b>Total Liabilities</b>	<b>657,981</b>	<b>444,459</b>	<b>1,082,949</b>	<b>2,185,389</b>
<b>Deferred Inflows Of Resources</b>				
Property taxes	1,620,989	—	2,657,263	4,278,252
<b>Fund Balances</b>				
Nonspendable:				
Prepaid items	104,088	—	41,334	145,422
Property held for resale	—	—	417,424	417,424
Restricted:				
Capital projects	—	—	5,927,319	5,927,319
Bridges and streets	—	—	2,453,268	2,453,268
Public safety training programs	11,822	—	—	11,822
City beautification	190,374	—	—	190,374
Assigned:				
Culture and recreation	—	—	2,897,653	2,897,653
Fire and police pension	—	—	31,304	31,304
Capital projects and redevelopment	—	35,355,072	—	35,355,072
Health	153,386	—	—	153,386
Other purposes	—	—	—	—
Unassigned	19,845,515	—	—	19,845,515
<b>Total Fund Balances</b>	<b>20,305,185</b>	<b>35,355,072</b>	<b>11,768,302</b>	<b>67,428,559</b>
<b>Total Liabilities, Deferred Inflows And Fund Balances</b>	<b>\$ 22,584,155</b>	<b>\$ 35,799,531</b>	<b>\$ 15,508,514</b>	<b>\$ 73,892,200</b>

**CITY OF NORTH KANSAS CITY, MISSOURI**

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**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES**

**September 30, 2021**

**Total Fund Balance - Governmental Funds** \$ 67,428,559

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 81,445,874

Long-term liabilities (compensated absences) are not due and payable in the current period and, therefore, are not reported in the funds. (1,994,427)

The net pension assets reported in the governmental activities is not a current financial resource and therefore is not reported in the funds. 19,537,902

Pension related deferred outflows and deferred inflows of resources represent a consumption or acquisition of net position in future periods and therefore are not reported in the funds in the current year and, therefore, are not reported in the governmental funds.

Deferred outflows of resources - pension related amounts 1,562,445

Deferred inflows of resources - pension related amounts (12,848,375)

**Total Net Position - Governmental Activities** \$ 155,131,978

**CITY OF NORTH KANSAS CITY, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For The Year Ended September 30, 2021**

	General	Gaming Revenue	Nonmajor Governmental Funds	Total
<b>Revenues</b>				
Taxes	\$ 10,860,827	\$ —	\$ 5,282,052	\$ 16,142,879
Intergovernmental	528,446	—	373,936	902,382
Licenses and permits	2,132,703	—	—	2,132,703
Charges for services	1,207,361	—	177,840	1,385,201
Fines and forfeitures	162,277	—	—	162,277
Gaming	2,485,704	6,838,999	—	9,324,703
Investment earnings	89,076	192,285	48,446	329,807
Miscellaneous	575,619	247,518	1,837,268	2,660,405
<b>Total Revenues</b>	<b>18,042,013</b>	<b>7,278,802</b>	<b>7,719,542</b>	<b>33,040,357</b>
<b>Expenditures</b>				
Current:				
General government	2,658,764	17,489	1,343,788	4,020,041
Public safety	11,605,695	64,621	—	11,670,316
Public works	999,035	—	1,201,379	2,200,414
Culture and recreation	—	—	1,800,745	1,800,745
Transportation	—	—	274,445	274,445
Interdepartmental	1,001,753	—	—	1,001,753
Capital outlay	—	1,990,315	1,888,622	3,878,937
<b>Total Expenditures</b>	<b>16,265,247</b>	<b>2,072,425</b>	<b>6,508,979</b>	<b>24,846,651</b>
<b>Revenues Over Expenditures</b>	<b>1,776,766</b>	<b>5,206,377</b>	<b>1,210,563</b>	<b>8,193,706</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	—	—	2,995,601	2,995,601
Transfers in	—	1,164,165	1,187,852	2,352,017
Transfers out	—	(5,741,346)	(900,000)	(6,641,346)
<b>Total Other Financing Uses</b>	<b>—</b>	<b>(4,577,181)</b>	<b>3,283,453</b>	<b>(1,293,728)</b>
<b>Net Change In Fund Balances</b>	<b>1,776,766</b>	<b>629,196</b>	<b>4,494,016</b>	<b>6,899,978</b>
<b>Fund Balances - Beginning Of Year</b>	<b>18,528,419</b>	<b>34,725,876</b>	<b>7,274,286</b>	<b>60,528,581</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 20,305,185</b>	<b>\$ 35,355,072</b>	<b>\$ 11,768,302</b>	<b>\$ 67,428,559</b>

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## CITY OF NORTH KANSAS CITY, MISSOURI

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### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For The Year Ended September 30, 2021

**Net Change In Fund Balances - Total Governmental Funds** \$ 6,899,978  
Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays 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. The following is the detail of the amount by which capital outlays exceeded depreciation in the current year: 3,746,661

Depreciation			
General government	\$	(112,574)	
Public safety		(1,183,447)	
Public works		(1,514,888)	
Culture and recreation		<u>(411,606)</u>	(3,222,515)

The effect of various transactions involving capital assets such as sales, trade-ins, donations and disposals:  
    Loss on disposal of capital assets (17,470)

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

Changes in compensated absences:			
General government		15,973	
Public safety		118,199	
Public works		14,376	
Culture and recreation		<u>11,181</u>	159,729

Pension Expense			
Public safety			<u>4,192,020</u>

**Change In Net Position Of Governmental Activities** \$ 11,758,403

# CITY OF NORTH KANSAS CITY, MISSOURI

## STATEMENT OF NET POSITION ENTERPRISE FUNDS September 30, 2021

	Hospital	Nonmajor Enterprise Funds	Total
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 52,192,000	\$ 11,691,405	\$ 63,883,405
Investments	—	2,377,272	2,377,272
Current portion of designated assets	2,619,000	—	2,619,000
Receivables, net of allowance for uncollectibles of \$19,066,000:			
Accounts	72,006,000	1,025,597	73,031,597
Reimbursements	—	—	—
Special assessments	—	144,792	144,792
Accrued interest	—	7,308	7,308
Inventory	10,384,000	32,462	10,416,462
Prepays	11,437,000	53,466	11,490,466
<b>Total Current Assets</b>	<b>148,638,000</b>	<b>15,332,302</b>	<b>163,970,302</b>
Noncurrent Assets:			
Designated assets:			
Cash and cash equivalents	13,195,000	—	13,195,000
Investments	367,709,000	—	367,709,000
Other assets	1,120,000	—	1,120,000
Investment in joint ventures	6,875,000	—	6,875,000
Receivables, special assessments	—	906,519	906,519
Net pension asset	43,142,000	1,611,081	44,753,081
Capital assets, nondepreciable	10,039,746	2,152,781	12,192,527
Capital assets, net depreciable	306,541,254	34,496,678	341,037,932
<b>Total Noncurrent Assets</b>	<b>748,622,000</b>	<b>39,167,059</b>	<b>787,789,059</b>
<b>Total Assets</b>	<b>897,260,000</b>	<b>54,499,361</b>	<b>951,759,361</b>
<b>Deferred Outflows Of Resources</b>			
Pension related amounts	39,073,000	123,282	39,196,282
<b>Total Deferred Outflows Of Resources</b>	<b>39,073,000</b>	<b>123,282</b>	<b>39,196,282</b>
<b>Liabilities</b>			
Current Liabilities:			
Accounts payable and accrued expenses	22,912,000	3,728,402	26,640,402
Compensated absences	47,573,000	11,165	47,584,165
Estimated reimbursement payable	49,377,000	—	49,377,000
Current portion of revenue bonds, notes payable and capital lease payable	3,881,000	—	3,881,000
Current portion of reserve for liability risks	2,619,000	—	2,619,000
<b>Total Current Liabilities</b>	<b>126,362,000</b>	<b>3,739,567</b>	<b>130,101,567</b>
Noncurrent Liabilities:			
Compensated absences	—	174,912	174,912
Reserve for liability risks	5,357,000	—	5,357,000
Other noncurrent liabilities	18,276,000	—	18,276,000
Revenue bonds, notes payable and capital lease payable	64,464,000	—	64,464,000
<b>Total Noncurrent Liabilities</b>	<b>88,097,000</b>	<b>174,912</b>	<b>88,271,912</b>
<b>Total Liabilities</b>	<b>214,459,000</b>	<b>3,914,479</b>	<b>218,373,479</b>
<b>Deferred Inflows Of Resources</b>			
Pension related amounts	37,243,000	936,635	38,179,635
<b>Total Deferred Inflows Of Resources</b>	<b>37,243,000</b>	<b>936,635</b>	<b>38,179,635</b>
<b>Net Position</b>			
Net investment in capital assets	247,592,000	36,649,459	284,241,459
Restricted for:			
Donor purposes	43,594,000	—	43,594,000
Unrestricted	393,445,000	13,122,070	406,567,070
<b>Total Net Position</b>	<b>\$ 684,631,000</b>	<b>\$ 49,771,529</b>	<b>\$ 734,402,529</b>



# CITY OF NORTH KANSAS CITY, MISSOURI

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION ENTERPRISE FUNDS

For The Year Ended September 30, 2021

	<b>Hospital</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for services	\$ 633,105,000	\$ 12,876,680	\$ 645,981,680
Other operating revenues	42,194,000	—	42,194,000
<b>Total Operating Revenues</b>	<b>675,299,000</b>	<b>12,876,680</b>	<b>688,175,680</b>
<b>Operating Expenses</b>			
Personal services	386,399,000	947,978	387,346,978
Contractual services	84,403,000	7,779,404	92,182,404
Materials and supplies	182,096,000	2,785,594	184,881,594
Depreciation and amortization	28,594,000	2,708,830	31,302,830
<b>Total Operating Expenses</b>	<b>681,492,000</b>	<b>14,221,806</b>	<b>695,713,806</b>
<b>Operating Expense</b>	<b>(6,193,000)</b>	<b>(1,345,126)</b>	<b>(7,538,126)</b>
<b>Nonoperating Revenues (Expenses)</b>			
Other revenue	1,309,000	31,539	1,340,539
Other expenses	(1,242,000)	—	(1,242,000)
Investment earnings	25,854,000	89,830	25,943,830
Interest expense	(1,315,000)	—	(1,315,000)
<b>Total Nonoperating Revenues</b>	<b>24,606,000</b>	<b>121,369</b>	<b>24,727,369</b>
<b>Income (Loss) Before Transfers And Capital Contributions</b>	<b>18,413,000</b>	<b>(1,223,757)</b>	<b>17,189,243</b>
<b>Transfers</b>	<b>—</b>	<b>4,289,329</b>	<b>4,289,329</b>
<b>Capital Contributions</b>	<b>(185,000)</b>	<b>—</b>	<b>(185,000)</b>
<b>Change In Net Position</b>	<b>18,228,000</b>	<b>3,065,572</b>	<b>21,293,572</b>
<b>Net Position - Beginning Of Year</b>	<b>666,403,000</b>	<b>46,705,957</b>	<b>713,108,957</b>
<b>Net Position - End Of Year</b>	<b>\$ 684,631,000</b>	<b>\$ 49,771,529</b>	<b>\$ 734,402,529</b>

# CITY OF NORTH KANSAS CITY, MISSOURI

## STATEMENT OF CASH FLOWS ENTERPRISE FUNDS For The Year Ended September 30, 2021

	<u>Hospital</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
<b>Cash Flows From Operating Activities</b>			
Receipts from customers and users	\$ 628,230,000	\$ 12,946,596	\$ 641,176,596
Payments to suppliers	(260,712,000)	(8,732,862)	(269,444,862)
Payments to employees	(387,811,000)	(1,293,501)	(389,104,501)
Other receipts	42,567,000	—	42,567,000
<b>Net Cash Provided By Operating Activities</b>	<b>22,274,000</b>	<b>2,920,233</b>	<b>25,194,233</b>
<b>Cash Flows From Noncapital Financing Activities</b>			
Proceeds from noncapital gifts and grants	1,147,000	—	1,147,000
Proceeds from interfund accounts	—	4,289,329	4,289,329
<b>Net Cash Provided By Noncapital Financing Activities</b>	<b>1,147,000</b>	<b>4,289,329</b>	<b>4,289,329</b>
<b>Cash Flows From Capital And Related Financing Activities</b>			
Purchases of capital assets	(32,924,000)	(9,896,962)	(42,820,962)
Interest payments	(1,315,000)	—	(1,315,000)
Principal payments on debt	(22,506,000)	—	(22,506,000)
Proceeds from sale of capital assets	—	31,539	31,539
Proceeds from issuance of capital debt	47,000,000	—	47,000,000
Proceeds from sale of property, plant and equipment	20,000	—	20,000
Payment of financing costs	(463,000)	—	(463,000)
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(10,188,000)</b>	<b>(9,865,423)</b>	<b>(20,073,423)</b>
<b>Cash Flows From Investing Activities</b>			
Interest and dividends received	5,743,000	82,920	5,825,920
Contribution expense	(779,000)	—	(779,000)
Purchase of investments	(85,819,000)	189,070	(85,629,930)
Proceeds from sale of investments	61,116,000	10,396,544	71,512,544
Distribution to minority owner	(185,000)	—	(185,000)
Change in other assets and liabilities	(1,468,000)	—	(1,468,000)
Net Distributions/Contributions to/from investees	3,259,000	—	3,259,000
<b>Net Cash Provided by (Used In) Investing Activities</b>	<b>(18,133,000)</b>	<b>10,668,534</b>	<b>(7,464,466)</b>
<b>Increase In Cash And Cash Equivalents</b>	<b>(4,900,000)</b>	<b>8,012,673</b>	<b>1,945,673</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>70,287,000</b>	<b>3,678,732</b>	<b>73,965,732</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 65,387,000</b>	<b>\$ 11,691,405</b>	<b>\$ 75,911,405</b>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating loss	\$ (6,193,000)	\$ (1,345,126)	\$ (7,538,126)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation and amortization	28,594,000	2,708,830	31,302,830
Loss on sale of capital assets	373,000	—	373,000
Changes in assets and liabilities:			
Receivables	(8,104,000)	69,916	(8,034,084)
Inventory	7,082,000	—	7,082,000
Prepaid items and other	(2,684,000)	20,425	(2,663,575)
Net pension asset/liability	(18,548,000)	(1,418,432)	(19,966,432)
Deferred outflows of resources	(1,761,000)	177,927	(1,583,073)
Deferred inflows of resources	16,038,000	894,177	16,932,177
Accounts payable and accrued expenses	894,000	1,811,711	2,705,711
Compensated absences	2,859,000	805	2,859,805
Reserve for liability risk	495,000	—	495,000
Estimated reimbursements payable	3,229,000	—	3,229,000
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 22,274,000</b>	<b>\$ 2,920,233</b>	<b>\$ 25,194,233</b>
<b>Schedule Of Noncash Items</b>			
Note and capital lease obligations incurred for capital assets	\$ —	\$ —	\$ —
Property and equipment purchases included in accounts payable	583,000	—	583,000

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**CITY OF NORTH KANSAS CITY, MISSOURI**

**STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
September 30, 2021**

**Assets**

Investments:

Vanguard Funds	\$ 98,392,899
Fixed Income Funds	60,690,421
International Equity	73,047,677
Schwab Total Stock Market Fund	157,702,689
Real Estate fund	7,741,054
Money market mutual funds	7,742,460
Receivables, accrued interest and dividends	10
<b>Total Assets</b>	<u>405,317,211</u>

**Net Position Restricted For Pensions**

\$ 405,317,211

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**CITY OF NORTH KANSAS CITY, MISSOURI**

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**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS**

**For The Year Ended September 30, 2021**

**Additions**

**Contributions:**

Employer	\$ 13,153,337
Plan member deposits	181,981
<b>Total Contributions</b>	<u>13,335,318</u>

**Investment Income**

Net appreciation in fair value of investments	54,342,625
Interest and dividends	7,024,380
Investment expenses	(100,000)
<b>Net Investment Income</b>	<u>61,267,005</u>

<b>Total Additions</b>	<u>74,602,323</u>
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**Deductions**

Benefits	28,302,839
Administrative expenses	467,680
<b>Total Deductions</b>	<u>28,770,519</u>

<b>Change In Net Position</b>	45,831,804
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<b>Net Position Restricted For Pensions - Beginning Of Year</b>	<u>359,485,407</u>
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<b>Net Position Restricted For Pensions - End Of Year</b>	<u><u>\$ 405,317,211</u></u>
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# CITY OF NORTH KANSAS CITY, MISSOURI

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## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2021

### 1. **Reporting Entity, Basis Of Presentation, Measurement Focus And Basis Of Accounting And Summary Of Significant Accounting Policies**

The following is a summary of significant accounting policies employed in the preparation of these financial statements.

#### **Reporting Entity**

The City of North Kansas City, Missouri (the City) was incorporated in 1912 and covers an area of approximately 4.6 square miles in Clay County, Missouri. The City is a city of the third class and operates under the Mayor-Council-Administrator form of government. The City provides services to its residents in many areas, including law enforcement, fire protection, medical services, paramedic services, water and sewer services, community enrichment and development and various social services. Educational services are provided by the North Kansas City School District, all of which are separate government entities.

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the City is financially accountable. The City has also considered all other potential organizations for which the nature and significance of their relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and (1) the ability of the City to impose its will on that organization or (2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the City. Based on these criteria, the City has one component unit: The Industrial Development Authority of the City of North Kansas City, Missouri. This component unit is blended in the financial information of the City because the governing body is substantially the same and the City has operational responsibility for it. Though the North Kansas City Hospital (the Hospital) has a separate Board of Trustees that is appointed by the City's Mayor and City Council, the Hospital does not meet the definition of a legally separate entity as defined by the Codification of GASB. Therefore, the Hospital is considered part of the City (primary government) and its financial data is included with the financial data of the City as an enterprise fund. Separate audited financial statements for the Hospital are available by contacting the Chief Financial Officer at 2800 Clay Edwards Drive, North Kansas City, Missouri 64116.

### **Basis Of Presentation**

Government-wide and fund financial statements: The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund accounting: The accounts of the City are organized on the basis of funds, 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, reserves, fund balance/net position, revenues and expenditures or expenses, as appropriate. The City has the following funds:

### **Governmental Fund Types**

Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as “fund balance.” The measurement focus is based upon determination of changes in financial position, rather than upon net income determination.

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (*Continued*)

The following are the City's major governmental funds:

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

*Gaming Revenue:* A capital projects fund that accounts for monies related to gaming revenue that is largely used for the acquisition and construction of capital facilities, development projects and other capital assets. This fund is presented as a major fund for public interest purposes.

The other governmental funds of the City are considered nonmajor and are as follows:

*Special Revenue Funds:* Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than debt service or capital projects) that are restricted or committed to expenditures for specific projects.

Convention and Tourism Tax: Established solely for the purpose of funding the promotion of tourism and infrastructure improvements, which is funded primarily with restricted property taxes.

Parks and Recreation: Established to account for the activities of the Park Board which administers the operation of all City parks, which is funded primarily with restricted property taxes.

Public Library: Established to account for the activities of the Library Board which administers the operations of the City's free library, which is funded primarily with restricted property taxes.

Transportation Sales Tax: Established to account for the activities related to transportation sales tax, other specifically designated state taxes and expenditures related to transportation.

Fire and Police Pension Tax: Established to account for the collections of property tax used to fund a portion of the City's contributions to the City of North Kansas City Police Officers and Firefighters Retirement Fund, which provides retirement benefits to the City's police and fire employees.

## **CITY OF NORTH KANSAS CITY, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

*Capital Projects Funds:* The Capital Projects Funds are used to account for all resources that are restricted, committed or assigned to expenditures for capital outflows, including the acquisition and construction of capital facilities and other capital assets, with the exception of those that are financed through proprietary funds.

Capital Projects: Established to account for certain taxes and other funds that are used for the acquisition and construction of capital facilities, projects and other capital assets.

### **Proprietary Fund Types**

Proprietary fund types are used to account for a government's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is based upon income determination, financial position and cash flows.

**Enterprise Funds:** Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the City has decided the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The following is the City's major enterprise fund:

Hospital: Established to account for the activities of the City-owned hospital. Revenue is derived mainly from user charges or third-party reimbursements. The Hospital enterprise fund is a June 30 year-end and has been included based on its June 30, 2021 year-end.

The other enterprise funds of the City are considered non major and are as follows:

Health and Community Center: Accounts for the activities related to the operations of the City's Health and Community Center.

Water: Accounts for activities of the City's water production and distribution system. Revenues are derived mainly from water service and installation charges.

Water Pollution Control: Accounts for the activities of the wastewater and sewage collection. Revenue is derived mainly from sewer users' service charges and fees.

Communications: Accounts for the activities of the City's internet utility. The revenue for this fund will be derived from internet service charges and interfund transfers as needed.



### **Fiduciary Fund Types**

Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City has the following fiduciary fund type:

*Pension Trust Funds:* Are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Plan member and employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The Pension Trust Funds account for the assets of the City's public safety employees and Hospital plans. The Hospital plan is a December 31 year-end and has been included based on its December 31, 2020 year-end.

Hospital Pension: Provides pensions and benefits to employees of the City-owned hospital for the North Kansas City Hospital Retirement Plan.

Police and Fire Retirement: Provides pensions and benefits to the post-certified police officers and firefighters of the City.

### **Measurement Focus And Basis Of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions and claims and judgments, are recorded only when payment is due.

## **CITY OF NORTH KANSAS CITY, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, fines and forfeitures, charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. The current taxes receivable represent the 2021 levy plus any uncollected amounts from prior years' levies.

Property taxes that are not available for current year operations are reported as deferred inflows of resources. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied each September 1 on the assessed value as of the prior January 1. Property taxes are billed in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all real property for which taxes are unpaid.

Taxes receivable represent property, sales and franchise taxes, including interest and penalties, reduced by an appropriate allowance for uncollectible taxes.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided; 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Summary Of Significant Accounting Policies**

The significant accounting policies followed by the City include the following:

**Cash And Pooled Cash Investments**

Except where otherwise required, the City maintains all deposits in a bank account in the name of the City. These deposits are invested on a short-term basis with interest income being allocated to the funds based on their respective balance.

**Investments**

Investments, except for money market funds, are reported at fair value. Money market funds are reported at amortized cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same—that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between the market and participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. Purchases and sales of securities are recorded on a trade-date basis. See Note 2 for additional information regarding fair value measures.

**Statement Of Cash Flows**

For purposes of the statement of cash flows for proprietary fund type funds, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

**Accounts Receivable**

Accounts receivable result primarily from miscellaneous services provided to citizens and are accounted for in the General Fund. Hospital services are accounted for in the Hospital Fund and water, sewer and internet services are accounted for in the Water Fund, Water Pollution Control Fund and the Communications Fund, respectively. All are net of an allowance for uncollectible accounts. The City records as accounts receivable in the water and water pollution control, nonmajor enterprise funds, the amount of earned, but unbilled revenue for these funds determined by prorating actual subsequent billings.

**Special Assessments Receivable**

Special assessments are levied against certain property owners benefited by the Paseo Industrial District project. Special assessments receivable consist of assessments due over the next 20 years in relation to this project, which was completed during the year ended September 30, 2009.

**Inventory**

Consists of medical and water purification supplies in the enterprise funds and are stated at cost (first-in, first-out). The costs of governmental fund type inventories are recorded as expenditures when purchased.

**Capital Assets**

Capital assets include land, buildings, improvements, equipment and infrastructure, and they are reported in the applicable governmental or business-type activities columns in the government- wide financial statements and the enterprise fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an initial useful life of two years or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. As a result of the adoption of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of the Construction Period*, no interest costs were capitalized in the current year and none will be capitalized going forward.

Depreciation has been provided over the estimated useful lives using the straight-line, half-year convention method. The estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Equipment	3 - 10 years
Infrastructure	10 - 50 years

The City's collection of works of art, library books and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to City policy that requires proceeds from the sale of these items to be used to acquire other collection items.

**Property Held For Resale**

Property held for resale consists of the Northgate Village Property. The City intends to sell specified tracts to developers for building. The property is currently accounted for as an asset in the Capital Projects Fund and is valued at the lower of historical cost or fair value, and as assigned fund balance.

**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) until then. The deferred outflow item consists of unrecognized items not yet charged to pension expense related to the net pension liability (asset) and contributions paid by the City after the measurement date but before the end of the City's reporting period. Additionally, the City recognizes a deferred outflow due to other postemployment benefit related items not yet charged to expense.

**Deferred Inflows Of Resources**

In addition to liabilities, the financial statements 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.

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.

In the City's government-wide statements, the property tax revenues remain as a deferred inflow of resources and will become an inflow in the year for which the taxes are levied. The City's government-wide statements also include the unamortized portion of the difference between expected and actual experience, changes in assumptions and the change in proportion and differences between the City's contributions and proportionate share of contributions all related to the net pension liability (asset). Additionally, the City recognizes a deferred inflow due to other postemployment benefit related items not yet charged to expense.

**Pensions**

For purposes of measuring the net pension liability or asset, deferred inflows/outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pensions have been determined on the same basis as they are reported by the pension plans. 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.

**Reimbursements Receivable And Payable**

The Hospital records reimbursements receivable from third party payers of medical services. The Hospital records estimated reimbursements payable to reflect the estimated amount due for Medicare disproportionate share reimbursements required by Medicare.

**Interfund Transactions**

Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended are separately reported as other financing sources/uses in the respective funds' operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/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."

### **Compensated Absences**

Under terms of the City's personnel policy (excluding the Hospital), City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days up to the maximum accruable of one and one-half times the annual amount earned, and accumulated sick leave of 50 percent of the maximum accruable (six months for all employees except firemen and nine months for firemen). Prior to 1991, no "cap" was in place for accumulated sick leave. All employees who had accrued sick leave in excess of the implemented cap were allowed to keep their accrued hours and will be paid 50 percent of this sick leave upon termination. Sick leave hours are used on a last-in, first-out basis.

Hospital policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits, and are earned whether the employee is expected to realize the benefit as time off or in cash. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the termination payment method. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned but not yet realized.

For proprietary fund types, these accumulations are recorded as expenses and liabilities of the appropriate fund in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid vacation and sick leave which is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations. Compensated absence liabilities are computed using the regular and termination pay rates in effect at the balance sheet date, plus an additional amount for compensation-related payments, such as social security and Medicare taxes computed using rates in effect at that date.

### **Fund Balance**

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.

## **CITY OF NORTH KANSAS CITY, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

*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. Amounts restricted for public safety training programs and City beautification are determined by state legislation and donor restrictions, respectively.

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

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

*Unassigned* - all other resources; the remaining fund balance after nonspendable, 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 by City Council to establish, modify or rescind a fund balance commitment is through the adoption of an ordinance.

For assigned fund balance, the City Council is authorized to assign amounts to a specific purpose. The authorization to assign fund balance resides with City Council.

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. Expenditures are to be spent from restricted fund balance first, followed by committed, assigned and lastly unassigned.

### **Net Position**

Represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.



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

### **Charges For Services**

The Hospital Fund reports charges for services at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

The Hospital provides care to patients who are not covered by insurance or reimbursement contracts. \$40,735,000 of lost charges from free care was considered to be charity care in the year ended June 30, 2021.

### **Use Of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **2. Deposits And Investments**

### **Authorized Investments**

The City is authorized to invest in U.S. obligations, U.S. government agency securities and instrumentalities of government-sponsored corporations, certificates of deposit and time open agreements.

The Hospital Enterprise Fund may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in money market mutual funds.

The Hospital Pension Plan and Police and Fire Retirement investments are generally not subject to limitation on the types of investments allowed.

### **Fair Value Measurements**

The City categorizes its assets and liabilities measured at fair value within the hierarchy established by generally accepted accounting principles. Assets and liabilities valued at fair value are categorized based on inputs to valuation techniques as follows:

**Level 1 Input:** Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.

**Level 2 Input:** Quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

**Level 3 Input:** Inputs that are unobservable for the asset or liability which are typically based upon the City's own assumptions as there is little, if any, related market activity.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

For the City, the following fair value techniques were utilized in measuring the fair value of its investments:

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The City does not have any Level 3 investments. Certain short term money market securities are valued at amortized cost. The City does hold one investment measured at net asset value.

# CITY OF NORTH KANSAS CITY, MISSOURI

## Notes To Basic Financial Statements (Continued)

### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy requires operating funds to be invested to coincide with projected cash flow needs.

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Hospital's investment policy limits its investment portfolio to maturities of 15 years. The money market mutual funds are presented as investments with a maturity of less than one year because they are redeemable in full immediately.

The Police and Fire Pension Plan and the Hospital Plan's investment policy do not specifically address exposure to fair value losses arising from rising interest rates.

As of September 30, 2021, the City had the following investments and maturities:

Investment Type	Investment Maturities (In Years)					No Maturity	Fair Value Hierarchy Level
	Fair Value	Less Than 1	1 To 5	6 To 10	More Than 10		
<b>Investments, excluding Hospital and Pension Trust Funds:</b>							
U.S. Treasury Bonds and Notes	\$ 10,081,280	\$ 10,081,280	\$ —	\$ —	\$ —	—	2
U.S. Government agencies	5,001,114	5,001,114	—	—	—	—	2
Total Investments, excluding Hospital and Pension Trust Funds	15,082,394	15,082,394	—	—	—	—	
<b>Investments, Hospital Fund</b>							
Money market mutual funds	13,195,000	13,195,000	—	—	—	—	1
Equity mutual funds	88,824,000	88,824,000	—	—	—	—	1
U.S. Treasury and agency obligations	281,504,000	47,846,000	111,673,000	103,854,000	18,131,000	—	2
Total Investments, Hospital Fund	383,523,000	149,865,000	111,673,000	103,854,000	18,131,000	—	
<b>Investments, Pension Trust Fund - Police and Fire</b>							
Mutual Funds - Equity	46,622,698	—	—	—	—	46,622,698	1
U.S. Treasury bonds and notes	3,547,579	—	—	1,504,820	2,042,759	—	1
U.S. Government Agencies	2,689,452	—	106,892	127,694	2,170,660	284,206	2
Corporate issues	9,454,187	400,254	3,346,017	5,582,050	125,866	—	2
Foreign issues	181,393	—	181,393	—	—	—	2
Municipal issues	323,646	—	—	323,646	—	—	2
Domestic Preferred Stocks	175,362	—	—	—	—	175,362	2
Total investments, Pension Trust Funds	62,994,317	400,254	3,634,302	7,538,210	4,339,285	47,082,266	
<b>Investments, Pension Trust Fund - Hospital</b>							
Money market mutual funds	7,082,108	7,082,108	—	—	—	—	1
Domestic Equity funds	157,702,688	157,702,688	—	—	—	—	1
International Equity funds	73,047,677	73,047,677	—	—	—	—	1
Fixed Income funds	95,964,029	95,964,029	—	—	—	—	1
Total investments measured at fair value	\$ 795,396,213	\$ 155,266,368	\$ 115,307,302	\$ 111,392,210	\$ 22,470,285	\$ 47,082,266	
<b>Investments measured at amortized cost</b>							
Money market funds - Police and Fire Pension	785,338						
<b>Investments measured at net asset value</b>							
Real estate fund - Police and Fire Pension	7,741,054						
Total investments	\$ 803,922,605						

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (Continued)

The following table sets forth additional disclosures of the City's investments whose fair value is estimated using net asset value per share (or its equivalent) as of September 30, 2021:

<u>Investment</u>	<u>Fair Value At September 30, 2020</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Real Estate Fund - Ballard (A)	\$ 7,741,054	\$ —	Quarterly	90 days

### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy states that investments may only be made with institutions that possess overall financial strength, capitalization and liquidity to reasonably ensure the safety and availability of such monies. Security dealers not affiliated with a bank shall be required to have an office located in Missouri and be classified as reporting dealers affiliated with the New York Federal Reserve Bank as primary dealers.

<u>Investment</u>	<u>Fair Value</u>	<u>S &amp; P Rating</u>
U.S. Treasury Bonds and Notes and Agencies	\$ 302,823,425	**
Mutual funds - Fixed Income	95,964,029	Not Rated
Money market mutual funds	21,062,446	AAAm

\*\* As of June 30, 2021, the investments in U.S. Agency obligations not directly guaranteed by the U.S. government were rated AA+ by Standard & Poor's. U.S. Treasury Bonds and Notes are explicitly guaranteed by the U.S. government and therefore have the highest rating.

### Concentration Of Credit Risk

The City's investment policy is to apply the prudent person rule: Investments shall be made with judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering probable safety of their capital as well as the probable income to be derived. In addition, no more than 50 percent of City funds shall be invested in any one U.S. Treasury bill or in one U.S. government agency security at any given time. Only 35 percent of City funds may be invested in certificates of deposit.

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (*Continued*)

The following table discloses concentrations of debt securities greater than 5 percent of total investments (grouped by City, Hospital, Hospital Pension, and Police and Fire Pension, however there were no concentrations above 5% in the Police and Fire Pension) as of September 30, 2021:

Investment Type	Concentration
City (excluding City Pension, Hospital, Hospital Pension)	
FNMA Obligations	33%
Hospital	
FHLB Obligations	11%
FNMA Obligations	9%
FHLMC Obligations	12%
Federal Farm Credit Bank Obligation	5%
Hospital Pension	
PIMCO Income Instl	13%

*Note: concentration risk does not arise in connection with U.S. government obligations and obligations explicitly guaranteed by the U.S. government, or instruments that are designed, in part, to provide diversification such as mutual funds.*

### **Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of September 30, 2021, none of the City's (excluding the Hospital) bank balances with financial institutions, including certificates of deposit, were exposed to custodial credit risk. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy states that all funds or investments purchased by the City from a qualified bank, savings and loan association or securities dealer on behalf of the City must be held in third party safekeeping by a bank designated as primary agent of the Federal Reserve Bank and may not be held in street name; they must be held in the City's name. As of September 30, 2021, the City's and the City's Police and Fire Pension Plan investments were not exposed to custodial credit risk.

At June 30, 2021, \$990,000 of the Hospital's bank balances of \$50,600,000 was exposed to custodial credit risk because they are not insured or collateralized.

Foreign currency risk: This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City itself has no investments in foreign currency. However, the Hospital Pension Plan's investment policy permits investments in international equities. All foreign equities held are denominated in U.S. dollars.

## CITY OF NORTH KANSAS CITY, MISSOURI

### Notes To Basic Financial Statements *(Continued)*

A summary of deposits and investments, along with financial statement classifications, is as follows:

Deposits	\$	117,864,434
Investments		803,922,605
		\$ 921,787,039
Cash and cash equivalents	\$	117,662,237
Current portion of restricted assets held by trustee		16,016,196
Investments		
City (not including Pension Trust Funds)		15,082,395
Pension Trust Funds		405,317,211
Restricted and designated assets:		
Investments		367,709,000
		\$ 921,787,039

### 3. Capital Assets

The following is a summary of changes in capital assets for the year ended 2021:

	Balance 2020	Additions	Retirements	Balance 2021
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 37,758,483	\$ 53,903	\$ —	\$ 37,812,386
Capital assets being depreciated:				
Buildings and improvements	38,501,344	336,171	—	38,837,515
Infrastructure	27,551,685	2,307,443	—	29,859,128
Equipment	21,603,239	1,049,144	298,753	22,353,630
Total capital assets being depreciated	87,656,268	3,692,758	298,753	91,050,273
Less: Accumulated depreciation for:				
Buildings and improvements	20,012,831	1,168,510	—	21,181,341
Infrastructure	7,584,402	1,182,912	—	8,767,314
Equipment	16,878,320	871,093	281,283	17,468,130
Total accumulated depreciation	44,475,553	3,222,515	281,283	47,416,785
Total capital assets being depreciated, net	43,180,715	470,243	17,470	43,633,488
Governmental activities capital assets, net	\$ 80,939,198	\$ 524,146	\$ 17,470	\$ 81,445,874

**CITY OF NORTH KANSAS CITY, MISSOURI**

Notes To Basic Financial Statements (*Continued*)

	Balance 2020	Additions	Retirements	Balance 2021
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 6,719,527	\$ —	\$ —	\$ 6,719,527
Construction in progress	9,978,000	5,209,000	9,714,000	5,473,000
Total capital assets, not being depreciated	16,697,527	5,209,000	9,714,000	12,192,527
Capital assets being depreciated:				
Buildings and improvements	473,581,889	23,729,403	240,000	497,071,292
Infrastructure	29,363,439	721,003	—	30,084,442
Equipment	285,049,703	23,633,746	3,072,000	305,611,449
Total capital assets being depreciated	787,995,031	48,084,152	3,312,000	832,767,183
Less: Accumulated depreciation for:				
Buildings and improvements	237,937,170	14,473,219	—	252,410,389
Infrastructure	17,268,753	1,346,777	—	18,615,530
Equipment	208,288,309	15,482,834	3,067,811	220,703,332
Total accumulated depreciation	463,494,232	31,302,830	3,067,811	491,729,251
Total capital assets being depreciated, net	324,500,799	16,781,322	244,189	341,037,932
Business-type activities capital assets, net	\$ 341,198,326	\$ 21,990,322	\$ 9,958,189	\$ 353,230,459

Depreciation expense was charged to governmental activities as follows:

<b>Governmental Activities</b>	
General government	\$ 112,574
Public safety	1,183,447
Public works	1,514,888
Culture and recreation	411,606
	\$ 3,222,515

Depreciation expense was charged to business-type activities as follows:

<b>Business-Type Activities</b>	
Hospital	\$ 28,594,000
Health and community center	489,123
Water	671,510
Water pollution control	1,087,817
Communications	460,380
	\$ 31,302,830

The Hospital leases certain building space to facilitate the Meritas health care practices under noncancelable operating leases. Rental expense was \$5,300,000 for the Hospital Enterprise Fund's year ended June 30, 2021.

During the current year, the City sold land and received proceeds of \$2,995,601. The City had no cost basis recorded in the land.

#### **4. Investment In Joint Ventures**

The Hospital is a member of a joint venture agreement with United Surgical Partners International, Inc. (USPI), whereby the Hospital owns 50.1 percent of NKCH/USPI Surgery Centers I, L.L.C., a Missouri Limited Liability Company (Joint Venture I). Joint Venture I owns 65 percent of the Total Joint Center (the Center), which USPI will operate under a management agreement. The Centers' remaining 39 percent ownership interests are divided between surgeons who practice at the Center, the Hospital and other healthcare facilities.

The Hospital is a member of a joint venture agreement with USPI, whereby the Hospital owns 49 percent of NKCH/USPI Surgery Centers II, L.L.C., a Missouri Limited Liability Company (Joint Venture II). Joint Venture II owns approximately 58 percent of three surgery centers, which USPI will operate under a management agreement. The surgery centers' remaining ownership interests are divided between the surgeons who practice at the respective surgery centers, the Hospital and other health care facilities.

During the year ended June 30, 2010, the Hospital and St. Luke's Health System acquired Heart Surgeons of Kansas City. The Hospital has a 50 percent net ownership interest in the Heart Surgeons of Kansas City through February 2020 when the Hospital terminated the membership interest in Heart Surgeons of Kansas City. The Hospital funds approximately 20 percent of the operating deficits of Heart Surgeons of Kansas City through the date of its termination of its relationship.

During the year ended June 30, 2011, the Hospital formed North Kansas City Hospital Ortho-Spine Co- Management Company, LLC. The Hospital has a 26 percent net ownership interest in the organization.

The outflow for capital contributions in the Hospital Fund represent the net of contributions from and distributions to a minority owner within the Hospital Fund.



## CITY OF NORTH KANSAS CITY, MISSOURI

### Notes To Basic Financial Statements (Continued)

#### 5. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended 2021:

	Balance - October 1, 2020	Additions	Retirements	Balance - September 30, 2021	Due Within One Year
<b>Governmental Activities</b>					
Compensated absences	\$ 2,154,155	\$ 43,355	\$ 203,083	\$ 1,994,427	\$ 119,665
<b>Business-Type Activities</b>					
Revenue bonds					
2013A Hospital revenue bonds	\$ 17,548,000	\$ —	\$ 17,548,000	\$ —	\$ —
2013B Hospital revenue bonds	19,133,000	—	1,151,000	17,982,000	1,188,000
2020 Hospital revenue bonds	—	47,000,000	—	47,000,000	—
Total revenue bonds	36,681,000	47,000,000	18,699,000	64,982,000	1,188,000
Notes payable	77,000	—	77,000	—	—
Capital lease	7,093,000	—	3,730,000	3,363,000	2,693,000
Compensated absences	44,719,272	47,759,077	44,719,272	47,759,077	47,584,165
	51,889,272	47,759,077	48,526,272	51,122,077	50,277,165
<b>Total Primary Government</b>	<b>\$ 90,724,427</b>	<b>\$ 94,802,432</b>	<b>\$ 67,428,355</b>	<b>\$ 118,098,504</b>	<b>\$ 51,584,830</b>

The accrued compensated absences attributable to the governmental activities are generally liquidated by the General Fund.

#### Hospital Revenue Bonds

On December 1, 2013, the Series 2003A and 2008 bonds were refunded by the City with the issuance of the Series 2013A and 2013B Revenue Bonds under an Indenture of Trust dated December 1, 2013 in the amount of \$35,760,000 and \$33,900,000, respectively, and bear interest at 2.0735% and 1.7%, respectively. The bonds mature in 2025. During the current year, the 2013A Revenue Bonds were paid off using existing resources. On December 1, 2020, the Series 2020 Revenue Bonds were issued under an Indenture of Trust dated December 1, 2020 in the amount of \$47,000,000 and bear interest at 1.83%. The bonds are special limited obligations of the City payable solely from, and secured as to the payment of principal and interest by a pledge of, the net income and revenues arising from the operation of the Hospital. The Indenture of Trust requires the Hospital to meet certain measures of financial performance on an annual basis and places limitations on future borrowings.

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (Continued)

Maturities of the Hospital revenue bonds are as follows:

<b>For The Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 1,188,000	\$ 1,421,000
2023	2,477,000	1,358,000
2024	2,517,000	1,296,000
2025	2,608,000	1,230,000
2026	14,292,000	936,000
2027-2031	41,900,000	9,950,000
	<u>\$ 64,982,000</u>	<u>\$ 16,191,000</u>

The Hospital purchased one building and acquired the related note payable. The note has an annual interest rate and payments of principal and interest are due monthly. Additional information about the note is as follows:

<b>Original Balance</b>	<b>Interest Rates</b>	<b>Final Maturity</b>	<b>Balloon Payment At Maturity</b>
\$ 2,931,000	5.47%	9/10/2020	\$ —

The Hospital is obligated under leases for equipment and software that are accounted for as capital leases. Assets under capital leases as of June 30, 2021 totaled \$14,483,000, which is net of accumulated depreciation of \$8,754,000. The following is a schedule by year of future minimum lease payments under the capital leases including interest at rates between 1.5 percent and of 5.2 percent together with the present value of the future minimum lease payments:

<b>For The Year Ending June 30:</b>	<b>Amount</b>
2022	\$ 2,763,000
2023	668,000
2024	17,000
2025	2,000
Less amount representing interest	(87,000)
	<u>\$ 3,363,000</u>

## **6. Designated Hospital Fund Assets**

Designated assets include assets in the Hospital Fund set aside by the Hospital Board of Trustees for future capital improvements, future development and other uses, over which the Board retains control and may at its discretion subsequently use for other purposes, and assets held by trustees under liability assumption agreements.

The Hospital has assets limited as to use for certain purposes as follows:

Designated by Board for:	
Capital improvements	\$ 374,391,000
Assumption of malpractice and general liability risks	5,975,000
Assumption of workers' compensation risks	3,157,000
	<hr/>
	\$ 383,523,000
	<hr/> <hr/>

These amounts are displayed on the balance sheet as follows:

Current portion of restricted assets held by trustee	\$ 2,619,000
Designated assets:	
Cash and cash equivalents	13,195,000
Investments	367,709,000
	<hr/>
	\$ 383,523,000
	<hr/> <hr/>

## **7. Gaming Rent Revenue**

The City has an agreement with Promus Companies to operate a riverboat casino on land owned by the City. Under the agreement, Promus Companies agreed to pay the City two percent of the casino's adjusted gross winnings with a minimum of \$2,000,000, less the City's share of taxes and fees paid with respect to the premises or the excursion gambling boats annually. The agreement expired in fiscal year 2020, however an amendment to extend the lease is in discussions, and the City will continue with the current lease terms until the next amendment is adopted. There are currently four remaining five-year options to extend the terms of the lease. The amount of rental income received by the City for the year ended September 30, 2021 was approximately \$2,485,704 and is recorded in the statement of activities within governmental activities - general government category as charges for services.

## **8. Interfund Transfers And Balances**

The following is a schedule of transfers as included in the basic financial statements of the City:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental fund, Gaming Revenue	\$ 1,164,165	\$ (5,741,346)
Other nonmajor governmental funds	1,187,852	(900,000)
Other nonmajor enterprise funds	4,553,494	(264,165)
	<u>\$ 6,905,511</u>	<u>\$ (6,905,511)</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that state or budget requires to expend them. The majority of the interfund transfers represent transfers of resources from capital projects funds to other funds for budgeted capital projects within those funds.

## **9. Retirement Systems And Pension Plans**

The City participates in three different pension plans: Missouri Local Government Employees Retirement System Plan (LAGERS), the Police and Fire Retirement Plan and the North Kansas City Hospital Pension Plan. Information about each plan is as follows:

### *Missouri Local Government Employees Retirement System (LAGERS)*

#### **General Information About The Pension 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](http://www.molagers.org).

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements *(Continued)*

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

	<u>2021 Valuation</u>
Benefit multiplier	2%
Final average salary	3 years
Member contributions	0%

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 percent per year.

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (*Continued*)

*Employees covered by benefit terms:* At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	83
Inactive employees entitled to but not yet receiving benefits	32
Active employees	<u>72</u>
	<u><u>187</u></u>

*Contributions:* The employer 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 employer do not contribute to the pension plan. The employer contribution rate for the general division is 13 percent of annual covered payroll.

*Net pension liability (asset):* The employer's net pension liability (asset) was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2021. Standard update procedures were used to roll forward the net pension liability (asset) to June 30, 2021.

*Actuarial assumptions:* The total pension liability in the February 28, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary increase	2.75% to 6.75% including wage inflation
Investment Rate of Return	7.00% net of investment expenses

The healthy retiree mortality tables, for postretirement mortality, were 115% of the PubG-2010 retiree mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were 115% of the PubNS-2010 disabled retiree mortality table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee mortality table for males and females of General groups and 75% of the PubS-2010 employee mortality table for males and females of Police, Fire and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (Continued)

The actuarial assumptions used in the February 28, 2021 valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate Of Return</u>
Equity	39.0%	4.2%
Fixed Income	28.0%	0.9%
Real assets	33.0%	2.1%

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

**CITY OF NORTH KANSAS CITY, MISSOURI**

Notes To Basic Financial Statements (*Continued*)

**Changes In The Net Pension Liability (Asset)**

Changes in the total pension liability, plan fiduciary net position and the net pension liability (asset) of LAGERS are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at September 30, 2020	\$ 30,102,796	\$ 31,127,525	\$ (1,024,729)
Changes for the year			
Service cost	521,171	—	521,171
Interest	2,145,118	—	2,145,118
Difference between expected and actual experience	(328,132)	—	(328,132)
Changes of assumption	(939,717)	—	(939,717)
Contributions - employer	—	563,471	(563,471)
Contribution - employee	—	—	
Net investment income	—	8,407,765	(8,407,765)
Benefit payments, including refunds	(1,569,423)	(1,569,423)	—
Administrative expense	—	(17,969)	17,969
Other changes	—	(9,977)	9,977
Net changes	(170,983)	7,373,867	(7,544,850)
Balances at September 30, 2021	\$ 29,931,813	\$ 38,501,392	\$ (8,569,579)

*Sensitivity of the net pension liability (asset) to changes in the discount rate:* The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.00 percent, as well as what the City's net pension liability (asset) would be using a discount rate that is 1 percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 33,585,722	\$ 29,931,813	\$ 26,871,008
Plan fiduciary net position	38,501,392	38,501,392	38,501,392
Net pension liability (asset)	\$ (4,915,670)	\$ (8,569,579)	\$ (11,630,384)



## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (Continued)

#### **Pension Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To LAGERS**

For the year ended September 30, 2021, the City recognized pension income of \$4,192,020. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows Of Resources</b>	<b>Deferred Inflows Of Resources</b>
Difference between expected and actual experience	\$ 15,048	\$ (313,598)
Changes in assumptions	—	(666,058)
Net difference between projected and actual earnings on pension plan investments	—	(4,002,444)
Employer contributions subsequent to the measurement date	120,453	—
<b>Total</b>	<b>\$ 135,501</b>	<b>\$ (4,982,100)</b>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending September 30, 2022.

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

<b>Year Ending September 30,</b>	<b>Net Deferred Inflows Of Resources</b>
2022	\$ 1,503,751
2023	1,202,345
2024	1,023,386
2025	1,237,570
2026	—
Thereafter	—
<b>Total</b>	<b>\$ 4,967,052</b>

Deferred inflows of resources 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 outflows of resources related to the difference between expected and actual investment earnings is being amortized over a closed five-year period as of the beginning of each measurement period.

**Police And Fire Retirement Plan**

*Plan description:* The City’s Police Officer’s and Fire Fighter’s Retirement Fund (the Plan) is a single employer defined benefit pension plan. It was created and established by the City under section 2.64 of the City Code to provide money for retirement, death and disability benefits for employees of the police department and fire department of the City. The Plan is administered by a Board of Trustees (Board) for the exclusive purpose of providing benefits for the members of the Plan and their spouses and other beneficiaries, except for the payment of reasonable expenses which are necessary for the operation of the Plan, in accordance with the relevant terms and provisions of the City code. The Board consists of the Mayor, the City Attorney, the City Treasurer, the Chief of Police, the Fire Chief and two members elected by participating members – one from police and one from fire. The Plan does not issue a stand-alone financial report. The Plan’s fiduciary net position as a percentage of the total pension liability is 121%.

Persons who become police officers and firefighters of the City become eligible to participate in the plan upon their employment.

At September 30, 2021, Plan membership consisted of the following:

Active employees	97
Vested terminated employees	8
Retirees, beneficiaries and contingent annuitants	<u>83</u>
	<u><u>188</u></u>

*Pension benefits:* A participant entitled to monthly pension benefit is one who has attained the normal retirement age of 55. Members may take early retirement at age 45 after 25 years of service but must retire by age 65. Benefit amounts are generally based upon a percentage not-to-exceed 60 percent of average monthly base salary during the 36 consecutive months of service that produces the highest average out of the 60 consecutive months of service that precede retirement, with certain reductions for lesser years of service. Members also are eligible for disability, pension and death benefits.

In lieu of other benefits, employee contributions will be returned with interest earned upon termination.

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (*Continued*)

*Death and disability benefits:* If a participant dies while eligible for normal retirement or after ten years of service if not eligible for early retirement, a death benefit may be paid to the participant's designated beneficiary equal to 50 percent of the amount of the retirement benefit which was payable to the participant, reduced for joint life expectancy, payable when the participant would have otherwise reached eligibility for benefits.

Any participant who becomes permanently and totally disabled, as defined by the Plan, and meets the service requirements is entitled to disability benefits based on a percentage of their average monthly salary, as defined by the Plan.

*Contributions:* The Board has the authority to establish and amend contribution requirements. The City contributes to the Plan a specific percentage of each participant's base pay. Effective April 6, 2018, the employer contribution rate was raised to 6.9 percent. The contribution rate remained unchanged through the year ended September 30, 2021.

Employees contribute to the Plan a specific percentage of participant's base pay. Effective April 6, 2018, the employee contribution rate was raised to 3.1 percent. The contribution rate remained unchanged through the year ended September 30, 2021.

The Plan terms provide for annual cost-of-living adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustments are based on the lesser of the change in the cost of living adjustment applied to increase social security benefits as of the immediately preceding December 1st or four percent.

*Net pension liability:* The City's net pension asset was measured as of September 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of October 1, 2021.

*Actuarial assumptions:* The total pension liability was determined by an actuarial valuation as of October 1, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increase	4.0%
Investment rate of return	6.5%

Mortality rates were based on the Public Safety 2010 tables projected with generational improvements using the scale MP-2020 (previously MP-2019 Blue Collar Healthy Annuitant Tables). For disabled mortality, the Healthy Annuitant Mortality Table is set forward five years.

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (*Continued*)

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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. Best estimates arithmetic real rates of return for each major asset class included in the Plan's target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	25%	2.0%
Equity securities	65%	5.5%
Real estate	10%	3.5%
	<u>100%</u>	

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ending September 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 21.22 percent.

*Discount rate:* The discount rate used to measure the total pension liability was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF NORTH KANSAS CITY, MISSOURI**

Notes To Basic Financial Statements (*Continued*)

**Changes In The Net Pension Liability**

Changes in the total pension liability, plan fiduciary net position and the net pension liability of the City's Police and Fire Pension Plan are as follows:

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension (Asset) (a) - (b)</b>
Balance at September 30, 2020	\$ 57,182,653	\$ 60,835,153	\$ (3,652,500)
Changes for the year			
Service cost	1,095,551	—	1,095,551
Interest	3,680,174	—	3,680,174
Difference between expected and actual experience	583,288	—	583,288
Contributions - employer	—	1,164,944	(1,164,944)
Contributions - employee	—	181,981	(181,981)
Net investment income	—	12,828,467	(12,828,467)
Benefit payments, including refunds	(3,320,284)	(3,320,284)	—
Administrative expense	—	(169,552)	169,552
Changes of Assumptions	(280,076)	—	(180,477.0)
Other changes	—	—	—
Net changes	1,758,653	10,685,556	(8,926,903)
Balance at September 30, 2021	\$ 58,941,306	\$ 71,520,709	\$ (12,579,403)

*Sensitivity of the net pension liability (asset) to changes in the discount rate:* The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.5 percent, as well as what the City's net pension (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (5.5 percent) or one percentage point higher (7.5 percent) than the current rate:

	<b>1% Decrease (5.5%)</b>	<b>Discount Rate (6.5%)</b>	<b>1% Increase (7.5%)</b>
City's net pension liability (asset)	\$ (5,794,992)	\$ (12,579,403)	\$ (18,243,536)

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (Continued)

#### **Pension Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Police And Fire Pension**

For the year ended September 30, 2021, the City recognized pension income of \$1,505,631. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows Of Resources</b>	<b>Deferred Inflows Of Resources</b>
Differences in experience	\$ 802,965	\$ 546,719
Changes in assumptions	747,261	618,533
Difference between expected and actual investment earnings	—	7,637,658
<b>Total</b>	<b>\$ 1,550,226</b>	<b>\$ 8,802,910</b>

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

<b>Years Ending September 30,</b>	<b>Amount</b>
2022	\$ (1,630,663)
2023	(1,843,559)
2024	(2,041,334)
2025	(1,737,128)
2026	—
Thereafter	—
<b>Total</b>	<b>\$ (7,252,684)</b>

Deferred inflows of resources 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 outflows of resources related to the difference between expected and actual investment earnings is being amortized over a closed five-year period as of the beginning of each measurement period.

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (Continued)

Statements of fiduciary net position and changes in fiduciary net position of the Police and Fire Pension Fund as of and for the year ended September 30, 2021:

<b>Assets</b>	
Cash and cash equivalents	\$ 660,352
Investments	70,860,357
<b>Total Assets</b>	<u>71,520,709</u>
<b>Net Position Restricted For Pensions</b>	<u>\$ 71,520,709</u>
<b>Additions</b>	
Contributions	
Employer	\$ 1,164,944
Member	181,981
<b>Total contributions</b>	<u>1,346,925</u>
Investment income	
Net increase in fair value of investments	12,023,410
Interest and dividends	805,057
<b>Total investment income</b>	<u>12,828,467</u>
<b>Total Additions</b>	<u>14,175,392</u>
<b>Deductions</b>	
Benefits	3,320,284
Administrative expenses	169,552
<b>Total Deductions</b>	<u>3,489,836</u>
<b>Change In Net Position</b>	10,685,556
<b>Net Position Restricted For Pensions - Beginning Of Year</b>	<u>60,835,153</u>
<b>Net Position Restricted For Pensions - End Of Year</b>	<u>\$ 71,520,709</u>

### North Kansas City Hospital Pension Plan

#### Plan Description

The Hospital contributes to the North Kansas City Hospital Retirement Plan (the Hospital Plan) a single employer noncontributory defined benefit pension plan which covers substantially all employees of the North Kansas City Hospital (NKCH) and certain employees of Meritas. The Hospital provides retirement, disability and death benefits to plan members and beneficiaries. The Hospital Plan is administered by the Retirement Committee which consists of the Chief Executive officer, Chief Financial Officer and Vice President of Human Resources of NKCH. The Hospital Plan issues a publicly available financial report that includes financial statements and required supplementary information (RSI) for the pension plan. That report may be obtained by writing to Attention: Chief Financial Officer, North Kansas City Hospital, 2800 Clay Edwards Drive, North Kansas City, Missouri 64116.

## CITY OF NORTH KANSAS CITY, MISSOURI

### Notes To Basic Financial Statements (*Continued*)

*Benefits provided:* The Plan was amended and restated as of May 1, 2019. The amendment and restatement modified the benefits available to participants. The Plan was changed to provide for a cash balance benefit beginning May 1, 2019. No change in benefits occurred for certain participants in the Plan who met specific requirements. All other eligible participants in the Plan retained benefits earned under the previous traditional defined benefit formula through April 30, 2019 and began accruing benefits under the new cash balance formula beginning May 1, 2019. Eligible participants who entered the Plan on or after May 1, 2019, will earn benefits under a cash balance formula.

Under the terms of the cash balance benefit, the participants will be credited with a contribution equal to a percentage of covered compensation that varies based on years of service. The amounts contributed to each participant earn a guaranteed interest credit of 4 percent per year.

Participants with three or more years of vested service are entitled to monthly income pension benefits beginning at normal retirement, age 65. The Plan now provides for various benefits based on hire date, age or years of service at the amendment and restatement date of May 1, 2019.

Participants hired prior to January 1, 2005 and who were either over age 50 or had 15 years of service at May 1, 2019 are entitled to a benefit equal to 1.35 percent of their average compensation up to 1/12th of his or her covered compensation as defined in the Plan, plus 2.00 percent of their average compensation in excess of this level, multiplied by their credited service, as defined by the Plan.

Participants hired prior to January 1, 2005 but who were neither over age 50 nor had 15 years of service at May 1, 2019 are entitled to a benefit equal to 135 percent of their average compensation up to 1/12th of his or her covered compensation as defined in the Plan, plus 2.00 percent of their average compensation in excess of this level, multiplied by their credited service, as defined by the Plan, up to April 30, 2019, plus the participant's cash balance account. A cash balance account will be established for these participants for the period subsequent to April 30, 2019 and will be funded based on the terms of the Plan.

Participants hired subsequent to January 1, 2015 but prior to May 1, 2019 are entitled to a benefit equal to 0.90 percent of their average compensation up to 1/12th of his or her covered compensation as defined in the Plan, plus 1.4 percent of their average compensation in excess of this level, multiplied by their credited service, as defined by the Plan, up to April 30, 2019, plus the participant's cash balance account. A cash balance account will be established for these participants for the period subsequent to April 30, 2019 and will be funded based on the terms of the Plan.



## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (*Continued*)

Participants hired subsequent to May 1, 2019 will be entitled to benefits equal to the amount in the cash balance account.

The Plan permits early retirement after attaining age 55 and completing 10 years of vesting service or attaining age 62. The monthly pension benefit is determined as of the early retirement date with payments commencing at age 65, unless the participant elects earlier payment for a reduced amount.

The forms of benefit payments are a life annuity or lump-sum payment. Other options are available upon election at retirement.

If an active participant dies before his/her normal retirement date, a death benefit is payable consisting of the present value of the participant's accrued benefit on the date of death.

An active participant who becomes totally and permanently disabled before his/her retirement date and before May 1, 2019 was eligible for a monthly benefit equal to his/her accrued benefit on the day before his/her monthly disability benefit begins. The disability benefit was eliminated for all employees that become totally and permanently disabled subsequent to the amendment and restatement date of May 1, 2019.

The employees covered by the Hospital Plan at December 31, 2020, included in the actuarial valuation as of January 1, 2021:

Active participants	2,901
Retired participants, beneficiaries and disabled	302
Participants with deferred benefits	<u>1,556</u>
	<u><u>4,777</u></u>

*Contributions:* The contribution requirements of participants and the Hospital are established and may be amended by the Hospital. Hospital Plan members are not required or permitted to contribute any of their annual covered salary. The Hospital contributes to the Hospital Plan at a level at or above the minimum funding requirements determined by independent actuarial valuation. The Hospital's contribution to the Hospital Plan for the year ended December 31, 2021 was \$12,000,000, which was substantially higher than the actuarial determined contribution of \$0. The Hospital also contributed \$3,000,000 after December 31, 2020 but before June 30, 2021, which is included as a deferred outflow of resources in the statement of net position at June 30, 2021.

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (*Continued*)

*Net pension asset:* The Hospital's net pension asset was measured as of December 31, 2020 (the Hospital Plan's fiscal year-end) and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021.

*Actuarial assumptions:* The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest rates	
Funding rate	7.00%
Lump sum interest rate	4.25%
Salary and taxable wage base increases	2.50%
Investment rate of return	7.00%
Indexed limits on compensation benefits	2.30%

Mortality rates were based on the MP-2020 mortality table.

The long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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. Best estimates arithmetic real rates of return for each major asset class included in the Hospital Plan's target asset allocation are summarized in the following table:

Asset Class	Long-Term	
	Target Allocation	Expected Real Rate Of Return
Equity		
US Large Stock	45%	9.12%
US Small Stock	20%	11.54%
Bonds		
US 30 Day TBill	2%	1.44%
US IT Government	18%	2.77%
US LT Corporate	15%	2.52%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ending December 31, 2020, the annual money-weighted rate of return on the Hospital Plan investments, net of pension plan investment expense was 16.74 percent.

## CITY OF NORTH KANSAS CITY, MISSOURI

### Notes To Basic Financial Statements (Continued)

*Discount rate:* The discount rate used to measure the total pension liability was 7.00 percent for the year ended June 30, 2021. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Hospital Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes In The Net Pension Liability (Asset)

Changes in the total pension liability, plan fiduciary net position and the net pension liability (asset) of the North Kansas City Hospital Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at June 30, 2020	\$ 274,056,000	\$ 298,650,000	\$ 30,693,000
Changes for the year			
Service cost	6,802,000	—	6,802,000
Interest	18,619,000	—	18,619,000
Changes of benefit terms	461,000	—	461,000
Difference between expected and actual experience	5,694,000	—	5,694,000
Effect of assumption changes or inputs	10,005,000	—	10,005,000
Contributions - employer	—	11,988,000	(11,988,000)
Contributions - employee	—	—	—
Net investment income (loss)	—	48,538,000	(48,538,000)
Benefit payments, including refunds	(24,982,000)	(24,982,000)	—
Administrative expense	—	(397,000)	397,000
Changes of Assumptions	—	—	—
Other changes	—	—	—
Net changes	16,599,000	35,147,000	(18,548,000)
Balance at June 30, 2021	\$ 290,655,000	\$ 333,797,000	\$ (43,142,000)

*Sensitivity of the hospital's net pension asset to changes in the discount rate:* The net pension asset of the Hospital has been calculated using a discount rate of 7.00 percent. The following presents the net pension asset using a discount rate 1 percent higher and 1 percent lower than the current rate.

## CITY OF NORTH KANSAS CITY, MISSOURI

### Notes To Basic Financial Statements (Continued)

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Hospital's Net Pension Asset	\$ 19,078,000	\$ 43,142,000	\$ 64,188,000

Detailed information about the Hospital Plan's fiduciary net position is available in the separately issued Plan financial report.

### Pension Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To The Hospital Plan

For the year ended June 30, 2021, the Hospital recognized pension expense of \$3,800,000. At June 30, 2021, the Hospital reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences in experience	\$ 16,685,000	\$ —
Changes in assumptions	19,388,000	(3,184,000)
Difference between expected and actual investment earnings	—	(34,059,000)
Hospital contributions made subsequent to the measurement date	3,000,000	—
<b>Total</b>	<b>\$ 39,073,000</b>	<b>\$ (37,243,000)</b>

At June 30, 2021, the Hospital reported \$3,000,000 as deferred outflows of resources related to pensions resulting from Hospital contributions subsequent to the measurement date and prior to year-end that will be recognized as a reduction to the net pension liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources June 30, 2021 related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	Amount
2022	\$ (1,417,000)
2023	1,628,000
2024	(5,750,000)
2025	(192,000)
2026	3,696,000
Thereafter	865,000
<b>Total</b>	<b>\$ (1,170,000)</b>

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (Continued)

Below is a summary of pension-related amounts reported by the primary government of the City:

	<u>LAGERS</u>	<u>Police &amp; Fire</u>	<u>Hospital</u>	<u>Total</u>
Net pension asset (liability)	\$ 8,569,579	\$ 12,579,404	\$ 43,142,000	\$ 64,290,983
Deferred outflows of resources	135,501	1,550,226	39,073,000	40,758,727
Deferred inflows of resources	4,982,100	8,802,910	37,243,000	51,028,010
Pension expense	(4,192,020)	(1,505,631)	3,800,000	(1,897,651)

## 10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; injuries to employees; natural disasters and employee health, dental and accident benefits. However, the City is entitled to the defense of sovereign and official immunity against tort action that may be brought against it under Section 537.600, RSMo (1978). This defense provides immunity except in two areas: motor vehicles and the condition of property of governmental entities.

The City carries commercial insurance for property and casualty, workers' compensation, employee health, life and dental insurance. During the last three years, settled claims have not exceeded insurance coverage.

The Hospital, as an enterprise fund, has assumed the risk of loss for malpractice, general liability and workers' compensation. Costs and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate for claims that have been incurred but not reported.

At year end, the amount of these liabilities was approximately \$7,976,000. This liability is the Hospital's best estimate based on available information. Changes in the reported liability for the last two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Beginning Of Year</u>	<u>Provisions</u>	<u>Payments</u>	<u>End Of Year</u>
2021	\$ 7,481,000	\$ 3,115,000	\$ 2,620,000	\$ 7,976,000

At year-end, the Hospital had approximately \$9,200,000 in an escrow account to pay prior and current year-end claims and to provide for catastrophic losses.

These liabilities are classified as part of the reserve for liability risks balance of \$2,619,000 current and \$5,357,000 long-term on the accompanying statement of net position as of June 30, 2021.

## **11. Operating Agreements**

### **Community Center Fund**

On November 18, 2014, the City Council approved an ordinance which approved the facility operating and cooperative agreement by and between the City of North Kansas City and the Young Men's Christian Association of Greater Kansas City (YMCA) which gives the YMCA the right to operate the City's Community Center, with the City retaining ownership of the Community Center. This agreement took effect on January 1, 2015 and will expire ten years from this date, with three optional renewal periods of ten years each. This agreement does not meet the definition of a service concession agreement as defined by GASB Statement No. 60.

Under this agreement, the City is to subsidize the operations of the facility through payments of an operating subsidy and if there are operating surpluses, the City and the YMCA are shared equally between the two parties. The City pays the YMCA a fixed management fee of the greater of \$125,000 per the calendar year or a management fee based on a percentage of facility revenues based upon the amount of calendar year facility surplus/loss as calculated by the agreement. The YMCA also has the opportunity to receive deficit reduction bonuses that are described in the terms of the agreement.

The City overpaid the YMCA \$81,615 in an operating subsidy for the year ended September 30, 2021. For the year ended September 30, 2021, the City incurred management fee expense of \$361,466. The amount due to the YMCA as of September 30, 2021 of \$156,588 is recorded in the City's Community Center Fund, a nonmajor enterprise fund.

Communications Fund: On September 2, 2014, the City signed an agreement with DataShack, LLC (DataShack) with authorized KC Fiber, LLC (a subsidiary of DataShack) to operate and maintain the City's fiber optic network known as liNKCity for a term of 10 years with the City retaining ownership of the network. The agreement commenced on September 30, 2014. This agreement does not meet the definition of a service concession agreement as defined by GASB Statement No. 60.

Per the terms of the agreement, the City will share the profits and losses equally with losses capped at \$150,000 per year for the City. The amount due to KC Fiber, LLC as of September 30, 2021 of \$11,420 is recorded in the City's Communication Fund, a nonmajor enterprise fund.

## 12. Patient Service Revenues

The Hospital has agreements with third-party payers that provide for payments to the Hospital at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Hospital's billings at established rates for services and amounts reimbursed by third-party payers. These payment arrangements include:

**Medicare** - Inpatient acute care services and substantially all outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Certain inpatient nonacute services and defined medical education costs are paid based on a cost reimbursement methodology. The Hospital is reimbursed for certain services at tentative rates with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare Administrative Contractor. The Hospital's Medicare cost reports have been reviewed by the Medicare Administrative Contractor through June 30, 2018. Medicare patients accounted for approximately 53 percent of gross patient service revenues of the Hospital.

**Medicaid** - The State of Missouri's Medicaid program operates primarily on a prospective basis, and accordingly, provision for contractual adjustments is made in the period in which the related services are rendered. Medicaid patients accounted for approximately 6 percent of gross patient service revenues of the Hospital.

**Blue Cross** - A majority of inpatient services rendered to Blue Cross subscribers are reimbursed at prospectively determined rates per discharge or per diem reimbursement. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. The prospectively determined rates are not subject to retroactive adjustment. Outpatient services are reimbursed at a percentage of established charges. Blue Cross patients accounted for approximately 16 percent of gross patient service revenues of the Hospital.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

### **13. Commitments And Contingencies**

In the normal course of business, the City and the Hospital are, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the Hospital's self-insurance program or by commercial insurance; for example, allegations regarding employment practices or performance of contracts. The City and Hospital evaluate such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

As of September 30, 2021, various claims and lawsuits were on file against the City. City management believes that the potential settlements against the City not covered by insurance would not materially affect the financial position of the City.

#### **Excelsior Springs Medical Center**

On February 28, 1994, the Hospital and Excelsior Springs Medical Center (the Medical Center) entered into an affiliation agreement to cooperate in several areas including, but not limited to, providing more geographic coverage of health care services, entering joint managed care arrangements and improving employee educational opportunities. Additionally, the Medical Center granted the Hospital the right of first refusal upon the lease of all or a majority of the assets of the Medical Center or similar management agreement, which would have the effect of transferring authority and responsibility for operation to any other person or entity.

The Hospital entered into a management agreement with the Medical Center effective July 1, 2014. Under the management agreement, the Hospital will provide operational oversight to the Medical Center through the employment of the Medical Center's Chief Executive Officer.

### **14. Patient Accounts Receivable**

The Hospital grants credit without collateral to its patients that are insured under third-party payer agreements. The mix of gross accounts receivable from patients and third-party payers as of June 30, 2021 was as follows:

Medicare	28%
Medicaid	4%
Commercial insurance	6%
Patients	29%
Contracted payers	32%
	<hr/>
	100%
	<hr/> <hr/>



## **15. Other Postemployment Benefits (OPEB) - Hospital**

### **General Information about the OPEB Plan**

#### **Plan Description**

North Kansas City Hospital (the Hospital) offers a postemployment healthcare plan (Healthcare Plan), which provides medical, prescription, dental and vision insurance benefits to its retirees (and their dependents) who are eligible. Coverage is available until the retiree qualifies for Medicare. Medical and/or Pharmacy benefits are self-insured without stop-loss coverage. The Dental and Vision coverages are structured through fully insured arrangements. The benefits and plan options collectively operate as a single-employer defined benefit healthcare plan, which is administered by the Hospital's Board of Trustees. Retirees must pay contribution premiums to maintain coverage. Premium levels equal the COBRA rate times a stipulated increase factor.

Benefit provisions are contained in the plan document and were established and can be amended by action of the Hospital's governing body. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

#### **Benefits Provided**

The Hospital offers Medical, Prescription Drug, Dental and Vision insurance coverage to its retirees and their dependents. Coverage must be elected at the time of retirement and retirees must make contribution premiums to maintain coverage. At the time of retirement, the retiree must be eligible for immediate pension benefits through the Hospital's defined benefit pension plan, and the employee must have been enrolled in the Hospital's healthcare coverage for at least the five previous consecutive years. This requirement applies separately to Medical/Pharmacy and Dental. An employee who otherwise meets these criteria may be first eligible at the earlier of the following:

- Age 55 with 10 years of service
- Age 62 with 5 years of service

Coverage is available until the retiree qualifies for Medicare (i.e., age 65). However, in no event may spousal coverage extend beyond the spouse age 65. Spouses may continue coverage upon retiree death or attainment of age 65 for up to 36 months, not to exceed the spouse age 65. The same eligibility requirements apply to Meritas employees. Prior service with Meritas counts toward plan eligibility.

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (Continued)

#### OPEB Liability And Actuarial Assumptions

The Hospital's total Healthcare Plan liability of \$0 was measured as of January 1, 2019, for the year ended June 30, 2020, and was determined by an actuarial valuation as of December 31, 2019. An actuarial valuation was not provided as of December 31, 2020 as the plan was discontinued effective January 1, 2021.

The total Healthcare Plan liability in the June 30, 2020 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	3.00%
Salary increase	2.50%
Health care cost trend rate	6.00% *
*Decreasing 0.25% per year to an ultimate rate of 4.5% for 2026 and later	

The discount rate was based on the average of the S&P Municipal Bond 20 Year High Grade and Fidelity GO AA-20 Year published yields. The selected rates are 3.68 percent (beginning-of-period measurement) and 3.0 percent (end-of-period measurement).

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-weighted Total Dataset mortality tables using Scale MP-2019 Full Generational Improvement.

The actuarial assumptions used in the June 30, 2020 valuations were based on the results of an actuarial experience study for the period January 1, 2019 through December 31, 2019.

#### Changes In The Healthcare Plan Liability

	<b>Total Healthcare Plan Liability</b>
Balance at June 30, 2020	\$ 180,000
Changes for the year	
Service cost	—
Interest	—
Changes of benefit terms	—
Difference between expected and actual experience	—
Benefit payments	—
Other changes	(180,000)
Net changes	(180,000)
Balance at June 30, 2021	\$ —

**Healthcare Plan Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Healthcare Plan**

Effective October 1, 2019, access to the Healthcare Plan coverage for new enrollees was eliminated. Current retirees covered as of October 1, 2019 may continue coverage. Effective January 1, 2021, the Plan was discontinued.

For the year ended June 30, 2021, the Hospital recognized Healthcare Plan expense of \$910,000. At June 30, 2021, the Hospital reported deferred outflows of resources related to the Healthcare Plan from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual	\$ —	\$ —
Changes of assumptions	—	—
	\$ —	\$ —

**16. Major Customer**

Revenue generated by two utility customers of the City amounted to \$4,658,976 of the Sewer Fund (Water Pollution). Revenue generated by two utility customers of the City amounted to \$957,017 of the Water Fund. Revenue generated by these customers comprised 64 percent and 43 percent of total operating revenue for the Sewer Fund and Water Fund, respectively, for the year ended September 30, 2021.

**17. Reimbursable Developer Project Costs**

Reimbursable developer project costs represent project costs that have been certified by the City as eligible for reimbursement to the applicant from various revenues attributable to a development project. Costs are certified upon project completion and may be certified in phases. Under the agreements, the City may reimburse approved certified cost amounts from incremental taxes generated from the redevelopment project plan for a period up to 23 years from the date of such plan approval. Reimbursement is made in accordance with the terms of an agreement entered into between an applicant and the City. Accordingly, certified project costs in excess of amounts reimbursed to date are tracked by the City for future repayment upon collection of attributable taxes. The City is only obligated for the amount of incremental taxes received attributable to the project and then, only in accordance with the terms of the agreement. Any project costs in excess of the incremental taxes received are the responsibility of the applicant. In accordance with GASB 48 *Pledged Revenue*, the City will record a liability when the City has received amounts that apply to certified developer costs and have yet to be distributed to the developer. Through September 30, 2021, \$350,424 has been distributed to the developer.

## **18. Tax Abatements**

The City administers two tax abatement programs: The Chapter 100 program provides property tax abatement and sales tax exemption to purchase, construct, improve and equip certain industrial development projects through the issuance of industrial development bonds per Sections 100.010 – 100.200 RSMo. Eligible types of projects include warehouses, distribution facilities, office industries and others listed within Section 100.010 RSMo. Project improvements and equipment financed with Chapter 100 bonds are deeded to City, and exempt from ad valorem taxes per Section 137.100 RSMo, as long as the bonds are outstanding. Companies commit to operational standards for payroll and investment. Failing to meet those standards may result in the company repaying a portion of the abated taxes. The City received PILOTs in the amount of \$138,074 during the fiscal year. A jeweler receives a 100 percent tax abatement.

The Chapter 353 program provides property tax abatement to encourage developers to improve and/or remove blight (e.g., renovating abandoned buildings for new uses) per Chapter 353 RSMo. A financial need analysis, proof of a blight study, and a plan approved by City Council are required. The program also requires the formation of an Urban Redevelopment Corporation, rezoning to an Urban Revitalization District, compliance with MWDBE and Prevailing Wage requirements and submission of annual project reports. Developers under this program are normally granted 25 years of property tax abatement on improvements made to real property. Abatements generally occur in two phases (Phase I - 100 percent abatement of property taxes on the assessed value of the improved property, followed by a Phase II – 50 percent abatement of property taxes for 15 years). Recapture of abated taxes may occur if the recipient does not fulfill their commitments under the redevelopment plan agreements. The development agreement may also require an annual PILOT during the first phase. The City received PILOTs of approximately \$14,500 during the fiscal year. All PILOTs are remitted to the Clay County collector for distribution to the respective taxing jurisdictions.

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**Required Supplementary Information**

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# CITY OF NORTH KANSAS CITY, MISSOURI

## REQUIRED SUPPLEMENTARY INFORMATION MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM For The Year Ended September 30, 2021

### Schedule Of Changes In Net Pension Liability And Related Ratios

	2021	2020	2019	2018	2017
<b>Total Pension Liability</b>					
Service cost	\$ 521,171	\$ 497,858	\$ 467,536	\$ 468,036	\$ 453,532
Interest on the total pension liability	2,145,118	2,080,929	1,995,606	1,973,791	1,922,857
Difference between expected and actual experience	(328,132)	(205,731)	148,101	(664,549)	(245,346)
Changes of assumptions	(939,717)	—	—	—	—
Benefit payments, including refunds	(1,569,423)	(1,431,274)	(1,466,633)	(1,485,325)	(1,387,628)
<b>Net Change In Total Pension Liability</b>	<b>(170,983)</b>	<b>941,782</b>	<b>1,144,610</b>	<b>291,953</b>	<b>743,415</b>
<b>Total Pension Liability, Beginning</b>	<b>30,102,796</b>	<b>29,161,014</b>	<b>28,016,404</b>	<b>27,724,451</b>	<b>26,981,036</b>
<b>Total Pension Liability, Ending</b>	<b>\$ 29,931,813</b>	<b>\$ 30,102,796</b>	<b>\$ 29,161,014</b>	<b>\$ 28,016,404</b>	<b>\$ 27,724,451</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 563,471	\$ 552,982	\$ 568,854	\$ 578,390	\$ 655,589
Contribution - employee	—	—	—	—	—
Pension plan net investment income	8,407,765	400,186	1,966,403	3,416,713	3,065,800
Benefit payments, including refunds	(1,569,423)	(1,431,274)	(1,466,633)	(1,485,325)	(1,387,628)
Pension plan administrative expense	(17,969)	(24,196)	(21,606)	(14,510)	(14,326)
Other	(9,977)	(300,220)	(102,127)	(546,890)	95,318
<b>Net Change In Fiduciary Net Position</b>	<b>7,373,867</b>	<b>(802,522)</b>	<b>944,891</b>	<b>1,948,378</b>	<b>2,414,753</b>
<b>Plan Fiduciary Net Position, Beginning</b>	<b>31,127,525</b>	<b>31,930,047</b>	<b>30,985,156</b>	<b>29,036,778</b>	<b>26,622,025</b>
<b>Plan Fiduciary Net Position, Ending</b>	<b>\$ 38,501,392</b>	<b>\$ 31,127,525</b>	<b>\$ 31,930,047</b>	<b>\$ 30,985,156</b>	<b>\$ 29,036,778</b>
<b>Employer Net Pension Liability (Asset)</b>	<b>\$ (8,569,579)</b>	<b>\$ (1,024,729)</b>	<b>\$ (2,769,033)</b>	<b>\$ (2,968,752)</b>	<b>\$ (1,312,327)</b>
<b>Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability (Asset)</b>	<b>129%</b>	<b>103%</b>	<b>109%</b>	<b>111%</b>	<b>105%</b>
<b>Covered Payroll</b>	<b>4,121,626</b>	<b>4,140,786</b>	<b>3,849,708</b>	<b>3,614,267</b>	<b>3,540,619</b>
<b>Employer's Net Pension Liability (Asset) As A Percentage Of Covered Payroll</b>	<b>-207.9%</b>	<b>-24.7%</b>	<b>-71.9%</b>	<b>-82.1%</b>	<b>-37.1%</b>

**Note:** Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. Amounts presented are determined as of June 30, the measurement date.

# CITY OF NORTH KANSAS CITY, MISSOURI

## REQUIRED SUPPLEMENTARY INFORMATION MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM For The Year Ended September 30, 2021

### Schedule Of Funding Progress

Years Ended September 30,	Statutorily Required Contribution	Contributions In Relation To The Statutorily Required Contribution	Contributions Deficiency (Excess)	City's Covered Payroll	Contributions As A Percentage Of Covered Payroll
2021	\$ 557,762	\$ 557,762	\$ 0	\$ 4,225,472	13.20%
2020	546,410	546,410	0	4,203,157	13.00%
2019	555,996	555,995	0	4,028,953	13.80%
2018	568,906	568,906	0	3,792,707	15.00%
2017	620,761	620,761	(0)	3,762,188	16.50%
2016	637,568	637,569	(0)	3,602,080	17.70%
2015	654,988	654,988	(0)	3,540,473	18.50%
2014	771,333	703,391	67,942	3,996,543	17.60%
2013	695,725	683,375	12,350	4,116,717	16.60%
2012	698,265	629,650	68,615	4,036,216	15.60%

### Notes To Schedule Of Contributions

#### Valuation Date

The roll-forward of total pension liability from February 28, 2021 to June 30, 2021 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

#### Methods And Assumptions Used To Determine Contribution Rates:

Valuation date	February 28, 2021
Actuarial cost method	Entry-age normal and modified terminal funding
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Multiple bases from 13 to 15 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation	2.75% wage inflation; 2.25% price inflation
Salary increases	2.75% to 6.75% including wage inflation
Investment rate of return	7.00% net of investment expenses
Retirement age	Experience-based table of rates specific to type of eligibility

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

# CITY OF NORTH KANSAS CITY, MISSOURI

## REQUIRED SUPPLEMENTARY INFORMATION POLICE AND FIRE RETIREMENT PLAN For The Year Ended September 30, 2021

### Schedule Of Changes In Net Pension Liability And Related Ratios Police And Fire Retirement Plan (Pension Trust)

	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>						
Service cost	\$ 1,095,551	\$ 1,120,285	\$ 1,034,219	\$ 1,145,064	\$ 1,182,171	\$ 1,096,000
Interest on the total pension liability	3,680,174	3,598,943	3,391,638	3,242,135	3,300,630	3,056,149
Difference between expected and actual experience	583,288	(26,865)	861,941	(53,922)	(1,812,895)	226,581
Changes of assumptions	(280,076)	(180,477)	708,032	649,332	—	2,034,904
Benefit payments, including refunds	(3,320,284)	(3,154,604)	(2,630,573)	(2,512,858)	(2,470,951)	(3,006,169)
<b>Net Change In Total Pension Liability</b>	<b>1,758,653</b>	<b>1,357,282</b>	<b>3,365,257</b>	<b>2,469,751</b>	<b>(841,863)</b>	<b>3,407,465</b>
<b>Total Pension Liability, Beginning</b>	<b>57,182,653</b>	<b>55,825,371</b>	<b>52,460,114</b>	<b>49,990,363</b>	<b>50,832,226</b>	<b>47,424,761</b>
<b>Total Pension Liability, Ending</b>	<b>\$ 58,941,306</b>	<b>\$ 57,182,653</b>	<b>\$ 55,825,371</b>	<b>\$ 52,460,114</b>	<b>\$ 49,990,363</b>	<b>\$ 50,832,226</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - employer	\$ 1,164,944	\$ 1,168,758	\$ 1,126,830	\$ 1,104,033	\$ 1,195,816	\$ 1,047,105
Contribution - employee	181,981	178,950	178,117	172,931	155,688	162,914
Pension plan net investment income	12,828,467	5,494,326	2,197,787	4,165,680	6,544,486	4,667,066
Benefit payments, including refunds	(3,320,284)	(3,154,604)	(2,630,573)	(2,512,858)	(2,481,478)	(3,006,169)
Pension plan administrative expense	(169,552)	(148,175)	(193,174)	(151,499)	(137,080)	(124,523)
Other	—	—	—	—	—	—
<b>Net Change In Fiduciary Net Position</b>	<b>10,685,556</b>	<b>3,539,255</b>	<b>678,987</b>	<b>2,778,287</b>	<b>5,277,432</b>	<b>2,746,393</b>
<b>Plan Fiduciary Net Position, Beginning</b>	<b>60,835,153</b>	<b>57,295,898</b>	<b>56,616,911</b>	<b>53,838,625</b>	<b>48,561,193</b>	<b>45,814,800</b>
<b>Plan Fiduciary Net Position, Ending</b>	<b>\$ 71,520,709</b>	<b>\$ 60,835,153</b>	<b>\$ 57,295,898</b>	<b>\$ 56,616,912</b>	<b>\$ 53,838,625</b>	<b>\$ 48,561,193</b>
<b>Employer Net Pension Liability (Asset)</b>	<b>\$ (12,579,403)</b>	<b>\$ (3,652,500)</b>	<b>\$ (1,470,527)</b>	<b>\$ (4,156,798)</b>	<b>\$ (3,848,262)</b>	<b>\$ 2,271,033</b>
<b>Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability (Asset)</b>	<b>121%</b>	<b>106%</b>	<b>103%</b>	<b>108%</b>	<b>108%</b>	<b>96%</b>
<b>Covered Payroll</b>	<b>5,703,321</b>	<b>5,861,423</b>	<b>5,491,347</b>	<b>5,007,936</b>	<b>5,112,351</b>	<b>5,111,644</b>
<b>Employer's Net Pension Liability (Asset) As A Percentage Of Covered Payroll</b>	<b>-220.6%</b>	<b>-62.3%</b>	<b>-26.8%</b>	<b>-83.0%</b>	<b>-75.3%</b>	<b>44.4%</b>

**Note:** Schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.



# CITY OF NORTH KANSAS CITY, MISSOURI

## REQUIRED SUPPLEMENTARY INFORMATION POLICE AND FIRE RETIREMENT PLAN For The Year Ended September 30, 2021

### Schedule Of City Contributions Police and Fire Retirement Plan (Pension Trust)

Year End	Actuarially Determined Contribution (ADC)	Contribution in Relation to the ADC	Contribution Deficiency (Excess)	Contribution Covered Payroll	Contribution as a % of Covered Payroll
9/30/2015	1,070,230	1,043,030	27,200	5,213,425	20.01%
9/30/2016	1,011,064	1,047,105	(36,041)	5,111,644	20.48%
9/30/2017	1,199,032	1,195,815	3,217	5,112,351	23.39%
9/30/2018	940,605	1,104,033	(163,428)	5,007,936	22.05%
9/30/2019	800,951	1,126,830	(325,879)	5,491,347	20.52%
9/30/2020	936,047	1,168,758	(232,711)	5,861,423	19.94%
9/30/2021	799,299	1,164,944	(365,645)	5,703,321	20.43%

#### Assumptions

Valuation date	October 1, 2021
Actuarial cost method	Entry Age
Inflation	2.5%
Salary increases	4.0%
Investment rate of return	6.5%, net of investment expenses
Retirement age (percent retiring)	
45 – 49	5.0%
50 – 54	10.0%
55	30.0%
56 – 64	20.0%
65	100.0%

Mortality: Mortality rates were based on the Public Safety 2010 tables projected with generational improvements using the scale MP-2020 (previously MP-2019). For disabled mortality, the Healthy Annuitant Mortality Table is set forward five years.

**Note:** Schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

**CITY OF NORTH KANSAS CITY, MISSOURI**

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**REQUIRED SUPPLEMENTARY INFORMATION  
POLICE AND FIRE RETIREMENT PLAN  
For The Year Ended September 30, 2021**

**Schedule Of Investment Returns**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expense	21.22%	10.08%	3.98%	7.80%	13.30%	10.40%	11.86%	9.98%

Note to Schedule: This schedule is intended to present a 10-year trend. Additional years will be reported as they become available. Amounts are reported as of the Plan's fiscal year ending September 30.

# CITY OF NORTH KANSAS CITY, MISSOURI

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

### NORTH KANSAS CITY HOSPITAL PENSION PLAN

For The Year Ended September 30, 2021

	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>							
Service cost	\$ 6,802,000	\$ 6,843,000	\$ 7,334,000	\$ 6,949,000	\$ 6,588,000	\$ 6,535,000	\$ 6,083,970
Interest on the total pension liability	18,619,000	18,708,000	18,654,000	17,802,000	17,441,000	16,381,000	14,789,028
Changes of benefit terms	461,000	571,000	(7,239,000)	—	—	—	—
Difference between expected and actual experience	5,694,000	3,006,000	5,081,000	4,116,000	5,873,000	7,401,000	4,804,298
Changes of assumptions	10,005,000	(1,526,000)	2,385,000	—	—	—	17,103,766
Benefit payments, including refunds	(24,982,000)	(27,790,000)	(25,037,000)	(21,744,000)	(16,108,000)	(14,309,483)	(14,250,050)
Other changes	—	—	—	7,162,000	(5,495,000)	(1,373,000)	—
<b>Net Change In Total Pension Liability</b>	<b>16,599,000</b>	<b>(188,000)</b>	<b>1,178,000</b>	<b>14,285,000</b>	<b>8,299,000</b>	<b>14,634,517</b>	<b>28,531,012</b>
<b>Total Pension Liability, Beginning</b>	<b>274,056,000</b>	<b>274,244,000</b>	<b>273,066,000</b>	<b>258,781,000</b>	<b>250,482,000</b>	<b>235,846,733</b>	<b>207,315,721</b>
<b>Total Pension Liability, Ending</b>	<b>\$ 290,655,000</b>	<b>\$ 274,056,000</b>	<b>\$ 274,244,000</b>	<b>\$ 273,066,000</b>	<b>\$ 258,781,000</b>	<b>\$ 250,481,250</b>	<b>\$ 235,846,733</b>
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 11,988,000	\$ 30,288,000	\$ 4,533,000	\$ 9,400,000	\$ 12,000,000	\$ 15,000,000	\$ 6,000,000
Pension plan net investment income	48,538,000	53,069,000	(13,013,000)	35,114,000	17,714,000	(362,019)	17,199,177
Benefit payments, including refunds	(24,982,000)	(27,790,000)	(25,037,000)	(21,744,000)	(16,108,000)	(14,309,483)	(14,250,050)
Pension plan administrative expense	(397,000)	(468,000)	(333,000)	(110,000)	(140,000)	(164,167)	(146,204)
Other	—	—	—	—	—	—	—
<b>Net Change In Fiduciary Net Position</b>	<b>35,147,000</b>	<b>55,099,000</b>	<b>(33,850,000)</b>	<b>22,660,000</b>	<b>13,466,000</b>	<b>164,331</b>	<b>8,802,923</b>
<b>Plan Fiduciary Net Position, Beginning</b>	<b>298,650,000</b>	<b>243,551,000</b>	<b>277,401,000</b>	<b>254,741,000</b>	<b>241,275,000</b>	<b>241,110,549</b>	<b>232,307,626</b>
<b>Plan Fiduciary Net Position, Ending</b>	<b>\$ 333,797,000</b>	<b>\$ 298,650,000</b>	<b>\$ 243,551,000</b>	<b>\$ 277,401,000</b>	<b>\$ 254,741,000</b>	<b>\$ 241,274,880</b>	<b>\$ 241,110,549</b>
<b>Employer Net Pension Liability (Asset)</b>	<b>\$ (43,142,000)</b>	<b>\$ (24,594,000)</b>	<b>\$ 30,693,000</b>	<b>\$ (4,335,000)</b>	<b>\$ 4,040,000</b>	<b>\$ 9,206,370</b>	<b>\$ (5,263,816)</b>
<b>Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability</b>	<b>115%</b>	<b>109%</b>	<b>89%</b>	<b>102%</b>	<b>98%</b>	<b>96%</b>	<b>102%</b>
<b>Covered Payroll</b>	<b>183,679,000</b>	<b>166,915,000</b>	<b>166,595,000</b>	<b>151,889,000</b>	<b>142,840,000</b>	<b>137,742,000</b>	<b>130,237,000</b>
<b>Employer's Net Pension Liability As A Percentage Of Covered Payroll</b>	<b>-23.5%</b>	<b>-14.7%</b>	<b>18.4%</b>	<b>-2.9%</b>	<b>2.8%</b>	<b>6.7%</b>	<b>-4.0%</b>

Note: Schedule is intended to present information for 10 years. Additional information will be displayed as it becomes available.

The actuarial cost method used to determine normal cost and actuarial accrued liabilities is the Entry Age Normal cost method, for the contribution requirements, the Aggregate Actuarial Cost Method was used.

Changes: Mortality assumption changed to Scale MP-2020 in 2021, prior was Scale MP-2019. The actuarial cost method used for determining the Plan's contribution requirements was changed from the Aggregate Cost Method to the Entry Age Normal Cost Method. Previously, the cost method used for determining the Plan's contribution requirements was the Aggregate Cost Method.

**CITY OF NORTH KANSAS CITY, MISSOURI**

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**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
NORTH KANSAS CITY HOSPITAL PENSION PLAN  
For The Year Ended September 30, 2021**

	<b>Actuarially Determined Contribution</b>	<b>Contributions In Relation To The Actuarially Required Contribution</b>	<b>Contributions Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions As A Percentage Of Covered Payroll</b>
2021	\$ —	\$ 11,988,000	\$ (11,988,000)	\$ 176,095,000	6.81%
2020	3,018,000	30,289,000	(27,271,000)	167,713,000	18.06%
2019	10,289,000	4,533,000	5,756,000	166,755,000	2.72%
2018	5,980,000	9,400,000	(3,420,000)	154,717,500	6.08%
2017	7,100,000	12,000,000	(4,900,000)	140,291,000	8.55%
2016	6,566,000	9,000,000	(2,434,000)	133,991,000	6.72%
2015	4,014,000	18,000,000	(13,986,000)	129,035,000	13.95%
2014	3,843,000	—	3,843,000	129,440,000	0.00%
2013	6,719,000	18,524,000	(11,805,000)	131,005,000	14.14%
2012	6,798,000	7,000,000	(202,000)	130,960,000	5.35%

Valuation date	January 1, 2021
Actuarial cost method – normal cost and actuarial	Entry Age normal
Actuarial cost method – contributions	Aggregate
Salary and taxable wage base increase	2.50%
Investment rate of return	7.00%
Retirement age	65
Mortality tables	PRI-2012

**CITY OF NORTH KANSAS CITY, MISSOURI**

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF INVESTMENT RETURNS**  
**NORTH KANSAS CITY HOSPITAL PENSION PLAN**  
**For The Year Ended September 30, 2021**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Annual money-weighted rate of return, net of investment expense	16.74%	21.96%	-4.90%	14.10%	7.49%	-0.15%	7.68%

**Note:** This schedule is intended to present a 10-year trend. Additional years will be reported as they become available. Amounts are reported as of the Plan's fiscal year ending December 31.

# CITY OF NORTH KANSAS CITY, MISSOURI

## REQUIRED SUPPLEMENTARY INFORMATION OTHER POST EMPLOYMENT BENEFITS – CHANGES IN HEALTHCARE PLAN LIABILITY NORTH KANSAS CITY HOSPITAL For The Year Ended September 30, 2020

	2021	2020	2019	2018
Changes for the year				
Service cost	\$ —	\$ 235,000	\$ 206,000	\$ 109,000
Interest	—	116,000	79,000	50,000
Changes of benefit terms	—	(2,556,000)	(348,000)	(68,000)
Difference between expected and actual experience	—	(548,000)	957,000	905,000
Benefit payments	—	61,000	(97,000)	(55,000)
Other changes	(180,000)	(2,000)	(197,000)	90,000
Net changes	(180,000)	(2,694,000)	600,000	1,031,000
<b>Balance Beginning Of Year</b>	<b>180,000</b>	<b>2,874,000</b>	<b>2,274,000</b>	<b>1,243,000</b>
<b>Balance End Of Year</b>	<b>\$ —</b>	<b>\$ 180,000</b>	<b>\$ 2,874,000</b>	<b>\$ 2,274,000</b>
<b>Covered Employee Payroll</b>	<b>\$ —</b>	<b>\$ 132,373,000</b>	<b>\$ 192,028,000</b>	<b>\$ 192,028,000</b>
Total OPEB liability as a percentage of covered employee payroll	0.0%	0.1%	1.5%	1.2%

**Note:** GASB 75 was implemented in 2018. This schedule is intended to present a 10-years of information. Additional years will be reported as they become available.

**CITY OF NORTH KANSAS CITY, MISSOURI**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule Of Revenues, Expenditures, And Changes In Fund Balance**  
**Budget To Actual – General Fund**  
**For The Year Ended September 30, 2021**

	Budget		Actual	Variance
	Original	Final		With Final Budget (Over) Under
<b>Revenues</b>				
Taxes	\$ 8,744,128	\$ 8,744,128	\$ 10,860,827	\$ (2,116,699)
Intergovernmental	61,412	479,181	528,446	(49,265)
Licenses and permits	1,930,000	1,930,000	2,132,703	(202,703)
Charges for services	1,065,367	1,065,367	1,207,361	(141,994)
Fines and forfeitures	203,500	203,500	162,277	41,223
Gaming	2,000,000	2,000,000	2,485,704	(485,704)
Investment earnings	126,500	126,500	89,076	37,424
Miscellaneous	4,000	4,000	575,619	(571,619)
<b>Total Revenues</b>	<b>14,134,907</b>	<b>14,552,676</b>	<b>18,042,013</b>	<b>(3,489,337)</b>
<b>Expenditures</b>				
Current:				
General government	2,608,008	2,797,101	2,658,764	138,337
Public safety	11,904,082	12,108,955	11,605,695	503,260
Public works	987,475	1,012,729	999,035	13,694
Interdepartmental	1,207,113	1,207,113	1,001,753	205,360
Capital Outlay	—	—	—	—
<b>Total Expenditures</b>	<b>16,706,678</b>	<b>17,125,898</b>	<b>16,265,247</b>	<b>860,651</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(2,571,771)</b>	<b>(2,573,222)</b>	<b>1,776,766</b>	<b>(4,349,988)</b>
<b>Net Change In Fund Balances</b>	<b>\$ (2,571,771)</b>	<b>\$ (2,573,222)</b>	<b>1,776,766</b>	<b>\$ (4,349,988)</b>
<b>Fund Balances - Beginning Of Year</b>			<b>18,528,419</b>	
<b>Fund Balances - End Of Year</b>			<b>\$ 20,305,185</b>	

# CITY OF NORTH KANSAS CITY, MISSOURI

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## REQUIRED SUPPLEMENTARY INFORMATION NOTE TO BUDGETARY COMPARISON INFORMATION September 30, 2021

### **Budgetary Data**

The reported budgetary data represents the final approved budget after amendments, as adopted by the City Council. Appropriations lapse at year end. The City Council follows these procedures in establishing the budgetary data recorded in the basic financial statements:

- Prior to September 1, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to October 1, the budget for all funds is legally enacted through passage of a resolution.
- Any revision that increases the budget of any fund (the legal level of control) must be approved by the City Council.
- The City is required by state statute to adopt annual budgets for all funds. The City's policy is to prepare the annual operating budget for the General Fund, special revenue funds and capital projects fund types on a basis consistent with GAAP. The Fire and Police Pension Tax Fund does not prepare a budget.



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**Supplementary Information**

**Combining And Individual Fund  
Financial Statements And Schedules**

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**CITY OF NORTH KANSAS CITY, MISSOURI**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
September 30, 2021**

	Special Revenue					Capital Projects	Total
	Parks And Recreation	Public Library	Convention And Tourism Sales Tax	Fire And Police Pension Tax	Transportation Sales Tax	Capital Projects	
<b>Assets</b>							
Cash and cash equivalents	\$ 1,738,348	\$ 1,298,070	\$ 1,090,597	\$ 23,956	\$ 1,821,969	\$ 3,663,709	\$ 9,636,649
Investments	413,628	309,702	257,311	5,652	431,132	863,848	2,281,273
Receivables, net of allowance for uncollectibles:							
Taxes	726,967	1,090,494	68,501	793,376	47,520	—	2,726,858
Accounts	1,546	2,319	—	—	—	—	3,865
Accrued interest	1,271	952	—	17	1,325	2,659	6,224
Due from other governmental units	—	—	—	—	394,887	—	394,887
Prepaid items	—	—	—	—	41,334	—	41,334
Property held for resale	—	—	—	—	—	417,424	417,424
<b>Total Assets</b>	<b>2,881,760</b>	<b>2,701,537</b>	<b>1,416,409</b>	<b>823,001</b>	<b>2,738,167</b>	<b>4,947,640</b>	<b>15,508,514</b>
<b>Liabilities, Deferred Inflows And Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	826,044	41,554	2,401	—	196,045	16,905	1,082,949
<b>Deferred Inflows Of Resources</b>							
Property taxes	727,552	1,090,494	—	791,697	47,520	—	2,657,263
<b>Fund Balances</b>							
Nonspendable:							
Prepaid items	—	—	—	—	41,334	—	41,334
Property held for resale	—	—	—	—	—	417,424	417,424
Restricted:							
Capital projects	—	—	1,414,008	—	—	4,513,311	5,927,319
Bridges and streets	—	—	—	—	2,453,268	—	2,453,268
Assigned:							
Culture and recreation	1,328,164	1,569,489	—	—	—	—	2,897,653
Fire and police pension	—	—	—	31,304	—	—	31,304
Capital projects and redevelopment	—	—	—	—	—	—	—
<b>Total Fund Balances</b>	<b>1,328,164</b>	<b>1,569,489</b>	<b>1,414,008</b>	<b>31,304</b>	<b>2,494,602</b>	<b>4,930,735</b>	<b>11,768,302</b>
<b>Total Liabilities, Deferred Inflows And Fund Balances</b>	<b>\$ 2,881,760</b>	<b>\$ 2,701,537</b>	<b>\$ 1,416,409</b>	<b>\$ 823,001</b>	<b>\$ 2,738,167</b>	<b>\$ 4,947,640</b>	<b>\$ 15,508,514</b>

**CITY OF NORTH KANSAS CITY, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
For The Year Ended September 30, 2021**

	Special Revenue					Capital Projects	Total
	Parks And Recreation	Public Library	Convention And Tourism Sales Tax	Fire And Police Pension Tax	Transportation Sales Tax	Capital Projects	
<b>Revenues</b>							
Taxes	\$ 720,011	\$ 1,078,445	\$ 443,143	\$ 780,891	\$ 2,259,562	\$ —	\$ 5,282,052
Intergovernmental	—	56,712	—	—	317,224	—	373,936
Charges for services	177,840	—	—	—	—	—	177,840
Gaming	—	—	—	—	—	—	—
Investment earnings	7,954	8,451	6,592	1,800	6,851	16,798	48,446
Miscellaneous, primarily tax increment financing	107,654	9,004	—	—	14,898	1,705,712	1,837,268
<b>Total Revenues</b>	<b>1,013,459</b>	<b>1,152,612</b>	<b>449,735</b>	<b>782,691</b>	<b>2,598,535</b>	<b>1,722,510</b>	<b>7,719,542</b>
<b>Expenditures</b>							
Current:							
General government	—	—	148,165	759,984	—	435,639	1,343,788
Public safety	—	—	—	—	—	—	—
Public works	—	—	—	—	1,201,379	—	1,201,379
Culture and recreation	918,376	882,369	—	—	—	—	1,800,745
Transportation	—	—	—	—	274,445	—	274,445
Capital outlay	1,153,727	1	118,909	—	615,985	—	1,888,622
<b>Total Expenditures</b>	<b>2,072,103</b>	<b>882,370</b>	<b>267,074</b>	<b>759,984</b>	<b>2,091,809</b>	<b>435,639</b>	<b>6,508,979</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(1,058,644)</b>	<b>270,242</b>	<b>182,661</b>	<b>22,707</b>	<b>506,726</b>	<b>1,286,871</b>	<b>1,210,563</b>
<b>Other Financing Sources (Uses)</b>							
Sale of capital asset	—	—	—	—	—	2,995,601	2,995,601
Transfers in	469,363	—	—	—	718,489	—	1,187,852
Transfers out	—	—	—	—	—	(900,000)	(900,000)
<b>Total Other Financing Sources (Uses)</b>	<b>469,363</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>718,489</b>	<b>2,095,601</b>	<b>3,283,453</b>
<b>Net Change In Fund Balances</b>	<b>(589,281)</b>	<b>270,242</b>	<b>182,661</b>	<b>22,707</b>	<b>1,225,215</b>	<b>3,382,472</b>	<b>4,494,016</b>
<b>Fund Balances - Beginning Of Year</b>	<b>1,917,445</b>	<b>1,299,247</b>	<b>1,231,347</b>	<b>8,597</b>	<b>1,269,387</b>	<b>1,548,263</b>	<b>7,274,286</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 1,328,164</b>	<b>\$ 1,569,489</b>	<b>\$ 1,414,008</b>	<b>\$ 31,304</b>	<b>\$ 2,494,602</b>	<b>\$ 4,930,735</b>	<b>\$ 11,768,302</b>

**CITY OF NORTH KANSAS CITY, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS  
For The Year Ended September 30, 2021**

	Special Revenue							
	Parks And Recreation		Public Library		Convention And Tourism Sales Tax		Transportation Sales Tax	
	Final		Final		Final		Final	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Revenues</b>								
Taxes	\$ 679,800	\$ 720,011	\$ 1,018,100	\$ 1,078,445	\$ 407,809	\$ 443,143	\$ 1,555,200	\$ 2,259,562
Intergovernmental	—	—	14,234	56,712	—	—	271,200	317,224
Charges for services	125,000	177,840	—	—	—	—	—	—
Investment earnings	5,000	7,954	12,000	8,451	10,000	6,592	10,000	6,851
Miscellaneous, primarily tax increment financing	8,500	107,654	6,500	9,004	—	—	—	14,898
<b>Total Revenues</b>	<b>818,300</b>	<b>1,013,459</b>	<b>1,050,834</b>	<b>1,152,612</b>	<b>417,809</b>	<b>449,735</b>	<b>1,836,400</b>	<b>2,598,535</b>
<b>Expenditures</b>								
Current:								
General government	—	—	—	—	180,689	148,165	—	—
Public works	—	—	—	—	—	—	1,503,737	1,201,379
Culture and recreation	1,020,753	918,376	1,124,432	882,369	—	—	—	—
Transportation	—	—	—	—	—	—	437,985	274,445
Capital outlay	2,072,046	1,153,727	—	1	705,340	118,909	716,000	615,985
<b>Total Expenditures</b>	<b>3,092,799</b>	<b>2,072,103</b>	<b>1,124,432</b>	<b>882,370</b>	<b>886,029</b>	<b>267,074</b>	<b>2,657,722</b>	<b>2,091,809</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(2,274,499)</b>	<b>(1,058,644)</b>	<b>(73,598)</b>	<b>270,242</b>	<b>(468,220)</b>	<b>182,661</b>	<b>(821,322)</b>	<b>506,726</b>
<b>Other Financing Sources</b>								
Transfers in	469,363	469,363	—	—	—	—	718,489	718,489
<b>Net Change In Fund Balances</b>	<b>(1,805,136)</b>	<b>(589,281)</b>	<b>(73,598)</b>	<b>270,242</b>	<b>(468,220)</b>	<b>182,661</b>	<b>(102,833)</b>	<b>1,225,215</b>
<b>Fund Balances - Beginning Of Year</b>	<b>1,917,445</b>	<b>1,917,445</b>	<b>1,299,247</b>	<b>1,299,247</b>	<b>1,231,347</b>	<b>1,231,347</b>	<b>1,269,387</b>	<b>1,269,387</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 112,309</b>	<b>\$ 1,328,164</b>	<b>\$ 1,225,649</b>	<b>\$ 1,569,489</b>	<b>\$ 763,127</b>	<b>\$ 1,414,008</b>	<b>\$ 1,166,554</b>	<b>\$ 2,494,602</b>

**CITY OF NORTH KANSAS CITY, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUNDS  
For The Year Ended September 30, 2021**

	<b>Capital Projects Funds</b>			
	<b>Gaming Revenue</b>		<b>Capital Projects</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Final Budget</b>	<b>Actual</b>
<b>Revenues</b>				
Gaming	\$ 5,308,776	\$ 6,838,999	\$ —	\$ —
Charges for services	—	—	—	—
Investment earnings	250,000	192,285	20,000	16,798
Miscellaneous, primarily tax increment financing	3,800,000	247,518	1,387,558	1,705,712
<b>Total Revenues</b>	<b>9,358,776</b>	<b>7,278,802</b>	<b>1,407,558</b>	<b>1,722,510</b>
<b>Expenditures</b>				
Current:				
General government	17,489	17,489	1,062,319	435,639
Public safety	665,000	64,621	—	—
Capital outlay	13,491,273	1,990,315	—	—
<b>Total Expenditures</b>	<b>14,173,762</b>	<b>2,072,425</b>	<b>1,062,319</b>	<b>435,639</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(4,814,986)</b>	<b>5,206,377</b>	<b>345,239</b>	<b>1,286,871</b>
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	—	—	—	2,995,601
Transfers in	900,000	1,164,165	—	—
Transfers out	(5,741,346)	(5,741,346)	(900,000)	(900,000)
<b>Total Other Financing Uses</b>	<b>(4,841,346)</b>	<b>(4,577,181)</b>	<b>(900,000)</b>	<b>2,095,601</b>
<b>Net Change In Fund Balances</b>	<b>(9,656,332)</b>	<b>629,196</b>	<b>(554,761)</b>	<b>3,382,472</b>
<b>Fund Balances - Beginning Of Year</b>	<b>24,424,680</b>	<b>34,725,876</b>	<b>1,271,525</b>	<b>1,548,263</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 14,768,348</b>	<b>\$ 35,355,072</b>	<b>\$ 716,764</b>	<b>\$ 4,930,735</b>

# CITY OF NORTH KANSAS CITY, MISSOURI

## COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS September 30, 2021

	Health And Community Center	Water	Water Pollution Control	Commun- ications	Total
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 517,948	\$ 8,259,724	\$ 2,074,502	\$ 839,231	\$ 11,691,405
Investments	122,203	1,749,546	307,519	198,004	2,377,272
Receivables, net of allowance for uncollectibles:					
Accounts	—	206,558	788,417	30,622	1,025,597
Special assessments	—	—	144,792	—	144,792
Accrued interest	376	5,378	945	609	7,308
Inventory	—	32,462	—	—	32,462
Prepaid items	—	8,976	(1)	44,491	53,466
<b>Total current assets</b>	<b>640,527</b>	<b>10,262,644</b>	<b>3,316,174</b>	<b>1,112,957</b>	<b>15,332,302</b>
Noncurrent assets:					
Receivables, special assessments	—	—	906,519	—	906,519
Net pension asset	—	1,054,058	557,023	—	1,611,081
Capital assets, net	10,564,215	15,421,176	8,189,815	2,474,253	36,649,459
<b>Total noncurrent assets</b>	<b>10,564,215</b>	<b>16,475,234</b>	<b>9,653,357</b>	<b>2,474,253</b>	<b>39,167,059</b>
<b>Total Assets</b>	<b>11,204,742</b>	<b>26,737,878</b>	<b>12,969,531</b>	<b>3,587,210</b>	<b>54,499,361</b>
Deferred outflows of resources	—	24,548	98,734	—	123,282
<b>Liabilities And Net Position</b>					
<b>Liabilities</b>					
Current liabilities					
Accounts payable and accrued expenses	156,140	2,397,726	747,600	426,936	3,728,402
Compensated absences	—	7,624	3,541	—	11,165
<b>Total current liabilities</b>	<b>156,140</b>	<b>2,405,350</b>	<b>751,141</b>	<b>426,936</b>	<b>3,739,567</b>
Noncurrent liabilities					
Compensated absences	—	119,441	55,471	—	174,912
<b>Total noncurrent liabilities</b>	<b>—</b>	<b>119,441</b>	<b>55,471</b>	<b>—</b>	<b>174,912</b>
<b>Total Liabilities</b>	<b>156,140</b>	<b>2,524,791</b>	<b>806,612</b>	<b>426,936</b>	<b>3,914,479</b>
Deferred inflows of resources	—	612,798	323,837	—	936,635
<b>Net Position</b>					
Net investment in capital assets	10,564,215	15,421,176	8,189,815	2,474,253	36,649,459
Unrestricted	484,387	8,203,661	3,748,001	686,021	13,122,070
<b>Total Net Position</b>	<b>\$ 11,048,602</b>	<b>\$ 23,624,837</b>	<b>\$ 11,937,816</b>	<b>\$ 3,160,274</b>	<b>\$ 49,771,529</b>

**CITY OF NORTH KANSAS CITY, MISSOURI**

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**COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
For The Year Ended September 30, 2021**

	Health And Community Center	Water	Water Pollution Control	Communi- cations	Total
<b>Operating Revenues</b>					
Charges for services	\$ 2,259,163	\$ 2,265,820	\$ 7,313,660	\$ 1,038,037	\$ 12,876,680
<b>Operating Expenses</b>					
Personal services	—	669,200	278,778	—	947,978
Contractual services	431,199	419,880	5,866,858	1,061,467	7,779,404
Materials and supplies	2,285,047	436,790	63,757	—	2,785,594
Depreciation	489,123	671,510	1,087,817	460,380	2,708,830
<b>Total Operating Expenses</b>	3,205,369	2,197,380	7,297,210	1,521,847	14,221,806
<b>Operating Income (Loss)</b>	(946,206)	68,440	16,450	(483,810)	(1,345,126)
<b>Nonoperating Revenues</b>					
Other revenue	—	26,102	5,437	—	31,539
Investment earnings	1,776	73,042	10,009	5,003	89,830
<b>Total Nonoperating Revenue</b>	1,776	99,144	15,446	5,003	121,369
<b>Income (Loss) Before Transfers And Capital Contributions</b>	(944,430)	167,584	31,896	(478,807)	(1,223,757)
<b>Transfers (Net)</b>	800,000	2,208,329	1,181,000	100,000	4,289,329
<b>Changes In Net Position</b>	(144,430)	2,375,913	1,212,896	(378,807)	3,065,572
<b>Total Net Position - Beginning Of Year</b>	11,193,032	21,248,924	10,724,920	3,539,081	46,705,957
<b>Total Net Position - End Of Year</b>	\$ 11,048,602	\$ 23,624,837	\$ 11,937,816	\$ 3,160,274	\$ 49,771,529

# CITY OF NORTH KANSAS CITY, MISSOURI

## COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For The Year Ended September 30, 2021

		Health And Community Center	Water	Water Pollution Control	Commun- ications	Total
<b>Cash Flows From Operating Activities</b>						
Receipts from customers and users	\$	2,259,163	\$ 2,341,595	\$ 7,319,221	\$ 1,026,617	\$ 12,946,596
Payments to suppliers		(2,657,646)	1,286,290	(6,290,985)	(1,070,521)	(8,732,862)
Payments to employees		—	(794,525)	(498,976)	—	(1,293,501)
<b>Net Cash Provided By (Used In) Operating Activities</b>		<b>(398,483)</b>	<b>2,833,360</b>	<b>529,260</b>	<b>(43,904)</b>	<b>2,920,233</b>
<b>Cash Flows Provided By Noncapital Financing Activities</b>						
Proceeds from interfund accounts		800,000	2,208,329	1,181,000	100,000	4,289,329
<b>Cash Flows From Capital And Related Financing Activities</b>						
Purchases of capital assets		(34,195)	(9,284,460)	(578,307)	—	(9,896,962)
Proceeds from sale of capital assets		—	26,102	5,437	—	31,539
<b>Net Cash Used In Capital And Related Financing Activities</b>		<b>(34,195)</b>	<b>(9,258,358)</b>	<b>(572,870)</b>	<b>—</b>	<b>(9,865,423)</b>
<b>Cash Flows From Investing Activities</b>						
Interest and dividends received		1,407	68,018	9,076	4,419	82,920
Purchase of investments		112,750	—	76,320	—	189,070
Proceeds from sale of investments		—	9,746,765	—	649,779	10,396,544
<b>Net Cash Provided By Investing Activities</b>		<b>114,157</b>	<b>9,814,783</b>	<b>85,396</b>	<b>654,198</b>	<b>10,668,534</b>
<b>Increase In Cash And Cash Equivalents</b>		<b>481,479</b>	<b>5,598,114</b>	<b>1,222,786</b>	<b>710,294</b>	<b>8,012,673</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>		<b>36,469</b>	<b>2,661,610</b>	<b>851,716</b>	<b>128,937</b>	<b>3,678,732</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$</b>	<b>517,948</b>	<b>\$ 8,259,724</b>	<b>\$ 2,074,502</b>	<b>\$ 839,231</b>	<b>\$ 11,691,405</b>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$	(946,206)	\$ 68,440	\$ 16,450	\$ (483,810)	\$ (1,345,126)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation		489,123	671,510	1,087,817	460,380	2,708,830
Changes in assets and liabilities:						
Receivables		—	75,775	5,561	(11,420)	69,916
Prepaid items and inventory		—	15,272	5,153	—	20,425
Accounts payable and accrued expenses		58,600	2,127,688	(365,523)	(9,054)	1,811,711
Compensated absences		—	1,186	(381)	—	805
Pension related deferred outflows		—	216,485	(38,558)	—	177,927
Pension related deferred inflows		—	585,020	309,157	—	894,177
Net Pension Asset/Liability		—	(928,016)	(490,416)	—	(1,418,432)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>\$</b>	<b>(398,483)</b>	<b>\$ 2,833,360</b>	<b>\$ 529,260</b>	<b>\$ (43,904)</b>	<b>\$ 2,920,233</b>



**CITY OF NORTH KANSAS CITY, MISSOURI**

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**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS**

**September 30, 2021**

	<b>Hospital Pension</b>	<b>Police And Fire Retirement</b>	<b>Total</b>
<b>Assets</b>			
Investments	\$ 333,796,502	\$ 71,520,709	\$ 405,317,211
<b>Net Position Restricted For Pensions</b>	<b>\$ 333,796,502</b>	<b>\$ 71,520,709</b>	<b>\$ 405,317,211</b>

**CITY OF NORTH KANSAS CITY, MISSOURI**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS**

**For The Year Ended September 30, 2021**

	<b>Hospital Pension</b>	<b>Police And Fire Retirement</b>	<b>Total</b>
<b>Additions</b>			
Contributions			
Employer	\$ 11,988,393	\$ 1,164,944	\$ 13,153,337
Plan member deposits	—	181,981	181,981
<b>Total Contributions</b>	<b>11,988,393</b>	<b>1,346,925</b>	<b>13,335,318</b>
<b>Investment Income</b>			
Net appreciation in fair value of investments	42,319,215	12,023,410	54,342,625
Interest and dividends	6,219,323	805,057	7,024,380
Investment expenses	(100,000)	—	(100,000)
<b>Net Investment Income</b>	<b>48,438,538</b>	<b>12,828,467</b>	<b>61,267,005</b>
<b>Total Additions</b>	<b>60,426,931</b>	<b>14,175,392</b>	<b>74,602,323</b>
<b>Deductions</b>			
Benefits	24,982,555	3,320,284	28,302,839
Administrative expenses	298,128	169,552	467,680
<b>Total Deductions</b>	<b>25,280,683</b>	<b>3,489,836</b>	<b>28,770,519</b>
<b>Change In Net Position</b>	<b>35,146,248</b>	<b>10,685,556</b>	<b>45,831,804</b>
<b>Net Position Restricted For Pensions - Beginning Of Year</b>	<b>298,650,254</b>	<b>60,835,153</b>	<b>359,485,407</b>
<b>Net Position Restricted For Pensions - End Of Year</b>	<b>\$ 333,796,502</b>	<b>\$ 71,520,709</b>	<b>\$ 405,317,211</b>

**CITY OF NORTH KANSAS CITY, MISSOURI**  
**Statistical Section**  
**September 30, 2021**

This part of the City of North Kansas City, Missouri’s (the City) annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

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Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year. The City implemented GASB 34 in fiscal year 2004; schedules presenting government-wide information include information beginning in that year.

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**Statistical Section**

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# CITY OF NORTH KANSAS CITY, MISSOURI

## NET POSITION BY COMPONENT Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 60,154,984	\$ 59,324,108	\$ 60,838,547	\$ 60,643,084	\$ 62,384,233	\$ 66,658,524	\$ 79,097,669	\$ 80,292,369	\$ 80,939,198	\$ 81,445,874
Restricted	2,783,813	3,209,214	3,392,808	3,161,205	5,879,897	5,667,945	5,464,739	5,049,499	7,229,464	11,328,780
Unrestricted	40,373,380	45,121,958	50,305,949	57,775,621	58,372,025	58,778,459	54,907,047	55,937,807	55,204,913	62,357,324
<b>Total Governmental Activities Net Position</b>	<b>103,312,177</b>	<b>107,655,280</b>	<b>114,537,304</b>	<b>121,579,910</b>	<b>126,636,155</b>	<b>131,104,928</b>	<b>139,469,455</b>	<b>141,279,675</b>	<b>143,373,575</b>	<b>155,131,978</b>
Business-type activities:										
Net investment in capital assets	191,418,372	217,343,839	214,118,356	218,341,013	242,384,316	270,740,452	277,054,847	284,845,255	297,212,326	284,241,459
Restricted	1,175,000	1,243,000	189,000	684,000	102,000	729,000	5,190,000	627,000	25,050,000	43,594,000
Unrestricted	395,967,097	375,518,258	406,122,812	424,995,741	431,418,887	404,137,355	400,012,785	424,505,371	390,846,631	406,567,070
<b>Total Business-Type Activities Net Position</b>	<b>588,560,469</b>	<b>594,105,097</b>	<b>620,430,168</b>	<b>644,020,754</b>	<b>673,905,203</b>	<b>675,606,807</b>	<b>682,257,632</b>	<b>709,977,626</b>	<b>713,108,957</b>	<b>734,402,529</b>
Primary government:										
Net investment in capital assets	251,573,356	278,745,947	274,956,903	278,984,097	304,768,549	337,398,976	356,152,516	365,137,624	378,151,524	365,687,333
Restricted	3,958,813	4,452,214	3,581,808	3,845,205	6,901,897	6,396,945	10,654,739	5,676,499	32,279,464	54,922,780
Unrestricted	436,340,477	420,640,216	456,428,761	482,771,362	489,790,912	462,915,814	454,919,832	480,443,178	446,051,544	468,924,394
<b>Total Primary Government Net Position</b>	<b>\$ 691,872,646</b>	<b>\$ 703,838,377</b>	<b>\$ 734,967,472</b>	<b>\$ 765,600,664</b>	<b>\$ 801,461,358</b>	<b>\$ 806,711,735</b>	<b>\$ 821,727,087</b>	<b>\$ 851,257,301</b>	<b>\$ 856,482,532</b>	<b>\$ 889,534,507</b>

# CITY OF NORTH KANSAS CITY, MISSOURI

## CHANGES IN NET POSITION

Last Ten Fiscal Years

Page 1 Of 3

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
General government	\$ 4,114,025	\$ 4,351,838	\$ 6,428,481	\$ 2,835,303	\$ 1,485,072	\$ 3,244,548	\$ 3,593,867	\$ 4,571,994	\$ 4,521,067	\$ 5,268,141
Public safety	10,883,632	11,477,095	9,466,348	11,817,664	15,473,191	12,443,789	14,032,962	11,664,108	11,424,906	8,543,544
Public works	2,517,403	2,817,191	2,215,496	3,448,907	3,278,598	2,572,462	1,491,115	3,709,337	3,790,908	3,700,926
Culture and recreation	1,846,015	1,847,675	1,584,810	1,973,900	1,704,827	1,971,491	1,858,736	2,272,090	2,182,029	2,201,170
Transportation	321,464	349,162	361,326	368,612	331,103	391,161	420,874	426,440	340,118	274,445
<b>Total Governmental Activities Expenses</b>	<b>19,682,539</b>	<b>20,842,961</b>	<b>20,056,461</b>	<b>20,444,386</b>	<b>22,272,791</b>	<b>20,623,451</b>	<b>21,397,554</b>	<b>22,643,969</b>	<b>22,259,028</b>	<b>19,988,226</b>
Business-type activities:										
Hospital	437,460,000	447,831,000	456,058,000	496,990,000	525,310,000	568,089,000	577,356,000	590,974,000	617,061,000	684,234,000
Health and community center	2,480,455	2,499,411	2,560,783	3,171,831	5,790,001	3,447,377	3,840,521	3,843,229	3,008,958	3,205,369
Water	1,824,211	1,849,135	1,722,107	1,836,014	1,926,481	1,969,289	1,989,566	1,954,291	2,218,713	2,197,380
Water pollution control	4,158,563	4,388,043	4,701,823	4,529,403	4,921,234	4,773,075	6,944,342	8,880,418	8,987,643	7,297,210
Communications	1,414,149	1,514,225	1,917,162	1,778,776	1,659,392	1,331,561	1,759,755	1,674,622	1,386,031	1,521,847
<b>Total Business-Type Activities Expenses</b>	<b>447,337,378</b>	<b>458,081,814</b>	<b>466,959,875</b>	<b>508,306,024</b>	<b>539,607,108</b>	<b>579,610,302</b>	<b>591,890,184</b>	<b>607,326,560</b>	<b>632,662,345</b>	<b>698,455,806</b>
<b>Total Primary Government Expenses</b>	<b>467,019,917</b>	<b>478,924,775</b>	<b>487,016,336</b>	<b>528,750,410</b>	<b>561,879,899</b>	<b>600,233,753</b>	<b>613,287,738</b>	<b>629,970,529</b>	<b>654,921,373</b>	<b>718,444,032</b>
Program revenue:										
Governmental activities:										
Charges for services										
General government	5,771,026	5,886,374	5,884,018	5,683,241	5,913,315	6,138,564	6,145,032	5,984,416	5,847,457	6,367,086
Public safety	429,931	376,885	548,316	466,865	355,945	353,831	273,722	359,045	247,311	158,384
Culture and recreation	132,028	129,817	128,257	141,910	161,043	155,702	187,927	171,724	93,965	132,180
Transportation	220,081	3,180	91,003	—	—	—	—	136,268	146,841	156,630
Operating grants and contributions										
Public safety	—	30,376	18,377	22,506	22,218	24,769	18,693	16,493	19,357	67,265
Public works	—	—	—	—	—	—	—	—	—	461,181
Culture and recreation	7,565	22,765	35,328	12,751	5,553	9,010	6,120	26,451	33,939	56,712
Transportation	153,813	151,761	159,054	268,388	313,977	303,394	286,770	170,870	166,852	178,594
<b>Total Governmental Activities Program Revenue</b>	<b>6,714,444</b>	<b>6,601,158</b>	<b>6,864,353</b>	<b>6,595,661</b>	<b>6,772,051</b>	<b>6,985,270</b>	<b>6,918,264</b>	<b>6,865,267</b>	<b>6,555,722</b>	<b>7,578,032</b>

**CITY OF NORTH KANSAS CITY, MISSOURI**

**CHANGES IN NET POSITION *(Continued)***

**Last Ten Fiscal Years**

**Page 2 Of 3**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services:										
Hospital	\$ 449,772,000	\$ 457,407,000	\$ 477,701,000	\$ 528,063,000	\$ 543,981,000	\$ 570,304,000	\$ 586,546,000	\$ 597,225,000	\$ 584,974,000	\$ 675,299,000
Health and community center	1,118,173	1,127,106	1,104,420	1,596,594	4,661,574	2,536,416	2,744,406	2,779,145	2,486,339	2,259,163
Water	2,093,949	2,106,727	2,328,295	2,463,837	2,604,180	2,662,902	2,723,942	2,653,753	2,493,804	2,265,820
Water pollution control	2,905,619	3,443,812	3,405,992	3,750,942	4,303,046	4,224,119	5,593,661	6,851,818	7,364,089	7,313,660
Communications	597,862	847,871	960,230	1,128,404	1,036,502	789,601	1,149,335	1,120,056	996,924	1,038,037
Capital grants and contributions:										
Hospital	334,000	287,000	343,000	278,000	262,000	316,000	—	—	—	—
Water pollution control	—	—	—	—	—	—	—	—	—	—
<b>Total Business-Type Activities</b>										
<b>Program Revenues</b>	456,821,603	465,219,516	485,842,937	537,280,777	556,848,302	580,833,038	598,757,344	610,629,772	598,315,156	688,175,680
<b>Total Primary Government</b>										
<b>Program Revenues</b>	463,536,047	471,820,674	492,707,290	543,876,438	563,620,353	587,818,308	605,675,608	617,495,039	604,870,878	695,753,712
Net (expense) revenue:										
Governmental activities	(12,968,095)	(14,241,803)	(13,192,208)	(13,848,725)	(15,500,740)	(13,638,181)	(14,479,290)	(15,778,702)	(15,703,306)	(12,410,194)
Business-type activities	9,484,225	7,137,702	18,883,062	28,974,753	17,241,194	1,222,736	6,867,160	3,303,212	(34,347,189)	(10,280,126)
<b>Total Primary Government Net</b>										
<b>Expense</b>	(3,483,870)	(7,104,101)	5,690,854	15,126,028	1,740,454	(12,415,445)	(7,612,130)	(12,475,490)	(50,050,495)	(22,690,320)

**CITY OF NORTH KANSAS CITY, MISSOURI**

**CHANGES IN NET POSITION (Continued)**

**Last Ten Fiscal Years**

**Page 3 Of 3**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	\$ 1,846,101	\$ 2,072,697	\$ 2,247,391	\$ 2,518,480	\$ 2,499,278	\$ 2,473,990	\$ 2,594,165	\$ 2,436,800	\$ 2,457,918	\$ 2,555,527
Franchise taxes	2,220,430	2,404,190	2,586,451	2,615,648	2,751,507	2,804,315	2,882,225	2,729,337	2,488,705	2,424,750
Sales taxes	4,424,732	4,575,302	4,868,873	4,838,815	5,127,842	5,342,598	7,836,800	7,603,094	7,378,316	9,071,570
Other taxes	631,473	666,878	1,363,822	1,693,396	1,750,901	1,824,935	1,813,000	1,980,309	2,020,637	2,091,032
Gaming	8,492,107	7,757,401	7,571,879	7,404,235	7,308,228	7,258,412	7,045,450	7,085,344	5,681,811	9,324,703
Investment earnings	62,128	55,849	153,835	260,606	249,208	408,414	664,396	1,366,457	879,305	329,937
Gain on disposal of capital assets	—	—	—	241,587	—	113,975	125,814	—	—	—
Miscellaneous	1,616,515	1,122,605	1,733,663	1,252,847	1,324,203	1,157,649	1,202,300	1,635,231	2,098,252	2,660,407
Transfers	(260,016)	(70,016)	(451,682)	169,984	(454,182)	(3,277,334)	(1,320,333)	(7,247,650)	(5,207,738)	(4,289,329)
<b>Total Governmental Activities</b>	<b>19,033,470</b>	<b>18,584,906</b>	<b>20,074,232</b>	<b>20,995,598</b>	<b>20,556,985</b>	<b>18,106,954</b>	<b>22,843,817</b>	<b>17,588,922</b>	<b>17,797,206</b>	<b>24,168,597</b>
Business-type activities:										
Investment earnings	16,961,123	504,568	6,948,327	6,585,333	13,037,261	(3,908,650)	(2,866,878)	16,812,132	18,797,007	25,943,830
Gain on disposal of capital assets	—	—	—	62,130	62,139	30,283	7,210	—	—	—
Miscellaneous	678,700	10,342	42,000	27,592	9,673	159,901	—	357,000	13,473,775	1,340,539
Transfers	260,016	70,016	451,682	(196,984)	454,182	3,277,334	1,320,333	7,247,650	5,207,738	4,289,329
Special item	—	—	—	(2,601,000)	—	—	—	—	—	—
<b>Total Business-Type Activities</b>	<b>17,899,839</b>	<b>584,926</b>	<b>7,442,009</b>	<b>3,877,071</b>	<b>13,563,255</b>	<b>(441,132)</b>	<b>(1,539,335)</b>	<b>24,416,782</b>	<b>37,478,520</b>	<b>31,573,698</b>
<b>Total Primary Government</b>	<b>36,933,309</b>	<b>19,169,832</b>	<b>27,516,241</b>	<b>24,872,669</b>	<b>34,120,240</b>	<b>17,665,822</b>	<b>21,304,482</b>	<b>42,005,704</b>	<b>55,275,726</b>	<b>55,742,295</b>
Changes in net position:										
Governmental activities	6,065,375	4,343,103	6,882,024	7,146,873	5,056,245	4,468,773	8,364,527	1,810,220	2,093,900	11,758,403
Business-type activities	27,384,064	7,722,628	26,325,071	32,878,824	30,804,449	781,604	5,327,825	27,719,994	3,131,331	21,293,572
<b>Total Primary Government</b>	<b>\$ 33,449,439</b>	<b>\$ 12,065,731</b>	<b>\$ 33,207,095</b>	<b>\$ 40,025,697</b>	<b>\$ 35,860,694</b>	<b>\$ 5,250,377</b>	<b>\$ 13,692,352</b>	<b>\$ 29,530,214</b>	<b>\$ 5,225,231</b>	<b>\$ 33,051,975</b>



**CITY OF NORTH KANSAS CITY, MISSOURI**

**FUND BALANCES  
GOVERNMENTAL FUNDS  
Last Ten Fiscal Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund:</b>										
Nonspendable	\$ 2,372	\$ 1,478	\$ 302,211	\$ 14,321	\$ 10,479	\$ —	\$ 438,908	\$ 385,115	\$ 612,774	\$ 104,088
Restricted	114,175	84,923	130,023	146,974	145,266	159,196	6,232,879	184,576	115,431	202,196
Assigned	529,790	428,298	375,433	340,651	294,914	269,966	252,496	233,619	207,772	153,386
Unassigned	7,023,200	8,242,190	9,023,469	9,877,566	10,745,912	12,045,647	14,143,557	16,537,903	17,592,442	19,845,515
<b>Total General Fund</b>	<b>\$ 7,669,537</b>	<b>\$ 8,756,889</b>	<b>\$ 9,831,136</b>	<b>\$ 10,379,512</b>	<b>\$ 11,196,571</b>	<b>\$ 12,474,809</b>	<b>\$ 21,067,840</b>	<b>\$ 17,341,213</b>	<b>\$ 18,528,419</b>	<b>\$ 20,305,185</b>
<b>All Other Governmental Funds:</b>										
Nonspendable	\$ 448,097	\$ 447,224	\$ 434,823	\$ 423,623	\$ 3,171	\$ 55,587	\$ 82,073	\$ 530,974	\$ —	\$ 458,758
Restricted/committed/assigned:										
Capital projects	1,109,378	1,482,839	1,789,166	2,412,293	3,016,318	3,097,074	2,871,583	2,328,171	2,779,610	5,927,319
Bridges and streets	1,560,260	1,641,452	1,473,619	1,307,835	1,361,097	1,069,279	1,108,931	1,106,016	1,269,387	2,453,268
Fire and police pension	—	—	30,008	9,139	15,907	9,337	17,264	9,978	8,597	31,304
Culture and recreation	783,869	1,115,330	1,770,792	1,866,880	1,341,349	1,377,466	1,493,005	1,582,392	3,216,692	2,897,653
Capital projects and redevelopement	31,799,978	35,235,802	38,696,906	44,527,947	48,170,877	46,720,534	39,380,366	—	—	—
<b>Total All Other Governmental Funds</b>	<b>\$ 35,701,582</b>	<b>\$ 39,922,647</b>	<b>\$ 44,195,314</b>	<b>\$ 50,547,717</b>	<b>\$ 53,908,719</b>	<b>\$ 52,329,277</b>	<b>\$ 44,953,222</b>	<b>\$ 5,557,531</b>	<b>\$ 7,274,286</b>	<b>\$ 11,768,302</b>

**CITY OF NORTH KANSAS CITY, MISSOURI**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues:</b>										
Taxes	\$ 9,122,736	\$ 10,169,054	\$ 11,555,008	\$ 11,666,339	\$ 12,129,528	\$ 12,445,838	\$ 15,126,190	\$ 14,749,548	\$ 14,345,577	\$ 16,142,879
Intergovernmental	377,359	204,902	298,507	303,645	341,748	337,173	311,583	338,082	762,858	902,382
Licenses and permits	1,681,385	1,767,921	1,830,007	1,900,670	2,038,423	2,418,462	2,113,255	2,402,795	1,989,009	2,132,703
Charges for services	634,578	717,454	714,407	787,780	879,030	798,070	1,082,804	1,071,938	1,263,730	1,385,201
Fines and forfeitures	432,237	380,409	550,891	470,708	360,080	358,885	277,232	362,667	252,381	162,277
Gaming	12,332,043	11,087,479	10,791,592	10,537,093	10,460,998	10,331,092	10,178,840	10,175,081	8,849,947	9,324,703
Investment earnings	62,128	55,849	158,459	260,606	249,208	408,414	664,396	1,366,457	880,768	329,807
Miscellaneous	1,351,436	873,012	1,491,296	1,252,847	1,324,203	1,157,649	1,216,326	1,235,271	1,216,396	2,660,405
Contributions	14,028	—	—	—	—	—	—	—	—	—
<b>Total Revenues</b>	<b>26,007,930</b>	<b>25,256,080</b>	<b>27,390,167</b>	<b>27,179,688</b>	<b>27,783,218</b>	<b>28,255,583</b>	<b>30,970,626</b>	<b>31,701,839</b>	<b>29,560,666</b>	<b>33,040,357</b>
<b>Expenditures:</b>										
General government	1,536,909	1,723,901	1,739,646	3,138,614	2,813,200	2,931,256	2,875,409	3,206,311	3,471,975	4,020,041
Public safety	10,376,320	11,851,793	10,659,035	10,005,546	9,957,949	10,058,868	10,723,024	10,972,492	11,166,837	11,670,316
Public works	1,935,624	2,106,971	2,229,048	2,409,654	2,458,898	2,524,270	2,671,738	2,290,809	2,275,384	2,200,414
Culture and recreation	1,563,439	1,536,354	1,607,509	1,598,853	1,720,500	1,759,787	1,874,595	1,867,213	1,759,378	1,800,745
Transportation	321,464	349,162	361,326	365,394	371,985	396,333	412,237	426,440	340,118	274,445
Sanitation	—	—	—	—	—	—	—	—	—	—
Interdepartmental	641,212	732,584	758,165	712,017	693,285	688,511	674,635	991,728	1,043,105	1,001,753
Capital outlay	3,510,582	1,576,882	4,236,842	2,460,402	5,736,586	7,034,363	15,416,996	4,653,204	3,745,101	3,878,937
<b>Total Expenditures</b>	<b>19,885,550</b>	<b>19,877,647</b>	<b>21,591,571</b>	<b>20,690,480</b>	<b>23,752,403</b>	<b>25,393,388</b>	<b>34,648,634</b>	<b>24,408,197</b>	<b>23,801,898</b>	<b>24,846,651</b>
<b>Excess Of Revenues Over (Under)</b>										
<b>Expenditures</b>	<b>6,122,380</b>	<b>5,378,433</b>	<b>5,798,596</b>	<b>6,489,208</b>	<b>4,030,815</b>	<b>2,862,195</b>	<b>(3,678,008)</b>	<b>7,293,642</b>	<b>5,758,768</b>	<b>8,193,706</b>
<b>Other financing sources (uses):</b>										
Transfers in	7,433,763	2,138,984	1,613,984	1,182,679	1,327,728	1,310,106	1,465,140	1,164,035	5,628,607	2,352,017
Transfers out	(7,693,779)	(2,209,000)	(2,065,666)	(1,012,695)	(1,781,910)	(4,587,440)	(2,785,473)	(8,411,685)	(10,836,345)	(6,641,346)
Proceeds from sale of capital assets	—	—	—	241,587	601,388	113,975	125,714	—	—	2,995,601
<b>Total Other Financing Uses</b>	<b>(260,016)</b>	<b>(70,016)</b>	<b>(451,682)</b>	<b>411,571</b>	<b>147,206</b>	<b>(3,163,359)</b>	<b>(1,194,619)</b>	<b>(7,247,650)</b>	<b>(5,207,738)</b>	<b>(1,293,728)</b>
<b>Net Changes In Fund Balance</b>	<b>\$ 5,862,364</b>	<b>\$ 5,308,417</b>	<b>\$ 5,346,914</b>	<b>\$ 6,900,779</b>	<b>\$ 4,178,021</b>	<b>\$ (301,164)</b>	<b>\$ (4,872,627)</b>	<b>\$ 45,992</b>	<b>\$ 551,030</b>	<b>\$ 6,899,978</b>

**Note:** The City made no debt service expenditures from its governmental funds, so the ratio of total debt service expenditures to total noncapital expenditures is not applicable.

**CITY OF NORTH KANSAS CITY, MISSOURI**

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**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	<b>Property</b>	<b>Local Option Sales Taxes</b>	<b>Utility Franchise Taxes</b>	<b>Other Tax</b>	<b>Total</b>
2012	\$ 1,846,101	\$ 4,424,732	\$ 2,220,430	\$ 631,473	\$ 9,122,736
2013	2,072,697	4,575,302	2,404,190	666,878	9,719,067
2014	2,247,391	4,868,873	2,586,451	1,363,822	11,066,537
2015	2,518,480	4,838,615	2,615,648	1,693,396	11,666,139
2016	2,846,738	5,127,842	2,861,750	1,293,198	12,129,528
2017	2,473,990	5,342,598	2,804,315	1,824,935	12,445,838
2018	2,594,165	7,836,800	2,882,225	1,813,000	15,126,190
2019	2,436,800	7,603,094	2,729,337	1,980,309	14,749,540
2020	2,457,918	7,378,316	2,488,705	2,020,637	14,345,576
2021	2,555,527	9,071,570	2,424,750	2,091,032	16,142,879

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

# CITY OF NORTH KANSAS CITY, MISSOURI

## PRINCIPAL SALES TAX INDUSTRIES

September 30, 2021

Industry	Percentage Of Total City Sales Tax Revenues	
	2021	2012
LUMBER AND CONSTRUCTION MATERIALS	11.1%	12.7%
UTILITIES - REGULATION, ELEC, LIQUIFIED PETROL & WATER	7.6%	14.5%
EATING AND DRINKING PLACES	10.8%	9.3%
MISCELLANEOUS BUSINESS SERVICES	6.4%	6.7%
JEWELRY STORES	8.5%	0.0%
PLUMBING, HEATING, AND AIR CONDITIONING	5.3%	1.9%
GENERAL GOVERNMENT NOT ELSEWHERE CLASSIFIED	4.9%	4.3%
MACHINERY EQUIPMENT AND SUPPLIES	8.6%	4.0%
CONVENIENCE STORES	3.2%	4.3%
HARDWARE, PLUMBING AND HEATING EQUIPMENT	3.1%	0.0%
MISCELLANEOUS MANUFACTURING INDUSTRIES	2.2%	4.3%
AUTOMOTIVE PARTS & REPAIR	2.0%	0.0%
CONSTRUCTION AND RELATED MACHINERY	1.8%	1.3%
TELEPHONE COM, CELLULAR & PAGING SERVICE	1.5%	2.6%
Total percentage of sales tax revenues	77.0%	65.9%
City direct sales tax rate	2.00%	1.50%

Source: Monthly sales tax distribution records.

# CITY OF NORTH KANSAS CITY, MISSOURI

## LEGAL DEBT MARGIN INFORMATION Last Ten Fiscal Years

### Legal Debt Margin Calculation For Fiscal Year 2021

Assessed Value	<b>\$ 334,059,030</b>
Debt limit (20% of assessed value)	
Debt applicable to limit:	<b>66,811,806</b>
General Obligation bonds	—
Less amount set aside for repayment of general obligation debt	—
Total net debt applicable to limit	<u><u><b>\$ 66,811,806</b></u></u>

### Legal Debt Margin

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 50,976,283	\$ 50,874,326	\$ 52,478,612	\$ 53,561,079	\$ 53,180,635	\$ 55,207,333	\$ 55,287,662	\$ 65,644,470	\$ 66,846,324	\$ 66,811,806
Total net debt applicable to limit	—	—	—	—	—	—	—	—	—	—
Legal Debt Margin	\$ 50,976,283	\$ 50,874,326	\$ 52,478,612	\$ 53,561,079	\$ 53,180,635	\$ 55,207,333	\$ 55,287,662	\$ 65,644,470	\$ 66,846,324	\$ 66,811,806
 Total net debt applicable to limit as a percentage of debt limit	 0.00%	 0.00%	 0.00%	 0.00%	 0.00%	 0.00%	 0.00%	 0.00%	 0.00%	 0.00%

**CITY OF NORTH KANSAS CITY, MISSOURI**

**PLEGDED REVENUE COVERAGE  
Last Ten Fiscal Years**

	Gross Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Hospital Revenue Bonds		Coverage
				Principal	Interest	
				Debt Service (3)		
2012	\$ 467,719,000	\$ 411,186,000	\$ 56,533,000	\$ 34,530,000	\$ 2,870,000	1.51
2013	458,182,000	420,000,000	38,182,000	5,205,000	2,905,000	4.71
2014	485,012,000	426,961,000	58,051,000	8,570,000	2,882,000	5.07
2015	534,901,000	466,329,000	68,572,000	10,858,000	2,238,000	5.24
2016	557,261,000	494,344,000	62,917,000	12,196,200	2,093,000	4.40
2017	567,072,000	539,492,000	27,580,000	18,530,000	1,565,000	1.37
2018	583,529,000	549,389,000	34,140,000	13,721,000	1,499,000	2.24
2019	597,225,000	558,136,000	39,089,000	5,586,000	1,112,000	5.84
2020	584,974,000	614,307,000	(29,333,000)	4,715,000	1,421,000	(4.78)
2021	675,299,000	681,492,000	(6,193,000)	4,193,000	1,315,000	(1.12)

## CITY OF NORTH KANSAS CITY, MISSOURI

### DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As Of September 30, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable To City
Debt repaid with property taxes:			
North Kansas City School District	353,125,000	13.2%	\$ 46,598,293
City of North Kansas City			—
Total Direct and Overlapping Debt			\$ 46,598,293

**Sources:** North Kansas City School District, Steve Marriott, Controller

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of North Kansas City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident – and therefore responsible for repaying the debt of each overlapping government.

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# CITY OF NORTH KANSAS CITY, MISSOURI

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## DEBT OUTSTANDING BY TYPE Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Revenue Bonds</b>	<b>Notes Payable</b>	<b>Capital Leases</b>
2012	\$ 73,052,000	\$ —	\$ 7,222,000
2013	71,887,000	10,467,000	4,424,000
2014	67,202,000	9,735,000	17,517,000
2015	61,929,000	8,985,000	15,748,000
2016	56,555,000	8,189,000	13,316,000
2017	51,074,000	1,349,000	18,169,000
2018	45,488,000	948,000	16,724,000
2019	40,773,000	524,000	12,090,000
2020	36,681,000	77,000	7,093,000
2021	64,982,000	—	3,363,000



**CITY OF NORTH KANSAS CITY, MISSOURI**

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**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**

	<b>Population (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Income (2)</b>	<b>Median Age (1)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2012	4,208	\$ 9,039,248	\$ 39,735	*	1,439	9.5%
2013	4,208	9,371,669	40,682	*	1,506	8.8%
2014	4,208	9,849,504	42,219	*	1,555	10.0%
2015	4,208	10,439,607	44,304	*	1,477	6.7%
2016	4,208	10,794,462	45,210	*	1,483	6.4%
2017	4,208	11,178,401	46,026	*	1,500	4.1%
2018	4,208	11,919,617	48,381	*	1,598	3.3%
2019	4,208	*	*	*	1,583	2.7%
2020	4,208	*	*	*	1,583	4.6%
2021	4,467	*	51,619	36.8	1,892	3.6%

**Sources**

- (1) U.S. Census Bureau (ten year increments)
  - (2) U.S. Bureau of Economic Analysis – Data for Clay County
  - (3) North Kansas City High School
  - (4) Missouri Department of Economic Development
- \*Information is unavailable

# CITY OF NORTH KANSAS CITY, MISSOURI

## PRINCIPAL EMPLOYERS CURRENT YEAR AND 9 YEARS AGO

Industry	<b>2021</b>		
	Employees	Rank	Percentage of Total City Employment
Medical services and products	4,250	1	22%
Computer equipment, software and systems	3,583	2	19%
Entertainment, restaurants and taverns	2,012	3	11%
Building and construction companies	1,439	4	7%
Manufacturing	1,288	5	6%
Wholesale	781	6	4%
Auto parts and repair services	464	7	2%
Storage and moving companies	428	8	2%
Building material manufacture and supply	365	9	2%
Janitorial	286	10	1%
	<u>14,896</u>		<u>76.7%</u>

Industry	<b>2012</b>		
	Employees	Rank	Percentage Of Total City Percentage of Total City Employment
Medical services and products	3,353	1	17%
Computer equipment, software and systems	3,217	2	16%
Building material manufacture and supply	2,707	3	14%
Entertainment, restaurants and taverns	1,760	4	9%
Manufacturing	1,218	5	6%
Building and construction companies	1,060	6	5%
Printing, lithographic, graphic design and stationery	591	7	3%
Engineers & Architects	585	8	3%
Banking, investment or financial services	371	9	2%
Wholesale	296	10	1%
	<u>15,158</u>		<u>76%</u>

### Sources

- (1) Business License Applications

Note: Due to the confidential nature of this information, the employer's names are not presented.

# CITY OF NORTH KANSAS CITY, MISSOURI

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS Last Ten Fiscal Years

Functions/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Government</b>										
Elected	10.0	10.0	10.0	10.0	10.0	10.0	11.0	11.0	11.0	11.0
City Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
City Clerk	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Human Resources	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance	4.0	4.0	4.0	4.0	3.5	3.5	3.5	2.9	3.4	3.4
Purchasing	0.0	0.0	0.0	—	—	—	—	—	—	—
Computer Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Legal	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Planning	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Intern	0.4	0.4	0.4	0.3	—	—	—	—	—	—
Court	3.3	3.3	3.3	3.3	2.8	3.0	3.0	3.0	3.5	4.5
Economic Development	—	—	—	—	—	—	—	—	—	1.0
<b>Community Development</b>										
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	—
Codes Inspectors	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	4.0	—
Intern	0.5	0.5	0.5	0.5	—	—	—	—	—	—
<b>Police</b>										
Officers	39.0	39.0	38.0	38.0	34.0	34.0	34.0	34.0	34.0	34.0
Civilians	16.1	16.1	15.6	15.5	12.5	12.5	12.5	12.0	12.0	12.0
<b>Fire</b>										
Firefighters and Officers	61.0	61.0	61.0	61.0	57.0	57.0	57.0	57.0	57.0	57.0
Civilians	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0
Codes Inspectors	0.0	0.0	0.0	—	—	—	—	—	—	5.0
<b>Public Works</b>										
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0
Codes Inspectors	0.0	0.0	0.0	0.0	—	—	—	—	—	—
Buildings & Grounds Keepers	5.3	5.3	5.3	4.3	4.3	4.3	4.3	4.3	5.3	5.3
Street Maintenance	7.8	7.8	7.8	7.8	7.9	6.9	6.9	6.8	6.8	6.9
<b>Parks and Recreation</b>										
General & Administrative	3.5	2.7	2.3	2.2	3.2	3.0	3.0	3.0	3.0	3.0
Recreation	2.4	2.6	2.5	2.0	2.0	2.3	2.0	1.0	1.0	1.0
Attendants	3.5	3.3	3.3	3.3	2.5	2.5	2.5	3.0	2.0	2.0
<b>Library</b>										
Administration	2.0	2.0	2.0	2.0	2.9	2.0	2.0	3.1	3.1	3.1
Public Services	10.6	10.3	10.9	10.6	11.2	11.0	11.6	10.7	10.7	10.7
Computer Services	0.0	0.0	0.0	—	—	—	—	—	—	—
<b>Water</b>										
Administration	1.5	1.5	1.5	1.5	1.5	1.5	2.0	2.0	2.0	2.0
Plant Operators	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
Distribution Services	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
<b>Water Pollution Control</b>										
Administration	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0
Lab Technicians	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Distribution Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Community Center</b>										
Administration	—	—	—	—	—	—	—	2.0	2.0	2.0
Facility Operations	—	—	—	—	—	—	—	10.5	10.5	10.5
Recreation	—	—	—	—	—	—	—	27.3	27.3	27.3
<b>Communications</b>										
Administration	—	—	—	—	—	—	—	2.6	2.6	2.6
Technicians	—	—	—	—	—	—	—	4.0	4.0	4.0
<div style="display: flex; justify-content: space-between;"> <span>201.2</span> <span>200.1</span> <span>198.7</span> <span>197.6</span> <span>186.7</span> <span>183.9</span> <span>185.3</span> <span>231.2</span> <span>230.2</span> <span>231.3</span> </div>										

Sources: Adjusted annual city budgets

**CITY OF NORTH KANSAS CITY, MISSOURI**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Police:</b>										
Physical arrests	1,819	1,639	2,129	2,313	2,108	2,591	956	972	694	<b>770</b>
Traffic violations	3,329	3,239	4,637	3,458	3,236	3,528	2,240	2,826	1,797	<b>2,536</b>
Parking violations	479	665	629	863	1,109	1,092	1,208	867	503	<b>408</b>
<b>Fire:</b>										
Number of calls answered	1,615	1,715	1,748	1,935	2,015	2,117	2,038	2,075	2,119	<b>2,361</b>
Number of inspections conducted	313	802	1,226	716	1,487	1,276	1,106	1,019	546	<b>731</b>
In-house training hours	5,933	8,987	8,620	10,108	8,960	16,763	18,623	20,716	16,049	<b>15,427</b>
Patients transported	781	1,222	912	1,213	1,520	1,261	1,196	1,224	1,304	<b>1,410</b>
<b>Building safety</b>										
Commercial building permits	197	206	336	213	303	206	184	139	78	<b>93</b>
Residential building permits	80	121	118	162	120	122	119	104	61	<b>50</b>
Certificates of occupancy	107	104	121	101	82	91	87	72	37	<b>57</b>
<b>Water</b>										
Number of service connections	2,088	2,088	2,153	2,153	2,212	2,012	2,176	2,176	2,176	<b>2,251</b>
Daily average consumption in gallons	3.0 mgd	3.0 mgd	3.0 mgd	3.0 mgd	2.84 mgd	2.69 mgd	2.74 mgd	2.74 mgd	2.5 mgd	<b>2.55mgd</b>
<b>Water Pollution Control:</b>										
Daily average flow in gallons	1.67 mgd	1.67 mgd	1.64 mgd	1.65mgd	1.60mgd	2.20 mgd	2.33 mgd	2.74 mgd	2.33 mgd	<b>2.33 mgd</b>

**Sources:** City records

# CITY OF NORTH KANSAS CITY, MISSOURI

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Number of streetlights (leased)	960	960	960	960	961	964	964	964	964	964
Number of streetlights (owned)	352	352	352	352	439	371	434	434	434	434
Streets (lane miles)	135	135	135	135	135	135	137	137	137	137
Parks & Recreation										
Acreage	100	108	108	108	108	108	108	108	108	108
Parks	3	3	3	3	3	3	3	3	3	3
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Soccer/football fields	2	2	2	2	2	2	2	2	2	1
Outdoor swimming pool	—	—	—	—	—	—	—	—	—	—
Tennis courts	6	6	6	6	6	6	6	6	6	6
Parks with playground equipment	2	2	2	2	2	2	2	2	2	2
One mile walking trail	1	1	1	1	1	1	1	1	1	1
Half mile roller blading trail	1	1	1	1	1	1	1	1	1	1
Park shelter	6	6	6	6	6	6	6	6	6	7
Dog Park	—	1	1	1	1	1	1	1	1	1
Spray Park	—	—	—	—	1	1	1	1	1	1
Library										
Facilities	1	1	1	1	1	1	1	1	1	1
Water										
Miles of water mains	40	40	40	40	41	41	42	42	42	42
Number of fire hydrants	349	349	349	349	348	348	364	364	364	364
Maximum daily capacity in gallons	6 mgd	6 mgd	6 mgd	6 mgd	6 mgd	6 mgd	6 mgd	6 mgd	6 mgd	6 mgd
Water pollution control										
Sanitary sewers (miles)	37	37	37	37	37	37	39	39	39	39
Storm sewers (miles)	41	41	41	41	41	41	43	43	43	43
Community Center										
Facilities	1	1	—	—	—	—	—	—	—	—
Indoor swimming pools	1	1	—	—	—	—	—	—	—	—
Outdoor wading pool	1	1	—	—	—	—	—	—	—	—
Hospital										
Facilities	1	1	1	1	1	1	1	1	1	1
Number of patient beds	451	451	451	451	451	451	451	451	451	451

Sources: City records

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**Supplementary Information**

**Combining And Individual Fund  
Financial Statements And Schedules**

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## **Financial Section**

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**Required Supplementary Information**

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**Statistical Section**

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## **Introductory Section**

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## **Basic Financial Statements**

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## **Management's Discussion And Analysis**

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