



**CITY OF NORTH KANSAS CITY, MISSOURI**

Comprehensive Annual Financial Report

For The Year Ended September 30, 2020

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**CITY OF NORTH KANSAS CITY, MISSOURI**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**  
*FOR THE YEAR ENDED SEPTEMBER 30, 2020*

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*Prepared by:*  
*Administration Department*

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## **Introductory Section**

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March 16, 2021

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, 2020.

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 unqualified (“clean”) opinion on the City of North Kansas City, Missouri’s financial statements for the year ended September 30, 2020. 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 4,571 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 \$29.6 million in fiscal 2020, 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 2019-2020 budget year, revenue in the General Fund totaled \$16.9 million compared to a budget amount of \$16.5 million. 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, 2020 of approximately \$34.7 million.

## **The North Kansas City Economy Year 2020 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.

### **New Business Highlights**

Building permit activity declined considerably in 2020. The City issued a total of 142 building permits in 2020, a much lower level of permit activity than in the past six years, when more than 500 permits were issued annually. However, total permit valuation, which reached a high in 2017 of \$119 million, was similar to 2014 and 2015 levels. In 2020, the Community Development Department issued permits for over \$32 million of development. The permit valuation indicates a continuation of the trend toward larger development projects and continued private sector investment in North Kansas City.

Construction activity included the completion of the new Starbuck's store and Aloft and Element hotels and conference center in the One North redevelopment area.

North Kansas City also saw new residential construction in 2020. O'Reilly Development completed construction of The Backyard in One North. This development added 240 luxury apartment units and is the first residential construction on the east side of I-35 in many years. In addition, Rainen Companies began construction of the final building in the CityView apartments, adding 22 residential units near downtown NKC.

## **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 2021, North Kansas City anticipates the continuation of our development boom, with several residential projects expected to break ground. Projects in the pipeline include 18th and Swift, a residential mixed-use project in downtown that will add over 200 luxury residential units; Gallery Lofts, a 49 unit project with art studio and gallery space; and the residential development of the at Swift and 23rd Avenue that will add nearly 300 apartments. These projects will bring new residents to the City and support the City's goals for a vibrant, healthy downtown.

## **Planning for the Future**

The Bicycle Master Plan was adopted by the City Council in July 2020 after significant community discussion throughout 2019. The plan is a data-driven, long-range plan for active transportation improvements that support and connect NKC's unique destinations and character as an urban village. The plan is available on the City's website at [www.nkc.org/bike](http://www.nkc.org/bike). The City is happy to announce that the plan was recognized by the Missouri Chapter of the American Planning Association during its awards program in October. The NKC Bicycle Master Plan was Runner-Up for the Outstanding Plan Award recognizing planning projects statewide.

During the planning process, the community identified improvements to the walkway underneath the I-35 overpass along Armour Road as a top priority. The Mid America Regional Council awarded the City a Planning Sustainable Places grant in December 2020 to support design of these improvements in coordination with MoDOT. That project will begin in the spring of 2021.

The City adopted a Gateway Signage Master Plan including conceptual design for wayfinding signs in 2017 with the goal of differentiating the City as a destination in the KC Metro area. Since that time, the City has been incrementally constructing the recommended signage. In 2020, the Council directed staff to move forward with installation of the first wayfinding signs. These signs are designed to coordinate with gateway signage such as the archway on Armour Road and to direct people to key destinations around the city, such as NKC Hospital, NKC High School and downtown. The first signs were installed in March 2021.



In September, the City Council held a virtual town hall meeting to discuss the status of the Armour Road Complete Street project. As part of the virtual town hall, the City Council reviewed traffic data for Armour Road and community comments. All data and comments are available on the City's website at [www.nkc.org/armour](http://www.nkc.org/armour). The City Council directed staff to evaluate several adjustments to the project and provide further information in December. The City's efforts to improve Armour Road as a corridor that is safe, serves all users, is visually appealing, and is economically vibrant were recognized by the Missouri Chapter of the American Planning Association in October with their Outstanding Plan Implementation award.

The City Council awarded a contract for significant renovations to the City's Water Treatment Plant, a \$15 million project. The contract was awarded in September 2020 at the end of the City's fiscal year. Plant renovations began shortly after and will continue through 2021.

### **Major Initiatives**

The COVID-19 pandemic hit the City in March 2020, halfway through the City's fiscal year. At that time, many of the City's resources were redirected to address the pandemic with both City staff and the external business and residential communities. The City received \$417,000 in funding through the CARES Act passed in March 2020. Resources from that funding were applied to three primary areas: 1) support for City staff including supplies and technology to support remote working as well as sanitation and cleaning supplies to keep City facilities running during the pandemic; 2) support for businesses through grants and equipment for supporting physical distancing; and 3) support for residents struggling with utility bills through funds to the Northland Assistance Center. This funding allowed departments to target already allocated resources to provide support to businesses and residents while continuing to provide routine City operations.

The COVID-19 pandemic resulted in many businesses, particularly restaurants, dealing with reduced occupancies due to emergency public health orders. To assist these businesses through the pandemic, Community Development devised several options for restaurants to expand outdoor capacity. Staff created a streamlined plan review process for any restaurant wanting to create seating areas in private parking lots and the sidewalk dining permit was expanded for availability citywide rather than in downtown only. Staff also created a new temporary parklet license to allow businesses to obtain a license to convert on-street parking to curbside seating. Community Development worked closely with Liquor Control, Police, Fire, and Public Works to ensure that the temporary parklets complied with state law and were deployed safely. Outreach to the River North business group ensured that staff understood the needs of local businesses before the temporary license ordinance was presented to the City Council. The result was a new program supporting downtown businesses in a new way.

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.

The City Council also waived late fees for business licenses from March-July of 2020, and suspended water utility shutoffs and late fees during the same period.

While the pandemic was the primary focus for much of the 2020 fiscal year, the City was able to add to its public art through the Tim C. Crummett Family Charitable Fund for beautification projects in NKC. The Crummett Family Charitable Fund Projects Committee is charged with beautification projects in North Kansas City. In the early Fall of 2020, artist Alex Eickhoff (who goes by the street artist name, Eye Cough) installed "The Wave" on the FDF Wealth Strategies building located at 1609 Swift Street. Of the mural, Eye Cough writes: "There is an African proverb that goes, 'Smooth waters do not make skillful sailors.' When a community is faced with a challenge, it is given an opportunity to grow. This community has certainly been tested this year, but like the lotus flower that rises from the bottom of the pond and reaches out of the water toward the sun, North Kansas City still blooms."

## **Department Focus**

In February 2020, Public Works provided the City Council an overview and a Grade Card of the conditions of the City's infrastructure. The following Grades were given:

B City-owned Trees  
B Curbs, Sidewalks, Drain Structures  
B+ Sanitary Sewers  
B- Storm Sewers  
C- Street Condition  
C Water Distribution System  
C Water Treatment Plant

A grade of C- was given to the street conditions in the 2020 Infrastructure Report Grade Card, but look for a much better grade in 2021. In 2020, the North Kansas City Road District's contractor micro-paved six streets north of Armour Road, but their biggest accomplishment was overlaying over two miles of asphalt streets, including the following:

- Bedford Street from I-35 to Warren Street
- Howell Street from Ferguson Drive to East 23rd Avenue
- Iron Street from East 25th to Armour Road

In addition, between March and September City crews repaired over 300 potholes throughout the City using an infrared-heated asphalt recycling machine.

The Fire department replaced a pumper truck in 2020 allowing the department to move a 2009 apparatus into a reserve role and allowing a 1999 pumper to be removed from our fleet. This change will allow the department to have a more efficient, economical, and cleaner fleet. The Fire department also began participating in the Ground Emergency Medical Transportation (GEMT) program that allows public agencies who are obligated by law to provide emergency medical services (EMS) to receive supplemental reimbursement from the Federal Government for valuable services currently being performed but not paid for. FY 2020 was the first year North Kansas City had participated in the program, but we anticipate yearly involvement going forward. This continued involvement will not only provide additional funding for our EMS service but also the City's general fund.

### **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 and hospital notes payable total to \$56.0 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 second 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 comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2019. To receive a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR 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 CAFR 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



Eric Berlin  
City Administrator



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of North Kansas City  
Missouri**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

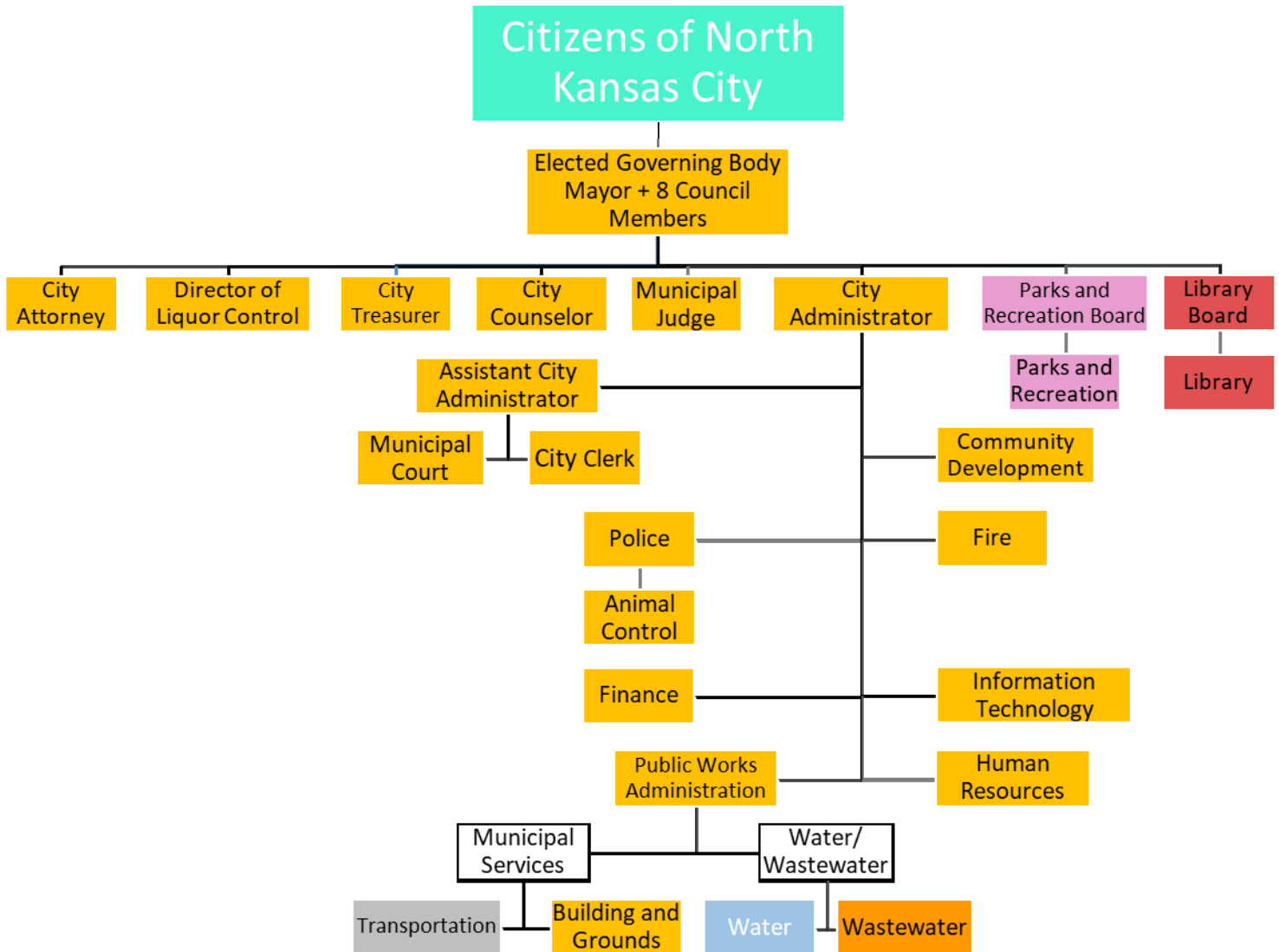
September 30, 2019

*Christopher P. Morrill*

Executive Director/CEO

# CITY OF NORTH KANSAS CITY, MISSOURI

## ORGANIZATIONAL CHART Year Ended September 30, 2020



# CITY OF NORTH KANSAS CITY, MISSOURI

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## PRINCIPAL OFFICIALS

### CITY OF NORTH KANSAS CITY LEADERSHIP

#### Elected Officials

Don Stielow	Mayor
Bryant DeLong	Councilmember Ward I
Anthony Saper	Councilmember Ward I
Jesse Smith	Councilmember Ward II
Lisa Tull	Councilmember Ward II
Zachary Clevenger	Councilmember Ward III
Richard Stewart	Councilmember Ward III
Amie Clarke	Councilmember Ward IV
Thomas Farr	Councilmember Ward IV
David Silvers	City Treasurer

#### Management Team

Eric Berlin	City Administrator
Kim Nakahodo	Assistant 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
Sara Copeland	Community Development Director
Victoria Meier Ressler	Parks & Recreation Director
Vickie Lewis	Public Library Executive Director
Crystal Doss	City Clerk

#### Advisory Boards

Board of Zoning Adjustment  
Housing Advisory and Appeals Board  
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

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## **Financial Section**

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1200 Main Street  
Suite 1000  
Kansas City, MO 64105

T: 816.472.1122  
E: info@rubinbrown.com  
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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility For The Financial Statements*

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

### *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 95 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 71 percent and 59 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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 16, 2021 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 16, 2021

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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, 2020

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, 2020. 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, 2020 and 2019 by \$856,352,006 and \$851,257,301 (net position), respectively. Of this amount, \$446,396,156 and \$480,443,178 (unrestricted net position) for 2020 and 2019, respectively, may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$5,094,705 for 2020 compared to an increase of \$29,530,214 for 2019. 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 \$60,528,581 and \$59,997,551 as of September 30, 2020 and 2019, respectively. For fiscal years 2020 and 2019, \$17,592,442 and \$16,537,903, 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 2020 and 2019 was reported in the General Fund.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was 112% percent of total General Fund expenditures compared to 111 percent of the 2019 General Fund expenditures.
- The City's long-term debt, excluding compensated absences, decreased by \$9,536,000 during fiscal year ended September 30, 2020 and \$9,773,000 during the fiscal year ended September 30, 2019. The decrease in 2020 and 2019 is primarily due to payments made on Hospital revenue bonds and capital leases.

### 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.

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

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

#### **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.

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.

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

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

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.

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, 2020 and 2019 were \$359,485,407 and \$300,847,517, 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.



## CITY OF NORTH KANSAS CITY, MISSOURI

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

**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 2020 of \$856,352,006 which represents an increase of \$5,094,705 from 2019's net position.

Of the City's net position, 44 and 43 percent as of September 30, 2020 and 2019, 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 2020	Business-Type Activities 2020	Total 2020	Governmental Activities 2019	Business-Type Activities 2019	Total 2019
Current and other assets	\$ 71,940,546	\$ 539,238,843	\$ 611,179,389	\$ 69,120,705	\$ 459,736,017	\$ 528,856,722
Capital assets	80,939,198	341,198,326	422,137,524	80,292,369	338,381,255	418,673,624
<b>Total Assets</b>	<b>152,879,744</b>	<b>880,437,169</b>	<b>1,033,316,913</b>	<b>149,413,074</b>	<b>798,117,272</b>	<b>947,530,346</b>
Deferred outflows of resources	2,607,404	37,613,209	40,220,613	2,091,423	78,307,022	81,007,413
Current liabilities	2,778,456	147,525,808	150,304,264	1,259,014	78,982,689	80,241,703
Noncurrent liabilities	2,024,907	41,012,155	43,037,062	1,770,505	83,150,625	84,921,130
<b>Total Liabilities</b>	<b>4,803,363</b>	<b>188,537,963</b>	<b>193,341,326</b>	<b>3,029,519</b>	<b>162,133,314</b>	<b>165,162,833</b>
Deferred Inflows	7,310,210	21,247,458	28,557,668	7,804,271	4,313,354	12,117,625
Net position:						
Net investment in capital assets	80,939,198	297,212,326	378,151,524	80,292,369	284,845,255	365,137,624
Restricted	7,229,464	25,050,000	32,279,464	5,049,499	627,000	5,676,499
Unrestricted	55,204,913	390,846,631	446,051,544	55,937,807	424,505,371	480,443,178
<b>Total Net Position</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>

A restricted portion of the City's net position (3.7 percent and 0.67 percent for fiscal years 2020 and 2019, respectively) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$446,396,156 and \$480,443,178 for 2020 and 2019, respectively, may be used to meet the government's ongoing obligations to citizens and creditors.

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

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

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 \$5,094,705 and \$29,530,214 for fiscal years 2020 and 2019, respectively. The governmental-type activities increased by \$1,963,374 and \$1,810,220 in fiscal years 2020 and 2019, respectively. This higher increase compared to the prior year is attributable to an decrease in transfers out. The total business-type activities' net position increased by \$5,094,705 and \$27,719,994 in fiscal years 2020 and 2019, respectively. The higher lower increase in net position compared to the prior year was mostly attributable to an increase in hospital expenses in the City's hospital enterprise fund.

# 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, 2020 and 2019. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method of accounting.

	Governmental Activities 2020	Business-Type Activities 2020	Total 2020	Governmental Activities 2019	Business-Type Activities 2019	Total 2019
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 6,335,574	\$ 598,315,156	\$ 604,650,730	\$ 6,651,453	\$ 610,629,772	\$ 617,281,225
Operating grants and contributions	220,148	—	220,148	213,814	—	213,814
Capital grants and contributions	—	—	—	—	—	—
General revenues:						
Property taxes	2,457,918	—	2,457,918	2,436,800	—	2,436,800
Other taxes	11,887,658	—	11,887,658	12,312,740	—	12,312,740
Gaming/unrestricted	5,681,811	—	5,681,811	7,085,344	—	7,085,344
Investment earnings	879,305	18,797,007	19,676,312	1,366,457	16,812,132	18,178,589
Other	2,098,252	13,473,775	15,572,027	1,635,231	357,000	1,992,231
<b>Total Revenues</b>	<b>29,560,666</b>	<b>630,585,938</b>	<b>660,146,604</b>	<b>31,701,839</b>	<b>627,798,904</b>	<b>659,500,743</b>
<b>Expenses:</b>						
General government	4,521,067	—	4,521,067	4,571,994	—	4,571,994
Public safety	11,424,906	—	11,424,906	11,664,108	—	11,664,108
Public works	3,790,908	—	3,790,908	3,709,337	—	3,709,337
Culture and recreation	2,182,029	—	2,182,029	2,272,090	—	2,272,090
Transportation	340,118	—	340,118	426,440	—	426,440
Sanitation	—	—	—	—	—	—
Hospital	—	617,061,000	617,061,000	—	590,974,000	590,974,000
Health and community center	—	3,008,958	3,008,958	—	3,843,229	3,843,229
Water	—	2,218,713	2,218,713	—	1,954,291	1,954,291
Water pollution control	—	8,987,643	8,987,643	—	8,880,418	8,880,418
Communications	—	1,386,031	1,386,031	—	1,674,622	1,674,622
<b>Total Expenses</b>	<b>22,259,028</b>	<b>632,662,345</b>	<b>654,921,373</b>	<b>22,643,969</b>	<b>607,326,560</b>	<b>629,970,529</b>
<b>Change In Net Position Before Transfers</b>	<b>7,301,638</b>	<b>(2,076,407)</b>	<b>5,225,231</b>	<b>9,057,870</b>	<b>20,472,344</b>	<b>29,530,214</b>
Transfers	(5,207,738)	5,207,738	—	(7,247,650)	7,247,650	—
<b>Change In Net Position</b>	<b>2,093,900</b>	<b>3,131,331</b>	<b>5,225,231</b>	<b>1,810,220</b>	<b>27,719,994</b>	<b>29,530,214</b>
<b>Net Position - Beginning</b>						
<b>Of Year</b>	<b>141,279,675</b>	<b>709,977,626</b>	<b>851,257,301</b>	<b>139,469,455</b>	<b>682,257,632</b>	<b>821,727,087</b>
<b>Net Position - End 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>

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)

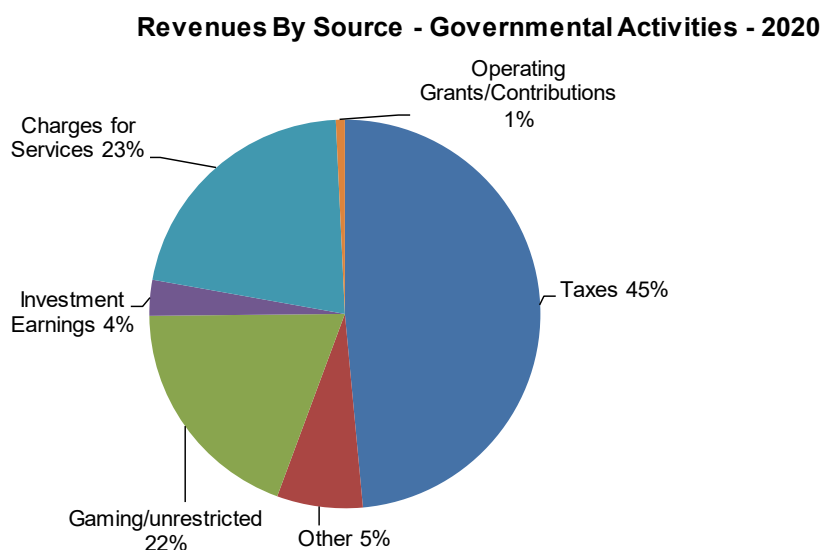
The following table below discloses cost of services for governmental activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be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

	Total Cost Of Service		Net Cost Of Service	
	2020	2019	2020	2019
General government	\$ 4,521,067	\$ 4,571,994	\$ (1,326,390)	\$ (1,412,422)
Public safety	11,424,906	11,664,108	11,158,238	11,288,570
Public works	3,790,908	3,709,337	3,790,908	3,709,337
Culture and recreation	2,182,029	2,272,090	2,054,125	2,073,915
Transportation	340,118	426,440	26,425	119,302
<b>Total</b>	<b>\$ 22,259,028</b>	<b>\$ 22,643,969</b>	<b>\$ 15,703,306</b>	<b>\$ 15,778,702</b>

Net cost of services is 71 percent and 70 percent of total cost of services in 2020 and 2019, respectively. This reflects a continued reliance on taxes and other general revenue sources to fund the cost of services.

### Governmental Activities

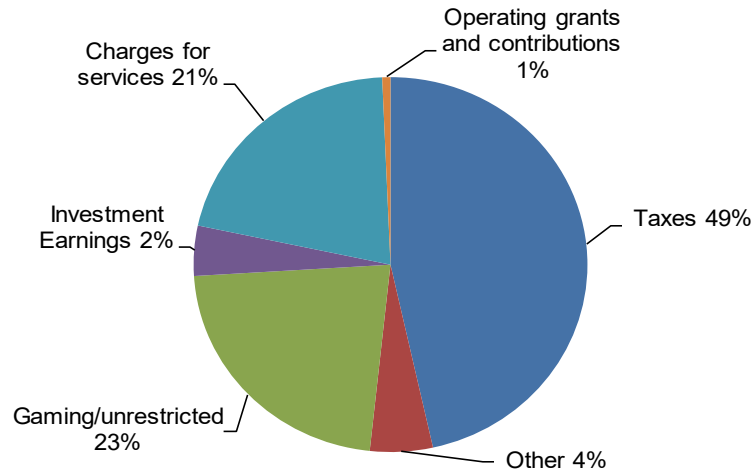
The graphs below show the percentage of the total governmental activities' revenues allocated by each revenue type for 2020 and 2019:



# CITY OF NORTH KANSAS CITY, MISSOURI

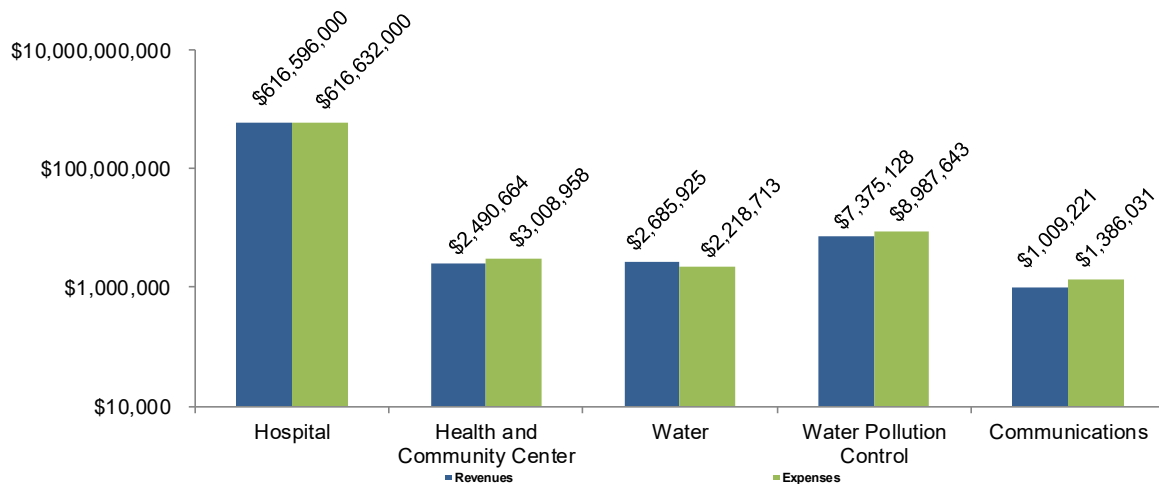
## Management's Discussion and Analysis (Continued)

### Revenues By Source - Governmental Activities - 2019



Total business-type activities' revenue for the fiscal year 2020 was \$630,156,938. All but \$13,560,938 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 2020 and 2019.

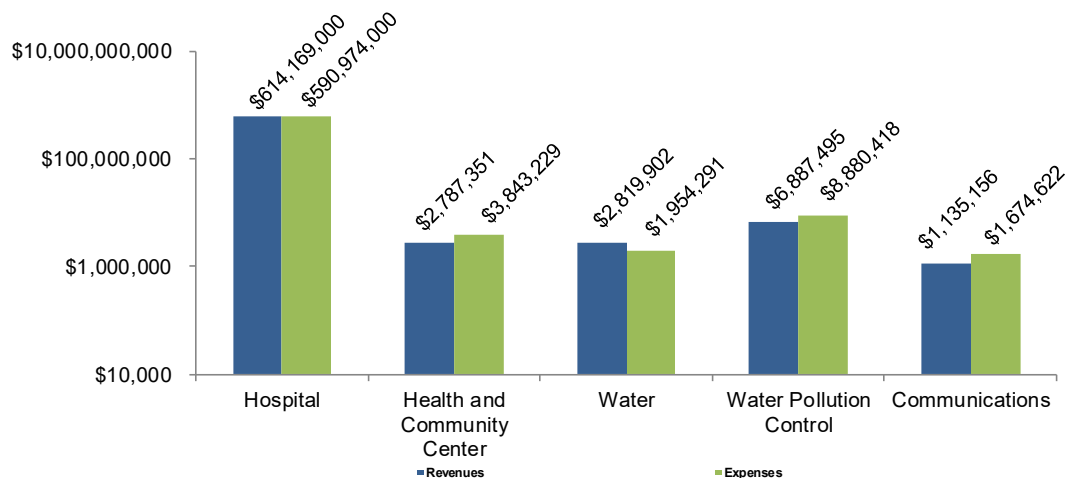
### Revenues And Expenses - Business-Type Activities - 2020



# CITY OF NORTH KANSAS CITY, MISSOURI

## Management's Discussion and Analysis (Continued)

### Revenues And Expenses - Business-Type Activities - 2019



**Business-Type Activities** - Business-type activities increased the City's net position by \$3,131,331 and \$27,719,994 in fiscal years 2020 and 2019, respectively, accounting for the majority of the growth in the government's net position.

The Hospital Fund showed an operating loss of \$29,333,000 compared to operating income of \$11,695,000 and experienced a change in net position of (\$36,000) and \$23,195,000 for fiscal years 2020 and 2019, respectively. The increase decrease net position was mainly attributable to an increase in operating expenses.

### 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 \$60,528,581 and \$59,977,551 as of September 30, 2020 and 2019, respectively. Approximately 29 percent and 28 percent of this total amount or \$17,592,442 and \$16,537,903 for 2020 and 2019, respectively, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is non-spendable (\$1,087,912), restricted (\$3,711,440), or assigned (\$38,128,190) 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 \$17,592,442 while total fund balance reached \$18,528,419. This is up from the 2019 unassigned fund balance of \$16,537,903 and total 2019 General Fund balance of \$17,341,213. 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 112 percent of total General Fund expenditures for 2020, while total fund balance represents approximately 118% percent of that same. Unassigned fund balance represented 111 percent of total General Fund expenditures for 2019, while total fund balance represented approximately 116 percent of that same amount.

The fund balance of the City's General Fund increased by \$1,187,206 in the current fiscal year.

The Gaming Revenue Fund decreased \$2,352,931 in the current fiscal year. This is primarily due to transfers out to support the Water Fund capital projects.

Total governmental fund expenditures decreased from \$24,408,197 in 2019 to \$23,801,898 in 2020 which is due to the large capital outlay for large infrastructure costs in the Armour Road Redevelopment Area in the prior year. Additionally, due to anticipated revenue losses as a result of the COVID-19 pandemic, the City deferred certain capital projects.

**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:

- The total original revenue budget of \$16,042,151 was increased to \$16,459,920 in the 2020 final budget due to the CARES Act passed by Congress in March 2020 where the City received \$418,000 to address the COVID-19 pandemic.
- The total original expenditure budget of \$16,724,508 was increased to \$17,143,728 to cover costs related to the COVID-19 pandemic as well as initial costs for participation in the Ground Emergency Medical Transportation (GEMT) program.

During the year, however, expenditures were less than budgetary estimates.

## 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, 2020 and 2019, were \$422,137,524 and \$418,673,624, 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 0.8% percent (a 8% percent decrease for governmental activities and a 0.8 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 \$36,681,000 and \$40,773,000 as of September 30, 2020 and 2019, respectively. The City's Hospital enterprise fund had capital leases outstanding totaling \$7,093,000 and \$12,090,000 as of September 30, 2020 and 2019, respectively. The City's Hospital enterprise fund also had notes payable with outstanding balances totaling \$77,000 and \$524,000 as of September 30, 2020 and 2019, respectively. The City's Hospital enterprise fund did pay \$9,536,000 and \$4,715,000 in principal on total outstanding debt for fiscal years 2020 and 2019, respectively.

The City's available general obligation legal debt margin was \$66,846,324 and \$65,644,470 as of September 30, 2020 and 2019, respectively.

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

	Business-Type Activities		Maturity
	2020	2019	
2013A Hospital revenue bonds	\$ 17,548,000	\$ 20,525,000	2025
2013B Hospital revenue bonds	19,133,000	20,248,000	2025
Capital leases	7,093,000	12,090,000	2025
Notes payable	77,000	524,000	2020
<b>Total</b>	<b>\$ 43,851,000</b>	<b>\$ 53,387,000</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 0.2 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 2021 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 Hawkings, 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, 2020

Page 1 Of 2

	Governmental Activities	Business-Type Activity	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 8,349,815	\$ 65,184,732	\$ 73,534,547
Investments	51,360,029	12,962,886	64,322,915
Current portion of restricted and designated assets	115,431	2,676,000	2,791,431
Receivables, net of allowances for uncollectibles of \$20,321,000:			
Taxes	4,304,346	—	4,304,346
Accounts	1,296,786	65,020,779	66,317,565
Special assessments	—	144,792	144,792
Accrued interest	1,551	399	1,950
Due from other governmental units	939,384	—	939,384
Inventory	—	17,498,462	17,498,462
Prepaid items	671,199	8,826,891	9,498,090
Property held for resale	417,424	—	417,424
<b>Total Current Assets</b>	<b>67,455,965</b>	<b>172,314,941</b>	<b>239,770,906</b>
<b>Noncurrent Assets</b>			
Designated assets:			
Cash and cash equivalents	—	8,781,000	8,781,000
Investments	—	323,751,000	323,751,000
Other assets	—	1,119,000	1,119,000
Investment in joint ventures	—	7,448,000	7,448,000
Receivables, special assessments	—	1,038,253	1,038,253
Net pension asset	4,484,581	24,786,649	29,271,230
Capital assets:			
Nondepreciable	37,758,483	16,697,527	54,456,010
Depreciable, net	43,180,715	324,500,799	367,681,514
<b>Total Noncurrent Assets</b>	<b>85,423,779</b>	<b>708,122,228</b>	<b>793,546,007</b>
<b>Total Assets</b>	<b>152,879,744</b>	<b>880,437,169</b>	<b>1,033,316,913</b>
<b>Deferred Outflows Of Resources</b>			
Pension related amounts	2,607,404	36,058,209	38,665,613
OPEB related amounts	—	1,555,000	1,555,000
<b>Total Deferred Outflows Of Resources</b>	<b>2,607,404</b>	<b>37,613,209</b>	<b>40,220,613</b>

# CITY OF NORTH KANSAS CITY, MISSOURI

## STATEMENT OF NET POSITION

September 30, 2020

Page 2 Of 2

	Governmental Activities	Business-Type Activity	Total
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	\$ 2,617,833	\$ 23,038,691	\$ 25,656,524
Compensated absences	129,249	44,545,117	44,674,366
Estimated reimbursement payable	—	69,268,000	69,268,000
Court bonds payable	31,374	—	31,374
Current portion of revenue bonds, notes payable and capital lease payable	—	7,998,000	7,998,000
Current portion of reserve for liability risks	—	2,676,000	2,676,000
<b>Total Current Liabilities</b>	<b>2,778,456</b>	<b>147,525,808</b>	<b>150,304,264</b>
<b>Noncurrent Liabilities</b>			
Compensated absences	2,024,907	174,155	2,199,062
Total OPEB liability	—	180,000	180,000
Reserve for liability risks	—	4,805,000	4,805,000
Revenue bonds, notes payable and capital lease payable	—	35,853,000	35,853,000
<b>Total Noncurrent Liabilities</b>	<b>2,024,907</b>	<b>41,012,155</b>	<b>43,037,062</b>
<b>Total Liabilities</b>	<b>4,803,363</b>	<b>188,537,963</b>	<b>193,341,326</b>
<b>Deferred Inflows Of Resources</b>			
Property taxes	4,278,177	—	4,278,177
OPEB related amounts	—	668,000	668,000
Pension related amounts	3,032,033	20,579,458	23,611,491
<b>Total Deferred Inflows Of Resources</b>	<b>7,310,210</b>	<b>21,247,458</b>	<b>28,557,668</b>
<b>Net Position</b>			
Net investment in capital assets	80,939,198	297,212,326	378,151,524
Restricted for:			
Capital projects	2,779,610	—	2,779,610
Bridges and streets	1,269,387	—	1,269,387
Public safety	19,730	—	19,730
City beautification	95,701	—	95,701
Culture and recreation	3,065,036	—	3,065,036
Donor purposes	—	25,050,000	25,050,000
Unrestricted	55,204,913	390,846,631	446,051,544
<b>Total Net Position</b>	<b>\$ 143,373,575</b>	<b>\$ 713,108,957</b>	<b>\$ 856,482,532</b>

# CITY OF NORTH KANSAS CITY, MISSOURI

## STATEMENT OF ACTIVITIES For The Year Ended September 30, 2020

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	\$ 4,521,067	\$ 5,847,457	\$ —	\$ —	\$ 1,326,390	\$ —	\$ 1,326,390
Public safety	11,424,906	247,311	19,357	—	(11,158,238)	—	(11,158,238)
Public works	3,790,908	—	—	—	(3,790,908)	—	(3,790,908)
Culture and recreation	2,182,029	93,965	33,939	—	(2,054,125)	—	(2,054,125)
Transportation	340,118	146,841	166,852	—	(26,425)	—	(26,425)
<b>Total Governmental Activities</b>	<b>22,259,028</b>	<b>6,335,574</b>	<b>220,148</b>	<b>—</b>	<b>(15,703,306)</b>	<b>—</b>	<b>(15,703,306)</b>
<b>Business-Type Activities</b>							
Hospital	617,061,000	584,974,000	—	—	—	(32,087,000)	(32,087,000)
Health and community center	3,008,958	2,486,339	—	—	—	(522,619)	(522,619)
Water	2,218,713	2,493,804	—	—	—	275,091	275,091
Water pollution control	8,987,643	7,364,089	—	—	—	(1,623,554)	(1,623,554)
Communications	1,386,031	996,924	—	—	—	(389,107)	(389,107)
<b>Total Business-Type Activities</b>	<b>632,662,345</b>	<b>598,315,156</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(34,347,189)</b>	<b>(34,347,189)</b>
<b>Total Primary Government</b>	<b>\$ 654,921,373</b>	<b>\$ 604,650,730</b>	<b>\$ 220,148</b>	<b>\$ —</b>	<b>(15,703,306)</b>	<b>(34,347,189)</b>	<b>(50,050,495)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property tax					2,457,918	—	2,457,918
Franchise taxes					2,488,705	—	2,488,705
Sales taxes					7,378,316	—	7,378,316
Other taxes					2,020,637	—	2,020,637
Gaming/unrestricted					5,681,811	—	5,681,811
Investment earnings					879,305	18,797,007	19,676,312
Miscellaneous					2,098,252	13,473,775	15,572,027
<b>Transfers</b>					<b>(5,207,738)</b>	<b>5,207,738</b>	<b>—</b>
<b>Total General Revenues And Transfers</b>					<b>17,797,206</b>	<b>37,478,520</b>	<b>55,275,726</b>
<b>Change In Net Position</b>					<b>2,093,900</b>	<b>3,131,331</b>	<b>5,225,231</b>
<b>Net Position - Beginning Of Year</b>					<b>141,279,675</b>	<b>709,977,626</b>	<b>851,257,301</b>
<b>Net Position - End Of Year</b>					<b>\$ 143,373,575</b>	<b>\$ 713,108,957</b>	<b>\$ 856,482,532</b>

# CITY OF NORTH KANSAS CITY, MISSOURI

## BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2020

	<u>General</u>	<u>Gaming Revenue</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 2,675,475	\$ 4,667,443	\$ 1,006,897	\$ 8,349,815
Investments	14,813,655	30,076,831	6,469,543	51,360,029
Receivables, net of allowance for uncollectibles:				
Taxes	1,620,989	—	2,683,357	4,304,346
Accounts	1,290,961	4,825	1,000	1,296,786
Accrued interest	457	927	167	1,551
Due from other governmental units	—	625,937	313,447	939,384
Prepaid items	613,485	—	57,714	671,199
Property held for resale	—	—	417,424	417,424
Restricted assets, cash and cash equivalents	115,431	—	—	115,431
<b>Total Assets</b>	<b>\$ 21,130,453</b>	<b>\$ 35,375,963</b>	<b>\$ 10,949,549</b>	<b>\$ 67,455,965</b>
<b>Liabilities</b>				
Accounts payable and accrued expenditures	\$ 949,671	\$ 650,087	\$ 1,018,075	\$ 2,617,833
Payable from restricted assets, court bonds	31,374	—	—	31,374
<b>Total Liabilities</b>	<b>981,045</b>	<b>650,087</b>	<b>1,018,075</b>	<b>2,649,207</b>
<b>Deferred Inflows Of Resources</b>				
Property taxes	1,620,989	—	2,657,188	4,278,177
<b>Fund Balances</b>				
Nonspendable:				
Prepaid items	612,774	—	—	612,774
Property held for resale	—	—	—	—
Restricted:				
Capital projects	—	—	2,779,610	2,779,610
Bridges and streets	—	—	1,269,387	1,269,387
Public safety training programs	19,730	—	—	19,730
City beautification	95,701	—	—	95,701
Assigned:				
Culture and recreation	—	—	3,216,692	3,216,692
Fire and police pension	—	—	8,597	8,597
Capital projects and redevelopment	—	34,725,876	—	34,725,876
Health	172,989	—	—	172,989
Other purposes	34,783	—	—	34,783
Unassigned	17,592,442	—	—	17,592,442
<b>Total Fund Balances</b>	<b>18,528,419</b>	<b>34,725,876</b>	<b>7,274,286</b>	<b>60,528,581</b>
<b>Total Liabilities, Deferred Inflows And Fund Balances</b>	<b>\$ 21,130,453</b>	<b>\$ 35,375,963</b>	<b>\$ 10,949,549</b>	<b>\$ 67,455,965</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, 2020**

<b>Total Fund Balance - Governmental Funds</b>	\$ 60,528,581
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.	80,939,198
Long-term liabilities (compensated absences) are not due and payable in the current period and, therefore, are not reported in the funds.	(2,154,156)
The net pension assets reported in the governmental activities is not a current financial resource and therefore is not reported in the funds.	4,484,581
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	2,607,404
Deferred inflows of resources - pension related amounts	<u>(3,032,033)</u>
<b>Total Net Position - Governmental Activities</b>	<u><u>\$ 143,373,575</u></u>

**CITY OF NORTH KANSAS CITY, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For The Year Ended September 30, 2020**

	General	Gaming Revenue	Nonmajor Governmental Funds	Total
<b>Revenues</b>				
Taxes	\$ 9,614,702	\$ —	\$ 4,730,875	\$ 14,345,577
Intergovernmental	437,126	—	325,732	762,858
Licenses and permits	1,989,009	—	—	1,989,009
Charges for services	1,141,924	—	121,806	1,263,730
Fines and forfeitures	252,381	—	—	252,381
Gaming	3,168,136	5,681,811	—	8,849,947
Investment earnings	255,500	525,542	99,726	880,768
Miscellaneous	36,801	70,461	1,109,134	1,216,396
<b>Total Revenues</b>	<b>16,895,579</b>	<b>6,277,814</b>	<b>6,387,273</b>	<b>29,560,666</b>
<b>Expenditures</b>				
Current:				
General government	2,490,887	17,489	963,599	3,471,975
Public safety	11,081,447	85,390	—	11,166,837
Public works	1,085,734	—	1,189,650	2,275,384
Culture and recreation	—	—	1,759,378	1,759,378
Transportation	—	—	340,118	340,118
Interdepartmental	1,043,105	—	—	1,043,105
Capital outlay	7,200	2,661,505	1,076,396	3,745,101
<b>Total Expenditures</b>	<b>15,708,373</b>	<b>2,764,384</b>	<b>5,329,141</b>	<b>23,801,898</b>
<b>Revenues Over Expenditures</b>	<b>1,187,206</b>	<b>3,513,430</b>	<b>1,058,132</b>	<b>5,758,768</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	—	4,069,984	1,558,623	5,628,607
Transfers out	—	(9,936,345)	(900,000)	(10,836,345)
<b>Total Other Financing Uses</b>	<b>—</b>	<b>(5,866,361)</b>	<b>658,623</b>	<b>(5,207,738)</b>
<b>Net Change In Fund Balances</b>	<b>1,187,206</b>	<b>(2,352,931)</b>	<b>1,716,755</b>	<b>551,030</b>
<b>Fund Balances - Beginning Of Year</b>	<b>17,341,213</b>	<b>37,078,807</b>	<b>5,557,531</b>	<b>59,977,551</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 18,528,419</b>	<b>\$ 34,725,876</b>	<b>\$ 7,274,286</b>	<b>\$ 60,528,581</b>

**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, 2020**

**Net Change In Fund Balances - Total Governmental Funds** \$ 551,030  
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:

3,905,616

Depreciation			
General government	\$	(139,438)	
Public safety		(1,224,477)	
Public works		(1,491,166)	
Culture and recreation		<u>(403,706)</u>	(3,258,787)

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	(14,158)	
Public safety	(104,767)	
Public works	(12,742)	
Culture and recreation	<u>(9,910)</u>	(141,577)

Pension Expense  
    Public safety

1,037,618

**Change In Net Position Of Governmental Activities** **\$ 2,093,900**



# CITY OF NORTH KANSAS CITY, MISSOURI

## STATEMENT OF NET POSITION ENTERPRISE FUNDS September 30, 2020

	Hospital	Nonmajor Enterprise Funds	Total
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents	\$ 61,506,000	\$ 3,678,732	\$ 65,184,732
Investments	—	12,962,886	12,962,886
Current portion of designated assets	2,676,000	—	2,676,000
Receivables, net of allowance for uncollectibles of \$19,066,000:			
Accounts	64,057,000	963,779	65,020,779
Reimbursements	4,844,000	—	4,844,000
Special assessments	—	144,792	144,792
Accrued interest	—	399	399
Inventory	17,466,000	32,462	17,498,462
Prepays	8,753,000	73,891	8,826,891
<b>Total Current Assets</b>	<b>159,302,000</b>	<b>17,856,941</b>	<b>177,158,941</b>
Noncurrent Assets:			
Designated assets:			
Cash and cash equivalents	8,781,000	—	8,781,000
Investments	323,751,000	—	323,751,000
Other assets	1,119,000	—	1,119,000
Investment in joint ventures	7,448,000	—	7,448,000
Receivables, special assessments	—	1,038,253	1,038,253
Net pension asset	24,594,000	192,649	24,786,649
Capital assets, nondepreciable	14,544,746	2,152,781	16,697,527
Capital assets, net depreciable	297,192,254	27,308,545	324,500,799
<b>Total Noncurrent Assets</b>	<b>677,430,000</b>	<b>30,692,228</b>	<b>708,122,228</b>
<b>Total Assets</b>	<b>836,732,000</b>	<b>48,549,169</b>	<b>885,281,169</b>
<b>Deferred Outflows Of Resources</b>			
Pension related amounts	35,757,000	301,209	36,058,209
OPEB related amounts	1,555,000	—	1,555,000
<b>Total Deferred Outflows Of Resources</b>	<b>37,312,000</b>	<b>301,209</b>	<b>37,613,209</b>
<b>Liabilities</b>			
Current Liabilities:			
Accounts payable and accrued expenses	21,122,000	1,916,691	23,038,691
Compensated absences	44,534,000	11,117	44,545,117
Estimated reimbursement payable	69,268,000	—	69,268,000
Current portion of revenue bonds, notes payable and capital lease payable	7,998,000	—	7,998,000
Current portion of reserve for liability risks	2,676,000	—	2,676,000
<b>Total Current Liabilities</b>	<b>145,598,000</b>	<b>1,927,808</b>	<b>147,525,808</b>
Noncurrent Liabilities:			
Compensated absences	—	174,155	174,155
OPEB liability	180,000	—	180,000
Reserve for liability risks	4,805,000	—	4,805,000
Revenue bonds, notes payable and capital lease payable	35,853,000	—	35,853,000
<b>Total Noncurrent Liabilities</b>	<b>40,838,000</b>	<b>174,155</b>	<b>41,012,155</b>
<b>Total Liabilities</b>	<b>186,436,000</b>	<b>2,101,963</b>	<b>188,537,963</b>
<b>Deferred Inflows Of Resources</b>			
OPEB related amounts	668,000	—	668,000
Pension related amounts	20,537,000	42,458	20,579,458
<b>Total Deferred Inflows Of Resources</b>	<b>21,205,000</b>	<b>42,458</b>	<b>21,247,458</b>
<b>Net Position</b>			
Net investment in capital assets	267,751,000	29,461,326	297,212,326
Restricted for:			
Donor purposes	25,050,000	—	25,050,000
Unrestricted	373,602,000	17,244,631	390,846,631
<b>Total Net Position</b>	<b>\$ 666,403,000</b>	<b>\$ 46,705,957</b>	<b>\$ 713,108,957</b>

# CITY OF NORTH KANSAS CITY, MISSOURI

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

For The Year Ended September 30, 2020

	<b>Hospital</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for services	\$ 550,498,000	\$ 13,341,156	\$ 563,839,156
Other operating revenues	34,476,000	—	34,476,000
<b>Total Operating Revenues</b>	<b>584,974,000</b>	<b>13,341,156</b>	<b>598,315,156</b>
<b>Operating Expenses</b>			
Personal services	344,800,000	1,320,041	346,120,041
Contractual services	83,136,000	9,118,049	92,254,049
Materials and supplies	159,914,000	2,605,597	162,519,597
Depreciation and amortization	26,457,000	2,557,658	29,014,658
<b>Total Operating Expenses</b>	<b>614,307,000</b>	<b>15,601,345</b>	<b>629,908,345</b>
<b>Operating Income (Expense)</b>	<b>(29,333,000)</b>	<b>(2,260,189)</b>	<b>(31,593,189)</b>
<b>Nonoperating Revenues (Expenses)</b>			
Other revenue	13,463,000	10,775	13,473,775
Other expenses	(904,000)	—	(904,000)
Investment earnings	18,588,000	209,007	18,797,007
Interest expense	(1,421,000)	—	(1,421,000)
<b>Total Nonoperating Revenues</b>	<b>29,726,000</b>	<b>219,782</b>	<b>29,945,782</b>
<b>Income (Loss) Before Transfers And Capital Contributions</b>	<b>393,000</b>	<b>(2,040,407)</b>	<b>(1,647,407)</b>
<b>Transfers</b>	<b>—</b>	<b>5,207,738</b>	<b>5,207,738</b>
<b>Capital Contributions</b>	<b>(429,000)</b>	<b>—</b>	<b>(429,000)</b>
<b>Change In Net Position</b>	<b>(36,000)</b>	<b>3,167,331</b>	<b>3,131,331</b>
<b>Net Position - Beginning Of Year</b>	<b>666,439,000</b>	<b>43,538,626</b>	<b>709,977,626</b>
<b>Net Position - End Of Year</b>	<b>\$ 666,403,000</b>	<b>\$ 46,705,957</b>	<b>\$ 713,108,957</b>

# CITY OF NORTH KANSAS CITY, MISSOURI

## STATEMENT OF CASH FLOWS ENTERPRISE FUNDS For The Year Ended September 30, 2020

	Hospital	Nonmajor Enterprise Funds	Total
<b>Cash Flows From Operating Activities</b>			
Receipts from customers and users	\$ 617,105,000	\$ 13,358,308	\$ 630,463,308
Payments to suppliers	(247,886,000)	(12,811,201)	(260,697,201)
Payments to employees	(340,325,000)	(1,264,354)	(341,589,354)
Other receipts	34,765,000	—	34,765,000
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>63,659,000</b>	<b>(717,247)</b>	<b>62,941,753</b>
<b>Cash Flows From Noncapital Financing Activities</b>			
Proceeds from noncapital gifts and grants	13,231,000	—	13,231,000
Proceeds from interfund accounts	—	5,207,738	5,207,738
<b>Net Cash Provided By Noncapital Financing Activities</b>	<b>13,231,000</b>	<b>5,207,738</b>	<b>5,207,738</b>
<b>Cash Flows From Capital And Related Financing Activities</b>			
Purchases of capital assets	(29,632,000)	(1,514,729)	(31,146,729)
Interest payments	(1,421,000)	—	(1,421,000)
Principal payments on debt	(9,561,000)	—	(9,561,000)
Proceeds from sale of capital assets	—	10,775	10,775
Restricted assets used for capital purposes	—	—	—
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(40,614,000)</b>	<b>(1,503,954)</b>	<b>(42,117,954)</b>
<b>Cash Flows From Investing Activities</b>			
Interest and dividends received	6,825,000	209,486	7,034,486
Contribution expense	(862,000)	—	(862,000)
Purchase of investments	(114,417,000)	361,656	(114,055,344)
Proceeds from sale of investments	126,835,000	(3,038,270)	123,796,730
Distribution to minority owner	(429,000)	—	(429,000)
Loss on joint venture	(602,000)	—	(602,000)
Change in other assets and liabilities	(57,000)	—	(57,000)
Distributions from investees	(347,000)	—	(347,000)
<b>Net Cash Provided by (Used In) Investing Activities</b>	<b>16,946,000</b>	<b>(2,467,128)</b>	<b>14,478,872</b>
<b>Increase In Cash And Cash Equivalents</b>	<b>53,222,000</b>	<b>519,409</b>	<b>40,510,409</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>17,065,000</b>	<b>3,159,323</b>	<b>20,224,323</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 70,287,000</b>	<b>\$ 3,678,732</b>	<b>\$ 60,734,732</b>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating loss	\$ (29,333,000)	\$ (2,260,189)	\$ (31,593,189)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation and amortization	26,457,000	2,557,658	29,014,658
Loss on sale of capital assets	289,000	—	289,000
Changes in assets and liabilities:			
Receivables	7,979,000	17,152	7,996,152
Inventory	(7,965,000)	—	(7,965,000)
Prepaid items and other	611,000	115,637	726,637
Net pension asset/liability	(55,287,000)	327,929	(54,959,071)
Deferred outflows of resources	40,845,000	(151,187)	40,693,813
Deferred inflows of resources	17,077,000	(142,896)	16,934,104
Accounts payable and accrued expenses	2,865,000	(1,203,192)	1,661,808
Accrued employee related expenses	1,840,000	21,841	1,861,841
Reserve for liability risk	(347,000)	—	(347,000)
Estimated reimbursements payable	58,628,000	—	58,628,000
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>\$ 63,659,000</b>	<b>\$ (717,247)</b>	<b>\$ 62,941,753</b>
<b>Schedule Of Noncash Items</b>			
Note and capital lease obligations incurred for capital assets	\$ 25,000	\$ —	\$ 25,000
Property and equipment purchases included in accounts payable	135,000	—	135,000

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**CITY OF NORTH KANSAS CITY, MISSOURI**

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

**September 30, 2020**

**Assets**

Investments:

Vanguard Funds	\$ 90,853,957
Fixed Income Funds	54,485,945
International Equity	56,742,940
Schwab Total Stock Market Fund	129,155,493
Real Estate fund	6,071,889
Money market mutual funds	21,404,156
Employer contributions receivable	771,001
Receivables, accrued interest and dividends	26
<b>Total Assets</b>	<u>359,485,407</u>

**Net Position Restricted For Pensions**

\$ 359,485,407

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**CITY OF NORTH KANSAS CITY, MISSOURI**

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

**For The Year Ended September 30, 2020**

**Additions**

**Contributions:**

Employer	\$ 31,457,537
Plan member deposits	178,950
<b>Total Contributions</b>	<u>31,636,487</u>

**Investment Income**

Net appreciation in fair value of investments	49,290,489
Interest and dividends	9,268,493
Investment expenses	<u>(108,820)</u>
<b>Net Investment Income</b>	<u>58,450,162</u>

<b>Total Additions</b>	<u>90,086,649</u>
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**Deductions**

Benefits	30,945,017
Administrative expenses	<u>503,347</u>
<b>Total Deductions</b>	<u>31,448,364</u>

<b>Change In Net Position</b>	58,638,285
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<b>Net Position Held In Trust For Pension Benefits - Beginning Of Year</b>	<u>300,847,122</u>
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<b>Net Position Held In Trust For Pension Benefits - End Of Year</b>	<u>\$ 359,485,407</u>
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# CITY OF NORTH KANSAS CITY, MISSOURI

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## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

### 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. 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.



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

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

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.

*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, 2020 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, 2019 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.

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

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

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.

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 2020 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.

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

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

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.

## CITY OF NORTH KANSAS CITY, MISSOURI

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

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.

*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. \$49,245,000 of lost charges from free care was considered to be charity care in the year ended June 30, 2020.

**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.

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

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

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.

### **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.

**CITY OF NORTH KANSAS CITY, MISSOURI**

Notes To Basic Financial Statements *(Continued)*

As of September 30, 2020, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (In Years)				No Maturity	Fair Value Hierarchy Level
		Less Than 1	1 To 5	6 To 10	More Than 10		
Investments, excluding Hospital and Pension Trust Funds:							
U.S. Treasury Bonds and Notes	\$ 41,104,123	\$ 30,888,767	\$ 10,215,356	\$ —	\$ —	—	2
U.S. Government agencies	23,218,791	23,218,791	—	—	—	—	2
Total Investments, excluding Hospital and Pension Trust Funds	64,322,914	54,107,558	10,215,356	—	—	—	
Investments, Hospital Fund							
Money market mutual funds	8,780,000	8,780,000	—	—	—	—	1
Equity mutual funds	68,346,000	68,346,000	—	—	—	—	1
U.S. Treasury and agency obligations	258,082,000	18,257,000	90,919,000	116,772,000	32,134,000	—	2
Total Investments, Hospital Fund	335,208,000	95,383,000	90,919,000	116,772,000	32,134,000	—	
Investments, Pension Trust Fund - Police and Fire							
Mutual Funds - Equity	40,324,597	—	—	—	—	40,324,597	1
U.S. Treasury bonds and notes	2,645,236	—	—	1,198,892	1,446,344	—	1
U.S. Government Agencies	2,658,516	—	110,559	590,154	1,957,803	—	2
Corporate issues	6,184,810	807,209	1,996,073	2,250,729	1,130,799	—	2
Foreign issues	370,631	—	370,631	—	—	—	2
Municipal issues	682,675	—	682,675	—	—	—	2
Domestic Preferred Stocks	171,402	—	—	—	—	171,402	2
Total investments, Pension Trust Funds	53,037,867	807,209	3,159,938	4,039,775	4,534,946	40,495,999	
Investments, Pension Trust Fund - Hospital							
Money market mutual funds	20,449,786	20,449,786	—	—	—	—	1
Domestic Equity funds	129,155,493	129,155,493	—	—	—	—	1
International Equity funds	56,742,940	56,742,940	—	—	—	—	1
Fixed Income funds	92,302,035	92,302,035	—	—	—	—	1
Total investments measured at fair value	751,219,035	119,409,000	94,078,938	120,811,775	36,668,946	40,495,999	
Investments measured at amortized cost							
Money market funds - Police and Fire Pension	954,370	—	—	—	—	—	
Investments measured at net asset value							
Real estate fund - Police and Fire Pension	6,071,889	—	—	—	—	—	
Total investments	\$ 758,245,294	—	—	—	—	—	

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, 2020:

Investment	Fair Value At September 30, 2020	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Fund - Ballard (A)	\$ 6,071,889	\$ —	Quarterly	90 days

# CITY OF NORTH KANSAS CITY, MISSOURI

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## Notes To Basic Financial Statements (Continued)

### 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	\$ 327,708,666	**
Mutual funds - Fixed Income	92,302,035	Not Rated
Money market mutual funds	30,184,156	AAAm

\*\* As of June 30, 2020, 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. The following table discloses concentrations of debt securities greater than 5 percent of total investments as of September 30, 2020:

<u>Investment Type</u>	<u>Concentration</u>
City (excluding pension and hospital)	
FNMA Obligations	16%
FHLB Obligations	14%
FFCB Obligations	6%
Hospital	
FNMA Obligations	13%
FHLB Obligations	14%
FHLMC Obligations	12%
Federal Farm Credit Bank Obligation	5%
Hospital Pension	
Vanguard Total Bond Market Index I	17%
PIMCO Income Instl	14%

**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, 2020, 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, 2020, the City’s and the City’s Police and Fire Pension Plan investments were not exposed to custodial credit risk.

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (Continued)

At June 30, 2020, \$580,000 of the Hospital's bank balances of \$63,900,000 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.

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

Deposits	\$ 73,650,006
Investments	<u>758,245,294</u>
	<u>\$ 831,895,300</u>
Cash and cash equivalents	\$ 73,534,547
Current portion of restricted assets held by trustee	11,572,458
Investments	
City (not including Pension Trust Funds)	64,322,915
Pension Trust Funds	358,714,380
Restricted and designated assets:	
Investments	<u>323,751,000</u>
	<u>\$ 831,895,300</u>



**CITY OF NORTH KANSAS CITY, MISSOURI**

Notes To Basic Financial Statements *(Continued)*

**3. Capital Assets**

The following is a summary of changes in capital assets for the year ended 2020:

	<b>Balance 2019</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance 2020</b>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 37,318,774	\$ 439,709	\$ —	\$ 37,758,483
Capital assets being depreciated:				
Buildings and improvements	38,058,579	442,765	—	38,501,344
Infrastructure	26,035,537	1,516,148	—	27,551,685
Equipment	20,096,245	1,506,994	—	21,603,239
Total capital assets being depreciated	84,190,361	3,465,907	—	87,656,268
Less: Accumulated depreciation for:				
Buildings and improvements	18,797,718	1,215,113	—	20,012,831
Infrastructure	6,373,453	1,210,949	—	7,584,402
Equipment	16,045,595	832,725	—	16,878,320
Total accumulated depreciation	41,216,766	3,258,787	—	44,475,553
Total capital assets being depreciated, net	42,973,595	207,120	—	43,180,715
Governmental activities capital assets, net	\$ 80,292,369	\$ 646,829	\$ —	\$ 80,939,198
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 6,719,527	\$ —	\$ —	\$ 6,719,527
Construction in progress	3,216,997	8,929,003	2,168,000	9,978,000
Total capital assets, not being depreciated	9,936,524	8,929,003	2,168,000	16,697,527
Capital assets being depreciated:				
Buildings and improvements	466,733,013	6,848,876	—	473,581,889
Infrastructure	28,129,785	1,233,654	—	29,363,439
Equipment	270,044,507	16,313,196	1,308,000	285,049,703
Total capital assets being depreciated	764,907,305	24,395,726	1,308,000	787,995,031
Less: Accumulated depreciation for:				
Buildings and improvements	223,911,048	14,026,122	—	237,937,170
Infrastructure	15,952,720	1,316,033	—	17,268,753
Equipment	196,598,806	12,708,503	1,019,000	208,288,309
Total accumulated depreciation	436,462,574	28,050,658	1,019,000	463,494,232
Total capital assets being depreciated, net	328,444,731	(3,654,932)	289,000	324,500,799
Business-type activities capital assets, net	\$ 338,381,255	\$ 5,274,071	\$ 2,457,000	\$ 341,198,326

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

<b>Governmental Activities</b>	
General government	\$ 139,438
Public safety	1,224,477
Public works	1,491,166
Culture and recreation	<u>403,706</u>
	<u>\$ 3,258,787</u>

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

<b>Business-Type Activities</b>	
Hospital	\$ 25,493,000
Health and community center	488,398
Water	515,365
Water pollution control	1,093,515
Communications	<u>460,380</u>
	<u>\$ 28,050,658</u>

The Hospital leases certain building space to facilitate the Meritas health care practices under noncancelable operating leases. Rental expense was \$5,200,000 for the Hospital Enterprise Fund's year ended June 30, 2020.

#### 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.

## CITY OF NORTH KANSAS CITY, MISSOURI

### Notes To Basic Financial Statements (Continued)

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.

## 5. Long-Term Debt

The following is a summary of changes in long-term debt for the year ended 2020:

	Balance - October 1, 2019			Additions	Retirements	Balance - September 30, 2020		Due Within One Year		
<b>Governmental Activities</b>										
Compensated absences	\$	2,012,599	\$	254,567	\$	113,010	\$	2,154,156	\$	129,249
<b>Business-Type Activities</b>										
Revenue bonds										
2013A Hospital revenue bonds	\$	20,525,000	\$	—	\$	2,977,000	\$	17,548,000	\$	3,042,000
2013B Hospital revenue bonds		20,248,000		—		1,115,000		19,133,000		1,151,000
Total revenue bonds		40,773,000		—		4,092,000		36,681,000		4,193,000
Notes payable		524,000		—		447,000		77,000		77,000
Capital lease		12,090,000		25,000		5,022,000		7,093,000		3,728,000
Compensated absences		40,163,431		44,719,272		40,163,431		44,719,272		44,545,117
		52,777,431		44,744,272		45,632,431		51,889,272		48,350,117
<b>Total Primary Government</b>	\$	95,563,030	\$	44,998,839	\$	49,837,441	\$	90,724,428	\$	52,672,366

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

**CITY OF NORTH KANSAS CITY, MISSOURI**

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Notes To Basic Financial Statements *(Continued)*

**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. 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. Maturities of the Hospital revenue bonds are as follows:

<b>For The Year Ending June 30:</b>	<b>Principal</b>	<b>Interest</b>
2021	\$ 4,193,000	\$ 992,000
2022	4,295,000	880,000
2023	4,399,000	765,000
2024	4,506,000	646,000
2025	4,617,000	525,000
2026-2028	14,671,000	181,000
	<u>\$ 36,681,000</u>	<u>\$ 3,989,000</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 debt service requirements as of June 30, 2020 on the notes payable are as follows:

<b>For The Year Ending June 30:</b>	<b>Total To Be Paid</b>	<b>Principal</b>	<b>Interest</b>
2020	\$ 78,000	\$ 77,000	\$ 1,000
	<u>\$ 78,000</u>	<u>\$ 77,000</u>	<u>\$ 1,000</u>

**CITY OF NORTH KANSAS CITY, MISSOURI**

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Notes To Basic Financial Statements *(Continued)*

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, 2020 totaled \$23,057,000, which is net of accumulated depreciation of \$12,032,000. The following is a schedule by year of future minimum lease payments under the capital leases including interest at a 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>
2021	\$ 3,905,000
2022	2,763,000
2023	668,000
2024	17,000
2025	2,000
<u>Less amount representing interest</u>	<u>(262,000)</u>
	<u>\$ 7,093,000</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	\$ 326,606,000
Assumption of malpractice and general liability risks	5,444,000
Assumption of workers' compensation risks	<u>3,158,000</u>
	<u>\$ 335,208,000</u>

These amounts are displayed on the balance sheet as follows:

Current portion of restricted assets held by trustee	\$ 2,676,000
Designated assets:	
Cash and cash equivalents	8,781,000
Investments	<u>323,751,000</u>
	<u>\$ 335,208,000</u>

**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 expires in fiscal year 2020, with 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, 2020 was approximately \$3,168,136 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	\$ 4,069,984	\$ (9,936,345)
Other nonmajor governmental funds	1,558,623	(900,000)
Other nonmajor enterprise funds	8,377,722	(3,169,984)
	<u>\$ 14,006,329</u>	<u>\$ (14,006,329)</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).

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>2020 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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	81
Inactive employees entitled to but not yet receiving benefits	29
Active employees	<u>76</u>
	<u><u>186</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, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 29, 2020. Standard update procedures were used to roll forward the net pension liability (asset) to June 30, 2020.

*Actuarial assumptions:* The total pension liability in the February 29, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary increase	3.25% to 6.55% including wage inflation
Investment Rate of Return	7.25% net of investment expenses

The healthy retiree mortality tables, for postretirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females. Both the postretirement and preretirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above tables.



## CITY OF NORTH KANSAS CITY, MISSOURI

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

The actuarial assumptions used in the February 29, 2020 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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 7.25 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, 2019	\$ 29,161,014	\$ 31,930,047	\$ (2,769,033)
Changes for the year			
Service cost	497,858	—	497,858
Interest	2,080,929	—	2,080,929
Difference between expected and actual experience	(205,731)	—	(205,731)
Changes of assumption	—	—	—
Contributions - employer	—	552,982	(552,982)
Contribution - employee	—	—	—
Net investment income	—	400,186	(400,186)
Benefit payments, including refunds	(1,431,274)	(1,431,274)	—
Administrative expense	—	(24,196)	24,196
Other changes	—	(300,220)	300,220
Net changes	941,782	(802,522)	1,744,304
Balances at September 30, 2020	\$ 30,102,796	\$ 31,127,525	\$ (1,024,729)

*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 7.25 percent, as well as what the City's net pension liability (asset) would be using a discount rate that is 1 percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate.

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Decrease (8.25%)
Total pension liability	\$ 33,920,272	\$ 30,102,796	\$ 26,926,325
Plan fiduciary net position	31,127,525	31,127,525	31,127,525
Net pension liability (asset)	\$ 2,792,747	\$ (1,024,729)	\$ (4,201,200)

## 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, 2020, the City recognized pension expense of \$715,160. 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	\$ 59,399	\$ (225,839)
Changes in assumptions	—	—
Net difference between projected and actual earnings on pension plan investments	866,392	—
Employer contributions subsequent to the measurement date	130,526	—
<b>Total</b>	<b>\$ 1,056,317</b>	<b>\$ (225,839)</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, 2021.

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>
2021	\$ (181,903)
2022	103,033
2023	404,439
2024	374,383
2025	—
Thereafter	—
<b>Total</b>	<b>\$ 699,952</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.

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

At September 30, 2020, Plan membership consisted of the following:

Active employees	94
Vested terminated employees	8
Retirees, beneficiaries and contingent annuitants	<u>82</u>
	<u><u>184</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.

*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.

## CITY OF NORTH KANSAS CITY, MISSOURI

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

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, 2020.

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, 2020.

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, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of October 1, 2020.

*Actuarial assumptions:* The total pension liability was determined by an actuarial valuation as of October 1, 2020 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-2019 (previously MP-2018 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, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 10.08 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:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) (a) - (b)
Balance at September 30, 2019	\$ 55,825,371	\$ 57,295,898	\$ (1,470,527)
Changes for the year			
Service cost	1,120,285	—	1,120,285
Interest	3,598,943	—	3,598,943
Difference between expected and actual experience	(26,865)	—	(26,865)
Contributions - employer	—	1,168,758	(1,168,758)
Contributions - employee	—	178,950	(178,950)
Net investment income	—	5,494,326	(5,494,326)
Benefit payments, including refunds	(3,154,604)	(3,154,604)	—
Administrative expense	—	(148,175)	148,175
Changes of Assumptions	(180,477)	—	(180,477.0)
Other changes	—	—	—
Net changes	1,357,282	3,539,255	(2,181,973)
Balance at September 30, 2020	\$ 57,182,653	\$ 60,835,153	\$ (3,652,500)

*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:

	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
City's net pension liability (asset)	\$ 2,997,999	\$ (3,652,500)	\$ (9,191,769)

## 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, 2020, the City recognized pension expense of \$21,918. 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	\$ 556,806	\$ 915,946
Changes in assumptions	1,295,490	661,464
Difference between expected and actual investment earnings	—	1,271,242
<b>Total</b>	<b>\$ 1,852,296</b>	<b>\$ 2,848,652</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>
2021	\$ (654,282)
2022	93,831
2023	(119,065)
2024	(316,840)
2025	—
Thereafter	—
<b>Total</b>	<b>\$ (996,356)</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, 2020:

<b>Assets</b>	
Cash and cash equivalents	\$ 954,370
Employer contributions receivable	771,001
Investments	59,109,782
<b>Total Assets</b>	<u>60,835,153</u>
<b>Net Position Restricted For Pensions</b>	<u>\$ 60,835,153</u>
<b>Additions</b>	
Contributions	
Employer	\$ 1,168,758
Member	178,950
Total contributions	<u>1,347,708</u>
Investment income	
Net increase in fair value of investments	4,074,149
Interest and dividends	1,415,730
Total investment income	<u>5,489,879</u>
<b>Total Additions</b>	<u>6,837,587</u>
<b>Deductions</b>	
Benefits	3,154,604
Administrative expenses	143,728
<b>Total Deductions</b>	<u>3,298,332</u>
<b>Change In Net Position</b>	3,539,255
<b>Net Position Restricted For Pensions - Beginning Of Year</b>	<u>57,295,898</u>
<b>Net Position Restricted For Pensions - End Of Year</b>	<u>\$ 60,835,153</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 1/12<sup>th</sup> 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 1/12<sup>th</sup> 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 1/12<sup>th</sup> 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, 2019, included in the actuarial valuation as of January 1, 2020:

Active participants	2,883
Retired participants, beneficiaries and disabled	304
Participants with deferred benefits	<u>1,396</u>
	<u><u>4,583</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, 2019 was \$30,288,000, which was substantially higher than the actuarial determined contribution of \$10,289,000. The Hospital also contributed \$5,988,000 after December 31, 2019 but before June 30, 2020, which is included as a deferred outflow of resources in the statement of net position at June 30, 2020.

## 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, 2019 (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, 2020.

*Actuarial assumptions:* The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest rates	
Funding rate	7.25%
Lump sum interest rate	4.50%
Salary and taxable wage base increases	2.50%
Investment rate of return	7.25%
Indexed limits on compensation benefits	2.30%

Mortality rates were based on the MP-2019 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%	11.42%
US Small Stock	20%	13.84%
Bonds		
US 30 Day TBill	2%	3.74%
US IT Government	18%	5.07%
US LT Corporate	15%	4.82%

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, 2019, the annual money-weighted rate of return on the Hospital Plan investments, net of pension plan investment expense was 21.96 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 7.25 percent for the year ended June 30, 2020. 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, 2019	\$ 274,244,000	\$ 243,551,000	\$ 30,693,000
Changes for the year			
Service cost	6,843,000	—	6,843,000
Interest	18,708,000	—	18,708,000
Changes of benefit terms	571,000	—	571,000
Difference between expected and actual experience	3,006,000	—	3,006,000
Effect of assumption changes or inputs	(1,525,000)	—	(1,525,000)
Contributions - employer	—	30,289,000	(30,289,000)
Contributions - employee	—	—	—
Net investment income (loss)	—	53,069,000	(53,069,000)
Benefit payments, including refunds	(27,790,000)	(27,790,000)	—
Administrative expense	—	(468,000)	468,000
Changes of Assumptions	—	—	—
Other changes	—	—	—
Net changes	(187,000)	55,100,000	(55,287,000)
Balance at June 30, 2020	\$ 274,057,000	\$ 298,651,000	\$ (24,594,000)

*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 7.25 percent. The following presents the net pension asset using a discount rate 1 percent higher and 1 percent lower than the current rate.

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Hospital's Net Pension Asset	\$ 2,134,000	\$ 24,594,000	\$ 44,241,000

**CITY OF NORTH KANSAS CITY, MISSOURI**

Notes To Basic Financial Statements (*Continued*)

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, 2020, the Hospital recognized pension expense of \$14,000,000. At June 30, 2020, the Hospital reported deferred outflows of resources and deferred 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	\$ 15,905,000	\$ —
Changes in assumptions	13,864,000	(4,329,000)
Difference between expected and actual investment earnings	—	(16,208,000)
Hospital contributions made subsequent to the measurement date	5,988,000	—
<b>Total</b>	<b>\$ 35,757,000</b>	<b>\$ (20,537,000)</b>

At June 30, 2020, the Hospital reported \$5,988,000 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, 2020 related to pensions will be recognized in pension expense as follows:

<b>Years Ending June 30,</b>	<b>Amount</b>
2021	\$ 1,459,000
2022	1,653,000
2023	4,698,000
2024	(2,680,000)
2025	2,878,000
Thereafter	1,224,000
<b>Total</b>	<b>\$ 9,232,000</b>

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

	<b>LAGERS</b>	<b>Police &amp; Fire</b>	<b>Hospital</b>	<b>Total</b>
Net pension asset (liability)	\$ 1,024,729	\$ 3,652,500	\$ 24,594,000	\$ 29,271,229
Deferred outflows of resources	1,056,317	1,852,296	35,757,000	38,665,613
Deferred inflows of resources	225,839	2,848,652	20,537,000	23,611,491
Pension expense	715,160	21,918	14,000,000	14,737,078

## **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 \$7,828,000. 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:

<b>Fiscal Year</b>	<b>Beginning Of Year</b>	<b>Provisions</b>	<b>Payments</b>	<b>End Of Year</b>
2019	\$ 7,388,000	\$ 2,675,000	\$ 2,235,000	\$ 7,828,000
2020	7,828,000	2,329,000	2,676,000	7,481,000

At year-end, the Hospital had approximately \$8,600,000 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 \$2,676,000 current and \$4,805,000 long-term on the accompanying statement of net position as of June 30, 2020.

## **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 \$12,145 in an operating subsidy for the year ended September 30, 2020. For the year ended September 30, 2020, the City incurred management fee expense of \$385,062 and a deficit reduction bonus expense of \$18,750. The amount due to the YMCA as of September 30, 2020 of \$97,988 is recorded in the City's Community Center Fund, a nonmajor enterprise fund.

**Communications Fund:** On September 2, 2019, 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, 2019. 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, 2020 of \$9,055 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, 2017. 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, 2020, 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, 2020 was as follows:

Medicare	30%
Medicaid	6%
Commercial insurance	7%
Patients	28%
Contracted payers	29%
	<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.

The employees covered by the benefit terms at June 30, 2020, are:

Inactive employees or beneficiaries currently receiving benefits	33
Active employees	<u>2,360</u>
	<u>2,393</u>

**OPEB Liability And Actuarial Assumptions**

The Hospital's total Healthcare Plan liability of \$180,000 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.

The total Healthcare Plan liability in the December 31, 2019 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	

## CITY OF NORTH KANSAS CITY, MISSOURI

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### Notes To Basic Financial Statements (Continued)

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 December 31, 2019 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, 2019	\$ 2,874,000
Changes for the year	
Service cost	235,000
Interest	116,000
Changes of benefit terms	(2,556,000)
Difference between expected and actual experience	(548,000)
Benefit payments	61,000
Other changes	(2,000)
Net changes	<u>(2,694,000)</u>
Balance at June 30, 2020	<u>\$ 180,000</u>

### Sensitivity Of The Total Healthcare Plan Liability To Changes In The Discount Rate And Health Care Cost Trend Rates

The total Healthcare Plan liability of the Hospital has been calculated using a discount rate of 3.0 percent. The following presents the total Healthcare Plan liability using a discount rate 1 percent higher and 1 percent lower than the current discount rate.

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>(2.00%)</b>	<b>(3.00%)</b>	<b>(4.00%)</b>
Hospital's total Healthcare Plan liability	\$ 185,000	\$ 180,000	\$ 175,000

The total Healthcare Plan liability of the Hospital has been calculated using health care cost trend rates of 6.0 percent decreasing .25 percent per year to an ultimate rate of 4.50 percent for 2026 and after. The following presents the total Healthcare Plan liability using health care cost trend rates 1 percent higher and 1 percent lower than the current health care cost trend rates.

## CITY OF NORTH KANSAS CITY, MISSOURI

### Notes To Basic Financial Statements (Continued)

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Hospital's total Healthcare Plan liability	\$ 176,000	\$ 180,000	\$ 184,000

#### 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.

For the year ended June 30, 2020, the Hospital recognized Healthcare Plan expense of (\$2,100,000). At June 30, 2020, the Hospital reported deferred outflows of resources related to the Healthcare Plan from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual	\$ 1,486,000	\$ (503,000)
Changes of assumptions	69,000	(165,000)
	<u>\$ 1,555,000</u>	<u>\$ (668,000)</u>

Amounts reported as deferred outflows of resources at June 30, 2020, related to the Healthcare Plan will be recognized in Healthcare Plan expense as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2021	\$ 97,000
2022	97,000
2023	97,000
2024	97,000
2025	97,000
Thereafter	402,000
<u>Total</u>	<u>\$ 887,000</u>

## 16. Major Customer

Revenue generated by two utility customers of the City amounted to \$5,130,474 for the Sewer Fund (Water Pollution). Revenue generated by two utility customers of the City amounted to \$1,123,588 for the Water Fund. Revenue generated by these customers comprised 71 percent and 45 percent of total operating revenue for the Sewer Fund and Water Fund, respectively, for the year ended September 30, 2020.

## **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 20 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, 2020, \$99,433 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 \$135,366 during the fiscal year. A jeweler receives a 100 percent tax abatement.

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

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

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, 2020

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

	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>					
Service cost	\$ 497,858	\$ 467,536	\$ 468,036	\$ 453,532	\$ 442,508
Interest on the total pension liability	2,080,929	1,995,606	1,973,791	1,922,857	1,847,804
Difference between expected and actual experience	(205,731)	148,101	(664,549)	(245,346)	(834,924)
Changes of assumptions	—	—	—	—	980,848
Benefit payments, including refunds	(1,431,274)	(1,466,633)	(1,485,325)	(1,387,628)	(1,424,612)
<b>Net Change In Total Pension Liability</b>	<b>941,782</b>	<b>1,144,610</b>	<b>291,953</b>	<b>743,415</b>	<b>1,011,624</b>
<b>Total Pension Liability, Beginning</b>	<b>29,161,014</b>	<b>28,016,404</b>	<b>27,724,451</b>	<b>26,981,036</b>	<b>25,969,412</b>
<b>Total Pension Liability, Ending</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>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 552,982	\$ 568,854	\$ 578,390	\$ 655,589	\$ 628,991
Contribution - employee	—	—	—	—	—
Pension plan net investment income	400,186	1,966,403	3,416,713	3,065,800	(85,854)
Benefit payments, including refunds	(1,431,274)	(1,466,633)	(1,485,325)	(1,387,628)	(1,424,612)
Pension plan administrative expense	(24,196)	(21,606)	(14,510)	(14,326)	(14,297)
Other	(300,220)	(102,127)	(546,890)	95,318	(154,085)
<b>Net Change In Fiduciary Net Position</b>	<b>(802,522)</b>	<b>944,891</b>	<b>1,948,378</b>	<b>2,414,753</b>	<b>(1,049,857)</b>
<b>Plan Fiduciary Net Position, Beginning</b>	<b>31,930,047</b>	<b>30,985,156</b>	<b>29,036,778</b>	<b>26,622,025</b>	<b>27,671,882</b>
<b>Plan Fiduciary Net Position, Ending</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>Employer Net Pension Liability (Asset)</b>	<b>\$ (1,024,729)</b>	<b>\$ (2,769,033)</b>	<b>\$ (2,968,752)</b>	<b>\$ (1,312,327)</b>	<b>\$ 359,011</b>
<b>Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability (Asset)</b>	<b>103%</b>	<b>109%</b>	<b>111%</b>	<b>105%</b>	<b>99%</b>
<b>Covered Payroll</b>	<b>4,140,786</b>	<b>3,849,708</b>	<b>3,614,267</b>	<b>3,540,619</b>	<b>3,444,549</b>
<b>Employer's Net Pension Liability (Asset) As A Percentage Of Covered Payroll</b>	<b>-24.7%</b>	<b>-71.9%</b>	<b>-82.1%</b>	<b>-37.1%</b>	<b>10.4%</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, 2020

### 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
2020	\$ 947,828	\$ 781,825	\$ 166,003	\$ 5,354,963	14.60%
2019	698,265	629,650	68,615	4,036,216	15.60%
2018	693,658	681,344	12,314	4,104,484	16.60%
2017	767,887	700,249	67,638	3,978,688	17.60%
2016	654,073	654,073	—	3,535,531	18.50%
2015	637,568	637,569	(1)	3,602,080	17.70%
2014	620,761	620,761	—	3,762,188	16.50%
2013	568,906	568,906	—	3,792,707	15.00%
2012	555,996	555,995	1	4,028,953	13.80%
2011	546,410	546,410	—	4,203,157	13.00%

### Notes To Schedule Of Contributions

#### Valuation Date

The roll-forward of total pension liability from February 29, 2020 to June 30, 2020 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 29, 2020
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	3.25% wage inflation; 2.5% price inflation
Salary increases	3.25% to 6.55% including wage inflation
Investment rate of return	7.25% 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, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables were the RP-2014 employees mortality table for males and females. Both the postretirement and preretirement tables were adjusted for mortality improvement back to the observation period base year 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above tables.

# CITY OF NORTH KANSAS CITY, MISSOURI

## REQUIRED SUPPLEMENTARY INFORMATION POLICE AND FIRE RETIREMENT PLAN For The Year Ended September 30, 2020

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

	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>						
Service cost	\$ 1,120,285	\$ 1,034,219	\$ 1,145,064	\$ 1,182,171	\$ 1,096,000	\$ 1,175,127
Interest on the total pension liability	3,598,943	3,391,638	3,242,135	3,300,630	3,056,149	3,271,756
Difference between expected and actual experience	(26,865)	861,941	(53,922)	(1,812,895)	226,581	(839,311)
Changes of assumptions	(180,477)	708,032	649,332	—	2,034,904	(2,180,160)
Benefit payments, including refunds	(3,154,604)	(2,630,573)	(2,512,858)	(2,470,951)	(3,006,169)	(680,469)
<b>Net Change In Total Pension Liability</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>746,943</b>
<b>Total Pension Liability, Beginning</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>46,677,818</b>
<b>Total Pension Liability, Ending</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>Plan Fiduciary Net Position</b>						
Contributions - employer	\$ 1,168,758	\$ 1,126,830	\$ 1,104,033	\$ 1,195,816	\$ 1,047,105	\$ 1,043,030
Contribution - employee	178,950	178,117	172,931	155,688	162,914	140,302
Pension plan net investment income	5,494,326	2,197,787	4,165,680	6,544,486	4,667,066	(315,503)
Benefit payments, including refunds	(3,154,604)	(2,630,573)	(2,512,858)	(2,481,478)	(3,006,169)	(2,180,060)
Pension plan administrative expense	(148,175)	(193,174)	(151,499)	(137,080)	(124,523)	(103,844)
Other	—	—	—	—	—	—
<b>Net Change In Fiduciary Net Position</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>(1,416,075)</b>
<b>Plan Fiduciary Net Position, Beginning</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>47,230,875</b>
<b>Plan Fiduciary Net Position, Ending</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>\$ 45,814,800</b>
<b>Employer Net Pension Liability (Asset)</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>\$ 1,609,961</b>
<b>Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability (Asset)</b>	<b>106%</b>	<b>103%</b>	<b>108%</b>	<b>108%</b>	<b>96%</b>	<b>97%</b>
<b>Covered Payroll</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>5,112,000</b>
<b>Employer's Net Pension Liability (Asset) As A Percentage Of Covered Payroll</b>	<b>-62.3%</b>	<b>-26.8%</b>	<b>-83.0%</b>	<b>-75.3%</b>	<b>44.4%</b>	<b>31.5%</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, 2020

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

Year End	Annual Required Contribution (ARC) (a)	Actual Contribution (b)*	Percentage Of ARC Contributed (b/a)
9/30/2009	\$ 1,192,596	\$ 800,000	67%
9/30/2010	1,432,875	870,000	61%
9/30/2011	1,413,105	785,000	56%
9/30/2012	1,546,257	730,000	47%
9/30/2013	1,382,311	1,665,000	120%
9/30/2014	890,916	675,000	76%
9/30/2015	1,043,030	1,070,230	103%
9/30/2016	1,047,105	1,011,064	97%
9/30/2017	1,195,815	1,199,032	100%
9/30/2018	1,093,914	940,605	86%
9/30/2019	1,126,830	800,951	71%
9/30/2020	1,168,758	936,047	80%

\* Net of percentage of pay contributions from employer and employees.

#### Assumptions

Valuation date	October 1, 2020
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-2019 (previously MP-2018). 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, 2020**

**Schedule Of Investment Returns**

	<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	10.08%	3.98%	7.80%	13.30%	10.40%	11.86%

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, 2020

	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>					
Service cost	\$ 6,843,000	\$ 7,334,000	\$ 6,949,000	\$ 6,588,000	\$ 6,535,000
Interest on the total pension liability	18,708,000	18,654,000	17,802,000	17,441,000	16,381,000
Changes of benefit terms	571,000	(7,239,000)	—	—	—
Difference between expected and actual experience	3,006,000	5,081,000	4,116,000	5,873,000	7,401,000
Changes of assumptions	(1,525,000)	2,385,000	—	—	—
Benefit payments, including refunds	(27,790,000)	(25,037,000)	(21,744,000)	(16,108,000)	(14,309,483)
Other changes	—	—	7,162,000	(5,495,000)	(1,373,000)
<b>Net Change In Total Pension Liability</b>	<b>(187,000)</b>	1,178,000	14,285,000	8,299,000	14,634,517
<b>Total Pension Liability, Beginning</b>	<b>274,244,000</b>	273,066,000	258,781,000	250,482,000	235,846,733
<b>Total Pension Liability, Ending</b>	<b>\$ 274,057,000</b>	\$ 274,244,000	\$ 273,066,000	\$ 258,781,000	\$ 250,481,250
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 30,289,000	\$ 4,533,000	\$ 9,400,000	\$ 12,000,000	\$ 15,000,000
Pension plan net investment income	53,069,000	(13,013,000)	35,114,000	17,714,000	(362,019)
Benefit payments, including refunds	(27,790,000)	(25,037,000)	(21,744,000)	(16,108,000)	(14,309,483)
Pension plan administrative expense	(468,000)	(333,000)	(110,000)	(140,000)	(164,167)
Other	—	—	—	—	—
<b>Net Change In Fiduciary Net Position</b>	<b>55,100,000</b>	(33,850,000)	22,660,000	13,466,000	164,331
<b>Plan Fiduciary Net Position, Beginning</b>	<b>243,551,000</b>	277,401,000	254,741,000	241,275,000	241,110,549
<b>Plan Fiduciary Net Position, Ending</b>	<b>\$ 298,651,000</b>	\$ 243,551,000	\$ 277,401,000	\$ 254,741,000	\$ 241,274,880
<b>Employer Net Pension Liability (Asset)</b>	<b>\$ (24,594,000)</b>	\$ 30,693,000	\$ (4,335,000)	\$ 4,040,000	\$ 9,206,370
<b>Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability</b>	<b>109%</b>	89%	102%	98%	96%
<b>Covered Payroll</b>	<b>166,915,000</b>	166,915,000	166,595,000	142,840,000	137,742,000
<b>Employer's Net Pension Liability As A Percentage Of Covered Payroll</b>	<b>-14.7%</b>	18.4%	-2.6%	2.8%	6.7%

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 PR-2000, prior was RP-2014; Maximum benefit limitation increases were lowered from 2.5 percent to 2.3 percent

**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, 2020**

	<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>
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)	132,150,000	5.30%
2011	8,695,000	—	8,695,000	133,340,000	0.00%

Valuation date	January 1, 2020
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	7.25%
Retirement age	65
Mortality tables	RP-2000



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**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, 2020**

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	<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	21.96%	-4.90%	14.10%	7.49%	-0.15%	7.68%	15.60%

**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**

	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	(2,000)	(197,000)	90,000
Net changes	(2,694,000)	600,000	1,031,000
<b>Balance Beginning Of Year</b>	<b>2,874,000</b>	2,274,000	1,243,000
<b>Balance End Of Year</b>	<b>\$ 180,000</b>	\$ 2,874,000	\$ 2,274,000
<b>Covered Payroll</b>	<b>\$ 132,373,000</b>	\$ 192,028,000	\$ 192,028,000
Total OPEB liability as a percentage of covered payroll	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 (Budgetary Basis) – General Fund**  
**For The Year Ended September 30, 2020**

	Budget		Actual	Variance With Final Budget (Over) Under
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 9,388,284	\$ 9,388,284	\$ 9,614,702	\$ (226,418)
Intergovernmental	22,000	439,769	437,126	2,643
Licenses and permits	2,111,000	2,111,000	1,989,009	121,991
Charges for services	985,367	985,367	1,141,924	(156,557)
Fines and forfeitures	303,500	303,500	252,381	51,119
Gaming	3,050,000	3,050,000	3,168,136	(118,136)
Investment earnings	178,000	178,000	255,500	(77,500)
Miscellaneous	4,000	4,000	36,801	(32,801)
<b>Total Revenues</b>	<b>16,042,151</b>	<b>16,459,920</b>	<b>16,895,579</b>	<b>(435,659)</b>
<b>Expenditures</b>				
Current:				
General government	2,449,770	2,638,863	2,490,887	147,976
Public safety	12,077,577	12,282,450	11,081,447	1,201,003
Public works	1,011,009	1,036,263	1,085,734	(49,471)
Interdepartmental	1,186,152	1,186,152	1,043,105	143,047
Capital Outlay	—	—	7,200	(7,200)
<b>Total Expenditures</b>	<b>16,724,508</b>	<b>17,143,728</b>	<b>15,708,373</b>	<b>1,435,355</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(682,357)</b>	<b>(683,808)</b>	<b>1,187,206</b>	<b>(1,871,014)</b>
<b>Other Financing Sources</b>				
Proceeds from the sale of capital assets	—	—	—	—
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net Change In Fund Balances</b>	<b>\$ (682,357)</b>	<b>\$ (683,808)</b>	<b>1,187,206</b>	<b>\$ (1,871,014)</b>
<b>Fund Balances - Beginning Of Year</b>			<b>17,341,213</b>	
<b>Fund Balances - End Of Year</b>			<b>\$ 18,528,419</b>	

# CITY OF NORTH KANSAS CITY, MISSOURI

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## REQUIRED SUPPLEMENTARY INFORMATION NOTE TO BUDGETARY COMPARISON INFORMATION September 30, 2020

### **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 budgetary basis that includes encumbrances. This is an accounting method not in accordance with accounting principles generally accepted in the United States of America. Budgetary basis expenditures and revenues are reconciled to GAAP in the budgetary comparison schedules, as applicable. 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, 2020**

	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	\$ 261,193	\$ 180,955	\$ 161,886	\$ 104,644	\$ 143,150	\$ 155,069	\$ 1,006,897
Investments	1,681,941	1,163,359	1,043,584	674,498	922,687	983,474	6,469,543
Receivables, net of allowance for uncollectibles:							
Taxes	726,967	1,090,494	26,245	792,131	47,520	—	2,683,357
Accounts	400	600	—	—	—	—	1,000
Accrued interest	52	36	—	21	28	30	167
Due from other governmental units	—	—	—	—	313,447	—	313,447
Prepaid items	15,674	6,476	—	—	35,564	—	57,714
Property held for resale	—	—	—	—	—	417,424	417,424
<b>Total Assets</b>	<b>2,686,227</b>	<b>2,441,920</b>	<b>1,231,715</b>	<b>1,571,294</b>	<b>1,462,396</b>	<b>1,555,997</b>	<b>10,949,549</b>
<b>Liabilities, Deferred Inflows And Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	41,305	52,179	368	771,000	145,489	7,734	1,018,075
<b>Deferred Inflows Of Resources</b>							
Property taxes	727,477	1,090,494	—	791,697	47,520	—	2,657,188
<b>Fund Balances</b>							
Nonspendable:							
Prepaid items	—	—	—	—	—	—	—
Property held for resale	—	—	—	—	—	—	—
Restricted:							
Capital projects	—	—	1,231,347	—	—	1,548,263	2,779,610
Bridges and streets	—	—	—	—	1,269,387	—	1,269,387
Assigned:							
Culture and recreation	1,917,445	1,299,247	—	—	—	—	3,216,692
Fire and police pension	—	—	—	8,597	—	—	8,597
Capital projects and redevelopment	—	—	—	—	—	—	—
<b>Total Fund Balances</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>Total Liabilities, Deferred Inflows And Fund Balances</b>	<b>\$ 2,686,227</b>	<b>\$ 2,441,920</b>	<b>\$ 1,231,715</b>	<b>\$ 1,571,294</b>	<b>\$ 1,462,396</b>	<b>\$ 1,555,997</b>	<b>\$ 10,949,549</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, 2020**

	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	\$ 701,860	\$ 1,052,742	\$ 384,432	\$ 761,512	\$ 1,830,329	\$ —	\$ 4,730,875
Intergovernmental	—	33,939	—	—	291,793	—	325,732
Charges for services	121,806	—	—	—	—	—	121,806
Gaming	—	—	—	—	—	—	—
Investment earnings	20,031	20,169	16,528	8,107	15,824	19,067	99,726
Miscellaneous, primarily tax increment financing	55,216	11,491	—	—	4,315	1,038,112	1,109,134
<b>Total Revenues</b>	<b>898,913</b>	<b>1,118,341</b>	<b>400,960</b>	<b>769,619</b>	<b>2,142,261</b>	<b>1,057,179</b>	<b>6,387,273</b>
<b>Expenditures</b>							
Current:							
General government	—	—	99,839	771,000	—	92,760	963,599
Public safety	—	—	—	—	—	—	—
Public works	—	—	—	—	1,189,650	—	1,189,650
Culture and recreation	866,914	892,464	—	—	—	—	1,759,378
Transportation	—	—	—	—	340,118	—	340,118
Capital outlay	146,863	71,530	331,525	—	526,478	—	1,076,396
<b>Total Expenditures</b>	<b>1,013,777</b>	<b>963,994</b>	<b>431,364</b>	<b>771,000</b>	<b>2,056,246</b>	<b>92,760</b>	<b>5,329,141</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(114,864)</b>	<b>154,347</b>	<b>(30,404)</b>	<b>(1,381)</b>	<b>86,015</b>	<b>964,419</b>	<b>1,058,132</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	1,558,623	—	—	—	—	—	1,558,623
Transfers out	—	—	—	—	—	(900,000)	(900,000)
<b>Total Other Financing Sources (Uses)</b>	<b>1,558,623</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(900,000)</b>	<b>658,623</b>
<b>Net Change In Fund Balances</b>	<b>1,443,759</b>	<b>154,347</b>	<b>(30,404)</b>	<b>(1,381)</b>	<b>86,015</b>	<b>64,419</b>	<b>1,716,755</b>
<b>Fund Balances - Beginning Of Year</b>	<b>473,686</b>	<b>1,144,900</b>	<b>1,261,751</b>	<b>9,978</b>	<b>1,183,372</b>	<b>1,483,844</b>	<b>5,557,531</b>
<b>Fund Balances - End 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>

**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, 2020**

	Special Revenue							
	Parks And Recreation		Public Library		Convention And Tourism Sales Tax		Transportation Sales Tax	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
<b>Revenues</b>								
Taxes	\$ 663,900	\$ 701,860	\$ 994,400	\$ 1,052,742	\$ 546,000	\$ 384,432	\$ 1,728,000	\$ 1,830,329
Intergovernmental	—	—	60,100	33,939	—	—	282,500	291,793
Charges for services	130,000	121,806	—	—	—	—	—	—
Investment earnings	5,000	20,031	12,000	20,169	20,000	16,528	10,000	15,824
Miscellaneous, primarily tax increment financing	8,500	55,216	8,034	11,491	—	—	—	4,315
<b>Total Revenues</b>	<b>807,400</b>	<b>898,913</b>	<b>1,074,534</b>	<b>1,118,341</b>	<b>566,000</b>	<b>400,960</b>	<b>2,020,500</b>	<b>2,142,261</b>
<b>Expenditures</b>								
Current:								
General government	—	—	—	—	196,489	99,839	—	—
Public works	—	—	—	—	—	—	1,479,906	1,189,650
Culture and recreation	950,720	866,914	1,168,143	892,464	—	—	—	—
Transportation	—	—	—	—	—	—	437,985	340,118
Capital outlay	1,574,655	146,863	16,000	71,530	725,853	331,525	590,398	526,478
<b>Total Expenditures</b>	<b>2,525,375</b>	<b>1,013,777</b>	<b>1,184,143</b>	<b>963,994</b>	<b>922,342</b>	<b>431,364</b>	<b>2,508,289</b>	<b>2,056,246</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(1,717,975)</b>	<b>(114,864)</b>	<b>(109,609)</b>	<b>154,347</b>	<b>(356,342)</b>	<b>(30,404)</b>	<b>(487,789)</b>	<b>86,015</b>
<b>Other Financing Sources</b>								
Transfers in	1,554,373	1,558,623	16,000	—	—	—	—	—
<b>Net Change In Fund Balances</b>	<b>(163,602)</b>	<b>1,443,759</b>	<b>(93,609)</b>	<b>154,347</b>	<b>(356,342)</b>	<b>(30,404)</b>	<b>(487,789)</b>	<b>86,015</b>
<b>Fund Balances - Beginning Of Year</b>	<b>473,686</b>	<b>473,686</b>	<b>1,144,900</b>	<b>1,144,900</b>	<b>1,261,751</b>	<b>1,261,751</b>	<b>1,183,372</b>	<b>1,183,372</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 310,084</b>	<b>\$ 1,917,445</b>	<b>\$ 1,051,291</b>	<b>\$ 1,299,247</b>	<b>\$ 905,409</b>	<b>\$ 1,231,347</b>	<b>\$ 695,583</b>	<b>\$ 1,269,387</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, 2020**

	<b>Capital Projects Funds</b>			
	<b>Gaming Revenue</b>		<b>Capital Projects</b>	
	<b>Final</b>		<b>Final</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
<b>Revenues</b>				
Gaming	\$ 7,059,400	\$ 5,681,811	\$ —	\$ —
Charges for services	—	—	—	—
Investment earnings	400,000	525,542	20,000	19,067
Miscellaneous, primarily tax increment financing	3,800,000	70,461	980,000	1,038,112
<b>Total Revenues</b>	<b>11,259,400</b>	<b>6,277,814</b>	<b>1,000,000</b>	<b>1,057,179</b>
<b>Expenditures</b>				
Current:				
General government	17,489	17,489	312,319	92,760
Public safety	408,000	85,390	—	—
Capital outlay	17,609,927	2,661,505	—	—
<b>Total Expenditures</b>	<b>18,035,416</b>	<b>2,764,384</b>	<b>312,319</b>	<b>92,760</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(6,776,016)</b>	<b>3,513,430</b>	<b>687,681</b>	<b>964,419</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,069,984	4,069,984	—	—
Transfers out	(9,948,095)	(9,936,345)	(900,000)	(900,000)
<b>Total Other Financing Uses</b>	<b>(5,878,111)</b>	<b>(5,866,361)</b>	<b>(900,000)</b>	<b>(900,000)</b>
<b>Net Change In Fund Balances</b>	<b>(12,654,127)</b>	<b>(2,352,931)</b>	<b>(212,319)</b>	<b>64,419</b>
<b>Fund Balances - Beginning Of Year</b>	<b>37,078,807</b>	<b>37,078,807</b>	<b>1,483,844</b>	<b>1,483,844</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 24,424,680</b>	<b>\$ 34,725,876</b>	<b>\$ 1,271,525</b>	<b>\$ 1,548,263</b>

# CITY OF NORTH KANSAS CITY, MISSOURI

## COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS September 30, 2020

	Health And Community Center	Water	Water Pollution Control	Commun- ications	Total
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 36,469	\$ 2,661,610	\$ 851,716	\$ 128,937	\$ 3,678,732
Investments	234,953	11,496,311	383,839	847,783	12,962,886
Receivables, net of allowance for uncollectibles:					
Accounts	—	282,333	662,244	19,202	963,779
Special assessments	—	—	144,792	—	144,792
Accrued interest	7	354	12	26	399
Inventory	—	32,462	—	—	32,462
Prepaid items	—	24,248	5,152	44,491	73,891
<b>Total current assets</b>	<b>271,429</b>	<b>14,497,318</b>	<b>2,047,755</b>	<b>1,040,439</b>	<b>17,856,941</b>
Noncurrent assets:					
Receivables, special assessments	—	—	1,038,253	—	1,038,253
Net pension asset	—	126,042	66,607	—	192,649
Capital assets, net	11,019,143	6,808,226	8,699,325	2,934,632	29,461,326
<b>Total noncurrent assets</b>	<b>11,019,143</b>	<b>6,934,268</b>	<b>9,804,185</b>	<b>2,934,632</b>	<b>30,692,228</b>
<b>Total Assets</b>	<b>11,290,572</b>	<b>21,431,586</b>	<b>11,851,940</b>	<b>3,975,071</b>	<b>48,549,169</b>
Deferred outflows of resources	—	241,033	60,176	—	301,209
<b>Liabilities And Net Position</b>					
<b>Liabilities</b>					
Current liabilities					
Accounts payable and accrued expenses	97,540	270,038	1,113,123	435,990	1,916,691
Compensated absences	—	7,553	3,564	—	11,117
<b>Total current liabilities</b>	<b>97,540</b>	<b>277,591</b>	<b>1,116,687</b>	<b>435,990</b>	<b>1,927,808</b>
Noncurrent liabilities					
Compensated absences	—	118,326	55,829	—	174,155
<b>Total noncurrent liabilities</b>	<b>—</b>	<b>118,326</b>	<b>55,829</b>	<b>—</b>	<b>174,155</b>
<b>Total Liabilities</b>	<b>97,540</b>	<b>395,917</b>	<b>1,172,516</b>	<b>435,990</b>	<b>2,101,963</b>
Deferred inflows of resources	—	27,778	14,680	—	42,458
<b>Net Position</b>					
Net investment in capital assets	11,019,143	6,808,226	8,699,325	2,934,632	29,461,326
Unrestricted	173,889	14,440,698	2,025,595	604,449	17,244,631
<b>Total Net Position</b>	<b>\$ 11,193,032</b>	<b>\$ 21,248,924</b>	<b>\$ 10,724,920</b>	<b>\$ 3,539,081</b>	<b>\$ 46,705,957</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, 2020**

	Health And Community Center	Water	Water Pollution Control	Commun- ications	Total
<b>Operating Revenues</b>					
Charges for services	\$ 2,486,339	\$ 2,493,804	\$ 7,364,089	\$ 996,924	\$ 13,341,156
<b>Operating Expenses</b>					
Personal services	—	893,865	426,176	—	1,320,041
Contractual services	429,765	402,826	7,359,807	925,651	9,118,049
Materials and supplies	2,090,795	406,657	108,145	—	2,605,597
Depreciation	488,398	515,365	1,093,515	460,380	2,557,658
<b>Total Operating Expenses</b>	3,008,958	2,218,713	8,987,643	1,386,031	15,601,345
<b>Operating Income (Loss)</b>	(522,619)	275,091	(1,623,554)	(389,107)	(2,260,189)
<b>Nonoperating Revenues</b>					
Other revenue (expense)	—	10,775	—	—	10,775
Investment earnings	4,325	181,346	11,039	12,297	209,007
<b>Total Nonoperating Revenue</b>	4,325	192,121	11,039	12,297	219,782
<b>Income (Loss) Before Transfers And Capital Contributions</b>	(518,294)	467,212	(1,612,515)	(376,810)	(2,040,407)
<b>Transfers (Net)</b>	300,000	2,815,768	1,741,970	350,000	5,207,738
<b>Changes In Net Position</b>	(218,294)	3,282,980	129,455	(26,810)	3,167,331
<b>Total Net Position - Beginning Of Year</b>	11,411,326	17,965,944	10,595,465	3,565,891	43,538,626
<b>Total Net Position - End Of Year</b>	\$ 11,193,032	\$ 21,248,924	\$ 10,724,920	\$ 3,539,081	\$ 46,705,957

# CITY OF NORTH KANSAS CITY, MISSOURI

## COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For The Year Ended September 30, 2020

	Health And Community Center	Water	Water Pollution Control	Commun- ications	Total
<b>Cash Flows From Operating Activities</b>					
Receipts from customers and users	\$ 2,486,339	\$ 2,512,612	\$ 7,362,433	\$ 996,924	\$ 13,358,308
Payments to suppliers	(2,882,680)	(780,558)	(8,085,410)	(1,062,553)	(12,811,201)
Payments to employees	—	(856,523)	(407,831)	—	(1,264,354)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>(396,341)</b>	<b>875,531</b>	<b>(1,130,808)</b>	<b>(65,629)</b>	<b>(717,247)</b>
<b>Cash Flows Provided By Noncapital Financing Activities</b>					
Proceeds from interfund accounts	300,000	2,815,768	1,741,970	350,000	5,207,738
<b>Cash Flows From Capital And Related Financing Activities</b>					
Purchases of capital assets	(12,622)	(590,084)	(912,023)	—	(1,514,729)
Proceeds from sale of capital assets	—	10,775	—	—	10,775
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(12,622)</b>	<b>(579,309)</b>	<b>(912,023)</b>	<b>—</b>	<b>(1,503,954)</b>
<b>Cash Flows From Investing Activities</b>					
Interest and dividends received	4,346	181,735	11,083	12,322	209,486
Purchase of investments	92,545	—	269,111	—	361,656
Proceeds from sale of investments	—	(2,782,733)	—	(255,537)	(3,038,270)
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>96,891</b>	<b>(2,600,998)</b>	<b>280,194</b>	<b>(243,215)</b>	<b>(2,467,128)</b>
<b>Increase (Decrease) In Cash And Cash Equivalents</b>	<b>(12,072)</b>	<b>510,992</b>	<b>(20,667)</b>	<b>41,156</b>	<b>519,409</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>48,541</b>	<b>2,150,618</b>	<b>872,383</b>	<b>87,781</b>	<b>3,159,323</b>
<b>Cash And Cash Equivalents - End 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>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (522,619)	\$ 275,091	\$ (1,623,554)	\$ (389,107)	\$ (2,260,189)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	488,398	515,365	1,093,515	460,380	2,557,658
Changes in assets and liabilities:					
Receivables	—	18,808	(1,656)	—	17,152
Prepaid items and inventory	25,780	26,837	47,880	15,140	115,637
Accounts payable and accrued expenses	(387,900)	2,088	(665,338)	(152,042)	(1,203,192)
Compensated absences	—	14,040	7,801	—	21,841
Pension related deferred outflows	—	(97,756)	(53,431)	—	(151,187)
Pension related deferred inflows	—	(93,491)	(49,405)	—	(142,896)
Net Pension Asset/Liability	—	214,549	113,380	—	327,929
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>\$ (396,341)</b>	<b>\$ 875,531</b>	<b>\$ (1,130,808)</b>	<b>\$ (65,629)</b>	<b>\$ (717,247)</b>

**CITY OF NORTH KANSAS CITY, MISSOURI**

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

**September 30, 2020**

	<b>Hospital Pension</b>	<b>Police And Fire Retirement</b>	<b>Total</b>
<b>Assets</b>			
Investments	\$ 298,650,254	\$ 60,064,126	\$ 358,714,380
Employer Contributions Receivable	—	771,027	771,027
<b>Net Position</b>	<b>\$ 298,650,254</b>	<b>\$ 60,835,153</b>	<b>\$ 359,485,407</b>

**CITY OF NORTH KANSAS CITY, MISSOURI**

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

**For The Year Ended September 30, 2020**

	<b>Hospital Pension</b>	<b>Police And Fire Retirement</b>	<b>Total</b>
<b>Additions</b>			
Contributions			
Employer	\$ 30,288,779	\$ 1,168,758	\$ 31,457,537
Plan member deposits	—	178,950	178,950
<b>Total Contributions</b>	<b>30,288,779</b>	<b>1,347,708</b>	<b>31,636,487</b>
<b>Investment Income</b>			
Net appreciation in fair value of investments	45,216,340	4,074,149	49,290,489
Interest and dividends	7,852,763	1,415,730	9,268,493
Investment expenses	(108,820)	—	(108,820)
<b>Net Investment Income</b>	<b>52,960,283</b>	<b>5,489,879</b>	<b>58,450,162</b>
<b>Total Additions</b>	<b>83,249,062</b>	<b>6,837,587</b>	<b>90,086,649</b>
<b>Deductions</b>			
Benefits	27,790,413	3,154,604	30,945,017
Administrative expenses	359,619	143,728	503,347
<b>Total Deductions</b>	<b>28,150,032</b>	<b>3,298,332</b>	<b>31,448,364</b>
<b>Change In Net Position</b>	<b>55,099,030</b>	<b>3,539,255</b>	<b>58,638,285</b>
<b>Net Position Held In Trust - Beginning Of Year</b>	<b>243,551,224</b>	<b>57,295,898</b>	<b>300,847,122</b>
<b>Net Position Held In Trust - End Of Year</b>	<b>\$ 298,650,254</b>	<b>\$ 60,835,153</b>	<b>\$ 359,485,407</b>

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## Statistical Section

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**CITY OF NORTH KANSAS CITY, MISSOURI**  
**Statistical Section**  
**September 30, 2020**

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

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<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being has changed over time. ....	98 - 103
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue sources, property and sales tax. ....	104 - 105
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. ....	110 - 111
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual 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.



# CITY OF NORTH KANSAS CITY, MISSOURI

## NET POSITION BY COMPONENT Last Ten Fiscal Years

	Fiscal Year										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Governmental activities:											
Net investment in capital assets	\$ 59,301,847	\$ 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	
Restricted	2,412,672	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	
Unrestricted	35,532,283	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	
<b>Total Governmental Activities Net Position</b>	<b>97,246,802</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>	
Business-type activities:											
Net investment in capital assets	153,867,367	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	
Restricted	1,700,600	1,175,000	1,243,000	189,000	684,000	102,000	729,000	5,190,000	627,000	25,050,000	
Unrestricted	405,608,438	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	
<b>Total Business-Type Activities Net Position</b>	<b>561,176,405</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>	
Primary government:											
Net investment in capital assets	213,169,214	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	
Restricted	4,113,272	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	
Unrestricted	441,140,721	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	
<b>Total Primary Government Net Position</b>	<b>\$ 658,423,207</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>	

GASB Statement No. 54 implemented in fiscal year 2011.

# CITY OF NORTH KANSAS CITY, MISSOURI

## CHANGES IN NET POSITION

Last Ten Fiscal Years

Page 1 Of 3

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
General government	\$ 3,436,089	\$ 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
Public safety	10,912,331	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
Public works	3,507,087	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
Culture and recreation	2,001,071	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
Transportation	129,458	321,464	349,162	361,326	368,612	331,103	391,161	420,874	426,440	340,118
<b>Total Governmental Activities Expenses</b>	<b>19,986,036</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>
Business-type activities:										
Hospital	421,952,000	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
Health and community center	2,797,549	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
Water	1,973,721	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
Water pollution control	3,954,074	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
Communications	1,472,799	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
<b>Total Business-Type Activities Expenses</b>	<b>432,150,143</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>Total Primary Government Expenses</b>	<b>452,136,179</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>
Program revenue:										
Governmental activities:										
Charges for services										
General government	5,770,617	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
Public safety	460,807	429,931	376,885	548,316	466,865	355,945	353,831	273,722	359,045	247,311
Culture and recreation	112,587	132,028	129,817	128,257	141,910	161,043	155,702	187,927	171,724	93,965
Transportation	—	220,081	3,180	91,003	—	—	—	—	136,268	146,841
Operating grants and contributions										
Public safety	—	—	30,376	18,377	22,506	22,218	24,769	18,693	16,493	19,357
Culture and recreation	9,166	7,565	22,765	35,328	12,751	5,553	9,010	6,120	26,451	33,939
Transportation	179,005	153,813	151,761	159,054	268,388	313,977	303,394	286,770	170,870	166,852
<b>Total Governmental Activities Program Revenue</b>	<b>6,532,182</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>

GASB Statement No. 34 implemented in fiscal year 2002.

**CITY OF NORTH KANSAS CITY, MISSOURI**

**CHANGES IN NET POSITION (Continued)**

**Last Ten Fiscal Years**

**Page 2 Of 3**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services:										
Hospital	\$ 434,318,000	\$ 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
Health and community center	1,140,468	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
Water	1,827,262	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
Water pollution control	2,922,901	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
Communications	449,107	597,862	847,871	960,230	1,128,404	1,036,502	789,601	1,149,335	1,120,056	996,924
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>	440,657,738	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
<b>Total Primary Government</b>										
<b>Program Revenues</b>	447,189,920	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
Net (expense) revenue:										
Governmental activities	(13,453,854)	(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)
Business-type activities	8,507,595	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)
<b>Total Primary Government Net</b>										
<b>Expense</b>	(4,946,259)	(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)

# CITY OF NORTH KANSAS CITY, MISSOURI

## CHANGES IN NET POSITION *(Continued)*

Last Ten Fiscal Years

Page 3 Of 3

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues and other changes										
in net position:										
Governmental activities:										
Taxes:										
Property taxes	\$ 1,640,656	\$ 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
Franchise taxes	2,322,566	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
Sales taxes	4,171,466	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
Other taxes	663,726	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
Gaming	9,024,105	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
Investment earnings	66,282	62,128	55,849	153,835	260,606	249,208	408,414	664,396	1,366,457	879,305
Gain on disposal of capital assets	—	—	—	—	241,587	—	113,975	125,814	—	—
Miscellaneous	892,383	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
Transfers	(372,316)	(260,016)	(70,016)	(451,682)	169,984	(454,182)	(3,277,334)	(1,320,333)	(7,247,650)	(5,207,738)
<b>Total Governmental Activities</b>	<b>18,408,868</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>
Business-type activities:										
Investment earnings	9,802,594	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
Gain on disposal of capital assets	—	—	—	—	62,130	62,139	30,283	7,210	—	—
Miscellaneous	1,000,000	678,700	10,342	42,000	27,592	9,673	159,901	—	357,000	13,473,775
Transfers	372,316	260,016	70,016	451,682	(196,984)	454,182	3,277,334	1,320,333	7,247,650	5,207,738
Special item	—	—	—	—	(2,601,000)	—	—	—	—	—
<b>Total Business-Type Activities</b>	<b>11,174,910</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>Total Primary Government</b>	<b>29,583,778</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>
Changes in net position:										
Governmental activities	4,955,014	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
Business-type activities	19,682,505	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
<b>Total Primary Government</b>	<b>\$ 24,637,519</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>

**CITY OF NORTH KANSAS CITY, MISSOURI**

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund:</b>										
Nonspendable	\$ 1,096	\$ 2,372	\$ 1,478	\$ 302,211	\$ 14,321	\$ 10,479	\$ —	\$ 438,908	\$ 385,115	\$ 612,774
Restricted	94,450	114,175	84,923	130,023	146,974	145,266	159,196	6,232,879	184,576	115,431
Assigned	639,606	529,790	428,298	375,433	340,651	294,914	269,966	252,496	233,619	207,772
Unassigned	3,851,420	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
<b>Total General Fund</b>	<b>\$ 4,586,572</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>All Other Governmental Funds:</b>										
Nonspendable	\$ 443,826	\$ 448,097	\$ 447,224	\$ 434,823	\$ 423,623	\$ 3,171	\$ 55,587	\$ 82,073	\$ 530,974	\$ —
Restricted/committed/assigned:										
Capital projects	1,182,518	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
Bridges and streets	1,135,704	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
Fire and police pension	—	—	—	30,008	9,139	15,907	9,337	17,264	9,978	8,597
Culture and recreation	5,526,411	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
Capital projects and redevelopment	24,633,724	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>\$ 32,922,183</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>

GASB Statement No. 54 implemented in fiscal year 2011. The City did not restate fund balance in prior years to comply with the new presentation format.

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues:</b>										
Taxes	\$ 8,798,414	\$ 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
Intergovernmental	188,171	377,359	204,902	298,507	303,645	341,748	337,173	311,583	338,082	762,858
Licenses and permits	1,542,159	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
Charges for services	281,724	634,578	717,454	714,407	787,780	879,030	798,070	1,082,804	1,071,938	1,263,730
Fines and forfeitures	544,314	432,237	380,409	550,891	470,708	360,080	358,885	277,232	362,667	252,381
Gaming	12,979,633	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
Investment earnings	66,282	62,128	55,849	158,459	260,606	249,208	408,414	664,396	1,366,457	880,768
Miscellaneous	912,669	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
Contributions	—	14,028	—	—	—	—	—	—	—	—
<b>Total Revenues</b>	<b>25,313,366</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>Expenditures:</b>										
General government	5,415,832	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
Public safety	10,395,712	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
Public works	4,373,147	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
Culture and recreation	1,665,619	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
Transportation	307,373	321,464	349,162	361,326	365,394	371,985	396,333	412,237	426,440	340,118
Sanitation	—	—	—	—	—	—	—	—	—	—
Interdepartmental	1,133,394	641,212	732,584	758,165	712,017	693,285	688,511	674,635	991,728	1,043,105
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
<b>Total Expenditures</b>	<b>23,291,077</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>Excess Of Revenues Over (Under)</b>										
<b>Expenditures</b>	<b>2,022,289</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>Other financing sources (uses):</b>										
Transfers in	3,702,184	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
Transfers out	(4,074,500)	(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)
Proceeds from sale of capital assets	—	—	—	—	241,587	601,388	113,975	125,714	—	—
<b>Total Other Financing Uses</b>	<b>(372,316)</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>Net Changes In Fund Balance</b>	<b>\$ 1,649,973</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>

**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>
2011	\$ 1,640,656	\$ 4,171,466	\$ 2,322,566	\$ 663,726	\$ 8,798,414
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
Change 2011 - 2020	49.8%	76.9%	7.2%	204.4%	63.0%

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, 2019

Industry	Percentage Of Total City Sales Tax Revenues	
	2020	2011
LUMBER AND CONSTRUCTION MATERIALS	11.4%	10.5%
UTILITIES - REGULATION, ELEC, LIQUIFIED PETROL & WATER	9.4%	12.5%
EATING AND DRINKING PLACES	8.3%	8.0%
MISCELLANEOUS BUSINESS SERVICES	7.4%	7.4%
JEWELRY STORES	6.6%	0.0%
PLUMBING, HEATING, AND AIR CONDITIONING	6.5%	1.9%
GENERAL GOVERNMENT NOT ELSEWHERE CLASSIFIED	3.8%	2.3%
MACHINERY EQUIPMENT AND SUPPLIES	3.3%	4.0%
CONVENIENCE STORES	3.3%	4.9%
HARDWARE, PLUMBING AND HEATING EQUIPMENT	3.2%	0.0%
MISCELLANEOUS MANUFACTURING INDUSTRIES	3.1%	4.3%
AUTOMOTIVE PARTS & REPAIR	2.7%	0.0%
CONSTRUCTION AND RELATED MACHINERY	2.6%	1.3%
TELEPHONE COM, CELLULAR & PAGING SERVICE	2.4%	2.9%
Total percentage of sales tax revenues	73.9%	60.0%
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 2020

Assessed Value	<b>\$ 334,231,620</b>
Debt limit (20% of assessed value)	
Debt applicable to limit:	<b>66,846,324</b>
General Obligation bonds	—
Less amount set aside for repayment of general obligation debt	—
Total net debt applicable to limit	<b><u>\$ 66,846,324</u></b>

### Legal Debt Margin

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 52,122,167	\$ 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
Total net debt applicable to limit	—	—	—	—	—	—	—	—	—	—
Legal Debt Margin	\$ 52,122,167	\$ 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
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**

**PLEGGED REVENUE COVERAGE  
Last Ten Fiscal Years**

	Hospital Revenue Bonds						Coverage
	Gross Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Debt Service (3)			
				Principal	Interest		
2011	\$ 444,093,000	\$ 395,771,000	\$ 48,322,000	\$ 4,711,000	\$ 4,120,000	5.47	
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)	

**CITY OF NORTH KANSAS CITY, MISSOURI**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

**As of September 30, 2019**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Amount Applicable To City</b>
Debt repaid with property taxes:			
North Kansas City School District	314,580,000	13.6%	\$ 42,682,673
City of North Kansas City			<u>—</u>
Total Direct and Overlapping Debt			<u><u>\$ 42,682,673</u></u>

Sources: North Kansas City School District, Paul Harrell, CFO

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>
2011	\$ 105,267,000	\$ —	\$ 4,144,000
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

# CITY OF NORTH KANSAS CITY, MISSOURI

## DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Fiscal Years

	Population (1)	Personal Income (2)	Per Capita Income (2)	Median Age (1)	School Enrollment (3)	Unemployment Rate (4)
2011	4,208	\$ 8,869,097	\$ 39,414	*	1,482	11.1%
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%

### 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	2020		
	Employees	Rank	Percentage of Total City Employment
Medical services and products	4,144	1	21%
Computer equipment, software and systems	3,981	2	20%
Entertainment, restaurants and taverns	1,953	3	10%
Building and construction companies	1,397	4	7%
Manufacturing	1,250	5	6%
Wholesale	758	6	4%
Auto parts and repair services	450	7	2%
Storage and moving companies	416	8	2%
Building material manufacture and supply	354	9	2%
Janitorial	283	10	1%
	14,986		75.0%

Industry	2011		
	Employees	Rank	Percentage of Total City Employment
Medical services and products	3,184	1	16%
Computer equipment, software and systems	2,703	2	14%
Building material manufacture and supply	2,647	3	13%
Entertainment, restaurants and taverns	1,663	4	8%
Manufacturing	1,115	5	6%
Building and construction companies	754	6	4%
Printing, lithographic, graphic design and sta	729	7	4%
Engineers & Architects	451	8	2%
Banking, investment or financial services	442	9	2%
Wholesale	403	10	2%
	14,091		71%

**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**

<u>Functions/Program</u>	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General Government</b>										
Elected	10.0	10.0	10.0	10.0	10.0	11.0	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	3.5	3.5	3.5	2.9	3.4	3.4	3.4
Purchasing	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	0.3	—	—	—	—	—	—	—
Court	3.3	3.3	3.3	2.8	3.0	3.0	3.0	3.5	4.5	4.5
Economic Development	—	—	—	—	—	—	—	—	1.0	1.0
<b>Community Development</b>										
Director	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	5.0	4.0	—	—
Intern	0.5	0.5	0.5	—	—	—	—	—	—	—
<b>Police</b>										
Officers	39.0	38.0	38.0	34.0	34.0	34.0	34.0	34.0	34.0	38.0
Civilians	16.1	15.6	15.5	12.5	12.5	12.5	12.0	12.0	12.0	14.5
<b>Fire</b>										
Firefighters and Officers	61.0	61.0	61.0	57.0	57.0	57.0	57.0	57.0	57.0	58.0
Civilians	1.0	1.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0
Codes Inspectors	0.0	0.0	—	—	—	—	—	—	5.0	5.0
<b>Public Works</b>										
Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0	2.0
Codes Inspectors	0.0	0.0	0.0	—	—	—	—	—	—	—
Buildings & Grounds Keepers	5.3	5.3	4.3	4.3	4.3	4.3	4.3	5.3	5.3	6.3
Street Maintenance	7.8	7.8	7.8	7.9	6.9	6.9	6.8	6.8	6.9	7.8
<b>Parks and Recreation</b>										
General & Administrative	2.7	2.3	2.2	3.2	3.0	3.0	3.0	3.0	3.0	3.0
Recreation	2.6	2.5	2.0	2.0	2.3	2.0	1.0	1.0	1.0	1.0
Attendants	3.3	3.3	3.3	2.5	2.5	2.5	3.0	2.0	2.0	2.0
<b>Library</b>										
Administration	2.0	2.0	2.0	2.9	2.0	2.0	3.1	3.1	3.1	4.6
Public Services	10.3	10.9	10.6	11.2	11.0	11.6	10.7	10.7	10.7	8.8
Computer Services	0.0	0.0	—	—	—	—	—	—	—	—
<b>Water</b>										
Administration	1.5	1.5	1.5	1.5	1.5	2.0	2.0	2.0	2.0	2.0
Plant Operators	5.0	5.0	5.0	5.0	4.0	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	1.0	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	2.0
Facility Operations	—	—	—	—	—	—	10.5	10.5	10.5	12.5
Recreation	—	—	—	—	—	—	27.3	27.3	27.3	29.3
<b>Communications</b>										
Administration	—	—	—	—	—	—	2.6	2.6	2.6	3.1
Technicians	—	—	—	—	—	—	4.0	4.0	4.0	3.0
	200.1	198.7	197.6	186.7	183.9	185.3	231.2	230.2	231.3	243.8

Sources: Adjusted annual city budgets

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Police:</b>										
Physical arrests	2,118	1,819	1,639	2,129	2,313	2,108	2,591	956	972	<b>694</b>
Traffic violations	3,841	3,329	3,239	4,637	3,458	3,236	3,528	2,240	2,826	<b>1,797</b>
Parking violations	693	479	665	629	863	1,109	1,092	1,208	867	<b>503</b>
<b>Fire:</b>										
Number of calls answered	1,528	1,615	1,715	1,748	1,935	2,015	2,117	2,038	2,075	<b>2,119</b>
Number of inspections conducted	381	313	802	1,226	716	1,487	1,276	1,106	1,019	<b>546</b>
In-house training hours	3,418	5,933	8,987	8,620	10,108	8,960	16,763	18,623	20,716	<b>16,049</b>
Patients transported	774	781	1,222	912	1,213	1,520	1,261	1,196	1,224	<b>1,304</b>
<b>Building safety</b>										
Commercial building permits	165	197	206	336	213	303	206	184	139	<b>78</b>
Residential building permits	110	80	121	118	162	120	122	119	104	<b>61</b>
Certificates of occupancy	97	107	104	121	101	82	91	87	72	<b>37</b>
<b>Water</b>										
Number of service connections	2,067	2,088	2,088	2,153	2,153	2,212	2,012	2,176	2,176	<b>2,176</b>
Daily average consumption in gallons	3.3 mgd	3.0 mgd	3.0 mgd	3.0 mgd	3.0 mgd	2.84 mgd	2.69 mgd	2.74 mgd	2.74 mgd	<b>2.5 mgd</b>
<b>Water Pollution Control:</b>										
Daily average flow in gallons	1.54 mgd	1.67 mgd	1.67 mgd	1.64 mgd	1.65mgd	1.60mgd	2.20 mgd	2.33 mgd	2.74 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	960	961	964	964	964	964
Number of streetlights (owned)	352	352	352	352	352	439	371	434	434	434
Streets (lane miles)	135	135	135	135	135	135	135	137	137	137
Parks & Recreation										
Acreage	100	100	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	2
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	6
Dog Park	—	—	1	1	1	1	1	1	1	1
Spray Park	—	—	—	—	—	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	40	41	41	42	42	42
Number of fire hydrants	349	349	349	349	349	348	348	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	37	39	39	39
Storm sewers (miles)	41	41	41	41	41	41	41	43	43	43
Community Center										
Facilities	1	1	1	—	—	—	—	—	—	—
Indoor swimming pools	1	1	1	—	—	—	—	—	—	—
Outdoor wading pool	1	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