City of Independence, Missouri

Historic City of the Trails

For the Fiscal Year Ended

June 30, 2017

Comprehensive Annual Financial Report

CITY OF INDEPENDENCE, MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Mayor
Eileen Weir

City Council

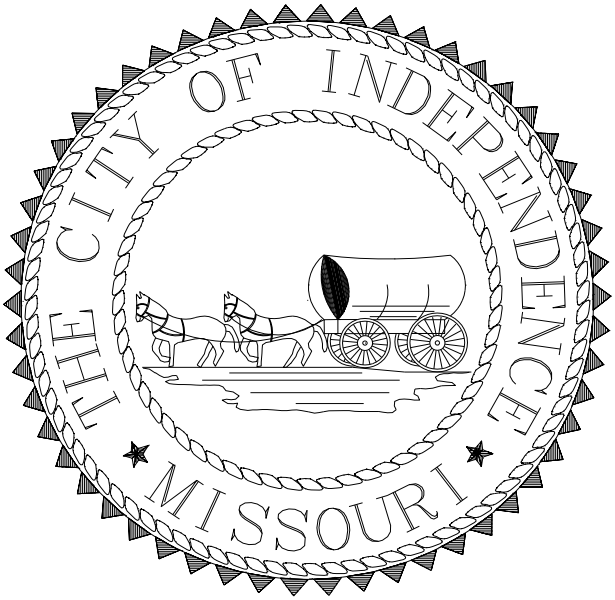
John Perkins	District #1
Curt Dougherty	District #2
Scott Roberson	District #3
Thomas Van Camp	District #4
Karen DeLuccie	At-large
Chris Whiting	At-large

City Manager

Zachary Walker

Prepared by the Department of Finance

Brian C. Watson, Director of Finance


THE CITY OF INDEPENDENCE
MISSOURI

CITY OF INDEPENDENCE, MISSOURI

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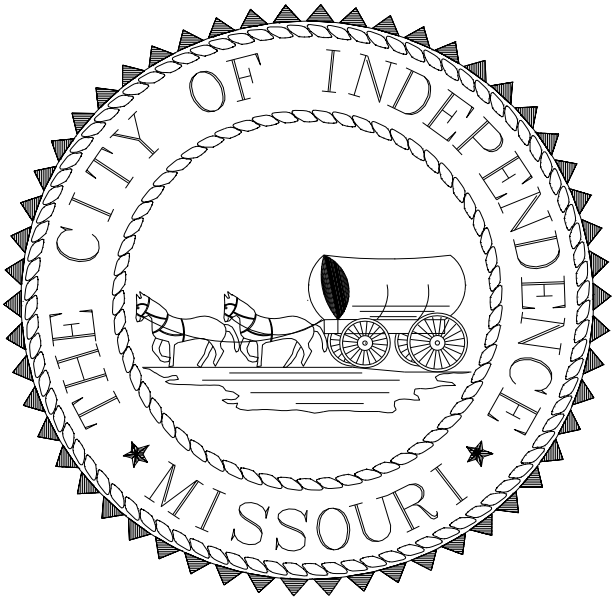
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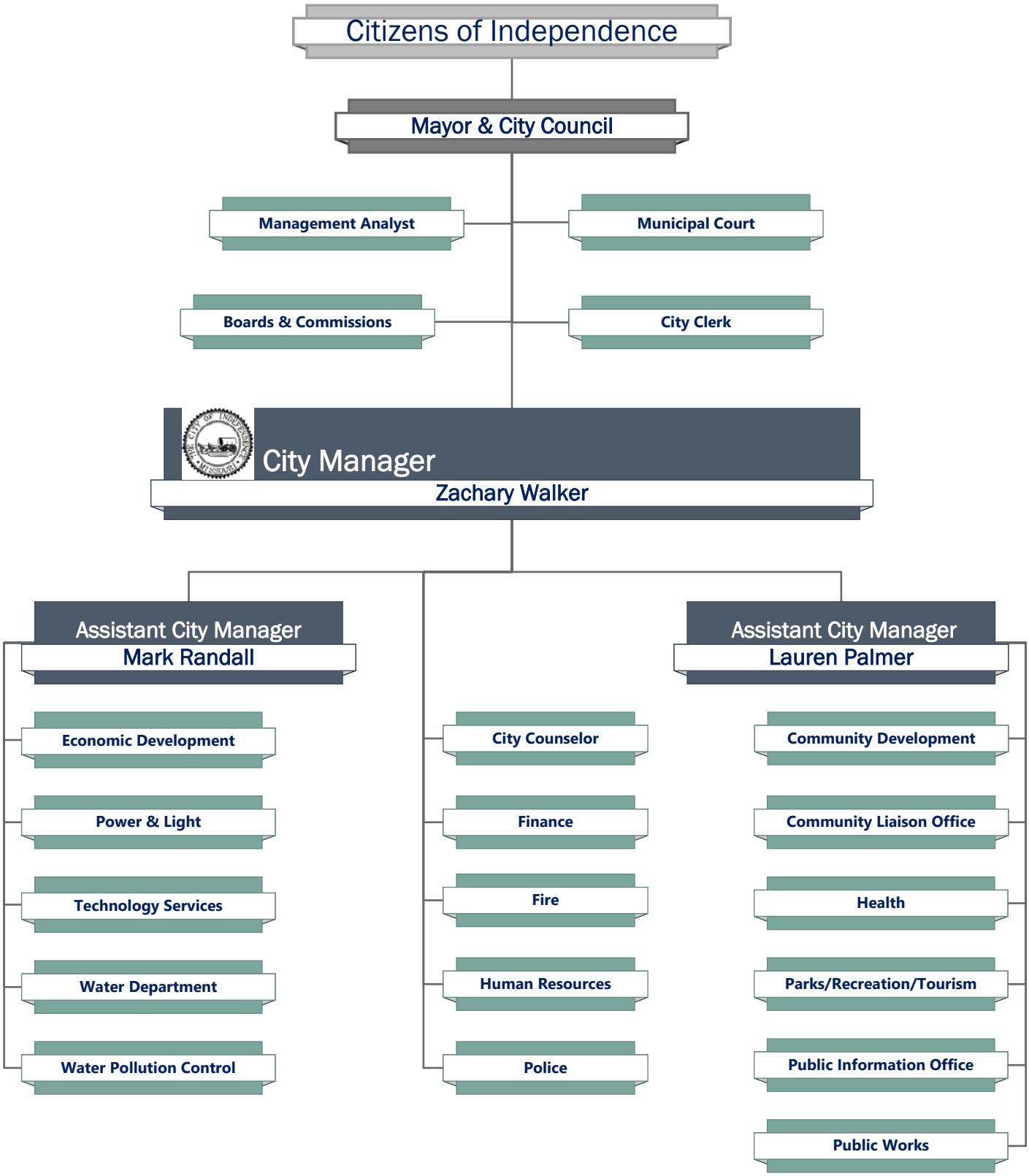
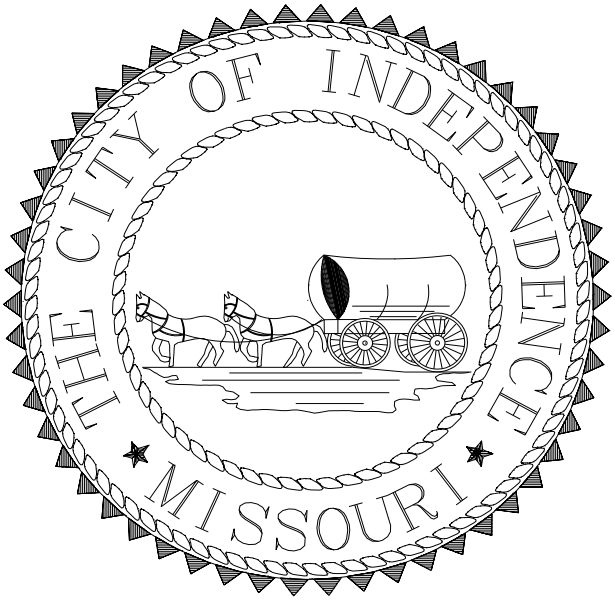

Citizens of Independence
Mayor & City Council
Management Analyst
Municipal Court
Boards & Commissions
City Clerk
City Manager
Zachary Walker
Assistant City Manager
Mark Randall
Assistant City Manager
Lauren Palmer
Economic Development
Power & Light
Technology Services
Water Department
Water Pollution Control
City Counselor
Finance
Fire
Human Resources
Police
Community Development
Community Liaison Office
Health
Parks/Recreation/Tourism
Public Information Office
Public Works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City of Independence

111 EAST MAPLE • P.O. BOX 1019 • INDEPENDENCE, MISSOURI 64051-0519

www.ci.independence.mo.us • (816) 325-7000

December 20, 2017

Honorable Mayor, Members of the City Council, and Citizens of the City of Independence, Missouri

The Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Independence, Missouri, for the fiscal year ended June 30, 2017. This report is submitted to you for your review in compliance with the provisions of Article 3, Section 3.34 of the City Charter.

The responsibility for accuracy, completeness and fairness of the data presented, including all disclosures, rests with the City. We believe the report, as presented, is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position and the results of the City, on a Government-wide and Fund basis. It is our belief that all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. To enhance the reader's understanding of these financial statements, note disclosures have been included as an integral part of this document.

This report was prepared by the City's Finance Department staff in accordance with generally accepted accounting principles (GAAP), which are uniform minimum standards and guidelines for financial accounting and reporting in the United States. This report is intended to provide sufficient information to permit the assessment of stewardship and accountability and to demonstrate legal compliance.

The City of Independence's financial statements, as required by the Charter, have been audited. The independent audit was conducted by RSM US LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Independence for fiscal year ended June 30, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Independence's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Independence was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in the City of Independence's separately issued Single Audit Report.

In fulfilling its responsibilities for reliable financial statements, management depends on the City's system of internal control. This system is designed to provide reasonable assurance that assets are effectively safeguarded and that transactions are executed in accordance with management's authorization and are properly recorded. 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. In addition to the independent audit and the internal control system, the Charter provides that the Council appoint a Management Analyst. The Management Analyst performs such duties as directed by the Council. These duties include the continuous review of all departments,

and the preparation of an annual report to the Council concerning the methods and results of the operations of the reviewed departments.

The Audit and Finance Committee, comprised of three members of the Council, acts in an advisory capacity to the Council and reviews financial information for appropriateness, reliability, clarity, timeliness and compliance with generally accepted accounting principles and legal requirements. In addition, this committee reviews the audit functions and adequacy of internal control systems.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Independence's MD&A can be found immediately following the report of the independent auditor.

Profile of the City

Incorporated in 1849, the City of Independence is the county seat of Jackson County and borders on the eastern edge of Kansas City, Missouri. Independence has a rich history as The Queen City of the Trails and former home of Harry S Truman, 33rd President of the United States. Independence is the fifth largest city in Missouri with an estimated population of 117,030.

As the beginning of the Santa Fe, Oregon, and California Trails, the City has 16 heritage attractions including the Harry S. Truman Library and Museum, the Truman Home, Victorian mansions, 1859 Jail and Marshal's Home, the National Frontier Trails Museum, historic square, and religious sites. Patricia Schultz included several tourism attractions in Independence in her travel book, *1,000 Places to See in the United States and Canada Before You Die*.

Its central location in the "Heart of America" offers residents and businesses unique location advantages and means that traveling, shipping, receiving and communications are more economical because of shorter distances to most parts of the country. Situated along major interstate highways (I-70, I-49, I-35, I-29) and rail routes, access to Independence from all parts of the nation, as well as, Canada and Mexico is excellent. The City's 78 square miles accommodate its residents and numerous businesses with 32 square miles of mixed-use land in eastern Independence available for development.

The City of Independence is home to Lake City Army Ammunition Plant, the largest small-caliber ammunition manufacturing plant in the world. Lake City is the largest employer in Independence and encompasses 458 buildings on 3,935 acres. Independence is home to the Harry S Truman Presidential Museum & Library, one of only fourteen in the nation. There are six major industrial and business parks in Independence. A large portion of the manufacturing, warehousing and office space is located underground in three separate, sub-surface business parks. This area has over 750 acres of mixed-use business parks with over 32 million square feet of industrial space, underground warehousing, and a cold storage facility with 1.2 million square feet.

The City of Independence is organized, as a constitutional charter city under the Missouri statutes utilizing the Council-Manager form of government. In accordance with the charter, the registered voters within the City elect a mayor and six council members to serve four-year terms as representatives on the City Council. An election for four districts is conducted as a unit, while elections for mayor and two at-large seats are conducted two years later. The Council appoints a City Manager to serve as the chief administrative officer of the City.

The City of Independence provides a comprehensive range of municipal services normally associated with a municipality, including police and fire protection, public works services, public health services, parks and recreation facilities, general administrative services and a trails history museum. The City also provides electric, water, and sanitary sewer services, all of which are accounted for in the financial statements as business-type activities.

In evaluating the City as a reporting entity, management has considered all potential component units. Determination of whether an entity is controlled by, or dependent on, the City is made on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the City, or the City's obligation to fund any deficit that may occur. As allowed by accounting principles generally accepted in the United States of America, the City has included the Tax Increment Financing Debt Service (TIF), Independence Events Center Management Corporation (IECMC), Events Center - Spectra Venue Management (formerly known as Global Spectrum), Events Center Community Improvement District (CID) and the Crackerneck Creek Transportation Development District's (TDD) activities in its financial statements as blended component units.

The annual budget serves as the foundation for the City of Independence's financial planning and control. The appropriated budget is prepared by fund, function (e.g. public safety), and department (police). Department heads may make transfers of appropriations within their department. Transfers of appropriations between departments, however, require approval of the City Council. Budget-to-actual comparisons for the General and Special Revenue Funds, which are required for each individual governmental fund for which an appropriated annual budget has been adopted, are included in this report.

Purchase orders and contracts are encumbered prior to their release to vendors. Any item, which would result in expenditures in excess of a department's budget, is not released until alternative sources of payment are made available. Open encumbrances as of June 30, 2017, are reported as committed and assigned fund balance since the City intends to honor the purchase orders and contracts.

Local economy

The City is continuing to experience growth on the eastern side of town. The I-70 interchange has made the Little Blue Parkway the professional business corridor of the 21st Century. This is due to a strong business climate and a history of successful development efforts utilizing Tax Increment Financing (TIF). This area has three million square feet of retail development, two million of which has been built since 1995. The Little Blue Parkway is located in the heart of a fast growing commercial area. This area is home to the Silverstein Eye Centers Arena, formerly known as the Independence Events Center which includes an arena with 5,800 seats for sports with additional seating for concerts and a community ice rink. The Silverstein Eye Centers Arena is home to the Central Hockey League franchise the Missouri Mavericks, Major Indoor Soccer League the Comets, and Champions Indoor Football League the KC Phantoms. The Missouri Mavericks have a signed contract that expires in 2020, the Comets contract expires March 2018, and the KC Phantoms contract expires in June 2018. The Arena opened in November 2009 providing approximately 120 new jobs.

The following table sets forth average annual unemployment figures for Independence and Jackson County, compared to the State of Missouri.

Year	City Unemployment Rate	Jackson County Unemployment Rate	Statewide Unemployment Rate
2017*	4.3%	4.3%	3.9%
2016	5.5%	5.1%	4.5%
2015	5.6%	5.9%	5.0%
2014	6.7%	7.0%	6.1%
2013	6.9%	7.5%	6.5%

Source: MERIC MO Economic Research and Information Center/MO Dept of Economic Development
*Average estimated thru June 2017.

Long-term financial planning

The City of Independence prepares a five-year financial projection of our financial condition, which includes capital outlay projections as well as a six-year Capital Improvements Program (CIP). The CIP includes proposed projects for constructing, maintaining, upgrading, and replacing the City's physical infrastructures. The budget for fiscal year 2017-18 includes projects totaling an estimated $27.6 million on capital projects. In preparing the capital budget, needs are assessed, public improvements are prioritized and costs are projected. This budget is reviewed annually and projects are re-prioritized and the financial condition of the City is evaluated. Many of the streets improvements, parks improvements and storm water projects are funded by the voter approved street, parks, and storm water sales taxes.

The City's policy is to maintain an unassigned fund balance level in the General Fund equal to 5.0% of annual revenues. Unassigned fund balance in the General Fund does fall within the policy guidelines set by the Council for budgetary and planning purposes.

Relevant financial policies

It is the City of Independence's policy to restore the unassigned fund balance through revenue allocations or expenditure reductions when it falls below the 5.0% of annual revenues. The City Manager has not funded vacant positions whenever possible in an effort to reduce salary and benefit costs. In addition, each department has been asked to reduce expenditures in an effort to reduce costs. The unassigned fund balance as of June 30, 2017 was 7.86% of the General Fund revenues and transfers from utility payments in lieu of taxes. This is an increase of 2.86% from the 2015-16 amount of 5.00%.

Major initiatives

The Neighborhood Stabilization Program continues to bring a number of private and public entities together to redevelop Western Independence as a vibrant community. The City anticipates the Neighborhood Stabilization Program will run through fiscal year 2017-18, until all funding sources have been exhausted. Development incentives, school redistricting, and tax abatements have combined to encourage construction of new housing, rehabilitation of existing housing, and redevelopment of commercial nodes. Additional infrastructure investments by both the City and Missouri Department of Transportation have improved access and enhanced property values. The City anticipates that population will continue to rebound in this geographic area over the next five to ten years.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Independence for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable, efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The City is also the recipient of GFOA's Award for Distinguished Budget Presentation for its annual budget for the fiscal year beginning July 1, 2016. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award

The preparation of this report would not have been possible without the efficient and dedicated services of several members of the Finance Department. I wish to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. I also would like to thank the firm of RSM US LLP for their assistance and patience in the preparation of this annual report.

Respectfully submitted,

Brian C. Watson
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Independence Missouri

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

RSM

RSM US LLP

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Independence, 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 Independence, Missouri (the City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Silverstein Eye Centers Arena (Arena), which is a blended component unit presented within the Events Center Fund, a major enterprise fund of the City. This activity represents 2 percent and 48 percent, respectively, of the total assets and total revenues of the major enterprise fund and 0.17 percent and 3 percent, respectively, of the total assets and total revenues of the business-type activities. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Arena is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions
In our opinion, based on our audit and the report of 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 Independence, Missouri, as of June 30, 2017, 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.

RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

Other Matters
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, and the pension and postemployment 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Independence, Missouri's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory, statistical sections and other schedules, 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 any assurance on them.

RSM US LLP

Kansas City, Missouri
December 20, 2017

This section of the City of Independence's comprehensive annual financial report presents our review of the City's financial performance during the fiscal year that ended on June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

The City's total net position decreased $11.0 million. The City's governmental activities had a decrease of $13.5 million and the business-type activities had an increase of $2.5 million. A large portion of the decrease for the governmental activities was due to a decrease in the deferred outflows of resources booked for the pension related amounts as a requirement of the Governmental Accounting Standards Board's Statement No. 68 – *Accounting and Financial Reporting for Pensions.* This statement was first implemented in the 2014-15 fiscal year.

Sales tax revenue increased by $693,852, or 1.4%. Again this year, the lagging growth in revenue from sales tax can mostly be attributed to two factors. The first and probably the most significant is the slow economy that has generally been felt throughout the country. The second is the retail competition that continues to develop within the trade area of the City. Blue Springs and Lee's Summit continue to expand their retail shopping opportunities.

Revenues of the General Fund were also significantly impacted by the combined impact of extremely low cost of natural gas and weather. As a result of the low cost of fuel and a very mild winter, revenues from the franchise tax on natural gas sales within the City were $721,132 less than originally projected.

The Silverstein Eye Centers Arena, formerly known as the Independence Events Center opened in the southeast part of the City during November 2009. This project allowed for the establishment of a community improvement district and a sales tax in the district to finance the obligations issued to construct the arena. The Arena's primary tenant is the Mavericks a member of the Central Hockey League (CHL). The Arena's secondary tenants with multi-year leases are the Comets of the Major Indoor Soccer League (MISL), and the KC Phantoms of the Champions Indoor Football League (CIFL). The City engaged Spectra Venue Management, formerly known as Global Spectrum on July 1, 2014 to manage the activities and operation of the facility.

Overview of the Financial Statements

This annual report consists of four parts, management's discussion and analysis, the basic financial statements, required supplementary information, and an optional section that presents combining statements for non-major governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operation in more detail than the government-wide statements:

    - The governmental funds statements tell how general government services, like public safety, were financed in the short-term, as well as, what remains for future spending.

    - Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like a business, such as the Power and Light system, Water system, Sanitary Sewer system, and the Silverstein Eye Centers Arena.

- Fiduciary fund statements provide information about financial relationships for which the City acts solely as a trustee or agent for the benefit of others, to whom the underlying resources belong, such as the Seniors' Travel Fund, and Flexible Benefit Plan Fund.

The financial statements also include notes that provide additional explanatory information to the financial statements. The statements are followed by a section of required supplementary information, which explains and supports the information in the financial statements. Figure MD-1 shows how the required parts of this annual report are arranged and relate to one another.

In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds and internal service funds, each of which are added together and presented in single columns in the basic financial statements.

Figure MD-2 summarizes the components of the City's financial statements, including the portion of the City government, which each covers and the types of information each contain. The remainder of this section explains the structure and content of each of the statements.

Figure MD-1
Required Components of City of Independence's Annual Financial Report

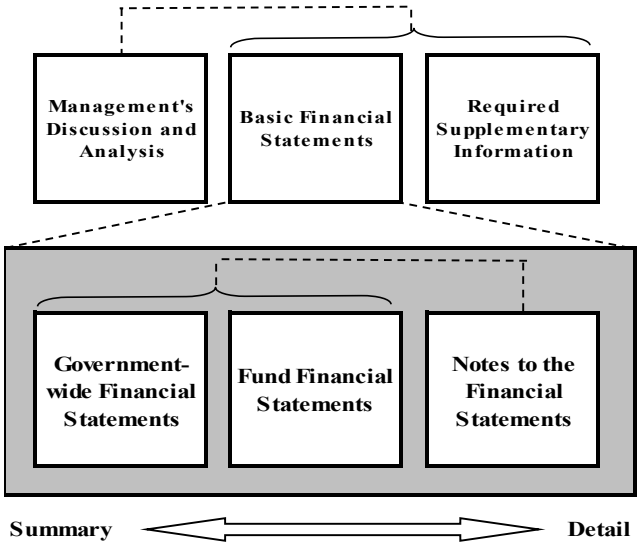


Figure MD-2
Major Features of the City of Independence's Government-wide and Fund Financial Statements

		Fund Statements		
	Government-Wide Statements	**Governmental Funds**	**Proprietary Funds**	**Fiduciary Funds**
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks	Activities the City operates similar to private businesses: electric, water, and sanitary sewer	Instances in which the City is the trustee or agent for someone else's resources
Required financial statements	* Statement of net position * Statement of activities	* Balance Sheet * Statement of revenues, expenditures, and changes in fund balances	* Statement of net position * Statement of revenues, expenses, and changes in net position *Statement of cash flows	* Statement of fiduciary net position *Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the City's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, liabilities, and deferred inflows/outflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. The term "net position" refers to the difference between the City's assets, liabilities, and deferred inflows/outflows of resources and is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

- To further assess the overall health of the City, additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads should be considered.

The government-wide financial statements of the City can be divided into two categories:

- Governmental activities – Most of the City's basic services are included here, such as the police, fire, public works, and parks departments, as well as, general administration. Property taxes, sales taxes, and state and federal grants finance most of these activities.

- Business-type activities – The City charges fees to customers to help it cover the costs of certain services it provides. The City's Power and Light, Water, Sanitary Sewer, and Events Center funds are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

Some funds are required by the City's Charter, State Statutes, and bond covenants.

The Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has three kinds of funds:

- Governmental funds – Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does

not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

- Proprietary funds – Business operations for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

    - The City's enterprise funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

    - The City uses internal service funds to report activities that provide supplies and services for the City's other programs and activities. The City has three internal service funds. These are the self-funded Staywell Health Insurance fund, Central Garage fund, and the Workers' Compensation fund.

- Fiduciary funds – Periodically, the City may be responsible for other assets that have been given to the City under the terms of a trust agreement initiated by an outside third party. Generally, these funds are limited in use for the benefit of the designated trust beneficiary. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Currently, the City is the trustee, or fiduciary, for the following funds: Vaile Mansion/Anderson Trust Fund, Susie Paxton Block Trust Fund, Seniors' Travel Fund, and the Flexible Benefit Plan Fund. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

The following Table (MD-1) reflects the condensed Statement of Net Position:

Table MD-1
City of Independence's Net Position

		Governmental Activities		Business-Type Activities		Total	
		2017	2016	2017	2016	2017	2016
Current and other assets	$	89,352,519	82,089,600	200,284,768	161,046,547	289,637,287	243,136,147
Capital assets		327,643,930	333,491,728	552,013,772	548,350,991	879,657,702	881,842,719
Total assets		416,996,449	415,581,328	752,298,540	709,397,538	1,169,294,989	1,124,978,866
Total deferred outflows of resources		20,309,298	36,660,071	22,193,468	32,919,862	42,502,766	69,579,933
Long-term obligations		326,640,145	330,679,232	460,654,068	427,757,995	787,294,213	758,437,227
Other liabilities		16,824,747	15,862,558	18,827,433	22,595,633	35,652,180	38,458,191
Total liabilities		343,464,892	346,541,790	479,481,501	450,353,628	822,946,393	796,895,418
Total deferred inflows of resources		21,590,175	19,975,839	3,347,523	2,811,929	24,937,698	22,787,768
Net position							
Net investment in capital assets		325,298,654	330,518,564	216,148,308	238,427,241	541,446,962	568,945,805
Restricted		13,785,094	14,823,334	22,390,679	17,608,769	36,175,773	32,432,103
Unrestricted (deficit)		(266,833,068)	(259,618,128)	53,123,997	33,115,833	(213,709,071)	(226,502,295)
Total net position	$	72,250,680	85,723,770	291,662,984	289,151,843	363,913,664	374,875,613

The City's combined net position decreased 2.9% to $363.9 million from $374.9 million. Net position of the City's governmental activities decreased 15.7% to $72.3 million. Governmental assets increased $1.4 million and liabilities decreased $3.1 million. Long-term obligations for governmental activities decreased $4.0 million. Business-type activities assets increased $42.9 million and liabilities increased $29.1 million. Long-term obligations for business-type activities increased $32.9 million. For governmental activities the decrease in net position is primarily from the current year activity related to the net pension liability and deferred inflows and outflows of resources for pension related amounts due to the requirements of GASB No. 68, mentioned earlier. For business-type activities the increase in net position is a combination of the current year activity related to net pension liability and deferred inflows and outflows of resources for pension related amounts due to the requirements of GASB No. 68, and new Power and Light bonds that were issued during the fiscal year.

The City's total unrestricted net position (deficit) was ($213.7) million. The governmental activities were ($266.8) million with a decrease of $7.2 million from the previous year, and business-type activities were $53.1 million with an increase of $20.0 million from the previous year. The net investment in capital assets for business-type activities was $216.1 million with a decrease of $22.3 million from the previous year.

Change In Net Position

The following Table (MD-2) reflects the revenues and expenses from the City's activities:

Table MD-2
City of Independence's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues						
Charges for services	$ 18,714,690	16,674,169	201,008,194	193,810,543	219,722,884	210,484,712
Operating grants & contributions	8,238,425	9,025,480	—	—	8,238,425	9,025,480
Capital grants & contributions	131,098	575,703	1,322,901	1,425,612	1,453,999	2,001,315
General revenues						
Property taxes	7,978,323	8,485,768	—	—	7,978,323	8,485,768
Sales taxes	45,348,299	44,683,858	5,770,850	5,741,439	51,119,149	50,425,297
Intergovernmental activity taxes	10,776,518	10,351,536	—	—	10,776,518	10,351,536
Other taxes	8,737,660	8,549,857	—	—	8,737,660	8,549,857
Investment income (loss)	130,083	311,028	(35,308)	176,436	94,775	487,464
Other	1,147,386	796,842	560,155	2,202,550	1,707,541	2,999,392
Total revenues	101,202,482	99,454,241	208,626,792	203,356,580	309,829,274	302,810,821
Expenses						
Administrative services	10,060,792	9,054,549	—	—	10,060,792	9,054,549
Public safety	59,583,743	59,265,485	—	—	59,583,743	59,265,485
Public works	17,889,269	18,062,959	—	—	17,889,269	18,062,959
Health & welfare	2,690,316	3,597,625	—	—	2,690,316	3,597,625
Culture & recreation	8,490,201	8,500,729	—	—	8,490,201	8,500,729
Community development	5,913,644	4,694,568	—	—	5,913,644	4,694,568
Storm water	3,734,597	3,381,187	—	—	3,734,597	3,381,187
General government	9,330,488	10,082,656	—	—	9,330,488	10,082,656
Tax increment financing	16,156,910	11,319,659	—	—	16,156,910	11,319,659
Interest	108,756	116,229	—	—	108,756	116,229
Power and light	—	—	128,209,073	134,873,700	128,209,073	134,873,700
Water	—	—	22,136,019	21,913,607	22,136,019	21,913,607
Sanitary sewer	—	—	24,420,243	23,512,501	24,420,243	23,512,501
Events center	—	—	12,067,172	11,734,030	12,067,172	11,734,030
Total expenses	133,958,716	128,075,646	186,832,507	192,033,838	320,791,223	320,109,484
Excess (deficiency) of revenues over expenses before transfers	(32,756,234)	(28,621,405)	21,794,285	11,322,742	(10,961,949)	(17,298,663)
Transfers - In (Out)	19,283,144	18,753,474	(19,283,144)	(18,753,474)	—	—
Change in net position	(13,473,090)	(9,867,931)	2,511,141	(7,430,732)	(10,961,949)	(17,298,663)
Net position, beginning of year	85,723,770	95,591,701	289,151,843	296,582,575	374,875,613	392,174,276
Net position, end of year	$ 72,250,680	85,723,770	291,662,984	289,151,843	363,913,664	374,875,613

Total revenues increased 2.3% or $7.0 million, business-type activities increased 2.6% or $5.3 million, and governmental revenues increased 1.8% or $1.7 million. The governmental activities decrease in operating grants and contributions and capital grants and contributions is due to larger grants winding down or decreases in grant funding. Of significance is the small increase in sales tax revenue of 1.4% or $693,852. There continues to be a lagging growth in sales tax revenues due to the economy and retail competition. The increase in charges for services for business-type activities is a combination of weather conditions, which impact charges for services for the Power and Light and Water Funds, a rate increase for the Water Fund, and a regulatory charge increase for the Sanitary Sewer Fund.

Total expenses increased 0.2% or $681,739, governmental expenses increased 4.6% or $5.9 million and business-type expenses decreased 2.7% or $5.2 million.

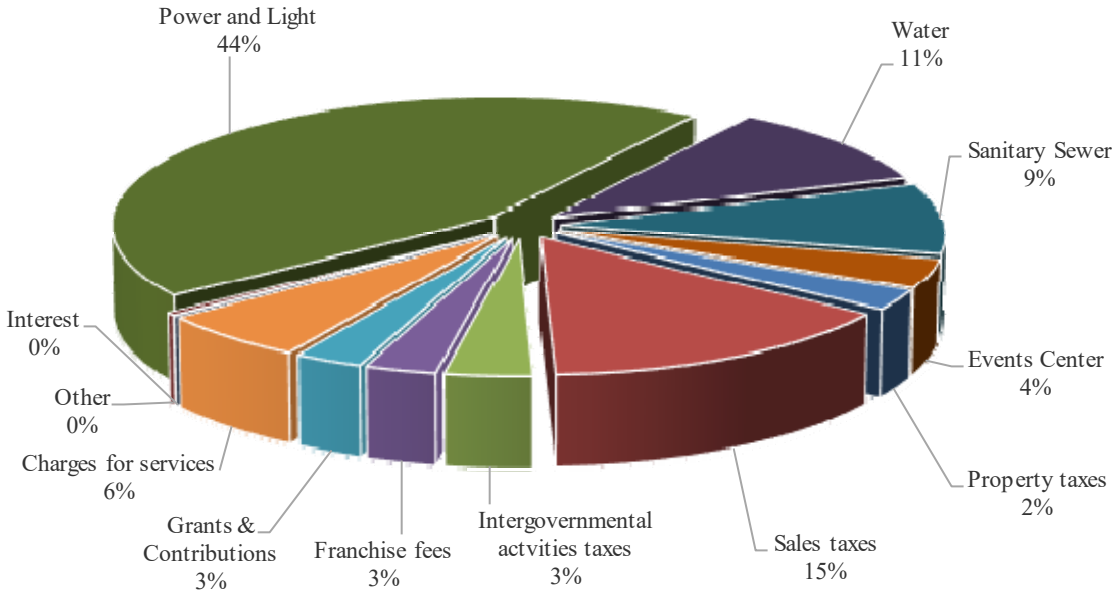
For governmental activities the increase in expenses is primarily from an increase in the certified costs for several new TIF projects. Changes in the business-type expenses are attributed to normal operations; some of the

changes are related to the effect of weather on electric and water sales. The transfers out of the Business-type activities and in to the Governmental activities represents the payment in-lieu of taxes that would be paid and received if they operated as private utilities.

Revenues

For the fiscal year ending June 30, 2017 revenues totaled $309.8 million. Of this amount charges for services (Governmental and Business-type) were $219.7 million or 70.9% of the total. Revenue from business-type activities represents $208.6 million or 67.3% of the total City revenues (Figure MD-3).

City of Independence Sources of Revenue for FY 2017
Figure MD-3

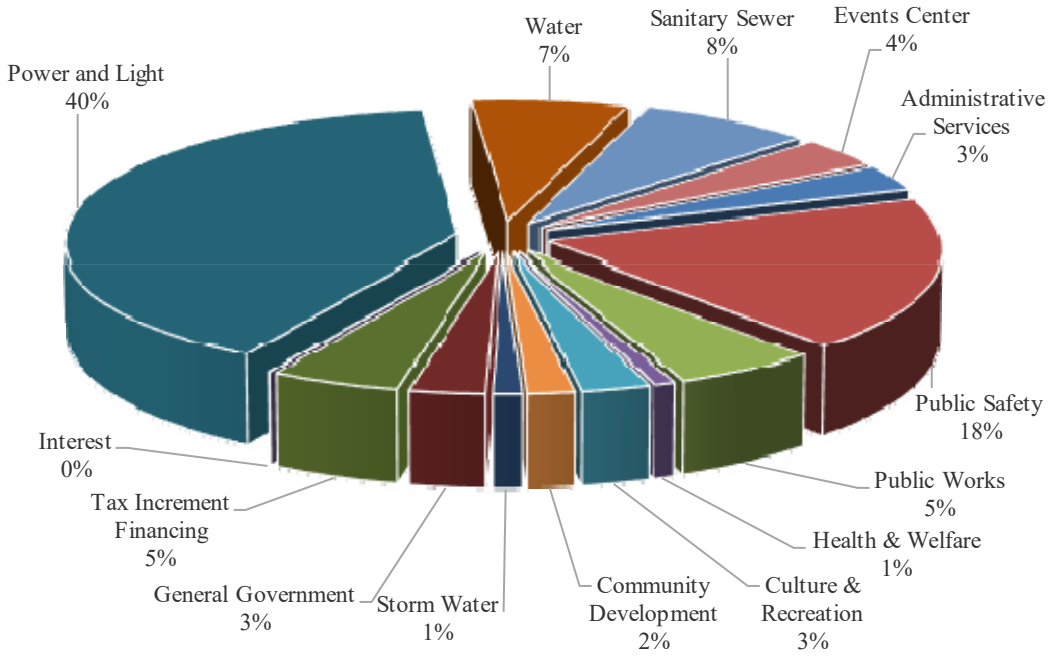


Revenues from governmental activities were $101.2 million. Sales taxes, the largest governmental category, were $45.3 million or 44.8%. All taxes represent $72.8 million or 72.0% of governmental revenue. Operating and capital grants were $8.4 million or 8.3% of governmental revenues. Charges for services at $18.7 million were 18.5% of the total.

Expenses

For the fiscal year ending June 30, 2017, expenses totaled $320.8 million. Of this amount the Power and Light was $128.2 million or 40.0% of the total. Business-type expenses represent $186.8 million or 58.2% of the total City expenses (Figure MD-4).

City of Independence Function Expenses FY 2017
Figure MD-4



Expenses from governmental activities were $134.0 million. Public safety expenses, the largest governmental category, were $59.6 million or 44.4% of the total. Public Works is the next largest category at $17.9 million, which is 13.4% of the total.

Governmental Activities

Table MD-3
Net Cost of City of Independence's Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Administrative services	$ 10,060,792	9,054,549	1,821,491	1,006,956
Public safety	59,583,743	59,265,485	53,158,848	52,575,139
Public works	17,889,269	18,062,959	12,551,662	12,745,534
Health & welfare	2,690,316	3,597,625	1,233,320	2,755,006
Culture & recreation	8,490,201	8,500,729	7,602,465	7,607,123
Community development	5,913,644	4,694,568	2,233,156	1,665,815
Storm water	3,734,597	3,381,187	3,708,885	3,206,956
General government and interest on long-term debt	9,439,244	10,198,885	9,439,244	10,198,885
Tax increment financing	16,156,910	11,319,659	15,125,432	10,038,880
Total	$ 133,958,716	128,075,646	106,874,503	101,800,294

As noted in Table MD-3 expenses from governmental activities for fiscal year 2017 were $134.0 million. However, the net costs of these services were $106.9 million. The difference represents direct revenues received from charges for services of $18.7 million, operating grants and contributions of $8.2 million, and capital grants and contributions of $131,098. Taxes and other revenues of $74.1 million were collected to cover these net costs.

Business-type Activities

Revenues of the City's business-type activities increased $5.3 million and expenses decreased $5.2 million. This change in revenues is primarily the result of favorable weather conditions for the Power and Light and Water utilities, a scheduled rate increase for the Water Fund, and a regulatory increase in the Sanitary Sewer Fund. Fluctuations in weather for the Power and Light and Water funds can impact both the revenues and expenses of these utilities. The decrease in expenses is due to the Power and Light Fund no longer having coal reserves, and lower maintenance expenses at generating substations than the prior fiscal year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed the year, its governmental funds reported a combined fund balance of $50.9 million. The fund balance of the General Fund increased $2.6 million and the TIF Debt Service fund increased $1.7 million, during fiscal year 2017. The unassigned portion of the General Fund's fund balance increased $2.3 million. The General Fund's fund balance was impacted by several of the financial highlights pointed out earlier, as well as the following:

Position vacancies continued to be managed by timing when positions are filled and replacing only essential personnel.

Sales tax revenue continued to reflect the direction of the economy and is affected by retail development in other communities within our primary trade area.

Mild weather during the winter period and lower cost of fuel impacted natural gas and electric franchise taxes and payments in-lieu of taxes.

The business-type funds reported a combined net position of $291.2 million. The net position of the Power and Light fund decreased $3.9 million, the Water fund increased $8.0 million, the Sewer fund decreased $627,267, and the Events Center fund decreased $656,765. Net position was impacted by several of the financial highlights pointed out earlier, as well as the following:

The lagging growth in sales tax revenues due to the struggling economy has impacted the Events Center Community Improvement District sales tax revenues which have been enough to cover the debt service payments, but not the depreciation and miscellaneous expenses for the Events Center fund.

General Fund Budgetary Highlights

Resources available for appropriation increased $312,013 from the original estimate. Actual revenues and other financing sources at the end of the year were more than projected by $1.4 million. The largest variances were in the areas of taxes, which were $759,255 below estimated, business licenses and permits which were $1.6 million above estimated, fines and court costs which were $232,121 above estimated, and other revenues which were $383,146 above estimated.

Over the course of the fiscal year, the Council revised the City budget several times. Appropriations were increased $745,249 in the General Fund. These budget amendments generally fall into the following categories:

- Transfer of previously approved salary and benefit appropriations to operating departments where expenditures occur when the actual distribution of the expenditure could not be anticipated at the time that the appropriation was originally approved.

- Increase or decrease appropriations for unanticipated events, including overtime costs, which may arise throughout the fiscal year.

Actual expenditures, including encumbrances, were $1.6 million less than the amount appropriated, representing operating savings of 2.0%. This was largely the result of vacant positions and underspending of the budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2017, the City had invested $879.7 million in a broad range of capital assets, including police and fire equipment, buildings, park facilities, and electric, water and sewer systems. Assets decreased $2.2 million or 0.3% during the period.

Table MD-4
City of Independence's Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2017	2016	2017	2016	2017	2016	2016-2017
Land & land imp	$ 38,687,624	38,856,820	12,167,247	12,167,247	50,854,871	51,024,067	-0.33%
Buildings & Improvements	61,131,371	62,735,492	—	—	61,131,371	62,735,492	-2.56%
Office furniture & equipment	28,374	13,014	—	—	28,374	13,014	118.03%
Computer equipment	247,001	601,400	—	—	247,001	601,400	-58.93%
Mobile equipment	7,527,962	7,575,442	—	—	7,527,962	7,575,442	-0.63%
Other equipment	2,918,659	3,111,635	12,098,423	11,798,240	15,017,082	14,909,875	0.72%
Infrastructure	201,662,555	206,695,277	471,057,737	441,127,478	672,720,292	647,822,755	3.84%
Construction in progress	15,440,384	13,902,648	56,690,365	83,258,026	72,130,749	97,160,674	-25.76%
Total	$ 327,643,930	333,491,728	552,013,772	548,350,991	879,657,702	881,842,719	-0.25%

The budget for fiscal year 2018 projects the City will spend an additional $27.6 million for capital projects. The largest category at $12.2 million is improvements to the City's Power and Light system.

Additional information regarding capital assets can be found in the 'Notes to Financial Statements', Note (6), of this report.

Debt Administration

Table MD-5
City of Independence's Outstanding Debt

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2017	2016	2017	2016	2017	2016	2016-2017
Loans and bonds payable	$ 1,012,064	1,489,128	383,308,356	344,168,539	384,320,420	345,657,667	11.19%
TIF loans payable	152,289,380	157,734,792	—	—	152,289,380	157,734,792	-3.45%
Capital lease obligations	1,333,212	1,484,037	—	—	1,333,212	1,484,037	-10.16%
Neighborhood Improvemt District	217,640	298,586	—	—	217,640	298,586	-27.11%
Total	$ 154,852,296	161,006,543	383,308,356	344,168,539	538,160,652	505,175,082	6.53%

The City at the end of fiscal year 2017 had a total of $538.2 million of outstanding obligations. This was an increase of $33.0 million or 6.5% from the previous fiscal year. None of these amounts relate to general obligations of the City and $383.3 million or 71.2% are obligations of the business-type activities.

Additional information regarding debt can be found in the 'Notes to Financial Statements' section, Note (7), of this report.

Economic Factors

In the last five years the City, as a community, gained 2,671 jobs, with current total employment at 57,144 jobs. Unemployment by mid-2017 was 4.3%; this is equal to Jackson County at 4.3% and higher than the State at 3.9%. Average household income for 2017 is estimated to be $64,610, compared to $70,871 for the State as a whole. Per capita income for 2017 is estimated to be $27,205, compared to $28,406 for the State as a whole.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to Brian C. Watson, Director of Finance, City of Independence, P.O. Box 1019, Independence, MO 64051.

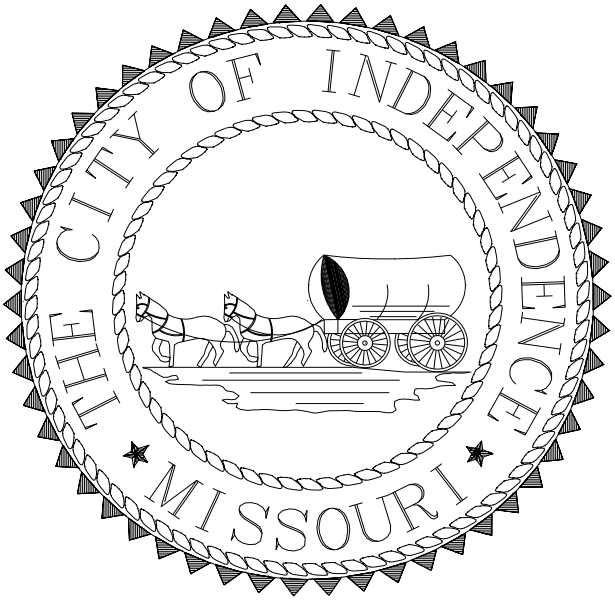

THE CITY OF INDEPENDENCE
MISSOURI

Exhibit 1

CITY OF INDEPENDENCE, MISSOURI

Statement of Net Position

June 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources			
Current assets:			
Pooled cash and investments	$ 41,706,560	105,699,689	147,406,249
Receivables:			
Taxes	26,104,755	990,294	27,095,049
Accounts, net	438,037	13,211,192	13,649,229
Unbilled revenue	—	12,792,923	12,792,923
Special assessment principal	1,316,171	122,996	1,439,167
Accrued interest	91,047	215,911	306,958
Internal balances	288,645	(288,645)	—
Due from other governments	2,852,868	1,105,140	3,958,008
Inventory	179,034	5,817,200	5,996,234
Prepaid items	—	408,613	408,613
Restricted cash and investments	—	4,891,833	4,891,833
Total current assets	72,977,117	144,967,146	217,944,263
Noncurrent assets:			
Capital assets:			
Nondepreciable	47,474,525	68,857,612	116,332,137
Depreciable, net	280,169,405	483,156,160	763,325,565
Goodwill	—	999,203	999,203
Other assets	—	547,457	547,457
Restricted cash and investments	16,375,402	53,770,962	70,146,364
Total noncurrent assets	344,019,332	607,331,394	951,350,726
Total assets	416,996,449	752,298,540	1,169,294,989
Deferred outflows of resources:			
Deferred charge on refunding	6,312,091	10,228,138	16,540,229
Pension related amounts	13,997,207	10,278,663	24,275,870
Deferred environmental and regulatory amounts	—	1,686,667	1,686,667
Total deferred outflows of resources	20,309,298	22,193,468	42,502,766
Total assets and deferred outflows of resources	$ 437,305,747	774,492,008	1,211,797,755
Liabilities, Deferred Inflows of Resources and Net Position			
Current liabilities:			
Accounts and contracts payable	$ 3,737,113	6,424,557	10,161,670
Accrued items	4,956,682	3,005,373	7,962,055
Other current liabilities	603,466	424,612	1,028,078
Unearned revenue	727,511	736,538	1,464,049
Current portion of long-term obligations	14,571,706	10,945,404	25,517,110
Self-insurance claims payable	4,211,450	—	4,211,450
Liabilities payable from restricted assets	226,530	8,082,155	8,308,685
Total current liabilities	29,034,458	29,618,639	58,653,097
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	190,251,748	380,066,897	570,318,645
Self-insurance claims payable	2,361,995	—	2,361,995
Other post-employment benefits	75,343,454	34,518,270	109,861,724
Net pension liability	46,473,237	35,123,497	81,596,734
Advances for construction	—	154,198	154,198
Total noncurrent liabilities	314,430,434	449,862,862	764,293,296
Total liabilities	343,464,892	479,481,501	822,946,393
Deferred inflows of resources:			
Real estate tax revenue	17,451,803	—	17,451,803
Pension related amounts	4,138,372	3,347,523	7,485,895
Total deferred inflows of resources	21,590,175	3,347,523	24,937,698
Net position:			
Net investment in capital assets	325,298,654	216,148,308	541,446,962
Restricted for:			
Public safety	4,122,413	—	4,122,413
Public works	1,659,312	—	1,659,312
Culture and recreation	22,285	—	22,285
Storm water	7,627,811	—	7,627,811
General government	29,519	—	29,519
Debt service	123,754	16,556,208	16,679,962
Worker's compensation escrow	200,000	—	200,000
Dogwood SPP escrow	—	61,500	61,500
Southwest Power Pool collateral	—	826,133	826,133
Community improvement district	—	4,946,838	4,946,838
Unrestricted (deficit)	(266,833,068)	53,123,997	(213,709,071)
Total net position	72,250,680	291,662,984	363,913,664
Total liabilities, deferred inflows of resources and net position	$ 437,305,747	774,492,008	1,211,797,755

See accompanying notes to financial statements.

Exhibit 2

CITY OF INDEPENDENCE, MISSOURI

Statement of Activities

Year ended June 30, 2017

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary government:					
Governmental activities:					
Administrative services	$ 10,060,792	8,206,822	32,479	—	(1,821,491)
Public safety	59,583,743	4,670,892	1,734,113	19,890	(53,158,848)
Public works	17,889,269	577,574	4,673,837	86,196	(12,551,662)
Health and welfare	2,690,316	854,870	602,126	—	(1,233,320)
Culture and recreation	8,490,201	843,135	38,873	5,728	(7,602,465)
Community development	5,913,644	2,529,919	1,150,569	—	(2,233,156)
Storm water	3,734,597	—	6,428	19,284	(3,708,885)
General government	9,330,488	—	—	—	(9,330,488)
Tax increment financing	16,156,910	1,031,478	—	—	(15,125,432)
Interest on long-term debt	108,756	—	—	—	(108,756)
Total governmental activities	133,958,716	18,714,690	8,238,425	131,098	(106,874,503)
Business-type activities:					
Power and light	128,209,073	137,945,902	—	69,051	9,805,880
Water	22,136,019	32,260,796	—	537,315	10,662,092
Sewer	24,420,243	26,029,675	—	716,535	2,325,967
Events center	12,067,172	4,771,821	—	—	(7,295,351)
Total business-type activities	186,832,507	201,008,194	—	1,322,901	15,498,588
Total primary government	$ 320,791,223	219,722,884	8,238,425	1,453,999	(91,375,915)

	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue	$ (106,874,503)	15,498,588	(91,375,915)
General revenues:			
Taxes			
Property taxes	7,978,323	—	7,978,323
Sales and use taxes	45,348,299	5,770,850	51,119,149
Intergovernmental activity taxes	10,776,518	—	10,776,518
Franchise taxes	8,703,530	—	8,703,530
Financial institutions tax	34,130	—	34,130
Investment income (loss)	130,083	(35,308)	94,775
Miscellaneous	1,147,386	560,155	1,707,541
Transfers in (out)	19,283,144	(19,283,144)	—
Total general revenues and transfers	93,401,413	(12,987,447)	80,413,966
Change in net position	(13,473,090)	2,511,141	(10,961,949)
Net position, beginning	85,723,770	289,151,843	374,875,613
Net position, ending	$ 72,250,680	291,662,984	363,913,664

See accompanying notes to financial statements.

Exhibit 3

CITY OF INDEPENDENCE, MISSOURI

Balance Sheet

Governmental Funds

June 30, 2017

Assets		General	TIF Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Pooled cash and investments	$	6,374,817	11,610,147	12,673,353	30,658,317
Receivables:					
Taxes		12,046,236	10,150,360	3,908,159	26,104,755
Accounts, net		173,542	83,333	21,907	278,782
Special assessment principal		642,387	—	673,784	1,316,171
Accrued interest		14,551	31,431	33,151	79,133
Due from other funds		1,139,658	—	1,858,127	2,997,785
Due from other governments		737,347	1,253,152	862,369	2,852,868
Restricted cash and investments		226,530	15,854,872	94,000	16,175,402
Total assets	$	21,355,068	38,983,295	20,124,850	80,463,213
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts and contracts payable	$	447,299	—	3,193,290	3,640,589
Due to other funds		—	1,369	2,220,683	2,222,052
Accrued items		2,808,738	—	134,713	2,943,451
Other current liabilities		591,919	—	11,547	603,466
Unearned revenue		117,882	—	609,629	727,511
Liabilities payable from restricted assets:					
Deposits and court bonds		226,530	—	—	226,530
Total liabilities		4,192,368	1,369	6,169,862	10,363,599
Deferred inflows of resources:					
Unavailable revenue - special assessments		642,387	—	671,586	1,313,973
Unavailable revenue - real estate taxes		8,222,058	9,627,003	24,800	17,873,861
Total deferred inflows of resources		8,864,445	9,627,003	696,386	19,187,834
Fund balances:					
Restricted		404,806	29,354,923	14,711,078	44,470,807
Committed		261,700	—	30,198	291,898
Assigned		1,648,808	—	—	1,648,808
Unassigned (deficit)		5,982,941	—	(1,482,674)	4,500,267
Total fund balance		8,298,255	29,354,923	13,258,602	50,911,780
Total liabilities, deferred inflows of resources and fund balance	$	21,355,068	38,983,295	20,124,850	80,463,213

See accompanying notes to financial statements.

Exhibit 3.1

CITY OF INDEPENDENCE, MISSOURI

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position

June 30, 2017

Fund balances – total governmental funds	$ 50,911,780
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	606,246,450
Less accumulated depreciation	(278,728,511)
	327,517,939
Interest on long-term debt is not accrued in governmental funds but, rather, is recognized as expenditure when paid	(1,973,780)
Receivables not collected within 60 days of year-end are not available soon enough to pay for the current period's expenditures and, therefore, are deferred inflows of resources in the funds	1,736,031
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the statement of net position, net of the amount allocated to business-type activities	2,999,147
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds	
Loans payable/NID payable	(152,433,000)
Capital lease obligations	(1,333,212)
Compensated absences	(15,308,063)
Discounts (premiums)	(1,086,084)
Deferred charge on refunding	6,312,091
Other post-employment benefits	(74,408,837)
Net pension liability	(45,907,410)
Unreimbursed certified costs - TIF	(34,504,784)
	(318,669,299)
Pension related deferred outflows and inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:	
Deferred inflows of resources - pension related amounts	(4,076,939)
Deferred outflows of resources - pension related amounts	13,805,801
	9,728,862
Net position of governmental activities (Exhibit 1)	$ 72,250,680

See accompanying notes to financial statements.

Exhibit 4

CITY OF INDEPENDENCE, MISSOURI

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year ended June 30, 2017

	General	TIF Debt Service	Nonmajor Funds	Total Funds
Revenues:				
Taxes	$ 34,365,768	15,829,465	22,972,913	73,168,146
Licenses and permits	5,330,354	—	284,272	5,614,626
Intergovernmental	5,349,727	—	2,865,668	8,215,395
Charges for services	2,305,140	10,478	1,063,093	3,378,711
Interfund charges for support services	4,943,014	—	—	4,943,014
Fines, forfeitures, and court costs	3,855,121	—	—	3,855,121
Investment income (loss)	82,327	36,670	(25,703)	93,294
Other	911,612	1,139,501	435,595	2,486,708
Total revenues	57,143,063	17,016,114	27,595,838	101,755,015
Expenditures:				
Current:				
Administrative services	7,802,582	—	32,179	7,834,761
Public safety	44,963,466	—	4,976,353	49,939,819
Public works	4,614,587	—	176,622	4,791,209
Health and welfare	1,848,932	—	615,313	2,464,245
Culture and recreation	1,458,987	—	4,554,057	6,013,044
Community development	4,082,292	—	1,144,418	5,226,710
Storm water	—	—	2,271,882	2,271,882
General government	8,497,811	—	45,989	8,543,800
Tax increment financing	—	1,136,583	—	1,136,583
Capital outlay	293,748	—	11,658,107	11,951,855
Debt service:				
Principal	93,897	7,356,644	657,432	8,107,973
Interest and fiscal agent fees	27,625	7,095,754	90,624	7,214,003
Debt issuance costs	—	431,670	—	431,670
Total expenditures	73,683,927	16,020,651	26,222,976	115,927,554
Excess (deficiency) of revenues over expenditures	(16,540,864)	995,463	1,372,862	(14,172,539)
Other financing sources (uses):				
Debt issuance - refunding	—	19,560,000	—	19,560,000
Capital lease proceeds	—	—	44,504	44,504
Reoffering premium/original issue discount	—	2,585,491	—	2,585,491
Payment to refunded loans escrow agent	—	(22,019,468)	—	(22,019,468)
Transfers in – utility payments in lieu of taxes	18,998,671	—	—	18,998,671
Transfers in	197,063	1,291,434	630,411	2,118,908
Transfers out	(10,000)	(691,061)	(1,133,374)	(1,834,435)
Total other financing sources (uses)	19,185,734	726,396	(458,459)	19,453,671
Net change in fund balances	2,644,870	1,721,859	914,403	5,281,132
Fund balances, beginning	5,653,385	27,633,064	12,344,199	45,630,648
Fund balances, ending	$ 8,298,255	29,354,923	13,258,602	50,911,780

See accompanying notes to financial statements.

Exhibit 4.1

CITY OF INDEPENDENCE, MISSOURI

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year ended June 30, 2017

Net change in fund balances – total governmental funds	$ 5,281,132
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 as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:	
Capital outlay	14,432,987
Depreciation expense	(20,169,382)
	(5,736,395)
The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of the assets and depreciation is removed from the capital assets account in the statement of net position and offset against the proceeds, if any, resulting in a gain (loss) on the sale of capital assets in the statement of activities.	
Book value of assets disposed	(120,725)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(411,639)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:	
Proceeds from debt issuance	(19,560,000)
Reoffering premium/original issue discount	(2,585,491)
Payment to refunded loans escrow agent	22,019,468
Principal payments	7,161,329
Debt premiums, discounts & deferred refunding amortizations	(825,969)
Issuance of capital lease	(44,504)
	6,164,833
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 the governmental funds:	
Compensated absences	(44,893)
Accrued interest	116,741
Other post-employment benefits	(7,505,034)
Pension related amount - LAGERS pension expense	(5,371,443)
Unreimbursed certified costs - TIF	(5,825,528)
	(18,630,157)
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and garage charges, to individual funds. The net expense of the internal service funds is reported with the governmental activities:	(20,139)
Change in net position of governmental activities (Exhibit 2)	$ (13,473,090)

See accompanying notes to financial statements

Exhibit 5

CITY OF INDEPENDENCE, MISSOURI

Statement of Net Position

Proprietary Funds

June 30, 2017

Assets and Deferred Outflows of Resources	Enterprise funds: Power and Light	Water	Sanitary Sewer	Events Center	Total	Governmental Activities: Internal Service Funds
Current assets:						
Pooled cash and investments	$ 66,100,165	22,365,796	12,023,254	5,210,474	105,699,689	11,048,243
Receivables:						
Taxes	—	—	—	990,294	990,294	—
Accounts (net of allowance of $1,031,290)	8,799,098	2,333,457	1,985,746	141,153	13,259,454	159,255
Unbilled revenue	9,864,662	1,760,572	1,167,689	—	12,792,923	—
Special assessment principal	122,996	—	—	—	122,996	—
Accrued interest	139,389	43,445	33,077	—	215,911	11,914
Due from other governments	1,009,675	—	95,465	—	1,105,140	—
Inventory	5,202,952	572,547	36,255	5,446	5,817,200	179,034
Prepaid items	252,929	—	—	155,684	408,613	—
Restricted cash and investments	3,463,444	763,370	665,019	—	4,891,833	—
Total current assets	94,955,310	27,839,187	16,006,505	6,503,051	145,304,053	11,398,446
Noncurrent assets:						
Capital assets:						
Nondepreciable	14,769,456	4,138,789	44,153,052	5,796,315	68,857,612	93,979
Depreciable, net	216,178,832	104,997,852	107,319,590	54,659,886	483,156,160	32,012
Goodwill	—	—	—	999,203	999,203	—
Other assets	—	547,457	—	—	547,457	—
Restricted cash and investments	30,961,049	4,128,971	11,847,459	6,833,483	53,770,962	200,000
Total noncurrent assets	261,909,337	113,813,069	163,320,101	68,288,887	607,331,394	325,991
Total assets	356,864,647	141,652,256	179,326,606	74,791,938	752,635,447	11,724,437
Deferred outflows of resources:						
Deferred charge on refunding	1,882,747	1,113,003	—	7,232,388	10,228,138	—
Pension related amounts	7,563,974	1,560,948	1,153,741	—	10,278,663	191,406
Deferred environmental and regulatory amounts	1,686,667	—	—	—	1,686,667	—
Total deferred outflows of resources	11,133,388	2,673,951	1,153,741	7,232,388	20,506,801	191,406
Total assets & deferred outflows of resources	$ 367,998,035	144,326,207	180,480,347	82,024,326	773,142,248	11,915,843
Liabilities, Deferred Inflows of Resources and Net Position						
Current liabilities:						
Accounts and contracts payable	$ 5,933,234	226,654	220,618	92,313	6,472,819	97,958
Due to other funds	—	—	—	775,733	775,733	—
Accrued items	1,589,727	574,059	601,634	239,953	3,005,373	38,017
Other current liabilities	207,390	127,222	—	90,000	424,612	—
Unearned revenue	—	—	—	736,538	736,538	—
Current portion of long-term obligations	5,625,044	1,950,262	2,285,098	1,085,000	10,945,404	66,485
Self-insurance claims payable	—	—	—	—	—	4,211,450
Liabilities payable from restricted assets	4,804,075	940,951	1,381,837	955,292	8,082,155	—
Total current liabilities	18,159,470	3,819,148	4,489,187	3,974,829	30,442,634	4,413,910
Noncurrent liabilities:						
Revenue bonds payable	165,028,439	25,655,725	95,598,305	88,775,887	375,058,356	—
Compensated absences – long-term	3,514,702	977,901	515,938	—	5,008,541	91,826
Other post employment benefits	20,462,701	7,863,674	6,191,895	—	34,518,270	934,617
Net pension liability	25,742,535	5,422,787	3,958,175	—	35,123,497	565,827
Self-insurance claims payable	—	—	—	—	—	2,361,995
Advances for construction	41,826	112,372	—	—	154,198	—
Total noncurrent liabilities	214,790,203	40,032,459	106,264,313	88,775,887	449,862,862	3,954,265
Total liabilities	232,949,673	43,851,607	110,753,500	92,750,716	480,305,496	8,368,175
Deferred inflows of resources:						
Pension related amounts	2,436,762	544,490	366,271	—	3,347,523	61,433
Total deferred inflows of resources	2,436,762	544,490	366,271	—	3,347,523	61,433
Net position:						
Net investment in capital assets	79,022,437	86,742,890	65,721,796	(15,338,815)	216,148,308	125,991
Restricted for:						
Debt service/capital outlay	16,056,208	500,000	—	—	16,556,208	—
Workers compensation escrow	—	—	—	—	—	200,000
Dogwood SPP escrow	61,500	—	—	—	61,500	—
Southwest Power Pool collateral	826,133	—	—	—	826,133	—
Community improvement district	—	—	—	4,946,838	4,946,838	—
Unrestricted	36,645,322	12,687,220	3,638,780	(334,413)	52,636,909	3,160,244
Total net position (deficit)	132,611,600	99,930,110	69,360,576	(10,726,390)	291,175,896	3,486,235
Total liabilities, deferred inflows of resources and net position	$ 367,998,035	144,326,207	180,480,347	82,024,326		11,915,843
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					487,088	
Net position of business-type activities					$ 291,662,984	

See accompanying notes to financial statements.

Exhibit 6

CITY OF INDEPENDENCE, MISSOURI

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

Year ended June 30, 2017

	Enterprise funds					Governmental Activities
	Power and Light	Water	Sanitary Sewer	Events Center	Total	Internal Service Funds
Operating revenues:						
Charges for services	$ 136,097,375	31,949,356	25,753,057	4,771,821	198,571,609	27,122,766
Miscellaneous	1,848,527	311,440	276,618	—	2,436,585	3
Total operating revenues	137,945,902	32,260,796	26,029,675	4,771,821	201,008,194	27,122,769
Operating expenses:						
Personal services	29,005,067	8,269,978	6,461,780	—	43,736,825	985,223
Other services	19,195,680	5,415,306	10,201,162	424,251	35,236,399	28,596,807
Supplies	53,761,967	1,864,090	437,606	—	56,063,663	710,175
Capital outlay	5,682	77,233	—	—	82,915	—
Other expenses	7,119,737	3,680,496	134,718	5,465,823	16,400,774	—
Depreciation and amortization	13,283,451	2,999,495	3,526,226	1,891,143	21,700,315	5,172
Total operating expenses	122,371,584	22,306,598	20,761,492	7,781,217	173,220,891	30,297,377
Operating income (loss)	15,574,318	9,954,198	5,268,183	(3,009,396)	27,787,303	(3,174,608)
Nonoperating revenues (expenses):						
Investment income (loss)	(59,596)	(23,119)	(5,089)	52,496	(35,308)	36,789
Miscellaneous revenue	947,029	1,781,135	262,226	815,175	3,805,565	2,807,977
Interest and amortization expense	(7,019,397)	(1,028,543)	(4,213,493)	(4,285,890)	(16,547,323)	—
Sales tax	—	—	—	5,770,850	5,770,850	—
Total nonoperating revenue (expenses)	(6,131,964)	729,473	(3,956,356)	2,352,631	(7,006,216)	2,844,766
Income (loss) before contributions and transfers	9,442,354	10,683,671	1,311,827	(656,765)	20,781,087	(329,842)
Capital contributions	69,051	537,315	716,535	—	1,322,901	—
Transfers out – utility payments in lieu of taxes	(13,312,979)	(3,129,249)	(2,556,443)	—	(18,998,671)	—
Transfers in	—	—	10,000	—	10,000	—
Transfers out	(99,261)	(86,026)	(109,186)	—	(294,473)	—
Change in net position	(3,900,835)	8,005,711	(627,267)	(656,765)	2,820,844	(329,842)
Total net position (deficit):						
Beginning of the year	136,512,435	91,924,399	69,987,843	(10,069,625)		3,816,077
End of the year	$ 132,611,600	99,930,110	69,360,576	(10,726,390)		3,486,235

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(309,703)
Change in net position of business-type activities	$ 2,511,141

See accompanying notes to financial statements.

Exhibit 7

CITY OF INDEPENDENCE, MISSOURI

Statement of Cash Flows

Proprietary Funds

Year ended June 30, 2017

	Enterprise funds					Governmental Activities
	Power and Light	Water	Sanitary Sewer	Events Center	Total	Internal Service Funds
Cash flows from operations:						
Receipts from customers and others	$ 139,029,745	34,247,870	26,076,764	5,461,106	204,815,485	29,869,725
Payments to suppliers	(83,535,937)	(10,961,779)	(11,239,746)	(6,052,067)	(111,789,529)	(28,970,066)
Payments to employees	(24,318,181)	(6,971,814)	(5,541,270)	—	(36,831,265)	(808,421)
Payments to other funds	—	—	—	157,816	157,816	—
Net cash provided by operating activities	31,175,627	16,314,277	9,295,748	(433,145)	56,352,507	91,238
Cash flows from noncapital financing activities:						
Transfers in	—	—	10,000	—	10,000	—
Transfers (out)	(99,261)	(86,026)	(109,186)	5,770,850	5,476,377	—
Transfers out – payments in lieu of taxes	(13,312,979)	(3,129,249)	(2,556,443)	—	(18,998,671)	—
Sales tax	—	—	—	—	—	—
Net cash (used in) noncapital financing activities	(13,412,240)	(3,215,275)	(2,655,629)	5,770,850	(13,512,294)	—
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(18,364,016)	(2,226,183)	(3,003,220)	—	(23,593,419)	(14,494)
Interest paid on revenue bonds and equipment contracts	(6,607,430)	(1,284,330)	(4,327,756)	(4,761,385)	(16,980,901)	—
Debt expense paid on revenue bonds	(816,430)	86,070	(10,327)	—	(740,687)	—
Issuance of revenue bonds	48,068,515	—	—	—	48,068,515	—
Redemption of revenue bonds	(3,530,000)	(3,275,000)	(2,000,000)	(111,771)	(8,916,771)	—
Net cash provided by (used in) capital and related financing activities	18,750,639	(6,716,294)	(9,341,303)	(4,873,156)	(2,180,114)	(14,494)
Cash flows from investing activities:						
Interest on investments	(203,963)	(66,564)	113,888	52,496	(104,143)	24,875
Net cash provided by (used in) investing activities	(203,963)	(66,564)	113,888	52,496	(104,143)	24,875
Net increase (decrease) in cash and cash equivalents	36,310,063	6,316,144	(2,587,296)	517,045	40,555,956	101,619
Cash and cash equivalents at beginning of year	64,214,595	20,941,993	27,123,028	11,526,912	123,806,528	11,146,624
Cash and cash equivalents at end of year	$ 100,524,658	27,258,137	24,535,732	12,043,957	164,362,484	11,248,243
Noncash capital and related financing activities:						
Contributed capital	$ 69,051	537,315	716,535	—	1,322,901	—
Components of cash and short-term investments at end of fiscal year:						
Unrestricted assets	$ 66,100,165	22,365,796	12,023,254	5,210,474	105,699,689	11,048,243
Restricted assets	34,424,493	4,892,341	12,512,478	6,833,483	58,662,795	200,000
Total pooled cash and investments	$ 100,524,658	27,258,137	24,535,732	12,043,957	164,362,484	11,248,243
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	$ 15,574,318	9,954,198	5,268,183	(3,009,396)	27,787,303	(3,174,608)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	13,283,451	2,999,495	3,526,226	1,891,143	21,700,315	5,172
Miscellaneous revenue	947,029	1,781,135	262,226	815,175	3,805,565	2,807,977
Change in assets and liabilities:						
Accounts receivable	257,582	43,919	(293,873)	(178,554)	(170,926)	(61,021)
Inventory	1,388,590	64,190	2,306	(1,781)	1,453,305	(26,170)
Prepaid items and other assets	(3,175)	—	585	(21,007)	(23,597)	206
Unbilled revenue	(132,999)	74,641	78,736	—	20,378	—
Special assessments receivable	12,229	—	—	—	12,229	—
Accounts and contracts payable	(450,570)	96,342	(587,126)	(1,148)	(942,502)	(89,599)
Internal balances	—	—	—	157,816	157,816	—
Accrued and other liabilities	(2,991,792)	2,193	(69,460)	(69,122)	(3,128,181)	135,114
Other post-employment benefits & net pension liability	5,171,945	1,369,010	1,061,765	—	7,602,720	172,939
Self-insurance claims payable	—	—	—	—	—	308,830
Deferred charges	(1,686,667)	—	—	—	(1,686,667)	—
Unearned revenue	—	—	—	52,664	52,664	—
Customer deposits	149,742	—	49,816	(68,935)	130,623	—
Compensated absences	(344,056)	(70,846)	(3,636)	—	(418,538)	12,398
Total adjustments	15,601,309	6,360,079	4,027,565	2,576,251	28,565,204	3,265,846
Net cash provided by operating activities	$ 31,175,627	16,314,277	9,295,748	(433,145)	56,352,507	91,238

See accompanying notes to financial statements.

Exhibit 8

CITY OF INDEPENDENCE, MISSOURI

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2017

		Private-Purpose Trust Funds		Agency Funds
Assets:				
Pooled cash and investments	$	6,567		183,720
Accrued interest receivable		16		563
Total assets		6,583		184,283
Liabilities:				
Accounts and contracts payable		1,305		62,013
Flexible benefit payable		—		122,270
Total liabilities		1,305	$	184,283
Net position:				
Held in trust	$	5,278		

See accompanying notes to financial statements.

Exhibit 9

CITY OF INDEPENDENCE, MISSOURI

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year ended June 30, 2017

		Private-Purpose Trust Funds
Additions:		
Charges for services	$	14,838
Interest & gain (loss) on investments		(13)
Total additions		14,825
Deductions:		
Preservation and maintenance expense		15,791
Total deductions		15,791
Change in net position		(966)
Net position, beginning		6,244
Net position, ending	$	5,278

See accompanying notes to financial statements.

CITY OF INDEPENDENCE, MISSOURI

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CITY OF INDEPENDENCE, MISSOURI

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(1) Summary of Significant Accounting Policies

The City of Independence, Missouri (the City) was incorporated in 1849 and covers an area of approximately 79 square miles in Jackson County, Missouri. The City is a charter city and operates under the City Council/City Manager form of government. The City Manager is the chief administrative officer of the City. The City provides services to residents in many areas, including law enforcement, fire protection, electrical, water and sewer services, community enrichment and development, recreation and various social services. Elementary, secondary and junior college education services are provided by various school districts, all of which are separate governmental entities.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) applicable to local governments. The following is a summary of the more significant accounting and reporting policies and practices of the City.

(a) The Financial Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. Component units are separate legal entities which are included in the primary government's financial report. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not only, criterion for including a potential component unit within the reporting entity is the City's financial accountability for the potential component unit. An entity is considered a component unit if City officials appoint a voting majority of the component unit's governing body and the City is able to impose its will upon the component unit. Additionally, if the entity provides specific financial benefits to or imposes specific financial burdens on the City, it may be considered a component unit.

This report includes the financial statements of the City (the primary government) which includes the Independence Events Center Management Corporation (Corporation) and the Silverstein Eye Centers Arena, formerly known as the Independence Events Center managed by Spectra Venue Management (Spectra) as blended component units. These component units are reflected in the City's Events Center fund, a proprietary fund. The Corporation performs management functions for the facility. No separate financial statements are issued by the Corporation. Separate financial statements are issued for the Silverstein Eye Centers Arena.

The Events Center Community Improvement District (CID) and Crackerneck Creek Transportation Development District (TDD) are included in the financial statements of the City as blended component units. The TDD and CID account for the taxes that are collected within these districts, and they provide services exclusively for the City as the taxes collected by these districts are utilized to repay outstanding debt. The TDD is governed by a 5-member board, appointed by property owners within the district. The City as a property owner appoints three members which are City employees. The CID is governed by a 5-member board, of which three are City employees appointed by the City Council. The CID is reported as a blended component unit in the Events Center fund and the TDD is reported as a blended component unit in the TIF Debt Service fund. Financial statements for the TDD and CID may be obtained by writing to the City Clerk, City of Independence, P.O. Box 1019, Independence, MO 64051.

The Tax Increment Financing (TIF) Commission of the City of Independence, Missouri (the Commission) is a blended component unit under the Debt Service Fund category of the City because the outstanding debt of the TIF commission is expected to be repaid from payments in lieu of taxes and economic activity

taxes collected by the City. The Commission is governed by an 11-member board, of which six members are appointed by the City Council. The remaining five members (two from the county, two from the local school district and one from other taxing jurisdictions) are appointed by the respective taxing districts' boards. Financial transactions of the Commission are processed by the Finance Department of the City on the Commission's behalf. No separate financial statements are issued by the Commission.

(b) Basis of Presentation

Government-wide Statements. The statement of net position and the statement of activities display information about the City. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations of internal charges and interfund balances have been made to minimize the double-counting of internal activities. However, interfund activity between governmental and enterprise funds has not been eliminated. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental funds:

> ***General Fund*** – This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> ***Tax Increment Financing Debt Service Fund*** – This fund is used to account for the financing of redevelopment project expenses through payments in lieu of taxes and economic activity taxes.

The City reports the following major enterprise funds:

> ***Power and Light Fund*** – This fund accounts for the acquisition, operation, and maintenance of the City's power and light utility facilities and services.

Water Fund – This fund accounts for the acquisition, operation, and maintenance of the City's water utility facilities and services.

Sanitary Sewer Fund – This fund accounts for the acquisition, operation, and maintenance of the City's sanitary sewer utility facilities and services.

Events Center Fund – This fund accounts for the acquisition and maintenance of the Silverstein Eye Centers Arena, formerly known as the Independence Events Center. This fund also includes the operational activities which are managed by the Corporation, operational activities of Spectra, and the activity of the Events Center CID.

The City reports the following fund types of non-major funds:

Special Revenue Funds – These funds account for specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

Capital Projects Funds – These funds account for the expenditures and related financing sources of major City projects.

Debt Service Funds – These funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Internal Service Funds – These funds account for the costs of fleet maintenance, the Staywell Healthcare program, Workers' Compensation fund, and other benefits provided to other departments on a cost-reimbursement basis.

Trust Funds – These funds account for monies held in trust by the City for preservation and maintenance of the Vaile Mansion.

Agency Funds – These funds account for monies held on behalf of the Flexible Benefits Plan for contributions made by employees to the City's cafeteria plan, monies held for the Susie Paxton Block Distinguished Public Service Award, and monies held for the Seniors Travel Program.

(c) Basis of Accounting

Government-wide, Proprietary, and Private-Purpose Trust Fund Financial Statements. The government-wide, proprietary and private-purpose trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues related to exchange transactions are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. Cost reimbursement grants are recorded as unearned revenue when proceeds are received in advance.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when both measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Property taxes, sales taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual under this definition. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital lease are reported as other financing sources.

Agency Funds. Agency funds only have asset and liability accounts and the accrual basis of accounting is used to recognize receivables and payables within these accounts. Agency funds do not have operating accounts such as revenues and expenses, so therefore a measurement focus does not apply to these funds.

(d) Accounts Receivable

Accounts receivable result primarily from sales of electricity, water and sewer services accounted for in the Power and Light, Water, and Sanitary Sewer (Enterprise) Funds, respectively. An estimated amount has been recorded for services rendered, but not yet billed, as of the close of the fiscal year. Accounts receivable are expressed net of allowances for doubtful accounts. Allowances for doubtful accounts are based on historical collection trends for the related receivables.

(e) Investments

Investments, other than the external investment pool, are recorded at fair value. The City's investment in the external investment pool (MOSIP) is not SEC registered and is regulated by the State of Missouri. This external investment pool is reported at amortized cost pursuant to the criteria set forth in GASB Statement No. 79, for the liquid series investments within the pool.

(f) Inventory

Inventory of the enterprise funds consists of the coal supply and electric, water and sanitary sewer utility materials and is valued at average cost. Inventory of the Internal Service Fund consists of fuel and vehicle and equipment parts and materials and is valued at the lower of cost or market. Inventory of the Events Center consists of merchandise available for sale, valued at cost.

(g) Prepaid Items

Certain payments to vendors reflecting costs applicable to future accounting periods have been recorded as prepaid items in both the government-wide and fund financial statements, and expenditures are recognized using the consumption method.

(h) Interfund Activity

The City has the following types of interfund activity:

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e., due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their fair value. Interfund services provided and used are reported as revenues in funds providing the good or service and expenditures or expenses in the fund purchasing the good or service. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net position.

Reimbursements – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. The payments in lieu of taxes that the enterprise funds pay to the general fund are handled as transfers out for the enterprise funds and transfers in for the general fund.

(i) Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, drainage systems, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Capital assets are stated at cost or estimated historical cost. For property acquired from another utility, the difference between the net cost of plant assets recorded by the selling entity and the purchase price is recorded as an acquisition adjustment. Contributions of capital assets received from federal, state, or local sources are recorded as assets and a capital contribution at acquisition value at the time of receipt. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized.

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. The total interest expense incurred by the City's business-type activities during the fiscal year was $17,191,052. Of this amount, $643,729 was included as part of the cost of the capital assets under construction in connection with Power and Light, Water, Sewer and Events Center projects.

Depreciation has been provided over the estimated useful lives using the composite and straight-line methods. Depreciation on utility vehicles and heavy equipment is charged to clearing accounts and redistributed to various operating, construction, and other accounts. The estimated useful lives are as follows:

	Years
Governmental activities:	
Buildings and improvements	20-40
Improvements other than buildings	20
Roads	20
Bridges	40
Drainage systems	35
Office equipment and furniture	7
Mobile equipment – vehicles	5
Mobile equipment – heavy equipment	10
Fire trucks	15
Other equipment	10
Computer equipment	5

	Years
Business-type activities:	
Power and Light Fund:	
Production plant	25-45
Transmission plant	28-40
Distribution plant	25-40
Transportation equipment	7
General plant	19-40
Machinery and equipment	7-25
Water Fund:	
Source of supply	15-50
Pumping	20-50
Water treatment	40-50
Transmission and distribution system	20-100
General plant	5-50
Acquisition adjustment	30
Nonutility property	10
Machinery and equipment	5-22
Sanitary Sewer Fund:	
Equipment	5-25
Sewer system	40-100
Plant	25
Machinery and equipment	5-20
Events Center Fund:	
Buildings and improvements	20-40
Improvements other than buildings	20
Machinery and equipment	4-20

Property, plant, and equipment financed by capital leases are reflected as assets and corresponding liabilities, and the related depreciation expense is provided on the same basis as assets financed with other resources. General capital assets financed by capital leases are reported as expenditures and other financing sources in the governmental funds.

(j) Bond Premiums/Discounts, and Issuance Costs

In the government-wide and proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period in which the debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period in which the debt is issued. The face amount of debt issued and any related premiums or discounts are reported as other financing sources/uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures during the year they are incurred.

(k) Deferred Inflows/Outflows

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City has three items that qualify for reporting in this category. They are the deferred charge on refunding, deferred pension related amounts, and deferred environmental and regulatory amounts reported in the government-wide and the proprietary funds statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The pension related deferred outflow consists of the unamortized portion of the net difference between projected and actual earnings on pension plan investments, plan experience, and changes in assumptions. The deferred environmental and regulatory deferred outflow consists of obsolete inventory materials for the Power and Light fund.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category, unavailable revenue and deferred pension related amounts. The governmental funds report unavailable revenues from two sources: real estate taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government-wide and the proprietary fund statements of net position report pension related deferred inflows, which consists of the unamortized portion of the difference between expected and actual experience on plan assumptions, and real estate taxes, which will become an inflow in the year for which they are levied.

(l) Compensated Absences

Under the terms of the City's personnel policy, City employees are granted vacation based upon length of service. Sick leave is granted at the rate of eight hours per month. Sick leave may be accumulated without

limitation. Upon termination, compensation for accrued sick leave is paid up to the equivalent of six months' for General Fund employees and nine months for Firefighters of regular earnings at the employee's current rate of pay and compensation for vacation is paid up to a maximum of 400 hours for General Fund employees and 780 hours for 24-hour shift Firefighters.

The liability for compensated absences reported in the government-wide and proprietary fund statements has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

(m) Pensions

The net pension liability, deferred inflows and outflows of resources related to pensions, pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(n) Fund Balances

In the fund financial statements, governmental funds report the following fund balance classifications:

Non-Spendable – consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – consists of amounts where constraints are placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Committed – consists of amounts which can only be used for specific purposes pursuant to constraints imposed by formal action (ordinance) of the City Council, which is the highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified amounts by use of the same formal action that it employed to previously commit the funds.

Assigned – consists of amounts which are constrained by City management's intent for these to be used for a specific purpose but are neither formally restricted by external sources nor committed by City Council action. The City's Fund Balance Policy authorizes the City Manager to assign amounts for a specific purpose in this category. Likewise, the City Manager has the authority to take necessary actions to un-assign amounts in this category. Encumbrances shall be considered as assigned, unless they specifically meet the requirements to be committed or restricted.

Unassigned – consists of the residual fund balance that does not meet the requirements for the non-spendable, restricted, committed, or assigned classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balances. Residual deficit amounts of other governmental funds are reported as unassigned.

The City has a fund balance policy that provides guidance for programs with multiple revenue sources. The policy is to use restricted resources first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

The City has a minimum Unassigned Fund Balance policy for the General Fund equal to 5% of annual revenues. If the fund balance falls below this target level of 5% then the City will strive to restore the Unassigned Fund Balance through revenue allocations or expenditure reductions back to the target level over a five (5) year period.

Detailed information on the City's governmental fund balance classifications may be found in Note 15 in the notes to the financial statements.

(o) Net Position

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

> ***Net Investment in Capital Assets*** – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds of $14,904,841 for Power and Light, $3,628,971 for Water, $11,847,459 for Sewer and $6,833,483 for the Events Center.
>
> ***Restricted*** – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Net position restricted through enabling legislation consists of $1,083,603 for the License Surcharge and $333,878 for the Street Sales Tax; $7,627,811 for Storm Water Sales Tax; $4,122,413 for Public Safety Sales Tax; $16,679,962 for debt service; and $4,946,838 for the Events Center Community Improvement District.
>
> ***Unrestricted*** – This consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is generally the City's policy to use restricted resources first, then unrestricted resources as they are needed.

(p) Statement of Cash Flows

For purposes of the statement of cash flows, short-term investments held in proprietary funds with a maturity date within three months of the date acquired by the City, are considered cash equivalents.

(q) Use of Estimates

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

(r) New Accounting Pronouncements

The Governmental Accounting Standards Board has issued several statements that are not yet effective and have not yet been implemented by the City. The statements which might impact the City are as follows:

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB), and to improve information provided by state and local governmental employer about financial support for OPEB that is provided by other entities. The City will implement GASB Statement No. 75 beginning with the year ended June 30, 2018.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split Interest Agreements*. The objective of this statement is to improve accounting and financial reporting for irrevocable split interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The City will implement GASB Statement No. 78 beginning with the year ended June 30, 2018.

In December 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this statement is to enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain Asset Retirement Obligations, including obligations that may not have been previously reported. The statement will also require disclosures related to those Asset Retirement Obligations. The City will implement GASB Statement No. 83 beginning with the year ended June 30, 2019.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City will implement GASB Statement No. 84 beginning with the year ended June 30, 2020.

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. The City will implement GASB Statement No. 85 beginning with the year ended June 30, 2018.

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. The City will implement GASB Statement No. 86 with the year ended June 30, 2018.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The City will implement GASB Statement No. 87 with the year ended June 30, 2021.

The City's management has not yet determined the effect, if any, these statements will have on the City's financial statements, although management believes that GASB Statement No. 75 will have a significant impact.

(2) Deposits and Investments

Fair Value Measurements

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 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. 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.

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

Inputs – If the fair value of an asset or 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.

At June 30, 2017, the carrying values of deposits and investments are summarized as follows:

			Fair Value Measurement
Investments measured at fair value:			
Short-term investments held in trust (bond reserves):			
Federal Home Loan Mortgage Corporation	$	3,586,500	Level 2
U.S. Treasury Notes		70,947,832	Level 1
U.S. Treasury Bill		200,000	Level 1
Other investments:			
Federal Home Loan Mortgage Corporation		8,455,341	Level 2
Federal National Mortgage Association		17,843,772	Level 2
Federal Home Loan Bank		19,763,047	Level 2
U.S. Treasury Notes		57,402,932	Level 1
U.S. Treasury Bond		27,506	Level 1
Investments measured at amortized cost:			
Money Market - Bond Reserves		9,483,465	
Local government investment pool - MOSIP		5,166,881	
Total investments		192,877,276	
Cash and cash equivalents:			
Deposits and repurchase obligations		29,747,031	
Petty cash		10,426	
Total	$	222,634,733	

Deposits and investments of the City are reflected in the government-wide financial statements as follows:

		Government-Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Primary Government Total
Pooled cash and investments	$	147,406,249	190,287	147,596,536
Restricted cash and investments		75,038,197	—	75,038,197
	$	222,444,446	190,287	222,634,733

Investment Policy

Missouri state statutes authorize the City, with certain restrictions, to deposit or invest in open accounts, time deposits, U.S. Treasury notes, and certificates of deposit. Statutes also require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or a disinterested third party and must be of the kind prescribed by state statutes and approved by the State of Missouri.

The City maintains a cash and investment pool, which is available for use by most funds. Substantially all excess cash is invested in U.S. Government securities, a local government investment pool, and money

market funds. Each fund's portion of this pool is displayed as pooled cash and investments or in restricted assets. Interest earned on the cash and cash equivalents is allocated to the funds on the basis of average monthly cash and investment balances, and investment interest earned is based on each funds share of the investment balances at the beginning of the fiscal year. Only funds with overdrawn balances (cash and investments) are charged for interest. Cash and investments are held separately by some of the City's funds. Additionally, certain restricted assets, related to bond ordinances and indentures and capital lease certificates, are held in escrow by financial institutions' trust departments.

Credit Risk/Concentration of Credit Risk

The credit risk for deposits and investments is the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligations. It is the City's policy to limit its investments to Certificates of Deposit and Bonds or other obligations of the United States. The City's investment policy does not specify maximum or minimum investment concentrations by investment type. The credit rating and concentration of the City's investment in debt securities are as follows:

Issuer	Moody's Credit Rating	Percent of Total Investments
Federal Home Loan Bank	AAA	10.25%
Federal Home Loan Mortgage Corporation	AAA	6.24%
Federal National Mortgage Association	AAA	9.25%
Local government investment pool - MOSIP	AAAm (S & P)	N/A

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize the demand deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name.

At June 30, 2017, the City's deposits and repurchase obligations were insured by Federal depository insurance and uninsured deposits and repurchase obligations were fully collateralized by securities held in the City's name by their financial institution's agent. The City's securities were registered and held by the City's financial institution in the City's name. Accordingly, management has determined that none of the City's deposits or investments was exposed to custodial credit risk as of June 30, 2017.

Interest Rate Risk

The City's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2017, all of the City's securities had maturities of less than one year with the exception of a U.S. treasury bond with a fair value of $27,506 that will mature in 2027.

(3) Tax Revenue

Tax revenue, including interest and penalties for the year ended June 30, 2017 is as follows:

	General	TIF Debt Service	Nonmajor Governmental Funds	Total
Real estate and intergovernmental activity tax	$ 7,638,650	8,484,319	24,763	16,147,732
Railroad utilities tax	41,536	—	—	41,536
Cigarette tax	471,109	—	—	471,109
Transient guest tax	—	—	1,994,953	1,994,953
Sales tax	17,510,943	7,345,146	20,953,197	45,809,286
Franchise tax	8,703,530	—	—	8,703,530
	$ 34,365,768	15,829,465	22,972,913	73,168,146

The City's real estate tax is levied each November 1 on the assessed value as of the prior January 1 for all real property located in the City. Real estate taxes are due on December 31 following the levy date. On January 1, a lien attaches to all property. Property taxes are recognized as a receivable at the time they become an enforceable legal claim, and revenue is recognized in the year for which the property tax is levied. Jackson County bills and collects all real estate taxes for the City and charges a 1.5% to 1.6% commission on all taxes collected.

Assessed values are established by the Clay and Jackson County assessors, subject to review by the Jackson County Board of Equalization and State Tax Commission. The assessed value for real property, including railroad and utility properties, located in the City as of January 1, 2016, on which the fiscal 2017 levy was based, was $1,326,799,032.

The City is permitted by Missouri state statutes to levy taxes up to $1.00 per $100 of assessed valuation for general governmental services, other than payment of principal and interest on long-term debt, up to $0.40 per $100 of assessed valuation for public health and recreation, and in unlimited amounts for the payment of principal and interest on long-term debt. Property tax levies per $100 assessed valuation for the year ended June 30, 2017 were $0.4906 for the General Fund, $0.2310 for Public Health and Recreation, and $0.5749 for the Independence Square Benefit District Fund.

(a) Tax Abatements

Chapter 353

The City approves property tax abatements pursuant and subject to the terms of Missouri Statute 353 (Urban Redevelopment Corporations Law). The purpose of Chapter 353 Tax Abatement is to encourage the redevelopment of blighted areas by providing real property tax abatement.

As of June 30, 2017, the City provides Chapter 353 Tax Abatements through four programs that provide property tax abatement to encourage rehabilitation of properties that improve the safety and health of the home occupants, and help revitalize the redevelopment area. Abatements are obtained through application by the property owner, including inspection by City staff showing proof that improvements were made, and equals 100% of the real estate tax for years 1 through 10, and 50% of the real estate tax for years 11

through 25. The amount of the abatement is deducted from the property owner's tax bill. Abatements are not given until after the improvements have been made, and so there is no recapture provision. For the fiscal year ending June 30, 2017, the abated tax amounts were as follows:

Tax Abatement Program		Abated Tax
Fairmount Carlise	$	25,594
Independence Square		20,733
Midtown Truman Road Corridor		28,344
St. Clair Park		176
Total	$	74,847

Chapter 100

The City approves property tax abatements pursuant and subject to the terms of Missouri Statute 100 which authorizes the City to issue Industrial Development Bonds to finance industrial development projects for private corporations, partnerships or individual companies. Under this type of financing, the company passes the tile in the real property involved to the City which results in the bond proceeds being tax exempt resulting in a tax abatement for the company. The purpose of Chapter 100 Tax Abatement is to encourage retention and expansion of industrial development projects for the purchase, construction, extension and improvement of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities that provide interstate commerce, industrial plants and commercial facilities.

Facilities receiving tax abatements under Chapter 100 make payments in lieu of taxes (PILOTS) to the City under the following structure:

Years	PILOT Percentage	Basis
1 through 10	20%	Real property taxes that would otherwise be due on the Project Improvements
11 through 15	25%	Real property taxes that would otherwise be due on the Project Improvements
16 through 20	50%	Real property taxes that would otherwise be due on the Project Improvements
1	0%	Personal property taxes that would otherwise be due on the Project Equipment
2	5%	Personal property taxes that would otherwise be due on the Project Equipment
3	10%	Personal property taxes that would otherwise be due on the Project Equipment
4	15%	Personal property taxes that would otherwise be due on the Project Equipment
5	20%	Personal property taxes that would otherwise be due on the Project Equipment

As of June 30, 2017, the City provides Chapter 100 Tax Abatements through one program and the tax abated for the fiscal year was $90,003.

Tax Increment Financing

The City utilizes Tax Increment Financing (TIF) for economic development projects pursuant to the terms of Missouri Statute 99.800 through 99.865 (TIF Act). The purpose of TIF projects is to finance improvement within a geographically defined area called a redevelopment project area, which has been found by the City Council to be either a blighted, conservation, or economic development area. TIF projects allow the City to finance certain redevelopment costs from the revenue generated from (1) real estate taxes, measured by the net increase in assessed valuation resulting from redevelopment and (2) a percent of local sales tax revenues generated by new economic activities in the redevelopment area. These real estate taxes and sales tax revenues are allocated to special allocation funds set up for each TIF project. Under GASB Statement No. 77, these types of allocations are considered a tax abatement. For the fiscal year ending June 30, 2017, the City had 21 active TIF projects and abated $8,174,274 in real estate tax and sales tax revenue.

(4) Intergovernmental Revenue and Receivables

Intergovernmental revenue during fiscal year 2017 consisted of the following:

	General Fund	Nonmajor Governmental Funds	Total
Federal			
Department of Agriculture	$ —	63,786	63,786
Department of Housing & Urban Development			
Community Development Block Grant	—	552,953	552,953
Neighborhood Stabilization Program	—	2,441	2,441
Home Investment Partnership	—	355,703	355,703
Department of Justice	—	221,249	221,249
Department of Transportation	—	656,225	656,225
Department of Health & Human Services	24,992	300,582	325,574
Executive Office of the President	—	243,343	243,343
Department of Homeland Security	—	120,400	120,400
Total Federal	24,992	2,516,682	2,541,674
State & Local			
Department of Health & Human Services	—	187,554	187,554
Department of Public Safety	—	21,617	21,617
State Emergency Management Agency	—	4,771	4,771
Department of Revenue			
Motor Vehicle Fuel Tax	3,140,485	—	3,140,485
Motor Vehicle License	512,533	—	512,533
Motor Vehicle Sales Tax	1,022,695	—	1,022,695
Financial Institutions Tax	34,130	—	34,130
Missouri Highway & Transportation Commission	—	23,815	23,815
Missouri Department of Agriculture	—	1,000	1,000
Missouri Department of Transportation	—	4,668	4,668
Jackson County Anti Drug Tax	380,628	—	380,628
Jackson County DARE	234,264	—	234,264
Healthcare Foundation of Greater Kansas City	—	14,874	14,874
Other	—	90,687	90,687
Total State & Local	5,324,735	348,986	5,673,721
Grand Total	$ 5,349,727	2,865,668	8,215,395

Amounts due from other governments at June 30, 2017 are as follows:

		Federal	State	Local	Total
General Fund :					
Department of Health & Human Services	$	4,167	—	—	4,167
Department of Revenue					
Motor Vehicle Fuel Tax		—	523,000	—	523,000
Motor Vehicle Sales Tax		—	82,000	—	82,000
Motor Vehicle License Fees		—	126,000	—	126,000
Events Center Community Improvement District and Crackerneck Transportation Development District		—	—	2,180	2,180
		4,167	731,000	2,180	737,347
TIF Debt Service:					
State Sales Tax		—	150,000	—	150,000
County Sales Tax		—	—	780,524	780,524
Kansas City Zoo Tax		—	—	128,108	128,108
Noland Road Community Improvement District		—	—	133,473	133,473
39th St Transportation Development District		—	—	61,047	61,047
		—	150,000	1,103,152	1,253,152
Nonmajor Governmental Funds:					
Department of Agriculture		42,557	—	—	42,557
Department of Housing & Urban Development					
Community Development Block Grant		79,696	—	—	79,696
Home Investment Partnership		166,391	—	—	166,391
Neighborhood Stabilization Program		61,011	—	—	61,011
Department of Justice		47,434	—	—	47,434
Department of Transportation		256,623	—	—	256,623
Department of Health & Human Services		44,348	—	—	44,348
Department of Homeland Security		2,513	—	—	2,513
Executive Office of the President		122,113	—	—	122,113
Missouri Department of Health		—	11,633	—	11,633
Staywell Fund		—	—	3,458	3,458
Jackson County - COMBAT Drug Prevention		—	—	24,592	24,592
		822,686	11,633	28,050	862,369
Power and Light Fund:					
Department of Homeland Security		1,009,675	—	—	1,009,675
		1,009,675	—	—	1,009,675
Sanitary Sewer Fund					
Department of Homeland Security		95,465	—	—	95,465
		95,465	—	—	95,465
Totals	$	1,931,993	892,633	1,133,382	3,958,008

(5) Interfund Activity

(a) Interfund Balances

Interfund balances at June 30, 2017, consisted of the following:

	Due from Nonmajor Governmental	Due from TIF Debt Service	Due from Events Center	Total
Due to:				
Governmental activities:				
General Fund	$ 362,556	1,369	775,733	1,139,658
Nonmajor governmental	1,858,127	—	—	1,858,127
Total governmental activities	$ 2,220,683	1,369	775,733	2,997,785

Interfund payables and receivables represent loans between funds for operating purposes, short-term negative balances and pending reimbursements.

(b) Interfund Charges for Support Services

Interfund charges for support services and rent paid to the General Fund during fiscal year 2017 were as follows:

	Interfund Charges	Rent
Nonmajor governmental funds	$ 70,675	$ —
Power and Light Fund	2,588,383	60,527
Sanitary Sewer Fund	946,509	22,614
Water Fund	1,337,447	34,670
	$ 4,943,014	$ 117,812

Rent charges, which consist of leased office space, are included in other revenue of the General Fund.

Interfund charges for customer service support services and telephone operators were paid to the Water Fund during fiscal year 2017, and are included as a credit to Water's operating expenses as follows:

Power and Light Fund	$ 1,419,164
Sanitary Sewer Fund	289,566
	$ 1,708,730

Interfund charges for meter reading services were paid to the Power and Light Fund during fiscal year 2017, and are included as a credit to Power and Light's operating expenses as follows:

Sanitary Sewer Fund	$	278,062
Water Fund		1,258,619
	$	1,536,681

(c) Payments in Lieu of Taxes

The payments in lieu of taxes of $13,312,979, $3,129,249 and $2,556,443 in fiscal year 2017 by the Power and Light, Water, and Sanitary Sewer (Enterprise) Funds, respectively, to the General Fund approximate franchise taxes and real estate taxes on plant in service. The franchise tax rate, established by City ordinance at 9.08%, is applied to gross billed operating revenues less amounts written off to arrive at the franchise tax due the General Fund. Real estate taxes are charged at a set amount.

(d) Interfund Transfers

Interfund transfers for the year ended June 30, 2017, consisted of the following:

	Transfer Out						
	General	Tax Increment Financing	Nonmajor Governmental	Power and Light	Water	Sanitary Sewer	Total
Transfers In:							
General	$ —	—	197,063	—	—	—	197,063
Tax Increment Financing	—	502,941	494,020	99,261	86,026	109,186	1,291,434
Sanitary Sewer Fund	10,000	—	—	—	—	—	10,000
Nonmajor governmental	—	188,120	442,291	—	—	—	630,411
Total Primary Government	$ 10,000	691,061	1,133,374	99,261	86,026	109,186	2,128,908

Transfers are for capital projects, general operations and debt service payments.

(6) Capital Assets

Capital asset activity for the year ended June 30, 2017 is as follows:

	Balance June 30, 2016	Additions	Retirements	Balance June 30, 2017
Governmental activities:				
Nondepreciable capital assets:				
Land	$ 31,973,925	60,216	—	32,034,141
Construction work in progress	13,902,648	10,984,592	(9,446,856)	15,440,384
Total nondepreciable capital assets	45,876,573	11,044,808	(9,446,856)	47,474,525
Depreciable capital assets:				
Land improvements	9,900,113	256,356	—	10,156,469
Buildings	51,536,728	—	—	51,536,728
Building improvements	17,996,288	905,211	—	18,901,499
Improvements other than buildings	35,029,026	1,298,453	—	36,327,479
Office furniture and equipment	522,510	21,534	(74,629)	469,415
Computer equipment	3,877,542	9,382	(134,571)	3,752,353
Mobile equipment	24,966,584	1,420,095	(1,012,499)	25,374,180
Other equipment	9,405,538	465,941	(419,209)	9,452,270
Infrastructure	394,649,010	8,472,557	—	403,121,567
Total depreciable capital assets	547,883,339	12,849,529	(1,640,908)	559,091,960
Less accumulated depreciation for:				
Land improvements	(3,017,218)	(485,768)	—	(3,502,986)
Buildings	(16,823,602)	(1,220,160)	—	(18,043,762)
Building improvements	(8,636,880)	(857,603)	—	(9,494,483)
Improvements other than buildings	(16,366,068)	(1,730,022)	—	(18,096,090)
Office furniture and equipment	(509,496)	(6,174)	74,629	(441,041)
Computer equipment	(3,276,142)	(363,780)	134,570	(3,505,352)
Mobile equipment	(17,391,142)	(1,382,126)	927,050	(17,846,218)
Other equipment	(6,293,903)	(623,642)	383,934	(6,533,611)
Infrastructure	(187,953,733)	(13,505,279)	—	(201,459,012)
Total accumulated depreciation	(260,268,184)	(20,174,554)	1,520,183	(278,922,555)
Total depreciable capital assets, net	287,615,155	(7,325,025)	(120,725)	280,169,405
Governmental activities capital assets, net	$ 333,491,728	3,719,783	(9,567,581)	327,643,930

Depreciation expense was charged to functions as follows:

Administrative services	$	156,629
Public safety		3,075,884
Public works		12,398,921
Health and welfare		93,659
Culture and recreation		1,881,914
Community development		65,254
Storm water		1,563,752
General government		933,369
Total		20,169,382
In addition, depreciation on capital assets held by the City's Central Garage Fund is charged to the various functions based on their usage of the assets		5,172
Total depreciation expense	$	20,174,554

	Balance June 30, 2016	Additions	Retirements	Balance June 30, 2017
Business-type activities:				
Power and Light Fund:				
Nondepreciable capital assets:				
Land	$ 3,875,930	—	—	3,875,930
Construction in progress	20,006,139	19,083,985	(28,196,598)	10,893,526
Total nondepreciable capital assets	23,882,069	19,083,985	(28,196,598)	14,769,456
Depreciable capital assets:				
Infrastructure:				
Production plant	225,164,206	5,255,840	(142,619)	230,277,427
Transmission plant	42,161,701	3,418,528	(7,527)	45,572,702
Distribution plant	166,422,018	6,264,122	(756,160)	171,929,980
General plant	6,730,060	11,115,463	(242,094)	17,603,429
Other	2,755,568	—	—	2,755,568
Total infrastructure	443,233,553	26,053,953	(1,148,400)	468,139,106
Machinery and equipment	24,967,977	2,142,645	(309,303)	26,801,319
Total depreciable capital assets	468,201,530	28,196,598	(1,457,703)	494,940,425
Less accumulated depreciation:				
Infrastructure	(248,646,347)	(12,629,234)	1,966,223	(259,309,358)
Machinery and equipment	(18,083,346)	(1,368,889)	—	(19,452,235)
* Total accumulated depreciation	(266,729,693)	(13,998,123)	1,966,223	(278,761,593)
Total depreciable capital assets, net	201,471,837	14,198,475	508,520	216,178,832
Total power and light capital assets	$ 225,353,906	33,282,460	(27,688,078)	230,948,288

* See page 60 note regarding depreciation.

	Balance June 30, 2016	Additions	Retirements	Balance June 30, 2017
Water Fund:				
Nondepreciable capital assets:	$			
Land	2,164,811	—	—	2,164,811
Construction in progress	2,955,894	2,723,615	(3,705,531)	1,973,978
Total nondepreciable capital assets	5,120,705	2,723,615	(3,705,531)	4,138,789
Depreciable capital assets:				
Infrastructure:				
Nonutility property	40,014	—	—	40,014
Source of supply	7,935,817	11,870	—	7,947,687
Pumping plant	15,752,466	15,335	(45,191)	15,722,610
Treatment plant	23,082,632	2,070,045	(32,900)	25,119,777
Transmission plant	89,870,510	1,542,461	(58,604)	91,354,367
General plant	2,089,757	20,000	(26,469)	2,083,288
Other	12,547,766	—	—	12,547,766
Total infrastructure	151,318,962	3,659,711	(163,164)	154,815,509
Machinery and equipment	6,584,934	173,980	(138,530)	6,620,384
Total depreciable capital assets	157,903,896	3,833,691	(301,694)	161,435,893
Less accumulated depreciation:				
Intrastructure	(49,236,063)	(2,682,007)	173,633	(51,744,437)
Machinery and equipment	(4,432,751)	(418,553)	157,700	(4,693,604)
* Total accumulated depreciation	(53,668,814)	(3,100,560)	331,333	(56,438,041)
Total depreciable capital assets, net	104,235,082	733,131	29,639	104,997,852
Total water capital assets	$ 109,355,787	3,456,746	(3,675,892)	109,136,641

* See page 60 note regarding depreciation.

	Balance June 30, 2016	Additions	Retirements	Balance June 30, 2017
Sanitary Sewer Fund:				
Nondepreciable capital assets:				
Land	$ 330,191	—	—	330,191
Construction in progress	60,295,993	2,358,231	(18,831,363)	43,822,861
Total nondepreciable capital assets	60,626,184	2,358,231	(18,831,363)	44,153,052
Depreciable capital assets:				
Infrastructure:				
Nonutility property	46,368	—	—	46,368
Collection plant	103,940,789	18,312,894	—	122,253,683
Pumping plant	30,745,602	1,243,899	—	31,989,501
Treatment plant	14,084,010	—	(418,403)	13,665,607
General plant	1,580,497	—	(136,000)	1,444,497
Total infrastructure	150,397,266	19,556,793	(554,403)	169,399,656
Machinery and equipment	7,182,517	642,654	(465,718)	7,359,453
Total depreciable capital assets	157,579,783	20,199,447	(1,020,121)	176,759,109
Less accumulated depreciation:				
Infrastructure	(60,609,521)	(3,217,712)	554,403	(63,272,830)
Machinery and equipment	(6,302,492)	(308,514)	444,317	(6,166,689)
Total accumulated depreciation	(66,912,013)	(3,526,226)	998,720	(69,439,519)
Total depreciable capital assets, net	90,667,770	16,673,221	(21,401)	107,319,590
Total sewer capital assets	151,293,954	19,031,452	(18,852,764)	151,472,642
Events Center fund:				
Nondepreciable capital assets:				
Land	$ 5,796,315	—	—	5,796,315
Construction in progress	—	—	—	—
Total nondepreciable capital assets	5,796,315	—	—	5,796,315
Depreciable capital assets:				
Infrastructure	65,581,451	—	—	65,581,451
Machinery and equipment	3,555,930	—	—	3,555,930
Total depreciable capital assets	69,137,381	—	—	69,137,381
Less accumulated depreciation:				
Infrastructure	(10,911,823)	(1,639,537)	—	(12,551,360)
Machinery and equipment	(1,674,529)	(251,606)	—	(1,926,135)
Total accumulated depreciation	(12,586,352)	(1,891,143)	—	(14,477,495)
Total depreciable capital assets, net	56,551,029	(1,891,143)	—	54,659,886
Total events center capital assets	62,347,344	(1,891,143)	—	60,456,201
Total business-type activities capital assets	$ 548,350,991	53,879,515	(50,216,734)	552,013,772

Depreciation expense was charged to functions as follows:

Business-type activities:		
Power and light	$	13,283,451
Water		2,999,495
Sanitary sewer		3,526,226
Events center		1,891,143
Total business-type activities depreciation expense	$	21,700,315

Depreciation charged to Power and Light and Water funds are different because certain depreciation related to utility vehicles and heavy equipment are charged to clearing accounts and redistributed to various operating, construction, and other capital accounts. As of June 30, 2017 the difference for Power and Light is $714,672 and the difference for Water is $101,065.

Under accounting practices promulgated in the utility industry by the Federal Energy Regulatory Commission (FERC) and the National Association of Regulatory Utility Commissioners (NARUC), for business-type activities, units are retired plus the cost of removal, less salvage, are charged against accumulated depreciation, with no gain or loss recognized. The retirement of these assets can cause the decrease in accumulated depreciation to be higher than the decrease of the capital asset due to the cost of removal.

(7) Long-Term Obligations

The State Constitution permits a city, by vote of two-thirds of the voting electorate, to incur general obligation indebtedness for "city purposes," not to exceed 10% of the assessed value of taxable tangible property. The State Constitution also permits a city, by vote of two-thirds of the voting electorate under a special election or four-sevenths under a general election, to incur additional general obligation indebtedness not exceeding, in the aggregate, an additional 10% of the assessed value of taxable tangible property for the purpose of acquiring rights-of-way, constructing, extending, and improving streets and avenues and/or sanitary or storm sewer systems, and purchasing or constructing waterworks, electric, or other plants, provided that the total general obligation indebtedness of the city does not exceed 20% of the assessed valuation of taxable property.

The following is a summary of changes in long-term debt of the City for the year ended June 30, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental activities:					
Loans and notes payable:					
Loans payable	$ 1,485,000	—	475,000	1,010,000	495,000
TIF loans	159,265,000	19,560,000	27,620,000	151,205,000	6,450,000
Capital lease obligations	1,484,037	44,504	195,329	1,333,212	200,157
Neighborhood Improvement District (NID)	299,000	—	81,000	218,000	86,000
Premium (discount), net	(1,526,494)	2,585,491	(27,087)	1,086,084	—
Total loans and note payable	161,006,543	22,189,995	28,344,242	154,852,296	7,231,157
Other liabilities:					
Compensated absences	15,409,083	5,962,666	5,905,375	15,466,374	6,545,590
Other post-employment benefits	67,743,153	7,600,301	—	75,343,454	—
Net pension liability	57,841,197	—	11,367,960	46,473,237	—
TIF developer obligations	28,679,256	6,963,195	1,137,667	34,504,784	794,959
Total other liabilities	169,672,689	20,526,162	18,411,002	171,787,849	7,340,549
Total Governmental Activities	$ 330,679,232	42,716,157	46,755,244	326,640,145	14,571,706

The compensated absences, other post-employment benefits and pension obligation liabilities attributable to governmental activities will be liquidated primarily by the General Fund.

The following is a summary of changes in long-term debt of the Proprietary Funds for the year ended June 30, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Business-type activities:					
Power and Light Fund:					
Revenue bonds	$ 119,980,000	47,180,000	3,530,000	163,630,000	3,685,000
Premium on bonds payable	4,428,231	888,515	233,307	5,083,439	—
Total revenue bonds	124,408,231	48,068,515	3,763,307	168,713,439	3,685,000
Compensated absences	5,772,420	2,754,253	3,071,927	5,454,746	1,940,044
Other post-employment benefits	18,448,828	2,013,873	—	20,462,701	—
Net pension liability	32,388,004	—	6,645,469	25,742,535	—
Total Power and Light Fund	181,017,483	52,836,641	13,480,703	220,373,421	5,625,044
Water Fund:					
Revenue bonds	29,730,000	—	3,275,000	26,455,000	1,480,000
Premium on bonds payable	735,920	—	55,195	680,725	—
Total revenue bonds	30,465,920	—	3,330,195	27,135,725	1,480,000
Compensated absences	1,500,632	526,840	579,309	1,448,163	470,262
Other post-employment benefits	7,186,404	888,637	211,367	7,863,674	—
Net pension liability	6,878,400	—	1,455,613	5,422,787	—
Total Water Fund	46,031,356	1,415,477	5,576,484	41,870,349	1,950,262
Sanitary Sewer Fund:					
Revenue Bonds	98,710,000	—	1,945,000	96,765,000	2,000,000
Premium on bonds payable	866,730	—	33,425	833,305	—
Total revenue bonds	99,576,730	—	1,978,425	97,598,305	2,000,000
Compensated absences	804,664	381,822	385,450	801,036	285,098
Other post-employment benefits	5,620,356	571,539	—	6,191,895	—
Net pension liability	4,989,748	—	1,031,573	3,958,175	—
Total Sanitary Sewer Fund	110,991,498	953,361	3,395,448	108,549,411	2,285,098
Events Center Fund:					
Revenue bonds	89,825,000	12,005,000	11,890,000	89,940,000	1,085,000
Premium on bonds payable	144,725	24,323	7,683	161,365	—
Discount on bonds payable	(252,067)	—	(11,589)	(240,478)	—
Total Events Center Fund	89,717,658	12,029,323	11,886,094	89,860,887	1,085,000
Total business-type activities	$ 427,757,995	67,234,802	34,338,729	460,654,068	10,945,404

Debt service requirements on long-term debt with scheduled maturities at June 30, 2017 are as follows:

	Governmental Activities							
	Loans Payable		NID Payable		TIF Loans		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 495,000	32,741	86,000	11,732	6,450,000	6,462,050	7,031,000	6,506,523
2019	515,000	11,266	91,000	7,202	6,755,000	6,210,725	7,361,000	6,229,193
2020	—	—	7,000	2,409	8,210,000	5,945,424	8,217,000	5,947,833
2021	—	—	7,000	1,998	8,900,000	5,591,172	8,907,000	5,593,170
2022	—	—	7,000	1,586	8,100,000	5,202,131	8,107,000	5,203,717
2023 - 2027	—	—	20,000	1,880	49,335,000	20,700,226	49,355,000	20,702,106
2028 - 2032	—	—	—	—	31,010,000	9,292,661	31,010,000	9,292,661
2033 - 2037	—	—	—	—	11,665,000	5,552,500	11,665,000	5,552,500
2038 - 2042	—	—	—	—	9,975,000	3,449,269	9,975,000	3,449,269
2043 - 2045	—	—	—	—	10,805,000	1,002,450	10,805,000	1,002,450
	$ 1,010,000	44,007	218,000	26,807	151,205,000	69,408,608	152,433,000	69,479,422

	Business-type Activities									
	Power and Light		Water		Sewer		Events Center		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 3,685,000	7,036,700	1,480,000	1,043,288	2,000,000	4,272,306	1,085,000	3,821,169	8,250,000	16,173,463
2019	3,850,000	6,872,250	1,530,000	998,138	2,060,000	4,212,806	1,175,000	3,782,344	8,615,000	15,865,538
2020	4,945,000	6,700,350	1,575,000	951,563	2,130,000	4,145,256	1,330,000	3,738,619	9,980,000	15,535,788
2021	4,045,000	6,490,050	1,630,000	895,338	2,205,000	4,070,631	1,485,000	3,688,844	9,365,000	15,144,863
2022	4,210,000	6,318,200	1,695,000	820,363	2,280,000	3,993,331	1,650,000	3,632,906	9,835,000	14,764,800
2023 - 2027	23,765,000	28,797,151	9,770,000	2,878,213	12,885,000	18,480,728	10,725,000	17,167,706	57,145,000	67,323,798
2028 - 2032	29,145,000	23,243,808	8,775,000	646,531	15,825,000	15,542,728	23,095,000	14,333,813	76,840,000	53,766,880
2033 - 2037	42,805,000	15,769,555	—	—	19,865,000	11,497,866	35,535,000	8,233,513	98,205,000	35,500,934
2038 - 2042	24,255,000	7,218,919	—	—	25,475,000	5,895,025	13,860,000	627,463	63,590,000	13,741,407
2043 - 2046	22,925,000	2,251,375	—	—	12,040,000	504,644	—	—	34,965,000	2,756,019
	$ 163,630,000	110,698,358	26,455,000	8,233,434	96,765,000	72,615,321	89,940,000	59,026,377	376,790,000	250,573,490

(a) Governmental activities

(1) Loans Payable – Missouri Development Finance Board

Governmental activities loans payable at June 30, 2017 are comprised of the following:

$4,020,000 Series 2009 (Streets Projects) annual installments of $395,000 to $515,000 through 2019; interest at 3.50% to 4.375%.	$	1,010,000
Total Governmental Activities Loans Payable	$	1,010,000

(2) Neighborhood Improvement District

The Neighborhood Improvement District Bonds constitute a valid and legally binding indebtedness of the City, payable as to both principal and interest from special assessments to be assessed on certain real property within the District which will be benefited by the improvements and, if not so paid, from monies in the Bond Reserve Fund and, to the extent required, from first available moneys in the City's general fund or other legally available fund. The full faith and credit of the City are irrevocably pledged for the prompt payment, when due, of the principal and interest on the Bonds; provided, however, the City is not obligated nor authorized to levy taxes for the purpose of paying principal of or interest on the Bonds and the taxing power of the City is not pledged to the payment of the Bonds.

Neighborhood Improvement District bonds payable at June 30, 2017 are comprised of the following:

$995,000 Series 2004 (Noland Road and Englewood Improvements) annual installments of $55,000 to $85,000 through 2019; interest at 4.50% to 5.75%	$	165,000
$111,000 Series 2004 (Fall Drive Sanitary Sewer Project) annual installments of $5,000 to $6,000 through 2024; interest at 5.375% to 5.50%		53,000
Total Neighborhood Improvement District	$	218,000

(3) Capital Lease Obligations

Capital leases payable at June 30, 2017 are comprised of the following:

Motorola Solutions (radio equipment) semi-annual installments of $56,700 to $78,539 through 2022; interest at 3.4593%	$	727,941
PNC Equipment Finance (fire truck) annual installments of $51,525 to $71,106 through 2026; interest at 3.00%		570,372
TCF Equipment Finance (Toro equipment) annual installments of $9,605 through 2020; interest at 3.89%		34,899
Total Capital Lease Obligations	$	1,333,212

The net book value of assets acquired under the capital leases described above amounted to $2,614,405 as of June 30, 2017.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

Year ending June 30:		
2018	$	242,635
2019		242,635
2020		242,635
2021		242,635
2022		525,968
2023 - 2026		
		1,496,508
Less imputed interest		(163,296)
Present value of minimum lease payments	$	1,333,212

(4) Blended Component Unit

(a) Tax Increment Financing Loans and Developer Obligations

The City's tax increment financing loan (TIF loans) indebtedness is recorded as a liability of the TIF Commission to match revenue streams to the related debt for which they have been pledged. The obligation of the City and the Commission to pay principal and interest on these bonds is limited solely to the tax increment financing (TIF) revenues generated from each project, and in certain instances an annual appropriation pledge from the City.

The City and other taxing districts and governmental entities have pledged a portion of future property tax and sales tax revenues to repay $221 million in tax increment financing loans (TIF Loans) issued at various dates beginning in 1999 to finance redevelopment projects within each of the respective TIF plans. The loans are payable solely from the incremental increase in property taxes and sales taxes generated within the TIF plans. TIF revenues were projected to produce sufficient funds to meet debt service requirements over the life of the TIF loans. Should TIF revenues not be sufficient to meet the required debt service obligations, neither the City nor the Commission is obligated to make such loan payments from any other sources of its revenues. However, the City intends to annually appropriate funds sufficient to make all payments required by the bonds for the next fiscal year. During this fiscal year, the City paid $494,020 from the Storm Water Sales Tax Fund, $99,261 from the Power & Light Fund, $86,026 from the Water Fund, $109,186 from the Sewer Fund, and $215,000 from the Crackerneck Transportation Development District in debt service payments for the Crackerneck Creek development. Management does not anticipate that any of the City's general, sales tax, or proprietary funds will be required to make up any deficiency in loan payments during the next fiscal year.

Developer obligations represent developer project costs that have been certified by the City as eligible for reimbursement from tax increment financing revenues attributable to each respective project. Under tax increment financing plans, the developer may be reimbursed up to the certified cost amount from incremental taxes during a period not to exceed 23 years. Accordingly, certified project costs in excess of amounts reimbursed to date are reflected as a long-term obligation of the Commission. TIF revenues were projected to produce sufficient funds to reimburse the developer for certified costs. The developer obligations are limited solely to the amount of incremental taxes received attributable to each respective project; any deficiencies are the sole responsibility of the developer and do not constitute an obligation of the Commission or of the City.

At June 30, 2017, total principal and interest remaining on the loans was $221 million and the outstanding developer obligations was $34.5 million. The loans are scheduled to mature at varying amounts through 2045 and the developer obligations are payable to the extent incremental taxes are available for a period not to exceed 23 years.

For the current year, principal and interest paid on TIF loans and developer obligations totaled $14.5 million. Incremental revenues from the City included $4.4 million in sales taxes and $0.8 million in property taxes. The remaining funds necessary to meet the current year debt service requirements were derived from incremental tax revenues and other sources from other taxing districts and governmental entities, City and developer contributions, cash reserves, and debt trust funds.

Missouri Development Finance Board Loans Payable

$14,030,000 Series 2006 B (Crackerneck Creek TIF) annual installments of $1,340,000 to $8,225,000 through 2026; interest at 5.30% to 6.00%	$	14,030,000
$19,390,000 Series 2007 A (Eastland Center TIF) annual installments of $815,000 to $2,570,000 through 2022; interest at 4.00% to 5.00%		7,670,000
$10,330,000 Series 2007 B (Hartman Heritage TIF) annual installments of $555,000 to $1,060,000 through 2020; interest at 4.00% to 5.00%		3,135,000
$8,000,000 Series 2008 C (Eastland Center TIF) annual installments of $370,000 to $2,515,0000 through 2022; interest at 4.00% to 5.125%		4,795,000
$6,720,000 Series 2011 B (Hartman Heritage TIF) annual installments of $365,000 to $1,815,000 through 2021; interest at 2.000% to 4.125%		4,365,000
$12,050,000 Series 2012 D (HCA - Centerpoint TIF) annual installments of $575,000 to $1,865,000 through 2027; interest at 3.00% to 4.00%		9,040,000
$3,965,000 Series 2012 E (Eastland Center TIF) annual installments of $310,000 to $805,000 through 2022; interest at 2.00% to 3.00%		2,315,000
$14,005,000 Series 2013 A (Crackerneck Creek TIF) annual installments of $50,000 to $5,200,000 through 2028; interest at 4.693% to 4.993%		14,005,000
$10,835,000 Series 2013 B (Crackerneck Creek TIF) one installment of $10,835,000 through 2029; interest at 4.125%		10,835,000
$4,855,000 Series 2014 A (Eastland Center TIF) annual installments of $500,000 to $1,095,000 through 2022; interest at 3.000%		3,325,000
$2,030,000 Series 2014 B (HCA - Centerpoint TIF) annual installments of $105,000 to $495,000 through 2027; interest at 2.000% to 4.000%		1,710,000
$5,225,000 Series 2015 A (Santa Fe TIF) annual installments of $100,000 to $285,000 through 2044; interest at 3.000% to 4.000%		5,015,000
$3,545,000 Series 2015 B (Santa Fe TIF) annual installments of $55,000 to $215,000 through 2044; interest at 3.000% to 5.250%		3,430,000
$47,060,000 Series 2015 C (Crackerneck Creek TIF) annual installments of $1,200,000 to $5,670,000 through 2045; interest at 3.000% to 5.000%		47,060,000

$2,390,000 Series 2015 D (Crackerneck Creek TIF) annual installments of $1,180,000 to $1,210,000 through 2024; interest at 2.750% to 3.000%	2,390,000
$17,275,000 Series 2016 B (HCA - Centerpoint TIF) annual installments of $970,000 to $2,865,000 through 2028; interest at 3.000% to 5.000%	16,130,000
$2,285,000 Series 2016 C (Drumm Farm TIF) annual installments of $330,000 to $415,000 through 2022; interest at 2.000% to 3.000%	1,955,000
Total TIF Loans Payable	$ 151,205,000

Restricted assets held by the Commission of $15,854,872 consist of funds available for costs related to the redevelopment of the Santa Fe, Hartman Heritage, Eastland Center, Crackerneck Creek and HCA areas.

(1) Tax Increment Financing Refunding

On August 2, 2016, the City entered into a loan payable through the Missouri Development Finance Board of $17,275,000 with an interest rate ranging from 3.00% to 5.00%, to refund $3,720,000 of the outstanding 2006 F and $15,240,000 of the outstanding 2007 E HCA-Centerpoint TIF project loan payables, with interest rates ranging from 4.000% to 5.125%. The acquisition of the new refunding loan carried a premium of $2,512,940 and resulted in a deferred charge on refunding of $821,372. Both items will be amortized over the life of the bonds. This refunding was undertaken to reduce the total debt service payments by $2,195,632 which resulted in an economic gain of $1,938,687.

On August 2, 2016, the City entered into a loan payable through the Missouri Development Finance Board of $2,285,000 with an interest rate ranging from 2.00% to 3.00%, to advance refund the following Drumm Farm TIF project loans payable: $340,000 of the outstanding 2005 B series, with an interest rate of 4.50%; $615,000 of the outstanding 2006 series, with an interest rate of 4.625%; $315,000 of the outstanding 2007 D series, with interest rates ranging from 4.25% to 4.50%; and $980,000 of the outstanding 2008 E series, with interest rates ranging from 4.25% to 5.00%. The acquisition of the new refunding loan carried a premium of $72,551 and resulted in a deferred charge on refunding of $120,647. Both items will be amortized over the life of the bonds. This advance refunding was undertaken to reduce the total debt service payments by $105,845 which resulted in an economic gain of $104,410.

(2) Tax Increment Financing Prior Year Defeasance of Debt

In prior years, the City defeased certain loans payable with the Missouri Development Finance Board by placing the proceeds of refunding TIF loans in an irrevocable trust to provide for all future debt service payments on the old loans. Accordingly, the trust account assets and the liability for the defeased loans are not included in the City's financial statements. At June 30, 2017, $7,265,000 of loans payable are considered defeased.

(b) Bass Pro Lease

On October 18, 2004, the City approved the Crackerneck Creek Tax Increment Financing (TIF) Plan. The Crackerneck Creek TIF Plan provides for the development and construction of a proposed 450,000 square foot commercial retail center. The Crackerneck Creek Project (the Project) is scheduled to include (i) the Bass Pro Store described below, (ii) a minimum of 300,000 square feet of additional retail space and (iii) a hotel. In January 2010, a 55,000 square foot Hobby Lobby opened and in late 2009 a 23,000 square foot Mardel opened. During early 2011, an 8,000 square foot Cheddar's Restaurant opened. In March 2015, Stoney Creek Hotel & Conference Center opened with 167 guest rooms and 30,000 square feet of conference space. The City and the developer remain in discussions regarding securing additional retail development for the project. However, no additional agreements exist requiring any retailers to open for business in the Crackerneck Creek Redevelopment Area other than Bass Pro.

As part of the Project, the City has entered into the Lease Agreement (as amended from time to time, the "Bass Pro Lease") with Bass Pro Outdoor World L.L.C. ("Bass Pro"). Pursuant to the Bass Pro Lease the City will own a 150,000 square foot Bass Pro retail store (the "Bass Pro Store") and will lease the Bass Pro Store to Bass Pro under the terms and conditions as contained in the Bass Pro Lease. Under the Bass Pro Lease, the City was obligated to make $25,000,000 available to Bass Pro. This amount was funded from the proceeds of the Series 2006A Bonds. The Bass Pro Store is located on an approximate 20-acre parcel owned by the City.

The initial term of the Bass Pro Lease is 20 years. Bass Pro has various renewal options under the lease agreement. During the initial 20-year term, Bass Pro is required to pay the City "Percentage Rent" rent equal to 2% of "Gross Sales" as defined in the Bass Pro Lease except that the "Minimum Percentage Rent" will not be less than of $1,000,000 during each year of the initial term. During any of the nine one-year renewal options, Bass Pro will pay rent equal to $10 per year provided the TIF bond financing provided by the City in a maximum of $35,000,000 has been paid in full, or until the expiration of the third one-year renewal option (whichever occurs first), Bass Pro shall be obligated to pay $1,000,000 per year to the City. During any of the three five-year renewal options, Bass Pro will pay rent equal to 1% of "Gross Sales" as defined in the lease agreement.

A summary of the minimum rental payments due for this operating lease are as follows:

Calendar Year		Amount
2017	$	1,000,000
2018		1,000,000
2019		1,000,000
2020		1,000,000
2021		1,000,000
2022 - 2026		5,000,000
Total	$	10,000,000

Under the Bass Pro Lease, Bass Pro has the option to purchase the Bass Pro Store at the expiration of the 20-year initial term and at the expiration of any renewal option for a purchase price equal to 90% of the fair market value thereof as determined by an appraisal.

Also under the Lease the City constructed an approximate 15-acre lake and an additional wilderness habitat area of approximately 15 acres. The City park includes a waterfall and presents a unique natural setting. The City also constructed 600 parking spaces adjacent to the Bass Pro Store.

(b) Business-Type Activities

(1) Revenue Bonds

Revenue bonds payable at June 30, 2017 are comprised of the following individual issues:

Power and Light Fund:	
$33,645,000 Series 2010 B annual installments of $600,000 to $4,030,000 through 2035; interest at 2.00% to 5.250%	$ 15,990,000
$55,185,000 Series 2012 A annual installments of $150,000 to $11,900,000 through 2037; interest at 2.00% to 5.00%	53,765,000
$52,525,000 Series 2012 F annual installments of $140,000 to $3,630,000 through 2037; interest at 3.00% to 4.00%	46,695,000
$47,180,000 Series 2016 D annual installments of $4,505,000 to $6,060,000 through 2046; interest at 3.375% to 4.00%	47,180,000
Total Power and Light fund	163,630,000
Water Fund:	
$36,240,000 Series 2013 D annual installments of $1,480,000 to $4,260,000 through 2029; interest at 2.00% to 5.00%	26,455,000
Total Water Fund	26,455,000
Sanitary Sewer Fund:	
$37,035,000 Series 2012 B annual installments of $745,000 to $2,220,000 through 2041; interest at 2.00% to 5.00%	33,930,000
$43,800,000 Series 2013 C annual installments of $250,000 to $2,855,000 through 2042; interest at 2.00% to 5.25%	42,380,000
$21,170,000 Series 2014 C annual installments of $250,000 to $6,150,000 through 2043; interest at 2.00% to 5.00%	20,455,000
Total Sanitary Sewer fund	96,765,000
Events Center Fund:	
$11,815,000 Series 2011 A annual installments of $70,000 to $1,585,000 through 2038; interest at 2.00% to 5.50%	11,145,000
$68,945,000 Series 2012 C annual installments of $105,000 to $12,540,000 through 2038; interest at 2.00% to 4.00%	67,290,000
$12,005,000 Series 2016 A annual installments of $400,000 to $710,000 through 2038; interest at 3.00%	11,505,000
Total Events Center Fund	89,940,000
Total revenue bonds	$ 376,790,000

The power and light revenue bond ordinance and the water revenue bond indenture require that the systems be accounted for in separate enterprise funds. They also require that after sufficient current assets have been set aside to operate the systems, all remaining monies held in the funds be segregated and restricted in separate special reserves and accounts in the following sequences:

Account	Restriction
Principal and interest	For the monthly accumulation of monies to meet the maturing revenue bond principal-and-interest requirements
Depreciation and emergency (water only)	For the accumulation of $500,000 to finance emergency repairs and system improvements

Surplus account monies are reflected as unrestricted cash. The above required reserves and other reserves are reported in the accompanying statement of net position as restricted assets as follows:

	Enterprise Funds			
Account	Power and Light	Water	Sanitary Sewer	Events Center
Principal and interest	$ 16,056,208	—	—	—
Depreciation and emergency	—	500,000	—	—
Bond reserve and project accounts	14,904,841	3,628,971	11,847,459	6,833,483
Total revenue bond reserves	30,961,049	4,128,971	11,847,459	6,833,483
Customer deposits	2,570,904	763,370	665,019	—
Purchase of Dogwood Plant	61,500	—	—	—
Southwest Power Pool collateral	831,040	—	—	—
Total	$ 34,424,493	4,892,341	12,512,478	6,833,483

Various bond ordinances and indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverage. The City is in compliance with all such financial limitations and restrictions.

(a) Advance Refunding

On August 2, 2016, the City issued revenue bonds through the Missouri Development Finance Board of $12,005,000 with an interest rate of 3.00%, to provide funding to advance refund $10,820,000 of the 2008 E Events Center Project revenue bonds, with interest rates ranging from 4.50% to 5.75%. The acquisition of the new refunding bonds carried a premium of $24,323 and resulted in a deferred charge on refunding of $1,074,910. Both items will be amortized over the life of the bonds. The advance refunding was undertaken to reduce total debt service payments by $2,464,116 which resulted in an economic gain of $1,909,326.

(b) Pledged Revenues

The Power and Light and Water Bonds are secured by a pledge of revenues, net of specified operating expenses to repay revenue bonds issued. The pledged revenue information for June 30, 2017 is as follows:

Date Issued	Description	Purpose of Debt	Revenue Pledged	Term of Commitment	Principal & Interest Remaining	Principal & Interest 2016 - 2017	Net Available Revenues 2016 - 2017
11/2010	Power and Light Leasehold Revenue Bonds	Electric System Projects	Appropriated Revenues	through 2035	24,429,361	2,513,188	
03/2012	Power and Light Revenue Bonds	Electric System - Dogwood	Appropriated Revenues	through 2037	93,089,830	2,631,219	
12/2012	Power and Light Leasehold Revenue Bonds - Refunding	Electric System Projects	Appropriated Revenues	through 2037	64,359,000	3,789,750	
09/2016	Power and Light Leasehold Revenue Bonds	Electric System Projects	Appropriated Revenues	through 2046	92,450,167	1,203,274	
					$ 274,328,358	10,137,431	34,917,145
11/2013	Water Revenue Bonds - Refunding	Water System Improvements	Appropriated Revenues	through 2029	34,688,434	4,389,613	
					$ 34,688,434	4,389,613	16,041,871
08/2012	Sewer System Revenue Bonds	Sewer System Improvements	Appropriated Revenues	through 2041	56,918,422	2,275,981	
09/2013	Sewer System Revenue Bonds	Sewer System Improvements	Appropriated Revenues	through 2042	76,103,768	2,735,600	
11/2014	Sewer System Revenue Bonds	Sewer System Improvements	Appropriated Revenues	through 2043	36,358,131	1,261,175	
					$ 169,380,321	6,272,756	10,113,311

(2) Events Center Bonds

The Events Center Bonds (Bonds) are secured by a pledge of certain community improvement district sales taxes (CID sales taxes) and related Tax Increment Financing (TIF) revenues generated within the Independence Events Center Community Improvement District (District) boundaries. In addition, the Bonds include an annual appropriation covenant pursuant to which the City agrees to budget and appropriate sufficient funds to meet the scheduled debt service requirements of the Bonds should the CID sales taxes and TIF revenues not be sufficient to do so. For the year ended June 30, 2017, District revenues paid to the City for debt service totaled $4,993,820. The remaining debt service amounts of $892,324 were funded from capitalized interest funds that were established at the time the Bonds were issued. Management does not anticipate that any of the City's general funds will be required to make up any deficiency in payments during the next fiscal year.

(8) Advances for Construction

As new developments are constructed, the Power and Light (Enterprise) Fund requires a nonrefundable cash payment from a customer or developer to be paid toward the cost of extending the distribution system, installation of street lights, and other additions or modifications solely for the benefit of the customer or developer. The advances for construction at June 30, 2017, were $41,826.

As new additions to the water distribution system are constructed, the Water (Enterprise) Fund requires the developer or wholesaler to advance the estimated cost of the water main extension or improvement. Upon project completion, any excess of the advance over the project cost is refunded to the developer or wholesaler or vice versa. The advances for construction at June 30, 2017, were $112,372.

(9) Employee Retirement System

Plan Description

The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the City, 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.

	2017 Valuation
Benefit Multiplier	2.00%
Final Average Salary	3 Years
Member Contributions	4.00%

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 4.00% per year.

Employees Covered by Benefit Terms

At June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,055
Inactive employees entitled to but not yet receiving benefits	192
Active employees	960
	2,207

Contributions

Effective November 1, 2009, the City's LAGERS benefit program changed from LT-8(65) to L-6 with employees contributing 4.00% of gross salaries and wages. The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City contribute 4.00% of their gross pay to the pension plan. The City contribution rates for the year ending June 30, 2017 were 15.30% (General), 16.50% (Police) and 16.00% (Fire) of annual covered payroll.

Net Pension Liability

The City's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2017. Standard update procedures were used to roll forward the total pension liability to June 30, 2017.

Actuarial Assumptions

The total pension liability in the February 28, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50% price inflation; 3.25% wage inflation
Salary Increase	3.25% to 7.15% including wage inflation
Investment rate of return	7.25%, net of investment expenses

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 used were the RP-2014 employee's mortality table for males and females.

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

The actuarial assumptions used in the February 28, 2017 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	43.00%	5.29%
Fixed Income	26.00%	2.93%
Real Assets	21.00%	3.31%
Strategic Assets	10.00%	5.73%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that the City and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for the City. Based on these assumptions,

the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

The following table shows the components of the changes in the net pension liability for the year:

		Increase (Decrease)		
		Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances at 6/30/2016	$	486,502,737	384,405,388	102,097,349
Changes for the year:				
Service Cost		8,388,017	—	8,388,017
Interest		34,642,794	—	34,642,794
Difference between expected and actual experience		(3,550,230)	—	(3,550,230)
Changes in assumptions		—	—	—
Contributions - employer		—	11,503,039	(11,503,039)
Contributions - employee		—	2,939,278	(2,939,278)
Net investment income		—	46,423,639	(46,423,639)
Benefit payments, including refunds		(26,039,035)	(26,039,035)	—
Administrative expense		—	(183,539)	183,539
Other (net transfer)		—	(701,221)	701,221
Net changes		13,441,546	33,942,161	(20,500,615)
Balances at 6/30/2017	$	499,944,283	418,347,549	81,596,734

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the City, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower at 6.25% or one percentage point higher at 8.25% than the current rate.

		Current Single Discount		
		1% Decrease 6.25%	**Rate Assumption 7.25%**	**1% Increase 8.25%**
Net Pension Liability (NPL)	$	151,392,568	81,596,734	23,807,968

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2017 the City recognized pension expense of $21,291,517. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected & actual plan experience	$	3,252,380	(7,485,895)
Changes in assumptions		10,505,386	—
Difference between expected & actual investment earnings		10,518,104	—
Total	$	24,275,870	(7,485,895)

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

Year Ended:		
2018	$	7,740,754
2019		8,110,084
2020		4,074,413
2021		(3,430,333)
2022		316,523
Thereafter		(21,466)
	$	16,789,975

Certain deferred inflows and outflows 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 the measurement periods. The differences on investment returns are being amortized over a closed 5-year period, beginning at the start of each measurement period.

(10) Post-Employment Health Benefits

In addition to the pension benefits described in Note (9), the City provides post-employment healthcare benefits to all retired employees meeting the service criteria for this benefit. From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in a future year when it actually will be paid. Under the guidelines of GASB Statement No. 45, the City recognizes the cost of post-employment healthcare benefits in the year when the employee services are provided, reports the accumulated liability from prior years, and provides additional information useful to assess potential demands on the City's future cash flows. Recognition of the liability that has accumulated from prior year service will be phased in over 30 years, commencing with the initial liability recorded in 2007-08.

Plan Description

The City provides for a continuation of medical, prescription drug, hearing and vision insurance benefits to employees that retire from City employment and who participate in the Missouri Local Government Employees Retirement System (LAGERS). The various benefit plan options offered by the City collectively operate as a single-employer defined benefit healthcare plan and are the same as provided to active City employees. Coverage is available for the lifetime of the retiree and their spouses upon payment of required retiree contribution premiums which includes an adjustment when the retiree becomes eligible to participate in the Medicare program. The contribution requirement for plan members is split between the retiree and the City at percentages that are comparable to active City employees and may be amended at any time by the City Council.

The number of participants that either are, or potentially could be, covered by the City's plan, as of January 1, 2017, which is the effective date of the current OPEB actuarial valuation, is listed below. There have been no significant changes in the number of covered participants or the type of coverage since that date.

Active Employees	917
Retirees & covered spouses of retirees	811
Total Participants	1,728

Funding Policy

The City pays for the employer portion of eligible retiree healthcare claims, administrative fees and retiree premiums of the participants in the plan on a pay-as-you-go basis from general operating assets of the City. As noted earlier, retirees are required to make contributions to the plan at the same level as required for active employees until the retirees become Medicare eligible and then the contributions are modified to reflect the inclusion of Medicare participation in the payment of eligible healthcare costs.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC) which represents an amount that is actuarially determined in accordance with the requirements of GASB Statement No. 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year plus the amortization of the unfunded actuarial liability over a period of time that the City has selected as being thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount of expected employer contributions to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	$	18,043,594
Interest on net OPEB obligation		3,464,956
Adjustment to annual required contribution		(4,045,567)
Annual OPEB cost (expense)		17,462,983
Less: Employer contributions		(6,600,000)
Increase in net OPEB obligation		10,862,983
Net OPEB obligation – July 1, 2016		98,998,741
Net OPEB obligation – June 30, 2017	$	109,861,724

The City's annual OPEB cost, the percentage of annual OPEB costs estimated to be contributed to the plan, and the net OPEB obligation for the fiscal year ending June 30, 2017 is as follows:

		Annual OPEB Cost		Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
Fiscal year ending:						
June 30, 2015	$	19,276,799	%	32.84	$	86,136,814
June 30, 2016		19,403,927		33.71		98,998,741
June 30, 2017		17,462,983		37.80		109,861,724

Funded Status and Funding Progress

As of January 1, 2017, which is the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the City is $265.4 million dollars. There are no assets set aside for funding the plan as of that date, thus, the entire amount is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $61.3 million which results in a ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll of 433.4%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The entry age normal (level percent of pay) cost method is used in the January 1, 2017 actuarial valuation. At this valuation date, the annual cost accruals (individual normal cost for each participant) are determined as a level percentage of pay for each year from entry age until expected retirement. The sum of these individual normal costs for all active participants whose attained ages are under the assumed retirement age is the normal cost for the initial plan year. The excess of all normal costs falling due prior to the initial valuation date, accumulated with interest over the plan assets, represents the initial unfunded actuarial accrued liability.

The actuarial assumptions include a 3.5% investment rate of return (net of administrative expenses) which is a blended rate of the expected long-term investment return on the City's investments. Because the plan is unfunded, reference to the expected long-term investment returns, which tend to be short-term in nature (such as certificates of deposit and United State agencies securities), were considered in the selection of the 3.5%. The actuarial assumptions for healthcare cost trend is a growth factor of 6.50 % for the first year and then declining by one half of one percent (0.25%) per year until 5.00% is reached. The 5.00% growth is used on a go-forward basis. The actuarial assumptions include a 2.00% rate for aggregate payroll growth. The UAAL will be amortized over a period of 30 years using a level percentage of projected payroll on an open basis.

(11) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. As a result, there are a number of claims and/or lawsuits to which the City is a party as a result of certain law enforcement activities, injuries, and various other matters and complaints arising in the ordinary course of City activities. The City is entitled to the defense of sovereign and official immunity against tort action that provides immunity except in two areas – motor vehicles and the condition of property of governmental entities. The City carries commercial property, boiler and machinery, liability, and flood insurance, and settlements have not exceeded insurance coverage for each of the past three fiscal years.

The City is a member of the Missouri Public Entity Risk Management Fund (MOPERM). The Missouri General Assembly created MOPERM to provide liability protection to participating public entities, their officials, and employees. The City pays annual premiums to MOPERM for law enforcement liability, general liability, public official errors and omissions liability, automobile liability, and medical malpractice insurance coverage. The agreement with MOPERM provides that MOPERM will be self-sustaining through member premiums. MOPERM has the authority to assess members for any deficiencies of revenues under expenses for any single plan year. Likewise, MOPERM has the authority to declare refunds to members for the excess of revenues over expenses relating to any single plan year. MOPERM had no deficiencies in any of the past three fiscal years. The City purchases excess liability insurance coverage from Allied World Assurance Insurance Company to provide additional liability insurance coverage above MOPERM's coverage limits for claims that are not subject to the State's Sovereign Immunity Statute.

The City is self-insured for workers' compensation. An excess coverage insurance policy, limited to $3,000,000 per occurrence for workers' compensation claims in excess of $1,000,000 per occurrence. In order to maintain this self-insured status for workers' compensation, the State of Missouri requires the City to maintain a surety bond in the amount of $2,320,000 and an escrow account in the amount of $200,000. The escrow account of $200,000 is reflected as restricted assets in the Workers' Compensation Fund. Estimated workers' compensation claims incurred but not reported are accrued as liabilities in the City's Workers' Compensation Fund.

The City offers its employees and retirees contributory self-insurance healthcare plans (Staywell Open Access Plan or Staywell In-Network Plan). An excess coverage insurance policy covers the portion of specific claims in excess of $250,000 and aggregate claims in excess of $26,726,710 for the open access plan and for the in-network plan. The City's share of the premiums for this employee benefit was $18,530,702. Premiums paid by the City are recorded as expenditures/expenses of the various funds and premium revenue in the Staywell Health Care (Internal Service) Fund. Incurred but not reported medical, vision, and prescription claims are accrued as a liability in the Internal Service Fund.

Changes in the balances of the workers' compensation and health care claims liability during the last two years are as follows:

		Claims Payable			
		Workers' Compensation		Staywell	
		2016	2017	2016	2017
Beginning of year	$	4,564,144	4,361,481	1,925,134	1,758,541
Current year claims and changes in estimates		1,020,205	3,223,386	19,026,499	21,275,465
Claims payments		(1,222,868)	(2,914,556)	(19,193,092)	(21,130,872)
End of year	$	4,361,481	4,670,311	1,758,541	1,903,134

(12) Commitments

Construction Commitments

At June 30, 2017, the City had commitments of approximately $16.1 million to complete construction contracts. Of this amount, $10.0 million relates to the enterprise funds. The commitments for the governmental funds will be funded through sales tax and grant funding. The commitments for the enterprise funds will be funded through operating revenues and/or bond proceeds.

Purchase/Sales of Capacity and Energy

The City purchases a portion of its power supply needs under five long-term purchase agreements – a participation power agreement with Omaha Public Power District (OPPD), a participation power agreement with Missouri Joint Municipal Electric Utility Commission (MJMEUC), a renewable energy purchase agreement with Smoky Hills Wind Project II, LLC (Smoky Hills), a renewable energy purchase agreement with Marshall Wind Energy LLC (Marshall Wind) and a renewable energy purchase agreement with MCP-Independence LLC (MCP).

In January 2004, the City entered into a participation power agreement with OPPD. Under this agreement, the City purchases an 8.33% share (approximately 57 megawatts) of a 682 megawatt coal-fired baseload generating unit at OPPD's existing Nebraska City power station site (Nebraska City Unit 2). The agreement provides that OPPD is the owner/operator of the unit and OPPD sells the City's share of the output on a cost-based approach. OPPD issued tax-exempt bonds to pay for the construction of the unit and the City is obligated to pay its proportionate share of the debt service on the bonds, the fixed operation and maintenance costs, the variable operating costs including fuel and renewals and replacements of the unit. The unit began commercial operation on May 1, 2009. The term of the agreement is 40 years from the commercial operation date and can be extended by the City for the life of the proposed unit. The future minimum payments (City's portion of the debt service) are approximately $141,400,000 through the year 2049. During fiscal year 2017, the delivered cost of capacity and energy under the agreement, including all demand, energy, and debt service was approximately $14,700,000 for 367,790 megawatt-hours of wholesale energy. For fiscal year 2018, the projected costs under the agreement are estimated to be approximately $15,000,000.

In June 2006, the City entered into a unit power purchase agreement with MJMEUC. Under this agreement, the City purchases a 50% share (approximately 53 megawatts) of MJMEUC's 106 MW ownership share of the nominal 875 megawatt Iatan 2 coal-fired generating unit located at Kansas City Power & Light Company's (KCPL) existing power station site in Weston, Missouri. The agreement provides that MJMEUC sells the City's share of the output on a cost-based approach. MJMEUC issued tax-exempt bonds to pay for its share of the construction of the unit and the City is obligated to pay its share of the debt service on the bonds, the fixed operation and maintenance costs, the variable operating costs including fuel, renewals and replacements of the unit and related administrative costs incurred by MJMEUC. The unit began commercial operations on December 31, 2010. The term of the agreement is 40 years from the commercial operation date and can be extended by the City for the life of the proposed unit. The future minimum payments (City's portion of the debt service) are approximately $189,500,000 through the year 2038. During fiscal year 2017, the delivered cost of capacity and energy under the agreement, including all demand, energy, and debt service was approximately $19,600,000 for 305,138 megawatt-hours of wholesale energy. For fiscal year 2018, the projected costs under the agreement are estimated to be approximately $19,600,000.

In August 2008, the City entered into a renewable energy purchase agreement with Smoky Hills. Under this agreement, the City purchases a 10.10% share (15 megawatts) of a 148.5 megawatt wind farm generation project located in north-central Kansas. The agreement provides that the City will purchase its share of the energy output of the Smoky Hills project and will pay a flat fixed rate (in dollars per megawatt-hour) for the entire term of the agreement. Energy deliveries from the wind farm began on December 8, 2008 and will continue for a term of 20 years with certain renewal options at the mutual agreement of the parties. During fiscal year 2017, the cost of the energy purchases was approximately $2,600,000 for 53,874 megawatt-hours of wholesale energy.

In May 2015, the City entered into a renewable energy purchase agreement with Marshall Wind Energy LLC. Under this agreement, the City purchases a 27.78% share (20 megawatts) of a 72 megawatt wind farm generation project located in north central Kansas. The agreement provides that the City will purchase its share of the energy output of the Marshall Wind project and will pay a flat fixed rate (in dollars per megawatt-hour) for the entire term of the agreement. Energy deliveries from the wind farm began on March 22, 2016 and will continue for a term of 20 years with certain renewal options at the mutual agreement of the parties. During fiscal year 2017, the cost of the energy purchases was approximately $3,000,000 for 87,330 megawatt-hours of wholesale energy.

In November 2015, the City entered into a renewable energy purchase agreement with MCP-Independence LLC. Under this agreement, the City purchases power generated from a 3 megawatt AC photovoltaic solar farm located in Independence, Missouri. The agreement provides that the City will purchase all energy output of the project and will pay a flat fixed rate (in dollars per kilowatt-hour) for the entire term of the agreement. Energy deliveries from the wind farm began on March 15, 2017 and will continue for a term of 25 years. After the seventh contract year, and at the end of each subsequent contract year, the City has the right to purchase the farm at fair market value and terminate the agreement. During fiscal year 2017, the cost of the energy purchased was approximately $152,000 for 1,866 megawatt-hours of wholesale energy.

Dogwood Energy Facility

On April 5, 2012, pursuant to an Asset Purchase Agreement with Dogwood Energy, LLC, the City purchased a 12.3% undivided interest (approximately 75 MW) in the Dogwood Energy Facility – a nominal 610 megawatt natural gas-fired combined cycle generating plant located in Pleasant Hill,

Missouri. The facility was originally developed as a joint venture between Aquila, Inc. and Calpine Corporation. The facility (originally named Aries) was placed into commercial operation in two phases: first as a peaking facility during the summer of 2001 and then as a combined cycle plant on February 27, 2002. In addition to the City, Kansas Power Pool (KPP), Missouri Joint Municipal Electric Utility Commission (MJMEUC) and the Unified Government of Wyandotte County (KCBPU) also purchased 10.3%, 8.2% and 17.0% shares respectively of the Dogwood Energy Facility in 2012. Dogwood Energy, LLC maintains the remaining ownership share (52.2%) in the facility.

Each of the owners has entered into certain project agreements that provide for the joint ownership and operation of the Dogwood Facility. Under the project agreements, each of the owners are responsible for their respective share of the fixed operation and maintenance costs, the variable operating costs including fuel, and renewals and replacements of the facility. In addition, the owners share in any revenues from sales of unused capacity and energy in the facility.

The plant had a value of $53,785,771 with $6,049,771 accumulated depreciation, making the net purchase price $47,736,000. An operating reserve account was established in the amount of $430,500 for working capital and $61,500 for SPP credit. Prepaid operating expenses as of June 30, 2017 were $149,444 and depreciation expense for fiscal year end June 30, 2017 was $1,124,340.

Litigation

The City is involved in lawsuits arising in the ordinary course of activities, including claims regarding construction contract issues, personal injury and discriminatory personnel practices, property condemnation proceedings, and suits contesting the legality of certain taxes. While other cases may have future financial effect, management, based on advice of counsel, believes that their ultimate outcome will not be material to the basic financial statements.

(13) Deficits

The accumulated deficits of $163,118 in the Street Improvements Fund, $712 in the Community Development Block Grant Fund, $1,291,508 in the Parks Sales Tax Fund, $11,181 in the Buildings and Other Improvements Fund, $16,155 in the Storm Drainage Fund, $1,654,744 in the Workers' Compensation Fund, $523,776 in the Central Garage Fund, $10,726,390 in the Events Center Fund, $1,372,741 in the Santa Fe TIF project, $401,934 in the Hartman Heritage TIF project, and $4,357 in the TIF Application Fee project will be eliminated by future revenues or transfers.

(14) Subsequent Events

The City evaluated subsequent events through December 20, 2017, the date the financial statements were available to be issued.

Subsequent to year end, the City approved the issuance of the following bonds and loan payables through the Missouri Development Finance Board.

$9,725,000 Series 2017 A revenue bonds for the Eastland Center TIF Project.

$2,200,000 Series 2017 B TIF loan payable for the Hartman Heritage TIF Project.

(15) Fund Balance

Fund balances at year-end are as follows:

	Governmental Funds			
	General	TIF Debt Service	Nonmajor	Total
Fund balances:				
Protested revenues	$ 1,009	—	—	1,009
Police equipment	403,797	—	—	403,797
Tourism	—	—	1,303,359	1,303,359
Independence square benefit district	—	—	29,519	29,519
Grants	—	—	7	7
License surcharge	—	—	1,083,603	1,083,603
Street sales tax	—	—	333,878	333,878
Storm water sales tax	—	—	7,735,037	7,735,037
Police sales tax	—	—	2,233,684	2,233,684
Fire sales tax	—	—	1,892,999	1,892,999
Debt service fund	—	—	98,992	98,992
TIF debt service	—	29,354,923	—	29,354,923
Total fund balances restricted	404,806	29,354,923	14,711,078	44,470,807
Committed for:				
Domestic violence	19,726	—	—	19,726
Capital projects	—	—	30,198	30,198
Strategic goals	130,141	—	—	130,141
Vandalism reward	3,000	—	—	3,000
Economic development	108,833	—	—	108,833
Total fund balances committed	261,700	—	30,198	291,898
Assigned for:				
ERP Computer System	32,630	—	—	32,630
Court Incode System	200,000	—	—	200,000
CityWorks/Document Management	200,000	—	—	200,000
Encumbrances:				
Professional services	182,516	—	—	182,516
Capital outlay/equipment	627,359	—	—	627,359
Supplies	69,652	—	—	69,652
Maintenance	233,883	—	—	233,883
Communication services	2,814	—	—	2,814
Miscellaneous	99,954	—	—	99,954
Total fund balances assigned	1,648,808	—	—	1,648,808
Unassigned	5,982,941	—	(1,482,674)	4,500,267
Total fund balance	$ 8,298,255	29,354,923	13,258,602	50,911,780

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Totals above include encumbrances as follows: General Fund $1,302,202 and Non-Major Funds $7,117,902.

Required Supplementary Information

Exhibit 10

CITY OF INDEPENDENCE, MISSOURI

Budgetary Comparison Schedule

General Fund

Year ended June 30, 2017

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budget Basis)	Variance with Final Budget
Revenues:				
Taxes	$ 35,020,500	35,020,500	34,365,768	(654,732)
Licenses and permits	3,759,869	3,759,869	5,330,354	1,570,485
State and county shared revenue	5,289,812	5,289,812	5,349,727	59,915
Charges for current services	2,002,725	2,254,273	2,305,140	50,867
Interfund charges for support services	5,073,016	5,073,016	4,943,014	(130,002)
Fines and forfeitures	3,623,000	3,623,000	3,855,121	232,121
Other revenue	569,500	629,965	993,939	363,974
Total revenues	55,338,422	55,650,435	57,143,063	1,492,628
Other financing sources:				
Payments in lieu of taxes	19,103,195	19,103,195	18,998,671	(104,524)
Operating transfers in	197,063	197,063	197,063	—
Total other financing sources	19,300,258	19,300,258	19,195,734	(104,524)
Special items:				
Total revenues and other financing sources	74,638,680	74,950,693	76,338,797	1,388,104
Expenditures:				
City Council	482,118	549,403	546,945	2,458
City Clerk	321,384	328,507	328,507	—
City Manager	918,674	1,308,674	1,312,935	(4,261)
Technology services	1,748,129	1,756,517	1,756,516	1
Municipal court	853,290	853,290	812,117	41,173
Law	732,848	756,894	756,498	396
Finance	1,846,418	1,816,418	1,791,046	25,372
Human resources	491,198	514,023	514,268	(245)
Community development	3,088,434	4,090,434	4,104,284	(13,850)
Police	27,066,600	27,316,863	26,895,782	421,081
Fire	17,782,425	18,232,425	18,209,027	23,398
Health	2,608,060	1,787,910	1,704,489	83,421
Public works	5,419,548	5,418,684	4,985,790	432,894
Parks and recreation	1,490,728	1,516,928	1,480,667	36,261
General government	9,357,222	8,705,355	8,399,069	306,286
City Council strategic goals	200,000	200,000	101,810	98,190
Capital outlay	376,700	376,700	419,940	(43,240)
Total expenditures	74,783,776	75,529,025	74,119,690	1,409,335
Other financing uses:				
Transfers out	—	—	10,000	(10,000)
Total expenditures and other financing uses	74,783,776	75,529,025	74,129,690	1,399,335
Excess of revenue and other financing sources over (under) expenditures and other financing uses	$ (145,096)	(578,332)	2,209,107	2,787,439
Unassigned fund balance at beginning of year			3,684,710	
Cancellation of prior year encumbrances			149,447	
Change in other fund balance components during the year			(60,323)	
Unassigned fund balance at end of year			$ 5,982,941	

Exhibit 10.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

General Fund

Year ended June 30, 2017

The Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds does not include encumbrances outstanding at year-end as expenditures because encumbrances are reported as reservations of fund balances in accordance with GAAP for the modified accrual basis of accounting. Adjustments necessary to convert the results of operations under the modified accrual basis to the budget basis are included as reconciling items on the following budget-basis statement:

		General Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	76,338,797
Basis differences – budget to GAAP:		
None		—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	76,338,797
Uses/outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	74,119,690
Basis differences – budget to GAAP:		
Capital lease		—
Outstanding encumbrances at year-end charged to the current year's budget		(1,134,838)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year		699,075
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds (GAAP basis)	$	73,683,927

CITY OF INDEPENDENCE, MISSOURI

Notes to Budgetary Comparison Schedules

Year ended June 30, 2017

(1) Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the accompanying government-wide financial statements:

- Prior to May 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to June 27, the City Council adopts the budget. If the City Council fails to adopt the budget on or before that date, the budget, as submitted or amended, goes into effect.
- The City Manager is authorized to transfer budgeted amounts between divisions of a department within any fund; however, any revisions that alter the total appropriations within any fund, or that transfer appropriations between departments, must be approved by the City Council. The 2015-2016 budget was amended during the year for transfers and supplemental appropriations. The budget amendments were approved by the City Council.
- Expenditures may not exceed appropriations for any department without City Council approval. Unencumbered appropriations lapse at year-end.
- Formal budgets are used as a control device for most funds; however, there is no requirement to report on the budget. Therefore, the financial statements include a comparison of budget to actual only for the General, Tourism, Community Development Block Grant, Rental Rehabilitation, Street Improvement Sales Tax, Park Improvements Sales Tax, Storm Water Sales Tax, Police Public Safety Sales Tax, Fire Public Safety Sales Tax, and Grant Funds. Annual operating budgets are not prepared for Capital Projects Funds, although budgets on a project basis are prepared.

The City's policy is to prepare the annual operating budget on a basis which includes encumbrances as the equivalent of expenditures. The budgetary comparison schedules are prepared on this basis. Certain reclassifications between budgeted revenues and transfers have been made to facilitate the comparison with actual operations.

Exhibit 11

CITY OF INDEPENDENCE, MISSOURI

Schedule of Funding Progress

Other Post Employment Benefit Plan

Schedule of Funding Progress:

Other Post Employment Benefits

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b) – (a) Unfunded Actuarial Accrued Liability (UAAL)	(a)/(b) Funded Ratio	(c) Annual Covered Payroll	(b) – (a)/(c) UAAL as a Percentage of Covered Payroll
January 1, 2015	$ —	$ 287,649,394	$ 287,649,394	0%	$ 59,925,139	480%
January 1, 2016	—	286,120,154	286,120,154	0%	61,742,912	463%
January 1, 2017	—	265,438,959	265,438,959	0%	61,251,058	433%

See accompanying note (10) to financials for additional information on Other Post Employment Benefits and assumptions

Exhibit 12

CITY OF INDEPENDENCE, MISSOURI

LAGERS Schedule of Changes in Net Pension Liability and Related Ratios

June 30, 2017

		2017	2016	2015
Total Pension Liability				
Service Cost	$	8,388,017	8,219,353	8,279,026
Interest on the Total Pension Liability		34,642,794	31,909,765	31,404,337
Difference between expected and actual experience		(3,550,230)	4,916,999	(10,375,729)
Assumption Changes		—	17,199,406	—
Benefit Payments		(26,039,035)	(23,272,216)	(21,374,778)
Refunds		—	—	—
Net Change in Total Pension Liability		13,441,546	38,973,307	7,932,856
Total Pension Liability beginning		486,502,737	447,529,430	439,596,574
Total Pension Liability ending	$	499,944,283	486,502,737	447,529,430
Plan Fiduciary Net Position				
Contributions-employer		11,503,039	10,603,882	9,475,216
Contributions-employee		2,939,278	2,861,145	2,738,899
Pension Plan Net Investment income		46,423,639	(791,625)	7,836,996
Benefit Payments		(26,039,035)	(23,272,216)	(21,374,778)
Refunds		—	—	—
Pension Plan Administrative expense		(183,539)	(181,225)	(198,235)
Other		(701,221)	981,004	(5,341,994)
Net Change in Plan Fiduciary Net Position		33,942,161	(9,799,035)	(6,863,896)
Plan Fiduciary Net Position beginning		384,405,388	394,204,423	401,068,319
Plan Fiduciary Net Position ending	$	418,347,549	384,405,388	394,204,423
Employer Net Pension Liability	$	81,596,734	102,097,349	53,325,007
Plan Fiduciary Net Position as a percentage of the total pension liability		96.31%	97.20%	104.09%
Covered Employee Payroll	$	69,006,951	69,847,339	67,691,063
Employer's Net Pension Liability as a percentage of covered employee payroll		118.24%	146.17%	78.78%

Notes to schedule:

2014-15 was the City's first year implementing GASB 68 for Net Pension Liability. This schedule will become a ten year schedule, as information becomes available, in accordance with GASB Statement No. 68 requirements.

During 2015-16 amounts reported as assumption changes were primarily from changes to the mortality table, as well as salary increases and inflation.

Exhibit 13

CITY OF INDEPENDENCE, MISSOURI
LAGERS Schedule of Contributions
Last Ten Fiscal Years

		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	$	13,137,912	13,178,745	12,187,283	11,568,731	10,954,525	9,708,966	6,751,552	5,498,789	4,494,600	4,821,021
Contributions in relation to the actuarially determined contribution		11,502,363	10,603,733	9,477,331	8,724,862	7,962,390	7,273,254	6,751,554	5,498,789	4,494,598	4,821,019
Contribution deficiency (excess)	$	1,635,549	2,575,012	2,709,952	2,843,869	2,992,135	2,435,712	(2)	—	2	2
Covered-employee payroll	$	73,479,688	71,527,434	68,488,329	68,032,518	67,337,696	67,171,204	68,743,946	67,077,233	64,997,189	62,443,412
Contributions as a percentage of covered-employee payroll		15.65%	14.82%	13.84%	12.82%	11.82%	10.83%	9.82%	8.20%	6.92%	7.72%

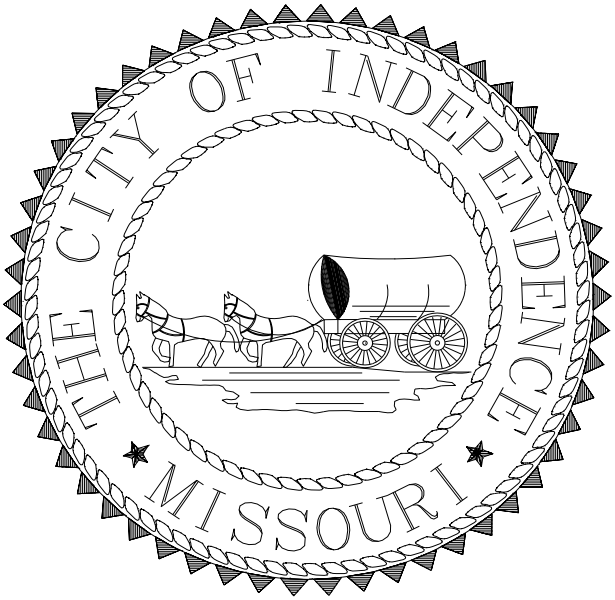
Notes to schedule:

Valuation Date — Actuarially determined contribution rates were calculated as of February 28, 2017 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal and Modified Terminal Funding
Amortization Method	Level percent of payroll, closed.
Remaining Amortization Period	Multiple bases from 12 to 22 years.
Asset Valuation Method	5 years smoothed market; 20% corridor.
Inflation	3.25% wage inflation and 2.50% price inflation.
Salary Increases	3.25% to 7.15%; including wage inflation.
Investment Rate of Return	7.25%, net of investment and administrative expenses.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
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 used were the RP-2014 employees mortality table for males and females.
	Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particu calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other information: New assumptions adopted based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.


THE CITY OF INDEPENDENCE
MISSOURI

CITY OF INDEPENDENCE, MISSOURI

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Tourism – This fund is used to account for expenditures for tourism that are financed out of the transient guest tax.

Independence Square Benefit District – This fund is used to account for expenditures to improve the City's downtown business district that are financed by a special property tax levy on those businesses which are benefited.

Community Development Grant Act – This fund is used to account for all projects that are funded by the Federal Community Development Block Grant.

Rental Rehabilitation – This fund is used to account for expenditures to improve rental property within the City that are funded by state and federal grants.

Street Improvement Sales Tax – This fund is used to account for all street projects that are funded by the three-eighths cent street improvement sales tax.

Park Improvement Sales Tax Fund – This fund accounts for all park projects that are funded by the one-quarter cent park improvement sales tax.

Storm Water Sales Tax – This fund is used to account for all storm water projects that are funded by the one-fourth cent storm water sales tax.

Police Sales Tax – This fund is used to account for receipts and expenditures of the City's sales tax for police protection services.

Fire Sales Tax – This fund is used to account for receipts and expenditures of the City's sales tax for fire protection services.

License Surcharge – This fund is used to account for street improvements funded by an excise tax that is based on increased traffic flow relating to new development.

Grant Fund – This fund is used to account for expenditures that are funded by grants.

Capital Projects Funds

Capital Project Funds are used to account for the acquisition and construction of major capital facilities other than those financed by the proprietary funds or trust funds.

Street Improvements Fund – This fund is used to account for major street improvement construction projects. Revenues received by this fund come primarily from a sales tax allocation for capital improvements and from federal and state grants and other contributions.

Revolving Public Improvements – This fund, which is legally mandated by City Charter, is used to account for the cost of public works or improvements funded by special assessments.

Building and Other Improvements – This fund is used to account for the acquisition, construction, and improvement of nonproprietary buildings and facilities of the City.

Storm Drainage – This fund is used to account for the acquisition and construction of the City's infrastructure to control the run-off surface water.

Park Improvements – This fund is used to account for the acquisition and construction of the City's parkland.

Debt Service Fund

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Exhibit 14

CITY OF INDEPENDENCE, MISSOURI

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2017

Assets		Special Revenue (Exhibit 16)	Capital Projects (Exhibit 29)	Debt Service Fund	Total Nonmajor Governmental Funds
Pooled cash and investments	$	12,637,737	30,877	4,739	12,673,353
Receivables:					
Taxes		3,908,159	—	—	3,908,159
Accounts		21,907	—	—	21,907
Special assessment principal and accrued interest		2,198	425,273	246,313	673,784
Accrued interest		32,737	161	253	33,151
Due from other funds		1,858,127	—	—	1,858,127
Due from other governments		862,369	—	—	862,369
Restricted cash and investments		—	—	94,000	94,000
Total assets	$	19,323,234	456,311	345,305	20,124,850
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts and contracts payable	$	3,193,290	—	—	3,193,290
Due to other funds		2,030,229	190,454	—	2,220,683
Accrued items		134,713	—	—	134,713
Other current liabilities		10,707	840	—	11,547
Unearned revenue		609,629	—	—	609,629
Total liabilities		5,978,568	191,294	—	6,169,862
Deferred inflows of resources:					
Unavailable revenue - special assessments		—	425,273	246,313	671,586
Unavailable revenue - real estate taxes		24,800	—	—	24,800
Total deferred inflows of resources		24,800	425,273	246,313	696,386
Fund balances:					
Restricted		14,612,086	—	98,992	14,711,078
Committed		—	30,198	—	30,198
Unassigned		(1,292,220)	(190,454)	—	(1,482,674)
Total fund balances (deficit)		13,319,866	(160,256)	98,992	13,258,602
Total liabilities, deferred inflows of resources and fund balances	$	19,323,234	456,311	345,305	20,124,850

Exhibit 15

CITY OF INDEPENDENCE, MISSOURI

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year ended June 30, 2017

	Special Revenue (Exhibit 17)	Capital Projects (Exhibit 30)	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	$ 22,972,913	—	—	22,972,913
Licenses and permits	284,272	—	—	284,272
Intergovernmental	2,854,313	11,355	—	2,865,668
Charges for services	954,340	12,704	96,049	1,063,093
Investment income (loss)	(26,143)	66	374	(25,703)
Other	435,595	—	—	435,595
Total revenues	27,475,290	24,125	96,423	27,595,838
Expenditures:				
Current:				
Administrative services	32,179	—	—	32,179
Public safety	4,976,353	—	—	4,976,353
Public works	176,612	10	—	176,622
Health and welfare	615,313	—	—	615,313
Culture and recreation	4,554,034	23	—	4,554,057
Community development	1,144,418	—	—	1,144,418
Storm water	2,271,882	—	—	2,271,882
General government	44,959	—	1,030	45,989
Capital outlay	11,228,254	429,853	—	11,658,107
Debt service:				
Principal	576,432	—	81,000	657,432
Interest and fiscal agent fees	74,334	—	16,290	90,624
Total expenditures	25,694,770	429,886	98,320	26,222,976
Excess (deficiency) of revenues over expenditures	1,780,520	(405,761)	(1,897)	1,372,862
Other financing sources (uses):				
Proceeds from capital leases	44,504	—	—	44,504
Transfers in	194,136	436,275	—	630,411
Transfers out	(1,131,442)	(1,932)	—	(1,133,374)
Total other financing sources (uses)	(892,802)	434,343	—	(458,459)
Net change in fund balances	887,718	28,582	(1,897)	914,403
Fund balances (deficit), beginning	12,432,148	(188,838)	100,889	12,344,199
Fund balances (deficit), ending	$ 13,319,866	(160,256)	98,992	13,258,602

Exhibit 16

CITY OF INDEPENDENCE, MISSOURI

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2017

Assets		Tourism	Independence Square Benefit District	Community Development Grant Act	Rental Rehabilitation	Combined Sales Tax Funds (Exhibit 27)	License Surcharge	Grants	Total
Pooled cash and investments	$	1,317,102	25,423	—	—	10,022,354	1,078,906	193,952	12,637,737
Receivables:									
Taxes		200,000	28,835	—	—	3,679,324	—	—	3,908,159
Accounts		1,525	—	—	—	—	2,499	17,883	21,907
Special assessment principal & accrued interest		—	—	—	—	—	2,198	—	2,198
Accrued interest		1,796	61	—	—	30,880	—	—	32,737
Due from other funds		—	—	—	—	1,858,127	—	—	1,858,127
Due from other governments		—	—	79,696	166,391	183,593	—	432,689	862,369
Total assets	$	1,520,423	54,319	79,696	166,391	15,774,278	1,083,603	644,524	19,323,234
Liabilities and Fund Balances									
Liabilities:									
Accounts and contracts payable	$	190,978	—	21,627	26,681	2,937,741	—	16,263	3,193,290
Due to other funds		—	—	53,594	134,663	1,841,972	—	—	2,030,229
Accrued items		22,155	—	4,287	5	89,634	—	18,632	134,713
Other current liabilities		3,931	—	900	5,035	841	—	—	10,707
Unearned revenue		—	—	—	—	—	—	609,629	609,629
Total liabilities		217,064	—	80,408	166,384	4,870,188	—	644,524	5,978,568
Deferred inflows of resources:									
Unavailable revenue - real estate taxes		—	24,800	—	—	—	—	—	24,800
Total deferred outflows of resources		—	24,800	—	—	—	—	—	24,800
Fund balances:									
Restricted		1,303,359	29,519	—	7	12,195,598	1,083,603	—	14,612,086
Unassigned		—	—	(712)	—	(1,291,508)	—	—	(1,292,220)
Total fund balances (deficits)		1,303,359	29,519	(712)	7	10,904,090	1,083,603	—	13,319,866
Total liabilities, deferred inflows of resources, and fund balances	$	1,520,423	54,319	79,696	166,391	15,774,278	1,083,603	644,524	19,323,234

Exhibit 17

CITY OF INDEPENDENCE, MISSOURI

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year ended June 30, 2017

	Tourism	Independence Square Benefit District	Community Development Grant Act	Rental Rehabilitation	Combined Sales Tax Funds (Exhibit 28)	License Surcharge	Grants	Total
Revenues:								
Taxes	$ 1,994,953	24,763	—	—	20,953,197	—	—	22,972,913
Licenses and permits	—	—	—	—	—	284,272	—	284,272
Intergovernmental	—	—	552,953	355,703	183,593	—	1,762,064	2,854,313
Charges for services	45,267	—	—	—	530,859	—	378,214	954,340
Investment income (loss)	2,009	429	—	—	(26,977)	(1,604)	—	(26,143)
Other	82,281	—	—	—	307,637	—	45,677	435,595
Total revenues	2,124,510	25,192	552,953	355,703	21,948,309	282,668	2,185,955	27,475,290
Expenditures:								
Current:								
Administrative services	—	—	—	—	—	—	32,179	32,179
Public safety	—	—	—	—	3,692,937	—	1,283,416	4,976,353
Public Works	—	—	—	—	176,612	—	—	176,612
Health and welfare	—	—	—	—	—	—	615,313	615,313
Culture and recreation	1,674,852	—	—	—	2,866,932	—	12,250	4,554,034
Community development	—	—	545,918	355,703	—	—	242,797	1,144,418
Storm water	—	—	—	—	2,271,882	—	—	2,271,882
General government	—	—	—	—	44,504	455	—	44,959
Capital outlay	—	24,553	—	—	11,203,701	—	—	11,228,254
Debt service:								
Principal	—	—	—	—	576,432	—	—	576,432
Interest and fiscal agent fees	—	—	—	—	74,334	—	—	74,334
Total expenditures	1,674,852	24,553	545,918	355,703	20,907,334	455	2,185,955	25,694,770
Excess (deficiency) of revenues over expenditures	449,658	639	7,035	—	1,040,975	282,213	—	1,780,520
Other financing sources (uses):								
Proceeds from capital leases	—	—	—	—	44,504	—	—	44,504
Transfers in	—	—	—	—	192,187	1,949	—	194,136
Transfers out	—	—	(7,035)	—	(1,047,853)	(76,554)	—	(1,131,442)
Total other financing sources (uses)	—	—	(7,035)	—	(811,162)	(74,605)	—	(892,802)
Net change in fund balances	449,658	639	—	—	229,813	207,608	—	887,718
Fund balances (deficits), beginning	853,701	28,880	(712)	7	10,674,277	875,995	—	12,432,148
Fund balances (deficits), ending	$ 1,303,359	29,519	(712)	7	10,904,090	1,083,603	—	13,319,866

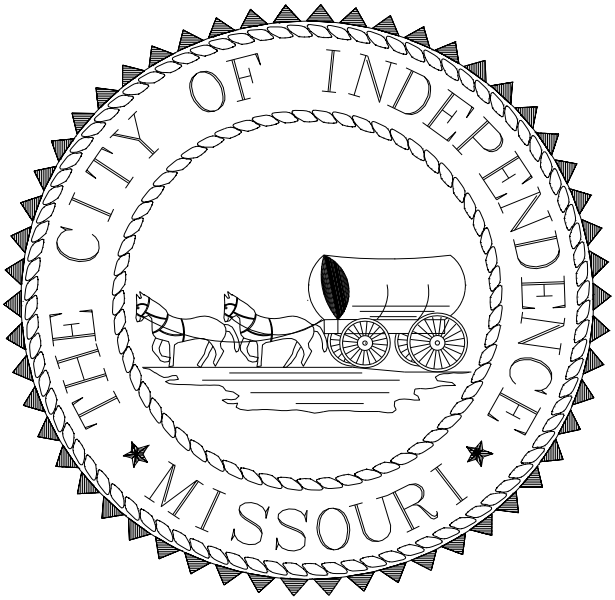

THE CITY OF INDEPENDENCE
MISSOURI

Exhibit 18

CITY OF INDEPENDENCE, MISSOURI

Budgetary Comparison Schedule

Tourism Fund

Year ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	**Final**	**(Budget Basis)**	**Budget**
Revenues:				
Transient guest taxes	$ 1,810,000	1,810,000	1,994,953	184,953
Investment income (loss)	400	400	2,009	1,609
Other revenue	115,000	115,000	127,548	12,548
Total revenues	1,925,400	1,925,400	2,124,510	199,110
Expenditures:				
Tourism	1,805,471	1,880,471	1,704,827	175,644
Total expenditures	1,805,471	1,880,471	1,704,827	175,644
Excess of revenues over (under) expenditures	$ 119,929	44,929	419,683	23,466
Fund balance at beginning of year			853,701	
Cancellation of prior year encumbrances			707	
Increase (Decrease) in Prior Year Encumbrances			29,268	
Fund balance at end of year			$ 1,303,359	

Exhibit 18.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Tourism Fund

Year ended June 30, 2017

		Tourism Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	2,124,510
Basis differences – budget to GAAP:		
None		—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	2,124,510
Uses/outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	1,704,827
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(52,396)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		22,421
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	1,674,852

(1) Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.

Exhibit 19

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Community Development Block Grant Fund
Year ended June 30, 2017

		Budgeted Amounts		Actual Amounts	Variance with Final
		Original	**Final**	**(Budget Basis)**	**Budget**
Revenues:					
Federal grant - CDBG	$	421,902	1,590,559	552,953	(1,037,606)
Total revenues		421,902	1,590,559	552,953	(1,037,606)
Expenditures:					
CDBG administration		151,902	152,393	151,921	472
CDBG expenditures		270,000	1,438,166	539,986	898,180
Total expenditures		421,902	1,590,559	691,907	898,652
Other financing uses:					
Transfers out		—	—	7,035	(7,035)
Total other financing uses		—	—	7,035	(7,035)
Total expenditures and other uses		421,902	1,590,559	698,942	891,617
Excess of revenues over (under) expenditures and other financing uses	$	—	—	(145,989)	(145,989)

Fund balance at beginning of year		(712)
Cancellation of prior year encumbrances		—
Increase (Decrease) in Prior Year Encumbrances		145,989
Fund balance at end of year	$	(712)

Exhibit 19.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Community Development Block Grant Fund

Year ended June 30, 2017

		Community Development Block Grant
Sources/inflows of resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	552,953
Basis differences – budget to GAAP:		
None		—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	552,953
Uses/outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	691,907
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(145,989)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		—
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	545,918

(1) Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.

Exhibit 20

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Rental Rehabilitation
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	**Final**	**(Budget Basis)**	**Budget**
Revenues:				
HOME program grant	$ 279,721	599,206	355,703	(243,503)
Total revenues	279,721	599,206	355,703	(243,503)
Expenditures:				
HOME administration	34,807	84,728	76,844	7,884
Multi family housing	244,914	399,494	324,911	74,583
Community housing development	—	114,984	41,820	73,164
Total expenditures	279,721	599,206	443,575	155,631
Excess of revenues over (under) expenditures	$ —	—	(87,872)	(87,872)
Fund balance at beginning of year			7	
Cancellation of prior year encumbrances			—	
Increase (Decrease) in Prior Year Encumbrances			87,872	
Fund balance at end of year			$ 7	

Exhibit 20.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Rental Rehabilitation

Year ended June 30, 2017

		Rental Rehabilitation
Sources/inflows of resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	355,703
Basis differences – budget to GAAP:		
None		—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	355,703
Uses/outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	443,575
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(87,872)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		—
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	355,703

(1) Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.

Exhibit 21

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Street Improvements Sales Tax Fund
Year ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	**Final**	**(Budget Basis)**	**Budget**
Revenues:				
Sales taxes	$ 8,350,000	8,350,000	8,329,801	(20,199)
Intergovernmental revenue	—	2,360,300	183,593	(2,176,707)
Investment income (loss)	900	900	(5,957)	(6,857)
Other revenue	—	—	119,700	119,700
Total revenues	8,350,900	10,711,200	8,627,137	(2,084,063)
Other Financing sources:				
Transfers in	—	—	190,255	190,255
Total other financing sources	—	—	190,255	190,255
Total revenues and other financing sources	8,350,900	10,711,200	8,817,392	(1,893,808)
Expenditures:				
Street maintenance	563,727	599,241	335,743	263,498
Capital outlay	7,515,537	11,031,106	15,029,647	(3,998,541)
Debt service	530,154	530,154	529,653	501
Total expenditures	8,609,418	12,160,501	15,895,043	(3,734,542)
Other financing uses:				
Transfers out	—	—	186,394	(186,394)
Total other financing uses	—	—	186,394	(186,394)
Total expenditures and other financing uses	8,609,418	12,160,501	16,081,437	(3,920,936)
Excess of revenues and other financing sources over (under) expenditures	$ (258,518)	(1,449,301)	(7,264,045)	(5,814,744)
Fund balance at beginning of year			2,231,745	
Cancellation of prior year encumbrances			—	
Increase (Decrease) in Prior Year Encumbrances			5,366,178	
Fund balance at end of year			$ 333,878	

Exhibit 21.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Street Improvements Sales Tax Fund

Year ended June 30, 2017

		Streets Improvements Sales Tax
Sources/inflows of resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	8,627,137
Basis differences – budget to GAAP:		
None		—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	8,627,137
Uses/outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	15,895,043
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(5,366,178)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		—
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	10,528,865

(1) Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.

Exhibit 22

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Park Improvements Sales Tax Fund
Year ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	**Final**	**(Budget Basis)**	**Budget**
Revenues:				
Sales taxes	$ 4,180,000	4,180,000	4,167,642	(12,358)
Adventure Oasis Water Park	321,451	321,451	411,227	89,776
Other revenue	106,700	176,515	137,973	(38,542)
Total revenues	4,608,151	4,677,966	4,716,842	38,876
Other financing sources:				
Transfers in	—	—	1,932	1,932
Proceeds from bond issuance/capital lease	—	—	44,504	44,504
Total other financing sources	—	—	46,436	46,436
Total revenues and other financing sources	4,608,151	4,677,966	4,763,278	85,312
Expenditures:				
Culture and recreation	2,280,496	2,481,019	2,369,404	111,615
General government	576,706	573,206	590,297	(17,091)
Capital outlay	315,000	490,273	425,071	65,202
Debt service	—	44,504	9,605	34,899
Total expenditures	3,172,202	3,589,002	3,394,377	194,625
Other financing uses:				
Transfers out	—	—	10,815	(10,815)
Total other financing uses	—	—	10,815	(10,815)
Total expenditures and other financing uses	3,172,202	3,589,002	3,405,192	183,810
Excess of revenues and other financing sources over (under) expenditures	$ 1,435,949	1,088,964	1,358,086	269,122
Fund balance (deficit) at beginning of year			(2,697,859)	
Cancellation of prior year encumbrances			23,099	
Increase (Decrease) in Prior Year Encumbrances			25,166	
Fund balance (deficit) at end of year			$ (1,291,508)	

Exhibit 22.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Park Improvements Sales Tax Fund

Year ended June 30, 2017

		Park Improvements Sales Tax
Sources/inflows of resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	4,716,842
Basis differences – budget to GAAP:		
None		—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	4,716,842
Uses/outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	3,394,377
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(174,198)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		125,933
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	3,346,112

(1) Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.

Exhibit 23

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Storm Water Sales Tax Fund
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	**Final**	**(Budget Basis)**	**Budget**
Revenues:				
Sales taxes	$ 4,180,000	4,180,000	4,167,558	(12,442)
Investment income (loss)	4,000	4,000	(15,138)	(19,138)
Other revenue	—	—	57,027	57,027
Total revenues	4,184,000	4,184,000	4,209,447	25,447
Expenditures:				
Storm water				
Administration	450,634	443,834	293,102	150,732
Maintenance	2,103,483	2,103,483	1,660,932	442,551
Permit completion	361,425	361,425	385,694	(24,269)
Capital outlay	1,495,000	5,307,443	956,030	4,351,413
Total expenditures	4,410,542	8,216,185	3,295,758	4,920,427
Other financing uses:				
Transfers out	691,083	691,083	691,083	—
Total other financing uses	691,083	691,083	691,083	—
Total expenditures and other financing uses	5,101,625	8,907,268	3,986,841	4,920,427
Excess of revenues over (under) expenditures	$ (917,625)	(4,723,268)	222,606	4,945,874

Fund balance at beginning of year	7,444,585
Cancellation of prior year encumbrances	64,631
Increase (Decrease) in Prior Year Encumbrances	3,215
Fund balance at end of year	$ 7,735,037

Exhibit 23.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Storm Water Sales Tax Fund

Year ended June 30, 2017

		Storm Water Sales Tax
Sources/inflows of resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	4,209,447
Basis differences – budget to GAAP:		
None		—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	4,209,447
Uses/outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	3,295,758
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(153,424)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		85,578
		—
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	3,227,912

(1) Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.

Exhibit 24

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Police Public Safety Sales Tax Fund
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	**Final**	**(Budget Basis)**	**Budget**
Revenues:				
Sales taxes	$ 2,210,000	2,210,000	2,198,883	(11,117)
Investment income (loss)	600	600	(3,073)	(3,673)
Other revenue	—	74,795	102,618	27,823
Total revenues	2,210,600	2,285,395	2,298,428	13,033
Expenditures:				
Public safety				
Communications	313,819	378,211	359,096	19,115
Facilities	569,500	575,258	74,405	500,853
Equipment	1,475,422	1,476,767	1,427,946	48,821
Debt service	—	—	839	(839)
Total expenditures	2,358,741	2,430,236	1,862,286	567,950
Other financing uses:				
Transfers out/capital outlay	—	—	159,561	(159,561)
Total other financing uses	—	—	159,561	(159,561)
Total expenditures and other financing uses	2,358,741	2,430,236	2,021,847	408,389
Excess of revenues over (under) expenditures and other financing uses	$ (148,141)	(144,841)	276,581	421,422
Fund balance at beginning of year			1,840,023	
Cancellation of prior year encumbrances			4,857	
Increase (Decrease) in Prior Year Encumbrances			112,223	
Fund Balance at end of year			$ 2,233,684	

Exhibit 24.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Police Public Safety Sales Tax Fund

Year ended June 30, 2017

		Police Public Safety Sales Tax
Sources/inflows of resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	2,298,428
Basis differences – budget to GAAP:		
None		—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	2,298,428
Uses/outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	1,862,286
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(303,385)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		186,305
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	1,745,206

(1) Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.

Exhibit 25

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Fire Public Safety Sales Tax Fund
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	**Final**	**(Budget Basis)**	**Budget**
Revenues:				
Sales taxes	$ 2,100,000	2,100,000	2,089,313	(10,687)
Investment income (loss)	800	800	(2,809)	(3,609)
Other revenue	—	—	9,951	9,951
Total revenues	2,100,800	2,100,800	2,096,455	(4,345)
Expenditures:				
Public safety	2,083,582	2,079,582	1,846,114	233,468
Debt service	—	—	73,235	(73,235)
Total expenditures	2,083,582	2,079,582	1,919,349	160,233
Excess of revenues over (under) expenditures and other financing uses	$ 17,218	21,218	177,106	155,888
Fund balance at beginning of year			1,855,783	
Cancellation of prior year encumbrances			35,506	
Increase (Decrease) in Prior Year Encumbrances			(175,396)	
Fund balance at end of year			$ 1,892,999	

Exhibit 25.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Fire Public Safety Sales Tax Fund

Year ended June 30, 2017

		Fire Public Safety Sales Tax
Sources/inflows of resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	2,096,455
Basis differences – budget to GAAP:		
None		—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	2,096,455
Uses/outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	1,919,349
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(281,343)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		421,233
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	2,059,239

(1) Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.

Exhibit 26

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Grants Fund
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	**Final**	**(Budget Basis)**	**Budget**
Revenues:				
Grants and other shared revenue	$ 870,985	3,230,420	1,762,064	(1,468,356)
Charges for current services	308,540	179,106	378,214	199,108
Other revenue	—	131,703	45,677	(86,026)
Total revenues	1,179,525	3,541,229	2,185,955	(1,355,274)
Expenditures:				
Law department	18,189	114,475	30,954	83,521
Police department	341,491	1,691,217	1,321,960	369,257
Fire department	87,060	163,902	119,531	44,371
Health department	523,785	1,040,735	635,508	405,227
Community development	209,000	371,154	283,932	87,222
Culture and recreation	—	17,065	12,250	4,815
General Government	—	—	1,378	(1,378)
Total expenditures	1,179,525	3,398,548	2,405,513	993,035
Excess of revenues over (under) expenditures	$ —	142,681	(219,558)	(362,239)
Fund balance at beginning of year			—	
Cancellation of prior year encumbrances			—	
Increase (Decrease) in Prior Year Encumbrances			219,558	
Fund balance at end of year			$ —	

Exhibit 26.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Grants Fund

Year ended June 30, 2017

		Grants
Sources/inflows of resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	2,185,955
Basis differences – budget to GAAP:		
None		—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	2,185,955
Uses/outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	2,405,513
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(219,558)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		—
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	2,185,955

(1) Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.

Exhibit 27

CITY OF INDEPENDENCE, MISSOURI

Combining Balance Sheet

Nonmajor Sales Tax Funds

June 30, 2017

Assets		**Street Sales Tax**	**Park Improvements Sales Tax**	**Storm Water Sales Tax**	**Police Sales Tax**	**Fire Sales Tax**	**Total (Exhibit 16)**
Pooled cash and investments	$	881,771	—	5,250,910	1,855,723	2,033,950	10,022,354
Receivables:							
Taxes		1,469,013	734,506	734,506	373,911	367,388	3,679,324
Accrued interest		5,474	—	17,370	4,050	3,986	30,880
Due from other funds		—	—	1,858,127	—	—	1,858,127
Due from other governments		183,593	—	—	—	—	183,593
Total assets	$	2,539,851	734,506	7,860,913	2,233,684	2,405,324	15,774,278
Liabilities and Fund Balances							
Liabilities:							
Accounts and contracts payable	$	2,204,171	132,875	88,370	—	512,325	2,937,741
Due to other funds		—	1,841,972	—	—	—	1,841,972
Accrued items		1,802	50,326	37,506	—	—	89,634
Other current liabilities		—	841	—	—	—	841
Total liabilities		2,205,973	2,026,014	125,876	—	512,325	4,870,188
Fund balances:							
Restricted		333,878	—	7,735,037	2,233,684	1,892,999	12,195,598
Unassigned		—	(1,291,508)	—	—	—	(1,291,508)
Total fund balances (deficit)		333,878	(1,291,508)	7,735,037	2,233,684	1,892,999	10,904,090
Total liabilities and fund balances	$	2,539,851	734,506	7,860,913	2,233,684	2,405,324	15,774,278

Exhibit 28

CITY OF INDEPENDENCE, MISSOURI

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Sales Tax Funds

Year ended June 30, 2017

	Street Sales Tax	Park Improvements Sales Tax	Storm Water Sales Tax	Police Sales Tax	Fire Sales Tax	Total (Exhibit 17)
Revenues:						
Taxes	$ 8,329,801	4,167,642	4,167,558	2,198,883	2,089,313	20,953,197
Intergovernmental	183,593	—	—	—	—	183,593
Charges for services	—	530,859	—	—	—	530,859
Investment income (loss)	(5,957)	—	(15,138)	(3,073)	(2,809)	(26,977)
Other	119,700	18,341	57,027	102,618	9,951	307,637
Total revenues	8,627,137	4,716,842	4,209,447	2,298,428	2,096,455	21,948,309
Expenditures:						
Current:						
Public safety	—	—	—	1,706,933	1,986,004	3,692,937
Public works	176,612	—	—	—	—	176,612
Culture and recreation	—	2,866,932	—	—	—	2,866,932
Storm water	—	—	2,271,882	—	—	2,271,882
General government	—	44,504	—	—	—	44,504
Capital outlay	9,822,600	425,071	956,030	—	—	11,203,701
Debt service:						
Principal	475,000	9,605	—	37,302	54,525	576,432
Interest and fiscal agent fees	54,653	—	—	971	18,710	74,334
Total expenditures	10,528,865	3,346,112	3,227,912	1,745,206	2,059,239	20,907,334
Excess (deficiency) of revenues over expenditures	(1,901,728)	1,370,730	981,535	553,222	37,216	1,040,975
Other financing sources (uses):						
Proceeds from capital leases	—	44,504	—	—	—	44,504
Transfers in	190,255	1,932	—	—	—	192,187
Transfers out	(186,394)	(10,815)	(691,083)	(159,561)	—	(1,047,853)
Total other financing sources (uses)	3,861	35,621	(691,083)	(159,561)	—	(811,162)
Net change in fund balances	(1,897,867)	1,406,351	290,452	393,661	37,216	229,813
Fund balances (deficit), beginning	2,231,745	(2,697,859)	7,444,585	1,840,023	1,855,783	10,674,277
Fund balances (deficit), ending	$ 333,878	(1,291,508)	7,735,037	2,233,684	1,892,999	10,904,090

Exhibit 29

CITY OF INDEPENDENCE, MISSOURI

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2017

Assets	Street Improvements	Revolving Public Improvements	Buildings and Other Improvements	Storm Drainage	Park Improvements	Total (Exhibit 14)
Pooled cash and investments	$ —	19,714	—	—	11,163	30,877
Receivables:						
Special assessment principal and accrued interest	425,273	—	—	—	—	425,273
Accrued interest	—	50	—	—	111	161
Total assets	$ 425,273	19,764	—	—	11,274	456,311
Liabilities and Fund Balances						
Liabilities:						
Due to other funds	163,118	—	11,181	16,155	—	190,454
Other current liabilities	—	—	—	—	840	840
Total liabilities	163,118	—	11,181	16,155	840	191,294
Deferred inflows of resources:						
Unavailable revenue - special assessments	425,273	—	—	—	—	425,273
Total deferred inflows of resources	425,273	—	—	—	—	425,273
Fund balances (deficit):						
Committed	—	19,764	—	—	10,434	30,198
Unassigned	(163,118)	—	(11,181)	(16,155)	—	(190,454)
Total fund balances (deficit)	(163,118)	19,764	(11,181)	(16,155)	10,434	(160,256)
Total liabilities, deferred inflows of resources and fund balances	$ 425,273	19,764	—	—	11,274	456,311

Exhibit 30

CITY OF INDEPENDENCE, MISSOURI

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)

Nonmajor Capital Projects Funds

Year ended June 30, 2017

	Street Improvements	Revolving Public Improvements	Buildings and Other Improvements	Storm Drainage	Park Improvements	Total (Exhibit 15)
Revenues:						
Intergovernmental	$ 11,355	—	—	—	—	11,355
Charges for services	12,704	—	—	—	—	12,704
Investment income (loss)	242	(43)	—	—	(133)	66
Total revenues	24,301	(43)	—	—	(133)	24,125
Expenditures:						
Public works	—	10	—	—	—	10
Culture and recreation	—	—	—	—	23	23
Capital outlay	243,879	—	160,573	—	25,401	429,853
Total expenditures	243,879	10	160,573	—	25,424	429,886
Excess (deficiency) of revenues over expenditures	(219,578)	(53)	(160,573)	—	(25,557)	(405,761)
Other financing sources:						
Transfers in	260,746	—	159,561	—	15,968	436,275
Transfers out	—	—	—	—	(1,932)	(1,932)
Total other financing sources	260,746	—	159,561	—	14,036	434,343
Net change in fund balances	41,168	(53)	(1,012)	—	(11,521)	28,582
Fund balances (deficit), beginning	(204,286)	19,817	(10,169)	(16,155)	21,955	(188,838)
Fund balances (deficit), ending	$ (163,118)	19,764	(11,181)	(16,155)	10,434	(160,256)

CITY OF INDEPENDENCE, MISSOURI

Combining Balance Sheet

Component Unit - Tax Increment Financing

June 30, 2017

Assets	Midtown Truman	RSO	Sante Fe	Hartman Heritage	Drumm Farm	Eastland Center	North Independence	Mount Washington	Crackerneck Creek	Old Landfill	Cinema East	Trinity
Pooled cash and investments	$ 51,815	49,173	—	—	1,232,853	5,633,293	7,926	37,214	2,876,453	6,022	36,121	30,601
Receivables:												
Taxes	13,469	37,686	16,671	891,605	507,115	2,222,913	42,302	938	716,213	1,055,953	110,407	293,277
Accounts	—	—	—	—	—	—	—	—	83,333	—	—	—
Accrued Interest	160	108	—	—	2,912	19,362	111	90	6,245	15	41	92
Due from other funds	—	—	—	—	—	3,507,650	—	—	—	—	—	—
Due from other governments	705	44,350	26,261	84,045	2,377	448,832	4,152	76	277,236	1,085	20,934	23,254
Restricted cash and investments	—	—	539,774	1,037,564	1	3,321,850	—	—	7,584,063	—	—	—
Total assets	$ 66,149	131,317	582,706	2,013,214	1,745,258	15,153,900	54,491	38,318	11,543,543	1,063,075	167,503	347,224
Liabilities, Deferred Inflows of Resources and Fund Balances												
Liabilities:												
Due to other funds	$ —	—	1,938,776	1,564,443	—	—	—	—	1,369	—	—	—
Total liabilities	—	—	1,938,776	1,564,443	—	—	—	—	1,369	—	—	—
Deferred inflows of resources:												
Unavailable revenue - real estate taxes	13,469	25,686	16,671	850,705	504,615	1,974,613	40,302	938	585,838	1,037,972	99,807	280,977
Total deferred inflows of resources	13,469	25,686	16,671	850,705	504,615	1,974,613	40,302	938	585,838	1,037,972	99,807	280,977
Fund balances:												
Restricted	52,680	105,631	—	—	1,240,643	13,179,287	14,189	37,380	10,956,336	25,103	67,696	66,247
Unassigned	—	—	(1,372,741)	(401,934)	—	—	—	—	—	—	—	—
Total fund balances (deficits)	52,680	105,631	(1,372,741)	(401,934)	1,240,643	13,179,287	14,189	37,380	10,956,336	25,103	67,696	66,247
Total liabilities, deferred inflows of resources and fund balances	$ 66,149	131,317	582,706	2,013,214	1,745,258	15,153,900	54,491	38,318	11,543,543	1,063,075	167,503	347,224

Exhibit 31

Assets		HCA	23rd & Noland Project 1	23rd & Noland Project 2	23rd & Noland Project 3	23rd & Noland Project 4	Independence Square	Little Blue Parkway 1	Little Blue Parkway 3	Marketplace Shopping Center	TIF App Fees	Eliminations	Total
Pooled cash and investments	$	813,080	9,470	4,139	23,574	351,947	28,261	345,938	72,267	—	—	—	11,610,147
Receivables:													
Taxes		3,421,151	29,704	3,406	5,071	77,443	60,050	492,865	152,121	—	—	—	10,150,360
Accounts		—	—	—	—	—	—	—	—	—	—	—	83,333
Accrued Interest		1,788	33	7	29	134	252	7	7	38	—	—	31,431
Due from other funds		—	—	—	—	—	—	—	—	—	—	(3,507,650)	—
Due from other governments		5,894	5,626	1,053	3,034	86,524	—	108,326	20,152	89,236	—	—	1,253,152
Restricted cash and investments		3,371,620	—	—	—	—	—	—	—	—	—	—	15,854,872
Total assets	$	7,613,533	44,833	8,605	31,708	516,048	88,563	947,136	244,547	89,274	—	(3,507,650)	38,983,295
Liabilities, Deferred Inflows of Resources and Fund Balances													
Liabilities:													
Due to other funds	$	—	—	—	—	—	—	—	—	74	4,357	(3,507,650)	1,369
Total liabilities		—	—	—	—	—	—	—	—	74	4,357	(3,507,650)	1,369
Deferred inflows of resources:													
Unavailable revenue - real estate taxes		3,418,651	26,404	3,406	5,070	52,543	59,050	485,865	144,421	—	—	—	9,627,003
Total deferred inflows of resources		3,418,651	26,404	3,406	5,070	52,543	59,050	485,865	144,421	—	—	—	9,627,003
Fund balances:													
Restricted		4,194,882	18,429	5,199	26,638	463,505	29,513	461,271	100,126	89,200	—	—	31,133,955
Unassigned		—	—	—	—	—	—	—	—	—	(4,357)	—	(1,779,032)
Total fund balances (deficits)		4,194,882	18,429	5,199	26,638	463,505	29,513	461,271	100,126	89,200	(4,357)	—	29,354,923
Total liabilities, deferred inflows of resources and fund balances	$	7,613,533	44,833	8,605	31,708	516,048	88,563	947,136	244,547	89,274	—	(3,507,650)	38,983,295

CITY OF INDEPENDENCE, MISSOURI

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances (Deficit)

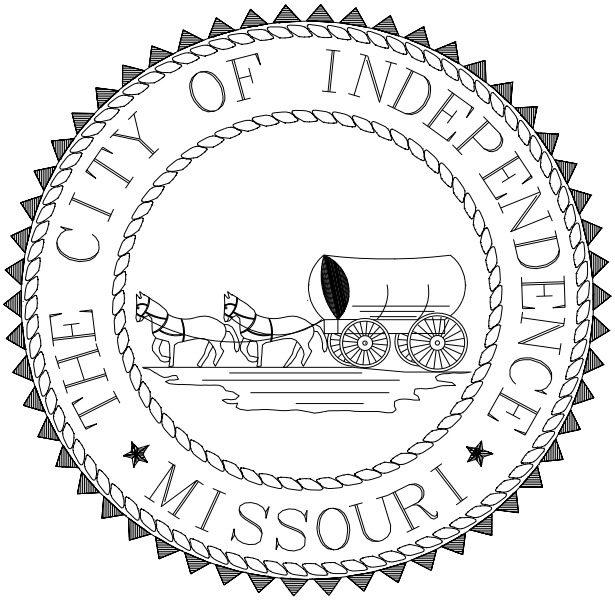
Component Unit - Tax Increment Financing

Year ended June 30, 2017

	Midtown Truman	RSO	Sante Fe	Hartman Heritage	Drumm Farm	Eastland Center	North Independence	Mount Washington	Noland Rd Auto Plaza	Crackerneck Creek	Old Landfill	Cinema East
Revenues:												
Taxes	$ 16,779	245,310	20,342	1,451,464	515,595	5,127,073	63,042	1,510	—	2,132,039	409,259	241,313
Charges for services	—	—	—	—	—	—	—	—	—	—	—	—
Investment income (loss)	1,425	(90)	2,801	8,243	(1,690)	6,380	(68)	(76)	53	10,267	693	6
Other	—	21,000	118,501	—	—	—	—	—	—	1,000,000	—	—
Total revenues	18,204	266,220	141,644	1,459,707	513,905	5,133,453	62,974	1,434	53	3,142,306	409,952	241,319
Expenditures:												
Tax increment financing	302	3,559	2,899	35,878	20,476	463,960	1,107	56	6	69,255	7,805	9,150
Debt service:												
Principal	29,650	36,411	170,000	1,375,000	330,000	2,595,000	—	—	20,773	—	344,959	31,601
Interest and fiscal agent fees	—	233,589	356,138	383,169	90,905	892,938	95,000	—	—	3,779,918	40,041	181,399
Debt issuance costs	—	—	—	—	77,822	—	—	—	—	—	—	—
Total expenditures	29,952	273,559	529,037	1,794,047	519,203	3,951,898	96,107	56	20,779	3,849,173	392,805	222,150
Excess (deficiency) of revenues over expenditures	(11,748)	(7,339)	(387,393)	(334,340)	(5,298)	1,181,555	(33,133)	1,378	(20,726)	(706,867)	17,147	19,169
Other financing sources:												
Issuance of debt	—	—	—	—	2,285,000	—	—	—	—	—	—	—
Reoffering premium/original issue discount	—	—	—	—	72,551	—	—	—	—	—	—	—
Payment to refunded loans escrow agent	—	—	—	—	(2,277,122)	—	—	—	—	—	—	—
Transfers in	—	—	187,941	—	—	—	—	—	—	1,103,493	—	—
Transfers out	—	—	—	—	—	—	—	—	—	—	—	—
Total other financing sources	—	—	187,941	—	80,429	—	—	—	—	1,103,493	—	—
Net change in fund balances	(11,748)	(7,339)	(199,452)	(334,340)	75,131	1,181,555	(33,133)	1,378	(20,726)	396,626	17,147	19,169
Fund balances (deficits), beginning	64,428	112,970	(1,173,289)	(67,594)	1,165,512	11,997,732	47,322	36,002	20,726	10,559,710	7,956	48,527
Fund balances (deficits), ending	$ 52,680	105,631	(1,372,741)	(401,934)	1,240,643	13,179,287	14,189	37,380	—	10,956,336	25,103	67,696

Exhibit 32

		Trinity	HCA	23rd & Noland Project 1	23rd & Noland Project 2	23rd & Noland Project 3	23rd & Noland Project 4	Independence Square	Little Blue Parkway 1	Little Blue Parkway 3	Marketplace Shopping Center	TIF App Fees	Total
Revenues:													
Taxes	$	477,965	3,457,916	72,774	9,667	29,361	512,228	113,404	557,988	285,200	89,236	—	15,829,465
Charges for services		—	—	—	—	—	—	—	—	—	10,478	—	10,478
Investment income (loss)		1,363	6,920	(28)	(6)	(12)	211	(72)	286	95	(31)	—	36,670
Other		—	—	—	—	—	—	—	—	—	—	—	1,139,501
Total revenues		479,328	3,464,836	72,746	9,661	29,349	512,439	113,332	558,274	285,295	99,683	—	17,016,114
Expenditures:													
Tax increment financing		10,173	473,397	1,665	181	808	8,518	2,372	6,662	4,749	9,610	3,995	1,136,583
Debt service:													
Principal		395,450	1,940,000	80,000	7,800	—	—	—	—	—	—	—	7,356,644
Interest and fiscal agent fees		84,550	958,107	—	—	—	—	—	—	—	—	—	7,095,754
Debt issuance costs		—	353,848	—	—	—	—	—	—	—	—	—	431,670
Total expenditures		490,173	3,725,352	81,665	7,981	808	8,518	2,372	6,662	4,749	9,610	3,995	16,020,651
Excess (deficiency) of revenues over expenditures		(10,845)	(260,516)	(8,919)	1,680	28,541	503,921	110,960	551,612	280,546	90,073	(3,995)	995,463
Other financing sources:													
Issuance of debt		—	17,275,000	—	—	—	—	—	—	—	—	—	19,560,000
Reoffering premium/original issue discount		—	2,512,940	—	—	—	—	—	—	—	—	—	2,585,491
Payment to refunded loans escrow agent		—	(19,742,346)	—	—	—	—	—	—	—	—	—	(22,019,468)
Transfers in		—	—	—	—	—	—	—	—	—	—	—	1,291,434
Transfers out		—	—	—	—	(16,444)	(171,497)	(188,120)	(110,000)	(205,000)	—	—	(691,061)
Total other financing sources		—	45,594	—	—	(16,444)	(171,497)	(188,120)	(110,000)	(205,000)	—	—	726,396
Net change in fund balances		(10,845)	(214,922)	(8,919)	1,680	12,097	332,424	(77,160)	441,612	75,546	90,073	(3,995)	1,721,859
Fund balances (deficits), beginning		77,092	4,409,804	27,348	3,519	14,541	131,081	106,673	19,659	24,580	(873)	(362)	27,633,064
Fund balances (deficits), ending	$	66,247	4,194,882	18,429	5,199	26,638	463,505	29,513	461,271	100,126	89,200	(4,357)	29,354,923


THE CITY OF INDEPENDENCE
MISSOURI

CITY OF INDEPENDENCE, MISSOURI

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units on a cost-reimbursement basis.

Central Garage – This fund is used to account for costs of maintenance of the City's fleet of vehicles and mobile equipment and related charges to other departments.

Staywell Health Care – This fund is used to account for the costs of the City's self-insured healthcare plan.

Workers' Compensation – This fund is used to account for the costs of the City's self-insured Worker's Compensation claims and administration plan.

Exhibit 33

CITY OF INDEPENDENCE, MISSOURI

Combining Statement of Net Position

Internal Service Funds

June 30, 2017

		Central Garage	Staywell Health Care	Workers' Compensation	Total (Exhibit 5)
Assets:					
Current assets:					
Pooled cash and investments	$	497,684	7,509,328	3,041,231	11,048,243
Accounts receivable		2,736	156,519	—	159,255
Accrued interest receivable		1,679	—	10,235	11,914
Inventory		179,034	—	—	179,034
Total current assets		681,133	7,665,847	3,051,466	11,398,446
Noncurrent assets:					
Capital assets:					
Land		93,979	—	—	93,979
Depreciable property, plant, and equipment		226,056	—	—	226,056
Less accumulated depreciation		(194,044)	—	—	(194,044)
Restricted cash and investments		—	—	200,000	200,000
Total noncurrent assets		125,991	—	200,000	325,991
Total assets		807,124	7,665,847	3,251,466	11,724,437
Deferred outflows of resources:					
Pension related amounts		146,085	—	45,321	191,406
Total deferred outflows of resources		146,085	—	45,321	191,406
Total assets & deferred outflows of resources	$	953,209	7,665,847	3,296,787	11,915,843
Liabilities:					
Current liabilities:					
Accounts and contracts payable	$	—	97,958	—	97,958
Accrued liabilities		33,830	—	4,187	38,017
Compensated absences – current		51,567	—	14,918	66,485
Self-insurance claims payable		—	1,903,134	2,308,316	4,211,450
Total current liabilities		85,397	2,001,092	2,327,421	4,413,910
Noncurrent liabilities:					
Compensated absences – long-term		57,154	—	34,672	91,826
Other post employment benefits		857,264	—	77,353	934,617
Net pension liability		429,402	—	136,425	565,827
Self-insurance claims payable		—	—	2,361,995	2,361,995
Total noncurrent liabilities		1,343,820	—	2,610,445	3,954,265
Total liabilities		1,429,217	2,001,092	4,937,866	8,368,175
Deferred inflows of resources:					
Pension related amounts		47,768	—	13,665	61,433
Total deferred inflows of resources		47,768	—	13,665	61,433
Net position:					
Net Investment in capital assets		125,991	—	—	125,991
Restricted for:					
Worker's compensation escrow		—	—	200,000	200,000
Unrestricted		(649,767)	5,664,755	(1,854,744)	3,160,244
Total net position (deficit)		(523,776)	5,664,755	(1,654,744)	3,486,235
Total liabilities, deferred inflows of resources and net position	$	953,209	7,665,847	3,296,787	11,915,843

Exhibit 34

CITY OF INDEPENDENCE, MISSOURI

Combining Statement of Revenues, Expenses, and Changes in Net Position

Internal Service Funds

Year ended June 30, 2017

		Central Garage	Staywell Health Care	Workers' Compensation	Total (Exhibit 6)
Operating revenues:					
Charges for services	$	1,658,037	22,988,730	2,475,999	27,122,766
Miscellaneous		2	—	1	3
Total operating revenues		1,658,039	22,988,730	2,476,000	27,122,769
Operating expenses:					
Personal services		819,013	—	166,210	985,223
Other services		388,952	24,797,102	3,410,753	28,596,807
Supplies		701,980	4,787	3,408	710,175
Depreciation and amortization		5,172	—	—	5,172
Total operating expenses		1,915,117	24,801,889	3,580,371	30,297,377
Operating (loss)		(257,078)	(1,813,159)	(1,104,371)	(3,174,608)
Nonoperating revenues (expenses):					
Investment income (loss)		(1,592)	46,306	(7,925)	36,789
Miscellaneous revenue		16,146	2,791,484	347	2,807,977
Total nonoperating revenue (expense)		14,554	2,837,790	(7,578)	2,844,766
Change in net position		(242,524)	1,024,631	(1,111,949)	(329,842)
Total net position:					
Beginning of the year (deficit)		(281,252)	4,640,124	(542,795)	3,816,077
End of the year (deficit)	$	(523,776)	5,664,755	(1,654,744)	3,486,235

Exhibit 35

CITY OF INDEPENDENCE, MISSOURI

Combining Statement of Cash Flows

Internal Service Funds

Year ended June 30, 2017

	Internal Service Funds			
	Central Garage	Staywell Health Care	Workers' Compensation	Total (Exhibit 7)
Cash flows from operations:				
Receipts from customers	$ 1,672,886	25,720,492	2,476,347	29,869,725
Payments to suppliers	(1,154,206)	(24,656,529)	(3,159,331)	(28,970,066)
Payments to employees	(672,314)	—	(136,107)	(808,421)
Net cash provided by (used in) operating activities	(153,634)	1,063,963	(819,091)	91,238
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(14,494)	—	—	(14,494)
Net cash (used in) capital and related financing activities	(14,494)	—	—	(14,494)
Cash flows from investing activities:				
Interest on investments	(3,271)	46,306	(18,160)	24,875
Net cash provided by (used in) investing activities	(3,271)	46,306	(18,160)	24,875
Net increase (decrease) in cash and cash equivalents	(171,399)	1,110,269	(837,251)	101,619
Cash and cash equivalents at beginning of year	669,083	6,399,059	4,078,482	11,146,624
Cash and cash equivalents at end of year	$ 497,684	7,509,328	3,241,231	11,248,243
Components of cash and short-term investments at end of fiscal year				
Unrestricted assets	497,684	7,509,328	3,041,231	11,048,243
Resticted assets	—	—	200,000	200,000
Pooled cash and investments	$ 497,684	7,509,328	3,241,231	11,248,243
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (257,078)	(1,813,159)	(1,104,371)	(3,174,608)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	5,172	—	—	5,172
Miscellaneous revenue	16,146	2,791,484	347	2,807,977
Change in assets and liabilities:				
Accounts receivable	(1,299)	(59,722)	—	(61,021)
Inventory	(26,170)	—	—	(26,170)
Prepaid items	200	—	6	206
Accounts and contracts payable	(37,304)	767	(53,062)	(89,599)
Internal balances	—	—	—	—
Accrued liabilities	(8,535)	144,593	(944)	135,114
Other post-employment benefits and net pension liability	146,647	—	26,292	172,939
Self-insurance claims payable	—	—	308,830	308,830
Compensated absences	8,587	—	3,811	12,398
Total adjustments	103,444	2,877,122	285,280	3,265,846
Net cash provided by (used in) operating activities	$ (153,634)	1,063,963	(819,091)	91,238

Exhibit 36

CITY OF INDEPENDENCE, MISSOURI

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

Year ended June 30, 2017

		Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017 (Exhibit 8)
Flexible Benefit Plan:					
Assets:					
Pooled cash and investments	$	100,100	96,134	73,964	122,270
	$	100,100	96,134	73,964	122,270
Liabilities:					
Flexible benefit payable	$	100,100	530,597	508,427	122,270
Susie Block Trust:					
Assets:					
Pooled cash and investments	$	32,516	1,482	352	33,646
Accrued interest receivable		491	1,338	1,325	504
	$	33,007	2,820	1,677	34,150
Liabilities:					
Funds held in escrow	$	33,007	1,449	306	34,150
Seniors Travel Programs:					
Assets:					
Pooled cash and investments	$	23,664	62,245	58,105	27,804
Accrued interest		—	59	—	59
	$	23,664	62,304	58,105	27,863
Liabilities:					
Funds held in escrow		23,664	62,228	58,029	27,863
	$	23,664	62,228	58,029	27,863
All Agency Funds:					
Assets:					
Pooled cash and investments	$	156,280	159,861	132,421	183,720
Accrued interest receivable		491	1,397	1,325	563
	$	156,771	161,258	133,746	184,283
Liabilities:					
Flexible benefit payable	$	100,100	530,597	508,427	122,270
Funds held in escrow		56,671	63,677	58,335	62,013
	$	156,771	594,274	566,762	184,283

Exhibit 37

CITY OF INDEPENDENCE, MISSOURI

Schedules of Operating Expenses – Power and Light Fund

Years ended June 30, 2017 and 2016

	2017			2016		
	Operations	**Maintenance**	**Total**	**Operations**	**Maintenance**	**Total**
Production fuel:						
Coal			$ —			3,297,204
Gas			4,800,950			4,802,869
Oil			295,209			183,531
Total production fuel			5,096,159			8,283,604
Purchased power:						
Purchased energy			20,055,873			16,304,652
Purchased capacity (net)			24,379,904			23,780,567
Border customers			58,347			71,571
Control and dispatching			2,819,776			2,533,442
Total purchased power			47,313,899			42,690,233
Production (other):						
Blue Valley Station:						
Supervision and engineering	$ 1,107,855	589,851	1,697,706	875,114	810,144	1,685,258
Steam	754,888	2,101,650	2,856,538	886,878	2,726,468	3,613,345
Electric	755,643	1,067,793	1,823,436	816,584	1,438,618	2,255,202
Structures and improvements	—	190,644	190,644	—	109,960	109,960
Allowance	4	—	4	52,581	—	52,581
Miscellaneous	1,236,837	617,806	1,854,643	1,433,191	863,998	2,297,189
	3,855,228	4,567,744	8,422,972	4,064,347	5,949,187	10,013,534
Missouri City Station:						
Supervision and engineering	486	—	486	39,268	24,299	63,567
Steam	162,031	31,136	193,167	323,017	522,170	845,187
Electric	160,969	3,091	164,060	324,654	21,452	346,106
Structures and improvements	—	53,422	53,422	208,860	13,462	222,322
Miscellaneous	54,198	21,001	75,199	—	44,941	44,941
	377,684	108,649	486,333	895,799	626,324	1,522,122
Combustion Turbine Station:						
Supervision and engineering	573,316	427	573,743	2,737,083	6,902	2,743,985
Generation expenses	118,646	210,440	329,087	20,940	2,171,769	2,192,710
Structures and improvements	—	2,340	2,340	—	2,471	2,471
Miscellaneous	14,796	122,576	137,373	1,691	131,242	132,932
	706,759	335,783	1,042,542	2,759,714	2,312,384	5,072,098
Total production (other)	$ 4,939,670	5,012,176	9,951,846	7,719,860	8,887,895	16,607,755
Transmission and distribution:						
Transmission:						
Supervision and engineering	$ 382,730	24,179	406,910	486,165	21,813	507,979
Overhead expenses	51,104	11,343	62,447	34,525	8,970	43,495
Station expenses	8,369	84,578	92,947	8,575	499,722	508,298
Wheeling charges	7,403,035	—	7,403,035	6,759,850	—	6,759,850
Underground line expense	—	—	—	—	468	468
Miscellaneous	33,142	—	33,142	123	—	123
Total transmission	7,878,380	120,100	7,998,480	7,289,239	530,974	7,820,213

Exhibit 37

CITY OF INDEPENDENCE, MISSOURI

Schedules of Operating Expenses – Power and Light Fund

Years ended June 30, 2017 and 2016

	2017			2016		
	Operations	**Maintenance**	**Total**	**Operations**	**Maintenance**	**Total**
Distribution:						
Supervision and engineering	$ 318,646	72,618	391,264	341,121	80,896	422,017
Overhead lines	1,124,130	4,250,023	5,374,153	953,849	4,646,199	5,600,049
Station expenses	9,730	1,361,291	1,371,021	7,701	1,184,981	1,192,682
Street lights and traffic signals	207,190	564,124	771,314	243,037	546,914	789,951
Meters	136,517	609,338	745,855	133,652	713,547	847,199
Customer installations	240	—	240	3,912	—	3,912
Underground lines	786,332	646,376	1,432,708	700,155	825,719	1,525,874
Dispatching communication	1,048,800	—	1,048,800	1,016,890	—	1,016,890
Line transformers	—	147,330	147,330	—	160,286	160,286
Miscellaneous	934,934	522,139	1,457,073	781,305	636,392	1,417,696
Total distribution	4,566,519	8,173,239	12,739,758	4,181,622	8,794,934	12,976,556
Total transmission and distribution	$ 12,444,899	8,293,339	20,738,238	11,470,861	9,325,907	20,796,768
Customer service:						
Supervision			$ 231,349			207,087
Meter reading			664,502			664,426
Customer records and collections			2,352,825			2,432,848
Provisions for doubtful accounts			685,346			670,618
Miscellaneous			188,426			272,268
Total customer service			4,122,448			4,247,247
General and administrative:						
Salaries			1,812,370			1,642,103
Office supplies			372,497			456,772
Insurance			977,167			1,147,089
Injuries and damage			1,106,261			1,164,849
Employee benefits			11,987,257			12,108,398
Outside services			2,956,890			3,911,393
Miscellaneous			1,440,250			1,469,054
Administrative expenses – transfers			(109,919)			(61,742)
Total general and administrative			20,542,773			21,837,916
Depreciation and amortization			13,283,451			15,643,492
Payroll taxes			1,322,770			1,337,760
Total operating expenses			$ 122,371,584			131,444,775

Exhibit 38

CITY OF INDEPENDENCE, MISSOURI

Schedule of Operating Statistics – Power and Light Fund

Year ended June 30, 2017

	Number of customers			
	Beginning of year	**End of year**	**Revenue**	**KWH**
Sale of electric energy:				
Metered:				
Residential	51,911	52,080	$ 71,459,447	516,094,305
Small general services	2,943	2,933	4,101,574	23,539,563
General services – space heating	9	10	16,455	137,779
Large general services	1,617	1,630	38,574,621	309,795,611
Large general services – prime voltage	6	7	946,560	8,456,732
Large general services – space heating	14	14	188,728	1,448,796
Total electric general services	120	117	5,809,623	59,611,891
Schools, churches, and hospitals	211	212	1,330,736	10,028,637
Schools, churches, and hospitals, all electric	2	1	1,131	6,180
Education	65	65	3,076,880	26,161,227
Education, all electric	8	8	430,846	4,522,040
Large power services	2	3	2,485,183	26,139,820
Combined interruptible services	2	2	2,650,735	31,187,746
Sewer pumping	7	7	446,214	3,338,576
City traffic signals	63	63	76,732	108,389
Wholesale (border customers)	—	—	172,962	3,176,042
Wholesale (interchange)	—	—	1,578,061	76,826,369
Wholesale (border customers)	56,980	57,152	133,346,487	1,100,579,703
Ui Wholesale (interchange)				
Private security lighting	1,774	1,718	396,161	1,631,197
City Public Street lighting	12,145	12,224	162,790	3,669,782
	13,919	13,941	558,951	5,300,979
Change in unbilled revenue			132,999	(1,483,833)
Other operating revenue			3,867,215	—
EVTC			40,249	—
Total operating revenue and total energy sales			$ 137,945,902	1,104,396,849
Net generation				175,654,500
Wholesale power purchased				966,091,259
Unintentional interchange				
Net generation and power purchased				1,141,745,759
Retail energy sales				1,101,220,807
Wholesale (border customers) sales				3,176,042
Power and light usage (building and substations)				1,172,863
Net disposition				1,105,569,712
Transmission and distribution operating losses				36,176,047

Exhibit 39

CITY OF INDEPENDENCE, MISSOURI

Schedules of Operating Expenses – Water Fund

Years ended June 30, 2017 and 2016

	2017			2016		
	Operations	**Maintenance**	**Total**	**Operations**	**Maintenance**	**Total**
Production:						
Source of supply:						
Supervision and engineering	$ 32,417	—	32,417	30,287	—	30,287
Labor and expenses	351,534	—	351,534	310,710	—	310,710
Structures and improvements	—	481	481	—	—	—
Miscellaneous	—	204,875	204,875	—	623,195	623,195
Total source of supply	383,951	205,356	589,307	340,997	623,195	964,192
Power and pumping:						
Supervision and engineering	44,682	24,462	69,144	43,832	22,471	66,303
Fuel/power purchased	2,249,369	—	2,249,369	2,017,365	—	2,017,365
Labor and expenses	271,592	—	271,592	252,706	—	252,706
Structures and improvements	—	43,917	43,917	—	17,984	17,984
Miscellaneous	—	7,988	7,988	—	—	—
Total power and pumping	2,565,643	76,367	2,642,010	2,313,903	40,455	2,354,358
Water treatment:						
Supervision and engineering	53,137	21,485	74,622	51,777	21,877	73,654
Chemicals	1,374,812	—	1,374,812	1,426,872	—	1,426,872
Labor and expenses	682,285	—	682,285	671,191	—	671,191
Structures and improvements	—	545,078	545,078	—	684,916	684,916
Miscellaneous	—	276,316	276,316	—	286,141	286,141
Total water treatment	2,110,234	842,879	2,953,113	2,149,840	992,934	3,142,774
Total production	$ 5,059,828	1,124,602	6,184,430	4,804,740	1,656,584	6,461,324
Transmission and distribution:						
Supervision and engineering	$ 136,089	44,854	180,943	96,544	57,436	153,980
Storage facilities	20,729	67,338	88,067	21,375	40,000	61,375
Transmission and distribution lines	768,332	1,021,910	1,790,242	744,007	911,018	1,655,025
Meters	50,837	66,532	117,369	47,789	68,956	116,745
Customer installations	102,600	—	102,600	112,411	—	112,411
Services	—	148,849	148,849	—	171,101	171,101
Hydrants	—	76,793	76,793	—	69,231	69,231
Miscellaneous	576,237	172,157	748,394	568,432	202,760	771,192
Total transmission and distribution	$ 1,654,824	1,598,433	3,253,257	1,590,558	1,520,502	3,111,060
Customer service:						
Customer accounting paid and collecting:						
Supervision			$ 241,374			209,183
Meter reading			1,091,179			1,138,278
Customer records			272,904			204,701
Provision for uncollectible amounts			80,086			104,921
Total customer accounting paid and collecting			1,685,543			1,657,083
Sales promotion:						
Expenses			7,977			41,251
Total customer service			1,693,520			1,698,334
General and administrative:						
Salaries			594,539			599,558
Office supplies and expense			537,225			347,842
Injuries and damages			476,013			453,261
Employee benefits			2,633,071			2,571,775
Outside services			1,496,352			1,262,662
Miscellaneous			300,255			321,014
Total general and administrative			6,037,455			5,556,112
Depreciation and amortization			2,999,495			3,227,141
Payroll taxes			335,328			324,281
Other			97,275			65,248
Total operating expenses			20,600,760			20,443,500
Certain amounts are presented as a reduction of operating expenses, whereas they are included as miscellaneous revenue in the statement of revenues, expenses, and changes in fund net position			1,705,838			1,832,983
			$ 22,306,598			22,276,483

Exhibit 40

CITY OF INDEPENDENCE, MISSOURI

Schedule of Operating Statistics – Water Fund

Year ended June 30, 2017

	Number of customers			
	Beginning of year	**End of year**	**Revenue**	**MGS***
Sale of water:				
Residential	44,985	45,177	$ 15,288,208	2,742,660
Commercial	3,088	3,114	4,135,439	815,580
Industrial	6	6	605,996	178,181
Public authority	81	80	344,489	68,274
Resale	14	14	9,814,368	4,781,273
Private fire protection	441	472	214,304	—
Public fire protection	—	—	1,621,193	—
	48,615	48,863	32,023,997	8,585,968
Change in unbilled revenue			(74,641)	
Other operating revenue			311,440	
Total operating revenue			$ 32,260,796	
Thousands of gallons pumped:				
Courtney Bend Plant				9,709,891
Less total sales				8,585,968
Unaccounted for water				1,123,923

* Thousand gallons sold.

Exhibit 41

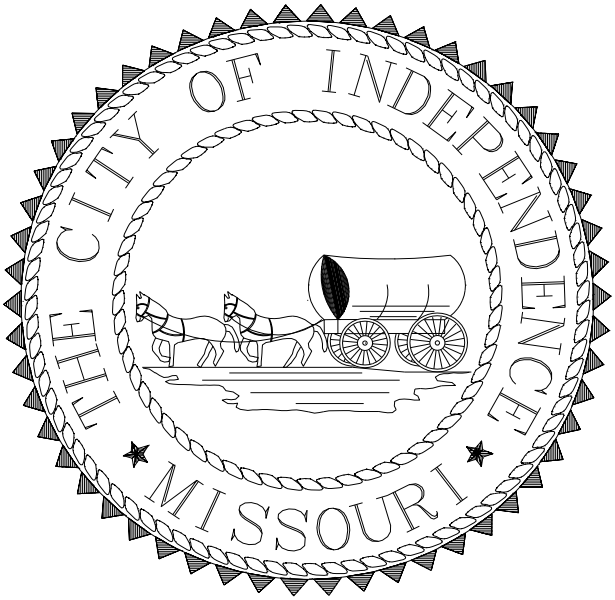
CITY OF INDEPENDENCE, MISSOURI

Schedule of Operating Statistics – Sanitary Sewer Fund

Year ended June 30, 2017

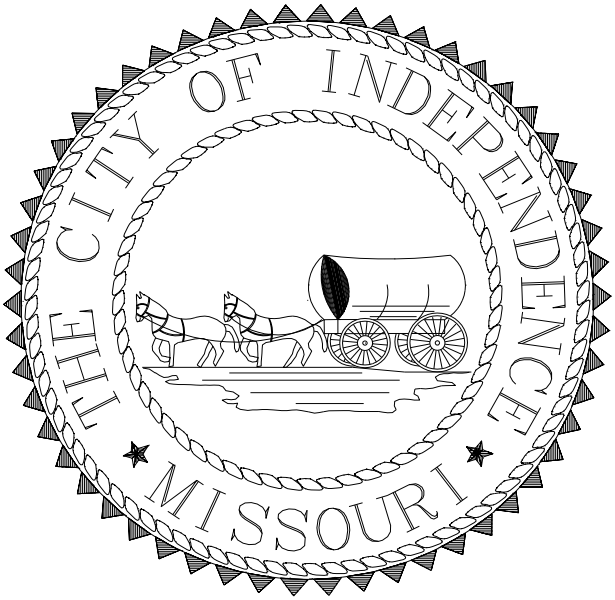
	Number of customers			
	Beginning of year	**End of year**	**Revenue**	**CCF***
Sale of sanitary sewer services:				
Residential	41,080	41,261	$ 12,340,133	2,434,258
Commercial:				
Base	3,469	3,478	5,223,206	1,640,324
Surcharge	—	—	679,992	—
Contract waste treatment	10	16	336,080	—
Regulatory Compliance	—	—	6,451,942	—
Intermunicipal agreements:				
Sugar Creek	—	—	675,234	—
Kansas City	—	—	135,331	—
	44,559	44,755	25,841,918	4,074,582
Other operating revenue			266,493	
Change in unbilled revenue			(78,736)	
Total operating revenue			$ 26,029,675	

* Hundred cubic feet.


THE CITY OF INDEPENDENCE
MISSOURI

STATISTICAL DATA

The statistical data "relates to the physical, economic, social, and political characteristics of the City." Its design is to provide "a broader and more complete understanding of the City and its financial affairs than is possible from the financial statements, notes, and supporting schedule presentation in the Financial Section."


THE CITY OF INDEPENDENCE
MISSOURI

STATISTICAL SECTION

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

Contents	Tables
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	**1 - 4**
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources.	**5 - 15**
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	**16 - 20**
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	**21 - 22**
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	**23 - 25**

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

City of Independence, Missouri
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	$ 233,350,380	289,028,019	305,569,028	321,072,648	334,320,197	336,357,164	333,902,700	334,319,837	330,518,564	325,298,654
Restricted	25,270,518	15,475,723	16,889,552	16,275,115	17,220,970	16,853,297	16,931,671	16,335,599	14,823,334	13,785,094
Unrestricted	(4,410,121)	(10,487,249)	(23,784,298)	(41,705,135)	(219,659,905)	(231,199,039)	(233,876,307)	(255,063,735)	(259,618,128)	(266,833,068)
Total governmental activities net position	$ 254,210,777	294,016,493	298,674,282	295,642,628	131,881,262	122,011,422	116,958,064	95,591,701	85,723,770	72,250,680
Business-type activities	$									
Net investment in capital assets	285,931,913	281,280,070	279,970,114	272,062,890	262,631,937	251,523,417	240,517,938	230,396,460	238,427,241	216,148,308
Restricted	5,216,672	3,691,325	3,692,885	6,423,693	14,629,418	15,545,776	16,288,747	16,587,288	17,608,769	22,390,679
Unrestricted	31,311,367	29,929,991	32,197,583	37,479,969	46,597,826	45,095,514	59,212,898	49,598,827	33,115,833	53,123,997
Total business-type activities net position	$ 322,459,952	314,901,386	315,860,582	315,966,552	323,859,181	312,164,707	316,019,583	296,582,575	289,151,843	291,662,984
Primary government										
Net investment in capital assets	$ 519,282,293	570,308,089	585,539,142	593,135,538	596,952,134	587,880,581	574,420,638	564,716,297	568,945,805	541,446,962
Restricted	30,487,190	19,167,048	20,582,437	22,698,808	31,850,388	32,399,073	33,220,418	32,922,887	32,432,103	36,175,773
Unrestricted	26,901,246	19,442,742	8,413,285	(4,225,166)	(173,062,079)	(186,103,525)	(174,663,409)	(205,464,908)	(226,502,295)	(213,709,071)
Total primary government net position	$ 576,670,729	608,917,879	614,534,864	611,609,180	455,740,443	434,176,129	432,977,647	392,174,276	374,875,613	363,913,664

Note: In 2008 the new Workers' Compensation Fund was added as an Internal Service Fund.

Note: In 2011 the Events Center LLC was added as a blended component unit under the business-type activities.

Note: In 2012 the Tax Increment Financing funds were added back to the primary government presentation as a blended component unit.

Note: In 2012 the Events Center Community Improvement District was added as a blended component unit under the business-type activities.

Note: In 2012 the Crackerneck Creek Transportation Development District was added as a blended component unit under the governmental activities.

Note: In 2015 the City adopted GASB Statement No. 68, which restated beginning net position. For the years prior to 2015, the amounts in this schedule have not been restated.

Table 2

City of Independence, Missouri
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
Administrative services	$ 8,487,120	8,216,824	9,172,736	9,305,826	8,344,371	9,225,738	9,096,123	9,348,081	9,054,549	10,060,792
Public safety	44,390,164	47,972,502	49,861,503	53,067,764	53,836,564	55,139,731	56,859,801	57,226,139	59,265,485	59,583,743
Public works	13,013,430	13,197,612	13,687,890	13,647,390	15,562,839	17,428,294	18,079,671	17,740,128	18,062,959	17,889,269
Health and welfare	3,287,200	3,599,725	3,607,469	3,732,795	3,575,162	3,810,863	3,622,207	3,672,055	3,597,625	2,690,316
Culture and recreation	7,813,486	8,135,903	7,604,501	7,947,692	8,476,301	7,275,087	7,435,735	8,004,845	8,500,729	8,490,201
Community development	4,381,932	4,003,876	4,386,689	7,032,272	5,128,323	5,318,490	6,316,004	4,876,851	4,694,568	5,913,644
Storm water	2,270,858	2,445,470	2,569,381	2,876,073	2,765,629	2,862,544	3,000,734	2,917,670	3,381,187	3,734,597
General government	7,921,217	8,374,983	9,421,062	9,366,479	9,293,399	8,405,914	8,730,105	9,462,575	10,082,656	9,330,488
Tax increment financing	—	—	—	—	2,992,581	14,281,820	14,273,775	11,531,889	11,319,659	16,156,910
Debt service component unit	—	—	—	7,709,611	—	—	—	—	—	—
Interest on long-term debt	1,073,318	891,473	640,902	625,778	10,125,399	379,760	252,213	176,912	116,229	108,756
Total governmental activities expenses	92,638,725	96,838,368	100,952,133	115,311,680	120,100,568	124,128,241	127,666,368	124,957,145	128,075,646	133,958,716
Business-type activities:										
Power and light	101,665,442	101,097,606	105,486,932	113,956,212	124,533,699	127,959,254	138,801,854	136,825,933	134,873,700	128,209,073
Water	19,131,054	20,250,295	20,324,005	20,239,748	20,563,502	21,886,576	22,140,775	20,921,367	21,913,607	22,136,019
Sewer	14,451,363	15,233,127	15,268,389	16,304,874	16,157,412	18,900,129	19,015,060	21,822,803	23,512,501	24,420,243
Events center	179,032	1,888,027	4,862,017	13,764,087	12,869,289	13,091,457	10,859,704	11,218,628	11,734,030	12,067,172
Total business-type activities expenses	135,426,891	138,469,055	145,941,343	164,264,921	174,123,902	181,837,416	190,817,393	190,788,731	192,033,838	186,832,507
Total primary government expenses	$ 228,065,616	235,307,423	246,893,476	279,576,601	294,224,470	305,965,657	318,483,761	315,745,876	320,109,484	320,791,223
Program Revenues										
Governmental activities:										
Charges for services:										
Administrative services	$ 5,905,973	6,247,933	6,276,153	6,453,890	6,676,240	6,611,432	6,904,917	7,526,268	8,026,010	8,206,822
Public safety	4,202,059	4,432,454	4,867,364	4,943,734	4,829,421	4,567,625	5,154,144	5,016,016	4,757,394	4,670,892
Public works	739,643	449,172	462,490	437,032	398,071	362,732	401,793	391,816	376,062	577,574
Health and welfare	791,825	776,194	819,659	732,116	817,774	735,708	758,211	659,329	198,147	854,870
Culture and recreation	925,880	842,523	771,890	796,820	871,799	727,220	613,238	689,980	821,976	843,135
Community development	1,949,275	1,172,512	1,242,376	1,167,853	968,438	934,442	1,089,720	1,285,797	1,230,826	2,529,919
Storm water	645	—	—	—	—	—	—	—	—	—
General government	—	—	—	—	1,012,898	1,037,506	978,491	999,787	1,263,754	1,031,478
Operating grants and contributions	8,902,787	8,223,227	9,182,959	13,517,593	12,487,041	9,462,570	10,680,433	8,844,808	9,025,480	8,238,425
Capital grants and contributions	27,772,386	41,557,506	11,912,031	12,598,018	14,465,335	3,590,902	3,769,347	1,930,309	575,703	131,098
Total governmental activities program revenues	51,190,473	63,701,521	35,534,922	40,647,056	42,527,017	28,030,137	30,350,294	27,344,110	26,275,352	27,084,213
Business-type activities:										
Charges for services:										
Power and light	107,619,947	105,064,847	114,744,814	126,755,826	139,878,341	137,749,295	138,813,984	139,078,098	134,747,475	137,945,902
Water	18,114,183	18,607,799	20,134,421	22,203,258	24,635,637	26,642,646	27,545,623	27,838,244	30,858,398	32,260,796
Sewer	15,283,055	15,347,894	15,263,586	17,061,489	18,233,724	20,231,637	21,471,299	23,545,640	23,743,340	26,029,675
Events center	—	—	—	4,874,623	8,370,481	4,345,469	3,359,318	4,273,465	4,461,330	4,771,821
Operating grants and contributions	—	—	—	4,813,612	5,000	—	—	—	—	—
Capital grants and contributions	4,363,127	3,396,999	7,760,380	4,012,182	1,122,019	763,127	2,386,511	1,613,406	1,425,612	1,322,901
Total business-type activities program revenues	145,380,312	142,417,539	157,903,201	179,720,990	192,245,202	189,732,174	193,576,735	196,348,853	195,236,155	202,331,095
Total primary government program revenues	$ 196,570,785	206,119,060	193,438,123	220,368,046	234,772,219	217,762,311	223,927,029	223,692,963	221,511,507	229,415,308

Table 2

City of Independence, Missouri
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (expense)/revenue										
Governmental activities	$ (41,448,252)	(33,136,847)	(65,417,211)	(74,664,624)	(77,573,551)	(96,098,104)	(97,316,074)	(97,613,035)	(101,800,294)	(106,874,503)
Business-type activities	9,953,421	3,948,484	11,961,858	15,456,069	18,121,300	7,894,758	2,759,342	5,560,122	3,202,317	15,498,588
Total primary government net expense	$ (31,494,831)	(29,188,363)	(53,455,353)	(59,208,555)	(59,452,251)	(88,203,346)	(94,556,732)	(92,052,913)	(98,597,977)	(91,375,915)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 7,067,966	7,963,698	7,276,215	7,458,788	8,652,704	7,618,559	7,993,199	8,546,600	8,485,768	7,978,323
Sales and use taxes	38,086,941	37,353,520	36,021,505	36,030,316	39,836,686	40,689,725	41,142,183	44,459,358	44,683,858	45,348,299
Intergovernmental activity taxes	—	—	—	—	9,534,652	9,635,263	10,809,061	8,830,000	10,351,536	10,776,518
Franchise taxes	16,519,852	13,138,965	11,823,113	10,696,214	10,914,940	10,414,823	10,292,488	9,960,928	8,528,741	8,703,530
Financial institutions tax	31,960	44,195	15,669	28,410	21,646	15,225	19,381	16,523	21,116	34,130
Investment earnings	1,476,448	605,453	197,476	138,471	228,812	302,467	302,394	256,159	311,028	130,083
Special item - litigation settlement	—	—	—	—	—	—	2,203,430	—	—	—
Miscellaneous	348,143	438,354	466,775	1,079,391	397,567	1,049,065	695,896	1,960,753	796,842	1,147,386
Payments to component unit	—	—	—	—	—	—	—	—	—	—
Transfers	14,181,015	13,398,378	14,274,247	16,201,380	17,329,950	18,232,349	18,804,684	18,676,005	18,753,474	19,283,144
Total governmental activities	77,712,325	72,942,563	70,075,000	71,632,970	86,916,957	87,957,476	92,262,716	92,706,326	91,932,363	93,401,413
Business-type activities:										
Sales and use taxes	—	—	—	—	—	5,291,682	5,397,059	5,600,076	5,741,439	5,770,850
Investment earnings	1,850,519	485,895	69,869	171,413	28,936	66,215	45,754	32,746	176,436	(35,308)
Special item - litigation settlement	—	—	—	—	—	—	12,796,570	—	—	—
Miscellaneous	37,982	1,405,433	609,962	679,868	2,212,916	557,965	1,660,835	1,456,086	2,202,550	560,155
Transfers	(14,181,015)	(13,398,378)	(14,274,247)	(16,201,380)	(17,329,950)	(18,232,349)	(18,804,684)	(18,676,005)	(18,753,474)	(19,283,144)
Total business-type activities	(12,292,514)	(11,507,050)	(13,594,416)	(15,350,099)	(15,088,098)	(12,316,487)	1,095,534	(11,587,097)	(10,633,049)	(12,987,447)
Total primary government	$ 65,419,811	61,435,513	56,480,584	56,282,871	71,828,859	75,640,989	93,358,250	81,119,229	81,299,314	80,413,966
Changes in Net Position										
Governmental activities	$ 36,264,073	39,805,716	4,657,789	(3,031,654)	9,343,406	(8,140,628)	(5,053,358)	(4,906,709)	(9,867,931)	(13,473,090)
Business-type activities	(2,339,093)	(7,558,566)	(1,632,558)	105,970	3,033,202	(4,421,729)	3,854,876	(6,026,975)	(7,430,732)	2,511,141
Total primary government	$ 33,924,980	32,247,150	3,025,231	(2,925,684)	12,376,608	(12,562,357)	(1,198,482)	(10,933,684)	(17,298,663)	(10,961,949)

Note: In 2008 the new Workers' Compensation Fund was added as an Internal Service Fund.

Note: In 2011 the Events Center LLC was added as a blended component unit under the business-type activities.

Note: In 2012 the Tax Increment Financing funds were added back to the primary government presentation as a blended component unit.

Note: In 2012 the Events Center Community Improvement District was added as a blended component unit under the business-type activities.

Note: In 2012 the Crackerneck Creek Transportation Development District was added as a blended component unit under the governmental activities.

Note: In 2015 the City adopted GASB Statement No. 68, which restated beginning net position. For the years prior to 2015, the amounts in this schedule have not been restated.

Table 3

City of Independence, Missouri
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year							
	2008	2009						
General Fund								
Reserved	$ 1,265,717	1,319,086						
Unreserved	8,062,100	5,739,682						
Total General Fund	$ 9,327,817	7,058,768						
All other governmental funds								
Reserved	$ 41,091,787	19,583,280						
Unreserved, reported in:								
Special revenue funds	12,648,957	5,357,555						
Capital project funds	(29,245,744)	(10,675,562)						
Debt service funds	71,068	56,553						
Permanent funds	—	—						
Total all other governmental funds	$ 24,566,068	14,321,826						
	2010	2011	2012	2013	2014	2015	2016	2017
General Fund								
Nonspendable	$ —	—	—	—	14,141	—	11,424	—
Restricted	236,365	442,556	584,917	417,361	402,899	142,966	273,164	404,806
Committed	2,277,479	1,413,292	453,285	391,399	437,083	471,606	348,001	261,700
Assigned	662,881	667,065	593,561	464,633	398,283	1,300,973	1,336,086	1,648,808
Unassigned	2,012,374	2,302,039	1,831,406	600,662	3,591,990	3,741,675	3,684,710	5,982,941
	$ 5,189,099	4,824,952	3,463,169	1,874,055	4,844,396	5,657,220	5,653,385	8,298,255
All other governmental funds								
Nonspendable	$ —	—	—	480,253	—	—	665	—
Restricted	17,329,836	16,659,329	44,378,155	43,513,724	44,679,472	43,356,113	42,864,399	44,066,001
Committed	440,243	437,150	1,404,187	451,142	204,117	164,507	41,772	30,198
Unassigned	(5,118,794)	(5,369,883)	(6,237,737)	(6,951,949)	(6,167,243)	(5,796,859)	(2,929,573)	(1,482,674)
	$ 12,651,285	11,726,596	39,544,605	37,493,170	38,716,346	37,723,761	39,977,263	42,613,525

Note: In 2011 GASB 54 was implemented which changes the Fund Balance classifications. 2010 has been restated for the new categories as well.

Note: In 2012 the Tax Increment Financing funds were added back to the primary government presentation as a blended component unit.

Note: In 2012 the Crackerneck Creek Transportation Development District was added as a blended component unit under the governmental activities.

Table 4

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	$ 58,474,761	55,131,682	55,953,427	59,053,886	68,437,032	68,799,104	70,380,577	71,412,311	71,815,835	73,168,146
Licenses, fees and permits	4,642,719	3,695,971	3,483,767	3,426,859	3,319,496	3,255,877	3,464,631	3,785,532	3,802,218	5,614,626
Intergovernmental	10,862,317	19,131,915	16,921,164	24,785,082	24,127,728	12,724,286	13,672,530	10,337,589	9,174,995	8,215,395
Charges for services	2,784,144	2,774,284	2,759,317	3,015,294	3,095,040	2,966,943	2,699,813	2,905,601	3,273,899	3,378,711
Interfund charges for support services	3,222,406	3,389,629	3,580,384	3,743,875	3,791,444	3,835,972	3,987,029	4,544,233	4,913,709	4,943,014
Fines, forfeitures, and court costs	3,724,608	4,009,673	4,510,754	4,398,111	4,329,537	4,061,879	4,790,383	4,652,309	4,214,064	3,855,121
Investment earnings	1,197,790	495,337	165,939	124,223	214,584	287,686	259,908	250,763	286,088	93,294
Reimbursements from component unit	11,413,444	12,274,171	3,792,466	581,524	—	—	—	—	—	—
Developer contributions	—	—	—	—	832,549	238,105	250,000	35,000	17,025	—
Other	740,435	924,092	816,818	1,115,938	2,355,665	2,263,964	2,281,201	2,042,419	2,382,870	2,322,302
Total revenues	97,062,624	101,826,754	91,984,036	100,244,792	110,503,075	98,433,816	101,786,072	99,965,757	99,880,703	101,590,609
Expenditures										
Administrative services	7,460,421	7,728,128	7,867,425	7,862,603	7,332,146	6,997,537	7,547,357	7,640,238	7,576,728	7,834,761
Public safety	40,950,718	40,956,235	45,150,437	48,037,112	45,457,931	46,169,791	49,093,577	49,529,374	50,513,184	49,939,819
Public works	7,173,709	6,719,666	6,513,379	6,159,868	5,191,326	5,645,470	5,899,660	5,386,719	4,693,660	4,791,209
Health and welfare	2,875,392	3,150,172	3,226,705	3,277,614	3,055,362	3,362,706	3,322,766	3,206,732	3,130,183	2,464,245
Culture and recreation	5,800,784	5,942,029	6,160,686	5,995,558	6,205,463	5,694,462	5,747,828	5,793,101	5,888,760	6,013,044
Community development	4,090,318	3,657,531	4,119,818	6,730,888	4,877,604	5,029,870	6,007,452	4,460,559	4,303,735	5,226,710
Storm water	1,388,856	1,542,289	1,668,148	1,772,387	1,581,460	1,532,184	1,686,782	1,629,842	1,769,844	2,271,882
General government	7,612,540	7,486,977	8,541,586	8,507,142	8,343,550	7,461,577	7,688,526	8,622,570	8,921,005	8,543,800
Tax increment financing	—	—	—	—	2,992,581	2,578,489	2,886,495	1,290,274	859,000	1,136,583
Capital outlay	28,561,029	42,442,528	26,346,981	22,527,627	24,697,928	15,475,351	12,296,360	14,159,976	13,890,964	11,951,855
Debt Service										
Principal	3,378,132	7,277,755	3,465,682	2,963,391	12,935,067	12,223,792	7,614,702	8,513,930	6,833,988	8,107,973
Debt service component unit	—	—	—	3,566,752	—	—	—	—	—	—
Interest	1,114,072	977,116	814,620	600,864	10,283,032	9,505,756	8,844,986	9,243,134	8,541,494	7,214,003
Debt issuance costs	—	—	—	—	258,358	1,059,129	201,254	240,698	1,156,904	431,670
Total expenditures	110,405,971	127,880,426	113,875,467	118,001,806	133,211,808	122,736,114	118,837,745	119,717,147	118,079,449	115,927,554
Excess of revenues over (under) expenditures	(13,343,347)	(26,053,672)	(21,891,431)	(17,757,014)	(22,708,733)	(24,302,298)	(17,051,673)	(19,751,390)	(18,198,746)	(14,336,945)
Other Financing Sources (Uses)										
Transfers in	1,266,294	3,897,938	3,069,619	2,499,761	8,446,498	9,771,846	2,630,331	2,119,880	2,964,941	2,118,908
Transfers out	(1,371,651)	(4,003,295)	(3,020,619)	(2,461,566)	(8,446,498)	(9,560,573)	(1,969,709)	(1,857,265)	(2,726,803)	(1,834,435)
Issuance of debt	100,695	101,734	4,020,000	—	8,694,700	40,855,000	6,981,126	8,770,000	50,074,897	19,604,504
Premiums/Discounts on debt issued	—	—	18,402	—	(99,950)	(14,334)	74,056	(99,693)	(1,168,942)	2,585,491
Payment to refunded loans escrow agent	—	—	—	—	(6,426,286)	(38,713,690)	(6,982,279)	(7,887,707)	(47,379,813)	(22,019,468)
Transfers in - utility payments in lieu of taxes	13,702,586	13,503,735	14,225,247	16,211,380	17,329,950	18,021,077	18,144,063	18,413,389	18,515,336	18,998,671
Sale of capital assets	23,581	40,269	38,572	218,603	100,901	302,423	164,172	113,025	168,797	164,406
Total other financing sources (uses)	13,721,505	13,540,381	18,351,221	16,468,178	19,599,315	20,661,749	19,041,760	19,571,629	20,448,413	19,618,077
Special items:										
Litigation settlement	—	—	—	—	—	—	2,203,430	—	—	—
Net change in fund balances	$ 378,158	(12,513,291)	(3,540,210)	(1,288,836)	(3,109,418)	(3,640,549)	4,193,517	(179,761)	2,249,667	5,281,132
Debt service as a percentage of non capital expenditures	5.63%	9.75%	5.04%	3.83%	21.55%	20.60%	15.90%	17.45%	15.03%	15.10%

Note: For 2011 the Debt service as a percentage of non capital expenditures includes the debt service payment for the component unit.

Note: In 2012 the Tax Increment Financing funds were added back to the primary government presentation as a blended component unit.

Note: In 2012 the Crackerneck Creek Transportation Development District was added as a blended component unit under the governmental activities.

Table 5

City of Independence, Missouri
Total City Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)

Sales by Retail Category:		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Apparel stores	$	132,957	125,832	124,168	103,406	109,372	100,727	105,579	92,839	93,001	84,551
General merchandise		430,331	434,782	408,200	388,061	424,435	431,720	433,166	447,692	433,583	440,007
Food stores		170,099	178,747	179,031	166,018	177,019	167,729	165,814	187,945	192,720	195,574
Eating and drinking establishments		194,970	201,085	211,739	207,363	220,458	220,621	223,733	239,711	252,009	243,545
Home furnishings and appliances		80,420	72,902	67,124	54,274	55,222	49,381	45,410	43,012	43,858	33,973
Building materials and farm tools		22,720	19,998	17,213	16,937	14,753	17,949	17,133	19,654	19,840	20,556
Construction/Remodeling		4,724	3,415	3,596	3,317	4,383	3,356	2,919	2,716	2,496	2,892
Auto dealers and supplies		35,314	38,260	36,967	41,703	39,526	37,625	38,257	40,621	32,234	37,195
Service stations		62,430	65,741	68,633	70,891	75,773	81,702	74,396	83,447	88,123	92,778
Other retail stores		222,237	245,406	233,860	219,787	236,382	222,049	228,625	226,899	242,964	239,919
All other outlets		119,236	113,711	119,813	118,046	123,443	128,081	116,758	119,810	125,626	130,719
Total	$	1,475,438	1,499,879	1,470,344	1,389,803	1,480,766	1,460,940	1,451,790	1,504,346	1,526,454	1,521,709

Note: Amounts for 2017 are not provided due to only receiving partial year figures.

Source: Missouri Department of Revenue

Table 6

City of Independence, Missouri
Sales Tax Rates
Direct and Overlapping Governments
Last Ten Calendar Years
(in percent)

Direct Sales Tax Rate City of Independence	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Street Improvements	0.375	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Park Improvements	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Storm Water Improvements	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
Police Public Safety	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Fire Public Safety	0.250	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Direct Sales Tax Rate City of Independence	2.250	2.250	2.250	2.250	2.250	2.250	2.250	2.250	2.250	2.250
Transportation Development District	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Total Direct Sales Tax Rate	2.375	2.375	2.375	2.375	2.375	2.375	2.375	2.375	2.375	2.375

Total Local Option Sales Tax Rate	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
State of Missouri	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
Mo. State Conservation	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Mo. State Parks and Soil	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Jackson County	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125
Jackson County - Community Children's Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.125
Kansas City Zoo	0.000	0.000	0.000	0.000	0.125	0.125	0.125	0.125	0.125	0.125
City of Independence	2.250	2.250	2.250	2.250	2.250	2.250	2.250	2.250	2.250	2.250
Transportation Development District	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Total Direct and Overlapping Sales Tax Rate	7.725	7.725	7.725	7.725	7.850	7.850	7.850	7.850	7.850	7.975

Note: The rate shown for the Transportation Development District is for the 39th Street corridor only.

Source: Missouri Department of Revenue

Table 7

City of Independence, Missouri
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property					Other Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Market Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Agricultural Property	Commercial Property	State Assessed	Total	Personal Property	Railroads & Utilities				
2008	$ 835,415,560	1,092,071	280,076,363	4,385,286	1,120,969,280	289,243,271	1,720,003	1,411,932,554	0.6630	6,168,940,666	22.89%
2009	774,152,986	1,020,696	255,474,757	3,793,786	1,034,442,225	268,317,482	1,114,259	1,303,873,966	0.6560	5,702,449,660	22.87%
2010	770,979,192	1,083,868	257,788,756	4,145,717	1,033,997,533	263,606,423	1,237,018	1,298,840,974	0.7030	5,680,839,244	22.86%
2011	781,239,728	1,126,981	235,721,480	4,951,250	1,023,039,439	262,875,610	1,242,492	1,287,157,541	0.7280	5,666,580,865	22.71%
2012	781,254,601	1,128,703	236,979,066	4,844,455	1,024,206,825	252,082,951	2,943,813	1,279,233,589	0.7236	5,643,175,957	22.67%
2013	779,674,017	1,128,605	235,695,566	4,816,906	1,021,315,094	254,225,408	3,612,882	1,279,153,384	0.7281	5,639,283,894	22.68%
2014	779,683,482	1,138,200	233,988,631	5,106,421	1,019,916,734	257,382,527	3,528,618	1,280,827,879	0.7394	5,644,201,744	22.69%
2015	779,384,690	1,138,682	232,114,740	5,387,691	1,018,025,803	244,122,675	2,857,999	1,265,006,477	0.7393	5,595,741,171	22.61%
2016	814,095,793	1,227,696	242,938,873	5,523,260	1,063,785,622	248,605,246	2,771,990	1,315,162,858	0.7165	5,826,614,435	22.57%
2017	816,156,782	1,240,556	241,685,369	5,480,210	1,064,562,917	259,387,309	2,848,806	1,326,799,032	0.7216	5,866,135,798	22.62%

Note: The assessed value is set at 19% for residential property; 12% for agricultural property; and 32% for commercial property of the estimated fair market value.

Note: The City does not assess taxes on personal property.

Source: Jackson County Assessor's Office and Clay County Assessor's Office.

Table 8

City of Independence, Missouri
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per $100 assessed value)

		City Direct Rates				Overlapping Rates			
Fiscal Year ending (June 30)	Taxing Year	Basic/General Rate	Public Health & Recreation	Debt Service	Total Direct	Metropolitan Junior College	Independence School District	Jackson County	State
2007	2006	$ 0.451	0.212	—	0.663	0.217	5.084	1.060	0.030
2008	2007	0.451	0.212	—	0.663	0.217	5.084	1.063	0.030
2009	2008	0.446	0.210	—	0.656	0.213	5.084	1.053	0.030
2010	2009	0.478	0.225	—	0.703	0.214	5.084	1.061	0.030
2011	2010	0.495	0.233	—	0.728	0.2329	5.430	1.0596	0.030
2012	2011	0.4924	0.2312	—	0.7236	0.2335	5.580	1.0596	0.030
2013	2012	0.4950	0.2331	—	0.7281	0.2349	5.670	1.0464	0.030
2014	2013	0.5026	0.2368	—	0.7394	0.2369	5.700	1.0464	0.030
2015	2014	0.5026	0.2367	—	0.7393	0.2374	5.700	1.0317	0.030
2016	2015	0.4871	0.2294	—	0.7165	0.2343	5.913	1.0038	0.030
2017	2016	0.4906	0.2310	—	0.7216	0.2339	5.913	1.0117	0.030

Notes:

(1) Taxes are due November 1, delinquent after December 31. A penalty of 1% per month, up to a maximum of 10% is added for each month of delinquency. Collections are enforced through the attachment and sale of the property. Commercial real property is also assessed an additional "replacement tax" of 1.437 per $100 assessed value.

(2) The General Fund and Public Health & Recreation Fund levy rates are limited by Missouri Statutes to $1.00 and $.40 per $100.00 assessed valuation. There is no limit on the levy rates for General Debt and Interest.

(3) County Tax Breakdown (see note 5):

Health & Welfare Fund	0.1460
General Fund	0.1381
Road & Bridge Fund	0.1333
Park Fund	0.0851
Mid-Continent Public Library	0.3153
Developmentally Disabled	0.0738
Mental Health	0.1201
Total County	1.0117

(4) Three other school districts are in the Jackson County portion of the City of Independence. School tax rates for these districts are:

Fort Osage Reorganized #1	5.7000
Blue Springs Reorganized #4	5.7286
Kansas City School District	4.9599

Table 9

City of Independence, Missouri
Principal Property Taxpayers
Current Year and Ten Years Ago

	2017			2008		
Taxpayer	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Total Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Simon Property Group LP	$ 29,935,279	1	2.26%	$ 14,647,130	1	1.04%
Cole DDR Mt Independence LLC	12,556,958	2	0.95%			
Space Center of Kansas City	6,283,301	3	0.47%	7,849,330	2	0.56%
Southern Union Company dba MGE	6,123,012	4	0.46%	3,362,970	7	0.24%
Unilever Best Foods	5,547,178	5		5,882,510	3	0.42%
Sprint	5,361,881	6	0.40%			
Mansion Apartment	4,925,942	7	0.37%			
Comcast Cablevision	4,165,668	8	0.31%			
A T & T	3,935,502	9	0.30%			
Centerpoint Medical Center	3,724,095	10	0.28%			
POB Apollo Independence				4,976,000	4	0.35%
Jones Communications of Missouri				3,076,390	9	0.22%
Burd & Fletcher				4,515,430	5	0.32%
Southwestern Bell				3,815,676	6	0.27%
Independence Apartments Associations				3,458,000	8	0.24%
AGOC, Inc				2,720,720	10	0.19%
Total	$ 82,558,816		5.80%	$ 54,304,156		3.85%

Source: Jackson County Collection Department

Table 10

City of Independence, Missouri
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for Fiscal Year	Collected within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	$ 7,103,810	$ 6,645,387	93.55%	$ 453,968	$ 7,099,356	99.94%
2009	7,287,258	6,807,203	93.41%	485,165	7,292,367	100.07%
2010	7,232,424	6,883,318	95.17%	325,704	7,209,022	99.68%
2011	7,493,616	7,145,073	95.35%	313,746	7,458,819	99.54%
2012	7,495,895	6,971,357	93.00%	376,015	7,347,372	98.02%
2013	7,402,402	7,065,183	95.44%	320,341	7,385,524	99.77%
2014	7,625,313	7,145,159	93.70%	410,752	7,555,911	99.09%
2015	7,468,109	7,164,660	95.94%	273,099	7,437,760	99.59%
2016	7,633,251	7,182,858	94.10%	184,871	7,367,729	96.52%
2017	7,782,123	7,396,095	95.04%	—	7,396,095	95.04%

Source: City of Independence

Table 11

City of Independence, Missouri
Total Utility Sales by Category
Last Ten Fiscal Years

Sales by Category:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Power and Light:										
Residential	$ 55,218,000	52,555,000	56,500,000	64,723,000	71,334,000	71,667,000	72,259,000	70,622,000	68,081,000	71,368,000
Commercial	44,708,000	45,171,000	48,273,000	52,003,000	58,366,000	56,044,000	56,809,000	58,251,000	54,249,000	55,067,000
Industrial	2,999,000	2,904,000	3,085,000	3,292,000	4,462,000	4,839,000	4,867,000	4,727,000	4,187,000	4,464,000
Sold to Other Utilities	2,081,000	1,765,000	4,039,000	3,077,000	1,909,000	2,380,000	2,254,000	2,369,000	3,298,000	1,751,000
Other	1,328,000	1,434,000	1,621,000	1,551,000	1,644,000	606,000	599,000	493,000	367,000	238,000
Water:										
Residential	8,994,600	9,037,744	9,403,985	10,726,567	11,699,971	13,080,814	13,052,557	13,147,584	14,272,445	15,288,208
Commercial	2,458,013	2,450,246	2,404,953	2,835,271	3,325,167	3,847,161	3,555,507	3,491,458	3,759,332	4,135,439
Industrial	308,642	300,577	407,313	450,156	479,477	547,930	769,857	605,223	694,902	605,996
Public Authority	267,428	281,615	297,218	263,137	256,730	270,391	262,012	318,503	281,902	344,489
Sold to Other Utilities	5,023,444	4,930,608	6,302,495	6,659,302	7,153,628	7,714,290	8,136,297	8,322,743	9,461,694	9,814,368
Other	1,081,606	1,344,666	1,217,907	1,245,524	1,289,923	1,531,318	1,760,366	1,845,426	1,981,057	2,146,939
Sanitary Sewer:										
Residential	9,854,124	9,841,314	9,733,214	9,873,906	10,460,524	10,601,887	11,329,939	11,545,538	12,121,229	12,340,133
Commercial	4,559,524	4,560,728	4,569,721	4,841,546	5,099,839	5,288,864	5,755,295	5,875,596	5,402,688	5,903,198
Other	881,836	906,142	897,895	2,443,875	2,628,416	4,340,296	4,295,186	6,073,994	6,148,154	7,865,081
Total	$ 139,763,217	137,482,640	148,752,701	163,985,284	180,108,675	182,758,951	185,705,016	187,688,065	184,305,403	191,331,851

Source: City of Independence

Table 12

City of Independence, Missouri
Total Utility Rates by Category
Last Ten Fiscal Years

Rates by Category:		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Power and Light (per Kwh):	$										
Residential		0.10	0.10	0.11	0.12	0.14	0.14	0.14	0.14	0.14	0.14
Commercial		0.09	0.09	0.10	0.10	0.12	0.12	0.12	0.13	0.12	0.12
Industrial		0.07	0.07	0.07	0.08	0.09	0.09	0.09	0.09	0.08	0.07
Sold to Other Utilities		0.05	0.03	0.03	0.03	0.02	0.03	0.04	0.03	0.02	0.02
Other		0.14	0.15	0.16	0.15	0.15	0.06	0.10	0.12	0.09	0.06
Water (per 1,000 gallons):											
Residential		2.80	3.06	3.35	3.61	3.91	4.14	4.49	4.89	5.21	5.57
Commercial		2.52	2.78	3.08	3.33	3.59	3.82	4.10	4.44	4.77	5.07
Industrial		1.44	1.73	1.97	2.23	2.25	2.29	2.42	2.75	3.21	3.40
Public Authority		2.58	2.86	3.11	3.34	3.67	3.89	4.16	4.36	4.81	5.05
Sold to Other Utilities		1.03	1.10	1.23	1.35	1.46	1.57	1.69	1.80	1.93	2.05
Sanitary Sewer (per 100 cubic feet):											
Residential		3.35	3.50	3.40	3.62	3.90	4.16	4.31	4.49	4.89	5.07
Commercial		2.68	2.69	3.08	3.09	3.42	3.09	3.81	3.74	3.55	3.60
Total	$	16.84	18.16	19.70	21.05	22.73	23.39	25.49	26.98	28.81	30.23

Source: City of Independence

Table 13

City of Independence, Missouri
Principal Utility Payers -
Power and Light
Current Year and Nine Years Ago

	2017			2008		
Utility Customer - Power and Light	Total Sales	Rank	Percentage of Total Sales	Total Sales	Rank	Percentage of Total Sales
Centerpoint Medical Center	1,804,448	1	1.36%	1,257,023	2	1.18%
Unilever (Thomas J. Lipton Co)	1,544,491	2	1.16%	1,538,583	1	1.45%
Burd and Fletcher (5151 Geospace)	1,290,455	3	0.97%	1,202,174	3	1.13%
Smart Warehouse/Commercial Distributions Center	938,503	4	0.71%	967,872	5	0.91%
Simon Property Group LP	933,217	5	0.70%	1,053,007	4	0.99%
HCP MOB Centerpoint (Boyer Company)	623,757	6	0.47%	441,401	8	0.42%
Independence Events Center	559,230	7	0.42%	414,382	10	0.39%
Costco Wholesales Inc.	556,093	8	0.42%	425,973	9	0.40%
City's Rock Creek Sanitary Sewer Plant	506,031	9	0.38%			
Walmart	431,194	10	0.32%			
Price Chopper (Noland Road)				485,495	6	0.46%
Price Chopper (23rd Street)				474,295	7	0.45%
Total	$ 9,187,419		6.91%	$ 8,260,205		7.77%

Source: City of Independence

Table 14

City of Independence, Missouri
Principal Utility Payers -
Water
Current Year and Nine Years Ago

	2017			2008		
Utility Customer - Water	Total Sales	Rank	Percentage of Total Sales	Total Sales	Rank	Percentage of Total Sales
Lee's Summit	$ 5,503,364	1	17.02%	$ 2,580,259	1	14.23%
Blue Springs	1,465,544	2	4.53%	998,614	2	5.51%
District #2, Jackson County	587,396	3	1.82%	313,205	3	1.73%
District #1, Lafayette County	464,862	4	1.44%	276,059	4	1.52%
Grain Valley	416,010	5	1.29%	127,183	8	0.70%
Oak Grove	403,296	6	1.25%	263,398	5	1.45%
Audubon (Lafarge) Corporation	316,885	7	0.98%	148,530	7	0.82%
District #15, Jackson County	325,862	8	1.01%	178,537	6	0.98%
District #16, Jackson County	231,645	9	0.72%			
Buckner	183,117	10	0.57%	113,957	10	0.63%
Unilever (Thomas J. Lipton Co)				120,512	9	0.66%
Total	$ 9,897,981		30.61%	$ 5,120,254		28.24%

Source: City of Independence

Table 15

City of Independence, Missouri
Principal Utility Payers -
Sanitary Sewer
Current Year and Nine Years Ago

	2017			2008		
BP/AMOCO Utility Customer - Sewer	Total Sales	Rank	Percentage of Total Sales	Total Sales	Rank	Percentage of Total Sales
Unilever (Thomas J. Lipton Co)	$ 392,263	1	1.50%	$ 262,819	2	1.72%
City of Independence, Power & Light	297,526	2	1.14%	377,084	1	2.47%
BP/AMOCO	265,953	3	1.02%	234,557	3	1.53%
Centerpoint Medical Center	65,938	4	0.25%			
Space Center of KC	59,978	5	0.23%	73,421	4	0.48%
Simon Property Group LP	59,297	6	0.23%	39,872	5	0.26%
Highland Park Investors	45,518	7	0.17%			
Green Lantern	38,297	8	0.15%			
Midwest Ferrelwood MHP	33,044	9	0.13%			
Smart Warehouse/Commercial Distributions Center	24,407	10	0.09%	17,835	7	0.12%
Price Chopper (23rd Street)				27,620	6	0.18%
Wal-Mart (Bolger Drive)				10,991	8	0.07%
Community of Christ				9,497	9	0.06%
The Boyer Company				9,090	10	0.06%
Total	$ 1,282,221		4.91%	$ 1,062,786		6.95%

Source: City of Independence

Table 16

City of Independence, Missouri
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			
	Loans Payable	Neighborhood Improvement District	Capital Leases	Certificates of Participation
2008	$ 20,681,754	$ 864,153	$ 650,673	$ —
2009	13,586,351	800,207	603,524	—
2010	14,366,011	736,261	431,454	—
2011	11,580,656	667,315	292,063	—
2012	(2) 180,792,033	598,369	1,642,764	—
2013	171,371,974	528,423	1,407,347	—
2014	167,681,305	453,477	1,226,414	—
2015	162,434,005	378,531	1,036,529	—
2016	159,223,920	298,586	1,484,037	—
2017	153,301,444	217,640	1,333,212	—

Fiscal Year	Business-Type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Revenue Bonds	Loans Payable	Capital Leases	Certificates of Participation			
2008	$ 63,829,753	$ —	$ —	$ —	$ 86,026,333	3.48%	$ 788.08
2009	178,411,467	—	65,954	—	193,467,503	7.48%	1,695.18
2010	175,035,863	—	43,988	—	190,613,577	6.77%	1,572.56
2011	195,970,016	—	21,353	—	208,531,403	7.91%	1,784.91
2012	243,037,399	—	—	—	426,070,565	15.64%	3,635.01
2013	296,937,015	—	—	—	470,244,759	16.92%	4,010.96
2014	342,793,093	—	—	—	512,154,289	18.43%	4,368.43
2015	354,386,824	—	—	—	518,235,889	18.75%	4,410.74
2016	344,168,539	—	—	—	505,175,082	17.72%	4,308.35
2017	383,308,356	—	—	—	538,160,652	16.90%	4,598.48

Notes: (1) See Table 21 for personal income and population data.
(2) In 2012 the Tax Increment Financing funds were added back to the primary government presentation as a blended component unit.

Table 17

City of Independence, Missouri
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds	Less Amounts Available in Debt Service	Total	Percentage of Est. Actual Taxable Value of Property (1)	Per Capita (2)
2008	$ —	$ —	$ —	0.00%	$ —
2009	—	—	—	0.00%	—
2010	—	—	—	0.00%	—
2011	—	—	—	0.00%	—
2012	—	—	—	0.00%	—
2013	—	—	—	0.00%	—
2014	—	—	—	0.00%	—
2014	—	—	—	0.00%	—
2015	—	—	—	0.00%	—
2016	—	—	—	0.00%	—
2017	—	—	—	0.00%	—

Notes: (1) See Table 7 for property value data.
(2) See Table 21 for population data.

Note: The City does not have any General Bonded Debt over the past ten fiscal years. Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Table 18

City of Independence, Missouri
Direct and Overlapping Governmental Activities Debt
As of June 30, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Independence School District	$ 238,108,289	93.52%	$ 222,678,872
Fort Osage Reorganized #1 School District	56,238,410	12.50%	7,029,801
Blue Springs Reorganized #4 School District	112,595,000	5.30%	5,967,535
Raytown School District	72,934,305	8.43%	6,148,362
Subtotal, overlapping debt			241,824,570
City direct debt			154,852,296
Total direct and overlapping debt			$ 396,676,866

Note: 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 Independence. 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.

Source: The debt outstanding data and applicable percentages are provided by each governmental entity, and is based on the City's percentage of assessed valuation within the school district.

Table 19

City of Independence, Missouri
Legal Debt Margin Information
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit (1)	$ 282,386,511	282,386,511	259,768,195	257,431,508	255,846,718	255,830,677	256,165,576	253,001,295	263,032,572	265,359,806
Total net debt applicable to limit	790,240	790,240	650,505	585,340	515,768	455,018	368,810	290,306	197,697	118,648
Legal Debt Margin	$ 281,596,271	281,596,271	259,117,690	256,846,168	255,330,950	255,375,659	255,796,766	252,710,989	262,834,875	265,241,158
Total net debt applicable to the limit as a percentage of debt limit	0.280%	0.280%	0.250%	0.227%	0.202%	0.178%	0.144%	0.115%	0.075%	0.045%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Value	$ 1,326,799,032
Debt Limit (20% of assessed value)	265,359,806
General obligation:	
City-Wide	—
Neighborhood Improvement Districts	217,640
Revenue Bonds	383,308,356
Total Bonded Debt	383,525,996
Less:	
Electric Utility Bonds	168,713,439
Water Utility Bonds	27,135,725
Sewer Utility Bonds	97,598,305
Events Center Bonds	89,860,887
Debt Service Fund Balance	98,992
Total net debt applicable to limit	118,648
Legal debt margin	$ 265,241,158

Notes:
(1) - Article 6, Section 26(b) of the Missouri Constitution permits any county or city, by vote of four-sevenths of qualified electors voting thereon, to incur an indebtedness of city purposes not to exceed 5 percent of the value of the taxable tangible property therein, as shown by the last assessment.

(1) - Article 6, Section 26(c) of the Missouri Constitution permits any county or city, by vote of four-sevenths of qualified electors voting thereon, to incur additional indebtedness of city purposes not to exceed 5 percent of the value of the taxable tangible property therein, as shown by the last assessment.

(1) - Article 6, Section 26(d) & (e) of the Missouri Constitution provides that any city may become indebted not exceeding in the aggregate an additional 10 percent of the value of the taxable tangible property for the purpose of acquiring right-of-ways, constructing, extending and improving streets and avenues and/or sanitary or storm sewer systems and an additional 10 percent for purchasing or construction of waterworks, electric or other light plants provided the total general obligated indebtedness of the city does not exceed 20 percent of the assessed valuation.

Table 20

City of Independence, Missouri
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Revenues	Less: Operating Expenses (1)	Net Available Revenue	Debt Service Principal	Debt Service Interest (2)	Coverage
Power & Light (2)						
2008	$ 109,358,222	$ 90,141,975	$ 19,216,247	$ 2,065,000	$ 708,218	$ 6.93
2009	106,810,460	88,778,796	18,031,664	2,155,000	1,157,423	5.44
2010	115,265,625	91,580,614	23,685,011	2,245,000	2,149,388	5.39
2011	127,486,725	98,684,455	28,802,270	2,965,000	2,645,010	5.13
2012	140,997,371	104,196,848	36,800,523	3,820,000	3,042,435	5.36
2013	138,561,630	100,672,846	37,888,784	4,080,000	6,100,037	3.72
2014	139,621,307	106,187,200	33,434,107	5,015,000	5,853,306	3.08
2015	139,687,551	107,899,251	31,788,300	3,265,000	5,670,556	3.56
2016	135,479,674	110,381,924	25,097,750	3,395,000	5,539,957	2.81
2017	138,833,337	103,916,192	34,917,145	3,530,000	6,607,431	3.44
Water (2)						
2008	$ 18,422,122	$ 13,268,938	$ 5,153,184	$ 2,200,000	$ 1,838,014	$ 1.28
2009	18,709,946	13,618,857	5,091,089	2,380,000	2,032,591	1.15
2010	21,979,071	14,628,914	7,350,157	2,525,000	2,495,816	1.46
2011	24,133,141	15,051,480	9,081,661	2,790,000	2,263,273	1.80
2012	26,383,701	15,282,735	11,100,966	2,965,000	2,150,678	2.17
2013	28,165,483	16,255,647	11,909,836	3,180,000	2,003,608	2.30
2014	29,374,518	16,856,321	12,518,197	3,395,000	1,463,831	2.58
2015	29,739,720	16,376,953	13,362,767	4,230,000	1,281,338	2.42
2016	32,783,397	17,560,790	15,222,607	4,260,000	1,206,338	2.78
2017	34,018,812	17,976,941	16,041,871	3,275,000	1,114,613	3.65
Sanitary Sewer						
2008	$ 15,860,966	$ 11,852,963	$ 4,008,003	$ —	$ —	$ —
2009	15,585,793	13,005,365	2,580,428	—	—	—
2010	15,310,352	13,001,081	2,309,271	—	—	—
2011	17,099,048	13,451,850	3,647,198	—	—	—
2012	19,260,332	13,840,938	5,419,394	—	—	—
2013	20,249,977	13,440,965	6,809,012	—	1,030,631	6.61
2014	21,501,256	14,301,898	7,199,358	745,000	2,740,012	2.07
2015	23,586,443	14,891,692	8,694,751	1,015,000	3,979,597	1.74
2016	24,292,174	15,786,512	8,505,662	1,535,000	4,373,881	1.44
2017	26,286,812	16,173,501	10,113,311	1,945,000	4,327,756	1.61

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

Notes: (1) Operating expenses excludes depreciation, interest expense, amortization, non-operating expenses, OPEB, net pension expense (GASB 68), and payments in lieu of taxes.

(2) Numbers displayed for Power and Light are in accordance with FERC accounting. Numbers displayed for Water are in accordance with NARUC accounting.

Table 21

City of Independence, Missouri
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year (3)	Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (1)
2007	116,359	$ 2,651,123,456	$ 22,784	39.22	14,113	5.40%
2008	109,159	2,471,141,442	22,638	39.28	13,550	6.40%
2009	114,128	2,585,569,840	22,655	39.56	16,065	9.80%
2010	121,212	2,817,572,940	23,245	39.81	20,755	10.35%
2011	116,830	2,636,035,290	22,563	38.79	19,505	10.20%
2012	117,213	2,723,795,694	23,238	38.18	24,900	7.10%
2013	117,240	2,778,588,000	23,700	39.60	25,320	6.90%
2014	117,494	2,763,928,856	23,524	41.80	24,304	6.70%
2015	117,255	2,850,820,815	24,313	38.60	25,173	5.60%
2016	117,030	3,183,801,150	27,205	39.30	25,076	5.50%

Note: (3) The information shown is for calendar years.

Sources: (1) Information provided by U.S. Census Bureau, Mid-America Regional Council or Claritas, Inc.
(2) Information provided by school districts.

Table 22

City of Independence, Missouri
Principal Employers
Current Year and Nine Years Ago

	2017			2008		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Independence School District	2,200	1	3.85%	1,800	2	3.25%
Orbital ATK (Lake City)	1,722	2	3.01%	2,400	1	4.34%
Centerpoint Medical Center	1,400	3	2.45%	1,600	3	
City of Independence	1,086	4	1.90%	1,176	4	2.13%
Government Employee Health Association	743	5	1.30%	550	5	0.99%
Rosewood Health Center at the Groves	444	6	0.78%	400	6	0.72%
Burd & Fletcher	274	7	0.48%	350	7	0.63%
Jackson County Circuit Court	274	8	0.48%	274	9	0.50%
Cable Dahmer Automotive	271	9	0.47%			
Unilever	260	10	0.45%	330	8	0.60%
Mid-Continent Library				248	10	0.45%
Total	8,674		14.65%	9,128		16.07%

Source: Independence Council for Economic Development and Mid-America Regional Council.

Table 23

City of Independence, Missouri
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
City council office	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
City clerk	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
City manager	10.50	10.50	9.50	9.50	7.00	7.00	7.00	7.00	7.00	7.00
National Frontiers Trails Museum	6.00	6.00	6.00	6.00	5.75	5.75	5.75	5.00	—	—
Technology services	21.00	21.00	21.00	21.00	22.00	22.00	22.00	23.00	24.00	24.00
Municipal court	14.00	14.00	14.00	14.00	14.00	14.67	14.65	14.65	14.65	14.65
Law - General fund	6.51	6.50	6.50	6.00	6.25	6.25	6.25	6.23	6.23	6.21
Law - Grant fund	0.37	0.25	0.25	0.25	0.25	0.25	0.25	0.28	0.28	0.16
Finance	25.00	24.15	24.15	24.15	22.65	22.65	22.65	22.15	22.15	22.15
Human resources	7.50	7.50	7.50	6.50	6.50	6.44	7.44	6.75	6.75	6.75
Public Safety										
Police - General fund	283.00	290.40	290.40	292.90	274.65	276.91	291.91	296.91	296.91	295.91
Police - Grant fund	14.00	15.00	15.00	13.00	14.00	13.00	13.00	7.00	7.00	6.00
Fire - General fund	173.25	173.25	173.25	173.25	173.25	173.25	169.25	169.75	173.75	173.75
Fire - Grant fund	0.75	0.75	0.75	0.75	0.75	0.75	4.75	5.25	1.25	1.25
Public Works										
General Fund	82.00	82.00	82.00	83.00	79.90	79.90	80.27	80.27	80.27	80.27
Street Sales Tax Fund	—	—	—	—	—	3.00	3.00	3.00	3.00	3.00
Health and Welfare										
General fund	35.25	35.25	35.25	36.00	35.16	40.20	29.33	28.56	28.56	29.52
Grant fund	6.25	7.10	5.35	4.95	8.65	7.65	9.06	6.86	7.13	8.15
Culture and Recreation										
General fund	32.65	32.65	33.46	31.71	28.71	30.15	27.85	27.10	27.10	26.52
Tourism fund	4.41	4.41	4.41	4.41	4.66	4.66	5.66	8.18	14.18	13.00
Park Improvement Sales Tax fund	25.29	25.29	23.98	22.48	21.75	20.75	24.70	26.61	26.61	28.22
Community Development										
General fund	26.64	26.05	27.55	27.05	27.30	27.30	27.30	28.68	28.68	28.18
Community Dev Block Grant fund	2.11	2.70	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
HOME Program fund	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Storm Water										
Water Poll Control - General Fund	5.00	5.00	5.00	5.00	—	—	—	—	—	—
Storm Water Sales Tax fund	8.00	8.00	8.00	8.00	13.00	13.00	13.00	13.00	13.00	13.00
Power and Light										
Technology Services - General Fund	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.50	1.50
Power and Light	220.00	217.00	218.00	222.00	233.00	236.00	238.00	239.00	239.00	239.00
Water										
Finance - General fund	0.15	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
Water	98.50	101.65	101.65	101.65	93.65	93.42	92.42	93.42	93.42	93.42
Sewer										
Public Works - General fund	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water Pollution Control	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	73.20	73.20
Central Garage fund	10.00	10.00	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75
Worker' Compensation Fund	1.75	1.75	1.75	1.75	2.00	2.00	2.00	2.00	2.00	2.00
Total	1,208.88	1,218.00	1,216.30	1,216.90	1,196.93	1,209.05	1,220.59	1,223.75	1,229.22	1,228.41

Source: City of Independence Budget

Table 24

City of Independence, Missouri
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police										
Police Incident Calls	122,667	125,899	126,087	100,096	98,282	112,197	90,403	105,840	99,355	147,127
Traffic Unit Citations Issued	31,241	31,969	38,465	19,082	19,977	33,234	40,761	36,864	37,921	27,561
Fire										
Total Alarms	13,130	15,374	16,081	16,931	16,907	17,126	16,929	18,737	20,175	20,790
Public Education Audience	18,830	10,291	38,133	35,243	19,508	26,099	25,591	14,787	6,692	13,066
Public Works										
Street Overlay (lane miles)	—	53	63	16	35	32	39	49	69	110
Street Patching Jobs	6,822	3,168	6,163	7,181	5,069	4,319	7,718	7,561	4,319	6,067
Health and Welfare										
Food Handlers Trained	10,112	8,850	9,333	7,036	6,582	5,863	5,187	5,712	4,845	4,407
Flu Shots Given	764	789	7,369	661	422	—	—	3,200	2,434	1,741
Animal Control Service Calls	6,641	9,314	9,489	6,957	7,499	6,343	6,255	5,452	5,008	4,221
Culture and Recreation										
Park Shelter Reservations	646	872	715	730	524	579	657	698	652	640
Number of Sermon Center Memberships	1,500	1,323	1,574	1,577	1,577	1,671	1,332	1,618	2,065	1,840
Community Development										
Permits Issued	4,100	3,782	3,246	4,538	3,177	2,728	3,049	3,155	3,002	3,656
Tourism										
Site Attendance	244,524	230,483	222,104	287,466	374,525	130,249	293,772	409,320	299,457	292,603
Leisure Visitor Inquiries	35,446	33,392	39,925	38,828	50,517	37,126	31,282	33,117	32,198	45,826
National Frontiers Trails Museum										
Number of visitors to museum	15,095	14,900	16,691	15,126	14,123	12,932	13,470	13,532	14,645	17,934
Power and Light										
Average number of monthly customers	56,790	56,656	56,585	56,458	56,292	56,297	56,474	56,709	56,908	57,123
Water										
Number of customers	48,350	48,318	47,822	48,089	48,145	48,121	48,253	48,384	48,615	48,863
Water main breaks	179	171	202	267	249	402	318	227	184	199
Sewer										
Number of customers	44,210	44,279	44,232	44,078	44,085	44,062	44,166	44,793	44,559	44,755
Wastewater Treated (Million Gallons)	2,701	3,080	3,249	2,515	2,261	2,361	2,124	2,558	3,229	2,603

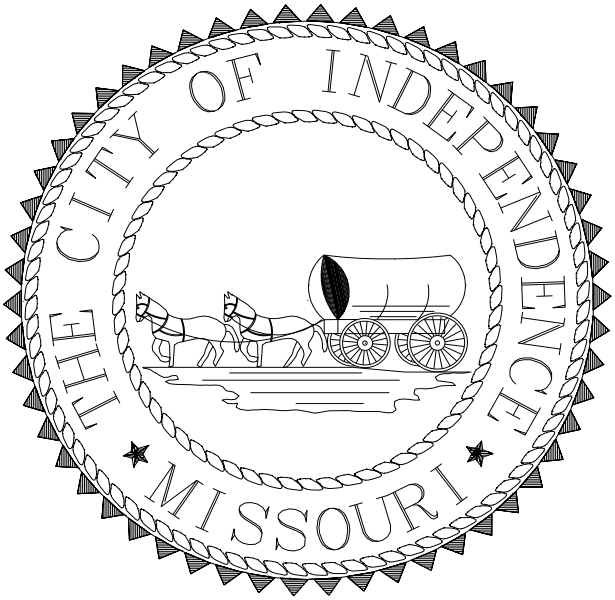
Source: City of Independence

Table 25

City of Independence, Missouri
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police										
Police stations	4	4	5	4	3	5	5	5	3	4
Vehicles	206	201	215	166	180	191	191	194	185	200
K - 9 Facility	1	1	1	1	1	1	1	1	1	1
Fire										
Fire Stations	10	10	10	10	10	10	10	10	10	10
Fire Training Facilities	—	1	1	1	1	1	1	1	1	1
Vehicles	42	45	48	47	45	44	45	46	45	48
Public Works										
Total area (square miles)	78	78	78	78	78	78	78	78	78	78
Paved miles	564	547	557	565	565	560	560	560	578	592
Culture and Recreation										
Park acreage	728	728	781	730	843	843	887	887	843	827
Parks	42	42	45	43	45	46	42	43	46	44
Community Centers	3	3	3	3	4	3	3	3	3	33
Fitness Centers	2	2	2	2	2	2	3	3	2	2
Ball Fields	54	54	57	54	42	45	44	44	44	41
Power and Light										
Power stations	5	5	5	5	6	6	6	6	6	5
Transmission/Distribution Circuits (miles)	835	840	844	847	859	853	869	870	888	888
Maximum daily use (Mwh)	5,579	5,472	4,909	5,456	5,780	5,654	4,818	4,754	4,983	5,166
Water										
Water mains (miles)	741	742	746	750	757	758	759	760	760	761
Fire hydrants	4,635	4,679	4,728	4,787	4,854	4,875	4,910	4,933	4,950	4,967
Maximum daily pumpage (millions of gallons)	39	38	35	42	42	47	40	37	39	36
Sewer										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Sewers mains (miles)	578	596	597	596	614	614	614	614	616	619
Maximum daily capacity of treatment (MGD)	16	18	18	18	16	16	32	32	32	27

Source: City of Independence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City of Independence

111 East Maple St., P.O. Box 1019, Independence, Missouri 64051-0519 (816) 325-7000