INDEPENDENCE
MISSOURI

A GREAT AMERICAN STORY

Audit and Finance Committee

February 11, 2026 3:30 PM,

IUC, Room 117, 17221 E, 23rd St. S, Independence, MO 64057

CALL TO ORDER

1. Present
2. Absent
3. Additional Attendees
4. Approval of Minutes - December 17, 2025

OLD BUSINESS

NEW BUSINESS

1. Fiscal Year 2025 Audit Presentation

ADJOURNMENT

Audit & Finance Committee
Wednesday, December 17, 2025, 3:00 PM
Independence Utilities Center, Rm #117 (Ground Floor)
17221 E 23rd St S, Independence, MO 64057

Present: Jared Fears, John Perkins, Heather Wiley, Charlie Dissell, Tom Scannell, Nancy Cooper, Melissa Cabrera, Andrew Frazier, Rich Sese

Absent: None

CALL TO ORDER / ROLL CALL

- Meeting called to order at 3:00 PM by Jared Fears

APPROVAL OF 9/24/2025 MINUTES

- Councilmember Perkins made a motion to approve the minutes of September 24, 2025, Councilmember Wiley seconded the motion, all present were in favor of approval. Minutes were approved as written.

PUBLIC HEARING

- **Public Hearing for 5 Year TIF**
  By Tom Scannell, Community & Economic Development Director
  -Overview of 5-year TIF's-those having their anniversary or those that are closing.
  -Each year we have a hearing on those TIF projects where they are passing their five year anniversary or after a TIF has been closed. This is spelled out in State Statutes in Section 99.865. We are looking at the redevelopment plan and project and reviewing each one of those for those TIFS.
  -This year we have three TIF's to be reviewed, which are: Old Landfill-which has reached its 20 year life, also known as Stone Canyon; Trinity has also reached its 20 year life and Sante Fe which is a closure.
  -Reviews of each were presented and discussed.
  -Anyone wishing to speak was invited forward.
  -With no speakers, public hearing was closed.

OLD BUSINESS

- **Risk Management Discussion**
  -Plans to mitigate risk, especially in the area of risk management/workers compensation.
  -Meetings discussions are being held and will include Charlesworth and what needs to be done in the next year.
  -Real need identified for a Program Administrator to oversee workers compensation and hiring a person for that.
  -A good policy has been developed in the Municipal Services Department.
  -There will be an upcoming Risk Management Study Session.

NEW BUSINESS

- **Financial Update:** Melissa Cabrera, the Director of Finance, provided an overview of the financial reports including, sales tax funds, use tax funds, tourism and utility funds

- Discussion on After Action Review of water issue

- Management Analyst Audits:
  -Special Assessments & Tax Lein Review
  -Gas Cards vs. City Fueling Sights: IFD spearheading, will have more data at the beginning of the year
  -Both audits expected to be done by the next Audit & Finance Committing Meeting, will keep the Council informed
  -Request from Councilmember Wiley to continue discussion of putting Rental Ready in future Management Analyst audits after Study Session information

NEXT MEETING

- Special Meeting for Audit: Wednesday, February 11, 2026, at 3:30 PM
- Regular Meeting: Wednesday, March 25, 2026, at 3:00 PM

ADJOURNMENT

- With no other comments, the meeting was adjourned at 4:10 PM.

City of Independence, Missouri

June 30, 2025

ViewPoints

Auditor Communications

Auditor Communications

Honorable Mayor, Members of City Council and Members of Management
Independence, Missouri

We have audited the financial statements of City of Independence, Missouri (City)as of and for the year ended June 30, 2025, and have issued our report thereon dated December 18, 2025. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States *(Government Auditing Standards)*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 28, 2025. Professional standards also require that we communicate to you the following information related to our audit.

This information is intended solely for the information and use of the Honorable Mayor, Members of City Council and members of management of the City and is not intended to be and should not be used by anyone other than these specified parties.

December 18, 2025

Auditor Communications

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES	COMMENTS
▪ Management is responsible for the selection and use of appropriate accounting policies. ▪ Significant accounting policies are described in Note 1 to the financial statements. ▪ No transactions entered into during the year lacked authoritative guidance or consensus. ▪ No transactions were recorded out of the period they occurred. ▪ No instances where a significant accounting practice acceptable under the applicable financial reporting framework is not appropriate. ▪ No significant unusual transactions noted	The City implemented GASB Statement Number 101, *Compensated Absences,* during the year. This did not have a material impact on the financial statements. No further comments

Auditor Communications

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES *(CONTINUED)*

ACCOUNTING ESTIMATES

Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are:

Actuarial assumptions in the calculation of other post employment benefit costs is based on professional actuarial requirements.

Estimate of the amount of compensated absences that are more likely than not to be used for time off or otherwise paid in cash or settled through noncash means is based on the City's historical information.

We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

DISCLOSURES

The disclosures to the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the users of the financial statements. The most sensitive disclosures affecting the financial statements are:

(2) Deposits and Investments

(3) Tax Revenue

(7) Long – Term Obligations

Auditor Communications

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. The attached schedule (see next page) summarized uncorrected misstatements of the financial statements and communicates the impact on the financial statements of each opinion unit impacted. Uncorrected misstatements are those that management has determined are not material, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We identified no misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Auditor Communications

UNCORRECTED MISSTATEMENTS

	Increase (Decrease) On Opinion Unit If the Following Uncorrected Entries Had Been Recorded						
DESCRIPTION	**ASSETS / DEF OUTFLOW**	**LIABILITIES / DEF INFLOW**	**NET POSITION / FUND BAL**	**REVENUES**	**EXPENSES**	**NET CHANGE**	**IMPACT ON FUTURE YEAR NET CHANGE**
Beginning of the year impact of GASB 101 implementation - Power & Light Fund*	$ —	$ —	$ 1,026,363	$ —	$ (1,026,363)	$ 1,026,363	No
Beginning of the year impact of GASB 101 implementation - Sanitary Sewer Fund*	—	—	183,344	—	(183,344)	183,344	No
Beginning of the year impact of GASB 101 implementation - Water Fund*	—	—	209,662	—	(209,662)	209,662	No
Effect of uncorrected entries for current year - Business-type Activities*	$ —	$ —	$ 1,419,369	$ —	$ (1,419,369)	$ 1,419,369	No
Beginning of the year impact of GASB 101 implementation - Internal Service Funds*	$ —	$ —	$ 248,598	$ —	$ (248,598)	$ 248,598	No
Effect of uncorrected entries for current year - GASB 101 - Governmental Activities*	$ —	$ —	$ 4,519,072	$ —	$ (4,519,072)	$ 4,519,072	No

Description Of Omitted Disclosures Including Amounts
NONE

*All uncorrected misstatements relate to the implementation of GASB 101. Management recorded all expenses related to the increased compensated absence liability from GASB 101 implementation in 2025 rather than recording the expense between 2024 and 2025 and restating 2024 balances in the 2025 Annual Comprehensive Financial Report. This was a practical approach to implementing the standard in a manner that avoided presenting a change to the opening balances.

Auditor Communications

OTHER REQUIRED COMMUNICATIONS

- The independent auditors' report contains reference to another auditor for the Cable Dahmer Arena
- No significant matters resulted in consultation outside our engagement team
- No significant difficulties in dealing with management in performing or completing our audit
- No disagreements with management related to financial accounting, reporting or auditing matters
- Management did not consult with other independent accountants
- No other audit findings or issues
- Management representation letter attached

COMMENTS

No further comments

Auditor Communications

OTHER INFORMATION INCLUDED IN ANNUAL REPORTS

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements. Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Auditor Communications

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards,* we have also issued our report on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

COMMENTS

No further comments

Auditor Communications

SINGLE AUDIT

During the year ended June 30, 2025, the City expended greater than $750,000 of federal awards. Accordingly, we performed a single audit pursuant to the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards* (Uniform Guidance).

COMMENTS

The federal programs selected as major during the single audit are:

- Coronavirus State and Local Fiscal Recovery Funds – ALN 21.027
- Federal Transit Cluster – ALN 20.507
- HOME Investment Partnership – ALN 14.239

The single audit is expected to be issued before March 31, 2026, consistent with OMB requirements.

Prior Year And Current Year Recommendations / Observations

Recommendation/Observation	Prior Year Or Current Year	Status
All tracking of capital assets should be migrated to MUNIS	Prior Year	In Process - City has a project plan to continue to migrate the utilities' capital assets over the next few years
Reconciliation of billing in utilities could be completed more frequently than monthly to improve efficiency in the reconciliation process.	Prior Year	Corrective action taken – Effective 06/01/2025, management is processing daily imports from the CIS billing system into Munis. This has greatly improved the efficiency of the reconciliation process.
Shortening the time to close the financial statements could reduce the client journal entries provided during the audit.	Prior Year	Corrective action taken – Improvement from years prior was shown in 2024 and further improvement shown in 2025 in the number of client journal entries provided during the audit. More thorough reviews have been performed by management ensuring appropriate adjustments have been made before the initial trial balance is run for the audit.

Appendix A
Management Representation Letter

December 18, 2025

RubinBrown LLP
1200 Main Street
Suite 1000
Kansas City, Missouri 64105

This representation letter is provided in connection with your audit of the basic financial statements of the City of Independence, Missouri as of June 30, 2025, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of City of Independence, Missouri in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

We understand we are responsible for management decisions and functions, for designating a qualified employee to oversee any nonattest services you provide, for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Certain representations in this letter are described as being limited to matters that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, as of December 18, 2025 the following representations made to you during your audit:

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2) We acknowledge our responsibility for 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.
3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4) The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
5) All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7) The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
8) The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9) With regard to items reported at fair value:
    a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
    b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
    c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
    d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
10) All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
11) All funds and activities are properly classified.
12) All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
13) All net position components and fund balance classifications have been properly reported.
14) All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
15) All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
16) All interfund and intra-entity transactions and balances have been properly classified and reported.
17) Special items and extraordinary items have been properly classified and reported.
18) Deposit and investment risks have been properly and fully disclosed.
19) Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
20) Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed.
21) With regard to pensions and OPEB:
    a. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
    b. Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation, or disclosed as a subsequent event.
22) All required supplementary information is measured and presented within the prescribed guidelines.
23) We believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP.
24) The methods of measurement or presentation for the supplementary information have not changed from those used in the prior period.
25) We believe the following significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
26) When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of

the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

27) We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.

Information Provided

28) We have provided you with:
    a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
    b. Additional information that you have requested from us for the purpose of the audit; and
    c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
29) All transactions have been recorded in the accounting records and are reflected in the financial statements.
30) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
31) We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
32) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
    a. Management;
    b. Employees who have significant roles in internal control; or
    c. Others where the fraud could have a material effect on the financial statements.
33) We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
34) We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
35) We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
36) We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
37) We have a process to track the status of audit findings and recommendations.
38) We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
39) We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
40) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
41) We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
42) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
43) The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
44) We have disclosed to you all guarantees, whether written or oral, under which the entity is contingently liable.
45) We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

46) There are no violations or possible violations or laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
47) There are no other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB 62.
48) We have disclosed to you all known actual or possible litigation, claims and assessment whose effects should be considered when preparing the financial statements.
49) The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
50) We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
51) We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
52) We have provided you with:
    a. A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
    b. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditors' report.
53) The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.

Single Audit

54) With respect to federal awards, we represent the following to you:
    a. We are responsible for understanding and complying with, and have complied with, the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
    b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards (SEFA) in accordance with the Uniform Guidance.
    c. We believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance.
    d. We acknowledge our responsibility for presenting the SEFA in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period, and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.
    e. We are responsible for including the auditors' report on the SEFA in any document that contains the schedule and that indicates that the auditor has reported on such information.
    f. We have identified and disclosed all of our government programs and related activities subject to the Uniform Guidance compliance audit.
    g. When the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date of issuance by the entity of the SEFA and the auditors' report thereon.
    h. We have, in accordance with the Uniform Guidance, identified in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.

i. We have provided to you our interpretations of any compliance requirements that are subject to varying interpretations.
j. We have made available to you all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
k. We have received no requests from a federal agency to audit one or more specific programs as a major program.
l. We have identified and disclosed to you all amounts questioned and any known noncompliance with the direct and material compliance requirements of federal awards, including the results of other audits or program reviews, or stated that there was no such noncompliance. We also know of no instances of noncompliance with direct and material compliance requirements occurring subsequent to period covered by the auditors' report.
m. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditors' report.
n. We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
o. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
p. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
q. We have monitored subrecipients, as necessary, to determine if they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.
r. We have issued management decisions for audit findings that relate to federal awards we make to subrecipients and such management decisions are issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipients have taken the appropriate and timely action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient from the pass-through entity.
s. We have considered the results of subrecipients' audits and have made any necessary adjustments to our own books and records.
t. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance, as applicable.
u. We have charged costs to federal awards in accordance with applicable cost principles.
v. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
w. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
x. The reporting package does not contain personally identifiable information.
y. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
z. We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information.
aa. We have reviewed, approved, and taken responsibility for accrual adjustments and an acknowledgment of the auditors' role in the preparation of the adjustments. (This

representation is required by footnote 28 to paragraph 3.18 of *Government Auditing Standards* when the auditor has a role in converting cash-basis financial statements to accrual-based financial statements.)

bb. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

In addition:

cc. We are responsible for understanding and complying with the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major federal program; and we have complied with these direct and material compliance requirements

dd. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provide reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on our federal programs. Also, no changes have been made in the internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditors' report.

ee. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form and we are responsible for taking corrective action on audit findings of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

Lisa Reynolds, Interim City Manager

Melissa Cabrera, Director of Finance

Nancy Cooper

Nancy Cooper, Assistant Director of Finance

Summary of Passed Journal Entries

Client:	***20432.0000 - City of Independence***
Engagement:	***2025 AUD - City of Independence***
Period Ending:	***6/30/2025***
Trial Balance:	***Government Fund Trial Balance***
Workpaper:	***3050 - Passed Journal Entry Report***
Fund Level:	***All***
Index:	***All***

Account	Description	W/P Ref	Debit	Credit
Proposed Journal Entries				
Proposed Journal Entries JE # 10		**3050.1**		
To restate beginning net position and CY expense as a result of recording the impact of GASB 101 in the current year as a practical expedient rather splitting the impact between 2024 and 2025 (retroactive application).				
020-2898	Fund Balance Unreserved		1,026,363.00	
030-2898	Fund Balance Unreserved		183,344.00	
040-2898	Fund Balance Unreserved		209,662.00	
090-2898	Fund Balance Unreserved		18,602.00	
095-2898	Fund Balance Unreserved		229,996.00	
099-2898	Fund Balance Unreserved		4,519,072.00	
020-5195	Compensated Emp Absences			1,026,363.00
030-5195	Compensated Emp. Absences			183,344.00
040-5195	Compensated Emp Absences			209,662.00
090-5195	Compensated Emp. Absences			18,602.00
095-5195	Compensated Emp Absences			229,996.00
099-5195	Compensated Emp Absences			4,519,072.00
Total			**6,187,039.00**	**6,187,039.00**
	Total Proposed Journal Entries		**6,187,039.00**	**6,187,039.00**
	Total All Journal Entries		**6,187,039.00**	**6,187,039.00**

Annual Comprehensive Financial Report

INDEPENDENCE

MISSOURI

A GREAT AMERICAN STORY

For the Fiscal Year Ended

June 30, 2025

CITY OF INDEPENDENCE, MISSOURI

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Mayor

Rory Rowland

City Council

John Perkins	District #1
Brice Stewart	District #2
Heather Wiley	District #3
Jennie Vaught	District #4
Bridget McCandless	At-large
Jared Fears	At-large

Interim City Manager

Lisa Reynolds

Prepared by the Department of Finance

Melissa Cabrera, Director of Finance

Nancy Cooper, Assistant Director of Finance

CITY OF INDEPENDENCE, MISSOURI

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CITY OF INDEPENDENCE, MISSOURI

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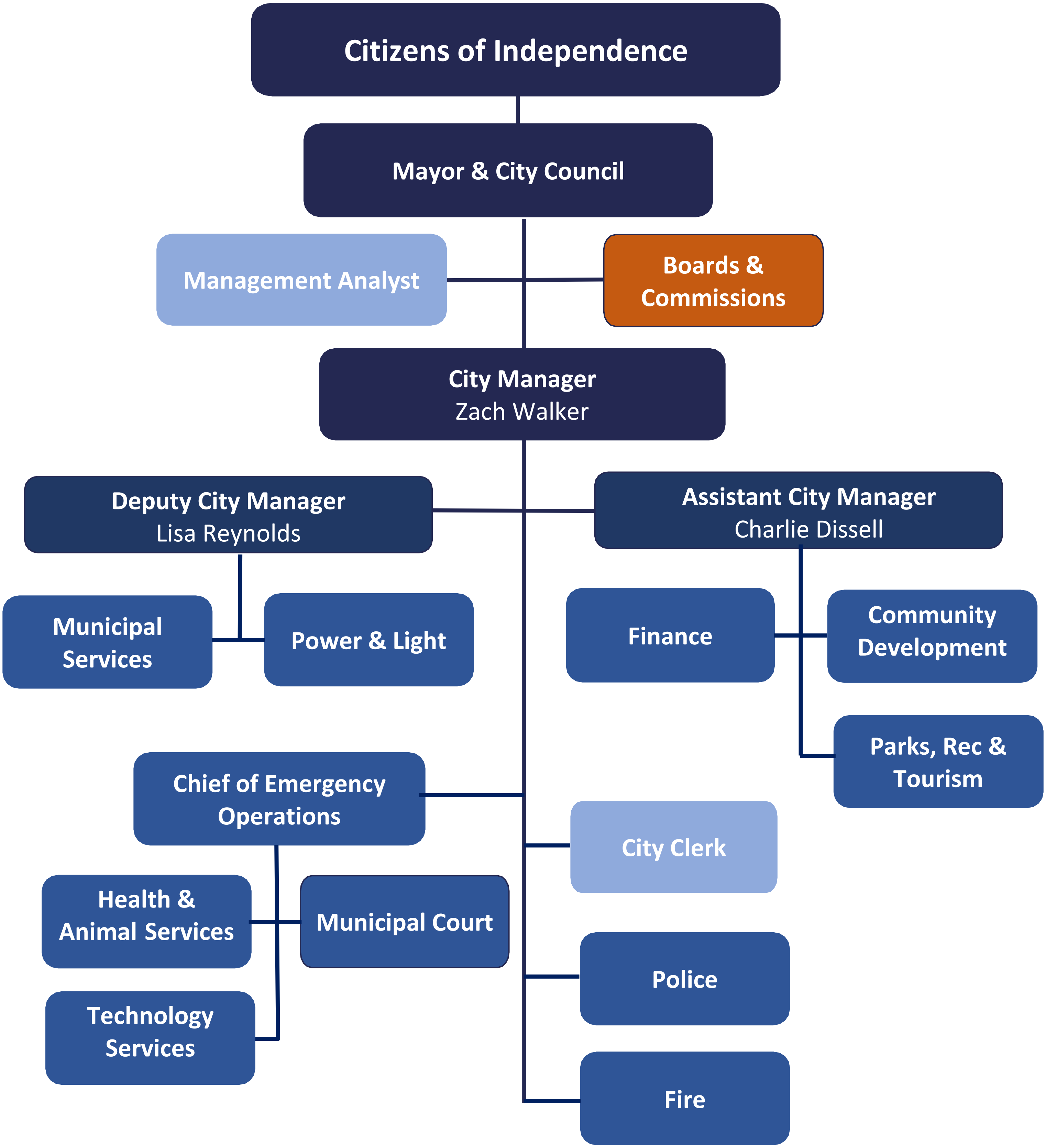
Citizens of Independence
Mayor & City Council
Management Analyst
Boards & Commissions
City Manager
Zach Walker
Deputy City Manager
Lisa Reynolds
Assistant City Manager
Charlie Dissell
Municipal Services
Power & Light
Finance
Community Development
Parks, Rec & Tourism
Chief of Emergency Operations
City Clerk
Health & Animal Services
Municipal Court
Police
Technology Services
Fire

INDEPENDENCE

★ FINANCE & ADMINISTRATION ★

December 19, 2025

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

The Finance Department is pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Independence, Missouri, for the fiscal year ended June 30, 2025. 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 RubinBrown, 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, 2025, 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, 2025, 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 separately issued Single Audit Report.

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INDEPENDENCEMO.ORG

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 121,606.

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 one of the largest employers in Independence and encompasses 458 buildings on 3,935 acres. Independence is home to the Harry S. Truman Presidential Museum & Library, one of only fifteen 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 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), Cable Dahmer Arena – Oak View Group (formerly known as Spectra Venue Management), Events Center Community Improvement District (CID), Crackerneck Creek Transportation Development District's (TDD), Hub Drive Community Improvement District (CID), and the Hub Drive Transportation Development District (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 (e.g. 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 are required and included in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The Special Revenue Funds with an adopted budget include the Tourism, Community Development Block Grant, Rental Rehabilitation, Street Improvements Sales Tax, Parks Improvements Sales Tax, Storm Water Sales Tax, Police Public Safety Sales Tax, Fire Protection Sales Tax, Marijuana Sales Tax, Proposition PD Sales Tax, Grants, American Rescue Plan Act, Animal Shelter Use Tax, Police Use Tax, Health Property Tax Levy, and Parks and Recreation Property Tax Levy funds.

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, 2025, 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 Cable Dahmer 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 separate community ice rink. The Arena opened in November 2009, providing approximately 120 new jobs. The Cable Dahmer Arena is home to the Central Hockey League franchise the Kansas City Mavericks and Major Indoor Soccer League the Comets. The Kansas City Mavericks have a signed contract, with the Arena, that expires in June 2026 and the Comets contract expires in April 2028.

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
2025*	4.7%	4.5%	4.0%
2024	4.0%	3.5%	3.2%
2023	3.6%	3.4%	3.0%
2022	3.2%	2.9%	2.5%
2021	6.4%	5.5%	4.4%
2020	8.0%	7.1%	6.1%

Source: MERIC MO Economic Research and Information Center/MO Dept of Economic Development
*Average estimated through June 2025

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 2025-26 includes projects totaling an estimated $79.6 million for 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 prioritized and the financial condition of the City is evaluated. Many of the street improvements, park improvements and storm water projects are funded by the voter approved street, parks, and storm water sales taxes.

Relevant financial policies

Effective July 1, 2017, the City's financial policy to maintain an unassigned fund balance level in the General Fund increased from 5.0% to 16.0% of annual revenues and transfers from utilities for payments in lieu of taxes (PILOTS). At the close of the 2024-25 fiscal year, the unassigned fund balance in the General Fund was 18.02% of the General Fund revenues and utility PILOTS. This is an increase of 0.80% from the 2023-24 amount of 17.22%.

If the target level of unassigned fund balance is not being met or is unlikely to be met within five years, it is the City's policy to establish a plan to replenish the unassigned fund balance during the annual budget process. In previous years, the City Manager has not funded vacant positions in an effort to reduce salary and benefit costs, and departments have been asked to reduce expenditures in an effort to reduce costs.

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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable, efficiently organized annual comprehensive 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 ACFR 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 preparation of this report would not have been possible without the efficient and dedicated services of the Finance Department team members. 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 Rubin Brown, LLP for their assistance, guidance, and timeliness in the preparation of this annual report.

Respectfully submitted,

Melissa Cabrera
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Independence
Missouri

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

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

Report On The Audit Of The Financial Statements

Opinions

We have audited the 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of June 30, 2025, 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 (GAAP).

We did not audit the financial statements of Cable Dahmer Arena (Arena), which is a blended component unit presented within the Events Center Fund, a major enterprise fund of the City. This activity represents 4.5 percent and 42.8 percent, respectively, of the total assets and total revenues of the major enterprise fund and 0.5 percent and 3.0 percent, respectively, of the total assets and total revenues of the business-type activities. Those statements were audited by another auditor, 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 auditor.

Basis For Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States *(Government Auditing Standards).* Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. The financial statements of the Arena were not audited in accordance with *Government Auditing Standards.* We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities Of Management For The Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

GAAP requires that the Management's Discussion and Analysis on pages 12 through 23, the Budgetary Comparison Schedules listed as exhibits 10 and 10.1 and the Pension and Other Post Employments Benefits information listed as exhibits 11 through 13, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, budgetary comparison schedules and other schedules listed as exhibits 14 through 44 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections and schedules included as exhibits 45 through 48 but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 18, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RubinBrown LLP

December 18, 2025

CITY OF INDEPENDENCE, MISSOURI
Management's Discussion and Analysis
June 30, 2025

This section of the City of Independence's Annual Comprehensive Financial Report presents our review of the City's financial performance during the fiscal year that ended on June 30, 2025. 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 assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by $579,516,286 (net position).
- The City's total net position increased $47.3 million to a total of $579.5 million. The City's governmental activities had an increase of $10.8 million, and the business-type activities had an increase of $36.5 million.
- The City's governmental funds reported combined ending fund balances of $180.2 million, an increase of $52.6 million from the prior year.
- The unassigned fund balance of the General Fund was $15.1 million, an increase of $473,952 from the prior year.

Overview of the Financial Statements

The financial section of 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 and budget to actual comparisons. The basic financial statements include two kinds of statements that present different views of the City:

- The government-wide financial statements (Statement of Net Position and Statement of Activities) provide both long-term and short-term information about the City's overall financial status.
- The fund financial statements focus on individual segments of the City's operations and report in more detail than the government-wide statements:
    - The governmental funds statements detail how general government services, like public safety, were financed in the short-term, as well as, what remains for future spending. The focus of these reports is to show the ability of the City to provide governmental services with current resources.
    - Proprietary fund statements offer short-term and long-term financial information about the activities the City operates like a business, such as the Power and Light system, Water system, Sanitary Sewer system, and the Cable Dahmer Arena. The focus of these reports is to show the economic resources, or value, of these operations.
    - 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 Spending Account 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 segment of the City government covered and the types of information contained within the report. The remainder of this section explains the structure and content of each of the statements.

CITY OF INDEPENDENCE, MISSOURI

Required Components of the Annual Financial Report

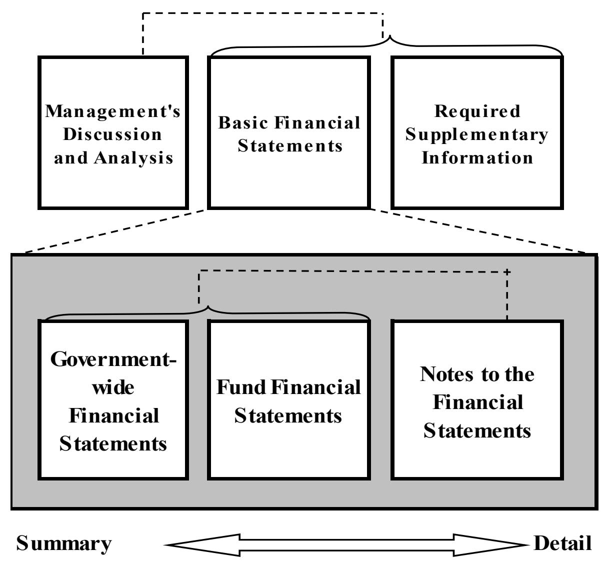


Figure MD-2
CITY OF INDEPENDENCE, MISSOURI
Major Features of the Government-wide and Fund Financial Statements

		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, such as: electric, water, sanitary sewer, and the Events Center	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 could if applicable
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 it has changed during the year. 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 should be considered, such as changes in the City's property tax base or the condition of the City's roads.

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

- Governmental activities – Most of the City's basic services are included here, such as the police, fire, municipal services, 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 provide certain services. 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, and do not represent 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/or bond covenants.

The Council establishes other funds to control and manage money for particular purposes or to show proper use of 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 a reconciliation for the governmental funds statement, on a subsequent page that explains the relationship (or differences) between the fund statement and the government-wide statement.

- 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 five internal service funds. These are the self-funded Staywell Health Insurance fund, Central Garage fund, Workers' Compensation fund, Risk Management fund, and the Finance and Support Services 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: Susie Paxton Block Trust Fund, Seniors' Travel Fund, and the Flexible Spending Account Fund. All of the City's fiduciary activities are reported in the Statement of Fiduciary Net Position and 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, MISSOURI
Net Position

		Governmental Activities		Business-Type Activities		Total	
		2025	2024	2025	2024	2025	2024
Current and other assets	$	248,726,742	185,357,652	262,120,804	236,747,867	510,847,546	422,105,519
Capital assets		306,982,459	301,010,906	539,889,118	533,253,040	846,871,577	834,263,946
Total assets		555,709,201	486,368,558	802,009,922	770,000,907	1,357,719,123	1,256,369,465
Total deferred outflows of resources		63,764,856	47,911,317	39,817,562	33,680,257	103,582,418	81,591,574
Long-term obligations		411,714,227	341,205,867	364,675,915	373,033,035	776,390,142	714,238,902
Other liabilities		17,532,117	15,925,071	33,113,524	23,193,805	50,645,641	39,118,876
Total liabilities		429,246,344	357,130,938	397,789,439	396,226,840	827,035,783	753,357,778
Total deferred inflows of resources		45,235,672	42,980,989	9,513,800	9,422,359	54,749,472	52,403,348
Net position							
Net investment in capital assets		277,765,841	274,181,687	262,904,179	250,418,291	540,670,020	524,599,978
Restricted		87,059,673	84,230,907	17,208,611	17,036,852	104,268,284	101,267,759
Unrestricted (deficit)		(219,833,473)	(224,244,646)	154,411,455	130,576,822	(65,422,018)	(93,667,824)
Total net position	$	144,992,041	134,167,948	434,524,245	398,031,965	579,516,286	532,199,913

The City's combined net position increased $47.3 million to $579.5 million from $532.2 million as a result of revenues exceeding expenses as reflected in the next table.

The largest portion of the City's net position at 93.3% is its net investment in capital assets which were $540.7 million, an increase of $16.1 million from the previous year. The City's total unrestricted net position (deficit) was ($65.4) million. The governmental activities were ($219.8) million with an increase of $4.4 million from the previous year, and business-type activities were $154.4 million with an increase of $23.8 million from the previous year.

Net position of the City's governmental activities increased 8.1% to $145.0 million. Governmental activities assets increased $69.3 million, and liabilities increased $72.1 million. Long-term obligations for governmental activities increased $70.5 million. The increase in the long-term obligations is mainly due to the issuance of debt for the construction and renovations of Public Safety facilities and shifts in the amounts determined by an actuary for the LAGERS net pension liability.

Business-type activities assets increased $32.0 million, and liabilities increased $1.6 million. Long-term obligations for business-type activities decreased $8.4 million.

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, MISSOURI
Net Position

		Governmental Activities		Business-Type Activities		Total	
		2025	2024	2025	2024	2025	2024
Revenues							
Program revenues							
Charges for services	$	16,934,352	17,548,905	242,431,253	238,697,217	259,365,605	256,246,122
Operating grants & contributions		18,747,728	16,273,097	—	—	18,747,728	16,273,097
Capital grants & contributions		4,178,132	1,619,848	356,429	751	4,534,561	1,620,599
General revenues							
Property taxes		9,519,741	9,093,280	—	—	9,519,741	9,093,280
Sales & use taxes		78,339,788	75,503,479	9,165,134	9,027,801	87,504,922	84,531,280
Intergovernmental activity taxes		9,725,983	9,693,346	—	—	9,725,983	9,693,346
Other taxes		7,901,957	8,720,366	—	—	7,901,957	8,720,366
Investment income (loss)		6,777,665	6,063,641	11,151,314	9,776,331	17,928,979	15,839,972
Other		1,264,929	2,080,141	1,366,674	1,415,419	2,631,603	3,495,560
Total revenues		153,390,275	146,596,103	264,470,804	258,917,519	417,861,079	405,513,622
Expenses							
Administrative Services		6,113,282	4,966,248	—	—	6,113,282	4,966,248
Public Safety		97,485,115	86,973,763	—	—	97,485,115	86,973,763
Municipal Services		20,515,546	21,246,258	—	—	20,515,546	21,246,258
Health & Animal Services		3,861,956	3,783,685	—	—	3,861,956	3,783,685
Culture & Recreation		11,422,829	12,652,002	—	—	11,422,829	12,652,002
Community Development		8,832,475	8,972,281	—	—	8,832,475	8,972,281
Storm Water		5,614,138	4,626,468	—	—	5,614,138	4,626,468
General Government		1,126,286	1,392,812	—	—	1,126,286	1,392,812
Tax Increment Financing		8,492,101	8,296,829	—	—	8,492,101	8,296,829
Interest		1,751,533	898,493	—	—	1,751,533	898,493
Power and Light		—	—	131,329,389	127,345,102	131,329,389	127,345,102
Water		—	—	30,434,590	25,671,824	30,434,590	25,671,824
Sanitary Sewer		—	—	29,286,048	27,253,121	29,286,048	27,253,121
Events Center		—	—	14,279,418	15,708,283	14,279,418	15,708,283
Total expenses		165,215,261	153,808,839	205,329,445	195,978,330	370,544,706	349,787,169
Excess (deficiency) of revenues over expenses before transfers		(11,824,986)	(7,212,736)	59,141,359	62,939,189	47,316,373	55,726,453
Transfers - In (Out)		22,649,079	22,143,864	(22,649,079)	(22,143,864)	—	—
Change in net position		10,824,093	14,931,128	36,492,280	40,795,325	47,316,373	55,726,453
Net position - beginning (as restated)		134,167,948	119,236,820	398,031,965	357,236,640	532,199,913	476,473,460
Net position - ending	$	144,992,041	134,167,948	434,524,245	398,031,965	579,516,286	532,199,913

Total revenues increased 3.0% or $12.3 million, with business-type activities increasing 2.1% or $5.6 million, and governmental activities increasing 4.6% or $6.8 million. These changes are due primarily to the following:

- Significant items include the increase in sales and use tax revenue of 3.5% or $3.0 million. The increase was mostly due to the new Proposition PD Sales Tax which brought in $2.6 million in its first year. Sales tax continues to be impacted by on-line sales versus brick-and-mortar retail.

- Investment income also increased by $2.1 million due to higher interest rates.

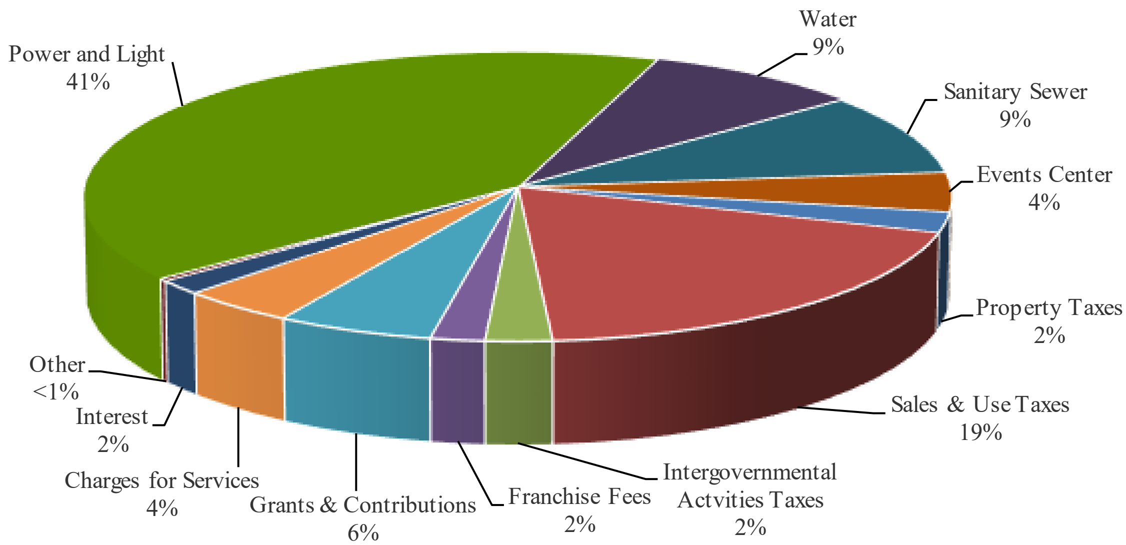
- Total charges for services for the City increased $3.1 million or 1.2%, with the business-type activities increasing $3.7 million or 1.6% and the governmental fund activities decreasing by $614,553 or 3.5%. The increase for the business-type activities is primarily due to the elimination of the 6.0% discount on rates for Power and Light, which occurred about halfway through the 2023-24 fiscal year with fiscal year 2024-25 being the first full year after the elimination of the discount. The decrease for the governmental funds is mainly due to a decrease in the interfund charges for support services in the General Fund.

- Total expenses increased 5.9% or $20.8 million, with an increase to governmental expenses of 7.4% or $11.4 million and an increase to business-type expenses of 4.8% or $9.4 million. The increase in the governmental expenses was mainly due to capital improvement projects and over-time and minimum staffing expenses primarily under Public Safety due to vacancies. Changes in the business-type expenses are attributed to normal operations; some of the changes are related to the effect of weather on Power and Light and Water sales. The transfers out of the business-type activities 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, 2025, revenues totaled $417.9 million. Of this amount, charges for services (governmental and business-type) were $259.4 million or 62.1% of the total. Revenue from business-type activities represents $264.5 million or 63.3% of the total City revenues (Figure MD-3).

City of Independence Sources of Revenue for FY 2025
Figure MD-3

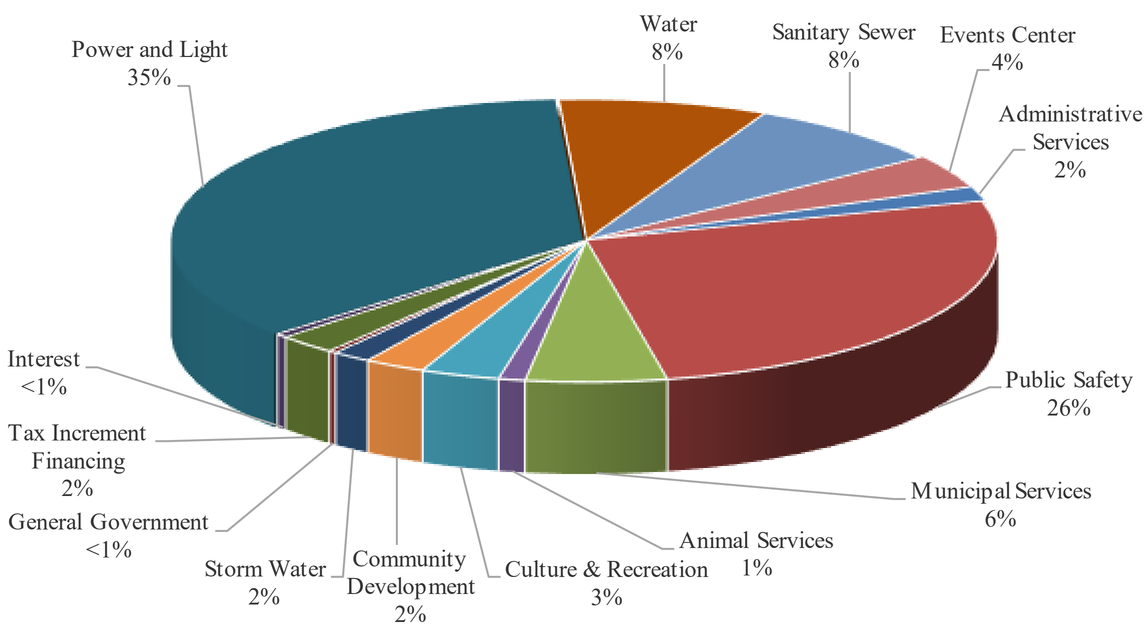


Revenues from governmental activities were $153.4 million. Sales and use taxes, the largest governmental category, were $78.3 million or 51.1%. All taxes represent $105.5 million or 68.8% of governmental revenue. Charges for services at $16.9 million were 11.0% of the total. Operating and capital grants were $22.9 million or 15.0% of governmental revenues.

Expenses

For the fiscal year ending June 30, 2025, expenses totaled $370.5 million. Of this amount, the Power and Light fund was $131.3 million or 35.4% of the total. Business-type expenses represent $205.3 million or 55.4% of the total City expenses (Figure MD-4).

City of Independence Expenses by Function FY 2025
Figure MD-4



Expenses from governmental activities were $165.2 million. Public safety expenses, the largest governmental category, were $97.5 million or 59.0% of the total. Municipal Services was the next largest category at $20.5 million, which was 12.4% of the total. Culture and Recreation was the third largest category at $11.4 million which was 6.9% of the total.

Governmental Activities

Table MD-3
CITY OF INDEPENDENCE, MISSOURI
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2025	**2024**	**2025**	**2024**
Administrative Services	$ 6,113,282	4,966,248	(2,924,449)	(4,409,046)
Public Safety	97,485,115	86,973,763	90,428,633	80,430,581
Municipal Services	20,515,546	21,246,258	8,832,587	13,399,695
Health & Animal Services	3,861,956	3,783,685	2,114,694	1,941,982
Culture & Recreation	11,422,829	12,652,002	10,579,417	11,663,264
Community Development	8,832,475	8,972,281	561,771	1,315,459
Storm Water	5,614,138	4,626,468	5,382,019	4,380,986
General Government and Interest on Long-Term Debt	2,877,819	2,291,305	2,877,819	2,291,305
Tax Increment Financing	8,492,101	8,296,829	7,502,558	7,352,763
Total	$ 165,215,261	153,808,839	125,355,049	118,366,989

As noted in Table MD-3 expenses from governmental activities for fiscal year 2025 were $165.2 million. However, the net cost of these services was $125.4 million. The difference represents direct revenues received from charges for services of $16.9 million, operating grants and contributions of $18.7 million, and capital grants and contributions of $4.2 million. Taxes and other revenues of $113.5 million were collected to cover these net costs. Of significance in the charges for services category there was $3.4 million netted to Administrative Services for interfund charges for support services, $6.1 million netted primarily to Administrative Services and Community Development for licenses and permits, and $2.3 million netted to Public Safety for fines and forfeitures.

Business-type Activities

Revenues of the City's business-type activities increased $5.6 million, and expenses increased $9.4 million. This change in revenues is primarily due to the elimination of the 6.0% discount on rates for Power and Light, which occurred about halfway through the 2023-24 fiscal year with fiscal year 2024-25 being the first full year after the elimination of the discount. Changes in the business-type expenses are attributed to normal operations; some of the changes are related to the effect of weather on Power and Light and Water sales.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed the year, its governmental funds reported a combined fund balance of $180.2 million. The fund balance of the General Fund increased $429,834, the TIF Debt Service fund balance increased $3.5million, and the non-major governmental fund balance increased $48.7 million. The increase for the TIF Debt Service fund resulted from tax and investment income revenues being higher than expenditures. The increase for the non-major governmental funds was in the Capital Project funds and resulted from issuance of debt and the unspent debt proceeds. The unassigned portion of the General Fund's fund balance increased $473,952. The General Fund's fund balance was impacted by the items pointed out earlier, and also only essential personnel position vacancies were filled.

The enterprise funds reported a combined net position of $449.2 million. The net position of the Power and Light fund increased $26.3 million, the Water fund increased $6.0 million, the Sewer fund increased $3.7 million and the Events Center fund increased $4.1 million.

General Fund Budgetary Highlights

Resources available for appropriation increased $129,178 from the original estimate. Actual revenues and other financing sources at the end of the year were less than projected by $18,523. The largest variances were in the areas of taxes, which were $1.9 million below estimated, interfund charges for support services which were $1.2 million below estimated, intergovernmental revenues which were $950,060 above estimated, and licenses and permits which were $976,329 above estimated.

Over the course of the fiscal year, the Council revised the City budget several times. Appropriations were increased $2.7 million 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 and transfers out, including encumbrances, were $1.6 million less than the amount appropriated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2025, the City had invested $846.9 million, net of depreciation and amortization, in a broad range of capital assets, including police and fire equipment, buildings, park facilities, and electric, water and sewer systems. Assets increased $12.6 million or 1.5% during the period.

Table MD-4
CITY OF INDEPENDENCE, MISSOURI
Capital Assets (net of depreciation and amortization)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2025	2024	2025	2024	2025	2024	2024-2025
Land & land imp	$ 35,286,445	35,835,955	13,119,837	13,119,837	48,406,282	48,955,792	-1.12%
Buildings & Improvements	53,589,419	53,512,351	—	—	53,589,419	53,512,351	0.14%
Office furniture & equipment	1,239	2,382	—	—	1,239	2,382	-47.98%
Computer equipment	3,381,540	3,747,118	—	—	3,381,540	3,747,118	-9.76%
Mobile equipment	14,695,788	11,716,621	—	—	14,695,788	11,716,621	25.43%
Other equipment	6,214,993	5,217,114	21,882,676	19,416,709	28,097,669	24,633,823	14.06%
Infrastructure	169,873,672	156,474,644	449,747,356	445,868,142	619,621,028	602,342,786	2.87%
Construction in progress	23,570,321	33,410,311	54,784,648	54,537,371	78,354,969	87,947,682	-10.91%
Leases	86,128	116,600	—	297	86,128	116,897	-26.32%
Subscriptions	282,914	977,810	354,601	310,684	637,515	1,288,494	-50.52%
Total	$ 306,982,459	301,010,906	539,889,118	533,253,040	846,871,577	834,263,946	1.51%

The budget for fiscal year 2026 projects the City will spend an additional $79.6 million for capital projects. The largest category at $24.4 million is for projects in the Power and Light Fund.

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, MISSOURI
Outstanding Debt

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2025	**2024**	**2025**	**2024**	**2025**	**2024**	**2024-2025**
Loans and bonds payable	$ 80,140,000	35,285,000	282,718,111	296,540,783	362,858,111	331,825,783	9.35%
TIF loans payable	95,800,335	101,087,100	—	—	95,800,335	101,087,100	-5.23%
Financed purchase obligations	575,375	783,610	—	—	575,375	783,610	-26.57%
Total	$ 176,515,710	137,155,710	282,718,111	296,540,783	459,233,821	433,696,493	5.89%

At the end of fiscal year 2025, the City had a total of $459.2 million of outstanding obligations. This was an increase of $25.5 from the previous fiscal year. None of the debt is a general obligation of the City, and is limited to either an annual appropriation or specific revenue for repayment. Of the total debt, $282.7 million or 61.6% are obligations of the business-type activities.

The City's credit ratings from Standard & Poor's (S&P) are A/Stable for Power and Light, AA-/Stable for Water, A+/Stable for Sewer, BBB+/Stable for the Falls at Crackerneck Creek – Bass Pro TIF, and A-/Stable for all other economic development projects.

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 community gained 3,107 jobs, with current total employment at 58,055 jobs. Unemployment by mid-2025 was 4.7%; this is slightly higher than the Jackson County level at 4.5% and higher than the State level at 4.0%. Average household income for 2025 is estimated to be $73,082, compared to $96,920 for the State as a whole. Per capita income for 2025 is estimated to be $31,594, compared to $40,284 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 Melissa Cabrera, Director of Finance, City of Independence, P.O. Box 1019, Independence, MO 64051.

CITY OF INDEPENDENCE, MISSOURI
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Pooled cash and investments	$ 116,935,212	201,179,830	318,115,042
Receivables:			
Taxes	38,112,817	1,525,991	39,638,808
Accounts, net	1,279,934	20,665,273	21,945,207
Unbilled revenue	—	8,532,455	8,532,455
Special assessment principal	1,625,477	47,323	1,672,800
Accrued interest	250,125	458,004	708,129
Leases	997,518	18,904	1,016,422
Other	—	1,854,278	1,854,278
Internal balances	14,633,692	(14,633,692)	—
Due from other governments	6,084,396	637,071	6,721,467
Inventory	130,939	13,264,696	13,395,635
Prepaid items	—	896,540	896,540
Restricted cash and investments	1,083,518	6,505,171	7,588,689
Total current assets	181,133,628	240,951,844	422,085,472
Noncurrent Assets:			
Receivables:			
Leases	745,882	529,041	1,274,923
Capital assets:			
Nondepreciable	55,754,707	67,904,485	123,659,192
Depreciable, net	250,858,710	471,630,032	722,488,742
Leases, net	86,128	—	86,128
Subscriptions, net	282,914	354,601	637,515
Restricted cash and investments	66,847,232	20,639,919	87,487,151
Total noncurrent assets	374,575,573	561,058,078	935,633,651
Total assets	555,709,201	802,009,922	1,357,719,123
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	4,113,213	9,018,048	13,131,261
Pension related amounts	55,450,063	18,397,122	73,847,185
Other post-employment benefits	4,201,580	1,715,580	5,917,160
Deferred environmental and regulatory amounts	—	9,910,792	9,910,792
Goodwill	—	776,020	776,020
Total deferred outflows of resources	63,764,856	39,817,562	103,582,418
Total assets and deferred outflows of resources	$ 619,474,057	841,827,484	1,461,301,541
LIABILITIES			
Current Liabilities:			
Accounts and contracts payable	$ 7,155,470	17,684,562	24,840,032
Accrued items	6,125,654	4,202,931	10,328,585
Other current liabilities	1,615,958	1,313,970	2,929,928
Due to other governments	583	—	583
Unearned revenue	2,554,625	3,275,005	5,829,630
Current portion of long-term obligations	9,533,549	13,630,000	23,163,549
Compensated absences	10,630,410	3,926,984	14,557,394
Lease liability	35,907	—	35,907
Subscription liability	138,506	138,191	276,697
OPEB liability	4,670,110	1,906,890	6,577,000
Claims payable	8,347,410	—	8,347,410
Liabilities payable from restricted assets	79,827	5,517,543	5,597,370
Total current liabilities	50,888,009	51,596,076	102,484,085
Noncurrent Liabilities:			
Noncurrent portion of long-term obligations	166,982,161	269,088,111	436,070,272
Compensated absences	12,992,723	4,799,645	17,792,368
Lease liability	47,001	—	47,001
Subscription liability	—	62,896	62,896
Claims payable	15,834,415	—	15,834,415
OPEB liability	111,543,343	45,545,145	157,088,488
Net pension liability	70,958,692	25,578,053	96,536,745
Advances for construction	—	1,119,513	1,119,513
Total noncurrent liabilities	378,358,335	346,193,363	724,551,698
Total liabilities	429,246,344	397,789,439	827,035,783
DEFERRED INFLOWS OF RESOURCES			
Real estate tax revenue	23,187,430	—	23,187,430
Leases	1,676,635	429,992	2,106,627
Deferred charge on refunding	—	1,137,931	1,137,931
Pension related amounts	911,581	—	911,581
Other post-employment benefits	19,460,026	7,945,877	27,405,903
Total deferred inflows of resources	45,235,672	9,513,800	54,749,472
NET POSITION			
Net investment in capital assets	277,765,841	262,904,179	540,670,020
Restricted for:			
Public Safety	26,106,129	—	26,106,129
Municipal Services - Public Works	33,441,077	—	33,441,077
Culture and Recreation	8,694,195	—	8,694,195
Community Development	1,376,683	—	1,376,683
Storm Water	15,589,107	—	15,589,107
Health and Animal Services	650,088	—	650,088
Debt Service	118,876	4,923,816	5,042,692
Workers' Compensation escrow	1,083,518	—	1,083,518
Dogwood SPP escrow	—	61,500	61,500
Southwest Power Pool collateral	—	1,023,115	1,023,115
Community Improvement District	—	11,200,180	11,200,180
Unrestricted (deficit)	(219,833,473)	154,411,455	(65,422,018)
Total net position	144,992,041	434,524,245	579,516,286
Total liabilities, deferred inflows of resources and net position	$ 619,474,057	841,827,484	1,461,301,541

See accompanying notes to financial statements.

CITY OF INDEPENDENCE, MISSOURI
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
Governmental Activities:					
Administrative Services	$ 6,113,282	4,703,383	4,334,348	—	2,924,449
Public Safety	97,485,115	3,519,663	3,501,819	35,000	(90,428,633)
Municipal Services	20,515,546	769,312	7,003,034	3,910,613	(8,832,587)
Health and Animal Services	3,861,956	822,616	924,646	—	(2,114,694)
Culture and Recreation	11,422,829	654,404	188,608	400	(10,579,417)
Community Development	8,832,475	5,475,431	2,795,273	—	(561,771)
Storm Water	5,614,138	—	—	232,119	(5,382,019)
General Government	1,126,286	—	—	—	(1,126,286)
Tax Increment Financing	8,492,101	989,543	—	—	(7,502,558)
Interest on long-term debt	1,751,533	—	—	—	(1,751,533)
Total governmental activities	165,215,261	16,934,352	18,747,728	4,178,132	(125,355,049)
Business-Type Activities:					
Power and Light	131,329,389	166,671,405	—	356,429	35,698,445
Water	30,434,590	33,234,937	—	—	2,800,347
Sewer	29,286,048	35,934,619	—	—	6,648,571
Events Center	14,279,418	6,590,292	—	—	(7,689,126)
Total business-type activities	205,329,445	242,431,253	—	356,429	37,458,237
Total primary government	$ 370,544,706	259,365,605	18,747,728	4,534,561	(87,896,812)

	Governmental Activites	Business-Type Activities	Total
Changes in Net Position:			
Net (expense) revenue	$ (125,355,049)	37,458,237	(87,896,812)
General Revenues:			
Taxes			
Property taxes	9,519,741	—	9,519,741
Sales and use taxes	78,339,788	9,165,134	87,504,922
Intergovernmental activity taxes	9,725,983	—	9,725,983
Franchise taxes	7,887,333	—	7,887,333
Financial institutions tax	14,624	—	14,624
Investment income	6,777,665	11,151,314	17,928,979
Miscellaneous	1,264,929	1,366,674	2,631,603
Transfers in (out)	22,649,079	(22,649,079)	—
Total general revenues and transfers	136,179,142	(965,957)	135,213,185
Change in net position	10,824,093	36,492,280	47,316,373
Net position - beginning	134,167,948	398,031,965	532,199,913
Net position - ending	$ 144,992,041	434,524,245	579,516,286

See accompanying notes to financial statements.

Exhibit 3

CITY OF INDEPENDENCE, MISSOURI
Balance Sheet
Governmental Funds
June 30, 2025

	General	TIF Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Pooled cash and investments	$ 13,343,152	19,482,070	73,039,223	105,864,445
Receivables:				
Taxes	11,957,433	10,611,170	15,544,214	38,112,817
Accounts, net	1,114,374	73,531	89,912	1,277,817
Special assessment principal	1,277,329	—	348,148	1,625,477
Accrued interest	32,567	43,655	164,360	240,582
Leases	767,453	975,947	—	1,743,400
Due from other funds	741,339	—	490,912	1,232,251
Due from other governments	1,232,719	462,014	4,343,554	6,038,287
Restricted cash and investments	79,827	10,297,233	56,470,172	66,847,232
Total assets	$ 30,546,193	41,945,620	150,490,495	222,982,308
LIABILITIES				
Accounts and contracts payable	$ 543,571	15,550	6,321,199	6,880,320
Due to other funds	—	1,746	1,178,147	1,179,893
Due to other governments	—	583	—	583
Accrued items	3,381,485	—	859,922	4,241,407
Other current liabilities	1,575,411	—	40,547	1,615,958
Unearned revenue	823	—	2,250,891	2,251,714
Liabilities payable from restricted assets:				
Deposits and court bonds	79,827	—	—	79,827
Total liabilities	5,581,117	17,879	10,650,706	16,249,702
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - special assessments	1,280,225	—	348,148	1,628,373
Unavailable revenue - real estate taxes	6,947,631	9,512,786	6,727,013	23,187,430
Unavailable revenue - leases	700,688	975,947	—	1,676,635
Total deferred inflows of resources	8,928,544	10,488,733	7,075,161	26,492,438
Total liabilities and deferred inflows of resources	14,509,661	10,506,612	17,725,867	42,742,140
FUND BALANCES (DEFICITS)				
Restricted	252,748	31,439,008	134,121,000	165,812,756
Committed	83,975	—	89,769	173,744
Assigned	635,577	—	—	635,577
Unassigned	15,064,232	—	(1,446,141)	13,618,091
Total fund balances	16,036,532	31,439,008	132,764,628	180,240,168
Total liabilities, deferred inflows of resouces and fund balance	$ 30,546,193	41,945,620	150,490,495	222,982,308

Exhibit 3.1

CITY OF INDEPENDENCE, MISSOURI

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

June 30, 2025

Fund balances – total governmental funds	$	180,240,168
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Governmental capital assets		739,435,479
Less accumulated depreciation		(435,662,281)
Leases and subscriptions		330,171
Less accumulated amortization		(209,749)
		303,893,620
Interest on long-term debt is not accrued in governmental funds but, rather, is recognized as an expenditure when due and payable		(1,544,793)
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		1,628,373
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		(3,759,302)
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/TIF loans payable		(170,380,000)
Financed purchase obligations		(575,375)
Compensated absences		(21,735,658)
Discounts (premiums)		(5,560,335)
Deferred charge on refunding		4,113,213
Other post-employment benefits		(111,233,461)
Net pension liability		(67,288,700)
Lease and subscription liability		(99,944)
		(372,760,260)
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 outflows of resources - pension related amounts		52,810,406
Deferred outflows of resources - other post-employment benefits		4,021,533
Deferred inflows of resources - pension related amounts		(911,581)
Deferred inflows of resources - other post-employment benefits		(18,626,123)
		37,294,235
Net position of governmental activities (Exhibit 1)	$	144,992,041

See accompanying notes to financial statements.

Exhibit 4

CITY OF INDEPENDENCE, MISSOURI
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General	TIF Debt Service	Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes	$ 37,428,025	16,044,780	52,000,040	105,472,845
Licenses and permits	5,543,479	—	587,156	6,130,635
Intergovernmental	7,857,060	—	14,980,355	22,837,415
Charges for services	2,868,393	—	1,172,170	4,040,563
Interfund charges for support services	3,403,231	—	—	3,403,231
Fines, forfeitures, and court costs	2,348,660	—	—	2,348,660
Investment income (loss)	710,563	1,438,547	4,041,535	6,190,645
Other revenue	783,684	993,371	669,567	2,446,622
Total revenues	60,943,095	18,476,698	73,450,823	152,870,616
EXPENDITURES				
Current:				
Administrative Services	4,474,796	—	53,988	4,528,784
Public Safety	64,391,918	—	19,258,962	83,650,880
Municipal Services - Public Works	6,143,557	—	1,182,938	7,326,495
Culture and Recreation	180,147	—	8,771,668	8,951,815
Community Development	6,771,997	—	2,306,326	9,078,323
Storm Water	—	—	3,676,897	3,676,897
Health and Animal Services	100,000	—	3,794,488	3,894,488
General Government	174,263	—	17,822	192,085
Tax Increment Financing	—	4,442,145	—	4,442,145
Capital Outlay	181,809	—	30,345,645	30,527,454
Debt service:				
Principal	748,361	6,655,000	1,497,783	8,901,144
Interest and fiscal agent fees	1,036,697	3,897,675	517,186	5,451,558
Debt issuance costs	—	—	858,663	858,663
Total expenditures	84,203,545	14,994,820	72,282,366	171,480,731
Excess (deficiency) of revenues over expenditures	(23,260,450)	3,481,878	1,168,457	(18,610,115)
OTHER FINANCING SOURCES (USES)				
Initiation of leases	6,312	—	—	6,312
Issuance of debt	—	—	46,825,000	46,825,000
Reoffering premium/original issue discount	—	—	1,722,310	1,722,310
Transfers in - utility payments in lieu of taxes	22,658,996	—	—	22,658,996
Transfers in	1,035,143	3,637,112	20,799,505	25,471,760
Transfers out	(10,167)	(3,637,112)	(21,834,398)	(25,481,677)
Total other financing sources (uses)	23,690,284	—	47,512,417	71,202,701
Net change in fund balances	429,834	3,481,878	48,680,874	52,592,586
Fund balances - beginning	15,606,698	27,957,130	84,083,754	127,647,582
Fund balances - ending	$ 16,036,532	31,439,008	132,764,628	180,240,168

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, 2025

Net change in fund balances – total governmental funds	$	52,592,586
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		29,618,310
Depreciation expense		(22,522,129)
Leases and subscriptions		6,312
Amortization expense		(82,123)
		7,020,370
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		5,586
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		(46,831,312)
Reoffering premium/original issue discount		(1,722,310)
Principal payments		8,834,047
Debt premiums, discounts & deferred refunding amortizations		(225,334)
		(39,944,909)
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		(5,231,846)
Accrued interest		(114,845)
Other post-employment benefits		5,441,831
Pension related amount - LAGERS pension benefit		(1,874,985)
Lease and subscription payments		67,097
		(1,712,748)
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:		(7,136,792)
Change in net position of governmental activities (Exhibit 2)	$	10,824,093

See accompanying notes to financial statements.

CITY OF INDEPENDENCE, MISSOURI
Statement of Net Position
Proprietary Funds
June 30, 2025

	Enterprise Funds					Governmental Activities
	Power and Light	Water	Sanitary Sewer	Events Center	Total	Internal Service Funds
ASSETS						
Current assets:						
Pooled cash and investments	$ 93,305,700	56,703,664	39,229,686	11,940,780	201,179,830	11,070,767
Receivables:						
Taxes	—	—	—	1,525,991	1,525,991	—
Accounts, net	13,608,290	2,960,967	3,198,655	897,361	20,665,273	2,117
Unbilled revenue	5,417,177	1,342,058	1,773,220	—	8,532,455	—
Special assessment principal	47,323	—	—	—	47,323	—
Accrued interest	227,378	136,484	94,142	—	458,004	9,543
Leases	8,035	—	—	10,869	18,904	—
Other receivable	1,587,016	35,916	231,346	—	1,854,278	—
Due from other funds	21,838	21,838	21,838	—	65,514	—
Due from other governments	356,509	1,883	278,679	—	637,071	46,109
Inventory	11,776,300	1,326,820	157,571	4,005	13,264,696	130,939
Prepaid items	640,188	—	—	256,352	896,540	—
Restricted cash and investments	4,932,716	906,321	666,134	—	6,505,171	—
Total current assets	131,928,470	63,435,951	45,651,271	14,635,358	255,651,050	11,259,475
Noncurrent assets:						
Receivables:						
Leases	8,250	—	—	520,791	529,041	—
Capital Assets:						
Nondepreciable	33,846,791	11,685,621	16,575,758	5,796,315	67,904,485	93,979
Depreciable, net	178,019,533	110,052,826	123,732,756	59,824,917	471,630,032	2,746,239
Leased assets, net	—	—	—	—	—	20,379
Subscription assets, net	354,601	—	—	—	354,601	228,242
Restricted cash and investments	4,267,194	3,152,616	6,894,617	6,325,492	20,639,919	1,083,518
Total noncurrent assets	216,496,369	124,891,063	147,203,131	72,467,515	561,058,078	4,172,357
Total assets	348,424,839	188,327,014	192,854,402	87,102,873	816,709,128	15,431,832
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	1,134,376	391,055	2,755,671	4,736,946	9,018,048	—
Pension related amounts	12,103,763	3,712,004	2,581,355	—	18,397,122	2,639,657
Other post-employment benefits	1,101,842	326,145	287,593	—	1,715,580	180,047
Deferred environmental and regulatory amounts	9,910,792	—	—	—	9,910,792	—
Goodwill	—	—	—	776,020	776,020	—
Total deferred outflows of resources	24,250,773	4,429,204	5,624,619	5,512,966	39,817,562	2,819,704
Total assets and deferred outflows of resources	$ 372,675,612	192,756,218	198,479,021	92,615,839	856,526,690	18,251,536
LIABILITIES						
Current liabilities:						
Accounts and contracts payable	$ 10,220,571	1,051,274	2,059,953	4,352,764	17,684,562	275,150
Due to other funds	—	—	—	30,520	30,520	87,352
Accrued items	1,696,487	752,894	709,918	1,043,632	4,202,931	339,454
Other current liabilities	521,154	144,052	648,764	—	1,313,970	—
Unearned revenue	21,038	1,883	3,396	3,248,688	3,275,005	302,911
Current portion of long-term obligations	3,915,000	2,035,000	3,790,000	3,890,000	13,630,000	—
Compensated absences - current	2,744,372	675,510	507,102	—	3,926,984	849,364
Lease liability	—	—	—	—	—	6,784
Subscription liability	138,191	—	—	—	138,191	104,182
Total OPEB liability	1,224,712	362,514	319,664	—	1,906,890	200,124
Claims payable	—	—	—	—	—	8,347,410
Liabilities payable from restricted assets	3,997,267	854,142	666,134	—	5,517,543	—
Total current liabilities	24,478,792	5,877,269	8,704,931	12,565,604	51,626,596	10,512,731
Noncurrent liabilities:						
Revenue bonds payable	109,923,664	11,134,174	74,494,359	73,535,914	269,088,111	—
Compensated absences-long term	3,354,232	825,623	619,790	—	4,799,645	1,038,111
Lease liability	—	—	—	—	—	10,504
Subscription liability	62,896	—	—	—	62,896	—
Total OPEB liability	29,251,657	8,658,475	7,635,013	—	45,545,145	4,779,868
Net pension liability	16,828,213	5,160,908	3,588,932	—	25,578,053	3,669,992
Claims payable	—	—	—	—	—	15,834,415
Advances for construction	907,842	211,671	—	—	1,119,513	—
Total noncurrent liabilities	160,328,504	25,990,851	86,338,094	73,535,914	346,193,363	25,332,890
Total liabilities	184,807,296	31,868,120	95,043,025	86,101,518	397,819,959	35,845,621
DEFERRED INFLOWS OF RESOURCES						
Deferred charge on refunding	583,659	—	554,272	—	1,137,931	—
OPEB - deferred inflow	5,103,290	1,510,571	1,332,016	—	7,945,877	833,903
Leases	22,063	—	—	407,929	429,992	—
Total deferred inflows of resources	5,709,012	1,510,571	1,886,288	407,929	9,513,800	833,903
Total liabilities and deferred inflows of resources	190,516,308	33,378,691	96,929,313	86,509,447	407,333,759	36,679,524
NET POSITION						
Net investment in capital assets	97,937,888	108,497,503	62,210,105	(5,741,317)	262,904,179	2,967,370
Restricted for:						
Community Improvement District	—	—	—	11,200,180	11,200,180	—
Debt service/capital outlay	4,186,174	500,000	—	237,642	4,923,816	—
Dogwood SPP escrow	61,500	—	—	—	61,500	—
Southwest Power Pool collateral	1,023,115	—	—	—	1,023,115	—
Workers' Compensation escrow	—	—	—	—	—	1,083,518
Unrestricted	78,950,627	50,380,024	39,339,603	409,887	169,080,141	(22,478,876)
Total net position	182,159,304	159,377,527	101,549,708	6,106,392	449,192,931	(18,427,988)
Total liabilities, deferred inflows of recources, and net position	$ 372,675,612	192,756,218	198,479,021	92,615,839		18,251,536

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(14,668,686)
Net position of business-type activities	$ 434,524,245

See accompanying notes to financial statements.

Exhibit 6

CITY OF INDEPENDENCE, MISSOURI
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Enterprise Funds					Governmental Activities
	Power and Light	Water	Sanitary Sewer	Events Center	Total	Internal Service Funds
OPERATING REVENUES						
Charges for services	$ 159,034,366	32,810,803	35,650,919	6,590,292	234,086,380	44,653,894
Miscellaneous operating	7,637,039	424,134	283,700	—	8,344,873	1,830,428
Total operating revenues	166,671,405	33,234,937	35,934,619	6,590,292	242,431,253	46,484,322
OPERATING EXPENSES						
Personnel services	20,588,176	10,140,215	6,135,636	—	36,864,027	11,027,243
Other services	26,343,570	9,640,662	15,873,596	810,690	52,668,518	46,663,301
Supplies	57,055,375	4,399,307	1,026,760	262,578	62,744,020	1,509,003
Other expenses	11,358,637	2,212,585	1,029,092	7,896,824	22,497,138	—
Depreciation and amortization	11,642,998	3,759,522	4,574,259	2,741,578	22,718,357	1,153,068
Total operating expenses	126,988,756	30,152,291	28,639,343	11,711,670	197,492,060	60,352,615
Operating income (loss)	39,682,649	3,082,646	7,295,276	(5,121,378)	44,939,193	(13,868,293)
NONOPERATING REVENUES (EXPENSES)						
Investment income (loss)	5,020,345	2,956,259	2,283,941	890,769	11,151,314	587,020
Lease revenue	18,023	—	—	—	18,023	—
Miscellaneous non-operating	1,580,371	3,734,797	119,450	1,724,633	7,159,251	2,569,043
Interest and amortization expense	(4,509,879)	(602,186)	(2,387,847)	(2,567,748)	(10,067,660)	(4,887)
Sales tax	—	—	—	9,165,134	9,165,134	—
Total nonoperating revenues (expenses)	2,108,860	6,088,870	15,544	9,212,788	17,426,062	3,151,176
Income (loss) before contributions and transfers	41,791,509	9,171,516	7,310,820	4,091,410	62,365,255	(10,717,117)
Capital contributions	356,429	—	—	—	356,429	—
Transfers out - utility payments in lieu of taxes	(15,888,390)	(3,192,643)	(3,577,963)	—	(22,658,996)	—
Transfers in	—	—	10,000	—	10,000	—
Transfers out	—	—	(83)	—	(83)	—
Change in net position	26,259,548	5,978,873	3,742,774	4,091,410	40,072,605	(10,717,117)
Total net position (deficit) - beginning	155,899,756	153,398,654	97,806,934	2,014,982		(7,710,871)
Total net position (deficit) - ending	$ 182,159,304	159,377,527	101,549,708	6,106,392	40,072,605	(18,427,988)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(3,580,325)	
Change in net position of business-type activities					$ 36,492,280	

See accompanying notes to financial statements.

CITY OF INDEPENDENCE, MISSOURI

Statement of Cash Flows

Proprietary Funds

Year ended June 30, 2025

	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	$ 171,037,172	37,553,995	37,368,333	10,637,851	256,597,351	4,357,169
Receipts from interfund charges	—	—	—	—	—	44,653,894
Payments to suppliers	(96,504,706)	(15,997,124)	(15,901,104)	(5,765,677)	(134,168,611)	(40,620,879)
Payments to employees	(21,177,969)	(10,033,406)	(6,869,169)	—	(38,080,544)	(7,446,261)
Net cash provided by (used in) operating activities	53,354,497	11,523,465	14,598,060	4,872,174	84,348,196	943,923
Cash Flows from Noncapital Financing Activities:						
Transfers in	—	—	10,000	—	10,000	—
Transfers out	—	—	(83)	—	(83)	—
Transfers out – payments in lieu of taxes	(15,888,390)	(3,192,643)	(3,577,963)	—	(22,658,996)	—
Sales tax	—	—	—	9,165,134	9,165,134	—
Advances from (to) other funds	435,559	435,559	435,559	(865)	1,305,812	(1,742,235)
Net cash provided by (used in) noncapital financing activities	(15,452,831)	(2,757,084)	(3,132,487)	9,164,269	(12,178,133)	(1,742,235)
Cash Flows from Capital and Related Financing Activities:						
Acquisition and construction of capital assets	(8,654,892)	(5,980,562)	(5,697,870)	(7,960,006)	(28,293,330)	(104,251)
Interest paid on revenue bonds and equipment contracts	(4,589,985)	(586,163)	(2,654,738)	(2,675,190)	(10,506,076)	(4,887)
Redemption of revenue bonds	(3,730,000)	(1,950,000)	(3,695,000)	(3,640,000)	(13,015,000)	—
Net cash provided by (used in) capital and related financing activities	(16,974,877)	(8,516,725)	(12,047,608)	(14,275,196)	(51,814,406)	(109,138)
Cash Flows from Investing Activities:						
Interest on investments	3,428,533	2,109,380	1,700,098	890,769	8,128,780	633,388
Adjustment to fair value	1,418,183	752,033	518,727	—	2,688,943	(52,143)
Net cash provided by (used in) investing activities	4,846,716	2,861,413	2,218,825	890,769	10,817,723	581,245
Net increase (decrease) in cash and cash equivalents	25,773,505	3,111,069	1,636,790	652,016	31,173,380	(326,205)
Cash and cash equivalents - beginning	76,732,105	57,651,532	45,153,647	17,614,256	197,151,540	12,480,490
Cash and cash equivalents - ending	$ 102,505,610	60,762,601	46,790,437	18,266,272	228,324,920	12,154,285
Investments with original maturities greater than 90 days	—	—	—	—	—	—
Pooled cash and investments	$ 102,505,610	60,762,601	46,790,437	18,266,272	228,324,920	12,154,285
Noncash capital and related financing activities:						
Leases and subscriptions	$ 91,598	—	—	—	91,598	9,197
Accounts payable and retainages	1,076,109	462,825	2,015,449	4,158,778	7,713,161	121,470
Contributed capital	356,429	—	—	—	356,429	—
Noncash capital and related financing activities:	$ 1,524,136	462,825	2,015,449	4,158,778	8,161,188	130,667
Components of cash and short-term investments at end of fiscal year:						
Unrestricted assets	$ 93,305,700	56,703,664	39,229,686	11,940,780	201,179,830	11,070,767
Restricted assets	9,199,910	4,058,937	7,560,751	6,325,492	27,145,090	1,083,518
Total pooled cash and investments	$ 102,505,610	60,762,601	46,790,437	18,266,272	228,324,920	12,154,285
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	$ 39,682,649	3,082,646	7,295,276	(5,121,378)	44,939,193	(13,868,293)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	11,642,998	3,759,522	4,574,259	2,741,578	22,718,357	1,153,068
Lease revenue	18,023	—	—	—	18,023	—
Miscellaneous revenue	1,580,371	3,734,797	119,450	1,724,633	7,159,251	2,569,043
Change in assets and liabilities:						
Accounts receivable	1,634,587	442,155	869,199	131,133	3,077,074	3,807
Inventory	(3,704,964)	202,282	(15,621)	(975)	(3,519,278)	(16,886)
Prepaid items and other assets	(83,831)	—	—	(176,378)	(260,209)	—
Unbilled revenue	139,371	383,877	425,215	—	948,463	—
Due from other governments	(171,181)	(1,883)	(3,396)	—	(176,460)	—
Special assessments receivable	7,058	—	—	—	7,058	—
Other deferred charges	(3,430,648)	(1,277,135)	(609,559)	—	(5,317,342)	(1,086,578)
Lease receivable	7,826	—	—	(1,545)	6,281	—
Other receivable	1,136,697	8,421	19,850	—	1,164,968	—
Accounts and contracts payable	2,061,240	(68,760)	1,920,033	3,058,869	6,971,382	(115,339)
Accrued and other liabilities	(30,395)	(218,528)	(26,580)	(54,117)	(329,620)	119,032
Lease liability	—	—	(173)	—	(173)	(6,932)
Subscription liability	(44,891)	—	—	—	(44,891)	(310,110)
Other post-employment benefits & net pension liability	2,632,638	1,445,156	69,569	—	4,147,363	3,440,372
Claims payable	—	—	—	—	—	7,651,167
Deferred charges	(673,048)	(146,396)	(293,701)	377,016	(736,129)	329,080
Deferred lease revenue	(8,023)	—	—	—	(8,023)	—
Unearned revenue	21,038	1,883	3,396	2,193,338	2,219,655	256,802
Compensated absences	936,982	175,428	250,843	—	1,363,253	825,690
Total adjustments	13,671,848	8,440,819	7,302,784	9,993,552	39,409,003	14,812,216
Net cash provided by (used in) operating activities	$ 53,354,497	11,523,465	14,598,060	4,872,174	84,348,196	943,923

See accompanying notes to financial statements.

Exhibit 8

CITY OF INDEPENDENCE, MISSOURI
Statement of Fiduciary Net Position
June 30, 2025

		Custodial Funds
ASSETS		
Pooled cash and investments	$	303,423
Accrued interest		652
Total assets		304,075
NET POSITION		
Restricted for:		
Individuals and organizations		304,075
Total net position	$	304,075

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, 2025

		Custodial Funds
ADDITIONS		
Contributions	$	241,414
Investment income		13,850
Total additions		255,264
DEDUCTIONS		
Benefits paid to participants		213,979
Award distribution		1,000
Total deductions		214,979
Change in net position		40,285
Net Position - beginning		263,790
Net Position - ending	$	304,075

See accompanying notes to financial statements.

CITY OF INDEPENDENCE, MISSOURI
Index to Notes to Financial Statements
June 30, 2025

CITY OF INDEPENDENCE, MISSOURI
Index to Notes to Financial Statements
June 30, 2025

(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 Cable Dahmer Arena, formerly known as the Independence Events Center managed by the Oak View Group (OVG) as blended component units. The Corporation is governed by a 5-member board, of which all are City employees and appointed by the City. The Corporation performs management functions for the facility. OVG manages the daily operations of the Arena providing an exclusive benefit to the City. These component units are reflected in the City's Events Center fund, a proprietary fund. No separate financial statements are issued by the Corporation. Separate financial statements are issued for the Cable Dahmer Arena.

The Events Center Community Improvement District, Crackerneck Creek Transportation Development District, Hub Drive Community Improvement District, and Hub Drive Transportation Development District are included in the financial statements of the City as blended component units. The transportation development districts (TDD) and community improvement districts (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 Events Center CID is governed by a 5-member board, of which three are City employees appointed by the City Council. The Events Center CID is reported as a blended component unit in the Events Center fund. The Crackerneck Creek 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 Crackerneck Creek TDD is reported as a blended component unit in the TIF Debt Service Fund. The Hub Drive CID is governed by a 5-member board appointed by the City Council. The Hub Drive TDD is governed by a 5-member board appointed by property owners within the district. Both the Hub Drive CID and TDD are reported as blended component units in the TIF Debt Service fund. Financial statements for these districts 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 TIF Debt Service Fund 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 business-type activities 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 function or 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 Cable Dahmer Arena, formerly known as the Independence Events Center. This fund also includes the operational activities which are managed by the Corporation, operational activities of the Oak View Group, 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 or committed to expenditures 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, Risk Management, Finance and Support Services, and other benefits provided to other departments on a cost-reimbursement basis.

Custodial Funds – These funds are fiduciary fund types and account for monies held on behalf of the Flexible Spending Account Program for employee contributions made to the City's Flex Plan for medical and dependent care flexible spending accounts, 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 Fiduciary Fund Financial Statements. The government-wide, proprietary, and custodial 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. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied, and is not susceptible to reporting 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.

Fiduciary Funds. The accrual basis of accounting is used to present data in the fiduciary fund financial statements.

(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. The City's position in the pool is the same as the value of the pool shares.

(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 lower of cost or market.

(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.

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

Right-to-use lease equipment and subscription assets are amortized over the life of the associated contract.

(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 assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City has five items that qualify for reporting in this category. They are the deferred charge on refunding, deferred pension related amounts, deferred other post-employment benefit (OPEB) amounts, deferred environmental and regulatory amounts, and goodwill 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 OPEB related deferred outflow consists of the unamortized portion of the net difference between projected and actual experience and changes in assumptions. The deferred environmental and regulatory deferred outflow consists of charges permitted under regulatory basis of accounting for the Power and Light fund. The goodwill related deferred outflow consists of goodwill reported in the Events Center enterprise fund, which will be amortized over the remaining life of the related asset (the Events Center). Goodwill became a deferred outflow of resources under GASB Statement No. 85, *Omnibus 2017,* which the City implemented in the fiscal year ending June 30, 2018.

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 assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category, unavailable/deferred revenues, deferred inflows from pension related amounts, and deferred inflows from other post-employment benefit (OPEB) amounts. The governmental funds report revenues from three sources: real estate taxes, special assessment, and leases. These amounts are deferred and recognized as an inflow of resources in the period when the amounts are intended to be used. 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 and plan assumptions, OPEB deferred inflows, which consist of the unamortized portion of the differences between expected and actual experience, real estate taxes, which will become an inflow in the year for which they are levied, and lease revenue is recognized over the term of the leases.

(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 separation, compensation for accrued leave for all employees, other than Firefighters, is paid up to 1,040 hours for sick leave, and a maximum of 400 hours for vacation at the employee's current rate of pay. Firefighters hired on or before February 1, 2021, are eligible to receive sick leave payout between 520 to 1,560 hours based upon different tiers for their hourly per week schedule and years of service. Firefighters hired after February 1, 2021, are not eligible to receive sick leave payout upon separation.

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.

Effective July 1, 2024, the City implemented GASB Statement No. 101, *Compensated Absences*. The new statement requires that liabilities for compensated absences be recognized for 1) leave that has not been used and 2) leave that has been used but not yet paid in cash or settled through non-cash means. A liability is required to be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means. The balances reported at July 1, 2024 were not deemed material and were not changed as a result of the implementation of this new standard.

(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 16% of annual revenues. If the fund balance falls below this target level of 16% 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 $81,020 for Power and Light, $5,485,196 for the Events Center, and $55,493,640 for Governmental activities. Also excluded were accounts payable, retainages, and lease and subscription liabilities of $7,713,161 for business-type activities and $2,277,439 for governmental activities.

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 $33,441,077 for the Street Sales Tax, the License Surcharge, and debt service; $8,694,195 for the Parks Sales Tax, Parks Property Tax, and Transient Guest Tax; $15,589,107 for Storm Water Sales Tax; $26,106,129 for Police Public Safety Sales Tax, Fire Protection Sales Tax, Police Use Tax, Marijuana Sales Tax, and Proposition PD Sales Tax; $650,088 for the Animal Services Use Tax and Health Property Tax; $6,699 for the Independence Square Benefit District;

$5,042,692 for debt service; and $11,200,180 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 April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. The City will implement GASB Statement No. 103 with the fiscal year ended June 30, 2026.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this statement is to better meet the information needs of financial statement users by providing additional information about certain types of capital assets. The statement will require separate disclosure for certain types of capital assets as well as disclosures for capital assets held for sale. The City will implement GASB Statement No. 104 with the fiscal year ended June 30, 2026.

The City's management has not yet determined the effect, if any, these statements will have on the City's financial statements.

(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.

For the City, the measurement of the fair value of investments was either based on quoted market prices obtained from exchanges, or from independent pricing sources. Where prices are not available from generally recognized sources the securities are priced using a yield-based matrix to arrive at an estimated fair value.

The City has no assets reported at fair value on a nonrecurring basis. The securities in the following table are measured at fair value per the disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 72.

At June 30, 2025 the carrying values of deposits and investments are summarized as follows:

			Fair Value Measurement
Investments measured at fair value:			
Federal Home Loan Mortgage Corporation	$	3,759,284	Level 2
Federal Home Loan Bank		1,352,975	Level 2
U.S. Treasury Notes		116,698,103	Level 1
U.S. Treasury Bond		27,506	Level 1
Investments measured at amortized cost:			
Money Market - Bond Reserves		86,664,158	N/A
Local Government Investment Pool - MOSIP		27,787,494	N/A
Money Market - Work Comp Escrow		1,083,518	N/A
Total investments		237,373,038	
Cash and cash equivalents:			
Deposits and repurchase obligations		176,101,371	
Petty cash		19,896	
Total	$	413,494,305	

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	$	318,115,042	303,423	318,418,465
Current restricted cash and investments		7,588,689	—	7,588,689
Non-current restricted cash and investments		87,487,151	—	87,487,151
	$	413,190,882	303,423	413,494,305

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 end of each month. 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 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	Aa1	0.57%
Federal Home Loan Mortgage Corporation	Aa1	1.58%
Local Government Investment Pool - MOSIP	AAAm (S & P)	11.71%

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, 2025, 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. In accordance with its policy, the City addresses custodial risk by pre-qualifying institutions with which it places securities. All securities are either registered in the name of the City or are held by the counterparty's agent in the City's name.

Accordingly, management has determined that none of the City's deposits or investments were exposed to custodial credit risk as of June 30, 2025.

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, 2025, the City's investment portfolio had the following investments and maturities:

Investment Type	Total	6 Months or Less	6 - 12 Months	12 - 24 Months	24 - 36 Months	36 - 48 Months	48 - 60 Months
Local Government Investment Pool - MOSIP	$ 27,787,494	27,787,494	—	—	—	—	—
Money Market - Bond Reserves	86,664,158	86,664,158	—	—	—	—	—
Money Market - Work Comp Escrow	1,083,518	1,083,518	—	—	—	—	—
U.S. Government Securities							
Federal Home Loan Mortgage Corporation	3,759,284	1,758,654	—	—	2,000,630	—	—
Federal Home Loan Bank	1,352,975	238,294	—	1,114,681	—	—	—
U.S. Treasury Notes	116,698,103	11,538,209	15,845,284	32,516,291	22,041,972	20,180,272	14,576,075
U.S. Treasury Bond	27,506	—	—	—	27,506	—	—
Total investments	$ 237,373,038	129,070,327	15,845,284	33,630,972	24,070,108	20,180,272	14,576,075

Truman Heartland Community Foundation

The City has various fund accounts at the Truman Heartland Community Foundation (THCF), where donations are received for special City projects. THCF is a public charity which services communities in and around Eastern Jackson County.

At June 30, 2025, the carrying values of deposits are summarized as follows:

Project		Balance
Fire Safety Equipment	$	12,497
Sermon Memorial Room		43,129
Sermon/Old Spring Project		41,987
Truman Memorial Building Restoration		2,441
Truman Memorial Walking Trail		15,996
George Owens Nature Park		205
Palmer Center Senior Services		4,450
Palmer Senior Center		5,813
Memorial Endowment - Palmer Senior Center		103,618
McCoy Park Inclusive Play		24
Animal Shelter		32,951
Endowment - All Creatures Fund		99,786
Friends of Truman Depot		17,774
Waggoner Memorial		4,713
Pioneer Statue		4,718
	$	390,102

(3) Tax Revenue

Tax revenue, including interest and penalties for the year ended June 30, 2025 is as follows:

		General	TIF Debt Service	Nonmajor Governmental Funds	Total
Real Estate Tax	$	6,059,751	7,761,568	2,868,390	16,689,709
Railroad Utilities Tax		43,565	—	—	43,565
Cigarette Tax		295,125	—	—	295,125
Transient Guest Tax		—	—	2,349,663	2,349,663
Sales Tax		21,285,172	8,283,212	37,619,051	67,187,435
Use Tax		1,857,080	—	9,162,936	11,020,016
Franchise Tax		7,887,332	—	—	7,887,332
	$	37,428,025	16,044,780	52,000,040	105,472,845

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, 2024, on which the fiscal 2025 levy was based, was $2,201,601,831.

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, 2025 were $0.3325 for the General Fund, $0.1567 for Public Health and Recreation, and $0.5755 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, 2025, the City provides Chapter 353 Tax Abatements through six programs that provide property tax abatement to encourage rehabilitation of properties that improve the safety and health of the home occupants, and/or 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. 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.

The following programs have abatements equal to 100% of the real estate tax for years 1 through 10, and 50% of the real estate tax for years 11 through 25. For the fiscal year ending June 30, 2025, the abated tax amounts were as follows:

Tax Abatement Program		Abated Tax
Fairmount Carlisle	$	18,845
Independence Square		20,902
Midtown Truman Road Corridor		31,937
St. Clair Park		321
Southwest Independence		555
Total	$	72,560

The following program has an abatement equal to 100% of the real estate tax for the assessed valuation of the improvement, and 50% of the real estate tax for years 11 through 20. For the fiscal year ending June 30, 2025, the abated tax amount was as follows:

Tax Abatement Program	Abated Tax
Cargo Largo	$ 123,036
Total	$ 123,036

The Cargo Largo Chapter 353 program also includes a payment in lieu of tax for each phase of the redevelopment project structured as follows:

Years	Phase	PILOT Percentage	Basis
1 through 5	All	15%	Real property taxes that would otherwise be due on the project improvements
6 through 10	All	16%	Real property taxes that would otherwise be due on the project improvements
1 through 20	Phase 2	N/A	Set payment schedule

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 title 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.

As of June 30, 2025, the City provides Chapter 100 Tax Abatements through three programs. Facilities receiving tax abatements under Chapter 100 make payments in lieu of taxes (PILOTS) to the City.

The City tax abated under the following Chapter 100 program to Unilever was $93,597.

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

The City tax abated under the following Chapter 100 program to Ronson Machine and Manufacturing was $2,693.

Years	PILOT Percentage	Basis
1 through 2	Fixed	Real property taxes in the amount equal to the taxes due in 2018
3 through 12	25%	Real property taxes in the amount equal to the taxes due in 2018, increased in each odd year by 2% plus 25% of the taxes that would otherwise be due on the project improvements
2 through 12	25%	Personal property taxes that would otherwise be due on the project equipment

The City tax abated under the following Chapter 100 program to 39th Place Apartments was $29,544.

Years	PILOT Percentage	Basis
1 through 5	Fixed	Real property taxes in the amount per the Chapter 100 agreement
6 through 16	2% Increase	Real property taxes increased in each odd year by 2%

The City tax abated under the following Chapter 100 program to Arabella Apartments was $37.

Years	PILOT Percentage	Basis
1	N/A	Set PILOT amount established in the Chapter 100 agreement
Subsequent Years	N/A	If the project remains in City ownership, PILOT in the amount equal to the taxes otherwise due on the project

The City tax abated under the following Chapter 100 program to EastGate Commerce Center was zero.

Years	PILOT per Square Foot	Basis
2024 through 2035	$0.14	PILOT based on the completed square footage of buildings A2 and A3
2036	0.18	PILOT based on the completed square footage of buildings A2 and A3
2037	0.23	PILOT based on the completed square footage of buildings A2 and A3
2038	0.29	PILOT based on the completed square footage of buildings A2 and A3
2039	0.38	PILOT based on the completed square footage of buildings A2 and A3
2040	0.48	PILOT based on the completed square footage of buildings A2 and A3
2041	0.62	PILOT based on the completed square footage of buildings A2 and A3
2042	0.79	PILOT based on the completed square footage of buildings A2 and A3
2043	1.01	PILOT based on the completed square footage of buildings A2 and A3

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, 2025, the City reported 17 TIF projects, with 15 active projects, and abated $955,250 in real estate tax and $7,651,493 in sales tax revenue.

(4) Intergovernmental Revenue and Receivables

Intergovernmental revenue during fiscal year 2025 consisted of the following:

	General Fund	Nonmajor Governmental Funds	Total
Federal			
Department of Housing & Urban Development	$		
Community Development Block Grant	—	1,385,439	1,385,439
Home Investment Partnership	—	802,046	802,046
Community Project Funding	—	524,443	524,443
Department of Agriculture	—	10,274	10,274
Department of Interior	—	64,869	64,869
Department of Justice	—	333,472	333,472
Department of Transportation	—	2,387,596	2,387,596
Department of Health & Human Services	—	961,512	961,512
Department of Treasury	—	7,573,804	7,573,804
Executive Office of the President	—	344,277	344,277
Department of Homeland Security	—	78,386	78,386
Total Federal	—	14,466,118	14,466,118
State & Local			
Department of Health & Human Services	—	81,790	81,790
Department of Public Safety	—	20,179	20,179
Department of Revenue			
Motor Vehicle Fuel Tax	5,030,274	—	5,030,274
Motor Vehicle License	559,541	—	559,541
Motor Vehicle Sales Tax	1,413,220	—	1,413,220
Financial Institutions Tax	14,624	—	14,624
Missouri Highway & Transportation Commission	—	141,301	141,301
Missouri Department of Agriculture	—	695	695
Missouri Department of Conservation	—	1,101	1,101
Missouri Department of Transportation	—	210,473	210,473
Jackson County Anti-Drug Tax	614,302	28,676	642,978
Jackson County DARE	225,099	—	225,099
Health Forward Foundation	—	2,400	2,400
Other	—	27,622	27,622
Total State & Local	7,857,060	514,237	8,371,297
Grand Total	$ 7,857,060	14,980,355	22,837,415

Amounts due from other governments at June 30, 2025 are as follows:

		Federal	State	Local	Total
General Fund :					
Department of Revenue	$				
Motor Vehicle Fuel Tax		—	855,752	—	855,752
Motor Vehicle Sales Tax		—	125,000	—	125,000
Motor Vehicle License Fees		—	138,322	—	138,322
Department of Homeland Security		823	—	—	823
DARE		—	—	112,590	112,590
Marketplace Shopping Center Transportation Development Dist		—	—	232	232
		823	1,119,074	112,822	1,232,719
TIF Debt Service:					
State Sales Tax		—	145,000	—	145,000
County Sales Tax		—	—	126,607	126,607
Kansas City Zoo Tax		—	—	46,645	46,645
Noland Road Community Improvement District		—	—	114,119	114,119
Marketplace Community Improvement District		—	—	7,205	7,205
39th St Transportation Development District		—	—	22,438	22,438
		—	145,000	317,014	462,014
Nonmajor Governmental Funds:					
Department of Housing & Urban Development					
Community Development Block Grant		739,880	—	—	739,880
Home Investment Partnership		152,919	—	—	152,919
Neighborhood Stabilization Program		115,197	—	—	115,197
Community Project Funding		524,443	—	—	524,443
Department of Agriculture		1,444	695	—	2,139
Department of Justice		115,758	—	—	115,758
Department of Transportation		1,190,804	—	—	1,190,804
Department of Health & Human Services		85,514	—	—	85,514
Department of Homeland Security		352,955	—	—	352,955
Department of Interior		34,869	—	—	34,869
Department of Treasury		893,623	—	—	893,623
Executive Office of the President		123,610	—	—	123,610
Missouri Department of Health & Senior Services		—	10,821	—	10,821
Other		—	—	1,022	1,022
		4,331,016	11,516	1,022	4,343,554
Power and Light Fund:					
Federal Communications Commission		185,328	—	—	185,328
Department of Homeland Security		21,038	—	—	21,038
Mutual Aid		—	—	150,143	150,143
		206,366	—	150,143	356,509
Water Fund:					
Department of Homeland Security		1,883	—	—	1,883
		1,883	—	—	1,883
Sanitary Sewer Fund:					
Department of Homeland Security		278,679	—	—	278,679
		278,679	—	—	278,679
Totals	$	4,816,884	1,275,590	581,001	6,673,475

(5) Interfund Activity

(a) Interfund Balances

Interfund balances at June 30, 2025, consisted of the following:

		Due from Nonmajor Governmental	Due from TIF Debt Service	Due from Events Center	Due from Internal Service Funds	Total
Due to:						
General Fund	$	687,235	1,746	30,520	21,838	741,339
Nonmajor governmental		490,912	—	—	—	490,912
Power and Light Fund		—	—	—	21,838	21,838
Water Fund		—	—	—	21,838	21,838
Sanitary Sewer Fund		—	—	—	21,838	21,838
Total	$	1,178,147	1,746	30,520	87,352	1,297,765

Interfund payables and receivables represent loans between funds for operating purposes, short-term negative cash balances and pending reimbursements. The Crackerneck Creek TDD, which is reported as a component unit in the TIF Debt Service category, owes $1,746 to the General Fund for administrative fees. The Events Center CID, which is reported as a component unit in the Events Center Category, owes $30,520 to the General Fund for administrative fees. All other amounts are for short-term loans for negative cash balances at June 30, 2025.

(b) Interfund Charges for Support Services

Interfund charges for support services and rent paid to the General Fund during fiscal year 2025 were as follows:

		Interfund Charges
Nonmajor Governmental Funds	$	541,980
Power and Light Fund		1,184,842
Sanitary Sewer Fund		441,946
Water Fund		686,873
Internal Service Funds		547,591
	$	3,403,231

Interfund charges for utility customer service support services were paid to the Water Fund during fiscal year 2025, and are included as revenue in the Water fund:

Power and Light Fund	$	2,402,799
Sanitary Sewer Fund		1,223,300
	$	3,626,100

Interfund charges for meter reading services were paid to the Power and Light Fund during fiscal year 2025, and are included as revenue in the Power and Light fund:

Sanitary Sewer Fund	$	1,014,600
Water Fund		1,169,900
	$	2,184,500

(c) Payments in Lieu of Taxes

The payments in lieu of taxes of $15,888,390, $3,192,643, and $3,577,963 in fiscal year 2025 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. In addition to the 9.08% applied to operating revenues, the City also charges a real estate tax as part of the payment in lieu of taxes. The real estate taxes are charged at a set amount for the plant assets of the Enterprise Funds.

(d) Interfund Transfers

Interfund transfers for the year ended June 30, 2025, consisted of the following:

	Transfers Out				
	General	**Tax Increment Financing**	**Nonmajor Governmental**	**Sanitary Sewer**	**Total**
Transfers In:					
General	$ —	—	1,035,143	—	1,035,143
Tax Increment Financing	—	3,637,112	—	—	3,637,112
Sanitary Sewer Fund	10,000	—	—	—	10,000
Nonmajor governmental	167	—	20,799,255	83	20,799,505
Total Primary Government	$ 10,167	3,637,112	21,834,398	83	25,481,760

Transfers are for capital projects, general operations and debt service payments. There is a transfer for $69,112 between the Events Center CID and TIF Debt Service funds that is eliminated from the Events Center reporting upon consolidation within the financial statements.

(6) Capital Assets

Capital asset activity for the year ended June 30, 2025 is as follows:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Governmental activities:				
Nondepreciable capital assets:				
Land	$ 32,184,386	—	—	32,184,386
Construction work in progress	33,410,311	18,805,008	(28,644,998)	23,570,321
Total nondepreciable capital assets	65,594,697	18,805,008	(28,644,998)	55,754,707
Depreciable capital assets:				
Land improvements	10,694,552	—	—	10,694,552
Buildings	68,755,366	3,956,062	(230,000)	72,481,428
Building improvements	20,531,515	379,860	—	20,911,375
Improvements other than buildings	37,669,647	125,912	—	37,795,559
Office furniture and equipment	443,946	—	—	443,946
Computer equipment	10,595,808	368,416	—	10,964,224
Mobile equipment	31,115,291	6,927,907	(3,154,176)	34,889,022
Other equipment	16,131,096	1,949,481	—	18,080,577
Infrastructure	455,481,897	27,314,399	—	482,796,296
Total depreciable capital assets	651,419,118	41,022,037	(3,384,176)	689,056,979
Less accumulated depreciation for:				
Land improvements	(7,042,983)	(549,510)	—	(7,592,493)
Buildings	(27,271,572)	(1,605,979)	—	(28,877,551)
Building improvements	(15,540,576)	(806,768)	—	(16,347,344)
Improvements other than buildings	(30,632,029)	(1,742,019)	—	(32,374,048)
Office furniture and equipment	(441,564)	(1,143)	—	(442,707)
Computer equipment	(6,848,690)	(733,994)	—	(7,582,684)
Mobile equipment	(19,398,670)	(2,708,004)	1,913,440	(20,193,234)
Other equipment	(10,913,982)	(951,602)	—	(11,865,584)
Infrastructure	(299,007,253)	(13,924,319)	8,948	(312,922,624)
Total accumulated depreciation	(417,097,319)	(23,023,338)	1,922,388	(438,198,269)
Total depreciable capital assets, net	234,321,799	17,998,699	(1,461,788)	250,858,710
Lease and subscription assets being amortized				
Machinery and equipment	147,445	6,312	(3,642)	150,115
Machinery and equipment - internal service funds	52,531	9,197	(7,085)	54,643
Subscriptions	180,056	—	—	180,056
Subscriptions - internal service funds	3,261,927	—	—	3,261,927
Total amortized assets	3,641,959	15,509	(10,727)	3,646,741
Less accumulated amortization:				
Machinery and equipment	(56,405)	(31,603)	3,642	(84,366)
Machinery and equipment - internal service funds	(26,971)	(14,378)	7,085	(34,264)
Subscriptions	(74,864)	(50,520)	—	(125,384)
Subscriptions - internal service funds	(2,389,309)	(644,376)	—	(3,033,685)
Total accumulated amortization	(2,547,549)	(740,877)	10,727	(3,277,699)
Total amortized assets, net	1,094,410	(725,368)	—	369,042
Governmental activities capital assets, net	$ 301,010,906	36,078,339	(30,106,786)	306,982,459

Depreciation and amortization expense was charged to functions as follows:

Administrative Services	$	123,899
Public Safety		4,095,358
Municipal Services (Public Works)		12,982,133
Health and Animal Services		24,115
Culture and Recreation		2,005,685
Community Development		20,673
Storm Water		2,037,043
General Government		1,315,345
Total		22,604,251
Internal Service Funds:		
Central Garage		11,397
Enterprise Resource Planning		1,143,517
Total depreciation expense	$	23,759,165

The difference between of $5,050 between the depreciation and amortization additions on the previous page and the depreciation and amortization expense is due to a fully depreciated asset being transferred to the Governmental funds from the Business-type funds.

		Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Business-type activities:					
Power and Light Fund:					
Nondepreciable capital assets:					
Land	$	4,828,430	—	—	4,828,430
Construction in progress		32,352,514	18,919,460	(22,253,613)	29,018,361
Total nondepreciable capital assets		37,180,944	18,919,460	(22,253,613)	33,846,791
Depreciable capital assets:					
Infrastructure:					
Production plant		99,913,750	54,059	—	99,967,809
Transmission plant		46,458,204	4,072,889	(331,152)	50,199,941
Distribution plant		202,163,466	5,666,302	(1,137,591)	206,692,177
General plant		19,023,920	259,697	(285,154)	18,998,463
Other		2,755,568	—	—	2,755,568
Total infrastructure		370,314,908	10,052,947	(1,753,897)	378,613,958
Machinery and equipment		27,123,647	2,143,629	(128,221)	29,139,055
Total depreciable capital assets		397,438,555	12,196,576	(1,882,118)	407,753,013
Less accumulated depreciation:					
Infrastructure		(204,200,145)	(10,571,063)	2,409,574	(212,361,634)
Machinery and equipment		(16,550,266)	(940,104)	118,524	(17,371,846)
* Total accumulated depreciation		(220,750,411)	(11,511,167)	2,528,098	(229,733,480)
Total depreciable capital assets, net		176,688,144	685,409	645,980	178,019,533
Subscription assets being amortized:					
Subscriptions		492,172	175,748	—	667,920
Total amortized assets		492,172	175,748	—	667,920
Less accumulated amortization:					
Subscriptions		(181,488)	(131,831)	—	(313,319)
Total accumulated amortization		(181,488)	(131,831)	—	(313,319)
Total amortized assets, net		310,684	43,917	—	354,601
Total power and light capital assets	$	214,179,772	19,648,786	(21,607,633)	212,220,925

*** See page 65 note regarding depreciation.**

		Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Water Fund:					
Nondepreciable capital assets:	$				
Land		2,164,901	—	—	2,164,901
Construction in progress		10,483,666	5,326,541	(6,289,487)	9,520,720
Total nondepreciable capital assets		12,648,567	5,326,541	(6,289,487)	11,685,621
Depreciable capital assets:					
Infrastructure:					
Nonutility property		40,014	—	—	40,014
Source of supply		8,062,457	—	—	8,062,457
Pumping plant		18,016,982	189,223	(89,991)	18,116,214
Treatment plant		26,705,556	1,393,634	(81,557)	28,017,633
Transmission plant		105,624,108	4,455,028	(44,745)	110,034,391
General plant		2,182,638	—	—	2,182,638
Other		12,547,766	—	—	12,547,766
Total infrastructure		173,179,521	6,037,885	(216,293)	179,001,113
Machinery and equipment		9,951,943	902,511	(33,794)	10,820,660
Total depreciable capital assets		183,131,464	6,940,396	(250,087)	189,821,773
Less accumulated depreciation:					
Infrastructure		(69,809,215)	(3,059,022)	219,405	(72,648,832)
Machinery and equipment		(6,453,409)	(700,500)	33,794	(7,120,115)
* Total accumulated depreciation		(76,262,624)	(3,759,522)	253,199	(79,768,947)
Total depreciable capital assets, net		106,868,840	3,180,874	3,112	110,052,826
Total water capital assets	$	119,517,407	8,507,415	(6,286,375)	121,738,447

*** See page 65 note regarding depreciation.**

		Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Sanitary Sewer Fund:					
Nondepreciable capital assets:					
Land	$	330,191	—	—	330,191
Construction in progress		11,701,191	5,161,665	(617,289)	16,245,567
Total nondepreciable capital assets		12,031,382	5,161,665	(617,289)	16,575,758
Depreciable capital assets:					
Infrastructure:					
Nonutility property		46,368	—	—	46,368
Collection plant		129,976,597	—	—	129,976,597
Pumping plant		33,015,089	197,651	—	33,212,740
Treatment plant		52,502,991	—	—	52,502,991
General plant		1,200,172	—	—	1,200,172
Total infrastructure		216,741,217	197,651	—	216,938,868
Machinery and equipment		7,611,170	955,843	(384,338)	8,182,675
Total depreciable capital assets		224,352,387	1,153,494	(384,338)	225,121,543
Less accumulated depreciation:					
Infrastructure		(90,947,546)	(4,120,957)	—	(95,068,503)
Machinery and equipment		(6,251,617)	(453,005)	384,338	(6,320,284)
Total accumulated depreciation		(97,199,163)	(4,573,962)	384,338	(101,388,787)
Total depreciable capital assets, net		127,153,224	(3,420,468)	—	123,732,756
Lease assets being amortized					
Machinery and equipment		2,223	—	—	2,223
Total amortized assets		2,223	—	—	2,223
Less accumulated amortization:					
Machinery and equipment		(1,926)	(297)	—	(2,223)
Total accumulated amortization		(1,926)	(297)	—	(2,223)
Total amortized assets, net		297	(297)	—	—
Total sewer capital assets		139,184,903	1,740,900	(617,289)	140,308,514

*** See page 65 note regarding depreciation.**

Events Center fund:		**Balance June 30, 2024**	**Additions**	**Retirements**	**Balance June 30, 2025**
Nondepreciable capital assets:					
Land	$	5,796,315	—	—	5,796,315
Total nondepreciable capital assets		5,796,315	—	—	5,796,315
Depreciable capital assets:					
Infrastructure		74,856,080	7,311,056	—	82,167,136
Machinery and equipment		9,048,065	680,796	(102,302)	9,626,559
Total depreciable capital assets		83,904,145	7,991,852	(102,302)	91,793,695
Less accumulated depreciation:					
Infrastructure		(24,748,542)	(2,146,208)	—	(26,894,750)
Machinery and equipment		(4,580,960)	(595,370)	102,302	(5,074,028)
Total accumulated depreciation		(29,329,502)	(2,741,578)	102,302	(31,968,778)
Total depreciable capital assets, net		54,574,643	5,250,274	—	59,824,917
Total events center capital assets		60,370,958	5,250,274	—	65,621,232
Total business-type activities capital assets	$	533,253,040	35,147,375	(28,511,297)	539,889,118

Depreciation and amortization expense was charged to functions as follows:

Business-type activities:		
Power and Light	$	11,642,998
Water		3,759,522
Sanitary Sewer		4,574,259
Events Center		2,741,578
Total business-type activities depreciation and amortizaton expense	$	22,718,357

Depreciation expense charged to Power and Light and Water funds may be different than the additions to accumulated depreciation 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, 2025 there were no differences.

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 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. As of June 30, 2025, the City has no general obligation debt outstanding.

The following is a summary of changes in long-term liabilities of the City for the year ended June 30, 2025:

		Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental activities:						
Loans and notes payable:						
Loans payable	$	35,285,000	46,825,000	1,970,000	80,140,000	2,685,000
TIF loans		96,895,000	—	6,655,000	90,240,000	6,635,000
Financed purchase obligation		783,610	—	208,235	575,375	213,549
Premium (discount), net		4,192,100	1,722,310	354,075	5,560,335	—
Total loans and note payable		137,155,710	48,547,310	9,187,310	176,515,710	9,533,549
Other liabilities:						
Compensated absences		17,565,597	12,520,414	6,462,878	23,623,133	10,630,410
Total OPEB liability		121,769,507	2,642,722	8,198,776	116,213,453	4,670,110
Claims payable		16,484,358	38,634,263	30,936,796	24,181,825	8,347,410
Net pension liability		47,630,642	23,328,050	—	70,958,692	—
Lease liability		91,033	6,312	31,725	65,620	29,123
Lease liability - internal service funds		24,220	9,197	16,129	17,288	6,784
Subscription liability		70,508	—	36,184	34,324	34,324
Subscription liability - internal service funds		414,292	—	310,110	104,182	104,182
Total other liabilities		204,050,157	77,140,958	45,992,598	235,198,517	23,822,343
Total Governmental Activities	$	341,205,867	125,688,268	55,179,908	411,714,227	33,355,892

The compensated absences, other post-employment benefit liabilities and pension liabilities attributable to governmental activities will be liquidated primarily by the General Fund. The self-insurance claims liability will be paid from the Staywell Health Care Fund and Workers' Compensation Fund.

The following is a summary of changes in long-term debt of the Proprietary Funds for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Business-type activities:					
Power and Light Fund:					
Revenue bonds	$ 113,040,000	—	3,730,000	109,310,000	3,915,000
Premium on bonds payable	4,884,693	—	356,029	4,528,664	—
Total revenue bonds	117,924,693	—	4,086,029	113,838,664	3,915,000
Compensated absences	5,161,622	3,052,513	2,115,531	6,098,604	2,744,372
Total OPEB liability	32,195,303	—	1,718,934	30,476,369	1,224,712
Net pension liability	12,476,641	4,351,572	—	16,828,213	—
Subscription liability	245,978	91,598	136,489	201,087	138,191
Total Power and Light Fund	168,004,237	7,495,683	8,056,983	167,442,937	8,022,275
Water Fund:					
Revenue bonds	14,880,000	—	1,950,000	12,930,000	2,035,000
Premium on bonds payable	294,368	—	55,194	239,174	—
Total revenue bonds	15,174,368	—	2,005,194	13,169,174	2,035,000
Compensated absences	1,325,705	810,816	635,388	1,501,133	675,510
Total OPEB liability	9,345,762	—	324,773	9,020,989	362,514
Net pension liability	3,390,979	1,769,929	—	5,160,908	—
Total Water Fund	29,236,814	2,580,745	2,965,355	28,852,204	3,073,024
Sanitary Sewer Fund:					
Revenue Bonds	78,135,000	—	3,695,000	74,440,000	3,790,000
Premium on bonds payable	4,165,356	—	290,606	3,874,750	—
Discount on bonds payable	(31,990)	—	(1,599)	(30,391)	—
Total revenue bonds	82,268,366	—	3,984,007	78,284,359	3,790,000
Compensated absences	876,049	636,584	385,741	1,126,892	507,102
Total OPEB liability	9,050,485	—	1,095,808	7,954,677	319,664
Net pension liability	2,423,555	1,165,377	—	3,588,932	—
Lease liability	173	—	173	—	—
Total Sanitary Sewer Fund	94,618,628	1,801,961	5,465,729	90,954,860	4,616,766
Events Center Fund:					
Revenue bonds	80,015,000	—	3,640,000	76,375,000	3,890,000
Premium on bonds payable	1,158,356	—	107,442	1,050,914	—
Total Events Center Fund	81,173,356	—	3,747,442	77,425,914	3,890,000
Total business-type activities	$ 373,033,035	11,878,389	20,235,509	364,675,915	19,602,065

Debt service requirements on long-term debt with scheduled maturities at June 30, 2025 are as follows:

		Governmental Activities					
		Loans Payable		TIF Loans		Total	
		Principal	Interest	Principal	Interest	Principal	Interest
2026	$	2,685,000	3,783,152	6,635,000	3,633,350	9,320,000	7,416,502
2027		2,815,000	3,654,846	8,085,000	3,371,794	10,900,000	7,026,640
2028		2,920,000	3,548,684	6,245,000	3,047,019	9,165,000	6,595,703
2029		3,030,000	3,438,111	3,505,000	2,779,163	6,535,000	6,217,274
2030		3,155,000	3,322,753	3,670,000	2,644,413	6,825,000	5,967,166
2031 - 2035		15,645,000	14,794,514	15,285,000	11,250,750	30,930,000	26,045,264
2036 - 2040		11,880,000	11,814,717	12,810,000	8,177,756	24,690,000	19,992,473
2041 - 2045		13,780,000	8,278,694	15,670,000	5,723,956	29,450,000	14,002,650
2046 - 2050		10,510,000	5,000,800	12,850,000	2,653,950	23,360,000	7,654,750
2051 - 2055		13,720,000	1,790,188	5,485,000	219,400	19,205,000	2,009,588
	$	80,140,000	59,426,459	90,240,000	43,501,551	170,380,000	102,928,010

		Business-type Activities									
		Power and Light		Water		Sewer		Events Center		Total	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	$	3,915,000	4,706,844	2,035,000	498,438	3,790,000	2,439,464	3,890,000	2,184,757	13,630,000	9,829,503
2027		4,110,000	4,511,094	2,120,000	415,338	3,895,000	2,334,617	4,145,000	2,077,527	14,270,000	9,338,576
2028		4,315,000	4,305,594	2,210,000	325,975	4,010,000	2,213,725	4,415,000	1,963,376	14,950,000	8,808,670
2029		4,530,000	4,089,844	2,305,000	230,031	4,145,000	2,082,762	4,705,000	1,831,804	15,685,000	8,234,441
2030		4,760,000	3,863,344	4,260,000	90,525	4,285,000	1,942,548	5,025,000	1,679,611	18,330,000	7,576,028
2031 - 2035		27,610,000	15,500,469	—	—	23,750,000	7,391,473	30,130,000	5,984,804	81,490,000	28,876,746
2036 - 2040		26,910,000	9,221,763	—	—	20,025,000	3,484,636	24,065,000	1,349,009	71,000,000	14,055,408
2041 - 2045		27,100,000	4,373,294	—	—	10,540,000	1,219,200	—	—	37,640,000	5,592,494
2046 - 2047		6,060,000	233,625	—	—	—	—	—	—	6,060,000	233,625
	$	109,310,000	50,805,871	12,930,000	1,560,307	74,440,000	23,108,425	76,375,000	17,070,888	273,055,000	92,545,491

Included in the Events Center maturity schedule above is the following privately placed Series 2022 revenue bonds:

		Events Center - Privately Placed	
		Principal	Interest
2026	$	3,055,000	1,610,907
2027		3,290,000	1,528,727
2028		3,025,000	1,440,226
2029		2,325,000	1,358,854
2030		3,640,000	1,296,311
2031 - 2035		22,575,000	4,896,204
2036 - 2038		21,975,000	1,223,009
	$	59,885,000	13,354,238

Acceleration Clauses

In the event of the City's default on debt service payments, all TIF loans, the Public Safety Projects Series 2025A, and business-type revenue bonds have acceleration clauses. If 25% of the bondholders vote to enforce the acceleration clause then the full amounts of the outstanding principal and accrued interest are due immediately.

The Events Center Series 2022 bonds are privately placed. In the event of the City's default on debt service payments, the Trustee may declare that the full amounts of the outstanding principal and accrued interest are due immediately.

(a) Governmental Activities

(1) Loans Payable

Governmental activities loans payable at June 30, 2025 is comprised of the following:

$17,940,000 Lease Purchase for Deferred Maintenance, annual installments of $1,220,000 to $1,575,000; interest at 2.420% - paid from the Street Improvements Sales Tax fund	$	13,900,000
$20,000,000 Lease Purchase for the Building Acquisition & Improvements, annual installments of $585,000 to $1,565,000; interest at 5.180% - paid from the General Fund		19,415,000
$46,825,000 Series 2025 A for Public Safety Projects, annual installments of $650,000 to $3,030,000; interest at 5.000% to 5.500% - paid from the Fire Sales Tax and Marijuana Sales Tax funds		46,825,000
Total Governmental Activities Loans Payable	$	80,140,000

The lease purchase for Deferred Maintenance and lease purchase for the Building Acquisition and Improvements are both privately placed.

(2) Financed Purchase Obligations and Leases

Financed Purchase Obligations

Financed purchase obligations at June 30, 2025 are comprised of the following:

Motorola Solutions (radio equipment) annual installments of $158,096 to $178,587 through 2027; interest at 2.48% - paid from the General fund and Police Sales Tax fund with allocations to the Enterprise funds and Storm Water Sales Tax fund	$	536,199
Caterpillar Financial Services (wheel loader) annual installments of $34,830 to $38,053 through 2025; interest at 3.025% - paid from the Street Improvements Sales Tax fund		39,176
Total Financed Purchase Obligations	$	575,375

The net book value of assets acquired under the financed purchases described above amounted to $1,925,049 as of June 30, 2025.

The future minimum obligations and the net present value of these minimum payments as of June 30, 2025 were as follows:

Year ending June 30:		
2026	$	228,098
2027		187,670
2028		187,670
		603,438
Less imputed interest		(28,063)
Present value of minimum lease payments	$	575,375

Lease Arrangements

Leases Payable

Under GASB Statement No. 87, a lessee is required to recognize an intangible right to use asset and a lease liability at the commencement of the lease term based on the estimated present value of the lease payments. The intangible right to use assets represent the City's right to use the underlying assets during the term of the lease, and lease liabilities represent the City's obligation to make lease payments arising from the lease. For fund statements an expenditure and other financing source are reported in the period the lease is initially recognized. The subsequent lease payments are accounted for consistent with the principles of debt service payments on long-term debt. The intangible right to use asset is amortized over the lease term. The City uses an average interest rate based upon a combination of treasury rates and credit rates to calculate the present value of lease payments when the rate implicit in the lease is not known. For each lease listed below, the intangible right to use asset is included in Note 6 – Capital Assets and the lease liability is included in Note 7 – Long-Term Obligations.

On September 20, 2019, the City entered into a 60-month lease as Lessee for the use of a Ricoh Multifunction Copier for the City Manager's Office. On July 1, 2021, an initial lease asset and lease liability were recorded in the amount of $5,683. As of June 30, 2025, the value of the lease liability was zero. The City was required to make monthly fixed payments of $152. The lease has an interest rate of 0.8450%. As of June 30, 2025, the value of the right to use asset was $5,683 with accumulated amortization of $5,683.

On December 17, 2019, the City entered into a 60-month lease as Lessee for the use of a Ricoh Multifunction Copier for the Sanitary Sewer Maintenance division. On July 1, 2021, an initial lease asset and lease liability were recorded in the amount of $4,445. As of June 30, 2025, the value of the lease liability was zero. The City was required to make quarterly fixed payments of $347. The lease has an interest rate of 0.8450%. As of June 30, 2025, the value of the right to use asset was $4,445 with accumulated amortization of $4,445.

On December 17, 2019, the City entered into a 60-month lease as Lessee for the use of a Ricoh Multifunction Copier for the Animal Services division. On July 1, 2022, an initial lease asset and lease liability were recorded in the amount of $2,814. As of June 30, 2025, the value of the lease liability was zero. The City was required to make monthly fixed payments of $95. The lease has an interest rate of 0.8450%. As of June 30, 2025, the value of the right to use asset was $2,814 with accumulated amortization of $2,814.

On September 8, 2020, the City entered into a 60-month lease as Lessee for the use of a Hewlett Packard Multifunction Copier for the Community Development Department. On July 1, 2021, an initial lease asset and lease liability were recorded in the amount of $4,967. As of June 30, 2025, the value of the lease liability was $298. The City is required to make quarterly fixed payments of $299. The lease has an interest rate of 1.0110%. As of June 30, 2025, the value of the right to use asset was $4,967 with accumulated amortization of $4,727.

On September 21, 2020, the City entered into a 60-month lease as Lessee for the use of a Hewlett Packard LJ Managed Copier for the Tourism Division. On July 1, 2021, an initial lease asset and lease liability were recorded in the amount of $5,551. As of June 30, 2025, the value of the lease liability was

$628. The City is required to make quarterly fixed payments of $315. The lease has an interest rate of 1.0110%. As of June 30, 2025, the value of the right to use asset was $5,551 with accumulated amortization of $5,197.

On May 26, 2021, the City entered into a 60-month lease as Lessee for the use of a Hewlett Packard LJ Managed Copier for the Health Department. On July 1, 2021, an initial lease asset and lease liability were recorded in the amount of $5,358. As of June 30, 2025, the value of the lease liability was $1,095. The City is required to make quarterly fixed payments of $276. The lease has an interest rate of 1.1770%. As of June 30, 2025, the value of the right to use asset was $5,358 with accumulated amortization of $4,371.

On June 2, 2021, the City entered into a 60-month lease as Lessee for the use of a Hewlett Packard LJ Printer for the City Clerk's Office. On July 1, 2021, an initial lease asset and lease liability were recorded in the amount of $6,183. As of June 30, 2025, the value of the lease liability was $1,265. The City is required to make quarterly fixed payments of $318. The lease has an interest rate of 1.1770%. As of June 30, 2025, the value of the right to use asset was $6,183 with accumulated amortization of $5,028.

On June 14, 2021, the City entered into a 60-month lease as Lessee for the use of two Hewlett Packard LF Managed Copiers for the Police Department. On July 1, 2021, an initial lease asset and lease liability were recorded in the amount of $10,437. As of June 30, 2025, the value of the lease liability was $2,135. The City is required to make quarterly fixed payments of $538. The lease has an interest rate of 1.1770%. As of June 30, 2025, the value of the right to use asset was $10,437 with accumulated amortization of $8,429.

On October 21, 2021, the City entered into a 60-month lease as Lessee for the use of two Hewlett Packard LJ Managed Copiers for the Municipal Services Department. An initial lease asset and lease liability were recorded in the amount of $7,573. As of June 30, 2025, the value of the lease liability was $2,213. The City is required to make quarterly fixed payments of $374. The lease has an interest rate of 1.4460%. As of June 30, 2025, the value of the right to use asset was $7,573 with accumulated amortization of $5,596.

On March 23, 2022, the City entered into a 60-month lease as Lessee for the use of six Hewlett Packard LJ Managed Copiers for the Police Department. An initial lease asset and lease liability were recorded in the amount of $31,026. As of June 30, 2025, the value of the lease liability was $9,631. The City is required to make quarterly fixed payments of $1,638. The lease has an interest rate of 2.3230%. As of June 30, 2025, the value of the right to use asset was $31,026 with accumulated amortization of $20,305.

On December 1, 2022, the City entered into a 36-month lease as Lessee for the use of Quadient Mail Postage Equipment for the City as a whole. An initial lease asset and lease liability were recorded in the amount of $36,223. As of June 30, 2025, the value of the lease liability was $3,143. The City is required to make quarterly fixed payments of $3,169. The lease has an interest rate of 3.3780%. As of June 30, 2025, the value of the right to use asset was $36,223 with accumulated amortization of $31,193.

On August 22, 2023, the City entered into a 60-month lease as Lessee for the use of a Hewlett Packard DesignJet Printer for the Fire Department. An initial lease asset and lease liability were recorded in the amount of $8,596. As of June 30, 2025, the value of the lease liability was $5,268. The City is required to make quarterly payments of $460. The lease has an interest rate of 2.8760%. As of June 30, 2025, the value of the right to use asset was $8,596 with accumulated amortization of $3,195.

On February 1, 2024, the City entered into a 60-month lease as Lessee for the use of a Hewlett Packard LJ Managed Copier for the Technology Services Department. An initial lease asset and liability were recorded in the amount of $9,224. As of June 30, 2025, the value of the lease liability was $6,901. The City is required to make quarterly payments of $516. The lease has an interest rate of 2.4320%. As of June 30, 2025, the value of the right to use asset was $9,224 with accumulated amortization of $2,613.

On April 15, 2024, the City entered into a 48-month lease as Lessee for the use of a Bobcat Skid Steer Loader for the Municipal Services Department. An initial lease asset and liability were recorded in the amount of $53,392. As of June 30, 2025, the value of the lease liability was $38,101. The City is required to make monthly payments of $1,202. The lease has an interest rate of 2.8320%. As of June 30, 2025, the value of the right to use asset was $53,392 with accumulated amortization of $16,166.

On January 1,2025, the City entered into a 60-month lease as Lessee for the use of a Hewlett Packard LJ Managed Copier for Municipal Court. An initial lease asset and lease liability were recorded in the amount of $6,312. As of June 30, 2025, the value of the lease liability was $4,986. The City is required to make annual fixed payments of $1,326. The lease has an interest rate of 2.5110%. As of June 30, 2025, the value of the right to use asset was $6,312 with accumulated amortization of $631.

On April 1, 2025, the City entered into a 60-month lease as Lessee for the use of a Hewlett Packard LJ Managed Copier for the Finance Department. An initial lease asset and lease liability were recorded in the amount of $9,197. As of June 30, 2025, the value of the lease liability was $7,244. The City is required to make quarterly fixed payments of $1,953. The lease had an interest rate of 3.0850%. As of June 30, 2025, the value of the right to use asset was $9,197 with accumulated amortization of $460.

The future minimum lease payment for governmental and business-type activities for the year ended June 30, 2025 is as follows:

	Governmental Activities		
Fiscal Year	**Principal**	**Interest**	**Total**
2026	$ 35,907	1,792	37,699
2027	25,191	1,002	26,193
2028	17,600	394	17,994
2029	4,210	100	4,310
	$ 82,908	3,288	86,196

Leases Receivable

Under GASB Statement No. 87, a lessor is required to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflows of resources are measured at the value of the lease receivable plus any payments received at or before the commencement of the least term that relate to future periods.

On July 8, 2002, the City entered into a 480-month lease as Lessor for T-Mobile to use tower and space rental at Fire Station #1. On July 1, 2021, an initial lease receivable and deferred inflow of resources were recorded in the amount of $865,368. As of June 30, 2025, the value of the lease receivable was $767,453. The lessee is required to make annual fixed payments of $41,976. The lease has an interest rate of 2.6590%. As of June 30, 2025, the value of the deferred inflow of resources was $700,688, and the City recognized lease revenue of $41,170 during the fiscal year.

On January 1, 2007, the City entered into a 240-month lease as Lessor for the use of Bass Pro Store. On July 1, 2021, an initial lease receivable and deferred inflows of resources were recorded in the amount of $4,806,001. As of June 30, 2025, the value of the lease receivable was $975,947. The lessee is required to make annual fixed payments of $1,000,000. The lease has an interest rate of 1.3350%. As of June 30, 2025, the value of the deferred inflow of resources was $975,947, and the City recognized lease revenue of $989,543 during the fiscal year.

On August 27, 2020, the City entered into a 360-month lease as Lessor for the use of land for the Lamar message board at the Cable Dahmer Arena. On July 1, 2021, an initial lease receivable and deferred inflow of resources were recorded in the amount of $562,548. As of June 30, 2025, the value of the lease receivable was $531,660. The lessee is required to make monthly fixed payments of $2,100, and pre-paid 48 months at the commencement of the lease. The lease has an interest rate of 2.7210%. As of June 30, 2025, the value of the deferred inflow of resources was $407,929 and the City recognized lease revenue of $16,216.

On April 1, 2023, the City entered into a 60-month lease as Lessor for the use of land owned by Power and Light. An initial lease receivable and deferred inflow of resources were recorded in the amount of $40,115. As of June 30, 2025, the value of the lease receivable was $16,285. The lessee is required to make annual fixed payments of $8,470. The lease has an interest rate of 2.670%. As of June 30, 2025, the value of the deferred inflow of resources was $22,063 and the City recognized lease revenue of $8,023.

The future minimum lease revenue due for governmental and business-type activities under lease arrangement for the year ended June 30, 2025 is as follows:

		Governmental Activities		
Fiscal Year		**Principal**	**Interest**	**Total**
2026	$	997,518	33,581	1,031,099
2027		22,143	19,833	41,976
2028		29,028	19,244	48,272
2029		29,800	18,472	48,272
2030		30,593	17,680	48,273
2031 - 2035		187,911	75,174	263,085
2036 - 2040		255,786	46,762	302,548
2041 - 2045		190,621	10,476	201,097
	$	1,743,400	241,222	1,984,622

		Business-Type Activities		
Fiscal Year		**Principal**	**Interest**	**Total**
2026	$	18,904	14,766	33,670
2027		19,418	14,252	33,670
2028		11,476	13,724	25,200
2029		15,833	13,367	29,200
2030		17,088	12,912	30,000
2031 - 2035		92,768	57,232	150,000
2036 - 2040		106,272	43,728	150,000
2041 - 2045		121,741	28,259	150,000
2046 - 2050		139,462	10,538	150,000
2051		4,983	17	5,000
	$	547,945	208,795	756,740

Subscription-Based Information Technology Arrangements

Under GASB Statement No. 96, the City is required to recognize an intangible right to use asset and a subscription liability at the commencement of the lease term based on the estimated present value of the subscription payments. The intangible right to use assets represent the City's right to use the underlying assets during the term of the subscription agreement, and subscription liabilities represent the City's obligation to make payments arising from the agreement. For fund statements an expenditure and other financing source are reported in the period the subscription is initially recognized. The subsequent payments are accounted for consistent with the principles of debt service payments on long-term debt. The right to use asset is amortized over the subscription term. For each subscription listed below, the intangible right to use asset is included in Note 6 – Capital Assets and the subscription liability is included in Note 7 – Long-Term Obligations.

The City uses an average interest rate based upon a combination of treasury rates and credit rates to calculate the present value of lease payments when the rate implicit in the lease is not known.

On September 1, 2017, the City entered into a 84-month subscription for the use of Munis ERP System. On July 1, 2022, an initial subscription asset was recorded in the amount of $1,912,213 and a subscription liability was recorded in the amount of $1,173,113. As of June 30, 2025, the value of the subscription liability was zero. The City is required to make annual fixed payments of $596,172. The subscription has an interest rate of 2.1937%. As of June 30, 2025, the value of the right to use asset was $1,912,213 with accumulated amortization of $1,912,213.

On January 22, 2020, the City entered into an estimated 72-month subscription for the use of eCivis Cost Allocation Software. On July 1, 2022, an initial subscription asset and subscription liability were recorded in the amount of $81,171. As of June 30, 2025, the value of the subscription liability was zero. The City is required to make annual fixed payments of $28,000. The subscription has an interest rate of 2.1937%. As of June 30, 2025, the value of the right to use asset was $81,171 with accumulated amortization of $67,958.

On January 1, 2022, the City entered into a 36-month subscription for the use of the Enterprise Advantage Program. On July 1, 2022, an initial subscription asset and subscription liability were recorded in the amount of $101,963. As of June 30, 2025, the value of the subscription liability was zero. The City is required to make annual fixed payments of $52,100. The subscription has an interest rate of 2.1937%. As of June 30, 2025, the value of the right to use asset was $101,963 with accumulated amortization of $101,963.

On January 7, 2022, the City entered into a 36-month subscription for the use of Vector/Target Solutions - Training & Stations Inventory Program. On July 1, 2022, an initial subscription asset and subscription liability were recorded in the amount of $39,678. As of June 30, 2025, the value of the subscription liability was zero. The City is required to make annual fixed payments of $20,026. The subscription has an interest rate of 2.3543%. As of June 30, 2025, the value of the right to use asset was $39,678 with accumulated amortization of $39,678.

On January 7, 2022, the City entered into a 36-month subscription for the use of Vector/Target Solutions - Fire Scheduling Software. On July 1, 2022, an initial subscription asset and subscription liability were recorded in the amount of $38,221. As of June 30, 2025, the value of the subscription liability was zero. The City is required to make annual fixed payments of $8,683. The subscription has an interest rate of 2.1937%. As of June 30, 2025, the value of the right to use asset was $38,221 with accumulated amortization of $38,221.

On August 1, 2022, the City entered into a 36-month subscription for the use of CityWorks. An initial subscription asset and subscription liability were recorded in the amount of $467,562. As of June 30, 2025, the value of the subscription liability was zero. The City is required to make annual fixed payments of $154,875. The subscription has an interest rate of 2.3543%. As of June 30, 2025, the value of the right to use asset was $467,562 with accumulated amortization of $454,575.

On November 1, 2022, the City entered into an estimated 36-month subscription with Reach Media Network for the Sermon Center. An initial subscription asset and subscription liability were recorded in the amount of $2,058. As of June 30, 2025, the value of the subscription liability was zero. The City is required to make annual fixed payments of $708. The subscription has an interest rate of 3.2540%. As of June 30, 2025, the value of the right to use asset was $2,058 with accumulated amortization of $1,829.

On December 1, 2022, the City entered into an estimated 36-month subscription with Reach Media Network for the Palmer Senior Center, Truman Memorial Building, and Sermon Center. An initial subscription asset and subscription liability were recorded in the amount of $6,173. As of June 30, 2025, the value of the subscription liability was zero. The City is required to make annual fixed payments of $2,124. The subscription has an interest rate of 3.2540%. As of June 30, 2025, the value of the right to use asset was $6,173 with accumulated amortization of $5,316.

On January 10, 2023, the City entered into an estimated 48-month subscription for the use of Monarch Support for Power and Light. An initial subscription asset and subscription liability were recorded in the amount of $335,860. As of June 30, 2025, the value of the subscription liability was $85,170. The City is required to make annual fixed payments of $87,729. The subscription has an interest rate of 3.0043%. As of June 30, 2025, the value of the right to use asset was $335,860 with accumulated amortization of $207,813.

On January 10, 2023, the City entered into an estimated 48-month subscription for the use of Patch Management for Power and Light. An initial subscription asset and subscription liability were recorded in the amount of $156,312. As of June 30, 2025, the value of the subscription liability was $39,639. The City is required to make annual fixed payments of $40,830. The subscription has an interest rate of 3.0043%. As of June 30, 2025, the value of the right to use asset was $156,313 with accumulated amortization of $96,718.

On May 1, 2023, the City entered into a 36-month subscription for the use of Ceridian Dayforce Payroll. An initial subscription asset was recorded in the amount of $651,786 and a subscription liability was recorded in the amount of $365,868. As of June 30, 2025, the value of the subscription liability was $104,181. The City is required to make monthly fixed payments of $11,973. The subscription has an interest rate of 2.5033%. As of June 30, 2025, the value of the right to use asset was $651,786 with accumulated amortization of $470,735.

On November 1, 2023, the City entered into a 36-month subscription for the use of VEEAM Backup for the Technology Services Department. An initial subscription asset and subscription liability were recorded in the amount of $47,232. As of June 30, 2025, the value of the subscription liability was zero. The City was required to make a one-time payment of $47,376. The subscription has an interest rate of 3.6660%. As of June 30, 2025, the value of the right to use asset was $47,232 with accumulated amortization of $26,241.

On March 1, 2024, the City entered into a 36-month subscription for the use of Road A1 Software for the Municipal Services Department. An initial subscription asset was recorded in the amount of $68,635 and subscription liability was recorded in the amount of $66,059. As of June 30, 2025, the value of the subscription liability was $25,876. The City is required to make annual payments of $15,087. The subscription has an interest rate of 2.5330%. As of June 30, 2025, the value of the right to use asset was $68,635 with accumulated amortization of $30,504.

On May 1, 2024, the City entered into a 36-month subscription for the use of Wx Horizon Pro Weather Forecasting Services for the Municipal Services Department. An initial subscription asset and subscription liability were recorded for $25,291. As of June 30, 2025, the value of the subscription liability was $8,449. The City is required to make annual fixed payments of $8,700. The subscription has an interest rate of 2.9750%. As of June 30, 2025, the value of the right to use asset was $25,291 with accumulated amortization of $9,835.

On March 13,2025, the City entered into a 72-month subscription for the use of SCADA/EMS Ambient Adjusted Ratings Software for the Power and Light Department. An initial subscription asset was recorded for $175,748 and subscription liability were recorded for $91,598. As of June 30, 2025, the value of the subscription liability was $76,278. The City is required to make annual fixed payments of $15,320. The subscription has an interest rate of 3.1430%. As of June 30, 2025, the value of the right to use asset was $175,747 with accumulated amortization of $8,788.

The future minimum subscription payments due for governmental and business-type activities under subscription arrangement for the year ended June 30, 2025 is as follows:

	Governmental Activities		
Fiscal Year	**Principal**	**Interest**	**Total**
2026	$ 138,506	2,105	140,611
	$ 138,506	2,105	140,611

	Business-Type Activities		
Fiscal Year	**Principal**	**Interest**	**Total**
2026	$ 138,191	6,147	144,338
2027	14,276	1,977	16,253
2028	15,212	1,528	16,740
2029	16,188	1,050	17,238
2030	17,220	541	17,761
	$ 201,087	11,243	212,330

(3) Blended Component Unit – TIF Commission

(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 principal and interest of $133.7 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 did not use any of the City's general, sales tax, or proprietary funds to make up deficiencies in loan payments, and management anticipates the same for 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. 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. For the fiscal year ended June 30, 2019, the City re-evaluated GASB Statement No. 48, *Sales and Pledges for Receivables and Future Revenues and Intra-Entity Transfer of Assets and Future Revenues*, and determined it was appropriate to remove the reported liability for long-term TIF developer obligations.

Although not recorded as a liability, the outstanding TIF developer obligations at June 30, 2025 were:

TIF Project	Obligations
Falls at Crackerneck - Bass Pro	$ 5,350,000
Old Landfill - Stone Canyon	6,780,047
Cinema East - Blue Ridge	3,032,479
Trinity	1,713,141
23rd & Noland - Project 2	176,900
Little Blue Parkway 1	405,130
Little Blue Parkway 3	1,287,400
Marketplace Shopping Center 1	667,287
Marketplace Shopping Center 2	3,569,545
	$ 22,981,929

At June 30, 2025, total principal and interest remaining on the TIF loans was $133.7 million and the outstanding developer obligations were $23.0 million. The TIF loans are scheduled to mature at varying amounts through 2051 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 $12.7 million, excluding refunding transactions. Incremental revenues from the City included $5.4 million in sales taxes and $548,036 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.

During fiscal year 2024, the City received a complaint seeking payment of TIF developer obligations and additional costs for the Falls at Crackerneck – Bass Pro. The City continues to defend itself and the ultimate outcome cannot be presently determined.

Missouri Development Finance Board Loans Payable

$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%	$	2,795,000
$2,030,000 Series 2014 B (HCA - Centerpoint TIF) annual installments of $105,000 to $495,000 through 2027; interest at 2.00% to 4.00%		655,000
$5,225,000 Series 2015 A (Santa Fe TIF) annual installments of $100,000 to $285,000 through 2044; interest at 3.00% to 4.00%		4,015,000
$3,545,000 Series 2015 B (Santa Fe TIF) annual installments of $55,000 to $215,000 through 2044; interest at 3.00% to 5.25%		2,830,000
$47,060,000 Series 2015 C (Crackerneck Creek TIF) annual installments of $1,200,000 to $5,670,000 through 2045; interest at 3.00% to 5.00%		43,365,000
$17,275,000 Series 2016 B (HCA - Centerpoint TIF) annual installments of $970,000 to $2,865,000 through 2028; interest at 3.00% to 5.00%		6,315,000
$35,920,000 Series 2021 (Crackerneck Creek TIF) annual installments of $75,000 to $5,485,000 through 2051; interest at 3.00% to 5.00%		30,265,000
Total TIF Loans Payable - Missouri Devlopment Finance Board	$	90,240,000

Restricted assets held in trust accounts of $10,297,233 consist of funds available for costs related to the redevelopment of the Santa Fe, Crackerneck Creek and HCA areas.

(1) 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, 2025, there are no outstanding loans payable balances of previously defeased debt.

(b) Pledged Revenues

In November 2023, the Industrial Development Authority of the City of Independence, which is formed under the provisions of Chapter 349 of the Missouri Revised Statutes, issued $13,675,000 in tax increment and special district revenue bonds for the redevelopment of the Hub Drive business district. The City has pledged a portion of future Tax Increment Financing sales tax revenues and real estate taxes to repay the revenue bonds. The bonds are payable from the incremental sales taxes generated by increased retail sales in the district and incremental real estate taxes from the increase in assessed valuations of the property in the redevelopment area. The Hub Drive CID and TDD have also pledged a portion of their sales tax revenues to repay the bonds. As of June 30, 2025, the outstanding principal and interest remaining on the bonds is $21,378,460, payable through 2038. For the current year, interest paid was $894,688 and total TIF, CID, and TDD pledged sales tax revenues were $470,134 and TIF pledged real estate taxes were $15,914.

(c) 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.

Beginning in fiscal year 2022 the Bass Pro Lease was recognized under GASB Statement No. 87 as a lease receivable. The following table of the minimum rental payments is presented as information only – see the Lease Arrangements note for this lease on pages 74.

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

Fiscal Year		Amount
2026	$	1,000,000
Total	$	1,000,000

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 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, 2025 are comprised of the following individual issues:

Power and Light Fund:	
$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
$72,625,000 Series 2022 A annual installments of $3,210,000 to $6,570,000 through 2037; interest at 4.00% to 5.00%	62,130,000
Total Power and Light Fund	109,310,000
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%	12,930,000
Total Water Fund	12,930,000
Sanitary Sewer Fund:	
$21,170,000 Series 2014 C annual installments of $250,000 to $6,150,000 through 2043; interest at 2.00% to 5.00%	17,930,000
$24,760,000 Series 2021 A annual installments of $1,185,000 to $2,205,000 through 2037; interest at 4.00% to 5.00%	21,060,000
$41,565,000 Series 2021 B annual installments of $2,025,000 to $2,810,000 through 2040; interest at 0.489% to 2.983%	35,450,000
Total Sanitary Sewer Fund	74,440,000
Events Center Fund:	
$12,005,000 Series 2016 A annual installments of $400,000 to $710,000 through 2038; interest at 3.00%	7,915,000
$9,730,000 Series 2021 annual installments of $235,000 to $1,825,000 through 2035; interest at 3.00% to 4.00%	8,575,000
$67,850,000 Series 2022 annual installments of $2,525,000 to $7,955,000 through 2038; interest at 2.690%	59,885,000
Total Events Center Fund	76,375,000
Total Revenue Bonds	$ 273,055,000

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	$	4,186,174	—	—	—
Depreciation and emergency		—	500,000	—	—
Bond reserve and project accounts		81,020	2,652,616	6,894,617	6,325,492
Total revenue bond reserves		4,267,194	3,152,616	6,894,617	6,325,492
Customer deposits		3,848,101	906,321	666,134	—
Purchase of Dogwood Plant		61,500	—	—	—
Southwest Power Pool collateral		1,023,115	—	—	—
Total	$	9,199,910	4,058,937	7,560,751	6,325,492

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.

(2) Prior Year Defeasance of Debt

In prior years, the City defeased certain revenue bonds with the Missouri Development Finance Board by placing the proceeds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. At June 30, 2025, there ae no revenue bond balances outstanding considered defeased.

(3) 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, 2025 is as follows:

Date Issued	Description	Purpose of Debt	Revenue Pledged	Term of Commitment		Principal & Interest Remaining	Principal & Interest 2024 - 2025	Net Available Revenues 2024 - 2025
09/2016	Power and Light Leasehold Revenue Bonds	Electric System Projects	Appropriated Revenues	through 2046	$	78,130,220	1,789,994	
05/2022	Power and Light Revenue Bonds	Electric System Projects	Appropriated Revenues	through 2037		81,985,651	6,833,350	
					$	160,115,871	8,623,344	56,485,223
11/2013	Water Revenue Bonds - Refunding	Water System Improvements	Appropriated Revenues	through 2029	$	14,490,307	2,528,138	
					$	14,490,307	2,528,138	13,462,967
11/2014	Sewer System Revenue Bonds	Sewer System Improvements	Appropriated Revenues	through 2043	$	27,799,406	1,066,975	
10/2021	Sewer System Revenue Bonds	Sewer System Improvements	Appropriated Revenues	through 2036		26,967,925	2,243,350	
10/2021	Sewer System Revenue Bonds	Sewer System Improvements	Appropriated Revenues	through 2039		42,781,094	2,914,754	
					$	97,548,425	6,225,079	13,277,262

(4*) Letter of Credit*

The City maintains a letter of credit for $800,000 with a bank, which serves as collateral for the Power and Light fund to participate in the Southwest Power Pool's (SPP) Transmission Congestion Rights Markets (TCR). The TCR Market provides financial rights used to hedge against the day-ahead market transmission congestion between two locations. As of June 30, 2025, the City has not utilized the letter of credit.

(5) 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, 2025, District revenues paid to the City for debt service totaled $5,841,559. The remaining debt service amounts were funded from $79,891 from the related TIF revenues generated within the district and $3,733 from capitalized interest funds that were established at the time the Bonds were issued.

(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 streetlights, and other additions or modifications solely for the benefit of the customer or developer. The advances for construction at June 30, 2025 were $907,842.

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, 2025 were $211,671.

(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.

	2025 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, 2025, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	1,293
Inactive employees entitled to but not yet receiving benefits	342
Active employees	956
Total	2,591

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, 2025 were 23.70% (General), 24.50% (Police), 21.90% (Fire), and 19.60% (Public Safety) of annual covered payroll.

Net Pension Liability

The City's net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2025. Standard update procedures were used to roll forward the total pension liability to June 30, 2025.

Actuarial Assumptions

The total pension liability in the February 28, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25% price inflation; 2.75% wage inflation
Salary Increase	2.75% to 7.15% including wage inflation
Investment rate of return	7.00%, net of investment expenses

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

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	Weighted Average Long-Term Expected Real Rate of Return
Alpha	5.00%	2.37%
Equity	39.00%	5.37%
Fixed Income	23.00%	1.47%
Real Assets	33.00%	3.45%
Strategic Assets	7.00%	3.46%
Cash/Leverage	-7.00%	-26.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 (Asset)

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

		Increase (Decrease)		
		Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 6/30/2024	$	654,929,630	589,007,813	65,921,817
Changes for the Year:				
Service Cost		10,420,416	—	10,420,416
Interest		44,783,899	—	44,783,899
Difference Between Expected and Actual Experience		36,489,558	—	36,489,558
Contributions - Employer		—	20,406,770	(20,406,770)
Contributions - Employee		—	3,494,422	(3,494,422)
Net Investment Income		—	35,640,903	(35,640,903)
Benefit Payments, Including Refunds		(41,261,344)	(41,261,344)	—
Administrative Expense		—	(307,169)	307,169
Other (Net Transfer)		—	1,844,019	(1,844,019)
Net Changes		50,432,529	19,817,601	30,614,928
Balances at 6/30/2025	$	705,362,159	608,825,414	96,536,745

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Net Pension Liability of the City, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability (Asset) would be using a discount rate that is one percentage point lower at 6.00% or one percentage point higher at 8.00% than the current rate.

			Current Single Discount	
		1% Decrease 6.00%	Rate Assumption 7.00%	1% Increase 8.00%
Net Pension Liability (Asset)	$	188,258,079	96,536,745	20,235,478

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

For the year ended June 30, 2025, the City recognized a pension expense of $21,722,544. 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	$	48,484,543	(79,313)
Changes in assumptions		—	(832,268)
Net difference between expected & actual investment earnings		25,362,642	—
Total	$	73,847,185	(911,581)

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

Year Ended:		
2026	$	30,899,197
2027		20,918,721
2028		13,137,719
2029		6,137,615
2030		1,522,603
Thereafter		319,749
	$	72,935,604

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.

Plan Description

The City's defined benefit OPEB plan, a single–employer health care plan provides OPEB for all active and retired employees and their eligible dependents. The plan is administered by the City and the City Council has the authority to establish or amend the plan provisions or contribution requirements at any time. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a stand-alone financial report.

Benefits Provided

The City provides for a continuation of medical, prescription drug, hearing and vision insurance benefits to retired employees who participate in the Missouri Local Government Employees Retirement System (LAGERS). The benefits for pre-Medicare retirees are self-insured by the City, and administered through Cigna (Open Access Plan 1 and 2, the Local Plus Plan, and the Base Plan). The benefits for Medicare retirees are covered under a fully-insured, stand-alone plan.

Contributions

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 City establishes rates based upon an actuarially determined rate. Retirees that were hired after July 1, 2018 must contribute 100% of the plan premiums. The premiums for retirees that were hired prior to July 1, 2018 are 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. For the year ended June 30, 2025, the premiums were split as follows:

Insurance Plan	Retiree Premium	City Premium
Open Access Plan 1	20%	80%
Open Access Plan 2	18%	82%
Local Plus Plan	14%	86%
Base Plan	0% - 13%	87% -100%
Medicare Stand-Alone Plan	20% -62%	38% - 80%

Participants

The number of participants that either are, or potentially could be, covered by the City's plan, as of January 1, 2025, 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 (not including dependents)	875
Retirees or surviving spouses (not including dependents)	890
Total Participants	1,765

Changes in the Total OPEB Liability

The following table shows the components of the changes in the total OPEB liability for the year:

OPEB Liability Changes		
Total OPEB Liability - Beginning of the year	$	172,361,057
Service Cost		2,910,159
Interest Cost		7,051,291
Difference between actual & expected experience		2,246,088
Changes in assumptions & inputs		(14,326,107)
Employer Contributions (Benefit Payments)		(6,577,000)
Net Changes		(8,695,569)
Total OPEB Liability - End of the year	$	163,665,488
Covered payroll		68,603,304
Total OPEB liability as a % of covered payroll		238.57%

The change in assumptions & inputs is the result of the change in the discount rate.

Total OPEB Liability

The City's total OPEB liability of $163,665,488 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	January 1, 2025, rolled forward to June 30, 2025
Measurement Date	June 30, 2025
Discount Rate	4.80% Measurement Date 4.10% Year Preceding Measurement Date The discount rate was based on the yield as of the measurement date on 20-year, tax-exempt, municipal bonds of quality rating AA or higher.
Salary Scale	3.50%
Actuarial Cost Method	Entry Age Normal - Level Percent-of-Pay
Inflation	2.50%
Healthcare Cost Trend Rate	8.50% for pre-Medicare and 6.50% for Medicare decreasing annually until 4.50% is reached for pre-Medicare and 5.00% for Medicare
Retiree's Share of Benefit Related Costs	Retirees must contribute a stipulated percentage of the plan premiums to maintain coverage. The monthly contribution rates as of January 1, 2025 served as a starting point for the valuation, and were assumed to increase at the same rate of health care costs in the future. Effective January 1, 2020, the Medicare eligible retirees will be covered under a fully-insured, stand-alone program. Retirees will still be required to contribute a stipulated percentage of the plan premiums to this program.
Mortality Rates	The mortality rates were based on the Society of Actuaries Pub-2016 Public Retirement Plans Headcount - Weighted General and Public Safety Mortality Tables with Scale MP-2021 Full Generational Improvement

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.80%, as well as what the total OPEB liability would be using a discount rate that is one percentage point lower at 3.80% or one percentage point higher at 5.80% than the current rate.

		1% Decrease 3.80%	Current Single Discount Rate Assumption 4.80%	1% Increase 5.80%
Total OPEB Liability	$	186,408,920	163,665,488	145,091,053

The following presents the total OPEB liability of the City, calculated using the current healthcare cost trend rates as well as what the City's total OPEB liability would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the current trend rates of 8.50% for pre-Medicare and 6.50% for Medicare.

		Current Healthcare Cost Trend Rate		
		1% Decrease	Current	1% Increase
		7.50% Pre-Medicare & 5.50% Medicare	8.50% Pre-Medicare & 6.50% Medicare	9.50% Pre-Medicare & 7.50% Medicare
Total OPEB Liability	$	143,089,276	163,665,488	189,281,834

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the City recognized OPEB expense of $1,807,993. At June 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$	2,619,674	(2,461,305)
Changes in assumptions		3,297,486	(24,944,598)
Total	$	5,917,160	(27,405,903)

Amounts currently reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense over the average remaining service lives of plan participants (actives and retirees) as follows:

Fiscal Year Ending		Amount
2026	$	(11,960,537)
2027		(3,471,540)
2028		(3,640,659)
2029		(2,416,007)
	$	(21,488,743)

(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 dangerous conditions of property of governmental entities. The City carries commercial property, boiler and machinery, liability, and flood insurance, and settlements of covered claims have not exceeded insurance limits for each of the past three fiscal years. The City also carries automobile physical damage with varying deductibles as well as large contactors equipment.

Up until March 31, 2019, the City was a member of the Missouri Public Entity Risk Management Fund (MOPERM), which is a risk pool that provides liability protection to participating Missouri public entities, their officials, and employees. Coverage lines included law enforcement liability, general liability, public official errors and omissions liability, and automobile liability. The City joined MOPERM in 1987. This liability insurance program transfers the risk of liability claims up to the State's Sovereign Immunity Statute coverage limits. MOPERM has the authority to assess members for any deficiencies of revenues under expenses for any single plan year, and MOPERM had no deficiencies in any of the past three fiscal years.

Beginning April 1, 2019, the City left MOPERM and joined the States Risk Retention Group, which is a member-owned company providing excess liability insurance to cities, counties, school districts, and other public entities across the country. States is a Risk Retention program whereby the City assumed the first $1,000,000 of each liability occurrence for the 2024-25 policy year. The liability limits are $5,000,000 each occurrence/policy aggregate.

The City is self-insured for workers' compensation and purchased excess coverage for workers' compensation claims in excess of $1,500,000 per accident for the 2024-25 policy year. 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 $1,065,000. The escrow account of $1,065,000 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 1, Staywell Open Access Plan 2, Staywell Local Plus Plan, Staywell Base Plan, and the Post-65 Retiree Medicare Plan). An excess coverage insurance policy covers the portion of specific claims in excess of $275,000 and aggregate claims in excess of $23,550,813 for the open access plan and for the in-network plan. The City's share of the premiums for this employee and retiree benefit was $20,368,730. For the Staywell Health Care Plan, the 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. For the Post-65 Retiree Medicare Plan, the premiums paid by the City are recorded as expenditures/expenses of the various funds and remitted to Cigna.

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	
		2024	2025	2024	2025
Beginning of year	$	8,887,495	11,418,405	1,704,200	1,658,700
Current year claims and changes in estimates		9,180,219	16,357,198	17,870,811	20,811,719
Claims payments		(6,649,309)	(10,171,377)	(17,916,311)	(20,765,419)
End of year	$	11,418,405	17,604,226	1,658,700	1,705,000

(12) Commitments and Contingencies

Construction Commitments

At June 30, 2025, the City had commitments of approximately $60.8 million to complete construction contracts. Of this amount, $17.7 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 seven 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), two renewable energy purchase agreements with MCP-Independence LLC (MCP), and a capacity agreement with Oneta Power, LLC.

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 $107,100,000 through the year 2049. During fiscal year 2025, the delivered cost of capacity and energy under the agreement, including all demand, energy, and debt service was approximately $16,000,000 for 279,633 megawatt-hours of wholesale energy. For fiscal year 2026, the projected costs under the agreement are estimated to be approximately $20,800,000.

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 $118,200,000 through the year 2039. During fiscal year 2025, the delivered cost of capacity and energy under the agreement, including all demand, energy, and debt service was approximately $17,600,000 for 217,965 megawatt-hours of wholesale energy. For fiscal year 2026, the projected costs under the agreement are estimated to be approximately $18,500,000.

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 2025, the cost of the energy purchases was approximately $1,300,000 for 53,199 megawatt-hours of wholesale energy. For the fiscal year 2026, the projected costs under the agreement are estimated to be approximately $1,400,000.

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 2025, the cost of the energy purchases was approximately $2,800,000 for 84,153 megawatt-hours of wholesale energy. For fiscal year 2026, the projected costs under the agreement are estimated to be approximately $2,700,000.

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. In July 2017, the City entered into a second renewable energy purchase agreement with MCP-Independence, LLC to expand the solar farm by 8.5 megawatts. Both agreements provides that the City will purchase all energy output of the projects and will pay a flat fixed rate (in dollars per kilowatt-hour) for the entire 25-year term of the agreements. Energy deliveries from the solar farm began on March 15, 2017 and deliveries for the expansion began on June 14, 2018. During fiscal year 2025, the cost of the energy purchased was $1,400,000 for 19,320 megawatt-hours of wholesale energy. For the fiscal year 2026, the projected costs under the agreement are estimated to be approximately $1,500,000.

In May 2019, the City entered into an agreement with Oneta Power LLC, for a Capacity Only Power Purchase Agreement for the purchase of 46 megawatts of capacity only from the Oneta Generating Facility for a 10 year term. Oneta Generating Facility is a 1,133 MW natural gas-fired combined cycle plant located in Coweta, Oklahoma. For Delivery Years 1-5, the City shall have the right to increase the Quantity of the Contract Capacity (up to 70 MW total, the 'Reserved Capacity') for any remaining years of the Delivery Term. Beginning in Delivery Year 6, in the event Oneta is interested in pursuing a transaction with a third party for any portion of the Reserved Capacity that is not yet committed to the City, Oneta shall give the City advance notice, and the City has the right, exercisable within a specified number of days following the notice, to add such portion of the Reserved Capacity to the Contract Capacity (in lieu of Oneta transacting with a third party for such portion). Any adjustment of Contract Capacity shall not fall below the level of Contract Capacity for the previous Delivery Year. During fiscal year 2025, the cost of the capacity purchased was approximately $1,400,000. For the fiscal year 2026, the projected costs under the agreement are estimated to be approximately $2,150,000.

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), the Unified Government of Wyandotte County (KCBPU), and the Kansas Municipal Energy Agency (KMEA) also own 10.3%, 16.4%, 17.0% and 10.1% shares respectively of the Dogwood Energy Facility. Dogwood Energy, LLC maintains the remaining ownership share (33.9%) 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, 2025 were $640,188 and depreciation expense for fiscal year end June 30, 2025 was $675,434.

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.

Contingencies

The City receives significant financial assistance from numerous federal, state, and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at June 30, 2025.

(13) Deficits

The accumulated deficits of $483 in the Revolving Public Improvements Fund, $15,633,935 in the Workers' Compensation Fund, $4,375,404 in the Risk Management Fund, and $5,069,012 in the Finance and Support Services Fund, will be eliminated by future revenues or transfers.

(14) Subsequent Events

The City evaluated subsequent events through December 19, 2025, the date the financial statements were available to be issued. Below are the items that occurred subsequent to year-end.

In September 2025, the City issued $27,780,000 Series 2025 General Obligation Bonds for road, bridge, and sidewalk infrastructure improvements and repairs.

(15) Fund Balance

Fund balances at year-end are as follows:

	Governmental Funds			
	General	**TIF Debt Service**	**Nonmajor**	**Total**
Fund balances:				
Restricted for:				
Protested Revenues	$ 84,028	—	—	84,028
Police Equipment	168,720	—	—	168,720
Tourism	—	—	2,388,542	2,388,542
Independence Square Benefit District	—	—	6,699	6,699
License Surcharge	—	—	1,376,683	1,376,683
Street Sales Tax	—	—	25,877,214	25,877,214
Parks Sales Tax	—	—	5,521,431	5,521,431
Storm Water Sales Tax	—	—	15,589,107	15,589,107
Police Sales Tax	—	—	3,322,718	3,322,718
Fire Sales Tax	—	—	16,987,693	16,987,693
Marijuana Sales Tax	—	—	326,120	326,120
Proposition PD Tax	—	—	1,160,075	1,160,075
Animal Shelter Use Tax	—	—	512,507	512,507
Police Use Tax	—	—	3,635,360	3,635,360
Health Property Tax	—	—	137,581	137,581
Parks & Recreation Property Tax	—	—	784,222	784,222
Debt Service Fund	—	—	118,876	118,876
Debt Issued for Capital Projects	—	—	56,376,172	56,376,172
TIF Debt Service	—	31,439,008	—	31,439,008
Total fund balances restricted	252,748	31,439,008	134,121,000	165,812,756
Committed for:				
Domestic Violence	20,649	—	—	20,649
Capital Projects	—	—	89,769	89,769
Vandalism Reward	3,000	—	—	3,000
Community development	60,326	—	—	60,326
Total fund balances committed	83,975	—	89,769	173,744
Assigned for:				
Cigna Wellness Funds	50,000	—	—	50,000
Encumbrances:				
Maintenance	189,291	—	—	189,291
Professional Services	314,475	—	—	314,475
Leases	2,000	—	—	2,000
Other Services	21,548	—	—	21,548
Supplies	48,414	—	—	48,414
Tools & Equipment	6,322	—	—	6,322
Capital Outlay/Equipment	3,527	—	—	3,527
Total fund balances assigned	635,577	—	—	635,577
Unassigned	15,064,232	—	(1,446,141)	13,618,091
Total fund balance	$ 16,036,532	31,439,008	132,764,628	180,240,168

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Totals include encumbrances as follows: General Fund of $585,577 in assigned fund balance, and Non-Major Funds of $21,959,229 included in the restricted and committed fund balances.

Required Supplementary Information

Exhibit 10

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budget Basis)	Variance with Final Budget
REVENUES				
Taxes	$ 39,304,000	39,304,000	37,428,025	(1,875,975)
Licenses and permits	4,567,150	4,567,150	5,543,479	976,329
Intergovernmental	6,907,000	6,907,000	7,857,060	950,060
Charges for services	2,099,150	2,228,328	2,868,393	640,065
Interfund charges for support services	4,604,802	4,604,802	3,403,231	(1,201,571)
Fines and forfeitures	2,086,000	2,086,000	2,348,660	262,660
Investment income	230,000	230,000	531,117	301,117
Other revenue	665,200	665,200	783,684	118,484
Total revenues	60,463,302	60,592,480	60,763,649	171,169
EXPENDITURES				
City Council	817,002	816,302	778,946	37,356
City Clerk	403,693	404,393	425,203	(20,810)
City Manager	1,323,294	1,323,294	1,401,973	(78,679)
Municipal Court	1,733,769	1,733,769	1,282,461	451,308
Law	200,564	200,564	197,874	2,690
Finance	783,730	655,730	661,719	(5,989)
Community Development	6,256,536	7,288,929	6,871,296	417,633
Police	37,447,116	38,586,438	37,795,830	790,608
Fire	24,787,049	25,226,042	26,482,719	(1,256,677)
Health and Animal Services	—	100,000	100,000	—
Municipal Services - Public Works	5,496,522	5,496,522	5,042,506	454,016
Parks and Recreation	1,558,802	1,558,802	1,520,163	38,639
General Government	30,750	30,750	158,158	(127,408)
Contingencies	603,626	590,126	—	590,126
Debt Service	1,605,849	1,747,349	1,746,602	747
Total expenditures	83,048,302	85,759,010	84,465,450	1,293,560
OTHER FINANCING SOURCES (USES)				
Other financing sources - leases	—	—	6,312	6,312
Transfers in - utility payments in lieu of taxes	22,855,000	22,855,000	22,658,996	(196,004)
Operating transfers in	—	1,035,143	1,035,143	—
Transfers out	(270,000)	(270,000)	(10,167)	259,833
Total other financing sources (uses)	22,585,000	23,620,143	23,690,284	70,141
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ —	(1,546,387)	(11,517)	1,534,870
Unassigned fund balance - beginning			14,590,280	
Cancellation of prior year encumbrances			193,555	
Investment fair value change			179,446	
Change in other fund balance components during the year			112,468	
Unassigned fund balance - ending			$ 15,064,232	

See accompanying Independent Auditor's Report and notes to budgetary comparison schedules.

Exhibit 10.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

General Fund

Year Ended June 30, 2025

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 and other financing sources from the budgetary comparison schedule	$	84,464,100
Basis differences – budget to GAAP:		
Investment Fair Value Change		179,446
Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	$	84,643,546
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) for total expenditures and other financing uses from the budgetary comparison schedule	$	84,475,617
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget		(513,630)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year		251,725
Total expenditures and other financing uses as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	$	84,213,712

See accompanying Independent Auditor's Report and notes to budgetary comparison schedules.

(1) Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the accompanying 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 2024-2025 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 unless appropriated. 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, Parks Improvements Sales Tax, Storm Water Sales Tax, Police Public Safety Sales Tax, Fire Protection Sales Tax, Marijuana Sales Tax, Proposition PD Sales Tax, Grants, American Rescue Plan Act, Animal Services Use Tax, Police Use Tax, Health Property Tax Levy, and Parks and Recreation Property Tax Levy Funds who have appropriated budgets. 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 an equivalent to 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.

See accompanying Independent Auditor's Report.

Exhibit 11

CITY OF INDEPENDENCE, MISSOURI
Schedule of Changes in Total OPEB Liability and Related Ratios
June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 2,910,159	3,138,148	3,493,312	5,856,465	5,402,186	5,117,074	7,279,911	6,933,082
Interest	7,051,291	7,007,167	6,984,546	4,762,281	5,359,428	5,675,902	9,525,419	9,284,832
Changes in benefit terms	—	—	(6,794,555)	(3,357,040)	—	(64,032)	(117,967,934)	—
Differences between expected and actual experience	2,246,088	(205,918)	(2,946,506)	(5,795,760)	9,050,839	(2,415,214)	8,495,479	—
Changes of assumptions or other inputs	(14,326,107)	(5,917,378)	3,792,125	(49,666,422)	19,586,986	15,655,275	2,890,612	2,548,653
Benefit payments	(6,577,000)	(7,404,000)	(8,767,000)	(8,152,000)	(7,591,000)	(7,047,000)	(7,979,000)	(7,268,000)
Net change in total OPEB liability	(8,695,569)	(3,381,981)	(4,238,078)	(56,352,476)	31,808,439	16,922,005	(97,755,513)	11,498,567
Total OPEB liability - beginning	172,361,057	175,743,038	179,981,116	236,333,592	204,525,153	187,603,148	285,358,661	273,860,094
Total OPEB liability - ending	$ 163,665,488	172,361,057	175,743,038	179,981,116	236,333,592	204,525,153	187,603,148	285,358,661
Covered - employee payroll	$ 68,603,304	62,284,231	61,966,777	60,254,051	61,410,210	61,654,203	62,360,911	62,007,715
Total OPEB liability as a percentage of covered payroll	238.57%	276.73%	283.61%	298.70%	384.84%	331.73%	300.83%	460.20%

Notes to schedule:

2017-18 was the City's first year implementing GASB Statement No. 75 for the OPEB Liability. This schedule will become a ten year schedule, as information becomes available, in accordance with GASB Statement No. 75 requirements.

Changes in assumptions or other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:
2025 - 4.80%
2024 - 4.10%
2023 - 4.00%
2022 - 3.90%
2021 - 2.00%
2020 - 2.60%
2019 - 3.00%
2018 - 3.30%

There are no assets accumulated in a trust to pay related benefits for the City's other-post employment benefits.

See accompanying Independent Auditor's Report.

Exhibit 12

CITY OF INDEPENDENCE, MISSOURI
LAGERS Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
June 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	$ 10,420,416	9,697,580	9,200,438	8,985,966	8,835,703	8,812,673	8,767,760	8,491,285	8,388,017	8,219,353
Interest on the total pension liability	44,783,899	42,425,529	40,277,631	38,538,472	39,838,559	38,699,404	37,097,513	35,565,355	34,642,794	31,909,765
Difference between expected and actual experience	36,489,558	21,025,674	17,661,816	11,593,985	(2,691,753)	(1,634,804)	5,293,296	4,958,458	(3,550,230)	4,916,999
Assumption changes	—	—	—	—	(12,909,211)	—	—	—	—	17,199,406
Benefit payments, including refunds	(41,261,344)	(38,344,019)	(35,179,649)	(33,604,454)	(30,623,078)	(29,744,536)	(28,449,283)	(27,600,963)	(26,039,035)	(23,272,216)
Net change in total pension liability	50,432,529	34,804,764	31,960,236	25,513,969	2,450,220	16,132,737	22,709,286	21,414,135	13,441,546	38,973,307
Total pension liability - beginning	654,929,630	620,124,866	588,164,630	562,650,661	560,200,441	544,067,704	521,358,418	499,944,283	486,502,737	447,529,430
Total pension liability - ending	$ 705,362,159	654,929,630	620,124,866	588,164,630	562,650,661	560,200,441	544,067,704	521,358,418	499,944,283	486,502,737
Plan Fiduciary Net Position										
Contributions - employer	20,406,770	18,381,179	16,448,814	15,210,110	14,363,011	13,630,050	13,183,650	12,176,570	11,503,039	10,603,882
Contributions - employee	3,494,422	3,326,504	3,118,990	2,958,772	2,963,990	2,925,479	2,992,581	2,925,232	2,939,278	2,861,145
Pension plan net investment income	35,640,903	30,059,275	19,845,854	428,864	126,631,520	6,074,595	29,696,791	50,437,763	46,423,639	(791,625)
Benefit payments, including refunds	(41,261,344)	(38,272,622)	(35,179,649)	(33,604,454)	(30,623,078)	(29,744,536)	(28,449,283)	(27,600,963)	(26,039,035)	(23,272,216)
Pension plan administrative expense	(307,169)	(320,244)	(358,252)	(254,303)	(232,953)	(302,539)	(271,793)	(189,560)	(183,539)	(181,225)
Other	1,844,019	4,268,043	3,796,388	(2,700,703)	3,128,373	(1,027,620)	(302,321)	1,122,739	(701,221)	981,004
Net change in plan fiduciary net position	19,817,601	17,442,135	7,672,145	(17,961,714)	116,230,863	(8,444,571)	16,849,625	38,871,781	33,942,161	(9,799,035)
Plan fiduciary net position - beginning	589,007,813	571,565,678	563,893,533	581,855,247	465,624,384	474,068,955	457,219,330	418,347,549	384,405,388	394,204,423
Plan fiduciary net position - ending	$ 608,825,414	589,007,813	571,565,678	563,893,533	581,855,247	465,624,384	474,068,955	457,219,330	418,347,549	384,405,388
Employer net pension liability (asset)	$ 96,536,745	65,921,817	48,559,188	24,271,097	(19,204,586)	94,576,057	69,998,749	64,139,088	81,596,734	102,097,349
Plan fiduciary net position as a percentage of the total pension liability (City)	86.31%	89.93%	92.17%	95.87%	103.41%	83.12%	87.13%	87.70%	83.68%	79.01%
Covered payroll	$ 87,005,419	81,989,857	75,463,600	73,966,040	71,711,424	72,175,519	72,252,369	72,279,232	69,006,951	69,847,339
Employer's net pension liability (asset) as a percentage of covered payroll	110.95%	80.40%	64.35%	32.81%	-26.78%	131.04%	96.88%	88.74%	118.24%	146.17%

Notes to schedule:

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

During 2020-21 amounts reported as assumption changes were primarily from changes to the mortality tables.

See accompanying Independent Auditor's Report.

Exhibit 13

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 25,541,712	22,821,297	20,211,164	18,375,465	17,174,262	16,276,175	16,251,566	15,008,913	13,142,800	13,185,228
Actual contributions in relation to the actuarially determined contribution	20,407,252	18,367,777	16,448,814	15,210,110	14,363,011	13,630,050	13,183,650	12,176,570	11,503,039	10,603,882
Contribution deficiency	$ 5,134,460	4,453,520	3,762,350	3,165,355	2,811,251	2,646,125	3,067,916	2,832,343	1,639,761	2,581,346
Covered payroll	$ 87,005,419	81,989,857	75,463,600	73,966,040	71,711,424	72,175,519	72,252,369	72,279,232	69,006,951	69,847,339
Contributions as a percentage of covered payroll	23.46%	22.40%	21.80%	20.56%	20.03%	18.88%	18.25%	16.85%	16.67%	15.18%

Notes to schedule:

Valuation Date — Actuarially determined contribution rates were calculated as of February 28, 2025 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	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period, or (ii) 15 years.
Remaining Amortization Period	Multiple bases from 4 to 18 years.
Asset Valuation Method	5-Year smoothed fair value; 20% corridor.
Inflation	2.75% wage inflation and 2.25% price inflation.
Salary Increases	2.75% to 7.15%; including wage inflation.
Investment Rate of Return	7.00%, net of investment 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, used in evaluating allowances to be paid were 115% of the PubG - 2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS - 2010 Disabled Retiree Mortaility Table for males and females. The pre-retirement mortality tables used were 75% of the PubG - 2010 Employee Mortaility Table for males and females of General groups and 75% of the PubS - 2010 Employee Mortaility Table for males and Mortality rates for a particular calendar year are determined by applying the MP - 2020 mortaility improvement scale to the above described tables.
Other information:	None

See accompanying Independent Auditor's Report.

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.

Truman Heartland Community Foundation – This fund is used to account for receipts and expenditures of various donated funds the City holds at the Truman Heartland Community Foundation.

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 Block Grant Fund – 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 street improvement sales tax.

Parks Improvement Sales Tax Fund – This fund accounts for all park projects that are funded by the park improvement sales tax.

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

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

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

Marijuana Sales Tax – This fund is used to account for receipts and expenditures of the City's marijuana sales tax.

Proposition PD Sales Tax – This fund is used to account for receipts and expenditures of the City's proposition PD sales tax.

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.

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

American Rescue Plan Act Fund – This fund is used to account for expenditures funded from the American Rescue Plan Act.

Animal Services Use Tax – This fund is used to account for receipts and expenditures of the City's use tax for animal services.

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

Health Property Tax Levy Fund – This fund is used to account for revenues and expenditures for the Health portion of the City's property tax.

Parks and Recreation Property Tax Levy Fund – This fund is used to account for revenues and expenditures for the Parks and Recreation portion of the City's property tax.

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.

Police Improvements Fund – This fund is used to account for major police improvement projects.

Fire Improvements Fund – This fund is used to account for major fire improvement projects.

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.

CITY OF INDEPENDENCE, MISSOURI
Combining Governmental Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

		Special Revenue (Exhibit 16)	Capital Projects (Exhibit 36)	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS					
Pooled cash and investments	$	70,036,823	2,977,803	24,597	73,039,223
Receivables:					
Taxes		11,956,715	—	3,587,499	15,544,214
Accounts, net		89,912	—	—	89,912
Special assessment principal		—	348,148	—	348,148
Accrued interest		164,081	—	279	164,360
Due from other funds		490,912	—	—	490,912
Due from other governments		2,633,125	1,710,429	—	4,343,554
Restricted cash and investments		—	56,376,172	94,000	56,470,172
Total assets	$	85,371,568	61,412,552	3,706,375	150,490,495
LIABILITIES					
Accounts and contracts payable	$	767,507	5,553,692	—	6,321,199
Due to other funds		687,235	490,912	—	1,178,147
Accrued items		859,922	—	—	859,922
Other current liabilities		40,547	—	—	40,547
Unearned revenue		2,250,891	—	—	2,250,891
Total liabilities		4,606,102	6,044,604	—	10,650,706
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - special assessments		—	348,148	—	348,148
Unavailable revenue - real estate taxes		3,139,514	—	3,587,499	6,727,013
Total deferred inflows of resources		3,139,514	348,148	3,587,499	7,075,161
Total liabilities and deferred inflows of resources		7,745,616	6,392,752	3,587,499	17,725,867
FUND BALANCES (DEFICITS)					
Restricted		77,625,952	56,376,172	118,876	134,121,000
Committed		—	89,769	—	89,769
Unassigned		—	(1,446,141)	—	(1,446,141)
Total fund balances		77,625,952	55,019,800	118,876	132,764,628
Total liabilities, deferred inflows of resouces and fund balance	$	85,371,568	61,412,552	3,706,375	150,490,495

See accompanying notes to financial statements.

CITY OF INDEPENDENCE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue (Exhibit 17)	Capital Projects (Exhibit 37)	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes	$ 52,000,040	—	—	52,000,040
Licenses and permits	587,156	—	—	587,156
Intergovernmental	11,072,055	3,908,300	—	14,980,355
Charges for services	1,164,641	7,529	—	1,172,170
Investment income (loss)	3,543,790	491,918	5,827	4,041,535
Other revenue	614,824	54,743	—	669,567
Total revenues	68,982,506	4,462,490	5,827	73,450,823
EXPENDITURES				
Current:				
Administrative Services	53,988	—	—	53,988
Public Safety	19,258,962	—	—	19,258,962
Municipal Services - Public Works	1,182,938	—	—	1,182,938
Culture and Recreation	8,771,668	—	—	8,771,668
Community Development	2,306,326	—	—	2,306,326
Storm Water	3,676,897	—	—	3,676,897
Health and Animal Services	3,794,488	—	—	3,794,488
General Government	17,792	—	30	17,822
Capital Outlay	4,654,405	25,691,240	—	30,345,645
Debt service:				
Principal	1,497,783	—	—	1,497,783
Interest and fiscal agent fees	377,723	139,463	—	517,186
Debt issuance costs	—	858,663	—	858,663
Total expenditures	45,592,970	26,689,366	30	72,282,366
Excess (deficiency) of revenues over expenditures	23,389,536	(22,226,876)	5,797	1,168,457
OTHER FINANCING SOURCES (USES)				
Issuance of debt	—	46,825,000	—	46,825,000
Reoffering premium/original issue discount	—	1,722,310	—	1,722,310
Transfers in	2,671,068	18,128,437	—	20,799,505
Transfers out	(21,834,398)	—	—	(21,834,398)
Total other financing sources (uses)	(19,163,330)	66,675,747	—	47,512,417
Net change in fund balances	4,226,206	44,448,871	5,797	48,680,874
Fund balances - beginning	73,399,746	10,570,929	113,079	84,083,754
Fund balances - ending	$ 77,625,952	55,019,800	118,876	132,764,628

See accompanying notes to financial statements.

Exhibit 16

CITY OF INDEPENDENCE, MISSOURI
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025

	Tourism	Heartland Community Foundation	Independence Square Benefit District	Community Development Block Grant	Rental Rehabilitation	Consolidated Sales Tax Funds (Exhibit 34)	License Surcharge	Grants	American Rescue Plan	Animal Services Use Tax	Police Use Tax	Health Property Tax Levy	Recreation Property Tax Levy	Total
ASSETS														
Pooled cash and investments	$ 2,264,029	390,102	17,093	—	14,283	60,401,653	1,340,542	88,790	307,238	545,604	3,831,093	129,102	707,294	70,036,823
Receivables:														
Taxes	225,000	—	26,066	—	—	8,417,753	—	—	—	—	—	1,052,126	2,235,770	11,956,715
Accounts, net	—	—	—	—	—	5,264	32,992	51,656	—	—	—	—	—	89,912
Accrued interest	5,483	—	40	—	—	143,244	3,149	—	—	1,282	9,000	300	1,583	164,081
Due from other funds	—	—	—	—	—	490,912	—	—	—	—	—	—	—	490,912
Due from other governments	782	—	—	739,880	152,919	209,976	—	1,525,991	—	—	—	—	3,577	2,633,125
Total assets	$ 2,495,294	390,102	43,199	739,880	167,202	69,668,802	1,376,683	1,666,437	307,238	546,886	3,840,093	1,181,528	2,948,224	85,371,568
LIABILITIES														
Accounts and contracts payable	$ 90,700	—	16,500	42,574	153,363	451,521	—	10,215	—	140	1,654	276	564	767,507
Due to other funds	—	—	—	687,235	—	—	—	—	—	—	—	—	—	687,235
Accrued items	10,908	—	—	7,493	1,194	403,109	—	115,930	—	34,239	203,079	45,379	38,591	859,922
Other current liabilities	4,362	—	—	2,578	12,645	20,914	—	—	—	—	—	48	—	40,547
Unearned revenue	782	390,102	—	—	—	8,900	—	1,540,292	307,238	—	—	—	3,577	2,250,891
Total liabilities	106,752	390,102	16,500	739,880	167,202	884,444	—	1,666,437	307,238	34,379	204,733	45,703	42,732	4,606,102
DEFERRED INFLOWS OF RESOURCES														
Unavailable revenue - real estate taxes	—	—	20,000	—	—	—	—	—	—	—	—	998,244	2,121,270	3,139,514
Total deferred inflows of resources	—	—	20,000	—	—	—	—	—	—	—	—	998,244	2,121,270	3,139,514
Total liabilities and deferred inflows of resources	106,752	390,102	36,500	739,880	167,202	884,444	—	1,666,437	307,238	34,379	204,733	1,043,947	2,164,002	7,745,616
FUND BALANCES (DEFICITS)														
Restricted	2,388,542	—	6,699	—	—	68,784,358	1,376,683	—	—	512,507	3,635,360	137,581	784,222	77,625,952
Total fund balances	2,388,542	—	6,699	—	—	68,784,358	1,376,683	—	—	512,507	3,635,360	137,581	784,222	77,625,952
Total liabilities, deferred inflows of resources, and fund balance	$ 2,495,294	390,102	43,199	739,880	167,202	69,668,802	1,376,683	1,666,437	307,238	546,886	3,840,093	1,181,528	2,948,224	85,371,568

See accompanying notes to financial statements.

CITY OF INDEPENDENCE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2025

	Tourism	Truman Heartland Community Foundation	Independence Square Benefit District	Community Development Block Grant	Rental Rehabilitation	Consolidated Sales Tax Funds (Exhibit 35)	License Surcharge	Grants	American Rescue Plan	Animal Services Use Tax	Police Use Tax	Health Property Tax Levy	Parks and Recreation Property Tax Levy	Total
REVENUES														
Taxes	$ 2,349,663	—	16,625	—	—	41,205,987	—	—	—	893,000	4,683,000	912,565	1,939,200	52,000,040
Licenses and permits	—	—	—	—	—	—	100	—	—	—	—	587,056	—	587,156
Intergovernmental	—	—	—	1,385,439	802,046	291,478	—	4,342,901	4,250,191	—	—	—	—	11,072,055
Charges for services	43,089	—	—	—	—	516,948	—	274,742	—	—	—	235,495	94,367	1,164,641
Investment income (loss)	114,148	—	937	—	—	3,022,858	65,864	—	—	34,296	233,121	20,656	51,910	3,543,790
Other revenue	43,621	574	—	—	—	259,591	—	287,369	—	1,059	2,493	19,724	393	614,824
Total revenues	2,550,521	574	17,562	1,385,439	802,046	45,296,862	65,964	4,905,012	4,250,191	928,355	4,918,614	1,775,496	2,085,870	68,982,506
EXPENDITURES														
Current:														
Administrative Services	—	—	—	—	—	—	—	53,988	—	—	—	—	—	53,988
Public Safety	—	—	—	—	—	10,880,906	—	2,923,149	30,921	—	5,423,986	—	—	19,258,962
Municipal Services - Public Works	—	—	—	—	—	1,111,753	—	—	71,185	—	—	—	—	1,182,938
Culture and Recreation	1,629,156	—	—	—	—	5,233,910	—	8,121	—	—	—	—	1,900,481	8,771,668
Community Development	—	—	—	658,316	616,954	185,020	—	636,475	209,561	—	—	—	—	2,306,326
Storm Water	—	—	—	—	—	3,676,897	—	—	—	—	—	—	—	3,676,897
Health and Animal Services	—	—	—	—	—	—	—	1,113,837	—	908,923	—	1,771,728	—	3,794,488
General Government	—	574	16,883	—	—	—	335	—	—	—	—	—	—	17,792
Capital Outlay	19,744	—	—	—	185,092	3,284,241	—	168,615	126,908	—	824,098	9,175	36,532	4,654,405
Debt service:														
Principal	623	—	—	233	—	1,494,652	—	811	—	—	—	841	623	1,497,783
Interest and fiscal agent fees	7	—	—	2	—	377,685	—	16	—	—	—	6	7	377,723
Total expenditures	1,649,530	574	16,883	658,551	802,046	26,245,064	335	4,905,012	438,575	908,923	6,248,084	1,781,750	1,937,643	45,592,970
Excess (deficiency) of revenues over expenditures	900,991	—	679	726,888	—	19,051,798	65,629	—	3,811,616	19,432	(1,329,470)	(6,254)	148,227	23,389,536
OTHER FINANCING SOURCES (USES)														
Transfers in	—	—	—	—	—	2,671,068	—	—	—	—	—	—	—	2,671,068
Transfers out	(438,639)	—	—	(726,888)	—	(16,781,417)	(276)	—	(3,811,616)	—	(75,562)	—	—	(21,834,398)
Total other financing sources (uses)	(438,639)	—	—	(726,888)	—	(14,110,349)	(276)	—	(3,811,616)	—	(75,562)	—	—	(19,163,330)
Net change in fund balances	462,352	—	679	—	—	4,941,449	65,353	—	—	19,432	(1,405,032)	(6,254)	148,227	4,226,206
Fund balances - beginning	1,926,190	—	6,020	—	—	63,842,909	1,311,330	—	—	493,075	5,040,392	143,835	635,995	73,399,746
Fund balances - ending	$ 2,388,542	—	6,699	—	—	68,784,358	1,376,683	—	—	512,507	3,635,360	137,581	784,222	77,625,952

See accompanying notes to financial statements.

Exhibit 18

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Tourism Fund
Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budget Basis)	Variance with Final Budget
REVENUES				
Transient guest taxes	$ 2,300,000	2,300,000	2,349,663	49,663
Charges for services	8,000	8,000	43,089	35,089
Investment income	25,050	25,050	83,937	58,887
Other revenue	39,500	39,500	43,621	4,121
Total revenues	2,372,550	2,372,550	2,520,310	147,760
EXPENDITURES				
Tourism	1,986,525	2,120,865	1,718,633	402,232
Debt Service	—	—	630	(630)
Capital Outlay	80,000	80,000	50,657	29,343
Total expenditures	2,066,525	2,200,865	1,769,920	430,945
OTHER FINANCING SOURCE (USES)				
Transfers out	(75,000)	(75,000)	(438,639)	(363,639)
Total other financing sources (uses)	(75,000)	(75,000)	(438,639)	(363,639)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ 231,025	96,685	311,751	215,066
Fund balance - beginning			1,926,190	
Cancellation of prior year encumbrances			132,610	
Investment fair value change			30,211	
Increase (decrease) in prior year encumbrances			(12,220)	
Fund balance - ending			$ 2,388,542	

Exhibit 18.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Tourism Fund

Year Ended June 30, 2025

		Tourism Fund
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	2,520,310
Basis differences – budget to GAAP:		
Fair value adjustment to investments		30,211
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	2,550,521
Uses/Outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	1,769,920
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(258,287)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		137,897
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	1,649,530

(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, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budget Basis)	Variance with Final Budget
REVENUES				
Grants and other shared revenue	$ 845,000	1,601,958	1,385,439	(216,519)
Total revenues	845,000	1,601,958	1,385,439	(216,519)
EXPENDITURES				
CDBG administration	169,000	172,385	157,466	14,919
CDBG expenditures	676,000	698,946	694,321	4,625
Total expenditures	845,000	871,331	851,787	19,544
OTHER FINANCING SOURCES (USES)				
Transfers out	—	(727,496)	(726,888)	608
Total other financing sources (uses)	—	(727,496)	(726,888)	608
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ —	3,131	(193,236)	(196,367)
Fund balance (deficit) - beginning			—	
Increase (decrease) in prior year encumbrances			193,236	
Fund balance (deficit) - beginning			$ —	

Exhibit 19.1

CITY OF INDEPENDENCE, MISSOURI
Budgetary Basis Reconciliation Schedule
Community Development Block Grant Fund
Year Ended June 30, 2025

		Community Development Block Grant
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	1,385,439
Basis differences – budget to GAAP:		
None		—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	1,385,439
Uses/Outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	851,787
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(196,368)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		3,132
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	658,551

(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 Fund
Year Ended June 30, 2025

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts (Budget Basis)**	**Variance with Final Budget**
REVENUES				
Grants and other shared revenue	$ 2,183,072	3,823,737	802,046	(3,021,691)
Total revenues	2,183,072	3,823,737	802,046	(3,021,691)
EXPENDITURES				
HOME administration	51,833	47,857	33,938	13,919
Multi-family housing	374,500	1,924,921	1,246,000	678,921
Community housing development	107,000	202,886	202,886	—
HOME American Rescue Plan	1,648,072	1,648,073	1,716,690	(68,617)
Total expenditures	2,181,405	3,823,737	3,199,514	624,223
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ 1,667	—	(2,397,468)	(2,397,468)
Fund balance - beginning			—	
Cancellation of prior year encumbrances			53	
Increase (decrease) in prior year encumbrances			2,397,415	
Fund balance - ending			$ —	

Exhibit 20.1

CITY OF INDEPENDENCE, MISSOURI
Budgetary Basis Reconciliation Schedule
Rental Rehabilitation
Year Ended June 30, 2025

		Rental Rehabilitation
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	802,046
Basis differences – budget to GAAP:		
None		—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	802,046
Uses/Outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	3,199,514
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(2,397,468)
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	$	802,046

(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.

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Street Improvements Sales Tax Fund
Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budget Basis)	Variance with Final Budget
REVENUES				
Sales tax	$ 10,112,000	10,112,000	10,010,627	(101,373)
Use tax	877,000	877,000	928,539	51,539
Grants and other shared revenue	—	—	9,842	9,842
Investment income	250,000	250,000	878,751	628,751
Other revenue	—	—	55	55
Total revenues	11,239,000	11,239,000	11,827,814	588,814
EXPENDITURES				
Street Maintenance	1,397,710	1,397,710	1,157,486	240,224
Debt Service	1,754,897	1,754,897	1,806,891	(51,994)
Capital Outlay	117,000	117,000	84,724	32,276
Total expenditures	3,269,607	3,269,607	3,049,101	220,506
OTHER FINANCING SOURCES (USES)				
Transfers in	—	—	2,671,068	2,671,068
Transfers out	(10,745,086)	(10,745,086)	(10,077,649)	667,437
Total other financing sources (uses)	(10,745,086)	(10,745,086)	(7,406,581)	3,338,505
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ (2,775,693)	(2,775,693)	1,372,132	4,147,825
Fund balance - beginning			24,193,353	
Cancellation of prior year encumbrances			2,440,244	
Investment fair value change			304,078	
Increase (decrease) in prior year encumbrances			(2,432,593)	
Fund balance - ending			$ 25,877,214	

Exhibit 21.1

CITY OF INDEPENDENCE, MISSOURI
Budgetary Basis Reconciliation Schedule
Street Improvements Sales Tax Fund
Year Ended June 30, 2025

		Street Improvements Sales Tax
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	11,827,814
Basis differences – budget to GAAP:		
Investment Fair Value Change		304,078
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	12,131,892
Uses/Outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	3,049,101
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(7,651)
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	$	3,041,450

(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
Parks Improvements Sales Tax Fund
Year Ended June 30, 2025

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts (Budget Basis)**	**Variance with Final Budget**
REVENUES				
Sales tax	$ 5,056,000	5,056,000	5,005,851	(50,149)
Use tax	438,000	438,000	464,325	26,325
Grants and other shared revenue	33,000	59,642	49,517	(10,125)
Charges for services	405,100	405,100	516,948	111,848
Investment income	41,000	41,000	161,061	120,061
Other revenue	45,305	45,305	64,793	19,488
Total revenues	6,018,405	6,045,047	6,262,495	217,448
EXPENDITURES				
Culture and Recreation	5,897,051	6,164,824	5,335,221	829,603
Debt Service	—	—	2,832	(2,832)
Capital Outlay	97,500	99,489	48,983	50,506
Total expenditures	5,994,551	6,264,313	5,387,036	877,277
OTHER FINANCING SOURCES (USES)				
Transfers out	(480,000)	(480,000)	(245,224)	234,776
Total other financing sources (uses)	(480,000)	(480,000)	(245,224)	234,776
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ (456,146)	(699,266)	630,235	1,329,501
Fund balance - beginning			4,745,101	
Cancellation of prior year encumbrances			42,786	
Investment fair value change			59,490	
Increase (decrease) in prior year encumbrances			43,819	
Fund balance - ending			$ 5,521,431	

Exhibit 22.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Park Improvements Sales Tax Fund

Year Ended June 30, 2025

		Park Improvements Sales Tax
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	6,262,495
Basis differences – budget to GAAP:		
Investment Fair Value Change		59,490
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	6,321,985
Uses/Outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	5,387,036
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(199,532)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		112,927
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	5,300,431

(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, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budget Basis)	Variance with Final Budget
REVENUES				
Sales tax	$ 5,056,000	5,056,000	5,005,848	(50,152)
Use tax	438,000	438,000	464,325	26,325
Grants and other shared revenue	—	—	232,119	232,119
Investment income	164,000	164,000	513,583	349,583
Other revenue	7,900	7,900	14,020	6,120
Total revenues	5,665,900	5,665,900	6,229,895	563,995
EXPENDITURES				
Storm Water				
Administration	244,339	244,339	287,281	(42,942)
Maintenance	3,284,047	3,284,047	3,058,083	225,964
Permit completion	418,000	418,000	476,252	(58,252)
Debt Service	—	—	173	(173)
Total expenditures	3,946,386	3,946,386	3,821,789	124,597
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,583,017)	(7,583,017)	(1,290,332)	6,292,685
Total other financing sources (uses)	(7,583,017)	(7,583,017)	(1,290,332)	6,292,685
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ (5,863,503)	(5,863,503)	1,117,774	6,981,277
Fund balance - beginning			14,174,357	
Cancellation of prior year encumbrances			1,240,336	
Investment fair value change			190,568	
Increase (decrease) in prior year encumbrances			(1,133,928)	
Fund balance - ending			$ 15,589,107	

Exhibit 23.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Storm Water Sales Tax Fund

Year Ended June 30, 2025

		Storm Water Sales Tax
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	6,229,895
Basis differences – budget to GAAP:		
Investment Fair Value Change		190,568
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	6,420,463
Uses/Outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	3,821,789
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(113,026)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		6,618
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	3,715,381

(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, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budget Basis)	Variance with Final Budget
REVENUES				
Sales tax	$ 2,918,000	2,918,000	2,887,067	(30,933)
Use tax	219,000	219,000	232,162	13,162
Investment income	43,000	43,000	113,703	70,703
Other revenue	7,600	7,600	126,070	118,470
Total revenues	3,187,600	3,187,600	3,359,002	171,402
EXPENDITURES				
Public Safety				
Communications	648,700	638,200	608,431	29,769
Facilities	520,673	128,900	118,975	9,925
Equipment	2,334,700	2,736,973	2,584,022	152,951
Debt Service	51,380	51,380	52,172	(792)
Total expenditures	3,555,453	3,555,453	3,363,600	191,853
OTHER FINANCING SOURCES (USES)				
Transfers out	(550,000)	(550,000)	(463,024)	86,976
Total other financing sources (uses)	(550,000)	(550,000)	(463,024)	86,976
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ (917,853)	(917,853)	(467,622)	450,231
Fund balance - beginning			3,677,679	
Cancellation of prior year encumbrances			1,310,175	
Investment fair value change			37,115	
Increase (decrease) in prior year encumbrances			(1,234,629)	
Fund balance - ending			$ 3,322,718	

Exhibit 24.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Police Public Safety Sales Tax Fund

Year Ended June 30, 2025

		Police Public Safety Sales Tax
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	3,359,002
Basis differences – budget to GAAP:		
Investment Fair Value Change		37,115
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	3,396,117
Uses/Outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	3,363,600
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(218,317)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		142,771
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	3,288,054

(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 Protection Sales Tax
Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budget Basis)	Variance with Final Budget
REVENUES				
Sales tax	$ 11,160,000	11,160,000	11,162,324	2,324
Use tax	877,000	877,000	928,539	51,539
Investment income	135,000	135,000	540,592	405,592
Other revenue	6,000	6,000	54,653	48,653
Total revenues	12,178,000	12,178,000	12,686,108	508,108
EXPENDITURES				
Fire	8,236,837	8,261,096	7,450,473	810,623
Debt Service	24,500	24,500	1,839	22,661
Capital Outlay	1,523,600	1,533,441	570,943	962,498
Total expenditures	9,784,937	9,819,037	8,023,255	1,795,782
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,450,000)	(5,450,000)	(3,805,188)	1,644,812
Total other financing sources (uses)	(5,450,000)	(5,450,000)	(3,805,188)	1,644,812
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ (3,056,937)	(3,091,037)	857,665	3,948,702
Fund balance - beginning			16,590,463	
Cancellation of prior year encumbrances			3,622,636	
Investment fair value change			194,925	
Increase (decrease) in prior year encumbrances			(4,277,996)	
Fund balance - ending			$ 16,987,693	

Exhibit 25.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Fire Protection Sales Tax Fund

Year Ended June 30, 2025

		Fire Protection Sales Tax
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	12,686,108
Basis differences – budget to GAAP:		
Investment Fair Value Change		194,925
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	12,881,033
Uses/Outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	8,023,255
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(342,022)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		997,382
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	8,678,615

(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
Marijuana Sales Tax
Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budget Basis)	Variance with Final Budget
REVENUES				
Sales tax	$ 900,000	900,000	928,121	28,121
Investment income	—	—	18,375	18,375
Total revenues	900,000	900,000	946,496	46,496
EXPENDITURES				
Police	—	140	140	—
Total expenditures	—	140	140	—
OTHER FINANCING SOURCES (USES)				
Transfers in	(900,000)	(900,000)	(900,000)	—
Total other financing sources (uses)	(900,000)	(900,000)	(900,000)	—
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ —	(140)	46,356	46,496
Fund balance - beginning			461,956	
Cancellation of prior year encumbrances			—	
Investment fair value change			2,688	
Increase (decrease) in prior year encumbrances			(184,880)	
Fund balance - ending			$ 326,120	

Exhibit 26.1

CITY OF INDEPENDENCE, MISSOURI
Budgetary Basis Reconciliation Schedule
Marijuana Sales Tax
Year Ended June 30, 2025

		Marijuana Sales Tax
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	946,496
Basis differences – budget to GAAP:		
Investment Fair Value Change		2,688
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	949,184
Uses/Outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	140
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		—
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		184,880
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	185,020

(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.

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Proposition PD Sales Tax
Year Ended June 30, 2025

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts (Budget Basis)**	**Variance with Final Budget**
REVENUES				
Sales tax	$ —	2,619,213	2,619,214	1
Use tax	—	569,046	569,045	(1)
Investment income	—	7,513	7,513	—
Total revenues	—	3,195,772	3,195,772	—
EXPENDITURES				
Police	—	2,036,113	2,036,113	—
Total expenditures	—	2,036,113	2,036,113	—
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ —	1,159,659	1,159,659	—
Fund balance - beginning			—	
Investment fair value change			416	
Fund balance - ending			$ 1,160,075	

Exhibit 27.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Proposition PD Sales Tax

Year Ended June 30, 2025

		Proposition PD Sales Tax
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	3,195,772
Basis differences – budget to GAAP:		
Investment Fair Value Change		416
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	3,196,188
Uses/Outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	2,036,113
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		—
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	$	2,036,113

(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 28

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Grants Fund
Year Ended June 30, 2025

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts (Budget Basis)**	**Variance with Final Budget**
REVENUES				
Grants and other shared revenue	$ 2,191,588	7,750,286	4,342,901	(3,407,385)
Charges for services	109,023	274,742	274,742	—
Other revenue	—	546,966	287,369	(259,597)
Total revenues	2,300,611	8,571,994	4,905,012	(3,666,982)
EXPENDITURES				
City Council	—	3,210	2,400	810
City Manager	—	244,728	129,261	115,467
Law	34,313	96,366	27,924	68,442
Finance	—	75,000	24,663	50,337
Community Development	835,000	1,028,539	636,474	392,065
Police	753,185	4,686,217	2,968,986	1,717,231
Health and Animal Services	651,385	2,253,435	1,109,311	1,144,124
Culture and Recreation	26,728	67,381	4,220	63,161
Debt Service	—	—	827	(827)
Total expenditures	2,300,611	8,454,876	4,904,066	3,550,810
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ —	117,118	946	(116,172)
Fund balance - beginning			—	
Cancellation of prior year encumbrances			40,781	
Increase (decrease) in prior year encumbrances			(41,727)	
Fund balance - ending			$ —	

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Grants Fund

Year Ended June 30, 2025

		Grants
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	4,905,012
Basis differences – budget to GAAP:		
None		—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	4,905,012
Uses/Outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	4,904,066
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(132,031)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		132,977
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	4,905,012

(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 29

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
American Rescue Plan Act Fund
Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budget Basis)	Variance with Final Budget
REVENUES				
Grants and other shared revenue	$ 4,600,000	4,600,000	4,250,191	(349,809)
Total revenues	4,600,000	4,600,000	4,250,191	(349,809)
EXPENDITURES				
American Rescue Plan	4,300,000	312,748	312,748	—
Total expenditures	4,300,000	312,748	312,748	—
OTHER FINANCING SOURCES (USES)				
Transfers out	—	(4,049,613)	(3,811,616)	237,997
Total other financing sources (uses)	—	(4,049,613)	(3,811,616)	237,997
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ 300,000	237,639	125,827	(111,812)
Fund balance - beginning			—	
Cancellation of prior year encumbrances			63,655	
Increase (decrease) in prior year encumbrances			(189,482)	
Fund balance - ending			$ —	

CITY OF INDEPENDENCE, MISSOURI
Budgetary Basis Reconciliation Schedule
American Rescue Plan Act Fund
Year Ended June 30, 2025

		American Rescue Plan Act
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	4,250,191
Basis differences – budget to GAAP:		
None		—
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	4,250,191
Uses/Outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	312,748
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		—
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		125,827
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	438,575

(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.

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Animal Services Use Tax Fund
Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budget Basis)	Variance with Final Budget
REVENUES				
Use tax	$ 893,000	893,000	893,000	—
Investment income	28,000	28,000	27,234	(766)
Other revenue	—	—	1,059	1,059
Total revenues	921,000	921,000	921,293	293
EXPENDITURES				
Animal Services	933,324	933,324	910,013	23,311
Total expenditures	933,324	933,324	910,013	23,311
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ (12,324)	(12,324)	11,280	23,604
Fund balance - beginning			493,075	
Cancellation of prior year encumbrances			1,620	
Investment fair value change			7,062	
Increase (decrease) in prior year encumbrances			(530)	
Fund balance - ending			$ 512,507	

CITY OF INDEPENDENCE, MISSOURI
Budgetary Basis Reconciliation Schedule
Animal Services Use Tax Fund
Year Ended June 30, 2025

		Animal Services Use Tax
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	921,293
Basis differences – budget to GAAP:		
Investment Fair Value Change		7,062
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	928,355
Uses/Outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	910,013
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(1,090)
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	$	908,923

(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 31

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Police Use Tax Fund
Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budget Basis)	Variance with Final Budget
REVENUES				
Use tax	$ 4,683,000	4,683,000	4,683,000	—
Investment income	139,000	139,000	183,531	44,531
Other revenue	—	—	2,493	2,493
Total revenues	4,822,000	4,822,000	4,869,024	47,024
EXPENDITURES				
Police	6,276,669	6,276,669	6,252,151	24,518
Total expenditures	6,276,669	6,276,669	6,252,151	24,518
OTHER FINANCING SOURCES (USES)				
Transfers out	—	(75,562)	(75,562)	—
Total other financing sources (uses)	—	(75,562)	(75,562)	—
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ (1,454,669)	(1,530,231)	(1,458,689)	71,542
Fund balance - beginning			5,040,392	
Cancellation of prior year encumbrances			14,278	
Investment fair value change			49,590	
Increase (decrease) in prior year encumbrances			(10,211)	
Fund balance - ending			$ 3,635,360	

Exhibit 31.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Police Use Tax Fund

Year Ended June 30, 2025

		Police Use Tax
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	4,869,024
Basis differences – budget to GAAP:		
Investment Fair Value Change		49,590
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	4,918,614
Uses/Outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	6,252,151
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(20,205)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		16,138
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	6,248,084

(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 32

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Health Property Tax Levy Fund
Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts (Budget Basis)	Variance with Final Budget
REVENUES				
Real estate tax	$ 933,450	933,450	912,565	(20,885)
Licenses and permits	486,470	486,470	587,056	100,586
Charges for services	272,294	272,294	235,495	(36,799)
Investment income	9,155	9,155	19,003	9,848
Other revenue	18,000	18,000	19,724	1,724
Total revenues	1,719,369	1,719,369	1,773,843	54,474
EXPENDITURES				
Health Services	665,928	665,928	653,789	12,139
Animal Services	1,053,441	1,053,441	1,047,334	6,107
Total expenditures	1,719,369	1,719,369	1,701,123	18,246
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ —	—	72,720	72,720
Fund balance - beginning			143,835	
Cancellation of prior year encumbrances			10,669	
Investment fair value change			1,653	
Increase (decrease) in prior year encumbrances			(91,296)	
Fund balance - ending			$ 137,581	

Exhibit 32.1

CITY OF INDEPENDENCE, MISSOURI

Budgetary Basis Reconciliation Schedule

Health Property Tax Levy Fund

Year Ended June 30, 2025

		Health Property Tax Levy
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	1,773,843
Basis differences – budget to GAAP:		
Investment Fair Value Change		1,653
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	1,775,496
Uses/Outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	1,701,123
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(383)
Current year expenditures of encumbrances outstanding at the end of the prior fiscal year (1)		81,010
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	1,781,750

(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.

CITY OF INDEPENDENCE, MISSOURI
Budgetary Comparison Schedule
Parks and Recreation Property Tax Levy Fund
Year Ended June 30, 2025

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts (Budget Basis)**	**Variance with Final Budget**
REVENUES				
Real estate tax	$ 1,942,736	1,942,736	1,939,200	(3,536)
Charges for services	84,500	84,500	94,367	9,867
Investment income	16,500	16,500	43,190	26,690
Other revenue	—	—	393	393
Total revenues	2,043,736	2,043,736	2,077,150	33,414
EXPENDITURES				
Culture and Recreation	1,914,757	1,939,741	1,938,981	760
Total expenditures	1,914,757	1,939,741	1,938,981	760
Excess of revenues and other financing sources over (under) expenditures and other financing uses	$ 128,979	103,995	138,169	34,174
Fund balance - beginning			635,995	
Cancellation of prior year encumbrances			6,506	
Investment fair value change			8,720	
Increase (decrease) in prior year encumbrances			(5,168)	
Fund balance - ending			$ 784,222	

Exhibit 33.1

CITY OF INDEPENDENCE, MISSOURI
Budgetary Basis Reconciliation Schedule
Parks and Recreation Property Tax Levy Fund
Year Ended June 30, 2025

		Parks and Recreation Property Tax Levy
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) for total revenues from the budgetary comparison schedule	$	2,077,150
Basis differences – budget to GAAP:		
Investment Fair Value Change		8,720
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds	$	2,085,870
Uses/Outflows of resources:		
Actual amounts (budgetary basis) for total expenditures from the budgetary comparison schedule	$	1,938,981
Basis differences – budget to GAAP:		
Outstanding encumbrances at year-end charged to the current year's budget (1)		(1,338)
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	$	1,937,643

(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 34

CITY OF INDEPENDENCE, MISSOURI
Combining Balance Sheet
Nonmajor Sales Tax Fund
June 30, 2025

	Street Improvements Sales Tax	Parks Improvements Sales Tax	Storm Water Sales Tax	Police Sales Tax	Fire Sales Tax	Marijuana Sales Tax Fund	Proposition PD Sales Tax	Total (Exhibit 16)
ASSETS								
Pooled cash and investments	$ 23,451,520	4,667,147	14,116,928	2,867,303	15,058,969	207,627	32,159	60,401,653
Receivables:								
Taxes	2,201,070	1,100,822	1,100,822	562,105	2,197,089	118,005	1,137,840	8,417,753
Accounts, net	—	5,264	—	—	—	—	—	5,264
Accrued interest	55,186	10,797	34,585	6,736	35,376	488	76	143,244
Due from other funds	—	—	490,912	—	—	—	—	490,912
Due from other governments	197,210	12,199	42	—	525	—	—	209,976
Total assets	$ 25,904,986	5,796,229	15,743,289	3,436,144	17,291,959	326,120	1,170,075	69,668,802
LIABILITIES								
Accounts and contracts payable	$ 12,101	68,715	73,023	113,426	184,256	—	—	451,521
Accrued items	15,671	176,836	81,117	—	119,485	—	10,000	403,109
Other current liabilities	—	20,914	—	—	—	—	—	20,914
Unearned revenue	—	8,333	42	—	525	—	—	8,900
Total liabilities	27,772	274,798	154,182	113,426	304,266	—	10,000	884,444
FUND BALANCES (DEFICITS)								
Restricted	25,877,214	5,521,431	15,589,107	3,322,718	16,987,693	326,120	1,160,075	68,784,358
Total fund balances (deficits)	25,877,214	5,521,431	15,589,107	3,322,718	16,987,693	326,120	1,160,075	68,784,358
Total liabilities, deferred inflows of resources, and fund balance	$ 25,904,986	5,796,229	15,743,289	3,436,144	17,291,959	326,120	1,170,075	69,668,802

See accompanying notes to financial statements.

Exhibit 35

CITY OF INDEPENDENCE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Sales Tax Funds
For the Year Ended June 30, 2025

	Street Improvements Sales Tax	Parks Improvements Sales Tax	Storm Water Sales Tax	Police Sales Tax	Fire Sales Tax	Marijuana Sales Tax Fund	Proposition PD Sales Tax	Total (Exhibit 17)
REVENUES								
Taxes	$ 10,939,166	5,470,176	5,470,173	3,119,229	12,090,863	928,121	3,188,259	41,205,987
Intergovernmental	9,842	49,517	232,119	—	—	—	—	291,478
Charges for services	—	516,948	—	—	—	—	—	516,948
Investment income (loss)	1,182,829	220,551	704,151	150,818	735,517	21,063	7,929	3,022,858
Other revenue	55	64,793	14,020	126,070	54,653	—	—	259,591
Total revenues	12,131,892	6,321,985	6,420,463	3,396,117	12,881,033	949,184	3,196,188	45,296,862
EXPENDITURES								
Current:								
Public Safety	—	—	—	1,425,830	7,418,963	—	2,036,113	10,880,906
Municipal Services - Public Works	1,111,753	—	—	—	—	—	—	1,111,753
Culture and Recreation	—	5,233,910	—	—	—	—	—	5,233,910
Community Development	—	—	—	—	—	185,020	—	185,020
Storm Water	—	—	3,676,897	—	—	—	—	3,676,897
Capital Outlay	84,724	63,689	38,311	1,839,704	1,257,813	—	—	3,284,241
Debt service:								
Principal	1,469,660	2,743	173	20,418	1,658	—	—	1,494,652
Interest and fiscal agent fees	375,313	89	—	2,102	181	—	—	377,685
Total expenditures	3,041,450	5,300,431	3,715,381	3,288,054	8,678,615	185,020	2,036,113	26,245,064
Excess (deficiency) of revenues over expenditures	9,090,442	1,021,554	2,705,082	108,063	4,202,418	764,164	1,160,075	19,051,798
OTHER FINANCING SOURCES (USES)								
Transfers in	2,671,068	—	—	—	—	—	—	2,671,068
Transfers out	(10,077,649)	(245,224)	(1,290,332)	(463,024)	(3,805,188)	(900,000)	—	(16,781,417)
Total other financing sources (uses)	(7,406,581)	(245,224)	(1,290,332)	(463,024)	(3,805,188)	(900,000)	—	(14,110,349)
Net change in fund balances	1,683,861	776,330	1,414,750	(354,961)	397,230	(135,836)	1,160,075	4,941,449
Fund balances - beginning	24,193,353	4,745,101	14,174,357	3,677,679	16,590,463	461,956	—	63,842,909
Fund balances - ending	$ 25,877,214	5,521,431	15,589,107	3,322,718	16,987,693	326,120	1,160,075	68,784,358

See accompanying notes to financial statements.

Exhibit 36

CITY OF INDEPENDENCE, MISSOURI
Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2025

	Street Improvements	Police Improvements Fund	Fire Improvements Fund	Revolving Public Improvements	Buildings and Other Improvements	Storm Drainage	Park Improvements	Total (Exhibit 14)
ASSETS								
Pooled cash and investments	$ 2,365,289	455,463	—	2,146	154,905	—	—	2,977,803
Receivables:								
Special assessment principal	348,148	—	—	—	—	—	—	348,148
Due from other governments	816,806	—	—	—	—	893,623	—	1,710,429
Restricted cash and investments	—	5,003,920	42,703,612	—	8,668,640	—	—	56,376,172
Total assets	$ 3,530,243	5,459,383	42,703,612	2,146	8,823,545	893,623	—	61,412,552
LIABILITIES								
Accounts and contracts payable	$ 3,092,326	455,463	—	2,629	1,600,563	402,711	—	5,553,692
Due to other funds	—	—	—	—	—	490,912	—	490,912
Total liabilities	3,092,326	455,463	—	2,629	1,600,563	893,623	—	6,044,604
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - special assessments	348,148	—	—	—	—	—	—	348,148
Total deferred inflows of resources	348,148	—	—	—	—	—	—	348,148
Total liabilities and deferred inflows of resources	3,440,474	455,463	—	2,629	1,600,563	893,623	—	6,392,752
FUND BALANCES (DEFICITS)								
Restricted	—	5,003,920	42,703,612	—	8,668,640	—	—	56,376,172
Committed	89,769	—	—	—	—	—	—	89,769
Unassigned	—	—	—	(483)	(1,445,658)	—	—	(1,446,141)
Total fund balances (deficits)	89,769	5,003,920	42,703,612	(483)	7,222,982	—	—	55,019,800
Total liabilities, deferred inflows of resources, and fud balance	$ 3,530,243	5,459,383	42,703,612	2,146	8,823,545	893,623	—	61,412,552

See accompanying notes to financial statements.

Exhibit 37

CITY OF INDEPENDENCE, MISSOURI
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year Ended June 30, 2025

	Street Improvements	Police Improvements Fund	Fire Improvements Fund	Revolving Public Improvements	Buildings and Other Improvements	Storm Drainage	Park Improvements	Total (Exhibit 15)
REVENUES								
Intergovernmental	$ 816,806	—	—	—	—	3,091,494	—	3,908,300
Charges for services	7,529	—	—	—	—	—	—	7,529
Investment income (loss)	140	2,439	21,948	—	467,391	—	—	491,918
Other revenue	—	—	—	52,000	2,743	—	—	54,743
Total revenues	824,475	2,439	21,948	52,000	470,134	3,091,494	—	4,462,490
EXPENDITURES								
Current:								
Capital Outlay	11,816,805	1,439,136	3,810,140	52,483	3,736,166	4,381,742	454,768	25,691,240
Debt service:								
Interest and fiscal agent fees	139,463	—	—	—	—	—	—	139,463
Debt issuance costs	—	88,341	770,322	—	—	—	—	858,663
Total expenditures	11,956,268	1,527,477	4,580,462	52,483	3,736,166	4,381,742	454,768	26,689,366
Excess (deficiency) of revenues over expenditures	(11,131,793)	(1,525,038)	(4,558,514)	(483)	(3,266,032)	(1,290,248)	(454,768)	(22,226,876)
OTHER FINANCING SOURCES (USES)								
Issuance of debt	—	4,910,000	41,915,000	—	—	—	—	46,825,000
Reoffering premium/original issue discount	—	180,372	1,541,938	—	—	—	—	1,722,310
Transfers in	11,139,313	1,438,586	3,805,188	—	334	1,290,248	454,768	18,128,437
Total other financing sources (uses)	11,139,313	6,528,958	47,262,126	—	334	1,290,248	454,768	66,675,747
Net change in fund balances	7,520	5,003,920	42,703,612	(483)	(3,265,698)	—	—	44,448,871
Fund balances - beginning	82,249	—	—	—	10,488,680	—	—	10,570,929
Fund balances (deficit) - ending	$ 89,769	5,003,920	42,703,612	(483)	7,222,982	—	—	55,019,800

See accompanying notes to financial statements.

CITY OF INDEPENDENCE, MISSOURI
Combining Balance Sheet
Tax Increment Financing
June 30, 2025

	Santa Fe TIF	Eastland Center TIF	Crackerneck Creek/Bass Pro TIF	Old Landfill TIF	Trinity Development TIF	HCA Centerpoint TIF	Cinema East TIF	23rd & Noland Project 1 TIF	23rd & Noland Project 2 TIF	23rd & Noland Project 3 TIF
ASSETS										
Pooled cash and investments	$ 810,074	26,358	1,978,650	4,312	60,040	1,498,126	43,856	—	6,381	2,596
Receivables:										
Taxes	—	52	959,206	959,892	439,347	5,210,761	173,562	—	10,144	24,213
Accounts, net	—	—	65,000	8,531	—	—	—	—	—	—
Accrued interest	—	—	4,532	10	141	3,519	103	—	15	6
Leases	—	—	975,947	—	—	—	—	—	—	—
Due from other governments	141	—	189,645	1,715	13,988	2,301	8,403	—	2,099	7,493
Restricted cash and investments	551,242	—	6,304,090	—	—	3,441,901	—	—	—	—
Total assets	$ 1,361,457	26,410	10,477,070	974,460	513,516	10,156,608	225,924	—	18,639	34,308
LIABILITIES										
Accounts and contracts payable	$ —	—	—	—	—	—	—	—	—	—
Due to other funds	—	—	1,746	—	—	—	—	—	—	—
Due to other governments	—	—	—	—	—	—	—	—	—	—
Total liabilities	—	—	1,746	—	—	—	—	—	—	—
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - real estate taxes	—	—	678,966	929,884	423,907	5,207,761	163,062	—	10,144	19,313
Unavailable revenue - leases	—	—	975,947	—	—	—	—	—	—	—
Total deferred inflows of resources	—	—	1,654,913	929,884	423,907	5,207,761	163,062	—	10,144	19,313
Total liabilities and deferred inflows of resources	—	—	1,656,659	929,884	423,907	5,207,761	163,062	—	10,144	19,313
FUND BALANCES (DEFICITS)										
Restricted	1,361,457	26,410	8,820,411	44,576	89,609	4,948,847	62,862	—	8,495	14,995
Total fund balances	1,361,457	26,410	8,820,411	44,576	89,609	4,948,847	62,862	—	8,495	14,995
Total liabilities, deferred inflows of resources, and fund balance	$ 1,361,457	26,410	10,477,070	974,460	513,516	10,156,608	225,924	—	18,639	34,308

(continued)

See accompanying notes to financial statements.

Exhibit 38

	23rd & Noland Project 4 TIF	Independence Square TIF	Little Blue Parkway 1 TIF	Little Blue Parkway 3 TIF	Marketplace Shopping Ctr TIF	Marketplace Shopping Ctr 2 TIF	Hub Drive TIF	TIF Supplemental Appropriations	Total
ASSETS									
Pooled cash and investments	5,039	1,078,580	68,864	8,335	25,675	30,181	45,941	13,789,062	19,482,070
Receivables:									
Taxes	153,158	506,313	881,069	285,186	111,117	129,454	170,891	596,805	10,611,170
Accounts, net	—	—	—	—	—	—	—	—	73,531
Accrued interest	12	2,534	162	20	60	71	77	32,393	43,655
Leases	—	—	—	—	—	—	—	—	975,947
Due from other governments	77,668	—	89,651	4,656	52,872	11,382	—	—	462,014
Restricted cash and investments	—	—	—	—	—	—	—	—	10,297,233
Total assets	235,877	1,587,427	1,039,746	298,197	189,724	171,088	216,909	14,418,260	41,945,620
LIABILITIES									
Accounts and contracts payable	—	—	—	—	—	—	15,550	—	15,550
Due to other funds	—	—	—	—	—	—	—	—	1,746
Due to other governments	—	583	—	—	—	—	—	—	583
Total liabilities	—	583	—	—	—	—	15,550	—	17,879
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - real estate taxes	108,458	389,070	781,269	247,588	102,617	117,929	39,384	293,434	9,512,786
Unavailable revenue - leases	—	—	—	—	—	—	—	—	975,947
Total deferred inflows of resources	108,458	389,070	781,269	247,588	102,617	117,929	39,384	293,434	10,488,733
Total liabilities and deferred inflows of resources	108,458	389,653	781,269	247,588	102,617	117,929	54,934	293,434	10,506,612
FUND BALANCES (DEFICITS)									
Restricted	127,419	1,197,774	258,477	50,609	87,107	53,159	161,975	14,124,826	31,439,008
Total fund balances	127,419	1,197,774	258,477	50,609	87,107	53,159	161,975	14,124,826	31,439,008
Total liabilities, deferred inflows of resources, and fund balance	235,877	1,587,427	1,039,746	298,197	189,724	171,088	216,909	14,418,260	41,945,620

See accompanying notes to financial statements.

CITY OF INDEPENDENCE, MISSOURI
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Tax Increment Financing
For the Year Ended June 30, 2025

	Santa Fe TIF	Eastland Center TIF	Crackerneck Creek/Bass Pro TIF	Old Landfill TIF	Trinity Development TIF	HCA Centerpoint TIF	Cinema East TIF	23rd & Noland Project 1 TIF	23rd & Noland Project 2 TIF	23rd & Noland Project 3 TIF
REVENUES										
Taxes	$ —	—	2,119,680	776,916	537,973	4,329,712	281,982	(100)	21,042	51,857
Investment income (loss)	23,672	3,954	349,797	5,770	3,716	231,178	2,222	—	303	1,714
Other revenue	—	—	993,371	—	—	—	—	—	—	—
Total revenues	23,672	3,954	3,462,848	782,686	541,689	4,560,890	284,204	(100)	21,345	53,571
EXPENDITURES										
Current:										
Tax Increment Financing	6,750	—	61,894	777,892	522,707	1,196,018	275,657	—	21,416	1,306
Debt service:										
Principal	225,000	—	3,845,000	—	—	2,585,000	—	—	—	—
Interest and fiscal agent fees	306,512	—	3,037,113	—	—	554,050	—	—	—	—
Total expenditures	538,262	—	6,944,007	777,892	522,707	4,335,068	275,657	—	21,416	1,306
Excess (deficiency) of revenues over expenditures	(514,590)	3,954	(3,481,159)	4,794	18,982	225,822	8,547	(100)	(71)	52,265
OTHER FINANCING SOURCES (USES)										
Transfers in	748,000	—	2,820,000	—	57,843	11,269	—	—	—	—
Transfers out	—	—	—	—	(57,843)	(11,269)	—	—	—	(58,000)
Total other financing sources (uses)	748,000	—	2,820,000	—	—	—	—	—	—	(58,000)
Net change in fund balances	233,410	3,954	(661,159)	4,794	18,982	225,822	8,547	(100)	(71)	(5,735)
Fund balances - beginning	1,128,047	22,456	9,481,570	39,782	70,627	4,723,025	54,315	100	8,566	20,730
Fund balances - ending	$ 1,361,457	26,410	8,820,411	44,576	89,609	4,948,847	62,862	—	8,495	14,995

(continued)

See accompanying notes to financial statements.

	23rd & Noland Project 4 TIF	Independence Square TIF	Little Blue Parkway 1 TIF	Little Blue Parkway 3 TIF	Marketplace Shopping Ctr TIF	Marketplace Shopping Ctr 2 TIF	Hub Drive TIF	TIF Supplemental Appropriations	Total
REVENUES									
Taxes	643,389	262,230	2,128,590	299,443	180,675	196,158	728,663	3,486,570	16,044,780
Investment income (loss)	18,839	57,197	104,350	9,032	1,360	1,566	2,157	621,720	1,438,547
Other revenue	—	—	—	—	—	—	—	—	993,371
Total revenues	662,228	319,427	2,232,940	308,475	182,035	197,724	730,820	4,108,290	18,476,698
EXPENDITURES									
Current:									
Tax Increment Financing	13,036	341,420	253,245	23,208	164,847	181,440	598,194	3,115	4,442,145
Debt service:									
Principal	—	—	—	—	—	—	—	—	6,655,000
Interest and fiscal agent fees	—	—	—	—	—	—	—	—	3,897,675
Total expenditures	13,036	341,420	253,245	23,208	164,847	181,440	598,194	3,115	14,994,820
Excess (deficiency) of revenues over expenditures	649,192	(21,993)	1,979,695	285,267	17,188	16,284	132,626	4,105,175	3,481,878
OTHER FINANCING SOURCES (USES)									
Transfers in	—	—	—	—	—	—	—	—	3,637,112
Transfers out	(690,000)	—	(2,550,000)	(270,000)	—	—	—	—	(3,637,112)
Total other financing sources (uses)	(690,000)	—	(2,550,000)	(270,000)	—	—	—	—	—
Net change in fund balances	(40,808)	(21,993)	(570,305)	15,267	17,188	16,284	132,626	4,105,175	3,481,878
Fund balances - beginning	168,227	1,219,767	828,782	35,342	69,919	36,875	29,349	10,019,651	27,957,130
Fund balances - ending	127,419	1,197,774	258,477	50,609	87,107	53,159	161,975	14,124,826	31,439,008

See accompanying notes to financial statements.

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.

Risk Management – This fund is used to account for the costs of the City's liability insurance and risk management claims.

Finance and Support Services – This fund is used to account for the costs of the City's Finance, Human Resources, and Technology Services departments.

Exhibit 40

CITY OF INDEPENDENCE, MISSOURI
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

		Central Garage	Staywell Health Care	Workers' Compensation	Risk Management	Finance & Support Services	Total (Exhibit 5)
ASSETS							
Current assets:							
Pooled cash and investments	$	1,512,847	8,091,987	957,952	507,981	—	11,070,767
Receivables:							
Accounts, net		1,685	432	—	—	—	2,117
Accrued interest		3,554	—	4,796	1,193	—	9,543
Inventory		130,939	—	—	—	—	130,939
Due from other governments		109	—	46,000	—	—	46,109
Total current assets		1,649,134	8,092,419	1,008,748	509,174	—	11,259,475
Noncurrent assets:							
Capital Assets:							
Nondepreciable		93,979	—	—	—	—	93,979
Depreciable, net		119,178	—	—	—	2,627,061	2,746,239
Leased assets, net		—	—	—	—	20,379	20,379
Subscription assets, net		—	—	—	—	228,242	228,242
Restricted cash and investments		—	—	1,083,518	—	—	1,083,518
Total noncurrent assets		213,157	—	1,083,518	—	2,875,682	4,172,357
Total assets		1,862,291	8,092,419	2,092,266	509,174	2,875,682	15,431,832
DEFERRED OUTFLOWS OF RESOURCES							
Pension related amounts		331,994	—	—	—	2,307,663	2,639,657
Other post-employment benefits		29,538	—	—	—	150,509	180,047
Total deferred outflows of resources		361,532	—	—	—	2,458,172	2,819,704
Total assets and deferred outflows of resources	$	2,223,823	8,092,419	2,092,266	509,174	5,333,854	18,251,536
LIABILITIES							
Current liabilities:							
Accounts and contracts payable	$	87,032	—	75,661	11,665	100,792	275,150
Due to other funds		—	—	—	—	87,352	87,352
Accrued items		38,889	—	314	314	299,937	339,454
Unearned revenue		256,911	—	46,000	—	—	302,911
Compensated absences - current		73,199	—	—	—	776,165	849,364
Lease liability		—	—	—	—	6,784	6,784
Subscription liability		—	—	—	—	104,182	104,182
Total OPEB liability		32,831	—	—	—	167,293	200,124
Claims payable		—	1,705,000	5,424,260	1,218,150	—	8,347,410
Total current liabilities		488,862	1,705,000	5,546,235	1,230,129	1,542,505	10,512,731
Noncurrent liabilities:							
Compensated absences-long term		89,466	—	—	—	948,645	1,038,111
Lease liability		—	—	—	—	10,504	10,504
Total OPEB liability		784,164	—	—	—	3,995,704	4,779,868
Net pension liability		461,581	—	—	—	3,208,411	3,669,992
Claims payable		—	—	12,179,966	3,654,449	—	15,834,415
Total noncurrent liabilities		1,335,211	—	12,179,966	3,654,449	8,163,264	25,332,890
Total liabilities		1,824,073	1,705,000	17,726,201	4,884,578	9,705,769	35,845,621
DEFERRED INFLOWS OF RESOURCES							
OPEB - deferred inflow		136,806	—	—	—	697,097	833,903
Total deferred inflows of resources		136,806	—	—	—	697,097	833,903
Total liabilities and deferred inflows of resources		1,960,879	1,705,000	17,726,201	4,884,578	10,402,866	36,679,524
NET POSITION							
Net investment in capital assets		213,157	—	—	—	2,754,213	2,967,370
Restricted for:							
Worker's Compensation escrow		—	—	1,083,518	—	—	1,083,518
Unrestricted		49,787	6,387,419	(16,717,453)	(4,375,404)	(7,823,225)	(22,478,876)
Total net position (deficit)		262,944	6,387,419	(15,633,935)	(4,375,404)	(5,069,012)	(18,427,988)
Total liabilities, deferred inflows of resources, and net position	$	2,223,823	8,092,419	2,092,266	509,174	5,333,854	18,251,536

See accompanying notes to financial statements.

CITY OF INDEPENDENCE, MISSOURI
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	Central Garage	Staywell Health Care	Workers' Compensation	Risk Management	Finance & Support Services	Total (Exhibit 6)
OPERATING REVENUES						
Charges for services	$ 3,638,457	20,935,527	3,918,000	3,192,200	12,969,710	44,653,894
Miscellaneous operating	8,605	1,156,454	14,257	651,112	—	1,830,428
Total operating revenues	3,647,062	22,091,981	3,932,257	3,843,312	12,969,710	46,484,322
OPERATING EXPENSES						
Personnel services	590,414	615,846	29,877	1,960	9,789,146	11,027,243
Other services	1,427,076	23,581,349	11,158,632	5,880,114	4,616,130	46,663,301
Supplies	1,286,098	—	—	—	222,905	1,509,003
Depreciation and amortization	11,396	—	—	—	1,141,672	1,153,068
Total operating expenses	3,314,984	24,197,195	11,188,509	5,882,074	15,769,853	60,352,615
Operating income (loss)	332,078	(2,105,214)	(7,256,252)	(2,038,762)	(2,800,143)	(13,868,293)
NONOPERATING REVENUES (EXPENSES)						
Investment income (loss)	66,344	312,165	184,818	23,693	—	587,020
Miscellaneous non-operating	144,652	2,388,996	19,236	10,699	5,460	2,569,043
Interest and amortization expense	—	—	—	—	(4,887)	(4,887)
Total nonoperating revenues (expenses)	210,996	2,701,161	204,054	34,392	573	3,151,176
Income (loss) before contributions and transfers	543,074	595,947	(7,052,198)	(2,004,370)	(2,799,570)	(10,717,117)
Change in net position	543,074	595,947	(7,052,198)	(2,004,370)	(2,799,570)	(10,717,117)
Total net position (deficit) - beginning	(280,130)	5,791,472	(8,581,737)	(2,371,034)	(2,269,442)	(7,710,871)
Total net position (deficit) - ending	$ 262,944	6,387,419	(15,633,935)	(4,375,404)	(5,069,012)	(18,427,988)

See accompanying notes to financial statements.

Exhibit 42

CITY OF INDEPENDENCE, MISSOURI

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2025

	Internal Service Funds					
	Central Garage	**Staywell Health Care**	**Workers' Compensation**	**Risk Management**	**Finance and Support Services**	**Total (Exhibit 7)**
Cash Flows from Operations:						
Receipts from customers	$ 152,235	3,550,170	(12,507)	661,811	5,460	4,357,169
Receipts from interfund charges	3,638,457	20,935,527	3,918,000	3,192,200	12,969,710	44,653,894
Payments to suppliers	(2,532,955)	(23,535,049)	(4,880,963)	(4,409,409)	(5,262,503)	(40,620,879)
Payments to employees	(837,624)	(615,846)	(29,877)	(1,683)	(5,961,231)	(7,446,261)
Net cash provided by (used in) operating activities	420,113	334,802	(1,005,347)	(557,081)	1,751,436	943,923
Cash Flows from Noncapital Financing Activities:						
Advances from (to) other funds	—	—	—	—	(1,742,235)	(1,742,235)
Net cash provided by (used in) noncapital financing activities	—	—	—	—	(1,742,235)	(1,742,235)
Cash Flows from Capital and Related Financing Activities:						
Acquisition and construction of capital assets	(96,899)	—	—	—	(7,352)	(104,251)
Interest paid on equipment contracts	—	—	—	—	(4,887)	(4,887)
Net cash used in capital and related financing activities	(96,899)	—	—	—	(12,239)	(109,138)
Cash Flows from Investing Activities:						
Interest on investments	70,418	312,165	209,334	41,471	—	633,388
Adjustment to fair value	(6,785)	—	(27,167)	(18,191)	—	(52,143)
Net cash provided by (used in) investing activities	63,633	312,165	182,167	23,280	—	581,245
Net increase (decrease) in cash and cash equivalents	386,847	646,967	(823,180)	(533,801)	(3,038)	(326,205)
Cash and cash equivalents at beginning of year	1,126,000	7,445,020	2,864,650	1,041,782	3,038	12,480,490
Cash and cash equivalents at end of year	$ 1,512,847	8,091,987	2,041,470	507,981	—	12,154,285
Noncash capital and related financing activities:						
Leases and subscriptions	$ —	—	—	—	9,197	9,197
Accounts payable and retainages	—	—	—	—	121,470	121,470
	$ —	—	—	—	130,667	130,667
Components of cash and short-term investments at end of fiscal year						
Unrestricted assets	1,512,847	8,091,987	957,952	507,981	—	11,070,767
Restricted assets	—	—	1,083,518	—	—	1,083,518
Pooled cash and investments	$ 1,512,847	8,091,987	2,041,470	507,981	—	12,154,285
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	$ 332,078	(2,105,214)	(7,256,252)	(2,038,762)	(2,800,143)	(13,868,293)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	11,396	—	—	—	1,141,672	1,153,068
Miscellaneous revenue	144,652	2,388,996	19,236	10,699	5,460	2,569,043
Change in assets and liabilities:						
Accounts receivable	(913)	4,720	—	—	—	3,807
Inventory	(16,886)	—	—	—	—	(16,886)
Deferred outflows	(102,777)	—	—	—	(983,801)	(1,086,578)
Accounts and contracts payable	(59,806)	—	45,534	5,359	(106,426)	(115,339)
Accrued liabilities	4,254	46,300	314	277	67,887	119,032
Other post-employment benefits and net pension liability	(136,248)	—	—	—	3,576,620	3,440,372
Claims payable	—	—	6,185,821	1,465,346	—	7,651,167
Compensated absences	45,047	—	—	—	780,643	825,690
Lease liability	—	—	—	—	(6,932)	(6,932)
Subscription liability	—	—	—	—	(310,110)	(310,110)
Unearned revenue	256,802	—	—	—	—	256,802
Deferred inflows	(57,486)	—	—	—	386,566	329,080
Total adjustments	88,035	2,440,016	6,250,905	1,481,681	4,551,579	14,812,216
Net cash provided by (used in) operating activities	$ 420,113	334,802	(1,005,347)	(557,081)	1,751,436	943,923

CITY OF INDEPENDENCE, MISSOURI
Combining Statement of Fiduciary Net Position
Custodial funds
June 30, 2025

		Flexible Spending Account Program	Susie Paxton Block Trust	Senior Travel Program	Total Custodial Funds
ASSETS					
Pooled cash and investments	$	210,512	37,467	55,444	303,423
Accrued interest receivable		—	522	130	652
Total assets		210,512	37,989	55,574	304,075
NET POSITION					
Restricted for:					
Individuals and organizations		210,512	37,989	55,574	304,075
Total net position	$	210,512	37,989	55,574	304,075

See accompanying notes to financial statements.

Exhibit 44

CITY OF INDEPENDENCE, MISSOURI
Combining Statement of Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2025

		Flexible Spending Account Program	Susie Block Trust	Senior Travel Progam	Total
ADDITIONS					
Contributions	$	181,816	—	59,598	241,414
Interest on investments		9,595	1,844	2,411	13,850
Total additions		191,411	1,844	62,009	255,264
DEDUCTIONS					
Benefits paid to participants		171,365	—	42,614	213,979
Award distribution		—	1,000	—	1,000
Total deductions		171,365	1,000	42,614	214,979
Change in net position		20,046	844	19,395	40,285
Net position - beginning		190,466	37,145	36,179	263,790
Net position - ending	$	210,512	37,989	55,574	304,075

Exhibit 45

CITY OF INDEPENDENCE, MISSOURI

Schedules of Operating Expenses – Power and Light Fund

Years Ended June 30, 2025 and 2024

		2025			2024	
	Operations	Maintenance	Total	Operations	Maintenance	Total
Production Fuel:						
Gas	$ 7,527,346	—	7,527,346	6,989,185	—	6,989,185
Oil	1,882,231	—	1,882,231	3,558,282	—	3,558,282
Total production fuel	$ 9,409,577	—	9,409,577	10,547,467	—	10,547,467
Purchased Power:						
Purchased energy	$ 18,293,257	—	18,293,257	17,677,292	—	17,677,292
Purchased capacity (net)	22,796,630	—	22,796,630	25,896,693	—	25,896,693
Border customers	81,984	—	81,984	84,009	—	84,009
Control and dispatching	2,561,389	—	2,561,389	2,834,381	—	2,834,381
Total purchased power	$ 43,733,260	—	43,733,260	46,492,375	—	46,492,375
Production (Other):						
Blue Valley Station:						
Supervision and engineering	$ —	—	—	—	—	—
Steam	—	—	—	—	—	—
Electric	—	1,475	1,475	—	(12,306)	(12,306)
Structures and improvements	—	161,184	161,184	—	175,928	175,928
Miscellaneous	35,762	44,102	79,864	129,737	20,979	150,716
	35,762	206,761	242,523	129,737	184,601	314,338
Combustion Turbine Station:						
Supervision and engineering	4,792,028	441,362	5,233,390	3,291,694	324,175	3,615,869
Generation expenses	395,711	792,438	1,188,149	506,738	2,117,897	2,624,635
Structures and improvements	—	81,245	81,245	—	24,984	24,984
Miscellaneous	457,996	158,366	616,362	203,618	179,766	383,384
	5,645,735	1,473,411	7,119,146	4,002,050	2,646,822	6,648,872
Total production (other)	$ 5,681,497	1,680,172	7,361,669	4,131,787	2,831,423	6,963,210
Transmission and Distribution:						
Transmission:						
Supervision and engineering	$ 111,808	26,771	138,579	138,049	21,210	159,259
Overhead expenses	388,141	2,169	390,310	24,309	8,017	32,326
Station expenses	28,700	501,608	530,308	15,697	68,906	84,603
Underground line expense	(51)	—	(51)	1,931	360	2,291
Structures and improvements	—	391,375	391,375	—	270,745	270,745
Miscellaneous	10,594,146	631,555	11,225,701	9,400,394	624,076	10,024,470
Total transmission	11,122,744	1,553,478	12,676,222	9,580,380	993,314	10,573,694

(Continued)

Exhibit 45

CITY OF INDEPENDENCE, MISSOURI

Schedules of Operating Expenses – Power and Light Fund

Years Ended June 30, 2025 and 2024

	2025			2024		
	Operations	**Maintenance**	**Total**	**Operations**	**Maintenance**	**Total**
Distribution:						
Supervision and engineering	$ 137,341	76,260	213,601	160,923	70,078	231,001
Overhead lines	745,055	6,688,866	7,433,921	1,348,691	6,761,914	8,110,605
Station expenses	464,466	1,461,365	1,925,831	103,547	1,678,228	1,781,775
Street lights and traffic signals	296,038	804,170	1,100,208	315,329	919,812	1,235,141
Meters	165,750	582,235	747,985	177,800	570,286	748,086
Customer installations	252,988	—	252,988	311,323	—	311,323
Underground lines	349,598	854,690	1,204,288	575,676	959,376	1,535,052
Dispatching communication	623,695	—	623,695	723,934	604,888	1,328,822
Line transformers	—	265,030	265,030	—	197,056	197,056
Structures	—	—	—	—	—	—
Miscellaneous	2,335,833	445,529	2,781,362	1,756,114	—	1,756,114
Total distribution	5,370,764	11,178,145	16,548,909	5,473,337	11,761,638	17,234,975
Total transmission and distribution	$ 16,493,508	12,731,623	29,225,131	15,053,717	12,754,952	27,808,669
Customer Service:						
Supervision			$ 88,700			157,275
Meter reading			587,440			731,739
Customer records and collections			3,610,590			3,836,948
Provisions for doubtful accounts			3,335,309			11,063
Miscellaneous			168,919			140,853
Total customer service			7,790,958			4,877,878
General and Administrative:						
Salaries			2,328,535			1,881,760
Office supplies			724,786			771,305
Insurance			1,115,400			1,123,400
Injuries and damage			527,031			778,083
Employee benefits			7,579,011			2,925,597
Outside services			3,603,110			4,318,952
Miscellaneous			611,511			1,334,939
Total general and administrative			16,489,384			13,134,036
Depreciation and amortization			11,642,998			11,709,270
Payroll taxes			1,335,779			1,351,036
Total operating expenses			$ 126,988,756			122,883,941

Exhibit 46

CITY OF INDEPENDENCE, MISSOURI

Schedule of Operating Statistics – Power and Light Fund

Year ended June 30, 2025

	Number of Customers			
	Beginning of Year	End of Year	Revenue	KWH
Sale of Electric Energy:				
Metered:				
Residential	54,038	54,234	$ 87,619,490	530,883,480
Small general services	3,996	4,067	11,176,786	60,460,737
Large general services	867	880	40,481,204	267,164,323
Total electric general services	78	80	6,439,428	51,628,655
Large power services	10	10	3,049,695	24,597,841
Combined interruptible services	3	3	2,967,255	34,850,300
Municipal - City (Buildings)	166	166	1,575,879	14,154,268
	59,158	59,440	153,309,737	983,739,604
Unmetered:				
Wholesale (border customers) revenue			102,607	1,959,706
Wholesale (interchange)			5,602,828	134,785,419
Power and light usage (building and substations)			—	1,166,316
City Public Street lighting			—	3,745,399
			5,705,435	141,656,840
Change in unbilled revenue			(139,371)	(963,068)
Other operating revenue			7,755,355	—
EVTC			40,249	—
Total operating revenue and total energy sales			$ 166,671,405	1,124,433,376
Net generation				310,777,546
Wholesale power purchased				836,717,586
Net generation and power purchased				1,147,495,132
Disposition of energy - Retail				982,776,536
Disposition of energy - Wholesale				136,745,125
Disposition of energy - Internal				4,911,715
Net disposition				1,124,433,376
Transmission and distribution operating losses				23,061,756

Exhibit 47

CITY OF INDEPENDENCE, MISSOURI

Schedule of Operating Statistics – Water Fund

Year ended June 30, 2025

	Number of Customers			
	Beginning of Year	End of Year	Revenue	MGS*
Sale of Water:				
Residential	44,963	44,960	$ 14,120,487	2,359,321
Commercial	3,942	3,921	6,322,611	1,265,560
Industrial	6	6	395,122	121,397
Public authority	192	188	218,672	40,857
Resale	14	14	10,196,968	4,885,926
Private fire protection	524	525	248,822	—
Public fire protection	—	—	1,691,997	—
	49,641	49,614	33,194,679	8,673,061
Change in unbilled revenue			(383,877)	
Other operating revenue			424,135	
Total operating revenue			$ 33,234,937	
Thousands of gallons produced:				
Courtney Bend Plant				10,234,591
Less total gallons sold				8,673,061
Unaccounted for water				1,561,530

* Thousand gallons sold.

Exhibit 48

CITY OF INDEPENDENCE, MISSOURI

Schedule of Operating Statistics – Sanitary Sewer Fund

Year ended June 30, 2025

	Number of Customers			
	Beginning of Year	**End of Year**	**Revenue**	**CCF***
Sale of Sanitary Sewer Services:				
Residential	42,037	41,725	$ 19,554,182	2,295,840
Commercial:				
Base	3,490	3,435	7,881,990	1,397,065
Surcharge	—	—	686,759	—
Contract waste treatment	—	—	222,570	—
Regulatory Compliance	—	—	6,530,125	—
Intermunicipal agreements:				
Sugar Creek	—	—	983,705	—
Kansas City	—	—	222,137	—
	45,527	45,160	36,081,468	3,692,905
Other operating revenue			278,366	
Change in unbilled revenue			(425,215)	
Total operating revenue			$ 35,934,619	

* Hundred cubic feet.

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.

STATISTICAL SECTION

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

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 annual comprehensive financial reports for the relevant year.

Table 1

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

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities											
Net investment in capital assets	$	330,518,564	325,298,654	324,198,133	319,052,806	311,168,595	309,489,295	292,315,112	288,411,464	274,181,687	277,765,841
Restricted		14,823,334	13,785,094	18,741,314	18,602,877	22,279,174	24,490,689	40,260,773	51,099,584	84,230,907	87,059,673
Unrestricted		(259,618,128)	(266,833,068)	(378,520,677)	(269,187,817)	(271,260,070)	(258,060,366)	(234,589,664)	(220,274,228)	(224,244,646)	(219,833,473)
Total governmental activities net position	$	85,723,770	72,250,680	(35,581,230)	68,467,866	62,187,699	75,919,618	97,986,221	119,236,820	134,167,948	144,992,041
Business-type activities	$										
Net investment in capital assets		238,427,241	216,148,308	214,381,085	216,116,969	211,224,057	222,514,950	225,938,690	240,674,339	250,418,291	262,904,179
Restricted		17,608,769	22,390,679	23,202,738	25,007,273	25,084,135	25,448,806	16,435,396	17,133,289	17,036,852	17,208,611
Unrestricted		33,115,833	53,123,997	8,070,332	57,814,152	69,117,824	54,975,581	82,896,262	99,429,012	130,576,822	154,411,455
Total business-type activities net position	$	289,151,843	291,662,984	245,654,155	298,938,394	305,426,016	302,939,337	325,270,348	357,236,640	398,031,965	434,524,245
Primary government											
Net investment in capital assets	$	568,945,805	541,446,962	538,579,218	535,169,775	522,392,652	532,004,245	518,253,802	529,085,803	524,599,978	540,670,020
Restricted		32,432,103	36,175,773	41,944,052	43,610,150	47,363,309	49,939,495	56,696,169	68,232,873	101,267,759	104,268,284
Unrestricted		(226,502,295)	(213,709,071)	(370,450,345)	(211,373,665)	(202,142,246)	(203,084,785)	(151,693,402)	(120,845,216)	(93,667,824)	(65,422,018)
Total primary government net position	$	374,875,613	363,913,664	210,072,925	367,406,260	367,613,715	378,858,955	423,256,569	476,473,460	532,199,913	579,516,286

Note: In 2018 the City adopted GASB Statement No. 75, which restated beginning net position. For the years prior to 2018, the amounts in this schedule have not been restated.

Note: In 2019 the City implemented significant changes to healthcare coverage by moving retirees into a separate Medicare program which resulted in a decrease to the City's recorded Other Post Employment Benefits (OPEB) liability, resulting in an increase to net position.

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

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses											
Governmental activities:											
Administrative Services	$	9,054,549	10,060,792	9,787,625	11,766,972	11,465,578	8,846,826	7,504,588	5,317,752	4,966,248	6,113,282
Public Safety		59,265,485	59,583,743	59,355,553	64,741,468	68,890,126	60,111,785	63,738,835	66,986,969	86,973,763	97,485,115
Municipal Services		18,062,959	17,889,269	18,384,360	19,081,925	18,966,524	18,666,752	20,839,417	19,999,077	21,246,258	20,515,546
Health and Animal Services		3,597,625	2,690,316	2,190,183	—	691,921	2,052,328	2,170,360	3,306,814	3,783,685	3,861,956
Culture and Recreation		8,500,729	8,490,201	8,659,305	9,829,225	9,359,426	9,121,110	8,759,163	10,201,048	12,652,002	11,422,829
Community Development		4,694,568	5,913,644	6,364,261	6,866,076	6,729,400	6,019,417	6,240,454	7,659,845	8,972,281	8,832,475
Storm Water		3,381,187	3,734,597	3,722,027	3,854,859	3,929,055	3,764,430	3,538,060	3,918,103	4,626,468	5,614,138
General Government		10,082,656	9,330,488	9,749,366	1,047,083	838,934	4,349,995	992,854	990,601	1,392,812	1,126,286
Tax Increment Financing		11,319,659	16,156,910	8,756,255	9,743,568	10,786,336	10,611,180	11,146,839	23,961,338	8,296,829	8,492,101
Interest on long-term debt		116,229	108,756	75,246	109,479	96,297	778,438	541,914	463,293	898,493	1,751,533
Total governmental activities expenses		128,075,646	133,958,716	127,044,181	127,040,655	131,753,597	124,322,261	125,472,484	142,804,840	153,808,839	165,215,261
Business-type activities:											
Power and Light		134,873,700	128,209,073	130,197,969	124,700,820	122,805,250	120,251,808	116,113,226	125,623,313	127,345,102	131,329,389
Water		21,913,607	22,136,019	23,976,929	22,519,143	24,940,525	23,866,752	22,529,358	22,954,212	25,671,824	30,434,590
Sewer		23,512,501	24,420,243	25,605,642	25,728,344	27,191,672	26,149,731	26,942,461	27,820,819	27,253,121	29,286,048
Events Center		11,734,030	12,067,172	12,287,000	13,218,585	12,178,812	9,732,396	16,697,546	12,512,968	15,708,283	14,279,418
Total business-type activities expenses		192,033,838	186,832,507	192,067,540	186,166,892	187,116,259	180,000,687	182,282,591	188,911,312	195,978,330	205,329,445
Total primary government expenses	$	320,109,484	320,791,223	319,111,721	313,207,547	318,869,856	304,322,948	307,755,075	331,716,152	349,787,169	370,544,706
Program Revenues											
Governmental activities:											
Charges for services:											
Administrative Services	$	8,026,010	8,206,822	8,406,360	6,533,752	6,436,938	6,394,861	6,396,699	3,768,977	5,653,298	4,703,383
Public Safety		4,757,394	4,670,892	4,372,243	4,513,453	3,659,764	2,960,579	2,981,538	2,834,631	3,303,706	3,519,663
Municipal Services		376,062	577,574	537,691	640,034	543,843	484,731	578,035	417,831	476,191	769,312
Health Services		198,147	854,870	744,308	—	10,688	196,902	556,853	595,848	634,392	822,616
Culture and Recreation		821,976	843,135	913,869	1,264,973	1,017,524	512,418	729,775	875,378	881,777	654,404
Community Development		1,230,826	2,529,919	2,023,318	4,535,619	4,394,291	4,032,959	5,158,737	4,797,497	5,655,475	5,475,431
Storm Water		—	—	—	—	—	—	—	723	—	—
General Government		1,263,754	1,031,478	1,114,160	1,000,040	771,397	1,110,856	—	—	—	—
Tax Increment Financing		—	—	—	—	—	—	988,799	984,348	944,066	989,543
Operating grants and contributions		9,025,480	8,238,425	8,908,557	8,611,746	7,851,184	18,379,425	21,098,815	19,179,250	16,273,097	18,747,728
Capital grants and contributions		575,703	131,098	2,239,697	1,299,857	824,436	389,936	229,348	2,202,634	1,619,848	4,178,132
Total governmental activities program revenues		26,275,352	27,084,213	29,260,203	28,399,474	25,510,065	34,462,667	38,718,599	35,657,117	35,441,850	39,860,212
Business-type activities:											
Charges for services:											
Power and Light		134,747,475	137,945,902	148,047,728	145,164,378	128,575,740	128,548,974	137,273,615	152,626,237	160,603,809	166,671,405
Water		30,858,398	32,260,796	32,953,246	32,365,391	31,792,837	32,648,354	32,735,657	34,301,948	33,763,033	33,234,937
Sewer		23,743,340	26,029,675	28,812,899	30,171,515	33,354,075	36,164,808	37,080,181	36,686,076	36,789,259	35,934,619
Events Center		4,461,330	4,771,821	5,241,363	5,761,559	4,813,992	2,399,178	8,392,112	4,995,973	7,541,116	6,590,292
Capital grants and contributions		1,425,612	1,322,901	864,452	182,117	37,799	151,769	16,858	50,736	751	356,429
Total business-type activities program revenues		195,236,155	202,331,095	215,919,688	213,644,960	198,574,443	199,913,083	215,498,423	228,660,970	238,697,968	242,787,682
Total primary government program revenues	$	221,511,507	229,415,308	245,179,891	242,044,434	224,084,508	234,375,750	254,217,022	264,318,087	274,139,818	282,647,894

Table 2

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (expense)/revenue										
Governmental activities	$ (101,800,294)	(106,874,503)	(97,783,978)	(98,641,181)	(106,243,532)	(89,859,594)	(86,753,885)	(107,147,723)	(118,366,989)	(125,355,049)
Business-type activities	3,202,317	15,498,588	23,852,148	27,478,068	11,458,184	19,912,396	33,215,832	39,749,658	42,719,638	37,458,237
Total primary government net expense	$ (98,597,977)	(91,375,915)	(73,931,830)	(71,163,113)	(94,785,348)	(69,947,198)	(53,538,053)	(67,398,065)	(75,647,351)	(87,896,812)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 8,485,768	7,978,323	8,237,760	8,080,629	8,717,634	9,684,246	9,088,287	9,244,766	9,093,280	9,519,741
Sales and use taxes	44,683,858	45,348,299	46,319,963	45,006,244	46,752,729	51,500,218	58,149,550	70,893,438	75,503,479	78,339,788
Intergovernmental activity taxes	10,351,536	10,776,518	11,720,991	12,328,192	13,388,147	13,724,099	12,370,738	12,692,303	9,693,346	9,725,983
Franchise taxes	8,528,741	8,703,530	8,771,667	8,651,580	7,523,346	7,376,564	8,161,195	9,228,632	8,705,780	7,887,333
Financial institutions tax	21,116	34,130	34,818	18,814	32,404	20,601	60,911	29,725	14,586	14,624
Investment earnings (loss)	311,028	130,083	478,931	2,294,796	2,897,668	572,681	(999,657)	2,741,825	6,063,641	6,777,665
Special item - OPEB change in benefit terms	—	—	—	72,282,213	—	—	—	—	—	—
Miscellaneous	796,842	1,147,386	1,211,700	594,740	1,469,877	1,467,868	1,781,900	1,070,057	2,080,141	1,264,929
Transfers	18,753,474	19,283,144	20,057,532	20,360,728	19,181,560	19,245,236	20,207,564	21,758,476	22,143,864	22,649,079
Total governmental activities	91,932,363	93,401,413	96,833,362	169,617,936	99,963,365	103,591,513	108,820,488	127,659,222	133,298,117	136,179,142
Business-type activities:										
Sales and use taxes	5,741,439	5,770,850	5,973,582	6,793,078	7,783,055	8,024,737	8,876,336	8,952,353	9,027,801	9,165,134
Investment earnings (loss)	176,436	(35,308)	674,832	5,455,337	5,526,440	28,950	(3,126,574)	3,874,424	9,776,331	11,151,314
Special item - litigation settlement	—	—	—	—	—	—	—	—	—	—
Special item - OPEB change in benefit terms	—	—	—	33,603,664	—	—	—	—	—	—
Special item - electric rebate	—	—	—	—	—	(11,196,400)	—	—	—	—
Miscellaneous	2,202,550	560,155	665,216	314,820	901,503	(11,126)	3,572,981	1,148,333	1,415,419	1,366,674
Transfers	(18,753,474)	(19,283,144)	(20,057,532)	(20,360,728)	(19,181,560)	(19,245,236)	(20,207,564)	(21,758,476)	(22,143,864)	(22,649,079)
Total business-type activities	(10,633,049)	(12,987,447)	(12,743,902)	25,806,171	(4,970,562)	(22,399,075)	(10,884,821)	(7,783,366)	(1,924,313)	(965,957)
Total primary government	$ 81,299,314	80,413,966	84,089,460	195,424,107	94,992,803	81,192,438	97,935,667	119,875,856	131,373,804	135,213,185
Changes in Net Position										
Governmental activities	$ (9,867,931)	(13,473,090)	(950,616)	70,976,755	(6,280,167)	13,731,919	22,066,603	20,511,499	14,931,128	10,824,093
Business-type activities	(7,430,732)	2,511,141	11,108,246	53,284,239	6,487,622	(2,486,679)	22,331,011	31,966,292	40,795,325	36,492,280
Total primary government	$ (17,298,663)	(10,961,949)	10,157,630	124,260,994	207,455	11,245,240	44,397,614	52,477,791	55,726,453	47,316,373

Note: In 2018 the City adopted GASB Statement No. 75, which restated beginning net position. For the years prior to 2018, 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)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 11,424	—	—	—	—	19,755	—	—	—	—
Restricted	273,164	404,806	395,412	84,386	78,022	118,750	93,848	225,394	354,280	252,748
Committed	348,001	261,700	106,884	30,762	18,105	16,373	17,145	50,985	65,619	83,975
Assigned	1,336,086	1,648,808	1,268,521	574,172	723,920	465,453	534,629	585,157	596,519	635,577
Unassigned	3,684,710	5,982,941	7,030,007	6,591,442	5,301,516	5,700,364	6,281,728	10,185,654	14,590,280	15,064,232
	$ 5,653,385	8,298,255	8,800,824	7,280,762	6,121,563	6,320,695	6,927,350	11,047,190	15,606,698	16,036,532
All other governmental funds										
Nonspendable	$ 665	—	526,245	—	—	—	—	—	—	—
Restricted	42,864,399	44,066,001	43,085,814	47,556,094	74,562,521	76,458,587	85,993,577	86,779,211	112,385,260	165,560,008
Committed	41,772	30,198	53,981	61,507	81,165	92,421	129,414	136,154	82,249	89,769
Unassigned	(2,929,573)	(1,482,674)	(1,440,718)	(1,627,806)	(3,851,954)	(3,574,111)	(3,156,286)	(19,618)	(426,625)	(1,446,141)
	$ 39,977,263	42,613,525	42,225,322	45,989,795	70,791,732	72,976,897	82,966,705	86,895,747	112,040,884	164,203,636

Table 4

City of Independence, Missouri

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$ 71,815,835	73,168,146	75,673,475	74,694,144	76,307,087	82,183,412	87,672,164	101,937,475	102,995,885	105,472,845
Licenses, fees and permits	3,802,218	5,614,626	4,834,935	4,783,828	5,012,961	4,772,400	5,977,008	5,072,653	5,326,226	6,130,635
Intergovernmental	9,174,995	8,215,395	10,860,762	9,304,404	8,315,029	18,653,010	21,239,607	20,683,506	15,031,211	22,837,415
Charges for services	3,273,899	3,378,711	3,385,145	3,378,423	3,153,527	2,908,352	3,284,546	3,785,507	4,039,315	4,040,563
Interfund charges for support services	4,913,709	4,943,014	5,099,696	5,035,500	5,035,500	5,035,500	5,035,500	2,354,600	4,376,682	3,403,231
Fines, forfeitures, and court costs	4,214,064	3,855,121	3,716,388	3,913,825	2,890,421	2,152,627	2,116,883	2,125,274	2,454,405	2,348,660
Investment income (loss)	286,088	93,294	337,709	2,000,253	2,704,945	552,145	(933,587)	2,402,444	5,418,944	6,190,645
Developer contributions	17,025	—	—	—	—	—	—	—	—	—
Other	2,551,667	2,486,708	2,552,686	2,774,293	2,842,834	2,844,550	2,960,672	2,599,649	5,861,067	2,446,622
Total revenues	100,049,500	101,755,015	106,460,796	105,884,670	106,262,304	119,101,996	127,352,793	140,961,108	145,503,735	152,870,616
Expenditures										
Administrative Services	7,576,728	7,834,761	8,051,979	10,429,550	8,583,484	8,622,539	10,265,123	5,057,832	4,534,605	4,528,784
Public Safety	50,513,184	49,939,819	52,410,075	59,828,210	61,192,700	62,223,200	70,059,732	72,593,972	79,063,881	83,650,880
Municipal Services - Public Works	4,693,660	4,791,209	5,495,957	7,470,311	6,484,056	6,503,782	6,345,847	6,246,120	7,026,666	7,326,495
Health and Animal Services	3,130,183	2,464,245	2,114,547	—	537,806	2,018,672	2,758,607	2,975,936	3,733,273	3,894,488
Culture and Recreation	5,888,760	6,013,044	6,163,491	7,508,674	6,625,256	7,526,753	7,648,143	9,352,626	10,205,979	8,951,815
Community Development	4,303,735	5,226,710	5,865,477	6,561,980	6,108,787	5,943,402	6,785,215	7,583,582	8,454,787	9,078,323
Storm Water	1,769,844	2,271,882	2,092,652	2,223,961	2,145,806	2,174,015	2,657,126	2,604,668	2,858,679	3,676,897
General Government	8,921,005	8,543,800	8,968,731	343,456	18,129	3,386,866	59,485	56,400	148,679	192,085
Tax Increment Financing	859,000	1,136,583	1,083,430	3,124,874	4,545,677	3,973,105	5,859,997	18,889,484	3,868,780	4,442,145
Capital outlay	13,890,964	11,951,855	15,078,234	12,808,202	10,298,410	13,806,476	8,858,632	14,246,744	24,776,639	30,527,454
Debt Service										
Principal	6,833,988	8,107,973	8,848,975	7,578,765	7,344,377	8,200,715	8,563,784	6,420,614	8,436,370	8,901,144
Interest	8,541,494	7,214,003	6,899,667	6,123,004	5,856,638	6,102,645	4,841,930	4,831,681	4,987,954	5,451,558
Debt issuance costs	1,156,904	431,670	249,268	—	—	1,216,641	—	—	—	858,663
Total expenditures	118,079,449	115,927,554	123,322,483	124,000,987	119,741,126	131,698,811	134,703,621	150,859,659	158,096,292	171,480,731
Excess of revenues over (under) expenditures	(18,029,949)	(14,172,539)	(16,861,687)	(18,116,317)	(13,478,822)	(12,596,815)	(7,350,828)	(9,898,551)	(12,592,557)	(18,610,115)
Other Financing Sources (Uses)										
Transfers in	2,964,941	2,118,908	7,815,722	3,058,253	8,806,903	6,198,157	10,336,872	16,380,819	3,842,164	25,471,760
Transfers out	(2,726,803)	(1,834,435)	(7,825,722)	(3,068,253)	(8,816,902)	(8,983,770)	(12,647,943)	(20,282,462)	(3,847,995)	(25,481,677)
Issuance of debt	50,074,897	19,604,504	12,052,210	—	17,940,000	37,297,511	—	—	20,000,000	46,825,000
Premiums/Discounts on debt issued	(1,168,942)	2,585,491	836,091	—	—	4,689,862	—	—	—	1,722,310
Payment to refunded loans escrow agent	(47,379,813)	(22,019,468)	(15,969,779)	—	—	(43,475,884)	—	—	—	—
Transfers in - utility payments in lieu of taxes	18,515,336	18,998,671	20,067,531	20,370,728	19,191,559	19,255,236	20,168,635	21,760,119	22,149,695	22,658,996
Lease or subscription proceeds	—	—	—	—	—	—	89,727	88,957	153,338	6,312
Total other financing sources	20,279,616	19,453,671	16,976,053	20,360,728	37,121,560	14,981,112	17,947,291	17,947,433	42,297,202	71,202,701
Net change in fund balances	$ 2,249,667	5,281,132	114,366	2,244,411	23,642,738	2,384,297	10,596,463	8,048,882	29,704,645	52,592,586
Debt service as a percentage of non-capital expenditures	15.03%	15.10%	14.94%	12.53%	12.37%	12.43%	10.85%	8.43%	10.30%	10.12%

Note: In 2019 the Health Department was restructured and remaining functions were moved to other departments. In 2021 the Health Department was restructured as its own department. Animal Services is included in the Health Services category.

Table 5

City of Independence, Missouri
Sales and Use Tax Revenue
Last Ten Fiscal Years

City Sales and Use Tax Revenue:		**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
General Fund	$	18,220,678	17,982,053	18,470,762	17,946,599	18,160,631	19,138,667	20,676,408	22,690,575	24,190,946	23,437,377
Tourism Fund (Transient Guest Tax)		1,954,406	1,994,953	1,956,256	1,967,003	1,554,582	1,321,757	2,116,326	2,322,046	2,304,882	2,349,663
Street Sales Tax Fund		8,399,825	8,329,801	8,540,878	8,258,900	8,323,739	8,999,260	9,556,264	10,444,986	11,163,232	10,939,166
Park Improvements Sales Tax Fund		4,200,128	4,167,642	4,270,461	4,129,442	4,161,885	4,499,634	4,778,115	5,222,535	5,581,566	5,470,176
Storm Water Sales Tax Fund		4,200,147	4,167,558	4,270,479	4,129,446	4,161,887	4,499,634	4,778,115	5,222,535	5,581,566	5,470,173
Police Sales Tax Fund		2,221,976	2,198,883	2,269,600	2,210,139	2,238,572	2,365,703	2,563,038	2,817,634	3,184,197	3,119,229
Fire Sales Tax Fund		2,100,451	2,089,313	2,135,284	2,064,701	2,080,829	2,250,479	3,720,007	11,784,656	12,245,154	12,090,863
Marijuana Sales Tax Fund		—	—	—	—	—	—	—	—	678,880	928,121
Proposition PD Sales Tax Fund		—	—	—	—	—	—	—	—	—	3,188,259
TIF Funds (consolidated)		3,386,247	4,418,096	4,406,243	4,300,014	4,398,792	4,675,084	5,198,526	5,506,471	5,235,056	5,770,761
Events Center Community Improvement District		5,741,439	5,770,850	5,973,582	6,793,078	7,783,055	8,024,737	8,876,336	8,952,353	9,027,801	9,165,134
Animal Services Use Tax		—	—	—	—	750,000	750,000	762,750	782,000	855,000	893,000
Police Use Tax		—	—	—	—	921,812	3,000,000	4,000,000	4,100,000	4,483,000	4,683,000
Total	$	50,425,297	51,119,149	52,293,545	51,799,322	54,535,784	59,524,955	67,025,886	79,845,791	84,531,280	87,504,922

Source: City of Independence

Note: the TIF Funds do not include intergovrernmental sales tax activity.

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	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
General Fund	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Street Improvements	0.500	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	0.125	0.125	0.125	0.125	0.125	0.125	0.500	0.500	0.500	0.500
Police Proposition PD	—	—	—	—	—	—	—	—	—	0.250
Direct Sales Tax Rate City of Independence	2.250	2.250	2.250	2.250	2.250	2.250	2.625	2.625	2.625	2.875
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	2.750	2.750	2.750	3.000

Total Local Option Sales Tax Rate	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State of Missouri	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000	4.000
Missouri State Conservation	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Missouri 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	0.125	0.125	0.125	0.125	0.125	0.125	0.250	0.250	0.250
Kansas City Zoo	0.125	0.125	0.125	0.125	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	2.625	2.625	2.625	2.875
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	7.850	7.975	7.975	7.975	7.975	7.975	8.350	8.475	8.475	8.725

Source: Missouri Department of Revenue

Note: The rate shown for the Transportation Development District is for the 39th Street corridor only.
Note: Residents voted to repeal the existing Fire Protection Sales Tax of 1/8 of a cent in effect until December 31, 2026, and instead impose a Sales Tax of 1/2 of a cent to be effective April 1, 2022.
Note: Residents voted to continue Jackson County's Community Children's Services Fund at one-fourth of one cent on November 8, 2022.
Note: Residents voted to implement an additional Police Proposition PD tax, which went into effect January 2025.

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

Fiscal Year Ended June 30,	Taxing Year	Real Property: Residential Property	Real Property: Agricultural Property	Real Property: Commercial Property	Real Property: State Assessed	Real Property: Total	Other Property: Personal Property	Other Property: Railroads & Utilities	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Market Value	Assessed Value as a Percentage of Actual Value
2016	2015	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	2016	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%
2018	2017	851,240,599	1,246,527	269,580,035	5,484,957	1,127,552,118	264,036,773	2,657,765	1,394,246,656	0.7031	6,151,388,242	22.67%
2019	2018	855,893,579	1,212,349	261,658,049	5,795,714	1,124,559,691	276,071,272	2,862,628	1,403,493,591	0.7105	6,188,587,536	22.68%
2020	2019	985,433,731	1,153,021	349,795,437	5,608,335	1,341,990,524	269,306,567	2,582,419	1,613,879,510	0.6078	7,123,537,106	22.66%
2021	2020	971,733,748	1,175,693	306,961,846	5,753,808	1,285,625,095	273,664,601	3,010,655	1,562,300,351	0.6672	6,932,645,923	22.54%
2022	2021	1,074,005,133	1,191,707	316,976,894	6,263,754	1,398,437,488	295,272,661	2,897,431	1,696,607,580	0.6103	7,568,475,671	22.42%
2023	2022	1,088,097,105	1,197,483	316,525,354	6,777,954	1,412,597,896	372,695,125	3,051,407	1,788,344,428	0.6059	7,875,868,957	22.71%
2024	2023	1,471,140,879	1,733,775	441,072,513	8,444,511	1,922,391,678	341,064,369	140	2,263,456,187	0.4759	10,186,253,318	22.22%
2025	2024	1,446,853,524	1,559,931	423,612,652	8,281,399	1,880,307,506	321,235,774	58,551	2,201,601,831	0.4892	9,942,541,848	22.14%

Note: The assessed value is set at 19% for residential property; 12% for agricultural property; and 32% for commercial property of the estimated fair 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**
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
2018	2017	0.4780	0.2251	—	0.7031	0.2297	5.801	1.0685	0.030
2019	2018	0.4830	0.2275	—	0.7105	0.2305	5.801	1.2867	0.030
2020	2019	0.4132	0.1946	—	0.6078	0.2047	5.498	1.1371	0.030
2021	2020	0.4535	0.2137	—	0.6672	0.2128	5.538	1.1511	0.030
2022	2021	0.4149	0.1954	—	0.6103	0.2028	5.437	1.1032	0.030
2023	2022	0.4119	0.1940	—	0.6059	0.2028	5.437	1.1109	0.030
2024	2023	0.3235	0.1524	—	0.4759	0.1780	5.117	0.9696	0.030
2025	2024	0.3325	0.1567	—	0.4892	0.1806	5.237	0.9914	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, respectively, per $100.00 assessed valuation. There is no limit on the levy rates for General Debt and Interest.

(3) The property tax rate for the Independence Square Benefit District was $0.5755 per $100 assessed valuation for those properties around the downtown Independence Square.

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

Health & Welfare Fund	0.1440
General Fund	0.2010
Road & Bridge Fund	0.0644
Park Fund	0.0962
Mid-Continent Public Library	0.3152
Developmentally Disabled	0.0732
Mental Health	0.0974
Total County	0.9914

(5) 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	6.2500
Blue Springs Reorganized #4	5.1685
Kansas City School District	4.9599

Table 9

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

Taxpayer	2025 Total Assessed Value	2025 Rank	2025 Percentage of Total Taxable Assessed Value	2016 Total Assessed Value	2016 Rank	2016 Percentage of Total Taxable Assessed Value
Southern Union Company	$ 24,272,540	1	1.10%	$ 5,953,893	4	0.45%
Independence Mall Holding LLC	13,151,864	2	0.60%			
DT Independence Commons LLC	12,345,600	3	0.56%			
HEP KC Independence LLC	9,880,000	4	0.45%			
Grace Holdings Independence LLC	9,546,777	5	0.43%			
BRE Space Kansas City LLC	7,973,706	6	0.36%			
Burd & Fletcher Co	7,346,026	7	0.33%			
Seven65 Cornerstone LLC	7,273,067	8	0.33%			
Centerpoint Medical Center	5,837,996	9	0.27%			
JVM Dunes Apartments LLC	5,795,000	10	0.26%			
Simon Property Group				27,649,830	1	2.10%
Cole DDR Mt Independence LLC				12,556,958	2	0.95%
Space Center of Kansas City				6,283,301	3	0.48%
Comcast Cablevision				5,384,210	5	0.41%
Mansion Apartments				4,925,942	6	0.37%
Sprint				4,732,041	7	0.36%
Walmart				4,270,143	8	0.32%
A T & T				4,270,063	9	0.32%
Independence Station Inc				3,331,913	10	0.25%
Total	$ 103,422,576		4.70%	$ 79,358,294		6.03%

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,	Taxing Year	Taxes Levied for Fiscal Year (1)	Collected within Fiscal Year of Levy: Amount	Collected within Fiscal Year of Levy: Percentage of Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2016	2015	$ 7,633,251	7,182,858	94.10%	449,975	7,632,833	99.99%
2017	2016	7,781,711	7,396,095	95.04%	385,193	7,781,288	99.99%
2018	2017	7,844,329	7,374,105	94.01%	469,623	7,843,728	99.99%
2019	2018	8,057,649	7,589,114	94.19%	468,085	8,057,199	99.99%
2020	2019	7,903,568	7,554,965	95.59%	348,000	7,902,965	99.99%
2021	2020	8,485,960	7,942,736	93.60%	541,940	8,484,676	99.98%
2022	2021	8,376,081	8,181,219	97.67%	184,235	8,365,454	99.87%
2023	2022	8,230,672	7,904,114	96.03%	294,420	8,198,534	99.61%
2024	2023	8,755,551	8,292,892	94.72%	264,518	8,557,410	97.74%
2025	2024	8,734,633	8,288,464	94.89%	—	8,288,464	94.89%

Source: City of Independence

Note: (1) Includes subsequent adjustments to tax levy.

Table 11

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

Sales by Category:		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Power and Light:											
Residential	$	68,081,000	71,368,000	76,223,000	76,873,000	69,507,000	67,426,000	71,109,000	78,708,000	84,498,000	87,540,000
Commercial		54,249,000	55,067,000	56,522,000	52,656,000	48,512,000	47,513,000	46,554,000	52,443,000	58,152,000	59,619,000
Industrial		4,187,000	4,464,000	5,152,000	3,898,000	3,549,000	3,454,000	5,707,000	6,232,000	5,550,000	6,012,000
Sold to Other Utilities		3,298,000	1,751,000	3,088,000	5,780,000	5,620,000	5,040,000	5,832,000	5,858,000	4,217,000	5,705,000
Other		367,000	238,000	302,000	274,000	156,000	104,000	414,000	404,000	—	—
Water:											
Residential		14,272,445	15,288,208	15,647,744	13,699,721	13,367,035	13,691,456	13,604,181	14,097,468	13,861,384	14,120,487
Commercial		3,759,332	4,135,439	4,477,410	5,515,624	5,664,412	5,695,898	5,900,843	6,301,425	6,263,007	6,322,611
Industrial		694,902	605,996	583,867	1,265,360	683,790	609,886	615,875	505,936	400,327	395,122
Public Authority		281,902	344,489	300,755	256,247	209,639	216,085	214,091	221,815	220,606	218,672
Sold to Other Utilities		9,461,694	9,814,368	9,753,385	9,878,165	9,775,067	9,968,031	10,037,834	10,709,787	10,558,447	10,196,968
Other		1,981,057	2,146,939	2,199,111	2,327,662	2,154,021	2,121,321	2,194,834	2,374,828	2,334,701	2,364,954
Sanitary Sewer:											
Residential		12,121,229	12,340,133	14,001,286	15,766,174	17,582,711	19,705,726	19,970,942	19,689,717	19,898,825	19,554,182
Commercial		5,402,688	5,903,198	6,221,026	7,080,859	7,567,127	8,385,352	8,515,729	8,613,936	8,645,102	8,568,749
Other		6,148,154	7,865,081	7,889,045	7,846,608	8,097,157	7,555,644	8,489,981	8,249,275	8,255,598	8,242,237
Total	$	184,305,403	191,331,851	202,360,629	203,117,420	192,444,959	191,486,399	199,160,310	214,409,187	222,854,997	228,859,982

Source: City of Independence

2024 - Power and Light's Other category was moved under Commercial during the year.

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

Rates by Category:		**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Power and Light (per Kwh):											
Residential	$	0.14	0.14	0.14	0.14	0.13	0.13	0.14	0.15	0.16	0.17
Commercial		0.12	0.12	0.13	0.12	0.11	0.12	0.12	0.13	0.15	0.15
Industrial		0.08	0.07	0.08	0.07	0.07	0.07	0.09	0.10	0.09	0.10
Sold to Other Utilities		0.02	0.02	0.04	0.03	0.02	0.04	0.05	0.05	0.05	0.04
Other		0.09	0.06	0.08	0.25	0.14	0.53	0.36	0.36	-	-
Water (per 1,000 gallons):											
Residential		5.21	5.57	5.76	5.21	6.08	5.94	5.99	5.91	5.93	5.98
Commercial		4.77	5.07	5.36	7.18	5.54	4.98	5.02	5.01	5.00	5.00
Industrial		3.21	3.40	3.19	6.58	3.44	3.19	3.64	3.95	3.21	3.25
Public Authority		4.81	5.05	4.60	3.39	5.56	5.29	5.17	5.31	5.36	5.35
Sold to Other Utilities		1.93	2.05	2.09	2.04	2.09	2.08	2.09	2.07	2.08	2.09
Sanitary Sewer (per 100 cubic feet):											
Residential		4.89	5.07	5.49	6.55	7.42	8.38	8.31	8.43	8.38	8.52
Commercial		3.55	3.60	4.00	4.98	5.29	6.49	6.23	6.61	6.26	6.13
Total	$	28.81	30.23	30.95	36.56	35.90	37.24	37.19	38.08	36.67	36.79

Source: City of Independence

2024 - Power and Light's Other category was moved under Commercial during the year.

Table 13

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

Utility Customer - Power and Light	2025 Total Sales	2025 Rank	2025 Percentage of Total Sales	2016 Total Sales	2016 Rank	2016 Percentage of Total Sales
Independence School District	$ 2,525,908	1	1.59%	$		
Centerpoint Medical Center	2,052,567	2	1.29%	1,762,306	1	1.35%
Burd and Fletcher (5151 Geospace)	1,923,963	3	1.21%	1,064,545	3	0.82%
Unilever (Thomas J. Lipton Co)	1,642,552	4	1.03%	1,498,222	2	1.15%
Smart Warehouse/Commercial Distributions Center	1,539,961	5	0.97%	957,222	4	0.74%
Independence School District	1,192,724	6	0.75%			
Independence Mall Holding	745,158	7	0.47%	934,290	5	0.72%
HCP MOB Centerpoint (Boyer Company)	719,609	8	0.45%	646,898	6	0.50%
Quick Trip	647,179	9	0.41%			
Space Center KC	484,217	10	0.30%			
City's Rock Creek Sanitary Sewer Plant				631,750	7	0.49%
Costco Wholesale Inc				562,693	8	0.43%
Cable Dahmer Arena (Events Center)				517,731	9	0.40%
Price Chopper (Noland Road)				434,335	10	0.33%
Total	$ 13,473,838		8.48%	$ 9,009,992		6.92%

Source: City of Independence

Table 14

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

	2025			2016		
Utility Customer - Water	**Total Sales**	**Rank**	**Percentage of Total Sales**	**Total Sales**	**Rank**	**Percentage of Total Sales**
Lee's Summit	$ 5,587,088	1	16.62%	$ 5,099,910	1	16.75%
Blue Springs	1,288,780	2	3.83%	1,419,284	2	4.66%
District #2, Jackson County	785,352	3	2.34%	841,936	3	2.76%
District #1, Lafayette County	509,576	4	1.52%	455,002	4	1.49%
Oak Grove	499,562	5	1.49%	382,392	6	1.26%
District #15, Jackson County	451,050	6	1.34%	305,070	8	1.00%
Grain Valley	410,124	7	1.22%	335,536	7	1.10%
District #16, Jackson County	226,693	8	0.67%	207,876	9	0.68%
Audubon (Lafarge) Corporation	202,892	9	0.60%	385,549	5	1.27%
Buckner	198,544	10	0.59%	187,681	10	0.62%
Total	$ 10,159,661		30.22%	$ 9,620,236		31.59%

Source: City of Independence

Table 15

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

Independence Housing Authority

Utility Customer - Sewer	2025 Total Sales	2025 Rank	2025 Percentage of Total Sales	2016 Total Sales	2016 Rank	2016 Percentage of Total Sales
BP/AMOCO	$ 206,646	1	0.57%	$ 310,172	1	1.31%
Centerpoint Medical Center	125,897	2	0.35%	59,351	5	0.25%
Highland Park Investors	114,140	3	0.31%	43,720	8	0.18%
Independence Mall Holding	92,992	4	0.26%	52,166	6	0.22%
Independence Housing Authority	88,325	5	0.24%			
Space Center of KC	75,876	6	0.21%	59,902	4	0.25%
Unilever (Thomas J. Lipton Co)	60,309	7	0.17%	185,909	2	0.79%
Green Lantern	45,739	8	0.13%			
YES Companies	41,924	9	0.12%			
City of Independence, Power & Light	28,542	10	0.08%	165,798	3	0.70%
Midwest Ferrelwood MHP				46,975	7	0.20%
Smart Warehouse/Commercial Distributions Center				28,609	9	0.12%
Price Chopper (23rd Street)				20,566	10	0.09%
City of Independence, Power & Light						
Total	$ 880,390		2.42%	$ 973,168		4.11%

Source: City of Independence

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

Fiscal Year	Governmental Activities: Loans Payable	Neighborhood Improvement District	Financed Purchases	Leases	Subscriptions	Certificates of Participation
2016	$ 159,223,920	298,586	1,484,037	—	—	—
2017	153,301,444	217,640	1,333,212	—	—	—
2018	142,973,315	131,694	1,260,264	—	—	—
2019	135,402,242	40,748	1,009,999	—	—	—
2020	145,926,947	33,804	755,122	—	—	—
2021	139,698,650	26,859	1,868,704	—	—	—
2022	131,077,777	19,910	1,456,845	72,739	—	—
2023	124,647,435	11,964	1,193,813	81,551	1,387,339	—
2024	136,372,100	—	783,610	115,253	484,800	—
2025	175,940,335	—	575,375	82,908	138,506	—

Fiscal Year	Business-Type Activities: Revenue Bonds	Loans Payable	Financed Purchases	Leases	Subscriptions	Certificates of Participation	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2016	$ 344,168,539	—	—	—	—	—	505,175,082	17.72%	4,308.35
2017	383,308,356	—	—	—	—	—	538,160,652	16.90%	4,598.48
2018	374,751,112	—	—	—	—	—	519,116,385	17.24%	4,425.32
2019	365,808,725	—	—	—	—	—	502,261,714	14.58%	4,295.59
2020	355,501,259	—	—	—	—	—	502,217,132	16.99%	4,304.48
2021	334,701,955	—	—	—	—	—	476,296,168	14.42%	4,066.08
2022	322,431,204	—	—	1,545	—	—	455,060,020	12.31%	3,727.46
2023	309,798,453	—	—	862	363,613	—	437,485,030	11.38%	3,609.28
2024	296,540,783	—	—	173	245,978	—	434,542,697	11.83%	3,593.31
2025	282,718,111	—	—	—	201,087	—	459,656,322	11.96%	3,779.88

Reference: (1) See Table 21 for personal income and population data.

Table 17

City of Independence, Missouri

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Est. Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Less Amounts Available in Debt Service	Total		
2016	$ —	$ —	$ —	0.00%	$ —
2017	—	—	—	0.00%	—
2018	—	—	—	0.00%	—
2019	—	—	—	0.00%	—
2020	—	—	—	0.00%	—
2021	—	—	—	0.00%	—
2022	—	—	—	0.00%	—
2023	—	—	—	0.00%	—
2024	—	—	—	0.00%	—
2025	—	—	—	0.00%	—

Reference: (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, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Independence School District	$ 146,505,000	96.70%	$ 141,670,335
Fort Osage Reorganized #1 School District	86,147,207	70.00%	60,303,045
Blue Springs Reorganized #4 School District	355,050,000	6.10%	21,658,050
Raytown School District	107,275,000	8.55%	9,172,013
Subtotal, overlapping debt			232,803,443
City direct debt			176,737,124
Total direct and overlapping debt			$ 409,540,567

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

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit (1)	$	263,032,572	265,359,806	280,698,718	280,698,718	322,775,902	312,460,070	339,321,516	370,926,556	452,691,237	440,320,366
Total net debt applicable to limit		197,697	118,648	32,474	—	—	—	—	(13,257,670)	—	—
Legal Debt Margin	$	262,834,875	265,241,158	280,666,244	280,698,718	322,775,902	312,460,070	339,321,516	384,184,226	452,691,237	440,320,366
Total net debt applicable to the limit as a percentage of debt limit		0.115%	0.075%	0.045%	0.012%	0.000%	0.000%	0.000%	-3.574%	0.000%	0.000%

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.

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed Value	$	2,201,601,831
Debt Limit (20% of assessed value)		440,320,366
General obligation:		
City-Wide		—
Neighborhood Improvement Districts		—
Revenue Bonds		282,718,111
Total Bonded Debt		282,718,111
Less:		
Electric Utility Bonds		113,838,664
Water Utility Bonds		13,169,174
Sewer Utility Bonds		78,284,359
Events Center Bonds		77,425,914
Debt Service Fund Bonds		—
Total net debt applicable to limit		—
Legal debt margin	$	440,320,366

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)						
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
2018	149,909,406	107,058,654	42,850,752	3,685,000	7,036,700	4.00
2019	149,612,959	102,668,316	46,944,643	3,850,000	6,872,250	4.38
2020	132,767,233	100,302,200	32,465,033	4,945,000	6,700,350	2.79
2021	129,655,541	105,215,502	24,440,039	4,045,000	6,490,050	2.32
2022	138,650,120	110,298,225	28,351,895	—	3,781,853	7.50
2023	155,380,962	118,425,443	36,955,519	3,210,000	5,413,234	4.29
2024	165,609,347	115,917,367	49,691,980	3,555,000	5,071,094	5.76
2025	173,290,144	116,804,921	56,485,223	3,730,000	4,893,344	6.55
Water (2)						
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
2018	34,579,510	20,668,017	13,911,493	1,480,000	1,043,288	5.51
2019	35,021,121	18,862,896	16,158,225	1,530,000	998,138	6.39
2020	34,835,219	20,476,713	14,358,506	1,575,000	951,563	5.68
2021	35,186,966	22,636,000	12,550,966	1,630,000	895,338	4.97
2022	33,158,186	17,259,387	15,898,799	1,695,000	820,363	6.32
2023	38,813,972	22,657,864	16,156,108	1,785,000	733,363	6.42
2024	40,141,008	24,377,321	15,763,687	1,880,000	652,938	6.22
2025	39,926,353	26,463,386	13,462,967	1,950,000	578,138	5.33
Sanitary Sewer						
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
2018	29,006,929	17,251,859	11,755,070	2,000,000	4,272,308	1.87
2019	30,839,962	17,126,837	13,713,125	2,060,000	4,212,537	2.19
2020	34,488,587	17,742,410	16,746,177	2,130,000	4,145,258	2.67
2021	36,302,460	18,712,810	17,589,650	2,205,000	4,070,631	2.80
2022	36,993,679	19,602,997	17,390,682	2,280,000	3,478,071	3.02
2023	37,650,664	21,433,196	16,217,468	3,535,000	2,689,072	2.61
2024	39,019,477	22,835,316	16,184,161	3,615,000	2,612,978	2.60
2025	38,338,010	25,060,748	13,277,262	3,695,000	2,530,079	2.13

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

Notes:

(1) Operating expenses exclude 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		Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (A)	Median Age (A)	School Enrollment (B)	Unemployment Rate (A)
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%
2017		117,306	3,011,010,408	25,668	37.80	25,158	4.70%
2018		116,925	3,445,545,900	29,468	40.20	25,023	4.10%
2019		116,673	2,956,610,493	25,341	36.80	24,408	4.00%
2020	(1)	117,139	3,302,968,383	28,197	39.50	22,684	8.00%
2021		122,083	3,695,818,659	30,273	43.70	22,583	6.40%
2022		121,211	3,844,085,654	31,714	40.20	22,657	3.20%
2023		120,931	3,673,883,780	30,380	38.00	23,656	3.60%
2024		121,606	3,842,019,964	31,594	39.80	22,934	4.30%

Note: (1) At the time of preparation of the fiscal year 2021 ACFR, the calendar year 2020 statistics were not yet available for population, per capita personal income, or median age and the 2019 statistics were used for those categories. The 2020 statistics were available and updated during the preparation of the fiscal year 2022 ACFR.

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

Table 22

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

Employer	2025 Employees	2025 Rank	2025 Percentage of Total City Employment	2016 Employees	2016 Rank	2016 Percentage of Total City Employment
Independence School District	2,200	1	3.79%	2,200	1	3.86%
Lake City (Winchester/Olin)	1,800	2	3.10%	1,722	2	3.02%
Centerpoint Medical Center	1,400	3	2.41%	1,400	3	2.45%
City of Independence	1,100	4	1.89%	1,097	4	1.92%
Government Employee Health Association	750	5	1.29%	743	5	1.30%
Rosewood Health Center at the Groves	450	6	0.78%	444	6	0.78%
Burd & Fletcher	300	7	0.52%	274	7	0.48%
Jackson County Circuit Court	275	8	0.47%	274	8	0.48%
Cable Dahmer Automotive	270	9	0.47%	271	9	0.47%
Unilever	260	10	0.45%	260	10	0.46%
Total	8,805		15.17%	8,685		15.22%

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

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

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
City Council Office	10.00	10.00	10.00	10.00	9.00	10.00	10.00	9.00	11.00	8.00
City Clerk	7.00	7.00	5.00	2.00	2.00	2.00	2.00	2.00	—	1.00
City Manager	7.00	7.00	7.00	8.80	8.83	7.83	6.50	6.50	7.75	10.25
Technology Services	24.00	24.00	19.00	13.48	13.00	11.00	17.85	—	—	—
Municipal Court	14.65	14.65	13.64	13.64	13.64	13.64	14.34	14.34	14.34	14.62
Law - General fund	6.23	6.21	5.71	5.46	2.00	1.50	1.00	1.16	1.16	1.16
Law - Grant fund	0.28	0.16	0.16	0.29	—	1.00	1.00	0.24	0.24	—
Finance	22.15	22.15	16.15	17.41	18.29	15.00	14.38	—	—	—
Human Resources	6.75	6.75	5.00	5.00	5.00	4.00	6.00	—	—	—
Public Safety										
Police - General Fund	296.91	295.91	281.26	294.36	318.96	292.36	288.08	289.90	292.20	292.88
Police - Grant Fund	7.00	6.00	7.00	7.00	—	—	6.25	4.43	4.43	6.75
Police - Use Tax Fund	—	—	—	—	—	6.00	30.00	30.00	31.00	32.00
Fire - General Fund	173.75	173.75	172.75	175.50	172.50	176.00	176.50	174.50	173.00	172.00
Fire - Grant Fund	1.25	1.25	1.25	1.25	1.00	1.50	—	—	—	—
Fire - Sales Tax Fund	—	—	—	1.50	1.50	2.00	2.00	24.00	31.00	29.00
Municipal Services										
General Fund	80.27	80.27	64.00	66.50	63.00	50.45	44.14	42.28	43.83	26.85
Street Sales Tax Fund	3.00	3.00	3.00	3.00	3.00	3.00	8.40	7.55	7.55	7.45
Health and Welfare										
General Fund	28.56	29.52	15.10	—	—	—	—	—	—	—
Grant Fund	7.13	8.15	8.40	—	—	—	5.00	4.70	9.98	11.45
Health Property Tax Levy	—	—	—	—	—	9.00	13.90	12.90	10.38	11.00
Animal Shelter Use Tax Fund	—	—	—	—	—	15.35	13.85	14.00	14.28	12.63
Culture and Recreation										
General Fund	27.10	26.52	22.69	27.43	19.45	—	—	3.00	3.00	13.13
Tourism Fund	14.18	13.00	14.25	14.42	16.82	14.96	11.62	14.75	18.66	4.40
Park Improvement Sales Tax Fund	26.61	28.22	29.06	34.31	31.93	31.80	33.46	40.16	43.26	48.85
Parks & Recreation Property Tax Levy	—	—	—	—	—	24.83	26.40	16.40	9.24	7.00
Community Development										
General Fund	28.68	28.18	28.50	33.82	31.96	34.25	35.65	35.70	35.80	36.30
Community Dev Block Grant Fund	2.00	2.00	2.00	1.40	1.50	1.30	1.30	1.35	1.30	1.30
HOME Program Fund	1.00	1.00	1.00	0.50	0.42	0.55	0.45	0.35	0.30	0.55
Storm Water										
Storm Water Sales Tax Fund	13.00	13.00	13.00	15.05	13.95	13.80	16.93	21.00	18.25	21.45
Power and Light										
Finance & Administration - General Fund	1.50	1.50	1.50	1.50	—	3.00	—	—	—	—
Power and Light	239.00	239.00	228.00	225.00	212.00	173.80	184.22	175.58	178.45	180.30
Water										
Finance - General fund	0.85	0.85	0.85	0.85	—	—	—	—	—	—
Water	93.42	93.42	93.40	92.90	90.80	95.74	98.57	98.57	97.70	102.43
Sewer										
Public Works - General fund	1.00	1.00	—	—	—	—	—	—	—	—
Water Pollution Control	73.20	73.20	73.90	69.45	72.70	63.64	69.83	74.20	71.90	70.78
Central Garage Fund	9.75	9.75	8.00	8.50	8.50	8.50	9.30	9.30	9.30	9.44
Finance & Support Services										
Finance	—	—	—	—	—	—	—	18.63	17.00	14.82
Technology Services	—	—	—	—	—	—	—	21.50	22.25	23.25
Human Resources	—	—	—	—	—	—	—	8.00	8.00	10.00
Law	—	—	—	—	—	—	—	—	—	—
Law - Grant Fund	—	—	—	—	—	—	—	—	—	0.24
Communications	—	—	—	—	—	—	—	3.00	3.40	2.00
Worker' Compensation Fund	2.00	2.00	2.00	2.00	—	—	0.12	—	—	—
Total	1,229.22	1,228.41	1,152.57	1,152.32	1,131.75	1,087.80	1,149.04	1,178.99	1,189.95	1,183.28

Source: City of Independence Budget
Note: During 2015-16 the National Frontiers Trails Museum moved from the General Fund to the Tourism Fund.
Note: During 2018-19 the Health Department was restructured and remaining employees were moved to other departments.
Note: During 2020-2021, the Health Department was re-established.
Note: Fiscal Year 2020-2021 was the first full fiscal year that the Animal Shelter Use Tax Fund and the Police Use Tax Fund were budgeted and operational for a full fiscal year.
Note: With the start of Fiscal Year 2022-2023, Finance and Support Services, including Human Resources and Technology Services, moved from General Fund to an internal service fund.
Note: Residents voted to repeal the existing Fire Protection Sales Tax of 1/8 of a cent and instead imposed a Sales Tax of 1/2 of a cent effective April 1, 2022. The increase alloweed additional funding for personnel.

Table 24

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

Function/Program	Fiscal Year 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police										
Police Incident Calls	99,355	147,127	46,024	100,073	91,870	94,609	88,470	85,340	86,346	81,515
Fire										
Total Alarms	20,175	20,790	21,603	22,214	21,500	23,412	26,744	26,685	27,788	26,021
Public Education Audience	6,692	13,066	34,800	7,895	9,200	1,000	1,638	2,198	4,220	10,314
Municipal Services										
Street Overlay (lane miles)	69	110	57	68	61	47	38	29	17	21
Street Patching Jobs	4,319	6,067	6,610	11,938	8,556	7,666	7,270	9,562	10,273	14,979
Health and Welfare										
Food Handlers Trained	4,845	4,407	4,715	3,856	3,017	2,544	3,022	3,244	2,763	3,281
Flu Shots Given	2,434	1,741	500	352	304	—	—	—	—	—
Animal Control Service Calls	5,008	4,221	4,105	442	3,811	4,076	4,701	5,041	4,902	4,990
Culture and Recreation										
Park Shelter Reservations	652	640	535	581	310	424	1,098	427	448	412
Number of Sermon Center Memberships	2,065	1,840	1,441	1,246	865	517	2,390	454	961	945
Community Development										
Permits Issued	3,002	3,656	2,509	979	619	718	732	709	728	704
Tourism										
Site Attendance	299,457	292,603	285,823	256,209	214,644	1,758	15,102	8,316	9,720	9,948
National Frontiers Trails Museum										
Number of visitors to museum	14,645	17,934	18,176	16,418	7,990	—	3,875	4,857	3,257	6,691
Power and Light										
Average number of monthly customers	56,908	57,123	57,413	57,897	57,832	57,557	58,586	58,534	59,096	59,245
Water										
Number of customers	48,615	48,863	48,799	48,841	50,489	49,432	49,476	49,690	49,641	49,614
Water main breaks	184	199	256	322	208	240	206	307	279	344
Sewer										
Number of customers	44,559	44,755	45,115	44,642	45,316	45,484	45,317	45,533	45,527	45,160
Wastewater Treated (Million Gallons)	3,229	2,603	2,228	3,400	3,290	3,030	2,433	2,322	2,520	2,281

Source: City of Independence
Note: During 2015-16 the National Frontiers Trails Museum moved from the General Fund to the Tourism Fund.
Note: Police incident calls on the above schedule are lower during 2017-18, due to a computer software upgrade and relocation of the Communications Division. Reporting for this statistic is expected to return to a normal range during 2018-19.
Note: During 2020-2021 the number of public education audience for Fire declined to less than 1,000 due to COVID-19 pandemic restrictions. The audience remained low during 2021-2022 due to COVID-19 pandemic restrictions.
Note: During 2020-2021 the number of memberships for the Sermon Center declined due to the COVID-19 pandemic and facility closures.
Note: Attendance to tourist sites and the National Frontier Trails Museum declined during 2020-2021 due to facility closures and restraints as a result of the COVID-19 pandemic.

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

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police										
Police stations	3	4	5	7	7	7	7	7	7	7
Vehicles	185	200	209	216	208	224	221	253	255	210
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	1
Vehicles	45	48	48	48	48	46	48	51	49	54
Municipal Services										
Total area (square miles)	78	78	78	78	78	78	78	79	79	79
Paved miles	578	592	592	592	599	616	616	616	616	650
Culture and Recreation										
Park acreage	843	827	788	798	798	798	793	798	798	792
Parks	46	44	41	41	41	41	43	43	43	43
Community Centers	3	3	3	3	3	3	3	3	3	3
Fitness Centers	2	2	2	2	2	2	2	2	2	2
Ball Fields	44	41	38	43	43	43	43	43	43	47
Power and Light										
Power stations	6	5	5	5	3	3	3	3	3	3
Transmission/Distribution Circuits (miles)	888	888	889	889	890	868	869	878	880	883
Maximum daily use (Mwh)	4,983	5,166	5,166	5,094	5,042	4,694	4,952	4,973	5,160	4,819
Water										
Water mains (miles)	760	761	763	764	764	764	766	768	768	768
Fire hydrants	4,950	4,967	5,016	5,042	5,053	5,057	5,093	5,149	5,093	5,093
Maximum daily pumpage (millions of gallons)	39	36	37	36	34	38	35	37	34	35
Sewer										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Sewers mains (miles)	616	619	619	618	614	614	618	615	615	617
Maximum daily capacity of treatment (MGD)	32	27	32	32	32	32	32	32	32	32

Source: City of Independence
Note: Number of parks increased as a result of adding Cassell Park, which was not previously included, as well as separating Crackerneck Park from Van Hook Park.

INDEPENDENCE
★ MISSOURI ★

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