



Lake Remembrance

Dear Neighbors,

I am pleased to present the City of Blue Springs Citizen’s Annual Financial Report regarding the finances and administrative activities of the city for the fiscal year ended Sept. 30, 2022. This report provides a brief analysis of where the city revenue comes from and where those dollars are spent - as well as trends in the local economy.

The report is intended to summarize the financial activities of the City of Blue Springs government and includes a portion of the information that appears in the 2022 Annual Comprehensive Financial Report (ACFR).

Once again, the City received the Government Finance Officers Association (GFOA) award for Outstanding Achievement in Popular Annual Financial Reporting for the 2021 Popular Annual Financial Report, for the eighth consecutive year.

This report is unaudited and not presented in a Generally Accepted Accounting Principles (GAAP) format. A copy of the ACFR is available at the city’s website: [www.bluespringsgov.com](http://www.bluespringsgov.com) .

To the best of our knowledge, the information presented herein is accurate in all material respects and presents fairly the financial position and results of operations for the fiscal year ended Sept. 30, 2022. Responsibility for the accuracy and completeness of the data presented rests solely with the city.

We are committed to preserving the city’s long-term financial health as evidenced by our AA Standard & Poor’s bond rating and fund balance reserves.

In 2022, the City Council revised its governmental fund balance policy to 25%. The city maintains a balance of 17% of operating expenditures as an emergency reserve and 8% of operating expenditures as a budget stabilization reserve.

If you have any questions about the City’s budget or information in this report, do not hesitate to contact us at 816-228-0111.

Sincerely,

**Christine Cates**  
Interim City Administrator



Government Finance Officers Association

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

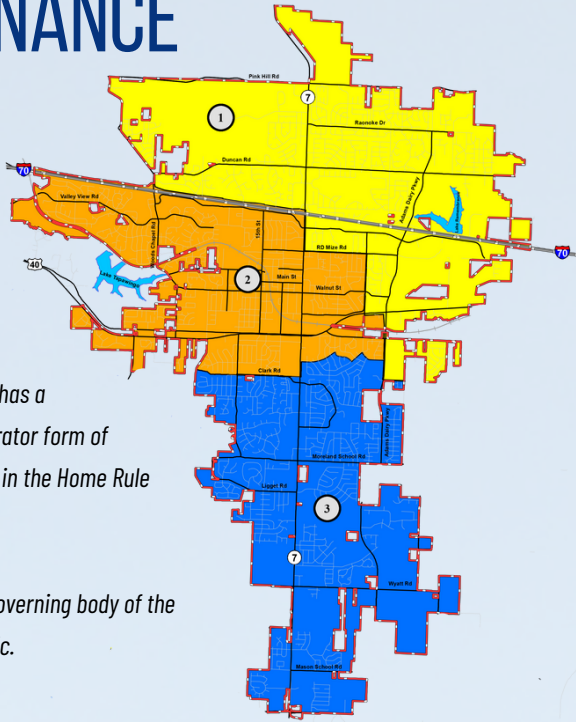
**City of Blue Springs  
Missouri**

For its Annual Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Merrill*  
Executive Director/CEO

# GOVERNANCE



*The City of Blue Springs has a Mayor-Council-Administrator form of government as set forth in the Home Rule City Charter.*

*The City Council is the governing body of the City, elected by the public.*

## HISTORY

Our history, like that of so many Midwestern communities, is tied to the migration of settlers on their journey west. Pioneers found the area to be an ideal stopover due to the abundance of cool, clean water. The major source of water came from a spring at the mouth of the east fork of the Little Blue River; giving us the name Blue Springs. The presence of water and a need for pioneer supplies led to the construction of a grist mill and permanent settlement at the site of the City's Burrus Old Mill Park.

Blue Springs was organized as part of Jackson County in 1827 and became the fourth settlement in the county, pre-dating Kansas City. An early settler, Franklin Smith, arrived in Blue Springs from Virginia in 1838 and became a leading figure in the community's development. The settlement continued to grow near the springs until 1878, when the Chicago and Alton Railroad announced plans to build a station about one mile east of the original settlement. To take advantage of the commerce the railroad would bring, the town moved its center to the site of the new station and continued its development as a rural trading center.

Growth continued at a steady pace, and was hastened by the beginning of World War II, when the Lake City Arsenal munitions plant opened north of the City. Another stimulus to growth occurred in 1965, with the opening of Interstate 70, which greatly improved access to Kansas City, Missouri.

In 1970, Blue Springs had a population of 6,779. By 1980, the City had more than quadrupled, boasting a population of 25,936. In 2004, the population for the City exceeded 50,000 at 51,910. Today, Blue Springs is the 10th largest city in Missouri, boasting a population of 58,603 residents (2020 Census).

In the midst of the City's phenomenal growth and new development, community leaders continue to implement programs designed to maintain historical properties in order to preserve Blue Springs' historically significant elements and century-old roots.

## MAYOR



CARSON ROSS

## DISTRICT 1



JERRY KAYLOR



GALEN ERICSON

## DISTRICT 2



CHRIS LIEVSAY



KENT EDMONDSON

## DISTRICT 3



SUSAN CULPEPPER



RON FOWLER

# CITY PROFILE

**Incorporated:** 1880  
**Government:** Mayor-Council-Administrator  
**Location:** 20 miles east of Kansas City, Mo.  
**Land Size:** 14,211 acres (22.2 square miles)  
**Population:** 58,603 (2020 Census)

**Population History:**

1970-1980	160.7%
1980-1990	43.34%
1990-2000	19.4%
2000-2010	9.2%
2010-2020	11.47%



**58,603**  
RESIDENTS

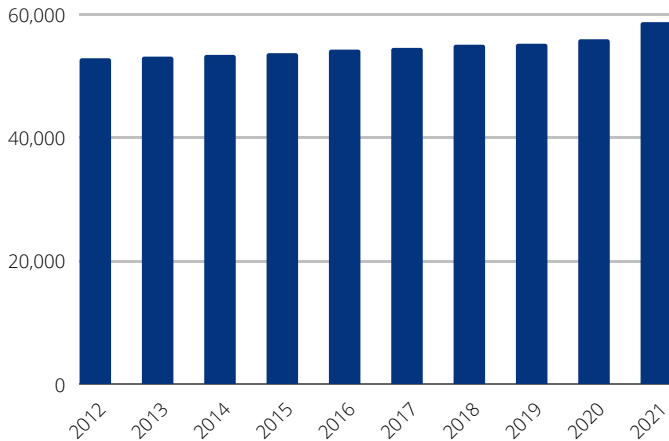


**35.4**  
MEDIAN AGE

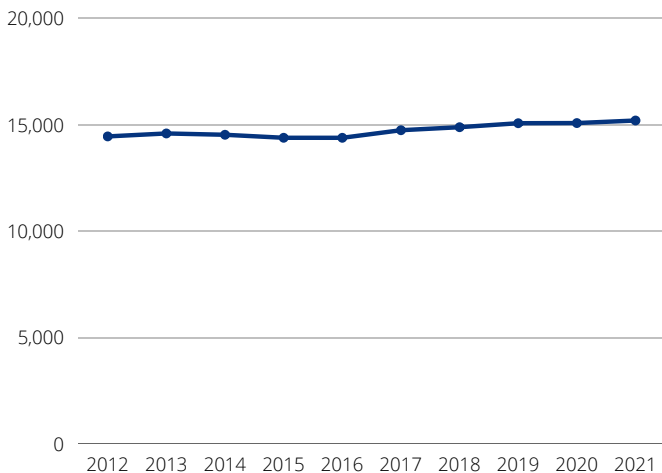


**\$75,767**  
MEDIAN HOUSEHOLD INCOME

## POPULATION



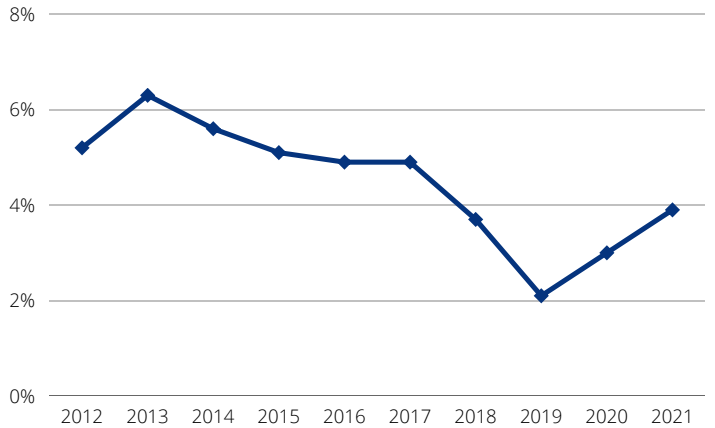
## SCHOOL ENROLLMENT



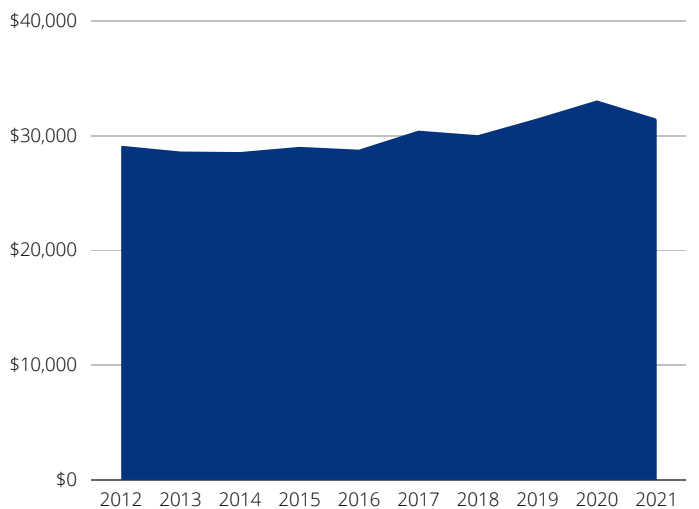
## TOP 10 EMPLOYERS IN BLUE SPRINGS

COMPANY	PRODUCT/SERVICE	EMPLOYEES
BLUE SPRINGS SCHOOL DISTRICT	PUBLIC SCHOOLS	2,037
ST. MARY'S HOSPITAL	HEALTH CARE	598
HY-VEE FOOD STORE	GROCERY STORE	545
FIKE CORPORATION	SAFETY VALVE RELEASE MANUFACTURER	471
WAL-MART	DISCOUNT DEPARTMENT/FOOD STORE	426
PRICE CHOPPER	GROCERY STORE	331
CITY OF BLUE SPRINGS	GOVERNMENT	309
TARGET	DISCOUNT DEPARTMENT STORE	300
FAURECIA	DOOR & INSTRUMENT PANEL MANUFACTURER	300
ST. MARY'S VILLAGES	SKILLED NURSING, REHABILITATION, MEMORY CARE, ASSISTED LIVING	206

## UNEMPLOYMENT RATE



## PER CAPITA PERSONAL INCOME



# FINANCIAL ACTIVITY STATEMENTS: GOVERNMENTAL FUNDS

SEPT. 30, 2020; SEPT. 30, 2021 AND SEPT. 30, 2022

Typically used to account for tax-supported activities, the governmental funds for the City include the General Fund, Public Safety Sales Tax Fund, Parks Sales Tax Fund, Debt Service Funds, Capital Projects Funds (including Tax Increment Financing funds) and the Hotel/Motel Tax Fund. The City's basic services, including police, parks and recreation, streets, development services, maintenance, and capital improvements are accounted for in these funds.

Governmental revenues last year increased by \$2,895,515 or 5.83%. Most revenue categories experienced an increase over the previous year. The largest growth was in the Sales Tax and License and Permits categories. Sales taxes were \$1,920,810 or 5.78% higher than last year and Licenses and Permits were 264,277 or 17.67% higher than the previous fiscal year.

Governmental expenditures increased over the previous year by \$5,624,010 or 11.50%. This increase is primarily related to additional purchases of capital outlay and for general obligation and TIF debt retirement.

The decrease in fund balances for 2022 resulted primarily from additional expenditures related to the transfer of \$3 million dollars from the General Fund to the Capital Projects fund for the Pavement Management Program

Revenues	2020	2021	2022
Taxes	\$ 34,033,665	\$ 36,983,321	\$ 38,904,131
Intergovernmental Activity Taxes	\$ 4,687,553	\$ 5,072,645	\$ 5,421,502
Licenses and Permits	\$ 1,283,648	\$ 1,502,636	\$ 1,766,913
Intergovernmental Revenues	\$ 4,439,132	\$ 5,758,858	\$ 6,305,809
Charges for Services		\$ 1,525,428	\$ 1,627,182
Administrative Charges	\$ 2,004,252	\$ 2,063,759	\$ 2,016,260
Fines and Forfeits	\$ 580,544	\$ 553,379	\$ 492,342
Interest	\$ 598,571	\$ 261,382	\$ (170,976)
Donations	\$ 33,375	\$ 62,074	\$ 57,047
Other	\$ 610,253	\$ 443,489	\$ 702,276
<b>Total Revenues</b>	<b>\$ 49,264,660</b>	<b>\$ 54,226,971</b>	<b>\$ 57,122,486</b>
<b>Expenditures by Function</b>			
General Government	\$ 5,918,310	\$ 8,129,849	\$ 6,748,294
Public Works	\$ 689,064	\$ 916,418	\$ 919,180
Highways and Streets	\$ 2,650,963	\$ 2,893,416	\$ 2,705,607
Public Safety	\$ 13,440,592	\$ 16,744,644	\$ 14,579,856
Parks	\$ 3,540,630	\$ 4,102,376	\$ 4,144,321
Economic Development	\$ 450,368	\$ 1,033,441	\$ 448,302
Capital Outlay	\$ 10,295,712	\$ 11,036,184	\$ 18,729,650
Debt Service ( Principal & Interest)	\$ 8,305,754	\$ 8,815,949	\$ 11,021,077
<b>Total Expenditures</b>	<b>\$ 45,291,393</b>	<b>\$ 53,672,277</b>	<b>\$ 59,296,287</b>
Other Financing Sources (Uses):			
Issuance of Bonds	\$ -	\$ -	\$ -
Net Discount/Premium on Issuance of Bonds	\$ -	\$ -	\$ -
Proceeds from Sale of Capital Assets	\$ 635,732	\$ 18,251	\$ 457,731
Capital Lease Issuance	\$ 61,500	\$ -	\$ 8,123
Transfers In	\$ 2,191,629	\$ 943,261	\$ 5,518,981
Transfers Out	\$ (3,774,620)	\$ (1,811,852)	\$ (5,742,945)
<b>Net Change in Fund Balances</b>	<b>\$ 3,087,508</b>	<b>\$ (295,646)</b>	<b>\$ (1,931,911)</b>
Fund Balances, October 1	\$ 37,546,732	\$ 37,546,732	\$ 37,251,086
Fund Balance Restatement			\$ 3,113,139
<b>Fund Balances, September 30</b>	<b>\$ 40,634,240</b>	<b>\$ 37,251,086</b>	<b>\$ 38,432,314</b>



# FINANCIAL ACTIVITY STATEMENTS: PROPRIETARY FUNDS

SEPT. 30, 2020; SEPT. 30, 2021 AND SEPT. 30, 2022

The financial activities for the Golf Course, Water Utility, Sewer Utility, and Fieldhouse are recorded in proprietary funds for the City of Blue Springs and are financed primarily by a user charge for the provision of that service, and activities where the periodic measurement of net income is deemed appropriate to provide funding for the capital maintenance and improvements.

In July 2019, the City Council passed an ordinance establishing the water and sewer rates for fiscal years 2020, 2021, and 2022. These increases are evidenced by the increase in revenues over the three-year period except for 2020 during the pandemic. The City suspended utility shut offs and disconnects from April through October 2020. Overall, revenues in the water and sewer funds increased by \$906,048 or 4.61% in 2022.

The Golf Course user charges generate enough revenue to pay for operations and a portion of its debt service and a transfer from the General Fund covers the remaining portion. In 2022, golf course operating expenses and revenues increased. The transfer from the General Fund of \$79,370 was 68% under budget and included funds for additional equipment replacement. Play at the golf course has continued to remain strong since the onset of the pandemic.

The City's Fieldhouse opened to the public on September 28, 2015, with the mission of providing Fitness and Recreation for All and it completed its seventh full year of operations in 2022. The Fieldhouse is a renovated indoor soccer facility that was previously owned and operated by the private sector. The facility includes four hard-surfaced courts, an artificial turf field, two walking tracks, a fitness center, party/meeting rooms and child watch. The revenues at the Fieldhouse were significantly affected this year because the Fieldhouse was closed for several months and some memberships were cancelled due to the mask requirement when working out.

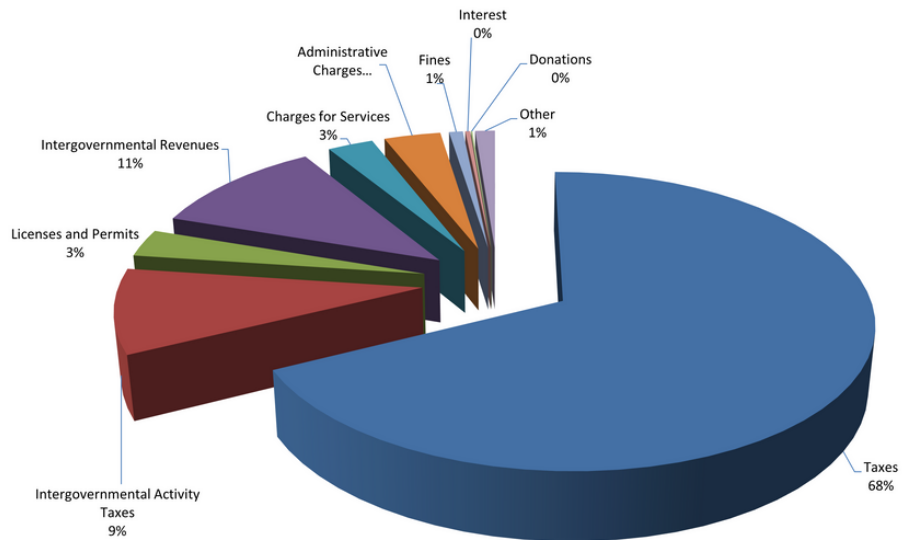
Since last year, net position in the proprietary funds has increased by 4% while revenues increased by 6.61% and operating expenses increased by 11.03%.

	2020	2021	2022
<b>Operating Revenues</b>			
Water Utility	\$ 10,876,477	\$ 11,586,906	\$ 12,111,004
Sewer Utility	\$ 9,304,720	\$ 9,912,844	\$ 10,294,794
Golf Course	\$ 1,635,983	\$ 1,960,590	\$ 2,333,283
Fieldhouse	\$ 829,611	\$ 831,078	\$ 1,020,276
<b>Total Operating Revenues</b>	<b>\$ 22,646,791</b>	<b>\$ 24,291,418</b>	<b>\$ 25,759,357</b>
<b>Operating Expenses</b>			
Water Utility Expenses	\$ 10,683,760	\$ 11,266,028	\$ 11,605,650
Sewer Utility Expenses	\$ 7,689,542	\$ 7,803,597	\$ 9,640,962
Golf Course Expenses	\$ 1,622,612	\$ 1,871,859	\$ 2,164,645
Fieldhouse Expenses	\$ 1,097,215	\$ 1,118,060	\$ 1,171,967
<b>Total Operating Expenses</b>	<b>\$ 21,093,129</b>	<b>\$ 22,059,544</b>	<b>\$ 24,583,224</b>
<b>Nonoperating Revenue (Expenses)</b>			
Loss on Sale of Capital Assets	\$ (41,142)	\$ 18,970	\$ -
Special Assessments	\$ 465,446	\$ 515,446	\$ 415,446
Intergovernmental revenue	\$ -	\$ -	\$ 504,440
Interest Income	\$ 695,333	\$ 103,006	\$ (274,834)
Interest Expense	\$ (865,504)	\$ (487,005)	\$ (556,378)
<b>Total Non-Operating Revenue (Expenses)</b>	<b>\$ 254,133</b>	<b>\$ 150,417</b>	<b>\$ 88,674</b>
<b>Loss Before Capital Contributions &amp; Transfers</b>	<b>\$ 1,807,795</b>	<b>\$ 2,382,291</b>	<b>\$ 1,264,807</b>
Capital Contributions	\$ 144,739	\$ 451,068	\$ 122,870
<b>Transfers In</b>	<b>\$ 1,895,958</b>	<b>\$ 723,983</b>	<b>\$ 596,187</b>
Transfers Out	\$ (280,489)	\$ (340,718)	\$ (339,745)
Change in Net Assets	\$ 3,568,003	\$ 3,216,624	\$ 1,644,119
Net Assets, Oct. 1	\$ 95,103,314	\$ 95,103,314	\$ 98,319,938
Net Position Restatement	\$ -	\$ -	\$ 2,579,990
Net Position, Sept. 30	\$ 98,671,317	\$ 98,319,938	\$ 102,544,047
Transfers In	\$ 2,191,629	\$ 943,261	\$ 5,518,981
Transfers Out	\$ (3,774,620)	\$ (1,811,852)	\$ (5,742,945)
<b>Change in Net Assets</b>	<b>\$ 3,087,508</b>	<b>\$ (295,646)</b>	<b>\$ (1,931,911)</b>
Fund Balances, Oct. 1	\$ 37,546,732	\$ 37,546,732	\$ 37,251,086
Fund Balance Restatement			\$ 3,113,139
<b>Fund Balances, Sept. 30</b>	<b>\$ 40,634,240</b>	<b>\$ 37,251,086</b>	<b>\$ 38,432,314</b>



# WHERE DOES THE MONEY COME FROM?

Revenues		2022
Taxes	68%	\$ 38,904,131
Intergovernmental Activity Taxes	9%	\$ 5,421,502
Licenses and Permits	3%	\$ 1,766,913
Intergovernmental Revenues	11%	\$ 6,305,809
Charges for Services	3%	\$ 1,627,182
Administrative Charges	4%	\$ 2,016,260
Fines and Forfeits	1%	\$ 492,342
Interest	0%	\$ (170,976)
Donations	0%	\$ 57,047
Other	1%	\$ 702,276
<b>Total Revenues</b>	<b>100%</b>	<b>\$ 57,122,486</b>



The revenues for governmental activities total \$57,122,486 for 2022. The largest category of revenues is taxes and has increased primarily due to increasing sales tax revenue. The most significant decrease was in interest revenues received from investments due to marking to market.

- Taxes: the majority of the City's revenue, 68%, is generated by taxes levied on property, retail sales, a lodging tax and the gross receipts tax on the sales of electricity, gas, telephone, and television video services. The City's sales taxes include a 1% operating sales tax, a ½% transportation sales tax, a ½% public safety sales tax and a ½% 5-year parks sales tax. In April 2021, the ½% parks sales tax was renewed and does not include a sunset clause.
- Intergovernmental revenues represent 11% of the City's total revenues and include the receipts from the State for fuel taxes, motor vehicle sales tax and license fees, and grants. In 2022, the City also received ARPA funds.
- Charges for services include fees from Parks & Recreation classes and the city portion of municipal court costs and represent 3% of governmental revenues.
- Intergovernmental Activity Taxes are the portion of sales taxes that are generated within established TIF districts and deposited into the special allocation funds of each individual TIF.
- Administrative Charges are made up of the funds that are transferred from the proprietary funds to the General Fund to cover the cost of the overhead services that are provided to the Water and Sewer funds by the General Fund. These expenditures include Human Resources, Information Technology, and Finance.
- Fines and Forfeits include the fines collected by the Municipal Court and have been declining over the last three years due to several reasons, including state legislation that has limited the amount the City's can collect for minor traffic offenses.
- Licenses and permits include revenues from building permits, business licenses, fireworks permits, and liquor licenses. This revenue category has increased over the last three years due to growth in new home and residential construction.
- Interest includes revenues earned from the investment of idle city funds throughout the year in accordance with the City's investment policy.

# WHERE DOES THE MONEY GO?

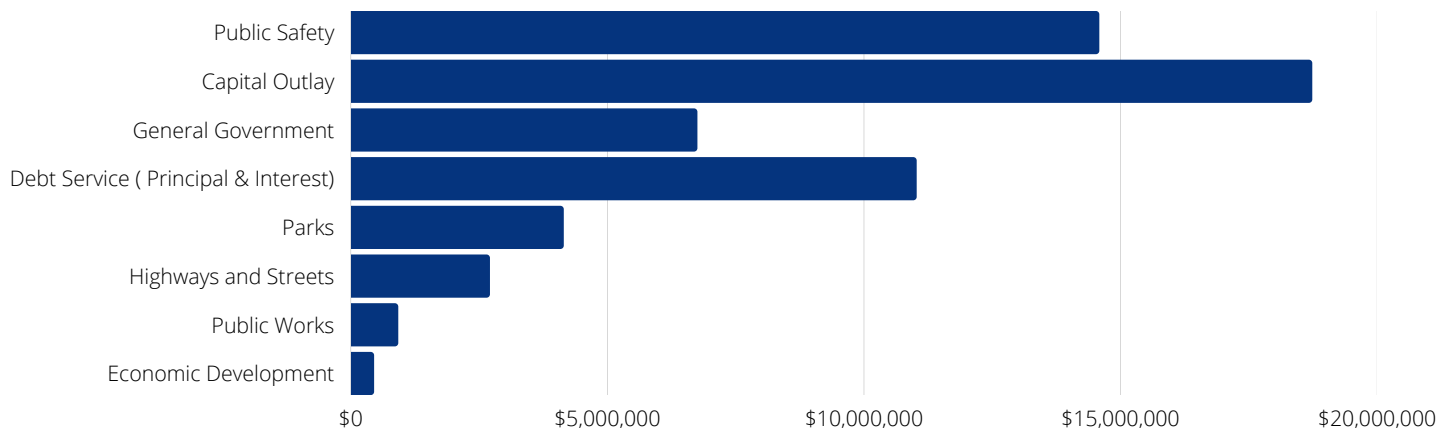
## 2022 Governmental Fund Type Expenditures by Function

The expenditures for governmental activities total \$59,296,287 for 2022. The largest expenditure categories are capital outlay at 32% and Public Safety 25% of all governmental activities.

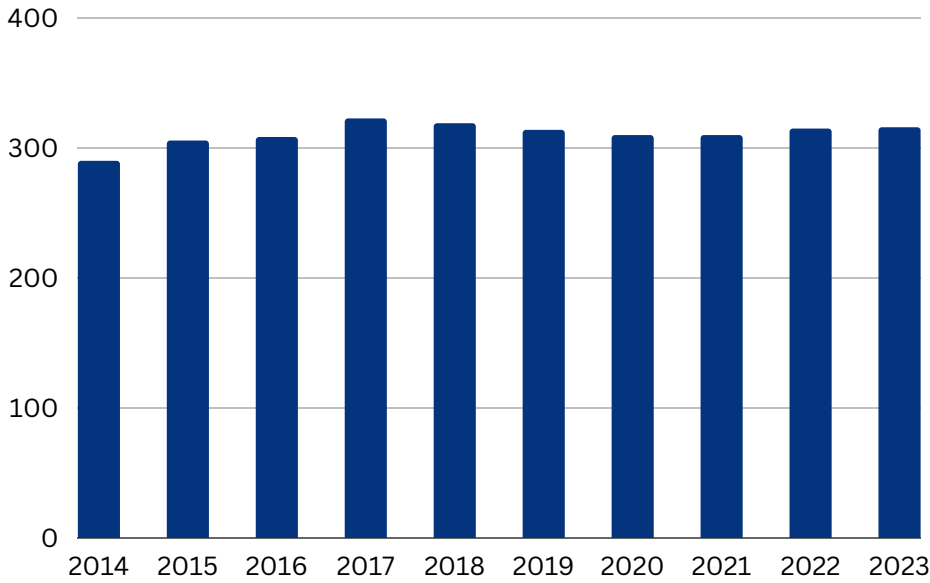
- Public Safety includes all operations of the police department.
- Capital outlay expenses are 32% of the total and include the annual pavement management program and heavy equipment replacement.
- General government expenditures include Administration, Legal, Community Development, Finance, Human Resources and Information Technology.
- Debt service includes principal and interest payments for the City's outstanding general obligation and special obligation debt.
- Parks Department expenditures include funding for administration, facilities and parks maintenance and recreation.
- Highways and Streets include the expenditures for pothole maintenance, snow removal, street signs and street light maintenance.
- Public Works includes the expenditures for the engineering staff and professional services.
- Economic Development includes funding for Economic Development department and economic development related expenditures reimbursed by developers.



Expenditures	2021	2022
Public Safety	\$ 14,579,856	\$ 38,904,131
Capital Outlay	\$ 18,729,650	\$ 5,421,502
General Government	\$ 6,748,294	\$ 1,766,913
Debt Service ( Principal & Interest)	\$ 11,021,077	\$ 6,305,809
Parks	\$ 4,144,321	\$ 1,627,182
Highways and Streets	\$ 2,705,607	\$ 2,016,260
Public Works	\$ 919,180	\$ 492,342
Economic Development	\$ 448,302	\$ (170,976)
<b>Total Expenditures</b>	<b>\$ 59,296,287</b>	<b>\$ 57,047</b>

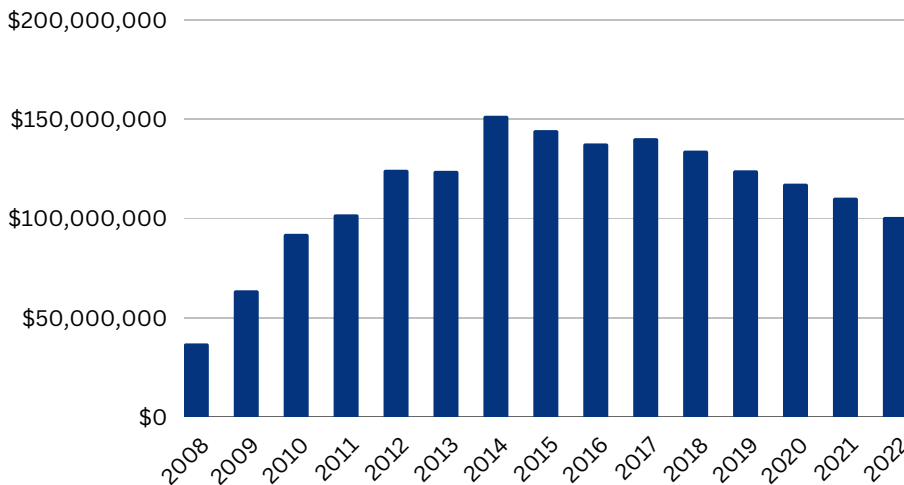


# CITY FULL-TIME EMPLOYEES



Authorized full time equivalent employees increased by one net position in the fiscal year 2023 budget. New positions added include a Full-Time City Prosecutor, an IT Support Specialist, a Recreation Coordinator and two Custodians. Four Animal Control Officer positions were eliminated when the animal control function was outsourced to a third-party.

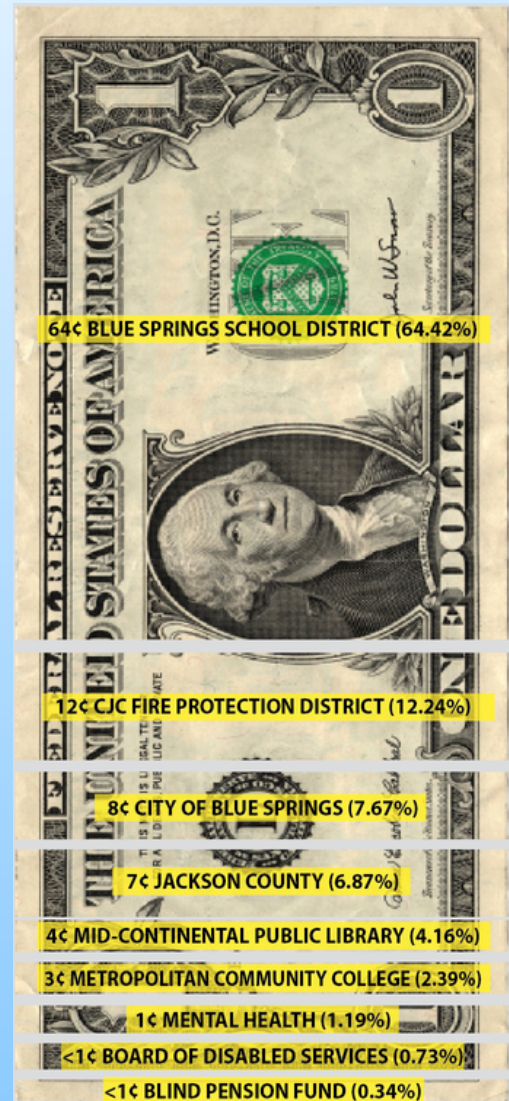
# OUTSTANDING DEBT



The outstanding debt at the end of FY 2022 totaled \$100,578,143. The City did not issue any bonds during 2022.

During the last 10 years, the City has issued debt for several projects, including funding for voter-approved road projects in 2008, the Sni-A-Bar Wastewater Treatment Plant construction and expansion, the South Area Neighborhood Improvement Districts, the Adam Farm Tax increment financing project, the White Oak Marketplace tax increment financing project, and the public safety building expansion.

# WHERE DO MY PROPERTY TAXES GO?



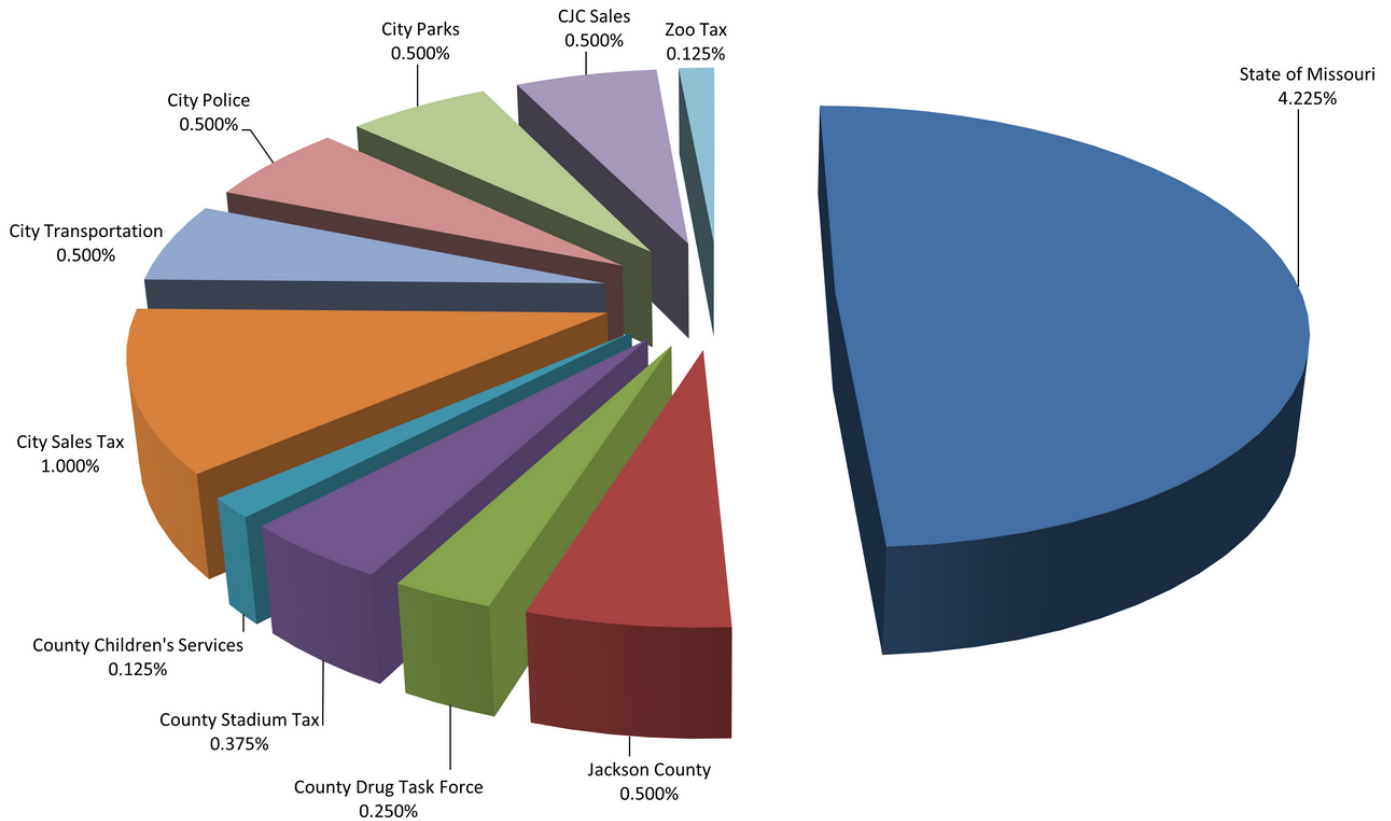
A Blue Springs homeowner with a home with a \$200,000 market value paid \$3,437.18 in real estate taxes with 7.07% going to the City of Blue Springs.

Tax rates within the City of Blue Springs vary depending on school district and fire protection district.



# WHERE DOES MY SALES TAX GO?

SALES TAX REVENUES ARE SHARED BETWEEN MULTIPLE AGENCIES



The City's sales tax rate of 8.60% is comparable to surrounding cities and is divided among four different taxing entities. The State of Missouri receives 4.225%, Jackson County receives 1.25%, Central Jackson County Fire Protection District receives 0.5%, Friends of the Zoo receives 0.125% and the City of Blue Springs receives 2.5%.

Of the City's 2.5% sales tax, 1% is for General Fund operations, 0.5% is deposited in the Capital Projects Fund for transportation related projects, 0.5% is deposited into the Public Safety Sales Tax Fund where the revenues can only be used to fund public safety operations and capital improvements and 0.5% is deposited into the Parks Sales Tax Fund where the revenues can only be used for parks deferred maintenance. The Parks Sales tax was renewed in 2021 without a sunset.

The total sales tax the City received in fiscal year 2022 was \$26,255,118.

## SALES TAX COMPARISON

Municipality	Sales Tax Rate
Independence	7.850%
Lee's Summit	7.850%
Kansas City	8.850%
<i>Blue Springs</i>	8.600%
Grain Valley	8.600%
Oak Grove	8.600%



**GENERAL FUND** - The fund used to account for all financial resources except those required to be accounted for in another fund.

**GOVERNMENTAL FUNDS** – Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

**CAPITAL PROJECTS FUND** - A fund created to account for financial resources to be used for the acquisition or the construction of major capital facilities or equipment.

**DEBT SERVICE FUND** - A fund established to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

**FUND BALANCE** – Net position of a governmental fund (difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources).

**NET POSITION** – The residual of all other financial statement elements presented in a statement of financial position.

**OTHER FINANCING SOURCES** - Operating statement classification in which financial inflows other than revenues are reported; for example, proceeds of general obligation bonds and transfers in.

**OTHER FINANCING USES** - Operating statement classification in which financial outflows other than expenditures are reported; for example, operating transfers out.

**OPERATING REVENUES AND EXPENSES** - Cost of goods sold and services provided to customers and the revenue thus generated.

**PROPRIETARY FUNDS** – Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. There are two types of proprietary funds: enterprise funds, and internal service funds.

**TAX INCREMENT FINANCING (TIF)** – Financing secured by the anticipated incremental increase in property tax and sales tax revenues, resulting from redevelopment.

