



The City of
Blue Springs
Missouri

2023

POPULAR ANNUAL FINANCIAL REPORT

FOR
THOSE
WHO
SERVED



Lake Remembrance

Dear Citizens of Blue Springs,

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 September 30, 2023. 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 City received the Government Finance Officers Association (“the GFOA”) award for Outstanding Achievement in Popular Annual Financial Reporting for the 2022 Popular Annual Financial Report, for the ninth consecutive year.

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 2023 Annual Comprehensive Financial Report (ACFR). 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.

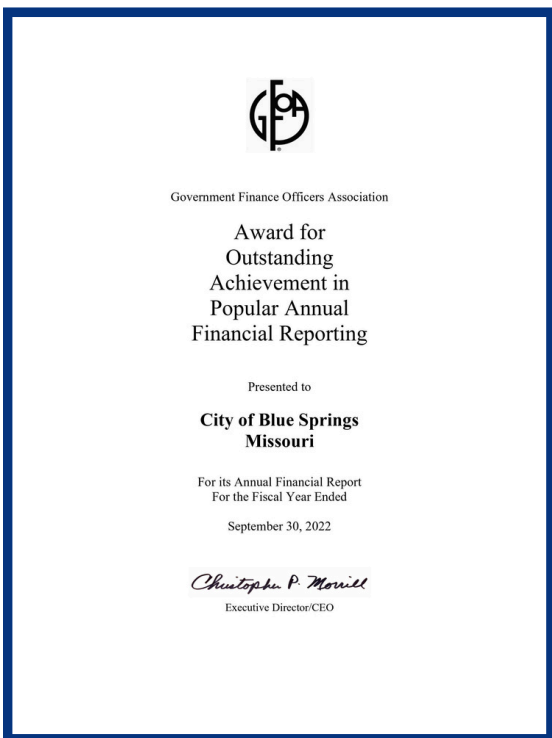
To the best of our knowledge, the information presented herein is accurate in all material respects and presents fairly the financial position and results of operations for the fiscal year ended September 30, 2023. Responsibility for the accuracy and completeness of the data presented rests solely with 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 or comments regarding the information in this document, please contact me at (816) 228-0140.

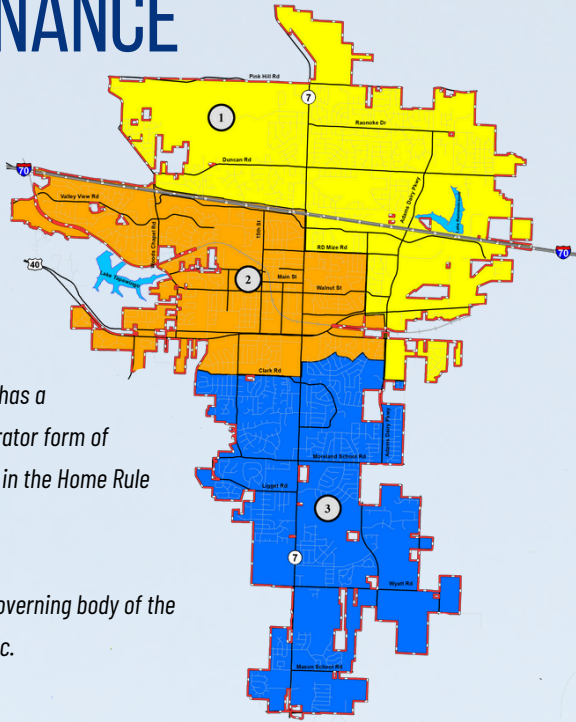
Sincerely,

Christine Cates
City Administrator



GFOA award for Outstanding Achievement in Popular Annual Financial Reporting in 2022.

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

Blue Springs' history, like that of so many Midwestern communities, is tied to the migration of settlers on their westward journey. 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; hence 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.

The community of 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. He established the first post office in 1845, naming it after the well-known springs.

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, employing many residents. 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 59,518 residents.

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

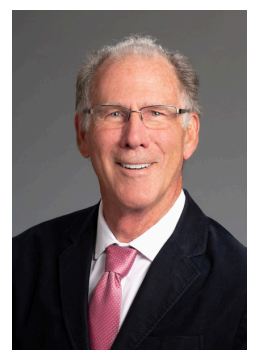


CHRIS LIEVSAY

DISTRICT 1



JERRY KAYLOR



GALEN ERICSON

DISTRICT 2



KENT EDMONDSON

VACANT

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%



59,518
RESIDENTS

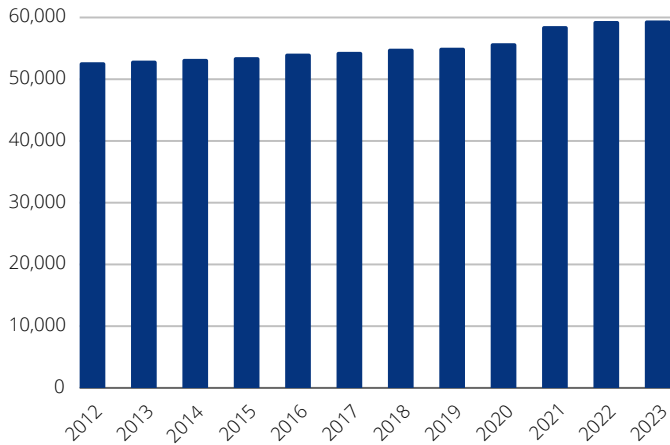


36.4
MEDIAN AGE

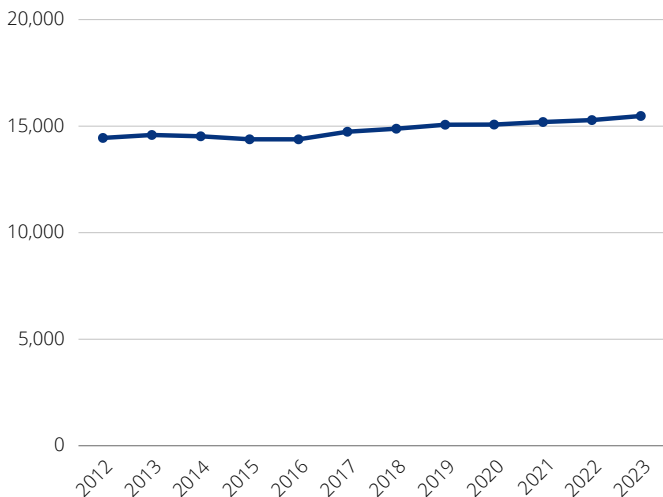


\$75,767
MEDIAN HOUSEHOLD INCOME

POPULATION



SCHOOL ENROLLMENT

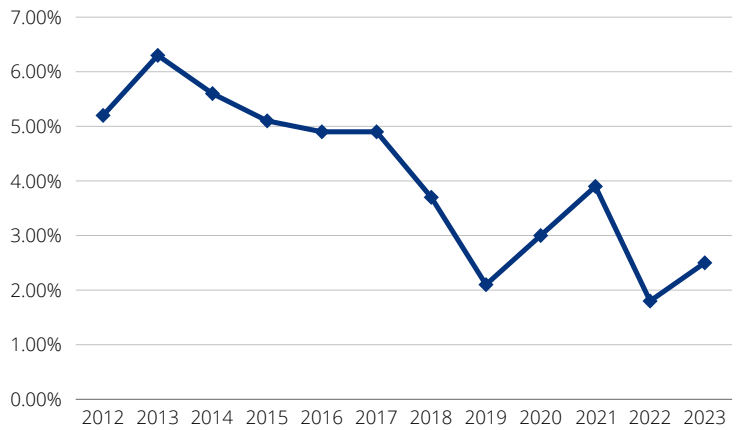


TOP 10 EMPLOYERS IN BLUE SPRINGS

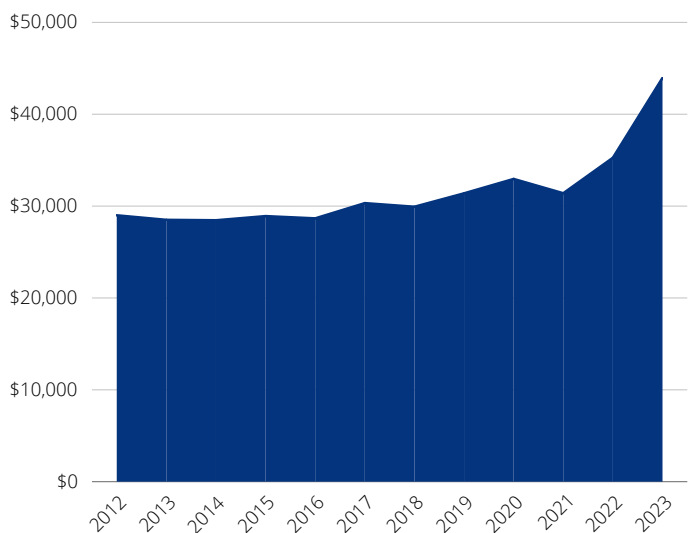
COMPANY	PRODUCT/SERVICE	EMPLOYEES
BLUE SPRINGS SCHOOL DISTRICT	PUBLIC SCHOOLS	2,047
ST. MARY'S HOSPITAL	HEALTH CARE	598
HY-VEE FOOD STORE	GROCERY STORE	545
FIKE CORPORATION	SAFETY VALVE RELEASE MANUFACTURER	471
WAL-MART	DISCOUNT DEPARTMENT/FOOD STORE	426
PRICE CHOPPER	GROCERY STORE	331
CITY OF BLUE SPRINGS	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

Source: Blue Springs Chamber of Commerce

UNEMPLOYMENT RATE



PER CAPITA PERSONAL INCOME



FINANCIAL ACTIVITY STATEMENTS: GOVERNMENTAL FUNDS

SEPT. 30, 2021; SEPT. 30, 2022; AND SEPT. 30, 2023

Typically used to account for tax-supported activities, the governmental funds for the City of Blue Springs 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 \$3,330,565 or 5.83%. Some revenue categories experienced an increase over the previous year while others reflected a decrease. The largest growth was in the Sales Tax and Interest categories. Sales taxes were \$2,200,020 or 5.78% higher than fiscal year 2022 and Interest was \$2,667,114 or 1,559.93% higher than the previous fiscal year.

Governmental expenditures decreased from the previous year, \$7,738,362 or 13.05%. This decrease is primarily related to the Blue Surf Bay Waterpark. In FY2022, capital outlay for this project was reported in the Governmental Parks Sales Tax Fund and in fiscal year 2023, it is being reported in the Proprietary Fieldhouse Fund.

The increase in fund balance was mainly due to the issuance of special obligation bonds for the Blue Surf Bay Waterpark during fiscal year 2023, with bond proceeds remaining unspent at year end.

Revenues	2021	2022	2023
Taxes	\$ 36,983,321	\$ 38,904,131	\$ 41,104,151
Intergovernmental Activity Taxes	\$ 5,072,645	\$ 5,421,502	\$ 5,289,238
Licenses and Permits	\$ 1,502,636	\$ 1,766,913	\$ 1,170,334
Intergovernmental Revenues	\$ 5,758,858	\$ 6,305,809	\$ 5,523,460
Charges for Services	\$ 1,525,428	\$ 1,627,182	\$ 1,355,783
Administrative Charges	\$ 2,063,759	\$ 2,016,260	\$ 2,105,084
Fines and Forfeits	\$ 553,379	\$ 492,342	\$ 521,615
Interest	\$ 261,382	\$ (170,976)	\$ 2,496,138
Donations	\$ 62,074	\$ 57,047	\$ 89,128
Other	\$ 443,489	\$ 702,276	\$ 798,120
Total Revenues	\$ 54,226,971	\$ 57,122,486	\$ 60,453,051

Expenditures by Function

General Government	\$ 8,129,849	\$ 6,748,294	\$ 7,095,459
Public Works	\$ 916,418	\$ 919,180	\$ 757,772
Highways and Streets	\$ 2,893,416	\$ 2,705,607	\$ 2,740,299
Public Safety	\$ 16,744,644	\$ 14,579,856	\$ 14,755,042
Parks	\$ 4,102,376	\$ 4,144,321	\$ 4,711,943
Economic Development	\$ 1,033,441	\$ 448,302	\$ 455,838
Capital Outlay	\$ 11,036,184	\$ 18,729,650	\$ 9,038,462
Debt Service (Principal & Interest)	\$ 8,815,949	\$ 11,021,077	\$ 12,003,110
Total Expenditures	\$ 53,672,277	\$ 59,296,287	\$ 51,557,925

Other Financing Sources (Uses):

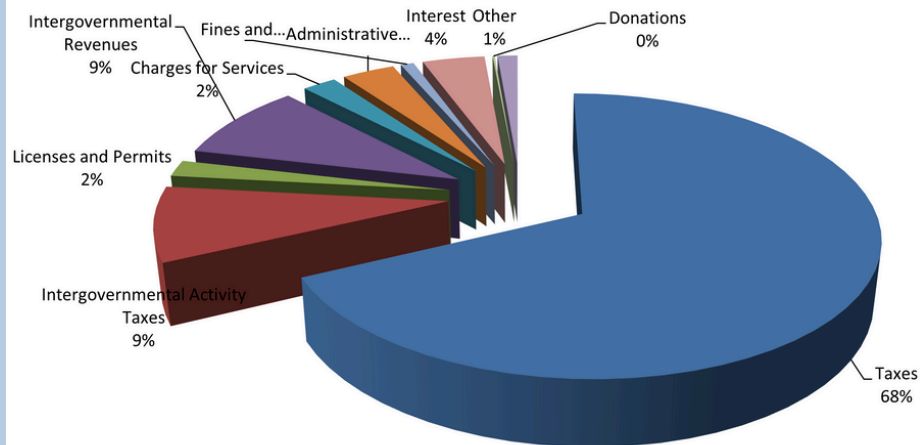
Issuance of Bonds	\$ -	\$ -	\$ 34,370,000
Net Discount/Premium on Issuance of Bonds	\$ -	\$ -	\$ 1,176,018
Proceeds from Sale of Capital Assets	\$ 18,251	\$ 457,731	\$ 84,352
Capital Lease Issuance	\$ -	\$ 8,123	\$ 1,381,627
Issuance of SBITAs	\$ -	\$ -	\$ 114,909
Transfers In	\$ 943,261	\$ 5,518,981	\$ 2,243,702
Transfers Out	\$ (1,811,852)	\$ (5,742,945)	\$ (25,609,745)
Net Change in Fund Balances	\$ (295,646)	\$ (1,931,911)	\$ 22,655,989
Fund Balances, October 1	\$ 37,546,732	\$ 37,251,086	\$ 38,432,314
Fund Balance Restatement		\$ 3,113,139	
Fund Balances, September 30	\$ 37,251,086	\$ 38,432,314	\$ 61,088,303



WHERE DOES THE MONEY COME FROM?

2023 Governmental Fund Type Revenues by Category

Revenues		2023
Taxes	68%	\$41,104,151
Intergovernmental Activity Taxes	9%	\$5,289,238
Licenses and Permits	2%	\$1,170,334
Intergovernmental Revenues	9%	\$5,523,460
Charges for Services	2%	\$1,355,783
Administrative Charges	3%	\$2,105,084
Fines and Forfeits	1%	\$521,615
Interest	4%	\$2,496,138
Donations	0%	\$89,128
Other	1%	\$798,120
Total Revenues	100%	\$60,453,051



The revenues for governmental activities total \$60,453,051 for 2023. The largest category of revenues is taxes and has increased primarily due to increasing sales tax revenue in all retail sales categories. Interest also increased significantly due to idle cash being invested at higher interest rates.

- Taxes: the majority of the city's governmental 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% parks sales tax.
- Intergovernmental revenues represent 9% 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. The City continues to spend down ARPA grant funds received in 2022, which must be obligated by December 31, 2024.
- Charges for services include fees from Parks & Recreation classes and the city portion of municipal court costs and represent 2.3% of governmental revenues.
- Intergovernmental Activity Taxes are Economic Activity Taxes (EATS) which 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 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. This includes Human Resources, Information Technology, Administration, Legal and Finance.
- Fines and forfeits, consisting of fines collected by the Municipal Court, had declined over the previous three years. However, in fiscal year 2023, there was a 6% revenue increase. Despite a 21% rise in tickets issued, overall revenue did not follow suit due to state legislation imposing limits on the City's collection for minor traffic violations, including animal control tickets.
- Licenses and permits include revenues from building permits, business licenses, fireworks permits, and liquor licenses. After seeing increases over the last three years, revenue in this category decreased by 2% due to a decrease in development.
- Interest includes revenues earned from the investment of idle city funds throughout the year in accordance with the City's investment policy. Interest increased by \$2.7 million due to higher interest rates.
- Other revenues include proceeds from the City auction, sale of property, antenna rent, insurance settlements, and workers compensation dividends.



WHERE DOES THE MONEY GO?

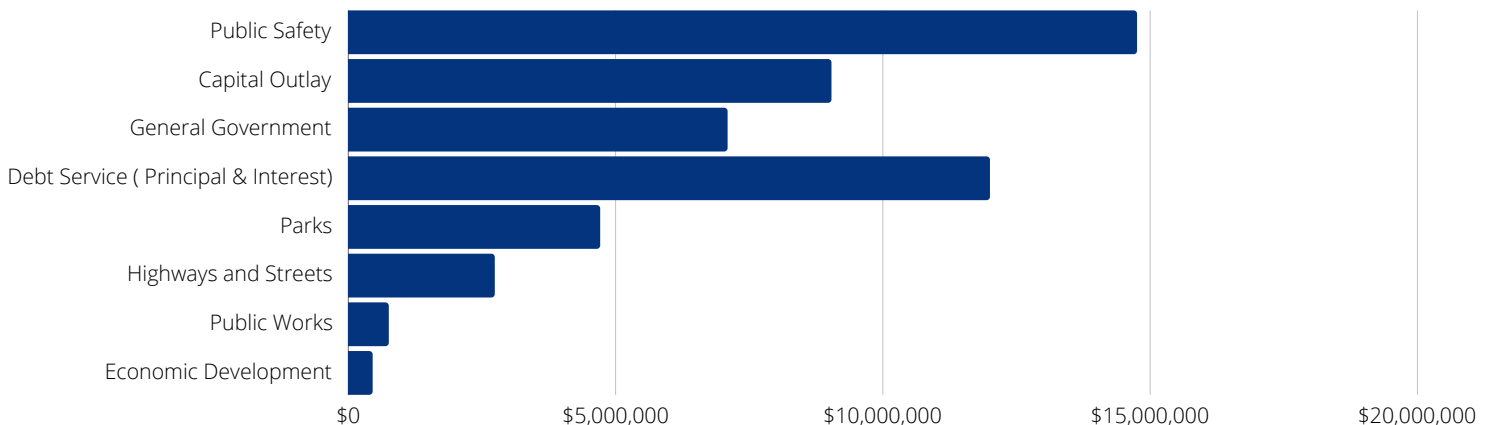
2023 Governmental Fund Type Expenditures by Function

The expenditures for governmental activities total \$51,557,925 for 2023. The largest expenditure categories are public safety 29%, debt service 23% and capital outlay at 18% of all governmental activities.

- Public Safety includes all operations of the police department.
- Capital outlay expenses are 18% of the total and include the annual pavement management program, heavy equipment replacement and police vehicles.
- 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, parks maintenance, recreation and the Vesper Hall Senior Center.
- 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 the Economic Development department and economic development related expenditures reimbursed by developers.



Expenditures	2022	2023
Public Safety	\$ 14,579,856	\$ 14,755,042
Capital Outlay	\$ 18,729,650	\$ 9,038,462
General Government	\$ 6,748,294	\$ 7,095,459
Debt Service (Principal & Interest)	\$ 11,021,077	\$ 12,003,110
Parks	\$ 4,144,321	\$ 4,711,943
Highways and Streets	\$ 2,705,607	\$ 2,740,299
Public Works	\$ 919,180	\$ 757,772
Economic Development	\$ 448,302	\$ 455,838
Total Expenditures	\$ 59,296,287	\$ 51,557,925



FINANCIAL ACTIVITY STATEMENTS: PROPRIETARY FUNDS

SEPT. 30, 2021; SEPT. 30, 2022; AND SEPT. 30, 2023

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 2022, the City Council enacted an ordinance setting the water and sewer rates for fiscal years 2023, 2024, and 2025. Water rates increased by approximately 1.5% from 2022, while sewer rates increased by around 6.1% during the same period. These rate adjustments led to an increase in revenues over prior periods. Overall, revenues in the water and sewer funds rose by \$794,038, equivalent to a 3.54% increase in 2023.

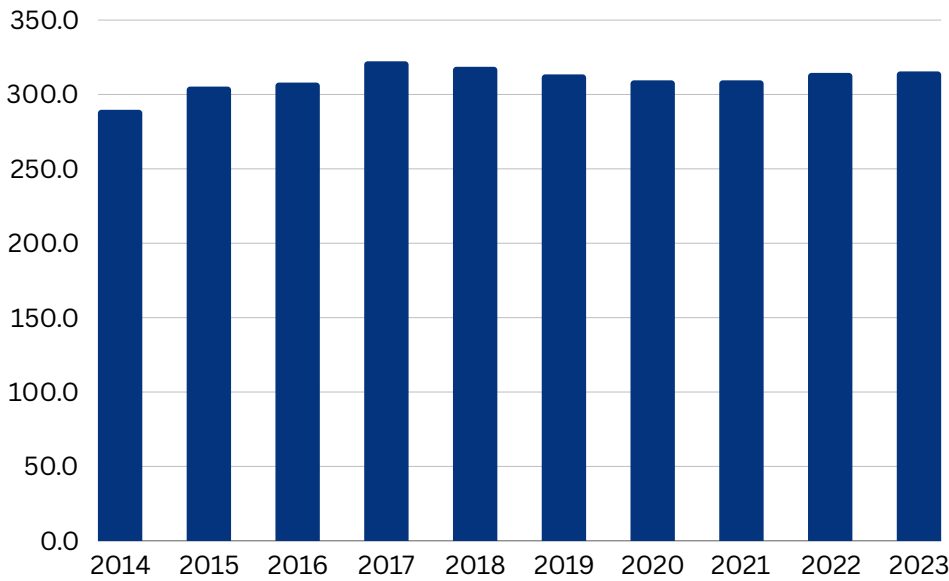
The Golf Course user charges generate enough revenue to pay for operations and a portion of its debt service. When needed, a transfer from the General Fund covers the remaining portion. In 2023, golf course operating revenues increased more than operating expenses. As a result, no transfer from the General Fund was required during this fiscal year. Play at the golf course has continued to remain strong since 2020.

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 eighth full year of operations in 2023. 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. In December 2022, the City issued \$34.37 million in bonds for the construction of the Blue Surf Bay Waterpark; scheduled to open in May 2024. The water park will feature a party room, wellness pool, wave pool, social pool, lap pool & ninja cross course, lifestyle pool, splash pad, surf simulator, lazy river, and four water slides including the world's largest stand-up slide. The construction contributed to a net position increase of \$26,203,003 for the fieldhouse, which represents 90% of the total proprietary funds' net position increase of 29%. Revenue for proprietary funds rose by 3.95%, while operating expenses increased by 3.1%.

	2021	2022	2023
Operating Revenues			
Water Utility	\$ 11,586,906	\$ 12,111,004	\$ 12,285,378
Sewer Utility	\$ 9,912,844	\$ 10,294,794	\$ 10,914,458
Golf Course	\$ 1,960,590	\$ 2,333,283	\$ 2,459,487
Fieldhouse	\$ 831,078	\$ 1,020,276	\$ 1,117,181
Total Operating Revenues	\$ 24,291,418	\$ 25,759,357	\$ 26,776,504
Operating Expenses			
Water Utility Expenses	\$ 11,266,028	\$ 11,605,650	\$ 12,716,565
Sewer Utility Expenses	\$ 7,803,597	\$ 9,640,962	\$ 9,158,030
Golf Course Expenses	\$ 1,871,859	\$ 2,164,645	\$ 2,222,915
Fieldhouse Expenses	\$ 1,118,060	\$ 1,171,967	\$ 1,194,941
Total Operating Expenses	\$ 22,059,544	\$ 24,583,224	\$ 25,292,451
Nonoperating Revenue (Expenses)			
Loss on Sale of Capital Assets	\$ 18,970	\$ -	\$ (9,264)
Special Assessments	\$ 515,446	\$ 415,446	\$ 365,446
Intergovernmental revenue	\$ -	\$ 504,440	\$ -
Interest Income	\$ 103,006	\$ (274,834)	\$ 1,257,511
Interest Expense	\$ (487,005)	\$ (556,378)	\$ (499,404)
Total Non-Operating Revenue (Expenses)	\$ 150,417	\$ 88,674	\$ 1,114,289
Loss Before Capital Contributions & Transfers			
	\$ 2,382,291	\$ 1,264,807	\$ 2,598,342
Transfers In			
Capital Contributions	\$ 451,068	\$ 122,870	\$ 26,826,579
Transfers In	\$ 723,983	\$ 596,187	\$ 533,938
Transfers Out			
Transfers Out	\$ (340,718)	\$ (339,745)	\$ (357,552)
Change in Net Position	\$ 3,216,624	\$ 1,644,119	\$ 29,601,307
Net Position, Oct. 1	\$ 95,103,314	\$ 98,319,938	\$ 102,544,047
Net Position Restatement	\$ -	\$ 2,579,990	\$ -
Net Position, Sept. 30	\$ 98,319,938	\$ 102,544,047	\$ 132,145,354

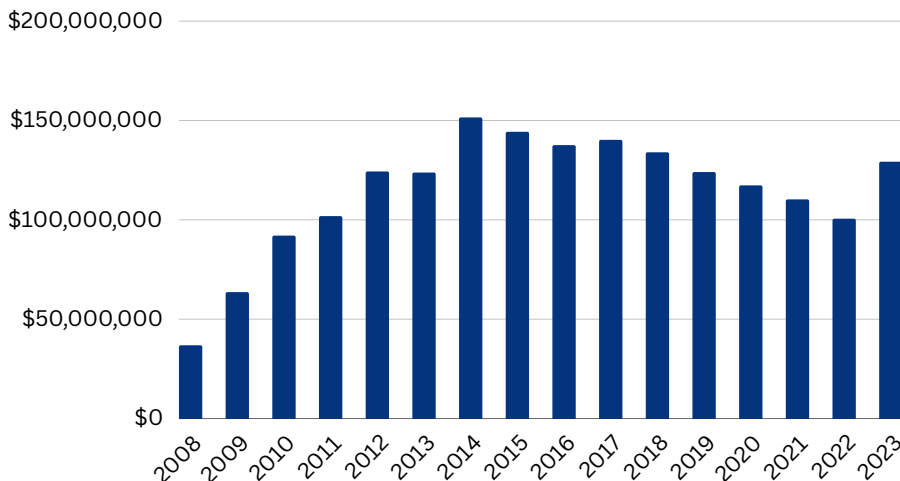


CITY FULL-TIME EMPLOYEES



Authorized full time equivalent employees increased by 20.6 net positions in the fiscal year 2024 budget. New positions added include two Recreation Coordinators, an IT Help Desk Coordinator, an HR Staffing Coordinator and for the Blue Surf Bay Waterpark, five full-time and eleven part-time positions.

OUTSTANDING DEBT



The outstanding debt at the end of FY 2023 totaled \$129,256,108. During 2023, the City issued \$34.37 million in special obligation bonds for the construction of the aquatic center.

The City has issued debt for several projects, including funding for the road projects approved by the voters in 2008, the Sni-A-Bar Wastewater Treatment Plant construction and expansion, the South Area Neighborhood Improvement District, 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?

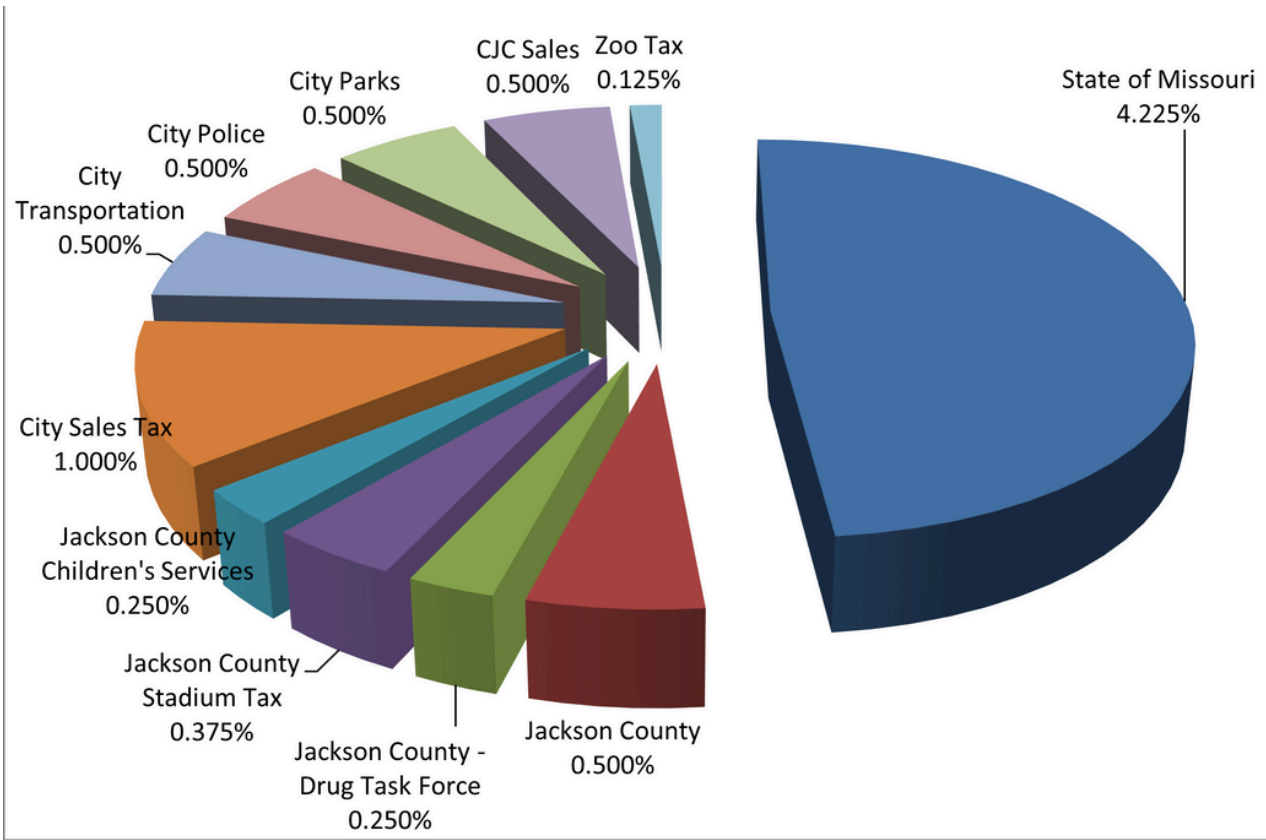


A Blue Springs homeowner with a home with a \$200,000 market value paid \$3,440.44 in real estate taxes with 7.03% going to the City of Blue Springs.

Tax rates within the City of Blue Springs vary depending on the 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 8.725% is comparable to surrounding cities and is divided among four different taxing entities. The State of Missouri receives 4.225%, Jackson County receives 1.375%, Central Jackson County Fire Protection District receives .5%, Friends of the Zoo receives .125% and the City of Blue Springs receives 2.5%.

Of the City's 2.5% sales tax, 1% is for General Fund operations, .5% is deposited in the Capital Projects Fund for transportation related projects, .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 .5% is deposited into the Parks Sales Tax Fund where the revenues are used for parks deferred maintenance and payment of aquatic center debt. The Parks Sales tax was renewed in 2021 and does not have a sunset.

The total sales tax the City received in fiscal year 2023 was \$27,716,890.

SALES TAX COMPARISON

Municipality	Sales Tax Rate
Independence	8.350%
Lee's Summit	8.475%
Kansas City	8.974%
<i>Blue Springs</i>	8.725%
Grain Valley	8.725%
Oak Grove	8.725%



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.

ECONOMIC ACTIVITY TAXES (EATS) – Additional revenue from sales taxes generated by economic activities within at TIF district over the amount of taxes generated within the area in the calendar year prior to the adoption of the ordinance designating the TIF area.

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

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.

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.