



CITY OF GRANDVIEW, MISSOURI

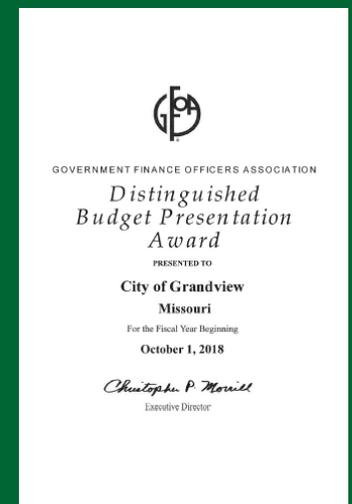
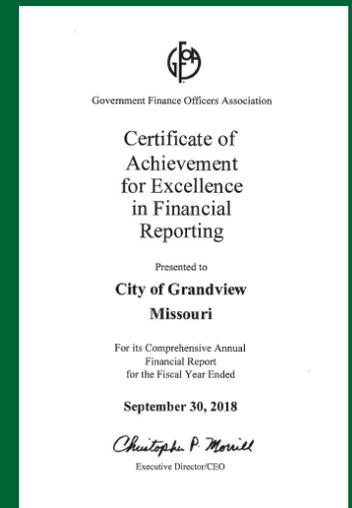
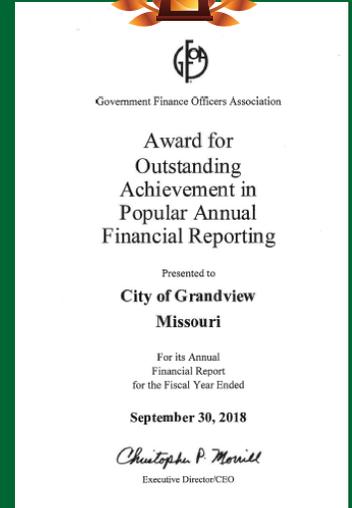
POPULAR ANNUAL FINANCIAL REPORT FISCAL YEAR 2019

OCTOBER 1, 2018-SEPTEMBER 30, 2019

Table of CONTENTS

Awards	1
Message from the City Administrator	2
History	3
Governance	4
Profile	5
Financial Activity Statements	6
Where Does the Money Come From?	7
Sales Tax	8
Property & Use Tax	9
Where Does the Money Go?	10
What Does the City Owe?	11
10 Yr Financial Overview	12
Governmental Funds	
Proprietary Funds	
Fund Balance - General Fund	13
Strategic Plan	
All Sales Tax Revenue	14
Property Valuation	
Top Ten Employers & Local Employment Data . .	15
Other Demographic Data	16
Debt Per Capita Comparison	
Total Personal Income	
Population & School Enrollment	17
FTE Employees	
Glossary	18

AWARDS



A message from the City Administrator

It is my pleasure to present the Popular Annual Financial Report (PAFR) regarding the finances and administration of the City of Grandview, Missouri, for the fiscal year ended September 30, 2019. This is the third PAFR created by the City of Grandview, and the second PAFR being submitted to GFOA for review and consideration for the prestigious award for Outstanding Achievement in Popular Annual Financial Reporting. We hope that it provides the Mayor, Board of Aldermen and citizen's relevant financial information in an easy-to-read document.

This report summarizes financial activities of the City of Grandview and includes information on where City revenue comes from and where those dollars are spent, as well as other trends in the local economy. The PAFR is done in conjunction with the Comprehensive Annual Financial Report (CAFR), and includes a condensed version of information contained in the CAFR. The CAFR complies with generally accepted accounting principles (GAAP). All financial reports are available in person and on the city's website at www.grandview.org.

If you have any questions or comments regarding information in this document, please contact me at (816) 316 - 4872.

Sincerely,

Cemal Umut Gungor

CEMAL UMUT GUNGOR
City Administrator



History of Grandview

EST 1861



Our history is deeply rooted dating back to the 1800s. Local legend has it that the community's earliest leaders looked upon the rolling hills of the area and said, "Isn't it a grand view?" Hence, the name for this quaint community located minutes south of Kansas City along Interstate 49.

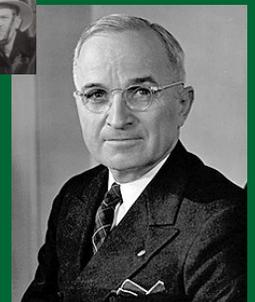
Grandview is where 33rd President Harry Truman grew up working on the family farm. Today, the collective hard work from decades of active leaders has put Grandview on the map as one of the highest-ranked school districts in Missouri, home to nationally recognized parks and distinguished police and fire departments

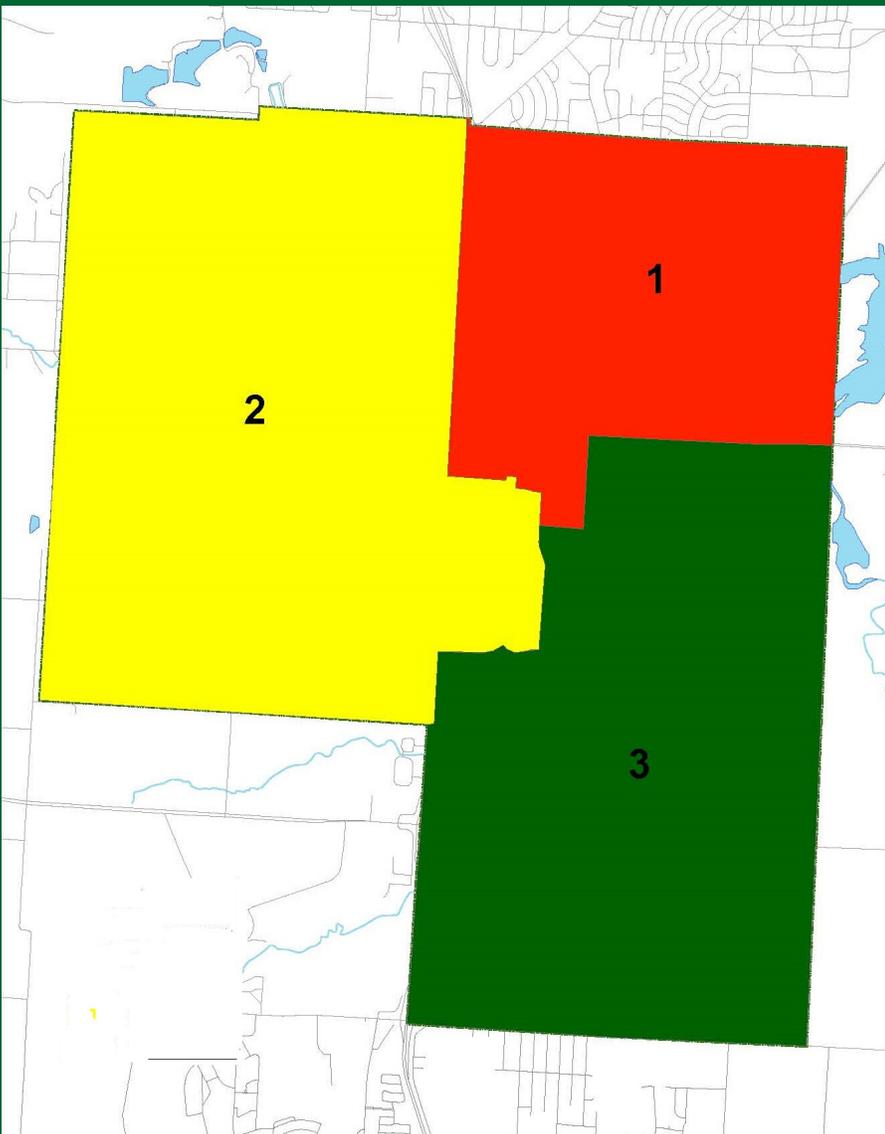
Growth in Grandview is constant. Exciting projects are positively impacting the community-- like the \$74 million redevelopment of Truman's Marketplace. Grandview's industrial area made headlines in 2019 for landing the first Opportunity Zone investment in the Kansas City metro area. Winco Fireworks built a new headquarters and moved its offices from Prairie Village, KS-in addition to moving its distribution operations to Grandview in 2018. Also new to the industrial area is B Wise Development, a mechanical contractor building new offices and bringing its 50 employees. We have only scratched the surface as one of the fastest growing cities in Jackson County, Missouri.

One of the most attractive qualities about living, working, and visiting Grandview is the ease of experiencing its many amenities. It's no accident. Grandview engages in thoughtful development that influences growth and works for everyone. For Grandview, it's not about fitting the conventional description of a city; rather it's about devoting efforts to build a genuine reputation on progressive, engaged and desirable development for the people who call Grandview home and the businesses who build here.

Grandview has always pursued the future with immense perseverance and resourcefulness. It is our hard work in response to obstacles that has led us to great accomplishments. Every move Grandview makes as a city government is mindful of our community. Growth is a collaborative process shaped by a true dialogue among public and private partners. There is no better time to be in Grandview. Join this great city as we do the job at hand:

Building Tomorrow's Community





Grandview Governance

Ward 1

Damon Randolph &
Sandra Kessinger

Ward 2

Annette M. Turnbaugh &
Daniel Hartman

Ward 3

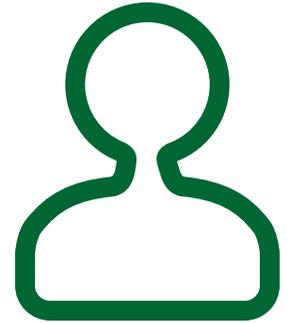
John T. Maloney &
James N. Crain

Mayor – Leonard D. Jones Jr.



GRANDVIEW, MISSOURI CITY PROFILE

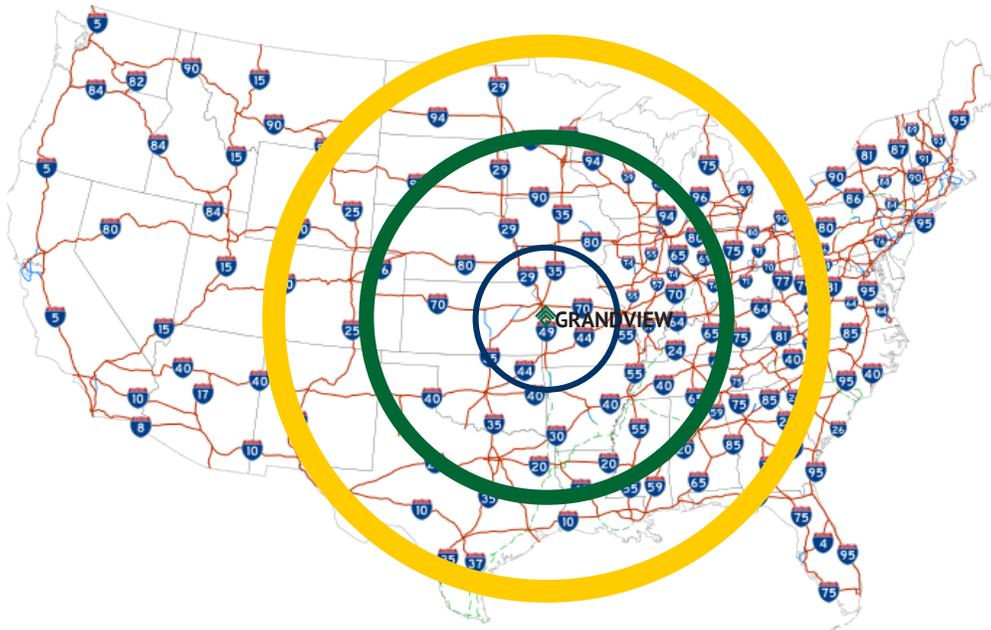
YEAR OF INCORPORATION: 1912



POPULATION
26,385

LAND SIZE
14.73
SQUARE MILES

MEDIAN AGE
33.0



LOCATION

SOUTHERN
JACKSON COUNTY,
MISSOURI ON I-49,
15 MILES SOUTH OF
DOWNTOWN
KANSAS CITY



CREDIT PROFILE

AA-Stable

Financial Activity Statements for Fiscal Years 2018 & 2019

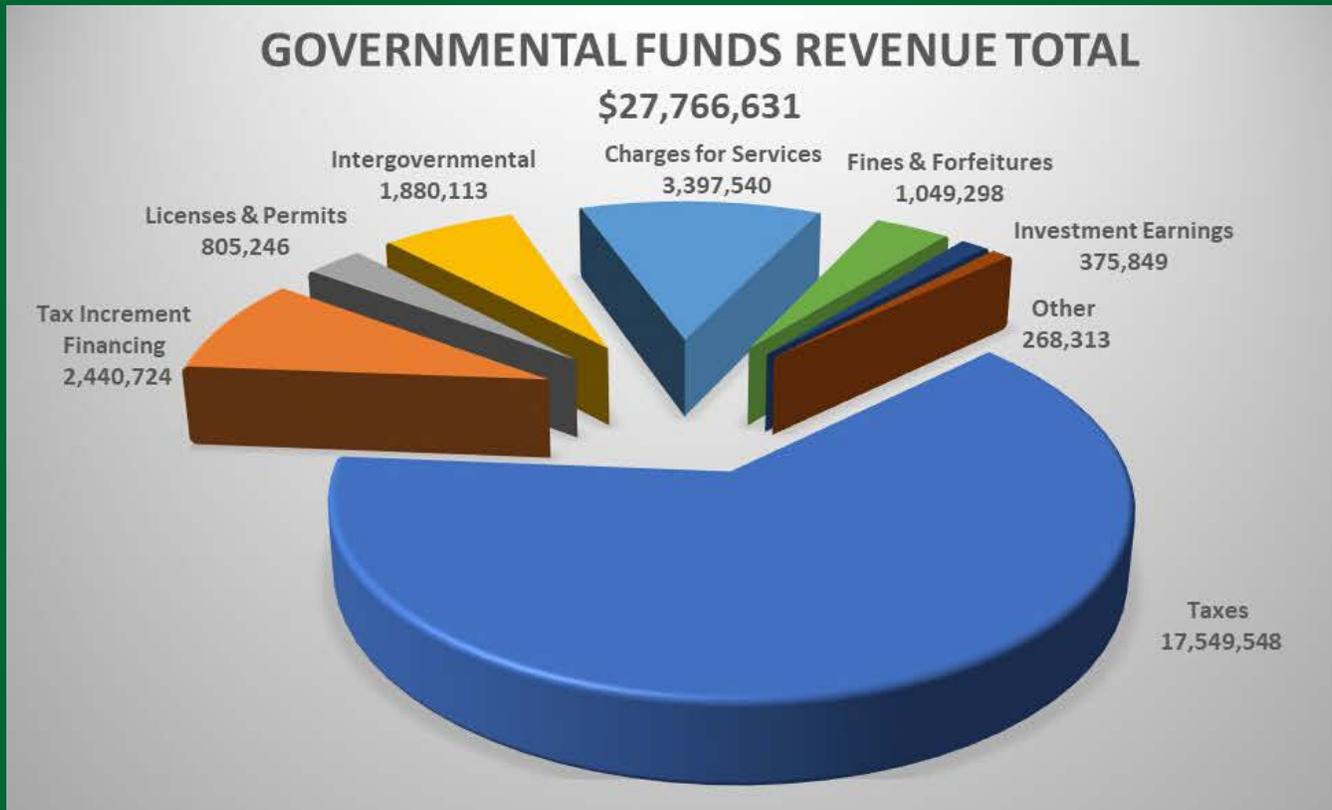
Governmental Funds		
Revenues	2018	2019
Taxes	\$16,254,892	\$17,549,548
Tax Increment Financing	1,702,569	2,440,724
Licenses & Permits	742,540	805,246
Intergovernmental	1,552,091	1,880,113
Charges for Services	2,983,901	3,397,540
Fines and Forfeitures	734,147	1,049,298
Investment Earnings	86,537	375,849
Other	166,523	268,313
Total Revenues	24,223,200	27,766,631
Expenditures by Function	2018	2019
General Government	2,928,379	2,998,951
Public Safety	9,429,022	10,764,846
Public Works	1,339,877	1,707,345
Community Development	2,918,047	3,733,119
Culture and Recreation	2,330,569	2,224,379
Capital Outlay	3,997,935	4,721,007
Debt Service (Principal & Interest)	2,354,203	2,432,762
Total Expenditures	25,298,032	28,582,409
Other Finance Sources (Uses)	2018	2019
Transfers In	1,602,843	1,543,070
Transfers Out	(1,292,843)	(1,233,070)
Insurance Recoveries	38,830	-
Sale of Capital Assets	30,529	43,248
Total Other Finance Sources	381,377	353,248
Net Change in Fund Balances	(695,473)	(462,530)
Fund Balances, October 1	14,932,187	14,236,714
Fund Balances, September 30	\$14,236,714	\$13,774,184
Proprietary Fund - Sanitary Sewer		
Operating Revenues	2018	2019
Charges for Services	\$4,197,575	\$4,406,819
Total Operating Revenues	4,197,575	4,406,819
Operating Expenses	2018	2019
Services Operation & Maintenance	1,423,444	1,312,713
Treatment Charges	2,217,513	2,760,074
Depreciation & Amortization	242,089	232,495
Total Operating Expenses	3,883,046	4,305,282
Operating Income (loss)	314,529	101,537
Non-operating Revenue	2018	2019
Investment Earnings	20,209	200,719
Other Income	33,925	2,925
Total Non-operating Revenues	54,134	203,644
Income (loss) Before Transfers	368,663	305,181
Transfers Out	(310,000)	(310,000)
Change in Net Position	58,663	(4,819)
Net Position, October 1	15,317,285	15,375,948
Net Position, September 30	\$15,375,948	\$15,371,129
Internal Services Fund - Insurance Deductible Fund		
Operating Expenses	2018	2019
Total Operating Expenses	\$1,048	\$14,579
Non-operating Revenue	2018	2019
Investment Earnings	340	2,759
Other	-	4,329
Total Non-operating Revenues	340	7,088
Income (loss) Before Transfers	(708)	(7,491)
Change in Net Position	(708)	(7,491)
Net Position, October 1	61,372	60,664
Net Position, September 30	\$60,664	\$53,173

Governmental Funds Typically used to account for tax-supported activities; the governmental funds for the City of Grandview include the General Fund, Debt Service Funds, Special Revenue Funds, and Capital Project Funds. The City's basic services including capital improvements, community development, economic development, finance and administration, fire, parks and recreation, police, and public works are accounted in these funds. The total net fund balances decreased by 3.4% primarily due to increased expenditures over revenues of \$0.8 million and a net increase in Transfers-In of \$0.3 million during FY 2019. Expenses exceeded revenues primarily due to Parks and Recreation and public safety expenses in the Capital Projects Fund. These expenses were financed from general obligation bond proceeds received in 2017, but were not spent until 2018 and 2019.

Proprietary Funds Financed primarily by user charges for the provision of that service. The only proprietary fund used by the City of Grandview is the Sanitary Sewer Fund. A rate study done in 2017 evaluated the costs of treatment and projected cost trends for future years. The rate study and resulting report recommended that the City increase sewer rates 5.7% this year and the next three years. This will help reduce the City's increased operating costs. Thus, the net position remained essentially unchanged during FY 2019.

Internal Service Funds Tracks goods or services transferred between departments on a cost reimbursement basis. The only internal service fund for the City of Grandview is the Insurance Deductible Fund. The net position decreased by 14.1% during FY 2019 due to increased insurance claim activity during the year.

Where Does the Money Come From?



Taxes are 63.2% of the City's revenue. Taxes are levied on property, retail sales, lodging, and franchise taxes on the sales of electricity, gas, telephone, and television video services. The City's sales taxes include a 1% operating sales tax, a 1/2% transportation sales tax, a 1/2% community center sales tax, 1/2% capital improvements sales tax and 1/2% Public Safety Sales Tax (PSST).

Intergovernmental revenues include receipts from the State of Missouri for fuel taxes, motor vehicle sales tax and license fees, and grants.

Charges for Services include fees from Emergency Medical Services (EMS), Parks & Recreation memberships and classes, the City's portion of municipal court costs and License Office collection charges.

Tax Increment Financing (TIF) 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.

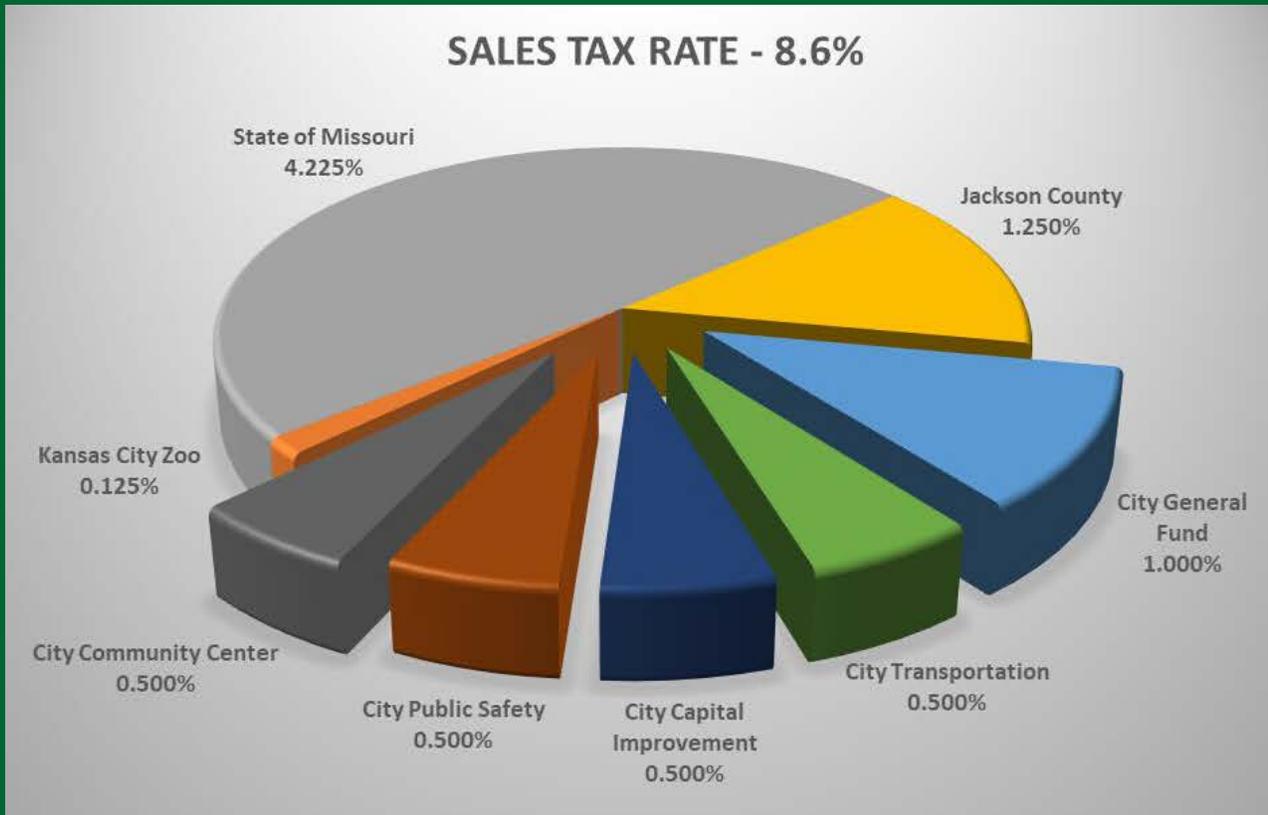
Fines and Forfeitures include the fines collected by the Municipal Court.

Licenses and Permits include revenues from building permits, business licenses, and various other licenses and permits.

Investment Earnings include revenues earned from the investment of idle city funds throughout the year in accordance with the City's investment policy.

Other revenues include proceeds from sale of surplus property, and miscellaneous other department revenues not classified elsewhere.

Sales Tax



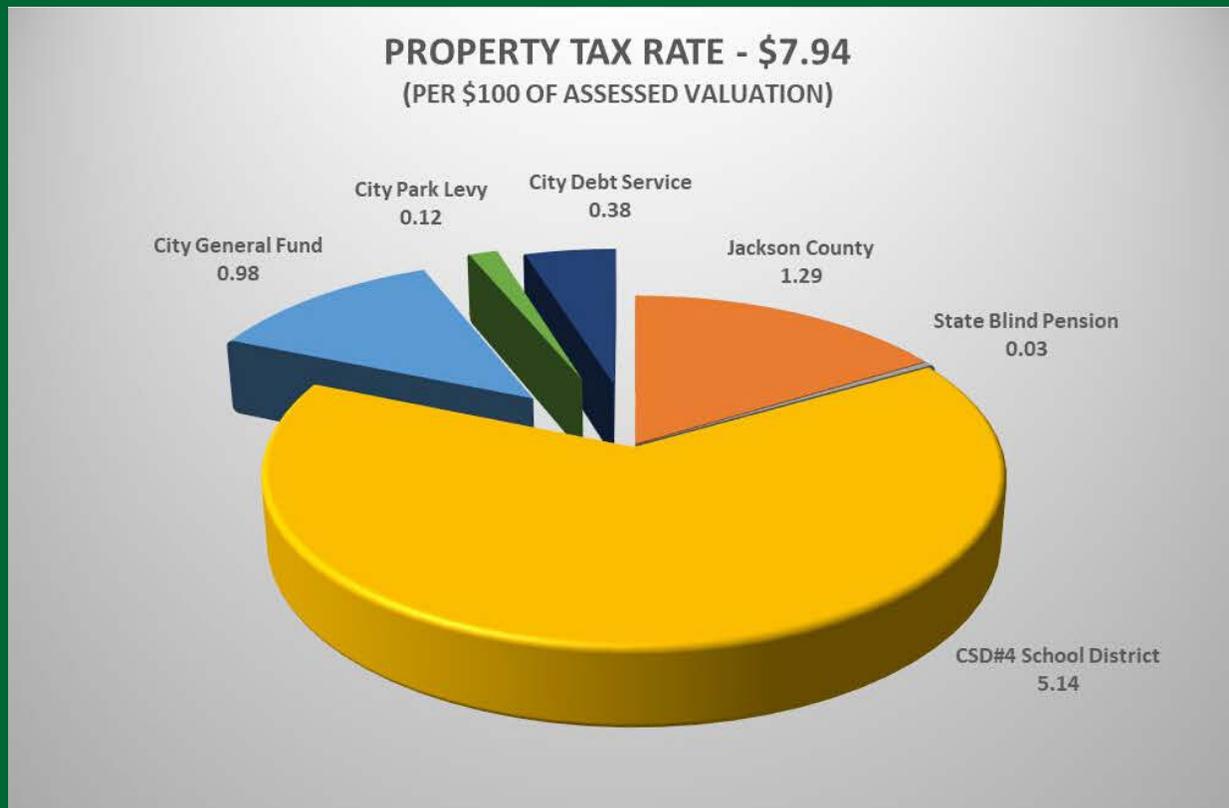
Municipality	Sales Tax Rate
Harrisonville	7.73%
Independence	7.85%
Raytown	8.35%
Gladstone	8.48%
Grandview	8.60%
Blue Springs	8.60%
Average	8.71%
Lee's Summit	8.85%
Raymore	8.85%
Belton	9.10%
Kansas City	9.60%
Liberty	9.85%

The City's sales tax rate of 8.6%, is below the average of surrounding cities and is divided among four different taxing entities. The State of Missouri receives 4.225%, Jackson County receives 1.250%, Friends of the Zoo receives 0.125% and the City of Grandview receives 3.0%.

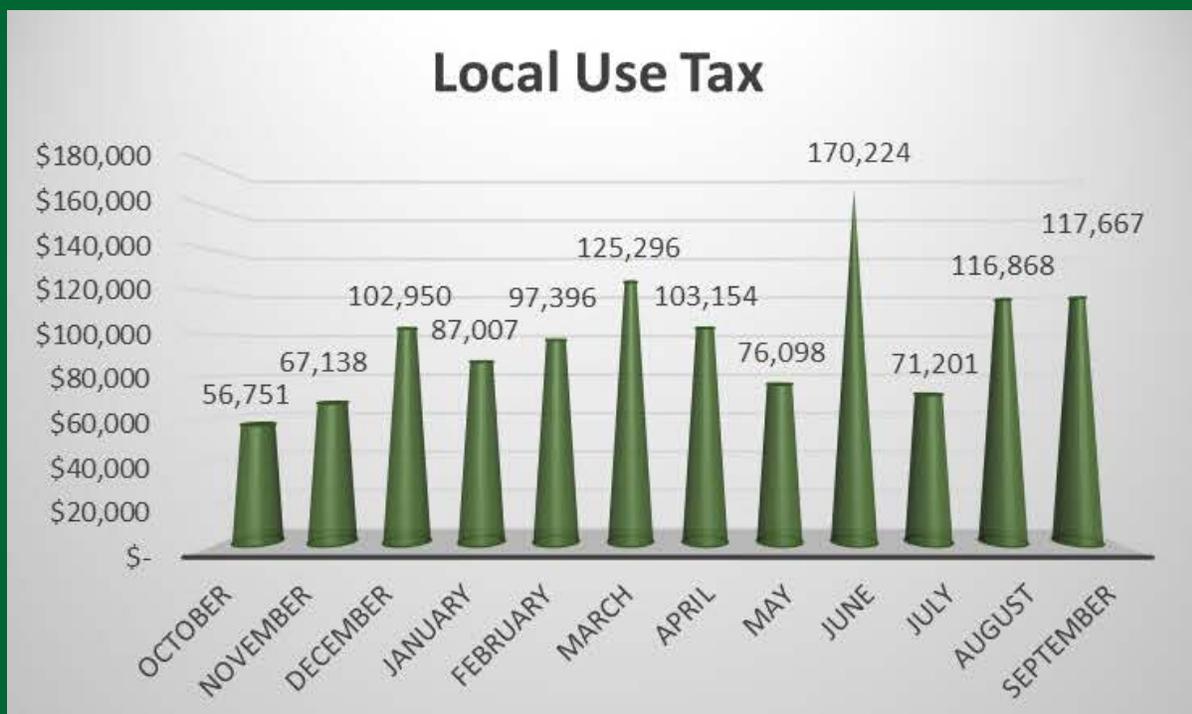
Of the City's 3% sales tax, 1% is for General Fund, 0.5% is for transportation related projects, 0.5% is for capital improvements, 0.5% is for the community center and 0.5% is for Public Safety Sales Tax (PSST). The total sales taxes the City received for FY 2019 was \$8,313,158.



Property & Use Tax

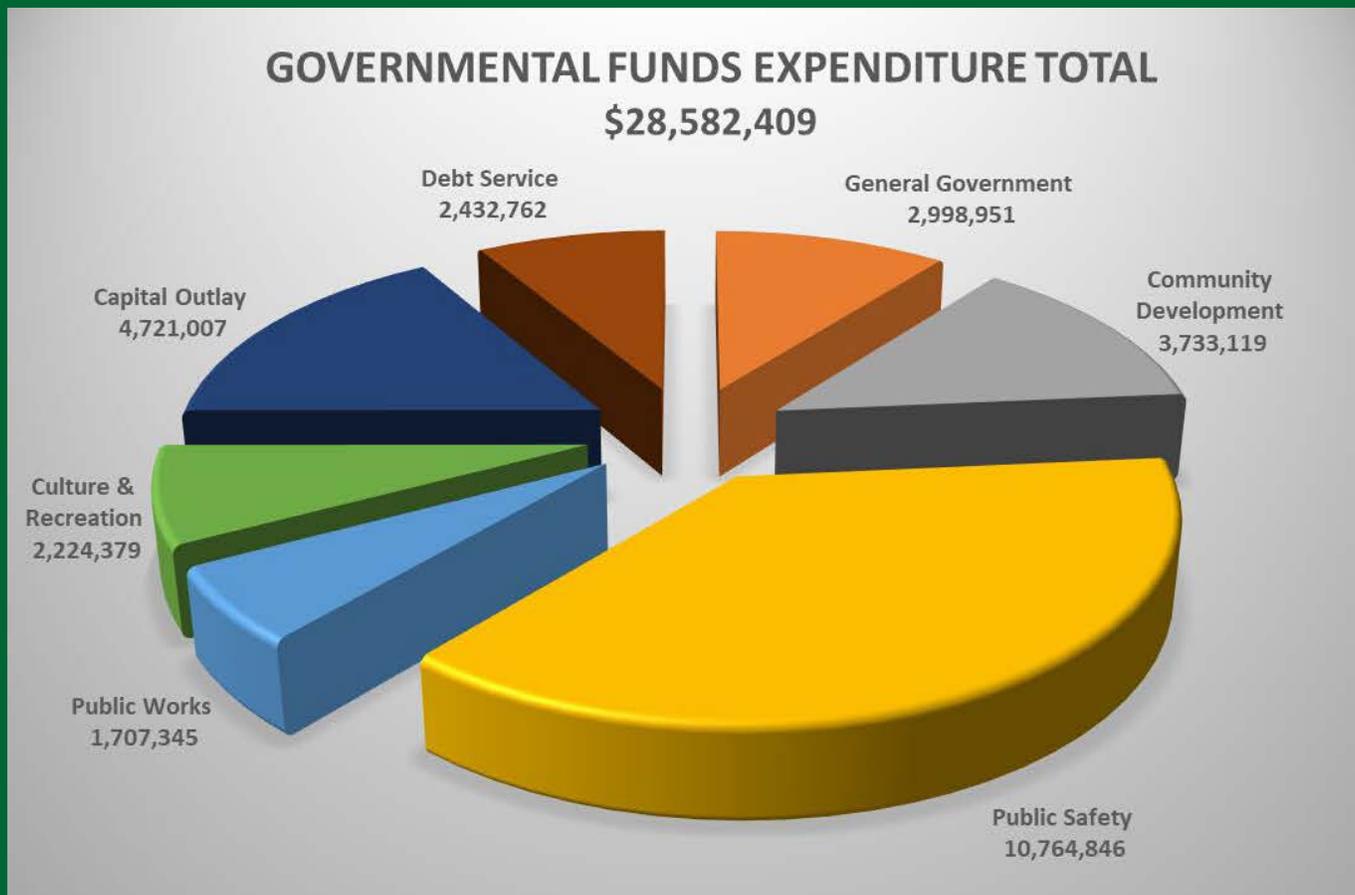


Property Tax Grandview residence property tax rate is \$7.94 per \$100 of assessed valuation. The City of Grandview receives \$1.48 of that amount which is divided between the General Fund (\$0.98), Debt Service Fund (\$0.38) and Park Levy Fund (\$0.12). The remaining portion goes to the Grandview School District (\$5.14), Jackson County (\$1.29), and the Missouri Blind Pension fund (\$0.03).



Local Use Tax The City implemented a 3% local use tax on January 1, 2019 for the retail sale of tangible personal property as approved by the citizens. For FY 2019 the total local use tax collected was \$1,191,750. Use taxes are projected to increase by 2% from FY 2019 to FY 2020.

Where Does the Money Go?



General Government expenses include Mayor and Board of Aldermen, Finance, Administration, Legal, Human Resources, City Clerk's Office and Municipal Court.

Community Development expenses include long range planning, redevelopment strategies, building inspections and permits, and code enforcement activities.

Public Safety expenses include street patrol, crime prevention, citizens' education and awareness, investigation of crimes, apprehension of suspects, fire prevention and suppression services, emergency medical response services, disaster planning, and response.

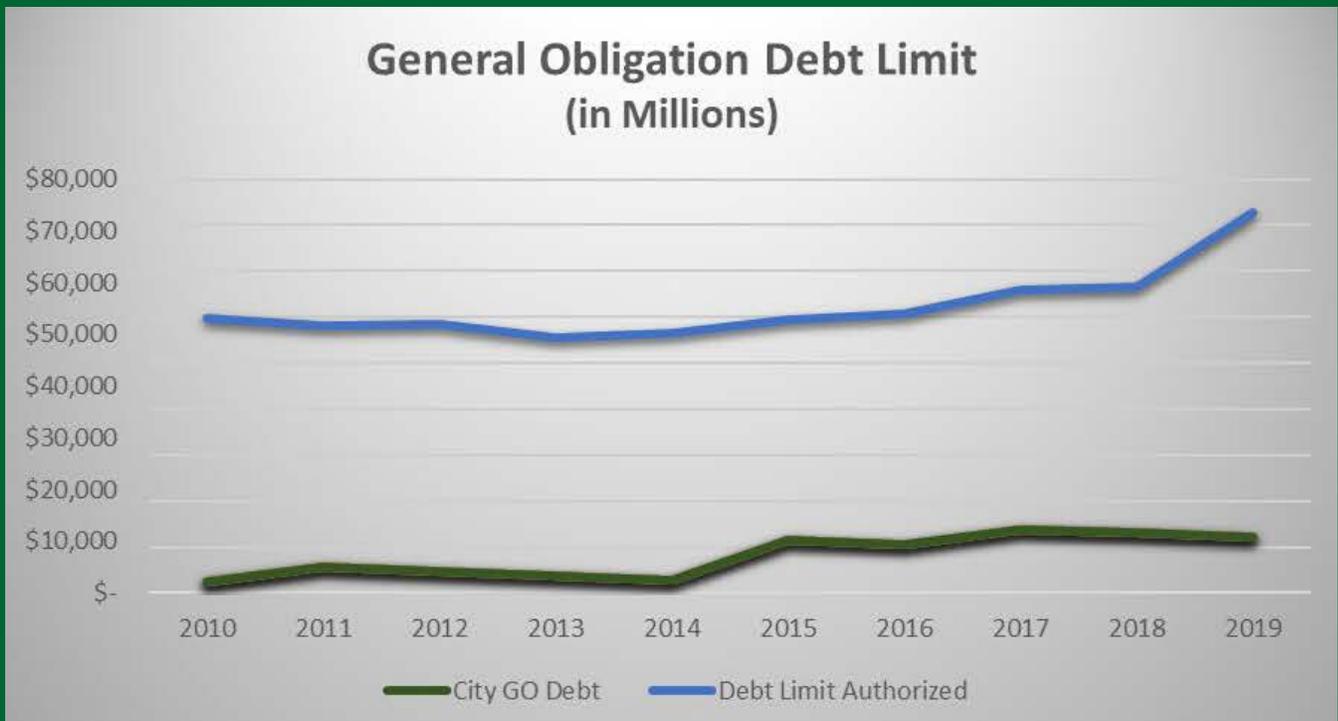
Public Works expenses include engineering, street maintenance and solid waste disposal.

Culture and Recreation expenses include maintenance of the parks system, horticultural displays, coordination of special events and recreational programs.

Capital Outlay expenses include street maintenance and construction, vehicle equipment replacement, facility improvements, and various other capital projects funded by the issuance of bonds.

Debt service includes principal and interest payments for the City's outstanding general obligation and special obligation debt.

What Does the City Owe?



The Missouri Constitution permits a city to incur general obligation indebtedness not to exceed 20% of the assessed valuation of taxable property. Grandview's 2019 assessed valuation was \$367,925,767. Based on that valuation, the constitutional debt limit is \$73,585,153. Including its outstanding general obligation debt, Grandview is only utilizing 15% of its constitutional debt limit.

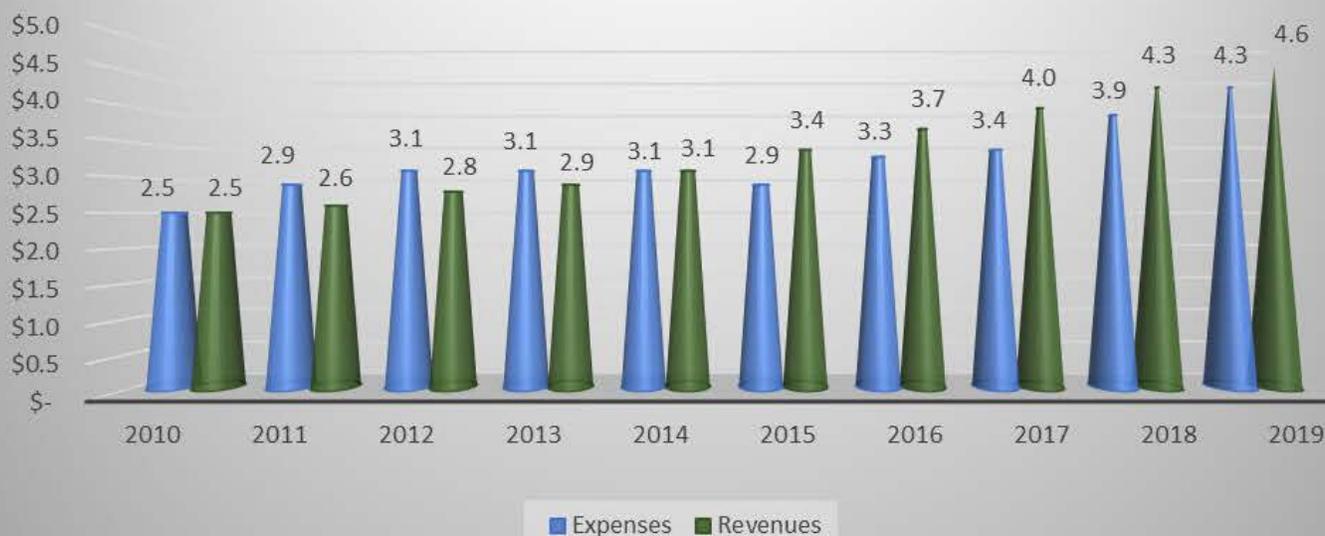
10-Year Financial Overview

Total Revenues & Expenditures Governmental Funds (in Millions)

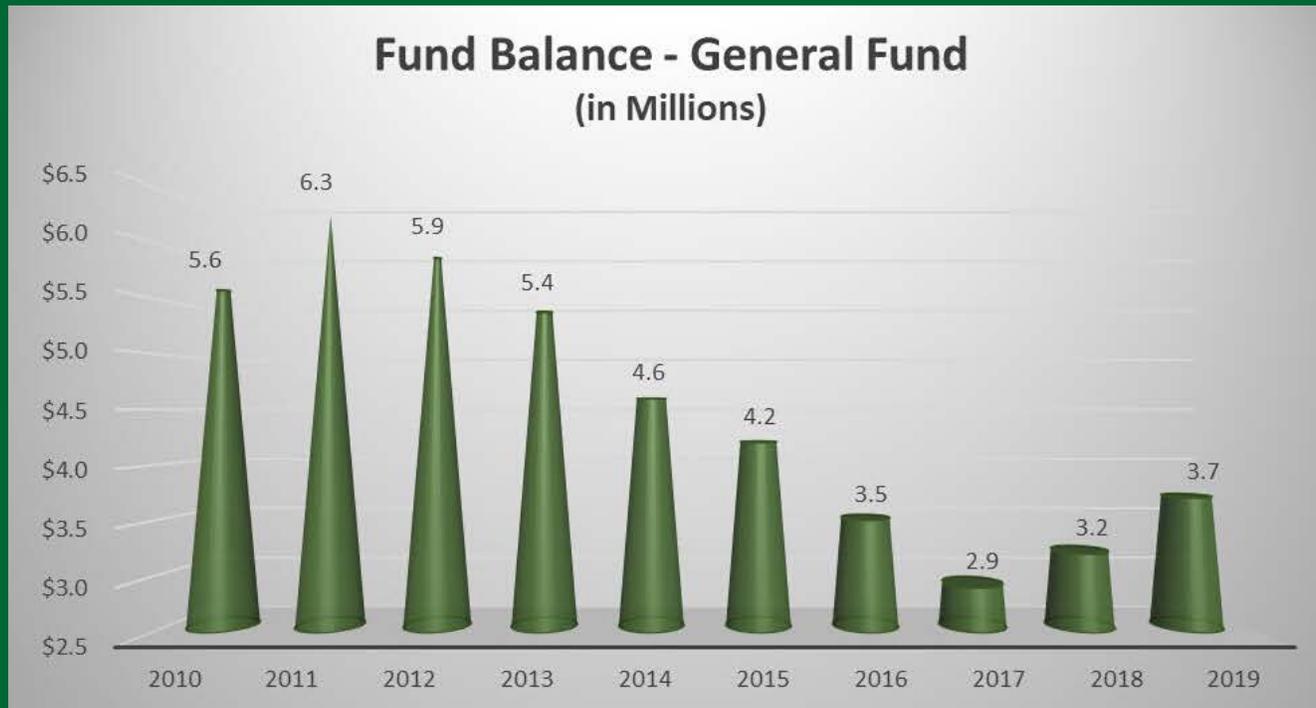


Per GASB 34, Bond Proceeds received are considered "Other Financing Sources" and are not included as Revenues in the Governmental Funds which is the primary reason expenditures exceed revenues during the past ten years.

Total Revenues & Expenses Proprietary Funds (in Millions)



10-Year Financial Overview



It is the City's policy to maintain an unassigned fund balance of 20% of operating expenditures in the General Fund to meet cash flows and unforeseen outlays or emergencies. As of September 30, 2019, the City's unassigned General Fund balance was 21.3% of expenditures.

Strategic Plan

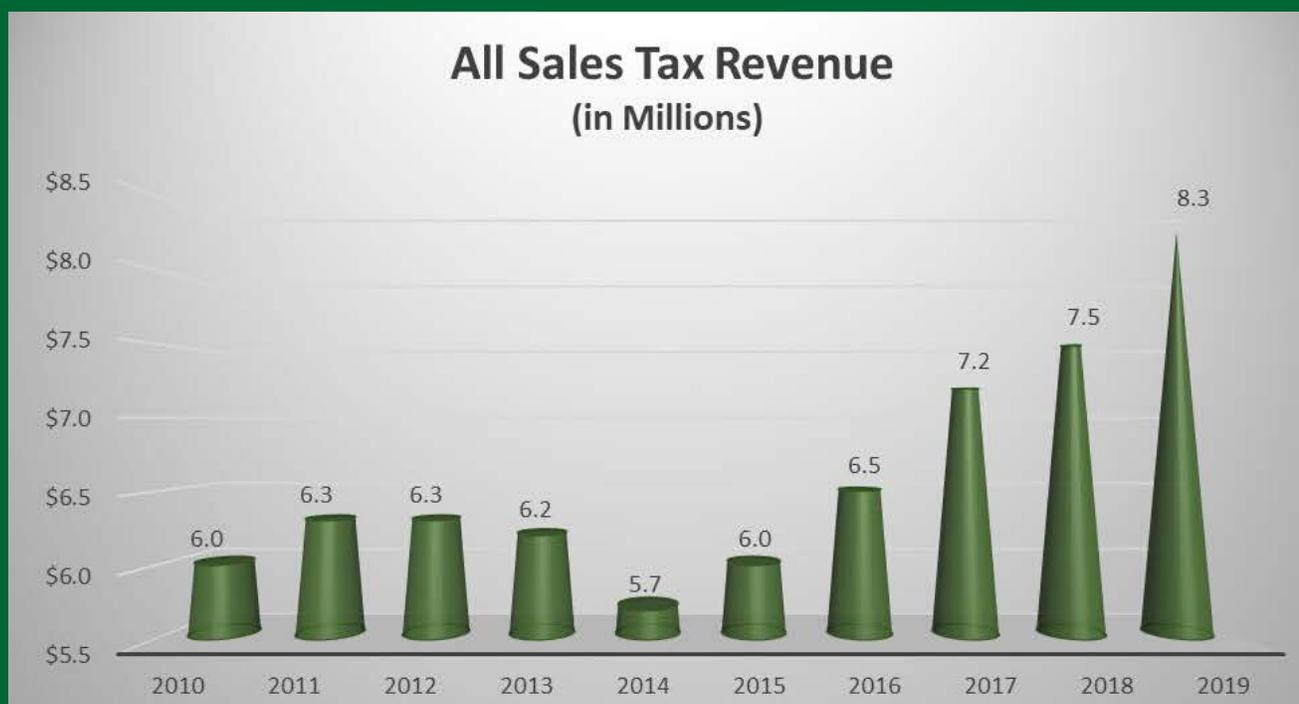
Next Twelve Months

Key Performance Area	Goal
Our People	Improve employee compensation and benefit package.
Public Safety	Continue implementation of housing and business code enforcement.
Financial Stregnth	Increase revenues, including considering fee adjustments.

Next 1 - 5 Years

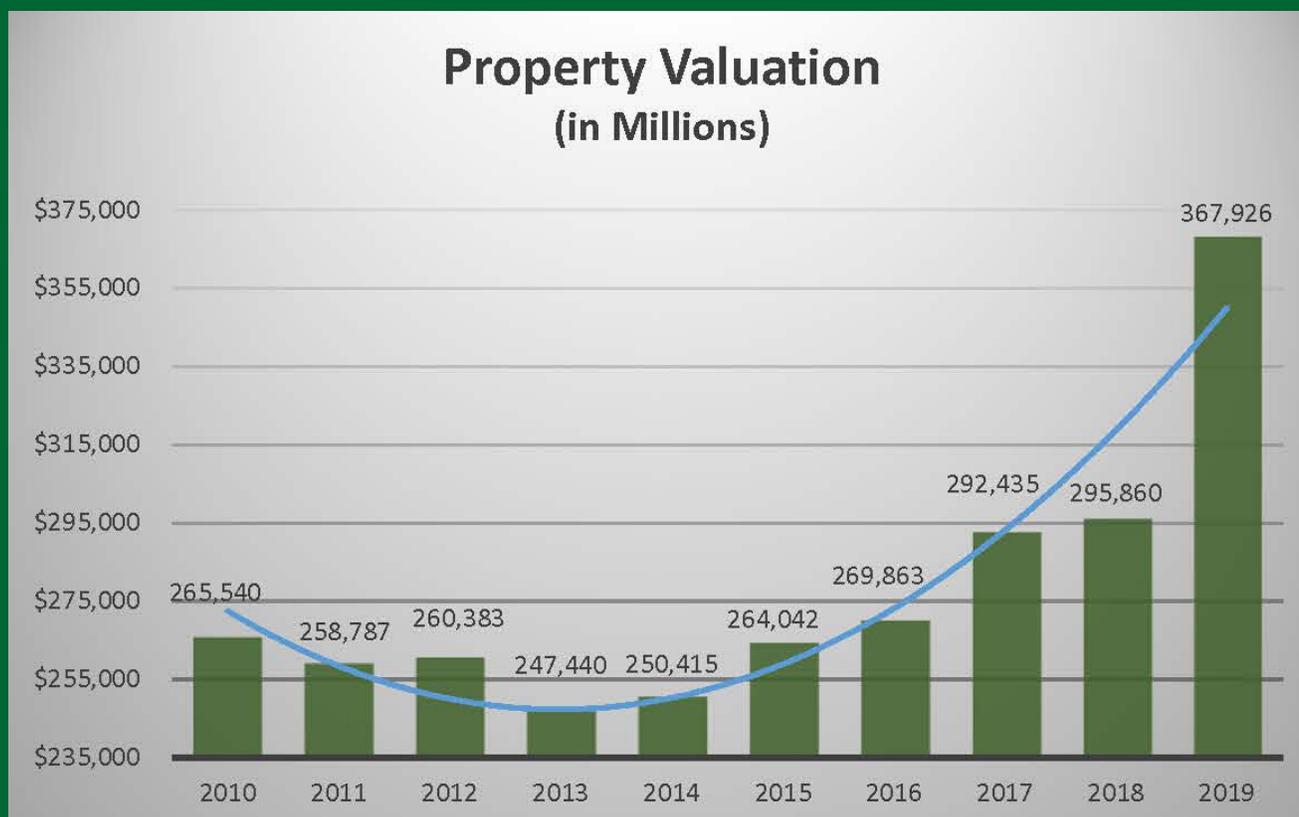
Key Performance Area	Goal
Economic Development	Complete current projects and attract additional grocery stores, restaurants, and entertainment.
Housing	Implement recommendations of housing study.
Infrastructure	Enhance sidewalk system throughout the City.
Financial Strength	Improve credit rating through mechanisms such as an increased fund balance.

10-Year Financial Overview

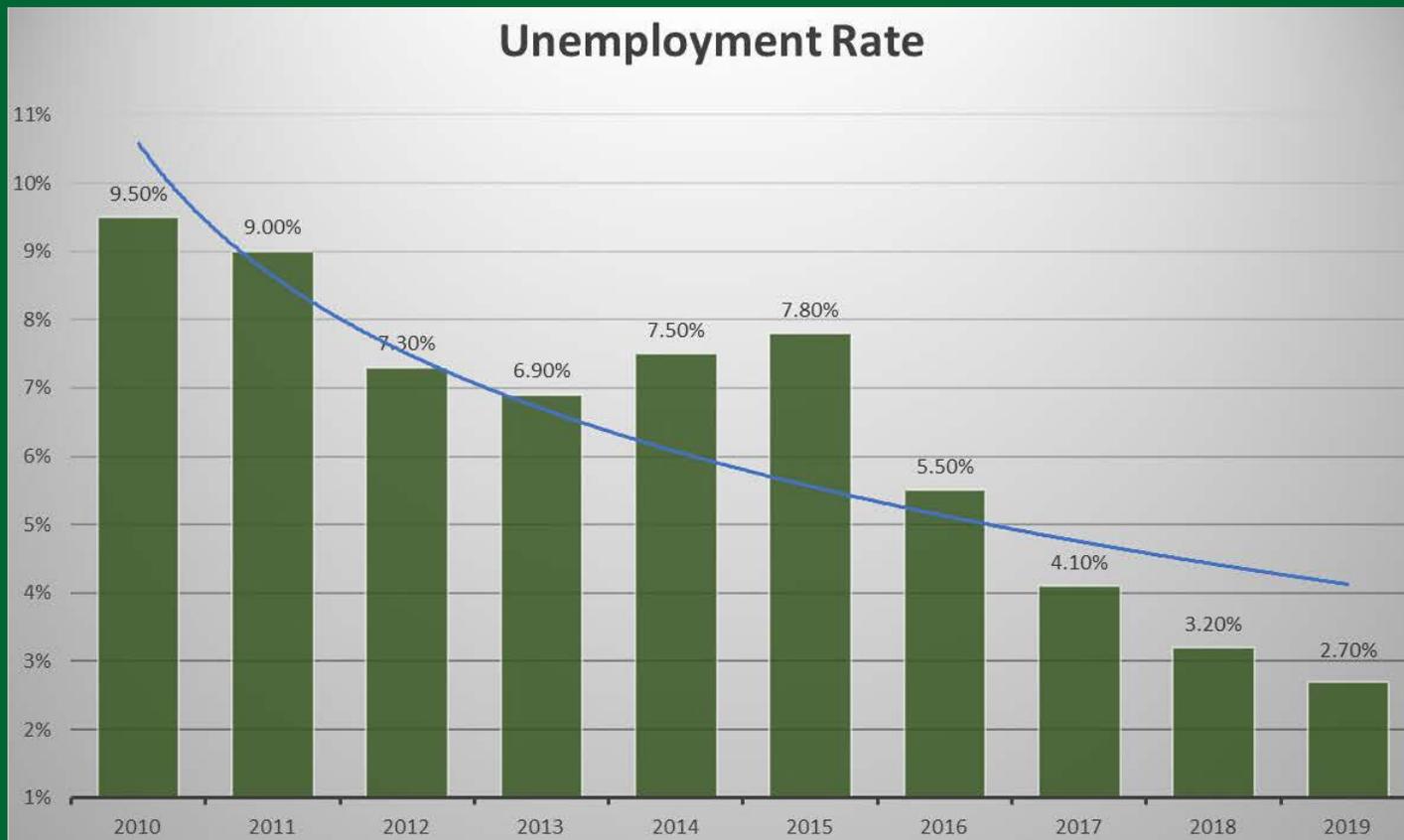


The City's largest retailer, Sam's Club, departed in 2013

The City is projecting \$16,876,000 in General Fund revenues for FY 2020. In FY 2019, the largest tax sources were property, franchise, and sales. Property taxes are projected to increase \$65,000 or a 2% rise from FY 2019 to FY 2020 due to an increase in assessed valuation. Franchise taxes are projected to increase \$75,000, or a 2% rise from FY 2019 to FY 2020. Sales taxes are projected to increase \$92,000 or a 3% rise from FY 2019 to FY 2020 due to increased new business development.



Top Ten Employers & Local Employment Data

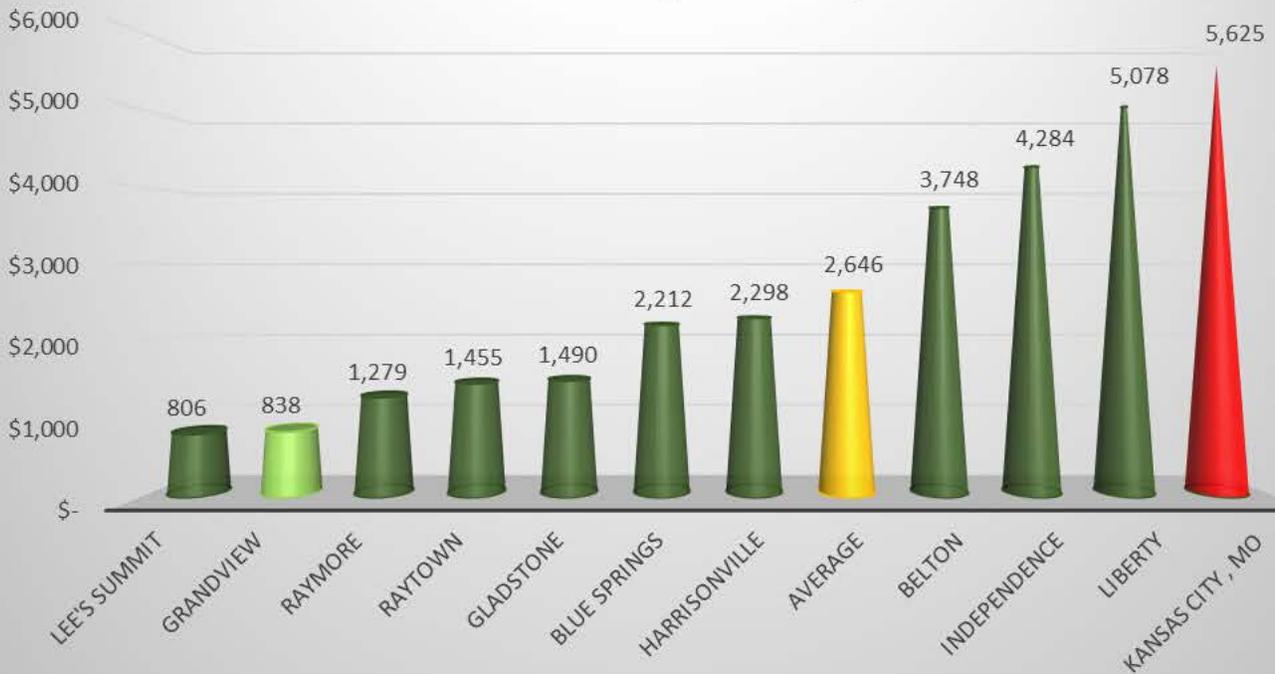


Top 10 Employers	Employees	Rank
Consolidated School District # 4	622	1
Peterson Manufacturing Company	487	2
Silgan Dispensing Systems Corporation	340	3
Vendtech-SGI, LLC	319	4
Sika Corporation	237	5
City of Grandview	212	6
Kenny's Tile & Floor Covering, Inc.	196	7
United Heating & Cooling, Inc.	134	8
Price Chopper	120	9
U.S. Toy Company, Inc.	114	10
Total	2,781	

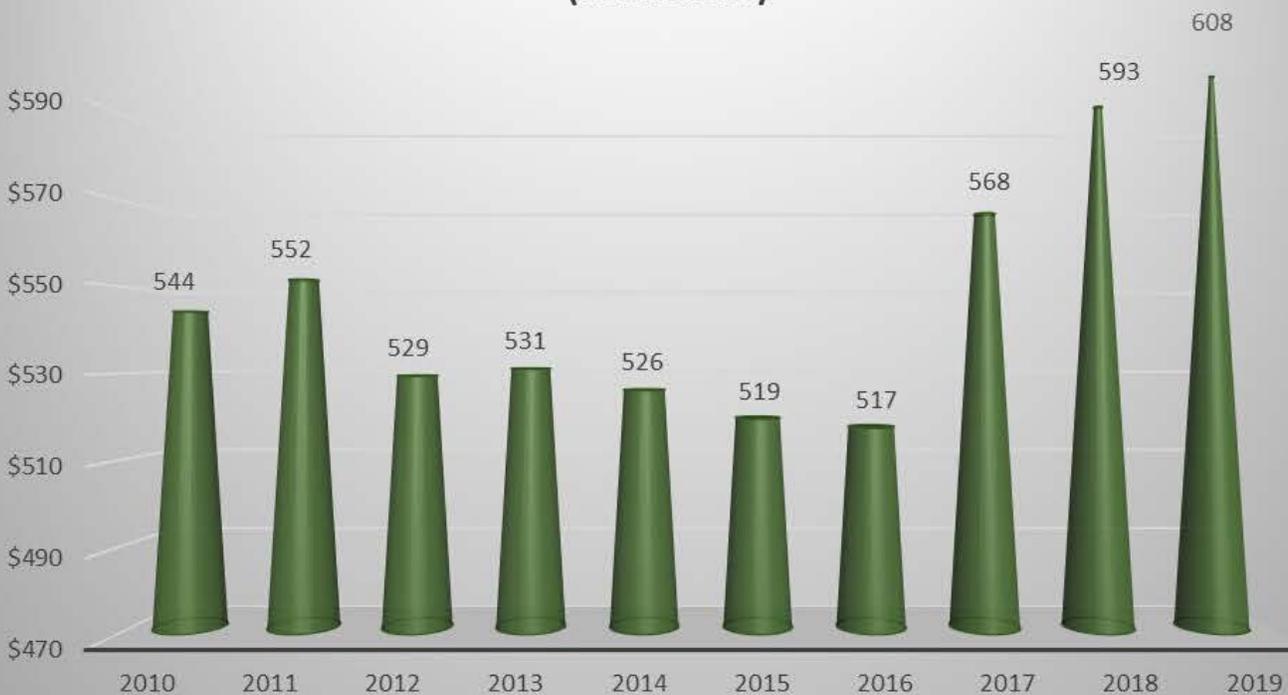


Other Demographic Data

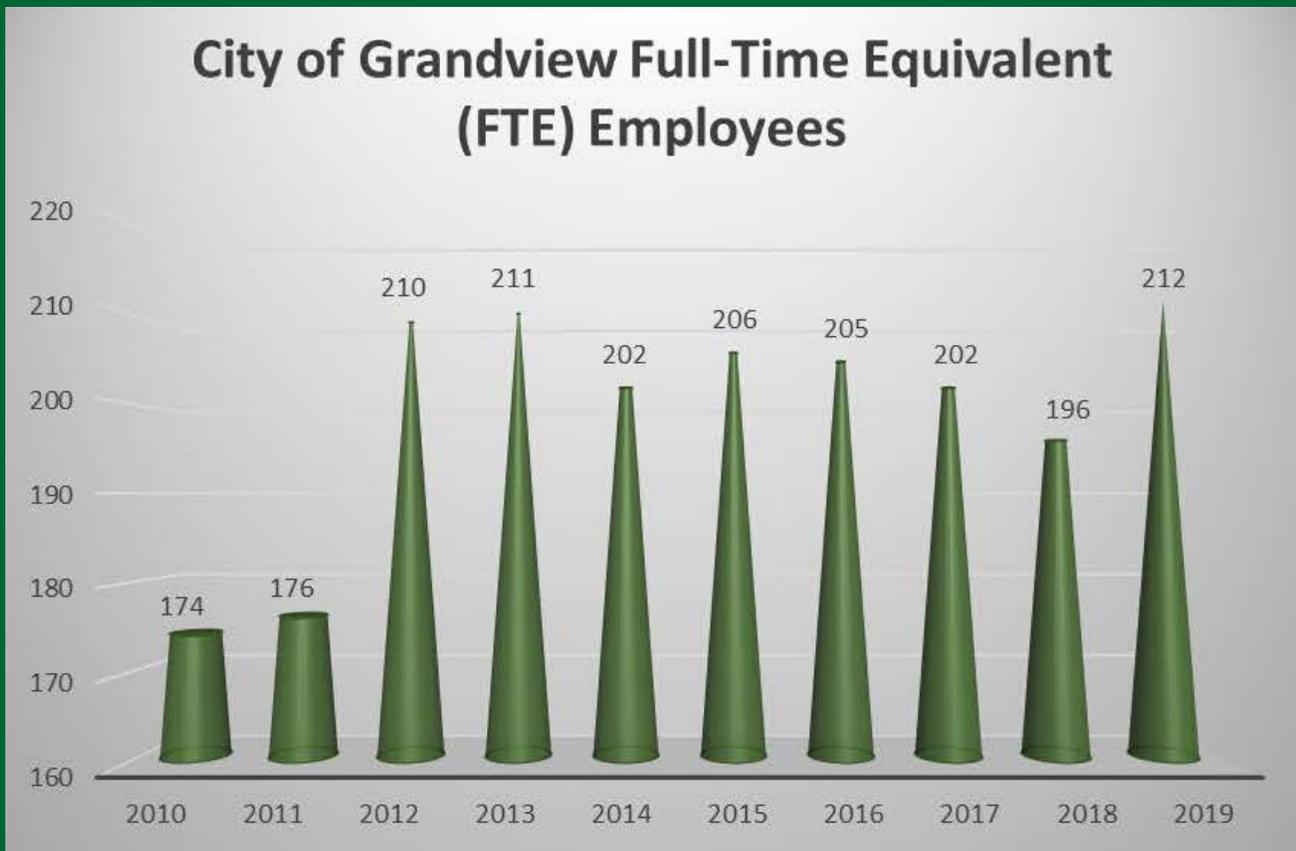
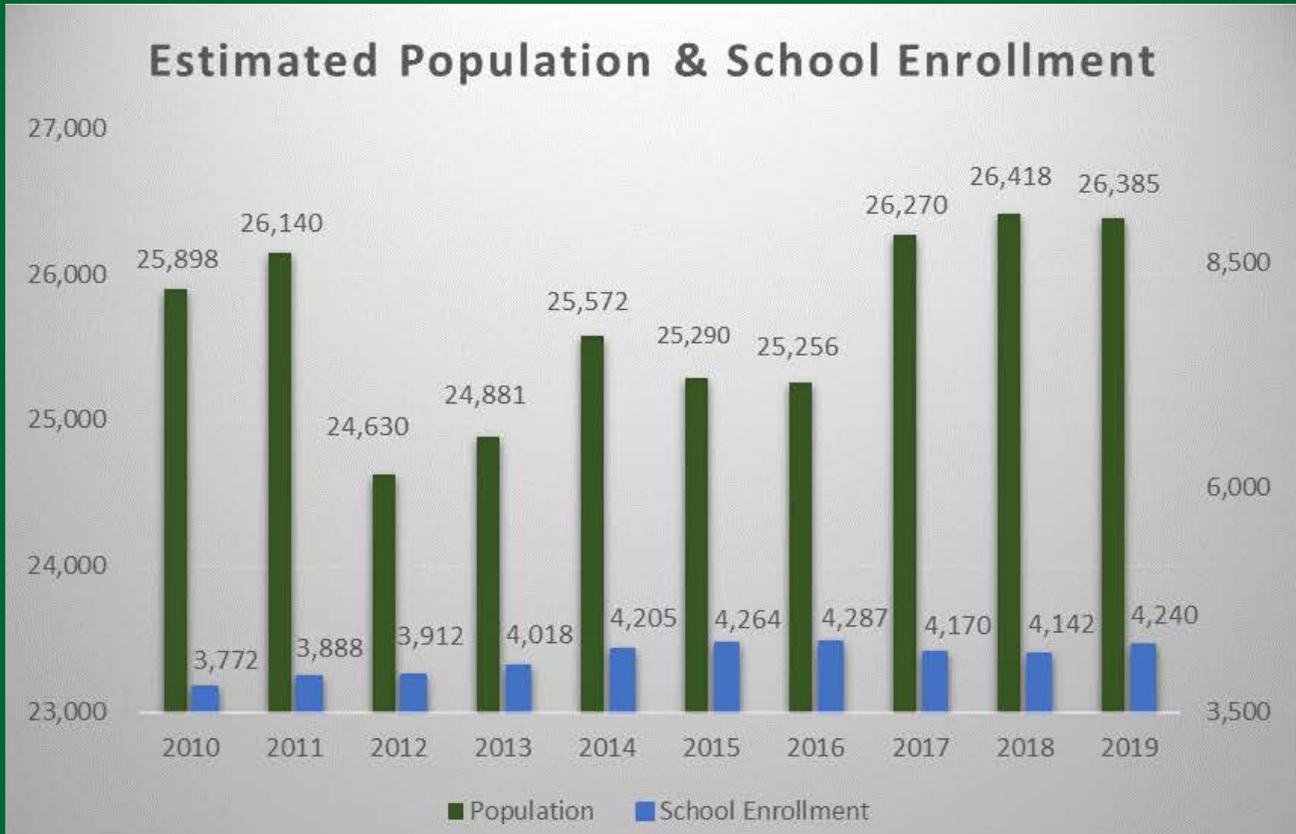
Debt Per Capita Comparison



Total Personal Income (in Millions)



Other Demographic Data



The City changed methodology for computing FTEs for culture and recreation in FY 2012. In FY 2019 the City added 13-Public Safety Employees, 1-Building Inspector and 1-Deputy Finance Director.

Capital Project Fund A fund created to account for financial resources used for the acquisition or construction of major capital facilities, equipment or infrastructure.

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).

General Fund The fund used to account for all financial resources except those required to be accounted for in another fund.

Governmental Fund Fund generally used to account for tax-supported activities. The City uses four different types of governmental funds: the General Fund, special revenue funds, debt service funds, and Capital Projects Fund.

Internal Service Fund tracks goods or services allocated between departments on a cost-reimbursement basis.

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 from 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.



Proprietary Fund Fund that focuses 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.

Special Revenue Fund Fund for specific revenue sources to be used for specified expenditures.

Tax Increment Financing (TIF) Financing secured by the anticipated incremental increase in property tax and sales tax revenues resulting from redevelopment.



GRANDVIEW
Building Tomorrow's Community



www.grandview.org

1200 Main Street, Grandview, MO 64030
(816) 316-4800

