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**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

City of Olathe, Kansas

Annual Comprehensive Financial Report

Year Ended December 31, 2023

Principal Officials

Mayor

John Bacon

City Council

Robyn Essex

LeEtta Felter

Kevin Gilmore

Wesley McCoy

Adam Mickelson

Marge Vogt

City Manager

J. Michael Wilkes

Deputy City Manager

Susan E. Sherman

City Clerk

Brenda Long

Legal Counsel

Ronald R. Shaver

Prepared by Economy Focus Area

Jamie Robichaud, Economy Director

Briana Burrichter, Chief Financial Officer

Erin Hanavan, Financial Services Manager

City of Olathe, Kansas
Annual Comprehensive Financial Report
Year Ended December 31, 2023

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SECTION 1

INTRODUCTORY



June 24, 2024



***Honorable Mayor, Members of the City Council,
and Citizens of the City of Olathe, Kansas***

The Economy Focus Area is pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Olathe, Kansas (the City), for the fiscal year ended December 31, 2023. As outlined by Kansas Statutes Annotated, (K.S.A.) 75-1120a, this ACFR has been prepared in conformance with generally accepted accounting principles (GAAP). The objective is to provide a clear picture of the City as a single unified entity as well as providing traditional fund-based financial statements.

This report is composed of three sections. First the Introductory Section, includes this Transmittal Letter, recognition from the Government Finance Officers Association, for excellence in financial reporting, as well as an organizational chart. The second is the Financial Section. This section is the largest and includes the Independent Auditors report, Management’s Discussion and Analysis (MD&A), the basic Financial Statements and Notes, and all Required and Other Supplementary Information. Lastly is the Statistical Section, which includes unaudited tables and financial trend information.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. 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. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is presented in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City’s financial activities have been included.

GAAP requires that management provide a narrative introduction overview and analysis to accompany the basic financial statements, known as Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should also be read. The City’s MD&A can be found immediately following the report of the independent auditors.

Profile of the City

Olathe has always been an important destination – just as it is today. Among its earliest visitors were those who traveled the Santa Fe Trail, whether they were turn-of-the-century freighters ferrying cargo to the Southwest, farm families on the move to Oregon, or stagecoach travelers stopping at Mahaffie Stagecoach Stop and Farm while making their way west. Olathe played a vital role in Western expansion as the site where three historic trails – the Santa Fe, Oregon, and California trails – converged.

The City was founded in 1857. Its name was derived from the Shawnee Indian word for “beautiful” and is pronounced “o-LAY-tha.” The City operates under a Mayor-Council form of government with the addition of a City Manager. The Mayor is elected at-large for a four-year term. Four of the six council members are elected on a non-partisan basis by wards for four-year terms. The other two council members are elected on a non-partisan basis by the City at large for a four-year term. The City Manager is appointed by the Mayor and City Council as the Chief Administrative Officer of the City and is charged with the efficient and effective administration of the City. The City is also financially accountable for a legally separate housing authority, whose board is appointed by the City Council. The housing authority is reported as a component unit in the City’s financial statements.

As a city in a free state, Olathe was the scene of Civil War clashes. After the war, businesses opened, churches and cultural centers were built, and the community flourished. Olathe is home to Mid-America Nazarene University, the largest private college in the State, and the Kansas School for the Deaf, a 15-acre campus founded in 1861. Today, Olathe is a full-service community operating its own water, wastewater, and refuse programs as well as a full array of public safety, public works, and development and support services.

Olathe has encountered tremendous growth over the last several decades and evolved into the dynamic community it is today. Olathe is the county seat of Johnson County, Kansas, the Greater Kansas City area's most affluent and fastest-growing county. Olathe's strong and steady growth began about 50 years ago. Olathe was still a small, rural town in the 1960s with a population of just over 10,000. Olathe began to experience a tremendous amount of growth that continues today; adding more than 59,000 new residents since 2000. The City estimates the 2023 population to be 153,772 making it the second largest city in Johnson County and the fourth largest city in the State. Olathe has blossomed not only into a full-blown city, but also a strong suburban community in the southwest portion of the metropolitan Kansas City area.

Factors Affecting Financial Condition

Local Economy

The City is a fast-growing community with an average of over six new residents every day over the last decade. The recent expansion of industrial and commercial businesses provides new jobs for local and regional residents. The City has transformed from a bedroom community into a force in the Kansas City Metropolitan Area. It continues to be an attractive location for both families and businesses. At the end of 2023, the City's unemployment rate was approximately 2.4% compared to 2.6% for the State of Kansas and the national rate of 3.7%.

Major Initiatives

Stewardship has allowed the City to remain on solid financial footing. Being financially resilient has allowed the City to maintain its General Fund balance at the Council target of approximately 30% and receive an AA+ rating with S&P Global. Stewardship has also led the City to invest in its assets to ensure costs are planned for and controlled, preventing a draining of reserves or neglect in maintenance. In 2023, Olathe voters approved a renewal of a 3/8 cent sales tax to ensure streets are maintained at the most cost-effective level. The 2024 budget increases the cash allocated to that program to stay ahead of the street maintenance curve.

Providing excellent services at an excellent value has been, and continues to be, a consistent driver for the City. Citizen satisfaction remains exceptionally high. The City has achieved those results through community partnerships, public engagement, fostering a culture of innovation and excellence within its employees and technology. The 2023 DirectionFinder survey results demonstrate the City continues to be a leader in both the Kansas City metropolitan area and the nation in overall satisfaction as rated by residents. The survey shows most residents in Olathe (66%) are satisfied with the overall value received for the taxes and fees.

Long-Term Planning

Strategic

Olathe's 2040 Strategic Plan, adopted in 2019, was designed to guide the City down a path of resilience and prosperity. The plan is organized into five focus areas: Future Ready, Quality of Life, Infrastructure, Economy, and Exceptional Services. The 2040 Strategic Plan helps manage progress toward the City's long-term goals and support the prioritization of major investments in the community.

Capital and Financial

The City prepares a five-year Capital Improvement Plan (CIP). The CIP includes estimated costs for constructing, upgrading, and replacing the City's physical infrastructure. The fiscal year 2024-2028 CIP includes project costs totaling an estimated \$711 million. In preparing the capital budget, needs are assessed, public improvements are prioritized, and costs are projected. This budget is reviewed annually as projects are re-prioritized and the financial condition of the City is evaluated. The City has been building fund balance in the Debt Service Fund for several years which will help keep the mill levy rate constant as several major projects are bonded (Street Reconstruction and Arterial Improvements, Police Building Expansion, 119th St. Woodland to Northgate improvements, I-35 and Santa Fe improvements, and the Indian Creek stormwater improvements).

In addition to the infrastructure projects contained in the CIP, the City works closely with the Olathe Chamber of Commerce to aggressively promote economic development by attracting companies to locate or relocate facilities to Olathe. Retail manufacturing/distribution and office development continues to grow throughout the City. In 2023, nearly 1.2 million square feet of new construction development opened for an investment of \$272.65 million. Through economic initiatives, approximately 1,800 jobs were created or retained in 2023. Major projects in 2023 include:

- Clorox - \$35 million investment and 250 employees
- Chick-fil-a Distribution Center - \$31 million investment and 60 employees
- Heartland Coca-Cola - \$300 million and 175 jobs
- Walmart Case-Ready Beef Facility - \$257 million and 600 jobs

Budget Priorities

Budget priorities have also been established to ensure the City meets its responsibility to citizens to carefully account for public funds, manage municipal finances wisely, and plan for adequate funding of city services and improvements. These priorities provide the framework for day-to-day decision making and are the foundation for long-term financial stability. They are reviewed by the City Manager and finance staff on an annual basis to ensure the City is prepared for changing circumstances and economic conditions. The Budget Priorities are listed below.

- The City will continuously evaluate its financial position to ensure stability of resources.
- The City will minimize the use of debt issued for periods over 10 years to preserve bonding flexibility and capacity. General obligation debt of 20 or more years will be reserved for legacy projects of city-wide significance.
- The City will provide balanced revenue structure which is responsive to economic conditions.
- The City will adopt a balanced budget where all operating expenditures will be paid by operating revenues without reliance on reserves or one-time revenue sources.
- The City Council will hold public hearings which will allow public input on budgetary spending.
- The budget will establish legal spending limits for budgeted funds.
- The budget will establish reserves to account for maintenance of capital assets.
- The budget will apply excess revenues to reserves or one-time expenditures.
- The budget will address major capital improvement projects that reflect the priorities of the community and the City Council.
- The budget will fund exceptional city services and the top priorities of the community at the lowest sustainable tax rate.

Budgetary Controls

Expenditures are legally authorized in an annual budget, approved by the City Council, as required by state statute. Expenditures cannot exceed the budgeted amount for each fund. Budgetary control is maintained using an encumbrance system. As purchase orders are issued, corresponding amounts of appropriations are reserved with the use of encumbrances, for later payment, so that appropriations may not be overspent. Unencumbered amounts lapse at year end. Kansas statute also requires unencumbered cash to be on hand before an obligation can be incurred. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated budget has been adopted.

Other Information

Independent Audit

The City's financial statements have been audited by Allen, Gibbs, & Houlik, L.C. as required by K.S.A. 75-1122. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2023, are free from material misstatement. The independent auditors' report is presented at the beginning of the financial section of this report.

Single Audit

In addition to meeting the requirements set forth in state statutes, the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. As a recipient of federal, state, and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to maintain compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the city.

Awards

Recent City awards include:

- NAACP Diversity Advocate in Government Award
- ETC Institute's "Leading the Way Award"
- American Public Works Association (APWA) Project of the Year Award
- American Council of Engineering Companies (ACEC) of Kansas Engineering Excellence Award
- National Association of Clean Water Awards
- Cigna Well-Being Award
- SmartAsset's Safest Cities in America
- Kansas City Business Journals' Healthiest Employers

Triple Crown Designation

For the 5th straight year the Government Finance Officers Association of the United States and Canada (GFOA) awarded Olathe with the Triple Crown designation. This recognition is awarded to governments that have received GFOA's Certificate of Achievement for Excellence in Financial Reporting (45yrs), Popular Annual Financial Reporting Award (5yrs), and the Distinguished Budget Presentation Award (17yrs). Olathe is one of 356 recipients of this designation for 2022. We are happy to provide the citizens of Olathe financial information in an easily readable and efficiently organized report that satisfies both generally accepted accounting principles and applicable program requirements.

Acknowledgements

Many individuals contributed to the preparation of this report and for the maintenance of records upon which it is based. We want to express our appreciation to the entire Financial Services Division who were instrumental in the successful completion. We would also like to thank the City Council and City Manager's Office for their continued interest, support, and responsiveness in planning and conducting the financial operations of the City in a professional, responsible, and sound manner. Finally, we would like to extend the City's thanks to Allen, Gibbs, & Houlik, L.C. for the cooperation and professional assistance provided during the audit of the City's 2023 financial records.

Respectfully submitted,



Jamie Robichaud
Economy Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

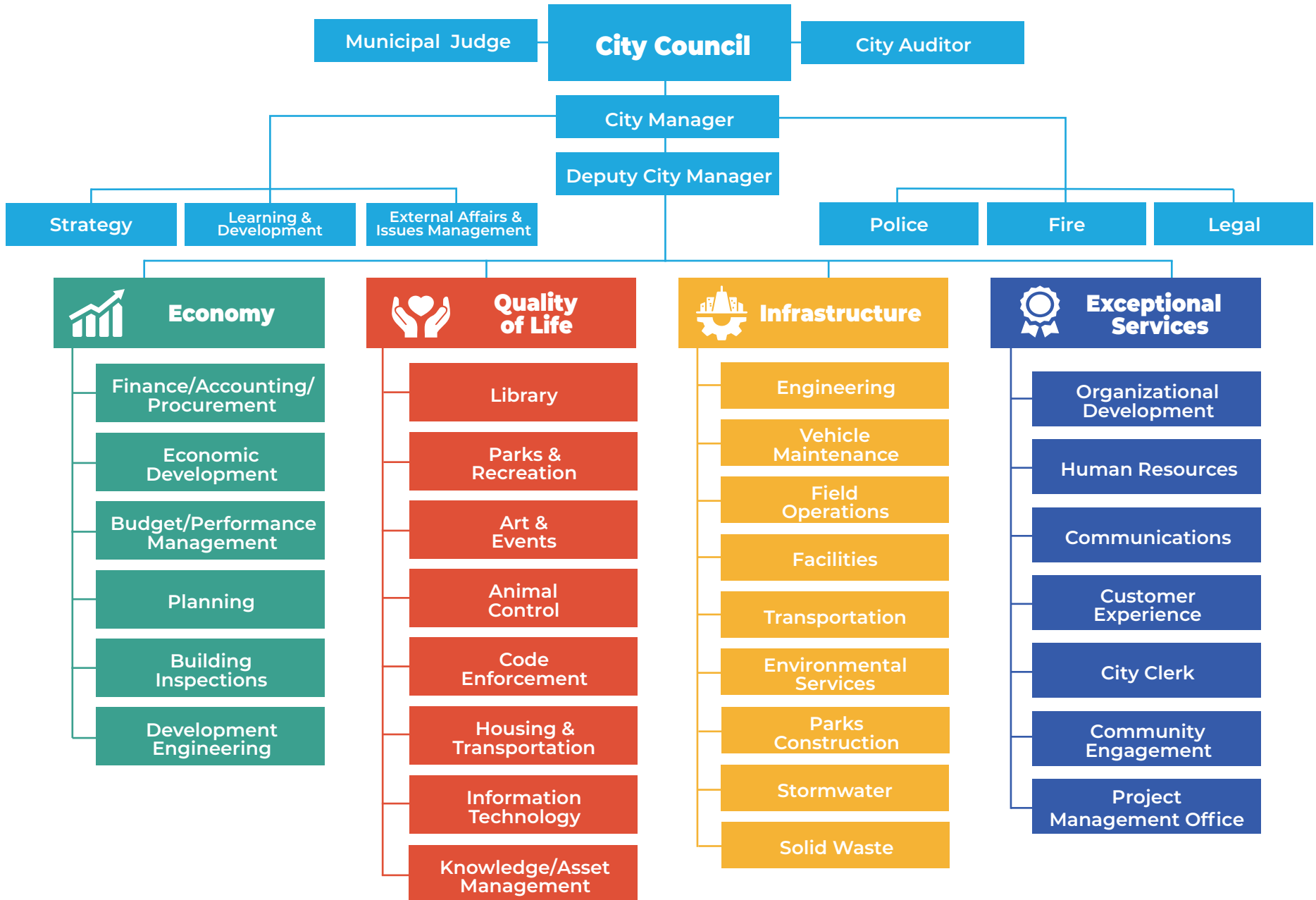
**City of Olathe
Kansas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO



SECTION 2

**FINANCIAL
SECTION**



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members
City of Olathe, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Olathe, Kansas (the City) as of and for the year ended December 31, 2023, 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, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Olathe, Kansas, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in Government Auditing Standards (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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 accounting principles generally accepted in the United States of America, 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on the table of contents 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 GAAS, 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 nonmajor fund financial statements and schedules are presented for 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 nonmajor fund financial statements and schedules is 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 report. The other information comprises the introductory, statistical and annual operating data sections as listed in the table of contents but does not include the basic financial statements and our auditor’s 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 June 24, 2024 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.

Allen, Gibbs & Houlik, L.C
CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, KS
June 24, 2024

Management's Discussion and Analysis

As management of the City of Olathe (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the City's basic financial statements, and the related notes to the basic financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources, as of December 31, 2023, by \$1 billion (net position). Of this amount, \$71.9 million (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's net position of its government activities increased by \$16.7 million, or 2.5%, while the net position of its business-type activities saw an increase of \$14.2 million, or 4.3%.
- Current and other assets increased \$24.3 million due to an increase in receivables of \$21.5 million. 80% of this increase is due to increases in tax revenue, \$7.7 million, special assessments, \$6.5 million, and accrued interest of \$3 million. The other \$4.3 million of increase is various accounts receivables, leases, and loans.
- Capital assets increased \$41.5 million due to land purchase of \$2.5 million, an increase in construction in progress of \$19.2 million, as well as asset additions net of depreciation of SBITA's, \$11 million and infrastructure, \$8.9 million.
- The City's net pension liability increased \$17.4 million or 15.3%.
- Long-term liabilities increased \$10.1 million, or 2.3%. Key factors include the City issued additional general obligation bonds in 2023 resulting in a net increase of \$7.7 million. The implementation of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), resulted in a long-term liability of \$6 million as of December 31, 2023. The impact of these two were reduced by the net decrease of \$3.6 million across other long-term liabilities.
- The City's other liabilities increased \$4.9 million, or 4.6%, this was driven by an 8.3% increase of temporary notes outstanding in 2023.
- As of December 31, 2023, the fund balance for the general fund was \$46.4 million or 36% of general fund revenues, which is greater than the City's target reserve of 30%. The expected decrease in the general fund balance of \$9 million from the prior year balance of \$55.4 million was due to a one-time transfer of \$10 million to fund the Downtown Revitalization Project authorized by the City Council.

The Basic Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. The notes to the basic financial statements are essential for the reader's understanding of the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's operations using the accrual basis of accounting, the basis of accounting used by private-sector businesses. These statements focus on the long-term financial picture of the City as a whole.

The statement of net position presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities shows how the City's net position changed during the most recent fiscal year. This statement is unique as it shows the revenues and expenses related to specific programs and how much of the programs were supported by the general taxes of the City. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both statements present the operations of the City distinguished as either governmental or business-type activities. Governmental activities are the operations of the City generally supported by taxes and intergovernmental revenues, such as public safety, public works, and community services. Business activities are operations of the City that are intended to recover all or a significant portion of their costs through user fees and charges. Currently, the City's business activities include water and sewer and solid waste.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Housing Authority for which the City is financially accountable. Financial information for this discretely presented component unit (Olathe Public Housing Authority) is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and other similar items, which are recorded when due. The focus, therefore, is on the short-term financial picture of the operations reported, rather than the City as a whole. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

The City maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Capital Projects Fund, and Special Tax Financing Fund (debt service), which are considered to be major funds. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information following the notes to the financial statements.

The City adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for this fund to demonstrate compliance with this budget.

Proprietary Funds

The City maintains two different types of proprietary funds: enterprise funds and internal service funds. All proprietary funds are prepared on the accrual basis of accounting. Enterprise funds are used to present the same information that is in the government-wide financial statements for business activities, only in greater detail. The City uses enterprise funds to account for its solid waste and water and sewer operations. Internal service funds are used to account for the cost of operations shared by various functions of the City. The City uses five internal service funds, which includes central garage, risk management, vehicle replacement, personal computer replacement activities, and building maintenance. These five funds are combined into a single column on the proprietary fund statement. Combining statements for these funds can be found in the supplementary information following the notes to the financial statements. In the governmental-wide statements, the information for these internal service funds is presented as part of the governmental activities information.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the financial statements and notes described above, required supplementary information regarding the City's participation in the Kansas Public Employees Retirement System and Other Post-Employment Benefit Plan, has been included to give the reader further insight into the City's pension and other postemployment benefit plan results. The combining statements for non-major funds and budgetary schedules referred to above are included after the required supplementary information on pension plans. Finally, the statistical section includes statistical data about the City.

Analysis of Government-wide Statements

Net Position

The combined net position of the City as of December 31 was:

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 379,120,708	\$ 367,485,513	\$ 100,231,899	\$ 87,566,842	\$ 479,352,607	\$ 455,052,355
Capital assets	882,105,520	840,777,052	389,683,244	389,503,321	1,271,788,764	1,230,280,373
Total assets	1,261,226,228	1,208,262,565	489,915,143	477,070,163	1,751,141,371	1,685,332,728
Deferred outflows	41,214,975	36,894,856	7,573,967	7,038,352	48,788,942	43,933,208
Long-term liabilities	318,198,227	304,261,060	127,505,137	131,369,749	445,703,364	435,630,809
Net pension liability	113,456,780	98,241,243	17,674,197	15,510,533	131,130,977	113,751,776
Other liabilities	108,598,718	104,803,640	2,928,597	1,843,614	111,527,315	106,647,254
Total liabilities	540,253,725	507,305,943	148,107,931	148,723,896	688,361,656	656,029,839
Deferred inflows of resources	78,448,390	70,765,133	3,283,682	3,497,620	81,732,072	74,262,753
Net position						
Net investment in capital assets	524,954,857	514,551,384	289,481,637	280,604,883	814,436,494	795,156,267
Restricted	133,335,268	122,512,791	10,161,558	9,365,758	143,496,826	131,878,549
Unrestricted	25,448,963	30,022,170	46,454,302	41,916,358	71,903,265	71,938,528
Total net position	\$ 683,739,088	\$ 667,086,345	\$ 346,097,497	\$ 331,886,999	\$ 1,029,836,585	\$ 998,973,344

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Olathe, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1.0 billion, at the close of the most recent fiscal year.

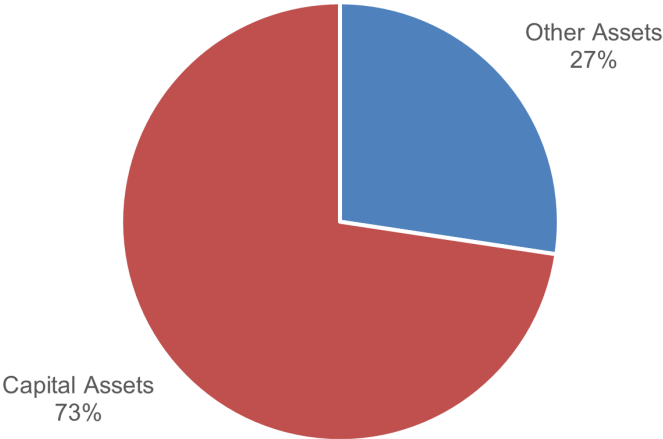
The largest portion of the City's net position (79.1%) reflects its investments in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (13.9%) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position, which totals \$72 million (7.0%), represents assets that may be used to meet the government's ongoing obligations to citizens and creditors. The government's net position increased by \$31 million or 3.1% during the current year.

A review of the government-wide financial statement of net position reveals the following:

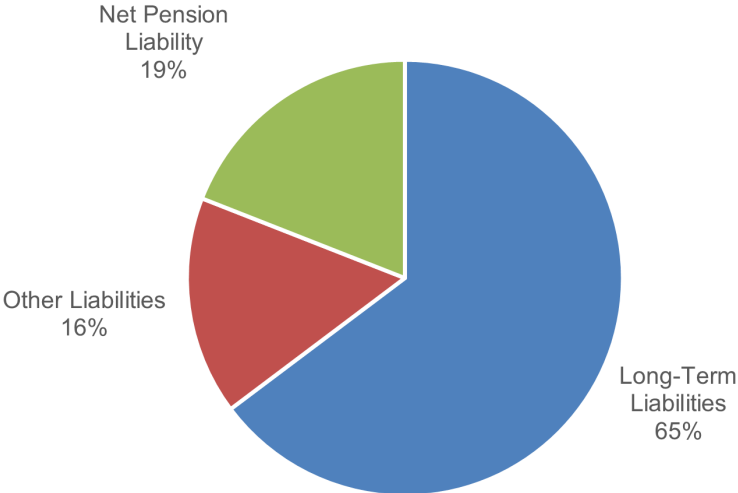
- The City ended the year with a positive net position of \$1,029,836,585.
- Total assets for the City were \$1,751,141,371. Of this total, \$1,271,788,764 were capital assets.

Total Assets



- Total liabilities for the City were \$688,361,656. Of these total liabilities, \$455,703,364 were long-term liabilities. The majority of the long-term liabilities are for debt issued for major capital projects. Debt issues are never extended longer than the useful life of the project for which debt is being issued.

Total Liabilities



Statement of Activities

The following table reflects the revenue and expenses for the City's activities for the year ended December 31:

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 30,027,156	\$ 28,785,241	\$ 80,022,426	\$ 73,802,496	\$ 110,049,582	\$ 102,587,737
Operating grants and contributions	4,546,096	7,562,128	95,116	206,860	4,641,212	7,768,988
Capital grants and contributions	8,113,217	15,511,711	-	-	8,113,217	15,511,711
General revenues:						
Property taxes	77,128,936	61,432,277	-	-	77,128,936	61,432,277
Sales tax	100,366,061	96,461,239	-	-	100,366,061	96,461,239
Other taxes	14,897,428	14,758,997	-	-	14,897,428	14,758,997
Interest	12,912,855	3,047,564	3,557,877	335,672	16,470,732	3,383,236
Other	2,697,608	4,543,878	1,831,705	2,198,248	4,529,313	6,742,126
Total revenues	250,689,357	232,103,035	85,507,124	76,543,276	336,196,481	308,646,311
Expenses:						
General government	34,618,744	29,793,717	-	-	34,618,744	29,793,717
Public safety	71,038,703	60,278,175	-	-	71,038,703	60,278,175
Public works	87,109,589	83,859,369	-	-	87,109,589	83,859,369
Community services	31,996,243	27,984,576	-	-	31,996,243	27,984,576
Interest on long-term debt	9,273,149	8,980,984	-	-	9,273,149	8,980,984
Water and sewer	-	-	53,411,543	48,603,398	53,411,543	48,603,398
Solid waste	-	-	17,885,269	15,915,887	17,885,269	15,915,887
Total expenses	234,036,428	210,896,821	71,296,812	64,519,285	305,333,240	275,416,106
Excess revenues before transfers	16,652,929	21,206,214	14,210,312	12,023,991	30,863,241	33,230,205
Transfers	(186)	(18,335)	186	18,335	-	-
Change in net position	16,652,743	21,187,879	14,210,498	12,042,326	30,863,241	33,230,205
Net position - beginning of year	667,086,345	645,898,466	331,886,999	319,844,673	998,973,344	965,743,139
Net position - end of year	\$ 683,739,088	\$ 667,086,345	\$ 346,097,497	\$ 331,886,999	\$ 1,029,836,585	\$ 998,973,344

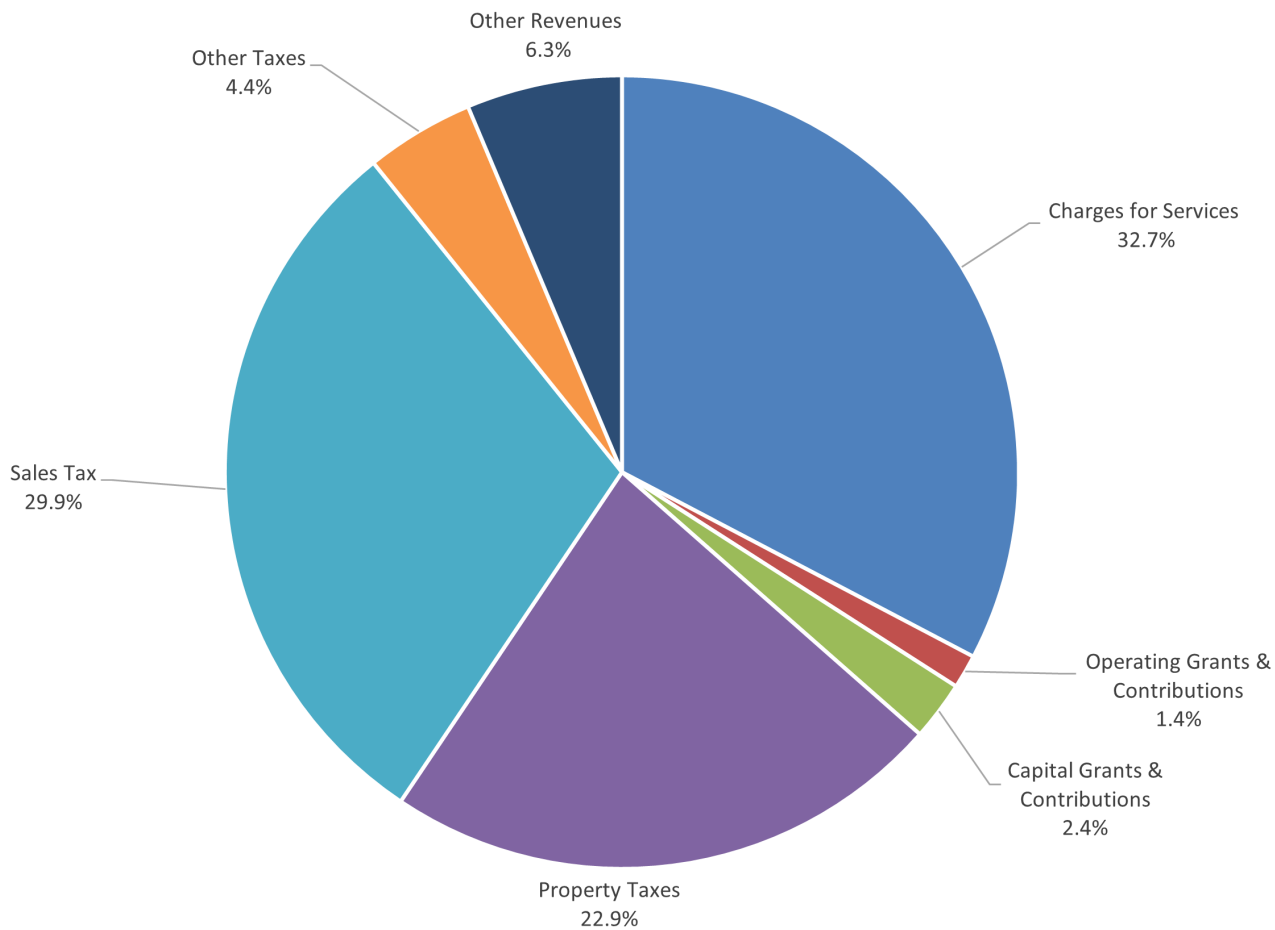
The City's net position increased for governmental activities by \$16.7 million in 2023 compared to \$21.2 million in 2022. Below is a summary of the performance and highlights:

- Charges for services – Increased \$7.5 million from the prior year, due in part to a 6% rate increase in Water and Sewer and a 3% rate increase in Stormwater. The Water and Sewer fund also implemented a new block rate structure.
- Grants and contributions – Decreased \$10.5 million from the prior year. \$10 million of the prior year was the one-time revenue loss allowed by the State and Local Fiscal Recovery Funds.
- Property taxes – Property tax increased \$15.7 million due to increase in assessed valuation of 8.6% and a mill levy reduction of .25 mills.
- Interest – Investment earnings increased \$13.1 million due to rising interest rates and the return on new contracted investment services that started in 2022.
- Total expenses – Increased \$29.9 million or 11.0%. The increase also reflects a nation wide trend of increased wages and benefits due to record inflation. The cost of personnel is the largest expense of the City. However, inflation is also increasing expenses across contractual, commodities, and capital projects city wide.

The government-wide statement of activities indicates the major sources of program revenues are charges for water, sewer, and solid waste services, which account for \$110 million (32.7%) of revenues. Sales and use taxes are the largest general revenue source for governmental activities, accounting for \$100.4 million (29.9%) of revenues, followed by property taxes which account for \$77.1 million (22.9%) of revenues.

The following graph depicts the composition of primary government revenues as presented in the statement of activities.

2023 Revenue by Source – All Funds



The total cost of governmental and business-type activities was \$305 million. However, \$123 million was funded by users directly benefiting from the services or by other organizations through grants and contributions. The remaining \$182 million of these services were paid by the City’s taxpayers primarily through property and sales taxes.

Analysis of the Fund Financial Statements

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The general fund is the main operating fund of the City. At the end of 2023, the fund balance of the general fund was \$46,379,331, which is 35.5% of the total general fund revenues and a decrease of 16.28% over the previous year's balance. This decrease in fund balance is due to a Council authorized one-time transfer to fund the Downtown Revitalization project. The general fund saw an increase in expenditures, in part due to the utilization of the standard loss of \$10 million of the State and Local Fiscal Recovery Funds (SLFRF) to pay for employee salaries during 2022. This one-time reimbursement led to an understatement of expense in the General Fund in 2022. The additional \$15 million aligns with the 2023 budget additions reflecting community priorities on enhancing public safety, street maintenance, and transportation. The 2023 budget saw the addition of twelve full time positions in the governmental funds with 8 of those split across Police and Fire. The addition of \$3,051,085 in principal retirement is due to the implementation of GASB statement 96, SBITA.

The debt service fund has a total fund balance of \$81,562,245. This represents an increase of \$8.2 million or 11.2% from the previous year's balance. The change in the current year can be attributed to transfers to the debt service fund of \$11 million and an increase in revenues, primarily property tax and investment income. The debt service fund balance is restricted for the payment of debt service. The fund balance has a planned spend down in the five-year capital plan as the city takes on significant city wide projects, including Police Building expansion, 119th Woodland to Northgate, and Santa Fe Ridgeview to Mur-len improvements.

The capital projects fund has a deficit fund balance of \$14,416,591 at the end of 2023. This is a decrease of \$1.4 million from the prior year. The change in the capital projects fund balance is due to the use of short-term debt to finance certain capital projects and is further described in Note 8 in the notes to the basic financial statements.

The future street improvement, park sales, and street maintenance sales tax funds are all nonmajor funds that saw decreases in fund balance of \$1.8 million, \$1.5 million and \$2.9 million, respectively, during 2023. These decreases are due to budgeted transfers to fund projects outlined in the capital improvement plan.

Proprietary funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. The City reports the water and sewer fund and the solid waste fund as enterprise funds. All activities necessary to provide such services are accounted for in these funds, including administration, operations, maintenance, financing, and related debt service.

The internal service funds information is included with the governmental activities information on the government-wide statements.

Fluctuations within these funds were discussed in the government-wide statement section above.

General Fund Budgetary Highlights

The legally adopted budget for the general fund was not amended by the governing body during 2023. However, departments within the City are allowed to transfer budget between line item and activities. During the year, revenues were more than budgetary estimates by \$16.2 million (14.2%). Sales taxes were \$11.4 million more than budget due to inflation and robust sales. Total expenditures were less than budgetary estimates by \$28.9 million (19.7%). As part of the budgeting process the City budgets for a contingency reserve for unforeseen expenditures. Any funds allocated from this budget are transferred to the requesting department so there will not be any actual expenditures charged to this category. Of the total difference in the budgeted expenditures, \$31,012,850 is due to the restricted reserve.

Capital Asset and Debt Administration

Capital Assets

The total amount invested in capital assets for the City as of December 31, 2023 was \$1,271,788,764, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, vehicles and equipment, park and pool facilities, storm sewers, bridges, streets, and water and sewer lines. The following chart details the City's capital asset balance by category. Additional information about the City's capital assets is presented in Note 5 to the basic financial statements.

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Land	\$ 125,924,595	\$ 123,412,610	\$ 4,730,825	\$ 4,730,825	\$ 130,655,420	\$ 128,143,435
Other nondepreciable assets	41,385	35,585	-	-	41,385	35,585
Land improvements	2,145,968	466,753	-	-	2,145,968	466,753
Buildings	139,727,412	137,348,628	40,263,260	33,778,295	179,990,672	171,126,923
Machinery & equipment	99,269,317	98,371,347	6,280,589	5,955,589	105,549,906	104,326,936
Swimming pools	10,351,984	10,351,984	-	-	10,351,984	10,351,984
Water system	-	-	246,571,365	231,965,586	246,571,365	231,965,586
Sewer system	-	-	221,046,151	216,525,457	221,046,151	216,525,457
Infrastructure	919,912,459	885,261,741	-	-	919,912,459	885,261,741
Books and materials	4,622,577	4,470,741	-	-	4,622,577	4,470,741
Construction in progress	284,296,144	265,044,840	30,207,615	48,459,493	314,503,759	313,504,333
Right of Use Leased Equipment	225,738	-	-	-	225,738	-
Right of Use Subscription Assets	13,400,743	225,738	169,573	-	13,570,316	225,738
Total capital assets	1,599,918,322	1,524,989,967	549,269,378	541,415,245	2,149,187,700	2,066,405,212
Less accumulated depreciation	717,812,802	684,212,915	159,586,134	151,911,924	877,398,936	836,124,839
Total capital assets, net	\$ 882,105,520	\$ 840,777,052	\$ 389,683,244	\$ 389,503,321	\$ 1,271,788,764	\$ 1,230,280,373

Major additions to the capital assets, including construction in progress, this year include:

- Police Building Expansion
- Mahaffie Circle Improvements
- New Environmental Laboratory
- Water Treatment Plant 2 Disinfection System
- College Boulevard from Lone Elm to Woodland Road Improvements

Long-term debt

As of December 31, 2023, the City had total bonded debt outstanding of \$357,866,162. Of this amount, \$228,885,000 is comprised of debt backed by the full faith and credit of the City and \$16,576,162 is special obligation tax increment financing debt and transportation development district debt payable solely from the specific TIF or TDD revenues. The remainder of the City's debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds). The rating for the City's general obligation bonds is a "AA+" rating from Standard & Poor's (S&P). The rating for the Water and Sewer Utility revenue bonds is a "AA" rating from S&P. Under current state statutes, the City's bonded debt issuances are subject to a legal limitation based on a percentage of the assessed valuation of real estate and personal property. As of December 31, 2023, the total general obligation debt of \$228,885,000 was well below the City's legal limit of \$825,461,549. A summary of the City's bonded debt outstanding as of December 31st can be found in the chart below. Additional information about the City's long-term debt is presented in Note 7 to the basic financial statements.

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 226,100,000	\$ 216,925,000	\$ 2,785,000	\$ 4,115,000	\$ 228,885,000	\$ 221,040,000
Special obligation bonds	16,576,162	18,352,001	-	-	16,576,162	18,352,001
Revenue bonds	5,545,000	5,765,000	106,860,000	107,430,000	112,405,000	113,195,000
Total	\$ 248,221,162	\$ 241,042,001	\$ 109,645,000	\$ 111,545,000	\$ 357,866,162	\$ 352,587,001

Requests for information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, City of Olathe, 100 E. Santa Fe, Olathe, Kansas 66061.

SECTION 3

**BASIC
FINANCIAL
STATEMENTS**



City of Olathe, Kansas
Statement of Net Position
December 31, 2023

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash, cash equivalents, and investments	\$ 252,206,057	\$ 65,414,213	\$ 317,620,270	\$ 794,598
Cash held by trustee or restricted	1,083,364	10,161,558	11,244,922	-
Receivables (net of allowance)				
Taxes	92,840,554	-	92,840,554	-
Special assessments	28,071,631	-	28,071,631	-
Accounts	2,177,617	8,763,421	10,941,038	167,184
Accrued interest	5,637,434	-	5,637,434	-
Loans	4,181,705	-	4,181,705	-
Leases	1,717,768	2,694,244	4,412,012	-
Internal balances	(11,885,081)	11,885,081	-	-
Due from other governments	2,507,755	-	2,507,755	-
Inventories and other prepaid items	570,904	1,313,382	1,884,286	316,950
Capital assets:				
Land and construction in progress	410,262,124	34,938,440	445,200,564	-
Other capital assets, net of accumulated depreciation	471,843,396	354,744,804	826,588,200	2,052,974
Other assets	11,000	-	11,000	-
Total assets	<u>1,261,226,228</u>	<u>489,915,143</u>	<u>1,751,141,371</u>	<u>3,331,706</u>
Deferred Outflows of Resources				
KPERS pension	36,075,287	5,989,711	42,064,998	-
OPEB	4,786,015	794,639	5,580,654	-
KPERS OPEB	297,846	49,453	347,299	-
Deferred amounts on refunding	55,827	740,164	795,991	-
Total deferred outflows of resources	<u>41,214,975</u>	<u>7,573,967</u>	<u>48,788,942</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 1,302,441,203</u>	<u>\$ 497,489,110</u>	<u>\$ 1,799,930,313</u>	<u>\$ 3,331,706</u>
Liabilities				
Accounts and other current liabilities	\$ 20,057,632	\$ 2,529,584	\$ 22,587,216	\$ 172,856
Interest payable	9,700,439	123,106	9,823,545	-
Unearned revenue	5,608,268	-	5,608,268	-
Temporary notes	73,221,379	-	73,221,379	-
Deposits	11,000	275,907	286,907	-
Noncurrent liabilities:				
Due within one year: bonds, notes, leases, compensated absences	50,041,435	10,486,018	60,527,453	-
Due in more than one year:				
Bonds, notes, leases, OPEB, compensated absences	268,156,792	117,019,119	385,175,911	52,198
Net pension liability	113,456,780	17,674,197	131,130,977	-
Total liabilities	<u>540,253,725</u>	<u>148,107,931</u>	<u>688,361,656</u>	<u>225,054</u>
Deferred Inflows of Resources				
Property taxes levied for a subsequent period	72,560,026	-	72,560,026	-
Deferred amounts on refunding	653,986	-	653,986	-
Deferred inflows related to leases	1,688,190	2,637,135	4,325,325	-
KPERS pension	1,127,255	205,523	1,332,778	-
OPEB	1,551,568	282,884	1,834,452	-
KPERS OPEB	867,365	158,140	1,025,505	-
Total Deferred Inflows of Resources	<u>78,448,390</u>	<u>3,283,682</u>	<u>81,732,072</u>	<u>-</u>
Net Position				
Net investment in capital assets	524,954,857	289,481,637	814,436,494	2,052,974
Restricted for:				
Debt service	110,793,276	10,161,558	120,954,834	-
Public safety	71,166	-	71,166	-
Capital improvements	5,091,563	-	5,091,563	-
Community services	12,122,414	-	12,122,414	-
General government	5,256,849	-	5,256,849	-
Unrestricted	25,448,963	46,454,302	71,903,265	1,053,678
Total net position	<u>683,739,088</u>	<u>346,097,497</u>	<u>1,029,836,585</u>	<u>3,106,652</u>
Total liabilities, deferred inflows of of resources, and net position	<u>\$ 1,302,441,203</u>	<u>\$ 497,489,110</u>	<u>\$ 1,799,930,313</u>	<u>\$ 3,331,706</u>

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Activities
For the Year Ended December 31, 2023

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
General government	\$ 34,618,744	\$ 9,244,656	\$ 1,923,845	\$ -	\$ (23,450,243)
Public safety	71,038,703	2,947,816	1,729,695	-	(66,361,192)
Public works	87,109,589	10,685,974	79,054	-	(76,344,561)
Community services	31,996,243	7,148,710	813,502	8,113,217	(15,920,814)
Interest on long-term debt	9,273,149	-	-	-	(9,273,149)
Total governmental activities	<u>234,036,428</u>	<u>30,027,156</u>	<u>4,546,096</u>	<u>8,113,217</u>	<u>(191,349,959)</u>
Business-type activities					
Water and sewer	53,411,543	61,767,643	95,116	-	8,451,216
Solid waste	17,885,269	18,254,783	-	-	369,514
Total business-type activities	<u>71,296,812</u>	<u>80,022,426</u>	<u>95,116</u>	<u>-</u>	<u>8,820,730</u>
Total primary government	<u>\$ 305,333,240</u>	<u>\$ 110,049,582</u>	<u>\$ 4,641,212</u>	<u>\$ 8,113,217</u>	<u>\$ (182,529,229)</u>
Nonmajor discretely presented component unit					
Olathe Public Housing Authority	\$ 5,202,264	\$ 749,409	\$ 4,673,417	\$ 228,319	\$ 448,881

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Activities
For the Year Ended December 31, 2023

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (191,349,959)	\$ 8,820,730	\$ (182,529,229)	\$ 448,881
General revenues				
Taxes:				
Property taxes, levied for general purpose	48,510,589	-	48,510,589	-
Property taxes, levied for debt service	28,618,347	-	28,618,347	-
Sales tax	100,366,061	-	100,366,061	-
Franchise taxes	12,329,205	-	12,329,205	-
Transient guest tax	2,568,223	-	2,568,223	-
Unrestricted investment earnings	12,912,855	3,412,811	16,325,666	3,412
Lease interest income	-	145,066	145,066	-
Miscellaneous	2,697,608	1,831,705	4,529,313	-
Transfers - internal activities	(186)	186	-	-
Total general revenues and transfers	<u>208,002,702</u>	<u>5,389,768</u>	<u>213,392,470</u>	<u>3,412</u>
Change in net position	16,652,743	14,210,498	30,863,241	452,293
Net position - beginning of year	667,086,345	331,886,999	998,973,344	2,654,359
Net position - end of year	<u>\$ 683,739,088</u>	<u>\$ 346,097,497</u>	<u>\$ 1,029,836,585</u>	<u>\$ 3,106,652</u>

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Balance Sheet
Governmental Funds
December 31, 2023

	General	Debt Service		Capital Projects	Other Governmental Funds	Total Governmental Funds
		Debt Service	Special Tax Financing			
Assets						
Cash, cash equivalents, and investments	\$ 29,156,863	\$ 79,561,920	\$ 10,137,561	\$ 64,454,806	\$ 33,073,895	\$ 216,385,045
Cash held by trustee	-	-	1,083,364	-	-	1,083,364
Receivables (net of allowance)						
Taxes	38,753,241	30,902,497	5,090,423	-	18,094,393	92,840,554
Accounts	1,349,805	-	-	-	809,384	2,159,189
Accrued interest	5,637,434	-	-	-	-	5,637,434
Special assessments	-	28,071,631	-	-	-	28,071,631
Loans	-	-	-	-	3,614,589	3,614,589
Due from other funds	1,053,629	-	-	-	-	1,053,629
Due from other governments	184,723	-	-	754,542	1,568,490	2,507,755
Lease receivable	1,717,768	-	-	-	-	1,717,768
Prepaid assets	155,709	-	-	-	-	155,709
Total assets and deferred outflows of resources	<u>\$ 78,009,172</u>	<u>\$ 138,536,048</u>	<u>\$ 16,311,348</u>	<u>\$ 65,209,348</u>	<u>\$ 57,160,751</u>	<u>\$ 355,226,667</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 3,009,126	\$ 24,902	\$ 1,591,746	\$ 5,115,032	\$ 1,278,913	\$ 11,019,719
Accrued payroll	2,842,658	-	-	-	-	2,842,658
Due to other funds	-	-	-	1,289,528	923,299	2,212,827
Unearned revenue	-	-	-	-	5,608,268	5,608,268
Temporary notes	-	-	-	73,221,379	-	73,221,379
Total liabilities	<u>5,851,784</u>	<u>24,902</u>	<u>1,591,746</u>	<u>79,625,939</u>	<u>7,810,480</u>	<u>94,904,851</u>
Deferred Inflows of Resources						
Property taxes levied for a subsequent period	24,089,867	30,902,497	3,859,763	-	13,707,899	72,560,026
Deferred inflows - leases	1,688,190	-	-	-	-	1,688,190
Unavailable revenue - intergovernmental	-	-	-	-	25,114	25,114
Unavailable revenue - special assessments	-	26,046,404	-	-	-	26,046,404
Total deferred inflows of resources	<u>25,778,057</u>	<u>56,948,901</u>	<u>3,859,763</u>	<u>-</u>	<u>13,733,013</u>	<u>100,319,734</u>
Fund balances						
Nonspendable	155,709	-	-	-	-	155,709
Restricted	-	81,562,245	10,859,839	-	22,541,992	114,964,076
Committed	-	-	-	-	13,075,266	13,075,266
Assigned	1,017,498	-	-	-	-	1,017,498
Unassigned	45,206,124	-	-	(14,416,591)	-	30,789,533
Total fund balances	<u>46,379,331</u>	<u>81,562,245</u>	<u>10,859,839</u>	<u>(14,416,591)</u>	<u>35,617,258</u>	<u>160,002,082</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 78,009,172</u>	<u>\$ 138,536,048</u>	<u>\$ 16,311,348</u>	<u>\$ 65,209,348</u>	<u>\$ 57,160,751</u>	<u>\$ 355,226,667</u>

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2023

Total fund balance - all governmental funds \$ 160,002,082

Amounts reported for governmental activities in the statement of net position are different because

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 882,105,520

Land and construction in progress	\$ 410,262,124
Capital assets being depreciated	1,189,656,198
Accumulated depreciation	(717,812,802)

Some liabilities, including bonds payable, leases payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. (441,355,446)

Interest payable	(9,700,439)
Noncurrent liabilities:	
Due within one year	
General obligation bonds	(28,005,000)
Special obligation bonds	(14,241,162)
Revenue bonds	(230,000)
Compensated absences	(2,808,422)
Bond issuance premium	(3,379,875)
Bond issuance discount	126
Leases	(55,896)
Subscription liabilities	(2,808,422)
Due in more than one year	
General obligation bonds	(198,095,000)
Special obligation bonds	(2,335,000)
Revenue bonds	(5,315,000)
Compensated absences	(2,287,990)
Total OPEB liabilities	(30,914,424)
Bond issuance premium	(24,513,383)
Bond issuance discount	1,201
Leases	(59,861)
Subscription liabilities	(3,150,119)
Pension liability	(113,456,780)

Long-term assets or deferred outflows of resources are not available to pay current period expenditures and are therefore deferred in the fund statements. 63,086,319

Special assessments	26,046,404
Deferred refunding (net)	(598,159)
Deferred outflows - pension	36,075,287
Deferred outflows - KPERS OPEB	297,846
Deferred outflows - OPEB	4,786,015
Deferred inflows - KPERS pension	(1,127,255)
Deferred inflow - OPEB	(1,551,568)
Deferred inflows - KPERS OPEB	(867,365)
Due from other governments	25,114

Internal service funds are used by management to charge costs of certain activities, such as insurance, purchasing, and fleet maintenance to certain funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position. 19,900,613

Internal service fund capital assets, net	(31,451,567)
Internal service fund compensated absences	139,467
Internal service fund subscription liabilities	1,037,169
Internal service fund net position	62,060,625
Internal service fund due to business-type	(11,885,081)

Net position of governmental activities \$ 683,739,088

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Debt Service		Capital Projects	Other Governmental Funds	Total Governmental Funds
		Debt Service	Special Tax Financing			
Revenues						
Taxes:						
Property	\$ 25,615,021	\$ 25,646,792	\$ 2,971,555	\$ -	\$ 12,981,624	\$ 67,214,992
Sales	73,549,482	-	4,786,868	-	22,029,711	100,366,061
Franchise	12,329,205	-	-	-	-	12,329,205
Transient guest	-	-	835,070	-	1,733,153	2,568,223
Special assessments	-	3,684,472	-	-	-	3,684,472
Intergovernmental	1,699,905	-	-	4,660,523	6,752,368	13,112,796
Licenses and permits	3,006,225	-	-	-	-	3,006,225
Fines, forfeitures, and penalties	2,112,381	-	-	-	39,691	2,152,072
Charges for services	9,353,428	-	-	-	15,515,431	24,868,859
Use of money and property	2,605,586	3,344,709	455,519	3,444,565	1,691,815	11,542,194
Miscellaneous	335,805	-	22,357	799,047	1,083,866	2,241,075
Total revenues	<u>130,607,038</u>	<u>32,675,973</u>	<u>9,071,369</u>	<u>8,904,135</u>	<u>61,827,659</u>	<u>243,086,174</u>
Expenditures						
Current:						
General government	25,909,184	298,389	332,634	-	4,338,416	30,878,623
Public safety	65,536,830	-	-	-	2,475,633	68,012,463
Public works	15,101,009	-	-	-	4,696,947	19,797,956
Community services	13,622,825	-	-	-	14,795,805	28,418,630
Capital improvements	-	-	5,192,293	98,170,187	-	103,362,480
Debt service:						
Principal retirements	3,051,085	26,480,000	1,775,839	604,341	239,888	32,151,153
Interest and fiscal charges	10,940	8,683,666	319,911	3,491,515	239,035	12,745,067
Total expenditures	<u>123,231,873</u>	<u>35,462,055</u>	<u>7,620,677</u>	<u>102,266,043</u>	<u>26,785,724</u>	<u>295,366,372</u>
Excess of revenues over (under) expenditures	<u>7,375,165</u>	<u>(2,786,082)</u>	<u>1,450,692</u>	<u>(93,361,908)</u>	<u>35,041,935</u>	<u>(52,280,198)</u>
Other financing sources (uses)						
Bond issuance proceeds	-	-	-	35,655,000	-	35,655,000
Subscription arrangement issuance proceeds	-	-	-	4,519,336	-	4,519,336
Bond premium	-	-	-	3,209,449	-	3,209,449
Transfers in	8,971,198	11,019,256	-	51,247,526	96,866	71,334,846
Transfers out	<u>(25,367,753)</u>	<u>-</u>	<u>(246,133)</u>	<u>(2,669,008)</u>	<u>(42,981,754)</u>	<u>(71,264,648)</u>
Total other financing sources (uses)	<u>(16,396,555)</u>	<u>11,019,256</u>	<u>(246,133)</u>	<u>91,962,303</u>	<u>(42,884,888)</u>	<u>43,453,983</u>
Net changes in fund balances	<u>(9,021,390)</u>	<u>8,233,174</u>	<u>1,204,559</u>	<u>(1,399,605)</u>	<u>(7,842,953)</u>	<u>(8,826,215)</u>
Fund balances - beginning of year	<u>55,400,721</u>	<u>73,329,071</u>	<u>9,655,280</u>	<u>(13,016,986)</u>	<u>43,460,211</u>	<u>168,828,297</u>
Fund balances - end of year	<u>\$ 46,379,331</u>	<u>\$ 81,562,245</u>	<u>\$ 10,859,839</u>	<u>\$ (14,416,591)</u>	<u>\$ 35,617,258</u>	<u>\$ 160,002,082</u>

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2023

Net change in fund balances - all governmental funds \$ (8,826,215)

Amounts reported for governmental activities in the statement of activities are different because

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 36,478,630

Capital outlay	\$ 69,707,765	
Depreciation	(33,229,135)	

The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increase long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments. (8,693,980)

Principal payments	32,151,153	
Proceeds of bonds	(35,655,000)	
Premium/discount	133,684	
Subscription liability proceeds	(4,519,336)	
OPEB	(850,209)	
KPERS OPEB	45,728	

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (10,361,816)

Compensated absences	427,292	
Pension	(10,917,893)	
Interest expense	128,785	

Revenues in the statement of activities that do not provide current financing resources are not reported as revenues in the funds. 5,775,989

Special assessments	6,229,472	
Capital grant	(453,483)	

Internal service funds are used by management to charge costs of certain activities, such as insurance, purchasing, and fleet maintenance to certain funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 2,280,135

Change in net position of governmental activities \$ 16,652,743

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2023

	Original and Final Amended Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes:			
Property	\$ 25,258,653	\$ 25,615,021	\$ 356,368
Sales	62,141,535	73,549,482	11,407,947
Franchise	11,253,581	12,329,205	1,075,624
Intergovernmental	1,632,795	1,699,905	67,110
Licenses and permits	2,896,865	3,006,225	109,360
Fines, forfeitures, and penalties	2,618,576	2,112,381	(506,195)
Charges for services	8,125,938	9,353,428	1,227,490
Use of money and property	-	2,605,586	2,605,586
Miscellaneous	435,079	335,805	(99,274)
Total revenues	<u>114,363,022</u>	<u>130,607,038</u>	<u>16,244,016</u>
Expenditures			
General government	22,941,883	23,271,811	(329,928)
Public safety	61,281,630	65,346,714	(4,065,084)
Public works	16,238,919	15,087,843	1,151,076
Community services	14,681,275	13,587,752	1,093,523
Contingency	31,012,850	-	31,012,850
Debt service	-	3,006,933	
Total expenditures	<u>146,156,557</u>	<u>120,301,053</u>	<u>28,862,437</u>
Excess of revenues over expenditures	<u>(31,793,535)</u>	<u>10,305,985</u>	<u>45,106,453</u>
Other financing sources (uses)			
Transfers in	8,911,208	8,971,198	59,990
Transfers out	(15,130,523)	(25,367,753)	(10,237,230)
Total other financing sources (uses)	<u>(6,219,315)</u>	<u>(16,396,555)</u>	<u>(10,177,240)</u>
Net change in fund balance	<u>\$ (38,012,850)</u>	<u>(6,090,570)</u>	<u>\$ 34,929,213</u>
Fund balance - beginning of year - budget basis		51,452,403	
Fund balance - end of year - budget basis		45,361,833	
Encumbrances incurred and outstanding		1,017,498	
Fund balance - end of year - GAAP basis		<u>\$ 46,379,331</u>	

City of Olathe, Kansas
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-type Activities - Enterprise Funds			Governmental
	Major			Activities -
	Water and Sewer Fund	Solid Waste Fund	Total	Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 61,471,154	\$ 3,943,059	\$ 65,414,213	\$ 35,821,012
Accounts receivable (net of allowance)	6,518,237	2,245,184	8,763,421	18,428
Loans receivable	-	-	-	567,116
Lease receivable	300,845	-	300,845	-
Inventories and other prepaid items	1,313,382	-	1,313,382	415,195
Total current assets	<u>69,603,618</u>	<u>6,188,243</u>	<u>75,791,861</u>	<u>36,821,751</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	10,161,558	-	10,161,558	-
Due from other funds	-	-	-	1,289,528
Other	-	-	-	11,000
Total restricted assets	<u>10,161,558</u>	<u>-</u>	<u>10,161,558</u>	<u>1,300,528</u>
Capital assets:				
Capital assets not being depreciated				
Land	3,474,500	1,255,005	4,729,505	-
Construction in progress	30,208,935	-	30,208,935	-
Total capital assets not being depreciated	<u>33,683,435</u>	<u>1,255,005</u>	<u>34,938,440</u>	<u>-</u>
Capital assets being depreciated				
Buildings	40,263,260	-	40,263,260	-
Machinery and equipment	4,726,511	1,554,078	6,280,589	78,637,942
Water system	246,571,365	-	246,571,365	-
Sewer system	221,046,150	-	221,046,150	-
Right-to-use subscription assets	155,830	13,743	169,573	1,556,270
Total capital assets being depreciated	<u>512,763,116</u>	<u>1,567,821</u>	<u>514,330,937</u>	<u>80,194,212</u>
Less accumulated depreciation	<u>(158,137,106)</u>	<u>(1,449,027)</u>	<u>(159,586,133)</u>	<u>(48,742,645)</u>
Total capital assets (net of accumulated depreciation)	<u>388,309,445</u>	<u>1,373,799</u>	<u>389,683,244</u>	<u>31,451,567</u>
Lease receivable	2,393,399	-	2,393,399	-
Total noncurrent assets	<u>400,864,402</u>	<u>1,373,799</u>	<u>402,238,201</u>	<u>32,752,095</u>
Total assets	<u>470,468,020</u>	<u>7,562,042</u>	<u>478,030,062</u>	<u>69,573,846</u>
Deferred Outflows of Resources				
Deferred pension	4,148,615	1,841,096	5,989,711	-
Deferred OPEB	550,386	244,253	794,639	-
Deferred KPERS OPEB	34,252	15,201	49,453	-
Deferred amounts on refunding	740,164	-	740,164	-
Total deferred outflows of resources	<u>5,473,417</u>	<u>2,100,550</u>	<u>7,573,967</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 475,941,437</u>	<u>\$ 9,662,592</u>	<u>\$ 485,604,029</u>	<u>\$ 69,573,846</u>

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Net Position
Proprietary Funds
December 31, 2023

	Business-type Activities - Enterprise Funds			Governmental
	Major			Activities -
	Water and Sewer Fund	Solid Waste Fund	Total	Internal Service Funds
Liabilities				
Current liabilities:				
Accounts and claims payable	\$ 2,090,761	\$ 438,823	\$ 2,529,584	\$ 6,195,255
Interest payable	123,106	-	123,106	-
Due to other funds	-	-	-	130,330
Compensated absences	404,612	164,728	569,340	81,133
Current portion of subscription liabilities	20,813	5,047	25,860	511,582
Current portion of general obligation bonds	1,360,000	-	1,360,000	-
Current portion of revolving loan	1,559,504	-	1,559,504	-
Current portion of revenue bonds	6,971,314	-	6,971,314	-
Total current liabilities	<u>12,530,110</u>	<u>608,598</u>	<u>13,138,708</u>	<u>6,918,300</u>
Noncurrent liabilities:				
Compensated absences	313,520	124,325	437,845	58,334
General obligation bonds	1,425,000	-	1,425,000	-
Revolving loan, net	6,359,107	-	6,359,107	-
Revenue bonds, net	105,061,253	-	105,061,253	-
Subscription liabilities	-	-	-	525,587
Total KPERs OPEB liability	117,021	51,489	168,510	-
Total OPEB liability	2,402,890	1,164,514	3,567,404	-
Net pension liability	12,273,747	5,400,450	17,674,197	-
Deposit	275,907	-	275,907	11,000
Total noncurrent liabilities	<u>128,228,445</u>	<u>6,740,778</u>	<u>134,969,223</u>	<u>594,921</u>
Total liabilities	<u>140,758,555</u>	<u>7,349,376</u>	<u>148,107,931</u>	<u>7,513,221</u>
Deferred Inflows of Resources				
Deferred inflows related to leases	2,637,135	-	2,637,135	-
KPERs pension	141,424	64,099	205,523	-
KPERs OPEB	108,819	49,321	158,140	-
OPEB	194,657	88,227	282,884	-
Total deferred inflows of resources	<u>3,082,035</u>	<u>201,647</u>	<u>3,283,682</u>	<u>-</u>
Net position				
Net investment in capital assets	288,112,885	1,368,752	289,481,637	30,414,398
Restricted for bond requirements	10,161,558	-	10,161,558	-
Unrestricted	33,826,404	742,817	34,569,221	31,646,227
Total net position	<u>332,100,847</u>	<u>2,111,569</u>	<u>334,212,416</u>	<u>62,060,625</u>
Total liabilities and net position	<u>\$ 475,941,437</u>	<u>\$ 9,662,592</u>		<u>\$ 69,573,846</u>

Reconciliation to government-wide statement of net position:

Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds	11,885,081
Net position of business-type activities	<u>\$ 346,097,497</u>

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Major			Internal
	Water and Sewer Fund	Solid Waste Fund	Total	Service Funds
Operating revenues				
Charges for services	\$ 61,767,643	\$ 18,254,783	\$ 80,022,426	\$ 46,401,645
Intergovernmental	95,116	-	95,116	20,803
Miscellaneous	1,831,705	-	1,831,705	-
Total operating revenues	<u>63,694,464</u>	<u>18,254,783</u>	<u>81,949,247</u>	<u>46,422,448</u>
Operating expenses				
Water production	5,889,266	-	5,889,266	-
Wastewater treatment	2,195,561	-	2,195,561	-
Water and sewer maintenance	3,741,430	-	3,741,430	-
Administration and general	30,111,422	8,529,499	38,640,921	30,016,627
Equipment maintenance	-	-	-	9,553,155
Sanitation expense	-	4,741,752	4,741,752	-
Transfer station expense	-	4,656,693	4,656,693	-
Depreciation	7,595,770	78,440	7,674,210	6,107,352
Total operating expenses	<u>49,533,449</u>	<u>18,006,384</u>	<u>67,539,833</u>	<u>45,677,134</u>
Operating income	<u>14,161,015</u>	<u>248,399</u>	<u>14,409,414</u>	<u>745,314</u>
Nonoperating revenues (expenses)				
Interest income	3,243,461	169,350	3,412,811	1,370,661
Lease interest income	145,066	-	145,066	-
Interest expense	(3,978,716)	(252)	(3,978,968)	-
Gain from sale of equipment	-	-	-	456,533
Total nonoperating revenues (expenses)	<u>(590,189)</u>	<u>169,098</u>	<u>(421,091)</u>	<u>1,827,194</u>
Net income (loss) before transfers and capital contributions	13,570,826	417,497	13,988,323	2,572,508
Transfers in	-	186	186	-
Transfers out	-	-	-	(70,384)
Change in net position	<u>13,570,826</u>	<u>417,683</u>	<u>13,988,509</u>	<u>2,502,124</u>
Net position - beginning of year	318,530,021	1,693,886		59,558,501
Net position - end of year	<u>\$ 332,100,847</u>	<u>\$ 2,111,569</u>		<u>\$ 62,060,625</u>

Reconciliation to government-wide statement of activities:

Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.

221,989

Change in net position of business-type activities

\$ 14,210,498

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds			Governmental
	Major			Activities -
	Water and Sewer Fund	Solid Waste Fund	Total	Internal Service Funds
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 60,222,233	\$ 17,919,099	\$ 78,141,332	\$ 45,837,356
Payments to suppliers	(25,593,910)	(11,098,668)	(36,692,578)	(33,564,584)
Payments to employees	(11,913,764)	(5,885,652)	(17,799,416)	(4,032,187)
Net cash provided by operating activities	<u>22,714,559</u>	<u>934,779</u>	<u>23,649,338</u>	<u>8,240,585</u>
Cash Flows from Noncapital Financing Activities				
Transfers from other funds	-	186	186	-
Transfers to other funds	-	-	-	(70,384)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>186</u>	<u>186</u>	<u>(70,384)</u>
Cash Flows from Capital and Related Financing Activities				
Acquisitions and construction of capital assets	(7,684,559)	(1)	(7,684,560)	(5,378,662)
Proceeds from sale of capital assets	-	-	-	456,533
Proceeds from revenue bonds	5,549,142	-	5,549,142	-
Principal paid on revenue bonds	(6,624,022)	-	(6,624,022)	-
Principal paid on general obligation bonds	(1,330,000)	-	(1,330,000)	-
Principal paid on revolving loans	(1,509,703)	-	(1,509,703)	-
Principal paid on subscription liabilities	(135,017)	(8,696)	(143,713)	(519,101)
Interest paid	(4,295,054)	(252)	(4,295,306)	-
Net cash (used in) capital and related financing activities	<u>(16,029,213)</u>	<u>(8,949)</u>	<u>(16,038,162)</u>	<u>(5,441,230)</u>
Cash Flows from Investing Activities				
Interest received	3,388,527	169,350	3,557,877	1,370,661
Net cash provided by investing activities	<u>3,388,527</u>	<u>169,350</u>	<u>3,557,877</u>	<u>1,370,661</u>
Net increase (decrease) in cash and cash equivalents	10,073,873	1,095,366	11,169,239	4,099,632
Cash and cash equivalents - beginning of year	61,558,839	2,847,693	64,406,532	31,721,380
Cash and cash equivalents - end of year	<u>\$ 71,632,712</u>	<u>\$ 3,943,059</u>	<u>\$ 75,575,771</u>	<u>\$ 35,821,012</u>

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-type Activities - Enterprise Funds			Governmental
	Major			Activities -
	Water and Sewer Fund	Solid Waste Fund	Total	Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 14,161,015	\$ 248,399	\$ 14,409,414	\$ 745,314
Adjustments to reconcile operating income to cash provided by operating activities				
Depreciation	7,595,770	78,440	7,674,210	6,107,352
Changes in assets and liabilities				
(Increase) Decrease in receivables	(3,472,231)	(335,684)	(3,807,915)	(564,289)
Decrease in deferred outflows	(352,879)	(182,736)	(535,615)	-
(Increase) Decrease in inventories	(266,629)	-	(266,629)	(49,129)
Increase in accounts and claims payable	1,666,311	438,823	2,105,134	1,887,584
Increase in net pension liability	1,502,543	661,121	2,163,664	-
Increase (Decrease) in deferred inflows	(195,327)	(18,611)	(213,938)	-
(Decrease) in total KPERS OPEB liability	(14,633)	(6,439)	(21,072)	-
Increase (Decrease) in total OPEB liability	2,210,138	60,491	2,270,629	-
Increase in deposits	11,582	-	11,582	-
Increase in due to other funds	-	-	-	128,826
Increase in compensated absences	(131,101)	(9,025)	(140,126)	(15,073)
Total adjustments	<u>8,553,544</u>	<u>686,380</u>	<u>9,239,924</u>	<u>7,495,271</u>
Net cash provided by operating activities	<u>\$ 22,714,559</u>	<u>\$ 934,779</u>	<u>\$ 23,649,338</u>	<u>\$ 8,240,585</u>

See accompanying notes to the basic financial statements

SECTION 4

**NOTES TO
THE BASIC
FINANCIAL
STATEMENTS**



City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies

The City of Olathe, Kansas (City) was incorporated February 20, 1857 under the provisions of K.S.A. 12-101, et seq. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture/recreation, education, public improvements, water and sewer, planning and zoning, and general administrative services.

This summary of significant accounting policies of the City is presented to assist in understanding the City's basic financial statements. The basic financial statements and notes are representations of the City's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to local governments and have been consistently applied in the preparation of the basic financial statements. The following is a summary of the more significant policies:

a. Reporting Entity

An elected seven-member council (including the Mayor) governs the City. As required by GAAP, the financial statements present data for all departments and funds of the City, including all boards and commissions (the primary government, herein referred to as the City) and a component unit, an entity for which the City is considered to be financially accountable.

The determination of financial accountability includes consideration of a number of criteria including: (1) the appointment of a voting majority of an entity's governing authority and the ability of the primary government to impose its will on the entity, (2) the potential for the entity to provide specific financial benefits to, or impose specific financial burdens on, the primary government, and (3) the entity's fiscal dependency on the primary government.

b. Individual Component Unit Disclosures

Discretely Presented Component Unit – the Olathe Public Housing Authority (Authority) is governed by a five-member board, which is appointed by the City Council. Although City employees perform administration of various programs, management of the Authority has responsibility for its own operations. The City provides a significant portion of the Authority's support and property. The Authority does not issue separate financial statements.

c. Basis of Presentation – Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The City's funds are grouped into two broad fund categories for basic financial statement presentation purposes. Governmental funds include the general, special revenue, debt service, and the capital projects funds. Proprietary funds include enterprise and internal service funds.

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2023

d. Basis of Accounting

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City (the primary government) as a whole. Internal service funds and other interfund activities are eliminated to avoid “doubling up” revenues and expenses. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, each of the governmental fund financial statements includes a reconciliation with brief explanations to better identify the relationship between the governmental fund statements and the government-wide statements.

The government-wide statement of activities presents a comparison between expenses and program revenues for each program of the governmental activities. Expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City.

Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The major individual enterprise funds are reported as separate columns in the proprietary fund financial statements. Nonmajor funds are aggregated and presented in a single column on the governmental and proprietary fund financial statements.

The City reports the following major governmental funds:

General

The General Fund is the main operating fund of the City. It accounts for all financial resources of the general government, except those accounted for and reported in another fund.

Debt Service

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2023

Special Tax Financing

The Special Tax Financing Fund accounts for ad valorem and sales tax monies received from the increased assessed values of the tax increment financing (TIF) districts and its sales activities, the transportation development district (TDD) sales activities, and the Community Improvement District (CID) sales activities. This fund is considered a debt service fund.

Capital Projects

The Capital Projects Fund accounts for the financing and construction of street improvement projects, water and sewer improvement projects, and various other citywide improvement projects.

The City reports the following major proprietary funds:

Water and Sewer

The Water and Sewer Fund accounts for the activities of the sewage treatment plant, sewage pumping stations, collection systems, and the water distribution system.

Solid Waste

The Solid Waste Fund accounts for the provision of solid waste collection and disposal services to the residents and businesses of the City.

Proprietary Funds

Proprietary funds use the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net assets.

Proprietary funds include the following fund types:

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, as the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds account for the financing of goods and services, such as insurance and fleet management, provided to other departments or agencies of the City on a cost reimbursement basis.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2023

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as they are both measurable and available to finance the City's current operations.

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Significant revenues, which are considered susceptible to accrual, include property taxes, sales taxes, franchise taxes, interest, and certain state and federal grants and entitlements. Expenditures, including capital outlays, are recorded in all nonproprietary fund types when the related liability is both measurable and incurred except for general obligation debt principal and interest which are reported as expenditures in the year due.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purposes or project before any amounts will be paid to the City; therefore, revenues are recognized based on the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and nearly irrevocable, i.e., revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the measurable and available criteria.

Licenses and permits, fines and forfeitures, charges for services and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received.

In accordance with state statutes, projects financed in part by special assessments are financed through issuance of general obligation bonds of the City and are retired from the Debt Service Fund. Special assessments are recorded as unearned revenues in the year the assessments are levied. Special assessments paid in full prior to the issuance of bonds are recorded as revenue in the capital project fund. Special assessments received after the issuance of bonds are recorded as revenue in the Debt Service Fund.

e. Cash and Cash Equivalents

In the statement of cash flows for the proprietary funds, cash and cash equivalents include cash held in financial institutions and investments with original maturities less than three months.

f. Accounts Receivable

Accounts receivable result primarily from water, sewer, and sanitation services accounted for in the Water and Sewer Fund and the Solid Waste Fund (Enterprise Funds).

g. Inventories and Other Prepaid Items

Inventories are stated at cost using the first-in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2023

Certain payments represent costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

h. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. streets, traffic signals, sewers, 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 government as assets with an initial, individual cost at or above the capitalization threshold listed below and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

		<u>Capitalization Threshold</u>
Buildings and improvements	40 years	\$ 100,000
Vehicles and equipment	4 - 20 years	5,000
Water system	75 years	50,000
Sewage system	75 years	50,000
Streets	20 years	100,000
Storm sewer	40 years	25,000
Traffic signals	30 years	25,000
Land	Not Depreciated	25,000

i. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement 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. In addition, for Pension and OPEB there is the differences between expected and actual experience, the net difference between projected and actual earnings on pension investments, changes of assumptions, deferred change in proportion and contributions made after the measurement date. These represent a consumption of net assets that applies to future periods and is not recognized as an outflow of resources until then.

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2023

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 a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has nonexchange revenue transactions where a receivable has been recorded because property taxes were levied, but the resources cannot be used until a future period. This item has been reported as deferred inflow on the government-wide statement of net position. The City also reports a deferred charge on refunding which is the result from the difference in carrying value of refunded debt and its reacquisition price. In addition, nonexchange revenue transactions for intergovernmental, special assessments, and loan related transactions have receivables recorded, but resources are not available on the modified accrual basis and therefore are recorded as deferred inflows in the governmental funds. Also, a deferred inflow of resources dealing with OPEB and pension is reported for the differences between expected and actual experience, change in proportion, and changes of assumptions.

j. Budgets and Budgetary Accounting

Applicable Kansas statutes require budgets be legally adopted for all funds unless exempt by a specific statute. Specific funds exempt from legally adopted budgets are all federal and state assistance funds and capital projects funds. Specific special revenue funds exempt from legally adopted budgetary requirements include the Reimbursable Programs, Grants, and Cemetery Funds. Controls over spending in funds which are not subject to legal budgets are maintained by the use of the internal spending limits established by management.

Funds requiring legally adopted budgets are the General, Fire Levy, Motor Fuel Tax, Library Operating, Economic Development and Tourism, Special Park and Recreation, Special Alcohol, Storm Water, Park Sales Tax, Street Maintenance Sales Tax, Recreation, Special Tax Financing, and Debt Service.

The annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized on the modified accrual basis. Expenditures include disbursements, accounts payable, and encumbrances.

Encumbrances are commitments of funds for unperformed contracts for goods and services. Encumbrance accounting is used, to the extent necessary, to ensure effective budgetary control and accountability and to facilitate effective cash planning and control in governmental funds. Encumbered appropriations which will be honored at year-end are included with the fund balance classifications to which resources had already been classified. If the balance had not been previously classified (general fund only), it is included within assigned. Subsequent year's appropriations will provide the authority to complete these transactions; they do not constitute either expenditures or liabilities of the fund.

All unencumbered appropriations lapse at year-end. Accordingly, the actual data presented in the budgetary comparison statements include encumbrances and, consequently, differ from the expenditure data presented in the basic financial statements prepared in accordance with GAAP.

The Debt Service Fund budget is prepared to provide a basis for a level ad valorem tax levy through the tax year life of the outstanding debt. Therefore, the timing of the amounts levied for the principal reduction does not necessarily correspond to the timing of the payment of principal maturities.

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2023

The statutes provide for the following sequence and timetable in the adoption of budgets if exceeding the revenue neutral rate:

- (1) July 20th: Last day to notify the county clerk of exceeding the revenue neutral rate.
- (2) August 20th to September 20th: Hold revenue neutral rate and budget public hearing.
- (3) A minimum of 10 days notice of a public hearing, published in a local newspaper.
- (4) Adoption of the final budget on or before October 1st of each year.

Kansas statutes permit transferring budgeted amounts between line items within an individual fund; however, such statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. The City Manager can transfer appropriations within a fund without the approval of the governing body; however, total appropriations are not to exceed the fund's total budgeted amount.

k. Retirement Plans

Substantially all full-time City employees are members of the Kansas Public Employees Retirement System (KPERs) or the Kansas Police and Fire Retirement Plan (KP&F) (a cost-sharing multiple-employer public employee retirement system). The City's policy is to fund all pension costs accrued; such costs are determined annually by the State.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension expense, information about the fiduciary net position of the KPERs, and additions to/deductions from KPERs fiduciary net position have been determined on the same basis as they are reported by KPERs. 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.

l. Compensated Absences

The City's policy permits employees to accumulate a maximum of 8 weeks of vacation time. Accumulated unpaid vacation for the governmental funds is included as a liability in the government-wide financial statements. Accumulated unpaid vacation for proprietary funds is included as a liability in both the fund and government-wide financial statements.

The City's policy permits employees to accumulate an unlimited amount of sick leave. The current policy is to compensate employees for 25% of unused accumulated sick leave based on a maximum of 960 hours upon retirement. The employee must be eligible for KPERs or KP&F retirement to qualify.

m. Interfund Transactions

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2023

n. Equity Classifications

In the government-wide statements, equity is shown as net position and classified into three components:

- (1) Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages notes, or other borrowings that are attributable to the acquisitions, construction, or improvements of those assets.
- (2) Restricted net position – consisting of net position with constraints 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. The City first utilizes restricted resources to finance qualifying activities.
- (3) Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the governmental funds, equity is shown as fund balance and classified into five components:

- (1) Nonspendable – inherently nonspendable
- (2) Restricted – externally enforceable limitations on use
- (3) Committed – self – imposed limitations set in place prior to the end of the period at the highest level of decision making
- (4) Assigned – limitation resulting from intended use
- (5) Unassigned – residual net resources

o. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

p. Leases

Lessee: The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$100,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2023

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor for noncancellable leases of antenna towers. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The City uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the leases. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

q. Subscription Based Information Technology Agreements (SBITAs)

For the year ended September 30, 2023, the City adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The implementation of this standard established accounting and financial reporting for all SBITAs. SBITAs, which include software contracts, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. A SBITA is a contract that conveys control of the right to use another party's Information Technology (IT) software as specified in the contract for a period of time in an exchange or exchange-like transaction. SBITA contracts contain non-cancellable terms of 12 months or greater; or non-cancellable terms of 12 months or less if it is reasonably certain the option to extend will be exercised.

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2023

SBITAs are recorded at the net present value of subscription payments expected to be made during the subscription term, plus any payments made to the SBITA vendor before the commencement of the subscription term and certain direct costs (less any incentives). A subscription asset should be amortized over the life of the subscription term. The City recognizes a subscription liability with an individual or aggregate present value of \$100,000 or more.

2. Deposits and Investments

The City combines idle cash from all funds for the purpose of increasing income through investment activities. Investments are carried at fair value, which approximates cost. Interest income on investments and appreciation/depreciation in fair value investments are allocated to the governmental fund types and proprietary fund types on the basis of average monthly cash balances. State statutes authorize the City to invest in fully collateralized or fully insured money market accounts, time deposits, the State of Kansas Municipal Investment Pool, direct debt securities of the United States, and fully collateralized repurchase agreements. The State of Kansas Municipal Investment Pool is operated by the State Treasurer and is not a SEC registered pool. The Pooled Money Investment Board (PMIB) provides the regulatory oversight for this pool. The fair value of the City's position in the pool is the same as the value of the City's pool shares.

Facts and Assumptions – The City holds investments that are measured at fair value on a recurring basis. Since investing is not a core part of the City's mission, the City determines that the disclosures related to these investments only need to be disaggregated by major type. The City chooses a narrative format for the fair value disclosures.

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2023:

State investment pool of \$8,179,362 and are valued using net asset value (Level 1 inputs).
Treasury Notes of \$26,593,447 are valued at market value (Level 1 inputs).
Government Agencies of \$183,906,626 are valued using matrix pricing using the price or yield of a similar bond (Level 2 inputs).

Interest Rate Risk and Reconciliation of Cash and Investments to the Statement of Net Position – As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits its investment maturities to less than four years. Listed as follows are the City's investments with maturity dates.

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2023

Cash, Cash Equivalents, and Investments	Maturities	Fair Value
State investment pool - overnight	6 months or less	\$ 8,179,362
Government Agency	2 years or less	183,906,625
Treasury Note	1 year or less	26,593,447
Total investments		218,679,434
Certificates of deposit		81,130,000
Cash held by trustee		1,083,364
Restricted cash deposits		10,161,558
Unrestricted cash deposits		17,810,836
Total cash, cash equivalents, and investments		<u>\$ 328,865,192</u>

Credit Risk – State law limits investments to Temporary Notes of the City, Collateralized Certificates of Deposit, Collateralized Repurchase Agreements, U.S. Treasury Obligations, the Kansas Municipal Investment Pool, Commercial Bank Savings Accounts, U.S. Government Agency Securities, U.S. Government Sponsored Corporation’s Instruments, and Multiple Client Investment Pools. The City’s policy on credit risk follows state statutes. As of December 31, 2023, City funds not held in depository accounts had been invested in Certificates of Deposit, Government Sponsored Corporation Instruments, Guaranteed Investment Contracts, and the Kansas Municipal Investment Pool (rated AAAs/S1 by Standard & Poor’s).

Concentration of Credit Risk – Presented below is the actual rating by Moody’s Investor Services as of year-end for each cash and investment type, as well as the concentration, and respective fair value.

Investment Type	Total	Percentage of total cash and investments
Kansas Municipal Investment Pool	\$ 8,179,362	2.49%
Certificates of deposit	81,130,000	24.67%
U.S. Government Securities		
Federal Home Loan Bank	177,845,675	54.08%
Federal Farm Credit Bank	6,060,950	1.84%
U.S. Treasury Notes	26,593,447	8.09%
Held by trustee or restricted accounts	11,244,922	3.42%
Unrestricted cash deposit accounts	17,810,836	5.41%
Total	<u>\$ 328,865,192</u>	<u>100.00%</u>

Federal Home Loan Bank securities are a government sponsored instrument and are rated Aaa by Moody’s. U.S. Treasury Notes (issued by the U.S. Government) are not rated as they are considered to be of the highest quality and are backed by the full faith and credit of the U.S. Government.

Custodial Credit Risk – For deposits or investments, custodial credit risk is the risk that, in the event of the failure of the bank or counterparty, the City will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside party. The City’s policy for deposits and investments follows state statutes. At December 31, 2023, all of the City’s deposits were fully insured by federal depository insurance or otherwise collateralized by securities held in the City’s name. The City has \$210,500,072 of Government Agencies that are held by the investment counterparty.

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2023

3. Taxes and Special Assessments

Taxes and special assessments revenue by fund type, including interest and penalties, as of December 31, 2023, are as follows:

	Major			Other	Total
	General	Debt Service	Special Tax Financing	Governmental Funds	
Property tax	\$ 25,615,021	\$ 25,646,792	\$ 2,971,555	\$ 12,981,624	\$ 67,214,992
Sales tax	73,549,482	-	4,786,868	22,029,711	100,366,061
Franchise tax	12,329,205	-	-	-	12,329,205
Transient guest tax	-	-	835,070	1,733,153	2,568,223
Special assessment	-	3,684,472	-	-	3,684,472
	<u>\$ 111,493,708</u>	<u>\$ 29,331,264</u>	<u>\$ 8,593,493</u>	<u>\$ 36,744,488</u>	<u>\$ 186,162,953</u>

Taxes and special assessments receivable by fund type as of December 31, 2023 are as follows:

	Major			Other	Total
	General	Debt Service	Special Tax Financing	Governmental Funds	
Property tax	\$ 24,089,865	\$ 30,902,497	\$ 3,859,763	\$ 13,675,841	\$ 72,527,966
Sales tax	13,085,688	-	995,596	3,961,521	18,042,805
Franchise tax	1,577,688	-	-	-	1,577,688
Transient guest tax	-	-	235,064	457,031	692,095
Special assessment	-	28,071,631	-	-	28,071,631
	<u>\$ 38,753,241</u>	<u>\$ 58,974,128</u>	<u>\$ 5,090,423</u>	<u>\$ 18,094,393</u>	<u>\$ 120,912,185</u>

The City's Property tax is levied each November 1 on the assessed value as of the prior January 1 for all property located in the City. November 1 also serves as the lien date. The assessed values are established by the Johnson County Assessor. The assessed value for property (excluding motor vehicle) located in the City as of November 1, 2022 on which the 2023 levy was based was \$2,751,538,496.

The City's property tax levies per \$1,000 assessed valuation for the year ended December 31, 2023 were as follows:

Fund	Levy
General	\$ 8.750
Special revenue	4.814
Debt service	9.792
	<u>\$ 23.356</u>

The City's property taxes for 2023 were assessed in November of 2022 and distributed to the City in 2023 in accordance with state statutes. Property taxes are due in total by December 31 following the levy date, or they may be paid in equal installments if paid by December 20 (first installment) and the following May 10 (second installment).

City of Olathe, Kansas
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State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Therefore, taxes levied in the current year are recorded as taxes receivable and deferred inflows of resources at year-end and are recognized as revenue, net of estimated uncollectible and delinquent amounts, in the year they become due.

4. Intergovernmental Receivables and Revenue

Amounts due from other governments as of December 31, 2023 are as follows:

	<u>Major</u>		<u>Other Governmental Funds</u>	<u>Total</u>
	<u>General</u>	<u>Capital Projects</u>		
Federal				
Department of Housing and Urban Development	\$ -	\$ -	\$ 86,869	\$ 86,869
State				
Department of Revenue	164,811	-	1,300,839	1,465,650
Department of Transportation	19,912	568,051	-	587,963
Kansas Forest Services	-	-	180,782	180,782
Local				
Johnson County	-	186,491	-	186,491
	<u>\$ 184,723</u>	<u>\$ 754,542</u>	<u>\$ 1,568,490</u>	<u>\$ 2,507,755</u>

Intergovernmental revenues for the year ended December 31, 2023 consisted of the following:

	<u>Major</u>		<u>Other Governmental Funds</u>	<u>Total</u>
	<u>General</u>	<u>Capital Projects</u>		
Federal				
Department of Housing and Urban Development	\$ -	\$ 122,374	\$ 587,803	\$ 710,177
State and Local Fiscal Recovery Funds	-	328,913	-	328,913
Department of Health and Human Services	-	-	175,075	175,075
Department of Justice	-	-	620,862	620,862
State				
Liquor Tax	637,018	-	1,274,035	1,911,053
State Highway Connecting Links	79,054	-	-	79,054
Special Highway	-	-	3,877,685	3,877,685
Library State Aid	-	-	40,321	40,321
Department of Wildlife and Parks	-	-	6,803	6,803
Department of Transportation	-	2,075,197	28,493	2,103,690
County				
Street Improvements	-	2,134,039	-	2,134,039
Heritage Trust	-	-	3,500	3,500
Local				
MARC	-	-	12,791	12,791
Unified School District 233	983,833	-	-	983,833
Olathe Medical Center	-	-	125,000	125,000
	<u>\$ 1,699,905</u>	<u>\$ 4,660,523</u>	<u>\$ 6,752,368</u>	<u>\$ 13,112,796</u>

City of Olathe, Kansas
Notes to the Basic Financial Statements
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5. Capital Assets

Capital Asset activity for the year ended December 31, 2023 was as follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 123,412,610	\$ 2,511,985	\$ -	\$ 125,924,595
Art collection	13,445	-	-	13,445
Kansas Room Collection / Genealogy	22,140	5,800	-	27,940
Construction in progress	265,044,840	62,734,179	43,482,875	284,296,144
Total capital assets, not being depreciated	<u>388,493,035</u>	<u>65,251,964</u>	<u>43,482,875</u>	<u>410,262,124</u>
Capital assets being depreciated				
Land improvements	466,753	1,679,215	-	2,145,968
Buildings	137,348,628	2,378,784	-	139,727,412
Machinery and equipment	98,371,347	6,634,259	5,736,289	99,269,317
Swimming pools	10,351,984	-	-	10,351,984
Infrastructure	885,261,741	34,650,718	-	919,912,459
Books and materials	4,470,741	466,649	314,813	4,622,577
Right-to-use leased equipment	225,738	-	-	225,738
Right-to-use subscription assets	5,578,528	7,822,215	-	13,400,743
Total capital assets being depreciated	<u>1,142,075,460</u>	<u>53,631,840</u>	<u>6,051,102</u>	<u>1,189,656,198</u>
Less accumulated depreciation for				
Land improvements	(39,488)	(23,338)	-	(62,826)
Buildings	(42,967,231)	(3,425,628)	-	(46,392,859)
Machinery and equipment	(62,607,360)	(6,861,588)	(5,421,787)	(64,047,161)
Swimming pools	(8,511,649)	(239,517)	-	(8,751,166)
Infrastructure	(566,742,593)	(25,860,232)	-	(592,602,825)
Books and materials	(3,289,349)	(474,754)	(314,813)	(3,449,290)
Right-to-use leased equipment	(55,245)	(55,245)	-	(110,490)
Right-to-use subscription assets	-	(2,396,185)	-	(2,396,185)
Total accumulated depreciation	<u>(684,212,915)</u>	<u>(39,336,487)</u>	<u>(5,736,600)</u>	<u>(717,812,802)</u>
Total capital assets being depreciated, net	<u>457,862,545</u>	<u>14,295,353</u>	<u>314,502</u>	<u>471,843,396</u>
Governmental activities capital assets, net	<u>\$ 846,355,580</u>	<u>\$ 79,547,317</u>	<u>\$ 43,797,377</u>	<u>\$ 882,105,520</u>

City of Olathe, Kansas
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	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 4,730,825	\$ -	\$ -	\$ 4,730,825
Construction in progress	48,459,493	7,684,559	25,936,437	30,207,615
Total capital assets, not being depreciated	<u>53,190,318</u>	<u>7,684,559</u>	<u>25,936,437</u>	<u>34,938,440</u>
Capital assets being depreciated				
Buildings	33,778,295	6,484,965	-	40,263,260
Machinery and equipment	5,955,589	325,000	-	6,280,589
Water system	231,965,586	14,605,779	-	246,571,365
Sewer system	216,525,457	4,520,694	-	221,046,151
Right-to-use subscription assets	169,573	-	-	169,573
Total capital assets being depreciated	<u>488,394,500</u>	<u>25,936,438</u>	<u>-</u>	<u>514,330,938</u>
Less accumulated depreciation for				
Buildings	(16,597,046)	(815,237)	-	(17,412,283)
Machinery and equipment	(3,851,394)	(191,342)	-	(4,042,736)
Water system	(75,168,175)	(2,827,649)	-	(77,995,824)
Sewer system	(56,295,309)	(3,745,039)	-	(60,040,348)
Right-to-use subscription assets	-	(94,943)	-	(94,943)
Total accumulated depreciation	<u>(151,911,924)</u>	<u>(7,674,210)</u>	<u>-</u>	<u>(159,586,134)</u>
Total capital assets being depreciated, net	<u>336,482,576</u>	<u>18,262,228</u>	<u>-</u>	<u>354,744,804</u>
Business-type activities capital assets, net	<u>\$ 389,672,894</u>	<u>\$ 25,946,787</u>	<u>\$ 25,936,437</u>	<u>\$ 389,683,244</u>
	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>
Component unit				
Capital assets, not being depreciated				
Land	\$ 442,111	\$ -	\$ -	\$ 442,111
Total capital assets, not being depreciated	<u>442,111</u>	<u>-</u>	<u>-</u>	<u>442,111</u>
Capital assets being depreciated				
Buildings and improvements	9,202,097	10,764	2,670	9,210,191
Machinery and equipment	277,141	-	-	277,141
Total capital assets being depreciated	<u>9,479,238</u>	<u>10,764</u>	<u>2,670</u>	<u>9,487,332</u>
Less accumulated depreciation for				
Buildings	(7,483,679)	(169,171)	(2,670)	(7,650,180)
Machinery and equipment	(219,024)	(7,265)	-	(226,289)
Total accumulated depreciation	<u>(7,702,703)</u>	<u>(176,436)</u>	<u>(2,670)</u>	<u>(7,876,469)</u>
Total capital assets being depreciated, net	<u>1,776,535</u>	<u>(165,672)</u>	<u>-</u>	<u>1,610,863</u>
Component units capital assets, net	<u>\$ 2,218,646</u>	<u>\$ (165,672)</u>	<u>\$ -</u>	<u>\$ 2,052,974</u>

City of Olathe, Kansas
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Depreciation expense was charged to functions/programs of the primary government as follows:

Government activities

General government	\$ 686,213
Public safety	1,087,952
Public works	30,706,827
Community services	748,143
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	<u>6,107,352</u>
Total depreciation expense for governmental activities	<u><u>\$ 39,336,487</u></u>

Business-type activities

Water and sewer	\$ 7,595,770
Solid waste	78,440
Total depreciation expense for business-type activities	<u><u>\$ 7,674,210</u></u>

Component Unit

Olathe public housing authority	<u><u>\$ 176,436</u></u>
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6. Leases receivable

During the current fiscal year, the City had an office lease that was leased to a third party. The City recognized \$47,704 in lease interest income during the current fiscal year related to this lease recorded in the General Fund. As of December 31, 2023, the City's receivable related to this lease was \$1,717,768. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2023, the balance of the deferred inflow of resources was \$1,688,190.

During the current fiscal year, the City had antenna site leases that were leased to third parties. The City recognized \$83,427 in lease interest income during the current fiscal year related to these leases recorded in the Water and Sewer Fund. As of December 31, 2023, the City's receivable for lease payments was \$2,694,244. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of December 31, 2023, the balance of the deferred inflow of resources was \$2,637,135.

7. Debt

Short-term debt

The following is a summary of the short-term debt transactions of the City for the year ended December 31, 2023.

	Beginning of Year	Additions	Retirements	End of Year	Due in One Year
Governmental					
Temporary notes	<u>\$ 67,565,600</u>	<u>\$ 73,221,379</u>	<u>\$ 67,565,600</u>	<u>\$ 73,221,379</u>	<u>\$ 73,221,379</u>

City of Olathe, Kansas
Notes to the Basic Financial Statements
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Temporary Notes	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>End of Year</u>
Street and sidewalk improvements	5.00%	1-Aug-24	\$ 40,017,598
Citywide improvements	5.00%	1-Aug-24	33,203,781
			<u>\$ 73,221,379</u>

Long-term debt

The following is a summary of long-term debt transactions for the year ended December 31, 2023.

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>	<u>Due in One Year</u>
Governmental					
General obligation bonds	\$ 216,925,000	\$ 35,655,000	\$ 26,480,000	\$ 226,100,000	\$ 28,005,000
Special obligations bonds	18,352,001	-	1,775,839	16,576,162	14,241,162
Revenue bonds	5,765,000	-	220,000	5,545,000	230,000
Leases payable	170,849	-	55,092	115,757	55,896
Subscription liability	5,578,529	4,519,336	4,139,324	5,958,541	1,321,206
Compensated absences	5,538,777	4,029,146	4,471,511	5,096,412	2,808,422
Total KPERS OPEB liability	1,200,777	79,236	198,290	1,081,723	-
Total OPEB liability	28,283,041	3,322,835	1,773,175	29,832,701	-
	<u>281,813,974</u>	<u>47,605,553</u>	<u>39,113,231</u>	<u>290,306,296</u>	<u>46,661,686</u>
Add: bond issuance premium	28,027,068	3,209,449	3,343,259	27,893,258	3,379,875
Deduct: bond discount	(1,453)	-	(126)	(1,327)	(126)
Total governmental debt	<u>309,839,589</u>	<u>50,815,002</u>	<u>42,456,364</u>	<u>318,198,227</u>	<u>50,041,435</u>
Business-type					
General obligation bonds	4,115,000	-	1,330,000	2,785,000	1,360,000
Revenue bonds	107,430,000	5,280,000	5,850,000	106,860,000	6,245,000
KDHE revolving loan	9,428,314	-	1,509,703	7,918,611	1,559,504
Subscription liability	169,573	-	143,713	25,860	25,860
Compensated absences	1,147,311	816,812	956,938	1,007,185	569,340
Total KPERS OPEB liability	189,582	8,558	29,630	168,510	-
Total OPEB liability	3,382,095	404,465	219,156	3,567,404	-
	<u>125,861,875</u>	<u>6,509,835</u>	<u>10,039,140</u>	<u>122,332,570</u>	<u>9,759,704</u>
Add: bond issuance premium	5,677,447	269,142	774,022	5,172,567	726,314
Total business-type debt	<u>131,539,322</u>	<u>6,778,977</u>	<u>10,813,162</u>	<u>127,505,137</u>	<u>10,486,018</u>
Total primary government	<u>\$ 441,378,911</u>	<u>\$ 57,593,979</u>	<u>\$ 53,269,526</u>	<u>\$ 445,703,364</u>	<u>\$ 60,527,453</u>

Projects financed in part by special assessments are financed by the issuance of general obligation bonds of the City and are backed by the full faith and credit of the City and are included within the General Obligation Bonds and are retired from the Debt Service Fund.

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits temporary financing of such improvements by the issuance of general obligation notes. General obligation notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing, and have a maturity date not later than four years from the date of issuance of such general obligation notes.

Compensated absences and OPEB liabilities have typically been liquidated by the General, Water and Sewer, Solid Waste, and Central Garage Funds.

City of Olathe, Kansas
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The City's General Obligation Bonds constitute general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Bonds

	<u>Original Issue</u>	<u>Original Issue Interest Rate</u>	<u>Maturity Date</u>	<u>End of Year</u>
General Obligation Bonds				
Governmental activities				
2014 Series 223 improvement bonds	9,315,000	1.50 - 5.00	1-Oct-24	\$ 1,440,000
2014 Series 225 improvement bonds	12,905,000	1.00 - 3.90	1-Sep-35	8,975,000
2015 Series 226 improvement bonds	11,695,000	2.50 - 5.00	1-Oct-25	2,490,000
2015 Series 227 refunding	8,290,000	2.00 - 4.00	1-Oct-27	2,140,000
2016 Series 228 refunding and improvement	25,315,000	0.65 - 2.29	1-Oct-31	11,120,000
2016 Series 229 improvement	5,765,000	0.90 - 2.55	1-Oct-26	1,930,000
2017 Series 230 refunding and improvement	27,525,000	2.50 - 5.00	1-Oct-29	14,925,000
2018 Series 231 improvement bonds	34,170,000	4.00 - 5.00	1-Oct-28	19,140,000
2019 Series 232 improvement bonds	21,115,000	4.00 - 5.00	1-Oct-30	13,000,000
2020 Series 233 improvement bonds	29,365,000	2.00 - 3.00	1-Oct-31	19,815,000
2021 Series 234 improvement and refunding	93,050,000	1.75 - 4.25	1-Oct-41	76,965,000
2022 Series 235 improvement bonds	19,800,000	3.50 - 5.00	1-Oct-42	18,505,000
2023A Series improvement bonds	35,655,000	4.00 - 5.00	1-Oct-43	<u>35,655,000</u>
				226,100,000
Business-type activities				
2021 Series 234 improvement and refunding	5,395,000	1.75 - 4.25	1-Oct-41	<u>2,785,000</u>
Total General Obligation Bonds				<u>\$ 228,885,000</u>

	<u>Original Issue</u>	<u>Original Issue Interest Rate</u>	<u>Maturity Date</u>	<u>End of Year</u>
Governmental activities				
Special Obligation Bonds				
2006 Series Olathe Gateway TIF	\$ 13,030,000	4.75 - 5.00	1-Mar-26	\$ 6,534,294
2006 Series Olathe Gateway TDD	9,195,000	4.75 - 5.00	1-Dec-28	6,301,868
2007 Series West Village TIF	16,565,000	5.00 - 5.50	1-Sep-26	<u>3,740,000</u>
				<u>\$ 16,576,162</u>

2006 Olathe Gateway TIF

The City has pledged 100% of the incremental increase in ad valorem tax revenues and 100% of the incremental increase in the City's sales tax revenues to repay the \$13,030,000 in tax increment financing bonds issued in December 2006 to finance the redevelopment of the Olathe Gateway. The bonds are payable solely from the incremental ad valorem and sales taxes generated by Olathe Gateway. Incremental taxes were projected to produce \$21,199,063, payable through March 2026. As of December 31, 2023, total principal and interest remaining on the bonds was \$10,459,242. For 2023, principal and interest paid and total incremental tax revenues were \$295,907 and \$174,093, respectively.

Due to the insufficiency of funds to cover the principal on the bonds for the September 1, 2011, debt service payment, the Trustee has determined that an "event of default" has occurred under the Indenture and has declared the principal of all bonds outstanding and the interest accrued thereon to be immediately due and payable. The bonds are special, limited obligations of the City. Neither the bonds nor the interest thereon constitute a general obligation or indebtedness of, nor is the payment thereof guaranteed by the City.

City of Olathe, Kansas
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2006 Olathe Gateway TDD

The City has pledged 100% of the transportation development district sales tax (1%) on the selling of tangible personal property or rendering or furnishing of services within the transportation district to repay the \$9,195,000 in transportation development district bonds issued in December 2006 to finance the redevelopment of the Olathe Gateway. The bonds are payable solely from the transportation development district tax revenue generated by Olathe Gateway. Incremental taxes were projected to produce \$19,042,625 over the life of the bonds. As of December 31, 2023, total principal and interest remaining on the bonds was \$10,236,179, payable through December 2028. For 2023, principal and interest paid and total incremental tax revenues were \$179,932 and \$110,068, respectively.

Due to the insufficiency of funds to cover the principal on the bonds for the June 1, 2011, debt service payment, the trustee has determined that an “event of default” has occurred under the indenture and has declared the principal of all bonds outstanding and the interest accrued thereon to be immediately due and payable. The bonds are special, limited obligations of the City. Neither the bonds nor the interest thereon constitute a general obligation or indebtedness of, nor is the payment thereof guaranteed by the City.

2007 West Village TIF

The City has pledged 100% of the incremental increase in ad valorem tax revenues and 100% of the incremental increase in the City’s sales tax revenues to repay the \$16,565,000 in tax increment financing bonds issued in July 2007 to finance the redevelopment of the West Village. The bonds are payable solely from the incremental ad valorem and sales taxes generated by the West Village. Incremental taxes were projected to produce \$32,108,898 over the life of the bonds. As of December 31, 2023, total principal and interest remaining on the bonds was \$3,926,588, payable through September 2026. For 2023, principal and interest and total incremental tax revenues were \$1,300,000 and \$35,750, respectively.

	<u>Original Issue</u>	<u>Original Issue Interest Rate</u>	<u>Maturity Date</u>	<u>End of Year</u>
Revenue Bonds				
Governmental activities				
2019 Stormwater System revenue bonds	3,225,000	3.00 - 5.000	1-Oct-38	\$ 2,615,000
2022 Stormwater System revenue bonds	3,025,000	4.00 - 5.000	1-Oct-42	<u>2,930,000</u>
Total governmental activities				<u>5,545,000</u>
Business-type activities				
2012 Water and Sewer System revenue bonds	9,585,000	2.00 - 3.000	1-Jul-32	4,815,000
2015 Water and Sewer System revenue bonds	18,895,000	2.00 - 5.000	1-Jul-35	12,835,000
2017 Water and Sewer System revenue bonds	11,340,000	3.00 - 4.000	1-Jul-37	8,210,000
2018 Water and Sewer System revenue bonds	11,580,000	3.00 - 5.000	1-Jul-38	9,510,000
2019 Water and Sewer System revenue bonds	16,360,000	3.00 - 5.000	1-Jul-39	13,715,000
2020 Water and Sewer System revenue bonds	16,360,000	3.00 - 5.000	1-Jul-39	10,460,000
2021 Water and Sewer System revenue bonds	35,270,000	2.00 - 4.000	1-Jul-41	30,730,000
2022 Water and Sewer System revenue bonds	11,740,000	4.00 - 5.000	1-Jul-42	11,305,000
2023 Water and Sewer System revenue bonds	5,280,000	4.00 - 5.000	1-Jul-43	<u>5,280,000</u>
Total business-type activities				<u>106,860,000</u>
Total revenue bonds				<u>\$ 112,405,000</u>

City of Olathe, Kansas
Notes to the Basic Financial Statements
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KDHE revolving loans

The City entered into a loan agreement with KDHE for the Cedar Creek Wastewater Treatment Plant Sludge Project. The loan was entered into on July 16, 2003 with an interest rate of 2.69% and a maximum amount of \$2,207,863. As of December 31, 2023, \$2,207,863 had been drawn on this loan and the payback amount was \$142,071. Principal payments of \$137,984 were made in 2023. The payback period for the amount of the loan remaining is 1 year. The loan payment began in 2005 when the project was completed.

The City entered into a loan agreement with KDHE for the Cedar Creek Wastewater Treatment Plant Pump Station Project. The loan was entered into on March 7, 2006 with an interest rate of 2.42% and a maximum amount of \$768,500. As of December 31, 2023, \$768,500 had been drawn on this loan and the payback amount was \$154,819. Principal payments of \$48,929 were made in 2023. The payback period for the amount of the loan remaining is 3 years. The loan payment began in 2007 when the project was completed.

The City entered into a loan agreement with KDHE for the 42" Finished Water Transmission Project. The loan was entered into on November 13, 2007 with an interest rate of 3.11% and a maximum amount of \$16,883,916. As of December 31, 2023, \$16,883,916 had been drawn on this loan and the payback amount was \$5,879,002. Principal payments of \$1,059,567 were made in 2023. The payback period for the amount of the loan remaining is 5 years. The loan payment began in 2009 when the project was completed.

The City entered into a loan agreement with KDHE for the Cedar Creek Wastewater Treatment Plant Expansion Project. The loan was entered into on March 9, 2009 with an interest rate of 2.55% and a maximum amount of \$4,221,984. As of December 31, 2023, \$4,221,984 had been drawn on this loan and the payback amount was \$1,742,720. Principal payments of \$263,223 were made in 2023. The payback period for the amount of the loan remaining is 6 years. The loan payment began in 2010 when the project was completed.

Annual debt service requirements to maturity for Governmental Activities are as follows:

Year	Governmental Activities							
	General Obligation Bonds		Revenue Bonds		Special Obligation Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 28,005,000	\$ 8,909,320	\$ 230,000	\$ 227,588	\$ 14,241,162	\$ 7,897,897	\$ 42,476,162	\$ 17,034,805
2025	27,430,000	7,705,433	240,000	216,087	1,515,000	41,663	29,185,000	7,963,183
2026	26,525,000	6,534,695	255,000	204,088	820,000	22,550	27,600,000	6,761,333
2027	25,210,000	5,521,639	265,000	191,338	-	-	25,475,000	5,712,977
2028	24,040,000	4,559,401	275,000	179,588	-	-	24,315,000	4,738,989
2029 - 2033	64,755,000	11,312,453	1,565,000	708,490	-	-	66,320,000	12,020,943
2034 - 2038	16,435,000	4,084,258	1,890,000	385,021	-	-	18,325,000	4,469,279
2039 - 2043	13,700,000	1,345,200	825,000	88,719	-	-	14,525,000	1,433,919
	<u>226,100,000</u>	<u>49,972,399</u>	<u>5,545,000</u>	<u>2,200,919</u>	<u>16,576,162</u>	<u>7,962,110</u>	<u>248,221,162</u>	<u>60,135,428</u>
Due within one year	28,005,000	8,909,320	230,000	227,588	14,241,162	7,897,897	42,476,162	17,034,805
Due in more than one year	<u>\$ 198,095,000</u>	<u>\$ 41,063,079</u>	<u>\$ 5,315,000</u>	<u>\$ 1,973,331</u>	<u>\$ 2,335,000</u>	<u>\$ 64,213</u>	<u>\$ 205,745,000</u>	<u>\$ 43,100,623</u>

City of Olathe, Kansas
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Annual debt service requirements to maturity for Business-type Activities are as follows:

Year	Business-type Activities							
	General Obligation Bonds		Revenue Bonds		KDHE Revolving Loan		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,360,000	\$ 118,363	\$ 6,245,000	\$ 3,496,090	\$ 1,559,504	\$ 223,428	\$ 9,164,504	\$ 3,837,881
2025	1,425,000	60,564	6,480,000	3,257,762	1,464,682	177,984	9,369,682	3,496,310
2026	-	-	6,760,000	2,997,712	1,513,521	133,983	8,273,521	3,131,695
2027	-	-	7,030,000	2,731,237	1,509,594	88,832	8,539,594	2,820,069
2028	-	-	7,290,000	2,469,244	1,560,305	43,151	8,850,305	2,512,395
2029 - 2033	-	-	36,785,000	8,669,675	311,005	5,961	37,096,005	8,675,636
2034 - 2038	-	-	28,195,000	3,581,355	-	-	28,195,000	3,581,355
2039 - 2043	-	-	8,075,000	661,932	-	-	8,075,000	661,932
	2,785,000	178,927	106,860,000	27,865,007	7,918,611	673,339	117,563,611	28,717,273
Due within one year	1,360,000	118,363	6,245,000	3,496,090	1,559,504	223,428	9,164,504	3,837,881
Due in more than one year	\$ 1,425,000	\$ 60,564	\$ 100,615,000	\$ 24,368,917	\$ 6,359,107	\$ 449,911	\$ 108,399,107	\$ 24,879,392

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$112,405,000 (\$4,815,000 Series 2012, \$12,835,000 Series 2015, \$8,210,000 Series 2017, \$9,510,000 Series 2018, \$16,330,000 Series 2019, \$10,460,000 Series 2020, \$30,730,000 Series 2021, \$14,235,000 Series 2022, and \$5,280,000 Series 2023) in water system revenue bonds. Proceeds from the bonds provide financing for several new improvements to the City's water and sewer system. The bonds are payable solely from water customer net revenues and are payable through 2043. The total principal and interest remaining to be paid on the bonds is \$142,470,926. Principal and interest paid for the current year were \$6,070,000 and \$3,743,264, respectively.

Water & Sewer Revenue Bonds						
Fiscal Year	Revenues	Current Expenses	Net Revenue Available for Debt Service	Principal Requirement	Interest Requirement	Coverage
2023	\$ 67,082,991	\$ 41,732,479	\$ 25,350,512	\$ 5,850,000	\$ 3,496,090	2.71

K.S.A. 10-308 restricts the level of the authorized and outstanding bonded indebtedness of the City to not more than 30% of the assessed valuation of the City. For purposes of calculating the legal debt margin of the City, the following types of bonds are excluded from the total indebtedness of the City: (a) bonds issued for the purpose of acquiring, enlarging, extending, or improving any storm or sanitary sewer system or any municipal utility, and (b) bonds issued to pay for the costs of improvements to intersections of streets and alleys or that portion of any street immediately in front of City or school district property.

GO Bonds and Revenue Bonds

The City issued Series 2023 General Obligation Bonds on July 18, 2023 in the amount of \$35,655,000. The bonds will be used for the purpose of financing a portion of the costs of certain public improvements. The bonds have interest rates ranging from 4.00% to 5.00% with a final maturity of October 1, 2043.

The City issued Series 2023 revenue bonds on July 11, 2023 in the amount of \$5,280,000 for the purpose of acquiring, constructing, reconstructing, altering, repairing, improving, extending or enlarging the operation of its water and sewer system. The bonds have interest rates ranging from 4.00% to 5.00% with a final maturity of July 1, 2043.

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As of December 31, 2023, based on the assessed valuation as of December 15, 2023 of \$2,751,538,496, the general obligation debt limit was \$825,461,549 which, after reduction for outstanding eligible general obligation bonds and notes totaling \$301,025,000 and amounts available for debt service of \$110,793,276, provides a general obligation debt margin of \$413,643,273.

Leases payable

During the current year, the City leased office equipment from a third-party. The initial term was for 4 years with a remaining term of 2 years. As of December 31, 2023, the value of the lease liability was \$115,757. The City is required to make monthly principal and interest payments of \$4,658. The lease has an interest rate of .55%. The value of the right-to-use asset as of the end of the current fiscal year was \$225,738 and had accumulated depreciation of \$110,490.

Annual lease payable requirements to maturity for Governmental Activities are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 55,397	\$ 499
2025	55,704	192
2026	4,656	2
	<u>\$ 115,757</u>	<u>\$ 693</u>

Subscription-based information technology arrangements

The City has entered into various subscription-based information technology arrangements with software vendors. The arrangements have various terms ending in 2033. The right to use assets are intangible assets and are recorded in capital assets as right-to-use subscription assets as shown in Note 5. The beginning balance in Note 5 was restated for the right to use assets amount for subscriptions in the amount of \$5,578,528 for governmental activities and \$169,573 for business-type activities. Details of the arrangements are as follows:

<u>Description</u>	<u>Software End Date</u>	<u>Outstanding December 31, 2023</u>
Governmental		
Automatic License Plate Recognition System	4/10/2028	\$ 86,469
Denovo Cloud Host	4/5/2024	38,216
Workday SaaS	9/16/2031	4,093,935
Investigate Pro License	12/14/2033	217,926
ArcGIS Desktop Module	10/24/2025	81,294
Workplace - Frontline Data Solutions	11/25/2028	159,493
Microsoft Software	6/30/2025	1,037,168
Communications Cloud Software	3/26/2026	244,040
		<u>5,958,541</u>
Business-type		
ArcGIS Desktop Module	10/24/2025	25,860
Total subscription liabilities		<u>\$ 5,984,401</u>

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The following represents the future minimum subscription payments due for governmental activities as of December 31:

Governmental Activities		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,321,206	\$ 165,656
2025	1,250,142	130,091
2026	633,941	95,683
2027	662,577	77,846
2028	666,449	59,202
Thereafter	1,424,226	40,791
	<u>\$ 5,958,541</u>	<u>\$ 569,269</u>

The following represents the future minimum subscription payments due for business-type activities as of December 31:

Business-type Activities		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 25,860	\$ 687

8. Fund Balances

In the fund financial statements, governmental funds report fund balance in five different classifications.

- a. **Nonspendable.** Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
- b. **Restricted.** Assets with externally imposed constraints, such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws, or regulations.
- c. **Committed.** Assets with a purpose formally imposed by ordinance by the City Council, binding unless modified or rescinded by the City Council.
- d. **Assigned.** Assets constrained by the expressed written intent of the City Council (only possible if any fund balance is budgeted to be used in the next year), City Manager, Director of Resource Management, or designee. The designee is only allowed to assign for the purpose of encumbrances. Various people are allowed to approve encumbrances based upon the dollar amount per the City Council approved Purchasing Policy. Encumbrances shall be considered as assigned unless they specifically meet the requirements to be restricted or committed.
- e. **Unassigned.** All amounts not included in the other fund balance classifications. The general fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

For unrestricted fund balance, committed amounts should be reduced first, followed by assigned amounts, followed by unassigned amounts. It is the goal of the City to maintain a minimum fund balance in the general fund of 15% of revenues, with an annual target of 30% of revenues. The following chart details the components of fund balance for the City at December 31, 2023.

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	Major				Nonmajor	Total Governmental Funds
	General	Debt Service	Special Tax Financing	Capital Projects	Other Governmental Funds	
Fund Balances:						
Non Spendable:	\$ 155,709	\$ -	\$ -	\$ -	\$ -	\$ 155,709
Restricted for:						
Debt service	-	81,562,245	10,859,839	-	-	92,422,084
Public works - motor fuel tax	-	-	-	-	47,919	47,919
Public safety - fire levy	-	-	-	-	71,166	71,166
Public works - street maintenance sales tax	-	-	-	-	5,043,644	5,043,644
Community services - special alcohol	-	-	-	-	1,357,669	1,357,669
Community services - special park & recreation	-	-	-	-	3,416,718	3,416,718
Community services - Park sales tax	-	-	-	-	3,340,883	3,340,883
Community services - grants	-	-	-	-	3,952,709	3,952,709
Community services - reimbursable programs	-	-	-	-	43,760	43,760
General government - reimbursable programs	-	-	-	-	1,304,140	1,304,140
General government - library	-	-	-	-	3,963,384	3,963,384
Committed to:						
Public works - storm water	-	-	-	-	2,846,680	2,846,680
Public works - future street improvement	-	-	-	-	8,338,449	8,338,449
Community services - Recreation	-	-	-	-	115,355	115,355
Community services - Cemetery	-	-	-	-	274,802	274,802
General government - Economic Development	-	-	-	-	1,499,980	1,499,980
Assigned to:						
General government encumbrances	1,017,498	-	-	-	-	1,017,498
Unassigned:	45,206,124	-	-	(14,416,591)	-	30,789,533
Total fund balances:	\$ 46,379,331	\$ 81,562,245	\$ 10,859,839	\$ (14,416,591)	\$ 35,617,258	\$ 160,002,082

Deficit fund equity

At December 31, 2023, the Capital Projects fund, a major fund, had a deficit fund balance of \$14,416,591. The deficit is attributed to spending resources obtained through the issuance of long-term debt in the prior period on capital improvements. That is, the fund balance that resulted from the previous long-term debt issuance was spent down during the current period as the related capital projects progressed.

Another reason for the decrease in fund balance in the current year is due to the use of short-term debt. In the case of the capital projects funds, temporary notes were issued to finance expenditures of certain capital projects. When issued, temporary notes are reported as a liability on the balance sheet, with no effect on the fund balance (i.e., proceeds = liability for debt). However, as proceeds are spent, the related expenditures cause a decrease in fund balance. Temporary notes in the amount of \$73,221,379 remained outstanding and were reported as a liability in the capital projects funds at year end, while less than \$12,000,000 of the proceeds remained unspent.

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The City of Olathe intends to issue long-term bonds to replace these temporary notes as capital projects are completed. The issuance of the bonds will eliminate the fund balance deficit in the capital projects funds.

9. Interfund Activities

Interfund transactions for the year were as follows:

Transfers from	Transfer to							Total
	General	Debt Service	Major Capital Projects	Water & Sewer	Solid Waste	Internal Service Funds	Other Governmental Funds	
General	\$ -	\$ 6,942,113	\$ 18,425,640	\$ -	\$ -	\$ -	\$ -	\$ 25,367,753
Capital Projects	1,508	2,570,448	-	-	186	-	96,866	2,669,008
Other Governmental Funds	8,723,557	1,506,695	32,751,502	-	-	-	-	42,981,754
Debt Service	-	-	-	-	-	-	-	-
Special financing	246,133	-	-	-	-	-	-	246,133
Proprietary Funds								
Water and sewer	-	-	-	-	-	-	-	-
Solid waste	-	-	-	-	-	-	-	-
Internal service funds	-	-	70,384	-	-	-	-	70,384
Total proprietary funds	-	-	70,384	-	-	-	-	70,384
Totals	<u>\$ 8,971,198</u>	<u>\$ 11,019,256</u>	<u>\$ 51,247,526</u>	<u>\$ -</u>	<u>\$ 186</u>	<u>\$ -</u>	<u>\$ 96,866</u>	<u>\$ 71,335,032</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, including transfers from the fire levy and motor fuel tax funds to the general fund, (2) move receipts restricted to debt service from funds collecting the receipts to the debt service fund as debt service payments are due, and (3) use unrestricted revenues collected in various funds to finance various programs accounted for in other funds in accordance with budgetary authorization, including year-end transfers to fund projects within the capital projects and water and sewer funds. Any transfers within the government funds have been eliminated in the government-wide statement of activities.

Further, during the year ended December 31, 2023, the City of Olathe made the following one-time transfers:

- Transfer of \$20,000,000 from the street maintenance sales tax fund to the capital projects fund to cash finance street maintenance projects to align with the City's five-year capital improvement plan.
- Transfers totaling \$4,908,500 from the park sales tax fund to the capital projects fund to cash finance various projects to align with the City's five-year capital improvement plan.
- Transfer of \$1,506,696 from the park sales tax fund to the debt service fund to pay debt for the Lake Olathe project.
- Transfers totaling \$18,425,640 to the capital projects funds to cash finance various projects to align with the City's five-year capital improvement plan. This includes a \$10,000,000 one-time transfer to fund Downtown improvements.

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- Transfer of \$246,133 from the special tax financing fund to the general fund to reallocate sales tax assigned to a redevelopment that had not submitted an approved plan.
- Transfers totaling \$912,725 from capital projects funds to the debt service fund to return unspent funds after project closeout.
- Transfer of \$1,657,722 of courthouse sales tax from the capital project funds to the debt service fund to pay debt for the Downtown Library project.

Interfund receivable/payable balances as of December 31, 2023 were as follows:

Fund Statements	Receivables	Payables
General	\$ 1,053,629	\$ -
Other governmental funds	-	923,299
Internal service funds	1,289,528	130,330
Capital projects	-	1,289,528
	\$ 2,343,157	\$ 2,343,157
 Government-Wide Statements		
Governmental	\$ (11,885,081)	\$ -
Business-type	-	11,885,081

10. Pension Plans

Plan description

The City participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Annual Comprehensive Financial Report which can be found on the KPERs website at <http://www.kpers.org> or by writing to KPERs (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Benefits provided

KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the General Assembly. Member employees (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 "points" (Police and Firemen's normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

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Member employees chose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump-sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contributions rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) was 8.43% for KPERS and 22.86% for KP&F for the fiscal year ended December 31, 2023.

Contributions to the pension plan from the City were \$4,260,760 for KPERS and \$8,222,404 for KP&F for the year ended December 31, 2023.

Employer Allocations

Although KPERS administers one cost sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each group of the plan. The City participates in the local (KPERS) group and the Police and Firemen (KP&F) group.

The allocation percentages for the City's share of the collective pension amounts as of June 30, 2023 and 2022 were based on the ratio of its contributions to the total of the employer and nonemployer contribution group for the fiscal years ended June 30, 2023 and 2022, respectively. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. At June 30, 2023, the City's proportion was 2.30% for the local plan, which was an increase of .18% from June 30, 2022, and 5.19% for the police and firemen plan, which was an increase of .23% from June 30, 2022.

Net Pension Liability

As of December 31, 2023 and 2022, the City reported a liability of \$131,130,977 (\$48,312,841 for local government employees and \$82,818,136 for police and firemen) and \$113,751,776 (\$42,221,071 for local government employees and \$71,530,705 for police and firemen), respectively, for its proportionate share of the net pension liability.

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The total pension liability for KPERS in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75%
Salary increases, including wage increases	3.50% to 12.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.00%

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study conducted for the three-year period beginning January 1, 2016. The experience study is dated January 7, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities	23.50%	5.20%
Non-U.S. equities	23.50	6.40
Private equity	8.00	9.50
Private real estate	11.00	4.45
Yield driven	8.00	4.70
Real return	11.00	3.25
Fixed income	11.00	1.55
Short-term investments	4.00	0.25
Total	<u>100.00%</u>	

Discount Rate

The discount rate used by KPERS to measure the total pension liability at June 30, 2023 and June 30, 2022 was 7.00%. The projection of cash flows used to determine the discount rate was based on member and employer contributions. The local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the KPERS' Board of Trustees for this group may not increase by more than the statutory cap. The statutory cap for the state fiscal year 2023 was 1.2%. The local employers are currently contributing the full actuarial contribution rate. Employers contribute the full actuarial determined rate for KP&F. The expected employer actuarial contribution rate was modeled for future years for these groups, assuming all actuarial assumptions are met in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the City's proportionate share of the collective net pension liability to changes in the discount rate.

The following presents the City's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6%)	Discount Rate (7.00%)	1% Decrease (8.00%)
Local government	\$ 69,275,457	\$ 48,312,841	\$ 30,848,797
Police and Firemen	111,680,819	82,818,136	58,720,224
Total	\$ 180,956,276	\$ 131,130,977	\$ 89,569,021

Pension Expense

For the year ended December 31, 2023, the City recognized pension expense of \$25,361,015 (\$8,729,115 for local government employees and \$16,631,900 for police and firefighters), which includes the changes in the collective net pension liability, projected earning on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources Governmental Activities	Deferred Inflows of Resources Governmental Activities	Deferred Outflows of Resources Business Type	Deferred Inflows of Resources Business Type	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Differences between actual and expected experience	\$ 10,025,183	\$ 5,755	\$ 1,664,582	\$ 1,049	\$ 11,689,765	\$ 6,804
Net differences between projected and actual earnings on investments	5,619,568	-	933,023	-	6,552,591	-
Changes in assumptions	10,142,084	-	1,683,902	-	11,825,986	-
Changes in proportion	4,905,314	1,121,500	814,435	204,474	5,719,749	1,325,974
Contributions after measurement date	5,383,138	-	893,769	-	6,276,907	-
Total	\$ 36,075,287	\$ 1,127,255	\$ 5,989,711	\$ 205,523	\$ 42,064,998	\$ 1,332,778

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Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	KPERs	Police and Firemen
2024	\$ 4,424,924	\$ 6,668,557
2025	2,602,214	4,328,869
2026	5,306,489	7,605,757
2027	1,332,962	2,092,531
2028	36,212	56,798
Total	\$ 13,702,801	\$ 20,752,512

11. Commitments and Contingent Liabilities

Reimbursable Developer's Cost

The City has pledged revenues (property tax and sales tax) from development areas to repay eligible developers' costs associated with each project. These obligations represent redeveloper project costs that have been certified as eligible for reimbursement from the incremental taxes attributable to each project. The City is only obligated for the amounts of incremental taxes received attributable to the projects. Any deficiencies are the responsibility of the developer. The remaining certified project costs to be repaid as of December 31, 2023 totaled \$37,816,008.

Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchaser orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but rather, as restricted, committed, or assigned fund balance. Listed below are the encumbrances in governmental funds for the City as of December 31, 2023.

	Total Governmental Funds
General	\$ 1,017,498
Capital projects	20,566,733
Non major	13,078,723
Total encumbrances	\$ 34,662,954

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Commitments

As of December 31, 2023, uncompleted capital project authorizations compared with project costs from inception (excluding expenditures for general obligation notes, general obligation note interest, note and bond issuance costs and transfers of unused funds back to the funding source) were as follows:

	Project Authorizations	Costs - Project Inception to December 31, 2023
Street improvements	\$ 375,012,331	\$ 218,414,848
Citywide improvements	267,503,076	206,543,590
Water and sewer lines	79,961,913	41,324,218
	\$ 722,477,320	\$ 466,282,656

The City has entered into an agreement with Johnson County Indian Creek Middle Basin Main Sewer District No. 1 (the Sewer District) for the transportation and treatment of sewage. The agreement, which is effective for a period of 99 years from August 28, 1984, provides for the transportation of sewage to the county treatment plant and sets billing standards. The City will be billed by the Sewer District for operation, and maintenance, and capital improvements costs in the same manner as other Sewer District users. The City will then be responsible for allocating these costs to City property owners.

The City has estimated the costs to be billed under the agreement for the next three years to be as follows:

	Operation and Maintenance	Capital Improvements	Total
2024	\$ 4,149,697	\$ 1,105,129	\$ 5,254,826
2025	4,481,673	1,193,540	5,675,213
2026	4,840,207	1,289,023	6,129,230

Litigation

There are claims and/or lawsuits to which the City is a party as a result of law enforcement activities, injuries and various other matters and complaints arising in the ordinary course of City activities. The City's management and legal counsel anticipate that potential claims against the City not covered by insurance would not materially affect the financial position of the City.

12. Risk Management

The City's risk management activities are reported separately in an Internal Service Fund. The City's risk management activities cover both the primary reporting unit and discretely presented component unit, the Authority. The insurance programs administered are property and various types of liability. The City uses a commercial insurance program with various levels of coverage.

The City has a deductible of \$50,000 per occurrence for all property damage losses with the exception of windstorm/hail losses which has deductibles ranging from \$50,000 to \$100,000 per location. Liability deductibles are \$25,000 per occurrence for auto liability, \$25,000 per occurrence for general liability losses, \$50,000 per occurrence for police liability losses, and \$50,000 per occurrence for public official liability and employment practices losses. Property damage claims to City vehicles are subject to a \$5,000 per vehicle deductible. The City maintains a loss reserves fund for pending claims and for claims

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incurred, but not reported. The City believes that there is no potential liability as of December 31, 2023 which will exceed coverage and the funds reserved. There were no significant reductions in insurance coverage during 2023. No significant settlements in excess of insurance coverage have been paid in the last three years.

Effective January 1, 1998, the City was granted a self-insured permit by the Kansas Workers' Compensation Division. The City had previously been a member of a self-insured pool for 11 years. As a stand-alone workers' compensation self-insured, the City must comply with very strict procedural and funding standards monitored by the Kansas Workers' Compensation Division. The City has recorded a liability of \$2,582,319 that represents the estimated future cost of claims made and claims incurred, but not reported at December 31, 2023. All is considered due within one year and is included in accounts and claims payable in the Statement of Net Position.

Changes in the balances of workers' compensation claims liabilities during the past two years are as follows:

	Beginning of Year	Additions	Deletions	End of Year
2022	\$ 619,488	\$ 1,808,478	\$ 685,073	\$ 1,742,893
2023	1,742,893	2,058,827	1,219,401	2,582,319

Employee health and dental insurances are self-insured by the City. The City has an accrued liability for various insurance claims payable including claims incurred, but not yet paid of \$1,354,100 at December 31, 2023. All is considered due within one year and is included in accounts and claims payable in the Statement of Net Position.

Changes in the balances of health and dental insurance claims liabilities during the past two years are as follows:

	Beginning of Year	Additions	Deletions	End of Year
2022	\$ 1,175,100	\$15,067,448	\$ 15,073,748	\$ 1,168,800
2023	1,168,800	18,313,529	18,128,229	1,354,100

The risk management claims payable are based on claims adjusters' and management's evaluations and a third party administrator's review of experience with respect to the probable number and nature of claims arising from losses that have been incurred, but not reported. The liability includes the estimated ultimate cost of settling the claims, including incremental costs, the effects of inflation and other societal and economic factors. Other nonincremental costs are not included in the basis of estimating the liability.

13. Landfill Closure

In October 1993, the City ceased landfill operations. In 1994, the City sold \$1,015,000 of Solid Waste Revenue Bonds to finance closure and postclosure costs of the landfill and to construct a transfer station for waste collection and distribution to a regional landfill.

The Environmental Protection Agency (EPA), through the Kansas Department of Health and Environment, requires the former site to be capped. This cap must be inspected for erosion, and the ground water samples must be tested annually. In December 1995 the City obtained an environmental engineer study of the landfill to evaluate the ultimate postclosure liability in accordance with EPA regulations, state regulations and GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Solid Waste Enterprise Fund*. Based on the information from the study no liability has been

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accrued and postclosure care costs will be expensed as incurred. The City will continue to evaluate the ultimate postclosure care cost annually. In the event that a material liability is estimated, the City will accrue the liability at that financial statement date. Total current cost of landfill closure and postclosure care is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

14. Postemployment Benefits Other than Pension Benefits (OPEB)

Plan Description

The City's health plan is self-funded. The City has a single employer plan for retirees health benefit. The benefit plan is authorized by Personnel Code Article III, Section 4 Group Insurance B and K.S.A. 12-5040. Retirees have the option to continue with the City plan and pay the monthly premium. Retirees who retire under the KPERS requirements are eligible for benefits. The City offers major medical health insurance, prescription coverage, and dental insurance. The City's OPEB liability is normally liquidated in the General Fund, the Water and Sewer Fund, and the Solid Waste Fund. Retiree health coverage is provided for under Kansas Statute 12-5040.

Retirees and spouses have the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan or when the retiree reaches Medicare eligibility age which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies.

Funding Policy

The current plan is financed on a pay as you go basis. The retirees pay the same premium established for active employees. The City did not contribute to the plan. The plan does not qualify as a trust.

At January 1, 2023, the following employees were covered by the benefit terms:

	Governmental	Business-type
Active employees	693	181
Retirees and covered spouses	108	18
	801	199

The total OPEB liability of \$33,400,105 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2022.

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified.

Actuarial cost method	Entry age normal as a level percentage of payroll
Inflation	2.50%
Salary increase	3.50%
Discount rate	3.88%
Healthcare cost trend rate	Medical & Pharmacy: 7.00% for 2023, decreasing to an ultimate rate of 4.50% for 2031 and later years

The discount rate was based on an index rate for S&P Municipal Bond 20-year High Grade and the Fidelity GO AA-20 Years indexes.

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Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-weighted General and Public Safety Mortality Tables using Scale MP-2021 Full Generational Improvement.

Changes in the total OPEB liability are as follows:

Total OPEB Liability - Beginning of Year	\$ 31,665,136
1. Service cost	1,242,381
2. Interest cost	1,331,247
3. Changes in benefit terms	-
4. Differences between actual and expected experience	(225,282)
5. Changes in assumptions and inputs	1,505,623
6. Benefit payments (Employer Contributions)	<u>2,119,000</u>
Net Changes (1+2+3+4+5-6)	<u>1,734,969</u>
Total OPEB Liability - End of Year	<u>\$ 33,400,105</u>

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using the discount rate that is one percentage point lower (2.88% or one percentage point higher (4.88%) than the current discount rate.

	1% Decrease 2.88%	Discount Rate 3.88%	1% Increase 4.88%
Total OPEB Liability	\$ 36,030,943	\$ 33,400,105	\$ 30,982,372

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current cost trend rate.

	1% Decrease	Current Trend Assumption	1% Increase
Total OPEB Liability	\$ 29,921,646	\$ 33,400,105	\$ 37,486,438

For the year ended December 31, 2023, the City recognized OPEB expense of \$3,070,711.

Deferred Inflows of Resources.

At December 31, 2023 the City reported deferred inflows related to OPEB from the following sources:

	Deferred Outflows of Resources Governmental Activities	Deferred Inflows of Resources Governmental Activities	Deferred Outflows of Resources Business-type Activities	Deferred Inflows of Resources Business-type Activities	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Changes in assumptions	\$ 1,707,886	\$ 788,795	\$ 283,574	\$ 143,815	\$ 1,991,460	\$ 932,610
Differences between expected and actual experience	3,078,129	762,773	511,065	139,069	3,589,194	901,842
Total	<u>\$ 4,786,015</u>	<u>\$ 1,551,568</u>	<u>\$ 794,639</u>	<u>\$ 282,884</u>	<u>\$ 5,580,654</u>	<u>\$ 1,834,452</u>

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Amounts reported as deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Deferred Outflows</u> <u>of Resources</u>
2024	\$ 497,083
2025	497,083
2026	497,083
2027	497,083
2028	614,586
2029 & thereafter	1,143,284
	<u>\$ 3,746,202</u>

15. Other Postemployment Benefits – KPERS

Plan Description

The City participates in a cost-sharing, multiple-employer defined benefit other postemployment benefit (OPEB) plan (Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Benefits

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60% (prior to January 1, 2006, 66 2/3%) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver premium provision.

Long-term disability benefit: Monthly benefit is 60% of the member's monthly compensation, with a minimum of \$100 and maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability occurs after age 60, benefits are payable while disability continues, for a period of 5 years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the term of the disability or 24 months per lifetime, whichever is less. There are no automatic cost-of-living increase provisions. KPERS has the authority to implement an ad hoc cost-of living increase.

Group life waiver of premium benefit: Upon the death of an employee who is receiving monthly disability benefits, the Plan will pay a lump-sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of the member's annual rate of compensation at the time of disability or the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for 5 or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed

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as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual life insurance policy.

Employees covered by benefit terms. At December 31, 2023, the following employees were covered by the benefit terms:

Active employees	668
Disabled members	<u>12</u>
	<u><u>680</u></u>

Total OPEB Liability

The City's total KPERS OPEB liability of \$1,250,233 reported as of December 31, 2023 was measured as of June 30, 2023 and was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023 using the following actuarial assumptions:

Price inflation	2.75%
Payroll growth	3.50%
Salary increases, including inflation	3.50 to 10%, including price inflation
Discount rate	3.65%
Healthcare cost trend rates	Not applicable for the coverage in this plan
Retiree share of benefit cost	Not applicable for the coverage in this plan

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2021.

The actuarial assumptions used in the June 30, 2023 valuation were based on an actuarial experience for the three-year period beginning January 1, 2016. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2022 KPERS pension valuation.

Total OPEB Liability - Beginning of Year	\$ 1,390,359
Service Cost	107,654
Interest Cost	50,735
Effect of economic/demographic gains or losses	(162,068)
Effect of assumptions changes or inputs	(5,703)
Benefit payments (Employer Contributions)	<u>(130,744)</u>
Net Changes	<u>(140,126)</u>
Total OPEB Liability - End of Year	<u><u>\$ 1,250,233</u></u>

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Sensitivity of the total KPERS OPEB liability to changes in the discount rate

The following presents the total KPERS OPEB liability of the City, as well as what the City's total KPERS OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current discount rate.

	1% Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
Total OPEB Liability	\$ 1,301,562	\$ 1,250,233	\$ 1,198,161

Sensitivity of the total KPERS OPEB liability to changes in the healthcare cost trend rates

The following presents the total KPERS OPEB liability of the City calculated using the current healthcare cost trend rates as well as what the City's total KPERS OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates. The reader should note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS, but this exhibit is provided as it is a required disclosure under GASB 75.

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Total OPEB Liability	\$ 1,250,233	\$ 1,250,233	\$ 1,250,233

For the year ended December 31, 2023, the City recognized OPEB expense of \$87,795 and an aggregate amount of OPEB expense for all plans of \$3,158,506.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2023, the City reported deferred inflows and outflows related to OPEB from the following sources:

	Deferred Outflows of Resources Governmental Activities	Deferred Inflows of Resources Governmental Activities	Deferred Outflows of Resources Business-type Activities	Deferred Inflows of Resources Business-type Activities	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Changes in assumptions	\$ 207,480	\$ 628,764	\$ 34,448	\$ 114,637	\$ 241,928	\$ 743,401
Differences between expected and actual experience	90,366	238,601	15,005	43,503	105,371	282,104
Total	\$ 297,846	\$ 867,365	\$ 49,453	\$ 158,140	\$ 347,299	\$ 1,025,505

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

Year Ended December 31,	Deferred (Inflows) Outflows Amount
2024	\$ (70,595)
2025	(70,595)
2026	(68,449)
2027	(59,994)
2028	(64,471)
2029 & thereafter	(344,102)
	\$ (678,206)

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16. Tax Abatements

Property Tax Abatements

The City provides property tax abatements pursuant to and subject to the terms of Section 13 of Article 11 of the Kansas Constitution or K.S.A. 12-1740 et seq. and 79-201a. (“Economic Development Revenue Bond Act” (EDRB Act)). The purpose of the EDRB Act is to promote, stimulate, and develop the general welfare and economic prosperity of the State of Kansas. Cities are authorized by the EDRB Act to issue economic development revenue bonds, the proceeds of which shall be used for paying all or part of the cost of purchasing, acquiring, constructing, reconstructing, improving, equipping, furnishing, repairing, enlarging, or remodeling facilities for agricultural, commercial, hospital, industrial, natural resources, recreational development and manufacturing purposes. The EDRB Act defines the term facility to include a site and the necessary site preparation, structures, easements, rights-of-way, and appurtenances necessary and convenient to the facility being financed.

Property tax abatements are authorized by and subject to the terms of K.S.A. 79-201a, which provides that facilities financed pursuant to the EDRB Act are, upon issuance of the economic development revenue bonds (EDRBs), exempt from real property taxation for a period of ten calendar years after the calendar year in which the revenue bonds are issued. Pursuant to the EDRB Act the City may execute agreements which may provide for payment in lieu of taxes and provide for an origination fee and for the actual costs of administering and supervising the bond issue.

Issuance of EDRBs and approval of tax abatements are also subject to City Resolution No. 16-1003, establishing policies relating to industrial revenue bonds and property tax abatements. Resolution No. 16-1003 recognizes that it is essential to stimulate economic growth and development for industries and businesses to provide services, employment, and tax revenues for the benefit of the community. The Governing Body intends that all projects receiving property tax abatement meet the criteria that are detailed below.

- a. Employment – Wages: The amount and diversity of additional employment opportunities which would be provided shall be a primary consideration. The City expects all projects which receive a property tax abatement to produce a high quantity of jobs and/or pay above average wages.
- b. Design Criteria: The City will, at its sole discretion, require higher design standards for the design of building and material used for projects receiving property tax abatement. Projects shall utilize construction material that meet or exceed the requirement set forth in the design guidelines as provided by the City’s Planning Services Division. The project must be environmentally acceptable to the location intended as well as the surrounding area.
- c. Compatibility with Adopted City Plans: All projects shall be consistent with the City’s Comprehensive Plan, any applicable corridor plans, and other plans of the City which may be relevant to the project. When evaluating proposed projects, the City will consider a variety of factors to determine compliance, including compatibility of the location of the business with the land use and development plans of the City and the availability of existing infrastructure facilities and the essential public services.

The City will consider granting tax exemption incentives upon factual showing of direct economic benefit to the City through advancement of its economic development goals, including the creation of additional jobs and the stimulation of additional private investment. Before a tax exemption incentive is granted, a

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cost-benefit analysis report examining the costs and benefits to the public of the proposed tax exemption incentive is prepared. In addition, the City provides a public hearing notice and the City Council conducts a public hearing to consider the abatement. Any tax exemption granted pursuant to Resolution No. 16-1003 shall be accompanied by a performance agreement which is subject to annual review and determination by the Governing Body that the conditions qualifying the business for the exemption continue to exist. If the Governing Body finds the business is not in compliance, then the tax exemption may be modified pursuant to the performance agreement or eliminated as the Governing Body deems appropriate.

For the fiscal year ending December 31, 2023, the City abated ad valorem property taxes. Listed below are projects that individually exceed 5% of the City's total amount abated. The projects listed total over 45% of the total abatement amount.

Project Name	Garmin Realty, LLC
Project Description	Warehouse
Approved Abatement	50% of ad valorem property taxes
2023 amount	\$321,822
Additional Commitment	N/A

Project Name	I-35 Logistics Park - Building B
Project Description	Warehouse
Approved Abatement	50% of ad valorem property taxes
2023 amount	\$126,660
Additional Commitment	N/A

Project Name	Fremato USA, Inc.
Project Description	Warehouse
Approved Abatement	55% of ad valorem property taxes
2023 amount	\$164,780
Additional Commitment	N/A

Project Name	Milhaus Properties, LLC
Project Description	Multi-Family Housing
Approved Abatement	100% of ad valorem property taxes
2023 amount	\$294,326
Additional Commitment	N/A

Project Name	Lone Elm 716
Project Description	Warehouse
Approved Abatement	50% of ad valorem property taxes
2023 amount	\$145,747
Additional Commitment	N/A

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Tax Increment Financing

The City provides tax increment financing (TIF) for projects pursuant to and subject to the terms of K.S.A. 12-1770 (TIF Act). The TIF Act authorizes the City to assist in the development and redevelopment of eligible areas within the City to promote, stimulate, and develop the general and economic welfare of the State of Kansas and its communities. The Governing Body recognizes that tax increment financing is an appropriate tool to utilize to provide services, employment, and tax revenues for the benefit of the community.

The TIF Act authorizes the City to apply the incremental increase in ad valorem property tax and other tax revenues to reimburse eligible project expenses. The increment increase is from a base established upon creation of a redevelopment district. The tax increment may be used to finance certain projects expenditures which are defined in the TIF Act. Tax increment revenues are available for a period of twenty years from the date of approval of a TIF project plan.

Approval of TIF financing is also subject to City Resolution No. 15-1089 which provides that the City will consider use of a TIF when a project meets the requirement of the TIF Act and which demonstrate a substantial and significant public benefit by constructing public improvement, in support of development that will, by creating new jobs and retaining existing employment, eliminate blight, strengthen the employment and economic base of the city, increase property values and tax revenues, reduce poverty, create economic stability, upgrade older neighborhoods, facilitate economic self-sufficiency, promote projects that are of community wide importance, and implement the Comprehensive Plan and economic development goals of the City.

The TIF Act and Resolution No. 15-1089 require creation of a redevelopment district (District). The District can only be established after completion of an eligibility study (as defined in the TIF Act), providing notice of and conducting a public hearing, and a finding by the Governing Body that the area of the proposed District meets criteria outlined in the TIF Act.

Authorization of eligible TIF project expenditures is accomplished through the adoption of a Project Plan. A Project Plan can only be established after completion of a feasibility study, providing notice of and conducting a public hearing on the Project Plan, and approval by the Governing Body. Additionally, all Project Plans approved by the City are subject to a development agreement between the City and the developer of the TIF. All development agreements entered by the City include performance milestones and provisions assuring that the redevelopment project is delivered as represented.

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For the fiscal year ending December 31, 2023, the City applied incremental revenues to TIF projects as follows:

Project Name	Olathe Gateway
Project Description	Development of shopping area / entertainment district anchored by Bass Pro.
Approved TIF	100% Ad valorem property tax increment and 100% incremental sales tax
2023 amount	\$1,166,364
Project Commitment	Development of shopping area / entertainment district
Additional Commitment	N/A

Project Name	West Village
Project Description	Development of shopping area anchored by Wal-Mart.
Approved TIF	100% Ad valorem property tax increment and incremental sales tax
2023 amount	\$1,084,745
Project Commitment	Development of shopping area
Additional Commitment	N/A

Project Name	Santa Fe and Ridgeview
Project Description	Redevelopment of shopping area anchored by Sutherland's.
Approved TIF	100% Ad valorem property tax increment and 50% incremental sales tax
2023 amount	\$119,906
Project Commitment	Redevelopment of shopping area
Additional Commitment	N/A

Project Name	Heritage Crossing
Project Description	Development of shopping area.
Approved TIF	100% Ad valorem property tax increment and 50% incremental sales tax.
2023 amount	\$67,680
Project Commitment	Development of shopping area
Additional Commitment	N/A

Project Name	Heart of America / Hilton Garden Inn
Project Description	Development of Hilton Garden Inn hotel
Approved TIF	100% Ad valorem property tax increment and 100% incremental sales tax
2023 amount	\$259,687
Project Commitment	Development of hotel
Additional Commitment	N/A

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Project Name Ancona Honda
Project Description Redevelopment of car dealership
Approved TIF 100% Ad valorem property tax increment
2023 amount \$45,200
Project Commitment Redevelopment of car dealership
Additional Commitment N/A

Project Name Heart of America / Conference Center & Hotel
Project Description Development of conference center and Embassy Suites Hotel
Approved TIF 100% Ad valorem property tax, 100% incremental sales tax, and 100%
 incremental transient guest tax
2023 amount \$1,227,221
Project Commitment Development of convention center and hotel.
Additional Commitment N/A

Project Name Ridgeview Soccer Complex
Project Description Development of soccer complex
Approved TIF 100% Ad valorem property tax, 100% incremental sales tax, and 100%
 incremental transient guest tax
2023 amount \$702,895
Project Commitment Development of soccer complex.
Additional Commitment N/A

As of December 31, 2023, there were 53 issues of industrial revenue and multi-housing bonds outstanding. Outstanding issues had an aggregate outstanding amount totaling \$966,922,909 and a total assessed valuation of \$182,404,945.

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17. Component Unit Condensed Financial Statements and Restatement of Net Position

The City has one discretely presented component unit – Olathe Housing Authority. Listed below are condensed financial statements for the component unit.

	Olathe Public Housing Authority
Total assets	\$ 3,331,706
Total liabilities and deferred inflows	225,054
Net Position	\$ 3,556,760
Program revenues	\$ 5,651,145
Expenses	5,202,264
Net program revenues	448,881
Other general revenues	3,412
Change in net position	452,293
Beginning net position	2,654,359
Ending net position	\$ 3,106,652

18. Pending GASB Statements

As of the date of the audit report, the Government Accounting Standards Board (GASB) has issued the following statements not yet implemented by the City:

GASB Statement No. 99, *Omnibus 2022*, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including: 1) classification and reporting of derivative instruments within the scope of Statement No. 53 that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; 2) clarification of certain provisions in Statement No. 87, Statement No. 94 and Statement No. 96; 3) extension of the period during which the London Interbank offered Rate (LIBOR) is considered an appropriate benchmark interest rate of the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; 4) accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program; 5) disclosures related to nonmonetary transactions; 6) pledges of future revenues when resources are not received by the pledging government; 7) clarification of provisions in Statement No 34 related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63; and 8) terminology used in Statement No. 53 to refer to resource flows statements. The provisions of this statement for items 1 and 2 are effective for financial statements for the City’s fiscal year ending December 31, 2024 and December 31, 2023, respectively. All other provisions of this statement are effective upon issuance.

GASB statement No. 100, Accounting Changes and Error Corrections, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates and changes to or within the financial reporting entity. This statement also addresses corrections of errors in previously issued financial statements. This statement prescribes the accounting and financial reporting for each type of accounting change and error corrections. This statement requires that changes in accounting principles and error corrections be reported retroactively

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2023

by restating prior periods, changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and changes in accounting estimates be reported prospectively by recognizing the change in the current period. This statement also requires disclosure in the notes to the financial statements of descriptive information about accounting changes and error corrections. Furthermore, this statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2024.

GASB Statement No. 101, Compensated Absences, better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2024.

GASB Statement No. 102, Certain Risk Disclosures, will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2025.

GASB Statement No. 103, Financial Reporting Model Improvements, will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from government to government, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2026

SECTION 5

**REQUIRED
SUPPLEMENTARY
INFORMATION**



City of Olathe, Kansas
Required Supplementary Information
KPERS Other Postemployment Benefits
Schedule of Changes in the City's KPERS OPEB Total Liability and Related Ratios
Last Six Fiscal Years*

	2018	2019	2020	2021	2022	2023
Total OPEB liability						
Service cost	\$ 139,313	\$ 140,465	\$ 155,392	\$ 125,456	\$ 180,873	\$ 107,654
Interest	75,802	73,863	80,360	54,470	48,835	50,735
Benefit payments (employer contributions)	(187,461)	(398,213)	(222,707)	(227,277)	(209,565)	(130,744)
Economic/demographic gains or losses	(109,329)	435,014	41,575	(224,839)	(502,039)	(162,068)
Changes in assumptions	(23,958)	34,566	146,643	4,128	(311,978)	(5,703)
Net change in total OPEB liability	(105,633)	285,695	201,263	(268,062)	(793,874)	(140,126)
Total OPEB liability - beginning of year	2,070,970	1,965,337	2,251,032	2,452,295	2,184,233	1,390,359
Total OPEB liability - end of year	<u>\$ 1,965,337</u>	<u>\$ 2,251,032</u>	<u>\$ 2,452,295</u>	<u>\$ 2,184,233</u>	<u>\$ 1,390,359</u>	<u>\$ 1,250,233</u>
Covered-employee payroll	<u>\$ 34,666,148</u>	<u>\$ 37,224,241</u>	<u>\$ 37,224,241</u>	<u>\$ 38,657,315</u>	<u>\$ 39,809,115</u>	<u>\$ 44,189,079</u>
Total OPEB liability as a percentage of covered payroll	5.67%	6.05%	6.59%	5.65%	3.49%	2.83%
Discount Rate	3.50%	3.87%	2.21%	2.16%	3.54%	3.65%

* Data became available with the inception of GASB 75 during fiscal year 2018, therefore 10 years of data is unavailable.

There are no assets accumulated in the trust to pay related benefits.

City of Olathe, Kansas
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last Six Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB liability						
Service cost	\$ 1,102,462	\$ 1,014,753	\$ 1,175,257	\$ 1,350,079	\$ 1,535,344	\$ 1,242,381
Interest	903,255	972,026	832,733	571,150	640,288	1,331,247
Benefit payments (employer contributions)	(1,711,000)	(1,734,000)	(1,634,000)	(1,657,000)	(1,846,000)	(2,119,000)
Difference between expected and actual experience	(280,939)	(233,731)	(834,359)	1,426,211	1,241,391	(225,282)
Changes in assumptions	(894,144)	1,801,506	1,679,612	465,165	(680,228)	1,505,623
Changes in benefit terms	(484,927)	(687,045)	-	-	-	-
Net change in total OPEB liability	(1,365,293)	1,133,509	1,219,243	2,155,605	890,795	1,734,969
Total OPEB liability - beginning of year	27,631,277	26,265,984	27,399,493	28,618,736	30,774,341	31,665,136
Total OPEB liability - end of year	<u>\$ 26,265,984</u>	<u>\$27,399,493</u>	<u>\$28,618,736</u>	<u>\$30,774,341</u>	<u>\$31,665,136</u>	<u>\$33,400,105</u>
Covered-employee payroll	<u>\$ 53,013,812</u>	<u>\$53,013,812</u>	<u>\$56,238,165</u>	<u>\$56,238,165</u>	<u>\$59,658,653</u>	<u>\$59,658,653</u>
Total OPEB liability as a percentage of covered payroll	49.55%	51.68%	50.89%	54.72%	53.08%	55.99%
Discount Rate	3.68%	3.00%	1.96%	2.04%	4.18%	3.88%

* Data became available with the inception of GASB 75 during fiscal year 2018, therefore 10 years of data is unavailable.

There are no assets accumulated in the trust to pay related benefits.

City of Olathe, Kansas
Required Supplementary Information
Schedule of Net Pension Liability
Kansas Employees' Retirement System
Last Ten Fiscal Years

Local Government	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Proportion of the Net Pension Liability	1.878112%	1.936294%	1.938338%	1.997006%	2.092001%	2.156684%	2.210272%	2.106726%	2.123749%	2.302909%
Proportionate share of the net pension liability	\$ 23,155,815	\$ 25,424,394	\$ 29,986,662	\$ 28,925,745	\$ 29,158,100	\$ 30,136,906	\$ 38,318,469	\$ 25,279,789	\$ 42,221,071	\$ 48,312,841
Covered payroll	34,408,016	35,530,007	33,922,111	36,032,058	41,149,580	40,039,507	40,408,036	40,899,942	46,325,204	49,362,574
Proportionate share of the net pension liability as a percentage of covered payroll	67.30%	71.56%	88.40%	80.28%	70.86%	75.27%	94.83%	61.81%	91.14%	97.87%
Plan fiduciary net position as a percentage of total pension liability	66.60%	64.95%	65.09%	67.12%	68.88%	69.88%	66.30%	76.40%	69.75%	70.70%
Police and Firemen	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Proportion of the Net Pension Liability	4.500889%	4.660566%	4.546739%	4.510839%	4.819524%	4.849212%	4.874002%	4.830263%	4.959723%	4.959723%
Proportionate share of the net pension liability	\$ 29,829,218	\$ 33,841,190	\$ 42,228,453	\$ 42,302,210	\$ 46,373,540	\$ 49,079,872	\$ 60,103,119	\$ 46,092,518	\$ 71,530,705	\$ 82,818,136
Covered payroll	22,291,450	23,177,996	23,547,099	24,530,506	26,495,886	26,765,111	27,391,157	26,777,115	32,391,622	34,550,147
Proportionate share of the net pension liability as a percentage of covered payroll	133.81%	146.01%	179.34%	172.45%	175.02%	183.37%	219.43%	172.13%	220.83%	239.70%
Plan fiduciary net position as a percentage of total pension liability	66.60%	64.95%	65.09%	67.12%	68.88%	69.88%	66.30%	76.40%	69.75%	70.70%

City of Olathe, Kansas
Required Supplementary Information
Schedule of Agency Contributions
Kansas Employees' Retirement System
Last Ten Fiscal Years

Local Government	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Required contribution	\$ 2,590,522	\$ 2,961,053	\$ 3,100,570	\$ 3,123,646	\$ 3,154,582	\$ 3,445,055	\$ 3,652,057	\$ 3,764,469	\$ 3,917,855	\$ 4,260,760
Contribution in relation to required contribution	2,590,522	2,961,053	3,100,570	3,123,646	3,154,582	3,445,055	3,652,057	3,764,469	3,917,855	4,260,760
Contribution deficiency	-	-	-	-	-	-	-	-	-	-
Covered payroll	34,764,813	35,723,597	34,689,897	36,369,668	41,613,279	40,039,507	40,408,036	42,440,457	50,542,823	50,542,823
Contributions as a percentage of covered payroll	7.45%	8.29%	8.94%	8.59%	7.58%	8.60%	9.04%	8.87%	7.75%	8.43%
Police and Firemen	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Required contribution	\$ 3,764,718	\$ 4,378,971	\$ 4,515,855	\$ 4,446,415	\$ 4,794,549	\$ 5,481,040	\$ 5,898,976	\$ 6,539,274	\$ 7,031,807	\$ 8,222,404
Contribution in relation to required contribution	3,764,718	4,378,971	4,515,855	4,446,415	4,794,549	5,481,040	5,898,976	6,539,274	7,031,807	8,222,404
Contribution deficiency	-	-	-	-	-	-	-	-	-	-
Covered payroll	22,752,844	23,380,484	23,644,300	25,055,519	27,234,594	26,765,111	27,391,157	28,681,025	30,586,375	35,968,520
Contributions as a percentage of covered payroll	16.55%	18.73%	19.10%	17.75%	17.60%	20.48%	21.54%	22.80%	22.99%	22.86%

City of Olathe, Kansas
Required Supplementary Information
Notes to Required Supplementary information
December 31, 2023

Changes in benefit terms for KPERS.

In the state fiscal year 2014, the KP&F group had a change in benefit terms. The Legislature increased this group's employee contributions to 7.15 percent and eliminated the reduction of employee contributions to 2.0 percent after 32 years of service. In addition, the maximum retirement benefit increased to 90 percent of final average salary (reached at 36 years of service). Before this change the maximum retirement benefit was limited to 80 percent of final average salary (reached at 32 years of service).

Effective January 1, 2014, KPERS 1 member's employee contribution rate increased to 5.0 percent and then on January 1, 2015, increase to 6.0 percent, with an increase in benefit multiplier to 1.85 percent for future years of service. For KPERS 2 members retired after July 1, 2012, the cost of living adjustment (COLA) is eliminated, but members will receive a 1.85 percent multiplier for all years of service.

January 1, 2015, the KPERS 3 cash balance plan became effective. Members enrolled in this plan are ones first employed in a KPERS covered position on or after January 1, 2015, or KPERS 1 or KPERS 2 members who left employment before vesting and returned to employment on or after January 1, 2015. The retirement benefit is an annuity based on the account balance at retirement.

For the state fiscal year 2017, the KP&F group had a change in benefit terms. The Legislature changed the duty-related death benefit for KP&F members to the greater of 50% of Final Average Salary and member's accrued retirement benefit under the 100% joint and survivor option, payable to the member's spouse. Including any benefits that may be due to child beneficiaries, the total monthly benefits may not exceed 90% of the member's Final Average Salary. Prior to this bill, the duty-related spousal death benefit for KP&F member was 50% of the Final Average Salary, and the maximum available to the family was 75% of the member's Final Average Salary.

For the state fiscal year 2017, the Legislature changed the working after retirement rules for members who retire on or after January 1, 2018. The key changes to the working after retirement rules were to lengthen the waiting period for KPERS members to return to work from 60 days to 180 days for members who retire before attaining age 62, remove the earnings limitation for all retirees and establish a single-employer contribution schedule for all retirees.

For the state fiscal year 2021, the Legislature provided an increased benefit for disabled members who pass away prior to retirement if the disability was service-connected. The monthly benefit is equal to 50% of the member's final average salary at disability plus 10% for each dependent child up to a maximum of 75% or the retirement benefit the member would have received if the member had retired on the date of death if there are no dependent children.

City of Olathe, Kansas
Required Supplementary Information
Notes to Required Supplementary information
December 31, 2023

Changes in assumptions for KPERS.

As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2016 and include:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.

Changes from the November 2016 experience study that impacted individual groups are listed below:

KPERS:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

KP&F:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table with 1-year age set forward and the MP-2016, is used to anticipate future mortality improvements.
- The mortality assumption for disabled members was changed to the RP-2014 Disabled Lives Table (generational using MP-2016) with a 1-year age set forward.
- The active member mortality assumption was modified to the RP-2014 Employee Mortality Table with a 1-year age set forward with a 90% scaling factor.
- The retirement rates for Tier 1 were lowered and the ultimate assumed retirement age was changed from 63 to 65 for Tier 2.
- The termination of employment rates for Tier 2 were increased to better match the observed experience.

City of Olathe, Kansas
Required Supplementary Information
Notes to Required Supplementary information
December 31, 2023

As a result of the experience study completed in January 2020, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2019 and include:

- The investment return assumption was lowered from 7.75% to 7.50%.
- The general wage growth assumption was lowered from 3.50% to 3.25%.
- The payroll growth assumption was lowered from 3.00% to 2.75%.

Changes from the January 2020 experience study that impacted individual groups are listed below:

KPERS:

- Retirement rates were adjusted to partially reflect observed experience.
- Termination rates were increased for most KPERS groups.
- Disability rates were reduced.
- Factors for the state group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

KP&F:

- Retirement rates were adjusted to partially reflect observed experience.
- Factors for the KP&F group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

December 31, 2020 assumption changes included a decrease of the investment return assumption from 7.75% to 7.25% and increase in general wage growth assumption from 3.25% to 3.50%.

Assumption changes effective December 31, 2021 were as follows:

For all groups, the investment rate of return assumption decreased from 7.25% to 7.00%

KPERS:

- Interest crediting rate assumption for KPERS 3 members was lowered from 6.25% to 6.00%.
- Annuity interest rate assumption for KPERS 3 members was lowered from 5.75% to 5.00%

SECTION 6

**NONMAJOR
GOVERNMENTAL
FUNDS**



Nonmajor Governmental Funds

Special Revenue Funds

Fire Levy

To account for property taxes received for the fire department operations.

Motor Fuel Tax

To account for monies levied by the State of Kansas for the purpose of producing revenues to be used to defray in whole or in part the cost of constructing, altering, reconstructing, maintaining and repairing streets and highways.

Library Operating

To account for monies received from the annual tax levy and transfers to the Library Operating Fund for the operation of the Olathe Public Library.

Economic Development and Tourism

To account for monies provided from the transient guest tax for the purpose of funding economic development and tourism.

Special Park and Recreation

To account for monies provided by a state liquor taxation on private clubs and expended for the purchase, establishment, maintenance, or expansion of park and recreational services, programs and education.

Special Alcohol

To account for monies provided by a state liquor taxation on private clubs and expended for the purchase, establishment, maintenance or expansion of services or programs for alcoholism prevention and education.

Storm Water

To account for monies received from monthly residential and commercial fees for the enhancement of the City's storm water management system.

Nonmajor Governmental Funds

Special Revenue Funds

Reimbursable Programs

To account for miscellaneous donations for various designated purposes.

Grants Fund

To account for monies provided by various federal, state, and local granting agencies.

Recreation Fund

To account for recreation activities administered by the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, concessions, aquatics and sports.

Cemetery

To account for monies received through the sale of cemetery lots and to be used for care of such lots.

Capital Projects Fund

Library Capital

To account for monies used for capital purchases of the Olathe Public Library

Park Sales Tax

To account for the one-eighth cent sales tax collected for the construction of various park projects.

Street Maintenance Sale Tax

To account for the three-eighth cent sales tax collected for the maintenance of streets.

Future Street Improvement

To account for monies provided by developers' deposits for future street improvements in proposed areas of development.

City of Olathe, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023

	Special Revenue							Reimbursable Programs
	Fire Levy	Motor Fuel Tax	Library Operating	Economic Development and Tourism	Special Park and Recreation	Special Alcohol	Stormwater	
Assets								
Cash, cash equivalents, and investments	\$ 71,166	\$ -	\$ 3,388,580	\$ 1,042,949	\$ 3,252,191	\$ 1,192,859	\$ 2,185,884	\$ 1,202,336
Receivables (net of allowance)								
Taxes	4,805,069	-	8,446,597	457,031	-	-	-	424,175
Accounts	-	-	-	-	-	-	727,887	-
Loans	-	-	-	-	-	-	-	-
Due from other governments	-	971,218	-	-	164,811	164,810	-	180,782
Total assets	\$ 4,876,235	\$ 971,218	\$ 11,835,177	\$ 1,499,980	\$ 3,417,002	\$ 1,357,669	\$ 2,913,771	\$ 1,807,293
Liabilities								
Accounts payable	\$ -	\$ -	\$ 91,463	\$ -	\$ 284	\$ -	\$ 67,091	\$ 3,160
Unearned revenue	-	-	-	-	-	-	-	-
Due to other funds	-	923,299	-	-	-	-	-	-
Total liabilities	-	923,299	91,463	-	284	-	67,091	3,160
Deferred Inflows of Resources								
Deferred revenue - property taxes	4,805,069	-	8,446,597	-	-	-	-	456,233
Deferred revenue - intergovernmental	-	-	-	-	-	-	-	-
Total deferred inflows of resources	4,805,069	-	8,446,597	-	-	-	-	456,233
Fund balances								
Restricted								
Public safety	71,166	-	-	-	-	-	-	-
Public works	-	47,919	-	-	-	-	-	-
Community services	-	-	-	-	3,416,718	1,357,669	-	43,760
General government	-	-	3,297,117	-	-	-	-	1,304,140
Committed								
Public works	-	-	-	-	-	-	2,846,680	-
Community services	-	-	-	-	-	-	-	-
General government	-	-	-	1,499,980	-	-	-	-
Total fund balances	71,166	47,919	3,297,117	1,499,980	3,416,718	1,357,669	2,846,680	1,347,900
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,876,235	\$ 971,218	\$ 11,835,177	\$ 1,499,980	\$ 3,417,002	\$ 1,357,669	\$ 2,913,771	\$ 1,807,293

**City of Olathe, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023**

	Special Revenue			Capital Projects			Total Nonmajor Governmental Funds	
	Grants Fund	Cemetery	Recreation	Library Capital	Park Sales Tax	Street Maintenance Sales Tax		Future Street Improvement
Assets								
Cash, cash equivalents, and investments	\$ 6,248,855	\$ 274,802	\$ 797,226	\$ 655,592	\$ 2,350,502	\$ 2,072,504	\$ 8,338,449	\$ 33,073,895
Receivables (net of allowance)								
Taxes	-	-	-	-	990,381	2,971,140	-	18,094,393
Accounts	1,721	-	79,776	-	-	-	-	809,384
Loans	3,614,589	-	-	-	-	-	-	3,614,589
Due from other governments	86,869	-	-	-	-	-	-	1,568,490
Total assets	<u>\$ 9,952,034</u>	<u>\$ 274,802</u>	<u>\$ 877,002</u>	<u>\$ 655,592</u>	<u>\$ 3,340,883</u>	<u>\$ 5,043,644</u>	<u>\$ 8,338,449</u>	<u>\$ 57,160,751</u>
Liabilities								
Accounts payable	\$ 355,268	\$ -	\$ 761,647	\$ -	\$ -	\$ -	\$ -	\$ 1,278,913
Unearned revenue	5,608,268	-	-	-	-	-	-	5,608,268
Due to other funds	-	-	-	-	-	-	-	923,299
Total liabilities	<u>5,963,536</u>	<u>-</u>	<u>761,647</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,810,480</u>
Deferred Inflows of Resources								
Deferred revenue - property taxes	-	-	-	-	-	-	-	13,707,899
Deferred revenue - intergovernmental	25,114	-	-	-	-	-	-	25,114
Total deferred inflows of resources	<u>25,114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,733,013</u>
Fund balances								
Restricted								
Public safety	-	-	-	-	-	-	-	71,166
Public works	-	-	-	-	-	5,043,644	-	5,091,563
Community services	3,963,384	-	-	-	3,340,883	-	-	12,122,414
General government	-	-	-	655,592	-	-	-	5,256,849
Committed								
Public works	-	-	-	-	-	-	8,338,449	11,185,129
Community services	-	274,802	115,355	-	-	-	-	390,157
General government	-	-	-	-	-	-	-	1,499,980
Total fund balances	<u>3,963,384</u>	<u>274,802</u>	<u>115,355</u>	<u>655,592</u>	<u>3,340,883</u>	<u>5,043,644</u>	<u>8,338,449</u>	<u>35,617,258</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,952,034</u>	<u>\$ 274,802</u>	<u>\$ 877,002</u>	<u>\$ 655,592</u>	<u>\$ 3,340,883</u>	<u>\$ 5,043,644</u>	<u>\$ 8,338,449</u>	<u>\$ 57,160,751</u>

City of Olathe, Kansas
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	Special Revenue							
	Fire Levy	Motor Fuel Tax	Library Operating	Economic Development and Tourism	Special Park and Recreation	Special Alcohol	Stormwater	
Revenues								
Taxes:								
Property	\$ 4,567,663	\$ -	\$ 8,036,999	\$ -	\$ -	\$ -	\$ -	\$ 376,962
Sales	-	-	-	-	-	-	-	-
Transient guest	-	-	-	1,733,153	-	-	-	-
Intergovernmental	-	3,877,686	-	-	637,018	637,018	-	-
Fines, forfeitures, and penalties	-	-	39,691	-	-	-	-	-
Charges for services	-	-	95,479	-	615,686	-	5,525,062	311,656
Use of money and property	-	-	305,350	56,004	118,055	45,210	70,126	6,294
Miscellaneous	-	-	-	324,612	-	-	-	316,877
Total revenues	<u>4,567,663</u>	<u>3,877,686</u>	<u>8,477,519</u>	<u>2,113,769</u>	<u>1,370,759</u>	<u>682,228</u>	<u>5,595,188</u>	<u>1,011,789</u>
Expenditures								
General government	-	-	390,842	2,708,392	-	-	91,055	457,781
Public safety	-	-	-	-	-	329,958	-	193,933
Public works	-	-	-	-	378,075	-	3,422,225	-
Community services	-	-	7,988,193	-	92,992	221,925	96,397	91,586
Debt service								
Principal retirements	-	-	2,816	-	-	-	237,072	-
Interest and fiscal charges	-	-	56	-	-	-	238,979	-
Total expenditures	<u>-</u>	<u>-</u>	<u>8,381,907</u>	<u>2,708,392</u>	<u>471,067</u>	<u>551,883</u>	<u>4,085,728</u>	<u>743,300</u>
Excess of revenues over (under) expenditures	<u>4,567,663</u>	<u>3,877,686</u>	<u>95,612</u>	<u>(594,623)</u>	<u>899,692</u>	<u>130,345</u>	<u>1,509,460</u>	<u>268,489</u>
Other financing sources (uses)								
Transfers in	-	-	-	-	14,338	-	40,677	-
Transfers out	<u>(4,496,497)</u>	<u>(4,227,060)</u>	<u>(832,855)</u>	<u>(104,565)</u>	<u>(450,000)</u>	<u>-</u>	<u>(1,470,000)</u>	<u>(5,122)</u>
Total other financing sources (uses)	<u>(4,496,497)</u>	<u>(4,227,060)</u>	<u>(832,855)</u>	<u>(104,565)</u>	<u>(435,662)</u>	<u>-</u>	<u>(1,429,323)</u>	<u>(5,122)</u>
Net change in fund balances	<u>71,166</u>	<u>(349,374)</u>	<u>(737,243)</u>	<u>(699,188)</u>	<u>464,030</u>	<u>130,345</u>	<u>80,137</u>	<u>263,367</u>
Fund balances - beginning of year	-	397,293	4,034,360	2,199,168	2,952,688	1,227,324	2,766,543	1,084,533
Fund balances - end of year	<u>\$ 71,166</u>	<u>\$ 47,919</u>	<u>\$ 3,297,117</u>	<u>\$ 1,499,980</u>	<u>\$ 3,416,718</u>	<u>\$ 1,357,669</u>	<u>\$ 2,846,680</u>	<u>\$ 1,347,900</u>

City of Olathe, Kansas
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023

	Special Revenue			Capital Projects			Total Nonmajor Governmental Funds
	Grant Fund	Cemetery	Recreation	Library Capital	Park Sales Tax	Street Maintenance Sales Tax	
Revenues							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-	5,507,428	16,522,283	-
Transient guest	-	-	-	-	-	-	-
Intergovernmental	1,560,325	-	-	40,321	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-	-	-
Charges for services	-	336,117	6,196,739	86,863	-	-	2,347,829
Use of money and property	739	9,946	40,735	-	120,043	550,722	368,591
Miscellaneous	442,377	-	-	-	-	-	-
Total revenues	<u>2,003,441</u>	<u>346,063</u>	<u>6,237,474</u>	<u>127,184</u>	<u>5,627,471</u>	<u>17,073,005</u>	<u>2,716,420</u>
Expenditures							
General government	243,623	-	434,973	-	-	-	11,750
Public safety	1,951,742	-	-	-	-	-	-
Public works	-	-	540,791	-	355,856	-	-
Community services	491,606	277,424	5,411,254	124,428	-	-	-
Debt service							
Principal retirements	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	<u>2,686,971</u>	<u>277,424</u>	<u>6,387,018</u>	<u>124,428</u>	<u>355,856</u>	<u>-</u>	<u>11,750</u>
Excess of revenues over (under) expenditures	<u>(683,530)</u>	<u>68,639</u>	<u>(149,544)</u>	<u>2,756</u>	<u>5,271,615</u>	<u>17,073,005</u>	<u>2,704,670</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	41,851	-	-
Transfers out	-	-	-	-	(6,856,132)	(20,000,000)	(4,539,523)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,814,281)</u>	<u>(20,000,000)</u>	<u>(4,539,523)</u>
Net change in fund balances	<u>(683,530)</u>	<u>68,639</u>	<u>(149,544)</u>	<u>2,756</u>	<u>(1,542,666)</u>	<u>(2,926,995)</u>	<u>(1,834,853)</u>
Fund balances - beginning of year	4,646,914	206,163	264,899	652,836	4,883,549	7,970,639	10,173,302
Fund balances - end of year	<u>\$ 3,963,384</u>	<u>\$ 274,802</u>	<u>\$ 115,355</u>	<u>\$ 655,592</u>	<u>\$ 3,340,883</u>	<u>\$ 5,043,644</u>	<u>\$ 8,338,449</u>

SECTION 7

**BUDGETARY
SCHEDULES**



City of Olathe, Kansas
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
All Budgeted Special Revenue Funds
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2023

	Fire Levy Fund			Motor Fuel Tax Fund			Library Operating Fund		
	Original and Final Amended Budget	Actual	Variance - Positive (Negative)	Original and Final Amended Budget	Actual	Variance - Positive (Negative)	Original and Final Amended Budget	Actual	Variance - Positive (Negative)
Revenues									
Taxes	\$ 4,496,497	\$ 4,567,663	\$ 71,166	\$ -	\$ -	\$ -	\$ 7,912,672	\$ 8,036,999	\$ 124,327
Intergovernmental	-	-	-	4,414,711	3,877,686	(537,025)	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	39,691	39,691
Charges for services	-	-	-	-	-	-	201,000	95,479	(105,521)
Use of money and property	-	-	-	-	-	-	36,254	305,350	269,096
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	<u>4,496,497</u>	<u>4,567,663</u>	<u>71,166</u>	<u>4,414,711</u>	<u>3,877,686</u>	<u>(537,025)</u>	<u>8,149,926</u>	<u>8,477,519</u>	<u>327,593</u>
Expenditures									
General government	-	-	-	-	-	-	450,063	390,842	59,221
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	10,645,947	7,920,211	2,725,736
Debt service	-	-	-	-	-	-	-	2,872	(2,872)
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,096,010</u>	<u>8,313,925</u>	<u>2,782,085</u>
Excess of revenues over/ (under) expenditures	<u>4,496,497</u>	<u>4,567,663</u>	<u>71,166</u>	<u>4,414,711</u>	<u>3,877,686</u>	<u>(537,025)</u>	<u>(2,946,084)</u>	<u>163,594</u>	<u>3,109,678</u>
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(4,496,497)	(4,496,497)	-	(4,414,711)	(4,227,060)	187,651	(832,855)	(832,855)	-
Total other financing sources/(uses)	<u>(4,496,497)</u>	<u>(4,496,497)</u>	<u>-</u>	<u>(4,414,711)</u>	<u>(4,227,060)</u>	<u>187,651</u>	<u>(832,855)</u>	<u>(832,855)</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>71,166</u>	<u>\$ 71,166</u>	<u>\$ -</u>	<u>(349,374)</u>	<u>\$ (349,374)</u>	<u>\$ (3,778,939)</u>	<u>(669,261)</u>	<u>\$ 3,109,678</u>
Fund balances - beginning of year - Budget basis					397,293			3,867,338	
Fund balances - end of year - Budget basis		71,166			47,919			3,198,077	
Encumbrances incurred and outstanding / Due to other fund								99,040	
Fund balances - end of year - GAAP basis		<u>\$ 71,166</u>			<u>\$ 47,919</u>			<u>\$ 3,297,117</u>	

City of Olathe, Kansas
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
All Budgeted Special Revenue Funds
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2023

	Economic Development and Tourism			Special Park and Recreation Fund			Special Alcohol Fund		
	Original and Final Amended Budget	Actual	Variance - Positive (Negative)	Original and Final Amended Budget	Actual	Variance - Positive (Negative)	Original and Final Amended Budget	Actual	Variance - Positive (Negative)
Revenues									
Taxes	\$ 1,506,935	\$ 1,733,153	\$ 226,218	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	618,914	637,018	18,104	618,914	637,018	18,104
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	639,987	615,686	(24,301)	-	-	-
Use of money and property	-	56,004	56,004	37,080	118,055	80,975	16,549	45,210	28,661
Miscellaneous	-	324,612	324,612	-	-	-	-	-	-
Total revenues	<u>1,506,935</u>	<u>2,113,769</u>	<u>606,834</u>	<u>1,295,981</u>	<u>1,370,759</u>	<u>74,778</u>	<u>635,463</u>	<u>682,228</u>	<u>46,765</u>
Expenditures									
General government	3,573,746	2,708,392	865,354	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	347,604	329,958	17,646
Public works	-	-	-	3,262,064	378,075	2,883,989	-	-	-
Community services	-	-	-	149,202	92,992	56,210	1,389,385	221,925	1,167,460
Debt service	-	-	-	-	-	-	-	-	-
Total expenditures	<u>3,573,746</u>	<u>2,708,392</u>	<u>865,354</u>	<u>3,411,266</u>	<u>471,067</u>	<u>2,940,199</u>	<u>1,736,989</u>	<u>551,883</u>	<u>1,185,106</u>
Excess of revenues over (under) expenditures	<u>(2,066,811)</u>	<u>(594,623)</u>	<u>1,472,188</u>	<u>(2,115,285)</u>	<u>899,692</u>	<u>3,014,977</u>	<u>(1,101,526)</u>	<u>130,345</u>	<u>1,231,871</u>
Other financing sources (uses)									
Transfers in	17,929	-	(17,929)	-	14,338	14,338	-	-	-
Transfers out	-	(104,565)	104,565	(450,000)	(450,000)	-	-	-	-
Total other financing sources/(uses)	<u>17,929</u>	<u>(104,565)</u>	<u>86,636</u>	<u>(450,000)</u>	<u>(435,662)</u>	<u>14,338</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (2,048,882)</u>	<u>(699,188)</u>	<u>\$ 1,558,824</u>	<u>\$ (2,565,285)</u>	<u>464,030</u>	<u>\$ 3,029,315</u>	<u>\$ (1,101,526)</u>	<u>130,345</u>	<u>\$ 1,231,871</u>
Fund balances - beginning of year - Budget basis		<u>2,199,168</u>			<u>2,952,688</u>			<u>1,227,324</u>	
Fund balances - end of year - Budget basis		<u>1,499,980</u>			<u>3,416,718</u>			<u>1,357,669</u>	
Encumbrances incurred and outstanding / Due to other fund		<u>-</u>			<u>-</u>			<u>-</u>	
Fund balances - end of year - GAAP basis		<u>\$ 1,499,980</u>			<u>\$ 3,416,718</u>			<u>\$ 1,357,669</u>	

City of Olathe, Kansas
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
All Budgeted Special Revenue Funds
Budget and Actual - Budgetary Basis (continued)
For the Year Ended December 31, 2023

	Storm Water Fund			Recreation			Total		
	Original and Final Amended Budget	Actual	Variance - Positive (Negative)	Original and Final Amended Budget	Actual	Variance - Positive (Negative)	Original and Final Amended Budget	Actual	Variance - Positive (Negative)
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,916,104	\$ 14,337,815	\$ 421,711
Intergovernmental	-	-	-	-	-	-	5,652,539	5,151,722	(500,817)
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	39,691	39,691
Charges for services	5,453,624	5,525,062	71,438	5,940,267	6,196,739	256,472	12,234,878	12,432,966	198,088
Use of money and property	24,340	70,126	45,786	17,490	40,735	23,245	131,713	635,480	503,767
Miscellaneous	-	-	-	-	-	-	-	324,612	324,612
Total revenues	<u>5,477,964</u>	<u>5,595,188</u>	<u>117,224</u>	<u>5,957,757</u>	<u>6,237,474</u>	<u>279,717</u>	<u>31,935,234</u>	<u>32,922,286</u>	<u>987,052</u>
Expenditures									
General government	228,351	91,055	137,296	377,405	434,973	(57,568)	4,629,565	3,625,262	1,004,303
Public safety	-	-	-	-	-	-	347,604	329,958	17,646
Public works	4,936,580	3,421,895	1,514,685	765,735	540,791	224,944	8,964,379	4,340,761	4,623,618
Community services	104,248	96,397	7,851	5,251,368	5,404,504	(153,136)	17,540,150	13,736,029	3,804,121
Debt service	-	476,051	(476,051)	-	-	-	-	478,923	(478,923)
Total expenditures	<u>5,269,179</u>	<u>4,085,398</u>	<u>1,183,781</u>	<u>6,394,508</u>	<u>6,380,268</u>	<u>14,240</u>	<u>31,481,698</u>	<u>22,510,933</u>	<u>8,970,765</u>
Excess of revenues over (under) expenditures	<u>208,785</u>	<u>1,509,790</u>	<u>1,301,005</u>	<u>(436,751)</u>	<u>(142,794)</u>	<u>293,957</u>	<u>453,536</u>	<u>10,411,353</u>	<u>9,957,817</u>
Other financing sources (uses)									
Transfers in	-	40,677	40,677	-	-	-	17,929	55,015	37,086
Transfers out	(2,080,000)	(1,470,000)	610,000	-	-	-	(12,274,063)	(11,580,977)	902,216
Total other financing sources/(uses)	<u>(2,080,000)</u>	<u>(1,429,323)</u>	<u>650,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,256,134)</u>	<u>(11,525,962)</u>	<u>939,302</u>
Net change in fund balances	<u>\$ (1,871,215)</u>	<u>80,467</u>	<u>\$ 1,951,682</u>	<u>\$ (436,751)</u>	<u>(142,794)</u>	<u>\$ 293,957</u>	<u>\$ (11,802,598)</u>	<u>(1,114,609)</u>	<u>\$ 10,897,119</u>
Fund balances - beginning of year - Budget basis		<u>2,756,150</u>			<u>251,207</u>			<u>13,651,168</u>	
Fund balances - end of year - Budget basis		<u>2,836,617</u>			<u>108,413</u>			<u>12,536,559</u>	
Encumbrances incurred and outstanding / Due to other fund		<u>10,063</u>			<u>6,942</u>			<u>116,045</u>	
Fund balances - end of year - GAAP basis		<u>\$ 2,846,680</u>			<u>\$ 115,355</u>			<u>\$ 12,652,604</u>	

City of Olathe, Kansas
Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budgeted Capital Projects Fund
Park Sales Tax Fund
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2023

	Original and Final Amended Budget	Actual	Variance - Positive (Negative)
Revenues			
Taxes	\$ 4,943,347	\$ 5,507,428	\$ 564,081
Use of money and property	30,874	120,043	89,169
Total revenues	<u>4,974,221</u>	<u>5,627,471</u>	<u>653,250</u>
Expenditures			
Public works	2,974,322	355,856	2,618,466
Community services	-	-	-
Total expenditures	<u>2,974,322</u>	<u>355,856</u>	<u>2,618,466</u>
Excess of revenues over (under) expenditures	<u>1,999,899</u>	<u>5,271,615</u>	<u>3,271,716</u>
Other financing sources (uses)			
Transfers in	-	41,851	41,851
Transfers out	(6,279,196)	(6,856,132)	(576,936)
Total other financing sources (uses)	<u>(6,279,196)</u>	<u>(6,814,281)</u>	<u>(535,085)</u>
Net change in fund balance	<u>\$ (4,279,297)</u>	<u>(1,542,666)</u>	<u>\$ 2,736,631</u>
Fund balance - beginning of year		4,883,549	
Fund balance - end of year		<u>\$ 3,340,883</u>	

City of Olathe, Kansas
Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budgeted Capital Projects Fund
Street Maintenance Sales Tax Fund
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2023

	Original and Final Amended Budget	Actual	Variance - Positive (Negative)
Revenues			
Taxes	\$ 15,504,359	\$ 16,522,283	\$ 1,017,924
Use of money and property	14,662	550,722	536,060
Total revenues	<u>15,519,021</u>	<u>17,073,005</u>	<u>1,553,984</u>
Expenditures			
General government	<u>2,326,326</u>	-	<u>2,326,326</u>
Total expenditures	<u>2,326,326</u>	-	<u>2,326,326</u>
Excess of revenues over (under) expenditures	<u>13,192,695</u>	<u>17,073,005</u>	<u>3,880,310</u>
Other financing sources (uses)			
Transfers out	<u>(20,000,000)</u>	<u>(20,000,000)</u>	-
Total other financing sources (uses)	<u>(20,000,000)</u>	<u>(20,000,000)</u>	-
Net change in fund balance	<u>\$ (6,807,305)</u>	<u>(2,926,995)</u>	<u>\$ 3,880,310</u>
Fund balance - beginning of year		7,970,639	
Fund balance - end of year		<u>\$ 5,043,644</u>	

City of Olathe, Kansas
Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Debt Service Fund
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2023

	Original and Final Amended Budget	Actual	Variance - Positive (Negative)
Revenues			
Taxes and special assessments	\$ 27,212,448	\$ 29,331,264	\$ 2,118,816
Use of money and property	763,168	3,344,709	2,581,541
Miscellaneous	1,410,569	-	(1,410,569)
Total revenues	<u>29,386,185</u>	<u>32,675,973</u>	<u>3,289,788</u>
Expenditures			
General operations	-	298,389	(298,389)
Debt service:			
Principal retirements	35,572,117	26,480,000	9,092,117
Interest	72,753,690	8,683,666	64,070,024
Total expenditures	<u>108,325,807</u>	<u>35,462,055</u>	<u>72,863,752</u>
Excess of revenues over (under) expenditures	(78,939,622)	(2,786,082)	76,153,540
Other financing sources			
Transfers in	10,948,809	11,019,256	70,447
Total other financing sources/(uses)	<u>10,948,809</u>	<u>11,019,256</u>	<u>70,447</u>
Net change in fund balance	<u>\$ (67,990,813)</u>	8,233,174	<u>\$ 76,223,987</u>
Fund balance - beginning of year		73,329,071	
Fund balance - end of year		<u>\$ 81,562,245</u>	

City of Olathe, Kansas
Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Special Tax Financing Fund
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2023

	Original and Final Amended Budget	Actual	Variance - Positive (Negative)
Revenues			
Taxes and special assessments	\$ 6,220,207	\$ 8,593,493	\$ 2,373,286
Intergovernmental	\$ 400,000	\$ -	(400,000)
Use of money and property	41,445	455,519	414,074
Miscellaneous	-	22,357	22,357
Total revenues	<u>6,661,652</u>	<u>9,071,369</u>	<u>2,409,717</u>
Expenditures			
General operations	-	332,634	(332,634)
Capital improvements	-	5,192,293	(5,192,293)
Debt service	16,594,087	2,095,750	14,498,337
Total expenditures	<u>16,594,087</u>	<u>7,620,677</u>	<u>8,973,410</u>
Excess of revenues over (under) expenditures	<u>(9,932,435)</u>	<u>1,450,692</u>	<u>11,383,127</u>
Other financing sources			
Transfers out	(246,133)	(246,133)	-
Total other financing sources	<u>(246,133)</u>	<u>(246,133)</u>	<u>-</u>
Net change in fund balance	<u>\$ (10,178,568)</u>	1,204,559	<u>\$ 11,383,127</u>
Fund balance - beginning of year		9,655,280	
Fund balance - end of year		<u>\$ 10,859,839</u>	

SECTION 8

INTERNAL SERVICE FUNDS



Internal Service Funds

Central Garage

To account for the costs of operating a maintenance facility for automotive equipment provided to other city departments. Such costs are billed to other departments at actual cost plus a fixed overhead factor. The automotive equipment itself is acquired by the various user departments which are responsible for financing replacement vehicles as necessary.

Risk Management

To account for the monies provided for health and dental, workers' compensation, property, casualty and other liability insurance coverage purchased by the City.

Vehicle Replacement

To account for monies provided by usage charges for future replacement of City vehicles.

Personal Computer Replacement

To account for monies provided by usage charges for future replacement of City personal computers.

Building Maintenance Fund

To account for monies provided by usage charges for future maintenance costs.

City of Olathe, Kansas
Combining Statement of Net Position
Internal Service Funds
December 31, 2023

	Central Garage	Risk Management	Vehicle Replacement	Personal Computer Replacement	Building Maintenance	Total
Assets						
Current assets						
Cash and cash equivalents	\$ 298,310	\$ 17,420,600	\$ 16,107,647	\$ 1,547,626	\$ 446,829	\$ 35,821,012
Accounts receivable	18,428	-	-	-	-	18,428
Loans receivable	-	-	567,116	-	-	567,116
Inventories and prepaid assets	415,195	-	-	-	-	415,195
Total current assets	<u>731,933</u>	<u>17,420,600</u>	<u>16,674,763</u>	<u>1,547,626</u>	<u>446,829</u>	<u>36,821,751</u>
Noncurrent assets						
Restricted assets						
Due from other funds	-	-	1,289,528	-	-	1,289,528
Deposit	-	11,000	-	-	-	11,000
Total restricted assets	<u>-</u>	<u>11,000</u>	<u>1,289,528</u>	<u>-</u>	<u>-</u>	<u>1,300,528</u>
Capital assets	70,544	-	78,339,129	1,784,539	-	80,194,212
Less accumulated depreciation	(70,544)	-	(47,821,324)	(850,777)	-	(48,742,645)
Net capital assets	<u>-</u>	<u>-</u>	<u>30,517,805</u>	<u>933,762</u>	<u>-</u>	<u>31,451,567</u>
Total assets	<u>\$ 731,933</u>	<u>\$ 17,431,600</u>	<u>\$ 48,482,096</u>	<u>\$ 2,481,388</u>	<u>\$ 446,829</u>	<u>\$ 69,573,846</u>
Liabilities						
Current liabilities						
Accounts and claims payable	\$ 454,682	\$ 4,694,723	\$ 991,740	\$ -	\$ 54,110	\$ 6,195,255
Due to other funds	-	130,330	-	-	-	130,330
Current portion of subscription liabilities	-	-	-	511,582	-	511,582
Compensated absences	60,570	6,378	-	-	14,185	81,133
Total current liabilities	<u>515,252</u>	<u>4,831,431</u>	<u>991,740</u>	<u>511,582</u>	<u>68,295</u>	<u>6,918,300</u>
Noncurrent liabilities						
Deposit	-	11,000	-	-	-	11,000
Subscription liabilities	-	-	-	525,587	-	525,587
Compensated absences	45,751	4,582	-	-	8,001	58,334
Total noncurrent liabilities	<u>45,751</u>	<u>15,582</u>	<u>-</u>	<u>525,587</u>	<u>8,001</u>	<u>594,921</u>
Total liabilities	<u>561,003</u>	<u>4,847,013</u>	<u>991,740</u>	<u>1,037,169</u>	<u>76,296</u>	<u>7,513,221</u>
Net position						
Net investment in capital assets	-	-	30,517,805	(103,407)	-	30,414,398
Unrestricted	170,930	12,584,587	16,972,551	1,547,626	370,533	31,646,227
Total net position	<u>170,930</u>	<u>12,584,587</u>	<u>47,490,356</u>	<u>1,444,219</u>	<u>370,533</u>	<u>62,060,625</u>
Total liabilities and net position	<u>\$ 731,933</u>	<u>\$ 17,431,600</u>	<u>\$ 48,482,096</u>	<u>\$ 2,481,388</u>	<u>\$ 446,829</u>	<u>\$ 69,573,846</u>

City of Olathe, Kansas
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
December 31, 2023

	Central Garage	Risk Management	Vehicle Replacement	Personal Computer Replacement	Building Maintenance	Total
Operating revenues						
Intergovernmental	\$ -	\$ -	\$ 20,803	\$ -	\$ -	\$ 20,803
Charges for services	\$ 7,573,642	\$ 26,845,013	\$ 8,105,404	\$ 1,925,314	\$ 1,952,272	\$ 46,401,645
Total operating revenues	<u>7,573,642</u>	<u>26,845,013</u>	<u>8,126,207</u>	<u>1,925,314</u>	<u>1,952,272</u>	<u>46,422,448</u>
Operating expenses						
Administration and general	-	28,232,039	311,718	1,472,870	-	30,016,627
Equipment maintenance	7,541,474	-	-	-	2,011,681	9,553,155
Depreciation	-	-	5,484,844	622,508	-	6,107,352
Total operating expenses	<u>7,541,474</u>	<u>28,232,039</u>	<u>5,796,562</u>	<u>2,095,378</u>	<u>2,011,681</u>	<u>45,677,134</u>
Operating income (loss)	<u>32,168</u>	<u>(1,387,026)</u>	<u>2,329,645</u>	<u>(170,064)</u>	<u>(59,409)</u>	<u>745,314</u>
Nonoperating revenues (expenses)						
Interest income	-	693,369	601,769	63,474	12,049	1,370,661
Gain (loss) from sale of equipment	-	-	456,533	-	-	456,533
Total nonoperating revenues	<u>-</u>	<u>693,369</u>	<u>1,058,302</u>	<u>63,474</u>	<u>12,049</u>	<u>1,827,194</u>
(expenses)	<u>-</u>	<u>693,369</u>	<u>1,058,302</u>	<u>63,474</u>	<u>12,049</u>	<u>1,827,194</u>
Net income (loss)	<u>32,168</u>	<u>(693,657)</u>	<u>3,387,947</u>	<u>(106,590)</u>	<u>(47,360)</u>	<u>2,572,508</u>
Transfers out	-	-	(70,384)	-	-	(70,384)
Net income (loss)	<u>32,168</u>	<u>(693,657)</u>	<u>3,317,563</u>	<u>(106,590)</u>	<u>(47,360)</u>	<u>2,502,124</u>
Net position - beginning of year	138,762	13,278,244	44,172,793	1,550,809	417,893	59,558,501
Net position - end of year	<u>\$ 170,930</u>	<u>\$ 12,584,587</u>	<u>\$ 47,490,356</u>	<u>\$ 1,444,219</u>	<u>\$ 370,533</u>	<u>\$ 62,060,625</u>

City of Olathe, Kansas
Combining Statement of Cash Flows
Internal Service Funds
December 31, 2023

	Central Garage	Risk Management	Vehicle Replacement	Personal Computer Replacement	Building Maintenance	Total
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 7,576,469	\$ 26,845,013	\$ 7,538,288	\$ 1,925,314	\$ 1,952,272	\$ 45,837,356
Payments to suppliers	(5,846,269)	(26,078,472)	674,667	(1,472,870)	(841,640)	(33,564,584)
Payments to employees	(2,315,123)	(585,993)	-	-	(1,131,071)	(4,032,187)
Net cash provided by (used in) operating activities	(584,923)	180,548	8,212,955	452,444	(20,439)	8,240,585
Cash Flows from Noncapital Financing Activities						
Transfers to other funds	-	-	(70,384)	-	-	(70,384)
Net cash provided by (used in) noncapital financing activities	-	-	(70,384)	-	-	(70,384)
Cash Flows from Capital and Related Financing Activities						
Acquisitions and construction of capital assets	-	-	(5,378,662)	-	-	(5,378,662)
Proceeds from sale of capital assets	-	-	456,533	-	-	456,533
Principal paid on subscription liabilities	-	-	-	(519,101)	-	(519,101)
Net cash (used in) capital and related financing activities	-	-	(4,922,129)	(519,101)	-	(5,441,230)
Cash Flows from Investing Activities						
Interest received	-	693,369	601,769	63,474	12,049	1,370,661
Net cash provided by investing activities	-	693,369	601,769	63,474	12,049	1,370,661
Net increase (decrease) in cash and cash equivalents	(584,923)	873,917	3,822,211	(3,183)	(8,390)	4,099,632
Cash and cash equivalents - beginning of year	883,233	16,546,683	12,285,436	1,550,809	455,219	31,721,380
Cash and cash equivalents - end of year	<u>\$ 298,310</u>	<u>\$ 17,420,600</u>	<u>\$ 16,107,647</u>	<u>\$ 1,547,626</u>	<u>\$ 446,829</u>	<u>\$ 35,821,012</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ 32,168	\$ (1,387,026)	\$ 2,329,645	\$ (170,064)	\$ (59,409)	\$ 745,314
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities						
Depreciation and amortization	-	-	5,484,844	622,508	-	6,107,352
Changes in assets and liabilities						
Decrease (increase) in accounts receivable	2,827	-	(567,116)	-	-	(564,289)
Increase in inventories and prepaid assets	(49,129)	-	-	-	-	(49,129)
Increase (decrease) in accounts and claims payable	(572,452)	1,440,344	965,582	-	54,110	1,887,584
Increase in due to other funds	-	128,826	-	-	-	128,826
Increase (decrease) in compensated absences	1,663	(1,596)	-	-	(15,140)	(15,073)
Total adjustments	(617,091)	1,567,574	5,883,310	622,508	38,970	7,495,271
Net cash provided by (used in) operating activities	<u>\$ (584,923)</u>	<u>\$ 180,548</u>	<u>\$ 8,212,955</u>	<u>\$ 452,444</u>	<u>\$ (20,439)</u>	<u>\$ 8,240,585</u>

SECTION 9

**DISCRETELY
PRESENTED
COMPONENT
UNITS**



Discretely Presented Component Unit

Olathe Public Housing Authority

To account for the proprietary fund type financial activities of the public housing authority.

**City of Olathe, Kansas
Statement of Net Position
Discretely Presented Component Unit
December 31, 2023**

	Olathe Public Housing Authority
Assets	
Cash and cash equivalents	\$ 794,598
Receivable	167,184
Other assets	316,950
Capital assets, net of accumulated depreciation	2,052,974
Total assets	\$ 3,331,706
Liabilities and net position	
Liabilities	
Accounts payable	\$ 105,497
Accrued liabilities	67,359
Noncurrent liabilities	52,198
Total liabilities	225,054
Net position	
Net invested in capital assets	2,052,974
Unrestricted	1,053,678
Total net position	3,106,652
Total liabilities and net position	\$ 3,331,706

City of Olathe, Kansas
Statement of Revenues, Expenses,
and Changes in Net Position
Discretely Presented Component Unit
For the Year Ended December 31, 2023

	<u>Olathe Public Housing Authority</u>
Operating revenues	
Charges for services	\$ 749,409
Intergovernmental	<u>4,901,736</u>
Total operating revenues	<u>5,651,145</u>
 Operating expenses	
Community services	<u>5,202,264</u>
Total operating expenses	<u>5,202,264</u>
 Operating (loss)	 448,881
 Nonoperating revenues	
Unrestricted investment earnings	<u>3,412</u>
Total nonoperating revenues	<u>3,412</u>
 Change in net position	 <u>452,293</u>
 Net position - beginning of year	 <u>2,654,359</u>
Net position - end of year	<u>\$ 3,106,652</u>

City of Olathe, Kansas
Statement of Cash Flows
Discretely Presented Component Unit
For the Year Ended December 31, 2023

	<u>Olathe Public Housing Authority</u>
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 5,227,819
Payments to suppliers	(4,507,414)
Payments to employees	(641,506)
Net cash provided by (used in) operating activities	<u>78,899</u>
Cash Flows from Capital and Related Financing Activities	
Acquisitions and construction of capital assets	(10,764)
Net cash (used in) capital and related financing activities	<u>(10,764)</u>
Cash Flows from Investing Activities	
Interest received	3,412
Net cash provided by investing activities	<u>3,412</u>
Net increase (decrease) in cash and cash equivalents	71,547
Cash and cash equivalents - beginning of year	723,051
Cash and cash equivalents - end of year	<u>\$ 794,598</u>
Reconciliation of operating income to net cash provided by (used in) operating activities	
Operating loss	\$ 448,881
Adjustments to reconcile operating income to cash provided by (used in) operating activities	
Depreciation	176,436
Changes in assets and liabilities	
(Increase) in receivables	(106,376)
(Increase) in other assets	(316,950)
(Decrease) in accounts payable and accrued liabilities	(141,119)
Increase in escrow account	18,027
Total adjustments	<u>(369,982)</u>
Net cash provided by (used in) operating activities	<u>\$ 78,899</u>

SECTION 10

**STATISTICAL
SECTION**



**City of Olathe, Kansas
Statistical Section**

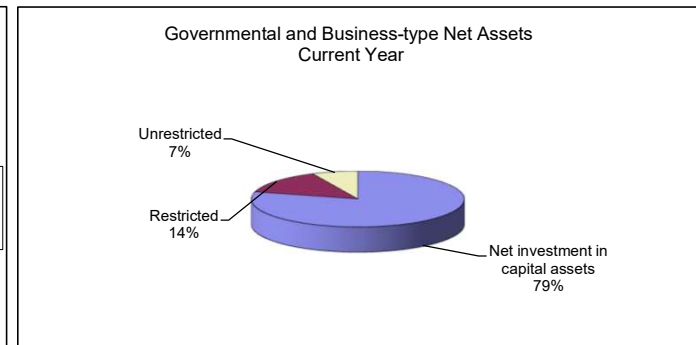
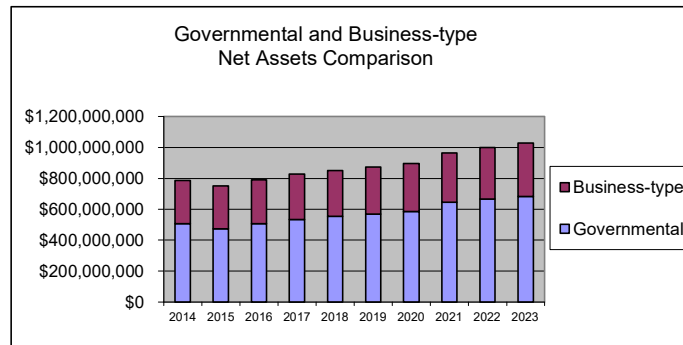
The statistical section of the City's Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information say about the City's overall financial health.

<u>Contents</u>	<u>Exhibit</u>
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, property tax and sales tax.	5 - 12
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.	13 - 17
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.	18 - 21
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.	22 - 24

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

**City of Olathe, Kansas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 370,692,154	\$ 405,739,543	\$ 412,629,059	\$ 428,374,947	\$ 468,020,359	\$ 459,371,993	\$ 471,816,066	\$ 503,693,697	\$ 514,551,384	\$ 524,954,857
Restricted	57,503,742	56,702,281	81,324,117	78,369,300	116,031,761	69,937,182	66,768,299	101,009,719	122,512,791	133,335,268
Unrestricted	78,729,704	11,859,425	11,528,670	27,219,955	(30,891,241)	39,888,618	46,978,044	41,195,050	30,022,170	25,448,963
Total governmental activities net position	<u>\$ 506,925,600</u>	<u>\$ 474,301,249</u>	<u>\$ 505,481,846</u>	<u>\$ 533,964,202</u>	<u>\$ 553,160,879</u>	<u>\$ 569,197,793</u>	<u>\$ 585,562,409</u>	<u>\$ 645,898,466</u>	<u>\$ 667,086,345</u>	<u>\$ 683,739,088</u>
Business-type activities										
Net investment in capital assets	\$ 239,782,857	\$ 244,478,470	\$ 240,994,461	\$ 244,073,175	\$ 239,764,049	\$ 250,360,224	\$ 262,044,600	\$ 262,745,169	\$ 280,604,883	\$ 289,481,637
Restricted	8,313,028	9,928,840	10,041,625	6,196,232	7,018,082	8,015,333	8,080,267	8,403,527	9,365,758	10,161,558
Unrestricted	32,283,790	21,204,555	33,935,078	43,939,745	50,105,406	46,625,246	41,586,877	48,695,977	41,916,358	46,454,302
Total business-type activities net position	<u>\$ 280,379,675</u>	<u>\$ 275,611,865</u>	<u>\$ 284,971,164</u>	<u>\$ 294,209,152</u>	<u>\$ 296,887,537</u>	<u>\$ 305,000,803</u>	<u>\$ 311,711,744</u>	<u>\$ 319,844,673</u>	<u>\$ 331,886,999</u>	<u>\$ 346,097,497</u>
Primary government										
Net investment in capital assets	\$ 610,475,011	\$ 650,218,013	\$ 653,623,520	\$ 672,448,122	\$ 707,784,408	\$ 709,732,217	\$ 733,860,666	\$ 766,438,866	\$ 795,156,267	\$ 814,436,494
Restricted	65,816,770	66,631,121	91,365,742	84,565,532	123,049,843	77,952,515	74,848,566	109,413,246	131,878,549	143,496,826
Unrestricted	111,013,494	33,063,980	45,463,748	71,159,700	19,214,165	86,513,864	88,564,921	89,891,027	71,938,528	71,903,265
Total primary government activities net position	<u>\$ 787,305,275</u>	<u>\$ 749,913,114</u>	<u>\$ 790,453,010</u>	<u>\$ 828,173,354</u>	<u>\$ 850,048,416</u>	<u>\$ 874,198,596</u>	<u>\$ 897,274,153</u>	<u>\$ 965,743,139</u>	<u>\$ 998,973,344</u>	<u>\$ 1,029,836,585</u>



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

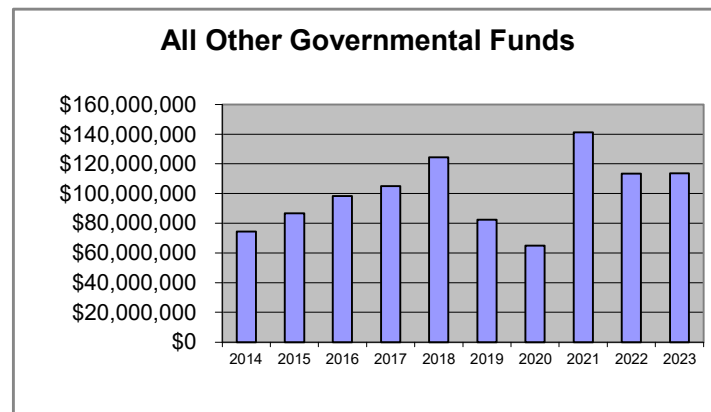
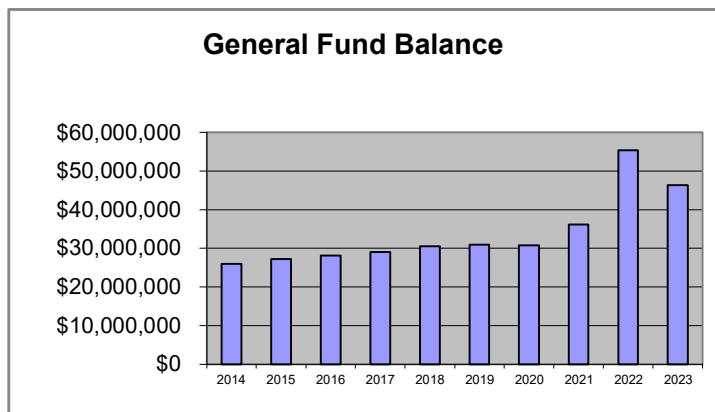
	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program expenses										
Governmental activities:										
General government	\$ 22,648,134	\$ 22,935,349	\$ 29,698,687	\$ 30,659,017	\$ 31,670,765	\$ 33,634,434	\$ 35,991,748	\$ 27,620,858	\$ 29,793,717	\$ 34,618,744
Public safety	41,446,154	41,065,601	43,586,807	51,947,482	53,518,929	56,203,958	52,193,052	56,950,109	60,278,175	71,038,703
Public works	72,495,919	70,291,556	74,644,080	61,820,535	45,025,053	65,535,157	63,983,483	66,082,643	83,859,369	87,109,589
Community services	12,509,572	13,744,699	16,168,880	16,667,781	16,270,619	16,129,998	15,467,438	21,072,224	27,984,576	31,996,243
Interest on long-term debt	8,620,577	8,496,066	7,239,575	7,906,438	7,294,666	7,275,226	5,400,068	6,563,929	8,980,984	9,273,149
Total governmental activities	<u>157,720,356</u>	<u>156,533,271</u>	<u>171,338,029</u>	<u>169,001,253</u>	<u>153,780,032</u>	<u>178,778,773</u>	<u>173,035,789</u>	<u>178,289,763</u>	<u>210,896,821</u>	<u>234,036,428</u>
Business-type activities:										
Water and sewer	35,799,511	37,538,379	38,786,625	41,493,532	43,452,685	48,649,227	49,102,197	46,325,732	48,603,398	53,411,543
Solid waste	11,740,294	11,854,241	12,176,917	12,863,072	13,945,482	14,178,471	14,125,846	14,427,967	15,915,887	17,885,269
Total business-type activities	<u>47,539,805</u>	<u>49,392,620</u>	<u>50,963,542</u>	<u>54,356,604</u>	<u>57,398,167</u>	<u>62,827,698</u>	<u>63,228,043</u>	<u>60,753,699</u>	<u>64,519,285</u>	<u>71,296,812</u>
Total primary government expenses	<u>\$ 205,260,161</u>	<u>\$ 205,925,891</u>	<u>\$ 222,301,571</u>	<u>\$ 223,357,857</u>	<u>\$ 211,178,199</u>	<u>\$ 241,606,471</u>	<u>\$ 236,263,832</u>	<u>\$ 239,043,462</u>	<u>\$ 275,416,106</u>	<u>\$ 305,333,240</u>
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 3,756,217	\$ 4,155,156	\$ 4,770,270	\$ 4,660,223	\$ 5,052,358	\$ 4,852,589	\$ 5,575,390	\$ 5,958,325	\$ 8,877,299	\$ 9,244,656
Public safety	4,537,798	4,315,123	4,191,244	3,091,130	3,512,133	3,607,841	2,898,957	3,118,926	3,282,524	2,947,816
Public works	7,772,860	7,558,545	8,064,710	9,472,541	10,731,989	8,752,953	8,328,295	11,879,017	9,932,908	10,685,974
Community services	3,709,630	4,780,084	5,524,930	5,994,725	5,902,968	6,135,471	5,106,418	7,521,950	6,692,510	7,148,710
Operating grants and contributions	2,338,420	2,642,863	2,798,886	2,691,260	2,548,814	3,212,795	3,954,109	3,816,162	7,562,128	4,546,096
Capital grants and contributions	21,906,462	27,214,326	47,057,319	38,451,050	17,409,373	24,823,201	19,504,894	41,853,456	15,511,711	8,113,217
Total governmental activities	<u>44,021,387</u>	<u>50,666,097</u>	<u>72,407,359</u>	<u>64,360,929</u>	<u>45,157,635</u>	<u>51,384,850</u>	<u>45,368,063</u>	<u>74,147,836</u>	<u>51,859,080</u>	<u>42,686,469</u>
Business-type activities:										
Charges for services										
Water and sewer	38,100,769	38,981,204	43,168,622	45,752,839	48,608,113	45,700,559	49,356,602	53,764,594	55,858,007	61,767,643
Solid waste	12,511,659	12,965,412	13,370,140	12,908,095	13,451,554	15,944,963	16,014,413	17,051,747	17,944,489	18,254,783
Operating grants and contributions	-	-	-	-	-	-	758,571	-	206,860	95,116
Capital grants and contributions	2,742,115	2,452,669	4,416,279	3,286,002	2,813,011	4,445,642	-	-	-	-
Total business-type activities	<u>53,354,543</u>	<u>54,399,285</u>	<u>60,955,041</u>	<u>61,946,936</u>	<u>64,872,678</u>	<u>66,091,164</u>	<u>66,129,586</u>	<u>70,816,341</u>	<u>74,009,356</u>	<u>80,117,542</u>
Total primary government program revenues	<u>\$ 97,375,930</u>	<u>\$ 105,065,382</u>	<u>\$ 133,362,400</u>	<u>\$ 126,307,865</u>	<u>\$ 110,030,313</u>	<u>\$ 117,476,014</u>	<u>\$ 111,497,649</u>	<u>\$ 144,964,177</u>	<u>\$ 125,868,436</u>	<u>\$ 122,804,011</u>
Net program expense	<u>\$ (107,884,231)</u>	<u>\$ (100,860,509)</u>	<u>\$ (88,939,171)</u>	<u>\$ (97,049,992)</u>	<u>\$ (101,147,886)</u>	<u>\$ (124,130,457)</u>	<u>\$ (124,766,183)</u>	<u>\$ (94,079,285)</u>	<u>\$ (149,547,670)</u>	<u>\$ (182,529,229)</u>

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	\$ 38,287,765	\$ 40,134,797	\$ 43,336,975	\$ 47,021,050	\$ 51,746,347	\$ 54,297,724	\$ 57,381,851	\$ 60,297,199	\$ 61,432,277	\$ 77,128,936
Sales taxes	55,535,354	59,758,735	64,602,806	68,351,904	70,529,222	69,958,462	72,282,916	88,308,857	96,461,239	100,366,061
Franchise taxes	11,346,571	11,134,962	11,503,470	11,629,244	12,009,645	11,638,652	10,898,406	10,494,220	12,460,414	12,329,205
Other taxes	1,260,272	1,462,228	1,714,373	2,026,799	1,784,961	1,798,487	1,072,895	1,686,485	2,298,583	2,568,223
Investment earnings	642,836	602,315	862,779	1,512,957	3,013,147	4,679,309	1,518,553	105,806	3,047,564	12,912,855
Miscellaneous	6,671,826	1,825,250	2,165,115	2,443,044	4,497,232	3,162,265	1,412,662	315,531	4,543,878	2,697,608
Transfers	188,459	2,376,172	2,251,686	137,682	3,441,360	(2,104,062)	(534,941)	3,269,886	(18,335)	(186)
Total governmental activities	<u>113,933,083</u>	<u>117,294,459</u>	<u>126,437,204</u>	<u>133,122,680</u>	<u>147,021,914</u>	<u>143,430,837</u>	<u>144,032,342</u>	<u>164,477,984</u>	<u>180,225,620</u>	<u>208,002,702</u>
Business-type activities:										
Investment earnings	230,865	183,741	291,045	477,905	861,184	1,323,989	358,603	12,777	309,222	3,412,811
Lease interest income	-	-	-	-	-	-	-	-	26,450	145,066
Miscellaneous	1,014,903	1,108,050	1,328,441	1,307,433	1,341,098	1,421,749	2,915,854	1,327,396	2,198,248	1,831,705
Transfers	(188,459)	(2,376,172)	(2,251,686)	(137,682)	(3,441,360)	2,104,062	534,941	(3,269,886)	18,335	186
Total business-type activities	<u>1,057,309</u>	<u>(1,084,381)</u>	<u>(632,200)</u>	<u>1,647,656</u>	<u>(1,239,078)</u>	<u>4,849,800</u>	<u>3,809,398</u>	<u>(1,929,713)</u>	<u>2,552,255</u>	<u>5,389,768</u>
Total primary government general revenues	<u>\$ 114,990,392</u>	<u>\$ 116,210,078</u>	<u>\$ 125,805,004</u>	<u>\$ 134,770,336</u>	<u>\$ 145,782,836</u>	<u>\$ 148,280,637</u>	<u>\$ 147,841,740</u>	<u>\$ 162,548,271</u>	<u>\$ 182,777,875</u>	<u>\$ 213,392,470</u>
Change in net position	<u>\$ 7,106,161</u>	<u>\$ 15,349,569</u>	<u>\$ 36,865,833</u>	<u>\$ 37,720,344</u>	<u>\$ 44,634,950</u>	<u>\$ 24,150,180</u>	<u>\$ 23,075,557</u>	<u>\$ 68,468,986</u>	<u>\$ 33,230,205</u>	<u>\$ 30,863,241</u>

**City of Olathe, Kansas
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 360,834	\$ 273,262	\$ 180,838	\$ 65,974	\$ 6,011	\$ 109,998	\$ 92,517	\$ 437,938	\$ 568,761	\$ 155,709
Assigned	575,716	308,646	408,916	313,803	367,726	152,861	305,369	332,938	3,948,318	1,017,498
Unassigned	25,029,566	26,653,214	27,547,843	28,660,751	30,139,831	30,662,381	30,336,965	35,362,011	50,883,642	45,206,124
Total general fund	\$ 25,966,116	\$ 27,235,122	\$ 28,137,597	\$ 29,040,528	\$ 30,513,568	\$ 30,925,240	\$ 30,734,851	\$ 36,132,887	\$ 55,400,721	\$ 46,379,331
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,704	\$ 15,523	\$ 3,199	\$ 40,500	\$ -
Restricted	52,559,149	58,520,874	70,680,019	69,992,308	84,594,066	39,582,543	45,163,035	84,970,442	110,793,987	114,964,076
Committed	12,690,925	16,931,314	13,253,562	14,393,464	16,173,584	14,356,140	15,672,679	15,849,022	15,610,075	13,075,266
Assigned	9,059,939	11,339,204	14,427,463	20,686,346	23,670,824	28,520,468	34,667,147	40,555,552	-	-
Unassigned	-	-	-	-	-	-	(30,667,594)	-	(13,016,986)	(14,416,591)
Total all other governmental funds	\$ 74,310,013	\$ 86,791,392	\$ 98,361,044	\$ 105,072,118	\$ 124,438,474	\$ 82,503,855	\$ 64,850,790	\$ 141,378,215	\$ 113,427,576	\$ 113,622,751

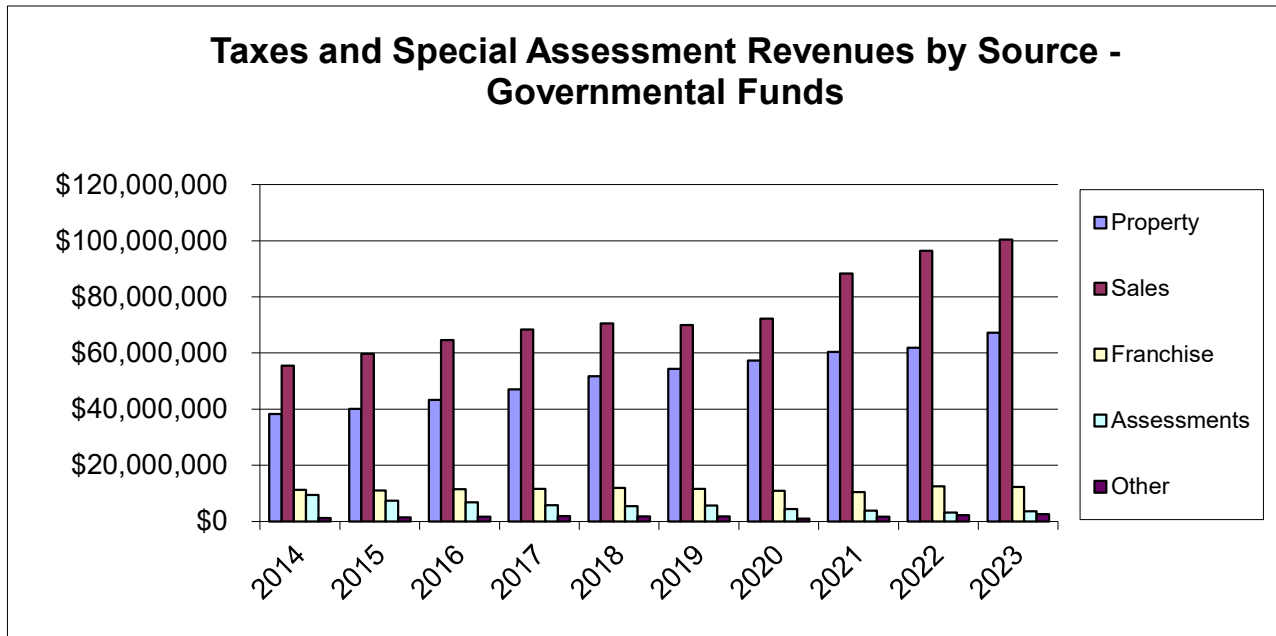


City of Olathe, Kansas
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes and special assessments	\$ 115,878,933	\$ 119,895,961	\$ 127,903,146	\$ 134,793,488	\$ 141,523,573	\$ 143,388,176	\$ 146,144,364	\$ 164,711,092	\$ 176,191,723	\$ 186,162,953
Intergovernmental	14,914,113	12,389,145	12,987,653	21,602,721	17,841,802	14,634,776	20,024,984	46,677,855	22,911,157	13,112,796
Licenses and permits	1,462,444	2,054,140	2,221,597	2,311,842	2,858,757	2,568,592	2,724,055	2,118,160	3,576,880	3,006,225
Fines, forfeitures, and penalties	3,973,992	3,866,565	3,861,676	2,766,930	3,156,629	3,289,874	2,460,077	2,780,050	2,256,977	2,152,072
Charges for services	14,340,069	14,888,203	16,467,881	18,139,856	19,184,062	17,490,388	16,724,928	20,282,516	22,951,384	24,868,859
Use of money and property	569,071	549,290	793,780	1,422,000	2,647,564	4,296,722	1,371,379	89,549	2,705,680	11,542,194
Miscellaneous	6,479,238	1,846,859	1,572,393	1,942,028	4,201,766	1,939,180	1,117,918	4,213,150	3,830,113	2,241,075
Total revenues	<u>157,617,860</u>	<u>155,490,163</u>	<u>165,808,126</u>	<u>182,978,865</u>	<u>191,414,153</u>	<u>187,607,708</u>	<u>190,567,705</u>	<u>240,872,372</u>	<u>234,423,914</u>	<u>243,086,174</u>
Expenditures										
Current:										
General government	21,094,027	22,375,960	28,554,144	28,267,167	30,304,050	31,876,684	31,598,849	27,122,934	26,631,374	30,878,623
Public safety	39,565,726	41,058,833	42,270,308	47,585,328	50,139,662	53,276,267	51,903,934	56,911,026	58,931,011	68,012,463
Public works	14,816,298	15,450,364	11,842,381	13,293,564	13,033,266	14,019,737	12,196,257	17,729,333	18,802,918	19,797,956
Community services	11,699,573	13,142,640	14,549,846	14,704,008	14,594,861	16,059,390	12,955,972	20,018,933	25,582,706	28,418,630
Capital improvements	57,620,792	44,172,182	56,384,322	59,411,140	69,670,738	84,023,479	91,008,714	101,633,665	100,622,921	103,362,480
Debt service:										
Principal retirements	28,371,830	24,098,465	20,680,816	21,767,175	22,139,589	22,960,974	22,097,653	21,766,215	26,645,342	32,151,153
Interest and fiscal charges	9,185,557	8,718,545	8,008,626	8,770,981	8,412,845	8,870,375	8,553,299	8,299,526	11,364,136	12,745,067
Total expenditures	<u>182,353,803</u>	<u>169,016,989</u>	<u>182,290,443</u>	<u>193,799,363</u>	<u>208,295,011</u>	<u>231,086,906</u>	<u>230,314,678</u>	<u>253,481,632</u>	<u>268,580,408</u>	<u>295,366,372</u>
Excess of revenues under expenditures	<u>(24,735,943)</u>	<u>(13,526,826)</u>	<u>(16,482,317)</u>	<u>(10,820,498)</u>	<u>(16,880,858)</u>	<u>(43,479,198)</u>	<u>(39,746,973)</u>	<u>(12,609,260)</u>	<u>(34,156,494)</u>	<u>(52,280,198)</u>
Other financing sources (uses)										
Payment to refunded bond escrow	(3,200,000)	(2,450,000)	(9,605,000)	(13,800,000)	(3,920,000)	(24,710,000)	(10,324,985)	(14,965,086)	-	-
Issuance of bonds	22,220,000	11,695,000	17,883,673	12,700,000	34,170,000	14,204,654	19,755,000	92,495,000	22,825,000	35,655,000
Issuance of refunding bonds	4,260,000	8,290,000	13,180,000	16,235,000	-	10,094,579	9,610,000	-	-	-
Lease issuance proceeds	-	-	-	-	-	-	-	-	116,979	-
Subscription arrangement issuance proceeds	-	-	-	-	-	-	-	-	-	4,519,336
Bond premium	1,200,740	1,759,969	3,089,684	2,460,806	4,160,857	3,231,035	2,662,103	14,054,446	1,702,257	3,209,449
Capital lease proceeds	9,255	-	-	-	-	-	224,023	-	-	-
Insurance proceeds	-	-	539,359	164,173	-	664,211	-	-	-	-
Transfers in	27,924,819	35,612,943	40,602,770	41,339,554	46,291,981	46,218,324	48,391,564	44,038,969	62,380,980	71,334,846
Transfers out	(27,393,567)	(31,090,979)	(40,416,462)	(40,649,195)	(42,986,886)	(47,831,882)	(48,414,186)	(41,088,608)	(61,551,527)	(71,264,648)
Total other financing sources (uses)	<u>25,021,247</u>	<u>23,816,933</u>	<u>25,274,024</u>	<u>18,450,338</u>	<u>37,715,952</u>	<u>1,870,921</u>	<u>21,903,519</u>	<u>94,534,721</u>	<u>25,473,689</u>	<u>43,453,983</u>
Net change in fund balances	<u>\$ 285,304</u>	<u>\$ 10,290,107</u>	<u>\$ 8,791,707</u>	<u>\$ 7,629,840</u>	<u>\$ 20,835,094</u>	<u>\$ (41,608,277)</u>	<u>\$ (17,843,454)</u>	<u>\$ 81,925,461</u>	<u>\$ (8,682,805)</u>	<u>\$ (8,826,215)</u>
Debt service as a percentage of noncapital expenditures	24.5%	21.9%	18.1%	20.0%	21.8%	18.3%	19.0%	17.6%	18.7%	19.9%

City of Olathe, Kansas
Tax and Special Assessment Revenues by Source, Governmental Funds
Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Property	Sales	Franchise	Special Assessments	Other Taxes	Total
2014	\$ 38,287,765	\$ 55,529,354	\$ 11,346,571	\$ 9,448,971	\$ 1,260,272	\$ 115,872,933
2015	\$ 40,134,797	\$ 59,758,735	\$ 11,134,962	\$ 7,405,239	\$ 1,462,228	\$ 119,895,961
2016	\$ 43,336,975	\$ 64,602,806	\$ 11,503,470	\$ 6,745,522	\$ 1,714,373	\$ 127,903,146
2017	\$ 47,021,050	\$ 68,351,904	\$ 11,629,244	\$ 5,764,491	\$ 2,026,799	\$ 134,793,488
2018	\$ 51,746,347	\$ 70,529,222	\$ 12,009,645	\$ 5,453,398	\$ 1,784,961	\$ 141,523,573
2019	\$ 54,297,724	\$ 69,958,462	\$ 11,638,652	\$ 5,694,851	\$ 1,798,487	\$ 143,388,176
2020	\$ 57,381,851	\$ 72,282,916	\$ 10,898,406	\$ 4,508,296	\$ 1,072,895	\$ 146,144,364
2021	\$ 60,297,199	\$ 88,308,857	\$ 10,494,220	\$ 3,924,331	\$ 1,686,485	\$ 164,711,092
2022	\$ 61,804,516	\$ 96,461,239	\$ 12,460,414	\$ 3,166,971	\$ 2,298,583	\$ 176,191,723
2023	\$ 67,214,992	\$ 100,366,061	\$ 12,329,205	\$ 3,684,472	\$ 2,568,223	\$ 186,162,953
Change 2014 to 2023	75.55%	80.74%	8.66%	-61.01%	103.78%	60.66%



**City of Olathe, Kansas
Taxable Sales by Category
City Sales Tax Only
Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Retail Trade										
(Big Box Retail, Grocery, Electronics)	\$ 17,474,368	\$ 21,654,523	\$ 22,314,004	\$ 23,255,377	\$ 23,454,605	\$ 22,631,281	\$ 24,957,732	\$ 27,479,106	\$ 28,481,139	\$28,414,562
Accommodation & Food Services										
(Hotel, Restaurant)	3,105,100	3,925,501	4,090,356	4,153,401	4,215,253	3,838,810	3,967,804	4,594,563	4,982,543	5,255,231
Utilities										
(Gas, Electric)	2,078,355	2,421,297	2,443,689	2,511,899	2,647,015	2,772,575	2,533,506	2,528,516	2,836,953	2,949,397
Information										
(Newspprint, Publishing)	1,605,851	1,966,346	1,624,835	1,595,511	1,637,132	1,296,756	1,294,798	1,488,432	1,631,804	1,653,796
Wholesale Trade										
(Wholesale Materials)	1,220,136	1,593,026	1,939,542	1,984,038	1,954,944	2,092,617	1,959,684	1,781,215	2,804,747	2,926,759
Manufacturing										
(Food, Beverage, Paper, Machinery)	811,627	967,271	983,735	948,760	929,794	760,624	780,948	835,937	1,179,506	1,192,478
Other Services										
(Auto Repair, Laundry)	824,551	1,047,467	1,111,621	1,129,824	1,147,384	1,477,371	1,210,238	1,293,359	1,526,874	1,788,925
Administrative, Support, Waste Management, & Remediation Services	229,120	287,092	319,937	382,946	419,703	417,450	711,645	619,516	629,513	604,901
Other	1,812,842	2,520,342	2,878,013	2,721,310	2,863,335	3,139,144	3,082,288	3,399,448	4,018,903	4,245,671
Total	\$ 29,161,950	\$ 36,382,865	\$ 37,705,732	\$ 38,683,066	\$ 39,269,165	\$ 38,426,628	\$ 40,498,643	\$ 44,020,092	\$ 48,091,982	\$ 49,031,720

Source: Kansas Department of Revenue

**City of Olathe, Kansas
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years
(modified accrual basis of accounting)**

Fiscal Year	City of Olathe			Johnson County					State of Kansas	Total	
	General	Parks	Streets	General	Public Safety	Stormwater	Public Safety Capital	Education Research Triangle			Public Safety Courthouse
2014	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	-	6.150%	8.875%
2015	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	-	6.500%	9.225%
2016	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	-	6.500%	9.225%
2017	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%
2018	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%
2019	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%
2020	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%
2021	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%
2022	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%
2023	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%

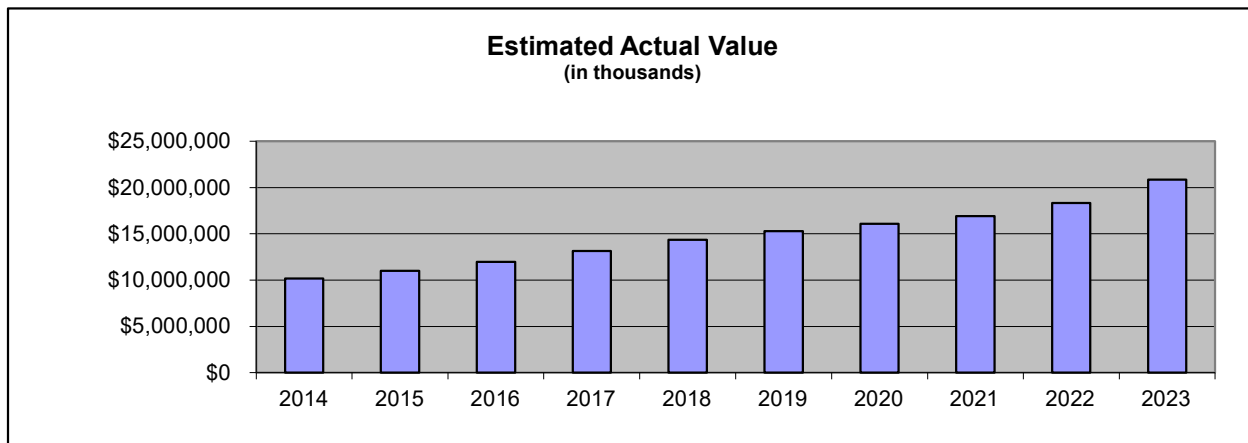
Source: Kansas Department of Revenue

City of Olathe, Kansas
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Tax Year	Collection Year	Real Property	Utilities	Personal Property	Total Assessed Value	Estimated Actual Value (1)	Total Direct Tax Rate
2013	2014	1,293,678	38,898	21,385	1,353,961	10,162,389	24.701
2014	2015	1,400,333	40,813	19,349	1,460,496	10,980,846	24.688
2015	2016	1,530,644	41,951	17,996	1,590,590	11,981,493	24.708
2016	2017	1,682,451	42,752	16,293	1,741,496	13,145,013	24.700
2017	2018	1,840,101	45,350	15,802	1,901,252	14,364,117	24.406
2018	2019	1,960,326	47,328	15,287	2,022,942	15,293,254	24.397
2019	2020	2,059,269	50,249	14,420	2,123,938	16,060,301	24.440
2020	2021	2,167,129	52,672	13,717	2,233,518	16,895,001	24.458
2021	2022	2,354,639	57,233	12,894	2,424,766	18,348,806	24.241
2022	2023	2,684,187	54,796	12,555	2,751,538	20,874,574	23.356

Source: Johnson County Appraiser 2023 Annual Abstract of Taxes

(1) Residential real estate is assessed at 11.5% of its fair market value. Commercial property is assessed at 25% of its fair market value. All other property is assessed at rates between 12% and 33% of its fair market value.



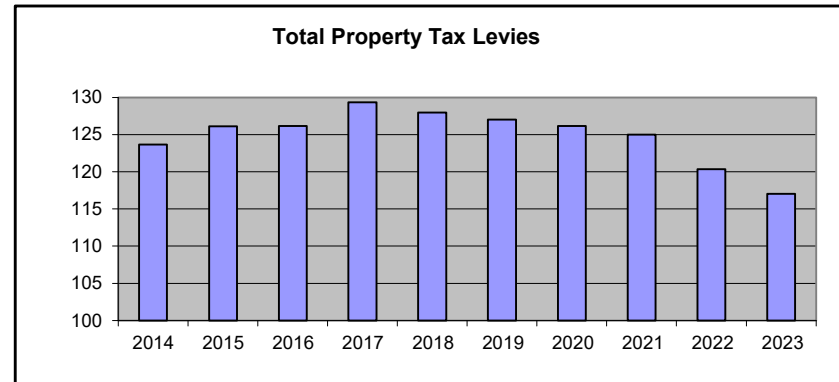
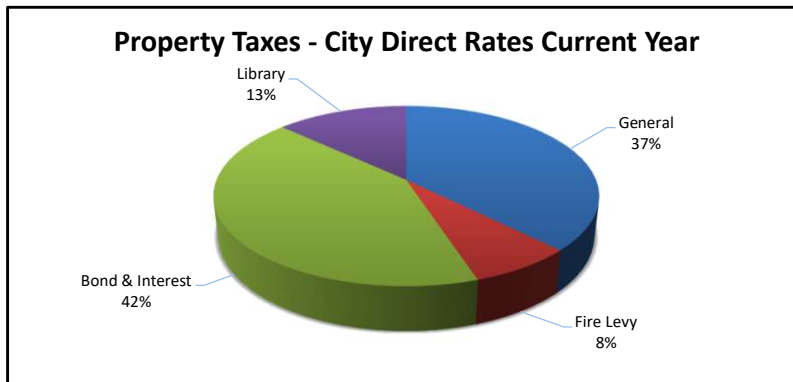
**City of Olathe, Kansas
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Tax Year	Collection Year	City Direct Rates					Overlapping Rates (1)					
		General	Fire Levy	Bond and Interest	Library	Total	State	County	Community College	County Park	Olathe Schools	Total
2013	2014	8.871	1.709	11.351	2.770	24.701	1.500	17.764	9.461	2.349	67.868	123.643
2014	2015	8.866	1.710	11.345	2.767	24.688	1.500	19.582	9.469	3.101	67.764	126.104
2015	2016	10.874	1.713	9.352	2.769	24.708	1.500	19.590	9.473	3.102	67.774	126.147
2016	2017	10.193	1.730	9.979	2.798	24.700	1.500	19.318	9.503	3.112	71.174	129.307
2017	2018	9.925	1.727	9.711	3.043	24.406	1.500	19.024	9.266	3.088	70.665	127.949
2018	2019	9.921	1.727	9.707	3.042	24.397	1.500	19.036	9.121	3.090	69.878	127.022
2019	2020	9.938	1.731	9.724	3.047	24.440	1.500	18.799	9.191	3.093	69.138	126.161
2020	2021	9.945	1.733	9.731	3.049	24.458	1.500	18.564	9.110	3.096	68.282	125.010
2021	2022	9.708	1.736	9.744	3.053	24.241	1.500	17.772	8.617	3.021	65.168	120.319
2022	2023	8.750	1.746	9.792	3.068	23.356	1.500	17.526	8.131	3.022	63.482	117.017

Per \$1,000 of Assessed Valuation

Source: Johnson County Appraiser 2023 Annual Abstract of Taxes

(1) Overlapping rates are those of local, county, and state governments that apply to property owners within the City of Olathe. Not all overlapping rates apply to all property owners.



**City of Olathe, Kansas
Principal Property Tax Payers
Current Year and Nine Years Ago**

Taxpayer	2023			Taxpayer	2014		
	Total Assessed Value	Rank	Percentage of Total Assessed Valuation		Total Assessed Value	Rank	Percentage of Total Assessed Valuation
Garmin International Inc	\$ 24,786,867	1	0.90%	KCPL	\$ 11,656,931	1	0.86%
JDM III SF KANSAS CITY DC	20,103,728	2	0.73%	HONEYWELL (BENDIX/KING)	10,806,140	2	0.80%
US BANK	13,740,763	3	0.50%	FOODBRANDS AMERICA INC.	9,550,001	3	0.71%
G&I X INDUSTRIAL KS LLC	11,767,152	4	0.43%	ATMOS ENERGY (UNITED GAS)	9,431,792	4	0.70%
HOMESTEAD APARTMENT HOMES	11,116,303	5	0.40%	PASSCO OLATHE STATION	8,558,657	5	0.63%
HOA HOTELS KANSAS LLC	9,685,808	6	0.35%	NORTHRIDGE 07 A LLC	7,308,609	6	0.54%
NORTHRIDGE 07 A LLC	9,480,417	7	0.34%	WESTAR ENERGY (KPL)	7,266,247	7	0.54%
WAL-MART REAL ESTATE BUSINESS TRUST	9,303,959	8	0.34%	HOMESTEAD APARTMENT HOMES	6,361,845	8	0.47%
UG3 OLATHE KS	9,225,338	9	0.34%	ARCITERRA OLATHE POINTE	5,954,000	9	0.44%
ALDI INC	8,683,149	10	0.32%	WAL-MART REAL ESTATE BUSINESS TRUST	5,688,370	10	0.42%
Total	\$ 127,893,484			Total	\$ 82,582,592		

Source: Real estate and personal property valuation from Johnson County Appraiser's Office.

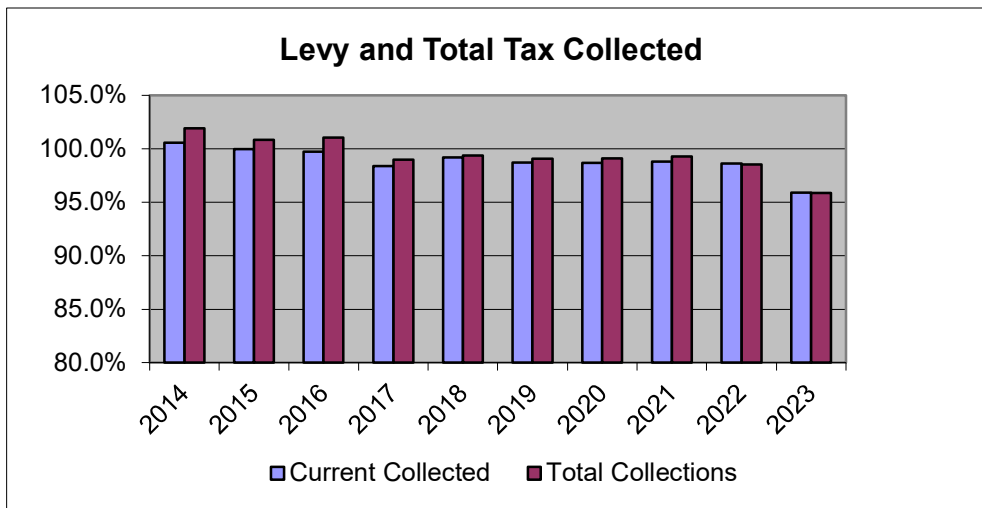
**City of Olathe, Kansas
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Levy (1)	Current Tax Collection	Percent of Levy Collected	Delinquent Tax Collections (2)	Total Tax Collections	Total Collections as Percent of Current Levy
2014	31,749,238	31,927,827	100.6%	425,649	32,353,476	101.90%
2015	33,439,317	33,426,577	100.0%	288,910	33,715,487	100.83%
2016	36,056,353	35,952,604	99.7%	473,432	36,426,036	101.03%
2017	39,304,956	38,673,924	98.4%	224,940	38,898,864	98.97%
2018	43,012,242	42,651,555	99.2%	96,486	42,748,041	99.39%
2019	46,401,800	45,806,541	98.7%	159,453	45,965,994	99.06%
2020	49,374,488	48,720,596	98.7%	197,366	48,917,962	99.08%
2021	51,908,685	51,277,663	98.8%	240,928	51,518,591	99.25%
2022	54,630,358	53,882,530	98.6%	(49,273)	53,833,257	98.54%
2023	58,777,232	56,366,342	95.9%	(10,699)	56,355,643	95.88%

Source: Johnson County Appraiser

(1) The total levy is the original levy and does not include discoveries or abatements.

(2) Outstanding delinquent taxes are collected by Johnson County. County Treasurer's records do not provide a determination of delinquent outstanding taxes by year, therefore, it is possible for the total collections as a percent of current levy to be greater than 100%.

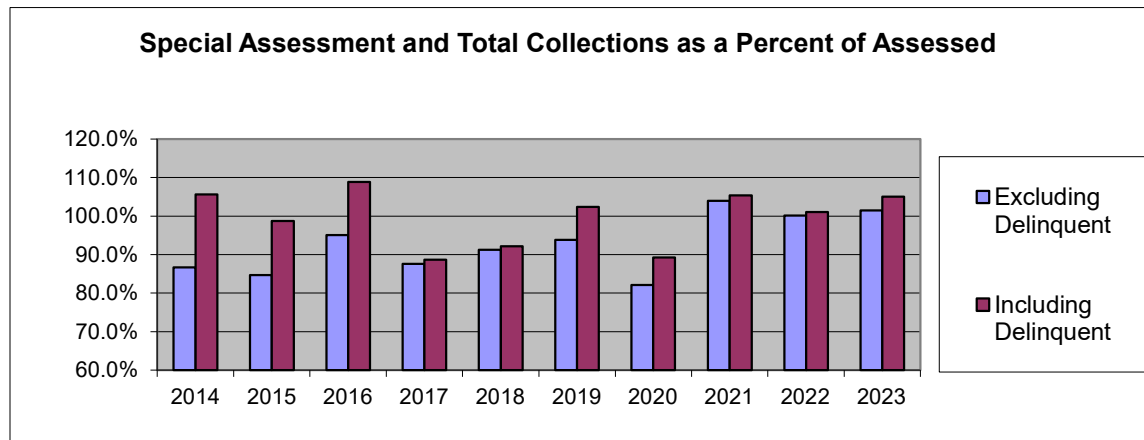


**City of Olathe, Kansas
Special Assessment Collections
Last Ten Fiscal Years**

Collection Year	Assessment Levy	Current Collections (1)	Percent of Levy Collected	Delinquent Collections	Current and Delinquent Collection	Percent of Levy Collected	Prepaid Assessment	Total Collections
2014	8,944,804	7,753,386	86.7%	1,695,585	9,448,971	105.6%	-	9,448,971
2015	7,338,642	6,217,583	84.7%	1,025,219	7,242,802	98.7%	-	7,242,802
2016	6,664,058	6,333,943	95.0%	920,576	7,254,519	108.9%	-	7,254,519
2017	6,301,761	5,521,284	87.6%	67,744	5,589,028	88.7%	175,463	5,764,491
2018	6,051,367	5,524,676	91.3%	52,989	5,577,665	92.2%	138,383	5,716,048
2019	5,664,203	5,314,454	93.8%	484,767	5,799,221	102.4%	-	5,799,221
2020	5,048,715	4,145,649	82.1%	362,648	4,508,297	89.3%	-	4,508,297
2021	3,722,025	3,873,028	104.1%	51,303	3,924,331	105.4%	24,261	3,948,592
2022	3,319,885	3,324,259	100.1%	30,260	3,354,519	101.0%	-	3,354,519
2023	3,506,941	3,557,478	101.4%	126,995	3,684,473	105.1%	-	3,684,473

Source: Johnson County

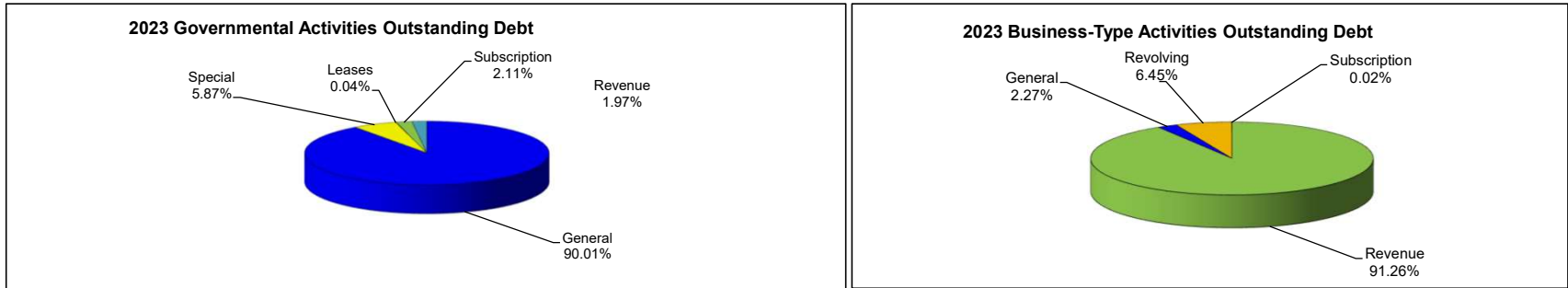
(1) Collections include interest.



**City of Olathe, Kansas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

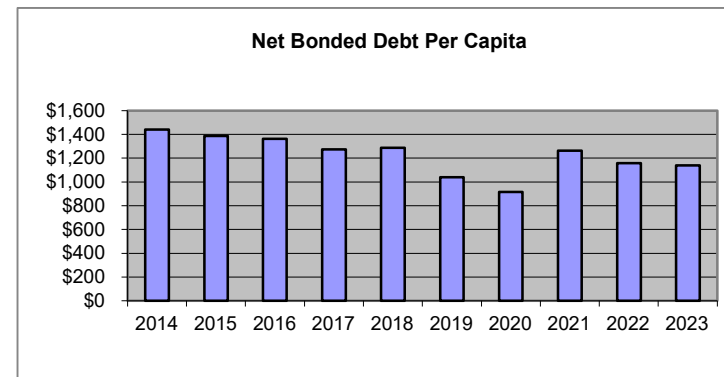
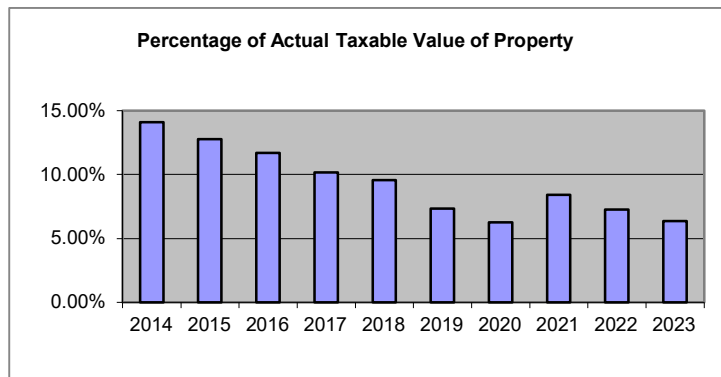
Fiscal Year	Governmental Activities						Business-type Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Special Obligation Bonds	Revenue Bonds	Temporary Notes	Leases Payable	Subscription Liability	Revenue Bonds	General Obligation Bonds	State Revolving Loan	Leases Payable	Subscription Liability			
2014	198,103,868	34,055,952	-	36,228,929	420,696	-	58,740,557	14,745,000	21,014,983	9,154,514	-	372,464,499	1.6%	2,812
2015	193,986,805	32,408,327	-	16,127,082	304,857	-	75,907,189	13,585,000	19,463,078	7,971,817	-	359,754,155	1.7%	2,680
2016	198,534,607	30,699,594	-	17,182,095	87,774	-	72,706,973	12,405,000	17,754,002	6,721,860	-	356,091,905	1.7%	2,611
2017	195,446,767	28,091,571	-	27,477,203	3,622	-	79,531,354	11,195,000	16,361,106	5,432,563	-	363,539,186	1.8%	2,617
2018	209,076,614	24,754,653	-	27,118,915	951	-	87,987,835	9,945,000	15,000,389	4,029,068	-	377,913,425	1.9%	2,678
2019	185,053,080	23,209,629	3,075,000	54,817,201	-	-	99,536,787	8,650,000	13,674,379	2,549,498	-	390,565,574	1.9%	2,736
2020	182,571,407	21,715,170	2,970,000	76,776,277	177,344	-	99,674,564	7,320,000	12,304,672	992,747	-	404,502,181	1.9%	2,781
2021	250,551,965	20,077,454	2,860,000	49,531,641	108,759	-	107,019,622	5,950,000	10,889,817	-	-	446,989,258	1.8%	3,007
2022	244,950,615	18,352,001	5,765,000	67,565,600	170,849	-	113,107,447	4,115,000	9,428,314	-	-	463,454,826	1.8%	3,053
2023	253,991,931	16,576,162	5,545,000	73,221,379	115,757	5,958,541	112,032,567	2,785,000	7,918,611	-	25,860	478,170,808	1.9%	3,110

(1) For personal income and population data, see exhibit 18



**City of Olathe, Kansas
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	General Obligation Debt	Reserved for Debt Service	Net General Obligation Debt	Assessed Valuation	Percentage of Actual Taxable Value of Property	Population	Per Capita
2014	212,848,868	21,929,118	190,919,750	1,353,961,000	14.10%	132,437	1,442
2015	207,571,805	21,369,827	186,201,978	1,460,496,000	12.75%	134,231	1,387
2016	210,939,607	25,212,558	185,727,049	1,590,590,000	11.68%	136,394	1,362
2017	206,641,767	29,519,397	177,122,370	1,741,496,000	10.17%	138,922	1,275
2018	219,021,614	37,274,363	181,747,251	1,901,252,000	9.56%	141,116	1,288
2019	193,717,576	45,262,320	148,455,256	2,022,942,000	7.34%	142,767	1,040
2020	189,891,407	56,641,265	133,250,142	2,123,938,000	6.27%	145,459	916
2021	256,501,965	68,453,968	188,047,997	2,233,518,000	8.42%	148,665	1,265
2022	249,065,615	73,329,071	175,736,544	2,424,766,000	7.25%	151,780	1,158
2023	256,776,931	81,562,245	175,214,686	2,751,538,000	6.37%	153,772	1,139



City of Olathe, Kansas
Direct and Overlapping Governmental Activities Debt
December 31, 2023

Taxing Unit	Net Debt to Nearest Date	Percentage Applicable to the City of Olathe	Estimated Share
Johnson County	\$ 572,900,000	18.55%	\$ 106,272,950
USD 229	475,975,000	2.98%	\$ 14,184,055
USD 230	214,565,000	34.29%	\$ 73,574,339
USD 231	105,365,000	1.23%	\$ 1,295,990
USD 232	146,705,000	1.91%	\$ 2,802,066
USD 233	727,393,495	62.91%	\$ 457,603,248
Johnson County Fire District #2	4,615,000	0.23%	\$ 10,615
NW Cons Fire	887,945	0.04%	\$ 355
Total estimated overlapping debt			<u>655,743,616</u>
City of Olathe's direct debt			355,408,770
Total direct and overlapping debt			<u><u>\$ 1,011,152,386</u></u>

Source: Johnson County

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 Olathe. 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.

All Johnson County Taxing Units' debt is as of September 1, 2023. All other districts' debt is as of June 30, 2023.

**City of Olathe, Kansas
Legal Debt Margin Information
Last Ten Fiscal Years**

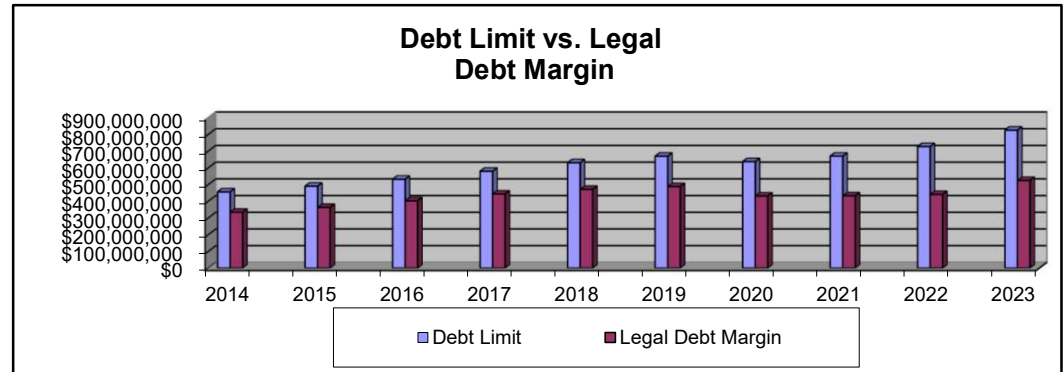
	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 455,980,038	\$ 490,122,542	\$ 531,685,602	\$ 579,500,865	\$ 630,366,375	\$ 669,510,564	\$ 637,181,262	\$ 670,055,497	\$ 727,429,838	\$ 825,461,549
Total net debt applicable to limit	121,451,182	126,719,078	129,097,192	136,166,161	158,746,899	181,513,450	205,875,413	237,266,874	286,780,000	301,025,000
Legal debt margin	\$ 334,528,856	\$ 363,403,464	\$ 402,588,410	\$ 443,334,704	\$ 471,619,476	\$ 487,997,114	\$ 431,305,849	\$ 432,788,623	\$ 440,649,838	\$ 524,436,549
Total net debt applicable to the limit as a percentage of debt limit	26.64%	25.85%	24.28%	23.50%	25.18%	27.11%	32.31%	35.41%	39.42%	36.47%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed valuation	\$2,751,538,496
Legal debt limit (1)	825,461,549
Debt applicable to limit	
General obligation bonds	228,885,000
Temporary notes	72,140,000
Total general obligation debt outstanding	301,025,000
Less exempt capital projects (2)	-
Debt margin	<u>\$ 524,436,549</u>

(1) Represents the valuation arrived at by using a formula as required by K.S.A. 79-5037. Debt limit is currently set at 30%.

(2) Represents the debt associated with projects exempt from debt limit calculation in accordance with K.S.A. 10-309.



City of Olathe, Kansas
Pledged Revenue Coverage
Last Ten Fiscal Years

Water & Sewer Revenue Bonds						
Fiscal Year	Revenues	Current Expenses (1)	Net Revenue Available for Debt Service	Principal Requirement	Interest Requirement	Coverage
2014	39,327,067	24,801,732	14,525,335	2,165,000	2,789,113	2.93
2015	40,519,753	26,710,875	13,808,878	2,205,000	2,707,312	2.81
2016	44,771,642	27,342,877	17,428,765	3,065,000	3,253,529	2.76
2017	47,441,300	29,913,182	17,528,118	4,500,000	3,400,661	2.22
2018	50,659,278	31,706,303	18,952,975	3,400,000	3,698,015	2.67
2019	48,206,445	37,317,966	10,888,479	3,845,000	3,960,837	1.39
2020	53,340,380	36,173,340	17,167,040	4,450,000	4,115,468	2.00
2021	55,102,772	34,500,267	20,602,505	4,785,000	3,925,303	2.37
2022	58,544,396	36,307,652	22,236,744	5,220,000	3,168,331	2.65
2023	67,082,991	41,732,479	25,350,512	5,850,000	3,496,794	2.71

Special Obligation Bonds and Developers' Agreements (2)

Fiscal Year	Revenues	Principal Requirement	Interest Requirement	Developers' Agreement	Coverage
2014	4,013,561	1,597,414	1,017,481	960,974	1.12
2015	4,415,841	1,647,626	998,084	1,177,222	1.16
2016	5,477,980	1,708,733	972,027	1,317,683	1.37
2017	6,326,642	2,608,023	977,560	3,048,153	0.95
2018	7,321,032	3,336,918	866,630	3,758,742	0.92
2019	7,052,725	1,545,024	733,876	3,467,661	1.23
2020	6,792,915	1,494,459	656,010	3,602,740	1.18
2021	8,277,930	1,637,716	650,664	4,084,962	1.30
2022	8,038,504	1,725,453	611,206	5,195,216	1.07
2023	9,071,369	1,775,839	319,911	5,192,293	1.24

(1) Current expenses do not include bad debt expense, depreciation, or amortization.

(2) The City is only obligated for the amounts of incremental taxes received attributable to the project. Any deficiencies are the responsibility of the redeveloper.

**City of Olathe, Kansas
Demographic and Economic Statistics
Last Ten Fiscal Years**

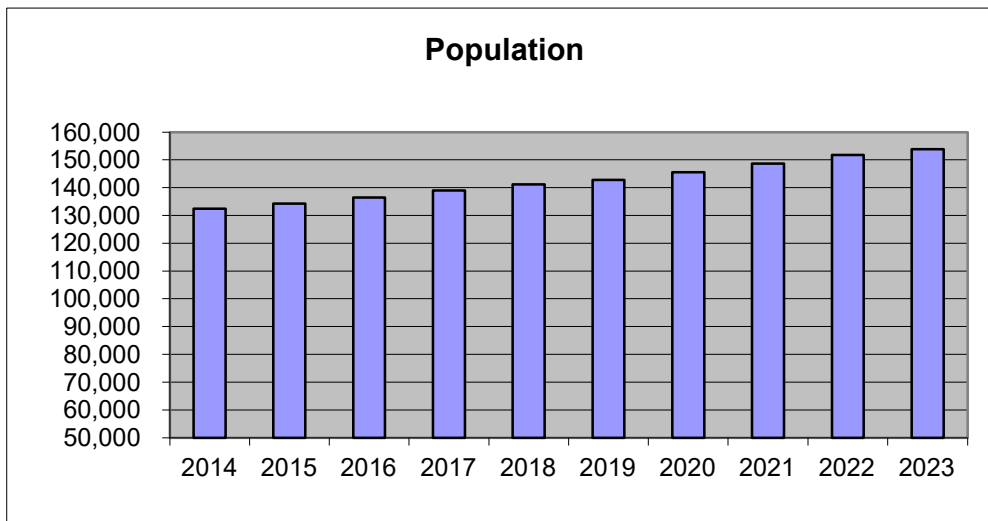
Fiscal Year	Population (3)	Personal Income (2)*	Per Capita Personal Income	Unemployment Rates (1)
2014	132,437	7,955,489	60,070	3.2%
2015	134,231	8,322,972	62,005	2.8%
2016	136,394	8,322,993	61,483	2.9%
2017	138,922	8,385,912	66,063	2.4%
2018	141,116	9,177,604	69,977	2.5%
2019	142,767	9,874,874	74,108	2.2%
2020	145,549	11,006,827	75,670	3.5%
2021	148,665	11,994,448	80,681	2.5%
2022	151,780	12,830,722	84,535	2.5%
2023	153,772	13,916,827	90,503	2.4%

* In thousands of dollars

(1) Source: Kansas Department of Labor

(2) Source: Derived from the personal income from Johnson County provided in the U.S. Department of Commerce Bureau of Economic Analysis

(3) Source: City of Olathe Planning Division



City of Olathe, Kansas
Principal Employers
Current Year and Nine Years Ago

2023				2014			
Largest Employers	Employees	Rank	Percentage of Total City Population	Largest Employers	Employees	Rank	Percentage of Total City Population
Company							
GARMIN International	4,600	1	2.99%	Olathe Unified School District	4,606	1	3.54%
Olathe Unified School District	4,500	2	2.93%	GARMIN International	2,975	2	2.29%
Olathe Health System	2,500	3	1.63%	Olathe Medical Center	2,450	3	1.88%
Johnson County Government	2,400	4	1.56%	Farmers Insurance	2,445	4	1.88%
Farmers Insurance	1,733	5	1.13%	Johnson County Government	2,064	5	1.59%
City of Olathe	962	6	0.63%	Covergys	950	6	0.73%
TransAm Trucking	800	7	0.52%	Honeywell (Bendix/King)	850	7	0.65%
TVH	670	8	0.44%	City of Olathe	808	8	0.62%
FAA/Air Route Traffic Control Center	600	9	0.39%	Mid-Central Sysco	780	9	0.60%
Sysco Food Services	585	10	0.38%	TransAm Trucking	700	10	0.54%
Total	<u>19,350</u>		<u>12.60%</u>		<u>18,628</u>		<u>14.32%</u>

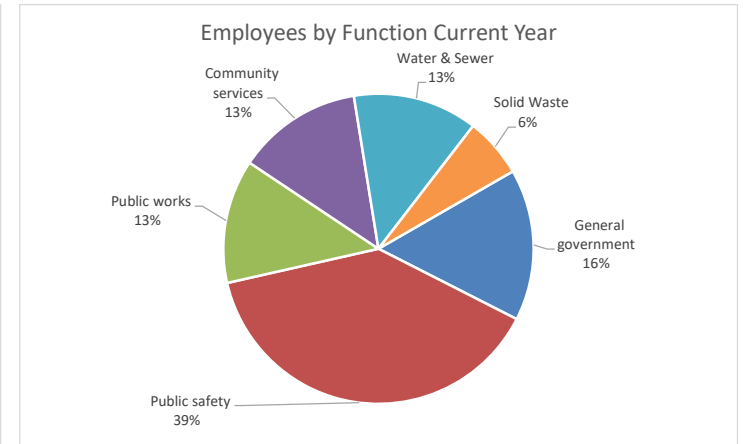
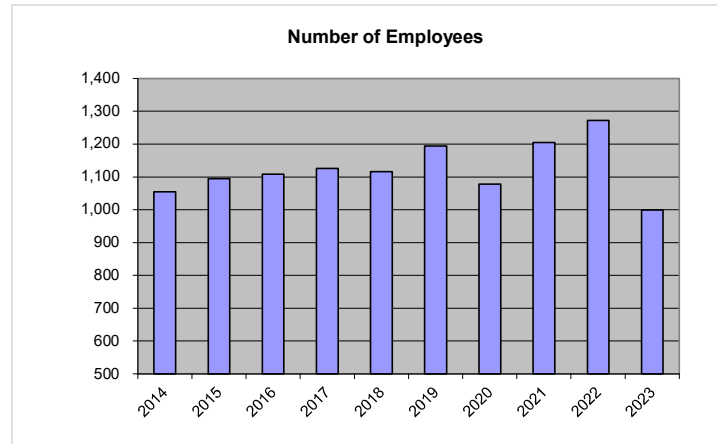
Source: Olathe Chamber of Commerce

**City of Olathe, Kansas
City Government Employees by Function/Program
Last Ten Fiscal Years**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental										
General government	119	120	129	119	113	114	126	164	167	155
Public safety	348	348	347	374	379	396	391	382	390	381
Public works	126	134	135	128	140	130	85	147	144	126
Community services	280	307	308	291	275	346	270	335	383	128
Business-Type										
Water & Sewer	123	125	129	152	150	149	143	117	127	142
Solid Waste	59	60	60	62	59	59	63	60	61	67
Totals	1,055	1,094	1,108	1,126	1,116	1,194	1,078	1,205	1,272	999
Employees per budget	865	870	889	911	924	950	962	962	1,009	1,037

Source: City's Payroll System

Note: Prior to 2023, the number of employees by function includes full-time, part-time, and other variable employees. The annual budget does not include all variable employee types resulting in actual employees in excess of budgeted. Beginning with 2023, to provide a more accurate comparison between budgeted and actual employees, the number of employees by function will only represent full-time employees active on the last day of the year.



**City of Olathe, Kansas
Operating Indicators by Function/Program
Last Ten Fiscal Years**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
<i>Police</i>										
Violent Crime Rate per 1,000 residents	1.46	1.2	1.43	1.48	1.91	2.57	**	**	**	**
Property Crime Rate per 1,000 residents	16.29	16.21	16.84	15.48	15.54	15.23	**	**	**	**
Group A Crimes per 1,000 citizens	**	**	**	**	**	**	46.39	47.48	45.37	43.92
Average calls for service per FTE - first responder	345	354	369	367	371	370	355	289	269	332
<i>Fire</i>										
Code 1 Emergencies response within 5 minutes	51%	60%	53%	59%	61%	62%	64%	62%	60%	65%
Fire Confined to Object or Room of Origin	87%	73%	76%	73%	79%	81%	93%	74%	52%	83%
Public works										
<i>Governmental activities</i>										
Maintenance of City Streets - Satisfactory or above	74.00%	69.00%	74.12%	75.72%	74.95%	75.44%	75.60%	70.80%	76.01%	75.70%
Major Street Snow Removal - Satisfactory or above	85.00%	86.88%	84.94%	85.52%	86.04%	88.28%	92.48%	92.10%	91.32%	92.40%
Residential Streets Snow Removal - Satisfactory or above	61.00%	64.33%	66.80%	70.23%	70.64%	75.00%	81.84%	80.40%	79.81%	83.30%
Maintenance of Sidewalks - Satisfactory or above	61.00%	60.00%	57.20%	61.34%	60.00%	65.01%	63.86%	61.80%	62.98%	60.90%
<i>Business-type activities</i>										
<i>Water and sewer</i>										
Unaccounted for water	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%
Time water meets regulatory standards	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Time wastewater meets effluent limits	99.96%	99.86%	99.95%	100.00%	99.98%	100.00%	100.00%	99.98%	100.00%	100.00%
<i>Solid waste</i>										
Tonnage diverted	41.10%	43.88%	44.60%	45.27%	40.03%	42.42%	39.10%	38.85%	40.05%	41.20%
Community services										
Quality of Parks and Recreation Programs and Facilities - Satisfactory or above	90.00%	88.00%	92.32%	91.88%	91.00%	93.45%	91.62%	93.10%	92.88%	90.80%
Quality of Outdoor Athletic Fields - Satisfactory or above	81.00%	89.00%	83.54%	82.19%	80.75%	84.05%	86.42%	82.70%	84.82%	82.99%
Quality of Indoor Recreation Facilities - Satisfactory or above	75.00%	92.00%	82.03%	80.97%	84.00%	82.73%	85.51%	81.60%	82.92%	81.23%

Source: Various City Departments and the annual Direction Finder Survey.

**Data was not available at the time of publication due a change in reporting definitions to align with industry standards.

City of Olathe, Kansas
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety											
Police											
Stations	1	1	1	1	1	1	1	1	1	1	1
Patrol units	58	58	58	58	58	58	60	60	62	62	66
Fire stations	7	7	7	7	7	7	7	7	8	8	8
Public works											
Governmental activities											
Streets (miles)	1,256	1,256	1,256	1,275	1,275	1,275	1,306	1,372	1,345	1,368	1,382
Business-type activities											
Water and sewer											
Water mains (miles)	590	590	590	600	600	600	600	600	627	632	633
Acre wellfield	95	95	95	95	95	95	95	95	95	190	190
Sanitary sewers (miles)	410	410	410	439	449	449	449	449	461	465	467
Solid waste											
Collection trucks	43	43	43	43	43	43	43	43	44	44	44
Community services											
Acreage	1,559	1,559	1,559	1,559	1,559	1,559	1,559	1,978	1,367	1,916	1,916
Parks	45	45	45	45	45	45	45	45	43	43	43
Swimming Facilities	4	4	5	5	5	5	5	5	6	6	6
Trails (miles)	31	31	31	33	33	32	58	71	79	45	45

Source: Various city departments

Note: No capital asset indicators are available for the general government.

**City of Olathe, Kansas
Water and Sewer Information
Last Ten Fiscal Years**

Number of Customers

The following table lists the approximate number of customers of the System for the last ten fiscal years.

<u>Year</u>	<u>Water Customers</u>	<u>Sewer Customers</u>
2014	35,090	29,303
2015	35,323	29,633
2016	35,559	29,891
2017	35,879	30,262
2018	36,120	30,602
2019	36,600	30,830
2020	37,137	31,533
2021	36,947	31,669
2022	37,234	31,701
2023	37,533	32,085

Water Production Requirements

The following table indicates historical water production requirements and comparison to the previous year.

<u>Year</u>	<u>Average Daily Demand</u>		<u>Annual Demand</u>	
	<u>Gallons (in millions)</u>	<u>Percent Change</u>	<u>Gallons (in millions)</u>	<u>Percent Change</u>
2014	12.14	-11.0%	4,419.31	-11.2%
2015	11.30	-6.9%	3,634.00	-17.8%
2016	12.60	11.5%	4,585.00	26.2%
2017	11.82	-6.2%	4,304.00	-6.1%
2018	12.92	9.3%	4,717.27	9.6%
2019	11.75	-9.1%	4,289.66	-9.1%
2020	12.44	5.9%	4,541.29	5.9%
2021	12.74	2.4%	4,653.74	2.5%
2022	13.00	2.0%	4,900.00	5.3%
2023	13.30	2.3%	4,852.00	-1.0%

continued

**City of Olathe, Kansas
Water and Sewer Information
Last Ten Fiscal Years**

Sewage Treatment Requirements

The following table indicates historical sewage treatment requirements of the City, but does not include that portion of the City that is served by the Johnson County Unified Wastewater District.

<u>Year</u>	<u>Average Daily Flow</u>		<u>Annual Demand</u>	
	<u>Gallons (in millions)</u>	<u>Percent Change</u>	<u>Gallons (in millions)</u>	<u>Percent Change</u>
2014	5.11	-11.0%	1,893	-10.1%
2015	6.28	22.9%	2,298	21.4%
2016	5.95	-5.3%	2,186	-4.9%
2017	5.60	-5.9%	2,044	-6.5%
2018	5.15	-8.0%	1,899	-7.1%
2019	6.88	33.6%	2,535	33.5%
2020	5.68	-17.4%	2,092	-17.5%
2021	6.41	12.9%	2,338	11.8%
2022	6.23	-2.8%	2,306	-1.4%
2023	5.95	-4.5%	2,172	-5.8%

Water and Sewer Peak Daily Demand

The following table indicates the peak daily demand of the water system and the maximum daily flow for the sewage treatment system for each of the last ten years.

<u>Year</u>	<u>Water System Peak Daily Demand (millions of gallons)</u>	<u>Sewage System Maximum Daily Flow (millions of gallons)</u>
2014	24.12	18.08
2015	19.30	25.76
2016	24.68	31.28
2017	21.50	28.54
2018	25.26	35.20
2019	22.50	36.34
2020	22.41	29.09
2021	24.37	30.98
2022	26.51	23.30
2023	23.40	16.30

continued

**City of Olathe, Kansas
Water and Sewer Information**

Largest Customers

The following table lists the ten largest users of the System based on the percentage of total 2023 revenue generated by each.

Customer	Water System		Percentage of Total 2023 System Revenues
	Type of Enterprise	2023 Water Billing	
Rural Water District 7	Rural Water	\$ 397,584	1.67%
New Century Air Center	Wholesale	381,477	1.60%
Rural Water District 6	Rural Water	258,245	1.09%
FSI Santa Barbara Property LLC	Multi-family	160,246	0.67%
Olathe Medical Center	Hospital	165,003	0.69%
Garmin International	Industrial	134,921	0.57%
Cintas	Services	66,260	0.28%
Azria Health Olathe	Nursing Home	47,017	0.20%
QuickTrip	Services	46,064	0.19%
Jefferson on the Lake	Multi-family	45,056	0.19%

Customer	Sewer System		Percentage of Total 2023 System Revenues
	Type of Enterprise	2023 Sewer Charge	
Olathe Medical Center	Hospital	\$ 133,437	0.77%
Cintas	Services	121,170	0.70%
HAMM Incorporated	Industrial	89,040	0.52%
Green Lantern Car Wash LLC	Car wash	81,409	0.47%
Jefferson on the Lake	Multi-family	70,595	0.41%
Azria Health Olathe	Nursing Home	64,511	0.37%
AMC Theatres Mail Stop 4	Industrial	62,927	0.36%
Villa St Francis	Multi-family	55,286	0.32%
Good Samaritan Center	Multi-family	55,046	0.32%
Johnson County	Government	49,082	0.28%
Club Car Wash Operating LLC	Car wash	47,051	0.27%

City of Olathe, Kansas
Risk Management Fund
December 31, 2023

	<u>Workers'</u> <u>Compensation</u>	<u>Health &</u> <u>Dental</u>	<u>General</u> <u>Liability</u>	<u>Other</u>	<u>Total</u>
Assets					
Current assets					
Cash and cash equivalents	\$ 6,557,571	\$ 6,492,184	\$ 4,370,845	\$ -	\$ 17,420,600
Total current assets	<u>6,557,571</u>	<u>6,492,184</u>	<u>4,370,845</u>	<u>-</u>	<u>17,420,600</u>
Noncurrent assets					
Restricted assets					
Deposit	-	11,000	-	-	11,000
Total restricted assets	<u>-</u>	<u>11,000</u>	<u>-</u>	<u>-</u>	<u>11,000</u>
Total assets	<u>\$ 6,557,571</u>	<u>\$ 6,503,184</u>	<u>\$ 4,370,845</u>	<u>\$ -</u>	<u>\$ 17,431,600</u>
Liabilities					
Current liabilities					
Accounts and claims payable	\$ 2,582,319	\$ 1,801,054	\$ 311,350	\$ -	\$ 4,694,723
Due to other funds	-	-	-	130,330	130,330
Compensated absences	-	6,378	-	-	6,378
Total current liabilities	<u>2,582,319</u>	<u>1,807,432</u>	<u>311,350</u>	<u>130,330</u>	<u>4,831,431</u>
Noncurrent liabilities					
Deposit	-	11,000	-	-	11,000
Compensated absences	-	4,582	-	-	4,582
Total noncurrent liabilities	<u>-</u>	<u>15,582</u>	<u>-</u>	<u>-</u>	<u>15,582</u>
Total liabilities	<u>2,582,319</u>	<u>1,823,014</u>	<u>311,350</u>	<u>130,330</u>	<u>4,847,013</u>
Net position					
Unrestricted	3,975,252	4,680,170	4,059,495	(130,330)	12,584,587
Total liabilities and net position	<u>\$ 6,557,571</u>	<u>\$ 6,503,184</u>	<u>\$ 4,370,845</u>	<u>\$ -</u>	<u>\$ 17,431,600</u>
Operating revenues					
Charges for services	\$ 1,755,937	\$ 21,906,867	\$ 3,173,566	\$ 8,643	\$ 26,845,013
Operating expenses					
Administration and general	2,473,529	23,550,949	2,073,166	134,395	28,232,039
Operating income (loss)	<u>(717,592)</u>	<u>(1,644,082)</u>	<u>1,100,400</u>	<u>(125,752)</u>	<u>(1,387,026)</u>
Nonoperating revenues (expenses)					
Interest income	258,406	277,761	160,276	(3,074)	693,369
Transfer out	-	-	-	-	-
Net income (loss)	<u>(459,186)</u>	<u>(1,366,321)</u>	<u>1,260,676</u>	<u>(128,826)</u>	<u>(693,657)</u>
Net position - beginning of year	4,434,438	6,046,491	2,798,819	(1,504)	13,278,244
Net position - end of year	<u>\$ 3,975,252</u>	<u>\$ 4,680,170</u>	<u>\$ 4,059,495</u>	<u>\$ (130,330)</u>	<u>\$ 12,584,587</u>



2023 **ANNUAL COMPREHENSIVE FINANCIAL** REPORT