2025

CITY OF MERRIAM, KANSAS

Annual Comprehensive Financial Report

FOR THE YEAR ENDED DECEMBER 31, 2025



9001 W. 62 ST., MERRIAM, KS 66202 // 913-322-5500 // MERRIAM.ORG

MERRIAM
just right

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2025

MERRIAM, KANSAS

Prepared by:

Meagan Borth
Finance Director

Mike Larkin
Accountant

(This page left blank intentionally)

CITY OF MERRIAM, KANSAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For The Year Ended December 31, 2025

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Transmittal Letter	1
City Organizational Chart	4
Principal Officials	5
Certificate of Achievement for Excellence in Financial Reporting	6
FINANCIAL SECTION	
Report of Independent Auditors	7
Management's Discussion and Analysis	10
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds	21
Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Notes to the Basic Financial Statements	25
Required Supplementary Information:	
Notes to Required Supplementary Information	56
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	57
Share of the Collective Net KPERS Pension Liability - Last Ten Fiscal Years...	58
Schedule of City's Contribution to KPERS - Last Ten Fiscal Years	59
Schedule of Changes in the City's Total OPEB Liability and Related Ratios – Last Eight Fiscal Years	63
Schedule of Changes in the City's Death & Disability Total OPEB Liability and Related Ratios – Last Eight Years	64
Combining and Individual Fund Statements and Schedules:	
Non-major Governmental Funds:	
Fund Descriptions	65
Combining Balance Sheet	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	67

Page

Combining and Individual Fund Statements and Schedules (Continued):
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budget Basis:
Special Highway Fund 68
Special Alcohol Fund 69
Special Parks and Recreation Fund 70
Transient Guest Tax Fund 71
Equipment Reserve Fund 72
Risk Management Reserve Fund 73
General Obligation Debt Service Fund:
Fund Description 74
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Budget Basis 75

STATISTICAL SECTION
Statistical Section – Overview of Contents 76
Net Position by Component – Last Ten Fiscal Years 77
Changes in Net Position – Last Ten Fiscal Years 78
Fund Balances of Governmental Funds – Last Ten Fiscal Years 79
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years 80
Tax by Revenue Source, Governmental Funds – Last Ten Fiscal Years 81
Total City Taxable Sales by Category – Direct and Overlapping Governments – Last Ten Fiscal Years 82
Sales Tax Rates – Last Ten Fiscal Years 83
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years 84
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years 85
Principal Property Taxpayers – Current Year and Nine Years Ago 86
Property Tax Levies and Collections – Last Ten Fiscal Years 87
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years 88
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years 89
Direct and Overlapping Governmental Activities Debt 90
Legal Debt Margin Information – Last Ten Fiscal Years 91
Pledged Revenue Coverage – Last Ten Fiscal Years 92
Demographic and Economic Statistics – Last Ten Fiscal Years 93
Principal Employers – Current Year and Nine Years Ago 94
Full-Time Equivalent City Government Employees by Function – Last Ten Fiscal Years 95
Operating Indicators by Function – Last Ten Fiscal Years 96
Capital Asset Statistics by Function – Last Ten Fiscal Years 97

INTRODUCTORY

SECTION

June 30, 2026

To The Honorable Mayor, City Council, and Citizens of the City of Merriam:

The Finance Department is pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Merriam, Kansas for the fiscal year ended December 31, 2025. This report is submitted to you in compliance with Kansas statutes requiring an annual audit.

Responsibility for the completeness and accuracy of the financial data presented rests with the City's management. We believe this report fairly presents the financial position of the City in all material respects, both on a government-wide and a fund basis. Note disclosures are included to provide additional insight and clarity for the reader.

City management is responsible for establishing and maintaining an internal control structure designed to safeguard the City's assets, ensure the accuracy of financial records, and facilitate the preparation of financial statements in accordance with generally accepted accounting principles (GAAP) in the United States. These controls provide reasonable, though not absolute, assurance that these objectives are achieved. The concept of reasonable assurance recognizes that the cost of a control should not exceed its expected benefits and that management must use estimates and judgment in evaluating cost and benefit relationships.

The independent auditing firm of Allen, Gibbs & Houlik, L.C. audited the City's 2025 financial statements. Their audit provides reasonable assurance that the financial statements are free from material misstatement. The audit involved examining evidence on a test basis, assessing accounting principles used, evaluating significant estimates made by management, and evaluating the overall presentation of the financial statements.

The Management's Discussion and Analysis (MD&A), which follows the independent auditor's report, provides narrative context and analysis of the City's financial activities for the year. This transmittal letter is intended to supplement the MD&A and should be read in conjunction with it and the financial statements.

Profile of the City

The City of Merriam is located in northeast Johnson County, approximately eight miles from downtown Kansas City, Missouri. Incorporated as a third-class city in 1950 and as a second-class city in 1957, Merriam encompasses 4.3 square miles and has a population of just over 11,000. The City operates under a non-partisan Mayor/Council form of government with a City Administrator.

The City of Merriam provides its citizens with a wide variety of services, including: public safety and protection, cultural and recreational activities, construction and maintenance of the City's facilities, parks, street network and drainage systems, snow removal, building and residential code enforcement, city planning and zoning, and court services.

Component Units: In evaluating the City as a reporting entity, management has considered all potential component units. Such component units would include organizations for which the primary government is

financially accountable, and other organizations whose relationships with the primary government are such that the City's financial statements would be misleading or incomplete if excluded. The definition of the reporting entity is based primarily on financial accountability as distinct from strictly legal relationships. Based on the evaluation criteria, there are no organizations related to the City that should be accounted for in the financial statements.

Budgetary Control: The City maintains strong budgetary controls in compliance with Kansas statutes. Legally adopted budgets are prepared for all required funds, and an encumbrance accounting system is used to enhance budgetary control.

Factors Affecting Financial Condition

Local Economy: Merriam continues to benefit from its strategic location along the Interstate 35 corridor and a strong, diverse commercial base. Sales and use taxes remained the City's largest General Fund revenue source during 2025, representing approximately 54% of General Fund revenues, while property taxes accounted for approximately 28%. Automotive dealerships, IKEA, Merriam Town Center, Grand Marketplace, restaurants, and other retail businesses continue to attract visitors from throughout the Kansas City metropolitan area and support the City's economic vitality.

The City's assessed valuation continued to grow entering 2026, increasing 2.53% over the prior year to approximately $290.7 million. Residential assessed valuation increased 7.59%, reflecting continued investment in the community and helping strengthen the City's long-term tax base. Merriam also continues to benefit from the strong Johnson County economy and supports an estimated 14,119 jobs.

Long-Term Financial Planning: The City prepares five-year General Fund financial forecasts and maintains a fund balance policy targeting combined General Fund and Risk Management Reserve balances between 30% and 35% of annual General Fund revenues. These long-range forecasts assist City leadership in evaluating future service levels, capital needs, and financial sustainability while maintaining structural budget balance.

The City's Capital Improvement Program (CIP) continues to prioritize transportation infrastructure, drainage improvements, sidewalks, public facilities, parks, and economic development projects. During 2025, the City issued approximately $36.1 million in General Obligation Bonds to fund major infrastructure investments, including public improvements supporting the Grand Marketplace redevelopment project. Capital improvements continue to be financed through a combination of dedicated sales taxes, General Obligation Bonds, tax increment financing (TIF), intergovernmental grants, and other available funding sources.

Reserves and Contingencies: As of December 31, 2025, the City's combined General Fund and Risk Management Reserve balances remained above the minimum level established by the City's adopted fund balance policy, providing financial flexibility to address future operating needs, capital investments, and unforeseen events.
Relevant Financial Policies: No significant changes were made to the City's financial policies during 2025 that materially affected the preparation or presentation of the financial statements.

Major Initiatives: Implementation of the Merriam 2040 Comprehensive Plan continued during 2025. Major initiatives included continued construction of the Upper Turkey Creek Drainage Improvement Project, transportation and utility infrastructure improvements, and public infrastructure supporting the Grand Marketplace redevelopment area. These investments are intended to strengthen Merriam's transportation network, enhance stormwater infrastructure, encourage private investment, and support the City's long-term economic development objectives.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded the City the Certificate of Achievement for Excellence in Financial Reporting for its 2024 Annual Comprehensive Financial Report, marking the City's 32nd consecutive year receiving this prestigious award. The City also received GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting and the Distinguished Budget Presentation Award. The 2025 ACFR will be submitted to GFOA for consideration. In addition, S&P Global Ratings reaffirmed the City's AAA bond rating during 2025.

We extend our sincere appreciation to all City staff, particularly Accountant Mike Larkin, for their diligent work in preparing this report. We also thank the Mayor and City Council for their continued leadership and commitment to fiscal transparency and excellence.

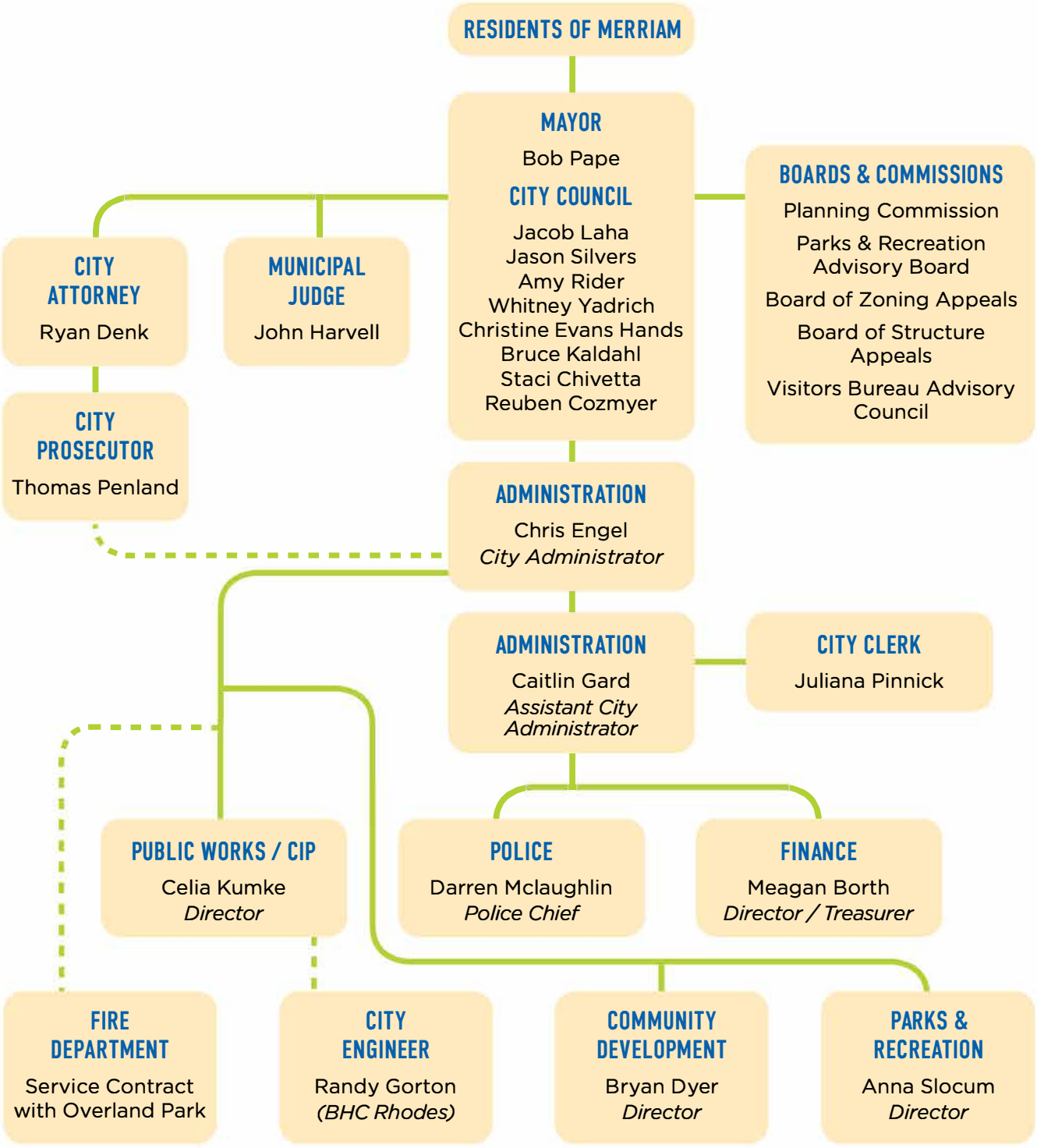
Respectfully submitted,

Christopher Engel
City Administrator

Meagan Borth
Finance Director

(This page left blank intentionally)

CITY ORGANIZATIONAL CHART



PRINCIPAL OFFICIALS

Mayor
Bob Pape – bpape@merriam.org – x5512

City Council
Jacob Laha, Ward 1 – jlaha@merriam.org
Jason Silvers, Ward 1 – jsilvers@merriam.org
Amy Rider, Ward 2 – arider@merriam.org
Whitney Yadrich, Ward 2 – wyadrich@merriam.org
Christine Evans Hands, Ward 3 – chrish@merriam.org
Bruce Kaldahl, Ward 3 – bkaldahl@merriam.org
Staci Chivetta, Ward 4 – schivetta@merriam.org
Reuben Cozmyer, Ward 4 – rcozmyer@merriam.org

Appointed Officials
Chris Engel, City Administrator – cengel@merriam.org – x5511
Caitlin Gard, Assistant City Administrator – cgard@merriam.org – x5515
Meagan Borth, Finance Director – mborth@merriam.org – x5504
Darren McLaughlin, Police Chief – dmclaughlin@merriam.org – x5587
Celia Kumke, Public Works Director – ckumke@merriam.org – x5571
Bryan Dyer, Community Development Director – bdyer@merriam.org – x5527
Anna Slocum, Parks & Recreation Director – aslocum@merriam.org – x5556
Juli Pinnick, City Clerk – jpinnick@merriam.org – x5508
Ryan Denk, City Attorney – rdenk@mvplaw.com – 913-573-3310

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Merriam
Kansas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL

SECTION

AGH
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members
City of Merriam, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Merriam, Kansas (City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2025, and the respective changes in financial position 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) and the *Kansas Municipal Audit and Accounting Guide*. 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 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, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules as listed in the table of contents 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules as listed in the table of contents 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 and statistical 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.

Allen, Gibbs & Houlik, L.C.

CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, KS
June 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Merriam's (the City) financial statements provides a narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2025. This discussion follows guidelines prescribed by the Governmental Accounting Standards Board (GASB) Statement 34, which enhances comparability between governments. The information presented here should be read in conjunction with the accompanying basic financial statements and the notes to those basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $167,418,036. While net position decreased by $5,688,096 during 2025, the decrease primarily reflects the costs of major economic development projects that will benefit the City for years to come.
- The City's investment in capital assets totaled $140,536,612, net of accumulated depreciation, reflecting continued investment in transportation infrastructure, drainage improvements, public facilities, and redevelopment-related infrastructure.
- Governmental fund balances increased by $20,861,156 to $78,621,822. The increase was primarily attributable to the receipt of bond proceeds, continued strong sales tax collections, and higher investment earnings.
- Sales tax revenues remained the City's largest revenue source, generating $20.1 million during 2025 and continuing to provide a stable source of funding for both operations and capital improvements.
- Property tax revenues totaled $11.8 million, including approximately $5.4 million of tax increment financing revenues generated within the City's redevelopment districts.
- The General Fund reported an ending fund balance of $11,318,402, providing financial flexibility while continuing to support the City's adopted fund balance policy.
- Outstanding General Obligation Bonds totaled $41,050,000 at December 31, 2025. During the year, the City issued approximately $36.1 million of General Obligation Bonds to finance major infrastructure and economic development initiatives, including public improvements supporting the Grand Marketplace redevelopment project.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements, which include three components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to 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 finances, in a manner similar to a private-sector business. These statements use the accrual basis of accounting, which means that the current year's revenues and expenses are recorded as they are earned or incurred, regardless of when cash is received or paid. The *Statement of Net Position* presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. These statements include infrastructure assets as well as all known liabilities,

including long-term debt. 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* provides information detailing *how* the City's net position changed during the year.

Fund Financial Statements

A fund is a fiscal entity with a set of self-balancing accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to demonstrate compliance with legal requirements, such as state statutes or bond covenants. There are three types of funds: governmental, proprietary, and fiduciary. All of the City's funds are classified as governmental funds. Fund accounting focuses on 1) cash flow and how financial assets can readily be converted to available resources, and 2) the balances left at the end of the fiscal year for future spending. The focus is on the budgetary, short-term financial picture of the reported operations rather than on the longer term economic picture of the City as a whole.

Governmental funds are reported using the *modified accrual* basis of accounting, which measures cash and other financial assets that can readily be converted to cash. Under this basis of accounting, revenues are recognized when they become measurable and available, and expenditures are generally recognized when the related fund liability is incurred. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Therefore, both the government-wide and fund financial statements present different useful aspects of the City's financial picture. They are designed to be compared and interpreted together. The reconciliations at the end of the fund financial statements detail the relationship and differences between the two types of financial statements.

Notes to the Basic Financial Statements

The notes to the basic financial statements are an integral part of the basic financial statements. They provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

Required budgetary data related to the General Fund, information on the City's defined benefit pensions and other postemployment benefits other than pensions are presented immediately following the notes to the basis financial statements.

Other Supplementary Information

Other information related to combining statements for non-major governmental funds and fund budgetary schedules are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Position

	Governmental Activities	
	2025	2024
Current and other assets	$ 94,278,638	$ 71,969,229
Capital assets	140,536,612	132,597,283
Total assets	234,815,250	204,566,512
Deferred outflows - pensions	1,941,913	2,188,716
Deferred outflows - OPEB	689,304	713,348
Total deferred outflows	2,631,217	2,902,064
Long-term liabilities	52,251,470	19,188,025
Other liabilities	4,357,635	2,534,813
Total liabilities	56,609,105	21,722,838
Deferred property tax receivable	12,136,182	11,757,856
Deferred inflows - pensions	709,382	459,515
Deferred inflows - OPEB	573,762	422,235
Total deferred inflows	13,419,326	12,639,606
Net position:		
Net investment in capital assets	118,751,200	123,513,365
Restricted	9,145,946	9,915,611
Unrestricted	39,520,890	39,677,156
Total net position	$ 167,418,036	$ 173,106,132

Analysis of Net Position

Net position provides a useful indicator of a government's financial position. The City's assets and deferred outflows exceeded liabilities and deferred inflows by $167,418,036 at the close of 2025.

The largest component of the City's net position is $118,751,200 invested in capital assets (e.g. land, buildings, equipment and infrastructure) less any related outstanding debt used to acquire those assets. These assets are used on an ongoing basis to provide services to citizens, and are thus not available for future spending. The City's investment in its capital assets is reported net of related debt; however, the resources needed to repay this debt must come from other sources. The capital assets themselves cannot be liquidated to satisfy these liabilities. During 2025, the City issued General Obligation Bonds to finance major infrastructure and economic development projects. As a result, net investment in capital assets decreased while many of the related capital improvements remain under construction and will continue to be reflected in future years.

An additional $9,145,946 of the City's net position represents resources that are subject to external restrictions on how they may be used. Net position includes $2,182,480 restricted for capital projects; $6,096,416 restricted for community development per state statutes governing TIF and transient guest taxes; $727,832 restricted for debt service; and $139,218 restricted for other purposes. Unrestricted net position totals $39,520,890.

Condensed Statement of Changes in Net Position

	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Charges for services	$ 3,245,179	$ 3,070,613
Operating grants and contributions	382,936	348,247
Capital grants and contributions	1,980,290	2,760,428
General revenues:		
Property taxes	11,835,096	9,974,843
Sales taxes	20,068,808	19,451,735
Other taxes	627,549	790,223
Franchise fees	1,399,365	1,308,391
Earnings (loss) on investments	2,267,972	3,019,504
Miscellaneous	573,498	305,963
Total revenues	42,380,693	41,029,947
Expenses:		
General government	4,728,602	4,426,231
Law enforcement	5,139,180	5,154,148
Fire prevention and control	3,438,770	2,995,580
Public works	4,343,180	4,483,245
Capital improvement program	17,606,347	4,447,822
Community development	5,817,660	9,091,442
Health and welfare	25,000	20,000
Culture and recreation	4,375,749	4,237,236
Interest on long-term debt	2,594,301	110,873
Total expenses	48,068,789	34,966,577
Increase in net position	(5,688,096)	6,063,370
Net position - beginning of year	173,106,132	167,042,762
Net position - end of year	$ 167,418,036	$ 173,106,132

Analysis of Changes in Net Position

Overall net position decreased by $5,688,096 during 2025. While the decrease reflects the recognition of major economic development investments, the City's overall financial position remained strong.

Changes in net position include:

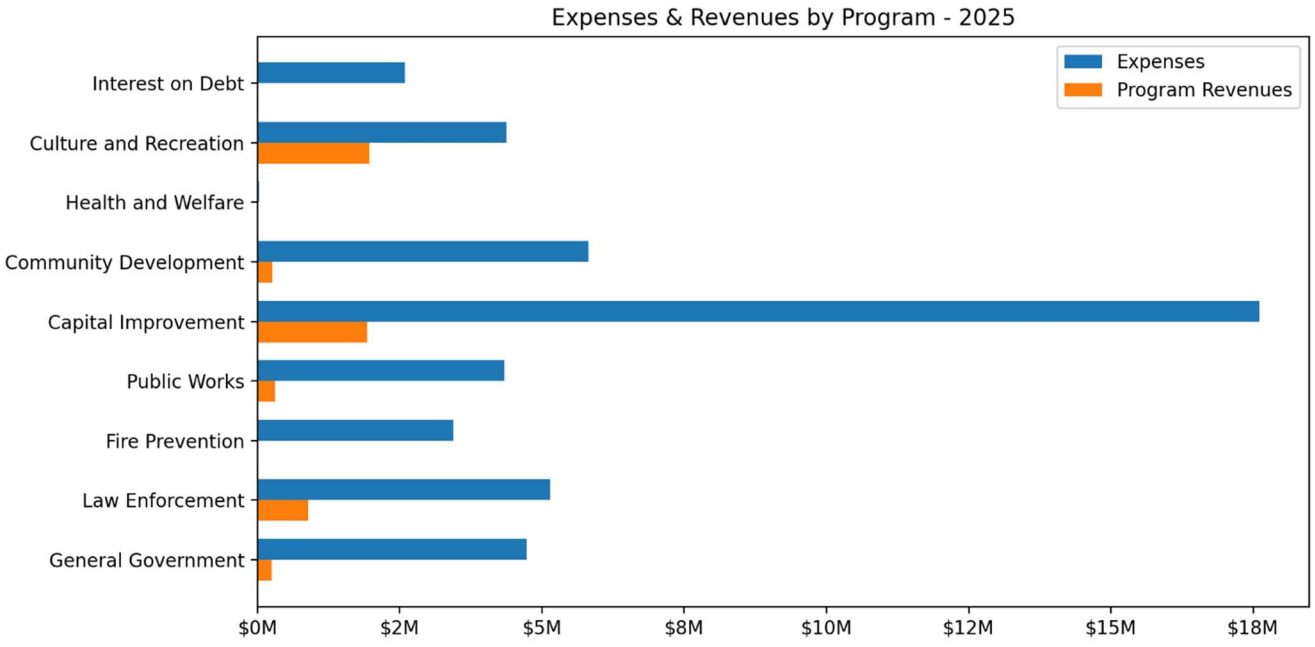
- Net investment in capital assets decreased by $4,762,165 to $118,751,200. The decrease was primarily attributable to the issuance of General Obligation Bonds during 2025 to finance major infrastructure projects.

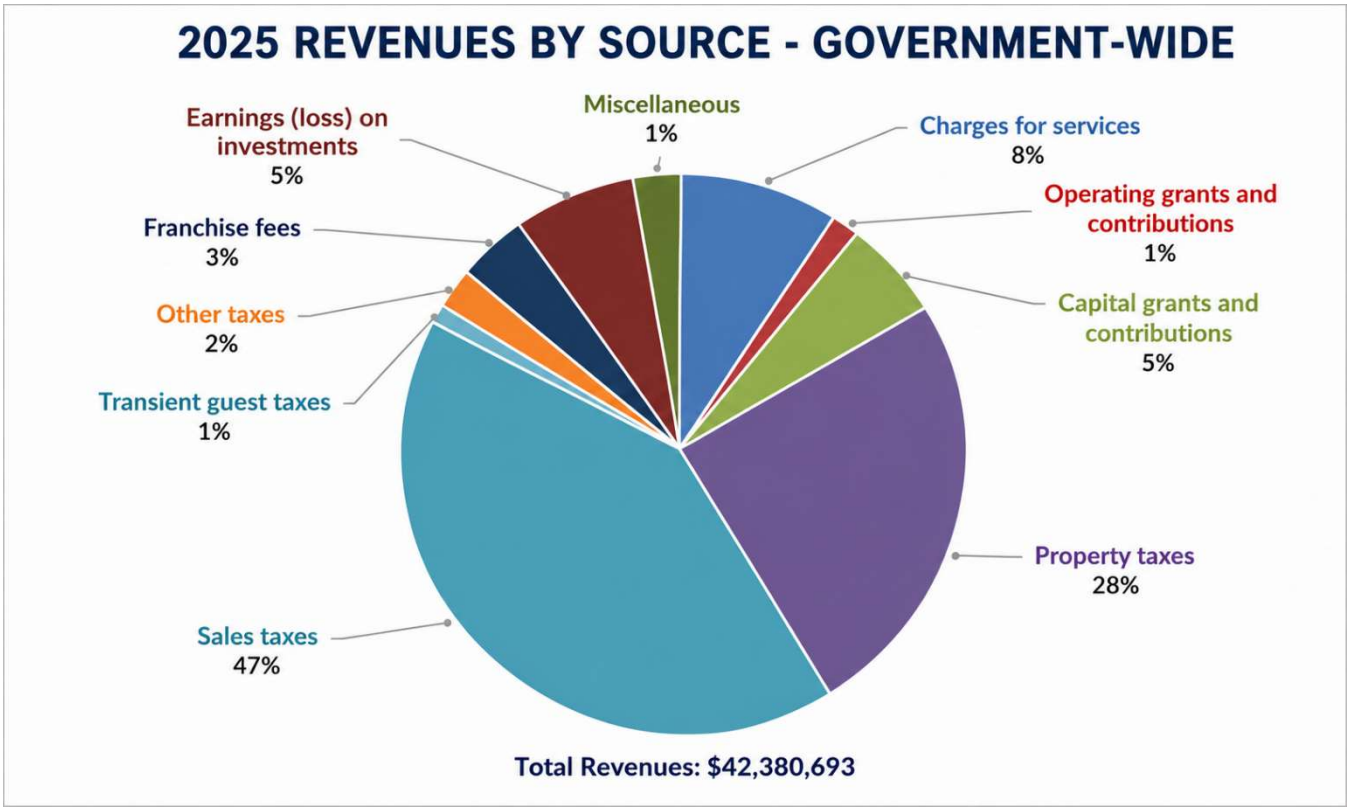
- Net position restricted for capital projects decreased by $1,931,839 to $2,182,480 primarily due to the completion of projects. These funds will be used for future capital improvements and continued investment of the City's dedicated one-quarter cent sales tax for infrastructure projects.

- Net position restricted for community development increased by $957,807 to $6,096,416 as tax increment financing revenues exceeded redevelopment expenditures during the year. These resources will continue to support redevelopment activities and related public infrastructure improvements within the City's redevelopment districts.

- Net position restricted for debt service increased by $147,702 to $727,832, reflecting the accumulation of resources dedicated to future debt service requirements.

- Unrestricted net position decreased by $156,266 to $39,520,890, reflecting an increase in expenses offset by an increase particularly in sales tax revenues and investment earnings, while maintaining financial flexibility for future operational and capital needs.





The preceding charts illustrate Merriam's governmental expenses and program revenues by function, as well as governmental revenues by source. Capital improvement represented the largest governmental expense during 2025, reflecting significant investment in redevelopment-related public improvements. Community development remained a substantial program expenditure as redevelopment agreements continued throughout the year.

General government, law enforcement, fire prevention and control, public works, and culture and recreation expenditures continued to reflect increased personnel costs resulting from annual salary adjustments, higher employee benefit costs, and inflationary impacts on the cost of providing municipal services. Interest on long-term debt increased during 2025 following the issuance of approximately $36.1 million in General Obligation Bonds to finance major infrastructure and economic development projects.

For governmental activities overall, sales taxes remained the City's largest source of revenue, accounting for approximately 47% of total governmental revenues, followed by property taxes at approximately 28%.

Charges for services remained strong due to continued utilization of City services, including the Merriam Community Center and municipal court operations. Capital grants and contributions continued to support eligible infrastructure and capital improvement projects, while investment earnings remained elevated as the City benefited from higher interest rates and increased cash and investment balances throughout the year.

ANALYSIS OF THE FUND FINANCIAL STATEMENTS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

At the end of 2025, the City's governmental funds reported combined ending fund balances of $78,621,822, including restricted, committed, assigned, and unassigned fund balances in accordance with Governmental Accounting Standards Board Statement No. 54. Governmental fund balances increased by $20,861,156 during the year, primarily due to the receipt of General Obligation Bond proceeds, continued strong sales tax collections, and increased investment earnings. These resources provide funding for future capital improvements, debt service, redevelopment activities, and other governmental purposes.

The General Fund is the primary operating fund of the City. At the end of 2025, total fund balance of the General Fund was $11,318,402. The fund balance decreased modestly during the year as planned transfers and capital expenditures continued to support the City's long-term capital improvement strategy while maintaining a strong financial position.

The Capital Improvement Fund experienced the most significant increase of $20,451,882 during 2025 as a result of the issuance of General Obligation Bonds, continued strong sales tax collections, investment earnings, and transfers supporting future infrastructure projects identified in the City's Capital Improvement Program. These resources will be expended over future years as planned capital projects are constructed.

The General Obligation Bond Fund increased modestly by $57,202 as property tax revenues and the dedicated one-quarter cent sales tax continued to provide sufficient resources to meet annual debt service requirements.

The I-35 TIF District Fund increased by $1,105,309 during 2025 as tax increment financing revenues exceeded redevelopment expenditures. Fund balance will continue to be utilized in accordance with approved redevelopment agreements and planned public infrastructure improvements within the redevelopment district.

Other Governmental Funds experienced only modest changes overall with a decrease of $517,830. Equipment Reserve Fund expenditures continue to fluctuate based on the City's 10-year Equipment Replacement Schedule, while other special revenue funds remained consistent with their intended purposes.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City’s budget was not amended during 2025; therefore, the original budget and the final budget are the same. Variances between the final budget and actual amounts are not expected to impact either liquidity or future services. Some under budget expenditure variances occur due to staff vacancies and the use of estimates for employee benefit rates such as medical insurance and workers compensation. Additionally, the City budgets for reserves and contingency, but does not expect to expend more than a small amount of these funds, creating positive budget variances each year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets include land, buildings, improvements, equipment, drainage improvements, streets, bridges, streetlights, and traffic signals. As of December 31, 2025, the City's investment in capital assets totaled $140,536,612, net of accumulated depreciation. Capital assets increased by $7,939,329 during the year as the City continued investing in transportation infrastructure, drainage improvements, public facilities, and redevelopment-related infrastructure.

Major capital activity during 2025 included continued construction of the Upper Turkey Creek Drainage Improvement Project, roadway and underground utility improvements, public facility improvements, and public infrastructure supporting redevelopment within the Interstate 35 corridor, including the Grand Marketplace project. Additional information about the City's capital assets may be found in Note III. B. to the financial statements.

Capital Assets
(net of depreciation)

	Governmental Activities	
	2025	2024
Land	$ 17,503,757	$ 14,164,488
Construction in progress	12,894,323	6,211,256
Buildings	27,912,360	27,774,522
Improvements other than buildings	11,186,038	11,256,127
Equipment	5,002,512	5,174,017
Infrastructure	66,037,622	68,016,873
Total	$ 140,536,612	$ 132,597,283

Long-Term Debt

At December 31, 2025, long-term debt totaled $52,251,470, including general obligation bonds backed by the full faith and credit of the City. Total long-term debt increased by $33,063,445 during 2025, primarily due to the issuance of approximately $36.1 million in General Obligation Bonds to finance major infrastructure and economic development initiatives, including public improvements associated with the Grand Marketplace redevelopment project.

Kansas statutes limit the amount of general obligation debt of a governmental entity to 30% of its total assessed valuation. The City's outstanding general obligation debt remains well within its statutory debt limitation. Additional information regarding the City's long-term debt may be found in Note III.C. to the financial statements.

Outstanding Debt

	Governmental Activities	
	2025	2024
General obligation bonds	$ 41,050,000	$ 7,240,000
Note from direct placement	-	25,200
Total	$ 41,050,000	$ 7,265,200

Economic Factors

Merriam's location along the highly visible Interstate 35 corridor continues to support a strong and diverse commercial base that serves residents and visitors throughout the Kansas City metropolitan area. Sales tax revenues remained the City's largest source of governmental revenue during 2025, reflecting the continued strength of Merriam's retail, automotive, restaurant, and hospitality sectors. Major regional destinations, including automobile dealerships, the Merriam Town Center retail area, and IKEA, continue to attract visitors from across the region and contribute to the City's long-term financial stability.

The City continues to invest strategically in public infrastructure and economic development initiatives that encourage private investment and expand the local tax base. During 2025, significant progress occurred on the Grand Marketplace redevelopment project as public infrastructure improvements advanced in preparation for future commercial development. The East Block retail area is expected to welcome its first tenants during 2026, representing a significant milestone in the redevelopment of the Interstate 35 corridor. These investments are expected to support additional retail, restaurant, and mixed-use development while strengthening the City's long-term economic competitiveness.

The City continues to utilize tax increment financing and other redevelopment tools to encourage private investment and public infrastructure improvements throughout the community. Active redevelopment areas include IKEA Merriam, Merriam Village, Merriam Grand Station, and Grand Marketplace. These partnerships have supported redevelopment of underutilized properties, expanded commercial opportunities, and enhanced the City's economic vitality while positioning Merriam for continued growth.

The City remains committed to maintaining sound financial policies while investing in infrastructure, redevelopment, and public services that enhance the quality of life for residents and support a strong local economy.

REQUESTS FOR INFORMATION

This financial report is designed to provide an overview of the City’s finances for all interested parties. Questions concerning any of the information provided in the report or requests for additional information should be directed to the Finance Director, City of Merriam, 9001 W. 62nd Street, Merriam, KS 66202.

(This page left blank intentionally)

BASIC

FINANCIAL STATEMENTS

City of Merriam, Kansas

Statement of Net Position

December 31, 2025

	Governmental Activities
Assets	
Cash, including investments	$ 77,833,057
Receivables (net of allowance for uncollectibles):	
Property taxes	12,136,182
Sales and other taxes	3,832,076
Intergovernmental	78,253
Interest and other	399,070
Capital assets:	
Land, artwork and construction in progress	30,398,080
Other capital assets, net of depreciation	110,138,532
Total assets	234,815,250
Deferred Outflows of Resources	
Deferred outflows - OPEB	689,304
Deferred outflows - pensions	1,941,913
Total deferred outflows of resources	2,631,217
Liabilities	
Accounts payable	3,150,786
Accrued payroll	212,222
Unearned contract revenue	152,103
Interest payable	842,524
Long-term liabilities:	
Due within one year	3,404,033
Due in more than one year	48,847,437
Total liabilities	56,609,105
Deferred Inflows of Resources	
Deferred property tax receivable	12,136,182
Deferred inflows - pensions	709,382
Deferred inflows - OPEB	573,762
Total deferred inflows of resources	13,419,326
Net Position	
Net investment in capital assets	118,751,200
Restricted for:	
Capital projects	2,182,480
Community development	6,096,416
Debt service	727,832
Other purposes	139,218
Unrestricted	39,520,890
Total net position	$ 167,418,036

The accompanying notes are an integral part of the basic financial statements.

City of Merriam, Kansas

Statement of Activities

For the Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental activities:					
General government	$ 4,728,602	$ 252,216	$ -	$ -	$ (4,476,386)
Law enforcement	5,139,180	797,626	36,761	56,477	(4,248,316)
Fire prevention and control	3,438,770	-	-	-	(3,438,770)
Public works	4,343,180	-	309,414	-	(4,033,766)
Capital improvement program	17,606,347	-	-	1,923,813	(15,682,534)
Community development	5,817,660	264,345	-	-	(5,553,315)
Health and welfare	25,000	-	-	-	(25,000)
Culture and recreation	4,375,749	1,930,992	36,761	-	(2,407,996)
Interest on long-term debt	2,594,301	-	-	-	(2,594,301)
Total primary government	$ 48,068,789	$ 3,245,179	$ 382,936	$ 1,980,290	(42,460,384)
General revenues:					
Taxes:					
Property taxes levied for:					
General purposes					6,474,429
Debt service					10,000
Tax increment financing					5,350,667
Sales taxes					20,068,808
Transient guest taxes					397,780
Other taxes					229,769
Franchise fees					1,399,365
Intergovernmental not restricted to a specific program					94,707
Investment earnings (loss)					2,267,972
Miscellaneous					478,791
Total general revenues					36,772,288
Change in net position					(5,688,096)
Net position-beginning					173,106,132
Net position-ending					$ 167,418,036

The accompanying notes are an integral part of the basic financial statements.

City of Merriam, Kansas

Balance Sheet
Governmental Funds
December 31, 2025

	General	Capital Improvement	General Obligation Bonds	I-35 District TIF	Nonmajor Governmental Funds	Total Governmental Funds
Assets:						
Cash, including investments	$ 10,078,637	$ 58,229,992	$ 260,070	$ 5,969,572	$ 3,294,786	$ 77,833,057
Receivables (net of allowance for uncollectibles)						
Property taxes	6,230,839	-	-	5,905,343	-	12,136,182
Sales and other taxes	2,769,730	467,762	467,762	-	126,822	3,832,076
Intergovernmental	-	-	-	-	78,253	78,253
Interest and other	163,397	186,190	-	40,648	8,835	399,070
Due from other funds	-	13,107	-	-	-	13,107
Total Assets	$ 19,242,603	$ 58,897,051	$ 727,832	$ 11,915,563	$ 3,508,696	$ 94,291,745
Liabilities:						
Accounts and retainage payable	$ 1,321,917	$ 1,498,893	$ -	$ 277,986	$ 51,990	$ 3,150,786
Accrued payroll and related liabilities	200,712	3,090	-	-	8,420	212,222
Unearned contract revenue	152,103	-	-	-	-	152,103
Due to other funds	13,107	-	-	-	-	13,107
Total Liabilities	1,687,839	1,501,983	-	277,986	60,410	3,528,218
Deferred Inflows of Resources:						
Deferred property tax receivable	6,230,839	-	-	5,905,343	-	12,136,182
Unavailable revenue - receivables	5,523	-	-	-	-	5,523
Total deferred inflows of resources	6,236,362	-	-	5,905,343	-	12,141,705
Fund Balances:						
Restricted	40,103	21,348,301	727,832	5,732,234	1,146,955	28,995,425
Committed	-	-	-	-	2,301,331	2,301,331
Assigned	1,254,031	36,046,767	-	-	-	37,300,798
Unassigned	10,024,268	-	-	-	-	10,024,268
Total fund balances	11,318,402	57,395,068	727,832	5,732,234	3,448,286	78,621,822
Total liabilities, deferred inflows of resources, and fund balances	$ 19,242,603	$ 58,897,051	$ 727,832	$ 11,915,563	$ 3,508,696	$ 94,291,745

The accompanying notes are an integral part of the basic financial statements.

City of Merriam, Kansas

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2025

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

Total fund balance -- governmental funds		$ 78,621,822
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost	$ 255,850,766	
Accumulated depreciation	(115,314,154)	140,536,612
Other deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds.		
Deferred outflows - OPEB	689,304	
Deferred outflows - pensions	1,941,913	2,631,217
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
General obligation bonds payable	(41,050,000)	
Premium on bonds payable	(584,891)	
Accrued interest payable on the bonds	(842,524)	
Compensated absences	(713,669)	
Total OPEB liability	(980,874)	
Net pension liability	(8,917,036)	
Claims and judgments	(5,000)	(53,093,994)
Other deferred inflows of resources do not increase net position until a future period and therefore are not reported in the funds.		
Deferred inflows - pensions	(709,382)	
Deferred inflows - OPEB	(573,762)	(1,283,144)
Certain accounts receivable resulting from charges for services are not considered available to liquidate liabilities of the current period, and are therefore deferred in the funds. However, they are recognized as revenue in the entity-wide statements as soon as the related service has been provided.		5,523
Total net position -- governmental activities		$ 167,418,036

The accompanying notes are an integral part of the basic financial statements.

City of Merriam, Kansas

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General	Capital Improvement	General Obligation Bonds	I-35 District TIF	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Ad valorem taxes	$ 6,474,429	$ -	$ 10,000	$ 5,350,667	$ -	$ 11,835,096
Sales tax	14,707,038	2,680,885	2,680,885	-	-	20,068,808
Transient guest tax	-	-	-	-	397,780	397,780
Other taxes	-	-	-	227,045	2,724	229,769
Intergovernmental	89,184	1,923,813	-	-	439,413	2,452,410
Licenses, permits and fees	516,561	-	-	-	-	516,561
Franchise fees	1,399,365	-	-	-	-	1,399,365
Charges for services	1,854,681	-	-	-	76,311	1,930,992
Fines, forfeitures and penalties	797,626	-	-	-	-	797,626
Earnings (loss) on investments	512,759	1,487,986	23,317	25,653	165,936	2,215,651
Net increase (decrease) in the fair value of investments	5,442	46,627	-	-	252	52,321
Other	430,856	-	-	30,000	2,965	463,821
Total revenues	26,787,941	6,139,311	2,714,202	5,633,365	1,085,381	42,360,200
Expenditures:						
Current:						
General government	4,260,457	-	-	-	35,290	4,295,747
Law enforcement	4,609,344	-	-	-	187,484	4,796,828
Fire prevention and control	3,262,489	-	-	-	-	3,262,489
Public works	4,053,232	-	-	-	25,867	4,079,099
Capital improvement program	-	186,705	-	-	-	186,705
Community development	899,478	-	-	4,509,107	337,610	5,746,195
Health and welfare	-	-	-	-	25,000	25,000
Culture and recreation	2,362,200	-	-	-	337,181	2,699,381
Capital outlay	-	26,187,305	-	18,949	1,850,127	28,056,381
Debt service:						
Principal retirement	-	-	2,295,000	-	25,200	2,320,200
Interest and other	-	-	1,292,309	-	-	1,292,309
Bond issuance costs	-	883,253	-	-	-	883,253
Total expenditures	19,447,200	27,257,263	3,587,309	4,528,056	2,823,759	57,643,587
Excess (deficiency) of revenues over (under) expenditures	7,340,741	(21,117,952)	(873,107)	1,105,309	(1,738,378)	(15,283,387)
Other financing sources (uses):						
General obligation bonds issued	-	36,105,000	-	-	-	36,105,000
Premium on general obligation bonds issued	-	1,733	-	-	-	1,733
Proceeds from sale of capital assets	-	-	-	-	37,810	37,810
Transfers in	-	6,393,410	930,309	-	1,501,921	8,825,640
Transfers out	(7,576,148)	(930,309)	-	-	(319,183)	(8,825,640)
Total other financing sources (uses)	(7,576,148)	41,569,834	930,309	-	1,220,548	36,144,543
Net change in fund balances	(235,407)	20,451,882	57,202	1,105,309	(517,830)	20,861,156
Fund balances at beginning of year	11,553,809	36,943,186	670,630	4,626,925	3,966,116	57,760,666
Fund balances at end of year	$ 11,318,402	$ 57,395,068	$ 727,832	$ 5,732,234	$ 3,448,286	$ 78,621,822

The accompanying notes are an integral part of the basic financial statements.

City of Merriam, 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, 2025

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

Net change in fund balances -- total governmental funds			$ 20,861,156
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which assets capitalized exceeded depreciation in the current period.			
Depreciation expense	$ (6,806,204)		
Capital assets capitalized	14,761,979		7,955,775
In the statement of activities, the gain or loss from the sale of capital assets is reported, whereas in the governmental funds, only any proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of capital assets sold.			(16,446)
Payments received on certain receivables are recognized as revenue when received in the fund. However, in the statement of net position, revenue is recognized as earned.			(871)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.			(36,105,000)
Bond premium proceeds provide current financial resources to governmental funds, but do not increase long-term liabilities in the statement of net assets.			(1,733)
The amortization of bond premiums decreases the long term liabilities in the statement of net position but does not provide current financial resources to the governmental funds.			333,285
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			
General obligation bonds	$ 2,295,000		
Note from direct placement	25,200		2,320,200
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.			(752,024)
In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for this item is measured by the amount of financial resources used (essentially, the amounts actually paid). This year, the following difference was noted:			
Compensated absences benefits paid exceeded benefits earned.			1,940
Payment of benefit payments is an expenditure in the governmental funds, but reduces the total OPEB liability in the statement of net position. Additionally, the effects of changes in deferred inflows and deferred outflows for OPEB are only recorded in the statement of activities.			(132,221)
Payment of pension contributions is an expenditure in the governmental funds, but reduces the net pension liability in the statement of net position. Additionally, the effects of changes in deferred inflows and deferred outflows for pensions are only recorded in the statement of activities.			(152,157)
Change in net position of governmental activities			$ (5,688,096)

The accompanying notes are an integral part of the basic financial statements.

NOTES TO THE

BASIC

FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Merriam, Kansas (the City), was incorporated as a third-class city on October 28, 1950 and was made a second-class city on January 18, 1957. The City, with a population of 10,966, is located in northeast Johnson County and covers 4.5 square miles.

The City operates under a non-partisan Mayor-Council form of government with the addition of a City Administrator. The Mayor is elected on an at-large basis and serves a four-year term. The eight Council Members are elected by ward (two represent each of four wards) and serve four-year terms of office. The City Administrator 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 provides a host of services including general government, law enforcement, fire prevention and control, public works, community development, health and welfare, and culture and recreation.

The accounting and reporting policies of the City of Merriam, Kansas conform to accounting principles generally accepted in the United States of America. The more significant accounting and reporting policies and practices employed by the City are as follows:

A. Reporting Entity

Generally accepted accounting principles require that the basic financial statements present the City (the primary government) and its component units. Component units are required to be included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Based on the evaluation criteria, there are no component units related to the City which should be accounted for in the basic financial statements.

B. Basis of Presentation

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the City as a whole. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange transactions. Eliminations of interfund charges and balances have been made in these statements to minimize the double-counting of internal activities. However, interfund services provided and used are not eliminated in the process of consolidation.

The Statement of Activities presents a comparison between direct expenses and program revenues for each program of the governmental activities. Direct 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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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.

The City's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities. The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the primary government.

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. Nonmajor funds are aggregated and presented in a single column.

The major governmental funds of the City are described below:

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

Capital Improvement Fund is used to account for the construction of street, stormwater, community center and other improvements financed with the special ¼-cent City sales tax, General Fund sales tax transfers, and grants and contributions from outside agencies.

General Obligation Bonds Fund is used to account for resources to be used for the payment of principal, interest and related costs of the general obligation bonds and certain other long-term obligations of the City. The fund is also financed with a special ¼-cent City sales tax to fund the community center debt service payments.

I-35 District Tax Increment Financing (TIF) Fund is used to account for ad valorem and sales tax revenues received from the property and sales tax increments in this redevelopment district. The fund accounts for the payment of eligible public and private project costs, including the principal and interest on developer contractual obligations. This fund is considered a special revenue fund.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the City are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the budget year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter 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 period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are budgeted to finance the subsequent year's operations and, consequently, are not susceptible to accrual. Sales taxes collected and held by merchants and/or the State at year-end on behalf of the City are recognized as revenue. Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Unrestricted aid is reported as revenue in the fiscal year during which the entitlement is received.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

1. Deposits and Investments

K.S.A. 12-1675 authorizes the City to invest moneys not regulated by other statutes in time deposits, repurchase agreements consisting of obligations insured by the U.S. government or any agency thereof, U.S. Treasury bills or notes with maturities not exceeding two years, and the Kansas Municipal Investment Pool. As permitted by GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* the City reflects investments with a maturity of one year or longer at the time of purchase at fair value and those maturing in less than one year at the time of purchase at amortized cost, which approximates fair value. Investments are reported at fair value based on quoted market prices.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

The investments of proceeds of long-term debt are governed by specific statutes and authorize the City to invest in the following:

- Investments authorized by K.S.A. 12-1675
- Direct obligations of the U.S. government or any other agency thereof
- Money market funds comprised entirely of obligations of the U.S. Treasury and agencies thereof
- Obligations of any municipality of Kansas
- Investment agreements with a financial institution rated in the three highest rating categories by Moody's or Standard and Poor's.

The City pools temporarily idle cash from all funds for investment purposes. Each fund's portion of the pool is shown on the Statement of Net Position as deposits and investments. Deposits during the year included cash in interest bearing and demand bank accounts. Interest is allocated to each fund based on the respective invested balance.

Investments are measured at fair value. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction. There is a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value.

2. Receivables

Property Tax Receivable - In accordance with governing state statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are recorded as taxes receivable with a corresponding amount recorded as a deferred inflow of resources on the balance sheets of the appropriate funds. It is not practical to apportion delinquent taxes held by the County Treasurer as of December 31, 2025. Estimated delinquencies are insignificant and have not been recorded.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

3. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (i.e. roads, street lights, storm sewers, etc.), are reported in the applicable governmental activities column in the government-wide financial statements. In the governmental fund statements, capital assets are charged to expenditures as purchased. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at acquisition value as of the date of the donation.

Capital assets are defined by the City as assets with an initial individual cost of $5,000 or more ($100,000 for streets and bridges, $25,000 for sidewalks, parking lots, jogging trails, and drainage structures) and a useful life greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Assets, which have been acquired with funds received through grants, must be used in accordance with the terms of the grant.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	40 years
Improvements other than buildings	5-20 years
Equipment	3-20 years
Infrastructure	20-50 years

4. Compensated Absences

The City's policies allow up to 240 hours for full-time employees and 120 hours for benefit-eligible part-time employees of vacation leave to be accumulated and carried over into subsequent years. This carryforward is payable upon separation from service. Vacation is accrued when incurred in the government-wide financial statements. In the governmental fund financial statements a liability for these amounts is reported only when earned, as a result of employee resignation or retirements.

Sick leave is earned at the rate of one day per month, with a maximum accumulation of 520 hours for full-time employees and 260 hours for part-time employees. Upon separation from service after 10 years retirement, employees are compensated up to 30% of the accumulated balance and has been included in the compensated absences calculation. This calculation now includes an estimate of sick leave to be used in the next year based on a four-year historical average of sick leave taken due to the implementation of GASB 101.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

5. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

6. Pensions

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of employee service and the plan's net fiduciary position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expense, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liability.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (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.

7. Fund Balance

As prescribed by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

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

(1) Nonspendable - Nonspendable consists of amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained.
(2) Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or is imposed by law through constitutional provisions or enabling legislation.
(3) Committed - This classification consists of amounts that can be used only for the specific purposes imposed by an ordinance made by the City Council and cannot be used for any other purpose unless removed or changed by taking the same type of action that previously committed those amounts.
(4) Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by the City Council or a City official delegated that authority. The City Council has designated authority to the City Administrator to assign amounts to be used for specific purposes as prescribed by the City's Fund Balance and Expenditure Authorization policies. Encumbrances are considered as assigned unless they specifically meet the requirements to be restricted or committed.
(5) Unassigned - This consists of the residual balance for the general fund not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from expenditures exceeding amounts that had been restricted, committed or assigned.

The City applies restricted resources first to finance qualifying expenditures, when either restricted or unrestricted amounts are available. For unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts.

The City's fund balance policy states that the fund balance target for the combined general fund and risk management fund is 30% to 35% of budgeted annual general fund revenues.

8. Deferred Inflows of Resources and Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category in the government-wide statement of net position: deferred outflows for pension and deferred outflows for OPEB. See Note IV. D. and Note IV. E., respectively, for more information on the deferred outflows for pensions and OPEB.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Continued)

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 so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items, unavailable revenue, deferred revenue, deferred inflows for pensions and deferred inflows for OPEB that qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: accounts receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred revenues are reported in both the government-wide statement of net position and the governmental funds balance sheet for property tax receivable. Property taxes are not recognized as revenue until the period for which they are levied. Deferred inflows for pensions and OPEB, are reported on the government-wide statement of net position. See Notes IV. D. and IV. E., respectively, for more information on these deferred inflows.

9. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. *Net investment in capital assets* consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as *restricted* when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted resources are used first to fund appropriations.

10. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect: (1) the reported amounts of assets and liabilities, (2) disclosures such as contingencies, and (3) the reported amounts of revenues and expenses included in such financial statements. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Kansas statutes require budgets be adopted for all funds, unless exempted by a specific statute. The statutes provide for the following sequence and timetable in the adoption of the legal budget.

1. Preparation of the budget for the current fiscal year on or before August 1.
2. Publication in local newspaper of the proposed budget and notice of hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least 10 days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at any time. There were no budget amendments in 2025.

The statutes establish the overall budget level of control at the fund level by prohibiting expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. City Council approval is required for over expenditures or transfers of personal services line items. The City Administrator is authorized to approve over expenditures or transfers of budgeted appropriations of all other individual departmental line items. Also, management may not amend a fund's budgeted expenditures without Council approval. Spending in funds that are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the City.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the City for future payments such as purchase orders or contracts.

A legal operating budget is not required for the following funds: Capital Improvement Fund, Special Law Enforcement Fund, Grant Fund, and I-35 District TIF Fund.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Custodial Credit Risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For deposits, the City's policy follows state statutes which require pledged collateral with a fair value equal to 100% of the funds on deposit, less insured amounts, and that the collateral be held in safekeeping in the City's name at other than the depository financial institution. To comply with the statutes, the City requires the issuance of joint custody receipts as evidence of the pledged collateral. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City's investment policy requires that securities be held by the City's agent.

At December 31, 2025, the City's deposits were covered by federal depository insurance or were fully collateralized by securities held by the City's agent in the City's name.

At December 31, 2025, the U.S. Government agency securities were held by the City's financial institution in the City's name.

Credit Risk. The City's policy on credit risk follows the statutory limitations on the allowable investments, which inherently reduces its credit risk. The City's investment policy does not impose any additional limitations. Credit risk is the risk that the issuer or other counterparty to an investment will be unable to fulfill its obligations to the holder of the investment. This risk can be measured by the assignment of a rating by a nationally recognized statistical rating organization. As of December 31, 2025, the City's investments consisting of U.S. agency obligations, not directly guaranteed by the U.S. government, included only instruments rated AA+ by Standard & Poor's. The City also holds investments in municipal bonds. For investments in municipal bonds: 87% are rated A-1+ and 13% are rated AA+ by Standard & Poor's.

Concentration of Credit Risk. The City's investment policies limit the amounts that can be invested in certain investment types and include having no more than 50% invested in U.S. agency securities that do not carry an explicit full faith and credit pledge, 25% in investment pools and money market funds, 25% in repurchase agreements and 35% invested in Kansas municipal securities. Investments that represent more than 5% of the City's investments consist of U.S. Treasury Bills – 32%, Federal Home Loan Bank – 47%, Federal National Mortgage Association – 6%, and Federal Farm Credit Bank – 12%.

Interest Rate Risk. As a means of managing its exposure to fair value losses arising from increasing interest rates, the City's investment policy follows state statutes which generally limit investment maturities to two years. To minimize the risk of loss, the City matches investments to anticipated cash flows and diversifies the investment types to the extent practicable. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investment.

Level 1 inputs are quoted prices in active markets for identical assets;

Level 2 inputs are significant other observable inputs, either directly or indirectly observable, and fair value can be determined through the use of models or other valuation methodologies;

Level 3 inputs are significant unobservable inputs in situations where there is little or no market activity for the asset or liability and the entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The City has the following recurring fair value measurements as of year-end:

U.S. Treasury bills are valued using quoted market prices (Level 1 inputs).

U.S. government agencies are valued at Level 2 using quotation services or other independent sources, like IDC, that maximize the use of observable inputs for similar securities.

As of December 31, 2025, the City had the following investments and maturities:

	Investment Maturities (in Years)			Fair Value Hierarchy
Investment Type	Fair Value	Less than 1	1-5	
U.S. government agencies	$ 34,265,659	$ 27,322,089	$ 6,943,570	Level 2
U.S. treasury bills	16,422,976	11,698,256	4,724,720	Level 1
Total	$ 50,688,635	$ 39,020,345	$ 11,668,290	

Deposits and investments at December 31, 2025 appear in the financial statements as summarized below:

Carrying amount of deposits	$ 27,144,422
Carrying amount of investments	50,688,635
Total	$ 77,833,057

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Increases	Decreases	Balance December 31, 2025
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 14,164,488	$ 3,339,269	$ --	$ 17,503,757
Construction in progress	6,211,256	10,524,295	3,841,228	12,894,323
Total capital assets, not being depreciated	20,375,744	13,863,564	3,841,228	30,398,080
Capital assets, being depreciated:				
Buildings	36,420,488	1,049,985	--	37,470,473
Improvements other than buildings	17,428,773	844,063	--	18,272,836
Equipment	12,059,861	848,415	137,151	12,771,125
Infrastructure	154,969,572	1,997,180	28,500	156,938,252
Total capital assets being depreciated	220,878,694	4,739,643	165,651	225,452,686
Less accumulated depreciation for:				
Buildings	8,645,966	912,147	--	9,558,113
Improvements other than buildings	6,172,646	914,152	--	7,086,798
Equipment	6,885,844	1,003,474	120,705	7,768,613
Infrastructure	86,952,699	3,976,431	28,500	90,900,630
Total accumulated depreciation	108,657,155	6,806,204	149,205	115,314,154
Total capital assets, being depreciated, net	112,221,539			110,138,532
Governmental activities capital assets, net	$ 132,597,283	$ 11,797,003	$ 3,857,674	$ 140,536,612

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 150,417
Law enforcement	342,352
Fire prevention and control	176,281
Public works	264,081
Capital improvement program	4,125,240
Community development	71,465
Culture and recreation	1,676,368
Total depreciation expense	$ 6,806,204

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Long-Term Debt

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Additions	Reductions	Balance December 31, 2025	Due within one year
General obligation bonds	$ 7,240,000	$ 36,105,000	$ 2,295,000	$ 41,050,000	$ 2,410,000
Premium on bonds	916,443	1,733	333,285	584,891	333,331
Note from direct placement	25,200	--	25,200	--	--
Claims and judgments	5,000	71,372	71,372	5,000	5,000
Compensated absences	715,609	476,901	478,841	713,669	476,702
Net pension liability	9,261,549	2,019,302	2,363,815	8,917,036	--
Total OPEB liability	1,024,224	149,353	192,703	980,874	179,000
Total	$ 19,188,025	$ 38,823,661	$ 5,760,216	$ 52,251,470	$ 3,404,033

Compensated absences, claims and judgments, net pension liability and OPEB are liquidated in the General Fund. The general obligation bonds to be paid with tax levies were issued to construct or acquire capital assets.

General obligation bonds consisted of:

- $20,935,000 Series 2018 bonds which were issued on February 15, 2018 with interest rates ranging from 3.00-5.00% and mature on October 1, 2027. Outstanding balance of the Series 2018 bonds at December 31, 2025 was $4,945,000.
- $22,060,000 Series 2025A bonds which were issued on July 17, 2025 with an interest rate of 4.50% and mature on August 1, 2040. Outstanding balance of the Series 2025A bonds at December 31, 2025 was $22,060,000.
- $14,045,000 Series 2025B bonds which were issued on July 17, 2025 with interest rates ranging from 5.00-5.35% and mature on August 1, 2047. Outstanding balance of the Series 2025B bonds at December 31, 2025 was $14,045,000.

The annual debt service requirements to amortize the general obligation bonds outstanding as of December 31, 2025 are as follows:

Year	Principal	Interest
2026	$ 2,410,000	$ 2,040,733
2027	2,535,000	989,924
2028	290,000	1,229,998
2029	315,000	1,215,497
2030	340,000	1,199,748
2031-2035	2,290,000	5,704,487
2036-2040	25,500,000	5,029,238
2041-2045	5,030,000	1,503,042
2046-2047	2,340,000	189,750
Total	$ 41,050,000	$ 19,102,417

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Long-Term Debt (Continued)

The City entered into a financed purchase agreement to purchase tasers for the police department. This agreement has no stated interest rate and interest is not deemed to be material to be imputed. This is considered a direct placement debt issuance. The City's outstanding note from direct placement at December 31, 2025 was $0.

Tax Increment Contractual Obligations

On August 22, 1994 the City established the I-35 Redevelopment District (the District) pursuant to Kansas Statute Annotated 12-1771. Real property taxes produced from that portion of the current assessed valuation of real property within the District in excess of the base year assessed valuation (the tax increment) are reported as ad valorem taxes in the I-35 District Tax Increment Financing Fund. These ad valorem taxes can be used to pay for the redevelopment project costs, including the payment of principal and interest on any special obligation bonds or full faith and credit tax increment bonds. The City has entered into contractual agreements with several private entities for redevelopment projects since the District was established.

Merriam Village Project - Eligible costs as allowed by state statute were previously certified to the City under the terms of the redevelopment agreement which was entered into on March 28, 2005. Under the terms of an April 9, 2012 agreement, the developer agreed to relinquish rights and obligations for certain portions of the project area upon transfer of title to a new property owner (IKEA). The City will reimburse eligible costs from the project's future tax increments over the remaining term of the agreement. This obligation does not bear interest and is payable solely from future increments generated over the remaining term of the agreement.

Merriam Grand Station Project - On July 11, 2022, the City entered into a redevelopment agreement with Grand Station, LLC, to provide tax incentives for construction of approximately 10,000 square feet of restaurant and retail space, approximately 10,000 square feet of civic activity space and outparcels totaling approximately 11,000 square feet. Under the terms of the agreement, the City shall reimburse up to $25,125,000 in property tax increment over the remaining term of the agreement.

IKEA Project - On November 12, 2012, the City entered into a redevelopment agreement with IKEA Property, Inc. (IKEA) to provide tax incentives for construction of a 349,000 square foot home furnishings store. The IKEA project area was formerly part of the Merriam Village Project area until the purchase by IKEA. Under the terms of the agreement, the City shall reimburse up to $19,900,000 in property and sales tax increment over the remaining term of the agreement.

Summary - The City has pledged 100% of the incremental increase in ad valorem tax revenues less an administrative fee retained by the City to repay the eligible developer's costs for each of the above individual projects. These obligations represent redeveloper costs that have been certified as eligible for reimbursement from the incremental taxes attributable to each project. Any deficiencies are the responsibility of the developer. As of December 31, 2025, the remaining certified project costs to be repaid totaled $22,381,986.

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Long-Term Debt (Continued)

Legal Debt Margin

The City is subject to state statutes, which limit the amount of bonded debt (exclusive of revenue bonds, bonds issued for storm drainage and sanitary sewer improvements, and refunding bonds) that the City may issue up to 30% of assessed valuation. Currently the City has a debt limit of $91,654,118, leaving a debt margin of $50,604,118.

D. Interfund Balances and Transfers

The interfund balances between the General Fund and Capital Improvement Fund are due to the nature and timing of governmental receipts and will be repaid from subsequent years' resources.

	Due to	
	Capital Improvement	Total
Due from:		
General fund	$ 13,107	$ 13,107
Total	$ 13,107	$ 13,107

A summary of interfund transfers by fund type for the year ended December 31, 2025 is as follows:

	Transfer to:			
	Capital Improvement	General Obligation Bonds	Nonmajor Governmental	Total
Transfer from:				
General Fund	$ 6,074,227	$ --	$ 1,501,921	$ 7,576,148
Capital Improvement	--	930,309	--	930,309
Nonmajor Governmental	319,183	--	--	319,183
Total	$ 6,393,410	$ 930,309	$ 1,501,921	$ 8,825,640

Transfers are used to (1) move revenues from the fund that a statute or the budget requires to collect them to the fund that a statute or the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Any transfers within the governmental funds have been eliminated in the government-wide statement of activities.

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Fund Balances

A summary of the components of fund balance, by purpose, is as follows:

	General	Capital Improvement	General Obligation Bond	I-35 District TIF	Nonmajor Governmental	Total
Restricted for:						
Debt service	$ --	$ --	$ 727,832	$ --	$ --	$ 727,832
Police department	--	--	--	--	5,659	5,659
Construction	--	21,348,301	--	--	--	21,348,301
Street improvements	--	--	--	--	683,658	683,658
Substance abuse, prevention and treatment	40,103	--	--	--	49,831	89,934
Economic development	--	--	--	5,732,234	--	5,732,234
Promote tourism and economic development	--	--	--	--	364,182	364,182
Parks and recreation	--	--	--	--	43,625	43,625
Committed to:						
Capital equipment	--	--	--	--	2,301,331	2,301,331
Assigned to:						
Capital projects	--	36,046,767	--	--	--	36,046,767
Risk management	1,254,031	--	--	--	--	1,254,031
Unassigned	10,024,268	--	--	--	--	10,024,268
Total	$ 11,318,402	$ 57,395,068	$ 727,832	$ 5,732,234	$ 3,448,286	$ 78,621,822

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts, loss and damage to property, errors and omissions and injuries to employees. The City obtains insurance through its membership in the Midwest Public Risk (MPR), whose members consist of over 170 Kansas and Missouri public entities that participate in the property and liability program. MPR's objectives are to provide a self-insurance program for local governmental entities; to improve the loss prevention program, thereby reducing claims and accidents; to reduce costs through sound and equitable claims management practices; and to provide excess insurance at a discount based on volume and lower risk exposure. The City pays annual premiums to MPR. Settled claims have not exceeded the insurance coverage in any of the past three years.

The City's current coverages include deductibles of $1,000 for both automobile and employee benefits liability, $5,000 for large vehicles, public officials' and law enforcement liability, $15,000 for employment practices liability, and $25,000 for property. Based on outstanding claims at December 31, 2025, a $5,000 deductible liability has been recorded in the financial statements. The City reports its risk management activities in the General Fund with the deductible claim liability reported as long-term debt, as it is not expected to be liquidated with expendable available financial resources.

Changes in the claims liability are as follows:

	2025	2024
Beginning liability	$ 5,000	$ 5,000
Claims and changed in estimates	71,372	12,054
Claim payments	(71,372)	(12,054)
Ending liability	$ 5,000	$ 5,000

The City obtains workers' compensation insurance through its membership in the Kansas Eastern Region Insurance Trust (KERIT), whose members consist of local cities and counties. KERIT is a risk-sharing pool organized under the insurance laws of the State of Kansas, which self-insures workers' compensation and other related expenses up to certain limits and reinsures additional excess amounts up to certain limits. The City pays annual premiums to the Trust based upon historical experience and legal requirements mandated by the State of Kansas. The trust agreement allows for member assessments in the event claims and expenses exceed the Trust's self-insured retention limit. The City does not anticipate any additional assessments in excess of premiums paid as a result of their participation in the Trust.

IV. OTHER INFORMATION (CONTINUED)

B. Contingent Liabilities

Various legal actions and claims against the City are currently pending. The ultimate liability that might result from their resolution is not presently determinable; however, in the opinion of management and counsel, the probability of material aggregate liabilities resulting from these claims is remote.

C. Construction Commitments and Encumbrances

As of December 31, 2025, the City has outstanding construction commitments for street, bridge and stormwater engineering and construction which are authorized for $9,708,199 of which $2,083,631 has been expended.

As of December 31, 2025, the City has the following outstanding encumbrances:

General fund	$ 1,426
Total	$ 1,426

D. Pension Plans

Defined Benefit Plans

General Information about the Pension Plan

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 Kansas State Legislature. Member employees (except police and firefighters) with ten or more years of credited service, may retire as early as age 55 (police and firefighters 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.

IV. OTHER INFORMATION (CONTINUED)

D. Pension Plans (Continued)

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 State Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current member employees and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 years with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

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 Retirement System (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 (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.26% for KPERS and 23.10% for KP&F for the fiscal year ended December 31, 2025.

Contributions to the pension plan from the City were $451,299 for KPERS and $611,089 for KP&F for the year ended December 31, 2025.

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

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 recourse, and pension expense are

IV. OTHER INFORMATION (CONTINUED)

D. Pension Plans (Continued)

determined separately for each group of the plan. The City participates in the local (KPERS) group and the Police and Firemen (KP&F) group.

At December 31, 2025, the City reported a liability of $3,688,034 for KPERS and $5,229,002 for KP&F for its proportionate share of the KPERS' collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2025, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. The City's proportion of the collective net pension liability was based on the ratio of the City's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of the KPERS and KP&F for the fiscal year ended June 30, 2025. The contributions used exclude contributions made for prior service, excess benefits and irregular payments.

At June 30, 2025, the City's proportion and change from its proportion measured as of June 30, 2024 were as follows:

	Net pension liability as of December 31, 2025	Proportion as of June 30, 2025	Increase(decrease) in proportion from June 30, 2024
KPERS (local)	$ 3,688,034	0.184%	(0.005%)
KP&F	5,229,002	0.322%	(0.006%)
	$ 8,917,036		

For the year ended December 31, 2025, the City recognized pension expense of $543,407 for KPERS and $692,545 for KP&F. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,090,379	$ -
Net difference between projected and actual earnings on pension plan investments	-	262,497
Changes in proportionate share	70,832	446,885
Changes in assumptions	219,100	-
(Client) contributions subsequent to measurement date	561,602	-
Total	$ 1,941,913	$ 709,382

IV. OTHER INFORMATION (CONTINUED)

D. Pension Plans (Continued)

The $561,602 reported as deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

Year ended December 31:	Deferred Outflows (Inflows) of Resources
2026	$ 708,893
2027	20,401
2028	(18,475)
2029	(39,890)
2030	-
	$ 670,929

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75%
Wage inflation	3.50%
Salary increases, including wage increases	3.50% to 15.50%, including price inflation
Long-term rate of return, net of investment expense, and including price inflation	7.00%

Mortality rates were based on the PUB 2010 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-2021.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study conducted for the three-year period beginning January 1, 2022. The experience study is dated January 29, 2024.

IV. OTHER INFORMATION (CONTINUED)

D. Pension Plans (Continued)

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 29, 2024, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	43.00%	8.20%
Core Fixed Income	13.00	2.20
Yield Driven	12.00	5.30
Infrastructure	3.00	6.80
Real Estate	15.00	5.70
Alternatives	11.00	12.00
Short-term investments	3.00	0.30
Total	100%	

Discount rate. The discount rate used by KPERS to measure the total pension liability at June 30, 2025 was 7.00%, which was unchanged from the prior year. 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 2025 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.

IV. OTHER INFORMATION (CONTINUED)

D. Pension Plans (Continued)

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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
(Client's) KPERS proportionate share of the net pension liability	$ 5,442,379	$ 3,688,034	$ 2,214,619
(Client's) KP&F proportionate share of the net pension liability	7,193,917	5,229,002	3,582,704
	$ 12,636,296	$ 8,917,036	$ 5,797,323

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report.

Defined Contribution Plan

In 1998, the City established a defined contribution plan for those full-time employees eligible for the KPERS program. The plan is administered by the ICMA Retirement Corporation, and any changes to the plan's provisions or the contribution requirements are determined by the governing body of the City. The contribution percentages are determined annually and for 2025 were 0% to 3% for employees, with a City matching range of 3.0% to 10.0%. In 2025, covered payroll was $4,154,861. The contributions by the City and employees for 2025 were $415,486 and $122,084, respectively.

IV. OTHER INFORMATION (CONTINUED)

E. Postemployment Healthcare Plan

City's OPEB Plan

*Plan Description***.** The City sponsors a single-employer, defined benefit healthcare plan that provides healthcare benefits to retirees and their dependents to age 65, including medical and dental coverage. Retiree health coverage is provided for under Kansas Statute 12-5040. Retirees who retire with at least 10 years of cumulative service with the City and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERS) are eligible for benefits. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no standalone financial report for the plan.

Benefits provided. The City requires retirees to pay the same premiums charged to active participants. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these amounts is the implicit rate subsidy, which is considered other postemployment benefits (OPEB).

Retirees and spouses have the same benefits as active employees. Coverage terminates either when the retiree or spouse becomes covered under another employer health plan, or when they reach age 65.

Employees covered by benefit terms. At December 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Active employees	88
	88

Total OPEB Liability

The City's total OPEB liability of $920,276 was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2025, which was rolled forward to December 31, 2025.

Actuarial assumptions and other inputs. The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise noted:

Inflation	2.5%
Salary increases	3.5%
Discount rate End of Year	4.4%
Discount rate Beginning of Year	4.2%
Healthcare cost trend rates	7.5% for 2026, decreasing each year to an ultimate rate of 4.5% for 2038 and later years
Retiree's share of benefit related costs	Retirees and spouses pay 100% of the premium equivalent rates

IV. OTHER INFORMATION (CONTINUED)

E. Postemployment Healthcare Plan (Continued)

The discount rate was based on the S&P Municipal Bond 20 Year High Grade and Fidelity Municipal AA Yield Curve Indices.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General and Public Safety Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2021 Full Generational Improvement.

The actuarial assumptions used in the January 1, 2025 valuation were based on an experience analysis of the plan's past experience, the actuary's experience with plans of similar size, plan design, retiree contribution level and assumptions used in the City's participation in the corresponding pension plan through KPERS and KP&F, as applicable.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/24	$ 960,468
Changes for the year:	
Service cost	59,301
Interest	43,034
Net benefits paid by employer	-
Differences between expected and actual experience	(202,004)
Changes in assumptions	59,477
Net changes	(40,192)
Balance at 12/31/25	$ 920,276

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate and other assumptions as noted:

- The discount rate increased from 4.22% on December 31, 2024 to 4.42% on December 31, 2025.

Sensitivity of the total OPEB liability to changes in the discount rate. 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 a discount rate that is 1-percentage-point lower (3.42%) or 1-percentage-point higher (5.42%) than the current discount rate:

	1% Decrease (3.42%)	Discount Rate (4.42%)	1% Increase (5.42%)
Net OPEB liability	$ 1,031,471	$ 920,276	$ 821,313

IV. OTHER INFORMATION (CONTINUED)

E. Postemployment Healthcare Plan (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. 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 1-percentage-point lower (6.5% decreasing to 3.5%) or 1-percentage-point higher (8.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.5% decreasing to 4.5%)	1% Increase (8.5% decreasing to 5.5%)
Net OPEB liability	$ 792,805	$ 920,276	$ 1,074,216

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

For the year ended December 31, 2025, the City recognized OPEB expense of $132,011. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 53,589	$ (348,451)
Changes in assumptions	633,516	(147,995)
Total	$ 687,105	$ (496,446)

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

Year ended December 31:	Deferred Outflows (Inflows) of Resources
2026	$ 29,676
2027	29,676
2028	30,482
2029	32,133
2030	32,133
Thereafter	36,559
	$ 190,659

IV. OTHER INFORMATION (CONTINUED)

E. Postemployment Healthcare Plan (Continued)

KPERS Death and Disability OPEB Plan

*Plan Description***.** The City participates in an agent multiple-employer defined benefit other post-employment benefit (OPEB) plan which is administered by KPERS. The Plan provides long-term disability benefits and life insurance benefits 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. Because the trust's assets are used to pay employee benefits other than OPEB, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. There is no stand-alone financial report for the plan.

Benefits provided:
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 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.

IV. OTHER INFORMATION (CONTINUED)

E. Postemployment Healthcare Plan (Continued)

Employees covered by benefit terms. At December 31, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Active employees	64
	64

Total OPEB Liability

The City's total OPEB liability of $60,598 was measured as of June 30, 2025 and was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise noted:

Price inflation	2.75%
Payroll growth	3.00%
Salary increases, including inflation	3.50 to 10.30%, including price inflation
Discount Rate	5.20%
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, 2025 valuation were based on an actuarial experience for the three-year period beginning January 1, 2020. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2024 KPERS pension valuation.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/24	$ 63,756
Changes for the year:	
Service cost	11,119
Interest	2,943
Effect of economic/demographic gains or losses	(13,799)
Effect of assumptions changes or inputs	(3,421)
Benefit payments	-
Net changes	(3,158)
Balance at 12/31/25	$ 60,598

IV. OTHER INFORMATION (CONTINUED)

E. Postemployment Healthcare Plan (Continued)

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period and demographic assumption updates based on the most recent KPERS experience study. The discount rate increased from 3.93% on June 30, 2024 to 5.20% on June 30, 2025.

Sensitivity of the total OPEB liability to changes in the discount rate. 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 a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current discount rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	$ 63,309	$ 60,598	$ 57,796

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS. Therefore, there is no sensitivity to a change in healthcare trend rates.

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

For the year ended December 31, 2025, the City recognized OPEB expense of $210. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (61,553)
Changes in assumptions	2,199	(15,763)
Total	$ 2,199	$ (77,316)

IV. OTHER INFORMATION (CONTINUED)

E. Postemployment Healthcare Plan (Continued)

The City currently has no members receiving benefits under this plan; therefore, there are no benefit payments subsequent to the measurement date. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	Deferred Outflows (Inflows) of Resources
2026	$ (13,802)
2027	(13,169)
2028	(11,609)
2029	(10,473)
2030	(9,308)
Thereafter	(16,756)
	$ (75,117)

Summary of OPEB Plans

As of December 31, 2025, the City's total OPEB liability, deferred inflows of resources and OPEB expense associated with the two OPEB plans are summarized as follows:

	2025
Total OPEB liability	$ 980,874
Deferred outflows of resources	689,304
Deferred inflows of resources	573,762
OPEB expense	132,221

F. Fire Services Agreement

On December 28, 2014, the City entered into a fire services agreement with the City of Overland Park. Under this agreement, Overland Park will provide fire protection and advance life support services within Merriam's city limits. Under the agreement, the City maintains title including responsibility for replacement, upkeep, and insurance for all associated fire service capital assets including land, buildings, and equipment. The City will also pay Overland Park all costs associated with Overland Park's employment of fire service employee positions necessary to provide fire services to the City. In addition, the City will pay a percentage of compensated absences paid to Overland Park's fire service employees upon separation. The percentage used in this calculation will be re-set annually on January 1st. The City's fire service employees were transferred to Overland Park under this agreement. Overland Park will request reimbursement from the City on a quarterly basis. For the year ended December 31, 2025, the City reimbursed Overland Park $3,212,376 under this agreement.

IV. OTHER INFORMATION (CONTINUED)

G. Pending Governmental Accounting Standards

The effect on the City's financial statements of the following statements issued, but not yet adopted, has not yet been determined.

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 disclosures will provide more consistency across government-wide and fund financial statements, by refining definitions of major and non-major funds to enhance comparability across governments. The statement also emphasizes that MD&A should avoid unnecessary duplications by not repeating explanations. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2026.

GASB Statement No. 104, Disclosure of Certain Capital Assets, improves financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. This statement requires certain capital assets to be disclosed separately in the capital assets note disclosures including lease assets, intangible right-to-use assets recognized in accordance with Public-Private and Public-Public Partnerships and Availability Payment Arrangements and subscription assets. In addition, intangible assets other than those three types must be disclosed separately by major class. This statement also requires additional disclosures on capital assets held for sale. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2026.

GASB Statement No. 105, *Subsequent Events*, improves financial reporting related to subsequent events by clarifying the time frame for subsequent events and what subsequent events that constitute recognized and nonrecognized events. As well as specifying the items that are required to be disclosed about subsequent events. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2027.

(This page left blank intentionally)

REQUIRED

SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by GASB, but are not considered a part of the basic financial statements.

For the City, this information includes:

- A budgetary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Budget Basis - General Fund
- Defined Benefit Pension Plans – Share of the Collective Net Pension Liability Kansas Public Employee Retirement System Last Ten Fiscal Years
- Defined Benefit Pension Plans – Schedule of City's Contributions Kansas Public Employees Retirement System Last Ten Fiscal Years
- Other Postemployment Benefits Other Than Pensions – Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Budgetary Comparison Schedule

A. The City utilizes encumbrances for budgetary reporting purposes. Encumbrances relating to certain contractual agreements, supplies and equipment that have been ordered but not received are reported in the year the commitment arises for budgetary reporting purposes. However, for financial reporting purposes, the goods or services are reported when they are received. Also see Note 1 to the financial statements for additional budgetary information.

B. For financial reporting purposes, the City's Risk Management Reserve Fund, which has its own legally adopted budget, is reported with the General Fund.

City of Merriam, Kansas

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budget Basis

General Fund

For the Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Ad valorem taxes	$ 6,638,763	$ 6,638,763	$ 6,474,429	$ (164,334)
Sales tax	14,005,520	14,005,520	14,707,038	701,518
Intergovernmental	31,792	31,792	89,184	57,392
Licenses, permits and fees	410,000	410,000	516,561	106,561
Franchise fees	1,290,500	1,290,500	1,399,365	108,865
Charges for services	1,602,125	1,602,125	1,854,681	252,556
Fines, forfeitures and penalties	750,000	750,000	797,626	47,626
Use of money and property	200,000	200,000	518,201	318,201
Miscellaneous	100,000	100,000	430,856	330,856
Total revenue	25,028,700	25,028,700	26,787,941	1,759,241
Expenditures:				
Current:				
Personal services	12,340,732	12,340,732	11,444,227	(896,505)
Contractual services	7,415,019	7,415,019	6,749,980	(665,039)
Commodities	1,057,706	1,057,706	729,324	(328,382)
Health and welfare	838,300	838,300	442,156	(396,144)
Total expenditures	21,651,757	21,651,757	19,365,687	(2,286,070)
Revenue over expenditures	3,376,943	3,376,943	7,422,254	4,045,311
Other financing sources (uses):				
Transfer out	(5,583,618)	(5,583,618)	(7,576,148)	1,992,530
Total other financing sources (uses)	(5,583,618)	(5,583,618)	(7,576,148)	1,992,530
Net change in fund balance	$ (2,206,675)	$ (2,206,675)	(153,894)	$ 2,052,781
Fund balance at beginning of year			10,216,839	
Fund balance at end of year			$ 10,062,945	

Explanation of difference between budgetary and GAAP fund balances:

Separately budgeted funds included in the general fund for GAAP reporting purposes:	
Risk Management Reserve	1,254,031
Current year encumbrances	1,426
GAAP fund balance at end of year	$ 11,318,402

City of Merriam, Kansas

Required Supplementary Information
December 31, 2025

Defined Benefit Pension Plans

Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the collective net pension liability:										
KPERS (local group)	0.184%	0.189%	0.187%	0.188%	0.181%	0.174%	0.174%	0.168%	0.174%	0.173%
KP&F (police & firemen)	0.322%	0.329%	0.333%	0.394%	0.384%	0.406%	0.423%	0.423%	0.420%	0.576%
City's proportionate share of the collective net pension liability	$ 8,917,036	$ 9,261,549	$ 9,237,679	$ 9,426,865	$ 5,830,608	$ 6,548,704	$ 6,516,721	$ 6,406,536	$ 6,593,662	$ 6,453,928
City's covered payroll ^	$ 7,040,116	$ 6,753,653	$ 6,247,464	$ 6,126,532	$ 5,662,261	$ 5,475,395	$ 5,284,158	$ 5,138,596	$ 4,997,802	$ 5,602,520
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	127%	137%	148%	154%	103%	120%	123%	125%	132%	115%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	72.75%	70.70%	69.75%	76.40%	69.88%	68.88%	67.12%	65.10%	64.95%

^ Covered payroll is measured as of the measurement date ending June 30.

Defined Benefit Pension Plans (Continued)

Schedule of City's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 1,062,387	$ 982,445	$ 853,991	$ 862,002	$ 824,329	$ 753,864	$ 697,777	$ 663,496	$ 697,758	$ 709,898
Contributions in relation to the contractually required contribution	(1,062,387)	(982,445)	(853,991)	(862,002)	(824,329)	(753,864)	(697,777)	(663,496)	(697,758)	(709,898)
Contribution deficiency (excess)	$ -	$ -	-	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll ^	$ 7,268,071	$ 6,980,632	$ 6,337,078	$ 6,128,894	$ 5,841,979	$ 5,497,639	$ 5,352,363	$ 5,189,561	$ 5,103,228	$ 4,970,513
Contributions as a percentage of covered payroll	14.62%	14.07%	13.48%	14.06%	14.11%	13.71%	13.04%	12.79%	13.67%	14.28%

^ Covered payroll is measured as of the fiscal year end December 31.

Defined Benefit Pension Plans (Continued)

Changes in benefit terms for KPERS. 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.

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%.

Defined Benefit Pension Plans (Continued)

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.

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%.

Defined Benefit Pension Plans (Continued)

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%.

December 31, 2021 assumption changes included the following:

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%.

City of Merriam, Kansas

Required Supplementary Information
December 31, 2025

Other Postemployment Benefits Other Than Pensions

Schedule of Changes in the City's
Total OPEB Liability and Related Ratios

Last Nine Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability									
Service cost	$ 59,301	$ 64,726	$ 46,910	$ 66,166	$ 11,494	$ 11,159	$ 10,834	$ 8,472	$ 8,224
Interest	43,034	38,657	38,799	20,481	6,006	5,985	5,647	6,010	5,776
Net benefits paid by employer	-	(23,000)	(13,000)	(9,000)	(28,000)	(5,817)	(9,202)	(8,528)	(6,798)
Differences between expected and actual experience	(202,004)	(15,577)	(183,761)	29,651	54,962	-	(39,774)	-	-
Changes in assumptions**	59,477	(47,423)	166,344	(161,804)	730,333	-	16,010	-	-
Net change in total OPEB liability	(40,192)	17,383	55,292	(54,506)	774,795	11,327	(16,485)	5,954	7,202
Total OPEB liability - beginning	960,468	943,085	887,793	942,299	167,504	156,177	172,662	166,708	159,506
Total OPEB liability - ending	$ 920,276	$ 960,468	$ 943,085	$ 887,793	$ 942,299	$ 167,504	$ 156,177	$ 172,662	$ 166,708
Covered-employee payroll	$ 6,867,625	$ 6,283,732	$ 6,283,732	$ 5,451,928	$ 5,451,928	$ 5,772,716	$ 5,497,639	$ 5,352,363	$ 5,189,651
Total OPEB liability as a percentage of covered-employee payroll	13.40%	15.28%	15.01%	16.28%	17.28%	2.90%	2.84%	3.23%	3.21%

* GASB 75 requires presentation of ten years. As of December 31, 2025, only nine years of information is available
There are no assets accumulated in the trust to pay related benefits.
Changes of assumptions.
Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period:
- The discount rate decreased from 3.70% on December 31, 2017 to 3.64% on December 31, 2019.
- The discount rate decreased from 3.64% on December 31, 2020 to 2.04% on December 31, 2021.
- The discount rate decreased from 2.04% on December 31, 2021 to 4.18% on December 31, 2022.
- The discount rate decreased from 4.18% on December 31, 2022 to 3.88% on December 31, 2023.
- The discount rate increased from 3.88% on December 31, 2023 to 4.22% on December 31, 2024.
- The discount rate increased from 4.22% on December 31, 2024 to 4.42% on December 31, 2025.

2021 Changes in other assumptions
- Revised assumed proportion of future retiring employees with a covered spouse from 35% to 50%.
- Assumed proportion of future retiring employees electing coverage with the City upon retirement was changed from 10% to 55%.
- Updated retirement and turnover assumptions based on latest available data for KPERS valuation report.
- Mortality assumptions were changed from Society of Actuaries RPA 2014 with Scale MP-2016 Full Generational Improvements to the Society of Actuaries PUB-2010 Public Retirement Plans Headcount-Weighted General and Public Safety Mortality Tables using Scale MP-2021 Full Generational Improvement.

2024 Changes in other assumptions
- Assumed proportion of future retiring employees electing coverage with the City upon retirement was changed from 55% to 45%.
- Assumed medical plan election for future retiring employees was changed from 50% PPO and 50% QHDHP to 40% PPO and 60% QHDHP.

Other Postemployment Benefits Other Than Pensions (Continued)

Schedule of Changes in the City's
Death & Disability Total OPEB Liability and Related Ratios

Last Nine Fiscal Years*

KPERS Death and Disability Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Measurement Date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability									
Service cost	$ 11,119	$ 9,971	$ 9,756	$ 17,522	$ 15,194	$ 14,414	$ 13,606	$ 13,457	$ 13,753
Interest	2,943	2,549	2,484	2,145	2,075	3,098	3,258	3,014	2,000
Effect of economic/demographic gains or losses	(13,799)	(8,941)	(12,584)	(20,614)	(14,196)	(17,266)	(14,066)	(15,997)	-
Effect of assumptions changes or inputs	(3,421)	326	(230)	(20,440)	52	4,338	724	(620)	(1,450)
Benefit payments	-	-	-	-	-	-	-	-	-
Net change in total OPEB liability	(3,158)	3,905	(574)	(21,387)	3,125	4,584	3,522	(146)	14,303
Total OPEB liability - beginning	63,756	59,851	60,425	81,812	78,687	74,103	70,581	70,727	56,424
Total OPEB liability - ending	$ 60,598	$ 63,756	$ 59,851	$ 60,425	$ 81,812	$ 78,687	$ 74,103	$ 70,581	$ 70,727
Covered-employee payroll	$ 4,323,791	$ 4,328,136	$ 3,712,007	$ 3,603,027	$ 3,634,723	$ 3,197,713	$ 3,276,409	$ 3,159,704	$ 5,138,596
Total OPEB liability as a percentage of covered-employee payroll	1.40%	1.47%	1.61%	1.68%	2.25%	2.46%	2.26%	2.23%	1.38%

* GASB 75 requires presentation of ten years. As of December 31, 2025, only nine years of information is available.
There are no assets accumulated in the trust to pay related benefits.
Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.
- The discount rate decreased from 3.87% on June 30, 2018 to 3.50% on June 30, 2019.
- The discount rate decreased from 3.50% on June 30, 2019 to 2.21% on June 30, 2020.
- The discount rate decreased from 2.21% on June 30, 2020 to 2.16% on June 30, 2021.
- The discount rate increased from 2.16 % on June 30, 2021 to 3.54% on June 30, 2022.
- The discount rate increased from 3.54 % on June 30, 2022 to 3.65% on June 30, 2023
- The discount rate increased from 3.65 % on June 30, 2023 to 3.93% on June 30, 2024
- The discount rate increased from 3.93% on June 30, 2024 to 5.20% on June 30, 2025.

COMBINING

AND

INDIVIDUAL FUND STATEMENTS

AND

SCHEDULES

(This page left blank intentionally)

City of Merriam, Kansas

Other Governmental Funds

Fund Descriptions

Nonmajor Special Revenue Funds

Special Highway
To account for monies levied by the State of Kansas (Motor Fuel Tax) producing revenues to be used to defray in whole or in part the cost of constructing, altering, reconstructing, maintaining and repairing streets and highways pursuant to K.S.A. 79-3425C.

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.

Special Parks 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 facilities.

Transient Guest Tax
To account for monies derived from a tax levied upon the gross rental receipts paid by guests for lodging to be used for promotion of tourism, conventions and economic development.

Grand Marketplace CID
To account for monies derived from the Grand Marketplace Community Improvement District (CID) sales tax to be used for eligible public improvements and other purposes in accordance with the Community Improvement District Act and applicable development agreements.

Grants
To account for grant activities of the City. The primary revenues supporting this fund are from federal or state aid restricted for the purpose of the respective grants.

Special Law Enforcement
This fund derives monies from property seizures related to drug arrests and prosecution.

Nonmajor Capital Projects

Equipment Reserve
To account for monies pursuant to a City Ordinance established under K.S.A. 12-1, 117 for the purpose of financing the acquisition of equipment.

Other Funds

Risk Management Reserve
For financial reporting purposes, this fund is included with the General Fund and is used to account for amounts transferred from the General Fund pursuant to K.S.A. 12-2615 for the purpose of having reserves on hand for paying claims and related costs arising from legal actions and settlements not covered by commercial insurance.

City of Merriam, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Special Revenue Funds							Capital Project Funds	
	Special Highway	Special Alcohol	Special Parks and Recreation	Transient Guest Tax	Grand Marketplace CID	Grants	Special Law Enforcement	Equipment Reserve	**Total Nonmajor Governmental Funds**
Assets:									
Cash, including investments	$ 605,405	$ 49,831	$ 43,625	$ 248,849	$ -	$ -	$ 5,659	$ 2,341,417	$ 3,294,786
Receivables, net:									
Sales and other taxes	-	-	-	126,822	-	-	-	-	126,822
Intergovernmental	78,253	-	-	-	-	-	-	-	78,253
Interest and other	-	-	-	-	-	-	-	8,835	8,835
Total assets	$ 683,658	$ 49,831	$ 43,625	$ 375,671	$ -	$ -	$ 5,659	$ 2,350,252	$ 3,508,696
Liabilities:									
Accounts and retainage payable	$ -	$ -	$ -	$ 3,069	$ -	$ -	$ -	$ 48,921	$ 51,990
Accrued payroll and related liabilities	-	-	-	8,420	-	-	-	-	8,420
Total liabilities	-	-	-	11,489	-	-	-	48,921	60,410
Fund Balances:									
Restricted	683,658	49,831	43,625	364,182	-	-	5,659	-	1,146,955
Committed	-	-	-	-	-	-	-	2,301,331	2,301,331
Total fund balances	683,658	49,831	43,625	364,182	-	-	5,659	2,301,331	3,448,286
Total liabilities and fund balance	$ 683,658	$ 49,831	$ 43,625	$ 375,671	$ -	$ -	$ 5,659	$ 2,350,252	$ 3,508,696

City of Merriam, Kansas

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

For the Year Ended December 31, 2025

	Special Revenue Funds							Capital Project Funds	
	Special Highway	Special Alcohol	Special Parks and Recreation	Transient Guest Tax	Grand Marketplace CID	Grants	Special Law Enforcement	Equipment Reserve	**Total Nonmajor Governmental Funds**
Revenues:									
Transient guest tax	$ -	$ -	$ -	$ 397,780	$ -	$ -	$ -	$ -	$ 397,780
Other taxes	-	-	-	-	2,724	-	-	-	2,724
Intergovernmental	309,414	36,761	36,761	-	-	56,477	-	-	439,413
Charges for services	-	-	-	76,311	-	-	-	-	76,311
Earnings (loss) on investments	40,616	1,579	1,744	17,723	19	317	14	103,924	165,936
Net increase (decrease) in the fair value of investments	-	-	-	-	-	-	-	252	252
Other	-	-	2,000	737	-	-	228	-	2,965
Total revenues	350,030	38,340	40,505	492,551	2,743	56,794	242	104,176	1,085,381
Expenditures:									
General government	-	-	-	-	-	-	-	35,290	35,290
Law enforcement	-	-	-	-	-	58,398	1,500	127,586	187,484
Public works	25,867	-	-	-	-	-	-	-	25,867
Community development	-	-	-	337,610	-	-	-	-	337,610
Health and welfare	-	25,000	-	-	-	-	-	-	25,000
Culture and recreation	-	-	19,902	288,169	-	-	-	29,110	337,181
Capital outlay	-	-	-	-	-	-	-	1,850,127	1,850,127
Debt service:									
Principal retirement	-	-	-	-	-	-	-	25,200	25,200
Total expenditures	25,867	25,000	19,902	625,779	-	58,398	1,500	2,067,313	2,823,759
Excess of revenues over (under) expenditures	324,163	13,340	20,603	(133,228)	2,743	(1,604)	(1,258)	(1,963,137)	(1,738,378)
Other financing sources (uses):									
Proceeds from sale of capital assets	-	-	-	-	-	-	-	37,810	37,810
Transfers in	-	-	-	-	-	1,921	-	1,500,000	1,501,921
Transfers out	(300,000)	-	-	-	(2,743)	(16,440)	-	-	(319,183)
Total other financing sources (uses)	(300,000)	-	-	-	(2,743)	(14,519)	-	1,537,810	1,220,548
Net change in fund balances	24,163	13,340	20,603	(133,228)	-	(16,123)	(1,258)	(425,327)	(517,830)
Fund balances at beginning of year	659,495	36,491	23,022	497,410	-	-	6,917	2,726,658	3,949,993
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	-	16,123	-	-	16,123
Fund balances at beginning of year, as adjusted	659,495	36,491	23,022	497,410	-	16,123	6,917	2,726,658	3,966,116
Fund balances at end of year	$ 683,658	$ 49,831	$ 43,625	$ 364,182	$ -	$ -	$ 5,659	$ 2,301,331	$ 3,448,286

City of Merriam, Kansas

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis
Special Highway Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Intergovernmental	$ 299,830	$ 299,830	$ 309,414	$ 9,584
Use of money and property	2,000	2,000	40,616	38,616
Total revenues	301,830	301,830	350,030	48,200
Expenditures:				
Current:				
Commodities	30,000	30,000	25,867	(4,133)
Capital improvements	300,000	300,000	-	(300,000)
Total expenditures	330,000	330,000	25,867	(304,133)
Revenues over expenditures	(28,170)	(28,170)	324,163	352,333
Other financing sources (uses):				
Transfers out	-	-	(300,000)	(300,000)
Total other financing sources (uses)	-	-	(300,000)	(300,000)
Net change in fund balance	$ (28,170)	$ (28,170)	24,163	$ 52,333
Fund balance at beginning of year			659,495	
Fund balance at end of year			$ 683,658	

City of Merriam, Kansas

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis
Special Alcohol Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Intergovernmental	$ 26,791	$ 26,791	$ 36,761	$ 9,970
Use of money and property	200	200	1,579	1,379
Total revenues	26,991	26,991	38,340	11,349
Expenditures:				
Current:				
Contractuals	25,000	25,000	25,000	-
Total expenditures	25,000	25,000	25,000	-
Net change in fund balance	$ 1,991	$ 1,991	13,340	$ 11,349
Fund balance at beginning of year			36,491	
Fund balance at end of year			$ 49,831	

City of Merriam, Kansas

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis
Special Parks and Recreation Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Intergovernmental	$ 26,792	$ 26,792	$ 36,761	$ 9,969
Use of money and property	200	200	1,744	1,544
Miscellaneous	-	-	2,000	2,000
Total revenues	26,992	26,992	40,505	13,513
Expenditures:				
Current:				
Capital outlay	20,000	20,000	19,902	(98)
Total expenditures	20,000	20,000	19,902	(98)
Net change in fund balance	$ 6,992	$ 6,992	20,603	$ 13,611
Fund balance at beginning of year			23,022	
Fund balance at end of year			$ 43,625	

City of Merriam, Kansas

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis
Transient Guest Tax Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Transient guest tax	$ 550,000	$ 550,000	$ 397,780	$ (152,220)
Charges for services	70,875	70,875	76,311	5,436
Use of money and property	5,000	5,000	17,723	12,723
Miscellaneous	-	-	737	737
Total revenues	625,875	625,875	492,551	(133,324)
Expenditures:				
Current:				
Personal services	397,048	397,048	381,035	(16,013)
Contractual services	165,165	165,165	113,107	(52,058)
Commodities	9,050	9,050	7,532	(1,518)
Health and welfare	130,870	130,870	124,105	(6,765)
Total expenditures	702,133	702,133	625,779	(76,354)
Net change in fund balance	$ (76,258)	$ (76,258)	(133,228)	$ (56,970)
Fund balance at beginning of year			497,410	
Fund balance at end of year			$ 364,182	

City of Merriam, Kansas

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis
Equipment Reserve Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Use of money and property	$ 10,000	$ 10,000	$ 104,176	$ 94,176
Total revenues	10,000	10,000	104,176	94,176
Expenditures:				
Current:				
Capital outlay	1,616,685	1,616,685	175,650	(1,441,035)
Total expenditures	1,616,685	1,616,685	175,650	(1,441,035)
Revenue over expenditures	(1,606,685)	(1,606,685)	(71,474)	1,535,211
Other financing sources (uses):				
Miscellaneous proceeds	35,000	35,000	37,810	2,810
Transfer in	1,500,000	1,500,000	1,500,000	-
Total other financing sources (uses)	1,535,000	1,535,000	1,537,810	2,810
Net change in fund balance	$ (71,685)	$ (71,685)	1,466,336	$ 1,538,021
Fund balance at beginning of year			834,995	
Fund balance at end of year			$ 2,301,331	

City of Merriam, Kansas

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis
Risk Management Reserve Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Use of money and property	$ 20,000	$ 20,000	$ 106,713	$ 86,713
Total revenues	20,000	20,000	106,713	86,713
Expenditures:				
General government:				
Contractual services	50,000	50,000	5,034	(44,966)
Total expenditures	50,000	50,000	5,034	(44,966)
Net change in fund balance	$ (30,000)	$ (30,000)	101,679	$ 131,679
Fund balance at beginning of year			1,152,352	
Fund balance at end of year			$ 1,254,031	

City of Merriam, Kansas

Debt Service Fund

Fund Description

Budgeted Funds

General Obligation Bonds

To account for resources to be used for the payment of principal, interest and related costs of the general obligation bonds and certain other long-term obligations of the City.

City of Merriam, Kansas

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Budget Basis
General Obligation Bonds Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over/ (Under)
	Original	Final		
Revenues:				
Ad valorem taxes	$ 11,959	$ 11,959	$ 10,000	$ (1,959)
Special assessments	2,522,850	2,522,850	2,680,885	158,035
Use of money and property	10,005	10,005	23,317	13,312
Total revenues	2,544,814	2,544,814	2,714,202	169,388
Expenditures:				
Debt service:				
Principal	2,295,000	2,295,000	2,295,000	-
Interest	362,000	362,000	1,292,309	930,309
Total expenditures	2,657,000	2,657,000	3,587,309	930,309
Revenues over expenditures	(112,186)	(112,186)	(873,107)	(760,921)
Other financing sources (uses):				
Transfers in	-	-	930,309	930,309
Total other financing sources (uses)	-	-	930,309	930,309
Net change in fund balance	$ (112,186)	$ (112,186)	57,202	$ 169,388
Fund balance at beginning of year			670,630	
Fund balance at end of year			$ 727,832	

STATISTICAL

SECTION

STATISTICAL SECTION

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

Contents	Tables
Financial Trends	
These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1 - 5
Revenue Capacity	
These tables contain information to help the reader assess the City's two most significant local revenue sources: sales tax and property tax.	6 - 11
Debt Capacity	
These tables 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.	12 - 16
Demographic and Economic Information	
These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	17 - 18
Operating Information	
These tables 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.	19 - 21

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

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

Table 1

	Fiscal Year									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Governmental activities										
Net investment in capital assets	$ 94,004,370	$ 99,965,594	$ 103,699,928	$ 110,293,112	$ 117,415,898	$ 116,389,819	$ 117,512,075	$ 118,538,961	$ 123,513,365	$ 118,751,200
Restricted	11,849,396	13,679,699	12,738,762	9,056,394	6,490,507	12,723,244	15,780,858	19,510,003	9,915,611	9,145,946
Unrestricted	14,370,671	14,248,605	15,340,606	19,739,730	14,654,051	18,037,590	22,633,784	28,993,798	39,677,156	39,520,890
Total Governmental activities	$ 120,224,437	$ 127,893,898	$ 131,779,296	$ 139,089,236	$ 138,560,456	$ 147,150,653	$ 155,926,717	$ 167,042,762	$ 173,106,132	$ 167,418,036

Note: The City had no business-type activities for years 2016 through 2025.

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

Table 2

	Fiscal Year									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Expenses										
General Government	$ 2,722,091	$ 2,886,242	$ 2,937,201	$ 3,275,755	$ 3,323,460	$ 2,792,385	$ 3,414,782	$ 3,832,454	$ 4,426,231	$ 4,728,602
Law enforcement	3,697,731	3,680,138	4,062,208	4,124,425	4,324,351	4,245,530	4,640,687	4,719,721	5,154,148	5,139,180
Fire prevention and control	2,356,954	2,515,984	2,630,810	2,594,107	2,636,224	2,430,802	2,798,435	2,826,345	2,995,580	3,438,770
Public works	2,002,639	2,326,610	2,242,760	2,259,107	1,977,190	3,449,926	3,837,548	3,851,573	4,483,245	4,343,180
Capital improvement program	3,679,682	3,961,988	4,317,753	4,973,229	4,652,299	4,517,499	4,655,543	4,432,744	4,447,822	17,606,347
Community development	3,506,701	3,959,370	6,413,617	3,888,749	9,708,083	2,603,284	2,920,232	2,897,745	9,091,442	5,817,660
Health and welfare	61,061	69,972	105,389	124,399	212,350	135,196	243,649	662,962	20,000	25,000
Culture and recreation	1,563,727	1,697,831	1,498,179	1,242,345	1,800,324	2,980,706	3,476,882	3,814,199	4,237,236	4,375,749
Interest on long-term debt	68,586	52,505	748,631	618,049	523,867	424,685	319,593	211,534	110,873	2,594,301
Total expenses	**$ 19,659,172**	**$ 21,150,640**	**$ 24,956,548**	**$ 23,100,165**	**$ 29,158,148**	**$ 23,580,013**	**$ 26,307,351**	**$ 27,249,277**	**$ 34,966,577**	**$ 48,068,789**
Program Revenues										
Charges for services:										
General government	$ 223,573	$ 172,491	$ 203,551	$ 193,366	$ 215,051	$ 219,447	$ 214,071	$ 218,738	$ 237,668	$ 252,216
Law enforcement	889,729	861,201	921,705	758,238	831,871	1,036,737	801,248	762,301	742,026	797,626
Community development	167,098	180,069	422,748	273,834	175,214	185,222	310,221	271,789	271,866	264,345
Culture and recreation	337,819	322,785	303,273	186,727	224,779	798,287	1,301,829	1,579,419	1,819,053	1,930,992
Operating grants and contributions	386,999	354,360	357,502	368,461	684,239	376,904	387,744	359,703	348,247	382,936
Capital grants and contributions	1,109,636	2,787,856	839,204	1,203,832	824,000	421,413	1,007,791	856,683	2,760,428	1,980,290
Total program revenues	**$ 3,114,854**	**$ 4,678,762**	**$ 3,047,983**	**$ 2,984,458**	**$ 2,955,154**	**$ 3,038,010**	**$ 4,022,904**	**$ 4,048,633**	**$ 6,179,288**	**$ 5,608,405**
Total Net Expense	**$ (16,544,318)**	**$ (16,471,878)**	**$ (21,908,565)**	**$ (20,115,707)**	**$ (26,202,994)**	**$ (20,542,003)**	**$ (22,284,447)**	**$ (23,200,644)**	**$ (28,787,289)**	**$ (42,460,384)**
General Revenues and Other Changes in Net Position										
Taxes	$ 23,787,090	$ 23,832,177	$ 25,159,907	$ 26,061,795	$ 25,071,140	$ 28,923,789	$ 30,808,109	$ 31,779,026	$ 31,525,192	$ 33,930,818
Unrestricted investment earnings	155,265	207,417	839,841	1,106,010	388,204	(924)	37,432	2,379,204	3,019,504	2,267,972
Miscellaneous	232,961	176,735	(157,587)	232,128	192,633	186,227	189,409	131,679	280,061	478,791
Intergovernmental not restricted to a specific program	24,452	24,599	23,829	25,714	22,237	23,108	25,561	26,780	25,902	94,707
Total general revenues	**$ 24,199,768**	**$ 24,240,928**	**$ 25,865,990**	**$ 27,425,647**	**$ 25,674,214**	**$ 29,132,200**	**$ 31,060,511**	**$ 34,316,689**	**$ 34,850,659**	**$ 36,772,288**
Change in Net Position	**$ 7,655,450**	**$ 7,769,050**	**$ 3,957,425**	**$ 7,309,940**	**$ (528,780)**	**$ 8,590,197**	**$ 8,776,064**	**$ 11,116,045**	**$ 6,063,370**	**$ (5,688,096)**

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

Table 3

	Fiscal Year									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
General Fund										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,790	$ -	$ -	$ 40,103
Assigned	1,033,971	1,047,632	1,127,478	1,091,139	1,124,378	1,108,574	1,216,178	1,954,476	2,006,934	1,254,031
Unassigned	6,347,713	6,588,313	6,839,255	7,640,205	7,497,133	8,513,817	9,620,755	11,023,879	9,546,875	10,024,268
Total General Fund	$ 7,381,684	$ 7,635,945	$ 7,966,733	$ 8,731,344	$ 8,621,511	$ 9,622,391	$ 10,862,723	$ 12,978,355	$ 11,553,809	$ 11,318,402
All Other Governmental Funds										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nonspendable/Restricted/ Committed/Assigned reported in:										
Debt service	34,208	36,000	31,745	200,754	289,068	393,918	903,913	499,989	670,630	727,832
Capital projects funds	15,982,331	15,240,321	38,836,957	26,462,660	17,842,880	23,428,042	28,287,673	34,058,134	39,669,844	59,696,399
Special revenue funds	9,470,589	11,995,543	10,272,665	5,629,201	1,634,763	4,357,450	5,327,167	8,554,242	5,866,383	6,879,189
Unassigned Special Revenue Fund	-	-	-	-	-	-	(23,634)	(27,627)	-	-
Total All Other Governmental Funds	$ 25,487,128	$ 27,271,864	$ 49,141,367	$ 32,292,615	$ 19,766,711	$ 28,179,410	$ 34,495,119	$ 43,084,738	$ 46,206,857	$ 67,303,420

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

Table 4

	Fiscal Year									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Revenues										
Taxes (see Table 5)	$ 24,210,373	$ 24,256,970	$ 25,585,282	$ 26,061,795	$ 25,071,140	$ 28,923,789	$ 30,808,109	$ 31,779,026	$ 31,525,192	$ 33,930,818
Intergovernmental	1,426,445	985,694	1,220,535	1,598,007	1,530,476	816,125	983,195	1,537,885	3,260,673	2,452,410
Licenses, permits and fees	390,671	352,560	626,299	467,200	390,265	404,669	524,292	490,527	509,534	516,561
Charges for services	337,819	322,785	303,273	186,727	224,779	798,287	1,301,829	1,579,419	1,819,053	1,930,992
Fines, forfeitures and penalties	889,729	861,201	921,705	758,238	831,871	1,036,737	801,248	762,301	742,026	797,626
Uses of money and property	118,727	184,832	832,153	1,106,010	388,204	(924)	37,432	2,379,204	3,019,504	2,267,972
Miscellaneous	162,678	137,622	114,799	199,089	159,980	104,084	121,009	134,042	244,683	463,821
Total revenues	27,536,442	27,101,664	29,604,046	30,377,066	28,596,715	32,082,767	34,577,114	38,662,404	41,120,665	42,360,200
Expenditures										
Current:										
General government	$ 2,674,797	$ 2,720,163	$ 2,874,497	$ 3,217,170	$ 3,190,744	$ 2,730,382	$ 3,071,615	$ 3,525,195	$ 3,987,664	$ 4,295,747
Law enforcement	3,771,787	3,933,623	4,051,089	4,016,780	4,388,743	4,129,771	4,338,838	4,323,189	4,630,680	4,796,828
Fire prevention and control	2,241,898	2,374,213	2,499,830	3,232,195	3,201,311	2,594,378	2,628,215	2,698,558	2,818,130	3,262,489
Public works	2,678,415	2,455,786	2,862,480	2,642,121	2,195,015	3,559,237	3,813,011	3,959,996	4,078,185	4,079,099
Capital improvement program	224,574	250,552	418,211	374,333	401,609	207,849	265,050	284,260	290,312	186,705
Community development	3,518,041	3,955,102	6,379,936	3,830,989	8,581,607	2,555,843	2,802,024	2,765,987	8,996,115	5,746,195
Health and welfare	61,061	69,972	105,389	132,081	212,350	135,196	243,649	662,962	20,000	25,000
Culture and recreation	1,238,796	1,276,211	1,298,065	976,729	1,228,254	1,623,645	1,873,874	2,330,068	2,462,711	2,699,381
Capital outlay	5,169,489	7,168,645	7,425,077	24,898,294	14,644,299	2,013,271	4,896,081	4,131,778	9,491,125	28,056,381
Debt service:										
Principal	1,202,973	830,000	2,890,000	2,200,000	2,310,000	2,420,000	2,570,200	2,705,200	2,215,200	2,320,200
Interest	89,150	73,250	688,289	991,150	898,125	800,475	696,700	587,650	471,500	1,292,309
Bond issuance costs	-	-	148,790	-	-	-	-	-	-	883,253
Total expenditures	22,870,981	25,107,517	31,641,653	46,511,842	41,252,057	22,770,047	27,199,257	27,974,843	39,461,622	57,643,587
Excess of revenues over (under) expenditures	4,665,461	1,994,147	(2,037,607)	(16,134,776)	(12,655,342)	9,312,720	7,377,857	10,687,561	1,659,043	(15,283,387)
Other financing sources (uses)										
Proceeds from issuance of debt	-	-	-	-	-	-	100,800	-	-	-
Proceeds from sale of capital assets	108,278	44,850	81,462	50,635	19,605	100,859	77,384	17,690	38,530	37,810
Issuance of general obligation bonds	-	-	20,935,000	-	-	-	-	-	-	36,105,000
Premium on general obligation bonds	-	-	3,221,436	-	-	-	-	-	-	1,733
Transfers in	4,865,391	5,305,680	5,574,428	6,609,987	6,341,802	6,669,203	7,389,881	5,669,104	7,870,536	8,825,640
Transfers out	(4,865,391)	(5,305,680)	(5,574,428)	(6,609,987)	(6,341,802)	(6,669,203)	(7,389,881)	(5,669,104)	(7,870,536)	(8,825,640)
Total other financing sources (uses)	108,278	44,850	24,237,898	50,635	19,605	100,859	178,184	17,690	38,530	36,144,543
Net change in fund balances	$ 4,773,739	$ 2,038,997	$ 22,200,291	$ (16,084,141)	$ (12,635,737)	$ 9,413,579	$ 7,556,041	$ 10,705,251	$ 1,697,573	$ 20,861,156
Debt service as a percentage of noncapital expenditures	7.8%	6.0%	15.6%	16.1%	12.8%	16.2%	15.1%	14.5%	8.6%	8.4%

City of Merriam, Kansas **Table 5**
Tax by Revenue Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Tax Revenues								
Fiscal Year	Property Tax	TIF Property Taxes	City Sales/Use Tax	County Sales Tax	Transient Guest Tax	Other TIF Taxes	Special Assessments (a)	Franchise Fees	Total
2016	$ 4,112,928	$ 4,510,269	$ 10,379,700	$ 1,740,379	$ 542,476	$ 1,025,824	$ 423,283	$ 1,475,514	$ 24,210,373
2017	4,624,853	4,195,263	10,119,316	1,989,108	537,276	915,097	424,793	1,451,264	24,256,970
2018	4,642,478	4,122,373	12,091,093	2,070,804	424,766	313,497	425,375	1,494,896	25,585,282
2019	5,507,287	4,140,650	12,291,885	2,075,514	439,149	292,851	-	1,314,459	26,061,795
2020	4,936,816	4,195,528	12,002,153	2,045,862	285,734	307,082	-	1,297,965	25,071,140
2021	5,274,312	4,326,135	14,929,421	2,413,582	406,544	278,723	-	1,295,072	28,923,789
2022	5,633,791	4,513,368	15,918,370	2,654,738	409,545	272,913	-	1,405,385	30,808,110
2023	5,956,464	4,430,829	16,550,838	2,714,127	554,668	261,261	-	1,310,839	31,779,026
2024	5,499,920	4,474,923	16,867,667	2,584,068	567,654	222,569	-	1,308,391	31,525,192
2025	6,484,429	5,350,667	17,194,071	2,874,737	397,780	229,769	-	1,399,365	33,930,818

(a) Special assessments collected to pay for infrastructure improvements were repaid by property owners in 2018. See Table 16 for more information.

City of Merriam, Kansas
Total City Taxable Sales by Category
Last Ten Fiscal Years

Table 6

Sales by Retail Category	Fiscal Year 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Auto dealerships	$ 468,314,927	$ 445,065,269	$ 414,601,775	$ 443,347,844	$ 423,924,357	$ 556,535,375	$ 604,542,227	$ 630,502,077	$ 640,531,347	$ 667,974,380
Auto rental, leasing, repairs gasoline	29,277,608	33,431,945	54,827,092	49,422,924	52,363,973	60,014,571	69,375,869	76,575,093	79,677,493	75,468,713
Clothing, department and shoe stores	95,046,859	87,932,770	88,035,839	81,705,481	78,736,806	89,124,659	91,469,289	91,113,014	85,311,349	88,452,835
Construction, home repairs and maintenance	58,687,468	61,406,789	65,598,926	66,386,415	72,236,866	82,567,549	85,024,709	94,522,629	87,280,263	79,213,846
Grocery and drug stores	22,461,130	21,429,724	13,888,829	2,998,207	2,893,205	3,062,860	3,395,680	3,069,954	3,165,124	3,193,083
Hotels	7,285,794	8,360,492	6,366,621	7,178,269	4,665,976	7,166,367	6,703,962	7,603,359	7,905,291	3,971,117
Medical	4,745,680	5,087,175	5,215,900	4,466,451	3,976,923	5,277,925	9,713,939	6,449,661	6,489,037	6,327,711
Restaurants/Entertainment	30,327,673	29,021,710	29,687,437	40,643,791	29,795,222	44,429,381	41,921,356	47,110,345	47,862,467	43,881,997
Specialty shops	23,828,560	29,075,552	24,207,771	27,168,384	40,399,544	47,715,869	44,435,118	41,870,424	42,084,745	45,057,825
Utilities and communications	35,127,277	35,222,897	48,467,365	32,748,593	30,386,176	33,331,043	39,157,212	34,968,094	31,769,251	34,432,253
All other outlets	83,177,062	79,906,259	76,075,145	82,916,027	81,236,573	84,650,521	83,679,551	87,021,915	107,257,411	115,302,894
Total	$ 858,280,038	$ 835,940,582	$ 826,972,700	$ 838,982,386	$ 820,615,621	$ 1,013,876,120	$ 1,079,418,912	$ 1,120,806,565	$ 1,139,333,778	$ 1,163,276,654

Source: Determined from information provided by the Kansas Department of Revenue.

Note: Kansas statutes prohibit cities from disclosing sales tax remitters and the respective amounts of sales tax revenue remitted.

Note: City sales tax rates of 1.25% are applicable to taxable sales in Merriam for 2016-2017; 1.50% for taxable sales in 2018-2027.

City of Merriam, Kansas **Table 7**
Sales Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

	Fiscal Year									
Direct Sales Tax Rate of Merriam	**2016**	**2017 (a)**	**2018 (b)**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
General	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%	1.000%
Street/Stormwater Improvement	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%
Recreation Facilities	-	-	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%
Total Direct Sales Tax	1.250%	1.250%	1.500%	1.500%	1.500%	1.500%	1.500%	1.500%	1.500%	1.500%
Total Sales Tax Rate										
State of Kansas	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%	6.500%
Johnson County	1.225%	1.475%	1.475%	1.475%	1.475%	1.475%	1.475%	1.475%	1.475%	1.475%
City of Merriam	1.250%	1.250%	1.500%	1.500%	1.500%	1.500%	1.500%	1.500%	1.500%	1.500%
Total Direct and Overlapping Rate	8.975%	9.225%	9.475%	9.475%	9.475%	9.475%	9.475%	9.475%	9.475%	9.475%

Source: Kansas Department of Revenue

(a) Rates effective as of 12/31/2017. The Johnson County rate increase to 1.475% was effective 4/1/2017.

(b) Rates effective as of 12/31/2018. The City of Merriam rate increased to 1.50% effective 1/1/2018 and ends 12/31/2027.

City of Merriam, Kansas **Table 8**
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Estimated Actual Valuation (a)	Direct Tax Rate (per $1,000)	Assessed Valuation				Assessed Valuation as % of Actual	Motor Vehicle Assessed Valuation	Equalized Assessed Valuation (b)
			Real Property	Personal Property	Railroads & Utilities	Total			
2016	$ 999,370,384	27.676	$ 165,146,877	$ 2,126,470	$ 4,454,316	$ 171,727,663	17.2%	$ 14,086,878	$ 185,814,541
2017	1,079,079,907	27.673	180,799,984	1,827,883	4,432,728	187,060,595	17.3%	14,772,449	201,833,044
2018	1,111,664,468	27.741	184,242,726	1,650,584	4,127,886	190,021,196	17.1%	15,111,838	205,133,034
2019	1,186,224,460	27.880	194,788,021	1,528,090	4,503,754	200,819,865	16.9%	15,514,353	216,334,218
2020	1,229,077,253	27.765	199,198,034	1,339,398	4,638,914	205,176,346	16.7%	15,403,750	220,580,096
2021	1,290,752,620	27.558	208,059,929	1,314,352	4,930,202	214,304,483	16.6%	15,465,066	229,769,549
2022	1,644,407,267	27.665	219,342,744	1,091,227	5,034,926	225,468,897	13.7%	15,069,057	240,537,954
2023	1,810,226,967	27.665	240,967,004	956,944	5,682,757	247,606,705	13.7%	15,194,611	262,801,316
2024	2,006,181,040	26.694	261,308,880	822,487	5,995,788	268,127,155	13.4%	14,820,754	282,947,909
2025	2,210,885,678	26.406	282,715,913	721,215	6,713,700	290,150,828	13.1%	15,718,897	305,869,725

Source: Johnson County Appraiser's Office and Johnson County Records & Tax Administration

(a) Estimated Actual Valuation is equal to appraised value and excludes motor vehicle valuations. Residential real estate is assessed at 11.5% of appraised value; commercial real estate at 25%; vacant land, personal, railroads and utilities rates are between 5% and 33%.

(b) Equalized Assessed Valuation includes real, personal, utilities, railroads and motor vehicles. Equalized Assessed Valuation is used to determine debt limitations.

City of Merriam, Kansas **Table 9**

Property Tax Rates (Per $1,000 of Assessed Valuation)
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City of Merriam			Overlapping Rates (a)						Total Direct and Overlapping
	Basic Rate	Debt Service	Total Direct	State	County (b)	Junior College	Board of Education (c)	Merriam Drainage Bd.	Total Overlapping	
2016	25.140	2.536	27.676	1.500	26.595	9.469	54.059	2.002	93.625	121.301
2017	26.637	1.036	27.673	1.500	26.607	9.473	54.940	1.852	94.372	122.045
2018	26.703	1.038	27.741	1.500	26.351	9.503	53.663	2.403	93.420	121.161
2019	26.837	1.043	27.880	1.500	26.013	9.266	52.427	1.700	90.906	118.786
2020	26.727	1.038	27.765	1.500	26.030	9.121	52.121	1.700	90.472	118.237
2021	26.520	1.038	27.558	1.500	25.797	9.191	52.351	1.777	90.616	118.174
2022	26.623	1.042	27.665	1.500	25.568	9.110	51.667	1.707	89.552	117.217
2023	22.267	0.662	22.929	1.500	24.360	8.131	50.822	1.461	86.274	109.203
2024	26.694	-	26.694	1.500	24.125	8.124	51.335	1.356	86.440	113.134
2025	26.406	-	26.406	1.500	24.130	7.873	50.886	1.270	85.659	112.065

Source: Johnson County Appraiser's Office

(a) Overlapping rates are those of local and county governments that apply to property owners within the City of Merriam.
(b) County rate includes Johnson County, Parks and Recreation District, and Library
(c) Shawnee Mission School District No. 512

City of Merriam, Kansas
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 10

Taxpayer	2025 Taxable Assessed Value	2025 Rank	2025 Percentage of Total City Taxable Assessed Value	2016 Taxable Assessed Value	2016 Rank	2016 Percentage of Total City Taxable Assessed Value
IKEA Property, Inc.	$ 10,922,751	1	3.64%	$ 11,147,751	1	6.49%
Merriam Town Center	10,876,751	2	3.63%	10,600,000	2	6.17%
Aristocrat Motors	4,816,575	3	1.61%	3,133,733	7	1.82%
Advent Health Medical Building	4,460,250	4	1.49%			
Advent Health Cancer Center	4,192,250	5	1.40%			
MGS Lofts LLC	4,183,840	6	1.40%			
Hendrick Automotive-Lexus	3,399,196	7	1.13%	3,350,593	3	1.95%
Reed Automotive	3,335,768	8	1.11%			
Carmax	3,316,973	9	1.11%	2,360,278	9	1.37%
MGS Lofts LLC	3,240,834	10	1.08%			
Home Depot	-		-	3,246,000	5	1.89%
Santa Fe Medical Building	-		-	3,315,001	4	1.93%
Hendrick Automotive-Toyota	-		-	3,167,506	6	1.84%
Lee Apparel Company	-		-	2,323,000	10	1.35%
Hendrick Automotive-Chevrolet				2,468,026	8	1.44%
	$ 52,745,188		17.60%	$ 45,111,888		26.25%

Source: Johnson County Appraiser's Office

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

Table 11

Fiscal Year (a)	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (b)	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2016	$ 8,127,077	$ 8,081,869	99.44%	$ 44,215	$ 8,126,084	99.99%
2017	8,213,974	8,252,019	100.46%	(38,663)	8,213,356	99.99%
2018	8,255,465	8,261,540	100.07%	(8,005)	8,253,535	99.98%
2019	8,608,341	8,534,041	99.14%	71,192	8,605,233	99.96%
2020	8,745,470	8,651,734	98.93%	89,459	8,741,193	99.95%
2021	8,937,634	8,872,125	99.27%	59,107	8,931,232	99.93%
2022	9,539,707	9,524,487	99.84%	2,719	9,527,206	99.87%
2023	10,069,597	9,977,121	99.08%	36,411	10,013,532	99.44%
2024	9,503,334	9,405,823	98.97%	-	9,405,823	98.97%
2025	11,604,568	11,488,220	99.00%	19,642	11,507,862	99.17%

Source: Johnson County Treasurer's Office

(a) Property taxes are received in the year following the tax levy.

(b) Negative collections relate to property tax reductions and refunds.

City of Merriam, Kansas **Table 12**
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities: General Obligation Bonds	Governmental Activities: Subordinate Special Obligation TIF Bond (a)	Governmental Activities: Note From Direct Placement (b)	Total	Percentage of Personal Income	Per Capita
2016	$ 4,503,158	$ -	$ -	$ 4,503,158	0.6%	$ 399
2017	3,653,671	-	-	3,653,671	0.5%	325
2018	24,595,139	-	-	24,595,139	3.1%	2,194
2019	22,042,401	-	-	22,042,401	2.7%	1,972
2020	19,379,662	-	-	19,379,662	2.3%	1,749
2021	16,606,923	-	-	16,606,923	1.8%	1,492
2022	13,709,185	-	75,600	13,784,785	1.5%	1,251
2023	10,679,695	-	50,400	10,730,095	1.1%	978
2024	8,156,443	-	25,200	8,181,643	0.7%	752
2025	41,634,891	-	-	41,634,891	3.8%	3,602

Notes:
- The General Obligation Bonds balance includes unamortized premiums.
- See Table 17 for personal income data.
- Details regarding the City's outstanding debt can be found in Note III. C. to the financial statements.

(a) In 2012, a prior period adjustment was applied to the Subordinate Special Obligation TIF Bond The Trust Indenture provided for the application of positive cumulative net amount payments toward the principal of the Subordinate Bond. The change has been applied retroactively only to 2010. See Note III. C. to the financial statements for additional information.

(b) The City entered into a financial purchase agreement to purchase tasers for the police department. This is a direct placement debt issuance.

City of Merriam, Kansas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 13

Fiscal Year	General Obligation Bonds	Less: Amounts Restricted for Debt Service	Net Bonded Debt Outstanding	Percentage of Estimated Actual Valuation of Property (a)	Percentage of Equalized Assessed Valuation of Property (b)	Bonded Debt Per Capita
2016	$ 4,503,158	$ 835,791	$ 3,667,367	0.34%	1.82%	325
2017	3,653,671	439,525	3,214,146	0.29%	1.57%	286
2018	24,595,139	-	24,595,139	2.07%	11.37%	2,194
2019	22,042,401	-	22,042,401	1.79%	9.99%	1,972
2020	19,379,662	88,950	19,290,712	1.49%	8.40%	1,741
2021	16,606,923	219,743	16,387,180	1.00%	6.81%	1,473
2022	13,709,185	757,000	12,952,185	0.72%	4.93%	1,176
2023	10,679,695	382,114	10,297,581	0.51%	3.64%	939
2024	8,156,443	-	8,156,443	0.37%	2.67%	750
2025	41,634,891	-	41,634,891	1.85%	13.20%	3,602

Notes:
- The General Obligation Bonds balance includes unamortized premiums.
- Details for outstanding debt can be found in Note III. C. to the financial statements.
- See Table 8 for property value data. See Table 17 for population data.

(a) Estimated Actual Valuation is equal to appraised value and excludes motor vehicle valuations. Residential real estate is assessed at 11.5% of appraised value; commercial real estate at 25%; vacant land, personal, railroads and utilities rates are between 5% and 33%.

(b) Equalized Assessed Valuation includes real, personal, utilities, railroads and motor vehicles. Equalized Assessed Valuation is used to determine debt limitations.

City of Merriam, Kansas **Table 14**
Direct and Overlapping Governmental Activities Debt
As of December 31, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Merriam Estimated Overlapping Debt			
			Per Capita	% of Assessed Valuation	% of Est. Actual Valuation	Merriam Share
Debt repaid with property taxes:						
Shawnee Mission USD No. 512	$ 472,390,000	4.76%	$ 1,946.50	7.72%	1.01%	$ 22,501,548
Johnson County	516,995,000	1.71%	$ 765.15	3.04%	0.40%	8,845,093
Subtotal, overlapping debt						$ 31,346,641
City direct debt (see Table 12)						41,634,891
Total direct and overlapping debt						$ 72,981,532

Source: Johnson County Office of Financial Management

Note: See Table 17 for population data

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 Merriam. 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.

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

Table 15

	Fiscal Year									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Debt Limit	$ 60,549,913	$ 61,539,910	$ 64,900,265	$ 66,174,029	$ 68,930,865	$ 72,161,386	$ 78,840,395	$ 80,438,174	$ 84,884,373	$ 91,654,118
Total net debt applicable to limit	-	-	18,905,000	17,190,000	15,390,000	13,500,000	11,515,000	9,430,000	7,240,000	41,050,000
Legal debt margin	$ 60,549,913	$ 61,539,910	$ 45,995,265	$ 48,984,029	$ 53,540,865	$ 58,661,386	$ 67,325,395	$ 71,008,174	$ 77,644,373	$ 50,604,118
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	29.13%	25.98%	22.33%	18.71%	14.61%	11.72%	8.53%	44.79%

Legal Debt Margin Calculation for Fiscal Year 2025	$305,513,728
Equalized Assessed Value (a)	91,654,118
Debt Limit (b)	
Debt Applicable to limit:	
General Obligation bonds and notes	41,050,000
	50,604,118

(a) Combination of Motor Vehicle values and Real Property Values
(b) Debt limits for Kansas cities are established by state statutes. Based on the statutes, the debt limit for the City of Merriam is 30% of assessed value.

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

Table 16

Fiscal Year	Special Assessment Bonds (a)				Tax Increment Revenue Bonds (b)				Tax Increment Contractual Liabilities (c)			
	Special Assessment Collections	Debt Service Principal	Debt Service Interest	Coverage	Property Tax Increment	Debt Service Principal	Debt Service Interest	Coverage	Property Tax Increment	Debt Service (c) Principal	Debt Service (c) Interest/Other	Coverage
2016	$ 423,283	$ -	$ -	$ -	$ 819,440	$ 407,969	$ -	2.01	$ 2,558,658	$ -	$ 2,491,851	1.03
2017	424,793	-	-	-	-	-	-	-	2,969,806	-	2,941,398	1.01
2018	425,375	-	-	-	-	-	-	-	2,805,931	-	2,777,952	1.01
2019	-	-	-	-	-	-	-	-	2,750,770	-	2,723,796	1.01
2020	-	-	-	-	-	-	-	-	7,599,171	-	7,521,538	1.01
2021	-	-	-	-	-	-	-	-	1,570,787	-	1,570,787	1.00
2022	-	-	-	-	-	-	-	-	1,720,614	-	1,720,614	1.00
2023	-	-	-	-	-	-	-	-	1,665,795	-	1,665,795	1.00
2024	-	-	-	-	-	-	-	-	7,733,918	-	7,733,918	1.00
2025	-	-	-	-	-	-	-	-	4,316,393	-	4,316,393	1.00

Note: Details regarding the City's outstanding debt can be found in Note III. C. to the financial statements.

(a) Special assessment bonds were refunded early in 2001 due to additional payments made in 1998. The related special assessment taxes were collected through 2008. In 2008, new general obligation bonds with special assessment backing were issued and later paid off in 2014. The related special assessment taxes will be collected through 2018.

(b) Tax increment revenue bonds and contractual liabilities are backed by the incremental real estate property tax revenue produced by the properties located in the redevelopment district. The bonds matured February 2016.

(c) In 2012, a change in methodology occurred for recording of tax increment contractual liabilities. The City now records such liabilities only when pledged revenue is recognized. Under the prior methodology, the liability was recorded when TIF project costs were certified as eligible for reimbursement. As a result, such payments will be considered interest or "other" debt service payments. The change has been retroactively applied.

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

Table 17

Year	Population (a)	Median Age	Personal Income (c)	Unemployment Rate (b)	Per Capita Personal Income	
					Merriam/Johnson County (c)	State of Kansas (c)
2016	11,288	37.7	$ 734,284,400	3.30%	$ 65,050	$ 48,537
2017	11,245	38.1	742,878,435	3.00%	66,063	47,603
2018	11,212	39.1	784,582,124	2.90%	69,977	50,155
2019	11,178	39.2	827,283,780	2.80%	74,010	51,471
2020	11,081	39.5	844,438,686	5.10%	76,206	53,426
2021	11,128	39.3	897,818,168	3.20%	80,681	56,099
2022	11,017	39.1	931,322,095	2.30%	84,535	58,924
2023	10,966	38.9	992,455,898	2.70%	90,503	60,424
2024	10,875	38.0	1,116,786,375	2.90%	102,693	68,038
2025	11,560	38.2	1,103,043,640	3.10%	95,419	69,510

(a) Population data for 2014-2020 and 2022-2025 is based upon State of Kansas estimates. The data for 2021 is based on the 2020 Federal Census.
(b) Kansas Department of Labor
(c) U.S. Bureau of Economic Analysis provides demographics by state and county. Rates reflect that of Johnson County. Data not available by municipality.

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

Table 18

Employer	2025 Employees	2025 Rank	2025 Percentage of Total City Employment	2016 Employees	2016 Rank	2016 Percentage of Total City Employment
Adventist Health/Shawnee Mission Med Ctr	3,300	1	27.18%	2,994	1	19.45%
Nations Companies	428	2	3.52%	-		-
Ryan Lawn and Tree	350	3	2.88%	-		-
Seaboard Corporation	300	4	2.47%	314	4	2.04%
Aristocrat Motors	254	5	2.09%	170	9	1.10%
DS Bus Lines	226	6	1.86%	315	3	2.05%
IKEA Home Furnishings	180	7	1.48%	236	6	1.53%
The Home Depot	167	8	1.38%	150	10	0.97%
Carmax	164	9	1.35%	225	7	1.46%
Hendrick Toyota	150	10	1.24%	202	8	1.31%
Synchrony Financial/GE Consumer Finance	-		-	800	2	5.20%
Baron BMW/Shawnee Mission Kia	-		-	250	5	1.62%
	5,519		45.45%	5,656		36.74%

Source: Employee totals provided by individual employers.

City of Merriam, Kansas **Table 19**
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
General government										
Mayor/City Council	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
General Government	10.00	10.00	10.00	10.00	10.00	10.00	10.00	11.00	11.00	12.00
Information Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Municipal Court	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Law enforcement										
Officers	30.00	30.00	30.00	30.00	30.00	30.00	32.00	32.00	32.00	32.00
Civilians	5.75	5.75	5.75	5.75	5.75	5.00	5.00	5.00	5.48	5.48
Public works	21.96	21.96	21.96	22.96	24.93	23.21	23.21	23.21	23.21	23.21
Culture and recreation										
Community Center (c)	9.36	9.36	9.36	11.36	29.00	30.00	30.00	30.00	30.72	30.72
Aquatic Center (c)	10.66	10.66	10.66	-	-	-	-	-	-	-
Merriam Marketplace	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32
Visitor's Bureau (a)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community development	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Capital improvement program	2.40	1.40	1.40	1.40	1.40	1.40	1.00	1.00	1.00	1.00
Total	112.20	111.20	111.20	103.54	123.15	121.68	123.28	124.28	125.48	126.48

Source: City of Merriam Human Resources records

(a) Previously included in General Government
(b) Fire services provided by the City of Overland Park after 2014
(c) The Aquatic Center was demolished in 2018 to construct a new Community Center with indoor/outdoor pools.
The new Community Center opened in July 2020. Aquatic Center employees have been combined with Community Center.

City of Merriam, Kansas
Operating Indicators by Function
Last Ten Fiscal Years

Table 20

Function/Program	Fiscal Year 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Occupational licenses issued	1,034	828	765	781	788	1,059	913	1,102	1,085	488
Vendor payments by check	2,557	2,551	2,750	2,669	2,339	2,258	2,384	2,409	2,387	2,409
Court filings processed	6,992	6,741	7,223	5,198	6,288	6,843	5,367	4,700	4,817	5,700
Law enforcement										
Physical arrests	1,262	1,245	1,387	1,196	1,104	1,295	1,091	1,068	852	908
Accidents investigated	705	765	697	621	444	450	496	535	588	581
Traffic violations issued	6,790	6,612	7,424	5,043	6,339	6,735	5,242	4,531	4,734	5,602
Animal control service calls	451	517	519	454	378	383	510	410	459	504
Fire prevention and control										
Fire inspections performed	589	516	556	361	356	277	325	465	279	269
Alarm responses	1,810	1,949	1,873	1,736	2,128	2,101	2,392	2,588	1,870	1,937
Public education attendance	2,228	3,210	1,487	2,208	238	200	7,597	3,097	7,029	2,750
Public works										
Miles of street repair/overlay	3.6	2.5	3.9	1.8	1.9	2.9	2.2	1.9	2.1	4.4
Acres mowed	89	89	89	89	89	89	89	89	89	89
Miles of curbing/sidewalk repaired	2.8	1.9	3.2	2.1	2.1	1.0	1.5	0.7	2.5	2.2
Culture and recreation										
Community Center visits (a)	40,039	52,147	49,348	43,600	16,302	88,708	146,125	173,416	172,593	172,879
Community Center rentals/classes (a)	n/a	n/a	n/a	n/a	3,395	20,462	48,875	55,150	65,394	71,378
Aquatic Center attendance (a)	23,885	20,405	18,216	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Farmers' Market ave. wkly. attend. (a)	759	704	592	454	544	495	546	581	615	649
Special Events attendance	15,602	15,152	10,681	10,391	n/a	7,563	15,045	20,171	14,631	18,200
Community development										
Construction permits issued	474	456	439	582	482	504	474	407	748	564
Value of new commercial const.	$ 2,501,419	$ 4,190,000	$ 59,582,901	$ 25,075,504	$ 249,753	$ 1,022,155	$ 11,083,939	$ 111,960,489	$ 18,660,925	$ 14,403,159
Value of residential construction	$ 2,987,716	$ 2,622,210	$ 3,554,319	$ 9,210,374	$ 3,206,547	$ 3,470,183	$ 3,588,051	$ 2,635,995	$ 6,599,760	$ 5,190,548
Capital improvement program										
Number of projects managed	18	26	17	15	12	12	10	15	18	3

(a) The Aquatic Center was demolished in 2018 to construct the new Community Center, which opened in July 2020 and includes both indoor and outdoor pools. Beginning in 2020, Community Center rentals and class attendances are being shown separately. Also as of 2020, indoor/outdoor pool attendance is now combined with Community Center visits. Community center and Marketplace attendance numbers were affected by the global COVID 19 pandemic restrictions.

Source: City of Merriam departmental records

City of Merriam, Kansas
Capital Asset Statistics by Function
Last Ten Fiscal Years

Table 21

Function/Program	Fiscal Year 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Visitors' Bureau/Historical Plaza	1	1	1	1	1	1	1	1	1	1
Law enforcement										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	21	22	22	21	23	23	23	23	20	20
Animal control units	1	1	1	1	1	1	1	2	2	2
Fire control and prevention										
Stations	1	1	1	1	1	1	1	1	1	1
Emergency vehicles	4	4	4	4	3	3	3	3	3	4
Non-emergency vehicles	2	2	2	2	2	2	2	3	3	1
Rescue boat	1	1	1	-	-	-	-	-	-	-
Civil defense sirens	4	4	4	4	4	4	4	4	4	4
Public works										
Street miles	113	113	113	113	113	113	113	113	113	113
Streetlights	1,915	1,949	2,003	2,053	2,098	2,110	2,112	2,110	2110	2110
Traffic signal locations	21	21	21	22	23	23	23	23	23	23
Maintenance vehicles	25	25	26	26	26	28	26	27	30	30
Culture and recreation										
Acreage of city parks (a)	79.08	79.08	74.71	74.71	74.71	74.71	74.71	74.71	74.71	74.71
Parks (a)	9	9	8	8	8	8	8	8	8	8
Community centers	1	1	1	1	1	1	1	1	1	1
Aquatic center (a)	1	1	-	-	-	-	-	-	-	-
Farmers' Market	1	1	1	1	1	1	1	1	1	1

Source: Capital asset records maintained by the Merriam Finance Department

(a) Vavra Park and Merriam Aquatic Center were demolished in September 2018 to construct a new community center with indoor/outdoor pools. The new Community Center opened in July 2020.