City of Shawnee

Annual Comprehensive Financial Report

For the fiscal year ended December 31, 2025



Shawnee
KANSAS

City of Shawnee, Kansas

Annual Comprehensive Financial Report

For the Fiscal Year Ended December 31, 2025

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INTRODUCTORY SECTION

CITY OF SHAWNEE, KANSAS

FINANCIAL STATEMENTS
Year ending December 31, 2025

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June 2, 2026

To the Honorable Mayor Mickey Sandifer,
Members of the City Council,
and the Citizens of the City of Shawnee:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Shawnee for the fiscal year ended December 31, 2025. The purpose of the report is to provide the Mayor, City Council, City Staff, citizens, bondholders, and other interested parties with useful information concerning the City's operations and financial position.

This report was prepared in accordance with generally accepted accounting principles (GAAP), which are uniform minimum standards and guidelines for financial accounting and reporting in the United States. The City's financial statements have been audited by Gordon CPA LLC (the Auditor) as required by Kansas Statute 75-1122. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for fiscal year ended December 31, 2025, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The Auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2025, are fairly presented in conformity with GAAP. The Auditor's Report is presented as the first component of the financial section of this report.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. The Management's Discussion and Analysis (MD&A) section can be found immediately following the Auditor's report. The MD&A and this letter of transmittal are designed to complement one another.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Shawnee for its annual comprehensive financial report for the fiscal year ended December 31, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Financial Reporting Entity

The Governmental Accounting Standards Board has established the criteria to determine the financial reporting entity for municipal government financial reports. Therefore, the City used these criteria to examine the relationship of the City to other associated but legally separate entities to determine if their inclusion in this report would be necessary to fairly present the financial position of the City. This criterion generally has to do with financial benefit or burden and levels of influence over the activities of these organizations. The financial reporting entity includes all funds of the City of Shawnee and does not include any entities outside of the City as component units.

Profile of the Government

Home to the first territorial legislature and territorial governor in what later became the State of Kansas, the City of Shawnee is now part of the Greater Kansas City Metropolitan Area and is one of the region's fastest growing cities and the third largest city in Johnson County. Situated in the northwestern corner of the county between Interstate 35 to the east and the Kansas River to the west, its convenient location, sense of community, and parks and recreational opportunities have attracted new residents for decades.

The City of Shawnee was incorporated as a city on June 10, 1922, and re-incorporated as a city of the first class on October 22, 1971. It operates under a mayor-council-manager form of government. The Mayor is elected by the City at-large and two councilmembers are elected from each of the City's four wards. With a current population of more than 70,000 residents, the City's 42 square miles of land encompasses diverse residential neighborhoods including older established neighborhoods, new subdivisions, lakeside estates, multi-family housing, townhomes, and senior citizen communities.

The City provides a wide range of services, including police and fire protection, emergency preparedness, emergency medical response, street and storm drainage maintenance, comprehensive recreation and cultural events, planning and zoning management, codes administration and general administrative services. WaterOne and Johnson County Wastewater provide water and sewer utility services, respectively.

Private industry owns and operates electric, telephone, natural gas, and sanitation disposal services in Shawnee.

The City of Shawnee continues to be recognized by multiple organizations for excellence in programming and services. The City of Shawnee and its Departments continue to be recognized for the following:

- R5 Certified
- Silver SolSmart Award
- Tree City USA
- Bicycle Friendly Community - Bronze Level
- Bicycle Friendly Business - City Hall
- GFOA Distinguished Budget Award
- GFOA Excellence in Financial Reporting Award
- GFOA Popular Annual Financial Reporting Award
- Purple Heart City
- TravelAwaits - #9 - Incredible Living History Museums to Visit in the Midwest
- Healthy KC Workplace Wellness Certified Platinum Level

Additionally, the City's Parks and Recreation, Public Works, Fire, and Police Departments all have achieved national accreditation from their authorizing agencies. The City holds an ISO 1 rating for their excellence in fire suppression. Also of note is a triple-A (AAA) bond rating from S&P Global Ratings for all bond issuances since 2021.

Economic Condition and Outlook

Shawnee's location along several major transportation routes and ease of access to the entire Kansas City metropolitan area has been a major factor in the City's growth and development. Based on this transportation infrastructure, Shawnee is the closest Johnson County suburb to the recently renovated Kansas City International Airport.

Although Shawnee is landlocked, and approximately 75 percent of the city has been developed, there are still large tracts of undeveloped land for future development along I-435, in the Kansas River valley, and between Monticello Road and Woodland within the Hickok Zarah Conservation TIF District.

The U.S. Census Office estimates Shawnee's median household income at $109,940 which continues to drive development within the City. Shawnee's population is estimated to be 72,483 as of December 31, 2025, and the city has 19,365 single family housing units, 1,136 duplexes, and 7,601 multi-family units, for a total of 28,102 housing units. The housing vacancy rate is 0.5% (est.) for homeowner vacancy and 3.5% (est.) for rental vacancies. Nearly 74% of households reside in owner-occupied units that average 2.55 persons per household. The median home value for all owner-occupied housing stock in Shawnee is $359,700. Further analysis and information on demographics are in the Statistical Section of this report.

Home and commercial construction activity fluctuated significantly again in 2025, with decreases in new single family unit production combined with increases in new commercial/warehouse development.

A total of 108 building permits for new single-family homes were issued, along with 83 elder-care multifamily permits. This is an increase in single family permits of 9% (9 units) from the previous year.

New commercial construction activity waned slightly in 2025 with 11 new commercial building permits and 2 new commercial shell permits being issued as compared to the 19 new commercial permits that were issued in 2024. Total estimated construction value of the new commercial permits issued was $25,505,344, down from $92,673,654 that was brought about by the construction of the new, large office/warehouse buildings within the Heartland Logistics Park that developed in the vicinity of K-7 and 43rd Street in 2024. This represents a decrease of $67,168,310 (-72.5%) from 2024. It must be noted, however, that overall commercial construction activity remained steady from 2024 to 2025 for tenant finishes and repurposing of existing commercial space in Shawnee. This can be supported in that overall construction value of all commercial permits issued in 2025 was $131,546,992 as compared to $130,821,455 in 2024.

The average construction value in 2025 for a single-family home increased by about 7.7 percent to a value of $490,536 compared to $455,540 in 2024. The average square footage of a new home is:

- 3,610 in 2025
- 3,317 in 2024
- 2,686 in 2023

Significant development completed or under construction during 2025 includes:

- **Insco Headquarters – 5327 Martindale** The owner is constructing an 83,640 square foot office, manufacturing, and warehouse building on 7.82 acres. Construction is anticipated to be completed in mid-2026.

- **Westlake Hardware – 6515 Silverheel** Construction is underway on a new hardware store in the Monticello Shopping Center, just north of the Johnson County Library. Upon completion, the site project will include 15,000 square feet of new retail space as the first phase of construction.

- **Contractors Park - 18760 Johnson Drive** A new multi-tenant industrial building at 18760 Johnson Drive has been constructed, just west of the City's Public Works Service Center. This six-acre site will eventually include two buildings totaling almost 56,000 square feet of flex warehouse space. The larger first phase building totaling 34,000 square was completed in July of 2025.

- **Heartland Logistics Building 3 – 24300 W 43rd Street** Owned by Hunt Midwest, this building is now constructed and contains nearly 900,000 square feet of office, warehouse, and manufacturing space. Keystone Automotive Industries has now occupied approximately 600,000 square feet of the building, leaving an additional 300,000 square feet of space available for lease.

- **Kraft Tool Expansion – 8325 Hedge Lane Terrace** Construction is underway on a second 75,000 square foot building in Perimeter Park for this long time Shawnee based manufacturer. An Industrial Revenue Bond (IRB) was successfully negotiated between the City and Kraft Tool and issued in 2022 to help finance this construction.

- **U-Haul – 7020 Silverheel** U-Haul is constructing 150,000 square feet of climate-controlled storage with a truck rental terminal on 16 acres in the 7100 block of Silverheel. Construction of both buildings is nearing completion, and the facility opened to the public in early fall of 2025.

- **Westbrooke Green – 75th and Quivira** Westbrooke Partners has taken ownership of the commercial portion of the development, south of the recently completed Chadwick luxury apartments. Work is now underway at the site that includes tenant finish work and parking lot improvements to house a new tenant in the larger anchor building of the shopping center.

- **Marigold Retail Development - 5901-5923 Nieman Road** Construction on the renovated multi-tenant building is now fully underway. The southern one-third of the facility is now open to the public, with restaurants or other retail tenants anticipated to be completed by early 2026.

- **Friction Beer Company – 11018 Johnson Drive** Friction Beer received SEED funding to improve the second floor of their facility into an event space for local rentals. Permits for this remodel have been issued.

- **Sang Sang – 6000 Nieman Road** A commercial building permit has been submitted to remodel the former Enterprise Car rental building into a new restaurant featuring Asian cuisine.

Strategic Initiatives and Highlights

In 2020, the Governing Body established a strategic vision for the community, called Imagine Shawnee. After gathering the most public input the City has ever received, the following five Priority Pillars were established for our community:

- Attract diverse housing to meet the needs of a growing city.
- Create a safe, sustainable, inclusive, and interactive community.
- Design an environment where businesses thrive.
- Lead in maximizing and integrating natural resources.
- Provide exceptional city services and infrastructure.

The City gathered community input provided through Imagine Shawnee and the Parks Master Plan in 2020. In 2021, the City began integrating the results of the Imagine Shawnee into budget decisions for park improvements, downtown redevelopment, and other quality of life and economic development efforts, and will continue to do so over the next several years.

Future/Planned Initiatives

Highlights from projects in 2025 to implement Imagine Shawnee and Achieve Shawnee included:

- Development of Downtown Shawnee continued in 2025 with new and on-going projects including Marigold, Sang Sang, and Friction Beer. These new businesses will bring exciting new dining opportunities as well as a small general store. The City has also completed work downtown to revitalize the area in front of City Hall by increasing the safety and appearance of the area while also providing additional infrastructure for downtown events.

- The City continues to celebrate and maintain the momentous distinction of a Community of Excellence. Shawnee earned the Community of Excellence designation by achieving accreditations in the Public Works, Police, Fire, and Parks and Recreation departments.

- In 2025, City Council approved $40.7MM to be spent on various Capital Improvements throughout the community.

- On November 14, 2022, The Governing Body passed an ordinance to create the special financing district known as a conservation tax increment financing district (TIF) across the entire Hickok Zarah Development Area. The TIF district is comprised of over 1,600 acres located in western Shawnee. The Hickok Zarah Development Area will be used to fund critical infrastructure, including internal infrastructure and key connections to adjacent arterial streets, trails and regional parks. Interest in the area continues to grow and future development will be planned accordingly.

- The Shawnee Police Department completed a K9-Kennel expansion project that cost $152,902. The construction project was completed in 2025.

- The Shawnee Public Works Department finalized improvements of Nieman Road from Shawnee Mission Parkway to the south City limits. The total cost of the improvement project amounted to $5,180,646.

- In 2025, 98 applicants qualified for the Property Tax Rebate Pilot Program which gave back over $43,000 to qualifying Shawnee residents. This is the fourth year of the program, which is designed to provide tax assistance to low-income residents. The goal is to help residents remain in their homes and help make it more affordable to do so.

Economic Development

Shawnee continues to pursue commercial and industrial development and redevelopment opportunities throughout the City, with particular focus on the following areas:

- Heartland Logistics Park - 43rd Street and K-7 Highway - $250 million industrial park development consisting of approximately 2,000,000 square feet across multiple buildings. Forty-third (43rd) Street is now complete, and the second phase of the development on the north side of 43rd Street has received final plan approval.

- The K-7 Logistics Centre, an office/warehouse development of approximately 990,000 square feet in 2 buildings, has been zoned and planned near 79th and Monticello Terrace, on the east side of K-7 Highway.

- Potential development of large remaining vacant tracts in Shawnee, with a major focus on the following: the K-7 Highway corridor; riverfront properties located north of 43rd Street and east of K-7; large tracts along 1-435 from Johnson Drive to Shawnee Mission Parkway, and undeveloped acreage in the area of Monticello & 75th Street.

- Westbrooke Village - 75th Street and Quivira Road - redevelopment of this commercial center with improvements and rehabilitation to the building that includes a grocery store opening in June 2026 and connected retail to the north, containing approximately 100,000 square feet, and parking, landscaping, parking islands, sidewalks, outside dining, and pedestrian connections.

- Midland Entertainment District - I-435 and Midland Drive - redevelopment of this district is forthcoming. The district contains approximately 25 developed commercial (retail, office, hotel) parcels with diverse ownership, along with multiple undeveloped parcels that may be developed for residential, multifamily, or other uses.

Reinvestment

Shawnee promotes programs such as downtown financial incentives (both grants and property tax rebates) to stimulate private development of new businesses and residential development in older parts of the City. As a result, new businesses and residences are coming to downtown.

The new businesses include: Marigold Liquor at 5917 Nieman Road, Current State Coffee and Roasting, Lil' Dudes at 11216 Johnson Drive, Tiki Taco at 11200 Johnson Drive, Trend Portrait Studio at 6111A Nieman Road, Stag Homes at 5707 Nieman Road, Thai Orchid at 5907 Nieman Road, Sang Sang Asian Express at 6000 Nieman Road, Hank's Garage at 5801 Nieman Road; and Gilda's at 5815 Nieman Road

The City Council approved the redevelopment of the former Wonderscope Museum site with the conversion of the Wonderscope building into a 39-unit apartment building and the construction of 14 new two-story townhomes. Future projects will also bring more residential density to downtown Shawnee. To entice reinvestment, the City targets funds toward street improvements and wayfinding measures within and on the periphery of downtown to provide public infrastructure investment.

City Services

The City's primary goals are to provide an excellent quality of life in the community that emphasizes the City's roots and creates a place where new citizens and current residents feel a sense of pride. The City strives to assess citizen needs and satisfaction, and provide public services in a cost effective, coordinated manner.

Infrastructure Management

Shawnee has adopted and implemented comprehensive street maintenance and stormwater management plans to evaluate pavement and pipe condition, prioritize and construct improvements, and ensure that new development adequately controls stormwater collection using the latest best practices.

Fiscal Responsibility

The City strives to provide exceptional value to taxpayers and other stakeholders of the City and assure long-term financial balance in the City's operational and capital improvement activities. The Comprehensive Financial Policy and the Purchasing Manual are two of many fiscal documents that will be instrumental in guiding the City's fiscal decisions into the future. In addition, the City continues to maintain its AAA bond rating from S&P Global Ratings.

Financial Information

Internal Control Structure and Budgetary Controls

Internal and Budgetary control structures are designed to ensure that the City's assets are protected from loss, theft, or misuse, and adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The objective of the City's budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Governing Body. Activities of the General Fund, Special Revenue Funds (unless exempted by a specific statute), and Debt Service Fund are included in the annual appropriated budget, as required by Kansas statutes. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the fund-function level for all funds. Spending within funds which are not subject to statutory constraints is controlled by federal regulations, other laws, or by the use of internal spending limits established by the City. As demonstrated by the statements and schedules included in the Financial Section of this report, the City continues to meet its responsibility for sound financial management.

Financial Policies

The City has numerous financial guiding documents which include the Comprehensive Financial Policy (PS-66) as well as the Investment Policy (PS-39), Compensation, Pension, Purchasing, and Economic Development documents. There was no significant impact on the current period's financial statement due to these policies.

Independent Audit

Kansas Statutes Annotated (KSA) 75-1122 requires an annual audit of the accounts, financial records and transactions of all administrative departments of the City by independent certified public accountants. The accounting firm of Gordon CPA LLC of Lawrence, Kansas, was selected by the City. The auditors' report on the financial statements is included in the Financial Section of this report.

Acknowledgements

This ACFR has been a major undertaking for the Finance Department and could not have been completed without the dedication of our entire Finance staff including our Accounting Manager, Josie Hermreck, Budget and Purchasing Manager, Kimberlee Hughes, Budget and Purchasing Specialist, Geoffry Brown, Senior AP Accountant, Sophia Miller, Senior Payroll Accountant, Esmeralda Contreras, as well as numerous other professionals throughout the City. They all have our sincere appreciation for their contributions to this report. In closing, without the leadership and support of the Governing Body, preparation of this report would not have been possible.

Sincerely,



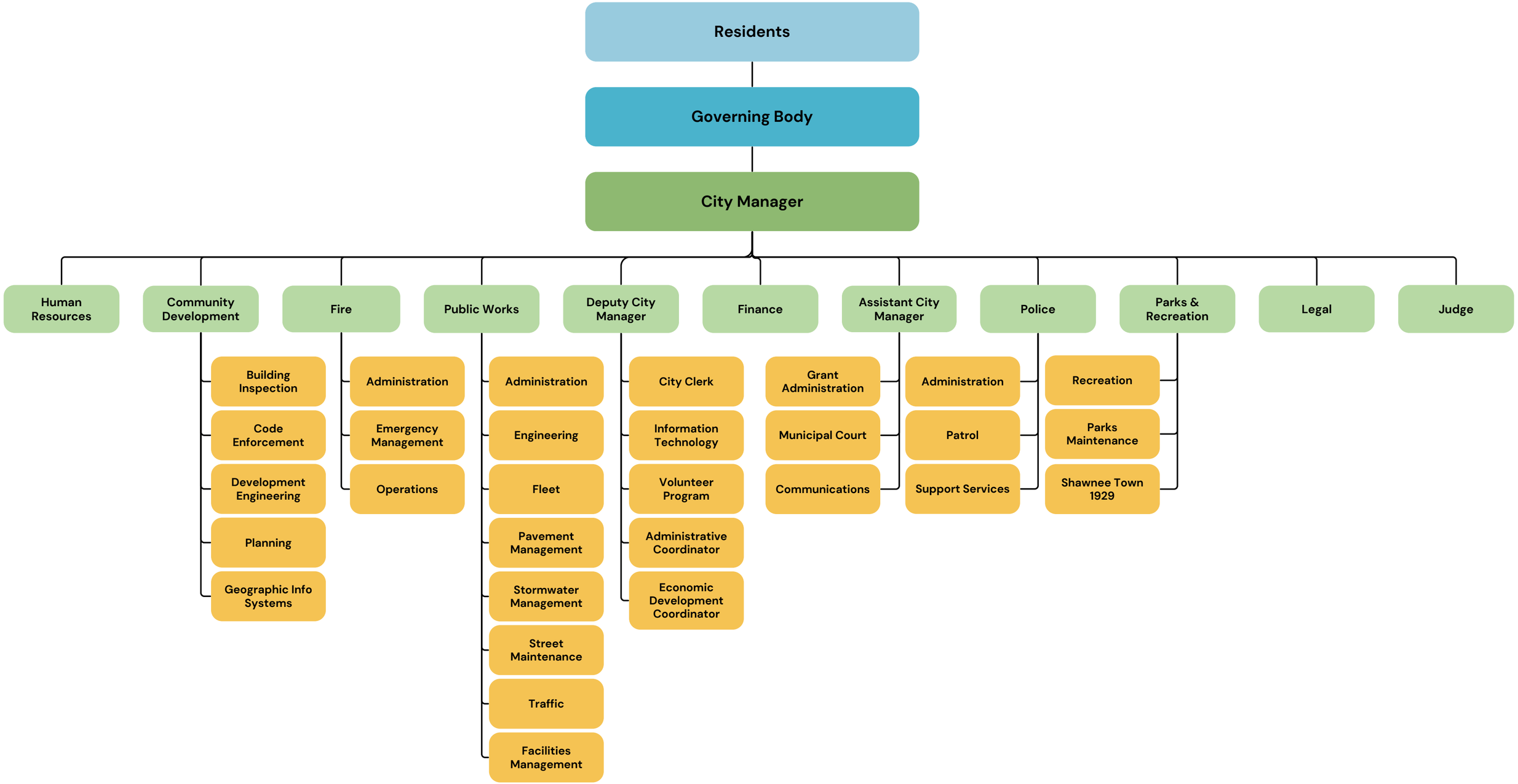


Paul Kramer

City Manager

Sean Rocco

Finance Director


Residents
Governing Body
City Manager
Human Resources
Community Development
Building Inspection
Code Enforcement
Development Engineering
Planning
Geographic Info Systems
Fire
Administration
Emergency Management
Operations
Public Works
Administration
Engineering
Fleet
Pavement Management
Stormwater Management
Street Maintenance
Traffic
Facilities Management
Deputy City Manager
City Clerk
Information Technology
Volunteer Program
Administrative Coordinator
Economic Development Coordinator
Finance
Assistant City Manager
Grant Administration
Municipal Court
Communications
Police
Administration
Patrol
Support Services
Parks & Recreation
Recreation
Parks Maintenance
Shawnee Town 1929
Legal
Judge

CITY OF SHAWNEE, KANSAS

LIST OF CITY OFFICIALS

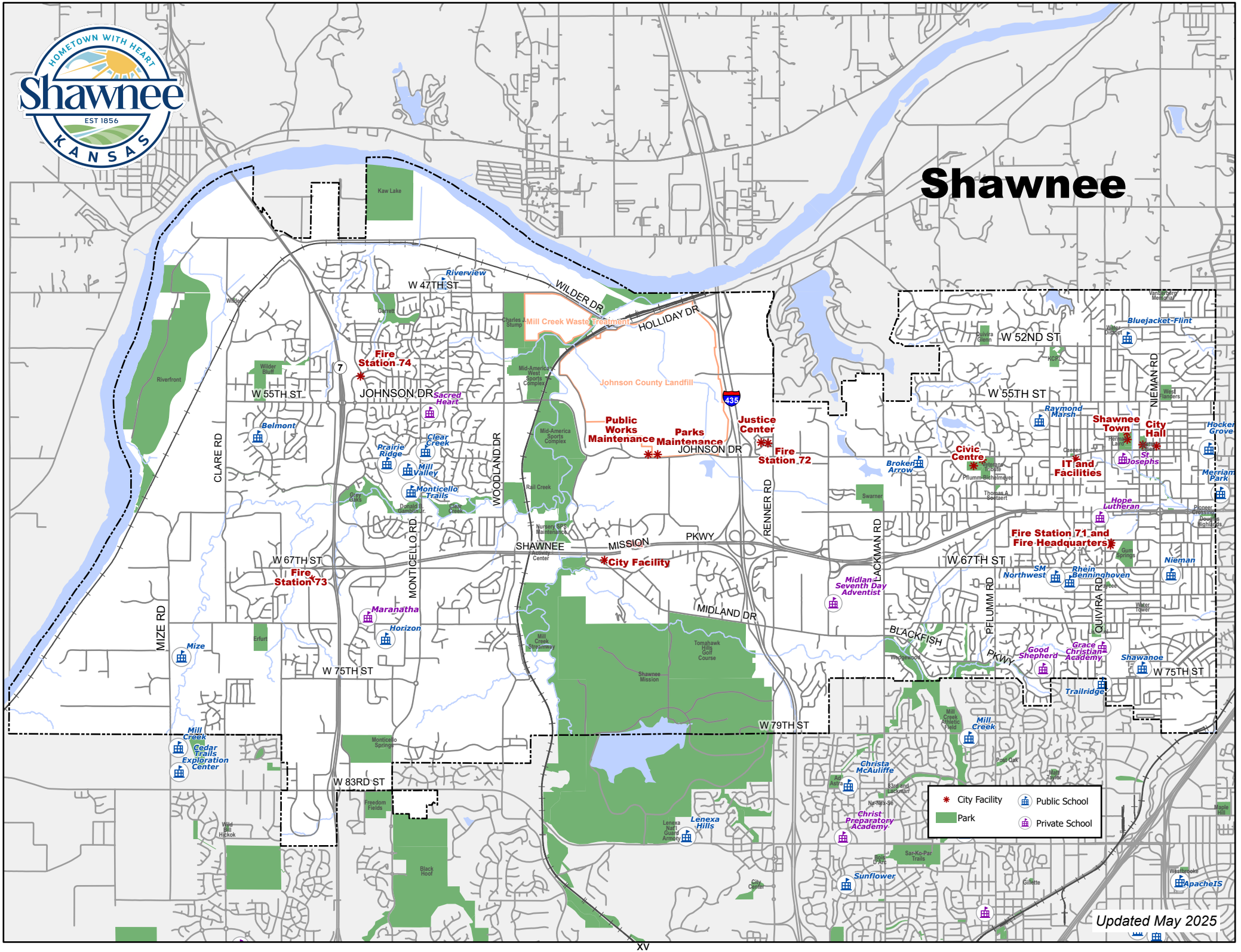
Mayor
Mickey Sandifer

Ward I
Sierra Whitted
Steele Reynolds

Ward II
Jeanie Murphy
Eric Persson

Ward III
Kurt Knappen
Morgan Rainey

Ward IV
Laurel Burchfield
Erin Aldridge


Shawnee
HOMETOWN WITH HEART
EST 1856
KANSAS
W 47TH ST
Riverview
WILDER DR
HOLLIDAY DR
Mill Creek Waste Treatment
Fire Station 74
JOHNSON DR
Sacred Heart
Johnson County Landfill
435
Public Works Maintenance
Parks Maintenance
JOHNSON DR
Justice Center
Fire Station 72
W 55TH ST
CLARE RD
Belmont
Prairie Ridge
Clear Creek
Mill Valley
Monticello Trails
WOODLAND DR
RENNER RD
W 52ND ST
Bluejacket-Flint
NIEMAN RD
Raymond Marsh
Shawnee Town
City Hall
St. Joseph's
Civic Centre
IT and Facilities
Broken Arrow
Hope Lutheran
Merriam Park
Fire Station 71 and Fire Headquarters
SHAWNEE MISSION PKWY
City Facility
W 67TH ST
Fire Station 73
MONTICELLO RD
LACKMAN RD
PFLUMM RD
QUIVIRA RD
SM Northwest
Rhein Benninghoven
Nieman
Midland Seventh Day Adventist
MIDLAND DR
BLACKFISH PKWY
Maranatha
Horizon
MIZE RD
Mize
W 75TH ST
Good Shepherd
Grace Christian Academy
Shawanoe
Trailridge
W 79TH ST
Mill Creek
Cedar Trails Exploration Center
Mill Creek
W 83RD ST
Christa McAuliffe
Christ Preparatory Academy
Lenexa Hills
Sunflower
ApacheIS
City Facility
Park
Public School
Private School
Updated May 2025

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Shawnee
Kansas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

GORDONCPA
AUDITING
ACCOUNTING
CONSULTING

4205 W 6th St Ste C
Lawrence, KS 66049

(785) 371-4847
cpagordon.com

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Shawnee, 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 Shawnee, Kansas, 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 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 of Shawnee, Kansas, as of December 31, 2025, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement 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 amount 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 judgement, 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.

Emphasis of Matter

Prior Period Adjustment
As discussed in Note 13 to the financial statements, certain omissions in amounts previously reported as of December 31, 2024, were discovered by management of the City during the current year. Accordingly, these amounts have been restated in the December 31, 2025, financial statements now presented, and adjustments have been made to net position to correct the omission. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 financial statements as a whole. The statements and schedules listed under supplementary information in the accompanying table of contents, including the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 were derived from and relate directly to the underlying accounting and other records used to prepare the 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 account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 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 our work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

June 2, 2026

CITY OF SHAWNEE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended December 31, 2025

The management of the City of Shawnee (City) offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025.

Financial Highlights

- The City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the end of 2025 by $618,660,381 (net position). Of this amount, $8,371,777 is unrestricted net position.
- Unrestricted net position increased by $17,326,412, and the City's total net position decreased by $11,842,942.
- At the close of 2025, the City's governmental funds reported combined ending fund balances of $109,386,345, an increase of $8,359,879 from the prior year. The increase was primarily in the Equipment and Facility Reserve, Fire Facilities Reserve, and Public Safety funds for the purposes of future capital investment.
- At the end of 2025, the fund balance for the General Fund was $39,256,054, or 51% of revenues on a GAAP basis. This was a decrease of $36,884 from 2024, primarily from the directed use of one-time money to manage the General Fund balance by gradually steering towards the target goal of 30% of revenues.
- The City's general obligation (GO) debt decreased by $445,000 during 2025. The increase was due to the issuance of $8,765,000 in bonds during the year, along with the scheduled principal payments of the general obligation bonds.
- The City's proportional share of the net pension liability for KPERS and KP&F for 2025 was $49,743,059 compared to $51,927,448 for 2024, a decrease of 4.21%.
- The Supplemental Retirement Plan ended the year with a net pension liability of $1,248,163 and a strong funded percentage of 96.6%.
- The post-employment healthcare (OPEB) obligation at the close of 2024 (excluding those related to KPERS disability benefits and life insurance) was $11,380,737, compared to $12,832,327 in 2025.
- The City abated a total of $574,361 through its various major economic development tax abatement programs in 2025.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the City's basic financial statements. The City's basic financial statements comprise 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

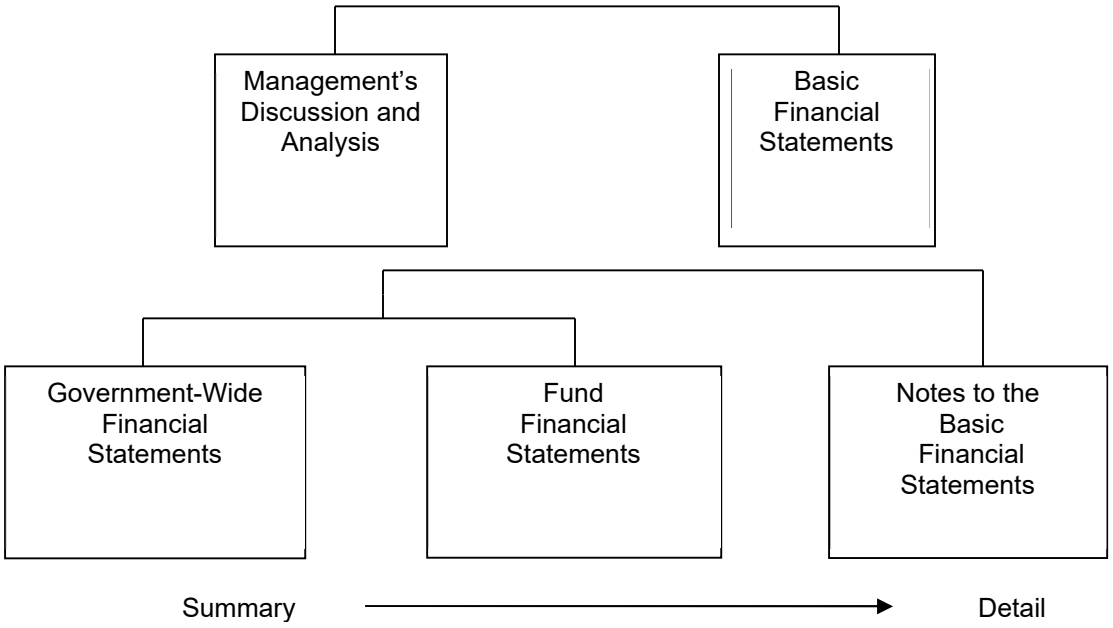
The government-wide financial statements provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The government activities of the City include general government, community development, public works, public safety, culture and recreation, and human resources.

Required Components of Annual Comprehensive Financial Report



Fund Financial Statements

The City uses two types of funds to manage its resources: Governmental Funds and Fiduciary Funds. A fund is a fiscal entity with a set of self-balancing accounts recording financial resources, together with all related liabilities and residual equities and balances, and the changes therein. These accounting entities are separated for the purpose of reporting specific activities or attaining certain objectives in accordance with regulations, restrictions or limitations.

Governmental Funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains 31 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund and the Capital Projects Fund, all of which are considered major funds. Data from the other 28 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all funds except its capital projects funds, CDBG Grant Fund and the Opioid Settlement Fund. A budgetary comparison statement is provided for all budgeted funds to demonstrate compliance and highlight performance.

The City uses fiduciary funds to account for resources held by the City for the benefit of a third party. Because the resources of these funds are not available for the City's operations, they are not presented in the government-wide statements. The City's fiduciary funds include the Pension Trust Fund as well as the following custodial fund: Mayor's Christmas Tree Fund.

Notes to the Basic Financial Statements

The notes to the basis financial statements begin on page 27. They provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide supplemental pension benefits to its employees, and information regarding other post-employment benefits. Required supplementary information is on pages 61-67 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules are on pages 68-100 of this report.

Government-wide Financial Analysis

Net position may serve over time as one useful indicator of a government's financial condition. The City's net position increased by $1,229,214 for the fiscal year ended December 31, 2025. This increase was largely due to higher investment earnings and the completion of several capital projects which increased the City's investment in infrastructure and facilities. A reduction in the City's net pension liability was also noted as plan performance exceeded the assumed rate of 7%.

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

Government-wide Financial Statements

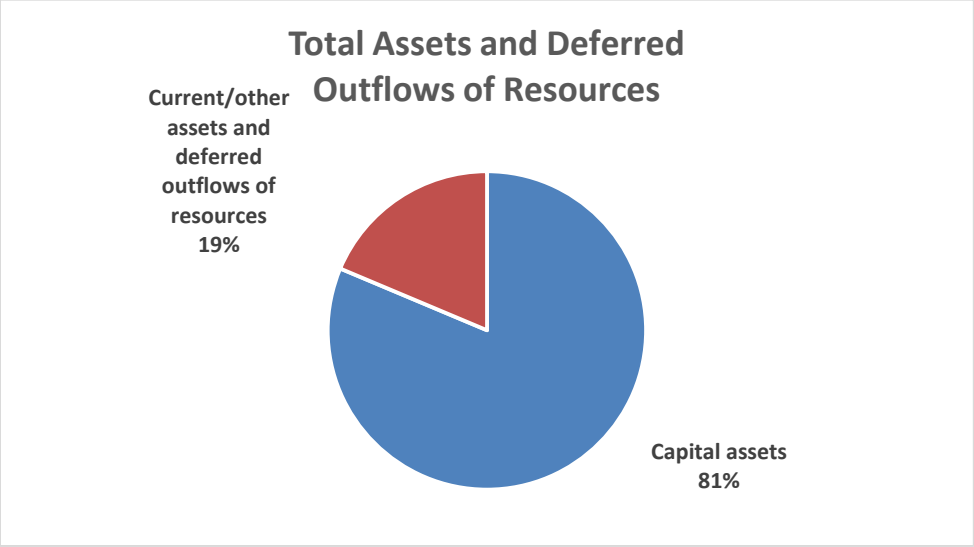
	Condensed Statement of Net Position	
	12/31/2025	12/31/2024
Current and other assets	$ 152,996,983	$ 145,309,564
Capital assets	685,123,035	703,505,434
Total assets	838,120,018	848,814,998
Deferred outflows of resources	15,674,633	16,076,918
Total assets and deferred outflows of resources	$ 853,794,651	$ 864,891,916
Current liabilities	$ 21,361,266	$ 22,420,080
Long-term liabilities	168,006,330	174,290,872
Total liabilities	189,367,596	196,710,952
Deferred inflows of resources	45,766,674	37,677,641
Total liabilities and deferred inflows of resources	$ 235,134,270	$ 234,388,593
Net position:		
Net investment in capital assets	$ 578,251,035	$ 607,690,010
Restricted for:		
Community development	2,040,559	1,621,072
Public works	6,409,555	11,139,006
Public safety	11,334,476	9,093,573
Culture and recreation	5,652,881	4,443,793
Human resources	59,587	54,394
Debt service	6,540,511	5,416,110
Unrestricted	8,371,777	(8,954,635)
Total net position	$ 618,660,381	$ 630,503,323

A portion of the City's net position (5.2%) represents resources that are subject to external restrictions on how they may be used.

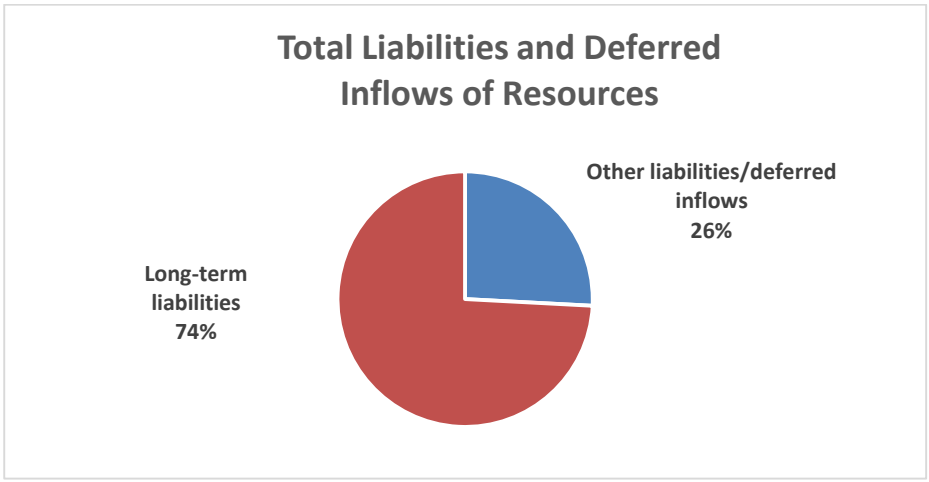
A review of the Government-wide Financial Statement of Net Position reveals the following:

The City ended 2025 with a positive net position. Total assets and deferred outflows of resources for the City are $853,794,651. Of these total assets, $685,123,035 represents capital assets and $168,671,616 includes other assets and deferred outflows of resources.

Total assets and deferred outflows of resources decreased by approximately $11.1 million during the year ended December 31, 2025. A substantial portion of the increase is due to large capital projects either nearing completion or being fully completed during the 2025 fiscal year.



Total liabilities and deferred inflows of resources are $235,134,270, including $168,006,330 in long-term liabilities and $67,127,940 in current liabilities and deferred inflows of resources. The majority of the long-term liabilities are debt issued for major capital projects. Debt issues never extend longer than the useful life of the bonded projects.



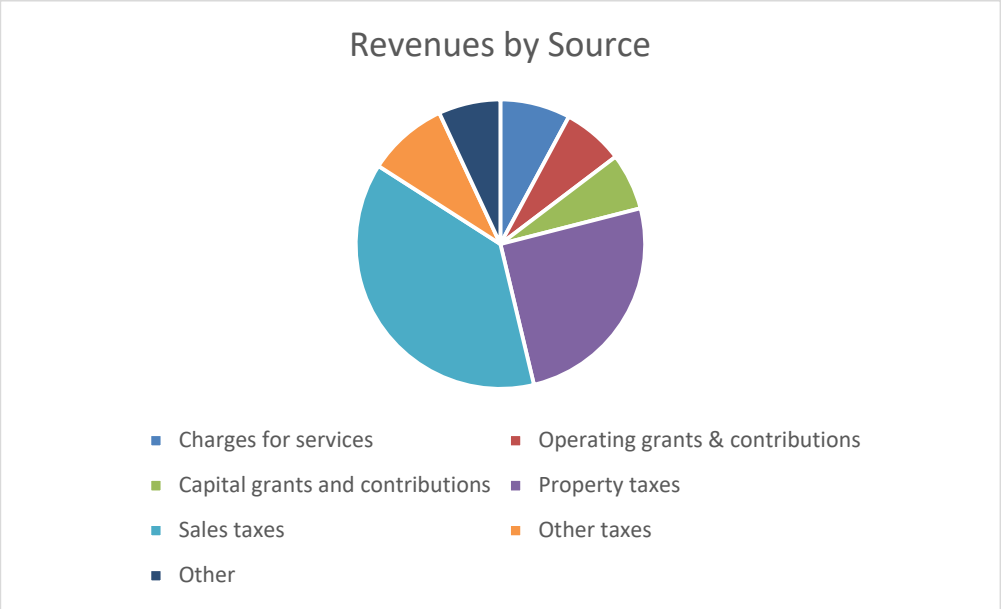
Total liabilities and deferred inflows of resources increased by $745,677 during the year ended December 31, 2025. A majority of the increase is related to the additional General Obligation debt that was issued during 2025.

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

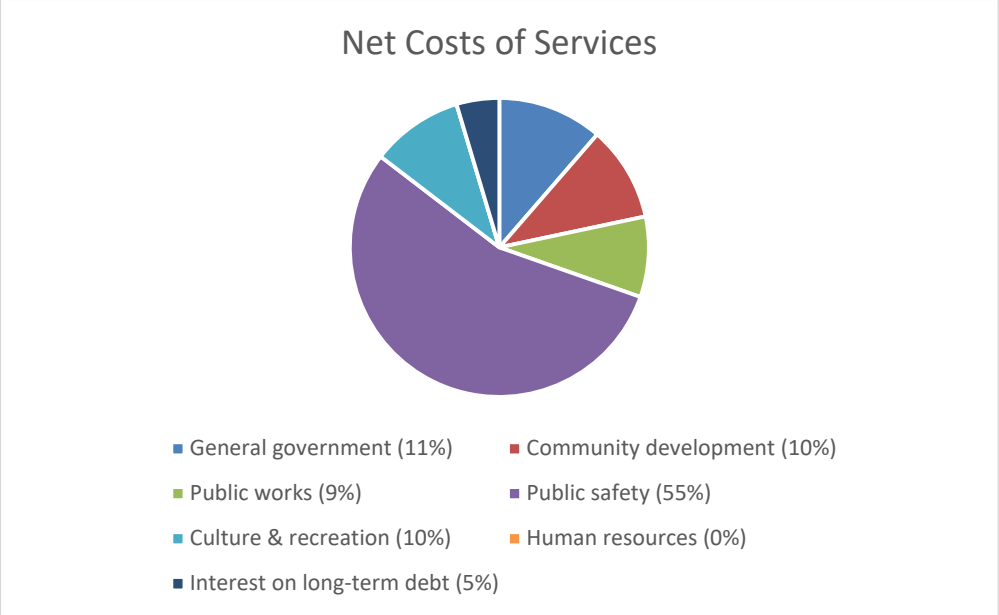
Government-Wide Financial Statements
Statement of Activities

	Governmental Activities	
	2025	2024
Revenues		
Program revenues		
Charges for services	$ 9,237,430	$ 9,268,313
Operating grants & contributions	6,384,756	8,050,717
Capital grants and contributions	3,065,671	7,483,600
General revenues		
Property taxes	32,484,767	29,854,011
Sales taxes	46,702,271	44,630,834
Other taxes	11,009,755	10,614,991
Other	9,143,870	8,194,779
Total revenues	118,028,520	118,097,245
Expenses		
General government	13,014,908	11,974,305
Community development	6,964,833	7,393,830
Public works	41,413,828	33,652,732
Public safety	42,732,982	40,589,325
Culture & recreation	9,016,689	9,007,415
Human resources	8,835	11,595
Interest on long-term debt	3,647,231	3,133,882
Total expenses	116,799,306	105,763,084
Change in net position	1,229,214	12,334,161
Net position - beginning of year	617,431,167	605,097,006
Net position - end of year	$ 618,660,381	$ 617,431,167

Total revenues for 2025 were $118 million. The largest revenue source was sales tax at $46.7 million, followed by property tax at $32.5 million. Total tax revenue increased by $5.3 million during the year ended December 31, 2025. The increase in tax revenues was primarily due to a $2.36 million increase in property tax revenues, derived from an increase in property valuations throughout the City. An increase of $2.07 million in sales and use tax was also a driver of the increased revenue.



The total cost of services for 2025 was $98.1 million; however, $18.7 million came from users directly benefiting from the services or by other organizations through grants and contributions. General revenues of $99.3 million were primarily comprised of sales and property taxes.



Total expenses for 2025 were $116.8 million, a 10% increase over the previous year. Public works expenses increased by $7.8 million, primarily driven attributable to increased spending on street maintenance projects during the year.

Financial Analysis of the Government's Funds

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

Governmental Funds

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

The General Fund is the primary operating fund of the City. At the end of 2025, unassigned fund balance of the General Fund was $38.3 million, and total fund balance was $39.3 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund revenues. Unassigned fund balance represents 49.6% of the total General Fund revenues while total fund balance represents 50.1% of revenues.

The City's General Fund ending balance on a GAAP basis decreased by $[36,884] during 2025. The primary cause of the decrease is from the directed use of one-time money to manage the General Fund balance by gradually steering towards the target goal of 30% of revenues.

The Debt Service fund ended the year with a total fund balance of $6,540,511, all of which is reserved for the payment of debt service. The net increase in the fund balance during the current year in debt service was $1,124,401. Investment returns on idle cash also benefited the Debt Service fund as over $513,000 was earned in this fund alone.

The Capital Project Fund ending total fund balance for 2025 was $24,672,537. The net increase in the fund balance during the current year in the capital projects fund was $7,130,664. The City has sufficient idle cash to fund construction of several large capital projects without the need to issue temporary notes. Transfers to the Capital Project Fund for future capital investment led to an increase in the fund balance.

General Fund Budgetary Highlights

The Governing Body did not amend the legally adopted budget for the General Fund during 2025.

During the year, revenues exceeded budgetary estimates by $665,593 (.87%). Sales tax revenue was $458,167 (1.4%) over the budget estimate and $1,411,195 (4.4%) over collections of the previous year. The small increase in revenue over the estimates was the result of conservative projections on sales tax growth due to concerns regarding inflation and consumer sentiment. Total expenditures were less than budgetary estimates by $6,070,006 (not including the contingency budgeted amount of $34,095,206). As part of the budgeting process, the City budgets for a contingency reserve for unforeseen expenditures. These contingencies along with a noticeable position vacancy rate in 2025 were the primary reasons for the lower expenditure figures.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental activities as of December 31, 2025, was $685,123,035 (net of accumulated depreciation). This investment in capital includes land, historical buildings, construction in progress, buildings, land improvements, vehicles, equipment and infrastructure.

Capital Assets

	2025	2024
Land	$24,605,813	$24,605,813
Historical buildings	930,162	930,162
Construction in progress	31,517,111	100,838,494
Buildings	97,765,088	67,183,653
Land improvements	38,625,672	38,625,672
Motor vehicles	20,480,317	17,602,081
Machinery & equipment	12,505,289	12,412,363
Infrastructure	1,233,890,230	1,189,566,328
Total capital assets, cost	1,460,319,682	1,451,764,566
Less accumulated depreciation	[775,196,647]	[748,259,132]
Total capital assets, net	$685,123,035	$703,505,434

Additional information regarding the City's capital assets is in Notes 1 and 4.

Long-term Debt

At the end of 2025, the City had total general obligation (GO) bonds outstanding of $100,970,000, backed by the full faith and credit of the City.

The City's total long-term debt had a net increase of $445,000 during 2025. The City paid down $9,210,0000 in GO bond principal. The City maintained an AAA rating from Standard & Poor's Global Ratings for its 2025-A general obligation bonds.

State statutes limit the amount of general obligation debt a government entity may issue to 30% of its total assessed valuation. The current debt limitation for the City is approximately $456,757,575, which is more than four times in excess of the City's outstanding GO bonds. Additional information regarding the City's long-term debt activity is in Note 5.

Requests for information

This financial report provides a general overview of the City's finances for all those with an interest in the City's finances. Please address questions concerning any information provided in this report or requests for additional financial information to the Finance Director, City of Shawnee, 11110 Johnson Drive, Shawnee, Kansas 66203.

BASIC FINANCIAL STATEMENTS

CITY OF SHAWNEE, KANSAS

STATEMENT OF NET POSITION
December 31, 2025

Assets and Deferred Outflows of Resources	Governmental Activities
Current assets:	
Cash and cash equivalents	$ 107,121,772
Receivables:	
Taxes	34,092,296
Accounts	1,004,987
Special assessments	1,081,832
Inventory	665,892
Due from other governments	9,030,204
Total current assets	152,996,983
Noncurrent assets:	
Capital assets not being depreciated:	
Land	24,605,813
Historical buildings	930,162
Construction in progress	31,517,111
Capital assets being depreciated:	
Buildings and improvements	136,390,760
Machinery, equipment and vehicles	32,985,606
Infrastructure	1,233,890,230
Less: accumulated depreciation	[775,196,647]
Total noncurrent assets	685,123,035
Total assets	838,120,018
Deferred outflows of resources	
Pensions	11,994,197
Other post-employment benefits	3,680,436
Total deferred outflows of resources	15,674,633
Total assets and deferred outflows of resources	$ 853,794,651
Liabilities and Deferred Inflows of Resources	
Current liabilities:	
Accounts payable	$ 5,099,389
Accrued liabilities	1,805,115
Accrued interest payable	293,571
Retainage payable	896,906
Deposits held for others	573,966
Current portion of total OPEB liability	332,509
Current portion of financed purchase	329,339
Current portion of general obligation bonds payable	10,220,000
Current portion of compensated absences	1,810,471
Total current liabilities (payable from current assets)	21,361,266
Noncurrent liabilities:	
Compensated absences	3,502,568
Financed purchase	2,599,253
General obligation bonds payable, including bond premiums and discounts	98,413,468
Net pension liability	50,991,223
Total OPEB liability	12,499,818
Total noncurrent liabilities	168,006,330
Total liabilities	189,367,596
Deferred inflows of resources:	
Property tax	34,130,164
Other post-employment benefits	5,431,353
Pensions	6,205,157
Total deferred inflows of resources	45,766,674
Total liabilities and deferred inflows of resources	$ 235,134,270
Net Position	
Net investment in capital assets	$ 578,251,035
Restricted for:	
Community development	2,040,559
Public works	6,409,555
Public safety	11,334,476
Culture and recreation	5,652,881
Human resources	59,587
Debt service	6,540,511
Unrestricted	8,371,777
Total net position	$ 618,660,381

The notes to the financial statements are an integral part of this statement

CITY OF SHAWNEE, KANSAS

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net [Expenses] Revenue and Changes In Net Position: Total Governmental Activities
Governmental activities:					
General government	$ 13,014,908	$ 3,942,047	$ -	$ -	$ [9,072,861]
Community development	6,964,833	-	452,594	-	[6,512,239]
Public works	41,413,828	1,449,694	5,726,962	3,065,671	[31,171,501]
Public safety	42,732,982	1,498,088	205,200	-	[41,029,694]
Culture and recreation	9,016,689	2,347,601	-	-	[6,669,088]
Human resources	8,835	-	-	-	[8,835]
Interest on long-term debt	3,647,231	-	-	-	[3,647,231]
Total governmental activities	$ 116,799,306	$ 9,237,430	$ 6,384,756	$ 3,065,671	[98,111,449]
General Revenues:					
Property taxes					32,484,767
Sales and use tax					46,702,271
Motor vehicle tax					2,964,028
Liquor tax					1,290,998
Franchise tax					5,831,221
Transient guest tax					923,508
Investments earnings					4,978,408
Miscellaneous					4,124,567
Gain on disposal of capital assets					40,895
Total general revenues					99,340,663
Change in net position					1,229,214
Net position - beginning					630,503,323
Restatement					[13,072,156]
Net position - beginning, restated					617,431,167
Net position - ending					$ 618,660,381

The notes to the financial statements are an integral part of this statement

CITY OF SHAWNEE, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 34,937,568	$ 6,563,777	$ 29,645,444	$ 35,974,983	$ 107,121,772
Receivables:					
Taxes	26,251,647	5,795,771	-	2,044,878	34,092,296
Special assessments	-	1,081,832	-	-	1,081,832
Accounts	645,006	-	-	359,981	1,004,987
Inventory	665,892	-	-	-	665,892
Due from other funds	15,392	-	-	-	15,392
Due from other governments	6,034,016	-	27	2,996,161	9,030,204
Total assets	$ 68,549,521	$ 13,441,380	$ 29,645,471	$ 41,376,003	$ 153,012,375
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 681,006	$ -	$ 4,076,028	$ 342,355	$ 5,099,389
Accrued liabilities	1,750,919	-	-	54,196	1,805,115
Retainage payable	-	-	896,906	-	896,906
Due to other funds	-	-	-	15,392	15,392
Deposits held for others	573,966	-	-	-	573,966
Total liabilities	3,005,891	-	4,972,934	411,943	8,390,768
Deferred inflows of resources:					
Unavailable revenue - property taxes	26,287,576	5,795,771	-	2,046,817	34,130,164
Unavailable revenue - special assessments	-	1,105,098	-	-	1,105,098
Total deferred inflows of resources	26,287,576	6,900,869	-	2,046,817	35,235,262
Fund balance:					
Nonspendable	665,892	-	-	-	665,892
Restricted	-	6,540,511	-	25,476,385	32,016,896
Committed	-	-	-	12,501,850	12,501,850
Assigned	245,238	-	24,672,537	939,008	25,856,783
Unassigned	38,344,924	-	-	-	38,344,924
Total fund balance [deficit]	39,256,054	6,540,511	24,672,537	38,917,243	109,386,345
Total liabilities, deferred inflows of resources and fund balances	$ 68,549,521	$ 13,441,380	$ 29,645,471	$ 41,376,003	$ 153,012,375

The notes to the financial statements are an integral part of this statement.

CITY OF SHAWNEE, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2025

Total Governmental Fund Balances		$ 109,386,345
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
The cost of capital assets is	1,460,319,682	
Accumulated depreciation is	[775,196,647]	685,123,035
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds.		1,105,098
Pension contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.		11,994,197
Pension fundings are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.		[6,205,157]
A long-term liability is recorded for the unfunded portion of post-employment benefits other than pensions, while in the governmental funds liabilities that do not require satisfaction with current resources are not recorded		[14,583,244]
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. Long term liabilities at year end consist of:		
General obligation bonds payable	108,633,468	
Financed purchase	2,928,592	
Interest payable	293,571	
Compensated absences payable	5,313,039	
Net pension liability	50,991,223	[168,159,893]
Net Position of Governmental Activities		$ 618,660,381

The notes to the financial statements are an integral part of this statement

CITY OF SHAWNEE, KANSAS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	$ 66,219,575	$ 6,438,153	$ -	$ 22,286,706	$ 94,944,434
Intergovernmental	74,677	-	3,183,055	2,348,973	5,606,705
Charges for services	2,211,716	-	40,000	3,371,482	5,623,198
Licenses and permits	2,049,128	-	-	67,016	2,116,144
Fines and forfeitures	1,498,088	-	-	-	1,498,088
Investment income	2,397,970	513,920	-	2,066,520	4,978,410
Miscellaneous	2,854,430	-	55,031	635,887	3,545,348
Total revenues	77,305,584	6,952,073	3,278,086	30,776,584	118,312,327
EXPENDITURES:					
Current					
General government	11,282,999	-	-	1,385,265	12,668,264
Community development	3,140,515	-	-	3,749,904	6,890,419
Public works	7,165,435	-	-	2,073,452	9,238,887
Public safety	36,501,518	-	-	2,467,229	38,968,747
Culture and recreation	6,890,522	-	-	654,778	7,545,300
Capital outlay	-	-	30,118,462	1,222,207	31,340,669
Debt service:					
Principal	-	9,210,000	-	-	9,210,000
Interest and other charges	-	3,658,538	-	-	3,658,538
Bond issuance costs	-	-	135,513	-	135,513
Total expenditures	64,980,989	12,868,538	30,253,975	11,552,835	119,656,337
Excess [deficiency] of revenues over [under] expenditures	12,324,595	[5,916,465]	[26,975,889]	19,223,749	[1,344,010]
OTHER FINANCING SOURCES [USES]:					
Proceeds from sale of capital assets	7,070	-	-	33,825	40,895
Issuance of debt	-	-	8,765,000	-	8,765,000
Bond premium	-	-	897,994	-	897,994
Transfers in	476,532	7,040,866	31,146,684	12,171,172	50,835,254
Transfers [out]	[12,845,081]	-	[6,703,125]	[31,287,048]	[50,835,254]
Total other financing sources [uses]	[12,361,479]	7,040,866	34,106,553	[19,082,051]	9,703,889
Excess [deficiency] of revenues and other sources over [under] expenditures and other sources [uses]	[36,884]	1,124,401	7,130,664	141,698	8,359,879
Fund balance - Beginning of year	39,292,938	5,416,110	17,541,873	38,775,545	101,026,466
Fund balance - End of year	$ 39,256,054	$ 6,540,511	$ 24,672,537	$ 38,917,243	$ 109,386,345

The notes to the financial statements are an integral part of this statement.

CITY OF SHAWNEE, KANSAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

Total Net Change In Fund Balances - Governmental Funds		$ 8,359,879
Amounts reported for governmental activities in the statement of activities are different because		
Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.		
Capital outlays	22,882,438	
Depreciation expense	[28,025,140]	
Loss on sale of assets	[167,540]	[5,310,242]
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		[29,408]
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest increased.		11,307
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences	[107,766]	
Other postemployment benefits	[606,968]	[714,734]
Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities.		[857,062]
Proceeds from the issuance of debt are other financing sources in the governmental funds, but they increase long-term liabilities in the statement of net position and do not affect the statement of activities.		[9,662,994]
Repayment of bond and financed purchase principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		9,432,468
Changes In Net Position of Governmental Activities		$ 1,229,214

The notes to the financial statements are an integral part of this statement

CITY OF SHAWNEE, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes:				
Ad valorem property tax	$ 24,352,265	$ 24,478,400	$ 24,478,400	$ [126,135]
Back tax property collection	176,680	73,400	73,400	103,280
Motor vehicle tax	2,250,826	2,149,106	2,149,106	101,720
Sales tax - county	15,375,956	15,125,000	15,311,100	64,856
Sales tax - city	17,802,311	16,875,000	17,409,000	393,311
Liquor tax	430,316	438,785	438,785	[8,469]
Utility franchise tax	5,831,221	6,137,200	5,720,000	111,221
Total taxes	66,219,575	65,276,891	65,579,791	639,784
Intergovernmental	74,677	25,000	25,000	49,677
Charges for services:				
Swimming pool admissions	597,883	676,800	642,300	[44,417]
Swimming pool concessions	120,320	131,300	131,300	[10,980]
Fees	1,493,513	1,897,200	1,883,800	[390,287]
Total charges for services	2,211,716	2,705,300	2,657,400	[445,684]
Licenses and permits:				
Occupational licenses	433,334	423,300	435,000	[1,666]
Building permits	1,027,902	1,207,000	1,407,000	[379,098]
Dog and cat tags	3,385	2,300	3,000	385
Other	584,507	576,300	542,600	41,907
Total licenses and permits	2,049,128	2,208,900	2,387,600	[338,472]
Fines and forfeitures:				
Court fines	1,498,088	1,106,700	1,401,000	97,088
Investment earnings	2,397,970	1,721,900	1,674,200	723,770
Miscellaneous revenue	2,854,430	264,300	2,915,000	[60,570]
Total revenues	77,305,584	73,308,991	76,639,991	665,593
Expenditures:				
General government:				
City council:				
Personal services	117,227	124,600	124,600	7,373
Contractual services	95,422	113,350	122,550	27,128
Commodities	14,873	15,000	12,000	[2,873]
Total city council	227,522	252,950	259,150	31,628

The notes to the financial statements are an integral part of this statement

CITY OF SHAWNEE, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
City manager/city clerk				
Personal services	$ 1,461,894	$ 1,462,950	$ 1,525,450	$ 63,556
Contractual services	154,963	337,240	314,240	159,277
Commodities	8,355	8,100	11,100	2,745
Total city manager/city clerk	1,625,212	1,808,290	1,850,790	225,578
Finance:				
Personal services	801,263	831,600	828,200	26,937
Contractual services	530,647	505,080	502,560	[28,087]
Commodities	964	2,500	2,500	1,536
Total finance	1,332,874	1,339,180	1,333,260	386
General overhead:				
Contractual services	1,247,972	1,187,560	1,298,560	50,588
Commodities	2,162	3,000	3,000	838
Refunds	57,864	73,500	73,500	15,636
Capital outlay	-	-	-	-
Total general overhead	1,307,998	1,264,060	1,375,060	67,062
Legal:				
Personal services	825,225	828,750	850,200	24,975
Contractual services	217,178	391,090	409,430	192,252
Commodities	2,783	4,800	4,800	2,017
Total legal	1,045,186	1,224,640	1,264,430	219,244
Human resources:				
Personal services	749,539	961,800	876,200	126,661
Contractual services	207,719	392,500	443,350	235,631
Commodities	40,082	62,100	60,100	20,018
Total human resources	997,340	1,416,400	1,379,650	382,310

CITY OF SHAWNEE, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Information technology:				
Personal services	$ 1,898,145	$ 1,990,700	$ 1,974,600	$ 76,455
Contractual services	1,231,529	1,244,700	1,399,700	168,171
Commodities	8,063	7,000	7,000	[1,063]
Total information technology	3,137,737	3,242,400	3,381,300	243,563
Municipal court:				
Personal services	658,759	702,750	686,200	27,441
Contractual services	172,886	153,110	156,110	[16,776]
Commodities	5,547	9,200	9,200	3,653
Total municipal court	837,192	865,060	851,510	14,318
Communications:				
Personal services	552,807	544,500	560,050	7,243
Contractual services	233,931	183,219	357,310	123,379
Commodities	13,782	11,950	19,750	5,968
Total communications	800,520	739,669	937,110	136,590
Total general government	11,311,581	12,152,649	12,632,260	1,320,679
Community development:				
Codes:				
Personal services	1,574,235	1,628,150	1,628,200	53,965
Contractual services	51,708	171,100	171,100	119,392
Commodities	24,571	35,630	35,630	11,059
Total codes	1,650,514	1,834,880	1,834,930	184,416
Development services:				
Personal services	435,621	565,000	438,000	2,379
Contractual services	12,326	36,950	36,950	24,624
Commodities	622	2,200	2,200	1,578
Total development services	448,569	604,150	477,150	28,581
Planning:				
Personal services	720,752	893,900	852,800	132,048
Contractual services	309,901	306,115	306,120	[3,781]
Commodities	10,779	5,100	5,100	[5,679]
Total planning	1,041,432	1,205,115	1,164,020	122,588
Total community development	3,140,515	3,644,145	3,476,100	335,585

The notes to the financial statements are an integral part of this statement

CITY OF SHAWNEE, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Public works:				
Street maintenance:				
Personal services	$ 2,351,327	$ 2,385,600	$ 2,423,900	$ 72,573
Contractual services	741,512	723,610	851,810	110,298
Commodities	475,027	762,450	740,150	265,123
Capital outlay	33,974	-	-	[33,974]
Total street maintenance	3,601,840	3,871,660	4,015,860	414,020
Pavement management:				
Personal services	938,034	1,187,950	1,189,200	251,166
Contractual services	389,388	797,600	662,600	273,212
Commodities	174,120	315,800	315,800	141,680
Total pavement management	1,501,542	2,301,350	2,167,600	666,058
Capital improvement engineering:				
Personal services	935,429	998,400	909,750	[25,679]
Contractual services	115,626	158,500	162,515	46,889
Commodities	11,226	4,000	6,130	[5,096]
Capital outlay	10,820	-	-	[10,820]
Total capital improvement engineering	1,073,101	1,160,900	1,078,395	5,294
Fleet management:				
Personal services	795,894	823,450	845,050	49,156
Contractual services	62,704	72,800	74,300	11,596
Commodities	8,547	8,700	8,700	153
Total fleet management	867,145	904,950	928,050	60,905
Total public works	7,043,628	8,238,860	8,189,905	1,146,277
Public safety:				
Police:				
Personal services	18,679,104	19,572,500	20,378,900	1,699,796
Contractual services	1,982,720	2,256,300	2,303,300	320,580
Commodities	797,257	837,800	859,440	62,183
Total police	21,459,081	22,666,600	23,541,640	2,082,559

CITY OF SHAWNEE, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Fire:				
Personal services	$ 13,855,059	$ 14,387,800	$ 14,322,000	$ 466,941
Contractual services	915,473	793,565	824,965	[90,508]
Commodities	304,485	326,800	326,800	22,315
Total fire	15,075,017	15,508,165	15,473,765	398,748
Total public safety	36,534,098	38,174,765	39,015,405	2,481,307
Culture and recreation:				
Parks maintenance:				
Personal services	1,496,716	1,558,150	1,547,400	50,684
Contractual services	1,478,471	1,832,370	1,887,000	408,529
Commodities	100,244	113,150	113,150	12,906
Total parks maintenance	3,075,431	3,503,670	3,547,550	472,119
Pools:				
Personal services	771,106	927,050	841,800	70,694
Contractual services	351,164	398,780	406,105	54,941
Commodities	151,391	197,000	197,000	45,609
Total pools	1,273,661	1,522,830	1,444,905	171,244
Civic center:				
Personal services	309,490	321,400	318,600	9,110
Contractual services	226,020	268,950	284,950	58,930
Commodities	9,570	27,800	27,800	18,230
Total civic center	545,080	618,150	631,350	86,270
Recreation and human services:				
Personal services	547,288	557,150	575,550	28,262
Contractual services	199,873	236,728	224,475	24,602
Commodities	57,374	70,150	82,150	24,776
Total recreation and human services	804,535	864,028	882,175	77,640

CITY OF SHAWNEE, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Old Shawnee Town:				
Personal services	$ 825,062	$ 813,000	$ 823,700	$ [1,362]
Contractual services	297,154	267,273	273,360	[23,794]
Commodities	22,459	26,500	26,500	4,041
Total Old Shawnee Town	1,144,675	1,106,773	1,123,560	[21,115]
Total culture and recreation	6,843,382	7,615,451	7,629,540	786,158
Contingency	-	34,095,206	34,095,206	34,095,206
Total expenditures	64,873,204	103,921,076	105,038,416	40,165,212
Excess [deficiency] of revenues Over [under] expenditures	12,432,380	[30,612,085]	[28,398,425]	40,830,805
Other financing sources [uses]:				
Transfers in	476,532	488,441	854,023	[377,491]
Transfers [out]	[12,845,081]	[8,417,781]	[10,820,080]	[2,025,001]
Proceeds from sale of capital assets	7,070	-	[10,000]	17,070
Total other financing sources [uses]	[12,361,479]	[7,929,340]	[9,976,057]	[2,385,422]
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	70,901	$ [38,541,425]	$ [38,374,482]	$ 38,445,383
Budgetary fund balance, January 1	39,021,995			
Budgetary fund balance, December 31	39,092,896			
Reconciliation to GAAP Encumbrances	163,158			
GAAP fund balance, December 31	$ 39,256,054			

The notes to the financial statements are an integral part of this statement

CITY OF SHAWNEE, KANSAS

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2025

	Pension Trust	Custodial Fund Mayor's Christmas Tree
Assets		
Cash and cash equivalents	$ 39,717	$ 20,450
Investments, at fair value:		
Bond mutual funds	30,938,613	-
International and domestic stocks	4,535,737	-
Real estate investment trust	9,705	-
Due from others	126,245	-
Total assets	$ 35,650,017	$ 20,450
Liabilities		
Due to others	$ 18,881	$ 20,450
Total liabilities	$ 18,881	$ 20,450
Net position:		
Restricted for:		
Pensions	$ 35,631,136	$ -
Total net position	$ 35,631,136	$ -

The notes to the financial statements are an integral part of this statement.

CITY OF SHAWNEE, KANSAS

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2025

	Pension Trust	Custodial Fund Mayor's Christmas Tree
Additions:		
Contributions:		
Employer	$ 1,495,406	$ -
Investment earnings:		
Interest and dividends on investments	2,706,869	-
Net increase in fair value of investments	2,584,774	-
Total investment earnings	5,291,643	-
Investment expenses	[33,486]	-
Total additions	6,753,563	-
Deductions:		
Benefits	1,400,028	-
Miscellaneous	[426,581]	-
Total deductions	973,447	-
Change in net position	5,780,116	-
Net position - beginning	29,851,020	-
Net position - ending	$ 35,631,136	$ -

The notes to the financial statements are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Shawnee, Kansas (the City) was incorporated in 1922 and covers an area of approximately 42.0 square miles in Johnson County, Kansas. The City operates under a Mayor/Council/City Manager form of government and provides services which include law enforcement, fire protection, community enrichment and development, and various social services.

The City is governed by an elected eight-member council and a mayor. As required by accounting principles generally accepted in the United States of America, these financial statements present the City (the primary government). There are no component units related to the City that should be accounted for in the City's basic financial statements in conformity with Governmental Accounting Standards Board (GASB) Statements.

The accompanying basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described in further detail in the following paragraphs.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the City as a whole, except for fiduciary activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and (2) grants and contributions that are restricted to use in meeting the operational or capital requirements of a particular function.

Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Each fund is considered to be a separate accounting entity, accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Governmental resources are allocated to and accounted for within individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Note 1. Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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.

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

Property, sales, utility franchise taxes, interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

While property taxes receivable are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year end because statutory provisions prohibit their use until the year for which they were raised and budgeted. Instead, they are offset by unavailable revenue accounts.

The financial statements for the pension trust fund are prepared using the economic resources measurement focus and the accrual basis of accounting. Employer contributions to the plan are recognized when due, as the City has a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Custodial funds are custodial in nature and are prepared using the economic resources measurement focus and the accrual basis of accounting.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the payment of principal and interest on general obligation debt.

The *Capital Projects Fund* accounts for the financing and construction of major capital outlays including streets, drainage improvement projects and park improvements.

Additionally, the City reports the following fiduciary funds:

The *Pension Trust Fund* reports the Employees Supplemental Pension Plan (Supplemental Pension Plan).

The Mayor's Christmas Tree Fund accounts for the amounts collected for the Mayor's Christmas Tree charitable fund drive.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. The City is authorized by statute to invest in obligations of the U.S. government and interest- bearing bank accounts. Interest return is allocated to the General Fund, the Debt Service Fund, the Capital Projects Fund, and Other Governmental Funds based on respective average balances or at the discretion of City management. Cash overdrafts from pooled cash and investments are reported as an interfund payable with an offsetting interfund receivable reported in a fund selected by management within the governmental fund statements.

The City's cash and cash equivalents include demand deposits, short-term investments and certificates of deposit with original maturities of less than 90 days from the date of acquisition.

Investments for the City are reported at fair value.

D. Receivables and Payables

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are levied on November 1 of each year, due and payable November 30, delinquent after December 20, and the following September become a lien on the property. The County Treasurer is the tax collection agent for all taxing entities within Johnson 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 next year. State statutes prohibit the County Treasurer from distributing the taxes collected in the year levied prior to January 1 of the next year. Consequently, for revenue recognition purposes, taxes levied during the current year are not available until the ensuing year. As of November 1, such taxes are due and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as unavailable revenue on the balance sheet of the appropriate funds. This amount is also reported as a deferred inflow on the Statement of Net Position.

Kansas statutes require projects financed in part by special assessments to be paid in installments to be financed through the issuance of general obligation bonds or temporary notes which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as revenue in the appropriate capital project. Special assessments received after the issuance of general obligation bonds are recorded as revenue in the Debt Service Fund. Further, Kansas statutes require levying additional general and ad valorem property taxes in the City's Debt Service Fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable is accounted for within the City's Debt Service Fund. Special assessments are levied over a 10-year period, and annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears.

E. Inventories

Inventories that benefit future periods are recorded as expenditures or expenses as consumed. Inventories are stated at cost, as determined by the first-in, first-out method.

Note 1. Summary of Significant Accounting Policies (Continued)

F. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, infrastructure assets (e.g., streets, curbs, sidewalks, drainage systems, etc.), and construction in progress are reported in the government-wide financial statements as assets. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at their acquisition value on the date donated.

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

The City has identified certain historical buildings related to Shawnee Town 1929 that it has elected to capitalize, but not depreciate, as allowed by generally accepted accounting principles for collections.

The City has elected to set a capitalization threshold for capital used for governmental-type activities as indicated in the table shown below. Infrastructure and other capital assets are depreciated using straight line methods over the following estimated useful lives:

Asset Classification	Estimated Life	Capitalization Threshold
Buildings	40 years	$ 100,000
Land improvements	30 years	100,000
Infrastructure	50 years	100,000
Motor vehicles	3 to 20 years	None
Operating equipment	5 to 10 years	10,000
Communications equipment	5 to 10 years	10,000
Office equipment	5 to 10 years	10,000

G. Compensated Absences

Full-time employees are required to use at least 10 days of vacation leave per annum, after five years of employment. The maximum number of vacation hours that may be held in a balance at the end of the payroll year is 400 hours for full time non-firefighter employees, 200 hours for regular part-time (half-time) employees, 300 hours for regular part-time (three-quarters-time) and 558 hours for 24-hour shift firefighters. A maximum of 1,040 hours for full-time non-firefighter employees, 520 hours for regular part-time employees, and 1,452 hours for 24-hour shift firefighters of sick leave can be accumulated. All accumulated vacation is paid upon termination, and sick leave is paid out based on 1% increments per competed year of service. The City’s compensated absence liability is normally liquidated by the General Fund.

H. Deferred Outflows/Inflows 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/expenditures) until then.

Note 1. Summary of Significant Accounting Policies (Continued)

H. Deferred Outflows/Inflows of Resources (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 reports unavailable revenues in the governmental funds balance sheet from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Governmental activities report a deferred receivable only from property taxes as revenue is recognized the following year for which they are levied. The City also reports deferred inflows from postemployment benefits and pensions in the government-wide statement of net positions.

I. Long-term Obligations

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

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.

J. Pensions

For purposes of measuring the collective 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, and information about the fiduciary net position of the Shawnee, Kansas Employees Supplemental Pension Plan (the Supplemental Pension Plan) and additions/deductions from the Supplemental Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Supplemental Pension Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The investments are reported at fair value.

K. Fund Balances

In the fund financial statements, governmental funds report fund balance in the following classifications: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance indicates that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. Only the highest- level action that constitutes the most binding constraint can be considered a commitment for fund balance classification purposes. Committed fund balances are established, modified or rescinded in the form of an ordinance. Assigned fund balances include amounts that are constrained by the City's management, through department heads or the city manager, and intended to be used for specific purposes, but are neither restricted nor committed. The authority for management to assign fund balance is provided by the City's Purchasing Manual. Unassigned fund balance represents fund balance that has not been restricted, committed or assigned to specific purposes within the General Fund.

Note 1. Summary of Significant Accounting Policies (Continued)

K. Fund Balances (Continued)

The General Fund is the only fund that reports a positive unassigned fund balance amount. In governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Restricted: This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted: This consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

The following is the detail for the fund balance classifications in the financial statements:

	Major Governmental Funds				
	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable for:					
Inventory	$ 665,892	$ -	$ -	$ -	$ 665,892
Restricted for:					
Community development	-	-	-	2,019,886	2,019,886
Public works	-	-	-	6,409,555	6,409,555
Public safety	-	-	-	11,334,476	11,334,476
Culture and recreation	-	-	-	5,652,881	5,652,881
Human resources	-	-	-	59,587	59,587
Debt payments	-	6,540,511	-	-	6,540,511
	-	6,540,511	-	25,476,385	32,016,896
Committed for:					
Community development	-	-	-	3,442,683	3,442,683
Cemetery	-	-	-	638,981	638,981
Human resources	-	-	-	1,771,668	1,771,668
Equipment improvements	-	-	-	6,648,518	6,648,518
	-	-	-	12,501,850	12,501,850
Assigned for:					
General government	245,238	-	-	-	245,238
Public works	-	-	-	5,937	5,937
Equipment improvements	-	-	-	933,071	933,071
Public improvements	-	-	24,672,537	-	24,672,537
	245,238	-	24,672,537	939,008	25,856,783
Unassigned:	38,344,924	-	-	-	38,344,924
Total Fund Balances	$ 39,256,054	$ 6,540,511	$ 24,672,537	$ 38,917,243	$ 109,386,345

Note 1. Summary of Significant Accounting Policies (Continued)

L. Estimates

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results could differ from those estimates.

M. Pending Governmental Accounting Standards Board Statements

As of December 31, 2025, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements that might impact the City are as follows:

GASB Statement No. 103, Financial Reporting Model Improvements, improves 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. This statement also addresses certain application issues. The requirements of this statement will become effective for the City during the year ended December 31, 2026.

The City's management has not yet determined the effect these Statements will have on the City's financial statements.

Note 2. Stewardship, Compliance and Accountability

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenues funds (unless specifically exempted by statute), and debt service funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after publication of the 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 public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least 10 days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The City did hold a revenue neutral rate hearing 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 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 that time. The 2025 budget was amended for the Public Safety Equipment, Stormwater Utility, Neighborhood Revitalization, Hickok Zarah TIF, Equipment and Facility Reserve, and Fire Facilities Reserve funds.

The statutes permit management to transfer budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

The actual data presented in the budgetary comparison statements differs from the data presented in accordance with accounting principles generally accepted in the United States of America (GAAP).

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received.

Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year end. Encumbered appropriations are carried forward.

A legal operating budget is not required for the fiduciary funds, capital project funds, and the following Special Revenue Funds: Capital Projects, Opioid Settlement, CDBG Grant, Recycling, Neighbors Helping Neighbors, Cafeteria Plan.

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Note 3. Deposits and Investments.

City-wide Deposits and Investments. The City's deposits and investments are generally segregated into two parts: City-wide deposits and investments and Supplemental Pension Plan deposits and investments. Below is a description of the policies associated with these categories of deposits and investments.

Note 3. Deposits and Investments (Continued)

The City's cash is considered to be active funds by management and is invested according to K.S.A. 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county or an adjoining county in which the City is located, and the banks provide an acceptable rate for active funds.

Various City investments are considered to be idle funds by management and are invested according to K.S.A. 12-1675. The statute requires that the City invest its idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury bills or notes or the Kansas Municipal Investment Pool (KMIP). Maturities of the above investments may not exceed two years by statute.

Some of the City's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, investment agreements with a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's investors service or Standards and Poor's corporation, and various other investments as specified in K.S.A. 10-131.

Custodial credit risk. The custodial 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. The City's policy is to collateralize the demand deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name. As of December 31, 2025, the City's deposits were not exposed to custodial credit risk.

As of December 31, 2025, the City's had the following investments:

Investment by Fair Value Level	12/31/2025	Fair Value Measurement Using Quoted Prices in Active Markets for Identical Assets Level 1	Rating	Maturity Less than 1 Yr	Maturity 1-5 Years
U.S. Treasury Notes	$32,897,695	$ 32,897,695	Moody's Aaa	$ 32,897,695	$ -
U.S. Agencies	23,653,962	23,653,962	Moody's Aaa	18,651,537	5,002,425
Total investments by fair value level	$56,551,656	$ 56,551,656		$ 51,549,231	$ 5,002,425

Supplemental Pension Plan Deposits and Investments. The investments of the Supplemental Pension Plan are held separately from those of other City funds.

Benefit Trust Company (the custodian) and Investment Managers chosen by the Trustees have discretionary authority concerning purchases of investments in the pension plan subject to the overall investment policy guidelines as approved by the City Council.

The Supplemental Pension Plan's investment policy permits investments in five asset classes including: domestic equity, foreign equity, domestic fixed income, real assets (defined/benchmarked as real estate and/or master limited partnerships) and cash. Under the policy, the investment manager may select fixed income securities in domestic markets, including corporate debt securities and obligations of the U.S. government or its agencies. The investment manager may select domestic equity securities traded on major U.S. exchanges.

As of December 31, 2025, the City's Supplemental Pension Plan had the following investments:

Note 3. Deposits and Investments (Continued)

Investment by Fair Value Level	12/31/2025	Fair Value Measurement Using Quoted Prices in Active Markets for Identical Assets Level 1	Fair Value Measurement Using Significant Other Observable Inputs Level 2	Fair Value Measurement Using Unobservable Inputs Level 3	Rating
Mutual funds	$30,938,613	$ 30,938,613	$ -	$ -	Not Rated
Common stock	4,535,737	4,535,737	-	-	NA
Total investments by fair value level	$35,474,349	$ 35,474,349	$ -	$ -	
Investments measured by the net asset value (NAV)					
Real estate investments	9,705				Not Rated
	$35,484,054				

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 asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Hierarchy. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The following fair value techniques were utilized in measuring the fair value of the City's and the Supplemental Pension Plan's investments:

Common stock and mutual funds. These investments are reported at fair value based on quoted market prices obtained from exchanges.

Interest rate risk. Interest rate risk is the risk associated with a portfolio's sensitivity to changes in interest rates. The City and the Supplemental Pension Plan has no specific policy regarding interest rate risk. Common stocks, mutual funds (equity and debt funds) are not subject to interest rate risk given they have no maturity dates.

Credit risk. Credit risk is associated with the credit quality or rating of debt instrument investments. The City and the Supplemental Pension Plan has no specific policy regarding credit risk. The City and the Supplemental Pension Plan uses the credit ratings issued by Moody's or Standard and Poor's for disclosure of credit risk.

Custodial credit risk. The custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City and the Supplemental Pension Plan 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. The City's and Supplemental Pension Plan's deposits were insured by Federal depository insurance. Custodial credit risk also applies to investment securities. As of December 31, 2025, the City and the Supplemental Pension Plan had no investment securities subject to custodial credit risk.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

	Fair Value December 31, 2025	Fair Value December 31, 2024	Frequency (if currently eligible)	Redemption Notice Period
Real Estate Pooled Separate Account	$ 9,705	$ 9,705	Daily	1 Day

Note 3. Deposits and Investments (Continued)

Real Estate Pooled Separate Account. The account is a diversified real estate equity account consisting primarily of high quality, well-leased real estate properties in the multifamily, industrial, office, retail and hotel sectors. The objective of the account is to invest in a well-diversified real estate portfolio that reflects the overall performance of the U.S. commercial real estate market. Redemptions normally occur with one day of notice. However, the accountholder has the right to impose withdrawal limitations to pay withdrawal requests on a pro rata basis as cash becomes available for distribution. The fair value of this investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in the accountholder's capital.

Note 4. Capital Assets

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

	Restated Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 24,605,813	$ -	$ -	$ 24,605,813
Historical buildings	930,162	-	-	930,162
Construction-in-progress	87,766,338	21,389,899	77,639,126	31,517,111
Total capital assets, not being depreciated	113,302,313	21,389,899	77,639,126	57,053,086
Capital assets, being depreciated:				
Buildings	67,183,653	30,581,435	-	97,765,088
Land improvements	38,625,672	-	-	38,625,672
Motor vehicles	17,602,081	3,705,933	827,697	20,480,317
Operating equipment	10,715,808	185,273	92,347	10,808,734
Communications equipment	932,812	-	-	932,812
Office equipment	763,743	-	-	763,743
Infrastructure	1,189,566,328	44,323,902	-	1,233,890,230
Total capital assets, being depreciated	1,325,390,097	78,796,543	920,044	1,403,266,596
Less accumulated depreciation for:				
Buildings	28,202,130	1,953,194	-	30,155,324
Land improvements	12,351,428	1,262,814	-	13,614,242
Motor vehicles	9,523,307	1,399,531	995,258	9,927,580
Operating equipment	4,880,083	949,633	92,347	5,737,369
Communications equipment	554,306	-	-	554,306
Office equipment	739,942	-	-	739,942
Infrastructure	692,007,916	22,459,968	-	714,467,884
Total accumulated depreciation	748,259,112	28,025,140	1,087,605	775,196,647
Governmental activities capital assets, net	$ 690,433,298	$ 72,161,302	$ 77,471,565	$ 685,123,035

Note 4. Capital Assets (Continued)

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

Governmental Activities:	
General government	$ 195,959
Public works	23,551,161
Public safety	2,881,915
Culture and recreation	1,396,105
Total depreciation	$ 28,025,140

Capital Projects. Capital project expenditures often extend over more than one fiscal year. Project estimates of each project are prepared by the City Engineer and approved by the City Council. As of December 31, 2025, certain projects were pending City Council authorization.

The costs of capital projects are permanently financed through general obligation bonds, costs reimbursement type grants from other governmental units, special assessment levies and transfers from other governmental funds.

Fund balance deficits will be funded by general obligation notes or other permanent financing as discussed above. Upon completion of a project, residual funds related to that project in the Capital Projects Fund, if any, will be transferred to the Debt Service Fund for repayment of the related debt.

Note 4. Capital Assets (Continued)

The following is a schedule of the total open project authorizations compared with project expenditures from inception through December 31, 2025:

Project Number	Project Name	Project Authorizations	Total Project Expenditures To Date
3538	MIDLAND - SM PARKWAY TO I-435	$ 12,400,000	$ 612,764
3564	GARRETT PARK IMPROVEMENTS	3,848,000	2,958,758
3585	2024 TRAFFIC SIGNAL AND STREETLIGHTS	570,650	358,063
3589	80TH STREET - MILLRIDGE TO WOODLAND	400,000	2,898,079
3590	JOHNSON DRIVE STREETSCAPE	860,000	773,287
3591	2024 MILL & OVERLAY	8,219,318	8,215,277
3592	PUBLIC WORKS SALT TENT REPAIR	300,000	266,305
3597	51ST PL & MILL VALLEY HIGH SCHOOL	2,732,220	241,590
3598	WINDSOR NEIGHBORHOOD & QUIVIRA DR P	2,207,662	53,621
3599	Monticello Road and Johnson Dr Pipe	2,780,540	270,232
3600	LAKECREST/55TH & BROWNRIDGE PIPE	948,556	581,356
3603	DISPATCH CONSOLE REPLACEMENT	295,000	245,500
3606	FACILITIES AND IT BUILDING REMODEL	700,000	643,782
3607	JOHNSON DR AND QUIVIRA RD SIGNAL	460,000	83,318
3609	McAnany Drive - Nieman to Lucille	2,864,100	341,296
3610	SHAWNEE MISSION PKWAY - I-435 TO K7	9,200,000	6,684,797
3615	Rail Creek Park	500,000	190,328
3613	Justice Center STAR Bay Expansion	375,000	261,712
3616	2025 Mill & Overlay	2,807,000	2,756,987
3622	51st Street - Black Swan to Quivira	3,039,900	203,697
3625	Johnson Dr & Barker Rd Intersection	956,000	80,403
3626	5900 Monticello Emergency Stormwater	1,940,000	1,374,003
3627	2025 Annual Stormwater Engineering	326,115	140,965
3632	Blackfish Parkway - West of Pflumm	2,364,340	52,886
3633	14704 W 70th Terr - 70th Terr	1,816,833	34,842
FIBER	FIBER MASTER PLAN BUILDOUT	1,076,754	972,683

Note 5. Long-Term Debt

Changes in long-term debt outstanding during the year ended December 31, 2025, are as follows:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025	Current Portion
General obligation bonds	$ 101,415,000	$ 8,765,000	$ 9,210,000	$ 100,970,000	$ 10,220,000
General obligation bonds premium	7,639,985	897,994	874,511	7,663,468	-
General obligation bonds, net	109,054,985	9,662,994	10,084,511	108,633,468	10,220,000
Direct borrowing and placement - financed purchase	3,151,060	-	222,468	2,928,592	329,339
Compensated absences*	5,205,273	107,766	-	5,313,039	1,810,471
	$ 117,411,318	$ 9,770,760	$10,306,979	$ 116,875,099	$ 12,359,810

For the governmental activities, compensated absences, the total other postemployment benefit (OPEB) liability, and the net pension liability are generally liquidated by the General Fund.

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds payable as of December 31, 2025, are comprised of the following issues:

General Obligation Bonds	Interest Rate	Issue Date	Final Maturity	Original Amount	Amount Outstanding
Series 2014A - Improvement	3.00%	07/29/14	12/01/28	$ 3,575,000	$ 990,000
Series 2014B - Refunding	4.00 - 5.00%	07/29/14	12/01/27	18,015,000	2,800,000
Series 2017A - Improvement and Refunding	2.00 - 3.00%	04/24/17	12/01/27	9,215,000	1,415,000
Series 2018A - Improvement and Refunding	3.00 - 5.00%	03/13/18	12/01/28	8,840,000	3,105,000
Series 2019A - Improvement	2.63 - 5.00%	03/13/19	12/01/29	7,500,000	3,435,000
Series 2019B - Improvement and Refunding	1.75 - 4.00%	11/27/19	12/01/39	21,300,000	14,680,000
Series 2020A - Improvement	3.00 - 3.63%	04/14/20	12/01/29	4,710,000	1,730,000
Series 2021A - Improvement and Refunding	1.88 - 4.00%	11/18/21	12/01/51	49,225,000	42,550,000
Series 2022A - Improvement	4.00 - 5.00%	12/13/22	12/01/32	10,845,000	7,890,000
Series 2024A - Improvement	5.00%	08/13/24	12/01/34	14,630,000	13,610,000
Series 2025A - Improvement	4.00 - 5.00%	11/20/25	12/01/35	8,765,000	8,765,000
					$ 100,970,000

Installment ranges for the general obligation bonds at the time of issuance are as follows:

	Installment Range	
General Obligation Bonds	Low	High
Series 2014A - Improvement	$ 285,000	$ 340,000
Series 2014B - Refunding	1,375,000	1,425,000
Series 2017A - Improvement and Refunding	700,000	715,000
Series 2018A - Improvement and Refunding	995,000	1,070,000
Series 2019A - Improvement	800,000	915,000
Series 2019B - Improvement and Refunding	765,000	1,370,000
Series 2020A - Improvement	410,000	455,000
Series 2021A - Improvement and Refunding	475,000	4,820,000
Series 2022A - Improvement	910,000	1,210,000
Series 2024A - Improvement	1,020,000	1,815,000
Series 2025A - Improvement	685,000	1,075,000

Note 5. Long-Term Debt (Continued)

Annual debt service requirements through maturity for general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 10,220,000	$ 3,522,849	$ 13,742,849
2027	10,165,000	3,070,788	13,235,788
2028	9,815,000	2,651,794	12,466,794
2029	9,615,000	2,245,944	11,860,944
2030	9,390,000	1,866,426	11,256,426
2031 - 2035	32,680,000	4,945,664	37,625,664
2036 - 2040	9,570,000	1,757,532	11,327,532
2041 - 2045	5,630,000	849,045	6,479,045
2046 - 2050	3,410,000	297,975	3,707,975
2051 - 2055	475,000	11,875	486,875
Total	$ 100,970,000	$ 21,219,892	$ 122,189,892

Financed Purchases. The City has entered into lease agreements as a lessee for financing the acquisition of police equipment.

Financed purchases consisted of the following as of December 31, 2025:

Description	Date Issued	Original Final Scheduled Maturity Date	Original Purchase Amount	Principal Amount Outstanding As of 12/31/25	Interest Rate
2023 police equipment	10/19/2023	3/31/2033	$ 3,955,573	$ 2,928,592	3.00%
			$ 3,955,573	$ 2,928,592	

The future minimum lease payments for financed purchases as of December 31, 2025 are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	329,339	87,858	417,197
2027	339,219	77,978	417,197
2028	349,396	67,801	417,197
2029	359,878	57,319	417,197
2030	370,674	46,523	417,197
2030 - 2033	1,180,086	71,503	1,251,589
Total	$ 2,928,592	$ 408,982	$ 3,337,574

Conduit Debt Obligations. The City has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. The City has also issued multifamily housing bonds to provide mortgage loans for the construction and financing of multifamily rental and single-family residences of the City. These bonds are secured solely by the property financed by the respective bond issues and by credit guarantees of reinvestment-grade financial institutions. Title to property financed by industrial revenue bonds remains with the City so long as the bonds are outstanding. Industrial revenue bonds are not in any respect an obligation of the City. Accordingly, the bonds are not reported as a liability in the accompanying basic financial statements. As of December 31, 2025, industrial revenue and multifamily housing bonds of $214,435,430 are outstanding.

Note 6. Other Post-Employment Healthcare

Health Insurance.

Plan Description, Benefits Provided and Contributions: The City offers post-employment health, dental and vision insurance to retired employees. The benefits are provided through a fully insured arrangement that operates as a single employer defined benefit postemployment healthcare plan administered by the City. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The medical, dental and vision insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. A retiring employee who waives continuing participation in the City's health insurance program at the time of retirement is not eligible to participate at a later date. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a stand- alone financial report.

The City provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statutes, which may be amended by the state legislature, establish that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125% of the premium cost for other similarly situated employees. During the first 5 years of "retiree" coverage, retirees (ex-employees) contribute a percentage of the single plan premium to maintain coverage. This percentage is 50% if Wellness is not achieved with a lower percentage (around 43%) if Wellness criteria is attained. Otherwise, participants must pay group plan premiums to maintain coverage. After 5 years, retirees pay 100% of the group premium rate.

Employees Covered by Benefit Terms. As of December 31, 2025, the following employees were covered by the benefit terms.

Active employees	337
Retirees and covered spouses	48
Total	385

*Total OPEB Liability***.** The City's total OPEB liability of $12,523,026 was measured as of December 31, 2025, and was determined by an actuarial valuation performed as of July 1, 2024. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2025.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Valuation date	July 1, 2025
Actuarial cost method	Entry age normal as a level percentage of payroll
Inflation	2.75%
Salary increases	4.00%
Discount rate	4.42%
Healthcare cost trend rates	Medical & Pharmacy: 8.50% for 2025, decreasing 0.50% per year to an ultimate rate of 4.50% for 2038 and later years

The discount rate was based on the average of the S&P Municipal Bond 20 Year High Grade and Fidelity Municipal AA published yields.

Mortality rates were based on the Pub-2016 Public Retirement Plan Headcount-weighted General and Public Safety Mortality table with MP-2021 Full Generational Improvement.

Note 6. Other Post-Employment Healthcare (Continued)

Changes and items of impact relative to the prior valuation were as follows:

1. The discount rate was changed from 4.22% to 4.42% for the end of year measurement.

2. The assumed mortality was revised from Pub 2010 to Pub 2016, as published by the Society of Actuaries.

3. The assumed retirement/turnover/disability rates were revised based on the latest data available from KPERS pension valuations.

4. The projected per capita costs and retiree contribution premiums were updated as part of the evaluation.

Changes in the Total OPEB Liability. The changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balance 1/1/2025	$ 11,422,562
Service cost	606,859
Interest	501,324
Benefit paid	[299,398]
Changes in benefit terms	1,908,773
Changes in assumptions	[1,617,094]
Balance 12/31/2025	$ 12,523,026

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 or 1-percentage-point higher than the current discount rate:

	1% decrease 3.22%	Discount rate 4.22%	1% increase 5.22%
Total OPEB Liability	$ 13,753,376	$ 12,523,026	$ 11,415,557

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents 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 or 1-percentage-point higher than the current healthcare cost trend rates:

		Healthcare cost Trend rates	
	1% decrease	Current trend assumption	1% increase
Total OPEB Liability	$ 11,097,417	$ 12,523,026	$ 14,206,298

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB. For the year ended December 31, 2025, the City recognized OPEB expense of $938,927.

Note 6. Other Post-Employment Healthcare (Continued)

As of December 31, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 2,855,473	$ [570,831]
Changes of assumptions	544,601	[4,466,167]
Total	$ 3,400,074	$ [5,036,998]

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense over the average remaining service lives of plan participants (actives and retirees) as follows:

Year ended June 30,	Deferred [Inflows] Outflows Amount
2026	$ [169,256]
2027	[180,360]
2028	[199,263]
2029	[124,475]
2030	[248,509]
2031 +	[715,061]
Total	$ [1,636,924]

Disability Benefits and Life Insurance.

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

Benefits 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 of premium provision.

The monthly long-term disability benefit is 60% of the member's monthly compensation, with a minimum of $100 and a 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, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five 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 shorter of the term of the disability or 24 months per lifetime.

Note 6. Other Post-Employment Healthcare (Continued)

The monthly long-term disability benefit is 60% of the member's monthly compensation, with a minimum of $100 and a 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, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five 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 shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using 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 insurance policy.

Employees Covered by Benefit Terms. As of December 31, 2025, the following employees were covered by the benefit terms.

Active employees	170
Disabled members	1
Total	171

Total OPEB Liability. The City's total OPEB liability of $309,301 was measured as of June 30, 2025, and was determined by an actuarial valuation performed 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 specified.

Valuation date	December 31, 2024
Actuarial cost method	Entry age normal
Inflation	2.75%
Salary increases	3.50%
Discount rate (based on 20 year municipal bond rate with an average rating of AA/Aa or better, obtained through the Bond Buyer General Obligation 20-Bond Municipal Index)	5.20%

Note 6. Other Post-Employment Healthcare (Continued)

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

Pre-retirement mortality rate assumptions were 90% of RP-2014 M Total Dataset +2 for males and 90% of RP-2014 F Total Dataset +1 for females. Post-disability mortality rates are included in long-term disability claim termination rates.

The long-term disability incidence and claim termination rate actuarial assumptions used in the December 31, 2024, valuation were based on the results of an actuarial experience study conducted during 2019-2022. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2024, KPERS pension valuation.

Changes and items of impact relative to the prior valuation were as follows:

1. The discount rate was updated in accordance with the requirements of GASB 75.
2. The mortality projection scale was updated to the most recent table published by the Society of Actuaries.

Changes in the Total OPEB Liability. The changes in the total OPEB liability are as follows:

Balance 1/1/2025	$ 309,616
Service cost	34,613
Interest	12,884
Benefit paid	3,421
Effect of economic/demographic gains or losses	[18,122]
Changes in assumptions	[33,111]
Balance 12/31/2025	$ 309,301

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 or 1-percentage-point higher than the current discount rate:

	1% decrease (4.20%)	Discount rate (5.20%)	1% increase (6.20%)
Total OPEB Liability	$ 323,591	$ 309,301	$ 294,696

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using current healthcare cost trend rates that are one 1-percentage-point lower of 1-percentage-point lower than the current healthcare cost trend rates.

	1% decrease	Healthcare cost Trend rates	1% increase
Total OPEB Liability	$ 309,301	$ 309,301	$ 309,301

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB. For the year ended December 31, 2025, the City recognized OPEB expense of $9,956. As of December 31, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

Note 6. Other Post-Employment Healthcare (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 99,647	$ [322,135]
Changes of assumptions	30,262	[72,220]
Contributions subsequent to measurement date	150,453	-
Total	$ 280,362	$ [394,355]

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense over the average remaining service lives of plan participants (actives and retirees) as follows:

Year Ended June 30,	City
2026	$ 113,182
2027	[38,313]
2028	[43,639]
2029	[49,689]
2030	[61,555]
Thereafter	[33,979]
Total	$ [113,993]

Other Post-Employment Healthcare Benefits Plans Combined. Following is a combining schedule of deferred outflows and inflows, total OPEB liability and OPEB expense for all other post-employment health care benefit plans of the City:

	KPERS OPEB	Supplemental OPEB	Total
Deferred outflows	$ 280,362	$ 3,400,074	$ 3,680,436
Deferred inflows	394,355	5,036,998	5,431,353
Total OPEB liability	309,301	12,523,026	12,832,327
OPEB expense	9,956	938,927	948,883

Note 7. Defined Benefit Pension Plans

KPERS.

Description of Pension Plan. The City participates in a cost-sharing multiple-employer defined benefit pension plan (the Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides pension benefits to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which include:
  - State/School employees
  - Local employees
- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Note 7. Defined Benefit Pension Plans (Continued)

Those employees participating in the Pension Plan for the City are included in the Local employees group and the Kansas Police and Firemen group.

KPERS issues a stand-alone annual comprehensive financial report, which is available on the KPERS website at www.kpers.org.

Benefits. Benefits are established by statute and may only be changed by the Kansas Legislature. Member employees (except police and firemen) with ten or more years of credited service may retire as early as age 55 (police and firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 points (police and firemen 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. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

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

The 2012 Legislature made changes affecting new hires, current members 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 members is 65 with five years of service or 60 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 contribution 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 6.00% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74- 4975 establishes the Police and Firemen (KP&F) member-employee contributions 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 are determined based on the results of an annual actuarial valuation for each of the three state-wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. KPERS is funded on an actuarial reserve basis.

For KPERS fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap is 1.2% of total payroll for the KPERS fiscal year ended June 30, 2025.

Note 7. Defined Benefit Pension Plans (Continued)

The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate were 9.26% for KPERS and 23.10% for KP&F for the year ended December 31, 2025. Contributions to the Pension Plan from the City were $1,459,518 for KPERS and $4,161,566 for KP&F for the year ended December 31, 2025.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of December 31, 2025, the City reported a liability of $11,919,455 for KPERS and $37,823,604 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.

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. 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 Local group and the Police and Firemen group within KPERS for the KPERS fiscal year ended June 30, 2025. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. As of June 30, 2025 the City's proportion for KPERS was 0.594710%, which was an increase of 0.000008% from its proportion measured as of June 30, 2024. As of June 30, 2025, the City's proportion of KP&F was 2.332715%, which was a decrease of 0.132425% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the City recognized pension expense of $1,560,442 for KPERS and $5,862,563 for KP&F. As of 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
Differences between actual and expected experience	$ 5,985,514	$ -
Net differences between projected and actual earnings on investments	-	[1,391,932]
Changes of assumptions	1,220,047	-
Changes in proportion	1,353,294	[2,405,962]
Contributions subsequent to measurement date	3,074,782	-
Total	$ 11,633,637	$ [3,797,894]

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

Note 7. Defined Benefit Pension Plans (Continued)

Year ended December 31,	Deferred [Inflows] Outflows Amount
2026	$ 7,440,318
2027	1,104,502
2028	[417,917]
2029	[291,160]
2030	-
Total	$ 7,835,743

*Actuarial Assumptions***.** The total pension liability for KPERS in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the 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 dated January 29, 2024.

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 and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocations as of June 30, 2025 are summarized in the following table:

Asset	Long-Term Allocation	Long-Term Expected Real Rate of Return
Global Equity	43.00%	8.20%
Alternatives	11.00%	12.00%
Real Estate	15.00%	5.70%
Yield Driven	12.00%	5.30%
Infrastructure	3.00%	6.80%
Core Fixed Income	13.00%	2.20%
Short Term Investments	3.00%	0.30%
	100.00%	

Note 7. Defined Benefit Pension Plans (Continued)

Discount Rate. The discount rate used by KPERS to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. 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 expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for KPERS. Future employer contribution rates were also modeled for KP&F assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for KP&F. 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.

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 one-percentage- point lower or one-percentage-point higher than the current rate:

	1% decrease (6.00%)	Discount rate (7.00%)	1% increase (8.00%)
Local	$ 17,589,369	$ 11,919,455	$ 7,157,486
Police and firemen	52,036,672	37,823,604	25,915,227
Total	$ 69,626,041	$ 49,743,059	$ 33,072,713

*Pension Plan Fiduciary Net Position***.** Detailed information about the Pension Plan's fiduciary net position is available in the separately issued KPERS financial report.

Shawnee, Kansas Employees Supplemental Pension Plan.

Plan Administration. On January 1, 1998, in addition to the KPERS and KP&F plans, the City initiated the City of Shawnee, Kansas Employees Supplemental Pension Plan (the Supplemental Pension Plan). The Supplemental Pension Plan is a single-employer defined benefit plan that operates as a qualified plan as defined in Section 401(a) of the Internal Revenue Code. The Supplemental Pension Plan provides retirement and death benefits to plan members and beneficiaries. The Supplemental Pension Plan is managed by a Board of Trustees made up of the City manager, finance director, human resources director and the deputy City manager. No separate financial report is issued for the Supplemental Pension Plan. The Supplemental Pension Plan is considered part of the City's reporting entity and is presented solely in the accompanying basic financial statements as a pension trust fund.

Plan Membership. As of December 31, 2012, the Supplemental Pension Plan was frozen. Employees with a start date of January 1, 2013, or after, participate in a defined contribution plan. Under the Supplemental Pension Plan, employees hired on or before December 31, 2012, other than seasonal or temporary, who worked at least 1,000 hours per year are eligible to participate in the Supplemental Pension Plan. Employees are 100% vested after five years of service and obtain no vesting for the first four years of service. The City's Supplemental Pension Plan is normally liquidated in the General Fund.

Membership of the Supplemental Pension Plan consisted of the following as of December 31, 2025, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	73
Terminated plan members, entitled to, but not yet receiving, benefits	117
Active plan members	91
	281

Note 7. Defined Benefit Pension Plans (Continued)

Benefits Provided. Under the Supplemental Pension Plan, participants, upon retirement, are entitled to a monthly benefit, payable for life, equal to 1% of the participant's average monthly compensation at retirement multiplied by the number of years of service. The benefit from the Supplemental Pension Plan is reduced so that the maximum total benefit a participant can receive is 85% of average monthly compensation when benefits from this plan, KPERS and KP&F are added together. The normal retirement age from the City is 62 except for KP&F members. The normal retirement age for KP&F members is 55. If a participant who is actively employed dies, the participant's spouse is entitled to 50% of the accrued benefit, payable for life, commencing when the participant would have reached the normal retirement date. Under the Supplemental Pension Plan, participants are not required to contribute. All contributions to the Supplemental Pension Plan are made by the City. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the Supplemental Pension Plan are financed outside of plan assets.

Contributions. Contributions to the Supplemental Pension Plan are designed to fund normal costs on a current basis and to fund past service costs over a 30-year period. The recommended contribution rate is determined by the Supplemental Pension Plan's consulting actuary using the Individual Entry Age Actuarial Cost Method. Based upon the January 1, 2026, actuarial valuation, the recommended contribution for the year ended December 31, 2025 was $1,495,406. The most recent actuarial valuation performed as of December 31, 2025 included a recommended contribution for 2025 for the City of $1,233,367, which is approximately 11.42% of covered payroll.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2025, and the total pension liability was used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2025.

The components of the net pension liability as of December 31, 2025 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2024	$ 35,064,596	$ 30,351,018	$ 4,713,578
Changes for the year:			
Service cost	383,224	-	383,224
Interest	2,432,346	-	2,432,346
Difference between expected and actual experience	399,160	-	399,160
Contributions - employer	-	1,495,406	[1,495,406]
Net investment income	-	5,184,739	[5,184,739]
Benefit payments, including refunds	[1,400,027]	[1,400,027]	-
Net changes	1,814,703	5,280,118	[3,465,415]
Balance at December 31, 2025	$ 36,879,299	$ 35,631,136	$ 1,248,163

Plan fiduciary net position as a percentage of the total pension liability is 96.62%.

Actuarial Assumptions. Total pension liability in the January 1, 2025, actuarial valuation was determined using the following actuarial assumptions:

Note 7. Defined Benefit Pension Plans (Continued)

Actuarial cost method	Individual entry age
Asset valuation methods	Market value
Amortization method	Level percent of payroll, rolling
Remaining amortization period	10 years
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	5.00%
Inflation assumption	2.00%

In the January 1, 2026, actuarial valuation, the Current Year (2025) IRS Optional Combined Mortality Table was used.

The long-term expected rate of return of 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 and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Supplemental Pension Plan's target asset allocation are summarized in the following table:

Asset	Target asset allocation	Long-term Expected real Rate of return
Equities	60%	6.25%
Fixed income	28%	3.00%
Alternatives	10%	4.50%
Cash & equivalents	2%	0.00%
	100%	

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made as rates equal to the actuarially determined contribution rates. 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.

Rate of Return. For the year ended December 31, 2025, the annual money-weighted rate of return on Plan investments, net of investment expense was 17.10%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate***.** The following presents the net pension liability of the Plan, calculated using the discount rate of 7%, as well as what the Supplemental Pension Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% decrease (6.00%)	Current Discount Rate (7.00%)	1% increase (8.00%)
Net pension liability/[asset]	$ 5,968,554	$ 1,248,163	$ [2,715,693]

Note 7. Defined Benefit Pension Plans (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended December 31, 2025, the City recognized pension expense of $1,018,688. As of December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the Supplemental Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 360,560	$ -
Net differences between projected and actual earnings on investments	-	[2,407,263]
Total	$ 360,560	$ [2,407,263]

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

Year ended June 30,	
2026	$ 223,129
2027	[893,436]
2028	[763,840]
2029	[612,556]
2030	-
	$ [2,046,703]

Defined Benefit Pension Plans Combined. Following is a combining schedule of deferred outflows and inflows, net pension liability and pension expense for the City's defined benefit pension plans:

	KPERS	Shawnee, Kansas Employees Supplemental Pension Plan	Total
Deferred outflows	$ 11,633,637	$ 360,560	$ 11,994,197
Deferred inflows	3,797,894	2,407,263	6,205,157
Net pension liability	49,743,060	1,248,163	50,991,223
Pension expense	7,423,005	1,018,688	8,441,693

Note 8. Defined Contribution Plan

The City administers a 401(a) defined contribution pension plan available to its employees. Employees hired after January 1, 2013, are eligible for the plan. The Defined Contribution Plan is a separate account that receives matching contributions provided by the City on 457(b) contributions. Upon review of GASB Statement Nos. 84 and No. 97, the City has determined this plan does not meet the requirements of inclusion as a component unit, nor to be reported as a fiduciary fund as the City does not control the assets.

The City contributes to the 401(a) plan for employees hired between January 1, 2013, and December 31, 2014, based on the following schedule:

Salary Deferral Election	Maximum Match
Less than 2.0%	0%
2.0% or more, but less than 3.0%	1% of compensation
3.0% or more	2% of compensation

Note 8. Defined Contribution Plan (Continued)

The City contributes to the 401(a) plan for employees hired on or after January 1, 2015, based on the following schedule:

Salary Deferral Election	Maximum Match
Less than 1.0%	0%
1.0% or more, but less than 2.0%	1% of compensation
2.0% or more, but less than 3.0%	2% of compensation
3.0% or more, but less than 4.0%	3% of compensation
4.0% or more	4% of compensation

Employer matching contributions are subject to the following vesting schedule:

Years of Employment	Vested Percentage	Years of Employment	Vested Percentage
0 - 2 Years	0%	6 years	60%
2 years	20%	7 years	70%
3 years	30%	8 years	80%
4 years	40%	9 years	90%
5 years	50%	10 years	100%

For the year ended December 31, 2025, the City recognized contribution expense of $627,824. There were no forfeitures during the year ended December 31, 2025.

Note 9. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a charter member of the Kansas Eastern Region Insurance Trust, Inc. (KERIT). KERIT, organized under the pooling laws of Kansas, is a risk sharing pool which self-insures, up to certain limits, and reinsures additional excess amounts up to certain limits, workers' compensation and other related expenses. The City pays annual premiums to KERIT based on historical experience and legal requirements mandated by the State of Kansas and participates in management decisions as a trustee. Members of the trust may be assessed additional premiums to cover losses up to the attachment point of excess coverage, and for losses in excess of the aggregate loss limit of $5,000,000 in a particular year. The City has not been involved in any settlements where the amounts exceeded insurance coverage in the past three years.

Note 10. Interfund Transfers

Transfers made between funds during the year ended December 31, 2025 are as follows:

Fund	Transfers In	Transfers Out
General	$ 476,532	$ 12,845,081
Debt Service	7,040,866	-
Capital Projects	31,146,684	6,703,125
Nonmajor Governmental Funds	12,171,172	31,287,048
Total	$ 50,835,254	$ 50,835,254

All significant interfund transfers in 2025 were routine or administrative in nature. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts and (3) use unrestricted revenues collected in a fund that is used to finance various programs and capital outlay projects accounted for in another fund in accordance with budgetary authorizations.

The City uses interfund receivables and payables as needed when pooled cash is negative within a fund until investments mature or grant proceeds are received. All payables are cleared in less than one year.

Note 11. Commitments and Contingencies

The City is involved in various lawsuits arising in the ordinary course of business. In the event of an unfavorable outcome, the City management believes that any potential losses will not have a material impact on the financial position of the City.

The City participates in federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors of their representatives. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, though the City expects such amounts, if any, to be immaterial.

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for cash expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather, as restricted, committed, or assigned fund balance. As of December 31, 2025, the City recorded $1,324,718 of encumbrances in the following funds:

Fund	Amount
General	$ 245,238
Capital Projects	7,665,256
Stormwater Utility	5,937
Equipment and Facility Reserve	933,071
Total	$ 8,849,502

Long-Term Natural Resources Mining Agreement. In 2012, the City received a donation of approximately 340 acres of land located in the City. The land was given to the City by Holliday Sand & Gravel Company (the Company). The Company retained the right to remove soil to enable them to mine sand and gravel for a period of up to thirty (30) years commencing in July 2012. The Company is obligated to pay all taxes, reclamation and environmental remediation costs resulting from the mining operations.

The Company may terminate the rental agreement at any time. The rental agreement terminates automatically if the Company ceases to mine the property for twenty-four consecutive months. Upon early termination the Company must commence and complete the reclamation and environmental remediation as required by the State of Kansas. The Company is to pay the City an annual minimum rental of $10,000 per year plus 15 cents per ton of material mined each year in excess of 100,000 tons. In 2025, the City received an annual reservation fee of $26,017 and total rents of $346,373.

Note 12. Tax Abatements

Property tax abatements are authorized under Kansas statutes KSA 12-1740 et seq. and KSA 79-201a and subject to City policy (Policy Statement 21 – IRB and Tax Exemption Policy). Johnson County cities have used tax abatements for many years to spur industrial and office development. Kansas statutes provide a process for cities to abate property tax on qualifying property by issuing industrial revenue bonds up to the amount a developer borrows to finance the project. Abatements are used for industrial and office development; retail is not eligible. Cities may establish abatement percentages and criteria by policy rather than predefined state statute. Policy Statement PS-21, IRB and Property Tax Exemption Policy, define the City's requirements. Abatements may not exceed a term of ten years by statute but may be approved for a shorter term. The developer must demonstrate a positive cost/benefit to the various taxing jurisdictions. PS-21 defines the percentage guidelines for tax abatements based on project size and type. The percentage abated ranges from 50% to 100%.

Note 12. Tax Abatements (Continued)

To receive an abatement, applicants must submit an application, which undergoes due diligence and cost-benefit analysis before consideration by the City Council. Upon approval and completion of the project, the applicant/lessee must submit a renewal application to the City and County along with compliance information regarding job creation. If an applicant fails to pay the unabated portion of the property tax (payment-in-lieu of tax), the City Council has the option to terminate the agreement. The City's annual Economic Development Report provides details of the financial and job creation performance of each abatement.

No other governments have entered into tax abatement agreements that reduce the City's tax revenues. The City of Shawnee negotiates tax abatements on an individual basis. The City had the following 12 active tax abatements during, 2025, totaling $574,361 in abated City taxes for the year. Each abatement was approved based on its proposed job creation/retention and investment in the City's tax base included in its cost-benefit analysis.

Tax Abatement Agreements Initiated by the City.

Ad Valorem Property Tax Abatements

Company	Start	End	%	2025
WestLink Building #2 (industrial)	2016	2025	40%	$ 18,612
Westmor Industries (fuel tank manufacturing)	2016	2025	35%	5,383
Holiday Inn Express (hotel)	2016	2025	65%	23,574
Federated Rural Electric Coop (office)	2017	2026	70%	14,031
Stag's Creek (spec office building)	2018	2027	90%	22,951
Sealy-Nazdar (industrial)	2019	2019	75%	48,996
WestLink Building #3 (industrial)	2019	2019	100%	43,429
ServiceMaster (industrial)	2020	2029	75%	16,124
WestLink Building #4 (industrial)	2020	2029	100%	62,041
Schier Products (industrial)	2021	2030	60%	23,670
Hoss & Brown (office)	2021	2030	65%	4,435
Heartland Logistics Park Building #1 (industrial)	2022	2031	11%	100,092
Kraft Tool (industrial)	2023	2032	40%	692
Harold Payne Plastics	2024	2033	11%	2,927
Heartland Logistics Park Building #2 (industrial)	2024	2033	11%	167,458
Shawnee Industrial Park (industrial)	2025	2033	90%	19,946
				$ 574,361

Kansas Neighborhood Revitalization Act (KNRA): Based on Kansas statute KSA 12-117, the City of Shawnee, Johnson County, Shawnee Mission School District, Johnson County Community College, the Johnson County Parks and Recreation District, and the Johnson County Library approved the City's first KNRA district in 2002. The KNRA was provided to spur investment and revitalization of properties in the older, downtown vicinity of the City. The district was approved for a ten-year term from 2003 through 2012. In 2012, the City and the other taxing jurisdictions approved a second ten-year term for the program for 2013 - 2022 and expanded the district to include key commercial corridors and older residential areas adjacent to downtown. The City renewed the program in January 2023, which will continue to make the incentives available for property improvements through January 23, 2033.

Note 12. Tax Abatements (Continued)

The City's KNRA program allows a property owner to receive a 90% rebate on property tax from all jurisdictions except the State of Kansas on the incremental value of improvements that increase the appraised value of their property by at least $5,000 as determined by the Johnson County Appraiser's Office. The remaining 10% of the incremental property tax goes to the City's Neighborhood Revitalization Fund to be used for improvements within the district. The taxing jurisdictions continue to receive full revenue on the base value of the property. KNRA is a relatively simple process compared to other incentives and is available for both commercial and residential projects within the district. Criteria are straightforward, and City staff can approve the projects.

Applicants must submit an application, which undergoes due diligence by City Planning Department staff. Each project is approved on an individual basis. Because the rebate is not given until after improvements are put in place and property taxes are paid each year, there are no provisions for recapturing taxes. Details for KNRA projects are reported annually in the City's Economic Development Report.

				Rebate Tax Year		2025
Property/Business Name	Address	Purpose	Type	Start	End	Rebate Paid
HCA Emergency Room	10310 SM Pkwy	New medical building	Com	2015	2024	$ 25,793
Thomas & Eleanor Kalin	10605 W. 61st St.	New single family home	Res	2016	2025	2,182
BC Engineers - Breck LLC	5720 Reeder Road	Renovated office	Com	2016	2025	335
Jonathan & Mary Owens	5545 Nieman Road	New single family home	Res	2016	2025	70
Wendy's - Weirick	11450 SM Pkwy	New restaurant building	Com	2016	2025	17,036
Back in Motion/Johnson Nieman LLC	11023 Johnson Dr.	Renovated medical building	Com	2017	2026	1,610
Big Sky Shawnee McAlisters LLC	11330 SM Pkwy	New restaurant building	Com	2017	2026	5,878
Alan Willoughby	6029 Monrovia	Home addition	Res	2017	2026	304
Kenneth Heckman	11720 W. 57th Terr.	Home addition	Res	2017	2026	776
Roy & Cynthia Hayth	11300 W. 57th St.	New single family home	Res	2017	2026	1,762
Stag's Grove - Smith-Burk LLC	12139 SM Pkwy	Commercial Retail Space	Com	2017	2026	34,566
Cheryl & Steven Garrison	12105 W 55th St.	New single family home	Res	2018	2027	2,805
Paula and David Morris	10800 W 60th St.	Home renovation	Res	2018	2027	325
Parkway Center - Parkway VF LLC	11215-11225 SM Pkwy	Strip center exterior renovation	Com	2018	2027	19,683
Discount Tire - Littletule LLC	11320 SM Pkwy	New commercial building	Com	2018	2027	37,443
Thomas Stibal	12425 Johnson Dr.	New single family home	Res	2018	2027	2,873
Timothy & Valerie Dykes	5949 Monrovia	New single family home	Res	2018	2027	2,694
Burner7, LLC	5911 Barton St.	New commercial building	Com	2018	2027	11,209
Carol Mundy	6040 Ballentine St.	New single family home	Res	2018	2027	3,210
CPG RC Shawnee, LLC/Kasada	10704 SM Pkwy	New fast food restaurant	Com	2018	2027	18,720
Neiman Properties	5718 Nieman	Renovated office	Com	2019	2028	1,418
QuikTrip - Agree Convenience No 1 LLC	10701 SM Parkway	New gas/food store	Com	2019	2028	27,613
60 West Apartments, LLC - Shangri-La Apts.	60th & Barton	Apartment building renovation	Res	2021	2030	4,510
Timothy Jorns	11214 W 60th St	New residential	Res	2020	2029	2,501
Shawnee McLains	5833 Nieman Road	Convert Garage to Bakery/Resturant	Com	2021	2030	23,086
Metropolitan Properties	11216 W 60th St	New residential	Res	2022	2028	3,567
SMP116, LLC	11600 Shawnee Mission Parkway	Renovated fast food restaurant	Com	2022	2031	19,746
Matthew & Rebecca Beaven	11505 W. 61st Terrace	Home addition	Res	2022	2031	1,113
Blume Shawnee	6115 Nieman	New Mixed Use development	Both	2024	2033	81,685
CF21 LLC	13030 Shawnee Mission Parkway	Commercial	Com	2024	2033	6,517
TCSCH LLC	5931 Nieman Road	Commercial office addition and renovation	Com	2024	2033	721
Jacob Talkin	12027 w 61st Terrace	Residential	Res	2024	2033	438
Nieman Road Dev	5930 Nieman Road	Renovated restaurant	Com	2025	2034	1,279
Stag's Garden	11030 W 55th Terrace	New SF home	Res	2025	2034	3,670
Andrea Lemken	11025 W 55th Terrace	SF rehab	Res	2025	2034	1,821
						$ 368,961

Note 12. Tax Abatements (Continued)

*Tax Increment Financing (TIF)***.** TIF is an economic development tool established by the Kansas TIF Act (KSA 12-1770 et seq.) and subject to City policy (PS-50) to aid in financing projects for substantial public benefit. Public benefits can include strengthening the City's employment and economic base, diversifying the tax base, eliminating blight, providing amenities and job creation/retention. The City's current TIF projects are on a pay-as-you-go basis, and work by reimbursing a portion of the incremental increase in property or sales taxes generated within the TIF district to the property owner. The base value (prior to improvements) is not subject to the rebate and is retained by the applicable jurisdictions.

Applicants must submit a detailed, written proposal to the City, which will undergo due diligence and analysis before it is presented to the City's Governing Body for consideration. If a TIF District is established and a Project Plan is approved, the process also includes a redevelopment agreement that specifies the performance certification and reimbursement requirements. City staff works with the property owner to certify eligible expenses and compliance with the agreement. When the project begins to generate TIF increment revenues, City staff works with the distributing agency and property owner to generate and track reimbursements. Because reimbursements are not paid until after improvements are put in place, agreement compliance is met, eligible expenses are certified, and sales/property tax distributions are made to the City, there are no provisions for recapturing taxes. Details for TIF districts and projects are reported annually in the City's Economic Development Report.

The City of Shawnee reports TIF projects on an individual basis. The City had the following active projects in 2025:

District/Project	Purpose	Base Year	Expires	2025 Reimbursement Sales Tax	2025 Reimbursement Property Tax
Shawnee Plaza	Renovation of existing 100,000 square foot retail center, addition of three pad sites	2013	2033	$ 53,335	$ 283,330
Prairie Pines	Construction of 220 new market rate rental townhomes	2013	2033	-	685,148
Stag's Spring	Construction of one approximately 85,000 square foot complex with 67 apartment units	2019	2039	-	119,224
Westbrooke Green (NorthPoint)	Mixed use, residential, retail and restaurant center	2017	2037	-	657,711
				$ 53,335	$ 1,745,413

Transportation Development District (TDD). Transportation Development District (TDDs) are an economic development tool established by the Kansas TDD Act (KSA 12-17, 140 et seq.) and subject to City policy (PS-61) to assist with transportation-related improvements that can benefit a development and the public. If a TDD is approved, the City and applicant enter into an agreement that specifies performance, certification and reimbursement requirements. City staff works with the property owner to certify eligible expenses and compliance with the agreement. When the project begins to generate TIF increment revenues, City staff works with the distributing agency and property owner to generate and track reimbursements.

Note 12. Tax Abatements (Continued)

Excise Tax Abatement Program. In March 2013, the Governing Body approved a two-year suspension of the City's excise tax on platting of real property. The suspension program is designed to increase the City's tax base by encouraging conversion of agricultural land into higher value commercial and residential uses. If a proposed development does not require public infrastructure such as building a street, the City Council can approve an agreement to waive the cash payment for the amount of the excise tax. If the developer is required to build public infrastructure, the City has typically credited the amount of the excise tax toward the construction cost rather than requiring a cash payment. Under the abatement program, the developer can receive a cash payment from the City's Economic Development Fund for the amount of the excise tax that previously would have been credited.

If an excise tax abatement is approved, the City and applicant enter into an agreement that specifies performance milestones. If compliance is not met, the abated tax becomes due.

Policy Statement PS-65, Economic Development Policy, describes and defines the process. On February 25, 2019, the Governing Body approved the most recent extension of the abatement program and agreed to a bi-annual review of the program.

Development Name	Date Approved	Description	2025 Excise Tax Abated
Bristol Highlands North, Second Plat	3/24/2025	Residential - 21 Lot Single-Family Subdivision	$ 102,890
Bristol Highlands North, Third Plat	3/24/2025	Residential - 16 Lot Single-Family Subdivision	72,681
Bristol Highlands North, Fourth Plat	3/24/2025	Residential - 16 Lot Single-Family Subdivision	109,324
Maple Springs	6/9/2025	Residential - 5 Lot Single-Family Subdivision	102,448
Hidden Creek Reserve	7/14/2025	Residential - 60 unit multi-family subdivision	144,199
ABJ Acres	9/22/2025	Residential - 2 unit duplex residential subdivision	3,082
Bristol Highlands East, First Plat	9/22/2025	Residential - 52 Lot Single-Family Subdivision	377,590
Bristol Highlands Meadows, First Plat	9/22/2025	Residential - 38 Lot Single-Family Subdivision	134,749
Bristol Highlands Meadows, Second Plat	9/22/2025	Residential - 15 Lot Single-Family Subdivision	80,843
On The Go Travel Center	9/22/2025	Commercial - Convience store with gas pumps	13,416
Village at Clear Creek	9/22/2025	Residential - 62 Lot Single-Family Subdivision	369,433
Greens at Shawnee, Second Plat	7/14/2025	Residential - 444 unit multi-family subdivision	128,342
			$ 1,638,996

Note 13. Prior Period Adjustment

During the fiscal year ended December 31, 2025, the City identified an error in the reporting of capital assets within governmental activities related to construction in progress (CIP) and infrastructure assets. Certain infrastructure projects that had been completed and placed into service in prior periods were reported as additions to capital assets; however, the related amounts were not properly removed from construction in progress at the time of capitalization. As a result, capital assets and net position of governmental activities were overstated.

The error has been corrected in the accompanying financial statements by reducing construction in progress and accumulated capital assets to properly reflect assets placed in service.

The effects of the correction on the January 1, 2025, beginning balance is as follows:

Net position - beginning of year, as previously reported	$ 630,503,323
Prior period restatement	[13,072,156]
Net position - beginning, as restated	$ 617,431,167

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SHAWNEE, KANSAS

SCHEDULE OF CHANGES IN THE SUPPLEMENTAL PENSION PLAN'S
NET PENSION LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	$ 383,224	$ 427,379	$ 455,229	$ 472,575	$ 418,298	$ 443,531	$ 465,708	$ 481,791	$ 491,013	$ 419,618
Interest cost	2,432,347	2,319,051	2,210,498	2,054,815	1,907,160	1,779,284	1,672,142	1,547,939	1,398,476	1,290,625
Plan changes (changes in benefits)	-	-	69,542	-	-	-	-	-	-	-
Difference between expected and actual experience	399,160	251,366	28,058	698,633	134,953	369,391	86,368	350,900	809,741	172,826
Changes of assumptions	-	-	-	-	410,869	-	-	-	-	1,297,588
Benefit payments, including refunds	[1,400,028]	[1,270,227]	[1,099,233]	[870,023]	[762,385]	[717,967]	[624,914]	[555,523]	[554,121]	[410,188]
Net change in total pension liability	1,814,703	1,727,569	1,664,094	2,356,000	2,108,895	1,874,239	1,599,304	1,825,107	2,145,109	2,770,469
Total pension liability, beginning	35,064,596	33,337,027	31,672,933	29,316,933	27,208,038	25,333,799	23,734,495	21,909,388	19,764,279	16,993,810
Total pension liability, ending	$ 36,879,299	$ 35,064,596	$ 33,337,027	$ 31,672,933	$ 29,316,933	$ 27,208,038	$ 25,333,799	$ 23,734,495	$ 21,909,388	$ 19,764,279
Plan fiduciary net position										
Contributions - employer	$ 1,495,406	$ 1,542,157	$ 1,634,837	$ 1,000,108	$ 977,205	$ 1,021,040	$ 1,247,727	$ 978,510	$ 978,510	$ 870,000
Net investment income	5,184,740	2,675,423	2,878,417	[2,992,517]	2,617,515	2,226,015	3,333,144	[1,162,898]	2,439,460	1,085,306
Benefit payments, including refunds of member contributions	[1,400,028]	[1,270,227]	[1,099,233]	[870,023]	[762,385]	[717,967]	[624,914]	[555,523]	[554,121]	[410,188]
Net change in plan fiduciary net position	5,280,118	2,947,353	3,414,021	[2,862,432]	2,832,335	2,529,088	3,955,957	[739,911]	2,863,849	1,545,118
Plan fiduciary net position, beginning	30,351,017	27,403,664	23,989,643	26,852,075	24,019,740	21,490,652	17,534,695	18,274,606	15,410,757	13,865,639
Plan fiduciary net position, ending	$ 35,631,135	$ 30,351,017	$ 27,403,664	$ 23,989,643	$ 26,852,075	$ 24,019,740	$ 21,490,652	$ 17,534,695	$ 18,274,606	$ 15,410,757
Net pension liability	$ 1,248,164	$ 4,713,579	$ 5,933,363	$ 7,683,290	$ 2,464,858	$ 3,188,298	$ 3,843,147	$ 6,199,800	$ 3,634,782	$ 4,353,522
Plan fiduciary net position as a percentage of total pension liability	96.6%	86.6%	82.2%	75.7%	91.6%	88.3%	84.8%	73.9%	83.4%	78.0%
Covered payroll	$ 10,803,809	$ 11,149,743	$ 12,631,641	$ 13,095,621	$ 13,272,773	$ 14,047,744	$ 14,586,447	$ 15,560,959	$ 16,156,609	$ 16,607,587
Net pension liability as a percentage of covered payroll	11.6%	42.3%	47.0%	58.7%	18.6%	22.7%	26.3%	39.8%	22.5%	26.2%

CITY OF SHAWNEE, KANSAS

SCHEDULE OF THE SUPPLEMENTAL PENSION PLAN'S CONTRIBUTIONS

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 1,495,406	$ 1,542,157	$ 1,634,837	$ 1,000,108	$ 977,205	$ 1,021,040	$ 1,247,727	$ 924,788	$ 978,510	$ 757,705
Conributions in relation to the actuarially determined contribution	1,495,406	1,542,157	1,634,837	1,000,108	977,205	1,021,040	1,247,727	978,510	978,510	870,000
Contribution deficiency [excess]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ [53,722]	$ -	$ [112,295]
Covered payroll	$ 10,803,809	$ 11,149,743	$ 12,631,641	$ 13,095,621	$ 13,272,773	$ 14,047,744	$ 14,586,447	$ 15,560,959	$ 16,156,609	$ 16,607,587
Contributions as a percentage of covered payroll	13.84%	13.83%	12.94%	7.64%	7.36%	7.27%	8.55%	6.29%	6.06%	5.24%

Valuation date: Actuarially determined contribution rates are calculated as of December 31, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Individual entry age
Amortization method: Level percentage of payroll, rolling
Remaining amortization period: 10 years
Asset valuation method: Market value
Inflation: 2.00%
Salary increases: 5.00%
Investment rate of return: 7.00%
Mortality: 2024 IRS Optional Combined Mortality Tables

CITY OF SHAWNEE, KANSAS

SCHEDULE OF THE SUPPLEMENTAL PENSION PLAN'S RETURNS

Last Ten Fiscal Years

Year	Annual Money-Weighted Rate of Return, Net Of Investment Expense
2025	17.1%
2024	9.8
2023	12.00
2022	[11.1]
2021	10.8
2020	10.3
2019	18.7
2018	[6.3]
2017	15.6
2016	7.7

CITY OF SHAWNEE, KANSAS

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Health Insurance

Last Ten Fiscal Years*

Total OPEB liability	2025	2024	2023	2022	2021	2020	2019	2018	2017
Service cost	$ 606,859	$ 643,988	$ 576,103	$ 817,847	$ 806,304	$ 653,541	$ 483,568	$ 537,717	$ 468,852
Interest	501,324	462,964	484,385	259,960	261,990	346,824	353,171	321,893	338,634
Benefit paid	[299,398]	[341,452]	[336,802]	[279,220]	[297,834]	[449,913]	[364,626]	[276,923]	[256,212]
Changes in assumptions	[1,617,094]	[797,258]	72,294	[2,417,353]	[1,268,467]	198,673	970,226	[416,419]	318,940
Change in benefit terms	-	-	-	-	-	[293,087]	-	-	-
Difference between actual and expected experience	1,908,773	[4,492]	[517,634]	734,309	[146,509]	1,121,172	394,117	[406,197]	-
Net change in total OPEB liability	1,100,464	[36,250]	278,346	[884,457]	[644,516]	1,577,210	1,836,456	[239,929]	870,214
Total OPEB liability - beginning	11,422,562	11,458,812	11,180,466	12,064,923	12,709,439	11,132,229	9,295,773	9,535,702	8,665,488
Total OPEB liability - ending	$ 12,523,026	$ 11,422,562	$ 11,458,812	$ 11,180,466	$ 12,064,923	$ 12,709,439	$ 11,132,229	$ 9,295,773	$ 9,535,702
Covered employee payroll	$ 30,050,349	$ 27,355,846	$ 27,355,846	$ 22,661,524	$ 22,661,524	$ 20,046,092	$ 20,046,092	$ 19,665,149	$ 19,665,149
Total OPEB liability as a percentage of covered employee payroll	41.67%	41.76%	41.89%	49.34%	53.24%	63.40%	55.53%	47.27%	48.49%
Actuarially determined contribution	$ 299,398	$ 341,452	$ 336,802	$ 279,220	$ 297,834	$ 449,913	$ 364,626	$ 276,923	$ 256,212
Actual contribution	$ 299,398	$ 341,452	$ 336,802	$ 279,220	$ 297,834	$ 449,913	$ 364,626	$ 276,923	$ 256,212
Contributions as a percentage of covered payroll	1.00%	1.25%	1.23%	1.23%	1.31%	2.24%	1.82%	1.41%	1.30%

* - GASB 75 requires the presentation of 10 years. Data was not available prior to fiscal year 2017, therefore, 10 years of data is unavailable.

No assets are accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the plan.

CITY OF SHAWNEE, KANSAS

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Disability Benefits and Life Insurance

Last Ten Fiscal Years*

Total OPEB liability	2025	2024	2023	2022	2021	2020	2019	2018	2017
Service cost	$ 34,613	$ 36,848	$ 32,745	$ 55,148	$ 51,237	$ 44,582	$ 41,264	$ 40,963	$ 42,802
Interest	12,884	13,180	9,132	9,128	16,964	20,200	18,388	14,502	12,014
Benefit Paid	3,421	[9,989]	[7,494]	[5,443]	[7,505]	[18,250]	[25,525]	[47,765]	[74,419]
Effect of economic/demographic gains or losses	[18,122]	[59,016]	67,400	[112,860]	[411,100]	64,084	49,079	57,974	-
Changes in assumptions	[33,111]	[605]	[1,548]	[87,198]	488	67,824	11,911	[6,953]	[8,300]
Net change in total OPEB liability	[315]	[19,582]	100,235	[141,225]	[349,916]	178,440	95,117	58,721	[27,903]
Total OPEB liability - beginning	309,616	329,168	228,933	370,158	720,074	541,634	446,517	387,796	415,699
Total OPEB liability - ending	$ 309,301	$ 309,616	$ 329,168	$ 228,933	$ 370,158	$ 720,074	$ 541,634	$ 446,517	$ 387,796
Covered employee payroll	$ 13,690,749	$ 12,505,834	$ 13,147,474	$ 11,908,401	$ 11,788,433	$ 10,886,883	$ 10,402,637	$ 10,000,030	$ 9,648,214
Total OPEB liability as a percentage of covered-employee payroll	2.26%	2.48%	2.50%	1.92%	3.14%	6.61%	5.21%	4.47%	4.02%

* - GASB 75 requires the presentation of 10 years. Data was not available prior to fiscal year 2017, therefore, 10 years of data is unavailable.

No assets are accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the plan.

CITY OF SHAWNEE, KANSAS

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY

KPERS PENSION PLAN

Last Ten Fiscal Years*

Year ended December 31,	City's proportion of the net pension liability	City's proportionate share of the net pension liability	City's covered payroll	City's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total Pension liability
2025	1.372%	$ 49,743,059	$ 31,877,288	156.05%	71.93%
2024	1.448%	53,504,301	27,629,157	193.65%	68.91%
2023	1.297%	44,499,705	25,477,024	174.67%	68.91%
2022	1.376%	29,644,332	25,477,024	116.36%	79.19%
2021	1.328%	39,396,810	24,162,615	163.05%	69.25%
2020	1.379%	33,221,483	24,269,378	136.89%	73.55%
2019	1.337%	31,507,279	22,937,573	137.36%	73.18%
2018	1.262%	30,108,672	21,822,344	137.97%	71.71%
2017	1.187%	29,385,216	19,338,597	151.95%	68.84%
2016	1.126%	22,955,831	18,704,874	122.73%	72.97%

* - The amounts presented for each fiscal year were determined as of 12/31.

CITY OF SHAWNEE, KANSAS

SCHEDULE OF THE CITY'S CONTRIBUTIONS

KPERS PENSION PLAN

Last Ten Fiscal Years

KPERS Local Group

Year ended December 31,	Statutorily Required Contribution*	Contributions In Relation to the Statutorily Required Contribution	Contribution Deficiency [Excess]	City's Covered Payroll	Contributions as a Percentage of Covered-Employee Payroll
2025	$1,460,905	$1,460,905	-	$ 15,045,367	9.71%
2024	1,301,900	1,301,900	-	14,059,395	9.26%
2023	1,141,031	1,141,031	-	13,535,348	8.43%
2022	1,183,419	1,183,419	-	13,296,841	8.90%
2021	1,083,859	1,083,859	-	12,219,394	8.87%
2020	1,008,249	1,008,249	-	11,315,094	8.91%
2019	1,169,972	1,169,972	-	11,176,076	10.47%
2018	900,538	900,538	-	10,690,668	8.42%
2017	900,991	900,991	-	10,377,268	8.68%
2016	878,066	878,066	-	9,564,997	9.18%

KPERS Police and Firemen Group

Year ended December 31,	Statutorily Required Contribution*	Contributions In Relation to the Statutorily Required Contribution	Contribution Deficiency [Excess]	City's Covered Payroll	Contributions as a Percentage of Covered-Employee Payroll
2025	$4,632,919	$4,632,919	-	$18,779,564	24.67%
2024	4,115,933	4,115,933	-	17,817,893	23.10%
2023	3,894,695	3,894,695	-	17,037,161	22.86%
2022	3,295,000	3,295,000	-	14,332,315	22.99%
2021	3,022,740	3,022,740	-	13,257,631	22.80%
2020	2,828,414	2,828,414	-	12,847,521	22.02%
2019	3,438,394	3,438,394	-	13,093,302	26.26%
2018	2,536,565	2,536,565	-	12,625,940	20.09%
2017	2,268,486	2,268,486	-	11,929,620	19.02%
2016	2,331,877	2,331,877	-	11,330,796	20.58%

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Other governmental funds are composed entirely of special revenue funds which have been established to account for resources allocated by law or contractual agreement for specific purposes and continue in existence as long as governmental resources are allocated for their specific purposes. The only exceptions are the Equipment and Facility Reserve Fund, the ARPA Fund, and the Shawnee Town Capital Campaign Fund, listed below, which are nonmajor capital projects funds. The City's other governmental funds, along with a brief description for each are as follows:

Special Revenue Funds*:*
Public Safety Equipment Fund **-** Used to account for the purchase of police, fire, and rescue equipment from property tax revenue.

Special Narcotics Fund **-** Used to account for police expenditures funded by drug confiscation proceeds.

Special Highway Aid Fund **-** Used to account for costs relating to the repair and maintenance of city streets and highways. Financing is derived from the City's share of the Kansas gasoline tax, as well as the revenue from the 3/8 cent pavement sales tax, and approximately one-half of the landfill impact fee.

Special Parks and Recreation Fund **-** Used to account for parks and recreation expenditures funded from state liquor tax.

Special Alcohol Abuse Fund **-** Used to account for expenditures for alcohol rehabilitation programs funded from resources received from the state liquor tax.

Transient Guest Tax Fund **-** Used to account for fees received from the transient guest taxes used to promote tourism.

Park and Recreation Land Use Fund **-** Used to account for development fees received by builders and developers which are designated for the City's neighborhood park program.

Parks and Pipes Fund **-** Used to account for a 1/8 cent sales tax which is designated for storm drainage and park improvements.

Cemetery Fund **-** Used to account for the operations of the municipal cemetery from grave lots and interment charges for services.

Stormwater Utility Fund **-** Used to account for the City's stormwater management program from stormwater utility tax.

Public Safety Fund **-** Used to account for a 1/8 cent sales tax which is designated for the construction of a Justice Center and thereafter for public safety projects.

Neighborhood Revitalization Fund - Used to account for neighborhood revitalization activities from Neighborhood Revitalization Act District (NRA) 10% rebate.

Risk Management Fund - Used to account for monies associated with the City's goal of reducing risk and protecting assets.

Economic Development Fund - Used to account for impact fees from the City's agreement with Deffenbaugh Industries, Inc. The expenditures from the fund have been determined through the Economic Development Fund Policy Statement.

Hodgon TIF Fund - Used to account for TIF incremental property and sales tax revenues, as well as sales tax revenue collected from approved TDD and CID economic development projects. Expenditures accounted for in this fund include contractual reimbursement of eligible costs to developers, or contractual reimbursements to the City to cover debt service payments for public improvements.

Shawnee Plaza TIF Fund - Used to account for TIF incremental property and sales tax revenues, as well as sales tax revenue collected from approved TDD and CID economic development projects. Expenditures accounted for in this fund include contractual reimbursement of eligible costs to developers, or contractual reimbursements to the City to cover debt service payments for public improvements.

Prairie Pines TIF Fund - Used to account for TIF incremental property and sales tax revenues, as well as sales tax revenue collected from approved TDD and CID economic development projects. Expenditures accounted for in this fund include contractual reimbursement of eligible costs to developers, or contractual reimbursements to the City to cover debt service payments for public improvements.

Bellmont TIF Fund - Used to account for TIF incremental property and sales tax revenues, as well as sales tax revenue collected from approved TDD and CID economic development projects. Expenditures accounted for in this fund include contractual reimbursement of eligible costs to developers, or contractual reimbursements to the City to cover debt service payments for public improvements.

Westbrooke Green TIF Fund - Used to account for TIF incremental property and sales tax revenues, as well as sales tax revenue collected from approved TDD and CID economic development projects. Expenditures accounted for in this fund include contractual reimbursement of eligible costs to developers, or contractual reimbursements to the City to cover debt service payments for public improvements.

Stag's Spring TIF Fund - Used to account for TIF incremental property and sales tax revenues, as well as sales tax revenue collected from approved TDD and CID economic development projects. Expenditures accounted for in this fund include contractual reimbursement of eligible costs to developers, or contractual reimbursements to the City to cover debt service payments for public improvements.

Hickok Zarah TIF Fund - Used to account for TIF incremental property and sales tax revenues, as well as sales tax revenue collected from approved TDD and CID economic development projects. Expenditures accounted for in this fund include contractual reimbursement of eligible costs to developers, or contractual reimbursements to the City to cover debt service payments for public improvements.

CDBG Grant Fund - Used to account for the CDBG grant.

Opioid Settlement Fund - Used to account for settlement funds received through the State to treat and fight opioid addiction.

Recycling Fund - Used to account for the amounts collected for recycling.

Neighbors Helping Neighbors Fund - Used to account for the amounts collected for Neighbors Helping Neighbors volunteer program.

Cafeteria Plan Fund - Used to account for monies collected for employee cafeteria plan contributions.

Capital Projects Funds:
Equipment and Facility Reserve Fund **-** Used to account for equipment replacement, facility improvements, and technology advancement.

Fire Facilities Reserve Fund **-** Used to account for facility improvements for the City's fire department.

CITY OF SHAWNEE, KANSAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	Special Revenue Funds					
	Public Safety Equipment	Special Narcotics	Special Highway Aid	Special Parks and Recreation	Special Alcohol Abuse	Transient Guest Tax
ASSETS						
Cash and cash equivalents	$ 1,781,127	$ 50,386	$ 2,216,651	$ 1,138,549	$ 1,525,769	$ 219,404
Receivables:						
Taxes	2,044,878	-	-	-	-	-
Accounts	-	-	-	-	-	-
Due from other governments	-	-	1,683,588	-	-	279,760
Total assets	$ 3,826,005	$ 50,386	$ 3,900,239	$ 1,138,549	$ 1,525,769	$ 499,164
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 18,935	$ -	$ -	$ -	$ -	$ -
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	18,935	-	-	-	-	-
Deferred inflows of resources:						
Unavailable revenue - property taxes	2,046,817	-	-	-	-	-
Total deferred inflows of resources	2,046,817	-	-	-	-	-
Fund balance:						
Restricted	1,760,253	50,386	3,900,239	1,138,549	1,525,769	499,164
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance [deficit]	1,760,253	50,386	3,900,239	1,138,549	1,525,769	499,164
Total liabilities, deferred inflows of Resources and fund balances	$ 3,826,005	$ 50,386	$ 3,900,239	$ 1,138,549	$ 1,525,769	$ 499,164

See independent auditor's report on the financial statements.

	Special Revenue Funds							
	Park and Recreation Land Use	Parks and Pipes	Cemetery	Stormwater Utility	Public Safety	Neighborhood Revitalization	Risk Management	Economic Development
	$ 3,381,677	$ 373,287	$ 640,081	$ 2,485,269	$ 7,209,353	$ 90,304	$ 1,771,668	$ 3,357,444
	-	-	-	-	-	-	-	-
	355,499	-	-	4,482	-	-	-	-
	-	403,869	-	-	403,869	-	-	-
	$ 3,737,176	$ 777,156	$ 640,081	$ 2,489,751	$ 7,613,222	$ 90,304	$ 1,771,668	$ 3,357,444
	$ -	$ -	$ 1,100	$ 23,690	$ -	$ -	$ -	$ 5,065
	-	-	-	54,196	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	1,100	77,886	-	-	-	5,065
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	3,737,176	777,156	-	2,405,928	7,613,222	-	-	-
	-	-	638,981	-	-	90,304	1,771,668	3,352,379
	-	-	-	5,937	-	-	-	-
	-	-	-	-	-	-	-	-
	3,737,176	777,156	638,981	2,411,865	7,613,222	90,304	1,771,668	3,352,379
	$ 3,737,176	$ 777,156	$ 640,081	$ 2,489,751	$ 7,613,222	$ 90,304	$ 1,771,668	$ 3,357,444

CITY OF SHAWNEE, KANSAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	Hodgon TIF	Shawnee Plaza TIF	Prairie Pines TIF	Bellmont TIF	Westbrooke Green TIF	Stag's Spring TIF
ASSETS						
Cash and cash equivalents	$ 118,800	$ 365,579	$ 13,006	$ 21,555	$ 709,352	$ 1,799
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Due from other governments	-	57,441	-	-	37,208	-
Total assets	$ 118,800	$ 423,020	$ 13,006	$ 21,555	$ 746,560	$ 1,799
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Deferred inflows of resources:						
Unavailable revenue - property taxes	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund balance:						
Restricted	118,800	423,020	13,006	21,555	746,560	1,799
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance [deficit]	118,800	423,020	13,006	21,555	746,560	1,799
Total liabilities, deferred inflows of Resources and fund balances	$ 118,800	$ 423,020	$ 13,006	$ 21,555	$ 746,560	$ 1,799

See independent auditor's report on the financial statements.

	Special Revenue Funds						Capital Project Funds		
	Hickok Zarah TIF	CDBG Grant	Opioid Settlement	Recycling	Neighbors Helping Neighbors	Cafeteria Plan	Equipment and Facility Reserve	Fire Facilities Reserve	Total
	$ 188,972	$ -	$ 384,846	$ 5,945	$ 1,065	$ 59,587	$ 5,405,269	$ 2,458,239	$ 35,974,983
	-	-	-	-	-	-	-	-	2,044,878
	-	-	-	-	-	-	-	-	359,981
	-	130,426	-	-	-	-	-	-	2,996,161
	$ 188,972	$ 130,426	$ 384,846	$ 5,945	$ 1,065	$ 59,587	$ 5,405,269	$ 2,458,239	$ 41,376,003
	$ -	$ 11,646	$ -	$ -	$ -	$ -	$ 281,919	$ -	$ 342,355
	-	-	-	-	-	-	-	-	54,196
	-	15,392	-	-	-	-	-	-	15,392
	-	27,038	-	-	-	-	281,919	-	411,943
	-	-	-	-	-	-	-	-	2,046,817
	-	-	-	-	-	-	-	-	2,046,817
	188,972	103,388	384,846	5,945	1,065	59,587	-	-	25,476,385
	-	-	-	-	-	-	4,190,279	2,458,239	12,501,850
	-	-	-	-	-	-	933,071	-	939,008
	-	-	-	-	-	-	-	-	-
	188,972	103,388	384,846	5,945	1,065	59,587	5,123,350	2,458,239	38,917,243
	$ 188,972	$ 130,426	$ 384,846	$ 5,945	$ 1,065	$ 59,587	$ 5,405,269	$ 2,458,239	$ 41,376,003

CITY OF SHAWNEE, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	Special Revenue Funds					
	Public Safety Equipment	Special Narcotics	Special Highway Aid	Special Parks and Recreation	Special Alcohol Abuse	Transient Guest Tax
REVENUES:						
Taxes	$ 2,077,779	$ 1,094	$ 6,739,270	$ 430,316	$ 430,366	$ 923,508
Intergovernmental	10,000	-	1,889,826	-	-	-
Charges for services	-	-	1,449,694	-	-	-
Licenses and permits	-	-	-	-	-	-
Investments earnings	130,161	4,090	365,080	50,814	74,700	9,731
Miscellaneous	-	-	-	-	-	-
Total revenues	2,217,940	5,184	10,443,870	481,130	505,066	933,239
EXPENDITURES:						
Current:						
General government	-	-	-	-	112,000	-
Community development	-	-	-	-	-	-
Public works	-	-	1,470	-	-	-
Public safety	2,280,951	55,019	-	-	11,652	-
Culture and recreation	-	-	-	62,305	-	592,473
Capital outlay	-	-	-	-	-	-
Total expenditures	2,280,951	55,019	1,470	62,305	123,652	592,473
Excess [deficiency] of revenues over [under] expenditures	[63,011]	[49,835]	10,442,400	418,825	381,414	340,766
OTHER FINANCING SOURCES [USES]:						
Transfers in	-	-	415,000	-	-	-
Transfers [out]	[373,073]	-	[16,642,900]	-	[150,000]	[300,000]
Proceeds from sale of capital assets	-	-	1,800	-	-	-
Total other financing sources [uses]	[373,073]	-	[16,226,100]	-	[150,000]	[300,000]
Net change in fund balance	[436,084]	[49,835]	[5,783,700]	418,825	231,414	40,766
Fund balance - Beginning of year	2,196,337	100,221	9,683,939	719,724	1,294,355	458,398
Fund balance - End of year	$ 1,760,253	$ 50,386	$ 3,900,239	$ 1,138,549	$ 1,525,769	$ 499,164

Special Revenue Funds								
Park and Recreation Land Use	Parks and Pipes	Cemetery	Stormwater Utility	Public Safety	Neighborhood Revitalization	Risk Management	Economic Development
$ -	$ 2,246,423	$ -	$ 3,891,306	$ 2,246,423	$ 452,594	$ -	$ -
-	-	-	-	-	-	-	-
-	-	95,886	-	-	-	-	1,825,902
67,016	-	-	-	-	-	-	-
177,201	18,565	33,171	180,616	365,044	3,349	71,668	216,456
355,499	-	-	-	-	-	-	-
599,716	2,264,988	129,057	4,071,922	2,611,467	455,943	71,668	2,042,358
-	-	47,396	-	-	-	-	-
-	-	-	-	-	407,976	-	1,564,939
-	-	-	1,965,864	-	-	-	-
-	-	-	1,850	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	47,396	1,967,714	-	407,976	-	1,564,939
599,716	2,264,988	81,661	2,104,208	2,611,467	47,967	71,668	477,419
-	-	-	3,431,767	1,691,628	25,000	700,000	-
-	[1,950,435]	-	[6,005,114]	[2,903,185]	-	-	[1,288,580]
-	-	-	-	-	-	-	-
-	[1,950,435]	-	[2,573,347]	[1,211,557]	25,000	700,000	[1,288,580]
599,716	314,553	81,661	[469,139]	1,399,910	72,967	771,668	[811,161]
3,137,460	462,603	557,320	2,881,004	6,213,312	17,337	1,000,000	4,163,540
$ 3,737,176	$ 777,156	$ 638,981	$ 2,411,865	$ 7,613,222	$ 90,304	$ 1,771,668	$ 3,352,379

CITY OF SHAWNEE, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2025

	Hodgon TIF	Shawnee Plaza TIF	Prairie Pines TIF	Bellmont TIF	Westbrooke Green TIF	Stag's Spring TIF
REVENUES:						
Taxes	$ 19,967	$ 588,164	$ 688,591	$ 4,223	$ 871,121	$ 119,823
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Investments earnings	6,246	23,389	1,917	1,108	34,955	229
Miscellaneous	-	-	-	-	-	-
Total revenues	26,213	611,553	690,508	5,331	906,076	120,052
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Community development	-	314,907	685,147	-	657,711	119,224
Public works	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	314,907	685,147	-	657,711	119,224
Excess [deficiency] of revenues over [under] expenditures	26,213	296,646	5,361	5,331	248,365	828
OTHER FINANCING SOURCES [USES]:						
Transfers in	-	-	-	-	-	-
Transfers [out]	-	[300,800]	[3,600]	-	[3,288]	[700]
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources [uses]	-	[300,800]	[3,600]	-	[3,288]	[700]
Net change in fund balance	26,213	[4,154]	1,761	5,331	245,077	128
Fund balance - Beginning of year	92,587	427,174	11,245	16,224	501,483	1,671
Fund balance - End of year	$ 118,800	$ 423,020	$ 13,006	$ 21,555	$ 746,560	$ 1,799

See independent auditor's report on the financial statements.

Special Revenue Funds						Capital Project Funds		
Hickok Zarah TIF	CDBG Grant	Opioid Settlement	Recycling	Neighbors Helping Neighbors	Cafeteria Plan	Equipment and Facility Reserve	Fire Facilities Reserve	Total
$ 555,738	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,286,706
-	329,718	119,429	-	-	-	-	-	2,348,973
-	-	-	-	-	-	-	-	3,371,482
-	-	-	-	-	-	-	-	67,016
16,939	-	-	-	-	29	227,843	53,219	2,066,520
-	-	-	-	236	280,152	-	-	635,887
572,677	329,718	119,429	-	236	280,181	227,843	53,219	30,776,584
-	-	-	-	394	274,988	950,487	-	1,385,265
-	-	-	-	-	-	-	-	3,749,904
-	106,118	-	-	-	-	-	-	2,073,452
-	-	70,000	-	-	-	-	47,757	2,467,229
-	-	-	-	-	-	-	-	654,778
-	-	-	-	-	-	1,222,207	-	1,222,207
-	106,118	70,000	-	394	274,988	2,172,694	47,757	11,552,835
572,677	223,600	49,429	-	[158]	5,193	[1,944,851]	5,462	19,223,749
-	-	-	-	-	-	3,455,000	2,452,777	12,171,172
[488,803]	[101,570]	-	-	-	-	[775,000]	-	[31,287,048]
-	-	-	-	-	-	32,025	-	33,825
[488,803]	[101,570]	-	-	-	-	2,712,025	2,452,777	[19,082,051]
83,874	122,030	49,429	-	[158]	5,193	767,174	2,458,239	141,698
105,098	[18,642]	335,417	5,945	1,223	54,394	4,356,176	-	38,775,545
$ 188,972	$ 103,388	$ 384,846	$ 5,945	$ 1,065	$ 59,587	$ 5,123,350	$ 2,458,239	$ 38,917,243

CITY OF SHAWNEE, KANSAS

PUBLIC SAFETY EQUIPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 2,077,779	$ 2,072,300	$ 2,072,299	$ 5,480
Intergovernmental	10,000	-	83,000	[73,000]
Investment earnings	130,161	35,100	40,200	89,961
Total revenues	2,217,940	2,107,400	2,195,499	22,441
Expenditures:				
Public safety	1,940,549	1,251,500	2,491,500	550,951
Contingency	-	779,613	-	-
Total expenditures	1,940,549	2,031,113	2,491,500	550,951
Excess [deficiency] of revenues Over [under] expenditures	277,391	76,287	[296,001]	573,392
Other financing sources [uses]				
Transfers [out]	[373,073]	[339,147]	[373,073]	-
Total other financing sources [uses]	[373,073]	[339,147]	[373,073]	-
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	[95,682]	$ [262,860]	$ [669,074]	$ 573,392
Fund balance, January 1	1,855,935			
Fund balance, December 31	$ 1,760,253			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SPECIAL NARCOTICS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 1,094	$ 6,800	$ 6,800	$ [5,706]
Investment earnings	4,090	5,355	5,355	[1,265]
Total revenues	5,184	12,155	12,155	[6,971]
Expenditures:				
Public safety	55,019	28,500	28,500	[26,519]
Contingency	-	40,719	-	-
Total expenditures	55,019	69,219	28,500	[26,519]
Excess [deficiency] of revenues Over [under] expenditures	[49,835]	$ [57,064]	$ [16,345]	$ [33,490]
Fund balance, January 1	100,221			
Fund balance, December 31	$ 50,386			

CITY OF SHAWNEE, KANSAS

SPECIAL HIGHWAY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 6,739,270	$ 6,409,000	$ 6,593,700	$ 145,570
Intergovernmental	1,889,826	1,885,700	1,787,000	102,826
Investment earnings	365,080	391,100	402,000	[36,920]
Charges for services	1,449,694	1,383,308	1,383,308	66,386
Total revenues	10,443,870	10,069,108	10,166,008	277,862
Expenditures:				
Public works	1,470	-	-	[1,470]
Contingency	-	8,691,067	-	-
Total expenditures	1,470	8,691,067	-	[1,470]
Excess [deficiency] of revenues Over [under] expenditures	10,442,400	1,378,041	10,166,008	276,392
Other financing sources [uses]				
Transfers in	415,000	415,000	415,000	-
Transfers [out]	[16,642,900]	[9,459,000]	[16,642,900]	-
Proceeds from sale of capital assets	1,800	-	-	1,800
Total other financing sources [uses]	[16,226,100]	[9,044,000]	[16,227,900]	1,800
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	[5,783,700]	$ [7,665,959]	$ [6,061,892]	$ 278,192
Fund balance, January 1	9,683,939			
Fund balance, December 31	$ 3,900,239			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SPECIAL PARKS AND RECREATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 430,316	$ 438,785	$ 438,785	$ [8,469]
Investment earnings	50,814	32,100	32,400	18,414
Total revenues	481,130	470,885	471,185	9,945
Expenditures:				
Culture and recreation	2,247	70,000	72,731	70,484
Contingency	-	713,413	-	-
Total expenditures	2,247	783,413	72,731	70,484
Excess [deficiency] of revenues Over [under] expenditures	478,883	$ [312,528]	$ 398,454	$ 80,429
Fund balance, January 1	659,666			
Fund balance, December 31	$ 1,138,549			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SPECIAL ALCOHOL ABUSE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 430,366	$ 438,785	$ 438,785	$ [8,419]
Investment earnings	74,700	45,600	45,600	29,100
Total revenues	505,066	484,385	484,385	20,681
Expenditures:				
General government	112,000	140,700	140,700	28,700
Public safety	11,652	181,060	81,060	69,408
Contingency	-	827,208	-	-
Total expenditures	123,652	1,148,968	221,760	98,108
Excess [deficiency] of revenues Over [under] expenditures	381,414	[664,583]	262,625	118,789
Other financing sources [uses]				
Transfers [out]	[150,000]	[50,000]	[150,000]	-
Total other financing sources [uses]	[150,000]	[50,000]	[150,000]	-
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	231,414	$ [714,583]	$ 112,625	$ 118,789
Fund balance, January 1	1,294,355			
Fund balance, December 31	$ 1,525,769			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

TRANSIENT GUEST TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 923,508	$ 969,000	$ 978,300	$ [54,792]
Investment earnings	9,731	13,400	19,200	[9,469]
Total revenues	933,239	982,400	997,500	[64,261]
Expenditures:				
Culture and recreation	592,473	557,250	559,575	[32,898]
Contingency	-	200,000	-	-
Total expenditures	592,473	757,250	559,575	[32,898]
Excess [deficiency] of revenues Over [under] expenditures	340,766	225,150	437,925	[97,159]
Other financing sources [uses]				
Transfers [out]	[300,000]	[425,150]	[696,323]	396,323
Total other financing sources [uses]	[300,000]	[425,150]	[696,323]	396,323
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	40,766	$ [200,000]	$ [258,398]	$ 299,164
Fund balance, January 1	458,398			
Fund balance, December 31	$ 499,164			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

PARKS AND RECREATION LAND USE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Licenses and permits	$ 67,016	$ 125,000	$ 125,000	$ [57,984]
Investment earnings	177,201	124,800	127,300	49,901
Miscellaneous	355,499	250,000	300,000	55,499
Total revenues	599,716	499,800	552,300	47,416
Expenditures:				
Contingency	-	2,766,112	-	-
Total expenditures	-	2,766,112	-	-
Excess [deficiency] of revenues Over [under] expenditures	599,716	$ [2,266,312]	$ 552,300	$ 47,416
Fund balance, January 1	3,137,460			
Fund balance, December 31	$ 3,737,176			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

PARKS AND PIPES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 2,246,423	$ 2,080,400	$ 2,174,100	$ 72,323
Investment earnings	18,565	6,000	20,800	[2,235]
Total revenues	2,264,988	2,086,400	2,194,900	70,088
Expenditures:				
Contingency	-	1,777,014	-	-
Total expenditures	-	1,777,014	-	-
Excess [deficiency] of revenues Over [under] expenditures	2,264,988	309,386	2,194,900	70,088
Other financing sources [uses]				
Transfers [out]	[1,950,435]	[1,687,435]	[1,950,435]	-
Total other financing sources [uses]	[1,950,435]	[1,687,435]	[1,950,435]	-
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	314,553	$ [1,378,049]	$ 244,465	$ 70,088
Fund balance, January 1	462,603			
Fund balance, December 31	$ 777,156			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

CEMETERY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Charges for services	$ 95,886	$ 50,000	$ 50,000	$ 45,886
Investment earnings	33,171	22,900	23,500	9,671
Total revenues	129,057	72,900	73,500	55,557
Expenditures:				
General government	47,396	65,000	65,000	17,604
Contingency	-	485,972	-	-
Total expenditures	47,396	550,972	65,000	17,604
Excess [deficiency] of revenues Over [under] expenditures	81,661	$ [478,072]	$ 8,500	$ 73,161
Fund balance, January 1	557,320			
Fund balance, December 31	$ 638,981			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

STORMWATER UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 3,891,306	$ 3,752,000	$ 3,797,000	$ 94,306
Investment earnings	180,616	44,600	129,600	51,016
Total revenues	4,071,922	3,796,600	3,926,600	145,322
Expenditures:				
Public works	1,965,864	2,296,200	2,326,200	360,336
Culture and recreation	1,850	30,000	-	[1,850]
Contingency	-	696,434	-	-
Total expenditures	1,967,714	3,022,634	2,326,200	358,486
Excess [deficiency] of revenues Over [under] expenditures	2,104,208	773,966	1,600,400	503,808
Other financing sources [uses]				
Transfers in	3,431,767	2,160,000	2,160,000	1,271,767
Transfers [out]	[6,005,114]	[3,841,714]	[6,005,114]	-
Total other financing sources [uses]	[2,573,347]	[1,681,714]	[3,845,114]	1,271,767
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	[469,139]	$ [907,748]	$ [2,244,714]	$ 1,775,575
Budgetary fund balance, January 1	2,875,067			
Budgetary fund balance, December 31	2,405,928			
Reconciliation to GAAP Encumbrances	5,937			
GAAP fund balance, December 31	$ 2,411,865			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

PUBLIC SAFETY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 2,246,423	$ 2,096,000	$ 2,174,100	$ 72,323
Investment earnings	365,044	261,600	262,000	103,044
Total revenues	2,611,467	2,357,600	2,436,100	175,367
Expenditures:				
Contingency	-	6,348,017	-	-
Total expenditures	-	6,348,017	-	-
Excess [deficiency] of revenues Over [under] expenditures	2,611,467	[3,990,417]	2,436,100	175,367
Other financing sources [uses]				
Transfers in	1,691,628	1,660,000	1,660,000	31,628
Transfers [out]	[2,903,185]	[2,723,185]	[2,903,185]	-
Total other financing sources [uses]	[1,211,557]	[1,063,185]	[1,243,185]	31,628
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	1,399,910	$ [5,053,602]	$ 1,192,915	$ 206,995
Fund balance, January 1	6,213,312			
Fund balance, December 31	$ 7,613,222			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

NEIGHBORHOOD REVITALIZATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 452,594	$ 204,554	$ 417,779	$ 34,815
Investment earnings	3,349	200	800	2,549
Total revenues	455,943	204,754	418,579	37,364
Expenditures:				
Community development	407,976	259,098	426,001	18,025
Contingency	-	125,829	-	-
Total expenditures	407,976	384,927	426,001	18,025
Excess [deficiency] of revenues Over [under] expenditures	47,967	[180,173]	[7,422]	55,389
Other financing sources [uses]				
Transfers in	25,000	50,000	25,000	-
Total other financing sources [uses]	25,000	50,000	25,000	-
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	72,967	$ [130,173]	$ 17,578	$ 55,389
Fund balance, January 1	17,337			
Fund balance, December 31	$ 90,304			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

ECONOMIC DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Charges for services	$ 1,825,902	$ 1,892,288	$ 1,839,820	$ [13,918]
Investment earnings	216,456	165,400	182,000	34,456
Miscellaneous	-	-	25,200	[25,200]
Total revenues	2,042,358	2,057,688	2,047,020	[4,662]
Expenditures:				
Community development	1,559,939	2,108,700	2,345,000	785,061
Contingency	-	2,455,875	-	-
Total expenditures	1,559,939	4,564,575	2,345,000	785,061
Excess [deficiency] of revenues Over [under] expenditures	482,419	[2,506,887]	[297,980]	780,399
Other financing sources [uses]				
Transfers [out]	[1,288,580]	[793,070]	[788,580]	[500,000]
Total other financing sources [uses]	[1,288,580]	[793,070]	[788,580]	[500,000]
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	[806,161]	$ [3,299,957]	$ [1,086,560]	$ 280,399
Fund balance, January 1	4,158,540			
Fund balance, December 31	$ 3,352,379			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

HODGON TIF FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 19,967	$ -	$ -	$ 19,967
Investment earnings	6,246	-	-	6,246
Total revenues	26,213	-	-	26,213
Expenditures:				
Contingency	-	66,433	-	-
Total expenditures	-	66,433	-	-
Excess [deficiency] of revenues Over [under] expenditures	26,213	[66,433]	-	26,213
Other financing sources [uses]				
Transfers in	-	-	-	-
Total other financing sources [uses]	-	-	-	-
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	26,213	$ [66,433]	$ -	$ 26,213
Fund balance, January 1	92,587			
Fund balance, December 31	$ 118,800			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SHAWNEE PLAZA TIF FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 588,164	$ 639,700	$ 641,300	$ [53,136]
Investment earnings	23,389	11,600	9,100	14,289
Total revenues	611,553	651,300	650,400	[38,847]
Expenditures:				
Community development	314,907	300,000	350,000	35,093
Contingency	-	535,226	-	-
Total expenditures	314,907	835,226	350,000	35,093
Excess [deficiency] of revenues Over [under] expenditures	296,646	[183,926]	300,400	[3,754]
Other financing sources [uses]				
Transfers [out]	[300,800]	[300,508]	[300,800]	-
Total other financing sources [uses]	[300,800]	[300,508]	[300,800]	-
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	[4,154]	$ [484,434]	$ [400]	$ [3,754]
Fund balance, January 1	427,174			
Fund balance, December 31	$ 423,020			

CITY OF SHAWNEE, KANSAS

PRAIRIE PINES TIF FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 688,591	$ 714,000	$ 710,400	$ [21,809]
Investment earnings	1,917	200	500	1,417
Total revenues	690,508	714,200	710,900	[20,392]
Expenditures:				
Community development	685,147	710,400	706,800	21,653
Contingency	-	6,628	-	-
Total expenditures	685,147	717,028	706,800	21,653
Excess [deficiency] of revenues Over [under] expenditures	5,361	[2,828]	4,100	1,261
Other financing sources [uses]				
Transfers [out]	[3,600]	[3,571]	[3,600]	-
Total other financing sources [uses]	[3,600]	[3,571]	[3,600]	-
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	1,761	$ [6,399]	$ 500	$ 1,261
Fund balance, January 1	11,245			
Fund balance, December 31	$ 13,006			

CITY OF SHAWNEE, KANSAS

BELLMONT TIF FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 4,223	$ 5,100	$ 5,100	$ [877]
Investment earnings	1,108	700	700	408
Total revenues	5,331	5,800	5,800	[469]
Expenditures:				
Contingency	-	12,425	-	-
Total expenditures	-	12,425	-	-
Excess [deficiency] of revenues Over [under] expenditures	5,331	$ [6,625]	$ 5,800	$ [469]
Fund balance, January 1	16,224			
Fund balance, December 31	$ 21,555			

CITY OF SHAWNEE, KANSAS

WESTBROOKE GREEN TIF FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 871,121	$ 758,900	$ 763,600	$ 107,521
Investment earnings	34,955	32,900	21,300	13,655
Total revenues	906,076	791,800	784,900	121,176
Expenditures:				
Community development	657,711	787,742	780,976	123,265
Contingency	-	644,943	-	-
Total expenditures	657,711	1,432,685	780,976	123,265
Excess [deficiency] of revenues Over [under] expenditures	248,365	[640,885]	3,924	244,441
Other financing sources [uses]				
Transfers [out]	[3,288]	[7,604]	[1,600]	[1,688]
Total other financing sources [uses]	[3,288]	[7,604]	[1,600]	[1,688]
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	245,077	$ [648,489]	$ 2,324	$ 242,753
Fund balance, January 1	501,483			
Fund balance, December 31	$ 746,560			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

STAG'S SPRING TIF FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 119,823	$ 127,500	$ 127,500	$ [7,677]
Investment earnings	229	200	100	129
Total revenues	120,052	127,700	127,600	[7,548]
Expenditures:				
Community development	119,224	127,100	126,863	7,639
Contingency	-	1,094	-	-
Total expenditures	119,224	128,194	126,863	7,639
Excess [deficiency] of revenues Over [under] expenditures	828	[494]	737	91
Other financing sources [uses]				
Transfers [out]	[700]	[600]	[700]	-
Total other financing sources [uses]	[700]	[600]	[700]	-
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	128	$ [1,094]	$ 37	$ 91
Fund balance, January 1	1,671			
Fund balance, December 31	$ 1,799			

CITY OF SHAWNEE, KANSAS

HICKOK ZARAH TIF FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 555,738	$ 308,000	$ 664,479	$ [108,741]
Investment earnings	16,939	2,800	16,612	327
Total revenues	572,677	310,800	681,091	[108,414]
Expenditures:				
Contingency	-	100,000	-	-
Total expenditures	-	100,000	-	-
Excess [deficiency] of revenues Over [under] expenditures	572,677	210,800	681,091	[108,414]
Other financing sources [uses]				
Transfers [out]	[488,803]	-	[488,803]	-
Total other financing sources [uses]	[488,803]	-	[488,803]	-
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	83,874	$ 210,800	$ 192,288	$ [108,414]
Fund balance, January 1	105,098			
Fund balance, December 31	$ 188,972			

CITY OF SHAWNEE, KANSAS

EQUIPMENT AND FACILITY RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Investment earnings	$ 227,843	$ 60,200	$ 185,100	$ 42,743
Total revenues	227,843	60,200	185,100	42,743
Expenditures:				
General government	950,487	970,000	1,285,000	334,513
Capital outlay	1,540,170	1,819,500	1,819,500	279,330
Contingency	-	1,171,474	-	-
Total expenditures	2,490,657	3,960,974	3,104,500	613,843
Excess [deficiency] of revenues Over [under] expenditures	[2,262,814]	[3,900,774]	[2,919,400]	656,586
Other financing sources [uses]				
Transfers in	3,455,000	2,365,000	2,365,000	1,090,000
Transfers [out]	[775,000]	[100,000]	[775,000]	-
Proceeds from sale of capital assets	32,025	-	20,000	12,025
Total other financing sources [uses]	2,712,025	2,265,000	1,610,000	1,102,025
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	449,211	$ [1,635,774]	$ [1,309,400]	$ 1,758,611
Budgetary fund balance, January 1	3,741,068			
Budgetary fund balance, December 31	4,190,279			
Reconciliation to GAAP Encumbrances	933,071			
Fund balance, December 31	$ 5,123,350			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

FIRE FACILITIES RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Investment earnings	$ 53,219	$ -	$ 10,000	$ 43,219
Total revenues	53,219	-	10,000	43,219
Expenditures:				
Public safety	47,757	-	100,000	52,243
Contingency	-	1,171,474	-	-
Total expenditures	47,757	1,171,474	100,000	52,243
Excess [deficiency] of revenues Over [under] expenditures	5,462	[1,171,474]	[90,000]	95,462
Other financing sources [uses]				
Transfers in	2,452,777	-	2,272,300	180,477
Total other financing sources [uses]	2,452,777	-	2,272,300	180,477
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	2,458,239	$ [1,171,474]	$ 2,182,300	$ 275,939
Fund balance, January 1	-			
Fund balance, December 31	$ 2,458,239			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2025

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget Positive [Negative]
Revenues:				
Taxes	$ 6,438,153	$ 6,475,405	$ 6,475,406	$ [37,253]
Investment earnings	513,920	218,200	230,200	283,720
Total revenues	6,952,073	6,693,605	6,705,606	246,467
Expenditures:				
Debt service:				
Principal	9,210,000	9,620,600	9,210,000	-
Interest and other charges	3,658,538	3,254,350	3,658,538	-
Contingency	-	4,358,371	-	-
Total expenditures	12,868,538	17,233,321	12,868,538	-
Excess [deficiency] of revenues Over [under] expenditures	[5,916,465]	[10,539,716]	[6,162,932]	246,467
Other financing sources [uses]				
Transfers in	7,040,866	5,014,865	5,353,294	1,687,572
Total other financing sources [uses]	7,040,866	5,014,865	5,353,294	1,687,572
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	1,124,401	$ [5,524,851]	$ [809,638]	$ 1,934,039
Fund balance, January 1	5,416,110			
Fund balance, December 31	$ 6,540,511			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

Statistical Section
(unaudited)

This part of the City of Shawnee'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

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess one of the City's most significant local revenue sources, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Financial Report for the relevant year.

STATISTICAL SECTION

CITY OF SHAWNEE, KANSAS

NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)

	2025	2024	2023
Governmental activities:			
Net investment in:			
Capital assets	$ 578,251,035	$ 607,690,010	$ 555,005,417
Restricted	32,037,569	31,767,948	30,577,140
Unrestricted	8,371,777	(8,954,635)	6,374,106
Total net position	$ 618,660,381	$ 630,503,323	$ 591,956,663

Table 1
Unaudited

2022	2021	2020	2019	2018	2017	2016
$ 569,477,550	$ 579,733,707	$ 575,914,799	$ 584,268,414	$ 601,268,231	$ 605,438,108	$ 601,281,429
27,946,369	20,999,728	22,316,260	17,333,527	11,185,005	10,329,190	12,361,039
1,902,864	(5,461,147)	(7,753,838)	(7,912,715)	(10,474,226)	(13,815,195)	(8,019,994)
$ 599,326,783	$ 595,272,288	$ 590,477,221	$ 593,689,226	$ 601,979,010	$ 601,952,103	$ 605,622,474

CITY OF SHAWNEE, KANSAS

CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	2025	2024	2023
Expenses			
Governmental activities:			
General government	$ 13,014,908	$ 11,974,305	$ 12,285,061
Community development	6,964,833	7,393,830	5,923,498
Public works	41,413,828	20,580,576	42,929,640
Public safety	42,732,982	40,589,325	44,252,366
Culture and recreation	9,016,689	9,007,415	8,088,392
Human resources	8,835	11,595	2,788
Interest on long-term debt	3,647,231	3,133,882	3,374,150
Total primary government expenses	116,799,306	92,690,928	116,855,895
Program revenues			
Governmental activities:			
Charges for services:			
General government	3,942,047	4,242,094	3,598,604
Public works	1,449,694	1,402,216	1,729,970
Public safety	1,498,088	1,400,149	1,094,079
Culture and recreation	2,347,601	2,216,075	2,593,572
Human resources	-	7,779	7,779
Operating grants and contributions:			
General government	-	-	30,898
Community development	452,594	413,118	591,328
Public works	5,726,962	5,788,426	6,263,328
Public safety	205,200	1,844,173	241,908
Culture and recreation	-	5,000	40,000
Capital grants and contributions:			
Public works	3,065,671	7,483,600	3,947,684
Total primary government program revenues	18,687,857	24,802,630	20,139,150
Total primary government net (expense)	(98,111,449)	(67,888,298)	(96,716,745)
General revenues and other changes in net position			
Governmental activities:			
Taxes:			
Property	35,448,795	32,797,655	31,509,034
Sales	46,702,271	44,630,834	42,068,639
Alcohol	1,290,998	1,260,826	1,234,989
Franchise	5,831,221	5,451,397	5,338,331
Other	923,508	959,124	941,306
Unrestricted investment earnings	4,978,408	4,519,199	5,652,702
Miscellaneous	4,165,462	3,675,580	2,601,624
Total primary government	99,340,663	93,294,615	89,346,625
Change in net position governmental activities	$ 1,229,214	$ 25,406,317	$ (7,370,120)

2022	2021	2020	2019	2018	2017	2016
$ 10,565,428	$ 9,549,918	$ 9,938,319	$ 8,462,320	$ 10,185,215	$ 9,241,500	$ 6,820,671
5,941,130	5,345,691	4,828,070	4,585,418	4,654,541	5,385,769	5,293,971
39,692,351	38,832,646	37,680,773	41,713,158	37,369,340	40,224,018	34,217,633
33,306,057	29,092,282	31,058,369	30,284,678	25,117,920	23,967,592	24,445,274
8,510,517	6,491,270	5,922,817	6,510,763	6,009,637	12,646,553	5,238,203
-	5,819	46,684	356,744	313,099	315,480	304,010
3,293,595	2,188,611	1,968,705	1,727,485	1,420,991	1,374,379	1,744,171
101,309,078	91,506,237	91,443,737	93,640,566	85,070,743	93,155,291	78,063,933
4,181,164	3,976,353	3,611,531	3,515,068	3,274,186	3,510,079	3,176,877
1,402,216	1,402,216	1,402,215	1,378,513	1,378,515	1,378,515	1,378,515
1,022,805	1,045,317	960,412	1,271,733	1,407,204	1,459,261	1,473,179
2,691,653	2,104,245	937,471	1,424,858	1,512,850	1,553,065	1,480,563
7,779	-	-	-	-	-	-
-	-	-	-	-	-	961,200
1,516,205	275,393	456,803	238,935	205,112	179,300	-
5,485,896	5,479,441	7,239,885	5,870,659	5,486,646	5,205,179	6,066,550
174,163	141,237	61,518	201,410	276,929	196,201	32,129
45,000	-	-	-	-	-	2,199
6,698,198	6,534,435	4,878,409	3,106,034	6,716,311	8,515,006	5,029,435
23,225,079	20,958,637	19,548,244	17,007,210	20,257,753	21,996,606	19,600,647
(78,083,999)	(70,547,600)	(71,895,493)	(76,633,356)	(64,812,990)	(71,158,685)	(58,463,286)
31,170,014	30,157,877	28,884,003	27,709,127	26,019,649	24,656,709	18,890,776
40,591,974	37,209,308	32,494,939	31,346,771	30,820,461	29,838,522	27,608,604
1,166,868	1,010,007	812,405	984,474	869,649	864,444	825,595
5,613,620	4,958,010	4,861,124	5,125,860	5,410,475	5,237,607	5,082,789
823,393	437,190	265,901	515,409	448,918	469,308	-
670,431	252,366	459,145	982,405	408,931	616,532	260,991
2,102,194	1,317,909	875,806	1,679,526	613,693	727,877	613,149
82,138,494	75,342,667	68,653,323	68,343,572	64,591,776	62,410,999	53,281,904
$ 4,054,495	$ 4,795,067	$ (3,242,170)	$ (8,289,784)	$ (221,214)	$ (8,747,686)	$ (5,181,382)

CITY OF SHAWNEE, KANSAS

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	2025	2024	2023
General fund:			
Nonspendable	$ 665,892	$ 530,585	$ 552,788
Assigned	245,238	270,943	74,751
Unassigned	38,344,924	38,491,410	38,733,583
Total general fund	$ 39,256,054	$ 39,292,938	$ 39,361,122
All other governmental funds			
Restricted	$ 32,016,896	$ 33,682,257	$ 30,559,706
Committed	12,501,850	9,474,265	6,439,071
Assigned	25,611,545	18,595,648	21,296,066
Unassigned	-	(18,642)	(13,641)
Total all other governmental funds	$ 70,130,291	$ 61,733,528	$ 58,281,202

Table 3
Unaudited

2022	2021	2020	2019	2018	2017	2016
$ 540,568	$ 538,126	$ 552,377	$ 487,871	$ 787,223	$ 774,731	$ 859,190
9,253	-	-	-	493,546	300,748	203,240
37,986,700	30,377,316	29,852,888	25,089,804	25,202,705	23,459,147	21,223,065
$ 38,536,521	$ 30,915,442	$ 30,405,265	$ 25,577,675	$ 26,483,474	$ 24,534,626	$ 22,285,495
$ 27,626,369	$ 20,999,300	$ 22,316,260	$ 17,333,527	$ 11,185,005	$ 10,329,190	$ 6,902,936
7,778,701	7,105,615	5,754,273	9,919,464	5,807,410	6,135,116	6,384,149
46,298,701	52,783,443	6,569,713	7,244,186	73,889	58,623	105,792
(8,699)	(19,981)	(6,286,520)	-	(3,045,491)	(5,869,690)	-
$ 81,695,072	$ 80,868,377	$ 28,353,726	$ 34,497,177	$ 14,020,813	$ 10,653,239	$ 13,392,877

CITY OF SHAWNEE, KANSAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	2025	2024	2023	2022
Revenues:				
Taxes and special assessments	$ 94,944,434	$ 89,610,246	$ 85,767,456	$ 84,955,868
Intergovernmental	5,606,705	10,781,806	6,809,414	9,220,423
Licenses and permits	2,116,144	2,463,670	2,147,935	2,402,740
Charges for services	5,623,198	5,396,715	5,774,209	5,872,293
Fines, forfeitures and penalties	1,498,088	1,400,149	1,094,079	1,022,180
Reimbursements	-	-	-	-
Investment earnings	4,978,410	4,519,203	5,652,698	670,429
Miscellaneous	3,545,348	2,210,305	1,809,644	1,130,009
Total revenues	118,312,327	116,382,094	109,055,435	105,733,327
Expenditures:				
General government	12,668,264	11,280,681	11,688,428	9,856,145
Community development	6,890,419	8,345,522	5,674,356	5,410,821
Public works	9,238,887	9,682,070	8,448,275	8,538,812
Public safety	38,968,747	36,620,654	38,188,565	29,425,952
Culture and recreation	7,545,300	7,326,216	6,642,369	7,065,772
Human resources	-	-	-	-
Capital outlay	31,340,669	45,452,107	52,849,579	37,883,808
Debt service:				
Principal retirements	9,210,000	8,311,364	8,196,718	7,291,590
Interest and fiscal charges	3,794,051	3,212,559	3,389,059	3,379,725
Total expenditures	119,656,337	130,231,173	135,077,349	108,852,625
Excess of revenues over (under) expenditures	(1,344,010)	(13,849,079)	(26,021,914)	(3,119,298)
Other financing sources (uses):				
Transfers in	50,835,254	35,058,933	34,610,292	26,621,104
Transfers out	(50,835,254)	(35,058,933)	(34,610,292)	(26,621,104)
Sale of property	40,895	842,600	81,130	459,385
Proceeds from issuance of bonds	8,765,000	16,390,621	-	10,845,000
Premium on bonds issued	897,994	-	-	722,072
Proceeds from issuance of notes	-	-	-	-
Proceeds from financed purchase	-	-	3,351,515	-
Bond refunding	-	-	-	-
Total other financing sources (uses)	9,703,889	17,233,221	3,432,645	11,567,072
Net change in fund balances	$ 8,359,879	$ 3,384,142	$ (22,589,269)	$ 8,447,774
Debt service as a percentage of noncapital expenditures	15.50%	16.70%	12.36%	13.25%

Note: Taxes and Special Assessments are further detailed at Table 5.

Reconciliation of current year debt service as a percentage of noncapital expenditures	
$ 119,656,337	total expenditures
(13,004,051)	less: debt service expenditures
113,513	add: bond issuance costs included in debt service expenditures
(22,882,438)	less: capital expenditures (capital outlays, p18 of report)
83,883,361	equals: total noncapital expenditures
13,004,051	Debt service expenditures
15.50%	Debt service as a percentage of noncapital expenditures

Table 4
Unaudited

2021	2020	2019	2018	2017	2016
$ 78,291,968	$ 71,745,445	$ 70,256,733	$ 68,590,725	$ 66,094,189	$ 54,617,061
10,379,582	6,318,518	5,277,905	6,849,554	10,513,915	11,303,349
2,197,928	1,833,107	1,197,687	1,183,430	1,362,616	1,124,552
5,284,885	4,118,110	5,120,752	4,982,121	5,079,043	1,823,404
1,045,317	960,412	1,271,733	1,399,480	1,453,245	4,561,179
-	-	-	85,140	157,733	21,122
252,366	459,145	982,408	408,931	616,532	260,991
824,075	798,739	1,651,422	928,553	570,144	529,692
98,616,682	86,310,543	85,786,741	84,427,934	85,847,417	74,303,685
9,205,287	9,442,788	7,957,785	7,933,335	8,102,552	7,112,778
5,278,852	4,653,453	4,425,692	4,674,383	5,423,097	5,311,595
7,863,162	7,242,629	8,966,170	8,835,855	7,171,188	12,224,386
27,016,377	26,744,992	26,567,970	25,880,118	23,278,354	23,203,914
5,535,776	4,500,605	4,998,952	5,037,633	4,979,048	4,478,747
334	5,000	325,945	318,786	323,071	309,467
30,672,785	30,405,840	30,582,339	27,322,856	33,347,857	13,126,188
9,858,062	7,008,873	11,140,085	8,383,313	8,646,350	8,965,000
2,402,968	2,497,771	2,198,215	1,791,356	1,676,632	1,763,037
97,833,603	92,501,951	97,163,153	90,177,635	92,948,149	76,495,112
783,079	(6,191,408)	(11,376,412)	(5,749,701)	(7,100,732)	(2,191,427)
34,320,310	21,321,179	18,357,237	20,290,954	17,229,980	9,504,484
(34,320,310)	(21,321,179)	(18,357,237)	(20,290,954)	(17,229,980)	(9,504,484)
340,561	77,067	28,101	-	-	62,335
49,225,000	4,710,000	28,800,000	8,840,000	9,215,000	-
3,016,749	135,382	2,146,977	1,042,123	334,650	-
-	-	-	-	-	990,000
-	-	-	1,184,000	-	-
-	-	-	-	(2,939,425)	-
52,241,749	4,845,382	30,946,977	11,066,123	6,610,225	990,000
$ 53,024,828	$ (1,346,026)	$ 19,570,565	$ 5,316,422	$ (490,507)	$ (1,201,427)
15.81%	15.52%	17.07%	15.01%	14.58%	16.79%

CITY OF SHAWNEE, KANSAS

GOVERNMENTAL FUND TYPES REVENUES BY SOURCE
LAST TEN YEARS
(modified accrual basis of accounting)

	2025	2024	2023
Property	$ 39,285,930	$ 36,577,445	$ 35,218,554
Special assessments	456,816	326,932	333,958
Sales county and city	46,702,271	44,630,834	42,068,639
Franchise	5,831,221	5,451,397	5,338,331
Other taxes	2,668,196	2,623,638	2,807,974
Total taxes	94,944,434	89,610,246	85,767,456
Licenses and permits	2,116,144	2,463,670	2,147,935
Intergovernmental	5,606,705	10,781,806	6,809,414
Charges for services	5,623,198	5,396,715	5,774,209
Fines, forfeitures and penalties	1,498,088	1,400,149	1,094,079
Reimbursements	-	-	-
Investment income	4,978,410	4,519,203	5,652,698
Miscellaneous	3,545,348	2,210,305	1,809,644
Total	118,312,327	116,382,094	109,055,435
Sales tax breakdown:			
City sales tax	31,326,316	30,086,915	27,082,941
County sales tax	15,375,955	14,543,919	14,985,698
Total sales tax	$ 46,702,271	$ 44,630,834	$ 42,068,639
City sales tax	$ 31,326,316	$ 30,086,915	$ 27,082,941
City property tax	39,285,930	36,577,445	35,218,554
Total tax revenue	94,944,434	89,610,246	85,767,456
City sales tax to total tax revenue	32.99%	33.58%	31.58%
Total revenue	118,312,327	116,382,094	109,055,435
City sales tax to total	26.48%	25.85%	24.83%
Property tax to total	33.21%	31.43%	32.29%
Tax to total revenue	80.25%	77.00%	78.65%
Estimated retail sales	1,506,526,871	1,337,784,742	1,338,444,032
Percent change	12.61%	-0.05%	2.22%

2022	2021	2020	2019	2018	2017	2016
$ 34,949,207	$ 33,716,850	$ 30,248,884	$ 31,226,017	$ 29,503,333	$ 28,125,592	$ 18,890,776
319,802	691,168	3,062,552	844,017	1,350,251	1,398,600	2,209,297
40,591,973	37,209,308	32,494,939	31,346,771	30,820,461	29,838,522	27,608,604
6,860,982	4,958,010	4,861,124	5,125,860	5,410,475	5,237,607	5,082,789
2,233,904	1,716,632	1,077,946	1,714,068	1,506,205	1,493,868	825,595
84,955,868	78,291,968	71,745,445	70,256,733	68,590,725	66,094,189	54,617,061
2,402,740	2,197,928	1,833,107	1,197,687	1,183,430	1,362,616	1,124,552
9,220,423	10,379,582	6,318,518	5,277,905	6,849,554	10,513,915	11,303,349
5,872,293	5,284,885	4,118,110	5,120,752	4,982,121	5,079,043	1,823,404
1,022,180	1,045,317	960,412	1,271,733	1,399,480	1,453,245	4,561,179
-	-	52,006	-	85,140	157,733	21,122
670,429	252,366	459,145	982,408	408,931	616,532	260,991
1,130,009	824,075	669,666	1,651,422	928,553	570,144	529,692
105,273,942	98,616,682	86,233,476	85,786,741	84,427,934	85,847,417	74,303,685
26,327,697	24,289,280	21,552,452	20,456,907	20,020,102	19,619,466	11,444,235
14,264,276	12,920,028	10,942,485	10,889,864	10,800,359	10,219,056	16,164,369
$ 40,591,973	$ 37,209,308	$ 32,494,937	$ 31,346,771	$ 30,820,461	$ 29,838,522	$ 27,608,604
$ 26,327,697	$ 24,289,280	$ 21,552,452	$ 20,456,907	$ 20,020,102	$ 19,619,466	$ 11,444,235
34,949,207	33,716,850	30,248,884	31,226,017	29,503,333	28,125,592	18,890,776
84,955,868	78,291,968	71,745,445	70,256,733	68,590,725	66,094,189	54,617,061
30.99%	31.02%	30.04%	29%	29%	30%	21%
105,273,942	98,616,682	86,233,476	85,786,741	84,427,934	85,847,417	74,303,685
25.01%	24.63%	24.99%	24%	24%	23%	15%
33.20%	34.19%	35.08%	36%	35%	33%	25%
80.70%	79.39%	83.20%	82%	81%	77%	74%
1,309,418,516	1,200,299,484	1,048,223,742	1,011,186,194	994,610,806	993,146,881	961,584,628
9.09%	9.94%	0.64%	0.54%	2.81%	3.28%	3.73%

Table 6
Unaudited

CITY OF SHAWNEE, KANSAS

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Tax Year	Budget Year	Total Tax Levy	Collection of Current Year Taxes	Percentage of Levy Collected	Collection of Delinquent Tax	Total Collections	Percentage of Levy Collected	
2024	2025	$ 32,760,015	$ 31,643,517	96.6%	$ 231,342	$ 31,874,859	97.3%	
2023	2024	30,711,336	30,001,864	97.7%	30,650	30,032,514	97.8%	**
2022	2023	28,728,968	28,426,027	98.9%	(50,475)	28,375,552	98.8%	
2021	2022	28,005,898	26,549,243	94.8%	(210,812)	26,338,431	94.0%	**
2020	2021	26,777,303	26,502,141	99.0%	59,477	26,561,617	99.2%	**
2019	2020	25,976,257	26,088,479	100.4%	(161,509)	25,926,970	99.8%	
2018	2019	24,602,289	23,996,069	97.5%	107,176	24,103,245	98.0%	
2017	2018	23,148,167	22,629,721	97.8%	56,847	22,686,568	98.0%	
2016	2017	21,980,869	21,585,221	98.2%	124,850	21,710,071	98.8%	
2015	2016	18,834,614	18,546,284	98.5%	228,999	18,775,283	99.7%	

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

**Budget Year 2020, 2022 and 2023 had negative delinquent tax collections.

The County made adjustments to some delinquencies that are reflected in 2020, 2022 and 2023 Actuals.

CITY OF SHAWNEE, KANSAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
LAST TEN YEARS

Tax Year	Fiscal Year	Total Real Estate	Personal Property	State Assessed Utilities	Total Taxable Assessed Value **	Total Real Property Actual Value
2024	2025	$ 1,367,676,681	$ 5,276,330	$ 36,127,750	$ 1,409,080,761	$ 10,529,347,350
2023	2024	1,292,334,100	5,600,455	34,567,555	1,332,502,110	9,941,842,130
2022	2023	1,154,278,789	6,128,831	34,247,492	1,194,655,112	8,884,244,530
2021	2022	1,037,349,194	6,687,714	32,930,843	1,076,967,751	7,880,417,820
2020	2021	971,275,954	8,485,201	30,668,341	1,010,429,496	7,362,177,470
2019	2020	937,698,269	8,811,583	29,100,040	975,609,892	7,051,528,380
2018	2019	887,486,897	9,225,809	27,614,858	924,327,564	6,643,873,850
2017	2018	834,594,524	9,781,765	25,407,318	869,783,607	6,248,288,840
2016	2017	790,639,864	10,246,693	24,866,944	825,753,501	5,900,269,930
2015	2016	732,599,423	10,570,239	24,462,050	767,631,712	5,526,699,970

** Total Taxable Assessed Value reflects the value on the Abstract of Taxes from Johnson County of each year

Pursuant to Article 11, Section 1 of the State of Kansas Constitution
Assessment Rates
Residential - 11.5%
Commercial - 25%
Agriculture - 30%
Not for Profit - 12%
Real Property Used for Commercial/Industrial Located Upon Land Devoted to Agricultural Use - 25%
Other Urban and Rural Real Property not Otherwise Specifically Subclassified - 30%
Personal Property - 30%
State Assessed Utilities - 33%

Table 7
Unaudited

	Personal Property Estimated Actual Value	Utilities Estimated Actual Value	Total Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
$	17,587,767	$ 109,478,030	$ 10,656,413,147	13.22%	23.249
	18,668,183	104,750,167	10,065,260,480	13.24%	23.048
	20,429,437	103,780,279	9,008,454,245	13.26%	24.047
	22,292,380	99,790,433	8,002,500,633	13.46%	26.004
	28,284,003	92,934,367	7,483,395,840	13.50%	26.501
	29,371,943	88,181,939	7,169,082,263	13.61%	26.625
	30,752,697	83,681,388	6,758,307,935	13.68%	26.617
	32,605,883	76,991,873	6,357,886,596	13.68%	26.614
	34,155,643	75,354,376	6,009,779,949	13.74%	26.611
	35,234,130	74,127,424	5,636,061,524	13.62%	24.536

CITY OF SHAWNEE, KANSAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS

		City Direct Rates					
Tax Year Ended December 31,	Fiscal Year Ended December 31,	General & Special Revenue	Debt Service	Total Direct	State	County	Library
2024	2025	19.288	3.961	23.249	1.500	17.286	3.816
2023	2024	18.790	4.258	23.048	1.500	17.526	3.812
2022	2023	19.539	4.508	24.047	1.500	17.772	3.815
2021	2022	20.964	5.040	26.004	1.500	18.564	3.908
2020	2021	20.964	5.078	26.042	1.500	19.036	3.904
2019	2020	21.023	5.602	26.625	1.500	18.799	3.905
2018	2019	21.016	5.601	26.617	1.500	20.246	3.901
2017	2018	20.813	5.801	26.614	1.500	19.318	3.921
2016	2017	19.260	7.351	26.611	1.500	19.590	3.915
2015	2016	16.931	7.605	24.536	1.500	19.582	3.912

Source: All overlapping governments, Johnson County Clerk's office.

General note: Levies shown are based on the largest taxing unit, within the Shawnee City limits, taxing unit no. 626T.

Note A: Tax Year - the tax levy is the following year's tax revenue.

Note B: Overlapping rates are those of local and county government that apply to property owners within the City of Shawnee. Not all overlapping rates apply to all Shawnee property owners.

Table 8
Unaudited

Overlapping Rates					
County Community College	Parks and Recreation	Total Overlapping Without Schools	School District Shawnee Mission (SD-512)	School District DeSoto (SD-232)	School District Olathe (SD-233)
8.124	3.023	56.998	51.335	61.300	63.198
8.131	3.022	57.039	50.822	61.042	63.482
8.617	3.021	58.772	49.386	61.673	65.168
9.110	3.096	62.182	51.667	61.949	68.282
9.121	3.090	62.693	52.121	63.829	69.878
9.191	3.093	62.989	52.351	62.284	69.138
9.266	3.088	64.618	52.427	64.841	70.665
8.966	3.112	63.431	53.663	67.467	71.174
8.938	3.102	63.656	54.940	68.864	67.774
9.469	3.101	62.100	54.059	74.461	67.764

Table 9
Unaudited

CITY OF SHAWNEE, KANSAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

	2024 Tax Year/2025 Fiscal Year				2015 Tax Year/2016 Fiscal Year			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
EVERGY KANSAS CENTRAL INC	$ 22,395,087	1	1.60%	WAL-MART	$ 11,808,002	1	1.54%
TRX SHAWNEE (KS) LLC	17,877,813	2	1.30%	BAYER HEALTHCARE LLC	10,456,861	2	1.36%
WAL-MART REAL ESTATE BUSINESS TRUST	9,891,002	3	0.70%	THE SHAWNEE STATION LLC	6,872,002	3	0.90%
NP SHAWNEE RESIDENTIAL LLC	9,067,060	4	0.60%	10 QUIVIRA PLAZA 14 A LLC	6,679,002	4	0.87%
KC PRAIRIE PINES LLC	7,094,350	5	0.50%	TARGET CORPORATION	5,279,501	5	0.69%
THF SHAWNEE STATION, L.L.C.	7,649,002	6	0.50%	GREENS AT SHAWNEE	4,110,675	6	0.54%
10 QUIVIRA PLAZA 14 A LLC	7,273,753	7	0.50%	LOWE'S HOME CENTERS, INC.	4,021,750	7	0.52%
KANSAS GAS SERVICE	6,219,279	8	0.40%	HD DEVELOPMENT OF MARYLAND (HOME DEPOT)	3,437,501	8	0.45%
CEAI CARLYLE LLC	6,070,514	9	0.40%	LIT INDUSTRIAL LIMITED (HCA)	3,376,252	9	0.34%
HAMPTON WOODS LLC	5,771,958	10	0.40%	TOWER PROPERTIES COMPANY (TUCKAWAY APARTMENTS)	3,041,563	10	0.34%
Total	$ 99,309,818		6.90%		$ 59,083,109		7.54%
City of Shawnee	$ 1,409,080,761				$ 767,631,712		

Source: Johnson County Clerk's Office

CITY OF SHAWNEE, KANSAS

SALES TAX RATES
LAST TEN YEARS

Fiscal Year	City Sales	County Sales	County Public Safety Sales	County Public Safety Sales	County Research Triangle	County Stormwater
2025	1.00%	0.50%	0.25%	0.25%	0.125%	0.10%
2024	1.00%	0.50%	0.25%	0.25%	0.125%	0.10%
2023	1.00%	0.50%	0.25%	0.25%	0.125%	0.10%
2022	1.00%	0.50%	0.25%	0.25%	0.125%	0.10%
2021	1.00%	0.50%	0.25%	0.25%	0.125%	0.10%
2020	1.00%	0.50%	0.25%	0.25%	0.125%	0.10%
2019	1.00%	0.50%	0.25%	0.25%	0.125%	0.10%
2018	1.00%	0.50%	0.25%	0.25%	0.125%	0.10%
2017	1.00%	0.50%	0.25%	0.25%	0.125%	0.10%
2016	1.00%	0.50%	0.25%	0.25%	0.125%	0.10%

Tax Rates from Kansas Department of Revenue

Table 10
Unaudited

Public Safety	Park and Pipes Sales	State	City Public Safety	Pavement Sales	Total Direct
0.25%	0.125%	6.50%	0.125%	0.375%	9.600%
0.25%	0.125%	6.50%	0.125%	0.375%	9.600%
0.25%	0.125%	6.50%	0.125%	0.375%	9.600%
0.25%	0.125%	6.50%	0.125%	0.375%	9.600%
0.25%	0.125%	6.50%	0.125%	0.375%	9.600%
0.25%	0.125%	6.50%	0.125%	0.375%	9.600%
0.25%	0.125%	6.50%	0.125%	0.375%	9.600%
0.25%	0.125%	6.50%	0.125%	0.375%	9.600%
0.25%	0.125%	6.50%	0.125%	0.375%	9.600%
0.25%	0.125%	6.50%	0.125%	0.375%	9.600%

CITY OF SHAWNEE, KANSAS

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Fiscal Year	General Obligation Bonds	Revolving Loan	Financed Purchase	Temporary Notes	Total Primary Government	Debt Service Restricted Fund Balance
2025	$ 108,633,468	$ -	$ 2,928,592	$ -	$ 111,562,060	$ 6,540,511
2024	109,054,985	-	3,151,060	-	112,206,045	5,416,110
2023	101,502,966	-	3,532,706	-	105,035,672	4,914,571
2022	110,209,071	-	357,049	-	110,566,120	4,783,506
2021	106,319,249	-	597,622	-	106,916,871	3,869,583
2020	64,210,198	-	900,765	-	65,110,963	2,585,328
2019	66,608,870	-	1,194,638	-	67,803,508	1,394,755
2018	46,701,060	-	1,564,723	250,000	48,515,783	1,222,393
2017	44,893,028	-	834,036	500,000	46,227,064	977,983
2016	46,715,583	-	1,105,386	745,000	48,565,969	442,606

Note: City's outstanding debt is further detailed in the notes to the financial statements.

* See Table 14 for personal income and population data.

** See Table 7 for property value data.

Table 11
Unaudited

General Obligation Bonds Net of Debt Service Restriction	Total Outstanding Debt		General Obligation Debt Outstanding Net of Debt Service Restriction	
	Percentage of Personal Income*	Per Capita*	Percentage of Actual Taxable Value** of Property	Per Capita*
$ 102,092,957	1.960%	$ 1,564	7.25%	$ 1,431
103,638,875	1.972%	1,573	7.36%	1,453
96,588,395	1.846%	1,473	7.25%	1,354
105,425,565	1.943%	1,550	9.79%	1,478
102,449,666	1.922%	1,550	10.14%	1,486
61,624,870	1.193%	963	6.10%	911
65,214,115	1.195%	1,014	7.06%	976
45,478,667	1.006%	732	4.92%	686
43,915,045	1.031%	703	5.05%	667
46,272,977	1.126%	744	5.60%	709

Table 12
Unaudited

CITY OF SHAWNEE, KANSAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt to be repaid with property taxes:			
Johnson County	$ 516,995,000	8.37%	$ 43,262,526
U.S.D. #232 (DeSoto)	115,445,000	53.71%	62,008,461
U.S.D. #233 (Olathe)	651,822,605	0.62%	4,030,209
U.S.D. #512 (Shawnee Mission)	472,390,000	12.66%	59,793,906
Subtotal overlapping debt			169,095,102
City direct debt	111,562,060	100.0%	111,562,060
Total direct and overlapping debt			$ 280,657,162

Sources: Assessed value data used to estimate percentage were obtained from the Johnson County, Kansas Appraiser's Office. Debt outstanding data provided by Johnson County Department of Records and Tax Administration.

Johnson County and City of Shawnee debt as of 12/31/25. Other debt as of 6/30/25.

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 overlapping debt of those overlapping governments that is borne by the residents and businesses of the City. 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.

* For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also applied to the other debt of the overlapping governmental units.

CITY OF SHAWNEE, KANSAS

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	2025	2024	2023	2022
Debt limit	$ 456,757,575	$ 456,696,233	$ 432,581,652	$ 355,316,442
Total net debt applicable to limit	78,376,222	84,863,110	64,797,081	62,223,767
Legal debt limit	$ 378,381,353	$ 371,833,123	$ 367,784,571	$ 293,092,675
Total net debt applicable to the limit as a percentage of debt limit	17.2%	15.0%	17.5%	20.2%

Note: Under State finance law, the City's outstanding general obligation debt should not exceed 30% of the total assessed property value.

Legal Debt Margin Calculation for Year Ended December 31, 2025

Assessed valuation of taxable tangible property	$ 1,409,080,761
Equalized valuation of motor vehicles	113,444,488
Equalized assessed tangible valuation for computation of bonded debt limitations	$ 1,522,525,249
Legal debt limit (30%)	$ 456,757,575
Less: general obligation bonds, net of premiums	109,054,985
Less: financed purchases	
Plus: exempt refinanced and stormwater debt	24,138,252
Plus: Debt Service Fund fund balance	6,540,511
Legal debt margin	$ 378,381,353
Percentage of debt capacity used	17.2%

Table 13
Unaudited

2021	2020	2019	2018	2017	2016
$ 335,505,497	$ 324,277,666	$ 307,642,192	$ 290,227,030	$ 275,813,145	$ 257,078,928
67,854,906	29,649,184	27,966,770	41,962,607	41,027,017	43,382,394
$ 267,650,591	$ 294,628,482	$ 279,675,422	$ 248,264,423	$ 234,786,128	$ 213,696,534
9.1%	9.1%	14.5%	14.9%	16.9%	21.4%

Table 14
Unaudited

CITY OF SHAWNEE, KANSAS

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Fiscal Year	City Population[(a)]	County Population[(b)]	City Population Percent Change	Per Capita Personal Income[(c)]	Personal Income[(d)]	City Unemployment Rate[(e)]	State Unemployment Rate[(e)]
2025	72,109	636,906	0.4%	95,419	6,880,568,671	3.7%	3.8%
2024	71,829	622,237	1.1%	91,595	6,579,177,255	3.2%	3.8%
2023	71,327	619,195	3.4%	96,517*	6,884,268,059	1.8%	2.0%
2022	68,958	613,219	1.0%	83,008	5,724,065,664	2.3%	2.9%
2021	68,292	607,220	2.0%	79,793	5,449,223,556	1.7%	2.8%
2020	67,626	602,948	1.2%	78,270	5,293,087,020	3.6%	4.7%
2019	66,839	602,401	0.8%	76,328	5,101,687,192	2.6%	3.2%
2018	66,290	596,767	0.8%	72,717	4,820,409,930	2.6%	3.3%
2017	65,795	589,609	0.8%	69,977	4,604,136,715	2.8%	3.6%
2016	65,260	584,451	0.9%	68,731	4,485,385,060	3.5%	4.2%

Note a: City of Shawnee Planning Department

Note b: From Johnson County, Kansas

Note c: Per Capita Personal Income reflects that of Johnson County, Kansas. Figures are not available by municipality.

Note d: Personal Income is calculated by multiplying the City's population by the Per Capita Personal Income.

Note e: Kansas Labor Information Center, https://klic.dol.ks.gov

* Data source changed to Federal Reserve.

** City of Shawnee population is estimated by the Planning Department and has not been verified by census data

CITY OF SHAWNEE, KANSAS

PRINCIPAL EMPLOYERS OF JOHNSON COUNTY, KS

December 31, 2025 and Nine Years Ago

	2024 Tax Year/2025 Fiscal Year		
Employer	Employees	Rank	Percentage of Total Employment
FedEx Ground Package System, Inc.	1,000	1	2.62%
Shawnee Mission School District	675	2	1.77%
De Soto Unified School District No. 232	659	3	1.73%
Argenta Pharmaceutical Services	335	4	0.88%
City of Shawnee	356	5	0.93%
McLane Food Company	320	6	0.84%
Wal-Mart Super Center	300	7	0.79%
Kraft Tool	260	8	0.68%
NazDar Industries	235	9	0.62%
Standard Motor Parts	184	10	0.48%
Total	4,324		
City of Shawnee	38,178		

Source: Shawnee Chamber of Commerce, City of Shawnee, ACS

Source: DataUSA.io

Table 15
Unaudited

Employer	2015 Tax Year/2016 Fiscal Year Employees	Rank	Percentage of Total Employment
FedEx Ground Package Systems, Inc.	570	1	1.56%
Bayer HealthCare, LLC	525	2	1.43%
EC Manufacturing	400	3	1.09%
Wal-Mart Super Center	380	4	1.04%
IBT Inc	334	5	0.91%
City of Shawnee	275	6	0.75%
Nazdar Industries	250	7	0.68%
Hy-Vee Food Stores	245	8	0.67%
McLane Food Service	226	9	0.62%
Sweet Life at Rosehill	221	10	0.60%
Total	3,426		
City of Shawnee	36,650		

Source: Shawnee Chamber of Commerce, City of Shawnee, ACS

CITY OF SHAWNEE, KANSAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2025	2024	2023
Police			
Physical Arrests*	2,089	2,331	1,885
Parking Citations	34	27	72
Traffic Accidents	1,013	1,176	944
Fire			
Fire/Explosion Calls	141	184	157
Rescue Calls	4,629	4,748	4,342
Hazardous Incident Calls **	266	248	279
Other Incident Calls***	826	823	753
Service Calls	615	680	641
False Calls	594	604	529
Public Works			
Snow Removal/Sanding (Man-Hours)	6,953	6,437	2,101
Parks & Recreation			
Aquatic Centers (Total Revenue)	875,810	882,195	918,677
Parks Programs (Total Revenue)****	416,966	303,411	309,234
Facilities/Grounds Rental (Total Revenue)	352,447	329,399	288,390

* - New record management system in the Police Department beginning in 2019 tracks all arrests not just custodial arrests.
** - Hazardous Incident Calls are grouped under Other Incident Calls beginning in 2017.
****- Parks Programs only included Sports prior to 2019
Source: City of Shawnee

2022	2021	2020	2019	2018	2017	2016
1,869	1,971	1,460	2,282	792	907	938
35	33	34	53	62	41	45
811	880	707	980	1,011	912	929
186	166	168	179	155	182	125
4,666	4,542	4,374	4,437	4,313	3,934	3,517
-	-	-	-	-	-	200
881	824	197	847	246	254	57
682	591	537	422	1,134	1,108	1,225
584	457	440	524	456	487	485
5,369	4,269	1,608	6,940	1,848	1,731	1,803
936,394	776,639	1,777	773,765	794,902	730,551	733,833
279,332	227,965	108,201	248,983	269,332	258,945	235,837
317,858	258,786	121,178	311,929	313,774	383,039	411,833

Table 17
Unaudited

CITY OF SHAWNEE, KANSAS

FULL TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government:										
City Manager	6.00	7.00	6.00	6.00	6.00	6.00	6.00	4.00	3.00	3.00
Legal	5.00	5.00	5.00	5.00	2.00	2.00	2.00	2.00	1.00	1.00
Licensing/HR	9.00	9.00	8.00	8.00	8.00	7.00	7.00	8.00	6.00	5.00
Communications	3.00	3.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	4.00	4.00
IT	14.00	13.00	13.00	12.00	12.00	12.00	11.00	12.00	12.00	11.00
Municipal court	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	5.00
Planning	7.00	6.00	6.00	7.00	6.00	6.00	6.00	5.00	5.00	5.00
Engineering	9.00	10.00	10.00	10.00	10.00	9.00	8.00	10.00	11.00	12.00
Public Works	52.00	47.00	47.00	47.00	46.00	46.00	47.00	46.00	46.00	41.00
Police	125.00	125.00	125.00	125.00	119.00	119.00	117.00	115.00	109.00	108.00
Fire										
Fire	79.00	79.00	75.00	75.00	76.00	76.00	73.00	72.00	72.00	60.00
Building Inspection	13.00	13.00	12.00	11.00	11.00	11.00	11.00	10.00	10.00	9.00
Parks and Recreation										
Parks Maintenance	11.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	9.00	9.00
Civic Centre	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00
Old Shawnee Town	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00
Total	356.00	350.00	342.00	341.00	329.00	327.00	320.00	315.00	303.00	284.00

Source: City of Shawnee, Kansas.

CITY OF SHAWNEE, KANSAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police										
Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire										
Stations	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00
Public Works										
Centerline Miles	354.00	352.00	351.00 *	350.89	347.10	345.46	344.30	344.00	343.00	339.70
Streetlights	6,652	6,651	6,557	6,533	6,438	6,346	6,319	4,370	4,333	4,244
Parks & Recreation										
Parks	36.00	36.00	36.00	36.00	36.00	35.00	35.00	35.00	35.00	35.00
Civic Centre	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Pools	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Old Shawnee Town (Historical Buildings)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: City of Shawnee Budget Document

GOVERNMENTAL AUDIT SECTION

CITY OF SHAWNEE, KANSAS

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN Number	Expenditures
U.S. Department of Housing and Urban Development		
CDBG - Entitlement Grants Cluster:		
Community Development Block Grants/Entitlement Grants	14.218	$ 123,840
Total CDBG - Entitlement Grants Cluster		123,840
Total U.S. Department of Housing and Urban Development		123,840
U.S. Department of Justice		
Edward Bryne Memorial Justice Assistance Grant	16.738	27,954
COPS Hiring Program	16.068	83,000
Total U.S. Department of Justice		110,954
U.S. Department of the Treasury		
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	1,589,546
Total COVID-19 - Coronavirus State and Local Fiscal Recovery Funds		1,589,546
Total U.S. Department of the Treasury		1,589,546
U.S. Department of Transportation		
Passed Through Kansas Department of Transportation:		
Highway Safety Cluster:		
State and Community Highway Safety	20.600	7,741
National Priority Safety Programs	20.616	1,058
Total Highway Safety Cluster		8,799
Total U.S. Department of Transportation		8,799
Total Expenditures of Federal Awards		$ 1,833,139

The accompanying notes are an integral part of this schedule.

CITY OF SHAWNEE, KANSAS

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2025

1. Organization

The City of Shawnee, Kansas, (the City), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented in accordance with generally accepted accounting principles. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The City elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position as of December 31, 2025.

5. Outstanding Loans

The City did not have any outstanding loans under any federal grants as of December 31, 2025.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the Schedule of Expenditures of Federal Awards.

CITY OF SHAWNEE, KANSAS

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance?		Yes	X	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	$1,000,000			
Auditee qualified as low-risk auditee?		X	Yes	No

CITY OF SHAWNEE, KANSAS

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2025

Section II - Financial Statement Findings

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted.

CITY OF SHAWNEE, KANSAS

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2025

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

Mayor and City Council
City of Shawnee, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of the City of Shawnee, Kansas (the 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, and have issued our report thereon dated June 2, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charge with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

June 2, 2026

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Mayor and City Council
City of Shawnee, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the City of Shawnee, Kansas (the City), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirement referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grants agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion of the City's compliance based on our audit. 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, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgement and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, 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 Example Entity's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies, and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the City as of and for the year ended December 31, 2025, and have issued our report thereon dated June 2, 2026, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

June 2, 2026