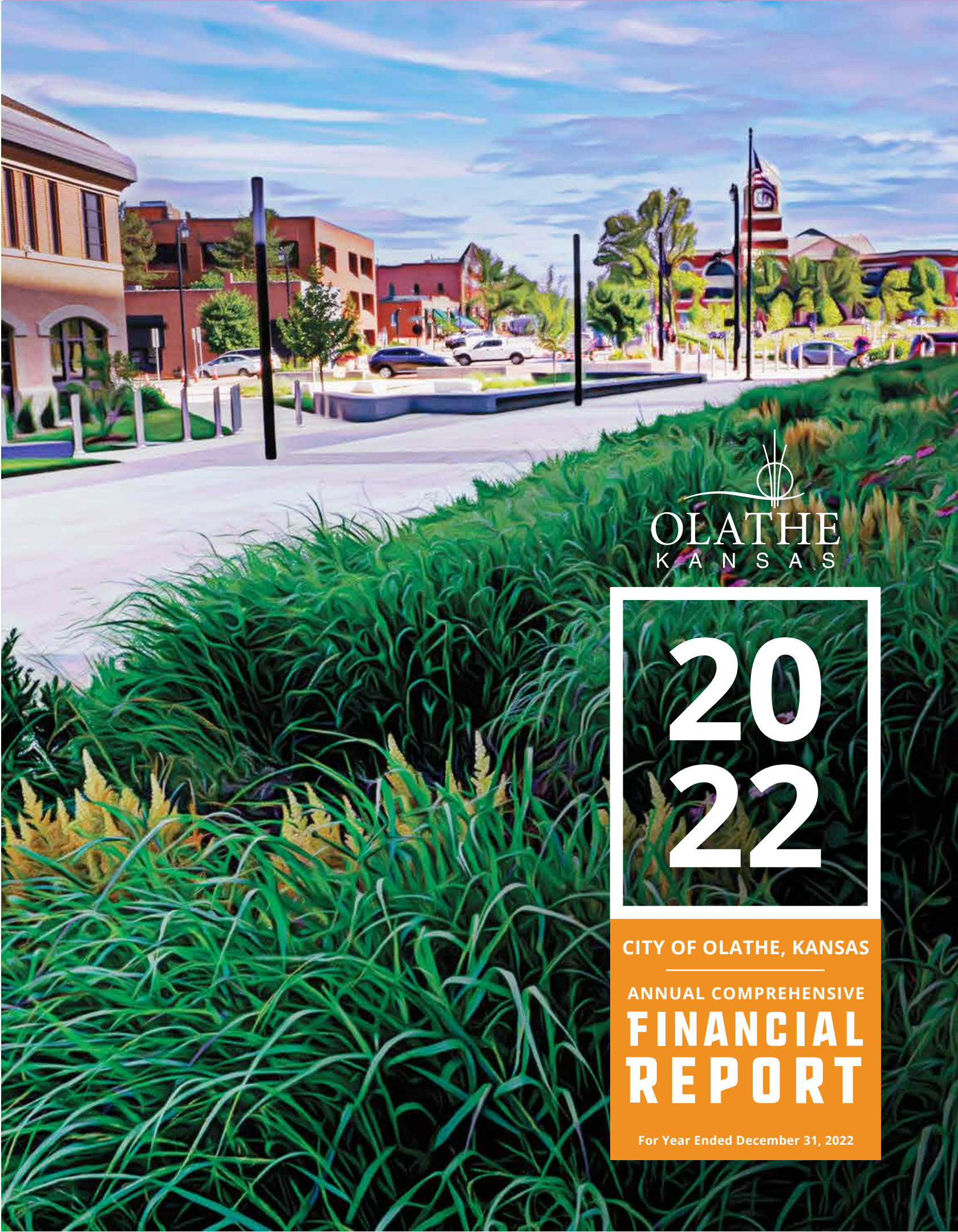


OLATHE
KANSAS

2022

CITY OF OLATHE, KANSAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Year Ended December 31, 2022

City of Olathe, Kansas

Annual Comprehensive Financial Report

Year Ended December 31, 2022

Principal Officials

Mayor

John Bacon

City Council

Robyn Essex

LeEtta Felter

Kevin Gilmore

Wesley McCoy

Adam Mickelson

Marge Vogt

City Manager

J. Michael Wilkes

Deputy City Manager

Susan E. Sherman

City Clerk

Brenda Long

Legal Counsel

Ronald R. Shaver

Prepared by Economy Focus Area

Jamie Robichaud, Economy Director

Briana Burrichter, Chief Financial Officer

Erin Hanavan, Financial Services Manager


OLATHE
KANSAS

City of Olathe, Kansas
Comprehensive Annual Financial Report
Year Ended December 31, 2022

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Introductory Section

May 31, 2023

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

Finance Services is pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Olathe, Kansas (the City), for the fiscal year ended December 31, 2022.

Management of the City assumes full responsibility for the accuracy, completeness, and fairness of the data presented, including all disclosures, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is presented in a manner designed to present fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Accounting principles generally accepted in the United States of America (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The City's financial statements have been audited by Allen, Gibbs, & Houlik, L.C. as required by K.S.A. 75-1122. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2022, are free from material misstatement. The independent auditors' report is presented as the first component of the financial section of this report.

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

In evaluating the City as a reporting entity, management has considered all potential component units. Determination of whether an entity is controlled by, or dependent on, the City is made on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the City, or the City's obligation to fund any deficit that may occur. As required by GAAP, the City has included the Olathe Public Housing Authority's activities in its financial statements as a discretely presented component unit.

Profile of the City

Olathe has always been an important destination – just as it is today. Among its earliest visitors were those who traveled the Santa Fe Trail, whether they were turn-of-the-century freighters ferrying cargo to the Southwest, farm families on the move to Oregon, or stagecoach travelers stopping at Mahaffie Stagecoach Stop and Farm while

making their way west. Olathe played a vital role in Western expansion as the site where three historic trails – the Santa Fe, Oregon, and California trails – converged.

The City was founded in 1857. Its name was derived from the Shawnee Indian word for “beautiful” and is pronounced “o-LAY-tha.” The City operates under a Mayor-Council form of government with the addition of a City Manager. The Mayor is elected at-large for a four-year term. Four of the six council members are elected on a non-partisan basis by wards for four-year terms. The other two council members are elected on a non-partisan basis by the City at large for a four-year term. The City Manager is appointed by the Mayor and City Council as the Chief Administrative Officer of the City and is charged with the efficient and effective administration of the City.

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

Olathe has encountered tremendous growth over the last several decades and evolved into the dynamic community it is today. Olathe is the county seat of Johnson County, Kansas, the Greater Kansas City area’s most affluent and fastest-growing county. Olathe’s strong and steady growth began about 50 years ago. Olathe was still a small, rural town in the 1960s with a population of just over 10,000. Olathe began to experience a tremendous amount of growth that continues today; adding nearly 57,000 new residents since 2000. The City estimates the 2022 population to be 151,780 making it the second largest city in Johnson County and the fourth largest city in the State. Olathe has blossomed not only into a full-blown city, but also a strong suburban community in the southwest portion of the metropolitan Kansas City area.

The City is also financially accountable for a legally separate housing authority, which is reported as a component unit in the City’s financial statements.

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

Factors Affecting Financial Condition

Local Economy

The City is a fast-growing community with an average of over five new residents every day over the last decade. The recent expansion of industrial and commercial businesses provides new jobs for local and regional residents. The City has transformed from a bedroom community into a force in the Kansas City Metropolitan Area. It continues to be an attractive location for both families and businesses. At the end of 2022, the City’s unemployment rate was approximately 2.0% compared to 2.9% for the State of Kansas and the national rate of 3.5%. Recent City awards include:

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

Long-Term Financial Planning

The City prepares a five-year Capital Improvement Plan (CIP). The CIP includes estimated costs for constructing, upgrading, and replacing the City's physical infrastructure The fiscal year 2023-2027 CIP includes project costs totaling an estimated $471 million. In preparing the capital budget, needs are assessed, public improvements are prioritized, and costs are projected. This budget is reviewed annually as projects are re-prioritized and the financial condition of the City is evaluated. The City has been building fund balance in the Debt Service Fund for several years which will help keep the mill levy rate constant as several major projects are bonded (Downtown Library, Street Reconstruction and Arterial Improvements, Police Building Expansion, and the Lake Olathe/Park Master Plan).

In addition to the infrastructure projects contained in the CIP, the City works closely with the Olathe Chamber of Commerce to aggressively promote economic development by attracting companies to locate or relocate facilities to Olathe. Retail manufacturing/distribution and office development continues to grow throughout the City. In 2022, nearly 800,000 square feet of new construction development opened for an investment of $191 million. Through economic initiatives, approximately 1,000 jobs were created or retained in 2022. Major projects in 2022 include:

- KCAS Bioanalytical and Biomarker Services - $19 million investment
- Lineage Logistics - $100 million investment and 150 employees
- Arrello Apartments - $36 million investment

Relevant Financial Policies

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

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

- The City will continuously evaluate its financial position to ensure stability of the City to its citizens.
- The City will minimize the use of long-term debt to finance major projects to avoid placing debt on future taxpayers.
- The City will provide a balanced revenue structure which is responsive to economic conditions.
- The budget will be prepared in a way that all current revenues will pay the costs of all current expenditures (balanced budget).
- The City Council will hold public hearings which will allow public input on budgetary spending.
- The budget will establish legal fund level spending limits.
- The budget will establish maintenance reserves to allow for maintenance of capital assets.
- The budget will apply one-time cash revenues to non-recurring expenditures.
- The budget will address major capital improvement priorities which have been prioritized by the City Council.
- The City will maintain city services through innovative budgeting procedures and fiscal management to maintain the current mill levy rate.

Major Initiatives

Stewardship has allowed the City to remain on solid financial footing. Being financially resilient has allowed the City to maintain its fund balance at the Council target of approximately 30% and receive an AA+ rating with both S&P Global and Fitch Ratings. Stewardship has also led the City to invest in its assets to ensure costs are planned for and controlled preventing a draining of reserves or neglect in maintenance. In 2014, Olathe voters approved a 3/8 cent sales tax to ensure streets are maintained at the most cost-effective level. The 2023 budget increases the cash allocated to that program to stay ahead of the street maintenance curve.

Providing excellent services at an excellent value, has been, and continues to be, a consistent driver for the City. Citizen satisfaction remains exceptionally high. Rather than relying solely on additional manpower, the City has achieved those results though community partnerships, public engagement, fostering a culture of innovation and excellences within its employees, and technology. The 2022 DirectionFinder survey results demonstrate the City continues to be a leader in both the Kansas City metropolitan area and the nation in overall satisfaction as rated by residents. The survey shows most residents in Olathe (69%) are satisfied with the overall value received for the taxes and fees.

Awards and Acknowledgements

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 Olathe for its annual comprehensive financial report for the fiscal year ended December 31, 2021. This was the 44th consecutive year that the government has achieved this prestigious award. 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 accounting principles generally accepted in the United States of America and applicable legal requirements.

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

In addition, the City received GFOA's Distinguished Budget Presentation Award for its annual budget for the year beginning January 1, 2023, and the Popular Annual Financial Reporting Award for the fiscal year ended December 31, 2021.

We want to express our appreciation to the entire staff of the Financial Services Department whose professionalism, efficiency, and dedication are responsible for the preparation of this report. Individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of the report. We would also like to thank the City Council and City Manager for the direction and support necessary to plan and conduct the financial operations of the City in a responsible, sound manner. Finally, we would like to extend the City's thanks to Allen, Gibbs, & Houlik, L.C. for the cooperation and professional assistance provided during the audit of the City's 2022 financial records.

Respectfully submitted,

Jamie Robichaud
Economy Director

Briana Burrichter
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Olathe
Kansas

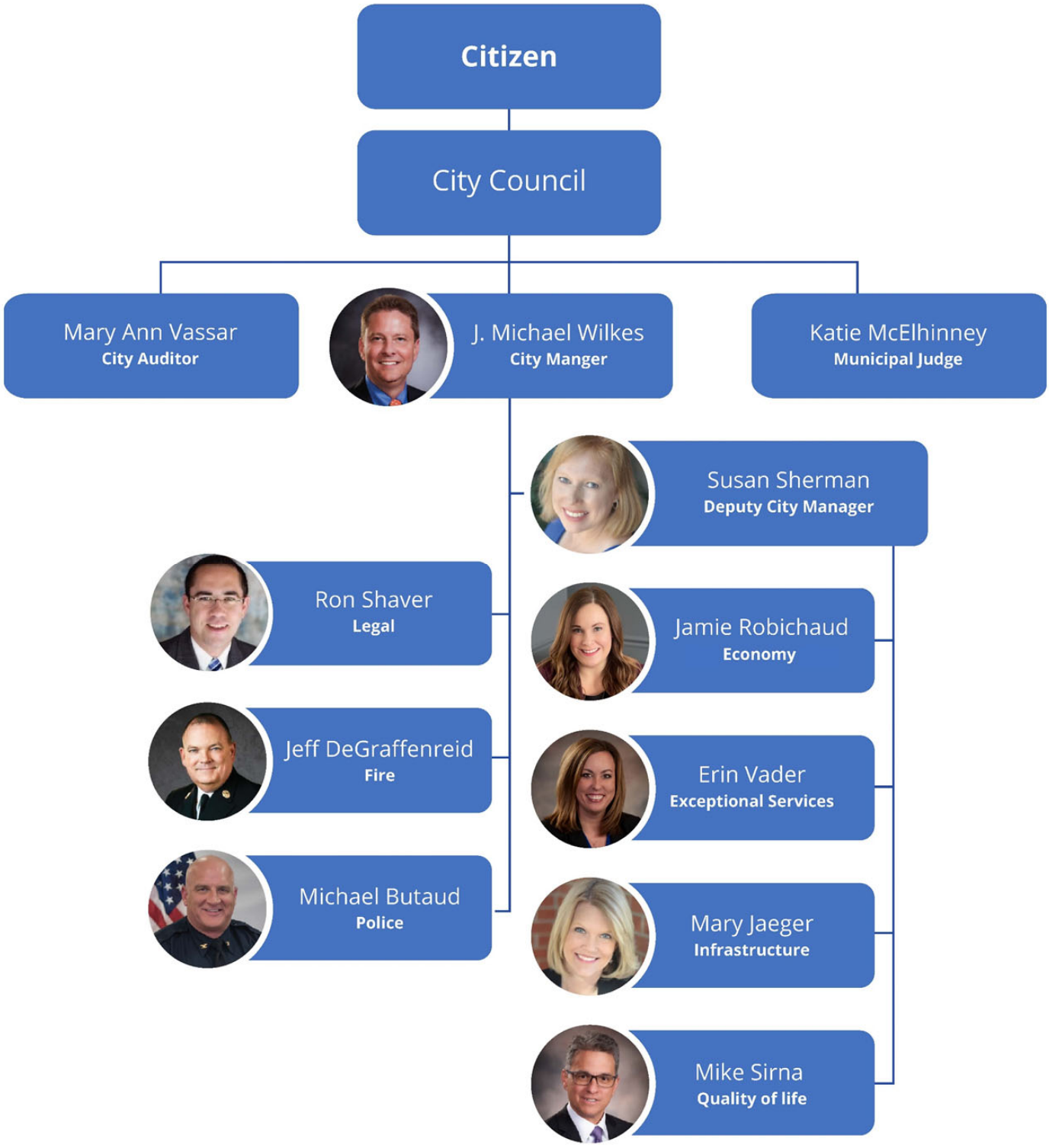
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO

Organizational Chart



Financial Section

AGH CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members
City of Olathe, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Olathe, Kansas (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Olathe, Kansas, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Kansas Municipal Audit and Accounting Guide,* and the standards applicable to financial audits contained in Government Auditing Standards (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information
Management is responsible for the other information included in the annual report. The other information consists of the introductory, statistical and annual operating data sections as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Overland Park, KS
May 31, 2023

Management's Discussion and Analysis

As management of the City of Olathe (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the City's basic financial statements, and the related notes to the basic financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2022, by $999 million (net position). Of this amount, $72 million (unrestricted net position) may be used to meet the City's ongoing obligations.

- The City's net position of its government activities increased by $21 million or 3.3%, while the net position of its business-type activities saw an increase of $12 million or 3.8%.

- Capital assets increased $44 million primarily due to a net increase in construction in progress of more than $41 million. The $41 million, construction in progress increase, includes key capital enhancements of the new Downtown Olathe Library, as well as the Police building expansion outlined in the adopted 2022-2026 Capital Improvement Plan.

- The City's net pension liability increased $42 million or 59%.

- The City's Other liabilities increased $28 million or 35%. Key factors in this increase were the issuance of temporary notes of $67,565,600, principal payments of $49,531,641 in temporary notes, an increase in unearned revenue of $4,599,375 and an increase of accounts and other current liabilities of $4,309,420.

- As of December 31, 2022, the fund balance for the general fund was $55 million or 44% of general fund revenues. The 44% though greater than are target 30% reserve was expected due in part to the onetime $10 million in American Rescue Plan Act funds the city opted to leverage the general government services allowance to cover personnel costs. Additionally, $2.5 million will remain in fund balance to cover the implementation of a compensation study in 2023. City Council has since authorized a transfer of $10 million to fund the Downtown Revitalization Project.

The Basic Financial Statements

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

Government-wide financial statements

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

The statement of net position presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in

net position can be monitored, along with other non-financial factors, to determine whether the financial position of the City is improving or deteriorating.

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

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

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

Fund financial statements

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

Governmental funds

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

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

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

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

Proprietary funds

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

Notes to the Basic Financial Statements

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

Other Information

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

Analysis of Government-wide Statements

Net Position

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

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 367,485,513	$ 348,596,710	$ 87,566,842	$ 72,709,535	$ 455,052,355	$ 421,306,245
Capital assets	840,777,052	800,321,005	389,503,321	385,749,716	1,230,280,373	1,186,070,721
Total assets	1,208,262,565	1,148,917,715	477,070,163	458,459,251	1,685,332,728	1,607,376,966
Deferred outflows	36,894,856	24,043,632	7,038,352	4,689,366	43,933,208	28,732,998
Long-term liabilities	304,261,060	308,116,548	131,369,749	128,549,586	435,630,809	436,666,134
Net pension liability	98,241,243	62,044,420	15,510,533	9,327,887	113,751,776	71,372,307
Other liabilities	104,803,640	77,087,514	1,843,614	1,787,184	106,647,254	78,874,698
Total liabilities	507,305,943	447,248,482	148,723,896	139,664,657	656,029,839	586,913,139
Deferred inflows of resources	70,765,133	79,814,399	3,497,620	3,639,287	74,262,753	83,453,686
Net position						
Net investment in capital assets	514,551,384	503,693,697	280,604,883	262,745,169	795,156,267	766,438,866
Restricted	122,512,791	101,009,719	9,365,758	8,403,527	131,878,549	109,413,246
Unrestricted	30,022,170	41,195,050	41,916,358	48,695,977	71,938,528	89,891,027
Total net position	$ 667,086,345	$ 645,898,466	$ 331,886,999	$ 319,844,673	$ 998,973,344	$ 965,743,139

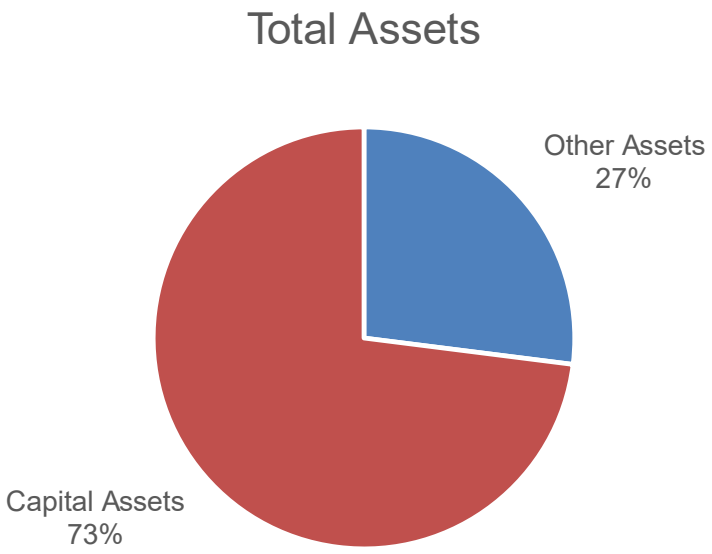
As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $999 million at December 31, 2022.

The largest portion of the City's net position (79.6%) reflects its investments in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

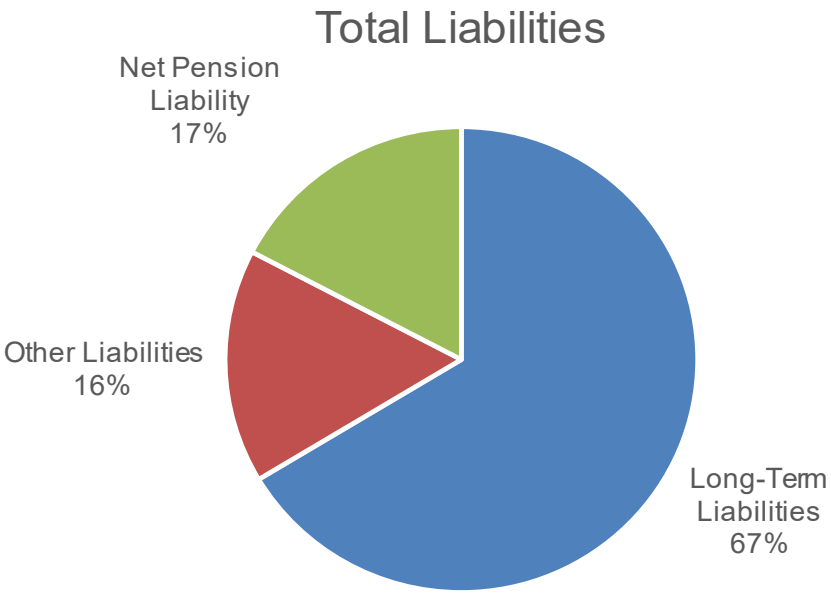
An additional portion of the City's net position (13.2%) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position, which totals $72 million (7.2%), represents assets that may be used to meet the government's ongoing obligations to citizens and creditors. The government's net position increased by $33 million or 3.4% during the current year.

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

- The City ended the year with a positive net position of $998,973,344.
- Total assets for the City were $1,685,332,728. Of this total, $1,230,280,373 were capital assets.



- Total liabilities for the City were $656,029,839. Of these total liabilities, $435,630,809 were long-term liabilities. The majority of the long-term liabilities are for debt issued for major capital projects. Debt issues are never extended longer than the useful life of the project for which debt is being issued.



Statement of Activities

Revenues, expenses, and changes in net position for the years ended December 31 were:

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	$ 28,785,241	$ 28,478,218	$ 73,802,496	$ 70,816,341	$ 102,587,737	$ 99,294,559
Operating grants and contributions	7,562,128	3,816,162	206,860	-	7,768,988	3,816,162
Capital grants and contributions	15,511,711	41,853,456	-	-	15,511,711	41,853,456
General revenues:						
Property taxes	61,432,277	60,297,199	-	-	61,432,277	60,297,199
Sales tax	96,461,239	88,308,857	-	-	96,461,239	88,308,857
Other taxes	14,758,997	12,180,705	-	-	14,758,997	12,180,705
Interest	3,047,564	105,806	335,672	12,777	3,383,236	118,583
Other	4,543,878	315,531	2,198,248	1,327,396	6,742,126	1,642,927
Total revenues	232,103,035	235,355,934	76,543,276	72,156,514	308,646,311	307,512,448
Expenses:						
General government	29,793,717	27,620,858	-	-	29,793,717	27,620,858
Public safety	60,278,175	56,950,109	-	-	60,278,175	56,950,109
Public works	83,859,369	66,082,643	-	-	83,859,369	66,082,643
Community services	27,984,576	21,072,224	-	-	27,984,576	21,072,224
Interest on long-term debt	8,980,984	6,563,929	-	-	8,980,984	6,563,929
Water and sewer	-	-	48,603,398	46,325,732	48,603,398	46,325,732
Solid waste	-	-	15,915,887	14,427,967	15,915,887	14,427,967
Total expenses	210,896,821	178,289,763	64,519,285	60,753,699	275,416,106	239,043,462
Excess revenues before transfers	21,206,214	57,066,171	12,023,991	11,402,815	33,230,205	68,468,986
Transfers	(18,335)	3,269,886	18,335	(3,269,886)	-	-
Change in net position	21,187,879	60,336,057	12,042,326	8,132,929	33,230,205	68,468,986
Net position - beginning of year	645,898,466	585,562,409	319,844,673	311,711,744	965,743,139	897,274,153
Net position - end of year	$ 667,086,345	$ 645,898,466	$ 331,886,999	$ 319,844,673	$ 998,973,344	$ 965,743,139

The City's net position increased for governmental activities by $21 million in 2022 compared to $60 million in 2021. Below is a summary of the performance and highlights:

- Capital grants and contributions – Decreased $26 million from the prior year and is comparable to capital grants received in 2020. Funding from federal, state and local governments increased in 2021 as the Coronavirus State and Local Fiscal Recovery Funds provided funding to governments to support their response and recovery from the COVID-19 public health emergency. Capital grants for the I-35 & 119th Street Interchange Reconfiguration program were also received in 2021.

- Sales taxes – Sales and use tax increased $8.2 million or 9% due to inflation and a strong local economy with low unemployment.

- Other taxes – Franchise taxes received from energy providers saw an increase of $2 million from the prior year due in part to a raise in the transmission delivery charge for Evergy customers. The City collects a 5% franchise fee per agreements between the City and utility providers.

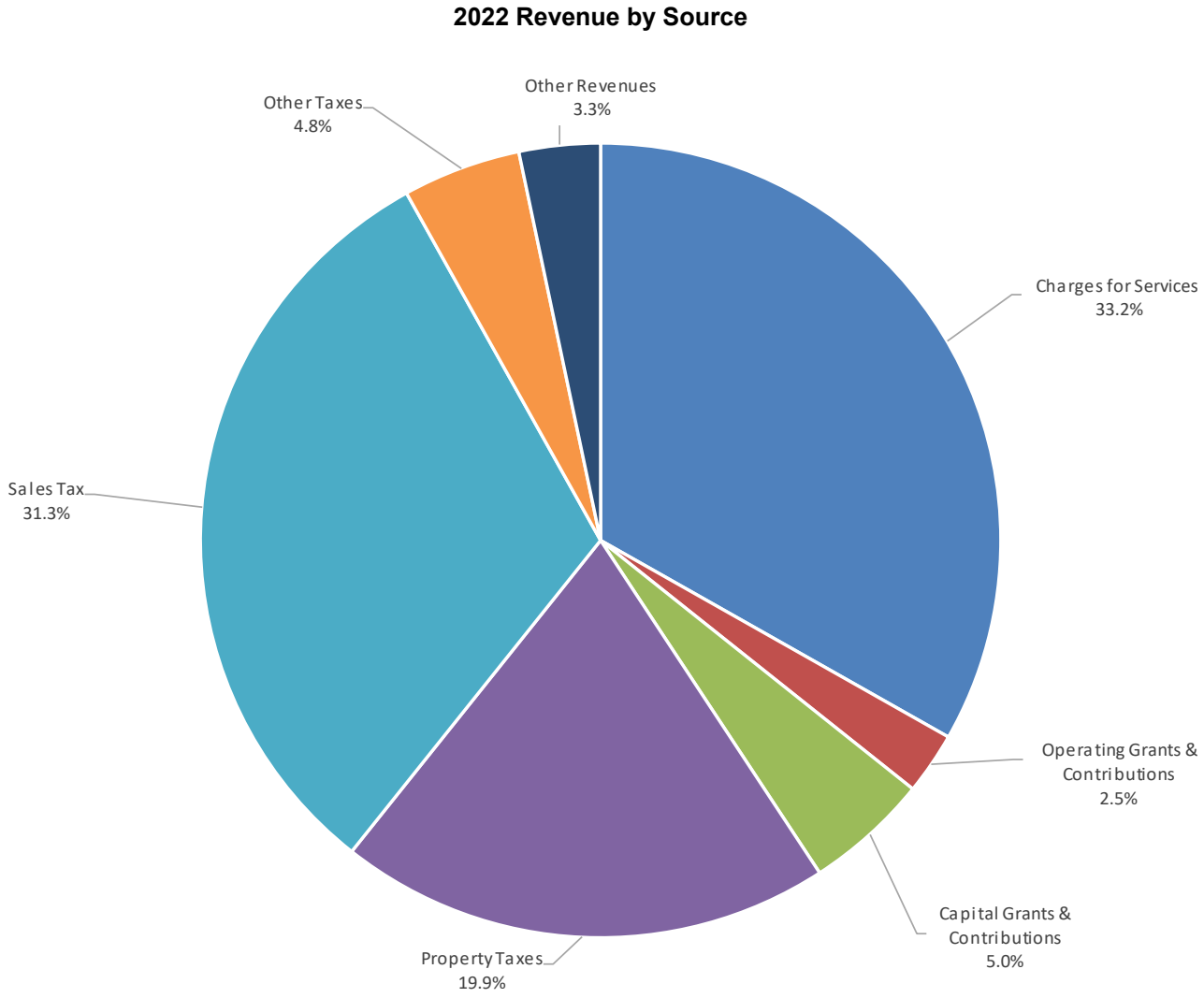
- Interest – Investment earnings increased $3 million from the prior year due to the City engaging with a third-party investment advisor in early 2022 as well as a rising interest rates.

- Total expenses – Increased $36 million related in part to the change in capital outlay from 2021. In the statement of activities, the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense instead of reporting them as expenditures in 2022. The increase also reflects a nation-wide trend of increased wages and benefits, due to record inflation. The city notes this impact in our largest expense employees. However, inflation is increasing expenses across contractual, commodities, and capital projects city wide.

The City's net position increased for business-type activities by $12 million, which is comparable to the excess revenues before transfers noted 2021. 2022, saw a decrease in $2.4 million in capital projects funded through cash transfers.

The government-wide statement of activities indicates the major sources of program revenues are charges for water, sewer and solid waste services. General revenues of $176 million comprised 75.7% of total revenues for governmental activities. Sales and use taxes are the largest general revenue source for governmental activities accounting for $96 million (54.9%) of general revenues, followed by property taxes which account for $61 million (35.0%) of general revenues.

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



The total cost of governmental and business-type activities was $275 million. However, $126 million was funded by users directly benefiting from the services or by other organizations through grants and contributions. The remaining $149 million of these services were paid by the City's taxpayers primarily through property and sales taxes.

Analysis of the Fund Financial Statements

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

Governmental funds

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

The general fund is the main operating fund of the City. At the end of 2022, the fund balance of the general fund was $55,400,721 which is 44.2% of the total general fund revenues and an increase of 53.3% over the previous year's balance. This change is due to an increase in tax, primarily sales and use, revenues and a decrease in expenditures. The general fund saw a decrease in expenditures, as the City elected to use a portion of the State and Local Fiscal Recovery Funds (SLFRF) to pay for employee salaries during 2022. Salaries reimbursed by SLFRF funds were recorded to the grant fund.

The debt service fund has a total fund balance of $73,329,071. This represents an increase of $4.9 million or 7.1% from the previous year's balance. The change in the current year can be attributed to transfers to the debt service fund of $10.8 million and revenues under expenditures of $5.9 million. The debt service fund balance is restricted for the payment of debt service.

The capital projects fund has a deficit fund balance of $13,016,986 at the end of 2022. This is a decrease of $37.3 million from the prior year. The change in the capital projects fund balance is due to the use of short-term debt to finance certain capital projects and is further described in Note 8 in the notes to the basic financial statements.

The park sales and street maintenance sales tax funds are both nonmajor funds that both saw increases in fund balance of $1.6 million during 2022. These increases are due to increased sales and use tax received during the year.

Proprietary funds

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

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

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

General Fund Budgetary Highlights

The legally adopted budget for the general fund was not amended by the governing body during 2022. However, departments within the City are allowed to transfer budget between line item and activities. During the

year, revenues were more than budgetary estimates by $21.6 million (20.9%). Sales taxes were $18.5 million more than budget due to a continued increase in sales. Total expenditures were less than budgetary estimates by $29.2 million (22.3%). As part of the budgeting process the City budgets for a contingency reserve for unforeseen expenditures. Any funds allocated from this budget are transferred to the requesting department so there will not be any actual expenditures charged to this category. Of the total difference in the budgeted expenditures, $26,031,312 is due to the restricted reserve.

Capital Asset and Debt Administration

Capital assets

The total amount invested in capital assets for the City as of December 31, 2022 was $1,230,280,373, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, vehicles and equipment, park and pool facilities, storm sewers, bridges, streets, and water and sewer lines. The following chart details the City's capital asset balance by category. Additional information about the City's capital assets is presented in Note 5 to the basic financial statements.

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	$ 123,412,610	$ 128,605,774	$ 4,730,825	$ 4,659,930	$ 128,143,435	$ 133,265,704
Other nondepreciable assets	35,585	50,225	-	-	35,585	50,225
Land improvements	466,753	66,753	-	-	466,753	66,753
Buildings	137,348,628	125,701,570	33,778,295	33,778,295	171,126,923	159,479,865
Machinery & equipment	98,371,347	87,133,295	5,955,589	5,051,065	104,326,936	92,184,360
Swimming pools	10,351,984	10,251,984	-	-	10,351,984	10,251,984
Water system	-	-	231,965,586	225,200,847	231,965,586	225,200,847
Sewer system	-	-	216,525,457	216,652,112	216,525,457	216,652,112
Infrastructure	885,261,741	867,543,251	-	-	885,261,741	867,543,251
Books and materials	4,470,741	4,339,604	-	-	4,470,741	4,339,604
Construction in progress	265,044,840	226,762,325	48,459,493	45,132,666	313,504,333	271,894,991
Right of Use Asset	225,738	-	-	-	225,738	-
Total capital assets	1,524,989,967	1,450,454,781	541,415,245	530,474,915	2,066,405,212	1,980,929,696
Less accumulated depreciation	684,212,915	650,133,776	151,911,924	144,725,199	836,124,839	794,858,975
Total capital assets, net	$ 840,777,052	$ 800,321,005	$ 389,503,321	$ 385,749,716	$ 1,230,280,373	$ 1,186,070,721

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

- Downtown Library
- I-35 and 119th improvements
- Cedar Creek Parkway improvements
- Mill Creek improvements
- Pflumm Road, 143rd to 151st street improvements
- Lone Elm Road, Old 56 Highway to 151st street improvements

Long-term debt

As of December 31, 2022, the City had total bonded debt outstanding of $352,587,001. Of this amount, $221,040,000 is comprised of debt backed by the full faith and credit of the City and $18,352,001 is special obligation tax increment financing debt and transportation development district debt payable solely from the specific TIF or TDD revenues. The remainder of the City's debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds). The rating for the City's general obligation bonds is a "AA+" rating from Standard & Poor's (S&P) and from Fitch Ratings (Fitch). The rating for the Water and Sewer Utility revenue

bonds is a “AA” rating from S&P. Under current state statutes, the City’s bonded debt issuances are subject to a legal limitation based on a percentage of the assessed valuation of real estate and personal property. As of December 31, 2022, the total general obligation debt of $221,040,000 was well below the City’s legal limit of $727,429,838. A summary of the City’s bonded debt outstanding as of December 31st can be found in the chart below. Additional information about the City’s long-term debt is presented in Note 7 to the basic financial statements.

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
General obligation bonds	$ 216,925,000	$ 221,315,000	$ 4,115,000	$ 5,950,000	$ 221,040,000	$ 227,265,000
Special obligation bonds	18,352,001	20,077,454	-	-	18,352,001	20,077,454
Revenue bonds	5,765,000	2,860,000	107,430,000	100,910,000	113,195,000	103,770,000
Total	$ 241,042,001	$ 244,252,454	$ 111,545,000	$ 106,860,000	$ 352,587,001	$ 351,112,454

Economic Factors and Next Year’s Budget

Future Ready – One of the key features of Olathe’s budget and operational framework is to build a city that is “resilient, innovative, nimble and collaborative in how we address tomorrow’s challenges today.” Informed by the city’s strategic plan “Olathe 2040,” the city is making investments in Infrastructure capacity and maintenance, and risk management.

Quality of Life – Olathe is committed to providing an excellent Quality of Life to its residents and visitors. This value encompasses health, safety, quality neighborhoods, and connections to important places and one another. The budget and CIP include improvements to Animal Care and Control staffing, improvements to parks, and a historic investment in the new downtown library. The library will be both an anchor for downtown and provide a top-notch facility for residents of all ages to learn and grow.

Infrastructure – Olathe’s infrastructure is designed be safe, reliable, efficient and sustainable. Budget investments hope to propel these values for future generations and include key staff to maintain solid waste, water and wastewater services; street improvements and capacity building; and preliminary engineering on key arterial roads.

Economy – Olathe hopes to improve its already diverse economic base to be a regional leader. Budget investments in this area include the downtown library, which will provide office space for the chamber of commerce, and a development review coordinator to maintain timeliness in application turnaround and work with community development partners. The city also closely monitors changing economic factor that may affect Olathe’s tax base, employment and financial sustainability.

Exceptional Services – Olathe strives to provide the highest quality services to its customers – the residents and taxpayers of the city. This budget invests in a compensation specialist to ensure the city can attract and retain the best talent who will continue serving the community with courtesy, professionalism and efficiency.

Requests for information

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


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Basic Financial Statements

City of Olathe, Kansas
Statement of Net Position
December 31, 2022

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash, cash equivalents, and investments	$ 255,638,528	$ 55,040,774	$ 310,679,302	$ 723,051
Cash held by trustee or restricted	2,007,446	9,365,758	11,373,204	-
Receivables (net of allowance)				
Taxes	85,148,768	-	85,148,768	-
Special assessments	21,548,028	-	21,548,028	-
Accounts	1,037,452	7,649,750	8,687,202	60,808
Accrued interest	2,660,122	-	2,660,122	-
Loans	3,714,340	-	3,714,340	-
Leases	-	2,800,715	2,800,715	-
Internal balances	(11,663,092)	11,663,092	-	-
Due from other governments	6,407,594	-	6,407,594	-
Inventories and other prepaid items	975,327	1,046,753	2,022,080	-
Capital assets:				
Land and construction in progress	388,493,035	53,190,318	441,683,353	-
Other capital assets, net of accumulated depreciation	452,284,017	336,313,003	788,597,020	2,218,646
Other assets	11,000	-	11,000	-
Total assets	1,208,262,565	477,070,163	1,685,332,728	3,002,505
Deferred Outflows of Resources				
KPERS pension	32,304,477	5,472,633	37,777,110	-
OPEB	4,179,023	707,960	4,886,983	-
KPERS OPEB	355,529	60,230	415,759	-
Deferred amounts on refunding	55,827	797,529	853,356	-
Total deferred outflows of resources	36,894,856	7,038,352	43,933,208	-
Total assets and deferred outflows of resources	$ 1,245,157,421	$ 484,108,515	$ 1,729,265,936	$ 3,002,505
Liabilities				
Accounts and other current liabilities	$ 22,798,441	$ 1,424,450	$ 24,222,891	$ 313,975
Interest payable	9,829,224	154,839	9,984,063	-
Unearned revenue	4,599,375	-	4,599,375	-
Temporary notes	67,565,600	-	67,565,600	-
Deposits	11,000	264,325	275,325	-
Noncurrent liabilities:				
Due within one year: bonds, notes, leases, compensated absences	49,310,730	10,432,717	59,743,447	-
Due in more than one year:				
Bonds, notes, leases, OPEB, compensated absences	254,950,330	120,937,032	375,887,362	34,171
Net pension liability	98,241,243	15,510,533	113,751,776	-
Total liabilities	507,305,943	148,723,896	656,029,839	348,146
Deferred Inflows of Resources				
Property taxes levied for a subsequent period	65,961,309	-	65,961,309	-
Deferred amounts on refunding	653,986	-	653,986	-
Deferred inflows related to leases	-	2,790,819	2,790,819	-
KPERS pension	1,654,089	281,725	1,935,814	-
OPEB	1,644,027	280,011	1,924,038	-
KPERS OPEB	851,722	145,065	996,787	-
Total Deferred Inflows of Resources	70,765,133	3,497,620	74,262,753	-
Net Position				
Net investment in capital assets	514,551,384	280,604,883	795,156,267	2,218,646
Restricted for:				
Debt service	94,703,155	9,365,758	104,068,913	-
Capital improvements	8,367,932	-	8,367,932	-
Community services	13,751,241	-	13,751,241	-
General government	5,690,463	-	5,690,463	-
Unrestricted	30,022,170	41,916,358	71,938,528	435,713
Total net position	667,086,345	331,886,999	998,973,344	2,654,359
Total liabilities, deferred inflows of resources, and net position	$ 1,245,157,421	$ 484,108,515	$ 1,729,265,936	$ 3,002,505

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Activities
For the Year Ended December 31, 2022

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General government	$ 29,793,717	$ 8,877,299	$ 6,205,871	$ -	$ (14,710,547)
Public safety	60,278,175	3,282,524	-	-	(56,995,651)
Public works	83,859,369	9,932,908	79,000	15,511,711	(58,335,750)
Community services	27,984,576	6,692,510	1,277,257	-	(20,014,809)
Interest on long-term debt	8,980,984	-	-	-	(8,980,984)
Total governmental activities	210,896,821	28,785,241	7,562,128	15,511,711	(159,037,741)
Business-type activities					
Water and sewer	48,603,398	55,858,007	206,860	-	7,461,469
Solid waste	15,915,887	17,944,489	-	-	2,028,602
Total business-type activities	64,519,285	73,802,496	206,860	-	9,490,071
Total primary government	$ 275,416,106	$ 102,587,737	$ 7,768,988	$ 15,511,711	$ (149,547,670)
Nonmajor discretely presented component unit					
Olathe Public Housing Authority	$ 5,359,019	$ 633,816	$ 4,128,501	$ 382,263	$ (214,439)

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Activities
For the Year Ended December 31, 2022

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	$ (159,037,741)	$ 9,490,071	$ (149,547,670)	$ (214,439)
General revenues				
Taxes:				
Property taxes, levied for general purpose	35,661,329	-	35,661,329	-
Property taxes, levied for debt service	25,770,948	-	25,770,948	-
Sales tax	96,461,239	-	96,461,239	-
Franchise taxes	12,460,414	-	12,460,414	-
Transient guest tax	2,298,583	-	2,298,583	-
Unrestricted investment earnings	3,047,564	309,222	3,356,786	579
Lease interest income	-	26,450	26,450	-
Miscellaneous	4,543,878	2,198,248	6,742,126	-
Transfers - internal activities	(18,335)	18,335	-	-
Total general revenues and transfers	180,225,620	2,552,255	182,777,875	579
Change in net position	21,187,879	12,042,326	33,230,205	(213,860)
Net position - beginning of year	645,898,466	319,844,673	965,743,139	2,868,219
Net position - end of year	$ 667,086,345	$ 331,886,999	$ 998,973,344	$ 2,654,359

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Balance Sheet
Governmental Funds
December 31, 2022

	General	Debt Service	Special Tax Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
		Debt Service				
Assets						
Cash, cash equivalents, and investments	$ 50,774,278	$ 71,597,975	$ 6,673,718	$ 55,237,236	$ 39,633,941	$ 223,917,148
Cash held by trustee	-	-	2,007,446	-	-	2,007,446
Receivables (net of allowance)						
Taxes	37,830,777	27,289,448	4,055,196	-	15,973,347	85,148,768
Accounts	270,467	-	-	-	745,730	1,016,197
Accrued interest	2,660,122	-	-	-	-	2,660,122
Special assessments	-	21,548,028	-	-	-	21,548,028
Loans	-	-	-	-	3,714,340	3,714,340
Due from other funds	601,435	-	-	-	-	601,435
Due from other governments	594,324	-	-	4,432,149	1,381,121	6,407,594
Prepaid assets	568,761	-	-	-	40,500	609,261
Total assets and deferred outflows of resources	$ 93,300,164	$ 120,435,451	$ 12,736,360	$ 59,669,385	$ 61,488,979	$ 347,630,339
Liabilities and Fund Balances						
Liabilities						
Accounts payable	$ 11,776,956	$ -	$ -	$ 3,372,427	$ 771,268	$ 15,920,651
Accrued payroll	2,570,119	-	-	-	-	2,570,119
Due to other funds	-	-	-	1,289,528	599,931	1,889,459
Unearned revenue	-	-	-	-	4,599,375	4,599,375
Temporary notes	-	-	-	67,565,600	-	67,565,600
Total liabilities	14,347,075	-	-	72,227,555	5,970,574	92,545,204
Deferred Inflows of Resources						
Property taxes levied for a subsequent period	23,552,368	27,289,448	3,081,080	-	12,038,413	65,961,309
Unavailable revenue - intergovernmental	-	-	-	458,816	19,781	478,597
Unavailable revenue - special assessments	-	19,816,932	-	-	-	19,816,932
Total deferred inflows of resources	23,552,368	47,106,380	3,081,080	458,816	12,058,194	86,256,838
Fund balances						
Nonspendable	568,761	-	-	-	40,500	609,261
Restricted	-	73,329,071	9,655,280	-	27,809,636	110,793,987
Committed	-	-	-	-	15,610,075	15,610,075
Assigned	3,948,318	-	-	-	-	3,948,318
Unassigned	50,883,642	-	-	(13,016,986)	-	37,866,656
Total fund balances	55,400,721	73,329,071	9,655,280	(13,016,986)	43,460,211	168,828,297
Total liabilities, deferred inflows of resources, and fund balances	$ 93,300,164	$ 120,435,451	$ 12,736,360	$ 59,669,385	$ 61,488,979	$ 347,630,339

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2022

Total fund balance - all governmental funds		$ 168,828,297
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.		840,777,052
Land and construction in progress	$ 388,493,035	
Capital assets being depreciated	1,136,496,932	
Accumulated depreciation	(684,212,915)	
Some liabilities, including bonds payable, leases payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		(412,331,527)
Interest payable	(9,829,224)	
Noncurrent liabilities:		
Due within one year		
General obligation bonds	(26,480,000)	
Special obligation bonds	(14,612,001)	
Revenue bonds	(220,000)	
Compensated absences	(4,679,937)	
Bond issuance premium	(3,263,022)	
Bond issuance discount	126	
Leases	(55,896)	
Due in more than one year		
General obligation bonds	(190,445,000)	
Special obligation bonds	(3,740,000)	
Revenue bonds	(5,545,000)	
Compensated absences	(858,840)	
Total OPEB liabilities	(29,483,818)	
Bond issuance premium	(24,764,046)	
Bond issuance discount	1,327	
Leases	(114,953)	
Pension liability	(98,241,243)	
Long-term assets or deferred outflows of resources are not available to pay current period expenditures and are therefore deferred in the fund statements.		52,386,561
Special assessments	19,816,932	
Deferred refunding (net)	(598,159)	
Deferred outflows - pension	32,304,477	
Deferred outflows - KPERS OPEB	355,529	
Deferred outflows - OPEB	4,179,023	
Deferred inflows - KPERS pension	(1,654,089)	
Deferred inflow - OPEB	(1,644,027)	
Deferred inflows - KPERS OPEB	(851,722)	
Due from other governments	478,597	
Internal service funds are used by management to charge costs of certain activities, such as insurance, purchasing, and fleet maintenance to certain funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		17,425,962
Internal service fund capital assets, net	(30,623,987)	
Internal service fund compensated absences	154,540	
Internal service fund net position	59,558,501	
Internal service fund due to business-type	(11,663,092)	
Net position of governmental activities		$ 667,086,345

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Debt Service	Special Tax Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes:						
Property	$ 24,058,868	$ 23,527,221	$ 2,243,727	$ -	$ 11,974,700	$ 61,804,516
Sales	70,542,273	-	4,899,393	-	21,019,573	96,461,239
Franchise	12,460,414	-	-	-	-	12,460,414
Transient guest	-	-	726,811	-	1,571,772	2,298,583
Special assessments	-	3,166,971	-	-	-	3,166,971
Intergovernmental	1,556,613	-	-	11,825,015	9,529,529	22,911,157
Licenses and permits	3,576,880	-	-	-	-	3,576,880
Fines, forfeitures, and penalties	2,146,556	-	-	-	110,421	2,256,977
Charges for services	9,242,268	-	-	-	13,709,116	22,951,384
Use of money and property	1,207,056	737,275	112,846	117,653	530,850	2,705,680
Miscellaneous	614,274	-	55,727	2,417,504	742,608	3,830,113
Total revenues	125,405,202	27,431,467	8,038,504	14,360,172	59,188,569	234,423,914
Expenditures						
Current:						
General government	18,383,446	31,450	18,400	-	8,198,078	26,631,374
Public safety	57,718,671	-	-	-	1,212,340	58,931,011
Public works	12,446,435	-	-	-	6,356,483	18,802,918
Community services	9,672,964	-	-	-	15,909,742	25,582,706
Capital improvements	-	-	5,195,216	95,427,705	-	100,622,921
Debt service:						
Principal retirements	54,889	24,745,000	1,725,453	-	120,000	26,645,342
Interest and fiscal charges	1,007	8,606,815	611,206	1,988,413	156,695	11,364,136
Total expenditures	98,277,412	33,383,265	7,550,275	97,416,118	31,953,338	268,580,408
Excess of revenues over (under) expenditures	27,127,790	(5,951,798)	488,229	(83,055,946)	27,235,231	(34,156,494)
Other financing sources (uses)						
Bond issuance proceeds	-	-	-	22,825,000	-	22,825,000
Lease issuance proceeds	116,979	-	-	-	-	116,979
Bond premium	-	-	-	1,702,257	-	1,702,257
Transfers in	9,296,188	10,827,227	-	33,532,295	8,725,270	62,380,980
Transfers out	(17,273,123)	(326)	(765,384)	(12,312,714)	(31,199,980)	(61,551,527)
Total other financing sources (uses)	(7,859,956)	10,826,901	(765,384)	45,746,838	(22,474,710)	25,473,689
Net changes in fund balances	19,267,834	4,875,103	(277,155)	(37,309,108)	4,760,521	(8,682,805)
Fund balances - beginning of year	36,132,887	68,453,968	9,932,435	24,292,122	38,699,690	177,511,102
Fund balances - end of year	$ 55,400,721	$ 73,329,071	$ 9,655,280	$ (13,016,986)	$ 43,460,211	$ 168,828,297

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds To the Statement of Activities
For the Year Ended December 31, 2022

Net change in fund balances - all governmental funds		$ (8,682,805)
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		34,320,985
Capital outlay	$ 65,447,193	
Net book value on diposals of capital assets	(9,738)	
Depreciation	(31,116,470)	
The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increase long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.		3,750,715
Principal payments	26,645,342	
Proceeds of bonds	(22,825,000)	
Premium/discount	1,518,083	
Transfer of debt	(861,733)	
Lease proceeds	(116,979)	
OPEB	(653,598)	
KPERS OPEB	44,600	
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(7,173,468)
Compensated absences	(390,779)	
Pension	(5,894,049)	
Interest expense	(888,640)	
Revenues in the statement of activities that do not provide current financing resources are not reported as revenues in the funds.		(3,325,076)
Special assessments	(3,539,210)	
Deferred refunding	51,452	
Capital grant	162,682	
Internal service funds are used by management to charge costs of certain activities, such as insurance, purchasing, and fleet maintenance to certain funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		2,297,528
Change in net position of governmental activities		$ 21,187,879

See accompanying notes to the basic financial statements


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City of Olathe, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2022

	Original and Final Amended Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes:			
Property	$ 24,405,962	$ 24,058,868	$ (347,094)
Sales	52,058,886	70,542,273	18,483,387
Franchise	11,282,418	12,460,414	1,177,996
Intergovernmental	1,411,908	1,556,613	144,705
Licenses and permits	3,742,071	3,576,880	(165,191)
Fines, forfeitures, and penalties	3,154,619	2,146,556	(1,008,063)
Charges for services	6,354,980	9,242,268	2,887,288
Use of money and property	293,699	1,207,056	913,357
Miscellaneous	1,058,370	614,274	(444,096)
Total revenues	103,762,913	125,405,202	21,642,289
Expenditures			
General government	20,632,111	20,984,636	(352,525)
Public safety	56,092,419	58,012,039	(1,919,620)
Public works	14,901,573	12,891,239	2,010,334
Community services	13,306,653	9,887,899	3,418,754
Contingency	26,031,312	-	26,031,312
Total expenditures	130,964,068	101,775,813	29,188,255
Excess of revenues over expenditures	(27,201,155)	23,629,389	50,830,544
Other financing sources (uses)			
Transfers in	8,397,705	9,296,188	898,483
Transfers out	(14,161,421)	(17,273,123)	(3,111,702)
Total other financing sources (uses)	(5,763,716)	(7,976,935)	(2,213,219)
Net change in fund balance	$ (32,964,871)	15,652,454	$ 48,617,325
Fund balance - beginning of year - budget basis		35,799,949	
Fund balance - end of year - budget basis		51,452,403	
Encumbrances incurred and outstanding		3,948,318	
Fund balance - end of year - GAAP basis		$ 55,400,721	

City of Olathe, Kansas
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Major			
	Water and Sewer Fund	Solid Waste Fund	Total	Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents	$ 52,193,081	$ 2,847,693	$ 55,040,774	$ 31,721,380
Accounts receivable (net of allowance)	5,740,250	1,909,500	7,649,750	21,255
Lease receivable	148,101	-	148,101	-
Inventories and other prepaid items	1,046,753	-	1,046,753	366,066
Total current assets	59,128,185	4,757,193	63,885,378	32,108,701
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	9,365,758	-	9,365,758	-
Due from other funds	-	-	-	1,289,528
Other	-	-	-	11,000
Total restricted assets	9,365,758	-	9,365,758	1,300,528
Capital assets:				
Capital assets not being depreciated				
Land	3,475,820	1,255,005	4,730,825	-
Construction in progress	48,459,493	-	48,459,493	-
Total capital assets not being depreciated	51,935,313	1,255,005	53,190,318	-
Capital assets being depreciated				
Buildings	33,778,295	-	33,778,295	-
Machinery and equipment	4,401,511	1,554,078	5,955,589	78,299,767
Water system	231,965,586	-	231,965,586	-
Sewer system	216,525,457	-	216,525,457	-
Total capital assets being depreciated	486,670,849	1,554,078	488,224,927	78,299,767
Less accumulated depreciation	(150,541,336)	(1,370,588)	(151,911,924)	(47,675,780)
Total capital assets (net of accumulated depreciation)	388,064,826	1,438,495	389,503,321	30,623,987
Lease receivable	2,652,614	-	2,652,614	-
Total noncurrent assets	400,083,198	1,438,495	401,521,693	31,924,515
Total assets	459,211,383	6,195,688	465,407,071	64,033,216
Deferred Outflows of Resources				
Deferred pension	3,790,885	1,681,748	5,472,633	-
Deferred OPEB	490,403	217,557	707,960	-
Deferred KPERS OPEB	41,721	18,509	60,230	-
Deferred amounts on refunding	797,529	-	797,529	-
Total deferred outflows of resources	5,120,538	1,917,814	7,038,352	-
Total assets and deferred outflows of resources	$ 464,331,921	$ 8,113,502	$ 472,445,423	$ 64,033,216

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Net Position
Proprietary Funds
December 31, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Major			
	Water and Sewer Fund	Solid Waste Fund	Total	Internal Service Funds
Liabilities				
Current liabilities:				
Accounts and claims payable	$ 1,424,450	$ -	$ 1,424,450	$ 4,307,671
Interest payable	154,839	-	154,839	-
Due to other funds	-	-	-	1,504
Compensated absences	734,261	246,162	980,423	130,166
Current portion of general obligation bonds	1,330,000	-	1,330,000	-
Current portion of revolving loan	1,509,703	-	1,509,703	-
Current portion of revenue bonds	6,612,591	-	6,612,591	-
Total current liabilities	11,765,844	246,162	12,012,006	4,439,341
Noncurrent liabilities:				
Compensated absences	114,972	51,916	166,888	24,374
General obligation bonds	2,785,000	-	2,785,000	-
Revolving loan, net	7,918,611	-	7,918,611	-
Revenue bonds, net	106,494,856	-	106,494,856	-
Total KPERS OPEB liability	131,654	57,928	189,582	-
Total OPEB liability	2,278,072	1,104,023	3,382,095	-
Net pension liability	10,771,204	4,739,329	15,510,533	-
Deposit	264,325	-	264,325	11,000
Total noncurrent liabilities	130,758,694	5,953,196	136,711,890	35,374
Total liabilities	142,524,538	6,199,358	148,723,896	4,474,715
Deferred Inflows of Resources				
Deferred inflows related to leases	2,790,819	-	2,790,819	-
KPERS pension	193,932	87,793	281,725	-
KPERS OPEB	99,859	45,206	145,065	-
OPEB	192,752	87,259	280,011	-
Total deferred inflows of resources	3,277,362	220,258	3,497,620	-
Net position				
Net investment in capital assets	279,166,388	1,438,495	280,604,883	30,597,829
Restricted for bond requirements	9,365,758	-	9,365,758	-
Unrestricted	29,997,875	255,391	30,253,266	28,960,672
Total net position	318,530,021	1,693,886	320,223,907	59,558,501
Total liabilities and net position	$ 464,331,921	$ 8,113,502		$ 64,033,216

Reconciliation to government-wide statement of net position:

Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds	11,663,092
Net position of business-type activities	$ 331,886,999

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Major			
	Water and Sewer Fund	Solid Waste Fund	Total	Internal Service Funds
Operating revenues				
Charges for services	$ 55,858,007	$ 17,944,489	$ 73,802,496	$ 44,379,876
Intergovernmental	206,860	-	206,860	-
Miscellaneous	2,198,248	-	2,198,248	-
Total operating revenues	58,263,115	17,944,489	76,207,604	44,379,876
Operating expenses				
Water production	6,520,306	-	6,520,306	-
Wastewater treatment	2,539,967	-	2,539,967	-
Water and sewer maintenance	4,660,688	-	4,660,688	-
Administration and general	22,737,670	4,944,473	27,682,143	26,730,645
Equipment maintenance	-	-	-	9,803,708
Sanitation expense	-	6,582,153	6,582,153	-
Transfer station expense	-	4,600,259	4,600,259	-
Depreciation	7,340,271	71,520	7,411,791	6,027,286
Total operating expenses	43,798,902	16,198,405	59,997,307	42,561,639
Operating income	14,464,213	1,746,084	16,210,297	1,818,237
Nonoperating revenues (expenses)				
Interest income	254,831	54,391	309,222	341,884
Lease interest income	26,450	-	26,450	-
Interest expense	(3,946,853)	-	(3,946,853)	-
Gain/(Loss) from sale of equipment	(230,139)	-	(230,139)	640,209
Total nonoperating revenues (expenses)	(3,895,711)	54,391	(3,841,320)	982,093
Net income (loss) before transfers and capital contributions	10,568,502	1,800,475	12,368,977	2,800,330
Transfers in	719,687	4,438	724,125	49,476
Transfers out	(215,932)	(1,351,591)	(1,567,523)	(35,531)
Change in net position	11,072,257	453,322	11,525,579	2,814,275
Net position - beginning of year	307,457,764	1,240,564		56,744,226
Net position - end of year	$ 318,530,021	$ 1,693,886		$ 59,558,501
Reconciliation to government-wide statement of activities:				
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.			516,747	
Change in net position of business-type activities			$ 12,042,326	

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Major			
	Water and Sewer Fund	Solid Waste Fund	Total	Internal Service Funds
Cash Flows from Operating Activities				
Receipts from customers and users	$ 55,584,049	$ 17,970,782	$ 73,554,831	$ 44,376,614
Payments to suppliers	(24,571,730)	(11,693,373)	(36,265,103)	(31,693,613)
Payments to employees	(8,652,628)	(4,100,450)	(12,753,078)	(3,159,178)
Net cash provided by operating activities	22,359,691	2,176,959	24,536,650	9,523,823
Cash Flows from Noncapital Financing Activities				
Transfers from other funds	719,687	4,438	724,125	49,476
Transfers to other funds	(215,932)	(1,351,591)	(1,567,523)	(35,531)
Net cash provided by (used in) noncapital financing activities	503,755	(1,347,153)	(843,398)	13,945
Cash Flows from Capital and Related Financing Activities				
Acquisitions and construction of capital assets	(11,395,535)	-	(11,395,535)	(12,245,642)
Proceeds from sale of capital assets	-	-	-	723,503
Proceeds from revenue bonds	12,401,213	-	12,401,213	-
Principal paid on revenue bonds	(6,313,390)	-	(6,313,390)	-
Principal paid on general obligation bonds	(1,835,000)	-	(1,835,000)	-
Principal paid on revolving loans	(1,461,503)	-	(1,461,503)	-
Interest paid	(4,034,416)	-	(4,034,416)	-
Net cash (used in) capital and related financing activities	(12,638,631)	-	(12,638,631)	(11,522,139)
Cash Flows from Investing Activities				
Interest received	281,281	54,391	335,672	341,884
Net cash provided by investing activities	281,281	54,391	335,672	341,884
Net increase (decrease) in cash and cash equivalents	10,506,096	884,197	11,390,293	(1,642,487)
Cash and cash equivalents - beginning of year	51,052,743	1,963,496	53,016,239	33,363,867
Cash and cash equivalents - end of year	$ 61,558,839	$ 2,847,693	$ 64,406,532	$ 31,721,380

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Major			
	Water and Sewer Fund	Solid Waste Fund	Total	Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities				
Operating income	$ 14,464,213	$ 1,746,084	$ 16,210,297	$ 1,818,237
Adjustments to reconcile operating income to cash provided by operating activities				
Depreciation	7,340,271	71,520	7,411,791	6,027,286
Changes in assets and liabilities				
(Increase) Decrease in receivables	121,649	26,293	147,942	(3,262)
(Increase) in lease receivables	(2,800,715)	-	(2,800,715)	-
(increase) in deferred outflows	(1,602,340)	(746,646)	(2,348,986)	-
(Increase) Decrease in inventories	(297,494)	-	(297,494)	11,192
Increase in accounts and claims payable	115,268	-	115,268	1,642,879
Increase in net pension liability	4,293,505	1,889,141	6,182,646	-
Increase (Decrease) in deferred inflows	749,910	(891,577)	(141,667)	-
(Decrease) in total KPERS OPEB liability	(66,585)	(29,297)	(95,882)	-
Increase (Decrease) in total OPEB liability	(856)	106,201	105,345	-
Increase in deposits	28,725	-	28,725	-
Increase in due to other funds	-	-	-	1,504
Increase in compensated absences	14,140	5,240	19,380	25,987
Total adjustments	7,895,478	430,875	8,326,353	7,705,586
Net cash provided by operating activities	$ 22,359,691	$ 2,176,959	$ 24,536,650	$ 9,523,823

See accompanying notes to the basic financial statements


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Notes to the Basic Financial Statements

1. Summary of Significant Accounting Policies

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

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

a. Reporting Entity

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

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

b. Individual Component Unit Disclosures

Discretely Presented Component Unit – The discretely presented component unit is presented in a separate column in the government-wide financial statements to emphasize it is legally separate from the primary government.

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

c. Basis of Presentation – Fund Accounting

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

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

d. Basis of Accounting

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

The City reports the following major governmental funds:

General

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

Debt Service

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

Special Tax Financing

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

Capital Projects

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

The City reports the following major proprietary funds:

Water and Sewer

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

Solid Waste

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

Proprietary Funds

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

Proprietary funds include the following fund types:

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Funds

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

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

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

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

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

e. Cash and Cash Equivalents

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

f. Accounts Receivable

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

g. Inventories and Other Prepaid Items

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

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

h. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. streets, traffic signals, sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost at or above the capitalization threshold listed below and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

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

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

i. Deferred Outflows/Inflows of Resources

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

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

j. Budgets and Budgetary Accounting

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

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

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

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

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

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

The statutes provide for the following sequence and timetable in the adoption of budgets:

(1) Preparation of the budget for the succeeding calendar year on or before August 1 of each year.

(2) Publication of the proposed budget on or before August 5 of each year.

(3) A minimum of 10 days notice of a public hearing, published in a local newspaper on or before August 15 of each year on the proposed budget.

(4) Adoption of the final budget on or before August 25 of each year.

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

k. Retirement Plans

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension expense, information about the fiduciary net position of the KPERS, and additions to/deductions from KPERS fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

l. *Compensated Absences*

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

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

m. Interfund Transactions

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

n. Equity Classifications

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

(1) Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages notes, or other borrowings that are attributable to the acquisitions, construction, or improvements of those assets.

(2) Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.

(3) Unrestricted net position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

(1) Nonspendable – inherently nonspendable

(2) Restricted – externally enforceable limitations on use

(3) Committed – self – imposed limitations set in place prior to the end of the period at the highest level of decision making

(4) Assigned – limitation resulting from intended use

(5) Unassigned – residual net resources

o. Use of Estimates

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

p. Leases

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

At the commencement of a lease, the City initially measurers the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or

before the lease commencement date, plug certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

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

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

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

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

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

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

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

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

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

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

2. Deposits and Investments

The City combines idle cash from all funds for the purpose of increasing income through investment activities. Investments are carried at fair value, which approximates cost. Interest income on investments and appreciation/depreciation in fair value investments are allocated to the governmental fund types and proprietary fund types on the basis of average monthly cash balances. State statutes authorize the City to invest in fully collateralized or fully insured money market accounts, time deposits, the State of Kansas Municipal Investment Pool, direct debt securities of the United States, and fully collateralized repurchase

agreements. The State of Kansas Municipal Investment Pool is operated by the State Treasurer and is not a SEC registered pool. The Pooled Money Investment Board (PMIB) provides the regulatory oversight for this pool. The fair value of the City's position in the pool is the same as the value of the City's pool shares.

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

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

The City has the following recurring fair value measurements as of December 31, 2022:

State investment pool of $8,803,893 and are valued using net asset value (Level 1 inputs).
Treasury Notes of $53,389,031 are valued at market value (Level 1 inputs).
Government Agencies of $174,684,775 are valued using matrix pricing using the price or yield of a similar bond (Level 2 inputs).

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

Cash, Cash Equivalents, and Investments	Maturities	Fair Value
State investment pool - overnight	6 months or less	$ 8,803,893
Government Agency	2 years or less	174,684,775
Treasury Note	1 year or less	53,389,031
Total investments		236,877,699
Certificates of deposit		65,017,000
Cash held by trustee		2,007,446
Restricted cash deposits		9,365,758
Unrestricted cash deposits		8,784,603
Total cash, cash equivalents, and investments		$ 322,052,506

Credit Risk – State law limits investments to Temporary Notes of the City, Collateralized Certificates of Deposit, Collateralized Repurchase Agreements, U.S. Treasury Obligations, the Kansas Municipal Investment Pool, Commercial Bank Savings Accounts, U.S. Government Agency Securities, U.S. Government Sponsored Corporation's Instruments, and Multiple Client Investment Pools. The City's policy on credit risk follows state statutes. As of December 31, 2022, City funds not held in depository accounts had been invested in Certificates of Deposit, Government Sponsored Corporation Instruments, Guaranteed Investment Contracts, and the Kansas Municipal Investment Pool (rated AAAf/S1 by Standard & Poor's).

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

Investment Type	Total	Percentage of total cash and investments
Kansas Municipal Investment Pool	$ 8,803,893	2.73%
Certificates of deposit	65,017,000	20.19%
U.S. Government Securities		
Federal Home Loan Bank	137,968,806	42.84%
Federal Farm Credit Bank	36,715,969	11.40%
U.S. Treasury Notes	53,389,031	16.58%
Held by trustee or restricted accounts	11,373,204	3.53%
Unrestricted cash deposit accounts	8,784,603	2.73%
Total	$ 322,052,506	100.00%

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

Custodial Credit Risk – For deposits or investments, custodial credit risk is the risk that, in the event of the failure of the bank or counterparty, the City will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside party. The City's policy for deposits and investments follows state statutes. At December 31, 2022, all of the City's deposits were fully insured by federal depository insurance or otherwise collateralized by securities held in the City's name. The City has $228,073,806 of Government Agencies that are held by the investment counterparty.

3. Taxes and Special Assessments

Taxes and special assessments revenue by fund type, including interest and penalties, as of December 31, 2022 are as follows:

	Major			Other	
	General	Debt Service	Special Tax Financing	Governmental Funds	Total
Property tax	$ 24,058,868	$ 23,527,221	$ 2,243,727	$ 11,974,700	$ 61,804,516
Sales tax	70,542,273	-	4,899,393	21,019,573	96,461,239
Franchise tax	12,460,414	-	-	-	12,460,414
Transient guest tax	-	-	726,811	1,571,772	2,298,583
Special assessment	-	3,166,971	-	-	3,166,971
	$ 107,061,555	$ 26,694,192	$ 7,869,931	$ 34,566,045	$ 176,191,723

Taxes and special assessments receivable by fund type as of December 31, 2022 are as follows:

	Major			Other	
	General	Debt Service	Special Tax Financing	Governmental Funds	Total
Property tax	$ 23,552,368	$ 27,289,448	$ 3,081,080	$ 12,038,414	$ 65,961,310
Sales tax	12,590,545	-	774,528	3,506,484	16,871,557
Franchise tax	1,687,864	-	-	-	1,687,864
Transient guest tax	-	-	199,588	428,449	628,037
Special assessment	-	21,548,028	-	-	21,548,028
	$ 37,830,777	$ 48,837,476	$ 4,055,196	$ 15,973,347	$ 106,696,796

The City's Property tax is levied each November 1 on the assessed value as of the prior January 1 for all property located in the City. November 1 also serves as the lien date. The assessed values are established by the Johnson County Assessor. The assessed value for property (excluding motor vehicle) located in the City as of November 1, 2021 on which the 2022 levy was based was $2,424,766,125

The City's property tax levies per $1,000 assessed valuation for the year ended December 31, 2022 were as follows:

Fund	Levy
General	$ 9.708
Special revenue	4.789
Debt service	9.744
	$ 24.241

The City's property taxes for 2022 were assessed in November of 2021 and distributed to the City in 2022 in accordance with state statutes. Property taxes are due in total by December 31 following the levy date, or they may be paid in equal installments if paid by December 20 (first installment) and the following May 10 (second installment).

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

4. Intergovernmental Receivables and Revenue

Amounts due from other governments as of December 31, 2022 are as follows:

	Major		Other Governmental Funds	Total
	General	Capital Projects		
Federal				
Department of Housing and Urban Development	$ -	$ -	$ 60,671	$ 60,671
State				
Department of Revenue	150,218	-	1,297,768	1,447,986
Department of Transportation	19,912	220,617	-	240,529
Local				
Kansas City Area Transportation Authority	-	-	22,682	22,682
Johnson County	424,194	4,211,532	-	4,635,726
	$ 594,324	$ 4,432,149	$ 1,381,121	$ 6,407,594

Intergovernmental revenues for the year ended December 31, 2022 consisted of the following:

	Major		Other Governmental Funds	Total
	General	Capital Projects		
Federal				
Department of Housing and Urban Development	$ -	$ -	$ 1,140,409	$ 1,140,409
State and Local Fiscal Recovery Funds	-	884,561	2,540,755	3,425,316
FEMA	-	-	336,354	336,354
State				
Liquor Tax	640,665	-	1,281,328	1,921,993
State Highway Connecting Links	79,000	-	-	79,000
Special Highway	-	-	3,923,753	3,923,753
Library State Aid	-	-	40,569	40,569
Department of Wildlife and Parks	-	-	6,803	6,803
Department of Transportation	-	1,966,867	17,366	1,984,233
Historical Society	-	-	89,476	89,476
County				
Street Improvements	-	8,973,587	-	8,973,587
Heritage Trust	-	-	5,200	5,200
Local				
MARC	-	-	29,204	29,204
Kansas City Area Transportation Authority	-	-	118,312	118,312
Unified School District 233	836,948	-	-	836,948
	$ 1,556,613	$ 11,825,015	$ 9,529,529	$ 22,911,157

5. Capital Assets

Capital Asset activity for the year ended December 31, 2022 was as follows:

	Beginning of Year	Additions	Retirements	End of Year
Governmental activities				
Capital assets, not being depreciated				
Land	$ 128,605,774	$ 448,374	$ 5,641,538	$ 123,412,610
Art collection	13,445	-	-	13,445
Kansas Room Collection / Genealogy	36,780	-	14,640	22,140
Construction in progress	226,762,325	69,987,013	31,704,498	265,044,840
Total capital assets, not being depreciated	355,418,324	70,435,387	37,360,676	388,493,035
Capital assets being depreciated				
Land improvements	66,753	400,000	-	466,753
Buildings	125,701,570	11,647,058	-	137,348,628
Machinery and equipment	87,133,295	14,096,001	2,857,949	98,371,347
Swimming pools	10,251,984	100,000	-	10,351,984
Infrastructure	867,543,251	17,718,490	-	885,261,741
Books and materials	4,339,604	430,837	299,700	4,470,741
Right-to-use asset	-	225,738	-	225,738
Total capital assets being depreciated	1,095,036,457	44,618,124	3,157,649	1,136,496,932
Less accumulated depreciation for				
Land improvements	(36,150)	(3,338)	-	(39,488)
Buildings	(39,841,799)	(3,125,432)	-	(42,967,231)
Machinery and equipment	(58,516,408)	(6,855,869)	(2,764,917)	(62,607,360)
Swimming pools	(8,282,132)	(229,517)	-	(8,511,649)
Infrastructure	(540,338,080)	(26,404,513)	-	(566,742,593)
Books and materials	(3,119,207)	(469,842)	(299,700)	(3,289,349)
Right-to-use asset	-	(55,245)	-	(55,245)
Total accumulated depreciation	(650,133,776)	(37,143,756)	(3,064,617)	(684,212,915)
Total capital assets being depreciated, net	444,902,681	7,474,368	93,032	452,284,017
Governmental activities capital assets, net	$ 800,321,005	$ 77,909,755	$ 37,453,708	$ 840,777,052

	Beginning of Year	Additions	Retirements	End of Year
Business-type activities				
Capital assets, not being depreciated				
Land	$ 4,659,930	$ 70,895	$ -	$ 4,730,825
Construction in progress	45,132,666	11,395,534	8,068,707	48,459,493
Total capital assets, not being depreciated	49,792,596	11,466,429	8,068,707	53,190,318
Capital assets being depreciated				
Buildings	33,778,295	-	-	33,778,295
Machinery and equipment	5,051,065	904,524	-	5,955,589
Water system	227,898,768	4,522,021	455,203	231,965,586
Sewer system	213,954,191	2,571,266	-	216,525,457
Total capital assets being depreciated	480,682,319	7,997,811	455,203	488,224,927
Less accumulated depreciation for				
Buildings	(15,777,352)	(819,694)	-	(16,597,046)
Machinery and equipment	(3,750,955)	(100,439)	-	(3,851,394)
Water system	(72,370,758)	(2,797,417)	-	(75,168,175)
Sewer system	(52,826,134)	(3,694,241)	(225,066)	(56,295,309)
Total accumulated depreciation	(144,725,199)	(7,411,791)	(225,066)	(151,911,924)
Total capital assets being depreciated, net	335,957,120	586,020	230,137	336,313,003
Business-type activities capital assets, net	$ 385,749,716	$ 12,052,449	$ 8,298,844	$ 389,503,321

Component unit	Beginning of Year	Additions	Retirements	End of Year
Capital assets, not being depreciated				
Land	$ 442,111	$ -	$ -	$ 442,111
Total capital assets, not being depreciated	442,111	-	-	442,111
Capital assets being depreciated				
Buildings and improvements	8,821,936	380,161	-	9,202,097
Machinery and equipment	245,304	34,164	2,327	277,141
Total capital assets being depreciated	9,067,240	414,325	2,327	9,479,238
Less accumulated depreciation for				
Buildings	(7,258,315)	(225,364)	-	(7,483,679)
Machinery and equipment	(214,829)	(6,522)	(2,327)	(219,024)
Total accumulated depreciation	(7,473,144)	(231,886)	(2,327)	(7,702,703)
Total capital assets being depreciated, net	1,594,096	182,439	-	1,776,535
Component units capital assets, net	$ 2,036,207	$ 182,439	$ -	$ 2,218,646

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

Government activities	
General government	$ 670,834
Public safety	1,064,919
Public works	28,200,615
Community services	1,180,102
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	6,027,286
Total depreciation expense for governmental activities	$ 37,143,756
Business-type activities	
Water and sewer	$ 7,340,271
Solid waste	71,520
Total depreciation expense for business-type activities	$ 7,411,791
Component Unit	
Olathe public housing authority	$ 231,886

6. Leases receivable

During the current fiscal year, the City had antenna site leases that were leased to third parties. The City recognized $26,450 in lease interest income during the current fiscal year related to these leases recorded in the Water and Sewer Fund. As of December 31, 2022, the City's receivable for lease payments was $2,800,715. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of December 31, 2022, the balance of the deferred inflow of resources was $2,790,819.

7. Debt

Short-term debt

The following is a summary of the short-term debt transactions of the City for the year ended December 31, 2022.

	Beginning of Year	Additions	Retirements	End of Year	Due in One Year
Governmental					
Temporary notes	$ 49,531,641	$ 67,565,600	$ 49,531,641	$ 67,565,600	$ 67,565,600

	Interest Rate	Maturity Date	End of Year
Temporary Notes			
Street and sidewalk improvements	5.00%	1-Aug-23	$ 28,205,646
Citywide improvements	5.00%	1-Aug-23	39,359,954
			$ 67,565,600

Long-term debt

The following is a summary of long-term debt transactions for the year ended December 31, 2022.

	Beginning of Year	Transfers	Additions	Retirements	End of Year	Due in One Year
Governmental						
General obligation bonds	$ 221,315,000	$ 555,000	$ 19,800,000	$ 24,745,000	$ 216,925,000	$ 26,480,000
Special obligations bonds	20,077,454	-	-	1,725,453	18,352,001	14,612,001
Revenue bonds	2,860,000	-	3,025,000	120,000	5,765,000	220,000
Leases payable	108,759	-	116,979	54,889	170,849	55,896
Compensated absences	5,122,011	-	4,411,935	3,995,169	5,538,777	4,679,937
Total KPERS OPEB liability	1,898,768	-	151,768	849,759	1,200,777	-
Total OPEB liability	27,497,591	-	2,933,626	2,148,176	28,283,041	-
	278,879,583	555,000	30,439,308	33,638,446	276,235,445	46,047,834
Add: bond issuance premium	29,238,544	306,733	1,702,257	3,220,466	28,027,068	3,263,022
Deduct: bond discount	(1,579)	-	-	(126)	(1,453)	(126)
Total governmental debt	308,116,548	861,733	32,141,565	36,858,786	304,261,060	49,310,730
Business-type						
General obligation bonds	5,950,000	(555,000)	-	1,280,000	4,115,000	1,330,000
Revenue bonds	100,910,000	-	11,740,000	5,220,000	107,430,000	5,850,000
KDHE revolving loan	10,889,817	-	-	1,461,503	9,428,314	1,509,703
Compensated absences	1,127,932	-	899,166	879,787	1,147,311	980,423
Total KPERS OPEB liability	285,465	-	23,961	119,844	189,582	-
Total OPEB liability	3,276,750	-	325,958	220,613	3,382,095	-
	122,439,964	(555,000)	12,989,085	9,181,747	125,692,302	9,670,126
Add: bond issuance premium	6,109,622	(306,733)	661,215	786,657	5,677,447	762,591
Total business-type debt	128,549,586	(861,733)	13,650,300	9,968,404	131,369,749	10,432,717
Total primary government	$ 436,666,134	$ -	$ 45,791,865	$ 46,827,190	$ 435,630,809	$ 59,743,447

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

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

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

The City's General Obligation Bonds constitute general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all

the taxable tangible property, real and personal, within the territorial limits of the City. The full faither, credit and resources of the City are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Bonds

	Original Issue	Original Issue Interest Rate	Maturity Date	End of Year
General Obligation Bonds				
Governmental activities				
2014 Series 223 improvement bonds	9,315,000	1.50 - 5.00	1-Oct-24	$ 2,855,000
2014 Series 225 improvement bonds	12,905,000	1.00 - 3.90	1-Sep-35	9,580,000
2015 Series 226 improvement bonds	11,695,000	2.50 - 5.00	1-Oct-25	3,650,000
2015 Series 227 refunding	8,290,000	2.00 - 4.00	1-Oct-27	2,675,000
2016 Series 228 refunding and improvement	25,315,000	0.65 - 2.29	1-Oct-31	13,240,000
2016 Series 229 improvement	5,765,000	0.90 - 2.55	1-Oct-26	2,520,000
2017 Series 230 refunding and improvement	27,525,000	2.50 - 5.00	1-Oct-29	18,270,000
2018 Series 231 improvement bonds	34,170,000	4.00 - 5.00	1-Oct-28	22,445,000
2019 Series 232 improvement bonds	21,115,000	4.00 - 5.00	1-Oct-30	14,335,000
2020 Series 233 improvement bonds	29,365,000	2.00 - 3.00	1-Oct-31	22,565,000
2021 Series 234 improvement and refunding	93,050,000	1.75 - 4.25	1-Oct-41	84,990,000
2022 Series 235 improvement bonds	19,800,000	3.50 - 5.00	1-Oct-42	19,800,000
				216,925,000
Business-type activities				
2021 Series 234 improvement and refunding	5,395,000	1.75 - 4.25	1-Oct-41	4,115,000
Total General Obligation Bonds				$ 221,040,000

	Original Issue	Original Issue Interest Rate	Maturity Date	End of Year
Governmental activities				
Special Obligation Bonds				
2006 Series Olathe Gateway TIF	$ 13,030,000	4.75 - 5.00	1-Mar-26	$ 6,830,201
2006 Series Olathe Gateway TDD	9,195,000	4.75 - 5.00	1-Dec-28	6,481,800
2007 Series West Village TIF	16,565,000	5.00 - 5.50	1-Sep-26	5,040,000
				$ 18,352,001

2006 Olathe Gateway TIF

The City has pledged 100% of the incremental increase in ad valorem tax revenues and 100% of the incremental increase in the City's sales tax revenues to repay the $13,030,000 in tax increment financing bonds issued in December 2006 to finance the redevelopment of the Olathe Gateway. The bonds are payable solely from the incremental ad valorem and sales taxes generated by Olathe Gateway. Incremental taxes were projected to produce $21,199,063, payable through September 2026. As of December 31, 2022, total principal and interest remaining on the bonds was $10,591,381. For 2022, principal and interest paid and total incremental tax revenues were $325,189 and $174,811, respectively.

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

2006 Olathe Gateway TDD

The City has pledged 100% of the transportation development district sales tax (1%) on the selling of tangible personal property or rendering or furnishing of services within the transportation district to repay the $9,195,000 in transportation development district bonds issued in December 2006 to finance the redevelopment of the Olathe Gateway. The bonds are payable solely from the transportation development district tax revenue generated by Olathe Gateway. Incremental taxes were projected to produce $19,042,625 over the life of the bonds. As of December 31, 2022, total principal and interest remaining on the bonds was $10,204,712, payable through December 2028. For 2022, principal and interest paid and total incremental tax revenues were $195,264 and $109,736, respectively.

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

2007 West Village TIF

The City has pledged 100% of the incremental increase in ad valorem tax revenues and 100% of the incremental increase in the City's sales tax revenues to repay the $16,565,000 in tax increment financing bonds issued in July 2007 to finance the redevelopment of the West Village. The bonds are payable solely from the incremental ad valorem and sales taxes generated by the West Village. Incremental taxes were projected to produce $32,108,898 over the life of the bonds. As of December 31, 2022, total principal and interest remaining on the bonds was $5,299,600, payable through March 2026. For 2022, principal and interest and total incremental tax revenues were $1,205,000 and $326,659, respectively.

Governmental activities				
2019 Stormwater System revenue bonds	3,225,000	3.00 - 5.000	1-Oct-38	$ 2,740,000
2022 Stormwater System revenue bonds	3,025,000	4.00 - 5.000	1-Oct-42	3,025,000
Total governmental activities				5,765,000
Business-type activities				
2012 Water and Sewer System revenue bonds	9,585,000	2.00 - 3.000	1-Jul-32	5,280,000
2015 Water and Sewer System revenue bonds	18,895,000	2.00 - 5.000	1-Jul-35	13,675,000
2017 Water and Sewer System revenue bonds	11,340,000	3.00 - 4.000	1-Jul-37	8,755,000
2018 Water and Sewer System revenue bonds	11,580,000	3.00 - 5.000	1-Jul-38	9,965,000
2019 Water and Sewer System revenue bonds	16,360,000	3.00 - 5.000	1-Jul-39	14,395,000
2020 Water and Sewer System revenue bonds	16,360,000	3.00 - 5.000	1-Jul-39	11,240,000
2021 Water and Sewer System revenue bonds	35,270,000	2.00 - 4.000	1-Jul-41	32,380,000
2022 Water and Sewer System revenue bonds	11,740,000	4.00 - 5.000	1-Jul-42	11,740,000
Total business-type activities				107,430,000
Total revenue bonds				$ 113,195,000

KDHE revolving loans

The City entered into a loan agreement with KDHE for the Cedar Creek Wastewater Treatment Plant Sludge Project. The loan was entered into on July 16, 2003 with an interest rate of 2.69% and a maximum amount of $2,207,863. As of December 31, 2022, $2,207,863 had been drawn on this loan and the payback amount was $280,056. Principal payments of $134,015 were made in 2022. The payback period for the amount of the loan remaining is 2 years. The loan payment began in 2005 when the project was completed.

The City entered into a loan agreement with KDHE for the Cedar Creek Wastewater Treatment Plant Pump Station Project. The loan was entered into on March 7, 2006 with an interest rate of 2.42% and a maximum amount of $768,500. As of December 31, 2022, $768,500 had been drawn on this loan and the payback amount was $203,747. Principal payments of $47,648 were made in 2022. The payback period for the amount of the loan remaining is 4 years. The loan payment began in 2007 when the project was completed.

The City entered into a loan agreement with KDHE for the 42” Finished Water Transmission Project. The loan was entered into on November 13, 2007 with an interest rate of 3.11% and a maximum amount of $16,883,916. As of December 31, 2022, $16,883,916 had been drawn on this loan and the payback amount was $6,938,568. Principal payments of $1,023,836 were made in 2022. The payback period for the amount of the loan remaining is 6 years. The loan payment began in 2009 when the project was completed.

The City entered into a loan agreement with KDHE for the Cedar Creek Wastewater Treatment Plant Expansion Project. The loan was entered into on March 9, 2009 with an interest rate of 2.55% and a maximum amount of $4,221,984. As of December 31, 2022, $4,221,984 had been drawn on this loan and the payback amount was $2,005,943. Principal payments of $256,004 were made in 2022. The payback period for the amount of the loan remaining is 7 years. The loan payment began in 2010 when the project was completed.

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

	Governmental Activities							
	General Obligation Bonds		Revenue Bonds		Special Obligation Bonds		Totals	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 26,480,000	$ 8,342,128	$ 220,000	$ 238,587	$ 14,612,001	$ 7,743,692	$ 41,312,001	$ 16,324,407
2024	26,370,000	7,210,170	230,000	227,588	1,405,000	186,588	28,005,000	7,624,346
2025	25,715,000	6,088,033	240,000	216,087	1,515,000	107,938	27,470,000	6,412,058
2026	24,725,000	5,003,045	255,000	204,088	820,000	22,550	25,800,000	5,229,683
2027	23,315,000	4,079,989	265,000	191,338	-	-	23,580,000	4,271,327
2028 - 2032	72,300,000	8,890,059	1,505,000	771,738	-	-	73,805,000	9,661,797
2033 - 2037	11,120,000	1,682,278	1,820,000	451,688	-	-	12,940,000	2,133,966
2038 - 2042	6,900,000	493,625	1,230,000	138,392	-	-	8,130,000	632,017
	216,925,000	41,789,327	5,765,000	2,439,506	18,352,001	8,060,768	241,042,001	52,289,601
Due within one year	26,480,000	8,342,128	220,000	238,587	14,612,001	7,743,692	41,312,001	16,324,407
Due in more than one year	$ 190,445,000	$ 33,447,199	$ 5,545,000	$ 2,200,919	$ 3,740,000	$ 317,076	$ 199,730,000	$ 35,965,194

Annual debt service requirements to maturity for Business-type Activities are as follows:

	Business-type Activities							
	General Obligation Bonds		Revenue Bonds		KDHE Revolving Loan		Totals	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 1,330,000	$ 174,887	$ 5,850,000	$ 3,496,794	$ 1,509,703	$ 268,357	$ 8,689,703	$ 3,940,038
2024	1,360,000	118,363	6,075,000	3,273,062	1,559,505	223,428	8,994,505	3,614,853
2025	1,425,000	60,564	6,305,000	3,036,863	1,464,683	177,984	9,194,683	3,275,411
2026	-	-	6,575,000	2,785,562	1,513,521	133,983	8,088,521	2,919,545
2027	-	-	6,840,000	2,528,338	1,509,594	88,832	8,349,594	2,617,170
2028 - 2032	-	-	35,970,000	8,976,538	1,871,308	49,113	37,841,308	9,025,651
2033 - 2037	-	-	30,210,000	3,900,894	-	-	30,210,000	3,900,894
2038 - 2042	-	-	9,605,000	738,212	-	-	9,605,000	738,212
	4,115,000	353,814	107,430,000	28,736,263	9,428,314	941,697	120,973,314	30,031,774
Due within one year	1,330,000	174,887	5,850,000	3,496,794	1,509,703	268,357	8,689,703	3,940,038
Due in more than one year	$ 2,785,000	$ 178,927	$ 101,580,000	$ 25,239,469	$ 7,918,611	$ 673,340	$ 112,283,611	$ 26,091,736

The City has pledged future water customer revenues, net of specified operating expenses, to repay $113,195,000 ($5,280,000 Series 2012, $13,675,000 Series 2015, $8,755,000 Series 2017, $9,965,000 Series 2018, $17,135,000 Series 2019, $11,240,000 Series 2020, $32,380,000 Series 2021, and $14,765,000 Series 2022) in water system revenue bonds. Proceeds from the bonds provide financing for several new improvements to the City's water and sewer system. The bonds are payable solely from water customer net revenues and are payable through 2042. The total principal and interest remaining to be paid on the bonds is $144,370,769. Principal and interest paid for the current year were $5,220,000 and $3,168,331, respectively.

	Water & Sewer Revenue Bonds					
Fiscal Year	Revenues	Current Expenses	Net Revenue Available for Debt Service	Principal Requirement	Interest Requirement	Coverage
2022	$ 58,544,396	$ 36,688,770	$ 21,855,626	$ 5,220,000	$ 3,168,331	2.61

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

GO Bonds and Revenue Bonds

The City issued Series 235 General Obligation Bonds on July 19, 2022 in the amount of $19,800,000. The bonds will be used for the purpose of permanently financing the costs of certain public improvements. The bonds have interest rates ranging from 3.50% to 5.00% with a final maturity of October 1, 2042.

The City issued Series 2022 revenue bonds on July 12, 2022 in the amount of $11,740,000 for the purpose of acquiring, constructing, reconstructing, altering, repairing, improving, extending or enlarging the operation of its water and sewer system. The bonds have interest rates ranging from 4.00% to 5.00% with a final maturity of July 1, 2042.

The City issued Series 2022 revenue bonds on July 12, 2022 in the amount of $3,025,000 for the purpose of repairing, altering, extending, reconstructing, enlarging, or improving the operation of its stormwater system. The bonds have interest rates ranging from 4.00% to 5.00% with a final maturity of October 1, 2042.

As of December 31, 2022, based on the assessed valuation as of December 15, 2022 of $2,424,766,125, the general obligation debt limit was $727,429,838 which, after reduction for outstanding eligible general obligation bonds and notes totaling $286,780,000 and amounts available for debt service of $94,703,155, provides a general obligation debt margin of $345,946,683.

Leases payable

During the current year, the City leased office equipment from a third-party. The initial term was for 4 years with a remaining term of 3 years. As of December 31, 2022, the value of the lease liability was $170,849. The City is required to make monthly principal and interest payments of $4,658. The lease has an interest rate of .55%. The value of the right-to-use asset as of the end of the current fiscal year was $225,738 and had accumulated depreciation of $55,245.

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

Year	Principal	Interest
2023	$ 55,092	$ 804
2024	55,397	499
2025	55,704	192
2026	4,656	2
	$ 170,849	$ 1,497

8. Fund Balances

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

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

e. Unassigned. All amounts not included in the other fund balance classifications. The general fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

For unrestricted fund balance, committed amounts should be reduced first, followed by assigned amounts, followed by unassigned amounts. It is the goal of the City to maintain a minimum fund balance in the general fund of 15% of revenues, with an annual target of 30% of revenues. The following chart details the components of fund balance for the City at December 31, 2022.

	Major				Nonmajor	
	General	Debt Service	Special Tax Financing	Capital Projects	Other Governmental Funds	Total Governmental Funds
Fund Balances:						
Non Spendable:	$ 568,761	$ -	$ -	$ -	$ 40,500	$ 609,261
Restricted for:						
Debt service	-	73,329,071	9,655,280	-	-	82,984,351
Public works - motor fuel tax	-	-	-	-	397,293	397,293
Public works - street maintenance sales tax	-	-	-	-	7,970,639	7,970,639
Community services - special alcohol	-	-	-	-	1,227,324	1,227,324
Community services - special park & recreation	-	-	-	-	2,952,688	2,952,688
Community services - Park sales tax	-	-	-	-	4,883,549	4,883,549
Community services - grants	-	-	-	-	4,646,914	4,646,914
Community services - reimbursable programs	-	-	-	-	40,766	40,766
General government - reimbursable programs	-	-	-	-	1,043,767	1,043,767
General government - library	-	-	-	-	4,646,696	4,646,696
Committed to:						
Public works - storm water	-	-	-	-	2,766,543	2,766,543
Public works - future street improvement	-	-	-	-	10,173,302	10,173,302
Community services - Recreation	-	-	-	-	264,899	264,899
Community services - Cemetary	-	-	-	-	206,163	206,163
General government - Economic Development	-	-	-	-	2,199,168	2,199,168
Assigned to:						
General government encumbrances	3,948,318	-	-	-	-	3,948,318
Unassigned:	50,883,642	-	-	(13,016,986)	-	37,866,656
Total fund balances:	$ 55,400,721	$ 73,329,071	$ 9,655,280	$ (13,016,986)	$ 43,460,211	$ 168,828,297

Deficit fund equity

At December 31, 2022, the Capital Projects fund, a major fund, had a deficit fund balance of $13,016,986. The deficit is attributed to spending resources obtained through the issuance of long-term debt in the prior period on capital improvements. That is, the fund balance that resulted from the previous long-term debt issuance was spent down during the current period as the related capital projects progressed.

Another reason for the decrease in fund balance in the current year is due to the use of short-term debt. In the case of the capital projects funds, temporary notes were issued to finance expenditures of certain capital projects. When issued, temporary notes are reported as a liability on the balance sheet, with no effect on the fund balance (i.e., proceeds = liability for debt). However, as proceeds as spend, the related expenditures cause a decrease in fund balance. Temporary notes in the amount of $67,565,660 remained outstanding and were reported as a liability in the capital projects funds at year end, while less than $12,000,000 of the proceeds remained unspent.

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

9. Interfund Activities

Interfund transactions for the year were as follows:

	Transfer to							
		Major				Internal	Other	
Transfers from	General	Debt Service	Capital Projects	Water & Sewer	Solid Waste	Service Funds	Governmental Funds	Total
General	$ -	$ 6,334,841	$ 10,512,629	$ -	$ -	$ -	$ 425,653	$ 17,273,123
Capital Projects	557,679	2,918,725	-	674,688	4,438	49,476	8,107,708	12,312,714
Other Governmental Funds	8,164,548	1,573,661	21,416,612	44,999	-	-	160	31,199,980
Debt Service	-	-	-	-	-	-	326	326
Special financing	573,961	-	-	-	-	-	191,423	765,384
Proprietary Funds								
Water and sewer	-	-	215,932	-	-	-	-	215,932
Solid waste	-	-	1,351,591	-	-	-	-	1,351,591
Internal service funds	-	-	35,531	-	-	-	-	35,531
Total proprietary funds	-	-	1,603,054	-	-	-	-	1,603,054
Totals	$ 9,296,188	$ 10,827,227	$ 33,532,295	$ 719,687	$ 4,438	$ 49,476	$ 8,725,270	$ 63,154,581

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

Further, during the year ended December 31, 2022, the City of Olathe made the following one-time transfers:

- Transfer of $765,384 from the special tax financing fund to the park sales tax, street maintenance sales tax, and general fund to reallocate sales taxes assigned to a redevelopment that had not submitted an approved plan.
- Transfers totaling $10,512,629 from the general fund to the capital projects fund to cash finance various projects to align with the City's five-year capital improvement plan.
- Transfer of $14,500,000 from street maintenance sales tax fund to the capital projects fund to cash finance street maintenance projects to align with the City's five-year capital improvement plan.
- Transfer of $557,679 from capital projects fund to the general fund to return remaining funds after project closeout.

Interfund receivable/payable balances as of December 31, 2022 were as follows:

	Receivables	Payables
Fund Statements		
General	$ 601,435	$ -
Other governmental funds	-	599,931
Internal service funds	1,289,528	1,504
Capital projects	-	1,289,528
	$ 1,890,963	$ 1,890,963
Government-Wide Statements		
Governmental	$ (11,663,092)	$ -
Business-type	-	11,663,092

10. Pension Plans

Plan description

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

Benefits provided

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

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

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

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

Contributions

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) was 8.90% for KPERS and 22.99% for KP&F for the fiscal year ended December 31, 2022.

Contributions to the pension plan from the City were $3,976,485 for KPERS and $7,031,807 for KP&F for the year ended December 31, 2022.

Employer Allocations

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

The allocation percentages for the City's share of the collective pension amounts as of June 30, 2022 and 2021 were based on the ratio of its contributions to the total of the employer and nonemployer contribution group for the fiscal years ended June 30, 2022 and 2021, respectively. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. At June 30, 2022, the City's proportion was 2.12% for the local plan, which was an increase of .01% from June 30, 2021, and 4.96% for the police and firemen plan, which was an increase of .13% from June 30, 2021.

Net Pension Liability

As of December 31, 2022 and 2021, the City reported a liability of $113,751,776 ($42,221,071 for local government employees and $71,530,705 for police and firemen) and $71,372,307 ($25,279,789 for local government employees and $46,092,518 for police and firemen), respectively, for its proportionate share of the net pension liability.

The total pension liability for KPERS in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study conducted for the three-year period beginning January 1, 2016. The experience study is dated January 7, 2020.

The actuarial assumptions changes adopted by the Pension Plan for all groups based on the experience study were as follows:

- Investment return assumption was lowered from 7.25% to 7.00%.

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

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

Discount Rate

The discount rate used by KPERS to measure the total pension liability at June 30, 2022 was 7.00%. The discount rate used to measure the total pension liability at the prior measurement date of June 30, 2021 was 7.25%. The projection of cash flows used to determine the discount rate was based on member and employer contributions. The local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the KPERS' Board of Trustees for this group may not increase by more than the statutory cap. The statutory cap for the state fiscal year 2022 was 1.2%. The local employers are currently contributing the full actuarial contribution rate. Employers contribute the full actuarial determined rate for KP&F. The expected employer actuarial contribution rate was modeled for future years for these groups, assuming all actuarial assumptions are met in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Local government	$ 60,651,934	$ 42,221,071	$ 26,865,486
Police and Firemen	98,114,832	71,530,705	49,411,179
Total	$ 158,766,766	$ 113,751,776	$ 76,276,665

Pension Expense

For the year ended December 31, 2022, the City recognized pension expense of $18,004,092 ($6,141,479 local government employees and $11,862,613 for police and firemen), which includes the changes in the collective net pension liability, projected earning on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources Governmental Activities	Deferred Inflows of Resources Governmental Activities	Deferred Outflows of Resources Business Type	Deferred Inflows of Resources Business Type	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Differences between actual and expected experience	$ 3,961,362	$ 64,665	$ 671,085	$ 11,014	$ 4,632,447	$ 75,679
Net differences between projected and actual earnings on investments	7,254,317	-	1,228,939	-	8,483,256	-
Changes in assumptions	13,631,644	-	2,309,308	-	15,940,952	-
Changes in proportion	2,333,685	1,589,424	395,345	270,711	2,729,030	1,860,135
Contributions after measurement date	5,123,469	-	867,956	-	5,991,425	-
Total	$ 32,304,477	$ 1,654,089	$ 5,472,633	$ 281,725	$ 37,777,110	$ 1,935,814

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

Year Ended December 31:	KPERS	Police and Firemen
2023	$ 3,403,417	$ 5,403,748
2024	2,996,814	4,625,226
2025	1,304,860	2,385,322
2026	3,815,535	5,522,577
2027	152,158	240,214
Thereafter	-	-
Total	$ 11,672,784	$ 18,177,087

11. Commitments and Contingent Liabilities

Reimbursable Developer's Cost

The City has pledged revenues (property tax and sales tax) from development areas to repay eligible developers' costs associated with each project. These obligations represent redeveloper project costs that have been certified as eligible for reimbursement from the incremental taxes attributable to each project. The City is only obligated for the amounts of incremental taxes received attributable to the projects. Any deficiencies are the responsibility of the developer. The remaining certified project costs to be repaid as of December 31, 2022 totaled $33,363,291.

Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchaser orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but rather, as restricted, committed, or assigned fund balance. Listed below are the encumbrances in governmental funds for the City as of December 31, 2022.

	Total Governmental Funds
General	$ 3,948,318
Nonmajor	240,061
Capital projects	46,898,567
Total encumbrances	$ 51,086,946

Commitments

As of December 31, 2022, uncompleted capital project authorizations compared with project costs from inception (excluding expenditures for general obligation notes, general obligation note interest, note and bond issuance costs and transfers of unused funds back to the funding source) were as follows:

	Project Authorizations	Costs - Project Inception to December 31, 2022
Street improvements	$ 417,650,781	$ 225,964,198
Citywide improvements	205,514,307	180,843,299
Water and sewer lines	89,812,927	59,217,597
	$ 712,978,015	$ 466,025,094

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

	Operation and Maintenance	Capital Improvements	Total
2023	$ 3,420,594	$ 900,649	$ 4,321,243
2024	3,591,624	945,682	4,537,306
2025	3,771,205	992,966	4,764,171

Litigation

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

12. Risk Management

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

The City has a deductible of $50,000 per occurrence for all property damage losses with the exception of windstorm/hail losses which has deductibles ranging from $50,000 to $100,000 per location. Liability deductibles are $25,000 per occurrence for auto liability, $25,000 per occurrence for general liability losses, $50,000 per occurrence for police liability losses, and $50,000 per occurrence for public official liability and employment practices losses. Property damage claims to City vehicles are subject to a $5,000 per vehicle deductible. The City maintains a loss reserves fund for pending claims and for claims incurred, but not reported. The City believes that there is no potential liability as of December 31, 2022 which will exceed coverage and the funds reserved. There were no significant reductions in insurance coverage during 2022. No significant settlements in excess of insurance coverage have been paid in the last three years.

Effective January 1, 1998, the City was granted a self-insured permit by the Kansas Workers' Compensation Division. The City had previously been a member of a self-insured pool for 11 years. As a stand-alone workers' compensation self-insured, the City must comply with very strict procedural and funding standards monitored by the Kansas Workers' Compensation Division. The City has recorded a liability of $1,742,893 that represents the estimated future cost of claims made and claims incurred, but not reported at December 31, 2022. All is considered due within one year and is included in accounts and claims payable in the Statement of Net Position.

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

	Beginning of Year	Additions	Deletions	End of Year
2021	$ 789,450	$ 370,735	$ 540,697	$ 619,488
2022	619,488	1,808,478	685,073	1,742,893

Employee health and dental insurances are self-insured by the City. The City has an accrued liability for various insurance claims payable including claims incurred, but not yet paid of $1,168,800 at December 31, 2022. All is considered due within one year and is included in accounts and claims payable in the Statement of Net Position.

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

	Beginning of Year	Additions	Deletions	End of Year
2021	$ 1,006,300	$16,535,916	$ 16,367,116	$ 1,175,100
2022	1,175,100	15,067,448	15,073,748	1,168,800

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

13. Landfill Closure

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

The Environmental Protection Agency (EPA), through the Kansas Department of Health and Environment, requires the former site to be capped. This cap must be inspected for erosion, and the ground water samples must be tested annually. In December 1995 the City obtained an environmental engineer study of the landfill to evaluate the ultimate postclosure liability in accordance with EPA regulations, state regulations and GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Solid Waste Enterprise Fund*. Based on the information from the study no liability has been accrued and postclosure care costs will be expensed as incurred. The City will continue to evaluate the ultimate postclosure care cost annually. In the event that a material liability is estimated, the City will accrue the liability at that financial statement date. Total current cost of landfill closure and postclosure care is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

14. Postemployment Benefits Other than Pension Benefits (OPEB)

Plan Description

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

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

Funding Policy

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

At January 1, 2022, the following employees were covered by the benefit terms:

	Governmental	Business-type
Active employees	675	199
Retirees and covered spouses	108	18
	783	217

The total OPEB liability of $31,665,136 was measured as of December 31, 2022 and was determined by an actuarial valuation as of January 1, 2022.

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified.

Acturial cost method	Entry age normal as a level percentage of payroll
Inflation	2.75%
Salary increase	3.50%
Discount rate	4.18%
Healthcare cost trend rate	Medical & Pharmacy: 7.00% for 2022, decreasing to an ultimate rate of 4.50% for 2030 and later years

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

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

Changes in the total OPEB liability are as follows:

Total OPEB Liability - Beginning of Year	$ 30,774,341
1. Service cost	1,535,344
2. Interest cost	640,288
3. Changes in benefit terms	-
4. Differences between actual and expected experience	1,241,391
5. Changes in assumptions and inputs	(680,228)
6. Benefit payments (Employer Contributions)	1,846,000
Net Changes (1+2+3+4+5-6)	890,795
Total OPEB Liability - End of Year	$ 31,665,136

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using the discount rate that is one percentage point lower (3.18% or one percentage point higher (5.18%) than the current discount rate.

	1% Decrease 3.18%	Discount Rate 4.18%	1% Increase 5.18%
Total OPEB Liability	$ 34,143,379	$ 31,665,136	$ 29,389,283

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

	1% Decrease	Current Trend Assumption	1% Increase
Total OPEB Liability	$ 28,689,784	$ 31,665,136	$ 35,138,617

For the year ended December 31, 2022, the City recognized OPEB expense of $2,544,679.

Deferred Inflows of Resources.

At December 31, 2022 the City reported deferred inflows related to OPEB from the following sources:

	Deferred Outflows of Resources Governmental Activities	Deferred Inflows of Resources Governmental Activities	Deferred Outflows of Resources Business Type	Deferred Inflows of Resources Business Type	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Changes in Assumptions	$ 2,247,943	$ 905,119	$ 380,819	$ 154,160	$ 2,628,762	$ 1,059,279
Differences between expected and actual experience	1,931,080	738,908	327,141	125,851	2,258,221	864,759
Total	$ 4,179,023	$ 1,644,027	$ 707,960	$ 280,011	$ 4,886,983	$ 1,924,038

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

Year Ended December 31,	Deferred Outflows of Resources
2023	$ 369,049
2024	369,049
2025	369,049
2026	369,049
2027	369,046
2028 & thereafter	1,117,703
	$ 2,962,945

15. Other Postemployment Benefits – KPERS

Plan Description

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

Benefits

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

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

Group life waiver of premium benefit: Upon the death of an employee who is receiving monthly disability benefits, the Plan will pay a lump-sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of the member's annual rate of compensation at the time of disability or the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for 5 or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual life insurance policy.

Employees covered by benefit terms. At December 31, 2022, the following employees were covered by the benefit terms:

Active employees	642
Disabled members	15
	657

Total OPEB Liability

The City's total KPERS OPEB liability of $1,390,359 reported as of December 31, 2022 was measured as of June 30, 2022 and was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022 using the following actuarial assumptions:

Price inflation	2.75%
Payroll growth	3.00%
Salary increases, including inflation	3.50 to 10%, including price inflation
Discount rate	3.54%
Healthcare cost trend rates	Not applicable for the coverage in this plan
Retiree share of benefit cost	Not applicable for the coverage in this plan

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

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

The actuarial assumptions used in the June 30, 2022 valuation were based on an actuarial experience for the three-year period beginning January 1, 2016. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2021 KPERS pension valuation.

Total OPEB Liability - Beginning of Year	$ 2,184,233
Service cost	180,873
Interest cost	48,835
Effect of economic/demographic gains or losses	(502,039)
Effect of assumptions changes or inputs	(311,978)
Benefit payments (Employer Contributions)	(209,565)
Net Changes	(793,874)
Total OPEB Liability - End of Year	$ 1,390,359

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

The following presents the total KPERS OPEB liability of the City, as well as what the City's total KPERS OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current discount rate.

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB Liability	$ 1,446,149	$ 1,390,359	$ 1,334,435

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 1,390,359	$ 1,390,359	$ 1,390,359

For the year ended December 31, 2022, the City recognized OPEB expense of $175,641 and an aggregate amount of OPEB expense for all plans of $2,720,320.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2022, the City reported deferred inflows and outflows related to OPEB from the following sources:

	Deferred Outflows of Resources Governmental Activities	Deferred Inflows of Resources Governmental Activities	Deferred Outflows of Resources Business Type	Deferred Inflows of Resources Business Type	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Changes in assumptions	$ 105,926	$ 270,976	$ 17,944	$ 46,153	$ 123,870	$ 317,129
Differences between expected and actual experience	249,603	580,746	42,286	98,912	291,889	679,658
Total	$ 355,529	$ 851,722	$ 60,230	$ 145,065	$ 415,759	$ 996,787

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

Year Ended December 31,	Deferred (Inflows) Outflows Amount
2023	$ (54,066)
2024	(54,066)
2025	(54,066)
2026	(51,920)
2027	(43,465)
2028 & thereafter	(323,445)
	$ (581,028)

16. Tax Abatements

Property Tax Abatements

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

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

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

a. Employment – Wages: The amount and diversity of additional employment opportunities which would be provided shall be a primary consideration. The City expects all projects which receive a property tax abatement to produce a high quantity of jobs and or pay above average wages.

b. Design Criteria: The City will, at its sole discretion, require higher design standards for the design of building and material used for projects receiving property tax abatement. Projects shall utilize construction material that meet or exceed the requirement set forth in the design guidelines as provided by the City's Planning Services Division. The project must be environmentally acceptable to the location intended as well as the surrounding area.

c. Compatibility with Adopted City Plans: All projects shall be consistent with the City's Comprehensive Plan, any applicable corridor plans, and other plans of the City which may be relevant to the project. When evaluating proposed projects, the City will consider a variety of factors to determine compliance, including compatibility of the location of the business with the land use and development plans of the City and the availability of existing infrastructure facilities and the essential public services.

The City will consider granting tax exemption incentives upon factual showing of direct economic benefit to the City through advancement of its economic development goals, including the creation of additional jobs and the stimulation of additional private investment. Before a tax exemption incentive is granted, a cost-benefit analysis report examining the costs and benefits to the public of the proposed tax exemption incentive is prepared. In addition, the City provides a public hearing notice and the City Council conducts

a public hearing to consider the abatement. Any tax exemption granted pursuant to Resolution No. 16-1003 shall be accompanied by a performance agreement which is subject to annual review and determination by the Governing Body that the conditions qualifying the business for the exemption continue to exist. If the Governing Body finds the business is not in compliance, then the tax exemption may be modified pursuant to the performant agreement or eliminated as the Governing Body deems appropriate.

For the fiscal year ending December 31, 2022, the City abated ad valorem property taxes. Listed below are projects that individually exceed 5% of the City's total amount abated. The projects listed total over 89% of the total abatement amount.

Project Name	I-35 Logistics Park - Building C
Project Description	Warehouse
Approved Abatement	50% of ad valorem property taxes
2022 amount	$100,603
Additional Commitment	N/A

Project Name	Himoinsa Power Systems, Inc
Project Description	Information services and data processing
Approved Abatement	50% of ad valorem property taxes
2022 amount	$106,182
Additional Commitment	N/A

Project Name	Garmin Realty, LLC
Project Description	Warehouse
Approved Abatement	75% of ad valorem property taxes
2022 amount	$665,493
Additional Commitment	N/A

Project Name	I-35 Logistics Park - Building B
Project Description	Warehouse
Approved Abatement	50% of ad valorem property taxes
2022 amount	$140,501
Additional Commitment	N/A

Project Name	Lineage Logistics, LLC
Project Description	Warehouse
Approved Abatement	50% of ad valorem property taxes
2022 amount	$83,187
Additional Commitment	N/A

Project Name	Milhaus Properties, LLC
Project Description	Warehouse
Approved Abatement	100% of ad valorem property taxes
2022 amount	$227,902
Additional Commitment	N/A

Project Name	Lone Elm 716
Project Description	Warehouse
Approved Abatement	50% of ad valorem property taxes
2022 amount	$131,411
Additional Commitment	N/A

Tax Increment Financing

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

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

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

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

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

For the fiscal year ending December 31, 2022, the City applied incremental revenues to TIF projects as follows:

Project Name	Olathe Gateway
Project Description	Development of shopping area / entertainment district anchored by Bass Pro.
Approved TIF	100% Ad valorem property tax increment and 100% incremental sales tax
2022 amount	$849,401
Project Commitment	Development of shopping area / entertainment district
Additional Commitment	N/A

Project Name	West Village
Project Description	Development of shopping area anchored by Wal-Mart.
Approved TIF	100% Ad valorem property tax increment and incremental sales tax
2022 amount	$1,046,628
Project Commitment	Development of shopping area
Additional Commitment	N/A

Project Name	Santa Fe and Ridgeview
Project Description	Redevelopment of shopping area anchored by Sutherland’s.
Approved TIF	100% Ad valorem property tax increment and 50% incremental sales tax
2022 amount	$104,445
Project Commitment	Redevelopment of shopping area
Additional Commitment	N/A

Project Name	Heritage Crossing
Project Description	Development of shopping area.
Approved TIF	100% Ad valorem property tax increment and 50% incremental sales tax.
2022 amount	$55,909
Project Commitment	Development of shopping area

Project Name	Heart of America / Hilton Garden Inn
Project Description	Development of Hilton Garden Inn hotel
Approved TIF	100% Ad valorem property tax increment and 100% incremental sales tax
2022 amount	$260,888
Project Commitment	Development of hotel
Additional Commitment	N/A

Project Name	Ancona Honda
Project Description	Redevelopment of car dealership
Approved TIF	100% Ad valorem property tax increment
2022 amount	$38,488
Project Commitment	Redevelopment of car dealership
Additional Commitment	N/A

Project Name	Heart of America / Conference Center & Hotel
Project Description	Development of conference center and Embassy Suites Hotel
Approved TIF	100% Ad valorem property tax, 100% incremental sales tax, and 100% incremental transient guest tax
2022 amount	$1,194,117
Project Commitment	Development of convention center and hotel.
Additional Commitment	N/A

Project Name	Ridgeview Soccer Complex
Project Description	Development of soccer complex
Approved TIF	100% Ad valorem property tax, 100% incremental sales tax, and 100% incre
2022 amount	$749,109
Project Commitment	Development of soccer complex.
Additional Commitment	N/A

As of December 31, 2022, there were 50 issues of industrial revenue and multi-housing bonds outstanding. Outstanding issues had an aggregate outstanding amount totaling $835,847,574 and a total assessed valuation of $153,764,473.

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

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

	Olathe Public Housing Authority
Total assets	$ 3,002,505
Total liabilities and deferred inflows	348,146
Net Position	$ 2,654,359

Expenses	$ 5,359,019
Program revenues	5,144,580
Net program revenues	(214,439)
Other general revenues	579
Change in net position	(213,860)
Beginning net position, restated	2,868,219
Ending net position	$ 2,654,359

18. Pending GASB Statements

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

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, provides guidance where some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR), most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The provisions of this statement were originally effective for the City's fiscal year ending December 31, 2022 and now postponed until December 31, 2023 per GASB Statement No. 95.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the City's fiscal year ending December 31, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides new accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs), which have become increasingly common among state and local governments in recent years. Statement 96 is based on the standards established in Statement 87, *Leases*. The new defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The guidance requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability (with an exception for short-term SBITAs, those with a maximum possible term of 12

months) and provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. The provisions of this statement will be effective for the City's fiscal year ending December 31, 2023.

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

GASB statement No. 100, Accounting Changes and Error Corrections, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates and changes to or within the financial reporting entity. This statement also addresses corrections of errors in previously issued financial statements. This statement prescribes the accounting and financial reporting for each type of accounting change and error corrections. This statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and changes in accounting estimates be reported prospectively by recognizing the change in the current period. This statement also requires disclosure in the notes to the financial statements of descriptive information about accounting changes and error corrections. Furthermore, this statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. The provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2024.

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


OLATHE
KANSAS

Required

Supplementary Information

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

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

* Data became available with the inception of GASB 75 during fiscal year 2018, therefore 10 years of data is unavailable.
There are no assets accumulated in the trust to pay related benefits.

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

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

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

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

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

Local Government	2014	2015	2016	2017	2018	2019	2020	2021	2022
Proportion of the Net Pension Liability	1.878112%	1.936294%	1.938338%	1.997006%	2.092001%	2.156684%	2.210272%	2.106726%	2.123749%
Proportionate share of the net pension liability	$23,155,815	$ 25,424,394	$ 29,986,662	$ 28,925,745	$ 29,158,100	$ 30,136,906	$ 38,318,469	$ 25,279,789	$ 42,221,071
Covered payroll	34,408,016	35,530,007	33,922,111	36,032,058	41,149,580	40,039,507	40,408,036	40,899,942	46,325,204
Proportionate share of the net pension liability as a percentage of covered payroll	67.30%	71.56%	88.40%	80.28%	70.86%	75.27%	94.83%	61.81%	91.14%
Plan fiduciary net position as a percentage of total pension liability	66.60%	64.95%	65.09%	67.12%	68.88%	69.88%	66.30%	76.40%	69.75%

Police and Firemen	2015	2015	2016	2017	2018	2019	2020	2021	2022
Proportion of the Net Pension Liability	4.500889%	4.660566%	4.546739%	4.510839%	4.819524%	4.849212%	4.874002%	4.830263%	4.959723%
Proportionate share of the net pension liability	$29,829,218	$ 33,841,190	$ 42,228,453	$ 42,302,210	$ 46,373,540	$ 49,079,872	$ 60,103,119	$ 46,092,518	$ 71,530,705
Covered payroll	22,291,450	23,177,996	23,547,099	24,530,506	26,495,886	26,765,111	27,391,157	26,777,115	32,391,622
Proportionate share of the net pension liability as a percentage of covered payroll	133.81%	146.01%	179.34%	172.45%	175.02%	183.37%	219.43%	172.13%	220.83%
Plan fiduciary net position as a percentage of total pension liability	66.60%	64.95%	65.09%	67.12%	68.88%	69.88%	66.30%	76.40%	69.75%

Note: Due to the City's implenting GASB 68, only eight years of information is available.

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

Local Government	2014	2015	2016	2017	2018	2019	2020	2021	2022
Required contribution	$ 2,590,522	$ 2,961,053	$ 3,100,570	$ 3,123,646	$ 3,154,582	$ 3,445,055	$ 3,652,057	$ 3,764,469	$ 3,917,855
Contribution in relation to required contribution	2,590,522	2,961,053	3,100,570	3,123,646	3,154,582	3,445,055	3,652,057	3,764,469	3,917,855
Contribution deficiency	-	-	-	-	-	-	-	-	-
Covered payroll	34,764,813	35,723,597	34,689,897	36,369,668	41,613,279	40,039,507	40,408,036	42,440,457	44,020,836
Contributions as a percentage of covered payroll	7.45%	8.29%	8.94%	8.59%	7.58%	8.60%	9.04%	8.87%	8.90%

Police and Firemen	2015	2015	2016	2017	2018	2019	2020	2021	2022
Required contribution	$ 3,764,718	$ 4,378,971	$ 4,515,855	$ 4,446,415	$ 4,794,549	$ 5,481,040	$ 5,898,976	$ 6,539,274	$ 7,031,807
Contribution in relation to required contribution	3,764,718	4,378,971	4,515,855	4,446,415	4,794,549	5,481,040	5,898,976	6,539,274	7,031,807
Contribution deficiency	-	-	-	-	-	-	-	-	-
Covered payroll	22,752,844	23,380,484	23,644,300	25,055,519	27,234,594	26,765,111	27,391,157	28,681,025	30,586,375
Contributions as a percentage of covered payroll	16.55%	18.73%	19.10%	17.75%	17.60%	20.48%	21.54%	22.80%	22.99%

Note: Due to the city's implenting GASB 68, only nine years of information is available.

Changes in benefit terms for KPERS.

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

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

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

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

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

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

Changes in assumptions for KPERS.

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

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

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

KPERS:

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

KP&F:

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

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

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

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

KPERS:

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

KP&F:

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

Assumption changes effective December 31, 2021 were as follows:

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

KPERS:

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


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Nonmajor Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

Fire Levy

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

Motor Fuel Tax

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

Library Operating

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

Economic Development and Tourism

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

Special Park and Recreation

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

Special Alcohol

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

Storm Water

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

Nonmajor Governmental Funds

Special Revenue Funds

Reimbursable Programs

To account for miscellaneous donations for various designated purposes.

Grants Fund

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

Recreation Fund

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

Cemetery

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

Capital Projects Fund

Library Capital

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

Park Sales Tax

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

Street Maintenance Sale Tax

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

Future Street Improvement

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

City of Olathe, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Special Revenue							
	Fire Levy	Motor Fuel Tax	Library Operating	Economic Development and Tourism	Special Park and Recreation	Special Alcohol	Stormwater	Reimbursable Programs
Assets								
Cash, cash equivalents, and investments	$ -	$ -	$ 3,993,860	$ 1,770,719	$ 2,802,700	$ 1,077,052	$ 2,113,118	$ 1,084,533
Receivables (net of allowance)								
Taxes	4,208,671	-	7,406,816	428,449	-	-	-	422,926
Accounts	-	-	-	-	-	-	653,425	-
Loans	-	-	-	-	-	-	-	-
Due from other governments	-	997,224	-	-	150,272	150,272	-	-
Prepaid asset	-	-	40,500	-	-	-	-	-
Total assets	$ 4,208,671	$ 997,224	$ 11,441,176	$ 2,199,168	$ 2,952,972	$ 1,227,324	$ 2,766,543	$ 1,507,459
Liabilities								
Accounts payable	$ -	$ -	$ -	$ -	$ 284	$ -	$ -	$ -
Unearned revenue	-	-	-	-	-	-	-	-
Due to other funds	-	599,931	-	-	-	-	-	-
Total liabilities	-	599,931	-	-	284	-	-	-
Deferred Inflows of Resources								
Deferred revenue - property taxes	4,208,671	-	7,406,816	-	-	-	-	422,926
Deferred revenue - intergovernmental	-	-	-	-	-	-	-	-
Total deferred inflows of resources	4,208,671	-	7,406,816	-	-	-	-	422,926
Fund balances								
Nonspendable	-	-	40,500	-	-	-	-	-
Restricted								
Public works	-	397,293	-	-	-	-	-	-
Community services	-	-	-	-	2,952,688	1,227,324	-	40,766
General government	-	-	3,993,860	-	-	-	-	1,043,767
Committed								
Public works	-	-	-	-	-	-	2,766,543	-
Community services	-	-	-	-	-	-	-	-
General government	-	-	-	2,199,168	-	-	-	-
Total fund balances	-	397,293	4,034,360	2,199,168	2,952,688	1,227,324	2,766,543	1,084,533
Total liabilities, deferred inflows of resources, and fund balances	$ 4,208,671	$ 997,224	$ 11,441,176	$ 2,199,168	$ 2,952,972	$ 1,227,324	$ 2,766,543	$ 1,507,459

City of Olathe, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Special Revenue			Capital Projects				Total Nonmajor Governmental Funds
	Grants Fund	Cemetery	Recreation	Library Capital	Park Sales Tax	Street Maintenance Sales Tax	Future Street Improvement	
Assets								
Cash, cash equivalents, and investments	$ 5,466,684	$ 206,163	$ 945,271	$ 652,836	$ 4,006,927	$ 5,340,776	$ 10,173,302	$ 39,633,941
Receivables (net of allowance)								
Taxes	-	-	-	-	876,622	2,629,863	-	15,973,347
Accounts	11,964	-	80,341	-	-	-	-	745,730
Loans	3,714,340	-	-	-	-	-	-	3,714,340
Due from other governments	83,353	-	-	-	-	-	-	1,381,121
Prepaid asset	-	-	-	-	-	-	-	40,500
Total assets	$ 9,276,341	$ 206,163	$ 1,025,612	$ 652,836	$ 4,883,549	$ 7,970,639	$ 10,173,302	$ 61,488,979
Liabilities								
Accounts payable	$ 10,271	$ -	$ 760,713	$ -	$ -	$ -	$ -	$ 771,268
Unearned revenue	4,599,375	-	-	-	-	-	-	4,599,375
Due to other funds	-	-	-	-	-	-	-	599,931
Total liabilities	4,609,646	-	760,713	-	-	-	-	5,970,574
Deferred Inflows of Resources								
Deferred revenue - property taxes	-	-	-	-	-	-	-	12,038,413
Deferred revenue - intergovernmental	19,781	-	-	-	-	-	-	19,781
Total deferred inflows of resources	19,781	-	-	-	-	-	-	12,058,194
Fund balances								
Nonspendable	-	-	-	-	-	-	-	40,500
Restricted								
Public works	-	-	-	-	-	7,970,639	-	8,367,932
Community services	4,646,914	-	-	-	4,883,549	-	-	13,751,241
General government	-	-	-	652,836	-	-	-	5,690,463
Committed								
Public works	-	-	-	-	-	-	10,173,302	12,939,845
Community services	-	206,163	264,899	-	-	-	-	471,062
General government	-	-	-	-	-	-	-	2,199,168
Total fund balances	4,646,914	206,163	264,899	652,836	4,883,549	7,970,639	10,173,302	43,460,211
Total liabilities, deferred inflows of resources, and fund balances	$ 9,276,341	$ 206,163	$ 1,025,612	$ 652,836	$ 4,883,549	$ 7,970,639	$ 10,173,302	$ 61,488,979

City of Olathe, Kansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Special Revenue							
	Fire Levy	Motor Fuel Tax	Library Operating	Economic Development and Tourism	Special Park and Recreation	Special Alcohol	Stormwater	Reimbursable Programs
Revenues								
Taxes:								
Property	$ 4,194,993	$ -	$ 7,374,039	$ -	$ -	$ -	$ -	$ 405,668
Sales	-	-	-	-	-	-	-	-
Transient guest	-	-	-	1,571,772	-	-	-	-
Intergovernmental	-	3,923,754	-	-	640,664	640,664	-	-
Fines, forfeitures, and penalties	-	-	110,421	-	-	-	-	-
Charges for services	-	-	79,347	-	814,810	-	5,136,981	281,751
Use of money and property	-	-	76,943	17,832	28,094	11,426	31,122	1,102
Miscellaneous	-	-	-	-	100,000	100,000	-	243,215
Total revenues	4,194,993	3,923,754	7,640,750	1,589,604	1,583,568	752,090	5,168,103	931,736
Expenditures								
General government	-		454,620	1,318,500	-	-	91,061	518,245
Public safety	-	-	-	-	-	314,251	-	19,253
Public works	-	-	-	-	460,569	-	2,807,522	-
Community services	-	-	6,603,552	-	140,008	226,475	66,452	25,509
Debt service								
Principal retirements	-	-	-	-	-	-	120,000	-
Interest and fiscal charges	-	-	-	-	-	-	156,695	-
Total expenditures	-	-	7,058,172	1,318,500	600,577	540,726	3,241,730	563,007
Excess of revenues over (under) expenditures	4,194,993	3,923,754	582,578	271,104	982,991	211,364	1,926,373	368,729
Other financing sources (uses)								
Transfers in	-	-	-	819	143,021	-	28,374	-
Transfers out	(4,316,712)	(3,849,829)	(200,102)	-	(450,000)	-	(2,179,539)	-
Total other financing sources (uses)	(4,316,712)	(3,849,829)	(200,102)	819	(306,979)	-	(2,151,165)	-
Net change in fund balances	(121,719)	73,925	382,476	271,923	676,012	211,364	(224,792)	368,729
Fund balances - beginning of year	121,719	323,368	3,651,884	1,927,245	2,276,676	1,015,960	2,991,335	715,804
Fund balances - end of year	$ -	$ 397,293	$ 4,034,360	$ 2,199,168	$ 2,952,688	$ 1,227,324	$ 2,766,543	$ 1,084,533

City of Olathe, Kansas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Special Revenue			Capital Projects				Total Nonmajor Governmental Funds
	Grant Fund	Cemetery	Recreation	Library Capital	Park Sales Tax	Street Maintenance Sales Tax	Future Street Improvement	
Revenues								
Taxes:								
Property	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,974,700
Sales	-	-	-	-	5,254,909	15,764,664	-	21,019,573
Transient guest	-	-	-	-	-	-	-	1,571,772
Intergovernmental	4,283,878	-	-	40,569	-	-	-	9,529,529
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	110,421
Charges for services	-	325,032	5,481,932	209,393	-	-	1,379,870	13,709,116
Use of money and property	286	1,478	12,680	-	46,834	190,958	112,095	530,850
Miscellaneous	299,393	-	-	-	-	-	-	742,608
Total revenues	4,583,557	326,510	5,494,612	249,962	5,301,743	15,955,622	1,491,965	59,188,569
Expenditures								
General government	5,489,226	-	285,176	-	-	-	41,250	8,198,078
Public safety	878,836	-	-	-	-	-	-	1,212,340
Public works	2,132,975	-	682,418	-	272,999	-	-	6,356,483
Community services	3,157,616	497,474	4,919,119	273,537	-	-	-	15,909,742
Debt service								
Principal retirements	-	-	-	-	-	-	-	120,000
Interest and fiscal charges	-	-	-	-	-	-	-	156,695
Total expenditures	11,658,653	497,474	5,886,713	273,537	272,999	-	41,250	31,953,338
Excess of revenues over (under) expenditures	(7,075,096)	(170,964)	(392,101)	(23,575)	5,028,744	15,955,622	1,450,715	27,235,231
Other financing sources (uses)								
Transfers in	7,544,992	-	339,573	-	98,811	119,680	450,000	8,725,270
Transfers out	(166,836)	-	-	-	(3,573,661)	(14,500,000)	(1,963,301)	(31,199,980)
Total other financing sources (uses)	7,378,156	-	339,573	-	(3,474,850)	(14,380,320)	(1,513,301)	(22,474,710)
Net change in fund balances	303,060	(170,964)	(52,528)	(23,575)	1,553,894	1,575,302	(62,586)	4,760,521
Fund balances - beginning of year	4,343,854	377,127	317,427	676,411	3,329,655	6,395,337	10,235,888	38,699,690
Fund balances - end of year	$ 4,646,914	$ 206,163	$ 264,899	$ 652,836	$ 4,883,549	$ 7,970,639	$ 10,173,302	$ 43,460,211

Budgetary Schedules

City of Olathe, Kansas
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
All Budgeted Special Revenue Funds
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2022

	Fire Levy Fund			Motor Fuel Tax Fund			Library Operating Fund		
	Original and Final Amended Budget	Actual	Variance - Positive (Negative)	Original and Final Amended Budget	Actual	Variance - Positive (Negative)	Original and Final Amended Budget	Actual	Variance - Positive (Negative)
Revenues									
Taxes	$ 4,252,100	$ 4,194,993	$ (57,107)	$ -	$ -	$ -	$ 7,483,252	$ 7,374,039	$ (109,213)
Intergovernmental	-	-	-	3,915,434	3,923,754	8,320	-	-	-
Fines, foreitures, and penalties	-	-	-	-	-	-	-	110,421	110,421
Charges for services	-	-	-	-	-	-	211,500	79,347	(132,153)
Use of money and property	-	-	-	359	-	(359)	36,189	76,943	40,754
Miscellaneous	26,651	-	(26,651)	-	-	-	32,686	-	(32,686)
Total revenues	4,278,751	4,194,993	(83,758)	3,915,793	3,923,754	7,961	7,763,627	7,640,750	(122,877)
Expenditures									
General government	-	-	-	-	-	-	390,738	454,620	(63,882)
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	19,502	-	19,502
Community services	-	-	-	-	-	-	11,100,110	6,764,744	4,335,366
Debt service	-	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	11,510,350	7,219,364	4,290,986
Excess of revenues over/ (under) expenditures	4,278,751	4,194,993	(83,758)	3,915,793	3,923,754	7,961	(3,746,723)	421,386	4,168,109
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(4,413,902)	(4,316,712)	97,190	(3,983,957)	(3,849,829)	134,128	-	(200,102)	(200,102)
Total other financing sources/(uses)	(4,413,902)	(4,316,712)	97,190	(3,983,957)	(3,849,829)	134,128	-	(200,102)	(200,102)
Net change in fund balances	$ (135,151)	(121,719)	$ 13,432	$ (68,164)	73,925	$ 142,089	$ (3,746,723)	221,284	$ 3,968,007
Fund balances - beginning of year - Budget basis		121,719			323,368			3,646,054	
Fund balances - end of year - Budget basis		-			397,293			3,867,338	
Encumbrances incurred and outstanding / Due to other fund		-			-			167,022	
Fund balances - end of year - GAAP basis		$ -			$ 397,293			$ 4,034,360	

City of Olathe, Kansas
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
All Budgeted Special Revenue Funds
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2022

	Economic Development and Tourism			Special Park and Recreation Fund			Special Alcohol Fund		
	Original and Final Amended Budget	Actual	Variance - Positive (Negative)	Original and Final Amended Budget	Actual	Variance - Positive (Negative)	Original and Final Amended Budget	Actual	Variance - Positive (Negative)
Revenues									
Taxes	$ 906,755	$ 1,571,772	$ 665,017	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	430,947	640,664	209,717	550,866	640,664	89,798
Fines, foreitures, and penalties	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	525,227	814,810	289,583	-	-	-
Use of money and property	-	17,832	17,832	15,003	28,094	13,091	19,159	11,426	(7,733)
Miscellaneous	-	-	-	-	100,000	100,000	-	100,000	100,000
Total revenues	906,755	1,589,604	682,849	971,177	1,583,568	612,391	570,025	752,090	182,065
Expenditures									
General government	2,506,657	1,318,500	1,188,157	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	329,743	314,251	15,492
Public works	-	-	-	2,363,434	460,569	1,902,865	-	-	-
Community services	-	-	-	129,215	140,008	(10,793)	1,247,775	226,475	1,021,300
Debt service	-	-	-	-	-	-	-	-	-
Total expenditures	2,506,657	1,318,500	1,188,157	2,492,649	600,577	1,892,072	1,577,518	540,726	1,036,792
Excess of revenues over (under) expenditures	(1,599,902)	271,104	1,871,006	(1,521,472)	982,991	2,504,463	(1,007,493)	211,364	1,218,857
Other financing sources (uses)									
Transfers in	154	819	665	-	143,021	143,021	-	-	-
Transfers out	-	-	-	(450,000)	(450,000)	-	-	-	-
Total other financing sources/(uses)	154	819	665	(450,000)	(306,979)	143,021	-	-	-
Net change in fund balances	$ (1,599,748)	271,923	$ 1,871,671	$ (1,971,472)	676,012	$ 2,647,484	$ (1,007,493)	211,364	$ 1,218,857
Fund balances - beginning of year - Budget basis		1,927,245			2,276,676			1,015,960	
Fund balances - end of year - Budget basis		2,199,168			2,952,688			1,227,324	
Encumbrances incurred and outstanding / Due to other fund		-			-			-	
Fund balances - end of year - GAAP basis		$ 2,199,168			$ 2,952,688			$ 1,227,324	

City of Olathe, Kansas
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
All Budgeted Special Revenue Funds
Budget and Actual - Budgetary Basis (continued)
For the Year Ended December 31, 2022

	Storm Water Fund			Recreation			Total		
	Original and Final Amended Budget	Actual	Variance - Positive (Negative)	Original and Final Amended Budget	Actual	Variance - Positive (Negative)	Original and Final Amended Budget	Actual	Variance - Positive (Negative)
Revenues									
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,642,107	$ 13,140,804	$ 498,697
Intergovernmental	-	-	-	-	-	-	4,897,247	5,205,082	307,835
Fines, foreitures, and penalties	-	-	-	-	-	-	-	110,421	110,421
Charges for services	4,987,587	5,136,981	149,394	6,262,000	5,481,932	(780,068)	11,986,314	11,513,070	(473,244)
Use of money and property	20,000	31,122	11,122	9,764	12,680	2,916	100,474	178,097	77,623
Miscellaneous	-	-	-	-	-	-	59,337	200,000	140,663
Total revenues	5,007,587	5,168,103	160,516	6,271,764	5,494,612	(777,152)	29,685,479	30,347,474	661,995
Expenditures									
General government	211,407	91,061	120,346	298,574	285,176	13,398	3,407,376	2,149,357	1,258,019
Public safety	-	-	-	-	-	-	329,743	314,251	15,492
Public works	4,574,917	2,807,952	1,766,965	652,840	686,168	(33,328)	7,610,693	3,954,689	3,656,004
Community services	69,946	66,452	3,494	5,272,805	4,917,036	355,769	17,819,851	12,114,715	5,705,136
Debt service	-	276,695	(276,695)	-	-	-	-	276,695	(276,695)
Total expenditures	4,856,270	3,242,160	1,614,110	6,224,219	5,888,380	335,839	29,167,663	18,809,707	10,357,956
Excess of revenues over (under) expenditures	151,317	1,925,943	1,774,626	47,545	(393,768)	(441,313)	517,816	11,537,767	11,019,951
Other financing sources (uses)									
Transfers in	-	28,374	28,374	-	339,573	339,573	154	511,787	511,633
Transfers out	(2,865,800)	(2,179,539)	686,261	(200,000)	-	200,000	(11,913,659)	(10,996,182)	917,477
Total other financing sources/(uses)	(2,865,800)	(2,151,165)	714,635	(200,000)	339,573	539,573	(11,913,505)	(10,484,395)	1,429,110
Net change in fund balances	$ (2,714,483)	(225,222)	$ 2,489,261	$ (152,455)	(54,195)	$ 98,260	$ (11,395,689)	1,053,372	$ 12,449,061
Fund balances - beginning of year - Budget basis		2,981,372			305,402			12,597,796	
Fund balances - end of year - Budget basis		2,756,150			251,207			13,651,168	
Encumbrances incurred and outstanding / Due to other fund		10,393			13,692			191,107	
Fund balances - end of year - GAAP basis		$ 2,766,543			$ 264,899			$ 13,842,275	

City of Olathe, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgeted Capital Projects Fund
Park Sales Tax Fund
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2022

	Original and Final Amended Budget	Actual	Variance - Positive (Negative)
Revenues			
Taxes	$ 4,400,930	$ 5,254,909	$ 853,979
Use of money and property	8,267	46,834	38,567
Total revenues	4,409,197	5,301,743	892,546
Expenditures			
Public works	2,532,529	272,999	2,259,530
Community services	-	-	-
Total expenditures	2,532,529	272,999	2,259,530
Excess of revenues over (under) expenditures	1,876,668	5,028,744	3,152,076
Other financing sources (uses)			
Transfers in	-	98,811	98,811
Transfers out	(3,573,661)	(3,573,661)	-
Total other financing sources (uses)	(3,573,661)	(3,474,850)	98,811
Net change in fund balance	$ (1,696,993)	1,553,894	$ 3,250,887
Fund balance - beginning of year		3,329,655	
Fund balance - end of year		$ 4,883,549	

City of Olathe, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgeted Capital Projects Fund
Street Maintenance Sales Tax Fund
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2022

	Original and Final Amended Budget	Actual	Variance - Positive (Negative)
Revenues			
Taxes	$ 13,456,485	$ 15,764,664	$ 2,308,179
Use of money and property	53,489	190,958	137,469
Total revenues	13,509,974	15,955,622	2,445,648
Expenditures			
General government	2,629,039	-	2,629,039
Total expenditures	2,629,039	-	2,629,039
Excess of revenues over (under) expenditures	10,880,935	15,955,622	5,074,687
Other financing sources (uses)			
Transfers in	-	119,680	119,680
Transfers out	(13,500,000)	(14,500,000)	(1,000,000)
Total other financing sources (uses)	(13,500,000)	(14,380,320)	(880,320)
Net change in fund balance	$ (2,619,065)	1,575,302	$ 4,194,367
Fund balance - beginning of year		6,395,337	
Fund balance - end of year		$ 7,970,639	

City of Olathe, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Debt Service Fund
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2022

	Original and Final Amended Budget	Actual	Variance - Positive (Negative)
Revenues			
Taxes and special assessments	$ 26,004,651	$ 26,694,192	$ 689,541
Use of money and property	-	737,275	737,275
Miscellaneous	11,760,677	-	(11,760,677)
Total revenues	37,765,328	27,431,467	(10,333,861)
Expenditures			
General operations	-	31,450	(31,450)
Debt service:			
Principal retirements	29,488,717	24,745,000	4,743,717
Interest	73,800,374	8,606,815	65,193,559
Total expenditures	103,289,091	33,383,265	69,905,826
Excess of revenues over (under) expenditures	(65,523,763)	(5,951,798)	59,571,965
Other financing sources			
Transfers in	1,593,366	10,827,227	9,233,861
Transfers out	(225,450)	(326)	225,124
Total other financing sources/(uses)	1,367,916	10,826,901	9,458,985
Net change in fund balance	$ (64,155,847)	4,875,103	$ 69,030,950
Fund balance - beginning of year		68,453,968	
Fund balance - end of year		$ 73,329,071	

City of Olathe, Kansas
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Special Tax Financing Fund
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2022

	Original and Final Amended Budget	Actual	Variance - Positive (Negative)
Revenues			
Taxes and special assessments	$ 7,263,815	$ 7,869,931	$ 606,116
Intergovernmental	400,000	-	(400,000)
Use of money and property	48,176	112,846	64,670
Miscellaneous	-	55,727	55,727
Total revenues	7,711,991	8,038,504	326,513
Expenditures			
General operations	-	18,400	(18,400)
Capital improvements	-	5,195,216	(5,195,216)
Debt service	10,778,723	2,336,659	8,442,064
Total expenditures	10,778,723	7,550,275	3,228,448
Excess of revenues over (under) expenditures	(3,066,732)	488,229	3,554,961
Other financing sources			
Transfers out	-	(765,384)	(765,384)
Total other financing sources	-	(765,384)	(765,384)
Net change in fund balance	$ (3,066,732)	(277,155)	$ 2,789,577
Fund balance - beginning of year		9,932,435	
Fund balance - end of year		$ 9,655,280	

Internal Service Funds

Internal Service Funds

Central Garage

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

Risk Management

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

Vehicle Replacement

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

Personal Computer Replacement

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

Building Maintenance Fund

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


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City of Olathe, Kansas
Combining Statement of Net Position
Internal Service Funds
December 31, 2022

	Central Garage	Risk Management	Vehicle Replacement	Personal Computer Replacement	Building Maintenance	Total
Assets						
Current assets						
Cash and cash equivalents	$ 883,233	$ 16,546,683	$ 12,285,436	$ 1,550,809	$ 455,219	$ 31,721,380
Accounts receivable	21,255	-	-	-	-	21,255
Inventories and prepaid assets	366,066	-	-	-	-	366,066
Total current assets	1,270,554	16,546,683	12,285,436	1,550,809	455,219	32,108,701
Noncurrent assets						
Restricted assets						
Due from other funds	-	-	1,289,528	-	-	1,289,528
Deposit	-	11,000	-	-	-	11,000
Total restricted assets	-	11,000	1,289,528	-	-	1,300,528
Capital assets	70,544	-	78,000,954	228,269	-	78,299,767
Less accumulated depreciation	(70,544)	-	(47,376,967)	(228,269)	-	(47,675,780)
Net capital assets	-	-	30,623,987	-	-	30,623,987
Total assets	$ 1,270,554	$ 16,557,683	$ 44,198,951	$ 1,550,809	$ 455,219	$ 64,033,216
Liabilities						
Current liabilities						
Accounts and claims payable	$ 1,027,134	$ 3,254,379	$ 26,158	$ -	$ -	$ 4,307,671
Due to other funds	-	1,504	-	-	-	1,504
Compensated absences	85,746	10,647	-	-	33,773	130,166
Total current liabilities	1,112,880	3,266,530	26,158	-	33,773	4,439,341
Noncurrent liabilities						
Deposit	-	11,000	-	-	-	11,000
Compensated absences	18,912	1,909	-	-	3,553	24,374
Total noncurrent liabilities	18,912	12,909	-	-	3,553	35,374
Total liabilities	1,131,792	3,279,439	26,158	-	37,326	4,474,715
Net position						
Net investment in capital assets	-	-	30,597,829	-	-	30,597,829
Unrestricted	138,762	13,278,244	13,574,964	1,550,809	417,893	28,960,672
Total net position	138,762	13,278,244	44,172,793	1,550,809	417,893	59,558,501
Total liabilities and net position	$ 1,270,554	$ 16,557,683	$ 44,198,951	$ 1,550,809	$ 455,219	$ 64,033,216

City of Olathe, Kansas
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
December 31, 2022

	Central Garage	Risk Management	Vehicle Replacement	Personal Computer Replacement	Building Maintenance	Internal Service Transfers	Total
Operating revenues							
Charges for services	$ 7,804,868	$ 24,667,553	$ 8,631,466	$ 1,469,406	$ 1,806,583	$ -	$ 44,379,876
Total operating revenues	7,804,868	24,667,553	8,631,466	1,469,406	1,806,583	-	44,379,876
Operating expenses							
Administration and general	24,068	24,403,776	1,002,293	1,300,508	-	-	26,730,645
Equipment maintenance	8,019,865	-	-	-	1,783,843	-	9,803,708
Depreciation	-	-	6,027,286	-	-	-	6,027,286
Total operating expenses	8,043,933	24,403,776	7,029,579	1,300,508	1,783,843		42,561,639
Operating income (loss)	(239,065)	263,777	1,601,887	168,898	22,740	-	1,818,237
Nonoperating revenues (expenses)							
Interest income	-	174,858	149,519	15,475	2,032	-	341,884
Gain from sale of equipment	-	-	640,209	-	-	-	640,209
Total nonoperating revenues (expenses)	-	174,858	789,728	15,475	2,032	-	982,093
Net income (loss)	(239,065)	438,635	2,391,615	184,373	24,772		2,800,330
Transfers in	65,262	-	-	-	-	(15,786)	49,476
Transfers out	-	-	(51,317)	-	-	15,786	(35,531)
Net income (loss)	(173,803)	438,635	2,340,298	184,373	24,772	-	2,814,275
Net position - beginning of year	312,565	12,839,609	41,832,495	1,366,436	393,121	-	56,744,226
Net position - end of year	$ 138,762	$ 13,278,244	$ 44,172,793	$ 1,550,809	$ 417,893	$ -	$ 59,558,501

City of Olathe, Kansas
Combining Statement of Cash Flows
Internal Service Funds
December 31, 2022

	Central Garage	Risk Management	Vehicle Replacement	Personal Computer Replacement	Building Maintenance	Internal Service Transfers	Total
Cash Flows from Operating Activities							
Receipts from customers and users	$ 7,801,606	$ 24,667,553	$ 8,631,466	$ 1,469,406	$ 1,806,583	$ -	$ 44,376,614
Payments to suppliers	(5,531,302)	(22,790,729)	(976,135)	(1,300,508)	(1,094,939)	-	(31,693,613)
Payments to employees	(1,961,335)	(513,176)	-	-	(684,667)	-	(3,159,178)
Net cash provided by (used in) operating activities	308,969	1,363,648	7,655,331	168,898	26,977	-	9,523,823
Cash Flows from Noncapital Financing Activities							
Transfers from other funds	65,262	-	-	-	-	(15,786)	49,476
Transfers to other funds	-	-	(51,317)	-	-	15,786	(35,531)
Net cash provided by (used in) noncapital financing activities	65,262	-	(51,317)	-	-	-	13,945
Cash Flows from Capital and Related Financing Activities							
Acquisitions and construction of capital assets	-	-	(12,245,642)	-	-	-	(12,245,642)
Proceeds from sale of capital assets	-	-	723,503	-	-	-	723,503
Net cash (used in) capital and related financing activities	-	-	(11,522,139)	-	-	-	(11,522,139)
Cash Flows from Investing Activities							
Interest received	-	174,858	149,519	15,475	2,032	-	341,884
Net cash provided by investing activities	-	174,858	149,519	15,475	2,032	-	341,884
Net increase (decrease) in cash and cash equivalents	374,231	1,538,506	(3,768,606)	184,373	29,009	-	(1,642,487)
Cash and cash equivalents - beginning of year	509,002	15,008,177	16,054,042	1,366,436	426,210	-	33,363,867
Cash and cash equivalents - end of year	$ 883,233	$ 16,546,683	$ 12,285,436	$ 1,550,809	$ 455,219	$ -	$ 31,721,380
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities							
Operating income (loss)	$ (239,065)	$ 263,777	$ 1,601,887	$ 168,898	$ 22,740	$ -	$ 1,818,237
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities							
Depreciation and amortization	-	-	6,027,286	-	-	-	6,027,286
Changes in assets and liabilities							
(Increase) in accounts receivable	(3,262)	-	-	-	-	-	(3,262)
Decrease in inventories and prepaid assets	11,192	-	-	-	-	-	11,192
Increase in accounts and claims payable	520,275	1,096,446	26,158	-	-	-	1,642,879
Increase in due to other funds	-	1,504	-	-	-	-	1,504
Increase in compensated absences	19,829	1,921	-	-	4,237	-	25,987
Total adjustments	548,034	1,099,871	6,053,444	-	4,237	-	7,705,586
Net cash provided by (used in) operating activities	$ 308,969	$ 1,363,648	$ 7,655,331	$ 168,898	$ 26,977	$ -	$ 9,523,823


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Discretely Presented Component Unit

Discretely Presented Component Unit

Olathe Public Housing Authority

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

City of Olathe, Kansas
Statement of Net Position
Discretely Presented Component Unit
December 31, 2022

	Olathe Public Housing Authority
Assets	
Cash and cash equivalents	$ 723,051
Receivable	60,808
Capital assets, net of accumulated depreciation	2,218,646
Total assets	$ 3,002,505
Liabilities and net position	
Liabilities	
Accounts payable	$ 204,589
Accrued liabilities	109,386
Noncurrent liabilities	34,171
Total liabilities	348,146
Net position	
Net invested in capital assets	2,218,646
Unrestricted	435,713
Total net positioin	2,654,359
Total liabilities and net position	$ 3,002,505

City of Olathe, Kansas
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Unit
For the Year Ended December 31, 2022

	Olathe Public Housing Authority
Operating revenues	
Charges for services	$ 633,816
Intergovernmental	4,510,764
Total operating revenues	5,144,580
Operating expenses	
Community services	5,359,019
Total operating expenses	5,359,019
Operating (loss)	(214,439)
Nonoperating revenues	
Unrestricted investment earnings	579
Total nonoperating revenues	579
Change in net position	(213,860)
Net position - beginning of year, restated	2,868,219
Net position - end of year	$ 2,654,359

City of Olathe, Kansas
Statement of Cash Flows
Discretely Presented Component Unit
For the Year Ended December 31, 2022

	Olathe Public Housing Authority
Cash Flows from Operating Activities	
Receipts from customers and users	$ 5,135,120
Payments to suppliers	(4,379,644)
Payments to employees	(641,506)
Net cash provided by (used in) operating activities	113,970
Cash Flows from Capital and Related Financing Activities	
Acquisitions and construction of capital assets	(414,326)
Net cash (used in) capital and related financing activities	(414,326)
Cash Flows from Investing Activities	
Interest received	579
Net cash provided by investing activities	579
Net increase (decrease) in cash and cash equivalents	(299,777)
Cash and cash equivalents - beginning of year	1,022,828
Cash and cash equivalents - end of year	$ 723,051
Reconciliation of operating income to net cash provided by (used in) operating activities	
Operating loss	$ (214,439)
Adjustments to reconcile operating income to cash provided by (used in) operating activities	
Depreciation	231,887
Changes in assets and liabilities	
(Increase) in receivables	(9,460)
(Decrease) in accounts payable and accrued liabilities	130,617
(Decrease) in escrow account	(24,635)
Total adjustments	328,409
Net cash provided by (used in) operating activities	$ 113,970


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Statistical Section

City of Olathe, Kansas
Statistical Section

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

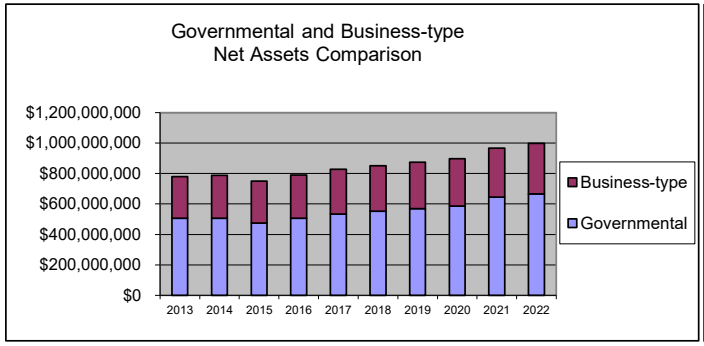
Contents	Exhibit
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1 - 4
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, property tax and sales tax.	5 - 12
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	13 - 17
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	18 - 21
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	22 - 24

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

Exhibit 1

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	$ 386,512,735	$ 370,692,154	$ 405,739,543	$ 412,629,059	$ 428,374,947	$ 468,020,359	$ 459,371,993	$ 471,816,066	$ 503,693,697	$ 514,551,384
Restricted	66,146,861	57,503,742	56,702,281	81,324,117	78,369,300	116,031,761	69,937,182	66,768,299	101,009,719	74,969,562
Unrestricted	54,031,890	78,729,704	11,859,425	11,528,670	27,219,955	(30,891,241)	39,888,618	46,978,044	41,195,050	77,565,399
Total governmental activities net position	$ 506,691,486	$ 506,925,600	$ 474,301,249	$ 505,481,846	$ 533,964,202	$ 553,160,879	$ 569,197,793	$ 585,562,409	$ 645,898,466	$ 667,086,345
Business-type activities										
Net investment in capital assets	$ 232,476,327	$ 239,782,857	$ 244,478,470	$ 240,994,461	$ 244,073,175	$ 239,764,049	$ 250,360,224	$ 262,044,600	$ 262,745,169	$ 280,604,883
Restricted	7,973,798	8,313,028	9,928,840	10,041,625	6,196,232	7,018,082	8,015,333	8,080,267	8,403,527	9,365,758
Unrestricted	33,057,503	32,283,790	21,204,555	33,935,078	43,939,745	50,105,406	46,625,246	41,586,877	48,695,977	41,916,358
Total business-type activities net position	$ 273,507,628	$ 280,379,675	$ 275,611,865	$ 284,971,164	$ 294,209,152	$ 296,887,537	$ 305,000,803	$ 311,711,744	$ 319,844,673	$ 331,886,999
Primary government										
Net investment in capital assets	$ 618,989,062	$ 610,475,011	$ 650,218,013	$ 653,623,520	$ 672,448,122	$ 707,784,408	$ 709,732,217	$ 733,860,666	$ 766,438,866	$ 795,156,267
Restricted	74,120,659	65,816,770	66,631,121	91,365,742	84,565,532	123,049,843	77,952,515	74,848,566	109,413,246	131,878,549
Unrestricted	87,089,393	111,013,494	33,063,980	45,463,748	71,159,700	19,214,165	86,513,864	88,564,921	89,891,027	71,938,528
Total primary government activities net position	$ 780,199,114	$ 787,305,275	$ 749,913,114	$ 790,453,010	$ 828,173,354	$ 850,048,416	$ 874,198,596	$ 897,274,153	$ 965,743,139	$ 998,973,344



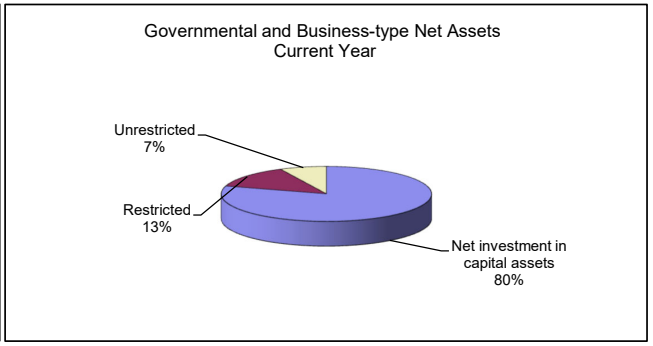


Exhibit 2

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program expenses										
Governmental activities:										
General government	$ 22,936,723	$ 22,648,134	$ 22,935,349	$ 29,698,687	$ 30,659,017	$ 31,670,765	$ 33,634,434	$ 35,991,748	$ 27,620,858	$ 29,793,717
Public safety	38,518,949	41,446,154	41,065,601	43,586,807	51,947,482	53,518,929	56,203,958	52,193,052	56,950,109	60,278,175
Public works	48,561,843	72,495,919	70,291,556	74,644,080	61,820,535	45,025,053	65,535,157	63,983,483	66,082,643	83,859,869
Community services	10,960,318	12,509,572	13,744,699	16,168,880	16,667,781	16,270,619	16,129,998	15,467,438	21,072,224	27,984,576
Interest on long-term debt	11,049,332	8,620,577	8,496,066	7,239,575	7,906,438	7,294,666	7,275,226	5,400,068	6,563,929	8,980,984
Total governmental activities	132,027,165	157,720,356	156,533,271	171,338,029	169,001,253	153,780,032	178,778,773	173,035,789	178,289,763	210,897,321
Business-type activities:										
Water and sewer	34,389,123	35,799,511	37,538,379	38,786,625	41,493,532	43,452,685	48,649,227	49,102,197	46,325,732	48,603,398
Solid waste	10,738,154	11,740,294	11,854,241	12,176,917	12,863,072	13,945,482	14,178,471	14,125,846	14,427,967	15,915,887
Total business-type activities	45,127,277	47,539,805	49,392,620	50,963,542	54,356,604	57,398,167	62,827,698	63,228,043	60,753,699	64,519,285
Total primary government expenses	$ 177,154,442	$ 205,260,161	$ 205,925,891	$ 222,301,571	$ 223,357,857	$ 211,178,199	$ 241,606,471	$ 236,263,832	$ 239,043,462	$ 275,416,606
Program revenues										
Governmental activities:										
Charges for services										
General government	$ 3,965,047	$ 3,756,217	$ 4,155,156	$ 4,770,270	$ 4,660,223	$ 5,052,358	$ 4,852,589	$ 5,575,390	$ 5,958,325	$ 8,877,299
Public safety	4,523,774	4,537,798	4,315,123	4,191,244	3,091,130	3,512,133	3,607,841	2,898,957	3,118,926	3,282,524
Public works	5,688,762	7,772,860	7,558,545	8,064,710	9,472,541	10,731,989	8,752,953	8,328,295	11,879,017	9,932,908
Community services	2,380,047	3,709,630	4,780,084	5,524,930	5,994,725	5,902,968	6,135,471	5,106,418	7,521,950	6,692,510
Operating grants and contributions	2,277,453	2,338,420	2,642,863	2,798,886	2,691,260	2,548,814	3,212,795	3,954,109	3,816,162	7,562,128
Capital grants and contributions	20,204,382	21,906,462	27,214,326	47,057,319	38,451,050	17,409,373	24,823,201	19,504,894	41,853,456	15,511,711
Total governmental activities	39,039,465	44,021,387	50,666,097	72,407,359	64,360,929	45,157,635	51,384,850	45,368,063	74,147,836	51,859,080
Business-type activities:										
Charges for services										
Water and sewer	37,135,057	38,100,769	38,981,204	43,168,622	45,752,839	48,608,113	45,700,559	49,356,602	53,764,594	55,858,007
Solid waste	12,477,796	12,511,659	12,965,412	13,370,140	12,908,095	13,451,554	15,944,963	16,014,413	17,051,747	17,944,489
Operating grants and contributions	-	-	-	-	-	-	-	758,571	-	206,860
Capital grants and contributions	3,178,066	2,742,115	2,452,669	4,416,279	3,286,002	2,813,011	4,445,642	-	-	-
Total business-type activities	52,790,919	53,354,543	54,399,285	60,955,041	61,946,936	64,872,678	66,091,164	66,129,586	70,816,341	74,009,356
Total primary government program revenues	$ 91,830,384	$ 97,375,930	$ 105,065,382	$ 133,362,400	$ 126,307,865	$ 110,030,313	$ 117,476,014	$ 111,497,649	$ 144,964,177	$ 125,868,436
Net program expense	$ (85,324,058)	$ (107,884,231)	$ (100,860,509)	$ (88,939,171)	$ (97,049,992)	$ (101,147,886)	$ (124,130,457)	$ (124,766,183)	$ (94,079,285)	$ (149,548,170)

Exhibit 2

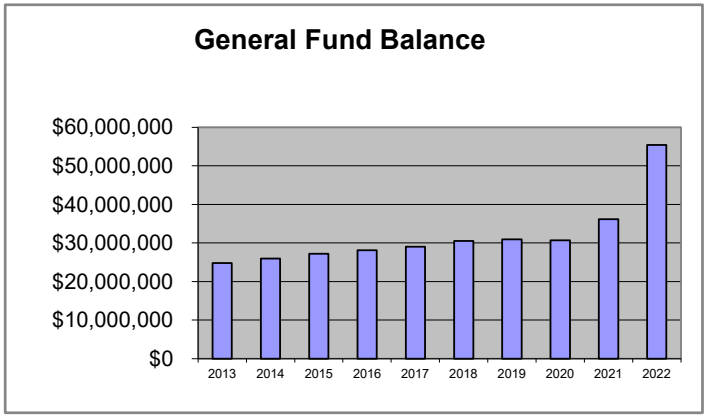
City of Olathe, Kansas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	$ 36,970,133	$ 38,287,765	$ 40,134,797	$ 43,336,975	$ 47,021,050	$ 51,746,347	$ 54,297,724	$ 57,381,851	$ 60,297,199	$ 61,432,277
Sales taxes	44,683,816	55,535,354	59,758,735	64,602,806	68,351,904	70,529,222	69,958,462	72,282,916	88,308,857	96,461,239
Franchise taxes	10,683,439	11,346,571	11,134,962	11,503,470	11,629,244	12,009,645	11,638,652	10,898,406	10,494,220	12,460,414
Other taxes	1,333,354	1,260,272	1,462,228	1,714,373	2,026,799	1,784,961	1,798,487	1,072,895	1,686,485	2,298,583
Investment earnings	378,433	642,836	602,315	862,779	1,512,957	3,013,147	4,679,309	1,518,553	105,806	3,047,564
Miscellaneous	2,318,868	6,671,826	1,825,250	2,165,115	2,443,044	4,497,232	3,162,265	1,412,662	315,531	4,543,878
Transfers	(107,331)	188,459	2,376,172	2,251,686	137,682	3,441,360	(2,104,062)	(534,941)	3,269,886	(18,335)
Total governmental activities	96,260,712	113,933,083	117,294,459	126,437,204	133,122,680	147,021,914	143,430,837	144,032,342	164,477,984	180,225,620
Business-type activities:										
Investment earnings	119,081	230,865	183,741	291,045	477,905	861,184	1,323,989	358,603	12,777	309,222
Lease interest income	-	-	-	-	-	-	-	-	-	26,450
Miscellaneous	1,103,970	1,014,903	1,108,050	1,328,441	1,307,433	1,341,098	1,421,749	2,915,854	1,327,396	2,198,248
Transfers	107,331	(188,459)	(2,376,172)	(2,251,686)	(137,682)	(3,441,360)	2,104,062	534,941	(3,269,886)	18,335
Total business-type activities	1,330,382	1,057,309	(1,084,381)	(632,200)	1,647,656	(1,239,078)	4,849,800	3,809,398	(1,929,713)	2,552,255
Total primary government general revenues	$ 97,591,094	$ 114,990,392	$ 116,210,078	$ 125,805,004	$ 134,770,336	$ 145,782,836	$ 148,280,637	$ 147,841,740	$ 162,548,271	$ 182,777,875
Change in net position	$ 12,267,036	$ 7,106,161	$ 15,349,569	$ 36,865,833	$ 37,720,344	$ 44,634,950	$ 24,150,180	$ 23,075,557	$ 68,468,986	$ 33,229,705

Exhibit 3

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	$ 372,171	$ 360,834	$ 273,262	$ 180,838	$ 65,974	$ 6,011	$ 109,998	$ 92,517	$ 437,938	$ 568,761
Assigned	691,195	575,716	308,646	408,916	313,803	367,726	152,861	305,369	332,938	3,948,318
Unassigned	23,714,931	25,029,566	26,653,214	27,547,843	28,660,751	30,139,831	30,662,381	30,336,965	35,362,011	50,883,642
Total general fund	$ 24,778,297	$ 25,966,116	$ 27,235,122	$ 28,137,597	$ 29,040,528	$ 30,513,568	$ 30,925,240	$ 30,734,851	$ 36,132,887	$ 55,400,721
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ 44,704	$ 15,523	$ 3,199	$ 40,500
Restricted	57,084,752	52,559,149	58,520,874	70,680,019	69,992,308	84,594,066	39,582,543	45,163,035	84,970,442	110,793,987
Committed	11,259,718	12,690,925	16,931,314	13,253,562	14,393,464	16,173,584	14,356,140	15,672,679	15,849,022	15,610,075
Assigned	6,868,058	9,059,939	11,339,204	14,427,463	20,686,346	23,670,824	28,520,468	34,667,147	40,555,552	-
Unassigned	-	-	-	-	-	-	-	(30,667,594)	-	(13,016,986)
Total all other governmental funds	$ 75,212,528	$ 74,310,013	$ 86,791,392	$ 98,361,044	$ 105,072,118	$ 124,438,474	$ 82,503,855	$ 64,850,790	$ 141,378,215	$ 113,427,576



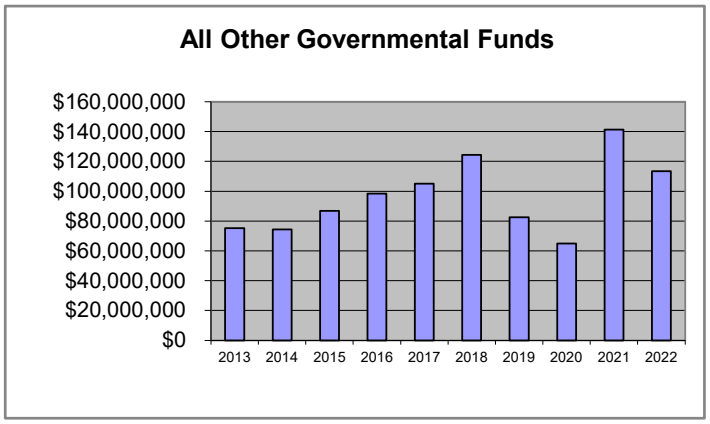


Exhibit 4

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes and special assessments	$ 104,216,196	$ 115,878,933	$ 119,895,961	$ 127,903,146	$ 134,793,488	$ 141,523,573	$ 143,388,176	$ 146,144,364	$ 164,711,092	$ 176,191,723
Intergovernmental	11,434,840	14,914,113	12,389,145	12,987,653	21,602,721	17,841,802	14,634,776	20,024,984	46,677,855	22,911,157
Licenses and permits	1,219,515	1,462,444	2,054,140	2,221,597	2,311,842	2,858,757	2,568,592	2,724,055	2,118,160	3,576,880
Fines, forfeitures, and penalties	4,028,710	3,973,992	3,866,565	3,861,676	2,766,930	3,156,629	3,289,874	2,460,077	2,780,050	2,256,977
Charges for services	11,309,405	14,340,069	14,888,203	16,467,881	18,139,856	19,184,062	17,490,388	16,724,928	20,282,516	22,951,384
Use of money and property	332,055	569,071	549,290	793,780	1,422,000	2,647,564	4,296,722	1,371,379	89,549	2,705,680
Miscellaneous	2,984,067	6,479,238	1,846,859	1,572,393	1,942,028	4,201,766	1,939,180	1,117,918	4,213,150	3,830,113
Total revenues	135,524,788	157,617,860	155,490,163	165,808,126	182,978,865	191,414,153	187,607,708	190,567,705	240,872,372	234,423,914
Expenditures										
Current:										
General government	21,332,265	21,094,027	22,375,960	28,554,144	28,267,167	30,304,050	31,876,684	31,598,849	27,122,934	26,631,374
Public safety	36,754,816	39,565,726	41,058,833	42,270,308	47,585,328	50,139,662	53,276,267	51,903,934	56,911,026	58,931,011
Public works	14,417,388	14,816,298	15,450,364	11,842,381	13,293,564	13,033,266	14,019,737	12,196,257	17,729,333	18,802,918
Community services	10,163,238	11,699,573	13,142,640	14,549,846	14,704,008	14,594,861	16,059,390	12,955,972	20,018,933	25,582,706
Capital improvements	45,828,161	57,620,792	44,172,182	56,384,322	59,411,140	69,670,738	84,023,479	91,008,714	101,633,665	100,622,921
Debt service:										
Principal retirements	24,980,629	28,371,830	24,098,465	20,680,816	21,767,175	22,139,589	22,960,974	22,097,653	21,766,215	26,645,342
Interest and fiscal charges	9,026,964	9,185,557	8,718,545	8,008,626	8,770,981	8,412,845	8,870,375	8,553,299	8,299,526	11,364,136
Total expenditures	162,503,461	182,353,803	169,016,989	182,290,443	193,799,363	208,295,011	231,086,906	230,314,678	253,481,632	268,580,408
Excess of revenues under expenditures	(26,978,673)	(24,735,943)	(13,526,826)	(16,482,317)	(10,820,498)	(16,880,858)	(43,479,198)	(39,746,973)	(12,609,260)	(34,156,494)
Other financing sources (uses)										
Payment to refunded bond escrow	-	(3,200,000)	(2,450,000)	(9,605,000)	(13,800,000)	(3,920,000)	(24,710,000)	(10,324,985)	(14,965,086)	-
Issuance of bonds	22,165,000	22,220,000	11,695,000	17,883,673	12,700,000	34,170,000	14,204,654	19,755,000	92,495,000	22,825,000
Issuance of refunding bonds	5,165,000	4,260,000	8,290,000	13,180,000	16,235,000	-	10,094,579	9,610,000	-	-
Lease issuance proceeds										116,979
Bond premium	1,905,100	1,200,740	1,759,969	3,089,684	2,460,806	4,160,857	3,231,035	2,662,103	14,054,446	1,702,257
Capital lease proceeds	237,839	9,255	-	-	-	-	-	224,023	-	-
Insurance proceeds	-	-	-	539,359	164,173	-	664,211	-	-	-
Transfers in	25,842,153	27,924,819	35,612,943	40,602,770	41,339,554	46,291,981	46,218,324	48,391,564	44,038,969	62,380,980
Transfers out	(25,655,128)	(27,393,567)	(31,090,979)	(40,416,462)	(40,649,195)	(42,986,886)	(47,831,882)	(48,414,186)	(41,088,608)	(61,551,527)
Total other financing sources (uses)	29,659,964	25,021,247	23,816,933	25,274,024	18,450,338	37,715,952	1,870,921	21,903,519	94,534,721	25,473,689
Net change in fund balances	$ 2,681,291	$ 285,304	$ 10,290,107	$ 8,791,707	$ 7,629,840	$ 20,835,094	$ (41,608,277)	$ (17,843,454)	$ 81,925,461	$ (8,682,805)
Debt service as a percentage of noncapital expenditures	27.2%	24.5%	21.9%	18.1%	20.0%	21.8%	18.3%	19.0%	17.6%	20.5%

Exhibit 5

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

Fiscal Year	Property	Sales	Franchise	Special Assessments	Other Taxes	Total
2013	$ 36,970,133	$ 44,683,816	$ 10,683,439	$ 10,545,454	$ 1,333,354	$ 104,216,196
2014	$ 38,287,765	$ 55,529,354	$ 11,346,571	$ 9,448,971	$ 1,260,272	$ 115,872,933
2015	$ 40,134,797	$ 59,758,735	$ 11,134,962	$ 7,405,239	$ 1,462,228	$ 119,895,961
2016	$ 43,336,975	$ 64,602,806	$ 11,503,470	$ 6,745,522	$ 1,714,373	$ 127,903,146
2017	$ 47,021,050	$ 68,351,904	$ 11,629,244	$ 5,764,491	$ 2,026,799	$ 134,793,488
2018	$ 51,746,347	$ 70,529,222	$ 12,009,645	$ 5,453,398	$ 1,784,961	$ 141,523,573
2019	$ 54,297,724	$ 69,958,462	$ 11,638,652	$ 5,694,851	$ 1,798,487	$ 143,388,176
2020	$ 57,381,851	$ 72,282,916	$ 10,898,406	$ 4,508,296	$ 1,072,895	$ 146,144,364
2021	$ 60,297,199	$ 88,308,857	$ 10,494,220	$ 3,924,331	$ 1,686,485	$ 164,711,092
2022	$ 61,804,516	$ 96,461,239	$ 12,460,414	$ 3,166,971	$ 2,298,583	$ 176,191,723
Change 2013 to 2022	67.17%	115.88%	16.63%	-69.97%	72.39%	69.06%

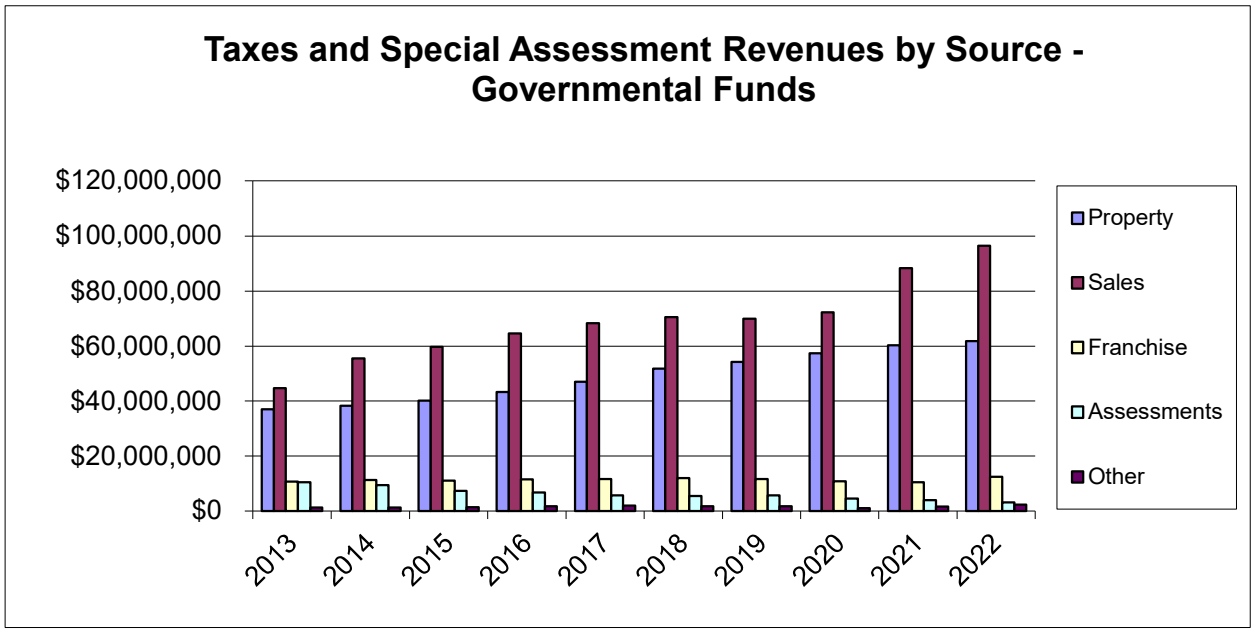


Exhibit 6

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Retail Trade										
(Big Box Retail, Grocery, Electronics)	$ 15,434,172	$ 17,474,368	$ 21,654,523	$ 22,314,004	$ 23,255,377	$ 23,454,605	$ 22,631,281	$ 24,957,732	$ 27,479,106	$ 28,481,139
Accommodation & Food Services										
(Hotel, Restaurant)	2,573,292	3,105,100	3,925,501	4,090,356	4,153,401	4,215,253	3,838,810	3,967,804	4,594,563	4,982,543
Utilities										
(Gas, Electric)	1,725,732	2,078,355	2,421,297	2,443,689	2,511,899	2,647,015	2,772,575	2,533,506	2,528,516	2,836,953
Information										
(Newsprint, Publishing)	1,283,752	1,605,851	1,966,346	1,624,835	1,595,511	1,637,132	1,296,756	1,294,798	1,488,432	1,631,804
Wholesale Trade										
(Wholesale Materials)	973,698	1,220,136	1,593,026	1,939,542	1,984,038	1,954,944	2,092,617	1,959,684	1,781,215	2,804,747
Manufacturing										
(Food, Beverage, Paper, Machinery)	611,627	811,627	967,271	983,735	948,760	929,794	760,624	780,948	835,937	1,179,506
Other Services										
(Auto Repair, Laundry)	674,440	824,551	1,047,467	1,111,621	1,129,824	1,147,384	1,477,371	1,210,238	1,293,359	1,526,874
Administrative, Support, Waste Management, & Remediation Services	200,444	229,120	287,092	319,937	382,946	419,703	417,450	711,645	619,516	629,513
Other	1,545,115	1,812,842	2,520,342	2,878,013	2,721,310	2,863,335	3,139,144	3,082,288	3,399,448	4,018,903
Total	$ 25,022,272	$ 29,161,950	$ 36,382,865	$ 37,705,732	$ 38,683,066	$ 39,269,165	$ 38,426,628	$ 40,498,643	$ 44,020,092	$ 48,091,982

Source: Kansas Department of Revenue

Exhibit 7

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

Fiscal Year	City of Olathe			Johnson County						State of Kansas (6)	Total
	General	Parks (1)	Streets (2)	General	Public Safety	Stormwater	Public Safety Capital (3)	Education Research Triangle (4)	Public Safety Courthouse (5)		
2013	1.000%	0.125%	-	0.500%	0.250%	0.100%	0.250%	0.125%	-	6.150%	8.500%
2014	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	-	6.150%	8.875%
2015	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	-	6.500%	9.225%
2016	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	-	6.500%	9.225%
2017	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%
2018	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%
2019	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%
2020	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%
2021	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%
2022	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%

Source: Kansas Department of Revenue

(1) The citizens of Olathe approved an 1/8% sales tax for various park projects for 10 years effective April 2015. In April 2023, Olathe citizens approved an extension of this tax through March 2035.

(2) The citizens of Olathe approved an 3/8% sales tax for street maintenance for 10 years effective April 2014. In April 2023, Olathe citizens approved an extension of this tax through March 2034.

(3) The citizens of Johnson County approved an 1/4% sales tax for public safety capital and operations effective January 2009.

(4) The citizens of Johnson County approved an 1/8% sales tax for the education research triangle effective January 2009.

(5) The citizens of Johnson County approved an 1/4% sales tax for public safety for a new courthouse effective April 2017.

(6) The State of Kansas decreased its sales tax rate effective July 2013 than increased its sales tax rate effective July 2015.

Exhibit 8

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

Collection Year	Real Property	Utilities	Personal Property	Total Assessed Value	Estimated Actual Value (1)	Total Direct Tax Rate
2013	1,212,161	38,311	28,765	1,279,238	9,562,962	24.818
2014	1,293,678	38,898	21,385	1,353,961	10,162,389	24.701
2015	1,400,333	40,813	19,349	1,460,496	10,980,846	24.688
2016	1,530,644	41,951	17,996	1,590,590	11,981,493	24.708
2017	1,682,451	42,752	16,293	1,741,496	13,145,013	24.700
2018	1,840,101	45,350	15,802	1,901,252	14,364,117	24.406
2019	1,960,326	47,328	15,287	2,022,942	15,293,254	24.397
2020	2,059,269	50,249	14,420	2,123,938	16,060,301	24.440
2021	2,167,129	52,672	13,717	2,233,518	16,895,001	24.458
2022	2,354,639	57,233	12,894	2,424,766	18,348,806	24.241

Source: Johnson County Appraiser 2022 Annual Abstract of Taxes

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

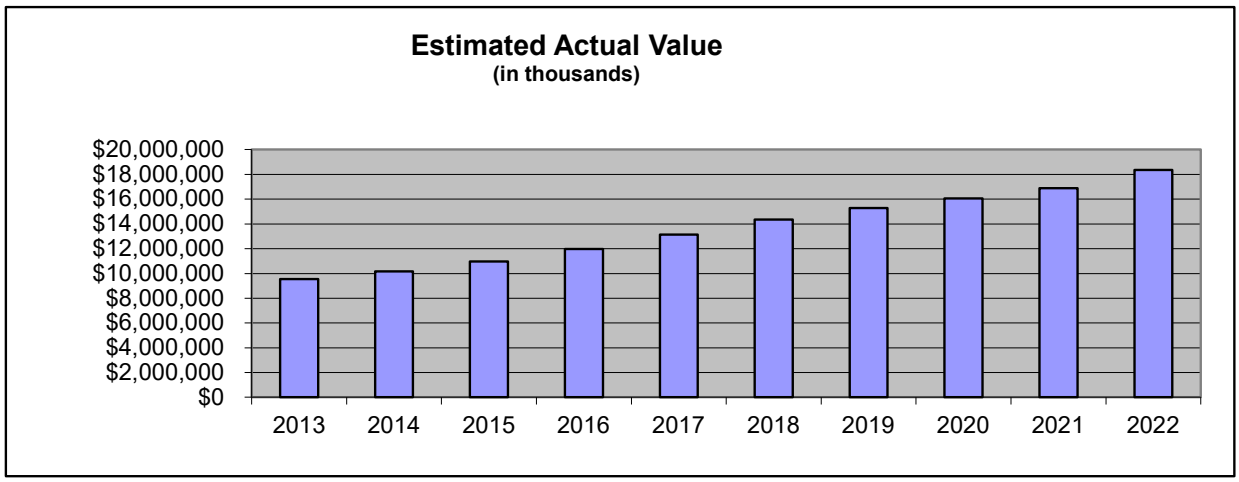


Exhibit 9

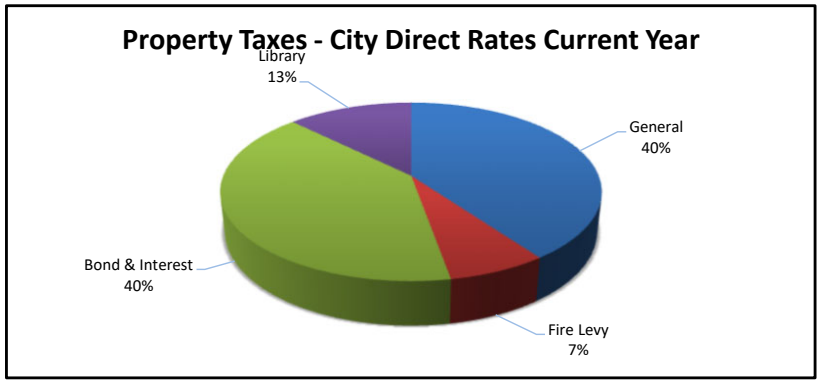
City of Olathe, Kansas
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

	City Direct Rates					Overlapping Rates (1)					
Year	General	Fire Levy	Bond and Interest	Library	Total	State	County	Community College	County Park	Olathe Schools	Total
2013	9.010	1.705	11.337	2.766	24.818	1.500	17.745	9.551	2.347	69.486	125.447
2014	8.871	1.709	11.351	2.770	24.701	1.500	17.764	9.461	2.349	67.868	123.643
2015	8.866	1.710	11.345	2.767	24.688	1.500	19.582	9.469	3.101	67.764	126.104
2016	10.874	1.713	9.352	2.769	24.708	1.500	19.590	9.473	3.102	67.774	126.147
2017	10.193	1.730	9.979	2.798	24.700	1.500	19.318	9.503	3.112	71.174	129.307
2018	9.925	1.727	9.711	3.043	24.406	1.500	19.024	9.266	3.088	70.665	127.949
2019	9.921	1.727	9.707	3.042	24.397	1.500	19.036	9.121	3.090	69.878	127.022
2020	9.938	1.731	9.724	3.047	24.440	1.500	18.799	9.191	3.093	69.138	126.161
2021	9.945	1.733	9.731	3.049	24.458	1.500	18.564	9.110	3.096	68.282	125.010
2022	9.708	1.736	9.744	3.053	24.241	1.500	17.772	8.617	3.021	65.168	120.319

Per $1,000 of Assessed Valuation

Source: Johnson County Appraiser 2022 Annual Abstract of Taxes

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



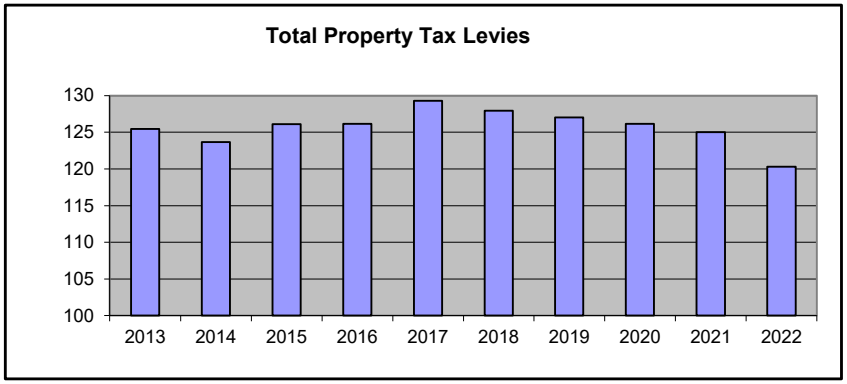


Exhibit 10

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

		2022			2013		
Taxpayer Name	**Type of Property**	**Total Assessed Value**	**Rank**	**Percentage of Total Assessed Valuation**	**Total Assessed Value**	**Rank**	**Percentage of Total Assessed Valuation**
Garmin International Inc		$ 28,273,857	1	1.17%			
JDM III SF KANSAS CITY DC		15,860,436	2	0.65%			
G&I X INDUSTRIAL KS LLC		11,638,102	3	0.48%			
US BANK		10,599,618	4	0.44%			
HOMESTEAD APARTMENT HOMES	Apartments	10,451,602	5	0.43%	6,546,146	5	0.51%
NORTHRIDGE 07 A LLC	Retail	8,994,617	6	0.37%	6,426,655	6	0.50%
HOA HOTELS KANSAS LLC		8,937,251	7	0.37%			
WAL-MART REAL ESTATE BUSINESS TRUST		8,841,566	8	0.36%			
FOODBRANDS AMERICA	Manufacturer	8,220,500	9	0.34%	5,000,001	9	0.39%
ALDI INC		8,176,111	10	0.34%			
KCPL	Utility				10,512,695	1	0.82%
ATMOS ENERGY (UNITED GAS)	Utility				9,670,082	2	0.76%
PASSCO OLATHE STATION	Retail				7,575,851	3	0.59%
HONEYWELL (BENDIX/KING)	Aircraft Communications				7,368,703	4	0.58%
WESTAR ENERGY (KPL)	Utility				5,723,557	7	0.45%
ARCITERRA OLATHE POINTE	Retail				5,328,001	8	0.42%
SPRINT SPECTRUM LLP	Utility				4,853,919	10	0.38%
Total		$ 119,993,660			$69,005,610		

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

Exhibit 11

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

Fiscal Year	Total Levy (1)	Current Tax Collection	Percent of Levy Collected	Delinquent Tax Collections (2)	Total Tax Collections	Total Collections as Percent of Current Levy
2013	30,902,949	31,116,334	100.7%	409,831	31,526,165	102.02%
2014	31,749,238	31,927,827	100.6%	425,649	32,353,476	101.90%
2015	33,439,317	33,426,577	100.0%	288,910	33,715,487	100.83%
2016	36,056,353	35,952,604	99.7%	473,432	36,426,036	101.03%
2017	39,304,956	38,673,924	98.4%	224,940	38,898,864	98.97%
2018	43,012,242	42,651,555	99.2%	96,486	42,748,041	99.39%
2019	46,401,800	45,806,541	98.7%	159,453	45,965,994	99.06%
2020	49,374,488	48,720,596	98.7%	197,366	48,917,962	99.08%
2021	51,908,685	51,277,663	98.8%	240,928	51,518,591	99.25%
2022	54,630,358	53,882,530	98.6%	(49,273)	53,833,257	98.54%

Source: Johnson County Appraiser

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

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

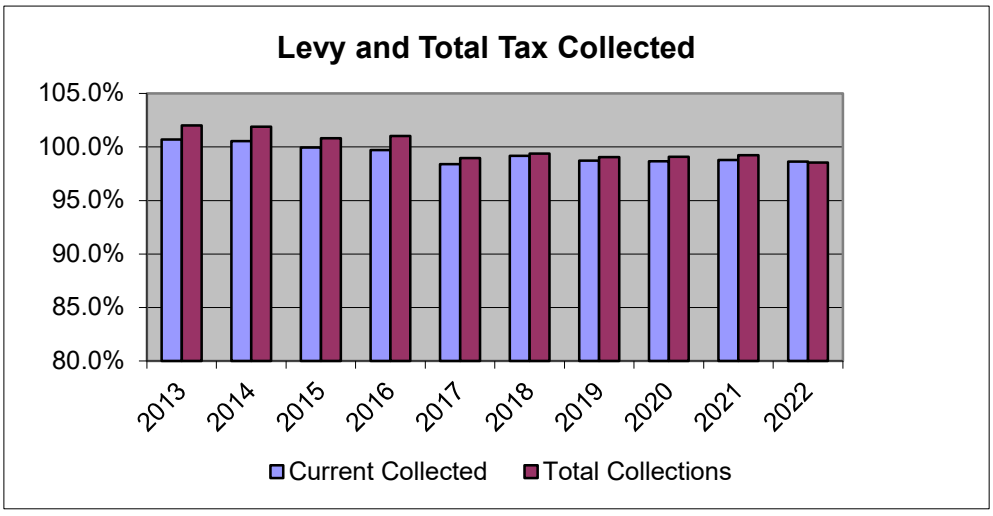


Exhibit 12

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

Collection Year	Assessment Levy	Current Collections (1)	Percent of Levy Collected	Delinquent Collections	Current and Delinquent Collection	Percent of Levy Collected	Prepaid Assessment	Total Collections
2013	9,301,654	7,976,297	85.8%	854,213	8,830,510	94.9%	-	8,830,510
2014	8,944,804	7,753,386	86.7%	1,695,585	9,448,971	105.6%	-	9,448,971
2015	7,338,642	6,217,583	84.7%	1,025,219	7,242,802	98.7%	-	7,242,802
2016	6,664,058	6,333,943	95.0%	920,576	7,254,519	108.9%	-	7,254,519
2017	6,301,761	5,521,284	87.6%	67,744	5,589,028	88.7%	175,463	5,764,491
2018	6,051,367	5,524,676	91.3%	52,989	5,577,665	92.2%	138,383	5,716,048
2019	5,664,203	5,314,454	93.8%	484,767	5,799,221	102.4%	-	5,799,221
2020	5,048,715	4,145,649	82.1%	362,648	4,508,297	89.3%	-	4,508,297
2021	3,722,025	3,873,028	104.1%	51,303	3,924,331	105.4%	24,261	3,948,592
2022	3,319,885	3,324,259	100.1%	30,260	3,354,519	101.0%	-	3,354,519

Source: Johnson County

(1) Collections include interest.

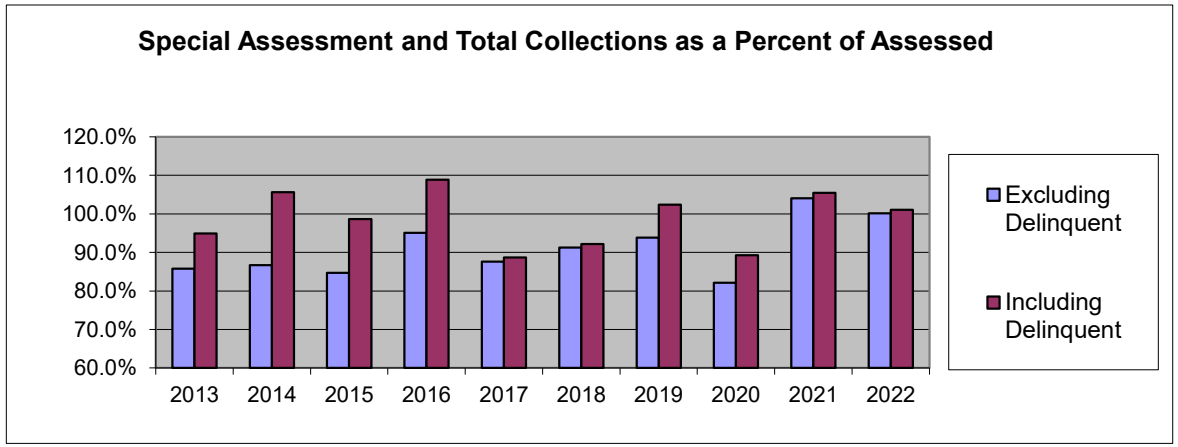
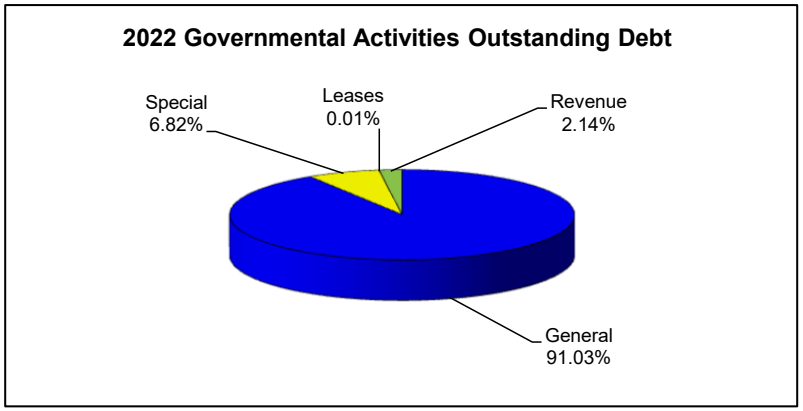


Exhibit 13

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

Fiscal Year	Governmental Activities: General Obligation Bonds	Governmental Activities: Special Obligation Bonds	Governmental Activities: Revenue Bonds	Governmental Activities: Capital Leases	Business-type Activities: Revenue Bonds	Business-type Activities: General Obligation Bonds	Business-type Activities: State Revolving Loan	Business-type Activities: Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Per Capita
2013	201,346,499	35,653,366	-	520,070	61,003,683	15,880,000	22,526,925	10,345,822	347,276,365	1.7%	2,670
2014	198,103,868	34,055,952	-	420,696	58,740,557	14,745,000	21,014,983	9,154,514	336,235,570	1.8%	2,539
2015	193,986,805	32,408,327	-	304,857	75,907,189	13,585,000	19,463,078	7,971,817	343,627,073	1.8%	2,560
2016	198,534,607	30,699,594	-	87,774	72,706,973	12,405,000	17,754,002	6,721,860	338,909,810	1.8%	2,485
2017	195,446,767	28,091,571	-	3,622	79,531,354	11,195,000	16,361,106	5,432,563	336,061,983	2.0%	2,419
2018	209,076,614	24,754,653	-	951	87,987,835	9,945,000	15,000,389	4,029,068	350,794,510	2.0%	2,486
2019	185,067,576	23,209,629	3,075,000	-	99,536,787	8,650,000	13,674,379	2,549,498	335,762,869	2.2%	2,352
2020	182,571,407	21,715,170	2,970,000	177,344	99,674,564	7,320,000	12,304,672	992,747	327,725,904	2.3%	2,253
2021	250,551,965	20,077,454	2,860,000	108,759	107,019,622	5,950,000	10,889,817	-	397,457,617	2.0%	2,674
2022	245,035,556	18,352,001	5,765,000	37,309	113,107,447	4,115,000	9,428,314	-	395,840,627	2.1%	2,608

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



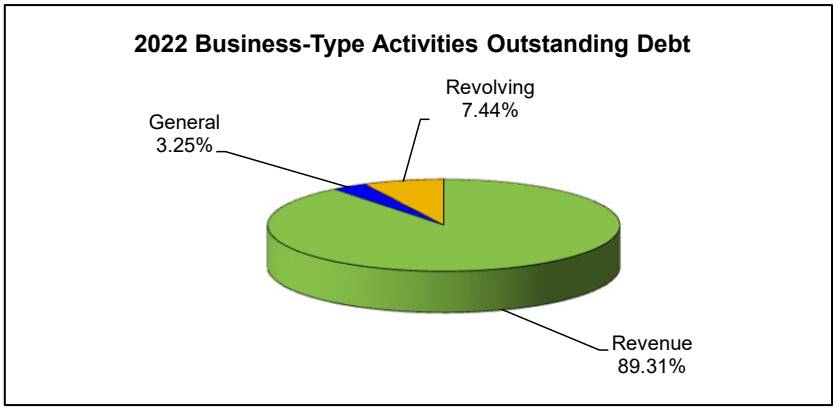
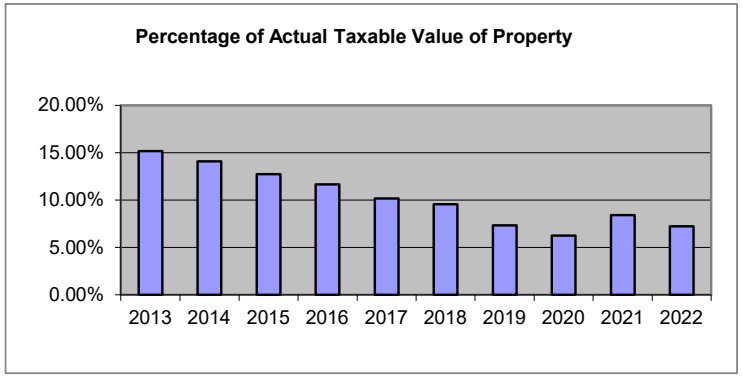


Exhibit 14

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

Fiscal Year	General Obligation Debt	Reserved for Debt Service	Net General Obligation Debt	Assessed Valuation	Percentage of Actual Taxable Value of Property	Population	Per Capita
2013	217,226,499	22,881,695	194,344,804	1,279,238,000	15.19%	130,055	1,494
2014	212,848,868	21,929,118	190,919,750	1,353,961,000	14.10%	132,437	1,442
2015	207,571,805	21,369,827	186,201,978	1,460,496,000	12.75%	134,231	1,387
2016	210,939,607	25,212,558	185,727,049	1,590,590,000	11.68%	136,394	1,362
2017	206,641,767	29,519,397	177,122,370	1,741,496,000	10.17%	138,922	1,275
2018	219,021,614	37,274,363	181,747,251	1,901,252,000	9.56%	141,116	1,288
2019	193,717,576	45,262,320	148,455,256	2,022,942,000	7.34%	142,767	1,040
2020	189,891,407	56,641,265	133,250,142	2,123,938,000	6.27%	145,459	916
2021	256,501,965	68,453,968	188,047,997	2,233,518,000	8.42%	148,665	1,265
2022	249,150,556	73,329,071	175,821,485	2,424,766,000	7.25%	151,780	1,158



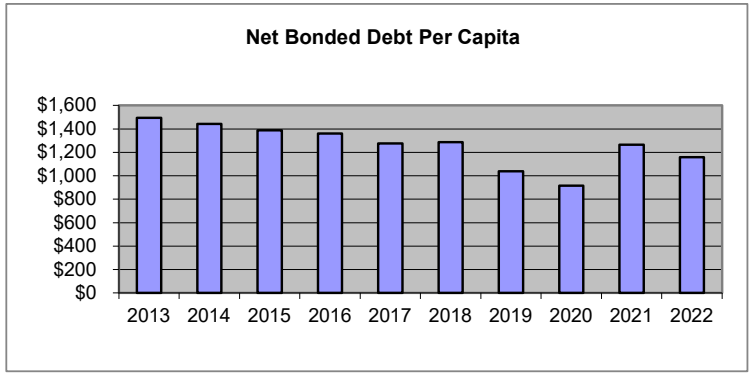


Exhibit 15

City of Olathe, Kansas
Direct and Overlapping Governmental Activities Debt
December 31, 2022

Taxing Unit	Net Debt to Nearest Date	Percentage Applicable to the City of Olathe	Estimated Share
Johnson County	$ 598,805,000	18.22%	$ 109,102,271
USD 229	376,230,000	3.28%	$ 12,340,344
USD 230	220,910,000	40.79%	$ 90,109,189
USD 231	114,415,000	1.37%	$ 1,567,486
USD 232	160,585,000	2.11%	$ 3,388,344
USD 233	801,434,386	69.47%	$ 556,756,468
Johnson County Fire District #2	5,115,000	0.26%	$ 13,299
NW Cons Fire	1,268,178	0.05%	$ 634
Total estimated overlapping debt			773,278,034
City of Olathe's direct debt			269,067,616
Total direct and overlapping debt			$ 1,042,345,650

Source: Johnson County

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Olathe. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

All Johnson County Taxing Units' debt is as of September 1, 2022. All other districts' debt is as of June 30, 2022.

Exhibit 16

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	$ 430,956,078	$ 455,980,038	$ 490,122,542	$ 531,685,602	$ 579,500,865	$ 630,366,375	$ 669,510,564	$ 637,181,262	$ 670,055,497	$ 727,429,838
Total net debt applicable to limit	100,536,250	121,451,182	126,719,078	129,097,192	136,166,161	158,746,899	181,513,450	205,875,413	237,266,874	286,780,000
Legal debt margin	$ 330,419,828	$ 334,528,856	$ 363,403,464	$ 402,588,410	$ 443,334,704	$ 471,619,476	$ 487,997,114	$ 431,305,849	$ 432,788,623	$ 440,649,838
Total net debt applicable to the limit as a percentage of debt limit	23.33%	26.64%	25.85%	24.28%	23.50%	25.18%	27.11%	32.31%	35.41%	39.42%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed valuation		$2,424,766,125
Legal debt limit (1)		727,429,838
Debt applicable to limit		
General obligation bonds	221,040,000	
Temporary notes	65,740,000	
Total general obligation debt outstanding		286,780,000
Less exempt capital projects (2)		-
Debt margin		$ 440,649,838

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

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

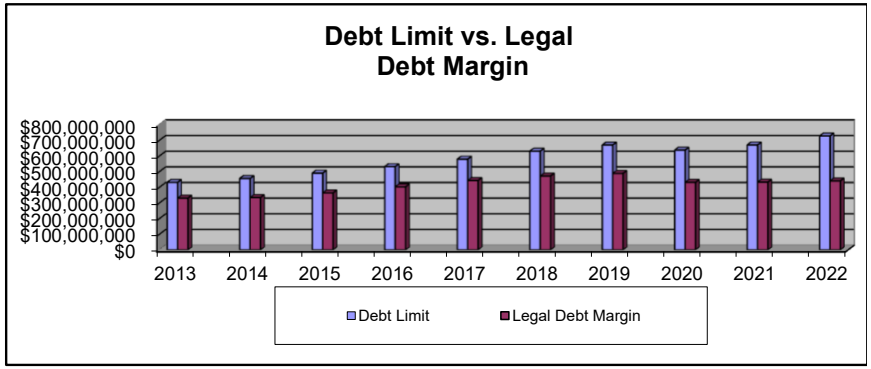


Exhibit 17

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

Water & Sewer Revenue Bonds

Fiscal Year	Revenues	Current Expenses (1)	Net Revenue Available for Debt Service	Principal Requirement	Interest Requirement	Coverage
2013	38,349,614	23,871,194	14,478,420	2,230,000	2,783,709	2.89
2014	39,327,067	24,801,732	14,525,335	2,165,000	2,789,113	2.93
2015	40,519,753	26,710,875	13,808,878	2,205,000	2,707,312	2.81
2016	44,771,642	27,342,877	17,428,765	3,065,000	3,253,529	2.76
2017	47,441,300	29,913,182	17,528,118	4,500,000	3,400,661	2.22
2018	50,659,278	31,706,303	18,952,975	3,400,000	3,698,015	2.67
2019	48,206,445	37,317,966	10,888,479	3,845,000	3,960,837	1.39
2020	53,340,380	36,173,340	17,167,040	4,450,000	4,115,468	2.00
2021	55,102,772	34,500,267	20,602,505	4,785,000	3,925,303	2.37
2022	58,544,396	38,126,779	20,417,617	5,220,000	3,168,331	2.43

Special Obligation Bonds and Developers' Agreements (2)

Fiscal Year	Revenues	Principal Requirement	Interest Requirement	Developers' Agreement	Coverage
2013	3,965,586	3,128,965	1,086,367	943,425	0.77
2014	4,013,561	1,597,414	1,017,481	960,974	1.12
2015	4,415,841	1,647,626	998,084	1,177,222	1.16
2016	5,477,980	1,708,733	972,027	1,317,683	1.37
2017	6,326,642	2,608,023	977,560	3,048,153	0.95
2018	7,321,032	3,336,918	866,630	3,758,742	0.92
2019	7,052,725	1,545,024	733,876	3,467,661	1.23
2020	6,792,915	1,494,459	656,010	3,602,740	1.18
2021	8,277,930	1,637,716	650,664	4,084,962	1.30
2022	8,038,504	1,725,453	611,206	5,195,216	1.07

(1) Current expenses do not include bad debt expense, depreciation, or amortization.
(2) The City is only obligated for the amounts of incremental taxes received attributable to the project. Any deficiencies are the responsibility of the redeveloper.

Exhibit 18

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

Fiscal Year	Population (3)	Personal Income (2)*	Per Capita Personal Income	Unemployment Rates (1)
2013	130,055	7,741,384	59,524	4.1%
2014	132,437	7,955,489	60,070	3.2%
2015	134,231	8,322,972	62,005	2.8%
2016	136,394	8,322,993	61,483	2.9%
2017	138,922	8,385,912	66,063	2.4%
2018	141,116	9,177,604	69,977	2.5%
2019	142,767	9,874,874	74,108	2.2%
2020	145,549	11,006,827	75,670	3.5%
2021	148,665	11,994,448	80,681	2.5%
2022	151,780	12,830,722	84,535	2.5%

* In thousands of dollars

(1) Source: Kansas Department of Labor

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

(3) Source: City of Olathe Planning Division

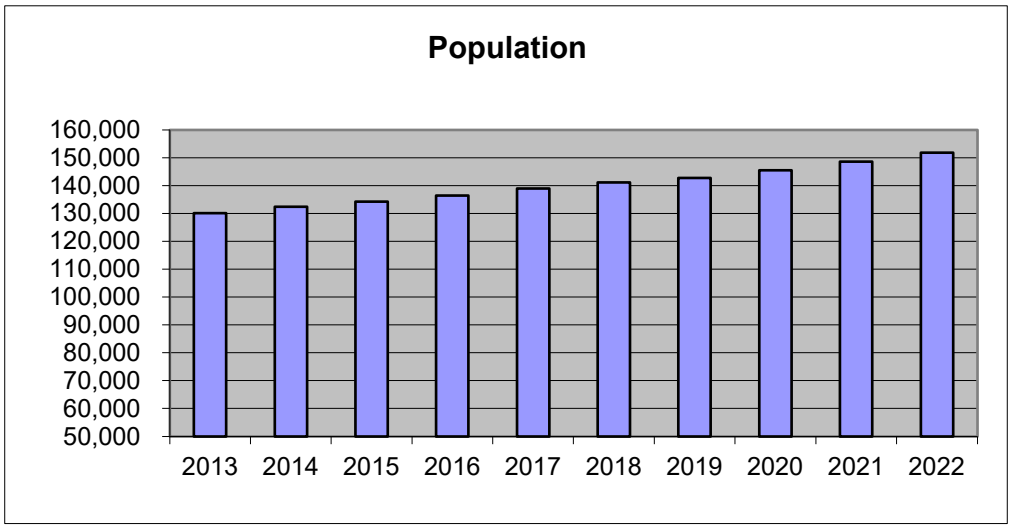


Exhibit 19

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

Largest Employers	2022 Employees	2022 Rank	2022 Percentage of Total City Population	2013 Employees	2013 Rank	2013 Percentage of Total City Population
Company						
GARMIN International	4,600	1	3.09%	3,000	1	2.31%
Olathe Unified School District	4,500	2	3.03%	2,000	3	1.54%
Olathe Health System	2,500	3	1.68%	1,762	5	1.35%
Johnson County Government	2,400	4	1.61%	2,000	3	1.54%
Farmers Insurance	1,733	5	1.17%	3,000	1	2.31%
City of Olathe	962	6	0.65%	826	9	0.64%
TransAm Trucking	800	7	0.54%	1,000	6	0.77%
TVH	670	8				
FAA/Air Route Traffic Control Center	600	9	0.40%	600	10	0.46%
Honeywell Aerospace Electronic Systems	561	10	0.38%	850	8	0.65%
Covergys			0.00%	950	7	0.73%
Total	19,326		12.55%	15,988		12.30%

Source: Olathe Chamber of Commerce

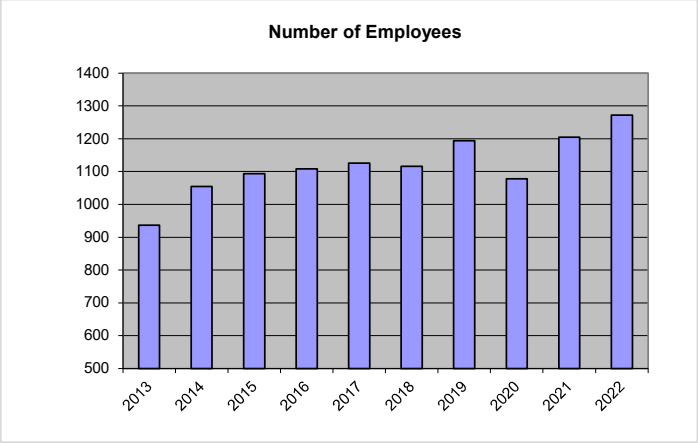
Exhibit 20

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental										
General government	105	119	120	129	119	113	114	126	164	167
Public safety	341	348	348	347	374	379	396	391	382	390
Public works	134	126	134	135	128	140	130	85	147	144
Community services	162	280	307	308	291	275	346	270	335	383
Business-Type										
Water & Sewer	134	123	125	129	152	150	149	143	117	127
Solid Waste	61	59	60	60	62	59	59	63	60	61
Totals	937	1,055	1,094	1,108	1,126	1,116	1,194	1,078	1,205	1,272
Employees per budget	838	865	870	889	911	924	950	962	962	1009

Source: City's Payroll System

Note: The number of employees by function include full-time, part-time, and other variable employees. The annual budget does not include all variable employee types resulting in actual employees in excess of budgeted.



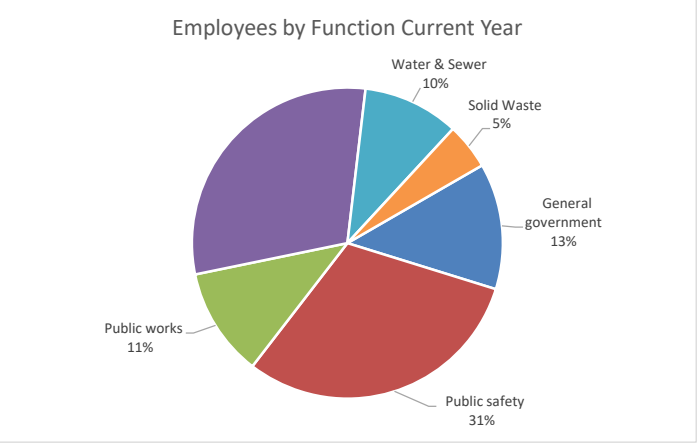


Exhibit 21

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Police										
Violent Crime Rate per 1,000 residents	1.53%	1.46%	1.20%	1.43%	1.48%	1.91%	2.57%	1.18%	11.21%*	11.67%
Property Crime Rate per 1,000 residents	17.33%	16.29%	16.21%	16.84%	15.48%	15.54%	15.23%	2.69%	27.29%*	25.22%
Average calls for service per FTE - first responder	353	345	354	369	367	371	370	355	289	269
Fire										
Code 1 Emergencies response within 5 minutes	58%	51%	60%	53%	59%	61%	62%	64%	62%	60%
Fire Confined to Object or Room of Origin	74%	87%	73%	76%	73%	79%	81%	93%	74%	52%
Public works										
Governmental activities										
Maintenance of City Streets - Satisfactory or above	70.00%	74.00%	69.00%	74.12%	75.72%	74.95%	75.44%	75.60%	70.80%	76.01%
Major Street Snow Removal - Satisfactory or above	84.00%	85.00%	86.88%	84.94%	85.52%	86.04%	88.28%	92.48%	92.10%	91.32%
Residential Streets Snow Removal - Satisfactory or above	59.00%	61.00%	64.33%	66.80%	70.23%	70.64%	75.00%	81.84%	80.40%	79.81%
Maintenance of Sidewalks - Satisfactory or above	55.00%	61.00%	60.00%	57.20%	61.34%	60.00%	65.01%	63.86%	61.80%	62.98%
Business-type activities										
Water and sewer										
Time water meets regulatory standards	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Time wastewater meets effluent limits	100.00%	99.96%	99.86%	99.95%	100.00%	99.98%	100.00%	100.00%	99.98%	100.00%
Solid waste										
Tonnage diverted	38.29%	41.10%	43.88%	44.60%	45.27%	40.03%	42.42%	39.10%	38.85%	40.05%
Community services										
Quality of Parks and Recreation Programs and Facilities - Satisfactory or above	89.00%	90.00%	88.00%	92.32%	91.88%	91.00%	93.45%	91.62%	93.10%	92.88%
Quality of Outdoor Athletic Fields - Satisfactory or above	81.00%	81.00%	89.00%	83.54%	82.19%	80.75%	84.05%	86.42%	82.70%	84.82%
Quality of Indoor Recreation Facilities - Satisfactory or above	65.00%	75.00%	92.00%	82.03%	80.97%	84.00%	82.73%	85.51%	81.60%	82.92%

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

*The substantial increase in some police statistics is due to a change in reporting definitions to align with industry standards.

Exhibit 22

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/Program										
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	58	58	58	58	58	58	60	60	62	62
Fire stations	7	7	7	7	7	7	7	7	8	8
Public works										
Governmental activities										
Streets (miles)	1,256	1,256	1,256	1,275	1,275	1,275	1,306	1,372	1345	1368
Business-type activities										
Water and sewer										
Water mains (miles)	590	590	590	600	600	600	600	600	627	632
Acre wellfield	95	95	95	95	95	95	95	95	95	190
Sanitary sewers (miles)	410	410	410	439	449	449	449	449	461	465
Solid waste										
Collection trucks	43	43	43	43	43	43	43	43	44	44
Community services										
Acreage	1,559	1,559	1,559	1,559	1,559	1,559	1,559	1,978	1,367	1,916
Parks	45	45	45	45	45	45	45	45	43	43
Swimming Facilities	4	4	5	5	5	5	5	5	6	6
Trails (miles)	31	31	31	33	33	32	58	71	79	45

Source: Various city departments
Note: No capital asset indicators are available for the general government.

Exhibit 23

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

Number of Customers

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

Year	Water Customers	Sewer Customers
2013	34,860	29,004
2014	35,090	29,303
2015	35,323	29,633
2016	35,559	29,891
2017	35,879	30,262
2018	36,120	30,602
2019	36,600	30,830
2020	37,137	31,533
2021	36,947	31,669
2022	37,234	31,701

Water Production Requirements

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

	Average Daily Demand		Annual Demand	
Year	Gallons (in millions)	Percent Change	Gallons (in millions)	Percent Change
2013	13.64	-15.5%	4,976.95	-15.9%
2014	12.14	-11.0%	4,419.31	-11.2%
2015	11.30	-6.9%	3,634.00	-17.8%
2016	12.60	11.5%	4,585.00	26.2%
2017	11.82	-6.2%	4,304.00	-6.1%
2018	12.92	9.3%	4,717.27	9.6%
2019	11.75	-9.1%	4,289.66	-9.1%
2020	12.44	5.9%	4,541.29	5.9%
2021	12.74	2.4%	4,653.74	2.5%
2022	13.00	2.0%	4,900.00	5.3%

Exhibit 23

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

Sewage Treatment Requirements

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

	Average Daily Flow		Annual Demand	
Year	Gallons (in millions)	Percent Change	Gallons (in millions)	Percent Change
2013	5.74	3.6%	2,105	3.5%
2014	5.11	-11.0%	1,893	-10.1%
2015	6.28	22.9%	2,298	21.4%
2016	5.95	-5.3%	2,186	-4.9%
2017	5.60	-5.9%	2,044	-6.5%
2018	5.15	-8.0%	1,899	-7.1%
2019	6.88	33.6%	2,535	33.5%
2020	5.68	-17.4%	2,092	-17.5%
2021	6.41	12.9%	2,338	11.8%
2022	6.23	-2.8%	2,306	-1.4%

Water and Sewer Peak Daily Demand

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

Year	Water System Peak Daily Demand (millions of gallons)	Sewage System Maximum Daily Flow (millions of gallons)
2013	28.57	18.21
2014	24.12	18.08
2015	19.30	25.76
2016	24.68	31.28
2017	21.50	28.54
2018	25.26	35.20
2019	22.50	36.34
2020	22.41	29.09
2021	24.37	30.98
2022	26.51	23.30

continued

Exhibit 23

City of Olathe, Kansas
Water and Sewer Information

Largest Customers

The following table lists the ten largest users of the System based on the percentage of total 2022 revenue generated by each.

Customer	Water System Type of Enterprise	2022 Water Billing	Percentage of Total 2022 System Revenues
Rural Water District 6	Rural Water	$ 571,792	2.64%
New Century Air Center	Wholesale	396,484	1.83%
Rural Water District 7	Rural Water	355,467	1.64%
FSI Santa Barbara Property LLC	Multi-family	157,880	0.73%
Olathe Medical Center	Hospital	149,938	0.69%
Cintas	Services	63,522	0.29%
Geiger Ready Mix	Industrial	47,913	0.22%
Green Lantern Car Wash LLC	Car Wash	45,810	0.21%
QuickTrip	Services	43,562	0.20%
Garmin International	Industrial	43,019	0.20%

Customer	Sewer System Type of Enterprise	2022 Sewer Charge	Percentage of Total 2022 System Revenues
Olathe Medical Center	Hospital	$ 125,252	0.79%
Cintas	Services	116,608	0.73%
Green Lantern Car Wash LLC	Car wash	89,922	0.56%
AMC Theatres Mail Stop 4	Industrial	56,713	0.36%
Good Samaritan Center	Multi-family	54,300	0.34%
Villa St Francis	Multi-family	53,764	0.34%
ExxonMobil Grease Plant	Industrial	53,155	0.33%
HAMM Incorporated	Industrial	52,946	0.33%
Jerrerson on the Lake	Multi-family	47,570	0.30%
Johnson County Adult Detention	Government	46,989	0.30%

Exhibit 24

City of Olathe, Kansas
Risk Management Fund
December 31, 2022

	Workers' Compensastion	Health & Dental	General Liability	Other	Total
Assets					
Current assets					
Cash and cash equivalents	$ 6,178,106	$ 7,227,072	$ 3,141,505	$ -	$ 16,546,683
Total current assets	6,178,106	7,227,072	3,141,505	-	16,546,683
Noncurrent assets					
Restricted assets					
Deposit	-	11,000	-	-	11,000
Total restricted assets	-	11,000	-	-	11,000
Total assets	$ 6,178,106	$ 7,238,072	$ 3,141,505	$ -	$ 16,557,683
Liabilities					
Current liabilities					
Accounts and claims payable	$ 1,742,893	$ 1,168,800	$ 342,686	$ -	$ 3,254,379
Due to other funds	-	-	-	1,504	1,504
Compensated absences	453	6,578	-	-	7,031
Total current liabilities	1,743,346	1,175,378	342,686	1,504	3,262,914
Noncurrent liabilities					
Deposit	-	11,000	-	-	11,000
Compensated absences	322	5,203	-	-	5,525
Total noncurrent liabilities	322	16,203	-	-	16,525
Total liabilities	1,743,668	1,191,581	342,686	1,504	3,279,439
Net position					
Unrestricted	4,434,438	6,046,491	2,798,819	(1,504)	13,278,244
Total liabilities and net position	$ 6,178,106	$ 7,238,072	$ 3,141,505	$ -	$ 16,557,683
Operating revenues					
Charges for services	$ 1,620,778	$ 20,944,431	$ 2,057,556	$ 44,788	$ 24,667,553
Operating expenses					
Administration and general	2,226,080	19,863,308	2,139,658	174,730	24,403,776
Operating income (loss)	(605,302)	1,081,123	(82,102)	(129,942)	263,777
Nonoperating revenues (expenses)					
Interest income	64,653	76,038	33,794	373	174,858
Transfer out	-	-	-	-	-
Net income (loss)	(540,649)	1,157,161	(48,308)	(129,569)	438,635
Net position - beginning of year	4,975,087	4,889,330	2,847,127	128,065	12,839,609
Net position - end of year	$ 4,434,438	$ 6,046,491	$ 2,798,819	$ (1,504)	$ 13,278,244