

City of Shawnee, Kansas

Annual Comprehensive Financial Report



For the fiscal year ended December 31, 2021

City of Shawnee, Kansas

**Annual Comprehensive Financial Report
For the Fiscal Year Ended December 31, 2021**

Prepared by the Finance Department:

Don Cawby, Finance Director
Sean Rocco, Deputy Finance Director
Jason Hannaman, Accounting Manager

CITY OF SHAWNEE, KANSAS

FINANCIAL STATEMENTS
Year ending December 31, 2021

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CITY OF SHAWNEE, KANSAS

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CITY OF SHAWNEE

CITY HALL

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CIVIC CENTRE

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FIRE

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FAX (913) 631-1628

POLICE

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SHAWNEE, KS 66217
(913) 631-2155
FAX (913) 631-6389

MUNICIPAL COURT

5860 RENNER ROAD
SHAWNEE, KS 66217
(913) 742-6003
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June 20, 2022

To the Honorable Mayor Michelle Distler,
Members of the City Council,
and the Citizens of the City of Shawnee:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Shawnee for the fiscal year ended December 31, 2021. The purpose of the report is to provide the Mayor, City Council, City Staff, citizens, bond holders, and other interested parties with useful information concerning the City's operations and financial position.

This report was prepared in accordance with generally accepted accounting principles (GAAP), which are uniform minimum standards and guidelines for financial accounting and reporting in the United States. The City's financial statements have been audited by Gordon CPA LLC (the Auditor) as required by Kansas Statute 75-1122. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for fiscal year ended December 31, 2021 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The Auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2021 are fairly presented in conformity with GAAP. The Auditor's Report is presented as the first component of the financial section of this report.

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



www.GoodStartsHere.org

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Shawnee for its comprehensive annual financial report for the fiscal year ended December 31, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Financial Reporting Entity

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

Profile of the Government

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

The City of Shawnee was incorporated as a city on June 10, 1922 and re-incorporated as a city of the first class on October 22, 1971. It operates under a mayor-council-manager form of government. The Mayor is elected by the City at-large and two councilmembers are elected from each of the City's four wards. With a current population of more than 69,000 residents, the City's 42 square miles of land encompasses diverse residential neighborhoods including older established neighborhoods, new subdivisions, lakeside estates, multi-family, townhomes, and senior citizen communities.

The City provides a wide range of services, including police and fire protection, emergency preparedness, emergency medical response, street and storm drainage maintenance, comprehensive recreation and cultural events, planning and zoning

management, codes administration and general administrative services. WaterOne and Johnson County Wastewater provide water and sewer utility services, respectively. Private industry owns and operates electric, telephone, natural gas, and sanitation disposal services in Shawnee.

The City of Shawnee continues to be recognized by multiple organizations for excellence in programming and services. In 2021, the City of Shawnee and its Departments were recognized for the following:

- U.S. Department of Energy’s Silver “SolSmart” Award
- Tree City USA
- Bicycle Friendly Community – Bronze Level
- Bicycle Friendly Business – City Hall
- Digital Cities Award – 1st Place
- AAA Bond Rating
- GFOA Distinguished Budget Presentation Award
- GFOA Certificate of Achievement for Excellence in Financial Reporting
- R5 Certified Building Inspection
- American Heart Association Mission: Lifeline – EMS Teams Gold Plus Award
- Purple Heart City
- Kansas Museums Association Technology Award - Virtual 360 Tour
- National Flood Insurance Program’s Community Rating System Class 6
- American Council of Engineering Companies Project Award - Nieman Road
- Excellence in Concrete Awards, Municipal Paving – 43rd Street & Claire Road
- Kansas City Business Journal Healthiest Employers Designation
- KC Chamber Healthy KC Certified Company

Additionally, the City’s Public Works, Fire, and Police Departments all have achieved national accreditation from their authorizing agencies. In 2021, the City again received an ISO 1 rating for their excellence in fire suppression and a triple-A (AAA) bond rating from S&P Global Ratings for the third year in a row.

Economic Condition and Outlook

Shawnee’s location along several major transportation routes and ease in access to the entire Kansas City metropolitan area has been a major factor in the City’s growth and development. Although Shawnee is landlocked, and approximately 75 percent of the city has been developed, there are still large tracts of undeveloped land for future development along I-435, in the Kansas River valley, and around south Monticello Road.

The U.S. Census estimates Shawnee's median household income as \$88,941 in 2021, which continues to drive development within the City. Shawnee's population is estimated to be 68,958, and has 19,699 single family housing units, 610 duplexes, and 6,976 multi-family units, for a total of 27,285 housing units. The housing vacancy rate is 0.5% for homeowner vacancy and 4.6% for rental vacancies. Nearly 74% of households reside in owner-occupied units that average 2.69 persons per household. The median owner-occupied home value is \$247,100. Further analysis and information on demographics are located in the Statistical Section of this report.

The City continued to see healthy home and commercial construction activity in 2021. A total of 171 building permits for new single-family homes were issued, along with 7 duplex and 19 multifamily permits. Multifamily activity increased significantly with a combined 639 duplex and multifamily units being submitted for construction.

Twenty-one new commercial permits and 56 commercial remodel permits were also issued in 2021. Total estimated construction value of all permits issued was \$225,439,191, an increase of \$82,188,461 over 2020. The average construction value in 2021 for a single-family home dropped by about 7.6 percent to a value of \$383,990, compared to \$415,734 in 2020. The average square footage of a new home dropped 8.8 percent to 2,812 in 2021 from 3,083 in 2020. Both the drop in new home price and size can be attributed to smaller, more affordable slab-on-grade homes that are being constructed in the Legacy Crossing subdivision at 75th and Clare Road.

Significant development completed or under construction during 2021 includes:

- Westbrooke Green at 75th & Quivira is nearing completion of the south multi-family portion of the project, and is close to requesting phased occupancy of the first living units. Upon completion, the residential phase will have 343 apartment units in 3 buildings that center upon common green space.
- The Blume project at Roger Road & Nieman is nearing completion of their downtown work/live catalyst project. They are now leasing 18 residential units and 12 ground floor commercial retail/office units in two buildings.
- Club Carwash constructed a new facility in the Grey Oaks Commercial Center.
- Dutch Bros Coffee is nearing completion of a new store at 11311 Shawnee Mission Parkway.
- Family Tree Nursery is completing a significant remodel of their facility at 7036 Nieman that includes added office space, an expansion of their coffee shop, and full-scale parking improvements.
- Firestone opened a new 6,262 square foot auto service center in the 22800 Block of Silverheel Road within the Grey Oaks Commercial center.

- Harris Trucking constructed a 19,650 square foot (spec) multi-tenant office / warehouse building at 6731 Martindale.
- Johnson County Parks and Recreation has completed Phase I and Phase II of facility improvements to the Mid America Sport Complex located in the 20000 block of Johnson Drive. Phase III is ready for permitting and construction in 2022.
- Maranatha Christian Academy is nearing completion of their 113,000 square foot private school at the northeast corner of 71st & Silverheel.
- Parkway Village is nearing completion of their 9,500 square foot office building on the north side of Shawnee Mission Parkway, west of Barker.
- Park 33 finished construction of their RV storage facility at 7702 Meadow View Drive in the K-7 Industrial Park.
- Veteran's Park senior residential is nearing completion at 62nd & Pflumm. Upon completion in 2022, the development will include 60 attached villa units and 210 senior apartments on 29 acres.
- Various single-family residential developments will add over 500 new single-family homes across Shawnee in the next few years, with a majority occurring in five major subdivisions: Kenneth Estates, Canyon Lake Estates, Legacy Crossings, Bristol Highlands North and the Estates of Timber Springs.

2021 Initiatives and Highlights

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

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

The City gathered community input provided through Imagine Shawnee and the Parks Master Plan in 2020 and in 2021 began to implement the identified priorities. One of the first steps was to complete a re-write of the City's Comprehensive Plan (Achieve Shawnee), again with significant community involvement. In 2021, the City also began integrating the results of the plan into budget decisions for park improvements, downtown redevelopment, and other quality of life and economic development efforts, and will continue to do so over the next several years.

Highlights from projects in 2021 to implement Imagine Shawnee and Achieve Shawnee included:

- Phase I of the Monticello Road Project (from Shawnee Mission Parkway to 71st Terrace) was completed at a cost of approximately \$9.0 million, with \$3.6 million coming from federal and county assistance.
- Moonlight Market, a new farmer's market concept, was held four times in the summer and fall of 2021, creating a new downtown event drawing people of all ages to the area.
- City completed and opened the new 40-acre Wilder Bluff Park, in June of 2021. The park, located at 55th & Belmont, was constructed for \$4.0 million from the dedicated Parks & Pipes 1/8th cent local sales tax.
- Development of Downtown Shawnee continued in 2021 with the opening of two parks along the Neiman corridor; the opening of the Sixty16 Apartments on Roger Road; the re-opening of the Aztec Theatre; as well as, renovation of two historic structures at the intersection of Neiman & Johnson Drive that are expected to open in 2022.
- The City's Health Enhancement Coordinator and the Shawnee Fire Department implemented the Safe Senior Program to both help seniors to safely remain in their homes while also reducing multiple calls to residences for assistance or medical issues.
- Completed \$29.6 million in total capital improvements with \$8.3 million in outside funding.
- Finalized the implementation of CitizenServ, the City's new online permitting system.

Future/Planned Initiatives

Economic Development

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

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

- The K-7 Logistics Centre, an office/warehouse development of approximately 990,000 square feet in 2 buildings, has been zoned and planned near 79th and Monticello Terrace, on the east side of K-7 Highway.
- The Trails at Shawnee – the second phase of the golf course apartment development in the area of K-7 and Clear Creek Parkway are now in for permit, with anticipated construction of 444 units in 2022.
- Potential development of large remaining vacant tracts in Shawnee, with a major focus on the following: the K-7 Highway corridor; riverfront properties located north of 43rd Street and east of K-7; large tracts along I-435 from Johnson Drive to Shawnee Mission Parkway, and undeveloped acreage in the area of Monticello & 75th Street.

Reinvestment

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

The new business include: Friction Brewery within the former Hartman Hardware building; Mother Clucker's Chicken in the remodeled 5930 Nieman; Popeye's on the site of the former Valero gas station; and the former Shawnee State Bank building at the southwest corner of Johnson & Nieman. Recently, thirteen new single family homes have also been approved for construction on vacant property in area of 55th & Nieman.

To entice reinvestment, the City targets funds toward street improvements within and on the periphery of downtown to provide public infrastructure investment. With the Community Development Block Grant (CDBG) program in 2021, 59th Street was improved from Barton to King. Likewise, with City utilized Street Improvement Program (SIP) funds Goddard to currently improve 55th Street to Johnson Drive.

City Services

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

Infrastructure Management

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

Fiscal Responsibility

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

Financial Information

Internal Control Structure and Budgetary Controls

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

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

Financial Policies

The City has numerous financial policies which include the Comprehensive Financial Policy as well as the Investment, Compensation, Risk Management, Pension, Purchasing, and Economic Development Policies. There was no significant impact on the current period's financial statement due to these policies.

Independent Audit

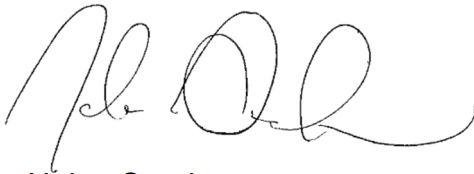
Kansas Statutes Annotated (KSA) 75-1122 requires an annual audit of the accounts, financial records and transactions of all administrative departments of the City by independent certified public accountants. The accounting firm of Gordon CPA LLC of

Lawrence, Kansas was selected by the City. The auditors' report on the financial statements is included in the Financial Section of this report.

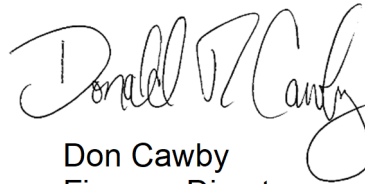
Acknowledgements

This AFR has been a major undertaking for the Finance Department and could not have been completed without the dedication of recently retired Deputy Finance Director Shelley Oldham, our new Deputy Finance Director Sean Rocco, and our new Accounting Manager Jason Hanamann, as well as numerous other professionals throughout the City. They all have our sincere appreciation for their contributions to this report. In closing, without the leadership and support of the Governing Body, preparation of this report would not have been possible.

Sincerely,

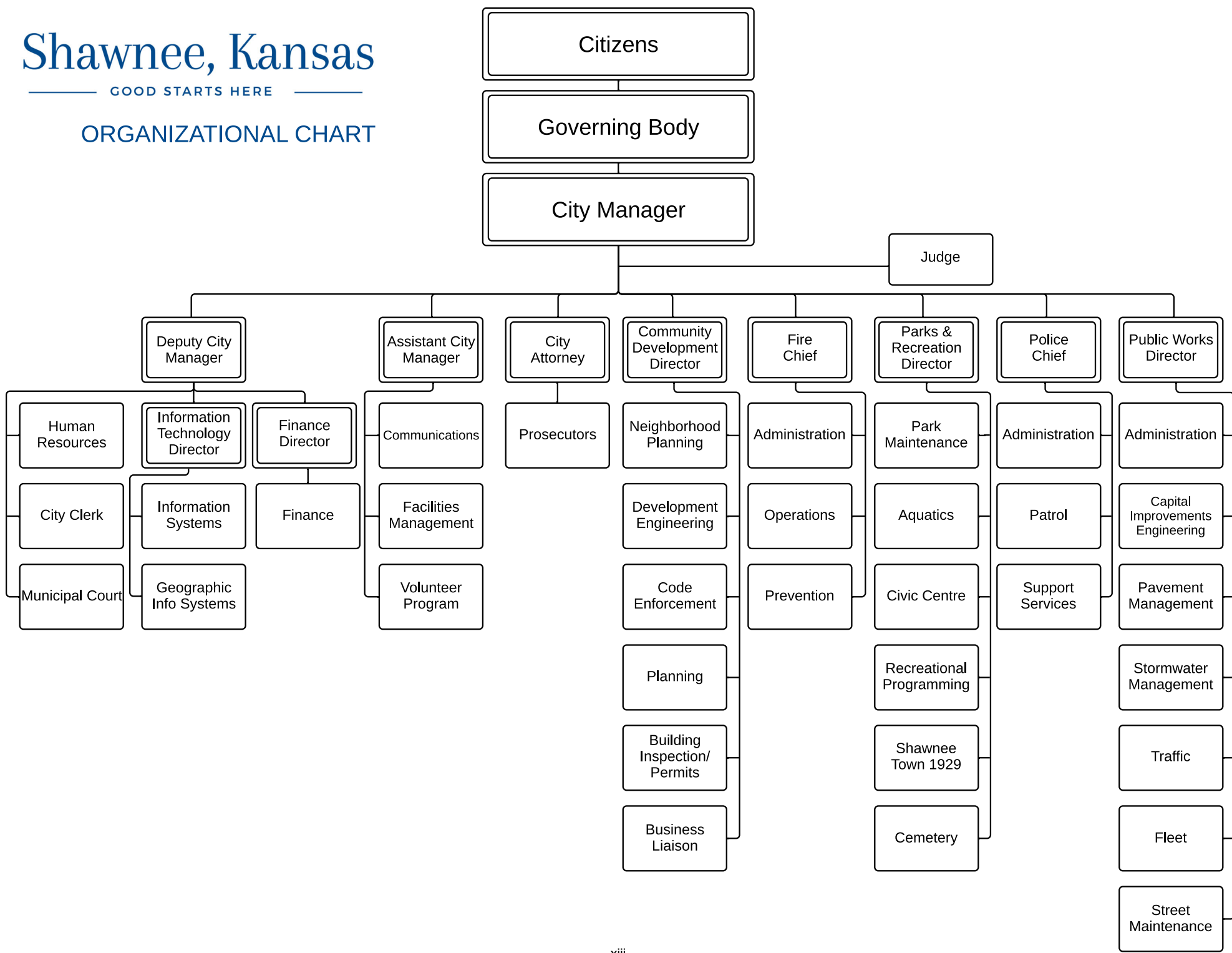
A handwritten signature in black ink, appearing to read 'N. Sunderman', with a stylized, flowing script.

Nolan Sunderman
City Manager

A handwritten signature in black ink, appearing to read 'Don Cawby', with a stylized, flowing script.

Don Cawby
Finance Director

ORGANIZATIONAL CHART



CITY OF SHAWNEE, KANSAS
LIST OF PRINCIPAL OFFICIALS

Mayor

Mischelle Distler

Ward I

Tammy Thomas
Tony Gillette

Ward II

Dr. Mike Kemmling
Eric Jenkins

Ward III

Kurt Knappen
Angela Stiens

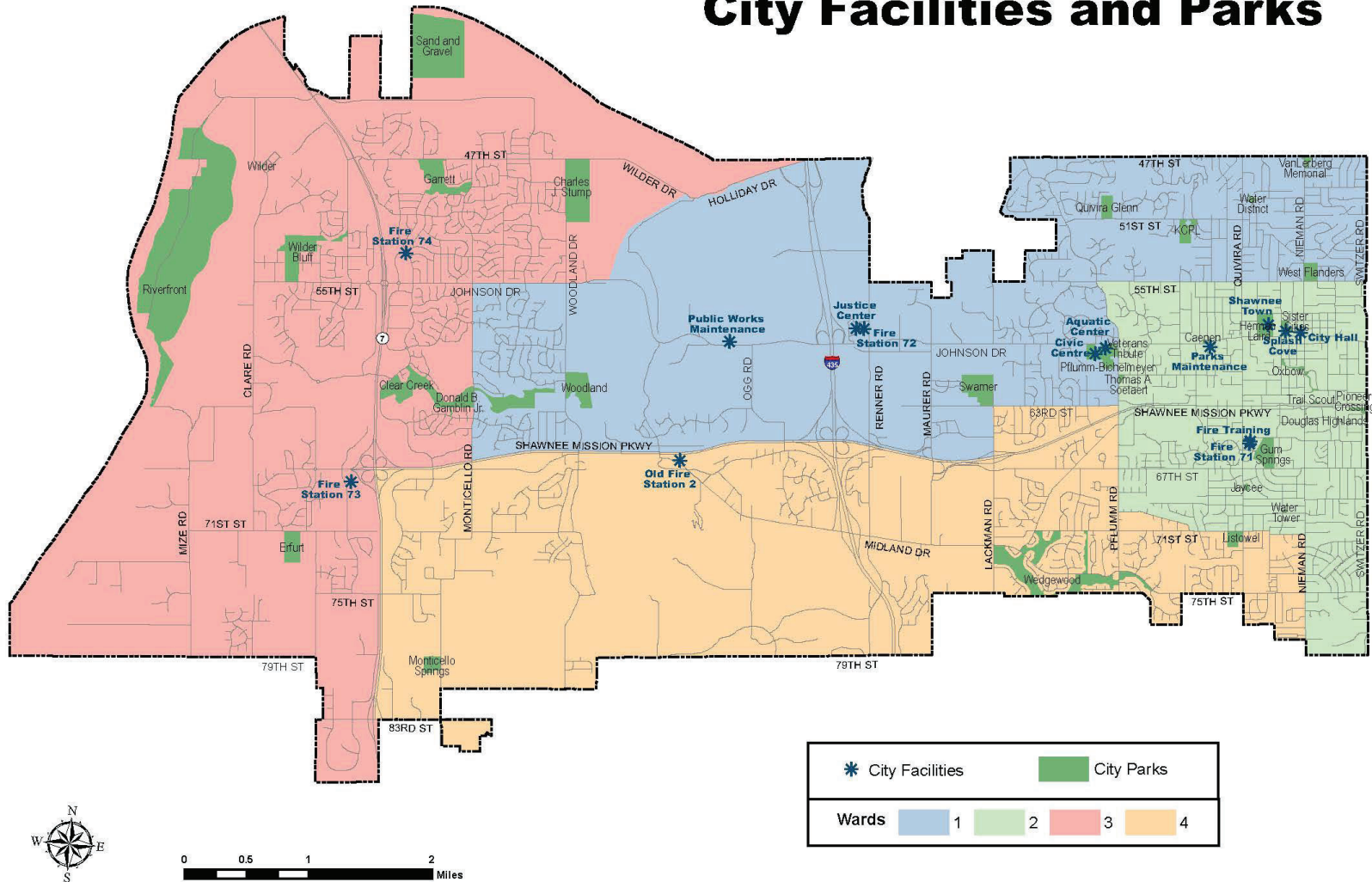
Ward IV

Jill Chalfie
Jacklynn Walters



City of Shawnee

City Facilities and Parks





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Shawnee
Kansas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Shawnee, Kansas

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shawnee, Kansas, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shawnee, Kansas, as of December 31, 2021, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Emphasis of Matter

Prior Period Adjustment

As discussed in Note 15 to the financial statements, certain errors in amounts previously reported as of December 31, 2020, were discovered by management of the City during the current year. Accordingly, these amounts have been restated in the December 31, 2021, financial statements now presented, and adjustments have been made to fund balance to correct the error. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The statements and schedules listed under supplementary information in the accompanying table of contents, including the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Gordon CPA LLC

Certified Public Accountant

Lawrence, Kansas

June 20, 2022

CITY OF SHAWNEE, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021

The management of the City of Shawnee (City) offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2021.

Financial Highlights

- The City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the end of 2021 by \$595,272,288 (net position). Of this amount, \$[5,461,147] is unrestricted net position.
- Unrestricted net position increased by \$2,292,691, and the City's total net position increased by \$4,795,067.
- At the close of 2021, the City's governmental funds reported combined ending fund balances of \$111,783,819, an increase of \$53,024,828 from the prior year. The increase was primarily due to the issuance of \$49,225,000 in General Obligation Improvement and Refunding Bonds, Series 2021-A, to pay the cost of financing certain public improvements and to refund outstanding bonds.
- At the end of 2021, the fund balance for the General Fund was \$30,915,442, or 51% of revenues on a GAAP basis. This was an increase of \$510,177 from 2020, primarily from the continued strong performance of sales and compensating use taxes during the COVID-19 pandemic.
- The City's general obligation (GO) debt increased by \$39,670,000 during 2021. This increase is primarily due to the 2021-A bonds issued by the City.
- The City's proportional share of the net pension liability for KPERS and KP&F for 2021 was \$29,644,332 compared to \$39,396,810 for 2020, a decrease of 25%.
- The Supplemental Retirement Plan ended the year with a net pension liability of \$2,464,858 and a strong funded percentage of 91.6%.
- The post-employment healthcare (OPEB) obligation at the close of 2020 excluding those related to KPERS disability benefits and life insurance was \$12,064,923, compared to \$12,709,439 in 2021.
- The City abated a total of \$478,637 through its various major economic development tax abatement programs in 2021.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

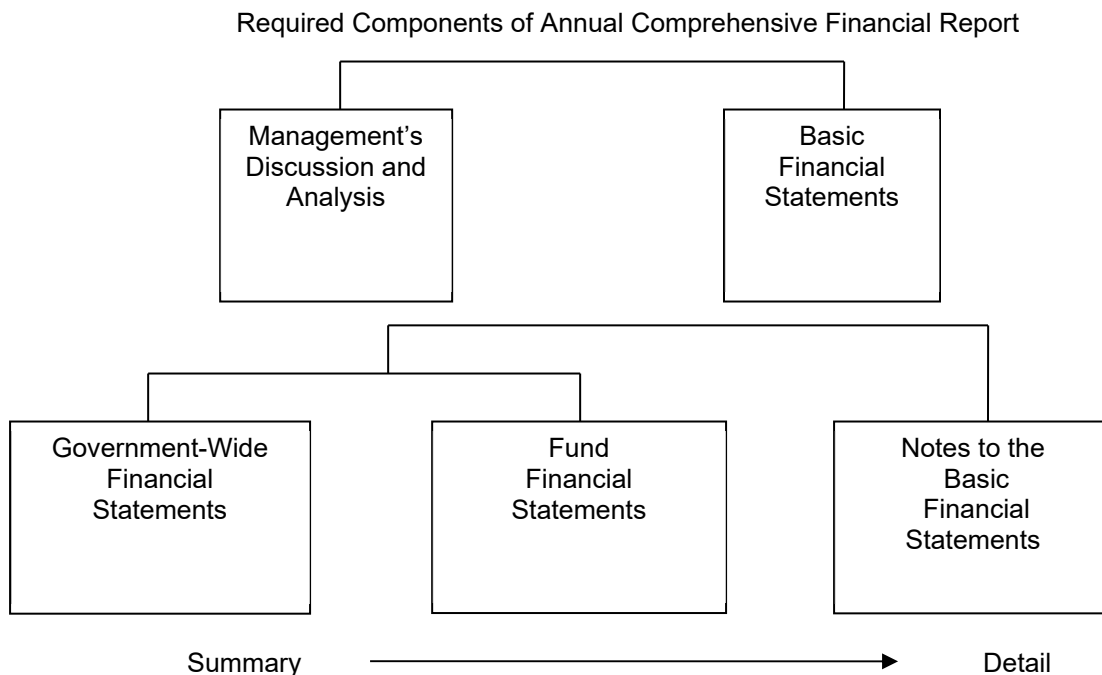
The government-wide financial statements provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

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

CITY OF SHAWNEE, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021

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

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



Fund Financial Statements

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

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

CITY OF SHAWNEE, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021

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

The City maintains 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund and the Capital Projects Fund, all of which are considered major funds. Data from the other 20 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

Notes to the Basic Financial Statements

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

Other Information

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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules are on pages 68-88 of this report.

Government-wide Financial Analysis

Net position may serve over time as one useful indicator of a government's financial condition. The City's net position increased by \$4,795,067 for the fiscal year ended December 31, 2021. This increase was due primarily to a major decrease in the City's share of the net pension liability for the KPERS system.

CITY OF SHAWNEE, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021

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

Government-wide Financial Statements

	Condensed Statement of Net Position	
	12/31/2021	12/31/2020
Current and other assets	\$ 149,966,536	\$ 96,827,271
Capital assets	637,650,578	640,701,899
Total assets	787,617,114	737,529,170
Deferred outflows of resources	12,902,701	14,783,382
Total assets and deferred outflows of resources	\$ 800,519,815	\$ 752,312,552
Current liabilities	\$ 17,207,303	\$ 15,325,790
Long-term liabilities	148,083,390	117,997,030
Total liabilities	165,290,693	133,322,820
Deferred inflows of resources	39,956,834	28,512,511
Total liabilities and deferred inflows of resources	\$ 205,247,527	\$ 161,835,331
Net position:		
Net investment in capital assets	\$ 579,733,707	\$ 575,914,799
Restricted for:		
Community development	945,452	988,034
Public works	7,839,047	14,155,428
Public safety	5,070,937	3,118,217
Culture and recreation	3,239,452	1,451,079
Human resources	35,257	18,174
Debt service	3,869,583	2,585,328
Unrestricted	(5,461,147)	(7,753,838)
Total net position	\$ 595,272,288	\$ 590,477,221

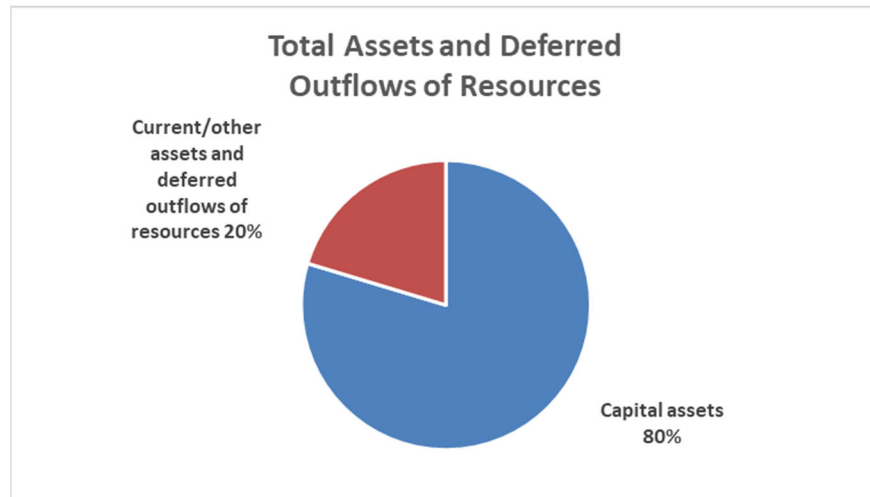
CITY OF SHAWNEE, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021

A portion of the City's net position (3.5%) represents resources that are subject to external restrictions on how they may be used.

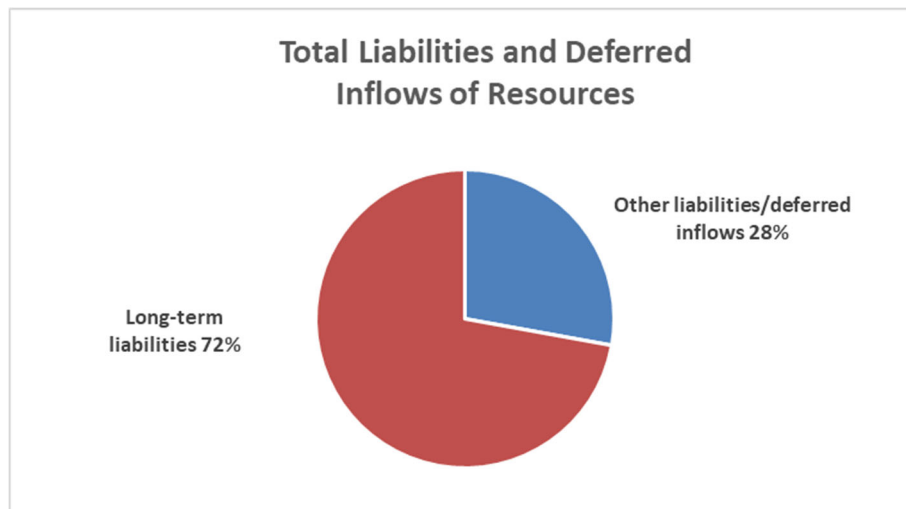
A review of the Government-wide Financial Statement of Net Position reveals the following:

The City ended 2021 with a positive net position. Total assets and deferred outflows of resources for the City are \$800,519,815. Of these total assets, \$637,650,578 represents capital assets and \$149,966,536 includes other assets and deferred outflows of resources.

Total assets and deferred outflows of resources increased by approximately \$48.2 million during the year ended December 31, 2021. A substantial portion of the increase is due to the issuance of the City's General Obligation Improvement and Refunding Bonds, Series 2021-A, for \$49,225,000 towards the end of December 2021, to fund projects that will take place in 2022.



Total liabilities and deferred inflows of resources are \$205,247,527, including \$148,083,390 in long-term liabilities and \$57,164,137 in current liabilities and deferred inflows of resources. The majority of the long-term liabilities are debt issued for major capital projects. Debt issues never extend longer than the useful life of the bonded projects.



CITY OF SHAWNEE, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021

Total liabilities and deferred inflows of resources increased by \$43,412,196 during the year ended December 31, 2021. A majority of the increase is related to the issuance of general obligation bonds.

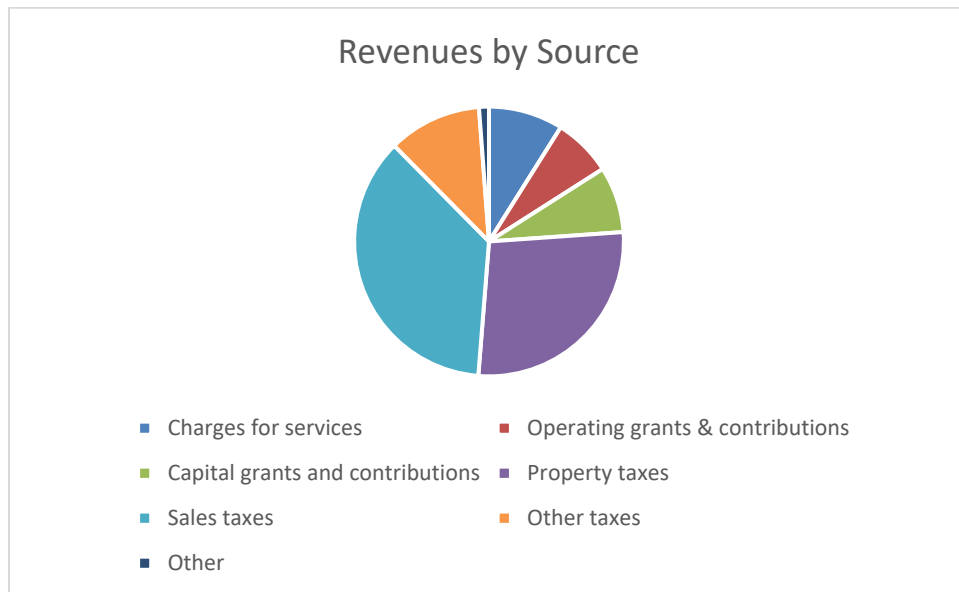
The following table reflects the revenues and expenses for the City's activities for the year ended December 31:

**Government-Wide Financial Statements
Statement of Activities**

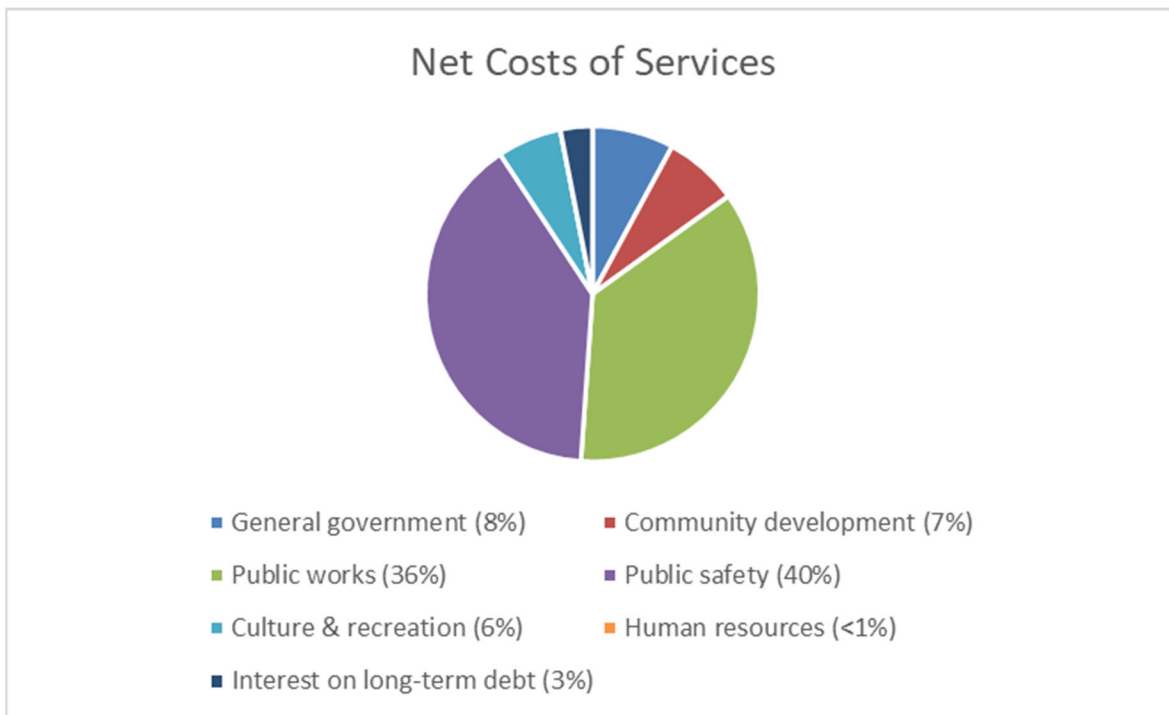
	Governmental Activities	
	2021	2020
Revenues		
Program revenues		
Charges for services	\$ 8,528,131	\$ 6,911,629
Operating grants & contributions	5,896,071	7,758,206
Capital grants and contributions	6,534,435	4,878,409
General revenues		
Property taxes	27,130,743	25,926,970
Sales taxes	37,209,308	32,494,939
Other taxes	9,432,341	8,896,463
Other	1,570,275	1,334,951
Total revenues	<u>96,301,304</u>	<u>88,201,567</u>
Expenses		
General government	9,549,918	9,938,319
Community development	5,345,691	4,828,070
Public works	38,832,646	37,680,773
Public safety	29,092,282	31,058,369
Culture & recreation	6,491,270	5,922,817
Human resources	5,819	46,684
Interest on long-term debt	2,188,611	1,968,705
Total expenses	<u>91,506,237</u>	<u>91,443,737</u>
Change in net position	<u>4,795,067</u>	<u>[3,242,170]</u>
Net position - beginning of year	590,477,221	593,689,226
Prior period adjustment - GASB 84 implementation	<u>-</u>	<u>30,165</u>
Net position - beginning of year, restated	<u>590,477,221</u>	<u>593,719,391</u>
Net position - end of year	<u>\$ 595,272,288</u>	<u>\$ 590,477,221</u>

CITY OF SHAWNEE, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021

Total revenues for 2021 were \$96.3 million. The largest revenue source was sales tax at \$37,209,308, followed by property tax at \$27,130,743.



The total cost of services for 2021 was \$91.5 million; however, \$21 million came from users directly benefiting from the services or by other organizations through grants and contributions. General revenues of \$75.3 million were primarily comprised of sales and property taxes.



CITY OF SHAWNEE, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021

Financial Analysis of the Government's Funds

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

Governmental Funds

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

The General Fund is the primary operating fund of the City. At the end of 2021, unassigned fund balance of the General Fund was \$30,377,316, and total fund balance was \$30,915,442. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund revenues. Unassigned fund balance represents 50% of the total General Fund revenues while total fund balance represents 51% of revenues.

The City's General Fund ending balance on a GAAP basis increased by \$510,177 during 2021. The primary cause of the increase is from sales and compensating use tax collections growing by \$2.8 million, or 11.5%, from 2020 to 2021, substantially more than the 3.6% increase that was originally estimated.

The Debt Service fund ended the year with a total fund balance of \$3,869,583, all of which is reserved for the payment of debt service. The net increase in the fund balance during the current year in debt service was \$1,284,255. Long-term bonds issued late in 2021 is the primary reason for the increase in fund balance.

The Capital Project Fund ending total fund balance for 2021 was \$52,783,443. The net increase in the fund balance during the current year in the capital projects fund was \$52,491,384. The City has sufficient idle cash to fund construction of several large capital projects without the need to issue temporary notes. Long-term bonds issued late in 2021 is the primary reason for the increase in fund balance.

General Fund Budgetary Highlights

The Governing Body did not amend the legally adopted budget for the General Fund during 2021.

During the year, revenues exceeded budgetary estimates by \$3,237,107 (5.6%). Sales tax revenue was \$2,849,853 (11.5%) over the budget estimated and \$3,685,013 (15.4%) over collections of the previous year. The large increase in revenue over the estimates were the result of underestimating in the impact of the new third-party internet sales collection law in Kansas that became effective July 1, 2021 and drove the combined tax source to increase by \$1.3 million (28.7%) over 2020. Total expenditures were less than budgetary estimates by \$3,457,632. As part of the budgeting process, the City budgets for a contingency reserve for unforeseen expenditures. Most areas of the City were below budget due to continued COVID-19 protocols affecting City events and other activities during the first half of 2021. The City also began to see a growing position vacancy rate in 2021 which was a product of the regional and national labor market during 2020 and 2021.

CITY OF SHAWNEE, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental activities as of December 31, 2021, was \$637,650,578 (net of accumulated depreciation). This investment in capital includes land, historical buildings, construction in progress, buildings, land improvements, vehicles, equipment and infrastructure.

Capital Assets

	2021	2020
Land	\$22,773,225	\$21,216,530
Historical buildings	930,162	930,162
Construction in progress	20,354,571	28,797,840
Buildings	58,087,064	58,073,464
Land improvements	34,644,114	30,119,756
Motor vehicles	14,573,790	13,736,220
Machinery & equipment	7,137,971	7,489,385
Infrastructure	1,151,286,706	1,129,040,198
Total capital assets, cost	1,309,787,603	1,289,403,555
Less accumulated depreciation	[672,137,025]	[648,701,656]
Total capital assets, net	\$637,650,578	\$640,701,899

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

Long-term Debt

At the end of 2021, the City had total general obligation (GO) bonds outstanding of \$99,130,000, backed by the full faith and credit of the City.

The City's total long-term debt increased by \$49,225,000 during 2021. The City issued Series 2021-A general obligation bonds for \$49,225,000 in late 2021 to finance improvements for two fire stations, a parks and recreation maintenance shop, an industrial park, and road improvements and also to refund a portion of existing bonds. The City also paid down \$9,555,000 in GO bond principal. The City maintained an AAA rating from Standard & Poor's Global Ratings for its 2021-A general obligation bonds.

State statutes limit the amount of general obligation debt a government entity may issue to 30% of its total assessed valuation. The current debt limitation for the City is \$355,505,497, which is more than three times in excess of the City's outstanding GO bonds. Additional information regarding the City's long-term debt activity is in Note 5.

Requests for information

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

CITY OF SHAWNEE, KANSAS

STATEMENT OF NET POSITION
December 31, 2021

	Governmental Activities
Assets and Deferred Outflows of Resources	
Current assets:	
Cash and cash equivalents	\$ 110,639,188
Receivables:	
Taxes	26,884,131
Accounts	846,687
Special assessments	2,338,759
Inventory	538,126
Due from other governments	8,719,645
Total current assets	<u>149,966,536</u>
Noncurrent assets:	
Capital assets not being depreciated:	
Land	22,773,225
Historical buildings	930,162
Construction in progress	20,354,571
Capital assets being depreciated:	
Buildings and improvements	92,731,178
Machinery, equipment and vehicles	21,711,761
Infrastructure	1,151,286,706
Less: accumulated depreciation	<u>[672,137,025]</u>
Total noncurrent assets	<u>637,650,578</u>
Total assets	<u>787,617,114</u>
Deferred outflows of resources	
Pensions	10,479,759
Other post-employment benefits	<u>2,422,942</u>
Total deferred outflows of resources	<u>12,902,701</u>
Total assets and deferred outflows of resources	<u>\$ 800,519,815</u>
Liabilities and Deferred Inflows of Resources	
Current liabilities:	
Accounts payable	\$ 3,314,667
Accrued liabilities	636,187
Accrued interest payable	254,107
Retainage payable	131,550
Deposits held for others	457,818
Unearned revenue	3,782,015
Current portion of capital lease payable	240,572
Current portion of general obligation bonds payable	7,050,000
Current portion of compensated absences	<u>1,340,387</u>
Total current liabilities (payable from current assets)	<u>17,207,303</u>
Noncurrent liabilities:	
Compensated absences	3,912,820
Capital leases payable	357,050
General obligation bonds payable, including bond premiums and discounts	99,269,249
Net pension liability	32,109,190
Total OPEB liability	<u>12,435,081</u>
Total noncurrent liabilities	<u>148,083,390</u>
Total liabilities	<u>165,290,693</u>
Deferred inflows of resources:	
Property tax	26,935,928
Other post-employment benefits	2,188,157
Pensions	<u>10,832,749</u>
Total deferred inflows of resources	<u>39,956,834</u>
Total liabilities and deferred inflows of resources	<u>\$ 205,247,527</u>
Net Position	
Net investment in capital assets	\$ 579,733,707
Restricted for:	
Community development	945,452
Public works	7,839,047
Public safety	5,070,937
Culture and recreation	3,239,452
Human resources	35,257
Debt service	3,869,583
Unrestricted	<u>[5,461,147]</u>
Total net position	<u>\$ 595,272,288</u>

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

CITY OF SHAWNEE, KANSAS

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

		Program Revenues			Net [Expenses] Revenue and Changes In Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
	Expenses				
Governmental activities:					
General government	\$ 9,549,918	\$ 3,976,353	\$ -	\$ -	\$ [5,573,565]
Community development	5,345,691	-	275,393	-	[5,070,298]
Public works	38,832,646	1,402,216	5,479,441	6,534,435	[25,416,554]
Public safety	29,092,282	1,045,317	141,237	-	[27,905,728]
Culture and recreation	6,491,270	2,104,245	-	-	[4,387,025]
Human resources	5,819	-	-	-	[5,819]
Interest on long-term debt	2,188,611	-	-	-	[2,188,611]
Total governmental activities	<u>\$ 91,506,237</u>	<u>\$ 8,528,131</u>	<u>\$ 5,896,071</u>	<u>\$ 6,534,435</u>	<u>[70,547,600]</u>
General Revenues:					
Property taxes					27,130,743
Sales and use tax					37,209,308
Motor vehicle tax					3,027,134
Liquor tax					1,010,007
Franchise tax					4,958,010
Transient guest tax					437,190
Investments earnings					252,366
Miscellaneous					977,347
Gain on disposal of capital assets					<u>340,562</u>
Total general revenues					<u>75,342,667</u>
Change in net position					4,795,067
Net position - beginning					<u>590,477,221</u>
Net position - ending					<u>\$ 595,272,288</u>

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

CITY OF SHAWNEE, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 26,765,330	\$ 3,869,945	\$ 54,335,252	\$ 25,668,661	\$ 110,639,188
Receivables:					
Taxes	20,346,089	5,210,584	-	1,327,458	26,884,131
Special assessments	-	2,338,759	-	-	2,338,759
Accounts	552,340	-	-	294,347	846,687
Inventory	538,126	-	-	-	538,126
Due from other funds	33,837	-	-	-	33,837
Due from other governments	5,090,468	-	1,224,985	2,404,192	8,719,645
Total assets	<u>\$ 53,326,190</u>	<u>\$ 11,419,288</u>	<u>\$ 55,560,237</u>	<u>\$ 29,694,658</u>	<u>\$ 150,000,373</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 996,089	\$ 362	\$ 2,059,451	\$ 258,765	\$ 3,314,667
Accrued liabilities	610,752	-	-	25,435	636,187
Retainage payable	-	-	131,550	-	131,550
Due to other funds	-	-	-	33,837	33,837
Unearned revenue	-	-	-	3,782,015	3,782,015
Deposits held for others	457,818	-	-	-	457,818
Total liabilities	<u>2,064,659</u>	<u>362</u>	<u>2,191,001</u>	<u>4,100,052</u>	<u>8,356,074</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	20,346,089	5,210,584	-	1,379,255	26,935,928
Unavailable revenue - special assessments	-	2,338,759	-	-	2,338,759
Unavailable revenue - intergovernmental	-	-	585,793	-	585,793
Total deferred inflows of resources	<u>20,346,089</u>	<u>7,549,343</u>	<u>585,793</u>	<u>1,379,255</u>	<u>29,860,480</u>
Fund balance:					
Nonspendable	538,126	-	-	-	538,126
Restricted	-	3,869,583	-	17,129,717	20,999,300
Committed	-	-	-	7,105,615	7,105,615
Assigned	-	-	52,783,443	-	52,783,443
Unassigned	30,377,316	-	-	[19,981]	30,357,335
Total fund balance [deficit]	<u>30,915,442</u>	<u>3,869,583</u>	<u>52,783,443</u>	<u>24,215,351</u>	<u>111,783,819</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 53,326,190</u>	<u>\$ 11,419,288</u>	<u>\$ 55,560,237</u>	<u>\$ 29,694,658</u>	<u>\$ 150,000,373</u>

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

CITY OF SHAWNEE, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2021

Total Governmental Fund Balances		\$ 111,783,819
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
The cost of capital assets is	1,309,787,603	
Accumulated depreciation is	<u>[672,137,025]</u>	637,650,578
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds.		2,924,552
Pension contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.		10,479,759
Pension fundings are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.		[10,832,749]
A long-term liability is recorded for the unfunded portion of post-employment benefits other than pensions, while in the governmental funds liabilities that do not require satisfaction with current resources are not recorded		[12,200,296]
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long term liabilities at year end consist of:		
General obligation bonds payable	106,319,249	
Capital leases payable	597,622	
Interest payable	254,107	
Compensated absences payable	5,253,207	
Net pension liability	<u>32,109,190</u>	<u>[144,533,375]</u>
Net Position of Governmental Activities		<u>\$ 595,272,288</u>

CITY OF SHAWNEE, KANSAS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:					
Taxes	\$ 55,117,769	\$ 6,362,006	\$ -	\$ 16,812,193	\$ 78,291,968
Intergovernmental	104,451	-	8,273,317	2,001,814	10,379,582
Charges for services	1,934,108	-	127,500	3,223,277	5,284,885
Licenses and permits	2,101,336	-	-	96,592	2,197,928
Fines and forfeitures	1,045,317	-	-	-	1,045,317
Investment income	138,507	22,980	-	90,879	252,366
Miscellaneous	235,487	-	-	588,588	824,075
Total revenues	<u>60,676,975</u>	<u>6,384,986</u>	<u>8,400,817</u>	<u>22,813,343</u>	<u>98,276,121</u>
EXPENDITURES:					
Current					
General government	8,515,822	-	-	689,465	9,205,287
Community development	2,598,655	-	-	2,680,197	5,278,852
Public works	6,172,963	-	-	1,690,199	7,863,162
Public safety	26,256,575	-	-	759,802	27,016,377
Culture and recreation	5,480,429	-	-	55,347	5,535,776
Human resources	-	-	-	334	334
Capital outlay	-	-	29,584,011	1,088,774	30,672,785
Debt service:					
Principal	-	9,555,000	-	303,062	9,858,062
Interest and other charges	-	2,108,948	-	25,566	2,134,514
Bond issuance costs	-	15,342	253,112	-	268,454
Total expenditures	<u>49,024,444</u>	<u>11,679,290</u>	<u>29,837,123</u>	<u>7,292,746</u>	<u>97,833,603</u>
Excess [deficiency] of revenues over [under] expenditures	<u>11,652,531</u>	<u>[5,294,304]</u>	<u>[21,436,306]</u>	<u>15,520,597</u>	<u>442,518</u>
OTHER FINANCING SOURCES [USES]:					
Bond proceeds	-	2,985,530	49,256,219	-	52,241,749
Proceeds from sale of capital assets	27,537	-	-	313,024	340,561
Transfers in	167,500	3,593,029	25,889,736	4,670,045	34,320,310
Transfers [out]	<u>[11,337,391]</u>	<u>-</u>	<u>[1,218,265]</u>	<u>[21,764,654]</u>	<u>[34,320,310]</u>
Total other financing sources [uses]	<u>[11,142,354]</u>	<u>6,578,559</u>	<u>73,927,690</u>	<u>[16,781,585]</u>	<u>52,582,310</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other sources [uses]	<u>510,177</u>	<u>1,284,255</u>	<u>52,491,384</u>	<u>[1,260,988]</u>	<u>53,024,828</u>
Fund balance - Beginning of year	<u>30,405,265</u>	<u>2,585,328</u>	<u>292,059</u>	<u>25,476,339</u>	<u>58,758,991</u>
Fund balance - End of year	<u>\$ 30,915,442</u>	<u>\$ 3,869,583</u>	<u>\$ 52,783,443</u>	<u>\$ 24,215,351</u>	<u>\$ 111,783,819</u>

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

CITY OF SHAWNEE, KANSAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

Total Net Change In Fund Balances - Governmental Funds \$ 53,024,828

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

Capital outlays to purchase or build assets are reported in governmental funds
as expenditures. However, for governmental activities those costs are shown
in the statement of net assets and allocated over their estimated useful lives
as annual depreciation expenses in the statement of activities. This is the
amount by which capital outlays exceeds depreciation in the period.

Capital outlays	21,985,924	
Depreciation expense	[24,878,861]	
Gain/[Loss] on sale of assets	<u>[158,384]</u>	[3,051,321]

Revenues in the statement of activities that do not provide current financial
resources are not reported as revenues in the funds. [2,468,655]

Interest on long-term debt in the statement of activities differs from the amount
reported in the governmental funds because interest is recorded as an
expenditure in the funds when it is due, and thus requires the use of current
financial resources. In the statement of activities, however, interest expense
is recognized as the interest accrues, regardless of when it is due. This is
the amount by which interest increased. [54,097]

Some expenses reported in the statement of activities do not require
the use of current financial resources and therefore are not reported
as expenditures in governmental funds.

Compensated absences	[188,609]	
Other postemployment benefits	<u>[884,958]</u>	[1,073,567]

Pension payments are reported as expenditures in the governmental funds
and do not affect the statement of net activities. 223,787

Bond proceeds are other financing sources in the governmental funds, but
they increase long-term liabilities in the statement of net position and do
not affect the statement of activities. [51,664,051]

Repayment of bond and capital lease principal is an expenditure in the
governmental funds, but it reduces long-term liabilities in the statement
of net assets and does not affect the statement of activities. 9,858,143

Changes In Net Position of Governmental Activities \$ 4,795,067

CITY OF SHAWNEE, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET

For the Year Ended December 31, 2021

		Budgeted Amounts		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Revenues:				
Taxes:				
Ad valorem property tax	\$ 19,908,888	\$ 19,686,192	\$ 19,552,953	\$ 355,935
Back tax property collection	45,270	48,000	-	45,270
Motor vehicle tax	2,242,385	2,233,221	2,233,221	9,164
Sales tax - county	12,920,028	10,714,400	11,424,000	1,496,028
Sales tax - city	14,688,825	12,042,900	13,335,000	1,353,825
Liquor tax	336,818	200,000	295,000	41,818
Utility franchise tax	4,975,555	4,995,841	6,073,000	[1,097,445]
Total taxes	<u>55,117,769</u>	<u>49,920,554</u>	<u>52,913,174</u>	<u>2,204,595</u>
Intergovernmental	<u>104,451</u>	<u>25,000</u>	<u>25,000</u>	<u>79,451</u>
Charges for services:				
Swimming pool admissions	548,314	526,884	450,000	98,314
Swimming pool concessions	92,169	96,501	98,000	[5,831]
Fees	1,293,625	1,221,560	831,300	462,325
Total charges for services	<u>1,934,108</u>	<u>1,844,945</u>	<u>1,379,300</u>	<u>554,808</u>
Licenses and permits:				
Occupational licenses	403,777	360,600	360,000	43,777
Building permits	1,311,229	471,800	854,700	456,529
Dog and cat tags	1,960	400	400	1,560
Other	384,370	154,600	170,000	214,370
Total licenses and permits	<u>2,101,336</u>	<u>987,400</u>	<u>1,385,100</u>	<u>716,236</u>
Fines and forfeitures:				
Court fines	<u>1,045,317</u>	<u>1,275,340</u>	<u>1,275,340</u>	<u>[230,023]</u>
Investment earnings	<u>138,507</u>	<u>131,000</u>	<u>100,000</u>	<u>38,507</u>
Miscellaneous revenue	<u>235,487</u>	<u>414,816</u>	<u>361,954</u>	<u>[126,467]</u>
Total revenues	<u>60,676,975</u>	<u>54,599,055</u>	<u>57,439,868</u>	<u>3,237,107</u>
Expenditures:				
General government:				
City council:				
Personal services	114,148	117,135	116,145	1,997
Contractual services	72,814	98,300	400,600	327,786
Commodities	22,542	15,000	15,000	[7,542]
Total city council	<u>209,504</u>	<u>230,435</u>	<u>531,745</u>	<u>322,241</u>

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

CITY OF SHAWNEE, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)

For the Year Ended December 31, 2021

		Budgeted Amounts		Variance with Final Budget Positive [Negative]
	Actual	Original	Final	
City manager/city clerk				
Personal services	\$ 1,354,626	\$ 1,280,045	\$ 1,339,175	\$ [15,451]
Contractual services	222,378	249,300	414,474	192,096
Commodities	-	6,800	6,800	6,800
Capital outlay	7,393	-	-	[7,393]
Total city manager/city clerk	<u>1,584,397</u>	<u>1,536,145</u>	<u>1,760,449</u>	<u>176,052</u>
Finance:				
Personal services	868,241	711,590	1,132,210	263,969
Contractual services	367,046	261,950	412,600	45,554
Commodities	45,190	71,300	3,000	[42,190]
Total finance	<u>1,280,477</u>	<u>1,044,840</u>	<u>1,547,810</u>	<u>267,333</u>
General overhead:				
Contractual services	308,222	388,900	346,710	38,488
Commodities	4,080	5,300	3,000	[1,080]
Refunds	10,557	23,500	123,500	112,943
Total general overhead	<u>322,859</u>	<u>417,700</u>	<u>473,210</u>	<u>150,351</u>
Legal:				
Personal services	283,943	295,030	337,170	53,227
Contractual services	503,380	514,000	520,120	16,740
Commodities	781	2,000	2,000	1,219
Total legal	<u>788,104</u>	<u>811,030</u>	<u>859,290</u>	<u>71,186</u>
Human resources:				
Personal services	601,330	477,925	669,220	67,890
Contractual services	271,108	297,000	300,000	28,892
Commodities	39,631	58,100	58,100	18,469
Capital outlay	1,603	-	-	[1,603]
Total human resources	<u>913,672</u>	<u>833,025</u>	<u>1,027,320</u>	<u>113,648</u>

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

CITY OF SHAWNEE, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)

For the Year Ended December 31, 2021

		Budgeted Amounts		Variance with Final Budget Positive [Negative]
	Actual	Original	Final	
Information technology:				
Personal services	\$ 1,565,470	\$ 1,528,130	\$ 1,667,900	\$ 102,430
Contractual services	834,217	874,500	938,700	104,483
Commodities	21,288	25,900	25,200	3,912
Capital outlay	20,239	47,000	47,000	26,761
Total information technology	2,441,214	2,475,530	2,678,800	237,586
Municipal court:				
Personal services	537,516	530,065	538,785	1,269
Contractual services	74,394	102,600	103,600	29,206
Commodities	32,068	46,600	46,600	14,532
Total municipal court	643,978	679,265	688,985	45,007
Communications:				
Personal services	245,823	244,060	260,525	14,702
Contractual services	84,582	108,100	107,875	23,293
Commodities	1,212	8,900	2,900	1,688
Total communications	331,617	361,060	371,300	39,683
Total general government	8,515,822	8,389,030	9,938,909	1,423,087
Community development:				
Development services:				
Personal services	1,171,282	1,108,235	1,229,295	58,013
Contractual services	91,833	117,900	116,000	24,167
Commodities	-	12,500	15,200	15,200
Capital outlay	21,749	1,500	1,500	[20,249]
Total development services	1,284,864	1,240,135	1,361,995	77,131
Development engineering:				
Personal services	448,141	459,235	403,900	[44,241]
Contractual services	26,353	17,000	17,000	[9,353]
Commodities	204	3,200	3,200	2,996
Capital outlay	1,112	1,100	1,100	[12]
Total development engineering	475,810	480,535	425,200	[50,610]
Planning:				
Personal services	671,681	719,015	736,610	64,929
Contractual services	150,505	149,900	183,000	32,495
Commodities	15,795	5,950	59,950	44,155
Total planning	837,981	874,865	979,560	141,579
Total community development	2,598,655	2,595,535	2,766,755	168,100

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

CITY OF SHAWNEE, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)

For the Year Ended December 31, 2021

		Budgeted Amounts		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Public works:				
Street maintenance:				
Personal services	\$ 1,691,980	\$ 1,843,600	\$ 1,889,535	\$ 197,555
Contractual services	652,541	711,960	710,435	57,894
Commodities	361,098	676,900	532,900	171,802
Capital outlay	9,998	-	22,000	12,002
Total street maintenance	<u>2,715,617</u>	<u>3,232,460</u>	<u>3,154,870</u>	<u>439,253</u>
Pavement management:				
Personal services	988,883	1,004,695	1,015,480	26,597
Contractual services	593,331	1,205,500	771,750	178,419
Commodities	<u>330,956</u>	<u>266,400</u>	<u>292,400</u>	<u>[38,556]</u>
Total pavement management	<u>1,913,170</u>	<u>2,476,595</u>	<u>2,079,630</u>	<u>166,460</u>
Capital improvement engineering:				
Personal services	902,669	802,330	824,955	[77,714]
Contractual services	105,456	248,600	287,050	181,594
Commodities	<u>384</u>	<u>7,600</u>	<u>3,900</u>	<u>3,516</u>
Total capital improvement engineering	<u>1,008,509</u>	<u>1,058,530</u>	<u>1,115,905</u>	<u>107,396</u>
Fleet management:				
Personal services	510,627	541,510	549,250	38,623
Contractual services	15,398	18,900	18,900	3,502
Commodities	<u>9,642</u>	<u>8,500</u>	<u>8,500</u>	<u>[1,142]</u>
Total fleet management	<u>535,667</u>	<u>568,910</u>	<u>576,650</u>	<u>40,983</u>
Total public works	<u>6,172,963</u>	<u>7,336,495</u>	<u>6,927,055</u>	<u>754,092</u>
Public safety:				
Police:				
Personal services	13,650,592	13,945,625	13,864,835	214,243
Contractual services	1,470,247	1,872,450	1,907,585	437,338
Commodities	<u>633,041</u>	<u>653,900</u>	<u>722,319</u>	<u>89,278</u>
Total police	<u>15,753,880</u>	<u>16,471,975</u>	<u>16,494,739</u>	<u>740,859</u>

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

CITY OF SHAWNEE, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)

For the Year Ended December 31, 2021

		Budgeted Amounts		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Fire:				
Personal services	\$ 9,312,621	\$ 8,528,850	\$ 9,149,770	\$ [162,851]
Contractual services	745,400	718,750	749,480	4,080
Commodities	227,125	252,300	252,300	25,175
Capital outlay	217,549	20,000	218,438	889
Total fire	<u>10,502,695</u>	<u>9,519,900</u>	<u>10,369,988</u>	<u>[132,707]</u>
Total public safety	<u>26,256,575</u>	<u>25,991,875</u>	<u>26,864,727</u>	<u>608,152</u>
Culture and recreation:				
Parks maintenance:				
Personal services	1,382,138	1,494,235	1,462,700	80,562
Contractual services	1,376,951	1,252,585	1,393,135	16,184
Commodities	84,003	71,000	99,000	14,997
Total parks maintenance	<u>2,843,092</u>	<u>2,817,820</u>	<u>2,954,835</u>	<u>111,743</u>
Pools:				
Personal services	553,796	686,355	793,935	240,139
Contractual services	403,302	355,600	378,650	[24,652]
Commodities	74,046	88,200	88,200	14,154
Total pools	<u>1,031,144</u>	<u>1,130,155</u>	<u>1,260,785</u>	<u>229,641</u>
Civic center:				
Personal services	220,429	277,055	264,055	43,626
Contractual services	194,224	244,200	244,200	49,976
Commodities	20,252	23,800	23,800	3,548
Total civic center	<u>434,905</u>	<u>545,055</u>	<u>532,055</u>	<u>97,150</u>
Recreation and human services:				
Personal services	184,821	180,300	186,160	1,339
Contractual services	129,158	163,360	163,360	34,202
Commodities	45,234	31,700	31,700	[13,534]
Total recreation and human services	<u>359,213</u>	<u>375,360</u>	<u>381,220</u>	<u>22,007</u>

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

CITY OF SHAWNEE, KANSAS

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET (CONTINUED)

For the Year Ended December 31, 2021

		Budgeted Amounts		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	
Old Shawnee Town:				
Personal services	\$ 604,196	\$ 648,040	\$ 611,285	\$ 7,089
Contractual services	177,835	201,200	223,450	45,615
Commodities	30,044	13,500	21,000	[9,044]
Total Old Shawnee Town	<u>812,075</u>	<u>862,740</u>	<u>855,735</u>	<u>43,660</u>
 Total culture and recreation	 <u>5,480,429</u>	 <u>5,731,130</u>	 <u>5,984,630</u>	 <u>504,201</u>
 Total expenditures:	 <u>49,024,444</u>	 <u>50,044,065</u>	 <u>52,482,076</u>	 <u>3,457,632</u>
 Excess [deficiency] of revenues Over [under] expenditures	 <u>11,652,531</u>	 <u>4,554,990</u>	 <u>4,957,792</u>	 <u>6,694,739</u>
 Other financing sources [uses]:				
Transfers in	167,500	-	-	167,500
Transfers [out]	[11,337,391]	[2,244,100]	[10,933,735]	[403,656]
Proceeds from sale of capital assets	27,537	10,000	-	27,537
Total other financing sources [uses]	<u>[11,142,354]</u>	<u>[2,234,100]</u>	<u>[10,933,735]</u>	<u>[208,619]</u>
 Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	 510,177	 <u>\$ 2,320,890</u>	 <u>\$ [5,975,943]</u>	 <u>\$ 6,486,120</u>
 Fund balance, January 1	 <u>30,405,265</u>			
 Fund balance, December 31	 <u>\$ 30,915,442</u>			

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

CITY OF SHAWNEE, KANSAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2021

	Pension Trust	Custodial Fund Mayor's Christmas Tree
Assets		
Cash and cash equivalents	\$ 28,461	\$ 29,251
Investments, at fair value:		
Bond mutual funds	26,228,832	-
International and domestic stocks	446,225	-
Real estate investment trust	94,117	-
Due from others	67,008	-
Total assets	<u>\$ 26,864,643</u>	<u>\$ 29,251</u>
Liabilities		
Due to others	<u>\$ 13,211</u>	<u>\$ 29,327</u>
Total liabilities	<u>13,211</u>	<u>29,327</u>
Net position:		
Restricted for:		
Pensions	26,851,432	-
Organizations	-	[76]
Total net position	<u>\$ 26,851,432</u>	<u>\$ [76]</u>

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

CITY OF SHAWNEE, KANSAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2021

	Pension Trust	Custodial Fund Mayor's Christmas Tree
Additions:		
Contributions:		
Employer	\$ 977,203	\$ -
Investment earnings:		
Interest and dividends on investments	1,191,782	-
Net increase in fair value of investments	1,449,595	-
Total investment earnings	2,641,377	-
Donations	-	11,671
Total additions	3,618,580	11,671
Deductions:		
Benefits	762,385	-
Plan management fees	24,503	-
Donations to others	-	29,882
Total deductions	786,888	29,882
Change in net position	2,831,692	[18,211]
Net position - beginning	24,019,740	18,135
Net position - ending	\$ 26,851,432	\$ [76]

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

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

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

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

Additionally, the City reports the following fiduciary funds:

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

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

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

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

C. Deposits and Investments

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

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

Investments for the City are reported at fair value. The only investments held by the City as of December 31, 2021, are in the pension trust fund.

D. Receivables and Payables

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are levied on November 1 of each year, due and payable November 30, delinquent after December 20, and the following September become a lien on the property. The County Treasurer is the tax collection agent for all taxing entities within Johnson County.

Property owners have the option of paying one half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the next year. State statutes prohibit the County Treasurer from distributing the taxes collected in the year levied prior to January 1 of the next year. Consequently, for revenue recognition purposes, taxes levied during the current year are not available until the ensuing year. As of November 1, such taxes are due and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as unavailable revenue on the balance sheet of the appropriate funds. This amount is also reported as a deferred inflow on the Statement of Net Position.

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

E. Inventories

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

CITY OF SHAWNEE, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

F. Capital Assets

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

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

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

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

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

G. Compensated Absences

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

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then.

CITY OF SHAWNEE, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

H. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports unavailable revenues in the governmental funds balance sheet from three sources: property taxes, special assessments and intergovernmental. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Governmental activities report a deferred receivable only from property taxes as revenue is recognized the following year for which they are levied. The City also reports deferred inflows from postemployment benefits and pensions in the government-wide statement of net positions.

I. Long-term Obligations

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

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

J. Pensions

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

K. Fund Balances

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

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

K. Fund Balances (Continued)

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

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

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

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

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

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

	<u>Major Governmental Funds</u>			<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Debt</u> <u>Service</u>	<u>Capital</u> <u>Projects</u>	<u>Governmental</u> <u>Funds</u>	<u>Governmental</u> <u>Funds</u>
Fund Balances:					
Nonspendable for:					
Inventory	\$ 538,126	\$ -	\$ -	\$ -	\$ 538,126
Restricted for:					
Community development	-	-	-	945,476	945,476
Public works	-	-	-	7,838,595	7,838,595
Public safety	-	-	-	5,070,937	5,070,937
Culture and recreation	-	-	-	3,239,452	3,239,452
Human resources	-	-	-	35,257	35,257
Debt payments	-	3,869,583	-	-	3,869,583
	-	3,869,583	-	17,129,717	20,999,300
Committed for:					
Community development	-	-	-	4,219,888	4,219,888
Cemetery	-	-	-	392,366	392,366
Equipment improvements	-	-	-	2,493,361	2,493,361
	-	-	-	7,105,615	7,105,615
Assigned for:					
Public improvements	-	-	52,783,443	-	52,783,443
	-	-	52,783,443	-	52,783,443
Unassigned:	30,377,316	-	-	[19,981]	30,357,335
Total Fund Balances	<u>\$ 30,915,442</u>	<u>\$ 3,869,583</u>	<u>\$ 52,783,443</u>	<u>\$ 24,215,351</u>	<u>\$ 111,783,819</u>

CITY OF SHAWNEE, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

L. Estimates

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

M. Pending Governmental Accounting Standards Board Statements

As of December 31, 2021, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements that might impact the City are as follows:

GASB Statement No. 87, Leases, requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the fiscal year that ends June 30, 2022.

GASB Statement No. 91, Conduit Debt Obligations, will be effective for the City beginning with its year ending December 31, 2022. This Statement establishes a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. Under Statement 91 a government entity no longer reports a liability for any conduit debt that it has issued; however, the issuer should recognize a liability for any additional commitments or voluntary commitments to support the debt service.

GASB Statement No. 92, Omnibus 2020, addresses practice issues that have been identified during implementation and application of certain GASB statements. In particular, this Statement addresses the effective date of GASB Statement No. 87, Leases and Implementation Guide No. 2019-3, Leases, which is effective upon issuance. It also addresses 1.) Reporting of intra-entity transfers of assets between the primary government employer and component unit defined benefit retirement plans; 2.) The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits; 3.) The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements; 4.) Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; 5.) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; 6.) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and 7.) Terminology used to refer to derivative instruments, all of which are effective for the City with its year ending December 31, 2022.

GASB No. 93, Replacement of Interbank Offered Rates establishes how the City will report the change of any of its variable payment debt that are tied to the London Interbank Offered Rate (LIBOR) when the LIBOR standard is no longer used after December 31, 2021. This statement will be effective for the City with its year ending December 31, 2021, except for provision relating to the removal of the LIBOR rate, which will be effective for the fiscal year ending December 31, 2022.

CITY OF SHAWNEE, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

M. Pending Governmental Accounting Standards Board Statements (Continued)

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 financial statements starting with the fiscal year that ends June 30, 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 financial statements for the District's fiscal year ending June 30, 2023.

GASB Statement No. 97, Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, provides the following guidance: 1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and 3) addresses relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefit provided through those plans. The first two provisions of this statement are effective immediately. The last provision will be effective for financial statements starting with the fiscal year that ends June 30, 2022.

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

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 2. Stewardship, Compliance and Accountability

Budgetary Information

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

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

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The City did not hold a revenue neutral rate hearing for the 2021 budget.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The 2021 budget was not amended.

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

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

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

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

A legal operating budget is not required for the Capital Projects Fund, the ARPA Fund, the CDBG Grant Fund, the Recycling Fund, the Neighbors Helping Neighbors Fund, the Cafeteria Fund and the fiduciary funds.

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

Note 3. Deposits and Investments.

City-wide Deposits and Investments. The City's deposits and investments are generally segregated into two parts: City-wide deposits and investments and Supplemental Pension Plan deposits and investments. As of December 31, 2021, there were no City-wide investments, only deposits. Below is a description of the policies associated with these categories of deposits and investments.

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

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 3. Deposits and Investments (Continued)

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

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

Custodial credit risk. The custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City's policy is to collateralize the demand deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name. As of December 31, 2021, the City's deposits were not exposed to custodial credit risk.

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

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

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

As of December 31, 2021, the City's Supplemental Pension Plan has the following investments:

		Fair Value Measurement Using Quoted Prices in Active Markets for Identical Assets	Fair Value Measurement Using Significant Other Observable Inputs	Fair Value Measurement Using Unobservable Inputs	Rating
Investment by Fair Value Level	12/31/2021	Level 1	Level 2	Level 3	
Mutual funds	\$26,228,832	\$ 26,228,832	\$ -	\$ -	Not Rated
Common stock	446,225	446,225	-	-	NA
Total investments by fair value level	26,675,057	<u>\$ 26,675,057</u>	<u>\$ -</u>	<u>\$ -</u>	
Investments measured by the net asset value (NAV)					
Real estate investments	94,117				Not Rated
	<u>\$26,769,174</u>				

CITY OF SHAWNEE, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

Note 3. Deposits and Investments (Continued)

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

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

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

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

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

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

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

Custodial credit risk. The custodial risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Supplemental Pension Plan will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Supplemental Pension Plan's deposits were insured by Federal depository insurance. Custodial credit risk also applies to investment securities. As of December 31, 2021, the Supplemental Pension Plan had no investment securities subject to custodial credit risk.

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

	Fair Value		Frequency (if currently eligible)	Redemption Notice Period
	December 31, 2021	2020		
Real Estate Pooled Separate Account	<u>\$ 94,117</u>	<u>\$ 1,573,570</u>	Daily	1 Day

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

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 4. Capital Assets

Capital Assets. Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 21,216,530	\$ 1,556,695	\$ -	\$ 22,773,225
Historical buildings	930,162	-	-	930,162
Construction-in-progress	28,797,840	18,102,117	26,545,386	20,354,571
Total capital assets, not being depreciated	<u>50,944,532</u>	<u>19,658,812</u>	<u>26,545,386</u>	<u>44,057,958</u>
Capital assets, being depreciated:				
Buildings	58,073,464	13,600	-	58,087,064
Land improvements	30,119,756	4,524,358	-	34,644,114
Motor vehicles	13,736,220	1,500,134	662,564	14,573,790
Operating equipment	5,792,830	587,898	939,312	5,441,416
Communications equipment	932,812	-	-	932,812
Office equipment	763,743	-	-	763,743
Infrastructure	<u>1,129,040,198</u>	<u>22,246,508</u>	<u>-</u>	<u>1,151,286,706</u>
Total capital assets, being depreciated	<u>1,238,459,023</u>	<u>28,872,498</u>	<u>1,601,876</u>	<u>1,265,729,645</u>
Less accumulated depreciation for:				
Buildings	22,462,188	1,396,436	-	23,858,624
Land improvements	7,805,752	1,084,033	-	8,889,785
Motor vehicles	8,340,912	813,607	643,349	8,511,170
Operating equipment	3,122,163	440,948	800,143	2,762,968
Communications equipment	554,306	-	-	554,306
Office equipment	739,942	-	-	739,942
Infrastructure	<u>605,676,393</u>	<u>21,143,837</u>	<u>-</u>	<u>626,820,230</u>
Total accumulated depreciation	<u>648,701,656</u>	<u>24,878,861</u>	<u>1,443,492</u>	<u>672,137,025</u>
Governmental activities capital assets, net	<u>\$ 640,701,899</u>	<u>\$ 23,652,449</u>	<u>\$ 26,703,770</u>	<u>\$ 637,650,578</u>

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

Governmental Activities:

General government	\$ 105,636
Public works	22,076,816
Public safety	1,754,636
Culture and recreation	<u>941,773</u>
Total depreciation	<u>\$ 24,878,861</u>

CITY OF SHAWNEE, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021Note 4. Capital Assets (Continued)

Capital Projects. Capital project expenditures often extend over more than one fiscal year. Project estimates of each project are prepared by the City Engineer and approved by the City Council. As of December 31, 2021, certain projects were pending City Council authorization.

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

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

The following is a schedule of the total open project authorizations compared with project expenditures from inception through December 31, 2021:

<u>Project Number</u>	<u>Project Name</u>	<u>Project Authorizations</u>	<u>Total Project Expenditures to Date</u>	<u>Amount Under Authorization</u>
3401	6200 Block of Nieman Culverts	\$7,405,000	\$6,281,955	\$1,123,045
3427	Nieman Road Street Improvements - 55th to to Shawnee Mission Pkwy	11,327,000	10,769,609	557,391
3464	67th Street & Cottonwood Storm Drainage Improvements	3,108,300	266,380	2,841,920
3465	Fiber Master Plan Buildout	571,000	-	571,000
3477	Shawnee Trail Scout Park	150,000	67,500	82,500
3481	75th Street - Switzer to Quivira	6,350,000	418,927	5,931,073
3483	Facility Conservation Improvement	6,429,088	6,187,343	241,745
3485	55th & Belmont Park	4,000,000	3,952,157	47,843
3489	Monticello Road - Phase I	19,850,000	7,905,117	11,944,883
3493	ST 1929 Dr. Sullivan's House	240,000	66,286	173,714
FIBR	Fiber Master Plan Buildout	487,000	474,691	12,309
3497	Pflumm Road	3,000,000	2,694,526	305,474
3498	43rd Street - Frisbee to K-7 Highway (Homeland)	5,228,465	4,522,566	705,899
3499	Woodland Extension at 71st St	243,775	47,114	196,661
3503	67th St. & Quivira Road Traffic Signal Replacement	357,200	410,144	[52,944]
3504	ADA Sidewalk and Signal Improvements	600,000	110,500	489,500
3505	60th Street - Flint to Nieman	1,200,000	771,610	428,390
3510	79th & Renner Traffic Signal	164,000	163,013	987
3512	43rd Street & K-7 Hwy Interchange	2,645,354	2,358,573	286,781
3517	2021 Stormwater Pipe Repair	1,435,120	1,375,579	59,541
3518	49th Ter & Quivira Stormwater CMP Repair Project	557,800	278,274	279,526
3519	67th & Midland Stormwater Pipe Repair Project	598,400	441,557	156,843
3520	Fire Station 71 and 73 Renovations	26,213,308	379,825	25,833,483
3523	Goddard Street - 55th Street to Johnson Drive	2,900,000	212,909	2,687,091
3524	59th Street - King to Barton	425,000	473,649	[48,649]
3525	Parks Restroom Facility Improvements	1,200,000	103,517	1,096,483
3527	2021 Mill & Overlay, Curb, Sidewalk and Inlet Repair Program	6,230,000	6,254,596	[24,596]
3529	2021 Stormwater Pipe Repair Project - West	1,772,924	343,099	1,429,825
3530	2021 Stormwater Pipe Repair Project - East	1,822,951	837,400	985,551
3532	2021 Bridge Repair Program	850,000	702,740	147,260
3534	2021 Crack Seal	100,000	103,937	[3,937]
3537	Parks & Recreation Maintenance Facility (18570 Johnson Dr.)	5,500,000	20,039	5,479,961
		<u>\$ 122,961,685</u>	<u>\$58,995,135</u>	<u>\$63,966,550</u>

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 5. Long-Term Debt

Changes in long-term debt outstanding during the year ended December 31, 2021, are as follows:

	Balance <u>12/31/2020</u>	Additions	Deletions	Balance <u>12/31/2021</u>	Current Portion
General obligation bonds	\$59,460,000	\$49,225,000	\$ 9,555,000	\$ 99,130,000	\$7,050,000
General obligation bonds discount	[2,416]	-	[2,416]	-	-
General obligation bonds premium	<u>4,752,614</u>	<u>3,016,749</u>	<u>580,114</u>	<u>7,189,249</u>	-
General obligation bonds, net	64,210,198	52,241,749	10,132,698	106,319,249	7,050,000
Capital leases payable	900,765	-	303,143	597,622	240,572
Compensated absences	<u>5,064,598</u>	<u>2,202,860</u>	<u>2,014,251</u>	<u>5,253,207</u>	<u>1,340,387</u>
	<u>\$70,175,561</u>	<u>\$54,444,609</u>	<u>\$12,450,092</u>	<u>\$ 112,170,078</u>	<u>\$8,630,959</u>

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

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

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

General obligation bonds payable as of December 31, 2021, are comprised of the following issues:

<u>General Obligation Bonds</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Series 2014A - Improvement	3.00%	07/29/14	12/01/28	\$ 3,575,000	\$ 2,180,000
Series 2014B - Refunding	4.00 - 5.00%	07/29/14	12/01/27	18,015,000	7,760,000
Series 2017A - Improvement and Refunding	2.00 - 3.00%	04/24/17	12/01/27	9,215,000	4,060,000
Series 2018A - Improvement and Refunding	3.00 - 5.00%	03/13/18	12/01/28	8,840,000	6,620,000
Series 2019A - Improvement	2.63 - 5.00%	03/13/19	12/01/29	7,500,000	6,275,000
Series 2019B - Improvement and Refunding	1.75 - 4.00%	11/27/19	12/01/39	21,300,000	19,310,000
Series 2020A - Improvement	3.00 - 3.63%	04/14/20	12/01/29	4,710,000	3,700,000
Series 2021A - Improvement and Refunding	1.88 - 4.00%	11/18/21	12/01/51	49,225,000	49,225,000
					<u>\$ 99,130,000</u>

Installment ranges for the general obligation bonds are as follows:

<u>General Obligation Bonds</u>	<u>Installment Range</u>	
	<u>Low</u>	<u>High</u>
Series 2014A - Improvement	\$ 285,000	\$ 340,000
Series 2014B - Refunding	1,170,000	1,425,000
Series 2017A - Improvement and Refunding	635,000	715,000
Series 2018A - Improvement and Refunding	820,000	1,070,000
Series 2019A - Improvement	660,000	915,000
Series 2019B - Improvement and Refunding	765,000	1,370,000
Series 2020A - Improvement	400,000	545,000
Series 2021A - Improvement and Refunding	475,000	4,820,000

CITY OF SHAWNEE, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

Note 5. Long-Term Debt (Continued)

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

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 7,050,000	\$ 3,049,288	\$ 10,099,288
2023	7,100,000	2,898,863	9,998,863
2024	7,130,000	2,618,232	9,748,232
2025	7,145,000	2,350,851	9,495,851
2026	7,195,000	2,053,051	9,248,051
2027 - 2031	31,335,000	6,402,628	37,737,628
2032 - 2036	15,440,000	2,888,126	18,328,126
2037 - 2041	8,595,000	1,534,844	10,129,844
2042 - 2046	5,075,000	718,595	5,793,595
2047 - 2051	3,065,000	213,750	3,278,750
Total	<u>\$ 99,130,000</u>	<u>\$ 24,728,228</u>	<u>\$ 123,858,228</u>

Capital Leases. The City has entered into lease agreements as a lessee for financing the acquisition of fire trucks. The completed fire trucks are recorded at a cost of \$2,469,854 with accumulated depreciation of \$883,791 and a net value of \$1,586,063. These lease agreements qualify as capital leases and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The future minimum lease payments for capital leases as of December 31, 2021 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 240,572	\$ 17,536	\$ 258,108
2023	175,857	10,860	186,717
2024	181,193	5,526	186,719
Total	<u>\$ 597,622</u>	<u>\$ 33,922</u>	<u>\$ 631,544</u>

Conduit Debt Obligations. The City has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. The City has also issued multifamily housing bonds to provide mortgage loans for the construction and financing of multifamily rental and single-family residences of the City. These bonds are secured solely by the property financed by the respective bond issues and by credit guarantees of reinvestment-grade financial institutions. Title to property financed by industrial revenue bonds remains with the City so long as the bonds are outstanding. Industrial revenue bonds are not in any respect an obligation of the City. Accordingly, the bonds are not reported as a liability in the accompanying basic financial statements. As of December 31, 2021, industrial revenue and multifamily housing bonds of \$95,606,158 are outstanding.

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 6. Other Post-Employment Healthcare

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

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

Employees Covered by Benefit Terms. As of December 31, 2021, the following employees were covered by the benefit terms.

Active employees	324
Retirees and covered spouses	<u>55</u>
Total	<u>379</u>

Total OPEB Liability. The City's total OPEB liability of \$12,064,923 was measured as of December 31, 2021 and was determined by an actuarial valuation performed as of December 31, 2020. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2021.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Valuation date	January 1, 2022
Actuarial cost method	Entry age normal as a level percentage of payroll
Inflation	2.75%
Salary increases	3.00%
Discount rate	2.04%
	Medical & Pharmacy: 7.00% for 2022, decreasing
Healthcare cost trend rates	0.50% or 0.20% per year to an ultimate rate of 5.00% for 2029 and later years

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

Mortality rates were based on the Pub-2010 Public Retirement Plan Headcount-weighted General and Public Safety Mortality table with MP-2020 Full Generational Improvement.

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 6. Other Post-Employment Healthcare (Continued)

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

1. The discount rate was changed from 1.96% to 2.04% for the end of year measurement.
2. The assumed proportion of future eligible retiring employees electing coverage with the City upon retirement was changed from 95% to 85%.
3. The mortality assumption was changed from Society of Actuaries Scale MP-2020 Full Generational Improvement to the Society of Actuaries Scale MP-2021 Full Generational Improvement.
4. The assumed proportion of future retiring employees with a covered spouse was revised from 30% to 35%.
5. The census was updated from January 1, 2020, to January 1, 2022.
6. Per capita costs, retiree contribution premiums and trend rates were updated as a part of the evaluation.

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

	Total OPEB Liability
Balance 1/1/2021	\$ 12,709,439
Service cost	806,304
Interest	261,990
Benefit paid	[297,834]
Changes in benefit terms	[146,509]
Changes in assumptions	<u>[1,268,467]</u>
Balance 12/31/2021	<u>\$ 12,064,923</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% decrease 1.04%	Discount rate 2.04%	1% increase 3.04%
Total OPEB Liability	\$ <u>13,352,973</u>	\$ <u>12,064,923</u>	\$ <u>10,907,341</u>

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

	1% decrease	Healthcare cost Trend rates Current trend assumption	1% increase
Total OPEB Liability	\$ <u>10,551,555</u>	\$ <u>12,064,923</u>	\$ <u>13,879,068</u>

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB. For the year ended December 31, 2021, the City recognized OPEB expense of \$906,516.

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 6. Other Post-Employment Healthcare (Continued)

As of December 31, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 1,203,952	\$ [391,679]
Changes of assumptions	1,037,091	[1,418,147]
Total	<u>\$ 2,241,043</u>	<u>\$ [1,809,826]</u>

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

Year ended June 30,	Deferred [Inflows] Outflows Amount
2022	\$ 70,604
2023	70,604
2024	70,604
2025	70,604
2026	70,604
2027+	78,197
Total	<u>\$ 431,217</u>

Note 7. Other Post-Employment Healthcare - KPERS

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

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

The monthly long-term disability benefit is 60% of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 7. Other Post-Employment Healthcare – KPERS (Continued)

The monthly long-term disability benefit is 60% of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees Covered by Benefit Terms. As of December 31, 2021, the following employees were covered by the benefit terms.

Active employees	166
Disabled members	<u>2</u>
Total	<u>168</u>

Total OPEB Liability. The City's total OPEB liability of \$370,158 was measured as of June 30, 2021, and was determined by an actuarial valuation performed as of December 31, 2020, which was rolled forward to June 30, 2021.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Valuation date	December 31, 2020
Actuarial cost method	Entry age normal
Inflation	2.75%
Salary increases	3.00%
Discount rate (based on 20 year municipal bond rate with an average rating of AA/Aa or better, obtained through the Bond Buyer General Obligation 20-Bond Municipal Index)	2.16%

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 7. Other Post-Employment Healthcare - KPERS (Continued)

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

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

The long-term disability incidence and claim termination rate actuarial assumptions used in the December 31, 2020, valuation were based on the results of an actuarial experience study conducted for the period January 1, 2016 through December 31, 2018. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2020, KPERS pension valuation.

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

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

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

Balance 1/1/2021	\$ 720,074
Service cost	51,237
Interest	16,964
Benefit paid	[7,505]
Effect of economic/demographic gains or losses	[411,100]
Changes in assumptions	488
Balance 12/31/2021	<u>\$ 370,158</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% decrease (1.16%)	Discount rate (2.16%)	1% increase (3.16%)
Total OPEB Liability	<u>\$ 378,322</u>	<u>\$ 370,158</u>	<u>\$ 359,317</u>

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

	1% decrease	Healthcare cost Trend rates	1% increase
Total OPEB Liability	<u>\$ 370,158</u>	<u>\$ 370,158</u>	<u>\$ 370,158</u>

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB. For the year ended December 31, 2021, the City recognized OPEB expense of \$51,399. As of December 31, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 7. Other Post-Employment Healthcare - KPERS (Continued)

	Deferred Inflows of <u>Resources</u>	Deferred Outflows of <u>Resources</u>
Differences between expected and actual experience	\$ [370,235]	\$ 119,113
Changes of assumptions	<u>[8,096]</u>	<u>62,786</u>
Total	<u>\$ [378,331]</u>	<u>\$ 181,899</u>

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

Year Ended	
<u>June 30,</u>	<u>City</u>
2022	\$ [16,802]
2023	[16,802]
2024	[16,802]
2025	[16,802]
2026	[16,532]
Thereafter	<u>[112,692]</u>
Total	<u>\$ [196,432]</u>

Note 8. Defined Benefit Pension Plan - KPERS

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

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

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

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

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

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 8. Defined Benefit Pension Plan - KPERS (Continued)

Benefits. Benefits are established by statute and may only be changed by the Kansas Legislature. Member employees (except police and firemen) with ten or more years of credited service may retire as early as age 55 (police and firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 points (police and firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

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

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

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

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6.00% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contributions rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation for each of the three state-wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. KPERS is funded on an actuarial reserve basis.

For KPERS fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap is 1.2% of total payroll for the KPERS fiscal year ended June 30, 2021.

The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate were 8.87% for KPERS and 22.80% for KP&F for the year ended December 31, 2021. Contributions to the Pension Plan from the City were \$1,083,859 for KPERS and \$3,022,740 for KP&F for the year ended December 31, 2021.

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 8. Defined Benefit Pension Plan - KPERS (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of December 31, 2021, the City reported a liability of \$7,519,850 for KPERS and \$22,124,482 for KP&F, for its proportionate share of the KPERS collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2021, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021.

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

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

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The City's proportion of the collective net pension liability was based on the ratio of the City's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of the Local group and the Police and Firemen group within KPERS for the KPERS fiscal year ended June 30, 2021. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. As of June 30, 2021 the City's proportion for KPERS was 0.626677%, which was an increase of 0.016472% from its proportion measured as of June 30, 2020. As of June 30, 2021, the City's proportion of KP&F was 2.318534%, which was a decrease of 0.01843% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the City recognized pension expense of \$938,242 for KPERS and \$3,375,199 for KP&F. As of December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$ 2,042,614	\$ [68,089]
Net differences between projected and actual earnings on investments	-	[8,474,666]
Changes of assumptions	4,294,556	-
Changes in proportion	676,049	[713,748]
Total	<u>\$ 7,013,219</u>	<u>\$ [9,256,503]</u>

\$2,217,665 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022.

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

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 8. Defined Benefit Pension Plan - KPERs (Continued)

Year ended December 31,	Deferred	
	[Inflows]	Outflows
	<u>Amount</u>	
2022	\$	292,816
2023		[146,930]
2024		[616,971]
2025		[1,949,982]
2026		177,783
Total	\$	<u>[2,243,284]</u>

Actuarial Assumptions. The total pension liability for KPERs in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Assumptions</u>	<u>Rate</u>
Price inflation	2.75%
Wage inflation	3.50%
Salary increases, including wage increases	3.50% to 12.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.25%

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, 2020, valuation were based on the results of an actuarial experience study conducted for the three-year period ending December 31, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocations as of June 30, 2021 are summarized in the following table:

<u>Asset</u>	<u>Long-Term Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equities	23.50%	5.20%
Non-U.S. Equities	23.50%	6.40%
Private Equity	8.00%	9.50%
Private Real Estate	11.00%	4.45%
Yield driven	8.00%	4.70%
Real Return	11.00%	3.25%
Fixed Income	11.00%	1.55%
Short-term investments	<u>4.00%</u>	0.03%
	<u>100.00%</u>	

CITY OF SHAWNEE, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

Note 8. Defined Benefit Pension Plan - KPERS (Continued)

Discount Rate. The discount rate used by KPERS to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for KPERS. Future employer contribution rates were also modeled for KP&F assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for KP&F. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the collective net pension liability calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	<u>1% decrease (6.25%)</u>	<u>Discount rate (7.25%)</u>	<u>1% increase (8.25%)</u>
Local	\$ 12,369,422	\$ 7,519,850	\$ 3,452,868
Police and firemen	33,206,731	22,124,482	12,854,178
Total	<u>\$ 45,576,153</u>	<u>\$ 29,644,332</u>	<u>\$ 16,307,046</u>

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

Note 9. Defined Benefit Pension Plan - Shawnee, Kansas Employees Supplemental Pension Plan

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

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

Membership of the Supplemental Pension Plan consisted of the following as of December 31, 2021, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	144
Terminated plan members, entitled to, but not yet receiving, benefits	80
Active plan members	69
	<u>293</u>

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 9. Defined Benefit Pension Plan - Shawnee, Kansas Employees Supplemental Pension Plan (Continued)

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

Contributions. Contributions to the Supplemental Pension Plan are designed to fund normal costs on a current basis and to fund past service costs over a 30-year period. The recommended contribution rate is determined by the Supplemental Pension Plan's consulting actuary using the Individual Entry Age Actuarial Cost Method. Based upon the January 1, 2022, actuarial valuation, the recommended contribution for the year ended December 31, 2021 was \$977,205. The most recent actuarial valuation performed as of December 31, 2021 included a recommended contribution for 2022 for the City of \$1,000,108, which is approximately 7.54% of covered payroll.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2021, and the total pension liability was used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021.

The components of the net pension liability as of December 31, 2021 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2020	\$ 27,208,038	\$ 24,019,740	\$ 3,188,298
Changes for the year:			
Service cost	418,298	-	418,298
Interest	1,907,160	-	1,907,160
Difference between expected and actual experience	134,953	-	134,953
Contributions - employer	-	977,205	[977,205]
Net investment income	-	2,617,515	(2,617,515)
Benefit payments, including refunds	[762,385]	[762,385]	-
Changes of assumptions	410,869	-	410,869
Net changes	2,108,895	2,832,335	[723,440]
Balance at December 31, 2021	\$ 29,316,933	\$ 26,852,075	\$ 2,464,858

Plan fiduciary net position as a percentage of the total pension liability is 91.59%.

Actuarial Assumptions. Total pension liability in the January 1, 2022, actuarial valuation was determined using the following actuarial assumptions:

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 9. Defined Benefit Pension Plan - Shawnee, Kansas Employees Supplemental Pension Plan (Continued)

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

In the January 1, 2022, actuarial valuation, the Current Year (2022) IRS Optional Combined Mortality Table was used.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset</u>	<u>Long-term Target allocation</u>	<u>Long-term Expected real Rate of return</u>
Fixed income	60%	6.25%
Equity securities	30%	3.00%
Real estate	10%	4.50%
	<u>100%</u>	

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made as rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Rate of Return. For the year ended December 31, 2021, the annual money weighted rate of return on Plan investments, net of investment expense was 10.9%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

	1% decrease	Current Discount Rate	1% increase
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
Net pension liability/[asset]	<u>\$ 6,500,442</u>	<u>\$ 2,464,858</u>	<u>\$ [910,042]</u>

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 9. Defined Benefit Pension Plan - Shawnee, Kansas Employees Supplemental Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended December 31, 2021, the City recognized pension expense of \$588,966. As of December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the Supplemental Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 703,248	\$ [838]
Changes in assumptions	545,627	[66,141]
Net differences between projected and actual earnings on investments	-	[1,509,267]
Total	<u>\$ 1,248,875</u>	<u>\$ [1,576,246]</u>

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 <u>June 30,</u>	
2022	\$ 263,413
2023	[400,786]
2024	[134,672]
2025	[55,326]
2026	-
	<u>\$ [327,371]</u>

Note 10. Defined Contribution Plan

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

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

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

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

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

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 10. Defined Contribution Plan (Continued)

Employer matching contributions are subject to the following vesting schedule:

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

For the year ended December 31, 2021, the City recognized contribution expense of \$300,165. There were no forfeitures during the year ended December 31, 2021.

Note 11. Risk Management

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

Note 12. Interfund Transfers

Transfers made between funds during the year ended December 31, 2021 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 167,500	\$ 11,337,391
Debt Service	3,593,029	-
Capital Projects	25,889,736	1,218,265
Nonmajor Governmental Funds	4,670,045	21,764,654
Total	<u>\$34,320,310</u>	<u>\$34,320,310</u>

All significant interfund transfers in 2021 were routine or administrative in nature. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts and (3) use unrestricted revenues collected in a fund that is used to finance various programs and capital outlay projects accounted for in another fund in accordance with budgetary authorizations.

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

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 13. Commitments and Contingencies

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

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

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for cash expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather, as restricted, committed, or assigned fund balance. As of December 31, 2021, the City recorded \$6,261,229 of encumbrances in the Capital Projects Fund.

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

The Company may terminate the rental agreement at any time. The rental agreement terminates automatically if the Company ceases to mine the property for twenty-four consecutive months. Upon early termination the Company must commence and complete the reclamation and environmental remediation as required by the State of Kansas. The Company is to pay the City an annual minimum rental of \$10,000 per year plus 15 cents per ton of material mined each year in excess of 100,000 tons. In 2021, the City received an annual reservation fee of \$19,693 and total rents of \$222,857.

Note 14. Tax Abatements

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

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

No other governments have entered into tax abatement agreements that reduce the City's tax revenues. The City of Shawnee negotiates tax abatements on an individual basis. The City had the following 12 active tax abatements during 2020, totaling \$446,797 in abated City taxes for the year. Each abatement was approved based on its proposed job creation/retention and investment in the City's tax base included in its cost-benefit analysis.

CITY OF SHAWNEE, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021Note 14. Tax Abatements (Continued)*Tax Abatement Agreements Initiated by the City.*

Ad Valorem Property Tax Abatements				
<u>Company</u>	<u>Start</u>	<u>End</u>	<u>%</u>	<u>2021</u>
McLane Food Service (industrial)	2012	2021	50%	\$ 45,463
WestLink Building #1 (industrial)	2015	2024	80%	48,074
WestLink Building #2 (industrial)	2016	2025	80%	68,677
Westmor Industries (fuel tank manufacturing)	2016	2025	55%	5,717
Holiday Inn Express (hotel)	2016	2025	65%	25,717
Federated Rural Electric Coop (office)	2017	2026	90%	16,583
Stag's Creek (spec office building)	2018	2027	90%	26,241
Sealy-Nazdar (industrial)	2019	2019	75%	53,307
WestLink Building #3 (industrial)	2019	2019	80%	68,677
ServiceMaster (industrial)	2020	2029	67%	23,755
WestLink Building #4 (industrial)	2020	2029	80%	68,677
Schier Products (industrial)	2021	2030	60%	20,481
Hoss & Brown (office)	2021	2030	65%	5,248
				<u>\$ 478,637</u>

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

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

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

CITY OF SHAWNEE, KANSAS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 14. Tax Abatements (Continued)

<u>Property/Business Name</u>	<u>Address</u>	<u>Purpose</u>	<u>Type</u>	<u>Rebate Tax Year</u>		<u>2021 Rebate Paid</u>
				<u>Start</u>	<u>End</u>	
Michael Filla	10615 W. 61st St.	Home addition	Res	2011	2020	\$ 161
Donovan's Service	5912 Nieman	Renovated auto body shop	Com	2011	2020	1,987
Mattes Appraisal	5832 Flint	Renovated office	Com	2013	2022	1,096
Chipotle - Hampton Lakes LLC	11805 SM Pkwy	New restaurant building	Com	2013	2022	5,682
Direct Messenger	5802 Bluejacket	Renovate home for office use	Com	2013	2022	342
McCallop residence	11219 W. 57th Terr.	New single family home	Res	2013	2022	1,584
Carol A. Manns	11612 W. 61st Terr.	New single family home	Res	2014	2023	1,257
Auto Zone - Van's Holding	11106 SM Pkwy	Renovated retail building	Com	2014	2023	13,253
HCA Emergency Room	10310 SM Pkwy	New medical building	Com	2015	2024	22,468
Thomas & Eleanor Kalin	10605 W. 61st St.	New single family home	Res	2016	2025	2,623
BC Engineers - Breck LLC	5720 Reeder Road	Renovated office	Com	2016	2025	397
Jonathan & Mary Owens	5545 Nieman Road	New single family home	Res	2016	2025	83
Wendy's - Weirick	11450 SM Pkwy	New restaurant building	Com	2016	2025	14,840
Back in Motion/Johnson Nieman LLC	11023 Johnson Dr.	Renovated medical building	Com	2017	2026	1,907
McAlister's Deli - HPI Mission Parkway LP	11330 SM Pkwy	New restaurant building	Com	2017	2026	6,959
Alan Willoughby	6029 Monrovia	Home addition	Res	2017	2026	360
Kenneth Heckman	11720 W. 57th Terr.	Home addition	Res	2017	2026	919
Roy & Cynthia Hayth	11300 W. 57th St.	New single family home	Res	2017	2026	2,086
Stag's Grove	12139 SM Pkwy	Commercial Retail Space	Com	2017	2026	30,110
Cheryl & Steven Garrison	12105 W 55th St.	New single family home	Res	2018	2027	3,321
Paula and David Morris	10800 W 60th St.	Home renovation	Res	2018	2027	385
Parkway Center, LLC	11215-11225 SM Pkwy	Strip center exterior renovation	Com	2018	2027	17,145
Discount Tire - HPI Mission Parkway, LP	11320 SM Pkwy	New commercial building	Com	2018	2027	32,615
Thomas Stibal	12425 Johnson Dr.	New single family home	Res	2018	2027	3,402
Timothy & Valerie Dykes	5949 Monrovia	New single family home	Res	2018	2027	3,190
Burner7, LLC	5911 Barton St.	New commercial building	Com	2018	2027	9,764
Carol Mundy	6040 Ballentine St.	New single family home	Res	2018	2027	3,801
CPG RC Shawnee, LLC/Kasada	10704 SM Pkwy	New fast food restaurant	Com	2018	2027	16,306
Nieman Properties	5718 Nieman	Renovated office	Com	2019	2028	1,679
QuikTrip Corp	10701 SM Parkway	New gas/food store	Com	2019	2028	24,053
						<u>\$ 223,776</u>

CITY OF SHAWNEE, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 14. Tax Abatements (Continued)

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

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

The City of Shawnee reports TIF projects on an individual basis. The City had the following active projects in 2021:

<u>District/Project</u>	<u>Purpose</u>	<u>Base</u>		<u>2021 Reimbursement</u>	
		<u>Year</u>	<u>Expires</u>	<u>Sales Tax</u>	<u>Property Tax</u>
Shawnee Plaza	Renovation of existing 100,000 square foot retail center, addition of three pad sites	2013	2033	\$ 106,637	\$ 271,260
Prairie Pines	Construction of 220 new market rate rental townhomes	2013	2033	-	765,479
				<u>\$ 106,637</u>	<u>\$ 1,036,739</u>

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

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

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

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

CITY OF SHAWNEE, KANSAS

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Note 14. Tax Abatements (Continued)

<u>Development Name</u>	<u>Date Approved</u>	<u>Description</u>	<u>Excise Tax Abated</u>
Kincaid Estates	2/22/2021	Residential - 2 Lot Single-Family Subdivision	\$ 18,246
Estates of Timber Springs	2/22/2021	Residential - 30 Lot Single-Family Subdivision	300,511
Harvey and Smelser Estates	3/8/2021	Residential - 3 Lot Single-Family Subdivision	11,104
Bristol Highlands North 1st Plat	3/8/2021	Residential - 60 Lot Single-Family Subdivision	267,867
MEB Acres	8/9/2021	Residential - 2 Lot Single-Family Subdivision	3,612
Stag's Grange	8/23/2021	Residential - 14 Lot Single-Family Subdivision	60,311
River Ranch	8/23/2021	Residential - 2 Lot Single-Family Subdivision	22,034
Shawnee Senior Villas	8/23/2021	Residential - 42 unit Senior Apartment Building	73,903
			<u>\$ 757,588</u>

Note 15. Restatement

Management discovered certain errors that occurred in the prior year. The effects of these items caused a restatement to fund balance as follows:

	<u>Special Highway Aid</u>	<u>Economic Development</u>
Fund balance - Beginning of year	\$ 7,855,980	\$ 3,628,652
Prior period adjustment	<u>[148,202]</u>	<u>148,202</u>
Fund balance - Beginning of year, restated	<u>\$ 7,707,778</u>	<u>\$ 3,776,854</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SHAWNEE, KANSAS

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

Last Ten Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total pension liability									
Service cost	\$ 418,298	\$ 443,531	\$ 465,708	\$ 481,791	\$ 491,013	\$ 419,618	\$ 446,006	\$ 383,397	\$ 386,242
Interest cost	1,907,160	1,779,284	1,672,142	1,547,939	1,398,476	1,290,625	1,258,220	1,099,909	1,015,741
Plan changes (changes in benefits)	-	-	-	-	-	-	-	136,867	-
Difference between expected and actual experience	134,953	369,391	86,368	350,900	809,741	172,826	[10,008]	[76,443]	10,799
Changes of assumptions	410,869	-	-	-	-	1,297,588	[789,584]	890,982	-
Benefit payments, including refunds	<u>[762,385]</u>	<u>[717,967]</u>	<u>[624,914]</u>	<u>[555,523]</u>	<u>[554,121]</u>	<u>[410,188]</u>	<u>[482,165]</u>	<u>[320,424]</u>	<u>[287,700]</u>
Net change in total pension liability	2,108,895	1,874,239	1,599,304	1,825,107	2,145,109	2,770,469	422,469	2,114,288	1,125,082
Total pension liability, beginning	<u>27,208,038</u>	<u>25,333,799</u>	<u>23,734,495</u>	<u>21,909,388</u>	<u>19,764,279</u>	<u>16,993,810</u>	<u>16,571,341</u>	<u>14,457,053</u>	<u>13,331,971</u>
Total pension liability	<u>\$ 29,316,933</u>	<u>\$ 27,208,038</u>	<u>\$ 25,333,799</u>	<u>\$ 23,734,495</u>	<u>\$ 21,909,388</u>	<u>\$ 19,764,279</u>	<u>\$ 16,993,810</u>	<u>\$ 16,571,341</u>	<u>\$ 14,457,053</u>
Plan fiduciary net position									
Contributions - employer	\$ 1,021,040	\$ 1,021,040	\$ 1,247,727	\$ 978,510	\$ 978,510	\$ 870,000	\$ 729,000	\$ 677,555	\$ 741,424
Net investment income	2,226,015	2,226,015	3,333,144	[1,162,898]	2,439,460	1,085,306	[199,197]	829,987	1,375,445
Benefit payments, including refunds of member contributions	<u>[762,385]</u>	<u>[717,967]</u>	<u>[624,914]</u>	<u>[555,523]</u>	<u>[554,121]</u>	<u>[410,188]</u>	<u>[482,165]</u>	<u>[320,424]</u>	<u>[287,700]</u>
Net change in plan fiduciary net position	2,484,670	2,529,088	3,955,957	[739,911]	2,863,849	1,545,118	47,638	1,187,118	1,829,169
Plan fiduciary net position, beginning	<u>24,019,740</u>	<u>21,490,652</u>	<u>17,534,695</u>	<u>18,274,606</u>	<u>15,410,757</u>	<u>13,865,639</u>	<u>13,818,001</u>	<u>12,630,883</u>	<u>10,801,714</u>
Plan fiduciary net position, ending	<u>\$ 26,504,410</u>	<u>\$ 24,019,740</u>	<u>\$ 21,490,652</u>	<u>\$ 17,534,695</u>	<u>\$ 18,274,606</u>	<u>\$ 15,410,757</u>	<u>\$ 13,865,639</u>	<u>\$ 13,818,001</u>	<u>\$ 12,630,883</u>
Net pension liability	<u>\$ 2,464,858</u>	<u>\$ 3,188,298</u>	<u>\$ 3,843,147</u>	<u>\$ 6,199,800</u>	<u>\$ 3,634,782</u>	<u>\$ 4,353,522</u>	<u>\$ 3,128,171</u>	<u>\$ 2,753,340</u>	<u>\$ 1,826,170</u>
Plan fiduciary net position as a percentage of total pension liability	90.4%	88.3%	84.8%	73.9%	83.4%	78.0%	81.6%	83.4%	87.4%
Covered payroll	<u>\$ 13,272,773</u>	<u>\$ 14,047,744</u>	<u>\$ 14,586,447</u>	<u>\$ 15,560,959</u>	<u>\$ 16,156,609</u>	<u>\$ 16,607,587</u>	<u>\$ 16,404,043</u>	<u>\$ 16,345,869</u>	<u>\$ 16,129,326</u>
Net pension liability as a percentage of covered payroll	18.6%	22.7%	26.3%	39.8%	22.5%	26.2%	19.1%	16.8%	11.3%

Only nine years of the information was available as of December 31, 2021.

CITY OF SHAWNEE, KANSAS

SCHEDULE OF THE SUPPLEMENTAL PENSION PLAN'S CONTRIBUTIONS

Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 977,205	\$ 1,021,040	\$ 1,247,727	\$ 924,788	\$ 978,510	\$ 757,705	\$ 728,700	\$ 564,108	\$ 619,128	\$ 691,017
Contributions in relation to the actuarially determined contribution	<u>977,205</u>	<u>1,021,040</u>	<u>1,247,727</u>	<u>978,510</u>	<u>978,510</u>	<u>870,000</u>	<u>729,000</u>	<u>677,555</u>	<u>741,424</u>	<u>697,733</u>
Contribution deficiency [excess]	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ [53,722]</u>	<u>\$ -</u>	<u>\$ [112,295]</u>	<u>\$ [300]</u>	<u>\$ [113,447]</u>	<u>\$ [122,296]</u>	<u>\$ [6,716]</u>
Covered payroll	\$ 13,272,773	\$ 14,047,744	\$ 14,586,447	\$ 15,560,959	\$ 16,156,609	\$ 16,607,587	\$ 16,404,043	\$ 16,345,869	\$ 16,129,326	\$ 15,905,000
Contributions as a percentage of covered payroll	7.36%	7.27%	8.55%	6.29%	6.06%	5.24%	4.44%	4.15%	4.60%	4.39%

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Individual entry age
 Amortization method: Level percentage of payroll, rolling
 Remaining amortization period: 10 years
 Asset valuation method: Market value
 Inflation: 2.00%
 Salary increases: 5.00%
 Investment rate of return: 7.00%
 Mortality: 2021 IRS Optional Combined Mortality Tables

CITY OF SHAWNEE, KANSAS

SCHEDULE OF THE SUPPLEMENTAL PENSION PLAN'S RETURNS

Last Ten Fiscal Years

<u>Year</u>	<u>Annual Money-Weighted Rate of Return, Net Of Investment Expense</u>
2021	10.80%
2020	10.30
2019	18.70
2018	[6.3]
2017	15.60
2016	7.70
2015	[1.4]
2014	6.50
2013	12.50
2012	13.30

CITY OF SHAWNEE, KANSAS

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

Last Ten Fiscal Years*

Total OPEB liability	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service cost	\$ 806,304	\$ 653,541	\$ 483,568	\$ 537,717	\$ 468,852
Interest	261,990	346,824	353,171	321,893	338,634
Benefit paid	[297,834]	[449,913]	[364,626]	[276,923]	[256,212]
Changes in assumptions	[1,268,467]	198,673	970,226	[416,419]	318,940
Change in benefit terms	-	[293,087]	-	-	-
Difference between actual and expected experience	[146,509]	1,121,172	394,117	[406,197]	-
Net change in total OPEB liability	[644,516]	1,577,210	1,836,456	[239,929]	870,214
Total OPEB liability - beginning	12,709,439	11,132,229	9,295,773	9,535,702	8,665,488
Total OPEB liability - ending	<u>\$ 12,064,923</u>	<u>\$ 12,709,439</u>	<u>\$ 11,132,229</u>	<u>\$ 9,295,773</u>	<u>\$ 9,535,702</u>
Covered payroll	<u>\$ 22,661,524</u>	<u>\$ 15,063,958</u>	<u>\$ 20,046,092</u>	<u>\$ 19,665,149</u>	<u>\$ 19,665,149</u>
Total OPEB liability as a percentage of covered payroll	53.24%	84.37%	55.53%	47.27%	48.49%
Actuarially determined contribution	<u>\$ 297,834</u>	<u>\$ 449,913</u>	<u>\$ 364,626</u>	<u>\$ 276,923</u>	<u>\$ 256,212</u>
Actual contribution	<u>\$ 297,834</u>	<u>\$ 449,913</u>	<u>\$ 364,626</u>	<u>\$ 276,923</u>	<u>\$ 256,212</u>
Contributions as a percentage of covered payroll	1.31%	2.99%	1.82%	1.41%	1.30%

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

CITY OF SHAWNEE, KANSAS

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

Last Ten Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability					
Service cost	\$ 51,237	\$ 44,582	\$ 41,264	\$ 40,963	\$ 42,802
Interest	16,964	20,200	18,388	14,502	12,014
Benefit Paid	[7,505]	[18,250]	[25,525]	[47,765]	[74,419]
Effect of economic/demographic gains or losses	[411,100]	64,084	49,079	57,974	-
Changes in assumptions	<u>488</u>	<u>67,824</u>	<u>11,911</u>	<u>[6,953]</u>	<u>[8,300]</u>
Net change in total OPEB liability	[349,916]	178,440	95,117	58,721	[27,903]
Total OPEB liability - beginning	<u>720,074</u>	<u>541,634</u>	<u>446,517</u>	<u>387,796</u>	<u>415,699</u>
Total OPEB liability - ending	<u>\$ 370,158</u>	<u>\$ 720,074</u>	<u>\$ 541,634</u>	<u>\$ 446,517</u>	<u>\$ 387,796</u>
 Covered payroll	 <u>\$ 11,788,433</u>	 <u>\$ 10,886,883</u>	 <u>\$ 10,402,637</u>	 <u>\$ 10,000,030</u>	 <u>\$ 9,648,214</u>
 Total OPEB liability as a percentage of covered-employee payroll	 3.14%	 6.61%	 5.21%	 4.47%	 4.02%

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

CITY OF SHAWNEE, KANSAS

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

KPERS PENSION PLAN

Last Ten Fiscal Years*

	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
City's proportion of the net pension liability	1.376%	1.328%	1.379%	1.337%	1.262%	1.187%	1.126%
City's proportionate share of the net pension liability	\$ 29,644,332	\$ 39,396,810	\$ 33,221,483	\$ 31,507,279	\$30,108,672	\$29,385,216	\$22,955,831
City's covered payroll	\$ 24,162,615	\$ 24,162,615	\$ 24,269,378	\$ 22,937,573	\$ 21,822,344	\$ 19,338,597	\$ 18,704,874
City's proportionate share of the net pension liability as a percentage of its covered payroll	122.69%	163.05%	136.89%	137.36%	137.97%	151.95%	122.73%
Plan fiduciary net position as a percentage of the total net pension liability	79.19%	69.25%	73.55%	73.18%	71.71%	68.84%	72.97%

* - The amounts presented for each fiscal year were determined as of 12/31. Data became available with the inception of GASB 68 during fiscal year 2015, therefore, 10 years of data is unavailable.

CITY OF SHAWNEE, KANSAS
SCHEDULE OF THE CITY'S CONTRIBUTIONS
KPERS PENSION PLAN
Last Ten Fiscal Years*

KPERS Local Group					
Year ended <u>December 31,</u>	Statutorily Required <u>Contribution*</u>	Contributions In Relation to the Statutorily Required <u>Contribution</u>	Contribution Deficiency <u>[Excess]</u>	City's Covered <u>Payroll</u>	Contributions as a Percentage of Covered- <u>Payroll</u>
2021	\$1,083,859	\$1,083,859	-	\$ 12,219,394	8.87%
2020	1,008,249	1,008,249	-	11,315,094	8.91%
2019	1,169,972	1,169,972	-	11,176,076	10.47%
2018	900,538	900,538	-	10,690,668	8.42%
2017	900,991	900,991	-	10,377,268	8.68%
2016	878,066	878,066	-	9,564,997	9.18%
2015	852,020	852,020	-	8,987,557	9.48%

KPERS Police and Firemen Group					
Year ended <u>December 31,</u>	Statutorily Required <u>Contribution*</u>	Contributions In Relation to the Statutorily Required <u>Contribution</u>	Contribution Deficiency <u>[Excess]</u>	City's Covered <u>Payroll</u>	Contributions as a Percentage of Covered- Employee <u>Payroll</u>
2021	\$3,022,740	\$3,022,740	-	\$13,257,631	22.80%
2020	2,828,414	2,828,414	-	12,847,521	22.02%
2019	3,438,394	3,438,394	-	13,093,302	26.26%
2018	2,536,565	2,536,565	-	12,625,940	20.09%
2017	2,268,486	2,268,486	-	11,929,620	19.02%
2016	2,331,877	2,331,877	-	11,330,796	20.58%
2015	2,231,684	2,231,684	-	10,351,040	21.56%

* - Data became available with the inception of GASB 68 during fiscal year 2015, therefore, 10 years of data is unavailable.

CITY OF SHAWNEE, KANSAS
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2021

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

Special Revenue Funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Capital Projects Funds:

Equipment and Facility Reserve Fund - Used to account for equipment replacement, facility improvements, and technology advancement.

ARPA Fund - Used to account for the American Rescue Plan Act grant.

CITY OF SHAWNEE, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2021

	Special Revenue Funds								
	Public Safety Equipment	Special Narcotics	Special Highway Aid	Special Parks and Recreation	Special Alcohol Abuse	Transient Guest Tax	Park and Recreation Land Use	Parks and Pipes	Cemetery
ASSETS									
Cash and cash equivalents	\$ 1,512,756	\$ 43,556	\$ 5,317,185	\$ 401,735	\$ 304,546	\$ 236,139	\$ 1,152,065	\$ 1,103,925	\$ 393,466
Receivables:									
Taxes	1,327,458	-	-	-	-	-	-	-	-
Accounts	51,797	-	-	-	-	-	242,550	-	-
Due from other governments	-	-	1,470,913	-	-	182,463	-	339,177	-
Total assets	<u>\$ 2,892,011</u>	<u>\$ 43,556</u>	<u>\$ 6,788,098</u>	<u>\$ 401,735</u>	<u>\$ 304,546</u>	<u>\$ 418,602</u>	<u>\$ 1,394,615</u>	<u>\$ 1,443,102</u>	<u>\$ 393,466</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 66,058	\$ -	\$ -	\$ -	\$ -	\$ 81,221	\$ -	\$ -	\$ 1,100
Accrued liabilities	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total liabilities	<u>66,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,221</u>	<u>-</u>	<u>-</u>	<u>1,100</u>
Deferred inflows of resources:									
Unavailable revenue - property taxes	1,379,255	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>1,379,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:									
Restricted	1,446,698	43,556	6,788,098	401,735	304,546	337,381	1,394,615	1,443,102	-
Committed	-	-	-	-	-	-	-	-	392,366
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balance [deficit]	<u>1,446,698</u>	<u>43,556</u>	<u>6,788,098</u>	<u>401,735</u>	<u>304,546</u>	<u>337,381</u>	<u>1,394,615</u>	<u>1,443,102</u>	<u>392,366</u>
Total liabilities, deferred inflows of Resources and fund balances	<u>\$ 2,892,011</u>	<u>\$ 43,556</u>	<u>\$ 6,788,098</u>	<u>\$ 401,735</u>	<u>\$ 304,546</u>	<u>\$ 418,602</u>	<u>\$ 1,394,615</u>	<u>\$ 1,443,102</u>	<u>\$ 393,466</u>

Special Revenue Funds										Capital Project Funds		
Stormwater Utility	Public Safety	Neighborhood Revitalization	Economic Development	CID/TIF/TDD	CDBG Grant	Recycling	Neighbors Helping Neighbors	Cafeteria Plan	Equipment and Facility Reserve	ARPA	Total	
\$ 1,127,072	\$ 2,936,960	\$ 270,140	\$ 3,961,333	\$ 542,050	\$ -	\$ 5,945	\$ 1,494	\$ 35,257	\$ 2,541,022	\$ 3,782,015	\$ 25,668,661	
-	-	-	-	-	-	-	-	-	-	-	1,327,458	
-	-	-	-	-	-	-	-	-	-	-	294,347	
-	339,177	-	-	58,606	13,856	-	-	-	-	-	2,404,192	
<u>\$ 1,127,072</u>	<u>\$ 3,276,137</u>	<u>\$ 270,140</u>	<u>\$ 3,961,333</u>	<u>\$ 600,656</u>	<u>\$ 13,856</u>	<u>\$ 5,945</u>	<u>\$ 1,494</u>	<u>\$ 35,257</u>	<u>\$ 2,541,022</u>	<u>\$ 3,782,015</u>	<u>\$ 29,694,658</u>	
\$ 51,140	\$ -	\$ -	\$ 11,585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,661	\$ -	\$ 258,765	
25,435	-	-	-	-	-	-	-	-	-	-	25,435	
-	-	-	-	-	-	-	-	-	-	3,782,015	3,782,015	
-	-	-	-	-	33,837	-	-	-	-	-	33,837	
<u>76,575</u>	<u>-</u>	<u>-</u>	<u>11,585</u>	<u>-</u>	<u>33,837</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,661</u>	<u>3,782,015</u>	<u>4,100,052</u>	
-	-	-	-	-	-	-	-	-	-	-	1,379,255	
-	-	-	-	-	-	-	-	-	-	-	1,379,255	
1,050,497	3,276,137	-	-	600,656	-	5,945	1,494	35,257	-	-	17,129,717	
-	-	270,140	3,949,748	-	-	-	-	-	2,493,361	-	7,105,615	
-	-	-	-	-	[19,981]	-	-	-	-	-	[19,981]	
<u>1,050,497</u>	<u>3,276,137</u>	<u>270,140</u>	<u>3,949,748</u>	<u>600,656</u>	<u>[19,981]</u>	<u>5,945</u>	<u>1,494</u>	<u>35,257</u>	<u>2,493,361</u>	<u>-</u>	<u>24,215,351</u>	
<u>\$ 1,127,072</u>	<u>\$ 3,276,137</u>	<u>\$ 270,140</u>	<u>\$ 3,961,333</u>	<u>\$ 600,656</u>	<u>\$ 13,856</u>	<u>\$ 5,945</u>	<u>\$ 1,494</u>	<u>\$ 35,257</u>	<u>\$ 2,541,022</u>	<u>\$ 3,782,015</u>	<u>\$ 29,694,658</u>	

CITY OF SHAWNEE, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	Special Revenue Funds								
	Public Safety Equipment	Special Narcotics	Special Highway Aid	Special Parks and Recreation	Special Alcohol Abuse	Transient Guest Tax	Park and Recreation Land Use	Parks and Pipes	Cemetery
REVENUES:									
Taxes	\$ 1,430,602	\$ 36,786	\$ 5,548,298	\$ 336,595	\$ 336,595	\$ 437,190	\$ -	\$ 1,849,433	\$ -
Intergovernmental	-	-	1,938,010	-	-	-	-	-	-
Charges for services	-	-	1,402,216	-	-	-	-	-	42,637
Licenses and permits	-	-	-	-	-	-	96,592	-	-
Investments earnings	6,306	82	24,308	1,462	842	591	3,971	6,300	1,331
Miscellaneous	-	-	-	-	-	-	263,118	-	-
Total revenues	<u>1,436,908</u>	<u>36,868</u>	<u>8,912,832</u>	<u>338,057</u>	<u>337,437</u>	<u>437,781</u>	<u>363,681</u>	<u>1,855,733</u>	<u>43,968</u>
EXPENDITURES:									
Current:									
General government	-	-	-	-	111,853	-	-	-	13,225
Community development	-	-	-	-	-	240,000	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Public safety	605,239	-	-	-	154,563	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Human resources	-	334	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	303,062	-	-	-	-	-	-	-	-
Interest and other charges	25,566	-	-	-	-	-	-	-	-
Total expenditures	<u>933,867</u>	<u>334</u>	<u>-</u>	<u>-</u>	<u>266,416</u>	<u>240,000</u>	<u>-</u>	<u>-</u>	<u>13,225</u>
Excess [deficiency] of revenues over [under] expenditures	<u>503,041</u>	<u>36,534</u>	<u>8,912,832</u>	<u>338,057</u>	<u>71,021</u>	<u>197,781</u>	<u>363,681</u>	<u>1,855,733</u>	<u>30,743</u>
OTHER FINANCING SOURCES [USES]:									
Transfers in	-	-	415,000	-	-	-	-	-	-
Transfers [out]	[299,707]	-	[10,316,637]	[349,108]	-	[62,677]	-	[3,815,574]	-
Proceeds from sale of capital assets	101,105	-	69,125	-	-	-	-	-	-
Total other financing sources [uses]	<u>[198,602]</u>	<u>-</u>	<u>[9,832,512]</u>	<u>[349,108]</u>	<u>-</u>	<u>[62,677]</u>	<u>-</u>	<u>[3,815,574]</u>	<u>-</u>
Net change in fund balance	<u>304,439</u>	<u>36,534</u>	<u>[919,680]</u>	<u>[11,051]</u>	<u>71,021</u>	<u>135,104</u>	<u>363,681</u>	<u>[1,959,841]</u>	<u>30,743</u>
Fund balance - Beginning of year	1,142,259	7,022	7,855,980	412,786	233,525	202,277	1,030,934	3,402,943	361,623
Prior period adjustment	-	-	[148,202]	-	-	-	-	-	-
Fund balance - Beginning of year, restated	<u>1,142,259</u>	<u>7,022</u>	<u>7,707,778</u>	<u>412,786</u>	<u>233,525</u>	<u>202,277</u>	<u>1,030,934</u>	<u>3,402,943</u>	<u>361,623</u>
Fund balance - End of year	<u>\$ 1,446,698</u>	<u>\$ 43,556</u>	<u>\$ 6,788,098</u>	<u>\$ 401,735</u>	<u>\$ 304,546</u>	<u>\$ 337,381</u>	<u>\$ 1,394,615</u>	<u>\$ 1,443,102</u>	<u>\$ 392,366</u>

Special Revenue Funds										Capital Project Funds	
Stormwater Utility	Public Safety	Neighborhood Revitalization	Economic Development	CID/TIF/TDD	CDBG Grant	Recycling	Neighbors Helping Neighbors	Cafeteria Plan	Equipment and Facility Reserve	ARPA	Total
\$ 3,571,191	\$ 1,849,433	\$ 232,648	\$ -	\$ 1,183,422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,812,193
-	-	-	25,200	-	38,604	-	-	-	-	-	2,001,814
-	-	-	1,778,424	-	-	-	-	-	-	-	3,223,277
-	-	-	-	-	-	-	-	-	-	-	96,592
12,476	8,653	983	14,237	2,458	-	-	-	67	6,812	-	90,879
-	-	-	125,000	-	-	-	80	200,390	-	-	588,588
3,583,667	1,858,086	233,631	1,942,861	1,185,880	38,604	-	80	200,457	6,812	-	22,813,343
-	-	-	-	-	-	-	-	183,374	381,013	-	689,465
-	-	278,153	1,191,904	970,140	-	-	-	-	-	-	2,680,197
1,600,480	-	-	40,000	-	49,719	-	-	-	-	-	1,690,199
-	-	-	-	-	-	-	-	-	-	-	759,802
55,347	-	-	-	-	-	-	-	-	-	-	55,347
-	-	-	-	-	-	-	-	-	-	-	334
-	-	-	-	-	-	-	-	-	1,088,774	-	1,088,774
-	-	-	-	-	-	-	-	-	-	-	303,062
-	-	-	-	-	-	-	-	-	-	-	25,566
1,655,827	-	278,153	1,231,904	970,140	49,719	-	-	183,374	1,469,787	-	7,292,746
1,927,840	1,858,086	[44,522]	710,957	215,740	[11,115]	-	80	17,083	[1,462,975]	-	15,520,597
310,000	1,132,000	50,000	73,045	-	-	-	-	-	2,690,000	-	4,670,045
[4,083,848]	[1,449,360]	-	[753,902]	[400,841]	-	-	-	-	[233,000]	-	[21,764,654]
-	-	-	142,794	-	-	-	-	-	-	-	313,024
[3,773,848]	[317,360]	50,000	[538,063]	[400,841]	-	-	-	-	2,457,000	-	[16,781,585]
[1,846,008]	1,540,726	5,478	172,894	[185,101]	[11,115]	-	80	17,083	994,025	-	[1,260,988]
2,896,505	1,735,411	264,662	3,628,652	785,757	[8,866]	5,945	1,414	18,174	1,499,336	-	25,476,339
-	-	-	148,202	-	-	-	-	-	-	-	-
2,896,505	1,735,411	264,662	3,776,854	785,757	[8,866]	5,945	1,414	18,174	1,499,336	-	25,476,339
\$ 1,050,497	\$ 3,276,137	\$ 270,140	\$ 3,949,748	\$ 600,656	\$ [19,981]	\$ 5,945	\$ 1,494	\$ 35,257	\$ 2,493,361	\$ -	\$ 24,215,351

CITY OF SHAWNEE, KANSAS

PUBLIC SAFETY EQUIPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	<u>[Negative]</u>
Revenues:				
Taxes	\$ 1,430,602	\$ 1,415,763	\$ 1,403,999	\$ 26,603
Investment earnings	<u>6,306</u>	<u>6,800</u>	<u>4,400</u>	<u>1,906</u>
Total revenues	<u>1,436,908</u>	<u>1,422,563</u>	<u>1,408,399</u>	<u>28,509</u>
Expenditures:				
Public safety	605,239	893,583	668,648	63,409
Debt service:				
Principal	303,062	303,062	303,062	-
Interest and other charges	<u>25,566</u>	<u>25,575</u>	<u>25,566</u>	<u>-</u>
Total expenditures	<u>933,867</u>	<u>1,222,220</u>	<u>997,276</u>	<u>63,409</u>
Excess [deficiency] of revenues Over [under] expenditures	<u>503,041</u>	<u>200,343</u>	<u>411,123</u>	<u>91,918</u>
Other financing sources [uses]				
Transfers [out]	[299,707]	[299,707]	[299,707]	-
Proceeds from sale of capital assets	<u>101,105</u>	<u>-</u>	<u>-</u>	<u>101,105</u>
Total other financing sources [uses]	<u>[198,602]</u>	<u>[299,707]</u>	<u>[299,707]</u>	<u>101,105</u>
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	304,439	<u>\$ [99,364]</u>	<u>\$ 111,416</u>	<u>\$ 193,023</u>
Fund balance, January 1	<u>1,142,259</u>			
Fund balance, December 31	<u>\$ 1,446,698</u>			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SPECIAL NARCOTICS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues:				
Taxes	\$ 36,786	\$ 4,000	\$ 4,000	\$ 32,786
Investment earnings	82	100	-	82
Miscellaneous	<u>-</u>	<u>2,800</u>	<u>2,800</u>	<u>[2,800]</u>
Total revenues	<u>36,868</u>	<u>6,900</u>	<u>6,800</u>	<u>30,068</u>
Expenditures:				
Public safety	-	15,000	13,000	13,000
Human resources	<u>334</u>	<u>-</u>	<u>-</u>	<u>[334]</u>
Total expenditures	<u>334</u>	<u>15,000</u>	<u>13,000</u>	<u>12,666</u>
Excess [deficiency] of revenues Over [under] expenditures	<u>36,534</u>	<u>[8,100]</u>	<u>[6,200]</u>	<u>42,734</u>
Other financing sources [uses]				
Transfers [out]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	36,534	<u>\$ [8,100]</u>	<u>\$ [6,200]</u>	<u>\$ 42,734</u>
Fund balance, January 1	<u>7,022</u>			
Fund balance, December 31	<u>\$ 43,556</u>			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SPECIAL HIGHWAY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2021

		Budgeted Amounts		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	<u>[Negative]</u>
Revenues:				
Taxes	\$ 5,548,298	\$ 5,030,000	\$ 5,030,000	\$ 518,298
Intergovernmental	1,938,010	1,750,000	1,750,000	188,010
Investment earnings	24,308	15,000	15,000	9,308
Charges for services	<u>1,402,216</u>	<u>1,398,454</u>	<u>1,398,454</u>	<u>3,762</u>
Total revenues	<u>8,912,832</u>	<u>8,193,454</u>	<u>8,193,454</u>	<u>719,378</u>
Expenditures:				
Public works	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues Over [under] expenditures	<u>8,912,832</u>	<u>8,193,454</u>	<u>8,193,454</u>	<u>719,378</u>
Other financing sources [uses]				
Transfers in	415,000	415,000	415,000	-
Transfers [out]	[10,316,637]	[10,670,000]	[10,670,000]	353,363
Proceeds from sale of property	<u>69,125</u>	<u>70,000</u>	<u>70,000</u>	<u>[875]</u>
Total other financing sources [uses]	<u>[9,832,512]</u>	<u>[10,185,000]</u>	<u>[10,185,000]</u>	<u>352,488</u>
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	<u>[919,680]</u>	<u>\$ [1,991,546]</u>	<u>\$ [1,991,546]</u>	<u>\$ 1,071,866</u>
Fund balance, January 1	7,855,980			
Prior period adjustment	<u>[148,202]</u>			
Fund balance, January 1, restated	<u>7,707,778</u>			
Fund balance, December 31	<u>\$ 6,788,098</u>			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SPECIAL PARKS AND RECREATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues:				
Taxes	\$ 336,595	\$ 200,000	\$ 295,000	\$ 41,595
Investment earnings	<u>1,462</u>	<u>1,900</u>	<u>700</u>	<u>762</u>
Total revenues	<u>338,057</u>	<u>201,900</u>	<u>295,700</u>	<u>42,357</u>
Expenditures:				
Culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues Over [under] expenditures	<u>338,057</u>	<u>201,900</u>	<u>295,700</u>	<u>42,357</u>
Other financing sources [uses]				
Transfers [out]	<u>[349,108]</u>	<u>[99,108]</u>	<u>[349,108]</u>	<u>-</u>
Total other financing sources [uses]	<u>[349,108]</u>	<u>[99,108]</u>	<u>[349,108]</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	<u>[11,051]</u>	<u>\$ 102,792</u>	<u>\$ [53,408]</u>	<u>\$ 42,357</u>
Fund balance, January 1	<u>412,786</u>			
Fund balance, December 31	<u>\$ 401,735</u>			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SPECIAL ALCOHOL ABUSE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues:				
Taxes	\$ 336,595	\$ 200,000	\$ 295,000	\$ 41,595
Investment earnings	<u>842</u>	<u>500</u>	<u>500</u>	<u>342</u>
Total revenues	<u>337,437</u>	<u>200,500</u>	<u>295,500</u>	<u>41,937</u>
Expenditures:				
General government	111,853	11,193	111,853	-
Public safety	<u>154,563</u>	<u>118,000</u>	<u>161,400</u>	<u>6,837</u>
Total expenditures	<u>266,416</u>	<u>129,193</u>	<u>273,253</u>	<u>6,837</u>
Excess [deficiency] of revenues Over [under] expenditures	71,021	<u>\$ 71,307</u>	<u>\$ 22,247</u>	<u>\$ 48,774</u>
Fund balance, January 1	<u>233,525</u>			
Fund balance, December 31	<u>\$ 304,546</u>			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

TRANSIENT GUEST TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues:				
Taxes	\$ 437,190	\$ 400,600	\$ 343,000	\$ 94,190
Investment earnings	<u>591</u>	<u>1,100</u>	<u>400</u>	<u>191</u>
Total revenues	<u>437,781</u>	<u>401,700</u>	<u>343,400</u>	<u>94,381</u>
Expenditures:				
Community development	<u>240,000</u>	<u>240,000</u>	<u>240,000</u>	<u>-</u>
Total expenditures	<u>240,000</u>	<u>240,000</u>	<u>240,000</u>	<u>-</u>
Excess [deficiency] of revenues Over [under] expenditures	<u>197,781</u>	<u>161,700</u>	<u>103,400</u>	<u>94,381</u>
Other financing sources [uses]				
Transfers [out]	<u>[62,677]</u>	<u>[183,122]</u>	<u>[62,677]</u>	<u>-</u>
Total other financing sources [uses]	<u>[62,677]</u>	<u>[183,122]</u>	<u>[62,677]</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	135,104	<u>\$ [21,422]</u>	<u>\$ 40,723</u>	<u>\$ 94,381</u>
Fund balance, January 1	<u>202,277</u>			
Fund balance, December 31	<u>\$ 337,381</u>			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

PARKS AND RECREATION LAND USE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET

For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	<u>[Negative]</u>
Revenues:				
Licenses and permits	\$ 96,592	\$ 150,000	\$ 125,000	\$ [28,408]
Investment earnings	3,971	3,900	2,500	1,471
Miscellaneous	<u>263,118</u>	<u>20,000</u>	<u>20,000</u>	<u>243,118</u>
Total revenues	<u>363,681</u>	<u>173,900</u>	<u>147,500</u>	<u>216,181</u>
Expenditures:				
Culture and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues Over [under] expenditures	363,681	<u>\$ 173,900</u>	<u>\$ 147,500</u>	<u>\$ 216,181</u>
Fund balance, January 1	<u>1,030,934</u>			
Fund balance, December 31	<u>\$ 1,394,615</u>			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

PARKS AND PIPES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive <u>[Negative]</u>
		<u>Original</u>	<u>Final</u>	
Revenues:				
Taxes	\$ 1,849,433	\$ 1,505,400	\$ 1,677,000	\$ 172,433
Investment earnings	<u>6,300</u>	<u>3,000</u>	<u>10,000</u>	<u>[3,700]</u>
Total revenues	<u>1,855,733</u>	<u>1,508,400</u>	<u>1,687,000</u>	<u>168,733</u>
Expenditures:				
Culture and recreation	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Excess [deficiency] of revenues Over [under] expenditures	<u>1,855,733</u>	<u>1,508,400</u>	<u>1,387,000</u>	<u>468,733</u>
Other financing sources [uses]				
Transfers in	-	1,430,530	1,430,519	[1,430,519]
Transfers [out]	<u>[3,815,574]</u>	<u>[1,200,000]</u>	<u>[2,685,055]</u>	<u>[1,130,519]</u>
Total other financing sources [uses]	<u>[3,815,574]</u>	<u>230,530</u>	<u>[1,254,536]</u>	<u>[2,561,038]</u>
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	<u>[1,959,841]</u>	<u>\$ 1,738,930</u>	<u>\$ 132,464</u>	<u>\$ [2,092,305]</u>
Fund balance, January 1	<u>3,402,943</u>			
Fund balance, December 31	<u>\$ 1,443,102</u>			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

CEMETERY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues:				
Charges for services	\$ 42,637	\$ 49,000	\$ 49,000	\$ [6,363]
Investment earnings	<u>1,331</u>	<u>1,700</u>	<u>1,000</u>	<u>331</u>
Total revenues	<u>43,968</u>	<u>50,700</u>	<u>50,000</u>	<u>[6,032]</u>
Expenditures:				
General government	<u>13,225</u>	<u>25,000</u>	<u>25,000</u>	<u>11,775</u>
Total expenditures	<u>13,225</u>	<u>25,000</u>	<u>25,000</u>	<u>11,775</u>
Excess [deficiency] of revenues Over [under] expenditures	30,743	<u>\$ 25,700</u>	<u>\$ 25,000</u>	<u>\$ 5,743</u>
Fund balance, January 1	<u>361,623</u>			
Fund balance, December 31	<u>\$ 392,366</u>			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

STORMWATER UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues:				
Taxes	\$ 3,571,191	\$ 3,446,600	\$ 3,520,000	\$ 51,191
Investment earnings	<u>12,476</u>	<u>10,800</u>	<u>3,000</u>	<u>9,476</u>
Total revenues	<u>3,583,667</u>	<u>3,457,400</u>	<u>3,523,000</u>	<u>60,667</u>
Expenditures:				
Public works	1,600,480	2,360,818	2,543,419	942,939
Culture and recreation	<u>55,347</u>	<u>-</u>	<u>-</u>	<u>[55,347]</u>
Total expenditures	<u>1,655,827</u>	<u>2,360,818</u>	<u>2,543,419</u>	<u>887,592</u>
Excess [deficiency] of revenues Over [under] expenditures	<u>1,927,840</u>	<u>1,096,582</u>	<u>979,581</u>	<u>948,259</u>
Other financing sources [uses]				
Transfers in	310,000	635,000	310,000	-
Transfers [out]	<u>[4,083,848]</u>	<u>[1,790,855]</u>	<u>[2,958,055]</u>	<u>[1,125,793]</u>
Total other financing sources [uses]	<u>[3,773,848]</u>	<u>[1,155,855]</u>	<u>[2,648,055]</u>	<u>[1,125,793]</u>
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	<u>[1,846,008]</u>	<u>\$ [59,273]</u>	<u>\$ [1,668,474]</u>	<u>\$ [177,534]</u>
Fund balance, January 1	<u>2,896,505</u>			
Fund balance, December 31	<u>\$ 1,050,497</u>			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

PUBLIC SAFETY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues:				
Taxes	\$ 1,849,433	\$ 1,505,400	\$ 1,677,000	\$ 172,433
Investment earnings	<u>8,653</u>	<u>3,900</u>	<u>3,900</u>	<u>4,753</u>
Total revenues	<u>1,858,086</u>	<u>1,509,300</u>	<u>1,680,900</u>	<u>177,186</u>
Expenditures:				
Debt service:				
Principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues Over [under] expenditures	<u>1,858,086</u>	<u>1,509,300</u>	<u>1,680,900</u>	<u>177,186</u>
Other financing sources [uses]				
Transfers in	1,132,000	1,030,500	1,132,000	-
Transfers [out]	<u>[1,449,360]</u>	<u>[1,449,360]</u>	<u>[1,449,360]</u>	<u>-</u>
Total other financing sources [uses]	<u>[317,360]</u>	<u>[418,860]</u>	<u>[317,360]</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	1,540,726	<u>\$ 1,090,440</u>	<u>\$ 1,363,540</u>	<u>\$ 177,186</u>
Fund balance, January 1	<u>1,735,411</u>			
Fund balance, December 31	<u>\$ 3,276,137</u>			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

NEIGHBORHOOD REVITALIZATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues:				
Taxes	\$ 232,648	\$ 229,225	\$ 224,126	\$ 8,522
Investment earnings	<u>983</u>	<u>750</u>	<u>-</u>	<u>983</u>
Total revenues	<u>233,631</u>	<u>229,975</u>	<u>224,126</u>	<u>9,505</u>
Expenditures:				
Community development	<u>278,153</u>	<u>271,303</u>	<u>301,714</u>	<u>23,561</u>
Total expenditures	<u>278,153</u>	<u>271,303</u>	<u>301,714</u>	<u>23,561</u>
Excess [deficiency] of revenues Over [under] expenditures	<u>[44,522]</u>	<u>[41,328]</u>	<u>[77,588]</u>	<u>33,066</u>
Other financing sources [uses]				
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total other financing sources [uses]	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	5,478	<u>\$ 8,672</u>	<u>\$ [27,588]</u>	<u>\$ 33,066</u>
Fund balance, January 1	<u>264,662</u>			
Fund balance, December 31	<u>\$ 270,140</u>			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

ECONOMIC DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	<u>[Negative]</u>
Revenues:				
Intergovernmental	\$ 25,200	\$ 25,200	\$ 25,200	\$ -
Charges for services	1,778,424	1,782,186	1,782,186	[3,762]
Investment earnings	14,237	17,900	10,000	4,237
Miscellaneous	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>125,000</u>
Total revenues	<u>1,942,861</u>	<u>1,825,286</u>	<u>1,817,386</u>	<u>125,475</u>
Expenditures:				
Community development	1,191,904	1,595,863	2,167,815	975,911
Public works	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>[40,000]</u>
Total expenditures	<u>1,231,904</u>	<u>1,595,863</u>	<u>2,167,815</u>	<u>935,911</u>
Excess [deficiency] of revenues Over [under] expenditures	<u>710,957</u>	<u>229,423</u>	<u>[350,429]</u>	<u>1,061,386</u>
Other financing sources [uses]				
Transfers in	73,045	-	73,045	-
Transfers [out]	[753,902]	[733,902]	[733,902]	[20,000]
Proceeds from sale of property	<u>142,794</u>	<u>-</u>	<u>-</u>	<u>142,794</u>
Total other financing sources [uses]	<u>[538,063]</u>	<u>[733,902]</u>	<u>[660,857]</u>	<u>122,794</u>
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	<u>172,894</u>	<u>\$ [504,479]</u>	<u>\$ [1,011,286]</u>	<u>\$ 1,184,180</u>
Fund balance, January 1	3,628,652			
Prior period adjustment	<u>148,202</u>			
Fund balance, January 1, restated	<u>3,776,854</u>			
Fund balance, December 31	<u>\$ 3,949,748</u>			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

CID/TIF/TDD FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive <u>[Negative]</u>
		<u>Original</u>	<u>Final</u>	
Revenues:				
Taxes	\$ 1,183,422	\$ 1,528,859	\$ 1,148,919	\$ 34,503
Investment earnings	<u>2,458</u>	<u>2,800</u>	<u>2,000</u>	<u>458</u>
Total revenues	<u>1,185,880</u>	<u>1,531,659</u>	<u>1,150,919</u>	<u>34,961</u>
Expenditures:				
Community development	<u>970,140</u>	<u>1,122,789</u>	<u>1,035,000</u>	<u>64,860</u>
Total expenditures	<u>970,140</u>	<u>1,122,789</u>	<u>1,035,000</u>	<u>64,860</u>
Excess [deficiency] of revenues Over [under] expenditures	<u>215,740</u>	<u>408,870</u>	<u>115,919</u>	<u>99,821</u>
Other financing sources [uses]				
Transfers [out]	<u>[400,841]</u>	<u>[316,844]</u>	<u>[401,327]</u>	<u>486</u>
Total other financing sources [uses]	<u>[400,841]</u>	<u>[316,844]</u>	<u>[401,327]</u>	<u>486</u>
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	<u>[185,101]</u>	<u>\$ 92,026</u>	<u>\$ [285,408]</u>	<u>\$ 100,307</u>
Fund balance, January 1	<u>785,757</u>			
Fund balance, December 31	<u>\$ 600,656</u>			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

EQUIPMENT AND FACILITY RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET

For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budgeted Amounts</u>		Variance with Final Budget Positive [Negative]
		<u>Original</u>	<u>Final</u>	
Revenues:				
Investment earnings	\$ 6,812	\$ 2,000	\$ 2,000	\$ 4,812
Total revenues	<u>6,812</u>	<u>2,000</u>	<u>2,000</u>	<u>4,812</u>
Expenditures:				
General government	381,013	275,000	1,110,000	728,987
Capital outlay	<u>1,088,774</u>	<u>441,000</u>	<u>1,019,000</u>	<u>[69,774]</u>
Total expenditures	<u>1,469,787</u>	<u>716,000</u>	<u>2,129,000</u>	<u>659,213</u>
Excess [deficiency] of revenues Over [under] expenditures	<u>[1,462,975]</u>	<u>[714,000]</u>	<u>[2,127,000]</u>	<u>664,025</u>
Other financing sources [uses]				
Transfers in	2,690,000	-	2,690,000	-
Transfers [out]	<u>[233,000]</u>	<u>-</u>	<u>[177,000]</u>	<u>[56,000]</u>
Total other financing sources [uses]	<u>2,457,000</u>	<u>-</u>	<u>2,513,000</u>	<u>[56,000]</u>
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	994,025	<u>\$ [714,000]</u>	<u>\$ 386,000</u>	<u>\$ 608,025</u>
Fund balance, January 1	<u>1,499,336</u>			
Fund balance, December 31	<u>\$ 2,493,361</u>			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
For the Year Ended December 31, 2021

		Budgeted Amounts		Variance with Final Budget Positive [Negative]
	<u>Actual</u>	<u>Original</u>	<u>Final</u>	<u>[Negative]</u>
Revenues:				
Taxes	\$ 6,362,006	\$ 6,301,091	\$ 6,279,720	\$ 82,286
Investment earnings	<u>22,980</u>	<u>26,100</u>	<u>10,000</u>	<u>12,980</u>
Total revenues	<u>6,384,986</u>	<u>6,327,191</u>	<u>6,289,720</u>	<u>95,266</u>
Expenditures:				
Debt service:				
Principal	9,555,000	6,585,000	6,585,000	[2,970,000]
Interest and other charges	2,108,948	2,108,948	2,109,643	695
Bond issuance costs	15,342	-	-	[15,342]
Miscellaneous	<u>-</u>	<u>2,250,500</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>11,679,290</u>	<u>10,944,448</u>	<u>8,694,643</u>	<u>[2,984,647]</u>
Excess [deficiency] of revenues Over [under] expenditures	<u>[5,294,304]</u>	<u>[4,617,257]</u>	<u>[2,404,923]</u>	<u>[2,889,381]</u>
Other financing sources [uses]				
Transfers in	3,593,029	3,593,029	3,593,029	-
Bond proceeds	<u>2,985,530</u>	<u>-</u>	<u>-</u>	<u>2,985,530</u>
Total other financing sources [uses]	<u>6,578,559</u>	<u>3,593,029</u>	<u>3,593,029</u>	<u>2,985,530</u>
Excess [deficiency] of revenues and other sources over [under] Expenditures and other [uses]	1,284,255	<u>\$ [1,024,228]</u>	<u>\$ 1,188,106</u>	<u>\$ 96,149</u>
Fund balance, January 1	<u>2,585,328</u>			
Fund balance, December 31	<u>\$ 3,869,583</u>			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

Statistical Section (unaudited)

This part of the City of Shawnee's *Annual Comprehensive Financial Report* presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

CITY OF SHAWNEE, KANSAS

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Governmental activities:			
Net investment in capital assets	\$ 579,733,707	\$ 575,914,799	\$ 584,268,414
Restricted	20,999,728	22,316,260	17,333,527
Unrestricted	<u>(5,461,147)</u>	<u>(7,753,838)</u>	<u>(7,912,715)</u>
Total net position	<u><u>\$ 595,272,288</u></u>	<u><u>\$ 590,477,221</u></u>	<u><u>\$ 593,689,226</u></u>

Table 1
Unaudited

2018	2017	2016	2015	2014	2013	2012
\$ 601,268,231	\$ 605,438,108	\$ 601,281,429	\$ 602,868,526	\$ 605,935,399	\$ 615,304,921	\$ 618,991,639
11,185,005	10,329,190	12,361,039	13,524,452	11,213,807	16,214,821	18,750,770
(10,474,226)	(13,815,195)	(8,019,994)	(5,589,122)	20,781,587	14,613,148	15,012,804
<u>\$ 601,979,010</u>	<u>\$ 601,952,103</u>	<u>\$ 605,622,474</u>	<u>\$ 610,803,856</u>	<u>\$ 637,930,793</u>	<u>\$ 646,132,890</u>	<u>\$ 652,755,213</u>

CITY OF SHAWNEE, KANSAS

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

	2021	2020	2019	2018
Expenses				
Governmental activities:				
General government	\$ 9,549,918	\$ 9,938,319	\$ 8,462,320	\$ 10,185,215
Community development	5,345,691	4,828,070	4,585,418	4,654,541
Public works	38,832,646	37,680,773	41,713,158	37,369,340
Public safety	29,092,282	31,058,369	30,284,678	25,117,920
Culture and recreation	6,491,270	5,922,817	6,510,763	6,009,637
Human resources	5,819	46,684	356,744	313,099
Interest on long-term debt	2,188,611	1,968,705	1,727,485	1,420,991
Total primary government expenses	<u>91,506,237</u>	<u>91,443,737</u>	<u>93,640,566</u>	<u>85,070,743</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	3,976,353	3,611,531	3,515,068	3,274,186
Community development	-	-	-	-
Public works	1,402,216	1,402,215	1,378,513	1,378,515
Public safety	1,045,317	960,412	1,271,733	1,407,204
Culture and recreation	2,104,245	937,471	1,424,858	1,512,850
Operating grants and contributions:				
General government	-	-	-	-
Community development	275,393	456,803	238,935	205,112
Public works	5,479,441	7,239,885	5,870,659	5,486,646
Public safety	141,237	61,518	201,410	276,929
Culture and recreation	-	-	-	-
Human resources	-	-	-	-
Capital grants and contributions:				
Public works	6,534,435	4,878,409	3,106,034	6,716,311
Total primary government program revenues	<u>20,958,637</u>	<u>19,548,244</u>	<u>17,007,210</u>	<u>20,257,753</u>
Total primary government net (expense)	<u>(70,547,600)</u>	<u>(71,895,493)</u>	<u>(76,633,356)</u>	<u>(64,812,990)</u>
General revenues and other changes in net position				
Governmental activities:				
Taxes:				
Property	30,157,877	28,884,003	27,709,127	26,019,649
Sales	37,209,308	32,494,939	31,346,771	30,820,461
Alcohol	1,010,007	812,405	984,474	869,649
Franchise	4,958,010	4,861,124	5,125,860	5,410,475
Other	437,190	265,901	515,409	448,918
Unrestricted investment earnings	252,366	459,145	982,405	408,931
Miscellaneous	1,317,909	875,806	1,679,526	613,693
Total primary government	<u>75,342,667</u>	<u>68,653,323</u>	<u>68,343,572</u>	<u>64,591,776</u>
Change in net position governmental activities	<u>\$ 4,795,067</u>	<u>\$ (3,242,170)</u>	<u>\$ (8,289,784)</u>	<u>\$ (221,214)</u>

Table 2
Unaudited

2017	2016	2015	2014	2013	2012
\$ 9,241,500	\$ 6,820,671	\$ 6,025,476	\$ 5,072,270	\$ 5,549,640	\$ 5,525,424
5,385,769	5,293,971	3,590,325	3,312,506	2,398,451	2,280,742
40,224,018	34,217,633	32,322,294	30,211,499	28,174,722	28,132,957
23,967,592	24,445,274	22,528,662	22,594,429	22,687,942	19,910,440
12,646,553	5,238,203	5,024,938	4,860,042	4,766,564	4,599,190
315,480	304,010	288,258	312,842	253,669	222,913
1,374,379	1,744,171	1,959,888	4,458,689	2,585,159	3,450,003
<u>93,155,291</u>	<u>78,063,933</u>	<u>71,739,841</u>	<u>70,822,277</u>	<u>66,416,147</u>	<u>64,121,669</u>
3,510,079	3,176,877	3,123,288	2,872,718	3,280,683	2,285,437
-	-	-	-	-	-
1,378,515	1,378,515	1,378,515	1,100,640	-	-
1,459,261	1,473,179	1,273,912	1,071,051	1,186,974	1,218,300
1,553,065	1,480,563	1,375,093	1,403,259	1,311,795	1,424,903
-	961,200	37,337	161,249	-	-
179,300	-	-	-	-	-
5,205,179	6,066,550	4,888,710	1,734,640	1,642,525	1,671,931
196,201	32,129	37,816	35,110	75,738	43,240
-	2,199	16,187	13,988	-	-
-	-	-	-	-	-
<u>8,515,006</u>	<u>5,029,435</u>	<u>9,761,406</u>	<u>3,190,861</u>	<u>2,929,567</u>	<u>1,165,994</u>
<u>21,996,606</u>	<u>19,600,647</u>	<u>21,892,264</u>	<u>11,583,516</u>	<u>10,427,282</u>	<u>7,809,805</u>
<u>(71,158,685)</u>	<u>(58,463,286)</u>	<u>(49,847,577)</u>	<u>(59,238,761)</u>	<u>(55,988,865)</u>	<u>(56,311,864)</u>
24,656,709	18,890,776	19,312,158	21,593,257	22,568,116	22,821,912
29,838,522	27,608,604	25,639,155	22,272,290	20,638,709	19,587,884
864,444	825,595	843,498	770,020	723,688	690,852
5,237,607	5,082,789	5,010,813	5,278,517	5,067,006	4,736,107
469,308	-	-	287,819	18,810	8,747
616,532	260,991	249,443	161,574	279,913	147,902
727,877	613,149	630,461	673,187	600,864	484,776
<u>62,410,999</u>	<u>53,281,904</u>	<u>51,685,528</u>	<u>51,036,664</u>	<u>49,897,106</u>	<u>48,478,180</u>
<u>\$ (8,747,686)</u>	<u>\$ (5,181,382)</u>	<u>\$ 1,837,951</u>	<u>\$ (8,202,097)</u>	<u>\$ (6,091,759)</u>	<u>\$ (7,833,684)</u>

CITY OF SHAWNEE, KANSAS

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN YEARS

(modified accrual basis of accounting)

	2021	2020	2019	2018
General fund:				
Nonspendable	\$ 538,126	\$ 552,377	\$ 487,871	\$ 787,223
Assigned	-	-	-	493,546
Unassigned	<u>30,377,316</u>	<u>29,852,888</u>	<u>25,089,804</u>	<u>25,202,705</u>
Total general fund	<u>\$ 30,915,442</u>	<u>\$ 30,405,265</u>	<u>\$ 25,577,675</u>	<u>\$ 26,483,474</u>
All other governmental funds				
Restricted	\$ 20,999,300	\$ 22,316,260	\$ 17,333,527	\$ 11,185,005
Committed	7,105,615	5,754,273	9,919,464	5,807,410
Assigned	52,783,443	6,569,713	7,244,186	73,889
Unassigned	<u>(19,981)</u>	<u>(6,286,520)</u>	<u>-</u>	<u>(3,045,491)</u>
Total all other governmental funds	<u>\$ 80,868,377</u>	<u>\$ 28,353,726</u>	<u>\$ 34,497,177</u>	<u>\$ 14,020,813</u>

Table 3
Unaudited

2017	2016	2015	2014	2013	2012
\$ 774,731	\$ 859,190	\$ 975,766	\$ 899,244	\$ 818,989	\$ 988,077
300,748	203,240	208,575	194,125	291,993	268,720
23,459,147	21,223,065	21,361,694	21,463,681	19,156,025	17,381,625
<u>\$ 24,534,626</u>	<u>\$ 22,285,495</u>	<u>\$ 22,546,035</u>	<u>\$ 22,557,050</u>	<u>\$ 20,267,007</u>	<u>\$ 18,638,422</u>
\$ 10,329,190	\$ 6,902,936	\$ 9,359,836	\$ 6,768,956	\$ 10,325,901	\$ 8,542,796
6,135,116	6,384,149	4,707,255	4,042,142	3,734,034	3,411,008
58,623	105,792	266,673	192,805	230,200	459,810
(5,869,690)	-	-	-	-	(169,674)
<u>\$ 10,653,239</u>	<u>\$ 13,392,877</u>	<u>\$ 14,333,764</u>	<u>\$ 11,003,903</u>	<u>\$ 14,290,135</u>	<u>\$ 12,243,940</u>

CITY OF SHAWNEE, KANSAS

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

	2021	2020	2019	2018
Revenues:				
Taxes and special assessments	\$ 78,291,968	\$ 71,745,445	\$ 70,256,733	\$ 68,590,725
Intergovernmental	10,379,582	6,318,518	5,277,905	6,849,554
Licenses and permits	2,197,928	1,833,107	1,197,687	1,183,430
Charges for services	5,284,885	4,118,110	5,120,752	4,982,121
Fines, forfeitures and penalties	1,045,317	960,412	1,271,733	1,399,480
Sale of property	340,561	77,067	28,101	-
Reimbursements	-	-	-	85,140
Investment earnings	252,366	459,145	982,408	408,931
Miscellaneous	824,075	798,739	1,651,422	928,553
Total revenues	98,616,682	86,310,543	85,786,741	84,427,934
Expenditures:				
General government	9,205,287	9,442,788	7,957,785	7,933,335
Community development	5,278,852	4,653,453	4,425,692	4,674,383
Public works	7,863,162	7,242,629	8,966,170	8,835,855
Public safety	27,016,377	26,744,992	26,567,970	25,880,118
Culture and recreation	5,535,776	4,500,605	4,998,952	5,037,633
Human resources	334	5,000	325,945	318,786
Capital outlay	30,672,785	30,405,840	30,582,339	27,322,856
Debt service:				
Principal retirements	9,858,062	7,008,873	11,140,085	8,383,313
Interest and fiscal charges	2,402,968	2,497,771	2,198,215	1,791,356
Total expenditures	97,833,603	92,501,951	97,163,153	90,177,635
Excess of revenues over (under) expenditures	783,079	(6,191,408)	(11,376,412)	(5,749,701)
Other financing sources (uses):				
Transfers in	34,320,310	21,321,179	18,357,237	20,290,954
Transfers out	(34,320,310)	(21,321,179)	(18,357,237)	(20,290,954)
Proceeds from revolving loans	-	-	-	-
Proceeds from issuance of bonds	49,225,000	4,710,000	28,800,000	8,840,000
Premium on bonds issued	3,016,749	135,382	2,146,977	1,042,123
Proceeds from issuance of notes	-	-	-	-
Proceeds from capital leases	-	-	-	1,184,000
Bond refunding	-	-	-	-
Total other financing sources (uses)	52,241,749	4,845,382	30,946,977	11,066,123
Net change in fund balances	\$ 53,024,828	\$ (1,346,026)	\$ 19,570,565	\$ 5,316,422
Debt service as a percentage of noncapital expenditures	15.56%	15.52%	17.07%	15.01%

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

Table 4
Unaudited

2017	2016	2015	2014	2013	2012
\$ 66,094,189	\$ 54,617,061	\$ 52,113,314	\$ 51,443,988	\$ 49,016,329	\$ 47,845,502
10,513,915	11,303,349	9,374,366	5,244,331	6,130,540	4,112,527
1,362,616	1,124,552	1,056,708	1,118,901	933,905	891,998
5,079,043	1,823,404	1,732,188	1,756,436	1,625,542	1,814,742
1,453,245	4,561,179	4,361,912	3,572,331	3,186,454	2,221,900
-	62,335	35,000	-	-	-
157,733	21,122	62,752	-	-	-
616,532	260,991	249,443	161,574	279,913	147,902
570,144	529,692	584,809	673,188	486,279	478,491
85,847,417	74,303,685	69,570,492	63,970,749	61,658,962	57,513,062
8,102,552	7,112,778	6,212,220	5,821,786	5,489,604	5,333,810
5,423,097	5,311,595	3,582,344	3,317,354	2,360,136	2,262,547
7,171,188	12,224,386	9,601,385	7,987,201	7,324,466	7,359,858
23,278,354	23,203,914	21,787,066	21,924,381	21,724,971	19,791,394
4,979,048	4,478,747	4,245,510	4,134,266	4,004,826	3,842,154
323,071	309,467	285,996	313,736	249,450	221,135
33,347,857	13,126,188	9,161,783	9,124,654	14,018,806	5,832,522
8,646,350	8,965,000	9,360,000	32,466,151	9,781,829	20,335,829
1,676,632	1,763,037	2,015,342	4,453,000	2,602,341	3,682,085
92,948,149	76,495,112	66,251,646	89,542,529	67,556,429	68,661,334
(7,100,732)	(2,191,427)	3,318,846	(25,571,780)	(5,897,467)	(11,148,272)
17,229,980	9,504,484	9,108,921	8,749,222	6,769,343	10,144,321
(17,229,980)	(9,504,484)	(9,108,921)	(8,749,222)	(6,769,343)	(10,144,321)
-	-	-	-	-	7,643
9,215,000	-	-	21,590,000	8,790,000	10,750,000
334,650	-	-	2,985,591	134,497	743,484
-	990,000	-	-	-	-
-	-	-	-	647,750	-
(2,939,425)	-	-	-	-	-
6,610,225	990,000	-	24,575,591	9,572,247	11,501,127
\$ (490,507)	\$ (1,201,427)	\$ 3,318,846	\$ (996,189)	\$ 3,674,780	\$ 352,855
14.58%	16.79%	21.10%	45.15%	23.11%	38.76%

Table 5
Unaudited

CITY OF SHAWNEE, KANSAS
GOVERNMENTAL FUND TYPES REVENUES BY SOURCE
LAST TEN YEARS
(modified accrual basis of accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Property	\$ 33,716,850	\$ 30,248,884	\$ 31,226,017	\$ 29,503,333	\$ 28,125,592	\$ 18,890,776	\$ 19,312,158	\$ 21,593,257	\$ 21,037,150	\$ 21,334,333
Special assessments	691,168	3,062,552	844,017	1,350,251	1,398,600	2,209,297	1,307,690	1,242,085	1,530,966	1,487,579
Sales county and city	37,209,308	32,494,939	31,346,771	30,820,461	29,838,522	27,608,604	25,639,155	22,272,290	20,638,709	19,587,884
Franchise	4,958,010	4,861,124	5,125,860	5,410,475	5,237,607	5,082,789	5,010,813	5,278,517	5,067,006	4,736,107
Other taxes	1,716,632	1,077,946	1,714,068	1,506,205	1,493,868	825,595	843,498	1,057,839	742,498	699,599
Total taxes	78,291,968	71,745,445	70,256,733	68,590,725	66,094,189	54,617,061	52,113,314	51,443,988	49,016,329	47,845,502
Licenses and permits	2,197,928	1,833,107	1,197,687	1,183,430	1,362,616	1,124,552	1,056,708	1,118,901	933,905	891,998
Intergovernmental	10,379,582	6,318,518	5,277,905	6,849,554	10,513,915	11,303,349	9,374,366	5,244,331	6,130,540	4,112,527
Charges for services	5,284,885	4,118,110	5,120,752	4,982,121	5,079,043	1,823,404	1,732,188	1,756,436	1,625,542	1,814,742
Fines, forfeitures and penalties	1,045,317	960,412	1,271,733	1,399,480	1,453,245	4,561,179	4,361,912	3,572,331	3,186,454	2,221,900
Sale of property	340,561	77,067	28,101	-	-	62,335	35,000	-	-	-
Reimbursements	-	52,006	-	85,140	157,733	21,122	62,752	-	-	-
Interest income	252,366	459,145	982,408	408,931	616,532	260,991	249,443	161,574	279,913	147,902
Miscellaneous	824,075	669,666	1,651,422	928,553	570,144	529,692	584,809	673,188	486,279	478,491
Total	98,616,682	86,233,476	85,786,741	84,427,934	85,847,417	74,303,685	69,570,492	63,970,749	61,658,962	57,513,062
Sales tax breakdown:										
City sales tax	24,289,280	21,552,452	20,456,907	20,020,102	19,619,466	11,444,235	10,951,020	10,822,190	10,112,278	9,617,057
County sales tax	12,920,028	10,942,485	10,889,864	10,800,359	10,219,056	16,164,369	14,688,135	11,450,100	10,526,431	9,970,827
Total sales tax	\$ 37,209,308	\$ 32,494,937	\$ 31,346,771	\$ 30,820,461	\$ 29,838,522	\$ 27,608,604	\$ 25,639,155	\$ 22,272,290	\$ 20,638,709	\$ 19,587,884
City sales tax	\$ 24,289,280	\$ 21,552,452	\$ 20,456,907	\$ 20,020,102	\$ 19,619,466	\$ 11,444,235	\$ 10,951,020	\$ 10,822,190	\$ 10,112,278	\$ 9,617,057
City property tax	33,716,850	30,248,884	31,226,017	29,503,333	28,125,592	18,890,776	19,312,158	21,593,257	21,037,150	21,334,333
Total tax revenue	78,291,968	71,745,445	70,256,733	68,590,725	66,094,189	54,617,061	52,113,314	51,443,988	49,016,329	47,845,502
City sales tax to total tax revenue	31.02%	30.04%	29.12%	29.19%	29.68%	21%	21%	21%	21%	20%
Total revenue	98,616,682	86,233,476	85,786,741	84,427,934	85,847,417	74,303,685	69,570,492	63,970,749	61,658,962	57,513,062
City sales tax to total	24.63%	24.99%	23.85%	23.71%	22.85%	15%	16%	17%	16%	17%
Property tax to total	34.19%	35.08%	36.40%	34.94%	32.76%	25%	28%	34%	34%	37%
Tax to total revenue	79.39%	83.20%	81.90%	81.24%	76.99%	74%	75%	80%	79%	83%
Retail sales	1,131,226,655	1,022,374,200	1,022,374,200	1,011,233,762	993,146,881	961,584,628	927,031,277	931,658,517	876,693,672	844,414,875
Percent change	10.65%	1.10%	1.10%	1.82%	3.28%	3.73%	-0.50%	6.27%	4.19%	1.23%

Table 6
Unaudited

CITY OF SHAWNEE, KANSAS

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Tax Year	Budget Year	Total Tax Levy	Collection of Current Year Taxes	Percentage of Levy Collected	Collection of Delinquent Tax	Total Collections	Percentage of Levy Collected	
2020	2021	\$ 26,777,303	\$ 26,502,141	99.0%	\$ 59,477	\$ 26,561,617	99.2%	**
2019	2020	25,976,257	26,088,479	100.4%	(161,509)	25,926,970	99.8%	
2018	2019	24,602,289	23,996,069	97.5%	107,176	24,103,245	98.0%	
2017	2018	23,148,167	22,629,721	97.8%	56,847	22,686,568	98.0%	
2016	2017	21,980,869	21,585,221	98.2%	124,850	21,710,071	98.8%	
2015	2016	18,834,614	18,546,284	98.5%	228,999	18,775,283	99.7%	
2014	2015	17,614,376	17,241,522	97.9%	97,649	17,339,171	98.4%	
2013	2014	17,019,915	16,669,461	97.9%	110,679	16,780,140	98.6%	
2012	2013	16,760,221	16,510,395	98.5%	185,800	16,696,195	99.6%	
2011	2012	17,025,327	16,636,729	97.7%	353,241	16,989,970	99.8%	*

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

**Budget Year 2020 had negative delinquent tax collections.

The County made adjustments to some delinquencies that are reflected in 2020 Actuals.

Table 7
Unaudited

CITY OF SHAWNEE, KANSAS

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

Tax Year	Fiscal Year	Total Real Estate	Personal Property	State Assessed Utilities	Total Taxable Assessed Value **	Total Real Property Actual Value	Personal Property Estimated Actual Value	Utilities Estimated Actual Value	Total Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
2020	2021	\$ 971,275,954	\$ 8,485,201	\$ 30,668,341	\$ 1,010,429,496	\$ 7,362,177,470	\$ 28,284,003	\$ 92,934,367	\$ 7,483,395,840	13.50%	26.625
2019	2020	937,698,269	8,811,583	29,100,040	975,609,892	7,051,528,380	29,371,943	88,181,939	7,169,082,263	13.61%	26.625
2018	2019	887,486,897	9,225,809	27,614,858	924,327,564	6,643,873,850	30,752,697	83,681,388	6,758,307,935	13.80%	26.617
2017	2018	834,594,524	9,781,765	25,407,318	869,783,607	6,248,288,840	32,605,883	76,991,873	6,357,886,596	13.68%	26.617
2016	2017	790,639,864	10,246,693	24,866,944	825,753,501	5,900,269,930	34,155,643	75,354,376	6,009,779,949	13.74%	26.611
2015	2016	732,599,423	10,570,239	24,462,050	767,631,712	5,526,699,970	35,234,130	74,127,424	5,636,061,524	13.62%	24.536
2014	2015	683,602,811	12,203,689	22,713,533	718,520,033	5,179,878,970	40,678,963	68,828,888	5,289,386,821	13.58%	24.520
2013	2014	646,392,306	14,442,158	21,080,450	681,914,914	4,919,568,420	48,140,527	63,880,152	5,031,589,098	13.55%	24.959
2012	2013	636,010,360	15,581,454	21,131,085	672,722,899	4,844,198,680	51,938,180	64,033,591	4,960,170,451	13.56%	24.914
2011	2012	650,184,821	18,322,413	19,885,457	688,392,691	4,925,664,170	61,074,710	60,258,961	5,046,997,841	13.64%	24.732

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

Pursuant to Article 11, Section 1 of the State of Kansas Constitution

Assessment Rates

Residential - 11.5%

Commercial - 25%

Agriculture - 30%

Not for Profit - 12%

Real Property Used for Commercial/Industrial Located Upon Land Devoted to Agricultural Use - 25%

Other Urban and Rural Real Property not Otherwise Specifically Subclassified - 30%

Personal Property - 30%

State Assessed Utilities - 33%

CITY OF SHAWNEE, KANSAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS

Tax Year Ended December 31,	Fiscal Year Ended December 31,	City Direct Rates			State	County
		General & Special Revenue	Debt Service	Total Direct		
2020	2021	20.964	5.040	26.004	1.500	18.564
2019	2020	21.423	5.078	26.501	1.500	18.799
2018	2019	21.016	5.601	26.617	1.500	20.246
2017	2018	20.813	5.801	26.614	1.500	19.318
2016	2017	19.260	7.351	26.611	1.500	19.590
2015	2016	16.931	7.605	24.536	1.500	19.582
2014	2015	16.120	8.400	24.520	1.500	17.764
2013	2014	17.248	7.711	24.959	1.500	17.764
2012	2013	15.707	9.207	24.914	1.500	17.745
2011	2012	15.039	9.693	24.732	1.500	17.700

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

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

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

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

Table 8
Unaudited

Overlapping Rates						
Library	County Community College	Park	Total Overlapping Without Schools	School District Shawnee Mission (512-HS6)	School District DeSoto (SD-232)	School District Olathe (SD-233)
3.908	8.575	3.096	61.647	51.667	61.949	68.282
3.905	9.191	3.093	62.989	52.351	62.284	69.138
3.901	9.266	3.088	64.618	52.427	64.841	70.665
3.921	8.966	3.112	63.431	53.663	67.467	71.174
3.915	8.938	3.102	63.656	54.940	68.864	67.774
3.912	9.469	3.101	62.100	54.059	74.461	67.764
3.157	9.461	2.349	58.751	55.911	71.951	67.868
3.157	9.461	2.349	59.190	55.911	71.951	67.868
3.155	9.551	2.347	59.212	55.611	79.984	69.486
3.145	8.776	2.343	58.196	55.766	82.262	69.618

Table 9
Unaudited

CITY OF SHAWNEE, KANSAS
PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2020 Tax Year/2021 Fiscal Year			Taxpayer	2011 Tax Year/2012 Fiscal Year		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Wal-Mart Real Estate Business Trust	\$ 8,958,002	1	0.90%	Westar Energy	\$ 5,855,630	1	0.85%
Elanco Us Inc	7,391,189	2	0.70%	The Shawnee Station LLC	5,221,251	2	0.76%
Thf Shawnee Station, LLC	7,242,751	3	0.70%	Kansas City Power and Light	4,387,433	3	0.64%
10 Quivira Plaza 14 A LLC	6,717,254	4	0.70%	Greens at Shawnee	3,292,450	4	0.48%
Shawnee Associates, LLC	5,169,270	5	0.50%	Kansas Gas Service	3,211,891	5	0.47%
Target Corporation	3,898,501	6	0.40%	Wal-Mart	3,087,859	6	0.45%
Shawnee Multifamily LLC	3,601,455	7	0.40%	Tower Properties Company	2,391,425	7	0.35%
LIT Industrial Limited Partnership	3,488,752	8	0.30%	ZCOF TL Ten Quivira LLC	2,350,002	8	0.34%
Tower Properties Company	3,453,067	9	0.30%	Southwestern Bell Telephone	2,333,469	9	0.34%
Pinegate West Associates	3,275,200	10	0.30%	Deffenbaugh Industries, Inc.	2,330,132	10	0.34%
Total	<u>\$ 53,195,441</u>		<u>5.20%</u>		<u>\$ 34,461,542</u>		<u>5.02%</u>
City of Shawnee	<u>\$ 1,010,429,496</u>				<u>\$ 688,392,691</u>		

Source: Johnson County Clerk's Office

CITY OF SHAWNEE, KANSAS

SALES TAX RATES
LAST TEN YEARS

Fiscal Year	City Sales	County Sales	County Public Safety Sales	County Public Safety Sales	County Research Triangle
2021	1.00%	0.50%	0.25%	0.25%	0.125%
2020	1.00%	0.50%	0.25%	0.25%	0.125%
2019	1.00%	0.50%	0.25%	0.25%	0.125%
2018	1.00%	0.50%	0.25%	0.25%	0.125%
2017	1.00%	0.50%	0.25%	0.25%	0.125%
2016	1.00%	0.50%	0.25%	0.25%	0.125%
2015	1.00%	0.50%	0.25%	0.00%	0.125%
2014	1.00%	0.50%	0.25%	0.00%	0.125%
2013	1.00%	0.50%	0.25%	0.00%	0.125%
2012	1.00%	0.50%	0.25%	0.00%	0.125%

Tax Rates from Kansas Department of Revenue

Table 10
Unaudited

County Stormwater	Public Safety	Park and Pipes Sales	State	City Public Safety	Pavement Sales	Total Direct
0.10%	0.25%	0.125%	6.50%	0.125%	0.375%	9.600%
0.10%	0.25%	0.125%	6.50%	0.125%	0.375%	9.600%
0.10%	0.25%	0.125%	6.50%	0.125%	0.375%	9.600%
0.10%	0.25%	0.125%	6.50%	0.125%	0.375%	9.600%
0.10%	0.25%	0.125%	6.50%	0.125%	0.375%	9.600%
0.10%	0.25%	0.125%	6.50%	0.125%	0.375%	9.350%
0.10%	0.25%	0.125%	6.15%	0.125%	0.000%	8.625%
0.10%	0.25%	0.125%	6.30%	0.125%	0.000%	8.775%
0.10%	0.25%	0.125%	6.30%	0.125%	0.000%	8.775%

CITY OF SHAWNEE, KANSAS

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Fiscal Year	General Obligation Bonds	Revolving Loan	Capital Leases	Temporary Notes	Total Primary Government
2021	\$ 106,319,249	\$ -	\$ 597,622	\$ -	\$ 106,916,871
2020	64,210,198	-	900,765	-	65,110,963
2019	66,608,870	-	1,194,638	-	67,803,508
2018	46,701,060	-	1,564,723	250,000	48,515,783
2017	44,893,028	-	834,036	500,000	46,227,064
2016	46,715,583	-	1,105,386	745,000	48,565,969
2015	55,821,170	-	1,368,944	-	57,190,114
2014	65,556,065	-	1,624,992	-	67,181,057
2013	70,682,435	96,151	2,066,719	3,610,000	76,455,305
2012	75,236,974	102,979	1,853,118	-	77,193,071

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

* See Table 14 for personal income and population data.

** See Table 7 for property value data.

Table 11
Unaudited

Debt Service Restricted Fund Balance	General Obligation Bonds Net of Debt Service Restriction	Total Outstanding Debt		General Obligation Debt Outstanding Net of Debt Service Restriction	
		Percentage of Personal Income*	Per Capita*	Percentage of Actual Taxable Value** of Property	Per Capita*
\$ 3,869,583	\$ 102,449,666	1.922%	\$ 1,550	10.14%	\$ 1,486
2,585,328	61,624,870	1.193%	963	6.32%	911
1,394,755	65,214,115	1.195%	1,014	7.06%	976
1,222,393	45,478,667	1.006%	732	5.23%	686
977,983	43,915,045	1.031%	703	5.32%	667
442,606	46,272,977	1.126%	744	6.03%	709
908,200	54,912,970	1.358%	884	7.64%	849
1,342,180	64,213,885	1.687%	1,047	9.42%	1,001
3,158,204	67,524,231	2.035%	1,202	10.04%	1,061
2,955,597	72,281,377	2.110%	1,219	10.50%	1,142

Table 12
Unaudited

CITY OF SHAWNEE, KANSAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt to be repaid with property taxes:			
Johnson County	\$ 303,484,571	8.79%	\$ 26,676,294
Johnson County Parks & Recreation	44,746,216	8.79%	3,933,192
U.S.D. #232 (DeSoto)	175,153,593	69.29%	121,363,925
U.S.D. #233 (Olathe)	507,569,868	0.97%	4,923,428
U.S.D. #512 (Shawnee Mission)	433,625,061	13.01%	56,414,620
Subtotal overlapping debt			213,311,459
City direct debt	106,916,871	100.0%	106,916,871
Total direct and overlapping debt			\$ 320,228,330

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

Johnson County and City of Shawnee debt as of 12/31/21. Other debt as of 6/30/21.

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

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

CITY OF SHAWNEE, KANSAS

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

December 31, 2021

	2021	2020	2019	2018
Debt limit	\$ 335,505,497	\$ 324,277,666	\$ 307,642,192	\$ 290,227,030
Total net debt applicable to limit	67,854,906	29,649,184	27,966,770	41,962,607
Legal debt limit	<u>\$ 267,650,591</u>	<u>\$ 294,628,482</u>	<u>\$ 279,675,422</u>	<u>\$ 248,264,423</u>
Total net debt applicable to the limit as a percentage of debt limit	20.2%	9.1%	9.1%	14.5%

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

Legal Debt Margin Calculation for Year Ended December 31, 2021

Assessed valuation of taxable tangible property	\$ 1,010,429,496
Equalized valuation of motor vehicles	<u>107,922,159</u>
Equalized assessed tangible valuation for computation of bonded debt limitations	<u>\$ 1,118,351,655</u>
Legal debt limit (30%)	\$ 335,505,497
Less: general obligation bonds	99,130,000
Plus: exempt refinanced and stormwater debt	27,405,511
Plus: Debt Service Fund fund balance	<u>3,869,583</u>
Legal debt margin	<u>\$ 267,650,591</u>
Percentage of debt capacity used	<u>20.2%</u>

Table 13
Unaudited

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 275,813,145	\$ 257,078,928	\$ 241,499,251	\$ 229,489,885	\$ 226,510,536	\$ 231,327,469
<u>41,027,017</u>	<u>43,382,394</u>	<u>51,636,800</u>	<u>60,562,820</u>	<u>65,916,796</u>	<u>70,714,403</u>
<u><u>\$ 234,786,128</u></u>	<u><u>\$ 213,696,534</u></u>	<u><u>\$ 189,862,451</u></u>	<u><u>\$ 168,927,065</u></u>	<u><u>\$ 160,593,740</u></u>	<u><u>\$ 160,613,066</u></u>
14.9%	16.9%	21.4%	26.4%	29.1%	30.6%

Table 14
Unaudited

CITY OF SHAWNEE, KANSAS

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

December 31, 2021

Fiscal Year	City Population ^(a)	County Population ^(b)	City Population Percent Change	Per Capita Personal Income ^(c)	Personal Income ^(d)	City Unemployment Rate ^(e)	State Unemployment Rate ^(e)
2021	68,958	*607,220	2.0%	*80,681	5,563,600,398	1.7%	2.8%
2020	67,626	607,220	1.2%	80,681	5,456,136,444	3.6%	4.7%
2019	66,839	602,401	0.8%	78,742	5,675,633,685	2.6%	3.2%
2018	66,290	596,767	0.8%	75,178	4,820,409,930	2.6%	3.3%
2017	65,795	589,609	0.8%	71,940	4,484,455,610	2.8%	3.6%
2016	65,260	584,451	0.9%	66,063	4,311,271,380	3.5%	4.2%
2015	64,680	580,159	0.8%	65,097	4,210,473,960	3.4%	4.2%
2014	64,170	574,096	0.9%	62,044	3,981,363,480	4.0%	4.5%
2013	63,622	566,933	0.5%	59,062	3,757,642,564	4.7%	4.9%
2012	63,300	559,836	0.0%	57,803	3,658,929,900	3.8%	5.3%

Note a: City of Shawnee Planning Department

Note b: From Johnson County, Kansas

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

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

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

* Johnson County population and per capita personal income not available at the time of this publication

CITY OF SHAWNEE, KANSAS

PRINCIPAL EMPLOYERS

December 31, 2021 and Nine Years Ago

Employer	2020 Tax Year/2021 Fiscal Year		
	Employees	Rank	Percentage of Total Employment
FedEx Ground Package System, Inc.	1,000	1	2.69%
Waste Management of Kansas City	650	2	1.75%
De Soto Unified School District No. 232	622	3	1.67%
Shawnee Mission School District	542	4	1.46%
TriRX Pharmaceutical Services	330	5	0.89%
City of Shawnee	330	6	0.89%
McLane Food Company	320	7	0.86%
Wal-Mart Super Center	300	8	0.81%
Kraft Tool	260	9	0.70%
Hy-Vee Food Stores	250	10	0.67%
Total	4,604		
City of Shawnee	37,231		

Source: County Economic Research Institute, Inc. and Kansas Labor Information Center, <https://klic.dol.ks.gov>

Table 15
Unaudited

Employer	2011 Tax Year/2012 Fiscal Year		
	Employees	Rank	Percentage of Total Employment
De Soto Unified School District No. 232	950	1	2.90%
FedEx Ground Package Systems, Inc.	950	2	2.90%
Deffenbaugh Industries	750	3	2.29%
Bayer HealthCare, LLC	583	4	1.78%
Perceptive Software, Inc.	551	5	1.68%
Wal-Mart	450	6	1.37%
City of Shawnee	271	7	0.83%
Hy-Vee Food & Drug Store	230	8	0.70%
McClane Food Service	200	9	0.61%
Target	196	10	0.60%
Total	5,131		
City of Shawnee	32,736		

CITY OF SHAWNEE, KANSAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2021	2020	2019
Police			
Physical Arrests*	1,971	1,460	2,282
Parking Citations	33	34	53
Traffic Accidents	880	707	980
Fire			
Fire/Explosion Calls	166	168	179
Rescue Calls	4,542	4,374	4,437
Hazardous Incident Calls **	-	-	-
Other Incident Calls***	824	197	847
Service Calls	591	537	422
False Calls	457	440	524
Public Works			
Snow Removal/Sanding (Man-Hours)	4,269.00	1,607.50	6,940.00
Parks & Recreation			
Aquatic Centers (Total Revenue)	788,635	-	773,764
Sports Programs (Total Revenue)	44,802	30,619	65,607
Facilities/Grounds Rental (Total Revenue)	199,169	121,178	311,929

* - New record management system in the Police Department beginning in 2019 tracks all arrests not just custodial arrests.

** - Hazardous Incident Calls are grouped under Other Incident Calls beginning in 2017.

*** - Tracking for Other Incident Calls began in 2015

Source: City of Shawnee Budget Document

Table 16
Unaudited

2018	2017	2016	2015	2014	2013	2012
792	907	938	793	746	761	861
62	41	45	70	91	90	140
1,011	912	929	924	903	865	894
155	182	125	136	183	162	215
4,313	3,934	3,517	3,447	3,609	3,249	3,153
-	-	200	232	230	192	167
246	254	57	53	-	-	-
1,134	1,108	1,225	1,215	1,181	1,571	1,250
456	487	485	481	442	386	341
1,848.00	1,731.00	1,803.00	4,071.75	6,122.25	7,601.00	1,415.00
794,902	730,551	733,833	672,250	678,420	650,050	715,685
65,028	64,764	63,719	65,140	7,163	72,035	69,123
304,070	289,756	407,260	356,533	357,729	321,223	319,954

Table 17
Unaudited

CITY OF SHAWNEE, KANSAS

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

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government:										
City Manager	6.00	6.00	6.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00
Legal	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Licensing/HR	8.00	7.00	7.00	8.00	6.00	5.00	5.00	5.00	5.00	5.00
Communications	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00
Finance	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00
IT	12.00	12.00	11.00	12.00	12.00	11.00	10.00	9.00	9.00	9.00
Municipal court	5.00	5.00	5.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Planning	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Engineering	10.00	9.00	8.00	10.00	11.00	12.00	11.00	10.00	10.00	10.00
Public Works	46.00	46.00	47.00	46.00	46.00	41.00	40.00	40.00	40.00	40.00
Police	119.00	119.00	117.00	115.00	109.00	108.00	107.00	109.00	109.00	108.00
Fire										
Fire	76.00	76.00	73.00	72.00	72.00	60.00	59.00	58.00	58.00	55.00
Building Inspection	11.00	11.00	11.00	10.00	10.00	9.00	8.00	8.00	8.00	8.00
Parks and Recreation										
Parks Maintenance	10.00	10.00	10.00	10.00	9.00	9.00	9.00	9.00	9.00	9.00
Civic Centre	7.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	6.00
Old Shawnee Town	5.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Total	329.00	327.00	320.00	315.00	303.00	284.00	278.00	277.00	275.00	271.00

Source: City of Shawnee, Kansas.

Table 18
Unaudited

CITY OF SHAWNEE, KANSAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire										
Stations	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Works										
Center Line Miles	347.10	345.46	344.30	344.00	343.00	339.70	336.40	336.40	337.80	336.00
Streetlights	6,438	6,346	6,319	4,370	4,333	4,244	4,213	4,179	4,184	4,157
Parks & Recreation										
Parks	36.00	35.00	35.00	35.00	35.00	35.00	35.00	34.00	34.00	34.00
Civic Centre	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Pools	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Old Shawnee Town (Historical Buildings)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: City of Shawnee Budget Document

CITY OF SHAWNEE, KANSAS

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
CDBG - Entitlement Grants Cluster:		
Community Development Block Grants/Entitlement Grants	14.218	\$ 171,926
Total CDBG - Entitlement Grants Cluster		<u>171,926</u>
Total U.S. Department of Housing and Urban Development		<u>171,926</u>
<u>U.S. Department of Justice</u>		
Bulletproof Vest Partnership Program	16.607	15,565
Coronavirus Emergency Supplemental Funding Program	16.034	31,057
Passed Through City of Olathe, Kansas:		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12,153
Passed Through Crime Victims Compensation Board of Kansas:		
Crime Victim Compensation	16.576	<u>200</u>
Total U.S. Department of Justice		<u>58,975</u>
<u>Executive Office of the President, Office of National Drug Control Policy</u>		
Passed Through Kansas Bureau of Investigation:		
High Intensity Drug Trafficking Areas	95.001	<u>3,654</u>
Total Executive Office of the President, Office of National Drug Control Policy		<u>3,654</u>
<u>U.S. Department of Transportation</u>		
Passed Through Kansas Department of Transportation:		
Transit Services Programs Cluster:		
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	<u>7,890</u>
Total Transit Services Programs Cluster		<u>7,890</u>
Highway Safety Cluster:		
State and Community Highway Safety	20.600	16,598
National Priority Safety Programs	20.616	<u>3,657</u>
Total Highway Safety Cluster		<u>20,255</u>
Highway Planning and Construction Cluster:		
Highway Planning and Construction	20.205	<u>2,849,500</u>
Total Highway Planning and Construction Cluster		<u>2,849,500</u>
Total U.S. Department of Transportation		<u>2,877,645</u>
Total Expenditures of Federal Awards		<u>\$ 3,112,200</u>

The accompanying notes are an integral part of this schedule.

CITY OF SHAWNEE, KANSAS

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2021

1. Organization

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

2. Basis of Presentation

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

3. Local Government Contributions

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

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the City's grant programs for economy and efficiency and program results that may result in disallowed costs to the City. However, management does not believe such audits would result in any disallowed costs that would be material to the City's financial position at December 31, 2021.

5. Outstanding Loans

The City did not have any outstanding loans under any federal grants as of December 31, 2021.

6. Pass Through Numbers

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

CITY OF SHAWNEE, KANSAS

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified that are not
considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified that are not
considered to be material weaknesses? Yes X None reported

Type of auditor's report issued
on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be
reported in accordance with section 510(a)
of Uniform Guidance? Yes X No

Identification of major programs:

CFDA Number(s)

20.205

Name of Federal Program or Cluster

Highway Planning and Construction Cluster

Dollar threshold used to distinguish between
type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X No

CITY OF SHAWNEE, KANSAS

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended December 31, 2021

Section II - Financial Statement Findings

Prior Year Findings

Finding 2020-001

Condition: The City did not properly recognize revenue in the governmental fund financial statements. The City has established a period of availability of sixty days subsequent to year-end for recognition of certain revenues in a given year, including grant revenues. This is consistent with the GAAP requirement that revenue is recognized in the governmental fund financial statements once it is both measureable and available. Specifically, there were instances where the City recorded revenue for cash receipts not received within the period of availability. These receivables should have been recognized as deferred inflows of resources for unavailable revenue.

Criteria: Management is responsible for establishing and maintaining effective internal controls over financial reporting which should be designed to prevent or detect and correct misstatements to the financial statements on a timely basis.

Cause: Internal factors related to the tracking and submission of reimbursable grant expenditures, led to later submission of reimbursement requests than in prior years. The City did not have an adequate process in place to review all receivable amounts for proper revenue recognition.

Effect: Capital Project fund revenue was reduced, through an audit adjusting entry, by approximately \$2.3 million for receivables not collected within the period of availability required for revenue recognition and instead recorded as deferred inflows of resources as of December 31, 2020.

Recommendations: We recommend the City review all receivable amounts recorded as of year-end, to ensure they have been collected within the period of availability for proper revenue recognition.

Status: Resolved

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

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

Mayor and City Council
City of Shawnee, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of the City of Shawnee, Kansas (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 20, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

June 20, 2022

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

Mayor and City Council
City of Shawnee, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Shawnee, Kansas (the City), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Example Entity's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the City as of and for the year ended December 31, 2021, and have issued our report thereon dated June 20, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

June 20, 2022