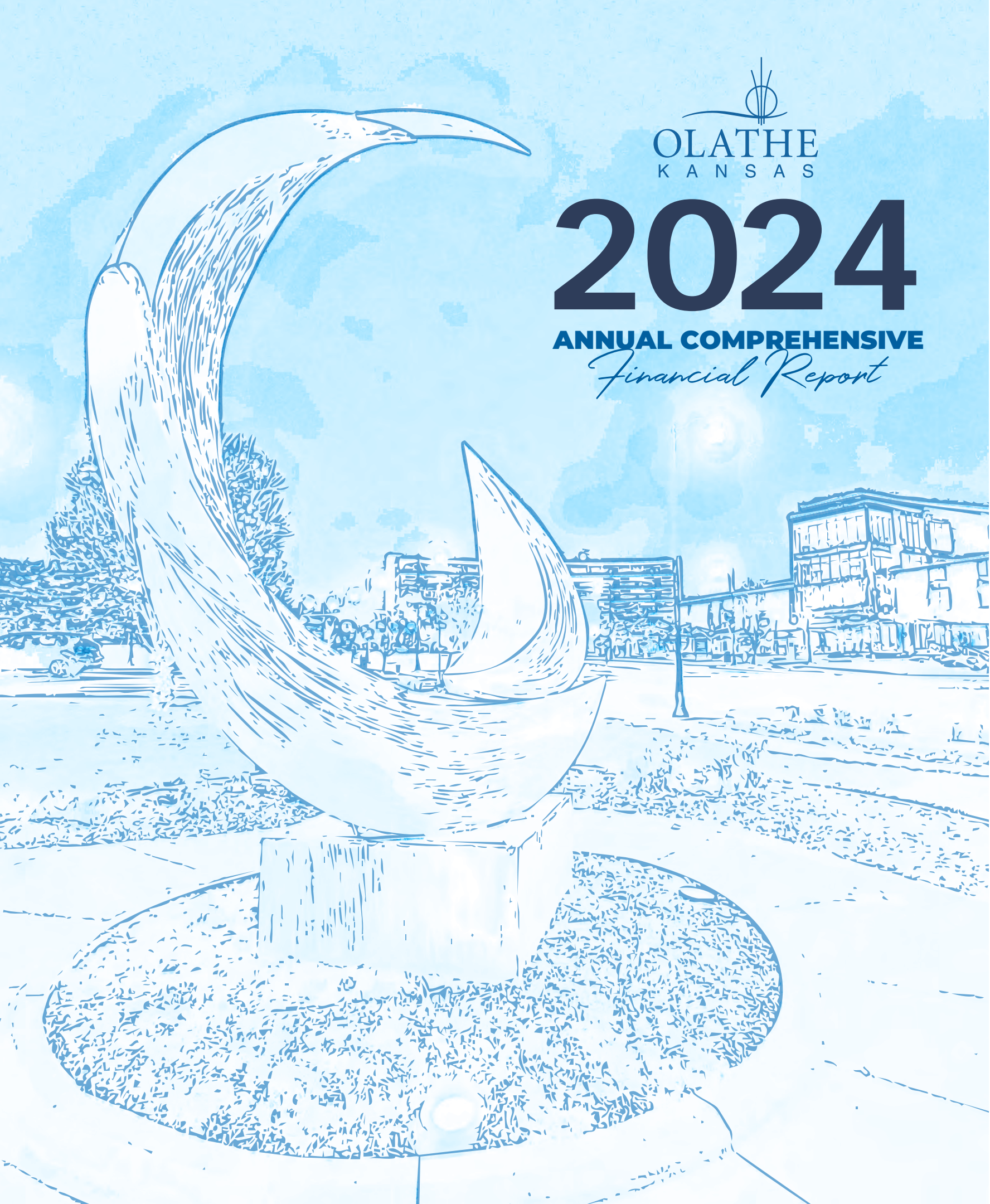




2024

ANNUAL COMPREHENSIVE
Financial Report



City of Olathe, Kansas

Annual Comprehensive Financial Report

Year Ended December 31, 2024

Principal Officials

Mayor

John Bacon

City Council

Robyn Essex

LeEtta Felter

Kevin Gilmore

Matthew Schoonover

Dean Vakas

Marge Vogt

City Manager

J. Michael Wilkes

Deputy City Manager

Susan E. Sherman

City Clerk

Brenda Swearingian

Legal Counsel

Ronald R. Shaver

Prepared by Economy Focus Area

Jamie Robichaud, Economy Director

Loretta Purvis, Financial Services Manager

John Clark, Senior Accountant

Janee Johnson, Senior Accountant

City of Olathe, Kansas
Annual Comprehensive Financial Report
Year Ended December 31, 2024

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SECTION
1

INTRO

[ACFR]
INTRODUCTORY

September 25, 2025

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



The Economy Focus Area is pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Olathe, Kansas (the City), for the fiscal year ended December 31, 2024. As outlined by Kansas Statutes Annotated, (K.S.A.) 75-1120a, this ACFR has been prepared in conformance with generally accepted accounting principles (GAAP). The objective is to provide a clear picture of the City as a single unified entity as well as providing traditional fund-based financial statements.

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

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

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

Profile of the City

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

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

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

Olathe has encountered tremendous growth over the last several decades and evolved into the dynamic community it is today. Olathe is the county seat of Johnson County, Kansas, the Greater Kansas City area's most affluent and fastest-growing county. Olathe's strong and steady growth began about 50 years ago. Olathe was still a small, rural town in the 1960s with a population of just over 10,000. Olathe began to experience a tremendous amount of growth that continues today, adding more than 59,000 new residents since 2000. The City estimates the 2024 population to be 149,035 making it the second largest city in Johnson County and the fourth largest city in the State. Olathe has blossomed not only into a full-blown city, but also a strong suburban community in the southwest portion of the metropolitan Kansas City area.

Factors Affecting Financial Condition

Local Economy

The City continues to be a fast-growing community. The recent expansion of industrial and commercial businesses provides new jobs for local and regional residents. The City has transformed from a bedroom community into a force in the Kansas City Metropolitan Area. It continues to be an attractive location for both families and businesses. At the end of 2024, the City's unemployment rate was approximately 3.6% compared to 3.6% for the State of Kansas and the national rate of 4.1%.

Major Initiatives

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

Providing excellent services at an excellent value has been, and continues to be, a consistent driver for the City. Citizen satisfaction remains exceptionally high. The City has achieved those results through community partnerships, public engagement, fostering a culture of innovation and excellence within its employees and technology. The 2024 DirectionFinder survey results demonstrate the City continues to be a leader in both the Kansas City metropolitan area and the nation in overall satisfaction as rated by residents. The survey shows most residents in Olathe (70%) are satisfied with the overall value received for the taxes and fees.

Long-Term Planning

Strategic

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

Tax Abatements

The City utilizes tax abatements, primarily through Industrial Revenue Bonds (IRBs), as a tool to stimulate development, revitalization, and long-term economic growth. These incentives help the City remain competitive with surrounding communities by reducing project costs for businesses through real property tax abatements and sales tax exemptions for construction materials. The City's goal is to attract high-quality development that creates new jobs, stimulates private investment, and strengthens the local tax base. Projects are evaluated for their alignment with the City's economic development strategic plan, land use plans, and infrastructure capacity. Under City Council Policy, the level of abatement granted is determined by project merit, with enhanced benefits available for projects located in targeted areas, aligned with targeted industries, or involving corporate headquarters. The City monitors compliance with abatement agreements to ensure ongoing alignment with stated goals, and return on investment is measured through factors such as job creation, capital investment, and long-term fiscal impact. These efforts support the City's strategic vision for sustained equitable economic growth and community development.

Capital and Financial

The City prepares a five-year Capital Improvement Plan (CIP). The CIP includes estimated costs for constructing, upgrading, and replacing the City's physical infrastructure. The fiscal year 2025-2029 CIP includes project costs totaling over \$1 billion. In preparing the capital budget, needs are assessed, public improvements are prioritized, and costs are projected. This budget is reviewed annually as projects are re-prioritized and the financial condition of the City is evaluated. The City has been building fund balance in the Debt Service Fund for several years which will help keep the mill levy rate constant as several major projects are bonded (Street Reconstruction and Arterial Improvements, Police Building Expansion-Phase II, Ridgeview, 143rd to 151st Improvements, 167th & 169 Hwy Overpass Improvements, 119th St. Woodland to Northgate improvements, and Cedar Creek Parkway South of College.

In addition to the infrastructure projects contained in the CIP, the City works closely with the Olathe Chamber of Commerce to aggressively promote economic development by attracting companies to locate or relocate facilities to Olathe. Retail manufacturing/distribution and office development continues to grow throughout the City. In 2024, nearly 1.3 million square feet of new construction development opened for an investment of \$142.72 million. Through economic initiatives, approximately 2,500 jobs were created or retained in 2024. Major projects in 2024 include:

- Heartland Coca-Cola Bottling Company, LLC is nearing completion of an approximately 660,000 square foot bottling, warehouse, and distribution facility located near 171st Street and Hedge Lane.
- 175 Commerce Center One, LLC completed an approximately 1,071,139 square foot industrial facility near the intersection of 175th Street and Hedge Lane within the City.
- CLOP Olathe KS LLC completed an approximately 90,000 square foot data center located at 23800 W. Valley Parkway.
- 1918, LLC is nearing completion of an approximately 320,000 square foot industrial facility near the intersection of 167th Street and 169 Highway within the City.
- Scannell Properties #717, LLC is nearing completion of an approximately 729,120 square foot industrial facility for General Mills near the intersection of 159th Street and S. Clare Road.
- LECC Building 5, LLC, is underway on constructing an approximately 204,880 square-foot industrial facility located at the intersection of S. Erickson Street and Monticello Road.
- Blue Springs Safety Storage South received approval of rezoning, preliminary development plan, and tax incentives for Park 169, a business park consisting of 1.5M square feet of industrial and warehouse facilities; representing a total investment of \$253 million and 1,033 new jobs over the next 10 years.

Budget Priorities

Budget priorities have also been established to ensure the City meets its responsibility to citizens to carefully account for public funds, manage municipal finances wisely, and plan for adequate funding of city

services and improvements. These priorities provide the framework for day-to-day decision making and are the foundation for long-term financial stability. They are reviewed by the City staff and City Council on an annual basis to ensure the City is prepared for changing circumstances and economic conditions. The Budget Priorities are listed below.

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

Budgetary Controls

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

Other Information

Independent Audit

The City's financial statements have been audited by Allen, Gibbs, & Houlik, L.C. as required by K.S.A. 75-1122. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the year ended December 31, 2024, are free from material misstatement. The independent auditors' report is presented at the beginning of the financial section of this report.

Single Audit

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

Awards

Recent City awards include:

- ETC Institute's "Leading the Way Award"
- National Society of Professional Engineers of Kansas Project of the Year Award

- American Council of Engineering Companies (ACEC) of Kansas Engineering Excellence Award
- 2024 Impact Award by the Mid-America Regional Council Solid Waste Management District
- Top Digital City (No. 4 in cities population 125k-249k) by Center for Digital Government
- Named 100 Best Fleets in North America (no. 67) by North America Fleet Association
- Public Health Policymaker of the Year Award from Kansas Public Health Association

Triple Crown Designation

For the 6th straight year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded Olathe with the Triple Crown designation. This recognition is awarded to governments that have received GFOA's Certificate of Achievement for Excellence in Financial Reporting (45 yrs), Popular Annual Financial Reporting Award (6 yrs), and the Distinguished Budget Presentation Award (18 yrs). Olathe is one of 356 recipients of this designation for 2024. We are happy to provide the citizens of Olathe financial information in an easily readable and efficiently organized report that satisfies both generally accepted accounting principles and applicable program requirements.

Acknowledgements

Many individuals contributed to the preparation of this report and for the maintenance of records upon which it is based. We want to express our appreciation to the entire Financial Services Division who were instrumental in the successful completion. We would also like to thank the City Council and City Manager's Office for their continued interest, support, and responsiveness in planning and conducting the financial operations of the City in a professional, responsible, and sound manner. Finally, we would like to extend the City's thanks to Allen, Gibbs, & Houlik, L.C. for the cooperation and professional assistance provided during the audit of the City's 2024 financial records.

Respectfully submitted,



Jamie Robichaud
Economy Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

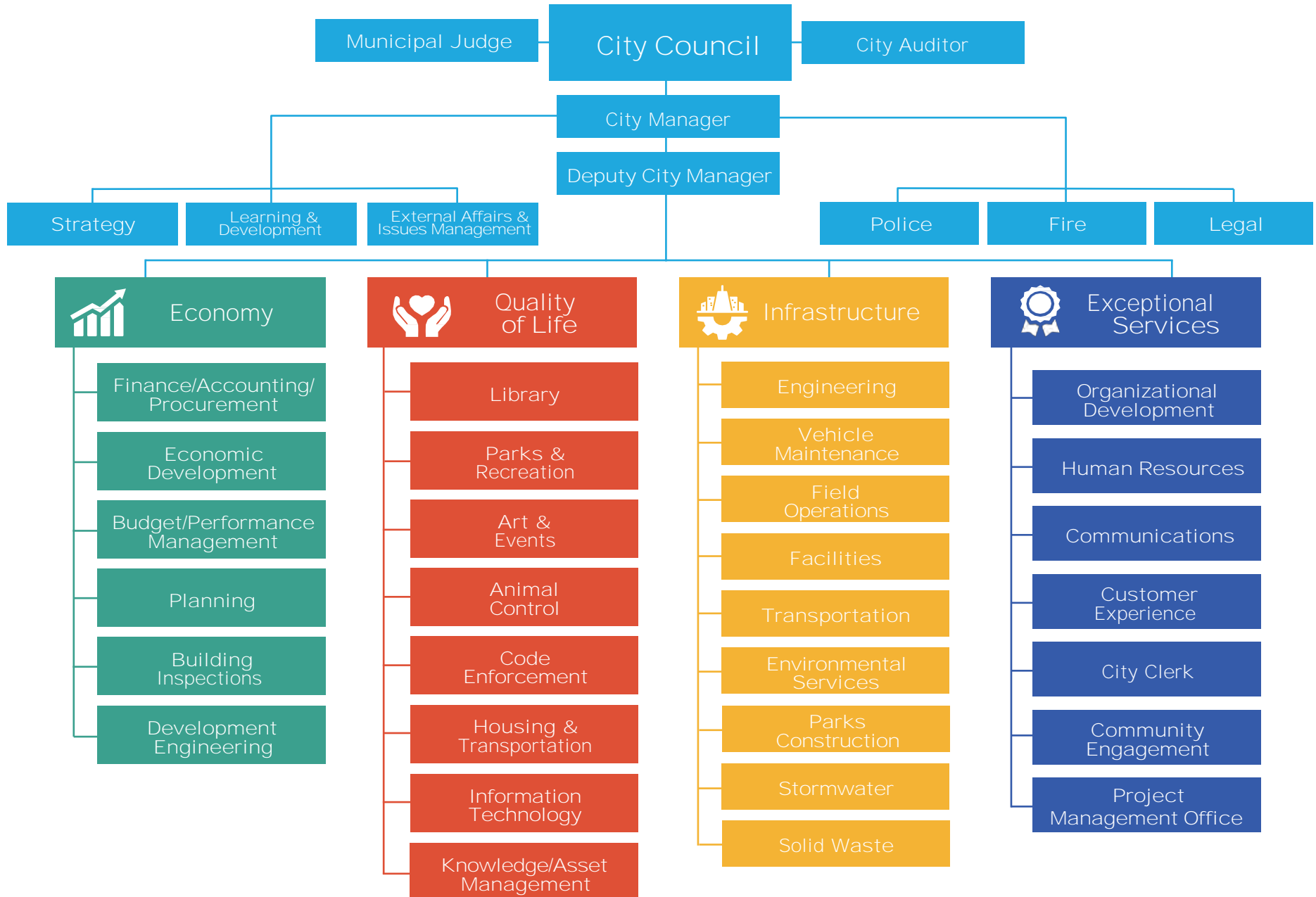
**City of Olathe
Kansas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Executive Director/CEO

CITY OF OLATHE, KANSAS FUTURE READY ORGANIZATION CHART



SECTION
2

FINANCIAL

[ACFR]
**FINANCIAL
SECTION**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members
City of Olathe, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, budgetary comparison information, and the aggregate remaining fund information of the City of Olathe, Kansas (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, budgetary comparison information, and the aggregate remaining fund information of the City of Olathe, Kansas, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1 to the financial statements, the financial statements have been restated for the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the financial statements have been restated for the discretely presented component unit to correct an error related to accrued liabilities reported in the prior year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which

consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an

integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Overland Park, KS
September 25, 2025

Management's Discussion and Analysis

As management of the City of Olathe (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the City's basic financial statements, and the related notes to the basic financial statements.

Financial Highlights

- **Net Position** – As of December 31, 2024, the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$1.078 billion. Of this total, \$123.9 million represents unrestricted net position, which may be used to meet the City's ongoing operational obligations.
- **Change in Net Position** - The City's net position from government activities increased by \$38.9 million or 5.7%, while the net position of its business-type activities saw an increase of \$9.7 million, or 2.8%.
- **Current and Other Assets** – Current and other assets increased by \$90 million, primarily driven by a \$64 million rise in cash and investments and a \$15 million increase in receivables. The growth in receivables was largely due to higher tax revenues (\$6.7 million), special assessments (\$6.4 million), and accrued interest (\$2.5 million). Additionally, intergovernmental revenue increased by \$20.3 million.
- **Capital Assets** - Capital assets increased by \$43.5 million in 2024. This growth was primarily driven by \$22.8 million in land purchases related to the major Santa Fe and I-35 project. Additional increases included \$6 million in construction in progress, \$8 million in building additions from the new composting facility and fire station modernizations, \$32 million in infrastructure, and \$1.7 million in right-to-use assets.
- **Net Pension Liability** - The City's net pension liability increased \$3 million, representing a 2.3% rise from the prior year.
- **Long-Term Liabilities** – The City's long-term liabilities increased by \$37.9 million, or 8.4%, in 2024. This growth was primarily driven by the issuance of additional general obligation bonds, which accounted for a net increase of \$15.7 million. Other contributing factors included the issuance of new revenue bonds, adding \$13.5 million, and the leasing of a new building, which resulted in an additional liability of approximately \$1.7 million.
- **Other Liabilities** - The City's Other liabilities increased by \$36 million, or 32.6%, primarily due to a \$35.1 million rise in temporary notes outstanding in 2024. This increase was driven by the initiation and redesign of the I-35 and Santa Fe interchange project, as well as the 119th Street improvements from Woodland to Northgate.
- **General Fund Balance** - As of December 31, 2024, the general fund balance was \$50.2 million, representing 37.5% of general fund revenues, exceeding the city's target reserve of 30%. This reflects an increase of \$3.8 million over the prior year's balance of \$46.4 million. The growth was primarily driven by a \$1.5 million increase in intergovernmental revenue, a \$1.3 million increase in property tax revenue and a combined \$1 million increase in charges for services and related fees. In addition, the City did not complete all budgeted transfers to capital projects in 2024 due to slowing sales tax revenue growth in order to ensure adequate reserves at a minimum of 30% are maintained into the future.

The Basic Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available, while expenditures are recorded when the related fund liability is incurred, except for long-term debt and other similar obligations, which are recognized when due. As a result, the emphasis is on the short-term financial activity of the individual funds rather than the overall financial position of the City. This approach provides useful insight into the city's immediate financial needs and short-term funding requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better

understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

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

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

Proprietary Funds

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

Notes to the Basic Financial Statements

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

Other Information

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

Analysis of Government-wide Statements

Net Position

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

| | Governmental Activities | | Business-type Activities | | Totals | |
|----------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-------------------------|-------------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Current and other assets | \$ 459,781,227 | \$ 379,120,708 | \$ 110,001,431 | \$ 100,231,899 | \$ 569,782,658 | \$ 479,352,607 |
| Capital assets | 913,025,285 | 882,105,520 | 402,266,250 | 389,683,244 | 1,315,291,535 | 1,271,788,764 |
| Total assets | 1,372,806,512 | 1,261,226,228 | 512,267,681 | 489,915,143 | 1,885,074,193 | 1,751,141,371 |
| Deferred outflows | 40,622,569 | 41,214,975 | 7,623,098 | 7,573,967 | 48,245,667 | 48,788,942 |
| Long-term liabilities | 348,394,017 | 318,198,227 | 136,989,582 | 127,505,137 | 485,383,599 | 445,703,364 |
| Net pension liability | 116,397,836 | 113,456,780 | 17,789,957 | 17,674,197 | 134,187,793 | 131,130,977 |
| Other liabilities | 141,601,119 | 108,598,718 | 6,262,746 | 2,928,597 | 147,863,865 | 111,527,315 |
| Total liabilities | 606,392,972 | 540,253,725 | 161,042,285 | 148,107,931 | 767,435,257 | 688,361,656 |
| Deferred inflows of resources | 84,441,931 | 78,448,390 | 3,016,282 | 3,283,682 | 87,458,213 | 81,732,072 |
| Net position | | | | | | |
| Net investment in capital assets | 503,915,901 | 524,954,857 | 295,719,924 | 289,481,637 | 799,635,825 | 814,436,494 |
| Restricted | 143,854,572 | 133,335,268 | 11,013,902 | 10,161,558 | 154,868,474 | 143,496,826 |
| Unrestricted | 74,823,705 | 25,448,963 | 49,098,386 | 46,454,302 | 123,922,091 | 71,903,265 |
| Total net position | \$ 722,594,178 | \$ 683,739,088 | \$ 355,832,212 | \$ 346,097,497 | \$ 1,078,426,390 | \$ 1,029,836,585 |

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Olathe, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1.08 billion at the close of the most recent fiscal year.

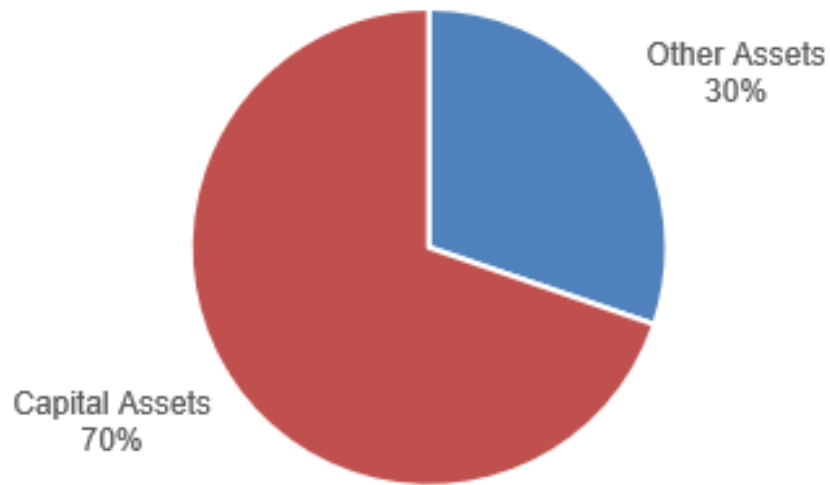
The largest portion of the City's net position \$799.6 million (74.1%) reflects its investments in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position \$154.9 million (14.3%) is restricted by external parties and must be used for specific purposes. The unrestricted net position, totaling \$123.9 million (11.5%), represents resources available to meet the City's ongoing obligations. During the current year, the City's overall net position grew by \$48.6 million (4.7%). This increase was primarily driven by substantial increases in current and capital assets due to land acquisition for major capital projects.

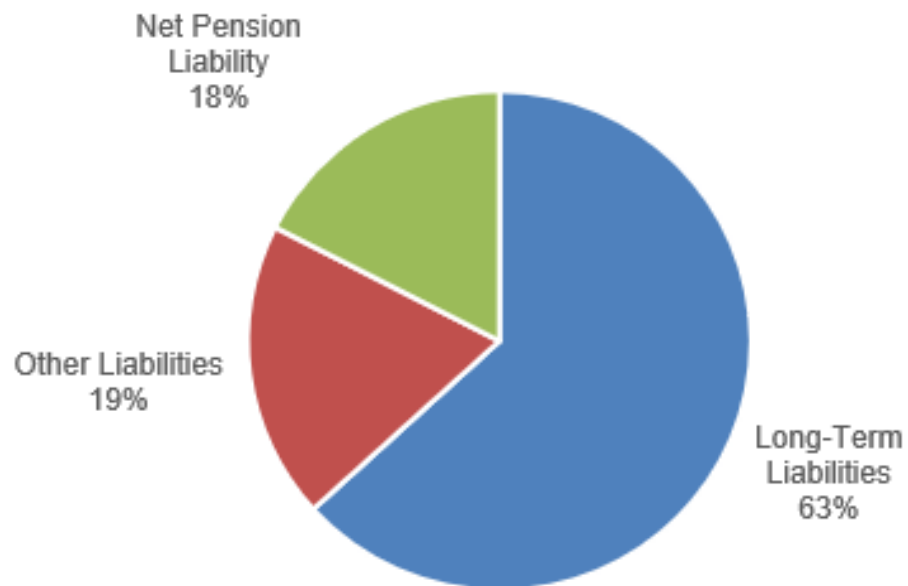
A review of the government-wide financial statement of net position reveals the following:

- The City ended the year with a positive net position of \$1,078,426,390.
- Total assets for the City were \$1,885,074,193. Of this total, \$1,315,291,535 were capital assets.
- Total liabilities for the City were \$767,435,257. Of these total liabilities, \$485,383,599 were long-term liabilities. The majority of the long-term liabilities are for debt issued for major capital projects. Debt issues are never extended longer than the useful life of the project for which debt is being issued.

Total Assets



Total Liabilities



Statement of Activities

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

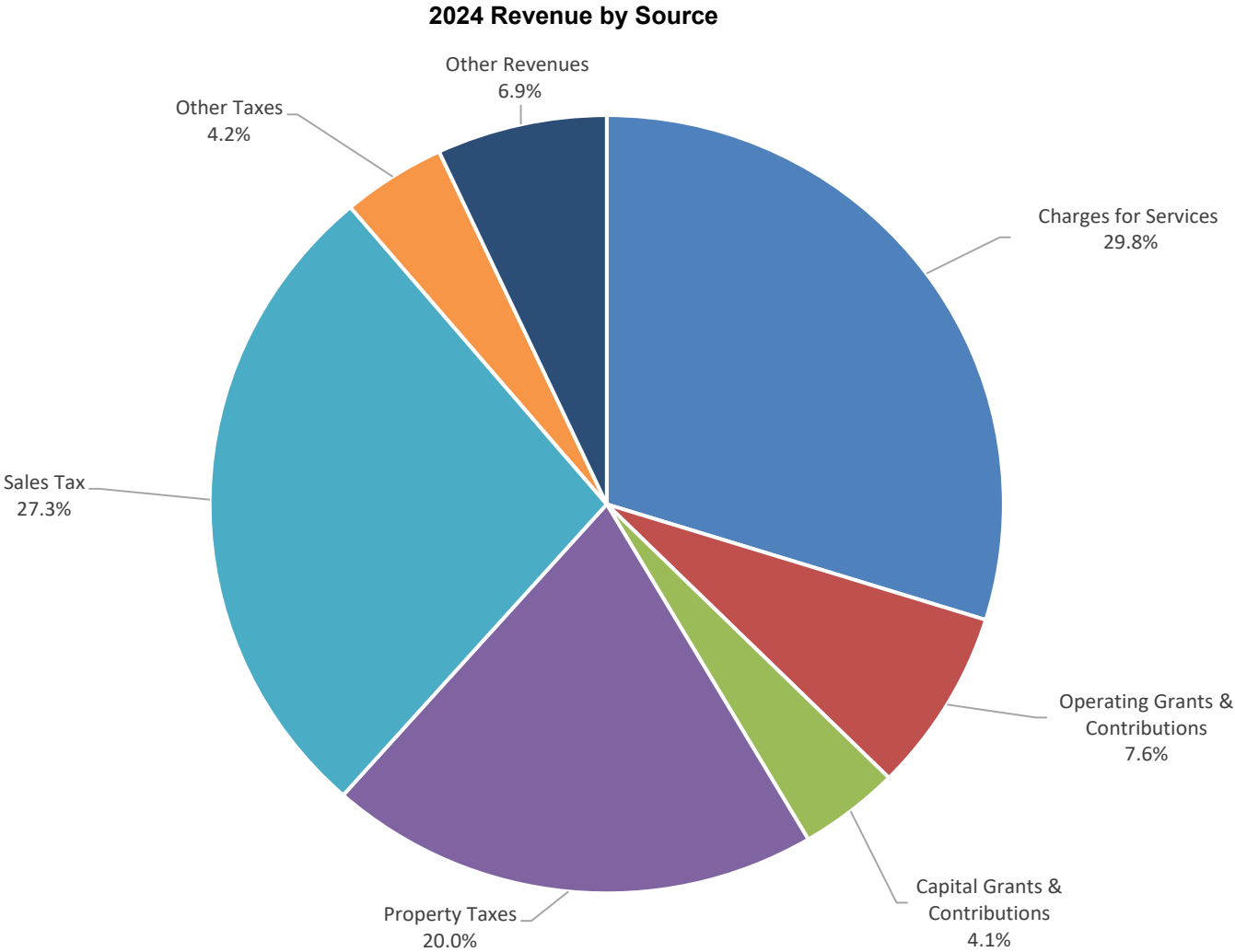
| | Governmental Activities | | Business-type Activities | | Totals | |
|--|-------------------------|-----------------------|--------------------------|-----------------------|-------------------------|-------------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 30,135,153 | \$ 30,027,156 | \$ 79,809,830 | \$ 80,022,426 | \$ 109,944,983 | \$ 110,049,582 |
| Operating grants and contributions | 28,053,871 | 14,460,040 | 20,000 | 95,116 | 28,073,871 | 14,555,156 |
| Capital grants and contributions | 15,167,636 | 8,113,217 | - | - | 15,167,636 | 8,113,217 |
| General revenues: | | | | | | |
| Property taxes | 73,886,168 | 67,214,992 | - | - | 73,886,168 | 67,214,992 |
| Sales tax | 100,620,729 | 100,366,061 | - | - | 100,620,729 | 100,366,061 |
| Other taxes | 15,616,810 | 14,897,428 | - | - | 15,616,810 | 14,897,428 |
| Interest | 17,361,060 | 12,912,855 | 5,427,880 | 3,557,877 | 22,788,940 | 16,470,732 |
| Other | 2,231,310 | 2,697,608 | 577,183 | 1,831,705 | 2,808,493 | 4,529,313 |
| Total revenues | 283,072,737 | 250,689,357 | 85,834,893 | 85,507,124 | 368,907,630 | 336,196,481 |
| Expenses: | | | | | | |
| General government | 53,646,806 | 34,618,744 | - | - | 53,646,806 | 34,618,744 |
| Public safety | 84,265,301 | 71,038,703 | - | - | 84,265,301 | 71,038,703 |
| Public works | 52,381,344 | 87,109,589 | - | - | 52,381,344 | 87,109,589 |
| Community services | 38,604,339 | 31,996,243 | - | - | 38,604,339 | 31,996,243 |
| Interest on long-term debt | 12,153,762 | 9,273,149 | - | - | 12,153,762 | 9,273,149 |
| Water and sewer | - | - | 57,705,380 | 53,411,543 | 57,705,380 | 53,411,543 |
| Solid waste | - | - | 19,534,823 | 17,885,269 | 19,534,823 | 17,885,269 |
| Total expenses | 241,051,552 | 234,036,428 | 77,240,203 | 71,296,812 | 318,291,755 | 305,333,240 |
| Excess revenues before transfers | 42,021,185 | 16,652,929 | 8,594,690 | 14,210,312 | 50,615,875 | 30,863,241 |
| Transfers | (1,416,213) | (186) | 1,416,213 | 186 | - | - |
| Change in net position | 40,604,972 | 16,652,743 | 10,010,903 | 14,210,498 | 50,615,875 | 30,863,241 |
| Net position - beginning of year, as previously reported | 683,739,088 | 667,086,345 | 346,097,497 | 331,886,999 | 1,029,836,585 | 998,973,344 |
| Restatement - See Note #1 | (1,749,882) | - | (276,188) | - | (2,026,070) | - |
| Net position - beginning of year, as restated | 681,989,206 | 667,086,345 | 345,821,309 | 331,886,999 | 1,027,810,515 | 998,973,344 |
| Net position - end of year | \$ 722,594,178 | \$ 683,739,088 | \$ 355,832,212 | \$ 346,097,497 | \$ 1,078,426,390 | \$ 1,029,836,585 |

The City's net position increased for governmental activities by \$40.7 million in 2024 compared to \$16.7 million in 2023. Below is a summary of the performance and highlights:

- Charges for services – Decreased slightly from the prior year despite rate increases of 6% in the water and sewer fund, and 3% in both the stormwater and solid waste funds. The decline was primarily due to seasonal weather patterns and a slower year for development in 2024 compared to 2023, which had higher development-related fee revenue.
- Grants and contributions – Increased \$20.5 million from the prior year, primarily due to a \$20.3 million rise in intergovernmental revenue. Capital project funding grew by \$11.3 million driven by the initiation and redesign of the I-35 and Santa Fe interchange project, as well as stormwater improvements. State and Local Fiscal Recovery Funds also contributed to this increase. Additionally, other governmental funds rose by \$7.5 million, supported by a \$4 million BASE grant for land acquisition and \$2.4 million in federal funding for the new training room at the police building expansion.
- Property taxes – Property tax revenue increased \$6.6 million in 2024, driven by a 13.5% increase in the City's assessed valuation in 2023 even with a 1 mill reduction.
- Interest – The City realized a \$6.3 million increase in investment earnings, attributable to favorable interest rates. This growth follows the implementation of contracted investment management services in 2022.
- Total expenses – Total expenses increased \$13 million or 4.24%. This rise reflects a nationwide trend of higher wages and benefits driven by record inflation, with the most significant impact seen in personnel costs which is the City's largest expense category. Inflation has also contributed to rising costs across contractual services, commodities and capital projects throughout the City.

The government-wide statement of activities shows that the primary source of program revenues is charges for water, sewer and solid waste services, totaling \$109 million and representing 29.8% of total revenues. Sales and use taxes are the second-largest resource of revenues, contributing \$100.6 million, or 27.3%. Property taxes follow, generating \$73.9 million, which accounts for 20% of general revenues.

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



The total cost of governmental and business-type activities was \$318 million. Of this amount, \$153 million was funded through program revenues, either directly from users who benefited from City services or from grants and contributions from other organizations. The remaining \$165 million was supported by general revenues, primarily funded by City taxpayers through property and sales taxes.

Analysis of the Fund Financial Statements

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

Governmental funds

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

The general fund serves as the primary operating fund of the City. At the end of 2024, the general fund balance totaled \$50,168,819, representing 37.5% of total general fund revenues and reflecting a 9.24% increase over the previous year's balance. This growth was primarily driven by a \$1.5 million increase in intergovernmental revenue, a \$1.3 million increase in property tax revenue and a combined \$1 million increase in charges for services and franchise fees. While revenues increased, the general fund also experienced a rise in expenditures, largely due to higher personnel costs associated with salary and insurance increases, as well as the broader impact of nationwide inflation. Transfers out of the general fund decreased by \$18.4 million. This reduction was due to several factors, including the elimination of budgeted transfers to the debt service fund, recreation fund and courthouse sales tax project, originally budgeted at \$11 million as well as a planned \$8.8 million transfer to capital projects that did not occur. Sales tax collections remained flat compared to 2023. In response, the city prioritized staying under budget to meet its reserve targets for 2024 and future years. The 2024 budget also included the addition of twelve full-time positions, with eight of those positions allocated to public safety.

The debt service fund ended the year with a total fund balance of \$81,267,391, representing a slight decrease of \$295,854, or 0.4%, compared to the prior year. This change is primarily due to a \$3.6 million increase in revenues, largely from investment income and property taxes. The fund balance is legally restricted for the payment of debt service obligations. A planned spend-down of this balance is outlined in the city's five-year capital plan, as the city undertakes several major infrastructure projects, including the Santa Fe interchange improvement from Ridgeview to Mur-Len and the 119th street improvements from Woodland to Northgate.

The capital projects fund had a fund balance of \$15,659,033 at the end of 2024, representing an increase of \$29 million compared to the prior year. This increase is primarily attributable to \$15 million in intergovernmental revenues, specifically grants received for major infrastructure projects referenced above. Additionally, the City issued \$19 million in new debt to finance various capital improvements. Further details on this debt issuance can be found in Note 8 of the Notes to the Basic Financial Statements.

The future street improvement and street maintenance sales tax funds are nonmajor funds that experienced decreases in fund balance of \$2.2 million and \$3.5 million, respectively, during 2024. These reductions were anticipated and are the result of budget transfers to support projects identified in the city's capital improvement plan.

Proprietary funds

The City's proprietary funds financial statements provide information similar to that presented in the government-wide financial statements, but with greater detail. The City reports the water and sewer fund and the solid waste fund as enterprise funds. These funds account for all activities required to provide these services including administration, operations, maintenance, financing and related debt service. Internal service fund activity is included within the governmental activities section of the government-wide financial statements.

Detailed discussion of fluctuations in these funds can be found in the government-wide statement of activities section above.

General Fund Budgetary Highlights

The legally adopted budget for the general fund was not amended by the Governing Body during 2024. However, City departments are permitted to transfer budget amounts between line items and activities as needed. During the year, actual revenues came in \$3 million (2.2%) below budget estimates. This was primarily driven by sales tax revenues, which were \$7 million under budget, as collections flattened and remained consistent with 2023 levels after several years of significant growth. In contrast, charges for services exceeded budgeted amounts by \$2.5 million from revenue of industrial revenue bond (IRB) issuances and city admin fees from sales tax revenues in tax increment financing (TIF) districts per adopted development agreements. Franchise fees and miscellaneous revenues came in below budget by \$733,000 and \$386,000, respectively. Total expenditures were \$37.8 million (13.7%) less than budgeted. As part of this budgeting process, a contingency reserve is included to cover unforeseen expenditures. Any funds allocated from this reserve are transferred to the appropriate department, so no direct expenditures are charged against the contingency line item. Of the total difference in the budgeted expenditures, \$41,702,614 is due to the restricted reserve.

Capital Asset and Debt Administration

Capital Assets

The total amount invested in capital assets for the City as of December 31, 2024 was \$1,315,291,535, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, vehicles and equipment, park and pool facilities, storm sewers, bridges, streets, water and sewer lines. The following chart details the City's capital asset balance by category. Additional information about the City's capital assets is presented in Note 5 to the basic financial statements.

| | Governmental Activities | | Business-type Activities | | Totals | |
|----------------------------------|-------------------------|----------------|--------------------------|----------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Land | \$ 148,730,465 | \$ 125,924,595 | \$ 4,730,825 | \$ 4,730,825 | \$ 153,461,290 | \$ 130,655,420 |
| Other nondepreciable assets | 42,405 | 41,385 | - | - | 42,405 | 41,385 |
| Land improvements | 2,610,513 | 2,145,968 | - | - | 2,610,513 | 2,145,968 |
| Buildings | 147,350,122 | 139,727,412 | 40,263,260 | 40,263,260 | 187,613,382 | 179,990,672 |
| Machinery & equipment | 105,031,717 | 99,269,317 | 6,280,589 | 6,280,589 | 111,312,306 | 105,549,906 |
| Swimming pools | 10,351,984 | 10,351,984 | - | - | 10,351,984 | 10,351,984 |
| Water system | - | - | 253,414,460 | 246,571,365 | 253,414,460 | 246,571,365 |
| Sewer system | - | - | 224,841,005 | 221,046,151 | 224,841,005 | 221,046,151 |
| Infrastructure | 943,842,743 | 919,912,459 | - | - | 943,842,743 | 919,912,459 |
| Books and materials | 4,861,005 | 4,622,577 | - | - | 4,861,005 | 4,622,577 |
| Construction in progress | 290,711,483 | 284,296,144 | 39,480,266 | 30,207,615 | 330,191,749 | 314,503,759 |
| Right of Use Asset | 1,937,718 | 225,738 | - | - | 1,937,718 | 225,738 |
| Right of Use Subscription Assets | 13,734,127 | 13,400,743 | 855,811 | 169,573 | 14,589,938 | 13,570,316 |
| Total capital assets | 1,669,204,282 | 1,599,918,322 | 569,866,216 | 549,269,378 | 2,239,070,498 | 2,149,187,700 |
| Less accumulated depreciation | 756,178,997 | 717,812,802 | 167,599,966 | 159,586,134 | 923,778,963 | 877,398,936 |
| Total capital assets, net | \$ 913,025,285 | \$ 882,105,520 | \$ 402,266,250 | \$ 389,683,244 | \$ 1,315,291,535 | \$ 1,271,788,764 |

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

- Compost Facility Pad Construction
- Lone Elm Park Phase II Storm Sewer
- Cedar Lake Lift Station Replacement
- Water Treatment Plant 2 Lime Feed Building

Long-term debt

As of December 31, 2024, the City had total bonded debt outstanding of \$386,181,737. Of this amount, \$244,550,000 is comprised of debt backed by the full faith and credit of the City and \$14,706,737 is special obligation tax increment financing debt and transportation development district debt payable solely from the specific TIF or TDD revenues. The remainder of the City's debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds). The rating for the City's general obligation bonds is a "AA+" rating from Standard & Poor's (S&P). The rating for the Water and Sewer Utility revenue bonds is a "AA" rating from S&P. Under current state statutes, the City's bonded debt issuances are subject to a legal limitation based on a percentage of the assessed valuation of real estate and personal property. As of December 31, 2024, the total general obligation debt of \$244,550,000 was well below the City's legal limit of \$888,278,634. A summary of the City's bonded debt outstanding as of December 31st can be found in the chart below. Additional information about the City's long-term debt is presented in Note 7 to the basic financial statements.

| | Governmental Activities | | Business-type Activities | | Totals | |
|--------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| General obligation bonds | \$ 243,125,000 | \$ 226,100,000 | \$ 1,425,000 | \$ 2,785,000 | \$ 244,550,000 | \$ 228,885,000 |
| Special obligation bonds | 14,706,737 | 16,576,162 | - | - | 14,706,737 | 16,576,162 |
| Revenue bonds | 10,020,000 | 5,545,000 | 116,905,000 | 106,860,000 | 126,925,000 | 112,405,000 |
| Total | <u>\$ 267,851,737</u> | <u>\$ 248,221,162</u> | <u>\$ 118,330,000</u> | <u>\$ 109,645,000</u> | <u>\$ 386,181,737</u> | <u>\$ 357,866,162</u> |

Requests for information

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

SECTION
3

FINANCIAL

[ACFR]
BASIC
FINANCIAL
Statements

City of Olathe, Kansas
Statement of Net Position
December 31, 2024

| | Primary Government | | | Discretely Presented Component Unit |
|--|----------------------------|-----------------------------|-------------------------|--|
| | Governmental Activities | Business-type Activities | Total | |
| Assets | | | | |
| Cash, cash equivalents, and investments | \$ 306,057,976 | \$ 73,819,712 | \$ 379,877,688 | \$ 763,028 |
| Cash held by trustee or restricted | 1,631,332 | 11,013,902 | 12,645,234 | - |
| Receivables (net of allowance) | | | | |
| Taxes | 99,104,419 | - | 99,104,419 | - |
| Special assessments | 34,388,481 | - | 34,388,481 | - |
| Accounts | 1,950,613 | 8,699,151 | 10,649,764 | 184,019 |
| Accrued interest | 8,062,070 | - | 8,062,070 | - |
| Loans | 4,333,244 | - | 4,333,244 | - |
| Leases | 1,691,403 | 2,593,585 | 4,284,988 | - |
| Internal balances | (11,999,986) | 11,999,986 | - | - |
| Due from other governments | 12,020,445 | - | 12,020,445 | - |
| Inventories and other prepaid items | 2,530,230 | 1,875,095 | 4,405,325 | 321,210 |
| Capital assets: | | | | |
| Land and construction in progress | 439,484,353 | 44,211,091 | 483,695,444 | - |
| Other capital assets, net of accumulated depreciation | 473,540,932 | 358,055,159 | 831,596,091 | 1,859,007 |
| Other assets | 11,000 | - | 11,000 | - |
| Total assets | <u>1,372,806,512</u> | <u>512,267,681</u> | <u>1,885,074,193</u> | <u>3,127,264</u> |
| Deferred Outflows of Resources | | | | |
| KPERS pension | 29,295,281 | 5,082,652 | 34,377,933 | - |
| OPEB | 11,071,010 | 1,817,777 | 12,888,787 | - |
| KPERS OPEB | 238,971 | 39,869 | 278,840 | - |
| Deferred amounts on refunding | 17,307 | 682,800 | 700,107 | - |
| Total deferred outflows of resources | <u>40,622,569</u> | <u>7,623,098</u> | <u>48,245,667</u> | <u>-</u> |
| Total assets and deferred outflows of resources | <u>\$ 1,413,429,081</u> | <u>\$ 519,890,779</u> | <u>\$ 1,933,319,860</u> | <u>\$ 3,127,264</u> |
| Liabilities | | | | |
| Accounts and other current liabilities | \$ 17,164,154 | \$ 5,726,838 | \$ 22,890,992 | \$ 275,838 |
| Interest payable | 10,874,017 | 123,109 | 10,997,126 | - |
| Unearned revenue | 5,250,497 | - | 5,250,497 | - |
| Temporary notes | 108,301,451 | - | 108,301,451 | - |
| Deposits | 11,000 | 412,799 | 423,799 | - |
| Noncurrent liabilities: | | | | |
| Due within one year: bonds, notes, leases, compensated absences | 58,978,221 | 12,200,781 | 71,179,002 | - |
| Due in more than one year: | | | | |
| Bonds, notes, leases, OPEB, compensated absences | 289,415,796 | 124,788,801 | 414,204,597 | 92,897 |
| Net pension liability | 116,397,836 | 17,789,957 | 134,187,793 | - |
| Total liabilities | <u>606,392,972</u> | <u>161,042,285</u> | <u>767,435,257</u> | <u>368,735</u> |
| Deferred Inflows of Resources | | | | |
| Property taxes levied for a subsequent period | 78,942,950 | - | 78,942,950 | - |
| Deferred amounts on refunding | 508,656 | - | 508,656 | - |
| Deferred inflows related to leases | 1,601,245 | 2,496,517 | 4,097,762 | - |
| KPERS pension | 749,062 | 42,751 | 791,813 | - |
| OPEB | 1,862,168 | 333,446 | 2,195,614 | - |
| KPERS OPEB | 777,850 | 143,568 | 921,418 | - |
| Total Deferred Inflows of Resources | <u>84,441,931</u> | <u>3,016,282</u> | <u>87,458,213</u> | <u>-</u> |
| Net Position | | | | |
| Net investment in capital assets | 503,915,901 | 295,719,924 | 799,635,825 | 1,859,007 |
| Restricted for: | | | | |
| Debt service | 119,209,619 | 11,013,902 | 130,223,521 | - |
| Public safety | 105,124 | - | 105,124 | - |
| Capital improvements | 1,666,747 | - | 1,666,747 | - |
| Community services | 15,805,579 | - | 15,805,579 | - |
| General government | 7,067,503 | - | 7,067,503 | - |
| Unrestricted | 74,823,705 | 49,098,386 | 123,922,091 | 899,522 |
| Total net position | <u>722,594,178</u> | <u>355,832,212</u> | <u>1,078,426,390</u> | <u>2,758,529</u> |
| Total liabilities, deferred inflows of of resources, and net position | <u>\$ 1,413,429,081</u> | <u>\$ 519,890,779</u> | <u>\$ 1,933,319,860</u> | <u>\$ 3,127,264</u> |

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Activities
For the Year Ended December 31, 2024

| Functions / Programs | Expenses | Program Revenues | | | Net (Expense) Revenue |
|---|-----------------------|-------------------------|--|--|-----------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary government | | | | | |
| Governmental activities | | | | | |
| General government | \$ 53,646,806 | \$ 12,332,047 | \$ 20,728,592 | \$ - | \$ (20,586,167) |
| Public safety | 84,265,301 | 3,552,052 | 1,431,160 | - | (79,282,089) |
| Public works | 52,381,344 | 7,680,794 | 5,670,647 | - | (39,029,903) |
| Community services | 38,604,339 | 6,570,260 | 223,472 | 15,167,636 | (16,642,971) |
| Interest on long-term debt | 12,153,762 | - | - | - | (12,153,762) |
| Total governmental activities | <u>241,051,552</u> | <u>30,135,153</u> | <u>28,053,871</u> | <u>15,167,636</u> | <u>(167,694,892)</u> |
| Business-type activities | | | | | |
| Water and sewer | 57,705,380 | 61,901,471 | 20,000 | - | 4,216,091 |
| Solid waste | 19,534,823 | 17,908,359 | - | - | (1,626,464) |
| Total business-type activities | <u>77,240,203</u> | <u>79,809,830</u> | <u>20,000</u> | <u>-</u> | <u>2,589,627</u> |
| Total primary government | <u>\$ 318,291,755</u> | <u>\$ 109,944,983</u> | <u>\$ 28,073,871</u> | <u>\$ 15,167,636</u> | <u>\$ (165,105,265)</u> |
| Nonmajor discretely presented component unit | | | | | |
| Olathe Public Housing Authority | <u>\$ 5,871,172</u> | <u>\$ 769,716</u> | <u>\$ 4,976,327</u> | <u>\$ -</u> | <u>\$ (125,129)</u> |

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Activities
For the Year Ended December 31, 2024

| | Primary Government | | | Discretely Presented Component Unit |
|---|------------------------------------|-------------------------------------|-------------------------|--|
| | Governmental Activities | Business-type Activities | Total | |
| Changes in net position | | | | |
| Net (expense) revenue | <u>\$ (167,694,892)</u> | <u>\$ 2,589,627</u> | <u>\$ (165,105,265)</u> | <u>\$ (125,129)</u> |
| General revenues | | | | |
| Taxes: | | | | |
| Property taxes, levied for general purpose | 44,651,789 | - | 44,651,789 | - |
| Property taxes, levied for debt service | 29,234,379 | - | 29,234,379 | - |
| Sales tax | 100,620,729 | - | 100,620,729 | - |
| Franchise taxes | 12,744,493 | - | 12,744,493 | - |
| Transient guest tax | 2,872,317 | - | 2,872,317 | - |
| Unrestricted investment earnings | 17,361,060 | 5,287,262 | 22,648,322 | 783 |
| Lease interest income | - | 140,618 | 140,618 | - |
| Miscellaneous | 2,231,310 | 577,183 | 2,808,493 | - |
| Transfers | (1,416,213) | 1,416,213 | - | - |
| Total general revenues and transfers | <u>208,299,864</u> | <u>7,421,276</u> | <u>215,721,140</u> | <u>783</u> |
| Change in net position | <u>40,604,972</u> | <u>10,010,903</u> | <u>50,615,875</u> | <u>(124,346)</u> |
| Net position - beginning of year, as previously reported | 683,739,088 | 346,097,497 | 1,029,836,585 | 3,106,652 |
| Restatement - See Note #1 | (1,749,882) | (276,188) | (2,026,070) | (223,777) |
| Net position - beginning of year, as restated | <u>681,989,206</u> | <u>345,821,309</u> | <u>1,027,810,515</u> | <u>2,882,875</u> |
| Net position - end of year | <u>\$ 722,594,178</u> | <u>\$ 355,832,212</u> | <u>\$ 1,078,426,390</u> | <u>\$ 2,758,529</u> |

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Balance Sheet
Governmental Funds
December 31, 2024

| | | Debt Service | | | Other | Total |
|---|----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| | General | Debt Service | Special Tax Financing | Capital Projects | Governmental Funds | Governmental Funds |
| Assets | | | | | | |
| Cash, cash equivalents, and investments | \$ 26,656,121 | \$ 78,136,993 | \$ 11,818,785 | \$ 120,500,086 | \$ 32,083,753 | \$ 269,195,738 |
| Cash held by trustee | - | - | 1,631,332 | - | - | 1,631,332 |
| Receivables (net of allowance) | | | | | | |
| Taxes | 40,582,752 | 34,162,164 | 5,387,027 | - | 18,972,476 | 99,104,419 |
| Accounts | 769,444 | - | - | 310,038 | 859,178 | 1,938,660 |
| Accrued interest | 8,062,070 | - | - | - | - | 8,062,070 |
| Special assessments | - | 34,388,481 | - | - | - | 34,388,481 |
| Loans | - | - | - | - | 3,766,128 | 3,766,128 |
| Due from other funds | 2,192,531 | - | - | - | - | 2,192,531 |
| Due from other governments | 191,096 | - | - | 9,476,443 | 2,352,906 | 12,020,445 |
| Lease receivable | 1,691,403 | - | - | - | - | 1,691,403 |
| Prepaid assets | 146,175 | - | - | - | 91 | 146,266 |
| Inventory | 2,038,159 | - | - | - | - | 2,038,159 |
| Total assets | <u>82,329,751</u> | <u>146,687,638</u> | <u>18,837,144</u> | <u>130,286,567</u> | <u>58,034,532</u> | <u>436,175,632</u> |
| | | | | | | |
| Total assets and deferred outflows of resources | <u>\$ 82,329,751</u> | <u>\$ 146,687,638</u> | <u>\$ 18,837,144</u> | <u>\$ 130,286,567</u> | <u>\$ 58,034,532</u> | <u>\$ 436,175,632</u> |
| Liabilities and Fund Balances | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ 1,264,206 | \$ 156,740 | \$ 134,163 | \$ 5,036,555 | \$ 612,978 | \$ 7,204,642 |
| Accrued payroll | 3,343,985 | - | - | - | - | 3,343,985 |
| Due to other funds | - | - | - | 1,289,528 | 2,192,531 | 3,482,059 |
| Unearned revenue | 78,541 | - | - | - | 5,171,956 | 5,250,497 |
| Temporary notes | - | - | - | 108,301,451 | - | 108,301,451 |
| Total liabilities | <u>4,686,732</u> | <u>156,740</u> | <u>134,163</u> | <u>114,627,534</u> | <u>7,977,465</u> | <u>127,582,634</u> |
| | | | | | | |
| Deferred Inflows of Resources | | | | | | |
| Property taxes levied for a subsequent period | 25,872,955 | 34,162,164 | 4,275,217 | - | 14,632,614 | 78,942,950 |
| Deferred inflows - leases | 1,601,245 | - | - | - | - | 1,601,245 |
| Unavailable revenue - intergovernmental | - | - | - | - | 49,969 | 49,969 |
| Unavailable revenue - special assessments | - | 31,101,343 | - | - | - | 31,101,343 |
| Total deferred inflows of resources | <u>27,474,200</u> | <u>65,263,507</u> | <u>4,275,217</u> | <u>-</u> | <u>14,682,583</u> | <u>111,695,507</u> |
| | | | | | | |
| Fund balances | | | | | | |
| Nonspendable | 146,175 | - | - | - | - | 146,175 |
| Restricted | - | 81,267,391 | 14,427,764 | 15,659,033 | 24,644,953 | 135,999,141 |
| Committed | - | - | - | - | 10,729,531 | 10,729,531 |
| Assigned | 939,102 | - | - | - | - | 939,102 |
| Unassigned | 49,083,542 | - | - | - | - | 49,083,542 |
| Total fund balances | <u>50,168,819</u> | <u>81,267,391</u> | <u>14,427,764</u> | <u>15,659,033</u> | <u>35,374,484</u> | <u>196,897,491</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 82,329,751</u> | <u>\$ 146,687,638</u> | <u>\$ 18,837,144</u> | <u>\$ 130,286,567</u> | <u>\$ 58,034,532</u> | <u>\$ 436,175,632</u> |

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
December 31, 2024

Total fund balance - all governmental funds \$ 196,897,491

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. 913,025,285

| | | |
|-----------------------------------|----|---------------|
| Land and construction in progress | \$ | 439,484,353 |
| Capital assets being depreciated | | 1,229,719,929 |
| Accumulated depreciation | | (756,178,997) |

Some liabilities, including bonds payable, leases payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. (475,665,870)

Interest payable (10,874,017)

Noncurrent liabilities:

Due within one year

| | |
|--------------------------|--------------|
| General obligation bonds | (29,610,000) |
| Special obligation bonds | (13,886,737) |
| Revenue bonds | (385,000) |
| Compensated absences | (513,420) |
| Bond issuance premium | (3,485,873) |
| Bond issuance discount | 126 |
| Leases | (392,679) |
| OPEB liability | (9,461,315) |
| Subscription liabilities | (1,243,323) |

Due in more than one year

| | |
|--------------------------|---------------|
| General obligation bonds | (213,515,000) |
| Special obligation bonds | (820,000) |
| Revenue bonds | (9,635,000) |
| Compensated absences | (6,593,739) |
| Total OPEB liabilities | (28,773,039) |
| Bond issuance premium | (25,161,422) |
| Bond issuance discount | 1,075 |
| Leases | (1,297,027) |
| Subscription liabilities | (3,621,644) |
| Pension liability | (116,397,836) |

Long-term assets or deferred outflows of resources are not available to pay current period expenditures and are therefore deferred in the fund statements. 67,876,145

| | |
|----------------------------------|-------------|
| Special assessments | 31,101,343 |
| Deferred refunding (net) | (491,349) |
| Deferred outflows - pension | 29,295,281 |
| Deferred outflows - KPERS OPEB | 238,971 |
| Deferred outflows - OPEB | 11,071,010 |
| Deferred inflows - KPERS pension | (749,062) |
| Deferred inflow - OPEB | (1,862,168) |
| Deferred inflows - KPERS OPEB | (777,850) |
| Due from other governments | 49,969 |

Internal service funds are used by management to charge costs of certain activities, such as insurance, purchasing, and fleet maintenance to certain funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position. 20,461,127

| | |
|--|--------------|
| Internal service fund capital assets, net | (32,118,214) |
| Internal service fund compensated absences | 246,493 |
| Internal service fund subscription liabilities | 525,587 |
| Internal service fund net position | 63,807,247 |
| Internal service fund due to business-type | (11,999,986) |

Net position of governmental activities \$ 722,594,178

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

| | General | Debt Service | Special Tax Financing | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------|-----------------------|----------------------|--------------------------|--------------------------|
| Revenues | | | | | | |
| Taxes: | | | | | | |
| Property | \$ 26,355,291 | \$ 29,234,379 | \$ 3,926,475 | \$ - | \$ 14,370,023 | \$ 73,886,168 |
| Sales | 73,620,934 | - | 5,168,636 | - | 21,831,159 | 100,620,729 |
| Franchise | 12,744,493 | - | - | - | - | 12,744,493 |
| Transient guest | 13,885 | - | 926,776 | - | 1,931,656 | 2,872,317 |
| Special assessments | - | 4,851,585 | - | 37,682 | - | 4,889,267 |
| Intergovernmental | 3,201,427 | - | - | 15,955,107 | 14,095,912 | 33,252,446 |
| Licenses and permits | 2,547,104 | - | - | - | - | 2,547,104 |
| Fines, forfeitures, and penalties | 2,469,516 | - | - | - | 16,498 | 2,486,014 |
| Charges for services | 9,866,866 | 55 | 20,000 | 1,965 | 15,213,149 | 25,102,035 |
| Use of money and property | 2,409,302 | 2,246,476 | 585,291 | 7,816,687 | 2,208,765 | 15,266,521 |
| Miscellaneous | 655,840 | - | - | 533,294 | 682,739 | 1,871,873 |
| Total revenues | <u>133,884,658</u> | <u>36,332,495</u> | <u>10,627,178</u> | <u>24,344,735</u> | <u>70,349,901</u> | <u>275,538,967</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | 35,876,600 | 284,276 | 4,306,939 | 146,432 | 8,338,190 | 48,952,437 |
| Public safety | 75,210,268 | - | - | 4,015,517 | 2,401,019 | 81,626,804 |
| Public works | 11,009,438 | - | - | 5,153,394 | 4,212,155 | 20,374,987 |
| Community services | 11,106,934 | - | 543,676 | 9,629,844 | 13,649,653 | 34,930,107 |
| Capital improvements | - | - | - | 61,908,365 | 724,346 | 62,632,711 |
| Debt service: | | | | | | |
| Principal retirements | 1,053,407 | 28,005,000 | 1,869,425 | - | 230,000 | 31,157,832 |
| Interest and fiscal charges | 137,113 | 9,777,805 | 339,213 | 4,022,831 | 295,780 | 14,572,742 |
| Total expenditures | <u>134,393,760</u> | <u>38,067,081</u> | <u>7,059,253</u> | <u>84,876,383</u> | <u>29,851,143</u> | <u>294,247,620</u> |
| Excess of revenues over (under) expenditures | <u>(509,102)</u> | <u>(1,734,586)</u> | <u>3,567,925</u> | <u>(60,531,648)</u> | <u>40,498,758</u> | <u>(18,708,653)</u> |
| Other financing sources (uses) | | | | | | |
| Issuance of debt - bonds | - | - | - | 49,735,000 | - | 49,735,000 |
| Issuance of debt - leases | 1,711,980 | - | - | - | - | 1,711,980 |
| Issuance of debt - subscription arrangements | 333,384 | - | - | - | - | 333,384 |
| Bond premium | - | - | - | 4,239,911 | - | 4,239,911 |
| Transfers in | 9,208,623 | 1,439,732 | - | 40,638,123 | 2,744,482 | 54,030,960 |
| Transfers out | (6,955,397) | - | - | (4,005,762) | (43,486,014) | (54,447,173) |
| Total other financing sources (uses) | <u>4,298,590</u> | <u>1,439,732</u> | <u>-</u> | <u>90,607,272</u> | <u>(40,741,532)</u> | <u>55,604,062</u> |
| Net changes in fund balances | <u>3,789,488</u> | <u>(294,854)</u> | <u>3,567,925</u> | <u>30,075,624</u> | <u>(242,774)</u> | <u>36,895,409</u> |
| Fund balances - beginning of year | <u>46,379,331</u> | <u>81,562,245</u> | <u>10,859,839</u> | <u>(14,416,591)</u> | <u>35,617,258</u> | <u>160,002,082</u> |
| Fund balances - end of year | <u>\$ 50,168,819</u> | <u>\$ 81,267,391</u> | <u>\$ 14,427,764</u> | <u>\$ 15,659,033</u> | <u>\$ 35,374,484</u> | <u>\$ 196,897,491</u> |

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2024

| | | |
|---|---------------|-----------------------------|
| Net change in fund balances - all governmental funds | | \$ 36,895,409 |
| Amounts reported for governmental activities in the statement of activities are different because | | |
| Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. | | |
| Capital outlay | \$ 62,632,711 | 28,207,754 |
| Depreciation | (34,424,957) | |
| The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increase long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments. | | |
| Principal payments | 31,157,832 | |
| Proceeds of bonds | (49,735,000) | |
| Premium/discount | (754,163) | |
| OPEB | (1,333,259) | |
| KPERS OPEB | 18,364 | |
| Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | (10,763,427) |
| Compensated absences | (246,980) | |
| Pension | (9,342,869) | |
| Interest expense | (1,173,578) | |
| Revenues in the statement of activities that do not provide current financing resources are not reported as revenues in the funds. | | 5,186,604 |
| Special assessments | 5,054,939 | |
| Deferred refunding | 106,810 | |
| Intergovernmental | 24,855 | |
| Internal service funds are used by management to charge costs of certain activities, such as insurance, purchasing, and fleet maintenance to certain funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. | | <u>1,724,858</u> |
| Change in net position of governmental activities | | <u><u>\$ 40,604,972</u></u> |

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2024

| | Original and Final Amended Budget | Actual | Variance Positive (Negative) |
|---|---|----------------------|------------------------------------|
| Revenues | | | |
| Taxes: | | | |
| Property | \$ 25,624,993 | \$ 26,355,291 | \$ 730,298 |
| Sales | 80,704,037 | 73,620,934 | (7,083,103) |
| Franchise | 13,477,500 | 12,744,493 | (733,007) |
| Transient guest | - | 13,885 | 13,885 |
| Intergovernmental | 1,759,700 | 3,201,427 | 1,441,727 |
| Licenses and permits | 3,060,350 | 2,547,104 | (513,246) |
| Fines, forfeitures, and penalties | 2,396,500 | 2,469,516 | 73,016 |
| Charges for services | 7,393,182 | 9,866,866 | 2,473,684 |
| Use of money and property | 1,450,000 | 2,409,302 | 959,302 |
| Miscellaneous | 1,042,000 | 655,840 | (386,160) |
| Total revenues | <u>136,908,262</u> | <u>133,884,658</u> | <u>(3,023,604)</u> |
| Expenditures | | | |
| General government | 26,727,825 | 34,703,404 | (7,975,579) |
| Public safety | 69,602,620 | 75,083,069 | (5,480,449) |
| Public works | 16,922,425 | 10,443,495 | 6,478,930 |
| Community services | 15,086,150 | 10,849,512 | 4,236,638 |
| Contingency | 41,702,164 | - | 41,702,164 |
| Debt service | - | 1,190,520 | (1,190,520) |
| Total expenditures | <u>170,041,184</u> | <u>132,270,000</u> | <u>37,771,184</u> |
| Excess of revenues over expenditures | <u>(33,132,922)</u> | <u>1,614,658</u> | <u>34,747,580</u> |
| Other financing sources (uses) | | | |
| Transfers in | 9,364,991 | 9,208,623 | (156,368) |
| Transfers out | (26,810,060) | (6,955,397) | 19,854,663 |
| Total other financing sources (uses) | <u>(17,445,069)</u> | <u>2,253,226</u> | <u>19,698,295</u> |
| Net change in fund balance | <u>\$ (50,577,991)</u> | <u>3,867,884</u> | <u>\$ 54,445,875</u> |
| Fund balance - beginning of year - budget basis | | 45,361,833 | |
| Fund balance - end of year - budget basis | | 49,229,717 | |
| Encumbrances incurred and outstanding | | 939,102 | |
| Fund balance - end of year - GAAP basis | | <u>\$ 50,168,819</u> | |

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Net Position
Proprietary Funds
December 31, 2024

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - |
|--|--|-------------------------|----------------|----------------------------------|
| | Major | | | |
| | Water and Sewer Fund | Solid Waste Fund | Total | Internal Service Funds |
| Assets | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 70,277,892 | \$ 3,541,820 | \$ 73,819,712 | \$ 36,862,238 |
| Accounts receivable (net of allowance) | 6,780,870 | 1,918,281 | 8,699,151 | 11,953 |
| Loans receivable | - | - | - | 567,116 |
| Lease receivable | 307,481 | - | 307,481 | - |
| Inventories and other prepaid items | 1,875,075 | 20 | 1,875,095 | 345,805 |
| Total current assets | 79,241,318 | 5,460,121 | 84,701,439 | 37,787,112 |
| Noncurrent assets: | | | | |
| Restricted assets: | | | | |
| Cash and cash equivalents | 11,013,902 | - | 11,013,902 | - |
| Due from other funds | - | - | - | 1,289,528 |
| Other | - | - | - | 11,000 |
| Total restricted assets | 11,013,902 | - | 11,013,902 | 1,300,528 |
| Capital assets: | | | | |
| Capital assets not being depreciated | | | | |
| Land | 3,475,820 | 1,255,005 | 4,730,825 | - |
| Construction in progress | 39,480,266 | - | 39,480,266 | - |
| Total capital assets not being depreciated | 42,956,086 | 1,255,005 | 44,211,091 | - |
| Capital assets being depreciated | | | | |
| Buildings | 40,263,260 | - | 40,263,260 | - |
| Machinery and equipment | 4,726,511 | 1,554,078 | 6,280,589 | 83,446,515 |
| Water system | 253,414,460 | - | 253,414,460 | - |
| Sewer system | 224,841,005 | - | 224,841,005 | - |
| Right-to-use subscription assets | 842,068 | 13,743 | 855,811 | 1,556,270 |
| Total capital assets being depreciated | 524,087,304 | 1,567,821 | 525,655,125 | 85,002,785 |
| Less accumulated depreciation | (166,072,595) | (1,527,371) | (167,599,966) | (52,884,571) |
| Total capital assets (net of accumulated depreciation) | 400,970,795 | 1,295,455 | 402,266,250 | 32,118,214 |
| Lease receivable | 2,286,104 | - | 2,286,104 | - |
| Total noncurrent assets | 414,270,801 | 1,295,455 | 415,566,256 | 33,418,742 |
| Total assets | 493,512,119 | 6,755,576 | 500,267,695 | 71,205,854 |
| Deferred Outflows of Resources | | | | |
| Deferred pension | 3,529,619 | 1,553,033 | 5,082,652 | - |
| Deferred OPEB | 1,281,199 | 536,578 | 1,817,777 | - |
| Deferred KPERS OPEB | 27,406 | 12,463 | 39,869 | - |
| Deferred amounts on refunding | 682,800 | - | 682,800 | - |
| Total deferred outflows of resources | 5,521,024 | 2,102,074 | 7,623,098 | - |
| Total assets and deferred outflows of resources | \$ 499,033,143 | \$ 8,857,650 | \$ 507,890,793 | \$ 71,205,854 |

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Net Position
Proprietary Funds
December 31, 2024

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - |
|--|--|---------------------------------|-----------------------|----------------------------------|
| | Major | | | Internal |
| | Water and Sewer Fund | Solid Waste Fund | Total | Service Funds |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts and claims payable | \$ 5,202,492 | \$ 524,346 | \$ 5,726,838 | \$ 6,615,527 |
| Interest payable | 123,109 | - | 123,109 | - |
| Current portion of compensated absences | 57,841 | 27,030 | 84,871 | 27,328 |
| Current portion of subscription liabilities | 277,936 | - | 277,936 | 525,587 |
| Current portion of general obligation bonds | 1,425,000 | - | 1,425,000 | - |
| Current portion of revolving loan | 1,464,683 | - | 1,464,683 | - |
| Current portion of revenue bonds | 7,736,118 | - | 7,736,118 | - |
| Current portion of KPERS OPEB liability | 1,352 | 594 | 1,946 | - |
| Current portion of OPEB liability | 827,494 | 382,733 | 1,210,227 | - |
| Total current liabilities | 17,116,025 | 934,703 | 18,050,728 | 7,168,442 |
| Noncurrent liabilities: | | | | |
| Compensated absences | 930,383 | 388,241 | 1,318,624 | 219,165 |
| General obligation bonds | - | - | - | - |
| Capital leases, net | - | - | - | - |
| Revolving loan, net | 4,894,424 | - | 4,894,424 | - |
| Revenue bonds, net | 114,654,269 | - | 114,654,269 | - |
| Subscription liabilities | 206,126 | - | 206,126 | - |
| Total KPERS OPEB liability | 117,097 | 51,466 | 168,563 | - |
| Total OPEB liability | 2,425,123 | 1,121,672 | 3,546,795 | - |
| Net pension liability | 12,354,137 | 5,435,820 | 17,789,957 | - |
| Deposit | 412,799 | - | 412,799 | 11,000 |
| Total noncurrent liabilities | 135,994,358 | 6,997,199 | 142,991,557 | 230,165 |
| Total liabilities | 153,110,383 | 7,931,902 | 161,042,285 | 7,398,607 |
| Deferred Inflows of Resources | | | | |
| Deferred inflows related to leases | 2,496,517 | - | 2,496,517 | - |
| KPERS pension | 29,688 | 13,063 | 42,751 | - |
| KPERS OPEB | 98,410 | 45,158 | 143,568 | - |
| OPEB | 230,773 | 102,673 | 333,446 | - |
| Total deferred inflows of resources | 2,855,388 | 160,894 | 3,016,282 | - |
| Net position | | | | |
| Net investment in capital assets | 294,424,469 | 1,295,455 | 295,719,924 | 31,592,627 |
| Restricted for bond requirements | 11,013,902 | - | 11,013,902 | - |
| Unrestricted | 37,629,001 | (530,601) | 37,098,400 | 32,214,620 |
| Total net position | 343,067,372 | 764,854 | 343,832,226 | 63,807,247 |
| Total liabilities and net position | <u>\$ 499,033,143</u> | <u>\$ 8,857,650</u> | | <u>\$ 71,205,854</u> |
| Reconciliation to government-wide statement of net position: | | | | |
| Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds | | | 11,999,986 | |
| Net position of business-type activities | | | <u>\$ 355,832,212</u> | |

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2024

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - |
|---|--|-------------------------|----------------------|----------------------------------|
| | Major | | | |
| | Water and Sewer Fund | Solid Waste Fund | Total | Internal Service Funds |
| Operating revenues | | | | |
| Charges for services | \$ 61,901,471 | \$ 17,908,359 | \$ 79,809,830 | \$ 48,283,270 |
| Intergovernmental | 20,000 | - | 20,000 | - |
| Miscellaneous | 323,184 | 253,999 | 577,183 | - |
| Total operating revenues | <u>62,244,655</u> | <u>18,162,358</u> | <u>80,407,013</u> | <u>48,283,270</u> |
| Operating expenses | | | | |
| Water production | 6,830,173 | | 6,830,173 | - |
| Wastewater treatment | 4,117,259 | - | 4,117,259 | - |
| Water and sewer maintenance | 5,021,745 | - | 5,021,745 | - |
| Administration and general | 29,736,379 | 6,821,090 | 36,557,469 | 31,338,775 |
| Equipment maintenance | - | - | - | 10,032,215 |
| Sanitation expense | - | 7,078,818 | 7,078,818 | - |
| Transfer station expense | - | 5,619,258 | 5,619,258 | - |
| Depreciation | 7,935,488 | 78,344 | 8,013,832 | 6,526,493 |
| Total operating expenses | <u>53,641,044</u> | <u>19,597,510</u> | <u>73,238,554</u> | <u>47,897,483</u> |
| Operating income | <u>8,603,611</u> | <u>(1,435,152)</u> | <u>7,168,459</u> | <u>385,787</u> |
| Nonoperating revenues (expenses) | | | | |
| Interest income | 5,058,428 | 228,834 | 5,287,262 | 2,094,539 |
| Lease interest income | 140,618 | - | 140,618 | - |
| Interest expense | (4,116,420) | (134) | (4,116,554) | - |
| Gain from sale of equipment | - | - | - | 359,437 |
| Total nonoperating revenues (expenses) | <u>1,082,626</u> | <u>228,700</u> | <u>1,311,326</u> | <u>2,453,976</u> |
| Net income (loss) before transfers and capital contributions | <u>9,686,237</u> | <u>(1,206,452)</u> | <u>8,479,785</u> | <u>2,839,763</u> |
| Transfers in | 14,569,928 | - | 14,569,928 | - |
| Transfers out | (13,101,414) | (52,301) | (13,153,715) | (1,000,000) |
| Change in net position | <u>11,154,751</u> | <u>(1,258,753)</u> | <u>9,895,998</u> | <u>1,839,763</u> |
| Net position - beginning of year, as previously reported | 332,100,847 | 2,111,569 | | 62,060,625 |
| Restatement - See Note #1 | <u>(188,226)</u> | <u>(87,962)</u> | | <u>(93,141)</u> |
| Net position - beginning of year, as restated | <u>331,912,621</u> | <u>2,023,607</u> | | <u>61,967,484</u> |
| Net position - end of year | <u>\$ 343,067,372</u> | <u>\$ 764,854</u> | | <u>\$ 63,807,247</u> |
| Reconciliation to government-wide statement of activities: | | | | |
| Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds. | | | <u>114,905</u> | |
| Change in net position of business-type activities | | | <u>\$ 10,010,903</u> | |

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - |
|---|--|-------------------------|---------------|----------------------------------|
| | Major | | | |
| | Water and Sewer Fund | Solid Waste Fund | Total | Internal Service Funds |
| Cash Flows from Operating Activities | | | | |
| Receipts from customers and users | \$ 62,082,681 | \$ 18,743,260 | \$ 80,825,941 | \$ 48,289,745 |
| Payments to suppliers | (26,187,185) | (12,505,934) | (38,693,119) | (36,873,293) |
| Payments to employees | (16,092,284) | (6,809,917) | (22,902,201) | (4,124,480) |
| Net cash provided by operating activities | 19,803,212 | (572,591) | 19,230,621 | 7,291,972 |
| Cash Flows from Noncapital Financing Activities | | | | |
| Transfers from other funds | 14,569,928 | - | 14,569,928 | - |
| Transfers to other funds | (13,101,414) | (52,301) | (13,153,715) | (1,000,000) |
| Net cash provided by (used in) noncapital financing activities | 1,468,514 | (52,301) | 1,416,213 | (1,000,000) |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Acquisitions and construction of capital assets | (19,910,600) | - | (19,910,600) | (7,193,140) |
| Proceeds from sale of capital assets | - | - | - | 359,437 |
| Proceeds from revenue bonds | 17,377,019 | - | 17,377,019 | - |
| Principal paid on revenue bonds | (6,245,000) | - | (6,245,000) | - |
| Principal paid on general obligation bonds | (1,360,000) | - | (1,360,000) | - |
| Principal paid on revolving loans | (1,559,504) | - | (1,559,504) | - |
| Principal paid on subscription liabilities | (222,989) | (5,047) | (228,036) | (511,582) |
| Interest paid | (4,890,616) | (134) | (4,890,750) | - |
| Net cash (used in) capital and related financing activities | (16,811,690) | (5,181) | (16,816,871) | (7,345,285) |
| Cash Flows from Investing Activities | | | | |
| Interest received | 5,199,046 | 228,834 | 5,427,880 | 2,094,539 |
| Net cash provided by investing activities | 5,199,046 | 228,834 | 5,427,880 | 2,094,539 |
| Net increase (decrease) in cash and cash equivalents | 9,659,082 | (401,239) | 9,257,843 | 1,041,226 |
| Cash and cash equivalents - beginning of year | 71,632,712 | 3,943,059 | 75,575,771 | 35,821,012 |
| Cash and cash equivalents - end of year | \$ 81,291,794 | \$ 3,541,820 | \$ 84,833,614 | \$ 36,862,238 |

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - |
|--|--|-------------------------|----------------------|----------------------------------|
| | Major | | | |
| | Water and Sewer Fund | Solid Waste Fund | Total | Internal Service Funds |
| Reconciliation of operating income to net cash provided by operating activities | | | | |
| Operating income | \$ 8,603,611 | \$ (1,435,152) | \$ 7,168,459 | \$ 385,787 |
| Adjustments to reconcile operating income to cash provided by operating activities | | | | |
| Depreciation | 7,935,488 | 78,344 | 8,013,832 | 6,526,493 |
| Changes in assets and liabilities | | | | |
| (Increase) Decrease in receivables | (161,974) | 326,903 | 164,929 | 6,475 |
| Decrease in deferred outflows | (47,607) | (1,524) | (49,131) | - |
| (Increase) Decrease in inventories | (561,693) | (20) | (561,713) | 69,390 |
| Increase in accounts and claims payable | 3,111,731 | 85,523 | 3,197,254 | 420,272 |
| Increase in net pension liability | 80,390 | 35,370 | 115,760 | - |
| Increase (Decrease) in deferred inflows | (226,647) | (40,753) | (267,400) | - |
| Increase (Decrease) in total KPERS OPEB liability | 1,428 | 571 | 1,999 | - |
| Increase (Decrease) in total OPEB liability | 849,727 | 339,891 | 1,189,618 | - |
| Increase in deposits | 136,892 | - | 136,892 | - |
| Increase in due to other funds | - | - | - | (130,330) |
| Increase in compensated absences | 81,866 | 38,256 | 120,122 | 13,885 |
| Total adjustments | 11,199,601 | 862,561 | 12,062,162 | 6,906,185 |
| Net cash provided by operating activities | <u>\$ 19,803,212</u> | <u>\$ (572,591)</u> | <u>\$ 19,230,621</u> | <u>\$ 7,291,972</u> |
| Noncash investing capital and financing activities: | | | | |
| Issuance of SBITA | \$ 686,238 | \$ - | \$ 686,238 | \$ - |

See accompanying notes to the basic financial statements

SECTION

4

[ACFR]

**NOTES TO THE
BASIC FINANCIAL**
Statements

Notes/Basic

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

1. Summary of Significant Accounting Policies

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

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

a. Reporting Entity

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

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

b. Individual Component Unit Disclosures

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

c. Basis of Presentation – Fund Accounting

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

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

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

d. Basis of Accounting

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

The City reports the following major governmental funds:

General

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

Debt Service

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

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

Special Tax Financing

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

Capital Projects

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

The City reports the following major proprietary funds:

Water and Sewer

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

Solid Waste

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

Proprietary Funds

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

Proprietary funds include the following fund types:

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

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

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

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

Governmental Funds

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

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

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

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

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

e. Cash and Cash Equivalents

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

f. Accounts Receivable

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

g. Inventories and Other Prepaid Items

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

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

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

h. Capital Assets

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

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

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

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

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

i. Deferred Outflows/Inflows of Resources

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

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

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

j. Budgets and Budgetary Accounting

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

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

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

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

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

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

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

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

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

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

k. Retirement Plans

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

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

l. Compensated Absences

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

All vacation pay is accrued when incurred. The City's policy permits employees to accumulate an unlimited amount of sick leave. The current policy is to compensate employees for 25% of unused accumulated sick leave based on a maximum of 960 hours upon retirement. The employee must be eligible for KPERs or KP&F retirement to qualify. The compensated absences liability also includes an estimate of sick leave to be used in the next year based on a historical average of sick leave taken.

m. Interfund Transactions

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

City of Olathe, Kansas
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December 31, 2024

n. Equity Classifications

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

- (1) Net investment in capital assets – consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages notes, or other borrowings that are attributable to the acquisitions, construction, or improvements of those assets.
- (2) Restricted net position – consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The City first utilizes restricted resources to finance qualifying activities.
- (3) Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

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

o. Use of Estimates

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

p. Leases

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

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

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

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

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

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

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

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

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

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

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

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

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

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

q. Subscription Based Information Technology Agreements (SBITAs)

SBITAs, which include software contracts, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. A SBITA is a contract that conveys control of the right to use another party's Information Technology (IT) software as specified in the contract for a period of time in an exchange or exchange-like transaction. SBITA contracts contain non-cancellable terms of 12 months or greater; or non-cancellable terms of 12 months or less if it is reasonably certain the option to extend will be

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

r. Restatement of Net Position

During the year ended December 31, 2024, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. This Statement establishes recognition and measurement guidance for liabilities related to compensated absences, including vacation, sick leave, and other paid leave benefits. The new standard requires that certain types of leave be recognized as a liability when the leave is earned rather than when it is taken or paid.

As a result of implementing GASB Statement No. 101, the City restated beginning net position as of January 1, 2024, to recognize compensated absences in accordance with the new guidance. The effect of this restatement on beginning net position is as follows:

| | Net Position, January 1, 2024, as Previously Reported | Adjustment for GASB 101 Implementation | Net Position, January 1, 2024, as Previously Reported |
|--------------------------|--|---|--|
| Governmental Activities | \$ 683,739,088 | \$ (1,749,882) | \$ 681,989,206 |
| Business Type Activities | 346,097,497 | (276,188) | 345,821,309 |
| Total Primary Government | <u>\$ 1,029,836,585</u> | <u>\$ (2,026,070)</u> | <u>\$ 1,027,810,515</u> |

The implementation of GASB Statement No. 101 did not impact the governmental funds since those statements continue to report expenditures for compensated absences as payments are made. The impact is limited to the government-wide financial statements, proprietary funds, and internal service funds. The effect of this restatement on beginning net position in the proprietary funds and internal service funds is as follows:

| | Net Position, January 1, 2024, as Previously Reported | Adjustment for GASB 101 Implementation | Net Position, January 1, 2024, as Previously Reported |
|-------------------------------|--|---|--|
| Proprietary Funds | | | |
| Water and Sewer Fund | \$ 332,100,847 | \$ (188,226) | \$ 331,912,621 |
| Solid Waste Fund | 2,111,569 | (87,962) | 2,023,607 |
| Total Proprietary Funds | <u>\$ 334,212,416</u> | <u>\$ (276,188)</u> | <u>\$ 333,936,228</u> |
| Internal Service Funds | | | |
| Central Garage | \$ 170,930 | \$ (73,824) | \$ 97,106 |
| Risk Management | 12,584,587 | (1,750) | 12,582,837 |
| Vehicle Replacement | 47,490,356 | - | 47,490,356 |
| Personal Computer Replacement | 1,444,219 | - | 1,444,219 |
| Building Maintenance | 370,533 | (17,567) | 352,966 |
| Total Internal Service Funds | <u>\$ 62,060,625</u> | <u>\$ (93,141)</u> | <u>\$ 61,967,484</u> |

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For government-wide reporting purposes, the activity of the Internal Service Funds is consolidated into Governmental Activities; therefore, the adjustment recorded at the fund level in the Internal Service Funds is also reflected in the Governmental Activities column above.

During the year ended December 31, 2024, the City's discretely presented component unit, identified an error in the reporting of accounts payable at December 31, 2023. Certain vendor invoices related to fiscal year 2023 were not accrued at year-end. The correction of this error required a restatement of beginning net position as of January 1, 2024.

The effect of this restatement on the Housing Authority's beginning net position is as follows:

| | Net Position, January 1, 2024, as Previously Reported | Adjustment for additional accounts payable items | Net Position, January 1, 2024, as Previously Reported |
|----------------|---|---|---|
| Component Unit | \$ 3,106,652 | \$ (223,777) | \$ 2,882,875 |

2. Deposits and Investments

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

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

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

The City has the following recurring fair value measurements as of December 31, 2024:

State investment pool of \$8,861,416 and are valued using net asset value (Level 1 inputs).
Treasury Notes of \$168,980,475 are valued at market value (Level 1 inputs).
Government Agencies of \$126,053,850 are valued using matrix pricing using the price or yield of a similar bond (Level 2 inputs).

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

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| Cash, Cash Equivalents, and Investments | Maturities | Fair Value |
|--|-------------------|-----------------------|
| State investment pool - overnight | 6 months or less | \$ 8,861,417 |
| Government Agency | 2 years or less | 126,053,850 |
| Treasury Note | 1 year or less | 168,980,475 |
| Total investments | | 303,895,742 |
| Certificates of deposit | | 61,481,000 |
| Cash held by trustee | | 1,631,332 |
| Restricted cash deposits | | 11,013,902 |
| Unrestricted cash deposits | | 14,500,946 |
| Total cash, cash equivalents, and investments | | <u>\$ 392,522,922</u> |

Credit Risk – State law limits investments to Temporary Notes of the City, Collateralized Certificates of Deposit, Collateralized Repurchase Agreements, U.S. Treasury Obligations, the Kansas Municipal Investment Pool, Commercial Bank Savings Accounts, U.S. Government Agency Securities, U.S. Government Sponsored Corporation's Instruments, and Multiple Client Investment Pools. The City's policy on credit risk follows state statutes. As of December 31, 2024, City funds not held in depository accounts had been invested in Certificates of Deposit, Government Sponsored Corporation Instruments, Guaranteed Investment Contracts, and the Kansas Municipal Investment Pool (rated AAf/S1 by Standard & Poor's).

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

| Investment Type | Total | Percentage of total cash and investments |
|--|-----------------------|---|
| Kansas Municipal Investment Pool | \$ 8,861,417 | 2.26% |
| Certificates of deposit | 61,481,000 | 15.66% |
| U.S. Government Securities | | |
| Federal Home Loan Bank | 100,333,836 | 25.56% |
| Federal Farm Credit Bank | 25,720,014 | 6.55% |
| U.S. Treasury Notes | 168,980,475 | 43.05% |
| Held by trustee or restricted accounts | 1,631,332 | 0.42% |
| Unrestricted cash deposit accounts | 25,514,848 | 6.50% |
| Total | <u>\$ 392,522,922</u> | <u>100.00%</u> |

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

Custodial Credit Risk – For deposits or investments, custodial credit risk is the risk that, in the event of the failure of the bank or counterparty, the City will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside party. The City's policy for deposits and investments follows state statutes. At December 31, 2024, \$126,690 of the City's deposits were unsecured. The remainder of the City's deposits were fully insured by federal depository insurance

City of Olathe, Kansas
Notes to the Basic Financial Statements
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or otherwise collateralized by securities held in the City's name. The City has \$295,034,325 of Government Agencies that are held by the investment counterparty.

3. Taxes and Special Assessments

Taxes and special assessments revenue by fund type, including interest and penalties, as of December 31, 2024, are as follows:

| | Major | | | | Other | |
|---------------------|-----------------------|----------------------|------------------------------|-------------------------|---------------------------|-----------------------|
| | General | Debt Service | Special Tax Financing | Capital Projects | Governmental Funds | Total |
| Property tax | \$ 26,355,291 | \$ 29,234,379 | \$ 3,926,475 | \$ - | \$ 14,370,023 | \$ 73,886,168 |
| Sales tax | 73,620,934 | - | 5,168,636 | - | 21,831,159 | 100,620,729 |
| Franchise tax | 12,744,493 | - | - | - | - | 12,744,493 |
| Transient guest tax | 13,885 | - | 926,776 | - | 1,931,656 | 2,872,317 |
| Special assessment | - | 4,851,585 | - | 37,682 | - | 4,889,267 |
| | <u>\$ 112,734,603</u> | <u>\$ 34,085,964</u> | <u>\$ 10,021,887</u> | <u>\$ 37,682</u> | <u>\$ 38,132,838</u> | <u>\$ 195,012,974</u> |

Taxes and special assessments receivable by fund type as of December 31, 2024 are as follows:

| | Major | | | Other | |
|---------------------|----------------------|----------------------|------------------------------|---------------------------|-----------------------|
| | General | Debt Service | Special Tax Financing | Governmental Funds | Total |
| Property tax | \$ 25,872,954 | \$ 34,162,164 | \$ 4,275,217 | \$ 14,632,614 | \$ 78,942,949 |
| Sales tax | 13,124,794 | - | 866,626 | 3,829,520 | 17,820,940 |
| Franchise tax | 1,585,004 | - | - | - | 1,585,004 |
| Transient guest tax | - | - | 245,184 | 510,342 | 755,526 |
| Special assessment | - | 34,388,481 | - | - | 34,388,481 |
| | <u>\$ 40,582,752</u> | <u>\$ 68,550,645</u> | <u>\$ 5,387,027</u> | <u>\$ 18,972,476</u> | <u>\$ 133,492,900</u> |

The City's Property tax is levied each November 1 on the assessed value as of the prior January 1 for all property located in the City. November 1 also serves as the lien date. The assessed values are established by the Johnson County Assessor. The assessed value for property (excluding motor vehicle) located in the City as of November 1, 2023 on which the 2024 levy was based was \$2,889,088,397.

The City's property tax levies per \$1,000 assessed valuation for the year ended December 31, 2024 were as follows:

| Fund | Levy |
|-----------------|------------------|
| General | \$ 8.735 |
| Special revenue | 4.806 |
| Debt service | 9.776 |
| | <u>\$ 23.317</u> |

The City's property taxes for 2024 were assessed in November of 2023 and distributed to the City in 2024 in accordance with state statutes. Property taxes are due in total by December 31 following the levy date, or they may be paid in equal installments if paid by December 20 (first installment) and the following May 10 (second installment).

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

4. Intergovernmental Receivables and Revenue

Amounts due from other governments as of December 31, 2024 are as follows:

| | Major | | Other | |
|---|-------------------|-------------------------|---------------------------|----------------------|
| | General | Capital Projects | Governmental Funds | Total |
| Federal | | | | |
| Department of Housing and Urban Development | \$ - | \$ - | \$ 502,619 | \$ 502,619 |
| State | | | | |
| Department of Revenue | 191,096 | - | 1,300,837 | 1,491,933 |
| Department of Transportation | - | 6,913,878 | 549,450 | 7,463,328 |
| Local | | | | |
| Johnson County | - | 2,562,565 | - | 2,562,565 |
| | <u>\$ 191,096</u> | <u>\$ 9,476,443</u> | <u>\$ 2,352,906</u> | <u>\$ 12,020,445</u> |

Intergovernmental revenues for the year ended December 31, 2024 consisted of the following:

| | Major | | Other | |
|---|---------------------|-------------------------|---------------------------|----------------------|
| | General | Capital Projects | Governmental Funds | Total |
| Federal | | | | |
| Department of Housing and Urban Development | \$ 1,130,163 | \$ 141,044 | \$ 239,602 | \$ 1,510,809 |
| State and Local Fiscal Recovery Funds | - | 3,128,600 | 4,000,000 | 7,128,600 |
| Department of Health and Human Services | - | - | 520,673 | 520,673 |
| Department of Homeland Security | - | - | 922,822 | 922,822 |
| Department of Justice | 8,352 | - | 2,275,467 | 2,283,819 |
| State | | | | |
| Liquor Tax | 650,178 | - | 1,300,356 | 1,950,534 |
| State Highway Connecting Links | 79,000 | - | - | 79,000 |
| Special Highway | - | - | 4,000,130 | 4,000,130 |
| Seizure Funding | - | - | 12,245 | 12,245 |
| Opioid Settlement | - | - | 389,297 | 389,297 |
| State Aid - School for the Deaf | 654,962 | - | - | 654,962 |
| Department of Wildlife and Parks | - | - | 6,803 | 6,803 |
| Department of Health and Environment | - | - | 202,000 | 202,000 |
| Department of Transportation | - | 10,101,461 | 126,639 | 10,228,100 |
| County | | | | |
| Street Improvements | - | 324,434 | - | 324,434 |
| Stormwater Improvements | - | 2,259,568 | - | 2,259,568 |
| Local | | | | |
| Library Donations | - | - | 99,878 | 99,878 |
| USD 233 | 678,772 | - | - | 678,772 |
| | <u>\$ 3,201,427</u> | <u>\$ 15,955,107</u> | <u>\$ 14,095,912</u> | <u>\$ 33,252,446</u> |

City of Olathe, Kansas
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Capital Asset activity for the year ended December 31, 2024 was as follows:

| | Beginning of Year | Additions | Retirements | End of Year |
|---|------------------------------|----------------------|----------------------|------------------------|
| Governmental activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 125,924,595 | \$ 22,805,870 | \$ - | \$ 148,730,465 |
| Art collection | 13,445 | - | - | 13,445 |
| Kansas Room Collection / Genealogy | 27,940 | 1,020 | - | 28,960 |
| Construction in progress | 284,296,144 | 39,019,014 | 32,603,675 | 290,711,483 |
| Total capital assets, not being depreciated | <u>410,262,124</u> | <u>61,825,904</u> | <u>32,603,675</u> | <u>439,484,353</u> |
| Capital assets being depreciated | | | | |
| Land improvements | 2,145,968 | 464,545 | - | 2,610,513 |
| Buildings | 139,727,412 | 7,622,710 | - | 147,350,122 |
| Machinery and equipment | 99,269,317 | 8,179,901 | 2,417,501 | 105,031,717 |
| Swimming pools | 10,351,984 | - | - | 10,351,984 |
| Infrastructure | 919,912,459 | 23,930,284 | - | 943,842,743 |
| Books and materials | 4,622,577 | 439,116 | 200,688 | 4,861,005 |
| Right-to-use leased equipment | 225,738 | 1,711,980 | - | 1,937,718 |
| Right-to-use subscription assets | 13,400,743 | 333,384 | - | 13,734,127 |
| Total capital assets being depreciated | <u>1,189,656,198</u> | <u>42,681,920</u> | <u>2,618,189</u> | <u>1,229,719,929</u> |
| Less accumulated depreciation for | | | | |
| Land improvements | (62,826) | (89,561) | - | (152,387) |
| Buildings | (46,392,859) | (3,523,116) | - | (49,915,975) |
| Machinery and equipment | (64,047,161) | (7,274,919) | (2,384,567) | (68,937,513) |
| Swimming pools | (8,751,166) | (239,517) | - | (8,990,683) |
| Infrastructure | (592,602,825) | (26,711,940) | - | (619,314,765) |
| Books and materials | (3,449,290) | (469,039) | (200,688) | (3,717,641) |
| Right-to-use leased equipment | (110,490) | (153,149) | - | (263,639) |
| Right-to-use subscription assets | (2,396,185) | (2,490,209) | - | (4,886,394) |
| Total accumulated depreciation | <u>(717,812,802)</u> | <u>(40,951,450)</u> | <u>(2,585,255)</u> | <u>(756,178,997)</u> |
| Total capital assets being depreciated, net | <u>471,843,396</u> | <u>1,730,470</u> | <u>32,934</u> | <u>473,540,932</u> |
| Governmental activities capital assets, net | <u>\$ 882,105,520</u> | <u>\$ 63,556,374</u> | <u>\$ 32,636,609</u> | <u>\$ 913,025,285</u> |

City of Olathe, Kansas
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| | Beginning of Year | Additions | Retirements | End of Year |
|--|----------------------------------|----------------------|------------------------|----------------------------|
| Business-type activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 4,730,825 | \$ - | \$ - | \$ 4,730,825 |
| Construction in progress | 30,207,615 | 19,910,600 | 10,637,949 | 39,480,266 |
| Total capital assets, not being depreciated | <u>34,938,440</u> | <u>19,910,600</u> | <u>10,637,949</u> | <u>44,211,091</u> |
| Capital assets being depreciated | | | | |
| Buildings | 40,263,260 | - | - | 40,263,260 |
| Machinery and equipment | 6,280,589 | - | - | 6,280,589 |
| Water system | 246,571,365 | 6,843,095 | - | 253,414,460 |
| Sewer system | 221,046,151 | 3,794,854 | - | 224,841,005 |
| Right-to-use subscription assets | 169,573 | 686,238 | - | 855,811 |
| Total capital assets being depreciated | <u>514,330,938</u> | <u>11,324,187</u> | <u>-</u> | <u>525,655,125</u> |
| Less accumulated depreciation for | | | | |
| Buildings | (17,412,283) | (815,234) | - | (18,227,517) |
| Machinery and equipment | (4,042,736) | (188,659) | - | (4,231,395) |
| Water system | (77,995,824) | (3,946,158) | - | (81,941,982) |
| Sewer system | (60,040,348) | (2,887,058) | - | (62,927,406) |
| Right-to-use subscription assets | (94,943) | (176,723) | - | (271,666) |
| Total accumulated depreciation | <u>(159,586,134)</u> | <u>(8,013,832)</u> | <u>-</u> | <u>(167,599,966)</u> |
| Total capital assets being depreciated, net | <u>354,744,804</u> | <u>3,310,355</u> | <u>-</u> | <u>358,055,159</u> |
| Business-type activities capital assets, net | <u>\$ 389,683,244</u> | <u>\$ 23,220,955</u> | <u>\$ 10,637,949</u> | <u>\$ 402,266,250</u> |
| Component unit | Beginning of Year | Additions | Retirements | End of Year |
| Capital assets, not being depreciated | | | | |
| Land | \$ 442,111 | \$ - | \$ - | \$ 442,111 |
| Total capital assets, not being depreciated | <u>442,111</u> | <u>-</u> | <u>-</u> | <u>442,111</u> |
| Capital assets being depreciated | | | | |
| Buildings and improvements | 9,210,191 | 8,000 | 9,103 | 9,209,088 |
| Machinery and equipment | 277,141 | - | - | 277,141 |
| Total capital assets being depreciated | <u>9,487,332</u> | <u>8,000</u> | <u>9,103</u> | <u>9,486,229</u> |
| Less accumulated depreciation for | | | | |
| Buildings | (7,650,180) | (184,336) | (6,091) | (7,828,425) |
| Machinery and equipment | (226,289) | (14,619) | - | (240,908) |
| Total accumulated depreciation | <u>(7,876,469)</u> | <u>(198,955)</u> | <u>(6,091)</u> | <u>(8,069,333)</u> |
| Total capital assets being depreciated, net | <u>1,610,863</u> | <u>(190,955)</u> | <u>3,012</u> | <u>1,416,896</u> |
| Component units capital assets, net | <u>\$ 2,052,974</u> | <u>\$ (190,955)</u> | <u>\$ 3,012</u> | <u>\$ 1,859,007</u> |

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

Government activities

| | |
|--|-----------------------------|
| General government | \$ 675,330 |
| Public safety | 1,070,698 |
| Public works | 31,942,651 |
| Community services | 736,278 |
| Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets | 6,526,493 |
| Total depreciation expense for governmental activities | <u><u>\$ 40,951,450</u></u> |

Business-type activities

| | |
|---|----------------------------|
| Water and sewer | \$ 7,935,488 |
| Solid Waste | 78,344 |
| Total depreciation expense for business-type activities | <u><u>\$ 8,013,832</u></u> |

Component Unit

| | |
|---------------------------------|--------------------------|
| Olathe public housing authority | <u><u>\$ 198,955</u></u> |
|---------------------------------|--------------------------|

6. Leases receivable

During the current fiscal year, the City had an office lease that was leased to a third party. The City recognized \$26,365 in lease interest income during the current fiscal year related to this lease recorded in the General Fund. As of December 31, 2024, the City's receivable related to this lease was \$1,691,403. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2024, the balance of the deferred inflow of resources was \$1,601,245.

During the current fiscal year, the City had antenna site leases that were leased to third parties. The City recognized \$100,659 in lease interest income during the current fiscal year related to these leases recorded in the Water and Sewer Fund. As of December 31, 2024, the City's receivable for lease payments was \$2,593,585. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of December 31, 2024, the balance of the deferred inflow of resources was \$2,496,517.

7. Debt

Short-term debt

The following is a summary of the short-term debt transactions of the City for the year ended December 31, 2024.

| | <u>Beginning of Year</u> | <u>Additions</u> | <u>Retirements</u> | <u>End of Year</u> | <u>Due in One Year</u> |
|---------------------|------------------------------|-----------------------|----------------------|------------------------|----------------------------|
| Governmental | | | | | |
| Temporary notes | <u>\$ 73,221,379</u> | <u>\$ 108,301,451</u> | <u>\$ 73,221,379</u> | <u>\$ 108,301,451</u> | <u>\$ 108,301,451</u> |

City of Olathe, Kansas
Notes to the Basic Financial Statements
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| | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>End of Year</u> |
|----------------------------------|----------------------|----------------------|-----------------------|
| Temporary Notes | | | |
| Street and sidewalk improvements | 5.00% | 1-Aug-25 | \$ 79,912,617 |
| Citywide improvements | 5.00% | 1-Aug-25 | 28,388,834 |
| | | | <u>\$ 108,301,451</u> |

Long-term debt

The following is a summary of long-term debt transactions for the year ended December 31, 2024.

| | <u>Beginning of Year, Restated</u> | <u>Additions</u> | <u>Retirements</u> | <u>End of Year</u> | <u>Due in One Year</u> |
|----------------------------|--|----------------------|----------------------|------------------------|----------------------------|
| Governmental | | | | | |
| General obligation bonds | \$ 226,100,000 | \$ 45,030,000 | \$ 28,005,000 | \$ 243,125,000 | \$ 29,610,000 |
| Special obligations bonds | 16,576,162 | - | 1,869,425 | 14,706,737 | 13,886,737 |
| Revenue bonds | 5,545,000 | 4,705,000 | 230,000 | 10,020,000 | 385,000 |
| Leases payable | 115,757 | 1,711,980 | 138,031 | 1,689,706 | 392,679 |
| Subscription liability | 5,958,541 | 333,384 | 1,426,958 | 4,864,967 | 1,243,323 |
| Compensated absences | 6,846,294 | 260,865 | - | 7,107,159 | 513,420 |
| Total KPERS OPEB liability | 1,081,723 | 90,039 | 77,763 | 1,093,999 | 12,491 |
| Total OPEB liability | 29,832,701 | 10,680,508 | 3,372,854 | 37,140,355 | 9,448,824 |
| | <u>292,056,178</u> | <u>62,811,776</u> | <u>35,120,031</u> | <u>319,747,923</u> | <u>55,492,474</u> |
| Add: bond issuance premium | 27,893,258 | 4,239,911 | 3,485,874 | 28,647,295 | 3,485,873 |
| Deduct: bond discount | (1,327) | - | (126) | (1,201) | (126) |
| Total governmental debt | <u>319,948,109</u> | <u>67,051,687</u> | <u>38,605,779</u> | <u>348,394,017</u> | <u>58,978,221</u> |
| Business-type | | | | | |
| General obligation bonds | 2,785,000 | - | 1,360,000 | 1,425,000 | 1,425,000 |
| Revenue bonds | 106,860,000 | 16,290,000 | 6,245,000 | 116,905,000 | 6,980,000 |
| KDHE revolving loan | 7,918,611 | - | 1,559,504 | 6,359,107 | 1,464,683 |
| Subscription liability | 25,860 | 686,238 | 228,036 | 484,062 | 277,936 |
| Compensated absences | 1,007,185 | 396,310 | - | 1,403,495 | 84,871 |
| Total KPERS OPEB liability | 168,510 | 16,811 | 14,812 | 170,509 | 1,946 |
| Total OPEB liability | 3,567,404 | 1,832,066 | 642,448 | 4,757,022 | 1,210,227 |
| | <u>122,332,570</u> | <u>19,221,425</u> | <u>10,049,800</u> | <u>131,504,195</u> | <u>11,444,663</u> |
| Add: bond issuance premium | 5,172,567 | 1,087,018 | 774,198 | 5,485,387 | 756,118 |
| Total business-type debt | <u>127,505,137</u> | <u>20,308,443</u> | <u>10,823,998</u> | <u>136,989,582</u> | <u>12,200,781</u> |
| Total primary government | <u>\$ 447,453,246</u> | <u>\$ 87,360,130</u> | <u>\$ 49,429,777</u> | <u>\$ 485,383,599</u> | <u>\$ 71,179,002</u> |

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

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

City of Olathe, Kansas
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Net pension and OPEB liabilities have typically been liquidated by the General, Water and Sewer, and Solid Waste Funds.

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

Bonds

| | Original Issue | Original Issue Interest Rate | Maturity Date | End of Year |
|---|---------------------------|---|--------------------------|------------------------|
| General Obligation Bonds | | | | |
| Governmental activities | | | | |
| 2014 Series 225 improvement bonds | 12,905,000 | 1.00 - 3.90 | 1-Sep-35 | \$ 8,355,000 |
| 2015 Series 226 improvement bonds | 11,695,000 | 2.50 - 5.00 | 1-Oct-25 | 1,270,000 |
| 2015 Series 227 refunding | 8,290,000 | 2.00 - 4.00 | 1-Oct-27 | 1,605,000 |
| 2016 Series 228 refunding and improvement | 25,315,000 | 0.65 - 2.29 | 1-Oct-31 | 8,965,000 |
| 2016 Series 229 improvement | 5,765,000 | 0.90 - 2.55 | 1-Oct-26 | 1,315,000 |
| 2017 Series 230 refunding and improvement | 27,525,000 | 2.50 - 5.00 | 1-Oct-29 | 11,440,000 |
| 2018 Series 231 improvement bonds | 34,170,000 | 4.00 - 5.00 | 1-Oct-28 | 15,670,000 |
| 2019 Series 232 improvement bonds | 21,115,000 | 4.00 - 5.00 | 1-Oct-30 | 11,950,000 |
| 2020 Series 233 improvement bonds | 29,365,000 | 2.00 - 3.00 | 1-Oct-31 | 16,930,000 |
| 2021 Series 234 improvement and refunding | 93,050,000 | 1.75 - 4.25 | 1-Oct-41 | 69,430,000 |
| 2022 Series 235 improvement bonds | 19,800,000 | 3.50 - 5.00 | 1-Oct-42 | 17,145,000 |
| 2023A Series improvement bonds | 35,655,000 | 4.00 - 5.00 | 1-Oct-43 | 34,020,000 |
| | | | | <u>45,030,000</u> |
| | | | | 243,125,000 |
| Business-type activities | | | | |
| 2021 Series 234 improvement and refunding | 5,395,000 | 1.75 - 4.25 | 1-Oct-41 | 1,425,000 |
| Total General Obligation Bonds | | | | <u>\$ 244,550,000</u> |

| | Original Issue | Original Issue Interest Rate | Maturity Date | End of Year |
|---------------------------------|---------------------------|---|--------------------------|------------------------|
| Governmental activities | | | | |
| Special Obligation Bonds | | | | |
| 2006 Series Olathe Gateway TIF | \$ 13,030,000 | 4.75 - 5.00 | 1-Mar-26 | \$ 6,241,360 |
| 2006 Series Olathe Gateway TDD | 9,195,000 | 4.75 - 5.00 | 1-Dec-28 | 6,130,377 |
| 2007 Series West Village TIF | 16,565,000 | 5.00 - 5.50 | 1-Sep-26 | 2,335,000 |
| | | | | <u>\$ 14,706,737</u> |

2006 Olathe Gateway TIF

The City has pledged 100% of the incremental increase in ad valorem tax revenues and 100% of the incremental increase in the City's sales tax revenues to repay the \$13,030,000 in tax increment financing bonds issued in December 2006 to finance the redevelopment of the Olathe Gateway. The bonds are payable solely from the incremental ad valorem and sales taxes generated by Olathe Gateway. Incremental taxes were projected to produce \$21,199,063, payable through March 2026. As of December 31, 2024, total principal and interest remaining on the bonds was \$10,302,420. For 2024, principal and interest paid and total incremental tax revenues were \$480,000 and \$187,066, respectively.

Due to the insufficiency of funds to cover the principal on the bonds for the September 1, 2011, debt service payment, the Trustee has determined that an "event of default" has occurred under the Indenture

City of Olathe, Kansas
Notes to the Basic Financial Statements
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and has declared the principal of all bonds outstanding and the interest accrued thereon to be immediately due and payable. The bonds are special, limited obligations of the City. Neither the bonds nor the interest thereon constitute a general obligation or indebtedness of, nor is the payment thereof guaranteed by the City.

2006 Olathe Gateway TDD

The City has pledged 100% of the transportation development district sales tax (1%) on the selling of tangible personal property or rendering or furnishing of services within the transportation district to repay the \$9,195,000 in transportation development district bonds issued in December 2006 to finance the redevelopment of the Olathe Gateway. The bonds are payable solely from the transportation development district tax revenue generated by Olathe Gateway. Incremental taxes were projected to produce \$19,042,625 over the life of the bonds. As of December 31, 2024, total principal and interest remaining on the bonds was \$10,263,804, payable through December 2028. For 2024, principal and interest paid and total incremental tax revenues were \$285,000 and \$113,509, respectively.

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

2007 West Village TIF

The City has pledged 100% of the incremental increase in ad valorem tax revenues and 100% of the incremental increase in the City's sales tax revenues to repay the \$16,565,000 in tax increment financing bonds issued in July 2007 to finance the redevelopment of the West Village. The bonds are payable solely from the incremental ad valorem and sales taxes generated by the West Village. Incremental taxes were projected to produce \$32,108,898 over the life of the bonds. As of December 31, 2024, total principal and interest remaining on the bonds was \$2,442,938, payable through September 2026. For 2024, principal and interest and total incremental tax revenues were \$1,443,638 and \$38,638, respectively.

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

Revenue Bonds

Governmental activities

| | | | | |
|--------------------------------------|-----------|--------------|----------|-------------------|
| 2019 Stormwater System revenue bonds | 3,225,000 | 3.00 - 5.000 | 1-Oct-38 | \$ 2,485,000 |
| 2022 Stormwater System revenue bonds | 3,025,000 | 4.00 - 5.000 | 1-Oct-42 | 2,830,000 |
| 2024 Stormwater System revenue bonds | 4,705,000 | 4.00 - 5.000 | 1-Oct-44 | 4,705,000 |
| Total governmental activities | | | | <u>10,020,000</u> |

Business-type activities

| | | | | |
|---|------------|--------------|----------|--------------------|
| 2012 Water and Sewer System revenue bonds | 9,585,000 | 2.00 - 3.000 | 1-Jul-32 | 4,340,000 |
| 2015 Water and Sewer System revenue bonds | 18,895,000 | 2.00 - 5.000 | 1-Jul-35 | 11,955,000 |
| 2017 Water and Sewer System revenue bonds | 11,340,000 | 3.00 - 4.000 | 1-Jul-37 | 7,650,000 |
| 2018 Water and Sewer System revenue bonds | 11,580,000 | 3.00 - 5.000 | 1-Jul-38 | 9,035,000 |
| 2019 Water and Sewer System revenue bonds | 16,360,000 | 3.00 - 5.000 | 1-Jul-39 | 13,000,000 |
| 2020 Water and Sewer System revenue bonds | 16,360,000 | 3.00 - 5.000 | 1-Jul-39 | 9,655,000 |
| 2021 Water and Sewer System revenue bonds | 35,270,000 | 2.00 - 4.000 | 1-Jul-41 | 29,010,000 |
| 2022 Water and Sewer System revenue bonds | 11,740,000 | 4.00 - 5.000 | 1-Jul-42 | 10,860,000 |
| 2023 Water and Sewer System revenue bonds | 5,280,000 | 4.00 - 5.000 | 1-Jul-43 | 5,110,000 |
| 2024 Water and Sewer System revenue bonds | 16,290,000 | 4.00 - 5.000 | 1-Jul-44 | 16,290,000 |
| Total business-type activities | | | | <u>116,905,000</u> |

| | | | | |
|---------------------|--|--|--|-----------------------|
| Total revenue bonds | | | | <u>\$ 126,925,000</u> |
|---------------------|--|--|--|-----------------------|

KDHE revolving loans

The City entered into a loan agreement with KDHE for the Cedar Creek Wastewater Treatment Plant Sludge Project. The loan was entered into on July 16, 2003 with an interest rate of 2.69% and a maximum amount of \$2,207,863. As of December 31, 2024, \$2,207,863 had been drawn on this loan and the loan had been fully paid back. Principal payments of \$142,071 were made in 2024. As of December 31, 2024 this loan was paid in full.

The City entered into a loan agreement with KDHE for the Cedar Creek Wastewater Treatment Plant Pump Station Project. The loan was entered into on March 7, 2006 with an interest rate of 2.42% and a maximum amount of \$768,500. As of December 31, 2024, \$768,500 had been drawn on this loan and the payback amount was \$104,575. Principal payments of \$50,244 were made in 2024. The payback period for the amount of the loan remaining is 2 years. The loan payment began in 2007 when the project was completed.

The City entered into a loan agreement with KDHE for the 42" Finished Water Transmission Project. The loan was entered into on November 13, 2007 with an interest rate of 3.11% and a maximum amount of \$16,883,916. As of December 31, 2024, \$16,883,916 had been drawn on this loan and the payback amount was \$4,782,456. Principal payments of \$1,096,545 were made in 2024. The payback period for the amount of the loan remaining is 4 years. The loan payment began in 2009 when the project was completed.

The City entered into a loan agreement with KDHE for the Cedar Creek Wastewater Treatment Plant Expansion Project. The loan was entered into on March 9, 2009 with an interest rate of 2.55% and a maximum amount of \$4,221,984. As of December 31, 2024, \$4,221,984 had been drawn on this loan and the payback amount was \$1,472,076. Principal payments of \$270,644 were made in 2024. The payback period for the amount of the loan remaining is 5 years. The loan payment began in 2010 when the project was completed.

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

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

| Year | Governmental Activities | | | | | | | |
|---------------------------|--------------------------|---------------|---------------|--------------|--------------------------|--------------|----------------|---------------|
| | General Obligation Bonds | | Revenue Bonds | | Special Obligation Bonds | | Totals | |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | \$ 29,610,000 | \$ 9,476,339 | \$ 385,000 | \$ 227,588 | \$ 13,886,737 | \$ 8,302,425 | \$ 43,881,737 | \$ 18,006,352 |
| 2026 | 28,815,000 | 9,919,545 | 405,000 | 216,087 | 820,000 | 22,550 | 30,040,000 | 10,158,182 |
| 2027 | 27,610,000 | 8,579,245 | 425,000 | 204,088 | - | - | 28,035,000 | 8,783,333 |
| 2028 | 26,560,000 | 7,451,689 | 445,000 | 191,338 | - | - | 27,005,000 | 7,643,027 |
| 2029 | 21,905,000 | 6,369,451 | 465,000 | 179,588 | - | - | 22,370,000 | 6,549,039 |
| 2030-2034 | 64,525,000 | 18,340,452 | 2,650,000 | 708,490 | - | - | 67,175,000 | 19,048,942 |
| 2035-2039 | 23,750,000 | 7,730,508 | 3,030,000 | 385,021 | - | - | 26,780,000 | 8,115,529 |
| 2040-2044 | 20,350,000 | 3,029,250 | 2,215,000 | 88,719 | - | - | 22,565,000 | 3,117,969 |
| | 243,125,000 | 70,896,479 | 10,020,000 | 2,200,919 | 14,706,737 | 8,324,975 | 267,851,737 | 81,422,373 |
| Due within one year | 29,610,000 | 9,476,339 | 385,000 | 227,588 | 13,886,737 | 8,302,425 | 43,881,737 | 18,006,352 |
| Due in more than one year | \$ 213,515,000 | \$ 61,420,140 | \$ 9,635,000 | \$ 1,973,331 | \$ 820,000 | \$ 22,550 | \$ 223,970,000 | \$ 63,416,021 |

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

| Year | Business-type Activities | | | | | | | |
|---------------------------|--------------------------|-----------|----------------|---------------|---------------------|------------|----------------|---------------|
| | General Obligation Bonds | | Revenue Bonds | | KDHE Revolving Loan | | Totals | |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | \$ 1,425,000 | \$ 60,564 | \$ 6,980,000 | \$ 3,988,903 | 1,464,683 | 177,984 | \$ 9,869,683 | \$ 4,227,451 |
| 2026 | - | - | 7,300,000 | 3,721,850 | 1,513,521 | 133,983 | 8,813,521 | 3,855,833 |
| 2027 | - | - | 7,580,000 | 3,429,125 | 1,509,594 | 88,832 | 9,089,594 | 3,517,957 |
| 2028 | - | - | 7,865,000 | 3,139,631 | 1,560,305 | 43,151 | 9,425,305 | 3,182,782 |
| 2029 | - | - | 8,030,000 | 2,838,006 | 311,004 | 5,961 | 8,341,004 | 2,843,967 |
| 2030-2034 | - | - | 40,070,000 | 10,296,918 | - | - | 40,070,000 | 10,296,918 |
| 2035-2039 | - | - | 28,370,000 | 4,515,881 | - | - | 28,370,000 | 4,515,881 |
| 2040-2044 | - | - | 10,710,000 | 1,102,819 | - | - | 10,710,000 | 1,102,819 |
| | 1,425,000 | 60,564 | 116,905,000 | 33,033,133 | 6,359,107 | 449,911 | 124,689,107 | 33,543,608 |
| Due within one year | 1,425,000 | 60,564 | 6,980,000 | 3,988,903 | 1,464,683 | 177,984 | 9,869,683 | 4,227,451 |
| Due in more than one year | \$ - | \$ - | \$ 109,925,000 | \$ 29,044,230 | \$ 4,894,424 | \$ 271,927 | \$ 114,819,424 | \$ 29,316,157 |

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$116,905,000 (\$4,340,000 Series 2012, \$11,955,000 Series 2015, \$7,650,000 Series 2017, \$9,035,000 Series 2018, \$13,000,000 Series 2019, \$9,655,000 Series 2020, \$29,010,000 Series 2021, \$10,860,000 Series 2022, \$5,110,000 Series 2023, and \$16,290,000 Series 2024) in water system revenue bonds. Proceeds from the bonds provide financing for several new improvements to the City's water and sewer system. The bonds are payable solely from water customer net revenues and are payable through 2044. The total principal and interest remaining to be paid on the bonds is \$149,938,133. Principal and interest paid for the current year were \$6,245,000 and \$3,496,090, respectively.

City of Olathe, Kansas
Notes to the Basic Financial Statements
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| Water & Sewer Revenue Bonds | | | | | | |
|--|-----------------|-------------------------|---|------------------------------|-----------------------------|-----------------|
| Fiscal Year | Revenues | Current Expenses | Net Revenue Available for Debt Service | Principal Requirement | Interest Requirement | Coverage |
| 2024 | \$ 67,443,701 | \$ 45,705,556 | \$ 21,738,145 | \$ 6,980,000 | \$ 3,988,903 | 1.98 |

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

GO Bonds and Revenue Bonds

The City issued Series 2024 General Obligation Bonds on July 18, 2024 in the amount of \$45,030,000. The bonds will be used for the purpose of financing a portion of the costs of certain public improvements. The bonds have interest rates ranging from 4.00% to 5.00% with a final maturity of October 1, 2044.

The City issued Series 2024 revenue bonds on July 10, 2024 in the amount of \$4,705,000 for the purpose of improving the stormwater system. The bonds have interest rates ranging from 4.00% to 5.00% with a final maturity of October 1, 2042.

The City issued Series 2024 revenue bonds on July 10, 2024 in the amount of \$16,290,000 for the purpose of acquiring, constructing, reconstructing, altering, repairing, improving, extending or enlarging the operation of its water and sewer system. The bonds have interest rates ranging from 4.00% to 5.00% with a final maturity of July 1, 2044.

As of December 31, 2024, based on the assessed valuation as of December 15, 2024 of \$2,960,928,779, the general obligation debt limit was \$888,278,634 which, after reduction for outstanding eligible general obligation bonds and notes totaling \$352,851,451 and amounts available for debt service of \$119,209,619, provides a general obligation debt margin of \$416,217,564.

Leases payable

During the current year, the City leased office equipment from a third-party. The initial term was for 4 years with a remaining term of 1 years. As of December 31, 2024, the value of the lease liability was \$60,359. The City is required to make monthly principal and interest payments of \$4,658. The lease has an interest rate of .55%. The value of the right-to-use asset as of the end of the current fiscal year was \$225,738 and had accumulated depreciation of \$165,736.

During the current year, the City leased office space from a third-party. The initial term was for 6 years with a remaining term of 5 years. As of December 31, 2024, the value of the lease liability was \$1,629,347. The City is required to make monthly principal and interest payments of \$28,068. The value of the right-to-use asset as of the end of the current fiscal year was \$1,711,980 and had accumulated depreciation of \$97,903.

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

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

| Year | Principal | Interest |
|-------------|---------------------|------------------|
| 2025 | \$ 392,679 | \$ 10,147 |
| 2026 | 352,289 | 7,707 |
| 2027 | 331,343 | 5,440 |
| 2028 | 333,623 | 3,160 |
| 2029 | 279,772 | 880 |
| | <u>\$ 1,689,706</u> | <u>\$ 27,334</u> |

Subscription-based information technology arrangements

The City has entered into various subscription-based information technology arrangements with software vendors. The arrangements have various terms ending through 2033. The right to use assets are intangible assets and are recorded in capital assets as right-to-use subscription assets as shown in Note 5. Details of the arrangements are as follows:

| Description | Software End Date | Outstanding December 31, 2024 |
|--|------------------------------|--|
| Governmental | | |
| Automatic License Plate Recognition System | 4/10/2028 | \$ 65,587 |
| Workday SaaS | 9/16/2031 | 3,590,112 |
| Investigate Pro License | 12/14/2033 | 201,078 |
| Workplace - Frontline Data Solutions | 11/25/2028 | 128,298 |
| Microsoft Software | 6/30/2025 | 525,587 |
| Communications Cloud Software | 3/26/2026 | 126,675 |
| OpenGov | 8/31/2027 | 227,630 |
| Total governmental | | <u><u>\$ 4,864,967</u></u> |
| Business-type | | |
| Labworks | 1/6/2029 | \$ 273,941 |
| OpenGov | 8/31/2027 | 210,121 |
| Total business-type | | <u><u>\$ 484,062</u></u> |

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

| Governmental Activities | | |
|--------------------------------|---------------------|-------------------|
| Year | Principal | Interest |
| 2025 | \$ 1,243,323 | \$ 130,091 |
| 2026 | 746,048 | 95,683 |
| 2027 | 662,577 | 77,846 |
| 2028 | 666,449 | 59,202 |
| 2029 | 667,674 | 40,791 |
| Thereafter | 878,896 | 25,349 |
| | <u>\$ 4,864,967</u> | <u>\$ 428,962</u> |

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

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

| Business-type Activities | | |
|---------------------------------|-------------------|------------------|
| Year | Principal | Interest |
| 2025 | \$ 277,936 | \$ 10,582 |
| 2026 | 184,525 | 7,609 |
| 2027 | 21,601 | 5,162 |
| | <u>\$ 484,062</u> | <u>\$ 23,353</u> |

8. Fund Balances

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

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

For unrestricted fund balance, committed amounts should be reduced first, followed by assigned amounts, followed by unassigned amounts. It is the goal of the City to maintain a minimum fund balance in the general fund of 15% of revenues, with an annual target of 30% of revenues. The following chart details the components of fund balance for the City at December 31, 2024

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

| | Major | | | | Nonmajor | |
|-----------------------------|----------------------|----------------------|------------------------------|-------------------------|---------------------------------|---------------------------------|
| | General | Debt Service | Special Tax Financing | Capital Projects | Other Governmental Funds | Total Governmental Funds |
| Fund Balances: | | | | | | |
| Non Spendable: | \$ 146,175 | \$ - | \$ - | \$ - | \$ - | \$ 146,175 |
| Restricted for: | | | | | | |
| Debt service | - | 81,267,391 | 14,427,764 | - | - | 95,695,155 |
| Capital improvement | - | - | - | 15,659,033 | - | 15,659,033 |
| Public works - | | | | | | |
| motor fuel tax | - | - | - | - | 15,920 | 15,920 |
| Public safety - fire levy | - | - | - | - | 105,124 | 105,124 |
| Public works - | | | | | | |
| street maintenance | | | | | | |
| sales tax | - | - | - | - | 1,650,827 | 1,650,827 |
| Community services - | | | | | | |
| special alcohol | - | - | - | - | 1,513,863 | 1,513,863 |
| Community services - | | | | | | |
| special park & recreation | - | - | - | - | 3,888,941 | 3,888,941 |
| Community services - | | | | | | |
| Park sales tax | - | - | - | - | 3,722,369 | 3,722,369 |
| Community services - | | | | | | |
| grants | - | - | - | - | 6,636,646 | 6,636,646 |
| Community services - | | | | | | |
| reimbursable programs | - | - | - | - | 43,760 | 43,760 |
| General government - | | | | | | |
| reimbursable programs | - | - | - | - | 2,039,928 | 2,039,928 |
| General government - | | | | | | |
| library | - | - | - | - | 5,027,575 | 5,027,575 |
| Committed to: | | | | | | |
| Public works - | | | | | | |
| storm water | - | - | - | - | 2,162,220 | 2,162,220 |
| Public works - | | | | | | |
| future street improvement | - | - | - | - | 6,163,538 | 6,163,538 |
| Community services - | | | | | | |
| Recreation | - | - | - | - | 405,139 | 405,139 |
| Community services - | | | | | | |
| Cemetery | - | - | - | - | 326,247 | 326,247 |
| General government - | | | | | | |
| Economic Development | - | - | - | - | 1,672,387 | 1,672,387 |
| Assigned to: | | | | | | |
| General government | | | | | | |
| encumbrances | 939,102 | - | - | - | - | 939,102 |
| Unassigned: | 49,083,542 | - | - | - | - | 49,083,542 |
| Total fund balances: | <u>\$ 50,168,819</u> | <u>\$ 81,267,391</u> | <u>\$ 14,427,764</u> | <u>\$ 15,659,033</u> | <u>\$ 35,374,484</u> | <u>\$ 196,897,491</u> |

City of Olathe, Kansas
Notes to the Basic Financial Statements
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9. Interfund Activities

Interfund transactions for the year were as follows:

| Transfers from | Transfer to | | | | | |
|--------------------------|--------------|--------------|------------------|---------------|--------------------|---------------|
| | Major | | | | Other | Total |
| | General | Debt Service | Capital Projects | Water & Sewer | Governmental Funds | |
| General | \$ - | \$ - | \$ 6,904,761 | \$ - | \$ 50,636 | \$ 6,955,397 |
| Capital Projects | - | - | 3,330,230 | - | 675,532 | 4,005,762 |
| Other Governmental Funds | 9,208,623 | 1,439,732 | 29,209,075 | 1,610,270 | 2,018,314 | 43,486,014 |
| Proprietary Funds | | | | | | |
| Water and sewer | - | - | 141,756 | 12,959,658 | - | 13,101,414 |
| Solid waste | - | - | 52,301 | - | - | 52,301 |
| Internal service funds | - | - | 1,000,000 | - | - | 1,000,000 |
| Total proprietary funds | - | - | 1,194,057 | 12,959,658 | - | 14,153,715 |
| Totals | \$ 9,208,623 | \$ 1,439,732 | \$ 40,638,123 | \$ 14,569,928 | \$ 2,744,482 | \$ 68,600,888 |

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

Further, during the year ended December 31, 2024, the City of Olathe made the following one-time transfers:

- Transfer of \$20,160,000 from the street maintenance sales tax fund to the capital projects fund to cash finance street maintenance projects to align with the City's five-year capital improvement plan.
- Transfers totaling \$3,940,000 from the park sales tax fund to the capital projects fund to cash finance various projects to align with the City's five-year capital improvement plan.
- Transfer of \$1,439,732 from the park sales tax fund to the debt service fund to pay debt for the Lake Olathe project.
- Transfer of \$1,000,000 from risk management to capital projects fund for city hall environmental system improvements.
- Transfers totaling \$6,900,000 from general fund to the capital projects funds to cash finance various projects to align with the City's five-year capital improvement plan.

City of Olathe, Kansas
Notes to the Basic Financial Statements
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Interfund receivable/payable balances as of December 31, 2024 were as follows:

| | <u>Receivables</u> | <u>Payables</u> |
|---------------------------------------|---------------------|---------------------|
| Fund Statements | | |
| General | \$ 2,192,531 | \$ - |
| Other governmental funds | - | 2,192,531 |
| Internal service funds | 1,289,528 | - |
| Capital projects | - | 1,289,528 |
| | <u>\$ 3,482,059</u> | <u>\$ 3,482,059</u> |
| Government-Wide Statements | | |
| Governmental | \$ (11,999,986) | \$ - |
| Business-type | - | 11,999,986 |

10. Pension Plans

Plan description

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

Benefits provided

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

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

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

City of Olathe, Kansas
Notes to the Basic Financial Statements
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For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) was 9.26% for KPERS and 23.10% for KP&F for the fiscal year ended December 31, 2024.

Contributions to the pension plan from the City were \$4,754,878 for KPERS and \$8,760,056 for KP&F for the year ended December 31, 2024.

Employer Allocations

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

The allocation percentages for the City's share of the collective pension amounts as of June 30, 2024 and 2023 were based on the ratio of its contributions to the total of the employer and nonemployer contribution group for the fiscal years ended June 30, 2024 and 2023, respectively. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. At June 30, 2024, the City's proportion was 2.33% for the local plan, which was an increase of .03% from June 30, 2023, and 5.32% for the police and firemen plan, which was an increase of .13% from June 30, 2023.

Net Pension Liability

As of December 31, 2024 and 2023, the City reported a liability of \$134,187,793 (\$49,416,547 for local government employees and \$84,771,246 for police and firemen) and \$131,130,977 (\$48,312,841 for local government employees and \$82,818,136 for police and firemen), respectively, for its proportionate share of the net pension liability.

City of Olathe, Kansas
Notes to the Basic Financial Statements
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The total pension liability for KPERS in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates are projected into the future using Scale MP-2021.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study conducted for the four-year period beginning January 1, 2019 through December 31, 2022. The experience study is dated January 29, 2024.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study dated January 29, 2024, as provided by KPERS' investment consultant, are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|--------------------|--------------------------|---|
| Global Equities | 43% | 8 |
| Private Equity | 11% | 12 |
| Real Estate | 15% | 5.7 |
| Yield Driven | 12% | 5.3 |
| Infrastructure | 3% | 6.8 |
| Core Fixed Income | 13% | 2.2 |
| Cash | 3% | 0.3 |
| Total | 100% | |

Discount Rate

The discount rate used by KPERS to measure the total pension liability at June 30, 2024 and June 30, 2023 was 7.00%. The projection of cash flows used to determine the discount rate was based on member and employer contributions. The local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the KPERS' Board of Trustees for this group may not increase by more than the statutory cap. The statutory cap for the state fiscal year 2024 was 1.2%. The local employers are currently contributing the full actuarial contribution rate. Employers contribute the full actuarial determined rate for KP&F. The expected employer actuarial contribution rate was modeled for future years for these groups, assuming all actuarial assumptions are met in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Olathe, Kansas
Notes to the Basic Financial Statements
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Sensitivity of the City's proportionate share of the collective net pension liability to changes in the discount rate.

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

| | 1% Decrease (6%) | Discount Rate (7.00%) | 1% Increase (8.00%) |
|--------------------|-----------------------|--------------------------|------------------------|
| Local government | \$ 71,541,643 | \$ 49,416,547 | \$ 30,926,008 |
| Police and Firemen | 115,980,564 | 84,771,246 | 58,671,458 |
| Total | <u>\$ 187,522,207</u> | <u>\$ 134,187,793</u> | <u>\$ 89,597,466</u> |

Pension Expense

For the year ended December 31, 2024, the City recognized pension expense of \$24,957,351 (\$9,001,761 for local government employees and \$15,955,590 for police and firefighters), which includes the changes in the collective net pension liability, projected earning on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Outflows of Resources Governmental Activities | Inflows of Resources Governmental Activities | Outflows of Resources Business Type | Inflows of Resources Business Type | Total Deferred Outflows of Resources | Total Deferred Inflows of Resources |
|--|--|---|--|---|---|--|
| Differences between actual and expected experience | \$ 11,176,153 | \$ - | \$ 2,164,032 | \$ - | \$ 13,340,185 | \$ - |
| Net differences between projected and actual earnings on investments | 597,786 | - | 108,987 | - | 706,773 | - |
| Changes in assumptions | 6,426,706 | - | 1,075,310 | - | 7,502,016 | - |
| Changes in proportion | 4,839,486 | 749,062 | 831,183 | 42,751 | 5,670,669 | 791,813 |
| Contributions after measurement date | 6,255,150 | - | 903,140 | - | 7,158,290 | - |
| Total | <u>\$ 29,295,281</u> | <u>\$ 749,062</u> | <u>\$ 5,082,652</u> | <u>\$ 42,751</u> | <u>\$ 34,377,933</u> | <u>\$ 791,813</u> |

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

| Year Ended December 31: | KPERS | Police and Firemen |
|--------------------------------|----------------------|---------------------------|
| 2025 | \$ 3,033,372 | \$ 4,720,681 |
| 2026 | 5,762,953 | 8,080,047 |
| 2027 | 1,748,885 | 2,430,457 |
| 2028 | 372,200 | 279,235 |
| Total | <u>\$ 10,917,410</u> | <u>\$ 15,510,420</u> |

11. Commitments and Contingent Liabilities

Reimbursable Developer's Cost

The City has pledged revenues (property tax and sales tax) from development areas to repay eligible developers' costs associated with each project. These obligations represent redeveloper project costs that have been certified as eligible for reimbursement from the incremental taxes attributable to each project. The City is only obligated for the amounts of incremental taxes received attributable to the projects. Any deficiencies are the responsibility of the developer. The remaining certified project costs to be repaid as of December 31, 2024 totaled \$37,903,327.

Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchaser orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but rather, as restricted, committed, or assigned fund balance. Listed below are the encumbrances in governmental funds for the City as of December 31, 2024.

| | Total Governmental Funds |
|--------------------|---------------------------------|
| General | \$ 939,102 |
| Capital projects | 27,271,732 |
| Non major | 23,585,264 |
| Total encumbrances | <u>\$ 51,796,098</u> |

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Commitments

As of December 31, 2024, uncompleted capital project authorizations compared with project costs from inception (excluding expenditures for general obligation notes, general obligation note interest, note and bond issuance costs and transfers of unused funds back to the funding source) were as follows:

| | Project Authorizations | Costs - Project Inception to December 31, 2024 |
|-----------------------|-----------------------------------|---|
| Street improvements | \$ 758,226,033 | \$ 287,186,628 |
| Citywide improvements | 166,374,227 | 250,461,516 |
| Water and sewer lines | 292,580,481 | 81,401,476 |
| | <u>\$ 1,217,180,741</u> | <u>\$ 619,049,620</u> |

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

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

| | Operation and Maintenance | Capital Improvements | Total |
|------|--------------------------------------|---------------------------------|--------------|
| 2025 | \$ 4,095,235 | \$ 1,216,765 | \$ 5,312,000 |
| 2026 | 4,299,997 | 1,277,603 | 5,577,600 |
| 2027 | 4,514,997 | 1,341,483 | 5,856,480 |

Litigation

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

12. Risk Management

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

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

City of Olathe, Kansas
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incurred, but not reported. The City believes that there is no potential liability as of December 31, 2024 which will exceed coverage and the funds reserved. There were no significant reductions in insurance coverage during 2023. No significant settlements in excess of insurance coverage have been paid in the last three years.

Effective January 1, 1998, the City was granted a self-insured permit by the Kansas Workers' Compensation Division. The City had previously been a member of a self-insured pool for 11 years. As a stand-alone workers' compensation self-insured, the City must comply with very strict procedural and funding standards monitored by the Kansas Workers' Compensation Division. The City has recorded a liability of \$2,591,159 that represents the estimated future cost of claims made and claims incurred, but not reported at December 31, 2024. All is considered due within one year and is included in accounts and claims payable in the Statement of Net Position.

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

| | Beginning of Year | Additions | Deletions | End of Year |
|------|------------------------------|------------------|------------------|------------------------|
| 2023 | \$ 1,742,893 | \$ 2,058,827 | \$ 1,219,401 | \$ 2,582,319 |
| 2024 | 2,582,319 | 1,477,748 | 1,468,908 | 2,591,159 |

Employee health and dental insurances are self-insured by the City. The City has an accrued liability for various insurance claims payable including claims incurred, but not yet paid of \$1,419,200 at December 31, 2024. All is considered due within one year and is included in accounts and claims payable in the Statement of Net Position.

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

| | Beginning of Year | Additions | Deletions | End of Year |
|------|------------------------------|------------------|------------------|------------------------|
| 2023 | \$ 1,168,800 | \$ 18,313,529 | \$ 18,128,229 | \$ 1,354,100 |
| 2024 | 1,354,100 | 20,080,117 | 20,015,017 | 1,419,200 |

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

13. Landfill Closure

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

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

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

14. Postemployment Benefits Other than Pension Benefits (OPEB)

Plan Description

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

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

Funding Policy

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

At January 1, 2024, the following employees were covered by the benefit terms:

| | Governmental | Business-type |
|------------------------------|--------------|---------------|
| Active employees | 788 | 128 |
| Retirees and covered spouses | 160 | 5 |
| | <u>948</u> | <u>133</u> |

The total OPEB liability of \$41,897,377 was measured as of December 31, 2023 and was determined by an actuarial valuation as of January 1, 2022.

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

| | |
|----------------------------|--|
| Valuation date | January 1, 2022 |
| Actuarial cost method | Entry age normal as a level percentage of payroll |
| Inflation | 2.50% |
| Salary increase | 3.50% |
| Discount rate | 4.22% |
| Healthcare cost trend rate | Medical & Pharmacy: 7.50% for 2024, decreasing to an ultimate rate of 4.50% for 2036 and later years |

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

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

Changes in the total OPEB liability are as follows:

| | |
|---|----------------------|
| Total OPEB liability - beginning of year | \$ 33,400,105 |
| 1. Service cost | 1,389,102 |
| 2. Interest cost | 1,302,000 |
| 3. Change in benefit terms | - |
| 4. Differences between expected and actual experience | (751,145) |
| 5. Change in assumptions and inputs | 9,022,315 |
| 6. Benefit payments (employer contributions) | <u>(2,465,000)</u> |
| Net changes | <u>8,497,272</u> |
| Total OPEB liability - end of year | <u>\$ 41,897,377</u> |

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using the discount rate that is one percentage point lower (3.22% or one percentage point higher (5.22%) than the current discount rate.

| | 1% Decrease 3.22% | Discount Rate 4.22% | 1% Increase 5.22% |
|----------------------|----------------------|------------------------|----------------------|
| Total OPEB Liability | <u>45,313,189</u> | <u>41,897,377</u> | <u>38,770,006</u> |

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

| | 1% Decrease 3.22% | Discount Rate 4.22% | 1% Increase 5.22% |
|----------------------|----------------------|------------------------|----------------------|
| Total OPEB Liability | <u>37,754,946</u> | <u>41,897,377</u> | <u>46,752,250</u> |

For the year ended December 31, 2024, the City recognized OPEB expense of \$4,015,302.

Deferred Inflows of Resources.

At December 31, 2024 the City reported deferred inflows related to OPEB from the following sources:

| | Deferred Outflows of Resources Governmental Activities | Deferred Inflows of Resources Governmental Activities | Deferred Outflows of Resources Business Type | Deferred Inflows of Resources Business Type | Total Deferred Outflows of Resources | Total Deferred Inflows of Resources |
|--|--|---|--|---|---|--|
| Differences between actual and expected experience | \$ 1,484,457 | \$ 631,353 | \$ 240,244 | \$ 113,052 | \$ 1,724,701 | \$ 744,405 |
| Changes in assumptions | 9,589,553 | 1,230,815 | 1,574,533 | 220,394 | 11,164,086 | 1,451,209 |
| Total | <u>\$ 11,074,010</u> | <u>\$ 1,862,168</u> | <u>\$ 1,814,777</u> | <u>\$ 333,446</u> | <u>\$ 12,888,787</u> | <u>\$ 2,195,614</u> |

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

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

| Year Ended December 31, | Deferred Outflows of Resources |
|----------------------------|-----------------------------------|
| 2025 | \$ 1,324,200 |
| 2026 | 1,324,200 |
| 2027 | 1,324,200 |
| 2028 | 1,441,703 |
| 2029 | 1,284,933 |
| 2030 & thereafter | 3,993,937 |
| | <u>\$ 10,693,173</u> |

15. Other Postemployment Benefits – KPERS

Plan Description

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

Benefits

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

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

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

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

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

Employees covered by benefit terms. At December 31, 2024, the following employees were covered by the benefit terms:

| | |
|------------------|------------|
| Active employees | 720 |
| Disabled members | 10 |
| | <u>730</u> |

Total OPEB Liability

The City's total KPERS OPEB liability of \$1,264,508 reported as of December 31, 2024 was measured as of June 30, 2024 and was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024 using the following actuarial assumptions:

| | |
|---------------------------------------|--|
| Price inflation | 2.75% |
| Payroll growth | 3.00% |
| Salary increases, including inflation | 3.50 to 10.30%, including price inflation |
| Discount rate | 3.93% |
| Healthcare cost trend rates | Not applicable for the coverage in this plan |
| Retiree share of benefit cost | Not applicable for the coverage in this plan |

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

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

The actuarial assumptions used in the June 30, 2024 valuation were based on an actuarial experience for the three-year period beginning January 1, 2019. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2023 KPERS pension valuation.

| | |
|--|---------------------|
| Total OPEB Liability - Beginning of Year | \$ 1,250,233 |
| Service Cost | 119,076 |
| Interest Cost | 47,919 |
| Effect of economic/demographic gains or losses | (36,808) |
| Effect of assumptions changes or inputs | (1,985) |
| Benefit payments (Employer Contributions) | <u>(113,927)</u> |
| Net Changes | <u>14,275</u> |
| Total OPEB Liability - End of Year | <u>\$ 1,264,508</u> |

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

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

The following presents the total KPERS OPEB liability of the City, as well as what the City's total KPERS OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.93%) or 1 percentage point higher (4.93%) than the current discount rate.

| | 1% Decrease 2.93% | Discount Rate 3.93% | 1% Increase 4.93% |
|----------------------|----------------------|------------------------|----------------------|
| Total OPEB Liability | 1,313,644 | 1,264,508 | 1,214,220 |

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

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

| | 1% Decrease | Current Trend Rate | 1% Increase |
|----------------------|-------------|-----------------------|-------------|
| Total OPEB Liability | 1,264,508 | 1,264,508 | 1,264,508 |

For the year ended December 31, 2024, the City recognized OPEB expense of \$92,574 and an aggregate amount of OPEB expense for all plans of \$4,107,876.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2024, the City reported deferred inflows and outflows related to OPEB from the following sources:

| | Deferred Outflows of Resources Governmental Activities | Deferred Inflows of Resources Governmental Activities | Deferred Outflows of Resources Business-type Activities | Deferred Inflows of Resources Business-type Activities | Total Deferred Outflows of Resources | Total Deferred Inflows of Resources |
|---|---|--|--|---|--|---|
| Changes in assumptions | \$ 74,710 | \$ 209,120 | \$ 12,162 | \$ 34,043 | \$ 86,872 | \$ 243,163 |
| Differences between expected and actual experience | 164,261 | 568,730 | 27,707 | 109,525 | 191,968 | 678,255 |
| Total | \$ 238,971 | \$ 777,850 | \$ 39,869 | \$ 143,568 | \$ 278,840 | \$ 921,418 |

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

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

| Year Ended December 31, | Deferred (Inflows) Outflows Amount |
|----------------------------|---------------------------------------|
| 2025 | \$ (74,421) |
| 2026 | (72,275) |
| 2027 | (63,820) |
| 2028 | (68,297) |
| 2029 | (105,920) |
| 2030 & thereafter | (257,845) |
| | <u>\$ (642,578)</u> |

16. Tax Abatements

Property Tax Abatements

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

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

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

- a. Employment – Wages: The amount and diversity of additional employment opportunities which would be provided shall be a primary consideration. The City expects all projects which receive a property tax abatement to produce a high quantity of jobs and/or pay above average wages.
- b. Design Criteria: The City will, at its sole discretion, require higher design standards for the design of building and material used for projects receiving property tax abatement. Projects shall utilize construction material that meet or exceed the requirement set forth in the design

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

guidelines as provided by the City's Planning Services Division. The project must be environmentally acceptable to the location intended as well as the surrounding area.

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

The City will consider granting tax exemption incentives upon factual showing of direct economic benefit to the City through advancement of its economic development goals, including the creation of additional jobs and the stimulation of additional private investment. Before a tax exemption incentive is granted, a cost-benefit analysis report examining the costs and benefits to the public of the proposed tax exemption incentive is prepared. In addition, the City provides a public hearing notice and the City Council conducts a public hearing to consider the abatement. Any tax exemption granted pursuant to Resolution No. 16-1003 shall be accompanied by a performance agreement which is subject to annual review and determination by the Governing Body that the conditions qualifying the business for the exemption continue to exist. If the Governing Body finds the business is not in compliance, then the tax exemption may be modified pursuant to the performance agreement or eliminated as the Governing Body deems appropriate.

For the fiscal year ending December 31, 2024, the City abated ad valorem property taxes. Listed below are projects that individually exceed 5% of the City's total amount abated. The projects listed total over 45% of the total abatement amount.

| | |
|-----------------------|----------------------------------|
| Project Name | Garmin Int'l |
| Project Description | Office and Industrial Facility |
| Approved Abatement | 75% of ad valorem property taxes |
| 2024 Amount | \$600,501 |
| Additional Commitment | N/A |

| | |
|-----------------------|----------------------------------|
| Project Name | Garmin Realty, LLC |
| Project Description | Office and Industrial Facility |
| Approved Abatement | 75% of ad valorem property taxes |
| 2024 Amount | \$715,752 |
| Additional Commitment | N/A |

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Notes to the Basic Financial Statements
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| | |
|-----------------------|----------------------------------|
| Project Name | Fremato Usa, Inc |
| Project Description | Industrial Facility |
| Approved Abatement | 50% of ad valorem property taxes |
| 2024 Amount | \$163,061 |
| Additional Commitment | N/A |

| | |
|-----------------------|-----------------------------------|
| Project Name | Milhaus Properties, LLC |
| Project Description | Multi-Family Housing |
| Approved Abatement | 100% of ad valorem property taxes |
| 2024 Amount | \$299,851 |
| Additional Commitment | N/A |

| | |
|-----------------------|----------------------------------|
| Project Name | Garmin Realty, LLC |
| Project Description | Office and Industrial Facility |
| Approved Abatement | 75% of ad valorem property taxes |
| 2024 Amount | \$316,647 |
| Additional Commitment | N/A |

| | |
|-----------------------|----------------------------------|
| Project Name | 175 Commerce Center |
| Project Description | Industrial Facility |
| Approved Abatement | 50% of ad valorem property taxes |
| 2024 Amount | \$178,195 |
| Additional Commitment | N/A |

Tax Increment Financing

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

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

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

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

projects that are of community wide importance, and implement the Comprehensive Plan and economic development goals of the City.

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

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

For the fiscal year ending December 31, 2024, the City applied incremental revenues to TIF projects as follows:

| | |
|-----------------------|--|
| Project Name | Olathe Gateway |
| Project Description | Development of shopping area / entertainment district anchored by Bass Pro |
| Approved TIF | 100% Ad valorem property tax increment and 100% incremental sales tax |
| 2024 amount | \$908,378 |
| Project Commitment | Development of shopping area / entertainment district |
| Additional Commitment | N/A |

| | |
|-----------------------|--|
| Project Name | West Village |
| Project Description | Development of shopping area anchored by Wal-Mart |
| Approved TIF | 100% Ad valorem property tax increment and incremental sales tax |
| 2024 amount | \$1,629,147 |
| Project Commitment | Development of shopping area |
| Additional Commitment | N/A |

| | |
|-----------------------|--|
| Project Name | Santa Fe and Ridgeview |
| Project Description | Redevelopment of shopping area anchored by Sutherland's |
| Approved TIF | 100% Ad valorem property tax increment and 50% incremental sales tax |
| 2024 amount | \$136,009 |
| Project Commitment | Redevelopment of shopping area |
| Additional Commitment | N/A |

| | |
|-----------------------|--|
| Project Name | Heritage Crossing |
| Project Description | Development of shopping area |
| Approved TIF | 100% Ad valorem property tax increment and 50% incremental sales tax |
| 2024 amount | \$72,697 |
| Project Commitment | Development of shopping area |
| Additional Commitment | N/A |

| | |
|-----------------------|---|
| Project Name | Heart of America / Hilton Garden Inn |
| Project Description | Development of Hilton Garden Inn hotel |
| Approved TIF | 100% Ad valorem property tax increment and 100% incremental sales tax |
| 2024 amount | \$257,161 |
| Project Commitment | Development of hotel |
| Additional Commitment | N/A |

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

| | |
|-----------------------|--|
| Project Name | Ancona Honda |
| Project Description | Redevelopment of car dealership |
| Approved TIF | 100% Ad valorem property tax increment |
| 2024 amount | \$57,448 |
| Project Commitment | Redevelopment of car dealership |
| Additional Commitment | N/A |

| | |
|-----------------------|--|
| Project Name | Heart of America / Conference Center and Hotel |
| Project Description | Development of conference center and Embassy Suites Hotel |
| Approved TIF | 100% Ad valorem property tax, 100% incremental sales tax, and 100% incremental transient guest tax |
| 2024 amount | \$1,304,478 |
| Project Commitment | Development of convention center and hotel |
| Additional Commitment | N/A |

| | |
|-----------------------|--|
| Project Name | Ridgeview Soccer Complex |
| Project Description | Development of soccer complex |
| Approved TIF | 100% Ad valorem property tax, 100% incremental sales tax, and 100% incremental transient guest tax |
| 2024 amount | \$831,713 |
| Project Commitment | Development of soccer complex |
| Additional Commitment | N/A |

As of December 31, 2024, there were 56 issues of industrial revenue and multi-housing bonds outstanding. Outstanding issues had an aggregate outstanding amount totaling \$1,175,241,192 and a total assessed valuation of \$220,822,340.

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

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

| | |
|--|---------------------|
| Total assets | \$ 3,127,264 |
| Total liabilities and deferred inflows | 368,735 |
| Net Position | <u>\$ 2,758,529</u> |
| Program revenues | \$ 5,746,043 |
| Expenses | <u>5,871,172</u> |
| Net program revenues | (125,129) |
| Other general revenues | <u>783</u> |
| Change in net position | <u>(124,346)</u> |
| Beginning net position, as previously reported | 3,106,652 |
| Restatement | (223,777) |
| Beginning net position, as restated | <u>2,882,875</u> |
| Ending net position | <u>\$ 2,758,529</u> |

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2024

18. Pending GASB Statements

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

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

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

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

SECTION
5

[ACFR]

**REQUIRED
SUPPLEMENTARY**
Information

Required
Supplementary

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

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB liability | <u>\$ 139,313</u> | <u>\$ 140,465</u> | <u>\$ 155,392</u> | <u>\$ 125,456</u> | <u>\$ 180,873</u> | <u>\$ 107,654</u> | <u>\$ 119,076</u> |
| Service cost | 75,802 | 73,863 | 80,360 | 54,470 | 48,835 | 50,735 | 47,919 |
| Interest | (187,461) | (398,213) | (222,707) | (227,277) | (209,565) | (130,744) | (113,927) |
| Benefit payments (employer contributions) | (109,329) | 435,014 | 41,575 | (224,839) | (502,039) | (162,068) | (36,808) |
| Economic/demographic gains or losses | (23,958) | 34,566 | 146,643 | 4,128 | (311,978) | (5,703) | (1,985) |
| Changes in assumptions | <u>(105,633)</u> | <u>285,695</u> | <u>201,263</u> | <u>(268,062)</u> | <u>(793,874)</u> | <u>(140,126)</u> | <u>14,275</u> |
| Net change in total OPEB liability | 2,070,970 | 1,965,337 | 2,251,032 | 2,452,295 | 2,184,233 | 1,390,359 | 1,250,233 |
| Total OPEB liability - beginning of year | <u>\$ 1,965,337</u> | <u>\$ 2,251,032</u> | <u>\$ 2,452,295</u> | <u>\$ 2,184,233</u> | <u>\$ 1,390,359</u> | <u>\$ 1,250,233</u> | <u>\$ 1,264,508</u> |
| Total OPEB liability - end of year | | | | | | | |
| | | | | | | | |
| Covered-employee payroll | <u>\$ 34,666,148</u> | <u>\$ 37,224,241</u> | <u>\$ 37,224,241</u> | <u>\$ 38,657,315</u> | <u>\$ 39,809,115</u> | <u>\$ 44,189,079</u> | <u>\$ 49,343,723</u> |
| | | | | | | | |
| Total OPEB liability as a percentage of covered-employee payroll | 5.67% | 6.05% | 6.59% | 5.65% | 3.49% | 2.83% | 2.56% |
| Discount Rate | 3.50% | 3.87% | 2.21% | 2.16% | 3.54% | 3.65% | 3.93% |

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

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

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

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB liability | | | | | | | |
| Service cost | \$ 1,102,462 | \$ 1,014,753 | \$ 1,175,257 | \$ 1,350,079 | \$ 1,535,344 | \$ 1,242,381 | \$ 1,389,102 |
| Interest | 903,255 | 972,026 | 832,733 | 571,150 | 640,288 | 1,331,247 | 1,302,000 |
| Benefit payments (employer contributions) | (1,711,000) | (1,734,000) | (1,634,000) | (1,657,000) | (1,846,000) | (2,119,000) | (2,465,000) |
| Difference between expected and actual experience | (280,939) | (233,731) | (834,359) | 1,426,211 | 1,241,391 | (225,282) | (751,145) |
| Changes in assumptions | (894,144) | 1,801,506 | 1,679,612 | 465,165 | (680,228) | 1,505,623 | 9,022,315 |
| Changes in benefit terms | (484,927) | (687,045) | - | - | - | - | - |
| Net change in total OPEB liability | (1,365,293) | 1,133,509 | 1,219,243 | 2,155,605 | 890,795 | 1,734,969 | 8,497,272 |
| Total OPEB liability - beginning of year | 27,631,277 | 26,265,984 | 27,399,493 | 28,618,736 | 30,774,341 | 31,665,136 | 33,400,105 |
| Total OPEB liability - end of year | <u>\$ 26,265,984</u> | <u>\$ 27,399,493</u> | <u>\$ 28,618,736</u> | <u>\$ 30,774,341</u> | <u>\$ 31,665,136</u> | <u>\$ 33,400,105</u> | <u>\$ 41,897,377</u> |
| | | | | | | | |
| Covered-employee payroll | <u>\$ 53,013,812</u> | <u>\$ 53,013,812</u> | <u>\$ 56,238,165</u> | <u>\$ 56,238,165</u> | <u>\$ 59,658,653</u> | <u>\$ 59,658,653</u> | <u>\$ 73,409,598</u> |
| | | | | | | | |
| Total OPEB liability as a percentage of covered-employee payroll | 49.55% | 51.68% | 50.89% | 54.72% | 53.08% | 55.99% | 57.07% |
| | | | | | | | |
| Discount Rate | 3.68% | 3.00% | 1.96% | 2.04% | 4.18% | 3.88% | 4.22% |

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

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

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

| Local Government | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Proportion of the Net Pension Liability | 1.936294% | 1.938338% | 1.997006% | 2.092001% | 2.156684% | 2.210272% | 2.106726% | 2.123749% | 2.302909% | 2.326328% |
| Proportionate share of the net pension liability | \$ 25,424,394 | \$ 29,986,662 | \$ 28,925,745 | \$ 29,158,100 | \$ 30,136,906 | \$ 38,318,469 | \$ 25,279,789 | \$ 42,221,071 | \$ 48,312,841 | \$ 49,416,547 |
| Covered payroll | 35,530,007 | 33,922,111 | 36,032,058 | 41,149,580 | 40,039,507 | 40,408,036 | 40,899,942 | 46,325,204 | 49,362,574 | 53,387,263 |
| Proportionate share of the net pension liability as a percentage of covered payroll | 71.56% | 88.40% | 80.28% | 70.86% | 75.27% | 94.83% | 61.81% | 91.14% | 97.87% | 92.56% |
| Plan fiduciary net position as a percentage of total pension liability | 64.95% | 65.09% | 67.12% | 68.88% | 69.88% | 66.30% | 76.40% | 69.75% | 70.70% | 72.75% |
| | | | | | | | | | | |
| Police and Firemen | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Proportion of the Net Pension Liability | 4.660566% | 4.546739% | 4.510839% | 4.819524% | 4.849212% | 4.874002% | 4.830263% | 4.959723% | 4.959723% | 5.318108% |
| Proportionate share of the net pension liability | \$ 33,841,190 | \$ 42,228,453 | \$ 42,302,210 | \$ 46,373,540 | \$ 49,079,872 | \$ 60,103,119 | \$ 46,092,518 | \$ 71,530,705 | \$ 82,818,136 | \$ 84,771,246 |
| Covered payroll | 23,177,996 | 23,547,099 | 24,530,506 | 26,495,886 | 26,765,111 | 27,391,157 | 26,777,115 | 32,391,622 | 34,550,147 | 38,035,956 |
| Proportionate share of the net pension liability as a percentage of covered payroll | 146.01% | 179.34% | 172.45% | 175.02% | 183.37% | 219.43% | 172.13% | 220.83% | 239.70% | 222.87% |
| Plan fiduciary net position as a percentage of total pension liability | 64.95% | 65.09% | 67.12% | 68.88% | 69.88% | 66.30% | 76.40% | 69.75% | 70.70% | 72.75% |

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

| Local Government | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Required contribution | \$ 2,961,053 | \$ 3,100,570 | \$ 3,123,646 | \$ 3,154,582 | \$ 3,445,055 | \$ 3,652,057 | \$ 3,764,469 | \$ 3,917,855 | \$ 4,260,760 | \$ 5,108,594 |
| Contribution in relation to required contribution | 2,961,053 | 3,100,570 | 3,123,646 | 3,154,582 | 3,445,055 | 3,652,057 | 3,764,469 | 3,917,855 | 4,260,760 | 5,108,594 |
| Contribution deficiency | - | - | - | - | - | - | - | - | - | - |
| Covered payroll | 35,723,597 | 34,689,897 | 36,369,668 | 41,613,279 | 40,039,507 | 40,408,036 | 42,440,457 | 50,542,823 | 50,542,823 | 55,168,400 |
| Contributions as a percentage of covered payroll | 8.29% | 8.94% | 8.59% | 7.58% | 8.60% | 9.04% | 8.87% | 7.75% | 8.43% | 9.26% |

| Police and Firemen | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Required contribution | \$ 4,378,971 | \$ 4,515,855 | \$ 4,446,415 | \$ 4,794,549 | \$ 5,481,040 | \$ 5,898,976 | \$ 6,539,274 | \$ 7,031,807 | \$ 8,222,404 | \$ 9,248,399 |
| Contribution in relation to required contribution | 4,378,971 | 4,515,855 | 4,446,415 | 4,794,549 | 5,481,040 | 5,898,976 | 6,539,274 | 7,031,807 | 8,222,404 | 9,248,399 |
| Contribution deficiency | - | - | - | - | - | - | - | - | - | - |
| Covered payroll | 23,380,484 | 23,644,300 | 25,055,519 | 27,234,594 | 26,765,111 | 27,391,157 | 28,681,025 | 30,586,375 | 35,968,520 | 40,036,365 |
| Contributions as a percentage of covered payroll | 18.73% | 19.10% | 17.75% | 17.60% | 20.48% | 21.54% | 22.80% | 22.99% | 22.86% | 23.10% |

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

Changes in benefit terms for KPERS.

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

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

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

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

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

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

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

Changes in assumptions for KPERS.

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

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

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

KPERS:

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

KP&F:

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

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

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

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

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

KPERS:

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

KP&F:

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

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

Assumption changes effective December 31, 2021 were as follows:

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

KPERS:

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

SECTION
6

[ACFR]

**NONMAJOR
GOVERNMENTAL**
Funds

Non Major
Governmental
Funds

Nonmajor Governmental Funds

Special Revenue Funds

Fire Levy

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

Motor Fuel Tax

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

Library

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

Economic Development and Tourism

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

Special Park and Recreation

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

Special Alcohol

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

Storm Water

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

Nonmajor Governmental Funds

Special Revenue Funds

Reimbursable Programs

To account for miscellaneous donations for various designated purposes.

Grants Fund

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

Cemetery

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

Recreation

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

Capital Projects Fund

Library Capital

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

Park Sales Tax

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

Street Maintenance Sale Tax

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

Future Street Improvement

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

City of Olathe, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

| | Special Revenue | | | | | | | |
|---|---------------------|-------------------|----------------------|----------------------------------|-----------------------------|---------------------|---------------------|-----------------------|
| | Fire Levy | Motor Fuel Tax | Library | Economic Development and Tourism | Special Park and Recreation | Special Alcohol | Stormwater | Reimbursable Programs |
| Assets | | | | | | | | |
| Cash, cash equivalents, and investments | \$ 105,124 | \$ - | \$ 5,155,324 | \$ 1,207,046 | \$ 3,717,703 | \$ 1,343,893 | \$ 1,401,467 | \$ 1,954,896 |
| Receivables (net of allowance) | | | | | | | | |
| Taxes | 5,161,891 | - | 9,072,564 | 510,341 | - | - | - | 398,159 |
| Accounts | - | - | - | - | - | - | 765,818 | - |
| Loans | - | - | - | - | - | - | - | - |
| Due from other governments | - | 987,138 | - | - | 171,238 | 171,238 | - | 180,782 |
| Prepaid asset | - | - | - | - | - | - | 79 | - |
| Total assets | <u>\$ 5,267,015</u> | <u>\$ 987,138</u> | <u>\$ 14,227,888</u> | <u>\$ 1,717,387</u> | <u>\$ 3,888,941</u> | <u>\$ 1,515,131</u> | <u>\$ 2,167,364</u> | <u>\$ 2,533,837</u> |
| Liabilities | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 127,749 | \$ 45,000 | \$ - | \$ 1,268 | \$ 5,144 | \$ 27,135 |
| Unearned revenue | - | - | - | - | - | - | - | - |
| Due to other funds | - | 971,218 | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>971,218</u> | <u>127,749</u> | <u>45,000</u> | <u>-</u> | <u>1,268</u> | <u>5,144</u> | <u>27,135</u> |
| Deferred Inflows of Resources | | | | | | | | |
| Deferred revenue - property taxes | 5,161,891 | - | 9,072,564 | - | - | - | - | 398,159 |
| Deferred revenue - intergovernmental | - | - | - | - | - | - | - | 24,855 |
| Total deferred inflows of resources | <u>5,161,891</u> | <u>-</u> | <u>9,072,564</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>423,014</u> |
| Fund balances | | | | | | | | |
| Restricted | | | | | | | | |
| Public safety | 105,124 | - | - | - | - | - | - | - |
| Public works | - | 15,920 | - | - | - | - | - | - |
| Community services | - | - | - | - | 3,888,941 | 1,513,863 | - | 43,760 |
| General government | - | - | 5,027,575 | - | - | - | - | 2,039,928 |
| Committed | | | | | | | | |
| Public works | - | - | - | - | - | - | 2,162,220 | - |
| Community services | - | - | - | - | - | - | - | - |
| General government | - | - | - | 1,672,387 | - | - | - | - |
| Total fund balances | <u>105,124</u> | <u>15,920</u> | <u>5,027,575</u> | <u>1,672,387</u> | <u>3,888,941</u> | <u>1,513,863</u> | <u>2,162,220</u> | <u>2,083,688</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 5,267,015</u> | <u>\$ 987,138</u> | <u>\$ 14,227,888</u> | <u>\$ 1,717,387</u> | <u>\$ 3,888,941</u> | <u>\$ 1,515,131</u> | <u>\$ 2,167,364</u> | <u>\$ 2,533,837</u> |

City of Olathe, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

| | Special Revenue | | | Capital Projects | | | | Total Nonmajor Governmental Funds |
|---|----------------------|-------------------|---------------------|------------------|---------------------|------------------------------|---------------------------|-----------------------------------|
| | Grants Fund | Cemetery | Recreation | Library Capital | Park Sales Tax | Street Maintenance Sales Tax | Future Street Improvement | |
| Assets | | | | | | | | |
| Cash, cash equivalents, and investments | \$ 6,831,418 | \$ 334,657 | \$ 1,103,699 | \$ - | \$ 2,764,988 | \$ - | \$ 6,163,538 | \$ 32,083,753 |
| Receivables (net of allowance) | | | | | | | | |
| Taxes | - | - | - | - | 957,381 | 2,872,140 | - | 18,972,476 |
| Accounts | 13,584 | - | 79,776 | - | - | - | - | 859,178 |
| Loans | 3,766,128 | - | - | - | - | - | - | 3,766,128 |
| Due from other governments | 842,510 | - | - | - | - | - | - | 2,352,906 |
| Prepaid asset | - | - | 12 | - | - | - | - | 91 |
| Total assets | <u>\$ 11,453,640</u> | <u>\$ 334,657</u> | <u>\$ 1,183,487</u> | <u>\$ -</u> | <u>\$ 3,722,369</u> | <u>\$ 2,872,140</u> | <u>\$ 6,163,538</u> | <u>\$ 58,034,532</u> |
| Liabilities | | | | | | | | |
| Accounts payable | \$ 175,369 | \$ 8,410 | \$ 222,903 | \$ - | \$ - | \$ - | \$ - | \$ 612,978 |
| Unearned revenue | 4,616,511 | - | 555,445 | - | - | - | - | 5,171,956 |
| Due to other funds | - | - | - | - | - | 1,221,313 | - | 2,192,531 |
| Total liabilities | <u>4,791,880</u> | <u>8,410</u> | <u>778,348</u> | <u>-</u> | <u>-</u> | <u>1,221,313</u> | <u>-</u> | <u>7,977,465</u> |
| Deferred Inflows of Resources | | | | | | | | |
| Deferred revenue - property taxes | - | - | - | - | - | - | - | 14,632,614 |
| Deferred revenue - intergovernmental | 25,114 | - | - | - | - | - | - | 49,969 |
| Total deferred inflows of resources | <u>25,114</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>14,682,583</u> |
| Fund balances | | | | | | | | |
| Restricted | | | | | | | | |
| Public safety | - | - | - | - | - | - | - | 105,124 |
| Public works | - | - | - | - | - | 1,650,827 | - | 1,666,747 |
| Community services | 6,636,646 | - | - | - | 3,722,369 | - | - | 15,805,579 |
| General government | - | - | - | - | - | - | - | 7,067,503 |
| Committed | | | | | | | | |
| Public works | - | - | - | - | - | - | 6,163,538 | 8,325,758 |
| Community services | - | 326,247 | 405,139 | - | - | - | - | 731,386 |
| General government | - | - | - | - | - | - | - | 1,672,387 |
| Total fund balances | <u>6,636,646</u> | <u>326,247</u> | <u>405,139</u> | <u>-</u> | <u>3,722,369</u> | <u>1,650,827</u> | <u>6,163,538</u> | <u>35,374,484</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 11,453,640</u> | <u>\$ 334,657</u> | <u>\$ 1,183,487</u> | <u>\$ -</u> | <u>\$ 3,722,369</u> | <u>\$ 2,872,140</u> | <u>\$ 6,163,538</u> | <u>\$ 58,034,532</u> |

City of Olathe, Kansas
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

| | Special Revenue | | | | | | | |
|--|-----------------|----------------|--------------|----------------------------------|-----------------------------|-----------------|--------------|-----------------------|
| | Fire Levy | Motor Fuel Tax | Library | Economic Development and Tourism | Special Park and Recreation | Special Alcohol | Stormwater | Reimbursable Programs |
| Revenues | | | | | | | | |
| Taxes: | | | | | | | | |
| Property | \$ 5,210,452 | \$ - | \$ 9,159,571 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sales | - | - | - | - | - | - | - | - |
| Transient guest | - | - | - | 1,931,656 | - | - | - | - |
| Intergovernmental | - | 4,000,130 | 1,330 | - | 650,178 | 650,180 | - | 110,791 |
| Fines, forfeitures, and penalties | - | - | 16,498 | - | - | - | - | - |
| Charges for services | - | - | 110,631 | - | 379,648 | - | 5,620,754 | 452,138 |
| Use of money and property | - | - | 431,066 | 71,460 | 201,479 | 66,014 | 141,187 | 3,743 |
| Miscellaneous | - | - | 49,760 | 104,435 | - | - | 4,333 | 181,338 |
| Total revenues | 5,210,452 | 4,000,130 | 9,768,856 | 2,107,551 | 1,231,305 | 716,194 | 5,766,274 | 748,010 |
| Expenditures | | | | | | | | |
| General government | - | - | 339,204 | 1,800,170 | 13,141 | 301,239 | 350,763 | 235,150 |
| Public safety | - | - | 199 | - | - | 258,650 | - | 99,251 |
| Public works | - | - | 199 | - | 9,301 | - | 3,697,723 | - |
| Community services | - | - | 7,630,042 | 185,611 | 199,300 | 111 | - | 130,339 |
| Capital Improvement | - | - | 724,346 | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - |
| Principal retirements | - | - | - | - | - | - | 230,000 | - |
| Interest and fiscal charges | - | - | - | - | - | - | 295,780 | - |
| Total expenditures | - | - | 8,693,990 | 1,985,781 | 221,742 | 560,000 | 4,574,266 | 464,740 |
| Excess of revenues over (under) expenditures | 5,210,452 | 4,000,130 | 1,074,866 | 121,770 | 1,009,563 | 156,194 | 1,192,008 | 283,270 |
| Other financing sources (uses) | | | | | | | | |
| Transfers in | - | - | 655,592 | 50,637 | 212,660 | - | 159,032 | 452,518 |
| Transfers out | (5,176,494) | (4,032,129) | - | - | (750,000) | - | (2,035,500) | - |
| Total other financing sources (uses) | (5,176,494) | (4,032,129) | 655,592 | 50,637 | (537,340) | - | (1,876,468) | 452,518 |
| Net change in fund balances | 33,958 | (31,999) | 1,730,458 | 172,407 | 472,223 | 156,194 | (684,460) | 735,788 |
| Fund balances - beginning of year | 71,166 | 47,919 | 3,297,117 | 1,499,980 | 3,416,718 | 1,357,669 | 2,846,680 | 1,347,900 |
| Fund balances - end of year | \$ 105,124 | \$ 15,920 | \$ 5,027,575 | \$ 1,672,387 | \$ 3,888,941 | \$ 1,513,863 | \$ 2,162,220 | \$ 2,083,688 |

City of Olathe, Kansas
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

| | Special Revenue | | | Capital Projects | | | | Total |
|--|-----------------|------------|------------|------------------|----------------|------------------------------|---------------------------|-----------------------------|
| | Grant Fund | Cemetery | Recreation | Library Capital | Park Sales Tax | Street Maintenance Sales Tax | Future Street Improvement | Nonmajor Governmental Funds |
| Revenues | | | | | | | | |
| Taxes: | | | | | | | | |
| Property | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 14,370,023 |
| Sales | - | - | - | - | 5,457,789 | 16,373,370 | - | 21,831,159 |
| Transient guest | - | - | - | - | - | - | - | 1,931,656 |
| Intergovernmental | 8,683,303 | - | - | - | - | - | - | 14,095,912 |
| Fines, forfeitures, and penalties | - | - | - | - | - | - | - | 16,498 |
| Charges for services | 651,457 | 270,429 | 5,674,790 | - | - | - | 2,053,302 | 15,213,149 |
| Use of money and property | - | 17,257 | 159,830 | - | 244,791 | 393,813 | 478,125 | 2,208,765 |
| Miscellaneous | 332,857 | - | 10,016 | - | - | - | - | 682,739 |
| Total revenues | 9,667,617 | 287,686 | 5,844,636 | - | 5,702,580 | 16,767,183 | 2,531,427 | 70,349,901 |
| Expenditures | | | | | | | | |
| General government | 4,774,175 | 143,489 | 379,621 | - | 1,238 | - | - | 8,338,190 |
| Public safety | 2,042,120 | - | 799 | - | - | - | - | 2,401,019 |
| Public works | 2,935 | - | 471,255 | - | 30,742 | - | - | 4,212,155 |
| Community services | 175,125 | 92,752 | 4,703,177 | - | 533,196 | - | - | 13,649,653 |
| Capital Improvement | - | - | - | - | - | - | - | 724,346 |
| Debt service | - | - | - | - | - | - | - | - |
| Principal retirements | - | - | - | - | - | - | - | 230,000 |
| Interest and fiscal charges | - | - | - | - | - | - | - | 295,780 |
| Total expenditures | 6,994,355 | 236,241 | 5,554,852 | - | 565,176 | - | - | 29,851,143 |
| Excess of revenues over (under) expenditures | 2,673,262 | 51,445 | 289,784 | - | 5,137,404 | 16,767,183 | 2,531,427 | 40,498,758 |
| Other financing sources (uses) | | | | | | | | |
| Transfers in | - | - | - | 590,229 | 623,814 | - | - | 2,744,482 |
| Transfers out | - | - | - | (1,245,821) | (5,379,732) | (20,160,000) | (4,706,338) | (43,486,014) |
| Total other financing sources (uses) | - | - | - | (655,592) | (4,755,918) | (20,160,000) | (4,706,338) | (40,741,532) |
| Net change in fund balances | 2,673,262 | 51,445 | 289,784 | (655,592) | 381,486 | (3,392,817) | (2,174,911) | (242,774) |
| Fund balances - beginning of year | 3,963,384 | 274,802 | 115,355 | 655,592 | 3,340,883 | 5,043,644 | 8,338,449 | 35,617,258 |
| Fund balances - end of year | \$ 6,636,646 | \$ 326,247 | \$ 405,139 | \$ - | \$ 3,722,369 | \$ 1,650,827 | \$ 6,163,538 | \$ 35,374,484 |

SECTION
7

[ACFR]

BUDGETARY SCHEDULES

City of Olathe, Kansas
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
All Budgeted Special Revenue Funds
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2024

| | Fire Levy Fund | | | Motor Fuel Tax Fund | | | Library Operating Fund | | |
|--|---|--------------------|--------------------------------------|---|--------------------|--------------------------------------|---|---------------------|--------------------------------------|
| | Original and Final Amended Budget | Actual | Variance - Positive (Negative) | Original and Final Amended Budget | Actual | Variance - Positive (Negative) | Original and Final Amended Budget | Actual | Variance - Positive (Negative) |
| Revenues | | | | | | | | | |
| Taxes | \$ 5,148,187 | \$ 5,210,452 | \$ 62,265 | \$ - | \$ - | \$ - | \$ 7,912,672 | \$ 9,159,571 | \$ 1,246,899 |
| Intergovernmental | - | - | - | 4,200,000 | 4,000,130 | (199,870) | - | 1,330 | 1,330 |
| Fines, forfeitures, and penalties | - | - | - | - | - | - | - | 16,498 | 16,498 |
| Charges for services | - | - | - | - | - | - | 201,000 | 110,631 | (90,369) |
| Use of money and property | - | - | - | - | - | - | 36,254 | 431,066 | 394,812 |
| Miscellaneous | - | - | - | - | - | - | - | 49,760 | 49,760 |
| Total revenues | <u>5,148,187</u> | <u>5,210,452</u> | <u>62,265</u> | <u>4,200,000</u> | <u>4,000,130</u> | <u>(199,870)</u> | <u>8,149,926</u> | <u>9,768,856</u> | <u>1,618,930</u> |
| Expenditures | | | | | | | | | |
| General government | - | - | - | - | - | - | 450,063 | 339,204 | 110,859 |
| Public safety | - | - | - | - | - | - | - | 199 | (199) |
| Public works | - | - | - | - | - | - | - | 199 | (199) |
| Community services | - | - | - | - | - | - | 10,645,947 | 7,630,819 | 3,015,128 |
| Capital improvement | - | - | - | - | - | - | - | 724,346 | (724,346) |
| Debt service | - | - | - | - | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>11,096,010</u> | <u>8,694,767</u> | <u>2,401,243</u> |
| Excess of revenues over/ (under) expenditures | <u>5,148,187</u> | <u>5,210,452</u> | <u>62,265</u> | <u>4,200,000</u> | <u>4,000,130</u> | <u>(199,870)</u> | <u>(2,946,084)</u> | <u>1,074,089</u> | <u>4,020,173</u> |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | 655,592 | 655,592 |
| Transfers out | (5,176,494) | (5,176,494) | - | (4,200,000) | (4,032,129) | 167,871 | (832,855) | - | 832,855 |
| Total other financing sources/(uses) | <u>(5,176,494)</u> | <u>(5,176,494)</u> | <u>-</u> | <u>(4,200,000)</u> | <u>(4,032,129)</u> | <u>167,871</u> | <u>(832,855)</u> | <u>655,592</u> | <u>1,488,447</u> |
| Net change in fund balances | <u>\$ (28,307)</u> | <u>33,958</u> | <u>\$ 62,265</u> | <u>\$ -</u> | <u>(31,999)</u> | <u>\$ (31,999)</u> | <u>\$ (3,778,939)</u> | <u>1,729,681</u> | <u>\$ 5,508,620</u> |
| Fund balances - beginning of year - Budget basis | | <u>71,166</u> | | | <u>47,919</u> | | | <u>3,198,077</u> | |
| Fund balances - end of year - Budget basis | | 105,124 | | | 15,920 | | | 4,927,758 | |
| Encumbrances incurred and outstanding / Due to other fund | | - | | | - | | | 99,817 | |
| Fund balances - end of year - GAAP basis | | <u>\$ 105,124</u> | | | <u>\$ 15,920</u> | | | <u>\$ 5,027,575</u> | |

City of Olathe, Kansas
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
All Budgeted Special Revenue Funds
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2024

| | Economic Development and Tourism | | | Special Park and Recreation Fund | | | Special Alcohol Fund | | |
|---|---|---------------------|--------------------------------------|---|---------------------|--------------------------------------|---|---------------------|--------------------------------------|
| | Original and Final Amended Budget | Actual | Variance - Positive (Negative) | Original and Final Amended Budget | Actual | Variance - Positive (Negative) | Original and Final Amended Budget | Actual | Variance - Positive (Negative) |
| Revenues | | | | | | | | | |
| Taxes | \$ 1,800,622 | \$ 1,931,656 | \$ 131,034 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | 645,000 | 650,178 | 5,178 | 618,914 | 650,180 | 31,266 |
| Fines, forfeitures, and penalties | - | - | - | - | - | - | - | - | - |
| Charges for services | - | - | - | 505,000 | 379,648 | (125,352) | - | - | - |
| Use of money and property | 40,000 | 71,460 | 31,460 | 60,000 | 201,479 | 141,479 | 16,549 | 66,014 | 49,465 |
| Miscellaneous | - | 104,435 | 104,435 | - | - | - | - | - | - |
| Total revenues | <u>1,840,622</u> | <u>2,107,551</u> | <u>266,929</u> | <u>1,210,000</u> | <u>1,231,305</u> | <u>21,305</u> | <u>635,463</u> | <u>716,194</u> | <u>80,731</u> |
| Expenditures | | | | | | | | | |
| General government | 1,950,000 | 1,800,170 | 149,830 | - | 13,141 | (13,141) | - | 301,239 | (301,239) |
| Public safety | - | - | - | - | - | - | 347,604 | 258,650 | 88,954 |
| Public works | - | - | - | 312,791 | 9,301 | 303,490 | - | - | - |
| Community services | - | 185,611 | (185,611) | - | 199,300 | (199,300) | 1,389,385 | 111 | 1,389,274 |
| Capital improvement | - | - | - | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - | - | - |
| Total expenditures | <u>1,950,000</u> | <u>1,985,781</u> | <u>(35,781)</u> | <u>312,791</u> | <u>221,742</u> | <u>91,049</u> | <u>1,736,989</u> | <u>560,000</u> | <u>1,176,989</u> |
| Excess of revenues over (under) expenditures | <u>(109,378)</u> | <u>121,770</u> | <u>231,148</u> | <u>897,209</u> | <u>1,009,563</u> | <u>112,354</u> | <u>(1,101,526)</u> | <u>156,194</u> | <u>1,257,720</u> |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | 50,637 | 50,637 | - | 212,660 | 212,660 | - | - | - |
| Transfers out | - | - | - | (750,000) | (750,000) | - | - | - | - |
| Total other financing sources/(uses) | <u>-</u> | <u>50,637</u> | <u>50,637</u> | <u>(750,000)</u> | <u>(537,340)</u> | <u>212,660</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ (109,378)</u> | <u>172,407</u> | <u>\$ 281,785</u> | <u>\$ 147,209</u> | <u>472,223</u> | <u>\$ 325,014</u> | <u>\$ (1,101,526)</u> | <u>156,194</u> | <u>\$ 1,257,720</u> |
| Fund balances - beginning of year - Budget basis | | <u>1,499,980</u> | | | <u>3,416,718</u> | | | <u>1,357,669</u> | |
| Fund balances - end of year - Budget basis | | 1,672,387 | | | 3,888,941 | | | 1,513,863 | |
| Encumbrances incurred and outstanding / Due to other fund | | - | | | - | | | - | |
| Fund balances - end of year - GAAP basis | | <u>\$ 1,672,387</u> | | | <u>\$ 3,888,941</u> | | | <u>\$ 1,513,863</u> | |

City of Olathe, Kansas
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
All Budgeted Special Revenue Funds
Budget and Actual - Budgetary Basis (continued)
For the Year Ended December 31, 2024

| | Storm Water Fund | | | Recreation | | | Total | | |
|---|---|---------------------|--------------------------------------|---|-------------------|--------------------------------------|---|----------------------|--------------------------------------|
| | Original and Final Amended Budget | Actual | Variance - Positive (Negative) | Original and Final Amended Budget | Actual | Variance - Positive (Negative) | Original and Final Amended Budget | Actual | Variance - Positive (Negative) |
| Revenues | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 14,861,481 | \$ 16,301,679 | \$ 1,440,198 |
| Intergovernmental | - | - | - | - | - | - | 5,463,914 | 5,301,818 | (162,096) |
| Fines, foreitures, and penalties | - | - | - | - | - | - | - | 16,498 | 16,498 |
| Charges for services | 5,529,802 | 5,620,754 | 90,952 | 5,986,637 | 5,674,790 | (311,847) | 12,222,439 | 11,785,823 | (436,616) |
| Use of money and property | 40,000 | 141,187 | 101,187 | 28,000 | 159,830 | 131,830 | 220,803 | 1,071,036 | 850,233 |
| Miscellaneous | - | 4,333 | 4,333 | - | 10,016 | 10,016 | - | 168,544 | 168,544 |
| Total revenues | <u>5,569,802</u> | <u>5,766,274</u> | <u>196,472</u> | <u>6,014,637</u> | <u>5,844,636</u> | <u>(170,001)</u> | <u>32,768,637</u> | <u>34,645,398</u> | <u>1,876,761</u> |
| Expenditures | | | | | | | | | |
| General government | 235,581 | 350,763 | (115,182) | 458,016 | 379,621 | 78,395 | 3,093,660 | 3,184,138 | (90,478) |
| Public safety | - | - | - | - | 799 | (799) | 347,604 | 259,648 | 87,956 |
| Public works | 3,750,178 | 3,751,075 | (897) | 817,486 | 471,255 | 346,231 | 4,880,455 | 4,231,830 | 648,625 |
| Community services | 86,361 | - | 86,361 | 5,123,855 | 4,703,177 | 420,678 | 17,245,548 | 12,719,018 | 4,526,530 |
| Capital improvement | - | - | - | - | - | - | - | 724,346 | (724,346) |
| Debt service | - | 525,780 | (525,780) | - | - | - | - | 525,780 | (525,780) |
| Total expenditures | <u>4,072,120</u> | <u>4,627,618</u> | <u>(555,498)</u> | <u>6,399,357</u> | <u>5,554,852</u> | <u>844,505</u> | <u>25,567,267</u> | <u>21,644,760</u> | <u>3,922,507</u> |
| Excess of revenues over (under) expenditures | <u>1,497,682</u> | <u>1,138,656</u> | <u>(359,026)</u> | <u>(384,720)</u> | <u>289,784</u> | <u>674,504</u> | <u>7,201,370</u> | <u>13,000,638</u> | <u>5,799,268</u> |
| Other financing sources (uses) | | | | | | | | | |
| Transfers in | - | 159,032 | 159,032 | 500,000 | - | (500,000) | 500,000 | 1,077,921 | 577,921 |
| Transfers out | (2,335,500) | (2,035,500) | 300,000 | (110,000) | - | 110,000 | (13,404,849) | (11,994,123) | 1,410,726 |
| Total other financing sources/(uses) | <u>(2,335,500)</u> | <u>(1,876,468)</u> | <u>459,032</u> | <u>390,000</u> | <u>-</u> | <u>(390,000)</u> | <u>(12,904,849)</u> | <u>(10,916,202)</u> | <u>1,988,647</u> |
| Net change in fund balances | <u>\$ (837,818)</u> | <u>(737,812)</u> | <u>\$ 100,006</u> | <u>\$ 5,280</u> | <u>289,784</u> | <u>\$ 284,504</u> | <u>\$ (5,703,479)</u> | <u>2,084,436</u> | <u>\$ 7,787,915</u> |
| Fund balances - beginning of year - Budget basis | | <u>2,836,617</u> | | | <u>108,413</u> | | | <u>12,536,559</u> | |
| Fund balances - end of year - Budget basis | | 2,098,805 | | | 398,197 | | | 14,620,995 | |
| Encumbrances incurred and outstanding / Due to other fund | | 63,415 | | | 6,942 | | | 170,174 | |
| Fund balances - end of year - GAAP basis | | <u>\$ 2,162,220</u> | | | <u>\$ 405,139</u> | | | <u>\$ 14,791,169</u> | |

City of Olathe, Kansas
Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budgeted Capital Projects Fund
Park Sales Tax Fund
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2024

| | Original and Final Amended Budget | Actual | Variance - Positive (Negative) |
|---|---|---------------------|--------------------------------------|
| Revenues | | | |
| Taxes | \$ 5,655,904 | \$ 5,457,789 | \$ (198,115) |
| Use of money and property | 65,138 | 244,791 | 179,653 |
| Total revenues | <u>5,721,042</u> | <u>5,702,580</u> | <u>(18,462)</u> |
| Expenditures | | | |
| General government | - | 1,238 | (1,238) |
| Public works | 790,362 | 30,742 | 759,620 |
| Community services | - | 533,196 | (533,196) |
| Total expenditures | <u>790,362</u> | <u>565,176</u> | <u>225,186</u> |
| Excess of revenues over (under) expenditures | <u>4,930,680</u> | <u>5,137,404</u> | <u>206,724</u> |
| Other financing sources (uses) | | | |
| Transfers in | - | 623,814 | 623,814 |
| Transfers out | <u>(5,379,732)</u> | <u>(5,379,732)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(5,379,732)</u> | <u>(4,755,918)</u> | <u>623,814</u> |
| Net change in fund balance | <u>\$ (449,052)</u> | 381,486 | <u>\$ 830,538</u> |
| Fund balance - beginning of year | | 3,340,883 | |
| Fund balance - end of year | | <u>\$ 3,722,369</u> | |

City of Olathe, Kansas
Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budgeted Capital Projects Fund
Street Maintenance Sales Tax Fund
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2024

| | Original and Final Amended Budget | Actual | Variance - Positive (Negative) |
|---|--|---------------------|---|
| Revenues | | | |
| Taxes | \$ 17,194,668 | \$ 16,373,370 | \$ (821,298) |
| Use of money and property | 170,000 | 393,813 | 223,813 |
| Total revenues | <u>17,364,668</u> | <u>16,767,183</u> | <u>(597,485)</u> |
| Expenditures | | | |
| General government | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of revenues over (under) expenditures | <u>17,364,668</u> | <u>16,767,183</u> | <u>(597,485)</u> |
| Other financing sources (uses) | | | |
| Transfers out | <u>(20,160,000)</u> | <u>(20,160,000)</u> | - |
| Total other financing sources (uses) | <u>(20,160,000)</u> | <u>(20,160,000)</u> | - |
| Net change in fund balance | <u>\$ (2,795,332)</u> | (3,392,817) | <u>\$ (597,485)</u> |
| Fund balance - beginning of year | | 5,043,644 | |
| Fund balance - end of year | | <u>\$ 1,650,827</u> | |

City of Olathe, Kansas
Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Debt Service Fund
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2024

| | Original and Final Amended Budget | Actual | Variance - Positive (Negative) |
|---|--|----------------------|---|
| Revenues | | | |
| Taxes and special assessments | \$ 30,472,338 | \$ 34,085,964 | \$ 3,613,626 |
| Use of money and property | - | 2,246,476 | 2,246,476 |
| Charges for services | - | 55 | 55 |
| Miscellaneous | 2,738,652 | - | (2,738,652) |
| Total revenues | <u>33,210,990</u> | <u>36,332,495</u> | <u>3,121,505</u> |
| Expenditures | | | |
| General operations | - | 284,276 | (284,276) |
| Debt service: | | | |
| Principal retirements | 29,365,000 | 28,005,000 | 1,360,000 |
| Interest | 15,553,057 | 9,777,805 | 5,775,252 |
| Total expenditures | <u>44,918,057</u> | <u>38,067,081</u> | <u>6,850,976</u> |
| Excess of revenues over (under) expenditures | (11,707,067) | (1,734,586) | 9,972,481 |
| Other financing sources | | | |
| Transfers in | 11,012,212 | 1,439,732 | (9,572,480) |
| Total other financing sources/(uses) | <u>11,012,212</u> | <u>1,439,732</u> | <u>(9,572,480)</u> |
| Net change in fund balance | <u>\$ (694,855)</u> | (294,854) | <u>\$ 400,001</u> |
| Fund balance - beginning of year | | 81,562,245 | |
| Fund balance - end of year | | <u>\$ 81,267,391</u> | |

City of Olathe, Kansas
Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Special Tax Financing Fund
Budget and Actual - Budgetary Basis
For the Year Ended December 31, 2024

| | Original and Final Amended Budget | Actual | Variance - Positive (Negative) |
|---|--|----------------------|---|
| Revenues | | | |
| Taxes and special assessments | \$ 6,826,000 | \$ 10,021,887 | \$ 3,195,887 |
| Intergovernmental | 450,000 | - | (450,000) |
| Use of money and property | 102,500 | 585,291 | 482,791 |
| Charges for services | - | 20,000 | 20,000 |
| Total revenues | <u>7,378,500</u> | <u>10,627,178</u> | <u>3,248,678</u> |
| Expenditures | | | |
| General operations | 6,357,000 | 4,306,939 | 2,050,061 |
| Community services | - | 543,676 | (543,676) |
| Debt service | - | 2,208,638 | (2,208,638) |
| Total expenditures | <u>6,357,000</u> | <u>7,059,253</u> | <u>(702,253)</u> |
| Excess of revenues over (under) expenditures | <u>1,021,500</u> | <u>3,567,925</u> | <u>2,546,425</u> |
| Other financing sources | | | |
| Transfers out | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ 1,021,500</u> | <u>3,567,925</u> | <u>\$ 2,546,425</u> |
| Fund balance - beginning of year | | 10,859,839 | |
| Fund balance - end of year | | <u>\$ 14,427,764</u> | |

SECTION
8

[ACFR]

**INTERNAL
SERVICE**
Funds

Internal Service Funds

Central Garage

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

Risk Management

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

Vehicle Replacement

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

Personal Computer Replacement

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

Building Maintenance Fund

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

City of Olathe, Kansas
Combining Statement of Net Position
Internal Service Funds
December 31, 2024

| | Central Garage | Risk Management | Vehicle Replacement | Personal Computer Replacement | Building Maintenance | Total |
|---|-------------------|--------------------|------------------------|-------------------------------------|-------------------------|---------------|
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | \$ 593,603 | \$ 13,445,550 | \$ 20,116,129 | \$ 2,068,875 | \$ 638,081 | \$ 36,862,238 |
| Due from other funds | - | - | - | - | - | - |
| Accounts receivable | 11,953 | - | - | - | - | 11,953 |
| Loans receivable | - | - | 567,116 | - | - | 567,116 |
| Inventories and prepaid assets | 345,805 | - | - | - | - | 345,805 |
| Total current assets | 951,361 | 13,445,550 | 20,683,245 | 2,068,875 | 638,081 | 37,787,112 |
| Noncurrent assets | | | | | | |
| Restricted assets | | | | | | |
| Due from other funds | - | - | 1,289,528 | - | - | 1,289,528 |
| Deposit | - | 11,000 | - | - | - | 11,000 |
| Total restricted assets | - | 11,000 | 1,289,528 | - | - | 1,300,528 |
| Capital assets | 70,544 | - | 83,375,971 | 1,556,270 | - | 85,002,785 |
| Less accumulated depreciation | (70,544) | - | (51,569,011) | (1,245,016) | - | (52,884,571) |
| Net capital assets | - | - | 31,806,960 | 311,254 | - | 32,118,214 |
| Total noncurrent assets | - | 11,000 | 33,096,488 | 311,254 | - | 33,418,742 |
| Total assets | \$ 951,361 | \$ 13,456,550 | \$ 53,779,733 | \$ 2,380,129 | \$ 638,081 | \$ 71,205,854 |
| Liabilities | | | | | | |
| Current liabilities | | | | | | |
| Accounts and claims payable | \$ 498,910 | \$ 4,624,383 | \$ 1,337,750 | \$ 95,270 | \$ 59,214 | \$ 6,615,527 |
| Current portion of subscription liabilities | - | - | - | 525,587 | - | 525,587 |
| Compensated absences | 21,660 | 514 | - | - | 5,154 | 27,328 |
| Total current liabilities | 520,570 | 4,624,897 | 1,337,750 | 620,857 | 64,368 | 7,168,442 |
| Noncurrent liabilities | | | | | | |
| Deposit | - | 11,000 | - | - | - | 11,000 |
| Subscription liabilities | - | - | - | - | - | - |
| Compensated absences | 169,490 | 12,457 | - | - | 37,218 | 219,165 |
| Total noncurrent liabilities | 169,490 | 23,457 | - | - | 37,218 | 230,165 |
| Total liabilities | 690,060 | 4,648,354 | 1,337,750 | 620,857 | 101,586 | 7,398,607 |
| Net position | | | | | | |
| Net investment in capital assets | - | - | 31,806,960 | (214,333) | - | 31,592,627 |
| Unrestricted | 261,301 | 8,808,196 | 20,635,023 | 1,973,605 | 536,495 | 32,214,620 |
| Total net position | 261,301 | 8,808,196 | 52,441,983 | 1,759,272 | 536,495 | 63,807,247 |
| Total liabilities and net position | \$ 951,361 | \$ 13,456,550 | \$ 53,779,733 | \$ 2,380,129 | \$ 638,081 | \$ 71,205,854 |

City of Olathe, Kansas
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
December 31, 2024

| | Central Garage | Risk Management | Vehicle Replacement | Personal Computer Replacement | Building Maintenance | Total |
|---|-------------------|---------------------|------------------------|-------------------------------------|-------------------------|----------------------|
| Operating revenues | | | | | | |
| Charges for services | \$ 8,003,280 | \$ 26,230,864 | \$ 9,433,848 | \$ 2,308,819 | \$ 2,306,459 | \$ 48,283,270 |
| Total operating revenues | 8,003,280 | 26,230,864 | 9,433,848 | 2,308,819 | 2,306,459 | 48,283,270 |
| Operating expenses | | | | | | |
| Administration and general | - | 29,857,919 | - | 1,480,856 | - | 31,338,775 |
| Equipment maintenance | 7,876,379 | - | - | - | 2,155,836 | 10,032,215 |
| Depreciation | - | - | 5,903,985 | 622,508 | - | 6,526,493 |
| Total operating expenses | 7,876,379 | 29,857,919 | 5,903,985 | 2,103,364 | 2,155,836 | 47,897,483 |
| Operating income (loss) | 126,901 | (3,627,055) | 3,529,863 | 205,455 | 150,623 | 385,787 |
| Nonoperating revenues (expenses) | | | | | | |
| Interest income | 37,294 | 852,414 | 1,062,327 | 109,598 | 32,906 | 2,094,539 |
| Gain (loss) from sale of equipment | - | - | 359,437 | - | - | 359,437 |
| Total nonoperating revenues (expenses) | 37,294 | 852,414 | 1,421,764 | 109,598 | 32,906 | 2,453,976 |
| Net income (loss) | 164,195 | (2,774,641) | 4,951,627 | 315,053 | 183,529 | 2,839,763 |
| Transfers out | - | (1,000,000) | - | - | - | (1,000,000) |
| Net income (loss) | 164,195 | (3,774,641) | 4,951,627 | 315,053 | 183,529 | 1,839,763 |
| Net position - beginning of year, as previously reported | 170,930 | 12,584,587 | 47,490,356 | 1,444,219 | 370,533 | 62,060,625 |
| Restatement - See Note #1 | (73,824) | (1,750) | - | - | (17,567) | (93,141) |
| Net position - beginning of year, as restated | 97,106 | 12,582,837 | 47,490,356 | 1,444,219 | 352,966 | 61,967,484 |
| Net position - end of year | <u>\$ 261,301</u> | <u>\$ 8,808,196</u> | <u>\$ 52,441,983</u> | <u>\$ 1,759,272</u> | <u>\$ 536,495</u> | <u>\$ 63,807,247</u> |

City of Olathe, Kansas
Combining Statement of Cash Flows
Internal Service Funds
December 31, 2024

| | Central Garage | Risk Management | Vehicle Replacement | Personal Computer Replacement | Building Maintenance | Total |
|---|-------------------|--------------------|------------------------|-------------------------------------|-------------------------|---------------|
| Cash Flows from Operating Activities | | | | | | |
| Receipts from customers and users | \$ 8,009,755 | \$ 26,230,864 | \$ 9,433,848 | \$ 2,308,819 | \$ 2,306,459 | \$ 48,289,745 |
| Payments to suppliers | (5,114,463) | (29,684,453) | 346,010 | (1,385,586) | (1,034,801) | (36,873,293) |
| Payments to employees | (2,637,293) | (373,875) | - | - | (1,113,312) | (4,124,480) |
| Net cash provided by (used in) operating activities | 257,999 | (3,827,464) | 9,779,858 | 923,233 | 158,346 | 7,291,972 |
| Cash Flows from Noncapital Financing Activities | | | | | | |
| Transfers to other funds | - | (1,000,000) | - | - | - | (1,000,000) |
| Net cash provided by (used in) noncapital financing activities | - | (1,000,000) | - | - | - | (1,000,000) |
| Cash Flows from Capital and Related Financing Activities | | | | | | |
| Acquisitions and construction of capital assets | - | - | (7,193,140) | - | - | (7,193,140) |
| Proceeds from sale of capital assets | - | - | 359,437 | - | - | 359,437 |
| Principal paid on subscription liabilities | - | - | - | (511,582) | - | (511,582) |
| Net cash (used in) capital and related financing activities | - | - | (6,833,703) | (511,582) | - | (7,345,285) |
| Cash Flows from Investing Activities | | | | | | |
| Interest received | 37,294 | 852,414 | 1,062,327 | 109,598 | 32,906 | 2,094,539 |
| Net cash provided by investing activities | 37,294 | 852,414 | 1,062,327 | 109,598 | 32,906 | 2,094,539 |
| Net increase (decrease) in cash and cash equivalents | 295,293 | (3,975,050) | 4,008,482 | 521,249 | 191,252 | 1,041,226 |
| Cash and cash equivalents - beginning of year | 298,310 | 17,420,600 | 16,107,647 | 1,547,626 | 446,829 | 35,821,012 |
| Cash and cash equivalents - end of year | \$ 593,603 | \$ 13,445,550 | \$ 20,116,129 | \$ 2,068,875 | \$ 638,081 | \$ 36,862,238 |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities | | | | | | |
| Operating income (loss) | \$ 126,901 | \$ (3,627,055) | \$ 3,529,863 | \$ 205,455 | \$ 150,623 | \$ 385,787 |
| Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities | | | | | | |
| Depreciation and amortization | - | - | 5,903,985 | 622,508 | - | 6,526,493 |
| Changes in assets and liabilities | | | | | | |
| Decrease in accounts receivable | 6,475 | - | - | - | - | 6,475 |
| Decrease in inventories and prepaid assets | 69,390 | - | - | - | - | 69,390 |
| Increase (decrease) in accounts and claims payable | 44,228 | (70,340) | 346,010 | 95,270 | 5,104 | 420,272 |
| (Decrease) in due to other funds | - | (130,330) | - | - | - | (130,330) |
| Increase in compensated absences | 11,005 | 261 | - | - | 2,619 | 13,885 |
| Total adjustments | 131,098 | (200,409) | 6,249,995 | 717,778 | 7,723 | 6,906,185 |
| Net cash provided by (used in) operating activities | \$ 257,999 | \$ (3,827,464) | \$ 9,779,858 | \$ 923,233 | \$ 158,346 | \$ 7,291,972 |

SECTION
9

[ACFR]

**DISCRETELY PRESENTED
COMPONENT**
Units

Discretely
Presented
Component Units

Discretely Presented Component Unit

Olathe Public Housing Authority

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

City of Olathe, Kansas
Statement of Net Position
Discretely Presented Component Unit
December 31, 2024

| | Olathe Public Housing Authority |
|--|--|
| Assets | |
| Cash and cash equivalents | \$ 763,028 |
| Receivable | 184,019 |
| Other assets | 321,210 |
| Capital assets, net of accumulated depreciation | 1,859,007 |
| Total assets | <u>\$ 3,127,264</u> |
| Liabilities and net position | |
| Liabilities | |
| Accounts payable | \$ 178,523 |
| Accrued liabilities | 97,315 |
| Noncurrent liabilities | 92,897 |
| Total liabilities | <u>368,735</u> |
| Net position | |
| Net invested in capital assets | 1,859,007 |
| Unrestricted | 899,522 |
| Total net position | <u>2,758,529</u> |
| Total liabilities and net position | <u>\$ 3,127,264</u> |

City of Olathe, Kansas
Statement of Revenues, Expenses,
and Changes in Net Position
Discretely Presented Component Unit
For the Year Ended December 31, 2024

| | Olathe Public Housing Authority |
|---|--|
| Operating revenues | |
| Charges for services | \$ 769,716 |
| Intergovernmental | 4,976,327 |
| Total operating revenues | <u>5,746,043</u> |
| Operating expenses | |
| Community services | <u>5,871,172</u> |
| Total operating expenses | <u>5,871,172</u> |
| Operating (loss) | (125,129) |
| Nonoperating revenues | |
| Unrestricted investment earnings | <u>783</u> |
| Total nonoperating revenues | <u>783</u> |
| Change in net position | <u>(124,346)</u> |
| Net position - beginning of year, as previously reported | 3,106,652 |
| Restatement - See Note #1 | <u>(223,777)</u> |
| Net position - beginning of year, as restated | <u>2,882,875</u> |
| Net position - end of year | <u><u>\$ 2,758,529</u></u> |

City of Olathe, Kansas
Statement of Cash Flows
Discretely Presented Component Unit
For the Year Ended December 31, 2024

| | Olathe Public Housing Authority |
|--|--|
| Cash Flows from Operating Activities | |
| Receipts from customers and users | \$ 5,724,951 |
| Payments to suppliers | (4,955,562) |
| Payments to employees | (793,742) |
| Net cash provided by (used in) operating activities | <u>(24,353)</u> |
| Cash Flows from Capital and Related Financing Activities | |
| Acquisitions and construction of capital assets | (8,000) |
| Net cash (used in) capital and related financing activities | <u>(8,000)</u> |
| Cash Flows from Investing Activities | |
| Interest received | 783 |
| Net cash provided by investing activities | <u>783</u> |
| Net increase (decrease) in cash and cash equivalents | (31,570) |
| Cash and cash equivalents - beginning of year | 794,598 |
| Cash and cash equivalents - end of year | <u><u>\$ 763,028</u></u> |
| Reconciliation of operating income to net cash provided by (used in) operating activities | |
| Operating loss | \$ (125,129) |
| Adjustments to reconcile operating income to cash provided by (used in) operating activities | |
| Depreciation | 198,955 |
| Loss on sale of asset | 3,012 |
| Changes in assets and liabilities | |
| (Increase) in receivables | (16,832) |
| (Increase) in other assets | (4,260) |
| (Decrease) in accounts payable and accrued liabilities | (120,798) |
| Increase in escrow account | 40,699 |
| Total adjustments | <u>100,776</u> |
| Net cash provided by (used in) operating activities | <u><u>\$ (24,353)</u></u> |

SECTION
10

[ACFR]

**STATISTICAL
SECTION**

City of Olathe, Kansas Statistical Section

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

Contents

Exhibit

Financial Trends

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

1 - 4

Revenue Capacity

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

5 - 12

Debt Capacity

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

13 - 17

Demographic and Economic Information

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

18 - 21

Operating Information

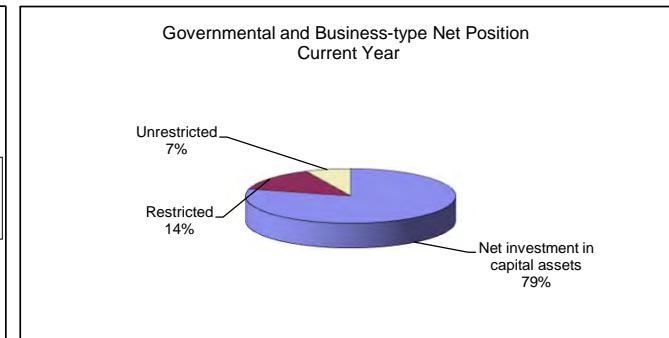
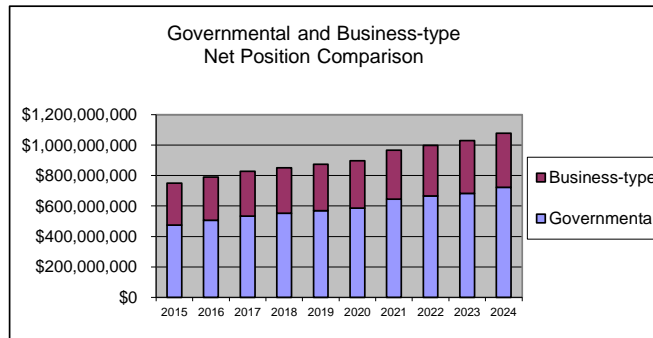
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

22 - 24

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

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

| | Fiscal Year | | | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 405,739,543 | \$ 412,629,059 | \$ 428,374,947 | \$ 468,020,359 | \$ 459,371,993 | \$ 471,816,066 | \$ 503,693,697 | \$ 514,551,384 | \$ 524,954,857 | \$ 503,915,901 |
| Restricted | 56,702,281 | 81,324,117 | 78,369,300 | 116,031,761 | 69,937,182 | 66,768,299 | 101,009,719 | 122,512,791 | 133,335,268 | 143,854,572 |
| Unrestricted | 11,859,425 | 11,528,670 | 27,219,955 | (30,891,241) | 39,888,618 | 46,978,044 | 41,195,050 | 30,022,170 | 25,448,963 | 74,823,705 |
| Total governmental activities net position | <u>\$ 474,301,249</u> | <u>\$ 505,481,846</u> | <u>\$ 533,964,202</u> | <u>\$ 553,160,879</u> | <u>\$ 569,197,793</u> | <u>\$ 585,562,409</u> | <u>\$ 645,898,466</u> | <u>\$ 667,086,345</u> | <u>\$ 683,739,088</u> | <u>\$ 722,594,178</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 244,478,470 | \$ 240,994,461 | \$ 244,073,175 | \$ 239,764,049 | \$ 250,360,224 | \$ 262,044,600 | \$ 262,745,169 | \$ 280,604,883 | \$ 289,481,637 | \$ 295,719,924 |
| Restricted | 9,928,840 | 10,041,625 | 6,196,232 | 7,018,082 | 8,015,333 | 8,080,267 | 8,403,527 | 9,365,758 | 10,161,558 | 11,013,902 |
| Unrestricted | 21,204,555 | 33,935,078 | 43,939,745 | 50,105,406 | 46,625,246 | 41,586,877 | 48,695,977 | 41,916,358 | 46,454,302 | 49,098,386 |
| Total business-type activities net position | <u>\$ 275,611,865</u> | <u>\$ 284,971,164</u> | <u>\$ 294,209,152</u> | <u>\$ 296,887,537</u> | <u>\$ 305,000,803</u> | <u>\$ 311,711,744</u> | <u>\$ 319,844,673</u> | <u>\$ 331,886,999</u> | <u>\$ 346,097,497</u> | <u>\$ 355,832,212</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 650,218,013 | \$ 653,623,520 | \$ 672,448,122 | \$ 707,784,408 | \$ 709,732,217 | \$ 733,860,666 | \$ 766,438,866 | \$ 795,156,267 | \$ 814,436,494 | \$ 799,635,825 |
| Restricted | 66,631,121 | 91,365,742 | 84,565,532 | 123,049,843 | 77,952,515 | 74,848,566 | 109,413,246 | 131,878,549 | 143,496,826 | 154,868,474 |
| Unrestricted | 33,063,980 | 45,463,748 | 71,159,700 | 19,214,165 | 86,513,864 | 88,564,921 | 89,891,027 | 71,938,528 | 71,903,265 | 123,922,091 |
| Total primary government activities net position | <u>\$ 749,913,114</u> | <u>\$ 790,453,010</u> | <u>\$ 828,173,354</u> | <u>\$ 850,048,416</u> | <u>\$ 874,198,596</u> | <u>\$ 897,274,153</u> | <u>\$ 965,743,139</u> | <u>\$ 998,973,344</u> | <u>\$ 1,029,836,585</u> | <u>\$ 1,078,426,390</u> |



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

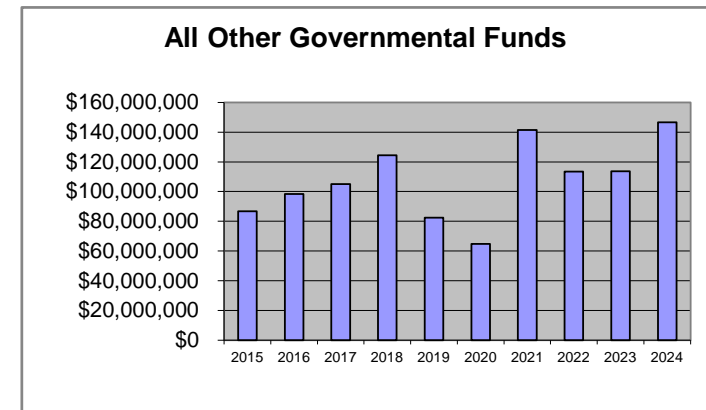
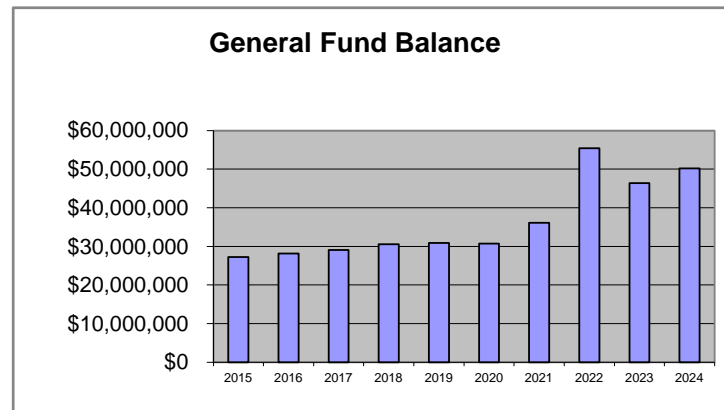
| | Fiscal Year | | | | | | | | | |
|---|-------------------------|------------------------|------------------------|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Program expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 22,935,349 | \$ 29,698,687 | \$ 30,659,017 | \$ 31,670,765 | \$ 33,634,434 | \$ 35,991,748 | \$ 27,620,858 | \$ 29,793,717 | \$ 34,618,744 | \$ 53,646,806 |
| Public safety | 41,065,601 | 43,586,807 | 51,947,482 | 53,518,929 | 56,203,958 | 52,193,052 | 56,950,109 | 60,278,175 | 71,038,703 | 84,265,301 |
| Public works | 70,291,556 | 74,644,080 | 61,820,535 | 45,025,053 | 65,535,157 | 63,983,483 | 66,082,643 | 83,859,369 | 87,109,589 | 52,381,344 |
| Community services | 13,744,699 | 16,168,880 | 16,667,781 | 16,270,619 | 16,129,998 | 15,467,438 | 21,072,224 | 27,984,576 | 31,996,243 | 38,604,339 |
| Interest on long-term debt | 8,496,066 | 7,239,575 | 7,906,438 | 7,294,666 | 7,275,226 | 5,400,068 | 6,563,929 | 8,980,984 | 9,273,149 | 12,153,762 |
| Total governmental activities | <u>156,533,271</u> | <u>171,338,029</u> | <u>169,001,253</u> | <u>153,780,032</u> | <u>178,778,773</u> | <u>173,035,789</u> | <u>178,289,763</u> | <u>210,896,821</u> | <u>234,036,428</u> | <u>241,051,552</u> |
| Business-type activities: | | | | | | | | | | |
| Water and sewer | 37,538,379 | 38,786,625 | 41,493,532 | 43,452,685 | 48,649,227 | 49,102,197 | 46,325,732 | 48,603,398 | 53,411,543 | 57,705,380 |
| Solid waste | 11,854,241 | 12,176,917 | 12,863,072 | 13,945,482 | 14,178,471 | 14,125,846 | 14,427,967 | 15,915,887 | 17,885,269 | 19,534,823 |
| Total business-type activities | <u>49,392,620</u> | <u>50,963,542</u> | <u>54,356,604</u> | <u>57,398,167</u> | <u>62,827,698</u> | <u>63,228,043</u> | <u>60,753,699</u> | <u>64,519,285</u> | <u>71,296,812</u> | <u>77,240,203</u> |
| Total primary government expenses | <u>\$ 205,925,891</u> | <u>\$ 222,301,571</u> | <u>\$ 223,357,857</u> | <u>\$ 211,178,199</u> | <u>\$ 241,606,471</u> | <u>\$ 236,263,832</u> | <u>\$ 239,043,462</u> | <u>\$ 275,416,106</u> | <u>\$ 305,333,240</u> | <u>\$ 318,291,755</u> |
| Program revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 4,155,156 | \$ 4,770,270 | \$ 4,660,223 | \$ 5,052,358 | \$ 4,852,589 | \$ 5,575,390 | \$ 5,958,325 | \$ 8,877,299 | \$ 9,244,656 | \$ 12,332,047 |
| Public safety | 4,315,123 | 4,191,244 | 3,091,130 | 3,512,133 | 3,607,841 | 2,898,957 | 3,118,926 | 3,282,524 | 2,947,816 | 3,552,052 |
| Public works | 7,558,545 | 8,064,710 | 9,472,541 | 10,731,989 | 8,752,953 | 8,328,295 | 11,879,017 | 9,932,908 | 10,685,974 | 7,680,794 |
| Community services | 4,780,084 | 5,524,930 | 5,994,725 | 5,902,968 | 6,135,471 | 5,106,418 | 7,521,950 | 6,692,510 | 7,148,710 | 6,570,260 |
| Operating grants and contributions | 2,642,863 | 2,798,886 | 2,691,260 | 2,548,814 | 3,212,795 | 3,954,109 | 3,816,162 | 7,562,128 | 4,546,096 | 28,053,871 |
| Capital grants and contributions | 27,214,326 | 47,057,319 | 38,451,050 | 17,409,373 | 24,823,201 | 19,504,894 | 41,853,456 | 15,511,711 | 8,113,217 | 15,167,636 |
| Total governmental activities | <u>50,666,097</u> | <u>72,407,359</u> | <u>64,360,929</u> | <u>45,157,635</u> | <u>51,384,850</u> | <u>45,368,063</u> | <u>74,147,836</u> | <u>51,859,080</u> | <u>42,686,469</u> | <u>73,356,660</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Water and sewer | 38,981,204 | 43,168,622 | 45,752,839 | 48,608,113 | 45,700,559 | 49,356,602 | 53,764,594 | 55,858,007 | 61,767,643 | 61,901,471 |
| Solid waste | 12,965,412 | 13,370,140 | 12,908,095 | 13,451,554 | 15,944,963 | 16,014,413 | 17,051,747 | 17,944,489 | 18,254,783 | 17,908,359 |
| Operating grants and contributions | - | - | - | - | - | 758,571 | - | 206,860 | 95,116 | 20,000 |
| Capital grants and contributions | 2,452,669 | 4,416,279 | 3,286,002 | 2,813,011 | 4,445,642 | - | - | - | - | - |
| Total business-type activities | <u>54,399,285</u> | <u>60,955,041</u> | <u>61,946,936</u> | <u>64,872,678</u> | <u>66,091,164</u> | <u>66,129,586</u> | <u>70,816,341</u> | <u>74,009,356</u> | <u>80,117,542</u> | <u>79,829,830</u> |
| Total primary government program revenues | <u>\$ 105,065,382</u> | <u>\$ 133,362,400</u> | <u>\$ 126,307,865</u> | <u>\$ 110,030,313</u> | <u>\$ 117,476,014</u> | <u>\$ 111,497,649</u> | <u>\$ 144,964,177</u> | <u>\$ 125,868,436</u> | <u>\$ 122,804,011</u> | <u>\$ 153,186,490</u> |
| Net program expense | <u>\$ (100,860,509)</u> | <u>\$ (88,939,171)</u> | <u>\$ (97,049,992)</u> | <u>\$ (101,147,886)</u> | <u>\$ (124,130,457)</u> | <u>\$ (124,766,183)</u> | <u>\$ (94,079,285)</u> | <u>\$ (149,547,670)</u> | <u>\$ (182,529,229)</u> | <u>\$ (165,105,265)</u> |

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

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| General revenues and other changes in net position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes | \$ 40,134,797 | \$ 43,336,975 | \$ 47,021,050 | \$ 51,746,347 | \$ 54,297,724 | \$ 57,381,851 | \$ 60,297,199 | \$ 61,432,277 | \$ 77,128,936 | \$ 73,886,168 |
| Sales taxes | 59,758,735 | 64,602,806 | 68,351,904 | 70,529,222 | 69,958,462 | 72,282,916 | 88,308,857 | 96,461,239 | 100,366,061 | 100,620,729 |
| Franchise taxes | 11,134,962 | 11,503,470 | 11,629,244 | 12,009,645 | 11,638,652 | 10,898,406 | 10,494,220 | 12,460,414 | 12,329,205 | 12,744,493 |
| Other taxes | 1,462,228 | 1,714,373 | 2,026,799 | 1,784,961 | 1,798,487 | 1,072,895 | 1,686,485 | 2,298,583 | 2,568,223 | 2,872,317 |
| Investment earnings | 602,315 | 862,779 | 1,512,957 | 3,013,147 | 4,679,309 | 1,518,553 | 105,806 | 3,047,564 | 13,237,467 | 17,361,060 |
| Miscellaneous | 1,825,250 | 2,165,115 | 2,443,044 | 4,497,232 | 3,162,265 | 1,412,662 | 315,531 | 4,543,878 | 2,372,996 | 2,231,310 |
| Transfers | 2,376,172 | 2,251,686 | 137,682 | 3,441,360 | (2,104,062) | (534,941) | 3,269,886 | (18,335) | (186) | (1,416,213) |
| Total governmental activities | 117,294,459 | 126,437,204 | 133,122,680 | 147,021,914 | 143,430,837 | 144,032,342 | 164,477,984 | 180,225,620 | 208,002,702 | 208,299,864 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 183,741 | 291,045 | 477,905 | 861,184 | 1,323,989 | 358,603 | 12,777 | 309,222 | 3,412,811 | 5,287,262 |
| Lease interest income | - | - | - | - | - | - | - | 26,450 | 145,066 | 140,618 |
| Miscellaneous | 1,108,050 | 1,328,441 | 1,307,433 | 1,341,098 | 1,421,749 | 2,915,854 | 1,327,396 | 2,198,248 | 1,831,705 | 577,183 |
| Transfers | (2,376,172) | (2,251,686) | (137,682) | (3,441,360) | 2,104,062 | 534,941 | (3,269,886) | 18,335 | 186 | 1,416,213 |
| Total business-type activities | (1,084,381) | (632,200) | 1,647,656 | (1,239,078) | 4,849,800 | 3,809,398 | (1,929,713) | 2,552,255 | 5,389,768 | 7,421,276 |
| Total primary government general revenues | \$ 116,210,078 | \$ 125,805,004 | \$ 134,770,336 | \$ 145,782,836 | \$ 148,280,637 | \$ 147,841,740 | \$ 162,548,271 | \$ 182,777,875 | \$ 213,392,470 | \$ 215,721,140 |
| Change in net position | \$ 15,349,569 | \$ 36,865,833 | \$ 37,720,344 | \$ 44,634,950 | \$ 24,150,180 | \$ 23,075,557 | \$ 68,468,986 | \$ 33,230,205 | \$ 30,863,241 | \$ 50,615,875 |

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

| | Fiscal Year | | | | | | | | | |
|------------------------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 273,262 | \$ 180,838 | \$ 65,974 | \$ 6,011 | \$ 109,998 | \$ 92,517 | \$ 437,938 | \$ 568,761 | \$ 155,709 | \$ 146,175 |
| Assigned | 308,646 | 408,916 | 313,803 | 367,726 | 152,861 | 305,369 | 332,938 | 3,948,318 | 1,017,498 | 939,102 |
| Unassigned | 26,653,214 | 27,547,843 | 28,660,751 | 30,139,831 | 30,662,381 | 30,336,965 | 35,362,011 | 50,883,642 | 45,206,124 | 49,083,542 |
| Total general fund | <u>\$ 27,235,122</u> | <u>\$ 28,137,597</u> | <u>\$ 29,040,528</u> | <u>\$ 30,513,568</u> | <u>\$ 30,925,240</u> | <u>\$ 30,734,851</u> | <u>\$ 36,132,887</u> | <u>\$ 55,400,721</u> | <u>\$ 46,379,331</u> | <u>\$ 50,168,819</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ 44,704 | \$ 15,523 | \$ 3,199 | \$ 40,500 | \$ - | \$ - |
| Restricted | 58,520,874 | 70,680,019 | 69,992,308 | 84,594,066 | 39,582,543 | 45,163,035 | 84,970,442 | 110,793,987 | 114,964,076 | 135,999,141 |
| Committed | 16,931,314 | 13,253,562 | 14,393,464 | 16,173,584 | 14,356,140 | 15,672,679 | 15,849,022 | 15,610,075 | 13,075,266 | 10,729,531 |
| Assigned | 11,339,204 | 14,427,463 | 20,686,346 | 23,670,824 | 28,520,468 | 34,667,147 | 40,555,552 | - | - | - |
| Unassigned | - | - | - | - | - | (30,667,594) | - | (13,016,986) | (14,416,591) | - |
| Total all other governmental funds | <u>\$ 86,791,392</u> | <u>\$ 98,361,044</u> | <u>\$ 105,072,118</u> | <u>\$ 124,438,474</u> | <u>\$ 82,503,855</u> | <u>\$ 64,850,790</u> | <u>\$ 141,378,215</u> | <u>\$ 113,427,576</u> | <u>\$ 113,622,751</u> | <u>\$ 146,728,672</u> |

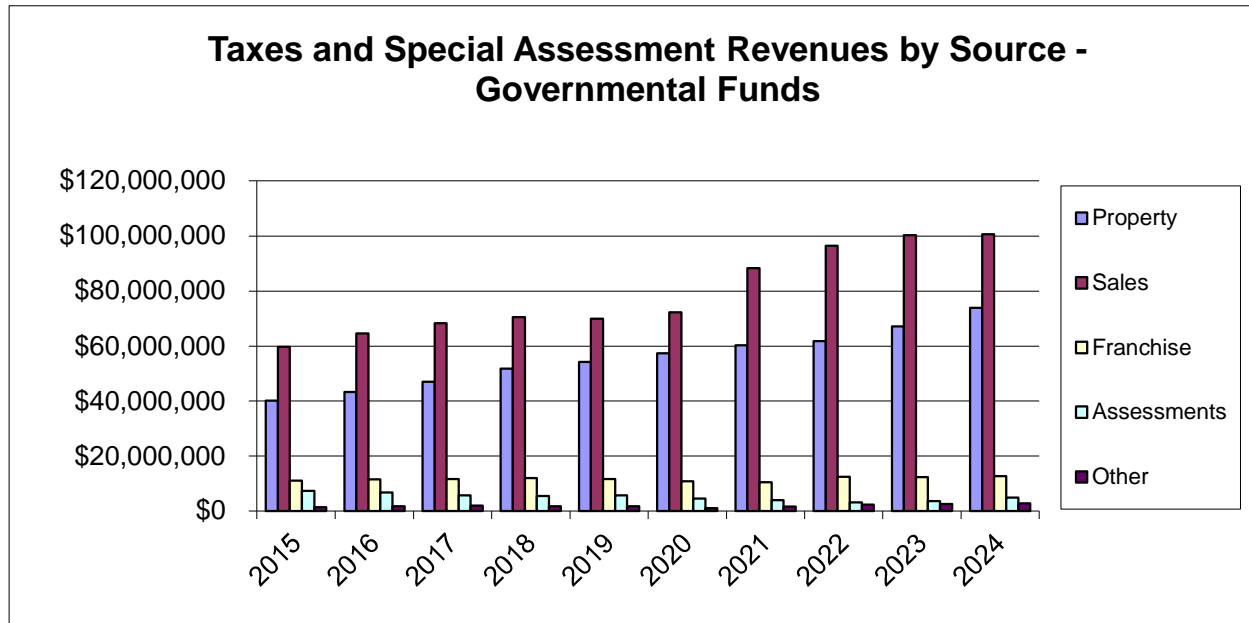


City of Olathe, Kansas
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|----------------------|---------------------|---------------------|----------------------|------------------------|------------------------|----------------------|-----------------------|-----------------------|----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Revenues | | | | | | | | | | |
| Taxes and special assessments | \$ 119,895,961 | \$ 127,903,146 | \$ 134,793,488 | \$ 141,523,573 | \$ 143,388,176 | \$ 146,144,364 | \$ 164,711,092 | \$ 176,191,723 | \$ 186,162,953 | \$ 195,012,974 |
| Intergovernmental | 12,389,145 | 12,987,653 | 21,602,721 | 17,841,802 | 14,634,776 | 20,024,984 | 46,677,855 | 22,911,157 | 13,112,796 | 33,252,446 |
| Licenses and permits | 2,054,140 | 2,221,597 | 2,311,842 | 2,858,757 | 2,568,592 | 2,724,055 | 2,118,160 | 3,576,880 | 3,006,225 | 2,547,104 |
| Fines, forfeitures, and penalties | 3,866,565 | 3,861,676 | 2,766,930 | 3,156,629 | 3,289,874 | 2,460,077 | 2,780,050 | 2,256,977 | 2,152,072 | 2,486,014 |
| Charges for services | 14,888,203 | 16,467,881 | 18,139,856 | 19,184,062 | 17,490,388 | 16,724,928 | 20,282,516 | 22,951,384 | 24,868,859 | 25,102,035 |
| Use of money and property | 549,290 | 793,780 | 1,422,000 | 2,647,564 | 4,296,722 | 1,371,379 | 89,549 | 2,705,680 | 11,866,806 | 15,266,521 |
| Miscellaneous | 1,846,859 | 1,572,393 | 1,942,028 | 4,201,766 | 1,939,180 | 1,117,918 | 4,213,150 | 3,830,113 | 1,916,463 | 1,871,873 |
| Total revenues | <u>155,490,163</u> | <u>165,808,126</u> | <u>182,978,865</u> | <u>191,414,153</u> | <u>187,607,708</u> | <u>190,567,705</u> | <u>240,872,372</u> | <u>234,423,914</u> | <u>243,086,174</u> | <u>275,538,967</u> |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 22,375,960 | 28,554,144 | 28,267,167 | 30,304,050 | 31,876,684 | 31,598,849 | 27,122,934 | 26,631,374 | 30,878,623 | 48,952,437 |
| Public safety | 41,058,833 | 42,270,308 | 47,585,328 | 50,139,662 | 53,276,267 | 51,903,934 | 56,911,026 | 58,931,011 | 68,012,463 | 81,626,804 |
| Public works | 15,450,364 | 11,842,381 | 13,293,564 | 13,033,266 | 14,019,737 | 12,196,257 | 17,729,333 | 18,802,918 | 19,797,956 | 20,374,987 |
| Community services | 13,142,640 | 14,549,846 | 14,704,008 | 14,594,861 | 16,059,390 | 12,955,972 | 20,018,933 | 25,582,706 | 28,418,630 | 34,930,107 |
| Capital improvements | 44,172,182 | 56,384,322 | 59,411,140 | 69,670,738 | 84,023,479 | 91,008,714 | 101,633,665 | 100,622,921 | 103,362,480 | 62,632,711 |
| Debt service: | | | | | | | | | | |
| Principal retirements | 24,098,465 | 20,680,816 | 21,767,175 | 22,139,589 | 22,960,974 | 22,097,653 | 21,766,215 | 26,645,342 | 32,151,153 | 31,157,832 |
| Interest and fiscal charges | 8,718,545 | 8,008,626 | 8,770,981 | 8,412,845 | 8,870,375 | 8,553,299 | 8,299,526 | 11,364,136 | 12,745,067 | 14,572,742 |
| Total expenditures | <u>169,016,989</u> | <u>182,290,443</u> | <u>193,799,363</u> | <u>208,295,011</u> | <u>231,086,906</u> | <u>230,314,678</u> | <u>253,481,632</u> | <u>268,580,408</u> | <u>295,366,372</u> | <u>294,247,620</u> |
| Excess of revenues under expenditures | <u>(13,526,826)</u> | <u>(16,482,317)</u> | <u>(10,820,498)</u> | <u>(16,880,858)</u> | <u>(43,479,198)</u> | <u>(39,746,973)</u> | <u>(12,609,260)</u> | <u>(34,156,494)</u> | <u>(52,280,198)</u> | <u>(18,708,653)</u> |
| Other financing sources (uses) | | | | | | | | | | |
| Payment to refunded bond escrow | (2,450,000) | (9,605,000) | (13,800,000) | (3,920,000) | (24,710,000) | (10,324,985) | (14,965,086) | - | - | - |
| Issuance of bonds | 11,695,000 | 17,883,673 | 12,700,000 | 34,170,000 | 14,204,654 | 19,755,000 | 92,495,000 | 22,825,000 | 35,655,000 | 49,735,000 |
| Issuance of refunding bonds | 8,290,000 | 13,180,000 | 16,235,000 | - | 10,094,579 | 9,610,000 | - | - | - | - |
| Lease issuance proceeds | - | - | - | - | - | - | - | 116,979 | - | 1,711,980 |
| Subscription arrangement issuance proceeds | - | - | - | - | - | - | - | - | 4,519,336 | 333,384 |
| Bond premium | 1,759,969 | 3,089,684 | 2,460,806 | 4,160,857 | 3,231,035 | 2,662,103 | 14,054,446 | 1,702,257 | 3,209,449 | 4,239,911 |
| Capital lease proceeds | - | - | - | - | - | 224,023 | - | - | - | - |
| Insurance proceeds | - | 539,359 | 164,173 | - | 664,211 | - | - | - | - | - |
| Transfers in | 35,612,943 | 40,602,770 | 41,339,554 | 46,291,981 | 46,218,324 | 48,391,564 | 44,038,969 | 62,380,980 | 71,334,846 | 54,030,960 |
| Transfers out | (31,090,979) | (40,416,462) | (40,649,195) | (42,986,886) | (47,831,882) | (48,414,186) | (41,088,608) | (61,551,527) | (71,264,648) | (54,447,173) |
| Total other financing sources (uses) | <u>23,816,933</u> | <u>25,274,024</u> | <u>18,450,338</u> | <u>37,715,952</u> | <u>1,870,921</u> | <u>21,903,519</u> | <u>94,534,721</u> | <u>25,473,689</u> | <u>43,453,983</u> | <u>55,604,062</u> |
| Net change in fund balances | <u>\$ 10,290,107</u> | <u>\$ 8,791,707</u> | <u>\$ 7,629,840</u> | <u>\$ 20,835,094</u> | <u>\$ (41,608,277)</u> | <u>\$ (17,843,454)</u> | <u>\$ 81,925,461</u> | <u>\$ (8,682,805)</u> | <u>\$ (8,826,215)</u> | <u>\$ 36,895,409</u> |
| Debt service as a percentage of noncapital expenditures | 21.9% | 18.1% | 20.0% | 21.8% | 18.3% | 19.0% | 17.6% | 18.7% | 19.9% | 20.0% |

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

| Fiscal Year | Property | Sales | Franchise | Special Assessments | Other Taxes | Total |
|------------------------|---------------|----------------|---------------|---------------------|--------------|----------------|
| 2015 | \$ 40,134,797 | \$ 59,758,735 | \$ 11,134,962 | \$ 7,405,239 | \$ 1,462,228 | \$ 119,895,961 |
| 2016 | \$ 43,336,975 | \$ 64,602,806 | \$ 11,503,470 | \$ 6,745,522 | \$ 1,714,373 | \$ 127,903,146 |
| 2017 | \$ 47,021,050 | \$ 68,351,904 | \$ 11,629,244 | \$ 5,764,491 | \$ 2,026,799 | \$ 134,793,488 |
| 2018 | \$ 51,746,347 | \$ 70,529,222 | \$ 12,009,645 | \$ 5,453,398 | \$ 1,784,961 | \$ 141,523,573 |
| 2019 | \$ 54,297,724 | \$ 69,958,462 | \$ 11,638,652 | \$ 5,694,851 | \$ 1,798,487 | \$ 143,388,176 |
| 2020 | \$ 57,381,851 | \$ 72,282,916 | \$ 10,898,406 | \$ 4,508,296 | \$ 1,072,895 | \$ 146,144,364 |
| 2021 | \$ 60,297,199 | \$ 88,308,857 | \$ 10,494,220 | \$ 3,924,331 | \$ 1,686,485 | \$ 164,711,092 |
| 2022 | \$ 61,804,516 | \$ 96,461,239 | \$ 12,460,414 | \$ 3,166,971 | \$ 2,298,583 | \$ 176,191,723 |
| 2023 | \$ 67,214,992 | \$ 100,366,061 | \$ 12,329,205 | \$ 3,684,472 | \$ 2,568,223 | \$ 186,162,953 |
| 2024 | \$ 73,886,168 | \$ 100,620,729 | \$ 12,744,493 | \$ 4,889,267 | \$ 2,872,317 | \$ 195,012,974 |
| Change 2015 to 2024 | 84.10% | 68.38% | 14.45% | -33.98% | 96.43% | 62.65% |



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

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|
| Retail Trade | | | | | | | | | | |
| (Big Box Retail, Grocery, Electronics) | \$ 21,654,523 | \$ 22,314,004 | \$ 23,255,377 | \$ 23,454,605 | \$ 22,631,281 | \$ 24,957,732 | \$ 27,479,106 | \$ 28,481,139 | \$28,414,562 | \$ 28,326,938 |
| Accommodation & Food Services | | | | | | | | | | |
| (Hotel, Restaurant) | 3,925,501 | 4,090,356 | 4,153,401 | 4,215,253 | 3,838,810 | 3,967,804 | 4,594,563 | 4,982,543 | 5,255,231 | 5,399,781 |
| Utilities | | | | | | | | | | |
| (Gas, Electric) | 2,421,297 | 2,443,689 | 2,511,899 | 2,647,015 | 2,772,575 | 2,533,506 | 2,528,516 | 2,836,953 | 2,949,397 | 2,763,260 |
| Information | | | | | | | | | | |
| (Newsprint, Publishing) | 1,966,346 | 1,624,835 | 1,595,511 | 1,637,132 | 1,296,756 | 1,294,798 | 1,488,432 | 1,631,804 | 1,653,796 | 1,638,153 |
| Wholesale Trade | | | | | | | | | | |
| (Wholesale Materials) | 1,593,026 | 1,939,542 | 1,984,038 | 1,954,944 | 2,092,617 | 1,959,684 | 1,781,215 | 2,804,747 | 2,926,759 | 2,928,311 |
| Manufacturing | | | | | | | | | | |
| (Food, Beverage, Paper, Machinery) | 967,271 | 983,735 | 948,760 | 929,794 | 760,624 | 780,948 | 835,937 | 1,179,506 | 1,192,478 | 1,373,302 |
| Other Services | | | | | | | | | | |
| (Auto Repair, Laundry) | 1,047,467 | 1,111,621 | 1,129,824 | 1,147,384 | 1,477,371 | 1,210,238 | 1,293,359 | 1,526,874 | 1,788,925 | 1,988,295 |
| Administrative, Support, Waste Management, & Remediation Services | 287,092 | 319,937 | 382,946 | 419,703 | 417,450 | 711,645 | 619,516 | 629,513 | 604,901 | 643,959 |
| Other | 2,520,342 | 2,878,013 | 2,721,310 | 2,863,335 | 3,139,144 | 3,082,288 | 3,399,448 | 4,018,903 | 4,245,671 | 4,644,654 |
| Total | <u>\$ 36,382,865</u> | <u>\$ 37,705,732</u> | <u>\$ 38,683,066</u> | <u>\$ 39,269,165</u> | <u>\$ 38,426,628</u> | <u>\$ 40,498,643</u> | <u>\$ 44,020,092</u> | <u>\$ 48,091,982</u> | <u>\$49,031,720</u> | <u>\$ 49,706,653</u> |

Source: Kansas Department of Revenue

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

| Fiscal Year | City of Olathe | | | Johnson County | | | | | | State of Kansas | Total |
|----------------|----------------|--------|---------|----------------|------------------|------------|--------------------------|--------------------------------|-----------------------------|--------------------|--------|
| | General | Parks | Streets | General | Public Safety | Stormwater | Public Safety Capital | Education Research Triangle | Public Safety Courthouse | | |
| 2015 | 1.000% | 0.125% | 0.375% | 0.500% | 0.250% | 0.100% | 0.250% | 0.125% | - | 6.500% | 9.225% |
| 2016 | 1.000% | 0.125% | 0.375% | 0.500% | 0.250% | 0.100% | 0.250% | 0.125% | - | 6.500% | 9.225% |
| 2017 | 1.000% | 0.125% | 0.375% | 0.500% | 0.250% | 0.100% | 0.250% | 0.125% | 0.250% | 6.500% | 9.475% |
| 2018 | 1.000% | 0.125% | 0.375% | 0.500% | 0.250% | 0.100% | 0.250% | 0.125% | 0.250% | 6.500% | 9.475% |
| 2019 | 1.000% | 0.125% | 0.375% | 0.500% | 0.250% | 0.100% | 0.250% | 0.125% | 0.250% | 6.500% | 9.475% |
| 2020 | 1.000% | 0.125% | 0.375% | 0.500% | 0.250% | 0.100% | 0.250% | 0.125% | 0.250% | 6.500% | 9.475% |
| 2021 | 1.000% | 0.125% | 0.375% | 0.500% | 0.250% | 0.100% | 0.250% | 0.125% | 0.250% | 6.500% | 9.475% |
| 2022 | 1.000% | 0.125% | 0.375% | 0.500% | 0.250% | 0.100% | 0.250% | 0.125% | 0.250% | 6.500% | 9.475% |
| 2023 | 1.000% | 0.125% | 0.375% | 0.500% | 0.250% | 0.100% | 0.250% | 0.125% | 0.250% | 6.500% | 9.475% |
| 2024 | 1.000% | 0.125% | 0.375% | 0.500% | 0.250% | 0.100% | 0.250% | 0.125% | 0.250% | 6.500% | 9.475% |

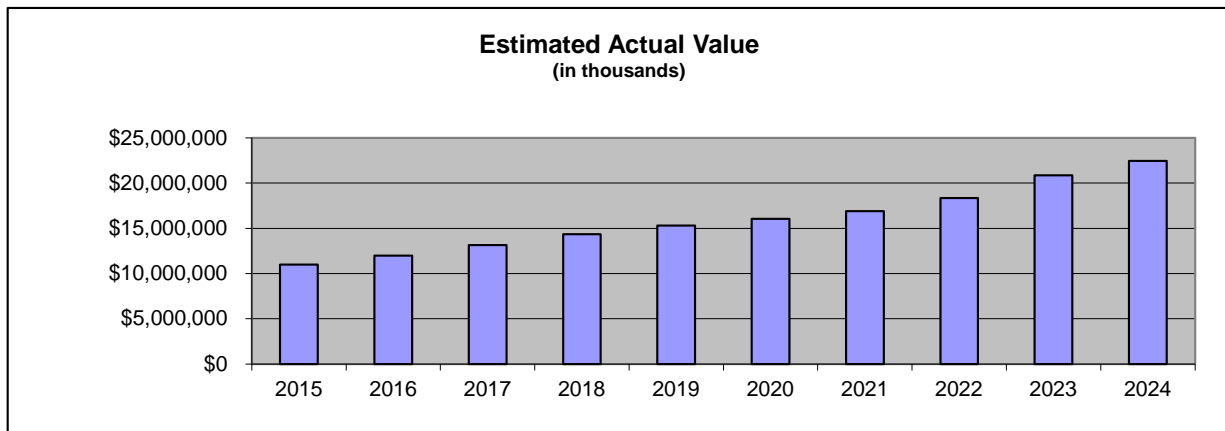
Source: Kansas Department of Revenue

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

| Tax Year | Collection Year | Real Property | Utilities | Personal Property | Total Assessed Value | Estimated Actual Value (1) | Total Direct Tax Rate |
|-----------------|------------------------|----------------------|------------------|--------------------------|-----------------------------|-----------------------------------|------------------------------|
| 2014 | 2015 | 1,400,333 | 40,813 | 19,349 | 1,460,495 | 10,980,843 | 24.688 |
| 2015 | 2016 | 1,530,644 | 41,951 | 17,996 | 1,590,591 | 11,981,494 | 24.708 |
| 2016 | 2017 | 1,682,451 | 42,752 | 16,293 | 1,741,496 | 13,145,012 | 24.700 |
| 2017 | 2018 | 1,840,101 | 45,350 | 15,802 | 1,901,253 | 14,364,121 | 24.406 |
| 2018 | 2019 | 1,960,326 | 47,328 | 15,287 | 2,022,941 | 15,293,250 | 24.397 |
| 2019 | 2020 | 2,059,269 | 50,249 | 14,420 | 2,123,938 | 16,060,304 | 24.440 |
| 2020 | 2021 | 2,167,129 | 52,672 | 13,717 | 2,233,518 | 16,895,001 | 24.458 |
| 2021 | 2022 | 2,354,639 | 57,233 | 12,894 | 2,424,766 | 18,348,806 | 24.241 |
| 2022 | 2023 | 2,684,187 | 54,796 | 12,555 | 2,751,538 | 20,874,574 | 23.356 |
| 2023 | 2024 | 2,889,088 | 59,790 | 12,050 | 2,960,928 | 22,464,825 | 23.317 |

Source: Johnson County Appraiser 2024 Annual Abstract of Taxes

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



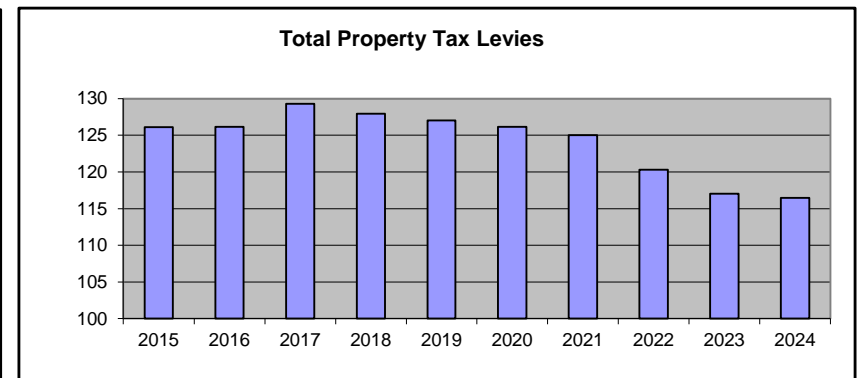
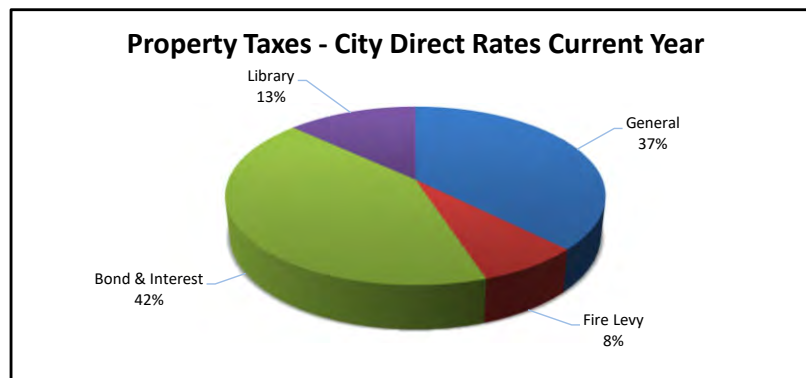
City of Olathe, Kansas
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

| Tax Year | Collection Year | City Direct Rates | | | | | Overlapping Rates (1) | | | | | |
|----------|-----------------|-------------------|-----------|-------------------|---------|--------|-----------------------|--------|-------------------|-------------|----------------|---------|
| | | General | Fire Levy | Bond and Interest | Library | Total | State | County | Community College | County Park | Olathe Schools | Total |
| 2014 | 2015 | 8.866 | 1.710 | 11.345 | 2.767 | 24.688 | 1.500 | 19.582 | 9.469 | 3.101 | 67.764 | 126.104 |
| 2015 | 2016 | 10.874 | 1.713 | 9.352 | 2.769 | 24.708 | 1.500 | 19.590 | 9.473 | 3.102 | 67.774 | 126.147 |
| 2016 | 2017 | 10.193 | 1.730 | 9.979 | 2.798 | 24.700 | 1.500 | 19.318 | 9.503 | 3.112 | 71.174 | 129.307 |
| 2017 | 2018 | 9.925 | 1.727 | 9.711 | 3.043 | 24.406 | 1.500 | 19.024 | 9.266 | 3.088 | 70.665 | 127.949 |
| 2018 | 2019 | 9.921 | 1.727 | 9.707 | 3.042 | 24.397 | 1.500 | 19.036 | 9.121 | 3.090 | 69.878 | 127.022 |
| 2019 | 2020 | 9.938 | 1.731 | 9.724 | 3.047 | 24.440 | 1.500 | 18.799 | 9.191 | 3.093 | 69.138 | 126.161 |
| 2020 | 2021 | 9.945 | 1.733 | 9.731 | 3.049 | 24.458 | 1.500 | 18.564 | 9.110 | 3.096 | 68.282 | 125.010 |
| 2021 | 2022 | 9.708 | 1.736 | 9.744 | 3.053 | 24.241 | 1.500 | 17.772 | 8.617 | 3.021 | 65.168 | 120.319 |
| 2022 | 2023 | 8.750 | 1.746 | 9.792 | 3.068 | 23.356 | 1.500 | 17.526 | 8.131 | 3.022 | 63.482 | 117.017 |
| 2023 | 2024 | 8.735 | 1.743 | 9.776 | 3.063 | 23.317 | 1.500 | 17.286 | 8.124 | 3.023 | 63.198 | 116.448 |

Per \$1,000 of Assessed Valuation

Source: Johnson County Appraiser 2024 Annual Abstract of Taxes

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



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

| 2024 | | | | 2015 | | | |
|-------------------------------------|-----------------------------|-------------|---|-----------------------------------|-----------------------------|-------------|---|
| Taxpayer | Total Assessed Value | Rank | Percentage of Total Assessed Valuation | Taxpayer | Total Assessed Value | Rank | Percentage of Total Assessed Valuation |
| GARMIN REALTY, LLC | \$ 24,284,669 | 1 | 0.88% | GARMIN INTERNATIONAL INC | \$ 15,307,695 | 1 | 1.13% |
| JDM III SF KANSAS CITY DC LLC | 22,853,751 | 2 | 0.83% | KCPL | 11,656,931 | 2 | 0.86% |
| US BANK | 15,587,058 | 3 | 0.57% | FOODBRANDS AMERICA INC | 9,876,755 | 3 | 0.73% |
| G&I X INDUSTRIAL KS LLC | 11,638,319 | 4 | 0.42% | ATMOS ENERGY | 9,431,792 | 4 | 0.70% |
| HOMESTEAD APARTMENT HOMES LLC | 11,732,270 | 5 | 0.43% | WESTAR ENERGY | 7,266,247 | 5 | 0.54% |
| WAL-MART REAL ESTATE BUSINESS TRUST | 10,332,798 | 6 | 0.38% | HONEYWELL (BENDIX/KING) | 7,104,763 | 6 | 0.52% |
| NORTHRIDGE 07 A LLC | 9,856,885 | 7 | 0.36% | ALDI | 7,054,250 | 7 | 0.52% |
| ALDI INC | 9,246,203 | 8 | 0.34% | M-III OLATHE STATION PROPERTY LLC | 6,523,752 | 8 | 0.48% |
| HOA HOTELS KANSAS LLC | 9,183,751 | 9 | 0.33% | MID-CENTRAL SYSCO | 6,118,827 | 9 | 0.45% |
| OLATHE STATION NORTH LLC | 8,719,000 | 10 | 0.32% | WAL-MART | 5,020,502 | 10 | 0.37% |
| Total | \$ 133,434,704 | | | Total | \$ 85,361,514 | | |

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

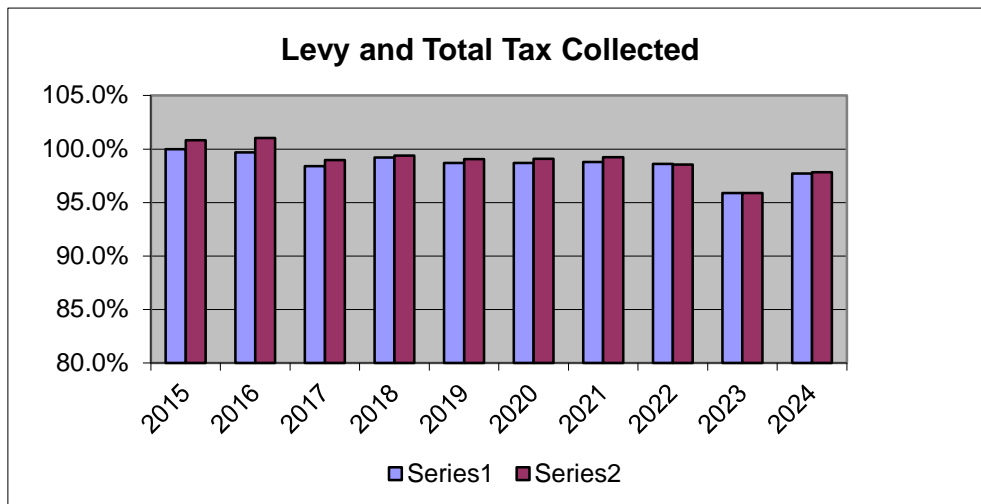
City of Olathe, Kansas
Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year | Total Levy (1) | Current Tax Collection | Percent of Levy Collected | Delinquent Tax Collections (2) | Total Tax Collections | Total Collections as Percent of Current Levy |
|--------------------|-----------------------|-------------------------------|----------------------------------|---------------------------------------|------------------------------|---|
| 2015 | 33,439,317 | 33,426,577 | 100.0% | 288,910 | 33,715,487 | 100.83% |
| 2016 | 36,056,353 | 35,952,604 | 99.7% | 473,432 | 36,426,036 | 101.03% |
| 2017 | 39,304,956 | 38,673,924 | 98.4% | 224,940 | 38,898,864 | 98.97% |
| 2018 | 43,012,242 | 42,651,555 | 99.2% | 96,486 | 42,748,041 | 99.39% |
| 2019 | 46,401,800 | 45,806,541 | 98.7% | 159,453 | 45,965,994 | 99.06% |
| 2020 | 49,374,488 | 48,720,596 | 98.7% | 197,366 | 48,917,962 | 99.08% |
| 2021 | 51,908,685 | 51,277,663 | 98.8% | 240,928 | 51,518,591 | 99.25% |
| 2022 | 54,630,358 | 53,882,530 | 98.6% | (49,273) | 53,833,257 | 98.54% |
| 2023 | 58,777,232 | 56,366,342 | 95.9% | (10,699) | 56,355,643 | 95.88% |
| 2024 | 64,288,106 | 62,779,060 | 97.7% | 113,870 | 62,892,930 | 97.83% |

Source: Johnson County Appraiser

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

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

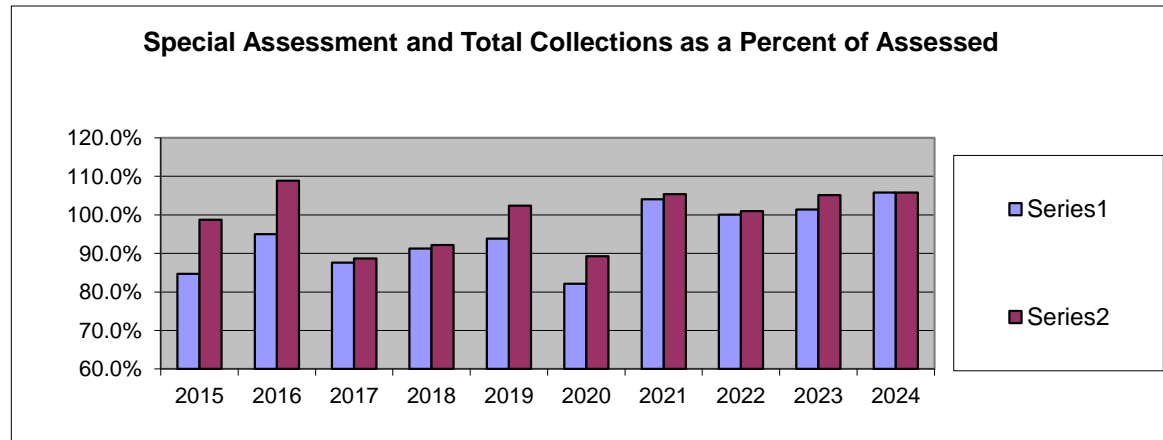


City of Olathe, Kansas
Special Assessment Collections
Last Ten Fiscal Years

| Collection Year | Assessment Levy | Current Collections (1) | Percent of Levy Collected | Delinquent Collections | Current and Delinquent Collection | Percent of Levy Collected | Prepaid Assessment | Total Collections |
|-----------------|-----------------|-------------------------|---------------------------|------------------------|-----------------------------------|---------------------------|--------------------|-------------------|
| 2015 | 7,338,642 | 6,217,583 | 84.7% | 1,025,219 | 7,242,802 | 98.7% | - | 7,242,802 |
| 2016 | 6,664,058 | 6,333,943 | 95.0% | 920,576 | 7,254,519 | 108.9% | - | 7,254,519 |
| 2017 | 6,301,761 | 5,521,284 | 87.6% | 67,744 | 5,589,028 | 88.7% | 175,463 | 5,764,491 |
| 2018 | 6,051,367 | 5,524,676 | 91.3% | 52,989 | 5,577,665 | 92.2% | 138,383 | 5,716,048 |
| 2019 | 5,664,203 | 5,314,454 | 93.8% | 484,767 | 5,799,221 | 102.4% | - | 5,799,221 |
| 2020 | 5,048,715 | 4,145,649 | 82.1% | 362,648 | 4,508,297 | 89.3% | - | 4,508,297 |
| 2021 | 3,722,025 | 3,873,028 | 104.1% | 51,303 | 3,924,331 | 105.4% | 24,261 | 3,948,592 |
| 2022 | 3,319,885 | 3,324,259 | 100.1% | 30,260 | 3,354,519 | 101.0% | - | 3,354,519 |
| 2023 | 3,506,941 | 3,557,478 | 101.4% | 126,995 | 3,684,473 | 105.1% | - | 3,684,473 |
| 2024 | 4,620,540 | 4,889,267 | 105.8% | - | 4,889,267 | 105.8% | - | 4,889,267 |

Source: Johnson County

(1) Collections include interest.

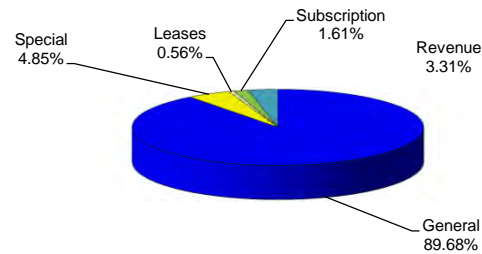


City of Olathe, Kansas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

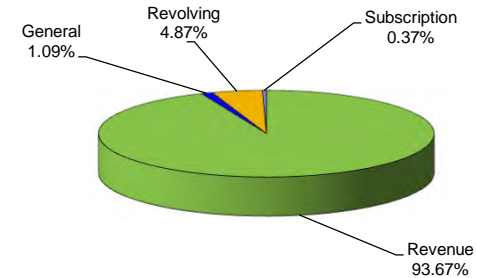
| Fiscal Year | Governmental Activities | | | | | Business-type Activities | | | | | Total Primary Government | Percentage of Personal Income (1) | Per Capita |
|-------------|--------------------------|--------------------------|---------------|----------------|------------------------|--------------------------|--------------------------|----------------------|----------------|------------------------|--------------------------|-----------------------------------|------------|
| | General Obligation Bonds | Special Obligation Bonds | Revenue Bonds | Leases Payable | Subscription Liability | Revenue Bonds | General Obligation Bonds | State Revolving Loan | Leases Payable | Subscription Liability | | | |
| 2015 | 193,986,805 | 32,408,327 | - | 304,857 | - | 75,907,189 | 13,585,000 | 19,463,078 | 7,971,817 | - | 343,627,073 | 1.8% | 2,560 |
| 2016 | 198,534,607 | 30,699,594 | - | 87,774 | - | 72,706,973 | 12,405,000 | 17,754,002 | 6,721,860 | - | 338,909,810 | 1.8% | 2,485 |
| 2017 | 195,446,767 | 28,091,571 | - | 3,622 | - | 79,531,354 | 11,195,000 | 16,361,106 | 5,432,563 | - | 336,061,983 | 2.0% | 2,419 |
| 2018 | 209,076,614 | 24,754,653 | - | 951 | - | 87,987,835 | 9,945,000 | 15,000,389 | 4,029,068 | - | 350,794,510 | 2.0% | 2,486 |
| 2019 | 185,053,080 | 23,209,629 | 3,075,000 | - | - | 99,536,787 | 8,650,000 | 13,674,379 | 2,549,498 | - | 335,748,373 | 2.2% | 2,352 |
| 2020 | 182,571,407 | 21,715,170 | 2,970,000 | 177,344 | - | 99,674,564 | 7,320,000 | 12,304,672 | 992,747 | - | 327,725,904 | 2.3% | 2,253 |
| 2021 | 250,551,965 | 20,077,454 | 2,860,000 | 108,759 | - | 107,019,622 | 5,950,000 | 10,889,817 | - | - | 397,457,617 | 2.0% | 2,674 |
| 2022 | 244,950,615 | 18,352,001 | 5,765,000 | 170,849 | - | 113,107,447 | 4,115,000 | 9,428,314 | - | - | 395,889,226 | 2.1% | 2,608 |
| 2023 | 253,991,931 | 16,576,162 | 5,545,000 | 115,757 | 5,958,541 | 112,032,567 | 2,785,000 | 7,918,611 | - | 25,860 | 404,949,429 | 2.2% | 2,633 |
| 2024 | 271,771,094 | 14,706,737 | 10,020,000 | 1,689,706 | 4,864,967 | 122,390,387 | 1,425,000 | 6,359,107 | - | 484,062 | 433,711,060 | 2.2% | 2,910 |

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

2024 Governmental Activities Outstanding Debt

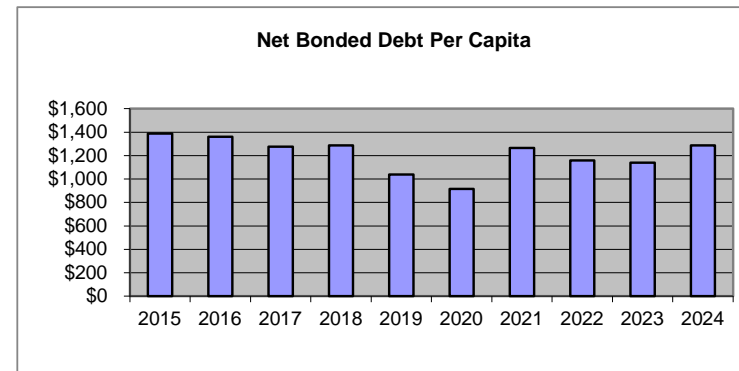
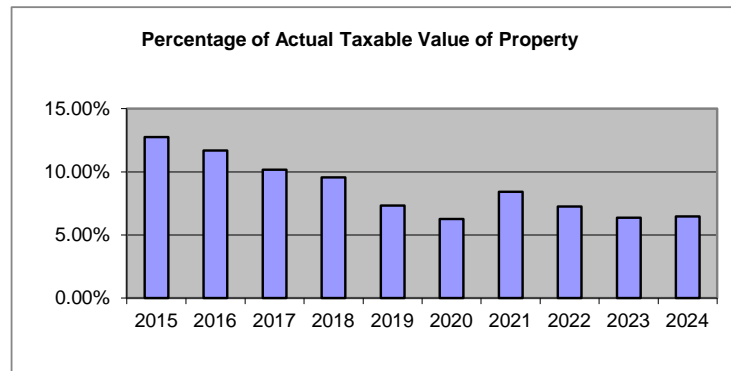


2024 Business-Type Activities Outstanding Debt



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

| Fiscal Year | General Obligation Debt | Reserved for Debt Service | Net General Obligation Debt | Assessed Valuation | Percentage of Actual Taxable Value of Property | Population | Per Capita |
|--------------------|--------------------------------|----------------------------------|------------------------------------|---------------------------|---|-------------------|-------------------|
| 2015 | 207,571,805 | 21,369,827 | 186,201,978 | 1,460,496,000 | 12.75% | 134,231 | 1,387 |
| 2016 | 210,939,607 | 25,212,558 | 185,727,049 | 1,590,590,000 | 11.68% | 136,394 | 1,362 |
| 2017 | 206,641,767 | 29,519,397 | 177,122,370 | 1,741,496,000 | 10.17% | 138,922 | 1,275 |
| 2018 | 219,021,614 | 37,274,363 | 181,747,251 | 1,901,252,000 | 9.56% | 141,116 | 1,288 |
| 2019 | 193,717,576 | 45,262,320 | 148,455,256 | 2,022,942,000 | 7.34% | 142,767 | 1,040 |
| 2020 | 189,891,407 | 56,641,265 | 133,250,142 | 2,123,938,000 | 6.27% | 145,459 | 916 |
| 2021 | 256,501,965 | 68,453,968 | 188,047,997 | 2,233,518,000 | 8.42% | 148,665 | 1,265 |
| 2022 | 249,065,615 | 73,329,071 | 175,736,544 | 2,424,766,000 | 7.25% | 151,780 | 1,158 |
| 2023 | 256,776,931 | 81,562,245 | 175,214,686 | 2,751,538,000 | 6.37% | 153,772 | 1,139 |
| 2024 | 273,196,094 | 81,267,391 | 191,928,703 | 2,960,928,779 | 6.48% | 149,035 | 1,288 |



City of Olathe, Kansas
Direct and Overlapping Governmental Activities Debt
December 31, 2024

| Taxing Unit | Net Debt to Nearest Date | Percentage Applicable to the City of Olathe | Estimated Share |
|-----------------------------------|-------------------------------------|--|------------------------------|
| Johnson County | \$ 556,750,000 | | \$ 100,275,845 |
| USD 229 | 449,455,000 | | 15,587,069 |
| USD 230 | 207,350,000 | | 70,781,947 |
| USD 231 | 94,030,000 | | 3,724,723 |
| USD 232 | 123,690,000 | | 2,543,983 |
| USD 233 | 690,940,550 | | 469,761,138 |
| Johnson County Fire District #2 | - | | - |
| NW Cons Fire | - | | - |
| Total estimated overlapping debt | | | <u>662,674,705</u> |
| City of Olathe's direct debt | | | <u>303,052,504</u> |
| Total direct and overlapping debt | | | <u><u>\$ 965,727,209</u></u> |

Source: Johnson County

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

All Johnson County Taxing Units' debt is as of September 1, 2024. All other districts' debt is as of June 30, 2024.

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

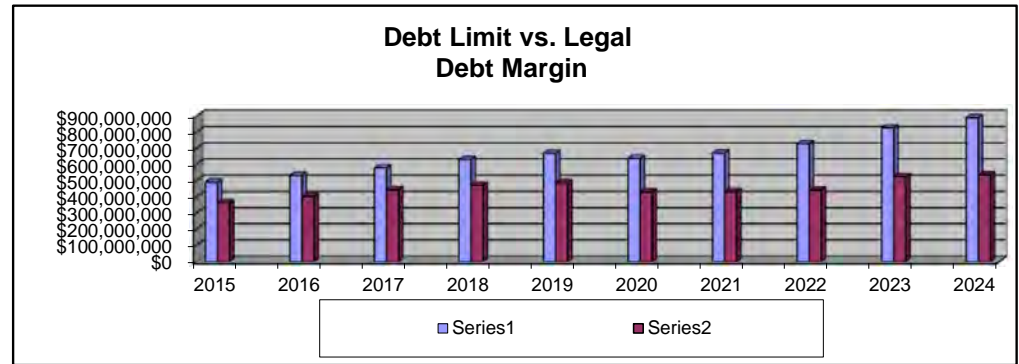
| | Fiscal Year | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Debt limit | \$ 490,122,542 | \$ 531,685,602 | \$ 579,500,865 | \$ 630,366,375 | \$ 669,510,564 | \$ 637,181,262 | \$ 670,055,497 | \$ 727,429,838 | \$ 825,461,549 | \$ 888,278,634 |
| Total net debt applicable to limit | 126,719,078 | 129,097,192 | 136,166,161 | 158,746,899 | 181,513,450 | 205,875,413 | 237,266,874 | 286,780,000 | 301,025,000 | 352,851,451 |
| Legal debt margin | \$ 363,403,464 | \$ 402,588,410 | \$ 443,334,704 | \$ 471,619,476 | \$ 487,997,114 | \$ 431,305,849 | \$ 432,788,623 | \$ 440,649,838 | \$ 524,436,549 | \$ 535,427,183 |
| Total net debt applicable to the limit as a percentage of debt limit | 25.85% | 24.28% | 23.50% | 25.18% | 27.11% | 32.31% | 35.41% | 39.42% | 36.47% | 39.72% |

Legal Debt Margin Calculation for Fiscal Year 2024

| | |
|---|-----------------------|
| Assessed valuation | \$ 2,960,928,779 |
| Legal debt limit (1) | 888,278,634 |
| Debt applicable to limit | |
| General obligation bonds | 244,550,000 |
| Temporary notes | 108,301,451 |
| Total general obligation debt outstanding | 352,851,451 |
| Less exempt capital projects (2) | - |
| Debt margin | <u>\$ 535,427,183</u> |

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

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



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

| Water & Sewer Revenue Bonds | | | | | | |
|--|-----------------|-----------------------------|---|------------------------------|-----------------------------|-----------------|
| Fiscal Year | Revenues | Current Expenses (1) | Net Revenue Available for Debt Service | Principal Requirement | Interest Requirement | Coverage |
| 2015 | 40,519,753 | 26,710,875 | 13,808,878 | 2,205,000 | 2,707,312 | 2.81 |
| 2016 | 44,771,642 | 27,342,877 | 17,428,765 | 3,065,000 | 3,253,529 | 2.76 |
| 2017 | 47,441,300 | 29,913,182 | 17,528,118 | 4,500,000 | 3,400,661 | 2.22 |
| 2018 | 50,659,278 | 31,706,303 | 18,952,975 | 3,400,000 | 3,698,015 | 2.67 |
| 2019 | 48,206,445 | 37,317,966 | 10,888,479 | 3,845,000 | 3,960,837 | 1.39 |
| 2020 | 53,340,380 | 36,173,340 | 17,167,040 | 4,450,000 | 4,115,468 | 2.00 |
| 2021 | 55,102,772 | 34,500,267 | 20,602,505 | 4,785,000 | 3,925,303 | 2.37 |
| 2022 | 58,544,396 | 36,307,652 | 22,236,744 | 5,220,000 | 3,168,331 | 2.65 |
| 2023 | 67,082,991 | 41,732,479 | 25,350,512 | 5,850,000 | 3,496,794 | 2.71 |
| 2024 | 67,443,701 | 45,705,556 | 21,738,145 | 6,980,000 | 3,988,903 | 1.98 |

Special Obligation Bonds and Developers' Agreements (2)

| Fiscal Year | Revenues | Principal Requirement | Interest Requirement | Developers' Agreement | Coverage |
|--------------------|-----------------|------------------------------|-----------------------------|------------------------------|-----------------|
| 2015 | 4,415,841 | 1,647,626 | 998,084 | 1,177,222 | 1.16 |
| 2016 | 5,477,980 | 1,708,733 | 972,027 | 1,317,683 | 1.37 |
| 2017 | 6,326,642 | 2,608,023 | 977,560 | 3,048,153 | 0.95 |
| 2018 | 7,321,032 | 3,336,918 | 866,630 | 3,758,742 | 0.92 |
| 2019 | 7,052,725 | 1,545,024 | 733,876 | 3,467,661 | 1.23 |
| 2020 | 6,792,915 | 1,494,459 | 656,010 | 3,602,740 | 1.18 |
| 2021 | 8,277,930 | 1,637,716 | 650,664 | 4,084,962 | 1.30 |
| 2022 | 8,038,504 | 1,725,453 | 611,206 | 5,195,216 | 1.07 |
| 2023 | 9,071,369 | 1,775,839 | 319,911 | 5,192,293 | 1.24 |
| 2024 | 10,627,178 | 1,869,425 | 339,213 | 5,079,405 | 1.46 |

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

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

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

| Fiscal Year | Population (3) | Personal Income (2)* | Per Capita Personal Income | Unemployment Rates (1) |
|--------------------|-----------------------|-----------------------------|-----------------------------------|-------------------------------|
| 2015 | 134,231 | 8,322,972 | 62,005 | 2.8% |
| 2016 | 136,394 | 8,322,993 | 61,483 | 2.9% |
| 2017 | 138,922 | 8,385,912 | 66,063 | 2.4% |
| 2018 | 141,116 | 9,177,604 | 69,977 | 2.5% |
| 2019 | 142,767 | 9,874,874 | 74,108 | 2.2% |
| 2020 | 145,549 | 11,006,827 | 75,670 | 3.5% |
| 2021 | 148,665 | 11,994,448 | 80,681 | 2.5% |
| 2022 | 151,780 | 12,830,722 | 84,535 | 2.5% |
| 2023 | 153,772 | 13,916,827 | 90,503 | 2.4% |
| **2024 | 149,035 | 14,245,660 | 95,586 | 3.6% |

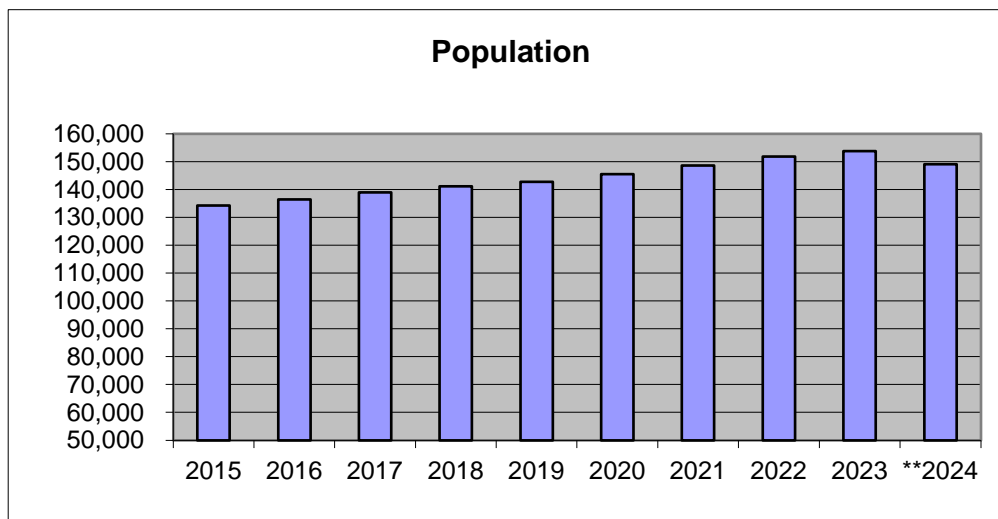
* In thousands of dollars

(1) Source: Kansas Department of Labor

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

(3) Source: City of Olathe Planning Division

** 2024 adjusted to reflect updated information based on ACS 5-year census data



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

| 2024 | | | | 2015 | | | |
|------------------------------------|---------------|------|-------------------------------------|--------------------------------|---------------|------|-------------------------------------|
| Largest Employers | Employees | Rank | Percentage of Total City Population | Largest Employers | Employees | Rank | Percentage of Total City Population |
| Company | | | | | | | |
| Olathe Unified School District | 4,309 | 1 | 2.89% | Olathe Unified School District | 4,500 | 1 | 3.35% |
| GARMIN International | 4,415 | 2 | 2.96% | GARMIN International | 2,723 | 2 | 2.03% |
| University of Kansas Health System | 2,500 | 3 | 1.68% | Farmers Insurance | 2,600 | 3 | 1.94% |
| Johnson County Government | 2,500 | 4 | 1.68% | Olathe Medical Center | 2,500 | 4 | 1.86% |
| FedEx Distribution | 924 | 5 | 0.62% | Johnson County Government | 2,147 | 5 | 1.60% |
| Honeywell | 900 | 6 | 0.60% | Covergys | 950 | 6 | 0.71% |
| City of Olathe | 1,068 | 7 | 0.72% | City of Olathe | 865 | 7 | 0.64% |
| TVH | 720 | 8 | 0.48% | Honeywell | 850 | 8 | 0.63% |
| TransAm Trucking | 700 | 9 | 0.47% | Mid-Central Sysco | 780 | 9 | 0.58% |
| Sysco Food Services | 600 | 10 | 0.40% | TransAm Trucking | 750 | 10 | 0.56% |
| Total | <u>18,636</u> | | <u>12.50%</u> | | <u>18,665</u> | | <u>13.90%</u> |

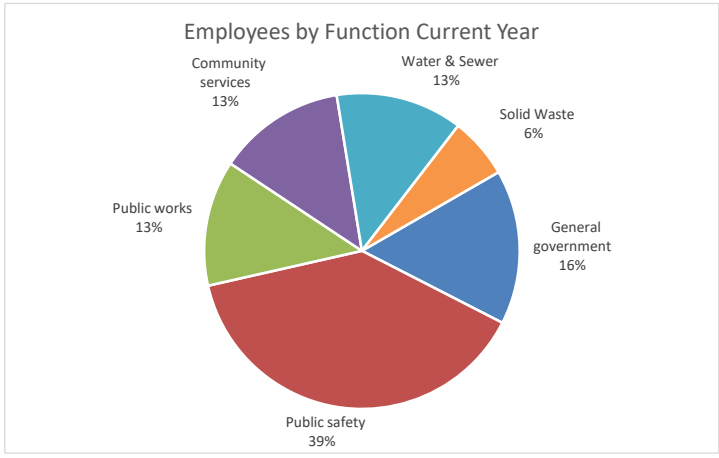
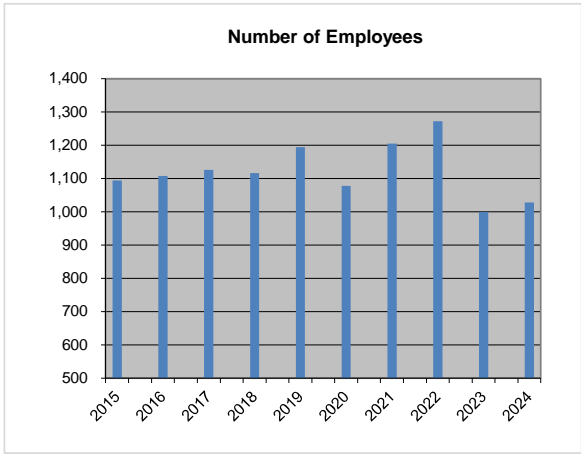
Source: Olathe Chamber of Commerce

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

| | Fiscal Year | | | | | | | | | |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Governmental | | | | | | | | | | |
| General government | 120 | 129 | 119 | 113 | 114 | 126 | 164 | 167 | 155 | 167 |
| Public safety | 348 | 347 | 374 | 379 | 396 | 391 | 382 | 390 | 381 | 400 |
| Public works | 134 | 135 | 128 | 140 | 130 | 85 | 147 | 144 | 126 | 131 |
| Community services | 307 | 308 | 291 | 275 | 346 | 270 | 335 | 383 | 128 | 123 |
| Business-Type | | | | | | | | | | |
| Water & Sewer | 125 | 129 | 152 | 150 | 149 | 143 | 117 | 127 | 142 | 142 |
| Solid Waste | 60 | 60 | 62 | 59 | 59 | 63 | 60 | 61 | 67 | 65 |
| Totals | 1,094 | 1,108 | 1,126 | 1,116 | 1,194 | 1,078 | 1,205 | 1,272 | 999 | 1,028 |
| Employees per budget | 870 | 889 | 911 | 924 | 950 | 962 | 962 | 1,009 | 1,037 | 1,068 |

Source: City's Payroll System

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



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

| | Fiscal Year | | | | | | | | | |
|---|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Public safety | | | | | | | | | | |
| <i>Police</i> | | | | | | | | | | |
| Violent Crime Rate per 1,000 residents | 1.2 | 1.43 | 1.48 | 1.91 | 2.57 | ** | ** | ** | ** | 10.52 |
| Property Crime Rate per 1,000 residents | 16.21 | 16.84 | 15.48 | 15.54 | 15.23 | ** | ** | ** | ** | 17.61 |
| Group A Crimes per 1,000 citizens | ** | ** | ** | ** | ** | 46.39 | 47.48 | 45.37 | 43.92 | 37.88 |
| Average calls for service per FTE - first responder | 354 | 369 | 367 | 371 | 370 | 355 | 289 | 269 | 332 | 288 |
| <i>Fire</i> | | | | | | | | | | |
| Code 1 Emergencies response within 5 minutes | 60% | 53% | 59% | 61% | 62% | 64% | 62% | 60% | 65% | 60% |
| Fire Confined to Object or Room of Origin | 73% | 76% | 73% | 79% | 81% | 93% | 74% | 52% | 83% | 79% |
| Public works | | | | | | | | | | |
| <i>Governmental activities</i> | | | | | | | | | | |
| Maintenance of City Streets - Satisfactory or above | 69.00% | 74.12% | 75.72% | 74.95% | 75.44% | 75.60% | 70.80% | 76.01% | 75.70% | 87.00% |
| Major Street Snow Removal - Satisfactory or above | 86.88% | 84.94% | 85.52% | 86.04% | 88.28% | 92.48% | 92.10% | 91.32% | 92.40% | 94.00% |
| Residential Streets Snow Removal - Satisfactory or above | 64.33% | 66.80% | 70.23% | 70.64% | 75.00% | 81.84% | 80.40% | 79.81% | 83.30% | 83.00% |
| Maintenance of Sidewalks - Satisfactory or above | 60.00% | 57.20% | 61.34% | 60.00% | 65.01% | 63.86% | 61.80% | 62.98% | 60.90% | 66.00% |
| <i>Business-type activities</i> | | | | | | | | | | |
| <i>Water and sewer</i> | | | | | | | | | | |
| Unaccounted for water | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.05% |
| Time water meets regulatory standards | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Time wastewater meets effluent limits | 99.86% | 99.95% | 100.00% | 99.98% | 100.00% | 100.00% | 99.98% | 100.00% | 100.00% | 100.00% |
| <i>Solid waste</i> | | | | | | | | | | |
| Tonnage diverted | 43.88% | 44.60% | 45.27% | 40.03% | 42.42% | 39.10% | 38.85% | 40.05% | 41.20% | 41.67% |
| Community services | | | | | | | | | | |
| Quality of Parks and Recreation Programs and Facilities - Satisfactory or above | 88.00% | 92.32% | 91.88% | 91.00% | 93.45% | 91.62% | 93.10% | 92.88% | 90.80% | 89.00% |
| Quality of Outdoor Athletic Fields - Satisfactory or above | 89.00% | 83.54% | 82.19% | 80.75% | 84.05% | 86.42% | 82.70% | 84.82% | 82.99% | 83.00% |
| Quality of Indoor Recreation Facilities - Satisfactory or above | 92.00% | 82.03% | 80.97% | 84.00% | 82.73% | 85.51% | 81.60% | 82.92% | 81.23% | 83.00% |

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

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

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

| Function/Program | Fiscal Year | | | | | | | | | |
|--------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Public safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 58 | 58 | 58 | 58 | 60 | 60 | 62 | 62 | 66 | 66 |
| Fire stations | 7 | 7 | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 8 |
| Public works | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Streets (miles) | 1,256 | 1,275 | 1,275 | 1,275 | 1,306 | 1,372 | 1,345 | 1,368 | 1,382 | 1,401 |
| Business-type activities | | | | | | | | | | |
| Water and sewer | | | | | | | | | | |
| Water mains (miles) | 590 | 600 | 600 | 600 | 600 | 600 | 627 | 632 | 633 | 635 |
| Acre wellfield | 95 | 95 | 95 | 95 | 95 | 95 | 95 | 190 | 190 | 190 |
| Sanitary sewers (miles) | 410 | 439 | 449 | 449 | 449 | 449 | 461 | 465 | 467 | 468 |
| Solid waste | | | | | | | | | | |
| Collection trucks | 43 | 43 | 43 | 43 | 43 | 43 | 44 | 44 | 44 | 44 |
| Community services | | | | | | | | | | |
| Acreage | 1,559 | 1,559 | 1,559 | 1,559 | 1,559 | 1,978 | 1,367 | 1,916 | 1,916 | 1,918 |
| Parks | 45 | 45 | 45 | 45 | 45 | 45 | 43 | 43 | 43 | 44 |
| Swimming Facilities | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 |
| Trails (miles) | 31 | 33 | 33 | 32 | 58 | 71 | 79 | 45 | 45 | 47 |

Source: Various city departments

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

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

Number of Customers

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

| Year | Water Customers | Sewer Customers |
|-------------|----------------------------|----------------------------|
| 2015 | 35,323 | 29,633 |
| 2016 | 35,559 | 29,891 |
| 2017 | 35,879 | 30,262 |
| 2018 | 36,120 | 30,602 |
| 2019 | 36,600 | 30,830 |
| 2020 | 37,137 | 31,533 |
| 2021 | 36,947 | 31,669 |
| 2022 | 37,234 | 31,701 |
| 2023 | 37,533 | 32,085 |
| 2024 | 37,832 | 32,240 |

Water Production Requirements

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

| Year | Average Daily Demand | | Annual Demand | |
|-------------|----------------------------------|---------------------------|----------------------------------|---------------------------|
| | Gallons (in millions) | Percent Change | Gallons (in millions) | Percent Change |
| 2015 | 11.30 | -6.9% | 3,634.00 | -17.8% |
| 2016 | 12.60 | 11.5% | 4,585.00 | 26.2% |
| 2017 | 11.82 | -6.2% | 4,304.00 | -6.1% |
| 2018 | 12.92 | 9.3% | 4,717.27 | 9.6% |
| 2019 | 11.75 | -9.1% | 4,289.66 | -9.1% |
| 2020 | 12.44 | 5.9% | 4,541.29 | 5.9% |
| 2021 | 12.74 | 2.4% | 4,653.74 | 2.5% |
| 2022 | 13.00 | 2.0% | 4,900.00 | 5.3% |
| 2023 | 13.30 | 2.3% | 4,852.00 | -1.0% |
| 2024 | 13.30 | 0.0% | 4,839.00 | -0.3% |

continued

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

Sewage Treatment Requirements

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

| <u>Year</u> | <u>Average Daily Flow</u> | | <u>Annual Demand</u> | |
|-------------|----------------------------------|---------------------------|----------------------------------|---------------------------|
| | <u>Gallons (in millions)</u> | <u>Percent Change</u> | <u>Gallons (in millions)</u> | <u>Percent Change</u> |
| 2015 | 6.28 | 22.9% | 2,298 | 21.4% |
| 2016 | 5.95 | -5.3% | 2,186 | -4.9% |
| 2017 | 5.60 | -5.9% | 2,044 | -6.5% |
| 2018 | 5.15 | -8.0% | 1,899 | -7.1% |
| 2019 | 6.88 | 33.6% | 2,535 | 33.5% |
| 2020 | 5.68 | -17.4% | 2,092 | -17.5% |
| 2021 | 6.41 | 12.9% | 2,338 | 11.8% |
| 2022 | 6.23 | -2.8% | 2,306 | -1.4% |
| 2023 | 5.95 | -4.5% | 2,172 | -5.8% |
| 2024 | 5.86 | -1.5% | 2,140 | -1.5% |

Water and Sewer Peak Daily Demand

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

| <u>Year</u> | <u>Water System Peak Daily Demand (millions of gallons)</u> | <u>Sewage System Maximum Daily Flow (millions of gallons)</u> |
|-------------|---|---|
| 2015 | 19.30 | 25.76 |
| 2016 | 24.68 | 31.28 |
| 2017 | 21.50 | 28.54 |
| 2018 | 25.26 | 35.20 |
| 2019 | 22.50 | 36.34 |
| 2020 | 22.41 | 29.09 |
| 2021 | 24.37 | 30.98 |
| 2022 | 26.51 | 23.30 |
| 2023 | 23.40 | 16.30 |
| 2024 | 22.99 | 20.45 |

continued

City of Olathe, Kansas
Water and Sewer Information

Largest Customers

The following table lists the ten largest users of the System based on the percentage of total 2024 revenue generated by each.

| Customer | Water System | | Percentage of Total 2024 System Revenues |
|-----------------------------------|-----------------------|-----------------------|--|
| | Type of Enterprise | 2024 Water Billing | |
| USD 233 | Education | \$ 458,969 | 1.40% |
| Rural Water District 7 | Wholesale/Rural Water | 456,890 | 1.40% |
| Johnson County Airport Commission | Wholesale/Rural Water | 375,964 | 1.10% |
| Olathe Medical Center | Hospital | 291,388 | 0.90% |
| Garmin International | Industrial | 201,629 | 0.60% |
| The Homestead | Multi-family | 179,255 | 0.50% |
| FSI Santa Barbara Property LLC | Multi-family | 169,740 | 0.50% |
| Johnson County | Government | 167,304 | 0.50% |
| Santa Marta Retirement | Retirement Community | 130,695 | 0.40% |
| Manu | Education | 129,385 | 0.40% |

| Customer | Sewer System | | Percentage of Total 2024 System Revenues |
|--|-----------------------|----------------------|--|
| | Type of Enterprise | 2024 Sewer Charge | |
| Olathe Medical Center | Hospital | \$ 144,322 | 0.54% |
| Cintas 430 | Services | 133,367 | 0.50% |
| Green Lantern Car Wash LLC | Car Wash | 72,574 | 0.27% |
| Aho LLC | Nursing Home | 71,496 | 0.27% |
| AMC Theatres Mail Stop 4 | Industrial | 64,009 | 0.24% |
| Club Car Wash Operating LLC | Car Wash | 59,339 | 0.22% |
| Robert Brogden Olympic Car Detail Center | Car Wash | 58,645 | 0.22% |
| Garmin International | Industrial | 57,243 | 0.21% |
| Johnson County | Government | 49,577 | 0.18% |
| Villa St Francis | Nursing Home | 47,717 | 0.18% |

City of Olathe, Kansas
Risk Management Fund
December 31, 2024

| | Workers' Compensation | Health & Dental | General Liability | Other | Total |
|--|----------------------------------|--------------------------------|------------------------------|--------------|----------------------|
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | \$ 5,707,202 | \$ 4,945,411 | \$ 2,792,937 | \$ - | \$ 13,445,550 |
| Total current assets | <u>5,707,202</u> | <u>4,945,411</u> | <u>2,792,937</u> | <u>-</u> | <u>13,445,550</u> |
| Noncurrent assets | | | | | |
| Restricted assets | | | | | |
| Deposit | - | 11,000 | - | - | 11,000 |
| Total restricted assets | - | <u>11,000</u> | - | - | <u>11,000</u> |
| Total assets | <u>\$ 5,707,202</u> | <u>\$ 4,956,411</u> | <u>\$ 2,792,937</u> | <u>\$ -</u> | <u>\$ 13,456,550</u> |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Accounts and claims payable | \$ 2,597,309 | \$ 1,563,447 | \$ 463,627 | \$ - | \$ 4,624,383 |
| Accrued Employee Benefit | - | 514 | - | - | 514 |
| Total current liabilities | <u>2,597,309</u> | <u>1,563,961</u> | <u>463,627</u> | <u>-</u> | <u>4,624,897</u> |
| Noncurrent liabilities | | | | | |
| Deposit | - | 11,000 | - | - | 11,000 |
| Accrued Employee Benefit | - | 12,457 | - | - | 12,457 |
| Total noncurrent liabilities | - | <u>23,457</u> | - | - | <u>23,457</u> |
| Total liabilities | <u>2,597,309</u> | <u>1,587,418</u> | <u>463,627</u> | <u>-</u> | <u>4,648,354</u> |
| Net position | | | | | |
| Unrestricted | 3,109,893 | 3,368,993 | 2,329,310 | - | 8,808,196 |
| Total liabilities and net position | <u>\$ 5,707,202</u> | <u>\$ 4,956,411</u> | <u>\$ 2,792,937</u> | <u>\$ -</u> | <u>\$ 13,456,550</u> |
| Operating revenues | | | | | |
| Charges for services | \$ 1,577,517 | \$ 22,495,132 | \$ 2,158,215 | \$ - | \$ 26,230,864 |
| Operating expenses | | | | | |
| Administration and general | <u>2,797,511</u> | <u>24,136,985</u> | <u>2,923,423</u> | <u>-</u> | <u>29,857,919</u> |
| Operating income (loss) | <u>(1,219,994)</u> | <u>(1,641,853)</u> | <u>(765,208)</u> | <u>-</u> | <u>(3,627,055)</u> |
| Nonoperating revenues (expenses) | | | | | |
| Interest income | 354,635 | 332,426 | 165,353 | - | 852,414 |
| Transfer out | - | - | (1,000,000) | - | (1,000,000) |
| Net income (loss) | <u>(865,359)</u> | <u>(1,309,427)</u> | <u>(1,599,855)</u> | <u>-</u> | <u>(3,774,641)</u> |
| Net position - beginning of year | 3,975,252 | 4,680,170 | 3,929,165 | - | 12,584,587 |
| Restatement of Prior Period | - | (1,750) | - | - | (1,750) |
| Net position - beginning of year, restated | <u>3,975,252</u> | <u>4,678,420</u> | <u>3,929,165</u> | <u>-</u> | <u>12,582,837</u> |
| Net position - end of year | <u>\$ 3,109,893</u> | <u>\$ 3,368,993</u> | <u>\$ 2,329,310</u> | <u>\$ -</u> | <u>\$ 8,808,196</u> |



2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT