

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Years Ending December 31, 2023 and 2022



KANSAS CITY BOARD OF PUBLIC UTILITIES
An Enterprise fund of the Unified Government of
Wyandotte County/Kansas City, Kansas Prepared
by the Office of Accounting and the Office of
Marketing/Corporate Communications



**Kansas City Board of Public Utilities
Kansas City, Kansas**

**Annual Comprehensive Financial Report
For the Fiscal Years Ended
December 31, 2023 and 2022**

2023 Board of Directors

**President – Rose Mulvany Henry
Vice President – Tom Groneman
Secretary – Robert L. Milan, Sr.**

**Jeff Bryant
Mary L. Gonzales
David Haley**

**General Manager
William A. Johnson**



**An Enterprise Fund of the:
Unified Government of Wyandotte County, Kansas City, Kansas**

Prepared by: Office of Accounting & Office of Corporate Communications

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For the Fiscal Years Ended December 31, 2023 and 2022**

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INTRODUCTORY SECTION





May 20, 2024

Ratepayers of the Board of Public Utilities
Members of the Board of Directors of the
Kansas City Board of Public Utilities

The Charter Ordinance of the Unified Government of Wyandotte County/Kansas City, Kansas requires the Kansas City Board of Public Utilities (BPU) publish within six months of the close of each fiscal year an Annual Comprehensive Financial Report (ACFR). This report is presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited by a certified public accounting firm. This report is published to fulfill that requirement for the fiscal year ended December 31, 2023.

The ACFR consists of management's representation concerning the finances of the BPU. As a result, responsibility for this report for the fiscal year ended with respect to both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the BPU. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the BPU. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. To enhance the reader's understanding of these financial statements, note disclosures have been included as an integral part of this document.

The BPU's financial statements have been audited by FORVIS, LLP (FORVIS). The goal of the independent audit was to provide reasonable assurance that the financial statements of the BPU are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. FORVIS concluded, based upon the audit, the financial statements present fairly, in all material respects, the financial position of the BPU as of December 31, 2023, and the results of BPU's operations and cash flows for the year then ended in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile

The Utility System is comprised of the electric and water utilities and is, by statute and charter ordinance, under the operational control and administration of the Board of Directors for the BPU. The Unified Government of Wyandotte County/KCK, as authorized by state statutes, reserves the right to incur debt on

behalf of the BPU. However, the statutes vest the BPU with exclusive day-to-day control of the utility system. The Utility presently serves approximately 67,000 electric customers and 53,000 water customers.

The Electric Utility has two active electric power generating stations, a 17% ownership interest in a combined cycle power generating station, and seven purchase power agreements to provide the capacity and energy needed by its retail customers. The active generating stations are the Nearman Creek Power Station (“Nearman Station”) and the Quindaro Power Station (“Quindaro Station”), and the 17% ownership interest is in the Dogwood Generating Facility (Dogwood) described herein. Purchased power agreements, which are also described herein, have been executed and include renewable low impact hydro power from Bowersock Mills and Power Company, the only hydro project in the State of Kansas as well as wind from the Cimarron Bend Wind Project, Smoky Hills Wind Farm and Alexander Wind Farm, all in Kansas.

The Nearman Station has two units; the first is a coal-fired steam electric generating station. Commercial operation of the Nearman coal-fired unit began in 1981. The second unit is a simple cycle combustion turbine which can be fired on either natural-gas or No. 2 fuel oil. The combustion turbine plant, known as the Nearman CT4, functions as a peaking plant and was placed in service during February of 2006.

The Quindaro Station currently has two units, CT2 and CT3. All the units are combustion turbines, which function as peaking units. The units were placed in commercial operation in 1969 and 1977 respectively and are designed to burn No. 2 fuel oil. In October, 2019, the Utility made the decision to cease operations of Quindaro Station Units 1 & 2 as the units are not efficient to operate. The assets were permanently impaired and recorded as a Regulatory Asset of \$73.6 million that will be amortized through 2040.

In December, 2012, the Utility acquired an undivided 17% ownership interest in the assets of Dogwood, a natural gas-fired combine cycle generating plant. The Utility’s share is approximately 110 MW. Generation and operating expenses from Dogwood are allocated to the utility based on the 17% interest. The Utility is also required to provide its share of financing any capital additions.

The Utility generating stations are interconnected by a network of 161 kV and 69 kV transmission lines. The Utility’s transmission and distribution network includes 68.13 miles of 161 kV line, 49.75 miles of 69 kV line, and over 954 miles of overhead line and 237 miles of underground cable. The system has 26 electric distribution substations and two transmission substations. The Utility is interconnected with one other area utility, Evergy Inc.

The Utility System is a member of the Southwest Power Pool (SPP), which is a Regional Transmission Operator (RTO), located in Little Rock, Arkansas. SPP’s primary purpose is to facilitate the movement of power throughout the RTO’s footprint through an integrated marketplace. The integrated marketplace is intended to provide for the reliable movement of power during all times but especially during emergency events while providing cost savings to those load serving utilities through a more efficient process of resource dispatch. Many of the efficiencies are driven by SPP becoming the balancing authority for the region. SPP’s current footprint covers much of the central portion of the United States.

The Utility has contracts with the Southwestern Power Administration (SPA) entitling the Utility to annually purchase 38.6 MW of hydroelectric peaking capacity, and 5 MW of hydroelectric power from the Western Area Power Administration (WAPA). The Utility also has entered into seven Renewable Energy Purchase Agreements. BPU’s agreement with TradeWind Energy is to receive 25% of the energy output of Phase 1 of the Smoky Hills Wind Farm. Phase I of the project has a name plate of approximately 100 MW of wind capacity. The wind farm was built approximately 25 miles west of Salina, Kansas in Lincoln and Ellsworth Counties in Kansas. In March 2017, also through TradeWind Energy, the BPU began receiving 200 MW of energy generated by wind turbines from the Cimarron Bend Wind Project. The wind

farm is located just south of Minneola, Kansas. BPU also has an agreement with Oak Grove Power Producers to provide 3.5 MW of landfill gas from Arcadia, Kansas. The BPU maintains a contract with the Bowersock Mills & Power Company (“Bowersock”) to purchase the capacity and energy of an existing 2.15 MW run of the river hydroelectric facility on the Kansas River in Lawrence, Kansas and 4.70 MW of capacity from an expansion of Bowersock’s existing hydroelectric facilities. BPU also receives 25 MW of energy generated by wind turbines from OwnEnergy, Inc. The wind farm is located south of Alexander, Kansas in Rush County in Kansas. Lastly, in November 2016, BPU along with MC Power, a solar developer, agreed to install a 1 MW alternating current solar photovoltaic facility at the Nearman Creek Power facility. The project is intended to be a community solar project where customers can license panels to reduce their monthly electric expenses and support greener initiatives.

The Water Utility serves approximately 53,000 water customers in the service area of approximately 152 square miles. This service area includes Kansas City, Kansas, Edwardsville, southern Leavenworth County, parts of Bonner Springs and a small section of northern Johnson County. BPU’s current average day is 30 million gallons of water a day (MGD) with the maximum day average over the last 5 years of 40 MGD. The historical max day is 49 MGD. The water utility utilizes the state-of-the-art Nearman Water Treatment Plant (NWTP) and has the capacity to pump 72 MGD, including one water treatment facility; three major pump stations; 1,000 miles of water pipes and two of the nation’s largest horizontal collector wells.

The Water distribution system consists of a network of underground mains, reservoirs, and a series of booster district systems. The water transmission network consists of 80 miles of primary and trunk lines ranging in size from 24 to 48 inches. From these mains, water is delivered through a system of 920 miles of secondary distribution water mains. The Utility has approximately 20 million gallons of water stored in reservoirs and elevated tanks at various locations in the distribution system. There are three booster-pumping stations, which increase water pressure to higher elevations and through the 1,000 miles of water pipes.

The Utility’s annual budget represents the plan for providing electric and water services for each fiscal year. An annual budget consisting of operating and maintenance expenses as well as a five-year capital plan is submitted by the General Manager and Executive Directors to the Board of Directors. The Board of Directors adopts the budget no later than December of each year. Budgetary control is maintained at the departmental level by comparing budgeted expenses with actual expenses on a periodic and year-to-date basis.

Economic Conditions

The Unified Government is the government for both Wyandotte County and the City of Kansas City, KS. Employment in Wyandotte County is concentrated within government, services, health care, transportation/warehousing, and manufacturing. Kansas City, Kansas is the second largest rail center in the country and an important hub of the transcontinental rail system. Development remains an important priority for the Unified Government.

Wyandotte County covers 156 square miles, including urban and industrial developments, lakes, recreational activities, and rural settings. It is located on the eastern border of the State and along with three other Kansas counties and eight Missouri counties, comprise the Kansas City Metropolitan Statistical Area with a population of approximately 2 million. According to the U.S. Census Bureau, Wyandotte County’s estimated population was 165,746 in 2022.

Based on U.S. Bureau of Economic Analysis data, an estimate shows County personal income increased by 4.4% in 2022. The County's retail sales receipts increased from the prior year, totaling \$2.9 billion in 2022, which was 7% higher than in 2021.

In recent years, efforts have been directed toward the development of a 1,600-acre tract of land located directly northwest of the intersection of Interstate Highways I-70 and I-435. The Unified Government attracted the Kansas Speedway as the economic catalyst for development of this tract using the STAR Bond financing incentive. The speedway project, totaling more than \$280 million, is a 1.5-mile tri-oval on approximately 1,100 acres of land, with 72 luxury hospitality suites and grandstand seating for 82,000. Joining Kansas Speedway at the Legends at Village West are major destination retailers and entertainment businesses that attract approximately 12 million visitors and shoppers annually. The initial anchor businesses and attractions include: Bass Pro Shop, Nebraska Furniture Mart, Great Wolf Lodge and Resort, Hollywood Casino, Children's Mercy Park, home of the Kansas City MLS soccer team Sporting KC Soccer Club and Legends Field at Community/America Ballpark, home of the American Association's Kansas City Monarchs Baseball Club. An additional development, north of I-70 and east of I-435, just east of the Village West area include Compass Minerals Soccer National Training and Coaching Development Center which was opened in 2018. The development will house the elite athlete training and performance analytics campus and national youth soccer development programs.

In 2020, Homefield LLC, developed a multi-sport athletic complex known as Homefield and Homefield Outdoor, along with a Homefield Youth Baseball Complex. The Homefield building will be a multi-sport venue while Homefield Outdoor will provide facilities for training and entertainment programs for water and outdoor sports. The Homefield Youth Baseball Complex is designed to be the premier showcase baseball complex in the Midwest and caters to a regional and national market area. Additionally, there is an adjacent 250-room themed Margaritaville Resort expected to be open in 2025. In 2023, the developer committed to construct new components in the area which include Big Shots Golf Complex and an arena for sports and concerts as well as an Atlas 9 art museum.

General Motors continues to have a significant presence in the Fairfax Industrial District. The plant invested \$265 million for an extensive retooling of the plant to support production of the new Cadillac XT4 Crossover SUV. General Motors also produces the Chevy Malibu.

Additional industrial development was the construction of the Amazon Fulfillment Center. The facility is on 134 acres and approximately 4,000 employees currently work at the fulfillment center. An additional Amazon fulfillment center located at 9700 Leavenworth Road, was completed in 2021. This is a 1.08 million square-foot logistics facility that employs 1,000 associates.

In 2020, the Kansas City Kansas region was selected by Urban Outfitters to build a one million square foot distribution and fulfillment center. The facility is located near the Kansas Speedway and will be a \$400 million capital investment with up to 2,000 jobs. Operations began in 2022. Additionally, in 2018, the Unified Government was awarded \$13.8 million to replace the existing I-70 and Turner Diagonal interchange. This allowed for the development of the \$155 million Turner Logistics Industrial Park on a site adjacent to the new interchange. The site includes seven buildings with 2.7 million square feet of distribution/warehouse space and will create 1,800 jobs.

Long Term Financial Planning

BPU's goals for the future include meeting the needs of the community as development continues within the city and county. BPU utilizes a five-year capital improvement program to prioritize projects, which will be scheduled over a number of years as financial resources are available. The electric capital

improvement plan identifies approximately \$167 million in generation, transmission, and distribution projects. The electric capital plan is projected to be 40% bond financed over the years. The water capital improvement plan identifies approximately \$128 million in projects, of which 60% are projected to be financed.

Cash Management and Investment Policy

The Utility's cash management practice encourages investment of all cash not needed for immediate expenditures. It is the policy of the Utility to invest public funds in a manner that provides the highest investment return with the maximum security while complying with all Kansas statutes governing the investment of public funds. The Utility's investment policy was adopted by the Board of Directors.

Internal Control

Management of the Board of Public Utilities (BPU) is responsible for establishing and maintaining internal controls to ensure that assets of the BPU are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgements by Management.

Major Initiatives

The Board of Public Utilities is currently investing in significant capital improvements to update and improve service to our customers. Projects underway include electric substation, transmission, and distribution improvements in the Muncie, Armourdale, and Piper areas as well as replacing a 7MG Water Reservoir in Argentine, an emergency generator at the Nearman Water Treatment Plant and upgrading of water distribution valves and mains throughout the community.

The electric utility has begun work to replace the Speaker Substation in the Muncie area. The substation upgrade and replacement are anticipated to be completed in 2027. With the addition of Urban Outfitters development near the Kansas Speedway, there is additional overhead distribution that will need to be constructed to support the distribution center. The buildout of the distribution line will be completed in 2026. The utility also has implemented a Distribution Pole Inspection program which will inspect all the utility poles and replace the poles as needed within the service territory. The program began about two years ago looking at some of the areas in the service territory. Over the next five years, the program will have inspected and replaced, as needed, all the distribution poles within the service territory.

The water utility has increased efforts to replace aging infrastructure in the water distribution system over the next several years. The water utility plans to replace approximately 3-5 miles of water mains each year. The utility received a federal grant from the Environmental Protection Agency (EPA) of \$10 million as well as funds from the Kansas Department Health and Environment's Water Supply Loan (KDHE) to help in replacing water mains within the distribution system. Additional grant money was received from Federal Emergency Management Agency (FEMA) of \$3.7 million to install an emergency generator for the Nearman Water Treatment Plant. The total project is projected to cost \$8.1 million and is anticipated to be complete by 2026. In addition, within the Argentine water system, a 7-million-gallon reservoir is nearing completion and will be placed in service in 2024. The new reservoir will provide more water storage for the area and give an emergency backup to the Fairfax Industrial area in the Northeast section of our service territory.

GFOA Certificate of Achievement Award

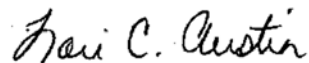
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Kansas City Board of Public Utilities for its annual comprehensive financial report for the year ended December 31, 2022. This was the forty-second consecutive year that the BPU achieved this prestigious award. In order to be awarded a Certificate of Achievement, BPU must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe this 2023 annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate for the forty-third consecutive year.

Acknowledgements

In closing, I would like to thank the Accounting staff for their efforts in preparing and providing the financial information. Special thanks to the Office of Corporate Communications for coordinating the comments for the President's and General Manager's messages.

Respectfully submitted,



Lori C. Austin
Chief Financial Officer/Chief Administrative Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Kansas City Board of Public Utilities
Kansas

For its Annual Comprehensive
Financial Report

For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

PRESIDENT'S MESSAGE

The Kansas City Board of Public Utilities (BPU) has been providing electric and water services to Wyandotte County for more than a century. As a non-profit organization, BPU's primary mission remains what it has been since its inception – working to ensure reliable, dependable, and affordable utility services while working to improve the overall quality of life throughout the community.

BPU undertook a variety of initiatives in 2023 continuing its commitment to customer service, open transparent communications with customers and key stakeholder groups, and being a productive and engaged community partner. The utility strives to be socially responsible, giving back to the community through environmental education and conservation efforts, charitable fundraising and giving, community engagement, utility bill assistance, etc.

The Board of Directors, management team, and BPU staff work continually to assist customers and the community, while remaining focused on ensuring dependable, quality electric and water service today, and for the future. Key initiatives and accomplishments in 2023 included:

- *Payment/Hardship Assistance Programs* – In partnership with the United Way of Greater Kansas City, BPU has provided approximately \$1.5 million in utility assistance to qualified customers through its hardship and utility assistance program since their inception. Nearly \$500,000 was made available in 2023, helping offset utility expenses for persons impacted by changes in employment, income status, health emergencies and more.
- *Energy Efficiency and Conservation* – BPU continued its industry leading efforts in support of sustainability, energy and water efficiency and conservation, green initiatives, etc. through various community education and outreach efforts. This included hosting the regional *Energy Forum 2023* in Kansas City, highlighting various sustainability best practices like solar power, electric vehicles, and new efficiencies to community leaders, industry professionals, and customers.
- *Commitment to Supplier Diversity* – Utilized local Wyandotte County, minority-owned, women-owned, and veteran-owned small businesses for approximately 2,350 business orders totaling nearly \$24 million in 2023.
- *Renewable Energy Commitment* – The utility's commitment to reducing its environmental impact remained a top priority, with 48% of its energy portfolio now coming from renewable sources like solar, wind, hydro, and methane.
- *Meeting Water Quality Standards* – BPU produced over ten billion gallons of safe drinking water for the community in 2023. The utility's state-of-the art certified laboratory ran over 41,800 tests on 8,700 water samples – ensuring that its water met all federal and state health standards and was safe and potable for customers.
- *Community Support and Philanthropy* – Provided support for events like the Ethnic Festival, Black Achievers Award Business Dinner, The Wyandotte County Fair, Eagle Days, and more. The BPU Employee Foundation donated time and money to numerous causes including setting up donation boxes around the utility, managing a toy and coat drive, collecting, and delivering holiday meals to families in need, and much more.

- *Continued Safety Awareness and Education* – BPU created and maintains extensive information and collaterals on electrical safety, including social media posts, videos, infographics, and a Kid Power webpage helping educate children about how to be aware and safe both at home and outdoors.
- *Employee Training and Development* - A continued focus on employee training and development, and improved utility recruiting efforts to improve employee qualifications and performance.

BPU's mission in 2023 remained the same as it has been for the last 100 years, offering quality dependable utility services at the lowest possible price – and being committed to improving the quality of life for all in Wyandotte County.

Respectfully,



Rose Mulvany Henry
Board President
May 20, 2024

Board of Directors – 2023

The Board of Directors is composed of six members, three of whom are elected at large and three of whom are elected by district. Every two years three members are elected for four-year terms. The Board chooses a president, vice president, and secretary from its own membership. The Board meets twice a month, on the first and third Wednesdays. Members receive a monthly salary of \$950. The treasurer of the Unified Government of Wyandotte County/Kansas City, Kansas is the ex-officio treasurer of the Board. The Board is charged with the duty to hire a General Manager, who serves as BPU’s chief executive officer, and who administers the day-to-day operations of the utility.



Rose Mulvany Henry
President
Member at Large
Elected 2019-2023
Re-Elected 2023-2027

Ms. Mulvany Henry is a native of Kansas City, Kansas, where she attended Bishop Ward High School. She furthered her education and received her B.A. in English from the University of Kansas (1990), and her J.D. from Washburn University School of Law (1993). Rose is currently admitted to practice in Kansas.

Rose is currently the Vice President of Regulatory & Legislative Affairs for Metronet, the largest privately held fiber-to-the-premise company in the United States. Prior to joining Metronet in 2021, Rose has over 30 years of utility industry experience representing many companies in the technology and communication industries and then with her own private practice in Kansas City, Kansas. Rose is currently the BPU’s Board President and previously served as Vice President and Secretary of the BPU Board.



Tom Groneman
Vice President
Member, Second
District
Elected 2013-2017
Re-Elected 2017-2021
Re-Elected 2021-2025

Mr. Groneman is a lifelong Wyandotte County resident, graduating from Wyandotte High School in 1965. He has served as BPU’s Board President from 2016 to 2017. In 1969 he graduated from Bethany College, Lindsborg, KS with a Bachelor’s degree in Business/Economics.

Following college, he entered the United States Navy and was trained as a Vietnamese linguist. He was stationed for 15 months at the Naval Communications Station, Philippines where he was assigned to temporary active duty with the Commander of Carrier Division 5/Task Force 77 aboard the USS Enterprise, USS Kitty Hawk and USS Constellation. He finished his tour at the National Security Agency, Ft. Meade, MD.

Board of Directors – 2023 – (continued)

After the military he returned to Wyandotte County and worked briefly as a probation officer for the 29th Judicial District. In 1975 he was appointed Register of Deeds to fill out the unexpired term of Jack Reardon who had been elected mayor. He was subsequently elected to seven consecutive four-year terms as Register of Deeds. In 2003, Mr. Groneman joined the staff of Governor Kathleen Sebelius to become the Director of Alcoholic Beverage Control for the State of Kansas. He commuted for nearly eight years between Kansas City and Topeka until the change in administrations in 2011.

During his public service, Tom has served in numerous positions on various state and national organizations. Tom is currently the BPU’s Board Vice President.



Robert L. Milan, Sr.
Secretary
Member, First District
Elected 1991-1995
Re-elected 1995-1999
Re-elected 1999-2003
Re-elected 2003-2007
Re-elected 2007-2011
Re-elected 2011-2015
Re-elected 2015-2019
Re-elected 2019-2023

Mr. Milan has served on the BPU Board for over 30 years, having been first elected in 1991. He has served as President five times previously. In 2007, BPU recognized Mr. Milan’s dedication to the utility by naming a new Water Division facility in his honor, the Robert L. Milan, Sr. Pump Station, and Reservoir.

Mr. Milan worked at the U.S. Department of Labor for 32 years, retiring as a Federal Representative. He is active in the Northeast Optimist Club and NAACP. In 2001 he served as State President of AARP. In 2010, the Directors of the Heritage Registry of Who’s Who announced the inclusion of Mr. Milan. He has received many awards including being selected by the Kansas City Globe as one of the 100 most influential people in 1998.

A native of Kansas City, Kansas, he owned Milan's Roller Arena and Bowling establishment for many years. Mr. Milan is a Sumner High School graduate and attended Kansas City Kansas Community College, the University of Kansas extension, Donnelly College, the Univ of Colorado, Temple University and Pioneer College. Bob is currently the BPU’s Board Secretary.



Jeff Bryant
Member, Third
District
Elected 2011-2015
Re-elected 2015-2019
Re-elected 2019-2023

Mr. Bryant is the Lead Estimator/Job Cost Analyst for Plastic Packaging Technologies in Kansas City, Kansas. He has been with the company for over 40 years serving in a variety of roles.

Board of Directors – 2023 – (continued)

He is a past member of the Armourdale Renewal Association, the Turner Lions Club, and the Kansas City Chapter of the NAACP. He served a two-year term on the Schlagle Sit Council, which is committed to increasing the graduation rate of local students. He has served on the Unified Government's (UG) Finance Standing Committee and previously served on the Public Works and Safety Committee. He is Leadership 2000 Class XX graduate and has served on the Board of Directors of Leadership 2000. Mr. Bryant is a graduate of Turner High School and attended Donnelly College.

Jeff has also served as BPU's Board President in 2017 and previously as Vice President and Secretary of the BPU Board.



Mary L. Gonzales
Member at Large
Elected 2001-2005
Re-elected 2005-2009
Re-elected 2009-2013
Re-elected 2013-2017
Re-elected 2017-2021
Re-elected 2021-2025

Ms. Gonzales retired from teaching school in 2006 after a 33-year career. For many of those years she was an eighth-grade language arts teacher at Piper Middle School. Ms. Gonzales has a Bachelor of Arts degree in Education from the University of Montevallo in Montevallo, Alabama, and a Master's degree in Curriculum and Instruction from Emporia State University. She has previously served as BPU's Board President from 2005 to 2007 and in 2022. Mary also previously served as vice president and secretary of the BPU Board.

Besides her BPU Board and other community activities, she is a member of the American Public Power Association and the American Water Works Association. A graduate of Leadership 2000, she serves on the board for the Rosedale Development Association and is also on the advisory board for the Civic Leadership Academy for Olathe, Kansas schools. Mary was also District 5 Coordinator in the successful effort to consolidate the Wyandotte County/City governments and served on the advisory board of the Wyandotte County Library. In addition, she is past President of Delta Kappa Gamma International Educational Society and is a former board member for both El Centro and City Vision Ministries.

Board of Directors – 2023 – (continued)



David B. Haley
Member at Large
Elected 2021-2025

Mr. Haley has served the community in several capacities having been first elected to the Kansas House of Representatives beginning in 1994 and then the Kansas Senate since 2000 where he was re-elected to a 6th term in the Kansas Senate in 2020.

He serves as the Ranking Minority member of the Senate Judiciary Committee and also served on the Senate’s Ethics; Elections & Local Government; Public Health & Welfare; Federal & State Affairs; Assessment & Taxation and Redistricting Committees among other leadership positions.

Mr. Haley graduated from Morehouse College (Atlanta, GA) and Howard University Law School (Washington, D.C.). He is an active member of the National Black Caucus of State Legislators and has been elected to the Caucus’ Executive Committee At-Large and served as the Regional Chair of District 9. David is a public affairs counselor and real estate developer.

GENERAL MANAGER’S MESSAGE

The Kansas City Board of Public Utilities has provided quality dependable utility service to the community and residents of Wyandotte County since 1909. Today the utility services 67,000 electric and 53,000 water customers, including commercial, industrial, and residential patrons over a 150 sq. mile area.

As a community-owned municipal utility, BPU maintains customer-focused principles including Accountability, Appreciation, Customer Focus, Innovation, Integrity, Respect and Transparent Communication. Its primary goal remains providing quality dependable services to ratepayers at an affordable price.

BPU achieved numerous objectives and milestones in 2023 that helped it continue delivering world-class utilities and customer service, while remaining one of the top ranked municipal utilities in the nation. BPU introduced new and managed existing programs and initiatives to better assist customers and the community, while maintaining a stable financial position and ensuring the ability to meet the future electric and water requirements of the entire community. These included, among other things:

- *Maintaining a Stable Financial Position* – Continually working to meet the community’s utility needs, BPU has done so while reducing its annual budget and spending over the last several years. From \$495 million in 2016 to \$389 million in 2023, BPU has reduced its annual budget by more than 21% in recent years – despite inflationary pressures, higher personnel costs, and the need for critical capital improvements to the electric and water infrastructure and systems.
- *Ensuring Fiscal Sustainability* – Effectively managed debt service coverage, cash-on-hand, and credit ratings through open and transparent fiscal and budget policies. BPU was recognized with the *Award for Excellence in Financial Reporting* by the Government Finance Officers Association (GFOA) in 2022 (the 42nd year in a row), and the utility was also assigned a profile/rating of ‘A’ and ‘Stable Outlook’ by national rating service companies Fitch Ratings and S&P Global Ratings and a profile/rating of ‘A2’ from Moody’s Investors.
- *A Public Rate Hearing* – The successful completion of a comprehensive public rate hearing process regarding proposed changes and revisions to the utility’s water and electric rate structure based on revenue and cost of service studies, maintaining the financial integrity of water and electric rate operations and services going forward.
- *Maintaining and Ensuring Operability of Electric and Water Infrastructure* – The utility continued providing cost effective, safe, and reliable utility services in 2023. Included capital improvement projects designed to improve customer service, operational efficiency, and system reliability. This included \$5.4 million for Nearman Power Plant upgrades, \$5.0 million for Aged Water Main Replacements, \$4.2 million for Overhead Transformers, \$3.0 million on the Argentine 7MG Reservoir, and more.
- *Recognitions and Awards* – BPU’s customer website (www.bpu.com) received a *Communications Award of Excellence* from the American Public Power Association (APPA) for its ease-of-use, functionality, and helpful content. The site was also named a 2023 “*Gold Stevie*” Award recipient by the American Business Awards (ABA) for Best Website. Individual recognitions included the *Outstanding Service Award* from the Kansas Municipal Energy Agency (KMEA), a *Distinguished Career Service Award* from the American Water Works Association (AWWA), and a *Black*

Achievers Award from the Southern Leadership Christian Conference of Greater Kansas City and the Black Achievers Society.

- *Annual BPU Charity Golf Tournament* – More than \$51,000 was raised for local children’s charities at the 2023 event, benefiting organizations like The Full Throttle Foundation, The Village Initiative, Bethel Neighborhood Center, and Youth for Christ Kansas City, among others. *BPU’s Summer Youth Program* also helped nine area non-profits agencies assist hundreds of local young persons by providing them valuable job skill lessons and mentoring.
- *Proactively Improving Processes* – Identifying and encouraging the usage of innovative technologies, implementation of utility wide performance and reliability standards, and the development of a safety-conscious workplace.
- *Benchmarking* – Continuing to focus on corporate reporting programs including data analytics and operational performance metrics. Ensuring the utility compares favorably with other peer municipal utilities within the region.

Throughout 2023, BPU worked to provide dependable, safe, and affordable utility services across the entire community. Going forward, BPU will continue working to; 1) ensure production and delivery systems meet demand; 2) expand and utilize renewable energy; 3) provide flexible and easy payment options; 4) utilize technology to improve customer service and create new efficiency; 5) promote energy and water conservation; and 6) ensure compliance with federal and state rules and regulation.

BPU and its employees remain committed to improving the overall quality of life in the community it has the honor to serve, just as it has for more than 100 years.

Respectfully,



William A. Johnson
General Manager
May 20, 2024

Senior Management – 2023

William A. Johnson General Manager

William A. (Bill) Johnson has worked at the Kansas City Board of Public Utilities for more than forty-three (43) years. Mr. Johnson earned an MBA from Ottawa University in 2007.

He began his career at BPU in an entry-level position and worked his way up through the ranks into an executive level position prior to being appointed General Manager. His previous position included directing BPU Electric Operation & Technology division activities; including but not limited to, Electric Transmission and Distribution, Electric Engineering, Information Technology, Telecommunications, and Fleet Maintenance.

Over his career, he has sponsored many large utility projects including modernizing BPU's electric infrastructure and he has played a key role in introducing some of the utility's most advanced enterprise technology systems designed to improve utility operations.

He is past President of Kansas Municipal Utilities, a current board member for the Kansas City Kansas United Way, and past board member of the Boys & Girls Club. He is a member of the American Public Power Association (APPA) and the Rocky Mountain Electric League (RMEL). He is also past President of the Kansas-Missouri chapter of the American Association of Blacks in Energy. He received the distinguished "Black Achievers Award" from the Southern Christian Leadership Council and the "Black Man of Distinction Award" from the Friends of Yates.

**Jeremy Ash
Chief Operating
Officer**

**Johnetta M. Hinson
Executive Director
Customer Services**

**Lori C. Austin
Chief Financial Officer/Chief
Administrative Officer**

**Darrin McNew
Executive Director
Electric Operations**

**Steve Green
Executive Director
Water Operations**

**Jerin Purtee
Executive Director
Electric Supply**

**Jerold T. Sullivan
Chief Information
Officer**

Executive Staff and Department Heads 2023

Becky Aldinger, Director
Purchasing & Supply Chain

Doug Bowen, Director
Electric Production Operations/Maintenance

Andrew Coffelt,
NERC Compliance Officer

Dennis Dumovich, Director
Human Resources

Michael Fergus, Director
Electric Distribution & Service

Andrew Ferris, Director
Financial Planning

Jody Franchett, Director
Administrative Services

Brian D. Laverack, Director
Network Operations

Dustin Miller, Director
Applications Information Technology

Patrick J. Morrill, Director
Electrical Engineering

Steve Nirschl, Director
Water Processing

Randy J. Otting, Director
Accounting

Scott Paramore, Director
Electric Substations Eng & Ops

Clifford Robinett, Director
Water Distribution

Ingrid Setzler, Director
Environmental Services

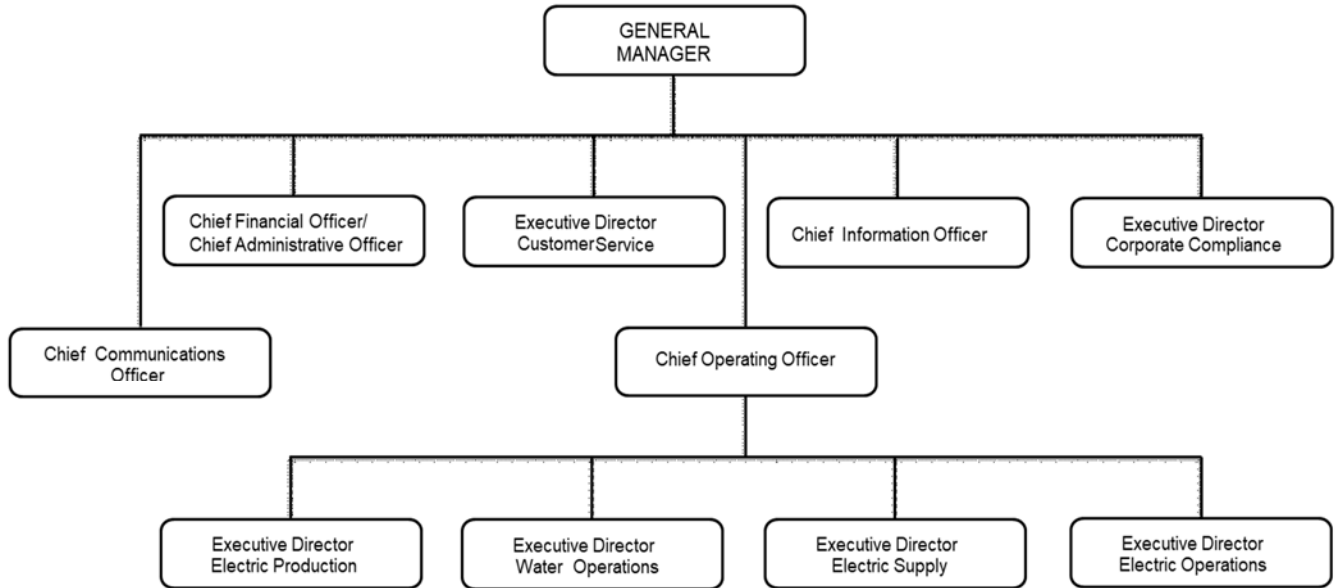
Chris D. Stewart, Director
Civil Engineering

Patrice Townsend, Director
Utility Services



Kansas City Board of Public Utilities

2023 Organizational Chart



Accounting Civil Engineering Cash Operations and Collections Corporate Compliance Customer Service Electric Metering & Services Electric Production Engineering Electric Production Maintenance Electric Production Operations Electric Supply Planning Electric System Control	Electric Transmission & Dist Electrical Engineering Employee Relations Employment Environmental Services Grounds Maintenance Information Technology Network Support OH / UG Lines Production Support Services Purchasing	Radio / Telecom & Cable Stores Street Lights Substations Traffic Signal Transportation Utility Services Water Metering & Services Water Distribution Water Processing Water System Support
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FINANCIAL SECTION





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Independent Auditor's Report

The Board of Directors
Board of Public Utilities
Kansas City, Kansas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Board of Public Utilities of Kansas City, Kansas (the BPU), an enterprise fund of the Unified Government of Wyandotte County/Kansas City, Kansas, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the BPU'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 financial position of the BPU as of December 31, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS); the *Kansas Municipal Audit and Accounting Guide* (the Guide); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 BPU, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in *Note 1* to the financial statements, the financial statements present only the BPU and do not purport to, and do not, present the financial position of the Unified Government of Wyandotte County, Kansas City, Kansas as of December 31, 2023 and 2022, the changes in its financial position, or, where applicable, its cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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 BPU's ability to continue as a going concern for 12 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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 BPU'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.

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, pension and other postemployment information as listed in 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the BPU's basic financial statements. The Combining Statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits 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 information 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 comprehensive financial report. The other information comprises the Introductory and Statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2024, on our consideration of the BPU'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 BPU'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 BPU's internal control over financial reporting and compliance.

FORVIS,LLP

Kansas City, Missouri
May 20, 2024

Board of Public Utilities
Management's Discussion and Analysis
December 31, 2023 and 2022
(Unaudited)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Board of Public Utilities of Kansas City, Kansas's (BPU) financial statements. The BPU's financial statements comprise two components: 1) financial statements and 2) notes to the financial statements. Other required supplementary information is provided in addition to the financial statements.

Financial Statements

The financial statements are designed to provide readers with a broad overview of the BPU's finances in a manner similar to a private-sector business.

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

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

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the BPU's progress in funding its obligation to provide pension and postretirement benefits to its employees.

The combining statements for the BPU's electric and water utilities are presented immediately following the required supplemental information.

The BPU is an administrative agency of the Unified Government of Wyandotte County/Kansas City, Kansas (Unified Government).

The electric and water departments are reflected as an enterprise fund on the Unified Government's financial statements consisting of the statement of net position; statement of revenues, expenses and changes in net position; and statement of cash flows. This management's discussion and analysis of the BPU's financial report presents the discussion and analysis of the BPU's financial performance for the years ended December 31, 2023 and 2022 with selected comparative information of the year ended December 31, 2021. This analysis should be read in conjunction with the financial statements and notes thereto.

Board of Public Utilities
Management's Discussion and Analysis
December 31, 2023 and 2022
(Unaudited)

The following tables summarize the financial condition and operations of the BPU as of December 31, 2023, 2022 and 2021 and for each of the years then ended:

Statements of Net Position Summary

	2023	2022	2021
Assets and deferred outflows of resources:			
Current assets	\$ 170,432,921	\$ 169,411,971	\$ 143,143,157
Capital assets, net	1,086,654,209	1,076,701,899	1,072,433,104
Other noncurrent assets	72,007,665	102,532,815	91,687,867
Total assets	1,329,094,795	1,348,646,685	1,307,264,128
Deferred outflows of resources	99,871,953	45,488,357	65,686,229
Total assets and deferred outflows of resources	\$ 1,428,966,748	\$ 1,394,135,042	\$ 1,372,950,357
Liabilities, deferred inflows of resources, and net position:			
Current liabilities	\$ 88,472,581	\$ 93,845,110	\$ 85,836,241
Noncurrent liabilities	629,085,311	649,039,876	678,989,714
Total liabilities	717,557,892	742,884,986	764,825,955
Deferred inflows of resources	106,362,020	82,980,183	89,204,318
Net position:			
Net investment in capital assets	483,152,546	451,012,342	427,959,301
Restricted	22,780,059	45,992,834	22,594,388
Unrestricted	99,114,231	71,264,697	68,366,395
Total net position	605,046,836	568,269,873	518,920,084
Total liabilities, deferred inflows of resources and net position	\$ 1,428,966,748	\$ 1,394,135,042	\$ 1,372,950,357

Board of Public Utilities
Management's Discussion and Analysis
December 31, 2023 and 2022
(Unaudited)

Statements of Revenues, Expenses and Changes in Net Position Summary

	2023	2022	2021
Operating revenues:			
Residential	\$ 112,688,308	\$ 110,391,146	\$ 98,837,029
Commercial	131,762,550	126,967,366	104,869,840
Industrial	56,993,332	57,733,185	45,213,319
Other	30,487,020	40,445,684	66,416,518
Energy rate component recovery	(14,781,274)	12,468,276	2,312,998
Payment-in-lieu of taxes	38,197,843	37,073,894	31,715,220
Total operating revenues	<u>355,347,779</u>	<u>385,079,551</u>	<u>349,364,924</u>
Operating expenses:			
Fuel	32,678,912	55,754,914	47,845,256
Purchased power	55,620,242	67,452,166	58,012,729
Production	46,727,402	42,442,507	39,990,738
Transmission and distribution	45,403,709	46,245,007	46,294,841
General and administrative	39,367,400	26,629,022	29,722,913
Depreciation and amortization	44,245,899	41,253,137	39,056,593
Total operating expenses	<u>264,043,564</u>	<u>279,776,753</u>	<u>260,923,070</u>
Operating income	<u>91,304,215</u>	<u>105,302,798</u>	<u>88,441,854</u>
Nonoperating income (expense):			
Interest expense	(20,813,086)	(22,029,289)	(23,513,227)
Payment-in-lieu of taxes	(38,197,843)	(37,073,894)	(31,715,220)
Other	3,909,269	1,787,862	679,899
Total nonoperating expense, net	<u>(55,101,660)</u>	<u>(57,315,321)</u>	<u>(54,548,548)</u>
Contributions and transfers:			
Contributions from developers and others	574,408	1,362,312	952,442
Change in net position	<u>36,776,963</u>	<u>49,349,789</u>	<u>34,845,748</u>
Net position, beginning of year	568,269,873	518,920,084	484,074,336
Net position, end of year	<u>\$ 605,046,836</u>	<u>\$ 568,269,873</u>	<u>\$ 518,920,084</u>
Total revenue	\$ 359,831,456	\$ 388,229,725	\$ 350,997,265
Total expense	323,054,493	338,879,936	316,151,517

Financial Highlights

2023 Compared to 2022

- Net capital assets increased by \$10.0 million in 2023. The increase is attributed to additions associated with electric and water transmission and distribution assets, as well as additions to general plant assets.
- Debt service coverage ratio for 2023 decreased to 2.67 times in comparison with 2.83 for the year ended 2022.
- The net pension asset of \$23.3 million as of December 31, 2022 became a net pension liability of \$20.4 million as of December 31, 2023. See footnote 9 for further details.
- Deferred outflows of resources increased by \$54.4 million due to the pension.

Board of Public Utilities
Management's Discussion and Analysis
December 31, 2023 and 2022
(Unaudited)

- Deferred inflows of resources increased by \$14.1 million due to the pension.
- Total other postemployment benefit liability decreased \$16.4 million primarily due to changes in Tier II participants benefits, changes in claim cost and aging assumptions, and changes in the discount rate.
- Net position increased by \$36.8 million during 2023.

In 2023, the BPU's operating revenues were approximately \$355.3 million, with the Electric Utility recognizing revenues of \$300.3 million and the Water Utility recognizing revenues of \$55 million. The average number of customer accounts remained stable from the prior year.

The BPU's total operating revenue decreased by approximately \$29.7 million to \$355.3 million in 2023. The Electric Utility experienced decreased electric sales of \$31.9 million compared to 2022. The Water Utility experienced an increase of \$2.2 million in water sales compared to 2022. In comparison to the 2023 budgeted revenue, overall, the BPU collected 105% of the projected Energy and Water sales and 103% of total operating revenue.

Operating expenses for 2023 and 2022 were approximately \$264 million and \$279.8 million, respectively. The Electric Utility represented \$226.3 million and \$244.1 million for 2023 and 2022, respectively, while the Water Utility represented \$37.7 million and \$35.7 million for 2023 and 2022 in operating expenses, respectively. The largest components of operating expenses are fuel, purchased power and production expense. Overall, in 2023, fuel, purchased power and electric production costs totaled \$135 million which is \$30.7 million less than 2022. The BPU's power supply mix for fiscal years 2023 and 2022 was 17% and 22% coal, 63% and 55% net power purchases, 13% and 16% gas, and 7% and 7% oil, respectively.

2022 Compared to 2021

- Net capital assets increased by \$4.3 million in 2022. The increase is attributed to additions associated with electric and water transmission and distribution assets, as well as additions to general plant assets.
- Debt service coverage ratio for 2022 increased to 2.83 times in comparison with 2.45 for the year ended 2021.
- Deferred outflows of resources decreased by \$20.2 million due to pension recognition.
- Net position increased by \$49.3 million during 2022.

In 2022, the BPU's operating revenues were approximately \$385.1 million, with the Electric Utility recognizing revenues of \$332.3 million and the Water Utility recognizing revenues of \$52.8 million. The average number of customer accounts remained stable from the prior year.

Board of Public Utilities
Management's Discussion and Analysis
December 31, 2023 and 2022
(Unaudited)

The BPU's total operating revenue increased by approximately \$35.7 million to \$385.1 million in 2022. The Electric Utility experienced increased electric sales of \$33.8 million compared to 2021. Residential, Commercial, and Industrial were more than prior year.

The Water Utility experienced an increase of \$1.9 million in water sales compared to 2021. In comparison to the 2022 budgeted revenue, overall, the BPU collected 110% of the projected Energy and Water sales and 113% of total operating revenue.

Operating expenses for 2022 and 2021 were approximately \$279.8 million and \$260.9 million, respectively. The Electric Utility represented \$244.1 million and \$224.6 million for 2022 and 2021, respectively, while the Water Utility represented \$35.7 million and \$36.3 million for 2022 and 2021 in operating expenses, respectively. The largest components of operating expenses are fuel, purchased power and production expense. Overall, in 2022, fuel, purchased power and electric production costs totaled \$165.6 million which is \$19.8 million more than 2021. The BPU's power supply mix for fiscal years 2022 and 2021 was 22% and 22% coal, 55% and 55% net power purchases, 16% and 16% gas, and 7% and 7% oil, respectively.

Capital Assets

2023 Compared to 2022

Net capital assets increased by \$9.9 million in 2023. Capital asset additions were offset by approximately \$44.2 million of depreciation and amortization expense.

Refer to Note 5 to the financial statements for additional information.

2022 Compared to 2021

Net capital assets increased by \$4.3 million in 2022. Capital asset additions were offset by approximately \$41.3 million of depreciation and amortization expense.

Refer to Note 5 to the financial statements for additional information.

Debt Administration

2023 Compared to 2022

Noncurrent liabilities outstanding as of December 31, 2023 and 2022 were \$629.1 million and \$649.0 million, respectively.

The BPU maintains a debt ratio that is consistent with the current provisions in the bond indenture document. This debt service ratio is a measure of the adequacy of cash to pay debt service and is the minimum amount necessary to prevent bond default. The BPU must maintain debt coverage of 1.2. The coverage requirement imposed by the bond indenture is that operating revenues be at least 120% of the maximum annual debt service.

Board of Public Utilities
Management's Discussion and Analysis
December 31, 2023 and 2022
(Unaudited)

The BPU also has a mandatory provision in its bond indentures for a debt service trigger when debt coverage is 1.3 times or below the annual debt service payment amounts.

As of December 31, 2023, and 2022, the BPU had debt coverage of 2.67 times and 2.83 times, respectively.

In 2023, the BPU's utility system bonds for both electric and water debt are rated A from both Fitch and Standard & Poor's Rating Services and A2 from Moody's Investors Service. The interest rate on the BPU's outstanding debt ranges from 0.69% to 5.00%. Interest on debt expense for 2023 and 2022 was \$20.8 million and \$22.0 million, respectively.

Refer to Note 6 to the financial statements for additional information.

2022 Compared to 2021

Noncurrent liabilities outstanding as of December 31, 2022 and 2021 were \$649.0 million and \$679.0 million, respectively.

The BPU maintains a debt ratio that is consistent with the current provisions in the bond indenture document. This debt service ratio is a measure of the adequacy of cash to pay debt service and is the minimum amount necessary to prevent bond default. The BPU must maintain debt coverage of 1.2. The coverage requirement imposed by the bond indenture is that operating revenues be at least 120% of the maximum annual debt service.

The BPU also has a mandatory provision in its bond indentures for a debt service trigger when debt coverage is 1.3 times or below the annual debt service payment amounts.

As of December 31, 2022, and 2021, the BPU had debt coverage of 2.83 times and 2.45 times, respectively.

In 2022, the BPU's utility system bonds for both electric and water debt are rated A from both Fitch and Standard & Poor's Rating Services and A2 from Moody's Investors Service. The interest rate on the BPU's outstanding debt ranges from 0.69% to 5.00%. Interest on debt expense for 2022 and 2021 was \$22.0 million and \$23.5 million, respectively.

Refer to Note 6 to the financial statements for additional information.

Board of Public Utilities
Statements of Net Position
December 31, 2023 and 2022

Assets and Deferred Outflows of Resources	2023	2022
Current assets:		
Cash and cash equivalents	\$ 58,201,905	\$ 24,755,891
Investments	—	19,808,027
Cash and cash equivalents – restricted	11,631,834	11,110,952
Investments – restricted	16,074,039	16,330,560
Accounts receivable – customers and other	31,556,543	32,455,283
Accounts receivable – unbilled	15,600,860	16,024,229
Allowance for doubtful accounts	(90,429)	(221,529)
Inventories	33,554,953	30,464,844
Regulatory assets	—	14,781,274
Prepayments and other current assets	3,903,216	3,902,440
Total current assets	170,432,921	169,411,971
Noncurrent assets:		
Capital assets:		
Property, plant, and equipment	1,991,135,201	1,930,344,381
Less accumulated depreciation	(979,137,870)	(939,398,338)
Plant in service, net	1,011,997,331	990,946,043
Construction work in progress	74,656,878	85,755,856
Capital assets, net	1,086,654,209	1,076,701,899
Restricted assets:		
Cash and cash equivalents	1,500,000	2,773,016
Investments	—	249,000
Net pension asset	—	23,267,891
Total restricted assets	1,500,000	26,289,907
System development costs, net	534,701	699,929
Regulatory assets	58,848,909	62,526,966
Lease receivable	11,124,055	13,016,013
Total noncurrent assets	1,158,661,874	1,179,234,714
Total assets	1,329,094,795	1,348,646,685
Deferred outflows of resources:		
Deferred loss on bond refunding	4,146,832	5,006,986
Deferred outflows - pension	95,239,344	40,481,371
Deferred Outflows - other postemployment benefits	485,777	—
Total deferred outflows of resources	99,871,953	45,488,357
Total assets and deferred outflows of resources	\$ 1,428,966,748	\$ 1,394,135,042

Board of Public Utilities
Statements of Net Position
December 31, 2023 and 2022

Liabilities, Deferred Inflows of Resources, and Net Position	2023	2022
Liabilities:		
Current liabilities:		
Current maturities of revenue bonds	\$ 28,560,000	\$ 27,500,000
Current maturities of government loans	3,858,293	3,226,196
Accrued interest	6,474,073	6,828,161
Customer deposits	7,525,813	7,316,569
Accounts payable	25,009,678	31,715,133
Payroll and payroll taxes	1,445,518	2,376,781
Accrued claims payable	713,917	794,053
Workers compensation	2,203,305	1,860,005
Public liability reserve	693,477	620,546
Other accrued liabilities	8,536,830	8,307,274
Payment-in-lieu of taxes	2,820,324	3,041,625
Construction contract retainage payable	631,353	258,767
Total current liabilities	<u>88,472,581</u>	<u>93,845,110</u>
Noncurrent liabilities:		
Long-term debt – revenue bonds	544,013,570	574,353,768
Government loans	29,016,654	23,659,817
Total long-term debt	<u>573,030,224</u>	<u>598,013,585</u>
Total other postemployment benefit liability	27,140,938	43,584,221
Compensated absences	8,557,800	7,442,070
Net pension liability	20,356,349	—
Total noncurrent liabilities	<u>629,085,311</u>	<u>649,039,876</u>
Total liabilities	<u>717,557,892</u>	<u>742,884,986</u>
Deferred inflows of resources:		
Deferred gain on bond refunding	646,068	738,339
Recovery fuel purchased power	4,087,528	—
Deferred inflows - pension	72,548,670	58,448,089
Deferred inflows - OPEB	16,303,908	9,038,998
Deferred inflows - leases	12,775,846	14,754,757
Total deferred inflows of resources	<u>106,362,020</u>	<u>82,980,183</u>
Net position:		
Net investment in capital assets	483,152,546	451,012,342
Restricted - debt service	22,780,059	22,724,943
Restricted - net pension asset	—	23,267,891
Unrestricted	99,114,231	71,264,697
Total net position	<u>605,046,836</u>	<u>568,269,873</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,428,966,748</u>	<u>\$ 1,394,135,042</u>

Board of Public Utilities
Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2023 and 2022

	2023	2022
Operating revenues:		
Residential	\$ 112,688,308	\$ 110,391,146
Commercial	131,762,550	126,967,366
Industrial	56,993,332	57,733,185
Other	30,487,020	40,445,684
Energy rate component recovery	(14,781,274)	12,468,276
Payment-in-lieu of taxes	38,197,843	37,073,894
Total operating revenues	355,347,779	385,079,551
Operating expenses:		
Fuel	32,678,912	55,754,914
Purchased power	55,620,242	67,452,166
Production	46,727,402	42,442,507
Transmission and distribution	45,403,709	46,245,007
General and administrative	39,367,400	26,629,022
Depreciation and amortization	44,245,899	41,253,137
Total operating expenses	264,043,564	279,776,753
Operating income	91,304,215	105,302,798
Nonoperating revenues (expenses):		
Interest expense	(20,813,086)	(22,029,289)
Payment-in-lieu of taxes	(38,197,843)	(37,073,894)
Other	3,909,269	1,787,862
Total nonoperating expenses, net	(55,101,660)	(57,315,321)
Income before contributions and transfers	36,202,555	47,987,477
Contributions and transfers:		
Contributions from developers and others	574,408	1,362,312
Change in net position	36,776,963	49,349,789
Net position, beginning of year	568,269,873	518,920,084
Net position, end of year	\$ 605,046,836	\$ 568,269,873

Board of Public Utilities
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Receipts from customers	\$ 354,575,242	\$ 375,615,923
Receipts from customers on behalf of Unified Government	66,118,625	62,103,508
Payments to suppliers	(151,482,987)	(194,429,401)
Payments to Unified Government	(65,052,157)	(60,956,861)
Payments to employees	(64,560,715)	(63,349,094)
Net cash provided by operating activities	<u>139,598,008</u>	<u>118,984,075</u>
Cash flows used in noncapital financing activities – payment-in-lieu of taxes	(38,419,144)	(36,542,558)
Cash flows from capital and related financing activities:		
Purchases of property, plant, and equipment	(51,877,686)	(41,981,150)
Proceeds from government loans	9,115,057	1,953,958
Principal payments received on lease receivables	1,891,958	1,881,609
Interest payments received on lease receivables	72,450	72,450
System development costs	(306,159)	(184,350)
Payments on revenue bonds	(27,500,000)	(26,360,000)
Payments on government loans	(3,126,123)	(3,126,122)
Interest paid on utility system debt	(21,167,174)	(22,409,561)
Net cash used in capital and related financing activities	<u>(92,897,677)</u>	<u>(90,153,166)</u>
Cash flows from investing activities:		
Purchases of investments	(28,623,452)	(73,353,587)
Proceeds from sales and maturities of investments	48,937,000	37,215,000
Interest received	4,099,145	1,204,347
Net cash provided by investing activities	<u>24,412,693</u>	<u>(34,934,240)</u>
Net increase (decrease) in cash and cash equivalents	<u>32,693,880</u>	<u>(42,645,889)</u>
Cash and cash equivalents, beginning of year	38,639,859	81,285,748
Cash and cash equivalents, end of year	<u>\$ 71,333,739</u>	<u>\$ 38,639,859</u>
Components of cash and cash equivalents at end of fiscal year:		
Restricted	\$ 13,131,834	\$ 13,883,968
Unrestricted	58,201,905	24,755,891
	<u>\$ 71,333,739</u>	<u>\$ 38,639,859</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 91,304,215	\$ 105,302,798
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	44,245,899	41,253,137
Changes in noncash assets and noncash liabilities:		
Accounts receivable – customers and other, net	1,186,607	(7,509,564)
Inventories	(3,090,109)	(5,819,229)
Prepayments and other current assets	(164,480)	(141,519)
Customer deposits	209,244	137,367
Accounts payable	(5,146,335)	6,756,336
Payroll and payroll-related liabilities	184,467	(166,044)
Accrued claims payable	336,095	47,512
Other accrued liabilities	229,556	1,017,485
Deferred fuel costs and deferred purchased power	18,868,802	(12,468,276)
Construction contract payable	372,586	17,972
Deferred outflows - pension	14,100,581	19,078,363
Deferred inflows - pension	(54,757,973)	(1,696,912)
Net pension (asset)/liability	43,624,240	(23,629,459)
Total other postemployment benefit liability	(16,443,283)	727,995
Deferred outflows - other postemployment benefits	(485,777)	-
Deferred inflows - other postemployment benefits	7,264,910	(2,456,042)
Deferred inflows - leases	(1,978,911)	(1,978,913)
Other noncurrent assets, net	(262,326)	511,068
Net cash provided by operating activities	<u>\$ 139,598,008</u>	<u>\$ 118,984,075</u>
Supplemental noncash disclosure:		
Contributions of capital assets from developers	\$ 574,408	\$ 1,362,312
Change in accounts payable incurred for purchase of capital assets	(1,559,210)	956,723

Board of Public Utilities

Notes to Financial Statements

December 31, 2023 and 2022

Note 1: Summary of Significant Accounting Policies

Description of Business

The Board of Public Utilities of Kansas City, Kansas (the BPU) consists of the municipal electric and water utility, which provide services to approximately 65,000 electric and 53,000 water customers.

Under Charter Ordinance of the Unified Government of Wyandotte County, Kansas City, Kansas (the Unified Government), the BPU is an administrative agency of the Unified Government and, as such, is a part of the Unified Government's primary government. However, the BPU's operational and administrative control is under a six-member elected board of directors (the Board). The accompanying financial statements represent the combination of only those operations related to the Unified Government's electric and water utility. The financial statements do not purport to and do not present the financial position of the Unified Government

Basis of Accounting

The BPU accounts for the water and electric utility as an enterprise fund. Significant interdepartmental accounts, including interdepartmental sales, have been eliminated. BPU uses the economic resources measurement focus and accrual basis of accounting under which revenues are recognized when earned and expenses are recorded when liabilities are incurred. The BPU's accounting policies conform to the requirements for regulated operations. In accordance with these rules, certain costs or credits may be recorded as deferred charges or credits when it is probable that future rates established by the Board permit recovery of specific costs or require these credits to be returned to ratepayers. The BPU applies the provisions of GASB Accounting Standards Codification Section Re10, *Regulated Operations*, as appropriate.

Revenues and expenses are classified as either operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with ongoing operations. Operating revenues include activities that have characteristics of exchange transactions, including charges for services. Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as grants, subsidies and investment income. Operating expenses include the cost of service, payroll, administrative expenses, contractual services and depreciation. All expenses not meeting the above criteria are classified as nonoperating.

Estimates and Assumptions

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent 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. Significant items subject to such estimates and assumptions include the useful lives of capital assets; allowances for doubtful accounts, and inventory; employee benefit obligations, environmental liabilities and other contingencies.

Board of Public Utilities

Notes to Financial Statements

December 31, 2023 and 2022

Revenue Recognition

Operating revenues are recognized when electric and water services are delivered to customers. Payment-in-lieu of taxes represents amounts billed and collected by the BPU on behalf of the Unified Government. The BPU remits all such amounts to the Unified Government.

Meters are read and bills are rendered on a cycle basis. Unbilled revenue represents services delivered to customers and not billed at the end of a period. Management accrues estimated delivered amounts each period.

Operating revenues reported in the statements of revenues, expenses and changes in net position are shown net of discounts and estimated allowances for doubtful accounts.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased. Current restricted assets are assets that are scheduled to be disbursed within the year.

Capital Assets

Capital assets are stated at cost to acquire or cost to construct. These costs include payroll-related costs, including pensions and other fringe benefits. For depreciable assets that are retired due to circumstances other than impairment, the net book value of assets retired plus the cost of removal, less salvage, is charged against accumulated depreciation with no gain or loss recognized. Per the financial reporting requirements of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, any losses associated with capital asset impairments will be charged as a non-operating expense. Repairs and maintenance are charged to maintenance expense. Contributions from developers and others are stated at acquisition value at the date donated. Currently, BPU has a capitalization threshold of \$5,000 for plant assets.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The BPU has three items that meet the criterion for reporting as deferred outflows on the statement of net position, the deferred charge on bond refunding, the changes in assumptions in the pension plan, and contributions made to retirement and other postemployment benefit plans subsequent to the measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The changes in assumptions in the pension plan are recognized in pension expense over the average working lifetime of all plan participants, beginning in the current reporting period. These amounts are described in detail in Note 9.

Board of Public Utilities
Notes to Financial Statements
December 31, 2023 and 2022

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue and/or contra expense) until that time. The BPU will report certain changes in assumptions relating to the OPEB plan, difference between expected actual expense in the pension and OPEB plans, difference between expected and actual earnings in the pension plan, deferred charge on refunding, recovery fuel purchased power, and leases as deferred inflows of resources on the statement of net position.

Depreciation

The BPU depreciates plant and equipment on a composite basis over their estimated useful lives on a straight-line basis. In 2022, BPU engaged an independent third-party consulting firm to conduct a depreciation study to determine if existing depreciation rates remained applicable to the depreciable property groups. The depreciation study performed in 2022 resulted in a change in accounting estimate. New depreciation rates resulting from the study were adopted during fiscal year 2022.

	Composite Rates	Useful Lives (in years)
Production plant	2.57%–4.00%	25–39
Transmission and distribution	1.63%–6.67%	15–61
General plant	2.00%–7.75%	13–50

Accounts Receivable

An estimate is made for the provision for uncollectible accounts based on an analysis of the aged accounts receivable and historical write-offs, net of recoveries. Additional amounts may be included based upon management’s evaluation of customer credit risks. Allowances for doubtful accounts totaled (\$90) and \$221 thousand at December 31, 2023 and 2022, respectively.

Inventories

Inventories are stated at cost and consist of the following:

	2023	2022
Fuel	\$ 12,189,611	\$ 9,045,573
Material and supplies	21,365,342	21,419,271
Total	\$ 33,554,953	\$ 30,464,844

Board of Public Utilities

Notes to Financial Statements

December 31, 2023 and 2022

Investments

Investments consist of deposits, repurchase agreements, certificates of deposit, money market funds, and U.S. Treasury securities, which are recorded at estimated fair value as determined by market prices. Certain repurchase agreements that meet the definition of a participating interest earning investment contract per GASB 72, with a remaining maturity of less than one year at the time of purchase are carried at amortized cost. BPU's investment policies are governed by the BPU's Charter Ordinance, management policies, and statutes established by the State of Kansas. Securities are held by BPU's safekeeping agent. Cash deposits are held with banks insured by Federal Deposit Insurance Corporation (FDIC) and acceptable collateral is maintained for amounts above FDIC limits, equal to or greater than 102% of the funds deposited at all times.

Brushy Creek Coal Company and Liberty Coal Company

The BPU holds an indirect 50% interest in Brushy Creek Coal Company (BCCC) and a 50% indirect interest in Liberty Coal Company (Liberty). The other 50% interest in both BCCC and Liberty is indirectly owned by the City of Sikeston, Missouri (Sikeston). BCCC was the owner and operator of a coal mine and related equipment located in Illinois. BCCC discontinued mining operations in 1997. BCCC did not have material operations during the years ended December 31, 2023 and 2022. Upon cessation of operations at BCCC, the BPU became contractually responsible for 50% of asset retirement obligations and for 50% of certain postretirement benefits to mine workers. At December 31, 2023 and 2022, the BPU has recorded an estimated liability of \$714,000 and \$794,000 respectively within accrued claims payable for its estimated remaining share of these obligations. Funding provided for these obligations was \$240,000 in 2023 and 2022.

The amounts recorded for the BPU's portion of the asset retirement obligation and the miners' benefits require significant judgment and involve a number of estimates. The BPU has recorded its estimated obligations for each of these items using information currently available to management. These estimates could change significantly over time.

Customer Deposits

Customer deposits are moneys that have been collected from customers that are held by the BPU until the customer either terminates their service or the customer is in good credit standing with the BPU for 12 months. The funds are held in an interest-bearing account; after 12 months, the deposit, plus interest, is credited back to the customer.

Debt Issuance Costs

Debt issuance costs are expensed as incurred with the exception that bond insurance premiums are capitalized and amortized over the life of the bonds.

Board of Public Utilities
Notes to Financial Statements
December 31, 2023 and 2022

Pensions

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

For purposes of measuring the net pension liability (asset), deferred outflows of resources related to pensions, pension expense, and information about the fiduciary net position of the Retirement Pension Plan for Employees of the Board of Public Utilities of Kansas City, Kansas (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are for the OPEB Plan. For this purpose, benefit payments are funded on a pay-as-you-go basis. The BPU funds on a cash basis as benefits are paid. No assets have been segregated and restricted to provide for postretirement benefits. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. The following timeframes are used for the year ended December 31, 2023:

- Valuation Date January 1, 2024
- Measurement Date December 31, 2023
- Measurement Period January 1, 2023 to December 31, 2023

For the year ended December 31, 2022:

- Valuation Date January 1, 2022
- Measurement Date December 31, 2022
- Measurement Period January 1, 2022 to December 31, 2022

Board of Public Utilities
Notes to Financial Statements
December 31, 2023 and 2022

Vacation and Sick Leave

Under the terms of the BPU’s personnel policy, employees are granted vacation and sick leave. In the event of termination, an employee is paid for accumulated vacation days. Employees may carry over, from year to year, a maximum of 120 hours of vacation hours for bargaining unit employees and 120 hours for non-bargaining employees. The liability for accumulated vacation of \$1,887,500 and \$1,700,500 includes current vacation of \$136,460 and \$247,330 at December 31, 2023 and 2022, respectively, which is included in reserve for compensated absences and payroll and payroll tax liabilities in the accompanying statements of net position. Sick leave can be accrued up to 1,760 hours. Employees who resign with at least 15 years of service are paid for 75% of accumulated sick leave. All employees are paid for accumulated sick leave upon retirement or death. The liability for accrued sick leave of \$7,352,600 and \$7,043,400 includes current sick leave of \$545,800 and \$1,054,500 at December 31, 2023 and 2022, respectively, which is included in reserve for compensated absences and payroll and payroll taxes in the accompanying statements of net position.

	2023			
	Beginning Balance	Additions	Reductions	Ending Balance
Sick leave	\$ 7,043,400	\$ 414,100	\$ (104,900)	\$ 7,352,600
Vacation	1,700,500	268,200	(81,200)	1,887,500

	2022			
	Beginning Balance	Additions	Reductions	Ending Balance
Sick leave	\$ 6,934,400	\$ 1,054,500	\$ (945,500)	\$ 7,043,400
Vacation	1,676,100	247,330	(222,930)	1,700,500

Net Position

In the financial statements, net position is displayed in three components as follows:

- Net investment in capital assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted – This consists of net positions that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is generally the BPU’s policy to use restricted resources first, then unrestricted resources as they are needed.
- Unrestricted – This consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Board of Public Utilities

Notes to Financial Statements

December 31, 2023 and 2022

New Accounting Pronouncements - Not Yet Effective

GASB Statement 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2023 which is the fiscal year beginning January 1, 2024. At this time, the BPU is currently assessing the impact of this Statement.

GASB Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for fiscal years beginning after December 15, 2023 which is the fiscal year beginning January 1, 2024. At this time, the BPU is currently assessing the impact of this Statement.

Accounting Pronouncements – Adopted in 2023

GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022, which is the fiscal year beginning January 1, 2023. The implementation of GASB Statement No. 94 had no effect on the financial statements.

GASB Statement No. 96 – Subscription-Based Information Technology Arrangements, issued in May 2020, was effective for the BPU beginning with its fiscal year ending December 31, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments; including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs such as the amount the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

The implementation of GASB Statement No. 96 had no effect on the financial statements besides disclosing future commitments in Note 13 related to arrangements for software that has not been placed into service.

Board of Public Utilities
Notes to Financial Statements
December 31, 2023 and 2022

Note 2: Cash and Investments

Kansas state statutes authorize the BPU, with certain restrictions, to invest in open accounts, time deposits, certificates of deposit, U.S. Treasury notes and U.S. agency notes. All deposits with banks are collateralized at 102% of market value, as required by the BPU's Cash and Investment Policy and Kansas state statute, less insured amounts.

The following represents the BPU's total cash and investments at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash and certificates of deposit (CDs)	\$ 346,349	\$ 637,135
Repurchase agreements	66,881,368	32,935,324
U.S. Treasuries and U.S. Agencies	16,074,039	35,876,589
Money market funds	<u>4,106,022</u>	<u>5,578,398</u>
Total cash and investments	<u>\$ 87,407,778</u>	<u>\$ 75,027,446</u>

Cash and investments are included in the following statement of net position accounts at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents	\$ 58,201,905	\$ 24,755,891
Investments	—	19,808,027
Cash and cash equivalents – restricted	11,631,834	11,110,952
Investments – restricted	16,074,039	16,330,560
Noncurrent restricted assets:		
Cash and cash equivalents	1,500,000	2,773,016
Investments	<u>—</u>	<u>249,000</u>
	<u>\$ 87,407,778</u>	<u>\$ 75,027,446</u>

Deposits and Investments

The BPU maintains a cash and investment program to pay for operating and capital requirements, as well as, for debt service requirements. The investment program consists of deposits, repurchase agreements, certificates of deposit and U.S. Treasury securities. Other investments using U.S. agency and money market fund securities for the debt service program are managed by the bond trustee. Nearly all maturities of securities were less than one year. At December 31, 2023 and 2022, the bank balance and certificates of deposit were \$346,349 and \$637,135, respectively, which were covered by federal depository insurance or collateral held in safekeeping in the BPU's name.

Board of Public Utilities
Notes to Financial Statements
December 31, 2023 and 2022

The fair values, as determined by market prices, of the BPU's cash and investments at December 31, 2023 are as follows:

Investment Type	Fair Value	Investment Maturities	
		Less than 6 Months	6-12 Months
Cash and CDs	\$ 346,349	\$ 346,349	\$ -
Repurchase agreements	66,881,368	66,881,368	-
U.S.Treasuries and U.S.Agencies	16,074,039	6,478,889	9,595,150
Money market funds	4,106,022	4,106,022	-
Total	<u>\$ 87,407,778</u>	<u>\$ 77,812,628</u>	<u>\$ 9,595,150</u>

The fair values, as determined by market prices, of the BPU's cash and investments at December 31, 2022 are as follows:

Investment Type	Fair Value	Investment Maturities	
		Less than 6 Months	6-12 Months
Cash and CDs	\$ 637,135	\$ 637,135	\$ -
Repurchase agreements	32,935,324	32,935,324	-
U.S.Treasuries and U.S.Agencies	35,876,589	21,759,444	14,117,145
Money market funds	5,578,398	5,578,398	-
Total	<u>\$ 75,027,446</u>	<u>\$ 60,910,301</u>	<u>\$ 14,117,145</u>

Investment Policy

The BPU has an investment policy that regulates investments in securities that have objectives of safety of principal, liquidity with all investments in U.S. dollars, and investment returns optimized within the constraints of safety and liquidity. Eligible securities are specific to Kansas state statutes and the BPU's bond indenture agreements. All securities owned by the BPU are in conformance with the investment policy.

Credit Risk

Credit risk is the risk that an entity will not be able to honor its commitments in the event of liquidation. The BPU's investment policy states that the investment portfolio be designed and managed in accordance with the responsibility of ensuring the public's trust and is consistent with state and local laws. Two investment objectives that the BPU strives for are safety and liquidity.

Board of Public Utilities
Notes to Financial Statements
December 31, 2023 and 2022

Investments are made so as to minimize the potential for realized losses arising from changes in fair value or issuer default. Sufficient liquidity is also maintained in order to meet the anticipated cash needs of the utility. The BPU manages credit risk by requiring all investments meet the investment guidelines as established by the State of Kansas as described in K.S.A. 12-1675 and 10-131. These statutes require all investments be in (a) U.S. Treasury securities; (b) U.S. agency securities; (c) Money Market Mutual Funds; (d) Repurchase Agreement securities; (e) and any external investment pools and be the highest rated by nationally recognized rating agencies. All of the BPU’s securities including money market mutual funds are AAA rated by Moody’s. Any bank deposits and certificates of deposit are fully collateralized by the FDIC or other qualifying securities. All securities held by the BPU meet the credit quality objective.

Custody Risk

Custody risk is the risk that, in the event of the failure of the counterparty to a transaction, an entity will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The BPU believes it has no custodial risk. All securities are registered in the name of the BPU and held by a third-party safekeeping agent. Investments in money market mutual funds are not exposed to custodial risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The BPU manages credit risk by requiring all investments meet the investment guidelines as established by the state of Kansas in K.S.A. 12-1675 and 10-131 and diversifying investment holdings to avoid high concentration of any one security issuer. The BPU has a concentration of credit risk where it holds more than 5% of its investment portfolio in any one security issuer other than U.S. Treasury securities and in investment pools.

The following U.S. agency securities held in safekeeping by the BPU’s bond trustee are in excess of 5% of total investments as of December 31, 2023:

Issuer	Amount	Total Portfolio
Federal Home Loan Bank	\$ 16,074,039	18.39%

The following U.S. agency securities held in safekeeping by the BPU’s bond trustee are in excess of 5% of total investments as of December 31, 2022:

Issuer	Amount	Percentage of Total Portfolio
Federal Home Loan Bank	\$ 16,068,561	21.42%

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Interest Rate Risk

Interest rate risk is the risk that the fair value of the BPU’s investments will decrease as a result of the increase in interest rates. The BPU investment policy requires the minimization of the risk of fair value change. This is accomplished by structuring the investment portfolio so that fixed income securities mature to meet cash requirements for debt service and other disbursement requirements for ongoing operations and by keeping maturities short.

Derivatives

The BPU has not used derivative instruments historically. Contracts containing derivatives, such as coal procurement and other commodity purchase contracts are routinely evaluated and amounts purchased have been used by the BPU in producing power and qualify as normal purchases.

Non-restricted Designated Assets

Certain cash and investment amounts have been designated by Board policy for specific purposes as follows:

	2023	2022
Economic development fund	\$ —	\$ 1,975
Capital debt reduction	6,290,000	6,290,000
Reserve - public liability	1,000,000	1,000,000
Reserve - workers' comp	1,100,000	1,100,000
Rate stabilization fund	9,156,273	9,156,273
System development reserve	12,320,368	11,562,888
ERC Reserve	1,500,000	—
Total	<u>\$ 31,366,641</u>	<u>\$ 29,111,136</u>

Note 3: Restricted Assets

Restricted assets were held in the following funds at December 31, 2023 and 2022:

	2023	2022
Debt service fund	\$ 20,180,060	\$ 20,124,943
Customer deposits	7,525,813	7,316,569
Construction funds	—	1,522,016
Improvement and emergency fund	1,500,000	1,500,000
Total restricted assets	<u>\$ 29,205,873</u>	<u>\$ 30,463,528</u>

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The BPU is permitted to invest funds in specified types of investments in accordance with its investment policy until the time such funds are required to be disbursed for their designated purposes.

Note 4: Dogwood Energy Facility (Dogwood)

BPU owns an undivided 17% interest in the assets of the Dogwood Energy Facility (Dogwood), a natural gas-fired combined cycle generating plant located in Pleasant Hill, Missouri in Cass County, Missouri, operated by Dogwood Energy, LLC. In addition to the BPU, Kansas Power Pool (KPP), Missouri Joint Municipal Electric Utility Commission (MJMEUC) and the City of Independence, Missouri also own 10.3%, 16.4% and 12.3%, respectively, of the Dogwood Energy Facility. Dogwood Energy, LLC maintains the remaining ownership (44.0%) in the facility.

The BPU's portion of the 630 megawatt (MW) rated capability of Dogwood is approximately 110 megawatts (MW). Generation from Dogwood and operating expenses incurred by Dogwood are allocated to the BPU based on the 17% ownership interest. The BPU's proportionate share of their plant operating expenses is included in the corresponding operating expenses in the statement of net position. In addition, the BPU is required to provide its share of financing for any capital additions to Dogwood. During 2023 and 2022, BPU's portion of fuel expense was \$8,520,091 and \$16,064,217, respectively, and its portion of operating and maintenance expense was \$4,546,801 and \$3,411,544, respectively. BPU also receives a portion of the wholesale sales generated by the Dogwood plant. BPU received \$16,069,884 and \$23,920,688 during 2023 and 2022, respectively, in wholesale sales from Dogwood. These amounts are included in the accompanying statements of revenues, expenses and changes in net position.

The BPU applied proportionate consolidation rules to record its undivided ownership interest in this facility. The BPU's investment includes an acquisition adjustment of \$34.8 million, which is presented as property, plant, and equipment and amortized over the estimated life of the plant (29.1 years). The BPU paid 15 years of Payment-in-Lieu of Taxes (PILOT) to Cass County, Missouri in the amount of \$2.5 million. This was recorded as a prepayment and is being amortized until 2028.

The BPU Board of Directors has approved the recovery of amounts invested in this facility, including the acquisition adjustments in current rates.

Information relative to the BPU's ownership interest in Dogwood as of December 31, 2023 and 2022, is shown in the table below. These amounts are included in the 2023 and 2022 Capital Assets table in Note 5.

Facility (type)	Percent Ownership	Net MW	Plant in Service	Accumulated Depreciation	CWIP
2023					
Dogwood (combined cycle)	17%	110	\$ 46,303,778	\$ 14,522,907	\$ 2,209,687
2022					
Dogwood (combined cycle)	17%	110	\$ 45,517,494	\$ 12,986,425	\$ 1,887,912

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The BPU has an operating agreement with Dogwood Energy, LLC, which provides for a management committee comprising one representative and an alternate from each participant. Dogwood Power Management, LLC, the project management company, controls the operating and maintenance decisions of Dogwood in its role as operator. The BPU and other participating entities have joint approval rights for the annual business plan, the annual budget and material changes to the budget.

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Note 5: Capital Assets

Capital asset activity for the year ended December 31, 2023 is as follows:

	Beginning Balance	Additions	Retirements	Transfers/ Adjustments	Ending Balance
Electric:					
Production plant	\$ 837,916,537	\$ 8,203,412	\$ —	\$ (1,200,318)	\$ 844,919,631
Transmission and distribution	507,288,834	36,837,010	—	(534,759)	543,591,085
General plant	152,516,590	5,997,416	(3,037)	8,026	158,518,995
Total electric	<u>1,497,721,961</u>	<u>51,037,838</u>	<u>(3,037)</u>	<u>(1,727,051)</u>	<u>1,547,029,711</u>
Water:					
Production plant	143,837,028	1,263,751	—	(35,420)	145,065,359
Transmission and distribution	235,078,452	8,345,596	—	(13,090)	243,410,958
General plant	53,706,941	1,919,990	(1,364)	3,606	55,629,173
Total water	<u>432,622,421</u>	<u>11,529,337</u>	<u>(1,364)</u>	<u>(44,904)</u>	<u>444,105,490</u>
Property, plant, and equipment	1,930,344,382	62,567,175	(4,401)	(1,771,955)	1,991,135,201
Construction work in progress – not depreciable	<u>85,755,856</u>	<u>50,897,375</u>	<u>(61,996,353)</u>	<u>—</u>	<u>74,656,878</u>
Total capital assets	<u>2,016,100,238</u>	<u>113,464,550</u>	<u>(62,000,754)</u>	<u>(1,771,955)</u>	<u>2,065,792,079</u>
Less accumulated depreciation:					
Electric:					
Production plant	416,127,258	18,668,639	—	—	434,795,897
Transmission and distribution	258,199,942	7,798,597	—	—	265,998,539
General plant	93,998,619	4,899,092	—	258	98,897,969
Total electric	<u>768,325,819</u>	<u>31,366,328</u>	<u>—</u>	<u>258</u>	<u>799,692,405</u>
Water:					
Production plant	75,377,738	3,034,823	—	(148)	78,412,413
Transmission and distribution	60,341,442	3,930,342	—	(38)	64,271,746
General plant	35,353,339	1,407,903	—	64	36,761,306
Total water	<u>171,072,519</u>	<u>8,373,068</u>	<u>—</u>	<u>(122)</u>	<u>179,445,465</u>
Combined total	<u>939,398,338</u>	<u>39,739,396</u>	<u>—</u>	<u>136</u>	<u>979,137,870</u>
Capital assets, net	<u>\$ 1,076,701,900</u>	<u>\$ 73,725,154</u>	<u>\$ (62,000,754)</u>	<u>\$ (1,772,091)</u>	<u>\$ 1,086,654,209</u>

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Capital asset activity for the year ended December 31, 2022 is as follows:

	Beginning Balance	Additions	Retirements	Transfers/ Adjustments	Ending Balance
Electric:					
Production plant	\$ 831,274,243	\$ 7,843,427	\$ —	\$ (1,201,133)	\$ 837,916,537
Transmission and distribution	466,609,443	40,417,452	(23,983)	285,922	507,288,834
General plant	149,057,911	3,452,439	—	6,240	152,516,590
Total electric	<u>1,446,941,597</u>	<u>51,713,317</u>	<u>(23,983)</u>	<u>(908,971)</u>	<u>1,497,721,961</u>
Water:					
Production plant	142,975,068	855,020	—	6,940	143,837,028
Transmission and distribution	228,391,154	6,685,738	—	1,560	235,078,452
General plant	52,471,109	1,235,832	—	—	53,706,941
Total water	<u>423,837,331</u>	<u>8,776,590</u>	<u>—</u>	<u>8,500</u>	<u>432,622,421</u>
Property, plant, and equipment	1,870,778,928	60,489,907	(23,983)	(900,471)	1,930,344,382
Construction work in progress – not depreciable	104,159,689	42,386,730	(60,790,563)	—	85,755,856
Total capital assets	<u>1,974,938,617</u>	<u>102,876,637</u>	<u>(60,814,546)</u>	<u>(900,471)</u>	<u>2,016,100,238</u>
Less accumulated depreciation:					
Electric:					
Production plant	399,896,472	16,230,786	—	—	416,127,258
Transmission and distribution	250,488,110	7,743,548	(19,884)	(11,832)	258,199,942
General plant	89,273,821	4,724,484	—	314	93,998,619
Total electric	<u>739,658,403</u>	<u>28,698,818</u>	<u>(19,884)</u>	<u>(11,518)</u>	<u>768,325,819</u>
Water:					
Production plant	72,148,030	3,229,708	—	—	75,377,738
Transmission and distribution	56,690,083	3,651,359	—	—	60,341,442
General plant	34,008,997	1,344,264	—	78	35,353,339
Total water	<u>162,847,110</u>	<u>8,225,331</u>	<u>—</u>	<u>78</u>	<u>171,072,519</u>
Combined total	<u>902,505,513</u>	<u>36,924,149</u>	<u>(19,884)</u>	<u>(11,440)</u>	<u>939,398,338</u>
Capital assets, net	<u>\$ 1,072,433,104</u>	<u>\$ 65,952,488</u>	<u>\$ (60,794,662)</u>	<u>\$ (889,031)</u>	<u>\$ 1,076,701,900</u>

As discussed in Note 4, on December 18, 2012, the BPU acquired an undivided 17% interest in the assets of the Dogwood Energy Facility. The BPU's portion of the Dogwood investment included an acquisition adjustment of \$34.8 million. This amount is included in the Electric Production Plant. The BPU is amortizing the acquisition adjustment over 29.1 years. The amount amortized in 2022 and 2023 is \$1,201,133 and is included in the Electric Production Plant Adjustments in the 2022 and 2023 table.

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Note 6: Long-Term Debt

The BPU's indebtedness as of December 31, 2023 consists of the following obligations:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
Revenue bonds:					
2014	\$ 119,140,000	\$ —	\$ (14,945,000)	\$ 104,195,000	\$ 3,020,000
2016A	111,560,000	—	(2,735,000)	108,825,000	2,870,000
2016B refunding	37,325,000	—	(1,920,000)	35,405,000	2,535,000
2016C	56,265,000	—	—	56,265,000	1,360,000
2020A	16,035,000	—	(500,000)	15,535,000	1,495,000
2020B	226,125,000	—	(7,400,000)	218,725,000	17,280,000
	<u>566,450,000</u>	<u>—</u>	<u>(27,500,000)</u>	<u>538,950,000</u>	<u>28,560,000</u>
Unamortized premium	35,403,768	—	(1,780,198)	33,623,570	—
Total revenue bonds	601,853,768	—	(29,280,198)	572,573,570	28,560,000
Government loans – Unified KCK	3,506,917	—	(373,152)	3,133,765	388,242
Government loans – KDHE	23,379,096	9,215,130	(2,853,044)	29,741,182	3,470,051
	<u>\$ 628,739,781</u>	<u>\$ 9,215,130</u>	<u>\$ (32,506,394)</u>	<u>\$ 605,448,517</u>	<u>\$ 32,418,293</u>

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The BPU's indebtedness as of December 31, 2022 consists of the following obligations:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
Revenue bonds:					
2012 refunding	\$ 1,195,000	\$ —	\$ (1,195,000)	\$ —	\$ —
2012B	2,030,000	—	(2,030,000)	—	—
2014	133,380,000	—	(14,240,000)	119,140,000	14,945,000
2016A	114,165,000	—	(2,605,000)	111,560,000	2,735,000
2016B refunding	39,150,000	—	(1,825,000)	37,325,000	1,920,000
2016C	56,265,000	—	—	56,265,000	—
2020A	16,525,000	—	(490,000)	16,035,000	500,000
2020B	230,100,000	—	(3,975,000)	226,125,000	7,400,000
	<u>592,810,000</u>	<u>—</u>	<u>(26,360,000)</u>	<u>566,450,000</u>	<u>27,500,000</u>
Unamortized premium	<u>37,183,966</u>	<u>—</u>	<u>(1,780,198)</u>	<u>35,403,768</u>	<u>—</u>
Total revenue bonds	629,993,966	—	(28,140,198)	601,853,768	27,500,000
Government loans – Unified KCK	3,870,213	—	(363,296)	3,506,917	373,152
Government loans – KDHE	<u>24,187,965</u>	<u>1,953,958</u>	<u>(2,762,827)</u>	<u>23,379,096</u>	<u>2,853,044</u>
	<u>\$ 658,052,144</u>	<u>\$ 1,953,958</u>	<u>\$ (31,266,321)</u>	<u>\$ 628,739,781</u>	<u>\$ 30,726,196</u>

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Details of utility system revenue bonds outstanding at December 31, 2023 and 2022 are as follows:

Revenue Bonds	Interest Rate	Original Amount	Maturity		
				2023	2022
2014	3.00-5.00	190,620,000	09-01-2044	\$ 104,195,000	\$ 119,140,000
2016A	3.00-5.00	114,165,000	09-01-2045	108,825,000	111,560,000
2016B Refunding	3.25-5.00	42,545,000	09-01-2034	35,405,000	37,325,000
2016C	5.00	56,265,000	09-01-2046	56,265,000	56,265,000
2020A	3.00	17,010,000	09-01-2045	15,535,000	16,035,000
2020B	0.69-2.55	231,535,000	09-01-2037	218,725,000	226,125,000
Subtotal				<u>538,950,000</u>	<u>566,450,000</u>
Current maturities				(28,560,000)	(27,500,000)
Unamortized premium				<u>33,623,570</u>	<u>35,403,768</u>
Total utility system revenue bonds, excluding current maturities				<u>\$ 544,013,570</u>	<u>\$ 574,353,768</u>

Interest on portions of the outstanding utility system revenue bonds is payable on a semiannual basis. As of December 31, 2023, and 2022, the BPU was in compliance with all required debt covenant ratios.

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The debt service to maturity on the outstanding BPU revenue bonds as of December 31, 2023 is as follows:

	Principal	Interest (including accrued)
Bond year(s) ending December 31:		
2024	\$ 28,560,000	\$ 19,422,217
2025	29,275,000	18,713,426
2026	30,050,000	17,935,888
2027	30,910,000	17,073,155
2028	31,825,000	16,160,260
2029–2033	160,635,000	65,901,254
2034–2038	109,305,000	40,932,151
2039–2043	83,075,000	21,378,913
2044–2048	35,315,000	2,739,550
	\$ 538,950,000	\$ 220,256,814

The utility system revenue bond indebtedness requires special reserves and accounts as follows:

Account	Authorized Expenditure
Debt service and reserve	Paying current principal and interest on bonds
Construction	Acquiring, constructing and installing capital improvements
Improvement and emergency	Financing major renewals, repairs, and replacements, and extraordinary or unforeseen expenditures

The utility system revenue bond debt service and reserve account is held in escrow in a bank acting as trustee for the BPU. The utility system revenue bond indentures also provide for a bond reserve account to be held by the trustee for the future payments of principal and interest in the event that the net revenues of the utility system are less than or equal to 130% of the maximum annual debt service on the bonds. All amounts are reported on the accompanying statements of net position as restricted assets.

The current indentures also require the BPU to establish utility rates and collect fees sufficient to pay the operating, maintenance, and debt service costs of the utilities; to maintain the accounts listed above; and to provide net operating income, before depreciation and payment-in-lieu of taxes, of at least 120% of the maximum annual debt service due on the outstanding bonds. All of the BPU's utility plant facilities are pledged under the terms of the indentures.

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Total indebtedness also includes government loans, which represent the amounts borrowed from Kansas Department of Health and Environment for the purpose of Water capital improvements to be repaid in installments over 32 years ending 2054. Governmental loans also include a \$4.56 million loan with the Unified Government of Wyandotte County and Kansas City, Kansas, for improvements to the radio tower system as well as a loan with the Unified Government in 2020 for the Leavenworth Road Improvements Project of \$1.455 million.

The debt service to maturity on the outstanding BPU government loans as of December 31, 2023 is as follows:

Bond year(s) ending December 31:	<u>Principal</u>	<u>(including accreted)</u>
2024	\$ 3,858,293	\$ 583,775
2025	2,501,232	464,291
2026	2,567,721	405,141
2027	2,322,856	344,270
2028	2,064,070	335,348
2029–2033	9,268,400	1,265,021
2034–2038	4,118,454	525,873
2039–2043	1,837,625	308,103
2044–2048	1,980,192	198,801
2049–2053	2,133,821	81,020
2054	222,283	1,278
	<u>\$ 32,874,947</u>	<u>\$ 4,512,921</u>

In August 2021, the BPU entered into a Kansas Public Water Supply loan fund agreement, for which the amount is not to exceed \$25.0 million. In August 2022 the loan was amended and increased to \$39.5 million. The projects to be funded by this loan consist of construction of ground water storage at Argentine Pump Station, construction of a water transmission main from 90th and Parallel to I-435 and France Family drive, electrical improvements at the Nearman Water Treatment Plant, Parallel Pump Station and Milan Pump Station, and replacement of deteriorated water lines throughout the distribution system. As of December 31, 2023, the BPU has drawn down \$11.205 million of the loan.

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The BPU has pledged specific revenue streams to secure the repayment of certain outstanding debt issuances. The corresponding debt issuances are for utility system revenue bonds and the purpose of the debt is for utility improvements. The following table lists those revenues, the amount and term of pledge remaining, the current year principal and interest on the debt, the amount of pledged revenue recognized during the current fiscal year, and the approximate percentage of the revenue stream that has been committed:

Type revenue pledged	Amount of pledge	Term of commitment	Percentage of revenue pledged	Principal and interest for the year ended 2023	Pledged revenue recognized for the year ended 2023
Electric and water operating revenue	\$ 759,206,814	Through 2046	12.8%	\$ 47,984,483	\$ 57,581,379

Note 7: Regulatory Assets and Regulatory Deferred Inflows

The BPU is subject to the provisions of GASB Codification Section Re10, *Regulated Operations*, and has recorded assets and deferred inflows on its statements of net position resulting from the effects of the rate-making process, which would not be recorded under U.S. generally accepted accounting principles for nonregulated entities. Regulatory assets represent costs incurred that have been deferred because future recovery in customer rates is probable. Deferred inflows generally represent probable future reductions in revenue or refunds to customers. Management regularly assesses whether regulatory assets and deferred inflows are probable of future recovery or refund. If recovery or refund of regulatory assets or deferred inflows is not approved by the BPU Board of Directors, which is authorized to approve rates charged to customers or is no longer deemed probable, these regulatory assets or deferred inflows are recognized in the current period results of operations. Additionally, these factors could result in an impairment of utility plant assets if the cost of the assets could not be expected to be recovered in customer rates. Regulatory assets and deferred inflows as of December 31, 2023 and 2022 are as follows:

	Amortization Ending	2023	2022
Regulatory assets:			
Recovery of Quindaro Power Station Units	2040	\$ 58,848,909	\$ 62,526,966
Recovery fuel purchased power	2023	\$ —	\$ 14,781,274
Total regulatory assets		<u>\$ 58,848,909</u>	<u>\$ 77,308,240</u>
Deferred inflows:			
Recovery fuel purchased power	2024	<u>\$ 4,087,528</u>	<u>\$ —</u>

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A regulatory asset has been approved by the Board of Directors to recover through rates the costs related to the Quindaro Power Station units closing. The remaining net book value was recorded as a regulatory asset in 2020. The remaining costs of these assets will be accelerated and amortized over a 20-year period.

The BPU has an energy adjustment rate rider (ERC). Estimated retail tariffs are set to recover estimated fuel costs such as coal, natural gas, and purchased power. The ERC allows differences between these estimates and actual fuel and purchased power costs to be deferred as a regulatory asset or a deferred inflow depending on the nature of the variance between estimated and actual costs incurred.

Note 8: Payment-in-Lieu of Taxes (PILOT) and Community Contributions

The BPU is exempt from federal and state income taxes and local property taxes because it is an administrative agency of the Unified Government. However, the BPU is required by a Charter Ordinance to pay a percentage of gross operating revenues to the Unified Government. The Charter Ordinance established a range of 5.0% – 15.0%. The payment-in-lieu of tax was established at 11.9% in 2023 and 2022, which amounted to \$38,197,843 and \$37,073,894, respectively. The PILOT is billed and collected by the BPU by a supplemental rate rider.

In addition to these payments to the Unified Government, the BPU also contributes services to the Unified Government, such as electricity, water, street lighting, fire hydrant services, traffic signals, billing and collection of the Unified Government sewer, storm water and trash fees at no charge. These service contributions approximated \$12,206,849 and \$11,897,163 or 3.68% and 3.55% of total operating revenue, for 2023 and 2022, respectively. Expenses associated with these service contributions are recorded in the relevant operating expense caption on the statements of revenues, expenses and changes in net position.

Note 9: Commitments and Contingencies

Power Purchase and Sales Agreements

On December 21, 2006, the BPU entered into a Renewable Energy Purchase Agreement with TradeWind Energy to receive 25% of the energy output of Phase 1 of the Smoky Hills Wind Farm. This contract is a 20-year fixed price contract for 25% of the output of 100.8 MW of turbines as well as the Renewable Energy Credits associated with the output. The wind farm, which was built approximately 25 miles west of Salina, Kansas in Lincoln and Ellsworth Counties, began commercial operation in January 2008. Total power purchased under this agreement was \$3,208,389 and \$2,973,103 in 2023 and 2022, respectively.

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On November 3, 2010, the BPU entered into an agreement with Lawrence, Kansas based Bowersock Mills and Power Company to purchase 7 MW of hydroelectric power over the next 25 years, providing additional renewable energy resources to BPU's existing power generating mix. Total power purchased under this agreement was \$2,155,603 and \$2,448,444 in 2023 and 2022, respectively.

In December 2013, the BPU completed negotiations with OwnEnergy Inc., a developer of mid-sized wind projects, for the purchase of 25 megawatts of energy generated by wind turbines. The wind farm is located south of Alexander, Kansas in Rush County. Construction began in December 2013, and ties into the Southwest Power Pool (SPP) Midwest Energy transmission system. The contract between BPU and OwnEnergy Inc. is a 20-year renewable energy Purchase Power Agreement (PPA). The wind farm was completed in 2015 with commercial production beginning in December 2015. Total power purchased under this agreement was \$2,949,393 and \$3,414,848 in 2023 and 2022, respectively.

The BPU has contracts with the Southwestern Power Administration ("SPA") entitling the BPU to annually purchase 38.6 MW of hydroelectric peaking capacity. These contracts provide the BPU with hydro allocations until July 1, 2035. The BPU counts the full SPA capacity as a firm supply resource, reducing the need for additional capacity purchases and delaying the need for additional firm generation or other firm purchase power agreements. The energy available from this capacity is equal to 1,200 hours per MW of capacity per year, the scheduling of such energy being at the BPU's discretion (with certain minimum and maximum monthly and seasonal limitations). Total power purchased under this agreement was \$2,834,615 and \$2,834,365 in 2023 and 2022, respectively. The BPU also has an allotment of 5 MW of hydroelectric power from the Western Area Power Administration ("WAPA") until September 30, 2024. Total power purchased under this agreement was \$346,005 and \$475,997 in 2023 and 2022, respectively.

In January 2016, the BPU completed negotiations with TradeWind Energy Inc., a renewable energy developer, for the purchase of 200 megawatts of energy generated by wind turbines. Construction began on the wind farm in 2016 with commercial operations beginning in April of 2017. The facility is located just south of Minneola, Kansas and ties into the Southwest Power Pool (SPP) in the Sunflower Energy transmission system. The contract between BPU and the Cimarron Bend Wind Project, LLC. is a 20-year renewable energy Purchase Power Agreement (PPA). Total power purchased under this agreement was \$16,226,486 and \$18,137,984 in 2023 and 2022, respectively.

In November 2016, the BPU finalized an agreement with MC Power, a solar developer, for the purchase of a 1 megawatt alternating current solar photovoltaic facility to be located at the Kansas City Board of Public Utilities Nearman Creek Power facility in Kansas City, Kansas. The contract between the BPU and MCP-KCBPU, LLC is a 25-year renewable energy Purchase Power Agreement (PPA) with commercial operations beginning in September of 2017. The project is intended to serve as a community solar project whereas BPU customers can license panels within the project to reduce their overall monthly electric expenses, while supporting greener initiatives. Total power purchased under this agreement was \$146,347 and \$149,138 in 2023 and 2022, respectively.

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The BPU has determined these purchase contracts to be excluded from the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as these are normal purchase contracts.

Coal Contracts

BPU purchases coal for Nearman generating stations through contracts with Western Fuels Association (WFA) and affiliates. WFA, in turn, contracts with coal producers and railroads to meet its coal supply and delivery commitments to the BPU. BPU is required to pay all costs incurred by WFA in acquiring and delivering the coal as well as a management fee.

Coal delivery to Nearman is contracted between WFA and Union Pacific Railroad which is effective until December 31, 2024. The contract contains three (3) additional periods of one (1) year each unless a party notifies the other party in writing their intent to terminate the agreement. The delivery cost is established from a base price and is adjusted by indices set out in the contract.

The estimated coal purchase for Nearman station is \$14,000,000 annually for 2023, 2024 and 2025. Any additional coal required will be bought through spot market.

The BPU purchased approximately 607,819 and 785,702 tons of coal for approximately \$21,211,000 and \$25,341,000 for the Nearman Station in 2023 and 2022, respectively.

The BPU has determined these coal contracts to be excluded from the scope of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as these are normal purchase contracts.

Retirement Plan

Plan Description

The Retirement Pension Plan for the Board of Public Utilities of Kansas City, Kansas (the “Plan”) is a contributory, single-employer defined benefit pension plan administered by the Board of Pension Trustees of the Retirement Pension Plan of the Board of Public Utilities of Kansas City, Kansas (“the Board”) of Pension Trustees.

The Plan is governed by Kansas State statutes, which provide for the establishment of a Board of Pension Trustees and provides authorization for the Plan to take control and custody of all assets, property and funds presently held, controlled and in the possession of the Plan’s Board of Pension Trustees. The Plan was established and may be amended only by the Board of Pension Trustees. The Board of Pension Trustees is represented equally by three management seats, appointed by the General Manager, and three non-management seats elected by the BPU members. The Plan membership includes all persons employed by the BPU on a regular, permanent basis.

Separate, stand-alone financial statements of the Plan can be obtained from the Pension Administrator, in care of the Human Resources Department of the BPU, 540 Minnesota Avenue, Kansas City, KS 66101.

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Benefits Provided

The primary benefits provided by the Plan are retirement benefits. However, the Plan also provides ancillary benefits in the event of pre-retirement death, disability, or termination of employment prior to meeting the eligibility requirements to retire. An employee of the BPU is eligible for coverage at the time of employment as a regular, permanent BPU employee. An employee remains a Member of the Plan as long as they continue employment with the BPU. Vesting is achieved upon the completion of five years of service. For Tier 1 members, retirement is at age 55, regardless of service. Benefits are calculated using the compensation for the three highest years of service within the last 10 years of service, multiplied by the total years of service and the formula factor of 1.80 percent, plus final average salary multiplied by the total years of service prior to January 1, 2004 and the formula factor of 0.40 percent. Benefits vest after five years of service. For Tier 2 members, retirement is at age 65, with five years of service or age 60, with 30 years of service. Benefits are calculated using the compensation for the member's entire career, multiplied by the formula factor of 1.50 percent. Benefits vest after five years of service.

Cost of Living Adjustment (COLA)

The COLA is an automatic, simple 3% for members who retired before January 1, 1993. The COLA is not automatic, but discretionary for members who retired on or after January 1, 1993. The COLA can vary from 0% to 3% of the previous year's pension as determined by the Pension Board every year. If, on the first January 1 following benefit commencement, benefits have been received for less than a full calendar year, the increase is a fraction of the determined increase equal to the ratio of number of monthly benefit payments received divided by 12.

Employees Covered by Benefit Terms

The data required regarding the membership of the Plan was furnished by the Pension Administrator of the Plan. The following table summarizes the membership of the Plan as of December 31, 2022 and 2021, the respective measurement dates.

	2022	2021
Inactive Members or Beneficiaries Currently Receiving Benefits	810	809
Disabled Members	10	7
Inactive Members Entitled To But Not Yet Receiving Benefits	27	22
Inactive Non-vested Members Entitled to a Refund of Member Contributions	—	2
Active Members	483	504
Total	1,330	1,344

Contributions

Benefit and contribution provisions are established by and may only be amended by the Pension Board of Trustees. Contribution rates are determined annually by the Pension Board of Trustees. The BPU contributes a fixed contribution rate, equal to that of the members, currently 8.50% of pensionable earnings as of December 31, 2023 and 2022.

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For the years ended December 31, 2023 and 2022, BPU contributed \$4,676,4262 and \$4,533,603, respectively to the Plan.

Net Pension Liability/Asset

The total pension liability used to calculate the net pension liability/(asset) was determined by actuarial valuations as of January 1, 2022 and 2021 and rolled forward to the respective measurement dates as applicable. As of December 31, 2023, the Plan reported a net pension liability of \$20,356,349. As of December 31, 2022, the Plan reported a net pension asset of \$23,267,891.

Actuarial Assumptions

The total pension liability/asset based on the January 1, 2022 and 2021 actuarial valuations was determined using the following key actuarial assumptions for 2022 and 2021 and other inputs:

	January 1, 2022 Valuation	January 1, 2021 Valuation
Price inflation	2.35 percent	2.35 percent
Salary inflation	3.1 - 6.1 percent	3.1 - 6.1 percent
Long-term rate of return, net of investment expenses; and including inflation rate assumption	6.75 percent	6.75 percent

January 1, 2022 Valuation

Cost of living adjustment: Retired before January 1, 1993: 3.0 percent in all years. Retired on/after January 1, 1993: 0.00 percent through 2032, and 3.0 percent for 2033 and later.

Mortality: Pre-retirement mortality rates were based on the Pub-2010 General Employees Median Mortality Table with generational mortality projections using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 General Retirees Median Mortality Table with generational mortality projections using Scale MP-2020.

The actuarial assumptions used in the 2022 valuation are based on the results of an assumption review completed in 2021.

January 1, 2021 Valuation

Cost of living adjustment: Retired before January 1, 1993: 3.0 percent in all years. Retired on/after January 1, 1993: 1.9 percent for 2022, 2.5 percent for 2023 and 3.0 percent for 2024 and later.

Mortality: Pre-retirement mortality rates were based on the Pub-2010 General Employees Median Mortality Table with generational mortality projections using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 General Employees Median Mortality Table with generational mortality projections using Scale MP-2020.

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The actuarial assumptions used in the 2021 valuation are based on the results of an assumption review completed in 2021.

The long-term expected rate of return on pension plan investments is reviewed as part of the regular experience study prepared for the Plan. The results of the most recent experience study were presented in 2021. Several factors are considered in evaluating the long-term rate or return assumption, including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation), along with estimates of variability and correlations for each asset class, were developed by the Plan’s investment consultant. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by some investment consultants are often intended for use over a 10-year investment horizon and are not always useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The investment consultant for the Board of Public Utilities, at the time the Experience Study was completed, provided capital market assumptions for a 50-year period and those were used as part of the analysis. The long-term rate of return assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class used for the 2021 assumption review, as provided by the Plan’s investment consultant at that time, Asset Consulting Group, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Large Cap Equity	17.5 %	7.1 %
Domestic Small Cap Equity	17.5	8.5
International Developed Equity	17.0	8.0
Emerging Market Equity	3.0	9.1
Long/Short Equity	5.0	5.7
Core Bonds	21.0	2.6
Core Plus	5.0	2.9
Core Real Estate	7.0	6.7
Opportunistic Added Real Estate	7.0	9.7
	100.0 %	

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Discount Rate

The discount rate used to measure the total pension liability at December 31, 2022 was 6.75 percent. The discount rate used to measure the total pension liability at December 31, 2021 was 6.75 percent. The projection of cash flows used to determine the discount rate assumed the plan contributions from members and BPU will be made at the current contribution rates as determined annually by the Pension Board in effect on the measurement date:

- i. Employee contribution rate: 8.5 percent of annual compensation
- ii. BPU contribution rate: Same as member contributions (8.5 percent of annual compensation)
- iii. Administrative expenses for the current and future years were assumed to be .70 percent of the current member's proportionate share of covered payroll.

Based on those assumptions, the 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 Plan investments of 6.75 percent was applied to all periods of projected benefit payments to determine the total pension liability, within the January 1, 2022 valuation.

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Changes in the Net Pension (Asset) Liability

Changes in the total pension liability, plan fiduciary net position and the net pension liability (asset) are:

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at January 1, 2023	\$ 604,481,627	\$ 627,749,518	\$ (23,267,891)
Changes for the year:			
Service cost	7,782,315	-	7,782,315
Interest on total pension liability	39,647,110	-	39,647,110
Difference between expected and actual experience	182,840	-	182,840
Changes of assumptions	(92,962,988)	-	(92,962,988)
Employer contributions	-	4,533,603	(4,533,603)
Employee contributions	-	4,533,603	(4,533,603)
Net investment income	-	(97,471,031)	97,471,031
Benefit payments, including member refunds	(34,802,331)	(34,802,331)	-
Administrative expenses	-	(571,138)	571,138
Net changes	(80,153,054)	(123,777,294)	43,624,240
Balances at December 31, 2023	\$ 524,328,573	\$ 503,972,224	\$ 20,356,349

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	Increases (Decreases)		
	Total	Plan	Net Pension
	Pension	Fiduciary	Liability
	Liability	Net Position	(Asset)
	(a)	(b)	(a) - (b)
Balances at January 1, 2022	\$ 592,414,344	\$ 592,052,776	\$ 361,568
Changes for the year:			
Service cost	7,850,152	-	7,850,152
Interest on total pension liability	38,865,663	-	38,865,663
Difference between expected and actual experience	(2,509,295)	-	(2,509,295)
Changes of assumptions	1,666,254	-	1,666,254
Employer contributions	-	4,547,136	(4,547,136)
Employee contributions	-	4,547,136	(4,547,136)
Net investment income	-	61,147,813	(61,147,813)
Benefit payments, including member refunds	(33,805,491)	(33,805,491)	-
Administrative expenses	-	(739,852)	739,852
Net changes	12,067,283	35,696,742	(23,629,459)
Balances at December 31, 2022	\$ 604,481,627	\$ 627,749,518	\$ (23,267,891)

Within the January 1, 2022 valuation, the following changes were applied to the actuarial assumption and method:

- The assumed COLA for post January 1, 1993 retirees for the current Measurement Date is 0% through 2032 and 3% thereafter rather than the assumption of 1.9% for 2022, 2.5% for 2023 and 3%, for TPL purposes only.

Within the January 1, 2021 valuation, the following changes were applied to the actuarial assumption and method:

- The assumed COLA for post January 1, 1993 retirees was changed from 1% through 2022 and 3% thereafter to 1.9% for 2022, 2.5% for 2023 and 3% thereafter, for TPL purposes only.

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Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Plan, calculated using a discount rate of 6.75 percent, as well as the Plan’s net pension liability (asset) calculated using a discount rate that is 1-percentage point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate.

	2023		
	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	\$82,034,538	\$20,356,349	(\$30,998,689)

The following presents the net pension liability (asset) of the Plan, calculated using a discount rate of 6.75 percent, as well as the Plan’s net pension liability (asset) calculated using a discount rate that is 1-percentage point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate.

	2022		
	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability (asset)	\$49,960,145	(\$23,267,891)	(\$84,281,613)

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Pension Expense

For the fiscal years ended December 31, 2023 and 2022, the BPU recognized pension expense of \$7,643,275 and (\$1,714,405), respectively. Annual pension expense consists of service cost, interest and administrative expenses on pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources recognized in pension expense over a five-year period.

Deferred Outflows/Inflows of Resources related to Pensions

In accordance with GASB Statement Nos. 67 and 68, the BPU recognizes differences between actual and expected experience with regard to economic or demographic factors, changes of assumptions about future economic or demographic factors, the difference between actual and expected investment returns, changes in proportion, and contributions subsequent to the measurement date as deferred outflow/inflows of resources.

As of December 31, 2023, the BPU reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Differences between expected and actual experience	\$ 135,101	\$ 3,858,004
Changes of assumptions	18,243,222	68,690,666
Net difference between projected and actual earnings on pension plan investments	72,184,595	—
Contributions subsequent to the measurement date	<hr/> 4,676,426	<hr/> —
Total	<hr/> \$ 95,239,344 <hr/>	<hr/> \$ 72,548,670 <hr/>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ 7,479,549
Changes of assumptions	35,947,768	—
Net difference between projected and actual earnings on pension plan investments	—	50,968,540
Contributions subsequent to the measurement date	4,533,603	—
Total	\$ 40,481,371	\$ 58,448,089

The amount reported as deferred outflows of resources as of December 31, 2023, resulting from contributions subsequent to the measurement date of \$4,676,426, will reduce the net pension liability for the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ended December 31:

2024	\$ (6,932,037)
2025	(6,123,511)
2026	3,275,639
2027	27,794,156
	\$ 18,014,247

Other Postemployment Benefits

Plan Description

The BPU provides certain postemployment health care and life insurance benefits to eligible retirees and their dependents in accordance with provisions established by the BPU's Board of Directors. The plan is a single-employer defined-benefit healthcare plan administered by the BPU. The BPU currently determines the eligibility, benefits provided, and changes to those provisions applicable to eligible retirees. The OPEB plan does not issue separate financial statements. Employees are given a 90-day window to retire with medical coverage at ages 55 and above with seven consecutive years of service.

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Benefits Policy

The post retirement benefit plan is a comprehensive major medical plan with a \$100 deductible per individual or \$200 per family. For individuals, the plan pays 80% of the next \$12,500 of allowable charges and 100% thereafter for the remainder of that calendar year. For families, the plan pays 80% of the next \$25,000 of allowable charges and 100% thereafter for the remainder of that calendar year. The plan has a lifetime benefit maximum of \$750,000. Benefits cease at the first of the month that the retired employee attains age 65 or death. Spouse benefits end at the first of the month that the retired employee attains age 65, the end of the month of the retiree’s death, or on the date of the spouse’s death. Retirees are not required to contribute toward the cost of the postretirement benefits.

Funding Policy

The contribution requirements of plan members and the BPU are established and can be amended by the BPU’s Board. The required contribution is based on a pay-as-you-go financing requirement. For the years ended December 31, 2023 and 2022, the BPU paid \$2,212,671 and \$2,873,127, respectively, for retirees medical. GASB Statement 75 does not require funding of the OPEB liability, and the BPU has chosen not to fund it. The BPU funds on a cash basis as benefits are paid. No assets have been segregated and restricted to provide for postretirement benefits nor are any assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. A schedule of funding progress is included as required supplementary information.

Employees Covered by Benefit Terms

As of January 1, 2024 (the actuarial valuation date), the OPEB plan membership consisted of the following:

Number of Participants	
Retirees (with medical coverage)	106
Retiree Spouses (with medical coverage)	<u>68</u>
Total	<u>174</u>

Total OPEB Liability

2023

The total OPEB liability of \$27,140,938 at December 31, 2023 was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2024.

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions:

Discount rate:	4.12% per annum based on the S&P Municipal Bond 20 Year High Grade Rate Index
Salary increases:	2.50% per annum

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Healthcare cost trend rate: Medical: 7.00% graded uniformly to 4.50% over 10 years.

Mortality rates were based on the Pub-2010 Amount Weighted Mortality Table base rates projected generationally with scale MP-2021.

The actuarial cost method was Entry Age Normal Level Percent of Salary.

2022

The total OPEB liability of \$43,584,221 at December 31, 2022 was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2022.

The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions:

Discount rate: 2.26% per annum based on the S&P Municipal Bond 20 Year High Grade Rate Index

Salary increases: 2.50% per annum

Healthcare cost trend rate: Medical: 7.50% graded uniformly to 4.50% over 13 years.

Mortality rates were based on the Pub-2010 Amount Weighted Mortality Table base rates projected generationally with scale MP-2021.

The actuarial cost method was Entry Age Normal Level Percent of Salary.

Changes in Total OPEB Liability

	2023	2022
Balance at January 1	\$ 43,584,221	\$ 42,856,226
Service costs	2,671,292	2,606,139
Interest costs	1,020,372	994,983
Plan Change	(7,066,895)	-
Experience losses (gain)	571,001	-
Changes of assumptions	(11,426,382)	-
Benefits payments	(2,212,671)	(2,873,127)
Net change	<u>(16,443,283)</u>	<u>727,995</u>
Balance at December 31	<u>\$ 27,140,938</u>	<u>\$ 43,584,221</u>

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Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following represents the total OPEB liability for 2023 and 2022, calculated using the stated health care cost trend assumption, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the assumed trend rate:

Healthcare Cost Trend Rates 2023			
	1% Decrease	Current	1% Increase
	6% decreasing to 3.5% over 10 years	7% decreasing to 4.5% over 10 years	8% decreasing to 5.5% over 10 years
Total OPEB Liability - 2023	\$ 24,974,655	\$ 27,140,938	\$ 29,617,706

Healthcare Cost Trend Rates 2022			
	1% Decrease	Current	1% Increase
	6.5% decreasing to 3.5% over 13 years	7.5% decreasing to 4.5% over 13 years	8.5% decreasing to 5.5% over 13 years
Total OPEB Liability - 2022	39,103,717	43,584,221	48,812,953

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following represents the total OEPB liability for 2023 and 2022, calculated using the stated discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

Discount Rate 2023			
	1% Decrease	Current	1% Increase
	(3.12%)	(4.12%)	(5.12%)
Total OPEB Liability-2023	\$ 28,959,540	\$ 27,140,938	\$ 25,442,625

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	Discount Rate 2022		
	1% Decrease (1.26%)	Current (2.26%)	1% Increase (3.26%)
Total OPEB Liability-2022	\$ 46,666,807	\$ 43,584,221	\$ 40,701,221

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

The BPU recognized OPEB expense of (\$7,451,479) and \$1,145,080 in 2023 and 2022, respectively.

The BPU recognized deferred inflows of resources related to OPEB of \$16,303,908 and \$9,038,998 in 2023 and 2022, respectively. The BPU recognized deferred inflows of resources related to OPEB of \$485,777 and \$0 in 2023 and 2022, respectively. See below for the sources as of December 31, 2023:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 485,777	\$ 4,292,662
Changes of assumptions	—	12,011,246
Total	\$ 485,777	\$ 16,303,908

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

Year Ended December 31:

2024	\$ (4,076,248)
2025	(3,653,473)
2026	(3,230,706)
2027	(2,103,353)
2028	(1,620,206)
Therafter	(1,134,145)
	\$ (15,818,131)

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Risk Management

The BPU is exposed to various risks of loss related to tort claims; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The BPU is self-insured for workers' compensation, healthcare, certain general liability claims and a portion of the automobile and small vehicle fleet.

The BPU is responsible for the first \$750,000 of a workers' compensation claim per employee/per occurrence and workers' compensation claims greater than \$750,000 and up to \$35,000,000 per employee/per occurrence are fully insured. At December 31, 2023 and 2022, an asset of \$1,100,000 is within current assets-cash and cash equivalents and a liability of approximately \$2,203,000 and \$1,860,000 as of December 31, 2023 and 2022 is within current liabilities-workers' compensation reserve in the statements of net position. Claims for worker's compensation in 2023 and 2022 were \$511,000 and \$763,100, respectively.

At December 31, 2023 and 2022, an asset of \$1,000,000 is within current assets-cash and cash equivalents and a liability of approximately \$693,000 and \$620,000 as of December 31, 2023 and 2022 is within current liabilities-public liability in the statements of net position. Public liability and healthcare claims paid were \$16,176,000 and \$11,464,000 as of December 31, 2023 and 2022, respectively.

The BPU is essentially 100% self-insured for healthcare claims and is responsible for the first \$500,000 of general liability and automobile insurance claims. In addition, any general liability or automobile claims greater than \$35,000,000 are the responsibility of the BPU. Settlements did not exceed insurance coverage for the past three years. At December 31, 2023 and 2022, the BPU has established a liability of approximately \$2,897,000 and \$2,481,000 for workers' compensation, public liability and healthcare reserves, respectively, which is based on estimates of the amounts needed to pay prior and current year claims. The liability is based on the requirement that a liability for claims incurred prior to the statement of net position date be recorded if information related to such claims is available prior to the issuance of the financial statements and the amount of loss can be reasonably estimated. The total amount of claims and judgments is expected to become due within one year.

Changes in the workers' compensation, public liability, and healthcare reserves for 2023, 2022 and 2021 are as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Beginning accruals	\$ 2,481,000	\$ 2,193,000	\$ 1,814,000
Additional accruals	17,103,000	12,515,000	12,445,000
Charges for claim payments	<u>(16,687,000)</u>	<u>(12,227,000)</u>	<u>(12,066,000)</u>
Ending accruals	<u>\$ 2,897,000</u>	<u>\$ 2,481,000</u>	<u>\$ 2,193,000</u>

Board of Public Utilities
Notes to Financial Statements
December 31, 2023 and 2022

Environmental Compliance

The BPU is subject to substantial regulation of air emissions and control equipment, as well as water, waste, remediation and disposal issues related to operation of its electric generating utilities under federal, state and local environmental laws and regulations. In the last 15 years, federal, state and local agencies have continued to issue regulations applicable to electric generating utilities. The BPU participates in the rulemaking process, including providing comments on rules to assist the agency in identifying areas for improvement and challenging rules, if necessary. The BPU also continues to review and evaluate regulations and implement changes to its processes, if necessary, to maintain compliance.

Other Legal Matters

In the normal course of business, the BPU is subject to various lawsuits, actions, proceedings, claims and other matters asserted under laws and regulations. Management believes the amounts provided in the financial statements, as prescribed by U.S. generally accepted accounting principles, are adequate in light of the probable and estimable contingencies. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from various legal proceedings, claims and other matters, and to comply with applicable laws and regulations, will not exceed the amounts reflected in the BPU's financial statements. As such, costs, if any, that may be incurred in excess of those amounts provided as of December 31, 2023 and 2022 cannot be reasonably determined.

Note 10: Principal Customers

Electric and water charges to the BPU's five largest retail customers expressed as a percentage of total operating revenues for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Principal retail customers:		
GENERAL MOTORS	3.7%	3.6%
CERTAINTTEED CORP	3.7%	3.5%
JO CO WATER DIST #1	2.9%	2.6%
GRIFFIN WHEEL CO	2.3%	2.3%
UNIV OF KS HOSP AUTH	2.3%	2.3%
OWENS CORNING SALES, LLC	2.2%	2.1%
Total Principal Retail Customers	17.2%	16.4%

Board of Public Utilities
Notes to Financial Statements
December 31, 2023 and 2022

Note 11: Disclosures About Fair Value of Assets and Liabilities

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

The BPU has the following recurring fair value measurements:

- Federal agency securities of \$16,074,039 and \$35,876,589 as of December 31, 2023 and 2022, respectively, are valued using quoted prices for similar assets, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets (Level 2 inputs).
- Money market funds of \$4,106,022 and \$5,578,398 as of December 31, 2023 and valued using quoted market prices (Level 1 inputs)

Note 12: Leases

The BPU leases, as a lessor, various tower and pole attachment space to various telecommunication companies, the terms at which expires through 2031. During the years ended December 31, 2023 and December 31, 2022, the BPU recognized revenue of approximately \$1,207,000 and \$2,565,000 under the agreements.

Note 13: Subscription Based IT Arrangements

As of December 31, 2023, the BPU has outstanding commitments under SBITAs not yet commenced of \$1,062,000.

Board of Public Utilities
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Fiscal Years Ended December 31,
(Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	\$ 7,782,315	\$ 7,850,152	\$ 7,280,467	\$ 7,289,384	\$ 7,201,941	\$ 7,440,404	\$ 7,297,782	\$ 7,339,629	\$ 7,560,923
Interest on total pension liability	39,647,110	38,865,663	38,648,801	37,017,215	38,047,652	37,460,630	36,679,579	38,033,409	36,958,326
Difference between expected and actual experience	182,840	(2,509,295)	(8,333,009)	(2,307,726)	(7,318,385)	(10,311,840)	(14,572,637)	(9,622,386)	-
Assumption changes	(92,962,988)	1,666,254	56,495,556	13,177,439	13,089,347	5,161,410	12,331,048	(21,130,167)	-
Benefit payments, including member refunds	(34,802,331)	(33,805,491)	(33,386,080)	(33,456,312)	(32,627,516)	(32,206,227)	(31,747,866)	(31,346,590)	(30,832,788)
Net change in total pension liability	(80,153,054)	12,067,283	60,705,735	21,720,000	18,393,039	7,544,377	9,987,906	(16,726,105)	13,686,761
Total pension liability, beginning	604,481,627	592,414,344	531,708,609	509,988,609	491,595,570	484,051,193	474,063,287	490,789,392	477,102,631
Total pension liability, ending (a)	<u>\$524,328,573</u>	<u>\$604,481,627</u>	<u>\$592,414,344</u>	<u>\$531,708,609</u>	<u>\$509,988,609</u>	<u>\$491,595,570</u>	<u>\$484,051,193</u>	<u>\$474,063,287</u>	<u>\$490,789,392</u>
Plan Fiduciary Net Position									
Employer contributions	\$ 4,533,603	\$ 4,547,136	\$ 4,491,136	\$ 4,349,056	\$ 4,398,226	\$ 4,250,560	\$ 4,252,025	\$ 4,172,968	\$ 4,278,318
Employee contributions	4,533,603	4,547,136	4,491,136	4,349,056	4,398,226	4,250,560	4,252,025	4,172,968	4,278,318
Net investment income	(97,471,031)	61,147,813	77,987,680	86,777,876	(12,362,654)	74,677,580	27,612,362	3,875,505	27,423,709
Benefit payments, including member refunds	(34,802,331)	(33,805,491)	(33,386,080)	(33,456,312)	(32,627,516)	(32,206,227)	(31,747,866)	(31,346,590)	(30,832,788)
Administrative expenses	(571,138)	(739,852)	(445,527)	(472,986)	(550,640)	(461,577)	(371,417)	(332,625)	(338,801)
Net change in plan fiduciary net position	(123,777,294)	35,696,742	53,138,345	61,546,690	(36,744,358)	50,510,896	3,997,129	(19,457,774)	4,808,756
Plan fiduciary net position, beginning	627,749,518	592,052,776	538,914,431	477,367,740	514,112,098	463,601,202	459,604,073	479,061,847	474,253,091
Plan fiduciary net position, ending (b)	<u>\$503,972,224</u>	<u>\$627,749,518</u>	<u>\$592,052,776</u>	<u>\$538,914,430</u>	<u>\$477,367,740</u>	<u>\$514,112,098</u>	<u>\$463,601,202</u>	<u>\$459,604,073</u>	<u>\$479,061,847</u>
Net pension liability, ending (a) - (b)	<u>\$ 20,356,349</u>	<u>\$ (23,267,891)</u>	<u>\$ 361,568</u>	<u>\$ (7,205,821)</u>	<u>\$ 32,620,869</u>	<u>\$ (22,516,528)</u>	<u>\$ 20,449,991</u>	<u>\$ 14,459,214</u>	<u>\$ 11,727,545</u>
Fiduciary net position as a percentage of the total pension liability	96.12%	103.85%	99.94%	101.36%	93.60%	104.58%	95.78%	96.95%	97.61%
Covered payroll	\$ 53,336,502	\$ 53,495,722	\$ 52,836,899	\$ 52,494,578	\$ 51,909,688	\$ 50,272,605	\$ 50,070,440	\$ 50,400,000	\$ 49,091,000
Net pension liability as a percentage of covered payroll	38.17%	-43.49%	0.68%	-13.73%	62.84%	-44.79%	40.84%	28.69%	23.89%

Note: Required schedule is intended to show 10-year trend. GASB 68 was adopted in 2015, as such, only nine years are presented herein. Additional years will be added as they become available.

Board of Public Utilities
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Fiscal Years Ended December 31,
(Unaudited)

Changes of actuarial assumptions and methods:

- In 2023, the assumed COLA for post January 1, 1993 retirees was changed from 1.9% for 2022, 2.5% for 2023, and 3% thereafter to 0% through 2032 and 3% thereafter, for TPL purposes only.
- In 2022, the assumed COLA for post January 1, 1993 retirees was changed from 1% through 2022 and 3% thereafter to 1.9% for 2022, 2.5% for 2023, and 3% thereafter, for TPL purposes only.
- In 2021, the assumed COLA for post January 1, 1993 retirees was changed from 1% through 2020 and 3% thereafter to 1% through 2022 and 3% thereafter, for TPL purposes only.
- In 2021, the inflation assumption was decreased from 2.60 to 2.35%.
- In 2021, the investment return assumption was decreased from 7.5% to 6.75%.
- In 2021, the general wage growth assumption was decreased from 3.35% to 3.10%.
- In 2021, the covered payroll growth assumption was decreased from 3.25% to 3.00%
- In 2021, the interest crediting rate assumption for contribution account balances was decreased from 3.5% to 3.35%.
- In 2021, The mortality assumption was changed to the Pub-2010 General Median Mortality Tables with future mortality improvements modeled using Scale MP-2020.
- In 2021, the individual salary increase assumption was modified to reflect the lower general wage increase assumption of 3.10%. In addition, the merit salary increase assumption as changed to a service-based table.
- In 2021, the asset smoothing method was modified to use a closed 5-year smoothing period instead of a closed 8-year period. The corridor was eliminated.
- In 2020, the assumed COLA for post January 1, 1993 retirees was changed from 1% through 2022 and 3% thereafter to 1% through 2020 and 3% thereafter, for TPL purposes only.

Board of Public Utilities
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Fiscal Years Ended December 31,
(Unaudited)

- In 2019, the inflation assumption was decreased from 3.10% to 2.60%.
- In 2019, the investment return assumption was decreased from 8.0% to 7.5%.
- In 2019, the general wage growth assumption was decreased from 4.0% to 3.35%.
- In 2019, the covered payroll growth assumption was decreased from 4.0% to 3.25%.
- In 2019, the interest crediting rate assumption for contribution account balances was decreased from 4.0% to 3.5%.
- In 2019, the mortality assumption was changed to the RP-2014 Blue Collar Mortality Table with future mortality improvements modeled using Scale MP-2017.
- In 2019, retirement rates were adjusted to better reflect actual experience.
- In 2019, termination rates were changed from age-based, sex-distinct assumption to a service-based, unisex assumption.
- In 2019, the individual salary increase assumption was modified to reflect the lower general wage increase assumption of 3.35%. In addition, the merit salary increase assumption was adjusted to reflect higher salary increases at younger ages.
- In 2019, the administration expense assumption was increased from 0.60% of pay to 0.70% of pay.
- In 2019, the amortization method for the unfunded actuarial liability (UAL) was changed to a “layered” amortization approach. The UAL as of January 1, 2019 will continue to be amortized according to the current schedule. New amortization bases will be created on each subsequent valuation date equal to the difference between the actual and expected UAL, with payments calculated using a closed 20-year period as a level-percent of payroll. A new amortization base will also be created when actuarial assumptions are changed or the benefit structure is modified. An appropriate period will be determined by the Board for these events, after discussion with the actuary.
- In 2018, the assumed COLA for post January 1, 1993 retirees was changed from 1% through 2022 and 3% thereafter to 1% through 2021 and 3% thereafter, for TPL purposes only.

Board of Public Utilities
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Fiscal Years Ended December 31,
(Unaudited)

- In 2017, the assumed COLA for post January 1, 1993 retirees was changed from 1% through 2025 and 3% thereafter to 1% through 2022 and 3% thereafter for TPL purposes only.
- In 2016, the assumed COLA for post January 1, 1993 retirees was changed from 1% through 2020 and 3% thereafter to 1% through 2025 and 3% thereafter for TPL purposes only.

Board of Public Utilities
Required Supplementary Information
Schedule of Employer 10 Year Contributions
December 31,
(Dollar amounts in thousands)
(Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 6,690	\$ 6,256	\$ 8,030	\$ 4,084	\$ 5,561	\$ 6,458	\$ 5,781	\$ 7,263	\$ 7,428	\$ 7,887
Actual employer contributions	4,676	4,534	4,547	4,491	4,462	4,398	4,251	4,252	4,173	4,278
Contribution deficiency (excess)	\$ 2,014	\$ 1,723	\$ 3,483	\$ (407)	\$ 1,099	\$ 2,060	\$ 1,530	\$ 3,011	\$ 3,255	\$ 3,609
Covered payroll	\$ 55,017	\$ 53,337	\$ 53,496	\$ 52,837	\$ 52,494	\$ 51,910	\$ 50,273	\$ 50,070	\$ 49,091	\$ 50,128
Contribution as a percentage of covered payroll	8.50%	8.50%	8.50%	8.50%	8.50%	8.47%	8.46%	8.49%	8.50%	8.53%

Board of Public Utilities
Required Supplementary Information
Schedule of Employer 10 Year Contributions
December 31,
(Dollar amounts in thousands)
(Unaudited)

Notes to Required Supplementary Information for Contributions

The following actuarial methods and assumptions were used to determine the actuarially determined contribution reported in the most recent actuarial valuation (January 1, 2023):

Actuarial cost method	Entry age normal cost
Amortization method	Level percentage of payroll, closed,
Remaining amortization period	Layered bases having 16-20 years remaining
Asset valuation method	5-year smoothed market
Inflation	2.35 percent
Salary increases	3.10 to 6.10 percent
Investment rate of return	6.75 percent
Cost-of-living adjustments	3.00 percent

Changes of benefits and funding tiers: In 2010, The Pension Board Trustees adopted a new plan design for members hired on or after January 1, 2010. The new plan is a career average defined benefit plan. The Pension Board Trustees increased the member contribution rate from 5.5 percent to 8.5 percent. This also increased the BPU's matching contribution rate.

Board of Public Utilities
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
Fiscal Years Ended December 31,
(Unaudited)

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 2,671,292	\$ 2,606,139	\$ 2,978,629	\$ 2,864,066	\$ 2,777,950	\$ 2,689,238
Interest on total OPEB liability	1,020,372	994,983	1,631,759	1,531,224	1,677,527	1,617,127
Changes of benefit terms	(7,066,895)					
Experience losses (gains)	571,001	-	(8,065,304)	-	(294,584)	-
Changes of assumptions	(11,426,382)	-	(2,080,843)	-	(5,201,435)	-
Benefit Payments/Refunds	(2,212,671)	(2,873,127)	(2,533,557)	(3,765,029)	(3,651,823)	(3,825,597)
Net change in total OPEB liability	(16,443,283)	727,995	(8,069,316)	630,261	(4,692,365)	480,768
Total OPEB liability, beginning	43,584,221	42,856,226	50,925,542	50,295,281	54,987,646	54,506,878
Total OPEB liability, ending	<u>\$ 27,140,938</u>	<u>\$ 43,584,221</u>	<u>\$ 42,856,226</u>	<u>\$ 50,925,542</u>	<u>\$ 50,295,281</u>	<u>\$ 54,987,646</u>
Covered employee payroll	\$ 46,676,805	\$ 44,821,400	\$ 43,728,195	\$ 48,912,628	\$ 47,719,637	\$ 48,709,400
Total OPEB liability as a percentage of covered employee payroll	58.15%	97.24%	98.01%	104.12%	105.40%	112.89%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

Changes of benefit terms: Benefit terms during 2023 were updated as discussed on the next page.

Changes of benefit assumptions: There were no changes of benefit assumptions in 2023

Board of Public Utilities
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
Fiscal Years Ended December 31,
(Unaudited)

Changes of plan provisions, actuarial assumptions and actuarial methods in 2023:

- The discount rate increased from 2.26% from 4.12%.
- Retiree medical eligibility was updated for Tier II participants. Tier II participants are now eligible for retiree medical benefits if they retire after reaching age 60 with 20 years of service. Previously all participants were eligible for retiree medical benefits if they retired after reaching age 55 with 7 years if service.
- The medical trend was updated to 7.00% graded uniformly to 4.50% over 10 years.

Changes of plan provisions, actuarial assumptions and actuarial methods: There were no changes of plan provisions, actuarial assumptions and actuarial methods in 2022.

Changes of plan provisions, actuarial assumptions and actuarial methods in 2021:

- The discount rate decreased to 2.26% from 3.10%.
- The mortality improvement rates were updated to the PUB-2010 Amount Weighted Mortality Table base rates with scale MP-2021.
- The medical trend was updated to 7.50% graded uniformly to 4.50% over 13 years.

Changes of plan provisions, actuarial assumptions and actuarial methods in 2019:

- The discount rate increased to 3.10% from 3.03%.
- The mortality improvement rates were updated to use MP2019, compared to MP2017.
- The medical trend was updated to follow the Getzen model after a three-year transition period starting at 7.25% and decreasing uniformly to 6.50%.
- The medical aging factors were updated to adjust for age and gender and are assumed to follow the Yamamoto aging assumptions.

Board of Public Utilities
Required Supplementary Information
Schedule of Changes in Total OPEB Liability and Related Ratios
Fiscal Years Ended December 31,
(Unaudited)

This schedule is intended to show information for 10 years. Additional years will be included as they become available. This information is presented as of the measurement date, which is the same as each of the years presented above.



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Board of Public Utilities
Combining Statements of Net Position
December 31, 2023 and 2022

Assets and Deferred Outflows of Resources	Electric		Water		Total Utility	
	2023	2022	2023	2022	2023	2022
Current assets:						
Cash and cash equivalents	\$ 38,058,155	\$ 5,477,835	\$ 20,143,750	\$ 19,278,056	\$ 58,201,905	\$ 24,755,891
Investments	—	19,808,027	—	—	—	19,808,027
Cash and cash equivalents – restricted	9,797,586	9,104,664	1,834,248	2,006,288	11,631,834	11,110,952
Investments – restricted	14,202,426	13,574,386	1,871,613	2,756,174	16,074,039	16,330,560
Accounts receivable – customers and other	27,669,850	28,529,670	3,886,693	3,925,613	31,556,543	32,455,283
Accounts receivable – unbilled	12,737,456	13,371,654	2,863,404	2,652,575	15,600,860	16,024,229
Allowance for doubtful accounts	(54,676)	(146,535)	(35,753)	(74,994)	(90,429)	(221,529)
Inventories	30,271,805	27,224,825	3,283,148	3,240,019	33,554,953	30,464,844
Regulatory assets	—	14,781,274	—	—	—	14,781,274
Prepayments and other current assets	3,818,176	3,841,599	85,040	60,841	3,903,216	3,902,440
Total current assets	<u>136,500,778</u>	<u>135,567,399</u>	<u>33,932,143</u>	<u>33,844,572</u>	<u>170,432,921</u>	<u>169,411,971</u>
Noncurrent assets:						
Property, plant, and equipment	1,547,029,711	1,497,721,959	444,105,490	432,622,422	1,991,135,201	1,930,344,381
Less accumulated depreciation	(799,692,405)	(768,325,820)	(179,445,465)	(171,072,518)	(979,137,870)	(939,398,338)
Plant in service, net	<u>747,337,306</u>	<u>729,396,139</u>	<u>264,660,025</u>	<u>261,549,904</u>	<u>1,011,997,331</u>	<u>990,946,043</u>
Construction work in progress	46,691,194	64,165,794	27,965,684	21,590,062	74,656,878	85,755,856
Capital assets, net	<u>794,028,500</u>	<u>793,561,933</u>	<u>292,625,709</u>	<u>283,139,966</u>	<u>1,086,654,209</u>	<u>1,076,701,899</u>
Restricted assets:						
Cash and cash equivalents	1,350,000	2,623,016	150,000	150,000	1,500,000	2,773,016
Investments	—	249,000	—	—	—	249,000
Net pension asset	—	18,614,313	—	4,653,578	—	23,267,891
Total restricted assets	<u>1,350,000</u>	<u>21,486,329</u>	<u>150,000</u>	<u>4,803,578</u>	<u>1,500,000</u>	<u>26,289,907</u>
System development costs	471,701	609,927	63,000	90,002	534,701	699,929
Regulatory assets	58,848,909	62,526,966	—	—	58,848,909	62,526,966
Lease Receivable	<u>11,124,055</u>	<u>13,016,013</u>	<u>—</u>	<u>—</u>	<u>11,124,055</u>	<u>13,016,013</u>
Total noncurrent assets	<u>865,823,165</u>	<u>891,201,168</u>	<u>292,838,709</u>	<u>288,033,546</u>	<u>1,158,661,874</u>	<u>1,179,234,714</u>
Total assets	<u>1,002,323,943</u>	<u>1,026,768,567</u>	<u>326,770,852</u>	<u>321,878,118</u>	<u>1,329,094,795</u>	<u>1,348,646,685</u>
Deferred outflows of resources:						
Deferred loss on bond refunding	3,609,871	4,299,675	536,961	707,311	4,146,832	5,006,986
Deferred outflow - Pension	76,170,406	32,364,027	19,068,938	8,117,344	95,239,344	40,481,371
Deferred outflow - OPEB	388,622	—	97,155	—	485,777	—
Total deferred outflow of resources	<u>80,168,899</u>	<u>36,663,702</u>	<u>19,703,054</u>	<u>8,824,655</u>	<u>99,871,953</u>	<u>45,488,357</u>
Total assets and deferred outflows of resources	<u>\$ 1,082,492,842</u>	<u>\$ 1,063,432,269</u>	<u>\$ 346,473,906</u>	<u>\$ 330,702,773</u>	<u>\$ 1,428,966,748</u>	<u>\$ 1,394,135,042</u>

Board of Public Utilities
Combining Statements of Net Position
December 31, 2023 and 2022

Liabilities, Deferred Inflows of Resources, and Net Position	Electric		Water		Total Utility	
	2023	2022	2023	2022	2023	2022
Liabilities:						
Current liabilities:						
Current maturities of revenue bonds	\$ 23,848,250	\$ 20,339,000	\$ 4,711,750	\$ 7,161,000	\$ 28,560,000	\$ 27,500,000
Current maturities of government loans	243,816	233,165	3,614,477	2,993,031	3,858,293	3,226,196
Accrued interest	6,185,812	6,472,294	288,261	355,867	6,474,073	6,828,161
Customer deposits	6,159,317	6,003,034	1,366,496	1,313,535	7,525,813	7,316,569
Accounts payable	21,353,989	25,949,694	3,655,689	5,765,439	25,009,678	31,715,133
Payroll and payroll taxes	282,434	592,446	1,163,084	1,784,335	1,445,518	2,376,781
Accrued claims payable	713,917	794,053	—	—	713,917	794,053
Workers compensation reserve	1,713,214	1,410,198	490,091	449,807	2,203,305	1,860,005
Public liability reserve	478,780	430,412	214,697	190,134	693,477	620,546
Other accrued liabilities	8,524,899	8,242,518	11,931	64,756	8,536,830	8,307,274
Payment-in-lieu of taxes	2,382,513	2,606,121	437,811	435,504	2,820,324	3,041,625
Construction Contract Retainage Payable Current Interdepartmental balances	—	33,582	631,353	225,185	631,353	258,767
	(39,966,389)	(37,597,507)	39,966,389	37,597,507	—	—
Total current liabilities	<u>31,920,552</u>	<u>35,509,010</u>	<u>56,552,029</u>	<u>58,336,100</u>	<u>88,472,581</u>	<u>93,845,110</u>
Noncurrent liabilities:						
Long-term debt – revenue bonds	503,708,507	529,203,680	40,305,063	45,150,088	544,013,570	574,353,768
Government loans	2,040,193	2,284,008	26,976,461	21,375,809	29,016,654	23,659,817
Total long-term debt	<u>505,748,700</u>	<u>531,487,688</u>	<u>67,281,524</u>	<u>66,525,897</u>	<u>573,030,224</u>	<u>598,013,585</u>
Total other postemployment benefit liability	21,712,750	34,867,377	5,428,188	8,716,844	27,140,938	43,584,221
Reserve for compensated absences	7,070,381	6,474,601	1,487,419	967,469	8,557,800	7,442,070
Net pension liability	16,285,079	—	4,071,270	—	20,356,349	—
Noncurrent liabilities	<u>550,816,910</u>	<u>572,829,666</u>	<u>78,268,401</u>	<u>76,210,210</u>	<u>629,085,311</u>	<u>649,039,876</u>
Total liabilities	<u>582,737,462</u>	<u>608,338,676</u>	<u>134,820,430</u>	<u>134,546,310</u>	<u>717,557,892</u>	<u>742,884,986</u>
Deferred inflows of resources:						
Deferred gain on bond refundings	508,588	580,536	137,480	157,803	646,068	738,339
Recovery fuel purchased power	4,087,528	—	—	—	4,087,528	—
Deferred Inflow - Pension	58,038,937	46,758,471	14,509,733	11,689,618	72,548,670	58,448,089
Deferred Inflow - OPEB	13,043,126	7,231,198	3,260,782	1,807,800	16,303,908	9,038,998
Deferred Inflow - Leases	12,775,846	14,754,757	—	—	12,775,846	14,754,757
Total deferred inflows of resources	<u>88,454,025</u>	<u>69,324,962</u>	<u>17,907,995</u>	<u>13,655,221</u>	<u>106,362,020</u>	<u>82,980,183</u>
Net position:						
Net investment in capital assets	266,714,764	244,227,980	216,437,782	206,784,362	483,152,546	451,012,342
Restricted - debt service	20,070,694	18,906,015	2,709,365	3,818,928	22,780,059	22,724,943
Restricted - net pension asset	—	18,614,313	—	4,653,578	—	23,267,891
Unrestricted	124,515,897	104,020,323	(25,401,666)	(32,755,626)	99,114,231	71,264,697
Total net position	<u>411,301,355</u>	<u>385,768,631</u>	<u>193,745,481</u>	<u>182,501,242</u>	<u>605,046,836</u>	<u>568,269,873</u>
Total liabilities, deferred inflows of resources & net position	<u>\$ 1,082,492,842</u>	<u>\$ 1,063,432,269</u>	<u>\$ 346,473,906</u>	<u>\$ 330,702,773</u>	<u>\$ 1,428,966,748</u>	<u>\$ 1,394,135,042</u>

Board of Public Utilities
Combining Statements of Revenues, Expenses and Change in Net Position
Years Ended December 31, 2023 and 2022

	Electric		Water		Total Utility	
	2023	2022	2023	2022	2023	2022
Operating revenues:						
Residential	\$ 86,932,769	\$ 85,641,891	\$ 25,755,539	\$ 24,749,255	\$ 112,688,308	\$ 110,391,146
Commercial	119,268,738	115,324,995	12,493,812	11,642,371	131,762,550	126,967,366
Industrial	50,745,888	51,528,923	6,247,444	6,204,262	56,993,332	57,733,185
Other	25,676,479	35,736,849	4,810,541	4,708,835	30,487,020	40,445,684
Energy rate component recovery	(14,781,274)	12,468,276	—	—	(14,781,274)	12,468,276
Payment-in-lieu of taxes	32,471,745	31,554,468	5,726,098	5,519,426	38,197,843	37,073,894
Total operating revenues	<u>300,314,345</u>	<u>332,255,402</u>	<u>55,033,434</u>	<u>52,824,149</u>	<u>355,347,779</u>	<u>385,079,551</u>
Operating expenses:						
Fuel	32,678,912	55,754,914	—	—	32,678,912	55,754,914
Purchased power	55,620,242	67,452,166	—	—	55,620,242	67,452,166
Production	40,894,606	36,780,229	5,832,796	5,662,278	46,727,402	42,442,507
Transmission and distribution	31,206,641	31,442,950	14,197,068	14,802,057	45,403,709	46,245,007
General and administrative	30,115,891	19,759,749	9,251,509	6,869,273	39,367,400	26,629,022
Depreciation and amortization	35,796,198	32,941,288	8,449,701	8,311,849	44,245,899	41,253,137
Total operating expenses	<u>226,312,490</u>	<u>244,131,296</u>	<u>37,731,074</u>	<u>35,645,457</u>	<u>264,043,564</u>	<u>279,776,753</u>
Operating income	<u>74,001,855</u>	<u>88,124,106</u>	<u>17,302,360</u>	<u>17,178,692</u>	<u>91,304,215</u>	<u>105,302,798</u>
Nonoperating income (expense):						
Interest expense	(19,217,070)	(20,135,886)	(1,596,016)	(1,893,403)	(20,813,086)	(22,029,289)
Payment-in-lieu of taxes	(32,471,745)	(31,554,468)	(5,726,098)	(5,519,426)	(38,197,843)	(37,073,894)
Other	3,219,684	1,571,789	689,585	216,073	3,909,269	1,787,862
Total nonoperating expense, net	<u>(48,469,131)</u>	<u>(50,118,565)</u>	<u>(6,632,529)</u>	<u>(7,196,756)</u>	<u>(55,101,660)</u>	<u>(57,315,321)</u>
Income before contributions and transfers	<u>25,532,724</u>	<u>38,005,541</u>	<u>10,669,831</u>	<u>9,981,936</u>	<u>36,202,555</u>	<u>47,987,477</u>
Contributions and transfers:						
Contributions from developers and others	—	—	574,408	1,362,312	574,408	1,362,312
Change in net position	<u>25,532,724</u>	<u>38,005,541</u>	<u>11,244,239</u>	<u>11,344,248</u>	<u>36,776,963</u>	<u>49,349,789</u>
Net Position, Beginning of Year	<u>385,768,631</u>	<u>347,763,090</u>	<u>182,501,242</u>	<u>171,156,994</u>	<u>568,269,873</u>	<u>518,920,084</u>
Net Position, End of year	<u>\$ 411,301,355</u>	<u>\$ 385,768,631</u>	<u>\$ 193,745,481</u>	<u>\$ 182,501,242</u>	<u>\$ 605,046,836</u>	<u>\$ 568,269,873</u>

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

The Board of Directors
Board of Public Utilities
Kansas City, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Board of Public Utilities of Kansas City, Kansas (the BPU), which comprise the BPU's statement of net position as of December 31, 2023, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 20, 2024, which contained an "Emphasis of Matter" paragraph regarding presentation of only the BPU financial statements.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

FORVIS, LLP

Kansas City, Missouri
May 20, 2024



Statistical Section (Unaudited)

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

<i>Contents</i>	Page
<u>Financial Trends</u>	87
These schedules contain trend information to help the reader understand how the utility's financial performance and well-being have changed over time.	
<u>Revenue Capacity</u>	89
These schedules contain information to help the reader assess the utility's most significant local revenue source.	
<u>Debt Capacity</u>	91
These schedules present information to help the reader assess the affordability of the utility's current levels of outstanding debt and the utility's ability to issue additional debt in the future.	
<u>Demographic and Economic Information</u>	94
These schedules offer demographic and economic indicators to help the reader understand how the information in the utility's financial activities takes place.	
<u>Operating Information</u>	99
These schedules contain service and infrastructure data to help the readers understand how the information in the utility's financial report relates to the services the utility provides and the activities it performs.	

Financial Trends



Net Position By Component
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Investment in Capital Assets:										
Capital assets, net of depreciation	\$ 866,886,249	\$ 937,144,580	\$ 1,056,866,885	\$ 1,085,876,104	\$ 1,106,310,690	\$ 1,128,250,318	\$ 1,069,848,798	\$ 1,072,433,104	\$ 1,076,701,900	\$ 1,086,654,209
Bonds and notes payable:										
Principal, long term	(467,692,007)	(523,972,467)	(611,647,461)	(645,044,993)	(640,847,083)	(635,790,263)	(620,231,173)	(595,110,716)	(572,831,752)	(544,013,570)
Government Loans	(30,415,148)	(31,193,378)	(31,425,644)	(32,076,338)	(31,553,635)	(31,086,167)	(28,058,177)	(24,932,056)	(23,659,817)	(29,016,654)
Capital Leases	(854,126)	(2,261,192)	(1,003,499)	-	-	-	-	-	-	-
Principal, current	(18,230,000)	(19,340,000)	(19,995,000)	(20,735,000)	(23,885,000)	(24,700,000)	(25,395,000)	(26,360,000)	(27,500,000)	(28,560,000)
Government Loans, current	(1,748,714)	(2,081,722)	(2,650,896)	(2,734,035)	(2,821,191)	(2,935,102)	(3,372,052)	(3,126,122)	(3,226,196)	(3,858,293)
Capital Leases, current	(600,093)	(1,551,182)	(1,257,694)	(1,003,499)	-	-	-	-	-	-
Retainage Liability	-	-	(17,645,683)	(1,020,187)	(1,949,083)	(1,753,890)	(1,346,228)	(240,796)	(258,767)	(631,353)
Capital Assets in Accounts Payable									(2,481,673)	(922,557)
Deferred Outflow of Resources	13,379,768	12,226,051	14,478,732	12,990,591	11,502,447	10,014,303	7,246,003	6,126,495	5,006,986	4,146,832
Deferred Inflow of Resources							(922,878)	(830,608)	(738,339)	(646,068)
Total Net Investment in Capital Assets:	\$ 360,725,929	\$ 368,970,690	\$ 385,719,740	\$ 396,252,643	\$ 416,757,145	\$ 441,999,199	\$ 397,769,293	\$ 427,959,301	\$ 451,012,342	\$ 483,152,546
Restricted Net Position (A)										
Bond covenant requirements	\$ 135,307,603	\$ 53,414,286	\$ 140,494,752	\$ 84,472,520	\$ 62,681,627	\$ 39,646,700	\$ 33,880,894	\$ 31,117,638	\$ 24,246,959	\$ 22,780,059
Bond proceeds designated for project construction (B)	(109,205,755)	(31,487,584)	(117,521,257)	(60,256,043)	(37,436,271)	(14,660,410)	(11,542,992)	(8,523,250)	(1,522,016)	-
Bond principal unspent	-	-	-	-	-	-	-	-	-	-
Funds segregated under City Ordinance due to	3,796,842	4,103,492	4,118,734	5,449,008	6,733,792	6,965,610	7,351,651	7,179,201	7,316,569	7,525,813
Liability for customer deposits	(3,796,842)	(4,103,492)	(4,194,474)	(5,449,008)	(6,733,792)	(6,965,610)	(7,351,651)	(7,179,201)	(7,316,569)	(7,525,813)
Net Pension Asset	-	-	-	-	22,516,528	-	7,205,822	-	23,267,891	-
Total Restricted Net Position	\$ 26,101,848	\$ 21,926,702	\$ 22,897,755	\$ 24,216,477	\$ 47,761,884	\$ 24,986,290	\$ 29,543,724	\$ 22,594,388	\$ 45,992,834	\$ 22,780,059
Unrestricted Net Position										
Other designated funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve funds	-	-	-	-	-	-	-	-	-	-
Funds held for future improvements	-	-	-	-	-	-	-	-	-	-
Project construction accounts	-	-	-	-	-	-	-	-	-	-
Unrestricted - Other	37,943,638	53,521,776	36,556,998	38,174,218	(11,935,046)	1,786,661	56,761,319	68,366,393	71,264,697	99,114,231
Total Unrestricted Net Position	\$ 37,943,638	\$ 53,521,776	\$ 36,556,998	\$ 38,174,218	\$ (11,935,046)	\$ 1,786,661	\$ 56,761,319	\$ 68,366,393	\$ 71,264,697	\$ 99,114,231
Total Net Position	\$ 424,771,415	\$ 444,419,168	\$ 445,174,493	\$ 458,643,338	\$ 452,583,983	\$ 468,772,150	\$ 484,074,336	\$ 518,920,082	\$ 568,269,873	\$ 605,046,836

Footnote A

Per Question 95 of "Guide to Implementation of GASB Statement 34 on Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments" (Implementation Guide), restricted Net Position should be reported when constraints placed on net asset use are either:

- a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments.
- b. Imposed by law through constitutional provisions or enabling legislation.

The basic concept is that restrictions are not unilaterally established by the reporting government itself, and cannot be removed without the consent of those imposing the restrictions or through formal due process.

Footnote B

Per the Implementation Guide, if there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds should not be included in the "calculation of net investment in capital assets." The unspent portion of the debt would be included in the calculation of Net Position restricted for capital projects.

Combined Operating Statements
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating Revenues										
Residential	\$ 89,816,917	\$ 86,380,759	\$ 89,793,663	\$ 96,264,382	\$ 106,047,470	\$ 99,988,671	\$ 99,892,366	\$ 98,837,029	\$ 110,391,146	\$ 112,688,308
Commercial	104,306,455	101,468,567	101,480,393	113,608,013	118,435,681	112,966,497	107,334,998	104,869,840	126,967,366	131,762,550
Industrial	47,842,971	50,923,573	50,595,037	54,653,921	57,246,465	55,539,127	52,532,940	45,213,319	57,733,185	56,993,332
Other	43,412,193	35,805,009	28,665,489	20,278,405	38,572,604	34,554,724	25,444,107	66,416,519	40,445,684	30,487,020
Deferred Energy Rate Component	(5,129,895)	(2,112,487)	171,983	(171,983)	-	-	-	2,312,998	12,468,276	(14,781,274)
Payment-in-lieu of taxes	31,291,744	30,658,851	30,336,724	32,673,555	35,490,480	34,116,534	32,687,316	31,715,220	37,073,894	38,197,843
Total Operating Revenues	311,540,385	303,124,272	301,043,289	317,306,293	355,792,700	337,165,553	317,891,727	349,364,925	385,079,551	355,347,779
Operating Expenses										
Production	(1) 139,651,369	118,860,432	127,789,644	135,704,266	146,034,208	135,534,744	129,396,973	145,848,723	165,649,587	135,026,556
Transmission & Distribution	41,865,301	47,304,341	47,459,564	45,780,972	48,593,280	52,260,989	45,129,256	46,294,841	46,245,007	45,403,709
General and Administrative	34,179,058	35,096,181	34,997,762	32,584,960	24,375,263	34,962,802	31,199,100	29,722,913	26,629,022	39,367,400
Depreciation & Amortization	32,939,640	47,538,375	36,436,756	31,608,943	36,110,255	35,835,585	37,473,399	39,056,593	41,253,137	44,245,899
Total Operating Expense	248,635,368	248,799,329	246,683,726	245,679,141	255,113,006	258,594,120	243,198,728	260,923,070	279,776,753	264,043,564
Operating Income	62,905,017	54,324,943	54,359,563	71,627,152	100,679,694	78,571,433	74,692,999	88,441,855	105,302,798	91,304,215
Interest Income/(Expense)	(2) (23,329,806)	(23,725,356)	(23,497,562)	(25,705,028)	(26,484,517)	(28,593,656)	(27,778,968)	(22,833,328)	(20,241,428)	(16,903,817)
Payment-in-lieu of taxes	(31,291,744)	(30,658,851)	(30,336,724)	(32,673,555)	(35,490,480)	(34,116,534)	(32,687,316)	(31,715,220)	(37,073,894)	(38,197,843)
Nonoperating Income/(Expense)	(54,621,550)	(54,384,206)	(53,834,286)	(58,378,583)	(61,974,997)	(62,710,190)	(60,466,284)	(54,548,548)	(57,315,322)	(55,101,660)
Income/Loss	8,283,467	(59,263)	525,277	13,248,569	38,704,697	15,861,243	14,226,715	33,893,307	47,987,476	36,202,555
Contributions	206,722	951,950	230,046	220,273	-	326,924	1,075,471	952,442	1,362,312	574,408
Change In Net Position	\$ 8,490,189	\$ 892,687	\$ 755,323	\$ 13,468,842	\$ 38,704,697	\$ 16,188,167	\$ 15,302,186	\$ 34,845,749	\$ 49,349,788	\$ 36,776,963

Footnotes:

- (1) Includes fuel, purchased power and production.
- (2) Includes other non operating income.

Revenue Capacity



Board of Public Utilities

ELECTRIC UTILITY SYSTEMS SALES

LAST TEN FISCAL YEARS

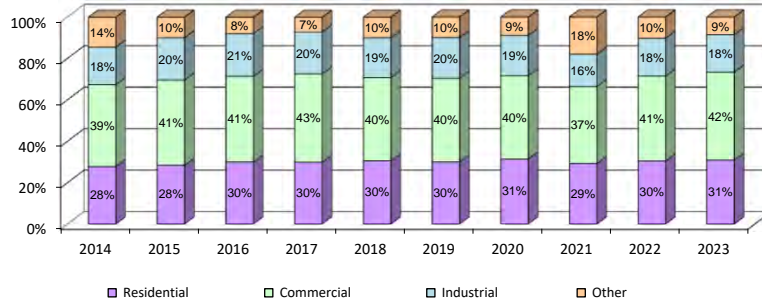
Residential							Commercial						
	Dollars/\$s	(Kwh)	Customers	Average kWh	Average Monthly kWh	Average Sales \$/s		Dollars/\$s	(Kwh)	Customers	Average kWh	Average Monthly kWh	Average Sales \$/s
2014	\$ 66,175,299	570,452,010	57,104	9,990	832	\$ 1,158.86	\$	93,289,110	972,781,805	6,897	141,044	11,754	\$ 13,526.04
2015	\$ 62,913,435	553,722,235	57,138	9,691	808	\$ 1,101.08	\$	90,640,767	971,810,982	6,946	139,909	11,659	\$ 13,049.35
2016	\$ 65,823,214	578,784,449	57,952	9,987	832	\$ 1,135.82	\$	90,335,199	976,063,357	6,836	142,783	11,899	\$ 13,214.63
2017	\$ 72,054,974	565,191,151	58,432	9,673	806	\$ 1,233.14	\$	102,217,692	963,303,327	6,826	141,123	11,760	\$ 14,974.76
2018	\$ 81,811,709	615,850,423	58,556	10,517	876	\$ 1,397.15	\$	106,882,111	1,031,359,796	6,837	150,850	12,571	\$ 15,632.90
2019	\$ 75,952,160	585,778,805	58,907	9,944	829	\$ 1,289.36	\$	101,781,643	964,951,084	6,799	141,925	11,827	\$ 14,970.09
2020	\$ 75,024,142	582,140,237	59,493	9,785	815	\$ 1,261.06	\$	96,258,037	907,606,621	6,833	132,827	11,069	\$ 14,087.23
2021	\$ 74,240,513	598,542,538	59,786	10,011	834	\$ 1,241.77	\$	93,894,764	958,610,707	6,901	138,909	11,576	\$ 13,605.96
2022	\$ 85,641,891	602,404,017	60,117	10,021	835	\$ 1,424.59	\$	115,324,995	1,001,706,441	6,943	144,276	12,023	\$ 16,610.25
2023	\$ 86,932,769	604,322,700	60,864	9,929	827	\$ 1,428.31	\$	119,268,737	1,008,455,871	7,241	139,270	11,606	\$ 16,471.31

Industrial							Other						
	Dollars/\$s	(Kwh)	Customers	Average kWh	Average Monthly kWh	Average Sales \$/s		Dollars/\$s	(Kwh)	Customers	Average kWh	Average Monthly kWh	Average Sales \$/s
2014	\$ 42,828,672	554,090,099	90	6,156.557	513,046	\$ 475,874.13	\$	34,251,771	397,969,989	199	1,999,849	166,654	\$ 172,119.45
2015	\$ 45,014,967	622,671,779	88	7,075.816	589,651	\$ 511,533.72	\$	21,934,068	352,047,700	195	1,805,373	150,448	\$ 112,482.40
2016	\$ 44,967,833	599,924,592	87	6,895.685	574,640	\$ 516,871.64	\$	17,322,688	355,559,247	197	1,804,869	150,406	\$ 87,932.43
2017	\$ 48,680,080	558,582,767	83	6,729.913	560,826	\$ 586,506.99	\$	17,131,916	265,561,130	175	1,517,492	126,458	\$ 97,896.66
2018	\$ 51,385,553	594,719,707	83	7,165.298	597,108	\$ 619,103.05	\$	26,472,362	432,377,270	178	2,429,086	202,424	\$ 148,721.13
2019	\$ 49,601,656	569,703,684	84	6,782.187	565,182	\$ 590,495.90	\$	25,071,583	496,463,564	165	3,008,870	250,739	\$ 151,948.99
2020	\$ 46,214,139	513,639,581	84	6,114.757	509,563	\$ 550,168.32	\$	21,282,792	416,611,395	177	2,353,737	196,145	\$ 120,241.76
2021	\$ 39,501,911	467,110,055	83	5,627.832	468,986	\$ 475,926.64	\$	45,483,852	394,880,324	168	2,350,478	195,873	\$ 270,737.21
2022	\$ 51,528,923	539,367,635	82	6,577.654	548,138	\$ 628,401.50	\$	28,792,457	399,715,268	165	2,422,517	201,876	\$ 174,499.74
2023	\$ 50,745,888	484,415,775	79	6,131.845	510,987	\$ 642,353.01	\$	24,111,394	539,770,449	166	3,251,629	270,969	\$ 145,249.36

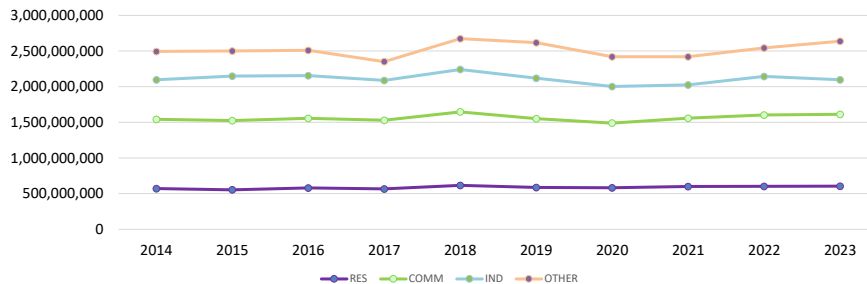
*Other includes Schools, Wholesale Sales, Highway Lighting and Public Authorities

Total						
	Dollars/\$s	(Kwh)	Customers	Average kWh	Average Monthly kWh	Average Sales \$/s
2014	\$ 236,544,852	2,495,293,903	64,290	38,813	3,234	\$ 3,679
2015	\$ 220,503,237	2,500,252,696	64,367	38,844	3,237	\$ 3,426
2016	\$ 218,448,934	2,510,331,645	65,072	38,578	3,215	\$ 3,357
2017	\$ 240,084,662	2,352,638,375	65,516	35,909	2,992	\$ 3,665
2018	\$ 266,551,735	2,674,307,196	65,654	40,733	3,394	\$ 4,060
2019	\$ 252,407,042	2,616,897,137	65,955	39,677	3,306	\$ 3,827
2020	\$ 238,779,110	2,419,997,834	66,587	36,343	3,029	\$ 3,586
2021	\$ 253,121,040	2,419,143,624	66,938	36,140	3,012	\$ 3,781
2022	\$ 281,288,266	2,543,193,361	67,307	37,785	3,149	\$ 4,179
2023	\$ 281,058,788	2,636,964,795	68,350	38,580	3,215	\$ 4,112

Percentage of Electric Utility Sales (2014-2023)



KWH by Class (2014-2023)



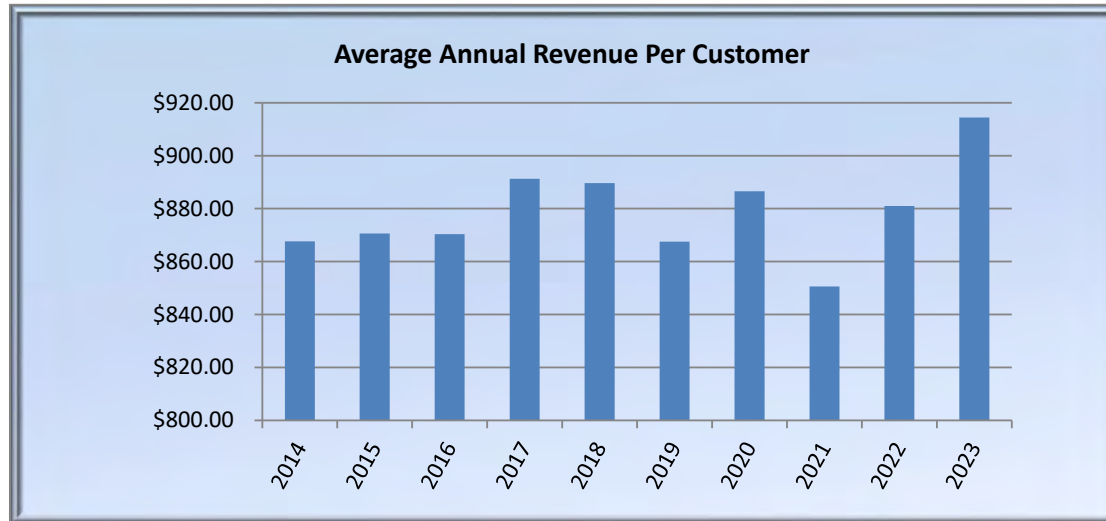
Board of Public Utilities

Water Sales

Last Ten Fiscal Years

Fiscal Year	Gallons Pumped	Gallons Sold	Operating Revenue	Average Number of Customers	Average Revenue Per Customer
2014	10,708,060,000	6,240,941,000	\$ 43,714,822	50,384	\$867.63
2015	10,335,230,000	6,377,958,000	\$ 44,451,047	51,060	\$870.56
2016	10,621,330,000	6,473,999,000	\$ 44,588,234	51,232	\$870.32
2017	10,446,880,000	6,405,780,000	\$ 46,063,465	51,683	\$891.27
2018	10,935,800,000	6,917,117,000	\$ 46,190,960	51,923	\$889.60
2019	11,157,640,000	6,738,982,000	\$ 45,528,747	52,484	\$867.48
2020	10,731,940,000	6,668,798,000	\$ 47,016,561	53,034	\$886.54
2021	10,655,090,000	5,975,827,000	\$ 45,528,120	53,528	\$850.55
2022	11,183,920,000	6,222,138,000	\$ 47,304,722	53,695	\$880.99
2023	10,833,710,000	6,238,928,000	\$ 49,307,337	53,921	\$914.44

NOTE: Gallons sold excludes internal BPU department use and water services provided to the Unified Government of Wyandotte County/Kansas City, Kansas.



Debt Capacity



Board of Public Utilities

Utility System Revenue Bonded Indebtedness

Last Ten Fiscal Years

Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Current Year Net Revenue Available for Debt Service	Maximum Outstanding Annual Debt Service (3)	Debt Service					
					Principal (3)	Interest (3)	Total (3)	Coverage (4)	Percentage of Personal Income (5)	Per Capita (5)
2014	\$ 311,682,145	\$ 215,695,728	\$ 95,986,417	\$ 49,344,896	580,178,862	348,063,141	928,242,003	1.94	9.1%	\$ 3,873
2015	\$ 304,013,043	\$ 201,260,954	\$ 102,752,089	\$ 50,117,164	563,060,100	322,942,821	886,002,921	2.03	9.3%	\$ 3,735
2016	\$ 300,906,787	\$ 210,246,970	\$ 90,659,817	\$ 58,791,060	714,361,539	463,204,520	1,177,566,059	1.57	15.3%	\$ 4,763
2017	\$ 319,335,382	\$ 214,070,198	\$ 105,265,184	\$ 58,791,060	695,100,373	431,129,444	1,126,229,817	1.78	14.4%	\$ 4,609
2018	\$ 358,352,708	\$ 219,002,751	\$ 139,349,957	\$ 58,791,060	670,929,825	398,585,911	1,069,515,736	2.36	13.5%	\$ 4,455
2019	\$ 339,997,594	\$ 222,758,535	\$ 117,239,059	\$ 58,864,282	649,691,269	367,453,580	1,017,144,849	2.04	12.6%	\$ 4,287
2020	\$ 318,032,730	\$ 205,725,330	\$ 112,307,400	\$ 52,293,942	649,635,229	289,966,738	939,601,967	2.15	12.1%	\$ 4,167
2021	\$ 347,712,960	\$ 219,553,479	\$ 128,159,481	\$ 52,206,664	645,868,177	270,382,978	916,251,155	2.45	10.4%	\$ 3,888
2022	\$ 374,524,978	\$ 226,055,340	\$ 148,469,638	\$ 52,424,285	630,882,055	250,342,691	881,224,746	2.83	9.2%	\$ 3,793
2023	\$ 374,307,895	\$ 234,578,938	\$ 139,728,957	\$ 52,424,285	600,155,859	229,248,028	829,403,887	2.67	9.2%	\$ 3,663

NOTE: The most restrictive bond ordinance provides for historical net revenue coverage at 120 percent of the Maximum Outstanding Annual Debt Service.

- (1) Total operating revenues, interest on investments, other interest and income (excluding Construction Fund) and other.
- (2) Total operating expenses exclusive of depreciation and amortization.
- (3) The maximum outstanding annual debt service and debt service includes the payments required for the government loans.
- (4) Current Year Net Revenue Available for Debt Service divided by Maximum Outstanding Annual Debt Service
- (5) Population and personal income data can be found in the Deomographic Schedule.

Board of Public Utilities
UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
RATIOS OF OUTSTANDING DEBT
Last Ten Fiscal Years

Fiscal Year	Revenue Bonds	Capital Leases	Revolving Loan	Total Debt ⁽¹⁾	Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾
2014	594,842,762	1,454,219	32,448,862	628,745,843	9.1%	\$ 3,873
2015	574,800,051	3,812,374	33,275,100	611,887,525	9.3%	\$ 3,735
2016	749,163,718	2,261,193	34,076,540	785,501,451	15.3%	\$ 4,763
2017	726,036,036	1,003,499	34,810,371	761,849,906	14.4%	\$ 4,609
2018	702,168,354	-	34,374,826	736,543,180	13.5%	\$ 4,455
2019	675,150,673	-	34,021,269	709,171,942	12.6%	\$ 4,287
2020	657,169,165	-	31,430,229	688,599,394	12.1%	\$ 4,167
2021	629,993,966	-	28,058,178	658,052,144	10.4%	\$ 3,888
2022	601,853,768	-	26,886,013	628,739,781	9.2%	\$ 3,793
2023	572,573,570	-	32,874,947	605,448,517	9.2%	\$ 3,663

(1) Details regarding outstanding debt can be found in the notes to the financial statements.

(2) Population and personal income data can be found in the Demographic Schedule.

Board of Public Utilities

Debt per Customer

Last Ten Fiscal Years

Year	Total Electric				
	Principal	Interest	Total	Customers	Debt / Customer
2014	6,006,202	13,967,449	19,973,651	64,290	311
2015	13,374,647	23,175,436	36,550,083	64,367	568
2016	13,132,257	21,674,172	34,806,429	65,072	535
2017	15,109,395	27,432,979	42,542,374	65,516	649
2018	15,668,083	28,121,516	43,789,600	65,654	667
2019	18,633,362	27,551,597	46,184,963	65,955	700
2020	19,194,875	26,699,303	45,894,183	66,587	689
2021	19,160,972	21,280,549	40,441,521	66,938	604
2022	19,455,446	20,448,297	39,903,743	67,307	593
2023	20,572,165	19,503,552	40,075,717	68,350	586
Total	173,297,615	247,411,723	420,709,348	65,800	580

Year	Total Water				
	Principal	Interest	Total	Customers	Debt / Customer
2014	3,553,934	4,034,112	7,588,046	50,384	151
2015	6,528,435	5,080,064	11,608,499	51,060	227
2016	7,183,067	4,648,256	11,831,323	51,232	231
2017	7,536,501	4,645,095	12,181,596	51,683	236
2018	7,800,952	4,419,018	12,219,971	51,923	235
2019	8,153,737	4,105,635	12,259,372	52,484	234
2020	8,440,227	3,790,867	12,231,094	53,034	231
2021	9,606,080	2,246,340	11,852,421	53,528	221
2022	10,030,676	1,879,003	11,909,679	53,695	222
2023	10,154,031	1,591,111	11,745,142	53,921	218
Total	84,122,659	41,869,580	125,992,239	52,079	220

Year	Total Combined				
	Principal	Interest	Total	Customers	Debt / Customer
2014	9,560,136	18,001,561	27,561,697	114,674	240
2015	19,903,082	28,255,500	48,158,582	115,427	417
2016	20,315,324	26,322,428	46,637,752	116,304	401
2017	22,645,896	32,078,074	54,723,970	117,199	467
2018	23,469,036	32,540,535	56,009,570	117,577	476
2019	26,787,099	31,657,231	58,444,335	118,439	493
2020	27,635,102	30,490,170	58,125,277	119,621	486
2021	28,767,052	23,526,890	52,293,942	120,466	434
2022	29,486,122	22,327,300	51,813,422	121,002	428
2023	30,726,196	21,094,663	51,820,860	122,271	424
Total	257,420,274	289,281,303	546,701,587	117,879	421

Demographic and Economic Information



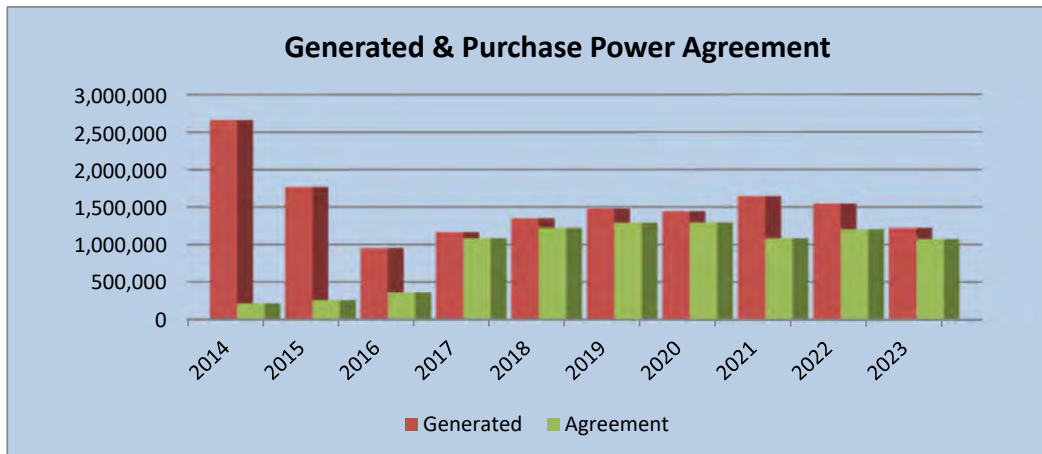
Board of Public Utilities

Electric Load Statistics in Megawatts

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Generated</u>	<u>Purchase Power Agreement</u>	<u>Market Purchases/(Sales)</u>	<u>Total Load</u>	<u>System Peak</u>	<u>Maximum Net Capability</u>
2014	2,661,052	214,332	(464,931)	2,410,453	459	728
2015	1,767,688	257,821	382,733	2,408,242	485	718
2016	954,458	360,986	1,116,577	2,432,021	480	718
2017	1,164,228	1,083,830	104,101	2,352,158	494	726
2018	1,350,390	1,224,246	(39,637)	2,534,999	496	726
2019	1,478,032	1,292,993	(363,824)	2,407,201	483	580
2020	1,444,815	1,295,707	(467,177)	2,273,346	443	580
2021	1,644,248	1,084,048	(414,118)	2,314,178	464	588
2022	1,546,652	1,204,501	(290,981)	2,460,173	485	822
2023	1,224,116	1,072,917	59,756	2,356,789	481	822

- NOTES:**
- Generated amounts include BPU's owned generating assets less system usage.
 - BPU's portion of Dogwood's generation is included in the generated amounts.
 - Purchase power agreements (PPA) represent renewable energy generated outside BPU's service territory and sold directly through the Southwest Power Pool.
 - Total load is the amount of power supplied to BPU's retail and borderline customers.



Board of Public Utilities

PRINCIPAL CUSTOMERS (Ten year history)			
2008	Revenue		2009
General Motor's (Auto Production)	\$ 8,636,200		Owens Corning Fiberglass (Insulation)
Owens Corning Fiberglass (Insulation)	8,114,700		General Motor's (Auto Production)
Univ. of Kansas Medical Ctr. (Hospital)	6,577,700		CertainTeed Corp. (Insulation)
CertainTeed Corp. (Insulation)	5,120,500		Procter & Gamble Co. (Cleaning Products)
Griffin Wheel (Railroad Wheels)	4,819,500		Griffin Wheel (Railroad Wheels)
WaterOne of Johnson County (Water Utility)	4,557,700		Univ. of Kansas Medical Ctr. (Hospital)
Procter & Gamble Co. (Cleaning Products)	4,539,400		WaterOne of Johnson County (Water Utility)
Sunshine Biscuit (Food Manufacturer)	1,798,000		Univ. of Kansas Hospital Authority (Hospital)
Burlington Northern/Sante Fe (Railroad)	1,785,000		Magellan Pipeline Company (Petroleum Pipeline)
GNB Battery (Battery Manufacturer)	1,649,300		Burlington Northern/Sante Fe (Railroad)
			8,411,448
			7,775,949
			4,980,249
			4,678,197
			4,131,327
			3,849,712
			3,394,275
			3,224,570
			1,866,769
			1,855,297
2013	Revenue		2014
General Motor's (Auto Production)	\$ 9,270,426		General Motor's (Auto Production)
Griffin Wheel (Railroad Wheels)	\$ 5,630,110		Griffin Wheel (Railroad Wheels)
Owens Corning Fiberglass (Insulation)	\$ 5,399,261		Owens Corning Fiberglass (Insulation)
WaterOne of Johnson County (Water Utility)	\$ 5,058,926		WaterOne of Johnson County (Water Utility)
Univ. of Kansas Hospital Authority (Hospital)	\$ 4,338,344		Univ. of Kansas Hospital Authority (Hospital)
CertainTeed Corp. (Insulation)	\$ 4,070,531		CertainTeed Corp. (Insulation)
Univ. of Kansas Medical Center (Hospital)	\$ 3,933,091		Univ. of Kansas Medical Center (Hospital)
Procter & Gamble Co. (Cleaning Products)	\$ 3,900,600		Procter & Gamble Co. (Cleaning Products)
Magellan Pipeline Company (Petroleum Pipeline)	\$ 2,018,430		Magellan Pipeline Company (Petroleum Pipeline)
Sara Lee Foods Corporation (Packaged Foods)	\$ 1,958,357		Keebler Company (Food Manufacturer)
			\$ 11,111,432
			\$ 6,616,049
			\$ 5,787,124
			\$ 5,086,239
			\$ 4,582,043
			\$ 4,168,566
			\$ 4,128,363
			\$ 3,581,800
			\$ 2,277,962
			\$ 2,088,604
2014	Revenue		2015
General Motor's (Auto Production)	\$ 11,111,432		General Motor's (Auto Production)
Griffin Wheel (Railroad Wheels)	\$ 6,616,049		Griffin Wheel (Railroad Wheels)
Owens Corning Fiberglass (Insulation)	\$ 5,787,124		CertainTeed Corp. (Insulation)
WaterOne of Johnson County (Water Utility)	\$ 5,086,239		Owens Corning Fiberglass (Insulation)
Univ. of Kansas Hospital Authority (Hospital)	\$ 4,582,043		Univ. of Kansas Hospital Authority (Hospital)
CertainTeed Corp. (Insulation)	\$ 4,168,566		WaterOne of Johnson County (Water Utility)
Univ. of Kansas Medical Center (Hospital)	\$ 4,128,363		Univ. of Kansas Medical Center (Hospital)
Procter & Gamble Co. (Cleaning Products)	\$ 3,581,800		Procter & Gamble Co. (Cleaning Products)
Magellan Pipeline Company (Petroleum Pipeline)	\$ 2,277,962		P Q Corporation (Chemicals Manufacturer)
Keebler Company (Food Manufacturer)	\$ 2,088,604		Hillshire Brands (Food Manufacturer)
			\$ 14,149,360
			\$ 6,847,075
			\$ 6,584,360
			\$ 5,622,261
			\$ 5,135,283
			\$ 4,637,054
			\$ 4,406,627
			\$ 4,373,082
			\$ 2,430,849
			\$ 2,274,983
2016	Revenue		2017
General Motor's (Auto Production)	\$ 12,137,710		General Motor's (Auto Production)
CertainTeed Corp. (Insulation)	\$ 9,374,453		CertainTeed Corp. (Insulation)
Griffin Wheel (Railroad Wheels)	\$ 5,705,991		Griffin Wheel (Railroad Wheels)
Univ. of Kansas Hospital Authority (Hospital)	\$ 4,909,834		Univ. of Kansas Hospital Authority (Hospital)
WaterOne of Johnson County (Water Utility)	\$ 4,896,004		Owens Corning Fiberglass (Insulation)
Owens Corning Fiberglass (Insulation)	\$ 4,825,533		WaterOne of Johnson County (Water Utility)
Procter & Gamble Co. (Cleaning Products)	\$ 4,356,090		Univ. of Kansas Medical Center (Hospital)
Univ. of Kansas Medical Center (Hospital)	\$ 4,265,334		Procter & Gamble Co. (Cleaning Products)
P Q Corporation (Chemicals Manufacturer)	\$ 2,670,974		P Q Corporation (Chemicals Manufacturer)
GNB Battery (Battery Manufacturer)	\$ 2,312,000		GNB Battery (Battery Manufacturer)
			\$ 10,945,178
			\$ 10,726,179
			\$ 6,656,822
			\$ 6,631,641
			\$ 5,777,506
			\$ 5,752,958
			\$ 4,801,206
			\$ 4,677,147
			\$ 2,935,005
			\$ 2,823,661
2018	Revenue		2019
General Motor's (Auto Production)	\$ 12,542,607		General Motor's (Auto Production)
CertainTeed Corp. (Insulation)	\$ 11,253,924		CertainTeed Corp. (Insulation)
Griffin Wheel (Railroad Wheels)	\$ 7,823,039		Griffin Wheel (Railroad Wheels)
WaterOne of Johnson County (Water Utility)	\$ 6,892,251		WaterOne of Johnson County (Water Utility)
Univ. of Kansas Hospital Authority (Hospital)	\$ 6,426,046		Univ. of Kansas Hospital Authority (Hospital)
Owens Corning Fiberglass (Insulation)	\$ 6,183,292		Owens Corning Fiberglass (Insulation)
Procter & Gamble Co. (Cleaning Products)	\$ 4,961,457		Procter & Gamble Co. (Cleaning Products)
Univ. of Kansas Medical Center (Hospital)	\$ 4,959,198		Univ. of Kansas Medical Center (Hospital)
P Q Corporation (Chemicals Manufacturer)	\$ 3,065,642		P Q Corporation (Chemicals Manufacturer)
Keebler Company (Food Manufacturer)	\$ 2,812,566		Keebler Company (Food Manufacturer)
			\$ 13,401,776
			\$ 13,085,501
			\$ 8,545,022
			\$ 7,364,110
			\$ 7,151,463
			\$ 6,327,404
			\$ 5,441,844
			\$ 5,343,639
			\$ 3,709,720
			\$ 3,063,239
2020	Revenue		2021
General Motor's (Auto Production)	\$ 12,295,126		General Motor's (Auto Production)
CertainTeed Corp. (Insulation)	\$ 12,287,073		CertainTeed Corp. (Insulation)
WaterOne of Johnson County (Water Utility)	\$ 7,614,250		WaterOne of Johnson County (Water Utility)
Griffin Wheel (Railroad Wheels)	\$ 7,311,151		Griffin Wheel (Railroad Wheels)
Univ. of Kansas Hospital Authority (Hospital)	\$ 7,094,013		Univ. of Kansas Hospital Authority (Hospital)
Univ. of Kansas Medical Center (Hospital)	\$ 4,836,499		Univ. of Kansas Medical Center (Hospital)
Procter & Gamble Co. (Cleaning Products)	\$ 4,306,739		Procter & Gamble Co. (Cleaning Products)
Owens Corning Fiberglass (Insulation)	\$ 4,132,337		Owens Corning Fiberglass (Insulation)
P Q Corporation (Chemicals Manufacturer)	\$ 3,326,773		P Q Corporation (Chemicals Manufacturer)
Keebler Company (Food Manufacturer)	\$ 3,133,673		Keebler Company (Food Manufacturer)
			\$ 9,991,138
			\$ 7,060,713
			\$ 6,555,503
			\$ 6,316,777
			\$ 5,995,176
			\$ 5,558,762
			\$ 3,313,535
			\$ 3,086,009
			\$ 2,516,314
			\$ 2,449,382
2022	Revenue		2023
General Motor's (Auto Production)	\$ 12,158,411		General Motor's (Auto Production)
CertainTeed Corp. (Insulation)	\$ 11,837,863		CertainTeed Corp. (Insulation)
WaterOne of Johnson County (Water Utility)	\$ 8,700,581		WaterOne of Johnson County (Water Utility)
Univ. of Kansas Hospital Authority (Hospital)	\$ 7,772,842		Griffin Wheel (Railroad Wheels)
Griffin Wheel (Railroad Wheels)	\$ 7,553,727		Univ. of Kansas Hospital Authority (Hospital)
Owens Corning Fiberglass (Insulation)	\$ 7,111,759		Owens Corning Fiberglass (Insulation)
Univ. of Kansas Medical Center (School / Hospital)	\$ 4,186,940		Univ. of Kansas Medical Center (School / Hospital)
Procter & Gamble Co. (Cleaning Products)	\$ 3,822,879		Ecovyst Catalyst Technologies (Chemicals Manufacturer)
Ecovyst Catalyst Technologies (Chemicals Manufacturer)	\$ 3,675,380		Advantage Metals Recycling, LLC (Metal Recycling)
Stryten Energy (Energy Storage)	\$ 3,092,291		Amazon.com.KSDC, LLC (Online Retail)
			\$ 12,279,142
			\$ 12,220,131
			\$ 9,661,278
			\$ 7,738,929
			\$ 7,694,289
			\$ 7,442,764
			\$ 4,571,094
			\$ 3,716,596
			\$ 3,670,497
			\$ 3,274,373

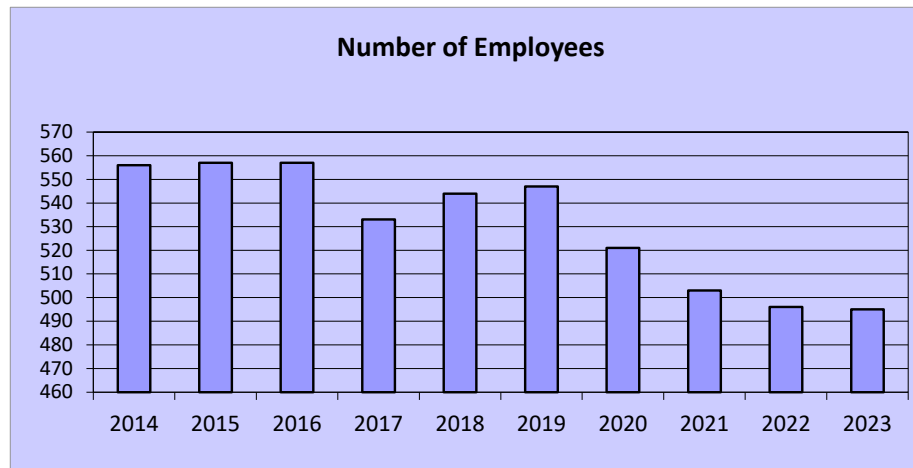
Board of Public Utilities

Employee Data

Last Ten Fiscal Year

Fiscal Year	Salaries	Employee Benefits and Payroll Taxes (1)	Total Salary And Benefits (2)	Number of Employees As of December 31, (3)
2014	\$ 50,128,257	\$ 28,327,841	\$ 70,156,566	556
2015	\$ 49,616,092	\$ 26,999,213	\$ 69,373,164	557
2016	\$ 50,386,498	\$ 26,829,378	\$ 69,763,315	557
2017	\$ 50,446,956	\$ 28,680,273	\$ 71,303,334	533
2018	\$ 52,109,160	\$ 28,343,762	\$ 72,511,843	544
2019	\$ 53,032,489	\$ 31,404,739	\$ 76,496,149	547
2020	\$ 53,567,578	\$ 30,616,356	\$ 76,169,739	521
2021	\$ 54,185,156	\$ 29,014,127	\$ 75,185,088	503
2022	\$ 54,088,777	\$ 32,259,431	\$ 77,672,675	496
2023	\$ 55,677,976	\$ 29,014,127	\$ 76,016,570	495

- (1) Includes compensated absences that are also included in salaries
- (2) Excludes paid time not worked.
- (3) Excludes temporary employees and employees on long-term disability.



Board of Public Utilities
UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	County Population ¹	Personal Income ² (<i>thousands of dollars</i>)	Per Capita ² Personal Income	County-wide Public School Enrollment ³	Unemployment Rate
2014	162,320	\$6,912,435	\$42,641	30,200	6.9%
2015	163,832	\$6,574,820	\$40,242	30,414	6.0%
2016	164,934	\$5,141,826	\$31,273	30,826	5.5%
2017	165,313	\$5,303,254	\$32,085	31,578	5.2%
2018	165,324	\$5,435,835	\$32,663	31,436	4.8%
2019	165,429	\$5,623,400	\$33,900	32,353	4.3%
2020	165,265	\$5,670,813	\$34,107	31,376	7.8%
2021	169,245	\$6,340,465	\$38,329	32,091	4.7%
2022	165,746	\$6,823,748	\$40,892	30,895	3.5%
2023	165,281	\$6,588,644	\$39,931	31,564	3.4%

Sources and Notes:

¹ U.S. Dept of Commerce, Bureau of Census, Local Population Estimates; non-decennial Census figures are time-series data updated annually with release of annual population estimate. Note, the 2020 population number is from the decennial Census count.

² Personal Income and Per Capita Personal Income per U.S. Bureau of Economic Analysis. Most recent year is an estimate based on trends.

³ School enrollment of Kansas City, Kansas #500, Turner #202, Piper #203, Bonner Springs #204 and parochial schools in Wyandotte County.

Board of Public Utilities
UNIFIED GOVERNMENT OF WYANDOTTE COUNTY / KANSAS CITY, KANSAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	Fiscal Year 2023			Fiscal Year 2014		
	Employees in County (Employment Range)	Rank	Percentage of Total County Employment	Employees in County (Employment Range)	Rank	Percentage of Total County Employment
Kansas University Health Systems	8500+	1	8.93%	4500-5000	1	6.80%
Kansas City, KS School District #500	4500-5000	2	4.81%	3000-3500	4	3.85%
University of Kansas Medical Center	3500-4000	3	4.09%	3500-4000	2	4.12%
Amazon Fullfillment Center	3500-4000	4	3.51%	-	-	-
United Parcel Service	1000-2499	5	2.94%	-	-	-
Unified Government of Wyandotte Co/KCK	1000-2499	6	2.54%	1000-2499	7	2.63%
Associated Wholesale Grocers	1000-2499	7	2.43%	1000-2499	8	1.35%
General Motors Corporation	1000-2499	8	2.33%	3500-4000	3	4.01%
URBN Outfitters	1000-2499	9	1.58%			
Providence Medical Center	1000-2499	10	1.37%	1000-2499	9	1.34%
Burlington Norther Santa Fe	-	-	-	2500-3000	5	2.83%
Cerner	-	-	-	1000-2499	6	2.75%
Nebraska Furniture Mart	-	-	-	1000-2499	10	1.29%
	32,864		34.51%	23,613		30.97%

Source: Unified Government Finance Department, Research Division.

Operating Information



Board of Public Utilities

Electric Rates 2013 thru 2023

	Jan-13		Mar-17		Dec-18		Aug-23	
	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter
Residential								
Rate Code 100								
Customer Charge	\$ 16.00	\$ 16.00	\$ 19.00	\$ 19.00	\$ 22.00	\$ 22.00	\$ 24.00	\$ 24.00
Energy Charge:								
First 1,000 kWh	0.07240	0.05610	0.06406	0.06406	0.06466	0.06466	0.06911	0.06911
Next 1,000 kWh	0.08480	0.05430	0.06406	0.06406	0.06466	0.06466	0.06911	0.03750
All Additional kWh	0.10630	0.05430	0.06406	0.06406	0.06466	0.06466	0.06911	0.03750
Residential Electric Heating								
Rate Code 101 (Started Jan-2011)								
Customer Charge	16.00	16.00	19.00	19.00	22.00	22.00	\$ 24.00	\$ 24.00
Energy Charge:								
First 1,000 kWh	0.07240	0.05610	0.06406	0.06406	0.06466	0.06466	0.06911	0.06911
Next 1,000 kWh	0.08480	0.03960	0.06406	0.03906	0.06466	0.03966	0.06911	0.03750
All Additional kWh	0.10630	0.03400	0.06406	0.03906	0.06466	0.03966	0.06911	0.03750
Small General Service								
Rate Code 200								
Customer Charge	30.00	30.00	35.00	35.00	40.00	40.00	42.00	42.00
Energy Charge:								
First 3,500 kWh	0.08570	0.07450	0.04677	0.04677	0.04733	0.04733	0.04746	0.04746
All Additional kWh	0.03610	0.02480	0.04677	0.04677	0.04733	0.04733	0.04746	0.04746
Facilities Charge:								
Secondary Service	2.71	2.71	3.26	3.26	3.30	3.30	3.38	3.38
Primary Service	2.14	2.14	2.62	2.62	2.65	2.65	2.74	2.74
Demand Charge:								
First 10 kW	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge
All Additional kW	7.33	7.33	5.50	5.50	5.57	5.57	5.75	5.75
*Metering Adjustment:								
Primary	-2.00%	-2.00%	-2.00%	-2.00%	-2.00%	-2.00%	-2.00%	-2.00%
Secondary	NA	NA	NA	NA	NA	NA	NA	NA
Customers without Demand Meters								
All kWh	0.1026	0.0947	0.09280	0.09280	0.08846	0.08846	0.08850	0.08850
Small General Service Electric Heating								
Rate Code 201 (Started Mar-2017)								
Customer Charge			35.00	35.00	40.00	40.00	42.00	42.00
Energy Charge:								
First 3,500 kWh			0.04677	0.04677	0.04733	0.04733	0.04746	0.04746
All Additional kWh			0.04677	0.02677	0.04733	0.02709	0.04746	0.02712
Facilities Charge:								
Secondary Service			3.26	3.26	3.30	3.30	3.38	3.38
Primary Service			2.62	2.62	2.65	2.65	2.74	2.74
Demand Charge:								
First 10 kW			No Charge	No Charge	No Charge	No Charge	No Charge	No Charge
All Additional kW			5.50	5.50	5.57	5.57	5.75	5.75
*Metering Adjustment:								
Primary			-2.00%	-2.00%	-2.00%	-2.00%	-2.00%	-2.00%
Secondary			NA	NA	NA	NA	NA	NA

*Metering Adjustment:

For years 2013-Current when a meter is installed which does not compensate for transformer losses, the customer's metered kWh and kW is adjusted according to the percentages.

Notes:

Source: Board of Public Utilities approved rate tariffs.

Rate Component Information Available for 2013-2023

Years represented are for years with rate tariff adjustments.

Board of Public Utilities

Electric Rates 2013 thru 2023

	Jan-13		Mar-17		Dec-18		Aug-23	
	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter
Medium General Service Rate								
Rate Code 250 (Started Jan-2011)								
Customer Charge	65.00	65.00	75.00	75.00	85.00	85.00	90.00	90.00
Energy Charge:								
First 300 kWh per kW	0.04950	0.03850	0.03637	0.03637	0.03724	0.03724	0.03739	0.03739
All Additional kWh	0.01650	0.01430	0.02137	0.02137	0.02188	0.02188	0.02201	0.02201
Facilities Charge:								
Secondary Service	3.26	3.26	4.02	4.02	4.11	4.11	4.22	4.22
Primary Service	2.58	2.58	3.46	3.46	3.54	3.54	3.65	3.65
Demand Charge:								
All Additional kW	7.21	7.21	6.50	6.50	6.66	6.66	6.88	6.88
*Metering Adjustment:								
Primary	NA	NA	NA	NA	NA	NA	NA	NA
Secondary	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Medium General Service Rate Electric Heating								
Rate Code 251 (Started Mar-2017)								
Customer Charge			75.00	75.00	85.00	85.00	90.00	90.00
Energy Charge:								
First 300 kWh per kW			0.03637	0.03637	0.03724	0.03724	0.03739	0.03739
All Additional kWh			0.02137	0.01137	0.02188	0.01164	0.02201	0.02201
Facilities Charge:								
Secondary Service			4.02	4.02	4.11	4.11	4.22	4.22
Primary Service			3.46	3.46	3.54	3.54	3.65	3.65
Demand Charge:								
All Additional kW			6.50	6.50	6.66	6.66	6.88	6.88
*Metering Adjustment:								
Primary			NA	NA	NA	NA	NA	NA
Secondary			2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Large General Service Rate								
Rate Code 300								
Customer Charge	140.00	140.00	155.00	155.00	170.00	170.00	180.00	180.00
Energy Charge:								
First 300 kWh per kW	0.04360	0.03340	0.03540	0.03540	0.03636	0.03636	0.03661	0.03661
All Additional kWh	0.01460	0.01460	0.01540	0.01540	0.01582	0.01582	0.01591	0.01591
Facilities Charge:								
Secondary Service	3.3	3.3	4.02	4.02	4.13	4.13	4.26	4.26
Primary Service	2.62	2.62	3.46	3.46	3.56	3.56	3.68	3.68
Demand Charge:								
All Additional kW	8.43	8.43	8.43	8.43	8.66	8.66	8.9	8.9
*Metering Adjustment:								
Secondary	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Primary	NA	NA	NA	NA	NA	NA	NA	NA

*Metering Adjustment:

For years 2013-Current when a meter is installed which does not compensate for transformer losses, the customer's metered kWh and kW is adjusted according to the percentages.

Notes:

Source: Board of Public Utilities approved rate tariffs.

Rate Component Information Available for 2013-2023

Years represented are for years with rate tariff adjustments.

Board of Public Utilities

Electric Rates 2013 thru 2023

	Jan-13		Mar-17		Dec-18		Aug-23	
	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter
Large General Service Rate Electric Heating								
Rate Code 301 (Started Mar-2017)								
Customer Charge			155.00	155.00	170.00	170.00	180.00	180.00
Energy Charge:								
First 300 kWh per kW			0.03540	0.03540	0.03636	0.03636	0.03661	0.03661
All Additional kWh			0.00540	0.00540	0.00555	0.00555	0.01591	0.00555
Facilities Charge:								
Secondary Service			4.02	4.02	4.13	4.13	4.26	4.26
Primary Service			3.46	3.46	3.56	3.56	3.68	3.68
Demand Charge:								
All Additional kW			8.43	8.43	8.66	8.66	8.9	8.9
*Metering Adjustment:								
Secondary			2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Primary			NA	NA	NA	NA	NA	NA
Large Power Service Rate								
Rate Code 400								
Customer Charge	300.00	300.00	350.00	350.00	400.00	400.00	420.00	420.00
Energy Charge:								
First 300 kWh per kW	0.02490	0.02260	0.02081	0.02081	0.02183	0.02183	0.02211	0.02211
All Additional kWh	0.01190	0.01080	0.01050	0.01050	0.01101	0.01101	0.01099	0.01099
Facilities Charge:								
Secondary Service	2.83	2.83	3.24	3.24	3.40	3.40	3.50	3.50
Primary Service	2.25	2.25	2.75	2.75	2.88	2.88	2.95	2.95
Substation Service	0.85	0.85	0.95	0.95	1.00	1.00	1.03	1.03
Demand Charge:								
All Additional kW	9.26	9.26	9.26	9.26	9.71	9.71	9.90	9.90
*Metering Adjustment:								
Primary	NA	NA	NA	NA	NA	NA	NA	NA
Secondary	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Substation Service	-2.8%	-2.8%	-2.8%	-2.8%	-2.8%	-2.8%	-2.8%	-2.8%
Transmission	-3.3%	-3.3%	-3.3%	-3.3%	-3.3%	-3.3%	-3.3%	-3.3%
Large Power Service Rate Electric Heating								
Rate Code 401 (Started Mar-2017)								
Customer Charge			350.00	350.00	400.00	400.00	420.00	420.00
Energy Charge:								
First 300 kWh per kW			0.02081	0.02081	0.02183	0.02183	0.02211	0.02211
All Additional kWh			0.01050	0.00550	0.01101	0.00577	0.01099	0.00360
Facilities Charge:								
Secondary Service			3.24	3.24	3.40	3.40	3.50	3.50
Primary Service			2.75	2.75	2.88	2.88	2.95	2.95
Substation Service			0.95	0.95	1.00	1.00	1.03	1.03
Demand Charge:								
All Additional kW			6.95	6.95	8.56	8.56	9.90	9.90
*Metering Adjustment:								
Primary			NA	NA	NA	NA	NA	NA
Secondary			2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Substation Service			-2.8%	-2.8%	-2.8%	-2.8%	-2.8%	-2.8%
Transmission			-3.3%	-3.3%	-3.3%	-3.3%	-3.3%	-3.3%

*Metering Adjustment:

For years 2013-Current when a meter is installed which does not compensate for transformer losses, the customer's metered kWh and kW is adjusted according to the percentages.

Notes:

Source: Board of Public Utilities approved rate tariffs.

Rate Component Information Available for 2013-2023

Years represented are for years with rate tariff adjustments.

Board of Public Utilities

Electric Rates 2013 thru 2023

	Jan-13		Mar-17		Dec-18		Aug-23			
	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter		
Large Power High Load Factor										
Rate Code 450 (Started Mar-2017)										
Customer Charge			350.00	350.00	400.00	400.00	420.00	420.00		
Facilities Charge:										
Secondary Service			3.24	3.24	3.40	3.40	3.50	3.50		
Primary Service			2.75	2.75	2.88	2.88	2.95	2.95		
Substation Service			0.95	0.95	1.00	1.00	1.03	1.03		
Demand Charge:										
All Additional kW			17.50	17.50	17.93	17.93	18.11	18.11		
*Metering Adjustment:										
Primary			NA	NA	NA	NA	NA	NA		
Secondary			2.0%	2.0%	2.0%	2.0%	2.0%	2.0%		
Substation Service			-2.8%	-2.8%	-2.8%	-2.8%	-2.8%	-2.8%		
Transmission			-3.3%	-3.3%	-3.3%	-3.3%	-3.3%	-3.3%		
Average Monthly Residential kWh	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	808	832	806	876	829	815	834	835	827	
Average Energy Rate Component (ERC)	2015	2016	2017	2018	2019	2020	2021	2022	2023	
	0.03139	0.02939	0.03539	0.03340	0.03270	0.03200	0.02647	0.04071	0.04498	
Environmental Surcharge (ESC)	2015	2016	Jan-Feb 2017	Mar-Dec 2017	2018	2019	2020	2021	2022	2023
Rate Code 100 (kWh)	0.00304	0.00444	0.00664	0.00899	0.01000	0.00902	0.00892	0.00857	0.01006	0.01094
Rate Code 200 (kWh)	0.00443	0.00656	0.00973	0.01128	0.01134	0.01039	0.01034	0.01010	0.01214	0.01310
Rate Code 250 (kW)	1.19839	1.70924	2.61501	3.98803	3.92962	3.71095	3.67398	3.29417	3.93938	4.30671
Rate Code 300 (kW)	1.19839	1.70924	2.61501	2.14008	3.77993	3.42465	3.55253	3.20436	3.82812	4.28721
Rate Code 400 (kW)	1.50282	2.03925	2.90730	3.69120	4.11948	3.81418	3.73724	3.15847	3.66200	4.06433
Rate Code USD500 (kWh)	0.00382	0.00535	0.00841	0.01125	0.01063	0.01041	0.01005	0.00843	0.00982	0.01055

*Metering Adjustment:

For years 2013-Current when a meter is installed which does not compensate for transformer losses, the customer's metered kWh and kW is adjusted according to the percentages.

Notes:

Source: Board of Public Utilities approved rate tariffs.

Rate Component Information Available for 2013-2023

Years represented are for years with rate tariff adjustments.

Board of Public Utilities

Water Rates 2013 thru 2023

Meter Size	Jan-13	Aug-23
Monthly Customer Access Charge		
5/8"	\$ 19.35	\$ 19.35
3/4"	23.55	24.05
1"	29.35	30.65
1.5"	46.00	49.40
2"	62.60	68.00
3"	136.00	150.50
4"	219.00	243.50
6"	427.00	477.00
8"	635.00	711.00
10"	843.00	944.00
12" and Larger	967.00	1,083.00
Monthly Minimum Bill		
5/8"	19.74	19.77
3/4"	41.83	43.88
1"	58.22	61.97
1.5"	101.77	109.91
2"	150.51	163.40
3"	289.51	317.10
4"	465.99	511.56
6"	916.71	1,008.50
8"	1,451.07	1,596.72
10"	2,067.43	2,272.94
12" and Larger	2,488.27	2,734.12
CCF Units		
Per Month		
0 to 7	3.890	4.220
8 to 160	3.280	3.560
161 to 2000	3.280	3.560
2001 to 8000	3.030	3.290
All over 8000	3.030	3.290
Private Fire Protection Rates		
2"	7.97	7.97
4"	20.44	20.44
6"	49.86	49.86
8"	100.21	100.21
10"	175.95	175.95
12" and Larger	281.10	281.10
Hydrant Daily Fee		1.5

Notes:

Source: Board of Public Utilities approved rate tariffs.

Years represented are for years with rate tariff adjustments.

Board of Public Utilities

Capital Operating Indicators LAST 10 FISCAL YEARS

Water System:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Miles of Water Mains	967.04	966.85	967.74	970.14	966.64	963.94	959.84	957	1,001	1,001
Number of New Service Taps	155	187	205	311	257	185	167	166	158	113
Max. Day Pumped (Gallons)	39,880,000	36,390,000	40,590,000	38,890,000	29,570,000	42,090,000	43,470,000	36,860,000	38,170,000	41,650,000
Min. Day Pumped (Gallons)	24,400,000	22,230,000	23,720,000	23,680,000	24,960,000	25,130,000	24,180,000	23,390,000	24,820,000	23,450,000
Max. Rate (MGD)	54	54	54	54	54	54	54	54	54	54
Water Main Breaks	606	499	444	481	602	528	376	419	476	453
Avg daily consumption (gallons)	29,326,000	28,251,482	29,098,630	28,612,843	30,046,990	30,475,805	29,322,263	29,100,678	30,746,230	29,715,484

Source: Various water divisions.

Board of Public Utilities

Staffing by Division
2014 - 2023 Budget

Department	2014 Approved	2015 Approved	2016 Approved	2017 Approved	2018 Approved	2019 Approved	2020 Approved	2021 Approved	2022 Approved	2023 Approved
1000 ES Administration	4	4	4	4	4	4	4	5	5	1
1600 Electric System Control	25	25	24	24	24	24	24	23	23	23
Total Electric Supply	29	29	28	28	28	28	28	28	28	24
1100 EP Administration	7	7	7	9	8	6	6	4	4	4
1101 Maintenance and Planning	2	2	2	2	2	2	1	1	1	1
1103 EP Engineers Common	5	5	5	4	4	5	7	8	8	8
1301 EP Maintenance-Quindaro	21	20	15	14	13	9	0	0	0	0
1302 EP Operations-Quindaro	38	38	29	23	21	17	5	0	0	0
1303 EP Engineering - Quindaro	3	3	3	3	3	1	0	0	0	0
1401 EP Maintenance-Nearman	20	20	22	26	27	27	29	29	31	30
1402 EP Operations-Nearman	35	35	35	38	39	40	48	46	41	39
1403 EP Engineering - Nearman	2	2	2	2	2	1	0	0	0	0
1500 Common Plant Maintenance	38	35	35	33	33	32	30	30	17	15
Total Electric Production	171	167	155	154	152	140	126	118	102	97
1900 EO Administration	2	2	2	2	2	2	2	2	2	2
2000 EO Planning	4	4	2	2	2	3	3	5	2	2
2100 EO Transmission	85	85	82	81	81	80	78	78	78	78
2200 EO Substation / Relay	13	13	13	14	14	15	15	15	17	17
2300 Telecommunications	7	8	8	8	8	8	8	8	8	8
2500 EO Grounds / Claims	1	1	2	2	2	2	2	2	2	2
2600 EO Fleet Maintenance	23	23	21	21	21	21	21	21	20	20
2700 EO Electrical Engineering	25	25	23	22	22	22	21	19	17	16
2800 EO Elec Meters & Services	15	23	23	22	20	20	20	20	19	19
2900 EO Traffic Signal	5	5	4	4	4	4	4	4	4	4
Total Electric Operations & Technology	180	189	180	178	176	177	174	174	169	168
6800 Corporate Compliance	0	0	0	0	0	0	0	0	1	1
6900 Nerc Compliance	3	3	3	4	4	4	4	4	4	4
1700 Environmental Services	5	5	5	4	4	5	5	6	6	6
1701 Environmental Air Quality	3	3	3	3	3	3	3	3	3	3
Total Corporate Compliance	11	11	11	11	11	12	12	13	14	14
3700 Water Meters/Services	24	24	26	25	26	23	22	22	22	22
3900 Maintenance Nearman	6	7	7	6	7	7	7	7	7	7
4000 Process Administration	3	3	3	3	2	2	2	2	2	3
4100 Laboratory	9	9	8	8	8	8	8	7	7	5
4200 WO Mains	37	39	37	38	37	40	39	39	39	37
4400 WP Support Services	6	4	4	5	5	5	5	5	5	5
4500 Water Administration	1	1	1	1	1	1	1	1	1	1
4600 Water Civil Engineering	16	16	15	15	15	15	15	15	15	16
4800 Operations Nearman	8	8	7	8	8	9	9	10	10	11
Total Water	110	111	108	109	109	110	108	108	108	107
5000 Customer Relations	14	15	17	17	17	17	17	17	17	17
5100 Cash Operations	8	8	8	8	8	8	8	7	4	4
5200 Collections	15	15	14	14	12	12	12	11	10	10
5800 CS Administration	7	6	6	6	6	6	6	6	6	6
6200 Customer Accounting	8	8	8	8	8	8	8	8	7	7
Total Customer Service	52	52	53	53	51	51	51	49	44	44
2410 IT Administration	1	1	1	1	1	2	2	1	1	1
2420 Desktop	7	9	11	11	12	12	12	12	12	14
2430 Applications	12	15	14	16	17	17	17	18	18	18
Total Information Technology	20	25	26	28	30	31	31	31	31	33
6100 Accounting	18	18	16	16	16	16	16	16	14	14
6300 Purchasing	4	5	5	5	5	5	5	5	5	6
6400 Stores	24	23	22	22	22	22	21	20	20	19
6500 Financial Planning	0	0	0	0	0	0	0	0	0	4
7000 General Managers Office	6	5	4	3	3	3	3	3	3	4
7100 Marketing & Corporate Communications	3	4	3	3	2	3	3	6	6	3
7400 Human Resources	10	10	9	9	9	9	9	9	9	9
7900 Utility Svcs	3	3	3	3	3	3	3	0	0	3
8600 Administrative Services	3	3	3	3	3	3	3	3	3	3
8700 Image Processing	7	8	7	7	7	7	7	7	7	7
Total Administrative	78	79	72	71	70	71	70	69	67	72
Overall Total Number Of Approved Positions	651	663	633	632	627	620	600	590	563	559

Source: Board of Public Utilities approved annual budget.



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