



KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

Board of Public Utilities
2023 Summary Annual Budget



KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

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READER'S GUIDE TO THE ANNUAL BUDGET

The reader's guide is intended to give the reader an understandable and comprehensive overview of the Annual Budget. This publication is composed of the following sections as follows:

General Manager's Budget Message

The purpose of the General Manager's budget message is to give the reader an overview of the major spending priorities in the Annual Budget and the goals and objectives for the coming year.

Highlights of the Budget

This section is designed to give the financial picture of the BPU by demonstrating the financial requirements through statements of cash flows and net income. Also included are schedules showing the assumptions used in the development of revenues. This is followed by a summary of the major spending areas in the Annual Budget.

Goals and Objectives

This section is a summary of the major spending priorities in the Annual Budget and the goals and objectives for the coming year.

Capital Projects and Five-Year Capital Plan

This section includes major capital improvement projects, capital equipment purchases and capital leases for all divisions of the BPU. The capital types are described to give the reader an understanding of the kinds of capital projects being proposed. Also included in the Annual Budget is the Five-Year Capital Budget Projections with Financing Plan.

Other Information

The next section is Other Information. Included in this section are the Staffing Authorization, Overview of the Annual Budgeting Process, Glossary of Terms, and a Department Table Listing.

Operating Budget Detail

The final section is the Budget Detail. Included in this section is the detail operating expenditures by account for each division.



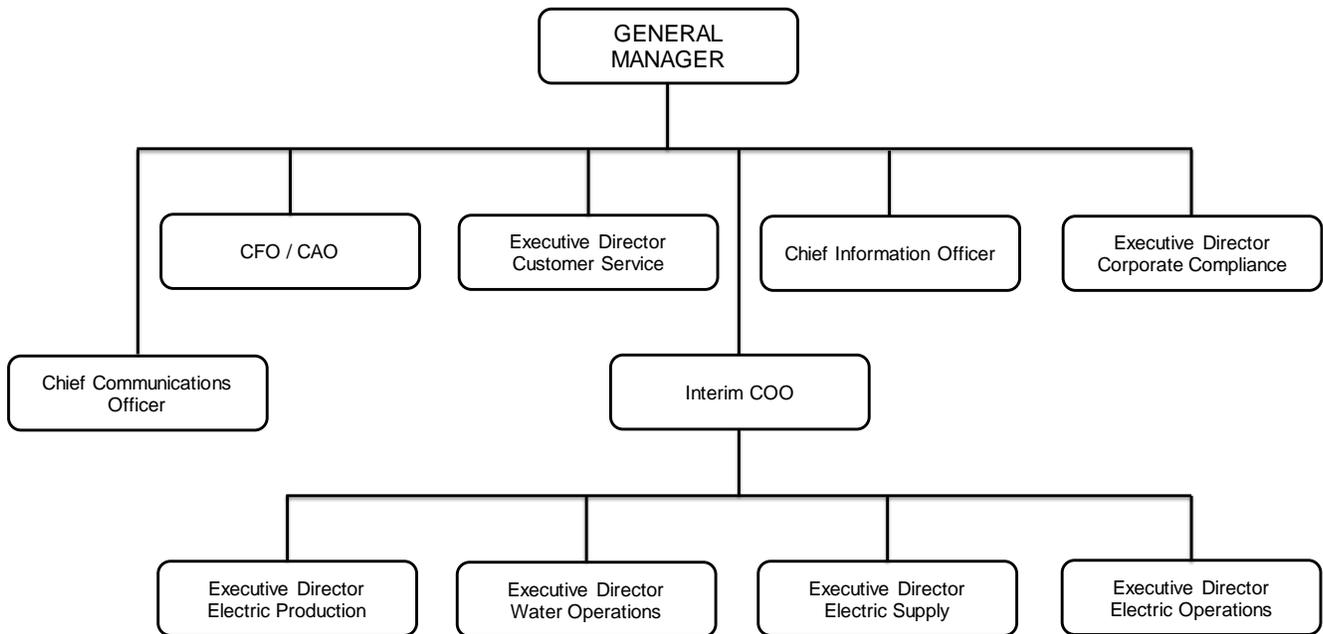
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2023 ANNUAL BUDGET

Kansas City Board of Public Utilities

Organizational Chart





KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

Meeting the Utility Needs of the Entire Community

Pursuant to the Unified Government Charter Ordinance, the Kansas City Board of Public Utilities (BPU) is required to prepare an Annual Operating Budget each year for consideration by the BPU Board of Directors. Approval of the FY 2023 Annual Budget establishes the total estimated amount of revenue and expenditures for the year.

This comprehensive budget outlines priorities and objectives for this award-winning and nationally recognized electric and water utility, as well as operating and capital spending requirements beginning January 1, 2023. It has been developed under the principles and guidance of sound budgeting practices. This budget ensures that revenues are realistically estimated to cover the cost of providing essential utility services while leaving a judicious amount of working capital for addressing emergency or unforeseen circumstances.

As a municipal utility, BPU conducts business consistent with its customer-focused principles of delivering financial accountability, reliable services, customer engagement, innovative technologies, and responsible communication for its customers. The utility's primary objectives are to deliver best-in-class utility services to the community while maintaining competitive rates. To ensure the utility maintains this standard, it periodically benchmarks itself against other utilities in the electric and water industry.

While local and national economies continue working to recover from the pandemic and other issues, BPU's primary focus is to ensure quality, dependable, and accessible utility services for the entire community.

To implement and achieve cost saving measures in this budget, the utility works to ensure the following budget criteria:

- Improve the customer service experience utility wide
- Improve electric and water system reliability
- Reduce ongoing capital construction and operating costs
- Improve public outreach and communication efforts
- Continue focusing on process improvement objectives

When looking to 2023, BPU's major goals and priorities will include the following:

- Provide cost effective, safe and reliable utility services, including efficient operation of electric and water production and distribution facilities within an aging infrastructure. Ensure delivery systems are adaptable to support changes in future supply sources, while operating and maintaining utility assets in a safe, reliable, and cost-efficient manner.
- Update policies and operating procedures as needed to meet the requirements of a broad customer base – while ensuring best-in-class utility service including customer satisfaction, issue response and resolution, etc. Enact initiatives to make information and services readily available and accessible, ensuring the use of benchmarking and surveys in achieving these standards, customer preferences, etc.
- Ensure continued fiscal sustainability by effectively managing debt service coverage, cash-on-hand, and credit ratings through open and transparent fiscal and budget policies. Remain committed to cutting costs and improving efficiencies.
- Meet and comply with all federal and state regulatory requirements, including environmental, safe drinking water, NERC, and all other regulations – working to monitor, evaluate, and address changes as needed. Work and identify on-going risk management issues and priorities as necessary.



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- Remain a champion of renewable energy (i.e., wind, community solar, hydro, etc.) while evaluating future generation mix opportunities to ensure sustainable energy usage opportunities for the community. Promote the benefit of renewables to customers and the community, including the positive health consequences and the minimization of energy price volatility.
- Focus on ensuring residential customer ease-of-access to the services, information, and utility programs they want and deserve – while promoting the use of technologies to assist them with utility interactions
- On-going improvements to key account programs by remaining focused on the needs of the utility's top consumers.
- Promote energy and water efficiency and conservation efforts and initiatives through education, community outreach services, and targeted communications.
- Utilize innovative technologies, implement utility-wide reliability standards, and maintain a safety-focused workplace that ensures reliable, high-quality utility services.
- Remain focused on corporate reporting including data analytics and operational performance metrics and benchmarking, ensuring BPU is competitive and or exceeding other peer municipal utilities.
- Improve utility recruiting efforts to better employee qualifications and performance, while simultaneously prioritizing employee training and development.
- Continue expanding supply chain operations to improve the supplier diversity program through vendor preference for local businesses.
- Champion strategic alliances and partnerships that benefit the utility and the community. Support economic development, business retention and growth, and economic improvement throughout the entire service area.

As it has for more than a century, this nationally recognized and municipally owned BPU remains committed to providing safe, reliable and affordable electric and water services to Wyandotte County – while working to improve the quality of life in the community in which it operates.

Sincerely,

William A. Johnson
General Manager



KANSAS CITY BOARD OF PUBLIC UTILITIES



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Highlights of the 2023 Annual Budget

The Kansas City, Kansas Board of Public Utilities (BPU) is comprised of electric and water utility services sections. There are eleven divisions within the organizational structure of the Utility to serve the needs of each service section as follows: Accounting/Finance, Corporate Compliance, Customer Services, Electric Operations, Electric Production, Electric Supply, General Management, Human Resources, Information Technology, Utility-Wide and Water Operations.

BPU Resources (Where Funds Come From)

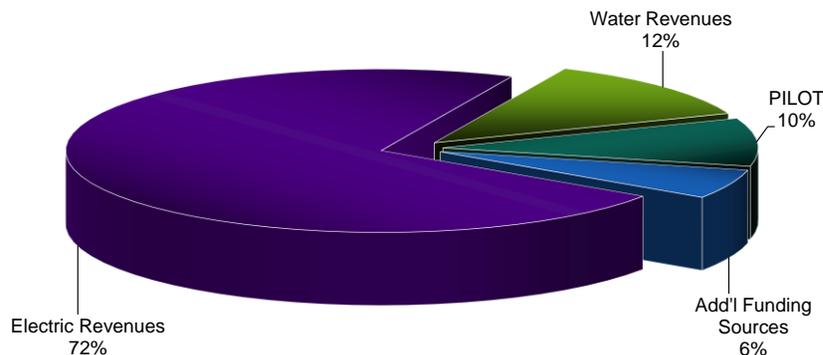
The resources for the BPU include any incomes, revenues and reserves to fund the planned expenditures for the coming budget year. The resources will always be equal to the sum of all planned outlays. The 2023 Annual Budget provides \$389,483,024 in resources for the Utility. The resources by function are depicted below.

SUMMARY OF FUNDING BY RESOURCE CATEGORY						
Revenue by Category	Approved Budget 2023	Adopted Budget 2022	More/(Less) Than 2022 Adopted		% of Grand Total	
			\$	%	2023	2022
Electric Revenues	\$ 281,846,448	\$ 250,207,000	\$ 31,639,448	12.65%	72.36%	71.35%
Water Revenues	47,989,400	46,922,900	1,066,500	2.27%	12.32%	13.38%
PILOT	37,029,230	34,577,401	2,451,829	7.09%	9.51%	9.86%
Add'l Funding Sources	22,617,946	18,965,097	3,652,849	19.26%	5.81%	5.41%
Grand Total	\$ 389,483,024	\$ 350,672,398	38,810,626	11.07%	100.00%	100.00%

The highlights of the revenue stream for 2023 are as follows:

- Electric revenues total \$281,846,448 or 72 percent of the total funding of the Utility.
- Water revenues total \$47,989,400 or 12 percent of the total funding of the Utility.
- Payment-in-lieu-of-taxes (PILOT) total \$37,029,230 and represents 10 percent of the total funding of the Utility.
- Additional Funding Sources total \$22,617,946 or 6 percent of the total funding of the Utility.

2023 BPU Resources





KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

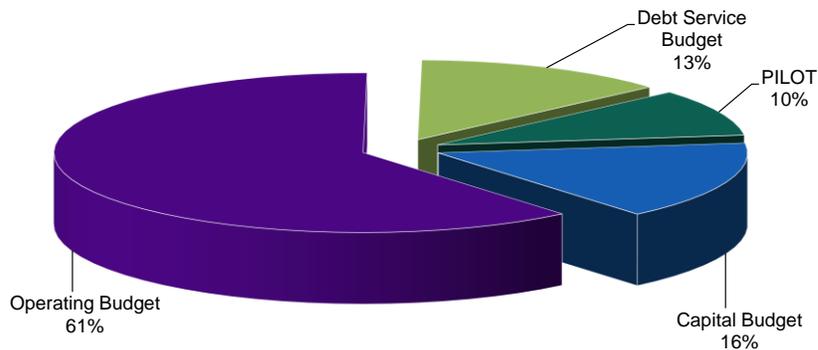
Highlights of the 2023 Annual Budget

BPU Uses (Where Funds Go)

The uses for the BPU include all planned operating and maintenance expenses, capital expenditures, payments on long-term debt and PILOT requirements. The 2023 Annual Budget provides \$389,483,024 in funding uses. The uses by function are depicted below. These funding uses are further broken down in detail later in the budget book. The 2023 Annual Budget includes four major spending areas; the Operating Budget, Debt Service Budget, Payment In Lieu of Taxes (PILOT) Requirement and the Capital Budget.

BPU ANNUAL BUDGET						
Uses of Funds	Approved Budget 2023	Adopted Budget 2022	More/(Less) Than 2022 Adopted		% of Grand Total	
			\$	%	2023	2022
Operating Budget	\$ 238,830,489	\$ 207,329,809	\$ 31,500,680	15.19%	61.32%	59.12%
Debt Service Budget	51,820,859	51,813,422	7,437	0.01%	13.31%	14.78%
PILOT	37,029,230	34,577,401	2,451,829	7.09%	9.51%	9.86%
Capital Budget	61,802,446	56,951,766	4,850,680	8.52%	15.87%	16.24%
Grand Total	\$ 389,483,024	\$ 350,672,398	38,810,626	11.07%	100.00%	100.00%

2023 BPU Uses





KANSAS CITY BOARD OF PUBLIC UTILITIES



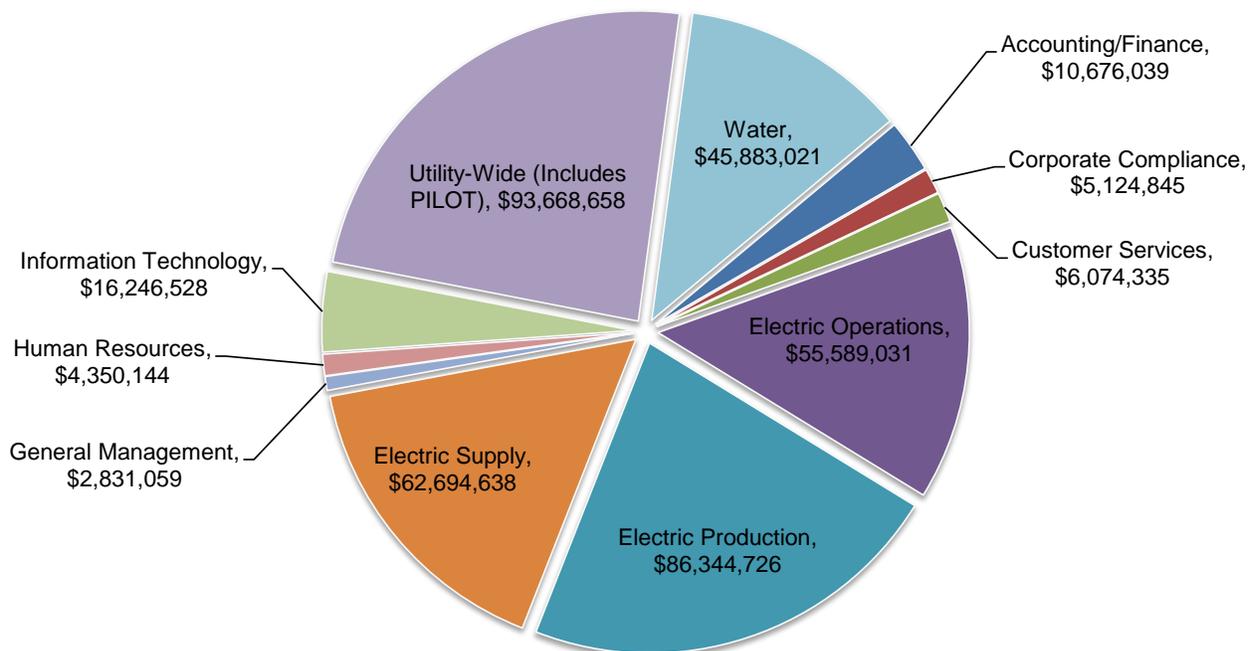
2023 ANNUAL BUDGET

Highlights of the 2023 Annual Budget

SUMMARY OF SPENDING BY FUNCTION CATEGORY						
Expenditures by Division	Approved Budget 2023	Adopted Budget 2022	More/(Less) Than 2022 Adopted		% of Grand Total	
			\$	%	2023	2022
Accounting/Finance	\$ 10,676,039	\$ 8,999,020	\$ 1,677,019	18.64%	2.74%	2.57%
Corporate Compliance	5,124,845	4,278,624	846,221	19.78%	1.32%	1.22%
Customer Services	6,074,335	5,812,476	261,859	4.51%	1.56%	1.66%
Electric Operations	55,589,031	52,682,424	2,906,607	5.52%	14.27%	15.02%
Electric Production	86,344,726	69,799,778	16,544,948	23.70%	22.17%	19.90%
Electric Supply	62,694,638	52,175,053	10,519,585	20.16%	16.10%	14.88%
General Management	2,831,059	3,129,699	(298,640)	-9.54%	0.73%	0.89%
Human Resources	4,350,144	4,601,918	(251,774)	-5.47%	1.12%	1.31%
Information Technology	16,246,528	15,522,968	723,560	4.66%	4.17%	4.43%
Utility-Wide (Includes PILOT)	93,668,658	90,987,293	2,681,365	2.95%	24.05%	25.95%
Water	45,883,021	42,683,145	3,199,876	7.50%	11.78%	12.17%
Sub Total	\$ 389,483,024	\$ 350,672,398	\$ 38,810,626	11.07%	100.00%	100.00%
Less PILOT	37,029,230	34,577,401	2,451,829	7.09%		
Grand Total	352,453,794	316,094,997	36,358,797	11.50%		

*PILOT is Payment-in-lieu-of-taxes

Spending Summary by Division





KANSAS CITY BOARD OF PUBLIC UTILITIES



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Highlights of the 2023 Annual Budget

Statement of Cash Flows

In accordance with the financial responsibility statements of the Board, the electric and water utilities must adhere to the debt service ratio requirement and both utilities are expected to produce a moderate net income. The income statements are used in the development of the budget.

The debt service ratio is expressed as net revenue divided by the maximum annual debt service payment per financial policy. Net revenue is expressed as the sum of all sales revenues, other revenues and income and the payment-in-lieu-of-tax funds to be collected, less net operating expenses.

The schedule on the following page illustrates the cash flow statement for the 2023 Annual Budget. The purpose of the cash flow statement is to illustrate the relationship of the 2023 Budget to the Board financial policies. At the bottom of this schedule is the projected debt service coverage for 2023. The debt service coverage for 2023 exceeds the 1.2 requirement as outlined in the bond indenture for both the electric and water utilities.



KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

2023 Budget Cash Flow	Electric 2023	Water 2023	Combined 2023
Estimated Cash Available for Funding @ 12-31-2022	\$ 52,036,273	\$ 26,510,000	\$ 78,546,273
Total Revenues	\$ 313,160,989	\$ 54,204,089	\$ 367,365,078
Total Cash Operating Expenses less Depreciation & Non Cash items	\$ 205,094,644	\$ 32,302,843	\$ 237,397,487
Total Cash Generated from Operations	\$ 108,066,344	\$ 21,901,246	\$ 129,967,591
Existing Debt Service Requirement - Parity Debt	39,755,882	8,228,601	47,984,483
KDHE Loan Annual Service Fee	-	72,512	72,512
Existing Non Parity Debt Service Requirement - (Other & KDHE Loans)	319,835	3,516,541	3,836,376
Total Debt Service Requirements for FY2023	40,075,717	11,817,654	51,893,371
Cash Available from Operations after Debt Service	\$ 67,990,627	\$ 10,083,592	\$ 78,074,220
Payment in Lieu of Taxes (PILOT)	(31,314,541)	(5,714,689)	(37,029,230)
Cash Available from Operations after PILOT	\$ 36,676,087	\$ 4,368,903	\$ 41,044,990
Other Funding Sources			
KDHE Loans	-	37,000,000	37,000,000
EDA Grant	2,000,000	-	2,000,000
2016C/2020A Bonds	1,500,000	-	1,500,000
Total Other Funding Sources	3,500,000	37,000,000	40,500,000
Cash Available before Restrictions	\$ 92,212,360	\$ 67,878,903	\$ 160,091,263
Restrictions on Cash			
Customer Deposits	6,000,000	1,300,000	7,300,000
Reserve - Workers' Comp	880,000	220,000	1,100,000
Reserve - Liability Insurance	800,000	200,000	1,000,000
System Development Reserve	-	11,500,000	11,500,000
Debt Reduction Fund	-	6,290,000	6,290,000
Rate Stabilization Fund	9,156,273	-	9,156,273
Improvement & Emergency Fund	1,350,000	150,000	1,500,000
Operating Reserve Requirement	26,045,691	1,412,945	27,458,636
Ongoing Construction Reserve per Bond Indenture	5,907,000	648,300	6,555,300
Estimated Remaining Grant & KDHE Bonds at fiscal year end	100,000	19,300,000	19,400,000
Total Restrictions on Cash	\$ 50,238,964	\$ 41,021,245	\$ 91,260,209
Unrestricted Cash Available for Construction	\$ 41,973,396	\$ 26,857,658	\$ 68,831,054
Economic Development Grants Capitalized	350,000	150,000	500,000
Energy Efficiency & Econ Dev Capitalized	225,000	-	225,000
Construction Requirement	35,327,080	25,750,360	61,077,440
Reimbursed Construction Projects	(145,000)	(367,500)	(512,500)
Total Construction (Net of Reimbursed Projects)	\$ 35,757,080	\$ 25,532,860	\$ 61,289,940
Estimated Net Unrestricted Cash Available	\$ 6,216,316	\$ 1,324,798	\$ 7,541,114
Financial Policy Ratios with PILOT			
Debt Service Requirement (MADS) - All Debt	44,880,036	11,745,142	52,424,286
Debt Service Coverage Ratio - All Debt	2.38	1.84	2.45
Debt Service Requirement (MADS) - Parity Debt	44,668,378	8,228,601	47,988,427
Debt Service Coverage Ratio - Parity Debt	2.39	2.63	2.68
Financial Policy Ratios without PILOT			
Debt Service Requirement (MADS) - All Debt	44,880,036	11,745,142	52,424,286
Debt Service Coverage Ratio - All Debt	1.68	1.36	1.75
Debt Service Requirement (MADS) - Parity Debt	44,668,378	8,228,601	47,988,427
Debt Service Coverage Ratio - Parity Debt	1.69	1.94	1.91



KANSAS CITY BOARD OF PUBLIC UTILITIES



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Highlights of the 2023 Annual Budget

Net Income Statements

All financial ratios used in the Annual Budget were derived from the income statements provided on the following three pages. These income statements are prepared in accordance with guidelines established by the Board.

- The operating revenues are projected on all known and projected rate changes and expected growth factors. These revenues are developed by customer class so that an accurate forecast can be made for the budget year.
- Operating expenses are developed in detail by the submitting divisions on an account basis. These detailed accounts are broken into class types to identify the individual makeup of expenditures.
- Operating income is expressed as the operating revenues less the operating expenses. This amount generally represents the funds provided to make the payments for debt service, PILOT and capital outlays.
- Depreciation is based on the scheduled rate as determined by the estimated life of the asset categories.

The net income statements should be used to evaluate the economic plan being proposed with the related cash flow statement provided on the previous page to determine the overall financial operations of the Utility.



KANSAS CITY BOARD OF PUBLIC UTILITIES



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Total KCBPU - INCOME STATEMENT

Description	2021 Actuals	2022 Budget	2023 Approved
<u>OPERATING REVENUES</u>			
Residential Sales	98,837,029	105,127,000	109,762,800
Commercial Sales	104,869,840	109,891,000	119,055,000
Industrial Sales	45,213,319	51,874,000	58,235,000
Schools	9,806,456	10,502,700	10,743,000
Fire Protection	603,893	600,000	600,000
Highway Lighting	321,036	337,000	362,000
Public Authorities	28,000	28,000	28,000
Total Sales of Energy and Water	259,679,574	278,359,700	298,785,800
Borderline Electric Sales	1,248,502	1,250,000	1,250,000
Wholesale Market Sales	35,950,598	6,321,700	17,257,900
Total Other Utility Sales	37,199,100	7,571,700	18,507,900
Forfeited Discounts	1,463,157	3,080,000	2,988,400
Connect/Disconnect Fees	3,613,860	2,375,000	2,317,200
Diversion Fines	22,069	45,500	40,200
Tower/Pole Attachment Rentals	1,141,845	2,520,000	2,723,500
Other Miscellaneous Revenues	(565,651)	184,500	193,300
Deferred Revenue-Fuel/PP-Amort	11,662,721	-	-
Service Fees	1,120,033	1,058,000	1,150,500
Total Other Revenues	18,458,033	9,263,000	9,413,100
Payment in Lieu of Taxes	31,715,220	34,577,402	37,029,230
Total Payment in Lieu of Taxes	31,715,220	34,577,402	37,029,230
TOTAL OPERATING REVENUES	347,051,927	329,771,802	363,736,030
<u>OPERATING EXPENSES</u>			
Production	39,990,738	43,013,968	47,345,205
Purchased Power	58,012,729	45,536,000	55,492,000
Fuel	47,845,256	32,531,101	44,510,000
Transmission and Distribution	46,294,841	49,950,452	51,127,792
Customer Account Expense	5,486,122	5,572,472	5,805,512
General and Administrative	24,236,791	30,725,801	34,549,978
Depreciation and Amortization	39,056,593	40,085,230	42,780,875
Dfrd Fuel & Purch Power-Amort	(2,312,998)	-	-
TOTAL OPERATING EXPENSES	258,610,072	247,415,025	281,611,362
OPERATING INCOME	88,441,856	82,356,777	82,124,668
<u>NON OPERATING INCOME/EXPENSE</u>			
Investment Interest	92,941	1,202,000	2,463,300
Interest - Long Term Debt	(23,513,227)	(21,947,030)	(20,740,124)
Interest - Other	(106,657)	(84,000)	(101,400)
Payment in Lieu of Taxes	(31,715,220)	(34,577,401)	(37,029,230)
Other Income	572,771	733,500	665,748
Other Expense	24	(500)	(500)
TOTAL NONOPERATING INCOME/EXPENSES	(54,669,367)	(54,673,431)	(54,742,206)
INCOME BEFORE TRANSFER & CONTRIB	33,772,488	27,683,346	27,382,462
Water Non Exchange	952,442	500,000	500,000
TOTAL CHANGE IN NET POSITION	34,724,930	28,183,346	27,882,462



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Electric OU - INCOME STATEMENT

Description	2021 Actuals	2022 Budget	2023 Approved
<u>OPERATING REVENUES</u>			
Residential Sales	74,259,513	80,651,000	85,012,800
Commercial Sales	93,894,764	98,700,000	107,555,000
Industrial Sales	39,501,911	45,669,000	52,035,000
Schools	9,206,927	9,841,000	10,072,000
Highway Lighting	321,036	337,000	362,000
Total Sales of Energy and Water	217,184,152	235,198,000	255,036,800
Borderline Electric Sales	1,248,502	1,250,000	1,250,000
Wholesale Market Sales	34,707,387	5,000,000	15,900,000
Total Other Utility Sales	35,955,889	6,250,000	17,150,000
Forfeited Discounts	1,170,525	2,500,000	2,380,000
Connect/Disconnect Fees	3,349,174	2,025,000	2,035,300
Diversion Fines	17,012	37,000	30,000
Tower/Pole Attachment Rentals	895,766	2,200,000	2,308,800
Other Miscellaneous Revenues	(447,152)	176,500	181,300
Deferred Revenue-Fuel/PP-Amort	11,662,721	-	-
Service Fees	20,500	100,000	50,000
Total Other Revenues	16,668,546	7,038,500	6,985,400
Payment in Lieu of Taxes	26,316,288	28,960,613	31,314,541
Total Payment in Lieu of Taxes	26,316,288	28,960,613	31,314,541
TOTAL OPERATING REVENUES	296,124,875	277,447,114	310,486,741
<u>OPERATING EXPENSES</u>			
Production	34,296,391	36,068,157	39,952,695
Purchased Power	58,012,729	45,536,000	55,492,000
Fuel	47,845,256	32,531,101	44,510,000
Transmission and Distribution	31,660,162	35,060,459	35,400,878
Customer Account Expense	3,379,287	3,441,822	3,569,769
General and Administrative	18,769,053	24,213,172	27,349,802
Depreciation and Amortization	30,685,559	31,658,789	34,464,122
Dfrd Fuel & Purch Power-Amort	(2,312,998)	-	-
TOTAL OPERATING EXPENSES	222,335,439	208,509,502	240,739,266
OPERATING INCOME	73,789,436	68,937,612	69,747,474
<u>NON OPERATING INCOME/EXPENSE</u>			
Investment Interest	75,953	1,046,000	2,067,500
Interest - Long Term Debt	(21,217,800)	(20,135,887)	(19,216,619)
Interest - Other	(87,754)	(75,000)	(75,000)
Payment in Lieu of Taxes	(26,316,288)	(28,960,613)	(31,314,541)
Other Income	522,182	674,500	606,748
Other Expense	24	(500)	(500)
TOTAL NONOPERATING INCOME/EXPENSES	(47,023,682)	(47,451,500)	(47,932,412)
INCOME BEFORE TRANSFER & CONTRIB	26,765,754	21,486,112	21,815,062
TOTAL CHANGE IN NET POSITION	26,765,754	21,486,112	21,815,062



KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

Water OU - INCOME STATEMENT

Description	2021 Actuals	2022 Budget	2023 Approved
<u>OPERATING REVENUES</u>			
Residential Sales	24,577,516	24,476,000	24,750,000
Commercial Sales	10,975,076	11,191,000	11,500,000
Industrial Sales	5,711,408	6,205,000	6,200,000
Schools	599,529	661,700	671,000
Fire Protection	603,893	600,000	600,000
Public Authorities	28,000	28,000	28,000
Total Sales of Energy and Water	42,495,422	43,161,700	43,749,000
Wholesale Market Sales	1,243,212	1,321,700	1,357,900
Total Other Utility Sales	1,243,212	1,321,700	1,357,900
Forfeited Discounts	292,631	580,000	608,400
Connect/Disconnect Fees	264,686	350,000	281,900
Diversion Fines	5,057	8,500	10,200
Tower/Pole Attachment Rentals	246,079	320,000	414,700
Other Miscellaneous Revenues	(118,500)	8,000	12,000
Service Fees	1,099,533	958,000	1,100,500
Total Other Revenues	1,789,487	2,224,500	2,427,700
Payment in Lieu of Taxes	5,398,932	5,616,788	5,714,689
Total Payment in Lieu of Taxes	5,398,932	5,616,788	5,714,689
TOTAL OPERATING REVENUES	50,927,052	52,324,688	53,249,289
<u>OPERATING EXPENSES</u>			
Production	5,694,347	6,945,811	7,392,510
Transmission and Distribution	14,634,679	14,889,993	15,726,914
Customer Account Expense	2,106,835	2,130,650	2,235,743
General and Administrative	5,467,738	6,512,628	7,200,176
Depreciation and Amortization	8,371,034	8,426,440	8,316,753
TOTAL OPERATING EXPENSES	36,274,633	38,905,522	40,872,096
OPERATING INCOME	14,652,420	13,419,166	12,377,194
<u>NON OPERATING INCOME/EXPENSE</u>			
Investment Interest	16,988	156,000	395,800
Interest - Long Term Debt	(2,295,427)	(1,811,143)	(1,523,505)
Interest - Other	(18,903)	(9,000)	(26,400)
Payment in Lieu of Taxes	(5,398,932)	(5,616,788)	(5,714,689)
Other Income	50,589	59,000	59,000
TOTAL NONOPERATING INCOME/EXPENSES	(7,645,685)	(7,221,931)	(6,809,794)
INCOME BEFORE TRANSFER & CONTRIB	7,006,735	6,197,234	5,567,400
Water Non Exchange	952,442	500,000	500,000
TOTAL CHANGE IN NET POSITION	7,959,177	6,697,234	6,067,400



KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

Highlights of the 2023 Annual Budget

Revenue Projections

Electric Utility

Assumption 1: Fiscal year 2023 retail electric revenues include:

- Based on approved rate schedules approved by the KCBPU Board on February, 1, 2017
- The ERC (fuel & purchase power rider) rate is projected to average 4.3 cents per kilo-watt hour.
- The Environmental Surcharge (ESC) recovers principal and interest on debt service related to governmental mandated environmental projects plus .30% for debt coverage requirements (DSC). Rates will vary by rate class. The 2023 ESC debt schedule is \$150K million higher compared to prior year. Individual customer rates for the ESC are estimated to be flat for the budget period.

Assumption 2: Retail customer energy usage is based on the following factors:

Residential – Approximately 255 net new residential accounts in the forecasted year. Average customer usage resulting from energy efficiency measures being utilized at the residential level are expected to continue. Growth and usage assumptions remain conservative and are based on a seven-year trending forecast. The average annual monthly kilo-watt hour usage per customer is expected to remain at 810 kWh per customer.

Commercial – Overall projections reflect no growth in the annual customer usage levels. Losses in older parts of the service territory are expected to be offset by the new growth near the Village West/435 development area. Assumptions are based on a nine-year trending forecast. The Commercial load is projected to be 1.8 percent below the 9-year average.

Industrial – Projections reflect no change in the annual number of customer accounts. Revenue assumptions are based on a four-year trending forecast. Load growth is projected to recover by approximately 32 percent from the pandemic years of 2020-21. However, the 2023 estimate is 4.6 percent below the pre-pandemic years of 2018-20.

Other Retail Classes – Schools and highway lighting are projected to increase slightly during the period. Several new school facilities and additional square footage were built to the service territory the past five years. The load for Schools is projected to be 3.9 percent above the 9-year average. Also, the Unified Government and the BPU interdepartmental consumption are expected to remain constant during the forecast period.

Assumption 3: Wholesale Purchases and Sales are based on the following assumptions:

Wholesale Market– KCBPU is a Market Participant in the Southwest Power Pool (SPP). The SPP Integrated Market Sales & Purchases reflect energy purchases from and sold to the SPP. Within the current Integrated Market, Market Participants such as KCBPU purchase their entire load through the Integrated Marketplace. Also, energy produced by KCBPU or contracted through existing purchase power agreements (PPA) are sold to the SPP Integrated Marketplace.



KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

Highlights of the 2023 Annual Budget

Revenue Projections

Borderline Sales – Reflect sales of wholesale energy to neighboring utilities to serve customers in their service territory that are interconnected to BPU's distribution system due to geographic boundaries. There is no forecasted load growth or contract rate adjustment in the forecast period. The last negotiated contract rate for Borderline Sales was effective January 1, 2019. Rates are expected to remain constant at 6.98 cents per kilo-watt hour in forecast period.

Assumption 4: Payment in-lieu-of-taxes (PILOT) calculation is based on 11.9 percent of all retail sales.



KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

Highlights of the 2023 Annual Budget

Revenue Projections

Water Utility - Fiscal year 2023 retail water revenues are based on the following:

- Revenue forecast is based on approved retail water rates.
- 53,600 retail accounts
- Three-year trend for metered CCF's water sales

Residential

- Projections reflect approximately 49,500 residential accounts
- Approximately 3.40 million CCF of water sales during the forecast period.

Commercial:

- Projections reflect approximately 3,850 commercial accounts
- Approximately 2.65 million CCF of water sales during the forecast period.

Industrial:

- Projections are based on an average of 79 customer accounts
- Approximately 1.95 million CCF of water sales during the forecast period.

Other Retail Classes:

- Sales for the other customer classes, including Schools, Fire Protection and Local Government.
- Approximately 102 retail accounts
- The in-kind accounts for the Unified Government and the BPU interdepartmental are expected to remain constant during the forecast period.

Wholesale:

- Five wholesale customers
- Based on previous 12-month usage patterns for customer's class
- Approved 2013 Wholesale rates.

Payment in-lieu-of-taxes (PILOT) calculation is based on 11.9 percent of the combined retail and wholesale customer revenues.

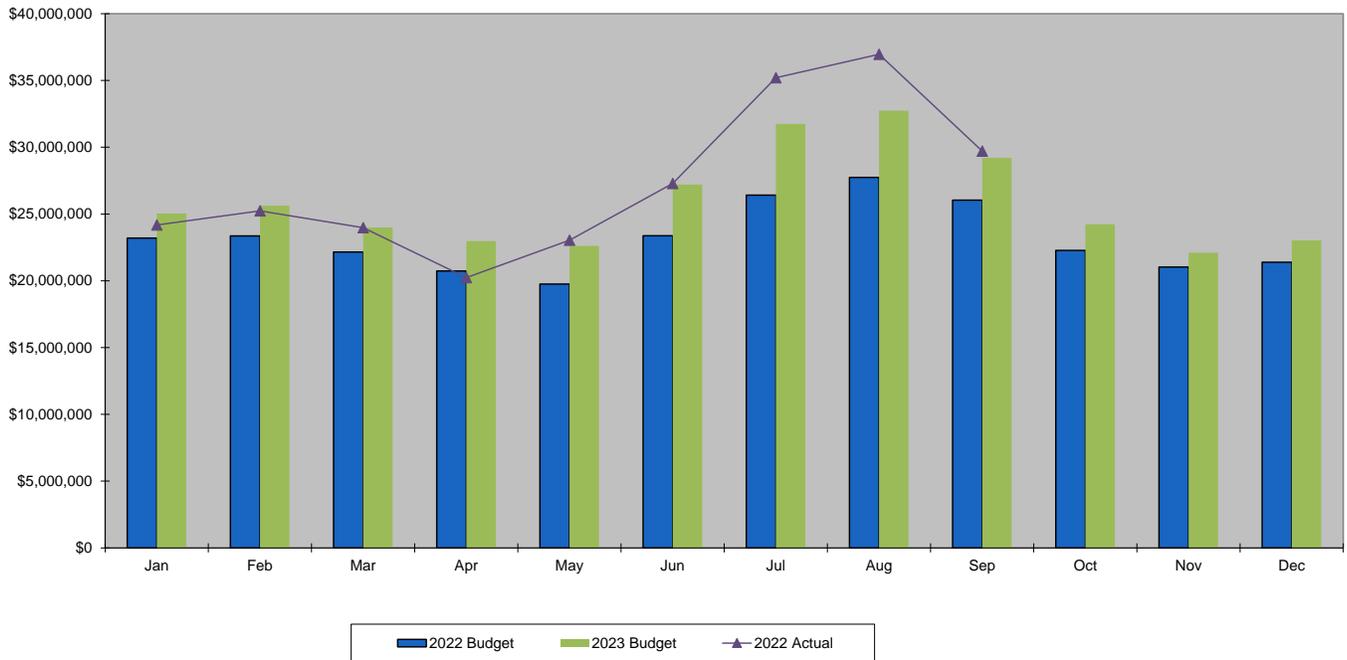


KANSAS CITY BOARD OF PUBLIC UTILITIES

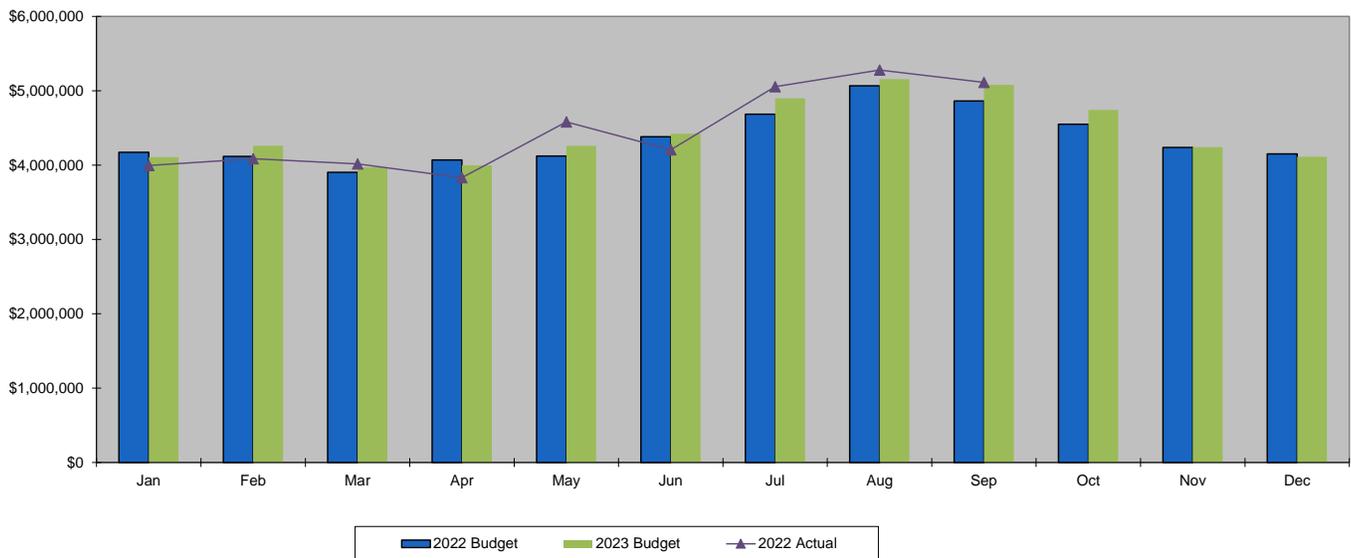


2023 ANNUAL BUDGET

BPU Electric Revenues



BPU Water Revenues





KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

Funds and Reserves Guidelines

The following Fund and Reserve account guidelines have been used in the planning and development of the Annual Budget.

Rate Stabilization Fund:

The Rate Stabilization Fund is designed to offset major changes in revenues and expenses, including unanticipated spending requirements.

Improvement and Emergency Fund:

The Budget includes a combined utility budget reserve of \$1.5 million to fund emergency related capital improvement costs. This can be used in cases of major replacement needs or emergency disasters. However, the fund cannot fall below a funding level of \$1.0 million, which would require monthly reallocations to the fund.

It is utility policy that the Board of Directors must approve any expenditure of the Improvement and Emergency Fund. If funds are expended from the Improvement and Emergency Fund, the utility is required to transfer monies back into the Improvement and Emergency Fund, in each month, not less than one twenty-fourth (1/24th) of the difference between the then current balance of the Fund and the required funding level amount until the amount reserved in the Fund equals the established funding threshold of \$1.5 million.

Debt Service Coverage Ratios:

The Board of Public Utilities debt ratio will be consistent with the current provisions in the bond indenture document. The BPU must maintain a debt coverage ratio of 1.2. The BPU must meet the coverage requirement imposed by the bond indenture that net revenues be at least 120 percent of the maximum annual debt service.

However, if net revenues are ever less than 130 percent of the annual debt service for the twelve months period ending on the date on which the calculation of net revenues is made, the utility is required to fund a debt service reserve fund. The current bond documents provide for a detailed formula that stipulates at different coverage ratios how the debt service fund needs to be funded.

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. It should not be considered a target for revenues needed by the utility for its funding purposes in any given year. The financial policy approved by the Board is to maintain a debt coverage ratio between 1.6 and 2.1 with PILOT.

Debt Reduction Fund:

It is the policy of the BPU that the Board of Directors must approve any expenditure of restricted cash from the debt reduction fund.

System Development Reserve:

The BPU collects a service fee for all new service connections based on meter size. This fee is designed to provide for the applicable costs required for the additional development of water supply, treatment, transmission, and storage facilities.

Reserve for Principal and Interest Payments:

The BPU is required by its bond indenture to set-aside each month one-sixth (1/6th) of the interest and one-twelfth (1/12th) of the principal to be paid on each year's outstanding bonded indebtedness to the Bond Trustee of the Utility System Revenue Bonds.

Operating Reserve:

The BPU will fund a working capital reserve of sixty days operating expense requirements. This reserve is used to provide sufficient cash for day-to-day operations of the utility.

Construction Reserve:

The BPU normally provides a cash reserve equal to one-half of the next year's normal, on-going construction budget.



KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

Funds and Reserves Guidelines

Payment In Lieu Of Tax:

The BPU will transfer to the Unified Government of Wyandotte County/Kansas City, Kansas a Payment in Lieu of Taxes (PILOT). The PILOT is established by Charter Ordinance CO-5-01, and is based on gross retail customer sales of the utility. Wholesale electric sales are exempt from PILOT while wholesale water sales are billed the PILOT fee. The Unified Government has set the PILOT for this budget year at a rate of 11.9%.

Self-Insurance Reserve Funds:

The BPU has established the following reserve funds for self-funded insurance liabilities. The insurance reserves include workers' compensation and public liability. The monies for these funds are set aside as restricted cash funds of the utility. Any expenditure of these insurance reserve funds other than for the designated purposes must have the approval of the Board of Directors.

Economic Development Funds:

This Budget reserves \$500,000 for economic development grant initiatives as defined in the Board's Economic Development Policy and is identified within the Capital Budget.



KANSAS CITY BOARD OF PUBLIC UTILITIES

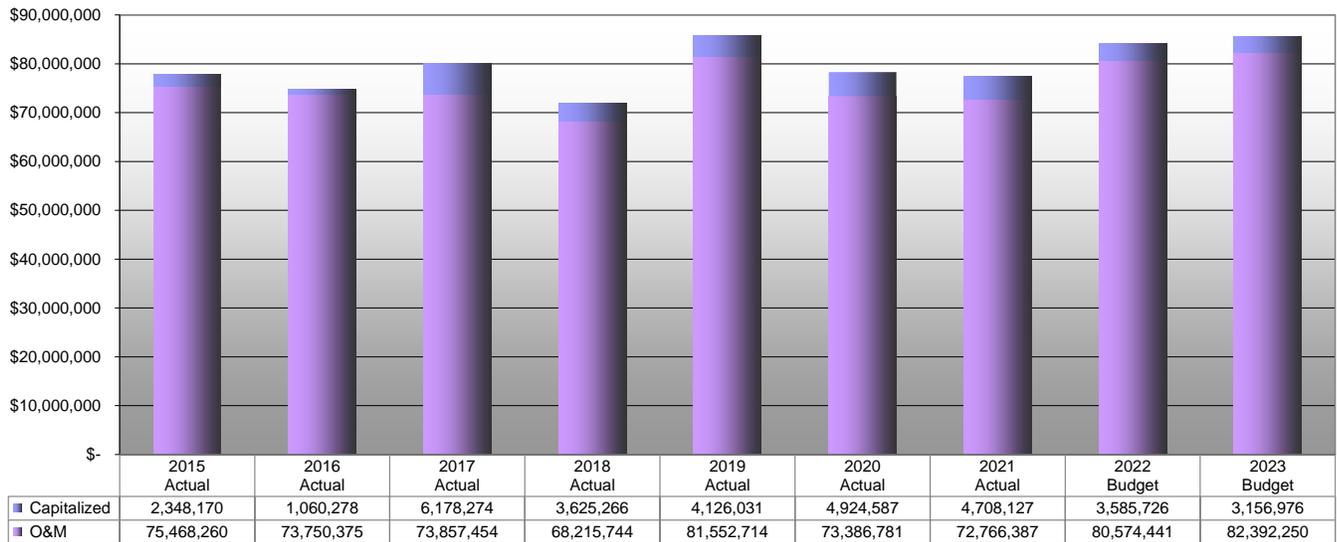


2023 ANNUAL BUDGET

Annual Budget - Personnel Costs

The 2023 Annual Budget includes \$85,549,226 in total personnel costs. Of this amount, \$82,392,250 is in the operating budget and \$3,156,976 is reflected in the capital improvement budget for internal personnel costs that are directly charged to projects. This amount is in line with the funding of authorized staffing for 559 positions.

BPU Personnel Cost



The wage costs in the 2023 Annual budget are based on 559 staff positions and the following assumptions:

- 2080 regular hours for each budgeted position
- Vacant positions are budgeted as To-Be-Hired employees and wages are calculated for the full year. Calculated attrition percentages based on historical head counts for each department are used to reduce budgeted labor dollars to account for vacancies.
- Overtime hours are budgeted separate from regular wages under class 1020.
- Budget reflects a wage increase for all positions.



KANSAS CITY BOARD OF PUBLIC UTILITIES

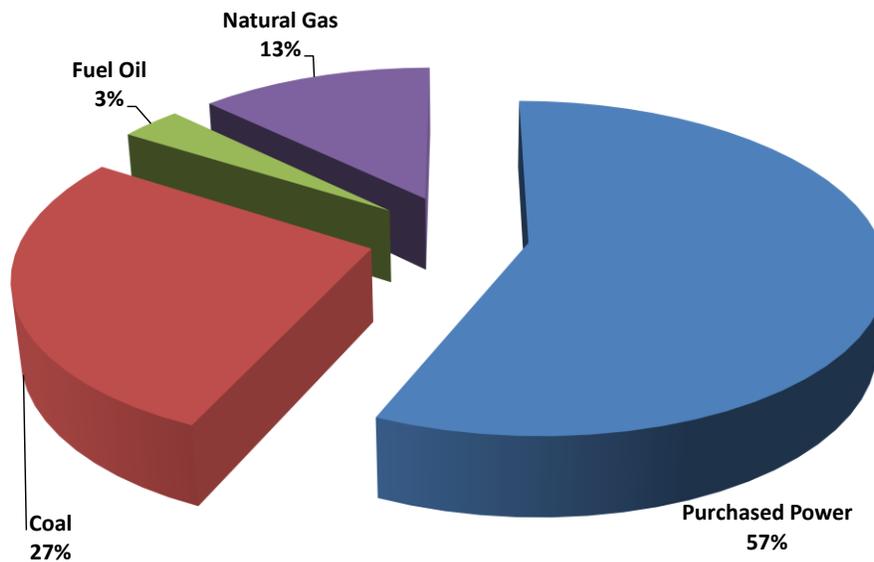


2023 ANNUAL BUDGET

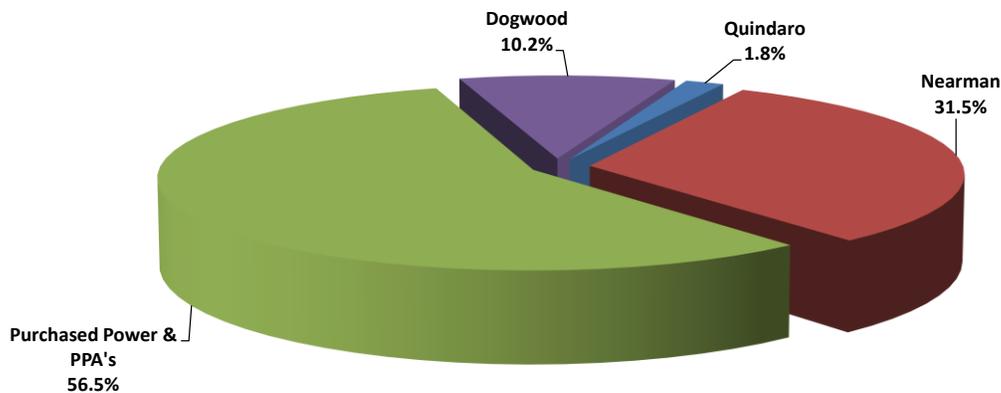
Fuel and Purchased Power Costs

A large component of the Annual Budget is the fuel and purchased power expense. The fuel and purchased power totals \$102,487,000. Of this amount, \$98,386,000 is used to either produce electricity at BPU power plants or purchase power through the Southwest Power Pool wholesale power market. The remaining fuel component relates to fuel for transportation and fleet vehicles and ash handling costs.

Fuel & Purchase Power by Type



Fuel & Purchase Power by Source





KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

Fuel and Purchased Power Costs

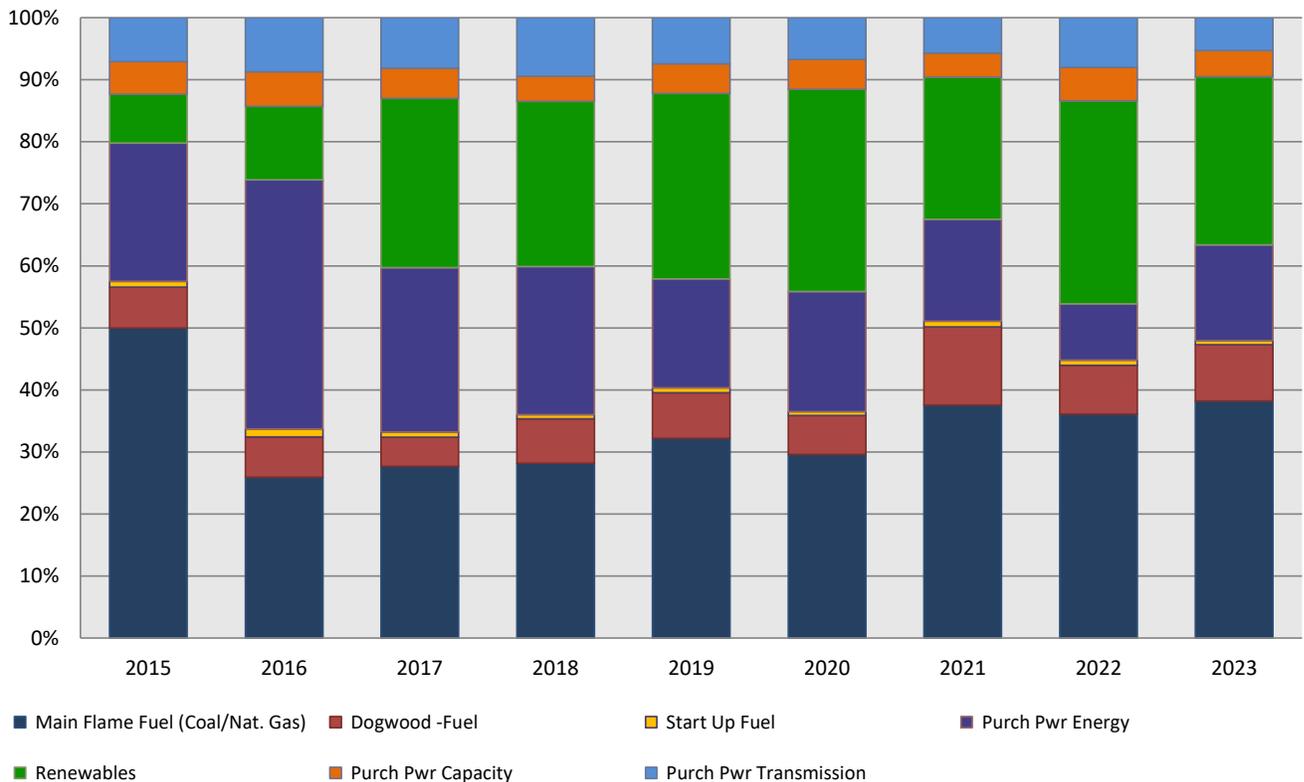
	Coal	Natural Gas	Fuel Oil	Total
Quindaro Power Plant	\$ -	\$ -	\$ 1,800,000	\$ 1,800,000
Nearman Power Plant	27,000,000	2,500,000	1,450,000	30,950,000
Dogwood	-	10,000,000	-	10,000,000
Total	\$ 27,000,000	\$ 12,500,000	\$ 3,250,000	\$ 42,750,000

Purchase Power Energy	\$ 17,020,000
Purch Pwr Capacity NonEconomic	4,644,000
Purchased Power - Renewables	29,808,000
Purchased Power Transmission	5,820,000
Other Purchased Power	(1,656,000)
Total Purchased Power	\$ 55,636,000

Total Fuel & Purchased Power **\$ 98,386,000**

Ash Handling Costs	\$ 1,530,000
AQC Reagents	1,760,000
Bulk Fuel for Transportation/Fleet Vehicles	811,000
Total Other Fuels/Costs	\$ 4,101,000

Total of all Fuels & Power **\$ 102,487,000**



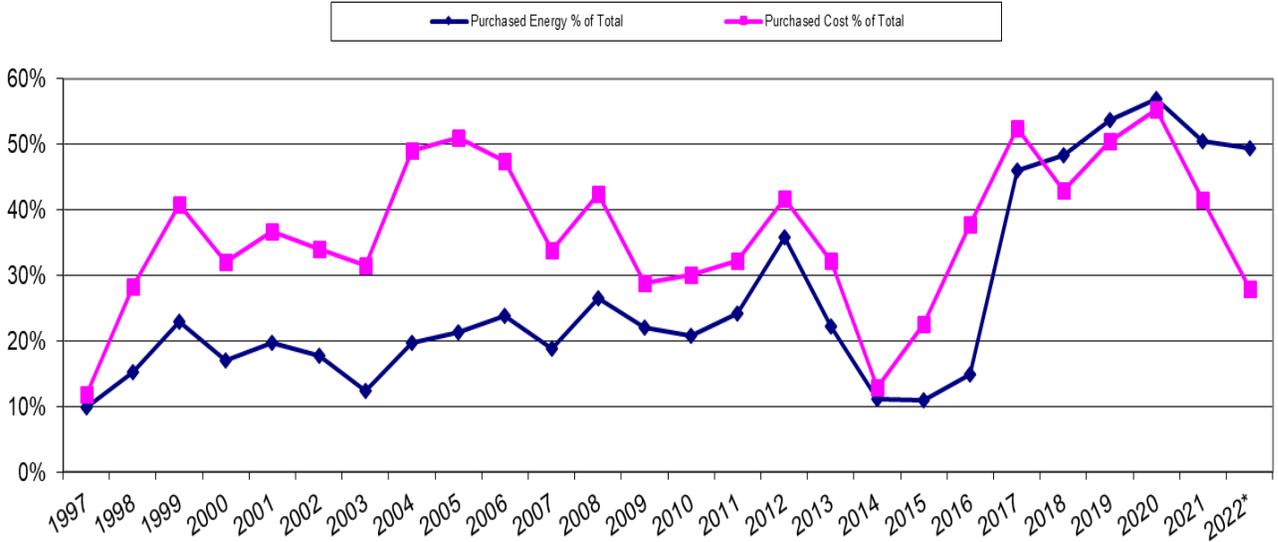


KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

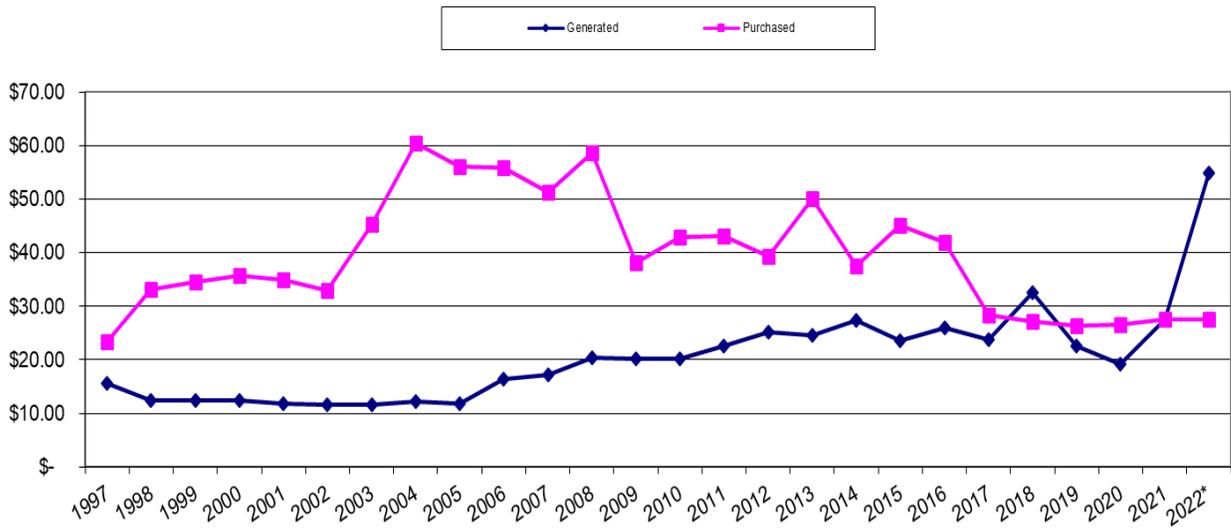
Purchase Power Percent of Total By Energy & Expense Historical



2022* Data includes 9 months of actuals and 3 months of estimated.

Note: SPP Integrated Market purchases are not included in the results.

Generated & Purchased Power Unit Cost (\$/MWh)



2022* Data includes 9 months of actuals and 3 months of estimated.

Note: SPP Integrated Market purchase are not included in the results.

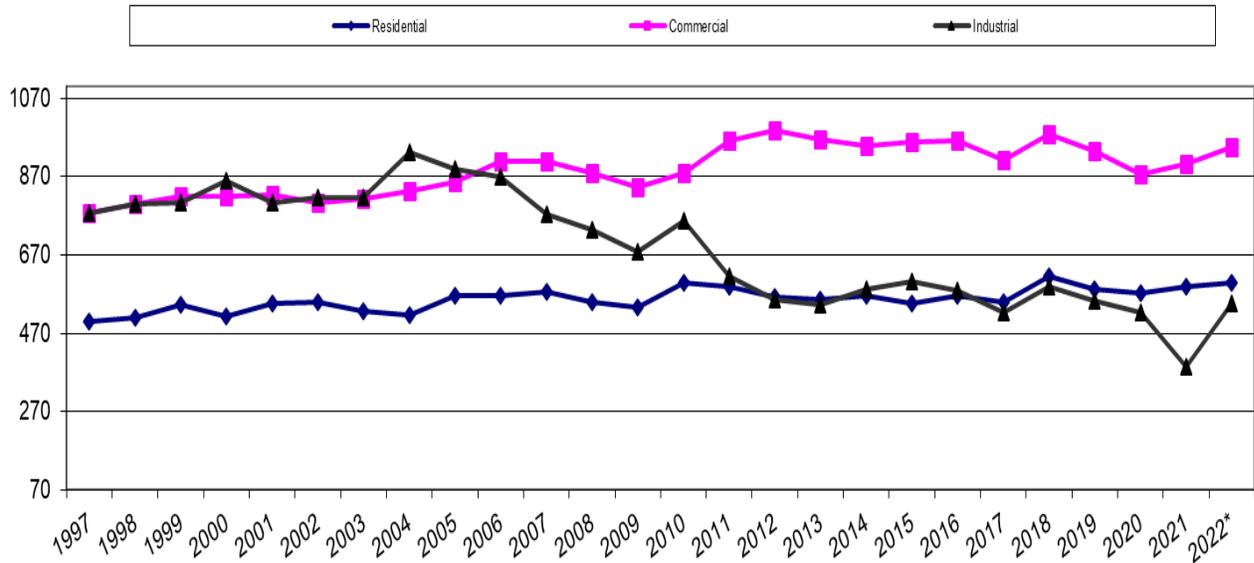


KANSAS CITY BOARD OF PUBLIC UTILITIES



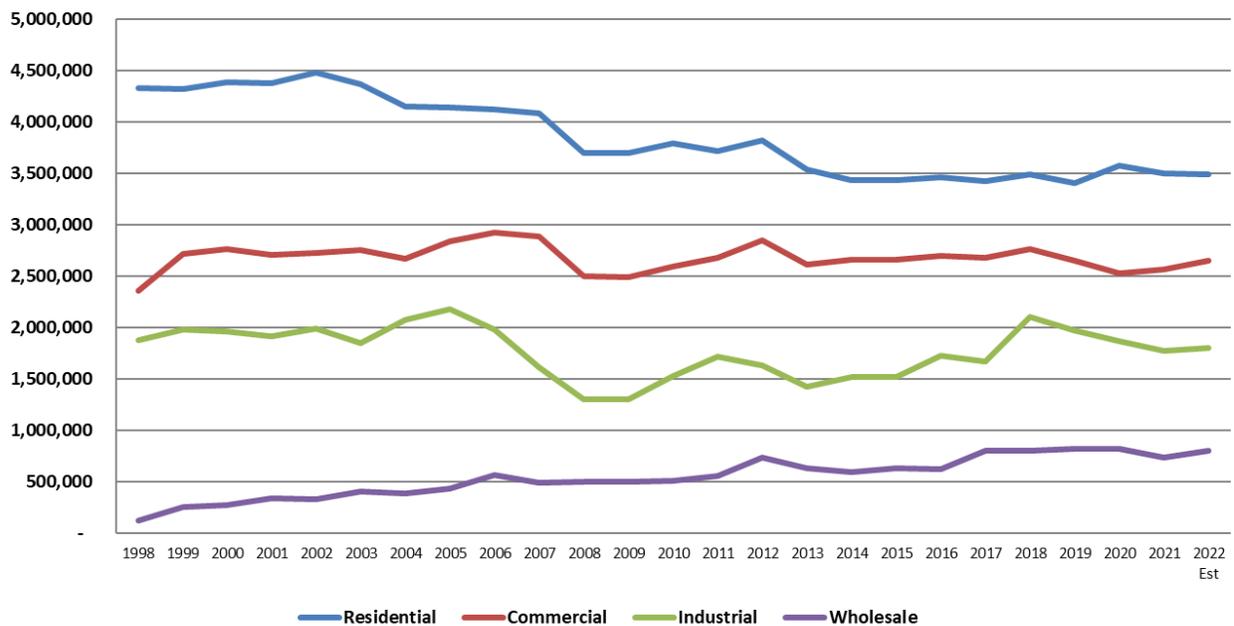
2023 ANNUAL BUDGET

Electric Consumption by Type (GWh)



2021* Data includes 9 months of actuals and 3 months of estimated.

Water Units (Ccf's) Sold by Year





Debt Service



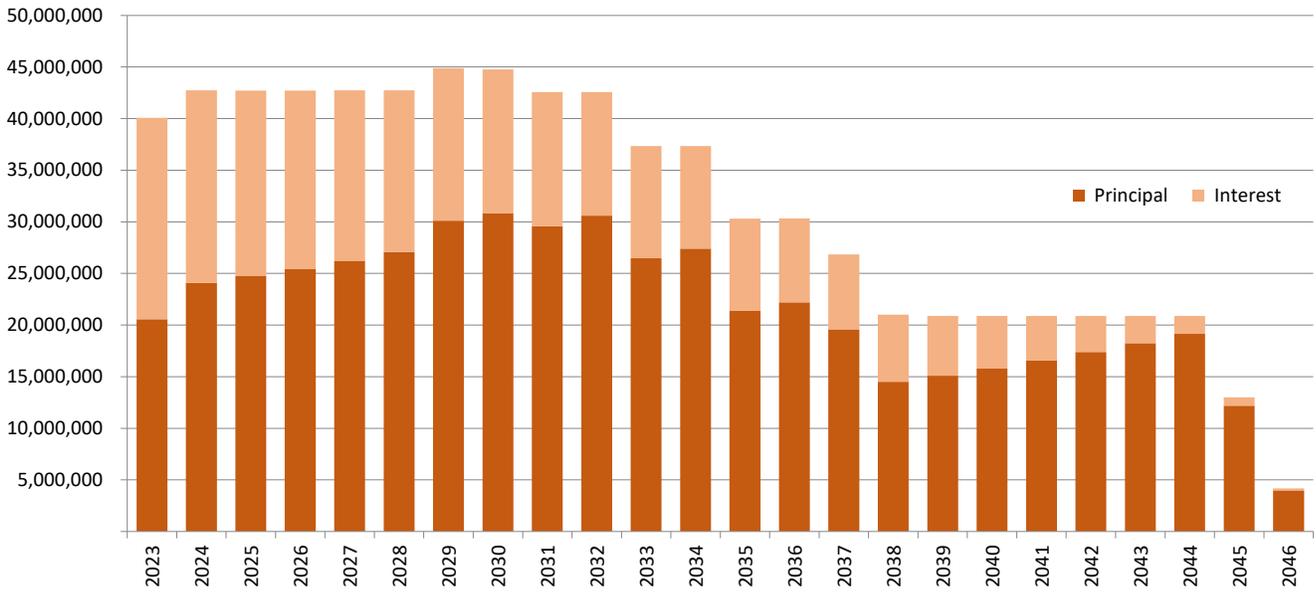
KANSAS CITY BOARD OF PUBLIC UTILITIES



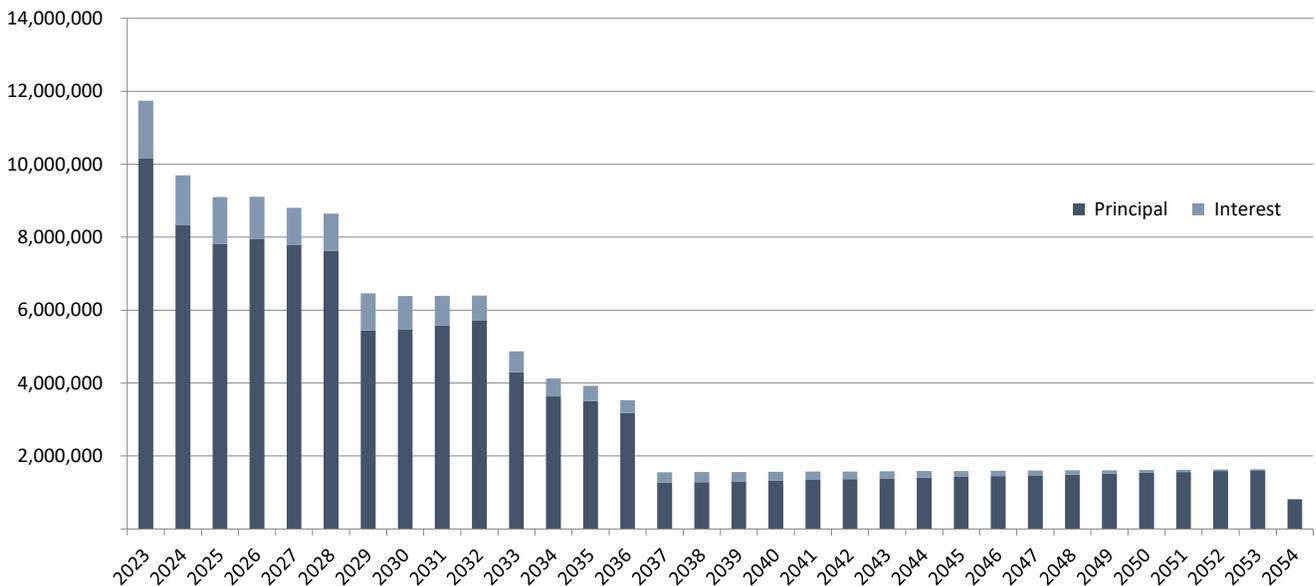
2023 ANNUAL BUDGET

BPU typically issues revenue bonds to fund the construction of new long-term assets. The utility system bonds for both electric and water are rated A from Fitch Ratings, A from Standard and Poor's, and A2 from Moody's Investors Service. The BPU must maintain debt coverage of 1.20% of the maximum annual debt service. Parity debt is debt outstanding from Utility System Revenue Bonds and Utility System Refunding Bonds. Non-parity debt includes debt through loans from the Public Water Supply Loan Fund through the Kansas Department of Health and Environment, which are subordinate to the debt outstanding through Utility System Revenue and Refunding Bonds.

Electric Outstanding Debt



Water Outstanding Debt





KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

Debt Service Payment Schedule by Year Total Revenue Bonds, Public Commission Bonds and KDHE Loans

Year	Principal			Interest			Service Fee	Total		
	Electric	Water	Total	Electric	Water	Total		Electric	Water	Total
2023	20,572,165	10,154,031	30,726,196	19,503,552	1,591,111	21,094,663	72,512	40,075,717	11,745,142	51,820,859
2024	24,092,066	8,326,227	32,418,293	18,636,011	1,369,982	20,005,993	289,570	42,728,077	9,696,209	52,424,286
2025	24,733,716	7,812,439	32,546,155	17,987,045	1,289,160	19,276,205	498,310	42,720,761	9,101,599	51,822,360
2026	25,449,415	7,949,821	33,399,236	17,275,194	1,161,617	18,436,811	479,700	42,724,609	9,111,438	51,836,047
2027	26,241,622	7,784,516	34,026,138	16,492,296	1,018,166	17,510,462	460,725	42,733,918	8,802,682	51,536,600
2028	27,070,603	7,623,692	34,694,295	15,664,485	1,023,714	16,688,199	302,254	42,735,088	8,647,406	51,382,494
2029	30,104,336	5,446,041	35,550,377	14,775,700	1,016,019	15,791,719	150,715	44,880,036	6,462,060	51,342,096
2030	30,840,500	5,467,952	36,308,452	13,932,731	913,291	14,846,022	142,006	44,773,231	6,381,243	51,154,474
2031	29,587,500	5,584,535	35,172,035	12,972,689	808,473	13,781,162	133,120	42,560,189	6,393,008	48,953,197
2032	30,611,500	5,705,211	36,316,711	11,945,929	694,906	12,640,835	124,055	42,557,429	6,400,117	48,957,546
2033	26,470,000	4,297,503	30,767,503	10,872,049	574,909	11,446,958	114,807	37,342,049	4,872,412	42,214,461
2034	27,405,000	3,634,475	31,039,475	9,932,223	491,605	10,423,828	106,036	37,337,223	4,126,080	41,463,303
2035	21,372,500	3,510,115	24,882,615	8,932,920	415,860	9,348,780	99,101	30,305,420	3,925,975	34,231,395
2036	22,200,000	3,181,175	25,381,175	8,125,002	345,730	8,470,732	92,032	30,325,002	3,526,905	33,851,907
2037	19,582,500	1,267,269	20,849,769	7,271,689	285,692	7,557,381	86,950	26,854,189	1,552,961	28,407,150
2038	14,522,500	1,286,349	15,808,849	6,476,150	271,064	6,747,214	82,498	20,998,650	1,557,413	22,556,063
2039	15,090,000	1,305,716	16,395,716	5,803,412	256,215	6,059,627	77,978	20,893,412	1,561,931	22,455,343
2040	15,790,000	1,325,376	17,115,376	5,102,800	241,143	5,343,943	73,391	20,892,800	1,566,519	22,459,319
2041	16,565,000	1,345,331	17,910,331	4,322,900	225,844	4,548,744	68,735	20,887,900	1,571,175	22,459,075
2042	17,390,000	1,365,587	18,755,587	3,504,550	210,315	3,714,865	64,009	20,894,550	1,575,902	22,470,452
2043	18,240,000	1,386,147	19,626,147	2,645,250	194,552	2,839,802	59,211	20,885,250	1,580,699	22,465,949
2044	19,150,000	1,407,017	20,557,017	1,743,750	178,551	1,922,301	54,342	20,893,750	1,585,568	22,479,318
2045	12,190,000	1,428,202	13,618,202	797,050	162,310	959,360	49,399	12,987,050	1,590,512	14,577,562
2046	3,975,000	1,449,705	5,424,705	198,750	145,824	344,574	44,381	4,173,750	1,595,529	5,769,279
2047		1,471,532	1,471,532			129,090	39,288		1,600,622	1,600,622
2048		1,493,688	1,493,688			112,104	34,118		1,605,792	1,605,792
2049		1,516,177	1,516,177			94,862	28,871		1,611,039	1,611,039
2050		1,539,005	1,539,005			77,360	23,544		1,616,365	1,616,365
2051		1,562,177	1,562,177			59,595	18,138		1,621,772	1,621,772
2052		1,585,697	1,585,697			41,563	12,650		1,627,260	1,627,260
2053		1,609,572	1,609,572			23,259	7,079		1,632,831	1,632,831
2054		813,851	813,851			4,680	1,424		818,531	818,531
Total	519,245,923	111,636,131	630,882,054	234,914,127	15,428,566	250,342,693	3,890,949	754,160,050	127,064,697	881,224,747

Bold and border font indicates Maximum Annual Debt Service (MADS) for the debt coverage calculation purposes.



KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

Debt Service Payment Schedule Parity Debt by Year

Year	Principal			Interest			Total		
	Electric	Water	Total	Electric	Water	Total	Electric	Water	Total
2023	20,339,000	7,161,000	27,500,000	19,416,882	1,067,601	20,484,483	39,755,882	8,228,601	47,984,483
2024	23,848,250	4,711,750	28,560,000	18,557,436	864,782	19,422,218	42,405,686	5,576,532	47,982,218
2025	24,481,750	4,793,250	29,275,000	17,916,570	796,857	18,713,427	42,398,320	5,590,107	47,988,427
2026	25,190,250	4,859,750	30,050,000	17,213,528	722,360	17,935,888	42,403,778	5,582,110	47,985,888
2027	25,973,250	4,936,750	30,910,000	16,439,705	633,450	17,073,155	42,412,955	5,570,200	47,983,155
2028	26,791,000	5,034,000	31,825,000	15,621,385	538,876	16,160,261	42,412,385	5,572,876	47,985,261
2029	29,923,250	2,886,750	32,810,000	14,742,624	433,639	15,176,263	44,665,874	3,320,389	47,986,263
2030	30,763,000	2,942,000	33,705,000	13,905,378	374,945	14,280,323	44,668,378	3,316,945	47,985,323
2031	29,507,500	3,007,500	32,515,000	12,947,661	312,325	13,259,986	42,455,161	3,319,825	45,774,986
2032	30,529,000	3,076,000	33,605,000	11,924,101	241,868	12,165,969	42,453,101	3,317,868	45,770,969
2033	26,385,000	1,615,000	28,000,000	10,852,799	165,915	11,018,714	37,237,799	1,780,915	39,018,714
2034	27,317,500	1,662,500	28,980,000	9,915,629	123,958	10,039,587	37,233,129	1,786,458	39,019,587
2035	21,280,000	1,500,000	22,780,000	8,919,826	79,418	8,999,244	30,199,826	1,579,418	31,779,244
2036	22,105,000	1,535,000	23,640,000	8,114,914	41,153	8,156,067	30,219,914	1,576,153	31,796,067
2037	19,485,000		19,485,000	7,264,689		7,264,689	26,749,689		26,749,689
2038	14,420,000		14,420,000	6,472,562		6,472,562	20,892,562		20,892,562
2039	15,090,000		15,090,000	5,803,412		5,803,412	20,893,412		20,893,412
2040	15,790,000		15,790,000	5,102,800		5,102,800	20,892,800		20,892,800
2041	16,565,000		16,565,000	4,322,900		4,322,900	20,887,900		20,887,900
2042	17,390,000		17,390,000	3,504,550		3,504,550	20,894,550		20,894,550
2043	18,240,000		18,240,000	2,645,250		2,645,250	20,885,250		20,885,250
2044	19,150,000		19,150,000	1,743,750		1,743,750	20,893,750		20,893,750
2045	12,190,000		12,190,000	797,050		797,050	12,987,050		12,987,050
2046	3,975,000		3,975,000	198,750		198,750	4,173,750		4,173,750
Total	516,728,750	49,721,250	566,450,000	234,344,151	6,397,147	240,741,298	751,072,901	56,118,397	807,191,298

Bold and border font indicates Maximum Annual Debt Service (MADS) for the debt coverage calculation purposes.



KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

Debt Service Payment Schedule Non-Parity Debt by Year

Year	Principal			Interest			Service Fee	Total		
	Electric	Water	Total	Electric	Water	Total		Electric	Water	Total
2023	233,165	2,993,031	3,226,196	86,670	523,510	610,180	72,512	319,835	3,516,541	3,836,376
2024	243,816	3,614,477	3,858,293	78,575	505,200	583,775	289,570	322,391	4,119,677	4,442,068
2025	251,966	3,019,189	3,271,155	70,475	492,303	562,778	498,310	322,441	3,511,492	3,833,933
2026	259,165	3,090,071	3,349,236	61,666	439,257	500,923	479,700	320,831	3,529,328	3,850,159
2027	268,372	2,847,766	3,116,138	52,591	384,716	437,307	460,725	320,963	3,232,482	3,553,445
2028	279,603	2,589,692	2,869,295	43,100	484,838	527,938	302,254	322,703	3,074,530	3,397,233
2029	181,086	2,559,291	2,740,377	33,076	582,380	615,456	150,715	214,162	3,141,671	3,355,833
2030	77,500	2,525,952	2,603,452	27,353	538,346	565,699	142,006	104,853	3,064,298	3,169,151
2031	80,000	2,577,035	2,657,035	25,028	496,148	521,176	133,120	105,028	3,073,183	3,178,211
2032	82,500	2,629,211	2,711,711	21,828	453,038	474,866	124,055	104,328	3,082,249	3,186,577
2033	85,000	2,682,503	2,767,503	19,250	408,994	428,244	114,807	104,250	3,091,497	3,195,747
2034	87,500	1,971,975	2,059,475	16,594	367,647	384,241	106,036	104,094	2,339,622	2,443,716
2035	92,500	2,010,115	2,102,615	13,094	336,442	349,536	99,101	105,594	2,346,557	2,452,151
2036	95,000	1,646,175	1,741,175	10,088	304,577	314,665	92,032	105,088	1,950,752	2,055,840
2037	97,500	1,267,269	1,364,769	7,000	285,692	292,692	86,950	104,500	1,552,961	1,657,461
2038	102,500	1,286,349	1,388,849	3,588	271,064	274,652	82,498	106,088	1,557,413	1,663,501
2039		1,305,716	1,305,716		256,215	256,215	77,978		1,561,931	1,561,931
2040		1,325,376	1,325,376		241,143	241,143	73,391		1,566,519	1,566,519
2041		1,345,331	1,345,331		225,844	225,844	68,735		1,571,175	1,571,175
2042		1,365,587	1,365,587		210,315	210,315	64,009		1,575,902	1,575,902
2043		1,386,147	1,386,147		194,552	194,552	59,211		1,580,699	1,580,699
2044		1,407,017	1,407,017		178,551	178,551	54,342		1,585,568	1,585,568
2045		1,428,202	1,428,202		162,310	162,310	49,399		1,590,512	1,590,512
2046		1,449,705	1,449,705		145,824	145,824	44,381		1,595,529	1,595,529
2047		1,471,532	1,471,532		129,090	129,090	39,288		1,600,622	1,600,622
2048		1,493,688	1,493,688		112,104	112,104	34,118		1,605,792	1,605,792
2049		1,516,177	1,516,177		94,862	94,862	28,871		1,611,039	1,611,039
2050		1,539,005	1,539,005		77,360	77,360	23,544		1,616,365	1,616,365
2051		1,562,177	1,562,177		59,595	59,595	18,138		1,621,772	1,621,772
2052		1,585,697	1,585,697		41,563	41,563	12,650		1,627,260	1,627,260
2053		1,609,572	1,609,572		23,259	23,259	7,079		1,632,831	1,632,831
2054		813,851	813,851		4,680	4,680	1,424		818,531	818,531
Total	2,517,173	61,914,881	64,432,054	569,976	9,031,419	9,601,395	3,890,949	3,087,149	70,946,300	74,033,449

Bold and border font indicates Maximum Annual Debt Service (MADS).



KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

Contributions to the Community

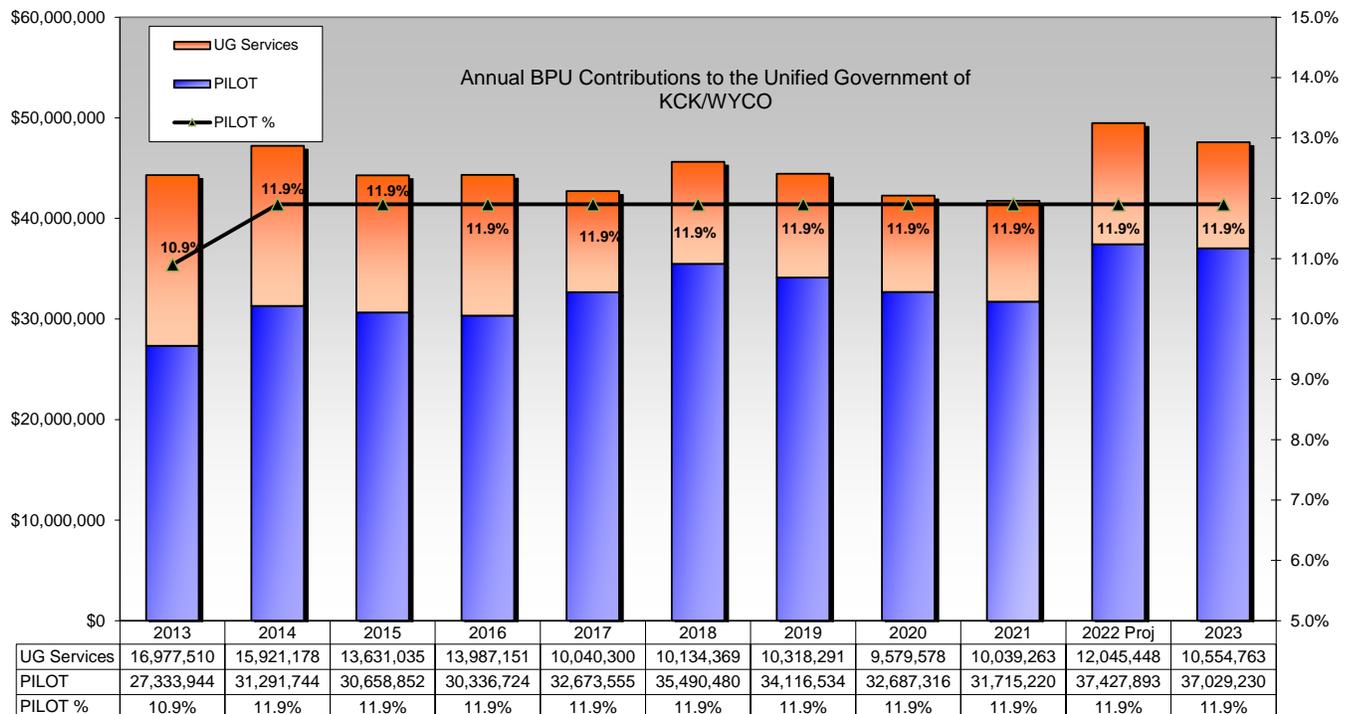
The 2023 Budget includes a non-operating item of \$37,029,230 for the collection and payment of the Payment in Lieu of Tax (PILOT) to the Unified Government of Wyandotte County/Kansas City, Kansas. The rate set by the Unified Government for 2023 is 11.9 percent of electric and water sales of the utility. The 2023 amount includes \$31,314,541 from electric system utility funds and \$5,714,689 in water system utility funds. The PILOT is charged to BPU customers as an additional line item on their monthly billing statements.

The BPU provides other financial support to the Unified Government as well as to other community organizations. Major financial contributions to the Kansas City, Kansas community and the percent of operating revenues are shown in the box below. In addition to these items, the utility is involved in the community by sponsoring non-profit community events, supporting community organizations, and contributing to the United Way fundraising campaign.

	2020 Actual	2021 Actual	2022 YTD (1)	2023 Budget
DIRECT PAYMENTS AND EXPENSES				
Payment-in-lieu-of Tax	\$ 32,687,316	\$ 31,715,220	\$ 28,070,920	\$ 37,029,230
Street Lighting & Signals	1,131,062	1,273,888	1,149,276	1,312,439
Fire Hydrant services	794,573	465,483	500,571	642,495
TOTAL - DIRECT PAYMENTS AND EXPENSES	\$ 34,612,951	\$ 33,454,591	\$ 29,720,767	\$ 38,984,164
OTHER UG SERVICES				
UG Facility Energy & Water Charges	\$ 6,608,744	\$ 7,272,914	\$ 6,611,198	7,565,529
Billing Services	1,045,199	1,026,978	773,041	1,034,300
TOTAL - OTHER UG SERVICES	\$ 7,653,943	\$ 8,299,892	\$ 7,384,239	\$ 8,599,829
TOTAL PAYMENTS AND CONTRIBUTIONS	\$ 42,266,894	\$ 41,754,483	\$ 37,105,006	\$ 47,583,993
PERCENT OF TOTAL ANNUAL OPERATING REVENUE	14.82%	13.24%	14.39%	14.56%
PERCENT OF TOTAL ANNUAL OPERATING REVENUE (Less PILOT)	3.36%	3.18%	3.50%	3.23%

(1) Year-to-date reflects expenses through September 30, 2022

Total annual operating revenue less PILOT	\$ 285,204,411	\$ 315,336,706	\$ 257,906,653	\$ 326,706,800
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KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

CAPITAL IMPROVEMENTS PLAN

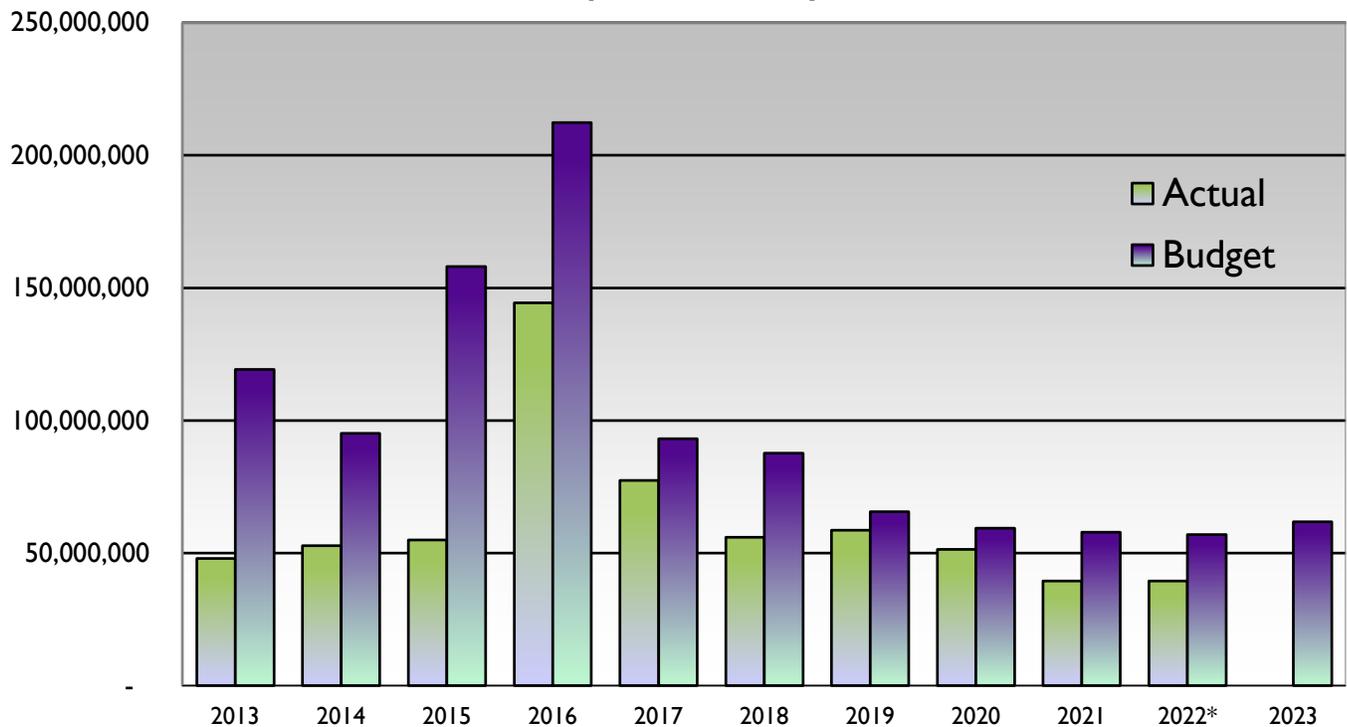
The 2023 Budget presents a Capital Improvement Plan for major infrastructure projects over \$20,000 and major capital equipment purchases over \$5,000 in value. A capital improvement or capital project is defined as the purchase or improvement of assets, including the construction or rehabilitation of an asset. Capital improvements are made to improve the value of BPU assets, which represent a significant commitment of BPU resources.

Major capital improvements should have a useful life of at least five years, compared to operating budget items, which are consumed in the daily delivery of utility services. The nature of the capital improvements lends itself to long-term planning and a combination of financing mechanisms.

Electric and water system revenues primarily fund capital improvements. Other sources of funding the BPU's capital improvements may be from State of Kansas loans, federal grants, and issuance of long-term debt.

The 2023 budget includes an Economic Development Administration (EDA) grant and a Kansas State Revolving Fund (SRF) loan that provides funding for Electric and Water Transmission & Distribution improvements.

Capital History



* Estimate as of fiscal year ending December 31, 2022



KANSAS CITY BOARD OF PUBLIC UTILITIES



2023 ANNUAL BUDGET

Staffing Summary

