



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Board of Public Utilities
2024 Summary Annual Budget



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Board of Directors

Rose Mulvany Henry
President

Tom Groneman
Vice President

Robert L. Milan, Sr.
Secretary

Jeff Bryant
Member

Mary Gonzales
Member

David Haley
Member

William A. Johnson
General Manager

Angela Lawson
Legal Counsel

Management Staff

Jeremy Ash
Chief
Operating Officer

Lori C. Austin
Chief
Financial Officer

Stephen E. Green
Executive Director
Water Operations

Jhonna M. Hinson
Executive Director
Customer Services

Darrin McNew
Executive Director
Electric Operations

David E. Mehlhaff
Chief
Communications Officer

Maurice Moss
Executive Director
Corporate Compliance

Jerin Purtee
Executive Director
Electric Supply

Jerrold T. Sullivan
Chief
Information Officer

Becky Aldinger
Director
Purchasing & Supply Chain

Douglas C. Bowen
Director
Electric Production Ops & Maint

Andrew Coffelt
NERC Compliance
Officer

Dennis Dumovich
Director
Human Resources

Mike Fergus
Director
Electric Distribution & Services

Andrew Ferris
Director
Financial Planning

Jody Franchett
Director
Administrative Services

Brian D. Laverack
Director
Network Operations

Dustin Miller
Director
Applications

Patrick J. Morrill
Director
Electric Engineering

Steve Nirschl
Director
Water Processing

Randy J. Otting
Director
Accounting

Marshall Robinett
Director
Water Distribution

Ingrid Setzler
Director
Environmental Services

Chris J. Stewart
Director
Civil Engineering

Patrice E. Townsend
Director
Utility Services



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Table of Contents

General Manager's Budget Message	1
Highlights of 2024 Budget	
BPU Resources	3
BPU Uses	4
Statement of Cash Flows	6
Net Income Statements	8
Highlights of the 2024 Revenue Projections	12
Funds and Reserves Guidelines	16
Personnel Costs	18
Fuel and Purchased Power	19
Customer Sales Information	21
Debt Service	23
Contributions to the Community	28
Overview of the 2024 Capital Improvements Plan	29
Staffing Summary	30
Glossary of Terms	31



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

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.



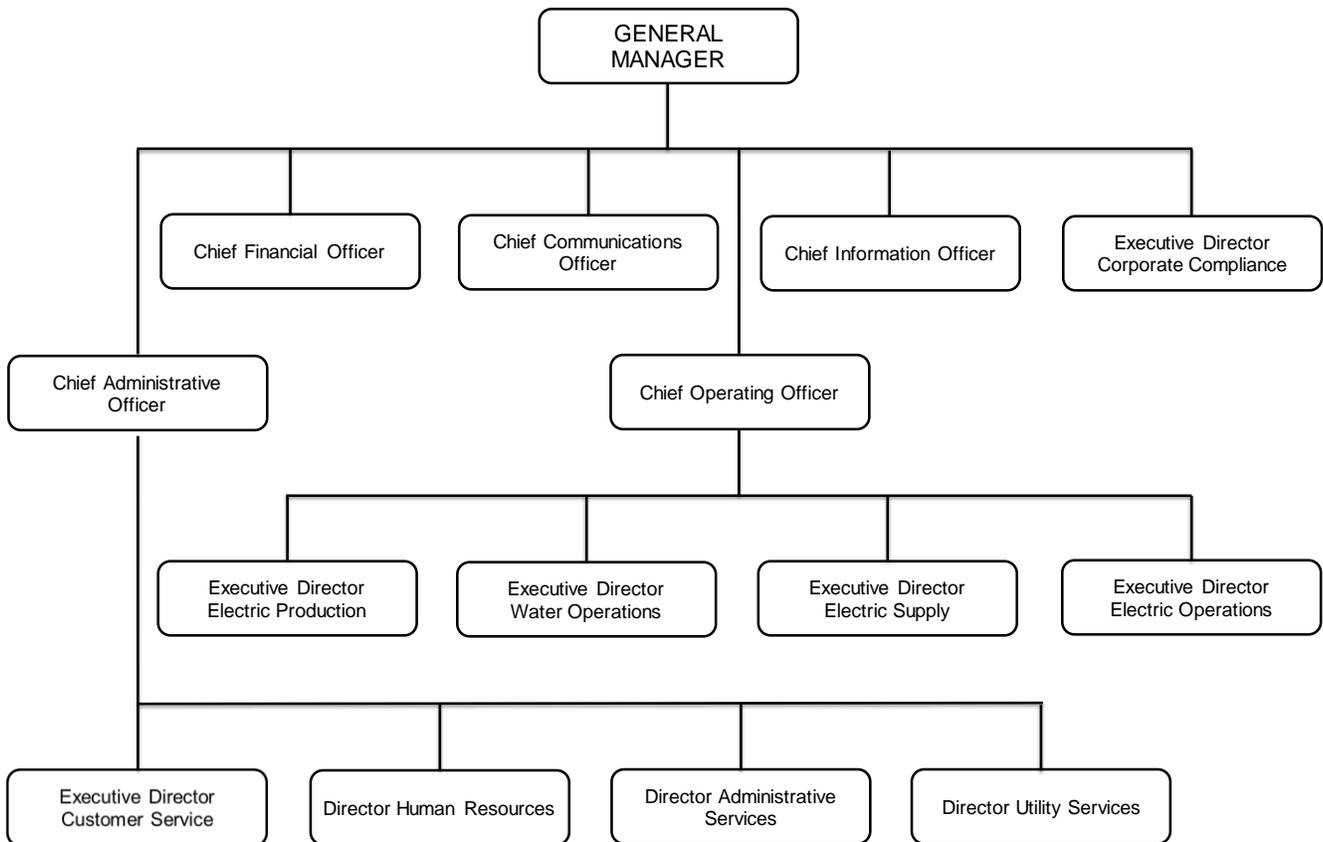
KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Kansas City Board of Public Utilities

Organizational Chart





KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Meeting the Needs of Utility Customers and the 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 2024 Annual Budget establishes the total estimated amount of revenue and expenditures for the year.

This comprehensive budget outlines priorities and objectives for this nationally recognized electric and water utility, as well as operating and capital spending requirements beginning January 1, 2024. 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.

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 overall customer service experience across all utility operations.
- Improve electric and water system reliability.
- Reduce ongoing capital construction and operating costs.
- Improve public outreach and communication efforts.
- Continue focus on utility wide process improvement objectives.

When looking to 2024, 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 and sustainable to support changes in future supply sources, while operating and maintaining utility assets in a safe, dependable, and cost-efficient manner.
- 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.
- Maintain policies and operating procedures that meet the requirements of a broad customer base – ensuring best-in-class utility service including customer satisfaction, issue response and resolution, etc. Identify initiatives to make information and services readily available and accessible, ensuring the use of benchmarking and surveys in achieving these standards, customer preferences, etc.
- Meet and comply with all federal and state regulatory requirements, including environmental, safe drinking water, and all other regulations – working to monitor, evaluate, and address changes as needed. Identify and address on-going risk management issues and priorities as necessary.



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

- 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.
- 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
- 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. Remain focused on employee safety, development, and retention.
- On-going improvements to key account programs by remaining focused on the needs of the utility's top consumers.
- 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. Continue to support economic development, business retention, and growth throughout the BPU service area.
- Seek to obtain federal and state funding for infrastructure improvements that will assist with easing the financial burden on our local community.
- Complete current generation assessment and finalize efforts for updating our integrated resource plan.

For more than 100 years, the award-winning BPU has remained committed to providing safe, reliable, and affordable electric and water services to Wyandotte County. Simultaneously, this municipally owned utility will remain focused on improving the quality of life for the customers and the community it serves.

Sincerely,

William A. Johnson
General Manager



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Highlights of the 2024 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.

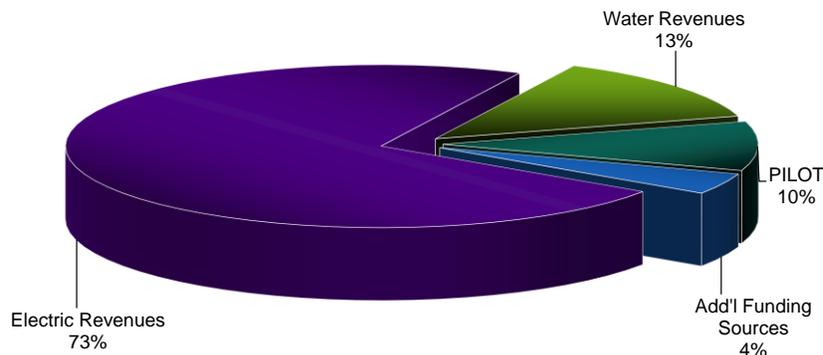
BPU Resources (Where Funds Come From)

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 2024 Annual Budget provides \$392,762,506 in resources for the Utility. The resources by function are depicted below.

SUMMARY OF FUNDING BY RESOURCE CATEGORY						
Revenue by Category	Approved Budget 2024	Adopted Budget 2023	More/(Less) Than 2023 Adopted		% of Grand Total	
			\$	%	2024	2023
Electric Revenues	\$ 285,908,648	\$ 281,846,448	\$ 4,062,200	1.44%	72.79%	72.36%
Water Revenues	52,025,128	47,989,400	4,035,728	8.41%	13.25%	12.32%
PILOT	38,314,998	37,029,230	1,285,768	3.47%	9.76%	9.51%
Add'l Funding Sources	16,513,732	22,617,945	(6,104,213)	-26.99%	4.20%	5.81%
Grand Total	\$ 392,762,506	\$ 389,483,023	3,279,483	0.84%	100.00%	100.00%

The highlights of the revenue stream for 2024 are as follows:

- Electric revenues total \$285,908,648 or 73 percent of the total funding of the Utility.
- Water revenues total \$52,025,128 or 13 percent of the total funding of the Utility.
- Payment-in-lieu-of-taxes (PILOT) total \$38,314,998 and represents 10 percent of the total funding of the Utility.
- Additional Funding Sources total \$16,513,732 or 4 percent of the total funding of the Utility.





KANSAS CITY BOARD OF PUBLIC UTILITIES



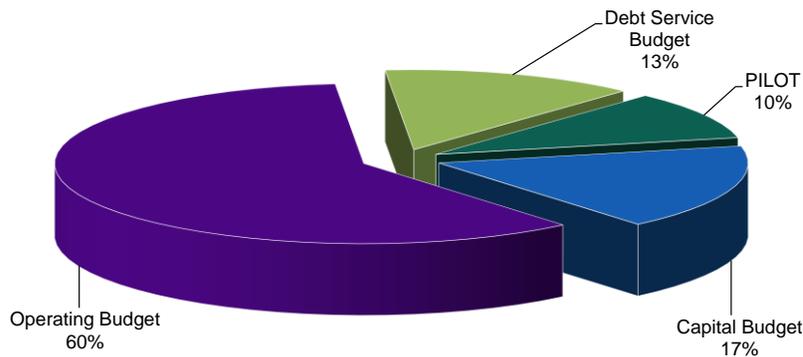
2024 ANNUAL BUDGET

Highlights of the 2024 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 2024 Annual Budget provides \$392,762,506 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 2024 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 2024	Adopted Budget 2023	More/(Less) Than 2023 Adopted		% of Grand Total		
			\$	%	2024	2023	
Operating Budget	\$ 234,208,818	\$ 239,330,489	\$ (5,121,671)	-2.14%	59.63%	61.45%	
Debt Service Budget	52,424,286	51,820,859	603,427	1.16%	13.35%	13.31%	
PILOT	38,314,998	37,029,230	1,285,768	3.47%	9.76%	9.51%	
Capital Budget	67,814,404	61,302,445	6,511,959	10.62%	17.27%	15.74%	
Grand Total	\$ 392,762,506	\$ 389,483,023	3,279,483	0.84%	100.00%	100.00%	





KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

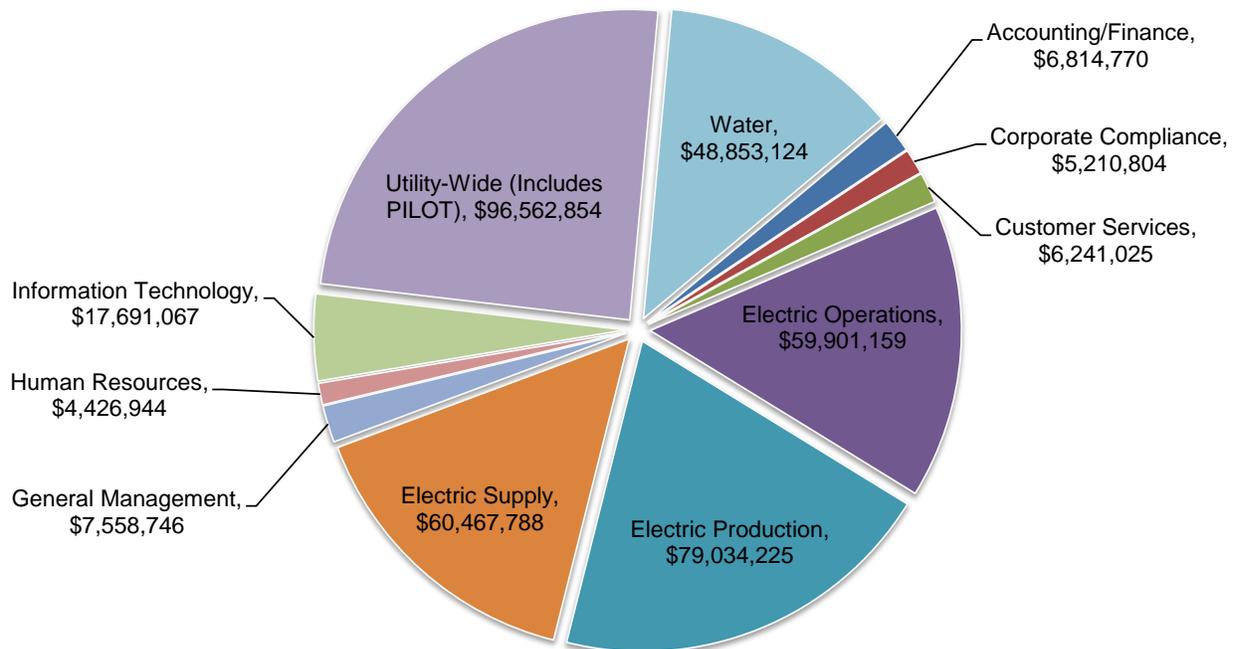
Highlights of the 2024 Annual Budget

SUMMARY OF SPENDING BY FUNCTION CATEGORY

Expenditures by Division	Approved Budget 2024	Adopted Budget 2023	More/(Less) Than 2023 Adopted		% of Grand Total	
			\$	%	2024	2023
Accounting/Finance	\$ 6,814,770	\$ 6,417,528	\$ 397,242	6.19%	1.74%	1.65%
Corporate Compliance	5,210,804	5,124,845	85,959	1.68%	1.33%	1.32%
Customer Services	6,241,025	6,074,335	166,690	2.74%	1.59%	1.56%
Electric Operations	59,901,159	55,589,031	4,312,128	7.76%	15.25%	14.27%
Electric Production	79,034,225	86,344,724	(7,310,499)	-8.47%	20.12%	22.17%
Electric Supply	60,467,788	62,694,638	(2,226,850)	-3.55%	15.40%	16.10%
General Management	7,558,746	7,089,570	469,176	6.62%	1.92%	1.82%
Human Resources	4,426,944	4,350,144	76,800	1.77%	1.13%	1.12%
Information Technology	17,691,067	16,246,528	1,444,539	8.89%	4.50%	4.17%
Utility-Wide (Includes PILOT)	96,562,854	93,668,658	2,894,196	3.09%	24.59%	24.05%
Water	48,853,124	45,883,022	2,970,102	6.47%	12.44%	11.78%
Sub Total	\$ 392,762,506	\$ 389,483,023	\$ 3,279,483	0.84%	100.00%	100.00%
Less PILOT	38,314,998	37,029,230	1,285,768	3.47%		
Grand Total	354,447,508	352,453,793	1,993,715	0.57%		

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

Spending Summary by Division





KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Highlights of the 2024 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 debt service coverage for 2024 with PILOT exceeds the 1.2 times requirement as outlined in the bond indenture and 2.0 times per the BPU's Financial Guidelines for both the electric and water utilities. The debt service coverage for 2024 without PILOT exceeds the 1.6 times requirement per the BPU's Financial Guidelines for both the electric and water utilities. The schedule on the following page illustrates the cash flow statement for the 2024 Annual Budget. The purpose of the cash flow statement is to illustrate the relationship of the 2024 Budget to the Board's financial policies. At the bottom of this schedule is the projected debt service coverage for 2024.



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

2024 Budget Cash Flow	Electric 2024	Water 2024	Combined 2024
Estimated Cash Available for Funding @ 12-31-2023	\$ 53,536,273	\$ 27,010,000	\$ 80,546,273
Total Revenues	\$ 318,060,162	\$ 58,688,612	\$ 376,748,774
Total Cash Operating Expenses less Depreciation & Non Cash items	\$ 198,028,362	\$ 34,495,450	\$ 232,523,813
Total Cash Generated from Operations	\$ 120,031,800	\$ 24,193,162	\$ 144,224,961
Existing Debt Service Requirement - Parity Debt	42,405,686	5,576,532	47,982,218
KDHE Loan Annual Service Fee	-	289,570	289,570
Existing Non Parity Debt Service Requirement - (Other & KDHE Loans)	322,391	4,119,677	4,442,068
Total Debt Service Requirements for FY2024	42,728,077	9,985,779	52,713,856
Cash Available from Operations after Debt Service	\$ 77,303,723	\$ 14,207,383	\$ 91,511,105
Payment in Lieu of Taxes (PILOT)	(32,151,514)	(6,163,484)	(38,314,998)
Cash Available from Operations after PILOT	\$ 45,152,209	\$ 8,043,899	\$ 53,196,108
Other Funding Sources			
KDHE Loans	-	23,350,000	23,350,000
2024 Bonds	49,300,000	-	49,300,000
EDA, EPA Grants	2,000,000	10,000,000	12,000,000
Total Other Funding Sources	51,300,000	33,350,000	84,650,000
Cash Available before Restrictions	\$ 149,988,482	\$ 68,403,899	\$ 218,392,381
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	-	12,000,000	12,000,000
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
ERC Reserve Requirement	7,500,000	-	7,500,000
O&M Reserve Requirement	31,873,115	1,911,258	33,784,372
Ongoing Construction Reserve per Bond Indenture	4,762,500	677,000	5,439,500
Estimated Remaining Grant & KDHE Bonds at fiscal year end	41,975,000	17,150,000	59,125,000
Total Restrictions on Cash	\$ 104,296,888	\$ 39,898,258	\$ 144,195,145
Unrestricted Cash Available for Construction	\$ 45,691,594	\$ 28,505,641	\$ 74,197,235
Economic Development Grants Capitalized	350,000	150,000	500,000
Energy Efficiency & Econ Dev Capitalized	225,000	-	225,000
Construction Requirement	39,682,840	27,406,560	67,089,400
Reimbursed Construction Projects	(230,000)	(377,100)	(607,100)
Total Construction (Net of Reimbursed Projects)	\$ 40,027,840	\$ 27,179,460	\$ 67,207,300
Estimated Net Unrestricted Cash Available	\$ 5,663,754	\$ 1,326,181	\$ 6,989,935
Financial Policy Ratios with PILOT			
Debt Service Requirement (MADS) - All Debt	44,880,036	9,696,209	52,424,286
Debt Service Coverage Ratio - All Debt	2.65	2.46	2.72
Debt Service Requirement (MADS) - Parity Debt	44,668,378	5,590,107	47,988,427
Debt Service Coverage Ratio - Parity Debt	2.66	4.26	2.97
Financial Policy Ratios without PILOT			
Debt Service Requirement (MADS) - All Debt	44,880,036	9,696,209	52,424,286
Debt Service Coverage Ratio - All Debt	1.93	1.82	1.99
Debt Service Requirement (MADS) - Parity Debt	44,668,378	5,590,107	47,988,427
Debt Service Coverage Ratio - Parity Debt	1.94	3.16	2.17



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Highlights of the 2024 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



2024 ANNUAL BUDGET

Total KCBPU - INCOME STATEMENT

Description	2022 Actuals	2023 Budget	2024 Approved
<u>OPERATING REVENUES</u>			
Residential Sales	110,391,146	109,762,800	115,839,000
Commercial Sales	126,967,366	119,055,000	122,268,000
Industrial Sales	57,733,185	58,235,000	59,890,000
Schools	11,441,509	10,743,000	11,117,960
Fire Protection	591,432	600,000	600,000
Highway Lighting	361,389	362,000	366,700
Public Authorities	28,000	28,000	28,000
Total Sales of Energy and Water	307,514,027	298,785,800	310,109,660
Borderline Electric Sales	1,256,876	1,250,000	1,246,000
Wholesale Market Sales	17,667,148	17,257,900	13,463,000
Total Other Utility Sales	18,924,024	18,507,900	14,709,000
Forfeited Discounts	2,885,600	2,988,400	2,958,500
Connect/Disconnect Fees	2,289,253	2,317,200	2,792,900
Diversion Fines	36,063	40,200	31,800
Tower/Pole Attachment Rentals	2,761,971	2,723,500	1,879,000
Other Miscellaneous Revenues	147,596	193,300	184,090
Service Fees	978,847	1,150,500	940,620
Total Other Revenues	9,099,330	9,413,100	8,786,910
Payment in Lieu of Taxes	37,073,894	37,029,230	38,314,998
Total Payment in Lieu of Taxes	37,073,894	37,029,230	38,314,998
TOTAL OPERATING REVENUES	372,611,275	363,736,030	371,920,567
<u>OPERATING EXPENSES</u>			
Production	42,442,507	47,845,206	45,609,094
Purchased Power	67,452,166	55,492,000	53,106,638
Fuel	55,754,914	44,510,000	38,502,401
Transmission and Distribution	46,245,007	51,127,793	52,912,588
Customer Account Expense	5,274,020	5,805,513	5,980,528
General and Administrative	21,355,002	34,549,978	38,097,563
Depreciation and Amortization	41,253,137	42,780,875	43,162,165
Dfrd Fuel & Purch Power-Amort	(12,468,276)	-	-
TOTAL OPERATING EXPENSES	267,308,477	282,111,364	277,370,977
OPERATING INCOME	105,302,798	81,624,666	94,549,590
<u>NON OPERATING INCOME/EXPENSE</u>			
Investment Interest	1,204,343	2,463,300	3,809,490
Interest - Long Term Debt	(22,029,289)	(20,740,124)	(19,700,602)
Interest - Other	(141,800)	(101,400)	(334,800)
Payment in Lieu of Taxes	(37,073,894)	(37,029,230)	(38,314,998)
Other Income	725,399	665,748	518,716
Other Expense	(80)	(500)	-
TOTAL NONOPERATING INCOME/EXPENSES	(57,315,322)	(54,742,206)	(54,022,194)
INCOME BEFORE TRANSFER & CONTRIB	47,987,476	26,882,460	40,527,396
Water Non Exchange	1,362,312	500,000	500,000
TOTAL CHANGE IN NET POSITION	49,349,788	27,382,460	41,027,397



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Electric OU - INCOME STATEMENT

Description	2022 Actuals	2023 Budget	2024 Approved
<u>OPERATING REVENUES</u>			
Residential Sales	85,641,891	85,012,800	88,846,000
Commercial Sales	115,324,995	107,555,000	109,558,000
Industrial Sales	51,528,923	52,035,000	53,140,000
Schools	10,829,994	10,072,000	10,451,000
Highway Lighting	361,389	362,000	366,700
Total Sales of Energy and Water	263,687,193	255,036,800	262,361,700
Borderline Electric Sales	1,256,876	1,250,000	1,246,000
Wholesale Market Sales	16,344,198	15,900,000	12,000,000
Total Other Utility Sales	17,601,074	17,150,000	13,246,000
Forfeited Discounts	2,308,535	2,380,000	2,365,000
Connect/Disconnect Fees	1,977,223	2,035,300	2,511,000
Diversion Fines	24,997	30,000	22,800
Tower/Pole Attachment Rentals	2,461,312	2,308,800	1,600,000
Other Miscellaneous Revenues	157,844	181,300	172,090
Service Fees	14,481	50,000	21,000
Total Other Revenues	6,944,392	6,985,400	6,691,890
Payment in Lieu of Taxes	31,554,468	31,314,541	32,151,514
Total Payment in Lieu of Taxes	31,554,468	31,314,541	32,151,514
TOTAL OPERATING REVENUES	319,787,127	310,486,741	314,451,104
<u>OPERATING EXPENSES</u>			
Production	36,780,229	40,452,697	38,055,738
Purchased Power	67,452,166	55,492,000	53,106,638
Fuel	55,754,914	44,510,000	38,502,401
Transmission and Distribution	31,442,950	35,400,878	35,914,096
Customer Account Expense	3,143,619	3,569,769	3,662,304
General and Administrative	16,616,129	27,349,802	30,087,185
Depreciation and Amortization	32,941,287	34,464,122	34,874,787
Dfrd Fuel & Purch Power-Amort	(12,468,276)	-	-
TOTAL OPERATING EXPENSES	231,663,018	241,239,268	234,203,149
OPERATING INCOME	88,124,108	69,247,473	80,247,955
<u>NON OPERATING INCOME/EXPENSE</u>			
Investment Interest	973,058	2,067,500	3,107,742
Interest - Long Term Debt	(20,135,887)	(19,216,619)	(18,422,386)
Interest - Other	(115,756)	(75,000)	(272,400)
Payment in Lieu of Taxes	(31,554,468)	(31,314,541)	(32,151,514)
Other Income	714,566	606,748	501,316
Other Expense	(80)	(500)	-
TOTAL NONOPERATING INCOME/EXPENSES	(50,118,568)	(47,932,412)	(47,237,242)
INCOME BEFORE TRANSFER & CONTRIB	38,005,540	21,315,061	33,010,712
TOTAL CHANGE IN NET POSITION	38,005,540	21,315,061	33,010,712



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Water OU - INCOME STATEMENT

Description	2022 Actuals	2023 Budget	2024 Approved
<u>OPERATING REVENUES</u>			
Residential Sales	24,749,255	24,750,000	26,993,000
Commercial Sales	11,642,370	11,500,000	12,710,000
Industrial Sales	6,204,262	6,200,000	6,750,000
Schools	611,515	671,000	666,960
Fire Protection	591,432	600,000	600,000
Public Authorities	28,000	28,000	28,000
Total Sales of Energy and Water	43,826,834	43,749,000	47,747,960
Wholesale Market Sales	1,322,950	1,357,900	1,463,000
Total Other Utility Sales	1,322,950	1,357,900	1,463,000
Forfeited Discounts	577,065	608,400	593,500
Connect/Disconnect Fees	312,030	281,900	281,900
Diversion Fines	11,066	10,200	9,000
Tower/Pole Attachment Rentals	300,659	414,700	279,000
Other Miscellaneous Revenues	(10,248)	12,000	12,000
Service Fees	964,366	1,100,500	919,620
Total Other Revenues	2,154,938	2,427,700	2,095,020
Payment in Lieu of Taxes	5,519,426	5,714,689	6,163,484
Total Payment in Lieu of Taxes	5,519,426	5,714,689	6,163,484
TOTAL OPERATING REVENUES	52,824,148	53,249,289	57,469,464
<u>OPERATING EXPENSES</u>			
Production	5,662,279	7,392,509	7,553,357
Transmission and Distribution	14,802,058	15,726,914	16,998,492
Customer Account Expense	2,130,401	2,235,743	2,318,224
General and Administrative	4,738,872	7,200,175	8,010,378
Depreciation and Amortization	8,311,849	8,316,753	8,287,378
TOTAL OPERATING EXPENSES	35,645,459	40,872,095	43,167,828
OPERATING INCOME	17,178,690	12,377,194	14,301,635
<u>NON OPERATING INCOME/EXPENSE</u>			
Investment Interest	231,285	395,800	701,748
Interest - Long Term Debt	(1,893,403)	(1,523,505)	(1,278,216)
Interest - Other	(26,044)	(26,400)	(62,400)
Payment in Lieu of Taxes	(5,519,426)	(5,714,689)	(6,163,484)
Other Income	10,833	59,000	17,400
TOTAL NONOPERATING INCOME/EXPENSES	(7,196,754)	(6,809,794)	(6,784,951)
INCOME BEFORE TRANSFER & CONTRIB	9,981,935	5,567,400	7,516,684
Water Non Exchange	1,362,312	500,000	500,000
TOTAL CHANGE IN NET POSITION	11,344,247	6,067,400	8,016,684



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Highlights of the 2024 Annual Budget

Revenue Projections

Electric Utility

Assumption 1: Fiscal year 2024 retail electric revenues include:

- Based on approved rate schedules approved by the KCBPU Board in July 2023.
- Overall 2.5 percent base rate increase effective July 1, 2024
- The ERC (fuel & purchase power rider) rate is projected to average 4.1 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 2024 ESC debt schedule is approximately \$400 thousand 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 272 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 ten-year trending forecast. The average annual monthly kilo-watt hour usage per customer is estimated at 811 kWh per customer.

Commercial – Overall projections reflect 27 net new Commercial accounts and flat customer usage levels. Losses in older parts of the service territory are expected to be offset by the new growth near the Village West/I-435 development area. Assumptions are based on a ten-year trending forecast. Total Commercial load is projected to be -0.10% percent below the ten-year average.

Industrial – Overall projections reflect no change in the annual number of customer accounts. Revenue assumptions are based on a five-year trending forecast. Load growth is projected to be slightly lower or 1.5% below 2023 levels. The Industrial loads are still expected to be below 2018 levels due to changing load characteristics in the class.

Other Retail Classes – Overall projections reflect no new net customers for 2024. The overall consumption for this class is expected to increase .06 percent over 2023 levels due to additional square footage added in the school class. Also, the Unified Government and the BPU interdepartmental consumption are expected to remain constant during the forecast period. There is no monetary payment from the Unified Government for electric consumption.

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



2024 ANNUAL BUDGET

Highlights of the 2024 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



2024 ANNUAL BUDGET

Highlights of the 2024 Annual Budget

Revenue Projections

Water Utility - Fiscal year 2024 retail water revenues are based on the following:

- Revenue forecast is based on approved retail water rates as of July 2023.
- Overall 6.0 percent base rate increase effective July 1, 2024.
- Approximately 53,900 retail accounts
- Five-year trend for metered CCF's water sales

Residential

- Projections reflect approximately 49,900 residential accounts
- Approximately 3.5 million CCF of water sales during the forecast period.

Commercial:

- Projections reflect approximately 3,880 commercial accounts
- Approximately 2.6 million CCF of water sales during the forecast period.

Industrial:

- Projections are based on an average of 77 customer accounts
- Approximately 1.9 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 104 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 prior 12-month usage patterns for customer's class
- Approved Wholesale rates as of July 2023.

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

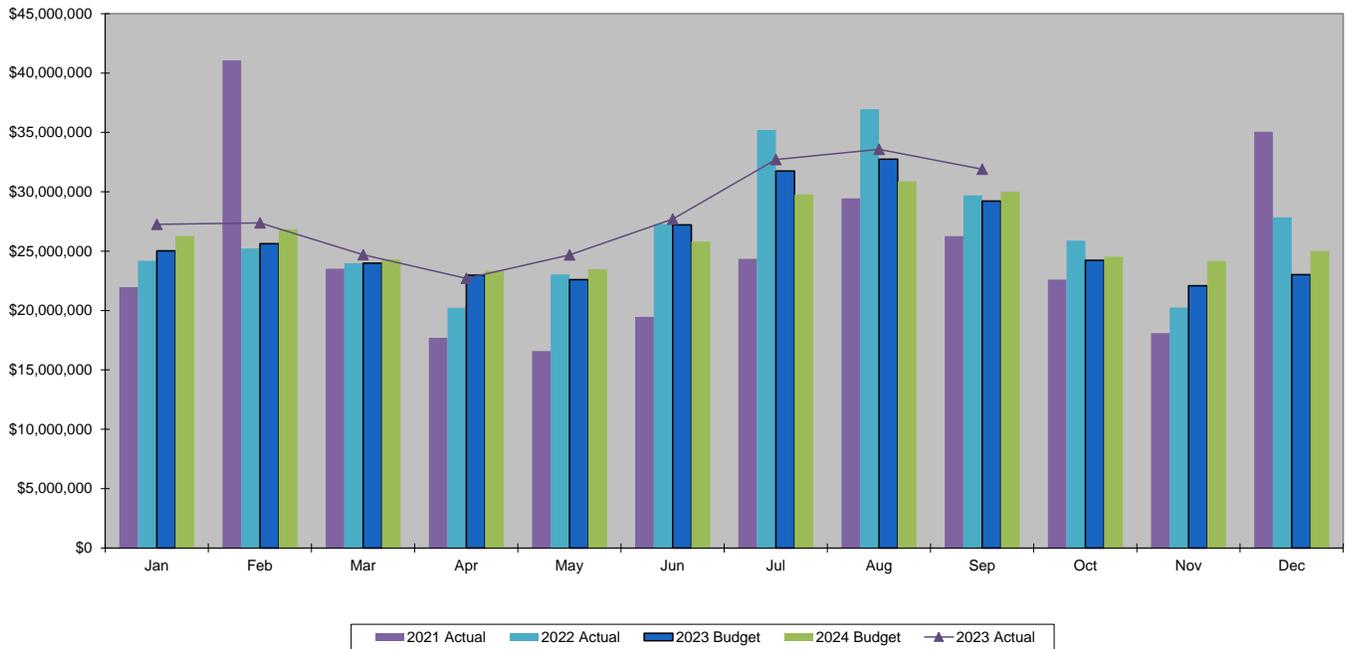


KANSAS CITY BOARD OF PUBLIC UTILITIES

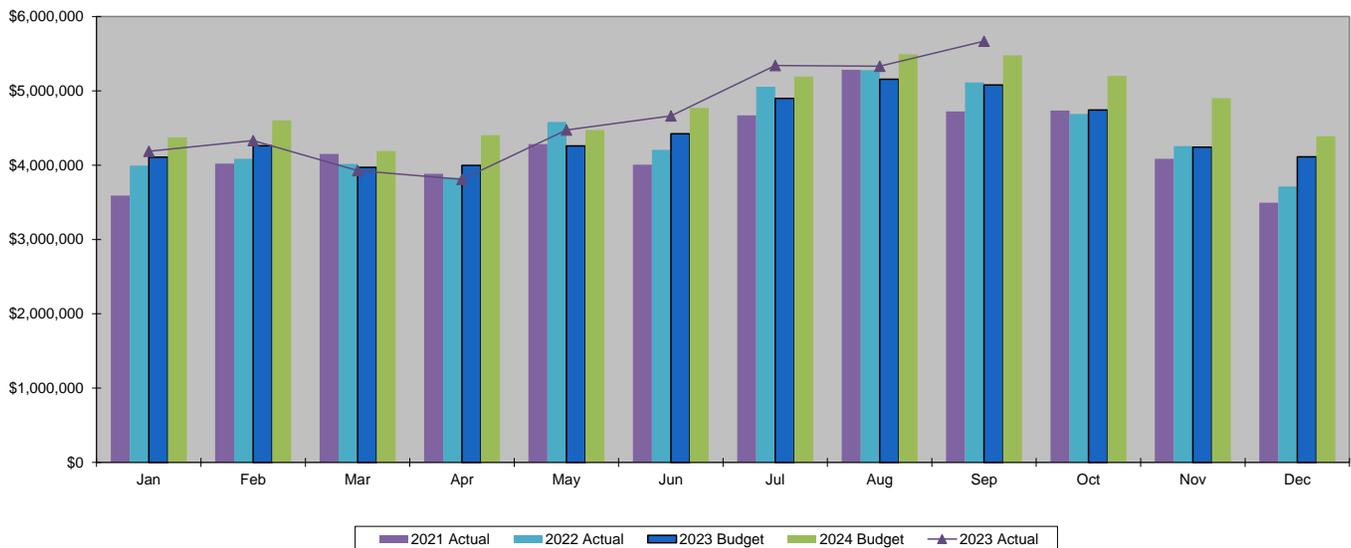


2024 ANNUAL BUDGET

BPU Electric Revenues



BPU Water Revenues





KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 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.

Construction Reserve:

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

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.

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 month 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 including PILOT of 2.0 times and 1.6 times excluding PILOT for both the electric and water utilities.

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.

Economic Development Program:

The BPU provides funding for economic development research in order to attract, retain and grow businesses within the BPU's service territory.

Electric Operating and Maintenance (O&M) Reserve:

To maintain a cash reserve for Electric O&M expenses, excluding fuel and purchased power of one hundred twenty (120) days or better of annual O&M expenditures.

Electric Operating Reserve:

This cash reserve is equal to the sum of the Operating and Maintenance (O&M) Reserve and the Energy Rate Component (ERC) Reserve and shall maintain one hundred twenty days or better.

Energy Efficiency Program:

BPU will provide rebate incentives for customers who install all-electric or heat pump equipment. The rebates paid out will be amortized over a three (3) year period.

Energy Rate Component (ERC) Reserve:

A cash reserve established to stabilize working capital targets related to volatile power supply costs. The ERC Reserve shall be equal to one hundred twenty (120) days of annual expenditures recovered through the ERC.



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Funds and Reserves Guidelines

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.

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%.

Rate Stabilization Fund:

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

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.

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.

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.

Water Operating Reserve:

To maintain a cash reserve for water operation and maintenance (O&M) expenses for one hundred (100) days or better of annual O&M expenditures.



KANSAS CITY BOARD OF PUBLIC UTILITIES

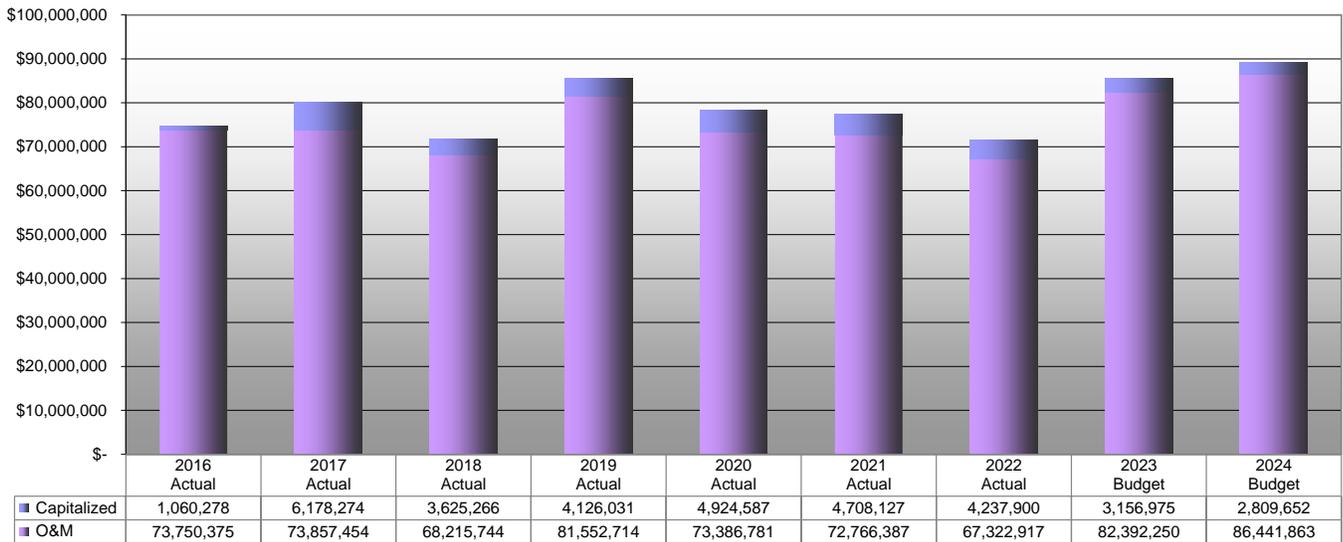


2024 ANNUAL BUDGET

Annual Budget - Personnel Costs

The 2024 Annual Budget includes \$89,251,515 in total personnel costs. Of this amount, \$86,441,863 is in the operating budget and \$2,809,652 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 556 positions.

BPU Personnel Cost



The wage costs in the 2024 Annual budget are based on 556 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

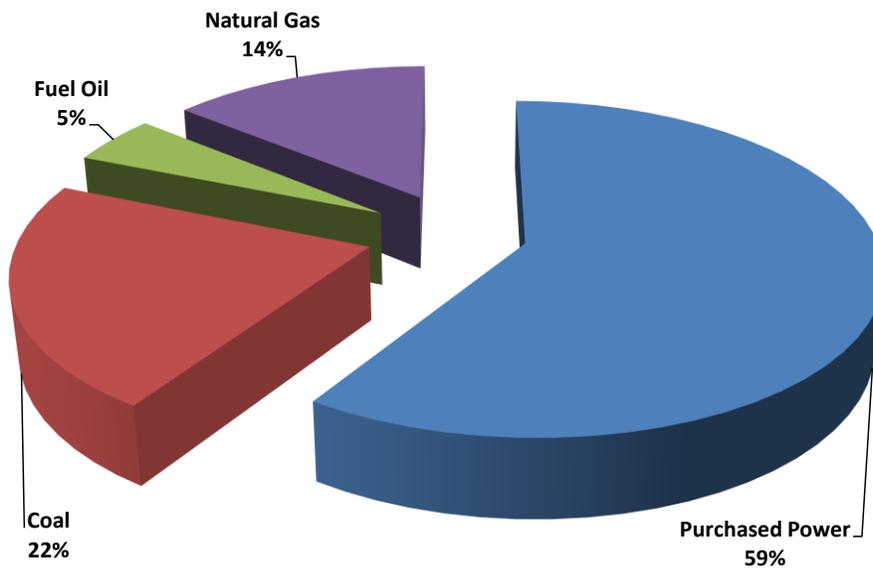


2024 ANNUAL BUDGET

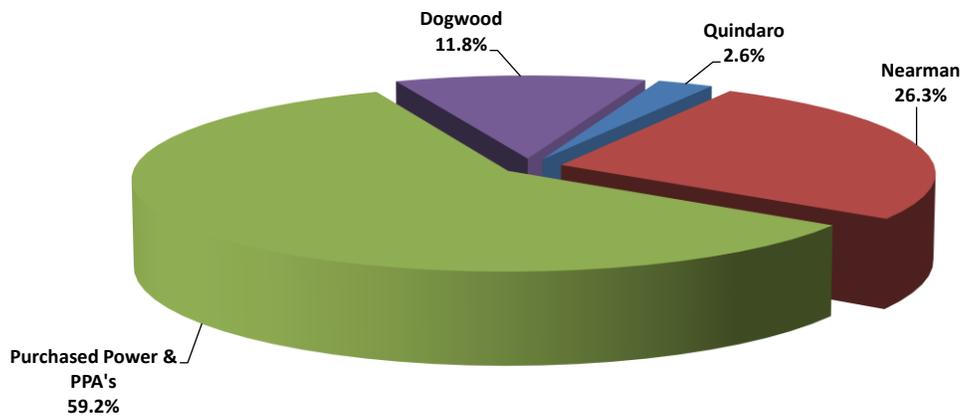
Fuel and Purchased Power Costs

A large component of the Annual Budget is the fuel and purchased power expense. The fuel and purchased power totals \$94,249,039. Of this amount, \$90,133,039 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 & Purchased Power by Source





KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Fuel and Purchased Power Costs

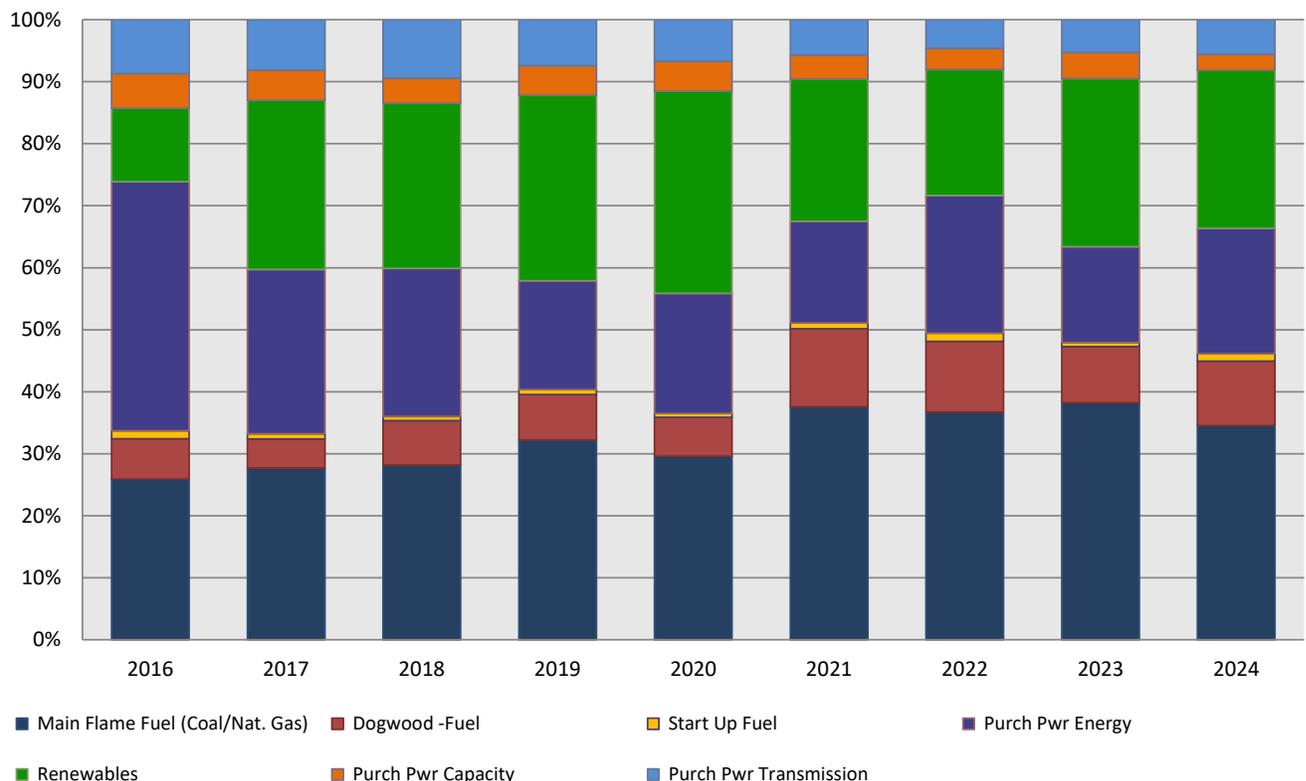
	Coal	Natural Gas	Fuel Oil	Total
Quindaro Power Plant	\$ -	\$ -	\$ 2,381,067	\$ 2,381,067
Nearman Power Plant	19,753,952	2,038,271	1,926,261	23,718,484
Dogwood	-	10,642,850	-	10,642,850
Total	\$ 19,753,952	\$ 12,681,121	\$ 4,307,328	\$ 36,742,401

Purchase Power Energy	\$ 20,751,000
Purch Pwr Capacity NonEconomic	2,652,167
Purchased Power - Renewables	26,164,651
Purchased Power Transmission	5,738,820
Other Purchased Power	(1,916,000)
Total Purchased Power	\$ 53,390,638

Total Fuel & Purchased Power **\$ 90,133,039**

Ash Handling Costs	\$ 1,530,000
AQC Reagents	1,760,000
Bulk Fuel for Transportation/Fleet Vehicles	826,000
Total Other Fuels/Costs	\$ 4,116,000

Total of all Fuels & Power **\$ 94,249,039**



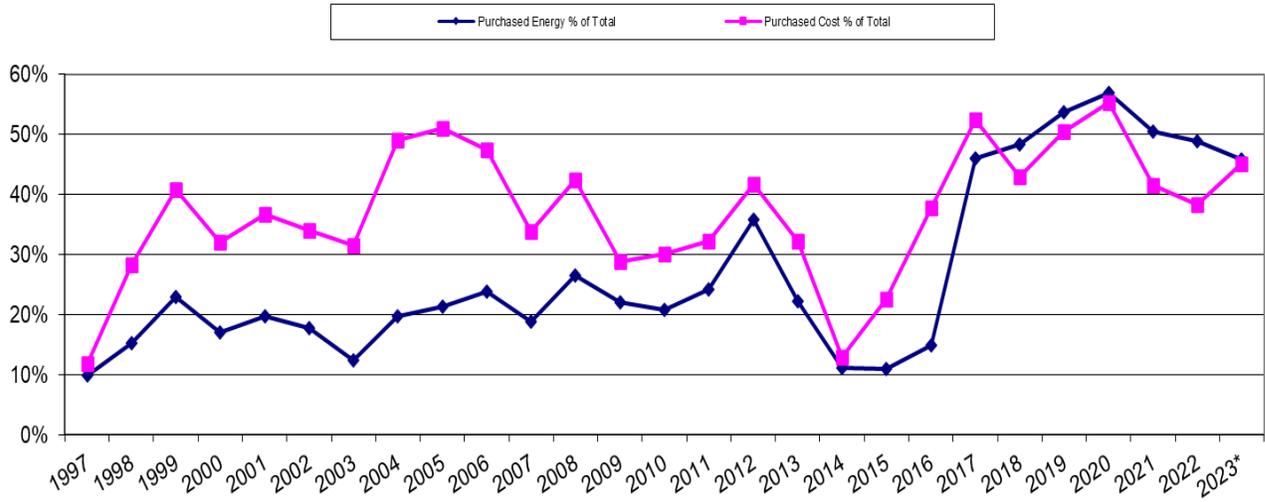


KANSAS CITY BOARD OF PUBLIC UTILITIES



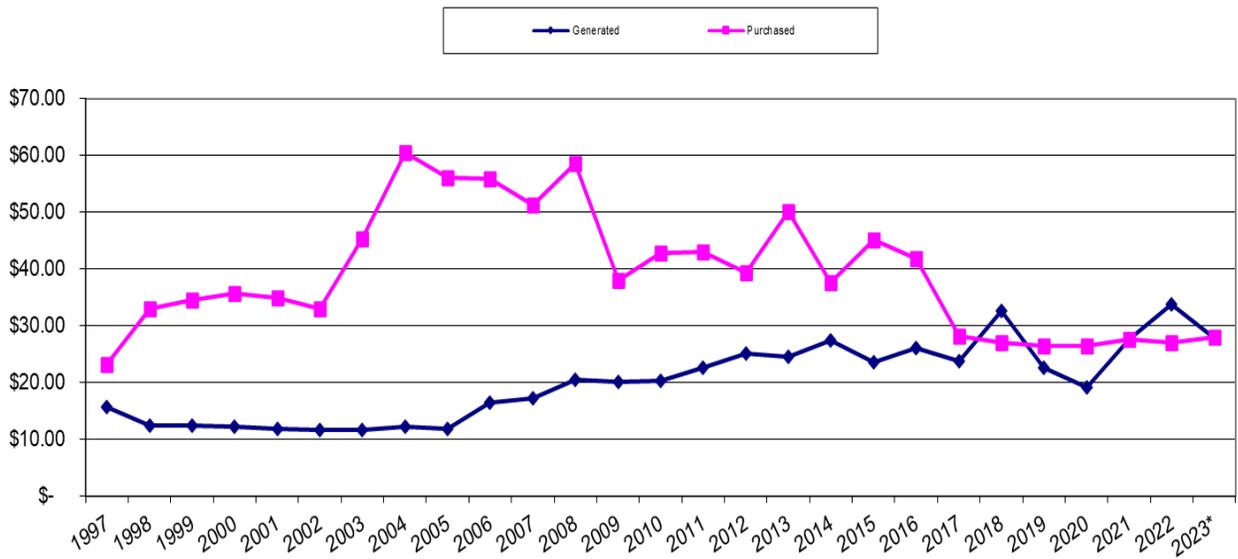
2024 ANNUAL BUDGET

Purchase Power Percent of Total By Energy & Expense Historical



2023* 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)



2023* Data includes 9 months of actuals and 3 months of estimated.
 Note: SPP Integrated Market purchase are not included in the results.

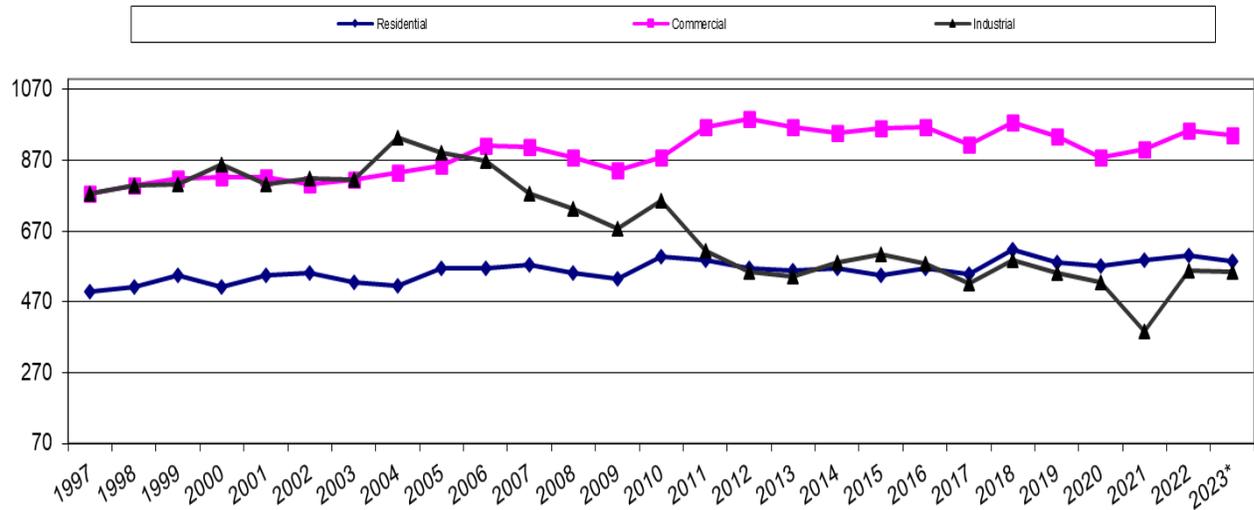


KANSAS CITY BOARD OF PUBLIC UTILITIES



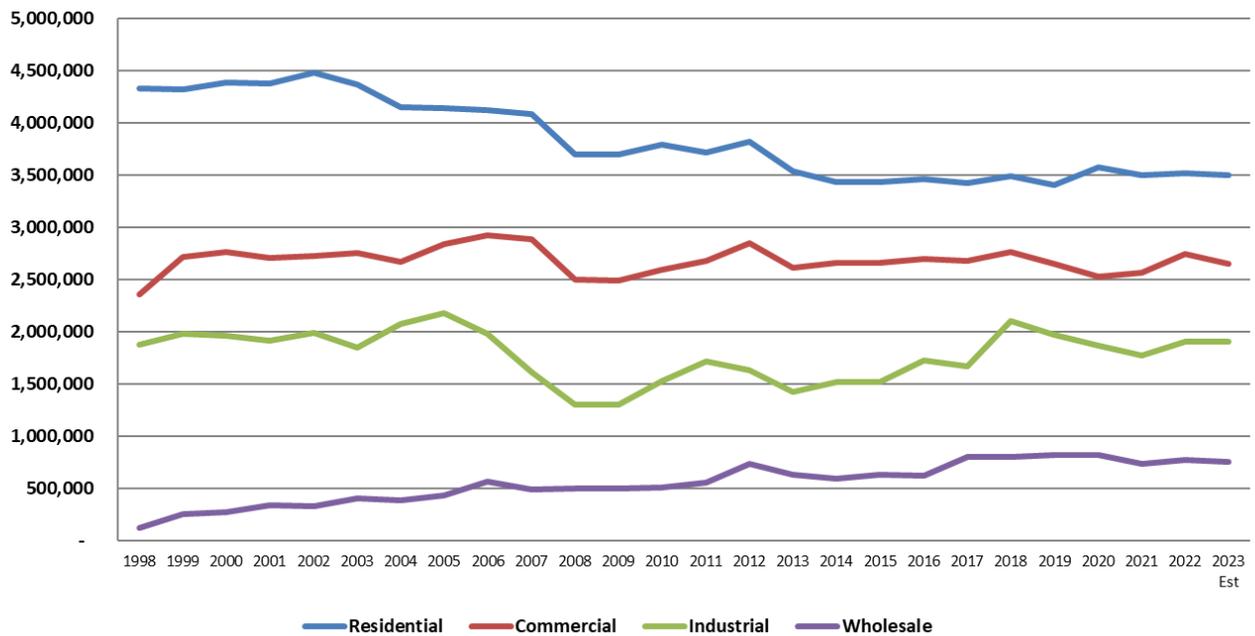
2024 ANNUAL BUDGET

Electric Consumption by Type (GWh)



2023* Data includes 9 months of actuals and 3 months of estimated.

Water Units (Ccf's) Sold by Year





Debt Service



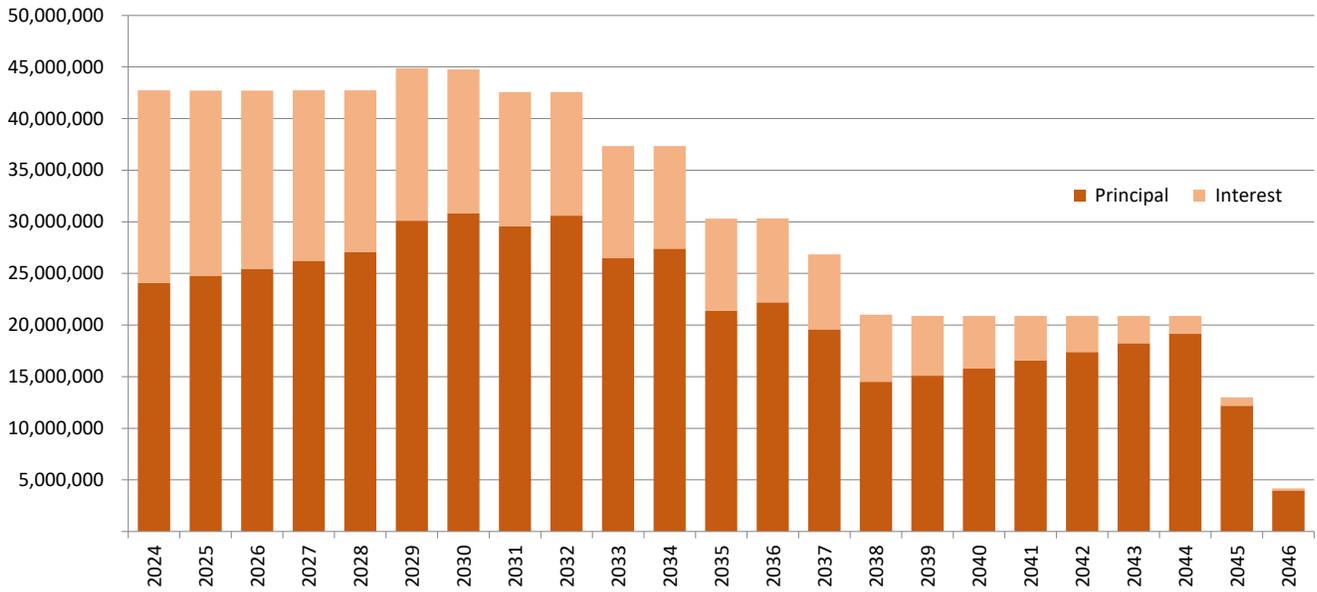
KANSAS CITY BOARD OF PUBLIC UTILITIES



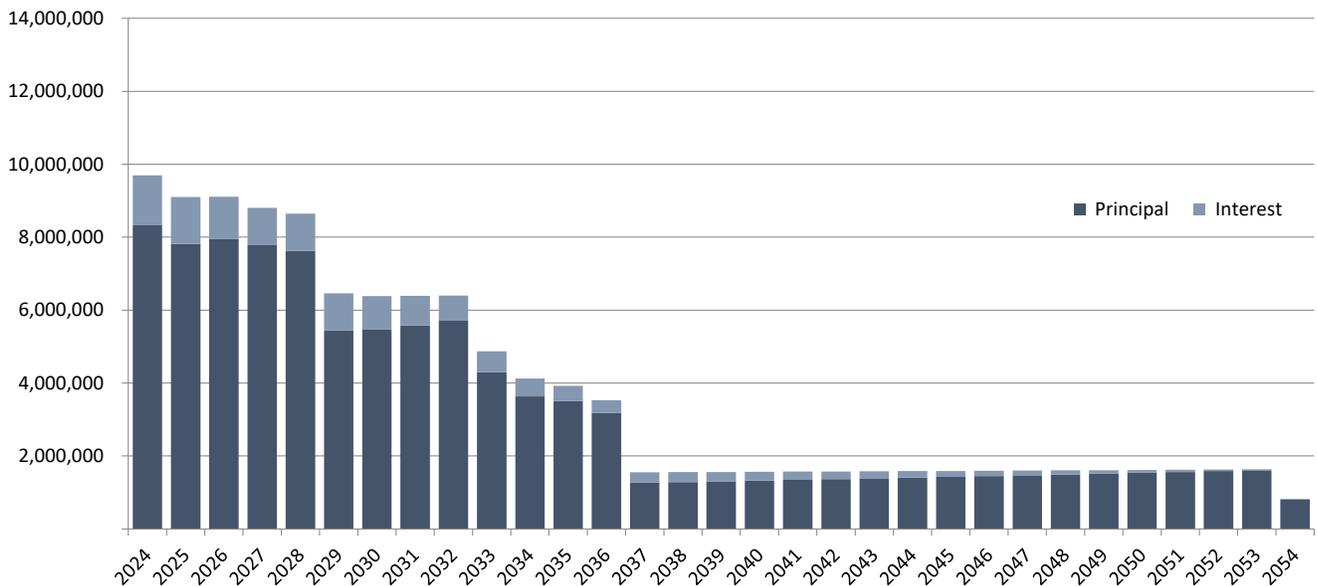
2024 ANNUAL BUDGET

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



2024 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
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	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	498,673,758	101,482,100	600,155,858	215,410,575	13,837,455	229,248,030	3,818,437	714,084,333	115,319,555	829,403,888

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



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Debt Service Payment Schedule Parity Debt by Year

Year	Principal			Interest			Total		
	Electric	Water	Total	Electric	Water	Total	Electric	Water	Total
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	496,389,750	42,560,250	538,950,000	214,927,269	5,329,546	220,256,815	711,317,019	47,889,796	759,206,815

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



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 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
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	2,284,008	58,921,850	61,205,858	483,306	8,507,909	8,991,215	3,818,437	2,767,314	67,429,759	70,197,073

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



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Contributions to the Community

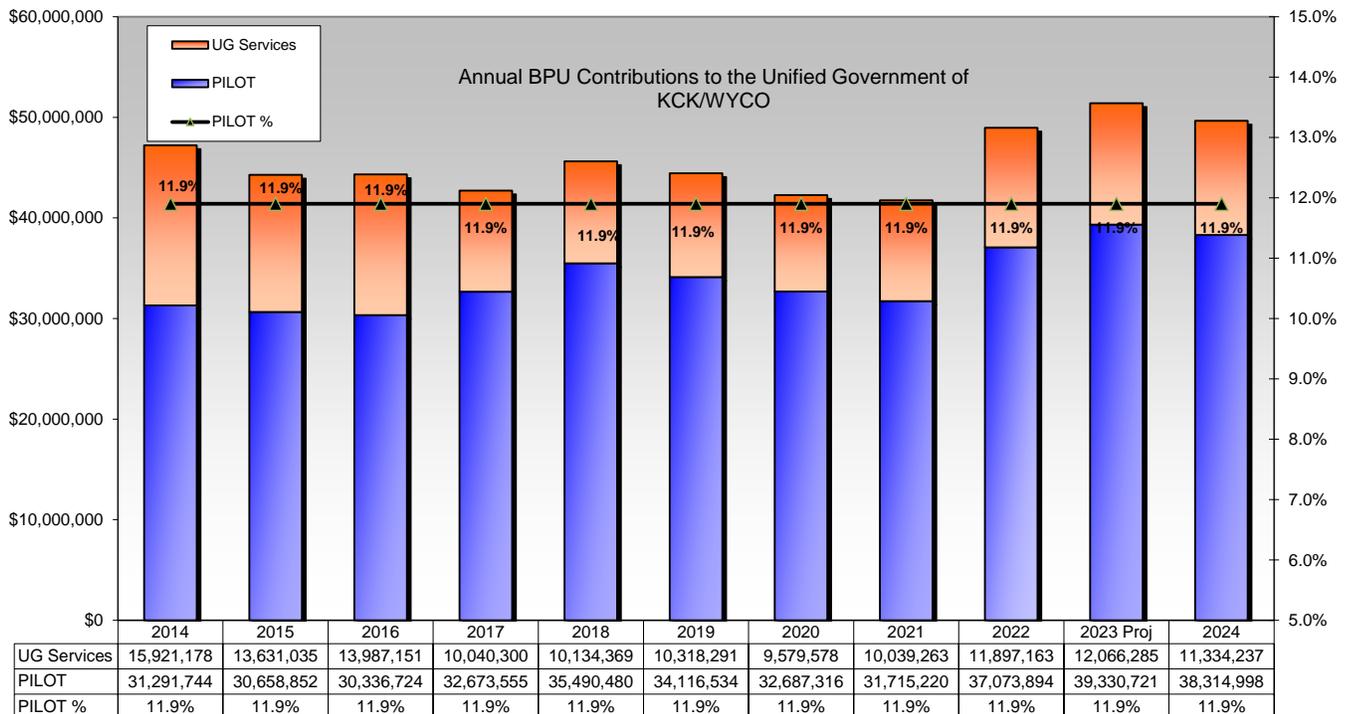
The 2024 Budget includes a non-operating item of \$38,314,998 for the collection and payment of the Payment in Lieu of Tax (PILOT) to the Unified Government of Wyandotte County/Kansas City, Kansas. The rate set by the Unified Government for 2024 is 11.9 percent of electric and water sales of the utility. The 2024 amount includes \$32,151,514 from electric system utility funds and \$6,163,484 in water system utility funds. The PILOT is charged to BPU customers as an additional line item on their monthly billing statements.

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.

	2021 Actual	2022 Actual	2023 YTD (1)	2024 Budget
DIRECT PAYMENTS AND EXPENSES				
Payment-in-lieu-of Tax	\$ 31,715,220	\$ 37,073,894	\$ 29,498,041	\$ 38,314,998
Street Lighting & Signals	1,273,888	1,430,160	1,445,663	1,543,866
Fire Hydrant services	465,483	608,943	289,745	486,918
TOTAL - DIRECT PAYMENTS AND EXPENSES	\$ 33,454,591	\$ 39,112,997	\$ 31,233,449	\$ 40,345,782
OTHER UG SERVICES				
UG Facility Energy & Water Charges	\$ 7,272,914	\$ 8,836,573	\$ 6,544,594	8,278,537
Billing Services	1,026,978	1,021,487	769,712	1,024,916
TOTAL - OTHER UG SERVICES	\$ 8,299,892	\$ 9,858,060	\$ 7,314,306	\$ 9,303,453
TOTAL PAYMENTS AND CONTRIBUTIONS	\$ 41,754,483	\$ 48,971,057	\$ 38,547,755	\$ 49,649,235
PERCENT OF TOTAL ANNUAL OPERATING REVENUE	13.24%	14.59%	14.55%	14.88%
PERCENT OF TOTAL ANNUAL OPERATING REVENUE (Less PILOT)	3.18%	3.55%	3.42%	3.40%

(1) Year-to-date reflects expenses through September 30, 2023

Total annual operating revenue less PILOT	\$ 315,336,706	\$ 335,537,378	\$ 264,861,657	\$ 333,605,570
---	----------------	----------------	----------------	----------------





KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

CAPITAL IMPROVEMENTS PLAN

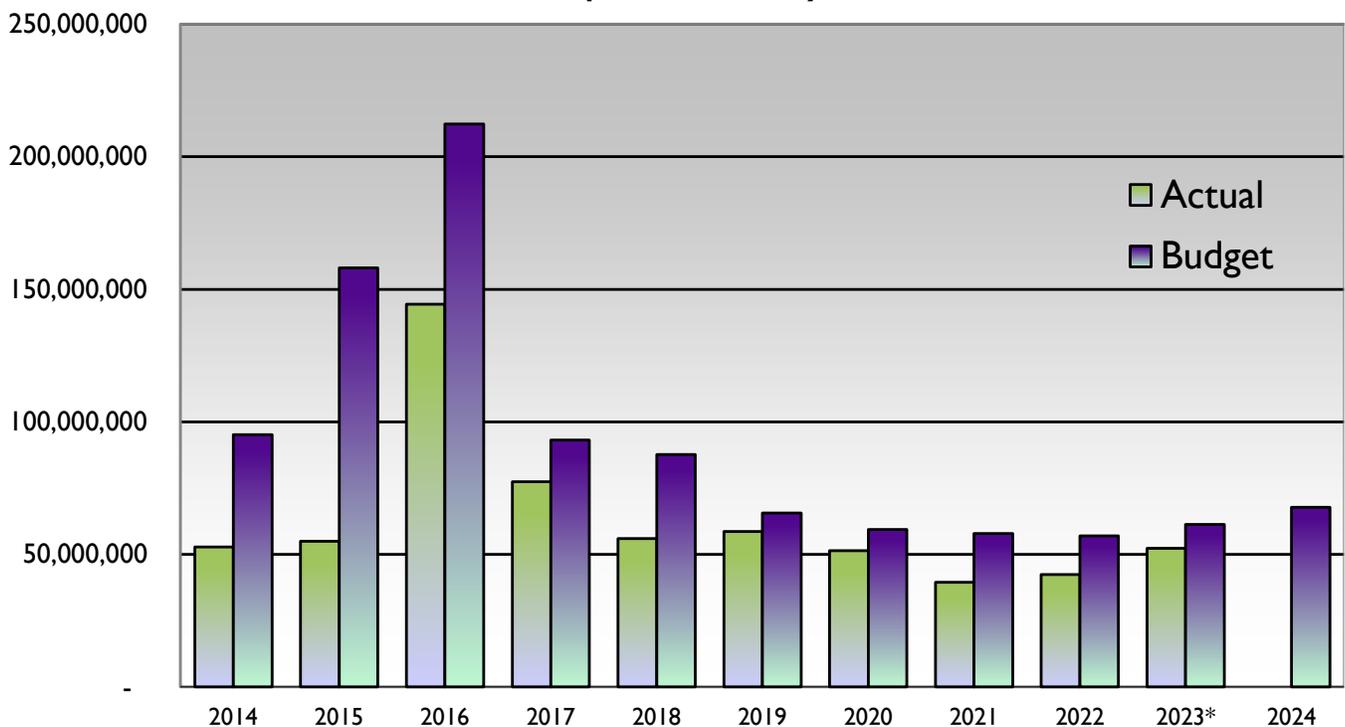
The 2024 Budget presents a Capital Improvement Plan for major infrastructure projects over \$20,000 and major capital equipment purchases over \$5,000 in value. A capital improvement or capital project is defined as the purchase or improvement of assets, including the construction or rehabilitation of 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 2024 budget includes an Economic Development Administration (EDA) grant, an Environmental Protection Agency (EPA) grant, a Kansas State Revolving Fund (SRF) loan and a proposed Revenue Bond issuance that provides funding for Electric and Water Transmission & Distribution improvements.

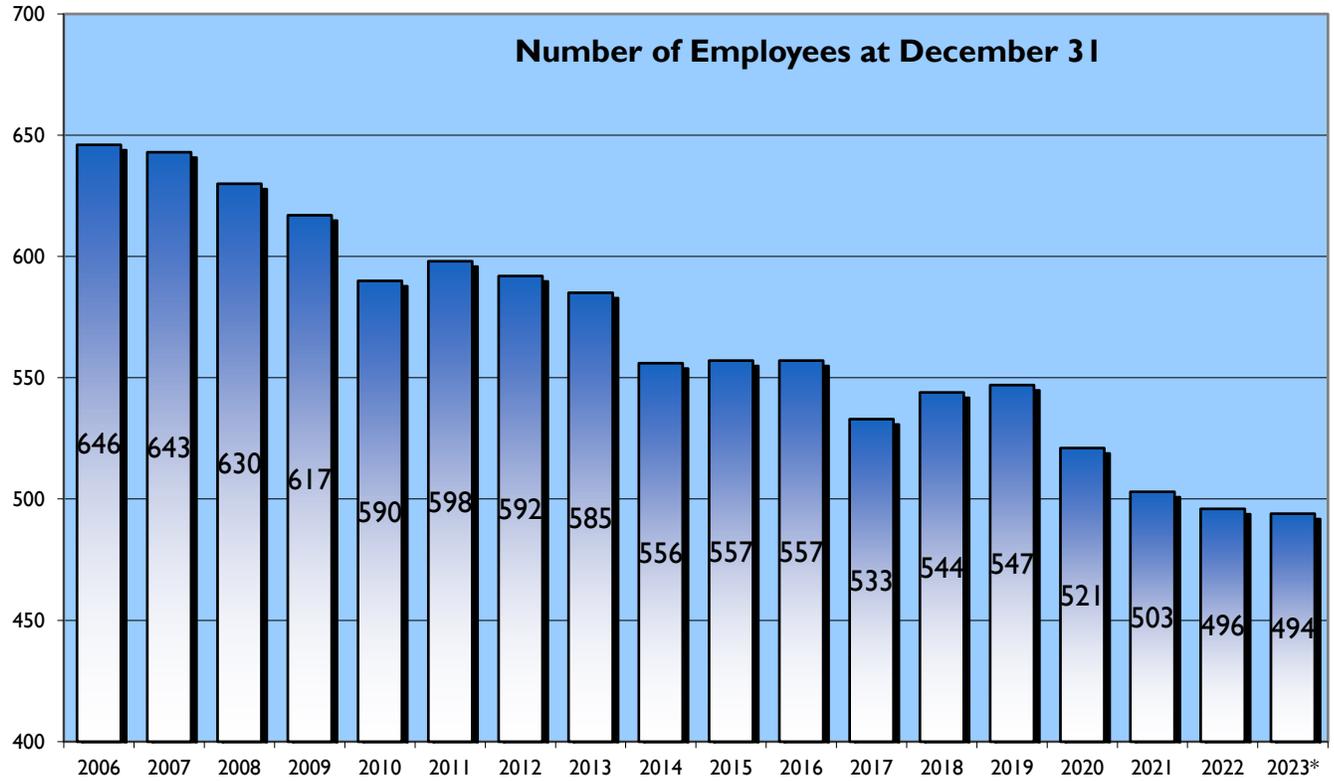
Capital History



* Estimate as of fiscal year ending December 31, 2023



Staffing Summary





KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Glossary of Terms

Accounts Payable

A liability account reflecting amounts owed to persons/organizations for goods and services received.

Accounts Receivable

An asset account reflecting amounts owing from persons/organizations for goods and services provided.

Accrual Basis of Accounting

A method of accounting for revenues and expenses when earned or incurred instead of when cash is received or spent.

ACFR (Annual Comprehensive Financial Report)

The official annual financial report of BPU. The ACFR is prepared in conformity with Generally Accepted Accounting Principles (GAAP) and includes an accounting opinion by an outside auditor.

Actuals

Monies which have already been used or received as opposed to budgeted monies which are estimates of funds that may be spent or received.

Adopted Budget

A budget that has been prepared and reviewed in accordance with State law and has been duly adopted by the Board.

Annual Budget

A budget covering a single fiscal year (January 1 to December 31).

Audit

An examination to determine the accuracy and validity of records and reports by an agency whose duty it is to make the BPU conform to established procedures and policies.

Base Rate

A fixed monthly utility charge that includes customer charges and usage charges that are independent of other charges and/or adjustments such as riders.

Basis of Accounting

A term used to describe when revenues, expenditures, expenses, and transfers are recognized in the accounts and reported on the financial statements, specifically relating to the timing of measurements.

Board of Public Utilities

The Board of Public Utilities (BPU) of Kansas City, Kansas consists of the municipal electric and water utility, which provide services to approximately 65,000 electric and 51,000 water customers as well as wholesale power and water to area local governments and utility agencies. The BPU is an administrative agency of the Unified Government of Wyandotte County/Kansas City, Kansas. The BPU's operational and administrative control is under a six-member elected board of directors.

Bond

A written promise to pay a specified sum of money (called the face value or principal amount) at a specified date(s) in the future called maturity date(s), together with periodic interest at a specified rate.

Budget

A plan of financial operation comprised of an estimate of proposed expenditures for a given period and the proposed means of financing them.

Budget Coordinator

This role is the central budget office coordinator for an organization. This individual determines budget parameters and guidelines, builds the planning model, coordinates the overall budget process for the organization, and performs high-level forecasting and analysis.

Budget Preparer

This role is the lowest level of budget preparation for a department. This individual provides line-item, asset, and position budget amounts and justifications to higher-level users.

Capital Assets

Items that are tangible, have an economic life greater than one year, and maintain their identities throughout their useful lives. Also known as fixed assets.

Capital Improvement Plan (CIP)

A plan for capital expenditures to be incurred each year over a fixed period of years, identifying the expected beginning and ending date, and the amount to be expended in each year and the method of financing those expenditures

Capital Improvements

The payments for major infrastructure improvement projects, including major annual system maintenance initiatives, which improve the physical assets of the BPU.

Cash Basis

A basis of accounting under which transactions are recognized only when cash is received or disbursed.

CCF

"CCF" is the measurement of the amount of water used. One "CCF" equals 100 cubic feet or approximately 750 gallons of water.

Class Code

As used in expenditure classifications, this term is applied to the identifying number assigned to an article purchased or services obtained.



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Glossary of Terms

Commitment

A commitment of monies related to the unperformed but anticipated contract for goods and services.

Commodities

An expenditure category that includes supplies and materials that are consumed as they are used. Some examples of commodities are chemicals, office supplies, cleaning supplies, and the supplies to maintain equipment.

Cost of Service

A rate-making concept used for the design and development of rate schedules to ensure that the filed rate schedules recover only the cost of providing the electric and water service at issue. This concept attempts to correlate the utility's costs and revenue with the service provided to each of the various customer classes.

Days Cash

Number of days of cash on hand (working capital) available to meet daily Utility operations. Excludes restricted funds. (1 Day of Cash = Operating Expense divided by 365 days)

Debt Service

Debt services include principal and interest payments.

Debit Service Coverage

The net revenues divided by the maximum scheduled debt service requirement.

DEM

"DEM" stands for the measurement of demand or reserved electric capacity which is the maximum amount of power used in a 30-minute period. It is measured in "KILOWATTS" (kW).

Department

A major unit of organization which are subunits of divisions.

Department ID

A numerical designator for a department used for the reporting entity for budget and accounting purposes.

Depreciation

Reduction in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. Depreciation is determined by allocating the cost of capital assets over the estimated useful lives of the assets on a straight-line basis.

Distribution System

The portion of the transmission and facilities of an electric system that is dedicated to delivering electric energy to an end-user.

Division

The unit in the organization to which departments report.

Earnings Code

Defines compensation associated with an employee that is paid. These earnings can be defined in the Human Resource Management System.

Equal Payment Plan (EPP)

A convenient budget payment plan that evens out seasonal differences in utility service and tends to average out monthly payments. This plan is available to all BPU residential customers with good payment history.

Expenditures

Cash payments for goods received, services rendered, or debt obligations.

Fees for Service

Charges paid to the Board of Public Utilities by users of a service to help support the costs of providing that service.

Fiscal Year

A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The fiscal year for BPU begins on January 1 and ends on December 31.

Generally Accepted Accounting Principles (GAAP)

Rules and procedures that serve as the norm for the fair presentation of financial statements.

Governmental Accounting Standards Board (GASB)

Government Accounting Standards Board regulates the rules and standards for all governmental units.

General Fund

The main operating fund of the BPU where monies are deposited and expended on an ongoing basis.

Government Finance Officers Association (GFOA)

An organization that supports the advancement of governmental accounting, auditing, and financial reporting.

Infrastructure

The physical assets of the BPU (water mains, processing plants, power stations, buildings, transmission and distribution systems).

Integrated Market (IM)

Southwest Power Pool (SPP) is responsible for the IM that includes a consolidated balancing authority, a day-ahead energy market, a real-time energy market, an operating reserve market, and a market for Transmission Congestion Rights.



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Glossary of Terms

Inter-Fund Transfers

Amounts transferred from one fund to another.

Itemization

Detailed information of operating expenses.

Kansas Water Plan Tax

A state water protection fee based on gallons of water sold.

Kilowatt Hour (kWh)

“kWh” is the mathematical equivalent of 1,000 watts of electric energy used for one hour.

Labor Costs

The cost of wages, salaries, and other employer paid fringe benefits such as retirement contributions, social security, health care, worker’s compensation, unemployment benefits and various employee stipends and overtime payments.

Late Payment Charges (LPC)

A late fee applicable to the unpaid portion of the current charge and may affect deposit requirements and/or refunds.

Line Items

The classification of objects of expenditures by major expense category. Lowest level of detail in the budgeting process.

Load Factor

The ratio of the average load to peak load during a specified time interval.

Long-Term Debt

Debt with a maturity of more than one year after the date of issuance.

Megawatt Hour (MWh)

Equivalent to 1 million watts used over one hour.

Meter Reading Dates

The date the meter is read or recorded.

Minimum Bill

There is a minimum charge for any active meter. This charge covers the cost of availability of service.

Multi Budget Year Projects

Capital Improvement Projects which span more than one year. These are budgeted for in the CIP for a five-year period, which shows the expected level of expenditures for the current and future years.

Net Operating Expenses

Total operation and maintenance expenses, excluding (net of) transfers between utilities and transfers to capital.

Operating Budget

The annual appropriation to maintain and operate the BPU’s services.

Operating Expenses

Day-to-day expenses necessary for the maintenance of the BPU. Operating expenses include payroll, employee benefits, services, depreciation, repairs, etc. These operating expenses are costs which are incurred from operating activities and exclude income and expenses such as interest, gain or loss on investments, extraordinary items and miscellaneous items not directly related to business operations.

Operating Income

The amount realized from a business’s operations after taking out operating expenses and depreciation.

Operating Revenue

Revenue or funds received as income to pay for ongoing day-to-day operations.

Payment in Lieu of Taxes (PILOT)

Payments made from the general fund revenues of the BPU to the Unified Government of Wyandotte County/Kansas City, Kansas in lieu of taxes. As of January 1, 2018, the BPU is required to transfer 11.9 percent of gross electric and water utility sales to the Unified Government, with the exception of wholesale energy sales.

Peak Demand

The maximum (electric) load during a specified period of time.

Proposed Budget

The recommended and unapproved budget submitted to the Board of Directors and public in December of each year.

Prorated Bill (PRO)

A billing for more or less days than a normal billing period. This typically occurs with the first or last bill.

Reserve

An account used to set aside a portion of a fund balance as segregated for a specific future use.

Revenue

Income received by the BPU to support utilities and services to the community. It includes such items as utility billings, fees, user charges, fines, interest income and miscellaneous revenue.



KANSAS CITY BOARD OF PUBLIC UTILITIES



2024 ANNUAL BUDGET

Glossary of Terms

Revenue Bonds

Bonds that are repaid exclusively from the earnings of the BPU.

Revised Budget

The Current Budget adjusted to reflect revised expenditure needs. The Board of Directors must approve any revisions.

Services

Payments for services other than internal personnel, including professional employee training, employee travel, maintenance service agreements.

Staffing Authorization

The listing of authorized positions within the BPU's Annual Budget.

Statement of Net Position (formerly the Balance Sheet) A financial statement that presents the assets, liabilities, reserves and balances of specific funds as of a specific date.

Statement of Revenues, Expenses and Changes in Net Position (formerly the Income Statement)

A financial statement displaying the revenues less expenses of the organization for a given period of time, usually a month, quarter or year.

Substation

Facility equipment that switches, changes, or regulates electric voltage.

Summer/Winter Rates

Summer Rates are effective for four consecutive months beginning with meter reads June 1st. Winter Rates are effective for eight consecutive months beginning with meter reads October 1st.

Supplies

Payments for consumable tangible materials, supplies, sundry purchases and parts.

Unified Government of Wyandotte County/Kansas City, Kansas

The government serves as the entire local government of Kansas City, Kansas while continuing to provide county services for the cities of Bonner Springs and Edwardsville.

User Fees

The payment of fees for receipt of a service by the party benefiting from the service.