

CITY OF LAWRENCE, KANSAS



POPULAR ANNUAL FINANCIAL REPORT



FOR THE FISCAL
YEAR ENDED
DECEMBER 31, 2023



ABOUT THIS REPORT

As part of the City’s commitment to Sound Fiscal Stewardship, we present the 2023 Popular Annual Financial Report (PAFR). This report communicates the financial standing of the City of Lawrence to the general public. The content of this report is taken from the City’s audited Annual Comprehensive Financial Report (ACFR). The ACFR must satisfy Generally Accepted Accounting Principles and any applicable legal requirements.

The PAFR summarizes information from the ACFR about the financial position and operations of the City. The City of Lawrence reports financial information from three categories of activities:

**GOVERNMENTAL
ACTIVITIES**

General Government, Public Safety, Public Works, Health & Social Services, Culture & Recreation, Tourism, Economic Development

**BUSINESS-TYPE
ACTIVITIES**

Water and Sewer, Sanitation (Solid Waste), Stormwater, Public Parking

**COMPONENT
UNITS**

Lawrence-Douglas County Housing Authority, Lawrence Memorial Hospital, Lawrence Memorial Hospital Endowment Association, Lawrence Public Library

For more information on any aspect of this report, please review the full ACFR at <https://lawrenceks.org/finance/accounting>.



TABLE OF CONTENTS

ABOUT LAWRENCE

- FORM OF GOVERNMENT **3**
- STRATEGIC PLAN **4**
- COMMUNITY PROFILE **5**

FINANCIAL OVERVIEW

- REVENUES **6**
- EXPENSES **7**
- NET POSITION **8**
- CAPITAL ASSETS & DEBT **9**

FORM OF GOVERNMENT

The City has operated under the Commission-Manager form of government since 1951. The five-member Commission is elected at large to either a two- or four-year term. Every election, three new members are voted in. The two with the most votes get four-year terms, and the third most votes gets a two-year term. Each year, the Commission chooses one member to serve as Mayor.

The Commission is responsible for policy making, passing ordinances, adopting the annual budget, appointing citizens to committees, and hiring the City Manager. The City Manager is responsible for the day-to-day operations of the City, including hiring all personnel.

ELECTED BODY

As of December 31, 2023



MAYOR
Bart Littlejohn



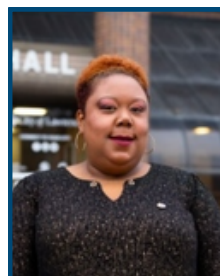
VICE MAYOR
Mike Dever



COMMISSIONER
Brad Finkeldei



COMMISSIONER
Lisa Larsen



COMMISSIONER
Amber Sellers

CITY MANAGER

Craig Owens

CITY ATTORNEY

Toni Wheeler

CITY CLERK

Sherri Riedemann

COMMUNICATIONS & COMMUNITY RELATIONS

Cori Wallace

ECONOMIC DEVELOPMENT

Britt Crum-Cano

PLANNING & DEVELOPMENT SERVICES

Jeff Crick

ASSISTANT CITY MANAGER

Casey Toomay

EQUITY & INCLUSION

Farris Muhammad

FINANCE

Alley Porter (Interim)

FIRE-MEDICAL CHIEF

Richard Llewellyn

HUMAN RESOURCES

Megan Dodge

INFORMATION TECHNOLOGY

Brian Thomas

POLICE CHIEF

Rich Lockhart

ASSISTANT CITY MANAGER

Brandon McGuire

HOMELESSNESS SERVICES

Misty Bosch-Hastings

MUNICIPAL SERVICES & OPERATIONS

Melissa Sieben

PARKING & TRANSIT

Adam Weigel

PARKS & RECREATION

Lindsay Hart (Interim)

SUSTAINABILITY

Kathy Richardson

COMMUNITY PROFILE

Lawrence is known for its live music venues, vibrant art scene, and walkable downtown, which is called one of the best destinations in Kansas. Massachusetts Street, called Mass Street by locals, has locally owned restaurants, art galleries, unique shops, breweries, and coffee shops.

The City is also home to numerous parks, trails, and recreation facilities. From its scenic parks providing serene escapes to its bustling educational offerings, alongside a cultural scene buzzing with creativity, Lawrence beckons all to enjoy life and feel at home.

Lawrence serves as the county seat for Douglas County and is the sixth largest city in Kansas. The City encompasses 34.4 square miles and is bordered by both the Kansas and Wakarusa Rivers.



TOP 5 EMPLOYERS

THE UNIVERSITY OF KANSAS

8,845

LMH HEALTH

1,945

LAWRENCE PUBLIC SCHOOLS

1,660

BERRY GLOBAL

1,115

HALLMARK CARDS INC.

885



POPULATION

96,207



PER CAPITA INCOME

\$52,799



UNEMPLOYMENT RATE

1.9%



MILES OF STREETS

353.37



CALLS ANSWERED BY FIRE-MEDICAL AND POLICE

101,377



VOLUMES IN THE LIBRARY

217,677

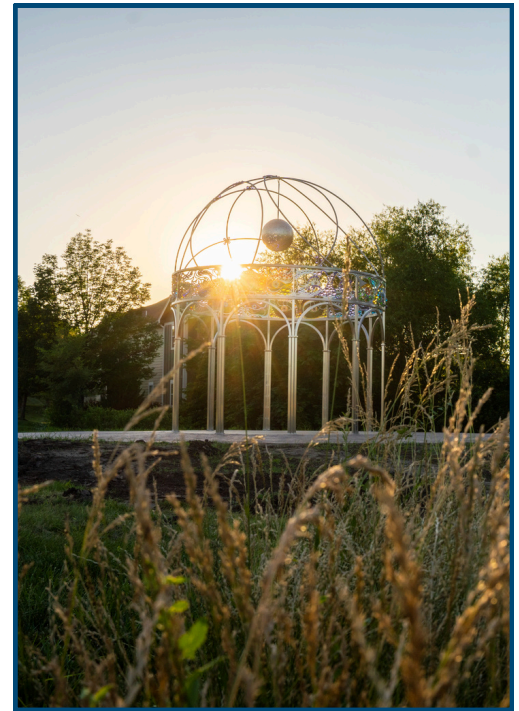


STRATEGIC PLAN

The Strategic Plan Framework was adopted by the City Commission in October 2020. There are five strategic **Outcomes**, representing what our City is “in business to do” and what we plan to accomplish with our community.

Guiding our community Outcomes are the City’s six **Commitments** to the way we do work. The Framework drives the “what” and “how” of the organization. To align our resources to this Framework, the City has developed indicators to measure and report its progress.

The Strategic Plan drives the annual Operating Budget which, in turn, moderates the Strategic Plan. The development of indicators also allows for Strategic Management.



OUTCOMES



**UNMISTAKABLE
IDENTITY**



**STRONG,
WELCOMING
NEIGHBORHOODS**



**SAFE &
SECURE**



**PROSPERITY &
ECONOMIC
SECURITY**



**CONNECTED
CITY**

COMMITMENTS



**COMMUNITY
ENGAGEMENT**



**EFFICIENT & EFFECTIVE
PROCESSES**



**EQUITY &
INCLUSION**



**SOUND FISCAL
STEWARDSHIP**



**ENGAGED &
EMPOWERED TEAMS**



**ENVIRONMENTAL
SUSTAINABILITY**

REVENUES: WHERE DOES THE MONEY COME FROM?

TAXES

Taxes are a major revenue source for the City. The below information describes the three main tax revenues that the City receives and illustrates the percent of total taxes collected by type.

SALES

The City has four sales taxes: 1 cent for general purpose, 0.3 cent for infrastructure and equipment, 0.2 cent for public transportation, and 0.05 cent for affordable housing. Sales tax increased by approximately \$710,000 over fiscal year 2022.



PROPERTY

These are taxes collected on real property, personal property, and state assessed utilities. Property taxes increased by 12%, or \$4.8 million, in fiscal year 2023. This was mainly due to increases in assessed valuations and special assessment adjustments.

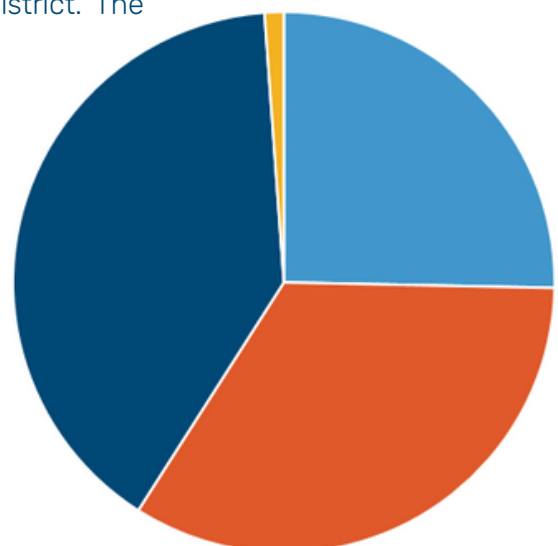
FRANCHISE FEES

Franchise fees are charges to allow utilities to provide services within the city and to locate within the public right-of-way. Franchise fee revenue decreased by 3.35%, or approximately \$303,675, compared to fiscal year 2022.

The **2023** property tax rate for the City of Lawrence is **33.207 mills**.

Property taxes collected within the City of Lawrence not only fund the city government but also the county, state, and school district. The City receives 25.3% of total property taxes.

USD 497	39.8%
DOUGLAS COUNTY	33.7%
CITY OF LAWRENCE	25.3%
STATE OF KANSAS	1.1%



EXPENSES: WHERE DOES THE MONEY GO?

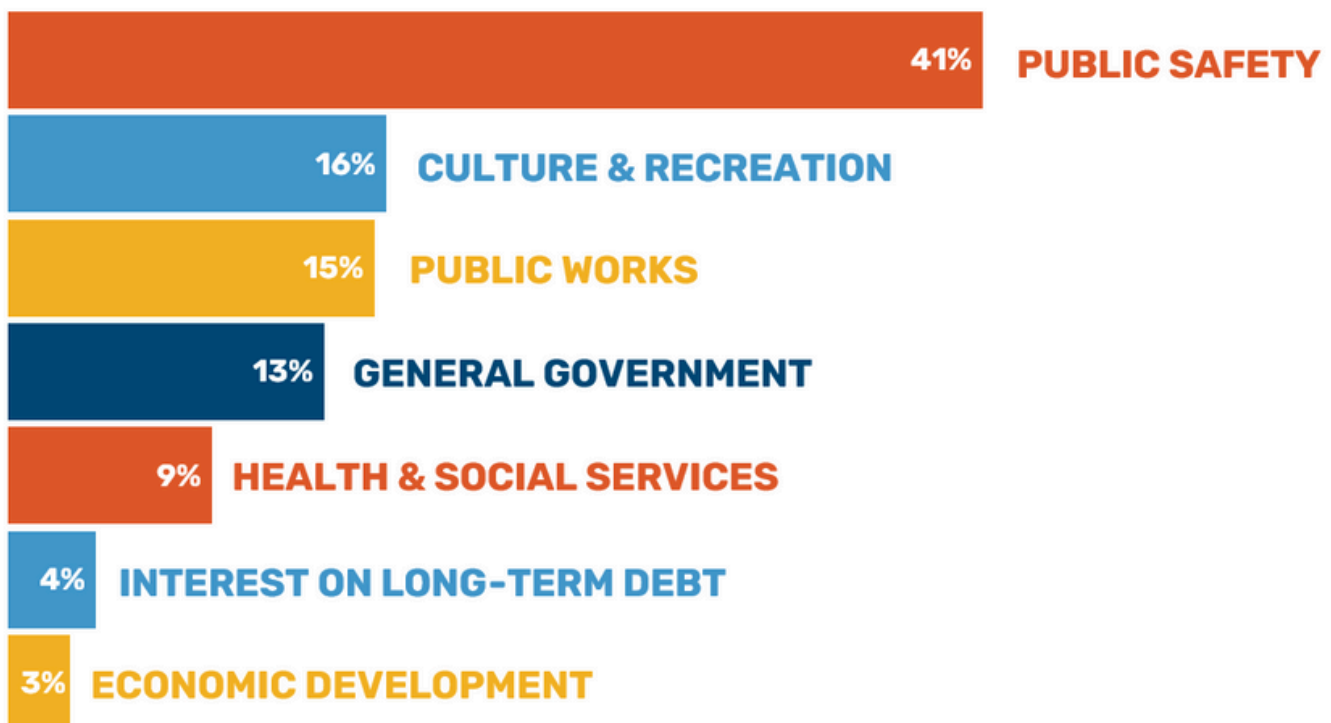
HISTORICAL TOTAL EXPENDITURES



Governmental activity expenses for the City were \$170.6 million in fiscal year 2023. This is a decrease of approximately \$1.1 million when compared to fiscal year 2022.

EXPENDITURES BY TYPE

Governmental activities are categorized into the below service areas. This chart is intended to illustrate the percent of total expenditures each category makes up.



*Total percentage is over 100% due to rounding.

NET POSITION

Net position presents information on all of the City’s assets, liabilities, deferred outflows, and deferred inflows. Essentially, net position represents the difference between what the City owns (assets and deferred outflows) and what the City owes (liabilities and deferred inflows).

(Assets + Deferred Outflows) - (Liabilities + Deferred Inflows) = Net Position

Deferred inflows and outflows of resources represent activities now that will be reported as an expense or revenue at a future date. These activities have already been paid for but will not be recognized in financial statements until a future event occurs.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

2021
2022
2023
\$437
\$435
\$451
million
million
million

For the year ended December 31, 2023, assets and deferred outflows exceeded liabilities and deferred inflows, resulting in an overall increase in net position over fiscal year 2022. The table below is expressed in thousands.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2023	2022	2023	2022	2023
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES						
Current & Other Assets	\$ 257,680	\$ 231,803	\$ 140,932	\$ 164,575	\$ 398,612	\$ 396,378
Capital Assets, net of depreciation	318,343	342,183	304,946	342,872	623,289	685,055
Total Assets	576,023	573,986	445,878	507,447	1,021,901	1,081,433
Deferred Outflows of Resources	29,321	29,688	5,532	5,783	34,853	35,471
Total	\$ 605,344	\$ 603,674	\$ 451,410	\$ 513,230	\$ 1,056,754	\$ 1,116,904
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES						
Current Liabilities	\$ 86,729	\$ 71,049	\$ 18,898	\$ 30,182	\$ 105,627	\$ 101,231
Non-Current Liabilities	232,384	239,023	225,377	262,854	457,761	501,877
Total Liabilities	319,113	310,072	244,275	293,036	563,388	603,108
Deferred Inflows of Resources	55,926	60,679	1,961	1,856	57,887	62,535
Total	\$ 375,039	\$ 370,751	\$ 246,236	\$ 294,892	\$ 621,275	\$ 665,643
NET POSITION						
Net Investment in Capital Assets	\$ 193,575	\$ 201,115	\$ 131,014	\$ 134,719	\$ 324,589	\$ 335,834
Restricted	86,913	83,845	8,427	8,211	95,340	92,056
Unrestricted	(50,183)	(52,037)	65,733	75,408	15,550	23,371
Total Net Position	\$ 230,305	\$ 232,923	\$ 205,174	\$ 218,338	\$ 435,479	\$ 451,261

CAPITAL ASSETS

Capital assets are land, buildings and systems, improvements, construction in progress, machinery and equipment, park and recreation facilities, storm sewers, roads, bridges, and sewer lines.

In order to coordinate and plan maintenance and construction on its capital assets, the City prepares a five-year **Capital Improvement Plan (CIP)**. The CIP includes estimated costs for constructing, upgrading, and replacing these assets.

While preparing the CIP, needs are assessed and public improvements are prioritized. Proposed projects are reviewed and reprioritized annually as the City’s financial condition is evaluated.



\$446M

Total CIP funding for 2023-2027

\$111M

CIP funding for fiscal year 2023

LONG-TERM DEBT OBLIGATIONS

General obligation bonds are a type of bond issued to fund various public projects. These bonds are backed by the full faith and credit of the City. This means the City will pay back the bond through its ability to raise funds. The City’s general obligation debt rating is Aa1.

\$153,349,339

General Obligation Debt

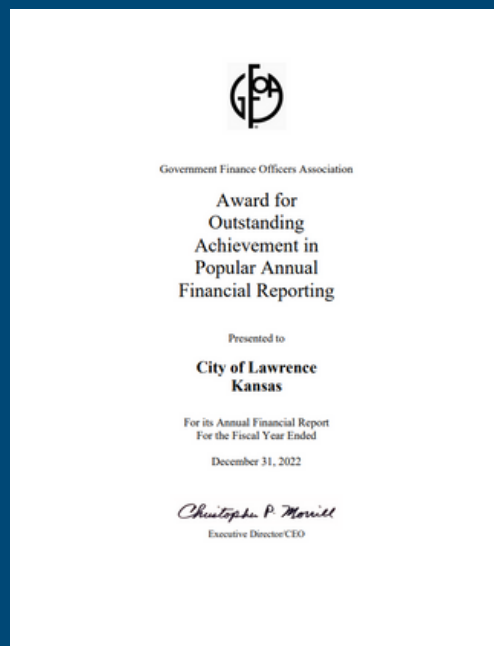
\$245,004,141

Revenue Bond Debt

Revenue bonds are a type of bond that are payable from a specific source of revenue. Unlike General Obligation bonds, the full faith and credit of the City’s taxing power is not pledged. The City’s revenue bond rating is Aa2.

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Lawrence, KS for its Popular Annual Financial Report for the fiscal year ended December 31, 2022. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.



Lawrence
K A N S A S