

City of Overland Park, Kansas

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2017

City of Overland Park, Kansas

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2017

Mayor

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Terry Happer Scheier

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Paul Lyons

Jim Kite

David White

Fred Spears

Terry Goodman

Faris Farassati

Rick Collins

Dan Stock

City Manager

Bill Ebel

Prepared by Department of Finance

David M. Scott, Chief Financial Officer

Mark Fehling, Senior Accountant

Susie Evans, Accountant

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Contents

Introductory Section	
Title page	i
Table of contents	ii - iii
Letter of transmittal	iv – xi
City organizational chart	xii
Certificate of achievement for excellence in financial reporting	xiii
Financial Section	
Report of independent auditors	1 – 2
Management's discussion and analysis	3 – 14
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	15
Statement of activities	16
Fund financial statements:	
Balance sheet – governmental funds	17 – 18
Reconciliation of the balance sheet to the statement of net position – governmental funds	19
Statement of revenues, expenditures and changes in fund balances – governmental funds	20 – 21
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	22
Statement of revenues, expenditures and changes in fund balances – budget and actual – budgetary basis - major funds:	
General Fund	23 – 25
One-eighth cent sales tax for street improvements fund	26
Stormwater utility fund	27
Combined transient guest tax funds	28
Statement of net position – proprietary funds	29
Statement of revenues, expenses and changes in fund net position – proprietary funds	30
Statement of cash flows – proprietary funds	31
Statement of fiduciary net position – fiduciary funds	32
Statement of changes in fiduciary net position – fiduciary funds	33
Notes to the basic financial statements	34 – 111
Required supplementary information:	
Police Department Retirement Plan:	
Schedule of changes in the City's net pension liability and related ratios	112
Schedule of employer contributions and money-weighted rate of return	113
Actuarial methods and assumptions used for funding policy	114
Fire Department Retirement Plan:	
Schedule of changes in the City's net pension liability and related ratios	115
Schedule of employer contributions and money-weighted rate of return	116
Actuarial methods and assumptions used to determine the actuarially determined contributions	117
Kansas Public Employees Retirement System (KPERs):	
Schedule of the City's proportionate share of the net pension liability	118
Schedule of employer contributions	119
Actuarial methods and assumptions used to determine the actuarially determined contributions	120
Other Postemployment Benefits Plan	121 – 123

Contents

Nonmajor governmental funds	124 – 126
Combining and individual fund statements and schedules:	
Combining balance sheet – nonmajor governmental funds	127 – 132
Combining statement of revenues, expenditures and changes in fund balances (deficits) nonmajor governmental funds	133 – 138
Schedules of revenues, expenditures and changes in fund balances – budget and actual – budgetary basis – nonmajor funds:	
Special street and highway fund	139
Special park and recreation fund	140
Special alcohol control fund	141
Special tax financing fund	142
Downtown business improvement district fund	143
Debt service fund	144
Combining statement of net position – nonmajor enterprise funds	145
Combining statement of revenues, expenses and changes in fund net position – nonmajor enterprise funds	146
Combining statement of cash flows – nonmajor enterprise funds	147
Combining statement of net position – internal service funds	148
Combining statement of revenues, expenses and changes in fund net position – internal service funds	149
Combining statement of cash flows – internal service funds	150
Combining statement of fiduciary net position – fiduciary funds	151– 152
Combining statement of changes in fiduciary net position – fiduciary funds	153
Combining statement of changes in assets and liabilities – all agency funds	154
<hr/>	
Statistical Section	
Contents	155
Net position by component	156
Changes in net position	157 – 160
Fund balances, governmental funds	161
Changes in fund balances, governmental funds	162
Tax revenues by source, governmental funds	163
Assessed value and estimated true value of all taxable property	164
Direct and overlapping property tax rates	165
Principal taxpayers	166
Property tax levies and collections	167
Taxable sales by category	168 – 169
Direct and overlapping sales tax rates	170
Ratios of outstanding debt	171
Personal income	171
Ratios of net general bonded debt outstanding	172
Ratios of general bonded debt outstanding and legal debt margin	173 – 174
Statement of direct and overlapping debt	175
Demographic and economic statistics	176
Principal employers	177
Full-time equivalent City government employees by function/program	178
Operating indicators by function/program	179
Capital asset statistics by function/program	180
Schedule of industrial development revenue bonds	181 – 182



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www.opkansas.org

June 25, 2018

The Honorable Mayor and
City Council Members
City of Overland Park
Overland Park, Kansas 66212

The Overland Park Finance Department is pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Overland Park, Kansas, for the fiscal year ended December 31, 2017.

The responsibility for accuracy, completeness, and fairness of the data presented, including all disclosures, rests with the City. We believe the report, as presented, is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position and the results of the City on both a Government-wide and Fund basis. It is our belief that all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. To enhance the reader's understanding of these financial statements, note disclosures have been included as an integral part of this document.

The audit firm of RSM US LLP has issued an unmodified ("clean") opinion on the City of Overland Park's financial statements for the year ended December 31, 2017. The independent auditors' report is located at the beginning of the financial section of the CAFR.

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

City of Overland Park Profile

The City of Overland Park is the second largest city in Kansas. It is located in the northeastern part of Johnson County and is one of 113 incorporated cities existing in the Kansas City metropolitan region. There are approximately 75.7 square miles within the corporate boundaries of the City.

The City was incorporated as a first-class city on May 20, 1960 under the provisions of K.S.A. 12-1026h. In November of 1962, the City adopted the Mayor-Council-City Manager form of government. The Mayor is elected by the City-at-large and two council members are elected from each of six wards. All elected officials serve terms of four years, with biennial non-partisan elections to allow for council

members to serve staggered terms. The City Manager is responsible for the implementation of Governing Body policy and the day-to-day operation of the City.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City of Overland Park, as legally defined), as well as a component unit. Component units are legally separate entities for which the primary government is financially accountable. The government provides a range of services including: police and fire protection; construction and maintenance of the City's street and traffic infrastructure network; maintaining the structural standards of the community through the planning and enforcement of the City's building code and comprehensive land use plan; and the development and maintenance of the City's parks and recreation programs and facilities.

A blended presented component unit is a separate legal entity and is not part of the primary government's operations. Accordingly, the Overland Park Development Corporation, which financed, constructed and owns a Sheraton Hotel which is a part of the Overland Park Convention Center complex, is reported as a blended unit using proprietary fund accounting. Other independent agencies exist for school, sewer and water services. These agencies cannot impose their will on the City, nor is there any financial benefit or burden to the City, or any fiscal dependency on the City by these agencies.

Local Economy

Overland Park is an expanding and affluent community within the Kansas City metropolitan area. Recognized for its high quality of life, Overland Park offers exceptional schools, outstanding housing and a dynamic business climate, all of which are driving factors in the continued long-term success of the City's economy. Overland Park's durable economy and high quality of life continues to earn it national distinction as one of the best places to live; in 2017 WalletHub ranked the City No. 1 in the nation as the Best Places to Raise a Family and No. 1 for Economic Well-Being. Livability.com ranked the City No. 11 nationwide as the Best Places to Live. NerdWallet ranked the City No. 4 in the nation as the Best Cities for Quality of Life. Smart Asset ranked the City No. 8 in the nation as the Best Cities for Young Professionals.

The population of the City continues to experience moderate growth. At more than 191,000 residents, Overland Park is the second largest city in the state of Kansas and is the largest suburb in the Kansas City area. A commercial hub of the Kansas City metropolitan region, the City's daytime population is estimated at close to 235,000. With a diverse business community, Overland Park remains resilient to economic fluctuations, as evidenced by a lower than average unemployment rate. Overland Park's unemployment in 2017 was 3.1%, which was the less than the state of Kansas rate of 3.7%, and significantly less than the national rate of 4.4%.

Overland Park has long relied on conservative fiscal assumptions in its operating budget, five-year capital plans and rolling five-year fiscal forecast providing the City a long-term view to maintain a positive future financial outlook. The City continues to have considerable economic development and strong gains in residential building permits. The City's assessed valuation of \$3.27 billion increased by 7.6% for 2017. Retail sales are expected to moderate going forward, reflecting a continued shift of sales to online platforms. In 2017 combined sales and use tax revenues increased 2.1% from 2016, however retail sales decreased 0.3%, but compensating use tax increased 16.3%. Overland Park continues to

receive a “AAA” bond-rating status from the nation’s three top bond rating agencies. The triple-A status is a distinction only shared by a handful of communities in the nation.

2017 Major Initiatives for the Year

Local economic development and property values indicators made significant gains year-over-year which sustained the City’s long-term mission of maintaining a healthy, sustainable community, a responsive government and a stable financial position. Priorities for the City during 2017 included neighborhood preservation, public safety, public infrastructure, and preserving the quality of existing programs and services.

Operating Budget. The number of full-time equivalent (FTE) employees in the 2017 budget is 1,066 (903 full-time and 163 part-time), a 16 FTE increase from 2016.

In 2017, the City’s new Rental Registration and Licensing Program started in an effort to address concerns regarding the stability of neighborhoods brought on by deteriorating and declining residential structures. The goal of the program is to foster better conditions within neighborhoods, through preservation of property and maintenance of quality housing stock. Four Code Compliance Officers were added to allow for inspection of residential rental properties on a biennial basis.

Police Department added ten new positions to address neighborhood preservation concerns and service demand growth due to population growth, increased development activity and changing demographics including: Two police officers were added to the Community Oriented Policing and Problem Solving (COPPS) Unit to create better area coverage in areas needing neighborhood preservation efforts; One officer was added to the Patrol Division to help address increased call demand in southern Overland Park; One detective was added and assigned to the Narcotics Division to engage in prevention and enforcement activities; Three police dispatchers were added based on increasing call demands; Two Report Technicians were added to process walk-in station reports, and reports by phone or online, thereby allowing commissioned police officers to remain on patrol; One Records Technician was added to continue to address increased workload related to expanded evidentiary requirements by the District Attorney.

Fire Department converted one part-time Support Service Technician to full-time to assist in the coordination of the maintenance/repair of the fire fleet and equipment.

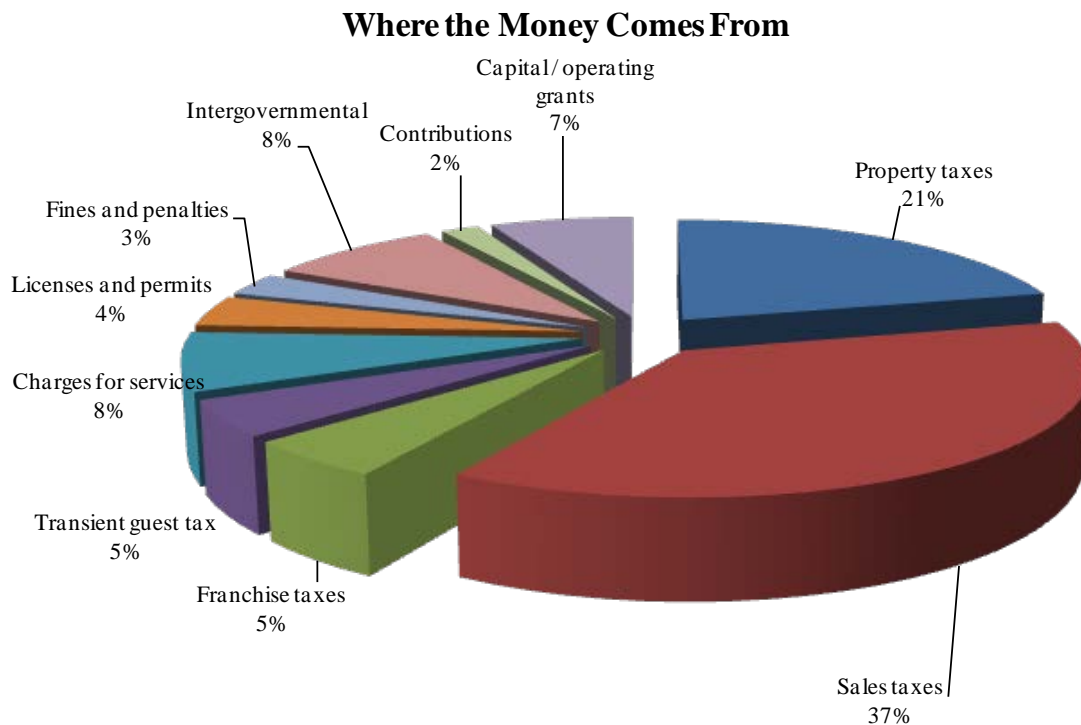
Public Works Department added a Construction Inspector to support the creation of the Curb Repair and Replacement program.

Capital Investments in Transportation Infrastructure, Public Facilities and Technology. The City's five-year capital improvements plan (CIP) was developed to prioritize capital improvement needs. During 2017, approximately \$32.2 million was spent on strategic investments in technology, facilities and infrastructure. These projects included:

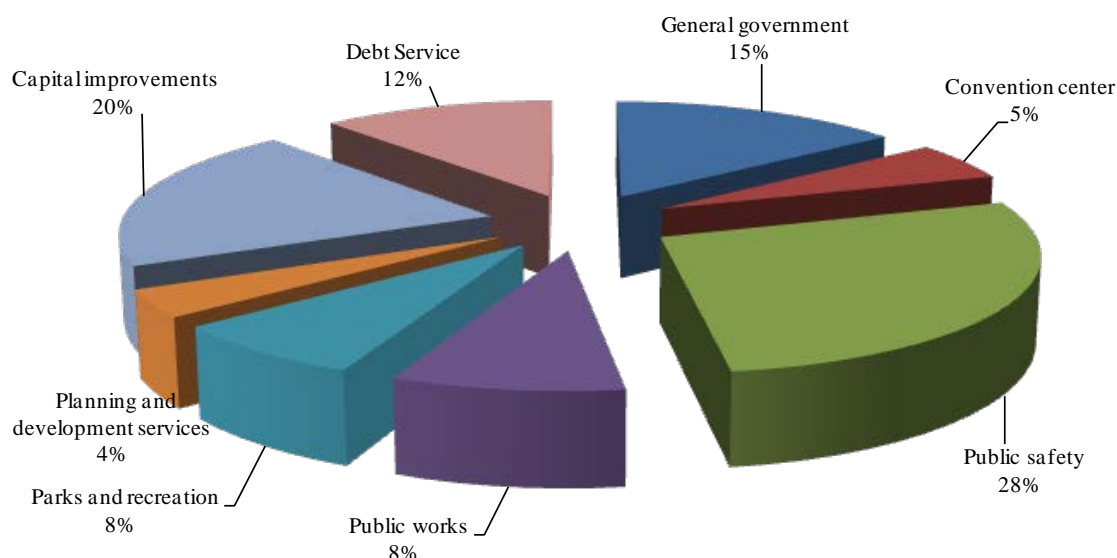
- Storm Drainage Improvements
- Thoroughfare Improvements –143rd Street: Pflumm to Quivira
- Thoroughfare Improvements –Quivira Road: 151st to 159th
- Neighborhood Street Reconstruction Improvements
- Soccer Complex Turf Replacement: Phase 1

Maintenance of Quality Infrastructure and Public Facilities. Infrastructure maintenance expenditures during 2017 were approximately \$21.0 million, dedicated to repair, renovation, rehabilitation, or replacement of city infrastructure including streets, traffic management, storm water, facilities, and public parks.

The following charts depict the actual sources and uses of the City's financial resources for 2017:



Where the Money Goes



Outlook for 2018

Overland Park has launched a community visioning and strategic planning effort called Forward OP. This process will be an opportunity for the entire community to pause, take stock and define what Overland Park's next 20-25 years will look like and how to get there. Based on input from the community during 2018, this visioning plan will align multiple aspects of our community life and identify goals and specific actions for Overland Park to implement.

Downtown Overland Park continues to experience a lot of construction activity. Since 2016, four upscale mixed use projects have been constructed, resulting in 650 additional residential dwelling units in the downtown district. This synergy continues with recent development proposals presented to the City.

A development plan has been presented for a five-story building with over 100,000 square feet of office space, a two-story food court, outdoor plaza, and a four-story parking garage. The project is anticipated to bring 400 office workers downtown during the day, while providing entertainment attractions, on nights and weekends. The parking garage would provide over 300 spaces for free public parking which could serve the city Farmer's Market need for additional parking spaces.

In 2017 the Mid-America Regional Council and City contracted with a consultant to explore the future of the city's downtown Farmers' Market as the site of a multi-use event and transportation hub. Recognizing the importance of the Farmers' Market to the city's downtown revitalization efforts and

community identity, the study initiates the process of exploring opportunities for improving the Farmers' Market, identifying other uses for the pavilion, and strengthening the downtown neighborhood. During 2018 there will be continued discussions, refinement of options, and building consensus before the City will commit to a particular solution for the Farmers' Market.

Accounting System

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition, and 2) the reliability of the financial records for preparing statements and maintaining accountability of assets. The concept of reasonable assurance requires that management personnel make judgments that rely on estimates in the evaluation of the cost benefits derived from such controls. All internal control evaluations occur within that cost-to-benefit framework.

We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

The City's budget is prepared on the modified accrual basis further adjusted by an encumbrance system of accounting as required by applicable state statutes. The City Manager presents recommendations for the budget to the Mayor and City Council for their review. The budget recommendations set forth the proposed funding level of the City's various operating and public service programs. A series of public meetings are held by City Council committees to review alternative spending proposals. After a public hearing to solicit citizens' comments on the proposals, the City Council adopts the budget. The budget is appropriately controlled through the accounting system to ensure effective fiscal management and accountability.

Capital and Maintenance Programs

As a vital and growing city, Overland Park considers it a priority to maintain and improve existing infrastructure. The City's capital improvements and maintenance needs for a five-year period are reviewed and updated annually. Maintenance program included in the City's five-year maintenance addresses significant repairs to, renovation or rehabilitation of, or replacement of city infrastructure and facilities. The City's maintenance program includes both major and preventive maintenance projects. The management and accounting of these programs is controlled through the use of capital projects funds. The primary sources of financing these improvements include general obligation bonds, City budgeted funds, county funds and revenue from federal and state grants.

Fiscal Policy

The financial management of the City is performed in accordance with a Fiscal Policy Resolution 4215. This fiscal policy establishes the criteria and guidelines to be used in developing long-range (five-year) financial plans, annual operating budgets, and maintenance and capital improvements programs for Governing Body consideration. The purpose of this policy is to:

- Provide clear direction to the city staff about the policies of the Governing Body, and about the scope and level of City services and capital improvements desired,
- Ensure that the Governing Body is informed about the fiscal capacity of the City to undertake capital, maintenance or operating program activities before making decisions on such activities,
- Provide for a balanced municipal revenue structure which is dependable and responsive to economic conditions, while continuing to limit the City's reliance on property tax when possible,
- Provide investors interested in Overland Park bonds with a clear picture of the financial condition of the City and the security of their investment which will improve and maintain Overland Park's bond ratings,
- Provide the lead-time required to plan and schedule public improvements, and
- Advise the public as to the need for City financial and service actions to maintain public confidence in the City's credibility.

Risk Management

In an effort to combat the rising cost of insurance premiums, in 1987 the City initiated a limited risk management program for workers' compensation and all other insurable losses not otherwise insured. The City, through its Risk Manager, monitors the insurance market throughout the year to determine the feasibility of obtaining insurance coverage. Additional information on the City's risk management activity can be found in Note IV. A. of the Notes to the Basic Financial Statements.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for the CAFR for the fiscal year ended December 31, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR with contents that conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A certificate is valid for a period of one year. The City has been the recipient of this award annually since the first award was granted for the CAFR for the year ended December 31, 1976. We believe our 2017 report continues to conform to Certificate of Achievement Program requirements, and we will submit this report to the GFOA to determine its eligibility for another certificate.

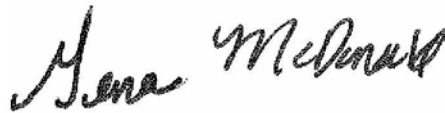
In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization. The City has been a recipient of GFOA Award for Distinguished Budget Presentation for its annual appropriated budget since 1995.

Many individuals contributed to the preparation of this report and for the maintenance of records upon which it is based. Appreciation is expressed to the entire Finance Department who were instrumental in the successful completion of this report. Certain individuals worked many extra hours and exhibited extraordinary effort in ensuring the accuracy and timeliness of this report, and their contribution to this effort is greatly appreciated.

Respectfully submitted,

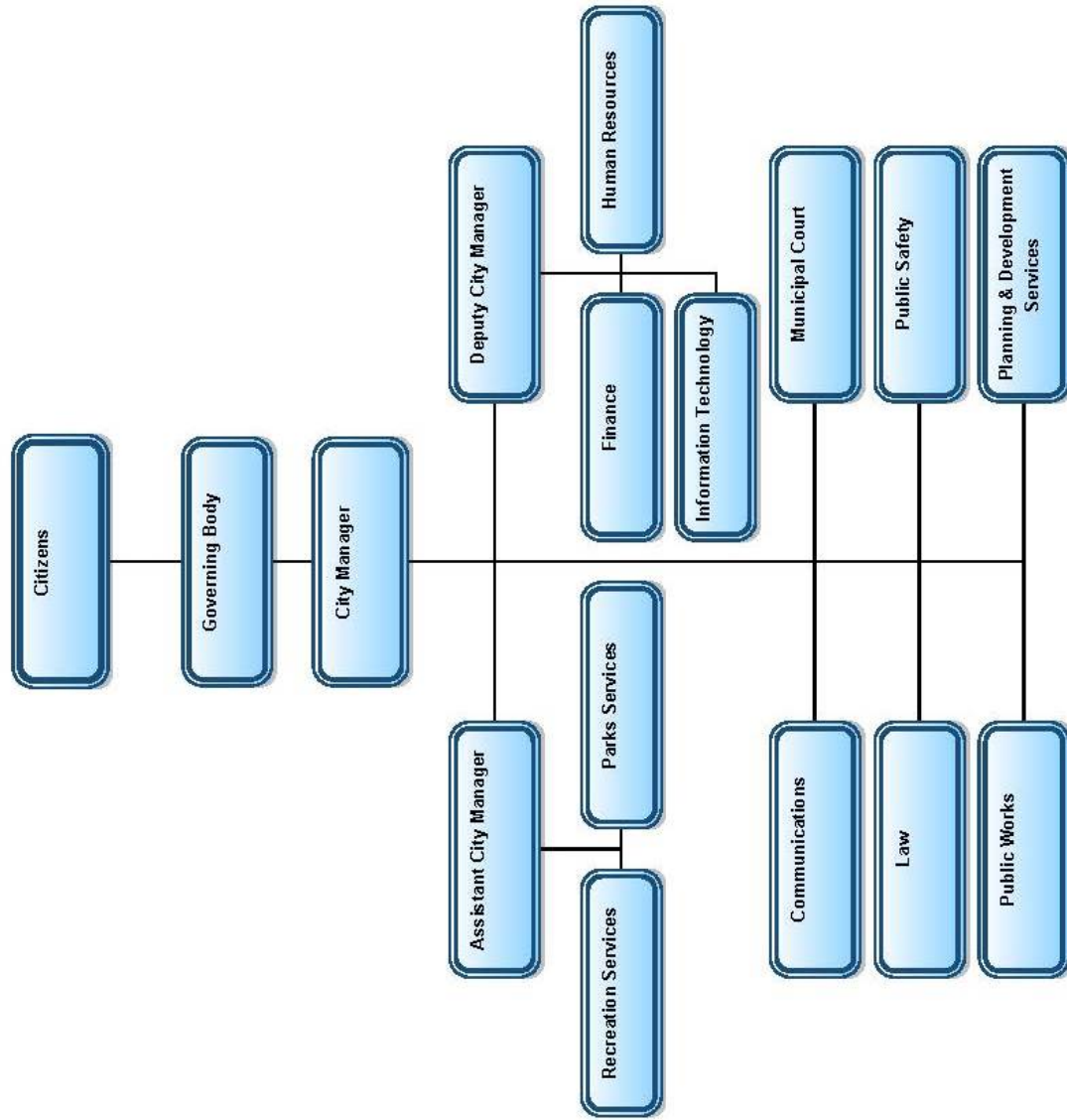
A handwritten signature in black ink, appearing to read "David Scott". The signature is fluid and cursive, with the first name "David" being more prominent than the last name "Scott".

David M. Scott
Chief Financial Officer

A handwritten signature in black ink, appearing to read "Gena McDonald". The signature is fluid and cursive, with the first name "Gena" being more prominent than the last name "McDonald".

Gena McDonald
Assistant Chief Financial Officer

CITY OF OVERLAND PARK, KANSAS ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of
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**City of Overland Park
Kansas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO



Independent Auditor's Report

RSM US LLP

To the Honorable Mayor and
Members of the City Council
City of Overland Park, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Overland Park, Kansas (the City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Sheraton Overland Park Hotel and Scoops, Inc., which is included within the financial statements of the Overland Park Development Corporation, a major enterprise fund. This activity represents 1 percent and 100 percent, respectively, of the total assets and total revenues of the major enterprise fund and 1 percent and 75 percent, respectively, of the total assets and total revenues of the business-type activities. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Sheraton Overland Park Hotel and Scoops, Inc., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Overland Park, Kansas, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As explained in Note IV.E. to the basic financial statements, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which restated beginning net position and net OPEB liability of the governmental activities.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and pension and postemployment information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Overland Park, Kansas' basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

RSM US LLP

Kansas City, Missouri
June 25, 2018

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2017

This section of the report contains an overview and analysis of the City of Overland Park's financial statements for the fiscal year ended December 31, 2017. The information contained here, as well as the information contained in the letter of transmittal, are intended to provide the reader of the financial statements with a well-rounded picture of the City's financial condition.

Financial Highlights

- The City's net position of our governmental activities increased by \$16,109,632 (or 1.6%) while the net position of our business-type activities decreased by \$190,719 (or 0.5%).
- During the year, the City's revenues generated in taxes and other revenues for governmental programs were \$16,109,632 more than the \$206.3 million in City's expenses.
- The City's one-cent sales tax revenue collections in 2017 increased 1.8% over 2016 collections.
- The convention center generated excess revenues over expenses (fourteenth consecutive year) in its fifteenth full year of operations.

The Basic Financial Statements

The basic financial statements of the City include the government-wide financial statements and the fund financial statements. The notes to basic financial statements follow the basic financial statements and are essential for the reader's understanding of the financial statements. Other supplementary information is also included at the end of this report to provide additional information for the reader.

Government-wide Financial Statements

The government-wide financial statements present the results of the City's operations using the accrual basis of accounting, the basis of accounting used by private-sector businesses. These statements focus on the long-term financial picture of the City as a whole.

The Statement of Net Position reports all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position, the difference between assets, deferred outflows of resources and liabilities, and deferred inflows of resources are an important measure of the City's overall financial health. Over time, the increases and decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating.

The Statement of Activities shows how the net position has changed during the fiscal year. The unique feature of this statement is how it shows the revenues and expenses related to specific programs and how much of the programs were supported by the general taxes of the City. Since this statement is prepared on the accrual basis of accounting, all revenues and expenses are included regardless of when cash is actually received.

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2017

Both statements show the operations of the City broken down between governmental activities and business-type activities. Governmental activities are the operations of the City generally supported by taxes, such as public works, police and parks and recreation. Business activities are operations of the City that are intended to recover all or a significant portion of their costs through user fees and charges. Currently, the City's business activities are the golf course operation, the soccer complex and Overland Park Development Corporation.

Fund Financial Statements

The City uses three types of funds to manage its resources: governmental funds, proprietary funds and fiduciary funds. A fund is a fiscal entity with a set of self-balancing accounts recording financial resources, together with all related liabilities and residual equities and balances, and the changes therein. These accounting entities are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions or limitations.

Governmental fund financial statements are prepared on the modified accrual basis. Under the modified accrual basis, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, with the exception of long-term debt and other similar items which are recorded when due. The focus, therefore, is on the short-term financial picture of the operations reported, rather than the City as a whole. Most of the City's basic operations are reported in the governmental fund financial statements. The information reported in these statements can be compared to the governmental activities information in the government-wide statements. The reconciliation at the end of the fund financial statements details the relationship between the two types of financial statements.

Proprietary funds fall into two categories: enterprise funds and internal service funds. All proprietary funds are prepared on the accrual basis of accounting. Enterprise funds are used to account for business-type activities. Enterprise fund statements present the same information that is in the government-wide statements for business activities, only in greater detail. Internal service funds are used to account for the cost of operations shared by various functions of the City. The City uses four internal service funds to account for its self-insurance activities: Special Liability Defense Fund, Risk Management Reserve Fund, Workers' Compensation Fund and Medical Imprest Plan Fund. The Special Liability Defense Fund and Risk Management Reserve Fund are presented as sub-funds of the General Fund. The Workers' Compensation Fund and Medical Imprest Fund are combined together into a single column on the proprietary fund statement. A combining statement for these funds can be found in the supplementary information following the notes to the financial statements. In the government-wide statements, the information for these internal service funds is presented as part of the governmental activities information.

Fiduciary funds are used by the City to account for resources held by the City for the benefit of a third party. Because the resources of these funds are not available for the City's operation, they are not presented in the government-wide financial statements. The City's fiduciary funds include the Municipal Employees Pension Plan Fund, the Police Pension Plan Fund, the Overland Park Fire Department Retirement Plan, the Other Post-Employment Benefit Trust and the Tomahawk Cemetery Trust Fund and are reported as pension and private purpose trust since the City has no ownership interest in these trusts. The fiduciary funds are combined into two columns on the fiduciary fund statement. A combining statement can be found in the supplementary information following the notes to basic financial statements.

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2017

Notes to Basic Financial Statements

The notes to basic financial statements are an integral part of the basic financial statements since they contain valuable additional information necessary for gaining a complete understanding of the City's financial statements.

Other Information

In addition to the financial statements and the notes described above, required supplementary information regarding the City's funding of its Police Pension Plan and the Overland Park Fire Department Retirement Plan and Other Post-Employment Benefit Plan has been included to give the reader further insight into the City's pension and other postemployment benefit plan results. The combining statements for non-major funds referred to above are included after the required supplementary information on pension plans. Finally, the Statistical Section includes statistical data about the City.

Analysis of the Government-wide Statements

Net Position

Combined net position of the City at December 31 were:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Current and other assets	\$ 187,613,057	\$ 205,661,967	\$ 20,807,444	\$ 17,860,954
Capital assets	1,066,197,859	1,056,937,415	48,287,957	48,708,043
Total assets	1,253,810,916	1,262,599,382	69,095,401	66,568,997
Deferred outflows	17,645,151	15,843,020	5,275,891	4,728,728
Long-term liabilities	165,918,499	153,221,790	103,677,152	100,619,094
Other liabilities	40,693,079	40,119,964	10,769,726	10,944,936
Total liabilities	206,611,578	193,341,754	114,446,878	111,564,030
Deferred inflows	46,971,946	55,950,570	-	-
Net position:				
Net investment in capital assets	941,269,540	949,192,740	(49,137,285)	(46,517,430)
Restricted for other purposes	7,623,174	8,983,036	16,713,151	14,297,585
Unrestricted	68,979,829	70,974,302	(7,651,452)	(8,046,460)
Total Net Position	\$ 1,017,872,543	\$ 1,029,150,078	\$ (40,075,586)	\$ (40,266,305)

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2017

Governmental Activities

The City ended 2017 with positive net position. Several of the items fluctuated significantly between 2016 and 2017.

- Current and Other Assets – This category increased 9.6% from 2016 primarily due to increases in cash, cash equivalents and investments related to capital improvements and capital projects.
- Long-term Liabilities – Outstanding general obligation debt decreased from regular debt payments and a refunding bond issue.

Business-type Activities

- The City's golf course operations ended 2017 with positive net position with an increase of 1.1% in total net position in 2017 as compared to 2016.
- The Overland Park Development Corporation ended 2016 with negative net position of \$45,601,786.

Statement of Activities

The table below shows the condensed revenues, expenses and the change in net position for 2016 and 2017.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Revenues:				
Program Revenues:				
Charges for services	\$ 33,251,984	\$ 32,599,006	\$ 29,721,089	\$ 28,662,825
Operating grants and contributions	14,374,807	16,609,863	-	-
Capital grants and contributions	30,614,490	12,316,735	-	-
General Revenues:				
Property taxes	40,265,869	45,924,148	-	-
Sales taxes	52,921,165	53,889,275	-	-
Other taxes	21,814,519	21,246,191	-	-
Other	37,103,176	43,240,562	453,605	376,319
Total revenues	<u>230,346,010</u>	<u>225,825,780</u>	<u>30,174,694</u>	<u>29,039,144</u>

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2017

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Expenses:				
General government	27,293,376	49,656,425	-	-
Public safety	57,722,052	58,038,441	-	-
Public works	70,884,253	68,511,282	-	-
Parks and recreation	16,021,763	17,794,295	-	-
Planning and development	7,591,220	8,221,070	-	-
Golf course	-	-	4,618,341	4,825,928
Soccer complex	-	-	1,143,200	1,152,573
OP Development Corporation	-	-	26,916,665	26,675,475
Interest on long-term debt	5,165,106	4,070,522	-	-
Total expenses	<u>184,677,770</u>	<u>206,292,035</u>	<u>32,678,206</u>	<u>32,653,976</u>
Revenue over (under) expenses	45,668,240	19,533,745	(2,503,512)	(3,614,832)
Transfers	<u>(2,937,262)</u>	<u>(3,424,113)</u>	<u>2,937,262</u>	<u>3,424,113</u>
Increase (decrease) in net position	42,730,978	16,109,632	433,750	(190,719)
Net position January 1	975,141,565	1,017,872,543	(40,509,335)	(40,075,586)
Prior period adjustment	-	(4,832,097)	-	-
Net position December 31	<u>\$ 1,017,872,543</u>	<u>\$ 1,029,150,078</u>	<u>\$ (40,075,585)</u>	<u>\$ (40,266,305)</u>

Governmental Activities

Several of the revenue and expense categories fluctuated between 2016 and 2017, as explained below.

- Operating Grants/Contributions – Contributions increased compared to the prior year primarily due to reimbursements from community development block grants.
- Capital Grants/Contributions – Contributions decreased compared to the prior year due to several large storm drainage projects which received reimbursement in 2016 and due to a decrease in assets contributed by developers.
- Property Taxes - The 14.1% increase in property taxes due to an increase in the mill levy by .952 and an increase in the assessed valuation of 7.6%. The Table below compares the mill levy for 2016 through 2017.
- Other – This revenue category increased primarily due to a higher countywide sales tax distribution as a result of the new county courthouse sales tax.

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2017

	2015 Levy to support <u>2016 Budget</u>	2016 Levy to support <u>2017 Budget</u>
General Fund	11.887	12.839
Storm Water Utility	0.961	0.961
Total Mill Levy	<u>12.848</u>	<u>13.800</u>

The City's assessed valuation experienced a 7.6% increase over the previous year, as shown in the following chart. This increase was driven by a 7.8% increase in real estate valuation.

	2015 Valuation to Support 2016 <u>Budget</u>	2016 Valuation to Support 2017 <u>Budget</u>	Increase/ (Decrease) over <u>Prior year</u>	<u>% Change</u>
Real Estate	\$ 2,959,139,652	\$ 3,190,925,934	\$ 231,786,282	7.8%
Personal	32,045,274	29,044,333	(3,000,941)	-9.4%
Utilities	45,207,918	47,170,898	1,962,980	4.3%
Total	<u>\$ 3,036,392,844</u>	<u>\$ 3,267,141,165</u>	<u>\$ 230,748,321</u>	<u>7.6%</u>

- Sales taxes – Combined sales and use tax revenue increased by 1.8% over 2016 due to an increase in use tax collections. Retail sales tax collections decreased 0.3% over 2016.
- Other taxes – Transient guest taxes decreased by 3.1% due to lower occupancy percentages and average daily room rates. Franchise taxes decreased by 2.1% over 2016 due to decreased collections from KCP&L and cable utilities.
- General Government Expense – This expense category was higher in 2017 due to lower capitalized expenses in 2017 compared with 2016.

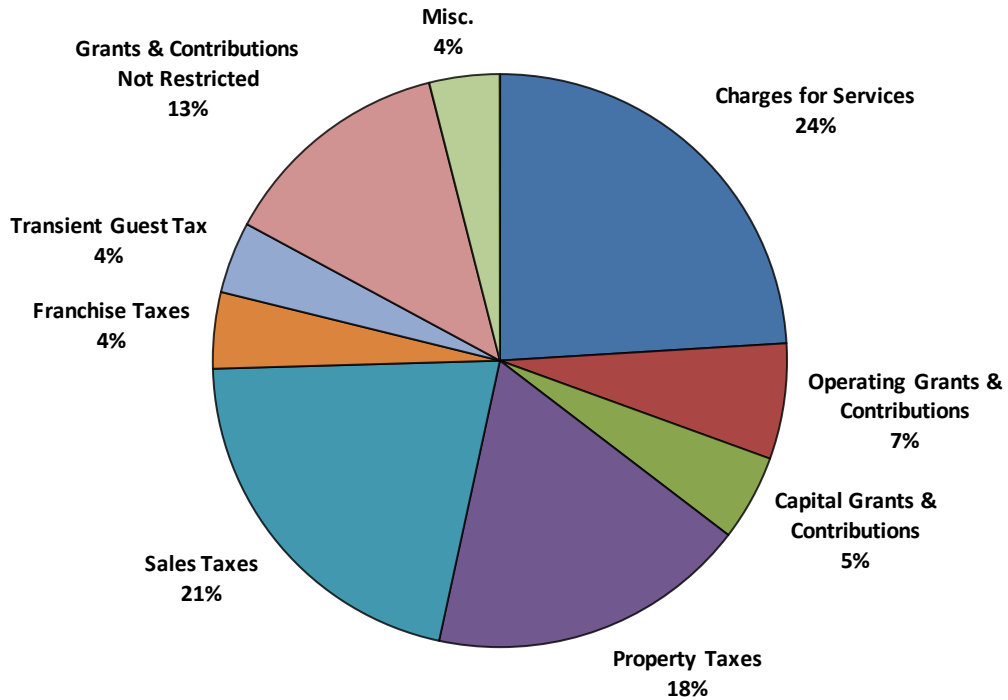
Business-type Activities

There were no categories that experienced significant variations between 2016 and 2017.

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2017

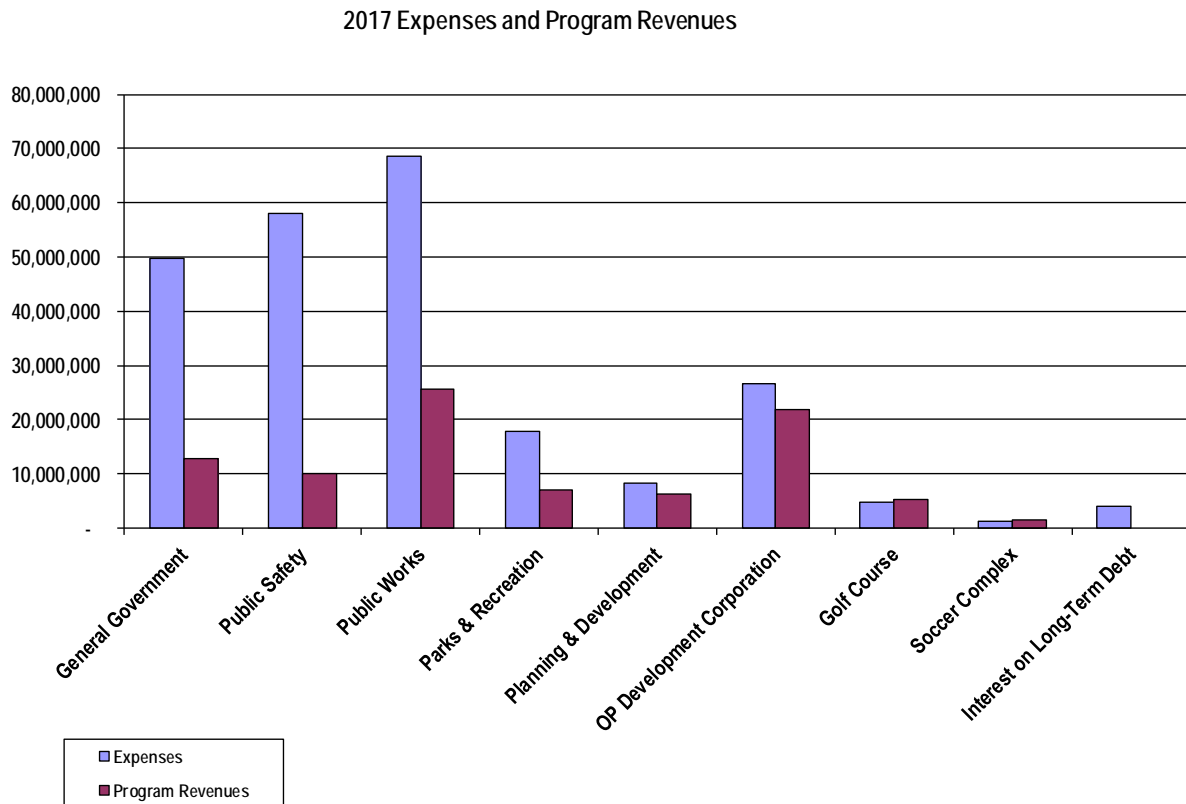
The following graph depicts the composition of 2017 primary government revenues as presented in the Statement of Activities.

2017 Revenues by Source



City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2017

The following chart compares the primary government expenses and program revenues.



The total cost of services for 2017 was \$238.9 million; however, \$90.2 million was funded by users directly benefiting from the services or by other organizations through grants and contributions. The remaining \$148.7 million of these services were paid by the City's taxpayers primarily through property taxes and sales taxes.

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2017

Analysis of the Fund Financial Statements

Governmental Fund Balance at December 31, 2017							
	General	One-eighth Cent Sales Tax - Street Improvement	Stormwater Utility	Combined Transient Guest Tax Fund	Street Improvement	Debt Service	Total
Fund Balances:							
Restricted	\$ -	\$ 2,647,439	\$ 2,721,490	\$ 2,659,157	\$ -	\$ 250,000	\$ 8,278,086
Assigned	41,007,313	-	43,212	-	11,446,219	-	52,496,744
Unassigned	45,767,758	-	-	-	-	-	45,767,758
Total fund balances	\$ 86,775,071	\$ 2,647,439	\$ 2,764,702	\$ 2,659,157	\$ 11,446,219	\$ 250,000	\$ 106,542,588

Governmental Fund Balance at December 31, 2016							
	General	One-eighth Cent Sales Tax - Street Improvement	Stormwater Utility	Combined Transient Guest Tax Fund	Street Improvement	Debt Service	Total
Fund Balances:							
Restricted	\$ -	\$ 4,451,031	\$ 1,865,332	\$ 3,720,739	\$ -	\$ 250,000	\$ 10,287,102
Assigned	32,680,095	-	6,770	-	12,489,126	-	45,175,991
Unassigned	43,100,743	-	-	-	-	-	43,100,743
Total fund balances	\$ 75,780,838	\$ 4,451,031	\$ 1,872,102	\$ 3,720,739	\$ 12,489,126	\$ 250,000	\$ 98,563,836

Overall, the City's major funds experienced an 8.1 percent increase in fund balance as a result of 2017 operations. The increase in the General Fund is attributable to increases in property taxes due to a higher mill levy for public safety and infrastructure improvements along with an increase in assessed valuation. In addition there was a new countywide court house sales tax that went into effect during 2017. The One-eighth Cent Sales Tax-Street Improvement Fund decreased due to increased transfers to capital projects. The Stormwater Utility Fund experienced an increase due to a 25% increase in the stormwater utility fee to create a curb repair and replacement program. Combined Transient Guest Tax Fund decreased due to an increase in the debt service support agreement payment to the Overland Park Development Corporation. The Street Improvement Fund decreased due to increased in capital project expenditures.

Proprietary Funds

The Internal Service Funds information is included with the Governmental Activities information on the government-wide statements. Any asset, revenue and/or expense fluctuations have been discussed in the Government-wide statement section.

Enterprise fund information for the City's Golf Course Fund, Soccer Fund and Overland Park Development Corporation Fund is included in the discussion of the Government-wide financial statements.

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2017

Budgetary Highlights

The legally adopted budget for the General Fund was not amended during 2017. However, the budget was revised due to Departments within the City that are allowed to transfer budget between line items and between cost centers within a department. In addition, budget may be transferred out of cost centers to reflect insurance savings, budget cuts, etc. As a result of these budget transfers, the original budget and the final budgets may not be the same in some cost centers.

The following revenue and expenditure categories experienced significant differences between the final budget amount and the actual amount. The explanation of the difference is also included.

Category	Explanation
Sales Tax	During 2017 retail sales dipped a little resulting in sales tax collections decreasing 0.3% (compensating use tax revenue increased 16.3%). Combined sales and use taxes increased 2.1% compared to a budgeted increase of 2.1%.
Fines and Penalties	The Municipal Court's case load varies from year to year based on the level of police enforcement activity.
Grant/Contributions Not Restricted	Countywide retail sales tax collections increased \$3.9 million. The City's countywide distribution increased due the new countywide courthouse sales tax.
Licenses and Permits	These revenues come from many sources with varying levels of activity from year to year. Because of the nature of these revenues, it is difficult to make accurate estimates of the individual sources.
Public Safety	Small variances in most budgeted areas contribute to this variance in spend to budget.
City-wide Contingency	The contingency budget is set aside for unexpected expenditures. Any funds allocated from this budget are transferred to the requesting cost center so there will not be any actual expenditures charged to this category.

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2017

Capital Asset and Debt Administration

Capital Assets

The total amount invested in capital assets for the City at December 31, 2017, was \$1,105,645,458 net of accumulated depreciation. This represents a decrease of 0.8% over the 2016 total, which is attributed to a decrease in major additions over previous years. The following chart breaks down the City's capital asset balance into the various categories of assets.

	<u>Government Activities</u>		<u>Business-Type Activities</u>	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Land	\$ 31,513,661	\$ 31,624,614	\$ 1,425,200	\$ 1,425,200
Construction in Progress	8,013,983	10,143,986	842,944	118,474
Land Improvements	20,905,572	18,469,572	334,344	-
Building and Improvements - City	80,276,284	79,377,803	1,108,400	1,375,033
Building and Improvements - OPDC	-	-	41,745,529	40,142,534
OPCC Capital Assets	1,102,522	1,168,508	-	-
Equipment - City	10,879,430	12,785,627	170,792	147,389
Equipment - OPDC	-	-	2,660,748	5,499,413
Infrastructure	913,506,407	903,367,305	-	-
	<u>\$ 1,066,197,859</u>	<u>\$ 1,056,937,415</u>	<u>\$ 48,287,957</u>	<u>\$ 48,708,043</u>

Major additions to capital assets during the year included:

Infrastructure - 2017 streets	\$ 5,081,173
Infrastructure - 2017 residential street	722,194
Infrastructure - 2017 storm drainage	152,644
Public buildings	90,908
Parks facilities	237,088
Public equipment	1,382,192
Total	<u><u>\$ 7,666,199</u></u>

Additional information about the City's capital assets can be found in Note I, Item D and Note III, Item C in the notes to basic financial statements.

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2017

Debt Administration

The outstanding general obligation bonds at December 31, 2017 totaled \$99,380,000 of which \$98,477,591 is considered net direct tax supported debt. This balance represents a 14.0% decrease over the 2016 balance. This decrease is primarily due to the net impact of regularly scheduled debt payments of \$15,845,000 and the City issued \$3,925,000 of general obligation refunding bonds to refund \$4,300,000 of general obligation bonds.

For the past 30 years, the City has received a credit rating of Aaa and AAA from Moody's Investors Service, Inc. and Standard and Poor's Corporation, respectively. This represents the highest possible rating available from these two companies. For the fourteenth year, the City received an AAA rating from Fitch Ratings, the highest rating the company offers.

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita provide useful indicators of the City's debt position to citizens, elected officials, City management and investors. This data for the City at the end of the 2017 fiscal year is as follows:

	Total Amount	Ratio of Debt to Assessed Value	Debt Per Capita
Total bonded debt	\$99,380,000	0.029	\$518.20

Additional information regarding the City's debt can be found in Note III, Item G.

Requests for Information

This financial report is intended to give the reader a general overview of the City's finances. Questions about information contained in this report or requests for additional information should be directed to the Chief Financial Officer, 8500 Santa Fe, Overland Park, KS 66212.

City of Overland Park
Statement of Net Position
December 31, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents and investments	\$ 128,573,453	\$ 2,767,517	\$ 131,340,970
Taxes receivables	20,223,261	-	20,223,261
Accounts receivables	1,799,732	493,183	2,292,915
Due from other governments	403,877	-	403,877
Current property taxes receivable	47,126,527	-	47,126,527
Special assessments	404,986	-	404,986
Other current assets	530,866	302,669	833,535
Total Current Assets	199,062,702	3,563,369	202,626,071
Noncurrent assets:			
Special assessments	377,967	-	377,967
Cash and investments restricted for:			
Debt service	-	14,297,585	14,297,585
Workers' comp and medical claims	2,793,403	-	2,793,403
Net pension asset	3,427,895	-	3,427,895
Capital Assets:			
Land, improvements and construction in progress	41,768,600	1,543,674	43,312,274
Capital assets, net of depreciation	1,015,168,815	47,164,369	1,062,333,184
Total Capital Assets	1,056,937,415	48,708,043	1,105,645,458
Total Noncurrent assets	1,063,536,680	63,005,628	1,126,542,308
Total assets	1,262,599,382	66,568,997	1,329,168,379
Deferred Outflows of Resources			
Deferred outflow from OPEB	199,549	-	199,549
Deferred outflow from pensions	14,353,482	-	14,353,482
Deferred charge on refunding	1,289,989	4,728,728	6,018,717
Total deferred outflows	15,843,020	4,728,728	20,571,748
Liabilities			
Accounts and claims payable	8,340,895	3,727,065	12,067,960
Accrued expenditures	4,224,477	4,162,018	8,386,495
Contract payable	5,295,166	-	5,295,166
Unearned revenue	3,893,286	12,280	3,905,566
Long-term liabilities:			
Due in one year	18,366,140	3,043,573	21,409,713
Due in more than one year	153,221,790	100,619,094	253,840,884
Total Liabilities	193,341,754	111,564,030	304,905,784
Deferred Inflows of Resources			
Deferred inflow from OPEB	482,218	-	482,218
Deferred inflows from pensions	8,204,654	-	8,204,654
Unavailable revenue - property taxes	47,263,698	-	47,263,698
Total deferred inflows	55,950,570	-	55,950,570
Net Position			
Net investment in capital assets	949,192,740	(46,517,430)	902,675,310
Restricted for:			
Debt Service	346,709	12,164,840	12,511,549
Restricted for capital and other projects	-	2,132,745	2,132,745
Workers' compensation and medical claims	1,575,756	-	1,575,756
Street improvements	7,060,571	-	7,060,571
Unrestricted	70,974,302	(8,046,460)	62,927,842
Total Net Position	\$ 1,029,150,078	\$ (40,266,305)	\$ 988,883,773

The accompanying notes are an integral part of the basic financial statements.

City of Overland Park
Statement of Activities
For the Year Ended December 31, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 49,656,425	\$ 11,852,201	\$ 960,374	\$ -	\$ (36,843,850)	\$ -	\$ (36,843,850)
Public safety	58,038,441	6,439,641	3,327,369	210,029	(48,061,402)	-	(48,061,402)
Public works	68,511,282	3,958,969	9,461,270	12,106,706	(42,984,337)	-	(42,984,337)
Parks and recreation	17,794,295	5,517,015	1,472,771	-	(10,804,509)	-	(10,804,509)
Planning and development services	8,221,070	4,831,180	1,388,079	-	(2,001,811)	-	(2,001,811)
Interest on long-term debt	4,070,522	-	-	-	(4,070,522)	-	(4,070,522)
Total governmental activities	206,292,035	32,599,006	16,609,863	12,316,735	(144,766,431)	-	(144,766,431)
Business-type activities:							
Golf course	\$ 4,825,928	\$ 5,411,137	\$ -	\$ -	\$ -	\$ 585,209	\$ 585,209
Soccer complex	1,152,573	1,425,046	-	-	-	272,473	272,473
OP Development Corporation	26,675,475	21,826,642	-	-	-	(4,848,833)	(4,848,833)
Total business-type activities	32,653,976	28,662,825	-	-	-	(3,991,151)	(3,991,151)
Total primary government	\$ 238,946,011	\$ 61,261,831	\$ 16,609,863	\$ 12,316,735	(144,766,431)	(3,991,151)	(148,757,582)
General Revenues:							
Property taxes					45,924,148	-	45,924,148
Sales taxes					53,889,275	-	53,889,275
Franchise taxes					10,954,292	-	10,954,292
Transient guest tax					10,291,899	-	10,291,899
Grants and contributions not restricted to specific programs					33,496,403	-	33,496,403
Unrestricted investment earnings					1,009,033	61,671	1,070,704
Miscellaneous					8,735,126	314,648	9,049,774
Transfers					(3,424,113)	3,424,113	-
Total general revenue and transfers					160,876,063	3,800,432	164,676,495
Change in net position					16,109,632	(190,719)	15,918,913
Net position-beginning, as restated					1,013,040,446	(40,075,586)	972,964,860
Net position-ending					\$ 1,029,150,078	\$ (40,266,305)	\$ 988,883,773

The accompanying notes are an integral part of the basic financial statements.

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City of Overland Park
Balance Sheet
Governmental Funds
December 31, 2017

	One-eighth Cent			
		Sales Tax -		Combined
	General	Street Improvement	Stormwater Utility	Transient Tax Fund
Assets				
Cash, cash equivalents and investments	\$ 77,588,191	\$ 1,728,707	\$ 2,805,789	\$ 3,819,529
Taxes receivable	15,183,280	1,111,888	-	2,639,120
Accounts receivables	1,633,555	-	3,150	141,040
Due from other funds	104,229	-	-	-
Due from other governments	46,704	-	-	-
Current property taxes receivable	43,784,411	-	3,342,116	-
Other current assets	-	-	-	530,866
Special assessments				
Current	-	-	-	-
Noncurrent	-	-	-	-
Total Assets	\$ 138,340,370	\$ 2,840,595	\$ 6,151,055	\$ 7,130,555
Liabilities:				
Accounts payable	\$ 4,603,707	\$ 193,156	\$ 9,601	\$ 758,760
Accrued expenditures	3,040,010	-	34,636	-
Contracts payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	3,712,638
Total Liabilities	7,643,717	193,156	44,237	4,471,398
Deferred Inflows of Resources				
Unavailable revenue - property taxes	43,921,582	-	3,342,116	-
Unavailable revenue - special assessment	-	-	-	-
Unavailable revenue - other	-	-	-	-
Total deferred inflows of resources	43,921,582	-	3,342,116	-
Fund Balances:				
Restricted	-	2,647,439	2,721,490	2,659,157
Assigned	41,007,313	-	43,212	-
Unassigned	45,767,758	-	-	-
Total fund balances	86,775,071	2,647,439	2,764,702	2,659,157
Total liabilities, deferred inflows of resources and fund balance	\$ 138,340,370	\$ 2,840,595	\$ 6,151,055	\$ 7,130,555

The accompanying notes are an integral part of the basic financial statements.

Street Improvement	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 15,001,314	\$ 250,000	\$ 23,761,398	\$ 124,954,928
-	-	1,288,973	20,223,261
-	-	-	1,777,745
-	-	-	104,229
-	-	357,173	403,877
-	-	-	47,126,527
-	-	-	530,866
-	404,986	-	404,986
-	377,967	-	377,967
\$ 15,001,314	\$ 1,032,953	\$ 25,407,544	\$ 195,904,386
\$ -	\$ -	\$ 95,714	\$ 5,660,938
-	-	-	3,074,646
3,555,095	-	1,740,071	5,295,166
-	-	104,229	104,229
-	-	180,648	3,893,286
3,555,095	-	2,120,662	18,028,265
-	-	-	47,263,698
-	782,953	-	782,953
-	-	206,640	206,640
-	782,953	206,640	48,253,291
-	250,000	13,339,523	21,617,609
11,446,219	-	10,108,488	62,605,232
-	-	(367,769)	45,399,989
11,446,219	250,000	23,080,242	129,622,830
\$ 15,001,314	\$ 1,032,953	\$ 25,407,544	\$ 195,904,386

**City of Overland Park
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2017**

Fund balances - total governmental funds	\$ 129,622,830
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	1,056,937,415
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Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.

Governmental bonds payable	\$ (99,380,000)	
Accrued interest payable on long-term debt	(1,149,831)	
Bond premium	(9,654,664)	
Deferred charge on refunding	1,289,989	
Accrued vacation and sick leave payable	(8,422,870)	
Fire net pension liability	(2,785,251)	
KPERS net pension liability	(38,093,703)	
Capital lease payable	(12,104)	
Other postemployment benefit (OPEB)	<u>(13,239,338)</u>	(171,447,772)

Unavailable special assessment tax revenue and other in governmental funds is not reported on the entity-wide statements.

Deferred inflows of resources - unavailable revenue	989,593
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Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.	3,753,958
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The Police net pension asset reported in governmental activities is not a current financial resource and therefore is not reported in the funds	3,427,895
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Pension and OPEB related deferred outflows and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds.

Deferred outflows - OPEB	199,549	
Deferred outflows - KPERS	12,357,614	
Deferred outflows - Police/Fire pension	1,995,868	
Deferred inflows - KPERS	(1,234,339)	
Deferred inflows - Police/Fire pension	(6,970,315)	
Deferred inflows - OPEB	<u>(482,218)</u>	
Net position of governmental activities	<u>\$ 1,029,150,078</u>	

The accompanying notes are an integral part of the basic financial statements.

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City of Overland Park
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	One-eighth Cent Sales Tax		Stormwater Utility	Combined Transient Tax Fund
	General	Street Improvement		
Revenues				
Property taxes	\$ 42,183,400	\$ -	\$ 3,180,610	\$ -
Sales taxes	47,503,407	5,977,696	-	-
Franchise taxes	10,954,292	-	-	-
Transient guest tax	-	-	-	10,291,899
Charges for services	5,508,004	-	-	11,102,775
Licenses and permits	8,693,791	-	-	-
Fines and penalties	6,439,641	-	-	-
Use of money	774,740	-	-	-
Intergovernmental	2,546,934	-	-	-
Contributions	1,698,568	-	-	-
Capital / operating grants	-	19,388	5,179,207	24,034
Grants / contributions not restricted to specific programs	32,269,129	-	-	-
Total revenues	158,571,906	5,997,084	8,359,817	21,418,708
Expenditures				
Current:				
General government	20,759,599	-	-	13,861,721
Public safety	56,954,222	-	-	-
Public works	13,333,549	-	3,234,715	-
Parks and recreation	10,047,616	-	-	-
Planning and development services	7,363,861	-	-	-
Capital improvements	-	-	-	-
Principal / Interest on long-term debt	-	-	-	-
Bond Issuance Costs	-	-	-	-
Total expenditures	108,458,847	-	3,234,715	13,861,721
Excess of revenues over (under) expenditures	50,113,059	5,997,084	5,125,102	7,556,987
Other financing sources (uses)				
Refunding bond issue	-	-	-	-
Issuance: Premium	-	-	-	-
Transfers in	21,945,933	58,620	274,748	1,750,206
Transfers out	(61,064,759)	(7,859,296)	(4,507,250)	(10,368,775)
Total other financing sources (uses)	(39,118,826)	(7,800,676)	(4,232,502)	(8,618,569)
Net change in fund balances	10,994,233	(1,803,592)	892,600	(1,061,582)
Fund balances at beginning of year	75,780,838	4,451,031	1,872,102	3,720,739
Fund balances at end of year	\$ 86,775,071	\$ 2,647,439	\$ 2,764,702	\$ 2,659,157

The accompanying notes are an integral part of the basic financial statements.

Street Improvement		Debt Service		Other Governmental Funds	Total Governmental Funds
\$	-	\$	-	\$ 560,138	\$ 45,924,148
	-		-	408,172	53,889,275
	-		-	-	10,954,292
	-		-	-	10,291,899
	-		-	9,011	16,619,790
	-		-	99,416	8,793,207
	-		-	-	6,439,641
	-		-	5,140	779,880
7,416,294	-		-	8,422,318	18,385,546
-	485,565			1,730,464	3,914,597
-	-			2,935,683	8,158,312
-	-			223,922	32,493,051
7,416,294	485,565			14,394,264	216,643,638
	-		-	6,938,019	41,559,339
	-		-	374,964	57,329,186
	-		-	1,412,253	17,980,517
	-		-	5,931,452	15,979,068
	-		-	566,625	7,930,486
36,822,614	-		-	4,963,478	41,786,092
-	24,247,879			-	24,247,879
-	71,443			-	71,443
36,822,614	24,319,322			20,186,791	206,884,010
(29,406,320)	(23,833,757)			(5,792,527)	9,759,628
	-	3,925,000		-	3,925,000
	-	502,356		-	502,356
42,450,710	19,406,401			17,501,405	103,388,023
(14,087,297)	-			(9,785,659)	(107,673,036)
28,363,413	23,833,757			7,715,746	142,343
(1,042,907)	-			1,923,219	9,901,971
12,489,126	250,000			21,157,023	119,720,859
\$ 11,446,219	\$ 250,000			\$ 23,080,242	\$ 129,622,830

City of Overland Park
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2017

Net change in fund balances-total governmental funds \$ 9,901,971

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital assets contributed	\$ 3,649,790		
Expenditures for capital assets	27,937,008		
Less current year depreciation	(40,722,458)		
Loss on disposal of capital assets	<u>(124,784)</u>		(9,260,444)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Long-term debt interest expense	185,983		
Pension expense	(1,908,801)		
OPEB expense	324,602		
Change in vacation/sick leave obligation	<u>(650,697)</u>		(2,048,913)

Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in governmental funds.

Special assessments			(349,879)
Capital grant			158,245

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded payments. Also, governmental funds report the effects of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond proceeds			(3,925,000)
Bond principal and capital lease payments			20,156,632
Amortization of deferred charge on refunding			(153,626)
Bond premium issuance and amortization			1,093,534

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of all internal service funds is reported with governmental activities.

			<u>537,112</u>
Change in net position of governmental activities			<u>\$ 16,109,632</u>

The accompanying notes are an integral part of the basic financial statements.

City of Overland Park
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 41,711,000	\$ 41,711,000	\$ 42,183,400	\$ 472,400
Sales tax	47,090,000	47,090,000	47,503,407	413,407
Franchise taxes	10,904,200	10,904,200	10,954,292	50,092
Charges for services	5,664,052	5,664,052	5,593,721	(70,331)
Licenses and permits	9,066,348	9,066,348	10,847,136	1,780,788
Fines and penalties	5,066,800	5,066,800	4,200,578	(866,222)
Use of money	275,000	275,000	527,991	252,991
Intergovernmental	2,755,000	2,755,000	2,546,934	(208,066)
Grants/ Contributions not restricted	27,650,000	27,650,000	32,269,129	4,619,129
Miscellaneous Reimb / Contributions	1,422,600	1,422,600	1,698,569	275,969
Total revenues	151,605,000	151,605,000	158,325,157	6,720,157
Expenditures:				
Current:				
Finance and Administration				
Mayor and Council	420,790	480,749	477,671	3,078
Economic Development	645,980	729,034	729,034	-
Emergency Management	232,707	343,872	313,571	30,301
City Manager	1,048,929	1,090,006	1,104,255	(14,249)
Communications	541,642	541,545	507,665	33,880
Information Technology	5,311,884	5,304,383	5,144,881	159,502
Facilities Management	3,827,739	3,817,161	3,746,263	70,898
Municipal Court	3,155,266	3,144,737	2,729,935	414,802
Law	1,796,313	1,956,732	1,783,263	173,469
Finance and Accounting	1,544,852	1,546,971	1,444,843	102,128
City Clerk	804,071	803,329	624,381	178,948
Human Resources	1,833,973	1,859,793	1,975,177	(115,384)
Payroll	471,538	472,493	452,353	20,140
City Wide Contingency	3,000,000	2,778,618	-	2,778,618
Total Finance and Administration	24,635,684	24,869,423	21,033,292	3,836,131
Public Safety				
Police				
Police Administration	3,022,489	3,081,136	3,200,310	(119,174)
Tactical Operations	21,239,118	21,169,398	19,618,622	1,550,776
Special Services Bureau	11,888,421	11,806,492	10,877,302	929,190
Total Police	36,150,028	36,057,026	33,696,234	2,360,792

(continued)

City of Overland Park
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Fire				
Fire Services	955,000	955,000	974,072	(19,072)
OPFD - Administration	1,345,123	1,332,690	1,244,415	88,275
OPFD - Operations	17,141,732	16,877,155	16,458,973	418,182
OPFD - Prevention	707,662	699,397	695,573	3,824
OPFD - Support Services	646,102	646,393	533,091	113,302
OPFD - Training	981,609	971,871	951,197	20,674
OPFD - Merriam Fire Operations	2,454,166	2,417,954	2,297,164	120,790
Total Fire	24,231,394	23,900,460	23,154,485	745,975
Total Public Safety	60,381,422	59,957,486	56,850,719	3,106,767
Public Works				
Public Works Administration	858,406	852,637	755,496	97,141
Street Engineering & Construction	2,727,948	2,722,601	2,679,535	43,066
Traffic Services	1,740,941	1,705,315	1,529,295	176,020
Traffic Maintenance	3,363,848	3,349,558	3,532,462	(182,904)
Public Works Maintenance	4,373,718	4,480,901	3,849,177	631,724
Fleet Maintenance	1,019,760	1,015,570	1,022,008	(6,438)
Total Public Works	14,084,621	14,126,582	13,367,973	758,609
Community Development				
Parks and Forestry	3,598,240	3,738,640	3,562,902	175,738
Arboretum/Botanical Garden	935,277	929,902	965,775	(35,873)
Leisure Services	1,018,454	1,017,098	920,454	96,644
Community Centers	1,999,651	1,994,030	1,709,907	284,123
Farmstead	1,822,546	1,812,701	1,820,386	(7,685)
Aquatics	1,260,857	1,269,050	1,261,728	7,322
Planning and Development	2,165,551	2,254,340	2,064,200	190,140
Community Planning	2,510,384	2,498,594	2,110,748	387,846
Building Safety	2,497,086	2,450,623	2,156,229	294,394
Engineering Services	1,195,227	1,186,531	1,040,580	145,951
Total Community Development	19,003,273	19,151,509	17,612,909	1,538,600
Total expenditures	118,105,000	118,105,000	108,864,893	9,240,107
Revenues over expenditures	33,500,000	33,500,000	49,460,264	15,960,264

(continued)

City of Overland Park
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
General Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Other financing sources (uses):				
Transfer (to) from other funds:				
Special Revenue Funds	150,000	150,000	150,000	-
Golf Course Fund	250,000	250,000	250,000	-
Debt Service Fund	(14,840,000)	(14,840,000)	(13,823,227)	1,016,773
Insurance Reserve Funds	(100,000)	(100,000)	-	100,000
Capital Projects Funds	(57,960,000)	(57,960,000)	(30,395,021)	27,564,979
Equipment Reserve Fund	(3,500,000)	(3,500,000)	(2,975,000)	525,000
Total other financing sources (uses)	(76,000,000)	(76,000,000)	(46,793,248)	29,206,752
Revenues and other financing sources over (under) expen- ditures and other uses	<u>\$ (42,500,000)</u>	<u>\$ (42,500,000)</u>	2,667,016	<u>\$ 45,167,016</u>
Reconciliation to GAAP Basis:				
Activities reported within the Capital Improvement Fund, Equipment Reserve Fund, Special Street Improvement Fund, Special Liability Defense Fund, Risk Management Fund (sub-funds of the General Fund):				
Total Revenue			246,749	
Total Expenditures			(226,094)	
Total other financing sources			<u>7,674,422</u>	
Revenues and other financing sources over expenditures			10,362,093	
Reconciliation between GAAP and Non-GAAP expenditures			632,140	
Fund balances at beginning of year			<u>75,780,838</u>	
Fund balances at end of year			<u>\$ 86,775,071</u>	

The accompanying notes are an integral part of the basic financial statements.

City of Overland Park
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
One-eighth Cent Sales Tax for Street Improvements Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Sales Tax	\$ 5,885,000	\$ 5,885,000	\$ 5,977,696	\$ 92,696
Capital /operating grants	5,000	5,000	19,388	14,388
Total revenues	5,890,000	5,890,000	5,997,084	107,084
Expenditures:				
City wide contingency	-	-	-	-
Total expenditures	-	-	-	-
Revenues over expenditures	5,890,000	5,890,000	5,997,084	107,084
Other financing sources (uses):				
Transfer (to) from other funds:				
General Fund	(150,000)	(150,000)	(150,000)	-
Capital Projects Funds	(9,040,000)	(9,040,000)	(7,650,676)	1,389,324
Total other financing sources (uses)	(9,190,000)	(9,190,000)	(7,800,676)	1,389,324
Revenues and other financing sources over (under) expen- ditures and other uses	(3,300,000)	(3,300,000)	(1,803,592)	1,496,408
Fund balances at beginning of year	3,300,000	3,300,000	4,451,031	1,151,031
Fund balances at end of year	\$ -	\$ -	\$ 2,647,439	\$ 2,647,439

The accompanying notes are an integral part of the basic financial statements.

City of Overland Park
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Stormwater Utility Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues:				
Property Tax	\$ 3,128,000	\$ 3,128,000	\$ 3,180,610	\$ 52,610
Charges for Services	4,856,500	4,856,500	5,111,805	255,305
Use of money	10,500	10,500	67,402	56,902
Total revenues	7,995,000	7,995,000	8,359,817	364,817
Expenditures:				
Public Works	4,905,000	4,905,000	3,271,157	1,633,843
Total expenditures	4,905,000	4,905,000	3,271,157	1,633,843
Revenues over expenditures	3,090,000	3,090,000	5,088,660	1,998,660
Other financing sources (uses):				
Transfer (to) from other funds:				
Special Revenue Funds	(375,000)	(375,000)	(100,252)	274,748
Capital Projects Funds	(3,775,000)	(3,775,000)	(4,132,250)	(357,250)
Total other financing sources (uses)	(4,150,000)	(4,150,000)	(4,232,502)	(82,502)
Revenues and other financing sources over (under) expen- ditures and other uses	\$ (1,060,000)	\$ (1,060,000)	856,158	\$ 1,916,158

Reconciliation to GAAP Basis:

Encumbrances	36,442
Fund balances at beginning of year	1,872,102
Fund balances at end of year	<u>\$ 2,764,702</u>

The accompanying notes are an integral part of the basic financial statements.

City of Overland Park
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Combined Transient Guest Tax Funds
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Transient Guest Tax	\$ 10,820,000	\$ 10,820,000	\$ 10,291,899	\$ (528,101)
Charges for services	600,000	600,000	11,102,775	10,502,775
Use of money	25,000	25,000	24,034	(966)
Total revenues	11,445,000	11,445,000	21,418,708	9,973,708
Expenditures:				
Current:				
General Government	3,055,000	3,055,000	13,861,721	(10,806,721)
Total expenditures	3,055,000	3,055,000	13,861,721	(10,806,721)
Revenues over expenditures	8,390,000	8,390,000	7,556,987	(833,013)
Other financing sources (uses):				
Transfer from General Fund	4,830,000	4,830,000	1,750,205	(3,079,795)
Transfer to Debt Service Fund	(6,000,000)	(6,000,000)	(5,433,173)	566,827
Transfer to Overland Park Development Corporation	(7,220,000)	(7,220,000)	(4,585,601)	2,634,399
Transfer to Capital Project Fund	(2,100,000)	(2,100,000)	(350,000)	
Total other financing sources (uses)	(10,490,000)	(10,490,000)	(8,618,569)	1,871,431
Revenues and other financing sources over (under) expenditures and other uses	(2,100,000)	(2,100,000)	(1,061,582)	1,038,418
Fund balances at beginning of year	2,100,000	2,100,000	3,720,739	1,620,739
Fund balances at end of year	\$ -	\$ -	\$ 2,659,157	\$ 2,659,157

The accompanying notes are an integral part of the basic financial statements.

City of Overland Park
Combining Statement of Net Position
Proprietary Funds
December 31, 2017

	OPDC	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Combined Internal Service Funds
Assets				
Current assets:				
Cash, cash equivalents and investments	\$ 12,736	\$ 2,754,781	\$ 2,767,517	3,618,525
Receivables, net	490,081	3,102	493,183	21,987
Inventory	82,308	133,110	215,418	-
Other current assets	87,251	-	87,251	-
Total current assets	<u>672,376</u>	<u>2,890,993</u>	<u>3,563,369</u>	<u>3,640,512</u>
Noncurrent assets:				
Capital assets:				
Land and construction-in-progress	118,474	1,425,200	1,543,674	-
Other capital assets, net of depreciation	45,641,947	1,522,422	47,164,369	-
Total capital assets	<u>45,760,421</u>	<u>2,947,622</u>	<u>48,708,043</u>	<u>-</u>
Cash and cash equivalents restricted for workers' compensation and medical	-	-	-	2,793,403
Investments, reserved for debt service	14,297,585	-	14,297,585	-
Total noncurrent assets	<u>60,058,006</u>	<u>2,947,622</u>	<u>63,005,628</u>	<u>2,793,403</u>
Total assets	<u>60,730,382</u>	<u>5,838,615</u>	<u>66,568,997</u>	<u>6,433,915</u>
Deferred outflows of resources, deferred charge on refundings	<u>4,728,728</u>	<u>-</u>	<u>4,728,728</u>	<u>-</u>
Liabilities				
Current liabilities:				
Accounts payable	3,382,935	344,130	3,727,065	151,808
Accrued payroll	1,560,644	74,130	1,634,774	-
Accrued interest payable	2,527,244	-	2,527,244	-
Unearned revenue	-	12,280	12,280	-
Unpaid claims	-	-	-	2,528,149
Bonds payable	3,010,000	-	3,010,000	-
Capital lease obligation	-	33,573	33,573	-
Total current liabilities	<u>10,480,823</u>	<u>464,113</u>	<u>10,944,936</u>	<u>2,679,957</u>
Long-term liabilities				
Accrued compensated absences	-	39,021	39,021	-
Bonds payable, net	96,910,628	-	96,910,628	-
Ground lease obligation	1,022,407	-	1,022,407	-
Subordinated asset and property mgmt fee payable	2,647,038	-	2,647,038	-
Total long term liabilities	<u>100,580,073</u>	<u>39,021</u>	<u>100,619,094</u>	<u>-</u>
Total liabilities	<u>111,060,896</u>	<u>503,134</u>	<u>111,564,030</u>	<u>2,679,957</u>
Net Position				
Net investment in capital assets	(49,431,479)	2,914,049	(46,517,430)	-
Restricted for workers' compensation claims	-	-	-	1,233,371
Restricted for employee medical claim allocations	-	-	-	342,385
Restricted for debt service	12,164,840	-	12,164,840	-
Restricted for capital and other purposes	2,132,745	-	2,132,745	-
Unrestricted	(10,467,892)	2,421,432	(8,046,460)	2,178,202
Total Net Position	<u>\$ (45,601,786)</u>	<u>\$ 5,335,481</u>	<u>\$ (40,266,305)</u>	<u>\$ 3,753,958</u>

The accompanying notes are an integral part of the basic financial statements.

City of Overland Park
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	OPDC	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Combined Internal Service Funds
Operating revenues:				
Charges for services	\$ 21,826,642	\$ 6,836,183	\$ 28,662,825	\$ 12,841,945
Other reimbursements	60,126	254,522	314,648	1,467,812
Total operating revenues	<u>21,886,768</u>	<u>7,090,705</u>	<u>28,977,473</u>	<u>14,309,757</u>
Operating expenses:				
Claims paid	-	-	-	13,873,372
Contractual services	-	-	-	827,936
Soccer operations	-	1,152,573	1,152,573	-
Golf course operations	-	4,707,856	4,707,856	-
OPDC Operations	18,339,645	-	18,339,645	-
Depreciation	2,549,614	139,013	2,688,627	-
Total operating expenses	<u>20,889,259</u>	<u>5,999,442</u>	<u>26,888,701</u>	<u>14,701,308</u>
Operating income (loss)	<u>997,509</u>	<u>1,091,263</u>	<u>2,088,772</u>	<u>(391,551)</u>
Nonoperating revenues and (expenses):				
Interest earned on investments	28,545	33,126	61,671	67,763
Gain on disposal of capital assets	-	20,941	20,941	-
Miscellaneous expense	(252,310)	-	(252,310)	-
Interest and amortization expense on long term debt	(5,533,906)	-	(5,533,906)	-
Total nonoperating revenue (expenses)	<u>(5,757,671)</u>	<u>54,067</u>	<u>(5,703,604)</u>	<u>67,763</u>
Income (loss) before transfer	<u>(4,760,162)</u>	<u>1,145,330</u>	<u>(3,614,832)</u>	<u>(323,788)</u>
Transfers in	4,585,601	-	4,585,601	860,900
Transfers out	-	(1,161,488)	(1,161,488)	-
Change in net position	<u>(174,561)</u>	<u>(16,158)</u>	<u>(190,719)</u>	<u>537,112</u>
Total net position-beginning of year	<u>(45,427,225)</u>	<u>5,351,639</u>	<u>(40,075,586)</u>	<u>3,216,846</u>
Total net position-end of year	<u>\$ (45,601,786)</u>	<u>\$ 5,335,481</u>	<u>\$ (40,266,305)</u>	<u>\$ 3,753,958</u>

The accompanying notes are an integral part of the basic financial statements.

**City of Overland Park
Statement of Cash Flows
Combining Proprietary Funds
For the Year Ended December 31, 2017**

	OPDC	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Combined Internal Service Funds
Cash flows from operating activities				
Cash received from customers	\$ 21,954,409	\$ 6,845,267	\$ 28,799,676	\$ 12,841,945
Cash received from other reimbursements	-	254,522	254,522	1,466,726
Claims paid	-	-	-	(13,873,372)
Cash payments for personal services	-	(2,909,700)	(2,909,700)	-
Cash payments for contractual services and accounts payable	(18,378,541)	(2,918,245)	(21,296,786)	(285,233)
Net cash provided by operating activities	<u>3,575,868</u>	<u>1,271,844</u>	<u>4,847,712</u>	<u>150,066</u>
Cash flows from noncapital financing activities				
Transfers from other funds	4,585,601	-	4,585,601	860,900
Transfers (to) other funds	-	(1,161,488)	(1,161,488)	-
Net cash provided by (used in) noncapital financing activities	<u>4,585,601</u>	<u>(1,161,488)</u>	<u>3,424,113</u>	<u>860,900</u>
Cash flows from capital and related financing activities				
Principal paid on capital debt	(2,600,000)	(32,262)	(2,632,262)	-
Interest and trust fees paid on capital debt	(5,178,037)	-	(5,178,037)	-
Deposits to revenue bond trust funds	(9,828,896)	-	(9,828,896)	-
Purchases of capital assets	(3,060,814)	(26,957)	(3,087,771)	-
Net cash (used in) capital and related financing activities	<u>(20,667,747)</u>	<u>(59,219)</u>	<u>(20,726,966)</u>	<u>-</u>
Cash flows from investing activities				
Interest on investments	159,721	33,126	192,847	67,763
Proceeds from sale of restricted investments	12,123,285	-	12,123,285	-
Net cash provided by investing activities	<u>12,283,006</u>	<u>33,126</u>	<u>12,316,132</u>	<u>67,763</u>
Net increase (decrease) in cash and cash equivalents	<u>(223,272)</u>	<u>84,263</u>	<u>(139,009)</u>	<u>1,078,729</u>
Cash and cash equivalents-beginning of the year	236,008	2,670,518	2,906,526	5,333,199
Cash and cash equivalents-end of the year	<u>\$ 12,736</u>	<u>\$ 2,754,781</u>	<u>\$ 2,767,517</u>	<u>\$ 6,411,928</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income	\$ 997,509	\$ 1,091,263	\$ 2,088,772	\$ (391,551)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in accounts receivable	67,641	(17)	67,624	(1,086)
(Increase) decrease in other current assets	57,238	-	57,238	-
(Increase) decrease in inventory	6,674	8,069	14,743	-
Increase (decrease) in accrued payroll	(142,373)	(25,170)	(167,543)	-
Increase in subordinate asset and property management fee payable	123,402	-	123,402	-
Increase (decrease) unearned revenue	-	9,101	9,101	-
Increase (decrease) in accounts payable and claims payable	(83,837)	49,585	(34,252)	542,703
Depreciation expense	2,549,614	139,013	2,688,627	-
Net cash provided by operating activities	<u>\$ 3,575,868</u>	<u>\$ 1,271,844</u>	<u>\$ 4,847,712</u>	<u>\$ 150,066</u>
Noncash investing activities, depreciation of fair value of investments	\$ (121,177)	\$ -	\$ (121,177)	\$ -
Noncash disposition of inventory	252,310	-	252,310	-

The accompanying notes are an integral part of the basic financial statements.

City of Overland Park
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2017

	Employee Retirement Plans	Private-purpose Trusts	Agency Funds
Assets			
Cash and cash equivalents	\$ 3,056,113	\$ 2,984	\$ 8,695,935
Investments in equities	60,006,654	-	-
Investments in mutual funds	128,400,966	-	-
Investments in real estate investment trust	7,467,198	-	-
Investments in corporate bonds	4,712,844	-	-
Investments in U.S. Treasury & government agencies	17,446,745	-	-
Interest receivable	-	-	23,639
Sales tax receivable	-	-	701,681
Total assets	\$ 221,090,520	\$ 2,984	\$ 9,421,255
Liabilities			
Accounts Payable	\$ -	\$ -	\$ 42,190
Due to other entities	-	-	9,379,065
Total liabilities	\$ -	\$ -	\$ 9,421,255
Net Position			
Net position restricted for pensions	\$ 221,090,520		
Held in trust for other purposes		\$ 2,984	

The accompanying notes are an integral part of the basic financial statements.

City of Overland Park
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2017

	<u>Employee Retirement Plans</u>	<u>Private-purpose Trusts</u>
Additions		
Contributions:		
Employer	\$ 6,030,545	\$ -
Plan members	68,098	-
Total contributions	<u>6,098,643</u>	<u>-</u>
Investment earnings:		
Net increase in fair value of investments	24,700,765	-
Interest	617,014	36
Dividends	5,090,848	-
Total investment earnings	<u>30,408,627</u>	<u>36</u>
Total additions	<u>36,507,270</u>	<u>36</u>
Deductions		
Benefits	7,516,486	-
Administrative expenses	480,344	158
Total deductions	<u>7,996,830</u>	<u>158</u>
Change in net position	<u>28,510,440</u>	<u>(122)</u>
Net position-beginning of the year	192,580,080	3,106
Net position-end of the year	<u><u>\$ 221,090,520</u></u>	<u><u>\$ 2,984</u></u>

The accompanying notes are an integral part of the basic financial statements.

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I. Summary of Significant Accounting Policies

A. Reporting entity

The City of Overland Park, Kansas (the City) was incorporated as a city of the first class on May 20, 1960 under the provisions of Kansas Statutes Annotated (K.S.A.) 12-1036h. The City operates with a Mayor-Council-City Manager form of government, which is made up of a twelve member council and mayor that provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

As required by accounting principles generally accepted in the United States of America, these basic financial statements present the City of Overland Park (the primary government) and its component units. The City's basic financial statements include the accounts of all City operations: Finance and Administration, Public Safety, Public Works and Community Development.

Blended Component Unit - The City's relationship to other legally separate organizations (potential component units) has been examined to determine if their inclusion in the City's basic financial statements is necessary to fairly present the financial position of the City. The criteria used in this determination included an examination of the nature and significance of the organization's relationship with the City, financial benefit or burden to the City, the ability of the City Council to appoint members of the entity's governing board, and the level of influence the City has over the activities of the organization. Based on these criteria, the Overland Park Development Corporation has been included in the accompanying basic financial statements as a blended component unit.

The Overland Park Development Corporation (OPDC), a not-for-profit corporation, was formed in February 2000 for the purpose of facilitating the financing, construction and ownership of a convention center hotel. Land adjacent to the Overland Park Convention Center, owned by the City, is leased to the corporation for the hotel facility. The OPDC Board of Directors are appointed by the Mayor and approved by the City Council. All board members are council members. The OPDC has a December 31 year-end.

Financial statements of the OPDC are available at 8500 Santa Fe Drive, Overland Park, KS 66212.

In the opinion of management, the accompanying basic financial statements include all appropriate organizations based on the criteria outlined above.

B. Basis of Accounting

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

I. Summary of Significant Accounting Policies (Continued)

The City's funds are grouped into three broad fund categories for financial statement presentation purposes. Governmental funds include the General, special revenue, debt service and capital projects funds. Proprietary funds include enterprise and internal service funds. Fiduciary funds include the pension and other employee benefit trust, private-purpose trust and agency funds.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City, the primary government and its component units as a whole, and exclude fiduciary funds. All interfund activity has been removed from these statements unless interfund services were provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements and the pension and private-purpose trust fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements.

I. Summary of Significant Accounting Policies (Continued)

The major funds of the financial reporting entity are described below:

General Fund: The General Fund is the principal operating fund of the City which accounts for all financial transactions not accounted for in other funds. The majority of the current operating expenditures of the City are financed through revenues received by the General Fund.

Special Revenue Funds:

One-eighth Cent Sales Tax – Street Improvement Fund: To account for residential streets and thoroughfare improvement expenditures funded by the 1/8 cent City sales tax approved by the voters in November 2008 and renewed in October 2013.

Stormwater Utility Fund: To account for revenues, including property tax and user fees, related to the City's Stormwater management system. Revenues from this fund are used to fund the operations, maintenance, capital improvements and debt service of the City's stormwater management program.

Transient Guest Tax Fund: To account for revenue received from a 9 percent transient guest tax with its use restricted for three separate legal funds that account for expenditures relating to tourism and convention activities; revenue received from 4 percent of the transient guest tax with its use restricted to capital expenditures relating to tourism and convention activities and also the operation of the convention center; revenue received from 2 percent of the transient guest tax with its use restricted to promoting tourism within the City.

Capital Projects Fund:

Street Improvement Fund: To account for the financing and construction of street improvement projects.

Debt Service Fund:

To account for resources to be used for the payment of general long-term debt principal, interest and related costs.

I. Summary of Significant Accounting Policies (Continued)

Enterprise Fund:

Overland Park Development Corporation Fund: To account for the operations of the Overland Park Development Corporation Fund, a blended component unit.

Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (collectible within the current year or within two months of year-end and available to pay obligations of the current period). This includes investment earnings, sales taxes and state-levied locally shared taxes (including motor vehicle fees). Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance they are unearned until eligibility requirements have been satisfied. Property taxes, though measurable, are recognized for the period for which they are levied.

Other revenues, including licenses and permits, certain charges for services and miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt as well as compensated absences, pension and OPEB contributions and claims and judgments, which have not matured are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Funds

Proprietary funds are accounted for using the economic resource measurement focus and the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred.

I. Summary of Significant Accounting Policies (Continued)

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

The internal service funds account for payment of judgments, claims, uninsured losses and workers' compensation claims and medical imprest claims on a cost reimbursement basis.

Fiduciary Funds

The financial statements for the pension and other postemployment benefits trust funds are prepared using economic resources measurement focus and the accrual basis of accounting. Agency funds adhere to the accrual basis of accounting and do not have a measurement focus.

The pension and other employee benefit trust funds account for the activities of the Municipal Employees Pension Plan, the Police Department Retirement Plan, the Overland Park Fire Department Retirement Plan and the Other Post-Employment Benefits Trust, which accumulate resources for pension benefit payments and other post-employment benefits to qualified employees.

A private-purpose trust fund is used to account for contributions received for maintenance of a privately owned cemetery, Tomahawk Cemetery.

The agency funds are used to account for assets held by the City in a trustee capacity or as an agent for the private organizations or other governmental units. The State License Fund and CMB State Stamp Fund account for the receipt of resources on behalf of the state for the purpose of driver's licenses reinstatement and cereal malt beverage tax license and stamp. The Transportation Development districts account for the receipt of resources (special assessments, transportation development districts and community improvement district revenues) on behalf of private developers. All assets reported in the agency funds are offset by a liability to the appropriate state agencies or other entities for which the assets are being held.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

I. Summary of Significant Accounting Policies (Continued)

C. Assets, Liabilities and Net Position or Fund Balance

Cash, Cash Equivalents and Investments

The City temporarily pools idle cash from all funds, except the pension trust and other post employment benefit trust funds, for the purpose of increasing revenue through investment activities. Each major fund type's portion of this pool is displayed on the balance sheet or statement of net position, for various fund types, as "Cash, cash equivalents and investments." For purposes of the statements of cash flows, the City considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Interest earned on this pool is allocated to each fund in relation to that fund's individual cash balance. The deposits and investments of the pension trust funds and other post-employment benefit trust fund are held separately from those of other City funds.

The City typically invests available cash in demand deposits, time deposits, U.S. Government securities and securities of U.S. Government sponsored organizations ranging from 150 to 365 days to maturity. On occasion, however, the City invests for periods between one and four years. The average yield on maturing investments during the year was 1.08 percent and the amount of investment revenue earned was \$1,070,704. The investment revenue is equivalent to a 0.309 mill property tax.

Most of the City's investments are reported at fair value, with the exception of money market funds, which are reported at amortized cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same--that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between the market and participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. See Note III.B. for additional information regarding fair value measures.

I. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include land, construction in progress, land improvements, building and improvements, convention center equipment, equipment and infrastructure assets (streets, drainage systems and similar items) are accounted for on the government-wide financial statements, rather than in governmental funds and the proprietary fund type statement of net position. Infrastructure assets acquired since 1980 are reported in the financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated. Only capital assets with a value of \$250 or more are capitalized by the City, whereas costs incurred for repairs and maintenance are expensed as incurred.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Asset Type	Estimated Useful Life in Years
Infrastructure - Storm Drainage Systems	75
Infrastructure - Streets	50
Building and Improvements	40
Land Improvements	15
Equipment	5-7

Interest incurred during the construction phase of capital assets of proprietary funds is included as part of the capitalized value of the assets constructed.

Vacation and Sick Leave

Vacation time accrues on a bi-weekly basis and is available to all regular full-time and certain part-time employees of the City in varying annual amounts depending upon the length of service. Employees are allowed to accumulate and carry forward a maximum of two times the annual rate of vacation time earned in a 12-month period. Hours accumulated and not taken in excess of these amounts at December 31 of each year are lost by employees.

Sick leave benefits accrue, with no maximum accumulation, to all regular full-time employees of the City, at the rate of 3.70 hours biweekly and at a maximum accrual of 96 hours annually. Certain part-time employees accrue sick leave at a prorated rate.

City of Overland Park, Kansas

Notes to Basic Financial Statements

I. Summary of Significant Accounting Policies (Continued)

Upon retirement, employees with over 10 years of service are permitted to apply unused sick leave benefits to increase the employee's retirement benefits based on the following chart:

Years of Service	Percent of Accumulated Unused Sick Leave Which is Compensated
20+	20%
15-19	15%
10-14	10%

Compensated absences are accrued when incurred in the government-wide and propriety fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Ground Lease Obligation

The City owns the land upon which the convention center hotel is located and leases the land to the Overland Park Development Corporation pursuant to the terms of a Ground Lease dated December 1, 2000. The Ground Lease terminates upon the earlier of: (1) repayment of the Revenue Bond obligations due January 2031, or (2) December 1, 2060.

The amount reported as a ground lease obligation, on the statement of net position of \$1,022,407 as of December 31, 2017 represents the amount of lease expense in excess of amounts to be paid. The amount of lease payments that are due to the City as of December 31, 2017 of \$2,671,000 are included within accounts payable on the statement of net position.

Long-Term Liabilities

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt is reported as liabilities in the government-wide statements and proprietary fund type statement of net position. The long-term debt consists primarily of bonds payable, net pension liabilities and accrued compensated absences. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Bond issuance costs are reported as an expense during the period in which they are incurred.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period in which the debt is issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

I. Summary of Significant Accounting Policies (Continued)

Pensions and OPEB

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

PDRP and OPFDRP financial statements are prepared using the accrual basis of accounting. Contributions from the City are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value as listed on the brokerage statement as of December 31, 2017. Expenses of the fund managers are paid from investment income. Other administrative expenses, such as fees for actuarial valuations, legal fees, etc., are paid by the City.

OPEB financial statements are prepared using the accrual basis of accounting. Contributions from the City are recognized when made and all OPEB related plan benefits have been paid by the City and not from the OPEB Trust fund. OPEB investments are reported at fair value as listed on the brokerage statement as of December 31, 2017. Expenses of the fund managers are paid from investment income. Other administrative expenses, such as fees for actuarial valuations, legal fees, etc., are paid by the City.

Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as revenue in the appropriate project. Special assessments and related interest received after the issuance of general obligation bonds are recorded as revenue in the Debt Service Fund. Further, state statutes require levying additional general ad valorem property taxes in the Debt Service Fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the Debt Service Fund. Special assessments are levied over various periods, and the annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessment when delinquent assessments are two years in arrears. Special assessment taxes levied are a lien on the property and are recorded as special assessment receivable in the Debt Service Fund. A corresponding amount is recorded as a deferred inflow of resources in the fund financial statements.

I. Summary of Significant Accounting Policies (Continued)

Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

- *Non-Spendable*- amounts legally or contractually required to be maintained or not in spendable form, such as inventory or prepaid items. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
- *Restricted*- amounts with externally imposed constraints, such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, law or regulations.
- *Committed*- amounts with a purpose formally imposed by resolution by the Governing Body of the City, binding unless modified or rescinded by the Governing Body.
- *Assigned*- amounts constrained by the express intent of the Governing Body, City Manager or designee. Encumbrances shall be considered as assigned, unless they specifically meet the requirements to be committed or restricted. Fiscal Policy Resolution 3915 authorizes the City Manager to assign fund balance.
- *Unassigned*- all amounts not included in other fund balance classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balances. Residual deficit amounts of other governmental funds would also be reported as unassigned.

In circumstances when expenditure is made for a purpose which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

Net Position

In the government-wide financial statements and proprietary fund financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

I. Summary of Significant Accounting Policies (Continued)

- b. *Restricted net position* – Consists of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Net position restricted through Overland Park Development Corporation bond indentures consists of \$12,164,840 restricted for debt service and \$2,132,745 restricted for capital and other projects. Net position restricted through enabling legislation consists of \$7,060,571 for street improvements, 1,575,756 for workers' compensation and medical claims.
- c. *Unrestricted net position* – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (non-current portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated unless interfund services were provided. However, transfers between the governmental funds and enterprise fund have not been eliminated.

I. Summary of Significant Accounting Policies (Continued)

Deferred Inflows/Outflows of Resources and Unearned Revenue

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until then. The City has three items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide and proprietary funds statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt using the straight-line method which approximates the effective interest method. The second deferred outflow item consists of unamortized items not yet charged to pension expense and contributions from the City after the measurement date but before the end of the City's reporting period. The third deferred outflow item consists of unamortized items not yet charged to OPEB expense.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, special assessments and other receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statement of net position, only the property tax revenue remains as a deferred inflow of resources and will become an inflow in the year for which they are levied.

The City's government-wide statements also include pension related deferred inflows, which are the unamortized portion of the difference between expected and actual plan experience, changes in assumptions and the change in proportionate share, and the differences between the City's contributions and proportionate share of contributions all related to the net pension liability. The government-wide statements also include OPEB related deferred inflows for unamortized items not yet recognized in OPEB expense.

Unearned revenue arises when resources are received by the City before it has a legal claim to them. In subsequent periods when the City has a legal claim to the resources, revenue is recognized.

II. Stewardship, Compliance and Accountability

A. Budgetary Control

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute) and the Debt Service Fund. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least 10 days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time.

The statutes establish the legal level of budgetary control at the fund level by prohibiting expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Management is not allowed to amend a fund's total budgeted expenditures without the City Council's approval.

Management is permitted to transfer budgeted amounts between cost centers or line items within an individual fund. Cost centers are divisions within City departments. For example, the Traffic Services cost center is a division of the Public Works Department. Within each department, cost centers are given the latitude to exceed specific line items, but total expenditures may not exceed the total budgeted expenditures for the cost center without proper justification. In addition, in no instance should non-personal service expenditures exceed the non-personal service cost center budget without City Manager written approval. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

II. Stewardship, Compliance and Accountability (Continued)

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when they are measurable and available. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Encumbrances also represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because commitments will be honored in the subsequent year. All unencumbered appropriations (legal budget expenditure authority) lapse at the end of the year.

A legal operating budget is not required for capital projects funds, internal service funds, private purpose trust funds and the following special revenue funds:

Street Improvement Escrow	Westlinks Land Acquisition
Special Tax Financing	Art in the Woods
Federal and State Grants	Special Law Enforcement
Fire Memorial	Jack Sanders Memorial

Spending in any fund which is not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes or by the use of internal spending limits established by the governing body.

B. Fund Balance/Budget Deficits

The Overland Park Development Corporation had a deficit net position balance of \$45,601,786. This deficit will decrease as debt is paid in future years. The Traffic Signals Fund is a nonmajor fund and had deficit fund balance \$104,229. This fund deficit will be taken care of through reimbursements from Johnson County and third parties, respectfully, in 2018. The Special Tax Financing – Fund, a nonmajor fund, had a deficit fund balance of \$263,540. This fund deficit will decrease as revenue collections begin on the related projects for which costs were incurred.

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

In the General Fund: The City Manager exceeded their budget by \$14,249 due to additional part-time intern. Human Resources exceeded their budget by \$115,384 due to pension administrative fees. Police Administration exceeded their budget by \$119,174 due to an increase in overtime costs that was a result of numerous vacant positions during the year. OPFD-Fire Services exceeded their budget by \$19,072 due to increased costs to Johnson County Fire District #2. Public Works Traffic Maintenance exceeded their budget by \$182,904 as a result of increased repairs to street lighting and traffic signals damaged from vehicle accidents and contracting out for utility relocates associated with fiber build out. Public Works Fleet Maintenance exceeded their budget by \$6,438 due to increased costs of parts, maintenance and repairs. The Arboretum exceeded their budget by \$35,873 due to increases in concession supplies and medical insurance for employees. The Farmstead exceeded their budget by \$7,685 due to the equipment purchases to support new software.

In the Special Tax Financing Fund there were more new special financing projects than anticipated when the budget was developed and existing special financing projects generated more revenue than anticipated.

In the Combined Transient Guest Tax Funds – the City does not budget for the entire Convention Center activity that is recognized in this fund, only the net difference in revenues over (under) expenditures within the TGT – Capital Fund.

Outstanding Encumbrances

Outstanding encumbrances at year-end are reported as Assigned fund Balance in the following funds:

	Encumbrances
Major Governmental Funds:	
General	\$ 1,841,279
Stormwater Utility	43,212
	<u>1,884,491</u>
Special Alcohol Control	<u>2,328</u>
Total	<u>\$ 1,886,819</u>

Budgetary Compliance – Non-GAAP Financial Statements

By statute, the City prepares its annual budget on a non-GAAP basis of accounting as described in Note II, Item A.

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

A reconciliation of these non-GAAP statements to the GAAP statements is as follows:

	Expenditures/ Encumbrances Non-GAAP Basis	Add: 2016 Encumbrances	Less: 2017 Encumbrances	Reporting Purposes Non-General Fund Expenditures	Expenditures GAAP Basis
General Fund	\$ 108,864,893	\$ 1,209,139	\$ 1,841,279	\$ 226,094	\$ 108,458,847
Stormwater Utility Fund	3,271,157	6,770	43,212	-	3,234,715
Special Alcohol Funds	1,020,337	35,830	2,328	-	1,053,839

	Fund Balance Non-GAAP Basis	Add: 2017 Encumbrances	Fund Balance GAAP Basis
General Fund	\$ 84,933,792	\$ 1,841,279	\$ 86,775,071
Stormwater Utility Fund	2,721,490	43,212	2,764,702
Special Alcohol Funds	3,386,406	2,328	3,388,734

C. Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis, are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the county.

Property owners have the option of paying one half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 20 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due or budgeted for, until the ensuing year. At December 31, such taxes are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred inflows of resources on the balance sheets of the appropriate funds.

Property taxes are recognized as revenue in the government-wide and governmental fund financial statements in the year intended to be financed by those taxes in accordance with provisions of GASB Statement No. 33 and GASB Statement No. 34. As a result, the levy for the subsequent fiscal year is reported as a deferred inflow of resources on the statement of net position.

II. Stewardship, Compliance and Accountability (Continued)

TAX ABATEMENTS

Property and Sales Tax Abatements: The City of Overland Park (the “City”) approves property and sales tax abatements pursuant to and subject to the terms of, K.S.A 79-201a. *Second*, as amended and K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the “Economic Development Revenue Bond Act” or the “EDRB Act”). The purpose of the EDRB Act is to promote, stimulate and develop the general welfare and economic prosperity of the state of Kansas. Cities are authorized by the EDRB Act to issue economic development revenue bonds, the proceeds of which shall be used for the purpose of paying all or part of the cost of purchasing, acquiring, constructing, reconstructing, improving, equipping, furnishing, repairing, enlarging or remodeling facilities for agricultural, commercial, hospital, industrial, natural resources, recreational development and manufacturing purposes. The EDRB Act defines the term facility to include a site and the necessary site preparation, structures, easements, rights-of-way and appurtenances necessary and convenient to the particular type of facility being financed.

The City’s issuance of economic development revenue bonds (“EDRBs”) is guided by City policy Resolution No. 4251, which identifies the following objectives to be achieved when using EDRBs for a proposed project:

- a. Promoting the City as a center for corporate headquarters and regional office for major local, regional and national firms.
- b. Attracting businesses which will substantially enhance the economic climate of the City and increase or maintain the job market therein.
- c. Promoting economic development and job creation through the construction or renovation of Class A office space.
- d. Leveraging private investment that, in the opinion of the Governing Body, is in the best interest of the City.
- e. Promoting redevelopment projects or economic development projects which implement the intent of this Policy and other adopted City policies regarding land use, density, and design and to meet the highest development standards as outlined in the City’s development process, design guidelines, and ordinances.
- f. Encouraging private investment in the redevelopment of property that will have a significant economic impact on the City.
- g. Promoting development of mixed-use developments within the City.
- h. Utilizing EDRBs as a public policy tool that will enable the City to shape the appearance, character and functionality of the community in ways that may not have happened without public investment.

II. Stewardship, Compliance and Accountability (Continued)

Applications for issuance of EDRBs for a proposed project are subject to review by the City's Finance, Administration and Economic Development Committee and approval of a Resolution of Intent to issue EDRBs adopted by the City Council.

Property tax abatements are authorized by and subject to the terms of, K.S.A 79-201a, Second, which provides that facilities financed pursuant to the EDRB Act, upon issuance of the EDRBs, may be exempt from real property taxation for a period of ten calendar years after the calendar year in which the revenue bonds are issued, subject to compliance with provisions of the EDRB Act and approval by the Kansas Board of Tax Appeals ("BOTA").

City Policy Resolution No. 2765 provides that the City will consider granting a tax abatement based on direct economic benefit to the City through advancement of its economic development goals, including the creation of additional jobs and the stimulation of additional private investment. In accordance with Resolution No. 2675 and as required by the EDRB Act, before a tax exemption incentive is granted, a cost-benefit analysis report examining the costs and benefits to the public of the proposed tax exemption is prepared. In addition, prior to granting any tax abatement the City provides a public hearing notice and the City Council conducts a public hearing to consider the abatement. All tax abatements approved by the City are subject to a payment-in-lieu-of-taxes agreement (a "PILOT Agreement") between the City and the beneficiary of the EDRBs and property tax abatement. All PILOT Agreements include provisions for cancellation of the abatement and recapture of previously abated taxes tied to project-specific thresholds regarding retention and/or creation of jobs. In addition to a PILOT Agreement, the City executes other agreements including City fee ownership or lease of the property for economic development purposes and a lease agreement between the City and the entity or entities occupying the project and receiving the benefit of the property tax abatement. Upon application for tax abatement, BOTA reviews compliance with the EDRB Act and provides an order authorizing the county appraiser to implement the tax abatement and PILOT Agreement.

A sales tax exemption (abatement) on construction materials and services is authorized for facilities financed pursuant to the EDRB Act and in accordance with K.S. A. 79-3606.

In addition to projects approved for a property tax abatement, Resolution No. 4251 provides for consideration of the issuance of EDRBs for the purpose of enabling a project to obtain *only* a sales tax exemption certificate on the purchase of building materials, labor and/or personal property. This consideration includes, but is not limited to, whether a project achieves the objectives of Resolution No. 4251 and/or is included in a tax increment financing district ("TIF"), transportation development district ("TDD"), or community improvement district (CID).

A project exemption certificate (a "PEC") may be obtained from the Kansas Department of Revenue ("KDOR") after City Council approval of a Resolution of Intent to issued EDRBs for a project. The PEC enables contractors for a project to purchase materials, equipment and where applicable, labor, exempt from sales taxes. Although the PEC provides for a sales tax exemption at the time of purchase, the sales tax is owed unless and until the EDRBs are issued prior to completion of the project. After EDRBs are issued, purchases are recorded by a trustee for each EDRB issue (the "Trustee") when payments or reimbursements are made for project costs. The timing for issuance of the EDRBs is determined by the developer for each project.

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

For the fiscal year ending December 31, 2017, the City abated ad valorem property taxes as follows:

Project Name	U.S. Bank - 12800 Foster Street
Project Description	Office Building for banking services operation
EDRB Issue Date	12/18/2006
Abatement %	50% of ad valorem property taxes
2017 Abated Amount	\$46,104
Project Commitment	1,100 full-time equivalent jobs
Recapture Provisions	Cancellation of abatement for following tax year if the number of jobs falls below 787; a portion of previously abated taxes are recaptured if the number of jobs falls below 656
Project Name	Quintiles Transnational Corp. - 6700 W 115 th Street
Project Description	Office Building for pharmaceutical research and testing located
EDRB Issue Date	12/26/2006
Abatement %	50% of ad valorem property taxes
2017 Abated Amount	\$65,975
Project Commitment	710 full-time equivalent jobs
Recapture Provisions	Cancellation of abatement for following tax year if the number of jobs falls below 410; a portion of previously abated taxes are recaptured if the number of jobs falls below 330
Project Name	Teva Pharmaceuticals - 11100 Nall Ave
Project Description	Corporate headquarters office for branded pharmaceutical Company
EDRB Issue Date	09/30/2013
Abatement %	50% of ad valorem property taxes
2017 Abated Amount	\$37,036
Project Commitment	400 full-time equivalent jobs with an average salary of \$100,000
Recapture Provisions	If the annual average salary falls below \$80,000 per year, abatement reduced to 37.5% for the following year; Cancellation of abatement for following tax year if the number of jobs falls below 240; a portion of previously abated taxes are recaptured if the number of jobs falls below 200

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

Project Name	Black & Veatch 112 th & Lamar
Project Description	Corporate Headquarters for global engineering, consulting, and construction company
EDRB Issue Date	07/02/2009; supplemental issue 12/27/2012
Abatement %	75% of ad valorem property taxes
2017 Abated Amount	\$181,653
Project Commitment	Retention of 2,300 jobs
Recapture Provisions	If the number of retained jobs falls below 2,070, the abatement for the following year is reduced proportionally by the average number of jobs compared to 2,300 jobs. If the number of retained jobs falls below 1,800, the abatement for the following year is cancelled.
Project Name	OPX - 115 th & Glenwood
Project Description	Renovation of 680,000 s.f. facility to Class A office, with 201,600 s.f. to be leased by Black & Veatch. Renovation and Improvement of a Commercial Facility for Class A office. EDRB issuance also facilitated property tax abatement and sales tax exemption on renovation costs to retain Black & Veatch's Infrastructure, Telecommunications, Federal, Management and Environmental practices not located at its 112 th & Lamar headquarters.
EDRB Issue Date	12/31/2015
Abatement %	14.8% of ad valorem property taxes Equal to 50% of square footage of facility occupied by Black & Veatch
2017 Abated Amount	\$16,530
Project Commitment	Retention of 737 jobs
Recapture Provisions	If the number of retained jobs falls below 700 the abatement for the following year is reduced proportionally by the average number of jobs compared to 700 jobs. If the number of retained jobs falls below 600, the abatement for the following year is cancelled and a portion of previously abated taxes are recaptured

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

Sales tax amounts exempted on project purchases related to the outstanding EDRBs during the fiscal year ending December 31, 2017 are as follows:

Project Name	CAVS City Place Senior Living Project - College and Nieman
Project Description	Construction of a Senior Living facility within the City Place development.
EDRB Issue Date	09/30/2015
2017 Exempted Sales Tax	\$82,627
Project Commitment	Construction of a Senior Living Facility.
Recapture Provisions	None.
Project Name	InterUrban Lofts – SW corner of 79 th and Conser.
Project Description	Redevelopment of property and construction of a Mixed-use Residential and Office Facility
EDRB Issue Date	02/19/2016
2017 Exempted Sales Tax	\$ 17,440
Project Commitment	Development of Mixed-Use project in downtown Overland Park.
Recapture Provisions	None.
Project Name	Tower Properties Company Project - 6601 College Boulevard
Project Description	Renovation of a Commercial Office Facility for Class A office space
EDRB Issue Date	04/29/2016
2017 Exempted Sales Tax	\$71,672
Project Commitment	Construction of Class A office.
Recapture Provisions	None.
Project Name	Nall Hills Shopping Center - SW corner of 95 th and Nall.
Project Description	Shopping Center Redevelopment
EDRB Issue Date	05/26/16
2017 Exempted Sales Tax	\$7,233
Project Commitment	Redevelopment of shopping center.
Recapture Provisions	None.

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

Project Name	The Vue - SE corner of 80 th and Marty
Project Description	Redevelopment of property and construction of a Mixed-use Residential and Retail Facility.
EDRB Issue Date	10/18/2016
2017 Exempted Sales Tax	\$195,750 (<i>Estimate - actual numbers not available. Amount based on estimated value of materials for project.</i>)
Project Commitment	Development of Mixed-Use project in downtown Overland Park.
Recapture Provisions	None.
Project Name	Mission Farms West – Building G - 4001 Indian Creek Parkway
Project Description	Construction of a Mixed-use Retail and Medical Office Facility.
EDRB Issue Date	11/03/2016
2017 Exempted Sales Tax	\$33,750 (<i>Estimate - actual numbers not available. Amount based on estimated value of materials for project.</i>)
Project Commitment	Construction of a Mixed-use retail and medical office building.
Recapture Provisions	None.
Project Name	Market Lofts - NW corner of 80 th and Marty.
Project Description	Redevelopment and construction of a Mixed-use Residential/ Retail Facility
EDRB Issue Date	12/02/2016
2017 Exempted Sales Tax	\$27,806
Project Commitment	Development of Mixed-Use project in downtown Overland Park.
Recapture Provisions	None.
Project Name	Teva Pharmaceuticals – 4500 West 107 th
Project Description	Redevelopment of a commercial building for relocation of Teva Pharmaceuticals specialty pharmacy practice from the Teva headquarters at College & Nall to accommodate growth at company headquarters.
EDRB Issue Date	12/19/2016
2017 Exempted Sales Tax	\$111,752
Project Commitment	Redevelopment of former health club into office space.
Recapture Provisions	None.

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

Project Name	OPX - 115 th & Glenwood – Phase 2 Renovations
Project Description	Phase 2 Renovations – former OP International Trade Center to Class A office (OPX). Phase 2 renovations for addition of approximately 76,000 s.f., of office space in the facility, 51,000 s.f. of which represented construction of a second floor in the former exposition hall.
EDRB Issue Date	10/27/2017
2017 Exempted Sales Tax	\$0
Project Commitment	Completion of Phase 2 improvements
Recapture Provisions	None.
Project Name	Promontory NE corner of 91 st and Metcalf (Phase 1A & 1B)
Project Description	Redevelopment of property and construction of a Mixed-use Residential and Retail Facility.
EDRB Issue Date	12/18/2017
2017 Exempted Sales Tax	\$112,258
Project Commitment	Development of Mixed-Use project.
Recapture Provisions	None.

Sales Tax and Revenue Bonds: Pursuant to K.S.A. 12-17,160 *et seq.*, as amended (the “STAR Bond Act”) cities are authorized to issue special obligation “sales tax and revenue” bonds (“STAR Bonds”) for specific development projects.

The STAR Bond Act requires creation of a district (a “STAR Bond Project District”). Creation of a Star Bond Project District can only be established after a finding by Secretary (the “Secretary”) of the Kansas Department of Commerce that a proposed STAR Bond Project District plan is eligible for STAR Bond financing in accordance with the provisions of the STAR Bond Act and Kansas Administrative Regulations. The City must also provide notice of and conduct a public hearing on the creation of a STAR Bond Project District. The Governing Body must also pass an ordinance making findings and establishing a STAR Bond Project District.

Authorization of eligible STAR Bond project expenses is accomplished through the adoption of a STAR Bond Project Plan which can only be approved after completion of a feasibility study, providing notice of and conducting a public hearing on the project plan, approval by a two-thirds vote of the Governing Body and approval by the Secretary. Additionally, a STAR Bond Project Plan approved by the City is subject to a development agreement (a “STAR Bond Project Development Agreement”) between the City and the developer/beneficiary of a STAR Bond project. A STAR Bond Project Development Agreement entered into by the City includes performance milestones and provisions assuring that the STAR Bond project is delivered as represented.

II. Stewardship, Compliance and Accountability (Continued)

STAR Bonds issued under the STAR Bond Act may be used to pay for costs specifically provided in the STAR Bond Act including property acquisition, site preparation, infrastructure improvements, a museum, a multi-sport athletic facility, related soft costs, bond issuance and costs of financing. The STAR Bonds are payable from incremental State and local sales and compensating use taxes generated from retail projects constructed within the redevelopment district.

For the fiscal year ending December 31, 2017, incremental sales taxes have been applied to STAR Bond projects as follows:

Project Name	Prairiefire STAR Bond– Phase 1
Project Description	Mixed-use development consisting of retail, restaurants, entertainment and Museum of Prairiefire featuring American Museum of Natural History exhibits.
Approved Amount	100% of incremental sales taxes generated within the Prairiefire STAR Bond Project District.
2017 Sales taxes applied to Bonds	\$363,906
Project Commitment	Construction of the Mixed-Use development.
Recapture Provisions	None. Incremental sales taxes are pledged to Prairiefire Sales Tax Special Obligation Revenue Bonds, Series 2012.

Tax Increment Financing

The City approves tax increment financing (“TIF”) for projects pursuant to and subject to the terms of K.S.A. 12-1770 et seq., as amended (the “TIF Act”). The TIF Act authorizes the City to assist in the development and redevelopment of eligible areas within and without the City in order to promote, stimulate and develop the general and economic welfare of the State of Kansas and its communities. The Governing Body recognizes that tax increment financing is an appropriate tool to utilize in order avoid and/or reverse declining property values which, if left undeveloped, will have a greater potential impact of lowering the tax base for the City and other taxing jurisdictions.

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

II. Stewardship, Compliance and Accountability (Continued)

Approval of TIF financing is also subject to City policy Resolution No. 4201 which provides that the City will consider use of TIF when a project meets the requirements of the TIF act and advances the goals outlined in the policy as follows:

- a. To leverage private investment and finance eligible improvements that, in the opinion of the Governing Body, are in the best interest of the City and promote redevelopment efforts which implement the intent of this policy and other adopted City policies regarding land use, density, and design, and to meet the highest development standards as outlined in the City's development process, design guidelines, and ordinances.
- b. As a public policy tool that will enable the City to shape the appearance, character and functionality of the community in ways that may not have happened without public assistance.
- c. To promote successful economic development and job creation in the City.
- d. To promote successful development of mixed-use developments within the City.
- e. To promote the successful development of Class A commercial office space in the City without regard to location.
- f. To encourage private investment and development or redevelopment of property:
 - 1) Within Downtown Overland Park;
 - 2) Within a Vision Metcalf node;
 - 3) Within the Vision Metcalf corridor;
 - 4) Along Shawnee Mission Parkway within City limits;
 - 5) Within the boundaries of an adopted planning study calling for redevelopment.
- g. Although it is the intent of the Governing Body that TIF projects are most appropriately used in the above referenced areas, the Governing Body may consider projects located in any area determined by the Governing Body at its sole discretion, to be a project which would significantly impact the economic vitality of the City

The TIF Act and Resolution No. 4201 require creation of a redevelopment district (a "District"). A District can only be established after completion of an eligibility study (as defined in the TIF ACT), providing notice of and conducting a public hearing, and a finding by the Governing Body that the area of the proposed Redevelopment District meets criteria outlined in the TIF Act.

Authorization of eligible TIF project expenses is accomplished through the adoption of a Project Plan. A Project Plan can only be established after completion of a feasibility study, providing notice of and conducting a public hearing on the project plan, and approval by a two-thirds vote of the Governing Body. Additionally, all Project Plans approved by the City are subject to a development agreement (a "Development Agreement") between the City and the developer/beneficiary of the TIF. All Development Agreements entered into by the City include performance milestones and provisions assuring that the redevelopment project is delivered as represented. The agreements also provide for payment of an annual administrative fee, which has been deducted from the tax increment.

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

For the fiscal year ending December 31, 2017, incremental revenue increase the City applied to TIF projects as follows:

Project Name	Cherokee South Redevelopment
Project Description	Redeveloped Shopping Center anchored by a Walgreens drugstore.
Approved TIF	100% of ad valorem property tax increment and 50% of incremental sales taxes
2017 Amount	\$42,883
Project Commitment	Redevelopment of shopping center.
Recapture Provisions	None.

Project Name	Valley View Redevelopment
Project Description	Redeveloped Shopping Center anchored by a Hy-Vee Grocery store.
Approved TIF	100% of ad valorem property tax increment and incremental sales taxes
2017 Amount	\$416,499
Project Commitment	Redevelopment of shopping center.
Recapture Provisions	None.

III. Detailed Notes on All Funds

A. Deposits

The City's cash, cash equivalents and investments are considered to be cash on hand, demand deposits and highly liquid investments.

B. Investments

Statutes authorize the City to invest in instruments which are direct obligations of the U.S. government, temporary notes of the City, bank certificates of deposit, Kansas State Municipal Investment Pool, no-fund warrants, time certificates of deposit with savings and loan companies, commercial bank saving accounts and repurchase agreements of U.S. government securities with maturities of up to two years. In 2002, the City was granted expanded investment powers by the state of Kansas. In addition to the options mentioned above, expanded investment powers allow the City to invest in U.S. Government Agency securities and securities of U.S. Government sponsored enterprises, as well as to extend maturities up to four years. The

III. Detailed Notes on All Funds (Continued)

City is required to provide an annual report of investment results to the state as a condition of maintaining the expanded powers.

Disclosures for retirement plan and other post-employment benefit investments can be found in Note IV.C.

Fair Value Measurements: The City categorizes its assets and liabilities measured at fair value within the hierarchy established by generally accepted accounting principles. Assets and liabilities valued at fair value are categorized based on inputs to valuation techniques as follows:

Level 1 input: Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.

Level 2 input: Quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 input: Inputs that are unobservable for the asset or liability which are typically based upon the City's own assumptions as there is little, in any, related market activity.

Hierarchy: The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Inputs: If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

For the City, the following fair value techniques were utilized in measuring the fair value of its investments:

U.S. Government agency securities (including TVA): U.S. Government securities are reported at fair value based on bullet (noncall) spread scale for each issuer for maturities going out to 40 years. These spreads represent credit risk and are obtained from the new issue market, secondary trading, and dealer quotes.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City does not have a formal policy on custodial credit risk. As of December 31, 2017, the Overland Park Development Corporation Enterprise Fund had investments of \$11,718,367 that were uninsured and uncollateralized. Collateral is not maintained for the balances reported in the Economic Development

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

Projects agency fund. All other City deposits and investments were not exposed to custodial credit risk. All securities are purchased on the delivery vs. payment basis and are held in the City's name by its safekeeping agent.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of debt security investments. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has a formal policy that limits its exposure to interest rate risk by establishing limits on maturities of investments according to the chart below. Investments received as contributions may not follow this policy.

Maturity Range	Target Percentage of Portfolio
Short Term (12 months or less maturity)	Up to 50%
Core Portfolio (Maximum 48 months maturity)	Up to 75%

Callable securities are limited to 20 percent of their respective investment type. The following table shows the City's primary government investment portfolio broken down into the established maturity ranges.

Investment Type	Carrying Value	Maturity		Fair Value Hierarchy Level
		Less than 1 Year	1-5 Years	
Investment recorded at fair value:				
FFCB	\$ 4,231,760	\$ -	\$ 4,231,760	2
FHLB	28,745,518	11,973,280	16,772,238	2
FHLMC	32,029,778	-	32,029,778	2
FNMA	25,504,675	15,947,300	9,557,375	2
TVA	1,963,978	1,963,978	-	2
U.S. Treasury Notes	16,078,041	-	16,078,041	1
U.S. Treasury Strips	12,121	-	12,121	1
Investment recorded at cost:				
Certificates of Deposit	8,000,000	-	8,000,000	N/A
Overnight Sweep **	18,078,000	18,078,000	-	N/A
Overland Park Development Corp:				
Investment recorded at fair value:				
FHLMC	5,336,870	996,740	4,340,130	2
FNMA	6,381,497	3,228,739	3,152,758	2
Investment recorded at cost:				
Overnight Sweep **	2,579,218	2,579,218	-	N/A
	\$ 148,941,456	\$ 54,767,255	\$ 94,174,201	

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

Callable securities are limited to 20 percent of their respective investment type. The following table shows the City's agency fund investment portfolio broken down into the established maturity ranges.

Investment Type	Fair Value	Maturity		Fair Value Hierarchy Level
		Less than 1 Year	1-5 Years	
Investment recorded at fair value:				
FHLB	\$ 5,447,471	\$ 3,901,904	\$ 1,545,567	2
FNMA	1,653,928	1,653,928	-	2
Investment recorded at costs:				
Overnight Sweep **	731,582	731,582	-	N/A
	<u>\$ 7,832,981</u>	<u>\$ 6,287,414</u>	<u>\$ 1,545,567</u>	

Credit Risk/Concentration of Credit Risk

Generally credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

As stated above, the City's investment options are limited by state statutes, which inherently reduces credit risk. State statutes do not address concentration of credit risk. The City's investment policy limits the percentage of the portfolio that can be in various investment classes. The investment classes and their respective limits are shown below.

Investment Class	Limit
Collateralized Certificates of Deposit	100%
Repurchase Agreements	40%
U.S. Treasuries	100%
U.S. Agencies and U.S. Government Sponsored Enterprises	80%
Kansas Municipal Investment Pool	25%
Money Market Funds	25%

The table below illustrates the City's exposure to credit risk and concentration of credit risk for its debt securities.

Investment Name	Moody's Credit Rating	S&P Credit Rating	Percent of Total Investments
FHLMC	Aaa	AA+	27.48%
FHLB	Aaa	AA+	24.66%
FNMA	Aaa	AA+	21.88%
FFCB	Aaa	AA+	3.63%
TVA	Aaa	AA+	1.68%

Municipal Employees Pension Plan's investments with associated maturities:

Investment Type	Fair Value	Weighted Avg. Maturity (years)	Fair Value Hierarchy Level
<i>Investments recorded at fair value:</i>			
Mutual Funds	\$ 37,273,209	N/A	1
Fixed Income	20,487,070	4.5	2
Foreign Obligations	4,611,685	N/A	2
	<u>\$ 62,371,964</u>		

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

Overland Park Police Department Retirement Plan's investments with associated maturities:

Investment Type	Fair Value	Weighted Avg. Maturity (years)	Fair Value Hierarchy Level
<i>Investment recorded at fair value:</i>			
US Treasury/Agency Securities	\$ 12,239,886	4.38	1
Mutual Funds	41,392,455	n/a	1
Equities	42,391,557	n/a	1
Corporate Obligations	3,393,916	4.38	2
<i>Total Investment recorded at fair value:</i>	<u>99,417,814</u>		
<i>Investments recorded at NAV:</i>			
Real Estate Funds	5,323,150	n/a	
Liquid (Cash)	2,184,226	n/a	
<i>Total Investments recorded at NAV:</i>	<u>7,507,376</u>		
	<u>\$ 106,925,190</u>		

Overland Park Fire Department Retirement Plan's investments with associated maturities:

Investment Type	Fair Value	Weighted Avg. Maturity (years)	Fair Value Hierarchy Level
<i>Investment recorded at fair value:</i>			
US Treasury/Agency Securities	\$ 5,206,859	4.38	1
Mutual Fund	17,165,637	n/a	1
Equities	17,615,097	n/a	1
Corporate Obligations	1,318,928	4.38	2
<i>Total Investment recorded at fair value:</i>	<u>41,306,521</u>		
<i>Investments recorded at NAV:</i>			
Real Estate Funds	2,144,048	n/a	
Liquid (Cash)	830,386	n/a	
<i>Total Investments recorded at NAV:</i>	<u>2,974,434</u>		
	<u>\$ 44,280,955</u>		

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

The fair values of certain investment of PDRP (OPFDRP) are established by using the net asset value (NAV) per share (or its equivalent), such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed. The NAV provided by the investee is measured as of the City's calendar year end and is not categorized with the fair value hierarchy.

PDRP (OPFDRP) invests in one real estate fund. This fund makes strategic property acquisition primarily in the U.S. As part of the valuation process, independent appraisers value properties on an annual basis (at a minimum). The fund is valued at NAV quarterly. The fund allows withdrawals once per quarter subject to "available cash" as determined by a pool trustee with 30 days advance written notice. PDRP (OPFDRP) had no unfunded commitments to the real estate fund.

C. Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

	Balance January 1, 2017	Additions	Transfers / Disposals	Balance December 31, 2017
<u>Governmental activities</u>				
<u>Assets not being depreciated:</u>				
Land	\$ 31,513,661	\$ 110,953	\$ -	\$ 31,624,614
Construction in progress	8,013,983	7,666,200	(5,536,197)	10,143,986
Total	39,527,644	7,777,153	(5,536,197)	41,768,600
<u>Assets Being Depreciated</u>				
Land Improvements	40,928,671	-	-	40,928,671
Building and improvements	128,293,126	1,822,817	(45,000)	130,070,943
OPCC capital assets	5,007,532	418,586	(463,497)	4,962,621
Equipment	61,939,358	7,349,228	(4,047,011)	65,241,575
Infrastructure	1,361,763,935	19,755,211	-	1,381,519,146
Capitalized Lease Equipment	47,511	-	-	47,511
Total	1,597,980,133	29,345,842	(4,555,508)	1,622,770,467
<u>Accumulated Depreciation</u>				
Land Improvements	(20,023,098)	(2,436,001)	-	(22,459,099)
Building and improvements	(47,496,614)	(3,241,526)	45,000	(50,693,140)
OPCC capital assets	(3,905,010)	(348,071)	458,968	(3,794,113)
Equipment	(51,580,157)	(4,817,395)	3,926,756	(52,470,796)
Infrastructure	(448,284,253)	(29,867,587)	-	(478,151,840)
Capitalized Lease Equipment	(20,786)	(11,878)	-	(32,664)
Total	(571,309,918)	(40,722,458)	4,430,724	(607,601,652)
Total capital assets being depreciated, net	1,026,670,215	(11,376,616)	(124,784)	1,015,168,815
<u>Governmental activities capital assets, net</u>	\$ 1,066,197,859	\$ (3,599,463)	\$ (5,660,981)	\$ 1,056,937,415

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

<u>Business-type activities</u>	Balance <u>January 1, 2017</u>	<u>Additions</u>	<u>Transfers /</u> <u>Disposals</u>	Balance <u>December 31, 2017</u>
<u>Assets not being depreciated:</u>				
Land	\$ 1,425,200	\$ -	\$ -	\$ 1,425,200
Construction in Progress	842,944	110,456	(834,926)	118,474
Total	2,268,144	110,456	(834,926)	1,543,674
<u>Assets Being Depreciated</u>				
Land Improvements	6,920,077	-	-	6,920,077
Building and improvements	67,354,667	-	-	67,354,667
Equipment	18,492,467	3,046,693	834,926	22,374,086
Capitalized Lease Equipment	532,626	-	-	532,626
Total	93,299,837	3,046,693	834,926	97,181,456
<u>Accumulated Depreciation</u>				
Land Improvements	(6,585,733)	-	(334,344)	(6,920,077)
Building and improvements	(24,500,740)	(1,670,703)	334,344	(25,837,099)
Equipment	(15,735,050)	(984,981)	(48,436)	(16,768,467)
Capitalized Lease Equipment	(458,501)	(32,943)	-	(491,444)
Total	(47,280,024)	(2,688,627)	(48,436)	(50,017,087)
Total capital assets being depreciated, net	46,019,813	358,066	786,490	47,164,369
<u>Business-type activities capital assets, net</u>	\$ 48,287,957	\$ 468,522	\$ (48,436)	\$ 48,708,043

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

The following schedule presents 2017 Depreciation charges by function:

Governmental activities:

General government	\$ 3,697,382
Public safety	2,741,633
Public works	27,639,675
Parks and recreation	4,329,357
Planning and development services	96,830
Soccer complex (included in parks and recreation function)	2,217,581
Total depreciation-governmental activities	<u>\$ 40,722,458</u>

Business type activities:

Golf course	\$ 139,013
Overland Park Development Corporation	2,549,614
Total depreciation-business type activities	<u>\$ 2,688,627</u>

D. Capital Projects Authorized

At December 31, 2017, capital projects authorizations compared to expenditures from inception are as follows:

	Project Authorizations	Project Expenditures December 31, 2017
Street improvements	\$ 249,321,088	\$ 50,909,912
Drainage improvements	34,314,400	2,726,352
Municipal building improvements	23,255,000	2,568,381
Equipment	11,962,000	6,815,980
Street lighting	1,050,000	19,687
Traffic signals	1,413,000	941,777
Parks and recreation improvements	19,755,045	5,889,157
Total	<u>\$ 341,070,533</u>	<u>\$ 69,871,246</u>

The capital projects will be funded through various sources, including the City funds and bond issues and leverage sources including federal, state and private funding.

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

E. Interfund Receivables/Payables

Individual fund receivable/payable balances at December 31, 2017, are as follows:

	Interfund Receivables	Interfund Payables
Major Government Funds:		
General	\$ 104,229	\$ -
Non-major Funds:		
Capital Projects:		
Traffic Signals	-	(104,229)
Total	<u>\$ 104,229</u>	<u>(\$104,229)</u>

The interfund loans were made to cover cash flow deficiencies of the fund. This amount is expected to be repaid shortly after the end of the fiscal year as resources become available.

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

F. Interfund Transfers

All of the significant interfund transfers in 2017 were routine and were budgeted for debt service obligations or indenture requirements, pay-as-you-go funding for capital improvements or were administrative in nature. Interfund transfers during the fiscal year ended December 31, 2017 were as follows:

	Transfers In	Transfers Out
Major Governmental Funds:		
General	\$ 21,945,933	\$ 61,064,759
1/8th Cent Sales Tax	58,620	7,859,296
Combined Transient Guest Tax	1,750,206	10,368,775
Capital Proj - Street Improvements	42,450,710	14,087,297
Debt Service	19,406,401	-
Stormwater Utility	274,748	4,507,250
	<u>85,886,618</u>	<u>97,887,377</u>
Non-major Governmental Funds:		
Special Revenue	1,922	7,735,315
Capital Projects	17,499,483	2,050,344
	<u>17,501,405</u>	<u>9,785,659</u>
Major Enterprise Funds:		
OPDC	<u>4,585,601</u>	<u>-</u>
Non-major Enterprise Funds:		
Enterprise Fund - Golf Course	-	554,588
Enterprise Fund - Soccer	-	606,900
	<u>-</u>	<u>1,161,488</u>
Internal Service Funds:		
Worker's Compensation	<u>860,900</u>	<u>-</u>
	<u>860,900</u>	<u>-</u>
Total	<u><u>\$ 108,834,524</u></u>	<u><u>\$ 108,834,524</u></u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

G. Long-Term Liabilities

The following is a summary of liability transactions of the City for the year ended December 31, 2017:

	Balance January 1, 2017, as Restated	Additions	Deletions	Balance December 31, 2017	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 115,600,000	\$ 3,925,000	\$ 20,145,000	\$ 99,380,000	\$ 12,950,000
Premium on bonds	10,748,198	502,356	1,595,890	9,654,664	-
Employee compensated absences	7,772,173	6,054,733	5,404,036	8,422,870	5,404,036
Capital Lease	23,736	-	11,632	12,104	12,104
Claims payable	2,236,150	15,561,551	14,927,402	2,870,299	2,870,299
Net Pension Liability	44,187,055	-	3,308,101	40,878,954	-
Net OPEB Liability	13,846,609	-	607,271	13,239,338	-
Total	<u>\$ 194,413,921</u>	<u>\$ 26,043,640</u>	<u>\$ 45,999,332</u>	<u>\$ 174,458,229</u>	<u>\$ 21,236,439</u>
Business-type activities:					
Premium on bonds	\$ 1,105,298	\$ -	\$ 114,670	\$ 990,628	\$ -
Employee compensated absences	120,171	32,767	57,057	95,881	56,860
Capital Lease	65,835	-	32,262	33,573	33,573
Revenue bonds-OPDC	101,530,000	-	2,600,000	98,930,000	3,010,000
Ground lease obligation	1,044,208	-	21,801	1,022,407	-
Subordinated asset and property management fee payable	2,523,636	123,402	-	2,647,038	-
Total	<u>\$ 106,389,148</u>	<u>\$ 156,169</u>	<u>\$ 2,825,790</u>	<u>\$ 103,719,527</u>	<u>\$ 3,100,433</u>

Note: Compensated absences, net pension liabilities and net other postemployment benefit liability are generally liquidated by the General Fund.

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

General Obligation Bonds

General obligation bonds payable consist of the following serial bonds:

Governmental Activities- General Obligation Bonds	Date Issued	Maturity Date	Outstanding Interest Rates	Balance December 31, 2017
Parks and recreation	09/10/09	9/1/2010-9/1/2019	2.2	\$ 804,458
Street improvement	09/10/09	9/1/2010-9/1/2019	2.2	3,715,542
Storm drainage	09/16/10	9/1/2011-9/1/2020	2.6	367,167
Street improvement	09/16/10	9/1/2011-9/1/2020	2.6	3,667,833
Street improvement	06/01/11	9/1/2012-9/1/2021	2.2	3,390,000
Street improvement	06/01/11	9/1/2011-9/1/2024	2.4	2,760,000
Parks and recreation	06/20/13	9/1/2014-9/1/2023	1.46	293,699
Storm drainage	06/20/13	9/1/2014-9/1/2023	1.5	14,456
Street lights	06/20/13	9/1/2014-9/1/2023	1.5	969,207
Street improvement	06/20/13	9/1/2014-9/1/2023	1.5	2,562,638
Public building	06/20/13	9/1/2013-9/1/2023	1.31	1,076,478
Storm drainage	06/20/13	9/1/2013-9/1/2023	1.31	40,742
Street improvement	06/20/13	9/1/2013-9/1/2023	1.31	2,122,780
Parks and recreation	06/20/13	9/1/2013-9/1/2025	1.66	7,638,435
Street improvement	06/20/13	9/1/2013-9/1/2025	1.66	3,111,565
Street improvement	10/14/15	9/1/2016-9/1/2025	3.00	6,801,211
Public building	10/14/15	9/1/2016-9/1/2025	3.00	531,939
Parks and recreation	10/14/15	9/1/2016-9/1/2025	3.00	1,291,850
Public building	10/14/15	9/1/2016-9/1/2035	3.00-3.50	4,805,000
Public building	10/14/15	9/1/2016-9/1/2019	5.00	1,160,000
Street improvement	10/14/15	9/1/2016-9/1/2027	3-4.00	838,865
Parks and recreation	10/14/15	9/1/2016-9/1/2027	3-4.00	17,241,135
Public building	09/14/16	9/1/2017-9/1/2030	2.50-5.00	30,250,000
Parks and recreation	09/18/17	9/1/2020-9/1/2029	4.00	2,766,932
Street improvement	09/18/17	9/1/2020-9/1/2029	4.00	1,158,068
Total General Obligation Bonds				<u>\$ 99,380,000</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

The annual requirements to amortize the general obligation bonds at December 31, 2017, including interest payments, are as follows:

Year ending December 31	<u>Governmental Activities</u>		Total Primary Government Debt Service
	General Obligation Bonds Principal	Interest	
2018	\$ 12,950,000	\$ 3,465,614	\$ 16,415,614
2019	12,565,000	3,073,861	15,638,861
2020	10,615,000	2,639,711	13,254,711
2021	9,335,000	2,265,330	11,600,330
2022	8,550,000	1,934,180	10,484,180
2023-2027	33,620,000	5,081,518	38,701,518
2028-2032	10,950,000	777,975	11,727,975
2033-2037	795,000	55,650	850,650
	<u>\$ 99,380,000</u>	<u>\$ 19,293,839</u>	<u>\$ 118,673,839</u>

K.S.A. 10-308 prescribes that the indebtedness of a city shall be limited to 30 percent of such city's assessed valuation. As of December 31, 2017, the statutory limit for the City was \$1,133,936,099 providing a debt margin of \$1,034,556,099.

Capital Leases

The City has entered into agreements to purchase equipment for the City's Golf Course Fund and Parks & Recreation (General Fund) department through capital lease agreements. The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the total minimum lease payments as of December 31, 2017:

	<u>Total Payment</u>	<u>Enterprise Fund</u>	<u>General Fund</u>
Year Ending December 31:			
2018	\$ 47,533	\$ 34,937	\$ 12,596
Total minimum lease payments	47,533	34,937	12,596
Less amount representing interest	<u>(1,856)</u>	<u>(1,364)</u>	<u>(492)</u>
Present value of net minimum lease payments	<u>\$ 45,677</u>	<u>\$ 33,573</u>	<u>\$ 12,104</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

Capitalized lease equipment as of December 31, 2017 is as follows:

	Governmental Activities	Golf Course Fund
Equipment	\$ 47,511	\$ 532,626
Less accumulated depreciation	(32,664)	(491,444)
Total	<u>\$ 14,847</u>	<u>\$ 41,182</u>

Overland Park Development Corporation – Revenue Bonds:

In January 2001, the Overland Park Development Corporation (“OPDC”) issued \$92,135,991 in Revenue Bonds to finance the construction of a 412 room full-service Convention Center Hotel. At the time of the issuance, the City entered into a Debt Service Support Agreement and a ground lease for land owned by the City and leased to the Corporation for use by the hotel. The Debt Service Support Agreement obligates the City, under certain conditions, to apply only its Transient Guest Tax revenue to help pay the debt service on the Revenue Bonds. No other funds of the City are committed by this support agreement. The 2001 Bonds were refunded and replaced by the 2007A and 2007B Revenue Bonds.

The Series 2007A and 2007B Revenue Bonds are special, limited obligations of the Corporation secured by (1) net operating revenues of the Hotel, (2) the Ground Lease, (3) a mortgage on the Corporation’s leasehold interest in the Hotel, granted by the Corporation in favor of the Bond Trustee, (4) the fee mortgage on the City’s fee interest in the Hotel site granted by the City in favor of the Bond Trustee, (5) a portion of the City’s Transient Guest Tax Revenues and (6) monies held by the Bond Trustee in certain funds and accounts under the Revenue Bond Indenture. In addition, monies for payment of debt service on the Series 2007A and 2007B Revenue Bonds may also be derived under certain circumstances from annual appropriation payments by the City to the Bond Trustee and from amounts on reserve pursuant to a Debt Service Support Agreement.

The Series 2007 Revenue Bonds shall be subject to redemption prior to maturity at the option of the Corporation at the current principal balance of the Series 2007 Revenue Bonds plus accrued and unpaid interest at the date fixed for redemption.

Pursuant to the Debt Service Support Agreement, the City has agreed to make a specified portion of its annual revenues from its Transient Guest Tax available for the payment of debt service subject to annual appropriation. The bonds are payable through 2032. The hotel net revenues and the Transient Guest Tax are projected to range from \$12 million to \$25 million annually. Total principal and interest remaining to be paid on the bonds is \$145,568,475. Principal and interest paid for the current year and total hotel net revenues were \$7,768,038 and \$1,003,046 respectively.

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

The annual requirements to amortize the revenue bonds at December 31, 2017, including interest payments, are as follows:

Years Ending December 31,	Principal	Interest	Total
2018	\$ 3,010,000	\$ 5,024,282	\$ 8,034,282
2019	3,445,000	4,858,872	8,303,872
2020	3,885,000	4,671,041	8,556,041
2021	4,320,000	4,460,788	8,780,788
2022	4,700,000	4,229,650	8,929,650
2023-2027	31,445,000	16,781,019	48,226,019
2028-2032	48,125,000	6,612,823	54,737,823
Total	<u>\$ 98,930,000</u>	<u>\$ 46,638,475</u>	<u>\$ 145,568,475</u>

The Revenue Bonds contain certain covenants. The covenants require sufficient net revenues each calendar year for a debt service coverage ratio that is not less than 1.05 to 1.0 for each calendar year. The Corporation did not meet the Debt Service Coverage Requirement for the year ended December 31, 2017; however, per the trust indenture, dated November 15, 2007, Section 6.10(c), failure to meet this requirement shall not constitute an event of default and does not activate a call provision. The Series 2007A and 2007B Bonds require a reserve equal to the lessor of: (1) 10 percent of the bonds, (2) the maximum annual principal and interest requirements or (3) 125 percent of the average annual principal and interest requirements. The total reserves for these bonds as of December 31, 2017 is \$10,867,878.

Bond refunding

In September 2017, the City issued \$3,925,000 of general obligation current refunding bonds with an average interest rate of 1.78% to refund \$4,300,000 of outstanding internal improvement bonds.

Proceeds from the refunding bond issue (\$3,925,000), bond premium (\$502,356) less issuance costs (\$101,696) totaling \$4,325,660 were transferred to the State Treasurer.

The City will pay approximately \$467,252 less to service the new debt. Both the old and new maturity schedules ended in 2029. The economic gain (difference between the present values of the new and old debt payments) resulting from the transaction was approximately \$417,142.

III. Detailed Notes on All Funds (Continued)

Overland Park Development Corporation Subordinated Asset and Property Management Fee Payable

Base property management fees (adjusted annually by the CPI Index) of \$1,659,822 were owed to Starwood/Sheraton for the year ended December 31, 2017. Eighty percent (80%) of base property management fees is unsubordinated and twenty percent (20%) is subordinated during operating years two through five and no portion is to be subordinated for years six through the end of the 15-year term of the agreement. Subordinated amounts owed to Starwood/Sheraton are non-interest bearing obligations to be repaid only after certain other obligations have been repaid according to the terms of the Revenue Bond Indenture.

Base asset management fees (adjusted annually by the CPI Index) of \$370,206 were owed to OPHC, LLC, a related party, for the year ended December 31, 2017. Two-thirds (2/3) of the base asset management fees is unsubordinated and one-third (1/3) is subordinated for the 15-year term of the agreement. Subordinated amounts owed OPHC, LLC are non-interest bearing obligations to be repaid only after certain other obligations have been repaid according to the terms of the Revenue Bond Indenture.

Conduit Debt Obligations

The City has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the City nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements.

As of December 31, 2017, there were 16 issues of industrial revenues bonds outstanding with an aggregate original issue amount totaling \$283,288,817 and an aggregate principal balance outstanding of \$256,237,984.

In December 2012 the City issued \$79,105,000 in a combination of sales tax revenue (STAR) bonds, and community improvement district (CID) sales tax revenue bonds as conduit debt obligations to finance Phase I of the Prairiefire at Lionsgate development. The City is not obligated in any manner for repayment of this conduit debt.

In November 2014 the City issued \$6,030,000 in community improvement district (CID) special assessment bonds as conduit debt obligations to partially finance City Place development. The City is not obligated in any manner for repayment of this conduit debt.

III. Detailed Notes on All Funds (Continued)

In December 2014 the City issued \$1,655,975 in community improvement district (CID) sales tax revenue bonds as conduit debt obligations to finance Quivira 95 Shops development. The City is not obligated in any manner for repayment of this conduit debt.

As of December 31, 2016, there were three issues of special obligation bonds (TDD, STAR & CID) outstanding with an aggregate original issue amount totaling \$110,240,000 and an aggregate principal balance outstanding of \$89,365,000. These special obligation bonds are to be paid solely from the special assessments and sales taxes collected from within the districts. As the City is acting in a fiduciary capacity for the collection of the special assessment and the sales tax, the collection of these revenues are reported within an agency fund and these bonds are not reported as liabilities in the accompanying basic financial statements.

IV. Other Information

A. Self-Insurance Program

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In September 1982, the City established a Special Liability Defense Fund and a Risk Management Reserve Fund and these two funds are reported within the General Fund. The Special Liability Defense Fund is used to account for costs related to the payment of judgments and settlement of claims relating to torts. The City currently maintains an insurance portfolio that includes general liability, automobile liability, law enforcement, public entity management and employment practices with a \$100,000 self-insured retention. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has not been a significant reduction in insurance coverage in the past fiscal year.

The Risk Management Reserve Fund is used to account for insurable losses not otherwise insured resulting from claims against the City. The City currently maintains an insurance portfolio that includes general property insurance covering a majority of City-owned property with a \$25,000 deductible (\$50,000 for the perils of windstorm and hail) and automobile physical damage insurance with a \$50,000 deductible. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has not been a significant reduction in insurance coverage in the past fiscal year.

IV. Other Information (Continued)

In March 1987, the City established a self-insurance program to account for statutory workers' compensation benefits. The workers' compensation plan covers all City employees. Premiums are paid into the Workers' Compensation Fund, an internal service fund. The premiums are available to pay claims, claim reserves and administrative costs of the program. Under this program, the Workers' Compensation Fund provides coverage of \$400,000 per accident (Fire & Police Personnel) and \$350,000 per accident (all Other) not to exceed a one-year aggregate stop-loss of \$1,967,834 for accidents occurring during calendar year 2017. The City purchases commercial insurance for claims in excess of coverage provided by the fund. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has not been a significant reduction in insurance coverage in the past fiscal year. This self-insurance program is in compliance with Section 44-532 of the Workers' Compensation Act and is annually required to be reviewed and approved by the state.

In January 2001, the City established a self-insurance program for health care benefits. A third party administrator is contracted to provide claims administration and payment services. The City accounts for the Medical Imprest Plan in an internal service fund.

The General Fund and the Special Alcohol Control Fund, a special revenue fund, participate in the self-insurance program and make payments to the Special Liability Defense, Risk Management Reserve, (both sub-funds of the General Fund) Workers' Compensation, and Medical Imprest Plan Funds based on actuarial estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophic losses. The net position of the Workers' Compensation and Medical Imprest Plan Internal Service Funds were \$1,233,371 and \$2,520,587, respectively, as of December 31, 2017. Liabilities in the Special Liability Defense Fund, Risk Management Reserve Fund, Workers' Compensation Fund and Medical Imprest Plan Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities of these funds include an amount for claims that have been incurred but not reported. Claim liabilities are determined by the City's Risk Manager and the City's Law Department based on estimates of the ultimate cost of claims including inflation factors and historical trend data and all claims balances are considered to be current. The liability recorded in accounts payable in the General Fund for the Special Liability Defense and Risk Management sub-funds was \$342,150 as of December 31, 2017, based on claims considered matured and represent claims against current financial resources.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Changes in the City's estimated liability for incurred but unreported claims in its Special Liability Defense Fund, Risk Management Reserve Fund, Workers' Compensation Fund and Medical Imprest Plan Fund for fiscal years 2016 and 2017 were as follows:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
January 1 to December 31, 2016:				
Special Liability Defense	\$ 196,376	\$ 161,298	\$ (123,674)	\$ 234,000
Risk Management	31,630	66,730	(48,010)	50,350
Worker's Compensation	777,305	886,393	(656,898)	1,006,800
Medical Imprest	912,000	12,579,000	(12,546,000)	945,000
Total	<u>\$ 1,917,311</u>	<u>\$ 13,693,421</u>	<u>\$ (13,374,582)</u>	<u>\$ 2,236,150</u>
January 1 to December 31, 2017:				
Special Liability Defense	\$ 234,000	\$ 286,133	\$ (189,163)	\$ 330,970
Risk Management	50,350	(2,239)	(36,931)	11,180
Worker's Compensation	1,006,800	1,049,285	(827,936)	1,228,149
Medical Imprest	945,000	14,228,372	(13,873,372)	1,300,000
Total	<u>\$ 2,236,150</u>	<u>\$ 15,561,551</u>	<u>\$ (14,927,402)</u>	<u>\$ 2,870,299</u>

B. Contingent Liabilities

The City participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Grantors have yet to conduct audits on some of these programs; accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed is not determinable although the City expects such amounts, if any, to be immaterial.

The City is involved in litigation arising from the normal course of operations. It is not possible to state the ultimate liability, if any, in these matters. In the opinion of the City, based on advice of counsel, such litigation will have no material effect on the basic financial statements of the City.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

C. Retirement Plans

All full-time employees of the City of Overland Park, after meeting eligibility requirements, are covered under the Overland Park Municipal Employees' Pension Plan and the Kansas Public Employees Retirement System (KPERS) except commissioned police officers who are covered by the Overland Park Police Department Retirement Plan (PDRP) and firefighters and emergency medical technicians who are covered by the Overland Park Fire Department Retirement Plan (OPFDRP). The City sponsors and administers the Overland Park Municipal Employees' Pension Plan, the Overland Park Police Department Retirement Plan and the Overland Park Fire Department Retirement Plan. These three plans are accounted for as separate pension trust funds. The Kansas Public Employees Retirement System is administered by the state of Kansas. Each plan is described below:

	<u>KPERS</u>	<u>PDRP</u>	<u>OPFDRP</u>	<u>TOTAL</u>
Net Pension Liability	\$ 38,093,703	\$ -	\$ 2,785,251	\$ 40,878,954
Net Pension Asset	-	3,427,895	-	3,427,895
Deferred Outflows of Resources	12,357,614	1,332,061	663,807	14,353,482
Deferred Inflows of Resources	1,234,339	4,693,634	2,276,681	8,204,654
Pension Expense	6,008,545	2,166,270	1,127,278	9,302,093

City of Overland Park Municipal Employees' Pension Plan (Defined Contribution Plan)

The City of Overland Park Municipal Employees' Pension Plan (MEPP) is a single-employer defined contribution plan established by the City Council on October 1, 1969, to provide benefits at retirement to all regular full-time civilian employees of the City who have completed three years of continuous service. As of December 31, 2017, there were 501 plan members. Plan members are not required to contribute to the plan, but may elect to contribute up to 10 percent of their post-tax annual compensation. The City is required to contribute 10% of annual covered payroll for Tier 1 participants and 4% of annual covered payroll for Tier 2 participants. Actual member and City contributions were \$68,098 and \$1,916,704 respectively, for the year ended December 31, 2017. This plan provides for vesting of City contributions at the rate of a 10 percent increase per year up to 100 percent with participants vested at 40 percent after one year in the plan. Participant contributions are immediately fully vested. Plan benefit provisions and contribution requirements are established by City of Overland Park Ordinance and may be amended by the City Council. A separate audit report is not prepared. Forfeitures by employees who leave employment before ten years of service are used to reduce City contributions. There were no forfeitures used to pay administrative expenses or to reduce City contributions during the fiscal year ending December 31, 2017. There were no employer liabilities outstanding as of December 31, 2017.

City of Overland Park, Kansas
Notes to Basic Financial Statements

IV. Other Information (Continued)

Financial statements for the MEPP are presented below:

City of Overland Park
Municipal Employees Pension Plan
Statement of Plan Net Position
December 31, 2017

Assets	
Cash and cash equivalents	\$ 1,000
Investments in mutual funds	62,371,964
Total Assets	<u>62,372,964</u>
Net Position	
Held in Trust for pension Benefits	<u>\$ 62,372,964</u>

City of Overland Park
Municipal Employees Pension Plan
Statement of Changes in Plan Net Position
Year Ended December 31, 2017

Additions	
Contributions	
Employer	\$ 1,916,704
Plan members	68,098
Total Contributions	<u>1,984,802</u>
 Net increase in fair value of investments	 6,542,750
Dividends	1,612,601
Total investment earnings	<u>8,155,351</u>
 Total Additions	 <u>10,140,153</u>
Deductions	
Benefits	2,974,150
Total deductions	<u>2,974,150</u>
Change in net position	<u>7,166,003</u>
Net position-beginning of the year	55,206,961
Net position-end of the year	<u>\$ 62,372,964</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Investment Related Disclosures

More than 5% of the City's Municipal Employees' Pension Plan investments are in the following investments:

Type	Percent of Total
ICMA Plus	20.07%
Baird Core Plus Bond Inst	8.44%
Vanguard 500 Index Signal	7.79%
Fidelity Growth Company	7.19%
American Funds EuroPacific Growth	5.60%
Vanguard Growth Index Signal	5.22%

The investment policy for the MEPP allows investments in several investment vehicles, including mutual funds of common stock, fixed income securities and balanced funds. The majority of the assets are invested in Mutual funds. Participants direct the deposit of their contributions and the City's contributions on their behalf among the investment options made available by the MEPP Board of Trustees. The investment policy does not address credit risk, interest rate risk or concentration of credit risk. The investments of the MEPP were not exposed to custodial credit risk.

The plan has only one fixed income investment, the Baird Core Plus Bond Mutual Fund which invests solely in bonds. Mutual funds are not subject to interest rate risk given they have no maturity dates. The average maturity length of bonds within the Baird Core Plus Bond Mutual Fund is 7.64 years. The investment is not rated by Moody's or S&P.

Kansas Public Employees Retirement System (Defined Benefit Pension Plan)

Plan Description

The City participates in a cost-sharing multiple-employer pension plan (Pension Plan) as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits to the following statewide pension groups under on plan, as provided by K.S.A. 74, article 49:

- Public Employees
 - State/School employees
 - Local employees
- Police and Firemen
- Judges

IV. Other Information (Continued)

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once selected.

KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas Avenue, Suite 100, Topeka, KS 66603-3803), by calling 1-888-275-5737 or by visiting the KPERS website at www.kpers.org.

Benefits

Benefits are established by statute and may only be changed by the General Assembly. Members with ten or more years of credited service may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service) with an actuarially reduced monthly benefit. Normal retirement age is at age 65, at age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85 (Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

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

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas. For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions

Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

IV. Other Information (Continued)

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2017.

The actuarially determined employer contribution rates and the statutory contribution rates for City employees are both 8.46%. For Police and Firemen, these rates are both 19.03%. Member contribution rates as a percentage of eligible compensation for the year ended December 31, 2017 are 6.00% for City employees, and 7.15% for Police and Firemen.

Employer Allocations

Although KPERS administrators one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the City's share of the collective pension amounts as of June 30, 2017 were based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the years ended June 30, 2017.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2017, the City's Local Government proportion was 1.654611%, which was an increase of 0.049929% from its proportion measured at June 30, 2016. At June 30, 2017, the City's Police and Firemen proportion was 1.506456%, which was an increase of 0.286188% from its proportion measured at June 30, 2016.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Net Pension Liability

At December 31, 2017, the City reported a liability of \$23,966,305 for its proportionate share of the Local Government net pension liability and \$14,127,398 for its proportionate share of the Police & Firemen net pension liability, for a total net pension liability of \$38,093,703.

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017, using the following actuarial assumptions:

Price inflation	2.75 percent
Wage inflation	3.5 percent
Salary increases, including wage increases	3.50 to 12.00 percent, including price inflation
Long-term rate of return, net of investment expense, and including price inflation	7.75 percent

Mortality rates were based on the RP-2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using scale MP-2016.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013, through December 31, 2015.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Asset Class	Long-Term Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47.00%	6.80%
Fixed income	13.00	1.25
Yield driven	8.00	6.55
Real return	11.00	1.71
Real estate	11.00	5.05
Alternatives	8.00	9.85
Short-term investments	2.00	(0.25)
Total:	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate was based on member and employer contributions as outlined below:

In KPERS, the State/School and Local groups do not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap for Fiscal Year 2017 was 1.2 percent.

In recent years, the Legislature has made several changes to statutory rates that deviate from the scheduled contribution increases set under the caps established in 2012 for the State/School group.

Based on employer contribution history, it is a reasonable estimate that the State/School group's contribution rate may not be certified at the statutory rate. It has been assumed that contribution rates will be made within the same range as have been seen in the past few years. Using this assumption actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
Local Government	\$34,516,719	\$23,966,305	\$15,072,721
Police & Firemen	\$20,041,750	\$14,127,398	\$9,176,242
Total:	\$54,558,469	\$38,093,703	\$24,248,963

City of Overland Park, Kansas
Notes to Basic Financial Statements

IV. Other Information (Continued)

Pension Expense

For the year ended December 31, 2017, the City recognized pension expense of \$6,008,545, which include the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. There were no employer liabilities to KPERS outstanding as of December 31, 2017.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to Local Government pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected plan experience	\$ 115,915	\$ 828,705
Net differences between projected and actual earnings on pension plan investments	751,784	-
Changes of assumptions	1,290,684	175,252
Changes in proportion	929,321	61,569
Contributions made subsequent to the measurement date*	1,303,201	-
Total	\$ 4,390,905	\$ 1,065,526

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to Police & Firemen pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected plan experience	\$ 682,935	\$ 105,680
Net differences between projected and actual earnings on pension plan investments	523,355	-
Changes of assumptions	986,493	63,133
Changes in proportion	4,947,469	-
Contributions made subsequent to the measurement date*	826,457	-
Total	\$ 7,966,709	\$ 168,813

* The amounts reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ended December 31, 2018.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

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

Year ended December 31:	Local Government	Police & Firemen
2018	\$ 193,061	\$ 1,896,425
2019	1,112,003	2,381,467
2020	700,161	1,720,968
2021	(110,383)	696,222
2022	127,336	276,357
Total	<u>\$ 2,022,178</u>	<u>\$ 6,971,439</u>

Deferred inflows and outflows of resources related to the difference between expected and actual plan experience, changes in assumptions, and changes in proportion are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of each measurement period. The deferred outflows of resources related to the difference between expected and actual earnings on pension plan investments is being amortized over a closed five-year period, as of the beginning of each measurement period.

City of Overland Park Police Department Retirement Plan (PDRP) (Defined Benefit Pension Plan)

City of Overland Park
Overland Park Police Department Retirement Plan
Statement of Plan Net Position
December 31, 2017

Assets	
Cash and cash equivalents	\$ 2,184,226
Investment in real estate investment trust	5,323,150
Investment in Mutual Funds	41,392,455
Investments in corporate bonds	3,393,916
Investments in US Treasury and government agencies	12,239,886
Investment in equities	42,391,557
Total assets	<u>\$ 106,925,190</u>
Net Position	
Held in trust for pension benefits	<u>\$ 106,925,190</u>

City of Overland Park, Kansas
Notes to Basic Financial Statements

IV. Other Information (Continued)

City of Overland Park
Overland Park Police Department Retirement Plan
Statement of Changes in Plan Net Position
Year Ended December 31, 2017

Additions	
Contributions, employer	\$ 1,554,536
Investment earnings:	
Net increase in fair value of investments	12,283,751
Dividends and Interest	2,806,798
Total investment earnings	15,090,549
 Total additions	 16,645,085
 Deductions	
Benefits	2,472,986
Administrative expenses	326,993
Total deductions	2,799,979
 Change in net position	 13,845,106
 Net position-beginning of the year	 93,080,084
Net position-end of the year	\$ 106,925,190

Plan Description: The PDRP is a single-employer defined benefit pension plan that provides retirement, disability and death benefits to plan members and beneficiaries. The PDRP is considered part of the City's reporting entity and is presented solely in the accompanying basic financial statements as a pension trust fund in the fiduciary fund type. A separate audit report is not prepared.

Membership Data:

Membership in the PDRP comprised the following at December 31, 2017:

Active employees	156
Vested terminated employees	105
Retired participants and beneficiaries	45
	306

IV. Other Information (Continued)

Benefits Provided: Membership in the PDRP is granted to all full-time police officers, hired prior to January 1, 2011 who have been continuously employed by the City for at least two years and have not attained the age of 52. Participating employees who retire at or after age 55 or have at least 25 years of credited service are entitled to a monthly retirement allowance, payable for life, in an amount equal to 2 percent of the participant's average monthly earnings times credited service. Average monthly earnings are the average of the three highest consecutive monthly earnings as of January 1 of each year. Participants are 40 percent vested after four years of employment with the City. Vesting continues at a rate of 10 percent per year. Participants are 100 percent vested after 10 years of employment.

Contributions: In 2017, employees did not make contributions to the PDRP. The City contributions, authorized by the City Council, for fiscal year 2017 was \$1,554,536. This contribution was made in accordance with contribution requirements determined by an actuarial valuation of the PDRP at January 1, 2017. The City's contribution was for normal cost plus interest.

Plan benefit provisions and contribution requirements are established by City of Overland Park Ordinance PEN-497 as adopted March 1, 1968, and amended December 1, 1989, January 1, 1998, and September 9, 2002, and September 11, 2006 and may be amended by the City Council. On January 1, 2011 the PDRP was restated to freeze new participants from joining the plan.

Investments: The pension trust fund established to account for the Police Department Retirement Plan is authorized to invest in every kind of investment which "a prudent person" would use for his own investments. The only limitation is that the total amount of common stock investments cannot exceed 50 percent of the total book value of all the pension fund investments. Currently, the City uses six money managers and a mutual fund to invest the assets of the plan. All but one of the money managers invest the assets in stocks. The sixth money manager invests the assets in a real estate trust fund that invests only in bonds. Pertinent information related to this investment is presented below. The investments of the OPDRP were not exposed to custodial credit risk.

More than 5% of the City's Police Plan investments are in the following investments:

Type	Percent of Total
Franklin/Templeton Global Total Return Bond	14.7%
Vanguard Russell 1000 Growth Index	14.0%
Eaton Vance Structured Emerging Markets	5.1%

The PDRP's only fixed income investment is the FranklinTempleton Global Total Return Mutual Fund noted above. Mutual funds are not subject to interest rate risk given they have no maturity dates. This investment is not rated by Moody's or S&P.

The investment policy does not address credit risk, interest rate risk or concentration of credit risk.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Pension Liability (Asset):

	<u>December 31, 2017</u>
Total Pension Liability	\$ 103,497,295
Fiduciary Net Position	106,925,190
Net Pension Liability (Asset)	<u>(3,427,895)</u>
Fiduciary Net Position as a % of total Pension Liability	103.31%
Covered Payroll	11,808,972
Net Pension Liability (Asset) as a % of Covered Payroll	-29.03%

The total pension liability was determined by an actuarial valuation as of the measurement date, calculated based on the discount rate and actuarial assumptions below.

Discount Rate	7.00%
Long-Term expected Rate of Return, Net of Investment Expense	7.00%
Municipal Bond Rate	N/A

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Actuarial Assumptions:

Valuation Date	December 31, 2017
Measurement Date	December 31, 2017
Inflation	2.30%
Salary increases including inflation	4.00%
Mortality	RP-2014 Employees and Healthy Annuitant with generational projection per Scale MP-2017
Actuarial Cost Method	Entry Age Normal

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2013 through January 1, 2018.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

The components of net pension liability at December 31, 2017 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Changes in Net Pension Liability			
Balance as of December 31, 2016	\$ 95,582,195	\$ 93,080,084	\$ 2,502,111
Changes for the year:			
Service cost	1,220,708	-	1,220,708
Interest on total pension liability	6,930,133	-	6,930,133
Effect of plan changes	-	-	-
Effect of economic/demographic gains or loss	1,102,665	-	1,102,665
Effect of assumptions changes or inputs	1,134,580	-	1,134,580
Benefit payments	(2,472,986)	(2,472,986)	-
Employer contributions	-	1,554,536	(1,554,536)
Member contributions	-	-	-
Net investment income	-	14,763,556	(14,763,556)
Administrative expenses	-	-	-
Balance as of December 31, 2017	\$ 103,497,295	\$ 106,925,190	\$ (3,427,895)

Note: Amounts reported as changes in assumptions resulted primarily from the change in the mortality table and discount rate from 7.25% to 7.0%.

Long-term expected Rate of Return: The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2017.

Asset Class	Target Allocation	Long Term	Long-Term Expected
		Expected Arithmetic Real Rate of Return	Geometric Real Rate of Return
Core Fixed Income	30%	2.06%	1.93%
US Equity Market	40%	4.59%	3.32%
Small Cap US Equities	15%	5.53%	3.62%
Non-US Equity	5%	5.78%	4.11%
Emerging Market Equities	5%	7.82%	4.59%
US Real Estate (REITS)	5%	5.04%	3.27%

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

For the year ended December 31, 2017, the annual money weighted rate of return on plan investments, net of pension plan investment expense was 15.67%. The money weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total Pension Liability	\$ 113,702,101	\$ 103,497,295	\$ 94,931,863
Fiduciary Net Position	106,925,190	106,925,190	106,925,190
Net Pension Liability (Asset)	<u>\$ 6,776,911</u>	<u>\$ (3,427,895)</u>	<u>\$ (11,993,327)</u>

Pension Expense and Deferred Inflows and Outflows of Resources Related to Pension: For the year ended December 31, 2017, the City recognized pension expense of \$2,166,270 for the police pension plan. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 670,223	\$ -
Changes of assumptions	661,838	-
Net difference between projected and actual earnings	-	(4,693,634)
Total	<u>\$ 1,332,061</u>	<u>\$ (4,693,634)</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

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

Year Ended December 31:

2018	\$	432,568
2019		(153,747)
2020		(2,030,796)
2021		(1,609,598)
	\$	<u>(3,361,573)</u>

Deferred outflows of resources related to the difference between expected and actual plan experience and change of assumption are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of each measurement period. The deferred inflows of resources related to the difference between expected and actual earnings on pension plan investments is being amortized over a closed five-year period, as of the beginning of each measurement period.

Overland Park Fire Department Retirement Plan (OPFDRP) (Defined Benefit Pension Plan)

Financial Report:

City of Overland Park
Overland Park Fire Department Retirement Plan
Statement of Plan Net Position
December 31, 2017

Assets	
Cash and cash equivalents	\$ 830,386
Investment in equities	17,615,097
Investment in mutual funds	17,165,637
Investment in real estate investment trust	2,144,048
Investment in corporate bonds	1,318,928
Investments in US Treasury and government agencies	<u>5,206,859</u>
Total assets	\$ 44,280,955
Net Position	
Held in trust for pension benefits	<u>\$ 44,280,955</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

City of Overland Park
Overland Park Fire Department Retirement Plan
Statement of Changes in Plan Net Position
Year Ended December 31, 2017

Additions	
Contributions, employer	\$ 1,759,305
Investment earnings:	
Net increase in fair value of investments	5,032,554
Dividends and Interest	1,156,245
Total investment earnings	6,188,799
Total additions	7,948,104
Deductions	
Benefits	2,069,350
Administrative expenses	150,279
Total deductions	2,219,629
Change in net position	5,728,475
Net position-beginning of the year	38,552,480
Net position-end of the year	\$ 44,280,955

Plan Description: The OPFDRP is a single-employer defined benefit pension plan that provides retirement, disability and death benefits to plan members and beneficiaries. The OPFDRP is considered part of the City's reporting entity and is presented solely in the accompanying basic financial statements as a pension trust fund in the fiduciary fund type. A separate audit report is not prepared.

The OPFDRP was assumed by the City when Overland Park Fire Department, Inc., (OPFD, Inc.) merged with the City on September 1, 2003. The OPFDRP was reaffirmed by City of Overland Park Charter Ordinance No. 83 as adopted August 11, 2003. Amendment No. 1 to the plan was approved by the City Council on September 13, 2004. On January 1, 2011 the OPFDRP was restated to freeze new participants from joining the plan.

IV. Other Information (Continued)

Membership Data:

Membership in the OPFDRP was comprised of the following at December 31, 2017:

Active employees	106
Vested terminated employees	36
Retired participants and beneficiaries	40
	<u>182</u>

Benefits Provided: Membership in the OPFDRP is granted to all full-time firefighters and emergency medical technicians, hired prior to January 1, 2011, who have been continuously employed by the City for at least 6 months and have attained the age of 18. Participating employees who retire at or after age 55 or have at least 25 years of credited service are entitled to a monthly retirement allowance, payable for life, in an amount equal to 2 percent of the participant's average monthly earnings times credited service. The average monthly earnings amount is the highest average monthly earnings over any 3 years of employment. Participants are 100 percent vested after 5 years of employment.

Contributions: In 2017, employees did not make contributions to the OPFDRP. The City contributions made in accordance with contribution requirements determined by an actuarial valuation of the OPFDRP at January 1, 2017 was \$1,759,305. The City's contribution was for normal cost plus interest.

Investments: The pension trust fund established to account for the Fire Department Retirement Plan is authorized to invest in every kind of investment which "a prudent person" would use for his own investments. The only limitation is that the total amount of common stock investments cannot exceed 50 percent of the total book value of all the pension fund investments. Currently, the City uses six money managers and a mutual fund to invest the assets of the plan. All but one of the money managers invest the assets in stocks. The sixth money manager invests the assets in a real estate trust fund that invests only in bonds. Pertinent information related to this investment is presented below. The investments of the OPFDRP were not exposed to custodial credit risk.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

More than 5% of the City's Fire Plan investments are in the following investments:

Type	Percent of Total
Franklin Templeton Global Total Return Bond	14.8%
Vanguard Russell 1000 Growth Index	13.8%
Parametric Emerging Markets	5.2%
Europacific Growth	5.0%

The OPFDRP's only fixed income investment is the Franklin Templeton Global Total Return Mutual Fund noted above. Mutual funds are not subject to interest rate risk given they have no maturity dates. This investment is not rated by Moody's or S&P.

Pension Liability:

	December 31, 2017
Total Pension Liability	\$ 47,066,206
Fiduciary Net Position	44,280,955
Net Pension Liability	2,785,251
Fiduciary Net Position as a % of total Pension Liability	94.08%
Covered Payroll	8,699,316
Net Pension Liability as a % of Covered Payroll	32.02%

The total pension liability was determined by an actuarial valuation as of the measurement date, calculated based on the discount rate and actuarial assumptions below.

Discount Rate	7.00%
Long-Term expected Rate of Return, Net of Investment Expense	7.00%
Municipal Bond Rate	N/A

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

City of Overland Park, Kansas
Notes to Basic Financial Statements

IV. Other Information (Continued)

Actuarial Assumptions:

Valuation Date	December 31, 2017
Measurement Date	December 31, 2017
Inflation	2.30%
Salary increases including inflation	4.00%
Mortality	RP-2014 Employees and Healthy Annuitants with generational projection per Scale MP-2017
Actuarial Cost Method	Entry Age Normal

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2013 through January 1, 2018.

The components of net pension liability at December 31, 2017 were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Changes in Net Pension Liability	(a)	(b)	(a) - (b)
Balance as of December 31, 2016	\$ 44,079,116	\$ 38,552,480	\$ 5,526,636
Changes for the year:			
Service cost	978,395	-	978,395
Interest on total pension liability	3,192,969	-	3,192,969
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	72,541	-	72,541
Effect of assumptions changes or inputs	812,535	-	812,535
Benefit payments	(2,069,350)	(2,069,350)	-
Employer contributions	-	1,759,305	(1,759,305)
Member contributions	-	-	-
Net investment income	-	6,038,520	(6,038,520)
Administrative expenses	-	-	-
Balance as of December 31, 2017	<u>\$ 47,066,206</u>	<u>\$ 44,280,955</u>	<u>\$ 2,785,251</u>

Note: Amounts reported as changes in assumptions resulted primarily from the change in the mortality table and discount rate from 7.25% to 7.0%.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Long-Term Expected Rate of Return: The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2017.

Asset Class	Target Allocation	Long Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Core Fixed Income	30%	2.06%	1.93%
US Equity Market	40%	4.59%	3.32%
Small Cap US Equities	15%	5.53%	3.62%
Non-US Equity	5%	5.78%	4.11%
Emerging Market Equities	5%	7.82%	4.59%
US Real Estate (REITS)	5%	5.04%	3.27%

For the year ended December 31, 2017, the annual money weighted rate of return on plan investments, net of pension plan investment expense was 15.66%. The money weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total Pension Liability	\$ 52,937,926	\$ 47,066,206	\$ 42,171,100
Fiduciary Net Position	44,280,955	44,280,955	44,280,955
Net Pension Liability (Asset)	\$ 8,656,971	\$ 2,785,251	\$ (2,109,855)

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Pension Expense and Deferred Inflows and Outflows of Resources Related to Pension: For the year ended December 31, 2017, the City recognized pension expense of \$1,127,278 for the fire pension plan. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,406	\$ (242,904)
Changes of assumptions	609,401	-
Net difference between projected and actual earnings	-	(2,033,777)
Total	<u>\$ 663,807</u>	<u>\$ (2,276,681)</u>

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

Year Ended June 30:

2018	\$ (241,287)
2019	(94,233)
2020	(626,430)
2021	(650,924)
	<u>\$ (1,612,874)</u>

Deferred outflows and inflows of resources related to the difference between expected and actual plan experience and changes of assumptions are being amortized over a closed period equal to the average of the expected service lives of all employees as of the beginning of each measurement period. The deferred inflows of resources related to the difference between expected and actual earnings on pension plan investments is being amortized over a closed five-year period, as of the beginning of each measurement period.

D. Convention Center Information

In 2001, the City issued general obligation bonds to finance the construction of the Overland Park Convention Center for trade shows, conventions, training sessions, corporate meetings and social events. The Convention Center is accounted for within the Transient Guest Tax Capital Fund. The general obligation bonds rely solely on the revenue generated from a 4 percent Transient Guest Tax and the revenue generated by the facility for repayment.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Summary financial information for the Convention Center's operations as of and for the years ended December 31, 2017 and 2016 is presented below:

Condensed Balance Sheets as of December 31,

	2017	2016
Assets		
Current assets	\$ 671,906	\$ 1,050,544
Non Current assets		
Audiovisual equipment	249,771	249,771
Less accumulated depreciation	(173,389)	(132,037)
	<u>76,382</u>	<u>117,734</u>
Liabilities		
Current liabilities	757,399	1,461,788
Unearned revenue	1,442,905	1,125,683
Total Liabilities	<u>2,200,304</u>	<u>2,587,471</u>
Net Position	<u>\$ (1,452,016)</u>	<u>\$ (1,419,193)</u>

Condensed Statement of Revenue, Expenses and Changes in Net Position
For the Years Ended December 31,

	2017	2016
Operating revenue	\$ 11,852,201	\$ 11,517,279
Operating expense	11,094,246	10,659,171
Operating Income	<u>757,955</u>	<u>858,108</u>
 Owner's net cash received (paid)	 <u>(790,778)</u>	 <u>(1,476,241)</u>
 Change in net position	 <u>(32,823)</u>	 <u>(618,133)</u>
Net Position - beginning of the year	(1,419,193)	(801,060)
Net Position - end of the year	<u>\$ (1,452,016)</u>	<u>\$ (1,419,193)</u>

IV. Other Information (Continued)

E. Postemployment Benefits

As a result of the adoption of GASB Statement No. 75, the beginning net position of the governmental activities was restated. This Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other Than Pensions*. The net OPEB obligation recorded in accordance with GASB Statement No. 45 was removed, and the net OPEB liability was recorded in accordance with GASB Statement No. 75. The effect on the beginning net position is as follows:

	Governmental Activities
Net position December 31, 2016, as previously reported	\$ 1,017,872,543
Net OPEB liability	(13,846,609)
Removal of net OPEB obligation	9,014,512
Net position December 31, 2016, as restated	<u>\$ 1,013,040,446</u>

City of Overland Park Postemployment Benefit Plan (OPEB)

Overland Park Postemployment Benefit Plan is a single employer defined benefit health care plan administered by the City that provides medical and long-term care insurance benefits to eligible retirees and their spouses. The OPEB is considered part of the City's reporting entity and is presented solely in the accompanying basic financial statements as a post employment benefit trust fund in the fiduciary fund type. A separate audit report is not prepared.

Certain retired, former employees and certain former Governing Body members and their dependants are eligible to receive OPEB benefits including health, dental, vision and long-term care. To qualify retired employee must have terminated employment and former members of the Governing Body on or after July 1, 1988. Employees must have been employed by the City for not less than ten years and former members of the Governing Body had served not less than five years.

Eligible employees who retire and former Governing Body members who leave their elected position on or before December 31, 2010 are eligible to receive OPEB benefits indefinitely. Otherwise employees who retire and former Governing Body members who leave their elected position on or after January 1, 2011 are eligible to receive OPEB benefits until such person attains the age of 65 when such individual and their eligible dependents will no longer be eligible to receive OPEB benefits.

IV. Other Information (Continued)

Eligible retired employees and former Governing Body members who elect coverage under the City's OPEB benefit plans shall be required to contribute to the cost of coverage through the payment of premiums. The City will subsidy the health care premium based on the cumulative years of service with the City on a sliding scale up to a maximum of 50% subsidy, all other OPEB benefits retired employees and former Governing Body members will be required to pay 100% of the cost of that benefit. There are no COLAs in the City's OPEB benefit plans.

An agreement and declaration of trust established the City's OPEB on December 19, 2007. City Resolution No. 4088 is the authority under which benefit terms are delineated and there have been three minor administrative amendments to this authorizing resolution.

Membership in the OPEB was comprised of the following at December 31, 2017:

Active Employees	883
Retired participants	165
Retired participants spouse medical	22

The City periodically makes contributions to the OPEB but is under no obligation to determine that the amounts received comply with the provisions of this trust fund or that this trust fund is adequate to provide the benefits stipulated in the trust fund. The City has paid all the OPEB related plan benefits outside the OPEB Trust funds since the establishment of this trust fund in 2007. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually. For fiscal year 2017, the City contributed \$1,474,777.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

	<u>December 31, 2017</u>
Total OPEB Liability	\$ 20,750,749
Fiduciary Net Position	<u>7,511,411</u>
Net OPEB Liability	13,239,338
Fiduciary Net Position as a % of total OPEB Liability	36.20%
Covered Payroll	63,200,000
Net OPEB Liability as a % of Covered Payroll	20.95%

The net OPEB Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial Assumptions:

Valuation Date	December 31, 2017
Measurement Date	December 31, 2017
Inflation	2.30%
Salary increases including inflation	4.00%
Mortality	RP-2014 Mortality for Employees and Healthy Annuitants with generational projection per Scale MP 2017
Discount Rate	5.33%
Health Care Cost Trend Rates	6.5% for 2018, gradually decreasing to an ultimate rate of 4.0% for 2084 and beyond

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Changes in Net OPEB Liability	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of December 31, 2016	\$ 19,587,164	\$ 5,740,555	\$ 13,846,609
Changes for the year:			
Service cost	767,357	-	767,357
Interest on total OPEB liability	1,085,164	-	1,085,164
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions changes or inputs	227,264	-	227,264
Benefit payments	(916,200)	-	(916,200)
Employer contributions	-	800,000	(800,000)
Member contributions	-	-	-
Net investment income	-	970,856	(970,856)
Administrative expenses	-	-	-
Balance as of December 31, 2017	\$ 20,750,749	\$ 7,511,411	\$ 13,239,338

Long-term expected rate of return: The best estimate range for the long-term expected rate of return is determined by adding expected inflation to the expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions below are per Milliman's investment consulting practice as of December 31, 2017, and result in actuarial assumption of long-term expected rate of return of 6.0%.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Fixed Income	30%	2.06%	1.93%
Equity	70%	4.30%	3.13%

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Discount rate: The discount rate used to measure the total OPEB liability was 5.33%. The projection of cash flows used to determine the discount rate assumed that employer contributions to the Trust have been limited to the average contributions made over the past 5 years. It also assumed that the City will continue to pay plan benefits outside of the OPEB Trust and that benefit payments are projected based on the actuarial assumptions used in the calculation of the total OPEB liability and the current plan provisions. Based on these assumptions and methods, the projection indicates that the Trust's fiduciary net position is projected to be depleted in 2047 and, as a result, the municipal bond index rate is used in the determination of the discount rate. The long-term rate of return of 6.0% on OPEB plan investments was applied to periods through 2047 and the municipal bond index rate, the Bond Buyer 20-Bond GO Index as of December 31, 2017, was applied to periods on and after 2048 to develop the discount rate. The for the December 31, 2017 measurement date, the municipal bond index rate was 3.44%, resulting in a discount rate of 5.33%.

For the year ended December 31, 2017, the annual money-weighted rate of return on plan investments, net of OPEB plan investment expense was 16.52%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Sensitivity Analysis: The following presents the net OPEB liability of the City, calculated using the discount rate of 5.33%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.33%) or 1 percent higher (6.33%) than the current rate.

	1% Decrease 4.33%	Current Discount Rate 5.33%	1% Increase 6.33%
Total OPEB liability	\$ 22,778,235	\$ 20,750,749	\$ 18,953,220
Fiduciary net position	7,511,411	7,511,411	7,511,411
Net OPEB liability	<u>\$ 15,266,824</u>	<u>\$ 13,239,338</u>	<u>\$ 11,441,809</u>

The following presents the net OPEB liability of the City, calculated using the current healthcare cost trend rates as well as what the City's net OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 18,643,838	\$ 20,750,749	\$ 23,228,742
Fiduciary net position	7,511,411	7,511,411	7,511,411
Net OPEB liability	<u>\$ 11,132,427</u>	<u>\$ 13,239,338</u>	<u>\$ 15,717,331</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB: For the year ended December 31, 2017, the City recognized OPEB expense of \$1,391,598 for the OPEB pension plan. The City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	199,549	-
Net difference between projected and actual earnings	-	(482,218)
Total	\$ 199,549	\$ (482,218)

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year Ended December 31:

2018	\$ (92,839)
2019	(92,839)
2020	(92,839)
2021	(92,841)
2022	27,715
Thereafter	60,974
	<u>\$ (282,669)</u>

City of Overland Park, Kansas
Notes to Basic Financial Statements

IV. Other Information (Continued)

Overland Park Other Post-Employment Benefits Trust

Financial Report:

City of Overland Park
Other Post-Employment Benefits Trust
Statement of Plan Net Position
December 31, 2017

Assets

Cash and cash equivalents	\$ 40,501
Mutual funds	7,470,910
Total Assets	<u>7,511,411</u>

Net Position

Held in Trust for OPEB Benefits	<u><u>\$ 7,511,411</u></u>
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City of Overland Park
Other Post-Employment Benefits Trust
Statement in Changes in Plan Net Position
For the Year Ended December 31, 2017

Additions

Contributions, employer	<u>\$ 800,000</u>
Investment Earnings	
Net increase in fair value of investments	841,710
Interest	132,218
Total investment earnings	<u>973,928</u>
Total Additions	<u>1,773,928</u>

Deductions

Administrative expenses	<u>3,072</u>
Total deductions	<u>3,072</u>
Change in net position	1,770,856
Net position-beginning of the year	5,740,555
Net position-end of the year	<u><u>\$ 7,511,411</u></u>

IV. Other Information (Continued)

F. New Pronouncements

- GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued December 2016, will be effective for the City beginning with its fiscal year ending December 31, 2019. Under Statement No. 83, a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The Statement identifies the circumstances that trigger the recognition of these transactions. The Statement also requires the measurement of an asset retirement obligation to be based on the best estimate of the current value of outlays expected to be incurred while the deferred outflow of resources associated with the asset retirement obligation will be measured at the amount of the corresponding liability upon initial measurement and generally recognized as an expense during the reporting periods that the asset provides service. The Statement requires disclosures including a general description of the asset retirement obligation and associated tangible capital assets; the source of the obligation to retire the assets; the methods and assumptions used to measure the liability; and other relevant information.
- GASB Statement No. 84, *Fiduciary Activities*, issued February 2017, will be effective for the City beginning with its fiscal year ending December 31, 2019. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

IV. Other Information (Continued)

- GASB Statement No. 85, *Omnibus 2017*, issued March 2017, will be effective for the City beginning with its fiscal year ending December 31, 2018. Statement No. 85 is designed to address the practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).
- GASB Statement No. 86, *Certain Debt Extinguishment Issues*, issued May 2017, will be effective for the City beginning with its fiscal year ending December 31, 2018. Statement No. 86 is designed to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement requires the inclusion of any remaining prepaid insurance related to extinguished debt in the net carrying amount of the debt when calculating the difference between the reacquisition price and the net carrying amount of the debt. This Statement also improves financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the City beginning with its fiscal year ending December 31, 2020, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the [City, Authority, County] must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placement*, issued March 2018, will be effective for the City beginning with its fiscal year ending December 31, 2019, with earlier adoption encouraged. Statement No. 88 clarifies which liabilities governments should include in their note disclosures related to debt. This Statement defines debt that must be disclosed in the notes to financial statements as a liability that arises from a contractual obligation to pay cash in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Governments must also disclose amounts of unused lines of credit, assets pledged as collateral for debt and the terms specified in debt agreements related to significant events of default with finance-related consequences, termination events with finance-related consequences, and subjective acceleration clauses. Within the notes, governments should separate information regarding direct borrowings and direct placements of debt from other debt.

Management has not yet determined the effect these Statements will have on the City's financial statements.

G: Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balance into specifically defined classifications and clarifies definitions for governmental fund types.

The classifications of fund balances by opinion unit are as follows:

	General	One-eighth Cent Sales Tax - Street Improvement	Stormwater Utility	Combined Transient Guest Tax Fund	Street Improvement	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:								
Restricted:								
Highways and Streets	\$ -	\$ 2,647,439	\$ 2,721,490	\$ -	\$ -	\$ -	\$ 8,534,859	\$ 13,903,788
Culture and Recreation	-	-	-	2,659,157	-	-	755,015	3,414,172
Health and Welfare	-	-	-	-	-	-	3,386,406	3,386,406
Public Safety	-	-	-	-	-	-	663,243	663,243
Debt Service	-	-	-	-	-	250,000	-	250,000
Total Restricted	-	2,647,439	2,721,490	2,659,157	-	250,000	13,339,523	21,617,609
Assigned:								
Highways and Streets	23,076,285	-	43,212	-	11,446,219	-	2,381,835	36,947,551
Culture and Recreation	522,400	-	-	-	-	-	1,811,772	2,334,172
Public Safety	260,417	-	-	-	-	-	2,328	262,745
Economic Development	400,000	-	-	-	-	-	-	400,000
Equipment	5,784,230	-	-	-	-	-	2,383,510	8,167,740
Facilities	4,231,650	-	-	-	-	-	3,529,043	7,760,693
Potential Legal Liability	3,393,513	-	-	-	-	-	-	3,393,513
Risk Management Losses	3,338,818	-	-	-	-	-	-	3,338,818
Total Committed	41,007,313	-	43,212	-	11,446,219	-	10,108,488	62,605,232
Unassigned	45,767,758	-	-	-	-	-	(367,769)	45,399,989
Total fund balances	\$86,775,071	\$ 2,647,439	\$ 2,764,702	\$ 2,659,157	\$11,446,219	\$250,000	\$23,080,242	\$129,622,830

IV. Other Information (Continued)

The City adopted Resolution No. 3915 which establishes Fiscal Policy for the City in March 2012. In this resolution it identifies the City's minimum fund balance.

The City's targeted general fund unrestricted fund balance is 30% of the subsequent fiscal year's budgeted operating and contingency expenditures. The target amount expressed is a goal and may fluctuate from year-to-year in the normal course of Operations. This funding level includes allocations for the following:

- *Emergency Response* - provides the financial capacity to ensure the continuation of essential public services during and after emergencies resulting from natural and man-made disasters. This reservation shall be classified as assigned.
- *Stabilization* - provides financial resources protecting against the need to reduce service levels or raise taxes due to adverse financial or economic circumstances, and allows the City to take advantage of unplanned extraordinary opportunities. This reservation shall be classified as unassigned.
- *Working Capital* - provides funding to ensure adequate resources to deliver essential public services during all periods in the City's annual revenue and expenditure cycle. This reservation shall be classified as unassigned.

The minimum target of the unrestricted fund balance at the end of the five-year financial planning period is 15%.

If it is anticipated at the completion of any fiscal year that the projected or estimated amount of unrestricted fund balance will be less than the minimum established target, then the City Manager shall prepare and submit in conjunction with the five-year financial plan a plan for the expenditures or expense reduction and/or revenue increases necessary to restore the minimum target amount within the five-year planning period.

City of Overland Park, Kansas
Overland Park Police Department Retirement Plan
Required Supplementary Information

Schedule of Changes in the City's Net Pension Liability and Related Ratios

	2017	2016	2015	2014
Total Pension Liability				
Service Cost	\$ 1,220,708	\$ 1,252,474	\$ 1,336,133	\$ 1,416,075
Interest on total pension liability	6,930,133	6,213,861	6,414,049	6,021,877
Effect of economic/demographic gains or losses	1,102,665	297,014	952,259	635,959
Effect of assumptions changes or inputs	1,134,580	-	-	-
Benefit payments	(2,472,986)	(6,946,529)	(2,104,337)	(3,048,540)
Net change in total pension liability	7,915,100	816,820	6,598,104	5,025,371
Total pension liability - beginning	95,582,195	94,765,375	88,167,271	83,141,900
Total pension liability - ending	<u>\$ 103,497,295</u>	<u>\$ 95,582,195</u>	<u>\$ 94,765,375</u>	<u>\$ 88,167,271</u>
 Plan fiduciary net position				
Benefit Payments	\$ (2,472,986)	\$ (6,946,529)	\$ (2,104,337)	\$ (3,048,540)
Employer contributions	1,554,536	1,840,326	1,925,620	2,432,920
Net investment income	15,090,549	8,796,622	(827,865)	6,868,816
Administrative expense	(326,993)	(365,266)	(245,896)	(288,650)
Net change in plan fiduciary net position	13,845,106	3,325,153	(1,252,478)	5,964,546
Plan fiduciary net position - beginning	93,080,084	89,754,931	91,007,409	85,042,863
Plan fiduciary net position - ending	<u>\$ 106,925,190</u>	<u>\$ 93,080,084</u>	<u>\$ 89,754,931</u>	<u>\$ 91,007,409</u>
 City's net pension asset (liability) - ending	<u>\$ 3,427,895</u>	<u>\$ (2,502,111)</u>	<u>\$ (5,010,444)</u>	<u>\$ 2,840,138</u>
 Plan fiduciary net position as a percentage of the total pension liability	103.31%	97.38%	94.71%	103.22%
 Covered Payroll	\$ 11,808,972	\$ 12,188,856	\$ 13,054,068	\$ 13,335,300
Net pension asset (liability) as a % of covered payroll	29.03%	-20.53%	-38.38%	21.30%

The GASB requirement is to show information for 10 years, however recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards they should not be reported.

See Notes to Required Supplementary Information.

City of Overland Park, Kansas
Overland Park Police Department Retirement Plan
Notes to Required Supplementary Information

Schedule of Employer Contributions:

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2008	\$ 1,443,916	\$ 1,360,423	\$ 83,493	\$ 14,208,624	9.57%
2009	2,479,979	2,338,229	141,750	14,606,976	16.01%
2010	2,931,814	2,761,411	170,403	14,370,036	19.22%
2011	2,919,289	2,818,625	100,664	14,223,804	19.82%
2012	3,088,500	2,977,104	111,396	13,760,508	21.64%
2013	3,314,770	3,202,600	112,170	13,584,204	23.58%
2014	2,527,632	2,432,920	94,712	13,335,300	18.24%
2015	2,001,495	1,925,620	75,875	13,054,068	14.75%
2016	1,896,691	1,840,326	56,365	12,188,856	15.10%
2017	1,601,481	1,554,536	46,945	11,808,972	13.16%

Money-Weighted Rate of Return:

Fiscal Year Ending December 31	Net Money- Weighted Rate of Return
2014	9.01%
2015	-1.03%
2016	9.85%
2017	15.67%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

See Notes to Required Supplementary Information.

City of Overland Park, Kansas
Overland Park Police Department Retirement Plan
Notes to Required Supplementary Information

Actuarial Methods and Assumptions Used to Determine the Actuarially Determined Contributions:

The following actuarial methods and assumptions were used in the December 31, 2017 valuation to determine the actuarially determined contribution.

Valuation Timing	Actuarially determined contribution rates are calculated as of January 1 of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Aggregate
Asset Valuation Method	Expected Return Method
Smoothing period	5 years
Corridor	20%
Inflation	2.3% (2.50% in 2014)
Salary increases including inflation	4.00%
Investment Rate of Return	7% (7.25% in 2016 and prior years)
Cost of Living Adjustments	None
Retirement Age	Normal retirement date or valuation date, if later
Turnover	Crocker-Sarason T5 Table
Mortality	RP-2014 Employees and Healthy Annuitants with generational projection per Scale MP-2017 (RP-2000 Mortality Table in 2016 and prior years)

City of Overland Park, Kansas
Overland Park Fire Department Retirement Plan
Notes to Required Supplementary Information

	2017	2016	2015	2014
Total Pension Liability				
Service Cost	\$ 978,395	\$ 1,035,106	\$ 1,049,586	\$ 1,041,943
Interest on total pension liability	3,192,969	2,952,144	2,829,794	2,624,091
Effect of economic/demographic gains or losses	72,541	(407,361)	(357,038)	(278,269)
Effect of assumptions changes or inputs	812,535	-	-	-
Benefit payments	(2,069,350)	(773,899)	(454,581)	(658,108)
Net change in total pension liability	2,987,090	2,805,990	3,067,761	2,729,657
Total pension liability - beginning	44,079,116	41,273,126	38,205,365	35,475,708
Total pension liability - ending	<u>\$ 47,066,206</u>	<u>\$ 44,079,116</u>	<u>\$ 41,273,126</u>	<u>\$ 38,205,365</u>
 Plan fiduciary net position				
Benefit Payments	\$ (2,069,350)	\$ (773,899)	\$ (454,581)	\$ (658,108)
Employer contributions	1,759,305	1,852,255	2,080,750	2,230,297
Net investment income	6,188,799	3,486,401	(461,956)	2,392,786
Administrative expense	(150,279)	-	-	(114,791)
Net change in plan fiduciary net position	5,728,475	4,564,757	1,164,213	3,850,184
Plan fiduciary net position - beginning	38,552,480	33,987,723	32,823,510	28,973,326
Plan fiduciary net position - ending	<u>\$ 44,280,955</u>	<u>\$ 38,552,480</u>	<u>\$ 33,987,723</u>	<u>\$ 32,823,510</u>
 City's net pension liability - ending	<u>\$ 2,785,251</u>	<u>\$ 5,526,636</u>	<u>\$ 7,285,403</u>	<u>\$ 5,381,855</u>
 Plan fiduciary net position as a percentage of the total pension liability	94.08%	87.46%	82.35%	85.91%
 Covered Payroll	\$ 8,699,316	\$ 9,006,384	\$ 9,066,588	\$ 8,998,896
 Net pension liability as a % of covered payroll	32.02%	61.36%	80.35%	59.81%

The GASB requirement is to show information for 10 years, however recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards they should not be reported.

See Notes to Required Supplementary Information.

City of Overland Park, Kansas
Overland Park Fire Department Retirement Plan
Notes to Required Supplementary Information

Schedule of Employer Contributions:

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2008	\$ 2,252,441	\$ 2,132,686	\$ 119,755	\$ 9,649,308	22.10%
2009	2,481,988	2,340,147	141,841	9,527,292	24.56%
2010	2,492,071	2,339,445	152,626	9,567,912	24.45%
2011	2,493,213	2,404,502	88,711	9,185,832	26.18%
2012	2,511,142	2,418,226	92,916	9,106,056	26.56%
2013	2,412,884	2,328,048	84,836	8,947,896	26.02%
2014	2,311,876	2,230,297	81,579	8,998,896	24.78%
2015	2,158,678	2,080,750	77,928	9,066,588	22.95%
2016	1,910,485	1,852,255	58,230	9,006,384	20.57%
2017	1,812,367	1,759,305	53,062	8,699,316	20.22%

Money-Weighted Rate of Return:

Fiscal Year Ending December 31	Net Money- Weighted Rate of Return
2014	7.68%
2015	-1.37%
2016	10.14%
2017	15.66%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.

See Notes to Required Supplementary Information.

City of Overland Park, Kansas
Overland Park Fire Department Retirement Plan
Notes to Required Supplementary Information

Actuarial Methods and Assumptions Used to Determine the Actuarially Determined Contributions:

The following actuarial methods and assumptions were used in the December 31, 2017 valuation to determine the actuarially determined contribution.

Valuation Timing	Actuarially determined contribution rates are calculated as of January 1 of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Aggregate
Asset Valuation Method	Expected Return Method
Smoothing period	5 years
Corridor	20%
Inflation	2.3% (2.50% in 2014)
Salary increases including inflation	4.00%
Investment Rate of Return	7% (7.25% in 2016 and prior years)
Cost of Living Adjustments	None
Retirement Age	15% retire when first eligible for early retirement, 2% per year thereafter and 100% at age 55
Turnover	Crocker-Sarason T2 Table
Mortality	RP-2014 Employees and Healthy Annuitants with generational projection per Scale MP-2017 (RP-2000 Mortality Table in 2016 and prior years)

City of Overland Park, Kansas
Kansas Public Employees Retirement System (KPERS)
Required Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Liability

	2017	2016	2015
City's proportion of the net pension liability	0.42%	0.39%	0.31%
City's proportionate share of the net pension liability	\$ 38,093,703	\$ 36,158,308	\$ 27,536,729
City's covered-employee payroll	\$ 37,030,604	\$ 33,244,034	\$ 28,036,253
City's proportionate share of the net pension liability as a percentage of its covered payroll	102.87%	108.77%	98.22%
Plan fiduciary net position as a percentage of the total pension liability	67.12%	65.10%	64.95%

The GASB requirement is to show information for 10 years, however recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards they should not be reported. The above information is as of the KPERS measurement date of June 30.

See Notes to Required Supplementary Information.

City of Overland Park, Kansas
Kansas Public Employees Retirement System (KPERS)
Required Supplementary Information

Schedule of Employer Contributions

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2008	\$ 1,603,842	\$ 1,603,842	\$ -	N/A	N/A
2009	1,625,325	1,625,325	-	N/A	N/A
2010	1,875,545	1,875,545	-	N/A	N/A
2011	1,893,771	1,893,771	-	N/A	N/A
2012	2,017,663	2,017,663	-	N/A	N/A
2013	2,196,770	2,196,770	-	N/A	N/A
2014	2,552,877	2,552,877	-	\$ 29,513,024	8.65%
2015	3,294,560	3,294,560	-	33,556,947	9.82%
2016	3,778,833	3,778,833	-	34,271,353	11.03%
2017	4,073,024	4,073,024	-	36,730,629	11.09%

N/A – Information from this period is not available.

See Notes to Required Supplementary Information.

City of Overland Park, Kansas
Kansas Public Employees Retirement System (KPERS)
Notes to Required Supplementary Information

Actuarial Methods and Assumptions Used to Determine the Actuarially Determined Contributions:

The following actuarial methods and assumptions were used in the December 31, 2017 valuation to determine the actuarially determined contribution.

Valuation Timing	December 31, 2016
Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	16 years
Asset Valuation Method	5-year smoothed value
Inflation	2.75%
Salary Increases Including Inflation	3.50% to 12.00%, including price inflation
Long Term rate of return	7.75%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The RP-2014 Mortality Tables with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using scale MP-2016.

City of Overland Park, Kansas
Other Postemployment Benefits Plan (OPEB)
Required Supplementary Information

	<u>Net OPEB Liability</u>
Changes in Net OPEB Liability	
Balances as of December 31, 2016	\$ 13,846,609
Changes for the year:	
Service Cost	767,357
Interest on OPEB liability	1,085,164
Effect of plan changes	-
Effect of economic/demographic gains or losses	-
Effect of assumption changes or inputs	227,264
Benefit Payments	(916,200)
Employer contributions	(800,000)
Member contributions	-
Net investment income	(970,856)
Administrative expenses	-
Balances as of December 31, 2017	<u>\$ 13,239,338</u>

City of Overland Park, Kansas
Other Postemployment Benefits Plan (OPEB)
Required Supplementary Information

Statement of Changes in Fiduciary Net Position

	December 31, 2017
Additions	
Employer contributions	\$ 800,000
Total contributions	<u>800,000</u>
Net investment income (loss):	
Interest	59
Dividends	132,147
Equity fund income, net	197,351
Net increase in fair value of investments	644,380
Less investment expenses:	
Direct investment expense	<u>3,093</u>
Net investment income	<u>970,844</u>
Other Income	<u>12</u>
Total additions	<u>1,770,856</u>
Administrative expenses	<u>-</u>
Net change in plan fiduciary net position	<u>1,770,856</u>
Net position restricted for postemployment benefits other than pensions	
Beginning of year (December 31, 2016)	5,740,555
End of year (December 31, 2017)	<u>\$ 7,511,411</u>

	<u>December 31, 2017</u>
Total OPEB Liability	\$ 20,750,749
Fiduciary Net Position	<u>7,511,411</u>
Net OPEB Liability	13,239,338
Fiduciary Net Position as a % of total OPEB Liability	36.20%
Covered Payroll	63,200,000
Net OPEB Liability as a % of Covered Payroll	20.95%

City of Overland Park, Kansas
Other Postemployment Benefits Plan (OPEB)
Required Supplementary Information

OPEB Schedule of Employer Contributions

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2008	1,621,457	\$ 1,617,825	\$ 3,632	\$ 55,425,177	2.92%
2009	2,026,347	291,206	1,735,141	60,069,676	0.48%
2011	1,775,100	217,493	1,557,607	55,300,195	0.39%
2013	1,781,600	551,918	1,229,682	54,196,412	1.02%
2015	1,668,700	1,050,582	618,118	62,427,401	1.68%
2017	1,856,344	1,474,777	381,567	63,200,000	2.33%

Money-Weighted Rate of Return:

Fiscal Year Ending December 31	Net Money- Weighted Rate of Return
2017	16.52%

Actuarial Methods and Assumptions Used for Funding Policy:

The following actuarial methods and assumptions were used in the December 31, 2017 valuation to determine the actuarially determined contributions.

Valuation Timing	Actuarial valuations for funding purposes are performed biennially as of December 31.
Actuarial Cost Method	Entry-age Normal
Discount rate	5.33%
Inflation	2.30%
Salary increases including inflation	4.00%
Investment Rate of Return	6.00%
Long-Term Expected Rate of Return	6.00%
Tax Exempt Municipal Bond Yield	3.44%
Mortality	RP-2014 Mortality for Employees and Healthy Annuitants with generational projection per Scale MP2017

Nonmajor Governmental Funds

Special Revenue Funds

Special Street and Highway Fund

To account for costs relating to the repair and maintenance of the City's streets and highways. Financing is derived from the City's share of the state gasoline taxes. State law restricts the use of these funds to street and highway expenditures.

Special Park and Recreation Fund

To account for parks and recreation expenditures funded from monies received from the state liquor tax. State law requires that such funds be used for the purchase, establishment, maintenance or expansion of park and recreational services programs and facilities.

Special Alcohol Control Fund

To account for expenditures for alcohol rehabilitation programs funded from monies received from the state liquor tax. State law requires that such funds be used for alcohol rehabilitation programs.

Street Improvement Escrow Fund

To account for monies from developers for street improvements.

Special Tax Financing Fund

To account for ad valorem monies received from the increased assessed values of the Tax Increment Financing (TIF) districts and its sales activities.

Federal and State Grants Fund

To account for revenues and expenditures of various grant programs of the City. These grants have been combined under this heading because they are exempt from the legal requirement of having adopted budgets.

Fire Memorial Fund

To account for small scholarships to Explorer Scouts who want to pursue a career in the fire service.

Downtown Business Improvement District Fund

To account for service fees collected for the Downtown Business Improvement District.

Parks and Recreation Fund

To account for donations provided by the public for Legacy of Greenery, Children's Farmstead, and Overland Park Arts Commission.

Nuse Act Fund

To account for monies received from insurance companies or property owners on unsafe structures or public nuisances that are dangerous to the general public. The City either uses the proceeds to make the premises safe and secure or, upon proof of repairs or rebuilding, makes payment of the proceeds to the insured party.

Westlinks Land Acquisition Fund

To account for the accumulation of resources for the acquisition of the Westlinks Golf Course land.

Art in the Woods Fund

To account for donations received from the public for the presentation of an art show.

Special Law Enforcement Fund

To account for monies received from the sale of forfeited property or money in accordance with Kansas State Statute KSA 65-4171 and City Ordinance LET-1811.

Jack Sanders Memorial Fund

To account for donations received from the public for the W. Jack Sanders Award. This award will be given annually to a citizen who demonstrated an outstanding commitment to the welfare and future well-being of Overland Park.

Nonmajor Governmental Funds

Capital Projects Funds

Drainage Improvements Fund

To account for the financing and construction of drainage improvement projects.

Parks Acquisition and Development Fund

To account for the financing and construction of park development projects.

Public Building Improvements Fund

To account for the financing and construction of municipal building improvement projects.

Traffic Signals Fund

To account for the financing and construction of traffic signal projects.

Street Lights Fund

To account for the financing and construction of street light projects.

Public Equipment Fund

To account for the financing and acquisition of public equipment.

City of Overland Park
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017

	Special Revenue Funds		
	Special Street and Highway	Special Park and Recreation	Special Alcohol Control
Assets			
Cash, cash equivalents and investments	\$ 185,315	\$ 538,699	\$ 3,391,787
Gas tax receivable	1,288,973	-	-
Due from other governments	-	-	-
Other current assets	-	-	-
Total assets	\$ 1,474,288	\$ 538,699	\$ 3,391,787
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 3,053
Contracts payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	-	3,053
Fund Balances (Deficits):			
Restricted	1,474,288	538,699	3,386,406
Assigned	-	-	2,328
Unassigned	-	-	-
Total fund balances (deficits)	1,474,288	538,699	3,388,734
Total liabilities and fund balances	\$ 1,474,288	\$ 538,699	\$ 3,391,787

Continued on next page.

Street Improvement Escrow	Special Tax Financing	Federal and State Grants	Fire Memorial
\$ 7,060,571	\$ 30,896	\$ 144,420	\$ 1,969
-	-	-	-
-	-	150,533	-
-	-	-	-
<u>\$ 7,060,571</u>	<u>\$ 30,896</u>	<u>\$ 294,953</u>	<u>\$ 1,969</u>

\$ -	\$ -	\$ 89,104	\$ -
-	294,436	-	-
-	-	-	-
-	-	53,156	1,969
<u>-</u>	<u>294,436</u>	<u>142,260</u>	<u>1,969</u>

7,060,571	-	152,693	-
-	-	-	-
-	(263,540)	-	-
<u>7,060,571</u>	<u>(263,540)</u>	<u>152,693</u>	<u>-</u>
<u>\$ 7,060,571</u>	<u>\$ 30,896</u>	<u>\$ 294,953</u>	<u>\$ 1,969</u>

City of Overland Park
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
December 31, 2017

	Downtown Business Improvement District	Parks and Recreation	Nuse Act	Westlinks Land Acquisition
Assets				
Cash, cash equivalents and investments	\$ 38,221	\$ 189,118	\$ 87,302	\$ 11,928
Gas tax receivable	-	-	-	-
Due from other governments	-	-	-	-
Other current assets	-	-	-	-
Total assets	\$ 38,221	\$ 189,118	\$ 87,302	\$ 11,928
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	38,221	-	87,302	-
Total liabilities	38,221	-	87,302	-
Fund Balances (Deficits):				
Restricted	-	189,118	-	11,928
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	-	189,118	-	11,928
Total liabilities and fund balances	\$ 38,221	\$ 189,118	\$ 87,302	\$ 11,928

Continued on next page.

Special Revenue Funds

Art in the Woods	Special Law Enforcement	Jack Sanders Memorial	Total Nonmajor Sprcial Revenue Funds
\$ 15,270	\$ 507,224	\$ 6,883	\$ 12,209,603
-	-	-	1,288,973
-	-	-	150,533
-	-	-	-
<u>\$ 15,270</u>	<u>\$ 507,224</u>	<u>\$ 6,883</u>	<u>\$ 13,649,109</u>

\$ -	\$ 3,557	\$ -	\$ 95,714
-	-	-	294,436
-	-	-	-
-	-	-	180,648
<u>-</u>	<u>3,557</u>	<u>-</u>	<u>570,798</u>

15,270	503,667	6,883	13,339,523
-	-	-	2,328
-	-	-	(263,540)
<u>15,270</u>	<u>503,667</u>	<u>6,883</u>	<u>13,078,311</u>
<u>\$ 15,270</u>	<u>\$ 507,224</u>	<u>\$ 6,883</u>	<u>\$ 13,649,109</u>

City of Overland Park
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
December 31, 2017

	Capital Projects			
	Drainage Improvements	Park Acquisition & Development	Public Building Improvements	Traffic Signals
Assets				
Cash, cash equivalents and investments	\$ 1,772,633	\$ 2,405,109	\$ 3,694,523	\$ 203,459
Gas tax receivable	-	-	-	-
Due from other governments	-	-	-	206,640
Other current assets	-	-	-	-
Total assets	\$ 1,772,633	\$ 2,405,109	\$ 3,694,523	\$ 410,099
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable	285,380	593,337	165,480	203,459
Due to other funds	-	-	-	104,229
Unearned revenue	-	-	-	-
Total liabilities	285,380	593,337	165,480	307,688
Deferred Inflow of Resources				
Unavailable revenue - other	-	-	-	206,640
Fund Balances (Deficits):				
Restricted	-	-	-	-
Assigned	1,487,253	1,811,772	3,529,043	-
Unassigned	-	-	-	(104,229)
Total fund balances (deficits)	1,487,253	1,811,772	3,529,043	(104,229)
Total liabilities and fund balances	\$ 1,772,633	\$ 2,405,109	\$ 3,694,523	\$ 410,099

Capital Projects

Street Lights	Public Equipment	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 894,582	\$ 2,581,489	\$ 11,551,795	\$ 23,761,398
-	-	-	1,288,973
-	-	206,640	357,173
-	-	-	-
<u>\$ 894,582</u>	<u>\$ 2,581,489</u>	<u>\$ 11,758,435</u>	<u>\$ 25,407,544</u>

\$ -	\$ -	\$ -	\$ 95,714
-	197,979	1,445,635	1,740,071
-	-	104,229	104,229
-	-	-	180,648
<u>-</u>	<u>197,979</u>	<u>1,549,864</u>	<u>2,120,662</u>

<u>-</u>	<u>-</u>	<u>206,640</u>	<u>206,640</u>
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-	-	-	13,339,523
894,582	2,383,510	10,106,160	10,108,488
-	-	(104,229)	(367,769)
<u>894,582</u>	<u>2,383,510</u>	<u>10,001,931</u>	<u>23,080,242</u>
<u>\$ 894,582</u>	<u>\$ 2,581,489</u>	<u>\$ 11,758,435</u>	<u>\$ 25,407,544</u>

City of Overland Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended December 31, 2017

	Special Revenue Funds		
	Special Street and Highway	Special Park and Recreation	Special Alcohol Control
Revenues			
Property taxes	\$ -	\$ -	\$ -
Sales taxes	-	-	-
Charges for services	-	-	-
Licenses and permits	-	-	-
Use of money	-	-	-
Intergovernmental	5,038,105	1,460,553	1,477,499
Contributions	-	-	-
Capital / Operating Grants	-	-	-
Grants / contributions not restricted to specific programs	-	-	-
Total revenues	5,038,105	1,460,553	1,477,499
Expenditures			
Current:			
General government	-	-	890,238
Public safety	-	-	163,601
Public works	-	-	-
Parks and recreation	-	-	-
Planning and development services	-	-	-
Capital improvements	-	-	-
Total expenditures	-	-	1,053,839
Excess of revenues over (under) expenditures	5,038,105	1,460,553	423,660
Other financing sources (uses)			
Transfers in	-	1,592	-
Transfers out	(4,600,000)	(2,000,000)	-
Total other financing sources (uses)	(4,600,000)	(1,998,408)	-
Net change in fund balances	438,105	(537,855)	423,660
Fund balances (deficits) at beginning of year	1,036,183	1,076,554	2,965,074
Fund balances (deficits) at end of year	\$ 1,474,288	\$ 538,699	\$ 3,388,734

Continued on next page.

Street Improvement Escrow	Special Tax Financing	Federal and State Grants
\$ -	\$ 560,138	\$ -
-	408,172	-
-	-	-
-	-	-
-	-	-
-	-	-
1,586,160	-	-
-	45,000	1,661,389
-	-	-
1,586,160	1,013,310	1,661,389
-	-	-
-	-	146,101
285,352	1,126,901	-
-	-	20,672
-	-	467,209
-	-	-
285,352	1,126,901	633,982
1,300,808	(113,591)	1,027,407
-	-	-
(229,975)	-	(905,340)
(229,975)	-	(905,340)
1,070,833	(113,591)	122,067
5,989,738	(149,949)	30,626
\$ 7,060,571	\$ (263,540)	152,693

City of Overland Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds (continued)
For the Year Ended December 31, 2017

	Special Revenue Funds		
	Downtown Business Improvement District	Parks and Recreation	Westlinks Land Acquisition
Revenues			
Property taxes	\$ -	\$ -	\$ -
Sales taxes	-	-	-
Charges for services	-	-	-
Licenses and permits	99,416	-	-
Use of money	-	-	317
Intergovernmental	-	-	-
Contributions	-	12,218	-
Capital / Operating Grants	-	-	-
Grants / contributions not restricted to specific programs	-	-	-
Total revenues	99,416	12,218	317
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	-	2,046	-
Planning and development services	99,416	-	-
Capital improvements	-	-	-
Total Expenditures	99,416	2,046	-
Excess of revenues over (under) expenditures	-	10,172	317
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	10,172	317
Fund balances (deficits) at beginning of year	-	178,946	11,611
Fund balances (deficits) at end of year	\$ -	\$ 189,118	\$ 11,928

				Total Nonmajor Special Revenue Funds
Art in the Woods	Special Law Enforcement	Jack Sanders Memorial		
\$ -	\$ -	\$ -	\$	560,138
-	-	-		408,172
9,011	-	-		9,011
-	-	-		99,416
138	4,603	82		5,140
-	-	-		7,976,157
-	-	-		1,598,378
-	200,029	-		1,906,418
-	-	-		-
9,149	204,632	82		12,562,830
-	-	-		890,238
-	65,262	-		374,964
-	-	-		1,412,253
9,011	-	-		31,729
-	-	-		566,625
-	-	-		-
9,011	65,262	-		3,275,809
138	139,370	82		9,287,021
-	330	-		1,922
-	-	-		(7,735,315)
-	330	-		(7,733,393)
138	139,700	82		1,553,628
15,132	363,967	6,801		11,524,683
\$ 15,270	\$ 503,667	\$ 6,883	\$	13,078,311

City of Overland Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds (continued)
For the Year Ended December 31, 2017

	Capital Projects			
	Drainage Improvements	Park Acquisition & Development	Public Building Improvements	Traffic Signals
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Use of money	-	-	-	-
Intergovernmental	-	-	-	-
Contributions	118,006	14,080	-	-
Capital / Operating Grants	236,524	-	-	512,047
Grants / contributions not restricted to specific programs	-	223,922	-	-
Total revenues	354,530	238,002	-	512,047
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	5,899,723	-	-
Planning and development services	-	-	-	-
Capital improvements	2,485,421	-	1,860,342	598,029
Total expenditures	2,485,421	5,899,723	1,860,342	598,029
Excess of revenues over (under) expenditures	(2,130,891)	(5,661,721)	(1,860,342)	(85,982)
Other financing sources (uses)				
Transfers in	2,830,006	6,426,858	3,373,789	493,742
Transfers out	(240,931)	10,566	(708,033)	(343,748)
Total other financing sources (uses)	2,589,075	6,437,424	2,665,756	149,994
Net change in fund balances	458,184	775,703	805,414	64,012
Fund balances (deficits) at beginning of year	1,029,069	1,036,069	2,723,629	(168,241)
Fund balances (deficits) at end of year	<u>\$ 1,487,253</u>	<u>\$ 1,811,772</u>	<u>\$ 3,529,043</u>	<u>\$ (104,229)</u>

Capital Projects

Street Lights	Public Equipment	Total Nonmajor Capital Projects Total	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 560,138
-	-	-	408,172
-	-	-	9,011
-	-	-	99,416
-	-	-	5,140
-	446,161	446,161	8,422,318
-	-	132,086	1,730,464
-	280,694	1,029,265	2,935,683
-	-	-	-
-	-	223,922	223,922
-	726,855	1,831,434	14,394,264
-	6,047,781	6,047,781	6,938,019
-	-	-	374,964
-	-	-	1,412,253
-	-	5,899,723	5,931,452
-	-	-	566,625
19,686	-	4,963,478	4,963,478
19,686	6,047,781	16,910,982	20,186,791
(19,686)	(5,320,926)	(15,079,548)	(5,792,527)
900,000	3,475,088	17,499,483	17,501,405
-	(768,198)	(2,050,344)	(9,785,659)
900,000	2,706,890	15,449,139	7,715,746
880,314	(2,614,036)	369,591	1,923,219
14,268	4,997,546	9,632,340	21,157,023
\$ 894,582	\$ 2,383,510	\$ 10,001,931	\$ 23,080,242

City of Overland Park
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Special Street and Highway Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues:				
Operating grants	\$ 4,800,000	\$ 4,800,000	\$ 5,038,105	\$ 238,105
Use of money	10,000	10,000	-	(10,000)
Total revenues	4,810,000	4,810,000	5,038,105	228,105
Expenditures:				
Current, public works	225,000	225,000	-	225,000
Total expenditures	225,000	225,000	-	225,000
Revenues over/(under) expenditures	4,585,000	4,585,000	5,038,105	453,105
Other financing sources (uses):				
Transfer (to) from other funds:				
Capital Projects Funds	(5,100,000)	(5,100,000)	(4,600,000)	500,000
Total other financing sources (uses)	(5,100,000)	(5,100,000)	(4,600,000)	500,000
Revenues and other financing sources over (under) expen- ditures and other financing uses	(515,000)	(515,000)	438,105	953,105
Fund balances at beginning of year	515,000	515,000	1,036,183	521,183
Fund balances at end of year	\$ -	\$ -	\$ 1,474,288	\$ 1,474,288

City of Overland Park
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Special Park and Recreation Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues:				
Operating grants	\$ 1,400,000	\$ 1,400,000	\$ 1,460,553	\$ 60,553
Use of money	5,000	5,000	-	(5,000)
Total revenues	1,405,000	1,405,000	1,460,553	55,553
Expenditures:				
Current, parks and recreation	-	-	-	-
Total expenditures	-	-	-	-
Revenues over expenditures	1,405,000	1,405,000	1,460,553	55,553
Other financing sources (uses):				
Transfer (to) from other funds:				
Special Revenue Funds	25,000	25,000	1,592	(23,408)
Capital Projects Funds	(2,405,000)	(2,405,000)	(2,000,000)	405,000
Total other financing sources (uses)	(2,380,000)	(2,380,000)	(1,998,408)	381,592
Revenues and other financing sources over (under) expen- ditures and other financing uses	(975,000)	(975,000)	(537,855)	437,145
Fund balances at beginning of year	975,000	975,000	1,076,554	101,554
Fund balances at end of year	\$ -	\$ -	\$ 538,699	\$ 538,699

City of Overland Park
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Special Alcohol Control Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues:				
Operating grants	\$ 1,400,000	\$ 1,400,000	\$ 1,477,499	\$ 77,499
Use of money	10,000	10,000	-	(10,000)
Total revenues	1,410,000	1,410,000	1,477,499	67,499
Expenditures:				
Current:				
General Government	4,129,500	4,129,619	856,736	3,272,883
Public Safety	95,500	95,381	163,601	(68,220)
Total expenditures	4,225,000	4,225,000	1,020,337	3,204,663
Revenues over (under) expenditures	(2,815,000)	(2,815,000)	457,162	3,272,162
Other financing sources (uses):				
Transfer (to) from other funds:	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Revenues and other financing sources over (under) expen- ditures and other financing uses	(2,815,000)	(2,815,000)	457,162	3,272,162
Fund balances at beginning of year	2,815,000	2,815,000		(2,815,000)
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
Reconciliation to GAAP Basis:				
Encumbrances			(33,502)	
Fund balances at beginning of year			2,965,074	
Fund balances at end of year			<u>\$ 3,388,734</u>	

City of Overland Park
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Special Tax Financing Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues:				
Property Tax	\$ 541,400	\$ 585,000	\$ 560,138	\$ (24,862)
Sales Tax	350,000	325,000	408,172	83,172
Charges for Services	8,600	90,000	45,000	(45,000)
Total revenues	900,000	1,000,000	1,013,310	13,310
Expenditures:				
Current:				
TIF Expenditures	150,000	130,000	171,673	(41,673)
TIF Distributions to Developers	750,000	870,000	955,228	(85,228)
Total expenditures	900,000	1,000,000	1,126,901	(126,901)
Revenues over (under) expenditures	-	-	(113,591)	(113,591)
Revenues and other financing sources over (under) expen- ditures and other uses	-	-	(113,591)	(113,591)
Fund balances at beginning of year	-	-	(149,949)	(149,949)
Fund balances at end of year	\$ -	\$ -	\$ (263,540)	\$ (263,540)

City of Overland Park
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Downtown Business Improvement District Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Use of money	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Licenses and permits	105,000	105,000	99,416	(5,584)
Total revenues	110,000	110,000	99,416	(10,584)
Expenditures:				
Current:				
Planning and development services	110,000	110,000	99,416	10,584
Total expenditures	110,000	110,000	99,416	10,584
Revenues over expenditures	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

City of Overland Park
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Debt Service Fund
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues:				
Special Assessment tax	\$ 480,000	\$ 488,000	\$ 483,686	\$ (4,314)
Use of money	5,000	2,000	1,879	(121)
Total revenues	485,000	490,000	485,565	(4,435)
Expenditures:				
Debt Service	21,725,000	25,000,000	24,247,879	752,121
Bond issuance costs	-	-	71,443	-
Total expenditures	21,725,000	25,000,000	24,319,322	752,121
Revenues over (under) expenditures	(21,240,000)	(24,510,000)	(23,833,757)	676,243
Other financing sources (uses):				
Refunding bond issue	-	4,405,000	3,925,000	(480,000)
Issuance: Premium	-	-	502,356	502,356
Transfer (to) from other funds:				
General Fund	14,840,000	14,205,000	13,823,227	(381,773)
Special Revenue Funds	6,150,000	5,650,000	5,583,174	(66,826)
Total other financing sources (uses)	20,990,000	24,260,000	23,833,757	(426,243)
Revenues and other financing sources over (under) expenditures and other financing uses	(250,000)	(250,000)	-	250,000
Fund balances at beginning of year	250,000	250,000	250,000	-
Fund balances at end of year	\$ -	\$ -	\$ 250,000	\$ 250,000

City of Overland Park
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2017

	<u>Golf Course</u>	<u>Soccer Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets			
Current assets:			
Cash, cash equivalents and investments	\$ 2,134,559	\$ 620,222	\$ 2,754,781
Receivables, net	-	3,102	3,102
Inventory	133,110	-	133,110
Total current assets	<u>2,267,669</u>	<u>623,324</u>	<u>2,890,993</u>
Noncurrent assets:			
Capital assets:			
Land	1,425,200	-	1,425,200
Other capital assets, net of depreciation	1,522,422	-	1,522,422
Total capital assets	<u>2,947,622</u>	<u>-</u>	<u>2,947,622</u>
Total assets	<u>\$ 5,215,291</u>	<u>\$ 623,324</u>	<u>\$ 5,838,615</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 340,776	\$ 3,354	\$ 344,130
Accrued payroll	56,816	17,314	74,130
Unearned revenue	-	12,280	12,280
Capital lease obligation	33,573	-	33,573
Total current liabilities	<u>431,165</u>	<u>32,948</u>	<u>464,113</u>
Long-term liabilities			
Accrued compensated absences	31,823	7,198	39,021
Total long term liabilities	<u>31,823</u>	<u>7,198</u>	<u>39,021</u>
Total liabilities	<u>462,988</u>	<u>40,146</u>	<u>503,134</u>
Net Position			
Net investment in capital assets	2,914,049	-	2,914,049
Unrestricted	1,838,254	583,178	2,421,432
Total net position	<u>\$ 4,752,303</u>	<u>\$ 583,178</u>	<u>\$ 5,335,481</u>

City of Overland Park
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017

	Golf Course	Soccer Fund	Total Enterprise Funds
Operating revenues:			
Charges for services	5,411,137	\$ 1,425,046	\$ 6,836,183
Other reimbursements	98	254,424	254,522
Total operating revenues	<u>5,411,235</u>	<u>1,679,470</u>	<u>7,090,705</u>
Operating expenses:			
Soccer operations	-	1,152,573	1,152,573
Golf course operations	4,707,856	-	4,707,856
Depreciation	139,013	-	139,013
Total operating expenses	<u>4,846,869</u>	<u>1,152,573</u>	<u>5,999,442</u>
Operating income	<u>564,366</u>	<u>526,897</u>	<u>1,091,263</u>
Nonoperating revenues and (expenses):			
Interest earned on investments	22,584	10,542	33,126
Gain on disposal of capital assets	20,941	-	20,941
Total nonoperating revenue (expenses)	<u>43,525</u>	<u>10,542</u>	<u>54,067</u>
Income before transfer	<u>607,891</u>	<u>537,439</u>	<u>1,145,330</u>
Transfers out	<u>(554,588)</u>	<u>(606,900)</u>	<u>(1,161,488)</u>
Change in net position	<u>53,303</u>	<u>(69,461)</u>	<u>(16,158)</u>
Total net position-beginning of year	<u>4,699,000</u>	<u>652,639</u>	<u>5,351,639</u>
Total net position-end of year	<u><u>4,752,303</u></u>	<u><u>\$ 583,178</u></u>	<u><u>\$ 5,335,481</u></u>

City of Overland Park
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017

	Golf Course	Soccer Fund	Total Nonmajor Enterprise Funds
Cash flows from operating activities			
Cash received from customers	\$ 5,411,274	1,433,993	\$ 6,845,267
Cash received from other reimbursements	98	254,424	254,522
Cash payments for personal services	(2,395,325)	(514,375)	(2,909,700)
Cash payments for contractual services and accounts payable	(2,279,084)	(639,161)	(2,918,245)
Net cash provided by operating activities	<u>736,963</u>	<u>534,881</u>	<u>1,271,844</u>
Cash flows from noncapital financing activities			
Transfers (to) other funds	(554,588)	(606,900)	(1,161,488)
Net cash (used in) noncapital financing activities	<u>(554,588)</u>	<u>(606,900)</u>	<u>(1,161,488)</u>
Cash flows from capital and related financing activities			
Principal paid on capital debt	(32,262)	-	(32,262)
Purchases of capital assets	(26,957)	-	(26,957)
Net cash (used in) capital and related financing activities	<u>(59,219)</u>	<u>-</u>	<u>(59,219)</u>
Cash flows from investing activities			
Interest on investments	22,584	10,542	33,126
Net cash provided by investing activities	<u>22,584</u>	<u>10,542</u>	<u>33,126</u>
Net increase (decrease) in cash and cash equivalents	145,740	(61,477)	84,263
Cash and cash equivalents-beginning of the year	1,988,819	681,699	2,670,518
Cash and cash equivalents-end of the year	<u>\$ 2,134,559</u>	<u>\$ 620,222</u>	<u>\$ 2,754,781</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 564,366	526,897	\$ 1,091,263
Adjustments to reconcile operating income to net cash provided by operating activities:			
(Increase) decrease in accounts receivable	137	(154)	(17)
Decrease in inventory	8,069	-	8,069
Increase (decrease) in accrued payroll	(26,403)	1,233	(25,170)
Increase in unearned revenue	-	9,101	9,101
Increase (decrease) in accounts payable and compensated absences	51,781	(2,196)	49,585
Depreciation expense	139,013	-	139,013
Net cash provided by operating activities	<u>\$ 736,963</u>	<u>\$ 534,881</u>	<u>\$ 1,271,844</u>

City of Overland Park
Combining Statement of Net Position
Internal Service Funds
December 31, 2017

	Workers'	Medical	
	Compensation	Imprest	Total
	Plan		
Assets			
Current assets:			
Cash and cash equivalents	\$ -	\$ 3,618,525	\$ 3,618,525
Receivables, net	21,987	-	21,987
Total current assets	<u>21,987</u>	<u>3,618,525</u>	<u>3,640,512</u>
Noncurrent Assets:			
Cash and cash equivalents - restricted	2,451,018	342,385	2,793,403
Total assets	<u>2,473,005</u>	<u>3,960,910</u>	<u>6,433,915</u>
Liabilities			
Accounts payable	11,485	140,323	151,808
Unpaid claims	1,228,149	1,300,000	2,528,149
Total current liabilities	<u>1,239,634</u>	<u>1,440,323</u>	<u>2,679,957</u>
Net Assets			
Restricted for worker's compensation claims	1,233,371	-	1,233,371
Restricted for employee medical claim allocations	-	342,385	342,385
Unrestricted	-	2,178,202	2,178,202
Total net position	<u>\$ 1,233,371</u>	<u>\$ 2,520,587</u>	<u>\$ 3,753,958</u>

City of Overland Park
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2017

	Workers'	Medical	
	Compensation	Imprest	Total
	Plan		
Operating revenues:			
Charges for services	\$ -	\$ 12,841,945	\$ 12,841,945
Other	-	1,467,812	1,467,812
Total operating revenues	-	14,309,757	14,309,757
Operating expenses:			
Claims paid	-	13,873,372	13,873,372
Contractual services	827,936	-	827,936
Total operating expenses	827,936	13,873,372	14,701,308
Operating income (loss)	(827,936)	436,385	(391,551)
Nonoperating revenues:			
Interest	23,453	44,310	67,763
Total nonoperating revenue	23,453	44,310	67,763
Transfers from other funds	860,900	-	860,900
Change in net position	56,417	480,695	537,112
Total net position-beginning of year	1,176,954	2,039,892	3,216,846
Total net position-end of year	\$ 1,233,371	\$ 2,520,587	\$ 3,753,958

City of Overland Park
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2017

	Workers'	Medical	Total
	Compensation	Imprest	
		Plan	
Cash flows from operating activities			
Cash received from customers	\$ -	\$ 12,841,945	\$ 12,841,945
Cash received from other reimbursements	(1,086)	1,467,812	1,466,726
Claims paid	-	(13,873,372)	(13,873,372)
Cash payments for contractual services and accounts payable	(602,625)	317,392	(285,233)
Net cash used in operating activities	<u>(603,711)</u>	<u>753,777</u>	<u>150,066</u>
Cash flows from noncapital financing activities			
Transfer from other funds	<u>860,900</u>	<u>-</u>	<u>860,900</u>
Cash flows from investing activities			
Interest on investments	<u>23,453</u>	<u>44,310</u>	<u>67,763</u>
Net increase in cash and cash equivalents	<u>280,642</u>	<u>798,087</u>	<u>1,078,729</u>
Cash and cash equivalents-beginning of the year	<u>2,170,376</u>	<u>3,162,823</u>	<u>5,333,199</u>
Cash and cash equivalents-end of the year	<u><u>\$ 2,451,018</u></u>	<u><u>\$ 3,960,910</u></u>	<u><u>\$ 6,411,928</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (827,936)	\$ 436,385	\$ (391,551)
Adjustments to reconcile operating income/(loss) to net cash provided by operating activities:			
(Increase) in accounts receivable	(1,086)	-	(1,086)
Increase in accounts payable and claims payable	225,311	317,392	542,703
Net cash provided by (used in) operating activities	<u><u>\$ (603,711)</u></u>	<u><u>\$ 753,777</u></u>	<u><u>\$ 150,066</u></u>

City of Overland Park
Combining Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2017

	Employee Retirement Plans				
	Municipal Employees Pension Plan	Police Department Retirement Plan	Fire Department Retirement Plan	Other Post-Employment Benefits Trust	Total
Assets					
Cash and cash equivalents	\$ 1,000	\$ 2,184,226	\$ 830,386	\$ 40,501	\$ 3,056,113
Investments in equities	-	42,391,557	17,615,097	-	60,006,654
Investments in mutual funds	62,371,964	41,392,455	17,165,637	7,470,910	128,400,966
Investments in real estate investment trust	-	5,323,150	2,144,048	-	7,467,198
Investments in corporate bonds	-	3,393,916	1,318,928	-	4,712,844
Investments in U.S. Treasury and government agencies	-	12,239,886	5,206,859	-	17,446,745
Interest and dividends	-	-	-	-	-
Sales tax receivable	-	-	-	-	-
Total assets	\$ 62,372,964	\$ 106,925,190	\$ 44,280,955	\$ 7,511,411	\$ 221,090,520
Liabilities					
Due to State	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other entities	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Net Position					
Net position restricted for pensions	\$ 62,372,964	\$ 106,925,190	\$ 44,280,955	\$ 7,511,411	\$ 221,090,520
Held in trust for other purposes					

Private-purpose Trust	Agency Funds			
	State License	CMB State Stamp	Transportation Development Districts	Total
Tomahawk Cemetery				
\$ 2,984	\$ 41,640	\$ 550	\$ 8,653,745	\$ 8,695,935
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	23,639	23,639
-	-	-	701,681	701,681
<u>\$ 2,984</u>	<u>\$ 41,640</u>	<u>\$ 550</u>	<u>\$ 9,379,065</u>	<u>\$ 9,421,255</u>
\$ -	\$ 41,640	\$ 550	\$ -	\$ 42,190
-	-	-	9,379,065	9,379,065
<u>\$ -</u>	<u>\$ 41,640</u>	<u>\$ 550</u>	<u>\$ 9,379,065</u>	<u>\$ 9,421,255</u>
<u>\$ 2,984</u>				

City of Overland Park
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2017

	Employee Retirement Plans				Total	Private-purpose Trust
	Municipal Employees Pension Plan	Police Department Retirement Plan	Fire Department Retirement Plan	Other Post-Employment Benefits Trust		Tomahawk Cemetery
Additions						
Contributions:						
Rollover	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer	1,916,704	1,554,536	1,759,305	800,000	6,030,545	-
Plan members	68,098	-	-	-	68,098	-
Total contributions	<u>1,984,802</u>	<u>1,554,536</u>	<u>1,759,305</u>	<u>800,000</u>	<u>6,098,643</u>	<u>-</u>
Investment earnings:						
Net increase in fair value of investment	6,542,750	12,283,751	5,032,554	841,710	24,700,765	-
Interest		344,028	140,768	132,218	617,014	36
Dividends	1,612,601	2,462,770	1,015,477	-	5,090,848	-
Total investment earnings	<u>8,155,351</u>	<u>15,090,549</u>	<u>6,188,799</u>	<u>973,928</u>	<u>30,408,627</u>	<u>36</u>
Total additions	<u>10,140,153</u>	<u>16,645,085</u>	<u>7,948,104</u>	<u>1,773,928</u>	<u>36,507,270</u>	<u>36</u>
Deductions						
Benefits	2,974,150	2,472,986	2,069,350	-	7,516,486	-
Administrative expenses	-	326,993	150,279	3,072	480,344	158
Total deductions	<u>2,974,150</u>	<u>2,799,979</u>	<u>2,219,629</u>	<u>3,072</u>	<u>7,996,830</u>	<u>158</u>
Change in net position	7,166,003	13,845,106	5,728,475	1,770,856	28,510,440	(122)
Net position-beginning of the year	55,206,961	93,080,084	38,552,480	5,740,555	192,580,080	3,106
Net position-end of the year	<u>\$ 62,372,964</u>	<u>\$ 106,925,190</u>	<u>\$ 44,280,955</u>	<u>\$ 7,511,411</u>	<u>\$ 221,090,520</u>	<u>\$ 2,984</u>

City of Overland Park
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2017

	Balance January 1, 2017	Additions	Deductions	Balance December 31, 2017
<hr/> State License Fund <hr/>				
Assets				
Cash and cash equivalents	\$ 37,482	\$ 567,440	\$ 563,282	\$ 41,640
Total assets	<u>\$ 37,482</u>	<u>\$ 567,440</u>	<u>\$ 563,282</u>	<u>\$ 41,640</u>
Liabilities				
Due to State	\$ 37,482	\$ 567,440	\$ 563,282	\$ 41,640
Total liabilities	<u>\$ 37,482</u>	<u>\$ 567,440</u>	<u>\$ 563,282</u>	<u>\$ 41,640</u>
<hr/> CMB State Stamp Fund <hr/>				
Assets				
Cash and cash equivalents	\$ 600	\$ 2,400	\$ 2,450	\$ 550
Total assets	<u>\$ 600</u>	<u>\$ 2,400</u>	<u>\$ 2,450</u>	<u>\$ 550</u>
Liabilities				
Due to State	\$ 600	\$ 2,400	\$ 2,450	\$ 550
Total liabilities	<u>\$ 600</u>	<u>\$ 2,400</u>	<u>\$ 2,450</u>	<u>\$ 550</u>
<hr/> Transportation Development Districts <hr/>				
Assets				
Cash and cash equivalents	\$ 18,826,203	\$ 9,258,699	\$ 19,431,157	\$ 8,653,745
Interest receivable	15,740	7,899	-	23,639
Sales tax receivable	1,055,808	-	354,127	701,681
Special assessment receivable	10,381,000	-	10,381,000	-
Total Assets	<u>\$ 30,278,751</u>	<u>\$ 9,266,598</u>	<u>\$ 30,166,284</u>	<u>\$ 9,379,065</u>
Liabilities				
Due to other entities	\$ 30,278,751	\$ 9,266,598	\$ 30,166,284	\$ 9,379,065
Total Liabilities	<u>\$ 30,278,751</u>	<u>\$ 9,266,598</u>	<u>\$ 30,166,284</u>	<u>\$ 9,379,065</u>
<hr/> Totals - All Agency Funds <hr/>				
Assets				
Cash and cash equivalents	\$ 18,864,285	\$ 9,828,539	\$ 19,996,889	\$ 8,695,935
Interest receivable	15,740	7,899	-	23,639
Sales tax receivable	1,055,808	-	354,127	701,681
Special assessment receivable	10,381,000	-	10,381,000	-
Total assets	<u>\$ 30,316,833</u>	<u>\$ 9,836,438</u>	<u>\$ 30,732,016</u>	<u>\$ 9,421,255</u>
Liabilities				
Due to State	\$ 38,082	\$ 569,840	\$ 565,732	\$ 42,190
Due to other entities	30,278,751	9,266,598	30,166,284	9,379,065
Total liabilities	<u>\$ 30,316,833</u>	<u>\$ 9,836,438</u>	<u>\$ 30,732,016</u>	<u>\$ 9,421,255</u>

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Statistical Section
Contents

The statistical section of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the City's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	156 - 162
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and sales tax.	163 - 170
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future	171 - 175
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	176 - 177
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs	178 - 182

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

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City of Overland Park, Kansas

Net Position by Component
2008 to 2017 Inclusive
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 838,954,105	\$ 862,840,022	\$ 868,805,471	\$ 865,820,612	\$ 887,503,877	\$ 898,706,264	\$ 912,516,846	\$ 921,477,236	\$ 941,269,540	\$ 949,192,740
Restricted	7,796,704	6,103,477	5,671,256	3,761,989	4,835,240	4,620,877	4,767,379	6,088,172	7,623,174	8,983,036
Unrestricted	84,095,798	93,283,853	42,118,676	41,843,620	41,856,980	57,282,547	66,027,156	47,576,157	68,979,829	70,974,302
Total governmental activities net position	<u>\$ 930,846,607</u>	<u>\$ 962,227,352</u>	<u>\$ 916,595,403</u>	<u>\$ 911,426,221</u>	<u>\$ 934,196,097</u>	<u>\$ 960,609,688</u>	<u>\$ 983,311,381</u>	<u>\$ 975,141,565</u>	<u>\$ 1,017,872,543</u>	<u>\$ 1,029,150,078</u>
Business-type activities										
Net investment in capital assets	\$ (38,348,039)	\$ (44,979,383)	\$ (46,616,213)	\$ (48,314,692)	\$ (48,109,010)	\$ (48,043,726)	\$ (49,081,594)	\$ (49,536,373)	\$ (49,137,285)	\$ (46,517,430)
Restricted	10,962,295	15,136,992	15,596,664	16,272,483	15,827,405	14,592,968	15,879,957	16,689,167	16,713,151	14,297,585
Unrestricted	(5,136,080)	(8,375,248)	(1,284,250)	(2,239,190)	(6,879,350)	(7,239,877)	(7,649,443)	(7,662,129)	(7,651,452)	(8,046,460)
Total business-type activities net position	<u>\$ (32,521,824)</u>	<u>\$ (38,217,639)</u>	<u>\$ (32,303,799)</u>	<u>\$ (34,281,399)</u>	<u>\$ (39,160,955)</u>	<u>\$ (40,690,635)</u>	<u>\$ (40,851,080)</u>	<u>\$ (40,509,335)</u>	<u>\$ (40,075,586)</u>	<u>\$ (40,266,305)</u>
Primary government										
Net investment in capital assets	\$ 800,606,066	\$ 817,860,639	\$ 822,189,258	\$ 817,505,920	\$ 839,394,867	\$ 850,662,538	\$ 863,435,252	\$ 871,940,863	\$ 892,132,255	\$ 902,675,310
Restricted	18,758,999	21,240,469	21,267,920	20,034,472	20,662,645	19,213,845	20,647,336	22,777,339	24,336,325	23,280,621
Unrestricted	78,959,718	84,908,605	40,834,426	39,604,430	34,977,630	50,042,670	58,377,713	39,914,028	61,328,377	62,927,842
Total primary government net position	<u>\$ 898,324,783</u>	<u>\$ 924,009,713</u>	<u>\$ 884,291,604</u>	<u>\$ 877,144,822</u>	<u>\$ 895,035,142</u>	<u>\$ 919,919,053</u>	<u>\$ 942,460,301</u>	<u>\$ 934,632,230</u>	<u>\$ 977,796,957</u>	<u>\$ 988,883,773</u>

City of Overland Park, Kansas

Changes in Net Position
2008 to 2017 Inclusive
(accrual basis of accounting)

	2008			2009		
	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
Program Expenses						
General government	\$ 30,999,814	\$ -	\$ 30,999,814	\$ 34,770,572	\$ -	\$ 34,770,572
Public safety	51,058,659	-	51,058,659	51,060,017	-	51,060,017
Public works	52,708,940	-	52,708,940	56,463,561	-	56,463,561
Parks and recreation	9,250,525	-	9,250,525	8,896,868	-	8,896,868
Planning and development services	9,036,680	-	9,036,680	8,791,716	-	8,791,716
Golf course	-	3,274,422	3,274,422	-	3,040,711	3,040,711
Soccer Complex	-	-	-	-	667,718	667,718
OPDC	-	25,273,123	25,273,123	-	24,309,086	24,309,086
Interest on long-term debt	7,555,180	-	7,555,180	7,468,030	-	7,468,030
Total expenses	160,609,798	28,547,545	189,157,343	167,450,764	28,017,515	195,468,279
Program Revenues						
Charges for services						
General government	8,298,492	-	8,298,492	7,265,883	-	7,265,883
Public safety	7,222,235	-	7,222,235	7,938,795	-	7,938,795
Public works	2,251,968	-	2,251,968	817,546	-	817,546
Parks and recreation	3,937,131	-	3,937,131	4,509,488	-	4,509,488
Planning and development services	2,656,583	-	2,656,583	2,164,578	-	2,164,578
Golf course	-	3,207,324	3,207,324	-	3,275,900	3,275,900
Soccer Complex	-	-	-	-	431,974	431,974
OPDC	-	21,711,249	21,711,249	-	18,501,762	18,501,762
Operating grants and contributions	7,606,680	-	7,606,680	10,002,980	-	10,002,980
Capital grants and contributions	20,708,723	-	20,708,723	51,357,736	-	51,357,736
Total program revenues	52,681,812	24,918,573	77,600,385	84,057,006	22,209,636	106,266,642
Net Program (Expense)/Revenue	(107,927,986)	(3,628,972)	(111,556,958)	(83,393,758)	(5,807,879)	(89,201,637)
General Revenues and Other Changes in Net Position						
Property taxes	24,981,393	-	24,981,393	25,525,763	-	25,525,763
Sales taxes	48,833,515	-	48,833,515	43,864,652	-	43,864,652
Franchise taxes	9,662,788	-	9,662,788	9,434,467	-	9,434,467
Transient Guest tax	8,197,767	-	8,197,767	6,782,124	-	6,782,124
Unrestricted grants and contributions	20,548,004	-	20,548,004	20,408,525	-	20,408,525
Unrestricted investment earnings	5,960,755	194,348	6,155,103	1,297,849	9,305	1,307,154
Miscellaneous	4,849,248	175,318	5,024,566	7,316,549	247,333	7,563,882
Transfers	249,687	(249,687)	-	144,574	(144,574)	-
Change in Accounting Principle	-	-	-	-	-	-
Prior Period Adjustment	14,683,614	-	14,683,614	-	-	-
Total general revenues	137,966,771	119,979	138,086,750	114,774,503	112,064	114,886,567
Change in net position	\$ 30,038,785	\$ (3,508,993)	\$ 26,529,792	\$ 31,380,745	\$ (5,695,815)	\$ 25,684,930

2010			2011			2012		
Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
\$ 32,651,928	\$ -	\$ 32,651,928	\$ 34,805,867	\$ -	\$ 34,805,867	\$ 24,165,599	\$ -	\$ 24,165,599
49,296,357	-	49,296,357	49,874,733	-	49,874,733	49,093,933	-	49,093,933
58,956,143	-	58,956,143	61,229,121	-	61,229,121	57,384,226	-	57,384,226
14,743,711	-	14,743,711	4,530,531	-	4,530,531	18,644,475	-	18,644,475
7,919,968	-	7,919,968	7,084,275	-	7,084,275	7,219,292	-	7,219,292
-	2,865,160	2,865,160	-	3,073,047	3,073,047	-	5,063,747	5,063,747
-	965,025	965,025	-	1,012,289	1,012,289	-	1,086,509	1,086,509
-	24,603,609	24,603,609	-	25,473,353	25,473,353	-	25,123,892	25,123,892
9,177,523	-	9,177,523	6,355,197	-	6,355,197	6,619,907	-	6,619,907
172,745,630	28,433,794	201,179,424	163,879,724	29,558,689	193,438,413	163,127,432	31,274,148	194,401,580
7,552,961	-	7,552,961	9,533,064	-	9,533,064	7,684,975	-	7,684,975
7,424,157	-	7,424,157	6,927,966	-	6,927,966	7,135,360	-	7,135,360
508,665	-	508,665	654,081	-	654,081	1,682,704	-	1,682,704
4,836,764	-	4,836,764	4,971,524	-	4,971,524	5,001,565	-	5,001,565
1,978,793	-	1,978,793	2,514,905	-	2,514,905	3,222,746	-	3,222,746
-	3,171,584	3,171,584	-	2,869,736	2,869,736	-	5,125,017	5,125,017
-	1,135,085	1,135,085	-	1,168,226	1,168,226	-	1,286,692	1,286,692
-	18,009,544	18,009,544	-	19,890,341	19,890,341	-	19,681,243	19,681,243
10,736,837	-	10,736,837	13,704,711	-	13,704,711	14,637,360	-	14,637,360
16,143,063	-	16,143,063	12,858,126	-	12,858,126	23,595,514	-	23,595,514
49,181,240	22,316,213	71,497,453	51,164,377	23,928,303	75,092,680	62,960,224	26,092,952	89,053,176
(123,564,390)	(6,117,581)	(129,681,971)	(112,715,347)	(5,630,386)	(118,345,733)	(100,167,208)	(5,181,196)	(105,348,404)
24,200,005	-	24,200,005	23,010,679	-	23,010,679	34,073,454	-	34,073,454
39,713,882	-	39,713,882	46,553,901	-	46,553,901	47,715,776	-	47,715,776
9,952,518	-	9,952,518	10,386,572	-	10,386,572	10,295,175	-	10,295,175
6,734,429	-	6,734,429	7,451,593	-	7,451,593	7,772,500	-	7,772,500
19,451,231	7,732,856	27,184,087	20,870,906	-	20,870,906	23,129,956	-	23,129,956
864,073	30,586	894,659	519,540	30,316	549,856	765,462	118,887	884,349
5,782,561	249,271	6,031,832	2,149,841	225,603	2,375,444	3,211,320	341,477	3,552,797
(4,018,708)	4,018,708	-	(3,396,867)	3,396,867	-	(4,026,559)	4,026,559	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
102,679,991	12,031,421	114,711,412	107,546,165	3,652,786	111,198,951	122,937,084	4,486,923	127,424,007
\$ (20,884,399)	\$ 5,913,840	\$ (14,970,559)	\$ (5,169,182)	\$ (1,977,600)	\$ (7,146,782)	\$ 22,769,876	\$ (694,273)	\$ 22,075,603

City of Overland Park, Kansas

Changes in Net Position
2008 to 2017 Inclusive
(accrual basis of accounting)

	2013			2014		
	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
Program Expenses						
General government	\$ 33,886,609		\$ 33,886,609	\$ 33,667,024		\$ 33,667,024
Public safety	52,990,718		52,990,718	53,242,437		53,242,437
Public works	64,904,183		64,904,183	70,727,581		70,727,581
Parks and recreation	17,417,818		17,417,818	16,626,507		16,626,507
Planning and development services	7,405,840		7,405,840	7,290,665		7,290,665
Golf course		4,690,459	4,690,459		4,632,459	4,632,459
Soccer Complex		1,166,832	1,166,832		1,045,236	1,045,236
OPDC		25,737,078	25,737,078		26,511,937	26,511,937
Interest on long-term debt	6,135,643		6,135,643	5,536,611		5,536,611
Total expenses	182,740,811	31,594,369	214,335,180	187,090,825	32,189,632	219,280,457
Program Revenues						
Charges for services						
General government	9,524,146	-	9,524,146	10,649,111	-	10,649,111
Public safety	6,374,371	-	6,374,371	6,821,522	-	6,821,522
Public works	4,201,669	-	4,201,669	3,925,162	-	3,925,162
Parks and recreation	5,305,233	-	5,305,233	5,544,556	-	5,544,556
Planning and development services	3,863,441	-	3,863,441	3,337,946	-	3,337,946
Golf course	-	4,704,503	4,704,503	-	4,810,474	4,810,474
Soccer Complex	-	1,264,057	1,264,057	-	1,198,683	1,198,683
OPDC	-	21,238,907	21,238,907	-	22,925,782	22,925,782
Operating grants and contributions	17,224,618	-	17,224,618	12,285,677	-	12,285,677
Capital grants and contributions	31,255,566	-	31,255,566	31,400,727	-	31,400,727
Total program revenues	77,749,044	27,207,467	104,956,511	73,964,701	28,934,939	102,899,640
Net Program (Expense)/Revenue	(104,991,767)	(4,386,902)	(109,378,669)	(113,126,124)	(3,254,693)	(116,380,817)
General Revenues and Other Changes in Net Position						
Property taxes	34,286,336		34,286,336	34,479,648		34,479,648
Sales taxes	49,815,260		49,815,260	51,222,740		51,222,740
Franchise taxes	10,867,642		10,867,642	10,983,769		10,983,769
Transient Guest tax	8,442,580		8,442,580	9,396,742		9,396,742
Unrestricted grants and contributions	24,951,913		24,951,913	27,380,878		27,380,878
Unrestricted investment earnings	518,050	93,487	611,537	294,988	75,860	370,848
Miscellaneous	5,102,429	184,883	5,287,312	4,831,870	255,570	5,087,440
Transfers	(2,578,851)	2,578,851	-	(2,762,818)	2,762,818	(0)
Change in Accounting Principle			-			-
Prior Period Adjustment			-			-
Total general revenues	131,405,359	2,857,221	134,262,580	135,827,817	3,094,248	138,922,065
Change in net position	\$ 26,413,592	\$ (1,529,681)	\$ 24,883,911	\$ 22,701,693	\$ (160,445)	\$ 22,541,248

2015			2016			2017		
Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
\$ 33,678,644		\$ 33,678,644	\$ 27,293,376		\$ 27,293,376	\$ 49,656,425		\$ 49,656,425
56,811,306		56,811,306	57,722,052		57,722,052	58,038,441		58,038,441
84,779,317		84,779,317	70,884,253		70,884,253	68,511,282		68,511,282
16,427,499		16,427,499	16,021,763		16,021,763	17,794,295		17,794,295
7,818,756		7,818,756	7,591,220		7,591,220	8,221,070		8,221,070
	4,444,788	4,444,788		4,618,341	4,618,341		4,825,928	4,825,928
	1,155,103	1,155,103		1,143,200	1,143,200		1,152,573	1,152,573
	27,134,815	27,134,815		26,916,665	26,916,665		26,675,475	26,675,475
6,381,217		6,381,217	5,165,106		5,165,106	4,070,522		4,070,522
205,896,739	32,734,706	238,631,445	184,677,770	32,678,206	217,355,976	206,292,035	32,653,976	238,946,011
10,874,123	-	10,874,123	12,546,531		12,546,531	11,852,201		11,852,201
7,458,653	-	7,458,653	6,758,079		6,758,079	6,439,641		6,439,641
3,086,611	-	3,086,611	4,025,281		4,025,281	3,958,969		3,958,969
5,516,395	-	5,516,395	5,805,366		5,805,366	5,517,015		5,517,015
4,246,668	-	4,246,668	4,116,727		4,116,727	4,831,180		4,831,180
-	5,004,110	5,004,110		5,133,118	5,133,118		5,411,137	5,411,137
-	1,303,552	1,303,552		1,479,342	1,479,342		1,425,046	1,425,046
-	23,503,118	23,503,118		23,108,630	23,108,630		21,826,642	21,826,642
14,115,047	-	14,115,047	14,374,807		14,374,807	16,609,863		16,609,863
34,752,883	-	34,752,883	30,614,490		30,614,490	12,316,736		12,316,735
80,050,380	29,810,780	109,861,160	78,241,281	29,721,090	107,962,371	61,525,605	28,662,825	90,188,429
(125,846,359)	(2,923,926)	(128,770,285)	(106,436,489)	(2,957,116)	(109,393,605)	(144,766,430)	(3,991,151)	(148,757,582)
36,981,306		36,981,306	40,265,868		40,265,868	45,924,148		45,924,148
51,903,813		51,903,813	52,921,165		52,921,165	53,889,275		53,889,275
10,832,504		10,832,504	11,194,063		11,194,063	10,954,292		10,954,292
10,057,212		10,057,212	10,620,456		10,620,456	10,291,899		10,291,899
28,230,807		28,230,807	29,302,344		29,302,344	33,496,403		33,496,403
238,184	28,864	267,048	1,186,221	135,487	1,321,708	1,009,033	61,671	1,070,704
5,185,716	270,560	5,456,276	6,614,611	318,117	6,932,728	8,735,126	314,648	9,049,774
(2,966,247)	2,966,247	-	(2,937,262)	2,937,262	-	(3,424,113)	3,424,113	-
		-			-			-
		-			-			-
140,463,295	3,265,671	143,728,966	149,167,466	3,390,866	152,558,332	160,876,063	3,800,432	164,676,495
\$ 14,616,936	\$ 341,745	\$ 14,958,681	\$ 42,730,977	\$ 433,750	\$ 43,164,727	\$ 16,109,633	\$ (190,719)	\$ 15,918,913

City of Overland Park, Kansas

**Fund Balances, Governmental Funds
2008 to 2017 Inclusive
(modified accrual basis of accounting)**

	2008	2009	2010	2010	2011	2012	2013	2014	2015	2016	2017
General Fund											
Unreserved	\$ 50,963,727	\$ 40,755,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	1,802,009	1,009,899	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-
Committed	-	-	1,000,000	1,000,000	150,000	12,479,807	-	-	-	-	-
Assigned	-	-	666,914	1,450,310	717,147	2,152,114	20,444,438	22,788,414	30,249,453	32,680,095	41,007,313
Unassigned	-	-	28,474,058	40,097,712	31,341,222	23,222,648	29,019,142	34,606,653	41,202,961	43,100,743	45,767,758
Total General Fund	\$ 52,765,736	\$ 41,765,332	\$ 30,140,972	\$ 42,548,022	\$ 32,208,369	\$ 37,854,569	\$ 49,463,580	\$ 57,395,067	\$ 71,452,414	\$ 75,780,838	\$ 86,775,071
All Other Governmental Funds											
Reserved	\$ 3,654,934	\$ 9,824,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:											
Special Revenue Funds	26,107,863	19,723,462	-	-	-	-	-	-	-	-	-
Capital Project Funds	18,674,979	6,765,804	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	9,156,376	10,097,318	11,858,078	12,544,083	14,323,354	14,455,895	30,073,585	21,925,904	21,617,609
Assigned	-	-	323,303	11,099,765	12,505,889	6,398,506	10,564,215	12,122,323	8,215,599	22,332,307	21,597,919
Unassigned	-	-	14,571,535	(2,671,526)	(353,105)	(396,080)	(129,640)	(20,852)	(4,311,715)	(318,190)	(367,769)
Total Other Governmental Funds	\$ 48,437,776	\$ 36,313,451	\$ 24,051,214	\$ 18,525,557	\$ 24,010,862	\$ 18,546,509	\$ 24,757,929	\$ 26,557,366	\$ 33,977,469	\$ 43,940,021	\$ 42,847,759

Note: GASB 54 was adopted for fiscal year 2010, which changed the fund balance classifications.

City of Overland Park, Kansas

Changes in Fund Balances, Governmental Funds
2008 to 2017 Inclusive
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$85,135,463	\$85,607,006	\$80,600,834	\$87,402,745	\$99,856,905	\$103,411,818	\$106,082,899	\$109,774,835	\$115,001,552	\$121,059,614
Charges for services	13,200,875	14,376,084	13,644,861	14,989,713	14,249,902	15,921,236	16,589,591	15,114,325	16,930,292	16,619,790
Licenses and permits	4,905,313	2,986,929	2,489,098	3,172,139	4,907,224	8,069,054	7,264,894	7,335,774	8,145,012	8,793,207
Fines and penalties	5,178,643	5,964,523	5,541,388	4,883,935	4,712,719	6,374,371	6,821,522	7,458,653	6,758,079	6,439,641
Use of money	5,156,829	1,074,848	603,702	427,185	677,553	409,297	421,087	732,719	984,458	779,880
Intergovernmental	17,965,366	24,848,190	18,754,471	15,510,655	24,214,122	23,783,770	25,590,162	28,975,889	18,552,982	18,385,546
Contributions	2,724,184	2,901,453	2,713,610	2,871,966	3,168,509	2,921,533	2,073,354	3,741,982	4,038,434	3,914,597
Capital/operating grants	8,709,935	12,808,300	8,489,644	9,206,761	10,464,448	14,853,321	8,150,274	11,796,968	15,166,141	8,158,312
Grants/contributions not restricted to specific programs	20,136,314	19,716,141	19,089,260	21,650,738	22,569,980	24,502,311	26,906,579	27,855,403	28,727,212	32,493,051
Total revenues	163,112,922	170,283,474	151,926,868	160,115,837	184,821,362	200,246,711	199,900,362	212,786,548	214,304,162	216,643,638
Expenditures										
Current:										
General government	32,467,888	32,354,100	29,362,717	30,962,422	27,813,092	31,124,944	31,925,566	35,018,955	37,680,257	41,559,339
Public safety	49,797,425	48,984,474	49,144,598	49,533,008	48,246,523	50,406,416	50,726,779	53,105,346	55,100,510	57,329,186
Public works	17,155,557	19,343,226	16,160,730	15,421,911	14,902,074	16,050,151	17,262,338	17,546,537	18,104,290	17,980,517
Parks and recreation	8,876,872	8,650,001	9,677,522	10,718,555	10,637,063	11,235,618	11,590,611	11,780,743	12,729,332	15,979,068
Planning & development services	9,046,227	8,501,741	7,643,592	6,905,488	7,043,239	7,204,341	7,177,506	7,584,841	7,402,165	7,930,486
Capital improvements	85,876,249	82,048,182	46,133,339	31,966,101	47,368,661	48,183,869	46,168,458	59,769,837	44,406,457	41,786,092
Debt service										
Principal	16,185,000	19,460,000	16,322,876	16,768,038	17,227,086	24,938,249	15,966,750	17,500,000	52,850,000	20,167,407
Interest	7,232,013	7,435,173	7,511,920	7,553,688	6,847,818	5,878,349	5,597,236	5,097,369	4,856,220	4,080,472
Bond issuance costs	-	275,368	122,046	125,600	-	259,072	-	494,825	213,537	71,443
Total expenditures	226,637,231	227,052,265	182,079,340	169,954,811	180,085,556	195,281,009	186,415,244	207,898,453	233,342,768	206,884,010
Excess of revenues over (under) expend.	(63,524,309)	(56,768,791)	(30,152,472)	(9,838,974)	4,735,806	4,965,702	13,485,118	4,888,095	(19,038,606)	9,759,628
Other financing sources (uses)										
Proceeds of general obligation bonds	-	26,845,000	13,450,000	8,490,000	-	6,400,000	-	16,125,000		
Refunding bonds issued	-	3,864,910	-	6,665,000	-	23,595,000	-	20,685,000	31,590,000	3,925,000
Payment to refunded bond escrow agent				(6,762,856)	-	(17,355,144)	-	(19,624,998)		
Issuance: Premium or (Discount)	-	726,472	361,375	389,349	-	3,115,724	-	2,423,089	5,451,844	502,356
Capital lease issuance							-	47,511		
Transfers in	70,685,050	68,694,888	55,884,574	68,341,542	71,542,775	84,383,677	84,512,455	81,531,446	91,789,365	103,388,023
Transfers out	(68,185,363)	(68,550,314)	(60,303,282)	(72,138,409)	(76,096,734)	(87,284,528)	(88,266,649)	(84,597,693)	(95,501,627)	(107,673,036)
Total other financing sources (uses)	2,499,687	31,580,956	9,392,667	4,984,626	(4,553,959)	12,854,729	(3,754,194)	16,589,355	33,329,582	142,343
Net change in Fund Balances	(61,024,622)	(25,187,835)	(20,759,805)	(4,854,348)	181,847	17,820,431	9,730,924	21,477,450	14,290,976	9,901,971
Debt service as a percentage of noncapital expenditures	16%	18%	16%	17%	22%	19%	13%	13%	30% ⁽¹⁾	14%

(1) The 2016 principal expense includes a current refunding of \$36,760,000. Excluding this refunding results in 11 percent debt service percentage.

City of Overland Park, Kansas

Tax Revenues by Source, Governmental Funds
2008 to 2017 Inclusive

Fiscal Year	Property	Sales	Franchise	Transient Guest	Total
2008	24,981,393	42,293,515	9,662,788	8,197,767	85,135,463
2009	25,525,763	43,864,652	9,434,467	6,782,124	85,607,006
2010	24,200,005	39,713,882	9,952,518	6,734,429	80,600,834
2011	23,010,679	46,553,901	10,386,572	7,451,593	87,402,745
2012	34,073,454	47,715,776	10,295,175	7,772,500	99,856,905
2013	34,286,336	49,815,260	10,867,642	8,442,580	103,411,818
2014	34,479,648	51,222,740	10,983,769	9,396,742	106,082,900
2015	36,981,305	51,903,813	10,832,504	10,057,212	109,774,834
2016	40,265,868	52,921,165	11,194,063	10,620,456	115,001,552
2017	45,924,148	53,889,275	10,954,292	10,291,899	121,059,614

City of Overland Park, Kansas

Assessed Value and Estimated True Value of All Taxable Property
2008 to 2017 Inclusive

Year ¹	Residential Property	Commercial ³ Property	Utilities	Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated True Value ²	Assessed Value as a % of True Value
2008	1,604,166,754	1,099,823,336	66,183,496	102,502,433	2,872,676,019	8.852	18,616,651,182	11.5
2009	1,577,347,738	1,030,714,341	60,981,621	80,732,514	2,749,776,214	8.890	18,408,397,169	11.5
2010	1,546,973,392	924,619,992	57,733,658	65,290,086	2,594,617,128	8.876	17,668,097,559	11.5
2011	1,564,486,489	954,017,837	55,742,400	59,012,772	2,633,259,498	12.814	17,870,068,978	11.5
2012	1,580,739,016	967,270,510	49,821,564	50,540,129	2,648,371,219	12.769	18,028,416,539	11.5
2013	1,607,185,424	974,973,317	48,792,426	42,360,367	2,673,311,534	12.833	18,226,510,939	11.5
2014	1,715,979,504	1,059,796,532	45,360,611	37,535,462	2,858,672,109	12.837	19,518,479,424	11.5
2015	1,827,325,626	1,127,496,274	45,207,918	32,045,274	3,032,075,092	12.848	20,738,862,613	11.5
2016	1,945,377,557	1,245,548,377	47,170,898	29,044,333	3,267,141,165	13.800	24,093,342,818	11.5
2017	2,099,007,861	1,289,058,715	47,618,197	27,075,749	3,462,760,522	13.565	25,684,416,893	11.5

¹ Indicates assessment year and year of levy. Represents basis for the following budget year.

² Residential real estate is assessed at 11.5% of its fair market value, commercial property at 25%, and all other property at rates between 12% to 30%.

³ Indicates assessed valuation net of Tax Increment District Valuations

City of Overland Park, Kansas

Direct and Overlapping Property Tax Rates
2008 to 2017 Inclusive

Year ¹	General	Fire Service	Storm Water	Total City	County	Junior College	Other Misc. District ²	Shawnee Mission School District ³	Blue Valley School District ³	Olathe School District ³
2008	3.245	4.638	0.969	8.852	17.767	8.768	5.398	52.094	61.127	66.913
2009	3.259	4.658	0.973	8.890	17.716	8.784	5.497	55.318	65.079	66.900
2010	3.254	4.651	0.971	8.876	17.748	8.799	5.508	57.192	71.049	72.917
2011	7.262	4.593	0.959	12.814	17.700	8.872	5.488	56.135	72.828	69.924
2012	11.814	-	0.955	12.769	17.717	8.785	5.493	55.766	72.027	69.618
2013	11.873	-	0.960	12.833	17.745	9.551	5.502	55.611	70.036	69.486
2014	11.875	-	0.959	12.837	17.764	9.461	5.506	55.911	67.939	67.868
2015	11.887	-	0.961	12.848	19.582	9.469	7.013	54.059	67.889	67.764
2016	12.839	-	0.961	13.800	19.590	9.473	7.017	54.940	66.255	67.774
2017	12.603	-	0.962	13.565	19.318	9.503	7.033	53.663	66.614	71.174

¹ The year shown is the year in which taxes are levied for collection in the following fiscal year.

² Includes Johnson County Parks and Recreation District and library.

³ Overlapping rates are those of local and county governments that apply to property owners with the City of Overland Park. Not all overlapping rates apply to all property owners. The rates for Shawnee Mission School District, Blue Valley School District and Olathe School District only apply to approximately 50%, 40%, and 10%, respectively of all property owners.

Source: Johnson County-Mill Levies on Tangible Assets

City of Overland Park, Kansas

Principal Taxpayers
2017 and 2008

Taxpayer	Type of Business	2017			2008		
		Assessed	Rank	Percentage of Total ¹	Assessed	Rank	Percentage of Total
		Valuation		Valuation	Valuation		Assessed
Corporate Woods, LLC	Communications	58,509,133	1	1.50%	63,623,871	1	2.00%
Oak Park Mall, LLC	Shops and malls	52,614,009	2	1.40%	50,228,158	2	1.6%
CBPK5 LP	Property Management	22,706,743	3	0.60%			
Midwest Division-OPRMC, LLC	Hospital	18,725,640	4	0.50%	10,683,005	7	0.30%
Mept Lighton Plaza LLC	Office Bldg/Real Estate	16,077,501	5	0.40%	16,059,627	3	0.5%
Central Tennessee Hospital	Hospital	14,502,280	6	0.40%	15,384,770	4	0.5%
Tower Properties Company	Property Management	14,348,076	7	0.40%			
Privitera Realty Holdings	Office building/real estate	13,567,252	8	0.40%	15,282,324	5	0.5%
Aspen Square Inc	Shopping Center	13,396,101	9	0.40%			
City of Overland Park	Government	13,204,651	10	0.30%			
Rubicon	Shops and malls			0.00%	11,625,001	6	0.4%
CRP-2 Holdings, LLC	Real Estate			0.00%	10,269,376	8	0.3%
EDH Holdings, LLC	Real Estate			0.00%	9,364,050	9	0.3%
The Fountains, LLC	Real Estate			0.00%	9,341,751	10	0.3%
Total		<u>237,651,386</u>		<u>6.3%</u>	<u>148,238,062</u>		<u>6.7%</u>

Source: Johnson County

¹Vehicles included

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City of Overland Park, Kansas

**Property Tax Levies and Collections
2008 to 2017 Inclusive**

Year¹	Total Tax Levy	Current Tax Collections	Percentage Current Tax Collections	Prior Years Tax Collected²	Total Tax Collection	Percentage Total Collection to Current Levy
2008	25,247,135	24,812,853	98.28%	168,540	24,981,393	98.95%
2009	25,428,930	25,117,573	98.78%	408,190	25,525,763	100.38%
2010	24,445,509	24,025,155	98.28%	176,811	24,201,966	99.00%
2011	23,033,426	22,595,452	98.10%	368,115	22,963,567	99.70%
2012	33,742,590	33,145,200	98.23%	767,480	33,912,680	100.50%
2013	33,817,054	33,476,986	98.99%	629,063	34,106,049	100.85%
2014	34,330,026	34,057,405	99.21%	240,107	34,297,512	99.91%
2015	36,746,059	36,313,470	98.82%	351,514	36,664,984	99.78%
2016	39,011,577	38,734,773	99.29%	1,172,847	39,907,620	102.30%
2017	45,176,852	44,782,764	99.13%	581,247	45,364,011	100.41%

**Special Assessment Collections
2008 to 2017 Inclusive**

Levy Year¹	Assessments Certified to County	Current Assessment Collections	Percentage Assessments Collected	Prior Years' Assessments Collected	Total Tax Collections	Percentage Total Collection to Current Levy
2008	1,524,890	1,520,981	99.74%	40,791	1,561,772	102.42%
2009	1,576,250	1,572,143	99.74%	8,954	1,581,098	100.31%
2010	2,391,091	2,386,007	99.79%	1,068	2,387,076	99.83%
2011	2,318,379	2,315,724	99.89%	9,685	2,325,410	100.30%
2012	1,689,148	1,683,944	99.69%	11,008	1,694,953	100.34%
2013	1,681,258	1,680,858	99.98%	20,773	1,701,631	101.21%
2014	1,687,294	1,686,878	99.98%	109	1,686,987	99.98%
2015	1,688,006	1,687,695	99.98%	470	1,688,164	100.01%
2016	2,234,062	2,135,280	95.58%	(3,444)	2,131,836	95.42%
2017	2,288,412	2,154,364	94.14%	15,990	2,170,355	94.84%

¹ The year shown is the year in which collections were received. The levy or assessment is certified to the county the

² Due to system limitations at the County, delinquent property taxes cannot be broken out by tax levy year and are reported in the year collected.

Source: City Finance Department

City of Overland Park, Kansas

Taxable Sales by Category
2008 to 2017 Inclusive

	2008	2009	2010
Utilities	\$ 460,676,600	\$ 448,298,800	\$ 469,999,810
Depart. Stores - Inelastic	401,855,500	407,804,600	408,772,529
Restaurants	353,675,600	342,089,200	352,879,946
Grocery Stores	281,011,200	273,918,600	282,803,716
Construction & Home Repair	217,203,300	183,593,200	192,744,591
Depart. Stores - Elastic	389,874,000	357,063,400	354,721,432
Car Dealers, Rental, Leasing	222,650,300	187,333,500	197,173,895
Specialty Stores	129,131,300	120,626,200	120,800,136
Clothing & Shoe Stores	196,369,300	188,148,100	194,451,364
Computer & Office Supplies	103,793,600	102,390,300	99,108,735
All Others	762,480,400	690,114,600	702,026,537
Total	<u>\$ 3,518,721,100</u>	<u>\$ 3,301,380,500</u>	<u>\$ 3,375,482,691</u>
City direct sales tax rate	1.125%	1.125%	1.125%

Source:
City Finance Department

City of Overland Park, Kansas

Taxable Sales by Category
2008 to 2017 Inclusive

2011	2012	2013	2014	2015	2016	2017
\$ 482,044,167	\$ 475,656,503	\$ 463,222,797	\$ 472,305,236	\$ 467,508,288	\$ 495,880,240	\$ 478,110,261
429,875,478	463,700,901	476,820,673	456,315,026	469,364,677	480,525,014	482,184,679
376,751,115	397,332,565	411,881,542	430,978,416	455,384,129	473,373,588	481,044,010
299,673,667	310,720,386	314,935,773	340,591,055	341,304,894	362,023,500	365,217,340
249,920,863	218,951,534	271,868,594	290,212,516	299,766,465	301,511,861	329,543,519
348,056,103	317,338,628	310,974,547	296,661,692	275,889,053	253,562,921	246,386,492
212,101,508	239,480,009	226,674,643	227,275,444	215,558,024	236,652,108	230,618,948
128,466,943	137,550,327	168,065,937	175,935,490	212,187,382	211,692,740	208,556,974
198,262,094	194,936,280	176,496,877	186,535,260	194,646,959	191,333,786	180,164,356
104,093,855	110,922,669	116,139,198	119,921,442	109,716,116	135,381,852	132,000,089
746,721,870	768,694,629	771,807,319	807,916,923	833,531,590	125,924,791	125,874,324
\$ 3,575,967,663	\$ 3,635,284,431	\$ 3,708,887,900	\$ 3,804,648,500	\$ 3,874,857,577	\$ 3,267,862,401	\$ 3,259,700,992
1.125%	1.125%	1.125%	1.125%	1.125%	1.125%	1.125%

City of Overland Park, Kansas

Direct and Overlapping Sales Tax Rates
2008 to 2017 Inclusive

Year	General	Street Improvement	Total City	County
2008	1.000%	0.125%	1.125%	1.100%
2009	1.000%	0.125%	1.125%	1.225%
2010	1.000%	0.125%	1.125%	1.225%
2011	1.000%	0.125%	1.125%	1.225%
2012	1.000%	0.125%	1.125%	1.225%
2013	1.000%	0.125%	1.125%	1.225%
2014	1.000%	0.125%	1.125%	1.225%
2015	1.000%	0.125%	1.125%	1.225%
2016	1.000%	0.125%	1.125%	1.225%
2017	1.000%	0.125%	1.125%	1.475%

Source: City Finance Department

City of Overland Park, Kansas

Ratios of Outstanding Debt
2008 to 2017 Inclusive

Year	Governmental Activities			Business-Type Activities		Revenue		Total Primary Government	Percentage of Personal Income ¹	Per Capita
	General Obligation	Special Assessment	Capital Leases	General Obligation	Capital Leases	Bonds	Other			
2008	170,780,549	9,029,451	-	475,000	275,653	111,725,000	1,607,093	293,892,746	3.0%	1,703
2009	185,120,952	5,938,958	-	355,090	142,217	111,195,000	1,715,945	304,468,162	3.3%	1,741
2010	181,745,788	6,441,246	-	177,965	-	110,595,000	2,021,240	300,981,239	3.3%	1,736
2011	174,206,112	5,604,938	-	63,950	-	109,890,000	2,132,232	291,897,232	2.9%	1,668
2012	157,809,089	4,774,875	-	21,036	-	108,875,000	2,046,775	273,526,775	2.6%	1,526
2013	147,700,704	4,139,296	-	-	-	107,480,000	2,163,699	261,483,699	2.4%	1,447
2014	132,409,616	3,465,384	-	-	-	105,795,000	2,282,378	243,952,378	2.2%	1,321
2015	141,128,199	2,383,901	35,633	-	96,836	105,037,973	2,402,954	251,085,496	2.1%	1,337
2016	124,705,072	1,643,126	23,736	-	65,835	102,635,298	2,523,636	231,596,703	1.8%	1,222
2017	108,132,255	902,409	12,104	-	33,573	99,920,628	2,647,038	211,648,007	1.6%	1,104

¹ For Personal Income data, see personal income chart on the bottom of this page.

Source: City Finance Department

City of Overland Park

Personal Income
2008 to 2017 Inclusive

Year	Johnson County Personal Income ¹	Johnson County Population ²	Overland Park Population ²	Population as a % of Johnson Co	Overland Park Personal Income
2008	30,478,943,000	532,175	172,601	32.4%	9,885,274,657
2009	28,693,786,000	539,396	174,907	32.4%	9,304,377,541
2010	29,142,018,000	545,696	173,372	31.8%	9,258,653,068
2011	31,383,424,000	552,874	175,018	31.7%	9,934,748,427
2012	33,328,220,000	559,836	179,236	32.0%	10,670,297,801
2013	34,193,285,000	566,933	180,699	31.9%	10,898,452,562
2014	35,090,412,000	574,096	184,706	32.2%	11,289,766,239
2015 ³	37,423,633,000	579,837	187,730	32.4%	12,116,403,589
2016	39,332,238,000	585,635	189,450	32.3%	12,723,775,552
2017	41,338,182,000	591,492	191,780	32.4%	13,403,124,293

¹ U.S. Department of Commerce Bureau of Economic Analysis

² Dept of Planning & Development Svcs -2016 population as of July 1, 2016

² Johnson County Population -2017 population is an estimate using 1% increase from previous year.

³ 2016 Jo. Co. Personal Income is estimated based on prior years' growth.

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City of Overland Park, Kansas

Ratios of Net General Bonded Debt Outstanding
2008 to 2017 Inclusive

Year	Net General Bonded Debt ¹	Assessed Valuation ²	Debt as a Percentage of Assessed Valuation	Population ³	Debt Per Capita
2008	171,255,549	2,872,676,019	6.0%	172,601	1,000
2009	185,476,042	2,749,776,214	6.7%	174,907	1,068
2010	181,923,753	2,595,023,004	7.0%	173,372	1,049
2011	174,270,062	2,633,259,498	6.6%	175,018	996
2012	157,830,125	2,648,371,219	6.0%	179,236	881
2013	147,700,704	2,673,311,534	5.5%	180,699	817
2014	132,409,616	2,858,672,109	4.6%	184,706	717
2015	141,128,199	3,036,392,844	4.6%	187,730	752
2016	124,705,072	3,267,141,165	3.8%	189,450	658
2017	108,132,255	3,462,760,525	3.1%	191,780	564

Sources:

¹ City Finance Department

² Department of Planning and Development Services

³ OP Population is an estimate as of 7/1/2013, provided by Dept. of Planning & Development Services

City of Overland Park, Kansas

Ratios of General Bonded Debt Outstanding and Legal Debt Margin
2008 to 2017 Inclusive

	2008	2009	2010
Assessed Valuation	2,872,676,019	2,749,776,214	2,595,023,004
Assessed Valuation on Motor Vehicles	262,440,854	257,293,054	248,634,631
Total Assessed Valuation	3,135,116,873	3,007,069,268	2,843,657,635
General obligation bonded Indebtedness	180,285,000	191,415,000	188,365,000
Temporary Indebtedness	-	-	-
Total Indebtedness	180,285,000	191,415,000	188,365,000
Legal debt limit ¹	940,535,062	902,120,780	853,097,291
Legal debt margin	760,250,062	710,705,780	664,732,291
Legal debt margin as a percentage of the debt limit	80.83%	78.78%	77.92%

¹ According to Kansas law, the debt limitation is 30% of assessed valuation.

Source: City Finance Department

City of Overland Park, Kansas

Ratios of General Bonded Debt Outstanding and Legal Debt Margin
2008 to 2017 Inclusive

2011	2011	2012	2013	2014	2015	2016	2017
2,633,259,498	2,633,259,498	2,648,371,219	2,673,311,534	2,858,672,109	3,036,392,844	3,273,684,633	3,474,210,257
248,660,175	248,660,175	249,851,773	256,793,746	267,847,342	280,486,585	292,686,136	305,576,740
2,881,919,673	2,881,919,673	2,898,222,992	2,930,105,280	3,126,519,451	3,316,879,429	3,566,370,769	3,779,786,997
179,875,000	179,875,000	162,605,000	151,840,000	135,875,000	136,860,000	115,600,000	99,380,000
-	-	-	-	-	-	-	-
179,875,000	179,875,000	162,605,000	151,840,000	135,875,000	136,860,000	115,600,000	99,380,000
864,575,902	864,575,902	869,466,898	879,031,584	937,955,835	995,063,829	1,069,911,231	1,133,936,099
684,700,902	684,700,902	706,861,898	727,191,584	802,080,835	858,203,829	954,311,231	1,034,556,099
79.20%	79.20%	81.30%	82.73%	85.51%	86.25%	89.20%	91.24%

City of Overland Park, Kansas

Statement of Direct and Overlapping Debt
as of December 31, 2017

	Debt Outstanding	Estimated Percentage Applicable	City of Overland Park Share of Debt
Overlapping debt			
Blue Valley Unified School District (229)	\$ 341,240,000	51.35%	175,226,740
Olathe Unified School District (233)	523,901,157	10.37%	54,328,550
Shawnee Mission Unified School District (512)	341,795,000	24.17%	82,611,852
Spring Hill Unified School District (230)	158,565,000	2.51%	3,979,982
Johnson County	312,063,100	35.01%	109,253,291
Johnson County Parks and Recreation District	1,215,000	35.01%	425,372
Johnson County Community College	7,210,000	35.01%	2,524,221
Johnson County Fire #2	3,760,000	3.11%	116,936
Total overlapping debt			<u>428,466,944</u>
Direct debt			
Bonded debt:			
General obligation debt			\$ 108,132,255
Special assessment			902,409
Total general obligation bonded debt			<u>109,034,664</u>
Capital lease			<u>12,104</u>
Total direct debt			<u>109,046,768</u>
Combined direct and overlapping debt			<u>\$ 537,513,712</u>
Total net general obligation and overlapping debt			<u>\$ 536,599,199</u>

Overlapping debt is determined the ratio of the taxing unit's valuation that is within the City's boundaries multiplied by the taxing units outstanding debt by their ratio percentage.

Source: City Finance Department

City of Overland Park, Kansas

Demographic and Economic Statistics
2008 to 2017 Inclusive

Year	Population	Personal Income ¹	Per Capita Personal Income	Unemployment Rate ²
2008	170,345	9,885,274,657	58,031	4.7%
2009	172,601	9,304,377,541	53,907	6.7%
2010	174,907	9,258,653,068	52,935	5.8%
2011	173,372	9,934,748,427	57,303	5.1%
2012	179,236	10,670,297,801	59,532	4.4%
2013	180,699	10,898,452,562	60,313	4.3%
2014	184,706	11,289,766,239	61,123	3.9%
2015	187,730	12,116,403,589	64,542	3.5%
2016	189,450	12,723,775,552	67,162	3.3%
2017	191,780	13,403,124,293	69,888	3.0%

¹ Derived from the personal income for Johnson County provided by the
COP Planning Dept.

<https://www.bea.gov/>

² Kansas Labor Information Center

City of Overland Park, Kansas

Principal Employers
2017 and 2008

Taxpayer	2017			2008		
	Employees	Rank	Percentage of Total City Employees	Employees	Rank	Percentage of Total City Employees
Sprint/Nextel	6,000	1	5.7%	12,000	1	12.7%
Shawnee Mission School District	3,345	2	3.2%	4,166	2	4.4%
Blue Valley School District	3,226	3	3.1%	3,153	5	3.3%
Black & Veatch Engineering Consultants	3,000	4	2.9%	3,800	4	4.0%
Johnson County Community College	2,359	5	2.3%	930	9	1.0%
OptumRx	2,000	6	1.9%			
US Bank	1,400	7	1.3%			
Waddell & Reed Financial	1,369	8	1.3%	1,045	8	1.1%
Overland Park Regional Medical Center	1,300	9	1.2%	2,000	7	2.1%
YRC Freight	1,000	10	1.0%	2,600	6	2.8%
Embarq	-			3,800	3	4.0%
Zurich North American Commerical				900	10	1.0%
Total	24,999		23.85%	34,394		36.50%

Source:

Kansas Labor Information Center

Overland Park Chamber of Commerce

City of Overland Park, Kansas

Full-time Equivalent City Government Employees by Function/Program
2008 to 2017 Inclusive

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government										
Mayor and Council	13	13	13	13	13	13	13	13	13	13
City Manager's Office/Communications	9	9	9	8	7	7	7	9	9	9
Information Technology	37	37	37	33	32	32	33	33	34	35
Municipal Court	28	28	28	26	25	25	25	25	25	26
Law	13	14	14	13	12	12	12	12	13	13
Finance, Budget and Administration	26	25	24	19	19	19	19	20	20	20
Human Resources	17	17	16	14	13	15	15	15	15	15
Public Safety										
Police	319	317	316	308	300	303	302	302	308	318
Fire ¹	159	158	158	155	154	154	156	162	180	181
Public Works	132	136	136	132	128	127	129	132	133	136
Parks and Recreation	64	69	66	55	56	55	55	64	64	64
Planning and Development	89	87	84	68	67	67	67	68	70	73
Total	<u>906</u>	<u>910</u>	<u>901</u>	<u>844</u>	<u>826</u>	<u>829</u>	<u>833</u>	<u>855</u>	<u>884</u>	<u>903</u>

Source: City Budgets

City of Overland Park, Kansas
Operating Indicators by Function/Program
2008 to 2017 Inclusive

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police										
DUI Charges	876	879	882	655	648	584	613	644	619	595
Parking Violations	1,162	1,187	701	635	540	644	791	765	707	692
Traffic Tickets	41,085	43,076	46,362	36,478	33,948	33,750	37,811	39,009	28,946	29,928
Alarm calls	6,148	5,645	5,326	6,412	5,260	6,247	6,102	6,051	6,275	5,902
Fire										
Fire calls	3,488	3,200	3,393	3,403	3,395	3,140	3,761	4,109	4,156	4,355
EMS calls	12,836	13,476	14,380	15,284	15,452	16,080	17,549	18,954	19,263	19,719
Parks & Recreation										
Recreational program participants	58,111	89,280	91,474	86,491	**NA	**NA	**NA	**NA	**NA	**NA
Pool participants	174,221	170,246	181,354	177,794	176,464	136,925	134,050	131,462	139,260	143,939
Planning and Development										
Building permits	3,468	3,250	3,279	3,508	3,662	3,902	4,466	5,057	4,638	4,870
Plans Reviewed	3,092	2,609	2,704	3,360	2,305	2,661	3,579	4,135	4,169	2,776
Solid Waste permits	123	104	114	103	130	122	123	121	118	144
Sign and special event permits	1,129	1,048	1,149	1,235	1,295	1,204	1,370	1,391	1,330	1,596
Pool permits	408	415	422	428	403	413	422	419	412	415
Convention Center										
Events	333	280	285	341	357	339	331	352	303	288
Attendance	328,852	287,751	251,021	235,097	290,255	306,487	344,367	380,021	358,268	372,539

The Parks & Recreation department is no longer tracking the number of recreational program participants.

Source: City of Overland Park Employees

City of Overland Park, Kansas

Capital Asset Statistics by Function/Program
2008 to 2017 Inclusive

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Works										
Streets (miles)	1,811	1,853	1,866	1,878	1,901	1,921	1,967	1,970	1,970	1,993
Streetlights	13,664	13,832	14,345	14,536	14,545	17,098	17,414	17,542	17,595	17,909
Traffic Signals	252	253	255	258	258	258	259	262	266	270
Stormsewers (miles)	593	627	630	638	661	665	665	678	716	724
Parks and Recreation										
Park Acreage	1,450	1,450	1,460	1,460	1,450	1,460	1,460	1,462	1,462	1,492
Parks	83	83	83	83	83	83	83	83	83	83
Police Department										
Automobiles	44	39	41	41	39	39	39	39	43	43
Police Stations	4	4	4	4	4	4	4	4	5	5

Source: City of Overland Park Employees

CITY OF OVERLAND PARK

SCHEDULE OF ECONOMIC DEVELOPMENT REVENUE BONDS

As of 12/31/17

Company	Interest Rate	Interest Payment Date	Date Issued	Maturity Date	Serial Payment	Payment Date Year	Authorized Amount	Issued Amount	Outstanding Amount
Black & Veatch Series 2009	4.00%	July 1 & January 1	7/1/2009	7/1/2019	\$60,000,000	2019	\$60,000,000	\$60,000,000	\$60,000,000
Black & Veatch Series 2012	4.00%	December 1	12/27/2012	12/1/2022	\$4,412,493 \$4,412,493 \$4,412,493 \$4,412,493 \$4,412,493	2018 2019 2020 2021 2022	\$62,000,000	\$41,844,150	\$22,062,465
Teva Neuroscience, Inc. Series 2013A	3.8%	October 7	9/30/2013	10/7/2028	\$1,926,821 \$2,158,829 \$2,242,308 \$2,329,016 \$2,419,076 \$2,560,807 \$2,905,396 \$3,017,744 \$3,134,437 \$3,255,642 \$10,280,775	2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028	\$43,400,000	\$43,400,000	\$36,230,852
Teva Neuroscience, Inc. Series 2013B	3.8%	October 7	9/30/2013	10/7/2023	\$893,250	2023		\$893,250	\$893,250
Avenue 80 Series 2015	6.0%	February 1 & August 1	11/24/2015	2/1/2018	\$13,423,755	2018	\$15,500,000	\$13,423,755	\$13,423,755
OPX, LLC Series 2015	2.0%	February 1	12/30/2015	2/1/2026	\$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$57,030,000	2018 2019 2020 2021 2022 2023 2024 2025 2026	\$57,930,000	\$57,930,000	\$57,830,000
InterUrban Lofts Series 2016	3.0%	February 1	2/19/2016	2/1/2019	\$3,172,848	2019	\$3,900,000	\$3,172,848	\$3,172,848
Nall Hills Series 2016	3.0%	May 1	5/26/2016	5/1/2019	\$5,654,695	2019	\$7,700,000	\$5,654,695	\$5,654,695
The Vue Series 2016	3.0%	March 31	10/18/2016	3/31/2019	\$100,000	2019	\$17,500,000	\$100,000	\$100,000
Mission Farms West -Building G Series 2016	5.0%	December 31	11/3/2016	12/31/2018	\$100,000	2018	\$3,000,000	\$100,000	\$100,000
Market Lofts Series 2016	3.0%	December 1	12/2/2016	12/1/2018	\$2,571,635	2018	\$7,200,000	\$2,571,635	\$2,571,635

CITY OF OVERLAND PARK

SCHEDULE OF ECONOMIC DEVELOPMENT REVENUE BONDS
As of 12/31/17

Company	Interest Rate	Interest Payment Date	Date Issued	Maturity Date	Serial Payment	Payment Date Year	Authorized Amount	Issued Amount	Outstanding Amount
Nall Corporate Centre II Series 2016	3.0%	February 1	12/20/2016	2/1/2027	\$1,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$9,443,300	2018 2019 2020 2021 2022 2023 2024 2025 2026 2027	\$43,000,000	\$18,443,300	\$18,443,300
Tower Properties Series 2017	3.0%	December 1	10/12/2017	2/1/2027	\$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$24,776,700	2018 2019 2020 2021 2022 2023 2024 2025 2026 2027	\$25,676,700	\$25,676,700	\$25,676,700
OPX, LLC Series 2017	3.0%	February 1	10/27/2017	2/1/2026	\$100,000	2026	\$20,470,000	\$100,000	\$100,000
Promontory Phase 1A Series 2017	3.0%	July 1	12/18/2017	7/1/2020	\$100,000	2020	\$15,500,000	\$6,182,400	\$6,182,400
Promontory Phase 1B Series 2017	3.0%	December 1	12/18/2017	12/31/2019	\$100,000	2019	\$4,200,000	\$3,796,084	\$3,796,084

TOTAL \$256,237,984

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