



City of Overland Park, Kansas

The City of Overland Park's Finance Department has provided the 2021 Trend Report to highlight the major assumptions used in developing the financial data presented. The City's adopted Fiscal Policy is used as guidelines to direct the City toward long-term financial stability and security.

Financial standards are reviewed periodically and used to monitor the development of the five-year Financial Plan, Capital Improvements Program (CIP), Maintenance Plan, and the Annual Operating Budget. This report includes the years 2017 through 2021.

The data represents actual figures derived primarily from the City of Overland Park's Annual Comprehensive Financial Report (ACFR), and the ACFR's of comparable benchmark cities.



The 2021 population estimate of 201,870 was provided by the City's Planning and Development Service Department. Where constant dollars are presented, the base year used for the index is 2017. Industry benchmarks have been identified which enable the reader to make certain conclusions as to favorable or unfavorable trends or conditions. These benchmarks are taken from Standard & Poor's Credit Week municipal publication or the City's adopted financial standards. The supplemental data provides population growth in Overland Park in comparison to other Johnson County Cities.

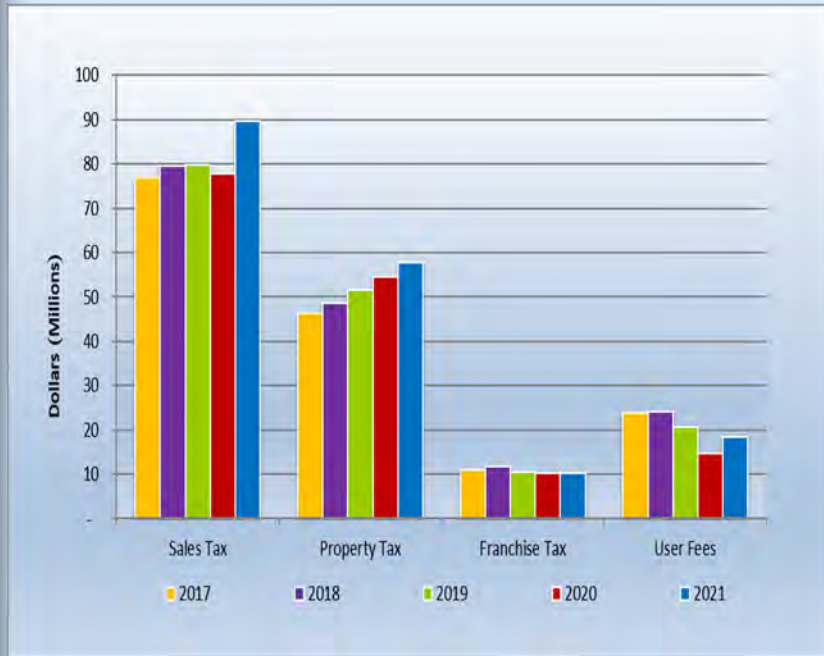
Financial data was compiled from five comparable triple-A rated cities with populations similar to Overland Park.



Operating Revenue Sources—Assessed Valuation Real Property

Operating Revenue Sources - Constant Dollars

The Operating Revenue sources in Constant Dollars is reported revenues adjusted to eliminate the impact of inflation. The statistical measure used for this purpose is the CPI-U (Kansas City Metropolitan area) price index, prepared by the Bureau of Labor Statistics. The base year for constant dollars is 2017.



Sales tax revenue had been stagnant due to several factors, such as online sales, and competition from growing neighboring cities. In 2021 there was a sharp increase due to an increase in consumer spending as a result of the improving pandemic.

Property tax revenue has slowly increased based on increases in citywide property tax values and new construction. **Franchise tax** has remained constant. **User Fee** growth is primarily driven by construction and development activity. Due to the global health pandemic (Covid-19) all revenue was impacted, as many leisure activities were

closed in 2020 (pools, fitness center, the farmstead & soccer fields, to name a few). In 2021 the user fee revenues were almost back to prior 2020 growth.

Assessed Valuation - Real Property

The Assessed Valuation (AV) placed upon real and certain personal property by the County Assessor is the basis for levying property taxes. AV is calculated as a percentage of a property's appraised values. In accordance with state law, the current assessed valuation rates for real estate are 11.5% for residential, 25% for commercial and 30% for agricultural property. Real property entails the right of use, control and disposition of the land and its attached objects; this can include buildings, roads, and machinery.

The (AV) for residential activity has had significant increases during the reporting period of 2017 to 2021. AV growth is dependent on both economic expansion and ongoing development activity within the City. Economic development activity is expected to continue at strong levels for the near future.



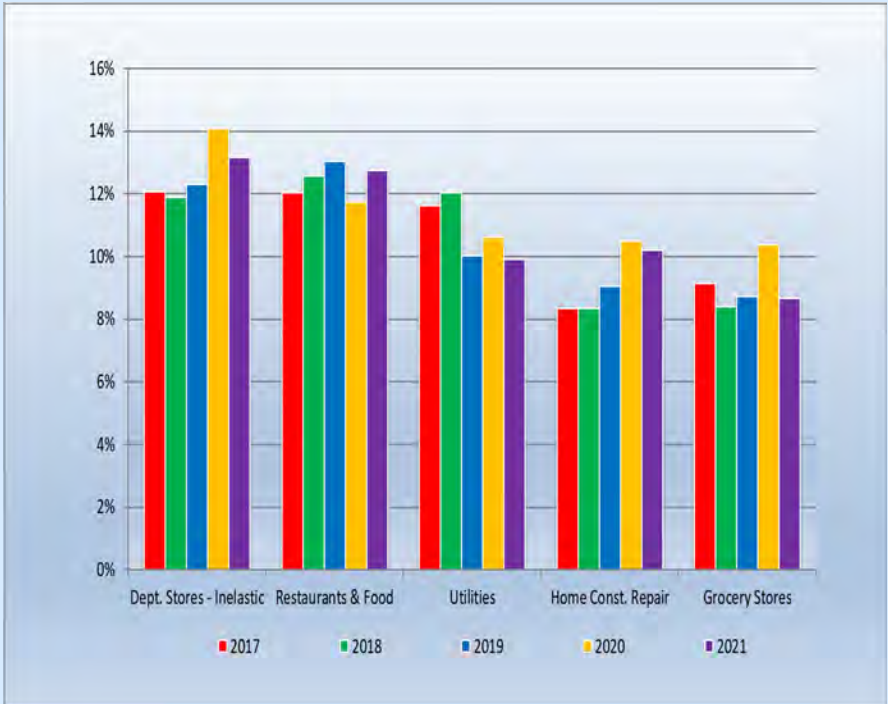


Sales Tax Categories—Retail Sales

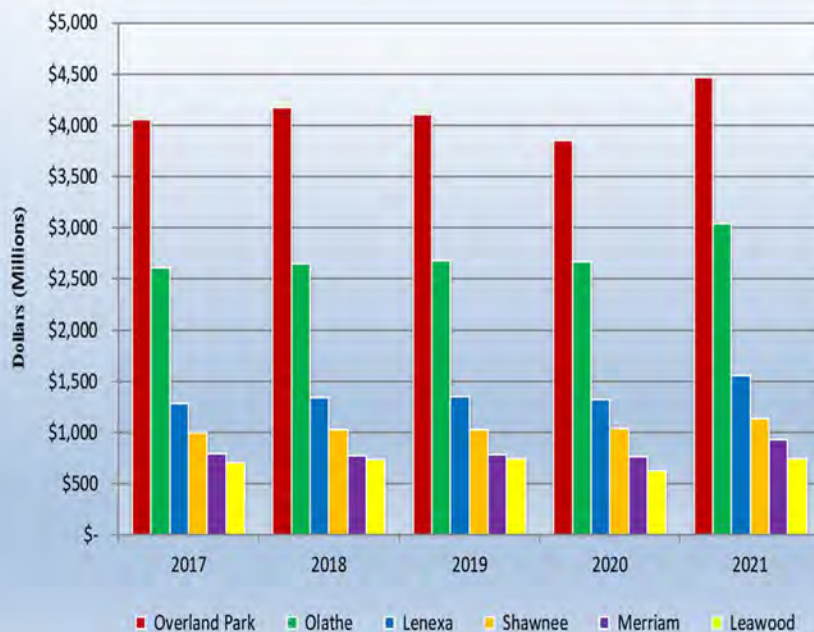
Sales Tax Categories as a Percentage of Total Collection

This comparison is of the City of Overland Park sales tax collections in the top five retail-type categories for the period of 2017 through 2021. Sales tax revenue is collected from the 1.125% tax on all non-exempt sales within the City.

This graph displays the diversity of the City's sales tax base. The categories of Restaurants & Food and Department Stores-Inelastic are the largest source of the City's tax revenue. The City continues to have a diverse sales tax base. For 2021 the sales tax revenue shows the economic rebound from the shut down in 2020 due to the Covid-19 health pandemic.



Retail Sales—Johnson County Cities



Retail sales represent purchase of finished goods by consumers and businesses. The information for this chart comes from the State of Kansas Sales Tax Report.

The City of Overland Park has experienced a gradual increase in retail sales over the reporting period. Other Johnson County cities have experienced similar growth, with Olathe, Lenexa, and Shawnee all gaining market share of retail sales within Johnson County. The Covid-19 health pandemic impacted all cities' sales tax revenues in 2020, but sales tax revenues rebounded and grew in 2021.



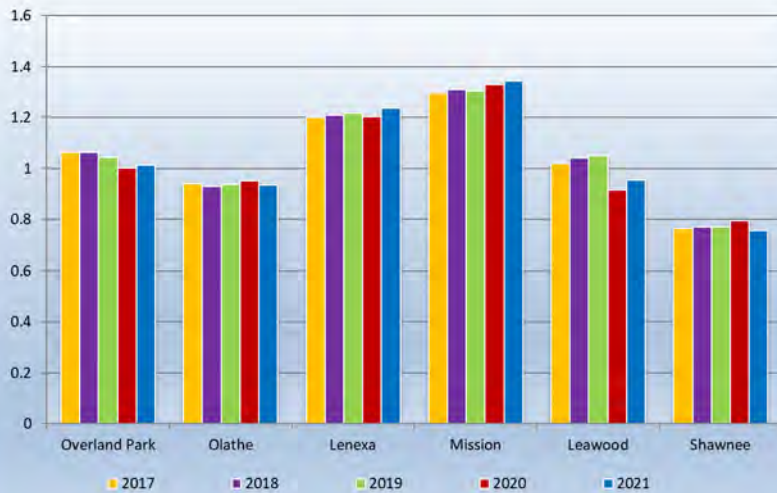
Sales Tax Pull Factor—General Fund Revenue Sources

Sales Tax Pull Factor—Major Johnson County Cities

Sales tax pull factor measures the strength of retail sales within a community. A pull factor of greater than one

indicates that a community is attracting sales activity in relation to their population. A pull factor of less than one indicates that a community is losing sales activity to other cities.

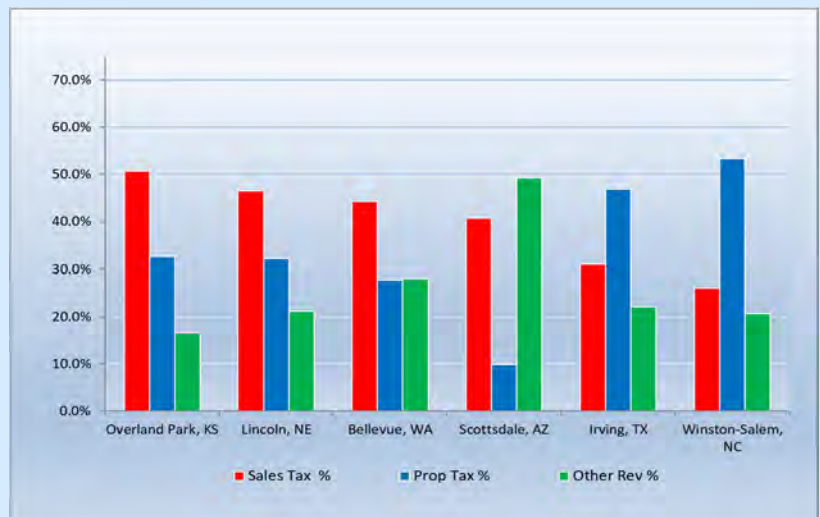
Overland Park's sales tax pull factor decreased during the reporting period. The sales tax pull factor for the City overall is still strong. The impact of large retail development in neighboring cities has had a slight impact on Overland Park's pull factor, as has online shopping.



General Fund Revenue Sources (Benchmark Cities)

The General Fund is used to account for all the financial resources and expenditures of the City except those required to be accounted for in another fund. Overland Park and Lincoln, NE have a high reliance on sales tax revenue when compared to most other benchmark cities. Bellevue, WA has a more balanced revenue structure with each of the three major revenue sources (property tax, sales tax, and other revenues) approximately equaling one-third of their total revenue.

Scottsdale, AZ relies heavily on other revenues (state shared sales, state revenue sharing, & auto lieu tax are just a few), while Winston-Salem, NC & Irving, TX rely heavily on property tax.



General Fund—2021	Sales Tax	Property Tax	Other Revenues	Total Revenues
Overland Park, KS	\$ 89,586,226	\$ 57,700,101	\$ 29,359,786	\$ 176,646,113
Lincoln, NE	\$ 90,010,201	\$ 62,310,876	\$ 40,950,820	\$ 193,271,897
Bellevue, WA	\$ 99,942,000	\$ 62,581,000	\$ 63,086,000	\$ 225,609,000
Scottsdale, AZ	\$ 136,511,000	\$ 33,128,000	\$ 164,920,000	\$ 334,559,000
Irving, TX	\$ 78,228,532	\$ 118,238,570	\$ 55,612,569	\$ 252,079,671
Winston-Salem, NC	\$ 54,678,675	\$ 112,227,066	\$ 43,534,816	\$ 210,440,557



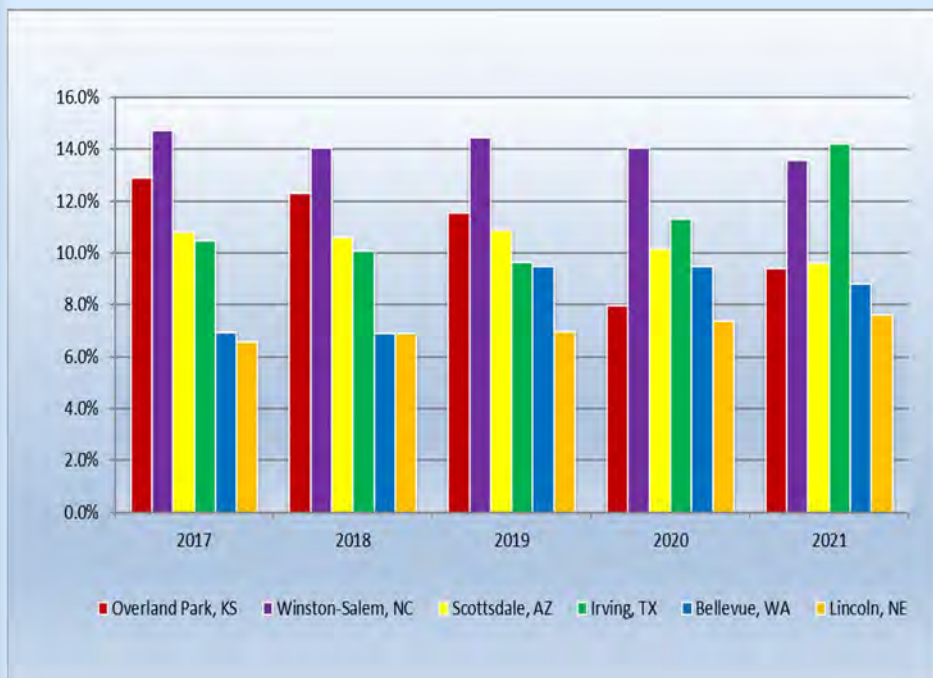
Property Tax Revenue—User Fees as a % of General Fund Revenue

Benchmark Cities General Fund Property Tax Revenue Per Capita - Constant Dollars (2017)

Per Capita quantifies data by each individual resident. When compared to other benchmark cities, Overland Park is in the middle of the pack. In 2017 constant dollars, property tax revenues are trending slightly upward for Overland Park.



User Fees as a Percentage of General Fund Revenue - Benchmark Cities



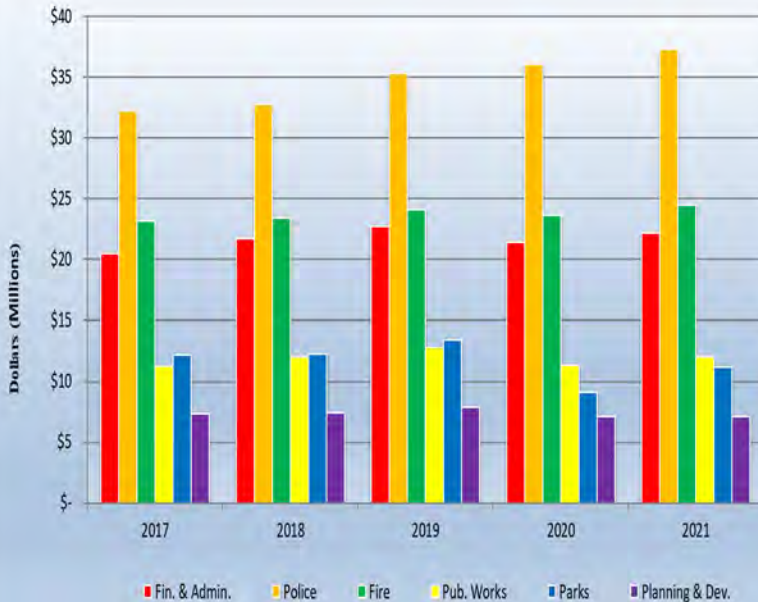
User Fees are fees paid for direct receipt of a public service by the party benefiting from the service. Overland Park's user fee revenue as a percentage of total General Fund revenue is higher than most of the benchmark cities. Due to the Covid-19 health pandemic in 2020, many revenue generating facilities were closed causing the user fee revenue to substantially decrease. In 2021 the user fees for most cities are showing an increase and are almost back to pre-Covid percentages.



Operating Expenditures—Expenditures per Capita

Operating Expenditures by Goal Area—Constant Dollars

The Goal Areas are reporting categories that are aligned to standards or benchmarks. After adjusting expenditures for inflation, most goal areas have remained stable in spending levels between 2017 and 2021 except for an increase in Information Technology spending due to Cyber Security needs, in the Fin. & Admin. Goal area. Based on historical trends, the City is able to meet growing service demands due to population increases within the existing revenue structure. The City's long-term financial plan is structured to accommodate increased demand for services and corresponding increases in expenditures. Continued price inflation and a growing population will require monitoring of a proper balance between revenues and operating expenditures to sustain the City's financial strength.



Operating, Capital Projects, Maintenance & Debt Service Expenditures Per Capita—Constant Dollars

- **Operations**—Reported day-to-day expenditures for on-going governmental services.
- **Capital Projects**—Improvements, are generally financed through long-term bonded debt, pay-as-you-go (cash) or special assessments, this includes street, & drainage improvements, park acquisition and development, and public building improvements.
- **Debt Service**—The payment of principal and interest on the City's bonded debt.
- **Maintenance**—Maintains the City's infrastructure assets such as streets, traffic management systems, storm sewers, curbs and sidewalks.

During the reporting period, all types of expenditures have trended downward, as expenditures have not kept pace with inflation.

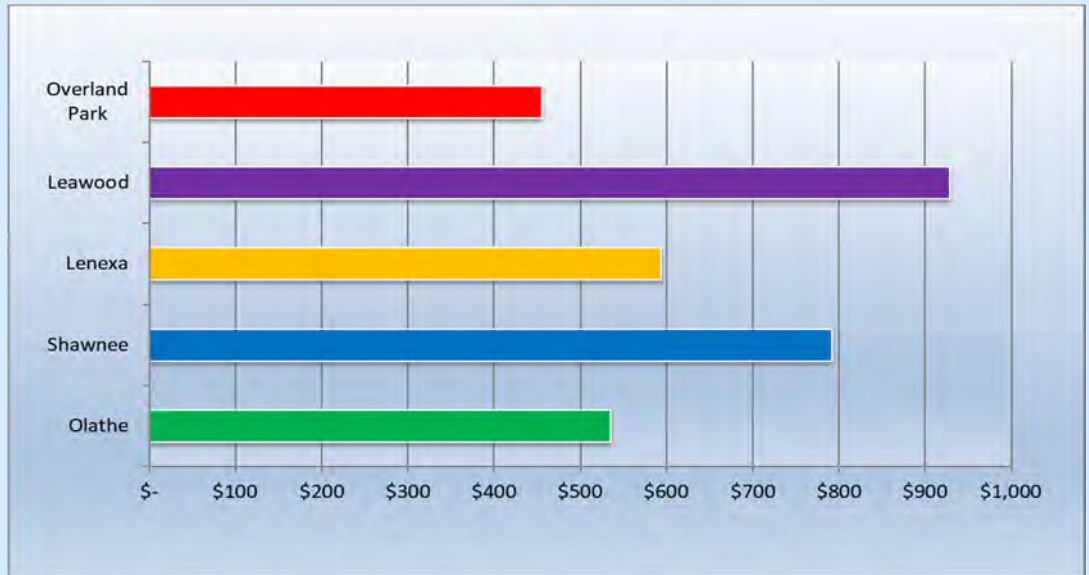




General Fund Expenditures

General Fund Expenditures Per Capita Constant Dollars (Johnson County Cities)

For the year of 2021, Overland Park's per capita General Fund expenditures were lower than similar Johnson County cities.



Benchmark City's General Fund Expenditures Per Capita (Constant Dollars)



Overland Park's per capita General Fund expenditures remain low in comparison to most other benchmark cities.



Debt Per Capita

Comparison of Debt Per Capita

Per Capita comparison of the City's direct bonded debt, (debt that is issued by the City for which the City has

pledged its full faith and credit) and overlapping debt (direct bonded debt of another jurisdiction that is issued against a tax base within the boundaries of the City of Overland Park).

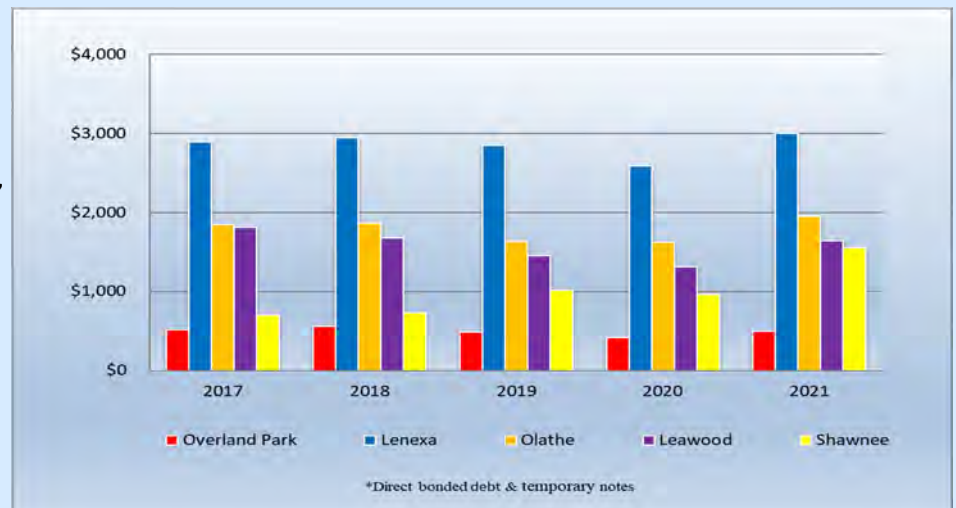
The per capita amount of direct bonded debt has steadily decreased through 2020., before increasing in 2021 due to a 2021 bond issue. Overlapping debt has steadily increased during the five-year reporting period. The City's total direct bonded debt per capita in 2021 is \$493, which complies with the City's standard of less than \$1,200.



Indebtedness Per Capita -Johnson County Cities

Overland Park	Lenexa	Olathe	Leawood	Shawnee	
2017	\$ 518	\$ 2,889	\$ 1,847	\$ 1,807	\$ 703
2018	\$ 562	\$ 2,942	\$ 1,862	\$ 1,672	\$ 732
2019	\$ 486	\$ 2,845	\$ 1,633	\$ 1,453	\$ 1,014
2020	\$ 419	\$ 2,586	\$ 1,620	\$ 1,308	\$ 963
2021	\$ 493	\$ 2,998	\$ 1,954	\$ 1,644	\$ 1,550

Total direct bonded debt and temporary notes per capita for select Johnson County Kansas Cities, excluding utility revenue bonds. Overland Park shows a low level of indebtedness per capita in comparison to similar Johnson County cities.



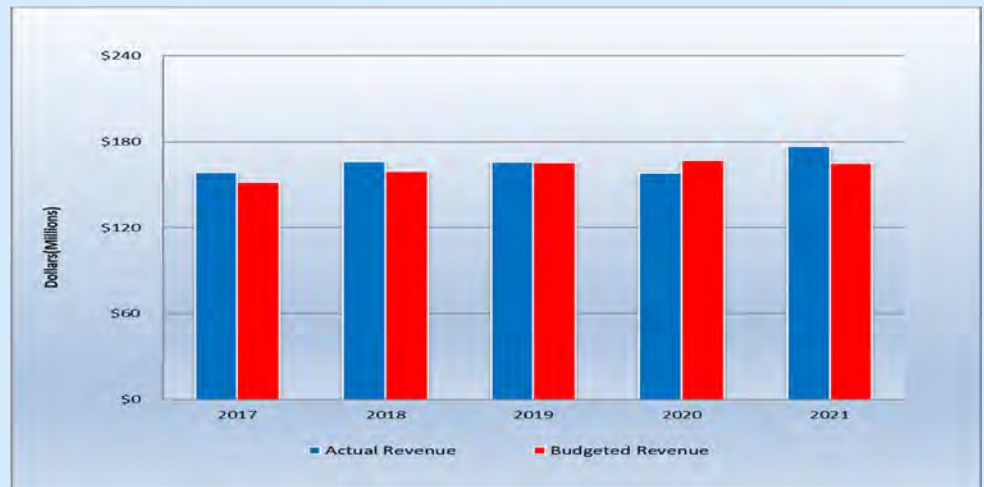


Actual & Budgeted Revenue-Unassigned Fund balances

Comparison of Actual & Budgeted General Fund Revenues

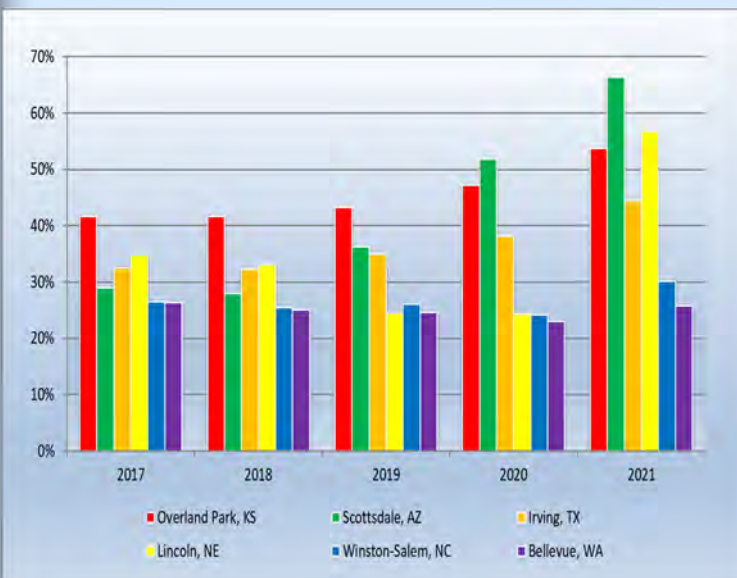
General Fund only	2017	2018	2019	2020	2021
Actual Revenue	\$158,325,157	\$166,237,765	\$165,654,364	\$158,269,317	\$176,646,113
Budgeted Revenue	\$151,605,000	\$159,340,000	\$165,495,000	\$166,875,000	\$165,010,000
Over(under) budget	\$6,720,157	\$6,897,765	\$159,364	\$8,605,663	\$11,636,113
Percentage of Revenue					
Over(under) budget	4.4%	4.3%	0.1%	5.2%	7.1%

During the 2017-2021 reporting period, the City's actual revenues normally exceeded budgeted revenue. In 2020 revenues were below budgeted amounts due to the Covid-19 global health pandemic. Revenues rebounded in 2021 as people went back to work and were not quarantining anymore.



Unassigned fund balance as a percentage of Operating Expenditures Benchmark Cities

The unassigned fund balance represents the year end amount that is not restricted or committed; this includes all spendable amounts not contained in other classifications. The fund balance measures the City's ability to withstand



financial emergencies. The City's fiscal policy states the percentage of ending cash to operating expenditures should be at least 30%.

Overland Park, in comparison to the benchmark cities, consistently maintains one of the highest unassigned fund balances. Since 2017, Overland Park's fund balance has increased at a higher rate than the majority of benchmark cities.

Based on the City's reliance on economically sensitive sales tax as its primary revenue source, a strong fund balance is desirable to provide extra flexibility during economic downturns. A strong fund balance combined with continued conservative expenditure habits has resulted in an upward trend.

