

City of Overland Park, Kansas

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2013

City of Overland Park, Kansas

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2013

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Carl Gerlach

Council President

David White

City Council

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Dave Janson

Paul Lyons

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Overland Park, Kansas 66212
www.opkansas.org

June 26, 2014

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, 2013.

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.

McGladrey LLP has issued an unmodified ("clean") opinion on the City of Overland Park's financial statements for the year ended December 31, 2013. The independent auditor's 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 75.4 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 is a part of the Overland Park Convention Center complex, and 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 2013 it was named among the Top 10 Best Mid-Sized Cities to Move To according to Movoto.com. In addition the City was ranked No. 17 by Livability.com in its list of the Top 100 Best Places to Live.

The population of the City continues to experience moderate growth. At slightly more than 180,000, Overland Park is the second largest city in the state of Kansas and 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 2013 was 4.8%, which was the less than the state of Kansas rate of 5.4%, and significantly less than the national rate of 7.4%.

As the current economy continues to expand, the City also is experiencing considerable economic development and strong gains in residential building permits. The City's assessed valuation of \$2.65 billion increased by 0.6% for 2013. Retail sales increased 2.1% from 2012, providing the City an improving economic foundation, as well as positive future financial outlook. Overland Park continues to receive an "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.

2013 Major Initiatives for the Year

While the national, state and regional economies continue to make slow improvements, local economic development and sales tax indicators show promising signs of economic expansion. These factors resulted in a 2013 budget that while still fiscally conservative, did include a moderate growth factor to begin addressing expanded service demands which have been unfulfilled for the past several years.

In 2013, departments continued to identify reduction and reallocation opportunities in the form of operational changes and positions which could be reassigned without affecting the City's ability to support existing programs and services. As a result, several positions within the organization were reassigned or revamped in 2013.

The number of full-time equivalent (FTE) employees in the 2013 budget was 1,004 (829 full-time and 175 part-time), a 4 FTE increase from the 2012 budget. Three full-time police officer positions were added, to provide additional support in the areas of neighborhood crime suppression, gangs and drug enforcement. Additional part-time employees were added at the City's Arboretum due to the implementation of an entrance fee at that facility.

Programmatic adjustments were made to ensure cost increases related to city-controlled benefits remain low. Further adjustments were made to the City's consumer-driven health plan, which required additional financial and health-management participation from employees.

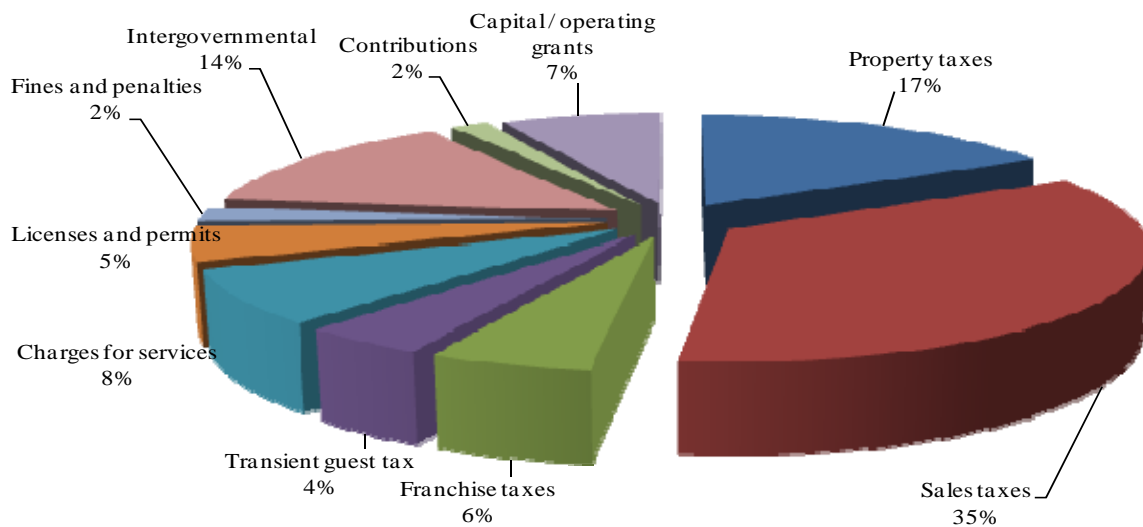
Providing Capital Investments in Transportation Infrastructure, Public Facilities and Technology. The City's five-year capital improvements plan (CIP) was developed to prioritize capital improvement needs. During 2013, approximately \$32.3 million was spent on strategic investments in technology, facilities and infrastructure. These projects included:

- Storm Drainage Improvements
- Thoroughfare Improvements -159th Street: Quivira to Antioch
- Metcalf/Shawnee Mission Parkway Bus Corridor
- Buyout of leased Street Lights
- Mobile Data Terminal & Computer Aided Dispatch Equipment

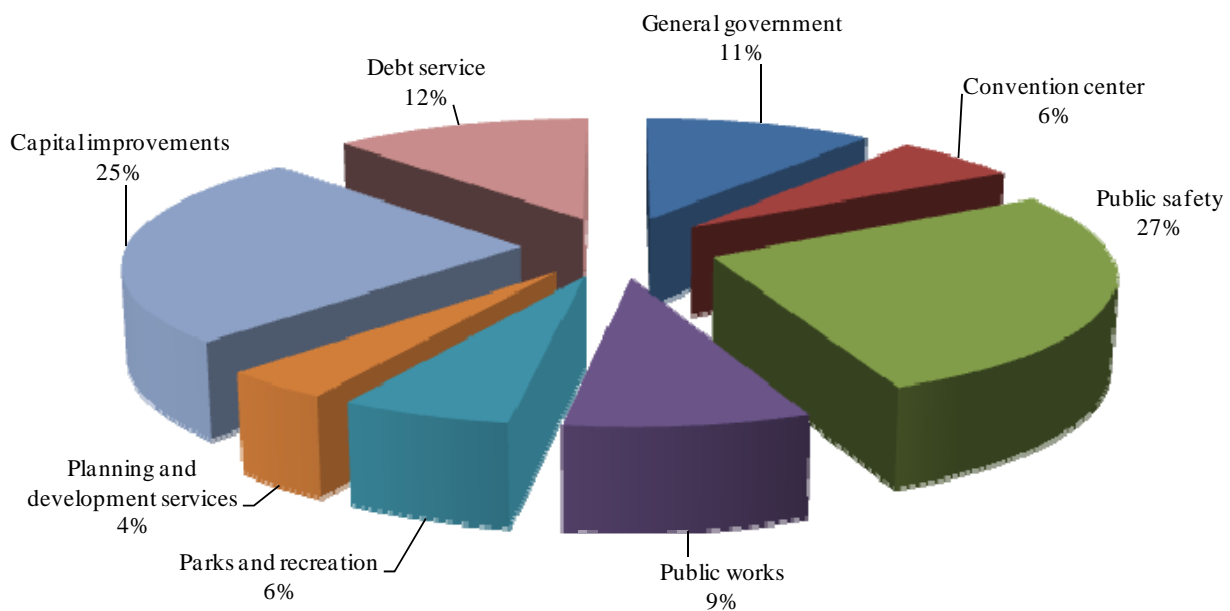
Maintenance of Quality Infrastructure and Public Facilities. Infrastructure maintenance expenditures during 2013 were approximately \$17.0 million, dedicated to repair, renovation, rehabilitation, or replacement of city infrastructure including streets, traffic management, storm water, facilities, and public parks.

The following chart depicts the actual sources and uses of the City's financial resources for 2013:

Where the Money Comes From



Where the Money Goes



Outlook for 2014

In May of 2014 Phase I of the Prairiefire at Lionsgate development opened. The development features , a 41,000 square foot museum, the Museum of Prairiefire, designed to host traveling exhibits by New York's American Museum of Natural History, and includes approximately 200,000 square feet of retail space and nearly 400,000 square feet of multi-family residential space. The project was financed in part with sales tax revenue bonds (STAR) and community improvement district (CID) sales tax revenue bonds issued at the end of 2012. Planning for Phase II of the Prairiefire development will begin during 2014.

Construction of apartments, road and stormwater improvements are scheduled to begin during the summer of 2014 on the development of City Place, a 118 acre development located at the intersection of College Boulevard and U.S. Highway 69. When completed, the project will include 600,000 square feet of office space, 40,000 square feet of retail space, and 1,382 luxury apartments. In February of 2014 the City Council created a special assessment CID and a sales tax TDD and entered into a development agreement for construction of infrastructure for the project. Streets, sidewalks, utilities, stormwater improvements and a parking structure will be financed by the CID and TDD; the City will finance construction of the thoroughfare improvement of the Switzer Road. The development agreement also provides for issuance of economic development revenue bonds to enable the project to obtain an exemption on sales taxes for construction materials. City Place is scheduled to be fully complete in 2021, with apartments and office space available as early as 2016.

In 2013, several companies announced plans to relocate or expand their operations in Overland Park:

- Post Acute Medical, LLC, provides post-acute health care services including long term acute care, inpatient rehabilitation, skilled nursing, outpatient physical rehabilitation and assisted living brain injury, decided to build an approximately 54,000 square-foot state of the art, 45-bed acute rehabilitation hospital in Overland Park. This new facility, Heartland Rehabilitation Hospital, is expected to create 150 new full-time positions.
- BHA Group, Inc, a subsidiary of CLARCOR Inc., relocated 170 positions to the Sprint Campus in Overland Park. The company provides air filtration services and products to help its customers achieve air quality and plant performance goals with products and solutions for gas turbine inlet filtration and industrial filtration.
- ELM Services, LLC, one of the mortgage servicing industry's leading consulting and outsourced process management firms, expanded its offices in Overland Park and will add more than 160 employees to its current workforce over the next five years.
- Intouch Solutions, a technology-based marketing agency serving the pharmaceutical industry, will expand into new offices in Overland Park. Intouch Solutions currently employs 340 and plans to create 350 new jobs during the next five years.

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

Overland Park is a vital and growing city and considers it a priority to maintain and improve existing infrastructure. The City's capital improvements needs for a five-year period are reviewed and updated annually. Maintenance program included in the City's five-year maintenance is defined as significant repairs to, renovation or rehabilitation of, or in-kind 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 adopted by the City Council. 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. 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.
- 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, 2012. 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 2013 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 addition, the City also has received a GFOA Award for Distinguished Budget Presentation for its annual appropriated budget dated January 1, 2014. 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.

Many persons are responsible for 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,

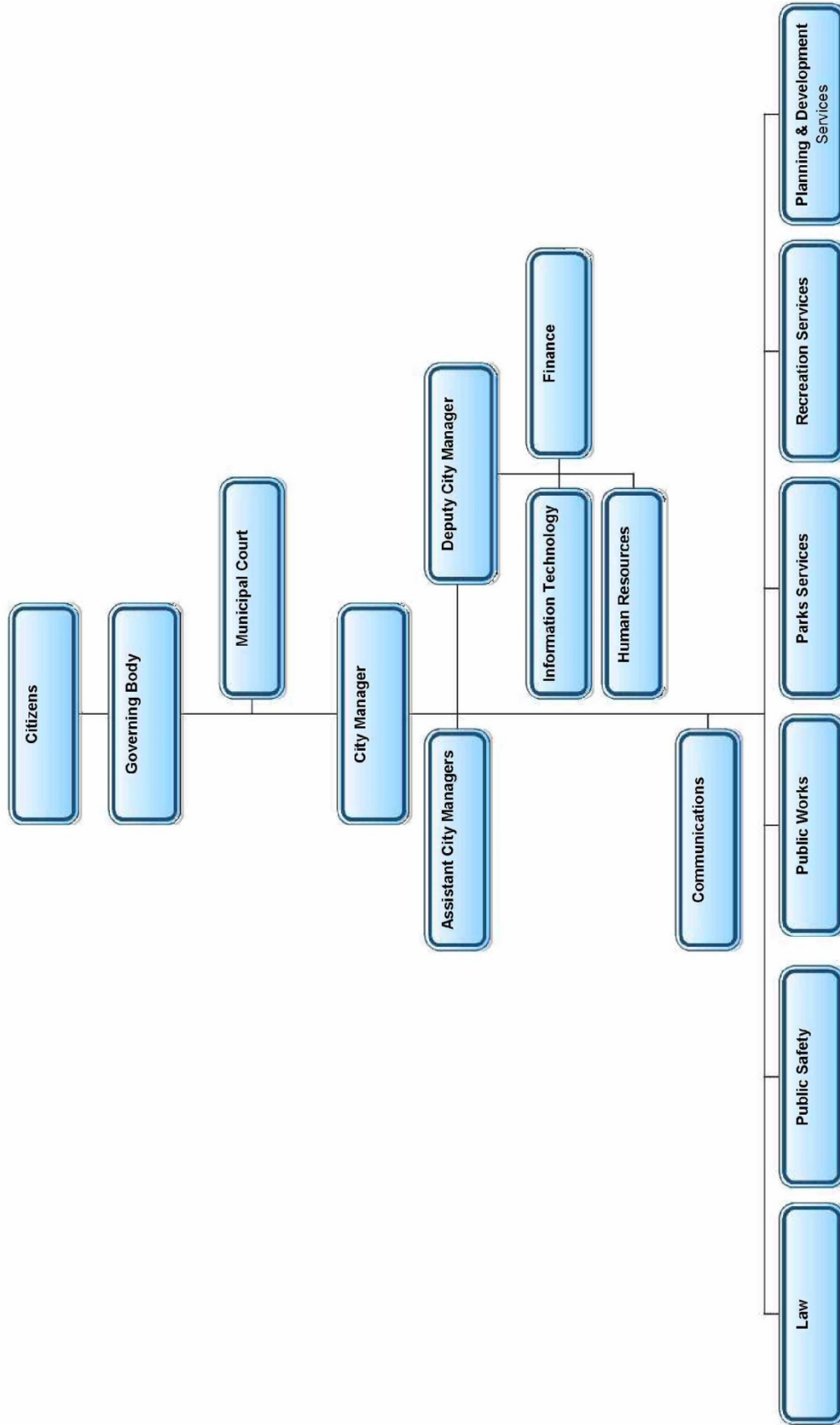
A handwritten signature in black ink that reads "David Scott". The signature is written in a cursive, flowing style.

David M. Scott
Chief Financial Officer

A handwritten signature in black ink that reads "Gena McDonald". The signature is written in a cursive, flowing style.

Gena McDonald
Assistant Chief Financial Officer

CITY OF OVERLAND PARK, KANSAS
Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Overland Park
Kansas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO



Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Overland Park, Kansas
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, 2013, 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 3 percent and 99 percent, respectively, of the total assets and total revenues of the major enterprise fund and 3 percent and 78 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Overland Park Development Corporation, a major enterprise fund, were not audited in accordance with *Government Auditing Standards*.

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, 2013, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 14, and the Schedules of Funding Progress and Employer Contributions on pages 80 through 82 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, statistical sections and other schedules, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2014 on our consideration of the City of Overland Park, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Overland Park, Kansas' internal control over financial reporting and compliance.



Kansas City, Missouri
June 25, 2014

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2013

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, 2013. 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 \$26,413,591 (or 2.8%) while the net position of our business-type activities decreased by \$1,529,680 (or 3.9%).
- During the year, the City's revenues generated in taxes and other revenues for governmental programs were \$26,413,591 more than the \$182.7 million in City's expenses.
- The City's one-cent sales tax revenue collections in 2013 increased 4.4% over 2012 collections.
- The convention center generated excess revenues over expenses (tenth consecutive year) in its eleventh 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, 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 assets 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, 2013

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 Worker's 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 Plan, and the Tomahawk Cemetery Trust Fund and are reported as a 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, 2013

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>2012</u> | <u>2013</u> | <u>2012</u> | <u>2013</u> |
| Current and other assets | \$ 113,628,524 | \$ 132,148,824 | \$ 18,991,936 | \$ 17,897,028 |
| Capital assets | 1,051,464,862 | 1,053,869,107 | 54,787,991 | 53,906,855 |
| Total assets | <u>1,165,093,386</u> | <u>1,186,017,931</u> | <u>73,779,927</u> | <u>71,803,883</u> |
| Deferred outflows | <u>343,916</u> | <u>1,277,006</u> | <u>7,590,423</u> | <u>6,996,261</u> |
| Long-term liabilities | 159,013,370 | 152,298,708 | 111,174,768 | 109,476,121 |
| Other liabilities | 38,294,777 | 39,986,182 | 9,356,537 | 10,014,658 |
| Total liabilities | <u>197,308,147</u> | <u>192,284,890</u> | <u>120,531,305</u> | <u>119,490,779</u> |
| Deferred inflows | <u>33,933,058</u> | <u>34,400,359</u> | <u>-</u> | <u>-</u> |
| Net position: | | | | |
| Net investment in capital assets | 887,503,877 | 898,706,264 | (48,109,010) | (48,043,726) |
| Restricted for other purposes | 4,835,240 | 4,620,877 | 15,827,405 | 14,592,968 |
| Unrestricted | 41,856,980 | 57,282,547 | (6,879,350) | (7,239,877) |
| Total Net Position | <u>\$ 934,196,097</u> | <u>\$ 960,609,688</u> | <u>\$ (39,160,955)</u> | <u>\$ (40,690,635)</u> |

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2013

Governmental Activities

The City ended 2013 with positive net position. Several of the items fluctuated significantly between 2012 and 2013.

- Current and Other Assets – This category increased 16.3% from 2012 primarily due to increases in cash, cash equivalents and investments related to excise taxes, capital improvements and capital projects- streets.
- Long-term Liabilities – Outstanding debt decreased 6.5% as a result of regularly scheduled debt payments of \$16,279,000 partially offset by the issuance of \$6,400,000 of general obligation bonds to finance several capital improvement projects.

Business-type Activities

- The City's golf course operations ended 2013 with positive net position and a decrease of 4.7% in total net position in 2013 compared to 2012 due to decreased revenues.
- The Overland Park Development Corporation ended 2013 with negative net position of \$45,289,445.

Statement of Activities

The table below shows the condensed revenues, expenses and the change in net position for 2012 and 2013.

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | |
|------------------------------------|--------------------------------|--------------------|---------------------------------|-------------------|
| | <u>2012</u> | <u>2013</u> | <u>2012</u> | <u>2013</u> |
| Revenues: | | | | |
| Program Revenues: | | | | |
| Charges for services | \$ 24,727,350 | \$ 29,268,860 | \$ 26,092,952 | \$ 27,207,467 |
| Operating grants and contributions | 14,637,360 | 17,224,618 | - | - |
| Capital grants and contributions | 23,595,514 | 31,255,566 | - | - |
| General Revenues: | | | | - |
| Property taxes | 34,073,454 | 34,286,336 | - | - |
| Sales taxes | 47,715,776 | 49,815,260 | - | - |
| Other taxes | 18,067,675 | 19,310,222 | - | - |
| Other | 27,106,738 | 30,572,392 | 460,364 | 278,370 |
| Total revenues | <u>189,923,867</u> | <u>211,733,254</u> | <u>26,553,316</u> | <u>27,485,837</u> |

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2013

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | |
|-------------------------------------|--------------------------------|-----------------------|---------------------------------|------------------------|
| | <u>2012</u> | <u>2013</u> | <u>2012</u> | <u>2013</u> |
| Expenses: | | | | |
| General government | 24,165,599 | 33,886,609 | - | - |
| Public safety | 49,093,933 | 52,990,718 | - | - |
| Public works | 57,384,226 | 64,904,183 | - | - |
| Parks and recreation | 18,644,475 | 17,417,818 | - | - |
| Planning and development | 7,219,292 | 7,405,840 | - | - |
| Golf course | - | - | 5,063,747 | 4,690,459 |
| Soccer complex | - | - | 1,086,509 | 1,166,832 |
| OP Development Corporation | - | - | 25,123,892 | 25,737,078 |
| Interest on long-term debt | 6,619,907 | 6,135,643 | - | - |
| Total expenses | <u>163,127,432</u> | <u>182,740,811</u> | <u>31,274,148</u> | <u>31,594,369</u> |
| Revenue over (under) expenses | <u>26,796,435</u> | <u>28,992,443</u> | <u>(4,720,832)</u> | <u>(4,108,532)</u> |
| Transfers | <u>(4,026,559)</u> | <u>(2,578,852)</u> | <u>4,026,559</u> | <u>2,578,852</u> |
| Increase (decrease) in net position | <u>22,769,876</u> | <u>26,413,591</u> | <u>(694,273)</u> | <u>(1,529,680)</u> |
| Net position January 1 | <u>911,426,221</u> | <u>934,196,097</u> | <u>(38,466,682)</u> | <u>(39,160,955)</u> |
| Net position December 31 | <u>\$ 934,196,097</u> | <u>\$ 960,609,688</u> | <u>\$ (39,160,955)</u> | <u>\$ (40,690,635)</u> |

Governmental Activities

Several of the revenue and expense categories fluctuated between 2012 and 2013, as explained below.

- Operating Grants/Contributions – Grants increased primarily due to the Department of Transportation TIGER grant for the Metcalf bus corridor.
- Capital Grants/Contributions – Contributions increased due to an increase in contributions from developers for residential streets.
- Property Taxes - The 0.6% increase in property taxes results from an slight increase in the mill levy for 2013 as well as a slight increase in the assessed valuation. The table below compares the mill levy for 2012 through 2013.

| | <u>2012 Levy to support 2013 Budget</u> | <u>2013 Levy to support 2014 Budget</u> |
|---------------------|---|---|
| General Fund | 11.814 | 11.851 |
| Storm Water Utility | 0.955 | 0.958 |
| Total Mill Levy | <u>12.769</u> | <u>12.809</u> |

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2013

The City's assessed valuation experienced a 1% increase over the previous year, as shown in the following chart. This increase was driven by a 1.4% increase in real estate valuation.

Increases in Assessed Valuation: 2012 to 2013

| | 2012 Valuation to Support 2013 <u>Budget</u> | 2013 Valuation to Support 2014 <u>Budget</u> | Increase/ (Decrease) over <u>Prior year</u> | <u>% Change</u> |
|-------------|--|--|---|-----------------|
| Real Estate | 2,548,009,526 | 2,583,983,618 | 35,974,092 | 1.4% |
| Personal | 50,540,129 | 42,360,367 | (8,179,762) | -16.2% |
| Utilities | 49,821,564 | 48,792,426 | (1,029,138) | -2.1% |
| Total | <u>2,648,371,219</u> | <u>2,675,136,411</u> | <u>26,765,192</u> | 1.0% |

- Sales taxes – The soft economy in 2013 resulted in an increase in overall sales and use tax revenue by 4.4% over 2012 due to a slow growing retail sales. Retail sales tax collections increased 2.1% over 2012.
- Other taxes – Franchise taxes increased by 5.7% over 2012 due increased collections from KCP&L, KPL and United Cities Gas. Transient guest taxes increased by 8.6% due to improved occupancy percentages and average daily room rates.
- General Government Expense – This expense category was higher in 2013 due to lower capitalized expenses in 2013 compared with 2012.
- Public Safety Expense - This expense category is higher in 2013 due to an increase in payroll related costs.
- Public Works Expense - This expense category is higher in 2013 due to an increase in residential street projects.

Business-type Activities

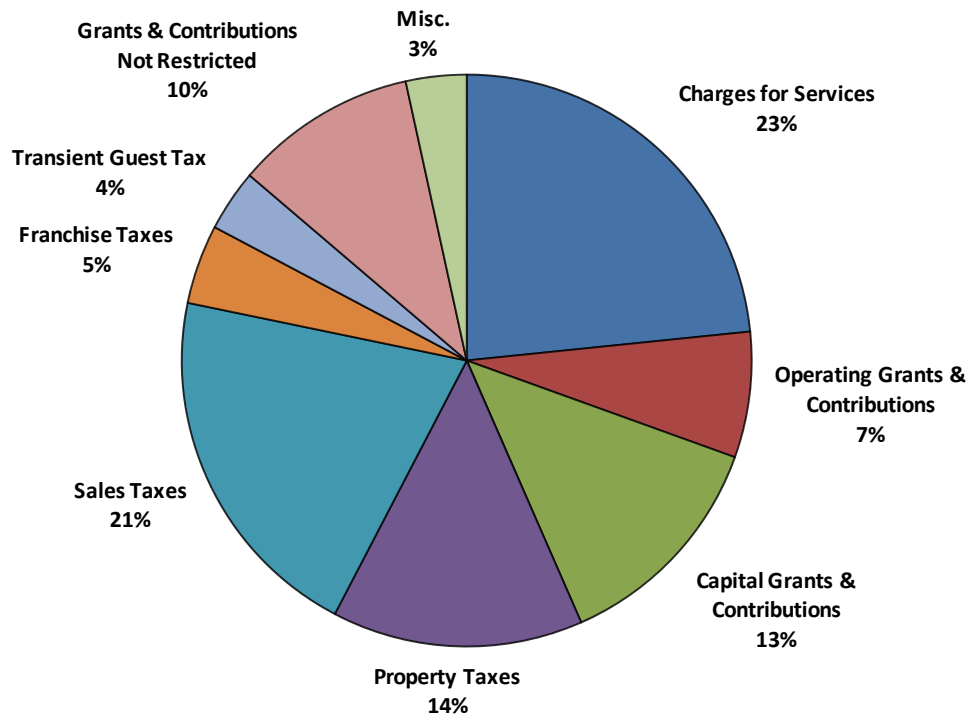
The following categories experienced significant variations between 2012 and 2013:

- Charges for Services – Revenues in 2013 increased by 4.3% primarily as a result of increase in OPDC room revenue.

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2013

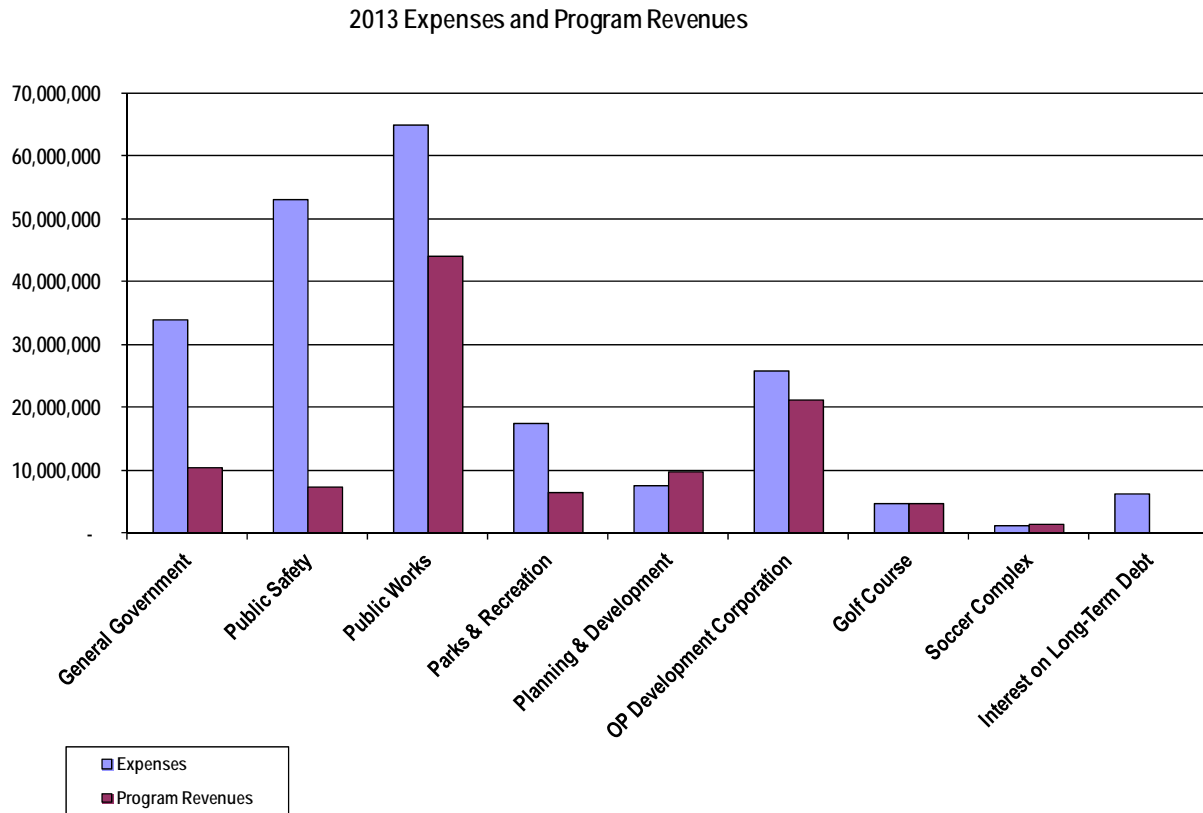
The following graph depicts the composition of 2013 primary government revenues as presented in the Statement of Activities.

2013 Revenues by Source



City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2013

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



The total cost of services for 2013 was \$214.4 million; however, \$104.9 million was funded by users directly benefiting from the services or by other organizations through grants and contributions. The remaining \$109.5 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, 2013

Analysis of the Fund Financial Statements

Governmental Fund Balance at December 31, 2013

| | One-eighth Cent | | | | | |
|---------------------|-----------------|--------------------|------------|-------------|---------|------------|
| | Sales Tax - | | Stormwater | Street | Debt | |
| | General | Street Improvement | Utility | Improvement | Service | Total |
| Restricted | - | 2,855,866 | 760,147 | - | 250,000 | 3,866,013 |
| Assigned | 20,444,438 | - | 124,626 | 6,190,732 | - | 26,759,796 |
| Unassigned | 29,019,142 | - | - | - | - | 29,019,142 |
| Total fund balances | 49,463,580 | 2,855,866 | 884,773 | 6,190,732 | 250,000 | 59,644,951 |

Governmental Fund Balance at December 31, 2012

| | One-eighth Cent | | | | | |
|---------------------|-----------------|--------------------|------------|-------------|---------|------------|
| | Sales Tax - | | Stormwater | Street | Debt | |
| | General | Street Improvement | Utility | Improvement | Service | Total |
| Restricted | - | 2,298,032 | 1,882,013 | - | 250,000 | 4,430,045 |
| Committed | 12,479,807 | - | - | - | - | 12,479,807 |
| Assigned | 2,152,114 | - | 61,020 | - | - | 2,213,134 |
| Unassigned | 23,222,648 | - | - | (379,961) | - | 22,842,687 |
| Total fund balances | 37,854,569 | 2,298,032 | 1,943,033 | (379,961) | 250,000 | 41,965,673 |

Overall, the City's major funds experienced a 42.1 percent increase in fund balance as a result of 2013 operations. The increase in the General Fund is attributable to increases in receipts of sales taxes and development fees, which more than offset increased expenditures due to public works snow removal costs and increased spending in public safety. The One-eight Cent Sales Tax- Street Improvement fund increased due to increases in sales tax revenue. A drop in Capital Improvement expenditures attributed to the increase in the Street Improvement Fund. The Stormwater Utility Fund experienced a drop in operating grants combined with and increase in expenditures causing an overall decrease in fund balance.

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, 2013

General Fund Budgetary Highlights

The legally adopted budget for the General Fund was not amended by the City Council during 2013. 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 | The continued improvement in the economy in 2013 resulted in an increase of retail sales tax collections of 2.1% and an increase in compensating use tax revenue of 12.2%. Combined sales and use taxes increased 3.8% compared to a budgeted increase of 2.8%. |
| Franchise Tax | Franchise tax revenues from electric and gas utility companies vary from year to year based on the weather. |
| Fines and Penalties | The Municipal Court's case load varies from year to year based on the level of police enforcement activity. |
| Use of Money | Lower interest rates continued during 2013. |
| Grant/Contributions Not Restricted | Countywide retail sales tax collections increased \$568 thousand. The City's share of the countywide distribution increased due to higher assessed valuation. Motor vehicle tax collections increased \$920 thousand due to a higher mill levy base. |
| Miscellaneous and Reimbursements | These revenues will vary from year to year. Because of the nature of these revenues, it is difficult to make accurate estimates of the individual sources in order to develop the budgeted amount. |
| 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, 2013

Capital Asset and Debt Administration

Capital Assets

The total amount invested in capital assets for the City at December 31, 2013, was \$1,107,775,962 net of accumulated depreciation. This represents an increase of 0.1 percent over the 2012 total, which is attributed to an slight excess of major additions in excess of accumulated. 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>2012</u> | <u>2013</u> | <u>2012</u> | <u>2013</u> |
| Land | \$31,045,631 | \$31,045,631 | \$1,425,200 | \$1,425,200 |
| Construction in Progress | 7,004,202 | 11,529,424 | 1,680,492 | - |
| Land Improvments | 31,326,656 | 28,666,153 | 559,409 | 342,004 |
| Building and Improvements - City | 85,384,297 | 82,349,930 | 1,697,987 | 1,625,060 |
| Building and Improvements - OPDC | - | - | 48,157,509 | 46,554,514 |
| OPCC Capital Assets | 108,052 | 62,644 | - | - |
| Equipment - City | 15,977,055 | 12,939,424 | 368,899 | 154,427 |
| Equipment - OPDC | - | - | 898,495 | 3,805,650 |
| Infrastructure | 880,618,969 | 887,275,901 | - | - |
| | <u>\$1,051,464,862</u> | <u>\$1,053,869,107</u> | <u>\$54,787,991</u> | <u>\$53,906,855</u> |

Major additions to capital assets during the year included:

| | |
|--|----------------------|
| Infrastructure - 2013 streets | \$ 2,133,786 |
| Infrastructure - 2013 residential street | 3,895,842 |
| Infrastructure - 2013 storm drainage | 4,522,686 |
| Public buildings | 101,318 |
| Parks facilities | 152,787 |
| Total | <u>\$ 10,806,419</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, 2013

Debt Administration

The outstanding general obligation bonds at December 31, 2013 totaled \$151,840,000 of which \$147,700,704 is considered net direct tax supported debt. This balance represents a 6.6% decrease over the 2012 balance. The decrease is due to regularly scheduled debt payments of \$16,279,000 partially offset by the issuance of \$6,400,000 of general obligation to finance several capital improvement projects. In addition, the City issued \$23,595,000 internal improvement refunding bonds that is expected to decrease the future debt service support payments with a net present value savings of \$3,095,930 (current refunding of \$970,566 plus advance refunding of \$2,125,364).

For the past 26 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 eleventh 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 2013 fiscal year is as follows:

| | Total Amount | Ratio of Debt to Assessed Value | Debt Per Capita |
|-------------------|---------------------|--|------------------------|
| Total bonded debt | \$151,840,000 | 0.057 | \$840.29 |

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, 2013

| | Primary Government | | |
|---|------------------------------------|-------------------------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents and investments | \$ 70,196,664 | \$ 1,493,713 | \$ 71,690,377 |
| Taxes receivables | 18,142,221 | - | 18,142,221 |
| Accounts receivables | 1,681,654 | 1,196,669 | 2,878,323 |
| Due from other governments | 3,410,411 | - | 3,410,411 |
| Current property taxes receivable | 34,330,026 | - | 34,330,026 |
| Special assessments | 440,775 | - | 440,775 |
| Other current assets | 523,394 | 613,678 | 1,137,072 |
| Total current assets | 128,725,145 | 3,304,060 | 132,029,205 |
| Noncurrent assets: | | | |
| Special assessments | 1,800,184 | - | 1,800,184 |
| Cash and investments restricted for: | | | |
| Debt service | - | 14,592,968 | 14,592,968 |
| Workers' comp and medical claims | 1,623,495 | - | 1,623,495 |
| Capital Assets: | | | |
| Land, improvements and construction in progress | 42,575,055 | 1,425,200 | 44,000,255 |
| Capital assets, net of depreciation | 1,011,294,052 | 52,481,655 | 1,063,775,707 |
| Total capital assets | 1,053,869,107 | 53,906,855 | 1,107,775,962 |
| Total noncurrent assets | 1,057,292,786 | 68,499,823 | 1,125,792,609 |
| Total assets | 1,186,017,931 | 71,803,883 | 1,257,821,814 |
| Deferred Outflows of Resources | | | |
| Deferred charge on refunding | 1,277,006 | 6,996,261 | 8,273,267 |
| Liabilities | | | |
| Accounts and claims payable | 5,911,796 | 2,885,317 | 8,797,113 |
| Accrued expenditures | 7,178,167 | 4,337,166 | 11,515,333 |
| Contract payable | 4,263,648 | - | 4,263,648 |
| Unearned revenue | 1,532,186 | 37,566 | 1,569,752 |
| Ground lease obligation | - | 1,069,609 | 1,069,609 |
| Long-term liabilities: | | | |
| Due in one year | 21,100,385 | 1,685,000 | 22,785,385 |
| Due in more than one year | 152,298,708 | 109,476,121 | 261,774,829 |
| Total liabilities | 192,284,890 | 119,490,779 | 311,775,669 |
| Deferred Inflows of Resources | | | |
| Property taxes | 34,400,359 | - | 34,400,359 |
| Net Position | | | |
| Net investment in capital assets | 898,706,264 | (48,043,726) | 850,662,538 |
| Restricted for: | | | |
| Debt Service | 9,529 | 12,238,357 | 12,247,886 |
| Restricted for capital and other projects | - | 2,354,611 | 2,354,611 |
| Workers' compensation and medical claims | 676,702 | - | 676,702 |
| Street improvements | 3,934,646 | - | 3,934,646 |
| Unrestricted | 57,282,547 | (7,239,877) | 50,042,670 |
| Total net position | \$ 960,609,688 | \$ (40,690,635) | \$ 919,919,053 |

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, 2013**

| 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 | \$ 33,886,609 | \$ 9,524,146 | \$ 741,430 | \$ - | \$ (23,621,033) | - | \$ (23,621,033) |
| Public safety | 52,990,718 | 6,374,371 | 399,232 | 429,041 | (45,788,074) | - | (45,788,074) |
| Public works | 64,904,183 | 4,201,669 | 9,045,902 | 30,826,525 | (20,830,087) | - | (20,830,087) |
| Parks and recreation | 17,417,818 | 5,305,233 | 1,150,192 | - | (10,962,393) | - | (10,962,393) |
| Planning and development services | 7,405,840 | 3,863,441 | 5,887,862 | - | 2,345,463 | - | 2,345,463 |
| Interest on long-term debt | 6,135,643 | - | - | - | (6,135,643) | - | (6,135,643) |
| Total governmental activities | 182,740,811 | 29,268,860 | 17,224,618 | 31,255,566 | (104,991,767) | - | (104,991,767) |
| Business-type activities: | | | | | | | |
| Golf course | \$ 4,690,459 | \$ 4,704,503 | \$ - | \$ - | \$ - | 14,044 | \$ 14,044 |
| Soccer complex | 1,166,832 | 1,264,057 | - | - | - | 97,225 | 97,225 |
| OP Development Corporation | 25,737,078 | 21,238,907 | - | - | - | (4,498,171) | (4,498,171) |
| Total business-type activities | 31,594,369 | 27,207,467 | - | - | (4,386,902) | | (4,386,902) |
| Total primary government | \$ 214,335,180 | \$ 56,476,327 | \$ 17,224,618 | \$ 31,255,566 | (104,991,767) | | (109,378,669) |
| General Revenues: | | | | | | | |
| Property taxes | | | | | 34,286,336 | - | 34,286,336 |
| Sales taxes | | | | | 49,815,260 | - | 49,815,260 |
| Franchise taxes | | | | | 10,867,642 | - | 10,867,642 |
| Transient guest tax | | | | | 8,442,580 | - | 8,442,580 |
| Grants and contributions not restricted to specific programs | | | | | 24,951,913 | - | 24,951,913 |
| Unrestricted investment earnings | | | | | 518,050 | 93,487 | 611,537 |
| Miscellaneous | | | | | 5,102,429 | 184,883 | 5,287,312 |
| Transfers | | | | | (2,578,852) | 2,578,852 | - |
| Total general revenue and transfers | | | | | 131,405,358 | 2,857,222 | 134,262,580 |
| Change in net position | | | | | 26,413,591 | (1,529,680) | 24,883,911 |
| Net position-beginning | | | | | 934,196,097 | (39,160,955) | 895,035,142 |
| Net position-ending | | | | | \$ 960,609,688 | \$ (40,690,635) | \$ 919,919,053 |

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, 2013

| | General | One-eighth Cent Sales Tax - Street Improvement | Stormwater Utility | Street Improvement |
|--|----------------------|---|-------------------------------|-------------------------------|
| Assets | | | | |
| Cash, cash equivalents and investments | \$ 42,857,054 | \$ 2,086,739 | \$ 878,603 | \$ 6,786,473 |
| Taxes receivable | 13,581,582 | 1,058,055 | - | - |
| Accounts receivables | 728,227 | - | 113,350 | - |
| Due from other funds | 262,262 | - | - | 974,346 |
| Due from other governments | 5,938 | - | - | 1,474,427 |
| Current property taxes receivable | 31,761,895 | - | 2,568,131 | - |
| Other current assets | - | - | - | - |
| Special assessments | | | | |
| Current | - | - | - | - |
| Noncurrent | - | - | - | - |
| Total assets | \$ 89,196,958 | \$ 3,144,794 | \$ 3,560,084 | \$ 9,235,246 |
| Liabilities: | | | | |
| Accounts payable | \$ 4,573,700 | \$ 288,928 | \$ 30,370 | \$ - |
| Accrued expenditures | 2,853,733 | - | 76,810 | - |
| Contracts payable | - | - | - | 2,953,347 |
| Due to other funds | - | - | - | - |
| Unearned revenue | 473,717 | - | - | - |
| Total liabilities | 7,901,150 | 288,928 | 107,180 | 2,953,347 |
| Deferred Inflows of Resources | | | | |
| Unavailable revenue - property taxes | 31,832,228 | - | 2,568,131 | - |
| Unavailable revenue - special assessment | - | - | - | - |
| Unavailable revenue - other | - | - | - | 91,167 |
| Total deferred inflows of resources | 31,832,228 | - | 2,568,131 | 91,167 |
| Fund Balances: | | | | |
| Restricted | - | 2,855,866 | 760,147 | - |
| Assigned | 20,444,438 | - | 124,626 | 6,190,732 |
| Unassigned | 29,019,142 | - | - | - |
| Total fund balances | 49,463,580 | 2,855,866 | 884,773 | 6,190,732 |
| Total liabilities, deferred inflows of resources and fund balance | \$ 89,196,958 | \$ 3,144,794 | \$ 3,560,084 | \$ 9,235,246 |

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

| Debt Service | Other Governmental Funds | Total Governmental Funds |
|-------------------------|---|---|
| \$ 250,000 | \$ 12,982,351 | \$ 65,841,220 |
| - | 3,502,584 | 18,142,221 |
| - | 835,350 | 1,676,927 |
| - | - | 1,236,608 |
| - | 1,930,046 | 3,410,411 |
| - | - | 34,330,026 |
| - | 523,394 | 523,394 |
| 440,775 | - | 440,775 |
| 1,800,184 | - | 1,800,184 |
| <u>\$ 2,490,959</u> | <u>\$ 19,773,725</u> | <u>\$ 127,401,766</u> |

| | | |
|------|--------------|--------------|
| \$ - | \$ 1,502,107 | \$ 6,395,105 |
| - | - | 2,930,543 |
| - | 1,310,301 | 4,263,648 |
| - | 1,236,608 | 1,236,608 |
| - | 1,058,469 | 1,532,186 |
| - | 5,107,485 | 16,358,090 |

| | | |
|------------------|---------------|-------------------|
| - | - | 34,400,359 |
| 2,240,959 | - | 2,240,959 |
| - | 89,682 | 180,849 |
| <u>2,240,959</u> | <u>89,682</u> | <u>36,822,167</u> |

| | | |
|---------------------|----------------------|-----------------------|
| 250,000 | 10,457,341 | 14,323,354 |
| - | 4,248,857 | 31,008,653 |
| - | (129,640) | 28,889,502 |
| <u>250,000</u> | <u>14,576,558</u> | <u>74,221,509</u> |
| <u>\$ 2,490,959</u> | <u>\$ 19,773,725</u> | <u>\$ 127,401,766</u> |

**City of Overland Park
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2013**

| | |
|--|---------------|
| Fund balances - total governmental funds | \$ 74,221,509 |
|--|---------------|

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. | 1,053,869,107 |
|--|---------------|

Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental fund:

| | | |
|--|-----------------|---------------|
| Governmental bonds payable | \$(151,840,000) | |
| Accrued interest payable on long-term debt | (1,865,745) | |
| Bond premium | (4,599,849) | |
| Deferred charge on refunding | 1,277,006 | |
| Accrued vacation and sick leave payable | (7,299,674) | |
| Claims payable for special liability defense | (636,550) | |
| Net pension obligation | (1,556,107) | |
| Other postemployment benefit | (7,466,913) | (173,987,832) |
| | | |

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

| | |
|------------------|-----------|
| Unearned revenue | 2,421,808 |
|------------------|-----------|

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.

4,085,096

| | |
|--|----------------|
| Net position of governmental activities: | \$ 960,609,688 |
|--|----------------|

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, 2013

| | General | One-eighth Cent Sales Tax Street Improvement | Stormwater Utility | Street Improvement |
|---|---------------------|--|-----------------------|-----------------------|
| Revenues | | | | |
| Property taxes | \$ 31,532,495 | \$ - | \$ 2,573,555 | \$ - |
| Sales taxes | 44,006,422 | 5,534,779 | - | - |
| Franchise taxes | 10,867,642 | - | - | - |
| Transient guest tax | - | - | - | - |
| Charges for services | 5,302,932 | - | - | - |
| Licenses and permits | 7,963,712 | - | - | - |
| Fines and penalties | 6,374,371 | - | - | - |
| Use of money | 406,384 | - | - | - |
| Intergovernmental | 322,318 | - | - | 16,655,029 |
| Contributions | 1,527,218 | - | - | - |
| Capital / operating grants | - | 7,445 | 411,476 | 45,614 |
| Grants / contributions not restricted to specific programs | 24,424,460 | - | 3,405,471 | - |
| Total revenues | 132,727,954 | 5,542,224 | 6,390,502 | 16,700,643 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 17,714,901 | - | - | - |
| Public safety | 49,619,907 | - | - | - |
| Public works | 12,553,427 | - | 2,877,271 | - |
| Parks and recreation | 9,203,706 | - | - | - |
| Planning and development services | 6,736,453 | - | - | - |
| Capital improvements | - | - | - | 35,990,412 |
| Principal / Interest on long-term debt | - | - | - | - |
| Bond Issuance Costs | - | - | - | 36,018 |
| Total expenditures | 95,828,394 | - | 2,877,271 | 36,026,430 |
| Excess of revenues over (under) expenditures | 36,899,560 | 5,542,224 | 3,513,231 | (19,325,787) |
| Other financing sources (uses) | | | | |
| General obligation bonds issued | - | - | - | 4,247,364 |
| Refunding bond issue | - | - | - | - |
| Issuance: Premium | - | - | - | 577,004 |
| Payment to refunded bond escrow agent | - | - | - | - |
| Transfers in | 11,694,809 | 23,610 | 210,477 | 33,445,827 |
| Transfers out | (36,985,358) | (5,008,000) | (4,781,968) | (12,373,715) |
| Total other financing sources (uses) | (25,290,549) | (4,984,390) | (4,571,491) | 25,896,480 |
| Net change in fund balances | 11,609,011 | 557,834 | (1,058,260) | 6,570,693 |
| Fund balances (deficits) at beginning of year | 37,854,569 | 2,298,032 | 1,943,033 | (379,961) |
| Fund balances at end of year | \$ 49,463,580 | \$ 2,855,866 | \$ 884,773 | \$ 6,190,732 |

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

| Debt Service | Other Governmental Funds | Total Governmental Funds |
|-------------------------|---|---|
| \$ - | \$ 180,287 | \$ 34,286,337 |
| - | 274,059 | 49,815,260 |
| - | - | 10,867,642 |
| - | 8,442,580 | 8,442,580 |
| - | 10,618,304 | 15,921,236 |
| - | 105,342 | 8,069,054 |
| - | - | 6,374,371 |
| - | 17,692 | 424,076 |
| - | 6,806,423 | 23,783,770 |
| 881,357 | 512,958 | 2,921,533 |
| - | 10,968,536 | 11,433,071 |
| - | 77,851 | 27,907,782 |
| 881,357 | 38,004,032 | 200,246,712 |
| - | 13,410,043 | 31,124,944 |
| - | 786,509 | 50,406,416 |
| - | 619,453 | 16,050,151 |
| - | 2,031,912 | 11,235,618 |
| - | 467,888 | 7,204,341 |
| - | 12,193,457 | 48,183,869 |
| 30,816,598 | - | 30,816,598 |
| 172,899 | 50,155 | 259,072 |
| 30,989,497 | 29,559,417 | 195,281,009 |
| (30,108,140) | 8,444,615 | 4,965,703 |
| - | 2,152,636 | 6,400,000 |
| 23,595,000 | - | 23,595,000 |
| 2,250,655 | 288,065 | 3,115,724 |
| (17,355,144) | - | (17,355,144) |
| 21,617,629 | 17,391,324 | 84,383,676 |
| - | (28,135,487) | (87,284,528) |
| 30,108,140 | (8,303,462) | 12,854,728 |
| - | 141,153 | 17,820,431 |
| 250,000 | 14,435,405 | 56,401,078 |
| \$ 250,000 | \$ 14,576,558 | \$ 74,221,509 |

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, 2013

Net change in fund balances-total governmental funds: \$ 17,820,431

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 estimate useful lives and reported as depreciation expense. This is the amount by which capital outlay and contributed assets exceeded depreciation in the current period.

| | | |
|---|------------------|-----------|
| Capital assets contributed | 11,049,166 | |
| Expenditures for capital assets | 30,504,147 | |
| Less current year depreciation | (38,977,218) | |
| Less current year disposals (net of depreciation) | <u>(171,850)</u> | 2,404,245 |

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 | 206,988 | |
| Change in pension obligation | (73,664) | |
| Change in other post employment benefit | (1,130,801) | |
| Change in vacation/sick leave obligation | (261,180) | |
| Change in claims payable | <u>189,986</u> | (1,068,671) |

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 | (242,328) |
| Capital grant | (1,002,141) |

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.

| | |
|--|--------------------|
| General obligation bond proceeds | (6,400,000) |
| Bond principal | 24,473,964 |
| Refunding bond proceeds | (23,595,000) |
| Payment to refunded bond escrow agent | 17,355,144 |
| Amortization of deferred charge on refunding | (157,054) |
| Amortization of bond premium | 236,812 |
| Premium on bond issuance | <u>(3,115,724)</u> |

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.

| | |
|--|----------------------|
| Change in net position of governmental activities: | <u>\$ 26,413,591</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, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|--------------------|--------------------|--------------------|------------------|
| | Original | Final | Budgetary Basis | Final Budget |
| Revenues: | | | | |
| Property taxes | \$ 30,860,000 | \$ 30,860,000 | \$ 31,532,494 | \$ 672,494 |
| Sales tax | 43,982,560 | 43,982,560 | 44,006,422 | 23,862 |
| Franchise taxes | 10,703,700 | 10,703,700 | 10,867,642 | 163,942 |
| Charges for services | 5,411,333 | 5,411,333 | 5,388,546 | (22,787) |
| Licenses and permits | 4,995,750 | 4,995,750 | 10,107,688 | 5,111,938 |
| Fines and penalties | 6,532,246 | 6,532,246 | 4,144,781 | (2,387,465) |
| Use of money | 238,096 | 238,096 | 336,898 | 98,802 |
| Intergovernmental | 155,000 | 155,000 | 322,318 | 167,318 |
| Grants/ contributions not restricted | 22,257,600 | 22,257,600 | 24,424,460 | 2,166,860 |
| Miscellaneous reimb / contributions | 1,073,715 | 1,073,715 | 1,527,217 | 453,502 |
| Total revenues | 126,210,000 | 126,210,000 | 132,658,466 | 6,448,466 |
| Expenditures: | | | | |
| Current: | | | | |
| Finance and Administration | | | | |
| Mayor and Council | 390,787 | 660,571 | 646,427 | 14,144 |
| Economic Development | 650,980 | 696,744 | 657,918 | 38,826 |
| City Manager | 871,937 | 937,963 | 920,803 | 17,160 |
| Communications | 418,557 | 447,555 | 427,797 | 19,758 |
| Information Technology | 3,600,947 | 3,627,555 | 3,541,622 | 85,933 |
| Facilities Management | 3,622,318 | 3,615,251 | 3,613,577 | 1,674 |
| Municipal Court | 2,913,406 | 3,001,828 | 2,571,845 | 429,983 |
| Law | 1,432,737 | 1,618,654 | 1,565,084 | 53,570 |
| F B&A Administration | - | - | - | - |
| Finance and Accounting | 1,288,102 | 1,342,810 | 1,203,290 | 139,520 |
| City Clerk | 714,822 | 707,200 | 660,447 | 46,753 |
| Human Resources | 1,592,096 | 1,748,327 | 1,756,581 | (8,254) |
| Payroll | 449,442 | 447,612 | 426,706 | 20,906 |
| City Wide Contingency | 3,427,415 | 2,729,329 | - | 2,729,329 |
| Total Finance and Administration | 21,373,546 | 21,581,399 | 17,992,097 | 3,589,302 |
| Public Safety | | | | |
| Police | | | | |
| Police Administration | 4,409,730 | 2,329,228 | 2,702,005 | (372,777) |
| Emergency Services | - | - | - | - |
| Tactical Operations | 18,445,336 | 18,381,120 | 17,893,023 | 488,097 |
| Antioch Patrol | - | - | - | - |
| Special Services Bureau | 8,770,166 | 10,694,372 | 10,122,225 | 572,147 |
| Police Investigations | - | - | - | - |
| Administrative Bureau | - | - | - | - |
| Total Police | 31,625,232 | 31,404,720 | 30,717,253 | 687,467 |

(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, 2013

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget |
|-------------------------------------|--------------------|--------------------|---|-------------------------------|
| | Original | Final | | |
| Fire | | | | |
| Fire Services | \$ 1,223,000 | \$ 1,223,000 | \$ 1,270,281 | \$ (47,281) |
| OPFD - Administration | 1,115,083 | 1,108,159 | 1,137,548 | (29,389) |
| OPFD - Operations | 14,580,512 | 14,442,241 | 14,346,786 | 95,455 |
| OPFD - Prevention | 629,114 | 622,086 | 608,151 | 13,935 |
| OPFD - Support Services | 505,134 | 504,830 | 509,382 | (4,552) |
| OPFD - Training | 860,724 | 852,843 | 815,620 | 37,223 |
| Total Fire | 18,913,567 | 18,753,159 | 18,687,768 | 65,391 |
| Total Public Safety | 50,538,799 | 50,157,879 | 49,405,021 | 752,858 |
| Public Works | | | | |
| Public Works Administration | 1,148,140 | 1,270,292 | 1,207,719 | 62,573 |
| Street Engineering & Construction | 2,393,791 | 2,373,670 | 2,269,626 | 104,044 |
| Traffic Services | 1,486,129 | 1,444,382 | 1,379,895 | 64,487 |
| Traffic Maintenance | 3,260,110 | 3,226,779 | 3,170,158 | 56,621 |
| Public Works Maintenance | 3,588,940 | 3,678,608 | 3,683,469 | (4,861) |
| Fleet Maintenance | 971,003 | 965,519 | 897,875 | 67,644 |
| Total Public Works | 12,848,113 | 12,959,250 | 12,608,742 | 350,508 |
| Community Development | | | | |
| Parks and Recreation Administration | - | - | - | - |
| Parks and Forestry | 2,990,481 | 2,979,579 | 2,962,535 | 17,044 |
| Arboretum/Botanical Garden | 903,693 | 898,334 | 739,085 | 159,249 |
| Leisure Services | 835,808 | 829,938 | 833,669 | (3,731) |
| Community Centers | 1,737,969 | 1,734,508 | 1,654,862 | 79,646 |
| Farmstead | 1,694,531 | 1,686,606 | 1,542,057 | 144,549 |
| Aquatics | 1,344,758 | 1,342,474 | 1,343,288 | (814) |
| Planning and Development | 1,938,333 | 1,971,641 | 1,864,774 | 106,867 |
| Community Planning | 2,008,561 | 2,000,496 | 1,880,297 | 120,199 |
| Building Safety | 2,185,551 | 2,147,330 | 2,043,469 | 103,861 |
| Engineering Services | 1,019,857 | 1,011,566 | 965,943 | 45,623 |
| Total Community Development | 16,659,542 | 16,602,472 | 15,829,979 | 772,493 |
| Total expenditures | 101,420,000 | 101,301,000 | 95,835,839 | 5,465,161 |
| Revenues over expenditures | 24,790,000 | 24,909,000 | 36,822,627 | 11,913,627 |

(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, 2013

| | 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 | 290,000 | 290,000 | 253,151 | (36,849) |
| Soccer Fund | - | - | 5,350 | 5,350 |
| Stormwater Utility Fund | - | - | 3,744 | 3,744 |
| Capital Projects Funds | - | - | 44,679 | 44,679 |
| Debt Service Fund | (16,500,000) | (16,525,000) | (14,704,937) | 1,820,063 |
| Insurance Reserve Funds | (100,000) | (100,000) | - | 100,000 |
| Medical Imprest Fund | - | - | - | - |
| Capital Projects Funds | (30,510,000) | (30,604,000) | (16,218,120) | 14,385,880 |
| Fire Service Fund | - | - | - | - |
| Equipment Reserve Fund | (360,000) | (360,000) | (610,000) | (250,000) |
| Transient Guest Tax Fund - Cap Fund | - | - | - | - |
| Total other financing sources (uses) | (47,030,000) | (47,149,000) | (31,076,133) | 16,072,867 |
| Revenues and other financing sources over (under) expen- ditures and other uses | (22,240,000) | (22,240,000) | 5,746,494 | 27,986,494 |
| Fund balances at beginning of year | 22,240,000 | 22,240,000 | | (22,240,000) |
| Fund balances at end of year | \$ - | \$ - | | \$ - |
| 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 revenues over expenditures | | | 93,702 | |
| Total other financing sources | | | <u>5,785,585</u> | |
| Revenues and other financing sources over expenditures | | | 11,625,781 | |
| Reconciliation between GAAP and Non-GAAP expenditures | | | (16,770) | |
| Fund balances at beginning of year | | | 37,854,569 | |
| Fund balances at end of year | | | <u>\$ 49,463,580</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, 2013

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget |
|--|-------------------------|--------------------|---|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Sales Tax | \$ 5,498,000 | \$ 5,498,000 | \$ 5,534,779 | \$ 36,779 |
| Capital /operating grants | 12,000 | 12,000 | 7,445 | (4,555) |
| Total revenues | <u>5,510,000</u> | <u>5,510,000</u> | <u>5,542,224</u> | <u>32,224</u> |
| Expenditures: | | | | |
| City wide contingency | - | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues over expenditures | <u>5,510,000</u> | <u>5,510,000</u> | <u>5,542,224</u> | <u>32,224</u> |
| Other financing uses: | | | | |
| Transfers to other funds: | | | | |
| General Fund | (150,000) | (150,000) | (150,000) | - |
| Capital Projects Funds | (7,150,000) | (7,150,000) | (4,834,390) | 2,315,610 |
| Total other financing uses | <u>(7,300,000)</u> | <u>(7,300,000)</u> | <u>(4,984,390)</u> | <u>2,315,610</u> |
| Revenues and other financing sources over (under) expen- ditures and other uses | <u>(1,790,000)</u> | <u>(1,790,000)</u> | <u>557,834</u> | <u>2,347,834</u> |
| Fund balances at beginning of year | <u>1,790,000</u> | <u>1,790,000</u> | <u>2,298,032</u> | <u>508,032</u> |
| Fund balances at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,855,866</u> | <u>\$ 2,855,866</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
Stormwater Utility Fund
For the Year Ended December 31, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|--------------------|----------------------------|----------------------|
| | Original | Final | Budgetary Basis | Final Budget |
| Revenues: | | | | |
| Property Tax | \$ 2,518,000 | \$ 2,518,000 | \$ 2,573,555 | \$ 55,555 |
| Charges for Services | 3,783,350 | 3,783,350 | 3,804,545 | 21,195 |
| Use of money | 23,650 | 23,650 | 12,401 | (11,249) |
| Total revenues | 6,325,000 | 6,325,000 | 6,390,501 | 65,501 |
| Expenditures: | | | | |
| Public Works | 5,547,850 | 5,547,850 | 2,940,875 | 2,606,975 |
| Total expenditures | 5,547,850 | 5,547,850 | 2,940,875 | 2,606,975 |
| Revenues over expenditures | 777,150 | 777,150 | 3,449,626 | 2,672,476 |
| Other financing sources (uses): | | | | |
| Transfer (to) from other funds: | | | | |
| Special Revenue Funds | (200,000) | (200,000) | (200,000) | - |
| Debt Service Fund | (2,150) | (2,150) | (2,150) | - |
| Capital Projects Funds | (2,075,000) | (2,075,000) | (4,369,340) | (2,294,340) |
| Total other financing sources (uses) | (2,277,150) | (2,277,150) | (4,571,490) | (2,294,340) |
| Revenues and other financing sources over (under) expend- itures and other uses | (1,500,000) | (1,500,000) | (1,121,864) | 378,136 |
| Fund balances at beginning of year | 1,500,000 | 1,500,000 | | (1,500,000) |
| Fund balances at end of year | \$ - | \$ - | | \$ - |
| Reconciliation to GAAP Basis: | | | | |
| Encumbrances | | | 63,604 | |
| Fund balance at beginning of year | | | 1,943,033 | |
| Fund balance at end of year | | | <u>\$ 884,773</u> | |

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

**City of Overland Park
Statement of Net Position
Proprietary Funds**

| | OPDC | Total Nonmajor Enterprise Funds | Total Enterprise Funds | Governmental Activities Combined Internal Service Funds |
|---|------------------------|--|-----------------------------------|--|
| Assets | | | | |
| Current assets: | | | | |
| Cash, cash equivalents and investments | \$ 243,606 | \$ 1,250,107 | \$ 1,493,713 | \$ 4,355,444 |
| Receivables, net | 1,142,930 | 53,739 | 1,196,669 | 4,727 |
| Inventory | 327,611 | 132,601 | 460,212 | - |
| Other current assets | 153,466 | - | 153,466 | - |
| Total current assets | <u>1,867,613</u> | <u>1,436,447</u> | <u>3,304,060</u> | <u>4,360,171</u> |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Land | - | 1,425,200 | 1,425,200 | - |
| Other capital assets, net of depreciation | 50,360,164 | 2,121,491 | 52,481,655 | - |
| Total capital assets | <u>50,360,164</u> | <u>3,546,691</u> | <u>53,906,855</u> | <u>-</u> |
| Cash and cash equivalents restricted for workers' compensation | - | - | - | 1,623,495 |
| Investments restricted for debt service | 14,592,968 | - | 14,592,968 | - |
| Total noncurrent assets | <u>64,953,132</u> | <u>3,546,691</u> | <u>68,499,823</u> | <u>1,623,495</u> |
| Total assets | <u>\$ 66,820,745</u> | <u>\$ 4,983,138</u> | <u>\$ 71,803,883</u> | <u>\$ 5,983,666</u> |
| Deferred outflows of resources, deferred charge on refunding | \$ 6,996,261 | \$ - | \$ 6,996,261 | \$ - |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 2,748,085 | \$ 137,232 | \$ 2,885,317 | \$ 241,242 |
| Accrued payroll | 1,408,419 | 158,950 | 1,567,369 | - |
| Accrued interest payable | 2,769,797 | - | 2,769,797 | - |
| Unearned revenue | - | 37,566 | 37,566 | - |
| Unpaid claims | - | - | - | 1,657,328 |
| Bonds payable | 1,685,000 | - | 1,685,000 | - |
| Total current liabilities | <u>8,611,301</u> | <u>333,748</u> | <u>8,945,049</u> | <u>1,898,570</u> |
| Long-term liabilities | | | | |
| Accrued compensated absences | - | 50,580 | 50,580 | - |
| Bonds payable, net | 107,261,842 | - | 107,261,842 | - |
| Ground lease obligation | 1,069,609 | - | 1,069,609 | - |
| Subordinated asset and property mgmt fee payable | 2,163,699 | - | 2,163,699 | - |
| Total long term liabilities | <u>110,495,150</u> | <u>50,580</u> | <u>110,545,730</u> | <u>-</u> |
| Total liabilities | <u>\$ 119,106,451</u> | <u>\$ 384,328</u> | <u>\$ 119,490,779</u> | <u>\$ 1,898,570</u> |
| Net Position | | | | |
| Net investment in capital assets | \$ (51,590,417) | \$ 3,546,691 | \$ (48,043,726) | \$ - |
| Restricted for workers' compensation claims | - | - | - | 601,413 |
| Restricted for employee medical claim allocations | - | - | - | 75,289 |
| Restricted for debt service | 12,238,357 | - | 12,238,357 | - |
| Restricted for capital and other purposes | 2,354,611 | - | 2,354,611 | - |
| Unrestricted | (8,291,996) | 1,052,119 | (7,239,877) | 3,408,394 |
| Total net position (deficit) | <u>\$ (45,289,445)</u> | <u>\$ 4,598,810</u> | <u>\$ (40,690,635)</u> | <u>\$ 4,085,096</u> |

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

City of Overland Park
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2013

| | OPDC | Total Nonmajor Enterprise Funds | Total Enterprise Funds | Governmental Activities Combined Internal Service Funds |
|--|--------------------|--|-----------------------------------|--|
| Operating revenues: | | | | |
| Charges for services | \$ 21,238,907 | \$ 5,968,560 | \$ 27,207,467 | \$ 9,402,300 |
| Other reimbursements | 163,491 | 111,427 | 274,918 | 11,317 |
| Total operating revenues | 21,402,398 | 6,079,987 | 27,482,385 | 9,413,617 |
| Operating expenses: | | | | |
| Claims paid | - | - | - | 9,424,253 |
| Contractual services | - | - | - | 630,886 |
| Soccer operations | - | 1,166,832 | 1,166,832 | - |
| Golf course operations | - | 4,356,087 | 4,356,087 | - |
| OPDC Operations | 17,471,511 | - | 17,471,511 | - |
| Depreciation | 2,346,389 | 335,393 | 2,681,782 | - |
| Total operating expenses | 19,817,900 | 5,858,312 | 25,676,212 | 10,055,139 |
| Operating income (loss) | 1,584,498 | 221,675 | 1,806,173 | (641,522) |
| Nonoperating revenues and (expenses): | | | | |
| Interest earned on investments | 90,035 | 3,452 | 93,487 | 23,435 |
| Gain on disposal of capital assets | - | 1,441 | 1,441 | - |
| Interest expense on long term debt | (6,009,213) | (420) | (6,009,633) | - |
| Total nonoperating revenue (expenses) | (5,919,178) | 4,473 | (5,914,705) | 23,435 |
| Income (loss) before transfer | (4,334,680) | 226,148 | (4,108,532) | (618,087) |
| Transfers in | 3,042,153 | - | 3,042,153 | 322,000 |
| Transfers out | - | (463,301) | (463,301) | - |
| Change in net position | (1,292,527) | (237,153) | (1,529,680) | (296,087) |
| Total net position-beginning of year | (43,996,918) | 4,835,963 | (39,160,955) | 4,381,183 |
| Total net position-end of year | \$ (45,289,445) | \$ 4,598,810 | \$ (40,690,635) | \$ 4,085,096 |

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, 2013**

| | Enterprise Fund OPDC | Total Nonmajor Enterprise Funds | Total Enterprise Funds | Governmental Activities Combined Internal Service Funds |
|--|-------------------------|---------------------------------------|---------------------------|---|
| Cash flows from operating activities | | | | |
| Cash received from customers | \$ 21,086,644 | \$ 5,963,222 | \$ 27,049,866 | \$ 9,402,300 |
| Cash received from other reimbursements | - | 111,427 | 111,427 | 20,176 |
| Claims paid | - | - | - | (9,424,253) |
| Cash payments for personal services | - | (2,853,881) | (2,853,881) | - |
| Cash payments for contractual services and accounts payable | (17,069,242) | (2,590,587) | (19,659,829) | (378,018) |
| Net cash provided by (used in) operating activities | 4,017,402 | 630,181 | 4,647,583 | (379,795) |
| Cash flows from noncapital financing activities | | | | |
| Transfers from other funds | 3,042,153 | - | 3,042,153 | 322,000 |
| Transfers (to) other funds | - | (463,301) | (463,301) | - |
| Net cash provided by (used in) noncapital financing activities | 3,042,153 | (463,301) | 2,578,852 | 322,000 |
| Cash flows from capital and related financing activities | | | | |
| Principal paid on capital debt | (1,395,000) | (21,036) | (1,416,036) | - |
| Interest paid on capital debt | - | (630) | (630) | - |
| Interest and trust fees paid on capital debt | (5,585,347) | - | (5,585,347) | - |
| Deposits to revenue bond trust funds | (9,059,217) | - | (9,059,217) | - |
| Purchases of capital assets | (1,970,057) | 170,852 | (1,799,205) | - |
| Net cash provided by (used in) capital and related financing activities | (18,009,621) | 149,186 | (17,860,435) | - |
| Cash flows from investing activities | | | | |
| Interest on investments | 192,141 | 3,452 | 195,593 | 23,435 |
| Proceeds from sale of restricted investments | 10,201,548 | - | 10,201,548 | - |
| Net cash provided by investing activities | 10,393,689 | 3,452 | 10,397,141 | 23,435 |
| Net increase (decrease) in cash and cash equivalents | (556,377) | 319,518 | (236,859) | (34,360) |
| Cash and cash equivalents-beginning of the year | 799,983 | 930,589 | 1,730,572 | 6,013,299 |
| Cash and cash equivalents-end of the year | \$ 243,606 | \$ 1,250,107 | \$ 1,493,713 | \$ 5,978,939 |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating income (loss) | \$ 1,584,498 | \$ 221,675 | \$ 1,806,173 | \$ (641,522) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| (Increase) decrease in accounts receivable | (315,754) | (34,124) | (349,878) | 8,859 |
| (Increase) decrease in other current assets | (46,684) | - | (46,684) | - |
| (Increase) decrease in inventory | (2,478) | 22,652 | 20,174 | - |
| Increase (decrease) in accrued payroll | (52,425) | 8,464 | (43,961) | - |
| Increase in subordinate asset and property management fee payable | 116,924 | - | 116,924 | - |
| Increase in unearned revenue | - | 28,786 | 28,786 | - |
| Increase in accounts payable and claims payable | 386,932 | 47,335 | 434,267 | 252,868 |
| Depreciation expense | 2,346,389 | 335,393 | 2,681,782 | - |
| Net cash provided by (used in) operating activities | \$ 4,017,402 | \$ 630,181 | \$ 4,647,583 | \$ (379,795) |

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, 2013

| | Employee Retirement Plans | Private-purpose Trusts | Agency Funds |
|---|--------------------------------------|-----------------------------------|----------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 3,270,096 | \$ 3,325 | \$ 33,432,600 |
| Investments in equities | 47,178,896 | - | - |
| Investments in mutual funds | 99,504,904 | - | - |
| Investments in co-mingled trust fund | 22,097,522 | - | - |
| Interest receivable | - | - | 18,525 |
| Sales tax receivable | - | - | 505,535 |
| Special assessment receivable | - | - | 12,840,000 |
| Total assets | \$ 172,051,418 | \$ 3,325 | \$ 46,796,660 |
| Liabilities | | | |
| Accounts Payable | \$ - | \$ - | \$ 35,293 |
| Due to other entities | - | - | 46,761,367 |
| Total liabilities | \$ - | \$ - | \$ 46,796,660 |
| Net Position | | | |
| Held in trust for pension benefits and other purposes | \$ 172,051,418 | \$ 3,325 | |

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, 2013

| | Employee Retirement Plans | Private-purpose Trusts |
|---|--------------------------------------|-----------------------------------|
| Additions | | |
| Contributions: | | |
| Rollover | \$ 104,352 | \$ - |
| Employer | 7,587,939 | - |
| Plan members | 100,992 | - |
| Total contributions | 7,793,283 | - |
| Investment earnings: | | |
| Net increase in fair value of investments | 23,774,670 | - |
| Interest | 73,656 | 4 |
| Dividends | 3,212,737 | - |
| Total investment earnings | 27,061,063 | 4 |
| Total additions | 34,854,346 | 4 |
| Deductions | | |
| Benefits | 5,103,247 | - |
| Administrative expenses | 437,758 | - |
| Total deductions | 5,541,005 | - |
| Change in net position | 29,313,341 | 4 |
| Net position-beginning of the year | 142,738,077 | 3,321 |
| Net position-end of the year | \$ 172,051,418 | \$ 3,325 |

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

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 relationships to other legally separate organizations (potential component units) have 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 Presentation – Fund 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 out 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.

C. Basis of Accounting

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 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 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.

Net position is reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or legislation.

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 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 reserved to fund the operations, maintenance, capital improvements and debt service of the City's stormwater management program.

The One-Eighth Cent Sales Tax-Street Improvement Fund and the Stormwater Utility Fund, special revenue funds are presented as major for public interest purposes.

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.

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.

I. Summary of significant accounting policies (continued)

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 expenditures are made. Property taxes, though measurable, are recognized in 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 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.

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.

I. Summary of significant accounting policies (continued)

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 Special Tax Financing 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 reported amounts of certain assets, liabilities, revenues, expenditures, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

D. 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, 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 two years. The average yield on maturing investments during the year was 0.42 percent and the amount of investment revenue received was \$611,537. The investment revenue is equivalent to a 0.229 mill property tax.

City of Overland Park, Kansas

Notes to Basic Financial Statements

I. Summary of significant accounting policies (continued)

The City reports investments in nonparticipating interest-earning investment contracts and money market investments with maturity at the time of purchase of one year or less at cost or amortized cost in accordance with the provisions of GASB Statement No. 31. All other investments are reported at fair value which is determined using quoted market prices.

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. 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 estimated fair value on the date donated. Only capital assets with a value of \$250 or more are capitalized by the City.

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 is capitalized in proprietary funds on assets acquired with tax-exempt debt. The amount of interest capitalized is the net interest expense incurred (interest expense less interest income) from the date of borrowing until the project is placed into service. There was no interest capitalized in fiscal year 2013.

Vacation and Sick Leave

All regular full-time and certain part-time employees of the City with six months of employment are eligible for vacation benefits in varying annual amounts. Employees are allowed to accumulate and carry forward 200 percent of the amount 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 one working day per month and certain part-time employees 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 employees' 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 or 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 \$1,069,609 as of December 31, 2013 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, 2013 of \$1,759,000 is 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 a liability in the government-wide statements and proprietary fund type statement of net position. The long-term debt consists primarily of bonds payable 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 a liability 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. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

I. Summary of significant accounting policies (continued)

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.

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.
- *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.

I. Summary of significant accounting policies (continued)

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.
- 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 enabling legislation consists of \$9,529 for the Transient Guest Tax-Reserve which is restricted for debt service, \$3,934,646 for street improvements, \$676,702 for worker's compensation and medical claims, \$12,238,357 restricted for debt service of the Overland Park Development Corporation and \$2,354,611 restricted for capital and other projects of the Overland Park Development Corporation.
- 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.

II. Stewardship, Compliance and Accountability

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/ expenditure) until then. The City only has one item that qualifies for reporting in this category. It 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.

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 grants. 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.

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

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 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.

II. Stewardship, Compliance and Accountability (continued)

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. However, 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 must not exceed the total budgeted expenditures for the cost center. 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.

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 |
| Parks and Recreation | |

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.

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (continued)

B. Fund Balance/Budget Deficits

The Overland Park Development Corporation had a deficit net position balance of \$45,289,445. This deficit will decrease as debt is paid in future years. The Special Tax Financing – Fund, a nonmajor fund, had a deficit fund balance of \$19,660. This fund deficit will decrease as revenue collections begin on the related projects for which costs were incurred. The Federal and State Grants Fund, a nonmajor fund, had a deficit fund balance of \$109,980. This fund deficit is due to additional project costs incurred in excess of grant reimbursements, and therefore funded by the City.

In the General Fund: Human Resources exceeded their budget by \$8,254 due to pension administration fees. Police Administration exceeded their budget by \$372,777 as a result of department reorganization of personnel. Fire Services exceeded their budget by \$47,281 due to higher fire services contracts. OPFD-Administration exceeded their budget by \$29,389 due to the purchase of unbudgeted capital expenditures. OPFD-Support Services exceeded their budget by \$4,552 due to higher costs incurred to maintain fire vehicles. Public Works Maintenance exceeded their budget by \$4,861 as a result of higher spending on fuel and snow removal. Leisure Services exceeded their budget by \$3,731 as a result of a retirement payout. Aquatics exceeded their budget by \$814 as a result of higher pool maintenance costs.

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.

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

| | Expenditures/ Encumbrances | Add: 2012 | Less: 2013 | Reporting Purposes | |
|-------------------------|-------------------------------|--------------|--------------|----------------------------------|----------------------------|
| | Non-GAAP Basis | Encumbrances | Encumbrances | Non-General Fund Expenditures | Expenditures GAAP Basis |
| General Fund | \$ 95,835,839 | \$ 1,152,113 | \$ 1,135,346 | \$ (24,212) | \$95,828,394 |
| Stormwater Utility Fund | 2,940,875 | 61,020 | 124,624 | - | 2,877,271 |

| | Fund Balance Non-GAAP Basis | Add: 2013 Encumbrances | Fund Balance GAAP Basis |
|-------------------------|--------------------------------|---------------------------|----------------------------|
| | | | |
| General Fund | \$ 48,328,234 | \$ 1,135,346 | \$49,463,580 |
| Stormwater Utility Fund | 760,149 | 124,624 | 884,773 |

II. Stewardship, Compliance and Accountability (continued)

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, receivable 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 inflow of resources on the balance sheets of the appropriate funds.

Property taxes are recognized as revenue in the government-wide financial statements in the year intended to be financed by those taxes in accordance with provisions of GASB No. 33 and GASB 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.

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 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.

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (continued)

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, 2013, the Overland Park Development Corporation Enterprise Fund had bank deposits and investments of \$0 and \$10,889,195 that were uninsured and uncollateralized. 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 |
|--|--------------------------------|
| Total Securities less than 1 month | Up to 20% |
| Total Securities between 1 and 12 months | Up to 40% |
| Total Securities 12 to 48 months | Up to 50% |

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 primary government investment portfolio broken down into the established maturity ranges.

| Investment Type | Amount | Maturity | | | |
|---------------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| | | 1 Month or Less | 1 - 12 Months | 12 - 48 Months | 48 Months or Longer |
| Overnight Sweep ** | \$ 7,646,000 | \$ 7,646,000 | \$ - | \$ - | \$ - |
| U.S. Government Sponsored | | | | | |
| Enterprise Notes | 61,773,937 | - | 20,099,107 | 41,674,830 | - |
| U.S. Treasury Strips | 7,241 | - | - | - | 7,241 |
| Mutual Funds, OPDC * | 14,592,968 | 14,592,968 | - | - | - |
| Certificates of Deposit | 4,000,000 | - | 4,000,000 | - | - |
| | <u>\$ 88,020,146</u> | <u>\$ 22,238,968</u> | <u>\$ 24,099,107</u> | <u>\$ 41,674,830</u> | <u>\$ 7,241</u> |

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 | Amount | Maturity | | | |
|---------------------------|----------------------|----------------------|---------------------|---------------------|------------------------|
| | | 1 Month or Less | 1 - 12 Months | 12 - 48 Months | 48 Months or Longer |
| Overnight Sweep ** | \$ 20,961,817 | \$ 20,961,817 | \$ - | \$ - | \$ - |
| U.S. Government Sponsored | | | | | |
| Enterprise Notes | 12,435,490 | - | 5,642,119 | 6,793,371 | - |
| | <u>\$ 33,397,307</u> | <u>\$ 20,961,817</u> | <u>\$ 5,642,119</u> | <u>\$ 6,793,371</u> | <u>\$ -</u> |

* Not subject to interest rate risk.

** Underlying investments only include U.S. government Sponsored Enterprise Notes with maturities of one month or less

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (continued)

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.

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 |
|-------------------------|-----------------------|-------------------|------------------------------|
| FFCB | Aaa | AA+ | 25.88% |
| FHLMC | Aaa | AA+ | 47.96% |
| FNMA | Aaa | AA+ | 12.46% |
| FHLB | Aaa | AA+ | 7.60% |
| Certificates of Deposit | Not Rated | Not Rated | 6.08% |
| US Treasury | Aaa | AA+ | 0.02% |

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2013, was as follows:

| <u>Governmental activities</u> | <u>Balance</u> <u>January 1, 2013</u> | <u>Additions</u> | <u>Transfers /</u> <u>Disposals</u> | <u>Balance</u> <u>December 31, 2013</u> |
|--|--|---------------------|--|--|
| <u>Assets not being depreciated:</u> | | | | |
| Land | \$ 31,045,631 | \$ - | \$ - | \$ 31,045,631 |
| Construction in progress | 7,004,202 | 10,806,420 | (6,281,198) | 11,529,424 |
| Total | 38,049,833 | 10,806,420 | (6,281,198) | 42,575,055 |
| <u>Assets Being Depreciated</u> | | | | |
| Land Improvements | 40,928,671 | - | - | 40,928,671 |
| Building and improvements | 121,546,904 | - | - | 121,546,904 |
| OPCC capital assets | 3,499,849 | 86,968 | (5,332) | 3,581,485 |
| Equipment | 59,942,443 | 3,451,830 | (3,025,461) | 60,368,812 |
| Infrastructure | 1,217,990,036 | 33,489,293 | - | 1,251,479,329 |
| Total | 1,443,907,903 | 37,028,091 | (3,030,793) | 1,477,905,201 |
| <u>Accumulated Depreciation</u> | | | | |
| Land Improvements | (9,602,015) | (2,660,503) | - | (12,262,518) |
| Building and improvements | (36,162,607) | (3,034,367) | - | (39,196,974) |
| OPCC capital assets | (3,391,797) | (127,711) | 667 | (3,518,841) |
| Equipment | (43,965,388) | (6,322,276) | 2,858,276 | (47,429,388) |
| Infrastructure | (337,371,067) | (26,832,361) | - | (364,203,428) |
| Total | (430,492,874) | (38,977,218) | 2,858,943 | (466,611,149) |
| Total capital assets being depreciated, net | 1,013,415,029 | (1,949,127) | (171,850) | 1,011,294,052 |
| <u>Governmental activities capital assets, net</u> | <u>\$ 1,051,464,862</u> | <u>\$ 8,857,293</u> | <u>\$ (6,453,048)</u> | <u>\$ 1,053,869,107</u> |

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (continued)

| <u>Business-type activities</u> | <u>Balance</u> <u>January 1, 2013</u> | <u>Additions</u> | <u>Transfers /</u> <u>Disposals</u> | <u>Balance</u> <u>December 31, 2013</u> |
|---|--|--------------------|--|--|
| <u>Assets not being depreciated:</u> | | | | |
| Land | \$ 1,425,200 | \$ - | \$ - | \$ 1,425,200 |
| Construction in Progress | 1,680,492 | - | (1,680,492) | - |
| | <u>3,105,692</u> | <u>-</u> | <u>(1,680,492)</u> | <u>1,425,200</u> |
| <u>Assets Being Depreciated</u> | | | | |
| Land Improvements | 6,920,077 | - | - | 6,920,077 |
| Building and improvements | 67,351,714 | 2,953 | - | 67,354,667 |
| Equipment | 13,633,156 | 3,673,490 | (225,213) | 17,081,433 |
| Capitalized Lease Equipment | 400,852 | - | - | 400,852 |
| Total | <u>88,305,799</u> | <u>3,676,443</u> | <u>(225,213)</u> | <u>91,757,029</u> |
| <u>Accumulated Depreciation</u> | | | | |
| Land Improvements | (6,360,668) | (217,405) | - | (6,578,073) |
| Building and improvements | (17,496,218) | (1,678,875) | - | (19,175,093) |
| Equipment | (12,365,762) | (785,502) | 29,908 | (13,121,356) |
| Capitalized Lease Equipment | (400,852) | - | - | (400,852) |
| Total | <u>(36,623,500)</u> | <u>(2,681,782)</u> | <u>29,908</u> | <u>(39,275,374)</u> |
| Total capital assets being depreciated, net | <u>51,682,299</u> | <u>994,661</u> | <u>(195,305)</u> | <u>52,481,655</u> |
| <u>Business-type activities capital assets, net</u> | <u>\$ 54,787,991</u> | <u>\$ 994,661</u> | <u>\$ (1,875,797)</u> | <u>\$ 53,906,855</u> |

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (continued)

The following schedule presents 2013 depreciation charges by function:

Governmental activities:

| | |
|--|----------------------|
| General government | \$ 3,338,053 |
| OP Convention Center (general government) | 127,711 |
| Public safety | 2,907,559 |
| Public works | 24,749,442 |
| Parks and recreation | 5,445,581 |
| Planning and development services | 86,018 |
| Soccer complex (parks and recreation) | 2,322,854 |
| Total depreciation-governmental activities | <u>\$ 38,977,218</u> |

Business type activities:

| | |
|---|---------------------|
| Golf course | \$ 335,393 |
| Overland Park Development Corporation | 2,346,389 |
| Total depreciation-business type activities | <u>\$ 2,681,782</u> |

D. Capital Projects Authorized

At December 31, 2013, capital projects authorizations compared with expenditures from inception are as follows:

| | Project Authorizations | Project Expenditures December 31, 2013 |
|-----------------------------------|---------------------------|---|
| Street improvements | \$ 236,513,583 | \$ 47,568,365 |
| Drainage improvements | 22,549,231 | 8,896,563 |
| Municipal building improvements | 10,476,924 | 883,295 |
| Equipment | 7,824,173 | 2,199,333 |
| Street lighting | 2,900,000 | 2,184,504 |
| Traffic signals | 1,824,257 | 973,110 |
| Parks and recreation improvements | 43,204,265 | 2,280,037 |
| Total | <u>\$ 325,292,433</u> | <u>\$ 64,985,207</u> |

Primary funding for authorized capital projects are federal and state funds along with local funding that include 1/8 cent sales tax, general obligation bonds and pay-as-you-go funds.

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, 2013, are as follows:

| | Interfund Receivables | Interfund Payables |
|--|--------------------------|-----------------------|
| Major Government Funds: | | |
| General | \$ 262,262 | \$ - |
| Street Improvement Capital Projects Fund | 974,346 | - |
| Non-major Funds: | | |
| Special Revenue: | | |
| Special Street and Highway | - | 974,346 |
| Federal / State Grants | - | 157,710 |
| Capital Projects: | | |
| Storm Drainage | - | 104,552 |
| Total | <u>\$ 1,236,608</u> | <u>\$ 1,236,608</u> |

The interfund loans were made to cover cash flow deficiencies of the various funds. These amounts are 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 2013 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, 2013 were as follows:

| | Transfers In | Transfers Out |
|--------------------------------------|-----------------------------|-----------------------------|
| Major Governmental Funds: | | |
| General | \$ 11,694,809 | \$ 36,985,358 |
| 1/8th Cent Sales Tax | 23,610 | 5,008,000 |
| Capital Proj - Street Improvements | 33,445,827 | 12,373,715 |
| Debt Service | 21,617,629 | - |
| Stormwater Utility | 210,477 | 4,781,968 |
| | <u>66,992,352</u> | <u>59,149,041</u> |
| Non-major Governmental Funds: | | |
| Special Revenue | 8,459,332 | 26,585,110 |
| Capital Projects | 8,931,992 | 1,550,377 |
| | <u>17,391,324</u> | <u>28,135,487</u> |
| Major Enterprise Funds: | | |
| OPDC | 3,042,153 | - |
| Non-major Enterprise Funds: | | |
| Enterprise Fund - Golf Course | - | 255,251 |
| Enterprise Fund - Soccer | - | 208,050 |
| | <u>-</u> | <u>463,301</u> |
| Internal Service Funds: | | |
| Worker's Compensation | 422,000 | - |
| Imprest Medical Plan | - | 100,000 |
| | <u>422,000</u> | <u>100,000</u> |
| Total | <u><u>\$ 87,847,829</u></u> | <u><u>\$ 87,847,829</u></u> |

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (continued)

G. Long-Term Debt

The following is a summary of debt transactions of the City for the year ended December 31, 2013:

| | Balance January 1, 2013 | Additions | Deletions | Balance December 31, 2013 | Due Within One Year |
|---|-------------------------------|---------------|---------------|---------------------------------|---------------------------|
| Governmental activities: | | | | | |
| General obligation bonds | \$ 162,583,964 | \$ 29,995,000 | \$ 40,738,964 | \$ 151,840,000 | \$ 15,965,000 |
| Premium on bonds | 1,720,937 | 3,115,724 | 236,812 | 4,599,849 | - |
| Employee compensated absences | 7,038,494 | 5,396,565 | 5,135,385 | 7,299,674 | 5,135,385 |
| Claims payable | 2,374,895 | 10,397,569 | 10,390,584 | 2,381,880 | 1,745,330 |
| Net Pension Obligation | 1,482,443 | 73,664 | - | 1,556,107 | - |
| Net OPEB Obligation | 6,336,112 | 1,682,719 | 551,918 | 7,466,913 | - |
| Total | \$ 181,536,845 | \$ 50,661,241 | \$ 57,053,663 | \$ 175,144,423 | \$ 22,845,715 |
| Business-type activities: | | | | | |
| General obligation bonds | \$ 21,036 | \$ - | \$ 21,036 | \$ - | \$ - |
| Premium on bonds | 1,591,388 | - | 124,546 | 1,466,842 | - |
| Employee compensated absences | 162,511 | 112,017 | 111,974 | 162,554 | 111,974 |
| Revenue bonds-OPDC | 108,875,000 | - | 1,395,000 | 107,480,000 | 1,685,000 |
| Subordinated asset and property management fee payable | 2,046,775 | 116,924 | - | 2,163,699 | - |
| Total | \$ 112,696,710 | \$ 228,941 | \$ 1,652,556 | \$ 111,273,095 | \$ 1,796,974 |

Note: Compensated absences, net pension obligations and net other postemployment benefit obligations 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, 2013 |
|--|----------------|-------------------|----------------------------------|---------------------------------|
| Public building | 02/15/04 | 9/1/2004-9/1/2019 | 3.0 to 5.0 | \$ 3,435,000 |
| Traffic signal improvement | 05/15/06 | 9/1/2006-9/1/2015 | 4.00-4.25 | 29,126 |
| Street improvement | 05/15/06 | 9/1/2006-9/1/2015 | 4.00-4.25 | 422,472 |
| Street improvement | 05/15/06 | 9/1/2006-9/1/2025 | 4.00-4.25 | 576,295 |
| Parks and recreation | 05/15/06 | 9/1/2006-9/1/2025 | 4.00-4.25 | 1,037,107 |
| Public building | 11/15/06 | 9/1/2007-9/1/2030 | 4.4 | 41,055,000 |
| Parks and recreation | 12/01/07 | 9/1/2008-9/1/2017 | 4.0 | 3,444,940 |
| Parks and recreation | 12/01/07 | 9/1/2008-9/1/2027 | 4.0 | 23,620,000 |
| Street improvement | 12/01/07 | 9/1/2008-9/1/2027 | 4.625 | 1,200,000 |
| Street improvement | 12/01/07 | 9/1/2008-9/1/2017 | 4.0 | 8,253,548 |
| Public building | 12/01/07 | 9/1/2008-9/1/2017 | 4.0 | 211,512 |
| Parks and recreation | 09/10/09 | 9/1/2010-9/1/2019 | 2.22 | 2,413,550 |
| Parks and recreation | 09/10/09 | 9/1/2010-9/1/2029 | 5.1 | 3,031,288 |
| Street improvement | 09/10/09 | 9/1/2010-9/1/2019 | 2.2 | 11,146,450 |
| Street improvement | 09/10/09 | 9/1/2010-9/1/2029 | 5.1 | 1,268,712 |
| Storm drainage | 09/16/10 | 9/1/2011-9/1/2020 | 2.57 | 856,722 |
| Street improvement | 09/16/10 | 9/1/2011-9/1/2020 | 2.57 | 8,558,278 |
| Street improvement | 06/01/11 | 9/1/2012-9/1/2021 | 2.38 | 6,790,000 |
| Street improvement | 06/01/11 | 9/1/2011-9/1/2024 | 2.46 | 5,350,000 |
| Parks and recreation | 06/20/13 | 9/1/2014-9/1/2023 | 1.46 | 489,498 |
| Storm drainage | 06/20/13 | 9/1/2014-9/1/2023 | 1.46 | 24,093 |
| Street lights | 06/20/13 | 9/1/2014-9/1/2023 | 1.46 | 1,615,346 |
| Street improvement | 06/20/13 | 9/1/2014-9/1/2023 | 1.46 | 4,271,063 |
| Public building | 06/20/13 | 9/1/2013-9/1/2023 | 1.31 | 3,334,688 |
| Storm drainage | 06/20/13 | 9/1/2013-9/1/2023 | 1.31 | 67,238 |
| Street improvement | 06/20/13 | 9/1/2013-9/1/2023 | 1.31 | 3,553,074 |
| Parks and recreation | 06/20/13 | 9/1/2013-9/1/2025 | 1.66 | 10,750,467 |
| Traffic signal improvement | 06/20/13 | 9/1/2013-9/1/2025 | 1.66 | 1,946,537 |
| Street improvement | 06/20/13 | 9/1/2013-9/1/2025 | 1.66 | 3,056,472 |
| Traffic signal improvement | 06/20/13 | 9/1/2013-9/1/2025 | 1.66 | 31,524 |
| Total General Obligation Bonds | | | | \$ 151,840,000 |

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, 2013, including interest payments, are as follows:

| Year ending December 31 | Government Activities | | Total Primary Government Debt Service |
|----------------------------|---------------------------------------|----------------------|---|
| | General Obligation Bonds Principal | Interest | |
| 2014 | \$ 15,965,000 | \$ 5,597,236 | \$ 21,562,236 |
| 2015 | 15,130,000 | 5,083,688 | 20,213,688 |
| 2016 | 14,555,000 | 4,641,306 | 19,196,306 |
| 2017 | 14,580,000 | 4,173,660 | 18,753,660 |
| 2018 | 11,860,000 | 3,656,670 | 15,516,670 |
| 2019 - 2023 | 44,765,000 | 12,623,050 | 57,388,050 |
| 2024 - 2028 | 27,520,000 | 5,085,553 | 32,605,553 |
| 2029 - 2033 | 7,465,000 | 502,000 | 7,967,000 |
| | <u>\$ 151,840,000</u> | <u>\$ 41,363,163</u> | <u>\$ 193,203,163</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, 2013, the statutory limit for the City was \$879,031,584 providing a debt margin of \$727,191,584.

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 project, (3) a mortgage on the Corporation's leasehold interest in the project, granted by the Corporation in favor of the Bond Trustee, (4) the fee mortgage on the City's fee interest in the site granted by the City in favor of the Bond Trustee, and (5) 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.

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (continued)

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.

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 Agreement. 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 \$175,478,656. Principal and interest paid for the current year and total hotel net revenues were \$6,970,347 and \$1,584,498, respectively.

The annual requirements to amortize the revenue bonds at December 31, 2013, including interest payments, are as follows:

| Years Ending December 31, | Principal | Interest | Total |
|---------------------------|----------------------|----------------------|----------------------|
| 2014 | \$ 1,685,000 | \$ 5,496,422 | \$ 7,181,422 |
| 2015 | 1,980,000 | 5,402,506 | 7,382,506 |
| 2016 | 2,285,000 | 5,293,216 | 7,578,216 |
| 2017 | 2,600,000 | 5,168,038 | 7,768,038 |
| 2018 | 3,010,000 | 5,024,282 | 8,034,282 |
| 2019-2023 | 21,530,000 | 22,195,812 | 43,725,812 |
| 2024-2028 | 34,390,000 | 15,081,094 | 49,471,094 |
| 2029-2032 | 40,000,000 | 4,337,286 | 44,337,286 |
| Total | <u>\$107,480,000</u> | <u>\$ 67,998,656</u> | <u>\$175,478,656</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, 2013; 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 least 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 covenants as of December 31, 2013 is \$10,995,778.

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 \$1,505,141 were owed to Starwood/Sheraton for the year ended December 31, 2013. 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 \$350,774 were owed to the asset management company for the year ended December 31, 2013. 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 to the asset management company 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, 2013, there were 15 issues of industrial revenues bonds outstanding with an aggregate original issue amount totaling \$1,251,583,262 and an aggregate principal balance outstanding of \$1,202,663,257.

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.

As of December 31, 2013, 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 \$105,516,000. 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.

III. Detailed Notes on All Funds (continued)

Bond Refunding

In June 2013, the City issued \$7,575,000 of general obligation refunding bonds with an average interest rate of 1.3% to refund \$8,195,000 of outstanding internal improvement bonds.

Proceeds from the refunding bond issue (\$7,575,000), bond premium (\$866,070) less issuance costs (\$93,440) totaled \$8,347,630 were transferred to the State Treasurer.

The City will pay approximately \$1,024,894 less to service the new debt. Both the old and new maturity schedules ended in 2013. The economic gain (difference between the present values of the new and old debt payments) resulting from the transaction was approximately \$970,566.

Advance Bond Refunding

In June 2013, the City issued \$16,020,000 of general obligation refunding bonds with an true interest rate of 1.65% to advance refund \$16,265,000 of outstanding internal improvement bonds.

The bonds mature on September 1, 2025 and are callable on September 1, 2014 the general obligation bonds were issued at a premium of \$1,466,612 and after paying issuance costs of \$162,548, the net proceeds were \$17,324,064. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds are called on September 1, 2014. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the City's government-wide financial statements.

The refunding resulted in a deferred accounting loss of \$1,090,144 which will be amortized over the life of the new bonds. The amortization and related deferred charge on refunding are reported in the financial statements.

As a result of the advance refunding, the City reduced its total debt service requirement by \$2,342,590, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,125,364.

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 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.

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 \$2,087,313 for accidents occurring during calendar year 2013. 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.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (continued)

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 \$601,413 and \$3,483,683, respectively, as of December 31, 2013. 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 the General Fund for the Special Liability Defense and Risk Management sub-funds was \$88,002 as of December 31, 2013, based on claims considered matured and represent claims against current financial resources. The remaining liability of \$636,550 is considered a long-term liability and recorded on the statement of net position.

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 2012 and 2013 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, 2012: | | | | |
| Special Liability Defense (a) | \$ 573,156 | \$ 610,850 | \$ (231,070) | \$ 952,936 |
| Risk Management (a) | 24,865 | (4,713) | (16,862) | 3,290 |
| Worker's Compensation | 1,224,727 | 237,531 | (522,589) | 939,669 |
| Medical Imprest | 759,000 | 6,685,082 | (6,965,082) | 479,000 |
| Total | \$ 2,581,748 | \$ 7,528,750 | \$ (7,735,603) | \$ 2,374,895 |
| January 1 to December 31, 2013: | | | | |
| Special Liability Defense (a) | \$ 952,936 | \$ - | \$ (248,384) | \$ 704,552 |
| Risk Management (a) | 3,290 | 103,771 | (87,061) | 20,000 |
| Worker's Compensation | 939,669 | 700,546 | (630,886) | 1,009,329 |
| Medical Imprest | 479,000 | 9,593,252 | (9,424,253) | 647,999 |
| Total | \$ 2,374,895 | \$ 10,397,569 | \$ (10,390,584) | \$ 2,381,880 |

(a) A subfund of General Fund

IV. Other Information (continued)

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.

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 except commissioned police officers who are covered by the Overland Park Police Department Retirement Plan and firefighters and emergency medical technicians who are covered by the Overland Park Fire Department Retirement Plan. Kansas state statutes require that current liabilities be funded currently. 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:

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, 2013, there were 424 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 percent of annual covered payroll. Actual member and City contributions were \$100,992 and \$2,057,291, respectively, for the year ended December 31, 2013. 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 prepared and can be obtained at the City.

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, 2013

| | |
|--|----------------------|
| Assets, investments in mutual funds | \$ 54,316,173 |
| Net Position | |
| Held in Trust for pension Benefits | \$ 54,316,173 |

City of Overland Park
Municipal Employees Pension Plan
Statement of Changes in Plan Net Position
Year Ended December 31, 2013

| | |
|---|----------------------|
| Additions | |
| Contributions | |
| Employer | \$ 2,057,291 |
| Plan members | 100,992 |
| Rollover | 104,352 |
| Total assets | 2,262,635 |
| Investment Earnings | |
| Net increase in fair value of investments | 6,283,501 |
| Dividends | 1,304,227 |
| Total investment earnings | 7,587,728 |
| Total Additions | 9,850,363 |
| Deductions | |
| Benefits | 1,220,407 |
| Administrative expenses | 49,768 |
| Total deductions | 1,270,175 |
| Change in net position | 8,580,188 |
| Net position-beginning of the year | 45,735,985 |
| Net position-end of the year | \$ 54,316,173 |

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (continued)

Investment Related Disclosures

The majority of the assets of the MEPP are invested in mutual funds. Only one of the funds invests solely in bonds. Pertinent information for this investment is presented below:

| Fund Name | Credit Rating | Average Maturity | % of Net Position |
|------------------|---------------|------------------|-------------------|
| Harbor Bond Fund | Not Rated | 6.40 years | 9.44% |

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

| Type | Percent of Total |
|--|------------------|
| ICMA Plus – guaranteed investment contract | 23.7% |
| Vanguard 500 Index Signal | 8.5% |
| Dreyfus MidCap Index | 6.1% |
| Fidelity Growth Company | 6.0% |
| American Funds EuroPacific Gr R5 | 5.6% |

The investment policy for the MEPP allows investments in several investment vehicles, including mutual funds of common stock, fixed income securities and balanced 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 Harbor Bond Mutual Fund which invests solely in bonds. Mutual funds are not subject to interest rate risk given they have no maturity dates. The investment is not rated by Moody's or S&P.

Kansas Public Employees Retirement System (Defined Benefit Pension Plan)

The City participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERs provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. 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) or by calling 1-888-275-5737.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (continued)

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and 6% for Tier 2 members. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established by statute for 2013 was 8.79 percent. The City employer contributions to KPERS for the years ending December 31, 2013, 2012 and 2011 were \$2,196,770, \$2,017,663, and \$1,893,771, respectively, equal to the statutory required contributions for each year.

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

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 prepared and can be obtained at the City.

Membership in the PDRP was comprised of the following at January 1, 2013:

| | |
|--|------------|
| Active employees | 215 |
| Vested terminated employees | 75 |
| Retired participants and beneficiaries | 20 |
| Total | <u>310</u> |

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.

PDRP 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, 2013. 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.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (continued)

In 2013, employees did not make contributions to the PDRP. The City contributions, authorized by the City Council, for fiscal years 2013, 2012, and 2011 were \$3,202,600, \$2,977,104, and \$2,818,625, respectively. These contributions were made in accordance with contribution requirements determined by an actuarial valuation of the PDRP at January 1, 2013, 2012, and 2011, respectively. 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, 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.

Components of the Net Pension Obligation (NPO) of the City as of December 31, 2013, were as follows:

| | |
|--|--------------------------|
| Annual required contribution | \$ 3,314,770 |
| Interest on net pension obligation | 83,212 |
| Adjustment to annual required contribution | (170,104) |
| Annual pension cost | <u>3,227,878</u> |
| Actual contributions | <u>3,202,600</u> |
| Increase in net pension obligation | 25,278 |
| Beginning net pension obligation | <u>693,438</u> |
| Ending net pension obligation | <u>\$ 718,716</u> |

Historical trend information is as follows for the PDRP:

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|--------------------------|------------------------------------|-------------------------------------|------------------------------|
| 12/31/11 | \$ 2,887,048 | 98% | \$ 613,153 |
| 12/31/12 | 3,057,389 | 97% | 693,438 |
| 12/31/13 | 3,227,878 | 99% | 718,716 |

The latest actuarial valuation of the PDRP was performed at January 1, 2013 and utilized the aggregate cost method which does not identify or separately amortize unfunded liabilities. Therefore, the PDRP has no unfunded actuarial accrued liability that will need to be amortized.

IV. Other Information (continued)

Funded Status and Funding Progress

The Plan's funding method is the aggregate actuarial cost method. Because the aggregate method does not identify or separately amortize unfunded actuarial liabilities, information about the Plan's funded status and funding progress has been prepared using the entry age actuarial cost method. The information presented is intended to serve as a surrogate for the funded status and funding progress of the Plan. Using the entry age actuarial cost method, as of January 1, 2013, the most recent actuarial valuation date, the plan was 85.57% funded. The actuarial accrued liability for benefits was \$77.7 million, and the actuarial value of assets was \$66.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$11.2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$13.8 million and the ratio of the UAAL to the covered payroll was 81.48%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

The annual required contribution for the current year was determined using the aggregate cost method and the following significant actuarial assumptions: (a) a rate of return on the investment of present and future assets of 7.25 percent per annum (net of administrative expense), (b) projected salary increases of 4.00 percent per year, (c) RP-2000 pension mortality tables, (d) inflation rate assumption of 2.75 percent and (e) termination rates based on the Actuary's Pension Handbook. Assets are valued at market value for actuarial valuation purposes.

Investment Related Disclosures

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 co-mingled 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.

| Fund Name | Credit Rating | Average Maturity | % of Net Position |
|--------------------------------|---------------|------------------|-------------------|
| Passive Bond Market Index Fund | Not Rated | 5.52 | 19.4% |

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (continued)

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

| Type | Percent of Total |
|--|------------------|
| Franklin Temp Global Total Return Bond | 14.8% |
| Vanguard Russell 1000 Growth | 14.4% |
| Europacific Growth | 5.0% |

The PDRP'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.

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

City of Overland Park
Overland Park Police Department Retirement Plan
Statement of Plan Net Position
December 31, 2013

| | |
|-------------------------------------|----------------------------|
| Assets | |
| Cash and cash equivalents | \$ 2,529,973 |
| Investment in co-mingled trust fund | 16,484,682 |
| Investment in Mutual Funds | 32,980,062 |
| Investment in equities | 33,048,146 |
| Total assets | <u><u>\$85,042,863</u></u> |
| Net Position | |
| Held in trust for pension benefits | <u><u>\$85,042,863</u></u> |

City of Overland Park
Overland Park Police Department Retirement Plan
Statement of Changes in Plan Net Position
Year Ended December 31, 2013

| | |
|---|----------------------------|
| Additions | |
| Contributions, employer | \$ 3,202,600 |
| Investment earnings: | |
| Net increase in fair value of investments | 12,485,291 |
| Dividends | 1,411,301 |
| Total investment earnings | <u>13,896,592</u> |
| Total additions | <u>17,099,192</u> |
| Deductions | |
| Benefits | 1,403,265 |
| Administrative expenses | 270,964 |
| Total deductions | <u>1,674,229</u> |
| Change in net position | <u>15,424,963</u> |
| Net position-beginning of the year | 69,617,900 |
| Net position-end of the year | <u><u>\$85,042,863</u></u> |

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (continued)

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

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 prepared and can be obtained at the City.

Membership in the OPFDRP was comprised of the following at January 1, 2013:

| | |
|--|------------|
| Active employees | 135 |
| Vested terminated employees | 29 |
| Retired participants and beneficiaries | 18 |
| Total | <u>182</u> |

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.

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.

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, 2013. 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.

In 2013, 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, 2013, 2012, and 2011 were \$2,328,048, \$2,418,226, and \$2,404,502, respectively. The City's contribution for 2013, 2012, and 2011 was for normal cost plus interest.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (continued)

Components of the net pension obligation of the OPFDRP at December 31, 2013, were as follows:

| | |
|--|-------------------|
| Annual required contribution | \$ 2,412,884 |
| Interest on net pension obligation | 100,204 |
| Adjustment to annual required contribution | (136,654) |
| Annual pension cost | 2,376,434 |
| Actual contributions | 2,328,048 |
| Increase in net pension obligation | 48,386 |
| Beginning net pension obligation | 789,005 |
| Ending net pension obligation | \$ 837,391 |

Historical trend information is as follows for the OPFDRP:

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|--------------------------|------------------------------------|-------------------------------------|------------------------------|
| 12/31/11 | \$ 2,475,076 | 97% | \$ 709,876 |
| 12/31/12 | 2,497,355 | 97% | 789,005 |
| 12/31/13 | 2,376,434 | 98% | 837,391 |

The latest actuarial valuation of the OPFDRP was performed at January 1, 2013, and utilized the aggregate cost method. This method does not identify or separately amortize unfunded liabilities. Therefore, the OPFDRP has no unfunded actuarial accrued liability that will need to be amortized.

Funded Status and Funding Progress

The Plan's funding method is the aggregate actuarial cost method. Because the aggregate method does not identify or separately amortize unfunded actuarial liabilities, information about the Plan's funded status and funding progress has been prepared using the entry age actuarial cost method. The information presented is intended to serve as a surrogate for the funded status and funding progress of the Plan. Using the entry age actuarial cost method, as of January 1, 2013, the most recent actuarial valuation date, the plan was 68.57% funded. The actuarial accrued liability for benefits was \$34.1 million, and the actuarial value of assets was \$23.4 million, resulting in an unfunded accrued liability (UAAL) of \$10.7 million. The covered payroll (annual payroll of active employees covered by the plan) was \$9.1 million and the ratio of the UAAL to the covered payroll was 117.73%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (continued)

Actuarial methods and assumptions

The annual required contribution for the current year was determined using the aggregate cost method and following significant actuarial assumptions: (a) a rate of return on the investment of present and future assets of 7.25 percent per annum (net of administrative expense), (b) projected salary increases of 4.00 percent per year, (c) RP-2000 pension mortality tables, (d) inflation rate assumption of 2.75 percent and (e) termination rates based on the Actuary's Pension Handbook. Assets are valued at market value for actuarial valuation purposes.

Financial statements for the OPFDRP are presented below:

**City of Overland Park
Overland Park Fire Department Retirement Plan
Statement of Plan Net Position
December 31, 2013**

| | |
|-------------------------------------|-----------------------------|
| Assets | |
| Cash and cash equivalents | \$ 714,369 |
| Investment in equities | 11,336,730 |
| Investment in mutual fund | 11,309,387 |
| Investment in co-mingled trust fund | 5,612,840 |
| Total assets | <u><u>\$ 28,973,326</u></u> |
| Net Position | |
| Held in trust for pension benefits | <u><u>\$ 28,973,326</u></u> |

**City of Overland Park
Overland Park Fire Department Retirement Plan
Statement of Changes in Plan Net Position
Year Ended December 31, 2013**

| | |
|---|-----------------------------|
| Additions | |
| Contributions, employer | \$ 2,328,048 |
| Investment earnings: | |
| Net increase in fair value of investments | 4,412,663 |
| Dividends | 497,209 |
| Total investment earnings | <u>4,909,872</u> |
| Total additions | <u>7,237,920</u> |
| Deductions | |
| Benefits | 2,479,575 |
| Administrative expenses | 114,026 |
| Total deductions | <u>2,593,601</u> |
| Change in net position | <u>4,644,319</u> |
| Net position-beginning of the year | 24,329,007 |
| Net position-end of the year | <u><u>\$ 28,973,326</u></u> |

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (continued)

Investment Related Disclosures

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 co-mingled 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.

| Fund Name | Credit Rating | Average Maturity | % of Net Position |
|--------------------------------|---------------|------------------|-------------------|
| Passive Bond Market Index Fund | Not Rated | 5.52 | 19.4% |

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

| Type | Percent of Total |
|--|------------------|
| Franklin Temp Global Total Return Bond | 14.8% |
| Vanguard Russell 1000 Growth | 14.2% |
| Europacific Growth | 5.1% |

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.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (continued)

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. Summary financial information for the Convention Center's operations is presented below:

Comparative Condensed Statement of Net Position as of December 31,

| | 2013 | 2012 |
|--------------------------|-----------------------|---------------------|
| Assets | | |
| Current assets | \$ 1,358,744 | \$ 1,340,308 |
| Liabilities | | |
| Current liabilities | 1,499,202 | 1,084,197 |
| Unearned revenue | 871,959 | 781,587 |
| Total liabilities | 2,371,161 | 1,865,784 |
| Net position | \$ (1,012,417) | \$ (525,476) |

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

| | 2013 | 2012 |
|---------------------------------------|------------------|------------------|
| Operating revenue | \$ 9,438,290 | \$ 7,578,511 |
| Operating expense | 8,913,814 | 7,406,982 |
| Operating income | 524,476 | 171,529 |
| Non-operating revenue | 85,856 | 106,464 |
| Excess of revenues or expenses | 610,332 | 277,993 |
| Owner's net cash received (paid) | (1,097,273) | (481,803) |
| Change in net position | (486,941) | (203,810) |
| Net position - beginning of the year | (525,476) | (321,666) |
| Net position - end of the year | \$ (1,012,417) | \$ (525,476) |

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (continued)

E. Postemployment Benefits

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.

Membership in the OPEB was comprised of the following at December 31, 2013:

| | |
|-----------------------------|-----|
| Active Employees | 810 |
| Retired participants | 166 |
| Retired participants spouse | 14 |

The annual required contribution (ARC) is the basic annual expense recognized under GASB Statement No. 45, though there is no requirement to fund the ARC. ARC is calculated under the actuarial cost method that was chosen and is made up of the normal cost plus amortization of the unfunded actuarial accrued liability (UAAL- excess of the past service liability over the actuarial value of the assets). 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 2013, the City contributed \$551,918 to the plan. Plan members receiving benefits from OPEB contributed \$425,387, which is 44 percent of the total premiums.

Other Postemployment Benefit cost expense is computed based on the annual required contribution (ARC) of the City. The annual required contribution is an amount of funding that if funded on a regular basis, it is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components that make up the City's OPEB cost for 2013:

| | |
|---|----------------------------|
| Annual Required Contribution | \$ 1,781,600 |
| Interest on Net OPEB Obligation | 253,444 |
| Adjustments to the ARC | (352,325) |
| Annual OPEB Cost (Expense) | <u>1,682,719</u> |
| Contributions Made | <u>551,918</u> |
| Increase in Net OPEB Obligation | 1,130,801 |
| Net OPEB Obligation - Beginning of Year | 6,336,112 |
| Net OPEB Obligation - End of Year | <u><u>\$ 7,466,913</u></u> |

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) are as follows in the table below:

| Fiscal Year Ended | OPEB Cost | % of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-------------------------|--------------|---|------------------------|
| 2011 | \$ 1,729,251 | 12.58% | \$ 4,846,718 |
| 2012 | 1,708,468 | 12.82% | 6,336,112 |
| 2013 | 1,682,719 | 32.80% | 7,466,913 |

As of December 31, 2013, the plan was 19.5 percent funded. As of December 31, 2013, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$19,058,300, and the actuarial value of assets was \$3,719,056, resulting in an unfunded actuarial accrued liability (UAAL) of \$15,339,244. The covered payroll (annual payroll of active employees covered by the plan) was \$54,196,412, and the ratio of the UAAL to the covered payroll was 28.3 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution (ARC) of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents only the initial year trend information.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2013 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the City's own investments calculated based on the funded level of the plan at the valuation date, and an annual health care cost trend rate of 9 percent for medical claims and 10.5 percent for prescriptions initially, reduced by decrements to an ultimate rate of 5 percent after five years. The UAAL is being amortized as a level dollar amount over a period of 30 years.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (continued)

In the January 1, 2011 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the City's own investments calculated based on the funded level of the plan at the valuation date, and an annual health care cost trend rate of 9 percent for medical claims and 10.5 percent for prescriptions initially, reduced by decrements to an ultimate rate of 5 percent after five years. The UAAL is being amortized as a level dollar amount over a period of 30 years.

Financial statements for the Other Post-Employment Benefits Trust are presented below:

**City of Overland Park
Other Post-Employment Benefits Trust
Statement of Plan Net Position
December 31, 2013**

Assets

| | |
|---------------------------|------------------|
| Cash and cash equivalents | \$ 25,754 |
| Equities | 2,794,020 |
| Mutual Funds | 899,282 |
| Total Assets | <u>3,719,056</u> |

Net Position

| | |
|---------------------------------|---------------------|
| Held in Trust for OPEB Benefits | <u>\$ 3,719,056</u> |
|---------------------------------|---------------------|

**City of Overland Park
Other Post-Employment Benefits Trust
Statement in Chages in Plan Net Position
For the Year Ended December 31, 2013**

Investment Earnings

| | |
|---|----------------|
| Net increase in fair value of investments | \$ 593,215 |
| Interest | 73,656 |
| Total investment earnings | <u>666,871</u> |

| | |
|-----------------|----------------|
| Total Additions | <u>666,871</u> |
|-----------------|----------------|

Deductions

| | |
|-------------------------|--------------|
| Administrative expenses | 3,000 |
| Total deductions | <u>3,000</u> |

| | |
|------------------------------------|--------------------|
| Change in net position | 663,871 |
| Net position-beginning of the year | 3,055,185 |
| Net position-end of the year | <u>\$3,719,056</u> |

IV. Other Information (continued)

F. Pending Pronouncements

The GASB has issued the following statements not yet required to be implemented by the City:

- GASB Statement No. 67, *Financial Reporting for Pension Plans*, issued June 2012, will be effective for the City beginning with its year ending December 31, 2014. This Statement replaces the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. This Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This Statement enhances note disclosures and required supplementary information for both defined benefit and defined contribution pension plans. This Statement also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year required supplementary information schedules.
- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, issued June 2012, will be effective for the City beginning with its year ending December 31, 2015. This Statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. This Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Under GASB Statement No. 68, each employer participating in a multiple-employer defined benefit cost-sharing plan will record a previously unrecorded liability representing their "proportionate share" of the plan's net pension liability. This Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*, issued November 2013, will be effective for the City beginning with its year ending December 31, 2015. This Statement eliminates a potential source of understatement of restated beginning net position and expense in a government's first year of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. To correct this potential understatement, Statement 71 requires a state or local government, when transitioning to the new pension standards, to recognize a beginning deferred outflow of resources for its pension contributions made during the time between the measurement date of the beginning net pension liability and the beginning of the initial fiscal year of implementation. This amount will be recognized regardless of whether it is practical to determine the beginning amounts of all other deferred outflows of resources and deferred inflows of resources related to pensions.

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (continued)

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 | Street Improvement | Debt Service | Nonmajor Governmental Funds | Total Governmental Funds |
|----------------------------|---------------|--|-----------------------|-----------------------|-----------------|-----------------------------------|--------------------------------|
| Fund Balances: | | | | | | | |
| Restricted: | | | | | | | |
| Highways and Streets | \$ - | \$ 2,855,866 | \$760,147 | \$ - | \$ - | \$ 4,113,582 | \$ 7,729,595 |
| Culture and Recreation | - | - | - | - | - | 4,162,514 | 4,162,514 |
| Health and Welfare | - | - | - | - | - | 1,688,593 | 1,688,593 |
| Public Safety | - | - | - | - | - | 492,652 | 492,652 |
| Debt Service | - | - | - | - | 250,000 | - | 250,000 |
| Total restricted | - | 2,855,866 | 760,147 | - | 250,000 | 10,457,341 | 14,323,354 |
| Assigned: | | | | | | | |
| Highways and Streets | 9,345,032 | - | - | 6,190,732 | - | 935,343 | 16,471,107 |
| Culture and Recreation | - | - | - | - | - | 632,425 | 632,425 |
| Economic Development | 100,000 | - | - | - | - | - | 100,000 |
| Equipment | 1,994,822 | - | - | - | - | 837,534 | 2,832,356 |
| Facilities | 1,500,000 | - | - | - | - | 1,843,555 | 3,343,555 |
| General Government | 6,369,240 | - | - | - | - | - | 6,369,240 |
| Encumbrances | 1,135,344 | - | 124,626 | - | - | - | 1,259,970 |
| Total assigned | 20,444,438 | - | 124,626 | 6,190,732 | - | 4,248,857 | 31,008,653 |
| Unassigned | 29,019,142 | - | - | - | - | (129,640) | 28,889,502 |
| Total fund balances | \$ 49,463,580 | \$ 2,855,866 | \$884,773 | \$ 6,190,732 | \$250,000 | \$14,576,558 | \$74,221,509 |

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.

IV. Other Information (continued)

- *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 Funding Progress:

| Actuarial Year Ended January 1 | Actuarial Assets (A) | Actuarial Liability (B) | Unfunded Accrued Actuarial Liability | Annual Covered Payroll | Funded Ratio (A)/(B) | UAAL as a Percentage of Covered Payroll |
|--------------------------------------|-------------------------|----------------------------|---|------------------------------|----------------------------|--|
| 2008 | \$48,930,926 | \$47,858,043 | \$(1,072,883) | \$13,171,080 | 102.2% | -8.1% |
| 2009 | 46,051,746 | 51,546,508 | 5,494,762 | 14,208,624 | 89.3% | 38.7% |
| 2010 | 48,648,966 | 56,819,137 | 8,170,171 | 14,606,976 | 85.6% | 55.9% |
| 2011 | 53,436,677 | 61,814,742 | 8,378,065 | 14,370,036 | 86.4% | 58.3% |
| 2012 | 57,009,891 | 66,982,772 | 9,972,881 | 14,223,804 | 85.1% | 70.1% |
| 2013 | 66,502,821 | 77,714,426 | 11,211,605 | 13,760,508 | 85.6% | 81.5% |

Note: The actuarial years began January 1.

The Plan's funding method is the aggregate actuarial cost method. Beginning in 2008, because the aggregate method does not identify or separately amortize unfunded actuarial liabilities, information about the Plan's funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and the information presented is intended to serve as a surrogate for the funded status and funding progress of the Plan.

Contributions were made in accordance with actuarially determined contribution requirements.

Schedule of Employer Contributions:

| Fiscal Year Ending | Annual Required Contribution (ARC) | Percentage of ARC Contributed | Net Pension Obligation |
|--------------------------|---|-------------------------------------|------------------------------|
| 12/31/08 | \$ 1,366,203 | 95% | \$ 195,369 |
| 12/31/09 | 2,560,246 | 94 | 417,386 |
| 12/31/10 | 2,888,754 | 94 | 544,730 |
| 12/31/11 | 2,887,049 | 97 | 613,153 |
| 12/31/12 | 3,088,500 | 97 | 693,438 |
| 12/31/13 | 3,314,770 | 97 | 718,716 |

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

Schedule of Funding Progress:

| Actuarial Year Ended January 1 | Actuarial Assets (A) | Actuarial Liability (B) | Unfunded Accrued Actuarial Liability | Annual Covered Payroll | Funded Ratio (A)/(B) | UAAL as a Percentage of Covered Payroll |
|--------------------------------------|-------------------------|----------------------------|---|------------------------------|----------------------------|--|
| 2008 | \$16,071,505 | \$25,639,692 | \$ 9,568,187 | \$ 9,401,544 | 63% | 102% |
| 2009 | 16,093,944 | 27,635,349 | 11,541,405 | 9,649,308 | 58% | 120% |
| 2010 | 17,399,742 | 28,876,490 | 11,476,748 | 9,527,292 | 60% | 120% |
| 2011 | 17,286,409 | 28,691,067 | 11,404,658 | 9,567,912 | 60% | 119% |
| 2012 | 18,873,848 | 31,148,140 | 12,274,292 | 9,185,832 | 61% | 134% |
| 2013 | 23,391,676 | 34,112,068 | 10,720,392 | 9,106,056 | 69% | 118% |

The Plan's funding method is the aggregate actuarial cost method. Beginning in 2008, because the aggregate method does not identify or separately amortize unfunded actuarial liabilities, information about the Plan's funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose and the information presented is intended to serve as a surrogate for the unfunded status and funding progress of the Plan.

Schedule of Employer Contributions:

| Fiscal Year Ending | Annual Required Contribution (ARC) | Percentage of ARC Contributed | Net Pension Obligation |
|--------------------------|---|-------------------------------------|------------------------------|
| 12/31/08 | \$2,252,441 | 95% | \$ 180,233 |
| 12/31/09 | 2,481,988 | 95% | 503,016 |
| 12/31/10 | 2,492,071 | 94% | 639,302 |
| 12/31/11 | 2,493,213 | 96% | 709,876 |
| 12/31/12 | 2,511,142 | 96% | 789,005 |
| 12/31/13 | 2,412,884 | 96% | 837,391 |

City of Overland Park

Other Postemployment Benefits Plan
Required Supplementary Information

Schedule of Funding Progress:

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as Percent of Covered Payroll ((b-a)/a) |
|--------------------------------|----------------------------------|---|-----------------------|-----------------------|------------------------|---|
| 12/31/2009 | \$ 2,569,892 | \$ 18,637,493 | \$ 16,067,601 | 13.8% | \$ 60,069,676 | 26.7% |
| 12/31/2011 | 2,828,983 | 19,046,800 | 16,217,817 | 14.9% | 55,300,195 | 29.3% |
| 12/31/2013 | 3,719,056 | 19,058,300 | 15,339,244 | 19.5% | 54,196,412 | 28.3% |

The information presented in the required supplementary information above was determined as part of the actuarial valuation as of December 31, 2013. Additional information follows:

1. The cost method used to determine the ARC is the projected unit credit method.
2. Economic assumptions are as follows: 4 percent investment rate of return; health care cost trend rate of 9 percent for medical claims and 10.5 percent for prescriptions, reduced by decrements to an ultimate rate of 5 percent after five years.
3. The amortization method is level dollar.
4. The initial inflation rate assumptions for medical and dental are 7.10 percent and 5.00 percent, respectively.

Schedule of Employer Contributions:

| Year | Annual Required Contribution (ARC) | Net Employer Contributions | Percentage Contributed | End of Year Net OPEB Obligation |
|-------------|---------------------------------------|-------------------------------|---------------------------|------------------------------------|
| 2011 | \$ 1,775,100 | \$ 217,493 | 12.25% | \$ 4,846,718 |
| 2012 | 1,775,100 | 219,074 | 12.82% | 6,336,112 |
| 2013 | 1,781,600 | 551,918 | 32.82% | 7,466,913 |

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.

Transient Guest Tax Fund

To account for revenue received from a 9 percent transient guest tax with its use restricted 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.

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, 2013**

| | Special Revenue Funds | | | |
|---|---|--|--|--------------------------------|
| | Special Street and Highway | Special Park and Recreation | Special Alcohol Control | Transient Guest Tax |
| Assets | | | | |
| Cash, cash equivalents and investments | \$ - | \$ 455,594 | \$ 1,687,493 | \$ 2,192,058 |
| Receivables | - | - | - | 835,350 |
| Gas tax receivable | 1,153,282 | - | - | - |
| Transient guest tax receivable | - | - | - | 2,349,302 |
| Due from other governments | - | - | - | - |
| Other current assets | - | - | - | 523,394 |
| Total assets | \$ 1,153,282 | \$ 455,594 | \$ 1,687,493 | \$ 5,900,104 |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 1,499,202 |
| Contracts payable | - | - | - | - |
| Due to other funds | 974,346 | - | - | - |
| Unearned revenue | - | - | - | 871,959 |
| Total liabilities | 974,346 | - | - | 2,371,161 |
| Deferred Inflows of Resources unavailable revenue - other | - | - | - | - |
| Fund Balances (Deficits): | | | | |
| Restricted | 178,936 | 455,594 | 1,687,493 | 3,528,943 |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total fund balances (deficits) | 178,936 | 455,594 | 1,687,493 | 3,528,943 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 1,153,282 | \$ 455,594 | \$ 1,687,493 | \$ 5,900,104 |

Continued on next page.

Special Revenue Funds

| Street Improvement Escrow | Special Tax Financing | Federal and State Grants | Fire Memorial |
|--|--------------------------------------|---|--------------------------|
| \$ 3,934,646 | \$ 228,230 | \$ 53,156 | \$ 8,259 |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | 29,623 | 50,635 | - |
| - | - | - | - |
| <u>\$ 3,934,646</u> | <u>\$ 257,853</u> | <u>\$ 103,791</u> | <u>\$ 8,259</u> |
| | | | |
| \$ - | \$ - | \$ 2,905 | \$ - |
| - | 277,513 | - | - |
| - | - | 157,710 | - |
| - | - | 53,156 | 7,159 |
| <u>-</u> | <u>277,513</u> | <u>213,771</u> | <u>7,159</u> |
| | | | |
| - | - | - | - |
| | | | |
| 3,934,646 | - | - | 1,100 |
| - | - | - | - |
| - | (19,660) | (109,980) | - |
| <u>3,934,646</u> | <u>(19,660)</u> | <u>(109,980)</u> | <u>1,100</u> |
| <u>\$ 3,934,646</u> | <u>\$ 257,853</u> | <u>\$ 103,791</u> | <u>\$ 8,259</u> |

City of Overland Park
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
December 31, 2013

| | Special Revenue Funds | | | |
|---|---|-------------------------------------|---------------------|---|
| | Downtown Business Improvement District | Parks and Recreation | Nuse Act | Westlinks Land Acquisition |
| Assets | | | | |
| Cash, cash equivalents and investments | \$ 34,304 | \$148,520 | \$ 91,891 | \$ 10,336 |
| Receivables | - | - | - | - |
| Gas tax receivable | - | - | - | - |
| Transient guest tax receivable | - | - | - | - |
| Due from other governments | - | - | - | - |
| Other current assets | - | - | - | - |
| Total assets | \$ 34,304 | \$148,520 | \$ 91,891 | \$ 10,336 |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Contracts payable | - | - | - | - |
| Due to other funds | - | - | - | - |
| Unearned revenue | 34,304 | - | 91,891 | - |
| Total liabilities | 34,304 | - | 91,891 | - |
| Deferred Inflows of Resources unavailable revenue - other | - | - | - | - |
| Fund Balances (Deficits): | | | | |
| Restricted | - | 148,520 | - | 10,336 |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total fund balances (deficits) | - | 148,520 | - | 10,336 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 34,304 | \$148,520 | \$ 91,891 | \$ 10,336 |

Continued on next page.

Special Revenue Funds

| Art in the Woods | Special Law Enforcement | Jack Sanders Memorial | Total Nonmajor Special Revenue Funds |
|-----------------------------|------------------------------------|--------------------------------------|---|
| \$ 12,463 | \$ 492,652 | \$ 6,658 | \$ 9,356,260 |
| - | - | - | 835,350 |
| - | - | - | 1,153,282 |
| - | - | - | 2,349,302 |
| - | - | - | 80,258 |
| - | - | - | 523,394 |
| \$ 12,463 | \$ 492,652 | \$ 6,658 | \$ 14,297,846 |

| | | | |
|------|------|------|--------------|
| \$ - | \$ - | \$ - | \$ 1,502,107 |
| - | - | - | 277,513 |
| - | - | - | 1,132,056 |
| - | - | - | 1,058,469 |
| - | - | - | 3,970,145 |

| | | | |
|---|---|---|---|
| - | - | - | - |
|---|---|---|---|

| | | | |
|------------------|-------------------|-----------------|----------------------|
| 12,463 | 492,652 | 6,658 | 10,457,341 |
| - | - | - | - |
| - | - | - | (129,640) |
| 12,463 | 492,652 | 6,658 | 10,327,701 |
| \$ 12,463 | \$ 492,652 | \$ 6,658 | \$ 14,297,846 |

City of Overland Park
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
December 31, 2013

| | Capital Projects | | | |
|---|----------------------------------|---|----------------------------|----------------------------|
| | Drainage Improvements | Park Acquisition & Development | Public Building | Traffic Signals |
| Assets | | | | |
| Cash, cash equivalents and investments | \$ - | \$ 431,519 | \$ 1,906,511 | \$ 339,931 |
| Receivables | - | - | - | - |
| Gas tax receivable | - | - | - | - |
| Transient guest tax receivable | - | - | - | - |
| Due from other governments | 1,324,159 | 435,992 | - | 89,637 |
| Other current assets | - | - | - | - |
| Total assets | \$ 1,324,159 | \$ 867,511 | \$ 1,906,511 | \$ 429,568 |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Contracts payable | 718,650 | 235,086 | 62,956 | 4,861 |
| Due to other funds | 104,552 | - | - | - |
| Unearned revenue | - | - | - | - |
| Total liabilities | 823,202 | 235,086 | 62,956 | 4,861 |
| Deferred Inflows of Resources | | | | |
| unavailable revenue - other | 45 | - | - | 89,637 |
| Fund Balances (Deficits): | | | | |
| Restricted | - | - | - | - |
| Assigned | 500,912 | 632,425 | 1,843,555 | 335,070 |
| Unassigned | - | - | - | - |
| Total fund balances (deficits) | 500,912 | 632,425 | 1,843,555 | 335,070 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 1,324,159 | \$ 867,511 | \$ 1,906,511 | \$ 429,568 |

Continued on next page.

Capital Projects

| Street Lights | Public Equipment | Total Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--------------------------|-----------------------------|--|--|
| \$ 101,400 | \$ 846,730 | \$ 3,626,091 | \$ 12,982,351 |
| - | - | - | 835,350 |
| - | - | - | 1,153,282 |
| - | - | - | 2,349,302 |
| - | - | 1,849,788 | 1,930,046 |
| - | - | - | 523,394 |
| \$ 101,400 | \$ 846,730 | \$ 5,475,879 | \$ 19,773,725 |
| | | | |
| \$ - | \$ - | \$ - | \$ 1,502,107 |
| 2,039 | 9,196 | 1,032,788 | 1,310,301 |
| - | - | 104,552 | 1,236,608 |
| - | - | - | 1,058,469 |
| 2,039 | 9,196 | 1,137,340 | 5,107,485 |
| | | | |
| - | - | 89,682 | 89,682 |
| | | | |
| - | - | - | 10,457,341 |
| 99,361 | 837,534 | 4,248,857 | 4,248,857 |
| - | - | - | (129,640) |
| 99,361 | 837,534 | 4,248,857 | 14,576,558 |
| | | | |
| \$ 101,400 | \$ 846,730 | \$ 5,475,879 | \$ 19,773,725 |

City of Overland Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

| | Special Revenue Funds | | | |
|---|---|--|--|--------------------------------|
| | Special Street and Highway | Special Park and Recreation | Special Alcohol Control | Transient Guest Tax |
| Revenues | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Sales taxes | - | - | - | - |
| Charges for services | - | - | - | 10,615,143 |
| Licenses and permits | - | - | - | - |
| Transient guest tax | - | - | - | 8,442,580 |
| Use of money | - | - | - | 14,779 |
| Intergovernmental | 4,529,365 | 1,136,396 | 1,140,662 | - |
| Contributions | - | - | - | - |
| Capital / Operating Grants | - | - | - | - |
| Grants / contributions not restricted to specific programs | - | - | - | - |
| Total revenues | 4,529,365 | 1,136,396 | 1,140,662 | 19,072,502 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | 776,758 | 11,028,618 |
| Public safety | - | - | 20,975 | - |
| Public works | - | - | - | - |
| Parks and recreation | - | - | - | - |
| Planning and development services | - | - | - | - |
| Capital improvements | - | - | - | - |
| Bond issuance costs | - | - | - | - |
| Total expenditures | - | - | 797,733 | 11,028,618 |
| Excess of revenues over (under) expenditures | 4,529,365 | 1,136,396 | 342,929 | 8,043,884 |
| Other financing sources (uses) | | | | |
| General Obligation bonds issue | - | - | - | - |
| Issuance: Premium | - | - | - | - |
| Transfers in | - | 215,655 | - | 8,099,136 |
| Transfers out | (4,450,000) | (1,002,645) | - | (15,049,603) |
| Total other financing sources (uses) | (4,450,000) | (786,990) | - | (6,950,467) |
| Net change in fund balances | 79,365 | 349,406 | 342,929 | 1,093,417 |
| Fund balances (deficits) at beginning of year | 99,571 | 106,188 | 1,344,564 | 2,435,526 |
| Fund balances (deficits) at end of year | <u>\$ 178,936</u> | <u>\$ 455,594</u> | <u>\$ 1,687,493</u> | <u>\$ 3,528,943</u> |

Continued on next page.

Special Revenue Funds

| Street Improvement Escrow | Special Tax Financing | Federal and State Grants | Fire Memorial |
|--|--------------------------------------|---|--------------------------|
| \$ - | \$ 180,287 | \$ - | \$ - |
| - | 274,059 | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | 108 | - | - |
| - | - | - | - |
| 399,674 | - | 48,970 | - |
| - | 20,000 | 6,676,610 | 1,100 |
| - | - | - | - |
| 399,674 | 474,454 | 6,725,580 | 1,100 |
| - | - | - | - |
| - | - | 555,042 | - |
| 31,234 | 477,995 | 110,224 | - |
| - | - | - | - |
| - | - | 362,546 | - |
| - | - | - | - |
| - | - | - | - |
| 31,234 | 477,995 | 1,027,812 | - |
| 368,440 | (3,541) | 5,697,768 | 1,100 |
| - | - | - | - |
| - | - | - | - |
| - | - | 54,000 | - |
| - | - | (5,882,862) | - |
| - | - | (5,828,862) | - |
| 368,440 | (3,541) | (131,094) | 1,100 |
| 3,566,206 | (16,119) | 21,114 | - |
| \$ 3,934,646 | \$ (19,660) | \$ (109,980) | \$ 1,100 |

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, 2013

| | Special Revenue Funds | | |
|---|---|-------------------------------------|---|
| | Downtown Business Improvement District | Parks and Recreation | Westlinks Land Acquisition |
| Revenues | | | |
| Property taxes | \$ - | \$ - | \$ - |
| Sales taxes | - | - | - |
| Charges for services | - | - | - |
| Licenses and permits | 105,342 | - | - |
| Transient guest tax | - | - | - |
| Use of money | - | - | 433 |
| Intergovernmental | - | - | - |
| Contributions | - | 13,786 | - |
| Capital / Operating Grants | - | - | - |
| Grants / contributions not restricted to specific programs | - | - | - |
| Total revenues | 105,342 | 13,786 | 433 |
| Expenditures | | | |
| Current: | | | |
| General government | - | - | - |
| Public safety | - | - | - |
| Public works | - | - | - |
| Parks and recreation | - | 2,802 | - |
| Planning and development services | 105,342 | - | - |
| Capital improvements | - | - | - |
| Bond issuance costs | - | - | - |
| Total expenditures | 105,342 | 2,802 | - |
| Excess of revenues over (under) expenditures | - | 10,984 | 433 |
| Other financing sources (uses) | | | |
| General Obligation bonds issue | - | - | - |
| Issuance: Premium | - | - | - |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Total other financing sources (uses) | - | - | - |
| Net change in fund balances | - | 10,984 | 433 |
| Fund balances (deficits) at beginning of year | - | 137,536 | 9,903 |
| Fund balances (deficits) at end of year | \$ - | \$ 148,520 | \$ 10,336 |

Continued on next page.

Special Revenue Funds

| | | Total Nonmajor | |
|-----------------------------|------------------------------------|--------------------------------------|--------------------------------------|
| Art in the Woods | Special Law Enforcement | Jack Sanders Memorial | Special Revenue Funds |
| \$ - | \$ - | \$ - | \$ 180,287 |
| - | - | - | 274,059 |
| 3,161 | - | - | 10,618,304 |
| - | - | - | 105,342 |
| - | - | - | 8,442,580 |
| 45 | 2,301 | 26 | 17,692 |
| - | - | - | 6,806,423 |
| - | - | - | 462,430 |
| - | 432,761 | - | 7,130,471 |
| - | - | - | - |
| 3,206 | 435,062 | 26 | 34,037,588 |
| - | - | - | - |
| - | - | - | 11,805,376 |
| - | 210,492 | - | 786,509 |
| - | - | - | 619,453 |
| - | - | - | 2,802 |
| - | - | - | 467,888 |
| - | - | - | - |
| - | - | - | - |
| - | 210,492 | - | 13,682,028 |
| 3,206 | 224,570 | 26 | 20,355,560 |
| - | - | - | - |
| - | - | - | - |
| - | 90,541 | - | 8,459,332 |
| - | (200,000) | - | (26,585,110) |
| - | (109,459) | - | (18,125,778) |
| 3,206 | 115,111 | 26 | 2,229,782 |
| 9,257 | 377,541 | 6,632 | 8,097,919 |
| \$ 12,463 | \$ 492,652 | \$ 6,658 | \$ 10,327,701 |

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, 2013

| | Capital Projects | | | |
|---|----------------------------------|---|-----------------------------|----------------------------|
| | Drainage Improvements | Park Acquisition & Development | Public Buildings | Traffic Signals |
| Revenues | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Sales taxes | - | - | - | - |
| Charges for services | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Transient guest tax | - | - | - | - |
| Use of money | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Contributions | - | - | 50,528 | - |
| Capital / Operating Grants | 2,882,261 | 920,258 | - | 35,546 |
| Grants / contributions not restricted to specific programs | - | 77,851 | - | - |
| Total revenues | 2,882,261 | 998,109 | 50,528 | 35,546 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Public works | - | - | - | - |
| Parks and recreation | - | 2,029,110 | - | - |
| Planning and development services | - | - | - | - |
| Capital improvements | 8,674,638 | - | 686,730 | 731,228 |
| Bond issuance costs | 180 | 4,140 | - | - |
| Total expenditures | 8,674,818 | 2,033,250 | 686,730 | 731,228 |
| Excess of revenues over (under) expenditures | (5,792,557) | (1,035,141) | (636,202) | (695,682) |
| Other financing sources (uses) | | | | |
| General obligation bonds issue | 21,211 | 488,198 | - | - |
| Issuance: Premium | 2,882 | 66,322 | - | - |
| Transfers in | 4,454,104 | 899,284 | 1,401,492 | 559,406 |
| Transfers out | (232,671) | (246,787) | (196,564) | (241,881) |
| Total other financing sources (uses) | 4,245,526 | 1,207,017 | 1,204,928 | 317,525 |
| Net change in fund balances | (1,547,031) | 171,876 | 568,726 | (378,157) |
| Fund balances (deficits) at beginning of year | 2,047,943 | 460,549 | 1,274,829 | 713,227 |
| Fund balances (deficits) at end of year | \$ 500,912 | \$ 632,425 | \$ 1,843,555 | \$ 335,070 |

Capital Projects

| Street Lights | Public Equipment | Total Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--------------------------|-----------------------------|--|--|
| \$ - | \$ - | \$ - | \$ 180,287 |
| - | - | - | 274,059 |
| - | - | - | 10,618,304 |
| - | - | - | 105,342 |
| - | - | - | 8,442,580 |
| - | - | - | 17,692 |
| - | - | - | 6,806,423 |
| - | - | 50,528 | 512,958 |
| - | - | 3,838,065 | 10,968,536 |
| - | - | 77,851 | 77,851 |
| - | - | 3,966,444 | 38,004,032 |
| - | 1,604,667 | 1,604,667 | 13,410,043 |
| - | - | - | 786,509 |
| - | - | - | 619,453 |
| - | - | 2,029,110 | 2,031,912 |
| - | - | - | 467,888 |
| 2,100,861 | - | 12,193,457 | 12,193,457 |
| 13,662 | 32,173 | 50,155 | 50,155 |
| 2,114,523 | 1,636,840 | 15,877,389 | 29,559,417 |
| (2,114,523) | (1,636,840) | (11,910,945) | 8,444,615 |
| 1,611,054 | 32,173 | 2,152,636 | 2,152,636 |
| 218,861 | - | 288,065 | 288,065 |
| 340,424 | 1,277,282 | 8,931,992 | 17,391,324 |
| (69,980) | (562,494) | (1,550,377) | (28,135,487) |
| 2,100,359 | 746,961 | 9,822,316 | (8,303,462) |
| (14,164) | (889,879) | (2,088,629) | 141,153 |
| 113,525 | 1,727,413 | 6,337,486 | 14,435,405 |
| \$ 99,361 | \$ 837,534 | \$ 4,248,857 | \$ 14,576,558 |

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, 2013

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget |
|---|-------------------------|--------------------|---|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Operating grants | \$ 4,500,000 | \$ 4,500,000 | \$ 4,529,365 | \$ 29,365 |
| Use of money | 5,000 | 5,000 | - | (5,000) |
| Total revenues | 4,505,000 | 4,505,000 | 4,529,365 | 24,365 |
| Expenditures: | | | | |
| Current, public works | 115,000 | 115,000 | - | 115,000 |
| Total expenditures | 115,000 | 115,000 | - | 115,000 |
| Revenues over/(under) expenditures | 4,390,000 | 4,390,000 | 4,529,365 | 139,365 |
| Other financing sources (uses): | | | | |
| Transfer (to) from other funds: | | | | |
| Capital Projects Funds | (4,500,000) | (4,500,000) | (4,450,000) | 50,000 |
| Total other financing sources (uses) | (4,500,000) | (4,500,000) | (4,450,000) | 50,000 |
| Revenues and other financing sources over (under) expen- ditures and other financing uses | (110,000) | (110,000) | 79,365 | 189,365 |
| Fund balances at beginning of year | 110,000 | 110,000 | 99,571 | (10,429) |
| Fund balances at end of year | \$ - | \$ - | \$ 178,936 | \$ 178,936 |

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, 2013

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget |
|---|-------------------------|--------------------|---|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Operating grants | \$ 1,000,000 | \$ 1,000,000 | \$ 1,136,396 | \$ 136,396 |
| Use of money | 5,000 | 5,000 | - | (5,000) |
| Total revenues | 1,005,000 | 1,005,000 | 1,136,396 | 131,396 |
| Expenditures: | | | | |
| Current, parks and recreation | - | - | - | - |
| Total expenditures | - | - | - | - |
| Revenues over expenditures | 1,005,000 | 1,005,000 | 1,136,396 | 131,396 |
| Other financing sources (uses): | | | | |
| Transfer (to) from other funds: | | | | |
| Special Revenue Funds | - | - | 215,655 | 215,655 |
| Capital Projects Funds | (1,100,000) | (1,100,000) | (1,002,645) | 97,355 |
| Total other financing sources (uses) | (1,100,000) | (1,100,000) | (786,990) | 313,010 |
| Revenues and other financing sources over (under) expen- ditures and other financing uses | (95,000) | (95,000) | 349,406 | 444,406 |
| Fund balances at beginning of year | 95,000 | 95,000 | 106,188 | 11,188 |
| Fund balances at end of year | \$ - | \$ - | \$ 455,594 | \$ 455,594 |

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, 2013

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget |
|---|-------------------------|--------------------|---|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Operating grants | \$ 1,000,000 | \$ 1,000,000 | \$ 1,140,662 | \$ 140,662 |
| Use of money | 5,000 | 5,000 | - | (5,000) |
| Total revenues | 1,005,000 | 1,005,000 | 1,140,662 | 135,662 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 2,340,000 | 2,340,000 | 776,758 | 1,563,242 |
| Public Safety | - | - | 20,975 | (20,975) |
| Total expenditures | 2,340,000 | 2,340,000 | 797,733 | 1,542,267 |
| Revenues over (under) expenditures | (1,335,000) | (1,335,000) | 342,929 | 1,677,929 |
| 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 | (1,335,000) | (1,335,000) | 342,929 | 1,677,929 |
| Fund balances at beginning of year | 1,335,000 | 1,335,000 | 1,344,564 | 9,564 |
| Fund balances at end of year | \$ - | \$ - | \$ 1,687,493 | \$ 1,687,493 |

City of Overland Park
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Transient Guest Tax Sub-Funds - Reserve Fund
For the Year Ended December 31, 2013

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget |
|---|-------------------------|--------------------|---|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Transient Guest Tax | \$ 8,445,400 | \$ 8,445,400 | \$ 8,442,580 | \$ (2,820) |
| Use of money | 4,600 | 4,600 | 9,891 | 5,291 |
| Total revenues | 8,450,000 | 8,450,000 | 8,452,471 | 2,471 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | - | - | - | - |
| Total expenditures | - | - | - | - |
| Revenues over expenditures | 8,450,000 | 8,450,000 | 8,452,471 | 2,471 |
| Other financing sources (uses): | | | | |
| Transfer (to) from other funds: | | | | |
| Special Revenue Funds | (8,450,000) | (8,450,000) | (8,787,148) | (337,148) |
| Total other financing sources (uses) | (8,450,000) | (8,450,000) | (8,787,148) | (337,148) |
| Revenues and other financing sources over (under) expen- ditures and other uses | - | - | (334,677) | (334,677) |
| Fund balances at beginning of year | - | - | - | - |
| Fund balances at end of year | <u>\$ -</u> | <u>\$ -</u> | | <u>\$ (334,677)</u> |
| Reconciliation to GAAP Basis: | | | | |
| Activities reported within the Transient Guest Tax - Capital Fund, | | | | |
| Transient Guest Tax - Operating Fund | | | | |
| Total revenue | | | 10,620,031 | |
| Total expenditures | | | (11,028,618) | |
| Total other financing sources | | | 1,836,681 | |
| Revenues and other financing sources over expenditures | | | 1,093,417 | |
| Fund balance at beginning of year | | | 2,435,526 | |
| Fund balance at end of year | | | <u>\$ 3,528,943</u> | |

City of Overland Park
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Transient Guest Tax Sub-Funds - Capital Fund
For the Year Ended December 31, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|-------------------------|------------------|----------------------------|----------------------|
| | Original | Final | Budgetary Basis | Final Budget |
| Revenues: | | | | |
| Charges for services | \$ - | \$ - | \$ 10,615,143 | \$ 10,615,143 |
| Use of money | - | - | 4,888 | 4,888 |
| Capital/ Operating grants | 257,025 | 257,025 | - | (257,025) |
| Total revenues | 257,025 | 257,025 | 10,620,031 | 10,363,006 |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 537,545 | 537,545 | 9,175,274 | (8,637,729) |
| Total expenditures | 537,545 | 537,545 | 9,175,274 | (8,637,729) |
| Revenues over (under) expenditures | (280,520) | (280,520) | 1,444,757 | 1,725,277 |
| Other financing sources (uses): | | | | |
| Transfer (to) from other funds: | | | | |
| Debt Service Fund | (6,112,455) | (6,112,455) | (6,262,455) | (150,000) |
| Capital Projects Funds | - | - | - | - |
| Soccer Fund | - | - | - | - |
| Transient Guest Tax Funds | 6,392,975 | 6,392,975 | 6,245,792 | (147,183) |
| Total other financing sources (uses) | 280,520 | 280,520 | (16,663) | (297,183) |
| Revenues and other financing sources over (under) expen- ditures and other uses | - | - | 1,428,094 | 1,428,094 |
| Fund balances at beginning of year | - | - | - | - |
| Fund balances at end of year | <u>\$ -</u> | <u>\$ -</u> | | <u>\$ 1,428,094</u> |
| Reconciliation to GAAP Basis: | | | | |
| Activities reported within the Transient Guest Tax - Reserve Fund, | | | | |
| Transient Guest Tax - Operating Fund | | | | |
| Total revenue | | | 8,452,471 | |
| Total expenditures | | | (1,853,344) | |
| Total other financing sources | | | (6,933,804) | |
| Revenues and other financing sources over expenditures | | | 1,093,417 | |
| Fund balance at beginning of year | | | 2,435,526 | |
| Fund balance at end of year | | | <u>\$ 3,528,943</u> | |

City of Overland Park
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Transient Guest Tax Sub-Funds - Operating Fund
For the Year Ended December 31, 2013

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget |
|---|-------------------------|--------------------|---|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Use of money | \$ 225 | \$ 225 | \$ - | \$ - |
| Total revenues | <u>225</u> | <u>225</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government | 1,880,000 | 1,880,000 | 1,853,344 | 26,656 |
| Total expenditures | <u>1,880,000</u> | <u>1,880,000</u> | <u>1,853,344</u> | <u>26,656</u> |
| Revenues over (under) expenditures | <u>(1,879,775)</u> | <u>(1,879,775)</u> | <u>(1,853,344)</u> | <u>26,656</u> |
| Other financing sources (uses): | | | | |
| Transfer (to) from other funds: | | | | |
| Transient Guest Tax Fund | 1,876,755 | 1,876,755 | 1,853,344 | (23,411) |
| Transient Guest Tax Capital Fund | - | - | - | - |
| Total other financing sources (uses) | <u>1,876,755</u> | <u>1,876,755</u> | <u>1,853,344</u> | <u>(23,411)</u> |
| Revenues and other financing sources over (under) expen- ditures and other uses | (3,020) | (3,020) | - | 3,020 |
| Fund balances at beginning of year | - | - | - | - |
| Fund balances at end of year | <u>\$ -</u> | <u>\$ -</u> | | <u>\$ 3,020</u> |
| Reconciliation to GAAP Basis: | | | | |
| Activities reported within the Transient Guest Tax - Reserve Fund, | | | | |
| Transient Guest Tax - Capital Fund | | | | |
| Total revenue | | | 19,072,502 | |
| Total expenditures | | | (9,175,274) | |
| Total other financing sources | | | (8,803,811) | |
| Revenues and other financing sources over expenditures | | | <u>1,093,417</u> | |
| Fund balance at beginning of year | | | 2,435,526 | |
| Fund balance at end of year | | | <u>\$ 3,528,943</u> | |

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, 2013

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget |
|------------------------------------|-------------------------|----------------|---|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Use of money | \$ 1,000 | \$ 1,000 | \$ - | \$ (1,000) |
| Licenses and permits | 109,000 | 109,000 | 105,342 | (3,658) |
| Total revenues | 110,000 | 110,000 | 105,342 | (4,658) |
| Expenditures: | | | | |
| Current: | | | | |
| Planning and development services | 110,000 | 110,000 | 105,342 | 4,658 |
| Total expenditures | 110,000 | 110,000 | 105,342 | 4,658 |
| 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, 2013

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget |
|---|-------------------------|---------------------|---|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Special Assessment tax | \$ 506,980 | \$ 506,980 | \$ 528,744 | \$ 21,764 |
| Use of money | 13,415 | 13,415 | 352,613 | 339,198 |
| Total revenues | 520,395 | 520,395 | 881,357 | 360,962 |
| Expenditures: | | | | |
| Debt Service | 23,635,000 | 23,635,000 | 30,816,598 | (7,181,598) |
| Bond issuance costs | - | - | 172,899 | (172,899) |
| Total expenditures | 23,635,000 | 23,635,000 | 30,989,497 | (7,354,497) |
| Revenues over (under) expenditures | (23,114,605) | (23,114,605) | (30,108,140) | (6,993,535) |
| Other financing sources (uses): | | | | |
| Refunding bond issue | - | - | 23,595,000 | 23,595,000 |
| Issuance: Premium | - | - | 2,250,655 | 2,250,655 |
| Transfer (to) from other funds: | | | | |
| General Fund | 16,500,000 | 16,500,000 | 14,704,937 | (1,795,063) |
| Special Revenue Funds | 6,514,605 | 6,514,605 | 6,514,605 | - |
| Capital Project Funds | - | - | 398,087 | 398,087 |
| Payment to refunded bond escrow agent | - | - | (17,355,144) | (17,355,144) |
| Total other financing sources (uses) | 23,014,605 | 23,014,605 | 30,108,140 | 7,093,535 |
| Revenues and other financing sources over (under) expen- ditures and other financing uses | (100,000) | (100,000) | - | 100,000 |
| Fund balances at beginning of year | 100,000 | 100,000 | 250,000 | 150,000 |
| Fund balances at end of year | \$ - | \$ - | \$ 250,000 | \$ 250,000 |

City of Overland Park
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2013

| | <u>Golf Course</u> | <u>Soccer Fund</u> | <u>Total Nonmajor Enterprise Funds</u> |
|---|---------------------|--------------------|--|
| Assets | | | |
| Current assets: | | | |
| Cash, cash equivalents and investments | \$ 945,135 | \$ 304,972 | \$ 1,250,107 |
| Receivables, net | - | 53,739 | 53,739 |
| Inventory | 132,601 | - | 132,601 |
| Total current assets | <u>1,077,736</u> | <u>358,711</u> | <u>1,436,447</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Land | 1,425,200 | - | 1,425,200 |
| Other capital assets, net of depreciation | 2,121,491 | - | 2,121,491 |
| Total capital assets | <u>3,546,691</u> | <u>-</u> | <u>3,546,691</u> |
| Total assets | <u>\$ 4,624,427</u> | <u>\$ 358,711</u> | <u>\$ 4,983,138</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 134,694 | \$ 2,538 | \$ 137,232 |
| Accrued payroll | 121,587 | 37,363 | 158,950 |
| Unearned revenue | - | 37,566 | 37,566 |
| Total current liabilities | <u>256,281</u> | <u>77,467</u> | <u>333,748</u> |
| Long-term liabilities | | | |
| Accrued compensated absences | 40,361 | 10,219 | 50,580 |
| Total long term liabilities | <u>40,361</u> | <u>10,219</u> | <u>50,580</u> |
| Total liabilities | <u>\$ 296,642</u> | <u>\$ 87,686</u> | <u>\$ 384,328</u> |
| Net Position | | | |
| Net investment in capital assets | \$ 3,546,691 | \$ - | \$ 3,546,691 |
| Unrestricted | 781,094 | 271,025 | 1,052,119 |
| Total net position | <u>\$ 4,327,785</u> | <u>\$ 271,025</u> | <u>\$ 4,598,810</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, 2013

| | Golf Course | Soccer Fund | Total Enterprise Funds |
|--|---------------------|--------------------|-----------------------------------|
| Operating revenues: | | | |
| Charges for services | \$ 4,704,503 | \$ 1,264,057 | \$ 5,968,560 |
| Other reimbursements | 21,291 | 90,136 | 111,427 |
| Total operating revenues | <u>4,725,794</u> | <u>1,354,193</u> | <u>6,079,987</u> |
| Operating expenses: | | | |
| Soccer operations | - | 1,166,832 | 1,166,832 |
| Golf course operations | 4,356,087 | - | 4,356,087 |
| Depreciation | 335,393 | - | 335,393 |
| Total operating expenses | <u>4,691,480</u> | <u>1,166,832</u> | <u>5,858,312</u> |
| Operating income | <u>34,314</u> | <u>187,361</u> | <u>221,675</u> |
| Nonoperating revenues and (expenses): | | | |
| Interest earned on investments | 1,856 | 1,596 | 3,452 |
| Gain on disposal of capital assets | 1,441 | - | 1,441 |
| Interest expense on long-term debt | (420) | - | (420) |
| Total nonoperating revenue | <u>2,877</u> | <u>1,596</u> | <u>4,473</u> |
| Income before transfers | <u>37,191</u> | <u>188,957</u> | <u>226,148</u> |
| Transfers out | <u>(255,251)</u> | <u>(208,050)</u> | <u>(463,301)</u> |
| Change in net position | (218,060) | (19,093) | (237,153) |
| Total net position-beginning of year | 4,545,845 | 290,118 | 4,835,963 |
| Total net position-end of year | <u>\$ 4,327,785</u> | <u>\$ 271,025</u> | <u>\$ 4,598,810</u> |

City of Overland Park
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2013

| | Golf Course | Soccer Fund | Total Nonmajor Enterprise Funds |
|---|--------------------|--------------------|--|
| Cash flows from operating activities | | | |
| Cash received from customers | \$ 4,704,503 | \$ 1,258,719 | \$ 5,963,222 |
| Cash received from other reimbursements | 21,291 | 90,136 | 111,427 |
| Cash payments for personal services | (2,350,863) | (503,019) | (2,853,882) |
| Cash payments for contractual services and accounts payable | (1,934,700) | (655,887) | (2,590,587) |
| Net cash provided by operating activities | 440,231 | 189,949 | 630,180 |
| Cash flows from noncapital financing activities | | | |
| Transfers (to)/from other funds | (255,251) | (208,050) | (463,301) |
| Net cash (used in) noncapital financing activities | (255,251) | (208,050) | (463,301) |
| Cash flows from capital and related financing activities | | | |
| Principal paid on capital debt | (21,036) | - | (21,036) |
| Interest paid on capital debt | (630) | - | (630) |
| Proceeds from sale of capital assets | 170,852 | - | 170,852 |
| Net cash provided by capital and related financing activities | 149,186 | - | 149,186 |
| Cash flows from investing activities | | | |
| Interest on investments | 1,856 | 1,596 | 3,452 |
| Net cash provided by investing activities | 1,856 | 1,596 | 3,452 |
| Net increase (decrease) in cash and cash equivalents | 336,022 | (16,505) | 319,517 |
| Cash and cash equivalents-beginning of the year | 609,113 | 321,476 | 930,589 |
| Cash and cash equivalents-end of the year | <u>\$ 945,135</u> | <u>\$ 304,971</u> | <u>\$ 1,250,106</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | | |
| Operating income | \$ 34,314 | \$ 187,361 | \$ 221,675 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | |
| (Increase) in accounts receivable | - | (34,124) | (34,124) |
| Decrease in inventory | 22,652 | - | 22,652 |
| Increase in accrued payroll | 2,048 | 6,416 | 8,464 |
| Increase in unearned revenue | - | 28,786 | 28,786 |
| Increase in accounts payable and compensated absences | 45,824 | 1,511 | 47,335 |
| Depreciation expense | 335,393 | - | 335,393 |
| Net cash provided by operating activities | \$ 440,231 | \$ 189,950 | \$ 630,181 |

City of Overland Park
Combining Statement of Net Position
Internal Service Funds
December 31, 2013

| | Workers' | Medical | |
|---|---------------------|----------------|--------------|
| | Compensation | Imprest | Total |
| | | Plan | |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ - | \$ 4,355,444 | \$ 4,355,444 |
| Receivables, net | 4,727 | - | 4,727 |
| Total current assets | 4,727 | 4,355,444 | 4,360,171 |
| Noncurrent Assets: | | | |
| Cash and cash equivalents - restricted | 1,623,495 | - | 1,623,495 |
| Total assets | 1,628,222 | 4,355,444 | 5,983,666 |
| Liabilities | | | |
| Accounts payable | 17,480 | 223,762 | 241,242 |
| Unpaid claims | 1,009,329 | 647,999 | 1,657,328 |
| Total current liabilities | 1,026,809 | 871,761 | 1,898,570 |
| Net Position | | | |
| Restricted for worker's compensation claims | 601,413 | - | 601,413 |
| Restricted for employee medical claim allocations | - | 75,289 | 75,289 |
| Unrestricted | - | 3,408,394 | 3,408,394 |
| Total net position | \$ 601,413 | \$ 3,483,683 | \$ 4,085,096 |

City of Overland Park
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2013

| | Workers' | Medical | Total |
|--------------------------------------|---------------------|---------------------|---------------------|
| | Compensation | Imprest | |
| | | Plan | |
| Operating revenues: | | | |
| Charges for services | \$ - | \$ 9,402,300 | \$ 9,402,300 |
| Other | - | 11,317 | 11,317 |
| Total operating revenues | - | 9,413,617 | 9,413,617 |
| Operating expenses: | | | |
| Claims paid | - | 9,424,253 | 9,424,253 |
| Contractual services | 630,886 | - | 630,886 |
| Total operating expenses | 630,886 | 9,424,253 | 10,055,139 |
| Operating (loss) | (630,886) | (10,636) | (641,522) |
| Nonoperating revenues: | | | |
| Interest | 6,108 | 17,327 | 23,435 |
| Total nonoperating revenue | 6,108 | 17,327 | 23,435 |
| Transfers from (to) other funds | 422,000 | (100,000) | 322,000 |
| Change in net position | (202,778) | (93,309) | (296,087) |
| Total net position-beginning of year | 804,191 | 3,576,992 | 4,381,183 |
| Total net position-end of year | \$ 601,413 | \$ 3,483,683 | \$ 4,085,096 |

City of Overland Park
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2013

| | Workers' | Medical | Total |
|---|---------------------|---------------------|---------------------|
| | Compensation | Imprest Plan | |
| Cash flows from operating activities | | | |
| Cash received from customers | \$ - | \$ 9,402,300 | \$9,402,300 |
| Cash received from other reimbursements | 8,859 | 11,317 | 20,176 |
| Claims paid | - | (9,424,253) | (9,424,253) |
| Cash payments for contractual services and accounts payable | (543,996) | 165,978 | (378,018) |
| Net cash provided by (used in) operating activities | (535,137) | 155,342 | (379,795) |
| Cash flows from noncapital financing activities | | | |
| Transfer (to) from other funds | 422,000 | (100,000) | 322,000 |
| Cash flows from investing activities | | | |
| Interest on investments | 6,108 | 17,327 | 23,435 |
| Net increase (decrease) in cash and cash equivalents | (107,029) | 72,669 | (34,360) |
| Cash and cash equivalents-beginning of the year | 1,730,524 | 4,282,775 | 6,013,299 |
| Cash and cash equivalents-end of the year | <u>\$ 1,623,495</u> | <u>\$ 4,355,444</u> | <u>\$5,978,939</u> |
| Reconciliation of operating (loss) to net cash provided by (used in) operating activities: | | | |
| Operating (loss) | \$ (630,886) | \$ (10,636) | \$ (641,522) |
| Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities: | | | |
| Decrease in accounts receivable | 8,859 | - | 8,859 |
| Increase in accounts payable and claims payable | 86,890 | 165,978 | 252,868 |
| Net cash provided by (used in) operating activities | <u>\$ (535,137)</u> | <u>\$ 155,342</u> | <u>\$ (379,795)</u> |

City of Overland Park
Combining Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2013

| | 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 | \$ - | \$ 2,529,973 | \$ 714,369 | \$ 25,754 | \$ 3,270,096 |
| Investments in equities | - | 33,048,146 | 11,336,730 | 2,794,020 | 47,178,896 |
| Investments in mutual funds | 54,316,173 | 32,980,062 | 11,309,387 | 899,282 | 99,504,904 |
| Investments in co-mingled trust fund | - | 16,484,682 | 5,612,840 | - | 22,097,522 |
| Interest and dividends | - | - | - | - | - |
| Sales tax receivable | - | - | - | - | - |
| Special assessment receivable | - | - | - | - | - |
| Total assets | 54,316,173 | 85,042,863 | 28,973,326 | 3,719,056 | 172,051,418 |
| Liabilities | | | | | |
| Due to State | - | - | - | - | - |
| Due to other entities | - | - | - | - | - |
| Total liabilities | - | - | - | - | - |
| Net Position | | | | | |
| Held in trust for pension benefits and other purposes | \$ 54,316,173 | \$ 85,042,863 | \$ 28,973,326 | \$ 3,719,056 | \$ 172,051,418 |

| Private-purpose Trust | | Agency Funds | | | |
|-----------------------|--|---------------|-----------------|--------------------------------------|---------------|
| Tomahawk Cemetery | | State License | CMB State Stamp | Transportation Development Districts | Total |
| \$ 3,325 | | \$ 34,693 | \$ 600 | \$ 33,397,307 | \$ 33,432,600 |
| - | | - | - | - | - |
| - | | - | - | - | - |
| - | | - | - | - | - |
| - | | - | - | 18,525 | 18,525 |
| - | | - | - | 505,535 | 505,535 |
| - | | - | - | 12,840,000 | 12,840,000 |
| 3,325 | | 34,693 | 600 | 46,761,367 | 46,796,660 |
| - | | 34,693 | 600 | - | 35,293 |
| - | | - | - | 46,761,367 | 46,761,367 |
| - | | 34,693 | 600 | 46,761,367 | 46,796,660 |
| \$ 3,325 | | \$ - | \$ - | \$ - | \$ - |

City of Overland Park
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2013

| | Employee Retirement Plans | | | | | Private-purpose Trust |
|--|---|--|--|---|-------------------|------------------------------|
| | Municipal Employees Pension Plan | Police Department Retirement Plan | Fire Department Retirement Plan | Other Post-Employment Benefits Trust | Total | Tomahawk Cemetery |
| Additions | | | | | | |
| Contributions: | | | | | | |
| Rollover | \$ 104,352 | \$ - | \$ - | \$ - | \$ 104,352 | \$ - |
| Employer | 2,057,291 | 3,202,600 | 2,328,048 | - | 7,587,939 | - |
| Plan members | 100,992 | - | - | - | 100,992 | - |
| Total contributions | 2,262,635 | 3,202,600 | 2,328,048 | - | 7,793,283 | - |
| Investment earnings: | | | | | | |
| Net increase in fair value of investment | 6,283,501 | 12,485,291 | 4,412,663 | 593,215 | 23,774,670 | - |
| Interest | - | - | - | 73,656 | 73,656 | 4 |
| Dividends | 1,304,227 | 1,411,301 | 497,209 | - | 3,212,737 | - |
| Total investment earnings | 7,587,728 | 13,896,592 | 4,909,872 | 666,871 | 27,061,063 | 4 |
| Total additions | 9,850,363 | 17,099,192 | 7,237,920 | 666,871 | 34,854,346 | 4 |
| Deductions | | | | | | |
| Benefits | 1,220,407 | 1,403,265 | 2,479,575 | - | 5,103,247 | - |
| Administrative expenses | 49,768 | 270,964 | 114,026 | 3,000 | 437,758 | - |
| Total deductions | 1,270,175 | 1,674,229 | 2,593,601 | 3,000 | 5,541,005 | - |
| Change in net position | 8,580,188 | 15,424,963 | 4,644,319 | 663,871 | 29,313,341 | 4 |
| Net position-beginning of the year | 45,735,985 | 69,617,900 | 24,329,007 | 3,055,185 | 142,738,077 | 3,321 |
| Net position-end of the year | \$ 54,316,173 | \$ 85,042,863 | \$ 28,973,326 | \$ 3,719,056 | \$ 172,051,418 | \$ 3,325 |

City of Overland Park
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2013

| | Balance January 1, 2013 | Additions | Deductions | Balance December 31, 2013 |
|---|----------------------------|---------------------|----------------------|------------------------------|
| State License Fund | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 37,987 | \$ 448,892 | \$ 452,186 | \$ 34,693 |
| Total assets | <u>\$ 37,987</u> | <u>\$ 448,892</u> | <u>\$ 452,186</u> | <u>\$ 34,693</u> |
| Liabilities | | | | |
| Due to State | \$ 37,987 | \$ 448,892 | \$ 452,186 | \$ 34,693 |
| Total liabilities | <u>\$ 37,987</u> | <u>\$ 448,892</u> | <u>\$ 452,186</u> | <u>\$ 34,693</u> |
| CMB State Stamp Fund | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 650 | \$ 2,250 | \$ 2,300 | \$ 600 |
| Total assets | <u>\$ 650</u> | <u>\$ 2,250</u> | <u>\$ 2,300</u> | <u>\$ 600</u> |
| Liabilities | | | | |
| Due to State | \$ 650 | \$ 2,250 | \$ 2,300 | \$ 600 |
| Total liabilities | <u>\$ 650</u> | <u>\$ 2,250</u> | <u>\$ 2,300</u> | <u>\$ 600</u> |
| Transportation Development Districts | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 68,066,530 | \$ 7,449,909 | \$ 42,119,132 | \$ 33,397,307 |
| Interest receivable | 21,622 | - | 3,097 | 18,525 |
| Sales tax receivable | 470,910 | 34,625 | - | 505,535 |
| Special assessment receivable | 12,591,000 | 249,000 | - | 12,840,000 |
| Total assets | <u>\$ 81,150,062</u> | <u>\$ 7,733,534</u> | <u>\$ 42,122,229</u> | <u>\$ 46,761,367</u> |
| Liabilities | | | | |
| Due to other entities | \$ 81,150,062 | \$ 7,733,534 | \$ 42,122,229 | \$ 46,761,367 |
| Total liabilities | <u>\$ 81,150,062</u> | <u>\$ 7,733,534</u> | <u>\$ 42,122,229</u> | <u>\$ 46,761,367</u> |
| Totals - All Agency Funds | | | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 68,105,167 | \$ 7,901,051 | \$ 42,573,618 | \$ 33,432,600 |
| Interest receivable | 21,622 | - | 3,097 | 18,525 |
| Sales tax receivable | 470,910 | 34,625 | - | 505,535 |
| Special assessment receivable | 12,591,000 | 249,000 | - | 12,840,000 |
| Total assets | <u>\$ 81,188,699</u> | <u>\$ 8,184,676</u> | <u>\$ 42,576,715</u> | <u>\$ 46,796,660</u> |
| Liabilities | | | | |
| Due to State | \$ 38,637 | \$ 451,142 | \$ 454,486 | \$ 35,293 |
| Due to other entities | 81,150,062 | 7,733,534 | 42,122,229 | 46,761,367 |
| Total liabilities | <u>\$ 81,188,699</u> | <u>\$ 8,184,676</u> | <u>\$ 42,576,715</u> | <u>\$ 46,796,660</u> |

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City of Overland Park, Kansas

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. | 114 - 120 |
| 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 | 121 - 128 |
| 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 | 129 - 133 |
| 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. | 134 - 135 |
| 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 | 136 - 140 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year. The City implemented GASB 34 in fiscal year 2000; schedules presenting government-wide information include information beginning in that year.

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City of Overland Park, Kansas

**Net Position by Component
2004 to 2013 Inclusive**
(accrual basis of accounting)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------------------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 679,824,168 | \$ 726,486,865 | \$ 744,712,780 | \$ 796,834,669 | \$ 838,954,105 | \$ 862,840,022 | \$ 868,805,471 | \$ 865,820,612 | \$ 887,503,877 | \$ 898,706,264 |
| Restricted | 12,557,560 | 13,365,083 | 12,971,720 | 9,185,006 | 7,796,704 | 6,103,477 | 5,671,256 | 3,761,989 | 4,835,240 | 4,620,877 |
| Unrestricted | 109,531,345 | 102,689,737 | 125,552,447 | 109,471,761 | 84,095,798 | 93,283,853 | 42,118,676 | 41,843,620 | 41,856,980 | 57,282,547 |
| Total governmental activities | | | | | | | | | | |
| net position | \$ 801,913,073 | \$ 842,541,685 | \$ 883,236,947 | \$ 915,491,436 | \$ 930,846,607 | \$ 962,227,352 | \$ 916,595,403 | \$ 911,426,221 | \$ 934,196,097 | \$ 960,609,688 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 5,426,307 | \$ 4,925,394 | \$ 5,088,271 | \$ (38,973,273) | \$ (38,348,039) | \$ (44,979,383) | \$ (46,616,213) | \$ (48,314,692) | \$ (48,109,010) | \$ (48,043,726) |
| Restricted | | | | \$ 11,829,275 | 10,962,295 | 15,136,992 | 15,596,664 | 16,272,483 | 15,827,405 | 14,592,968 |
| Unrestricted | 2,246,318 | 948,885 | 871,735 | (1,868,833) | (5,136,080) | (8,375,248) | (1,284,250) | (2,239,190) | (6,879,350) | (7,239,877) |
| Total business-type activities | | | | | | | | | | |
| net position | \$ 7,672,625 | \$ 5,874,279 | \$ 5,960,006 | \$ (29,012,831) | \$ (32,521,824) | \$ (38,217,639) | \$ (32,303,799) | \$ (34,281,399) | \$ (39,160,955) | \$ (40,690,635) |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 685,250,475 | \$ 731,412,259 | \$ 749,801,051 | \$ 757,861,396 | \$ 800,606,066 | \$ 817,860,639 | \$ 822,189,258 | \$ 817,505,920 | \$ 839,394,867 | \$ 850,662,538 |
| Restricted | 12,557,560 | 13,365,083 | 12,971,720 | 21,014,281 | 18,758,999 | 21,240,469 | 21,267,920 | 20,034,472 | 20,662,645 | 19,213,845 |
| Unrestricted | 111,777,663 | 103,638,622 | 126,424,182 | 107,602,928 | 78,959,718 | 84,908,605 | 40,834,426 | 39,604,430 | 34,977,630 | 50,042,670 |
| Total primary government | | | | | | | | | | |
| net position | \$ 809,585,698 | \$ 848,415,964 | \$ 889,196,953 | \$ 886,478,605 | \$ 898,324,783 | \$ 924,009,713 | \$ 884,291,604 | \$ 877,144,822 | \$ 895,035,142 | \$ 919,919,053 |

Notes:

1. Until 2007, the OPDC was reported as a discretely presented component unit. Starting in 2007, the OPDC is blended as a business-type activity.

City of Overland Park, Kansas

Changes in Net Position
2004 to 2013 Inclusive

(accrual basis of accounting)

| | 2004 | | | 2005 | | |
|---|-------------------------|--------------------------|--------------------------|-------------------------|--------------------------|--------------------------|
| | Governmental Activities | Business-type Activities | Total Primary Government | Governmental Activities | Business-type Activities | Total Primary Government |
| Program Expenses | | | | | | |
| General government | \$ 28,164,218 | \$ - | \$ 28,164,218 | \$ 28,807,249 | \$ - | \$ 28,807,249 |
| Public safety | 39,310,424 | - | 39,310,424 | 40,286,583 | - | 40,286,583 |
| Public works | 29,658,347 | - | 29,658,347 | 38,442,364 | - | 38,442,364 |
| Parks and recreation | 7,598,869 | - | 7,598,869 | 8,346,809 | - | 8,346,809 |
| Planning and development services | 7,467,617 | - | 7,467,617 | 7,581,825 | - | 7,581,825 |
| Golf course | - | 3,221,272 | 3,221,272 | - | 4,519,130 | 4,519,130 |
| Soccer Complex | - | - | - | - | - | - |
| OPDC | - | - | - | - | - | - |
| Interest on long-term debt | 6,020,817 | - | 6,020,817 | 5,257,130 | - | 5,257,130 |
| Total expenses | 118,220,292 | 3,221,272 | 121,441,564 | 128,721,960 | 4,519,130 | 133,241,090 |
| Program Revenues | | | | | | |
| Charges for services | | | | | | |
| General government | 6,680,832 | - | 6,680,832 | 7,991,550 | - | 7,991,550 |
| Public safety | 6,279,300 | - | 6,279,300 | 6,269,146 | - | 6,269,146 |
| Public works | 2,554,593 | - | 2,554,593 | 5,850,944 | - | 5,850,944 |
| Parks and recreation | 1,619,044 | - | 1,619,044 | 1,731,283 | - | 1,731,283 |
| Planning and development services | 2,081,731 | - | 2,081,731 | 2,332,949 | - | 2,332,949 |
| Golf course | - | 3,116,231 | 3,116,231 | - | 2,900,146 | 2,900,146 |
| Soccer Complex | - | - | - | - | - | - |
| OPDC | - | - | - | - | - | - |
| Operating grants and contributions | 7,839,056 | - | 7,839,056 | 9,269,860 | - | 9,269,860 |
| Capital grants and contributions | 16,784,464 | - | 16,784,464 | 20,861,577 | - | 20,861,577 |
| Total program revenues | 43,839,020 | 3,116,231 | 46,955,251 | 54,307,309 | 2,900,146 | 57,207,455 |
| Net Program (Expense)/Revenue | (74,381,272) | (105,041) | (74,486,313) | (74,414,651) | (1,618,984) | (76,033,635) |
| General Revenues and Other Changes in Net Position | | | | | | |
| Property taxes | 21,199,331 | - | 21,199,331 | 21,924,513 | - | 21,924,513 |
| Sales taxes | 49,715,501 | - | 49,715,501 | 51,280,569 | - | 51,280,569 |
| Franchise taxes | 7,608,442 | - | 7,608,442 | 8,057,700 | - | 8,057,700 |
| Transient Guest tax | 5,074,734 | - | 5,074,734 | 5,375,037 | - | 5,375,037 |
| Unrestricted grants and contributions | 30,268,231 | - | 30,268,231 | 21,675,068 | - | 21,675,068 |
| Unrestricted investment earnings | 1,604,055 | 38,403 | 1,642,458 | 3,236,428 | 73,569 | 3,309,997 |
| Miscellaneous | 3,631,072 | 48 | 3,631,120 | 3,240,948 | 69 | 3,241,017 |
| Transfers | 243,268 | (243,268) | - | 253,000 | (253,000) | - |
| Change in Accounting Principle | - | - | - | - | - | - |
| Prior Period Adjustment | - | - | - | - | - | - |
| Total general revenues | 119,344,634 | (204,817) | 119,139,817 | 115,043,263 | (179,362) | 114,863,901 |
| Change in net position | \$ 44,963,362 | \$ (309,858) | \$ 44,653,504 | \$ 40,628,612 | \$ (1,798,346) | \$ 38,830,266 |

1. Until 2007, the OPDC was reported as a discretely presented component unit. Starting in 2007, the OPDC is blended as a business-type activity.
2. Soccer operations began in 2009.

| 2006 | | | 2007 | | | 2008 | | |
|-------------------------|--------------------------|--------------------------|-------------------------|--------------------------|--------------------------|-------------------------|--------------------------|--------------------------|
| Governmental Activities | Business-type Activities | Total Primary Government | Governmental Activities | Business-type Activities | Total Primary Government | Governmental Activities | Business-type Activities | Total Primary Government |
| \$ 29,879,905 | \$ - | \$ 29,879,905 | \$ 36,943,654 | \$ - | \$ 36,943,654 | \$ 30,999,814 | \$ - | \$ 30,999,814 |
| 44,908,532 | - | 44,908,532 | 47,273,509 | - | 47,273,509 | 51,058,659 | - | 51,058,659 |
| 51,212,148 | - | 51,212,148 | 28,790,295 | - | 28,790,295 | 52,708,940 | - | 52,708,940 |
| 9,475,350 | - | 9,475,350 | 16,442,762 | - | 16,442,762 | 9,250,525 | - | 9,250,525 |
| 7,770,019 | - | 7,770,019 | 10,002,078 | - | 10,002,078 | 9,036,680 | - | 9,036,680 |
| - | 2,913,521 | 2,913,521 | - | 3,211,521 | 3,211,521 | - | 3,274,422 | 3,274,422 |
| - | - | - | - | - | - | - | - | - |
| - | 28,803,215 | 28,803,215 | - | 28,832,171 | 28,832,171 | - | 25,273,123 | 25,273,123 |
| 6,742,211 | - | 6,742,211 | 5,783,380 | - | 5,783,380 | 7,555,180 | - | 7,555,180 |
| 149,988,165 | 31,716,736 | 181,704,901 | 145,235,678 | 32,043,692 | 177,279,370 | 160,609,798 | 28,547,545 | 189,157,343 |
| | | | | | | | | |
| 8,190,363 | - | 8,190,363 | 8,389,023 | - | 8,389,023 | 8,298,492 | - | 8,298,492 |
| 6,508,366 | - | 6,508,366 | 6,208,095 | - | 6,208,095 | 7,222,235 | - | 7,222,235 |
| 3,047,785 | - | 3,047,785 | 3,776,951 | - | 3,776,951 | 2,251,968 | - | 2,251,968 |
| 2,039,467 | - | 2,039,467 | 2,682,574 | - | 2,682,574 | 3,937,131 | - | 3,937,131 |
| 2,641,223 | - | 2,641,223 | 2,827,457 | - | 2,827,457 | 2,656,583 | - | 2,656,583 |
| - | 3,211,226 | 3,211,226 | - | 3,108,064 | 3,108,064 | - | 3,207,324 | 3,207,324 |
| - | - | - | - | - | - | - | - | - |
| - | 23,465,341 | 23,465,341 | - | 24,376,480 | 24,376,480 | - | 21,711,249 | 21,711,249 |
| 8,101,081 | - | 8,101,081 | 8,346,095 | - | 8,346,095 | 7,606,680 | - | 7,606,680 |
| 20,005,204 | - | 20,005,204 | 19,142,983 | - | 19,142,983 | 20,708,723 | - | 20,708,723 |
| 50,533,489 | 26,676,567 | 77,210,056 | 51,373,178 | 27,484,544 | 78,857,722 | 52,681,812 | 24,918,573 | 77,600,385 |
| (99,454,676) | (5,040,169) | (104,494,845) | (93,862,500) | (4,559,148) | (98,421,648) | (107,927,986) | (3,628,972) | (111,556,958) |
| | | | | | | | | |
| 22,712,457 | - | 22,712,457 | 23,920,260 | - | 23,920,260 | 24,981,393 | - | 24,981,393 |
| 53,217,375 | - | 53,217,375 | 52,089,560 | - | 52,089,560 | 48,833,515 | - | 48,833,515 |
| 8,011,548 | - | 8,011,548 | 9,074,658 | - | 9,074,658 | 9,662,788 | - | 9,662,788 |
| 5,874,961 | - | 5,874,961 | 7,252,916 | - | 7,252,916 | 8,197,767 | - | 8,197,767 |
| 22,189,002 | - | 22,189,002 | 22,229,400 | - | 22,229,400 | 20,548,004 | - | 20,548,004 |
| 6,637,939 | 628,502 | 7,266,441 | 6,655,642 | 844,905 | 7,500,547 | 5,960,755 | 194,348 | 6,155,103 |
| 4,005,730 | 3,974 | 4,009,704 | 4,619,653 | 239,514 | 4,859,167 | 4,849,248 | 175,318 | 5,024,566 |
| 263,100 | (263,100) | - | 274,900 | (274,900) | - | 249,687 | (249,687) | - |
| - | - | - | - | - | - | - | - | - |
| 2,554,212 | - | 2,554,212 | - | - | - | 14,683,614 | - | 14,683,614 |
| 125,466,324 | 369,376 | 125,835,700 | 126,116,989 | 809,519 | 126,926,508 | 137,966,771 | 119,979 | 138,086,750 |
| \$ 26,011,648 | \$ (4,670,793) | \$ 21,340,855 | \$ 32,254,489 | \$ (3,749,629) | \$ 28,504,860 | \$ 30,038,785 | \$ (3,508,993) | \$ 26,529,792 |

(Continued on next page)

City of Overland Park, Kansas

Changes in Net Position

2004 to 2013 Inclusive

(accrual basis of accounting)

| | 2009 | | | 2010 | | |
|---|-------------------------|--------------------------|--------------------------|-------------------------|--------------------------|--------------------------|
| | Governmental Activities | Business-type Activities | Total Primary Government | Governmental Activities | Business-type Activities | Total Primary Government |
| Program Expenses | | | | | | |
| General government | \$ 34,770,572 | \$ - | \$ 34,770,572 | \$ 32,651,928 | \$ - | \$ 32,651,928 |
| Public safety | 51,060,017 | - | 51,060,017 | 49,296,357 | - | 49,296,357 |
| Public works | 56,463,561 | - | 56,463,561 | 58,956,143 | - | 58,956,143 |
| Parks and recreation | 8,896,868 | - | 8,896,868 | 14,743,711 | - | 14,743,711 |
| Planning and development services | 8,791,716 | - | 8,791,716 | 7,919,968 | - | 7,919,968 |
| Golf course | - | 3,040,711 | 3,040,711 | - | 2,865,160 | 2,865,160 |
| Soccer Complex | - | 667,718 | 667,718 | - | 965,025 | 965,025 |
| OPDC | - | 24,309,086 | 24,309,086 | - | 24,603,609 | 24,603,609 |
| Interest on long-term debt | 7,468,030 | - | 7,468,030 | 9,177,523 | - | 9,177,523 |
| Total expenses | 167,450,764 | 28,017,515 | 195,468,279 | 172,745,630 | 28,433,794 | 201,179,424 |
| Program Revenues | | | | | | |
| Charges for services | | | | | | |
| General government | 7,265,883 | - | 7,265,883 | 7,552,961 | - | 7,552,961 |
| Public safety | 7,938,795 | - | 7,938,795 | 7,424,157 | - | 7,424,157 |
| Public works | 817,546 | - | 817,546 | 508,665 | - | 508,665 |
| Parks and recreation | 4,509,488 | - | 4,509,488 | 4,836,764 | - | 4,836,764 |
| Planning and development services | 2,164,578 | - | 2,164,578 | 1,978,793 | - | 1,978,793 |
| Golf course | - | 3,275,900 | 3,275,900 | - | 3,171,584 | 3,171,584 |
| Soccer complex | - | 431,974 | 431,974 | - | 1,135,085 | 1,135,085 |
| OPDC | - | 18,501,762 | 18,501,762 | - | 18,009,544 | 18,009,544 |
| Operating grants and contributions | 10,002,980 | - | 10,002,980 | 10,736,837 | - | 10,736,837 |
| Capital grants and contributions | 51,357,736 | - | 51,357,736 | 16,143,063 | - | 16,143,063 |
| Total program revenues | 84,057,006 | 22,209,636 | 106,266,642 | 49,181,240 | 22,316,213 | 71,497,453 |
| Net Program (Expense)/Revenue | (83,393,758) | (5,807,879) | (89,201,637) | (123,564,390) | (6,117,581) | (129,681,971) |
| General Revenues and Other Changes in Net Position | | | | | | |
| Property taxes | 25,525,763 | - | 25,525,763 | 24,200,005 | - | 24,200,005 |
| Sales taxes | 43,864,652 | - | 43,864,652 | 39,713,882 | - | 39,713,882 |
| Franchise taxes | 9,434,467 | - | 9,434,467 | 9,952,518 | - | 9,952,518 |
| Transient Guest tax | 6,782,124 | - | 6,782,124 | 6,734,429 | - | 6,734,429 |
| Unrestricted grants and contributions | 20,408,525 | - | 20,408,525 | 19,451,231 | 7,732,856 | 27,184,087 |
| Unrestricted investment earnings | 1,297,849 | 9,305 | 1,307,154 | 864,073 | 30,586 | 894,659 |
| Miscellaneous | 7,316,549 | 247,333 | 7,563,882 | 5,782,561 | 249,271 | 6,031,832 |
| Transfers | 144,574 | (144,574) | - | (4,018,708) | 4,018,708 | - |
| Change in Accounting Principle | - | - | - | - | - | - |
| Prior Period Adjustment | - | - | - | - | - | - |
| Total general revenues | 114,774,503 | 112,064 | 114,886,567 | 102,679,991 | 12,031,421 | 114,711,412 |
| Change in net position | \$ 31,380,745 | \$ (5,695,815) | \$ 25,684,930 | \$ (20,884,399) | \$ 5,913,840 | \$ (14,970,559) |

| 2011 | | | 2012 | | | 2013 | | |
|-------------------------|--------------------------|--------------------------|-------------------------|--------------------------|--------------------------|-------------------------|--------------------------|--------------------------|
| Governmental Activities | Business-type Activities | Total Primary Government | Governmental Activities | Business-type Activities | Total Primary Government | Governmental Activities | Business-type Activities | Total Primary Government |
| \$ 34,805,867 | \$ - | \$ 34,805,867 | \$ 24,165,599 | \$ - | \$ 24,165,599 | \$ 33,886,609 | | \$ 33,886,609 |
| 49,874,733 | - | 49,874,733 | 49,093,933 | - | 49,093,933 | 52,990,718 | | 52,990,718 |
| 61,229,121 | - | 61,229,121 | 57,384,226 | - | 57,384,226 | 64,904,183 | | 64,904,183 |
| 4,530,531 | - | 4,530,531 | 18,644,475 | - | 18,644,475 | 17,417,818 | | 17,417,818 |
| 7,084,275 | - | 7,084,275 | 7,219,292 | - | 7,219,292 | 7,405,840 | | 7,405,840 |
| - | 3,073,047 | 3,073,047 | - | 5,063,747 | 5,063,747 | | 4,690,459 | 4,690,459 |
| - | 1,012,289 | 1,012,289 | - | 1,086,509 | 1,086,509 | | 1,166,832 | 1,166,832 |
| - | 25,473,353 | 25,473,353 | - | 25,123,892 | 25,123,892 | | 25,737,078 | 25,737,078 |
| 6,355,197 | - | 6,355,197 | 6,619,907 | - | 6,619,907 | 6,135,643 | | 6,135,643 |
| 163,879,724 | 29,558,689 | 193,438,413 | 163,127,432 | 31,274,148 | 194,401,580 | 182,740,811 | 31,594,369 | 214,335,180 |
| | | | | | | | | |
| 9,533,064 | - | 9,533,064 | 7,684,975 | - | 7,684,975 | 9,524,146 | - | 9,524,146 |
| 6,927,966 | - | 6,927,966 | 7,135,360 | - | 7,135,360 | 6,374,371 | - | 6,374,371 |
| 654,081 | - | 654,081 | 1,682,704 | - | 1,682,704 | 4,201,669 | - | 4,201,669 |
| 4,971,524 | - | 4,971,524 | 5,001,565 | - | 5,001,565 | 5,305,233 | - | 5,305,233 |
| 2,514,905 | - | 2,514,905 | 3,222,746 | - | 3,222,746 | 3,863,441 | - | 3,863,441 |
| - | 2,869,736 | 2,869,736 | - | 5,125,017 | 5,125,017 | - | 4,704,503 | 4,704,503 |
| - | 1,168,226 | 1,168,226 | - | 1,286,692 | 1,286,692 | - | 1,264,057 | 1,264,057 |
| - | 19,890,341 | 19,890,341 | - | 19,681,243 | 19,681,243 | - | 21,238,907 | 21,238,907 |
| 13,704,711 | - | 13,704,711 | 14,637,360 | - | 14,637,360 | 17,224,618 | - | 17,224,618 |
| 12,858,126 | - | 12,858,126 | 23,595,514 | - | 23,595,514 | 31,255,566 | - | 31,255,566 |
| 51,164,377 | 23,928,303 | 75,092,680 | 62,960,224 | 26,092,952 | 89,053,176 | 77,749,044 | 27,207,467 | 104,956,511 |
| (112,715,347) | (5,630,386) | (118,345,733) | (100,167,208) | (5,181,196) | (105,348,404) | (104,991,767) | (4,386,902) | (109,378,669) |
| | | | | | | | | |
| 23,010,679 | - | 23,010,679 | 34,073,454 | - | 34,073,454 | 34,286,336 | | 34,286,336 |
| 46,553,901 | - | 46,553,901 | 47,715,776 | - | 47,715,776 | 49,815,260 | | 49,815,260 |
| 10,386,572 | - | 10,386,572 | 10,295,175 | - | 10,295,175 | 10,867,642 | | 10,867,642 |
| 7,451,593 | - | 7,451,593 | 7,772,500 | - | 7,772,500 | 8,442,580 | | 8,442,580 |
| 20,870,906 | - | 20,870,906 | 23,129,956 | - | 23,129,956 | 24,951,913 | | 24,951,913 |
| 519,540 | 30,316 | 549,856 | 765,462 | 118,887 | 884,349 | 518,050 | 93,487 | 611,537 |
| 2,149,841 | 225,603 | 2,375,444 | 3,211,320 | 341,477 | 3,552,797 | 5,102,429 | 184,883 | 5,287,312 |
| (3,396,867) | 3,396,867 | - | (4,026,559) | 4,026,559 | - | (2,578,852) | 2,578,852 | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 107,546,165 | 3,652,786 | 111,198,951 | 122,937,084 | 4,486,923 | 127,424,007 | 131,405,358 | 2,857,222 | 134,262,580 |
| \$ (5,169,182) | \$ (1,977,600) | \$ (7,146,782) | \$ 22,769,876 | \$ (694,273) | \$ 22,075,603 | \$ 26,413,591 | \$ (1,529,680) | \$ 24,883,911 |

City of Overland Park, Kansas

**Fund Balances, Governmental Funds
2004 to 2013 Inclusive
(modified accrual basis of accounting)**

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 | 2010 | 2011 | 2012 | 2013 |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------|
| General Fund | | | | | | | | | | | | |
| Unreserved | \$ 51,953,978 | \$ 55,981,651 | \$ 58,747,831 | \$ 64,324,828 | \$ 50,963,727 | \$ 40,755,433 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Reserved | 1,295,748 | 1,914,845 | 2,901,003 | 3,166,661 | 1,802,009 | 1,009,899 | - | - | - | - | - | - |
| Nonspendable | - | - | - | - | - | - | - | - | - | - | - | - |
| Restricted | - | - | - | - | - | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | 1,000,000 | 1,000,000 | 150,000 | 12,479,807 | - | - |
| Assigned | - | - | - | - | - | - | 1,450,310 | 1,450,310 | 717,147 | 2,152,114 | 20,444,438 | - |
| Unassigned | - | - | - | - | - | - | 40,097,712 | 40,097,712 | 31,341,222 | 23,222,648 | 29,019,142 | - |
| Total General Fund | \$ 53,249,726 | \$ 57,896,496 | \$ 61,648,834 | \$ 67,491,489 | \$ 52,765,736 | \$ 41,765,332 | \$ 42,548,022 | \$ 42,548,022 | \$ 32,208,369 | \$ 37,854,569 | \$ 49,463,580 | \$ - |
| All Other Governmental Funds | | | | | | | | | | | | |
| Reserved | \$ 6,360,265 | \$ 7,274,024 | \$ 6,764,908 | \$ 3,456,115 | \$ 3,654,934 | \$ 9,824,185 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | | | | | | | | |
| Special Revenue Funds | 33,806,329 | 38,924,888 | 33,653,753 | 26,693,048 | 26,107,863 | 19,723,462 | - | - | - | - | - | - |
| Capital Project Funds | 16,985,529 | 4,584,566 | 23,985,559 | 64,587,482 | 18,674,979 | 6,765,804 | - | - | - | - | - | - |
| Nonspendable | - | - | - | - | - | - | - | - | - | - | - | - |
| Restricted | - | - | - | - | - | - | 10,097,318 | 10,097,318 | 11,858,078 | 12,544,083 | 14,323,354 | - |
| Committed | - | - | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | 11,099,765 | 11,099,765 | 12,505,889 | 6,398,506 | 10,564,215 | - |
| Unassigned | - | - | - | - | - | - | (2,671,526) | (2,671,526) | (353,105) | (396,080) | (129,640) | - |
| Total Other Governmental Funds | \$ 57,152,123 | \$ 50,783,478 | \$ 64,404,220 | \$ 94,736,645 | \$ 48,437,776 | \$ 36,313,451 | \$ 10,097,318 | \$ 18,525,557 | \$ 24,010,862 | \$ 18,546,509 | \$ 24,757,929 | \$ - |

City of Overland Park, Kansas

**Changes in Fund Balances, Governmental Funds
2004 to 2013 Inclusive**
(modified accrual basis of accounting)

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|----------------------|-----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Taxes | \$ 83,598,008 | \$ 86,637,823 | \$ 89,816,341 | \$ 92,337,394 | \$ 85,135,463 | \$ 85,607,006 | \$ 80,600,834 | \$ 87,402,745 | \$ 99,856,905 | \$ 103,411,819 |
| Charges for services | 9,707,984 | 10,492,878 | 11,164,077 | 12,716,100 | 13,200,875 | 14,376,084 | 13,644,861 | 14,989,713 | 14,249,902 | 15,921,236 |
| Licenses and permits | 5,072,962 | 8,188,291 | 5,692,920 | 6,604,408 | 4,905,313 | 2,986,929 | 2,489,098 | 3,172,139 | 4,907,224 | 8,069,054 |
| Fines and penalties | 4,111,777 | 4,854,018 | 4,699,087 | 4,362,854 | 5,178,643 | 5,964,523 | 5,541,388 | 4,883,935 | 4,712,719 | 6,374,371 |
| Use of money | 1,121,114 | 2,707,183 | 4,101,891 | 5,270,229 | 5,156,829 | 1,074,848 | 603,702 | 427,185 | 677,553 | 424,076 |
| Intergovernmental | 23,184,519 | 25,978,041 | 24,032,495 | 22,636,544 | 17,965,366 | 24,848,190 | 18,754,471 | 15,510,655 | 24,214,122 | 23,783,770 |
| Contributions | 3,592,057 | 3,540,439 | 3,304,752 | 2,987,678 | 2,724,184 | 2,901,453 | 2,713,610 | 2,871,966 | 3,168,509 | 2,921,533 |
| Capital/operating grants | 5,226,633 | 6,993,167 | 8,546,088 | 8,859,981 | 8,709,935 | 12,808,300 | 8,489,644 | 9,206,761 | 10,464,448 | 11,433,071 |
| Grants/contributions not restricted to specific programs | 19,919,037 | 21,281,752 | 21,743,404 | 21,807,960 | 20,136,314 | 19,716,141 | 19,089,260 | 21,650,738 | 22,569,980 | 27,907,782 |
| | <u>155,534,091</u> | <u>170,673,592</u> | <u>173,101,055</u> | <u>177,583,148</u> | <u>163,112,922</u> | <u>170,283,474</u> | <u>151,926,868</u> | <u>160,115,837</u> | <u>184,821,362</u> | <u>200,246,712</u> |
| Current: | | | | | | | | | | |
| General government | 25,770,169 | 29,283,479 | 29,683,001 | 31,323,369 | 32,467,888 | 32,354,100 | 29,362,717 | 30,962,422 | 27,813,092 | 31,124,944 |
| Public safety | 38,770,938 | 41,488,682 | 45,080,100 | 47,762,364 | 49,797,425 | 48,984,474 | 49,144,598 | 49,533,008 | 48,246,523 | 50,406,416 |
| Public works | 13,519,930 | 13,851,469 | 14,428,802 | 16,588,475 | 17,155,557 | 19,343,226 | 16,160,730 | 15,421,911 | 14,902,074 | 16,050,151 |
| Parks and recreation | 5,734,311 | 6,407,790 | 7,098,040 | 7,898,671 | 8,876,872 | 8,650,001 | 9,677,522 | 10,718,555 | 10,637,063 | 11,235,618 |
| Planning & development services | 7,363,160 | 7,376,140 | 7,823,080 | 9,957,240 | 9,046,227 | 8,501,741 | 7,643,592 | 6,905,488 | 7,043,239 | 7,204,341 |
| Capital improvements | 39,246,966 | 60,581,058 | 67,126,130 | 79,886,249 | 85,876,249 | 82,048,182 | 46,133,339 | 31,966,101 | 47,368,661 | 48,183,869 |
| Debt service | | | | | | | | | | |
| Principal | 10,489,750 | 10,984,750 | 12,234,643 | 12,245,000 | 16,185,000 | 19,460,000 | 16,322,876 | 16,768,038 | 17,227,086 | 24,938,249 |
| Interest | 5,235,173 | 5,229,310 | 5,445,505 | 5,438,284 | 7,232,013 | 7,435,173 | 7,511,920 | 7,553,688 | 6,847,818 | 5,878,349 |
| Bond Issuance costs | - | - | - | - | - | 275,368 | 122,046 | 125,600 | - | 259,072 |
| | <u>146,130,397</u> | <u>175,202,678</u> | <u>188,919,301</u> | <u>211,099,652</u> | <u>226,637,231</u> | <u>227,052,265</u> | <u>182,079,340</u> | <u>169,954,811</u> | <u>180,085,556</u> | <u>195,281,009</u> |
| | <u>9,403,694</u> | <u>(4,529,086)</u> | <u>(15,818,246)</u> | <u>(33,516,504)</u> | <u>(63,524,309)</u> | <u>(56,768,791)</u> | <u>(30,152,472)</u> | <u>(9,838,974)</u> | <u>4,735,806</u> | <u>4,965,703</u> |
| Proceeds of general obligation bonds | 16,120,000 | - | 34,573,440 | 64,365,000 | - | 26,845,000 | 13,450,000 | 8,490,000 | - | 6,400,000 |
| Refunding bonds issued | 12,800,000 | - | 909,000 | - | - | 3,864,910 | - | 6,665,000 | - | 23,595,000 |
| Payment to refunded bond escrow agent | | | | | | | | (6,762,856) | - | (17,355,144) |
| Issuance: Premium or (Discount) | (12,524,246) | - | - | 1,051,684 | - | 726,472 | 361,375 | 389,349 | - | 3,115,724 |
| Transfers in | 46,642,295 | 71,815,732 | 69,355,817 | 80,469,170 | 70,685,050 | 68,694,888 | 55,884,574 | 68,341,542 | 71,542,775 | 84,383,676 |
| Transfers out | <u>(46,399,029)</u> | <u>(71,562,733)</u> | <u>(71,646,930)</u> | <u>(76,194,270)</u> | <u>(68,185,363)</u> | <u>(68,550,314)</u> | <u>(60,303,282)</u> | <u>(72,138,409)</u> | <u>(76,096,734)</u> | <u>(87,284,528)</u> |
| | <u>16,639,020</u> | <u>252,999</u> | <u>33,191,327</u> | <u>69,691,584</u> | <u>2,499,687</u> | <u>31,580,956</u> | <u>9,392,667</u> | <u>4,984,626</u> | <u>(4,553,959)</u> | <u>12,854,728</u> |
| Prior period adjustment | - | - | 2,554,212 | - | - | - | - | - | - | - |
| Net change in Fund Balance | <u>\$ 26,042,714</u> | <u>\$ (4,276,087)</u> | <u>\$ 19,927,293</u> | <u>\$ 36,175,080</u> | <u>(61,024,622)</u> | <u>(25,187,835)</u> | <u>(20,759,805)</u> | <u>(4,854,348)</u> | <u>181,847</u> | <u>17,820,431</u> |
| Debt service as a percentage of noncapital expenditures | <u>14.7%</u> | <u>14.1%</u> | <u>14.5%</u> | <u>13.5%</u> | <u>17%</u> | <u>19%</u> | <u>18%</u> | <u>21%</u> | <u>17%</u> | <u>14%</u> |

City of Overland Park, Kansas

Tax Revenues by Source, Governmental Funds
2004 to 2013 Inclusive

| Fiscal Year | Property | Sales | Franchise | Transient Guest | Total |
|----------------|------------|------------|------------|--------------------|-------------|
| 2004 | 21,199,331 | 49,715,501 | 7,608,442 | 5,074,734 | 83,598,008 |
| 2005 | 21,924,515 | 51,280,570 | 8,057,700 | 5,375,038 | 86,637,823 |
| 2006 | 22,712,457 | 53,217,375 | 8,011,548 | 5,874,961 | 89,816,341 |
| 2007 | 23,920,260 | 52,089,560 | 9,074,658 | 7,252,916 | 92,337,393 |
| 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 | 34,286,337 | 49,815,260 | 10,867,642 | 8,442,580 | 103,411,820 |

City of Overland Park, Kansas

Assessed Value and Estimated True Value of All Taxable Property
2004 to 2013 Inclusive

| Year ¹ | Residential Property | Commercial Property | Utilities | Personal Property | Total Assessed Value | Total Direct Tax Rate | Estimated True Value ² | Assessed Value as a % of True Value |
|-------------------|-------------------------|------------------------|------------|----------------------|----------------------------|--------------------------------|---|--|
| 2004 | 1,330,672,234 | 857,598,531 | 81,213,795 | 147,792,353 | 2,417,276,913 | 9.037 | 15,089,867,636 | 11.5 |
| 2005 | 1,380,177,133 | 916,670,513 | 71,605,300 | 145,188,962 | 2,513,641,908 | 9.037 | 16,030,576,350 | 11.5 |
| 2006 | 1,470,595,710 | 1,009,717,834 | 72,443,002 | 158,052,713 | 2,710,809,259 | 8.889 | 16,926,142,573 | 11.5 |
| 2007 | 1,554,818,982 | 1,094,197,370 | 71,359,647 | 138,221,462 | 2,858,597,461 | 8.832 | 17,987,917,006 | 11.5 |
| 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 |

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%.

City of Overland Park, Kansas

Direct and Overlapping Property Tax Rates
2004 to 2013 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 |
|-------------------|---------|-----------------|----------------|---------------|--------|-------------------|---|---|---|---|
| 2004 | 3.313 | 4.735 | 0.989 | 9.037 | 16.041 | 9.438 | 5.323 | 42.655 | 61.387 | 69.177 |
| 2005 | 3.313 | 4.735 | 0.989 | 9.037 | 17.922 | 8.960 | 5.241 | 49.748 | 63.329 | 68.173 |
| 2006 | 3.259 | 4.657 | 0.973 | 8.889 | 17.949 | 8.872 | 5.250 | 51.980 | 60.700 | 65.180 |
| 2007 | 3.238 | 4.627 | 0.967 | 8.832 | 17.985 | 8.749 | 5.257 | 52.008 | 59.503 | 64.343 |
| 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 |

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

City of Overland Park, Kansas

Principal Taxpayers
2013 and 2004

| Taxpayer | Type of Business | 2013 | | | 2004 | | |
|--------------------------------|-------------------------|--------------------|------|-------------------------------------|--------------------|------|------------------------|
| | | Assessed | Rank | Percentage of Total ¹ | Assessed | Rank | Percentage of Total |
| | | Valuation | | Assessed Valuation | Valuation | | Assessed Valuation |
| Corporate Woods, LLC | Office Park/Hotel | \$52,390,749 | 1 | 1.80% | | | |
| Oak Park Mall, LLC | Shops and malls | 43,573,921 | 2 | 1.50% | | | |
| Mept Lighton Plaza LLC | Office Bldg/Real Estate | 13,969,752 | 3 | 0.50% | | | |
| Central Tennessee Hospital | Hospital | 11,710,245 | 4 | 0.40% | | | |
| Privitera Realty Holdings | Office Bldg/Real Estate | 10,844,756 | 5 | 0.40% | | | |
| Midwest Division-OPRMC, LLC | Hospital | 7,992,467 | 6 | 0.30% | | | |
| Lions Gate N/S Associates, LLC | Real estate | 7,585,170 | 7 | 0.30% | | | |
| CRP-2 Holdings, LLC | Real estate | 7,320,023 | 8 | 0.30% | | | |
| EHD Holdings, LLC | Real estate | 7,047,001 | 9 | 0.20% | | | |
| CRP-2 Commerce Plaza, LLC | Real estate | 6,787,252 | 10 | 0.20% | | | |
| Knickerbocker Properties, Inc. | Office park / hotel | | | | 54,548,886 | 1 | 2.1% |
| Oak Park Investment, LP | Shops and malls | | | | 33,021,919 | 2 | 1.3% |
| Central Tennessee Hospital | Hospitals | | | | 18,075,849 | 3 | 0.7% |
| AMLI Properties | Real Estate | | | | 14,234,597 | 4 | 0.6% |
| Riggs Bank N.A. Trustee | Office park | | | | 14,083,577 | 5 | 0.5% |
| Sprint | Telecommunications | | | | 13,991,012 | 6 | 0.5% |
| Privitera Realty | Real Estate | | | | 12,795,715 | 7 | 0.4% |
| Midwest Division - OPRMC, LLC | Hospitals | | | | 10,875,899 | 8 | 0.4% |
| FP Office, Inc. | Real Estate | | | | 8,423,328 | 9 | 0.3% |
| Parkprop, Inc. | Real Estate | | | | 8,130,425 | 10 | 0.3% |
| Total | | <u>169,221,336</u> | | <u>5.9%</u> | <u>188,181,207</u> | | <u>7.1%</u> |

Source: Johnson County

¹Vehicles included

City of Overland Park, Kansas

Property Tax Levies and Collections
2004 to 2013 Inclusive

| Year ¹ | Total Tax Levy | Current Tax Collections | Percentage Current Tax Collections | Prior Years Tax Collected ² | Total Tax Collection | Percentage Total Collection to Current Levy |
|-------------------|-------------------|----------------------------|--|--|----------------------------|--|
| 2004 | 20,974,303 | 20,908,035 | 99.68 | 291,296 | 21,199,331 | 101.07 |
| 2005 | 21,844,930 | 21,612,001 | 98.93 | 312,514 | 21,924,515 | 100.36 |
| 2006 | 22,715,783 | 22,516,352 | 99.12 | 196,105 | 22,712,457 | 99.99 |
| 2007 | 24,096,385 | 23,721,863 | 98.45 | 198,397 | 23,920,260 | 99.27 |
| 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 | 24,026,057 | 98.28 | 176,811 | 24,202,868 | 99.01 |
| 2011 | 23,033,426 | 22,642,564 | 98.30 | 368,115 | 23,010,679 | 99.90 |
| 2012 | 33,742,590 | 33,305,974 | 98.71 | 767,480 | 34,073,454 | 100.98 |
| 2013 | 34,330,026 | 33,657,272 | 98.04 | 629,063 | 34,286,336 | 99.87 |

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

² Negative collection amount is the result of a County authorized refund to taxpayers determined through the protested tax levy appeal process.

Source: City Finance Department

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City of Overland Park, Kansas

Taxable Sales by Category
2004 to 2013 Inclusive

| | 2004 | 2005 | 2006 |
|------------------------------|-------------------------|-------------------------|-------------------------|
| Utilities | 383,305,900 | 389,215,215 | 423,202,417 |
| Depart. Stores - Inelastic | 306,391,000 | 337,845,018 | 374,353,361 |
| Restaurants | 330,707,800 | 337,016,099 | 342,740,855 |
| Depart. Stores - Elastic | \$ 447,827,200 | \$ 422,608,474 | \$ 412,898,884 |
| Grocery Stores | 255,321,500 | 258,707,343 | 268,344,278 |
| Car Dealers, Rental, Leasing | 303,939,200 | 297,305,717 | 274,774,164 |
| Construction & Home Repair | 206,474,000 | 214,782,659 | 239,382,560 |
| Clothing & Shoe Stores | 195,075,400 | 206,967,545 | 206,488,107 |
| Specialty Stores | 152,348,100 | 154,565,336 | 154,538,282 |
| Computer & Office Supplies | 155,516,800 | 143,515,336 | 138,795,324 |
| All Others | 735,262,700 | 726,050,277 | 778,584,493 |
| Total | <u>\$ 3,472,169,600</u> | <u>\$ 3,488,579,019</u> | <u>\$ 3,614,102,725</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
2004 to 2013 Inclusive

| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 423,662,800 | 460,676,600 | 448,298,800 | 469,999,810 | 482,044,167 | 475,656,503 | 459,836,872 |
| 389,879,100 | 401,855,500 | 407,804,600 | 408,772,529 | 429,875,478 | 463,700,901 | 492,432,704 |
| 360,584,700 | 353,675,600 | 342,089,200 | 352,879,946 | 376,751,115 | 397,332,565 | 413,540,832 |
| \$ 406,444,900 | \$ 389,874,000 | 357,063,400 | 354,721,432 | 348,056,103 | 317,338,628 | 314,620,379 |
| 257,702,700 | 281,011,200 | 273,918,600 | 282,803,716 | 299,673,667 | 310,720,386 | 320,643,619 |
| 259,666,100 | 222,650,300 | 187,333,500 | 197,173,895 | 212,101,508 | 239,480,009 | 226,933,579 |
| 232,234,700 | 217,203,300 | 183,593,200 | 192,744,591 | 249,920,863 | 218,951,534 | 271,531,184 |
| 197,010,000 | 196,369,300 | 188,148,100 | 194,451,364 | 198,262,094 | 194,936,280 | 179,438,941 |
| 146,516,800 | 129,131,300 | 120,626,200 | 120,800,136 | 128,466,943 | 137,550,327 | 154,274,753 |
| 130,722,500 | 103,793,600 | 102,390,300 | 99,108,735 | 104,093,855 | 110,922,669 | 119,095,385 |
| 796,020,500 | 762,480,400 | 690,114,600 | 702,026,537 | 746,721,870 | 768,694,629 | 752,745,563 |
| \$ 3,600,444,800 | \$ 3,518,721,100 | \$ 3,301,380,500 | \$ 3,375,482,691 | \$ 3,575,967,663 | \$ 3,635,284,431 | \$ 3,705,093,811 |
| 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
2004 to 2013 Inclusive

| Year | General | Street Improvement | Total City | County |
|------|---------|-----------------------|---------------|--------|
| 2004 | 1.000% | 0.125% | 1.125% | 1.100% |
| 2005 | 1.000% | 0.125% | 1.125% | 1.100% |
| 2006 | 1.000% | 0.125% | 1.125% | 1.100% |
| 2007 | 1.000% | 0.125% | 1.125% | 1.100% |
| 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% |

Source: City Finance Department

City of Overland Park, Kansas

**Ratios of Outstanding Debt
2004 to 2013 Inclusive**

| Year | Governmental Activities | | | Business-Type Activities | | Revenue | | Total Primary Government | Percentage of Personal Income ¹ | Per Capita ² |
|-------------------|-------------------------|--------------------|----------------|--------------------------|----------------|-------------|-----------|--------------------------|--|-------------------------|
| | General Obligation | Special Assessment | Capital Leases | General Obligation | Capital Leases | Bonds | Other | | | |
| 2004 | 115,261,841 | 15,242,709 | - | 1,085,450 | 262,508 | - | - | 131,852,508 | 1.8% | 817 |
| 2005 | 106,375,879 | 13,088,764 | - | 920,357 | 203,418 | - | - | 120,588,418 | 1.6% | 737 |
| 2006 | 132,350,147 | 11,524,853 | - | 690,000 | - | - | - | 144,565,000 | 1.8% | 873 |
| 2007 ³ | 184,455,324 | 11,539,676 | - | 585,000 | 400,852 | 111,725,000 | 1,501,449 | 310,207,301 | 3.6% | 1,850 |
| 2008 | 170,780,549 | 9,029,451 | - | 475,000 | 275,653 | 111,725,000 | 1,607,093 | 293,892,746 | 3.2% | 1,725 |
| 2009 | 185,120,952 | 5,938,958 | - | 355,090 | 142,217 | 111,195,000 | 1,715,945 | 304,468,162 | 3.1% | 1,764 |
| 2010 | 181,745,788 | 6,441,246 | - | 177,965 | - | 110,595,000 | 2,021,240 | 300,981,239 | 3.3% | 1,721 |
| 2011 | 174,206,112 | 5,604,938 | - | 63,950 | - | 109,890,000 | 2,132,232 | 291,897,232 | 3.1% | 1,684 |
| 2012 | 157,809,089 | 4,774,875 | - | 21,036 | - | 108,875,000 | 2,046,775 | 273,526,775 | 2.8% | 1,563 |
| 2013 | 147,700,704 | 4,139,296 | - | - | - | 107,480,000 | 2,163,699 | 261,483,699 | 2.5% | 1,459 |

¹ Until 2002, the Golf Course Activity was reported in the General Fund.

² For Personal Income data, see personal income chart on the bottom of this page.

³ Until 2007, the Overland Park Development Corporation was presented as a discretely presented component unit.

Source: City Finance Department

City of Overland Park

**Personal Income
2004 to 2013 Inclusive**

| Year | Johnson County Personal Income ¹ | Johnson County Population ² | Overland Park Population ² | Population as a % of Johnson Co. Population | Overland Park Personal Income |
|-------------------|---|--|---------------------------------------|---|-------------------------------|
| 2003 | 21,807,727,000 | 486,730 | 161,423 | 33.2% | 7,232,487,653 |
| 2004 | 23,266,071,000 | 496,571 | 163,677 | 33.0% | 7,668,834,272 |
| 2005 | 24,171,193,000 | 505,769 | 165,548 | 32.7% | 7,911,700,122 |
| 2006 | 26,741,852,000 | 516,381 | 167,657 | 32.5% | 8,682,462,524 |
| 2007 | 28,458,590,000 | 526,096 | 170,345 | 32.4% | 9,214,627,204 |
| 2008 | 30,802,101,000 | 534,989 | 172,601 | 32.3% | 9,937,537,846 |
| 2009 | 28,303,211,000 | 542,777 | 174,907 | 32.2% | 9,120,559,136 |
| 2010 | 29,372,416,000 | 544,719 | 173,372 | 31.8% | 9,348,589,836 |
| 2011 | 31,271,376,000 | 552,222 | 175,018 | 31.7% | 9,910,966,395 |
| 2012 | 33,328,220,000 | 559,913 | 179,236 | 32.0% | 10,668,830,407 |
| 2013 ³ | 35,027,959,000 | 566,933 | 180,699 | 31.9% | 11,164,488,861 |

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

² Department of Planning and Development Services

³ 2013 Jo. Co. Personal Income is estimated based on prior years' growth.

Overland Park population is an estimation as of July 1st 2013.

City of Overland Park, Kansas

Ratios of Net General Bonded Debt Outstanding
2004 to 2013 Inclusive

| Year | Net General Bonded Debt ¹ | Assessed Valuation ¹ | Debt as a Percentage of Assessed Valuation | Population ² | Debt Per Capita |
|------|---|------------------------------------|---|-------------------------|--------------------|
| 2004 | 116,347,291 | 2,417,276,913 | 4.8% | 161,423 | 716 |
| 2005 | 107,296,235 | 2,513,641,908 | 4.3% | 163,677 | 652 |
| 2006 | 133,040,147 | 2,710,809,259 | 4.9% | 165,548 | 800 |
| 2007 | 185,040,321 | 2,858,597,461 | 6.5% | 167,657 | 1,095 |
| 2008 | 171,255,549 | 2,872,676,019 | 6.0% | 170,345 | 1,000 |
| 2009 | 185,476,042 | 2,749,776,214 | 6.7% | 172,601 | 1,068 |
| 2010 | 181,923,753 | 2,595,023,004 | 7.0% | 174,907 | 1,040 |
| 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 |

Sources:

¹ City Finance Department

² Department of Planning and Development Services

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City of Overland Park, Kansas

Ratios of General Bonded Debt Outstanding and Legal Debt Margin
2004 to 2013 Inclusive

| | 2004 | 2005 | 2006 |
|---|---------------|---------------|---------------|
| Assessed Valuation | 2,417,276,913 | 2,513,641,908 | 2,710,809,259 |
| Assessed Valuation on Motor Vehicles | 245,582,290 | 251,829,226 | 260,025,293 |
| Total Assessed Valuation | 2,662,859,203 | 2,765,471,134 | 2,970,834,552 |
| General obligation bonded Indebtedness | 131,590,000 | 120,385,000 | 157,030,000 |
| Temporary Indebtedness | - | - | - |
| Total Indebtedness | 131,590,000 | 120,385,000 | 157,030,000 |
| Legal debt limit ¹ | 798,857,761 | 829,641,340 | 891,250,366 |
| Legal debt margin | 667,267,761 | 709,256,340 | 734,220,366 |
| Legal debt margin as a percentage of the debt limit | 83.53% | 85.49% | 82.38% |

¹ According to Kansas law, the debt limitation is 30% of assessed valuation. Prior to July 1, 1997, the debt limit was determined by dividing the amount of indebtedness authorized for such taxing entity in 1988 by the assessed valuation in 1989.

Source: City Finance Department

City of Overland Park, Kansas

Ratios of General Bonded Debt Outstanding and Legal Debt Margin
2004 to 2013 Inclusive

| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 2,858,597,461 | 2,872,676,019 | 2,749,776,214 | 2,595,023,004 | 2,633,259,498 | 2,648,371,219 | 2,673,311,534 |
| 262,242,638 | 262,440,854 | 257,293,054 | 248,634,631 | 248,660,175 | 249,851,773 | 256,793,746 |
| 3,120,840,099 | 3,135,116,873 | 3,007,069,268 | 2,843,657,635 | 2,881,919,673 | 2,898,222,992 | 2,930,105,280 |
| 196,580,000 | 180,285,000 | 191,415,000 | 188,365,000 | 179,875,000 | 162,605,000 | 151,840,000 |
| - | - | - | - | - | - | - |
| 196,580,000 | 180,285,000 | 191,415,000 | 188,365,000 | 179,875,000 | 162,605,000 | 151,840,000 |
| 936,252,030 | 940,535,062 | 902,120,780 | 853,097,291 | 864,575,902 | 869,466,898 | 879,031,584 |
| 739,672,030 | 760,250,062 | 710,705,780 | 664,732,291 | 684,700,902 | 706,861,898 | 727,191,584 |
| 79.00% | 80.83% | 78.78% | 77.92% | 79.20% | 81.30% | 82.73% |

City of Overland Park, Kansas

Statement of Direct and Overlapping Debt
as of December 31, 2013

| | Debt Outstanding | Estimated Percentage Applicable | City of Overland Park Share of Debt |
|---|---------------------|---------------------------------------|--|
| Overlapping debt | | | |
| Blue Valley Unified School District | \$ 329,720,000 | 66.01% | 217,648,172 |
| Olathe Unified School District | 326,006,341 | 13.61% | 44,369,463 |
| Shawnee Mission Unified School District | 193,790,000 | 30.13% | 58,388,927 |
| Spring Hill Unified School District | 87,785,012 | 4.15% | 3,643,078 |
| Johnson County | 290,901,088 | 34.84% | 101,349,939 |
| Johnson County Parks and Recreation District | 3,000,000 | 34.84% | 1,045,200 |
| Johnson County Fire #2 | 2,770,000 | 15.35% | 425,195 |
| Total overlapping debt | | | <u>426,869,974</u> |
| Direct debt | | | |
| Bonded debt: | | | |
| General obligation debt | | | \$ 147,700,704 |
| Special assessment | | | <u>4,139,296</u> |
| Total general obligation bonded debt | | | 151,840,000 |
| Temporary note debt | | | <u>-</u> |
| Total direct debt | | | <u>151,840,000</u> |
| Combined direct and overlapping debt | | | <u>\$ 578,709,974</u> |
| Total net general obligation and overlapping debt | | | <u>\$ 574,570,678</u> |

Source: City Finance Department

City of Overland Park, Kansas

Demographic and Economic Statistics
2004 to 2013 Inclusive

| Year | Population | Personal Income ¹ | Per Capita Personal Income | Unemployment Rate ² |
|------|------------|---------------------------------|----------------------------------|-----------------------------------|
| 2004 | 161,423 | 7,232,487,653 | 44,805 | 5.1% |
| 2005 | 163,677 | 7,668,834,272 | 46,853 | 4.7% |
| 2006 | 165,548 | 7,911,700,122 | 47,791 | 4.2% |
| 2007 | 167,657 | 8,682,462,524 | 51,787 | 4.0% |
| 2008 | 170,345 | 9,214,627,204 | 54,094 | 4.5% |
| 2009 | 172,601 | 9,937,537,846 | 57,575 | 7.0% |
| 2010 | 174,907 | 9,120,559,136 | 52,145 | 6.6% |
| 2011 | 173,372 | 9,348,589,836 | 53,922 | 5.9% |
| 2012 | 179,236 | 9,910,966,395 | 55,296 | 5.1% |
| 2013 | 180,699 | 10,668,830,407 | 59,042 | 4.8% |

¹ Derived from the personal income for Johnson County provided by the
U.S. Department of Commerce Bureau of Economic Analysis

² Kansas Labor Information Center

City of Overland Park, Kansas

Principal Employers
2013 and 2004

| <u>Taxpayer</u> | 2013 | | | 2004 | | |
|--|-----------|------|---|-----------|------|---|
| | Employees | Rank | Percentage of Total City Employees | Employees | Rank | Percentage of Total City Employees |
| Sprint/Nextel | 7,500 | 1 | 8.1% | 9,000 | 1 | 10.7% |
| Shawnee Mission School District | 3,781 | 2 | 4.1% | 3,900 | 2 | 4.6% |
| Blue Valley School District | 3,257 | 3 | 3.5% | 2,500 | 4 | 3.0% |
| Johnson County Community College | 2,784 | 4 | 3.0% | | | 0.0% |
| Black & Veatch Engineering Consultants | 2,381 | 5 | 2.6% | 3,700 | 3 | 4.4% |
| CenturyLink | 2,150 | 6 | 2.3% | | | |
| OptumRx | 2,000 | 7 | 2.2% | | | |
| Overland Park Regional Medical Center | 1,100 | 8 | 1.2% | | | |
| City of Overland Park | 1,004 | 9 | 1.1% | | | |
| YRC Freight | 1,000 | 10 | 1.1% | | | |
| Total | 26,957 | | 29.0% | 19,100 | | 22.7% |

City of Overland Park, Kansas

Full-Time Equivalent City Government Employees by Function/Program
2004 to 2013 Inclusive

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government | | | | | | | | | | |
| Mayor and Council | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| City Manager's Office/Communications | 9 | 8 | 9 | 9 | 9 | 9 | 9 | 8 | 7 | 7 |
| Information Technology | 32 | 34 | 34 | 35 | 37 | 37 | 37 | 33 | 32 | 32 |
| Municipal Court | 26 | 26 | 28 | 28 | 28 | 28 | 28 | 26 | 25 | 25 |
| Law | 14 | 12 | 12 | 12 | 13 | 14 | 14 | 13 | 12 | 12 |
| Finance, Budget and Administration | 28 | 27 | 27 | 26 | 26 | 25 | 24 | 19 | 19 | 19 |
| Human Resources | 15 | 15 | 17 | 17 | 17 | 17 | 16 | 14 | 13 | 15 |
| Public Safety | | | | | | | | | | |
| Police | 275 | 293 | 302 | 311 | 319 | 317 | 316 | 308 | 300 | 303 |
| Fire ¹ | 148 | 146 | 155 | 155 | 159 | 158 | 158 | 155 | 154 | 154 |
| Public Works | 128 | 128 | 129 | 131 | 132 | 136 | 136 | 132 | 128 | 127 |
| Parks and Recreation | 61 | 57 | 61 | 63 | 64 | 69 | 66 | 55 | 56 | 55 |
| Planning and Development | 87 | 86 | 88 | 89 | 89 | 87 | 84 | 68 | 67 | 67 |
| Total | <u>836</u> | <u>845</u> | <u>875</u> | <u>889</u> | <u>906</u> | <u>910</u> | <u>901</u> | <u>844</u> | <u>826</u> | <u>829</u> |

Source: City Budgets

City of Overland Park, Kansas
Operating Indicators by Function/Program
2004 to 2013 Inclusive

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| DUI Charges | 917 | 989 | 841 | 802 | 876 | 879 | 882 | 655 | 648 | 584 |
| Parking Violations | 2,060 | 1,868 | 1,686 | 1,688 | 1,162 | 1,187 | 701 | 635 | 540 | 644 |
| Traffic Tickets | 32,873 | 36,041 | 36,840 | 34,891 | 41,085 | 43,076 | 46,362 | 36,478 | 33,948 | 33,750 |
| Alarm calls | 6,532 | 6,220 | 6,402 | 6,328 | 6,148 | 5,645 | 5,326 | 6,412 | 5,260 | 6,247 |
| Fire | | | | | | | | | | |
| Fire calls | 3,641 | 3,627 | 3,455 | 3,508 | 3,488 | 3,200 | 3,393 | 3,403 | 3,395 | 3,140 |
| EMS calls | 9,984 | 11,610 | 12,314 | 12,062 | 12,836 | 13,476 | 14,380 | 15,284 | 15,452 | 16,080 |
| Parks & Recreation | | | | | | | | | | |
| Recreational program participants | 18,051 | 18,415 | 19,160 | 22,533 | 58,111 | 89,280 | 91,474 | 86,491 | **NA | **NA |
| Pool participants | 157,640 | 207,885 | 213,121 | 190,646 | 174,221 | 170,246 | 181,354 | 177,794 | 176,464 | 136,925 |
| Planning and Development | | | | | | | | | | |
| Building permits | 4,150 | 4,107 | 4,282 | 3,742 | 3,468 | 3,250 | 3,279 | 3,508 | 3,662 | 3,902 |
| Plans Reviewed | 4,960 | 5,028 | 3,975 | 3,747 | 3,092 | 2,609 | 2,704 | 3,360 | 2,305 | 2,661 |
| Solid Waste permits | 100 | 84 | 116 | 113 | 123 | 104 | 114 | 103 | 130 | 122 |
| Sign and special event permits | 1,150 | 1,178 | 1,159 | 1,153 | 1,129 | 1,048 | 1,149 | 1,235 | 1,295 | 1,204 |
| Pool permits | 348 | 365 | 393 | 356 | 408 | 415 | 422 | 428 | 403 | 413 |
| Convention Center | | | | | | | | | | |
| Events | 420 | 439 | 451 | 388 | 333 | 280 | 285 | 341 | 357 | 339 |
| Attendance | 386,667 | 339,630 | 309,494 | 314,957 | 328,852 | 287,751 | 251,021 | 235,097 | 290,255 | 306,487 |

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

City of Overland Park, Kansas

Capital Asset Statistics by Function/Program
2004 to 2013 Inclusive

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Public Works | | | | | | | | | | |
| Streets (miles) | 1,650 | 1,680 | 1,736 | 1,704 | 1,811 | 1,853 | 1,866 | 1,878 | 1,901 | 1,921 |
| Streetlights | 10,200 | 12,156 | 12,488 | 12,940 | 13,664 | 13,832 | 14,345 | 14,536 | 14,545 | 17,098 |
| Traffic Signals | 229 | 236 | 243 | 244 | 252 | 253 | 255 | 258 | 258 | 258 |
| Stormsewers (miles) | 394 | 422 | 581 | 593 | 593 | 627 | 630 | 638 | 661 | 665 |
| Parks and Recreation | | | | | | | | | | |
| Park Acreage | 1,441 | 1,430 | 1,440 | 1,450 | 1,450 | 1,450 | 1,460 | 1,460 | 1,450 | 1,460 |
| Parks | 81 | 82 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 |
| Police Department | | | | | | | | | | |
| Automobiles | 37 | 37 | 38 | 40 | 44 | 39 | 41 | 41 | 39 | 39 |
| Police Stations | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |

Source: City of Overland Park Employees

CITY OF OVERLAND PARK
SCHEDULE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS
As of 12/31/13

| Company | Interest Rate | Interest Payment Date | Date Issued | Maturity Date | Serial Payment | Payment Date Year | Authorized & Issued | Outstanding Amount |
|---|---------------|-----------------------|-------------|---------------|-----------------------------|-------------------|---------------------|--------------------|
| Black & Veatch Series 2009 | 4.00% | July 1st & Jan 1st | 07/01/09 | 07/01/2019 | | | \$60,000,000 | \$60,000,000 |
| | | | | | Term 7/1/2019 | | | |
| | | | | | | | | |
| | | | | | | | | |
| Black and Veatch Series 2012 | 4.00% | Dec 1st | 12/27/2012 | 12/01/2022 | | | \$21,317,113.00 | \$19,185,399 |
| | | | | | | | | |
| | | | | | \$2,131,711 | 2014 | | |
| | | | | | \$2,131,711 | 2015 | | |
| | | | | | \$2,131,711 | 2016 | | |
| | | | | | \$2,131,711 | 2017 | | |
| | | | | | \$2,131,711 | 2018 | | |
| | | | | | \$2,131,711 | 2019 | | |
| | | | | | \$2,131,711 | 2020 | | |
| | | | | | \$2,131,711 | 2021 | | |
| | | | | | \$2,131,711 | 2022 | | |
| | | | | | | | | |
| Sprint/United Mgmt Co Project Series 1997 | 7% | December 1 | 12/17/97 | 12/01/37 | Term payment on Dec 1, 2037 | | \$57,000,000 | \$57,000,000 |
| Series 1998 | 6.825% | December 1 | 12/23/98 | 12/01/38 | Term payment on Dec 1, 2038 | | \$130,524,076 | \$130,524,076 |
| Series 1999 | 7.79% | December 1 | 12/15/99 | 12/01/39 | Term payment on Dec 1, 2039 | | \$238,550,830 | \$238,550,830 |
| Series 2000 | 8.55% | December 1 | 12/22/00 | 12/01/40 | Term payment on Dec 1, 2040 | | \$260,159,876 | \$260,159,876 |
| Series 2001 | 7.75% | December 1 | 12/12/01 | 12/01/41 | Term payment on Dec 1, 2041 | | \$228,000,000 | \$228,000,000 |
| Series 2002 | 10% | December 1 | 12/18/02 | 12/01/42 | Term payment on Dec 1, 2042 | | \$57,000,000 | \$57,000,000 |
| Series 2003 | 7.45% | December 1 | 12/17/03 | 12/01/43 | Term payment on Dec 1, 2043 | | \$48,000,000 | \$48,000,000 |
| Universal Underwriter Group Project | 7.86% | 15th of the month | 12/29/98 | 02/15/19 | | | \$28,285,000 | \$17,075,355 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | \$1,328,599 | 2014 | | |
| | | | | | \$1,436,872 | 2015 | | |
| | | | | | \$1,553,644 | 2016 | | |
| | | | | | \$1,680,719 | 2017 | | |
| | | | | | \$1,817,550 | 2018 | | |
| | | | | | \$9,257,970 | 2019 | | |
| | | | | | | | | |
| Prescription Solutions Series 2005 | 7.25% | December 15 | 12/28/05 | 12/15/15 | | | \$3,795,354.00 | \$600,000 |
| | | | | | | | | |
| | | | | | \$300,000 | 2014 | | |
| | | | | | \$300,000 | 2015 | | |
| | | | | | | | | |
| | | | | | | | | |
| Prescription Solutions Series 2007 | 7.25% | December 15 | 08/13/2007 | 12/15/2017 | | | \$15,071,013.00 | \$7,560,967 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | \$1,691,378 | 2014 | | |
| | | | | | \$1,814,003 | 2015 | | |
| | | | | | \$1,945,518 | 2016 | | |
| | | | | | \$2,110,068 | 2017 | | |

CITY OF OVERLAND PARK
SCHEDULE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS
As of 12/31/13

| Company | Interest Rate | Interest Payment Date | Date Issued | Maturity Date | Serial Payment | Payment Date Year | Authorized & Issued | Outstanding Amount |
|---|---------------|--|-------------|---------------|----------------|--|---------------------|--------------------|
| | | | | | | | | |
| K City, LLC, US Bank Series 2006 | 6% | March 15 June 15 September 15 December 15 | 09/18/2006 | 12/31/2016 | | 2014 2015 2016 | \$29,980,000 | \$26,722,289 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | \$570,112 | | | |
| | | | | | \$605,096 | | | |
| | | | | | \$25,547,081 | | | |
| | | | | | | | | |
| TKCC XCVI, LLC, Quintiles Transnational Corp. Series 2006 | 5% | December 26 | 12/22/2006 | 12/26/2016 | | 2014 2015 2016 | \$30,500,000 | \$9,150,000 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | \$3,050,000 | | | |
| | | | | | \$3,050,000 | | | |
| | | | | | \$3,050,000 | | | |
| | | | | | | | | |
| Teva Neuroscience, Inc Series 2013A | 3.8% | October 7 | 09/25/2013 | 10/07/2028 | | 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 | \$43,400,000 | \$43,134,465 |
| | | | | | | | | |
| | | | | | \$1,628,959 | | | |
| | | | | | \$1,691,949 | | | |
| | | | | | \$1,757,375 | | | |
| | | | | | \$1,825,330 | | | |
| | | | | | \$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 | | | |
| | | | | | | | | |
| | | | | | | | | |
| Total | | | | | | | | \$1,202,663,257 |

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