

City of Overland Park, Kansas

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2018

City of Overland Park, Kansas

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2018

Principal Officials

Mayor

Carl Gerlach

Council President

Jim Kite

City Council

Terry Happer Scheier

Logan Heley

Curt Skoog

Paul Lyons

David White

Fred Spears

Gina Burke

John Thompson

Faris Farassati

Rick Collins

Chris Newlin

City Manager

Bill Ebel

Prepared by Department of Finance

David M. Scott, Chief Financial Officer

Mark Fehling, Senior Accountant

Mamie Lust, Accountant

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Overland Park, Kansas 66212
www.opkansas.org

June 25, 2019

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, 2018.

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

The audit firm of Allen, Gibbs & Houlik, L.C. has issued an unmodified ("clean") opinion on the City of Overland Park's financial statements for the year ended December 31, 2018. The independent auditors' report is located at the beginning of the financial section of the CAFR.

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

City of Overland Park Profile

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

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

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

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

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

Local Economy

Overland Park is an expanding and affluent community within the Kansas City metropolitan area. Recognized for its high quality of life, Overland Park offers exceptional schools, outstanding housing and a dynamic business climate, all of which are driving factors in the continued long-term success of the City's economy. Overland Park's durable economy and high quality of life continues to earn it national distinction as one of the best places to live; in 2018 Niche ranked the City No. 2 in the nation as the Best Cities to Buy a House, No. 6 Best Cities to Raise a Family and No. 11 for the Safest Cities in America. Money magazine ranked the City No. 15 in the nation as the Best Places to Live.

The population of the City continues to experience moderate growth. At more than 195,000 residents, Overland Park is the second largest city in the state of Kansas and is the largest suburb in the Kansas City area. A commercial hub of the Kansas City metropolitan region, the City's daytime population is estimated at close to 220,000. 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 2018 was 2.8%, which was the less than the state of Kansas rate of 3.4%, and significantly less than the national rate of 3.9%.

Overland Park has long relied on conservative fiscal assumptions in its operating budget, five-year capital plans and rolling five-year fiscal forecast providing the City a long-term view to maintain a positive future financial outlook. The City continues to have considerable economic development and strong gains in residential building permits. The City's assessed valuation of \$3.46 billion increased by 6.0% for 2018. Retail sales are expected to moderate going forward, reflecting a continued shift of sales to online platforms. In 2018 combined sales and use tax revenues increased 4.4% from 2017, including retail sales increasing 2.5% and compensating use tax increasing 8.9%. 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.

2018 Major Initiatives for the Year

Local economic development and property values indicators made significant gains year-over-year which sustained the City's long-term mission of maintaining a healthy, sustainable community, a responsive government and a stable financial position. Priorities for the City during 2018 included neighborhood preservation, public safety, public infrastructure, and preserving the quality of existing programs and services.

Operating Budget. The number of full-time equivalent (FTE) employees in the 2018 budget is 1,077 (914 full-time and 163 part-time), a 11 FTE increase from 2017.

In 2018, Police Department added three new positions to allow for commissioned officer resources to be reassigned from administrative duties to roles that address public safety service demand growth due to population growth, increased development activity and neighborhood preservation concerns including: One Property Control Technician was added to release or destroy as many as 12,000 pieces of evidence and recovered property received annually, as well as reducing the backlog of 20,000 awaiting disposal. One Emergency Service Technician to serve as the special events coordinator allowing a commission officer to be reassigned to responsibilities in-line with departments primary public safety mission. One Traffic Safety Unit Technician will handle all vehicle impoundment duties, along with various administrative unit duties the commissioned officers are currently handling.

Additional resources were added to support neighborhood preservation and community development. One Multi-Disciplined Code Official was added to allow residential and commercial properties to be inspected in a timely manner, without drawing resources away from plan review activities. One Engineering Technician was added to assist with technical reviews and administration as part of the platting, planning and zoning process that will help expedite processing development submittals. One Park and Forestry Manager will be responsible for managing operations, capital projects and maintenance projects to free up the Park Director to focus on community outreach efforts, planning and strategic operational adjustments. One Maintenance Worker was added to allow for additional front-line facility maintenance services during the operating season and during the off-season at the Deanna Rose Children's Farmstead.

To support the continued investment and reinvestment in the City Traffic and Infrastructure Management the following positions were added: One Traffic Signal Technician was added to help manage and repair the City's traffic control network, including 270 traffic signals and 17,000 streetlights. One Right of Way Inspector was added due to increased private telecommunication infrastructure development in the City's right of way along with additional resources to administer permits and inspect construction. One Engineering Technician was added to support the county-wide flood warning system.

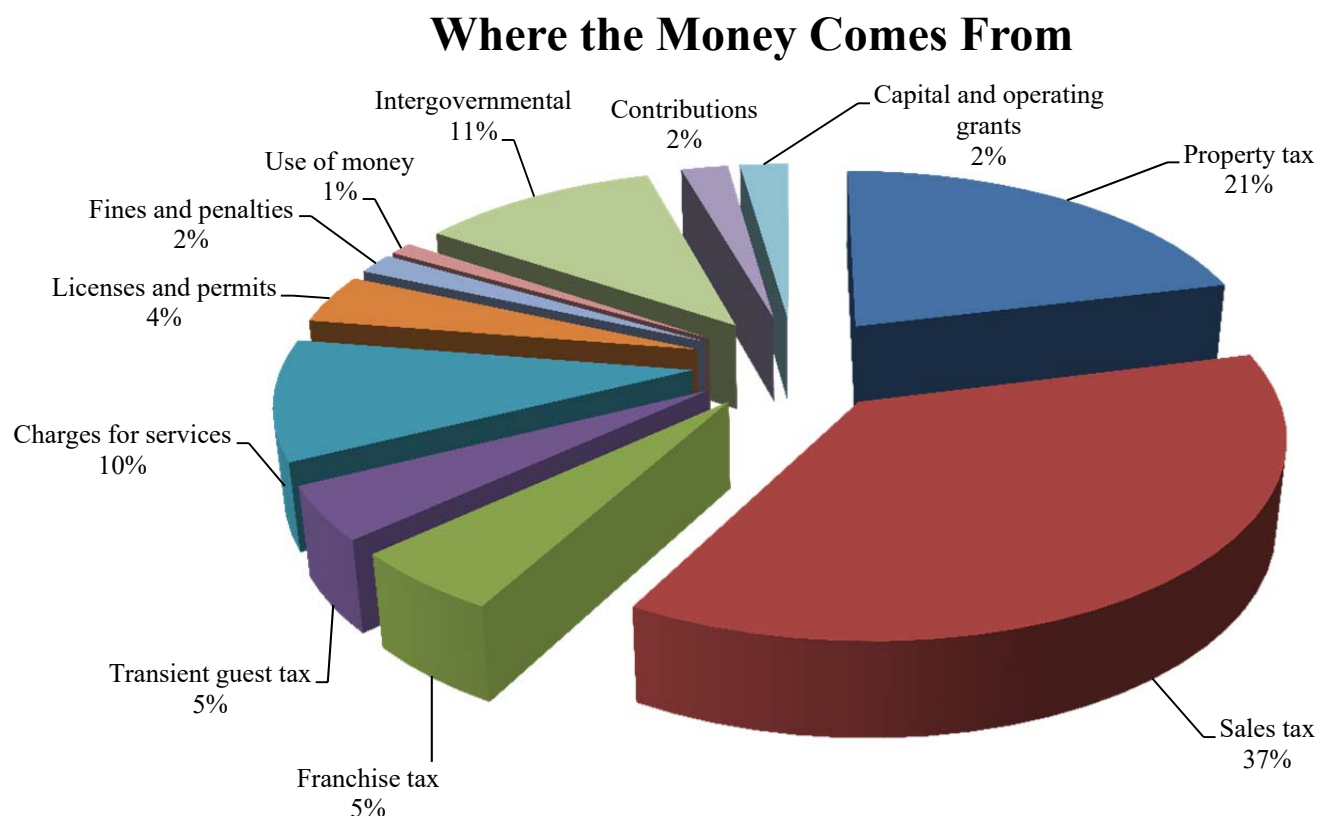
In addition, an Employee Relations Specialist position was added to support the City's recruitment and retention of workforce talent.

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 2018, approximately \$35.3 million was spent on strategic investments in technology, facilities and infrastructure. These projects included:

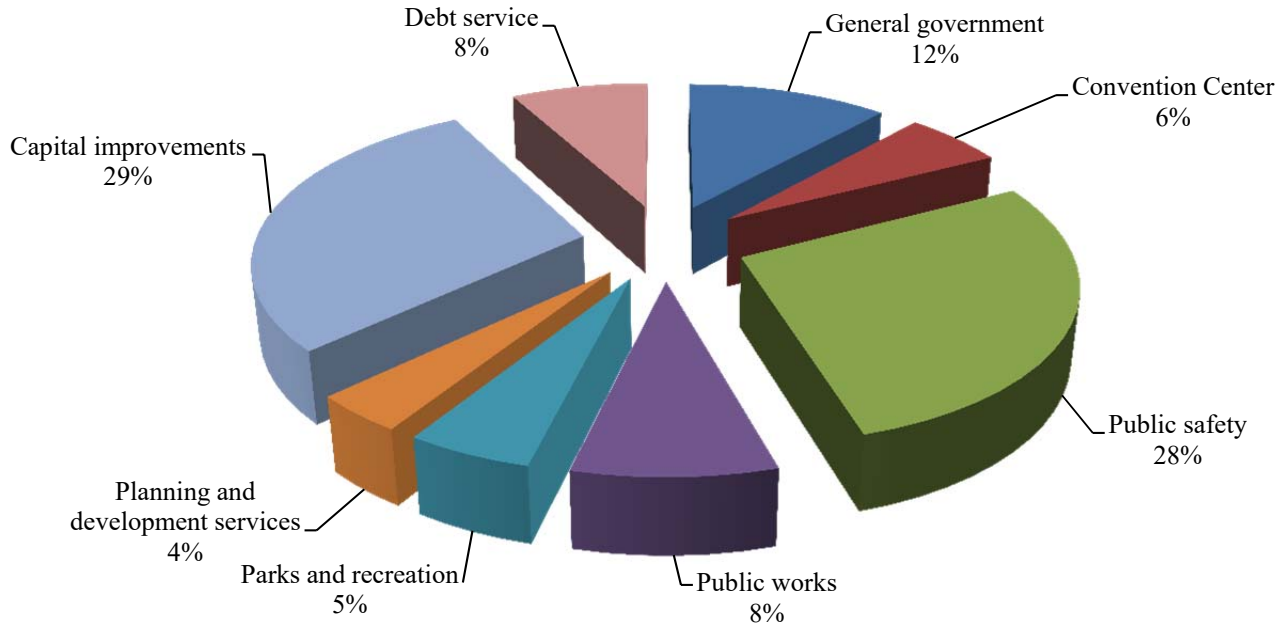
- Storm Drainage Improvements
- Thoroughfare Improvements –Metcalf: 159th to 167th
- Thoroughfare Improvements –Quivira Road: 151st to 159th
- Neighborhood Street Reconstruction Improvements
- Skyes/Lady Clubhouse & Parking
- Phone System Replacement

Maintenance of Quality Infrastructure and Public Facilities. Infrastructure maintenance expenditures during 2018 were approximately \$25.5 million, dedicated to repair, renovation, rehabilitation, or replacement of city infrastructure including streets, traffic management, storm water, facilities, and public parks.

The following charts depict the actual sources and uses of the financial resources of the City's governmental funds for 2018:



Where the Money Goes



Outlook for 2019

The Forward OP community visioning and strategic planning effort (looking ahead 20-25 years for Overland Park) concluded in 2018, resulting in a document that outlines vision, goals and 39 actions steps for the community to address. This community-wide effort was not the work of just the City but also included the Chamber of Commerce and many community partners working together to create this strategic plan. During 2019 a team made up of representatives of the City, Chamber of Commerce and other community partners will develop more detailed implementation plans to addresses the details and how it is envisioned to be organized.

Economic development and redevelopment continues to flourish in Overland Park.

Shamrock Trading Corporation has proposed a redevelopment project at the northeast corner of 95th Street and Metcalf Avenue. Shamrock plans to construct a 780,000 square feet corporate office campus to accommodate its expected growth over the next decade. The company expects to complete the project in three phases over the next 8 – 10 years and has committed to the creation of at least 1,000 new jobs over the decade, with average wages of approximately \$56,000 per year.

BluHawk development at southwest corner of 159th Street and U.S. 69 proposes to develop an approximately 120,000 square foot, 3,500 seat arena/civic and community center (“Arena”) for sports, concerts, trade shows and other community events; approximately 300,000 square foot multi-sport indoor athletic complex for regional sports tournaments and local sports leagues, practices and community wellness (“Multi-Sport Complex”); approximately 620,000 square feet of retail, restaurant, entertainment and other commercial uses; approximately 200,000 square feet hotel; 80,000 square feet of new Class A office space.

The Arena and Multi-Sport Complex are expected to commence construction by end of 2019 if all conditions are met and STAR Bonds issued.

Accounting System

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

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

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

Capital and Maintenance Programs

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

Fiscal Policy

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

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

Risk Management

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for the CAFR for the fiscal year ended December 31, 2017. 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 2018 report continues to conform to Certificate of Achievement Program requirements, and we will submit this report to the GFOA to determine its eligibility for another certificate.

In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including policy documentation, financial planning and

organization. The City has been a recipient of GFOA Award for Distinguished Budget Presentation for its annual appropriated budget since 1995.

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

Respectfully submitted,

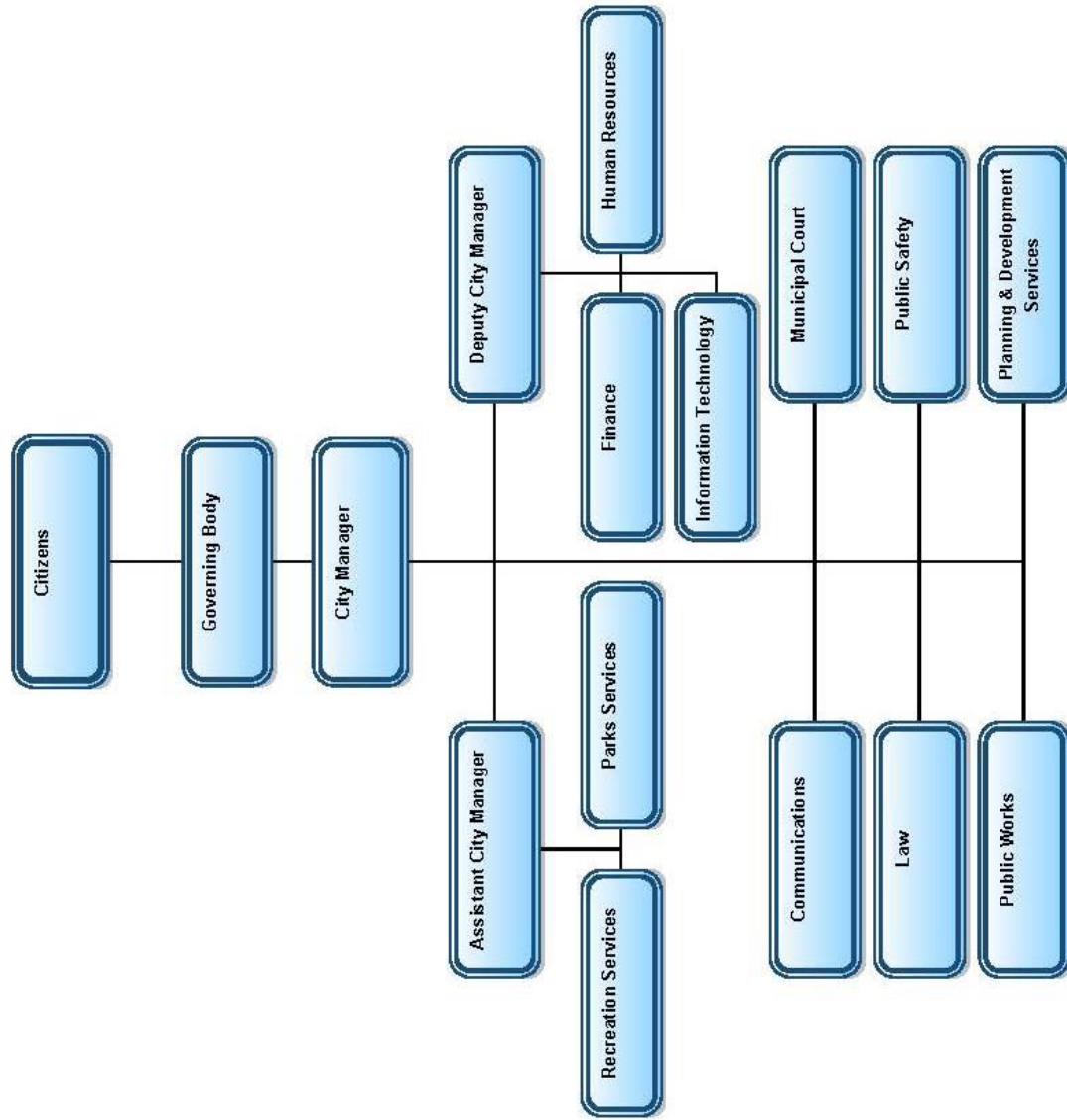
A handwritten signature in black ink that reads "David Scott". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

David M. Scott
Chief Financial Officer

A handwritten signature in black ink that reads "Gena McDonald". The signature is cursive, with the first name and last name clearly distinguishable.

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, 2017

Christopher P. Morill

Executive Director/CEO

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Overland Park, Kansas (City), as of and for the year ended December 31, 2018, 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 of the City. This activity represents total assets constituting 75 percent and 70 percent of the major enterprise fund and business-type activities, respectfully and total revenues constituting 100 percent and 78 percent of the major enterprise fund and business-type activities, respectfully, as of and for the year then ended December 31, 2018. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for the 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, the *Kansas Municipal Audit and Accounting Guide*, 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.

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, 2018 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and each major special revenue fund 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 and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections listed in the table of contents 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 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, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2019 on our consideration of the City's 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 solely 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 the effectiveness of the City's 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's internal control over financial reporting and compliance.

Allen, Gibbs & Houlik, L.C.

CERTIFIED PUBLIC ACCOUNTANTS

June 25, 2019
Wichita, Kansas

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2018

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, 2018. 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 \$21,376,005 (or 2.1%) while the net position of our business-type activities increased by \$1,710,268 (or 4.2%).
- During the year, the City generated \$230.9 million in revenues for governmental activities, \$23.0 million more than the \$207.8 million in City's governmental activities expenses.
- The City's sales tax revenue collections in 2018 increased 4.4% over 2017 collections.
- The convention center generated excess revenues over expenses for the fifteenth consecutive year of operations.

The Basic Financial Statements

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

Government-wide Financial Statements

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

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

The Statement of Activities shows how the net position has changed during the fiscal year. The unique feature of this statement is how it shows the revenues and expenses related to specific programs and how much of the programs were supported by taxes and other general revenues 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, 2018

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-type 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-type 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 reconciliations that follow the fund financial statements detail 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 two internal service funds to account for its self-insurance activities: Workers' Compensation Fund and Medical Imprest Plan Fund. Additional self-insurance type activities are accounted for in the Special Liability Defense Fund and Risk Management Reserve Fund, which are presented as sub-funds of the General Fund. The Workers' Compensation Fund and Medical Imprest Fund are combined together into a single column on the proprietary fund statement. A combining statement for these funds can be found in the supplementary information following the notes to the financial statements. In the government-wide statements, the information for these internal service funds is presented as part of the governmental activities information.

Fiduciary funds are used by the City to account for resources held by the City for the benefit of third parties. 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 (MEPP) fund, the Police Department Retirement Plan (PDRP) fund, the Overland Park Fire Department Retirement Plan (OPFDRP) fund, the Other Post-Employment Benefit (OPEB) Trust fund and the Tomahawk Cemetery Trust fund. The pension and other postemployment benefit trust funds are reported as employee benefit trust funds and the Tomahawk Cemetery Trust fund is reported as a private purpose trust. The fiduciary funds are combined into two columns on the fiduciary fund statement. A

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2018

combining statement can be found in the supplementary information following the notes to basic financial statements.

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 participation in the Kansas Public Employees Retirement System (KPERS), along with the City's single employer plans: PDRP, OPFDRP and OPEB, 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>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
Current and other assets	\$ 205,661,967	\$ 245,713,507	\$ 17,860,954	\$ 17,955,164
Capital assets	1,056,937,415	1,055,878,527	48,708,043	46,407,692
Total assets	<u>1,262,599,382</u>	<u>1,301,592,034</u>	<u>66,568,997</u>	<u>64,362,856</u>
Deferred outflows	15,843,020	24,829,380	4,728,728	4,198,111
Long-term liabilities	153,221,790	182,110,633	100,619,094	95,532,302
Other liabilities	40,119,964	41,121,427	10,944,936	11,584,702
Total liabilities	<u>193,341,754</u>	<u>223,232,060</u>	<u>111,564,030</u>	<u>107,117,004</u>
Deferred inflows	55,950,570	52,663,271	-	-
Net position:				
Net investment in capital assets	949,192,740	932,584,349	(46,517,430)	(46,193,619)
Restricted	8,983,036	29,859,784	14,297,585	14,655,079
Unrestricted	70,974,302	62,081,950	(8,046,460)	(7,017,497)
Total Net Position	<u>\$ 1,029,150,078</u>	<u>\$ 1,024,526,083</u>	<u>\$ (40,266,305)</u>	<u>\$ (38,556,037)</u>

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2018

Governmental Activities

The City ended 2018 with positive net position. Several of the items fluctuated significantly between 2017 and 2018.

- Current and Other Assets - This category increased \$40 million, or 20% from 2017 primarily due to increases in cash, cash equivalents and investments related to capital improvements and capital projects. Cash balances at year-end included \$22.8 million for unspent bond proceeds related to capital projects, which also contributed to this increase.
- Long-term Liabilities - Outstanding general obligation debt increased due to the issuance of \$23 million in general obligation bonds in December 2018. Additionally, net pension liability increased by \$17.6 million based on the most recent actuarial valuations. These increases were offset by other increases in long-term liabilities, including \$13 million in principal payments on general obligation debt.

Business-type Activities

- The City's golf course operations ended 2018 with positive net position of \$3.8 million, a decrease of 19% compared to 2017.
- The Overland Park Development Corporation ended 2018 with negative net position of \$43 million, an increase of 5.7% compared to 2017.

Statement of Activities

The table below shows the condensed revenues, expenses and the change in net position for 2017 and 2018.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
Revenues:				
Program Revenues:				
Charges for services	\$ 32,599,006	\$ 35,967,797	\$ 28,662,825	\$ 29,920,373
Operating grants and contributions	16,609,863	13,312,831	-	-
Capital grants and contributions	12,316,735	17,220,534	-	-
General Revenues:				-
Property taxes	45,924,148	48,141,036	-	-
Sales taxes	80,497,614	84,070,609	-	-
Other taxes	21,246,191	21,893,980	-	-
Other	16,632,223	13,949,567	376,319	627,813
Total revenues	<u>225,825,780</u>	<u>234,556,354</u>	<u>29,039,144</u>	<u>30,548,186</u>

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2018

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
Expenses:				
General government	49,656,425	37,194,085	-	-
Public safety	58,038,441	64,204,885	-	-
Public works	68,511,282	85,907,137	-	-
Parks and recreation	17,794,295	9,568,574	-	-
Planning and development	8,221,070	8,322,989	-	-
Golf course	-	-	4,825,928	4,877,598
Soccer complex	-	-	1,152,573	1,069,958
OP Development Corporation	-	-	26,675,475	26,585,524
Interest on long-term debt	4,070,522	2,627,247	-	-
Total expenses	<u>206,292,035</u>	<u>207,824,917</u>	<u>32,653,976</u>	<u>32,533,080</u>
Revenue over (under) expenses	<u>19,533,745</u>	<u>26,731,437</u>	<u>(3,614,832)</u>	<u>(1,984,894)</u>
Transfers	<u>(3,424,113)</u>	<u>(3,695,162)</u>	<u>3,424,113</u>	<u>3,695,162</u>
Increase (decrease) in net position	<u>16,109,632</u>	<u>23,036,275</u>	<u>(190,719)</u>	<u>1,710,268</u>
Net position January 1	1,017,872,543	1,029,150,078	(40,075,586)	(40,266,305)
Prior period adjustment	<u>(4,832,097)</u>	<u>(1,660,270)</u>	-	-
Net position December 31	<u>\$1,029,150,078</u>	<u>\$1,050,526,083</u>	<u>\$ (40,266,305)</u>	<u>\$ (38,556,037)</u>

Governmental Activities

Several of the revenue and expense categories fluctuated between 2017 and 2018, as explained below.

- Operating Grants/Contributions - Contributions decreased compared to the prior year primarily due to the reclassification of Stormwater user fees to charges for services for financial statement presentation.
- Capital Grants/Contributions - Contributions increased compared to the prior year due to several large storm drainage projects and building projects which received reimbursement in 2018.
- Sales Taxes - The 4.4% increase in sales taxes is due to an increase in combined sales and use tax collections of 3.7% and an increase in combined countywide taxes of 6% due to a full year of the new county courthouse sales tax.
- Property Taxes - The 4.8% increase in property taxes is due to an decrease in the mill levy of 0.235 and an increase in the assessed valuation of 6.0%. The table below compares the mill levy for 2017 and 2018.

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2018

	2016 Levy to support 2017 Budget	2017 Levy to support 2018 Budget
General Fund	12.839	12.603
Storm Water Utility	0.961	0.962
Total Mill Levy	<u>13.800</u>	<u>13.565</u>

The City's assessed valuation experienced a 6.0% increase over the previous year, as shown in the following chart. This increase was driven by a 6.2% increase in real estate valuation.

Changes in Assessed Valuation: 2017 to 2018

	2016 Valuation to Support 2017 Budget	2017 Valuation to Support 2018 Budget	Increase/ (Decrease) over Prior year	% Change
Real Estate	\$ 3,190,925,934	\$ 3,388,066,579	\$ 197,140,645	6.2%
Personal	29,044,333	27,075,749	(1,968,584)	-6.8%
Utilities	47,170,898	47,618,197	447,299	0.9%
Total	<u>\$ 3,267,141,165</u>	<u>\$ 3,462,760,525</u>	<u>\$ 195,619,360</u>	<u>6.0%</u>

- Other taxes - Transient guest taxes decreased by 1.9% due to lower occupancy percentages and average daily room rates. Franchise taxes increased by 7.7% over 2017 due to increased collections from KCP&L and gas providers.
- General Government Expense - This expense category was lower in 2018 due to higher capitalized expenses in 2018 compared with 2017.

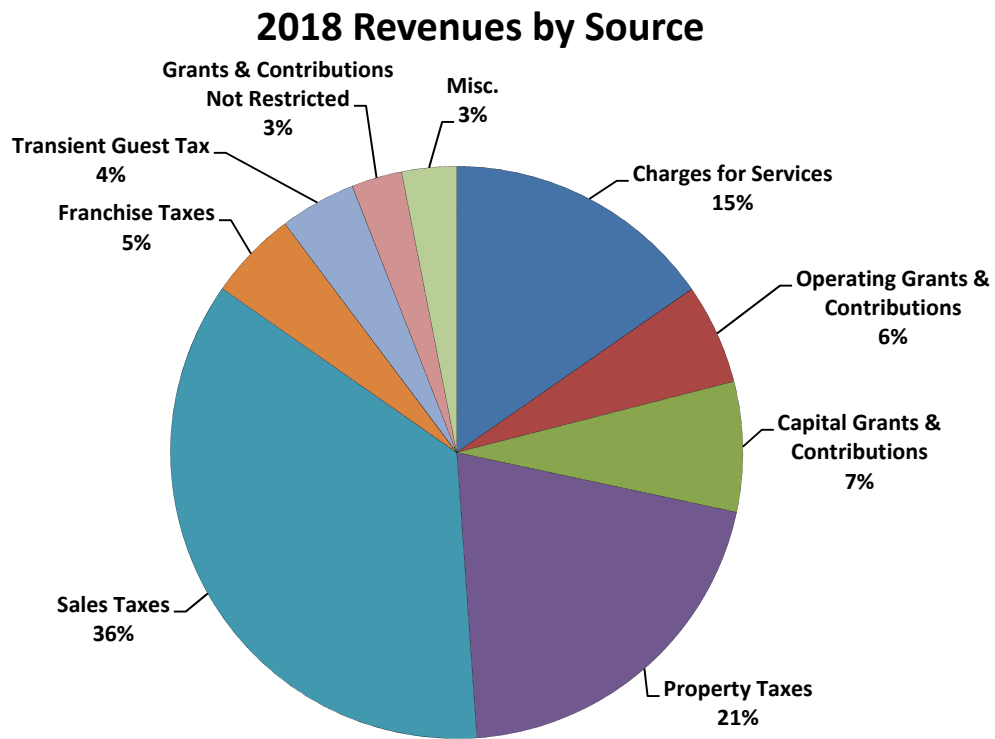
Business-type Activities

- Charges for Services - This category was higher due primarily to an increase in operating revenue from the Overland Park Development Corporation.

City of Overland Park, Kansas

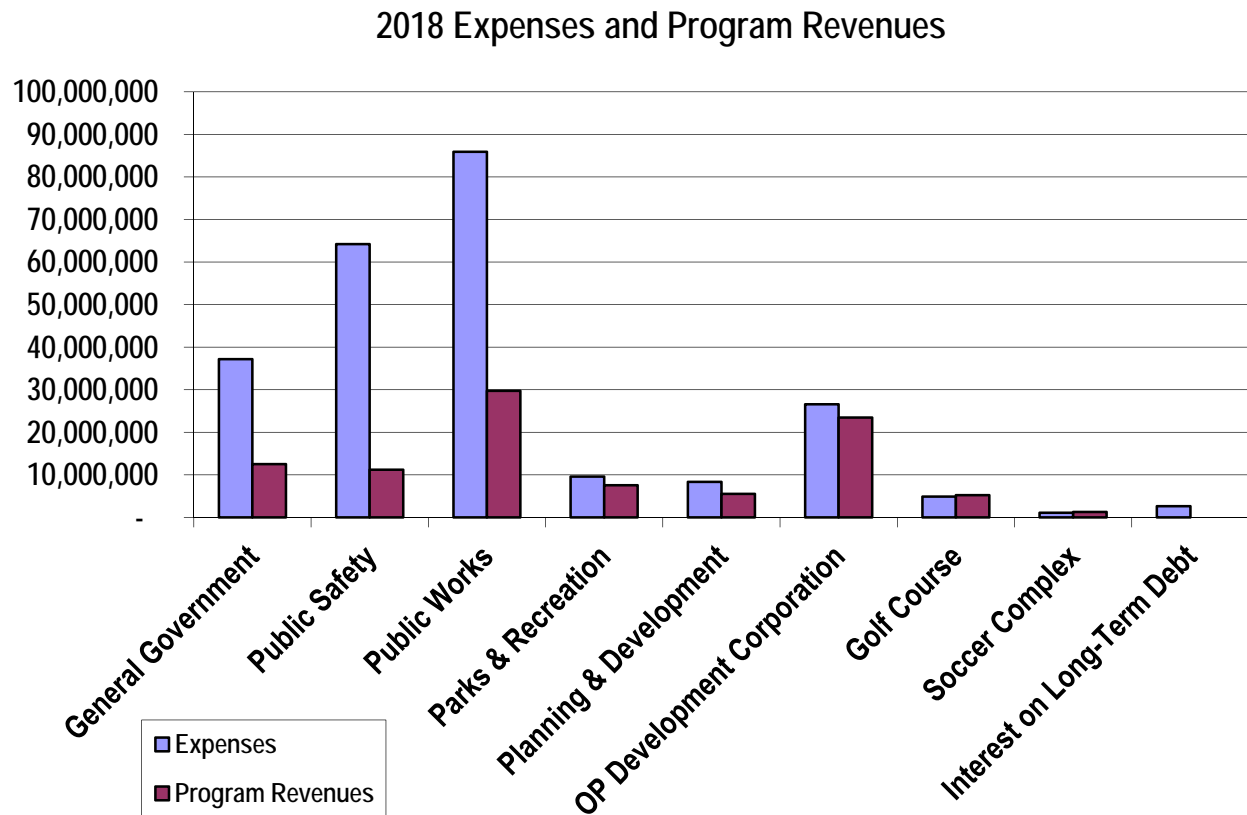
Management's Discussion and Analysis
Year Ended December 31, 2018

The following graph depicts the composition of 2018 primary government revenues as presented in the Statement of Activities.



City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2018

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



The total cost of services for 2018 was \$240.4 million; however, \$96.4 million was funded by users directly benefiting from the services or by other organizations through grants and contributions. The remaining \$143.9 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, 2018

Analysis of the Fund Financial Statements

Governmental Fund Balance at December 31, 2018								
	General	One-eighth Cent Sales Tax - Street Improvement	Stormwater Utility	Combined Transient Guest Tax Fund	Street Improvement	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:								
Restricted	\$ -	\$ 1,179,968	\$ 3,603,297	\$ 2,681,074	\$ -	\$ 250,000	\$ 16,560,905	\$ 24,275,244
Assigned	46,869,009	-	-	-	21,410,064	-	31,292,776	99,571,849
Unassigned	47,078,171	-	-	-	-	-	(718,556)	46,359,615
Total fund balances	\$ 93,947,180	\$ 1,179,968	\$ 3,603,297	\$ 2,681,074	\$ 21,410,064	\$ 250,000	\$ 47,135,125	\$ 170,206,708

Governmental Fund Balance at December 31, 2017								
	General	One-eighth Cent Sales Tax - Street Improvement	Stormwater Utility	Combined Transient Guest Tax Fund	Street Improvement	Debt Service	Nonmajor Governmental Funds	Total
Fund Balances:								
Restricted	\$ -	\$ 2,647,439	\$ 2,721,490	\$ 2,659,157	\$ -	\$ 250,000	\$ 13,339,523	\$ 21,617,609
Assigned	41,007,313	-	43,212	-	11,446,219	-	10,108,488	62,605,232
Unassigned	45,767,758	-	-	-	-	-	(367,769)	45,399,989
Total fund balances	\$ 86,775,071	\$ 2,647,439	\$ 2,764,702	\$ 2,659,157	\$ 11,446,219	\$ 250,000	\$ 23,080,242	\$ 129,622,830

Overall, the City's major funds experienced an 15.5 percent increase in fund balance as a result of 2018 operations. The increase in the General Fund is attributable to increases in property taxes due to an increase in assessed valuation, along with increased sales tax collections. The One-eighth Cent Sales Tax-Street Improvement Fund decreased due to increased transfers to capital projects. The Stormwater Utility Fund experienced an increase due to a 25% increase in the stormwater utility fee to create a curb repair and replacement program. Combined Transient Guest Tax Fund increased due to a decrease in the debt service support agreement payment to the Overland Park Development Corporation. The Street Improvement Fund increased due to increased transfers and the issuance of long-term debt to finance current and future projects.

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, 2018

Budgetary Highlights

The legally adopted budget for the General Fund was not amended during 2018. However, the budget was revised due to Departments within the City that are allowed to transfer budget between line items and between cost centers within a department. In addition, budget may be transferred out of cost centers to reflect insurance savings, budget cuts, etc. As a result of these budget transfers, the original budget and the final budgets may not be the same in some cost centers.

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

Category	Explanation
Sales Tax	Combined sales and use taxes increased 3.7% compared to a budgeted increase of 2.0%. Countywide sales taxes increased 6.0%.
Licenses and Permits	These revenues come from many sources with varying levels of activity from year to year. Because of the nature of these revenues, it is difficult to make accurate estimates of the individual sources.
Public Safety	The Police Department had various unfilled positions during the year which contributed to this category underspending their budget.
City-wide Contingency	The contingency budget is set aside for unexpected expenditures. Any funds allocated from this budget are transferred to the requesting cost center so there will not be any actual expenditures charged to this category.

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2018

Capital Asset and Debt Administration

Capital Assets

The total amount invested in capital assets for the City at December 31, 2018, was \$1,055,878,527 net of accumulated depreciation. This represents a decrease of 0.3% over the 2017 total, which is attributed to a decrease in major additions over previous years. The following chart breaks down the City's capital asset balance into the various categories of assets.

	<u>Government Activities</u>		<u>Business-Type Activities</u>	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
Land	\$ 31,624,614	\$ 32,222,730	\$ 1,425,200	\$ 1,425,200
Construction in Progress	10,143,986	14,933,075	118,474	-
Land Improvements	18,469,572	16,285,605	-	-
Building and Improvements - City	79,377,803	76,210,237	1,375,034	1,315,343
Building and Improvements - OPDC	-	-	40,142,534	38,539,539
OPCC Capital Assets	1,168,508	607,977	-	-
Equipment - City	12,785,626	12,370,793	147,388	105,119
Equipment - OPDC	-	-	5,499,413	5,022,491
Infrastructure	903,367,306	903,248,110	-	-
	<u>\$ 1,056,937,415</u>	<u>\$ 1,055,878,527</u>	<u>\$ 48,708,043</u>	<u>\$ 46,407,692</u>

Major additions to capital assets during the year included:

Infrastructure - 2018 streets	\$ 7,163,489
Infrastructure - 2018 residential street	3,529,467
Infrastructure - 2018 storm drainage	430,260
Public buildings	1,589,413
Parks facilities	489,189
Total	<u>\$ 13,201,818</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, 2018

Debt Administration

The outstanding general obligation bonds at December 31, 2018 totaled \$109,675,000 of which \$109,094,581 is considered net direct tax supported debt. This balance represents a 10.4% increase over the 2017 balance. This increase is primarily due to the net impact of regularly scheduled debt payments of \$12,950,000 and the City issued \$23,245,000 of general obligation refunding bonds.

For the past 31 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 fifteenth 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 2018 fiscal year is as follows:

	Total Amount	Ratio of Debt to Assessed Value	Debt Per Capita
Total bonded debt	\$109,675,000	0.030	\$562.03

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, 2018

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
Assets			
Current Assets:			
Cash, cash equivalents and investments	\$ 144,831,604	\$ 1,936,547	\$ 146,768,151
Restricted cash, cash equivalents and investments	22,830,560	-	22,830,560
Taxes receivable	20,588,784	-	20,588,784
Accounts receivable	2,931,872	1,060,908	3,992,780
Due from other governments	775,152	-	775,152
Current property taxes receivable	49,975,738	-	49,975,738
Other current assets	512,575	302,629	815,204
Special assessments	157,800	-	157,800
Total current assets	242,604,085	3,300,084	245,904,169
Noncurrent Assets			
Special assessments	236,786	-	236,786
Restricted:			
Cash and cash equivalents	2,872,636	2,265,211	5,137,847
Investments	-	12,389,869	12,389,869
Capital assets:			
Land, improvements and construction in progress	47,155,805	1,425,200	48,581,005
Capital assets, net of depreciation	1,008,722,722	44,982,492	1,053,705,214
Total capital assets	1,055,878,527	46,407,692	1,102,286,219
Total noncurrent assets	1,058,987,949	61,062,772	1,120,050,721
Total assets	1,301,592,034	64,362,856	1,365,954,890
Deferred Outflows of Resources			
Deferred outflow from OPEB	565,870	-	565,870
Deferred outflow from pensions	23,127,147	-	23,127,147
Deferred charge on refunding	1,136,363	4,198,111	5,334,474
Total deferred outflows	24,829,380	4,198,111	29,027,491
Liabilities			
Accounts payable	6,365,707	3,908,331	10,274,038
Accrued expenses	3,378,871	4,015,674	7,394,545
Contracts payable	7,036,407	-	7,036,407
Unearned revenue	2,010,844	215,697	2,226,541
Claims payable	2,473,076	-	2,473,076
Long-term liabilities			
Due within one year	19,856,522	3,445,000	23,301,522
Due in more than one year	182,110,633	95,532,302	277,642,935
Total liabilities	223,232,060	107,117,004	330,349,064
Deferred Inflows of Resources:			
Deferred inflow from OPEB	1,418,829	-	1,418,829
Deferred inflow from pensions	1,268,704	-	1,268,704
Deferred revenue	49,975,738	-	49,975,738
Total deferred inflows	52,663,271	-	52,663,271
Net Position			
Net investment in capital assets	958,584,349	(46,193,619)	912,390,730
Restricted for:			
Debt service	1,255,287	12,034,853	13,290,140
Capital and other projects	5,703,234	2,620,226	8,323,460
Workers' compensation and medical claims	1,557,093	-	1,557,093
Street improvements	8,525,971	-	8,525,971
Other purposes	12,818,199	-	12,818,199
Unrestricted	62,081,950	(7,017,497)	55,064,453
Total net position	\$ 1,050,526,083	\$ (38,556,037)	\$ 1,011,970,046

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

City of Overland Park
Statement of Activities
December 31, 2018

16

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		
					<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Primary Government:							
Governmental activities:							
General government	\$ 37,194,085	\$ 11,500,017	\$ 1,010,257	\$ -	\$ (24,683,811)	\$ -	\$ (24,683,811)
Public safety	64,204,885	5,711,060	4,514,664	965,860	(53,013,301)	-	(53,013,301)
Public works	85,907,136	8,570,025	5,189,009	15,962,187	(56,185,915)	-	(56,185,915)
Parks and recreation	9,568,574	5,347,398	1,923,397	292,486	(2,005,293)	-	(2,005,293)
Planning and development services	8,322,990	4,839,297	675,504	-	(2,808,189)	-	(2,808,189)
Interest on long-term debt	2,627,246	-	-	-	(2,627,246)	-	(2,627,246)
Total governmental activities	<u>207,824,916</u>	<u>35,967,797</u>	<u>13,312,831</u>	<u>17,220,533</u>	<u>(141,323,755)</u>	<u>-</u>	<u>(141,323,755)</u>
Business-type activities:							
Golf course	\$ 4,877,598	\$ 5,217,864	\$ -	\$ -	\$ -	\$ 340,266	\$ 340,266
Soccer complex	1,069,958	1,253,015	-	-	-	183,057	183,057
OP Development Corporation	26,585,524	23,449,494	-	-	-	(3,136,030)	(3,136,030)
Total business-type activities	<u>32,533,080</u>	<u>29,920,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,612,707)</u>	<u>(2,612,707)</u>
Total primary government	<u>\$ 240,357,996</u>	<u>\$ 65,888,170</u>	<u>\$ 13,312,831</u>	<u>\$ 17,220,533</u>	<u>(141,323,755)</u>	<u>(2,612,707)</u>	<u>(143,936,462)</u>
General revenues:							
Property tax					48,141,036	-	48,141,036
Sales tax					84,070,609	-	84,070,609
Franchise tax					11,799,672	-	11,799,672
Transient guest tax					10,094,308	-	10,094,308
Grants and contributions not restricted to specific programs					6,694,452	-	6,694,452
Unrestricted investment earnings					2,534,192	239,785	2,773,977
Miscellaneous					4,720,923	388,028	5,108,951
Transfers					(3,695,162)	3,695,162	-
Total general revenues and transfers					<u>164,360,030</u>	<u>4,322,975</u>	<u>168,683,005</u>
Change in net position					<u>23,036,275</u>	<u>1,710,268</u>	<u>24,746,543</u>
Net position, beginning, as previously reported					1,029,150,078	(40,266,305)	988,883,773
Prior period adjustment					<u>(1,660,270)</u>	<u>-</u>	<u>(1,660,270)</u>
Net position, beginning, restated					<u>1,027,489,808</u>	<u>(40,266,305)</u>	<u>987,223,503</u>
Net position, ending					<u>\$ 1,050,526,083</u>	<u>\$ (38,556,037)</u>	<u>\$ 1,011,970,046</u>

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, 2018

		One-Eighth Cent Sales Tax - Street Improvement	Stormwater Utility
Assets	General		
Cash, cash equivalents and investments	\$ 82,390,127	\$ 230,619	\$ 3,758,970
Restricted cash, cash equivalents and investments	-	-	-
Taxes receivable	15,513,122	1,135,614	-
Accounts receivable	2,184,216	-	-
Due from other funds	594,709	-	-
Due from other governments	49,059	-	-
Current property taxes receivable	46,431,833	-	3,543,905
Other current assets	-	-	-
Special assessments			
Current	-	-	-
Noncurrent	-	-	-
Total assets	\$ 147,163,066	\$ 1,366,233	\$ 7,302,875
Liabilities			
Accounts payable	4,401,701	186,265	114,646
Accrued expenditures	2,144,954	-	41,027
Contracts payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	106,136	-	-
Total liabilities	6,652,791	186,265	155,673
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	46,431,833	-	3,543,905
Unavailable revenue - special assessments	-	-	-
Unavailable revenue - other	131,262	-	-
Total deferred inflows	46,563,095	-	3,543,905
Fund Balance			
Restricted	-	1,179,968	3,603,297
Assigned	46,869,009	-	-
Unassigned	47,078,171	-	-
Total fund balance	93,947,180	1,179,968	3,603,297
Total liabilities, deferred inflows of resources and fund balance	\$ 147,163,066	\$ 1,366,233	\$ 7,302,875

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

Combined Transient Guest Tax	Street Improvement	Debt Service	Other Governmental Funds	Total
\$ 2,441,441	\$ 19,857,404	\$ 250,000	\$ 31,852,524	\$ 140,781,085
-	3,984,146	-	18,846,414	\$ 22,830,560
2,636,246	-	-	1,303,802	20,588,784
586,559	142,694	-	-	2,913,469
-	-	-	-	594,709
-	-	-	726,093	775,152
-	-	-	-	49,975,738
512,575	-	-	-	512,575
-	-	157,800	-	157,800
-	-	236,786	-	236,786
<u>\$ 6,176,821</u>	<u>\$ 23,984,244</u>	<u>\$ 644,586</u>	<u>\$ 52,728,833</u>	<u>\$ 239,366,658</u>
1,591,039	-	-	64,266	6,357,917
-	-	-	-	2,185,981
-	2,545,138	-	4,491,269	7,036,407
-	-	-	594,709	594,709
1,904,708	-	-	-	2,010,844
<u>3,495,747</u>	<u>2,545,138</u>	<u>-</u>	<u>5,150,244</u>	<u>18,185,858</u>
-	-	-	-	49,975,738
-	-	394,586	-	394,586
-	29,042	-	443,464	603,768
<u>-</u>	<u>29,042</u>	<u>394,586</u>	<u>443,464</u>	<u>50,974,092</u>
2,681,074	-	250,000	16,560,905	24,275,244
-	21,410,064	-	31,292,776	99,571,849
-	-	-	(718,556)	46,359,615
<u>2,681,074</u>	<u>21,410,064</u>	<u>250,000</u>	<u>47,135,125</u>	<u>170,206,708</u>
<u>\$ 6,176,821</u>	<u>\$ 23,984,244</u>	<u>\$ 644,586</u>	<u>\$ 52,728,833</u>	<u>\$ 239,366,658</u>

**City of Overland Park
Reconciliation of the Balance Sheet
of Governmental Funds
to the Statement of Net Position
December 31, 2018**

Fund balances - total governmental funds		\$ 170,206,708
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		1,055,878,527
Certain items, which result in a consumption of net position applicable to a future reporting period, are recognized as deferred outflows of resources in the statement of net position.		
Deferred outflows - OPEB	565,870	
Deferred outflows - KPERS	11,902,662	
Deferred outflows - Police & Fire	11,224,485	
Deferred charge on refunding	<u>1,136,363</u>	24,829,380
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenue in the governmental funds		998,354
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds		
Bonds payable	(109,675,000)	
Accrued interest payable	(1,192,890)	
Premium on bonds payable	(11,586,101)	
Accrued compensated absences	(8,519,763)	
Net pension liability - KPERS	(39,438,731)	
Net pension liability - Police & Fire	(19,012,968)	
Net OPEB liability	<u>(13,734,592)</u>	(203,160,045)
Certain items, which result in an acquisition of net position applicable to a future reporting period, are recognized as deferred inflows of resources in the statement of net position.		
Deferred inflows - OPEB	(1,418,829)	
Deferred inflows - KPERS	(1,189,285)	
Deferred inflows - Police & Fire	<u>(79,419)</u>	(2,687,533)
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		<u>4,460,692</u>
Net position of the governmental activities		<u>\$ 1,050,526,083</u>

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

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City of Overland Park
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018

		One-Eighth Cent Sales Tax - Street Improvement	Stormwater Utility
Revenues	General		
Property tax	\$ 43,794,478	\$ -	\$ 3,397,129
Sales tax	77,478,768	6,206,626	-
Franchise tax	11,799,672	-	-
Transient guest tax	-	-	-
Charges for services	7,061,119	-	4,443,973
Licenses and permits	9,295,148	-	-
Fines and penalties	3,903,997	-	-
Use of money	2,005,299	51,611	109,802
Intergovernmental	9,408,244	-	517,238
Contributions	2,443,883	-	-
Capital and operating grants	-	-	-
Total revenues	167,190,608	6,258,237	8,468,142
Expenditures			
Current:			
General government	21,717,918	-	-
Public safety	57,774,183	-	-
Public works	13,868,031	-	3,265,306
Parks and recreation	10,820,023	-	-
Planning and development services	7,636,042	-	-
Capital improvements	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest on long-term debt	-	-	-
Other debt service costs	-	-	-
Total expenditures	111,816,197	-	3,265,306
Excess (deficiency) of revenues over (under) expenditures	55,374,411	6,258,237	5,202,836
Other financing sources (uses)			
Proceeds from issuance of bonds	-	-	-
Premiums on bonds sold	-	-	-
Transfers in	3,056,515	-	497,716
Transfers out	(51,258,817)	(7,725,708)	(4,861,957)
Total other financing sources (uses)	(48,202,302)	(7,725,708)	(4,364,241)
Net change in fund balances	7,172,109	(1,467,471)	838,595
Fund balances, beginning of year	86,775,071	2,647,439	2,764,702
Fund balances, end of year	\$ 93,947,180	\$ 1,179,968	\$ 3,603,297

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

Combined Transient Guest Tax	Street Improvement	Debt Service	Other Governmental Funds	Total
\$ -	\$ -	\$ -	\$ 949,429	\$ 48,141,036
-	-	-	385,215	84,070,609
-	-	-	-	11,799,672
10,094,308	-	-	-	10,094,308
11,112,646	-	-	25,669	22,643,407
-	-	-	93,905	9,389,053
-	-	-	-	3,903,997
12,986	-	4,200	244,185	2,428,083
-	7,096,837	-	8,320,654	25,342,973
-	121,604	440,936	1,996,704	5,003,127
-	-	-	5,108,950	5,108,950
<u>21,219,940</u>	<u>7,218,441</u>	<u>445,136</u>	<u>17,124,711</u>	<u>227,925,215</u>
12,121,674	-	-	2,641,892	36,481,484
-	-	-	674,206	58,448,389
-	-	-	295,547	17,428,884
-	-	-	29,168	10,849,191
-	-	-	490,881	8,126,923
-	35,571,345	-	25,156,018	60,727,363
-	-	12,950,000	-	12,950,000
-	-	3,465,614	-	3,465,614
-	30,006	-	124,811	154,817
<u>12,121,674</u>	<u>35,601,351</u>	<u>16,415,614</u>	<u>29,412,523</u>	<u>208,632,665</u>
<u>9,098,266</u>	<u>(28,382,910)</u>	<u>(15,970,478)</u>	<u>(12,287,812)</u>	<u>19,292,550</u>
-	4,503,046	-	18,741,954	23,245,000
-	574,960	-	2,391,530	2,966,490
2,940,477	34,401,802	15,970,478	23,139,496	80,006,484
(12,016,826)	(1,133,053)	-	(7,930,285)	(84,926,646)
<u>(9,076,349)</u>	<u>38,346,755</u>	<u>15,970,478</u>	<u>36,342,695</u>	<u>21,291,328</u>
21,917	9,963,845	-	24,054,883	40,583,878
2,659,157	11,446,219	250,000	23,080,242	129,622,830
<u>\$ 2,681,074</u>	<u>\$ 21,410,064</u>	<u>\$ 250,000</u>	<u>\$ 47,135,125</u>	<u>\$ 170,206,708</u>

City of Overland Park
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2018

Fund balances - total governmental funds	\$	40,583,878
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital assets contributed	3,529,466	
Expenditures for capital assets	37,018,663	
Less current year depreciation	(41,348,857)	
Disposal of capital assets	<u>(258,160)</u>	(1,058,888)

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.

Accrued interest on bonds payable	(43,059)	
Pension expense	(5,291,025)	
OPEB expense	594,726	
Compensated absences	<u>(96,893)</u>	(4,836,251)

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	(388,367)	
Capital grants	<u>397,128</u>	8,761

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds, but issuing debt increase long-term liabilities in the statement of net position.

General obligation bonds	(23,245,000)	
Premium on bonds sold	<u>(2,966,490)</u>	(26,211,490)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	12,962,104
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The amortization of bond premiums and discounts affects long-term liabilities in the statement of net position, but does not provide or consume current financial resources in governmental funds.	1,035,053
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Deferred refunding costs reduce current financial resources of governmental funds but do not decrease long-term liabilities in the statement of net position.	(153,626)
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Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.	<u>706,734</u>
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Net position of the governmental activities	\$	<u><u>23,036,275</u></u>
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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, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues				
Property tax	\$ 43,749,100	\$ 43,749,100	\$ 43,794,463	\$ 45,363
Sales tax	75,321,000	75,231,000	77,478,768	2,247,768
Franchise tax	10,851,500	10,581,500	11,799,672	1,218,172
Charges for services	5,742,500	5,831,500	7,061,119	1,229,619
Licenses and permits	9,387,000	9,298,000	9,295,148	(2,852)
Fines and penalties	4,044,000	4,044,000	3,903,997	(140,003)
Use of money	533,300	533,300	1,400,478	867,178
Intergovernmental	8,399,100	8,399,100	9,408,244	1,009,144
Contributions	1,312,500	1,312,500	2,095,876	783,376
Total revenues	159,340,000	158,980,000	166,237,765	7,257,765
Expenditures				
Current:				
General government				
Mayor and council	423,765	504,630	499,738	4,892
Economic development	645,980	766,875	764,745	2,130
Emergency management	238,092	368,346	353,764	14,582
City Manager	1,073,040	1,166,269	1,194,831	(28,562)
Communications	554,972	554,370	542,615	11,755
Information technology	5,642,904	5,637,592	5,565,026	72,566
Facilities management	3,839,921	3,856,705	3,970,515	(113,810)
Municipal court	3,179,141	3,166,353	2,772,149	394,204
Law	1,749,289	1,800,877	1,684,221	116,656
Finance and accounting	1,590,739	1,603,277	1,582,440	20,837
City clerk	795,165	793,034	652,254	140,780
Human resources	1,975,508	2,009,911	2,120,659	(110,748)
Payroll	484,159	483,138	456,507	26,631
City wide contingency	3,380,000	726,355	-	726,355
Total general government	25,572,675	23,437,732	22,159,464	1,278,268
Public safety				
Police				
Police administration	3,214,356	3,658,558	3,672,352	(13,794)
Tactical operations	21,377,485	21,409,611	20,108,134	1,301,477
Special services bureau	13,092,889	13,031,942	10,896,555	2,135,387
Total police	37,684,730	38,100,111	34,677,041	3,423,070

(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, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Fire				
Fire services	659,000	752,000	751,010	990
Administration	1,360,843	1,355,173	1,315,935	39,238
Operations	17,886,831	17,725,075	16,564,687	1,160,388
Prevention	747,268	736,622	717,994	18,628
Support services	666,804	666,010	500,140	165,870
Training	1,025,230	1,016,592	1,007,952	8,640
Merriam fire operations	2,489,869	2,482,716	2,520,446	(37,730)
Total fire	24,835,845	24,734,188	23,378,164	1,356,024
Total public safety	62,520,575	62,834,299	58,055,205	4,779,094
Public works				
Public works administration	866,418	864,313	802,232	62,081
Street engineering and construction	2,961,055	2,934,765	2,833,133	101,632
Traffic services	1,835,147	1,794,449	1,706,118	88,331
Traffic maintenance	3,473,389	3,458,300	3,418,801	39,499
Public works maintenance	4,350,581	4,579,379	4,198,078	381,301
Fleet maintenance	975,765	971,914	927,830	44,084
Total public works	14,462,355	14,603,120	13,886,192	716,928
Parks and recreation				
Parks and forestry	3,727,025	3,756,032	3,366,738	389,294
Arboretum/ botanical garden	947,327	1,157,746	1,038,726	119,020
Leisure services	991,677	1,028,664	853,501	175,163
Community centers	1,995,771	1,992,279	1,822,970	169,309
Farmstead	1,961,532	1,955,343	1,892,954	62,389
Aquatics	1,294,776	1,291,595	1,351,000	(59,405)
Total parks and recreation	10,918,108	11,181,659	10,325,889	855,770
Planning and development services				
Planning and development	2,223,881	2,226,333	2,098,442	127,891
Community services	2,545,250	2,521,921	2,203,694	318,227
Building safety	2,695,380	2,648,431	2,154,133	494,298
Engineering services	1,291,776	1,276,505	1,005,215	271,290
Total planning and development services	8,756,287	8,673,190	7,461,484	1,211,706
Total expenditures	122,230,000	120,730,000	111,888,234	8,841,766
Excess of revenues over expenditures	37,110,000	38,250,000	54,349,531	16,099,531

(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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary Basis</u>	<u>Final Budget</u>
Other financing sources (uses):				
Transfers (to) from other funds:				
Special revenue funds	(4,850,000)	(4,850,000)	(2,790,477)	2,059,523
Golf course fund	250,000	250,000	250,000	-
Soccer complex fund	-	-	(500,000)	(500,000)
Debt service fund	(11,000,000)	(11,000,000)	(10,416,171)	583,829
Internal service funds	(100,000)	(100,000)	(1,203,700)	(1,103,700)
Capital project funds	(64,170,000)	(65,670,000)	(35,028,764)	30,641,236
Equipment reserve funds	(2,650,000)	(2,650,000)	(3,350,000)	(700,000)
Total other financing sources (uses)	<u>(82,520,000)</u>	<u>(84,020,000)</u>	<u>(53,039,112)</u>	<u>30,980,888</u>
 Revenues and other financing sources over (under) expenditures and other financing uses	 <u>\$ (45,410,000)</u>	 <u>\$ (45,770,000)</u>	 <u>\$ 1,310,419</u>	 <u>\$ 47,080,419</u>
 Reconciliation to GAAP basis:				
Activity reported within general fund subfunds:				
County courthouse sales tax fund			1,298,291	
Capital improvement fund			608,539	
Equipment reserve fund			3,588,139	
Facility maintenance reserve fund			1,500,000	
Special street improvement fund			831	
Special liability defense fund			133,364	
Risk management reserve fund			104,640	
Excise tax fund			(2,347,585)	
Self insurance fund			(19,956)	
Encumbrances			<u>995,427</u>	
 Fund balances, beginning of year			<u>86,775,071</u>	
Fund balances, end of year			<u>\$ 93,947,180</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 - Street Improvement
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues				
Sales tax	\$ 6,080,000	\$ 6,080,000	\$ 6,206,627	\$ 126,627
Use of money	15,000	15,000	51,610	36,610
Total revenues	<u>6,095,000</u>	<u>6,095,000</u>	<u>6,258,237</u>	<u>163,237</u>
Excess of revenues over expenditures	<u>6,095,000</u>	<u>6,095,000</u>	<u>6,258,237</u>	<u>163,237</u>
Other financing sources (uses):				
Transfers (to) from other funds:				
General fund	(150,000)	(150,000)	(150,000)	-
Capital project funds	(8,160,000)	(8,160,000)	(7,575,708)	584,292
Total other financing sources (uses)	<u>(8,310,000)</u>	<u>(8,310,000)</u>	<u>(7,725,708)</u>	<u>584,292</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,215,000)</u>	<u>(2,215,000)</u>	<u>(1,467,471)</u>	<u>747,529</u>
Fund balances, beginning of year	2,215,000	2,215,000	2,647,439	432,439
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,179,968</u>	<u>\$ 1,179,968</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
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues				
Property tax	\$ 3,666,800	\$ 3,666,800	\$ 3,397,130	\$ (269,670)
Charges for services	4,485,000	4,485,000	4,443,973	(41,027)
Use of money	17,000	17,000	109,802	92,802
Intergovernmental	332,900	332,900	517,238	184,338
Total revenues	<u>8,501,700</u>	<u>8,501,700</u>	<u>8,468,143</u>	<u>(33,557)</u>
Expenditures				
Current:				
Public works	6,900,000	6,900,000	3,442,567	3,457,433
Total expenditures	<u>6,900,000</u>	<u>6,900,000</u>	<u>3,442,567</u>	<u>3,457,433</u>
Excess of revenues over expenditures	<u>1,601,700</u>	<u>1,601,700</u>	<u>5,025,576</u>	<u>3,423,876</u>
Other financing sources (uses):				
Transfers (to) from other funds:				
Capital project funds	(3,396,700)	(3,396,700)	(4,394,446)	(997,746)
Internal service funds	(25,000)	(25,000)	(18,200)	6,800
Equipment reserve funds	(375,000)	(375,000)	48,405	423,405
Total other financing sources (uses)	<u>(3,796,700)</u>	<u>(3,796,700)</u>	<u>(4,364,241)</u>	<u>(567,541)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,195,000)</u>	<u>(2,195,000)</u>	<u>661,335</u>	<u>2,856,335</u>
Reconciliation to GAAP basis:				
Encumbrances			<u>177,260</u>	
Fund balances, beginning of year	<u>2,195,000</u>	<u>2,195,000</u>	<u>2,764,702</u>	<u>569,702</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,603,297</u>	<u>\$ 3,426,037</u>

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

City of Overland Park
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Combined Transient Guest Tax
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues				
Transient guest tax	\$ 11,000,000	\$ 11,000,000	\$ 10,094,308	\$ (905,692)
Charges for services	900,000	900,000	11,112,646	10,212,646
Use of money	18,300	18,300	12,986	(5,314)
Total revenues	<u>11,918,300</u>	<u>11,918,300</u>	<u>21,219,940</u>	<u>9,301,640</u>
Expenditures				
Current:				
General government	3,770,000	3,770,000	12,121,674	(8,351,674)
Total expenditures	<u>3,770,000</u>	<u>3,770,000</u>	<u>12,121,674</u>	<u>(8,351,674)</u>
Excess of revenues over expenditures	<u>8,148,300</u>	<u>8,148,300</u>	<u>9,098,266</u>	<u>949,966</u>
Other financing sources (uses):				
Transfers (to) from other funds:				
General fund	5,000,000	5,000,000	2,940,477	(2,059,523)
Capital project funds	(5,970,000)	(5,970,000)	(1,210,000)	4,760,000
Debt service fund	(5,405,000)	(5,405,000)	(5,403,479)	1,521
Overland Park Development Corporation	(7,333,300)	(7,333,300)	(5,403,347)	1,929,953
Total other financing sources (uses)	<u>(13,708,300)</u>	<u>(13,708,300)</u>	<u>(9,076,349)</u>	<u>4,631,951</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(5,560,000)</u>	<u>(5,560,000)</u>	<u>21,917</u>	<u>5,581,917</u>
Fund balances, beginning of year	5,560,000	5,560,000	2,659,157	(2,900,843)
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,681,074</u>	<u>\$ 2,681,074</u>

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

City of Overland Park
Statement of Net Position
Proprietary Funds
December 31, 2018

				Governmental Activities Combined Internal Service Funds
Assets		Total Nonmajor Enterprise Funds	Total Enterprise Funds	
Current Assets:	OPDC			
Cash, cash equivalents and investments	\$ 103,249	\$ 1,833,298	\$ 1,936,547	\$ 4,050,519
Accounts receivable	1,060,750	158	1,060,908	18,403
Inventory	79,612	113,345	192,957	-
Other current assets	109,672	-	109,672	-
Total current assets	1,353,283	1,946,801	3,300,084	4,068,922
Long-term Assets				
Restricted:				
Cash and cash equivalents	2,265,211	-	2,265,211	2,872,636
Investments	12,389,869	-	12,389,869	-
Capital assets:				
Land, improvements and construction in progress	-	1,425,200	1,425,200	-
Capital assets, net of depreciation	43,562,030	1,420,462	44,982,492	-
Total capital assets	43,562,030	2,845,662	46,407,692	-
Total long-term assets	58,217,110	2,845,662	61,062,772	2,872,636
Total assets	59,570,393	4,792,463	64,362,856	6,941,558
Deferred Outflows of Resources				
Deferred charge on refunding	4,198,111	-	4,198,111	-
Total deferred outflows	4,198,111	-	4,198,111	-
Liabilities				
Current Liabilities:				
Accounts payable	3,893,740	14,591	3,908,331	7,790
Accrued expenses	1,474,007	91,555	1,565,562	-
Accrued interest payable	2,450,112	-	2,450,112	-
Unearned revenue	-	215,697	215,697	-
Claims payable	-	-	-	2,473,076
Bonds payable	3,445,000	-	3,445,000	-
Total current liabilities	11,262,859	321,843	11,584,702	2,480,866
Long-term liabilities				
Accrued compensated absences	-	35,176	35,176	-
Bonds payable	93,354,422	-	93,354,422	-
Ground lease obligation	993,607	-	993,607	-
Subordinated asset and property management fees	1,149,097	-	1,149,097	-
Total long-term liabilities	95,497,126	35,176	95,532,302	-
Total liabilities	106,759,985	357,019	107,117,004	2,480,866
Net Position (Deficit)				
Net investment in capital assets	(49,039,281)	2,845,662	(46,193,619)	-
Restricted for:				
Debt service	12,034,853	-	12,034,853	-
Capital and other projects	2,620,226	-	2,620,226	-
Workers' compensation claims	-	-	-	1,156,610
Employee medical claim allocations	-	-	-	400,483
Unrestricted	(8,607,279)	1,589,782	(7,017,497)	2,903,599
Total net position (deficit)	\$ (42,991,481)	\$ 4,435,444	\$ (38,556,037)	\$ 4,460,692

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, 2018

		Total Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Combined Internal Service Funds
Operating Revenues:	OPDC			
Charges for services	\$ 23,449,494	\$ 6,470,879	\$ 29,920,373	\$ 13,833,429
Other reimbursements	126,654	250,675	377,329	31,632
Total operating revenues	<u>23,576,148</u>	<u>6,721,554</u>	<u>30,297,702</u>	<u>13,865,061</u>
Operating Expenses:				
Claims paid	-	-	-	13,848,235
Contractual services	-	-	-	641,201
Soccer operations	-	1,069,958	1,069,958	-
Golf course operations	-	4,740,230	4,740,230	-
OPDC operations	18,173,995	-	18,173,995	-
Depreciation	3,044,969	137,368	3,182,337	-
Total operating expenses:	<u>21,218,964</u>	<u>5,947,556</u>	<u>27,166,520</u>	<u>14,489,436</u>
Operating income (loss)	<u>2,357,184</u>	<u>773,998</u>	<u>3,131,182</u>	<u>(624,375)</u>
Nonoperating Revenue (Expense):				
Interest earned on investments	201,709	38,076	239,785	106,109
Gain (loss) on disposal of assets	-	(3,926)	(3,926)	-
Miscellaneous income (expense)	14,625	-	14,625	-
Interest and amortization on long-term debt	(5,366,560)	-	(5,366,560)	-
Total nonoperating revenue (expense)	<u>(5,150,226)</u>	<u>34,150</u>	<u>(5,116,076)</u>	<u>106,109</u>
Income (loss) before transfers	<u>(2,793,042)</u>	<u>808,148</u>	<u>(1,984,894)</u>	<u>(518,266)</u>
Transfers in	5,403,347	529,915	5,933,262	1,225,000
Transfers out	-	(2,238,100)	(2,238,100)	-
Change in net position	<u>2,610,305</u>	<u>(900,037)</u>	<u>1,710,268</u>	<u>706,734</u>
Net position, beginning	(45,601,786)	5,335,481	(40,266,305)	3,753,958
Net position, ending	<u>\$ (42,991,481)</u>	<u>\$ 4,435,444</u>	<u>\$ (38,556,037)</u>	<u>\$ 4,460,692</u>

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

City of Overland Park
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

		Total Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Combined Internal Service Funds
Cash flows from operating activities	OPDC			
Receipts from customers	\$ 23,005,479	\$ 6,677,243	\$ 29,682,722	\$ 13,837,013
Other receipts	-	250,675	250,675	31,632
Claims paid	-	-	-	(14,006,235)
Payments to employees for salaries and benefits	-	(2,990,327)	(2,990,327)	-
Payments to suppliers and service providers	(19,281,668)	(3,116,058)	(22,397,726)	(682,292)
Net cash provided by (used in) operating activities	3,723,811	821,533	4,545,344	(819,882)
Cash flows from noncapital financing activities				
Transfers from other funds	5,403,347	529,915	5,933,262	1,225,000
Transfers to other funds	-	(2,238,100)	(2,238,100)	-
Net cash provided by (used in) noncapital financing activities	5,403,347	(1,708,185)	3,695,162	1,225,000
Cash flows from capital and related financing activities				
Principal paid on capital debt	(3,010,000)	(33,573)	(3,043,573)	-
Interest and trust fees paid on capital debt	(5,035,281)	-	(5,035,281)	-
Acquisition and construction of capital assets	(846,578)	(39,334)	(885,912)	-
Net cash provided by (used in) capital and related financing activities	(8,891,859)	(72,907)	(8,964,766)	-
Cash flows from investing activities				
Interest and dividends received	189,006	38,076	227,082	106,109
Purchase of restricted investments	(5,879,168)	-	(5,879,168)	-
Proceeds from sale of investments	5,231,369	-	5,231,369	-
Net cash provided by (used in) investing activities	(458,793)	38,076	(420,717)	106,109
Net increase (decrease) in cash and cash equivalents	(223,494)	(921,483)	(1,144,977)	511,227
Cash and cash equivalents, beginning	2,591,954	2,754,781	5,346,735	6,411,928
Cash and cash equivalents, ending	<u>\$ 2,368,460</u>	<u>\$ 1,833,298</u>	<u>\$ 4,201,758</u>	<u>\$ 6,923,155</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income	\$ 2,357,184	\$ 773,998	\$ 3,131,182	\$ (624,375)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in accounts receivable	(570,669)	2,944	(567,725)	3,584
(Increase) decrease in inventory	2,696	19,765	22,461	-
(Increase) decrease in other current assets	(7,796)	-	(7,796)	-
Increase (decrease) in accounts payable	482,005	(329,539)	152,466	(144,018)
Increase (decrease) in accrued expenses	(86,637)	13,580	(73,057)	-
Increase (decrease) in unearned revenue	-	203,417	203,417	-
Increase (decrease) in claims payable	-	-	-	(55,073)
Increase (decrease) in subordinated asset and property management fee payable	(1,497,941)	-	(1,497,941)	-
Depreciation expense	3,044,969	137,368	3,182,337	-
Net cash provided by (used in) operating activities	\$ 3,723,811	\$ 821,533	\$ 4,545,344	\$ (819,882)
Schedule of non-cash investing and financing activities:				
Change in fair value of investments	29,416	-	29,416	-

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, 2018

	Employee Benefit Trust Funds	Private-Purpose Trust Funds	Agency Funds
Assets			
Cash and cash equivalents	\$ 3,233,954	\$ 2,762	\$ 8,301,323
Investments:			
Equity securities	39,879,834	-	-
Mutual funds	133,260,627	-	-
Real estate investment trust	8,172,438	-	-
Corporate bonds	7,861,604	-	-
U.S. government securities	12,314,437	-	-
Interest receivable	-	-	32,787
Sales tax receivable	-	-	908,093
Total assets	<u>204,722,894</u>	<u>2,762</u>	<u>9,242,203</u>
Liabilities			
Due to other entities	-	-	9,242,203
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 9,242,203</u>
Net Position			
Held in trust for pension and OPEB benefits and other purposes	204,722,894	2,762	
Total net position	<u>\$ 204,722,894</u>	<u>\$ 2,762</u>	

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, 2018

	Employee Benefit Trust Funds	Private-Purpose Trust Funds
Additions		
Contributions:		
Employer	\$ 5,979,515	\$ -
Plan members	69,791	-
Total contributions	<u>6,049,306</u>	<u>-</u>
Investment earnings:		
Net increase in fair value of investments	(17,770,716)	-
Interest	742,127	55
Dividends	5,619,422	-
Total investment earnings	<u>(11,409,167)</u>	<u>55</u>
Total additions	<u>(5,359,861)</u>	<u>55</u>
Deductions		
Benefits	10,532,771	-
Administrative expenses	474,994	277
Total deductions	<u>11,007,765</u>	<u>277</u>
Change in net position	(16,367,626)	(222)
Net position, beginning	221,090,520	2,984
Net position, ending	<u>\$ 204,722,894</u>	<u>\$ 2,762</u>

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

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I. Summary of Significant Accounting Policies

A. Reporting entity

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

As required by accounting principles generally accepted in the United States of America, these basic financial statements present the City of Overland Park (the primary government) and its component units. The City's basic financial statements include the accounts of all City operations: general government, public safety, public works, parks and recreation and planning and development services.

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

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

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

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

B. Basis of Accounting

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

I. Summary of Significant Accounting Policies (Continued)

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

I. Summary of Significant Accounting Policies (Continued)

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

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

Special Revenue Funds:

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

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

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

Capital Projects Fund:

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

Debt Service Fund:

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.

I. Summary of Significant Accounting Policies (Continued)

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.

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

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. However, principal and interest on general long-term debt as well as compensated absences, pension and OPEB contributions and claims and judgments are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Funds

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

I. Summary of Significant Accounting Policies (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for services. Operating expenses for the enterprise funds and internal service funds include OPDC operations, 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 for workers' compensation claims and medical impost claims on a cost reimbursement basis.

Fiduciary Funds

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

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

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

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

Estimates

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

I. Summary of Significant Accounting Policies (Continued)

C. Assets, Liabilities and Net Position or Fund Balance

Cash, Cash Equivalents and Investments

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

The City typically invests available cash in demand deposits, time deposits, U.S. Government securities and securities of U.S. Government sponsored organizations ranging from 150 to 365 days to maturity. On occasion, however, the City invests for periods between one and four years. The average yield on maturing investments during the year was 1.63 percent and the amount of investment revenue earned was \$2,572,269. The investment revenue is equivalent to a 0.740 mill property tax.

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

I. Summary of Significant Accounting Policies (Continued)

Capital Assets

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

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated. Only capital assets with a value of \$500 or more are capitalized by the City, whereas costs incurred for repairs and maintenance are expensed as incurred.

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

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

Vacation and Sick Leave

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

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

I. Summary of Significant Accounting Policies (Continued)

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

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

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

Ground Lease Obligation

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

The amount reported as a ground lease obligation, on the statement of net position (deficit) of \$993,607 as of December 31, 2018, represents the amount of lease expense in excess of amounts to be paid. The amount of lease payments due to the City of \$2,916,000 as of December 31, 2018 is included within accounts payable on the statement of net position (deficit).

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.

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, net pension liabilities, net OPEB liability 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. Rather, 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 an other financing source. Premiums received on debt issuances are reported as an other financing source while discounts on debt issuances are reported as an other financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

I. Summary of Significant Accounting Policies (Continued)

Pensions and OPEB

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

The Overland Park Police Department Retirement Plan (PDRP) and the Overland Park Fire Department Retirement Plan (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. 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's general fund.

Other Post Employment Benefit (OPEB) financial statements are prepared using the accrual basis of accounting. Contributions from the City are recognized when made. Since the OPEB trust was established in 2008, all OPEB related plan benefits have been paid by the City's general fund and not from the OPEB trust fund. OPEB investments are reported at fair value. 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's general fund.

Special Assessments

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

I. Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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

Net Position

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

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

I. Summary of Significant Accounting Policies (Continued)

- b. *Restricted net position* - Consists of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Net position restricted through Overland Park Development Corporation bond indentures consists of \$12,034,853 restricted for debt service and \$2,620,226 restricted for capital and other projects. Net position restricted through enabling legislation consists of \$8,525,971 for street improvements, \$5,703,234 restricted for capital improvements at the City's convention center and \$1,557,093 for workers' compensation and medical claims.
- c. *Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (non-current portion) are reported as "advances to and from 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 reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated unless interfund services were provided. However, transfers between the governmental funds and enterprise fund have not been eliminated.

I. Summary of Significant Accounting Policies (Continued)

Deferred Inflows/Outflows of Resources and Unearned Revenue

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

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

The City's government-wide statements also include pension related deferred inflows, which represent the unamortized items not yet recognized in pension expense and unamortized items not yet recognized in OPEB expense.

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

II. Stewardship, Compliance and Accountability

A. Budgetary Control

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

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

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

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

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

II. Stewardship, Compliance and Accountability (Continued)

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when they are measurable and available. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Encumbrances also represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. 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
Federal and State Grants
Fire Memorial
Parks and Recreation

Westlinks Land Acquisition
Art in the Woods
Special Law Enforcement
Jack Sanders Memorial

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

B. Fund Balance/Budget Deficits

The Overland Park Development Corporation had a deficit net position balance of \$42,991,481. This deficit will decrease as debt is paid in future years. The Special Tax Financing fund, a nonmajor special revenue fund, had a deficit fund balance of \$411,583. 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 special revenue fund, had a deficit fund balance of \$26,281. This fund balance deficit will decrease as reimbursements from granting agencies are received. The Traffic Signals fund is a nonmajor capital projects fund and had deficit fund balance \$35,813. This fund deficit will be reduced through reimbursements from Johnson County and third parties in 2019. The Street Lights fund is a nonmajor capital projects fund and had deficit fund balance \$244,879. This fund deficit will be reduced through reimbursements from Johnson County and other local governments in 2019.

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

In the General Fund: City Manager exceeded its budget by \$28,562 due to an additional part-time intern. Facilities Management exceeded its budget by \$113,810 due to service and maintenance contracts for repairs at the community centers. Human Resources exceeded their budget by \$110,748 due to pension administrative costs. Police Administration exceeded its budget by \$13,794 due to an increase in overtime costs that was a result of numerous vacant positions during the year. Merriam fire operations exceeded its budget by \$37,730 due to increased costs to Johnson County Fire District #2. Aquatics exceeded its budget by \$59,405 due to unplanned pool maintenance expenses and higher utilities costs.

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

Outstanding Encumbrances

Outstanding encumbrances at year-end are reported as assigned fund balance unless they specifically meet the requirements to be committed or restricted:

	Encumbrances
Major Governmental Funds:	
General	\$ 2,836,706
Stormwater Utility	220,472
	<hr/> 3,057,178
Non-major Governmental Fund:	
Special Alcohol Control	11,623
Total	<hr/> \$ 3,068,801 <hr/>

Budgetary Compliance - Non-GAAP Financial Statements

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

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

	Expenditures/ Encumbrances Non-GAAP Basis	Add: 2017 Encumbrances	Less: 2018 Encumbrances	Reporting Purposes Non-General Fund Expenditures	Expenditures GAAP Basis
General Fund	\$ 111,888,234	\$ 1,841,279	\$ 2,836,706	\$ 923,390	\$ 111,816,197
Stormwater Utility Fund	3,442,567	43,211	220,472	-	3,265,306
Special Alcohol Funds	1,228,046	2,328	11,623	-	1,218,751

	Fund Balance Non-GAAP Basis	Add: 2018 Encumbrances	Fund Balance GAAP Basis
General Fund	\$ 91,110,474	\$ 2,836,706	\$ 93,947,180
Stormwater Utility Fund	3,382,825	220,472	3,603,297
Special Alcohol Funds	3,770,800	11,623	3,782,423

C. Property Taxes

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

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

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

II. Stewardship, Compliance and Accountability (Continued)

D. Tax Abatements

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

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

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

II. Stewardship, Compliance and Accountability (Continued)

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

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

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

A sales tax exemption (abatement) on construction materials and services is authorized for facilities financed pursuant to the EDRB Act and in accordance with K.S. A. 79-3606. In addition to projects approved for a property tax abatement, Resolution No. 4251 provides for consideration of the issuance of EDRBs for the purpose of enabling a project to obtain only a sales tax exemption certificate on the purchase of building materials, labor and/or personal property. This consideration includes, but is not limited to, whether a project achieves the objectives of Resolution No. 4251 and/or is included in a tax increment financing district (TIF), transportation development district (TDD), or community improvement district (CID).

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

For the fiscal year ending December 31, 2018, the City abated ad valorem property taxes as follows:

Project Name	Black & Veatch 112 th & Lamar
Project Description	Corporate Headquarters for global engineering, consulting, and construction company
EDRB Issue Date	07/02/2009; supplemental issue 12/27/2012
Abatement %	75% of ad valorem property taxes
2018 Abated Amount	\$178,841
Project Commitment	Retention of 2,300 employees
Recapture Provisions	If the number of retained employees is fewer than 2,070, the abatement for the following year is reduced proportionally by the average number of employees compared to 2,300 employees. If the number of retained employees is fewer than 1,800, the abatement for the following year is cancelled.

Project Name	Teva Pharmaceuticals - 11100 Nall Ave
Project Description	Corporate headquarters office for branded pharmaceutical company
EDRB Issue Date	09/30/2013
Abatement %	50% of ad valorem property taxes
2018 Abated Amount	36,371
Project Commitment	400 full-time equivalent employees with an average salary of \$100,000
Recapture Provisions	If the annual average salary is less than \$80,000 per year, abatement reduced to 37.5% for the following year; cancellation of abatement for following tax year if the number of employees is fewer than 240; a portion of previously abated taxes are recaptured if the number of employees is fewer than 200.

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

Project Name	OPX - 115 th & Glenwood
Project Description	Renovation of 680,000 s.f. facility to Class A office, with 201,600 s.f. to be leased by Black & Veatch. Facilitated retention of Black & Veatch's Infrastructure, Telecommunications, Federal, Management and Environmental practices not located at its 112 th & Lamar headquarters.
EDRB Issue Date	12/31/2015
Abatement %	14.8% of ad valorem property taxes; 50% of s.f. occupied by Black & Veatch
2018 Abated Amount	\$29,612
Project Commitment	Retention of 737 employees
Recapture Provisions	If the number of retained employees is fewer than 700 the abatement for the following year is reduced proportionally by the average number of employees compared to 700 employees. If the number of retained employees is fewer than 600, the abatement for the following year is cancelled and a portion of previously abated taxes are recaptured.
Project Name	Nall Corporate Centre II – Mariner Project – 5700 W. 112 th Street
Project Description	Mariner Corporate Headquarters (in 90,000 s.f. of 150,00 s.f. Office)
EDRB Issue Date	12/20/2016
Abatement %	30% of ad valorem property taxes
2018 Abated Amount	\$11,836
Project Commitment	110 full-time equivalent employees with an average salary of \$85,000
Recapture Provisions	Cancellation of abatement for following tax year if the number of employees is fewer than 100; a portion of previously abated taxes are recaptured if the number of employees is fewer than 90.

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

Sales tax amounts exempted on project purchases related to the outstanding EDRBs during the fiscal year ending December 31, 2018 are as follows:

Project Name	InterUrban Lofts – SW corner of 79 th and Conser.
Project Description	Redevelopment of property and construction of a Mixed-use Residential and Office Facility
EDRB Issue Date	02/19/2016
2018 Exempted Sales Tax	\$3,825
Project Commitment	Development of Mixed-Use project in downtown Overland Park.
Recapture Provisions	None.
Project Name	Market Lofts - NW corner of 80 th and Marty.
Project Description	Redevelopment and construction of a Mixed-use Residential/ Retail Facility
EDRB Issue Date	12/02/2016
2018 Exempted Sales Tax	\$52,069
Project Commitment	Development of Mixed-Use project in downtown Overland Park.
Recapture Provisions	None.
Project Name	OPX - 115 th & Glenwood – Phase 2 Renovations
Project Description	Phase 2 Renovations – former OP International Trade Center to Class A office (OPX). Phase 2 renovations for addition of approximately 76,000 s.f., of office space in the facility, 51,000 s.f. of which represented construction of a second floor in the former exposition hall.
EDRB Issue Date	10/27/2017
2018 Exempted Sales Tax	\$299,163
Project Commitment	Completion of Phase 2 improvements
Recapture Provisions	None.

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

Project Name	Promontory NE corner of 91 st and Metcalf (Phase 1A & 1B)
Project Description	Redevelopment of property and construction of a Mixed-use Residential and Retail Facility.
EDRB Issue Date	12/18/2017
2018 Exempted Sales Tax	\$4,544
Project Commitment	Development of Mixed-Use, Residential and Retail project.
Recapture Provisions	None.
Project Name	Avenue 81
Project Description	Senior Living Facility, Downtown OP
EDRB Issue Date	12/18/2017
2018 Exempted Sales Tax	\$189,930
Project Commitment	Redevelopment and Construction of a Senior Living Facility
Recapture Provisions	None.
Project Name	City Place – Phase 1 – Royale Apartments
Project Description	Multi-Family Residential
EDRB Issue Date	12/03/2018
2018 Exempted Sales Tax	\$180,000
Project Commitment	Development of Multi-Family project
Recapture Provisions	None.
Project Name	Overland One, Building 1 – 5454 W. 110 th Street
Project Description	Redevelopment of Office Tower to new Class-A office space
EDRB Issue Date	06/08/2018
2018 Exempted Sales Tax	\$233,438 <i>(Estimate - actual numbers not available. Amount based on estimated value of materials for project.)</i>
Project Commitment	Completion of Class-A office space
Recapture Provisions	None.

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

Project Name	Overland One, Building 2 – 5440 W. 110 th Street
Project Description	Redevelopment of Office Tower to new Class-A office space
EDRB Issue Date	06/22/2018
2018 Exempted Sales Tax	\$206,438 (<i>Estimate - actual numbers not available. Amount based on estimated value of materials for project.</i>)
Project Commitment	Completion of Class-A office space
Recapture Provisions	None.

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

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

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

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

For the fiscal year ending December 31, 2018, incremental sales taxes have been applied to STAR Bond projects as follows:

Project Name	Prairiefire STAR Bond– Phase 1
Project Description	Mixed-use development consisting of retail, restaurants, entertainment and Museum of Prairiefire featuring American Museum of Natural History exhibits.
Approved Amount	100% of incremental sales taxes generated within the Prairiefire STAR Bond Project District.
2018 Sales taxes applied to Bonds	\$545,793
Project Commitment	Construction of the Mixed-Use development.
Recapture Provisions	None. Incremental sales taxes are pledged to Prairiefire Sales Tax Special Obligation Revenue Bonds, Series 2012.

Tax Increment Financing

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

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

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

- a. To leverage private investment and finance eligible improvements that, in the opinion of the Governing Body, are in the best interest of the City and promote redevelopment efforts which implement the intent of this policy and other adopted City policies regarding land use, density, and design, and to meet the highest development standards as outlined in the City’s development process, design guidelines, and ordinances.

II. Stewardship, Compliance and Accountability (Continued)

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

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

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

For the fiscal year ending December 31, 2018, the City applied incremental revenues to TIF projects as follows:

Project Name	Cherokee South Redevelopment - SWC 95 th Street and Antioch Road
Project Description	Redeveloped Shopping Center anchored by a Walgreens drugstore.
Approved TIF	100% of ad valorem property tax increment and 50% of incremental sales taxes
2018 Amount	\$41,986
Project Commitment	Redevelopment of shopping center.
Recapture Provisions	None.

Project Name	Valley View Redevelopment - SEC 95 th Street and Antioch Road
Project Description	Redeveloped Shopping Center anchored by a HyVee Grocery store.
Approved TIF	100% of ad valorem property tax increment and incremental sales taxes
2018 Amount	\$426,305
Project Commitment	Redevelopment of shopping center.
Recapture Provisions	None.

Project Name	InterUrban Lofts - SW Corner of 79 th Street and Conser in Downtown OP
Project Description	Mixed-Use Multi-Family Residential and Office Development
Approved TIF	100% of ad valorem property tax increment
2018 Amount	\$1,317
Project Commitment	Completion of Mixed-Use project
Recapture Provisions	None.

Project Name	Avenue 80 - SE Corner of 80 th Street and Metcalf Avenue in Downtown OP
Project Description	Mixed-Use Multi-Family Residential, Retail and Office Development
Approved TIF	100% of ad valorem property tax increment
2018 Amount	\$20,905
Project Commitment	Completion of Mixed-Use project
Recapture Provisions	None.

III. Detailed Notes on All Funds

A. Deposits

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

B. Investments

Statutes authorize the City to invest in instruments which are direct obligations of the U.S. government, temporary notes of the City, bank certificates of deposit, Kansas State Municipal Investment Pool, no-fund warrants, time certificates of deposit with savings and loan companies, commercial bank saving accounts and repurchase agreements of U.S. government securities with maturities of up to two years.

In 2002, the City was granted expanded investment powers by the State of Kansas. In addition to the options mentioned above, expanded investment powers allow the City to invest in U.S. Government Agency securities and securities of U.S. Government sponsored enterprises, as well as to extend maturities up to four years. The City is required to provide an annual report of investment results to the state as a condition of maintaining the expanded powers.

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

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

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

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

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

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

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

III. Detailed Notes on All Funds (Continued)

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

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

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City requires compliance with state statute for the collateralization of all deposits. Financial institutions are required to pledge or assign, for the City's benefit, securities with a market value equal to at least 105% of the amount of the City's total deposits. As of December 31, 2018, the City had deposits totaling \$57,510,095 with assets pledged as collateral with a fair value of \$67,806,852.

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 requires that all investment transactions be settled delivery versus payment and held in the City's name by an independent third party safekeeping agent. As of December 31, 2018, \$14,405,080 of the Overland Park Development Corporation's combined cash equivalent and investment balance of \$14,655,080 was uninsured and uncollateralized. Collateral is not maintained for the balances reported in the OPDC fund.

Interest Rate Risk

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

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

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 represents the City's pooled investment portfolio broken down into the established maturity ranges.

Investment Type	Fair Value	Maturity		Fair Value Hierarchy Level
		Less than 1 Year	1-4 Years	
Investment recorded at fair value:				
FFCB	\$ 4,111,120	\$ -	\$ 4,111,120	2
FHLB	41,559,506	20,931,746	20,627,760	2
FHLMC	32,046,738	23,823,660	8,223,078	2
FNMA	19,453,341	7,921,480	11,531,861	2
TVA	4,100,760	-	4,100,760	2
U.S. Treasury Notes	15,892,290	-	15,892,290	1
U.S. Treasury Strips	12,252	-	12,252	1
Investment recorded at costs:				
Certificates of Deposit	16,000,000	8,000,000	8,000,000	N/A
Overnight Sweep	41,277,000	41,277,000	-	N/A
Overland Park Development				
Investment recorded at fair value:				
FHLMC	4,337,972	-	4,337,972	1
FNMA	6,566,692	3,146,473	3,420,219	1
FHLB	1,485,205	1,485,205	-	2
Investment recorded at costs:				
Overnight Sweep	2,265,211	2,265,211	-	N/A
	\$ 189,108,087	\$ 108,850,775	\$ 80,257,312	

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

The following table represents the City's agency fund investments held in trust broken down into the established maturity ranges.

		Maturity		
Investment Type	Fair Value	Less than 1 Year	1-4 Years	Fair Value Hierarchy Level
Investment recorded at fair value:				
FHLB	\$ 3,659,433	\$ 1,025,646	\$ 2,633,787	2
FFCB	1,548,435	1,548,435	-	2
U.S. Treasury Notes	1,364,552	1,364,552	-	1
Investment recorded at costs:				
Overnight Sweep	836,583	836,583	-	N/A
	<u>\$ 7,409,003</u>	<u>\$ 4,775,216</u>	<u>\$ 2,633,787</u>	

Credit Risk/Concentration of Credit Risk

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

As stated above, the City's investment options are limited by state statute, which inherently reduces credit risk. However, 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. Treasury securities	100%
U.S. Agency securities	80%
Kansas Municipal Investment Pool	100%
Money Market Funds	25%

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

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
FHLB	Aaa	AA+	29.57%
FHLMC	Aaa	AA+	25.00%
FNMA	Aaa	AA+	17.88%
FFCB	Aaa	AA+	2.82%
TVA	Aaa	AA+	2.82%

Municipal Employees Pension Plan's investments with associated maturities:

Investment Type	Fair Value	Fair Value Hierarchy Level
<i>Investments recorded at fair value:</i>		
Stable Value Fund	\$ 12,749,297	1
Mutual Funds	44,110,907	1
	<u>\$ 56,860,204</u>	

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

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

Investment Type	Fair Value	Weighted Avg. Maturity (years)	Fair Value Hierarchy Level
<i>Investment recorded at fair value:</i>			
US Treasury/Agency Securities	\$ 8,519,406	6.12	1
Mutual Funds	47,711,927	N/A	1
Equities	27,655,130	N/A	1
Corporate Obligations	5,519,042	2.98	2
<i>Total Investment recorded at fair value:</i>	<u>89,405,505</u>		
<i>Investments recorded at NAV:</i>			
Real Estate Funds	<u>5,825,895</u>	N/A	
<i>Total Investments recorded at NAV:</i>	<u>5,825,895</u>		
	<u>\$ 95,231,400</u>		

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

Investment Type	Fair Value	Weighted Avg. Maturity (years)	Fair Value Hierarchy Level
<i>Investment recorded at fair value:</i>			
US Treasury/Agency Securities	\$ 3,795,031	6.12	1
Mutual Fund	20,584,319	N/A	1
Equities	12,224,704	N/A	1
Corporate Obligations	2,342,562	2.98	2
<i>Total Investment recorded at fair value:</i>	<u>38,946,616</u>		
<i>Investments recorded at NAV:</i>			
Real Estate Funds	<u>2,346,543</u>	N/A	
<i>Total Investments recorded at NAV:</i>	<u>2,346,543</u>		
	<u>\$ 41,293,159</u>		

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

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

The PDRP and OPFDRP invest in one real estate fund. This fund makes strategic property acquisition primarily in the U.S. As part of the valuation process, independent appraisers value properties on an annual basis (at a minimum). The fund is valued at NAV quarterly. The fund allows withdrawals once per quarter subject to "available cash" as determined by a pool trustee with 30 days advance written notice. As of December 31, 2018, the PDRP and OPFDRP had no unfunded commitments to the real estate fund.

C. Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

	Balance January 1, 2018	Additions	Transfers / Disposals	Balance December 31, 2018
Governmental activities				
Assets not being depreciated:				
Land	\$ 31,624,614	\$ 598,116	\$ -	\$ 32,222,730
Construction in progress	10,143,986	9,672,351	(4,883,262)	14,933,075
Total	41,768,600	10,270,467	(4,883,262)	47,155,805
Assets being depreciated				
Land improvements	40,928,671	-	-	40,928,671
Building and improvements	130,070,943	-	-	130,070,943
OPCC capital assets	4,962,621	189,688	(99,033)	5,053,276
Equipment	65,241,575	4,220,670	(6,734,887)	62,727,358
Infrastructure	1,381,519,146	30,750,566	-	1,412,269,712
Capitalized lease equipment	47,511	-	-	47,511
Total	1,622,770,467	35,160,924	(6,833,920)	1,651,097,471
Accumulated depreciation				
Land improvements	(22,459,099)	(2,183,967)	-	(24,643,066)
Building and improvements	(50,693,140)	(3,167,566)	-	(53,860,706)
OPCC capital assets	(3,794,113)	(750,219)	99,033	(4,445,299)
Equipment	(52,470,796)	(4,365,465)	6,476,727	(50,359,534)
Infrastructure	(478,151,840)	(30,869,762)	-	(509,021,602)
Capitalized lease equipment	(32,664)	(11,878)	-	(44,542)
Total	(607,601,652)	(41,348,857)	6,575,760	(642,374,749)
Total capital assets being depreciated, net	1,015,168,815	(6,187,933)	(258,160)	1,008,722,722
Governmental activities capital assets, net	\$ 1,056,937,415	\$ 4,082,534	\$ (5,141,422)	\$ 1,055,878,527

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

	Balance January 1, 2018	Additions	Transfers / Disposals	Balance December 31, 2018
Business-type activities				
Assets not being depreciated:				
Land	\$ 1,425,200	\$ -	\$ -	\$ 1,425,200
Construction in progress	118,474	-	(118,474)	-
Total	1,543,674	-	(118,474)	1,425,200
Assets being depreciated				
Land improvements	6,920,077	-	-	6,920,077
Building and improvements	67,354,667	-	-	67,354,667
Equipment	22,374,086	885,912	81,873	23,341,871
Capitalized lease equipment	532,626	-	-	532,626
Total	97,181,456	885,912	81,873	98,149,241
Accumulated depreciation				
Land improvements	(6,920,077)	-	-	(6,920,077)
Building and improvements	(25,837,099)	(1,670,704)	-	(27,507,803)
Equipment	(16,768,467)	(1,478,689)	32,675	(18,214,481)
Capitalized lease equipment	(491,444)	(32,944)	-	(524,388)
Total	(50,017,087)	(3,182,337)	32,675	(53,166,749)
Total capital assets being depreciated, net	47,164,369	(2,296,425)	114,548	44,982,492
Business-type activities capital assets, net	\$ 48,708,043	\$ (2,296,425)	\$ (3,926)	\$ 46,407,692

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

The following schedule presents 2018 Depreciation charges by function:

Governmental activities:

General government	\$ 3,943,262
OP Convention Center	750,219
Public safety	2,210,784
Public works	27,659,388
Parks and recreation	3,997,277
Planning and development services	101,825
Soccer complex	2,216,908
Public equipment	469,194
Total depreciation-governmental activities	<u>\$ 41,348,857</u>

Business type activities:

Golf course	\$ 137,368
Overland Park Development Corporation	3,044,969
Total depreciation-business type activities	<u>\$ 3,182,337</u>

D. Capital Projects Authorized

At December 31, 2018, capital projects authorizations compared to expenditures from inception are as follows:

	Project Authorizations	Project Expenditures December 31, 2018
Street improvements	\$ 243,004,000	\$ 53,012,002
Drainage improvements	36,302,000	4,927,252
Municipal building improvements	41,865,000	7,969,888
Equipment	11,372,000	2,274,124
Street lighting	1,496,500	1,380,971
Traffic signals	971,000	364,252
Parks and recreation improvements	25,124,300	10,449,049
Total	<u>\$ 360,134,800</u>	<u>\$ 80,377,538</u>

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

E. Interfund Receivables/Payables

Interfund receivable/payable balances at December 31, 2018, are as follows:

	Interfund Receivables	Interfund Payables
Major Government Funds:		
General	\$ 594,709	\$ -
Non-major Funds:		
Special Revenue:		
Special Tax Financing	-	(411,583)
Federal/State Grants	-	(57,970)
Capital Projects:		
Traffic Signals	-	(30,930)
Street Lights	-	(94,226)
Total	<u>\$ 594,709</u>	<u>\$ (594,709)</u>

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

F. Interfund Transfers

All of the significant interfund transfers in 2018 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, 2018 were as follows:

	Transfers In	Transfers Out
Major Governmental Funds:		
General	\$ 3,056,515	\$ 51,258,817
1/8th Cent Sales Tax	-	7,725,708
Stormwater Utility	497,716	4,861,957
Combined Transient Guest Tax	2,940,477	12,016,826
Street Improvements	34,401,802	1,133,053
Debt Service	15,970,478	-
	<u>56,866,988</u>	<u>76,996,361</u>
Non-major Governmental Funds:		
Special Revenue	120,016	6,551,854
Capital Projects	23,019,480	1,378,431
	<u>23,139,496</u>	<u>7,930,285</u>
Major Enterprise Funds:		
OPDC	<u>5,403,347</u>	<u>-</u>
Non-major Enterprise Funds:		
Enterprise Fund - Golf Course	-	1,251,400
Enterprise Fund - Soccer	529,915	986,700
	<u>5,933,262</u>	<u>2,238,100</u>
Internal Service Funds:		
Worker's Compensation	525,000	-
Imprest Medical Plan	700,000	-
	<u>1,225,000</u>	<u>-</u>
Total	<u>\$ 87,164,746</u>	<u>\$ 87,164,746</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

G. Long-Term Liabilities

The following is a summary of liability transactions of the City for the year ended December 31, 2018:

	Balance January 1, 2018, as Restated	Additions	Deletions	Balance December 31, 2018	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 99,380,000	\$ 23,245,000	\$ 12,950,000	\$ 109,675,000	\$ 14,095,000
Premium on bonds	9,654,664	2,966,491	1,035,054	11,586,101	-
Employee compensated absences	8,422,870	5,858,414	5,761,521	8,519,763	5,761,521
Capital lease	12,104	-	12,104	-	-
Claims payable	2,870,299	14,983,995	15,025,509	2,828,785	2,828,785
Net pension liability	40,878,954	17,572,745	-	58,451,699	-
Net OPEB liability	14,978,248	-	1,243,656	13,734,592	-
Total	<u>\$ 176,197,139</u>	<u>\$ 64,626,645</u>	<u>\$ 36,027,844</u>	<u>\$ 204,795,940</u>	<u>\$ 22,685,306</u>
Business-type activities:					
Revenue bonds - OPDC	\$ 98,930,000	\$ -	\$ 3,010,000	\$ 95,920,000	\$ 3,445,000
Premium on bonds	990,628	-	111,206	879,422	-
Employee compensated absences	95,881	77,939	69,322	104,498	69,322
Capital lease	33,573	-	33,573	-	-
Ground lease obligation	1,022,407	-	28,800	993,607	-
Subordinated asset and property management fee payable	2,647,038	238,651	1,736,592	1,149,097	-
Total	<u>\$ 103,719,527</u>	<u>\$ 316,590</u>	<u>\$ 4,989,493</u>	<u>\$ 99,046,624</u>	<u>\$ 3,514,322</u>

Compensated absences, net pension liabilities and net other postemployment benefit liabilities 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, 2018
Parks and recreation	09/10/09	09/01/10 - 09/01/19	3.25	\$ 402,220
Street improvement	09/10/09	09/01/10 - 09/01/19	3.25	1,857,780
Storm drainage	09/16/10	09/01/11 - 09/01/20	2.00-2.13	244,778
Street improvement	09/16/10	09/01/11 - 09/01/20	2.00-2.13	2,445,222
Street improvement	06/01/11	09/01/12 - 09/01/21	3.00	2,540,000
Street improvement	06/01/11	09/01/11 - 09/01/24	3.00-3.38	2,335,000
Parks and recreation	06/20/13	09/01/14 - 09/01/23	4.00	244,749
Storm drainage	06/20/13	09/01/14 - 09/01/23	4.00	12,047
Street lights	06/20/13	09/01/14 - 09/01/23	4.00	807,673
Street improvement	06/20/13	09/01/14 - 09/01/23	4.00	2,135,531
Public building	06/20/13	09/01/13 - 09/01/23	4.00	552,267
Storm drainage	06/20/13	09/01/13 - 09/01/23	4.00	33,570
Street improvement	06/20/13	09/01/13 - 09/01/23	4.00	1,744,163
Parks and recreation	06/20/13	09/01/13 - 09/01/25	2.50-4.00	6,654,321
Street improvement	06/20/13	09/01/13 - 09/01/25	2.50-4.00	2,710,679
Street improvement	10/14/15	09/01/16 - 09/01/35	3.00-3.50	5,949,580
Public building	10/14/15	09/01/16 - 09/01/35	3.00-3.50	465,330
Parks and recreation	10/14/15	09/01/16 - 09/01/35	3.00-3.50	1,130,090
Public building	10/14/15	09/01/16 - 09/01/35	3.00-3.50	4,535,000
Public building	10/14/15	09/01/16 - 09/01/19	5.00	595,000
Street improvement	10/14/15	09/01/16 - 09/01/27	2.00-4.00	751,638
Parks and recreation	10/14/15	09/01/16 - 09/01/27	2.00-4.00	15,448,362
Public building	09/14/16	09/01/17 - 09/01/30	2.50-5.00	28,910,000
Parks and recreation	10/11/17	09/01/20 - 09/01/29	3.00-4.00	2,766,931
Street improvement	10/11/17	09/01/20 - 09/01/29	3.00-4.00	1,158,069
Parks and recreation	12/05/18	09/01/19 - 09/01/38	5.00	2,922,917
Storm drainage	12/05/18	09/01/19 - 09/01/38	5.00	233,833
Street improvement	12/05/18	09/01/19 - 09/01/38	5.00	4,505,309
Parks and recreation	12/05/18	09/01/19 - 09/01/38	5.00	3,980,522
Public building	12/05/18	09/01/19 - 09/01/38	5.00	11,602,419
Total General Obligation Bonds				\$ 109,675,000

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, 2018, including interest payments, are as follows:

Year ending December 31	<u>Government Activities</u>		Total Primary Government Debt Service
	General Obligation Bonds Principal	Interest	
2019	\$ 14,095,000	\$ 3,932,635	\$ 18,027,635
2020	12,145,000	3,725,461	15,870,461
2021	10,870,000	3,274,580	14,144,580
2022	10,085,000	2,866,680	12,951,680
2023	10,050,000	2,461,780	12,511,780
2024-2028	36,285,000	6,929,825	43,214,825
2029-2033	11,655,000	2,067,463	13,722,463
2034-2038	4,490,000	621,075	5,111,075
	<u>\$ 109,675,000</u>	<u>\$ 25,879,499</u>	<u>\$ 135,554,499</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, 2018, the statutory limit for the City was \$1,195,324,624 providing a debt margin of \$1,085,649,624.

III. Detailed Notes on All Funds (Continued)

Overland Park Development Corporation - Revenue Bonds:

In January 2001, the Overland Park Development Corporation (OPDC or Corporation) 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 its transient guest tax revenue to help pay the debt service on the revenue Bonds. No other funds of the City are committed by this support agreement. The 2001 Bonds were refunded and replaced by the 2007A and 2007B Revenue Bonds.

The Series 2007A and 2007B revenue bonds are special, limited obligations of the Corporation secured by (1) net operating revenues of the Hotel, (2) the ground lease, (3) a mortgage on the Corporation's leasehold interest in the Hotel, granted by the Corporation in favor of the bond trustee, (4) the fee mortgage on the City's fee interest in the Hotel site granted by the City in favor of the bond trustee, (5) a portion of the City's transient guest tax revenues and (6) monies held by the bond trustee in certain funds and accounts under the revenue bond indenture. In addition, monies for payment of debt service on the Series 2007A and 2007B revenue bonds may also be derived under certain circumstances from annual appropriation payments by the City to the bond trustee and from amounts on reserve pursuant to a debt service support agreement.

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

Pursuant to the debt service support agreement, the City has agreed to make a specified portion of its annual revenues from its transient guest tax available for the payment of debt service subject to annual appropriation. The bonds are payable through 2032. The hotel net revenues and the Transient Guest Tax are projected to range from \$12 million to \$25 million annually. Total principal and interest remaining to be paid on the bonds is \$137,534,195 as of December 31, 2018. Principal and interest paid for the current year and total hotel operating income were \$8,034,281 and \$2,357,184, respectively.

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

The annual requirements to amortize the revenue bonds at December 31, 2018, including interest payments, are as follows:

Years Ending December 31,	Principal	Interest	Total
2019	\$ 3,445,000	\$ 4,858,872	\$ 8,303,872
2020	3,885,000	4,671,041	8,556,041
2021	4,320,000	4,460,788	8,780,788
2022	4,700,000	4,229,650	8,929,650
2023	5,180,000	3,975,463	9,155,463
2024-2028	34,390,000	15,081,094	49,471,094
2029-2032	40,000,000	4,337,287	44,337,287
Total	<u>\$ 95,920,000</u>	<u>\$ 41,614,195</u>	<u>\$ 137,534,195</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, 2018; however, per the trust indenture, dated November 15, 2007, Section 6.10(c), failure to meet this requirement shall not constitute an event of default and does not activate a call provision. The Series 2007A and 2007B Bonds require a reserve equal to the lessor of: (1) 10 percent of the bonds, (2) the maximum annual principal and interest requirements or (3) 125 percent of the average annual principal and interest requirements. The total reserves for these bonds as of December 31, 2018 is \$10,958,336.

City of Overland Park, Kansas

Notes to Basic Financial Statements

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 \$1,665,802 were owed to Starwood/Sheraton for the year ended December 31, 2018. 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 \$254,276 were owed to OPHC, LLC, a related party, for the year ended December 31, 2018. Two-thirds (2/3) of the base asset management fees is unsubordinated and one-third (1/3) is subordinated for the 15-year term of the agreement. Subordinated amounts owed OPHC, LLC are non-interest bearing obligations to be repaid only after certain other obligations have been repaid according to the terms of the revenue bond indenture.

Special Obligation Debt

The City has issued long-term debt instruments to finance economic development activities within certain eligible taxing districts, including Community Improvement Districts (CID) and Transportation Development Districts (TDD). These debt obligations include sales tax revenue bonds, special assessment bonds and sales tax special obligation revenue bonds (STAR bonds) and are to be repaid from additional sales tax or special assessments levied within the districts.

Neither the City nor any political subdivision thereof is obligated in any manner for the repayment of these bonds. Accordingly, the activities related to the collection and distribution of these tax revenues are reported in an agency fund and special obligation bonds are not included in City's balance sheet. Amounts of such special obligation debt outstanding as of December 31, 2018 are summarized in the following table:

	Sales tax bonds	Special Assessment Bonds	STAR Bonds	Total
Series 2012 Prairiefire Star	\$ -	\$ -	\$ 64,860,000	\$ 64,860,000
Series 2012A Prairiefire CID	3,600,000	-	-	3,600,000
Series 2012B Prairiefire CID	10,515,000	-	-	10,515,000
Series 2014 Quivira 95 CID	1,655,975	-	-	1,655,975
Series 2014 City Place CID	-	5,410,000	-	5,410,000
Series 2010 Oak Park Mall TDD	9,385,000	-	-	9,385,000
	<u>\$ 25,155,975</u>	<u>\$ 5,410,000</u>	<u>\$ 64,860,000</u>	<u>\$ 95,425,975</u>

III. Detailed Notes on All Funds (Continued)

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 repayment of the bonds. Accordingly, the bonds are not reported as a liability in the accompanying financial statements.

As of December 31, 2018, there were 15 issues of industrial revenue bonds outstanding with an aggregate original issue amount totaling \$292,338,942 and an aggregate principal balance outstanding of \$257,548,795.

IV. Other Information

A. Self-Insurance Program

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

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

IV. Other Information (Continued)

In March 1987, the City established a self-insurance program to account for statutory workers' compensation benefits. The workers' compensation plan covers all City employees. Premiums are paid into the Workers' Compensation Fund, an internal service fund. The premiums are available to pay claims, claim reserves and administrative costs of the program. Under this program, the Workers' Compensation Fund provides coverage of \$400,000 per accident (Fire & Police Personnel) and \$350,000 per accident (all other) not to exceed a one-year aggregate stop-loss of \$1,846,370 for accidents occurring during calendar year 2018. 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 health care benefits in the Medical Imprest Plan fund, an internal service fund.

The General fund and the Special Alcohol Control fund, a special revenue fund, participate in the self-insurance program and make payments to the Special Liability Defense, Risk Management Reserve, (both sub-funds of the General fund) Workers' Compensation, and Medical Imprest Plan funds based on actuarial estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophic losses. The net position of the Workers' Compensation and Medical Imprest Plan Internal Service Funds were \$1,156,610 and \$3,304,082 respectively, as of December 31, 2018. Liabilities in the Special Liability Defense Fund, Risk Management Reserve Fund, Workers' Compensation Fund and Medical Imprest Plan Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities of these funds include an amount for claims that have been incurred but not reported. Claim liabilities are determined by the City's Risk Manager and the City's Law Department based on estimates of the ultimate cost of claims including inflation factors and historical trend data and all claims balances are considered to be current. The liability recorded in accounts payable in the General Fund for the Special Liability Defense and Risk Management sub-funds was \$355,710 as of December 31, 2018, based on claims considered matured and represent claims against current financial resources.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Changes in the City's estimated liability for incurred but unreported claims in its Special Liability Defense fund, Risk Management Reserve fund, Workers' Compensation fund and Medical Imprest Plan fund for fiscal years 2017 and 2018 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, 2017:				
Special Liability Defense	\$ 234,000	\$ 286,133	\$ (189,163)	\$ 330,970
Risk Management	50,350	(2,239)	(36,931)	11,180
Worker's Compensation	1,006,800	1,049,285	(827,936)	1,228,149
Medical Imprest	945,000	14,228,372	(13,873,372)	1,300,000
Total	<u>\$ 2,236,150</u>	<u>\$ 15,561,551</u>	<u>\$ (14,927,402)</u>	<u>\$ 2,870,299</u>
January 1 to December 31, 2018:				
Special Liability Defense	\$ 330,970	\$ 170,481	\$ (182,041)	\$ 319,410
Risk Management	11,180	379,152	(354,032)	36,300
Worker's Compensation	1,228,149	744,128	(641,201)	1,331,076
Medical Imprest	1,300,000	13,813,407	(13,971,407)	1,142,000
Total	<u>\$ 2,870,299</u>	<u>\$ 15,107,168</u>	<u>\$ (15,148,681)</u>	<u>\$ 2,828,786</u>

B. Contingent Liabilities

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

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Other Information (Continued)

C. Retirement Plans

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

	<u>KPERS</u>	<u>PDRP</u>	<u>OPFDRP</u>	<u>TOTAL</u>
Net Pension Liability	\$ 39,438,731	\$ 11,013,943	\$ 7,999,025	\$ 58,451,699
Deferred Outflows of Resources	11,902,662	7,860,753	3,363,732	23,127,147
Deferred Inflows of Resources	1,189,285	-	79,419	1,268,704
Pension Expense	6,212,818	4,645,888	1,905,307	12,764,013

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, 2018, there were 510 plan members. Plan members are not required to contribute to the plan, but may elect to contribute up to 10 percent of their post-tax annual compensation. The City is required to contribute 10% of annual covered payroll for Tier 1 participants and 4% of annual covered payroll for Tier 2 participants. Actual member and City contributions were \$69,791 and \$2,024,419 respectively, for the year ended December 31, 2018. 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. No separate publicly available report is prepared for the MEPP. Forfeitures by employees who leave employment before ten years of service are used to reduce City contributions. There were no forfeitures used to pay administrative expenses or to reduce City contributions during the fiscal year ending December 31, 2018. There were no employer liabilities outstanding as of December 31, 2018.

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, 2018

Assets	
Cash and cash equivalents	\$ 1,000.00
Investments in mutual funds	56,860,204
Total assets	<u>56,861,204</u>
Net Position	
Held in trust for pension benefits	<u>\$ 56,861,204.13</u>

City of Overland Park
Municipal Employees Pension Plan
Statement of Changes in Plan Net Position
Year Ended December 31, 2018

Additions	
Contributions	
Employer	\$ 2,024,419
Plan members	69,791
Total contributions	<u>2,094,210</u>
Net decrease in fair value of investments	(4,637,310)
Dividends	2,048,139
Total investment earnings	<u>(2,589,171)</u>
Total additions	<u>(494,961)</u>
Deductions	
Benefits	5,016,799
Total deductions	<u>5,016,799</u>
Change in net position	<u>(5,511,760)</u>
Net position-beginning of the year	62,372,964
Net position-end of the year	<u>\$ 56,861,204</u>

IV. Other Information (Continued)

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

Type	Percent of Total
ICMA Plus	22.42%
Baird Core Plus Bond Inst	8.62%
Vanguard 500 Index Signal	7.73%
Fidelity Growth Company	6.64%

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

The plan has only one fixed income investment, the Baird Core Plus Bond Mutual Fund which invests solely in bonds. Mutual funds are not subject to interest rate risk given they have no maturity dates. The average maturity length of bonds within the Baird Core Plus Bond Mutual Fund is 7.82 years. The investment is not rated by Moody's or S&P.

Kansas Public Employees Retirement System (Defined Benefit Pension Plan)

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

- Public employees, which include:
 - State/School employees
 - Local employees
- Police and Firemen
- Judges

IV. Other Information (Continued)

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

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

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

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

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

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

IV. Other Information (Continued)

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

The actuarially determined employer contribution rates and the statutory contribution rates for City employees (not including the 1.00% contribution rate for the Death and Disability Program) are 8.39%. For Police and Firemen, these rates are 20.09%. Member contribution rates as a percentage of eligible compensation for the year ended December 31, 2018 are 6.00% for City employees and 7.15% for Police and Firemen.

Contributions to the pension plan from the City were \$2,797,202 for KPERS and \$1,910,186 for KP&F for the year ended December 31, 2018.

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

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

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

The allocation percentages for the City's share of the collective pension amounts as of June 30, 2018 were based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the years ended June 30, 2018. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2018, the City's Local Government proportion was 1.630066%, which was an decrease of 0.024545% from its proportion measured at June 30, 2017. At June 30, 2018, the City's Police and Firemen proportion was 1.737581%, which was an increase of 0.231125% from its proportion measured at June 30, 2017.

IV. Other Information (Continued)

Net Pension Liability: At December 31, 2018, the City reported a liability of \$22,719,697 for its proportionate share of the Local Government collective net pension liability and \$16,719,034 for its proportionate share of the Police & Firemen collective net pension liability, for a total net pension liability of \$39,438,731.

Actuarial Assumptions: The collective net pension liability was measured by KPERS as of June 30, 2018, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018, using the following actuarial assumptions:

Actuarial cost method	Entry age normal
Price inflation	2.75 percent
Wage inflation	3.50 percent
Salary increases, including wage increases	3.50 to 12.00 percent, including price inflation
Long-term rate of return, net of investment expense, and including price inflation	7.75 percent

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013, through December 31, 2015. The experience study is dated November 18, 2016.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Asset Class	Long-Term Target Allocation		Long-Term Expected Real Rate of Return	
Global equity	47.00	%	6.85	%
Fixed income	13.00		1.25	
Yield driven	8.00		6.55	
Real return	11.00		1.71	
Real estate	11.00		5.05	
Alternatives	8.00		9.85	
Short-term investments	2.00		(0.25)	
Total:	<u>100.0</u>	%		

Discount Rate: The discount rate used by KPERS to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS' Board of Trustees for this group may not increase by more than the statutory cap. The statutory cap for the State fiscal year 2018 was 1.2%. The Local employers are currently contributing the full actuarial contribution rate. Employers contribute the full actuarial determined rate for KP&F. The expected employer actuarial contribution rate was modeled for future years for these groups, assuming all actuarial assumptions are met in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease 6.75%	Discount Rate 7.75%	1% Increase 8.75%
Local Government	\$ 33,321,750	\$ 22,719,697	\$ 13,760,005
Police & Fireman	23,827,947	16,719,034	10,767,306
Total	<u>\$ 57,149,697</u>	<u>\$ 39,438,731</u>	<u>\$ 24,527,311</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended December 31, 2018, the City recognized pension expense of \$6,212,818, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. There were no employer liabilities to KPERS outstanding as of December 31, 2018.

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to Local Government pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected plan experience	\$ 82,028	\$ 643,775
Net differences between projected and actual earnings on pension plan investments	531,485	-
Changes of assumptions	983,859	109,410
Changes in proportion	657,953	312,711
Contributions made subsequent to the measurement date*	1,409,865	-
Total	\$ 3,665,190	\$ 1,065,896

At December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to Police & Firemen pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected plan experience	\$ 1,021,580	\$ 77,244
Net differences between projected and actual earnings on pension plan investments	435,114	-
Changes of assumptions	880,413	46,145
Changes in proportion	4,921,339	-
Contributions made subsequent to the measurement date*	979,026	-
Total	\$ 8,237,472	\$ 123,389

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

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

Year ended December 31:	Local Government	Police & Firemen
2018	\$ 948,537	\$ 2,944,460
2019	541,868	2,234,766
2020	(256,798)	1,131,750
2021	(24,187)	717,243
2022	(19,991)	106,838
Total	<u>\$ 1,189,429</u>	<u>\$ 7,135,057</u>

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

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

City of Overland Park
Overland Park Police Department Retirement Plan
Statement of Plan Net Position
December 31, 2018

Assets	
Cash and cash equivalents	\$ 2,293,960
Investment in real estate investment trust	5,825,895
Investment in Mutual Funds	47,711,927
Investments in corporate bonds	5,519,042
Investments in US Treasury and government agencies	8,519,406
Investment in equities	27,655,130
Total assets	<u>97,525,360</u>
Net Position	
Held in trust for pension benefits	<u>\$ 97,525,360</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

City of Overland Park
Overland Park Police Department Retirement Plan
Statement of Changes in Plan Net Position
Year Ended December 31, 2018

Additions	
Contributions, employer	\$ 1,426,376
Investment earnings:	
Net increase (decrease) in fair value of investments	(8,849,805)
Dividends and Interest	2,912,674
Total investment earnings	(5,937,131)
Total additions	(4,510,755)
Deductions	
Benefits	4,566,516
Administrative expenses	322,559
Total deductions	4,889,075
Change in net position	(9,399,830)
Net position-beginning of the year	106,925,190
Net position-end of the year	\$ 97,525,360

Plan Description: The PDRP is a single-employer defined benefit pension plan administered by the City 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 in the accompanying basic financial statements as a pension trust fund, a fiduciary fund type. No separate publicly available report is prepared for the PDRP.

Membership Data:

Membership in the PDRP comprised the following at December 31, 2018:

Active employees	143
Vested terminated employees	110
Retired participants and beneficiaries	51
	<u>304</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

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

Contributions: In 2018, employees did not make contributions to the PDRP. The City contributions, authorized by the City Council, for fiscal year 2018 were \$1,426,376. This contribution was made in accordance with contribution requirements determined by an actuarial valuation of the PDRP at January 1, 2018. 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.

Investments: The pension trust fund established to account for the Police Department Retirement Plan is authorized to invest in every kind of investment which "a prudent person" would use for his own investments. The only limitation is that the total amount of common stock investments cannot exceed 50 percent of the total book value of all the pension fund investments. Currently, the City uses eight money managers and a mutual fund to invest the assets of the plan. All but three of the money managers invest the assets in stocks. One money manager invests at least 80% of its assets in bonds of governments, government related entities and government agencies globally. Another money manager invests in fixed income securities including treasuries, agencies and agency guaranteed mortgage pass through investments. Another money manager invests in a real estate trust fund. Pertinent information related to this investment is presented below. The investments of the OPDRP were not exposed to custodial credit risk.

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

Type	Percent of Total
Templeton Global Total Return Bond Fund	15.08%
Vanguard Russell 1000 Growth Index	13.77%
American Century Emerging Markets	10.21%
American Euro Pacific Growth Fund	9.93%
Bailard Real Estate Investment Trust	5.95%

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Pension Liability.

Total pension liability	\$ 108,539,303
Fiduciary net position	97,525,360
Net pension liability	11,013,943
Fiduciary net position as a % of total pension liability	89.85%
Covered payroll	11,348,304
Net pension liability as a % of covered payroll	97.05%

The total pension liability was determined by an actuarial valuation as of the measurement date, December 31, 2018, calculated based on the discount rate and actuarial assumptions below.

Discount rate	7.00%
Long-term expected rate of return, net of investment expense	7.00%
Municipal bond rate	N/A

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

Actuarial Assumptions.

Valuation date	December 31, 2018
Measurement date	December 31, 2018
Inflation	2.30%
Salary increases including inflation	4.00%
Mortality	RP-2014 Employees and Healthy Annuitant with generational projection per Scale MP-2017
Actuarial cost method	Entry Age Normal

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2013 through January 1, 2018, dated March 22, 2018.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

The components of net pension liability at December 31, 2018 were as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Changes in Net Pension Liability			
Balance as of December 31, 2017	\$ 103,497,295	\$ 106,925,190	\$ (3,427,895)
Changes for the year:			
Service cost	1,025,326	-	1,025,326
Interest on total pension liability	7,159,459	-	7,159,459
Effect of economic/demographic gains or losses	1,423,739	-	1,423,739
Benefit payments	(4,566,516)	(4,566,516)	-
Employer contributions	-	1,426,376	(1,426,376)
Net investment income	-	(6,259,690)	6,259,690
Balance as of December 31, 2018	\$ 108,539,303	\$ 97,525,360	\$ 11,013,943

Long-term expected Rate of Return: The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2018.

Asset Class	Target Allocation	Long Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Core Fixed Income	30.00%	2.06%	1.93%
US Equity Market	35.00%	4.59%	3.32%
Small Cap US Equities	10.00%	5.53%	3.62%
Non-US Equity	10.00%	5.78%	4.11%
Emerging Market Equities	10.00%	7.82%	4.59%
US Real Estate (REITS)	5.00%	5.04%	3.27%

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

For the year ended December 31, 2018, the annual money weighted rate of return on plan investments, net of pension plan investment expense was -5.96%. The money weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total Pension Liability	\$ 119,263,606	\$ 108,539,303	\$ 99,528,391
Fiduciary Net Position	97,525,360	97,525,360	97,525,360
Net Pension Liability	\$ 21,738,246	\$ 11,013,943	\$ 2,003,031

Pension Expense, Deferred Inflows and Outflows of Resources Related to Pension: For the year ended December 31, 2018, the City recognized pension expense of \$4,645,888 for the police pension plan. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 929,545	\$ -
Changes of assumptions	189,096	-
Net difference between projected and actual earnings	6,742,112	-
Total	\$ 7,860,753	\$ -

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

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

Year Ended December 31:

2019	\$	3,251,505
2020		764,282
2021		1,117,683
2022		2,727,283
	\$	<u>7,860,753</u>

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

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

City of Overland Park
Overland Park Fire Department Retirement Plan
Statement of Plan Net Position
December 31, 2018

Assets

Cash and cash equivalents	\$	889,480
Investment in mutual funds		20,584,319
Investment in equities		12,224,704
Investment in US Treasury and government agencies		3,795,031
Investment in real estate investment trust		2,346,543
Investment in corporate bonds		<u>2,342,562</u>

Total assets		<u>42,182,639</u>
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Net Position

Held in trust for pension benefits	\$	<u>42,182,639</u>
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City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

City of Overland Park
Overland Park Fire Department Retirement Plan
Statement of Changes in Plan Net Position
Year Ended December 31, 2018

Additions	
Contributions, employer	\$ 1,588,720
Investment earnings:	
Net increase (decrease) in fair value of investments	(3,819,173)
Dividends and Interest	1,230,321
Total investment earnings	(2,588,852)
Total additions	(1,000,132)
Deductions	
Benefits	949,456
Administrative expenses	148,728
Total deductions	1,098,184
Change in net position	(2,098,316)
Net position-beginning of the year	44,280,955
Net position-end of the year	\$ 42,182,639

Plan Description. The OPFDRP is a single-employer defined benefit pension plan administered by the City 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 in the accompanying basic financial statements as a pension trust fund, a fiduciary fund type. No separate publicly available report is prepared for the OPFDRP.

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

IV. Other Information (Continued)

Membership Data:

Membership in the OPFDRP was comprised of the following at December 31, 2018:

Active employees	101
Vested terminated employees	37
Retired participants and beneficiaries	45
	<u>183</u>

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

Contributions: In 2018, 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, 2018 were \$1,588,720. The City's contribution was for normal cost plus interest.

Investments: The pension trust fund established to account for the Fire Department Retirement Plan is authorized to invest in every kind of investment which "a prudent person" would use for his own investments. The only limitation is that the total amount of common stock investments cannot exceed 50 percent of the total book value of all the pension fund investments. Currently, the City uses eight money managers and a mutual fund to invest the assets of the plan. All but three of the money managers invest the assets in stocks. One money manager invests at least 80% of its assets in bonds of governments, government related entities and government agencies globally. Another money manager invests in fixed income securities including treasuries, agencies and agency guaranteed mortgage pass through investments. Another money manager invests in a real estate trust fund. Pertinent information related to this investment is presented below. The investments of the OPFDRP were not exposed to custodial credit risk.

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

Type	Percent of Total
Templeton Global Total Return Bond Fund	15.15%
Vanguard Russell 1000 Growth Index	13.69%
American Century Emerging Markets	10.15%
American Euro Pacific Growth Fund	9.87%
Bailard Real Estate Investment Trust	5.54%

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Pension Liability.

Total pension liability	\$ 50,181,664
Fiduciary net position	42,182,639
Net pension liability	<u>7,999,025</u>
Fiduciary net position as a % of total pension liability	84.06%
Covered payroll	8,633,976
Net pension liability as a % of covered payroll	92.65%

The total pension liability was determined by an actuarial valuation as of the measurement date, December 31, 2018, calculated based on the discount rate and actuarial assumptions below.

Discount rate	7.00%
Long-term expected rate of return, net of investment expense	7.00%
Municipal bond rate	N/A

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

Actuarial Assumptions.

Valuation date	December 31, 2018
Measurement date	December 31, 2018
Inflation	2.30%
Salary increases including inflation	4.00%
Mortality	RP-2014 Employees and Healthy Annuitants with generational projection per Scale MP-2017
Actuarial cost method	Entry Age Normal

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2013 through January 1, 2018, dated March 22, 2018..

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

The components of net pension liability at December 31, 2018 were as follows:

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Changes in Net Pension Liability			
Balance as of December 31, 2017	\$ 47,066,206	\$ 44,280,955	\$ 2,785,251
Changes for the year:			
Service cost	791,627	-	791,627
Interest on total pension liability	3,317,379	-	3,317,379
Effect of economic/demographic gains or losses	(44,092)	-	(44,092)
Benefit payments	(949,456)	(949,456)	-
Employer contributions	-	1,588,720	(1,588,720)
Net investment income	-	(2,737,580)	2,737,580
Balance as of December 31, 2018	\$ 50,181,664	\$ 42,182,639	\$ 7,999,025

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Long-Term Expected Rate of Return: The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2018.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Core Fixed Income	30.00%	2.13%	2.02%
US Equity Market	35.00%	4.97%	3.81%
Small Cap US Equities	10.00%	5.89%	4.11%
Non-US Equity	10.00%	6.38%	4.84%
Emerging Market Equities	10.00%	8.14%	5.33%
US Real Estate (REITS)	5.00%	5.40%	3.76%

For the year ended December 31, 2018, the annual money weighted rate of return on plan investments, net of pension plan investment expense was -6.15%. The money weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total Pension Liability	\$ 56,309,782	\$ 50,181,664	\$ 45,067,889
Fiduciary Net Position	42,182,639	42,182,639	42,182,639
Net Pension Liability	\$ 14,127,143	\$ 7,999,025	\$ 2,885,250

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Pension Expense and Deferred Inflows and Outflows of Resources Related to Pension: For the year ended December 31, 2018, the City recognized pension expense of \$1,905,307 for the fire pension plan. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 36,271	\$ 79,419
Changes of assumptions	406,267	-
Net difference between projected and actual earnings	2,921,194	-
Total	<u>\$ 3,363,732</u>	<u>\$ 79,419</u>

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

Year Ended December 31:

2019	\$ 1,065,018
2020	532,821
2021	514,627
2022	1,171,847
	<u>\$ 3,284,313</u>

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

D. Convention Center Information

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Summary financial information for the Convention Center's operations as of and for the years ended December 31, 2018 and 2017 is presented below:

Condensed Balance Sheets as of December 31,		
	2018	2017
Assets		
Current assets	\$ 2,234,422	\$ 671,906
Non Current assets		
Audiovisual equipment	249,771	249,771
Less accumulated depreciation	(196,141)	(173,389)
	53,630	76,382
Liabilities		
Current liabilities	1,591,039	757,399
Unearned revenue	1,149,098	1,442,905
Total Liabilities	2,740,137	2,200,304
Net Position	\$ (452,085)	\$ (1,452,016)

Condensed Statement of Revenue, Expenses and Changes in Net Position For the Years Ended December 31,		
	2018	2017
Operating revenue	\$ 12,141,898	\$ 11,852,201
Operating expense	11,618,957	11,094,246
Operating Income	522,941	757,955
 Owner's net cash received (paid)	 476,990	 (790,778)
 Change in net position	 999,931	 (32,823)
 Net Position - beginning of the year	 (1,452,016)	 (1,419,193)
Net Position - end of the year	\$ (452,085)	\$ (1,452,016)

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

E. Postemployment Benefits

The City sponsors a single employer defined benefit other postemployment benefit (OPEB) plan and participates in the KPERS OPEB plan. As of December 31, 2018, amounts related to the two plans are summarized as follows:

	City OPEB Plan	KPERS D&D Plan	Total
Total OPEB liability	\$ 20,484,844	\$ 1,403,439	\$ 21,888,283
Fiduciary net position	8,153,691	-	8,153,691
Net OPEB liability	12,331,153	1,403,439	13,734,592
Deferred outflows of resources	431,115	134,755	565,870
Deferred inflows of resources	1,005,058	413,771	1,418,829
OPEB expense	1,395,612	127,718	1,523,330

Prior period adjustment: As a result of the adoption of GASB Statement No. 75, the City recorded a \$1,739,910 increase to the total OPEB liability, a \$78,640 increase to deferred outflows of resources and a corresponding \$1,660,270 decrease to net position as of January 1, 2018 for the KPERS Death & Disability Plan. The City early implemented GASB Statement No. 75 for the year ended December 31, 2017. Thus there was no prior period adjustment in 2018 related to the City's OPEB Plan.

	Governmental Activities
Net position December 31, 2017, as previously reported	\$ 1,029,150,078
Prior period adjustment	(1,660,270)
Net position December 31, 2017, as restated	<u>\$ 1,027,489,808</u>

KPERS Postemployment Benefit Plan (OPEB)

Plan Description: The City participates in an agent multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-4927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Benefits: Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive

IV. Other Information (Continued)

credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Covered Employees: As of December 31, 2018, the following employees were covered by the benefit terms:

Active members	480
Disabled members	6
Total	<u>486</u>

Total KPERS OPEB Liability: The City's total KPERS OPEB liability of \$1,403,439 reported as of December 31, 2018 was measured as of June 30, 2018 (the measurement date), and was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018, using the following actuarial assumptions:

Price inflation	2.75%
Payroll growth	3.00%
Salary increases, including wage increases	3.50 to 10.00 percent, including price inflation
Discount rate	3.87%(based on the Bond Buyer General Obligation 20-Year Municipal Bond Index as of the measurement date)

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Mortality rates used for the death benefits were based on the RP-2014 Mortality tables, as appropriate, with adjustment for mortality improvements based on scale MP-2018.

The long-term disability incidence and claim termination rate assumptions that determined total OPEB liability as of June 30, 2018 were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2016.

Changes in Total KPERS OPEB Liability:

Balance at December 31, 2017	\$1,738,910
Changes for the year:	
Service cost	111,678
Interest on total OPEB liability	64,394
Effect of economic/demographic gains or losses	(388,657)
Effect of assumptions changes or inputs	(18,211)
Benefit payments	(104,675)
Balance at December 31, 2018	<u>\$1,403,439</u>

Changes of assumptions: Changes of assumptions and other inputs reflects the effects of changes in the discount rate each period. The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.

Sensitivity Analysis: The following presents the City's total KPERS OPEB liability calculated using the discount rate of 3.87%, as well as what the City's total KPERS OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Discount rate (3.87%)	1% Increase (4.87%)
KPERS OPEB liability	\$1,466,267	\$1,403,439	\$1,342,467

KPERS OPEB Expense and Deferred Outflows and Inflows of Resources related to OPEB: For the year ended December 31, 2018, the City recognized KPERS OPEB expense of \$127,718, which includes the changes in the total KPERS OPEB liability, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. At December 31, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 348,548
Changes of assumptions	-	65,223
Benefit payments subsequent to the measurement date	134,755	-
Total	<u>\$ 134,755</u>	<u>\$ 413,771</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

The \$134,755 in benefit payments made subsequent to the measurement date will be recognized as a reduction in the total OPEB liability for the year ended December 31, 2019. The remaining amounts currently reported as deferred outflows of resources and deferred inflows of resources related to KPERS OPEB will be recognized in KPERS OPEB expense as follows:

Year ended December 31:	
2019	\$ (48,354)
2020	(48,354)
2021	(48,354)
2022	(48,354)
2023	(48,354)
Thereafter	(172,001)
Total	<u>\$ (413,771)</u>

City of Overland Park Postemployment Benefit Plan (OPEB)

Plan Description: 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.

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

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

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

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

Membership in the OPEB was comprised of the following at December 31, 2018:

Active employees	825
Retired participants	162
Retired participants spouse medical	<u>22</u>
Total	<u>1,009</u>

The City periodically makes contributions to the OPEB but is under no obligation to determine that the amounts received comply with the provisions of this trust fund or that this trust fund is adequate to provide the benefits stipulated in the trust fund. The City has paid all the OPEB related plan benefits outside the OPEB Trust funds since the establishment of this trust fund in 2007. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually. For the year ended December 31, 2018, the City contributed \$2,012,523.

Total OPEB liability	\$	20,484,844
Fiduciary net position		<u>8,153,691</u>
Net OPEB liability		12,331,153
Fiduciary net position as a % of total OPEB liability		39.80%
Covered employee payroll		64,349,650
Net OPEB liability as a % of covered employee payroll		19.16%

The net OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Valuation date	December 31, 2018
Measurement date	December 31, 2018
Inflation	2.30%
Salary increases including inflation	4.00%
Mortality	RP-2014 Mortality for Employees and Healthy Annuitants with generational projection per Scale MP 2017
Discount rate	5.93%
Health care cost trend rates	6.5% for 2018, gradually decreasing to an ultimate rate of 4.0% for 2084 and beyond
Actuarial cost method	Entry age normal

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Changes in Net OPEB Liability			
Balance as of December 31, 2017	\$ 20,750,749	\$ 7,511,411	\$ 13,239,338
Changes for the year:			
Service cost	829,264	-	829,264
Interest on total OPEB liability	1,122,003	-	1,122,003
Effect of assumptions changes or inputs	(1,144,649)	-	(1,144,649)
Benefit payments	(1,072,523)	-	(1,072,523)
Employer contributions	-	940,000	(940,000)
Net investment income	-	(297,720)	297,720
Balance as of December 31, 2018	\$ 20,484,844	\$ 8,153,691	\$ 12,331,153

Long-term expected rate of return: The best estimate range for the long-term expected rate of return is determined by adding expected inflation to the expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions below are per Milliman's investment consulting practice as of December 31, 2018, and result in actuarial assumption of long-term expected rate of return of 6.0%.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Core Fixed Income	30%	2.13%	2.02%
Large Cap US Equities	70%	4.70%	3.62%

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Discount rate: The discount rate used to measure the total OPEB liability was 5.93%. The projection of cash flows used to determine the discount rate assumed that employer contributions to the Trust have been limited to the average contributions made over the past 5 years. It also assumed that the City will continue to pay plan benefits outside of the OPEB Trust and that benefit payments are projected based on the actuarial assumptions used in the calculation of the total OPEB liability and the current plan provisions. Based on these assumptions and methods, the projection indicates that the Trust's fiduciary net position is projected to be depleted in 2057 and, as a result, the municipal bond index rate is used in the determination of the discount rate. The long-term rate of return of 6.0% on OPEB plan investments was applied to periods through 2057 and the municipal bond index rate, the Bond Buyer 20-Bond GO Index as of December 31, 2018, was applied to periods on and after 2058 to develop the discount rate. For the December 31, 2018 measurement date, the municipal bond index rate was 4.10%, resulting in a discount rate of 5.93%.

For the year ended December 31, 2018, the annual money-weighted rate of return on plan investments, net of OPEB plan investment expense was -3.76%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Sensitivity Analysis: The following presents the net OPEB liability of the City, calculated using the discount rate of 5.93%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.93%) or 1 percent higher (6.93%) than the current rate.

	1% Decrease 4.93%	Current Discount Rate 5.93%	1% Increase 6.93%
Total OPEB liability	\$ 22,439,673	\$ 20,484,844	\$ 18,750,616
Fiduciary net position	8,153,691	8,153,691	8,153,691
Net OPEB liability	<u>\$ 14,285,982</u>	<u>\$ 12,331,153</u>	<u>\$ 10,596,925</u>

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

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 18,300,425	\$ 20,484,844	\$ 23,055,987
Fiduciary net position	8,153,691	8,153,691	8,153,691
Net OPEB liability	<u>\$ 10,146,734</u>	<u>\$ 12,331,153</u>	<u>\$ 14,902,296</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

OPEB Expense and Deferred Outflow and Inflows of Resources Related to OPEB: For the year ended December 31, 2018, the City recognized OPEB expense of \$1,395,612 for the OPEB pension plan. The City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 171,834	\$ 1,005,058
Net difference between projected and actual earnings	259,281	-
Total	<u>\$ 431,115</u>	<u>\$ 1,005,058</u>

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

Year Ended December 31:

2019	\$ (77,181)
2020	(77,181)
2021	(77,181)
2022	43,362
2023	(111,876)
Thereafter	(273,886)
	<u>\$ (573,943)</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Overland Park Other Post-Employment Benefits Trust

City of Overland Park
Other Post-Employment Benefits Trust
Statement of Plan Net Position
December 31, 2018

Assets

Cash and cash equivalents	\$ 49,514
Mutual funds	8,104,177
Total Assets	<u>8,153,691</u>

Net Position

Held in Trust for OPEB Benefits	<u>\$ 8,153,691</u>
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City of Overland Park
Other Post-Employment Benefits Trust
Statement in Changes in Plan Net Position
For the Year Ended December 31, 2018

Additions

Contributions, employer	\$ 940,000
Investment Earnings	
Net decrease in fair value of investments	(464,428)
Interest	170,415
Total investment earnings	<u>(294,013)</u>
Total Additions	<u>645,987</u>

Deductions

Administrative expenses	3,707
Total deductions	<u>3,707</u>
Change in net position	642,280
Net position-beginning of the year	7,511,411
Net position-end of the year	<u>\$ 8,153,691</u>

IV. Other Information (Continued)

F. New Pronouncements

The effect on the City's financial statements of the following statements issued, but not yet adopted, has not yet been determined.

- GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued November 2016, will be effective for the City beginning with its fiscal year ending December 31, 2019. Under Statement No. 83, a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The Statement identifies the circumstances that trigger the recognition of these transactions. The Statement also requires the measurement of an asset retirement obligation to be based on the best estimate of the current value of outlays expected to be incurred while the deferred outflow of resources associated with the asset retirement obligation will be measured at the amount of the corresponding liability upon initial measurement and generally recognized as an expense during the reporting periods that the asset provides service. The Statement requires disclosures including a general description of the asset retirement obligation and associated tangible capital assets; the source of the obligation to retire the assets; the methods and assumptions used to measure the liability; and other relevant information.
- GASB Statement No. 84, *Fiduciary Activities*, issued January 2018, will be effective for the City beginning with its fiscal year ending December 31, 2019. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

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

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

IV. Other Information (Continued)

- GASB Statement No. 87, *Leases*, issued June 2018, will be effective for the City beginning with its fiscal year ending December 31, 2020, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments, and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, non-lease components embedded in lease contracts (such as service agreements), and leases with related parties.
- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placement*, issued April 2018, will be effective for the City beginning with its fiscal year ending December 31, 2019, with earlier adoption encouraged. Statement No. 88 clarifies which liabilities governments should include in their note disclosures related to debt. This statement defines debt that must be disclosed in the notes to financial statements as a liability that arises from a contractual obligation to pay cash in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Governments must also disclose amounts of unused lines of credit, assets pledged as collateral for debt and the terms specified in debt agreements related to significant events of default with finance-related consequences, termination events with finance-related consequences, and subjective acceleration clauses. Within the notes, governments should separate information regarding direct borrowings and direct placements of debt from other debt.
- GASB Statement No. 90, *Majority Equity Interests*, issued August 2018, will be effective for the City beginning with its fiscal year ending December 31, 2019, with earlier adoption encouraged. Statement No. 90 improves consistency and comparability of reporting a government's majority equity interest in a legally separate organization, and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.
- GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the City's fiscal year ending December 31, 2021, with earlier adoption encouraged. Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

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	Combined Transient Guest Tax Fund	Street Improvement	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:								
Restricted:								
Highways and Streets	\$ -	\$ 1,179,968	\$ -	\$ -	\$ -	\$ -	\$ 10,598,593	\$ 11,778,561
Stormwater	-	-	3,603,297	-	-	-	-	3,603,297
Culture and Recreation	-	-	-	2,681,074	-	-	823,935	3,505,009
Health and Welfare	-	-	-	-	-	-	3,782,423	3,782,423
Public Safety	-	-	-	-	-	-	1,355,954	1,355,954
Debt Service	-	-	-	-	-	250,000	-	250,000
Total Restricted	-	1,179,968	3,603,297	2,681,074	-	250,000	16,560,905	24,275,244
Assigned:								
Highways and Streets	22,745,739	-	-	-	21,410,064	-	1,782,778	45,938,581
Culture and Recreation	339,335	-	-	-	-	-	8,863,189	9,202,524
Public Safety	712,154	-	-	-	-	-	-	712,154
Economic Development	400,000	-	-	-	-	-	-	400,000
Equipment	9,372,369	-	-	-	-	-	4,538,973	13,911,342
Facilities	6,349,031	-	-	-	-	-	16,107,836	22,456,867
Potential Legal Liability	3,526,877	-	-	-	-	-	-	3,526,877
Risk Management Losses	3,423,504	-	-	-	-	-	-	3,423,504
Total Assigned	46,869,009	-	-	-	21,410,064	-	31,292,776	99,571,849
Unassigned	47,078,171	-	-	-	-	-	(718,556)	46,359,615
Total fund balances	\$ 93,947,180	\$ 1,179,968	\$ 3,603,297	\$ 2,681,074	\$ 21,410,064	\$ 250,000	\$ 47,135,125	\$ 170,206,708

IV. Other Information (Continued)

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

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

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

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

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

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

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

	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 1,025,326	\$ 1,220,708	\$ 1,252,474	\$ 1,336,133	\$ 1,416,075
Interest on total pension liability	7,159,459	6,930,133	6,213,861	6,414,049	6,021,877
Effect of economic/demographic gains or losses	1,423,739	1,102,665	297,014	952,259	635,959
Effect of assumptions changes or inputs	-	1,134,580	-	-	-
Benefit payments	(4,566,516)	(2,472,986)	(6,946,529)	(2,104,337)	(3,048,540)
Net change in total pension liability	5,042,008	7,915,100	816,820	6,598,104	5,025,371
Total pension liability - beginning	103,497,295	95,582,195	94,765,375	88,167,271	83,141,900
Total pension liability - ending	<u>\$ 108,539,303</u>	<u>\$ 103,497,295</u>	<u>\$ 95,582,195</u>	<u>\$ 94,765,375</u>	<u>\$ 88,167,271</u>
 Plan Fiduciary Net Position					
Benefit payments	\$ (4,566,516)	\$ (2,472,986)	\$ (6,946,529)	\$ (2,104,337)	\$ (3,048,540)
Employer contributions	1,426,376	1,554,536	1,840,326	1,925,620	2,432,920
Net investment income	(6,259,690)	15,090,549	8,796,622	(827,865)	6,868,816
Administrative expense	-	(326,993)	(365,266)	(245,896)	(288,650)
Net change in plan fiduciary net position	(9,399,830)	13,845,106	3,325,153	(1,252,478)	5,964,546
Plan fiduciary net position - beginning	106,925,190	93,080,084	89,754,931	91,007,409	85,042,863
Plan fiduciary net position - ending	<u>\$ 97,525,360</u>	<u>\$ 106,925,190</u>	<u>\$ 93,080,084</u>	<u>\$ 89,754,931</u>	<u>\$ 91,007,409</u>
 City's net pension asset (liability) - ending	<u>\$ (11,013,943)</u>	<u>\$ 3,427,895</u>	<u>\$ (2,502,111)</u>	<u>\$ (5,010,444)</u>	<u>\$ 2,840,138</u>
 Plan fiduciary net position as a percentage of the total pension liability	89.85%	103.31%	97.38%	94.71%	103.22%
 Covered payroll	\$ 11,348,304	\$ 11,808,972	\$ 12,188,856	\$ 13,054,068	\$ 13,335,300
 Net pension asset (liability) as a % of covered payroll	-97.05%	29.03%	-20.53%	-38.38%	21.30%

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

See Notes to Required Supplementary Information.

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

Schedule of Employer Contributions:

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2009	2,479,979	2,338,229	141,750	14,606,976	16.01%
2010	2,931,814	2,761,411	170,403	14,370,036	19.22%
2011	2,919,289	2,818,625	100,664	14,223,804	19.82%
2012	3,088,500	2,977,104	111,396	13,760,508	21.64%
2013	3,314,770	3,202,600	112,170	13,584,204	23.58%
2014	2,527,632	2,432,920	94,712	13,335,300	18.24%
2015	2,001,495	1,925,620	75,875	13,054,068	14.75%
2016	1,896,691	1,840,326	56,365	12,188,856	15.10%
2017	1,601,481	1,554,536	46,945	11,808,972	13.16%
2018	1,468,012	1,426,376	41,636	11,348,304	12.57%

Money-Weighted Rate of Return:

Fiscal Year Ending December 31	Net Money- Weighted Rate of Return
2014	9.01%
2015	-1.03%
2016	9.85%
2017	15.67%
2018	-5.96%

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

See Notes to Required Supplementary Information.

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

Actuarial Methods and Assumptions:

The following actuarial methods and assumptions were used in the December 31, 2018 valuation to determine the actuarially determined contribution.

Valuation Timing	Actuarially determined contribution rates are calculated as of January 1 of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Aggregate
Asset Valuation Method	Expected Return Method
Smoothing period	5 years
Corridor	20%
Inflation	2.30%
Salary increases including inflation	4.00%
Investment Rate of Return	7.00%
Cost of Living Adjustments	None
Retirement Age	Normal retirement date or valuation date, if later
Turnover	Crocker-Sarason T5 Table
Mortality	RP-2014 Employees and Healthy Annuitants with generational projection per Scale MP-2017

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

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

	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 791,627	\$ 978,395	\$ 1,035,106	\$ 1,049,586	\$ 1,041,943
Interest on total pension liability	3,317,379	3,192,969	2,952,144	2,829,794	2,624,091
Effect of economic/demographic gains or losses	(44,092)	72,541	(407,361)	(357,038)	(278,269)
Effect of assumptions changes or inputs	-	812,535	-	-	-
Benefit payments	(949,456)	(2,069,350)	(773,899)	(454,581)	(658,108)
Net change in total pension liability	3,115,458	2,987,090	2,805,990	3,067,761	2,729,657
Total pension liability - beginning	47,066,206	44,079,116	41,273,126	38,205,365	35,475,708
Total pension liability - ending	<u>\$ 50,181,664</u>	<u>\$ 47,066,206</u>	<u>\$ 44,079,116</u>	<u>\$ 41,273,126</u>	<u>\$ 38,205,365</u>
Plan Fiduciary Net Position					
Benefit payments	\$ (949,456)	\$ (2,069,350)	\$ (773,899)	\$ (454,581)	\$ (658,108)
Employer contributions	1,588,720	1,759,305	1,852,255	2,080,750	2,230,297
Net investment income	(2,737,580)	6,188,799	3,486,401	(461,956)	2,392,786
Administrative expense	-	(150,279)	-	-	(114,791)
Net change in plan fiduciary net position	(2,098,316)	5,728,475	4,564,757	1,164,213	3,850,184
Plan fiduciary net position - beginning	44,280,955	38,552,480	33,987,723	32,823,510	28,973,326
Plan fiduciary net position - ending	<u>\$ 42,182,639</u>	<u>\$ 44,280,955</u>	<u>\$ 38,552,480</u>	<u>\$ 33,987,723</u>	<u>\$ 32,823,510</u>
City's net pension liability - ending	<u>\$ 7,999,025</u>	<u>\$ 2,785,251</u>	<u>\$ 5,526,636</u>	<u>\$ 7,285,403</u>	<u>\$ 5,381,855</u>
Plan fiduciary net position as a percentage of the total pension liability	84.06%	94.08%	87.46%	82.35%	85.91%
Covered payroll	\$ 8,633,976	\$ 8,699,316	\$ 9,006,384	\$ 9,066,588	\$ 8,998,896
Net pension liability as a % of covered payroll	92.65%	32.02%	61.36%	80.35%	59.81%

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

See Notes to Required Supplementary Information.

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

Schedule of Employer Contributions:

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2009	2,481,988	2,340,147	141,841	9,527,292	24.56%
2010	2,492,071	2,339,445	152,626	9,567,912	24.45%
2011	2,493,213	2,404,502	88,711	9,185,832	26.18%
2012	2,511,142	2,418,226	92,916	9,106,056	26.56%
2013	2,412,884	2,328,048	84,836	8,947,896	26.02%
2014	2,311,876	2,230,297	81,579	8,998,896	24.78%
2015	2,158,678	2,080,750	77,928	9,066,588	22.95%
2016	1,910,485	1,852,255	58,230	9,006,384	20.57%
2017	1,812,367	1,759,305	53,062	8,699,316	20.22%
2018	1,635,097	1,588,720	46,377	8,633,976	18.40%

Money-Weighted Rate of Return:

Fiscal Year Ending December 31	Net Money- Weighted Rate of Return
2014	7.68%
2015	-1.37%
2016	10.14%
2017	15.66%
2018	-6.15%

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

See Notes to Required Supplementary Information.

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

Actuarial Methods and Assumptions:

The following actuarial methods and assumptions were used in the December 31, 2018 valuation to determine the actuarially determined contribution.

Valuation Timing	Actuarially determined contribution rates are calculated as of January 1 of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Aggregate
Asset Valuation Method	Expected Return Method
Smoothing period	5 years
Corridor	20%
Inflation	2.30%
Salary increases including inflation	4.00%
Investment Rate of Return	7.00%
Cost of Living Adjustments	None
Retirement Age	15% retire when first eligible for early retirement, 2% per year thereafter and 100% at age 55
Turnover	Crocker-Sarason T2 Table
Mortality	RP-2014 Employees and Healthy Annuitants with generational projection per Scale MP-2017

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

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

	2018	2017	2016	2015
City's proportion of the net pension liability				
KPERs (local group)	1.63%	1.65%	1.60%	1.58%
KP&F (police and firemen)	1.74%	1.51%	1.22%	0.93%
City's proportionate share of the net pension liability	\$ 39,438,731	\$ 38,093,703	\$ 36,158,308	\$ 27,536,729
City's covered payroll	\$ 39,017,135	\$ 37,030,604	\$ 33,244,034	\$ 28,036,253
City's proportionate share of the net pension liability as a percentage of its covered payroll	101.08%	102.87%	108.77%	98.22%
Plan fiduciary net position as a percentage of the total pension liability	68.88%	67.12%	65.10%	64.95%

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

The above information is as of the KPERs measurement date of June 30, 2018.

Schedule of Employer Contributions:

Fiscal Year Ending December 31	Contractually Required Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2009	\$ 1,625,325	\$ 1,625,325	-	N/A	N/A
2010	1,875,545	1,875,545	-	N/A	N/A
2011	1,893,771	1,893,771	-	N/A	N/A
2012	2,017,663	2,017,663	-	N/A	N/A
2013	2,196,770	2,196,770	-	N/A	N/A
2014	2,552,877	2,552,877	-	\$ 29,513,024	8.65%
2015	3,294,560	3,294,560	-	33,556,947	9.82%
2016	3,778,833	3,778,833	-	34,271,353	11.03%
2017	4,073,024	4,073,024	-	36,730,629	11.09%
2018	4,665,469	4,665,469	-	39,017,135	11.96%

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

See Notes to Required Supplementary Information.

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

Changes in benefit terms: In the state fiscal year 2014, the KP&F group had a change in benefit terms. The Legislature increased this group's employee contributions to 7.15 percent and eliminated the reduction of employee contributions to 2.0 percent after 32 years of service. In addition, the maximum retirement benefit increased to 90 percent of final average salary (reached at 36 years of service). Before this change the maximum retirement benefit was limited to 80 percent of final average salary (reached at 32 years of service).

Effective January 1, 2014, KPERS 1 members' employee contribution rate increased to 5.0 percent and then on January 1, 2015, increase to 6.0 percent, with an increase in benefit multiplier to 1.85 percent for future years of service. For KPERS 2 members retired after July 1, 2012, the cost of living adjustment (COLA) is eliminated, but members will receive a 1.85 percent multiplier for all years of service.

January 1, 2015, the KPERS 3 cash balance plan became effective. Members enrolled in this plan are ones first employed in a KPERS covered position on or after January 1, 2015, or KPERS 1 or KPERS 2 members who left employment before vesting and returned to employment on or after January 1, 2015. The retirement benefit is an annuity based on the account balance at retirement.

For the state fiscal year 2017, the KP&F group had a change in benefit terms. The Legislature changed the duty-related death benefit for KP&F members to the greater of 50% of Final Average Salary and member's accrued retirement benefit under the 100% joint and survivor option, payable to the member's spouse. Including any benefits that may be due to child beneficiaries, the total monthly benefits may not exceed 90% of the member's Final Average Salary. Prior to this bill, the duty-related spousal death benefit for KP&F member was 50% of the Final Average Salary, and the maximum available to the family was 75% of the member's Final Average Salary.

For the state fiscal year 2017, the Legislature changed the working after retirement rules for members who retire on or after January 1, 2018. The key changes to the working after retirement rules were to lengthen the waiting period for KPERS members to return to work from 60 days to 180 days for members who retire before attaining age 62, remove the earnings limitation for all retirees and establish a single-employer contribution schedule for all retirees.

Changes in assumptions: As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2016 and include:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.

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

Changes from the November 2016 experience study are listed below:

KPERS:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

KP&F:

- The post-retirement healthy mortality assumption was changed to the RP-2014 Mortality Table with 1-year age set forward and the MP-2016, is used to anticipate future mortality improvements.
- The mortality assumption for disabled members was changed to the RP-2014 Disabled Lives Table (generational using MP-2016) with a 1-year age set forward.
- The active member mortality assumption was modified to the RP-2014 Employee Mortality Table with a 1-year age set forward with a 90% scaling factor.
- The retirement rates for Tier 1 were lowered and the ultimate assumed retirement age was changed from 63 to 65 for Tier 2.
- The termination of employment rates for Tier 2 were increased to better match the observed experience.

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

Schedule of Changes in the City's Total KPERS D&D OPEB Liability and Related Ratios:

	2018	2017
Total OPEB Liability		
Service cost	\$ 111,678	\$ 116,272
Interest on total pension liability	64,394	51,616
Effect of plan changes	-	-
Effect of economic/demographic gains or losses	(388,657)	-
Effect of assumptions changes or inputs	(18,211)	(61,623)
Benefit payments	(104,675)	(123,450)
Net change in total pension liability	(335,471)	(17,185)
 Total OPEB liability - beginning	 1,738,910	 1,756,095
Total OPEB liability - ending	<u>\$ 1,403,439</u>	<u>\$ 1,738,910</u>
 Covered payroll	 \$27,807,212	 \$26,916,978
Total OPEB liability as a % of covered payroll	5.05%	6.46%

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

There are no assets accumulated in the trust to pay related benefits.

Notes to Required Supplementary Information:

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period:

- The discount rate increased from 2.85% on June 30, 2016 to 3.58% on June 30, 2017.
- The discount rate increased from 3.58% on June 30, 2017 to 3.87% on June 30, 2018.

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

Schedule of Changes in the City's Total OPEB Liability and Related Ratios:

	2018	2017
Total OPEB Liability		
Service cost	\$ 829,264	\$ 767,357
Interest on OPEB liability	1,122,003	1,085,164
Effect of assumption changes or inputs	(1,144,649)	227,264
Benefit payments	(1,072,523)	(916,200)
Net change in total OPEB liability	(265,905)	1,163,585
 Total OPEB liability - beginning	 20,750,749	 19,587,164
Total OPEB liability - ending	<u>\$20,484,844</u>	<u>\$20,750,749</u>
 Plan Fiduciary Net Position		
Employer contributions	\$ 940,000	\$ 800,000
Net investment income	(297,720)	970,856
Administrative expenses	-	-
Net change in plan fiduciary net position	642,280	1,770,856
 Plan fiduciary net position - beginning	 7,511,411	 5,740,555
Plan fiduciary net position - ending	<u>\$ 8,153,691</u>	<u>\$ 7,511,411</u>
 City's net OPEB liability - ending	 <u>\$12,331,153</u>	 <u>\$13,239,338</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 39.80%	 36.20%
 Covered employee payroll	 \$64,349,650	 \$63,200,000
 Net OPEB liability as a % of covered employee payroll	 19.16%	 20.95%

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

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

Schedule of Employer Contributions:

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2008	\$ 1,621,457	\$ 1,617,825	\$ 3,632	\$ 55,425,177	2.92%
2009	2,026,347	291,206	1,735,141	60,069,676	0.48%
2011	1,775,100	217,493	1,557,607	55,300,195	0.39%
2013	1,781,600	551,918	1,229,682	54,196,412	1.02%
2015	1,668,700	1,050,582	618,118	62,427,401	1.68%
2017	1,856,344	1,474,777	381,567	63,200,000	2.33%
2018	1,639,358	2,012,523	(373,165)	64,349,650	3.13%

Money-Weighted Rate of Return:

Fiscal Year Ending December 31	Net Money- Weighted Rate of Return
2017	16.52%
2018	-3.76%

This schedule is intended to show a 10-year trend. Additional years will be reported as they become available.

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

Actuarial Methods and Assumptions Used for Funding Policy:

The following actuarial methods and assumptions were used in the December 31, 2018 valuation to determine the actuarially determined contribution.

Valuation Timing	Actuarial valuations for funding purposes are performed biennially as of December 31.
Actuarial Cost Method	Entry-age Normal
Discount rate	5.93%
Inflation	2.30%
Salary increases including inflation	4.00%
Investment Rate of Return	6.00%
Long-Term Expected Rate of Return	6.00%
Tax Exempt Municipal Bond Yield	4.10%
Mortality	RP-2014 Mortality for Employees and Healthy Annuitants with generational projection per Scale MP2017
Health Care Cost Trend Rates	6.50% for 2018, gradually decreasing to an ultimate rate of 4.00% for 2084 and beyond.

Nonmajor Governmental Funds

Special Revenue Funds

Special Street and Highway Fund

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

Special Park and Recreation Fund

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

Special Alcohol Control Fund

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

Street Improvement Escrow Fund

To account for monies from developers for street improvements.

Special Tax Financing Fund

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

Federal and State Grants Fund

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

Fire Memorial Fund

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

Downtown Business Improvement District Fund

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

Parks and Recreation Fund

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

Nuse Act Fund

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

Westlinks Land Acquisition Fund

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

Art in the Woods Fund

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

Special Law Enforcement Fund

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

Jack Sanders Memorial Fund

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

Nonmajor Governmental Funds

Capital Projects Funds

Drainage Improvements Fund

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

Parks Acquisition and Development Fund

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

Public Building Improvements Fund

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

Traffic Signals Fund

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

Street Lights Fund

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

Public Equipment Fund

To account for the financing and acquisition of public equipment.

City of Overland Park
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018

	Special Revenue Funds		
	Special Street and Highway	Special Park and Recreation	Special Alcohol Control
Assets			
Cash, cash equivalents and investments	\$ 768,820	\$ 577,171	\$ 3,786,543
Restricted cash, cash equivalents and investments	-	-	-
Taxes receivable	1,303,802	-	-
Due from other governments	-	-	-
Total assets	2,072,622	577,171	3,786,543
Liabilities			
Accounts payable	-	-	4,120
Contracts payable	-	-	-
Due to other funds	-	-	-
Total liabilities	-	-	4,120
Deferred Inflows of Resources:			
Unavailable revenue - other	-	-	-
Total deferred inflows	-	-	-
Fund Balance			
Restricted	2,072,622	577,171	3,782,423
Assigned	-	-	-
Unassigned	-	-	-
Total fund balance	2,072,622	577,171	3,782,423
Total liabilities and fund balance	\$ 2,072,622	\$ 577,171	\$ 3,786,543

Street Improvement Escrow	Special Tax Financing	Federal and State Grants	Fire Memorial
\$ 8,525,971	\$ 120,682	\$ 23,122	\$ 1,969
-	-	-	-
-	-	-	-
-	-	141,554	-
8,525,971	120,682	164,676	1,969
-	-	43,456	-
-	120,682	-	-
-	411,583	57,970	-
-	532,265	101,426	-
-	-	89,531	1,969
-	-	89,531	1,969
8,525,971	-	-	-
-	-	-	-
-	(411,583)	(26,281)	-
8,525,971	(411,583)	(26,281)	-
\$ 8,525,971	\$ 120,682	\$ 164,676	\$ 1,969

Continued on next page.

City of Overland Park
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
December 31, 2018

	Special Revenue Funds		
	Downtown Business Improvement District	Parks and Recreation	Nuse Act
Assets			
Cash, cash equivalents and investments	\$ 32,550	\$ 200,119	\$ 319,414
Restricted cash, cash equivalents and investments	-	-	-
Taxes receivable	-	-	-
Due from other governments	-	-	-
Total assets	32,550	200,119	319,414
Liabilities			
Accounts payable	-	-	-
Contracts payable	-	-	-
Due to other funds	-	-	-
Total liabilities	-	-	-
Deferred Inflows of Resources:			
Unavailable revenue - other	32,550	-	319,414
Total deferred inflows	32,550	-	319,414
Fund Balance			
Restricted	-	200,119	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balance	-	200,119	-
Total liabilities and fund balance	\$ 32,550	\$ 200,119	\$ 319,414

Wetlands Land Acquisition	Art in the Woods	Special Law Enforcement	Jack Sanders Memorial	Total Nonmajor Special Revenue Funds
\$ 12,650	\$ 41,995	\$ 1,357,634	\$ 7,010	\$ 15,775,650
-	-	-	-	-
-	-	-	-	1,303,802
-	-	-	-	141,554
12,650	41,995	1,357,634	7,010	17,221,006
-	8,000	8,690	-	64,266
-	-	-	-	120,682
-	-	-	-	469,553
-	8,000	8,690	-	654,501
-	-	-	-	443,464
-	-	-	-	443,464
12,650	33,995	1,348,944	7,010	16,560,905
-	-	-	-	-
-	-	-	-	(437,864)
12,650	33,995	1,348,944	7,010	16,123,041
\$ 12,650	\$ 41,995	\$ 1,357,634	\$ 7,010	\$ 17,221,006

Continued on next page.

City of Overland Park
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
December 31, 2018

	Capital Projects Funds		
	Drainage Improvements	Park Acquisition & Development	Public Building Improvements
Assets			
Cash, cash equivalents and investments	\$ 1,849,001	\$ 4,974,239	\$ 4,467,034
Restricted cash, cash equivalents and investments	262,000	5,737,025	12,847,389
Taxes receivable	-	-	-
Due from other governments	584,539	-	-
Total assets	2,695,540	10,711,264	17,314,423
Liabilities			
Accounts payable	-	-	-
Contracts payable	912,762	1,848,075	1,206,587
Due to other funds	-	-	-
Total liabilities	912,762	1,848,075	1,206,587
Deferred Inflows of Resources:			
Unavailable revenue - other	-	-	-
Total deferred inflows	-	-	-
Fund Balance			
Restricted	-	-	-
Assigned	1,782,778	8,863,189	16,107,836
Unassigned	-	-	-
Total fund balance	1,782,778	8,863,189	16,107,836
Total liabilities and fund balance	\$ 2,695,540	\$ 10,711,264	\$ 17,314,423

			Total Nonmajor Capital Projects	Total Nonmajor Governmental
Traffic Signals	Street Lights	Public Equipment	Funds	Funds
\$ -	\$ -	\$ 4,786,600	\$ 16,076,874	\$ 31,852,524
-	-	-	18,846,414	18,846,414
-	-	-	-	1,303,802
-	-	-	584,539	726,093
-	-	4,786,600	35,507,827	52,728,833
-	-	-	-	64,266
4,883	150,653	247,627	4,370,587	4,491,269
30,930	94,226	-	125,156	594,709
35,813	244,879	247,627	4,495,743	5,150,244
-	-	-	-	443,464
-	-	-	-	443,464
-	-	-	-	16,560,905
-	-	4,538,973	31,292,776	31,292,776
(35,813)	(244,879)	-	(280,692)	(718,556)
(35,813)	(244,879)	4,538,973	31,012,084	47,135,125
\$ -	\$ -	\$ 4,786,600	\$ 35,507,827	\$ 52,728,833

City of Overland Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended December 31, 2018

	Special Revenue Funds		
	Special Street and Highway	Special Park and Recreation	Special Alcohol Control
Revenues			
Property tax	\$ -	\$ -	\$ -
Sales tax	-	-	-
Charges for services	-	-	-
Licenses and permits	-	-	-
Use of money	9,326	16,069	58,200
Intergovernmental	5,189,008	1,554,241	1,554,240
Contributions	-	-	-
Capital and operating grants	-	-	-
Total revenues	5,198,334	1,570,310	1,612,440
Expenditures			
Current:			
General government	-	-	1,056,705
Public safety	-	-	162,046
Public works	-	-	-
Parks and recreation	-	-	-
Planning and development services	-	-	-
Capital improvements	-	-	-
Debt service:			
Other debt service costs	-	-	-
Total expenditures	-	-	1,218,751
Excess (deficiency) of revenues over (under) expenditures	5,198,334	1,570,310	393,689
Other financing sources (uses)			
Proceeds from issuance of bonds	-	-	-
Premiums on bonds sold	-	-	-
Transfers in	-	120,016	-
Transfers out	(4,600,000)	(1,651,854)	-
Total other financing sources (uses)	(4,600,000)	(1,531,838)	-
Net change in fund balances	598,334	38,472	393,689
Fund balances, beginning of year	1,474,288	538,699	3,388,734
Fund balances, end of year	\$ 2,072,622	\$ 577,171	\$ 3,782,423

Street Improvement Escrow	Special Tax Financing	Federal and State Grants	Fire Memorial
\$ -	\$ 949,429	\$ -	\$ -
-	385,215	-	-
-	-	-	-
-	-	-	-
145,175	-	-	-
-	-	-	-
1,602,894	87,500	-	-
-	15,000	926,233	-
<u>1,748,069</u>	<u>1,437,144</u>	<u>926,233</u>	<u>-</u>
-	1,585,187	-	-
-	-	375,977	-
282,669	-	12,878	-
-	-	19,729	-
-	-	396,623	-
-	-	-	-
-	-	-	-
<u>282,669</u>	<u>1,585,187</u>	<u>805,207</u>	<u>-</u>
<u>1,465,400</u>	<u>(148,043)</u>	<u>121,026</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	(300,000)	-
-	-	(300,000)	-
1,465,400	(148,043)	(178,974)	-
7,060,571	(263,540)	152,693	-
<u>\$ 8,525,971</u>	<u>\$ (411,583)</u>	<u>\$ (26,281)</u>	<u>\$ -</u>

Continued on next page.

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, 2018

	Special Revenue Funds		
	Downtown Business Improvement District	Parks and Recreation	Nuse Act
Revenues			
Property tax	\$ -	\$ -	\$ -
Sales tax	-	-	-
Charges for services	-	-	-
Licenses and permits	93,905	-	-
Use of money	353	3,573	-
Intergovernmental	-	-	-
Contributions	-	8,823	-
Capital and operating grants	-	-	-
Total revenues	94,258	12,396	-
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	-	1,395	-
Planning and development services	94,258	-	-
Capital improvements	-	-	-
Debt service:			
Other debt service costs	-	-	-
Total expenditures	94,258	1,395	-
Excess (deficiency) of revenues over (under) expenditures	-	11,001	-
Other financing sources (uses)			
Proceeds from issuance of bonds	-	-	-
Premiums on bonds sold	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	11,001	-
Fund balances, beginning of year	-	189,118	-
Fund balances, end of year	\$ -	\$ 200,119	\$ -

Wetlands Land Acquisition	Art in the Woods	Special Law Enforcement	Jack Sanders Memorial	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 949,429
-	-	-	-	385,215
-	25,669	-	-	25,669
-	-	-	-	93,905
722	1,100	9,540	127	244,185
-	-	-	-	8,297,489
-	-	-	-	1,699,217
-	-	971,920	-	1,913,153
<u>722</u>	<u>26,769</u>	<u>981,460</u>	<u>127</u>	<u>13,608,262</u>
-	-	-	-	2,641,892
-	-	136,183	-	674,206
-	-	-	-	295,547
-	8,044	-	-	29,168
-	-	-	-	490,881
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>8,044</u>	<u>136,183</u>	<u>-</u>	<u>4,131,694</u>
<u>722</u>	<u>18,725</u>	<u>845,277</u>	<u>127</u>	<u>9,476,568</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	120,016
-	-	-	-	(6,551,854)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,431,838)</u>
722	18,725	845,277	127	3,044,730
11,928	15,270	503,667	6,883	13,078,311
<u>\$ 12,650</u>	<u>\$ 33,995</u>	<u>\$ 1,348,944</u>	<u>\$ 7,010</u>	<u>\$ 16,123,041</u>

Continued on next page.

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, 2018

	Capital Projects Funds		
	Drainage Improvements	Park Acquisition & Development	Public Building Improvements
Revenues			
Property tax	\$ -	\$ -	\$ -
Sales tax	-	-	-
Charges for services	-	-	-
Licenses and permits	-	-	-
Use of money	-	-	-
Intergovernmental	-	-	-
Contributions	-	297,487	-
Capital and operating grants	1,915,778	-	1,073,380
Total revenues	<u>1,915,778</u>	<u>297,487</u>	<u>1,073,380</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Planning and development services	-	-	-
Capital improvements	4,758,020	9,711,093	7,563,354
Debt service:			
Other debt service costs	1,557	45,979	77,275
Total expenditures	<u>4,759,577</u>	<u>9,757,072</u>	<u>7,640,629</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,843,799)</u>	<u>(9,459,585)</u>	<u>(6,567,249)</u>
Other financing sources (uses)			
Proceeds from issuance of bonds	233,716	6,899,973	11,596,592
Premiums on bonds sold	29,841	881,006	1,480,683
Transfers in	3,045,000	9,217,193	6,130,278
Transfers out	(169,233)	(487,170)	(61,511)
Total other financing sources (uses)	<u>3,139,324</u>	<u>16,511,002</u>	<u>19,146,042</u>
Net change in fund balances	295,525	7,051,417	12,578,793
Fund balances, beginning of year	1,487,253	1,811,772	3,529,043
Fund balances, end of year	<u>\$ 1,782,778</u>	<u>\$ 8,863,189</u>	<u>\$ 16,107,836</u>

Traffic Signals	Street Lights	Public Equipment	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 949,429
-	-	-	-	385,215
-	-	-	-	25,669
-	-	-	-	93,905
-	-	-	-	244,185
-	-	23,165	23,165	8,320,654
-	-	-	297,487	1,996,704
206,639	-	-	3,195,797	5,108,950
<u>206,639</u>	<u>-</u>	<u>23,165</u>	<u>3,516,449</u>	<u>17,124,711</u>
-	-	-	-	2,641,892
-	-	-	-	674,206
-	-	-	-	295,547
-	-	-	-	29,168
-	-	-	-	490,881
54,880	1,380,971	1,687,700	25,156,018	25,156,018
-	-	-	124,811	124,811
<u>54,880</u>	<u>1,380,971</u>	<u>1,687,700</u>	<u>25,280,829</u>	<u>29,412,523</u>
<u>151,759</u>	<u>(1,380,971)</u>	<u>(1,664,535)</u>	<u>(21,764,380)</u>	<u>(12,287,812)</u>
-	-	11,673	18,741,954	18,741,954
-	-	-	2,391,530	2,391,530
135,000	241,510	4,250,499	23,019,480	23,139,496
(218,343)	-	(442,174)	(1,378,431)	(7,930,285)
<u>(83,343)</u>	<u>241,510</u>	<u>3,819,998</u>	<u>42,774,533</u>	<u>36,342,695</u>
68,416	(1,139,461)	2,155,463	21,010,153	24,054,883
(104,229)	894,582	2,383,510	10,001,931	23,080,242
<u>\$ (35,813)</u>	<u>\$ (244,879)</u>	<u>\$ 4,538,973</u>	<u>\$ 31,012,084</u>	<u>\$ 47,135,125</u>

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues				
Use of money	\$ 5,000	\$ 5,000	\$ 9,326	\$ 4,326
Intergovernmental	5,000,000	5,000,000	5,189,009	189,009
Total revenues	<u>5,005,000</u>	<u>5,005,000</u>	<u>5,198,335</u>	<u>193,335</u>
Expenditures				
Current:				
Public works	1,620,000	1,620,000	-	1,620,000
Total expenditures	<u>1,620,000</u>	<u>1,620,000</u>	<u>-</u>	<u>1,620,000</u>
Excess of revenues over expenditures	<u>3,385,000</u>	<u>3,385,000</u>	<u>5,198,335</u>	<u>1,813,335</u>
Other financing sources (uses):				
Transfers (to) from other funds:				
Capital project funds	(4,600,000)	(4,600,000)	(4,600,000)	-
Total other financing sources (uses)	<u>(4,600,000)</u>	<u>(4,600,000)</u>	<u>(4,600,000)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,215,000)</u>	<u>(1,215,000)</u>	<u>598,335</u>	<u>1,813,335</u>
Fund balances, beginning of year	1,215,000	1,215,000	1,474,288	259,288
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,072,623</u>	<u>\$ 2,072,623</u>

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues				
Use of money	\$ 5,000	\$ 5,000	\$ 16,069	\$ 11,069
Intergovernmental	1,500,000	1,500,000	1,554,241	54,241
Total revenues	<u>1,505,000</u>	<u>1,505,000</u>	<u>1,570,310</u>	<u>65,310</u>
Excess of revenues over expenditures	<u>1,505,000</u>	<u>1,505,000</u>	<u>1,570,310</u>	<u>65,310</u>
Other financing sources (uses):				
Transfers (to) from other funds:				
Capital project funds	(2,190,000)	(2,190,000)	(1,531,838)	658,162
Total other financing sources (uses)	<u>(2,190,000)</u>	<u>(2,190,000)</u>	<u>(1,531,838)</u>	<u>658,162</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(685,000)</u>	<u>(685,000)</u>	<u>38,472</u>	<u>723,472</u>
Fund balances, beginning of year	685,000	685,000	538,699	(146,301)
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 577,171</u>	<u>\$ 577,171</u>

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues				
Use of money	\$ 10,000	\$ 10,000	\$ 58,200	\$ 48,200
Intergovernmental	1,500,000	1,500,000	1,554,241	54,241
Total revenues	<u>1,510,000</u>	<u>1,510,000</u>	<u>1,612,441</u>	<u>102,441</u>
Expenditures				
Current:				
General government	4,801,500	4,801,641	1,066,000	3,735,641
Public safety	168,500	168,359	162,046	6,313
Total expenditures	<u>4,970,000</u>	<u>4,970,000</u>	<u>1,228,046</u>	<u>3,741,954</u>
Excess of revenues over expenditures	<u>(3,460,000)</u>	<u>(3,460,000)</u>	<u>384,395</u>	<u>3,844,395</u>
Reconciliation to GAAP basis:				
Encumbrances			<u>9,295</u>	
Fund balances, beginning of year	<u>3,460,000</u>	<u>3,460,000</u>	<u>3,388,734</u>	<u>(71,266)</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,782,424</u>	<u>\$ 3,773,129</u>

City of Overland Park
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Special Tax Financing Fund
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues				
Property tax	\$ 871,000	\$ 1,000,000	\$ 949,431	\$ (50,569)
Sales tax	375,000	450,000	385,215	(64,785)
Contributions	-	135,000	87,500	(47,500)
Capital and operating grants	14,000	15,000	15,000	-
Total revenues	<u>1,260,000</u>	<u>1,600,000</u>	<u>1,437,146</u>	<u>(162,854)</u>
Expenditures				
Current:				
General government	1,260,000	1,600,000	1,585,187	14,813
Total expenditures	<u>1,260,000</u>	<u>1,600,000</u>	<u>1,585,187</u>	<u>14,813</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(148,041)</u>	<u>(148,041)</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>(263,540)</u>	<u>(263,540)</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (411,581)</u>	<u>\$ (411,581)</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues				
Licenses and permits	\$ 105,000	\$ 105,000	\$ 93,905	\$ (11,095)
Use of money	5,000	5,000	353	(4,647)
Total revenues	<u>110,000</u>	<u>110,000</u>	<u>94,258</u>	<u>(15,742)</u>
Expenditures				
Current:				
Planning and development services	110,000	110,000	94,258	15,742
Total expenditures	<u>110,000</u>	<u>110,000</u>	<u>94,258</u>	<u>15,742</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues				
Use of money	\$ 5,000	\$ 5,000	\$ 4,200	\$ (800)
Contributions	485,000	485,000	440,936	(44,064)
Total revenues	<u>490,000</u>	<u>490,000</u>	<u>445,136</u>	<u>(44,864)</u>
Expenditures				
Debt service:				
Principal retirement	13,375,000	13,375,000	12,950,000	425,000
Interest on long-term debt	3,600,000	3,600,000	3,465,614	134,386
Other debt service costs	400,000	400,000	-	400,000
Total expenditures	<u>17,375,000</u>	<u>17,375,000</u>	<u>16,415,614</u>	<u>959,386</u>
Excess of revenues over expenditures	<u>(16,885,000)</u>	<u>(16,885,000)</u>	<u>(15,970,478)</u>	<u>914,522</u>
Other financing sources (uses):				
Transfers (to) from other funds:				
General fund	11,000,000	11,000,000	10,416,171	(583,829)
Special revenue funds	5,405,000	5,405,000	5,403,479	(1,521)
Capital project funds	230,000	230,000	150,828	(79,172)
Total other financing sources (uses)	<u>16,635,000</u>	<u>16,635,000</u>	<u>15,970,478</u>	<u>(664,522)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>	<u>250,000</u>
Fund balances, beginning of year	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>

City of Overland Park
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2018

Assets			
Current Assets:	Golf Course	Soccer Complex	Total Nonmajor Enterprise Funds
Cash, cash equivalents and investments	\$ 1,219,200	\$ 614,098	\$ 1,833,298
Accounts receivable	-	158	158
Inventory	113,345	-	113,345
Total current assets	1,332,545	614,256	1,946,801
Noncurrent Assets			
Capital assets:			
Land, improvements and construction in progress	1,425,200	-	1,425,200
Capital assets, net of depreciation	1,420,462	-	1,420,462
Total capital assets	2,845,662	-	2,845,662
Total noncurrent assets	2,845,662	-	2,845,662
Total assets	4,178,207	614,256	4,792,463
Liabilities			
Current Liabilities:			
Accounts payable	12,731	1,860	14,591
Accrued expenses	71,110	20,445	91,555
Unearned revenue	203,417	12,280	215,697
Total current liabilities	287,258	34,585	321,843
Long-term liabilities			
Accrued compensated absences	26,222	8,954	35,176
Total long-term liabilities	26,222	8,954	35,176
Total liabilities	313,480	43,539	357,019
Net Position			
Net investment in capital assets	2,845,662	-	2,845,662
Unrestricted	1,019,065	570,717	1,589,782
Total net position	\$ 3,864,727	\$ 570,717	\$ 4,435,444

City of Overland Park
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018

	Golf Course	Soccer Complex	Total Nonmajor Enterprise Funds
Operating Revenues:			
Charges for services	\$ 5,217,864	\$ 1,253,015	\$ 6,470,879
Other reimbursements	-	250,675	250,675
Total operating revenues	<u>5,217,864</u>	<u>1,503,690</u>	<u>6,721,554</u>
Operating Expenses:			
Soccer operations	-	1,069,958	1,069,958
Golf course operations	4,740,230	-	4,740,230
Depreciation	137,368	-	137,368
Total operating expenses:	<u>4,877,598</u>	<u>1,069,958</u>	<u>5,947,556</u>
Operating income (loss)	<u>340,266</u>	<u>433,732</u>	<u>773,998</u>
Nonoperating Revenue (Expense):			
Interest earned on investments	27,484	10,592	38,076
Gain (loss) on disposal of assets	(3,926)	-	(3,926)
Total nonoperating revenue (expense)	<u>23,558</u>	<u>10,592</u>	<u>34,150</u>
Income (loss) before transfers	<u>363,824</u>	<u>444,324</u>	<u>808,148</u>
Transfers in	-	529,915	529,915
Transfers out	(1,251,400)	(986,700)	(2,238,100)
Change in net position	<u>(887,576)</u>	<u>(12,461)</u>	<u>(900,037)</u>
Net position, beginning	4,752,303	583,178	5,335,481
Net position, ending	<u>\$ 3,864,727</u>	<u>\$ 570,717</u>	<u>\$ 4,435,444</u>

City of Overland Park
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018

	Golf Course	Soccer Complex	Total Nonmajor Enterprise Funds
Cash flows from operating activities			
Receipts from customers	\$ 5,421,282	\$ 1,255,961	\$ 6,677,243
Other receipts	-	250,675	250,675
Payments to employees for salaries and benefits	(2,480,574)	(509,753)	(2,990,327)
Payments to suppliers and service providers	(2,559,244)	(556,814)	(3,116,058)
Net cash provided by (used in) operating activities	381,464	440,069	821,533
Cash flows from noncapital financing activities			
Transfers from other funds	-	529,915	529,915
Transfers to other funds	(1,251,400)	(986,700)	(2,238,100)
Net cash provided by (used in) noncapital financing activities	(1,251,400)	(456,785)	(1,708,185)
Cash flows from capital and related financing activities			
Principal paid on capital debt	(33,573)	-	(33,573)
Acquisition and construction of capital assets	(39,334)	-	(39,334)
Net cash provided by (used in) capital and related financing activities	(72,907)	-	(72,907)
Cash flows from investing activities			
Interest and dividends received	27,484	10,592	38,076
Net cash provided by (used in) investing activities	27,484	10,592	38,076
Net increase (decrease) in cash and cash equivalents	(915,359)	(6,124)	(921,483)
Cash and cash equivalents, beginning	2,134,559	620,222	2,754,781
Cash and cash equivalents, ending	<u>\$ 1,219,200</u>	<u>\$ 614,098</u>	<u>\$ 1,833,298</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income	\$ 340,266	\$ 433,732	\$ 773,998
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in accounts receivable	-	2,944	2,944
(Increase) decrease in inventory	19,765	-	19,765
Increase (decrease) in accounts payable	(328,045)	(1,494)	(329,539)
Increase (decrease) in accrued expenses	8,693	4,887	13,580
Increase (decrease) in unearned revenue	203,417	-	203,417
Depreciation expense	137,368	-	137,368
Net cash provided by (used in) operating activities	\$ 381,464	\$ 440,069	\$ 821,533

City of Overland Park
Combining Statement of Net Position
Internal Service Funds
December 31, 2018

Assets	Workers'	Medical Imprest	
Current Assets:	Compensation	Plan	Total
Cash, cash equivalents and investments	\$ -	\$ 4,050,519	\$ 4,050,519
Accounts receivable	18,403	-	18,403
Total current assets	<u>18,403</u>	<u>4,050,519</u>	<u>4,068,922</u>
Noncurrent Assets			
Restricted:			
Cash and cash equivalents	2,472,153	400,483	2,872,636
Total noncurrent assets	<u>2,472,153</u>	<u>400,483</u>	<u>2,872,636</u>
Total assets	<u>2,490,556</u>	<u>4,451,002</u>	<u>6,941,558</u>
Liabilities			
Current Liabilities:			
Accounts payable	2,870	4,920	7,790
Claims payable	1,331,076	1,142,000	2,473,076
Total current liabilities	<u>1,333,946</u>	<u>1,146,920</u>	<u>2,480,866</u>
Net Position			
Restricted for:			
Workers' compensation claims	1,156,610	-	1,156,610
Employee medical claim allocations	-	400,483	400,483
Unrestricted	-	2,903,599	2,903,599
Total net position	<u>\$ 1,156,610</u>	<u>\$ 3,304,082</u>	<u>\$ 4,460,692</u>

City of Overland Park
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2018

	Workers' Compensation	Medical Imprest Plan	Total
Operating Revenues:			
Charges for services	\$ -	\$ 13,833,429	\$ 13,833,429
Other reimbursements	-	31,632	31,632
Total operating revenues	<u>-</u>	<u>13,865,061</u>	<u>13,865,061</u>
Operating Expenses:			
Claims paid	-	13,848,235	13,848,235
Contractual services	641,201	-	641,201
Total operating expenses:	<u>641,201</u>	<u>13,848,235</u>	<u>14,489,436</u>
Operating income (loss)	<u>(641,201)</u>	<u>16,826</u>	<u>(624,375)</u>
Nonoperating Revenue (Expense):			
Interest earned on investments	39,440	66,669	106,109
Total nonoperating revenue (expense)	<u>39,440</u>	<u>66,669</u>	<u>106,109</u>
Income (loss) before transfers	<u>(601,761)</u>	<u>83,495</u>	<u>(518,266)</u>
Transfers in	525,000	700,000	1,225,000
Change in net position	<u>(76,761)</u>	<u>783,495</u>	<u>706,734</u>
Net position, beginning	1,233,371	2,520,587	3,753,958
Net position, ending	<u>\$ 1,156,610</u>	<u>\$ 3,304,082</u>	<u>\$ 4,460,692</u>

City of Overland Park
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2018

	Workers' Compensation	Medical Imprest Plan	Total
Cash flows from operating activities			
Receipts from customers	\$ 3,584	\$ 13,833,429	\$ 13,837,013
Other receipts	-	31,632	31,632
Claims paid	-	(14,006,235)	(14,006,235)
Payments to suppliers and service providers	(546,889)	(135,403)	(682,292)
Net cash provided by (used in) operating activities	(543,305)	(276,577)	(819,882)
Cash flows from noncapital financing activities			
Transfers from other funds	525,000	700,000	1,225,000
Net cash provided by (used in) noncapital financing activities	525,000	700,000	1,225,000
Cash flows from investing activities			
Interest and dividends received	39,440	66,669	106,109
Net cash provided by (used in) investing activities	39,440	66,669	106,109
Net increase (decrease) in cash and cash equivalents	21,135	490,092	511,227
Cash and cash equivalents, beginning	2,451,018	3,960,910	6,411,928
Cash and cash equivalents, ending	<u>\$ 2,472,153</u>	<u>\$ 4,451,002</u>	<u>\$ 6,923,155</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income	\$ (641,201)	\$ 16,826	\$ (624,375)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in accounts receivable	3,584	-	3,584
Increase (decrease) in accounts payable	(8,615)	(135,403)	(144,018)
Increase (decrease) in claims payable	102,927	(158,000)	(55,073)
Net cash provided by (used in) operating activities	<u>\$ (543,305)</u>	<u>\$ (276,577)</u>	<u>\$ (819,882)</u>

City of Overland Park
Combining Statement of Net Position
Fiduciary Funds
December 31, 2018

Employee Benefit Trust Funds					
	Municipal			Other Post-	
	Employees Pension	Police Department	Fire Department	Employment	
	Plan	Retirement Plan	Retirement Plan	Benefits Trust	Total
Assets					
Cash and cash equivalents	\$ 1,000	\$ 2,293,960	\$ 889,480	\$ 49,514	\$ 3,233,954
Investments:					
Equity securities	-	27,655,130	12,224,704	-	39,879,834
Mutual funds	56,860,204	47,711,927	20,584,319	8,104,177	133,260,627
Real estate investment trust	-	5,825,895	2,346,543	-	8,172,438
Corporate bonds	-	5,519,042	2,342,562	-	7,861,604
U.S. government securities	-	8,519,406	3,795,031	-	12,314,437
Interest receivable	-	-	-	-	-
Sales tax receivable	-	-	-	-	-
Total assets	<u>56,861,204</u>	<u>97,525,360</u>	<u>42,182,639</u>	<u>8,153,691</u>	<u>204,722,894</u>
Liabilities					
Due to other entities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position					
Held in trust for pension benefits and other purposes	56,861,204	97,525,360	42,182,639	8,153,691	204,722,894
Total net position	<u>\$ 56,861,204</u>	<u>\$ 97,525,360</u>	<u>\$ 42,182,639</u>	<u>\$ 8,153,691</u>	<u>\$ 204,722,894</u>

Private-Purpose Trust Funds		Agency Funds			
Tomahawk Cemetery	State License	CMB State Stamp	Transportation Development Districts	Total	
\$ 2,762	\$ 33,048	\$ 625	\$ 8,267,650	\$ 8,301,323	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	32,787	32,787	
-	-	-	908,093	908,093	
2,762	33,048	625	9,208,530	9,242,203	
-	33,048	625	9,208,530	9,242,203	
-	\$ 33,048	\$ 625	\$ 9,208,530	\$ 9,242,203	
2,762					
\$ 2,762					

City of Overland Park
Combining Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2018

		Employee Benefit Trust Funds					
		Municipal Employees Pension Plan	Police Department Retirement Plan	Fire Department Retirement Plan	Other Post- Employment Benefits Trust	Total	Private-Purpose Trust Funds
Additions							
Contributions:							
Employer	\$	2,024,419	\$ 1,426,376	\$ 1,588,720	\$ 940,000	\$ 5,979,515	\$ -
Plan members		69,791	-	-	-	69,791	-
Total contributions		<u>2,094,210</u>	<u>1,426,376</u>	<u>1,588,720</u>	<u>940,000</u>	<u>6,049,306</u>	<u>-</u>
Investment earnings:							
Net increase in fair value of investments		(4,637,310)	(8,849,805)	(3,819,173)	(464,428)	(17,770,716)	-
Interest		-	404,040	167,672	170,415	742,127	55
Dividends		2,048,139	2,508,634	1,062,649	-	5,619,422	-
Total investment earnings		<u>(2,589,171)</u>	<u>(5,937,131)</u>	<u>(2,588,852)</u>	<u>(294,013)</u>	<u>(11,409,167)</u>	<u>55</u>
Total additions		<u>(494,961)</u>	<u>(4,510,755)</u>	<u>(1,000,132)</u>	<u>645,987</u>	<u>(5,359,861)</u>	<u>55</u>
Deductions							
Benefits		5,016,799	4,566,516	949,456	-	10,532,771	-
Administrative expenses		-	322,559	148,728	3,707	474,994	277
Total deductions		<u>5,016,799</u>	<u>4,889,075</u>	<u>1,098,184</u>	<u>3,707</u>	<u>11,007,765</u>	<u>277</u>
Change in net position		(5,511,760)	(9,399,830)	(2,098,316)	642,280	(16,367,626)	(222)
Net position, beginning		62,372,964	106,925,190	44,280,955	7,511,411	221,090,520	2,984
Net position, ending	\$	<u><u>56,861,204</u></u>	<u><u>97,525,360</u></u>	<u><u>42,182,639</u></u>	<u><u>8,153,691</u></u>	<u><u>204,722,894</u></u>	<u><u>2,762</u></u>

City of Overland Park
Statement of Change in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2018

	Balance January 1, 2018	Additions	Deductions	Balance December 31, 2018
State License Fund				
Assets				
Cash and cash equivalents	\$ 41,640	\$ 536,756	\$ 545,348	\$ 33,048
Total assets	<u>\$ 41,640</u>	<u>\$ 536,756</u>	<u>\$ 545,348</u>	<u>\$ 33,048</u>
Liabilities				
Due to other entities	\$ 41,640	\$ 536,756	\$ 545,348	33,048
Total liabilities	<u>\$ 41,640</u>	<u>\$ 536,756</u>	<u>\$ 545,348</u>	<u>\$ 33,048</u>
CMB State Stamp Fund				
Assets				
Cash and cash equivalents	\$ 550	\$ 2,425	\$ 2,350	\$ 625
Total assets	<u>\$ 550</u>	<u>\$ 2,425</u>	<u>\$ 2,350</u>	<u>\$ 625</u>
Liabilities				
Due to other entities	\$ 550	\$ 2,425	\$ 2,350	625
Total liabilities	<u>\$ 550</u>	<u>\$ 2,425</u>	<u>\$ 2,350</u>	<u>\$ 625</u>
Transportation Development Districts				
Assets				
Cash and cash equivalents	\$ 8,653,745	\$ 10,518,861	\$ 10,904,956	\$ 8,267,650
Interest receivable	23,639	105,917	96,769	32,787
Sales tax receivable	701,681	9,061,284	8,854,872	908,093
Total assets	<u>\$ 9,379,065</u>	<u>\$ 19,686,062</u>	<u>\$ 19,856,597</u>	<u>\$ 9,208,530</u>
Liabilities				
Due to other entities	\$ 9,379,065	\$ 19,686,062	\$ 19,856,597	9,208,530
Total liabilities	<u>\$ 9,379,065</u>	<u>\$ 19,686,062</u>	<u>\$ 19,856,597</u>	<u>\$ 9,208,530</u>
Total - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 8,695,935	\$ 11,058,042	\$ 11,452,654	\$ 8,301,323
Interest receivable	23,639	105,917	96,769	32,787
Sales tax receivable	701,681	9,061,284	8,854,872	908,093
Total assets	<u>\$ 9,421,255</u>	<u>\$ 20,225,243</u>	<u>\$ 20,404,295</u>	<u>\$ 9,242,203</u>
Liabilities				
Due to other entities	9,421,255	20,225,243	20,404,295	9,242,203
Total liabilities	<u>\$ 9,421,255</u>	<u>\$ 20,225,243</u>	<u>\$ 20,404,295</u>	<u>\$ 9,242,203</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.	160-166
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.	167-174
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.	175-179
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.	180-181
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.	182-186

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
2009 to 2018 Inclusive
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 862,840,022	\$ 868,805,471	\$ 865,820,612	\$ 887,503,877	\$ 898,706,264	\$ 912,516,846	\$ 921,477,236	\$ 941,269,540	\$ 949,192,740	\$ 958,584,349
Restricted	6,103,477	5,671,256	3,761,989	4,835,240	4,620,877	4,767,379	6,088,172	7,623,174	8,983,036	29,859,784
Unrestricted	93,283,853	42,118,676	41,843,620	41,856,980	57,282,547	66,027,156	47,576,157	68,979,829	70,974,302	62,081,950
Total governmental activities net position	<u>\$ 962,227,352</u>	<u>\$ 916,595,403</u>	<u>\$ 911,426,221</u>	<u>\$ 934,196,097</u>	<u>\$ 960,609,688</u>	<u>\$ 983,311,381</u>	<u>\$ 975,141,565</u>	<u>\$ 1,017,872,543</u>	<u>\$ 1,029,150,078</u>	<u>\$ 1,050,526,083</u>
Business-type activities										
Net investment in capital assets	\$ (44,979,383)	\$ (46,616,213)	\$ (48,314,692)	\$ (48,109,010)	\$ (48,043,726)	\$ (49,081,594)	\$ (49,536,373)	\$ (49,137,285)	\$ (46,517,430)	\$ (46,193,619)
Restricted	15,136,992	15,596,664	16,272,483	15,827,405	14,592,968	15,879,957	16,689,167	16,713,151	14,297,585	14,655,079
Unrestricted	(8,375,248)	(1,284,250)	(2,239,190)	(6,879,350)	(7,239,877)	(7,649,443)	(7,662,129)	(7,651,452)	(8,046,460)	(7,017,497)
Total business-type activities net position	<u>\$ (38,217,639)</u>	<u>\$ (32,303,799)</u>	<u>\$ (34,281,399)</u>	<u>\$ (39,160,955)</u>	<u>\$ (40,690,635)</u>	<u>\$ (40,851,080)</u>	<u>\$ (40,509,335)</u>	<u>\$ (40,075,586)</u>	<u>\$ (40,266,305)</u>	<u>\$ (38,556,037)</u>
Primary government										
Net investment in capital assets	\$ 817,860,639	\$ 822,189,258	\$ 817,505,920	\$ 839,394,867	\$ 850,662,538	\$ 863,435,252	\$ 871,940,863	\$ 892,132,255	\$ 902,675,310	\$ 912,390,730
Restricted	21,240,469	21,267,920	20,034,472	20,662,645	19,213,845	20,647,336	22,777,339	24,336,325	23,280,621	44,514,863
Unrestricted	84,908,605	40,834,426	39,604,430	34,977,630	50,042,670	58,377,713	39,914,028	61,328,377	62,927,842	55,064,453
Total primary government net position	<u>\$ 924,009,713</u>	<u>\$ 884,291,604</u>	<u>\$ 877,144,822</u>	<u>\$ 895,035,142</u>	<u>\$ 919,919,053</u>	<u>\$ 942,460,301</u>	<u>\$ 934,632,230</u>	<u>\$ 977,796,957</u>	<u>\$ 988,883,773</u>	<u>\$ 1,011,970,046</u>

City of Overland Park, Kansas

Changes in Net Position
2009 to 2018 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	59,577,996	-	59,577,996	55,281,334	-	55,281,334
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	4,695,181	-	4,695,181	3,883,779	7,732,856	11,616,635
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	-
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
63,728,195	-	63,728,195	66,735,712	-	66,735,712	69,688,058	-	69,688,058
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
3,696,612	-	3,696,612	4,110,020	-	4,110,020	5,079,115	-	5,079,115
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	-	(2,578,851)	2,578,851	-
107,546,165	3,652,786	111,198,951	122,937,084	4,486,923	127,424,007	131,405,359	2,857,221	134,262,580
\$ (5,169,182)	\$ (1,977,600)	\$ (7,146,782)	\$ 22,769,876	\$ (694,273)	\$ 22,075,603	\$ 26,413,592	\$ (1,529,681)	\$ 24,883,911

City of Overland Park, Kansas

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

	2014			2015		
	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
Program Expenses						
General government	\$ 33,667,024	\$ -	\$ 33,667,024	\$ 33,678,644	\$ -	\$ 33,678,644
Public safety	53,242,437	-	53,242,437	56,811,306	-	56,811,306
Public works	70,727,581	-	70,727,581	84,779,317	-	84,779,317
Parks and recreation	16,626,507	-	16,626,507	16,427,499	-	16,427,499
Planning and development services	7,290,665	-	7,290,665	7,818,756	-	7,818,756
Golf course	-	4,632,459	4,632,459	-	4,444,788	4,444,788
Soccer complex	-	1,045,236	1,045,236	-	1,155,103	1,155,103
OPDC	-	26,511,937	26,511,937	-	27,134,815	27,134,815
Interest on long-term debt	5,536,611	-	5,536,611	6,381,217	-	6,381,217
Total expenses	187,090,825	32,189,632	219,280,457	205,896,739	32,734,706	238,631,445
Program Revenues						
Charges for services						
General government	10,649,111	-	10,649,111	10,874,123	-	10,874,123
Public safety	6,821,522	-	6,821,522	7,458,653	-	7,458,653
Public works	3,925,162	-	3,925,162	3,086,611	-	3,086,611
Parks and recreation	5,544,556	-	5,544,556	5,516,395	-	5,516,395
Planning and development services	3,337,946	-	3,337,946	4,246,668	-	4,246,668
Golf course	-	4,810,474	4,810,474	-	5,004,110	5,004,110
Soccer complex	-	1,198,683	1,198,683	-	1,303,552	1,303,552
OPDC	-	22,925,782	22,925,782	-	23,503,118	23,503,118
Operating grants and contributions	12,285,677	-	12,285,677	14,115,047	-	14,115,047
Capital grants and contributions	31,400,727	-	31,400,727	34,752,883	-	34,752,883
Total program revenues	73,964,701	28,934,939	102,899,640	80,050,380	29,810,780	109,861,160
Net Program (Expense)/Revenue	(113,126,124)	(3,254,693)	(116,380,817)	(125,846,359)	(2,923,926)	(128,770,285)
General Revenues and Other Changes in Net Position						
Property taxes	34,479,648	-	34,479,648	36,981,306	-	36,981,306
Sales taxes	72,698,227	-	72,698,227	73,980,228	-	73,980,228
Franchise taxes	10,983,769	-	10,983,769	10,832,504	-	10,832,504
Transient guest tax	9,396,742	-	9,396,742	10,057,212	-	10,057,212
Unrestricted grants and contributions	5,905,391	-	5,905,391	6,154,392	-	6,154,392
Unrestricted investment earnings	294,988	75,860	370,848	238,184	28,864	267,048
Miscellaneous	4,831,870	255,570	5,087,440	5,185,716	270,560	5,456,276
Transfers	(2,762,818)	2,762,818	-	(2,966,247)	2,966,247	-
Total general revenues	135,827,817	3,094,248	138,922,065	140,463,295	3,265,671	143,728,966
Change in net position	\$ 22,701,693	\$ (160,445)	\$ 22,541,248	\$ 14,616,936	\$ 341,745	\$ 14,958,681

2016			2017			2018		
Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
\$ 27,293,376	\$ -	\$ 27,293,376	\$ 49,656,425	\$ -	\$ 49,656,425	37,194,085	\$ -	\$ 37,194,085
57,722,052	-	57,722,052	58,038,441	-	58,038,441	64,204,885	-	64,204,885
70,884,253	-	70,884,253	68,511,282	-	68,511,282	85,907,136	-	85,907,136
16,021,763	-	16,021,763	17,794,295	-	17,794,295	9,568,574	-	9,568,574
7,591,220	-	7,591,220	8,221,070	-	8,221,070	8,322,990	-	8,322,990
-	4,618,341	4,618,341	-	4,825,928	4,825,928	-	4,877,598	4,877,598
-	1,143,200	1,143,200	-	1,152,573	1,152,573	-	1,069,958	1,069,958
-	26,916,665	26,916,665	-	26,675,475	26,675,475	-	26,585,524	26,585,524
5,165,106	-	5,165,106	4,070,522	-	4,070,522	2,627,246.00	-	2,627,246
184,677,770	32,678,206	217,355,976	206,292,035	32,653,976	238,946,011	207,824,916	32,533,080	240,357,996
12,546,531	-	12,546,531	11,852,201	-	11,852,201	11,500,017	-	11,500,017
6,758,079	-	6,758,079	6,439,641	-	6,439,641	5,711,060	-	5,711,060
4,025,281	-	4,025,281	3,958,969	-	3,958,969	8,570,025	-	8,570,025
5,805,366	-	5,805,366	5,517,015	-	5,517,015	5,347,398	-	5,347,398
4,116,727	-	4,116,727	4,831,180	-	4,831,180	4,839,297	-	4,839,297
-	5,133,118	5,133,118	-	5,411,137	5,411,137	-	5,217,864	5,217,864
-	1,479,342	1,479,342	-	1,425,046	1,425,046	-	1,253,015	1,253,015
-	23,108,630	23,108,630	-	21,826,642	21,826,642	-	23,449,494	23,449,494
14,374,807	-	14,374,807	16,609,863	-	16,609,863	13,312,831	-	13,312,831
30,614,490	-	30,614,490	12,316,736	-	12,316,736	17,220,533	-	17,220,533
78,241,281	29,721,090	107,962,371	61,525,605	28,662,825	90,188,430	66,501,161	29,920,373	96,421,534
(106,436,489)	(2,957,116)	(109,393,605)	(144,766,430)	(3,991,151)	(148,757,581)	(141,323,755)	(2,612,707)	(143,936,462)
40,265,868	-	40,265,868	45,924,148	-	45,924,148	48,141,036	-	48,141,036
75,649,821	-	75,649,821	80,497,614	-	80,497,614	84,070,609	-	84,070,609
11,194,063	-	11,194,063	10,954,292	-	10,954,292	11,799,672	-	11,799,672
10,620,456	-	10,620,456	10,291,899	-	10,291,899	10,094,308	-	10,094,308
6,573,688	-	6,573,688	6,888,064	-	6,888,064	6,694,452	-	6,694,452
1,186,221	135,487	1,321,708	1,009,033	61,671	1,070,704	2,534,192	239,785	2,773,977
6,614,611	318,117	6,932,728	8,735,126	314,648	9,049,774	4,720,923	388,028	5,108,951
(2,937,262)	2,937,262	-	(3,424,113)	3,424,113	-	(3,695,162)	3,695,162	-
149,167,466	3,390,866	152,558,332	160,876,063	3,800,432	164,676,495	164,360,030	4,322,975	168,683,005
\$ 42,730,977	\$ 433,750	\$ 43,164,727	\$ 16,109,633	\$ (190,719)	\$ 15,918,914	\$ 23,036,275	\$ 1,710,268	\$ 24,746,543

City of Overland Park, Kansas

Fund Balances, Governmental Funds

2009 to 2018 Inclusive

(modified accrual basis of accounting)

	2009	2010	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund											
Unreserved	\$ 40,755,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	1,009,899	-	-	-	-	-	-	-	-	-	-
Committed	-	1,000,000	1,000,000	150,000	12,479,807	-	-	-	-	-	-
Assigned	-	666,914	1,450,310	717,147	2,152,114	20,444,438	22,788,414	30,249,453	32,680,095	41,007,313	46,869,009
Unassigned	-	28,474,058	40,097,712	31,341,222	23,222,648	29,019,142	34,606,653	41,202,961	43,100,743	45,767,758	47,078,171
Total General Fund	\$ 41,765,332	\$ 30,140,972	\$ 42,548,022	\$ 32,208,369	\$ 37,854,569	\$ 49,463,580	\$ 57,395,067	\$ 71,452,414	\$ 75,780,838	\$ 86,775,071	\$ 93,947,180
All Other Governmental Funds											
Reserved	\$ 9,824,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:											
Special Revenue Funds	19,723,462	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	6,765,804	-	-	-	-	-	-	-	-	-	-
Restricted	-	9,156,376	10,097,318	11,858,078	12,544,083	14,323,354	14,455,895	30,073,585	21,925,904	21,617,609	24,275,244
Assigned	-	323,303	11,099,765	12,505,889	6,398,506	10,564,215	12,122,323	8,215,599	22,332,307	21,597,919	52,702,840
Unassigned	-	14,571,535	(2,671,526)	(353,105)	(396,080)	(129,640)	(20,852)	(4,311,715)	(318,190)	(367,769)	(718,556)
Total Other Governmental Funds	\$ 36,313,451	\$ 24,051,214	\$ 18,525,557	\$ 24,010,862	\$ 18,546,509	\$ 24,757,929	\$ 26,557,366	\$ 33,977,469	\$ 43,940,021	\$ 42,847,759	\$ 76,259,528

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

City of Overland Park, Kansas

Changes in Fund Balances, Governmental Funds
2009 to 2018 Inclusive
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 101,320,350	\$ 96,168,286	\$ 104,577,039	\$ 118,876,841	\$ 123,284,616	\$ 127,558,386	\$ 131,851,250	\$ 137,730,208	\$ 147,667,953	\$ 154,105,625
Charges for services	14,376,084	13,644,861	14,989,713	14,249,902	15,921,236	16,589,591	15,114,325	16,930,292	16,619,790	22,643,407
Licenses and permits	2,986,929	2,489,098	3,172,139	4,907,224	8,069,054	7,264,894	7,335,774	8,145,012	8,793,207	9,389,053
Fines and penalties	5,964,523	5,541,388	4,883,935	4,712,719	6,374,371	6,821,522	7,458,653	6,758,079	6,439,641	3,903,997
Use of money	1,074,848	603,702	427,185	677,553	409,297	421,087	732,719	984,458	779,880	2,428,083
Intergovernmental	24,848,190	18,754,471	15,510,655	24,214,122	23,783,770	25,590,162	28,975,889	18,552,982	18,385,546	25,342,973
Contributions	2,901,453	2,713,610	2,871,966	3,168,509	2,921,533	2,073,354	3,741,982	4,038,434	3,914,597	5,003,127
Capital/operating grants	12,808,300	8,489,644	9,206,761	10,464,448	14,853,321	8,150,274	11,796,968	15,166,141	8,158,312	5,108,950
Grants/contributions not restricted to specific programs	4,002,797	3,521,808	4,476,444	3,550,044	4,629,513	5,431,092	5,778,988	5,998,556	5,884,712	-
Total revenues	170,283,474	151,926,868	160,115,837	184,821,362	200,246,711	199,900,362	212,786,548	214,304,162	216,643,638	227,925,215
Expenditures										
Current:										
General government	32,354,100	29,362,717	30,962,422	27,813,092	31,124,944	31,925,566	35,018,955	37,680,257	41,559,339	36,481,484
Public safety	48,984,474	49,144,598	49,533,008	48,246,523	50,406,416	50,726,779	53,105,346	55,100,510	57,329,186	58,448,389
Public works	19,343,226	16,160,730	15,421,911	14,902,074	16,050,151	17,262,338	17,546,537	18,104,290	17,980,517	17,428,884
Parks and recreation	8,650,001	9,677,522	10,718,555	10,637,063	11,235,618	11,590,611	11,780,743	12,729,332	15,979,068	10,849,191
Planning & development services	8,501,741	7,643,592	6,905,488	7,043,239	7,204,341	7,177,506	7,584,841	7,402,165	7,930,486	8,126,923
Capital improvements	82,048,182	46,133,339	31,966,101	47,368,661	48,183,869	46,168,458	59,769,837	44,406,457	41,786,092	60,727,363
Debt service										
Principal	19,460,000	16,322,876	16,768,038	17,227,086	24,938,249	15,966,750	17,500,000	52,850,000	20,167,407	12,950,000
Interest	7,435,173	7,511,920	7,553,688	6,847,818	5,878,349	5,597,236	5,097,369	4,856,220	4,080,472	3,465,614
Bond Issuance costs	275,368	122,046	125,600	-	259,072	-	494,825	213,537	71,443	154,817
Total expenditures	227,052,265	182,079,340	169,954,811	180,085,556	195,281,009	186,415,244	207,898,453	233,342,768	206,884,010	208,632,665
Excess of revenues over (under) expend.	(56,768,791)	(30,152,472)	(9,838,974)	4,735,806	4,965,702	13,485,118	4,888,095	(19,038,606)	9,759,628	19,292,550
Other financing sources (uses)										
Proceeds of general obligation bonds	26,845,000	13,450,000	8,490,000	-	6,400,000	-	16,125,000	-	-	23,245,000
Refunding bonds issued	3,864,910	-	6,665,000	-	23,595,000	-	20,685,000	31,590,000	3,925,000	-
Payment to refunded bond escrow agent	-	-	(6,762,856)	-	(17,355,144)	-	(19,624,998)	-	-	-
Issuance: Premium or (Discount)	726,472	361,375	389,349	-	3,115,724	-	2,423,089	5,451,844	502,356	2,966,490
Capital lease issuance	-	-	-	-	-	-	47,511	-	-	-
Transfers in	68,694,888	55,884,574	68,341,542	71,542,775	84,383,677	84,512,455	81,531,446	91,789,365	103,388,023	80,006,484
Transfers out	(68,550,314)	(60,303,282)	(72,138,409)	(76,096,734)	(87,284,528)	(88,266,649)	(84,597,693)	(95,501,627)	(107,673,036)	(84,926,646)
Total other financing sources (uses)	31,580,956	9,392,667	4,984,626	(4,553,959)	12,854,729	(3,754,194)	16,589,355	33,329,582	142,343	21,291,328
Net change in Fund Balances	(25,187,835)	(20,759,805)	(4,854,348)	181,847	17,820,431	9,730,924	21,477,450	14,290,976	9,901,971	40,583,878
Debt service as a percentage of noncapital expenditures	18%	16%	17%	22%	19%	13%	13%	30%	14%	10%

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

City of Overland Park, Kansas

Tax Revenues by Source, Governmental Funds
2009 to 2018 Inclusive

Fiscal Year	Property	Sales	Franchise	Transient Guest	Total
2009	25,525,763	59,577,996	9,434,467	6,782,124	101,320,350
2010	24,200,005	55,281,334	9,952,518	6,734,429	96,168,286
2011	23,010,679	63,728,195	10,386,572	7,451,593	104,577,039
2012	34,073,454	66,735,712	10,295,175	7,772,500	118,876,841
2013	34,286,336	69,688,058	10,867,642	8,442,580	123,284,616
2014	34,479,648	72,698,227	10,983,769	9,396,742	127,558,386
2015	36,981,305	73,980,228	10,832,504	10,057,212	131,851,249
2016	40,265,868	75,649,821	11,194,063	10,620,456	137,730,208
2017	45,924,148	80,497,614	10,954,292	10,291,899	147,667,953
2018	48,141,036	84,070,609	11,799,672	10,094,308	154,105,625

City of Overland Park, Kansas

Assessed Value and Estimated True Value of All Taxable Property
2009 to 2018 Inclusive

Year ¹	Residential Property	Commercial ³ Property	Utilities	Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated True Value ²	Assessed Value as a % of True Value
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	1,552,266,319	919,732,941	57,733,658	65,290,086	2,595,023,004	8.876	17,668,097,559	11.5
2011	1,564,486,489	954,017,837	55,742,400	59,012,772	2,633,259,498	12.814	17,870,068,978	11.5
2012	1,580,739,016	967,270,510	49,821,564	50,540,129	2,648,371,219	12.769	18,028,416,539	11.5
2013	1,607,185,424	974,973,317	48,792,426	42,360,367	2,673,311,534	12.833	18,226,510,939	11.5
2014	1,715,979,504	1,059,796,532	45,360,611	37,535,462	2,858,672,109	12.837	19,518,479,424	11.5
2015	1,827,325,626	1,127,496,274	45,207,918	32,045,274	3,032,075,092	12.848	20,738,862,613	11.5
2016	1,945,377,557	1,245,548,377	47,170,898	29,044,333	3,267,141,165	13.800	24,093,342,818	⁴ 11.5
2017	2,099,007,861	1,289,058,715	47,618,197	27,075,749	3,462,760,522	13.565	25,684,416,893	⁴ 11.5
2018	2,273,943,719	1,321,344,760	48,111,211	25,876,735	3,669,276,425	13.566	27,395,841,762	⁴ 11.5

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

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

³ Indicates assessed valuation net of Tax Increment Financing District valuations

⁴ Includes tax-exempt property value.

Source : Johnson County Land Records Reports (Appriaser Department) 2018 Abstract Report

City of Overland Park, Kansas

Direct and Overlapping Property Tax Rates
2009 to 2018 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
2009	3.259	4.658	0.973	8.890	17.716	8.784	5.497	55.318	65.079	66.900
2010	3.254	4.651	0.971	8.876	17.748	8.799	5.508	57.192	71.049	72.917
2011	7.262	4.593	0.959	12.814	17.700	8.872	5.488	56.135	72.828	69.924
2012	11.814	-	0.955	12.769	17.717	8.785	5.493	55.766	72.027	69.618
2013	11.873	-	0.960	12.833	17.745	9.551	5.502	55.611	70.036	69.486
2014	11.875	-	0.959	12.837	17.764	9.461	5.506	55.911	67.939	67.868
2015	11.887	-	0.961	12.848	19.582	9.469	7.013	54.059	67.889	67.764
2016	12.839	-	0.961	13.800	19.590	9.473	7.017	54.940	66.255	67.774
2017	12.603	-	0.962	13.565	19.318	9.503	7.033	53.663	66.614	71.174
2018	12.604	-	0.962	13.566	19.024	9.266	6.989	52.427	64.999	70.665

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

² Includes Johnson County Parks and Recreation District and library.

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

Source: Johnson County-Mill Levies on Tangible Assets

City of Overland Park, Kansas

Principal Taxpayers
2018 and 2009

Taxpayer	Type of Business	2018			2009		
		Assessed	Rank	Percentage of Total ¹	Assessed	Rank	Percentage of Total
		Valuation		Assessed	Valuation		Assessed
Sprint	Communications	100,318,762	1	2.50%			
Oak Park Mall, LLC	Shops and malls	80,771,239	2	2.00%	42,918,749	2	1.4%
Corporate Woods, LLC	Communications	60,418,133	3	1.50%	60,472,996	1	2.00%
CBPK5 LP	Property Management	22,235,816	4	0.60%			
Midwest Division-OPRMC, LLC	Hospital	21,259,705	5	0.50%			
Mept Lighton Plaza LLC	Office Bldg/Real Estate	16,603,251	6	0.40%	15,452,502	4	0.5%
Aspen Square Inc	Shopping Center	15,142,753	7	0.40%			
Tower Properties Company	Property Management	14,851,298	8	0.40%			
Privitera Realty Holdings	Office building/real estate	14,025,505	9	0.40%	12,955,240	5	0.4%
Central Tennessee Hospital	Hospital	13,868,466	10	0.30%	15,490,151	3	0.5%
Rubicon	Shops and malls				11,625,001	6	0.4%
Integrated Capital, LLC	Real Estate				10,485,000	7	0.3%
OP Regional Medical Center	Hospital				9,362,709	8	0.3%
CRP-2 Holdings, LLC	Real Estate				8,960,001	9	0.3%
EDH Holdings, LLC	Real Estate				8,639,000	10	0.3%
Consolidated Communications	Communications						
Total		<u>359,494,928</u>		<u>9.0%</u>	<u>196,361,349</u>		<u>6.4%</u>

Source: Johnson County

¹Vehicles included

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City of Overland Park, Kansas

**Property Tax Levies and Collections
2009 to 2018 Inclusive**

Year¹	Total Tax Levy	Current Tax Collections	Percentage Current Tax Collections	Prior Years Tax Collected²	Total Tax Collection	Percentage Total Collection to Current Levy
2009	25,428,930	25,117,573	98.78%	408,190	25,525,763	100.38%
2010	24,445,509	24,025,155	98.28%	176,811	24,201,966	99.00%
2011	23,033,426	22,595,452	98.10%	368,115	22,963,567	99.70%
2012	33,742,590	33,145,200	98.23%	767,480	33,912,680	100.50%
2013	33,817,054	33,476,986	98.99%	629,063	34,106,049	100.85%
2014	34,330,026	34,057,405	99.21%	240,107	34,297,512	99.91%
2015	36,746,059	36,313,470	98.82%	351,514	36,664,984	99.78%
2016	39,011,577	38,734,773	99.29%	1,172,847	39,907,620	102.30%
2017	45,176,852	44,782,764	99.13%	581,247	45,364,011	100.41%
2018	49,975,737	46,445,102	92.94%	746,491	47,191,593	94.43%

**Special Assessment Collections
2009 to 2018 Inclusive**

Levy Year¹	Assessments Certified to County	Current Assessment Collections	Percentage Assessments Collected	Prior Years' Assessments Collected	Total Tax Collections	Percentage Total Collection to Current Levy
2009	1,576,250	1,572,143	99.74%	8,954	1,581,098	100.31%
2010	2,391,091	2,386,007	99.79%	1,068	2,387,076	99.83%
2011	2,318,379	2,315,724	99.89%	9,685	2,325,410	100.30%
2012	1,689,148	1,683,944	99.69%	11,008	1,694,953	100.34%
2013	1,681,258	1,680,858	99.98%	20,773	1,701,631	101.21%
2014	1,687,294	1,686,878	99.98%	109	1,686,987	99.98%
2015	1,688,006	1,687,695	99.98%	470	1,688,164	100.01%
2016	2,234,062	2,135,280	95.58%	(3,444)	2,131,836	95.42%
2017	2,288,412	2,154,364	94.14%	15,990	2,170,355	94.84%
2018	904,157	904,157	100.00%	-	904,157	100.00%

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

Source: City Finance Department

City of Overland Park, Kansas

Taxable Sales by Category
2009 to 2018 Inclusive

	2009	2010	2011
Utilities	399,227,467	417,241,260	427,816,223
Depart. Stores - Inelastic	373,305,000	375,860,313	395,412,870
Restaurants	308,420,455	317,460,089	339,095,793
Grocery Stores	242,241,330	250,091,217	265,072,723
Construction & Home Repair	173,210,322	183,107,543	237,738,578
Depart. Stores - Elastic	333,806,085	329,736,442	322,535,625
Car Dealers, Rental, Leasing	161,379,990	169,960,329	178,250,635
Specialty Stores	108,789,373	109,287,100	116,543,966
Clothing & Shoe Stores	146,259,650	150,342,268	155,700,356
Computer & Office Supplies	82,544,409	79,990,510	84,390,732
All Others	605,376,191	617,460,291	656,080,426
Total	\$ 2,934,560,272	\$ 3,000,537,362	\$ 3,178,637,929
City direct sales tax rate	1.125%	1.125%	1.125%

Source:
City Finance Department

City of Overland Park, Kansas

Taxable Sales by Category
2009 to 2018 Inclusive

2012	2013	2014	2015	2016	2017	2018
420,762,588	408,743,886	420,047,036	415,435,862	440,782,436	481,278,365	483,768,583
425,879,284	437,717,959	405,613,356	417,213,046	427,133,346	427,594,676	458,161,977
357,991,389	367,591,851	384,134,629	404,785,892	420,776,523	428,608,604	432,972,914
275,071,286	285,016,550	302,469,276	303,382,128	321,798,667	324,637,636	306,678,331
222,707,590	279,662,559	263,901,262	266,586,229	268,010,543	296,195,218	304,149,984
294,570,002	201,718,737	257,979,759	245,234,714	225,389,263	219,010,215	221,821,686
188,422,325	159,501,281	168,221,281	191,607,132	188,171,324	185,383,977	192,191,972
126,562,408	241,361,052	202,242,967	188,644,326	210,357,429	201,759,028	206,196,905
154,104,659	137,133,114	153,176,948	173,019,519	170,074,476	160,146,094	160,829,657
87,237,647	95,978,128	105,832,495	97,461,426	89,965,392	94,171,988	104,191,328
676,556,446	678,991,604	718,290,801	740,947,660	776,094,167	802,448,888	819,428,865
\$ 3,229,865,624	\$ 3,293,416,721	\$ 3,381,909,810	\$ 3,444,317,934	\$ 3,538,553,566	\$ 3,621,234,689	\$ 3,690,392,202
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
2009 to 2018 Inclusive

Year	General	Street Improvement	Total City	County
2009	1.000%	0.125%	1.125%	1.225%
2010	1.000%	0.125%	1.125%	1.225%
2011	1.000%	0.125%	1.125%	1.225%
2012	1.000%	0.125%	1.125%	1.225%
2013	1.000%	0.125%	1.125%	1.225%
2014	1.000%	0.125%	1.125%	1.225%
2015	1.000%	0.125%	1.125%	1.225%
2016	1.000%	0.125%	1.125%	1.225%
2017	1.000%	0.125%	1.125%	1.475%
2018	1.000%	0.125%	1.125%	1.475%

Source: City Finance Department

City of Overland Park, Kansas

Ratios of Outstanding Debt
2009 to 2018 Inclusive

Year	Governmental Activities			Business-Type Activities				Total	Percentage	Per Capita
	General Obligation	Special Assessment	Capital Leases	General Obligation	Capital Leases	Revenue Bonds	Other	Primary Government	of Personal Income ¹	
2009	185,120,952	5,938,958	-	355,090	142,217	111,195,000	1,715,945	304,468,162	3.2%	1,741
2010	181,745,788	6,441,246	-	177,965	-	110,595,000	2,021,240	300,981,239	3.2%	1,736
2011	174,206,112	5,604,938	-	63,950	-	109,890,000	2,132,232	291,897,232	3.0%	1,668
2012	157,809,089	4,774,875	-	21,036	-	108,875,000	2,046,775	273,526,775	2.6%	1,526
2013	147,700,704	4,139,296	-	-	-	107,480,000	2,163,699	261,483,699	2.4%	1,447
2014	132,409,616	3,465,384	-	-	-	105,795,000	2,282,378	243,952,378	2.1%	1,321
2015	141,128,199	2,383,901	35,633	-	96,836	105,037,973	2,402,954	251,085,496	2.0%	1,337
2016	124,705,072	1,643,126	23,736	-	65,835	102,635,298	2,523,636	231,596,703	1.8%	1,222
2017	108,132,255	902,409	12,104	-	33,573	99,920,628	2,647,038	211,648,007	1.6%	1,104
2018	120,680,682	580,419	-	-	-	96,799,422	1,149,097	219,209,620	1.5%	1,123

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

Source: City Finance Department

City of Overland Park

Personal Income
2009 to 2018 Inclusive

Year	Johnson County Personal Income ¹	Johnson County Population ³	Overland Park Population ²	Population as a % of Johnson Co. Population	Overland Park Personal Income
2009	29,802,207,000	539,396	174,907	32.4%	9,663,799,175
2010	29,329,852,000	545,696	173,372	31.8%	9,318,329,438
2011	30,235,376,000	552,874	175,018	31.7%	9,571,321,923
2012	32,613,613,000	559,836	179,236	32.0%	10,441,510,620
2013	33,693,466,000	566,933	180,699	31.9%	10,739,144,860
2014	35,995,770,000	574,096	184,706	32.2%	11,581,050,371
2015	38,378,868,000	580,159	187,730	32.4%	12,418,776,387
2016	40,188,177,000	584,451	189,450	32.4%	13,027,011,901
2017	41,368,735,000	589,609	191,780	32.5%	13,455,859,728
2018 ⁴	44,432,504,000	595,505	195,140	32.8%	14,560,007,926

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

² Dept of Planning & Development Svcs - 2018 population as of July 1, 2018

³ Johnson County Population - 2018 population is an estimate using 1% increase from previous year.

⁴ 2018 Jo. Co. Personal Income is estimated based on prior years' growth.

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City of Overland Park, Kansas

Ratios of Net General Bonded Debt Outstanding
2009 to 2018 Inclusive

Year	Net General Bonded Debt ¹	Assessed Valuation ¹	Debt as a Percentage of Assessed Valuation	Population ²	Debt Per Capita
2009	185,476,042	2,749,776,214	6.7%	174,907	1,068
2010	181,923,753	2,595,023,004	7.0%	173,372	1,049
2011	174,270,062	2,633,259,498	6.6%	175,018	996
2012	157,830,125	2,648,371,219	6.0%	179,236	881
2013	147,700,704	2,673,311,534	5.5%	180,699	817
2014	132,409,616	2,858,672,109	4.6%	184,706	717
2015	141,128,199	3,032,075,092	4.7%	187,730	752
2016	124,705,072	3,267,141,165	3.8%	189,450	658
2017	108,132,255	3,462,760,522	3.1%	191,780	564
2018	121,261,101	3,669,276,425	3.3%	195,140	621

Sources:

¹ City Finance Department

² Department of Planning and Development Services

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

City of Overland Park, Kansas

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

	2009	2010	2011
Assessed Valuation	\$ 2,749,776,214	\$ 2,595,023,004	\$ 2,633,259,498
Assessed Valuation on Motor Vehicles	\$ 257,293,054	\$ 248,634,631	\$ 248,660,175
Total Assessed Valuation	\$ 3,007,069,268	\$ 2,843,657,635	\$ 2,881,919,673
General obligation bonded Indebtedness	\$ 191,415,000	\$ 188,365,000	\$ 179,875,000
Temporary Indebtedness	\$ -	\$ -	\$ -
Total Indebtedness	\$ 191,415,000	\$ 188,365,000	\$ 179,875,000
Legal debt limit ¹	\$ 902,120,780	\$ 853,097,291	\$ 864,575,902
Legal debt margin	\$ 710,705,780	\$ 664,732,291	\$ 684,700,902
Legal debt margin as a percentage of the debt limit	78.78%	77.92%	79.20%

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

Source: City Finance Department

City of Overland Park, Kansas

Ratios of General Bonded Debt Outstanding and Legal Debt Margin
2009 to 2018 Inclusive

2012	2013	2014	2015	2016	2017	2018
\$ 2,648,371,219	\$ 2,673,311,534	\$ 2,858,672,109	\$ 3,032,075,092	\$ 3,267,141,165	\$ 3,462,760,522	\$ 3,669,276,425
\$ 249,851,773	\$ 256,793,746	\$ 267,847,342	\$ 280,486,585	\$ 292,686,136	\$ 305,576,740	\$ 315,138,988
\$ 2,898,222,992	\$ 2,930,105,280	\$ 3,126,519,451	\$ 3,312,561,677	\$ 3,559,827,301	\$ 3,768,337,262	\$ 3,984,415,413
\$ 162,605,000	\$ 151,840,000	\$ 135,875,000	\$ 136,860,000	\$ 115,600,000	\$ 99,380,000	\$ 109,675,000
\$ -	\$ -	\$ -	\$ -			
\$ 162,605,000	\$ 151,840,000	\$ 135,875,000	\$ 136,860,000	\$ 115,600,000	\$ 99,380,000	\$ 109,675,000
\$ 869,466,898	\$ 879,031,584	\$ 937,955,835	\$ 993,768,503	\$ 1,067,948,190	\$ 1,130,501,179	\$ 1,195,324,624
\$ 706,861,898	\$ 727,191,584	\$ 802,080,835	\$ 856,908,503	\$ 952,348,190	\$ 1,031,121,179	\$ 1,085,649,624
81.30%	82.73%	85.51%	86.23%	89.18%	91.21%	90.82%

City of Overland Park, Kansas

Statement of Direct and Overlapping Debt
as of December 31, 2018

	Debt Outstanding	Estimated Percentage Applicable	City of Overland Park Share of Debt
Overlapping debt			
Blue Valley Unified School District (229)	\$ 395,355,031	68.92%	272,478,687
Olathe Unified School District (233)	554,948,220	12.98%	72,032,279
Shawnee Mission Unified School District (512)	329,390,000	29.84%	98,289,976
Spring Hill Unified School District (230)	155,035,000	8.00%	12,402,800
Johnson County	308,457,300	34.68%	106,972,992
Johnson County Parks and Recreation District	825,000	34.68%	286,110
Johnson County Community College	58,850,000	34.68%	20,409,180
Johnson County Fire #2	3,320,000	17.95%	595,940
Total overlapping debt			<u>583,467,964</u>
Direct debt			
Bonded debt:			
General obligation debt			\$ 120,680,682
Special assessment			<u>580,419</u>
Total general obligation bonded debt			<u>121,261,101</u>
Total direct debt			<u>121,261,101</u>
Combined direct and overlapping debt			<u>\$ 704,729,065</u>
Total net general obligation and overlapping debt			<u>\$ 704,148,646</u>

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

Source: City Finance Department

City of Overland Park, Kansas

Demographic and Economic Statistics
2009 to 2018 Inclusive

Year	Population	Per Capita		
		Personal Income ¹	Personal Income	Unemployment Rate ²
2009	174,907	9,536,390,204	54,523	6.7%
2010	173,372	9,400,832,009	54,223	5.8%
2011	175,018	9,481,306,062	54,173	5.1%
2012	179,236	10,441,510,620	58,256	4.4%
2013	180,699	10,739,144,860	59,431	4.3%
2014	184,706	11,581,050,371	62,700	3.9%
2015	187,730	12,418,776,387	66,152	3.5%
2016	189,450	13,027,011,901	68,762	3.3%
2017	191,780	13,455,859,728	70,163	3.0%
2018	195,140	14,560,007,926	74,613	2.9%

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

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

² Kansas Labor Information Center

City of Overland Park, Kansas

Principal Employers
2018 and 2009

Taxpayer	2018			2009		
	Employees	Rank	Percentage of Total City Employees	Employees	Rank	Percentage of Total City Employees
Sprint/Nextel	6,000	1	5.6%	9,500	1	10.2%
Shawnee Mission School District	3,600	2	3.4%	4,166	2	4.5%
Blue Valley School District	3,313	3	3.1%	3,153	4	3.4%
Black & Veatch Engineering Consultants	3,100	4	2.9%	3,247	3	3.5%
Johnson County Community College	2,377	5	2.2%	930	8	1.0%
OptumRx	2,000	6	1.9%			
Waddell & Reed Financial	1,350	7	1.3%			
Overland Park Regional Medical Center	1,250	8	1.2%	2,000	6	2.2%
YRC Freight	1,200	9	1.1%	1,259	7	1.4%
Overland Park, City of	914	10	0.9%	910	9	1.0%
Embarq				2,800	5	3.0%
Quintiles Transnational Corp.				900	10	1.0%
Total	<u>25,104</u>		<u>23.6%</u>	<u>28,865</u>		<u>31.2%</u>

Source:

Kansas Labor Information Center

Overland Park Chamber of Commerce

City of Overland Park, Kansas

Full-time Equivalent City Government Employees by Function/Program
2009 to 2018 Inclusive

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government										
Mayor and Council	13	13	13	13	13	13	13	13	13	13
City Manager's Office/Communications	9	9	8	7	7	7	9	9	9	9
Information Technology	37	37	33	32	32	33	33	34	35	35
Municipal Court	28	28	26	25	25	25	25	25	26	26
Law	14	14	13	12	12	12	12	13	13	13
Finance, Budget and Administration	25	24	19	19	19	19	20	20	20	20
Human Resources	17	16	14	13	15	15	15	15	15	16
Public Safety										
Police	317	316	308	300	303	302	302	308	318	321
Fire ¹	158	158	155	154	154	156	162	180	181	181
Public Works	136	136	132	128	127	129	132	133	136	139
Parks and Recreation	69	66	55	56	55	55	64	64	64	66
Planning and Development	87	84	68	67	67	67	68	70	73	75
Total	<u>910</u>	<u>901</u>	<u>844</u>	<u>826</u>	<u>829</u>	<u>833</u>	<u>855</u>	<u>884</u>	<u>903</u>	<u>914</u>

Source: City Budgets

City of Overland Park, Kansas
Operating Indicators by Function/Program
2009 to 2018 Inclusive

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police										
DUI Charges	879	882	655	648	584	613	644	619	595	503
Parking Violations	1,187	701	635	540	644	791	765	707	692	785
Traffic Tickets	43,076	46,362	36,478	33,948	33,750	37,811	39,009	28,946	29,928	27,693
Alarm calls	5,645	5,326	6,412	5,260	6,247	6,102	6,051	6,275	5,902	6,202
Fire										
Fire calls	3,200	3,393	3,403	3,395	3,140	3,761	4,109	4,156	4,355	4,067
EMS calls	13,476	14,380	15,284	15,452	16,080	17,549	18,954	19,263	19,719	18,852
Parks & Recreation										
Recreational program participants	89,280	91,474	86,491	**NA	**NA	**NA	**NA	**NA	**NA	**NA
Pool participants	170,246	181,354	177,794	176,464	136,925	134,050	131,462	139,260	143,939	127,731
Planning and Development										
Building permits	3,250	3,279	3,508	3,662	3,902	4,466	5,057	4,638	4,870	3,986
Plans Reviewed	2,609	2,704	3,360	2,305	2,661	3,579	4,135	4,169	2,776	4,577
Solid Waste permits	104	114	103	130	122	123	121	118	144	11
Sign and special event permits	1,048	1,149	1,235	1295	1204	1370	1,391	1,330	1,596	1,844
Pool permits	415	422	428	403	413	422	419	412	415	252
Convention Center										
Events	280	285	341	357	339	331	352	303	288	328
Attendance	287,751	251,021	235,097	290,255	306,487	344,367	380,021	358,268	372,539	377,131

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

Source: City of Overland Park Employees

City of Overland Park, Kansas

Capital Asset Statistics by Function/Program
2009 to 2018 Inclusive

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Works										
Streets (miles)	1,853	1,866	1,878	1,901	1,921	1,967	1,970	1,970	1,993	2,003
Streetlights	13,832	14,345	14,536	14,545	17,098	17,414	17,542	17,595	17,909	17,927
Traffic Signals	253	255	258	258	258	259	262	266	270	270
Stormsewers (miles)	627	630	638	661	665	665	678	716	724	738
Parks and Recreation										
Park Acreage	1,450	1,460	1,460	1,450	1,460	1,460	1,462	1,462	1,492	1,494
Parks	83	83	83	83	83	83	83	83	83	82
Police Department										
Automobiles	39	41	41	39	39	39	39	43	43	87
Police Stations	4	4	4	4	4	4	4	5	5	5

Source: City of Overland Park Employees

CITY OF OVERLAND PARK
SCHEDULE OF ECONOMIC DEVELOPMENT REVENUE BONDS
As of 12/31/18

Company	Interest Rate	Interest Payment Date	Date Issued	Maturity Date	Serial Payment	Payment Date Year	Authorized Amount	Issued Amount	Outstanding Amount
Black & Veatch Series 2009	4.00%	July 1 & January 1	7/1/2009	7/1/2019	\$60,000,000	2019	\$60,000,000	\$60,000,000	\$60,000,000
Black & Veatch Series 2012	4.00%	December 1	12/27/2012	12/1/2022	\$4,412,493 \$4,412,493 \$4,412,493 \$4,412,493	2019 2020 2021 2022	\$62,000,000	\$41,844,150	\$17,649,972
Teva Neuroscience, Inc. Series 2013A	3.8%	October 7	9/30/2013	10/7/2028	\$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	2019 2020 2021 2022 2023 2024 2025 2026 2027 2028	\$43,400,000	\$43,400,000	\$34,304,030
Teva Neuroscience, Inc. Series 2013B	3.8%	October 7	9/30/2013	10/7/2023	\$893,250	2023		\$893,250	\$893,250
OPX, LLC Series 2015	2.0%	February 1	12/30/2015	2/1/2026	\$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$57,030,000	2019 2020 2021 2022 2023 2024 2025 2026	\$57,930,000	\$57,930,000	\$57,730,000
The Vue Series 2016	3.0%	March 31	10/18/2016	3/31/2019	\$100,000	2019	\$17,500,000	\$100,000	\$100,000
Nall Corporate Centre II Series 2016	3.0%	February 1	12/20/2016	2/1/2027	\$1,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$26,596,778	2019 2020 2021 2022 2023 2024 2025 2026 2027	\$43,000,000	\$35,596,778	\$34,596,778
Tower Properties Series 2017	3.0%	December 1	10/12/2017	2/1/2027	\$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$24,776,700	2019 2020 2021 2022 2023 2024 2025 2026 2027	\$25,676,700	\$25,676,700	\$25,576,700

CITY OF OVERLAND PARK
SCHEDULE OF ECONOMIC DEVELOPMENT REVENUE BONDS
As of 12/31/18

Company	Interest Rate	Interest Payment Date	Date Issued	Maturity Date	Serial Payment	Payment Date Year	Authorized Amount	Issued Amount	Outstanding Amount
OPX, LLC Series 2017	3.0%	February 1	10/27/2017	2/1/2026	\$100,000	2026	\$20,470,000	\$100,000	\$100,000
Promontory Phase 1A Series 2017	3.0%	July 1	12/18/2017	7/1/2020	\$100,000 \$5,982,400	2019 2020	\$15,500,000	\$6,182,400	\$6,082,400
Promontory Phase 1B Series 2017	3.0%	December 31	12/18/2017	12/31/2019	\$4,100,000	2019	\$4,200,000	\$4,200,000	\$4,100,000
Avenue 81 Investors Series 2018	3.0%	December 1	3/8/2018	12/1/2021	\$100,000 \$17,376	2019 2020	\$17,000,000	\$117,376	\$117,376
Overland One, Building 1, Creative Planning HQ Series 2018	5.0%	May 1	6/22/2018	5/1/2029	\$198,288	2019	\$44,750,000	\$198,288	\$198,288
Overland One, Building 2 Series 2018	5.0%	May 1	6/22/2018	5/1/2020	\$100,000	2020	\$18,500,000	\$100,000	\$100,000
City Place - Parcel VI Series 2018	3%	April 1	12/20/2018	4/1/2020	\$500,000 \$15,500,000	2019 2020	\$16,000,000	\$16,000,000	\$16,000,000
TOTAL									\$257,548,794

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