

City of Overland Park, Kansas

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2016

City of Overland Park, Kansas

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2016

Mayor

Carl Gerlach

Council President

Rick Collins

City Council

Terry Happer Scheier

Dave Janson

Curt Skoog

Paul Lyons

Jim Kite

David White

Fred Spears

Terry Goodman

John Thompson

John Skubal

Dan Stock

City Manager

Bill Ebel

Prepared by Department of Finance

David M. Scott, Chief Financial Officer

Mark Fehling, Senior Accountant

Susie Evans, Accountant

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June 27, 2017

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, 2016.

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

The audit firm of RSM US LLP has issued an unmodified ("clean") opinion on the City of Overland Park's financial statements for the year ended December 31, 2016. 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 75.6 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 2016 WalletHub ranked the City No. 1 in the nation as the Best Cities for Families and No. 1 for First-Time Home Buyers. Niche ranked the City No. 6 as 2016's Best Cities to Live. Livability.com ranked the City No. 14 nationwide as the Best Places to Live.

The population of the City continues to experience moderate growth. At slightly more than 189,000 residents, Overland Park is the second largest city in the state of Kansas and is the largest suburb in the Kansas City area. A commercial hub of the Kansas City metropolitan region, the City's daytime population is estimated at close to 235,000. With a diverse business community, Overland Park remains resilient to economic fluctuations, as evidenced by a lower than average unemployment rate. Overland Park's unemployment in 2016 was 3.4%, which was less than the state of Kansas rate of 4.2%, and significantly less than the national rate of 4.9%.

As the current economy continues to expand, the City also is experiencing considerable economic development and strong gains in residential building permits. The City's assessed valuation of \$3.04 billion increased by 6.2% for 2016. Retail sales increased 2.7% from 2015, providing the City an improving economic foundation, as well as positive future financial outlook. Overland Park continues to receive a "AAA" bond-rating status from the nation's three top bond rating agencies. The triple-A status is a distinction only shared by a handful of communities in the nation.

2016 Major Initiatives for the Year

Local economic development and property values indicators made significant gains year-over-year, while regional and national indicators showed moderate growth. However, ongoing instability at State legislature level has created instability and uncertainty regarding the City's long-term ability to adequately fund ongoing needs. Considering both the positive economic data, and the uncertain state climate, the City adopted a 2016 budget, while still fiscally conservative, included moderate growth factors to address the City's reinvestment in infrastructure, ongoing maintenance, equipment and expanded service demands.

Operating Budget. The number of full-time equivalent (FTE) employees in the 2016 budget is 1,047 (884 full-time and 163 part-time) an 8 FTE increase from 2015, after adjustments to 2015 to account for the merger of Merriam fire personnel (100% reimbursed by the City of Merriam). One Infrastructure Specialist position was added in the Information Technology Department to manage the City's extensive fiber optic network. One Assistant City Attorney II position was added in the Law Department for increased legal issues faced by a city the size of Overland Park.

One Police Dispatch Supervisor position was added to ensure additional leadership was available in dispatch during the 24 hours/ 7 days a week operation. One Police Officer position was added to offset assignment of a police officer to Federal Social Security Task Force, which will be reimbursed 100% by Federal Government. One Police Dispatcher position was added to help address the increasing number of 911 calls for service.

One Transportation Project Inspector was added in the Public Works Department to help support infrastructure related to the City's Traffic Management System. One Senior Customer Service Representative position was added in Community Services to manage licensing of residential rental properties. One Multi-Disciplined Code Official was added in Planning and Development Services Department to accommodate additional plan review and inspections due to the increased construction activity within the City.

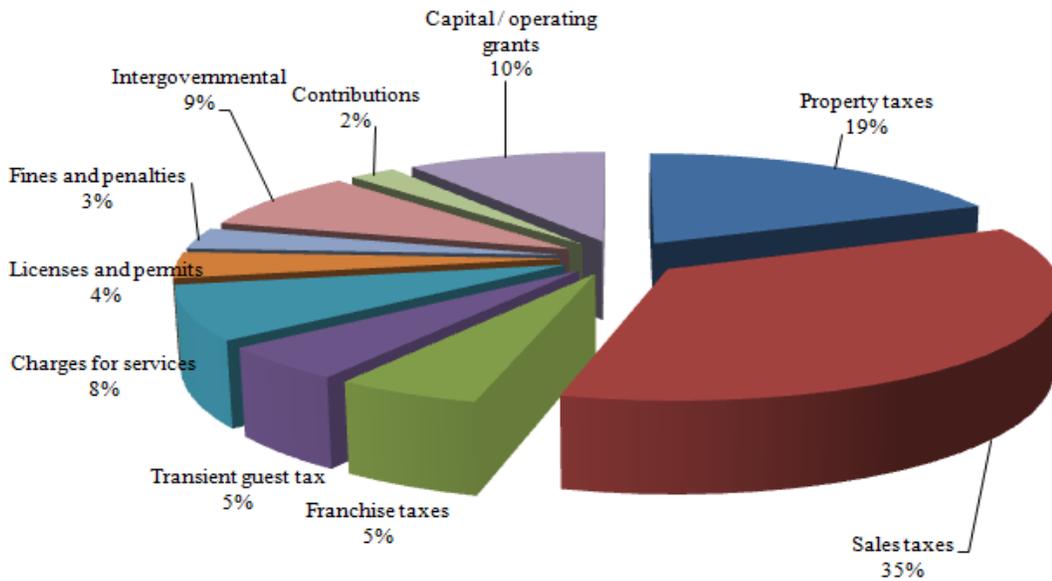
Capital Investments in Transportation Infrastructure, Public Facilities and Technology. The City's five-year capital improvements plan (CIP) was developed to prioritize capital improvement needs. During 2016, approximately \$31.7 million was spent on strategic investments in technology, facilities and infrastructure. These projects included:

- Storm Drainage Improvements
- Thoroughfare Improvements –159th Street: Metcalf to Nall
- Thoroughfare Improvements –159th Street: Nall to Mission
- Public Safety Facility - 159th Street and U. S. 69
- Neighborhood Street Reconstruction Improvements

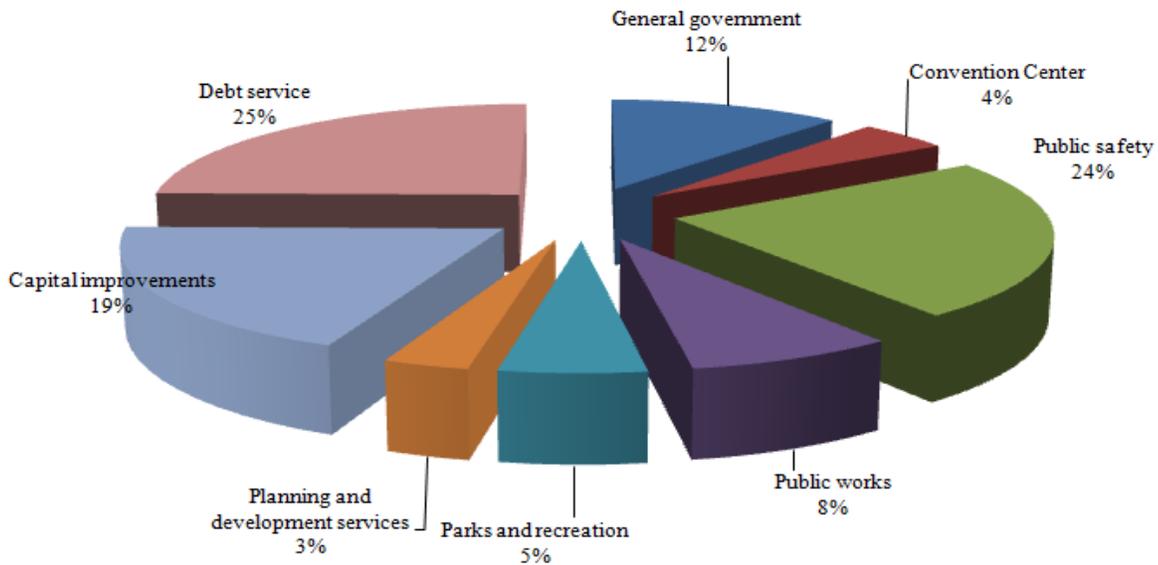
Maintenance of Quality Infrastructure and Public Facilities. Infrastructure maintenance expenditures during 2016 were approximately \$18.2 million, dedicated to repair, renovation, rehabilitation, or replacement of city infrastructure including streets, traffic management, storm water, facilities, and public parks.

The following chart depicts the actual sources and uses of the City's financial resources for 2016:

Where the Money Comes From



Where the Money Goes



Outlook for 2017

With all the technology projects scheduled for 2017 the City has adopted the slogan - *Tech Ahead – Out with the old. In with the awesome.* Due to financial constraints experienced by the City between 2008 and 2012 many technology enhancements were postponed to allow those funds to be allocated to more critical needs of the City. During 2017 the Information Technology Department, along with most City departments, will be involved in implementing many enhancements including:

- A new permitting, code enforcement and licensing program. This enhancement will provide users more interactive and web-based options for conducting business with the City, along with reducing annual operating costs.
- Upgrades to the Computer Aided Dispatch and Mobile Software System. This update to the 911 dispatch software will involve all Johnson County agencies and updates to over 100 computers in police vehicles.
- A cloud solution for an Enterprise Resource Planning Software. The new unified system will replace two separate applications used for Human Resources and Finance. The purpose of moving to one system is to minimize software support costs, maximize operational efficiencies by utilizing integrated data and reduce the complexity of implementation and periodic upgrades.
- Replacement of the City's phone system with a Voice over Internet Protocol ("VoIP") solution. The VoIP will provide a robust communications solution, inclusive of user-friendly interfaces, advanced system features and Google integration.
- A single solution to replace the City's point of sale and reservation systems utilized by Recreation Services to support the 2 Community Centers, 5 Municipal pools, Arboretum & Botanical Gardens, Deanna Rose Children's Farmstead and Soccer Complex. Currently, the City uses two different platforms and is seeking a platform to consolidate to a single point of sale and reservation system to be utilized citywide.

Accounting System

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

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

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

hearing to solicit citizens' comments on the proposals, the City Council adopts the budget. The budget is appropriately controlled through the accounting system to ensure effective fiscal management and accountability.

Capital and Maintenance Programs

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

Fiscal Policy

The financial management of the City is performed in accordance with a fiscal policy adopted by the City Council. This fiscal policy establishes the criteria and guidelines to be used in developing long-range (five-year) financial plans, annual operating budgets, and maintenance and capital improvements programs for Governing Body consideration. 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, 2015. 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 2016 report continues to conform to Certificate of Achievement Program requirements, and we will submit this report to the GFOA to determine its eligibility for another certificate.

In addition, the City also has received a GFOA Award for Distinguished Budget Presentation for its annual appropriated budget dated January 1, 2017. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

Many 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,

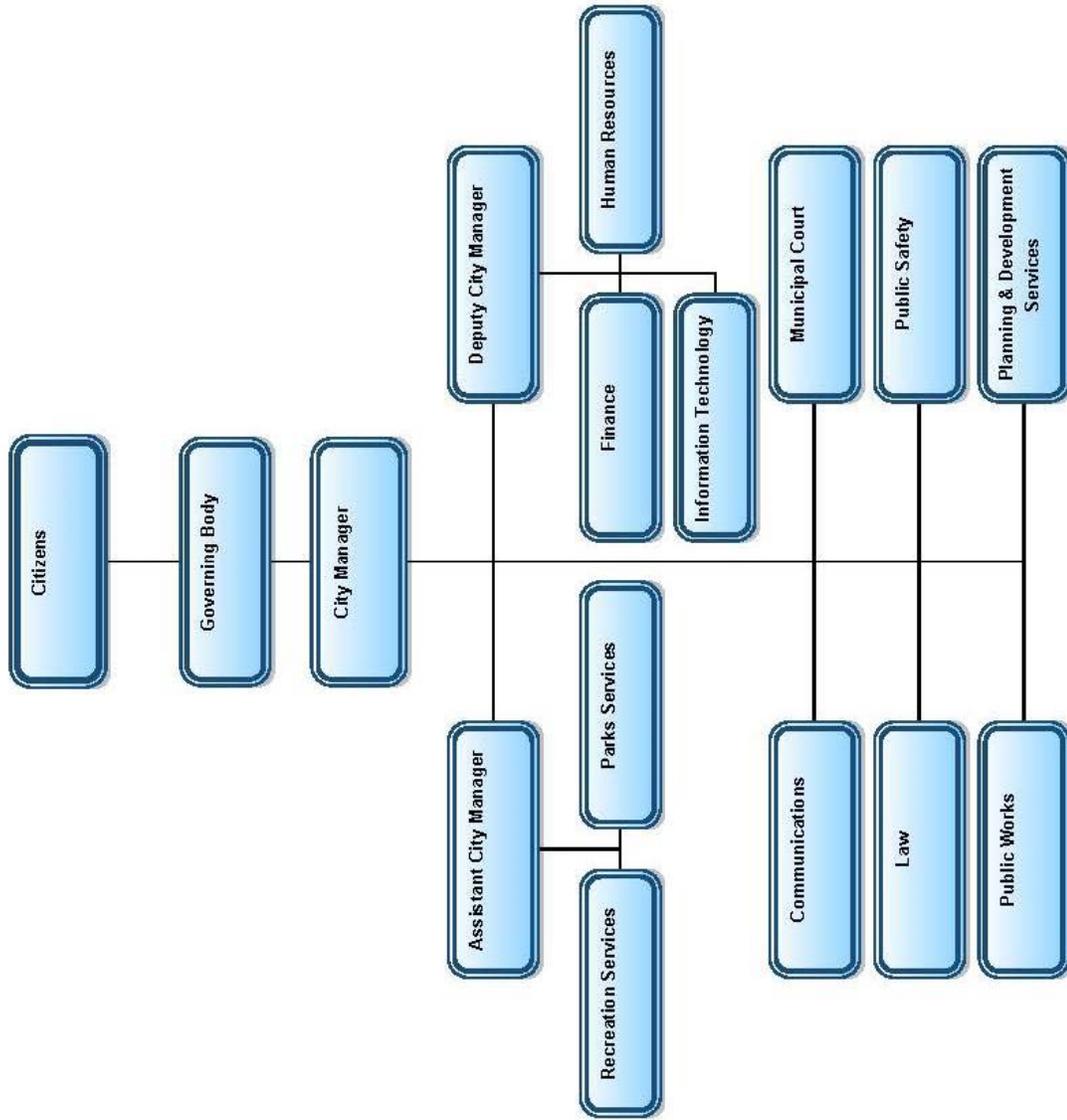


David M. Scott
Chief Financial Officer



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, 2015

Executive Director/CEO

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Independent Auditor's Report

RSM US LLP

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Overland Park, Kansas (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Sheraton Overland Park Hotel and Scoops, Inc., which is included within the financial statements of the Overland Park Development Corporation, a major enterprise fund. This activity represents 2 percent and 100 percent, respectively, of the total assets and total revenues of the major enterprise fund and 2 percent and 77 percent, respectively, of the total assets and total revenues of the business-type activities. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Sheraton Overland Park Hotel and Scoops, Inc., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Overland Park, Kansas, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

RSM US LLP

Kansas City, Missouri
June 27, 2017

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2016

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, 2016. 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 \$42,730,978 (or 4.4%) while the net position of our business-type activities increased by \$433,749 (or 1.1%).
- During the year, the City's revenues generated in taxes and other revenues for governmental programs were \$42,730,978 more than the \$184.7 million in City's expenses.
- The City's one-cent sales tax revenue collections in 2016 increased 2.0% over 2015 collections.
- The convention center generated excess revenues over expenses (thirteenth consecutive year) in its fourteenth full year of operations.

The Basic Financial Statements

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

Government-wide Financial Statements

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

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

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

City of Overland Park, Kansas

Management's Discussion and Analysis
Year Ended December 31, 2016

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

Fund Financial Statements

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

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

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

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

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2016

Notes to Basic Financial Statements

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

Other Information

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

Analysis of the Government-wide Statements

Net Position

Combined net position of the City at December 31 were:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Current and other assets	\$ 169,018,980	\$ 187,613,057	\$ 20,203,831	\$ 20,807,444
Capital assets	1,052,421,584	1,066,197,859	49,761,090	48,287,957
Total assets	<u>1,221,440,564</u>	<u>1,253,810,916</u>	<u>69,964,921</u>	<u>69,095,401</u>
Deferred outflows	<u>16,277,505</u>	<u>17,645,151</u>	<u>5,837,346</u>	<u>5,275,891</u>
Long-term liabilities	178,650,123	165,918,499	106,347,976	103,677,152
Other liabilities	42,377,017	40,693,079	9,963,626	10,769,726
Total liabilities	<u>221,027,140</u>	<u>206,611,578</u>	<u>116,311,602</u>	<u>114,446,878</u>
Deferred inflows	<u>41,549,364</u>	<u>46,971,946</u>	<u>-</u>	<u>-</u>
Net position:				
Net investment in capital assets	921,477,236	941,269,540	(49,536,373)	(49,137,285)
Restricted for other purposes	6,088,172	7,623,174	16,689,167	16,713,151
Unrestricted	47,576,157	68,979,829	(7,662,129)	(7,651,452)
Total Net Position	<u>\$ 975,141,565</u>	<u>\$ 1,017,872,543</u>	<u>\$ (40,509,335)</u>	<u>\$ (40,075,586)</u>

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2016

Governmental Activities

The City ended 2016 with positive net position. Several of the items fluctuated significantly between 2015 and 2016.

- Current and Other Assets – This category increased 11.0% from 2015 primarily due to increases in cash, cash equivalents and investments related to capital improvements and capital projects.
- Long-term Liabilities – Outstanding general obligation debt decreased from regular debt payments and a refunding bond issue.

Business-type Activities

- The City's golf course operations ended 2016 with positive net position with an increase of 4.1% in total net position in 2016 as compared to 2015.
- The Overland Park Development Corporation ended 2016 with negative net position of \$45,427,225.

Statement of Activities

The table below shows the condensed revenues, expenses and the change in net position for 2015 and 2016.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Revenues:				
Program Revenues:				
Charges for services	\$ 31,182,450	\$ 33,251,984	\$ 29,810,779	\$ 29,721,090
Operating grants and contributions	14,115,047	14,374,807	-	-
Capital grants and contributions	34,752,883	30,614,490	-	-
General Revenues:				-
Property taxes	36,981,306	40,265,869	-	-
Sales taxes	51,903,813	52,921,165	-	-
Other taxes	20,889,716	21,814,519	-	-
Other	33,654,707	37,103,176	299,425	453,603
Total revenues	<u>223,479,922</u>	<u>230,346,010</u>	<u>30,110,204</u>	<u>30,174,693</u>

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2016

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Expenses:				
General government	33,678,644	27,293,376	-	-
Public safety	56,811,306	57,722,052	-	-
Public works	84,779,317	70,884,253	-	-
Parks and recreation	16,427,499	16,021,763	-	-
Planning and development	7,818,756	7,591,220	-	-
Golf course	-	-	4,444,788	4,618,341
Soccer complex	-	-	1,155,103	1,143,200
OP Development Corporation	-	-	27,134,815	26,916,665
Interest on long-term debt	6,381,217	5,165,106	-	-
Total expenses	<u>205,896,739</u>	<u>184,677,770</u>	<u>32,734,706</u>	<u>32,678,206</u>
Revenue over (under) expenses	17,583,183	45,668,240	(2,624,502)	(2,503,513)
Transfers	(2,966,247)	(2,937,262)	2,966,247	2,937,262
Increase (decrease) in net position	14,616,936	42,730,978	341,745	433,749
Net position January 1	983,311,381	975,141,565	(40,851,080)	(40,509,335)
Prior period adjustment	(22,786,752)	-	-	-
Net position December 31	<u>\$ 975,141,565</u>	<u>\$ 1,017,872,543</u>	<u>\$ (40,509,335)</u>	<u>\$ (40,075,586)</u>

Governmental Activities

Several of the revenue and expense categories fluctuated between 2015 and 2016, as explained below.

- Charges for Services – Charges increased due to higher convention center revenue.
- Capital Grants/Contributions – Contributions decreased compared to the prior year due to several large storm drainage projects which received reimbursement in 2015.
- Property Taxes - The 8.9% increase in property taxes is primarily due to an increase in assessed valuation of 6.2%. The Table below compares the mill levy for 2015 through 2016.
- Other – This revenue category increased primarily due to higher countywide retail sales tax collections in 2016 along with an increase in interest income.

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2016

	2014 Levy to support <u>2015 Budget</u>	2015 Levy to support <u>2016 Budget</u>
General Fund	11.877	11.887
Storm Water Utility	0.960	0.961
Total Mill Levy	<u>12.837</u>	<u>12.848</u>

The City's assessed valuation experienced a 6.2% increase over the previous year, as shown in the following chart. This increase was driven by a 6.6% increase in real estate valuation.

	2014 Valuation to Support 2015 <u>Budget</u>	2015 Valuation to Support 2016 <u>Budget</u>	Increase/ (Decrease) over <u>Prior year</u>	<u>% Change</u>
Real Estate	\$ 2,779,658,288	\$ 2,963,457,404	\$ 183,799,116	6.6%
Personal	37,535,462	32,045,274	(5,490,188)	-14.6%
Utilities	45,360,611	45,207,918	(152,693)	-0.3%
Total	<u>\$ 2,862,554,361</u>	<u>\$ 3,040,710,596</u>	<u>\$ 178,156,235</u>	6.2%

- Sales taxes – Combined sales and use tax revenue increased by 2.0% over 2015 due to a decline in use tax collections. Retail sales tax collections increased 2.7% over 2015.
- Other taxes – Transient guest taxes increased by 5.6% due to improved occupancy percentages and average daily room rates. Franchise taxes increased by 3.3% over 2015 due to increased collections from KCP&L.
- General Government Expense – This expense category was lower in 2016 due to higher capitalized expenses in 2016 compared with 2015.
- Public Works Expense - This expense category is lower in 2016 due to a decrease in storm drainage projects.

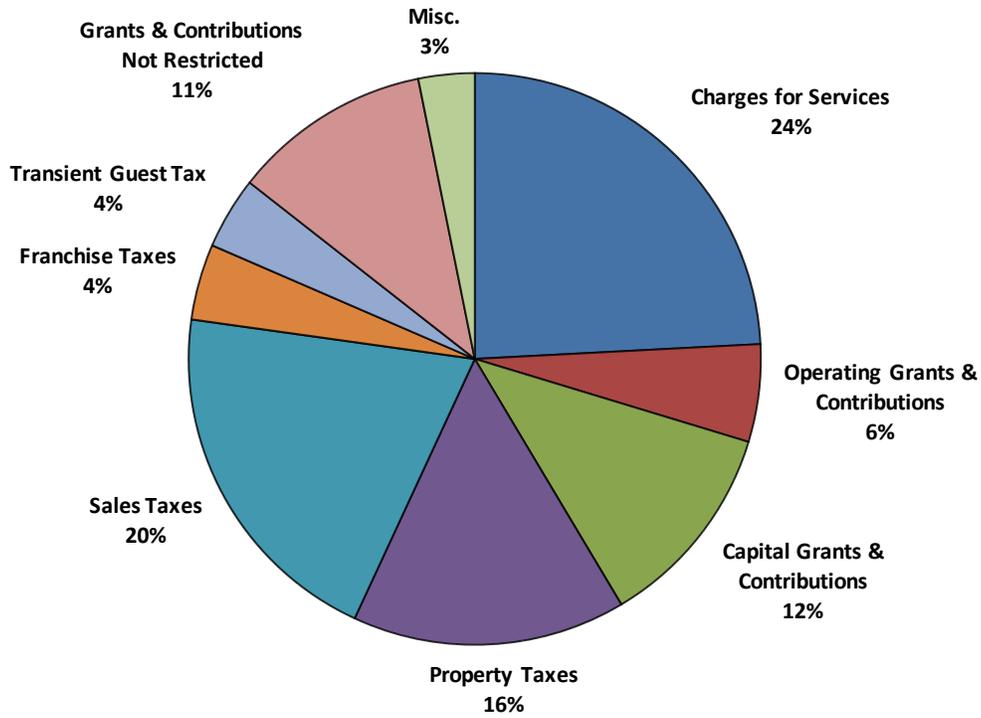
Business-type Activities

There were no categories that experienced significant variations between 2015 and 2016:

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2016

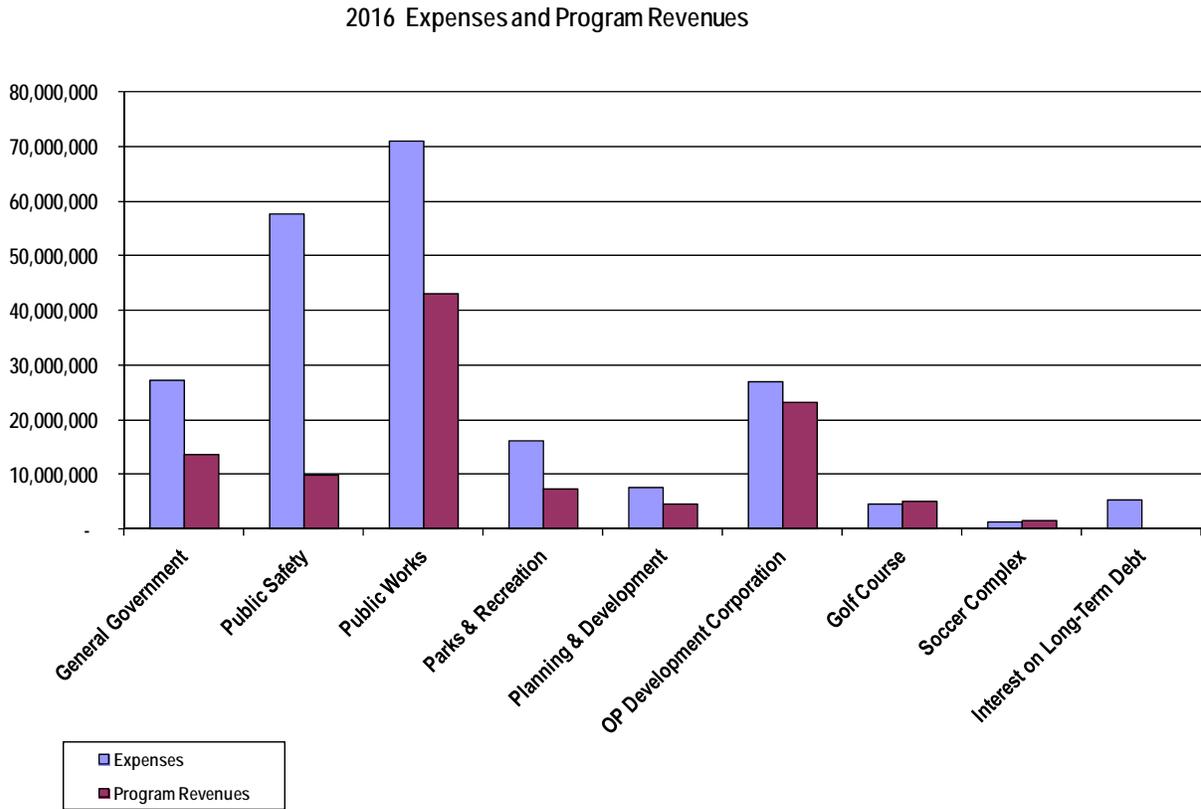
The following graph depicts the composition of 2016 primary government revenues as presented in the Statement of Activities.

2016 Revenues by Source



City of Overland Park, Kansas
 Management's Discussion and Analysis
 Year Ended December 31, 2016

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



The total cost of services for 2016 was \$217.4 million; however, \$107.9 million was funded by users directly benefiting from the services or by other organizations through grants and contributions. The remaining \$109.4 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, 2016

Analysis of the Fund Financial Statements

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

Major Funds - Governmental Fund Balance at December 31, 2015									
	General	One-eighth Cent Sales Tax -		Stormwater Utility	Combined Transient Guest Tax Fund		Street Improvement	Debt Service	Total
		Street Improvement							
Fund Balances:									
Restricted	\$ -	\$ 5,606,394	\$ 657,602	\$ 3,279,806	\$ 6,356,688	\$ 250,000	\$ 16,150,490		
Assigned	30,249,453	-	62,410	-	5,151,530	5,000	35,468,393		
Unassigned	41,202,961	-	-	-	-	-	41,202,961		
Total fund balances	\$ 71,452,414	\$ 5,606,394	\$ 720,012	\$ 3,279,806	\$ 11,508,218	\$ 255,000	\$ 92,821,844		

Overall, the City's major funds experienced a 6.2 percent increase in fund balance as a result of 2016 operations. The increase in the General Fund is attributable to increases in receipts for property taxes and sales taxes somewhat offset by greater transfers to other funds. The One-eighth Cent Sales Tax-Street Improvement fund decreased due to increased transfers to capital projects. The Stormwater Utility Fund experienced an increase in receipts of property taxes and transfers in from other funds resulting in an increase to the fund balance.

Proprietary Funds

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

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

City of Overland Park, Kansas

Management's Discussion and Analysis
Year Ended December 31, 2016

Budgetary Highlights

The legally adopted budget for the General Fund was not amended during 2016. However, the budget was revised due to Departments within the City that are allowed to transfer budget between line items and between cost centers within a department. In addition, budget may be transferred out of cost centers to reflect insurance savings, budget cuts, etc. As a result of these budget transfers, the original budget and the final budgets may not be the same in some cost centers.

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

Category	Explanation
Sales Tax	During 2016 retail sales improved resulting in sales tax collections increasing 2.7% (compensating use tax revenue declined 3.5%). Combined sales and use taxes increased 1.8% compared to a budgeted increase of 2.5%.
Fines and Penalties	The Municipal Court's case load varies from year to year based on the level of police enforcement activity.
Grant/Contributions Not Restricted	Countywide retail sales tax collections increased \$1.4 million. The City's share of the countywide distribution increased due to greater countywide retail sales.
Licenses and Permits	These revenues come from many sources with varying levels of activity from year to year. Because of the nature of these revenues, it is difficult to make accurate estimates of the individual sources.
Public Safety	Small variances in most budgeted areas contribute to this variance in spend to budget.
City-wide Contingency	The contingency budget is set aside for unexpected expenditures. Any funds allocated from this budget are transferred to the requesting cost center so there will not be any actual expenditures charged to this category.

City of Overland Park, Kansas
Management's Discussion and Analysis
Year Ended December 31, 2016

Capital Asset and Debt Administration

Capital Assets

The total amount invested in capital assets for the City at December 31, 2016, was \$1,114,485,816 net of accumulated depreciation. This represents an increase of 1.1% over the 2015 total, which is attributed to an increase 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>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Land	\$ 31,045,631	\$ 31,513,661	\$ 1,425,200	\$ 1,425,200
Construction in Progress	19,475,157	8,013,983	110,063	842,944
Land Improvements	23,416,770	20,905,572	7,949	334,344
Building and Improvements - City	76,495,984	80,276,284	1,477,808	1,108,400
Building and Improvements - OPDC	-	-	43,348,524	41,745,529
OPCC Capital Assets	1,056,292	1,102,522	-	-
Equipment - City	10,338,993	10,879,430	234,357	170,792
Equipment - OPDC	-	-	3,157,189	2,660,748
Infrastructure	890,592,757	913,506,407	-	-
	<u>\$ 1,052,421,584</u>	<u>\$ 1,066,197,859</u>	<u>\$ 49,761,090</u>	<u>\$ 48,287,957</u>

Major additions to capital assets during the year included:

Infrastructure - 2016 streets	\$ 4,562,126
Infrastructure - 2016 residential street	451,475
Infrastructure - 2016 storm drainage	3,702
Public buildings	27,884
Parks facilities	24,325
Public equipment	223,390
Total	<u>\$ 5,292,902</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, 2016

Debt Administration

The outstanding general obligation bonds at December 31, 2016 totaled \$115,600,000 of which \$113,956,874 is considered net direct tax supported debt. This balance represents a 15.5% decrease over the 2015 balance. This decrease is primarily due to the net impact of regularly scheduled debt payments of \$16,090,000 and the City issued \$31,590,000 of general obligation refunding bonds to refund \$36,760,000 of general obligation bonds.

For the past 29 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 thirteenth 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 2016 fiscal year is as follows:

	<u>Total Amount</u>	<u>Ratio of Debt to Assessed Value</u>	<u>Debt Per Capita</u>
Total bonded debt	\$115,600,000	0.035	\$610.19

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, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents and investments	\$ 114,288,164	\$ 2,906,526	\$ 117,194,690
Taxes receivables	19,494,722	-	19,494,722
Accounts receivables	2,108,317	560,807	2,669,124
Due from other governments	2,652,292	-	2,652,292
Current property taxes receivable	45,176,852	-	45,176,852
Special assessments	406,325	-	406,325
Other current assets	401,835	626,960	1,028,795
Total Current Assets	184,528,507	4,094,293	188,622,800
Noncurrent assets:			
Special assessments	726,507	-	726,507
Cash and investments restricted for:			
Debt service	-	16,713,151	16,713,151
Workers' comp and medical claims	2,358,043	-	2,358,043
Capital Assets:			
Land, improvements and construction in progress	39,527,644	2,268,144	41,795,788
Capital assets, net of depreciation	1,026,670,215	46,019,813	1,072,690,028
Total Capital Assets	1,066,197,859	48,287,957	1,114,485,816
Total Noncurrent assets	1,069,282,409	65,001,108	1,134,283,517
Total assets	1,253,810,916	69,095,401	1,322,906,317
Deferred Outflows of Resources			
Deferred outflow from pensions	16,201,536	-	16,201,536
Deferred charge on refunding	1,443,615	5,275,891	6,719,506
Total deferred outflows	17,645,151	5,275,891	22,921,042
Liabilities			
Accounts and claims payable	8,501,845	3,739,360	12,241,205
Accrued expenditures	4,076,413	4,396,185	8,472,598
Contract payable	3,852,607	-	3,852,607
Unearned revenue	2,835,039	3,179	2,838,218
Long-term liabilities:			
Due in one year	21,427,175	2,631,002	24,058,177
Due in more than one year	165,918,499	103,677,152	269,595,651
Total Liabilities	206,611,578	114,446,878	321,058,456
Deferred Inflows of Resources			
Deferred inflows from pensions	1,407,911	-	1,407,911
Property taxes	45,564,035	-	45,564,035
Total deferred inflows	46,971,946	-	46,971,946
Net Position			
Net investment in capital assets	941,269,540	(49,137,285)	892,132,255
Restricted for:			
Debt Service	268,815	12,621,733	12,890,548
Restricted for capital and other projects	-	4,091,418	4,091,418
Workers' compensation and medical claims	1,364,621	-	1,364,621
Street improvements	5,989,738	-	5,989,738
Unrestricted	68,979,829	(7,651,452)	61,328,377
Total Net Position	\$ 1,017,872,543	\$ (40,075,586)	\$ 977,796,957

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

**City of Overland Park
Statement of Activities
For the Year Ended December 31, 2016**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 27,293,376	\$ 12,546,531	\$ 972,564	\$ -	\$ (13,774,281)	\$ -	\$ (13,774,281)
Public safety	57,722,052	6,758,079	2,989,584	62,776	(47,911,613)	-	(47,911,613)
Public works	70,884,253	4,025,281	8,472,411	30,551,714	(27,834,847)	-	(27,834,847)
Parks and recreation	16,021,763	5,805,366	1,487,548	-	(8,728,849)	-	(8,728,849)
Planning and development services	7,591,220	4,116,727	452,700	-	(3,021,793)	-	(3,021,793)
Interest on long-term debt	5,165,106	-	-	-	(5,165,106)	-	(5,165,106)
Total governmental activities	<u>184,677,770</u>	<u>33,251,984</u>	<u>14,374,807</u>	<u>30,614,490</u>	<u>(106,436,489)</u>	<u>-</u>	<u>(106,436,489)</u>
Business-type activities:							
Golf course	\$ 4,618,341	\$ 5,133,118	\$ -	\$ -	\$ -	514,777	514,777
Soccer complex	1,143,200	1,479,342	-	-	-	336,142	336,142
OP Development Corporation	26,916,665	23,108,630	-	-	-	(3,808,035)	(3,808,035)
Total business-type activities	<u>32,678,206</u>	<u>29,721,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,957,116)</u>	<u>(2,957,116)</u>
Total primary government	<u><u>\$ 217,355,976</u></u>	<u><u>\$ 62,973,074</u></u>	<u><u>\$ 14,374,807</u></u>	<u><u>\$ 30,614,490</u></u>	<u><u>\$ (106,436,489)</u></u>	<u><u>\$ (2,957,116)</u></u>	<u><u>\$ (109,393,605)</u></u>
General Revenues:							
Property taxes					\$ 40,265,869	-	40,265,869
Sales taxes					52,921,165	-	52,921,165
Franchise taxes					11,194,063	-	11,194,063
Transient guest tax					10,620,456	-	10,620,456
Grants and contributions not restricted to specific programs					29,302,344	-	29,302,344
Unrestricted investment earnings					1,186,221	135,487	1,321,708
Miscellaneous					6,614,611	318,116	6,932,727
Transfers					(2,937,262)	2,937,262	-
Total general revenue and transfers					<u>149,167,467</u>	<u>3,390,865</u>	<u>152,558,332</u>
Change in net position					42,730,978	433,749	43,164,727
Net position-beginning					975,141,565	(40,509,335)	934,632,230
Net position-ending					<u><u>\$ 1,017,872,543</u></u>	<u><u>\$ (40,075,586)</u></u>	<u><u>\$ 977,796,957</u></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, 2016**

	One-eighth Cent Sales Tax -		
	General	Street Improvement	Stormwater Utility
Assets			
Cash, cash equivalents and investments	\$ 67,869,344	\$ 3,587,831	\$ 1,922,584
Taxes receivable	14,248,284	1,086,158	-
Accounts receivables	1,438,707	-	-
Due from other funds	4,161	-	-
Due from other governments	11,998	-	-
Current property taxes receivable	42,030,838	-	3,146,014
Other current assets	-	-	-
Special assessments			
Current	-	-	-
Noncurrent	-	-	-
Total Assets	\$ 125,603,332	\$ 4,673,989	\$ 5,068,598
Liabilities:			
Accounts payable	\$ 4,649,803	\$ 222,958	\$ 16,158
Accrued expenditures	2,706,275	-	34,324
Contracts payable	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total Liabilities	\$ 7,356,078	\$ 222,958	\$ 50,482
Deferred Inflows of Resources			
Unavailable revenue - property taxes	42,466,416	-	3,146,014
Unavailable revenue - special assessment	-	-	-
Total deferred inflows of resources	\$ 42,466,416	\$ -	\$ 3,146,014
Fund Balances:			
Restricted	-	4,451,031	1,865,332
Assigned	32,680,095	-	6,770
Unassigned	43,100,743	-	-
Total fund balances	75,780,838	4,451,031	1,872,102
Total liabilities, deferred inflows of resources and fund balance	\$ 125,603,332	\$ 4,673,989	\$ 5,068,598

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

Combined Transient Tax Fund	Street Improvement	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 3,833,818	\$ 13,707,510	\$ 250,000	\$ 20,141,921	\$ 111,313,008
2,901,250	-	-	1,259,030	19,494,722
648,709	-	-	-	2,087,416
-	222,847	-	-	227,008
-	880,781	-	1,759,513	2,652,292
-	-	-	-	45,176,852
401,835	-	-	-	401,835
-	-	406,325	-	406,325
-	-	726,507	-	726,507
\$ 7,785,612	\$ 14,811,138	\$ 1,382,832	\$ 23,160,464	\$ 182,485,965
\$ 1,461,788	\$ -	\$ -	\$ 13,884	\$ 6,364,591
-	-	-	-	2,740,599
-	2,322,012	-	1,530,595	3,852,607
-	-	-	227,008	227,008
2,603,085	-	-	231,954	2,835,039
\$ 4,064,873	\$ 2,322,012	\$ -	\$ 2,003,441	\$ 16,019,844
\$ -	-	-	-	45,612,430
-	-	1,132,832	-	1,132,832
\$ -	\$ -	\$ 1,132,832	\$ -	\$ 46,745,262
3,720,739	-	250,000	11,638,802	21,925,904
-	12,489,126	-	9,836,411	55,012,402
-	-	-	(318,190)	42,782,553
3,720,739	12,489,126	250,000	21,157,023	119,720,859
\$ 7,785,612	\$ 14,811,138	\$ 1,382,832	\$ 23,160,464	\$ 182,485,965

**City of Overland Park
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2016**

Fund balances - total governmental funds \$ 119,720,859

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. 1,066,197,859

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

Governmental bonds payable	\$ (115,600,000)	
Accrued interest payable on long-term debt	(1,335,814)	
Bond premium	(10,748,198)	
Deferred charge on refunding	1,443,615	
Accrued vacation and sick leave payable	(7,772,173)	
Police and Fire net pension liability	(8,028,747)	
KPERS net pension liability	(36,158,308)	
Capital lease payable	(23,736)	
Other postemployment benefit	<u>(9,014,512)</u>	(187,237,873)

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

Deferred inflows of resources - unavailable revenue 1,181,227

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position. 3,216,846

Pension related deferred outflows and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds.

Deferred outflows - KPERS		12,068,079
Deferred outflows - Police/Fire pension		4,133,457
Deferred inflows - KPERS		(951,238)
Deferred inflows - Police/Fire pension		(456,673)

Net position of governmental activities \$1,017,872,543

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, 2016

	General	One-eighth Cent Sales Tax Street Improvement	Stormwater Utility	Combined Transient Guest Tax
Revenues				
Property taxes	\$ 36,893,877	\$ -	\$ 3,013,743	\$ -
Sales taxes	46,707,590	5,879,700	-	-
Franchise taxes	11,194,063	-	-	-
Transient guest tax	-	-	-	10,620,456
Charges for services	5,805,366	-	-	11,124,926
Licenses and permits	8,041,929	-	-	-
Fines and penalties	6,758,079	-	-	-
Use of money	977,519	-	-	-
Intergovernmental	2,378,195	-	-	-
Contributions	1,736,228	-	-	-
Capital / operating grants	-	31,154	3,999,415	27,128
Grants / contributions not restricted to specific programs	28,280,932	-	-	-
Total revenues	148,773,778	5,910,854	7,013,158	21,772,510
Expenditures				
Current:				
General government	20,304,117	-	-	13,820,390
Public safety	54,883,348	-	-	-
Public works	13,206,371	-	3,437,680	-
Parks and recreation	9,888,242	-	-	-
Planning and development services	7,173,871	-	-	-
Capital improvements	-	-	-	-
Principal / Interest on long-term debt	-	-	-	-
Bond Issuance Costs	-	-	-	-
Total expenditures	105,455,949	-	3,437,680	13,820,390
Excess of revenues over (under) expenditures	43,317,829	5,910,854	3,575,478	7,952,120
Other financing sources (uses)				
Refunding bond issue	-	-	-	-
Issuance: Premium	-	-	-	-
Transfers in	17,358,303	13,783	772,251	2,094,510
Transfers out	(56,347,708)	(7,080,000)	(3,195,639)	(9,605,697)
Total other financing sources (uses)	(38,989,405)	(7,066,217)	(2,423,388)	(7,511,187)
Net change in fund balances	4,328,424	(1,155,363)	1,152,090	440,933
Fund balances at beginning of year	71,452,414	5,606,394	720,012	3,279,806
Fund balances at end of year	\$ 75,780,838	\$ 4,451,031	\$ 1,872,102	\$ 3,720,739

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

Street Improvement	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 358,248	\$ 40,265,868
-	-	333,875	52,921,165
-	-	-	11,194,063
-	-	-	10,620,456
-	-	-	16,930,292
-	-	103,083	8,145,012
-	-	-	6,758,079
-	-	6,939	984,458
8,226,644	-	7,948,143	18,552,982
-	473,626	1,828,580	4,038,434
3,282	-	11,105,162	15,166,141
-	-	446,280	28,727,212
8,229,926	473,626	22,130,310	214,304,162
-	-	3,555,750	37,680,257
-	-	217,162	55,100,510
-	-	1,460,239	18,104,290
-	-	2,841,090	12,729,332
-	-	228,294	7,402,165
31,159,094	-	13,247,363	44,406,457
-	57,706,220	-	57,706,220
-	213,537	-	213,537
31,159,094	57,919,757	21,549,898	233,342,768
(22,929,168)	(57,446,131)	580,412	(19,038,606)
-	31,590,000	-	31,590,000
-	5,451,844	-	5,451,844
36,300,185	20,399,287	14,851,046	91,789,365
(12,390,109)	-	(6,882,474)	(95,501,627)
23,910,076	57,441,131	7,968,572	33,329,582
980,908	(5,000)	8,548,984	14,290,976
11,508,218	255,000	12,608,039	105,429,883
\$ 12,489,126	\$ 250,000	\$ 21,157,023	\$ 119,720,859

City of Overland Park
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2016

Net change in fund balances-total governmental funds \$ 14,290,976

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	11,931,422	
Expenditures for capital assets	41,265,237	
Less current year depreciation	(39,328,617)	
Less current year disposals (net of depreciation)	<u>(91,767)</u>	13,776,275

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

Long-term debt interest expense	53,277	
Pension expense	(1,788,759)	
Change in other post employment benefits	(14,827)	
Change in vacation/sick leave obligation	69,100	(1,681,209)

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

Special assessments		(349,878)
Capital grant		(94,568)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded payments.

Bond proceeds		(31,590,000)
Bond principal and capital lease payments		52,861,897
Amortization of bond premium		(4,096,088)
Amortization of deferred charge on refunding		(153,625)

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

		<u>(232,802)</u>
Change in net position of governmental activities		<u>\$ 42,730,978</u>

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

City of Overland Park
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
General Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
Revenues:				
Property taxes	\$ 35,617,470	\$ 35,617,470	\$ 36,893,877	\$ 1,276,407
Sales tax	46,740,000	46,740,000	46,707,590	(32,410)
Franchise taxes	11,499,200	11,499,200	11,194,063	(305,137)
Charges for services	5,515,100	5,515,100	5,896,577	381,477
Licenses and permits	8,447,700	8,447,700	10,326,213	1,878,513
Fines and penalties	4,500,000	4,500,000	4,382,583	(117,417)
Use of money	158,000	158,000	633,894	475,894
Intergovernmental	2,419,700	2,419,700	2,378,195	(41,505)
Grants/ Contributions not restricted	26,710,000	26,710,000	28,280,932	1,570,932
Miscellaneous Reimb / Contributions	1,552,830	1,552,830	1,781,903	229,073
Total revenues	143,160,000	143,160,000	148,475,827	5,315,827
Expenditures:				
Current:				
Finance and Administration				
Mayor and Council	419,864	472,822	468,597	4,225
Economic Development	645,980	700,217	700,217	-
Emergency Management	180,231	204,287	214,702	(10,415)
City Manager	1,022,307	1,225,892	1,211,878	14,014
Communications	531,551	531,297	519,932	11,365
Information Technology	4,334,936	4,465,361	4,311,951	153,410
Facilities Management	3,814,306	3,805,925	3,681,897	124,028
Municipal Court	2,978,552	2,971,665	2,865,229	106,436
Law	1,704,521	1,761,874	1,770,486	(8,612)
Finance and Accounting	1,478,962	1,478,535	1,412,795	65,740
City Clerk	785,148	785,640	792,544	(6,904)
Human Resources	1,774,506	1,790,176	1,924,969	(134,793)
Payroll	453,775	456,246	434,285	21,961
City Wide Contingency	3,500,000	3,430,428	-	3,430,428
Total Finance and Administration	23,624,639	24,080,365	20,309,482	3,770,883
Public Safety				
Police				
Police Administration	2,883,928	2,899,343	3,073,834	(174,491)
Tactical Operations	20,563,424	20,428,954	19,050,529	1,378,425
Special Services Bureau	11,274,447	11,197,154	10,458,499	738,655
Total Police	34,721,799	34,525,451	32,582,862	1,942,589

(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, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Fire				
Fire Services	945,000	945,000	915,313	29,687
OPFD - Administration	1,288,013	1,278,807	1,377,271	(98,464)
OPFD - Operations	16,604,746	16,403,527	15,752,895	650,632
OPFD - Prevention	705,183	698,200	706,120	(7,920)
OPFD - Support Services	607,963	607,896	492,772	115,124
OPFD - Training	924,990	916,343	901,444	14,899
OPFD - Merriam Fire Operations	2,176,390	2,145,654	2,105,118	40,536
Total Fire	23,252,285	22,995,427	22,250,933	744,494
Total Public Safety	57,974,084	57,520,878	54,833,795	2,687,083
Public Works				
Public Works Administration	\$ 1,248,658	\$ 1,062,664	\$ 799,227	\$ 263,437
Street Engineering & Construction	2,582,525	2,543,372	2,525,625	17,747
Traffic Services	1,710,124	1,685,581	1,615,648	69,933
Traffic Maintenance	3,180,114	3,164,303	3,210,532	(46,229)
Public Works Maintenance	4,161,252	4,209,360	4,018,265	191,095
Fleet Maintenance	1,031,319	1,028,382	1,016,477	11,905
Total Public Works	13,913,992	13,693,662	13,185,774	507,888
Community Development				
Parks and Forestry	3,300,542	3,491,311	3,257,692	233,619
Arboretum/Botanical Garden	897,468	894,329	965,042	(70,713)
Leisure Services	970,017	968,354	878,701	89,653
Community Centers	1,907,434	1,902,719	1,794,273	108,446
Farmstead	1,763,227	1,755,042	1,744,313	10,729
Aquatics	1,239,186	1,236,199	1,202,380	33,819
Planning and Development	2,048,386	2,106,771	2,210,908	(104,137)
Community Planning	2,102,897	2,089,043	1,813,189	275,854
Building Safety	2,419,422	2,395,252	2,103,875	291,377
Engineering Services	1,163,706	1,156,075	1,144,871	11,204
Total Community Development	17,812,285	17,995,095	17,115,244	879,851
Total expenditures	113,325,000	113,290,000	105,444,295	7,845,705
Revenues over expenditures	29,835,000	29,870,000	43,031,532	13,161,532

(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, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
Other financing sources (uses):				
Transfer (to) from other funds:				
Special Revenue Funds	150,000	150,000	150,000	-
Golf Course Fund	250,000	250,000	250,000	-
Debt Service Fund	(14,450,000)	(14,450,000)	(14,187,852)	262,148
Insurance Reserve Funds	(100,000)	(100,000)	-	100,000
Capital Projects Funds	(52,205,000)	(52,240,000)	(24,820,222)	27,419,778
Equipment Reserve Fund	(1,530,000)	(1,530,000)	(2,480,000)	(950,000)
Total other financing sources (uses)	(67,885,000)	(67,920,000)	(41,088,074)	26,831,926
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ (38,050,000)</u>	<u>\$ (38,050,000)</u>	1,943,458	<u>\$ 39,993,458</u>
Reconciliation to GAAP Basis:				
Activities reported within the Capital Improvement Fund, Equipment Reserve Fund, Special Street Improvement Fund, Special Liability Defense Fund, Risk Management Fund (sub-funds of the General Fund):				
Total Revenue			297,949	
Total Expenditures			(171,685)	
Total other financing sources			<u>2,098,669</u>	
Revenues and other financing sources over expenditures			4,168,391	
Reconciliation between GAAP and Non-GAAP expenditures			160,033	
Fund balances at beginning of year			71,452,414	
Fund balances at end of year			<u>\$ 75,780,838</u>	

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

City of Overland Park
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
One-eighth Cent Sales Tax for Street Improvements Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
Revenues:				
Sales Tax	\$ 5,800,000	\$ 5,800,000	\$ 5,879,700	\$ 79,700
Capital/operating grants	10,000	10,000	31,154	21,154
Total revenues	5,810,000	5,810,000	5,910,854	100,854
Expenditures:				
City wide contingency	-	-	-	-
Total expenditures	-	-	-	-
Revenues over expenditures	5,810,000	5,810,000	5,910,854	100,854
Other financing sources (uses):				
Transfer (to) from other funds:				
General Fund	(150,000)	(150,000)	(150,000)	-
Capital Projects Funds	(9,305,000)	(9,305,000)	(6,916,217)	2,388,783
Total other financing sources (uses)	(9,455,000)	(9,455,000)	(7,066,217)	2,388,783
Revenues and other financing sources over (under) expenditures and other uses	(3,645,000)	(3,645,000)	(1,155,363)	2,489,637
Fund balances at beginning of year	3,645,000	3,645,000	5,606,394	1,961,394
Fund balances at end of year	\$ -	\$ -	\$ 4,451,031	\$ 4,451,031

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

City of Overland Park
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Stormwater Utility Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary	Final Budget
			Basis	
Revenues:				
Property Tax	\$ 2,875,470	\$ 2,875,470	\$ 3,013,743	\$ 138,273
Charges for Services	3,979,530	3,979,530	3,975,021	(4,509)
Use of money	12,000	12,000	24,394	12,394
Total revenues	6,867,000	6,867,000	7,013,158	146,158
Expenditures:				
Public Works	4,515,000	4,496,361	3,382,040	1,114,321
Total expenditures	4,515,000	4,496,361	3,382,040	1,114,321
Revenues over expenditures	2,352,000	2,370,639	3,631,118	1,260,479
Other financing sources (uses):				
Transfer (to) from other funds:				
Special Revenue Funds	50,000	50,000	75,342	25,342
Capital Projects Funds	(2,670,000)	(2,688,639)	(2,498,730)	189,909
Total other financing sources (uses)	(2,620,000)	(2,638,639)	(2,423,388)	215,251
Revenues and other financing sources over (under) expenditures and other uses	\$ (268,000)	\$ (268,000)	1,207,730	\$ 1,475,730
Reconciliation to GAAP Basis:				
Encumbrances			(55,640)	
Fund balances at beginning of year			720,012	
Fund balances at end of year			<u>\$ 1,872,102</u>	

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

City of Overland Park
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Combined Transient Guest Tax Funds
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Budgetary	
			Basis	Final Budget
Revenues:				
Transient Guest Tax	\$ 9,980,000	\$ 10,600,000	\$ 10,620,456	\$ 20,456
Charges for services	-	-	11,124,926	11,124,926
Use of money	618,335	618,335	27,128	(591,207)
Total revenues	10,598,335	11,218,335	21,772,510	10,554,175
Expenditures:				
Current:				
General Government	9,323,335	11,848,335	13,820,390	(1,972,055)
Total expenditures	9,323,335	11,848,335	13,820,390	(1,972,055)
Revenues over expenditures	1,275,000	(630,000)	7,952,120	8,582,120
Other financing sources (uses):				
Transfer from General Fund	5,000,000	5,000,000	2,094,510	(2,905,490)
Transfer to Debt Service Fund	(6,100,000)	(6,100,000)	(6,011,435)	88,565
Transfer to Overland Park Development Corporation	-	-	(3,594,262)	(3,594,262)
Transfer to Capital Project Fund	(1,905,000)	-	-	-
Total other financing sources (uses)	(3,005,000)	(1,100,000)	(7,511,187)	(6,411,187)
Revenues and other financing sources over (under) expen- ditures and other uses	(1,730,000)	(1,730,000)	440,933	2,170,933
Fund balances at beginning of year	1,730,000	1,730,000	3,279,806	1,549,806
Fund balances at end of year	\$ -	\$ -	\$ 3,720,739	\$ 3,720,739

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

City of Overland Park
Combining Statement of Net Position
Proprietary Funds
December 31, 2016

	OPDC	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Combined Internal Service Funds
Assets				
Current assets:				
Cash, cash equivalents and investments	\$ 236,008	\$ 2,670,518	\$ 2,906,526	2,975,156
Receivables, net	557,722	3,085	560,807	20,901
Inventory	341,292	141,179	482,471	-
Other current assets	144,489	-	144,489	-
Total current assets	<u>1,279,511</u>	<u>2,814,782</u>	<u>4,094,293</u>	<u>2,996,057</u>
Noncurrent assets:				
Capital assets:				
Land and construction-in-progress	842,944	1,425,200	2,268,144	-
Other capital assets, net of depreciation	44,406,277	1,613,536	46,019,813	-
Total capital assets	<u>45,249,221</u>	<u>3,038,736</u>	<u>48,287,957</u>	<u>-</u>
Cash and cash equivalents restricted for workers' compensation	-	-	-	2,358,043
Reserved for debt service	16,713,151	-	16,713,151	-
Total noncurrent assets	<u>61,962,372</u>	<u>3,038,736</u>	<u>65,001,108</u>	<u>2,358,043</u>
Total assets	<u>\$ 63,241,883</u>	<u>\$ 5,853,518</u>	<u>\$ 69,095,401</u>	<u>\$ 5,354,100</u>
Deferred outflows of resources, deferred charge on refundings	<u>5,275,891</u>	<u>-</u>	<u>5,275,891</u>	<u>-</u>
Liabilities				
Current liabilities:				
Accounts payable	\$ 3,444,971	\$ 294,389	\$ 3,739,360	\$ 185,454
Accrued payroll	1,703,017	99,299	1,802,316	-
Accrued interest payable	2,593,869	-	2,593,869	-
Unearned revenue	-	3,179	3,179	-
Unpaid claims	-	-	-	1,951,800
Bonds payable	2,600,000	-	2,600,000	-
Capital lease obligation	-	31,002	31,002	-
Total current liabilities	<u>10,341,857</u>	<u>427,869</u>	<u>10,769,726</u>	<u>2,137,254</u>
Long-term liabilities				
Accrued compensated absences	-	39,177	39,177	-
Bonds payable, net	100,035,298	-	100,035,298	-
Capital lease obligation	-	34,833	34,833	-
Ground lease obligation	1,044,208	-	1,044,208	-
Subordinated asset and property mgmt fee payable	2,523,636	-	2,523,636	-
Total long term liabilities	<u>103,603,142</u>	<u>74,010</u>	<u>103,677,152</u>	<u>-</u>
Total liabilities	<u>\$ 113,944,999</u>	<u>\$ 501,879</u>	<u>\$ 114,446,878</u>	<u>\$ 2,137,254</u>
Net Position				
Net investment in capital assets	\$ (52,110,186)	\$ 2,972,901	\$ (49,137,285)	\$ -
Restricted for workers' compensation claims	-	-	-	1,176,954
Restricted for employee medical claim allocations	-	-	-	187,667
Restricted for debt service	12,621,733	-	12,621,733	-
Restricted for capital and other purposes	4,091,418	-	4,091,418	-
Unrestricted	(10,030,190)	2,378,738	(7,651,452)	1,852,225
Total Net Position	<u>\$ (45,427,225)</u>	<u>\$ 5,351,639</u>	<u>\$ (40,075,586)</u>	<u>\$ 3,216,846</u>

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

City of Overland Park
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2016

	<u>OPDC</u>	<u>Total Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Governmental Activities Combined Internal Service Funds</u>
Operating revenues:				
Charges for services	\$ 23,108,630	\$ 6,612,460	\$ 29,721,090	\$ 11,457,069
Other reimbursements	59,654	258,462	318,116	689,383
Total operating revenues	<u>23,168,284</u>	<u>6,870,922</u>	<u>30,039,206</u>	<u>12,146,452</u>
Operating expenses:				
Claims paid	-	-	-	12,546,000
Contractual services	-	-	-	656,899
Soccer operations	-	1,143,200	1,143,200	-
Golf course operations	-	4,471,340	4,471,340	-
OPDC Operations	18,734,557	-	18,734,557	-
Depreciation	2,511,737	149,987	2,661,724	-
Total operating expenses	<u>21,246,294</u>	<u>5,764,527</u>	<u>27,010,821</u>	<u>13,202,899</u>
Operating income (loss)	<u>1,921,990</u>	<u>1,106,395</u>	<u>3,028,385</u>	<u>(1,056,447)</u>
Nonoperating revenues and (expenses):				
Interest earned on investments	112,722	22,765	135,487	48,645
Gain on disposal of capital assets	-	2,986	2,986	-
Interest and amortization expense on long term debt	(5,670,371)	-	(5,670,371)	-
Total nonoperating revenue (expenses)	<u>(5,557,649)</u>	<u>25,751</u>	<u>(5,531,898)</u>	<u>48,645</u>
Income (loss) before transfer	(3,635,659)	1,132,146	(2,503,513)	(1,007,802)
Transfers in	3,594,262	-	3,594,262	775,000
Transfers out	<u>-</u>	<u>(657,000)</u>	<u>(657,000)</u>	<u>-</u>
Change in net position	(41,397)	475,146	433,749	(232,802)
Total net position-beginning of year	<u>(45,385,828)</u>	<u>4,876,493</u>	<u>(40,509,335)</u>	<u>3,449,648</u>
Total net position-end of year	<u>\$ (45,427,225)</u>	<u>\$ 5,351,639</u>	<u>\$ (40,075,586)</u>	<u>\$ 3,216,846</u>

**City of Overland Park
Statement of Cash Flows
Combining Proprietary Funds
For the Year Ended December 31, 2016**

	OPDC	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Combined Internal Service Funds
Cash flows from operating activities				
Cash received from customers	\$ 23,194,880	\$ 6,604,221	\$ 29,799,101	\$ 11,457,069
Cash received from other reimbursements	-	258,325	258,325	685,034
Claims paid	-	-	-	(12,546,000)
Cash payments for personal services	-	(2,480,313)	(2,480,313)	-
Cash payments for contractual services and accounts payable	(18,158,656)	(3,044,660)	(21,203,316)	(375,889)
Net cash provided by (used in) operating activities	<u>5,036,224</u>	<u>1,337,573</u>	<u>6,373,797</u>	<u>(779,786)</u>
Cash flows from noncapital financing activities				
Transfers from other funds	3,594,262	-	3,594,262	775,000
Transfers (to) other funds	-	(657,000)	(657,000)	-
Net cash (used in) noncapital financing activities	<u>3,594,262</u>	<u>(657,000)</u>	<u>2,937,262</u>	<u>775,000</u>
Cash flows from capital and related financing activities				
Principal paid on capital debt	(2,285,000)	(31,001)	(2,316,001)	-
Interest and trust fees paid on capital debt	(5,303,216)	-	(5,303,216)	-
Deposits to revenue bond trust funds	(10,323,702)	-	(10,323,702)	-
Purchases of capital assets	(1,145,182)	(40,423)	(1,185,605)	-
Net cash provided by (used in) capital and related financing activities	<u>(19,057,100)</u>	<u>(71,424)</u>	<u>(19,128,524)</u>	<u>-</u>
Cash flows from investing activities				
Interest on investments	129,652	22,765	152,417	48,645
Proceeds from sale of restricted investments	10,292,788	-	10,292,788	-
Net cash provided by investing activities	<u>10,422,440</u>	<u>22,765</u>	<u>10,445,205</u>	<u>48,645</u>
Net increase in cash and cash equivalents	(4,174)	631,914	627,740	43,859
Cash and cash equivalents-beginning of the year	240,182	2,038,604	2,278,786	5,289,340
Cash and cash equivalents-end of the year	<u>\$ 236,008</u>	<u>\$ 2,670,518</u>	<u>\$ 2,906,526</u>	<u>\$ 5,333,199</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,921,990	\$ 1,106,395	\$ 3,028,385	\$ (1,056,447)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in accounts receivable	26,596	14,198	40,794	(4,349)
(Increase) decrease in other current assets	1,299	-	1,299	-
(Increase) decrease in inventory	(5,151)	11,169	6,018	-
Increase (decrease) in accrued payroll	121,887	9,022	130,909	-
Increase in subordinate asset and property management fee payable	120,682	-	120,682	-
Increase (decrease) unearned revenue	-	(22,575)	(22,575)	-
Increase (decrease) in accounts payable and claims payable	337,184	69,377	406,561	281,010
Depreciation expense	2,511,737	149,987	2,661,724	-
Net cash provided by (used in) operating activities	<u>\$ 5,036,224</u>	<u>\$ 1,337,573</u>	<u>\$ 6,373,797</u>	<u>\$ (779,786)</u>

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, 2016

	Employee Retirement Plans	Private-purpose Trusts	Agency Funds
Assets			
Cash and cash equivalents	\$ 3,095,862	\$ 3,106	\$ 18,864,285
Investments in equities	50,951,940	-	-
Investments in mutual funds	112,394,934	-	-
Investments in real estate investment trust	6,537,961	-	-
Investments in corporate bonds	4,567,786	-	-
Investments in U.S. Treasury & government agencies	15,031,597	-	-
Interest receivable	-	-	15,740
Sales tax receivable	-	-	1,055,808
Special assessment receivable	-	-	10,381,000
Total assets	<u>\$ 192,580,080</u>	<u>\$ 3,106</u>	<u>\$ 30,316,833</u>
Liabilities			
Accounts Payable	-	-	38,082
Due to other entities	-	-	30,278,751
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,316,833</u>
Net Position			
Held in trust for pension benefits and other purposes	<u>\$ 192,580,080</u>	<u>\$ 3,106</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, 2016

	<u>Employee Retirement Plans</u>	<u>Private-purpose Trusts</u>
Additions		
Contributions:		
Rollover	\$ 15,252	\$ -
Employer	6,460,860	-
Plan members	76,748	-
Total contributions	<u>6,552,860</u>	<u>-</u>
Investment earnings:		
Net increase in fair value of investments	14,597,647	-
Interest	108,815	31
Dividends	2,283,453	-
Total investment earnings	<u>16,989,915</u>	<u>31</u>
Total additions	<u>23,542,775</u>	<u>31</u>
Deductions		
Benefits	11,705,614	-
Administrative expenses	529,984	290
Total deductions	<u>12,235,598</u>	<u>290</u>
Change in net position	11,307,177	(259)
Net position-beginning of the year	181,272,903	3,365
Net position-end of the year	<u>\$ 192,580,080</u>	<u>\$ 3,106</u>

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

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I. Summary of Significant Accounting Policies

A. Reporting entity

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

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

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

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

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

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

A. Basis of Presentation – Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying 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.

B. Basis of Accounting

Government-Wide Financial Statements

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

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

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

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

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

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

Capital Projects Fund:

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

Debt Service Fund:

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

I. Summary of Significant Accounting Policies (Continued)

Enterprise Fund:

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

I. Summary of Significant Accounting Policies (Continued)

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

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

Fiduciary Funds

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

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

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

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

Estimates

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

C. Assets, Liabilities and Net Position or Fund Balance

Cash, Cash Equivalents and Investments

The City temporarily pools idle cash from all funds, except the pension trust and other post employment benefit trust funds, for the purpose of increasing revenue through investment activities. Each major fund type's portion of this pool is displayed on the balance sheet, 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 0.68 percent and the amount of investment revenue received was \$1,321,708. The investment revenue is equivalent to a 0.404 mill property tax.

D. Assets, Liabilities and Net Position or Fund Balance

Cash, Cash Equivalents and Investments

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 2 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. Infrastructure assets acquired since 1980 are reported in the financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date donated. Only capital assets with a value of \$250 or more are capitalized by the City.

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

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

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

Vacation and Sick Leave

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

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

I. Summary of Significant Accounting Policies (Continued)

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

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

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

Ground Lease Obligation

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

The amount reported as a ground lease obligation, on the statement of net position of \$1,044,208 as of December 31, 2016 represents the amount of lease expense in excess of amounts to be paid. The amount of lease payments that are due to the City as of December 31, 2016 of \$2,433,000 are included within accounts payable on the statement of net position.

Long-Term Liabilities

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

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

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

I. Summary of Significant Accounting Policies (Continued)

Pensions

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

PDRP and OPFDRP financial statements are prepared using the accrual basis of accounting. Contributions from the City are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value as listed on the brokerage statement as of December 31, 2016. Expenses of the fund managers are paid from investment income. Other administrative expenses, such as fees for actuarial valuations, legal fees, etc., are paid by the City.

Special Assessments

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

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.

I. Summary of Significant Accounting Policies (Continued)

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

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

Net Position

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

- a. Net investment in capital assets – Consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- 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 \$12,621,733 restricted for debt service and \$4,091,418 restricted for capital and other projects. Net position restricted through enabling legislation consists of \$5,989,738 for street improvements, \$1,364,621 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.

I. Summary of Significant Accounting Policies (Continued)

Interfund Receivables and Payables

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

Interfund Transfers

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

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 two items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide and proprietary funds statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt using the straight-line method which approximates the effective interest method. The second deferred outflow item consists of unamortized items not yet charged to pension expense and contributions from the City after the measurement date but before the end of the City's reporting period.

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 two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the City's government-wide statement of net position, only the property tax revenue remains as a deferred inflow of resources and will become an inflow in the year for which they are levied. The City's government-wide statements also include pension related deferred inflows, which are the unamortized portion of the difference between expected and actual plan experience, changes in assumptions and the change in proportion, and the differences between the City's contributions and proportionate share of contributions all related to the net pension liability.

I. Summary of Significant Accounting Policies (Continued)

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

II. Stewardship, Compliance and Accountability

A. Budgetary Control

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

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

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

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

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

II. Stewardship, Compliance and Accountability (Continued)

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

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

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

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

B. Fund Balance/Budget Deficits

The Overland Park Development Corporation had a deficit net position balance of \$45,427,225. This deficit will decrease as debt is paid in future years. The Traffic Signals Fund is a nonmajor fund and had deficit fund balance \$168,241. This fund deficit will be taken care of through reimbursements from Johnson County and third parties, respectfully, in 2017. The Special Tax Financing – Fund, a nonmajor fund, had a deficit fund balance of \$149,949. This fund deficit will decrease as revenue collections begin on the related projects for which costs were incurred.

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

In the General Fund: Emergency Management exceeded their budget by \$10,415 due to increased service contract costs. Law and the City Clerk departments exceeded their budget by \$8,612 and \$6,904 respectively due to higher personnel costs from retirements. Human Resources exceeded their budget by \$134,793 due to pension administrative fees. Police Administration exceeded their budget by \$174,491 due to an increase in overtime costs that was a result of numerous vacant positions during the year. OPFD-Administration exceeded their budget by \$98,464 due to vehicle equipment replacement costs and higher personnel costs from a retirement. OPFD-Prevention exceeded their budget by \$7,920 due to higher personnel costs from a retirement. Public Works Traffic Maintenance exceeded their budget by \$46,229 as a result of increased street lighting costs, and contracting to provide utility locating services for installation of underground fiber cables. The Arboretum exceeded their budget by \$70,713 due to increases in equipment purchases, concession supplies and utilities cost. Planning and Development exceeded their budget by \$104,137 due to the increased costs in consulting services for urban development.

Outstanding Encumbrances

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

	Encumbrances
Major Governmental Funds:	
General	\$ 1,209,139
Stormwater Utility	6,770
	<u>1,215,909</u>
Non-major Governmental Fund:	
Special Revenue - Special Alcohol	<u>35,830</u>
Total	<u><u>\$ 1,251,739</u></u>

Budgetary Compliance – Non-GAAP Financial Statements

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

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

	Expenditures/ Encumbrances			Reporting Purposes	
	Non-GAAP Basis	Add: 2015 Encumbrances	Less: 2016 Encumbrances	Non-General Fund Expenditures	Expenditures GAAP Basis
General Fund	\$ 105,444,295	\$ 1,049,108	\$ 1,209,139	\$ 171,685	\$ 105,455,949
Stormwater Utility Fund	3,382,040	62,410	6,770	-	3,437,680
Special Alcohol Funds	960,679	-	35,830	-	924,849
Debt Service Fund	57,914,757	5,000	-	-	57,919,757

	Fund Balance	Add: 2016	Fund Balance
	Non-GAAP Basis	Encumbrances	GAAP Basis
General Fund	\$ 74,571,699	\$ 1,209,139	\$ 75,780,838
Stormwater Utility Fund	1,865,332	6,770	1,872,102
Special Alcohol Funds	2,929,244	35,830	2,965,074
Debt Service Fund	250,000	-	250,000

C. Property Taxes

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

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

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

II. Stewardship, Compliance and Accountability (Continued)

TAX ABATEMENTS

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

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

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

II. Stewardship, Compliance and Accountability (Continued)

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

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

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

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

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

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

For the fiscal year ending December 31, 2016, the City abated ad valorem property taxes as follows:

Project Name	U.S. Bank - 12800 Foster Street
Project Description	Office Building for banking services operation
EDRB Issue Date	12/18/2006
Abatement %	50% of ad valorem property taxes
2016 Abated Amount	\$42,252
Project Commitment	1,100 full-time equivalent jobs
Recapture Provisions	Cancellation of abatement for following tax year if the number of jobs falls below 787; recapture of previously abated taxes if the number of jobs falls below 656

Project Name	Quintiles Transnational Corp. - 6700 W 115 th Street
Project Description	Office Building for pharmaceutical research and testing located
EDRB Issue Date	12/26/2006
Abatement %	50% of ad valorem property taxes
2016 Abate Amount	\$66,175
Project Commitment	710 full-time equivalent jobs
Recapture Provisions	Cancellation of abatement for following tax year if the number of jobs falls below 410; recapture of previously abated taxes if the number of jobs falls below 330

Project Name	Teva Pharmaceuticals - 11100 Nall Ave
Project Description	Corporate headquarters office for branded pharmaceutical division
EDRB Issue Date	09/30/2013
Abatement %	50% of ad valorem property taxes
2016 Abated Amount	\$31,654
Project Commitment	400 full-time equivalent jobs with an average salary of \$100,000
Recapture Provisions	If the annual average salary falls below \$80,000 per year, abatement reduced to 37.5% for the following year; Cancellation of abatement for following tax year if the number of jobs falls below 240; recapture of previously abated taxes if the number of jobs falls below 200

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

Project Name	Black & Veatch 112 th & Lamar
Project Description	Corporate Headquarters for global engineering, consulting, and construction company
EDRB Issue Date	07/02/2009; supplemental issue 12/27/2012
Abatement %	75% of ad valorem property taxes
2016 Abated Amount	\$149,089
Project Commitment	Retention of 2,300 jobs
Recapture Provisions	If the number of retained jobs falls below 2,070, the abatement for the following year is reduced proportionally by the average number of jobs compared to 2,300 jobs. If the number of retained jobs falls below 1,800, the abatement for the following year is cancelled.

Sales tax amounts exempted on project purchases related to the outstanding EDRBs during the fiscal year ending December 31, 2016 are as follows:

Project Name	OPX - 115 th & Glenwood
Project Description	Renovation and Improvement of a Commercial Facility for Class A office. EDRB issuance facilitated property tax abatement and sales tax exemption to retain Black & Veatch's Infrastructure, Telecommunications, Federal, Management and Environmental practices not located at its 114 th & Lamar headquarters.
EDRB Issue Date	12/30/2015
2016 Exempted Sales Tax	\$408,375 (<i>Estimate – actual numbers not available. Amount based on estimated value renovation improvements for materials and labor.</i>)
Project Commitment	Renovation of 680,000 s.f. facility to Class A office, with 201,600 s.f. to be leased by Black & Veatch.
Recapture Provisions	None.

Project Name	CAVS City Place Senior Living Project - College and Nieman
Project Description	Construction of a Senior Living facility within the City Place development.
EDRB Issue Date	09/30/2015
2016 Exempted Sales Tax	\$41,123
Project Commitment	Construction of a Senior Living Facility.
Recapture Provisions	None.

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

Project Name	Avenue 80 - SE corner of 80 th and Metcalf
Project Description	Redevelopment of property and construction of a Mixed-use Residential, Office and Retail Facility.
EDRB Issue Date	11/24/2015
2016 Exempted Sales Tax	\$170,435 <i>Estimate – actual numbers not available. Amount based on estimated value of materials for project.</i>
Project Commitment	Development of Mixed-Use project in downtown Overland Park.
Recapture Provisions	None.

Project Name	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
2016 Exempted Sales Tax	\$17,130
Project Commitment	Redevelopment of property located in downtown Overland Park.
Recapture Provisions	None.

Project Name	Tower Properties Company Project - 6601 College Boulevard
Project Description	Renovation of a Commercial Office Facility for Class A office space
EDRB Issue Date	04/29/2016
2016 Exempted Sales Tax	\$76,527
Project Commitment	Construction of Class A office.
Recapture Provisions	None.

Project Name	Nall Hills Shopping Center - SW corner of 95 th and Nall.
Project Description	Shopping Center Redevelopment
EDRB Issue Date	05/26/16
2016 Exempted Sales Tax	\$56,360
Project Commitment	Redevelopment of shopping center.
Recapture Provisions	None.

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

Project Name	The Vue - SE corner of 80 th and Marty
Project Description	Redevelopment of property and construction of a Mixed-use Residential and Retail Facility.
EDRB Issue Date	10/18/2016
2016 Exempted Sales Tax	\$0
Project Commitment	Development of Mixed-Use project in downtown Overland Park.
Recapture Provisions	None.

Project Name	Mission Farms West – Building G - 4001 Indian Creek Parkway
Project Description	Construction of a Mixed-use Retail and Medical Office Facility.
EDRB Issue Date	11/03/2016
2016 Exempted Sales Tax	\$0
Project Commitment	Construction of a Mixed-use retail and medical office building.
Recapture Provisions	None.

Project Name	Market Lofts - NW corner of 80 th and Marty.
Project Description	Redevelopment and construction of a Mixed-use Residential and Retail Facility
EDRB Issue Date	12/02/2016
2016 Exempted Sales Tax	\$0
Project Commitment	Redevelopment of vacant property located in downtown Overland Park.
Recapture Provisions	None.

Project Name	Teva Pharmaceuticals – 4500 West 107 th
Project Description	Redevelopment of a commercial building to enable Teva Pharmaceuticals to relocate the specialty pharmacy practice from the Teva headquarters at College and Nall for company growth and expanded employment at the headquarters.
EDRB Issue Date	12/19/2016
2016 Exempted Sales Tax	\$0
Project Commitment	Redevelopment of former health club into office space.
Recapture Provisions	None.

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

Project Name	Nall Corporate Centre II – Mariner Project
Project Description	Construction of a Class A Office Facility at College and Nall for the Corporate Headquarters of Mariner Holdings, LLC. EDRB issuance also facilitated a property tax abatement for the benefit of Mariner.
EDRB Issue Date	12/20/2016
2016 Exempted Sales Tax	\$426,590 (<i>Estimate – actual numbers not available. Amount based on estimated value of materials for new construction project.</i>)
Project Commitment	Construction of 150,000 s.f. of Class A office. with 90,000 s.f. to be leased by Mariner;
Recapture Provisions	None.

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

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

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

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, 2016, 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.
2016 Sales taxes applied to Bonds	\$450,209
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 to 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:

II. Stewardship, Compliance and Accountability (Continued)

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

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

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

II. Stewardship, Compliance and Accountability (Continued)

For the fiscal year ending December 31, 2016, incremental revenue increase the City applied to TIF projects as follows:

Project Name	Cherokee South Redevelopment
Project Description	Redeveloped Shopping Center anchored by a Walgreens drugstore.
Approved TIF	100% of ad valorem property tax increment and 50% of incremental sales taxes
2016 Amount	\$44,097
Project Commitment	Redevelopment of shopping center.
Recapture Provisions	None.

Project Name	Valley View Redevelopment
Project Description	Redeveloped Shopping Center anchored by a HyVee Grocery store.
Approved TIF	100% of ad valorem property tax increment and incremental sales taxes
2016 Amount	\$323,835
Project Commitment	Redevelopment of shopping center.
Recapture Provisions	None.

III. Detailed Notes on All Funds

A. Deposits

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

B. Investments

Statutes authorize the City to invest in instruments which are direct obligations of the U.S. government, temporary notes of the City, bank certificates of deposit, Kansas State Municipal Investment Pool, no fund warrants, time certificates of deposit with savings and loan companies, commercial bank saving accounts and repurchase agreements of U.S. government securities with maturities of up to two years. In 2002, the City was granted expanded investment powers by the state of Kansas. In addition to the options mentioned above, expanded investment powers allow the City to invest in U.S. Government Agency securities and securities of U.S. Government sponsored enterprises, as well as to extend maturities up to four years. The 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: During the fiscal year ending December 31, 2016, the City adopted GASB Statement No. 72, *Fair Value Measurement and Applications*, which provides guidance for determining a fair value measurement for financial reporting purposes. 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 and U.S. Treasury Strips): U.S. Government securities are reported at fair value based on bullet (noncall) spread scale for each issuer for maturities going out to 40 years. These spreads represent credit risk and are obtained from the new issue market, secondary trading, and dealer quotes.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City does not have a formal policy on custodial credit risk. As of December 31, 2016, the Overland Park Development Corporation Enterprise Fund had investments of \$13,844,523 that were uninsured and uncollateralized. Collateral is not maintained for the balances reported in the Economic Development Projects agency fund. All other City deposits and investments were not exposed to custodial credit risk. All securities are purchased on the delivery vs. payment basis and are held in the City's name by its safekeeping agent.

Interest Rate Risk

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

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

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

Investment Type	Carrying Value	Maturity		Fair Value Hierarchy Level
		Less than 1 Year	1-5 Years	
Investment recorded at fair value:				
FHLB	\$ 23,001,930	\$ 11,005,810	\$ 11,996,120	2
FHLMC	38,080,780	14,167,900	23,912,880	2
FNMA	23,920,020	3,986,440	19,933,580	2
Tennessee Valley Authority	6,083,524	4,101,920	1,981,604	2
U.S. Treasury Strips	11,951	-	11,951	1
Investment recorded at costs:				
Certificates of Deposit	8,000,000	4,000,000	4,000,000	N/A
Overnight Sweep **	20,269,545	20,269,545	-	N/A
Overland Park Development Corp:				
Investment recorded at fair value:				
FHLB	4,416,791	4,416,791	-	2
FHLMC	1,999,740	1,999,740	-	2
FNMA	7,427,992	998,800	6,429,192	2
Investment recorded at costs:				
Overnight Sweep **	2,868,628	2,868,628	-	N/A
	<u>\$ 136,080,901</u>	<u>\$ 67,815,574</u>	<u>\$ 68,265,327</u>	

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

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

Investment Type	Carrying Value	Maturity		Fair Value Hierarchy Level
		Less than 1 Year	1-5 Years	
Investment recorded at fair value:				
FHLB	\$ 3,637,638	\$ 864,918	\$ 2,772,720	2
FNMA	1,807,306	1,807,306	-	2
U.S. Treasury Notes	1,549,485	1,549,485	-	1
Investment recorded at costs:				
Overnight Sweep **	11,831,774	11,831,774	-	N/A
	<u>\$ 18,826,203</u>	<u>\$ 16,053,483</u>	<u>\$ 2,772,720</u>	

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

Credit Risk/Concentration of Credit Risk

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

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

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

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

Investment Name	Moody's Credit Rating	S&P Credit Rating	Percent of Total Investments
FHLMC	AAA	AA+	38.43%
FNMA	AAA	AA+	24.14%
FHLB	AAA	AA+	23.21%
Tennessee Valley Authority	AAA	AA+	6.14%

Municipal Employees Pension Plan's investments with associated maturities:

Investment Type	Fair Value	Weighted Avg. Maturity (years)	Fair Value Hierarchy Level
<i>Investments recorded at fair value:</i>			
Mutual Funds	\$ 31,964,958	n/a	1
Fixed Income	19,711,979	4.4	2
Foreign Obligations	3,529,024	n/a	2
	<u>\$ 55,205,961</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	\$ 10,634,555	5.76	1
Mutual Funds	36,391,528	n/a	1
Equities	35,965,918	n/a	1
Corporate Obligations	3,181,142	5.76	2
<i>Total Investment recorded at fair value:</i>	86,173,143		
 <i>Investments recorded at NAV:</i>			
Real Estate Funds	4,622,556	n/a	
Liquid (Cash)	2,284,385	n/a	
<i>Total Investments recorded at NAV:</i>	\$ 93,080,084		

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	\$ 4,397,042	5.74	1
Mutual Fund	15,093,348	n/a	1
Equities	14,986,022	n/a	1
Corporate Obligations	1,386,644	5.74	2
<i>Total Investment recorded at fair value:</i>	35,863,056		
 <i>Investments recorded at NAV:</i>			
Real Estate Funds	1,915,405	n/a	
Liquid (Cash)	774,019	n/a	
<i>Total Investments recorded at NAV:</i>	\$ 38,552,480		

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2016, was as follows:

<u>Governmental activities</u>	<u>Balance</u> <u>January 1, 2016</u>	<u>Additions</u>	<u>Transfers /</u> <u>Disposals</u>	<u>Balance</u> <u>December 31, 2016</u>
<u>Assets not being depreciated:</u>				
Land	\$ 31,045,631	\$ 468,030	\$ -	\$ 31,513,661
Construction in progress	19,475,157	5,292,902	(16,754,076)	8,013,983
Total	50,520,788	5,760,932	(16,754,076)	39,527,644
<u>Assets Being Depreciated</u>				
Land Improvements	40,928,671	-	-	40,928,671
Building and improvements	121,480,084	7,333,270	(520,228)	128,293,126
OPCC capital assets	4,804,827	338,335	(135,630)	5,007,532
Equipment	61,009,711	4,618,750	(3,689,103)	61,939,358
Infrastructure	1,309,864,487	51,899,448	-	1,361,763,935
Capitalized Lease Equipment	47,511	-	-	47,511
Total	1,538,135,291	64,189,803	(4,344,961)	1,597,980,133
<u>Accumulated Depreciation</u>				
Land Improvements	(17,511,901)	(2,511,197)	-	(20,023,098)
Building and improvements	(44,984,100)	(3,032,742)	520,228	(47,496,614)
OPCC capital assets	(3,748,535)	(292,105)	135,630	(3,905,010)
Equipment	(50,709,321)	(4,468,172)	3,597,336	(51,580,157)
Infrastructure	(419,271,730)	(29,012,523)	-	(448,284,253)
Capitalized Lease Equipment	(8,908)	(11,878)	-	(20,786)
Total	(536,234,495)	(39,328,617)	4,253,194	(571,309,918)
<u>Total capital assets being depreciated,</u> <u>net</u>	<u>1,001,900,796</u>	<u>24,861,186</u>	<u>(91,767)</u>	<u>1,026,670,215</u>
<u>Governmental activities capital</u> <u>assets, net</u>	<u>\$ 1,052,421,584</u>	<u>30,622,118</u>	<u>(16,845,843)</u>	<u>\$ 1,066,197,859</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

<u>Business-type activities</u>	Balance <u>January 1, 2016</u>	<u>Additions</u>	Transfers / <u>Disposals</u>	Balance <u>December 31, 2016</u>
<u>Assets not being depreciated:</u>				
Land	\$ 1,425,200	-	-	\$ 1,425,200
Construction in Progress	110,063	732,881	-	842,944
Total	1,535,263	732,881	-	2,268,144
 <u>Assets Being Depreciated</u>				
Land Improvements	6,920,077	-	-	6,920,077
Building and improvements	67,354,667	-	-	67,354,667
Equipment	18,071,718	452,724	(31,975)	18,492,467
Capitalized Lease Equipment	532,626	-	-	532,626
Total	92,879,088	452,724	(31,975)	93,299,837
 <u>Accumulated Depreciation</u>				
Land Improvements	(6,912,128)	(7,947)	334,342	(6,585,733)
Building and improvements	(22,528,335)	(1,670,850)	(301,555)	(24,500,740)
Equipment	(14,787,239)	(949,985)	2,174	(15,735,050)
Capitalized Lease Equipment	(425,559)	(32,942)	-	(458,501)
Total	(44,653,261)	(2,661,724)	34,961	(47,280,024)
 <u>Total capital assets being depreciated,</u>				
<u>net</u>	<u>48,225,827</u>	<u>(2,209,000)</u>	<u>2,986</u>	<u>46,019,813</u>
 <u>Business-type activities capital assets,</u>				
<u>net</u>	<u>\$ 49,761,090</u>	<u>\$ (1,476,119)</u>	<u>\$ 2,986</u>	<u>\$ 48,287,957</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

The following schedule presents 2016 Depreciation charges by function:

The following schedule presents 2016 depreciation charges by function:

Governmental activities:

General government	\$ 3,678,371
Public safety	2,497,021
Public works	26,760,620
Parks and recreation	4,082,891
Planning and development services	91,391
Soccer complex (included in parks and recreation function)	2,218,323
Total depreciation-governmental activities	<u>\$ 39,328,617</u>

Business type activities:

Golf course	\$ 149,987
Overland Park Development Corporation	2,511,737
Total depreciation-business type activities	<u>\$ 2,661,724</u>

D. Capital Projects Authorized

At December 31, 2016, capital projects authorizations compared to expenditures from inception are as follows:

	Project Authorizations	Project Expenditures December 31, 2016
Street improvements	\$ 188,214,492	\$ 43,549,203
Drainage improvements	36,740,000	6,828,323
Municipal building improvements	13,755,000	6,178,678
Equipment	9,665,000	2,720,798
Street lighting	1,533,000	223,990
Traffic signals	1,796,800	572,324
Parks and recreation improvements	8,490,000	2,939,240
Total	<u>\$ 260,194,292</u>	<u>\$ 63,012,556</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

E. Interfund Receivables/Payables

Individual fund receivable/payable balances at December 31, 2016, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Government Funds:		
General	\$ 4,161	\$ -
Street Improvement Capital Projects Fund	222,847	-
Non-major Funds:		
Special Revenue:		
Special Street and Highway	-	222,847
Capital Projects:		
Traffic Signals	-	4,161
Total	<u>\$ 227,008</u>	<u>\$ 227,008</u>

The interfund loans were made to cover cash flow deficiencies of the various funds. These amounts are expected to be repaid shortly after the end of the fiscal year as resources become available.

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

F. Interfund Transfers

All of the significant interfund transfers in 2016 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, 2016 were as follows:

	Transfers In	Transfers Out
Major Governmental Funds:		
General	\$ 17,358,303	\$ 56,347,708
1/8th Cent Sales Tax	13,783	7,080,000
Combined Transient Guest Tax	2,094,510	9,605,697
Capital Proj - Street Improvements	36,300,185	12,390,109
Debt Service	20,399,287	-
Stormwater Utility	772,251	3,195,639
	<u>76,938,319</u>	<u>88,619,153</u>
Non-major Governmental Funds:		
Special Revenue	23,139	6,129,179
Capital Projects	14,827,907	753,295
	<u>14,851,046</u>	<u>6,882,474</u>
Major Enterprise Funds:		
OPDC	3,594,262	-
Non-major Enterprise Funds:		
Enterprise Fund - Golf Course	-	353,000
Enterprise Fund - Soccer	-	304,000
Total enterprise funds	<u>3,594,262</u>	<u>657,000</u>
Internal Service Funds:		
Worker's Compensation	<u>775,000</u>	<u>-</u>
Total	<u><u>\$ 96,158,627</u></u>	<u><u>\$ 96,158,627</u></u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

G. Long-Term Debt

The following is a summary of debt transactions of the City for the year ended December 31, 2016:

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 136,860,000	\$ 31,590,000	\$ 52,850,000	\$ 115,600,000	\$ 15,845,000
Premium on bonds	6,652,110	5,451,844	1,355,756	10,748,198	-
Employee compensated absences	7,841,273	5,501,443	5,570,543	7,772,173	5,570,543
Capital Lease	35,633	-	11,897	23,736	11,632
Claims payable	1,917,311	13,693,421	13,374,582	2,236,150	2,236,150
Net Pension Liability	39,832,576	4,354,479	-	44,187,055	-
Net OPEB Obligation	8,999,685	1,544,974	1,530,147	9,014,512	-
Total	\$ 202,138,588	\$ 62,136,161	\$ 74,692,925	\$ 189,581,824	\$ 23,663,325
Business-type activities:					
Premium on bonds	\$ 1,222,973	\$ -	\$ 117,675	\$ 1,105,298	\$ -
Employee compensated absences	111,829	89,335	80,993	120,171	80,994
Capital Lease	96,836	-	31,001	65,835	31,002
Revenue bonds-OPDC	103,815,000	-	2,285,000	101,530,000	2,600,000
Subordinated asset and property management fee payable	2,402,954	120,682	-	2,523,636	-
Total	\$ 107,649,592	\$ 210,017	\$ 2,514,669	\$ 105,344,940	\$ 2,711,996

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

General Obligation Bonds

General obligation bonds payable consist of the following serial bonds:

Governmental Activities-General Obligation Bonds	Date Issued	Maturity Date	Outstanding Interest Rates	Balance December 31, 2016
Parks and recreation	12/01/07	9/1/2008-9/1/2017	4.0	798,735
Parks and recreation	12/01/07	9/1/2008-9/1/2027	4.0	1,600,000
Street improvement	12/01/07	9/1/2008-9/1/2027	4.6	85,000
Street improvement	12/01/07	9/1/2008-9/1/2017	4.0	2,063,387
Public building	12/01/07	9/1/2008-9/1/2017	4.0	52,878
Parks and recreation	09/10/09	9/1/2010-9/1/2019	2.2	1,206,712
Parks and recreation	09/10/09	9/1/2010-9/1/2029	5.11	3,031,288
Street improvement	09/10/09	9/1/2010-9/1/2019	2.2	5,573,288
Street improvement	09/10/09	9/1/2010-9/1/2029	5.1	1,268,712
Storm drainage	09/16/10	9/1/2011-9/1/2020	2.6	489,556
Street improvement	09/16/10	9/1/2011-9/1/2020	2.57	4,890,444
Street improvement	06/01/11	9/1/2012-9/1/2021	2.38	4,240,000
Street improvement	06/01/11	9/1/2011-9/1/2024	2.38	3,230,000
Parks and recreation	06/20/13	9/1/2014-9/1/2023	1.46	342,649
Storm drainage	06/20/13	9/1/2014-9/1/2023	1.46	16,865
Street lights	06/20/13	9/1/2014-9/1/2023	1.46	1,130,742
Street improvement	06/20/13	9/1/2014-9/1/2023	1.46	2,989,744
Public building	06/20/13	9/1/2013-9/1/2023	1.31	1,600,691
Storm drainage	06/20/13	9/1/2013-9/1/2023	1.31	47,913
Street improvement	06/20/13	9/1/2013-9/1/2023	1.31	2,501,396
Parks and recreation	06/20/13	9/1/2013-9/1/2025	1.66	8,622,550
Street improvement	06/20/13	9/1/2013-9/1/2025	1.66	3,512,450
Street improvement	10/14/15	9/1/2016-9/1/2025	3.00	7,652,841
Public building	10/14/15	9/1/2016-9/1/2025	3.00	598,546
Parks and recreation	10/14/15	9/1/2016-9/1/2025	3.00	1,453,612
Public building	10/14/15	9/1/2016-9/1/2035	3.00-3.50	5,070,000
Public building	10/14/15	9/1/2016-9/1/2019	5.00	1,695,000
Street improvement	10/14/15	9/1/2016-9/1/2027	3-4.00	846,521
Parks and recreation	10/14/15	9/1/2016-9/1/2027	3-4.00	17,398,480
Public building	09/14/16	9/1/2017-9/1/2030	2.50-5.00	31,590,000
Total General Obligation Bonds				\$ 115,600,000

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, 2016, including interest payments, are as follows:

Year ending December 31	<u>Government Activities</u>		Total Primary Government Debt Service
	General Obligation Bonds Principal	Interest	
2017	\$ 15,845,000	\$ 4,054,812	\$ 19,899,812
2018	12,950,000	3,556,581	16,506,581
2019	12,565,000	3,148,706	15,713,706
2020	10,660,000	2,714,556	13,374,556
2021	9,380,000	2,335,150	11,715,150
2022-2026	37,195,000	6,770,880	43,965,880
2027-2031	15,945,000	1,316,543	17,261,543
2032-2036	1,060,000	92,750	1,152,750
	<u>\$ 115,600,000</u>	<u>\$ 23,989,978</u>	<u>\$ 139,589,978</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, 2016, the statutory limit for the City was \$1,069,911,231 providing a debt margin of \$954,311,231.

Capital Leases

The City has entered into agreements to purchase equipment for the City's Golf Course Fund and Parks & Recreation (General Fund) department through capital lease agreements. The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the total minimum lease payments as of December 31, 2016:

Year Ending December 31:	<u>Total Payment</u>	<u>Enterprise Fund</u>	<u>General Fund</u>
2017	\$ 47,534	\$ 34,937	\$ 12,597
2018	47,534	34,937	12,597
Total minimum lease payments	95,068	69,874	25,194
Less amount representing interest	(5,497)	(4,039)	(1,458)
Present value of net minimum lease payments	<u>\$ 89,571</u>	<u>\$ 65,835</u>	<u>\$ 23,736</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

III. Detailed Notes on All Funds (Continued)

Capitalized lease equipment as of December 31, 2016 is as follows:

	Governmental Activities	Golf Course Fund
Equipment	\$ 47,511	\$ 532,626
Less accumulated depreciation	(20,786)	(458,503)
Total	\$ 26,725	\$ 74,123

Overland Park Development Corporation – Revenue Bonds:

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

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

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

Pursuant to the Debt Service Support Agreement, the City has agreed to make a specified portion of its annual revenues from its Transient Guest Tax available for the payment of debt service subject to annual appropriation. The bonds are payable through 2032. The hotel net revenues and the Transient Guest Tax are projected to range from \$12 million to \$25 million annually. Total principal and interest remaining to be paid on the bonds is \$153,336,513. Principal and interest paid for the current year and total hotel net revenues were \$7,578,216 and \$1,921,990 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, 2016, including interest payments, are as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,600,000	\$ 5,168,038	\$ 7,768,038
2018	3,010,000	5,024,282	8,034,282
2019	3,445,000	4,858,872	8,303,872
2020	3,885,000	4,671,041	8,556,041
2021	4,320,000	4,460,788	8,780,788
2022-2026	28,680,000	18,332,575	47,012,575
2027-2031	44,370,000	9,001,197	53,371,197
2032	11,220,000	289,720	11,509,720
Total	<u>\$ 101,530,000</u>	<u>\$ 51,806,513</u>	<u>\$ 153,336,513</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, 2016; 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, 2016 is \$10,980,635.

Bond refunding

In August 2016, the City issued \$31,590,000 of general obligation refunding bonds with an average interest rate of 1.66% to refund \$36,760,000 of outstanding internal improvement bonds.

Proceeds from the refunding bond issue (\$31,590,000), bond premium (\$5,451,844) less issuance costs (\$214,287) totaling \$36,827,557 were transferred to the State Treasurer.

The City will pay approximately \$8,843,295 less to service the new debt. Both the old and new maturity schedules ended in 2030. The economic gain (difference between the present values of the new and old debt payments) resulting from the transaction was approximately \$7,897,408.

Defeased debt

In prior years, the City defeased certain general obligation bonds by placing the proceeds for new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased debt are not included in the City's financial statements. At December 31, 2016, \$18,320,000 of general obligation bonds was considered defeased.

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 \$1,481,057 were owed to Starwood/Sheraton for the year ended December 31, 2016. 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 \$362,049 were owed to OPHC, LLC, a related party, for the year ended December 31, 2016. Two-thirds (2/3) of the base asset management fees is unsubordinated and one-third (1/3) is subordinated for the 15-year term of the agreement. Subordinated amounts owed OPHC, LLC are non-interest bearing obligations to be repaid only after certain other obligations have been repaid according to the terms of the Revenue Bond Indenture.

Conduit Debt Obligations

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

As of December 31, 2016, there were 16 issues of industrial revenues bonds outstanding with an aggregate original issue amount totaling \$230,765,748 and an aggregate principal balance outstanding of \$176,935,943.

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

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

III. Detailed Notes on All Funds (Continued)

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

As of December 31, 2016, there were three issues of special obligation bonds (TDD, STAR & CID) outstanding with an aggregate original issue amount totaling \$110,240,000 and an aggregate principal balance outstanding of \$100,706,000. These special obligation bonds are to be paid solely from the special assessments and sales taxes collected from within the districts. As the City is acting in a fiduciary capacity for the collection of the special assessment and the sales tax, the collection of these revenues are reported within an agency fund and these bonds are not reported as liabilities in the accompanying basic financial statements.

IV. Other Information

A. Self-Insurance Program

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

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

IV. Other Information (Continued)

In March 1987, the City established a self-insurance program to account for statutory workers' compensation benefits. The workers' compensation plan covers all City employees. Premiums are paid into the Workers' Compensation Fund, an internal service fund. The premiums are available to pay claims, claim reserves and administrative costs of the program. Under this program, the Workers' Compensation Fund provides coverage of \$400,000 per accident (Fire & Police Personnel) and \$350,000 per accident (all Other) not to exceed a one-year aggregate stop-loss of \$2,202,777 for accidents occurring during calendar year 2016. The City purchases commercial insurance for claims in excess of coverage provided by the fund. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has not been a significant reduction in insurance coverage in the past fiscal year. This self-insurance program is in compliance with Section 44-532 of the Workers' Compensation Act and is annually required to be reviewed and approved by the state.

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

The General Fund and the Special Alcohol Control Fund, a special revenue fund, participate in the self-insurance program and make payments to the Special Liability Defense, Risk Management Reserve, (both sub-funds of the General Fund) Workers' Compensation, and Medical Imprest Plan Funds based on actuarial estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophic losses. The net position of the Workers' Compensation and Medical Imprest Plan Internal Service Funds were \$1,176,954 and \$2,039,892, respectively, as of December 31, 2016. Liabilities in the Special Liability Defense Fund, Risk Management Reserve Fund, Workers' Compensation Fund and Medical Imprest Plan Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities of these funds include an amount for claims that have been incurred but not reported. Claim liabilities are determined by the City's Risk Manager and the City's Law Department based on estimates of the ultimate cost of claims including inflation factors and historical trend data and all claims balances are considered to be current. The liability recorded in the General Fund for the Special Liability Defense and Risk Management sub-funds was \$284,350 as of December 31, 2016, 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 2015 and 2016 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, 2015:				
Special Liability Defense (a)	\$ 244,313	\$ 10,942	\$ (58,879)	\$ 196,376
Risk Management (a)	8,625	40,579	(17,574)	31,630
Worker's Compensation	1,418,762	(64,496)	(576,961)	777,305
Medical Imprest	590,000	12,460,919	(12,138,919)	912,000
Total	\$ 2,261,700	\$ 12,447,944	\$ (12,792,333)	\$ 1,917,311
January 1 to December 31, 2016:				
Special Liability Defense (a)	\$ 196,376	\$ 161,298	\$ (123,674)	\$ 234,000
Risk Management (a)	31,630	66,730	(48,010)	50,350
Worker's Compensation	777,305	886,393	(656,898)	1,006,800
Medical Imprest	912,000	12,579,000	(12,546,000)	945,000
Total	\$ 1,917,311	\$ 13,693,421	\$ (13,374,582)	\$ 2,236,150

(a) A subfund of General Fund

B. Contingent Liabilities

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

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

C. Retirement Plans

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

	<u>KPERs</u>	<u>PDRP</u>	<u>OPFDRP</u>	<u>TOTAL</u>
Net Pension Liability	\$ 36,158,308	\$ 2,502,111	\$ 5,526,636	\$ 44,187,055
Deferred Outflows of Resources	12,068,079	3,180,199	953,258	16,201,536
Deferred Inflows of Resources	951,238	-	456,673	1,407,911
Pension Expense	4,819,584	2,739,853	1,654,310	9,213,747

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, 2016, there were 481 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 \$92,000 and \$1,968,279, respectively, for the year ended December 31, 2016. This plan provides for vesting of City contributions at the rate of a 10 percent increase per year up to 100 percent with participants vested at 40 percent after one year in the plan. Participant contributions are immediately fully vested. Plan benefit provisions and contribution requirements are established by City of Overland Park Ordinance and may be amended by the City Council. A separate audit report is not prepared.

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, 2016

Assets	
Cash and cash equivalents	\$ 1,000
Investments in mutual funds	55,205,961
Total Assets	<u>55,206,961</u>
Net Position	
Held in Trust for pension Benefits	<u>\$ 55,206,961</u>

City of Overland Park
Municipal Employees Pension Plan
Statement of Changes in Plan Net Position
Year Ended December 31, 2016

Additions	
Contributions	
Employer	\$ 1,968,279
Plan members	92,000
Total Contributions	<u>2,060,279</u>
Net increase in fair value of investments	2,948,320
Dividends	1,152,175
Total investment earnings	<u>4,100,495</u>
Total Additions	<u>6,160,774</u>
Deductions	
Benefits	3,985,186
Admin Expenses (Net of Forfeitures)	5,227
Total deductions	<u>3,990,413</u>
Change in net position	<u>2,170,361</u>
Net position-beginning of the year	53,036,600
Net position-end of the year	<u>\$ 55,206,961</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

V. 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	21.85%
Baird Core Plus Bond Inst	9.63%
Vanguard 500 Index Signal	7.52%
Fidelity Growth Company	6.47%
American Funds EuroPacific Growth	5.03%

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 5.78 years. The investment is not rated by Moody's or S&P.

Kansas Public Employees Retirement System (Defined Benefit Pension Plan)

Plan Description

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

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

IV. Other Information (Continued)

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

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

Benefits

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

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

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

Contributions

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

IV. Other Information (Continued)

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.1% of total payroll for the fiscal year ended June 30, 2016.

The actuarially determined employer contribution rates and the statutory contribution rates for City employees are both 9.18%. For Police and Firemen, these rates are both 20.42%. Member contribution rates as a percentage of eligible compensation for the year ended December 31, 2016 are 6.00% for City employees, and 7.15% for Police and Firemen.

Employer Allocations

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

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

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

The allocation percentages for the City's share of the collective pension amounts as of June 30, 2016 and 2015 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, 2016 and 2015.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2016, the City's Local Government proportion was 1.604682%, which was an increase of 0.022748% from its proportion measured at June 30, 2015. At June 30, 2016, the City's Police and Firemen proportion was 1.220268%, which was an increase of 0.288568% from its proportion measured at June 30, 2015.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Net Pension Liability

At December 31, 2016, the City reported a liability of \$24,824,904 for its proportionate share of the Local Government net pension liability and \$11,333,404 for its proportionate share of the Police & Firemen net pension liability, for a total net pension liability of \$36,158,308.

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016, using the following actuarial assumptions:

Price inflation	3.00 percent
Wage inflation	4.00 percent
Salary increases, including wage increases	4.00 to 16.00 percent, including inflation
Long-term rate of return, net of investment expense, and including price inflation	8.00 percent

Mortality rates were based on the RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study conducted for three year period ending December 31, 2012.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016 are summarized in the following table:

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. 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 State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for Police and Firemen, and Judges. Future employer contribution rates were also modeled for Police and Firemen, and Judges, assuming all actuarial assumptions are met in 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 of the City's proportionate share of the net pension liability to changes in the discount rate

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 8.00%, 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 (7.00%) or 1-percentage point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Discount Rate (8.00%)	1% Increase (9.00%)
Local Government	\$34,026,546	\$24,824,904	\$17,022,628
Police & Firemen	\$15,547,112	\$11,333,404	\$7,773,311
Total:	\$49,573,658	\$36,158,308	\$24,795,939

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Pension Expense

For the year ended December 31, 2016, the City recognized pension expense of \$4,819,584 which include the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2016, 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	\$ 144,084	\$ 448,064
Net differences between projected and actual earnings on pension plan investments	2,932,562	-
Changes of assumptions		232,221
Changes in proportion	502,834	84,122
Contributions made subsequent to the measurement date*	1,392,986	-
Total	\$ 4,972,466	\$ 764,407

At December 31, 2016, 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	\$ 598,163	\$ 116,960
Net differences between projected and actual earnings on pension plan investments	1,483,895	-
Changes of assumptions	-	69,871
Changes in proportion	4,261,963	-
Contributions made subsequent to the measurement date*	751,592	-
Total	\$ 7,095,613	\$ 186,831

* 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, 2017.

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
2017	\$ 346,366	\$ 1,426,489
2018	346,366	1,426,489
2019	1,237,120	1,810,401
2020	835,800	1,210,821
2021	49,421	282,990
Total	\$ 2,815,073	\$ 6,157,190

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, 2016

Assets	
Cash and cash equivalents	\$ 2,284,385
Investment in real estate investment trust	4,622,556
Investment in Mutual Funds	36,391,528
Investments in corporate bonds	3,181,142
Investments in US Treasury and government agencies	10,634,555
Investment in equities	35,965,918
Total assets	\$ 93,080,084
Net Position	
Held in trust for pension benefits	\$ 93,080,084

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, 2016

Additions	
Contributions, employer	\$ 1,840,326
Investment earnings:	
Net increase in fair value of investments	8,479,538
Dividends and Interest	317,084
Total investment earnings	<u>8,796,622</u>
 Total additions	 <u>10,636,948</u>
 Deductions	
Benefits	6,946,529
Administrative expenses	365,266
Total deductions	<u>7,311,795</u>
 Change in net position	 3,325,153
 Net position-beginning of the year	 89,754,931
Net position-end of the year	<u><u>\$ 93,080,084</u></u>

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

Membership Data:

Membership in the PDRP comprised the following at December 31, 2016:

Active employees	167
Vested terminated employees	100
Retired participants and beneficiaries	40
	<u>307</u>

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 2016, employees did not make contributions to the PDRP. The City contributions, authorized by the City Council, for fiscal year 2016 was \$1,840,326. This contribution was made in accordance with contribution requirements determined by an actuarial valuation of the PDRP at January 1, 2016. The City’s contribution was for normal cost plus interest.

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

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

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

Type	Percent of Total
Franklin/Templeton Global Total Return Bond	15.2%
Vanguard Russell 1000 Growth Index	14.0%

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

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Pension Liability:

	<u>December 31, 2016</u>
Total Pension Liability	\$ 95,582,195
Fiduciary Net Position	93,080,084
Net Pension Liability	<u>2,502,111</u>
Fiduciary Net Position as a % of total Pension Liability	97.38%
Covered Payroll	12,188,856
Net Pension Liability as a % of Covered Payroll	20.53%

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

Discount Rate	7.25%
Long-Term expected Rate of Return, Net of Investment Expense	7.25%
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, 2016
Measurement Date	December 31, 2016
Inflation	2.30%
Salary increases including inflation	4.00%
Mortality	RP-2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants projected to 2023 using Scale AA
Actuarial Cost Method	Entry Age Normal

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

The components of net pension liability at December 31, 2016 were as follows:

Changes in Net Pension Liability	Total Pension	Increase (Decrease)	Net Pension
	Liability	Plan Fiduciary	Liability
	(a)	Net Position	(a) - (b)
		(b)	
Balance as of December 31, 2015	\$ 94,765,375	\$ 89,754,931	\$ 5,010,444
Changes for the year:			
Service cost	1,252,474	-	1,252,474
Interest on total pension liability	6,213,861	-	6,213,861
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	297,014	-	297,014
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(6,946,529)	(6,946,529)	-
Employer contributions	-	1,840,326	(1,840,326)
Member contributions	-	-	-
Net investment income	-	8,431,356	(8,431,356)
Administrative expenses	-	-	-
Balance as of December 31, 2016	\$ 95,582,195	\$ 93,080,084	\$ 2,502,111

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, 2016.

Asset Class	Target Allocation	Long Term	Long-Term
		Expected Arithmetic Real Rate of Return	Expected Geometric Real Rate of Return
Core Fixed Income	30.00%	2.23%	2.10%
Broad US Equities	40.00%	5.10%	3.81%
Small Cap US Equities	15.00%	6.05%	4.10%
Developed Foreign Equities	5.00%	6.04%	4.40%
Emerging Market Equities	5.00%	8.37%	5.08%
Real Estate (REITS)	5.00%	5.07%	3.27%

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

For the year ended December 31, 2016, the annual money weighted rate of return on plan investments, net of pension plan investment expense was 9.85%. 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 7.25%, 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 (6.25%) or 1 percent higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 106,400,030	\$ 95,582,195	\$ 86,477,482
Fiduciary Net Position	93,080,084	93,080,084	93,080,084
Net Pension Liability (Asset)	<u>\$ 13,319,946</u>	<u>\$ 2,502,111</u>	<u>\$ (6,602,602)</u>

Pension Expense and Deferred Inflows and Outflows of Resources Related to Pension: For the year ended December 31, 2016, the City recognized pension expense of \$2,739,853 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	\$ 352,459	\$ -
Net difference between projected and actual earnings	2,827,740	-
Total	<u>\$ 3,180,199</u>	<u>\$ -</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

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

Year Ended December 31:		
2017	\$	1,408,436
2018		1,109,981
2019		1,082,979
2020		(421,197)
	\$	<u>3,180,199</u>

Deferred outflows of resources related to the difference between expected and actual plan experience 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.

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

Financial Report:

City of Overland Park
Overland Park Fire Department Retirement Plan
Statement of Plan Net Position
December 31, 2016

Assets	
Cash and cash equivalents	\$ 774,019
Investment in equities	14,986,022
Investment in mutual funds	15,093,348
Investment in real estate investment trust	1,915,405
Investments in corporate bonds	1,386,644
Investments in US Treasury and government agencies	4,397,042
Total assets	<u>\$ 38,552,480</u>
Net Position	
Held in trust for pension benefits	<u>\$ 38,552,480</u>

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

City of Overland Park
Overland Park Fire Department Retirement Plan
Statement of Changes in Plan Net Position
Year Ended December 31, 2016

Additions	
Contributions, employer	\$ 1,852,255
Investment earnings:	
Net increase in fair value of investments	2,828,698
Dividends and Interest	814,194
Total investment earnings	3,642,892
Total additions	5,495,147
Deductions	
Benefits	773,899
Administrative expenses	156,491
Total deductions	930,390
Change in net position	4,564,757
Net position-beginning of the year	33,987,723
Net position-end of the year	\$ 38,552,480

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

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

IV. Other Information (Continued)

Membership Data:

Membership in the OPFDRP was comprised of the following at December 31, 2016:

Active employees	114
Vested terminated employees	36
Retired participants and beneficiaries	33
	183
	183

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 2016, 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, 2016 was \$1,852,255. The City's contribution was for normal cost plus interest.

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

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

Type	Percent of Total
Franklin Templeton Global Total Return Bond	15.2%
Vanguard Russell 1000 Growth Index	14.0%

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

Pension Liability.

	<u>December 31, 2016</u>
Total Pension Liability	\$ 44,079,116
Fiduciary Net Position	38,552,480
Net Pension Liability	<u>5,526,636</u>
Fiduciary Net Position as a % of total Pension Liability	87.46%
Covered Payroll	9,006,384
Net Pension Liability as a % of Covered Payroll	61.36%

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

Discount Rate	7.25%
Long-Term expected Rate of Return, Net of Investment Expense	7.25%
Municipal Bond Rate	N/A

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Actuarial Assumptions:

Valuation Date	December 31, 2016
Measurement Date	December 31, 2016
Inflation	2.30%
Salary increases including inflation	4.00%
Mortality	RP-2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants projected to 2023 using Scale AA for benefits; GAR 94 Mortality 50% male/female blend for lump sums
Actuarial Cost Method	Entry Age Normal

The components of net pension liability at December 31, 2016 were as follows:

Changes in Net Pension Liability	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of December 31, 2015	\$ 41,273,126	\$ 33,987,723	\$ 7,285,403
Changes for the year:			
Service cost	1,035,106	-	1,035,106
Interest on total pension liability	2,952,144	-	2,952,144
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(407,361)	-	(407,361)
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(773,899)	(773,899)	-
Employer contributions	-	1,852,255	(1,852,255)
Member contributions	-	-	-
Net investment income	-	3,486,401	(3,486,401)
Administrative expenses	-	-	-
Balance as of December 31, 2016	\$ 44,079,116	\$ 38,552,480	\$ 5,526,636

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, 2016.

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Asset Class	Target Allocation	Long Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Core Fixed Income	30.00%	2.23%	2.10%
Broad US Equities	40.00%	5.10%	3.81%
Small Cap US Equities	15.00%	6.05%	4.10%
Developed Foreign Equities	5.00%	6.04%	4.40%
Emerging Market Equities	5.00%	8.37%	5.08%
Real Estate (REITS)	5.00%	5.07%	3.27%

For the year ended December 31, 2016, the annual money weighted rate of return on plan investments, net of pension plan investment expense was 10.14%. 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 7.25%, 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 (6.25%) or 1 percent higher (8.25%) than the current rate.

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Total Pension Liability	\$ 49,828,873	\$ 44,079,115	\$ 39,268,883
Fiduciary Net Position	38,552,480	38,552,480	38,552,480
Net Pension Liability	\$ 11,276,393	\$ 5,526,635	\$ 716,403

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, 2016, the City recognized pension expense of \$1,654,310 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	\$ -	\$ 456,673
Net difference between projected and actual earnings	953,258	-
Total	\$ 953,258	\$ 456,673

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

Year Ended June 30:	
2017	\$ 169,576
2018	188,366
2019	335,420
2020	(196,777)
	<u>\$ 496,585</u>

Deferred inflows of resources related to the difference between expected and actual plan experience 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.

D. Convention Center Information

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

Summary financial information for the Convention Center's operations as of and for the years ended December 31, 2016 and 2015 is presented below:

Condensed Balance Sheets as of December 31,

	2016	2015
Assets		
Current assets	\$ 1,050,544	\$ 1,232,530
Non Current assets		
Audiovisual equipment	249,771	249,771
Less accumulated depreciation	(132,037)	(77,401)
	<u>117,734</u>	<u>172,370</u>
Liabilities		
Current liabilities	1,461,788	1,078,753
Unearned revenue	1,125,683	1,127,207
Total Liabilities	<u>2,587,471</u>	<u>2,205,960</u>
Net Position	<u>\$ (1,419,193)</u>	<u>\$ (801,060)</u>

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

	2016	2015
Operating revenue	\$ 11,517,279	\$ 10,874,123
Operating expense	10,659,171	10,239,842
Operating Income	<u>858,108</u>	<u>634,281</u>
Owner's net cash received (paid)	<u>(1,476,241)</u>	<u>(1,330,829)</u>
Change in net position	(618,133)	(696,548)
Net Position- beginning of the year	(801,060)	(104,512)
Net Position - end of the year	<u>\$ (1,419,193)</u>	<u>\$ (801,060)</u>

IV. Other Information (Continued)

E. Postemployment Benefits

City of Overland Park Postemployment Benefit Plan (OPEB)

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

Membership in the OPEB was comprised of the following at December 31, 2016:

Active Employees	869
Retired participants medical	55
Retired participants spouse medical	19
Retired participants long-term care	178

The annual required contribution (ARC) is the basic annual expense recognized under GASB Statement No. 45, though there is no requirement to fund the ARC. The ARC is calculated under the actuarial cost method that was chosen and is made up of the normal cost plus amortization of the unfunded actuarial accrued liability (UAAL- excess of the past service liability over the actuarial value of the assets). The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually. For fiscal year 2016, the City contributed \$1,530,147 to the plan. Plan members receiving benefits from OPEB contributed \$531,810, which is 42 percent of the total premiums.

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

The following table shows the components that make up the City of Overland Park's OPEB cost for 2016:

Annual Required Contribution	\$ 1,668,700
Interest on Net OPEB Obligation	404,986
Adjustments to the ARC	(528,712)
Annual OPEB Cost (Expense)	<u>1,544,974</u>
Contributions Made	<u>1,530,147</u>
Increase in net OPEB Obligation	14,827
Net OPEB Obligation - beginning of Year	8,999,685
Net OPEB Obligation - End of Year	<u><u>\$ 9,014,512</u></u>

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

Fiscal Year Ended December 31	OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 1,665,073	38.05%	\$ 8,498,402
2015	1,551,865	67.70%	8,999,685
2016	1,544,974	99.04%	9,014,512

As of December 31, 2015, the plan was 25.2 percent funded. As of December 31, 2015, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$18,076,700, and the actuarial value of assets was \$4,556,759, resulting in an unfunded actuarial accrued liability (UAAL) of \$13,519,941. The covered payroll (annual payroll of active employees covered by the plan) was \$62,427,404, and the ratio of the UAAL to the covered payroll was 21.7 percent.

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

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

In the December 31, 2016 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the City's own investments calculated based on the funded level of the plan at the valuation date. The annual health care cost trend rate of 6.1 percent for medical claims and 5.0 percent for dental claims initially, reduced by decrements to an ultimate rate of 4.4 percent and 4.3 percent, respectively, after 8 and 4 years, respectively. The UAAL is being amortized as a level dollar amount over a period of 30 years.

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

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

**City of Overland Park
Other Post-Employment Benefits Trust
Statement of Plan Net Position
December 31, 2016**

Assets

Cash and cash equivalents	\$ 36,458
Mutual funds	5,704,097
Total Assets	<u>5,740,555</u>

Net Position

Held in Trust for OPEB Benefits	<u><u>\$ 5,740,555</u></u>
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City of Overland Park, Kansas

Notes to Basic Financial Statements

IV. Other Information (Continued)

City of Overland Park
 Other Post-Employment Benefits Trust
 Statement in Changes in Plan Net Position
 For the Year Ended December 31, 2016

Additions	
Contributions, employer	\$ 800,000
Investment Earnings	
Net increase in fair value of investments	341,091
Interest	108,815
Total investment earnings	<u>449,906</u>
Total Additions	<u>1,249,906</u>
Deductions	
Administrative expenses	3,000
Total deductions	<u>3,000</u>
Change in net position	1,246,906
Net position-beginning of the year	<u>4,493,649</u>
Net position-end of the year	<u><u>\$ 5,740,555</u></u>

F. New Pronouncements

- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, issued in June 2015, will be effective for the City beginning with its fiscal year ending December 31, 2017. The Statement replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement No. 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position but requires more extensive note disclosures and Required Supplementary Information related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. The Statement also sets forth note disclosure requirements for defined contribution OPEB plans.

IV. Other Information (Continued)

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued in June 2015, will be effective for the City beginning with its fiscal year ending December 31, 2018. The Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.
- GASB Statement No. 80, *Blending Requirements for Certain Component Units*, issued February 2016, will be effective for the City beginning with its fiscal year ending December 31, 2017. Statement No. 80 clarifies the display requirements in GASB Statement No. 14, *The Financial Reporting Entity*, by requiring component units incorporated as not-for-profit corporations to be blended into the primary state or local government's financial statements in a manner similar to a department or activity of the primary government. The guidance addresses diversity in practice regarding the presentation of not-for-profit corporations in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.
- GASB Statement No. 82, *Pension Issues*, issued April 2016, will be effective for the City beginning with its fiscal year ending December 31, 2017. Statement No. 82 is designed to improve consistency in the application of the pension standards by clarifying or amending related areas of existing guidance with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

IV. Other Information (Continued)

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

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

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

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

IV. Other Information (Continued)

- GASB Statement No. 85, *Omnibus 2017*, issued March 2017, will be effective for the City beginning with its fiscal year ending December 31, 2018. Statement No. 85 is designed to address the practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).
- GASB Statement No. 86, *Certain Debt Extinguishment Issues*, issued May 2017, will be effective for the City beginning with its fiscal year ending December 31, 2018. Statement No. 86 is designed to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement requires the inclusion of any remaining prepaid insurance related to extinguished debt in the net carrying amount of the debt when calculating the difference between the reacquisition price and the net carrying amount of the debt. This Statement also improves financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

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

City of Overland Park, Kansas

Notes to Basic Financial Statements

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	\$ -	\$ 4,451,031	\$ 1,865,332	\$ -	\$ -	\$ -	\$ 7,025,921	\$ 13,342,284
Culture and Recreation	-	-	-	3,720,739	-	-	1,282,243	5,002,982
Health and Welfare	-	-	-	-	-	-	2,929,244	2,929,244
Public Safety	-	-	-	-	-	-	401,394	401,394
Debt Service	-	-	-	-	-	250,000	-	250,000
Total Restricted	-	4,451,031	1,865,332	3,720,739	-	250,000	11,638,802	21,925,904
Assigned:								
Highways and Streets	15,708,567	-	6,770	-	12,489,126	-	1,043,337	29,247,800
Culture and Recreation	291,609	-	-	-	-	-	1,036,069	1,327,678
Public Safety	269,262	-	-	-	-	-	35,830	305,092
Economic Development	400,000	-	-	-	-	-	-	400,000
Equipment	5,725,804	-	-	-	-	-	4,997,546	10,723,350
Facilities	3,378,710	-	-	-	-	-	2,723,629	6,102,339
Potential Legal Liability	3,555,311	-	-	-	-	-	-	3,555,311
Risk Management Losses	3,350,832	-	-	-	-	-	-	3,350,832
Total Assigned	32,680,095	-	6,770	-	12,489,126	-	9,836,411	55,012,402
Unassigned								
	43,100,743	-	-	-	-	-	(318,190)	42,782,553
Total fund balances	\$ 75,780,838	\$ 4,451,031	\$ 1,872,102	\$ 3,720,739	\$ 12,489,126	\$ 250,000	\$ 21,157,023	\$ 119,720,859

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

	2016	2015	2014
Total Pension Liability			
Service Cost	\$ 1,252,474	\$ 1,336,133	\$ 1,416,075
Interest on total pension liability	6,213,861	6,414,049	6,021,877
Effect of economic/demographic gains or losses	297,014	952,259	635,959
Benefit payments	(6,946,529)	(2,104,337)	(3,048,540)
Net change in total pension liability	816,820	6,598,104	5,025,371
Total pension liability - beginning	94,765,375	88,167,271	83,141,900
Total pension liability - ending	<u>\$ 95,582,195</u>	<u>\$ 94,765,375</u>	<u>\$ 88,167,271</u>
Plan fiduciary net position			
Benefit Payments	\$ (6,946,529)	\$ (2,104,337)	\$ (3,048,540)
Employer contributions	1,840,326	1,925,620	2,432,920
Net investment income	8,796,622	(827,865)	6,868,816
Administrative expense	(365,266)	(245,896)	(288,650)
Net change in plan fiduciary net position	3,325,153	(1,252,478)	5,964,546
Plan fiduciary net position - beginning	89,754,931	91,007,409	85,042,863
Plan fiduciary net position - ending	<u>\$ 93,080,084</u>	<u>\$ 89,754,931</u>	<u>\$ 91,007,409</u>
City's net pension asset (liability) - ending	<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	97.38%	94.71%	103.22%
Covered Payroll	\$ 12,188,856	\$ 13,054,068	\$ 13,335,300
Net pension asset (liability) as a % of covered payroll	-20.53%	-38.38%	21.30%

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

See Notes to Required Supplementary Information.

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

Schedule of Employer Contributions:

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2007	\$ 1,469,682	\$ 1,380,467	\$ 89,215	\$ 13,171,080	10.48%
2008	1,443,916	1,360,423	83,493	14,208,624	9.57%
2009	2,479,979	2,338,229	141,750	14,606,976	16.01%
2010	2,931,814	2,761,411	170,403	14,370,036	19.22%
2011	2,919,289	2,818,625	100,664	14,223,804	19.82%
2012	3,088,500	2,977,104	111,396	13,760,508	21.64%
2013	3,314,770	3,202,600	112,170	13,584,204	23.58%
2014	2,527,632	2,432,920	94,712	13,335,300	18.24%
2015	2,001,495	1,925,620	75,875	13,054,068	14.75%
2016	1,896,691	1,840,326	56,365	12,188,856	15.10%

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%

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

See Notes to Required Supplementary Information.

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

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

The following actuarial methods and assumptions were used in the December 31, 2016 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	Entry-age Normal
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	7.25%; 6.00% for lump sums
Cost of Living Adjustments	None
Retirement Age	20% retire when first eligible for early retirement, 5% per year thereafter and 100% at age 55
Turnover	Crocker-Sarason T1 Table
Mortality	RP-2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants projected to 2023 using Scale AA; GAR 94 Mortality 50% male/female blend for lump sums

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

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

	2016	2015	2014
Total Pension Liability			
Service Cost	\$ 1,035,106	\$ 1,049,586	\$ 1,041,943
Interest on total pension liability	2,952,144	2,829,794	2,624,091
Effect of economic/demographic gains or losses	(407,361)	(357,038)	(278,269)
Benefit payments	(773,899)	(454,581)	(658,108)
Net change in total pension liability	2,805,990	3,067,761	2,729,657
Total pension liability - beginning	41,273,126	38,205,365	35,475,708
Total pension liability - ending	<u>\$ 44,079,116</u>	<u>\$ 41,273,126</u>	<u>\$ 38,205,365</u>
Plan fiduciary net position			
Benefit Payments	\$ (773,899)	\$ (454,581)	\$ (658,108)
Employer contributions	1,852,255	2,080,750	2,230,297
Net investment income	3,486,401	(461,956)	2,392,786
Administrative expense	-	-	(114,791)
Net change in plan fiduciary net position	4,564,757	1,164,213	3,850,184
Plan fiduciary net position - beginning	33,987,723	32,823,510	28,973,326
Plan fiduciary net position - ending	<u>\$ 38,552,480</u>	<u>\$ 33,987,723</u>	<u>\$ 32,823,510</u>
City's net pension liability - ending	<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	87.46%	82.35%	85.91%
Covered Payroll	\$ 9,006,384	\$ 9,066,588	\$ 8,998,896
Net pension liability as a % of covered payroll	61.36%	80.35%	59.81%

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

See Notes to Required Supplementary Information.

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

Schedule of Employer Contributions:

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2007	\$ 1,810,574	\$ 1,704,497	\$ 106,077	\$ 9,401,544	18.13%
2008	2,252,441	2,132,686	119,755	9,649,308	22.10%
2009	2,481,988	2,340,147	141,841	9,527,292	24.56%
2010	2,492,071	2,339,445	152,626	9,567,912	24.45%
2011	2,493,213	2,404,502	88,711	9,185,832	26.18%
2012	2,511,142	2,418,226	92,916	9,106,056	26.56%
2013	2,412,884	2,328,048	84,836	8,947,896	26.02%
2014	2,311,876	2,230,297	81,579	8,998,896	24.78%
2015	2,158,678	2,080,750	77,928	9,066,588	22.95%
2016	1,910,485	1,852,255	58,230	9,006,384	20.57%

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%

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

See Notes to Required Supplementary Information.

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

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

The following actuarial methods and assumptions were used in the December 31, 2016 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	Entry-age Normal
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	7.25%; 6.00% for lump sums
Cost of Living Adjustments	None
Retirement Age	20% retire when first eligible for early retirement, 5% per year thereafter and 100% at age 55
Turnover	Crocker-Sarason T1 Table
Mortality	RP-2000 Mortality for Employees, Healthy Annuitants, and Disabled Annuitants projected to 2023 using Scale AA; GAR 94 Mortality 50% male/female blend for lump sums

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

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

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

See Notes to Required Supplementary Information.

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

Schedule of Employer Contributions

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2007	\$ 1,358,044	\$ 1,358,044	-	N/A	N/A
2008	1,603,842	1,603,842	-	N/A	N/A
2009	1,625,325	1,625,325	-	N/A	N/A
2010	1,875,545	1,875,545	-	N/A	N/A
2011	1,893,771	1,893,771	-	N/A	N/A
2012	2,017,663	2,017,663	-	N/A	N/A
2013	2,196,770	2,196,770	-	N/A	N/A
2014	2,552,877	2,552,877	-	\$ 29,513,024	8.65%
2015	3,294,560	3,294,560	-	33,556,947	9.82%
2016	3,778,833	3,778,833	-	34,271,353	11.03%

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

See Notes to Required Supplementary Information.

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

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

The following actuarial methods and assumptions were used in the December 31, 2016 valuation to determine the actuarially determined contribution.

Valuation Timing	December 31, 2015
Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	18 years
Asset Valuation Method	5-year smoothed value
Inflation	3.00%
Salary Increases Including Inflation	4.00% to 16.00%
Long Term rate of return	8.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The RP-2000 Healthy Annuitant schedule was first adjusted by an age setback or set forward. Rates were further adjusted to fit actual experience. Generational mortality improvements were projected for future years using Scale AA.

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

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percent of Covered Payroll ((b-a)/c)
12/31/2011	\$ 2,828,983	\$ 19,046,800	\$ 16,217,817	14.9%	\$ 55,300,195	29.3%
12/31/2013	\$ 3,719,056	\$ 19,058,300	\$ 15,339,244	19.5%	\$ 54,196,412	28.3%
12/31/2015	\$ 4,556,759	\$ 18,076,700	\$ 13,519,941	25.2%	\$ 62,427,404	21.7%

The information presented in the required supplementary information above was determined as part of the actuarial valuation as of December 31, 2016. Additional information follows:

1. The cost method used to determine the ARC is the projected unit credit method.
2. Economic assumptions are as follows: 4.5 percent investment rate of return; health care cost trend rate of 6.1 percent for medical claims and 5.0 percent for dental, reduced by decrements to an ultimate rate of 4.4 percent and 4.3 percent, respectively, after 8 and 4 years, respectively.
3. The amortization method is level dollar.
4. The initial inflation rate assumptions for medical and dental are 6.10 percent and 5.00 percent, respectively.

Schedule of Employer Contributions:

Year	Annual Required Contribution (ARC)	Percentage Contributed
2014	\$ 1,781,600	35.56%
2015	1,668,700	44.98%
2016	1,668,700	91.70%

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, 2016**

	Special Revenue Funds		
	Special Street and Highway	Special Park and Recreation	Special Alcohol Control
Assets			
Cash, cash equivalents and investments	\$ -	\$ 1,076,554	\$ 2,965,074
Receivables	-	-	-
Gas tax receivable	1,259,030	-	-
Transient guest tax receivable	-	-	-
Due from other governments	-	-	-
Other current assets	-	-	-
Total assets	\$ 1,259,030	\$ 1,076,554	\$ 2,965,074
 Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Contracts payable	-	-	-
Due to other funds	222,847	-	-
Unearned revenue	-	-	-
Total liabilities	222,847	-	-
 Fund Balances (Deficits):			
Restricted	1,036,183	1,076,554	2,929,244
Assigned	-	-	35,830
Unassigned	-	-	-
Total fund balances (deficits)	1,036,183	1,076,554	2,965,074
Total liabilities and fund balances	\$ 1,259,030	\$ 1,076,554	\$ 2,965,074

Continued on next page.

Street Improvement Escrow	Special Tax Financing	Federal and State Grants	Fire Memorial
\$ 5,989,738	\$ 82,375	\$ 43,106	\$ 1,969
-	-	-	-
-	-	-	-
-	-	67,123	-
-	-	-	-
<u>\$ 5,989,738</u>	<u>\$ 82,375</u>	<u>\$ 110,229</u>	<u>\$ 1,969</u>
\$ -	\$ -	\$ 13,884	\$ -
-	232,324	-	-
-	-	-	-
-	-	65,719	1,969
-	232,324	79,603	1,969
5,989,738	-	30,626	-
-	-	-	-
-	(149,949)	-	-
<u>5,989,738</u>	<u>(149,949)</u>	<u>30,626</u>	<u>-</u>
<u>\$ 5,989,738</u>	<u>\$ 82,375</u>	<u>\$ 110,229</u>	<u>\$ 1,969</u>

City of Overland Park
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
December 31, 2016

	Downtown Business Improvement District	Parks and Recreation	Nuse Act	Westlinks Land Acquisition
Assets				
Cash, cash equivalents and investments	\$ 33,598	\$ 178,946	\$ 82,272	\$ 11,611
Receivables	-	-	-	-
Gas tax receivable	-	-	-	-
Transient guest tax receivable	-	-	-	-
Due from other governments	-	-	-	-
Other current assets	-	-	-	-
Total assets	\$ 33,598	\$ 178,946	\$ 82,272	\$ 11,611
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	33,598	-	82,272	-
Total liabilities	33,598	-	82,272	-
Fund Balances (Deficits):				
Restricted	-	178,946	-	11,611
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	-	178,946	-	11,611
Total liabilities and fund balances	\$ 33,598	\$ 178,946	\$ 82,272	\$ 11,611

Continued on next page.

Special Revenue Funds

Art in the Woods	Special Law Enforcement	Jack Sanders Memorial	Total Nonmajor Special Revenue Funds
\$ 15,132	\$ 363,967	\$ 6,801	\$ 10,851,143
-	-	-	-
-	-	-	1,259,030
-	-	-	-
-	-	-	67,123
-	-	-	-
\$ 15,132	\$ 363,967	\$ 6,801	\$ 12,177,296
\$ -	\$ -	\$ -	\$ 13,884
-	-	-	232,324
-	-	-	222,847
-	-	-	183,558
-	-	-	652,613
15,132	363,967	6,801	11,638,802
-	-	-	35,830
-	-	-	(149,949)
15,132	363,967	6,801	11,524,683
\$ 15,132	\$ 363,967	\$ 6,801	\$ 12,177,296

**City of Overland Park
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
December 31, 2016**

Capital Projects

	Drainage Improvements	Park Acquisition & Development	Public Building Improvements	Traffic Signals
Assets				
Cash, cash equivalents and investments	\$ 206,750	\$ 1,279,146	\$ 2,697,340	\$ -
Receivables	-	-	-	-
Gas tax receivable	-	-	-	-
Transient guest tax receivable	-	-	-	-
Due from other governments	954,699	-	350,527	-
Other current assets	-	-	-	-
Total assets	\$ 1,161,449	\$ 1,279,146	\$ 3,047,867	\$ -
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable	132,380	243,077	324,238	164,080
Due to other funds	-	-	-	4,161
Unearned revenue	-	-	-	-
Total liabilities	132,380	243,077	324,238	168,241
Fund Balances (Deficits):				
Restricted	-	-	-	-
Assigned	1,029,069	1,036,069	2,723,629	-
Unassigned	-	-	-	(168,241)
Total fund balances (deficits)	1,029,069	1,036,069	2,723,629	(168,241)
Total liabilities and fund balances	\$ 1,161,449	\$ 1,279,146	\$ 3,047,867	\$ -

Capital Projects

Street Lights	Public Equipment	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 14,268	\$ 5,093,274	\$ 9,290,778	\$ 20,141,921
-	-	-	-
-	-	-	1,259,030
-	-	-	-
-	387,164	1,692,390	1,759,513
-	-	-	-
<u>\$ 14,268</u>	<u>\$ 5,480,438</u>	<u>\$ 10,983,168</u>	<u>\$ 23,160,464</u>

\$ -	\$ -	\$ -	\$ 13,884
-	434,496	1,298,271	1,530,595
-	-	4,161	227,008
-	48,396	48,396	231,954
-	482,892	1,350,828	2,003,441

-	-	-	11,638,802
14,268	4,997,546	9,800,581	9,836,411
-	-	(168,241)	(318,190)
<u>14,268</u>	<u>4,997,546</u>	<u>9,632,340</u>	<u>21,157,023</u>
<u>\$ 14,268</u>	<u>\$ 5,480,438</u>	<u>\$ 10,983,168</u>	<u>\$ 23,160,464</u>

City of Overland Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Special Revenue Funds		
	Special Street and Highway	Special Park and Recreation	Special Alcohol Control
Revenues			
Property taxes	\$ -	\$ -	\$ -
Sales taxes	-	-	-
Charges for services	-	-	-
Licenses and permits	-	-	-
Transient guest tax	-	-	-
Use of money	-	-	-
Intergovernmental	4,975,792	1,476,098	1,496,253
Contributions	-	-	-
Capital / Operating Grants	-	-	-
Grants / contributions not restricted to specific programs	-	-	-
Total revenues	<u>4,975,792</u>	<u>1,476,098</u>	<u>1,496,253</u>
Expenditures			
Current:			
General government	-	-	857,934
Public safety	-	-	66,915
Public works	-	-	-
Parks and recreation	-	-	-
Planning and development services	-	-	-
Capital improvements	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>924,849</u>
Excess of revenues over (under) expenditures	<u>4,975,792</u>	<u>1,476,098</u>	<u>571,404</u>
Other financing sources (uses)			
Transfers in	-	23,139	-
Transfers out	(4,600,000)	(985,139)	-
Total other financing sources (uses)	<u>(4,600,000)</u>	<u>(962,000)</u>	<u>-</u>
Net change in fund balances	375,792	514,098	571,404
Fund balances (deficits) at beginning of year	660,391	562,456	2,393,670
Fund balances (deficits) at end of year	<u>\$ 1,036,183</u>	<u>\$ 1,076,554</u>	<u>\$ 2,965,074</u>

Continued on next page.

Street Improvement Escrow	Special Tax Financing	Federal and State Grants	Fire Memorial
\$ -	\$ 358,248	\$ -	\$ -
-	333,875	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,800,542	-	-	-
-	16,106	540,399	534
-	-	-	-
1,800,542	708,229	540,399	534
-	-	-	-
-	-	87,700	534
338,559	805,323	316,357	-
-	-	230	-
-	-	125,211	-
-	-	-	-
338,559	805,323	529,498	534
1,461,983	(97,094)	10,901	-
-	-	-	-
(369,040)	-	-	-
(369,040)	-	-	-
1,092,943	(97,094)	10,901	-
4,896,795	(52,855)	19,725	-
\$ 5,989,738	\$ (149,949)	30,626	-

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, 2016

	Special Revenue Funds		
	Downtown Business Improvement District	Parks and Recreation	Westlinks Land Acquisition
Revenues			
Property taxes	\$ -	\$ -	\$ -
Sales taxes	-	-	-
Charges for services	-	-	-
Licenses and permits	103,083	-	-
Transient guest tax	-	-	-
Use of money	-	-	685
Intergovernmental	-	-	-
Contributions	-	11,450	-
Capital / Operating Grants	-	-	-
Grants / contributions not restricted to specific programs	-	-	-
Total revenues	<u>103,083</u>	<u>11,450</u>	<u>685</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	-	17,868	-
Planning and development services	103,083	-	-
Capital improvements	-	-	-
Total Expenditures	<u>103,083</u>	<u>17,868</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(6,418)</u>	<u>685</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(6,418)	685
Fund balances (deficits) at beginning of year	-	185,364	10,926
Fund balances (deficits) at end of year	<u>\$ -</u>	<u>\$ 178,946</u>	<u>\$ 11,611</u>

	Art in the Woods	Special Law Enforcement	Jack Sanders Memorial	Total Nonmajor Special Revenue Funds
\$	-	\$ -	\$ -	\$ 358,248
	-	-	-	333,875
	-	-	-	-
	-	-	-	103,083
	-	-	-	0
	151	6,038	65	6,939
	-	-	-	7,948,143
	-	-	-	1,811,992
	-	74,098	-	631,137
	-	-	-	-
	151	80,136	65	11,193,417
	-	-	-	857,934
	-	62,013	-	217,162
	-	-	-	1,460,239
	1,740	-	-	19,838
	-	-	-	228,294
	-	-	-	-
	1,740	62,013	-	2,783,467
	(1,589)	18,123	65	8,409,950
	-	-	-	23,139
	-	(175,000)	-	(6,129,179)
	-	(175,000)	-	(6,106,040)
	(1,589)	(156,877)	65	2,303,910
	16,721	520,844	6,736	9,220,773
\$	15,132	\$ 363,967	\$ 6,801	\$ 11,524,683

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, 2016

Capital Projects

	Drainage Improvements	Park Acquisition & Development	Public Buildings Improvements	Traffic Signals
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Transient guest tax	-	-	-	-
Use of money	-	-	-	-
Intergovernmental	-	-	-	-
Contributions	-	16,588	-	-
Capital / Operating Grants	9,037,893	3,002	694,825	608,710
Grants / contributions not restricted to specific programs	-	446,280	-	-
Total revenues	9,037,893	465,870	694,825	608,710
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Parks and recreation	-	2,821,252	-	-
Planning and development services	-	-	-	-
Capital improvements	6,447,216	-	6,212,429	450,648
Total expenditures	6,447,216	2,821,252	6,212,429	450,648
Excess of revenues over (under) expenditures	2,590,677	(2,355,382)	(5,517,604)	158,062
Other financing sources (uses)				
Transfers in	2,619,238	1,509,957	4,725,000	277,116
Transfers out	(403,728)	(117,988)	-	(121,677)
Total other financing sources (uses)	2,215,510	1,391,969	4,725,000	155,439
Net change in fund balances	4,806,187	(963,413)	(792,604)	313,501
Fund balances (deficits) at beginning of year	(3,777,118)	1,999,482	3,516,233	(481,742)
Fund balances (deficits) at end of year	\$ 1,029,069	\$ 1,036,069	\$ 2,723,629	\$ (168,241)

Capital Projects

Street Lights	Public Equipment	Total Nonmajor Capital Projects Total	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 358,248
-	-	-	333,875
-	-	-	-
-	-	-	103,083
-	-	-	-
-	-	-	6,939
-	-	-	7,948,143
-	-	16,588	1,828,580
23,125	106,470	10,474,025	11,105,162
-	-	446,280	446,280
23,125	106,470	10,936,893	22,130,310
-	2,697,816	2,697,816	3,555,750
-	-	-	217,162
-	-	-	1,460,239
-	-	2,821,252	2,841,090
-	-	-	228,294
137,070	-	13,247,363	13,247,363
137,070	2,697,816	18,766,431	21,549,898
(113,945)	(2,591,346)	(7,829,538)	580,412
-	5,696,596	14,827,907	14,851,046
(86,920)	(22,982)	(753,295)	(6,882,474)
(86,920)	5,673,614	14,074,612	7,968,572
(200,865)	3,082,268	6,245,074	8,548,984
215,133	1,915,278	3,387,266	12,608,039
\$ 14,268	\$ 4,997,546	\$ 9,632,340	\$ 21,157,023

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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	
Revenues:				
Operating grants	\$ 4,650,000	\$ 4,650,000	\$ 4,975,792	\$ 325,792
Use of money	5,000	5,000	-	(5,000)
Total revenues	4,655,000	4,655,000	4,975,792	320,792
Expenditures:				
Current, public works	150,000	150,000	-	150,000
Total expenditures	150,000	150,000	-	150,000
Revenues over/(under) expenditures	4,505,000	4,505,000	4,975,792	470,792
Other financing sources (uses):				
Transfer (to) from other funds:				
Capital Projects Funds	(4,680,000)	(4,680,000)	(4,600,000)	80,000
Total other financing sources (uses)	(4,680,000)	(4,680,000)	(4,600,000)	80,000
Revenues and other financing sources over (under) expenditures and other financing uses	(175,000)	(175,000)	375,792	550,792
Fund balances at beginning of year	175,000	175,000	660,391	485,391
Fund balances at end of year	\$ -	\$ -	\$ 1,036,183	\$ 1,036,183

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, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Revenues:				
Operating grants	\$ 1,200,000	\$ 1,200,000	\$ 1,476,098	\$ 276,098
Use of money	5,000	5,000	-	(5,000)
Total revenues	1,205,000	1,205,000	1,476,098	271,098
Expenditures:				
Current, parks and recreation	-	-	-	-
Total expenditures	-	-	-	-
Revenues over expenditures	1,205,000	1,205,000	1,476,098	271,098
Other financing sources (uses):				
Transfer (to) from other funds:				
Special Revenue Funds	35,000	35,000	23,139	(11,861)
Capital Projects Funds	(1,645,000)	(1,645,000)	(985,139)	659,861
Total other financing sources (uses)	(1,610,000)	(1,610,000)	(962,000)	648,000
Revenues and other financing sources over (under) expenditures and other financing uses	(405,000)	(405,000)	514,098	919,098
Fund balances at beginning of year	405,000	405,000	562,456	157,456
Fund balances at end of year	\$ -	\$ -	\$ 1,076,554	\$ 1,076,554

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts Budgetary Basis	
Revenues:				
Operating grants	\$ 1,200,000	\$ 1,200,000	\$ 1,496,253	\$ 296,253
Use of money	10,000	10,000	-	(10,000)
Total revenues	1,210,000	1,210,000	1,496,253	286,253
Expenditures:				
Current:				
General Government	3,265,000	3,265,840	893,764	2,372,076
Public Safety	75,000	74,160	66,915	7,245
Total expenditures	3,340,000	3,340,000	960,679	2,379,321
Revenues over (under) expenditures	(2,130,000)	(2,130,000)	535,574	2,665,574
Other financing sources (uses):				
Transfer (to) from other funds:	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Revenues and other financing sources over (under) expen- ditures and other financing use:	<u>\$ (2,130,000)</u>	<u>\$ (2,130,000)</u>	535,574	<u>\$ 2,665,574</u>
Reconciliation to GAAP Basis:				
Encumbrances			35,830	
Fund balances at beginning of year			2,393,670	
Fund balances at end of year			<u>\$ 2,965,074</u>	

City of Overland Park
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Special Tax Financing Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
Revenues:				
Property Tax	\$ 345,000	\$ 345,000	\$ 358,248	\$ 13,248
Sales Tax	335,000	335,000	333,875	(1,125)
Charges for Services	70,000	70,000	16,107	(53,893)
Total revenues	750,000	750,000	708,230	(41,770)
Expenditures:				
Current:				
TIF Expenditures	50,000	50,000	123,201	(73,201)
TIF Distributions to Developers	700,000	700,000	682,123	17,877
Total expenditures	750,000	750,000	805,324	(55,324)
Revenues over expenditures	-	-	(97,094)	(97,094)
Revenues and other financing sources over (under) expenditures and other uses	-	-	(97,094)	(97,094)
Fund balances at beginning of year	-	-	(52,855)	(52,855)
Fund balances at end of year	\$ -	\$ -	\$ (149,949)	\$ (149,949)

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, 2016

	Budgeted Amounts		Actual Amounts Budgetary	Variance with
	Original	Final	Basis	Final Budget
Revenues:				
Use of money	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Licenses and permits	105,000	105,000	103,084	(1,916)
Total revenues	110,000	110,000	103,084	(6,916)
Expenditures:				
Current:				
Planning and development services	110,000	110,000	103,084	6,916
Total expenditures	110,000	110,000	103,084	6,916
Revenues over expenditures	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

City of Overland Park
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Budgetary Basis
Debt Service Fund
For the Year Ended December 31, 2016

	Budgeted Amounts		Actual Amounts Budgetary	Variance with Final Budget
	Original	Final	Basis	
Revenues:				
Special Assessment tax	\$ 485,000	\$ 472,000	\$ 470,539	\$ (1,461)
Use of money	15,000	3,000	3,087	87
Total revenues	500,000	475,000	473,626	(1,374)
Expenditures:				
Debt Service	21,500,000	58,000,000	57,701,220	298,780
Bond issuance costs	-	-	213,537	(213,537)
Total expenditures	21,500,000	58,000,000	57,914,757	85,243
Revenues over (under) expenditures	(21,000,000)	(57,525,000)	(57,441,131)	83,869
Other financing sources (uses):				
Refunding bond issue	-	31,590,000	31,590,000	-
Issuance: Premium	-	5,460,000	5,451,844	(8,156)
Transfer (to) from other funds:				
General Fund	14,450,000	13,925,000	14,187,852	262,852
Special Revenue Funds	6,300,000	6,300,000	6,211,435	(88,565)
Total other financing sources (uses)	20,750,000	57,275,000	57,441,131	166,131
Revenues and other financing sources over (under) expenditures and other financing uses	(250,000)	(250,000)	-	250,000
Fund balances at beginning of year	250,000	250,000	250,000	-
Fund balances at end of year	\$ -	\$ -	\$ 250,000	\$ 250,000

City of Overland Park
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2016

	<u>Golf Course</u>	<u>Soccer Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets			
Current assets:			
Cash, cash equivalents and investments	\$ 1,988,819	\$ 681,699	\$ 2,670,518
Receivables, net	137	2,948	3,085
Inventory	141,179	-	141,179
Total current assets	<u>2,130,135</u>	<u>684,647</u>	<u>2,814,782</u>
Noncurrent assets:			
Capital assets:			
Land	1,425,200	-	1,425,200
Other capital assets, net of depreciation	1,613,536	-	1,613,536
Total capital assets	<u>3,038,736</u>	<u>-</u>	<u>3,038,736</u>
Total assets	<u>\$ 5,168,871</u>	<u>\$ 684,647</u>	<u>\$ 5,853,518</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 288,377	\$ 6,012	\$ 294,389
Accrued payroll	83,218	16,081	99,299
Unearned revenue	-	3,179	3,179
Capital lease obligation	31,002	-	31,002
Total current liabilities	<u>402,597</u>	<u>25,272</u>	<u>427,869</u>
Long-term liabilities			
Accrued compensated absences	32,441	6,736	39,177
Capital lease obligation	34,833	-	34,833
Total long term liabilities	<u>67,274</u>	<u>6,736</u>	<u>74,010</u>
Total liabilities	<u>\$ 469,871</u>	<u>\$ 32,008</u>	<u>\$ 501,879</u>
Net Position			
Net investment in capital assets	\$ 2,972,901	\$ -	\$ 2,972,901
Unrestricted	1,726,099	652,639	2,378,738
Total net position	<u>\$ 4,699,000</u>	<u>\$ 652,639</u>	<u>\$ 5,351,639</u>

City of Overland Park
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016

	<u>Golf Course</u>	<u>Soccer Fund</u>	<u>Total Enterprise Funds</u>
Operating revenues:			
Charges for services	\$ 5,133,118	\$ 1,479,342	\$ 6,612,460
Other reimbursements	5,651	252,811	258,462
Total operating revenues	<u>5,138,769</u>	<u>1,732,153</u>	<u>6,870,922</u>
Operating expenses:			
Soccer operations	-	1,143,200	1,143,200
Golf course operations	4,471,340	-	4,471,340
Depreciation	149,987	-	149,987
Total operating expenses	<u>4,621,327</u>	<u>1,143,200</u>	<u>5,764,527</u>
Operating income	<u>517,442</u>	<u>588,953</u>	<u>1,106,395</u>
Nonoperating revenues and (expenses):			
Interest earned on investments	15,612	7,153	22,765
Gain on disposal of capital assets	2,986	-	2,986
Total nonoperating revenue (expenses)	<u>18,598</u>	<u>7,153</u>	<u>25,751</u>
Income (loss) before transfer	536,040	596,106	1,132,146
Transfers out	<u>(353,000)</u>	<u>(304,000)</u>	<u>(657,000)</u>
Change in net position	183,040	292,106	475,146
Total net position-beginning of year	<u>4,515,960</u>	<u>360,533</u>	<u>4,876,493</u>
Total net position-end of year	<u>\$ 4,699,000</u>	<u>\$ 652,639</u>	<u>\$ 5,351,639</u>

City of Overland Park
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016

	<u>Golf Course</u>	<u>Soccer Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
Cash flows from operating activities			
Cash received from customers	\$ 5,133,118	1,471,103	\$ 6,604,221
Cash received from other reimbursements	5,514	252,811	258,325
Cash payments for personal services	(2,242,568)	(237,745)	(2,480,313)
Cash payments for contractual services and accounts payable	(2,151,105)	(893,555)	(3,044,660)
Net cash provided by (used in) operating activities	<u>744,959</u>	<u>592,614</u>	<u>1,337,573</u>
Cash flows from noncapital financing activities			
Transfers (to) other funds	(353,000)	(304,000)	(657,000)
Net cash (used in) noncapital financing activities	<u>(353,000)</u>	<u>(304,000)</u>	<u>(657,000)</u>
Cash flows from capital and related financing activities			
Principal paid on capital debt	(31,001)	-	(31,001)
Bond Proceeds			
Purchases of capital assets	(40,423)		(40,423)
Net cash provided by (used in) capital and related financing activities	<u>(71,424)</u>	<u>-</u>	<u>(71,424)</u>
Cash flows from investing activities			
Interest on investments	15,612	7,153	22,765
Net cash provided by investing activities	<u>15,612</u>	<u>7,153</u>	<u>22,765</u>
Net increase in cash and cash equivalents	336,147	295,767	631,914
Cash and cash equivalents-beginning of the year	1,652,672	385,932	2,038,604
Cash and cash equivalents-end of the year	<u>\$ 1,988,819</u>	<u>\$ 681,699</u>	<u>\$ 2,670,518</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 517,442	588,953	\$ 1,106,395
Adjustments to reconcile operating income to net cash provided by operating activities:			
(Increase) decrease in accounts receivable	(137)	14,335	14,198
Decrease in inventory	11,169		11,169
Increase in accrued payroll	6,075	2,947	9,022
Decrease in unearned revenue	-	(22,575)	(22,575)
Increase in accounts payable and compensated absences	60,423	8,954	69,377
Depreciation expense	149,987	-	149,987
Net cash provided by (used in) operating activities	<u>\$ 744,959</u>	<u>\$ 592,614</u>	<u>\$ 1,337,573</u>

**City of Overland Park
Combining Statement of Net Position
Internal Service Funds
December 31, 2016**

	Workers' Compensation	Medical Imprest Plan	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ -	\$ 2,975,156	\$ 2,975,156
Receivables, net	20,901	-	20,901
Total current assets	<u>20,901</u>	<u>2,975,156</u>	<u>2,996,057</u>
Noncurrent Assets:			
Cash and cash equivalents - restricted	2,170,376	187,667	2,358,043
Total assets	<u>2,191,277</u>	<u>3,162,823</u>	<u>5,354,100</u>
Liabilities			
Accounts payable	7,523	177,931	185,454
Unpaid claims	1,006,800	945,000	1,951,800
Total current liabilities	<u>1,014,323</u>	<u>1,122,931</u>	<u>2,137,254</u>
Net Assets			
Restricted for worker's compensation claims	1,176,954	-	1,176,954
Restricted for employee medical claim allocations	-	187,667	187,667
Unrestricted	-	1,852,225	1,852,225
Total net position	<u>\$ 1,176,954</u>	<u>\$ 2,039,892</u>	<u>\$ 3,216,846</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, 2016

	Workers' Compensation	Medical Imprest Plan	Total
Operating revenues:			
Charges for services	\$ 54,000	\$ 11,403,069	\$ 11,457,069
Other	-	689,383	689,383
Total operating revenues	54,000	12,092,452	12,146,452
Operating expenses:			
Claims paid	-	12,546,000	12,546,000
Contractual services	656,899	-	656,899
Total operating expenses	656,899	12,546,000	13,202,899
Operating income (loss)	(602,899)	(453,548)	(1,056,447)
Nonoperating revenues:			
Interest	17,777	30,868	48,645
Total nonoperating revenue	17,777	30,868	48,645
Transfers from other funds	775,000	-	775,000
Change in net position	189,878	(422,680)	(232,802)
Total net position-beginning of year	987,076	2,462,572	3,449,648
Total net position-end of year	\$ 1,176,954	\$ 2,039,892	\$ 3,216,846

City of Overland Park
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2016

	Workers'	Medical	Total
	Compensation	Imprest	
	Plan		
Cash flows from operating activities			
Cash received from customers	\$ 54,000	\$ 11,403,069	\$ 11,457,069
Cash received from other reimbursements	(4,349)	689,383	685,034
Claims paid	-	(12,546,000)	(12,546,000)
Cash payments for contractual services and accounts payable	(425,601)	49,712	(375,889)
Net cash used in operating activities	<u>(375,950)</u>	<u>(403,836)</u>	<u>(779,786)</u>
 Cash flows from noncapital financing activities			
Transfer from other funds	<u>775,000</u>	-	<u>775,000</u>
 Cash flows from investing activities			
Interest on investments	<u>17,777</u>	30,868	48,645
Net increase (decrease) in cash and cash equivalents	416,827	(372,968)	43,859
 Cash and cash equivalents-beginning of the year	<u>1,753,549</u>	<u>3,535,791</u>	<u>5,289,340</u>
Cash and cash equivalents-end of the year	<u>\$ 2,170,376</u>	<u>\$ 3,162,823</u>	<u>\$ 5,333,199</u>
 Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income (loss)	\$ (602,899)	\$ (453,548)	\$ (1,056,447)
Adjustments to reconcile operating income/(loss) to net cash used in operating activities:			
(Increase) in accounts receivable	(4,349)	-	(4,349)
Increase in accounts payable and claims payable	231,298	49,712	281,010
Net cash provided by (used in) operating activities	<u>\$ (375,950)</u>	<u>\$ (403,836)</u>	<u>\$ (779,786)</u>

City of Overland Park
Combining Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2016

Employee Retirement Plans

	Municipal Employees Pension Plan	Police Department Retirement Plan	Fire Department Retirement Plan	Other Post-Employment Benefits Trust	Total
Assets					
Cash and cash equivalents	\$ 1,000	\$ 2,284,385	\$ 774,019	\$ 36,458	\$ 3,095,862
Investments in equities	-	35,965,918	14,986,022	-	50,951,940
Investments in mutual funds	55,205,961	36,391,528	15,093,348	5,704,097	112,394,934
Investments in real estate investment trust	-	4,622,556	1,915,405	-	6,537,961
Interest and dividends	-	-	-	-	-
Investments in corporate bonds	-	3,181,142	1,386,644	-	4,567,786
Investments in US Treasury & government agencies	-	10,634,555	4,397,042	-	15,031,597
Sales tax receivable	-	-	-	-	-
Special assessment receivable	-	-	-	-	-
Total assets	<u>\$ 55,206,961</u>	<u>\$ 93,080,084</u>	<u>\$ 38,552,480</u>	<u>\$ 5,740,555</u>	<u>\$ 192,580,080</u>
Liabilities					
Due to State	\$ -	\$ -	\$ -	\$ -	\$ -
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	<u>\$ 55,206,961</u>	<u>\$ 93,080,084</u>	<u>\$ 38,552,480</u>	<u>\$ 5,740,555</u>	<u>\$ 192,580,080</u>

Private-purpose Trust		Agency Funds			
Tomahawk Cemetery		State License	CMB State Stamp	Transportation Development Districts	Total
\$ 3,106		\$ 37,482	\$ 600	\$ 18,826,203	18,864,285
-		-	-	-	-
-		-	-	-	-
-		-	-	-	-
-		-	-	15,740	15,740
-		-	-	-	-
-		-	-	-	-
-		-	-	1,055,808	1,055,808
-		-	-	10,381,000	10,381,000
<u>\$ 3,106</u>		<u>\$ 37,482</u>	<u>\$ 600</u>	<u>\$ 30,278,751</u>	<u>\$ 30,316,833</u>

\$ -		\$ 37,482	\$ 600	\$ -	\$ 38,082
-		-	-	30,278,751	30,278,751
<u>\$ -</u>		<u>\$ 37,482</u>	<u>\$ 600</u>	<u>\$ 30,278,751</u>	<u>\$ 30,316,833</u>

\$ 3,106

City of Overland Park
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2016

	Employee Retirement Plans					Private-purpose Trust
	Municipal Employees Pension Plan	Police Department Retirement Plan	Fire Department Retirement Plan	Other Post-Employment Benefits Trust	Total	Tomahawk Cemetery
Additions						
Contributions:						
Rollover	\$ 15,252	\$ -	\$ -	\$ -	\$ 15,252	\$ -
Employer	1,968,279	1,840,326	1,852,255	800,000	6,460,860	-
Plan members	76,748	-	-	-	76,748	-
Total contributions	2,060,279	1,840,326	1,852,255	800,000	6,552,860	-
Investment earnings:						
Net increase in fair value of investments	2,948,320	8,479,538	2,828,698	341,091	14,597,647	-
Interest	-	-	-	108,815	108,815	31
Dividends	1,152,175	317,084	814,194	-	2,283,453	-
Total investment earnings	4,100,495	8,796,622	3,642,892	449,906	16,989,915	31
Total additions	6,160,774	10,636,948	5,495,147	1,249,906	23,542,775	31
Deductions						
Benefits	3,985,186	6,946,529	773,899	-	11,705,614	-
Administrative expenses	5,227	365,266	156,491	3,000	529,984	290
Total deductions	3,990,413	7,311,795	930,390	3,000	12,235,598	290
Change in net position	2,170,361	3,325,153	4,564,757	1,246,906	11,307,177	(259)
Net position-beginning of the year	53,036,600	89,754,931	33,987,723	4,493,649	181,272,903	3,365
Net position-end of the year	\$ 55,206,961	\$ 93,080,084	\$ 38,552,480	\$ 5,740,555	\$ 192,580,080	\$ 3,106

City of Overland Park
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2016

	Balance January 1, 2016	Additions	Deductions	Balance December 31, 2016
State License Fund				
Assets				
Cash and cash equivalents	\$ 45,399	\$ 543,270	\$ 551,187	\$ 37,482
Total assets	\$ 45,399	\$ 543,270	\$ 551,187	\$ 37,482
Liabilities				
Due to State	\$ 45,399	\$ 543,270	\$ 551,187	\$ 37,482
Total liabilities	\$ 45,399	\$ 543,270	\$ 551,187	\$ 37,482
CMB State Stamp Fund				
Assets				
Cash and cash equivalents	\$ 600	\$ 2,400	\$ 2,400	\$ 600
Total assets	\$ 600	\$ 2,400	\$ 2,400	\$ 600
Liabilities				
Due to State	\$ 600	\$ 2,400	\$ 2,400	\$ 600
Total liabilities	\$ 600	\$ 2,400	\$ 2,400	\$ 600
Transportation Development Districts				
Assets				
Cash and cash equivalents	\$ 11,747,318	17,831,700	10,752,815	\$ 18,826,203
Interest receivable	13,642	2,098	-	15,740
Sales tax receivable	958,908	96,900	-	1,055,808
Special assessment receivable	11,625,000	-	1,244,000	10,381,000
Total Assets	\$ 24,344,868	\$ 17,930,698	\$ 11,996,815	\$ 30,278,751
Liabilities				
Due to other entities	24,344,868	17,930,698	11,996,815	30,278,751
Total Liabilities	\$ 24,344,868	\$ 17,930,698	\$ 11,996,815	\$ 30,278,751
Totals - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 11,793,317	\$ 18,377,370	\$ 11,306,402	\$ 18,864,285
Interest receivable	13,642	2,098	-	15,740
Sales tax receivable	958,908	96,900	-	1,055,808
Special assessment receivable	11,625,000	-	1,244,000	10,381,000
Total assets	\$ 24,390,867	\$ 18,476,368	\$ 12,550,402	\$ 30,316,833
Liabilities				
Due to State	\$ 45,999	\$ 545,670	\$ 553,587	\$ 38,082
Due to other entities	24,344,868	17,930,698	11,996,815	30,278,751
Total liabilities	\$ 24,390,867	\$ 18,476,368	\$ 12,550,402	\$ 30,316,833

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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.	151-158
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.	159-166
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.	167-171
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.	172-173
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.	174-178

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.

City of Overland Park, Kansas

Net Position by Component
2007 to 2016 Inclusive
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 796,834,669	\$ 838,954,105	\$ 862,840,022	\$ 868,805,471	\$ 865,820,612	\$ 887,503,877	\$ 898,706,264	\$ 912,516,846	\$ 921,477,236	\$ 941,269,540
Restricted	9,185,006	7,796,704	6,103,477	5,671,256	3,761,989	4,835,240	4,620,877	4,767,379	6,088,172	7,623,174
Unrestricted	109,471,761	84,095,798	93,283,853	42,118,676	41,843,620	41,856,980	57,282,547	66,027,156	47,576,157	68,979,829
Total governmental activities net position	<u>\$ 915,491,436</u>	<u>\$ 930,846,607</u>	<u>\$ 962,227,352</u>	<u>\$ 916,595,403</u>	<u>\$ 911,426,221</u>	<u>\$ 934,196,097</u>	<u>\$ 960,609,688</u>	<u>\$ 983,311,381</u>	<u>\$ 975,141,565</u>	<u>\$ 1,017,872,543</u>
Business-type activities										
Net investment in capital assets	\$ (38,973,273)	\$ (38,348,039)	\$ (44,979,383)	\$ (46,616,213)	\$ (48,314,692)	\$ (48,109,010)	\$ (48,043,726)	\$ (49,081,594)	\$ (49,536,373)	\$ (49,137,285)
Restricted	\$ 11,829,275	10,962,295	15,136,992	15,596,664	16,272,483	15,827,405	14,592,968	15,879,957	16,689,167	16,713,151
Unrestricted	(1,868,833)	(5,136,080)	(8,375,248)	(1,284,250)	(2,239,190)	(6,879,350)	(7,239,877)	(7,649,443)	(7,662,129)	(7,651,452)
Total business-type activities net position	<u>\$ (29,012,831)</u>	<u>\$ (32,521,824)</u>	<u>\$ (38,217,639)</u>	<u>\$ (32,303,799)</u>	<u>\$ (34,281,399)</u>	<u>\$ (39,160,955)</u>	<u>\$ (40,690,635)</u>	<u>\$ (40,851,080)</u>	<u>\$ (40,509,335)</u>	<u>\$ (40,075,586)</u>
Primary government										
Net investment in capital assets	\$ 757,861,396	\$ 800,606,066	\$ 817,860,639	\$ 822,189,258	\$ 817,505,920	\$ 839,394,867	\$ 850,662,538	\$ 863,435,252	\$ 871,940,863	\$ 892,132,255
Restricted	21,014,281	18,758,999	21,240,469	21,267,920	20,034,472	20,662,645	19,213,845	20,647,336	22,777,339	24,336,325
Unrestricted	107,602,928	78,959,718	84,908,605	40,834,426	39,604,430	34,977,630	50,042,670	58,377,713	39,914,028	61,328,377
Total primary government net position	<u>\$ 886,478,605</u>	<u>\$ 898,324,783</u>	<u>\$ 924,009,713</u>	<u>\$ 884,291,604</u>	<u>\$ 877,144,822</u>	<u>\$ 895,035,142</u>	<u>\$ 919,919,053</u>	<u>\$ 942,460,301</u>	<u>\$ 934,632,230</u>	<u>\$ 977,796,957</u>

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City of Overland Park, Kansas

Changes in Net Position
2007 to 2016 Inclusive
(accrual basis of accounting)

	2007			2008		
	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
Program Expenses						
General government	\$ 36,943,654	\$ -	\$ 36,943,654	\$ 30,999,814	\$ -	\$ 30,999,814
Public safety	47,273,509	-	47,273,509	51,058,659	-	51,058,659
Public works	28,790,295	-	28,790,295	52,708,940	-	52,708,940
Parks and recreation	16,442,762	-	16,442,762	9,250,525	-	9,250,525
Planning and development services	10,002,078	-	10,002,078	9,036,680	-	9,036,680
Golf course	-	3,211,521	3,211,521	-	3,274,422	3,274,422
Soccer Complex	-	-	-	-	-	-
OPDC	-	28,832,171	28,832,171	-	25,273,123	25,273,123
Interest on long-term debt	5,783,380	-	5,783,380	7,555,180	-	7,555,180
Total expenses	145,235,678	32,043,692	177,279,370	160,609,798	28,547,545	189,157,343
Program Revenues						
Charges for services						
General government	8,389,023	-	8,389,023	8,298,492	-	8,298,492
Public safety	6,208,095	-	6,208,095	7,222,235	-	7,222,235
Public works	3,776,951	-	3,776,951	2,251,968	-	2,251,968
Parks and recreation	2,682,574	-	2,682,574	3,937,131	-	3,937,131
Planning and development services	2,827,457	-	2,827,457	2,656,583	-	2,656,583
Golf course	-	3,108,064	3,108,064	-	3,207,324	3,207,324
Soccer Complex	-	-	-	-	-	-
OPDC	-	24,376,480	24,376,480	-	21,711,249	21,711,249
Operating grants and contributions	8,346,095	-	8,346,095	7,606,680	-	7,606,680
Capital grants and contributions	19,142,983	-	19,142,983	20,708,723	-	20,708,723
Total program revenues	51,373,178	27,484,544	78,857,722	52,681,812	24,918,573	77,600,385
Net Program (Expense)/Revenue	(93,862,500)	(4,559,148)	(98,421,648)	(107,927,986)	(3,628,972)	(111,556,958)
General Revenues and Other Changes in Net Position						
Property taxes	23,920,260	-	23,920,260	24,981,393	-	24,981,393
Sales taxes	52,089,560	-	52,089,560	48,833,515	-	48,833,515
Franchise taxes	9,074,658	-	9,074,658	9,662,788	-	9,662,788
Transient Guest tax	7,252,916	-	7,252,916	8,197,767	-	8,197,767
Unrestricted grants and contributions	22,229,400	-	22,229,400	20,548,004	-	20,548,004
Unrestricted investment earnings	6,655,642	844,905	7,500,547	5,960,755	194,348	6,155,103
Miscellaneous	4,619,653	239,514	4,859,167	4,849,248	175,318	5,024,566
Transfers	274,900	(274,900)	-	249,687	(249,687)	-
Change in Accounting Principle	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	14,683,614	-	14,683,614
Total general revenues	126,116,989	809,519	126,926,508	137,966,771	119,979	138,086,750
Change in net position	\$ 32,254,489	\$ (3,749,629)	\$ 28,504,860	\$ 30,038,785	\$ (3,508,993)	\$ 26,529,792

1. Soccer operations began in 2009.

2009			2010			2011		
Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
\$ 34,770,572	\$ -	\$ 34,770,572	\$ 32,651,928	\$ -	\$ 32,651,928	\$ 34,805,867	\$ -	\$ 34,805,867
51,060,017	-	51,060,017	49,296,357	-	49,296,357	49,874,733	-	49,874,733
56,463,561	-	56,463,561	58,956,143	-	58,956,143	61,229,121	-	61,229,121
8,896,868	-	8,896,868	14,743,711	-	14,743,711	4,530,531	-	4,530,531
8,791,716	-	8,791,716	7,919,968	-	7,919,968	7,084,275	-	7,084,275
-	3,040,711	3,040,711	-	2,865,160	2,865,160	-	3,073,047	3,073,047
-	667,718	667,718	-	965,025	965,025	-	1,012,289	1,012,289
-	24,309,086	24,309,086	-	24,603,609	24,603,609	-	25,473,353	25,473,353
7,468,030	-	7,468,030	9,177,523	-	9,177,523	6,355,197	-	6,355,197
167,450,764	28,017,515	195,468,279	172,745,630	28,433,794	201,179,424	163,879,724	29,558,689	193,438,413
7,265,883	-	7,265,883	7,552,961	-	7,552,961	9,533,064	-	9,533,064
7,938,795	-	7,938,795	7,424,157	-	7,424,157	6,927,966	-	6,927,966
817,546	-	817,546	508,665	-	508,665	654,081	-	654,081
4,509,488	-	4,509,488	4,836,764	-	4,836,764	4,971,524	-	4,971,524
2,164,578	-	2,164,578	1,978,793	-	1,978,793	2,514,905	-	2,514,905
-	3,275,900	3,275,900	-	3,171,584	3,171,584	-	2,869,736	2,869,736
-	431,974	431,974	-	1,135,085	1,135,085	-	1,168,226	1,168,226
-	18,501,762	18,501,762	-	18,009,544	18,009,544	-	19,890,341	19,890,341
10,002,980	-	10,002,980	10,736,837	-	10,736,837	13,704,711	-	13,704,711
51,357,736	-	51,357,736	16,143,063	-	16,143,063	12,858,126	-	12,858,126
84,057,006	22,209,636	106,266,642	49,181,240	22,316,213	71,497,453	51,164,377	23,928,303	75,092,680
(83,393,758)	(5,807,879)	(89,201,637)	(123,564,390)	(6,117,581)	(129,681,971)	(112,715,347)	(5,630,386)	(118,345,733)
25,525,763	-	25,525,763	24,200,005	-	24,200,005	23,010,679	-	23,010,679
43,864,652	-	43,864,652	39,713,882	-	39,713,882	46,553,901	-	46,553,901
9,434,467	-	9,434,467	9,952,518	-	9,952,518	10,386,572	-	10,386,572
6,782,124	-	6,782,124	6,734,429	-	6,734,429	7,451,593	-	7,451,593
20,408,525	-	20,408,525	19,451,231	7,732,856	27,184,087	20,870,906	-	20,870,906
1,297,849	9,305	1,307,154	864,073	30,586	894,659	519,540	30,316	549,856
7,316,549	247,333	7,563,882	5,782,561	249,271	6,031,832	2,149,841	225,603	2,375,444
144,574	(144,574)	-	(4,018,708)	4,018,708	-	(3,396,867)	3,396,867	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
114,774,503	112,064	114,886,567	102,679,991	12,031,421	114,711,412	107,546,165	3,652,786	111,198,951
\$ 31,380,745	\$ (5,695,815)	\$ 25,684,930	\$ (20,884,399)	\$ 5,913,840	\$ (14,970,559)	\$ (5,169,182)	\$ (1,977,600)	\$ (7,146,782)

City of Overland Park, Kansas

Changes in Net Position
2007 to 2016 Inclusive
 (accrual basis of accounting)

	2012			2013		
	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
Program Expenses						
General government	\$ 24,165,599	\$ -	\$ 24,165,599	\$ 33,886,609		\$ 33,886,609
Public safety	49,093,933	-	49,093,933	52,990,718		52,990,718
Public works	57,384,226	-	57,384,226	64,904,183		64,904,183
Parks and recreation	18,644,475	-	18,644,475	17,417,818		17,417,818
Planning and development services	7,219,292	-	7,219,292	7,405,840		7,405,840
Golf course	-	5,063,747	5,063,747		4,690,459	4,690,459
Soccer Complex	-	1,086,509	1,086,509		1,166,832	1,166,832
OPDC	-	25,123,892	25,123,892		25,737,078	25,737,078
Interest on long-term debt	6,619,907	-	6,619,907	6,135,643		6,135,643
Total expenses	163,127,432	31,274,148	194,401,580	182,740,811	31,594,369	214,335,180
Program Revenues						
Charges for services						
General government	7,684,975	-	7,684,975	9,524,146	-	9,524,146
Public safety	7,135,360	-	7,135,360	6,374,371	-	6,374,371
Public works	1,682,704	-	1,682,704	4,201,669	-	4,201,669
Parks and recreation	5,001,565	-	5,001,565	5,305,233	-	5,305,233
Planning and development services	3,222,746	-	3,222,746	3,863,441	-	3,863,441
Golf course	-	5,125,017	5,125,017	-	4,704,503	4,704,503
Soccer complex	-	1,286,692	1,286,692	-	1,264,057	1,264,057
OPDC	-	19,681,243	19,681,243	-	21,238,907	21,238,907
Operating grants and contributions	14,637,360	-	14,637,360	17,224,618	-	17,224,618
Capital grants and contributions	23,595,514	-	23,595,514	31,255,566	-	31,255,566
Total program revenues	62,960,224	26,092,952	89,053,176	77,749,044	27,207,467	104,956,511
Net Program (Expense)/Revenue	(100,167,208)	(5,181,196)	(105,348,404)	(104,991,767)	(4,386,902)	(109,378,669)
General Revenues and Other Changes in Net Position						
Property taxes	34,073,454	-	34,073,454	34,286,336		34,286,336
Sales taxes	47,715,776	-	47,715,776	49,815,260		49,815,260
Franchise taxes	10,295,175	-	10,295,175	10,867,642		10,867,642
Transient Guest tax	7,772,500	-	7,772,500	8,442,580		8,442,580
Unrestricted grants and contributions	23,129,956	-	23,129,956	24,951,913		24,951,913
Unrestricted investment earnings	765,462	118,887	884,349	518,050	93,487	611,537
Miscellaneous	3,211,320	341,477	3,552,797	5,102,429	184,883	5,287,312
Transfers	(4,026,559)	4,026,559	-	(2,578,851)	2,578,851	-
Change in Accounting Principle	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-
Total general revenues	122,937,084	4,486,923	127,424,007	131,405,359	2,857,221	134,262,580
Change in net position	\$ 22,769,876	\$ (694,273)	\$ 22,075,603	\$ 26,413,592	\$ (1,529,681)	\$ 24,883,911

2014			2015			2016		
Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
\$ 33,667,024		\$ 33,667,024	\$ 33,678,644		\$ 33,678,644	\$ 27,293,376		\$ 27,293,376
53,242,437		53,242,437	56,811,306		56,811,306	57,722,052		57,722,052
70,727,581		70,727,581	84,779,317		84,779,317	70,884,253		70,884,253
16,626,507		16,626,507	16,427,499		16,427,499	16,021,763		16,021,763
7,290,665		7,290,665	7,818,756		7,818,756	7,591,220		7,591,220
	4,632,459	4,632,459		4,444,788	4,444,788		4,618,341	4,618,341
	1,045,236	1,045,236		1,155,103	1,155,103		1,143,200	1,143,200
	26,511,937	26,511,937		27,134,815	27,134,815		26,916,665	26,916,665
5,536,611		5,536,611	6,381,217		6,381,217	5,165,106		5,165,106
187,090,825	32,189,632	219,280,457	205,896,739	32,734,706	238,631,445	184,677,770	32,678,206	217,355,976
10,649,111	-	10,649,111	10,874,123	-	10,874,123	12,546,531		12,546,531
6,821,522	-	6,821,522	7,458,653	-	7,458,653	6,758,079		6,758,079
3,925,162	-	3,925,162	3,086,611	-	3,086,611	4,025,281		4,025,281
5,544,556	-	5,544,556	5,516,395	-	5,516,395	5,805,366		5,805,366
3,337,946	-	3,337,946	4,246,668	-	4,246,668	4,116,727		4,116,727
-	4,810,474	4,810,474	-	5,004,110	5,004,110		5,133,118	5,133,118
-	1,198,683	1,198,683	-	1,303,552	1,303,552		1,479,342	1,479,342
-	22,925,782	22,925,782	-	23,503,118	23,503,118		23,108,630	23,108,630
12,285,677	-	12,285,677	14,115,047	-	14,115,047	14,374,807		14,374,807
31,400,727	-	31,400,727	34,752,883	-	34,752,883	30,614,490		30,614,490
73,964,701	28,934,939	102,899,640	80,050,380	29,810,780	109,861,160	78,241,281	29,721,090	107,962,371
(113,126,124)	(3,254,693)	(116,380,817)	(125,846,359)	(2,923,926)	(128,770,285)	(106,436,489)	(2,957,116)	(109,393,605)
34,479,648		34,479,648	36,981,306		36,981,306	40,265,868		40,265,869
51,222,740		51,222,740	51,903,813		51,903,813	52,921,165		52,921,165
10,983,769		10,983,769	10,832,504		10,832,504	11,194,063		11,194,063
9,396,742		9,396,742	10,057,212		10,057,212	10,620,456		10,620,456
27,380,878		27,380,878	28,230,807		28,230,807	29,302,344		29,302,344
294,988	75,860	370,848	238,184	28,864	267,048	1,186,221	135,487	1,321,708
4,831,870	255,570	5,087,440	5,185,716	270,560	5,456,276	6,614,611	318,117	6,932,727
(2,762,818)	2,762,818	(0)	(2,966,247)	2,966,247	-	(2,937,262)	2,937,262	-
		-			-			-
		-			-			-
135,827,817	3,094,248	138,922,065	140,463,295	3,265,671	143,728,966	149,167,466	3,390,866	152,558,332
\$ 22,701,693	\$ (160,445)	\$ 22,541,248	\$ 14,616,936	\$ 341,745	\$ 14,958,681	\$ 42,730,977	\$ 433,750	\$ 43,164,727

City of Overland Park, Kansas

**Fund Balances, Governmental Funds
2007 to 2016 Inclusive
(modified accrual basis of accounting)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Unreserved	\$ 64,324,828	\$ 50,963,727	\$ 40,755,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	3,166,661	1,802,009	1,009,899	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	1,000,000	150,000	12,479,807	-	-	-	-
Assigned	-	-	-	666,914	717,147	2,152,114	20,444,438	22,788,414	30,249,453	32,680,095
Unassigned	-	-	-	28,474,058	31,341,222	23,222,648	29,019,142	34,606,653	41,202,961	43,100,743
Total General Fund	\$ 67,491,489	\$ 52,765,736	\$ 41,765,332	\$ 30,140,972	\$ 32,208,369	\$ 37,854,569	\$ 49,463,580	\$ 57,395,067	\$ 71,452,414	\$ 75,780,838
All Other Governmental Funds										
Reserved	\$ 3,456,115	\$ 3,654,934	\$ 9,824,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	26,693,048	26,107,863	19,723,462	-	-	-	-	-	-	-
Capital Project Funds	64,587,482	18,674,979	6,765,804	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	9,156,376	11,858,078	12,544,083	14,323,354	14,455,895	30,073,585	21,925,904
Assigned	-	-	-	323,303	12,505,889	6,398,506	10,564,215	12,122,323	8,215,599	22,332,307
Unassigned	-	-	-	14,571,535	(353,105)	(396,080)	(129,640)	(20,852)	(4,311,715)	(318,190)
Total Other Governmental Funds	\$ 94,736,645	\$ 48,437,776	\$ 36,313,451	\$ 24,051,214	\$ 24,010,862	\$ 18,546,509	\$ 24,757,929	\$ 26,557,366	\$ 33,977,469	\$ 43,940,021

City of Overland Park, Kansas

Changes in Fund Balances, Governmental Funds
2007 to 2016 Inclusive
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Taxes	\$ 92,337,394	\$ 85,135,463	\$ 85,607,006	\$ 80,600,834	\$ 87,402,745	\$ 99,856,905	\$ 103,411,818	\$ 106,082,899	\$ 109,774,835	\$ 115,001,552
Charges for services	12,716,100	13,200,875	14,376,084	13,644,861	14,989,713	14,249,902	15,921,236	16,589,591	15,114,325	16,930,292
Licenses and permits	6,604,408	4,905,313	2,986,929	2,489,098	3,172,139	4,907,224	8,069,054	7,264,894	7,335,774	8,145,012
Fines and penalties	4,362,854	5,178,643	5,964,523	5,541,388	4,883,935	4,712,719	6,374,371	6,821,522	7,458,653	6,758,079
Use of money	5,270,229	5,156,829	1,074,848	603,702	427,185	677,553	409,297	421,087	732,719	984,458
Intergovernmental	22,636,544	17,965,366	24,848,190	18,754,471	15,510,655	24,214,122	23,783,770	25,590,162	28,975,889	18,552,982
Contributions	2,987,678	2,724,184	2,901,453	2,713,610	2,871,966	3,168,509	2,921,533	2,073,354	3,741,982	4,038,434
Capital/operating grants	8,859,981	8,709,935	12,808,300	8,489,644	9,206,761	10,464,448	14,853,321	8,150,274	11,796,968	15,166,141
Grants/contributions not restricted to specific programs	21,807,960	20,136,314	19,716,141	19,089,260	21,650,738	22,569,980	24,502,311	26,906,579	27,855,403	28,727,212
	177,583,148	163,112,922	170,283,474	151,926,868	160,115,837	184,821,362	200,246,711	199,900,362	212,786,548	214,304,162
Current:										
General government	31,323,369	32,467,888	32,354,100	29,362,717	30,962,422	27,813,092	31,124,944	31,925,566	35,018,955	37,680,257
Public safety	47,762,364	49,797,425	48,984,474	49,144,598	49,533,008	48,246,523	50,406,416	50,726,779	53,105,346	55,100,510
Public works	16,588,475	17,155,557	19,343,226	16,160,730	15,421,911	14,902,074	16,050,151	17,262,338	17,546,537	18,104,290
Parks and recreation	7,898,671	8,876,872	8,650,001	9,677,522	10,718,555	10,637,063	11,235,618	11,590,611	11,780,743	12,729,332
Planning & development service	9,957,240	9,046,227	8,501,741	7,643,592	6,905,488	7,043,239	7,204,341	7,177,506	7,584,841	7,402,165
Capital improvements	79,886,249	85,876,249	82,048,182	46,133,339	31,966,101	47,368,661	48,183,869	46,168,458	59,769,837	44,406,457
Debt service										
Principal	12,245,000	16,185,000	19,460,000	16,322,876	16,768,038	17,227,086	24,938,249	15,966,750	17,500,000	52,850,000
Interest	5,438,284	7,232,013	7,435,173	7,511,920	7,553,688	6,847,818	5,878,349	5,597,236	5,097,369	4,856,220
Bond Issuance costs	-	-	275,368	122,046	125,600	-	259,072	-	494,825	213,537
	211,099,652	226,637,231	227,052,265	182,079,340	169,954,811	180,085,556	195,281,009	186,415,244	207,898,453	233,342,768
	(33,516,504)	(63,524,309)	(56,768,791)	(30,152,472)	(9,838,974)	4,735,806	4,965,702	13,485,118	4,888,095	(19,038,606)
Proceeds of general obligation bor	64,365,000	-	26,845,000	13,450,000	8,490,000	-	6,400,000	-	16,125,000	
Refunding bonds issued	-	-	3,864,910	-	6,665,000	-	23,595,000	-	20,685,000	31,590,000
Payment to refunded bond escrow agent					(6,762,856)		(17,355,144)		(19,624,998)	
Issuance: Premium or (Discount)	1,051,684	-	726,472	361,375	389,349	-	3,115,724	-	2,423,089	5,451,844
Capital lease issuance									47,511	
Transfers in	80,469,170	70,685,050	68,694,888	55,884,574	68,341,542	71,542,775	84,383,677	84,512,455	81,531,446	91,789,365
Transfers out	(76,194,270)	(68,185,363)	(68,550,314)	(60,303,282)	(72,138,409)	(76,096,734)	(87,284,528)	(88,266,649)	(84,597,693)	(95,501,627)
	69,691,584	2,499,687	31,580,956	9,392,667	4,984,626	(4,553,959)	12,854,729	(3,754,194)	16,589,355	33,329,582
Net change in Fund Balance	\$ 36,175,080	(61,024,622)	(25,187,835)	(20,759,805)	(4,854,348)	181,847	17,820,431	9,730,924	21,477,450	14,290,976
Debt service as a percentage of noncapital expenditures	14%	16%	18%	16%	17%	22%	19%	13%	13%	30% ⁽¹⁾

(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
2007 to 2016 Inclusive

Fiscal Year	Property	Sales	Franchise	Transient	Total
				Guest	
2007	23,920,260	52,089,560	9,074,658	7,252,916	92,337,393
2008	24,981,393	42,293,515	9,662,788	8,197,767	85,135,463
2009	25,525,763	43,864,652	9,434,467	6,782,124	85,607,006
2010	24,200,005	39,713,882	9,952,518	6,734,429	80,600,834
2011	23,010,679	46,553,901	10,386,572	7,451,593	87,402,745
2012	34,073,454	47,715,776	10,295,175	7,772,500	99,856,905
2013	34,286,336	49,815,260	10,867,642	8,442,580	103,411,818
2014	34,479,648	51,222,740	10,983,769	9,396,742	106,082,900
2015	36,981,305	51,903,813	10,832,504	10,057,212	109,774,834
2016	40,265,868	52,921,165	11,194,063	10,620,456	115,001,552

City of Overland Park, Kansas

Assessed Value and Estimated True Value of All Taxable Property
2007 to 2016 Inclusive

Year ¹	Residential Property	Commercial Property	Utilities	Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated True Value ²	Assessed
								Value as a % of True Value
2007	1,554,818,982	1,094,197,370	71,359,647	138,221,462	2,858,597,461	8.832	17,987,917,006	11.5
2008	1,604,166,754	1,099,823,336	66,183,496	102,502,433	2,872,676,019	8.852	18,616,651,182	11.5
2009	1,577,347,738	1,030,714,341	60,981,621	80,732,514	2,749,776,214	8.890	18,408,397,169	11.5
2010	1,546,973,392	924,619,992	57,733,658	65,290,086	2,594,617,128	8.876	17,668,097,559	11.5
2011	1,564,486,489	954,017,837	55,742,400	59,012,772	2,633,259,498	12.814	17,870,068,978	11.5
2012	1,580,739,016	967,270,510	49,821,564	50,540,129	2,648,371,219	12.769	18,028,416,539	11.5
2013	1,607,185,424	974,973,317	48,792,426	42,360,367	2,673,311,534	12.833	18,226,510,939	11.5
2014	1,715,979,504	1,063,881,409	45,360,611	37,535,462	2,862,756,986	12.837	19,518,479,424	11.5
2015	1,827,325,626	1,131,814,026	45,207,918	32,045,274	3,036,392,844	12.848	20,738,862,613	11.5
2016	1,945,377,557	1,252,091,845	47,170,898	29,044,333	3,273,684,633	13.800	22,268,692,828	11.5

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

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

City of Overland Park, Kansas

Direct and Overlapping Property Tax Rates
2007 to 2016 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
2007	3.238	4.627	0.967	8.832	17.985	8.749	5.257	52.008	59.503	64.343
2008	3.245	4.638	0.969	8.852	17.767	8.768	5.398	52.094	61.127	66.913
2009	3.259	4.658	0.973	8.890	17.716	8.784	5.497	55.318	65.079	66.900
2010	3.254	4.651	0.971	8.876	17.748	8.799	5.508	57.192	71.049	72.917
2011	7.262	4.593	0.959	12.814	17.700	8.872	5.488	56.135	72.828	69.924
2012	11.814	-	0.955	12.769	17.717	8.785	5.493	55.766	72.027	69.618
2013	11.873	-	0.960	12.833	17.745	9.551	5.502	55.611	70.036	69.486
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

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
2016 and 2007

Taxpayer	Type of Business	2016			2007		
		Assessed Valuation	Rank	Percentage of Total ¹ Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Sprint	Communications	\$104,467,808	1	2.90%			
Oak Park Mall, LLC	Shops and malls	82,418,700	2	2.30%	50,383,966	2	1.6%
Corporate Woods, LLC	Office Park/Hotel	61,711,067	3	1.70%	63,316,421	1	2.0%
CBPK5 LP	Property Management	21,464,169	4	0.60%			
OP Regional Medical Center	Hospital	18,634,855	5	0.50%	10,674,980	6	0.3%
Mept Lighton Plaza LLC	Office Bldg/Real Estate	16,022,001	6	0.40%			
Aspen Square Inc	Shopping Center	14,045,341	7	0.40%			
Central Tennessee Hospital	Hospital	13,367,468	8	0.40%	16,700,893	3	50.0%
Tower Properties Company	Property Management	13,228,640	9	0.40%			
Target Corporation	Shopping	13,102,003	10	0.40%			
Riggs Bank N.A. Trustee	Banking				15,780,252	4	0.5%
Privitera Realty Holdings	Office building/real estate				16,014,642	5	0.5%
Rubicon Investments II, LLC	Shops and malls				11,625,001	7	0.4%
EDH Holdings, LLC	Real estate				10,045,900	8	0.3%
CRP-2 Holdings DD LLC	Real estate				9,713,826	9	0.3%
The Fountains, LLC	Real estate				9,002,051	10	0.3%
Total		<u>358,462,052</u>		<u>10.0%</u>	<u>213,257,932</u>		<u>6.8%</u>

Source: Johnson County

¹Vehicles included

City of Overland Park, Kansas

Property Tax Levies and Collections
2007 to 2016 Inclusive

Year ¹	Total Tax Levy	Current Tax Collections	Percentage Current Tax Collections	Prior Years Tax Collected ²	Total Tax Collection	Percentage Total Collection to Current Levy
2007	24,096,385	23,721,863	98.45	198,397	23,920,260	99.27
2008	25,247,135	24,812,853	98.28	168,540	24,981,393	98.95
2009	25,428,930	25,117,573	98.78	408,190	25,525,763	100.38
2010	24,445,509	24,026,057	98.28	176,811	24,202,868	99.01
2011	23,033,426	22,642,564	98.30	368,115	23,010,679	99.90
2012	33,742,590	33,305,974	98.71	767,480	34,073,454	100.98
2013	33,817,054	33,657,272	99.53	629,063	34,286,336	101.39
2014	34,330,026	34,205,661	99.64	240,107	34,445,769	100.34
2015	36,746,059	36,629,792	99.68	351,514	36,981,305	100.64
2016	39,011,577	39,579,545	101.46	1,172,847	40,752,392	104.46

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

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City of Overland Park, Kansas

Taxable Sales by Category
2007 to 2016 Inclusive

	2007	2008	2009
Utilities	423,662,800	460,676,600	448,298,800
Depart. Stores - Inelastic	389,879,100	401,855,500	407,804,600
Restaurants	360,584,700	353,675,600	342,089,200
Grocery Stores	257,702,700	281,011,200	273,918,600
Construction & Home Repair	232,234,700	217,203,300	183,593,200
Depart. Stores - Elastic	\$ 406,444,900	\$ 389,874,000	357,063,400
Car Dealers, Rental, Leasing	259,666,100	222,650,300	187,333,500
Specialty Stores	146,516,800	129,131,300	120,626,200
Clothing & Shoe Stores	197,010,000	196,369,300	188,148,100
Computer & Office Supplies	130,722,500	103,793,600	102,390,300
All Others	796,020,500	762,480,400	690,114,600
Total	<u>\$ 3,600,444,800</u>	<u>\$ 3,518,721,100</u>	<u>\$ 3,301,380,500</u>
City direct sales tax rate	1.125%	1.125%	1.125%

Source:
City Finance Department

City of Overland Park, Kansas

Taxable Sales by Category
2007 to 2016 Inclusive

2010	2011	2012	2013	2014	2015	2016
469,999,810	482,044,167	475,656,503	463,222,797	472,305,236	467,508,288	495,880,240
408,772,529	429,875,478	463,700,901	476,820,673	456,315,026	469,364,677	480,525,014
352,879,946	376,751,115	397,332,565	411,881,542	430,978,416	455,384,129	473,373,588
282,803,716	299,673,667	310,720,386	314,935,773	340,591,055	341,304,894	362,023,500
192,744,591	249,920,863	218,951,534	271,868,594	290,212,516	299,766,465	301,511,861
354,721,432	348,056,103	317,338,628	310,974,547	296,661,692	275,889,053	253,562,921
197,173,895	212,101,508	239,480,009	226,674,643	227,275,444	215,558,024	236,652,108
120,800,136	128,466,943	137,550,327	168,065,937	175,935,490	212,187,382	211,692,740
194,451,364	198,262,094	194,936,280	176,496,877	186,535,260	194,646,959	191,333,786
99,108,735	104,093,855	110,922,669	116,139,198	119,921,442	109,716,116	135,381,852
702,026,537	746,721,870	768,694,629	771,807,319	807,916,923	833,531,590	125,924,791
\$ 3,375,482,691	\$ 3,575,967,663	\$ 3,635,284,431	\$ 3,708,887,900	\$ 3,804,648,500	\$ 3,874,857,577	\$ 3,267,862,401

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
 2007 to 2016 Inclusive

Year	General	Street Improvement	Total City	County
2007	1.000%	0.125%	1.125%	1.100%
2008	1.000%	0.125%	1.125%	1.100%
2009	1.000%	0.125%	1.125%	1.225%
2010	1.000%	0.125%	1.125%	1.225%
2011	1.000%	0.125%	1.125%	1.225%
2012	1.000%	0.125%	1.125%	1.225%
2013	1.000%	0.125%	1.125%	1.225%
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%

Source: City Finance Department

City of Overland Park, Kansas

**Ratios of Outstanding Debt
2007 to 2016 Inclusive**

Year	Governmental Activities			Business-Type Activities		Revenue		Total Primary Government	Percentage of Personal Income ¹	Per Capita
	General Obligation	Special Assessment	Capital Leases	General Obligation	Capital Leases	Bonds	Other			
2007 ²	184,455,324	11,539,676	-	585,000	400,852	111,725,000	1,501,449	310,207,301	3.4%	1,821
2008	170,780,549	9,029,451	-	475,000	275,653	111,725,000	1,607,093	293,892,746	3.0%	1,703
2009	185,120,952	5,938,958	-	355,090	142,217	111,195,000	1,715,945	304,468,162	3.3%	1,741
2010	181,745,788	6,441,246	-	177,965	-	110,595,000	2,021,240	300,981,239	3.3%	1,736
2011	174,206,112	5,604,938	-	63,950	-	109,890,000	2,132,232	291,897,232	2.9%	1,668
2012	157,809,089	4,774,875	-	21,036	-	108,875,000	2,046,775	273,526,775	2.6%	1,526
2013	147,700,704	4,139,296	-	-	-	107,480,000	2,163,699	261,483,699	2.4%	1,447
2014	132,409,616	3,465,384	-	-	-	105,795,000	2,282,378	243,952,378	2.2%	1,321
2015	141,128,199	2,383,901	35,633	-	96,836	105,037,973	2,402,954	251,085,496	2.1%	1,337
2016	124,705,072	1,643,126	23,736	-	65,835	102,635,298	2,523,636	231,596,703	1.8%	1,222

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

² Until 2007, the Overland Park Development Corporation was presented as a discretely presented component unit.

Source: City Finance Department

City of Overland Park

**Personal Income
2007 to 2016 Inclusive**

Year	Johnson County Personal Income ¹	Johnson County Population ²	Overland Park Population ²	Population as a % of Johnson Co. Population	Overland Park Personal Income
2007	28,337,531,000	523,879	170,345	32.5%	9,214,258,862
2008	30,478,943,000	532,175	172,601	32.4%	9,885,274,657
2009	28,693,786,000	539,396	174,907	32.4%	9,304,377,541
2010	29,142,018,000	545,696	173,372	31.8%	9,258,653,068
2011	31,383,424,000	552,874	175,018	31.7%	9,934,748,427
2012	33,328,220,000	559,836	179,236	32.0%	10,670,297,801
2013	34,193,285,000	566,933	180,699	31.9%	10,898,452,562
2014	35,090,412,000	574,096	184,706	32.2%	11,289,766,239
2015 ³	37,423,633,000	579,837	187,730	32.4%	12,116,403,589
2016	39,332,238,000	585,635	189,450	32.3%	12,723,775,552

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

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

² Johnson County Population -2016 population is an estimate using 1% increase from previous year.

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

Overland Park population is an estimation as of July 1st 2016.

City of Overland Park, Kansas

Ratios of Net General Bonded Debt Outstanding
2007 to 2016 Inclusive

Year	Net General Bonded Debt ¹	Assessed Valuation ¹	Debt as a Percentage of Assessed Valuation	Population ²	Debt Per Capita
2007	185,040,321	2,858,597,461	6.5%	170,345	1,095
2008	171,255,549	2,872,676,019	6.0%	172,601	1,000
2009	185,476,042	2,749,776,214	6.7%	174,907	1,068
2010	181,923,753	2,595,023,004	7.0%	173,372	1,049
2011	174,270,062	2,633,259,498	6.6%	175,018	996
2012	157,830,125	2,648,371,219	6.0%	179,236	881
2013	147,700,704	2,673,311,534	5.5%	180,699	817
2014	132,409,616	2,858,672,109	4.6%	184,706	717
2015	141,128,199	3,036,392,844	4.6%	187,730	752
2016	124,705,072	3,273,684,633	3.8%	189,450	658

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

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City of Overland Park, Kansas

Ratios of General Bonded Debt Outstanding and Legal Debt Margin
2007 to 2016 Inclusive

	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assessed Valuation	2,858,597,461	2,872,676,019	2,749,776,214
Assessed Valuation on Motor Vehicles	<u>262,242,638</u>	<u>262,440,854</u>	<u>257,293,054</u>
Total Assessed Valuation	3,120,840,099	3,135,116,873	3,007,069,268
General obligation bonded Indebtedness	196,580,000	180,285,000	191,415,000
Temporary Indebtedness	<u>-</u>	<u>-</u>	<u>-</u>
Total Indebtedness	196,580,000	180,285,000	191,415,000
Legal debt limit ¹	<u>936,252,030</u>	<u>940,535,062</u>	<u>902,120,780</u>
Legal debt margin	<u>739,672,030</u>	<u>760,250,062</u>	<u>710,705,780</u>
Legal debt margin as a percentage of the debt limit	79.00%	80.83%	78.78%

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

Source: City Finance Department

City of Overland Park, Kansas

Ratios of General Bonded Debt Outstanding and Legal Debt Margin
2007 to 2016 Inclusive

2010	2011	2011	2012	2013	2014	2015	2016
2,595,023,004	2,633,259,498	2,633,259,498	2,648,371,219	2,673,311,534	2,862,756,986	3,036,392,844	3,273,684,633
248,634,631	248,660,175	248,660,175	249,851,773	256,793,746	267,847,342	280,486,585	292,686,136
2,843,657,635	2,881,919,673	2,881,919,673	2,898,222,992	2,930,105,280	3,130,604,328	3,316,879,429	3,566,370,769
188,365,000	179,875,000	179,875,000	162,605,000	151,840,000	135,875,000	136,860,000	115,600,000
-	-	-	-	-	-	-	-
188,365,000	179,875,000	179,875,000	162,605,000	151,840,000	135,875,000	136,860,000	115,600,000
853,097,291	864,575,902	864,575,902	869,466,898	879,031,584	939,181,298	995,063,829	1,069,911,231
664,732,291	684,700,902	684,700,902	706,861,898	727,191,584	803,306,298	858,203,829	954,311,231
77.92%	79.20%	79.20%	81.30%	82.73%	85.53%	86.25%	89.20%

City of Overland Park, Kansas

Statement of Direct and Overlapping Debt
as of December 31, 2016

	Debt Outstanding	Estimated Percentage Applicable	City of Overland Park Share of Debt
Overlapping debt			
Blue Valley Unified School District (229)	\$ 381,230,000	54.18%	206,550,414
Olathe Unified School District (233)	429,795,450	11.19%	48,094,111
Shawnee Mission Unified School District (512)	252,590,000	25.64%	64,764,076
Spring Hill Unified School District (230)	79,230,000	2.83%	2,242,209
Johnson County	368,395,000	35.21%	129,711,880
Johnson County Parks and Recreation District	1,595,000	35.21%	561,600
Total overlapping debt			<u>451,924,290</u>
Direct debt			
Bonded debt:			
General obligation debt			\$ 124,705,072
Special assessment			1,643,126
Total general obligation bonded debt			<u>126,348,198</u>
Temporary note debt			<u>-</u>
Total direct debt			<u>126,348,198</u>
Combined direct and overlapping debt			<u>\$ 578,272,488</u>
Total net general obligation and overlapping debt			<u>\$ 576,629,362</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
2007 to 2016 Inclusive

Year	Population	Personal Income ¹	Per Capita Personal Income	Unemployment Rate ²
2007	167,657	9,214,258,862	54,959	4.2%
2008	170,345	9,885,274,657	58,031	4.7%
2009	172,601	9,304,377,541	53,907	6.7%
2010	174,907	9,258,653,068	52,935	5.8%
2011	173,372	9,934,748,427	57,303	5.1%
2012	179,236	10,670,297,801	59,532	4.4%
2013	180,699	10,898,452,562	60,313	4.3%
2014	184,706	11,289,766,239	61,123	3.9%
2015	187,730	12,116,403,589	64,542	3.5%
2016	189,450	12,723,775,552	67,162	3.3%

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
2016 and 2007

<u>Taxpayer</u>	2016			2007		
	Employees	Rank	Percentage of Total City Employees	Employees	Rank	Percentage of Total City Employees
Sprint/Nextel	6,000	1	5.9%	14,500	1	15.5%
Shawnee Mission School District	3,358	2	3.3%	4,035	3	4.3%
Blue Valley School District	3,136	3	3.1%	2,124	6	2.3%
Black & Veatch Engineering Consultants	3,100	4	0.03	3,800	4	4.1%
Johnson County Community College	2,400	5	2.4%	950	8	1.0%
OptumRx	2,000	6	2.0%			
Waddell & Reed Financial	1,369	7	1.3%			
Overland Park Regional Medical Center	1,300	8	1.3%	2,000	7	2.1%
City of Overland Park	1,200	9	1.2%	889	10	1.0%
YRC Freight	1,000	10	1.0%			
				2,600	5	2.8%
				4,500	2	4.8%
				900	9	1.0%
Total	24,863		24.3%	36,298		38.80%

Source:

Kansas Labor Information Center

Overland Park Chamber of Commerce

City of Overland Park, Kansas

Full-time Equivalent City Government Employees by Function/Program
2007 to 2016 Inclusive

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government										
Mayor and Council	13	13	13	13	13	13	13	13	13	13
City Manager's Office/Communications	9	9	9	9	8	7	7	7	9	9
Information Technology	35	37	37	37	33	32	32	33	33	34
Municipal Court	28	28	28	28	26	25	25	25	25	25
Law	12	13	14	14	13	12	12	12	12	13
Finance, Budget and Administration	26	26	25	24	19	19	19	19	20	20
Human Resources	17	17	17	16	14	13	15	15	15	15
Public Safety										
Police	311	319	317	316	308	300	303	302	302	308
Fire ¹	155	159	158	158	155	154	154	156	162	180
Public Works	131	132	136	136	132	128	127	129	132	133
Parks and Recreation	63	64	69	66	55	56	55	55	64	64
Planning and Development	89	89	87	84	68	67	67	67	68	70
Total	<u>889</u>	<u>906</u>	<u>910</u>	<u>901</u>	<u>844</u>	<u>826</u>	<u>829</u>	<u>833</u>	<u>855</u>	<u>884</u>

Source: City Budgets

City of Overland Park, Kansas
 Operating Indicators by Function/Program
 2007 to 2016 Inclusive

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police										
DUI Charges	802	876	879	882	655	648	584	613	644	619
Parking Violations	1,688	1,162	1,187	701	635	540	644	791	765	707
Traffic Tickets	34,891	41,085	43,076	46,362	36,478	33,948	33,750	37,811	39,009	28,946
Alarm calls	6,328	6,148	5,645	5,326	6,412	5,260	6,247	6,102	6,051	6,275
Fire										
Fire calls	3,508	3,488	3,200	3,393	3,403	3,395	3,140	3,761	4,109	4,156
EMS calls	12,062	12,836	13,476	14,380	15,284	15,452	16,080	17,549	18,954	19,263
Parks & Recreation										
Recreational program participants	22,533	58,111	89,280	91,474	86,491	**NA	**NA	**NA	**NA	**NA
Pool participants	190,646	174,221	170,246	181,354	177,794	176,464	136,925	134,050	131,462	139,260
Planning and Development										
Building permits	3,742	3,468	3,250	3,279	3,508	3,662	3,902	4,466	5,057	4,638
Plans Reviewed	3,747	3,092	2,609	2,704	3,360	2,305	2,661	3,579	4,135	4,169
Solid Waste permits	113	123	104	114	103	130	122	123	121	118
Sign and special event permits	1,153	1,129	1,048	1,149	1,235	1,295	1,204	1,370	1,391	1,330
Pool permits	356	408	415	422	428	403	413	422	419	412
Convention Center										
Events	388	333	280	285	341	357	339	331	352	303
Attendance	314,957	328,852	287,751	251,021	235,097	290,255	306,487	344,367	380,021	358,268

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
2007 to 2016 Inclusive

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Works										
Streets (miles)	1,704	1,811	1,853	1,866	1,878	1,901	1,921	1,967	1,970	1,970
Streetlights	12,940	13,664	13,832	14,345	14,536	14,545	17,098	17,414	17,542	17,595
Traffic Signals	244	252	253	255	258	258	258	259	262	266
Stormsewers (miles)	593	593	627	630	638	661	665	665	678	716
Parks and Recreation										
Park Acreage	1,450	1,450	1,450	1,460	1,460	1,450	1,460	1,460	1,462	1,462
Parks	83	83	83	83	83	83	83	83	83	83
Police Department										
Automobiles	40	44	39	41	41	39	39	39	39	43
Police Stations	4	4	4	4	4	4	4	4	4	5

Source: City of Overland Park Employees

CITY OF OVERLAND PARK
SCHEDULE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS
As of 12/31/16

Company	Interest Rate	Interest Payment Date	Date Issued	Maturity Date	Serial Payment	Payment Date Year	Authorized & Issued	Outstanding Amount
Black & Veatch Series 2009	4.00%	July 1st & Jan 1st	07/01/09	7/1/2019		2019	\$60,000,000	\$60,000,000
					\$60,000,000			
Black and Veatch Series 2012	4.00%	Dec 1st	12/27/2012	12/1/2022		2017 2018 2019 2020 2021 2022	\$62,000,000	\$26,474,958
					\$4,412,493			
					\$4,412,493			
					\$4,412,493			
					\$4,412,493			
					\$4,412,493			
					\$4,412,493			
Prescription Solutions Series 2007	7.25%	December 15	8/13/2007	12/15/2017	\$2,110,068	2017	\$15,071,013	\$2,110,068
CAVS Overland Park Property Owner, LLC City Place Senior Living Project Series 2015	3%	February 1	9/30/2015	2/1/2018		2018	\$11,000,000	\$11,000,000
					\$11,000,000			
Teva Neuroscience, Inc Series 2013A	3.8%	October 7	9/30/2013	10/7/2028		2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028	\$43,400,000	\$38,056,182
					\$1,825,330			
					\$1,926,821			
					\$2,158,829			
					\$2,242,308			
					\$2,329,016			
					\$2,419,076			
					\$2,560,807			
					\$2,905,396			
					\$3,017,744			
					\$3,134,437			
					\$3,255,642			
					\$10,280,775			
Teva Neuroscience, Inc Series 2013B	3.8%	October 7	9/30/2013	10/7/2023	\$893,250	2023	\$893,250	\$893,250
Teva Neuroscience, Inc -4500 W 107th Series 2016	3.0%	December 1	12/19/2016	12/1/2018	\$100,000	2018	\$16,000,000	\$100,000
Avenue 80 Series 2015	6.0%	February 1	11/24/2015	2/1/2018		2018	\$15,150,000	\$100,000
					\$100,000			
OPX, LLC Series 2015	2.0%	February 1	12/30/2015	2/1/2026		2026	\$57,930,000	\$258,022
					\$258,022			
InterUrban Lofts Series 2016	3.0%	February 1	2/19/2016	2/1/2019		2019	\$3,900,000	\$1,926,771
					\$1,926,771			

CITY OF OVERLAND PARK
 SCHEDULE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS
 As of 12/31/16

Company	Interest Rate	Interest Payment Date	Date Issued	Maturity Date	Serial Payment	Payment Date Year	Authorized & Issued	Outstanding Amount
Tower Properties Series 2016	3.0%	December 1	4/29/2016	12/1/2019		2019	\$19,000,000	\$11,808,668
					\$11,808,668			
Nall Hills Series 2016	3.0%	May 1	5/26/2016	5/1/2019		2019	\$7,700,000	\$5,011,802
					\$5,011,802			
The Vue Series 2016	3.0%	March 31	10/18/2016	3/31/2019		2019	\$17,500,000	\$100,000
					\$100,000			
Mission Farms West -Building G Series 2016	5.0%	December 31	11/3/2016	12/31/2018		2018	\$3,000,000	\$100,000
					\$100,000			
Matket Lofts Series 2016	3.0%	December 1	12/2/2016	12/1/2018		2018	\$7,200,000	\$552,922
					\$552,922			
Nall Corporate Centre II Series 2016	3.0%	February 1	12/20/2016	2/1/2027		2027	\$43,000,000	\$18,443,300
					\$18,443,300			
Total							\$176,935,943	

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Source: IRB transcript

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