

# City of Olathe, Kansas

2020 Comprehensive Annual

## Financial Report

For Year Ended December 31, 2020



# City of Olathe, Kansas

## Comprehensive Annual Financial Report

Year Ended December 31, 2020

### Principal Officials

#### *Mayor*

John Bacon

#### *City Council*

Karin Brownlee

Larry Campbell

Wesley McCoy

Adam Mickelson

Marge Vogt

Kevin Gilmore

#### *City Manager*

J. Michael Wilkes

#### *Assistant City Manager*

Susan E. Sherman

#### *City Clerk*

Brenda Long

#### *Legal Counsel*

Ronald R. Shaver

### Prepared by Department of Resource Management

Dianna Wright, Director Resource Management

Sarah Doherty, Chief Financial Services Officer

Daniel K. Fanger, Financial Services Manager



**City of Olathe, Kansas**  
**Comprehensive Annual Financial Report**  
**Year Ended December 31, 2020**

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# **Introductory Section**



June 25, 2021

***Honorable Mayor, Members of the City Council, and Citizens of the City of Olathe, Kansas***

Finance Services is pleased to present the Comprehensive Annual Financial Report (Annual Report) of the City of Olathe, Kansas (City), for the fiscal year ended December 31, 2020.

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 results of the City, on 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.

This report was prepared by the City's Finance Services staff in accordance with generally accepted accounting principles (GAAP), which are uniform minimum standards and guidelines for financial accounting and reporting in the United States. This report is intended to provide sufficient information to permit the assessment of stewardship and accountability and to demonstrate legal compliance.

The City's financial statements have been audited by Allen, Gibbs, & Houlik (Auditor) as required by K.S.A. 75-1122. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for fiscal year ended December 31, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The Auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2020, are fairly presented in conformity with GAAP. The Auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report. The costs of a control should not exceed the benefits to be derived. The objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

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

In evaluating the City as a reporting entity, management has considered all potential component units. Determination of whether an entity is controlled by, or dependent on, the City is made on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the City, or the City's obligation to fund any deficit that may occur. As required by GAAP, the City has included the Olathe Public Housing Authority's activities in its financial statements as a discretely presented component unit.

## Profile of the City

Olathe has always been an important destination – just as it is today. Among its earliest visitors were those who traveled the Santa Fe Trail, whether they were turn-of-the-century freighters ferrying cargo to the Southwest, farm families on the move to Oregon, or stagecoach travelers stopping at Mahaffie Stagecoach Stop and Farm while making their way west. Olathe played a vital role in Western expansion as the site where three historic trails – the Santa Fe, Oregon, and California trails – converged.

The City was founded in 1857. Its name was derived from the Shawnee Indian word for “beautiful” and is pronounced “o-LAY-tha.” The City operates under a Council-Manager form of government. The mayor is elected at-large for a four-year term. Four of the six council members are elected on a non-partisan basis by wards for four-year terms. The other two council members are elected on a non-partisan basis by the city at large for a four-year term. The City Manager is appointed by the Mayor and City Council as the chief administrative officer of the City and is charged with the efficient and effective administration of the City.

As a city in a free state, Olathe was the scene of Civil War clashes. After the war, businesses opened, churches and cultural centers were built, and the community flourished. Olathe is home to Mid-America Nazarene University and the Kansas School for the Deaf, a 15-acre campus founded in 1861. Today, Olathe is a full-service community operating its own water, wastewater, and refuse programs as well as a full array of public safety, public works, and development and support services.

Olathe has encountered tremendous growth over the last several decades and evolved into the dynamic community it is today. Olathe is the county seat of Johnson County, Kansas, the Greater Kansas City area’s most affluent and fastest-growing county. Olathe’s strong and steady growth began about 50 years ago. Olathe was still a small, rural town in the 1960s with a population of just over 10,000. Olathe began to experience a tremendous amount of growth that continues today, adding nearly 30,000 new residents between 1990 and 2000. The City estimates the 2020 population to be 145,459 making it the second largest city in Johnson County and the fourth largest city in the State. Olathe has blossomed not only into a full-blown city, but also a strong suburban community in the southwest portion of the metropolitan Kansas City area.

The City is also financially accountable for a legally separate housing authority, which is reported as a component unit in the City’s financial statements.

Expenditures are authorized in a budget, approved by the City Council, as required by State Statute. Expenditures cannot exceed the budgeted amount for each fund. Budgetary control is maintained through the use of an encumbrance system. As purchase orders are issued, corresponding amounts of appropriations are reserved with the use of encumbrances, for later payment, so that appropriations may not be overspent. Kansas Statutes also require unencumbered cash to be on hand before an obligation can be incurred. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated budget has been adopted.

## Factors Affecting Financial Condition

**Local economy** The City is a fast-growing community with an average of 7 new residents every day. The recent expansion of industrial and commercial businesses provides new jobs for local and regional residents. The City has transformed from a bedroom community into a force in the Kansas City Metropolitan Area. It continues to be an attractive location for both families and businesses. Some recent City awards include the ETC Institute “Leading the Way” Award, 2020 Healthiest Employer by the Kansas City Business Journal, Platinum Level Healthy KC Certified, 2<sup>nd</sup> on SmartAsset’s Most Livable Mid-Sized City list, and the Government Finance Officers Association (GFOA) for Distinguished Budget Presentation Award for the 14-consecutive year. At the end of 2020, the City’s unemployment rate was 3.5% compared to 4.2% for the State of Kansas and the national rate of 6.7%.

**Long-term financial planning** The City prepares a five-year Capital Improvement Plan (CIP). The CIP includes estimated costs for constructing, upgrading, and replacing the City's physical infrastructures. The fiscal year 2019-2023 CIP includes project costs totaling an estimated \$434 million. Of the \$128 million of funding for 2020, 44% is projected to come from funding sources other than General Obligation Debt (i.e., cash and intergovernmental revenues). In preparing the capital budget, needs are assessed, public improvements are prioritized, and costs are projected. This budget is reviewed biannually as projects are re-prioritized and the financial condition of the City is evaluated. The City has been building fund balance in the Debt Service Fund for several years. This will keep the mill levy rate fairly constant as several major projects are bonded (I-35 and 119<sup>th</sup> Street Interchange Preliminary Engineering, Lone Elm Road, Old 56 to 151<sup>st</sup> Street Improvements, Fire Station #8 and Park Maintenance Facilities).

In addition to the infrastructure projects contained in the CIP, the City works closely with the Olathe Chamber of Commerce to aggressively promote economic development by attracting companies to locate or relocate facilities to Olathe. Retail Manufacturing/Warehouse and Office development continues to grow throughout the City. In 2020, nearly 3,150,000 square feet of new space opened for an investment of \$611 million. Through economic initiatives, approximately 3,552 jobs were created or retained in 2020. Example of projects in 2020 include:

- Terracon - \$30 million investment.
- Garmin - \$200 million investment
- Orizon Aerostructures - \$123 million investment
- Fry Orthodontics - \$2 million investment
- 56 Commerce Center - \$56million investment
- I-35 Logistics Park - \$30 million investment.
- Olathe Medical Park/Center - \$100 million investment

**Relevant financial policies** In 2019, the Olathe City Council adopted The Olathe 2040: Future Ready Strategic Plan, designed to position Olathe to get out ahead of issues our community will face through 2040. This plan sets a course for future generations to live and work in one of the best future ready cities in the nation. However, the completion of the Olathe 2040: Future Ready Strategic Plan document doesn't reflect the end of the strategic planning process; rather, the work has just begun. Olathe 2040: Future Ready is a living document that will be updated regularly to reflect changing conditions and challenges. The success of the planning process lies in the execution and implementation of the strategies moving forward and requires the collaborative efforts of the community to achieve the Olathe 2040: Future Ready vision.

Fiscal principles have also been established to ensure the City meets its responsibility to citizens to carefully account for public funds, manage municipal finances wisely, and plan for adequate funding of City services and improvements. These principles provide the framework for day-to-day decision making and are the foundation for long term financial stability. Fiscal principles are reviewed by the City Manager and finance staff on a periodic basis to ensure the City is prepared for changing circumstances and economic conditions. The fiscal principles are listed below.

1. The City will continuously evaluate its financial position to ensure stability of the City to its citizens.
2. The City will minimize the use of long-term debt to finance major projects to avoid placing debt on future taxpayers.
3. The City will provide a balanced revenue structure which is responsive to economic conditions.
4. The budget will be prepared in a way that all current revenues will pay the costs of all current expenditures (balanced budget).
5. The City Council will hold public hearings which will allow public input on budgetary spending.
6. The budget will establish legal fund level spending limits.
7. The budget will establish maintenance reserves to allow for maintenance of capital assets.
8. The budget will apply one-time cash revenues to non-recurring expenditures.
9. The budget will address major capital improvement priorities which have been prioritized by the City Council.
10. The City will maintain City services through innovative budgeting procedures and fiscal management to maintain the current mill levy rate.

**Major initiatives** Stewardship has allowed the City to remain on solid financial footing. Being financially resilient has allowed the City to maintain its fund balance at the Council target of 30%. It has met maintaining the mill levy which has been constant since 1990 and remains so in the 2021 budget. It has allowed the City to be viewed very favorably by rating agencies. The City enjoys AA+ rating with Standard and Poor's and Fitch. Stewardship has also led the City to invest in its assets to ensure costs are planned for and controlled over the entire journey rather than draining reserves or neglecting maintenance. In 2014, Olathe voters approved a 3/8 cent sales tax to ensure streets are maintained at the most cost-effective level. The 2021 budget called for a reduction of General Fund cash contributions to the Street Preservation Fund. However, 2020 revenues finished better than forecasted enabling the City to restore the General Fund cash contribution to the Street Preservation Fund.

Providing excellent services at an excellent value has been and continues to be a consistent driver for the City. While citizen satisfaction remains exceptionally high, the trend of employees per 1,000 residents continues to remain steady. Rather than relying solely on additional manpower, the City has achieved those results through community partnerships, public engagement, fostering a culture of innovation and excellences within its employees, and technology. The 2020 DirectionFinder survey results demonstrate the City continues to be a leader in the Kansas City metro and the nation in overall satisfaction as rated by residents. The survey shows most residents in Olathe (73%) are satisfied with the overall value received for the taxes and fees.

### **Awards and Acknowledgements**

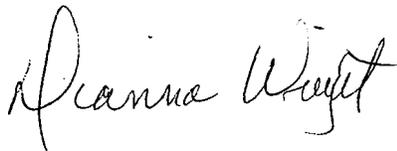
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Olathe for its Comprehensive Annual Financial Report (Annual Report) and for the fiscal year ended December 31, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (Annual Report), whose contents conform to program standards. Such Annual Report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last 42 consecutive years. We believe our current Annual Report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the professional, efficient and dedicated services of the staff of the Resource Management Department. We want to express our appreciation to all members of the department that contributed to its preparation. We would also like to thank the City Council and City Manager for the direction and support necessary to plan and conduct the financial operations of the City in a responsible, sound manner. Finally, we would like to extend the City's thanks to Allen, Gibbs, & Houlik for the cooperation and professional assistance provided during the audit of the City's 2020 financial records.

Respectfully submitted,



Dianna Wright  
Director of Resource Management



Sarah Doherty  
Chief Financial Services Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Olathe  
Kansas**

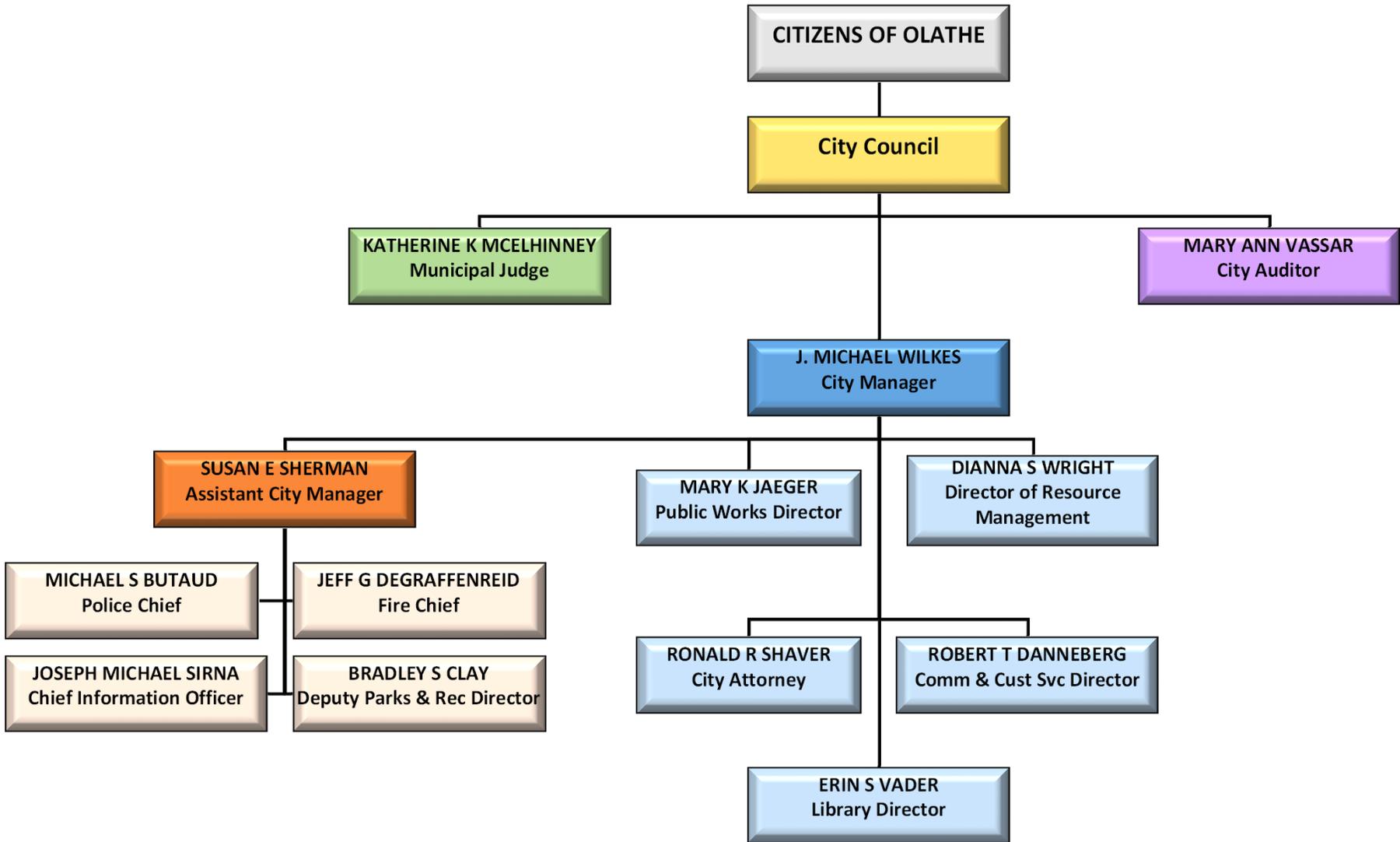
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*

Executive Director/CEO

# CITY OF OLATHE ORGANIZATIONAL CHART



## **Financial Section**

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Olathe, Kansas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Olathe, Kansas (City), as of and for the year ended December 31, 2020, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Olathe, Kansas as of December 31, 2020 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

## ***Other Reporting Required by Government Auditing***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Allen, Gibbs & Houlik, L.C*  
CERTIFIED PUBLIC ACCOUNTANTS

June 25, 2021  
Wichita, Kansas



## Management's Discussion and Analysis

As management of the City of Olathe (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal which can be found on pages i – iv of this report, the City's basic financial statements which begin on page 12, and the related notes to the basic financial statements which begin on page 25.

### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2020 by \$897,274,153 (net position). Of this amount, \$88,564,921 (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$23,075,557. This increase was similar to the increase in the prior year of \$24,150,180. While the City saw reduced revenues of \$6,417,262, they also reduced expenses overall by \$5,342,639 which resulted in a slightly lower overall increase of net position compared to 2019.
- As of December 31, 2020, the City's governmental funds reported combined ending fund balances of \$95,585,641, a decrease of \$17,843,454 from the prior year. The primary reason for this decrease was an increase in temporary notes payable of \$21,959,076.
- On December 31, 2020, the fund balance for the general fund was \$30,734,851 or 30.6% of general fund revenues.
- The City's total debt, including temporary notes, increased by \$16,344,101 during 2020 to a total of \$441,851,623. The key factor in this increase was an increase of \$21,959,076 of temporary notes.
- The Total OPEB Liability as of the close of 2020 is \$28,618,736
- The Total KPERS OPEB Liability as of the close of 2020 is \$2,452,295.
- The Net Pension Liability as of the end of the year is \$98,421,588.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government activities of the City include general government, public safety, public works, and community services. The business-type activities of the City include water and sewer and solid waste.

The government-wide financial statements include not only the City (known as the primary government), but also the legally separate entity for which the City is financially accountable. Financial information for the discretely presented component unit (Olathe Public Housing Authority) is reported separately from the financial information presented for the primary government.

### Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

#### *Governmental funds*

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

The City maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Capital Projects Fund, and Special Tax Financing Fund (debt service), all of which are considered major funds. Data from the other 15 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements on pages 75 – 78 of this report.

The City adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for this fund to demonstrate compliance with this budget.

## Proprietary funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations and solid waste operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its central garage, risk management, vehicle replacement, personal computer replacement activities, and building maintenance. These five services predominantly benefit governmental rather than business-type functions. Therefore, they have been included with the governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements on pages 89 – 91 of this report.

## Notes to the Basic Financial Statements

The notes to the basic financial statements begin on page 25. They provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$897,274,153 on December 31, 2020. The City's net position increased by \$23,075,557. Governmental activities increased net position by \$16,364,616 while business-type activities increased net position by \$6,710,941 in 2020.

### City of Olathe, Kansas Net Position

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 293,168,458	\$ 278,930,963	\$ 65,058,852	\$ 71,110,817	\$ 358,227,310	\$ 350,041,780
Capital assets	753,686,632	719,345,960	381,306,288	374,558,837	1,134,992,920	1,093,904,797
Total assets	1,046,855,090	998,276,923	446,365,140	445,669,654	1,493,220,230	1,443,946,577
Deferred outflows of resources	27,154,311	16,348,283	5,379,934	2,534,253	32,534,245	18,882,536
Long-term liabilities	325,073,870	309,092,160	138,423,064	140,814,941	463,496,934	449,907,101
Other liabilities	105,982,674	81,715,483	1,211,807	1,875,078	107,194,481	83,590,561
Total liabilities	431,056,544	390,807,643	139,634,871	142,690,019	570,691,415	533,497,662
Deferred inflows of resources	57,390,448	54,619,770	398,459	513,085	57,788,907	55,132,855
Net position						
Invested in capital assets	471,816,066	459,371,993	262,044,600	250,360,224	733,860,666	709,732,217
Restricted	66,768,299	69,937,182	8,080,267	8,015,333	74,848,566	77,952,515
Unrestricted	46,978,044	39,888,618	41,586,877	46,625,246	88,564,921	86,513,864
Total net position	\$ 585,562,409	\$ 569,197,793	\$ 311,711,744	\$ 305,000,803	\$ 897,274,153	\$ 874,198,596

By far the largest portion of the City's net position (81.8%) reflects its investments in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position, \$74,848,566 (8.3%), represents resources that are subject to external restrictions on how they may be used. Debt service restrictions of \$58,896,033 have decreased \$4,241,148 from the prior year.

The remaining balance of the net position of \$88,564,921 (\$46,978,044 governmental activities and \$41,586,877 business-type activities) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

**City of Olathe, Kansas  
Changes in Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 21,909,060	\$ 23,348,854	\$ 65,371,015	\$ 61,645,522	\$ 87,280,075	\$ 84,994,376
Operating grants and contributions	3,954,109	3,212,795	758,571	-	4,712,680	3,212,795
Capital grants and contributions	19,504,894	24,823,201	-	4,445,642	19,504,894	29,268,843
General revenues:						
Property taxes	57,381,851	54,297,724	-	-	57,381,851	54,297,724
Other taxes	84,254,217	83,395,601	-	-	84,254,217	83,395,601
Interest	1,518,553	4,679,309	358,603	1,323,989	1,877,156	6,003,298
Other	1,412,662	3,162,265	2,915,854	1,421,749	4,328,516	4,584,014
Total revenues	189,935,346	196,919,749	69,404,043	68,836,902	259,339,389	265,756,651
<b>Expenses:</b>						
General government	35,991,748	33,634,434	-	-	35,991,748	33,634,434
Public safety	52,193,052	56,203,958	-	-	52,193,052	56,203,958
Public works	63,983,483	65,535,157	-	-	63,983,483	65,535,157
Community services	15,467,438	16,129,998	-	-	15,467,438	16,129,998
Interest on long-term debt	5,400,068	7,275,226	-	-	5,400,068	7,275,226
Water and sewer	-	-	49,102,197	48,649,227	49,102,197	48,649,227
Solid waste	-	-	14,125,846	14,178,471	14,125,846	14,178,471
Total expenses	173,035,789	178,778,773	63,228,043	62,827,698	236,263,832	241,606,471
Excess before transfers	16,899,557	18,140,976	6,176,000	6,009,204	23,075,557	24,150,180
Transfers	(534,941)	(2,104,062)	534,941	2,104,062	-	-
Change in net position	16,364,616	16,036,914	6,710,941	8,113,266	23,075,557	24,150,180
Net position, beginning of year	569,197,793	553,160,879	305,000,803	296,887,537	874,198,596	850,048,416
Net position, end of year	\$ 585,562,409	\$ 569,197,793	\$ 311,711,744	\$ 305,000,803	\$ 897,274,153	\$ 874,198,596

**Governmental activities**

Governmental revenues decreased \$6,984,403 or 3.7% over the prior year with capital grants and contributions, and interest causing the largest portion of the decrease.

Governmental expenses decreased \$5,742,984 or 3.2% from the prior year which is primarily the result of a decrease in Public Safety expenses of \$4,010,906. Public works expenses also decreased \$1,551,674.

**Business-type activities**

Business-type activities increased the City's net position by \$6,710,941. This was a reduction from the 2019 increase of \$8,113,266, which was primarily the result of a reduction in capital contributions from developers in 2020.

## **Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the main operating fund of the City. At the end of 2020, unassigned fund balance of the general fund was \$30,336,965 and the total fund balance was \$30,734,851 which is 30.2% and 30.6% of the total general fund revenues, respectively.

The fund balance of the City's general fund decreased by \$190,389 during 2020. The revenues increased by \$1,580,785 (1.6%). Expenditures decreased by \$3,025,470 (3.3%). Transfers in increased \$479,053 while transfers out increased by \$5,687,369.

The debt service fund has a total fund balance of \$56,641,265; \$21,974,118 of which is restricted for the payment of debt service. The net increase in the fund balance during the current year in debt service was \$11,378,945 which resulted primarily from taxes and transfers exceeding the required debt payments for the year.

The capital projects fund decreased its fund balance by \$33,113,258 during 2020 which primarily resulted from the issuance of additional temporary notes payable and continued capital improvement expenditures for ongoing projects.

The special tax financing levy fund has a restricted fund balance of \$8,346,112 at the end of 2020. The fund balance increased by \$918,104 during the year as a result of tax revenues exceeding planned capital improvements and debt service payments.

### Proprietary funds

The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund at the end of 2020 was \$31,831,661; and the Solid Waste Fund was \$(334,160). The total change in net position for the Water and Sewer Utility and Solid Waste were \$4,182,980 and \$666,860, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## **General Fund Budgetary Highlights**

During the year, revenues were less than budgetary estimates by \$5,000,263 (4.7%). Sales taxes were \$3,900,587 less than budget due to a rebate of use tax for an incentive program from the state. Franchise fees were \$1,826,534 below budget due to a decrease in electric franchise fees. Total expenditures were less than budgetary estimates by \$31,864,747 (26%). As part of the budgeting process the City budgets for a contingency reserve for unforeseen expenditures. Of the total difference in the budgeted expenditures, \$22,495,191 is due to the restricted reserve.

## Capital Asset and Debt Administration

### Capital assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2020, totaled \$1,134,992,920 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles and equipment, park and pool facilities, storm sewers, bridges, streets, and water and sewer lines. More detailed information about the City's capital assets is presented in Note 5 to the Basic Financial Statements.

#### City of Olathe, Kansas Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 121,107,411	\$ 110,795,342	\$ 4,621,134	\$ 4,593,804	\$ 125,728,545	\$ 115,389,146
Other nondepreciable assets	63,545	67,645	-	-	63,545	67,645
Land improvements	66,753	76,240	-	-	66,753	76,240
Buildings	123,817,920	119,475,336	33,778,295	33,778,295	157,596,215	153,253,631
Machinery & equipment	84,395,395	81,397,681	4,617,047	4,815,047	89,012,442	86,212,728
Swimming pools	10,021,514	10,021,514	-	-	10,021,514	10,021,514
Water system	-	-	224,143,253	222,833,825	224,143,253	222,833,825
Sewer system	-	-	212,896,597	205,302,302	212,896,597	205,302,302
Infrastructure	856,964,776	821,216,552	-	-	856,964,776	821,216,552
Books and materials	4,226,322	4,247,280	-	-	4,226,322	4,247,280
Construction in progress	168,821,790	153,723,791	38,550,872	33,403,750	207,372,662	187,127,541
Total capital assets	1,369,485,426	1,301,021,381	518,607,198	504,727,023	1,888,092,624	1,805,748,404
Less accumulated depreciation	615,798,794	581,675,421	137,300,910	130,168,186	753,099,704	711,843,607
Total capital assets (net)	\$ 753,686,632	\$ 719,345,960	\$ 381,306,288	\$ 374,558,837	\$ 1,134,992,920	\$ 1,093,904,797

Major additions to the capital assets this year include:

- Water Treatment Plant #2 Alternative Disinfection
- Mahaffie Circle Improvements
- Park Maintenance Facility

### Long-term debt

As of December 31, 2020, the City had total bonded debt outstanding of \$292,420,170. Of this amount, \$171,055,000 is comprised of debt backed by the full faith and credit of the City and \$21,715,170 is special obligation tax increment financing debt and transportation development district debt payable solely from the specific TIF or TDD revenues. The remainder of the City's debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds). More detailed information about the City's long-term debt is presented in Note 6 to the basic financial statements.

**City of Olathe, Kansas**  
**Outstanding Debt**  
 General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 163,735,000	\$ 165,145,000	\$ 7,320,000	\$ 8,650,000	\$ 171,055,000	\$ 173,795,000
Special obligation bonds	21,715,170	23,209,629	-	-	21,715,170	23,209,629
Revenue bonds	2,970,000	3,075,000	96,680,000	97,475,000	99,650,000	100,550,000
<b>Total</b>	<b>\$ 188,420,170</b>	<b>\$ 191,429,629</b>	<b>\$ 104,000,000</b>	<b>\$ 106,125,000</b>	<b>\$ 292,420,170</b>	<b>\$ 297,554,629</b>

The City's outstanding debt, including temporary notes, compensated absences, and OPEB liabilities, increased by \$16,344,101 during 2020. The City issued \$76,776,277 of temporary notes, \$29,365,000 of general obligation bonds and \$13,335,000 of revenue bonds in 2020.

The rating for the City's general obligation bonds is a "AA+" rating from Standard & Poor's (S&P) and from Fitch Ratings (Fitch). The rating for the Water and Sewer Utility revenue bonds is a "AA" rating from S&P.

State statutes limit the amount of general obligation debt a government entity may issue to 30% of its total assessed valuation. The current debt limitation for the City is \$637,181,262 which is significantly in excess of the City's outstanding general obligation bonds.

Certain other financial information and operating data regarding the City is available in the Official Statement dated June 8, 2021 related to the City's General Obligation Series 233, and General Obligation Temporary Notes Series 2020-A. The financial information and operating data contained in these Official Statements are incorporated herein by reference.

## **Economic Factors and Next Year's Budget**

**Olathe is Listening** – Based on Council expectation, the City is in its strongest position to date to listen to taxpayers. While the DirectionFinder survey continues to play the most critical role in identifying taxpayer priorities, the City has become more adept at obtaining and measuring data, creating and implementing new feedback tools, and ensuring the community has ample avenues to provide their guidance on how their tax dollars should be invested.

**Olathe is Safe** – National rankings and accreditations continue to show Olathe is a very safe city, and taxpayers fully expect it to remain so. The budget and CIP focus on public safety, adding a new fire station in west Olathe to support growth and demand. It includes one new community enhancement officer. Also included, are three new School Resource Officers focused on reducing crime and improving Priority 1 response time as well as four COPS Grant funded Police Officers focused on maintaining/reducing crime rates, at-risk youths and adults related to alcohol/drug abuse and/or mental health issues and improving clearance rates.

**Olathe is Moving** – The budget and CIP include important infrastructure projects addressing traffic flow and congestion and maintenance of City assets. This includes additional funding for the City's annual street maintenance program and 18 major street improvement projects and 8 Transportation Program for traffic congestion and maintenance as well as 10 stormwater projects and a maintenance technician to assess culverts and other street crossings. The budget also includes one new Senior Planner focused on providing technical and planning expertise for Downtown current and future land use.

**Olathe is Active** – The budget and CIP include parks and trails enhancements to align with the voter-approved park sales tax. Those include the redevelopment of Lake Olathe and improvements to Cedar Lake Park, improvement to Lone Elm Park, and the new Cedar Creek Streamway Trail. The budget also includes one new Before and After School Program Specialist responsible for providing before and after school care services to foster learning, development, and friendship among peers.

### **Requests for information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the City Clerk's office, City of Olathe, 100 E. Santa Fe, Olathe, Kansas 66061. The Olathe Public Housing Authority does not issue separate financial statements.

# **Basic Financial Statements**

**City of Olathe, Kansas**  
**Statement of Net Position**  
**December 31, 2020**

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash, cash equivalents, and investments	\$ 189,961,894	\$ 38,681,709	\$ 228,643,603	\$ 844,785
Cash held by trustee or restricted	1,905,898	8,080,267	9,986,165	-
Receivables (net of allowance)				
Taxes	71,263,817	-	71,263,817	-
Special assessments	28,682,343	-	28,682,343	-
Accounts	1,160,040	7,310,712	8,470,752	36,149
Accrued interest	228,386	-	228,386	-
Loans	3,827,885	-	3,827,885	-
Internal balances	(10,089,376)	10,089,376	-	-
Due from other governments	5,779,734	-	5,779,734	-
Inventories and other prepaid items	436,837	896,788	1,333,625	-
Capital assets:				
Land and construction in progress	289,992,746	43,172,006	333,164,752	-
Other capital assets, net of accumulated depreciation	463,693,886	338,134,282	801,828,168	2,087,894
Other assets	11,000	-	11,000	53,330
Total assets	<u>1,046,855,090</u>	<u>446,365,140</u>	<u>1,493,220,230</u>	<u>3,022,158</u>
<b>Deferred Outflows of Resources</b>				
KPERS pension	23,523,502	3,768,085	27,291,587	-
OPEB	2,638,445	314,409	2,952,854	-
KPERS OPEB	477,461	267,145	744,606	-
Deferred amounts on refunding	514,903	1,030,295	1,545,198	-
Total deferred outflows of resources	<u>27,154,311</u>	<u>5,379,934</u>	<u>32,534,245</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 1,074,009,401</u>	<u>\$ 451,745,074</u>	<u>\$ 1,525,754,475</u>	<u>\$ 3,022,158</u>
<b>Liabilities</b>				
Accounts and other current liabilities	\$ 21,008,590	\$ 842,241	\$ 21,850,831	\$ 141,201
Interest payable	8,186,807	121,424	8,308,231	-
Temporary notes	76,776,277	-	76,776,277	-
Deposits	11,000	248,142	259,142	-
Noncurrent liabilities:				
Due within one year: bonds, notes, leases, compensated absences	42,220,724	9,846,484	52,067,208	-
Due in more than one year:				
Bonds, notes, leases, OPEB, compensated absences	197,413,609	115,594,529	313,008,138	84,570
Net pension liability	85,439,537	12,982,051	98,421,588	-
Total liabilities	<u>431,056,544</u>	<u>139,634,871</u>	<u>570,691,415</u>	<u>225,771</u>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for a subsequent period	55,237,361	-	55,237,361	-
KPERS pension	484,728	167,067	651,795	-
OPEB	1,573,018	187,448	1,760,466	-
KPERS OPEB	95,341	43,944	139,285	-
Total Deferred Inflows of Resources	<u>57,390,448</u>	<u>398,459</u>	<u>57,788,907</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	471,816,066	262,044,600	733,860,666	2,087,894
Restricted for:				
Debt service	50,815,766	8,080,267	58,896,033	-
Public safety	170,791	-	170,791	-
Capital improvements	2,450,546	-	2,450,546	-
Community services	9,179,436	-	9,179,436	-
General government	4,151,760	-	4,151,760	-
Unrestricted	46,978,044	41,586,877	88,564,921	708,493
Total net position	<u>585,562,409</u>	<u>311,711,744</u>	<u>897,274,153</u>	<u>2,796,387</u>
Total liabilities, deferred inflows of of resources, and net position	<u>\$ 1,074,009,401</u>	<u>\$ 451,745,074</u>	<u>\$ 1,525,754,475</u>	<u>\$ 3,022,158</u>

See accompanying notes to the basic financial statements

**City of Olathe, Kansas**  
**Statement of Activities**  
For the Year Ended December 31, 2020

<b>Functions / Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Primary government</b>					
Governmental activities					
General government	\$ 35,991,748	\$ 5,575,390	\$ 1,580,164	\$ -	\$ (28,836,194)
Public safety	52,193,052	2,898,957	2,087,881	-	(47,206,214)
Public works	63,983,483	8,328,295	86,969	19,390,085	(36,178,134)
Community services	15,467,438	5,106,418	199,095	114,809	(10,047,116)
Interest on long-term debt	5,400,068	-	-	-	(5,400,068)
Total governmental activities	<u>173,035,789</u>	<u>21,909,060</u>	<u>3,954,109</u>	<u>19,504,894</u>	<u>(127,667,726)</u>
<b>Business-type activities</b>					
Water and sewer	49,102,197	49,356,602	722,577	-	976,982
Solid waste	14,125,846	16,014,413	35,994	-	1,924,561
Total business-type activities	<u>63,228,043</u>	<u>65,371,015</u>	<u>758,571</u>	<u>-</u>	<u>2,901,543</u>
Total primary government	<u>\$ 236,263,832</u>	<u>\$ 87,280,075</u>	<u>\$ 4,712,680</u>	<u>\$ 19,504,894</u>	<u>\$ (124,766,183)</u>
<b>Nonmajor discretely presented component unit</b>					
Olathe Public Housing Authority	\$ 4,697,019	\$ 436,102	\$ 4,100,018	\$ 8,766	\$ (152,133)

See accompanying notes to the basic financial statements

**City of Olathe, Kansas**  
**Statement of Activities**  
For the Year Ended December 31, 2020

	<u>Primary Government</u>			<b>Discretely Presented Component Unit</b>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
Changes in net position				
Net (expense) revenue	\$ (127,667,726)	\$ 2,901,543	\$ (124,766,183)	\$ (152,133)
General revenues				
Taxes:				
Property taxes, levied for general purpose	35,854,904	-	35,854,904	-
Property taxes, levied for debt service	21,526,947	-	21,526,947	-
Sales tax	72,282,916	-	72,282,916	-
Franchise taxes	10,898,406	-	10,898,406	-
Transient guest tax	1,072,895	-	1,072,895	-
Unrestricted investment earnings	1,518,553	358,603	1,877,156	1,181
Miscellaneous	1,412,662	2,915,854	4,328,516	-
Transfers - internal activities	(534,941)	534,941	-	-
Total general revenues and transfers	<u>144,032,342</u>	<u>3,809,398</u>	<u>147,841,740</u>	<u>1,181</u>
Change in net position	<u>16,364,616</u>	<u>6,710,941</u>	<u>23,075,557</u>	<u>(150,952)</u>
Net position - beginning of year	<u>569,197,793</u>	<u>305,000,803</u>	<u>874,198,596</u>	<u>2,947,339</u>
Net position - end of year	<u>\$ 585,562,409</u>	<u>\$ 311,711,744</u>	<u>\$ 897,274,153</u>	<u>\$ 2,796,387</u>

See accompanying notes to the basic financial statements

**City of Olathe, Kansas**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2020**

	General	Debt Service		Capital Projects	Other Governmental Funds	Total Governmental Funds
		Debt Service	Special Tax Financing			
<b>Assets</b>						
Cash, cash equivalents, and investments	\$ 30,955,752	\$ 54,722,620	\$ 5,681,802	\$ 48,669,002	\$ 23,211,701	\$ 163,240,877
Cash held by trustee	-	-	1,905,898	-	-	1,905,898
Receivables (net of allowance)						
Taxes	33,185,364	20,665,569	3,958,412	-	13,454,472	71,263,817
Accounts	74,994	-	-	-	984,213	1,059,207
Accrued interest	228,386	-	-	-	-	228,386
Special assessments	-	28,682,343	-	-	-	28,682,343
Loans	-	-	-	-	3,827,885	3,827,885
Due from other funds	599,931	-	-	-	-	599,931
Due from other governments	119,858	-	-	4,172,064	1,487,812	5,779,734
Prepaid assets	92,517	-	-	-	15,523	108,040
Total assets and deferred outflows of resources	<u>\$ 65,256,802</u>	<u>\$ 104,070,532</u>	<u>\$ 11,546,112</u>	<u>\$ 52,841,066</u>	<u>\$ 42,981,606</u>	<u>\$ 276,696,118</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 9,901,320	\$ -	\$ -	\$ 3,885,665	\$ 1,415,505	\$ 15,202,490
Accrued payroll	3,400,265	-	-	-	-	3,400,265
Due to other funds	-	-	-	1,289,528	599,931	1,889,459
Temporary notes	-	-	-	76,776,277	-	76,776,277
Total liabilities	<u>13,301,585</u>	<u>-</u>	<u>-</u>	<u>81,951,470</u>	<u>2,015,436</u>	<u>97,268,491</u>
<b>Deferred Inflows of Resources</b>						
Property taxes levied for a subsequent period	21,220,366	20,665,569	3,200,000	-	10,151,426	55,237,361
Unavailable revenue - intergovernmental	-	-	-	1,557,190	283,737	1,840,927
Unavailable revenue - special assessments	-	26,763,698	-	-	-	26,763,698
Total deferred inflows of resources	<u>21,220,366</u>	<u>47,429,267</u>	<u>3,200,000</u>	<u>1,557,190</u>	<u>10,435,163</u>	<u>83,841,986</u>
<b>Fund balances</b>						
Nonspendable	92,517	-	-	-	15,523	108,040
Restricted	-	21,974,118	8,346,112	-	14,842,805	45,163,035
Committed	-	-	-	-	15,672,679	15,672,679
Assigned	305,369	34,667,147	-	-	-	34,972,516
Unassigned	30,336,965	-	-	(30,667,594)	-	(330,629)
Total fund balances	<u>30,734,851</u>	<u>56,641,265</u>	<u>8,346,112</u>	<u>(30,667,594)</u>	<u>30,531,007</u>	<u>95,585,641</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 65,256,802</u>	<u>\$ 104,070,532</u>	<u>\$ 11,546,112</u>	<u>\$ 52,841,066</u>	<u>\$ 42,981,606</u>	<u>\$ 276,696,118</u>

See accompanying notes to the basic financial statements

**City of Olathe, Kansas**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**To the Statement of Net Position**  
**December 31, 2020**

Total fund balance - all governmental funds		\$ 95,585,641
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 funds.		753,686,632
Land and construction in progress	\$ 289,992,746	
Capital assets being depreciated	1,079,492,680	
Accumulated depreciation	(615,798,794)	
Some liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		(333,260,677)
Interest payable	(8,186,807)	
Noncurrent liabilities:		
Due within one year		
General obligation bonds	(20,155,000)	
Special obligation bonds	(15,470,170)	
Revenue bonds	(110,000)	
Compensated absences	(3,932,971)	
Capitalized leases	(68,585)	
Due in more than one year		
General obligation bonds	(143,580,000)	
Special obligation bonds	(6,245,000)	
Revenue bonds	(2,860,000)	
Compensated absences	(1,109,299)	
Total OPEB liability	(27,158,142)	
Bond issuance premium	(18,838,112)	
Bond issuance discount	1,705	
Capitalized leases	(108,759)	
Pension liability	(85,439,537)	
Long-term assets or deferred outflows of resources are not available to pay current period expenditures and are therefore deferred in the fund statements.		53,605,849
Special assessments	26,763,698	
Deferred refunding	514,903	
Deferred outflows - pension	23,523,502	
Deferred outflows - KPERS OPEB	477,461	
Deferred outflows - OPEB	2,638,445	
Deferred inflows - KPERS pension	(484,728)	
Deferred inflow - OPEB	(1,573,018)	
Deferred inflows - KPERS OPEB	(95,341)	
Due from other governments	1,840,927	
Internal service funds are used by management to charge costs of certain activities, such as insurance, purchasing, and fleet maintenance to certain funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		15,944,964
Internal service fund capital assets, net	(26,520,561)	
Internal service fund compensated absences	154,554	
Internal service fund net position	52,400,347	
Internal service fund due to business-type	(10,089,376)	
Net position of governmental activities		\$ 585,562,409

See accompanying notes to the basic financial statements

**City of Olathe, Kansas**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2020**

	Debt Service			Capital Projects	Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Special Tax Financing			
<b>Revenues</b>						
Taxes:						
Property	\$ 22,010,400	\$ 21,526,947	\$ 3,090,945	\$ -	\$ 10,753,559	\$ 57,381,851
Sales	52,750,515	362,133	3,384,856	-	15,785,412	72,282,916
Franchise	10,898,406	-	-	-	-	10,898,406
Transient guest	-	-	268,938	-	803,957	1,072,895
Special assessments	-	4,508,296	-	-	-	4,508,296
Intergovernmental	1,955,618	-	-	12,358,568	5,710,798	20,024,984
Licenses and permits	2,724,055	-	-	-	-	2,724,055
Fines, forfeitures, and penalties	2,373,703	-	-	-	86,374	2,460,077
Charges for services	6,907,022	-	-	-	9,817,906	16,724,928
Use of money and property	287,912	446,655	48,176	367,284	221,352	1,371,379
Miscellaneous	383,912	6,874	-	297,746	429,386	1,117,918
Total revenues	<u>100,291,543</u>	<u>26,850,905</u>	<u>6,792,915</u>	<u>13,023,598</u>	<u>43,608,744</u>	<u>190,567,705</u>
<b>Expenditures</b>						
Current:						
General government	22,610,770	222,103	121,601	509,117	8,135,258	31,598,849
Public safety	50,582,114	-	-	-	1,321,820	51,903,934
Public works	9,906,290	-	-	-	2,289,967	12,196,257
Community services	7,301,875	-	-	-	5,654,097	12,955,972
Capital improvements	-	-	3,602,741	87,405,973	-	91,008,714
Debt service:						
Principal retirements	-	20,450,015	1,494,459	-	153,179	22,097,653
Interest and fiscal charges	-	6,824,878	656,010	952,992	119,419	8,553,299
Total expenditures	<u>90,401,049</u>	<u>27,496,996</u>	<u>5,874,811</u>	<u>88,868,082</u>	<u>17,673,740</u>	<u>230,314,678</u>
Excess of revenues over (under) expenditures	<u>9,890,494</u>	<u>(646,091)</u>	<u>918,104</u>	<u>(75,844,484)</u>	<u>25,935,004</u>	<u>(39,746,973)</u>
<b>Other financing sources (uses)</b>						
Issuance of general obligation bonds	-	-	-	19,755,000	-	19,755,000
Payment to refunded bond escrow	-	(10,324,985)	-	-	-	(10,324,985)
Issuance of refunding bonds	-	9,610,000	-	-	-	9,610,000
Bond premium	-	780,139	-	1,881,964	-	2,662,103
Capital lease proceeds	-	-	-	-	224,023	224,023
Transfers in	7,626,233	12,231,942	-	26,911,870	1,621,519	48,391,564
Transfers out	<u>(17,707,116)</u>	<u>(272,060)</u>	<u>-</u>	<u>(5,817,608)</u>	<u>(24,617,402)</u>	<u>(48,414,186)</u>
Total other financing sources (uses)	<u>(10,080,883)</u>	<u>12,025,036</u>	<u>-</u>	<u>42,731,226</u>	<u>(22,771,860)</u>	<u>21,903,519</u>
Net changes in fund balances	<u>(190,389)</u>	<u>11,378,945</u>	<u>918,104</u>	<u>(33,113,258)</u>	<u>3,163,144</u>	<u>(17,843,454)</u>
Fund balances - beginning of year	30,925,240	45,262,320	7,428,008	2,445,664	27,367,863	113,429,095
Fund balances - end of year	<u>\$ 30,734,851</u>	<u>\$ 56,641,265</u>	<u>\$ 8,346,112</u>	<u>\$ (30,667,594)</u>	<u>\$ 30,531,007</u>	<u>\$ 95,585,641</u>

See accompanying notes to the basic financial statements

**City of Olathe, Kansas**  
**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, 2020**

Net change in fund balances - all governmental funds \$ (17,843,454)

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

Governmental funds report capital outlay 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.

		36,449,132
Capital outlay	\$ 69,147,577	
Net book value on disposals of capital assets	(147,138)	
Depreciation	(32,551,307)	

The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increase long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.

		1,972,526
Principal payments	32,421,140	
Proceeds of general obligation bonds	(29,365,000)	
Capital lease	(224,023)	
Premium/discount	1,071,673	
OPEB	(1,886,086)	
KPERS OPEB	(45,178)	

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

		(7,453,993)
Compensated absences	(760,644)	
Pension	(6,259,678)	
Interest expense	(433,671)	

Revenues in the statement of activities that do not provide current financing resources are not reported as revenues in the funds.

		(1,219,653)
Special assessments	(2,332,463)	
Deferred refunding	(145,376)	
Capital grant	1,258,186	

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

4,460,058

Change in net position of governmental activities

\$ 16,364,616

*See accompanying notes to the basic financial statements*



**City of Olathe, Kansas**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**General Fund**  
**Budget and Actual - Budgetary Basis**  
**For the Year Ended December 31, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Taxes:			
Property	\$ 21,970,207	\$ 22,010,400	\$ 40,193
Sales	56,651,102	52,750,515	(3,900,587)
Franchise	12,724,940	10,898,406	(1,826,534)
Intergovernmental	1,254,055	1,955,618	701,563
Licenses and permits	2,399,607	2,724,055	324,448
Fines, forfeitures, and penalties	2,792,993	2,373,703	(419,290)
Charges for services	6,311,547	6,907,022	595,475
Use of money and property	395,555	287,912	(107,643)
Miscellaneous	791,800	383,912	(407,888)
Total revenues	<u>105,291,806</u>	<u>100,291,543</u>	<u>(5,000,263)</u>
<b>Expenditures</b>			
General government	32,272,834	10,220,755	22,052,079
Administration	3,522,743	2,671,102	851,641
Legal	3,716,508	3,159,062	557,446
Information technology services	4,896,578	4,063,035	833,543
Resource management	3,144,783	2,490,085	654,698
Public safety	54,006,649	50,671,854	3,334,795
Public works	11,536,303	9,981,514	1,554,789
Community services	8,360,131	7,296,150	1,063,981
Contingency	961,775	-	961,775
Total expenditures	<u>122,418,304</u>	<u>90,553,557</u>	<u>31,864,747</u>
Excess of revenues over expenditures	<u>(17,126,498)</u>	<u>9,737,986</u>	<u>26,864,484</u>
<b>Other financing sources (uses)</b>			
Transfers in	7,782,520	7,626,233	(156,287)
Transfers out	(13,151,213)	(17,707,116)	(4,555,903)
Total other financing sources (uses)	<u>(5,368,693)</u>	<u>(10,080,883)</u>	<u>(4,712,190)</u>
Net change in fund balance	<u>\$ (22,495,191)</u>	<u>(342,897)</u>	<u>\$ 22,152,294</u>
Fund balance - beginning of year - budget basis		<u>30,772,379</u>	
Fund balance - end of year - budget basis		<u>30,429,482</u>	
Encumbrances incurred and outstanding		<u>305,369</u>	
Fund balance - end of year - GAAP basis		<u>\$ 30,734,851</u>	

**City of Olathe, Kansas**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2020**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Major</b>			<b>Activities -</b>
	<b>Water and Sewer Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 36,571,962	\$ 2,109,747	\$ 38,681,709	\$ 26,721,017
Accounts receivable (net of allowance)	5,476,999	1,833,713	7,310,712	100,833
Due from other governments	-	-	-	-
Inventories and other prepaid items	896,788	-	896,788	328,797
Total current assets	<u>42,945,749</u>	<u>3,943,460</u>	<u>46,889,209</u>	<u>27,150,647</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	8,080,267	-	8,080,267	-
Due from other funds	-	-	-	1,289,528
Other	-	-	-	11,000
Total restricted assets	<u>8,080,267</u>	<u>-</u>	<u>8,080,267</u>	<u>1,300,528</u>
Capital assets:				
Capital assets not being depreciated				
Land	3,366,129	1,255,005	4,621,134	-
Construction in progress	38,550,872	-	38,550,872	-
Total capital assets not being depreciated	<u>41,917,001</u>	<u>1,255,005</u>	<u>43,172,006</u>	<u>-</u>
Capital assets being depreciated				
Buildings	33,778,295	-	33,778,295	-
Machinery and equipment	3,062,969	1,554,078	4,617,047	67,913,786
Water system	224,143,253	-	224,143,253	-
Sewer system	212,896,597	-	212,896,597	-
Total capital assets being depreciated	<u>473,881,114</u>	<u>1,554,078</u>	<u>475,435,192</u>	<u>67,913,786</u>
Less accumulated depreciation	<u>(136,073,361)</u>	<u>(1,227,549)</u>	<u>(137,300,910)</u>	<u>(41,393,225)</u>
Total capital assets (net of accumulated depreciation)	<u>379,724,754</u>	<u>1,581,534</u>	<u>381,306,288</u>	<u>26,520,561</u>
Total noncurrent assets	<u>387,805,021</u>	<u>1,581,534</u>	<u>389,386,555</u>	<u>27,821,089</u>
Total assets	<u>430,750,770</u>	<u>5,524,994</u>	<u>436,275,764</u>	<u>54,971,736</u>
<b>Deferred Outflows of Resources</b>				
Deferred pension	2,616,726	1,151,359	3,768,085	-
Deferred OPEB	218,666	95,743	314,409	-
Deferred KPERS OPEB	185,517	81,628	267,145	-
Deferred amounts on refunding	1,030,295	-	1,030,295	-
Total deferred outflows of resources	<u>4,051,204</u>	<u>1,328,730</u>	<u>5,379,934</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 434,801,974</u>	<u>\$ 6,853,724</u>	<u>\$ 441,655,698</u>	<u>\$ 54,971,736</u>

See accompanying notes to the basic financial statements

**City of Olathe, Kansas**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2020**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Major</u>			<u>Activities -</u>
	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts and claims payable	\$ 839,092	\$ 3,149	\$ 842,241	\$ 2,405,835
Interest payable	121,424	-	121,424	-
Compensated absences	712,663	251,527	964,190	120,552
Current portion of general obligation bonds	1,370,000	-	1,370,000	-
Current portion of capital leases	992,747	-	992,747	-
Current portion of revolving loan	1,414,855	-	1,414,855	-
Current portion of revenue bonds	5,104,692	-	5,104,692	-
Total current liabilities	<u>10,555,473</u>	<u>254,676</u>	<u>10,810,149</u>	<u>2,526,387</u>
Noncurrent liabilities:				
Compensated absences	201,008	70,943	271,951	34,002
General obligation bonds	5,950,000	-	5,950,000	-
Capital leases, net	-	-	-	-
Revolving loan, net	10,889,817	-	10,889,817	-
Revenue bonds, net	94,569,872	-	94,569,872	-
Total KPERS OPEB liability	601,152	264,507	865,659	-
Total OPEB liability	2,119,300	927,930	3,047,230	-
Net pension liability	9,015,313	3,966,738	12,982,051	-
Deposit	248,142	-	248,142	11,000
Total noncurrent liabilities	<u>123,594,604</u>	<u>5,230,118</u>	<u>128,824,722</u>	<u>45,002</u>
Total liabilities	<u>134,150,077</u>	<u>5,484,794</u>	<u>139,634,871</u>	<u>2,571,389</u>
<b>Deferred Inflows of Resources</b>				
KPERS pension	116,019	51,048	167,067	-
KPERS OPEB	30,517	13,427	43,944	-
OPEB	130,367	57,081	187,448	-
Total deferred inflows of resources	<u>276,903</u>	<u>121,556</u>	<u>398,459</u>	<u>-</u>
<b>Net position</b>				
Net investment in capital assets	260,463,066	1,581,534	262,044,600	26,520,561
Restricted for bond requirements	8,080,267	-	8,080,267	-
Unrestricted	31,831,661	(334,160)	31,497,501	25,879,786
Total net position	<u>300,374,994</u>	<u>1,247,374</u>	<u>301,622,368</u>	<u>52,400,347</u>
Total liabilities and net position	<u>\$ 434,801,974</u>	<u>\$ 6,853,724</u>		<u>\$ 54,971,736</u>

Reconciliation to government-wide statement of net position:

Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds	10,089,376
Net position of business-type activities	<u>\$ 311,711,744</u>

See accompanying notes to the basic financial statements



**City of Olathe, Kansas**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Major</u>			<u>Activities -</u>
	<u>Water and</u>	<u>Solid</u>	<u>Total</u>	<u>Internal</u>
<u>Sewer Fund</u>	<u>Waste</u>	<u>Service Funds</u>		
		<u>Fund</u>		
Operating revenues				
Charges for services	\$ 49,356,602	\$ 16,014,413	\$ 65,371,015	\$ 40,277,177
Intergovernmental	722,577	35,994	758,571	18,440
Miscellaneous	2,915,854	-	2,915,854	-
Total operating revenues	<u>52,995,033</u>	<u>16,050,407</u>	<u>69,045,440</u>	<u>40,295,617</u>
Operating expenses				
Water production	5,395,775	-	5,395,775	-
Wastewater treatment	6,755,323	-	6,755,323	-
Water and sewer maintenance	4,202,724	-	4,202,724	-
Administration and general	20,456,270	4,395,390	24,851,660	22,455,729
Equipment maintenance	-	-	-	5,932,213
Sanitation expense	-	6,213,544	6,213,544	-
Transfer station expense	-	4,441,053	4,441,053	-
Depreciation	7,237,356	93,368	7,330,724	5,659,153
Total operating expenses	<u>44,047,448</u>	<u>15,143,355</u>	<u>59,190,803</u>	<u>34,047,095</u>
Operating income	<u>8,947,585</u>	<u>907,052</u>	<u>9,854,637</u>	<u>6,248,522</u>
Nonoperating revenues (expenses)				
Interest income	345,347	13,256	358,603	147,174
Interest expense	(5,898,341)	-	(5,898,341)	-
Gain from sale of equipment	-	-	-	437,782
Total nonoperating revenues (expenses)	<u>(5,552,994)</u>	<u>13,256</u>	<u>(5,539,738)</u>	<u>584,956</u>
Net income (loss) before transfers and capital contributions	3,394,591	920,308	4,314,899	6,833,478
Transfers in	938,389	1,545	939,934	15,786
Transfers out	(150,000)	(254,993)	(404,993)	(528,105)
Change in net position	<u>4,182,980</u>	<u>666,860</u>	<u>4,849,840</u>	<u>6,321,159</u>
Net position - beginning of year	296,192,014	580,514		46,079,188
Net position - end of year	<u>\$ 300,374,994</u>	<u>\$ 1,247,374</u>		<u>\$ 52,400,347</u>
Reconciliation to government-wide statement of activities:				
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.			<u>1,861,101</u>	
Change in net position of business-type activities			<u>\$ 6,710,941</u>	

See accompanying notes to the basic financial statements

**City of Olathe, Kansas**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Major</b>			<b>Activities -</b>
	<b>Water and Sewer Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Cash Flows from Operating Activities</b>				
Receipts from customers and users	\$ 53,137,521	\$ 15,827,038	\$ 68,964,559	\$ 40,327,381
Payments to suppliers	(27,658,273)	(9,868,918)	(37,527,191)	(25,653,300)
Payments to employees	(11,093,118)	(5,089,417)	(16,182,535)	(2,936,355)
Net cash provided by (used in) operating activities	<u>14,386,130</u>	<u>868,703</u>	<u>15,254,833</u>	<u>11,737,726</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers from other funds	938,389	1,545	939,934	15,786
Transfers to other funds	(150,000)	(254,993)	(404,993)	(528,105)
Net cash provided by (used in) noncapital financing activities	<u>788,389</u>	<u>(253,448)</u>	<u>534,941</u>	<u>(512,319)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisitions and construction of capital assets	(14,078,175)	-	(14,078,175)	(3,550,693)
Proceeds from sales of capital assets	-	-	-	437,782
Proceeds from revenue bonds	13,997,228	-	13,997,228	-
Principal paid on revenue bonds	(14,130,000)	-	(14,130,000)	-
Principal paid on general obligation bonds	(1,330,000)	-	(1,330,000)	-
Interest paid on revenue bonds	(4,965,723)	-	(4,965,723)	-
Interest paid on general obligation bonds	(248,131)	-	(248,131)	-
Principal paid on revolving loans	(1,369,707)	-	(1,369,707)	-
Interest paid on revolving loans	(381,189)	-	(381,189)	-
Principal paid on capital lease	(1,556,751)	-	(1,556,751)	-
Interest paid on capital lease	(46,216)	-	(46,216)	-
Net cash (used in) capital and related financing activities	<u>(24,108,664)</u>	<u>-</u>	<u>(24,108,664)</u>	<u>(3,112,911)</u>
<b>Cash Flows from Investing Activities</b>				
Interest received	345,347	13,256	358,603	147,174
Net cash provided by investing activities	<u>345,347</u>	<u>13,256</u>	<u>358,603</u>	<u>147,174</u>
Net increase (decrease) in cash and cash equivalents	(8,588,798)	628,511	(7,960,287)	8,259,670
Cash and cash equivalents - beginning of year	53,241,027	1,481,236	54,722,263	18,461,347
Cash and cash equivalents - end of year	<u>\$ 44,652,229</u>	<u>\$ 2,109,747</u>	<u>\$ 46,761,976</u>	<u>\$ 26,721,017</u>

See accompanying notes to the basic financial statements

**City of Olathe, Kansas**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Major</u>			<u>Activities -</u>
	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities</b>				
Operating income	\$ 8,947,585	\$ 907,052	\$ 9,854,637	\$ 6,248,522
Adjustments to reconcile operating income to cash provided by (used in) operating activities				
Depreciation	7,237,356	93,368	7,330,724	5,659,153
Changes in assets and liabilities				
(Increase) decrease in receivables	142,488	(223,369)	(80,881)	31,764
(Increase) in deferred outflows	(2,222,167)	(623,514)	(2,845,681)	-
(Increase) decrease in inventories	33,660	-	33,660	(38,615)
Decrease in due from other funds	-	-	-	17,146
Increase (decrease) in accounts and claims payable	(648,033)	(9,738)	(657,771)	(191,088)
Increase in net pension liability	1,929,000	848,761	2,777,761	-
(Decrease) in deferred inflows	(72,802)	(41,824)	(114,626)	-
Increase in total KPERs OPEB liability	48,772	21,460	70,232	-
Increase in total OPEB liability	(1,168,640)	(168,049)	(1,336,689)	-
(Decrease) in deposits	7,967	-	7,967	-
Increase in compensated absences	150,944	64,556	215,500	10,844
Total adjustments	<u>5,438,545</u>	<u>(38,349)</u>	<u>5,400,196</u>	<u>5,489,204</u>
Net cash provided by (used in) operating activities	<u>\$ 14,386,130</u>	<u>\$ 868,703</u>	<u>\$ 15,254,833</u>	<u>\$ 11,737,726</u>

See accompanying notes to the basic financial statements



**Notes to the Basic  
Financial Statements**

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

**1. Summary of Significant Accounting Policies**

The City of Olathe, Kansas (City) was incorporated February 20, 1857 under the provisions of K.S.A. 12-101, et seq. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture/recreation, education, public improvements, water and sewer, planning and zoning, and general administrative services.

This summary of significant accounting policies of the City is presented to assist in understanding the City's basic financial statements. The basic financial statements and notes are representations of the City's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to local governments and have been consistently applied in the preparation of the basic financial statements. The following is a summary of the more significant policies:

*a. Reporting Entity*

An elected seven-member council (including the Mayor) governs the City. As required by GAAP, the financial statements present data for all departments and funds of the City, including all boards and commissions (the primary government, herein referred to as the City) and a component unit, an entity for which the City is considered to be financially accountable.

The determination of financial accountability includes consideration of a number of criteria including: (1) the appointment of a voting majority of an entity's governing authority and the ability of the primary government to impose its will on the entity, (2) the potential for the entity to provide specific financial benefits to, or impose specific financial burdens on, the primary government, and (3) the entity's fiscal dependency on the primary government.

*b. Individual Component Unit Disclosures*

Discretely Presented Component Unit – The discretely presented component unit is presented in a separate column in the government-wide financial statements to emphasize it is legally separate from the primary government.

The Olathe Public Housing Authority (Authority) is a separate legal entity governed by a seven-member board, which is appointed by the City Council. Although City employees perform administration of various programs, management of the Authority has responsibility for its own operations. The City provides a significant portion of the Authority's support and property. The Authority does not issue separate financial statements.

*c. 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.

The City's funds are grouped into two broad fund categories for basic financial statement presentation purposes. Governmental funds include the general, special revenue, debt service, and the capital projects funds. Proprietary funds include enterprise and internal service funds.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

*d. 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) as a whole. Internal service funds and other interfund activities are eliminated to avoid “doubling up” revenues and expenses. 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. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The government-wide financial 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, but differs from the manner in which governmental fund financial statements are prepared. Therefore, each of the governmental fund financial statements includes a reconciliation with brief explanations to better identify the relationship between the governmental fund’s statements and the government-wide statements.

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 fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The major individual enterprise funds are reported as separate columns in the proprietary fund financial statements. Nonmajor funds are aggregated and presented in a single column on the governmental and proprietary fund financial statements.

The City reports the following major governmental funds:

*General*

The General Fund is the main operating fund of the City. It accounts for all financial resources of the general government, except those accounted for and reported in another fund.

*Debt Service*

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

*Special Tax Financing*

The Special Tax Financing Fund accounts for ad valorem and sales tax monies received from the increased assessed values of the tax increment financing (TIF) districts and its sales activities, the transportation development district (TDD) sales activities, and the Community Improvement District (CID) sales activities. This fund is considered a debt service fund.

*Capital Projects*

The Capital Projects Fund accounts for the financing and construction of street improvement projects, water and sewer improvement projects, and various other citywide improvement projects.

The City reports the following major proprietary funds:

*Water and Sewer*

The Water and Sewer Fund accounts for the activities of the sewage treatment plant, sewage pumping stations, collection systems, and the water distribution system.

*Solid Waste*

The Solid Waste Fund accounts for the provision of solid waste collection and disposal services to the residents and businesses of the City.

**Proprietary Funds**

Proprietary funds use the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities (whether current or noncurrent) associated with a proprietary fund's activities are included on its statement of net assets.

Proprietary funds include the following fund types:

*Enterprise Funds* account for operations that are financed and operated in a manner similar to private business enterprises, as the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

*Internal Service Funds* account for the financing of goods and services, such as insurance and fleet management, provided to other departments or agencies of the City on a cost reimbursement basis.

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 funds and of the City's internal service funds are charges for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

**Governmental Funds**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as they are both measurable and available to finance the City's current operations.

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used 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 year. Significant revenues, which are considered susceptible to accrual, include property taxes, sales taxes, franchise taxes, interest, and certain state and federal grants and entitlements. Expenditures, including capital outlays, are recorded in all nonproprietary fund types when the related liability is both measurable and incurred except for general obligation debt principal and interest which are reported as expenditures in the year due.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purposes or project before any amounts will be paid to the City; therefore, revenues are recognized based on the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and nearly irrevocable, i.e., revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the measurable and available criteria.

Licenses and permits, fines and forfeitures, charges for services and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received.

In accordance with state statutes, projects financed in part by special assessments are financed through issuance of general obligation bonds of the City and are retired from the Debt Service Fund. Special assessments are recorded as unearned revenues in the year the assessments are levied. Special assessments paid in full prior to the issuance of bonds are recorded as revenue in the capital project fund. Special assessments received after the issuance of bonds are recorded as revenue in the Debt Service Fund.

*e. Cash and Cash Equivalents*

In the statement of cash flows for the proprietary funds, cash and cash equivalents include cash held in financial institutions and investments with original maturities less than three months.

*f. Accounts Receivable*

Accounts receivable result primarily from water, sewer, and sanitation services accounted for in the Water and Sewer Fund and the Solid Waste Fund (Enterprise Funds).

*g. Inventories and Other Prepaid Items*

Inventories are stated at cost using the first-in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

Certain payments represent costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

*h. Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. streets, traffic signals, sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost at or above the capitalization threshold listed below and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

		Capitalization Threshold
Buildings and improvements	40 years	\$ 100,000
Vehicles and equipment	4 - 20 years	5,000
Water system	75 years	50,000
Sewage system	75 years	50,000
Streets	20 years	100,000
Storm sewer	40 years	25,000
Traffic signals	30 years	25,000
Land	Not Depreciated	25,000

*i. Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position includes 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 will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition, for Pension and OPEB there is the differences between expected and actual experience, the net difference between projected and actual earnings on pension investments, and changes of assumptions. deferred change in proportion and contributions made after the measurement date. These represent a consumption of net position that applies to future periods and is not recognized as an outflow of resources until then.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

In addition to liabilities, the statement of financial position 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 will not be recognized as an inflow of resources (revenue) until that time. The City has nonexchange revenue transactions where a receivable has been recorded because property taxes were levied, but the resources cannot be used until a future period. This item has been reported as deferred inflow on the government-wide statement of net position. In addition, nonexchange revenue transactions for intergovernmental, special assessments, and loan related transactions have receivables recorded, but resources are not available on the modified accrual basis and therefore are recorded as deferred inflows in the governmental funds. Also, a deferred inflow of resources dealing with OPEB and pension is reported for the differences between expected and actual experience, change in proportion, and changes of assumptions.

*j. Budgets and Budgetary Accounting*

Applicable Kansas statutes require budgets be legally adopted for all funds unless exempt by a specific statute. Specific funds exempt from legally adopted budgets are all federal and state assistance funds and capital projects funds. Specific special revenue funds exempt from legally adopted budgetary requirements include the Reimbursable Programs, Grants, and Cemetery Funds. Controls over spending in funds which are not subject to legal budgets are maintained by the use of the internal spending limits established by management.

Funds requiring legally adopted budgets are the General, Fire Levy, Motor Fuel Tax, Library Operating, Economic Development and Tourism, Special Park and Recreation, Special Alcohol, Storm Water, Park Sales Tax, Street Maintenance Sales Tax, Recreation, Special Tax Financing, Debt Service, Water and Sewer, Solid Waste, and all Internal Service Funds.

The annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized on the modified accrual basis. Expenditures include disbursements, accounts payable, and encumbrances.

Encumbrances are commitments of funds for unperformed contracts for goods and services. Encumbrance accounting is used, to the extent necessary, to ensure effective budgetary control and accountability and to facilitate effective cash planning and control in governmental funds. Encumbered appropriations which will be honored at year-end are included with the fund balance classifications to which resources had already been classified. If the balance had not been previously classified (general fund only), it is included within assigned. Subsequent year's appropriations will provide the authority to complete these transactions; they do not constitute either expenditures or liabilities of the fund.

All unencumbered appropriations lapse at year-end. Accordingly, the actual data presented in the budgetary comparison statements include encumbrances and, consequently, differ from the expenditure data presented in the basic financial statements prepared in accordance with GAAP.

The Debt Service Fund budget is prepared to provide a basis for a level ad valorem tax levy through the tax year life of the outstanding debt. Therefore, the timing of the amounts levied for the principal reduction does not necessarily correspond to the timing of the payment of principal maturities.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

The statutes provide for the following sequence and timetable in the adoption of budgets:

- (1) Preparation of the budget for the succeeding calendar year on or before August 1 of each year.
- (2) Publication of the proposed budget on or before August 5 of each year.
- (3) A minimum of 10 days notice of a public hearing, published in a local newspaper on or before August 15 of each year on the proposed budget.
- (4) Adoption of the final budget on or before August 25 of each year.

Kansas statutes permit transferring budgeted amounts between line items within an individual fund; however, such statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. The City Manager can transfer appropriations within a fund without the approval of the governing body; however, total appropriations are not to exceed the fund's total budgeted amount.

*k. Retirement Plans*

Substantially all full-time City employees are members of the Kansas Public Employees Retirement System (KPERs) or the Kansas Police and Fire Retirement Plan (KP&F) (a cost-sharing multiple-employer public employee retirement system). The City's policy is to fund all pension costs accrued; such costs are determined annually by the State.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension expense, information about the fiduciary net position of the 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.

*l. Compensated Absences*

The City's policy permits employees to accumulate a maximum of 8 weeks of vacation time. Accumulated unpaid vacation for the governmental funds is included as a liability in the government-wide financial statements. Accumulated unpaid vacation for proprietary funds is included as a liability in both the fund and government-wide financial statements.

The City's policy permits employees to accumulate an unlimited amount of sick leave. The current policy is to compensate employees for 25% of unused accumulated sick leave based on a maximum of 960 hours upon retirement. The employee must be eligible for KPERs or KP&F retirement to qualify.

*m. Interfund Transactions*

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

*n. Equity Classifications*

In the government-wide statements, equity is shown as net position and classified into three components:

- (1) Net investment in capital assets – consisting of capital assets including restricted 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 acquisitions, construction, or improvements of those assets.
- (2) Restricted net position – consisting of net position with constraints placed on their 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. The City first utilizes restricted resources to finance qualifying activities.
- (3) Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the governmental funds, equity is shown as fund balance and classified into five components:

- (1) Nonspendable – inherently nonspendable
- (2) Restricted – externally enforceable limitations on use
- (3) Committed – self – imposed limitations set in place prior to the end of the period at the highest level of decision making
- (4) Assigned – limitation resulting from intended use
- (5) Unassigned – residual net resources

*o. Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. Deposits and Investments**

The City combines idle cash from all funds for the purpose of increasing income through investment activities. Investments are carried at fair value, which approximates cost. Interest income on investments and appreciation/depreciation in fair value investments are allocated to the governmental fund types and proprietary fund types on the basis of average monthly cash balances. State statutes authorize the City to invest in fully collateralized or fully insured money market accounts, time deposits, the State of Kansas Municipal Investment Pool, direct debt securities of the United States, and fully collateralized repurchase agreements. The State of Kansas Municipal Investment Pool is operated by the State Treasurer and is not a SEC registered pool. The Pooled Money Investment Board (PMIB) provides the regulatory oversight for this pool. The fair value of the City’s position in the pool is the same as the value of the City’s pool shares.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

Facts and Assumptions – The City holds investments that are measured at fair value on a recurring basis. Since investing is not a core part of the City’s mission, the City determines that the disclosures related to these investments only need to be disaggregated by major type. The City chooses a narrative format for the fair value disclosures.

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2020:

- State investment pool of \$6.5 million are valued using net asset value (Level 1 inputs).
- Government Agencies of \$23.7 million are valued using matrix pricing using the price or yield of a similar bond (Level 2 inputs).

Interest Rate Risk and Reconciliation of Cash and Investments to the Statement of Net Position – As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investment policy limits its investment maturities to less than four years. Listed as follows are the City’s investments with maturity dates.

<b>Cash, Cash Equivalents, and Investments</b>	<b>Maturities</b>	<b>Fair Value</b>
State investment pool - overnight	6 months or less	\$ 6,470,092
Government Agency	8-Oct-21	4,998,780
Government Agency	2-Jul-21	10,002,100
Government Agency	10-Feb-21	5,007,400
Treasury Note	13-Apr-21	3,676,213
Total investments		<u>30,154,585</u>
Certificates of deposit		95,500,000
Cash held by trustee		1,905,898
Restricted cash deposits		9,986,165
Unrestricted cash deposits		<u>101,083,120</u>
Total cash, cash equivalents, and investments		<u><u>\$ 238,629,768</u></u>

Credit Risk – State law limits investments to Temporary Notes of the City, Collateralized Certificates of Deposit, Collateralized Repurchase Agreements, U.S. Treasury Obligations, the Kansas Municipal Investment Pool, Commercial Bank Savings Accounts, U.S. Government Agency Securities, U.S. Government Sponsored Corporation’s Instruments, and Multiple Client Investment Pools. The City’s policy on credit risk follows state statutes. As of December 31, 2020, City funds not held in depository accounts had been invested in Certificates of Deposit, Government Sponsored Corporation Instruments, Guaranteed Investment Contracts, and the Kansas Municipal Investment Pool (rated AAaF/S1 by Standard & Poor’s).

Concentration of Credit Risk – At December 31, 2020, of total cash and investment, the City invested \$95.5 million, or 40%, in certificates of deposit, \$23.7 million or 10% in Government Sponsored Corporation’s Instruments ((FNMA (16%), FFCB (21%) and FHLB (63%)) – (all rated Aaa by Moody’s)), \$6.5 million or 3% in the Kansas Municipal Investment Pool, and \$101.1 million, or 42%, in unrestricted cash deposit accounts. The City also has \$11.9 million or 5% of cash that is held by trustee or restricted.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

Custodial Credit Risk – For deposits or investments, custodial credit risk is the risk that, in the event of the failure of the bank or counterparty, the City will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside party. The City’s policy for deposits and investments follows state statutes. At December 31, 2020, all of the City’s deposits were fully insured by federal depository insurance or otherwise collateralized by securities held in the City’s name. The City has \$23,684,493 of Government Agencies that are held by the investment counterparty.

**3. Taxes and Special Assessments**

Taxes and special assessments revenue by fund type, including interest and penalties, as of December 31, 2020 are as follows:

	<b>Major</b>			<b>Other</b>	<b>Total</b>
	<b>General</b>	<b>Debt Service</b>	<b>Special Tax Financing</b>	<b>Governmental Funds</b>	
Property tax	\$ 22,010,400	\$ 21,526,947	\$ 3,090,945	\$ 10,753,559	\$ 57,381,851
Sales tax	52,750,515	362,133	3,384,856	15,785,412	72,282,916
Franchise tax	10,898,406	-	-	-	10,898,406
Transient guest tax	-	-	268,938	803,957	1,072,895
Special assessment	-	4,508,296	-	-	4,508,296
	<u>\$ 85,659,321</u>	<u>\$ 26,397,376</u>	<u>\$ 6,744,739</u>	<u>\$ 27,342,928</u>	<u>\$ 146,144,364</u>

Taxes and special assessments receivable by fund type as of December 31, 2020 are as follows:

	<b>Major</b>			<b>Other</b>	<b>Total</b>
	<b>General</b>	<b>Debt Service</b>	<b>Special Tax Financing</b>	<b>Governmental Funds</b>	
Property tax	\$ 21,120,366	\$ 20,665,569	\$ 3,200,000	\$ 10,151,426	\$ 55,137,361
Sales tax	10,131,890	-	697,395	3,080,048	13,909,333
Franchise tax	1,933,108	-	-	-	1,933,108
Transient guest tax	-	-	61,017	222,998	284,015
Special assessment	-	28,682,343	-	-	28,682,343
	<u>\$ 33,185,364</u>	<u>\$ 49,347,912</u>	<u>\$ 3,958,412</u>	<u>\$ 13,454,472</u>	<u>\$ 99,946,160</u>

The City’s Property tax is levied each November 1 on the assessed value as of the prior January 1 for all property located in the City. November 1 also serves as the lien date. The assessed values are established by the Johnson County Assessor. The assessed value for property (excluding motor vehicle) located in the City as of November 1, 2019 on which the 2020 levy was based was \$2,123,937,539.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

The City's property tax levies per \$1,000 assessed valuation for the year ended December 31, 2020 were as follows:

Fund	Levy
General	\$ 9.938
Special revenue	4.778
Debt service	9.724
	\$ 24.440

The City's property taxes for 2020 were assessed in November of 2019 and distributed to the City in 2020 in accordance with state statutes. Property taxes are due in total by December 31 following the levy date, or they may be paid in equal installments if paid by December 20 (first installment) and the following May 10 (second installment).

State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Therefore, taxes levied in the current year are recorded as taxes receivable and deferred inflows of resources at year-end and are recognized as revenue, net of estimated uncollectible and delinquent amounts, in the year they become due.

**4. Intergovernmental Receivables and Revenue**

Amounts due from other governments as of December 31, 2020 are as follows:

	Major		Other	Total
	General	Capital Projects	Governmental Funds	
<b>Federal</b>				
Department of Housing and Urban Development	\$ -	\$ -	\$ 33,352	\$ 33,352
Department of Justice	-	-	200,556	200,556
<b>State</b>				
Department of Revenue	100,000	-	1,123,299	1,223,299
Department of Transportation	19,858	2,919,904	-	2,939,762
<b>Local</b>				
Kansas City Area Transportation Authority	-	-	30,670	30,670
Johnson County	-	1,252,160	99,935	1,352,095
	\$ 119,858	\$ 4,172,064	\$ 1,487,812	\$ 5,779,734

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
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Intergovernmental revenues for the year ended December 31, 2020 consisted of the following:

	<u>Major</u>		<u>Internal</u>	<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Capital</u>	<u>Service</u>		
		<u>Projects</u>	<u>Central</u>	<u>Funds</u>	
			<u>Garage</u>		
<b>Federal</b>					
Department of Housing and Urban Development	\$ -	\$ -	\$ -	\$ 228,217	\$ 228,217
FEMA	-	-	-	791,929	791,929
<b>State</b>					
Liquor Tax	414,213	-	-	828,425	1,242,638
State Highway Connecting Links	86,969	-	-	-	86,969
Special Highway	-	-	-	3,586,954	3,586,954
Library State Aid	-	-	-	40,168	40,168
Department of Aging	-	-	-	31,374	31,374
Department of Wildlife and Parks	-	-	-	5,102	5,102
Department of Transportation	-	4,277,402	-	20,312	4,297,714
<b>County</b>					
CARES	276,950	3,933,490	18,440	36,129	4,265,009
Street improvements	-	4,147,676	-	-	4,147,676
Herritage Trust	-	-	-	19,588	19,588
<b>Local</b>					
MARC	-	-	-	21,595	21,595
Kansas City Area Transportation Authority	-	-	-	101,005	101,005
Unified School District 233	1,177,486	-	-	-	1,177,486
	<u>\$ 1,955,618</u>	<u>\$ 12,358,568</u>	<u>\$ 18,440</u>	<u>\$ 5,710,798</u>	<u>\$ 20,043,424</u>

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

**5. Capital Assets**

Capital Asset activity for the year ended December 31, 2020 was as follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 110,795,342	\$ 10,312,069	\$ -	\$ 121,107,411
Art collection	20,845	-	-	20,845
Kansas Room Collection / Genealogy	46,800	-	4,100	42,700
Construction in progress	153,723,791	58,074,847	42,976,848	168,821,790
Total capital assets, not being depreciated	<u>264,586,778</u>	<u>68,386,916</u>	<u>42,980,948</u>	<u>289,992,746</u>
Capital assets being depreciated				
Land improvements	76,240	-	9,487	66,753
Buildings	119,475,336	6,617,908	2,275,324	123,817,920
Machinery and equipment	81,397,681	4,488,027	1,490,313	84,395,395
Swimming pools	10,021,514	-	-	10,021,514
Infrastructure	821,216,552	35,748,224	-	856,964,776
Books and materials	4,247,280	437,904	458,862	4,226,322
Total capital assets being depreciated	<u>1,036,434,603</u>	<u>47,292,063</u>	<u>4,233,986</u>	<u>1,079,492,680</u>
Less accumulated depreciation for				
Land improvements	(37,583)	(3,338)	(8,109)	(32,812)
Buildings	(37,294,051)	(2,897,182)	(2,133,664)	(38,057,569)
Machinery and equipment	(50,221,885)	(6,295,668)	(1,486,452)	(55,031,101)
Swimming pools	(7,248,880)	(517,901)	-	(7,766,781)
Infrastructure	(483,760,253)	(28,057,815)	-	(511,818,068)
Books and materials	(3,112,769)	(438,556)	(458,862)	(3,092,463)
Total accumulated depreciation	<u>(581,675,421)</u>	<u>(38,210,460)</u>	<u>(4,087,087)</u>	<u>(615,798,794)</u>
Total capital assets being depreciated, net	<u>454,759,182</u>	<u>9,081,603</u>	<u>146,899</u>	<u>463,693,886</u>
Governmental activities capital assets, net	<u>\$ 719,345,960</u>	<u>\$ 77,468,519</u>	<u>\$ 43,127,847</u>	<u>\$ 753,686,632</u>

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>
<b>Business-type activities</b>				
Capital assets, not being depreciated				
Land	\$ 4,593,804	\$ 27,330	\$ -	\$ 4,621,134
Construction in progress	33,403,750	14,050,845	8,903,723	38,550,872
Total capital assets, not being depreciated	<u>37,997,554</u>	<u>14,078,175</u>	<u>8,903,723</u>	<u>43,172,006</u>
Capital assets being depreciated				
Buildings	33,778,295	-	-	33,778,295
Machinery and equipment	4,815,047	-	198,000	4,617,047
Water system	222,833,825	1,309,428	-	224,143,253
Sewer system	205,302,302	7,594,295	-	212,896,597
Total capital assets being depreciated	<u>466,729,469</u>	<u>8,903,723</u>	<u>198,000</u>	<u>475,435,192</u>
Less accumulated depreciation for				
Buildings	(14,146,884)	(815,234)	-	(14,962,118)
Machinery and equipment	(3,568,316)	(202,479)	(198,000)	(3,572,795)
Water system	(65,084,660)	(2,678,347)	-	(67,763,007)
Sewer system	(47,368,326)	(3,634,664)	-	(51,002,990)
Total accumulated depreciation	<u>(130,168,186)</u>	<u>(7,330,724)</u>	<u>(198,000)</u>	<u>(137,300,910)</u>
Total capital assets being depreciated, net	<u>336,561,283</u>	<u>1,572,999</u>	<u>-</u>	<u>338,134,282</u>
Business-type activities capital assets, net	<u>\$ 374,558,837</u>	<u>\$ 15,651,174</u>	<u>\$ 8,903,723</u>	<u>\$ 381,306,288</u>

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>
<b>Component unit</b>				
Capital assets, not being depreciated				
Land	\$ 442,111	\$ -	\$ -	\$ 442,111
Total capital assets, not being depreciated	<u>442,111</u>	<u>-</u>	<u>-</u>	<u>442,111</u>
Capital assets being depreciated				
Buildings and improvements	8,657,637	8,767	-	8,666,404
Machinery and equipment	229,789	5,264	2,534	232,519
Total capital assets being depreciated	<u>8,887,426</u>	<u>14,031</u>	<u>2,534</u>	<u>8,898,923</u>
Less accumulated depreciation for				
Buildings	(6,817,371)	(222,466)	-	(7,039,837)
Machinery and equipment	(212,350)	(3,487)	(2,534)	(213,303)
Total accumulated depreciation	<u>(7,029,721)</u>	<u>(225,953)</u>	<u>(2,534)</u>	<u>(7,253,140)</u>
Total capital assets being depreciated, net	<u>1,857,705</u>	<u>(211,922)</u>	<u>-</u>	<u>1,645,783</u>
Component units capital assets, net	<u>\$ 2,299,816</u>	<u>\$ (211,922)</u>	<u>\$ -</u>	<u>\$ 2,087,894</u>

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

**Government activities**

General government	\$ 1,193,109
Public safety	1,252,525
Public works	28,796,137
Community services	1,309,536
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	5,659,153
Total depreciation expense for governmental activities	<u>\$ 38,210,460</u>

**Business-type activities**

Water and sewer	\$ 7,237,356
Solid Waste	93,368
Total depreciation expense for business-type activities	<u>\$ 7,330,724</u>

**Component Unit**

Olathe public housing authority	<u>\$ 225,953</u>
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**6. Debt**

**Short-term debt**

The following is a summary of the short-term debt transactions of the City for the year ended December 31, 2020.

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>	<u>Due in One Year</u>
<b>Governmental</b>					
Temporary notes	<u>\$ 54,817,201</u>	<u>\$ 76,776,277</u>	<u>\$ 54,817,201</u>	<u>\$ 76,776,277</u>	<u>\$ 76,776,277</u>
			<u>Interest Rate</u>	<u>Maturity Date</u>	<u>End of Year</u>
<b>Temporary Notes</b>					
Street and sidewalk improvements			3.00%	1-Aug-21	\$ 54,511,157
Citywide improvements			3.00%	1-Aug-21	22,265,120
					<u>\$ 76,776,277</u>

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
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**Long-term debt**

The following is a summary of long-term debt transactions for the year ended December 31, 2020.

	<b>Beginning of Year</b>	<b>Additions</b>	<b>Retirements</b>	<b>End of Year</b>	<b>Due in One Year</b>
<b>Governmental</b>					
General obligation bonds	\$ 165,145,000	\$ 29,365,000	\$ 30,775,000	\$ 163,735,000	\$ 20,155,000
Special obligations bonds	23,209,629	-	1,494,459	21,715,170	15,470,170
Revenue bonds	3,075,000	-	105,000	2,970,000	110,000
Capitalized leases	-	224,023	46,679	177,344	68,585
Compensated absences	4,270,782	4,102,698	3,331,210	5,042,270	3,932,971
Total KPERS OPEB liability	1,455,605	274,309	143,278	1,586,636	-
Total OPEB liability	23,015,574	3,383,798	827,866	25,571,506	-
	<u>220,171,590</u>	<u>37,349,828</u>	<u>36,723,492</u>	<u>220,797,926</u>	<u>39,736,726</u>
Add: bond issuance premium	19,909,911	2,662,103	3,733,902	18,838,112	2,484,124
Deduct: bond discount	(1,831)	-	(126)	(1,705)	(126)
Total governmental debt	<u>240,079,670</u>	<u>40,011,931</u>	<u>40,457,268</u>	<u>239,634,333</u>	<u>42,220,724</u>
<b>Business-type</b>					
General obligation bonds	8,650,000	-	1,330,000	7,320,000	1,370,000
Revenue bonds	97,475,000	13,335,000	14,130,000	96,680,000	4,725,000
KDHE revolving loan	13,674,379	-	1,369,707	12,304,672	1,414,855
Capitalized leases	2,549,498	-	1,556,751	992,747	992,747
Compensated absences	1,020,641	1,011,600	796,100	1,236,141	964,190
Total KPERS OPEB liability	795,427	149,661	79,429	865,659	-
Total OPEB liability	4,383,919	303,804	1,640,493	3,047,230	-
	<u>128,548,864</u>	<u>14,800,065</u>	<u>20,902,480</u>	<u>122,446,449</u>	<u>9,466,792</u>
Add: bond issuance premium	2,587,458	773,309	366,203	2,994,564	379,692
Deduct: bond discount	(525,671)	-	(525,671)	-	-
Total business-type debt	<u>130,610,651</u>	<u>15,573,374</u>	<u>20,743,012</u>	<u>125,441,013</u>	<u>9,846,484</u>
Total primary government	<u>\$ 370,690,321</u>	<u>\$ 55,585,305</u>	<u>\$ 61,200,280</u>	<u>\$ 365,075,346</u>	<u>\$ 52,067,208</u>

Projects financed in part by special assessments are financed by the issuance of general obligation bonds of the City and are backed by the full faith and credit of the City, and are included within the General Obligation Bonds and are retired from the Debt Service Fund.

Upon authorization for the issuance of general obligation bonds for certain improvements, Kansas law permits temporary financing of such improvements by the issuance of general obligation notes. General obligation notes issued may not exceed the aggregate amount of bonds authorized, are interest bearing, and have a maturity date not later than four years from the date of issuance of such general obligation notes.

Compensated absences and OPEB liabilities have typically been liquidated by the General, Water and Sewer, Solid Waste, and Central Garage Funds.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

**Bonds**

	<u>Original Issue</u>	<u>Original Issue Interest Rate</u>	<u>Maturity Date</u>	<u>End of Year</u>
<b>General Obligation Bonds</b>				
<b>Governmental activities</b>				
2012 Series 221 refunding and improvement	6,505,000	2.00 - 2.375	1-Oct-24	\$ 1,900,000
2013 Series 222 refunding and improvement	27,330,000	2.00 - 5.00	1-Oct-33	15,555,000
2014 Series 223 improvement bonds	9,315,000	1.50 - 5.00	1-Oct-24	5,475,000
2014 Series 225 improvement bonds	12,905,000	1.00 - 3.90	1-Sep-35	10,735,000
2015 Series 226 improvement bonds	11,695,000	2.50 - 5.00	1-Oct-25	5,865,000
2015 Series 227 refunding	8,290,000	2.00 - 4.00	1-Oct-27	3,765,000
2016 Series 228 refunding and improvement	25,315,000	0.65 - 2.29	1-Oct-31	17,370,000
2016 Series 229 improvement	5,765,000	0.90 - 2.55	1-Oct-26	3,660,000
2017 Series 230 refunding and improvement	27,525,000	2.50 - 5.00	1-Oct-29	24,525,000
2018 Series 231 improvement bonds	34,170,000	4.00 - 5.00	1-Oct-28	28,595,000
2019 Series 232 improvement bonds	21,115,000	4.00 - 5.00	1-Oct-30	16,925,000
2020 Series 233 improvement bonds	29,365,000	2.00 - 3.00	1-Oct-31	29,365,000
				<u>163,735,000</u>
<b>Business-type activities</b>				
2011 Series 220 refunding	17,510,000	2.00 - 4.00	1-Jul-25	7,320,000
Total General Obligation Bonds				<u>\$ 171,055,000</u>
	<u>Original Issue</u>	<u>Original Issue Interest Rate</u>	<u>Maturity Date</u>	<u>End of Year</u>
<b>Governmental activities</b>				
<b>Special Obligation Bonds</b>				
2006 Series Olathe Gateway TIF	\$ 13,030,000	4.75 - 5.00	1-Mar-26	\$ 7,494,729
2006 Series Olathe Gateway TDD	9,195,000	4.75 - 5.00	1-Dec-28	6,865,441
2007 Series West Village TIF	16,565,000	5.00 - 5.50	1-Sep-26	7,355,000
				<u>\$ 21,715,170</u>

**2006 Olathe Gateway TIF**

The City has pledged 100% of the incremental increase in ad valorem tax revenues and 100% of the incremental increase in the City's sales tax revenues to repay the \$13,030,000 in tax increment financing bonds issued in December 2006 to finance the redevelopment of the Olathe Gateway. The bonds are payable solely from the incremental ad valorem and sales taxes generated by Olathe Gateway. Incremental taxes were projected to produce \$21,199,063, payable through March 2026. As of December 31, 2020, total principal and interest remaining on the bonds was \$10,872,371. For 2020, principal and interest paid and total incremental tax revenues were \$395,000 and \$451,990, respectively.

Due to the insufficiency of funds to cover the principal on the Bonds for the September 1, 2011, debt service payment, the Trustee has determined that an "event of default" has occurred under the Indenture and has declared the principal of all bonds outstanding and the interest accrued thereon to be immediately due and payable. The Bonds are special, limited obligations of the City. Neither the Bonds nor the interest thereon constitute a general obligation or indebtedness of, nor is the payment thereof guaranteed by the City.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
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**2006 Olathe Gateway TDD**

The City has pledged 100% of the transportation development district sales tax (1%) on the selling of tangible personal property or rendering or furnishing of services within the transportation district to repay the \$9,195,000 in transportation development district bonds issued in December 2006 to finance the redevelopment of the Olathe Gateway. The bonds are payable solely from the transportation development district tax revenue generated by Olathe Gateway. Incremental taxes were projected to produce \$19,042,625 over the life of the bonds. As of December 31, 2020, total principal and interest remaining on the bonds was \$10,122,922, payable through December 2028. For 2020, principal and interest paid and total incremental tax revenues were \$285,000 and \$359,249, respectively.

Due to the insufficiency of funds to cover the principal on the Bonds for the June 1, 2011, debt service payment, the Trustee has determined that an “event of default” has occurred under the Indenture and has declared the principal of all bonds outstanding and the interest accrued thereon to be immediately due and payable. The Bonds are special, limited obligations of the City. Neither the Bonds nor the interest thereon constitute a general obligation or indebtedness of, nor is the payment thereof guaranteed by the City.

**2007 West Village TIF**

The City has pledged 100% of the incremental increase in ad valorem tax revenues and 100% of the incremental increase in the City’s sales tax revenues to repay the \$16,565,000 in tax increment financing bonds issued in July 2007 to finance the redevelopment of the West Village. The bonds are payable solely from the incremental ad valorem and sales taxes generated by the West Village. Incremental taxes were projected to produce \$32,108,898 over the life of the bonds. As of December 31, 2020, total principal and interest remaining on the bonds was \$8,646,715, payable through September 2026. For 2019, principal and interest and total incremental tax revenues were \$1,470,469 and \$1,702,017, respectively.

	<u>Original Issue</u>	<u>Original Issue Interest Rate</u>	<u>Maturity Date</u>	<u>End of Year</u>
<b>Revenue Bonds</b>				
<b>Governmental activities</b>				
2019 Stormwater System revenue bonds	3,225,000	3.00 - 5.000	1-Oct-38	\$ 2,970,000
<b>Business-type activities</b>				
2010 Water and Sewer System revenue bonds	36,280,000	1.00 - 6.000	1-Jul-36	26,255,000
2012 Water and Sewer System revenue bonds	9,585,000	2.00 - 3.000	1-Jul-32	6,170,000
2015 Water and Sewer System revenue bonds	18,895,000	2.00 - 5.000	1-Jul-35	15,265,000
2017 Water and Sewer System revenue bonds	11,340,000	3.00 - 4.000	1-Jul-37	9,790,000
2018 Water and Sewer System revenue bonds	11,580,000	3.00 - 5.000	1-Jul-38	10,810,000
2019 Water and Sewer System revenue bonds	16,360,000	3.00 - 5.000	1-Jul-39	15,655,000
2020 Water and Sewer System revenue bonds	16,360,000	3.00 - 5.000	1-Jul-39	12,735,000
Total revenue bonds				<u>\$ 99,650,000</u>

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
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**KDHE revolving loans**

The City entered into a loan agreement with KDHE for the Cedar Creek Wastewater Treatment Plant Sludge Project. The loan was entered into on July 16, 2003 with an interest rate of 2.69% and a maximum amount of \$2,207,863. As of December 31, 2020, \$2,207,863 had been drawn on this loan and the payback amount was \$544,231. Principal payments of \$126,417 were made in 2020. The payback period for the amount of the loan remaining is 20 years. The loan payment began in 2005 when the project was completed.

The City entered into a loan agreement with KDHE for the Cedar Creek Wastewater Treatment Plant Pump Station Project. The loan was entered into on March 7, 2006 with an interest rate of 2.42% and a maximum amount of \$768,500. As of December 31, 2020, \$768,500 had been drawn on this loan and the payback amount was \$297,796. Principal payments of \$45,186 were made in 2020. The payback period for the amount of the loan remaining is 20 years. The loan payment began in 2007 when the project was completed.

The City entered into a loan agreement with KDHE for the 42" Finished Water Transmission Project. The loan was entered into on November 13, 2007 with an interest rate of 3.11% and a maximum amount of \$16,883,916. As of December 31, 2020, \$16,883,916 had been drawn on this loan and the payback amount was \$8,951,714. Principal payments of \$955,948 were made in 2020. The payback period for the amount of the loan remaining is 20 years. The loan payment began in 2009 when the project was completed.

The City entered into a loan agreement with KDHE for the Cedar Creek Wastewater Treatment Plant Expansion Project. The loan was entered into on March 9, 2009 with an interest rate of 2.55% and a maximum amount of \$4,221,984. As of December 31, 2020, \$4,221,984 had been drawn on this loan and the payback amount was \$2,510,931. Principal payments of \$242,156 were made in 2020. The payback period for the amount of the loan remaining is 20 years. The loan payment began in 2010 when the project was completed.

Annual debt service requirements to maturity for Governmental Activities are as follows:

Year	Governmental Activities						Totals	
	General Obligation Bonds		Revenue Bonds		Special Obligation Bonds		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest		
2021	\$ 20,155,000	\$ 6,112,653	\$ 110,000	\$ 114,169	\$ 15,470,170	\$ 388,380	\$ 19,635,000	\$ 6,198,921
2022	19,435,000	5,303,653	120,000	108,669	1,205,000	326,659	18,985,000	5,351,700
2023	19,605,000	4,566,178	125,000	102,669	1,300,000	259,600	19,215,000	4,584,766
2024	19,160,000	3,780,033	130,000	96,419	1,405,000	186,588	18,835,000	3,764,459
2025	18,140,000	3,005,121	135,000	89,919	1,515,000	107,938	19,790,000	3,202,978
2026 - 2030	59,955,000	6,377,825	785,000	349,845	820,000	22,550	61,560,000	6,750,220
2031 - 2035	7,285,000	673,045	930,000	196,895	-	-	8,215,000	869,940
2036 - 2038	-	-	635,000	43,938	-	-	635,000	43,938
	<u>163,735,000</u>	<u>29,818,508</u>	<u>2,970,000</u>	<u>1,102,523</u>	<u>21,715,170</u>	<u>1,291,715</u>	<u>166,870,000</u>	<u>30,766,922</u>
Due within one year	<u>20,155,000</u>	<u>6,112,653</u>	<u>110,000</u>	<u>114,169</u>	<u>15,470,170</u>	<u>388,380</u>	<u>19,635,000</u>	<u>6,198,921</u>
Due in more than one year	<u>\$ 143,580,000</u>	<u>\$ 23,705,855</u>	<u>\$ 2,860,000</u>	<u>\$ 988,354</u>	<u>\$ 6,245,000</u>	<u>\$ 903,335</u>	<u>\$ 147,235,000</u>	<u>\$ 24,568,001</u>

**City of Olathe, Kansas**  
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Annual debt service requirements to maturity for Business-type Activities are as follows:

Year	Business-type Activities							
	General Obligation Bonds		Revenue Bonds		KDHE Revolving Loan		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,370,000	\$ 221,531	\$ 4,725,000	\$ 3,739,669	\$ 1,414,855	\$ 353,924	\$ 7,509,855	\$ 4,315,124
2022	1,435,000	180,431	4,920,000	3,549,866	1,461,503	311,839	7,816,503	4,042,136
2023	1,475,000	137,381	5,090,000	3,365,714	1,509,702	268,357	8,074,702	3,771,452
2024	1,495,000	93,131	5,280,000	3,153,101	1,559,505	223,428	8,334,505	3,469,660
2025	1,545,000	48,281	5,470,000	2,945,766	1,464,683	177,984	8,479,683	3,172,031
2026 - 2030	-	-	30,120,000	11,334,095	4,894,424	271,927	35,014,424	11,606,022
2031 - 2035	-	-	30,280,000	5,602,381	-	-	30,280,000	5,602,381
2036 - 2040	-	-	10,795,000	732,618	-	-	10,795,000	732,618
	7,320,000	680,755	96,680,000	34,423,210	12,304,672	1,607,459	116,304,672	36,711,424
Due within one year	1,370,000	221,531	4,725,000	3,739,669	1,414,855	353,924	7,509,855	4,315,124
Due in more than one year	\$ 5,950,000	\$ 459,224	\$ 91,955,000	\$ 30,683,541	\$ 10,889,817	\$ 1,253,535	\$ 108,794,817	\$ 32,396,300

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$99,650,000 (\$26,255,000 Series 2010C, \$6,170,000 Series 2012, \$15,265,000 Series 2015, \$9,790,000 Series 2017, \$10,810,000 Series 2018, \$15,655,000 for Series 2019, and \$12,735,000 for Series 2020) in water system revenue bonds. Proceeds from the bonds provide financing for several new improvements to the City's water and sewer system. The bonds are payable solely from water customer net revenues and are payable through 2040. The total principal and interest remaining to be paid on the bonds is \$131,103,210. Principal and interest paid for the current year were \$14,235,000 and \$4,234,885, respectively.

**Water & Sewer Revenue Bonds**

Fiscal Year	Revenues	Current Expenses	Net Revenue Available for Debt Service	Principal Requirement	Interest Requirement	Coverage
2020	\$ 53,340,380	\$ 36,599,486	\$ 16,740,894	\$ 4,450,000	\$ 4,139,425	1.95

In July 2020, the City issued General Obligation Bonds Series 233 in the amount of \$29,365,000 for the purpose of funding various municipal improvements and pay principal and interest on certain temporary notes of the City. The bonds mature serially on October 1, 2021 through October 1, 2031.

K.S.A. 10-308 restricts the level of the authorized and outstanding bonded indebtedness of the City to not more than 30% of the assessed valuation of the City. For purposes of calculating the legal debt margin of the City, the following types of bonds are excluded from the total indebtedness of the City: (a) bonds issued for the purpose of acquiring, enlarging, extending, or improving any storm or sanitary sewer system or any municipal utility, and (b) bonds issued to pay for the costs of improvements to intersections of streets and alleys or that portion of any street immediately in front of City or school district property.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

As of December 31, 2020, based on the assessed valuation as of December 15, 2020 of \$2,123,937,539, the general obligation debt limit was \$637,181,262 which, after reduction for outstanding eligible general obligation bonds and notes totaling \$245,815,000, and increases for exempt projects financed with outstanding general obligation bonds and notes totaling \$39,939,587 and amounts available for debt service of \$50,815,766, provides a general obligation debt margin of \$482,121,615.

**Capitalized Leases**

	<b>End of Year</b>
<b>Governmental activities:</b>	
4.10% interest lease for fitness equipment, payable in monthly principal and interest payments of \$6,215 through March 2023	\$ 177,344
<b>Business-type activities:</b>	
2.350% interest lease for water meters, payable in quarterly principal and interest payments ranging from \$477,397 to \$321,419 starting in February 2012 through August 2021	992,747
Total capital leases	\$ 1,170,091

The assets acquired through capital leases are as follows:

	<b>Governmental Activities</b>	<b>Business-type Water &amp; Sewer</b>
Asset:		
Machinery and equipment	\$ 224,023	\$ -
Water system	-	12,876,265
Less: Accumulated depreciation	(56,006)	(8,633,393)
Total	\$ 168,017	\$ 4,242,872

Annual debt service requirements to maturity are as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities Payments</b>
<b>Year</b>		
2021	\$ 74,577	\$ 1,003,849
2022	74,577	-
2023	37,629	-
	186,783	1,003,849
Less interest	9,439	11,102
Total	\$ 177,344	\$ 992,747

**7. Refunded Debt**

In 2020, the City issued Water and Sewer Revenue Bonds Series 2020 to refund Water and Sewer Revenue Bond Series 2010A (\$3,830,000) and 2010B (\$5,850,000). The sale result yielded \$1,993,897 of net present value savings. Also, in 2020, the City issued General Obligation Bonds Series 233 part of which was to refund General Obligation Bond Series 218 (\$9,610,000). The sale result yielded \$1,343,388 of net present value savings.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

**8. Fund Balances**

In the fund financial statements, governmental funds report fund balance in five different classifications.

- a. **Nonspendable.** Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
- b. **Restricted.** Assets 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, laws, or regulations.
- c. **Committed.** Assets with a purpose formally imposed by ordinance by the City Council, binding unless modified or rescinded by the City Council.
- d. **Assigned.** Assets constrained by the expressed written intent of the City Council (only possible if any fund balance is budgeted to be used in the next year), City Manager, Director of Resource Management, or designee. The designee is only allowed to assign for the purpose of encumbrances. Various people are allowed to approve encumbrances based upon the dollar amount per the City Council approved Purchasing Policy. Encumbrances shall be considered as assigned unless they specifically meet the requirements to be restricted or committed.
- e. **Unassigned.** All amounts not included in the other fund balance classifications. The general fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

For unrestricted fund balance, committed amounts should be reduced first, followed by assigned amounts, followed by unassigned amounts. It is the goal of the City to maintain a minimum fund balance in the general fund of 15% of revenues, with an annual target of 30% of revenues. The following chart details the components of fund balance for the City at December 31, 2020.

**City of Olathe, Kansas**  
**Components of Fund Balance**  
**December 31, 2020**

	Major				Nonmajor	Total
	General	Debt Service	Special Tax Financing	Capital Projects	Other Governmental Funds	
<b>Fund Balances:</b>						
<b>Non Spendable:</b>	\$ 92,517	\$ -	\$ -	\$ -	\$ 15,523	\$ 108,040
<b>Restricted for:</b>						
Debt service	-	21,974,118	8,346,112	-	-	30,320,230
Public safety - fire levy	-	-	-	-	115,741	115,741
Public safety - reimbursable programs	-	-	-	-	55,050	55,050
Public works - motor fuel tax	-	-	-	-	323,368	323,368
Public works - Street Maintenance	-	-	-	-	2,127,178	2,127,178
Sales Tax	-	-	-	-	-	-

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

	Major				Nonmajor	Total
	General	Debt Service	Special Tax Financing	Capital Projects	Other Governmental Funds	
<b>Fund Balances:</b>						
<b>Restricted for:</b>						
Community services - special alcohol	\$ -	\$ -	\$ -	\$ -	\$ 987,387	\$ 987,387
Community services - Park sales tax	-	-	-	-	1,700,419	1,700,419
Community services - grants	-	-	-	-	4,503,958	4,503,958
Community services - reimbursable programs	-	-	-	-	213,994	213,994
General government - reimbursable programs	-	-	-	-	909,752	909,752
General government - library	-	-	-	-	3,905,958	3,905,958
<b>Committed to:</b>						
Public works - storm water	-	-	-	-	2,159,560	2,159,560
Public works - future street improvement	-	-	-	-	8,950,431	8,950,431
Community services - special park & recreation	-	-	-	-	2,119,633	2,119,633
Community services - Recreation	-	-	-	-	20,608	20,608
Community services - Cemetary	-	-	-	-	658,815	658,815
General government - Economic Development	-	-	-	-	1,763,632	1,763,632
<b>Assigned to:</b>						
Debt service	-	34,667,147	-	-	-	34,667,147
Public safety - encumbrances	143,728	-	-	-	-	143,728
Public works - encumbrances	95,543	-	-	-	-	95,543
Community services - encumbrances	12,974	-	-	-	-	12,974
General government encumbrances	53,124	-	-	-	-	53,124
<b>Unassigned:</b>	30,336,965	-	-	(30,667,594)	-	(330,629)
<b>Total fund balances:</b>	<b>\$ 30,734,851</b>	<b>\$ 56,641,265</b>	<b>\$ 8,346,112</b>	<b>\$ (30,667,594)</b>	<b>\$ 30,531,007</b>	<b>\$ 95,585,641</b>

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

**9. Interfund Activities**

Interfund transactions for the year were as follows:

Transfers from	Transfer to							Total
	General	Major			Internal Service Funds	Other Governmental Funds		
		Debt Service	Capital Projects	Water & Sewer				
General	\$ -	\$ 6,146,679	\$ 10,815,026	\$ -	\$ -	\$ -	\$ 745,411	\$ 17,707,116
Capital Projects	-	4,377,674	-	938,389	1,545	-	500,000	5,817,608
Other Governmental Funds	7,626,233	1,707,589	15,179,532	-	-	-	104,048	24,617,402
Debt Service	-	-	-	-	-	-	272,060	272,060
Proprietary Funds								
Water and sewer	-	-	150,000	-	-	-	-	150,000
Solid Waste	-	-	254,993	-	-	-	-	254,993
Internal Service Funds	-	-	512,319	-	-	15,786	-	528,105
Total proprietary funds	-	-	917,312	-	-	15,786	-	933,098
Totals	\$ 7,626,233	\$ 12,231,942	\$ 26,911,870	\$ 938,389	\$ 1,545	\$ 15,786	\$ 1,621,519	\$ 49,347,284

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from funds collecting the receipts to the debt service fund as debt service payments are due, and (3) use unrestricted revenues collected in various funds to finance various programs accounted for in other funds in accordance with budgetary authorization. Any transfers within the government funds have been eliminated in the government-wide statement of activities.

Interfund receivable/payable balances as of December 31, 2020 were as follows:

Fund Statements	Receivables	Payables
General	\$ 599,931	\$ -
Other governmental funds		599,931
Vehicle replacement	1,289,528	
Capital projects	-	1,289,528
	<u>\$ 1,889,459</u>	<u>\$ 1,889,459</u>
<b>Government-Wide Statements</b>		
Governmental	\$ (10,089,376)	\$ -
Business-type	-	10,089,376

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

**10. Pension Plans**

*Plan description*

The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Annual Comprehensive Financial Report which can be found on the KPERS website at <http://www.kpers.org> or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Benefits provided*

KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the General Assembly. Member employees (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 "points" (Police and Firemen's 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, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees chose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee'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*

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contributions rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) was 8.61% for KPERS and 21.93% for KP&F for the fiscal year ended December 31, 2020.

Contributions to the pension plan from the City were \$3,652,057 for KPERS and \$5,898,976 for KP&F for the year ended December 31, 2020

*Employer Allocations*

Although KPERS administers 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 group of the plan. The City participates in the local (KPERS) group and the Police and Firemen (KP&F) group.

The allocation percentages for the City's share of the collective pension amounts as of June 30, 2020 and 2019 were based on the ratio of its contributions to the total of the employer and nonemployer contribution group for the fiscal years ended June 30, 2020 and 2019, respectively. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. At June 30, 2020, the City's proportion was 2.22% for the local plan, which was an increase of .05% from June 30, 2019, and 4.87% for the police and firemen plan, which was an increase of .02% from June 30, 2019.

*Net Pension Liability*

As of December 31 2020 and 2019 the City reported a liability of \$98,421,588 (\$38,318,469 for local government employees and \$60,103,119 for police and firemen) and \$79,216,778 (\$30,136,906 for local government employees and \$49,079,872 for police and firemen), respectively, for its proportionate share of the net pension liability.

The total pension liability for KPERS in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75%
Wage inflation	3.25%
Salary increases, including wage increases	3.25% to 11.75%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.50%

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study conducted for the three-year period beginning January 1, 2016. The experience study is dated January 7, 2020.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
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The actuarial assumptions changes adopted by the Pension Plan for all groups based on the experience study were as follows:

- Investment return assumption was lowered from 7.75% to 7.50%.
- General wage growth assumption was lowered from 3.50% to 3.25%.
- Payroll growth assumption was lowered from 3.00% to 2.75%.

The long-term expected rate of return on 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. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equities	23.5%	5.20%
Non-U.S. equities	23.5	6.40
Private equity	8	9.50
Private real estate	11	4.45
Yield driven	8	4.70
Real return	11	3.25
Fixed income	11	1.55
Short-term investments	4	0.25
Total	<u>100%</u>	

*Discount Rate*

The discount rate used by KPERS to measure the total pension liability at June 30, 2020 was 7.50%. The discount rate used to measure the total pension liability at the prior measurement date of June 30, 2019 was 7.75%. The projection of cash flows used to determine the discount rate was based on member and employer contributions. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the KPERS' Board of Trustees for this group may not increase by more than the statutory cap. The statutory cap for the State fiscal year 2020 was 1.2%. The Local employers are currently contributing the full actuarial contribution rate. Employers contribute the full actuarial determined rate for KP&F. The expected employer actuarial contribution rate was modeled for future years for these groups, assuming all actuarial assumptions are met in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the collective net pension liability calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Local government	\$ 53,929,421	\$ 38,318,469	\$ 25,193,726
Police and Firemen	82,262,674	60,103,119	41,596,722
<b>Total</b>	<b>\$ 136,192,095</b>	<b>\$ 98,421,588</b>	<b>\$ 66,790,448</b>

*Pension Expense*

For the year ended December 31, 2019, the City recognized pension expense of \$16,652,700 (\$5,885,546 local government employees and \$10,767,154 for police and firemen), which includes the changes in the collective net pension liability, projected earning 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, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources Governmental Activities	Deferred Inflows of Resources Governmental Activities	Deferred Outflows of Resources Business Type	Deferred Inflows of Resources Business Type	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Differences between actual and expected experience	\$ 2,179,817	\$ 325,731	\$ 216,761	\$ 166,901	\$ 2,396,578	\$ 492,632
Net differences between projected and actual earnings on investments	8,796,584	-	1,514,683	-	10,311,267	-
Changes in assumptions	5,686,599	-	781,950	-	6,468,549	-
Changes in proportion	2,622,432	158,997	654,858	166	3,277,290	159,163
Contributions after measurement date	4,238,070	-	599,833	-	4,837,903	-
<b>Total</b>	<b>\$ 23,523,502</b>	<b>\$ 484,728</b>	<b>\$ 3,768,085</b>	<b>\$ 167,067</b>	<b>\$ 27,291,587</b>	<b>\$ 651,795</b>

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended December 31:</b>	<b>KPERS</b>	<b>Police and Firemen</b>
2021	\$ 2,131,215	\$ 3,646,680
2022	2,500,655	3,875,283
2023	2,255,750	3,067,473
2024	1,841,169	2,299,767
2025	86,071	97,826
Thereafter	-	-
<b>Total</b>	<b>\$ 8,814,860</b>	<b>\$ 12,987,029</b>

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
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**11. Commitments and Contingent Liabilities**

*Reimbursable Developer's Cost*

The City has pledged revenues (property tax and sales tax) from development areas to repay eligible developers' costs associated with each project. These obligations represent redeveloper project costs that have been certified as eligible for reimbursement from the incremental taxes attributable to each project. The City is only obligated for the amounts of incremental taxes received attributable to the projects. Any deficiencies are the responsibility of the developer. The remaining certified project costs to be repaid as of December 31, 2020 totaled \$40,458,755.

*Encumbrances*

Listed below are the encumbrances by fund for the City as of December 31, 2020.

	<b>Major</b>	<b>Nonmajor</b>	<b>Total</b>
<b>General</b>	<b>Other Governmental Funds</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>Committed to:</b>			
Public works	-	15,736	15,736
Community services	-	11,066	11,066
General government	-	53,843	53,843
<b>Assigned to:</b>			
Public safety	143,728	-	143,728
Public works	95,543	-	95,543
Community services	12,974	-	12,974
General government	53,124	-	53,124
Total encumbrances	\$ 305,369	\$ 80,645	\$ 386,014

*Commitments*

As of December 31, 2020, uncompleted capital project authorizations compared with project costs from inception (excluding expenditures for general obligation notes, general obligation note interest, note and bond issuance costs and transfers of unused funds back to the funding source) were as follows:

	<b>Project Authorizations</b>	<b>Costs - Project Inception to December 31, 2020</b>
Street improvements	\$ 334,780,094	\$ 228,497,236
Citywide improvements	197,260,893	178,866,587
Water and sewer lines	70,728,246	60,975,821
	\$ 602,769,233	\$ 468,339,644

**City of Olathe, Kansas**  
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The City has entered into an agreement with Johnson County Indian Creek Middle Basin Main Sewer District No. 1 (the Sewer District) for the transportation and treatment of sewage. The agreement, which is effective for a period of 99 years from August 28, 1984, provides for the transportation of sewage to the county treatment plant and sets billing standards. The City will be billed by the Sewer District for operation, and maintenance, and capital improvements costs in the same manner as other Sewer District users. The City will then be responsible for allocating these costs to City property owners.

The City has estimated the costs to be billed under the agreement for the next three years to be as follows:

		<u>Operation and Maintenance</u>		<u>Capital Improvements</u>		<u>Total</u>
2021	\$	4,956,614	\$	1,320,878	\$	6,277,492
2022		5,489,450		1,406,999		6,896,449
2023		6,079,566		1,498,735		7,578,301

*Litigation*

There are claims and/or lawsuits to which the City is a party as a result of law enforcement activities, injuries and various other matters and complaints arising in the ordinary course of City activities. The City's management and legal counsel anticipate that potential claims against the City not covered by insurance would not materially affect the financial position of the City.

*COVID-19*

The City took early action to address the forecasted loss of revenue due to COVID-19. The City implemented hiring freezes for non-essential vacant positions, placed expenditure caps on commodities, contractual, and capital expenditures, and deferred capital expenditures. The actual decline in revenues was not as significant as originally forecasted and a small amount of fund balance was utilized to address the gap (\$190,389), retaining Council's policy of a 30% fund balance (percentage of revenues).

**12. Risk Management**

The City's risk management activities are reported separately in an Internal Service Fund. The City's risk management activities cover both the primary reporting unit and discretely presented component unit, the Authority. The insurance programs administered are property and various types of liability. The City uses a commercial insurance program with various levels of coverage.

The City has a deductible of \$25,000 per occurrence for all property damage losses, \$25,000 per occurrence for auto liability and auto property losses, \$25,000 per occurrence for general liability losses, \$25,000 per occurrence for police liability losses, and \$25,000 per occurrence for public official liability losses. The City's deductible would be limited to \$25,000 should more than one line of coverage be involved in any single occurrence/event. The City maintains a loss reserves fund for pending claims and for claims incurred, but not reported. The City believes that there is no potential liability as of December 31, 2020 which will exceed coverage and the funds reserved. There were no significant reductions in insurance coverage during 2020. No significant settlements in excess of insurance coverage have been paid in the last three years.

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
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Effective January 1, 1998, the City was granted a self-insured permit by the Kansas Workers' Compensation Division. The City had previously been a member of a self-insured pool for 11 years. As a stand-alone workers' compensation self-insured, the City must comply with very strict procedural and funding standards monitored by the Kansas Workers' Compensation Division. The City has recorded a liability of \$789,450 that represents the estimated future cost of claims made and claims incurred, but not reported at December 31, 2020. All is considered due within one year and is included in accounts and claims payable in the Statement of Net Position.

Changes in the balances of workers' compensation claims liabilities during the past two years are as follows:

		<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
2019	\$	926,209	\$ 596,441	\$ 826,263	\$ 696,387
2020		696,387	962,757	869,694	789,450

Employee health and dental insurances are self-insured by the City. The City has an accrued liability for various insurance claims payable including claims incurred, but not yet paid of \$981,000 at December 31, 2020. All is considered due within one year and is included in accounts and claims payable in the Statement of Net Position.

Changes in the balances of health and dental insurance claims liabilities during the past two years are as follows:

		<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
2019	\$	977,000	\$14,020,468	\$ 14,068,514	\$ 928,954
2020		928,954	14,239,385	14,187,339	981,000

The risk management claims payable are based on claims adjusters' and management's evaluations and a third party administrator's review of experience with respect to the probable number and nature of claims arising from losses that have been incurred, but not reported. The liability includes the estimated ultimate cost of settling the claims, including incremental costs, the effects of inflation and other societal and economic factors. Other nonincremental costs are not included in the basis of estimating the liability.

**13. Landfill Closure**

In October 1993, the City ceased landfill operations. In 1994, the City sold \$1,015,000 of Solid Waste Revenue Bonds to finance closure and postclosure costs of the landfill and to construct a transfer station for waste collection and distribution to a regional landfill.

The Environmental Protection Agency (EPA), through the Kansas Department of Health and Environment, requires the former site to be capped. This cap must be inspected for erosion, and the ground water samples must be tested annually. The City has obtained an environmental engineer study of the landfill to evaluate the ultimate postclosure liability to be accrued at December 31, 1995 in accordance with EPA regulations, state regulations and GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Solid Waste Enterprise Fund". Based on the information from the study no liability has been accrued at December 31, 2020. The postclosure care costs will be expensed as incurred. The City will continue to evaluate the ultimate postclosure care cost annually. In the event that a material liability is estimated, the City will accrue the liability at that financial statement date. Total current cost of landfill closure and postclosure care is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

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**14. Postemployment Benefits Other than Pension Benefits (OPEB)**

*Plan Description*

The City's health plan is self-funded. The City has a single employer plan for retirees health benefit. The benefit plan is authorized by Personnel Code Article III, Section 4 Group Insurance B and K.S.A. 12-5040. Retirees have the option to continue with the City plan and pay the monthly premium. Retirees who retire under the KPERs requirements are eligible for benefits. The City offers major medical health insurance, prescription coverage, and dental insurance. The City's OPEB liability is normally liquidated in the General Fund, the Water and Sewer Fund, and the Solid Waste Fund. Retiree health coverage is provided for under Kansas Statute 12-5040.

Retirees and spouses have the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan or when the retiree reaches Medicare eligibility age which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies.

*Funding Policy*

The current plan is financed on a pay as you go basis. The retirees pay the same premium established for active employees. The City did not contribute to the plan. The plan does not qualify as a trust.

At January 1, 2019, the following employees were covered by the benefit terms:

	Governmental	Business-type
Active employees	665	217
Retirees and covered spouses	<u>122</u>	<u>17</u>
	<u><u>787</u></u>	<u><u>234</u></u>

The total OPEB liability of \$28,618,736 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified.

Actuarial cost method	Entry age normal as a level percentage of payroll	
Inflation		2.50%
Salary increase		3.50%
Discount rate		1.96%
Healthcare cost trend rate	Medical & Pharmacy: 6.00% for 2020, decreasing to an ultimate rate of 4.50% for 2025 and later years	

The discount rate was based on an index rate for S&P Municipal Bond 20-year High Grade and the Fidelity GO AA-20 Years indexes.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-weighted General and Public Safety Mortality Tables using Scale MP-2020 Full Generational Improvement.

**City of Olathe, Kansas**  
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Changes in the total OPEB liability are as follows:

Total OPEB Liability - Beginning of Year	\$ 27,399,493
1. Service Cost	1,175,257
2. Interest Cost	832,733
3. Changes in Benefit Terms	-
4. Differences between actual and expected experience	(834,359)
5. Changes in assumptions and inputs	1,679,612
6. Benefit payments (Employer Contributions)	1,634,000
Net Changes (1+2+3+4+5-6)	<u>1,219,243</u>
Total OPEB Liability - End of Year	<u><u>\$ 28,618,736</u></u>

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using the discount rate that is one percentage point lower (.96% or one percentage point higher (2.96%) than the current discount rate.

	1% Decrease 0.96%	Discount Rate 1.96%	1% Increase 2.96%
Total OPEB Liability	\$ 30,823,287	\$ 28,618,736	\$ 26,563,879

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

	1% Decrease	Current Trend Assumption	1% Increase
Total OPEB Liability	\$ 25,810,145	\$ 28,618,736	\$ 30,634,816

For the year ended December 31, 2020, the City recognized OPEB expense of \$2,131,785.

*Deferred Inflows of Resources.*

At December 31, 2020 the City reported deferred inflows related to OPEB from the following sources:

	Deferred Outflows of Resources Governmental Activities	Deferred Inflows of Resources Governmental Activities	Deferred Outflows of Resources Business Type	Deferred Inflows of Resources Business Type	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Changes in Assumptions	\$ 2,638,445	\$ 559,253	\$ 314,409	\$ 66,649	\$ 2,952,854	\$ 625,902
Differences between expected and actual experience	-	1,013,765	-	120,799	-	1,134,564
Total	<u>\$ 2,638,445</u>	<u>\$ 1,573,018</u>	<u>\$ 314,409</u>	<u>\$ 187,448</u>	<u>\$ 2,952,854</u>	<u>\$ 1,760,466</u>

**City of Olathe, Kansas**  
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Amounts reported as deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended December 31,	Deferred Outflows of Resources
2021	\$ 123,795
2022	123,795
2023	123,795
2024	123,795
2025	123,795
2026 & thereafter	573,413
	\$ 1,192,388

**15. Other Postemployment Benefits – KPERS**

*Plan Description*

The City participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

*Benefits*

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60% (prior to January 1, 2006, 66 2/3%) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver premium provision.

Long-term disability benefit: Monthly benefit is 60% of the member's monthly compensation, with a minimum of \$100 and maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while disability continues until the member's 65<sup>th</sup> birthday or retirement date, whichever occurs first. If the disability occurs after age 60, benefits are payable while disability continues, for a period of 5 years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the term of the disability or 24 months per lifetime, whichever is less. There are no automatic cost-of-living increase provisions. KPERS has the authority to implement an ad hoc cost-of living increase.

**City of Olathe, Kansas**  
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Group life waiver of premium benefit: Upon the death of an employee who is receiving monthly disability benefits, the plan will pay a lump-sum benefit to eligible beneficiaries. The benefit amount will be 150% of the greater of the member's annual rate of compensation at the time of disability or the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for 5 or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual life insurance policy.

*Employees covered by benefit terms.* At December 31, 2020, the following employees were covered by the benefit terms:

Active employees	606
Disabled members	19
	625

*Total OPEB Liability*

The City's total KPERS OPEB liability of \$2,452,295 reported as of December 31, 2020 was measured as of June 30, 2020 and was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020 using the following actuarial assumptions:

Price inflation	2.75%
Payroll growth	3.00%
Salary increases, including inflation	3.50 to 10%, including price inflation
Discount Rate	2.21%
Healthcare cost trend rates	Not applicable for the coverage in this plan
Retiree share of benefit cost	Not applicable for the coverage in this plan

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Mortality rates were based on the RP-2014 Mortality tables, as appropriate, with adjustment for mortality improvements based on Scale MP-2020.

The actuarial assumptions used in the June 30, 2020 valuation were based on an actuarial experience for the three-year period beginning January 1, 2016. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2019 KPERS pension valuation.

Total OPEB Liability - June 30, 2019	\$ 2,251,032
Service Cost	155,392
Interest Cost	80,360
Effect of economic/demographic gains or losses	41,575
Effect of assumptions changes or inputs	146,643
Benefit payments (Employer Contributions)	222,707
Net Changes	201,263
Total OPEB Liability - End of Year	\$ 2,452,295

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*Sensitivity of the total KPERS OPEB liability to changes in the discount rate*

The following presents the total KPERS OPEB liability of the City, as well as what the City's total KPERS OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current discount rate.

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 2,546,081	\$ 2,452,295	\$ 2,356,847

*Sensitivity of the total KPERS OPEB liability to changes in the healthcare cost trend rates*

The following presents the total KPERS OPEB liability of the City calculated using the current healthcare cost trend rates as well as what the City's total KPERS OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates. The reader should note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS, but this exhibit is provided as it is a required disclosure under GASB 75.

	Healthcare Cost Trend Rates		
	1% Decrease	Trend Rates	1% Increase
Total OPEB Liability	\$ 2,452,295	\$ 2,452,295	\$ 2,452,295

For the year ended June 30, 2020, the City recognized OPEB expense of \$282,525.

*Deferred Outflows of Resources and Deferred Inflows of Resources*

At December 31, 2020, the city reported deferred inflows and outflows related to OPEB from the following sources:

	Deferred Outflows of Resources Governmental Activities	Deferred Inflows of Resources Governmental Activities	Deferred Outflows of Resources Business Type	Deferred Inflows of Resources Business Type	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Changes in Assumptions	\$ 102,133	\$ 37,624	\$ 57,143	\$ 17,341	\$ 159,276	\$ 54,965
Differences between expected and actual experience	251,236	57,717	140,572	26,603	391,808	84,320
Contributions subsequent to measurement date	124,092	-	69,430	-	193,522	-
Total	\$ 477,461	\$ 95,341	\$ 267,145	\$ 43,944	\$ 744,606	\$ 139,285

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There was \$193,522 reported as deferred outflows of resources related to KPERS OPEB results from City contributions subsequent to the measurement date will be recognized of the net OPEB liability in the year ended December 31, 2021. 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,	Deferred (Inflows) Outflows Amount
2021	\$ 46,773
2022	46,773
2023	46,773
2024	46,773
2025	46,773
2026 & thereafter	177,934
	<u>\$ 411,799</u>

**16. Tax Abatements**

**Property Tax Abatements**

The City provides property tax abatements pursuant to and subject to the terms of Section 13 of Article 11 of the Kansas Constitution or K.S.A. 12-1740 et seq. and 79-201a. (the “Economic Development Revenue Bond Act” (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 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 facility being financed.

Property tax abatements are authorized by and subject to the terms of K.S.A. 79-201a, which provides that facilities financed pursuant to the EDRB Act are, upon issuance of the economic development revenue bonds (EDRBs), exempt from real property taxation for a period of ten calendar years after the calendar year in which the revenue bonds are issued. Pursuant to the EDRB Act the City may execute agreements which may provide for payment in lieu of taxes and provide for an origination fee and for the actual costs of administering and supervising the bond issue.

Issuance of EDBRs and approval of tax abatements are also subject to City Resolution No. 16-1003, establishing policies relating to industrial revenue bonds and property tax abatements. Resolution No. 16-1003 recognizes that it is essential to stimulate economic growth and development for industries and businesses to provide services, employment, and tax revenues for the benefit of the community. The Governing Body intends that all projects receiving property tax abatement meet the criteria that are detailed below.

- a. Employment – Wages: The amount and diversity of additional employment opportunities which would be provided shall be a primary consideration. The City expects all projects which receive a property tax abatement to produce a high quantity of jobs and or pay above average wages.

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- b. Design Criteria: The City will, at its sole discretion, require higher design standards for the design of building and material used for projects receiving property tax abatement. Projects shall utilize construction material that meet or exceed the requirement set forth in the design guidelines as provided by the City's Planning Services Division. The project must be environmentally acceptable to the location intended as well as the surrounding area.
- c. Compatibility with Adopted City Plans: All projects shall be consistent with the City's Comprehensive Plan, any applicable corridor plans, and other plans of the City which may be relevant to the project. When evaluating proposed projects, the City will consider a variety of factors to determine compliance, including compatibility of the location of the business with the land use and development plans of the City and the availability of existing infrastructure facilities and the essential public services.

The City will consider granting tax exemption incentives upon factual showing of 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. 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 incentive is prepared. In addition, the City provides a public hearing notice and the City Council conducts a public hearing to consider the abatement. Any tax exemption granted pursuant to Resolution No. 16-1003 shall be accompanied by a performance agreement which is subject to annual review and determination by the Governing Body that the conditions qualifying the business for the exemption continue to exist. If the Governing Body finds the business is not in compliance, then the tax exemption may be modified pursuant to the performant agreement or eliminated as the Governing Body deems appropriate.

For the fiscal year ending December 31, 2020, the City abated ad valorem property taxes. Listed below are projects that individually exceed 5% of the City's total amount abated. The projects listed total over 65% of the total abatement amount.

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Project Name	Garmin International
Project Description	Instrument/high-technology manufacturing
Approved Abatement	75% of ad valorem property taxes
2019 amount	\$545,171
Additional Commitment	N/A

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Project Name	Sun Life Assurances/KH Jensen LLC
Project Description	Warehouse/office combination
Approved Abatement	50% of ad valorem property taxes
2019 amount	\$92,614
Additional Commitment	N/A

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Project Name	US Bank
Project Description	Information services and data processing
Approved Abatement	55% of ad valorem property taxes
2019 amount	\$143,261
Additional Commitment	N/A

**City of Olathe, Kansas**  
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Project Name	TVH
Project Description	Warehouse
Approved Abatement	50% of ad valorem property taxes
2019 amount	\$134,276
Additional Commitment	N/A

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Project Name	Sun Life Assurance
Project Description	Warehouse/office combination
Approved Abatement	50% of ad valorem property taxes
2019 amount	\$115,950
Additional Commitment	N/A

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Project Name	Himoinsa Power Systems, Inc
Project Description	Warehouse
Approved Abatement	50% of ad valorem property taxes
2019 amount	\$88,793
Additional Commitment	N/A

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**Tax Increment Financing**

The City provides tax increment financing (TIF) for projects pursuant to and subject to the terms of K.S.A. 12-1770 (TIF Act). The TIF Act authorizes the City to assist in the development and redevelopment of eligible areas within the City 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 to provide services, employment, and tax revenues for the benefit of the community.

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 increment increase is from a base established upon creation of a redevelopment district. The tax increment may be used to finance certain projects 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.

Approval of TIF financing is also subject to City Resolution No. 15-1089 which provides that the City will consider use of a TIF when a project meets the requirement of the TIF Act and which demonstrate a substantial and significant public benefit by constructing public improvement, in support of development that will, by creating new jobs and retaining existing employment, eliminate blight, strengthen the employment and economic base of the city, increase property values and tax revenues, reduce poverty, create economic stability, upgrade older neighborhoods, facilitate economic self-sufficiency, promote projects that are of community wide importance, and implement the Comprehensive Plan and economic development goals of the City.

The TIF Act and Resolution No. 15-1089 require creation of a redevelopment district (District). The 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 District meets criteria outlined in the TIF Act.

**City of Olathe, Kansas**  
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Authorization of eligible TIF project expenditures 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 the Governing Body. Additionally, all Project Plans approved by the City are subject to a development agreement between the City and the developer of the TIF. All development agreements entered by the City include performance milestones and provisions assuring that the redevelopment project is delivered as represented.

For the fiscal year ending December 31, 2020, the City applied incremental revenues to TIF projects as follows:

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Project Name	Olathe Gateway
Project Description	Development of shopping area / entertainment district anchored by Bass Pro.
Approved TIF	100% Ad valorem property tax increment and 100% incremental sales tax
2019 amount	\$964,737
Project Commitment	Development of shopping area / entertainment district
Additional Commitment	N/A

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Project Name	West Village
Project Description	Development of shopping area anchored by Wal-Mart.
Approved TIF	100% Ad valorem property tax increment and incremental sales tax
2019 amount	\$1,702,017
Project Commitment	Development of shopping area
Additional Commitment	N/A

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Project Name	Santa Fe and Ridgeview
Project Description	Redevelopment of shopping area anchored by Sutherland's.
Approved TIF	100% Ad valorem property tax increment and 50% incremental sales tax
2019 amount	\$99,392
Project Commitment	Redevelopment of shopping area
Additional Commitment	N/A

---

Project Name	Heritage Crossing
Project Description	Development of shopping area.
Approved TIF	100% Ad valorem property tax increment and 50% incremental sales tax.
2019 amount	\$53,889
Project Commitment	Development of shopping area
Additional Commitment	N/A

---

Project Name	Heart of America / Hilton Garden Inn
Project Description	Development of Hilton Garden Inn hotel
Approved TIF	100% Ad valorem property tax increment and 100% incremental sales tax
2019 amount	\$328,762
Project Commitment	Development of hotel
Additional Commitment	N/A

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Project Name	Ancona Honda
Project Description	Redevelopment of car dealership
Approved TIF	100% Ad valorem property tax increment
2019 amount	\$38,039
Project Commitment	Redevelopment of car dealership
Additional Commitment	N/A

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

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Project Name	Heart of America / Conference Center & Hotel
Project Description	Development of conference center and Embassy Suites Hotel
Approved TIF	100% Ad valorem property tax, 100% incremental sales tax, and 100% incremental transient guest tax
2019 amount	\$1,223,165
Project Commitment	Development of convention center and hotel.
Additional Commitment	N/A

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Project Name	Ridgeview Soccer Complex
Project Description	Development of soccer complex
Approved TIF	100% Ad valorem property tax, 100% incremental sales tax, and 100% incremental transient guest tax
2019 amount	\$267,648
Project Commitment	Development of soccer complex.
Additional Commitment	N/A

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As of December 31, 2020, there were 49 issues of industrial revenue and multi-housing bonds outstanding. Outstanding issues had an aggregate outstanding amount totaling \$654,727,137 and a total assessed valuation of \$102,648,753.

**17. Component Unit Condensed Financial Statements**

The City has one discretely presented component unit – Olathe Housing Authority. Listed below are condensed financial statements for the component unit.

	<b>Olathe Public Housing Authority</b>
Total assets	\$ 3,022,158
Total liabilities and deferred inflows	225,771
Net Position	<u>\$ 2,796,387</u>
Expenses	\$ 4,697,019
Program revenues	4,544,886
Net program revenues	(152,133)
Other general revenues	1,181
Change in net position	(150,952)
Beginning net position	2,947,339
Ending net position	<u>\$ 2,796,387</u>

**City of Olathe, Kansas**  
**Notes to the Basic Financial Statements**  
**December 31, 2020**

**18. Pending GASB Statements**

As of the date of the audit report, the Government Accounting Standards Board (GASB) has issued the following statements not yet implemented by the City:

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2022.

GASB Statement No. 92, *Omnibus 2020*, enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including: effective date of GASB 87 for interim financial reports; intra-entity transfers between primary governments and component unit pension or OPEB plans; applicability of Statements No. 73 and 74 for reporting assets accumulated for postemployment benefits; applicability of certain requirements of GASB 84 to postemployment benefit arrangements; measurement of asset retirement obligations in government acquisitions; reporting by public entity risk pools for amounts recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements in authoritative literature and terminology used related to derivative instruments. Certain provisions of this statement were effective upon issuance and did not impact the City's financial reporting, other provisions of this statement are effective for financial statements for the City's fiscal year ending December 31, 2022.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, provides guidance where some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR), most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The provisions of this statement were originally effective for the City's fiscal year ending December 31, 2021 and now postponed until December 31, 2022 per GASB Statement No. 95.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the City's fiscal year ending December 31, 2023.

**City of Olathe, Kansas**  
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GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides new accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs), which have become increasingly common among state and local governments in recent years. Statement 96 is based on the standards established in Statement 87, *Leases*. The new defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The guidance requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability (with an exception for short-term SBITAs, those with a maximum possible term of 12 months) and provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. The provisions of this statement will be effective for the City's fiscal year ending December 31, 2023.

GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, provides the following guidance: 1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and 3) addresses relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefit provided through those plans. The first two provisions of this statement are effective immediately. The last provision will be effective for the City's fiscal year ending December 31, 2022.

### **19. Subsequent Events**

On May 20, 2021, the City issued \$35,270,000 of revenue bonds with interest rates ranging from 2.00% - 4.00% with a maturity date of July 1, 2041 for certain capital improvements of the water and sewer system and refunding existing revenue bonds.



**Required  
Supplementary Information**

**City of Olathe, Kansas**  
**Required Supplementary Information**  
**KPERS Other Postemployment Benefits**  
**Schedule of Changes in the City's KPERS OPEB Total Liability and Related Ratios**  
**Last Three Fiscal Years\***

	<b>2018</b>	<b>2019</b>	<b>2020</b>
Total OPEB liability			
Service cost	\$ 139,313	\$ 140,465	\$ 155,392
Interest	75,802	73,863	80,360
Benefit paid	(187,461)	(398,213)	(222,707)
Economic/demographic gains or losses	(109,329)	435,014	41,575
Changes in assumptions	(23,958)	34,566	146,643
Net change in total OPEB liability	(105,633)	285,695	201,263
Total OPEB liability - beginning of year	2,070,970	1,965,337	2,251,032
Total OPEB liability - end of year	<u>\$ 1,965,337</u>	<u>\$ 2,251,032</u>	<u>\$ 2,452,295</u>
Covered payroll	<u>\$ 34,666,148</u>	<u>\$ 37,224,241</u>	<u>\$ 37,224,241</u>
Total OPEB liability as a percentage of covered payroll	5.67%	6.05%	6.59%
Discount Rate	3.50%	3.87%	2.21%

\* Data became available with the inception of GASB 75 during fiscal year 2018, therefore 10 years of data is unavailable.

**City of Olathe, Kansas**  
**Required Supplementary Information**  
**Other Postemployment Benefits**  
**Schedule of Changes in the City's Total OPEB Liability and Related Ratios**  
**Last Three Fiscal Years\***

	<b>2018</b>	<b>2019</b>	<b>2020</b>
Total OPEB liability			
Service cost	\$ 1,102,462	\$ 1,014,753	\$ 1,175,257
Interest	903,255	972,026	832,733
Benefit paid	(1,711,000)	(1,734,000)	(1,634,000)
Difference between expected and actual experience	(280,939)	(233,731)	(834,359)
Changes in assumptions	(894,144)	1,801,506	1,679,612
Changes in benefit terms	(484,927)	(687,045)	-
Net change in total OPEB liability	(1,365,293)	1,133,509	1,219,243
Total OPEB liability - beginning of year	27,631,277	26,265,984	27,399,493
Total OPEB liability - end of year	<u>\$ 26,265,984</u>	<u>\$ 27,399,493</u>	<u>\$ 28,618,736</u>
Covered payroll	<u>\$ 53,013,812</u>	<u>\$ 53,013,812</u>	<u>\$ 56,238,165</u>
Total OPEB liability as a percentage of covered payroll	49.55%	51.68%	50.89%
Discount Rate	3.68%	3.00%	1.96%

\* Data became available with the inception of GASB 75 during fiscal year 2018, therefore 10 years of data is unavailable.

**City of Olathe, Kansas**  
**Required Supplementary Information**  
**Schedule of Net Pension Liability**  
**Kansas Employees' Retirement System**  
*Last Seven Fiscal Years*

<b>Local Government</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Proportion of the Net Pension Liability	1.878112%	1.936294%	1.938338%	1.997006%	2.092001%	2.156684%	2.210272%
Proportionate share of the net pension liability	\$ 23,155,815	\$ 25,424,394	\$ 29,986,662	\$ 28,925,745	\$ 29,158,100	\$ 30,136,906	\$ 38,318,469
Covered payroll	34,408,016	35,530,007	33,922,111	36,032,058	41,149,580	40,039,507	40,408,036
Proportionate share of the net pension liability as a percentage of covered payroll	67.30%	71.56%	88.40%	80.28%	70.86%	75.27%	94.83%
Plan fiduciary net position as a percentage of total pension liability	66.60%	64.95%	65.09%	67.12%	68.88%	69.88%	66.30%
<b>Police and Firemen</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Proportion of the Net Pension Liability	4.500889%	4.660566%	4.546739%	4.510839%	4.819524%	4.849212%	4.874002%
Proportionate share of the net pension liability	\$ 29,829,218	\$ 33,841,190	\$ 42,228,453	\$ 42,302,210	\$ 46,373,540	\$ 49,079,872	\$ 60,103,119
Covered payroll	22,291,450	23,177,996	23,547,099	24,530,506	26,495,886	26,765,111	27,391,157
Proportionate share of the net pension liability as a percentage of covered payroll	133.81%	146.01%	179.34%	172.45%	175.02%	183.37%	219.43%
Plan fiduciary net position as a percentage of total pension liability	66.60%	64.95%	65.09%	67.12%	68.88%	69.88%	66.30%

*Note: Due to the city's implementing GASB 68, only seven years of information is available.*

**City of Olathe, Kansas**  
**Required Supplementary Information**  
**Schedule of Agency Contributions**  
**Kansas Employees' Retirement System**  
*Last Seven Fiscal Years*

<b>Local Government</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Required contribution	\$ 2,590,522	\$ 2,961,053	\$ 3,100,570	\$ 3,123,646	\$ 3,154,582	\$ 3,445,055	\$ 3,652,057
Contribution in relation to required contribution	2,590,522	2,961,053	3,100,570	3,123,646	3,154,582	3,445,055	3,652,057
Contribution deficiency	-	-	-	-	-	-	-
Covered payroll	34,764,813	35,723,597	34,689,897	36,369,668	41,613,279	40,039,507	40,408,036
Contributions as a percentage of covered payroll	7.45%	8.29%	8.94%	8.59%	7.58%	8.60%	9.04%

<b>Police and Firemen</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Required contribution	\$ 3,764,718	\$ 4,378,971	\$ 4,515,855	\$ 4,446,415	\$ 4,794,549	\$ 5,481,040	\$ 5,898,976
Contribution in relation to required contribution	3,764,718	4,378,971	4,515,855	4,446,415	4,794,549	5,481,040	5,898,976
Contribution deficiency	-	-	-	-	-	-	-
Covered payroll	22,752,844	23,380,484	23,644,300	25,055,519	27,234,594	26,765,111	27,391,157
Contributions as a percentage of covered payroll	16.55%	18.73%	19.10%	17.75%	17.60%	20.48%	21.54%

**Changes of benefit terms or assumptions**

Changes of benefit terms. There were no changes to benefit terms in the plan for the year ended December 31, 2020

Changes of assumptions. The actuarial assumptions changes adopted by the Pension Plan for all groups based on the experience study:

- Price inflation assumption lowered from 3.00 percent to 2.75 percent
- Investment return assumption was lowered from 8.00 percent to 7.75 percent.
- General wage growth assumption was lowered from 4.00 percent to 3.5 percent
- Payroll growth assumption was lowered from 4.00 percent to 3.00 percent.

**City of Olathe, Kansas**  
**Required Supplementary Information**  
**Changes in Benefit Terms for**  
**Kansas Public Employees' Retirement System**  
**December 31, 2020**

*Changes in benefit terms for KPERS.*

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

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

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

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

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

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

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

**City of Olathe, Kansas**  
**Required Supplementary Information**  
**Changes in Benefit Terms for**  
**Kansas Public Employees' Retirement System**  
**December 31, 2020**

Changes from the November 2016 experience study that impacted individual groups are listed below:

**KPERS:**

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

**KP&F:**

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

As a result of the experience study completed in January 2020, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2019 and include:

- The investment return assumption was lowered from 7.75% to 7.50%.
- The general wage growth assumption was lowered from 3.50% to 3.25%.
- The payroll growth assumption was lowered from 3.00% to 2.75%.

**City of Olathe, Kansas**  
**Required Supplementary Information**  
**Changes in Benefit Terms for**  
**Kansas Public Employees' Retirement System**  
**December 31, 2020**

Changes from the January 2020 experience study that impacted individual groups are listed below:

**KPERS:**

- Retirement rates were adjusted to partially reflect observed experience.
- Termination rates were increased for most KPERS groups.
- Disability rates were reduced.
- Factors for the State group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

**KP&F:**

- Retirement rates were adjusted to partially reflect observed experience.
- Factors for the KP&F group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.



## **Nonmajor Governmental Funds**

# Nonmajor Governmental Funds

## Special Revenue Funds

### Fire Levy

To account for property taxes received for the fire department operations.

### Motor Fuel Tax

To account for monies levied by the State of Kansas for the purpose of producing revenues to be used to defray in whole or in part the cost of constructing, altering, reconstructing, maintaining and repairing streets and highways.

### Library Operating

To account for monies received from the annual tax levy and transfers to the Library Operating Fund for the operation of the Olathe Public Library.

### Economic Development and Tourism

To account for monies provided from the transient guest tax for the purpose of funding economic development and tourism.

### Special Park and Recreation

To account for monies provided by a state liquor taxation on private clubs and expended for the purchase, establishment, maintenance, or expansion of park and recreational services, programs and education.

### Special Alcohol

To account for monies provided by a state liquor taxation on private clubs and expended for the purchase, establishment, maintenance or expansion of services or programs for alcoholism prevention and education.

### Storm Water

To account for monies received from monthly residential and commercial fees for the enhancement of the City's storm water management system.

# Nonmajor Governmental Funds

## Special Revenue Funds

### Reimbursable Programs

To account for miscellaneous donations for various designated purposes.

### Grants Fund

To account for monies provided by various federal, state, and local granting agencies.

### Recreation Fund

To account for recreation activities administered by the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, concessions, aquatics and sports.

### Cemetery

To account for monies received through the sale of cemetery lots and to be used for care of such lots.

## Capital Projects Fund

### Library Capital

To account for monies used for capital purchases of the Olathe Public Library

### Park Sales Tax

To account for the one-eighth cent sales tax collected for the construction of various park projects.

### Street Maintenance Sale Tax

To account for the three-eighth cent sales tax collected for the maintenance of streets.

### Future Street Improvement

To account for monies provided by developers' deposits for future street improvements in proposed areas of development.

**City of Olathe, Kansas  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020**

	Special Revenue							Reimbursable Programs
	Fire Levy	Motor Fuel Tax	Library Operating	Economic Development and Tourism	Special Park and Recreation	Special Alcohol	Stormwater	
<b>Assets</b>								
Cash, cash equivalents, and investments	\$ 115,741	\$ -	\$ 3,250,326	\$ 1,540,634	\$ 2,119,917	\$ 987,387	\$ 1,274,051	\$ 1,178,796
Receivables (net of allowance)								
Accounts	-	-	-	-	-	-	885,509	-
Taxes	3,675,903	-	6,475,523	222,998	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Due from other governments	-	923,299	-	-	100,000	100,000	-	-
Prepaid asset	-	-	15,523	-	-	-	-	-
<b>Total assets</b>	<b>\$ 3,791,644</b>	<b>\$ 923,299</b>	<b>\$ 9,741,372</b>	<b>\$ 1,763,632</b>	<b>\$ 2,219,917</b>	<b>\$ 1,087,387</b>	<b>\$ 2,159,560</b>	<b>\$ 1,178,796</b>
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ 8,318	\$ -	\$ 284	\$ -	\$ -	\$ -
Due to other funds	-	599,931	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>599,931</b>	<b>8,318</b>	<b>-</b>	<b>284</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>								
Deferred revenue - property taxes	3,675,903	-	6,475,523	-	-	-	-	-
Deferred revenue - intergovernmental	-	-	-	-	100,000	100,000	-	-
<b>Total deferred inflows of resources</b>	<b>3,675,903</b>	<b>-</b>	<b>6,475,523</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>								
Nonspendable	-	-	15,523	-	-	-	-	-
Restricted								
Public safety	115,741	-	-	-	-	-	-	55,050
Public works	-	323,368	-	-	-	-	-	-
Community services	-	-	-	-	-	987,387	-	213,994
General government	-	-	3,242,008	-	-	-	-	909,752
Committed								
Public works	-	-	-	-	-	-	2,159,560	-
Community services	-	-	-	-	2,119,633	-	-	-
General government	-	-	-	1,763,632	-	-	-	-
<b>Total fund balances</b>	<b>115,741</b>	<b>323,368</b>	<b>3,257,531</b>	<b>1,763,632</b>	<b>2,119,633</b>	<b>987,387</b>	<b>2,159,560</b>	<b>1,178,796</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,791,644</b>	<b>\$ 923,299</b>	<b>\$ 9,741,372</b>	<b>\$ 1,763,632</b>	<b>\$ 2,219,917</b>	<b>\$ 1,087,387</b>	<b>\$ 2,159,560</b>	<b>\$ 1,178,796</b>

**City of Olathe, Kansas  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2020**

	Special Revenue			Capital Projects			Future Street Improvement	Total Nonmajor Governmental Funds
	Grants Fund	Cemetery	Recreation	Library Capital	Park Sales Tax	Street Maintenance Sales Tax		
<b>Assets</b>								
Cash, cash equivalents, and investments	\$ 393,834	\$ 658,815	\$ 525,718	\$ 663,950	\$ 1,131,520	\$ 420,581	\$ 8,950,431	\$ 23,211,701
Receivables (net of allowance)								
Accounts	11,479	-	87,225	-	-	-	-	984,213
Taxes	-	-	-	-	770,037	2,310,011	-	13,454,472
Loans	3,827,885	-	-	-	-	-	-	3,827,885
Due from other governments	364,513	-	-	-	-	-	-	1,487,812
Prepaid asset	-	-	-	-	-	-	-	15,523
<b>Total assets</b>	<b>\$ 4,597,711</b>	<b>\$ 658,815</b>	<b>\$ 612,943</b>	<b>\$ 663,950</b>	<b>\$ 1,901,557</b>	<b>\$ 2,730,592</b>	<b>\$ 8,950,431</b>	<b>\$ 42,981,606</b>
<b>Liabilities</b>								
Accounts payable	\$ 10,016	\$ -	\$ 592,335	\$ -	\$ 201,138	\$ 603,414	\$ -	\$ 1,415,505
Due to other funds	-	-	-	-	-	-	-	599,931
<b>Total liabilities</b>	<b>10,016</b>	<b>-</b>	<b>592,335</b>	<b>-</b>	<b>201,138</b>	<b>603,414</b>	<b>-</b>	<b>2,015,436</b>
<b>Deferred Inflows of Resources</b>								
Deferred revenue - property taxes	-	-	-	-	-	-	-	10,151,426
Deferred revenue - intergovernmental	83,737	-	-	-	-	-	-	283,737
<b>Total deferred inflows of resources</b>	<b>83,737</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,435,163</b>
<b>Fund balances</b>								
Nonspendable	-	-	-	-	-	-	-	15,523
Restricted								
Public safety	-	-	-	-	-	-	-	170,791
Public works	-	-	-	-	-	2,127,178	-	2,450,546
Community services	4,503,958	-	-	-	1,700,419	-	-	7,405,758
General government	-	-	-	663,950	-	-	-	4,815,710
Committed								
Public works	-	-	-	-	-	-	8,950,431	11,109,991
Community services	-	658,815	20,608	-	-	-	-	2,799,056
General government	-	-	-	-	-	-	-	1,763,632
<b>Total fund balances</b>	<b>4,503,958</b>	<b>658,815</b>	<b>20,608</b>	<b>663,950</b>	<b>1,700,419</b>	<b>2,127,178</b>	<b>8,950,431</b>	<b>30,531,007</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 4,597,711</b>	<b>\$ 658,815</b>	<b>\$ 612,943</b>	<b>\$ 663,950</b>	<b>\$ 1,901,557</b>	<b>\$ 2,730,592</b>	<b>\$ 8,950,431</b>	<b>\$ 42,981,606</b>

**City of Olathe, Kansas**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2020**

	Special Revenue							
	Fire Levy	Motor Fuel Tax	Library Operating	Economic Development and Tourism	Special Park and Recreation	Special Alcohol	Stormwater	
<b>Revenues</b>								
Taxes:								
Property	\$ 3,826,345	\$ -	\$ 6,731,931	\$ -	\$ -	\$ -	\$ -	\$ 195,283
Sales	-	-	-	-	-	-	-	-
Transient guest	-	-	-	803,957	-	-	-	-
Intergovernmental	-	3,586,954	20,407	-	414,213	414,213	10,544	-
Fines, forfeitures, and penalties	-	-	86,374	-	-	-	-	-
Charges for services	-	-	15,955	-	504,833	-	4,983,318	202,252
Use of money and property	-	359	35,831	-	15,003	7,554	27,267	714
Miscellaneous	-	-	-	-	-	-	-	92,701
Total revenues	<u>3,826,345</u>	<u>3,587,313</u>	<u>6,890,498</u>	<u>803,957</u>	<u>934,049</u>	<u>421,767</u>	<u>5,021,129</u>	<u>490,950</u>
<b>Expenditures</b>								
General government	-	-	6,218,004	950,000	-	-	505,754	426,626
Public safety	-	-	-	-	-	182,716	-	43,940
Public works	-	-	-	-	-	-	2,289,967	-
Community services	-	-	-	-	546,841	257,455	-	90,647
Debt service	-	-	-	-	-	-	106,500	-
Principal retirements	-	-	-	-	-	-	119,419	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>6,218,004</u>	<u>950,000</u>	<u>546,841</u>	<u>440,171</u>	<u>3,021,640</u>	<u>561,213</u>
Excess of revenues over (under) expenditures	<u>3,826,345</u>	<u>3,587,313</u>	<u>672,494</u>	<u>(146,043)</u>	<u>387,208</u>	<u>(18,404)</u>	<u>1,999,489</u>	<u>(70,263)</u>
<b>Other financing sources (uses)</b>								
Capital lease proceeds	-	-	-	-	-	-	-	-
Transfers in	-	-	-	680,151	-	-	-	193,750
Transfers out	(3,982,623)	(3,643,610)	(93,392)	-	(450,000)	-	(1,856,355)	(22,430)
Total other financing sources (uses)	<u>(3,982,623)</u>	<u>(3,643,610)</u>	<u>(93,392)</u>	<u>680,151</u>	<u>(450,000)</u>	<u>-</u>	<u>(1,856,355)</u>	<u>171,320</u>
Net change in fund balances	<u>(156,278)</u>	<u>(56,297)</u>	<u>579,102</u>	<u>534,108</u>	<u>(62,792)</u>	<u>(18,404)</u>	<u>143,134</u>	<u>101,057</u>
Fund balances - beginning of year	272,019	379,665	2,678,429	1,229,524	2,182,425	1,005,791	2,016,426	1,077,739
Fund balances - end of year	<u>\$ 115,741</u>	<u>\$ 323,368</u>	<u>\$ 3,257,531</u>	<u>\$ 1,763,632</u>	<u>\$ 2,119,633</u>	<u>\$ 987,387</u>	<u>\$ 2,159,560</u>	<u>\$ 1,178,796</u>

**City of Olathe, Kansas**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2020**

	Special Revenue			Capital Projects				Total Nonmajor Governmental Funds
	Grant Fund	Cemetery	Recreation	Library Capital	Park Sales Tax	Street Maintenance Sales Tax	Future Street Improvement	
<b>Revenues</b>								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,753,559
Sales	-	-	-	-	3,947,551	11,837,861	-	15,785,412
Transient guest	-	-	-	-	-	-	-	803,957
Intergovernmental	1,222,623	-	1,676	40,168	-	-	-	5,710,798
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	86,374
Charges for services	-	266,875	2,980,720	53,068	-	-	810,885	9,817,906
Use of money and property	129	4,404	10,271	-	8,185	52,959	58,676	221,352
Miscellaneous	336,685	-	-	-	-	-	-	429,386
Total revenues	<u>1,559,437</u>	<u>271,279</u>	<u>2,992,667</u>	<u>93,236</u>	<u>3,955,736</u>	<u>11,890,820</u>	<u>869,561</u>	<u>43,608,744</u>
<b>Expenditures</b>								
General government	34,874	-	-	-	-	-	-	8,135,258
Public safety	1,095,164	-	-	-	-	-	-	1,321,820
Public works	-	-	-	-	-	-	-	2,289,967
Community services	355,215	206,413	3,924,779	71,339	201,408	-	-	5,654,097
Debt service	-	-	46,679	-	-	-	-	153,179
Principal retirements	-	-	-	-	-	-	-	119,419
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>1,485,253</u>	<u>206,413</u>	<u>3,971,458</u>	<u>71,339</u>	<u>201,408</u>	<u>-</u>	<u>-</u>	<u>17,673,740</u>
Excess of revenues over (under) expenditures	<u>74,184</u>	<u>64,866</u>	<u>(978,791)</u>	<u>21,897</u>	<u>3,754,328</u>	<u>11,890,820</u>	<u>869,561</u>	<u>25,935,004</u>
<b>Other financing sources (uses)</b>								
Capital lease proceeds	-	-	224,023	-	-	-	-	224,023
Transfers in	225,188	-	22,430	-	-	-	500,000	1,621,519
Transfers out	-	-	-	-	(3,591,589)	(10,977,403)	-	(24,617,402)
Total other financing sources (uses)	<u>225,188</u>	<u>-</u>	<u>246,453</u>	<u>-</u>	<u>(3,591,589)</u>	<u>(10,977,403)</u>	<u>500,000</u>	<u>(22,771,860)</u>
Net change in fund balances	<u>299,372</u>	<u>64,866</u>	<u>(732,338)</u>	<u>21,897</u>	<u>162,739</u>	<u>913,417</u>	<u>1,369,561</u>	<u>3,163,144</u>
Fund balances - beginning of year	<u>4,204,586</u>	<u>593,949</u>	<u>752,946</u>	<u>642,053</u>	<u>1,537,680</u>	<u>1,213,761</u>	<u>7,580,870</u>	<u>27,367,863</u>
Fund balances - end of year	<u>\$ 4,503,958</u>	<u>\$ 658,815</u>	<u>\$ 20,608</u>	<u>\$ 663,950</u>	<u>\$ 1,700,419</u>	<u>\$ 2,127,178</u>	<u>\$ 8,950,431</u>	<u>\$ 30,531,007</u>

# **Budgetary Schedules**

**City of Olathe, Kansas**  
**Combining Schedule of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Budgeted Special Revenue Funds**  
**Budget and Actual - Budgetary Basis**  
**For the Year Ended December 31, 2020**

	Fire Levy Fund			Motor Fuel Tax Fund			Library Operating Fund		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
<b>Revenues</b>									
Taxes	\$ 3,792,534	\$ 3,826,345	\$ 33,811	\$ -	\$ -	\$ -	\$ 6,649,620	\$ 6,731,931	\$ 82,311
Intergovernmental	-	-	-	3,839,986	3,586,954	(253,032)	-	20,407	20,407
Fines, forfeitures, and penalties	-	-	-	-	-	-	198,000	86,374	(111,626)
Charges for services	-	-	-	-	-	-	-	15,955	15,955
Use of money and property	-	-	-	-	359	359	70,055	35,831	(34,224)
Miscellaneous	-	-	-	-	-	-	28,000	-	(28,000)
Total revenues	<u>3,792,534</u>	<u>3,826,345</u>	<u>33,811</u>	<u>3,839,986</u>	<u>3,587,313</u>	<u>(252,673)</u>	<u>6,945,675</u>	<u>6,890,498</u>	<u>(55,177)</u>
<b>Expenditures</b>									
General government	-	-	-	-	-	-	9,564,588	6,244,085	3,320,503
Public safety	102,503	-	102,503	-	-	-	-	-	-
Public works	-	-	-	1,209,661	-	1,209,661	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Total expenditures	<u>102,503</u>	<u>-</u>	<u>102,503</u>	<u>1,209,661</u>	<u>-</u>	<u>1,209,661</u>	<u>9,564,588</u>	<u>6,244,085</u>	<u>3,320,503</u>
Excess of revenues over/ (under) expenditures	<u>3,690,031</u>	<u>3,826,345</u>	<u>136,314</u>	<u>2,630,325</u>	<u>3,587,313</u>	<u>956,988</u>	<u>(2,618,913)</u>	<u>646,413</u>	<u>3,265,326</u>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(3,982,623)	(3,982,623)	-	(3,839,986)	(3,643,610)	196,376	(70,631)	(93,392)	(22,761)
Total other financing sources/(uses)	<u>(3,982,623)</u>	<u>(3,982,623)</u>	<u>-</u>	<u>(3,839,986)</u>	<u>(3,643,610)</u>	<u>196,376</u>	<u>(70,631)</u>	<u>(93,392)</u>	<u>(22,761)</u>
Net change in fund balances	<u>\$ (292,592)</u>	<u>(156,278)</u>	<u>\$ 136,314</u>	<u>\$ (1,209,661)</u>	<u>(56,297)</u>	<u>\$ 1,153,364</u>	<u>\$ (2,689,544)</u>	<u>553,021</u>	<u>\$ 3,242,565</u>
Fund balances - beginning of year - Budget basis		<u>272,019</u>			<u>379,665</u>			<u>2,671,057</u>	
Fund balances - end of year - Budget basis		<u>115,741</u>			<u>323,368</u>			<u>3,224,078</u>	
Encumbrances incurred and outstanding / Due to other fund		<u>-</u>			<u>-</u>			<u>33,453</u>	
Fund balances - end of year - GAAP basis		<u>\$ 115,741</u>			<u>\$ 323,368</u>			<u>\$ 3,257,531</u>	

**City of Olathe, Kansas**  
**Combining Schedule of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Budgeted Special Revenue Funds**  
**Budget and Actual - Budgetary Basis**  
**For the Year Ended December 31, 2020**

	<b>Economic Development and Tourism</b>			<b>Special Park and Recreation Fund</b>			<b>Special Alcohol Fund</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance - Positive (Negative)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance - Positive (Negative)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance - Positive (Negative)</b>
<b>Revenues</b>									
Taxes	\$ 1,646,775	\$ 803,957	\$ (842,818)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	516,655	414,213	(102,442)	516,655	414,213	(102,442)
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	591,529	504,833	(86,696)	-	-	-
Use of money and property	-	-	-	-	15,003	15,003	4,755	7,554	2,799
Miscellaneous	-	-	-	18,765	-	(18,765)	-	-	-
Total revenues	<u>1,646,775</u>	<u>803,957</u>	<u>(842,818)</u>	<u>1,126,949</u>	<u>934,049</u>	<u>(192,900)</u>	<u>521,410</u>	<u>421,767</u>	<u>(99,643)</u>
<b>Expenditures</b>									
General government	3,969,090	950,000	3,019,090	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	245,480	182,716	62,764
Public works	-	-	-	-	-	-	-	-	-
Community services	-	-	-	2,912,321	546,841	2,365,480	1,181,724	267,747	913,977
Debt service	-	-	-	-	-	-	-	-	-
Total expenditures	<u>3,969,090</u>	<u>950,000</u>	<u>3,019,090</u>	<u>2,912,321</u>	<u>546,841</u>	<u>2,365,480</u>	<u>1,427,204</u>	<u>450,463</u>	<u>976,741</u>
Excess of revenues over (under) expenditures	<u>(2,322,315)</u>	<u>(146,043)</u>	<u>2,176,272</u>	<u>(1,785,372)</u>	<u>387,208</u>	<u>2,172,580</u>	<u>(905,794)</u>	<u>(28,696)</u>	<u>877,098</u>
<b>Other financing sources (uses)</b>									
Transfers in	572,374	680,151	107,777	-	-	-	-	-	-
Transfers out	-	-	-	(450,000)	(450,000)	-	-	-	-
Total other financing sources/(uses)	<u>572,374</u>	<u>680,151</u>	<u>107,777</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,749,941)</u>	<u>534,108</u>	<u>\$ 2,284,049</u>	<u>\$ (2,235,372)</u>	<u>(62,792)</u>	<u>\$ 2,172,580</u>	<u>\$ (905,794)</u>	<u>(28,696)</u>	<u>\$ 877,098</u>
Fund balances - beginning of year - Budget basis		<u>1,229,524</u>			<u>2,182,425</u>			<u>1,005,791</u>	
Fund balances - end of year - Budget basis		<u>1,763,632</u>			<u>2,119,633</u>			<u>977,095</u>	
Encumbrances incurred and outstanding / Due to other fund		<u>-</u>			<u>-</u>			<u>10,292</u>	
Fund balances - end of year - GAAP basis		<u>\$ 1,763,632</u>			<u>\$ 2,119,633</u>			<u>\$ 987,387</u>	

continued

**City of Olathe, Kansas**  
**Combining Schedule of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Budgeted Special Revenue Funds**  
**Budget and Actual - Budgetary Basis (continued)**  
**For the Year Ended December 31, 2020**

	Storm Water Fund			Recreation			Total		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
<b>Revenues</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,088,929	\$ 11,362,233	\$ (726,696)
Intergovernmental	-	10,544	10,544	-	1,676	1,676	4,873,296	4,448,007	(425,289)
Fines, forfeitures, and penalties	-	-	-	-	-	-	198,000	86,374	(111,626)
Charges for services	5,231,015	4,983,318	(247,697)	6,256,500	2,980,720	(3,275,780)	12,079,044	8,484,826	(3,594,218)
Use of money and property	25,889	27,267	1,378	15,284	10,271	(5,013)	115,983	96,285	(19,698)
Miscellaneous	-	-	-	-	-	-	46,765	-	(46,765)
Total revenues	<u>5,256,904</u>	<u>5,021,129</u>	<u>(235,775)</u>	<u>6,271,784</u>	<u>2,992,667</u>	<u>(3,279,117)</u>	<u>29,402,017</u>	<u>24,477,725</u>	<u>(4,924,292)</u>
<b>Expenditures</b>									
General government	-	505,754	(505,754)	-	-	-	13,533,678	7,699,839	5,833,839
Public safety	-	-	-	-	-	-	347,983	182,716	165,267
Public works	5,483,643	2,293,522	3,190,121	-	-	-	6,693,304	2,293,522	4,399,782
Community services	-	-	-	7,109,301	4,990,591	2,118,710	11,203,346	5,805,179	5,398,167
Debt service	-	225,919	(225,919)	-	46,679	(46,679)	-	272,598	(272,598)
Total expenditures	<u>5,483,643</u>	<u>3,025,195</u>	<u>2,458,448</u>	<u>7,109,301</u>	<u>5,037,270</u>	<u>2,072,031</u>	<u>31,778,311</u>	<u>16,253,854</u>	<u>15,524,457</u>
Excess of revenues over (under) expenditures	<u>(226,739)</u>	<u>1,995,934</u>	<u>2,222,673</u>	<u>(837,517)</u>	<u>(2,044,603)</u>	<u>(1,207,086)</u>	<u>(2,376,294)</u>	<u>8,223,871</u>	<u>10,600,165</u>
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	22,430	22,430	572,374	702,581	130,207
Transfers out	(1,993,855)	(1,856,355)	137,500	(200,000)	-	200,000	(10,537,095)	(10,025,980)	511,115
Total other financing sources/(uses)	<u>(1,993,855)</u>	<u>(1,856,355)</u>	<u>137,500</u>	<u>(200,000)</u>	<u>22,430</u>	<u>222,430</u>	<u>(9,964,721)</u>	<u>(9,323,399)</u>	<u>641,322</u>
Net change in fund balances	<u>\$ (2,220,594)</u>	<u>139,579</u>	<u>\$ 2,360,173</u>	<u>\$ (1,037,517)</u>	<u>(2,022,173)</u>	<u>\$ (984,656)</u>	<u>\$ (12,341,015)</u>	<u>(1,099,528)</u>	<u>\$ 11,241,487</u>
Fund balances - beginning of year - Budget basis		<u>2,004,245</u>			<u>2,039,551</u>			<u>11,784,277</u>	
Fund balances - end of year - Budget basis		<u>2,143,824</u>			<u>17,378</u>			<u>10,684,749</u>	
Encumbrances incurred and outstanding / Due to other fund		<u>15,736</u>			<u>3,230</u>			<u>62,711</u>	
Fund balances - end of year - GAAP basis		<u>\$ 2,159,560</u>			<u>\$ 20,608</u>			<u>\$ 10,747,460</u>	

**City of Olathe, Kansas**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance**  
**Budgeted Capital Projects Fund**  
**Park Sales Tax Fund**  
**Budget and Actual - Budgetary Basis**  
**For the Year Ended December 31, 2020**

	<b>Budget</b>	<b>Actual</b>	<b>Variance - Positive (Negative)</b>
<b>Revenues</b>			
Taxes	\$ 4,425,916	\$ 3,947,551	\$ (478,365)
Use of money and property	51,035	8,185	(42,850)
Total revenues	<u>4,476,951</u>	<u>3,955,736</u>	<u>(521,215)</u>
<b>Expenditures</b>			
General government	859,368	-	859,368
Community services	324,862	201,408	123,454
Total expenditures	<u>1,184,230</u>	<u>201,408</u>	<u>982,822</u>
Excess of revenues over (under) expenditures	<u>3,292,721</u>	<u>3,754,328</u>	<u>461,607</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(3,941,589)</u>	<u>(3,591,589)</u>	<u>350,000</u>
Total other financing sources (uses)	<u>(3,941,589)</u>	<u>(3,591,589)</u>	<u>350,000</u>
Net change in fund balance	<u>\$ (648,868)</u>	162,739	<u>\$ 811,607</u>
Fund balance - beginning of year		1,537,680	
Fund balance - end of year		<u>\$ 1,700,419</u>	

**City of Olathe, Kansas**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance**  
**Budgeted Capital Projects Fund**  
**Street Maintenance Sales Tax Fund**  
**Budget and Actual - Budgetary Basis**  
**For the Year Ended December 31, 2020**

	<b>Budget</b>	<b>Actual</b>	<b>Variance - Positive (Negative)</b>
<b>Revenues</b>			
Taxes	\$ 13,236,811	\$ 11,837,861	\$ (1,398,950)
Use of money and property	123,527	52,959	(70,568)
Total revenues	<u>13,360,338</u>	<u>11,890,820</u>	<u>(1,469,518)</u>
<b>Expenditures</b>			
General government	1,315,236	-	1,315,236
Total expenditures	<u>1,315,236</u>	<u>-</u>	<u>1,315,236</u>
Excess of revenues over (under) expenditures	<u>12,045,102</u>	<u>11,890,820</u>	<u>(154,282)</u>
<b>Other financing sources (uses)</b>			
Transfers out	<u>(13,250,000)</u>	<u>(10,977,403)</u>	<u>2,272,597</u>
Total other financing sources (uses)	<u>(13,250,000)</u>	<u>(10,977,403)</u>	<u>2,272,597</u>
Net change in fund balance	<u>\$ (1,204,898)</u>	913,417	<u>\$ 2,118,315</u>
Fund balance - beginning of year		1,213,761	
Fund balance - end of year		<u>\$ 2,127,178</u>	

**City of Olathe, Kansas**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance**  
**Debt Service Fund**  
**Budget and Actual - Budgetary Basis**  
**For the Year Ended December 31, 2020**

	<u>Budget</u>	<u>Actual</u>	<b>Variance - Positive (Negative)</b>
<b>Revenues</b>			
Taxes and special assessments	\$ 26,593,852	\$ 26,397,376	\$ (196,476)
Use of money and property	318,564	446,655	128,091
Miscellaneous	75,368	6,874	(68,494)
Total revenues	<u>26,987,784</u>	<u>26,850,905</u>	<u>(136,879)</u>
<b>Expenditures</b>			
General operations	60,000	222,103	(162,103)
Debt service:			
Principal retirements	68,733,892	20,450,015	48,283,877
Interest	9,521,204	6,824,878	2,696,326
Total expenditures	<u>78,315,096</u>	<u>27,496,996</u>	<u>50,818,100</u>
Excess of revenues over (under) expenditures	(51,327,312)	(646,091)	50,681,221
<b>Other financing sources</b>			
Issuance of debt	-	9,610,000	9,610,000
Premium on bonds	-	780,139	780,139
Payment to refunding escrow agent	-	(10,324,985)	(10,324,985)
Transfers in	12,289,141	12,231,942	(57,199)
Transfers out	(225,450)	(272,060)	(46,610)
Total other financing sources/(uses)	<u>12,063,691</u>	<u>12,025,036</u>	<u>(38,655)</u>
Net change in fund balance	<u>\$ (39,263,621)</u>	11,378,945	<u>\$ 50,642,566</u>
Fund balance - beginning of year		45,262,320	
Fund balance - end of year		<u>\$ 56,641,265</u>	

**City of Olathe, Kansas**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance**  
**Special Tax Financing Fund**  
**Budget and Actual - Budgetary Basis**  
**For the Year Ended December 31, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Revenues</b>			
Taxes and special assessments	\$ 8,250,000	\$ 6,744,739	\$ (1,505,261)
Use of money and property	44,000	48,176	4,176
Total revenues	<u>8,294,000</u>	<u>6,792,915</u>	<u>(1,501,085)</u>
<b>Expenditures</b>			
General operations	40,000	121,601	(81,601)
Capital improvements	5,115,000	3,602,741	1,512,259
Debt service	10,534,750	2,150,469	8,384,281
Total expenditures	<u>15,689,750</u>	<u>5,874,811</u>	<u>9,814,939</u>
Excess of revenues over (under) expenditures	<u>\$ (7,395,750)</u>	918,104	<u>\$ 8,313,854</u>
Fund balance - beginning of year		<u>7,428,008</u>	
Fund balance - end of year		<u>\$ 8,346,112</u>	

**City of Olathe, Kansas**  
**Combining Schedule of Revenues, Expenditures**  
**and Changes in Net Position**  
**Enterprise Funds**  
**Budget and Actual - Budgetary Basis**  
**For the Year Ended December 31, 2020**

	Water and Sewer Fund			Solid Waste Fund			Total		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
<b>Revenues</b>									
Water charges	\$ 24,572,279	\$ 27,005,564	\$ 2,433,285	\$ -	\$ -	\$ -	\$ 24,572,279	\$ 27,005,564	\$ 2,433,285
Sewer charges	19,980,251	22,087,107	2,106,856	-	-	-	19,980,251	22,087,107	2,106,856
Water and sewer connection charges	432,794	362,639	(70,155)	-	-	-	432,794	362,639	(70,155)
Sanitation charges and landfill fees	-	-	-	15,165,258	15,889,876	724,618	15,165,258	15,889,876	724,618
Use of money and property	515,717	585,730	70,013	27,605	13,256	(14,349)	543,322	598,986	55,664
Miscellaneous	806,440	421,340	(385,100)	95,000	116,448	21,448	901,440	537,788	(363,652)
Total revenues	<u>46,307,481</u>	<u>50,462,380</u>	<u>4,154,899</u>	<u>15,287,863</u>	<u>16,019,580</u>	<u>731,717</u>	<u>61,595,344</u>	<u>66,481,960</u>	<u>4,886,616</u>
<b>Expenditures</b>									
General operations	1,909,554	1,859,024	50,530	-	-	-	1,909,554	1,859,024	50,530
Public works	36,634,305	30,653,555	5,980,750	18,225,887	15,008,568	3,217,319	54,860,192	45,662,123	9,198,069
Debt service	10,073,919	13,997,350	(3,923,431)	-	-	-	10,073,919	13,997,350	(3,923,431)
Total expenditures	<u>48,617,778</u>	<u>46,509,929</u>	<u>2,107,849</u>	<u>18,225,887</u>	<u>15,008,568</u>	<u>3,217,319</u>	<u>66,843,665</u>	<u>61,518,497</u>	<u>5,325,168</u>
Excess of revenues over (under expenditures)	<u>(2,310,297)</u>	<u>3,952,451</u>	<u>6,262,748</u>	<u>(2,938,024)</u>	<u>1,011,012</u>	<u>3,949,036</u>	<u>(5,248,321)</u>	<u>4,963,463</u>	<u>10,211,784</u>
<b>Other financing sources (uses)</b>									
Transfers in	-	18,500	18,500	-	1,545	1,545	-	20,045	20,045
Transfers out	(2,806,500)	(355,183)	2,451,317	-	(193,503)	(193,503)	(2,806,500)	(548,686)	2,257,814
Net other financing sources (uses)	<u>(2,806,500)</u>	<u>(336,683)</u>	<u>2,469,817</u>	<u>-</u>	<u>(191,958)</u>	<u>(191,958)</u>	<u>(2,806,500)</u>	<u>(528,641)</u>	<u>2,277,859</u>
Net change in net position	<u>\$ (5,116,797)</u>	<u>3,615,768</u>	<u>\$ 8,732,565</u>	<u>\$ (2,938,024)</u>	<u>819,054</u>	<u>\$ 3,757,078</u>	<u>\$ (8,054,821)</u>	<u>4,434,822</u>	<u>\$ 12,489,643</u>
Net position - beginning of year		<u>10,036,884</u>			<u>1,829,310</u>			<u>11,866,194</u>	
Net position - end of year		<u>\$ 13,652,652</u>			<u>\$ 2,648,364</u>			<u>\$ 16,301,016</u>	

**City of Olathe, Kansas**  
**Combining Schedule of Revenues, Expenditures**  
**and Changes in Net Position**  
**Internal Service Funds**  
**Budget and Actual - Budgetary Basis**  
**For the Year Ended December 31, 2020**

	Central Garage			Risk Management			Vehicle Replacement		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
<b>Revenues</b>									
Charge for services	\$ 7,019,274	\$ 6,477,061	\$ (542,213)	\$ 22,967,647	\$ 23,573,945	\$ 606,298	\$ 8,367,541	\$ 7,896,357	\$ (471,184)
Use of money and property	-	766	766	77,316	90,944	13,628	8,182	46,309	38,127
Total revenues	<u>7,019,274</u>	<u>6,477,827</u>	<u>(541,447)</u>	<u>23,044,963</u>	<u>23,664,889</u>	<u>619,926</u>	<u>8,375,723</u>	<u>7,942,666</u>	<u>(433,057)</u>
<b>Expenditures</b>									
General operations	-	-	-	27,357,767	20,509,577	6,848,190	6,778,842	3,035,887	3,742,955
Public works	7,180,371	5,643,264	1,537,107	-	-	-	-	-	-
Total expenditures	<u>7,180,371</u>	<u>5,643,264</u>	<u>1,537,107</u>	<u>27,357,767</u>	<u>20,509,577</u>	<u>6,848,190</u>	<u>6,778,842</u>	<u>3,035,887</u>	<u>3,742,955</u>
Excess of revenues over (under) expenditures	<u>(161,097)</u>	<u>834,563</u>	<u>995,660</u>	<u>(4,312,804)</u>	<u>3,155,312</u>	<u>7,468,116</u>	<u>1,596,881</u>	<u>4,906,779</u>	<u>3,309,898</u>
<b>Other financing (uses)</b>									
Transfers in	-	-	-	-	-	-	-	15,786	15,786
Transfers out	-	(528,105)	(528,105)	-	-	-	(5,176,000)	-	5,176,000
Net other financing (uses)	<u>-</u>	<u>(528,105)</u>	<u>(528,105)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,176,000)</u>	<u>15,786</u>	<u>5,191,786</u>
Net change in net position	<u>\$ (161,097)</u>	<u>306,458</u>	<u>\$ 467,555</u>	<u>\$ (4,312,804)</u>	<u>3,155,312</u>	<u>\$ 7,468,116</u>	<u>\$ (3,579,119)</u>	<u>4,922,565</u>	<u>\$ 8,501,684</u>
Net position - beginning of year		<u>(53,438)</u>			<u>9,404,301</u>			<u>4,953,344</u>	
Net position - end of year		<u>\$ 253,020</u>			<u>\$ 12,559,613</u>			<u>\$ 9,875,909</u>	

**City of Olathe, Kansas**  
**Combining Schedule of Revenues, Expenditures**  
**and Changes in Net Position**  
**Internal Service Funds**  
**Budget and Actual - Budgetary Basis**  
**For the Year Ended December 31, 2020**

	Personal Computer Replacement			Building Maintenance			Total		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
<b>Revenues</b>									
Charge for services	\$ 1,190,088	\$ 1,178,698	\$ (11,390)	\$ 1,248,951	\$ 1,169,556	\$ (79,395)	\$ 40,793,501	\$ 40,295,617	\$ (497,884)
Interest income	8,607	6,258	(2,349)	-	2,897	2,897	94,105	147,174	53,069
Total revenues	<u>1,198,695</u>	<u>1,184,956</u>	<u>(13,739)</u>	<u>1,248,951</u>	<u>1,172,453</u>	<u>(76,498)</u>	<u>40,887,606</u>	<u>40,442,791</u>	<u>(444,815)</u>
<b>Expenditures</b>									
General operations	1,131,597	509,385	622,212	-	-	-	35,268,206	24,054,849	11,213,357
Public works	-	-	-	1,698,951	1,167,128	531,823	8,879,322	6,810,392	2,068,930
Total expenditures	<u>1,131,597</u>	<u>509,385</u>	<u>622,212</u>	<u>1,698,951</u>	<u>1,167,128</u>	<u>531,823</u>	<u>44,147,528</u>	<u>30,865,241</u>	<u>13,282,287</u>
Excess of revenues over (under) expenditures	<u>67,098</u>	<u>675,571</u>	<u>608,473</u>	<u>(450,000)</u>	<u>5,325</u>	<u>455,325</u>	<u>(3,259,922)</u>	<u>9,577,550</u>	<u>12,837,472</u>
<b>Other financing (uses)</b>									
Transfers in	-	-	-	550,000	-	(550,000)	550,000	15,786	(534,214)
Transfers out	(546,540)	-	546,540	(550,000)	-	550,000	(6,272,540)	(528,105)	5,744,435
Net other financing sources (uses)	<u>(546,540)</u>	<u>-</u>	<u>546,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,722,540)</u>	<u>(512,319)</u>	<u>5,210,221</u>
Net change in net position	<u>\$ (479,442)</u>	<u>675,571</u>	<u>\$ 1,155,013</u>	<u>\$ (450,000)</u>	<u>5,325</u>	<u>\$ 455,325</u>	<u>\$ (8,982,462)</u>	<u>\$ 9,065,231</u>	<u>\$ 18,047,693</u>
Net position - beginning of year		447,496			438,302			15,190,005	
Net position - end of year		<u>\$ 1,123,067</u>			<u>\$ 443,627</u>			<u>\$ 24,255,236</u>	

## **Internal Service Funds**

# Internal Service Funds

## **Central Garage**

To account for the costs of operating a maintenance facility for automotive equipment provided to other city departments. Such costs are billed to other departments at actual cost plus a fixed overhead factor. The automotive equipment itself is acquired by the various user departments which are responsible for financing replacement vehicles as necessary.

## **Risk Management**

To account for the monies provided for health and dental, workers' compensation, property, casualty and other liability insurance coverage purchased by the City.

## **Vehicle Replacement**

To account for monies provided by usage charges for future replacement of City vehicles.

## **Personal Computer Replacement**

To account for monies provided by usage charges for future replacement of City personal computers.

## **Building Maintenance Fund**

To account for monies provided by usage charges for future maintenance costs.



**City of Olathe, Kansas**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2020**

	<u>Central Garage</u>	<u>Risk Management</u>	<u>Vehicle Replacement</u>	<u>Personal Computer Replacement</u>	<u>Building Maintenance</u>	<u>Total</u>
<b>Assets</b>						
Current assets						
Cash and cash equivalents	\$ 196,652	\$ 14,726,952	\$ 10,175,049	\$ 1,124,296	\$ 498,068	\$ 26,721,017
Accounts receivable	74,784	-	26,049	-	-	100,833
Inventories and prepaid assets	328,797	-	-	-	-	328,797
Total current assets	<u>600,233</u>	<u>14,726,952</u>	<u>10,201,098</u>	<u>1,124,296</u>	<u>498,068</u>	<u>27,150,647</u>
Noncurrent assets						
Restricted assets						
Due from other funds	-	-	1,289,528	-	-	1,289,528
Deposit	-	11,000	-	-	-	11,000
Total restricted assets	<u>-</u>	<u>11,000</u>	<u>1,289,528</u>	<u>-</u>	<u>-</u>	<u>1,300,528</u>
Capital assets	70,544	-	67,614,973	228,269	-	67,913,786
Less accumulated depreciation	<u>(70,544)</u>	<u>-</u>	<u>(41,094,412)</u>	<u>(228,269)</u>	<u>-</u>	<u>(41,393,225)</u>
Net capital assets	<u>-</u>	<u>-</u>	<u>26,520,561</u>	<u>-</u>	<u>-</u>	<u>26,520,561</u>
Total assets	<u>\$ 600,233</u>	<u>\$ 14,737,952</u>	<u>\$ 38,011,187</u>	<u>\$ 1,124,296</u>	<u>\$ 498,068</u>	<u>\$ 54,971,736</u>
<b>Liabilities</b>						
Current liabilities						
Accounts and claims payable	\$ 320,026	\$ 2,085,809	\$ -	\$ -	\$ -	\$ 2,405,835
Compensated absences	80,748	6,513	-	-	33,291	120,552
Total current liabilities	<u>400,774</u>	<u>2,092,322</u>	<u>-</u>	<u>-</u>	<u>33,291</u>	<u>2,526,387</u>
Noncurrent liabilities						
Deposit	-	11,000	-	-	-	11,000
Compensated absences	22,775	1,837	-	-	9,390	34,002
Total noncurrent liabilities	<u>22,775</u>	<u>12,837</u>	<u>-</u>	<u>-</u>	<u>9,390</u>	<u>45,002</u>
Total liabilities	<u>423,549</u>	<u>2,105,159</u>	<u>-</u>	<u>-</u>	<u>42,681</u>	<u>2,571,389</u>
<b>Net position</b>						
Net investment in capital assets	-	-	26,520,561	-	-	26,520,561
Unrestricted	176,684	12,632,793	11,490,626	1,124,296	455,387	25,879,786
Total net position	<u>176,684</u>	<u>12,632,793</u>	<u>38,011,187</u>	<u>1,124,296</u>	<u>455,387</u>	<u>52,400,347</u>
Total liabilities and net position	<u>\$ 600,233</u>	<u>\$ 14,737,952</u>	<u>\$ 38,011,187</u>	<u>\$ 1,124,296</u>	<u>\$ 498,068</u>	<u>\$ 54,971,736</u>

**City of Olathe, Kansas**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**

	Central Garage	Risk Management	Vehicle Replacement	Personal Computer Replacement	Building Maintenance	Total
<b>Operating revenues</b>						
Intergovernmental	\$ 18,440	\$ -	\$ -	\$ -	\$ -	\$ 18,440
Charges for services	6,458,621	23,573,945	7,896,357	1,178,698	1,169,556	40,277,177
Total operating revenues	<u>6,477,061</u>	<u>23,573,945</u>	<u>7,896,357</u>	<u>1,178,698</u>	<u>1,169,556</u>	<u>40,295,617</u>
<b>Operating expenses</b>						
Administration and general	-	20,438,341	299,614	548,218	1,169,556	22,455,729
Depreciation	-	-	5,659,153	-	-	5,659,153
Equipment maintenance	5,932,213	-	-	-	-	5,932,213
Total operating expenses	<u>5,932,213</u>	<u>20,438,341</u>	<u>5,958,767</u>	<u>548,218</u>	<u>1,169,556</u>	<u>34,047,095</u>
Operating income (loss)	<u>544,848</u>	<u>3,135,604</u>	<u>1,937,590</u>	<u>630,480</u>	<u>-</u>	<u>6,248,522</u>
<b>Nonoperating revenues (expenses)</b>						
Interest income	766	90,944	46,309	6,258	2,897	147,174
Gain (loss) from sale of equipment	-	-	437,782	-	-	437,782
Total nonoperating revenues (expenses)	<u>766</u>	<u>90,944</u>	<u>484,091</u>	<u>6,258</u>	<u>2,897</u>	<u>584,956</u>
Net income (loss)	<u>545,614</u>	<u>3,226,548</u>	<u>2,421,681</u>	<u>636,738</u>	<u>2,897</u>	<u>6,833,478</u>
Transfers in	-	-	15,786	-	-	15,786
Transfers out	(528,105)	-	-	-	-	(528,105)
Net income (loss)	<u>17,509</u>	<u>3,226,548</u>	<u>2,437,467</u>	<u>636,738</u>	<u>2,897</u>	<u>6,321,159</u>
Net position - beginning of year	159,175	9,406,245	35,573,720	487,558	452,490	46,079,188
Net position - end of year	<u>\$ 176,684</u>	<u>\$ 12,632,793</u>	<u>\$ 38,011,187</u>	<u>\$ 1,124,296</u>	<u>\$ 455,387</u>	<u>\$ 52,400,347</u>

**City of Olathe, Kansas**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**

	Central Garage	Risk Management	Vehicle Replacement	Personal Computer Replacement	Building Maintenance	Total
<b>Cash Flows from Operating Activities</b>						
Receipts from customers and users	\$ 6,466,014	\$ 23,573,945	\$ 7,939,168	\$ 1,178,698	\$ 1,169,556	\$ 40,327,381
Payments to suppliers	(4,146,054)	(19,825,442)	(559,097)	(548,218)	(574,489)	(25,653,300)
Payments to employees	(1,932,159)	(415,208)	-	-	(588,988)	(2,936,355)
Net cash provided by (used in) operating activities	<u>387,801</u>	<u>3,333,295</u>	<u>7,380,071</u>	<u>630,480</u>	<u>6,079</u>	<u>11,737,726</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfers from other funds	-	-	15,786	-	-	15,786
Transfers to other funds	(528,105)	-	-	-	-	(528,105)
Net cash provided by (used in) noncapital financing activities	<u>(528,105)</u>	<u>-</u>	<u>15,786</u>	<u>-</u>	<u>-</u>	<u>(512,319)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Acquisitions and construction of capital assets	-	-	(3,550,693)	-	-	(3,550,693)
Proceeds from sale of capital assets	-	-	437,782	-	-	437,782
Net cash (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(3,112,911)</u>	<u>-</u>	<u>-</u>	<u>(3,112,911)</u>
<b>Cash Flows from Investing Activities</b>						
Interest received	766	90,944	46,309	6,258	2,897	147,174
Net cash provided by (used in) investing activities	<u>766</u>	<u>90,944</u>	<u>46,309</u>	<u>6,258</u>	<u>2,897</u>	<u>147,174</u>
Net increase (decrease) in cash and cash equivalents	(139,538)	3,424,239	4,329,255	636,738	8,976	8,259,670
Cash and cash equivalents - beginning of year	336,190	11,302,713	5,845,794	487,558	489,092	18,461,347
Cash and cash equivalents - end of year	<u>\$ 196,652</u>	<u>\$ 14,726,952</u>	<u>\$ 10,175,049</u>	<u>\$ 1,124,296</u>	<u>\$ 498,068</u>	<u>\$ 26,721,017</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>						
Operating income (loss)	\$ 544,848	\$ 3,135,604	\$ 1,937,590	\$ 630,480	\$ -	\$ 6,248,522
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities						
Depreciation and amortization	-	-	5,659,153	-	-	5,659,153
Changes in assets and liabilities						
(Increase) in inventories and prepaid assets	(38,615)	-	-	-	-	(38,615)
(Increase) in accounts receivable	(11,047)	-	42,811	-	-	31,764
(Increase) in due from other governments / other funds	-	-	17,146	-	-	17,146
Increase (decrease) in accounts and claims payable	(113,498)	199,039	(276,629)	-	-	(191,088)
Increase (decrease) in compensated absences	6,113	(1,348)	-	-	6,079	10,844
Total adjustments	<u>(157,047)</u>	<u>197,691</u>	<u>5,442,481</u>	<u>-</u>	<u>6,079</u>	<u>5,489,204</u>
Net cash provided by (used in) operating activities	<u>\$ 387,801</u>	<u>\$ 3,333,295</u>	<u>\$ 7,380,071</u>	<u>\$ 630,480</u>	<u>\$ 6,079</u>	<u>\$ 11,737,726</u>



## **Discretely Presented Component Unit**

# **Discretely Presented Component Unit**

## **Olathe Public Housing Authority**

To account for the proprietary fund type financial activities of the public housing authority.



**City of Olathe, Kansas**  
**Statement of Net Position**  
**Discretely Presented Component Unit**  
**December 31, 2020**

	<b>Olathe Public Housing Authority</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 844,785
Receivable	36,149
Other assets	53,330
Capital assets, net of accumulated depreciation	2,087,894
Total assets	\$ 3,022,158
 <b>Liabilities and net position</b>	
<b>Liabilities</b>	
Accounts payable	\$ 65,633
Accrued liabilities	75,568
Noncurrent liabilities:	84,570
Total liabilities	225,771
 <b>Net position</b>	
Net invested in capital assets	2,087,894
Unrestricted	708,493
Total net position	2,796,387
Total liabilities and net position	\$ 3,022,158

**City of Olathe, Kansas**  
**Statement of Revenues, Expenses,**  
**and Changes in Net Position**  
**Discretely Presented Component Unit**  
**For the Year Ended December 31, 2020**

	<u>Olathe Public Housing Authority</u>
<b>Operating revenues</b>	
Charges for services	\$ 436,102
Intergovernmental	4,108,784
Total operating revenues	<u>4,544,886</u>
 <b>Operating expenses</b>	
Community services	<u>4,697,019</u>
Total operating expenses	<u>4,697,019</u>
 Operating (loss)	 (152,133)
 <b>Nonoperating revenues</b>	
Unrestricted investment earnings	<u>1,181</u>
Total nonoperating revenues	<u>1,181</u>
 Change in net position	 <u>(150,952)</u>
 Net position - beginning of year	 <u>2,947,339</u>
Net position - end of year	<u>\$ 2,796,387</u>

**City of Olathe, Kansas**  
**Statement of Cash Flows**  
**Discretely Presented Component Unit**  
**For the Year Ended December 31, 2020**

	<u>Olathe Public Housing Authority</u>
<b>Cash Flows from Operating Activities</b>	
Receipts from customers and users	\$ 4,495,979
Payments to suppliers	(4,074,568)
Payments to employees	<u>(387,642)</u>
Net cash provided by (used in) operating activities	<u>33,769</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisitions and construction of capital assets	<u>(14,031)</u>
Net cash (used in) capital and related financing activities	<u>(14,031)</u>
<b>Cash Flows from Investing Activities</b>	
Interest received	<u>1,181</u>
Net cash provided by investing activities	<u>1,181</u>
Net increase (decrease) in cash and cash equivalents	20,919
Cash and cash equivalents - beginning of year	<u>823,866</u>
Cash and cash equivalents - end of year	<u><u>\$ 844,785</u></u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities</b>	
Operating loss	\$ (152,133)
Adjustments to reconcile operating income to cash provided by (used in) operating activities	
Depreciation	225,953
Changes in assets and liabilities	
Decrease in receivables	4,423
(Increase) in other assets	(53,330)
(Decrease) in accounts payable and accrued liabilities	(1,347)
Increase in escrow account	<u>10,203</u>
Total adjustments	<u>185,902</u>
Net cash provided by (used in) operating activities	<u><u>\$ 33,769</u></u>



## **Statistical Section**

**City of Olathe, Kansas  
Statistical Section**

This part of the City of Olathe's Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements and note disclosures say about the City's overall financial health.

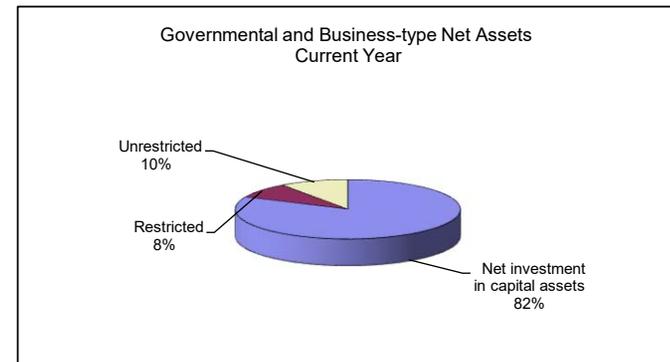
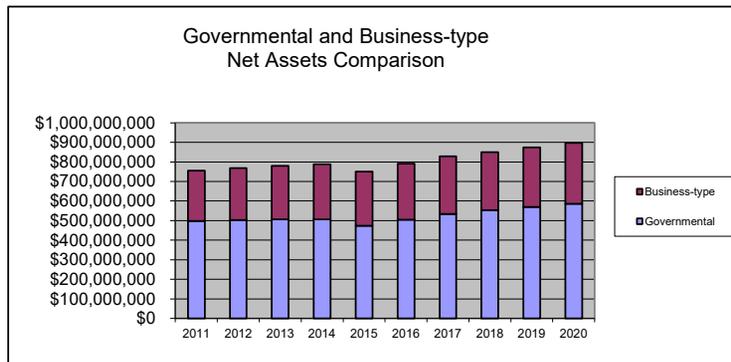
<b><u>Contents</u></b>	<b><u>Exhibit</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1 - 5
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources, sales tax and property tax.	6 - 12
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	13 - 17
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	18 - 19
<b>Operating Information</b> 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.	20 - 24

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



**City of Olathe, Kansas  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Net investment in capital assets	\$ 356,108,246	\$ 370,080,499	\$ 386,512,735	\$ 370,692,154	\$ 405,739,543	\$ 412,629,059	\$ 428,374,947	\$ 468,020,359	\$ 459,371,993	\$ 471,816,066
Restricted	83,662,819	73,089,869	66,146,861	57,503,742	56,702,281	81,324,117	78,369,300	116,031,761	69,937,182	66,768,299
Unrestricted	57,707,288	60,248,106	54,031,890	78,729,704	11,859,425	11,528,670	27,219,955	(30,891,241)	39,888,618	46,978,044
Total governmental activities net position	<u>\$ 497,478,353</u>	<u>\$ 503,418,474</u>	<u>\$ 506,691,486</u>	<u>\$ 506,925,600</u>	<u>\$ 474,301,249</u>	<u>\$ 505,481,846</u>	<u>\$ 533,964,202</u>	<u>\$ 553,160,879</u>	<u>\$ 569,197,793</u>	<u>\$ 585,562,409</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 228,011,260	\$ 225,571,867	\$ 232,476,327	\$ 239,782,857	\$ 244,478,470	\$ 240,994,461	\$ 244,073,175	\$ 239,764,049	\$ 250,360,224	\$ 262,044,600
Restricted	6,961,829	8,526,843	7,973,798	8,313,028	9,928,840	10,041,625	6,196,232	7,018,082	8,015,333	8,080,267
Unrestricted	23,210,572	30,414,894	33,057,503	32,283,790	21,204,555	33,935,078	43,939,745	50,105,406	46,625,246	41,586,877
Total business-type activities net position	<u>\$ 258,183,661</u>	<u>\$ 264,513,604</u>	<u>\$ 273,507,628</u>	<u>\$ 280,379,675</u>	<u>\$ 275,611,865</u>	<u>\$ 284,971,164</u>	<u>\$ 294,209,152</u>	<u>\$ 296,887,537</u>	<u>\$ 305,000,803</u>	<u>\$ 311,711,744</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 584,119,506	\$ 595,652,366	\$ 618,989,062	\$ 610,475,011	\$ 650,218,013	\$ 653,623,520	\$ 672,448,122	\$ 707,784,408	\$ 709,732,217	\$ 733,860,666
Restricted	90,624,648	81,616,712	74,120,659	65,816,770	66,631,121	91,365,742	84,565,532	123,049,843	77,952,515	74,848,566
Unrestricted	80,917,860	90,663,000	87,089,393	111,013,494	33,063,980	45,463,748	71,159,700	19,214,165	86,513,864	88,564,921
Total primary government activities net position	<u>\$ 755,662,014</u>	<u>\$ 767,932,078</u>	<u>\$ 780,199,114</u>	<u>\$ 787,305,275</u>	<u>\$ 749,913,114</u>	<u>\$ 790,453,010</u>	<u>\$ 828,173,354</u>	<u>\$ 850,048,416</u>	<u>\$ 874,198,596</u>	<u>\$ 897,274,153</u>



**City of Olathe, Kansas**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

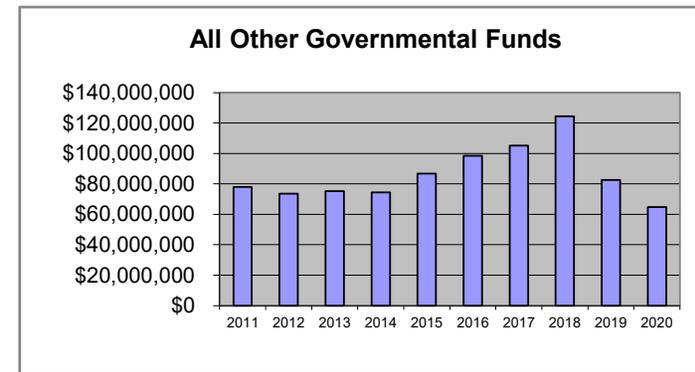
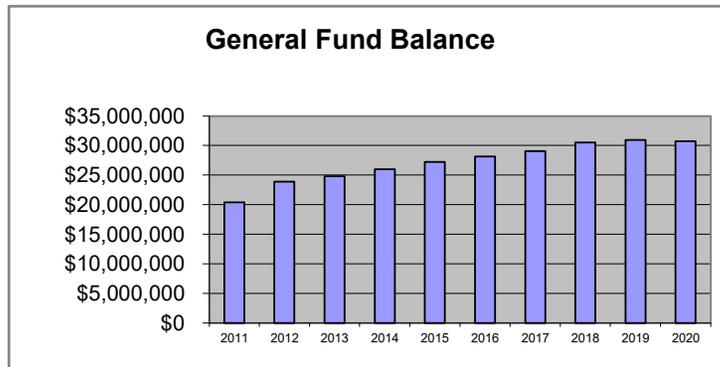
	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental activities:										
General government	\$ 22,104,286	\$ 21,758,241	\$ 22,936,723	\$ 22,648,134	\$ 22,935,349	\$ 29,698,687	\$ 30,659,017	\$ 31,670,765	\$ 33,634,434	\$ 35,991,748
Public safety	35,809,361	36,378,578	38,518,949	41,446,154	41,065,601	43,586,807	51,947,482	53,518,929	56,203,958	52,193,052
Public works	46,931,481	42,001,073	48,561,843	72,495,919	70,291,556	74,644,080	61,820,535	45,025,053	65,535,157	63,983,483
Community services	11,823,644	10,740,780	10,960,318	12,509,572	13,744,699	16,168,880	16,667,781	16,270,619	16,129,998	15,467,438
Interest on long-term debt	11,892,275	10,001,890	11,049,332	8,620,577	8,496,066	7,239,575	7,906,438	7,294,666	7,275,226	5,400,068
<b>Total governmental activities</b>	<b>128,561,047</b>	<b>120,880,562</b>	<b>132,027,165</b>	<b>157,720,356</b>	<b>156,533,271</b>	<b>171,338,029</b>	<b>169,001,253</b>	<b>153,780,032</b>	<b>178,778,773</b>	<b>173,035,789</b>
Business-type activities:										
Water and sewer	32,419,382	38,637,842	34,389,123	35,799,511	37,538,379	38,786,625	41,493,532	43,452,685	48,649,227	49,102,197
Solid waste	10,297,550	10,934,142	10,738,154	11,740,294	11,854,241	12,176,917	12,863,072	13,945,482	14,178,471	14,125,846
<b>Total business-type activities</b>	<b>42,716,932</b>	<b>49,571,984</b>	<b>45,127,277</b>	<b>47,539,805</b>	<b>49,392,620</b>	<b>50,963,542</b>	<b>54,356,604</b>	<b>57,398,167</b>	<b>62,827,698</b>	<b>63,228,043</b>
<b>Total primary government expenses</b>	<b>\$ 171,277,979</b>	<b>\$ 170,452,546</b>	<b>\$ 177,154,442</b>	<b>\$ 205,260,161</b>	<b>\$ 205,925,891</b>	<b>\$ 222,301,571</b>	<b>\$ 223,357,857</b>	<b>\$ 211,178,199</b>	<b>\$ 241,606,471</b>	<b>\$ 236,263,832</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 3,872,262	\$ 3,632,230	\$ 3,965,047	\$ 3,756,217	\$ 4,155,156	\$ 4,770,270	\$ 4,660,223	\$ 5,052,358	\$ 4,852,589	\$ 5,575,390
Public safety	4,129,741	4,557,513	4,523,774	4,537,798	4,315,123	4,191,244	3,091,130	3,512,133	3,607,841	2,898,957
Public works	4,664,605	6,536,730	5,688,762	7,772,860	7,558,545	8,064,710	9,472,541	10,731,989	8,752,953	8,328,295
Community services	2,114,043	2,300,397	2,380,047	3,709,630	4,780,084	5,524,930	5,994,725	5,902,968	6,135,471	5,106,418
Operating grants and contributions	2,331,708	2,110,344	2,277,453	2,338,420	2,642,863	2,798,886	2,691,260	2,548,814	3,212,795	3,954,109
Capital grants and contributions	25,256,895	12,379,269	20,204,382	21,906,462	27,214,326	47,057,319	38,451,050	17,409,373	24,823,201	19,504,894
<b>Total governmental activities program revenue</b>	<b>42,369,254</b>	<b>31,516,483</b>	<b>39,039,465</b>	<b>44,021,387</b>	<b>50,666,097</b>	<b>72,407,359</b>	<b>64,360,929</b>	<b>45,157,635</b>	<b>51,384,850</b>	<b>45,368,063</b>
Business-type activities:										
Charges for services										
Water and sewer	31,887,691	38,143,966	37,135,057	38,100,769	38,981,204	43,168,622	45,752,839	48,608,113	45,700,559	49,356,602
Solid waste	11,830,205	12,151,751	12,477,796	12,511,659	12,965,412	13,370,140	12,908,095	13,451,554	15,944,963	16,014,413
Operating grants and contributions	-	-	-	-	-	-	-	-	-	758,571
Capital grants and contributions	4,206,897	5,241,451	3,178,066	2,742,115	2,452,669	4,416,279	3,286,002	2,813,011	4,445,642	-
<b>Total business-type activities program revenues</b>	<b>47,924,793</b>	<b>55,537,168</b>	<b>52,790,919</b>	<b>53,354,543</b>	<b>54,399,285</b>	<b>60,955,041</b>	<b>61,946,936</b>	<b>64,872,678</b>	<b>66,091,164</b>	<b>66,129,586</b>
<b>Total primary government program revenues</b>	<b>\$ 90,294,047</b>	<b>\$ 87,053,651</b>	<b>\$ 91,830,384</b>	<b>\$ 97,375,930</b>	<b>\$ 105,065,382</b>	<b>\$ 133,362,400</b>	<b>\$ 126,307,865</b>	<b>\$ 110,030,313</b>	<b>\$ 117,476,014</b>	<b>\$ 111,497,649</b>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (86,191,793)	\$ (89,364,079)	\$ (92,987,700)	\$ (113,698,969)	\$ (105,867,174)	\$ (98,930,670)	\$ (104,640,324)	\$ (108,622,397)	\$ (127,393,923)	\$ (127,667,726)
Business-type activities	5,207,861	5,965,184	7,663,642	5,814,738	5,006,665	9,991,499	7,590,332	7,474,511	3,263,466	2,901,543
<b>Total primary government net expense</b>	<b>\$ (80,983,932)</b>	<b>\$ (83,398,895)</b>	<b>\$ (85,324,058)</b>	<b>\$ (107,884,231)</b>	<b>\$ (100,860,509)</b>	<b>\$ (88,939,171)</b>	<b>\$ (97,049,992)</b>	<b>\$ (101,147,886)</b>	<b>\$ (124,130,457)</b>	<b>\$ (124,766,183)</b>

**City of Olathe, Kansas**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 37,388,645	\$ 37,803,773	\$ 36,970,133	\$ 38,287,765	\$ 40,134,797	\$ 43,336,975	\$ 47,021,050	\$ 51,746,347	\$ 54,297,724	\$ 57,381,851
Sales taxes	41,925,494	43,562,332	44,683,816	55,535,354	59,758,735	64,602,806	68,351,904	70,529,222	69,958,462	72,282,916
Franchise taxes	9,676,295	9,857,257	10,683,439	11,346,571	11,134,962	11,503,470	11,629,244	12,009,645	11,638,652	10,898,406
Other taxes	879,012	1,015,736	1,333,354	1,260,272	1,462,228	1,714,373	2,026,799	1,784,961	1,798,487	1,072,895
Investment earnings	961,178	1,462,684	378,433	642,836	602,315	862,779	1,512,957	3,013,147	4,679,309	1,518,553
Miscellaneous	1,419,911	2,118,260	2,318,868	6,671,826	1,825,250	2,165,115	2,443,044	4,497,232	3,162,265	1,412,662
Transfers	544,935	823,525	(107,331)	188,459	2,376,172	2,251,686	137,682	3,441,360	(2,104,062)	(534,941)
Total governmental activities	<u>92,795,470</u>	<u>96,643,567</u>	<u>96,260,712</u>	<u>113,933,083</u>	<u>117,294,459</u>	<u>126,437,204</u>	<u>133,122,680</u>	<u>147,021,914</u>	<u>143,430,837</u>	<u>144,032,342</u>
Business-type activities:										
Investment earnings	178,500	382,636	119,081	230,865	183,741	291,045	477,905	861,184	1,323,989	358,603
Miscellaneous	1,320,622	1,148,332	1,103,970	1,014,903	1,108,050	1,328,441	1,307,433	1,341,098	1,421,749	2,915,854
Transfers	(544,935)	(823,525)	107,331	(188,459)	(2,376,172)	(2,251,686)	(137,682)	(3,441,360)	2,104,062	534,941
Total business-type activities	<u>954,187</u>	<u>707,443</u>	<u>1,330,382</u>	<u>1,057,309</u>	<u>(1,084,381)</u>	<u>(632,200)</u>	<u>1,647,656</u>	<u>(1,239,078)</u>	<u>4,849,800</u>	<u>3,809,398</u>
Total primary government	<u>\$ 93,749,657</u>	<u>\$ 97,351,010</u>	<u>\$ 97,591,094</u>	<u>\$ 114,990,392</u>	<u>\$ 116,210,078</u>	<u>\$ 125,805,004</u>	<u>\$ 134,770,336</u>	<u>\$ 145,782,836</u>	<u>\$ 148,280,637</u>	<u>\$ 147,841,740</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 6,603,677	\$ 7,279,488	\$ 3,273,012	\$ 234,114	\$ 11,427,285	\$ 27,506,534	\$ 28,482,356	\$ 38,399,517	\$ 16,036,914	\$ 16,364,616
Business-type activities	6,162,048	6,672,627	8,994,024	6,872,047	3,922,284	9,359,299	9,237,988	6,235,433	8,113,266	6,710,941
Total primary government	<u>\$ 12,765,725</u>	<u>\$ 13,952,115</u>	<u>\$ 12,267,036</u>	<u>\$ 7,106,161</u>	<u>\$ 15,349,569</u>	<u>\$ 36,865,833</u>	<u>\$ 37,720,344</u>	<u>\$ 44,634,950</u>	<u>\$ 24,150,180</u>	<u>\$ 23,075,557</u>

**City of Olathe, Kansas  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Nonspendable	\$ 601,488	\$ 826,094	\$ 372,171	\$ 360,834	\$ 273,262	\$ 180,838	\$ 65,974	\$ 6,011	\$ 109,998	\$ 92,517
Assigned	604,793	423,495	691,195	575,716	308,646	408,916	313,803	367,726	152,861	305,369
Unassigned	19,204,392	22,614,927	23,714,931	25,029,566	26,653,214	27,547,843	28,660,751	30,139,831	30,662,381	30,336,965
<b>Total general fund</b>	<b>\$ 20,410,673</b>	<b>\$ 23,864,516</b>	<b>\$ 24,778,297</b>	<b>\$ 25,966,116</b>	<b>\$ 27,235,122</b>	<b>\$ 28,137,597</b>	<b>\$ 29,040,528</b>	<b>\$ 30,513,568</b>	<b>\$ 30,925,240</b>	<b>\$ 30,734,851</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,704	\$ 15,523
Restricted	64,415,415	56,870,747	57,084,752	52,559,149	58,520,874	70,680,019	69,992,308	84,594,066	39,582,543	45,163,035
Committed	10,637,847	12,011,354	11,259,718	12,690,925	16,931,314	13,253,562	14,393,464	16,173,584	14,356,140	15,672,679
Assigned	3,092,000	4,919,000	6,868,058	9,059,939	11,339,204	14,427,463	20,686,346	23,670,824	28,520,468	34,667,147
Unassigned	(265,224)	(356,083)	-	-	-	-	-	-	-	(30,667,594)
<b>Total all other governmental funds</b>	<b>\$ 77,880,038</b>	<b>\$ 73,445,018</b>	<b>\$ 75,212,528</b>	<b>\$ 74,310,013</b>	<b>\$ 86,791,392</b>	<b>\$ 98,361,044</b>	<b>\$ 105,072,118</b>	<b>\$ 124,438,474</b>	<b>\$ 82,503,855</b>	<b>\$ 64,850,790</b>

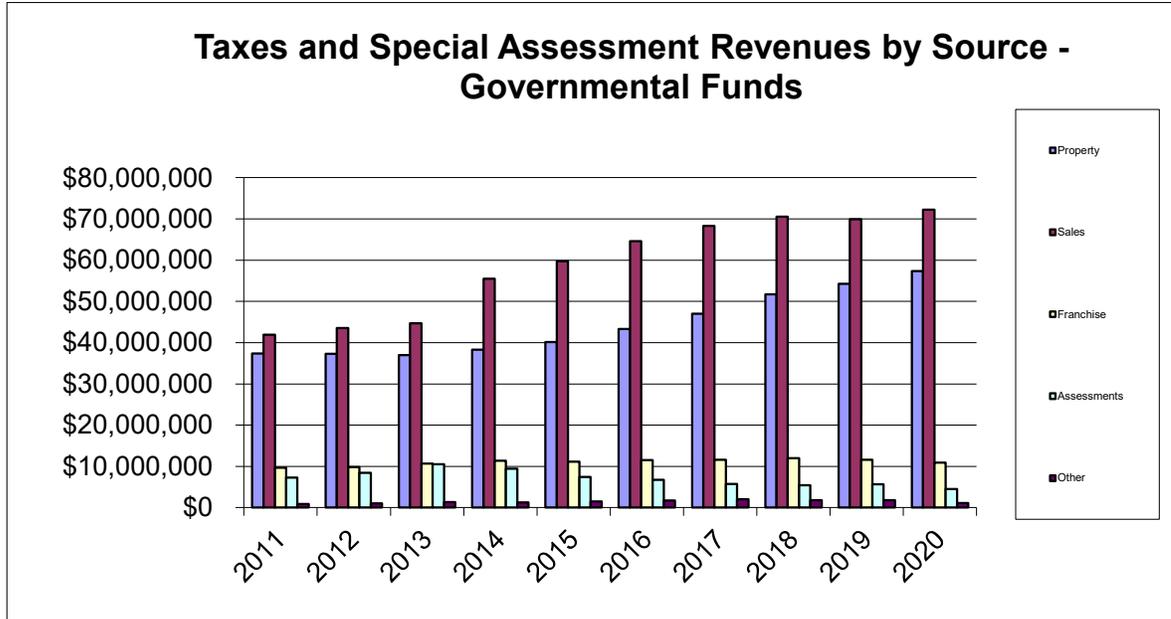


**City of Olathe, Kansas**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Taxes and special assessments	\$ 97,186,011	\$ 100,151,808	\$ 104,216,196	\$ 115,878,933	\$ 119,895,961	\$ 127,903,146	\$ 134,793,488	\$ 141,523,573	\$ 143,388,176	\$ 146,144,364
Intergovernmental	10,649,241	8,537,462	11,434,840	14,914,113	12,389,145	12,987,653	21,602,721	17,841,802	14,634,776	20,024,984
Licenses and permits	801,090	1,292,246	1,219,515	1,462,444	2,054,140	2,221,597	2,311,842	2,858,757	2,568,592	2,724,055
Fines, forfeitures, and penalties	3,605,967	4,102,130	4,028,710	3,973,992	3,866,565	3,861,676	2,766,930	3,156,629	3,289,874	2,460,077
Charges for services	10,373,594	11,632,494	11,309,405	14,340,069	14,888,203	16,467,881	18,139,856	19,184,062	17,490,388	16,724,928
Use of money and property	897,601	1,450,621	332,055	569,071	549,290	793,780	1,422,000	2,647,564	4,296,722	1,371,379
Miscellaneous	1,327,317	1,594,024	2,984,067	6,479,238	1,846,859	1,572,393	1,942,028	4,201,766	1,939,180	1,117,918
<b>Total revenues</b>	<b>124,840,821</b>	<b>128,760,785</b>	<b>135,524,788</b>	<b>157,617,860</b>	<b>155,490,163</b>	<b>165,808,126</b>	<b>182,978,865</b>	<b>191,414,153</b>	<b>187,607,708</b>	<b>190,567,705</b>
<b>Expenditures</b>										
General government	21,003,812	20,364,416	21,332,265	21,094,027	22,375,960	28,554,144	28,267,167	30,304,050	31,876,684	31,598,849
Public safety	35,062,536	34,812,525	36,754,816	39,565,726	41,058,833	42,270,308	47,585,328	50,139,662	53,276,267	51,903,934
Public works	12,927,181	12,781,679	14,417,388	14,816,298	15,450,364	11,842,381	13,293,564	13,033,266	14,019,737	12,196,257
Community services	10,281,567	9,964,083	10,163,238	11,699,573	13,142,640	14,549,846	14,704,008	14,594,861	16,059,390	12,955,972
Capital improvements	19,185,356	17,731,294	45,828,161	57,620,792	44,172,182	56,384,322	59,411,140	69,670,738	84,023,479	91,008,714
Debt service										
Principal retirements	21,338,779	24,321,309	24,980,629	28,371,830	24,098,465	20,680,816	21,767,175	22,139,589	22,960,974	22,097,653
Interest and fiscal charges	12,308,753	10,282,122	9,026,964	9,185,557	8,718,545	8,008,626	8,770,981	8,412,845	8,870,375	8,553,299
<b>Total expenditures</b>	<b>132,107,984</b>	<b>130,257,428</b>	<b>162,503,461</b>	<b>182,353,803</b>	<b>169,016,989</b>	<b>182,290,443</b>	<b>193,799,363</b>	<b>208,295,011</b>	<b>231,086,906</b>	<b>230,314,678</b>
Excess of revenues over (under) expenditures	(7,267,163)	(1,496,643)	(26,978,673)	(24,735,943)	(13,526,826)	(16,482,317)	(10,820,498)	(16,880,858)	(43,479,198)	(39,746,973)
<b>Other financing sources (uses)</b>										
Issuance of bonds	28,100,000	3,170,000	22,165,000	22,220,000	11,695,000	17,883,673	12,700,000	34,170,000	14,204,654	19,755,000
Issuance of refunding bonds	8,835,000	3,335,000	5,165,000	4,260,000	8,290,000	13,180,000	16,235,000	-	10,094,579	9,610,000
Proceeds from capital leases	-	-	237,839	9,255	-	-	-	-	-	224,023
Payment to bond escrow agent	(2,590,000)	(7,245,028)	-	(3,200,000)	(2,450,000)	(9,605,000)	(13,800,000)	(3,920,000)	(24,710,000)	(10,324,985)
Premium on general obligation bonds	2,483,846	309,409	1,905,100	1,200,740	1,759,969	3,089,684	2,460,806	4,160,857	3,231,035	2,662,103
Insurance proceeds	-	-	-	-	-	539,359	164,173	-	664,211	-
Transfers in	23,594,270	25,703,478	25,842,153	27,924,819	35,612,943	40,602,770	41,339,554	46,291,981	46,218,324	48,391,564
Transfers out	(22,847,731)	(24,757,393)	(25,655,128)	(27,393,567)	(31,090,979)	(40,416,462)	(40,649,195)	(42,986,886)	(47,831,882)	(48,414,186)
<b>Total other financing sources (uses)</b>	<b>37,575,385</b>	<b>515,466</b>	<b>29,659,964</b>	<b>25,021,247</b>	<b>23,816,933</b>	<b>25,274,024</b>	<b>18,450,338</b>	<b>37,715,952</b>	<b>1,870,921</b>	<b>21,903,519</b>
<b>Net change in fund balances</b>	<b>\$ 30,308,222</b>	<b>\$ (981,177)</b>	<b>\$ 2,681,291</b>	<b>\$ 285,304</b>	<b>\$ 10,290,107</b>	<b>\$ 8,791,707</b>	<b>\$ 7,629,840</b>	<b>\$ 20,835,094</b>	<b>\$ (41,608,277)</b>	<b>\$ (17,843,454)</b>
Debt service as a percentage of noncapital expenditures	28.0%	30.4%	27.2%	24.5%	21.9%	18.1%	20.0%	21.8%	19.0%	18.7%

**City of Olathe, Kansas**  
**Tax and Special Assessment Revenues by Source, Governmental Funds**  
**Last Ten Fiscal Years**  
 (modified accrual basis of accounting)

<b>Fiscal Year</b>	<b>Property</b>	<b>Sales</b>	<b>Franchise</b>	<b>Special Assessments</b>	<b>Other Taxes</b>	<b>Total</b>
2011	\$ 37,388,645	\$ 41,925,494	\$ 9,676,295	\$ 7,316,565	\$ 879,012	\$ 97,186,011
2012	37,273,386	43,562,332	9,857,257	8,443,097	1,015,736	100,151,808
2013	36,970,133	44,683,816	10,683,439	10,545,454	1,333,354	104,216,196
2014	38,287,765	55,529,354	11,346,571	9,448,971	1,260,272	115,872,933
2015	40,134,797	59,758,735	11,134,962	7,405,239	1,462,228	119,895,961
2016	43,336,975	64,602,806	11,503,470	6,745,522	1,714,373	127,903,146
2017	47,021,050	68,351,904	11,629,244	5,764,491	2,026,799	134,793,488
2018	51,746,347	70,529,222	12,009,645	5,453,398	1,784,961	141,523,573
2019	54,297,724	69,958,462	11,638,652	5,694,851	1,798,487	143,388,176
2020	57,381,851	72,282,916	10,898,406	4,508,296	1,072,895	146,144,364
Change 2011 to 2020	53.47%	72.41%	12.63%	-38.38%	22.06%	50.38%



**City of Olathe, Kansas  
Taxable Sales by Category  
City Sales Tax Only  
Last Ten Fiscal Years**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Retail Trade										
(Big Box Retail, Grocery, Electronics)	\$ 14,372,193	\$ 14,838,908	\$ 15,434,172	\$ 17,474,368	\$ 21,654,523	\$ 22,314,004	\$ 23,255,377	\$ 23,454,605	\$ 22,631,281	\$ 24,957,732
Accommodation & Food Services										
(Hotel, Restaurant)	2,410,568	2,524,117	2,573,292	3,105,100	3,925,501	4,090,356	4,153,401	4,215,253	3,838,810	3,967,804
Utilities										
(Gas, Electric)	1,654,295	1,618,624	1,725,732	2,078,355	2,421,297	2,443,689	2,511,899	2,647,015	2,772,575	2,533,506
Information										
(Newsprint, Publishing)	1,212,359	1,273,169	1,283,752	1,605,851	1,966,346	1,624,835	1,595,511	1,637,132	1,296,756	1,294,798
Wholesale Trade										
(Wholesale Materials)	967,502	911,285	973,698	1,220,136	1,593,026	1,939,542	1,984,038	1,954,944	2,092,617	1,959,684
Manufacturing										
(Food, Beverage, Paper, Machinery)	565,698	637,218	611,627	811,627	967,271	983,735	948,760	929,794	760,624	780,948
Other Services										
(Auto Repair, Laundry)	694,384	663,561	674,440	824,551	1,047,467	1,111,621	1,129,824	1,147,384	1,477,371	1,210,238
Administrative, Support, Waste Management, & Remediation Services	191,600	191,995	200,444	229,120	287,092	319,937	382,946	419,703	417,450	711,645
Other	1,370,760	1,401,392	1,545,115	1,812,842	2,520,342	2,878,013	2,721,310	2,863,335	3,139,144	3,082,288
<b>Total</b>	<u>\$ 23,439,359</u>	<u>\$ 24,060,269</u>	<u>\$ 25,022,272</u>	<u>\$ 29,161,951</u>	<u>\$ 36,382,865</u>	<u>\$ 37,705,732</u>	<u>\$ 38,683,066</u>	<u>\$ 39,269,165</u>	<u>\$ 38,426,628</u>	<u>\$ 40,498,643</u>

Source: Kansas Department of Revenue

**City of Olathe, Kansas**  
**Direct and Overlapping Sales Tax Rates**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

Fiscal Year	City			Johnson County						State of Kansas (1)	Total
	General	Parks (2)	Streets (5)	General	Public Safety	Stormwater	Public Safety Capital (3)	Education Research Triangle (4)	Public Safety Courthouse (6)		
2011	1.000%	0.125%	-	0.500%	0.250%	0.100%	0.250%	0.125%	-	6.300%	8.650%
2012	1.000%	0.125%	-	0.500%	0.250%	0.100%	0.250%	0.125%	-	6.300%	8.650%
2013	1.000%	0.125%	-	0.500%	0.250%	0.100%	0.250%	0.125%	-	6.150%	8.500%
2014	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	-	6.150%	8.875%
2015	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	-	6.500%	9.225%
2016	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	-	6.500%	9.225%
2017	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%
2018	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%
2019	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%
2020	1.000%	0.125%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.475%

Source: Kansas Department of Revenue

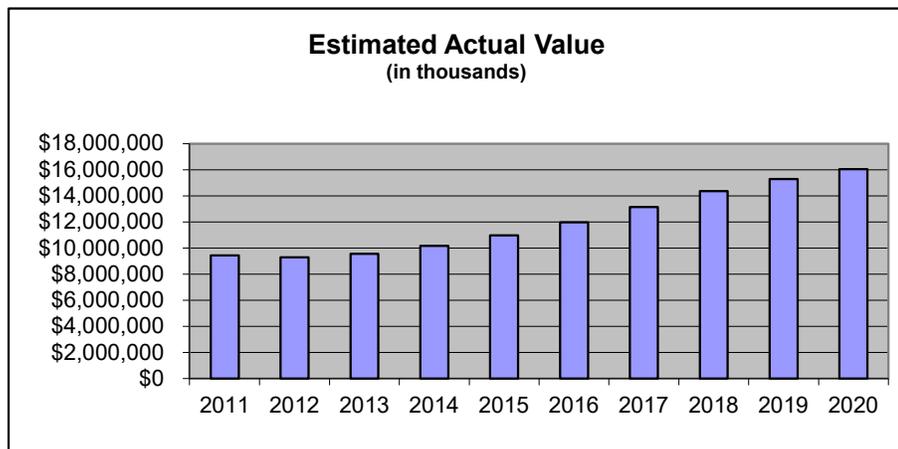
- (1) The State of Kansas increased its sales tax rate effective July 2010 and then decreased its sales tax rate effective July 2013. The State then increased its sales tax rate effective July 2015.
- (2) The citizens of Olathe approved an 1/8% sales tax for various park projects. The tax was in effect from April 2000 through March 2005. The citizens of Olathe approved an extension of this tax until March 2015. Citizens approved a second extension of this tax until March 2025.
- (3) The citizens of Johnson County approved an 1/4% sales tax for public safety capital and operations. The tax was in effect starting in January 2009.
- (4) The citizens of Johnson County approved an 1/8% sales tax for the education research triangle. The tax was in effect starting in January 2009.
- (5) The citizens of Olathe approved an 3/8% sales tax for street maintenance for 10 years. The tax was in effect starting in April 2014.
- (6) The citizens of Johnson County approved an 1/4% sales tax for public safety for a new courthouse. The tax was in effect starting in April 2017.

**City of Olathe, Kansas**  
**Assessed and Estimated Actual Value of Taxable Property**  
*Last Ten Fiscal Years*  
*(in thousands of dollars)*

Collection Year	Real Property	Utilities	Personal Property	Total Assessed Value	Estimated Actual Value (1)	Total Direct Tax Rate
2011	\$ 1,195,322	\$ 35,716	\$ 33,254	\$ 1,264,292	\$ 9,443,015	24.924
2012	1,177,481	37,426	31,526	1,246,433	9,304,378	24.794
2013	1,212,161	38,311	28,765	1,279,238	9,562,962	24.818
2014	1,293,678	38,898	21,385	1,353,961	10,162,389	24.701
2015	1,400,333	40,813	19,349	1,460,496	10,980,846	24.688
2016	1,530,644	41,951	17,996	1,590,590	11,981,493	24.708
2017	1,682,451	42,752	16,293	1,741,496	13,145,013	24.700
2018	1,840,101	45,350	15,802	1,901,252	14,364,117	24.406
2019	1,960,326	47,328	15,287	2,022,942	15,293,254	24.397
2020	2,059,269	50,249	14,420	2,123,938	16,060,301	24.440

Source: Johnson County Appraiser

(1) Residential real estate is assessed at 11.5% of its fair market value. Commercial property is assessed at 25% of its fair market value. All other property is assessed at rates between 12% and 33% of its fair market value.



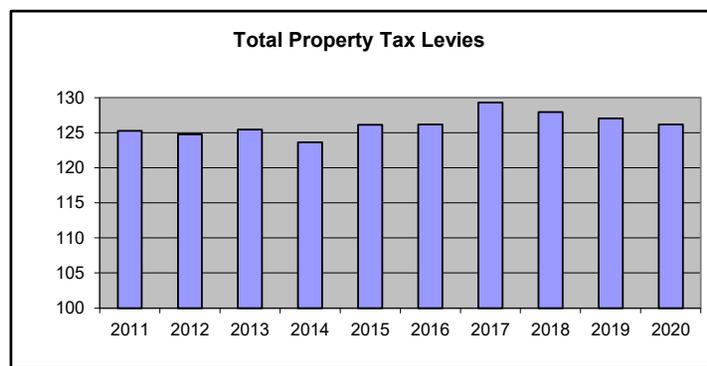
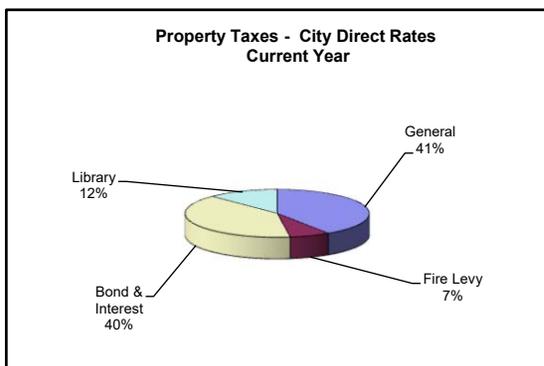
**City of Olathe, Kansas  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

Year	City Direct Rates					Overlapping Rates (1)					
	General	Fire Levy	Bond and Interest	Library	Total	State	County	Community College	County Park	Olathe Schools	Total
2011	9.050	1.710	11.388	2.776	24.924	1.500	17.700	8.872	2.343	69.924	125.263
2012	9.003	1.702	11.328	2.761	24.794	1.500	17.717	8.785	2.344	69.618	124.758
2013	9.010	1.705	11.337	2.766	24.818	1.500	17.745	9.551	2.347	69.486	125.447
2014	8.871	1.709	11.351	2.770	24.701	1.500	17.764	9.461	2.349	67.868	123.643
2015	8.866	1.710	11.345	2.767	24.688	1.500	19.582	9.469	3.101	67.764	126.104
2016	10.874	1.713	9.352	2.769	24.708	1.500	19.590	9.473	3.102	67.774	126.147
2017	10.193	1.730	9.979	2.798	24.700	1.500	19.318	9.503	3.112	71.174	129.307
2018	9.925	1.727	9.711	3.043	24.406	1.500	19.024	9.266	3.088	70.665	127.949
2019	9.921	1.727	9.707	3.042	24.397	1.500	19.036	9.121	3.090	69.878	127.022
2020	9.938	1.731	9.724	3.047	24.440	1.500	18.799	9.191	3.093	69.138	126.161

Per \$1,000 of Assessed Valuation

Source: Johnson County

(1) Overlapping rates are those of local, county, and state governments that apply to property owners within the City of Olathe. Not all overlapping rates apply to all property owners.



**City of Olathe, Kansas  
Principal Property Tax Payers  
Current Year and Nine Years Ago**

Taxpayer Name	Type of Property	2020			2011		
		Total Assessed Value (1)	Rank	Percentage of Total Assessed Valuation	Total Assessed Value (1)	Rank	Percentage of Total Assessed Valuation
GARMIN International	Manufacturing	\$ 25,546,072	1	1.20%			
JDM III SF Kansas City DC LLC	Information Processing	15,421,336	2	0.73%			
HOA Hotels Kansas LLC	Hotel	12,279,001	3	0.58%			
US Bank	Information Processing	10,385,293	4	0.49%			
G&I X Industrial KS LLC	Warehouse	10,192,122	5	0.48%			
Wal-Mart	Retail	9,799,503	6	0.46%			
Northridge 07A, LLC	Retail	9,159,616	7	0.43%			
Olathe Station North	Retail	8,446,502	8	0.40%			
Homestead Apartment Homes	Apartments	8,390,800	9	0.40%			
Aldi Inc.	Retail	7,891,772	10	0.37%			
Atmos Energy	Utility				9,410,346	2	0.74%
Northridge 07A, LLC	Retail				6,571,555	5	0.52%
Homestead Apartment Homes	Apartments				5,320,475	8	0.42%
Foodbrands America Inc.	Manufacturing				6,004,047	6	0.47%
KCPL	Utility				10,041,754	1	0.79%
Passco Olathe Station	Retail				7,769,916	3	0.61%
Honeywell (Bendix/King)	Aircraft Communication	-			7,531,339	4	0.60%
Southwestern Bell Telephone	Utility				5,613,811	7	0.44%
Arciterra Olathe Pointe	Retail				5,023,250	9	0.40%
Karbank Techpark LLP	Solid Waste Transfer				4,762,250	10	0.38%
Atmos Energy		<u>\$ 117,512,017</u>		<u>5.54%</u>	<u>\$ 68,048,743</u>		<u>5.37%</u>
Northridge 07A, LLC							

(1) Source: Real estate and personal property valuation from Johnson County Appraiser's Office.

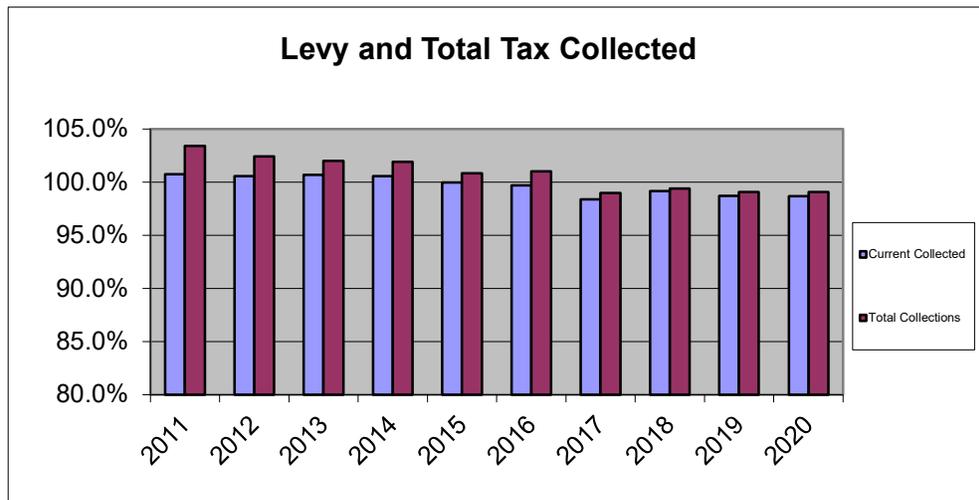
**City of Olathe, Kansas  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Total Levy (2)</b>	<b>Current Tax Collection</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections (1)</b>	<b>Total Tax Collections</b>	<b>Total Collections as Percent of Current Levy</b>
2011	\$ 31,258,771	\$ 31,489,083	100.7%	\$ 840,702	\$ 32,329,785	103.4%
2012	31,508,143	31,690,293	100.6%	582,840	32,273,133	102.4%
2013	30,902,949	31,116,334	100.7%	409,831	31,526,165	102.0%
2014	31,749,238	31,927,827	100.6%	425,649	32,353,476	101.9%
2015	33,439,317	33,426,577	100.0%	288,910	33,715,487	100.8%
2016	36,056,353	35,952,604	99.7%	473,432	36,426,036	101.0%
2017	39,304,956	38,673,924	98.4%	224,940	38,898,864	99.0%
2018	43,012,242	42,651,555	99.2%	96,486	42,748,041	99.4%
2019	46,401,800	45,806,541	98.7%	159,453	45,965,994	99.1%
2020	49,374,488	48,720,596	98.7%	197,366	48,917,962	99.1%

Source: Johnson County Appraiser

(1) Outstanding delinquent taxes are collected by Johnson County. County Treasurer's records do not provide a determination of delinquent outstanding taxes by year, therefore, it is possible for the total collections as a percent of current levy to be greater than 100%.

(2) The total levy is the original levy and does not include discoveries or abatements.

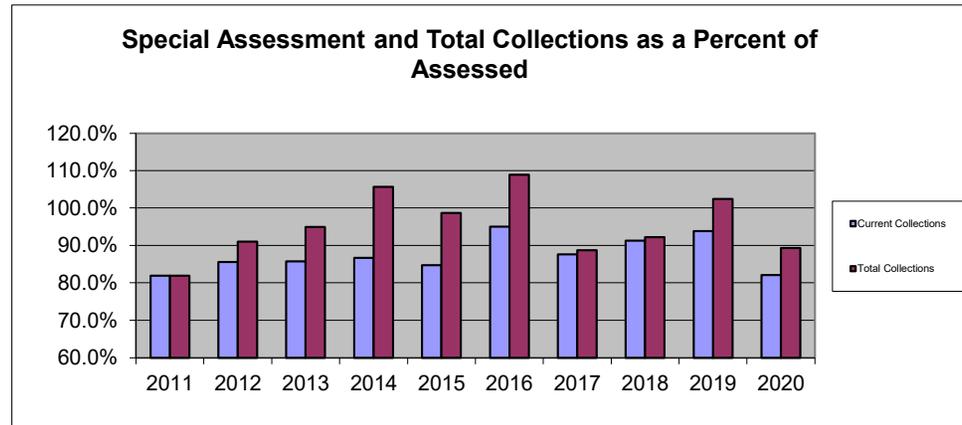


**City of Olathe, Kansas  
Special Assessment Collections  
Last Ten Fiscal Years**

Collection Year	Assessment Levy	Current Collections (1)	Percent of Levy Collected	Delinquent Collections	Current and Delinquent Collection	Percent of Levy Collected	Prepaid Assessment	Total Collections
2011	\$ 8,782,929	\$ 7,191,882	81.9%	\$ 2,797	\$ 7,194,679	81.9%	\$ -	\$ 7,194,679
2012	9,887,997	8,464,087	85.6%	531,059	8,995,146	91.0%	14	8,995,160
2013	9,301,654	7,976,297	85.8%	854,213	8,830,510	94.9%	-	8,830,510
2014	8,944,804	7,753,386	86.7%	1,695,585	9,448,971	105.6%	-	9,448,971
2015	7,338,642	6,217,583	84.7%	1,025,219	7,242,802	98.7%	-	7,242,802
2016	6,664,058	6,333,943	95.0%	920,576	7,254,519	108.9%	-	7,254,519
2017	6,301,761	5,521,284	87.6%	67,744	5,589,028	88.7%	175,463	5,764,491
2018	6,051,367	5,524,676	91.3%	52,989	5,577,665	92.2%	138,383	5,716,048
2019	5,664,203	5,314,454	93.8%	484,767	5,799,221	102.4%	-	5,799,221
2020	5,048,715	\$4,145,649	82.1%	362,648	4,508,297	89.3%	-	4,508,297

Source: Johnson County

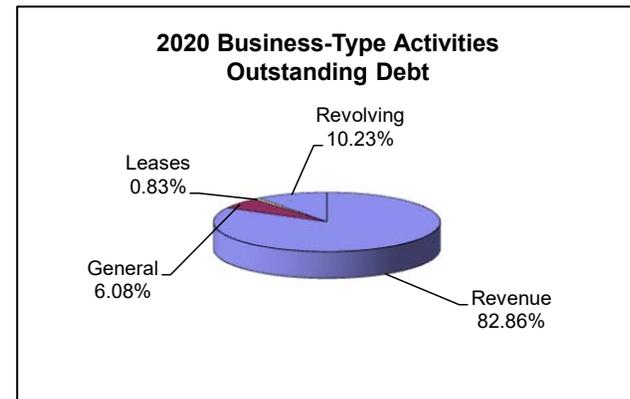
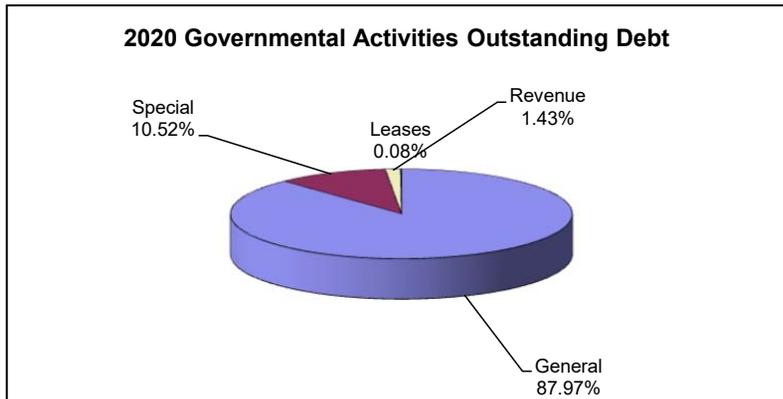
(1) Collections include interest.



**City of Olathe, Kansas  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

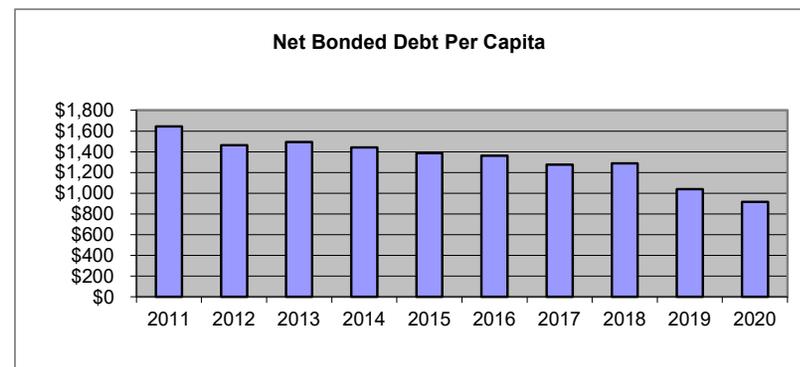
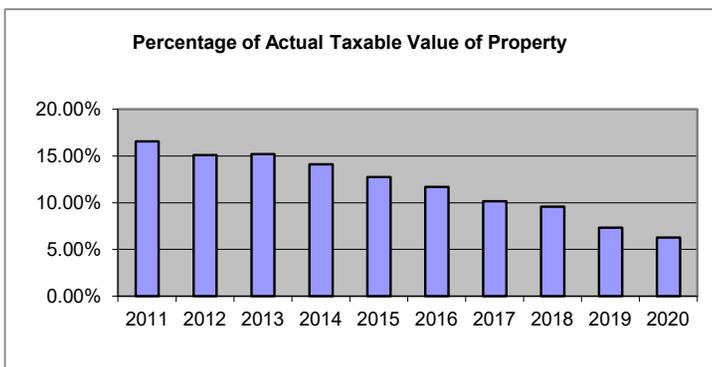
Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Special Obligation Bonds	Revenue Bonds	Capital Leases	Revenue Bonds	General Obligation Bonds	State Revolving Loan	Capital Leases			
2011	\$ 217,958,574	\$ 40,377,193	\$ -	\$ -	\$ 55,649,010	\$ 17,510,000	\$ 24,287,018	\$ 12,891,616	\$ 368,673,411	1.4%	\$ 2,898
2012	194,760,707	38,782,331	-	342,842	63,339,650	16,960,000	23,560,461	11,556,585	349,302,576	1.6%	2,717
2013	201,346,499	35,653,366	-	520,070	61,003,683	15,880,000	22,526,925	10,345,822	347,276,365	1.7%	2,670
2014	198,103,868	34,055,952	-	420,696	58,740,557	14,745,000	21,014,983	9,154,514	336,235,570	1.8%	2,539
2015	193,986,805	32,408,327	-	304,857	75,907,189	13,585,000	19,463,078	7,971,817	343,627,073	1.8%	2,560
2016	198,534,607	30,699,594	-	87,774	72,706,973	12,405,000	17,754,002	6,721,860	338,909,810	1.8%	2,485
2017	195,446,767	28,091,571	-	3,622	79,531,354	11,195,000	16,361,106	5,432,563	336,061,983	2.0%	2,419
2018	209,076,614	24,754,653	-	951	87,987,835	9,945,000	15,000,389	4,029,068	350,794,510	2.0%	2,486
2019	185,067,576	23,209,629	3,075,000	-	99,536,787	8,650,000	13,674,379	2,549,498	335,762,869	2.2%	2,352
2020	182,571,407	21,830,465	2,970,000	177,344	99,674,564	7,320,000	12,304,672	992,747	327,841,199	2.3%	2,254

(1) For personal income and population data, see exhibit 18



**City of Olathe, Kansas  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Debt</b>	<b>Reserved for Debt Service</b>	<b>Net General Obligation Debt</b>	<b>Assessed Valuation</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Population</b>	<b>Per Capita</b>
2011	\$ 235,468,574	\$ 26,083,374	\$ 209,385,200	\$ 1,264,292,000	16.56%	127,211	\$ 1,646
2012	211,720,707	23,518,301	188,202,406	1,246,433,000	15.10%	128,563	1,464
2013	217,226,499	22,881,695	194,344,804	1,279,238,000	15.19%	130,055	1,494
2014	212,848,868	21,929,118	190,919,750	1,353,961,000	14.10%	132,437	1,442
2015	207,571,805	21,369,827	186,201,978	1,460,496,000	12.75%	134,231	1,387
2016	210,939,607	25,212,558	185,727,049	1,590,590,000	11.68%	136,394	1,362
2017	206,641,767	29,519,397	177,122,370	1,741,496,000	10.17%	138,922	1,275
2018	219,021,614	37,274,363	181,747,251	1,901,252,000	9.56%	141,116	1,288
2019	193,717,576	45,262,320	148,455,256	2,022,942,000	7.34%	142,767	1,040
2020	189,891,407	56,641,265	133,250,142	2,123,938,000	6.27%	145,459	916



**City of Olathe, Kansas**  
**Direct and Overlapping Governmental Activities Debt**  
**December 31, 2020**

Taxing Unit	Net Debt to Nearest Date	Percentage Applicable to the City of Olathe	Estimated Share
Johnson County	\$ 521,540,000	18.32%	\$ 95,546,128
Johnson County Community College	1,930,000	18.32%	353,576
U.S.D. No. 229	417,470,000	3.09%	12,899,823
U.S.D. No. 230	225,185,000	40.65%	91,537,703
U.S.D. No. 231	131,360,000	0.86%	1,129,696
U.S.D. No. 232	169,515,000	2.17%	3,678,476
U.S.D. No. 233	503,187,330	70.44%	354,445,155
Johnson County Fire District #2	2,580,000	0.20%	5,160
Total estimated overlapping debt			<u>559,595,717</u>
City of Olathe's direct debt			212,891,963
Total direct and overlapping debt			<u><u>\$ 772,487,680</u></u>

Source: Johnson County

Note: Overlapping governments are those that coincide, at least in part, with the geographic of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Olathe. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

All Johnson County Taxing Units' debt is as of September 1, 2020. All other districts' debt is as of June 30, 2020

**City of Olathe, Kansas  
Legal Debt Margin Information  
Last Ten Fiscal Years**

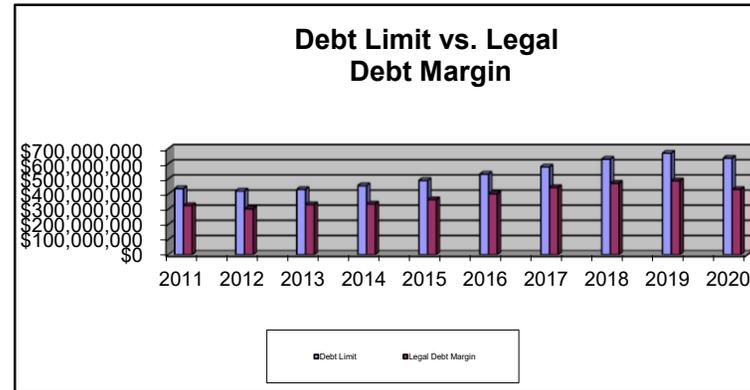
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 435,849,362	\$ 420,451,375	\$ 430,956,078	\$ 455,980,038	\$ 490,122,542	\$ 531,685,602	\$ 579,500,865	\$ 630,366,375	\$ 669,510,564	\$ 637,181,262
Total net debt applicable to limit	110,502,276	117,628,663	100,536,250	121,451,182	126,719,078	129,097,192	136,166,161	158,746,899	181,513,450	205,875,413
Legal debt margin	<u>\$ 325,347,086</u>	<u>\$ 302,822,712</u>	<u>\$ 330,419,828</u>	<u>\$ 334,528,856</u>	<u>\$ 363,403,464</u>	<u>\$ 402,588,410</u>	<u>\$ 443,334,704</u>	<u>\$ 471,619,476</u>	<u>\$ 487,997,114</u>	<u>\$ 431,305,849</u>
Total net debt applicable to the limit as a percentage of debt limit	25.35%	27.98%	23.33%	26.64%	25.85%	24.28%	23.50%	25.18%	27.11%	32.31%

**Legal Debt Margin Calculation for Fiscal Year 2020**

Assessed valuation		\$ 2,123,937,539
Legal debt limit (1)		637,181,262
Debt applicable to limit		
General obligation bonds	171,055,000	
Temporary notes	74,760,000	
Total general obligation debt outstanding		245,815,000
Less exempt capital projects (2)		39,939,587
Debt margin		<u>\$ 431,305,849</u>

(1) Represents the valuation arrived at by using a formula as required by K.S.A. 79-5037. Debt limit is currently set at 30%.

(2) Represents the debt associated with projects exempt from debt limit calculation in accordance with K.S.A. 10-309.



**City of Olathe, Kansas**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

<b>Water &amp; Sewer Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Revenues</b>	<b>Current Expenses (1)</b>	<b>Net Revenue Available for Debt Service</b>	<b>Principal Requirement</b>	<b>Interest Requirement</b>	<b>Coverage</b>
2011	\$ 32,912,000	\$ 21,508,858	\$ 11,403,142	\$ 635,000	\$ 1,746,982	4.79
2012	39,653,439	28,134,894	11,518,545	1,710,000	2,562,750	2.70
2013	38,349,614	23,871,194	14,478,420	2,230,000	2,783,709	2.89
2014	39,327,067	24,801,732	14,525,335	2,165,000	2,789,113	2.93
2015	40,519,753	26,710,875	13,808,878	2,205,000	2,707,312	2.81
2016	44,771,642	27,342,877	17,428,765	3,065,000	3,253,529	2.76
2017	47,441,300	29,913,182	17,528,118	4,500,000	3,400,661	2.22
2018	50,659,278	31,706,303	18,952,975	3,400,000	3,698,015	2.67
2019	48,206,445	37,317,966	10,888,479	3,845,000	3,960,837	1.39
2020	50,688,913	40,194,780	10,494,133	5,020,000	4,115,468	1.15

**Special Obligation Bonds and Developers' Agreements (2)**

<b>Fiscal Year</b>	<b>Revenues</b>	<b>Principal Requirement</b>	<b>Interest Requirement</b>	<b>Developers' Agreement</b>	<b>Coverage</b>
2011	\$ 3,732,892	\$ 1,230,000	\$ 2,160,478	\$ 874,099	0.88
2012	3,757,245	1,594,862	1,110,888	393,992	1.21
2013	3,965,586	3,128,965	1,086,367	943,425	0.77
2014	4,013,561	1,597,414	1,017,481	960,974	1.12
2015	4,415,841	1,647,626	998,084	1,177,222	1.16
2016	5,477,980	1,708,733	972,027	1,317,683	1.37
2017	6,326,642	2,608,023	977,560	3,048,153	0.95
2018	7,321,032	3,336,918	866,630	3,758,742	0.92
2019	7,052,725	1,545,024	733,876	3,467,661	1.23
2020	6,792,915	2,877,789	719,447	3,602,740	0.94

(1) Current expenses do not include bad debt expense, depreciation, or amortization.

(2) The City is only obligated for the amounts of incremental taxes received attributable to the project. Any deficiencies are the responsibility of the redeveloper.

**City of Olathe, Kansas  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

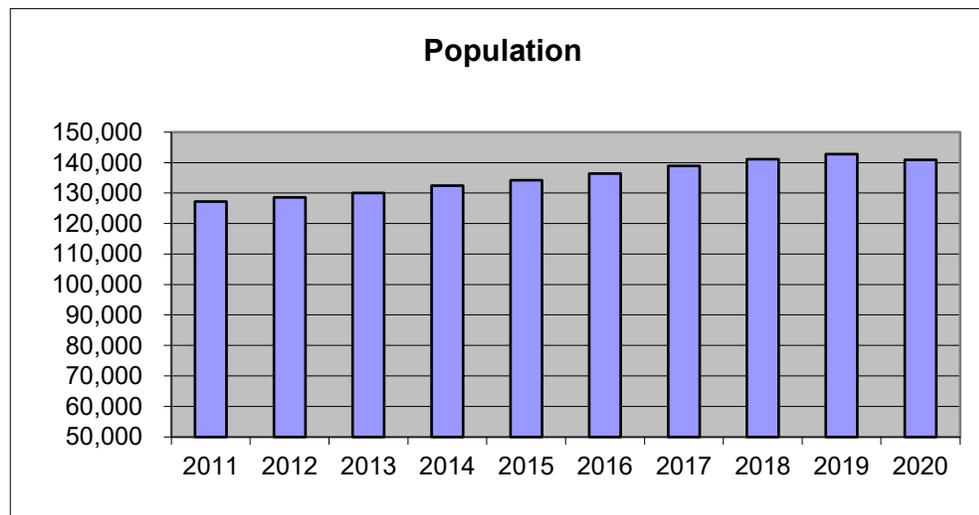
<b>Fiscal Year</b>	<b>Population (3)</b>	<b>Personal Income (2)*</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rates (1)</b>
2011	127,211	\$ 6,635,258	\$ 52,832	5.3%
2012	128,563	7,270,238	56,550	5.3%
2013	130,055	7,741,384	59,524	4.1%
2014	132,437	7,955,489	60,070	3.2%
2015	134,231	8,322,972	62,005	2.8%
2016	136,394	8,322,993	61,483	2.9%
2017	138,922	8,385,912	66,063	2.4%
2018	141,116	9,177,604	69,977	2.5%
2019	142,767	9,874,874	74,108	2.2%
2020	140,858	10,658,671	75,670	3.5%

\* In thousands of dollars

(1) Source: Kansas Department of Labor

(2) Source: Derived from the personal income from Johnson County provided in the U.S. Department of Commerce Bureau of Economic Analysis

(3) Source: City of Olathe Planning Division



**City of Olathe, Kansas**  
**Principal Employers**  
**Current Year and Nine Years Ago**

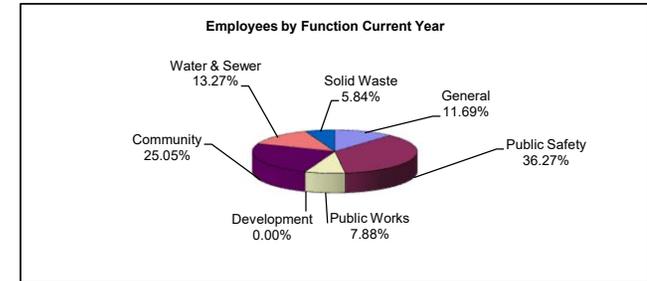
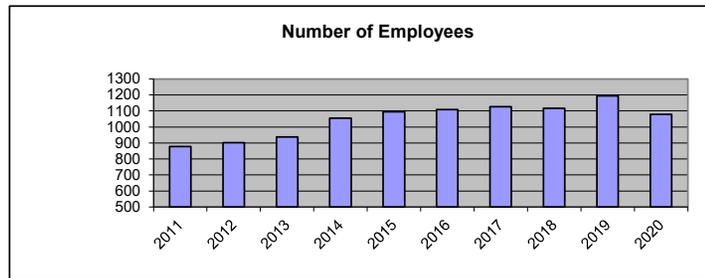
Largest Employers	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
<b>Company</b>						
Olathe Unified School District	4,000	1	2.75%	2,000	3	1.57%
GARMIN International	3,685	2	2.53%	2,900	2	2.28%
Farmers Insurance	3,000	3	2.06%	3,000	1	2.36%
Johnson County	2,000	4	1.37%	2,000	3	1.57%
Olathe Medical Center	1,700	5	1.17%	1,700	5	1.34%
Convergys	950	6	0.65%	950	8	0.75%
City of Olathe	850	7	0.58%	825	9	0.65%
Honeywell (Bendix/King)	850	7	0.58%	990	7	0.78%
Sysco Foods of Kansas City	780	9	0.54%	780	10	0.61%
TansAm Trucking	700	10	0.48%	1,000	6	0.79%
Totals	<u>18,515</u>		<u>12.73%</u>	<u>16,145</u>		<u>12.70%</u>

Source: Olathe Chamber of Commerce

**City of Olathe, Kansas**  
**City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental</b>										
General government	97	113	105	119	120	129	119	129	119	126
Public safety	330	333	341	348	348	347	374	347	374	391
Public works	118	128	134	126	134	135	128	135	128	85
Development services	11	7	-	-	-	-	-	-	-	-
Community services	137	139	162	280	307	308	291	308	291	270
<b>Business-Type</b>										
Water & Sewer	129	123	134	123	125	129	152	129	152	143
Solid Waste	55	58	61	59	60	60	62	60	62	63
<b>Totals</b>	<b>877</b>	<b>901</b>	<b>937</b>	<b>1,055</b>	<b>1,094</b>	<b>1,108</b>	<b>1,126</b>	<b>1,108</b>	<b>1,126</b>	<b>1,078</b>

Source: City's Payroll System



**City of Olathe, Kansas**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Public safety</b>										
<i>Police</i>										
Violent Crime Rate per 1,000 residents	1.83%	1.51%	1.53%	1.46%	1.20%	1.43%	1.48%	1.91%	2.57%	1.18%
Property Crime Rate per 1,000 residents	17.97%	19.02%	17.33%	16.29%	16.21%	16.84%	15.48%	15.54%	15.23%	2.69%
Average calls for service per FTE - first responder	351	347	353	345	354	369	367	371	370	355
<i>Fire</i>										
Code 1 Emergencies response within 5 minutes	66%	57%	58%	51%	60%	53%	59%	61%	62%	64%
Fire Confined to Object or Room of Origin	73%	58%	74%	87%	73%	76%	73%	79%	81%	93%
<b>Public works</b>										
<i>Governmental activities</i>										
Maintenance of City Streets - Satisfactory or above	74.00%	76.00%	70.00%	74.00%	69.00%	74.12%	75.72%	74.95%	75.44%	75.60%
Major Street Snow Removal - Satisfactory or above	79.00%	84.00%	84.00%	85.00%	86.88%	84.94%	85.52%	86.04%	88.28%	92.48%
Residential Streets Snow Removal - Satisfactory or above	66.00%	63.00%	59.00%	61.00%	64.33%	66.80%	70.23%	70.64%	75.00%	81.84%
Maintenance of Sidewalks - Satisfactory or above	67.00%	62.00%	55.00%	61.00%	60.00%	57.20%	61.34%	60.00%	65.01%	63.86%
<i>Business-type activities</i>										
<i>Water and sewer</i>										
Time water meets regulatory standards	99.98%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Time wastewater meets effluent limits	99.98%	99.97%	100.00%	99.96%	99.86%	99.95%	100.00%	99.98%	100.00%	100.00%
<i>Solid waste</i>										
Tonnage diverted	36.70%	37.67%	38.29%	41.10%	43.88%	44.60%	45.27%	40.03%	42.42%	39.10%
<b>Community services</b>										
Respondents indicating needs are completely met by existing outdoor parks	84.00%	85.00%	89.00%	90.00%	88.00%	92.32%	91.88%	91.00%	93.45%	91.62%
Respondents indicating needs are completely met by existing outdoor athletic fields	81.00%	80.00%	81.00%	81.00%	89.00%	83.54%	82.19%	80.75%	84.05%	86.42%
Respondents indicating needs are completely met by existing indoor gymnasium	68.00%	59.00%	65.00%	75.00%	92.00%	82.03%	80.97%	84.00%	82.73%	85.51%

Source: Various City Departments and the annual Direction Finder Survey.

**City of Olathe, Kansas**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	56	56	58	58	58	58	58	58	60	60
Fire stations	7	7	7	7	7	7	7	7	7	7
Public works										
Governmental activities										
Streets (miles)	1,237	1,237	1,256	1,256	1,256	1,275	1,275	1,275	1,306	1,372
Business-type activities										
Water and sewer										
Water mains (miles)	578	578	590	590	590	600	600	600	600	629
Acre wellfield	95	95	95	95	95	95	95	95	95	95
Sanitary sewers (miles)	428	428	410	410	410	439	449	449	449	461
Solid waste										
Collection trucks	43	43	43	43	43	43	43	43	43	44
Community services										
Acreage	1,559	1,559	1,559	1,559	1,559	1,559	1,559	1,559	1,559	1,978
Parks	43	43	45	45	45	45	45	45	45	45
Swimming Pools	4	4	4	4	5	5	5	5	5	5
Trails (miles)	30.5	30.5	31	31	31	33	33	32	58	71.06

Source: Various city departments

Note: No capital asset indicators are available for the general government.

**City of Olathe, Kansas**  
**Water and Sewer Information**  
**Last Ten Fiscal Years**

**Number of Customers**

The following table lists the approximate number of customers of the System for the last ten fiscal years.

<u>Year</u>	<u>Water Customers</u>	<u>Sewer Customers</u>
2011	34,401	28,398
2012	34,570	28,679
2013	34,860	29,004
2014	35,090	29,303
2015	35,323	29,633
2016	35,559	29,891
2017	35,879	30,262
2018	36,120	30,602
2019	36,600	30,830
2020	37,137	31,533

**Water Production Requirements**

The following table indicates historical water production requirements and comparison to the previous year.

<u>Year</u>	<u>Average Daily Demand</u>		<u>Annual Demand</u>	
	<u>Gallons (in millions)</u>	<u>Percent Change</u>	<u>Gallons (in millions)</u>	<u>Percent Change</u>
2011	13.50	4.9%	4,935.35	4.9%
2012	16.15	19.6%	5,918.72	19.9%
2013	13.64	-15.5%	4,976.95	-15.9%
2014	12.14	-11.0%	4,419.31	-11.2%
2015	11.30	-6.9%	3,634.00	-17.8%
2016	12.60	11.5%	4,585.00	26.2%
2017	11.82	-6.2%	4,304.00	-6.1%
2018	12.92	9.3%	4,717.27	9.6%
2019	11.75	-9.1%	4,289.66	-9.1%
2020	12.44	5.9%	4,541.29	5.9%

**City of Olathe, Kansas**  
**Water and Sewer Information**  
**Last Ten Fiscal Years**

**Sewage Treatment Requirements**

The following table indicates historical sewage treatment requirements of the City, but does not include that portion of the City that is served by the Johnson County Unified Wastewater District.

<u>Year</u>	<u>Average Daily Flow</u>		<u>Annual Demand</u>	
	<u>Gallons (in millions)</u>	<u>Percent Change</u>	<u>Gallons (in millions)</u>	<u>Percent Change</u>
2011	6.26	-5.6%	2,186	-10.4%
2012	5.54	-11.5%	2,034	-7.0%
2013	5.74	3.6%	2,105	3.5%
2014	5.11	-11.0%	1,893	-10.1%
2015	6.28	22.9%	2,298	21.4%
2016	5.95	-5.3%	2,186	-4.9%
2017	5.60	-5.9%	2,044	-6.5%
2018	5.15	-8.0%	1,899	-7.1%
2019	6.88	33.6%	2,535	33.5%
2020	5.68	-17.4%	2,092	-17.5%

**Water and Sewer Peak Daily Demand**

The following table indicates the peak daily demand of the water system and the maximum daily flow for the sewage treatment system for each of the last ten years.

<u>Year</u>	<u>Water System Peak Daily Demand (millions of gallons)</u>	<u>Sewage System Maximum Daily Flow (millions of gallons)</u>
2011	25.89	14.66
2012	28.09	23.67
2013	28.57	18.21
2014	24.12	18.08
2015	19.30	25.76
2016	24.68	31.28
2017	21.50	28.54
2018	25.26	35.20
2019	22.50	36.34
2020	22.41	29.09

*continued*

**City of Olathe, Kansas  
Water and Sewer Information**

**Largest Customers**

The following table lists the ten largest users of the System based on the percentage of total 2020 revenue generated by each.

<b>Customer</b>	<b>Water System</b>		<b>Percentage of Total 2020 System Revenues</b>
	<b>Type of Enterprise</b>	<b>2020 Water Billing</b>	
New Century Air Center	Wholesale	\$ 509,748	1.9%
Rural Water District 6	Rural Water	\$ 396,995	1.5%
Rural Water District 7	Rural Water	\$ 390,245	1.5%
FSI Santa Barbara Property LLC	Multi-family	\$ 101,649	0.4%
Olathe Medical Center	Hospital	\$ 60,327	0.2%
Cintas	Services	\$ 55,633	0.2%
Olathe Medical Center	Hospital	\$ 48,961	0.2%
Geiger Ready Mix	Industrial	\$ 48,251	0.2%
Aho LLC	Hospital	\$ 47,495	0.2%
Santa Marta Retirement	Retirement home	\$ 43,176	0.2%

<b>Customer</b>	<b>Sewer System</b>		<b>Percentage of Total 2020 System Revenues</b>
	<b>Type of Enterprise</b>	<b>2020 Sewer Charge</b>	
Cintas	Services	\$ 102,491	0.5%
Olathe Medical Center	Hospital	\$ 91,161	0.4%
Green Lantern Car Wash LLC	Car wash	\$ 60,572	0.3%
Villa St. Francis	Multi-family	\$ 56,358	0.3%
Aho LLC	Hospital	\$ 56,273	0.2%
AMC Theaters	Entertainment	\$ 48,744	0.2%
ExxonMobil Grease Plant	Industrial	\$ 42,080	0.2%
Good Samaritan Center	Industrial	\$ 39,995	0.2%
State Farm	Commercial	\$ 38,826	0.2%
Olathe Car Wash LLC	Car wash	\$ 37,311	0.2%

**City of Olathe, Kansas**  
**Risk Management Fund**  
**December 31, 2020**

	<u>Workers'</u> <u>Compensation</u>	<u>Health &amp;</u> <u>Dental</u>	<u>General</u> <u>Liability</u>	<u>Other</u>	<u>Total</u>
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 2,983,172	\$ 6,542,773	\$ 5,090,606	\$ 110,401	\$ 14,726,952
Total current assets	<u>2,983,172</u>	<u>6,542,773</u>	<u>5,090,606</u>	<u>110,401</u>	<u>14,726,952</u>
Noncurrent assets					
Restricted assets					
Deposit	-	11,000	-	-	11,000
Total restricted assets	<u>-</u>	<u>11,000</u>	<u>-</u>	<u>-</u>	<u>11,000</u>
Total assets	<u>\$ 2,983,172</u>	<u>\$ 6,553,773</u>	<u>\$ 5,090,606</u>	<u>\$ 110,401</u>	<u>\$ 14,737,952</u>
<b>Liabilities</b>					
Current liabilities					
Accounts and claims payable	\$ 290,059	\$ 1,006,300	\$ 789,450	\$ -	\$ 2,085,809
Compensated absences	-	6,513	-	-	6,513
Total current liabilities	<u>290,059</u>	<u>1,012,813</u>	<u>789,450</u>	<u>-</u>	<u>2,092,322</u>
Noncurrent liabilities					
Deposit	-	11,000	-	-	11,000
Compensated absences	-	1,837	-	-	1,837
Total noncurrent liabilities	<u>-</u>	<u>12,837</u>	<u>-</u>	<u>-</u>	<u>12,837</u>
Total liabilities	<u>290,059</u>	<u>1,025,650</u>	<u>789,450</u>	<u>-</u>	<u>2,105,159</u>
<b>Net position</b>					
Unrestricted	2,693,113	5,528,123	4,301,156	110,401	12,632,793
Total liabilities and net position	<u>\$ 2,983,172</u>	<u>\$ 6,553,773</u>	<u>\$ 5,090,606</u>	<u>\$ 110,401</u>	<u>\$ 14,737,952</u>
<b>Operating revenues</b>					
Charges for services	\$ 1,887,063	\$ 20,196,108	\$ 1,454,673	\$ 36,101	\$ 23,573,945
<b>Operating expenses</b>					
Administration and general	1,399,610	17,836,485	1,162,633	39,613	20,438,341
Operating income (loss)	<u>487,453</u>	<u>2,359,623</u>	<u>292,040</u>	<u>(3,512)</u>	<u>3,135,604</u>
<b>Nonoperating revenues (expenses)</b>					
Interest income	18,212	37,029	34,840	863	90,944
Net income (loss)	505,665	2,396,652	326,880	(2,649)	3,226,548
Net position - beginning of year	2,187,448	3,131,471	3,974,276	113,050	9,406,245
Net position - end of year	<u>\$ 2,693,113</u>	<u>\$ 5,528,123</u>	<u>\$ 4,301,156</u>	<u>\$ 110,401</u>	<u>\$ 12,632,793</u>

