

City of Olathe, Kansas

2021 Annual Comprehensive

Financial Report

For Year Ended December 31, 2021



City of Olathe, Kansas

Annual Comprehensive Financial Report

Year Ended December 31, 2021

Principal Officials

Mayor

John Bacon

City Council

Robyn Essex

LeEtta Felter

Kevin Gilmore

Wesley McCoy

Adam Mickelson

Marge Vogt

City Manager

J. Michael Wilkes

Deputy City Manager

Susan E. Sherman

City Clerk

Brenda Long

Legal Counsel

Ronald R. Shaver

Prepared by Economy Focus Area

Meredith Hauck, Interim Director of Economy

Briana Burrichter, Chief Financial Officer

Erin Hanavan, Financial Services Manager



City of Olathe, Kansas
Comprehensive Annual Financial Report
Year Ended December 31, 2021

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Introductory Section



June 16, 2022

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

Finance Services is pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Olathe, Kansas (the City), for the ended December 31, 2021.

The responsibility for accuracy, completeness, and fairness of the data presented, including all disclosures, rests with the management of the City. To the best of our knowledge and belief, the enclosed data 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.

Accounting principles generally accepted in the United States of America (GAAP), require 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 independent auditors.

The City's financial statements have been audited by Allen, Gibbs, & Houlik, L.C. 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 year ended December 31, 2021, are free from material misstatement. The independent auditors' 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.

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 Mayor-Council form of government with the addition of a City Manager. 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, the largest private college in the State, 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 55,000 new residents since 2000. The City estimates the 2021 population to be 148,665 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 statute also requires 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 over five new residents every day over the last decade. 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. At the end of 2021, the City’s unemployment rate was 2.5% compared to 2.8% for the State of Kansas and the national rate of 3.9%. Recent City awards include:

- ETC Institute’s Leading the Way Award”
- American Public Works Association Award (APWA) Project of the Year Award
- American Council of Engineering Companies (ACEC) of Kansas Engineering Excellence Award
- National Association of Clean Water Awards
- Cigna Well-Being Award
- SmartAsset’s Safest Cities in America
- Kansas City Business Journals’ Healthiest Employers

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 2022-2026 CIP includes project costs totaling an estimated \$477 million. Of the \$147 million of funding for 2022, 50.7% 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 annually 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 which will help keep the mill levy rate constant as several major projects are bonded (Downtown Library, Street Reconstruction and Arterial Improvements, Police Building Expansion, and the Lake Olathe/Park Master Plan).

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/distribution and office development continues to grow throughout the City. In 2021, nearly 1,119,000 square feet of new space opened for an investment of \$252 million. Through economic initiatives, approximately 950 jobs were created or retained in 2021. Major projects in 2021 include:

- Accelerate 360 - \$32 million investment and 170 jobs
- Johnson County Courthouse – \$193 million investment
- Four Points by Sheraton –\$9 million investment
- ReeceNichols Johnson County West – \$1.5 million investment and 200 agents
- Smith & Boucher Engineers – \$5 million investment, 67 jobs retained, and 40 new jobs
- Wesco Distribution expansion – 114,000 square foot expansion and 50 employees
- Express Oil Change & Tire - \$2 million investment

Relevant Financial Policies

Olathe's 2040 Strategic Plan, adopted in 2019, was designed to guide the City down a path of resilience and prosperity. The plan is organized into five focus areas: Future Ready, Quality of Life, Infrastructure, Economy and Exceptional Services. The 2040 Strategic Plan helps manage progress toward the City's long-term goals and support the prioritization of major investments in the community.

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.

- The City will continuously evaluate its financial position to ensure stability of the City to its citizens.
- The City will minimize the use of long-term debt to finance major projects to avoid placing debt on future taxpayers.
- The City will provide a balanced revenue structure which is responsive to economic conditions.
- The budget will be prepared in a way that all current revenues will pay the costs of all current expenditures (balanced budget).
- The City Council will hold public hearings which will allow public input on budgetary spending.
- The budget will establish legal fund level spending limits.
- The budget will establish maintenance reserves to allow for maintenance of capital assets.
- The budget will apply one-time cash revenues to non-recurring expenditures.
- The budget will address major capital improvement priorities which have been prioritized by the City Council.
- 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 approximately 30% and receive an AA+ rating with both S&P Global and Fitch Ratings. Stewardship has also led the City to invest in its assets to ensure costs are planned for and controlled preventing a draining of reserves or neglect in maintenance. In 2014, Olathe voters approved a 3/8 cent sales tax to ensure streets are maintained at the most cost-effective level. The 2022 budget increases the cash allocated to that program to stay ahead of the street maintenance curve.

Providing excellent services at an excellent value, has been, and continues to be a consistent driver for the City. Citizen satisfaction remains exceptionally high and 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 2021 DirectionFinder survey results demonstrate the City continues to be a leader in both the Kansas City metropolitan area and the nation in overall satisfaction as rated by residents. The survey shows most residents in Olathe (71%) 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 ACFR for the 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 governmental unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America 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 43 consecutive years. We believe our current ACFR continues to conform to the Certificate of Achievement Program requirements and will submit it to the GFOA to determine its eligibility for another certificate.

In addition, the City received GFOA's Distinguished Budget Presentation Award for its annual budget for the year beginning January 1, 2022. The City has received the Distinguished Budget Presentation Award 19 times. To earn recognition, a government's budget document must meet program criteria and excel as a policy document, operations guide, financial plan, and communication tool.

The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the staff of the Financial Services Department. We want to express our appreciation to all members of the department that contributed to its preparation. We would like to give a special thanks to our Financial Services Manager, Erin Hanavan, for her primary role in preparation of this ACFR. 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, L.C. for the cooperation and professional assistance provided during the audit of the City's 2021 financial records.

Respectfully submitted,



Meredith Hauck
Interim Director of Economy



Briana Burrichter
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Olathe
Kansas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO



Financial Section

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council Members
City of Olathe, Kansas

Report on the Audit of the Financial Statements

Opinions

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 (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in Government Auditing Standards (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the financial statements of the discretely presented component unit have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, the combining and individual nonmajor fund financial statements and schedules is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information consists of the introductory, statistical and annual operating data sections as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2022 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 the City's internal control over financial reporting and compliance.

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

Overland Park, Kansas
June 16, 2022



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 year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, the City's basic financial statements, and the related notes to the basic financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2021, by \$966 million (net position). Of this amount, \$90 million (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's net position of its government activities increased by \$60 million and 10.3%, while the net position of its business -type activities saw an increase of \$8 million and 2.6%.
- During the year, the City's revenues generated in taxes and other revenues for governmental programs were \$60 million more than the \$178 million in City's expenses.
- As of December 31, 2021, the fund balance for the general fund was \$36 million or 32.0% of general fund revenues.

The Basic Financial Statements

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

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's operations using the accrual basis accounting, the basis of accounting used by private-sector businesses. These statements focus on the long-term financial picture of the City as a whole.

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

The statement of activities shows how the City's net position has changed during the year. This statement is unique as it shows the revenues and expense related to specific programs and how much of the programs were supported by the general taxes of the City. Since this statement is prepared on the accrual basis of accounting, all revenues and expenses are included, regardless of when cash is actually received, or the expense is paid.

Both statements present the operations as either governmental or business-type activities. Governmental activities are the operations of the City generally supported by taxes and intergovernmental revenues, such as public safety, public works, and community services. Business activities are operations of the City that are intended to recover all or a significant portion of their costs through user fees and charges. Currently, the City's business activities 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. The funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds

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

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 to be 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 in the supplementary information following the notes to the financial statements.

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 and internal service funds. All proprietary funds are prepared on the accrual basis of accounting. Enterprise funds are used to present the same information that is in the government-wide financial statements for business activities, only in greater detail. The City uses enterprise funds to account for its solid waste and water and sewer operations. Internal service funds are used to account for the cost of operations shared by various functions of the City. The City uses five internal service funds to account for its central garage, risk management, vehicle replacement, personal computer replacement activities, and building maintenance. These five funds are combined into a single column on the proprietary fund statement. Combining statements for these funds can be found in the supplementary information following the notes to the financial statements. In the governmental-wide statements, the information for these internal service funds is presented as part of the governmental activities information.

Notes to the Basic Financial Statements

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

Other Information

In addition to the financial statements and notes described above, required supplementary information regarding the City's participation in the Kansas Public Employees Retirement System and Other Post-Employment Benefit Plan, has been included to give the reader further insight into the City's pension and other postemployment benefit plan results. The combining statements for non-major funds and budgetary schedules referred to above are included after the required supplementary information on pension plans. Finally, the statistical section includes statistical data about the City.

Analysis of Government-wide Statements

Net Position

The combined net position of the City as of December 31 was:

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 348,596,710	\$ 293,168,458	\$ 72,709,535	\$ 65,058,852	\$ 421,306,245	\$ 358,227,310
Capital assets	800,321,005	753,686,632	385,749,716	381,306,288	1,186,070,721	1,134,992,920
Total assets	1,148,917,715	1,046,855,090	458,459,251	446,365,140	1,607,376,966	1,493,220,230
Deferred outflows	24,043,632	27,154,311	4,689,366	5,379,934	28,732,998	32,534,245
Long-term liabilities	370,160,968	325,073,870	137,877,473	138,423,064	508,038,441	463,496,934
Other liabilities	77,087,514	105,982,674	1,787,184	1,211,807	78,874,698	107,194,481
Total liabilities	447,248,482	431,056,544	139,664,657	139,634,871	586,913,139	570,691,415
Deferred inflows of resources	79,814,399	57,390,448	3,639,287	398,459	83,453,686	57,788,907
Net position						
Net investment in capital assets	503,693,697	471,816,066	262,745,169	262,044,600	766,438,866	733,860,666
Restricted	101,009,719	66,768,299	8,403,527	8,080,267	109,413,246	74,848,566
Unrestricted	41,195,050	46,978,044	48,695,977	41,586,877	89,891,027	88,564,921
Total net position	\$ 645,898,466	\$ 585,562,409	\$ 319,844,673	\$ 311,711,744	\$ 965,743,139	\$ 897,274,153

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 \$966 million as of December 31, 2021.

The largest portion of the City's net position (79.4%) 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 assets 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, \$109 million (11.3%), represents resources that are subject to external restrictions on how they may be used. Unrestricted net position, which totals \$90 million (9.3%), represents

assets that may be used to meet the government's ongoing obligations to citizens and creditors. The government's net position increased by \$68 million (7.6%) during the current year.

Statement of Activities

Revenues, expenses, and changes in net position for the years ended December 31 were:

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 28,478,218	\$ 21,909,060	\$ 70,816,341	\$ 65,371,015	\$ 99,294,559	\$ 87,280,075
Operating grants and contributions	3,816,162	3,954,109	-	758,571	3,816,162	4,712,680
Capital grants and contributions	4,185,456	19,504,894	-	-	4,185,456	19,504,894
General revenues:						
Property taxes	60,297,199	57,381,851	-	-	60,297,199	57,381,851
Sales tax	88,308,857	72,282,916	-	-	88,308,857	72,282,916
Other taxes	12,180,705	11,971,301	-	-	12,180,705	11,971,301
Interest	105,806	151,553	12,777	358,603	118,583	1,877,156
Other	315,531	1412,662	1,327,396	2,915,854	1,642,927	4,328,516
Total revenues	235,355,934	189,935,346	72,156,514	69,404,043	307,512,448	259,339,389
Expenses:						
General government	27,620,858	35,991,748	-	-	27,620,858	35,991,748
Public safety	56,950,109	52,193,052	-	-	56,950,109	52,193,052
Public works	66,082,643	63,983,483	-	-	66,082,643	63,983,483
Community services	2,107,224	15,467,438	-	-	2,107,224	15,467,438
Interest on long-term debt	6,563,929	5,400,068	-	-	6,563,929	5,400,068
Water and sewer	-	-	46,325,732	49,102,197	46,325,732	49,102,197
Solid waste	-	-	14,427,967	14,125,846	14,427,967	14,125,846
Total expenses	178,289,763	173,035,789	60,753,699	63,228,043	239,043,462	236,263,832
Excess revenues before transfers	57,066,171	16,899,557	11,402,815	6,176,000	68,468,986	23,075,557
Transfers	3,269,886	(534,941)	(3,269,886)	534,941	-	-
Change in net position	60,336,057	16,364,616	8,132,929	6,710,941	68,468,986	23,075,557
Net position - beginning of year	585,562,409	569,197,793	311,711,744	305,000,803	897,274,153	874,198,596
Net position - end of year	\$ 645,898,466	\$ 585,562,409	\$ 319,844,673	\$ 311,711,744	\$ 965,743,139	\$ 897,274,153

The City's net position increased for governmental activities by \$60 million. Key elements of this increase are:

- Charges for services – Revenues, specifically those for community services, increased as the City's community center, municipal pools, and other recreational services opened after being closed in 2020 related to the pandemic.
- Capital grants and contributions – Increased due to State and Local Fiscal Recovery Funds received from the federal government and capital grants for the Interstate 35 & 119th Street Interchange Reconfiguration program and several other public works projects.
- Sales taxes – Sales and use tax increased due to an increase in grocery, big box retail, and restaurant spending.

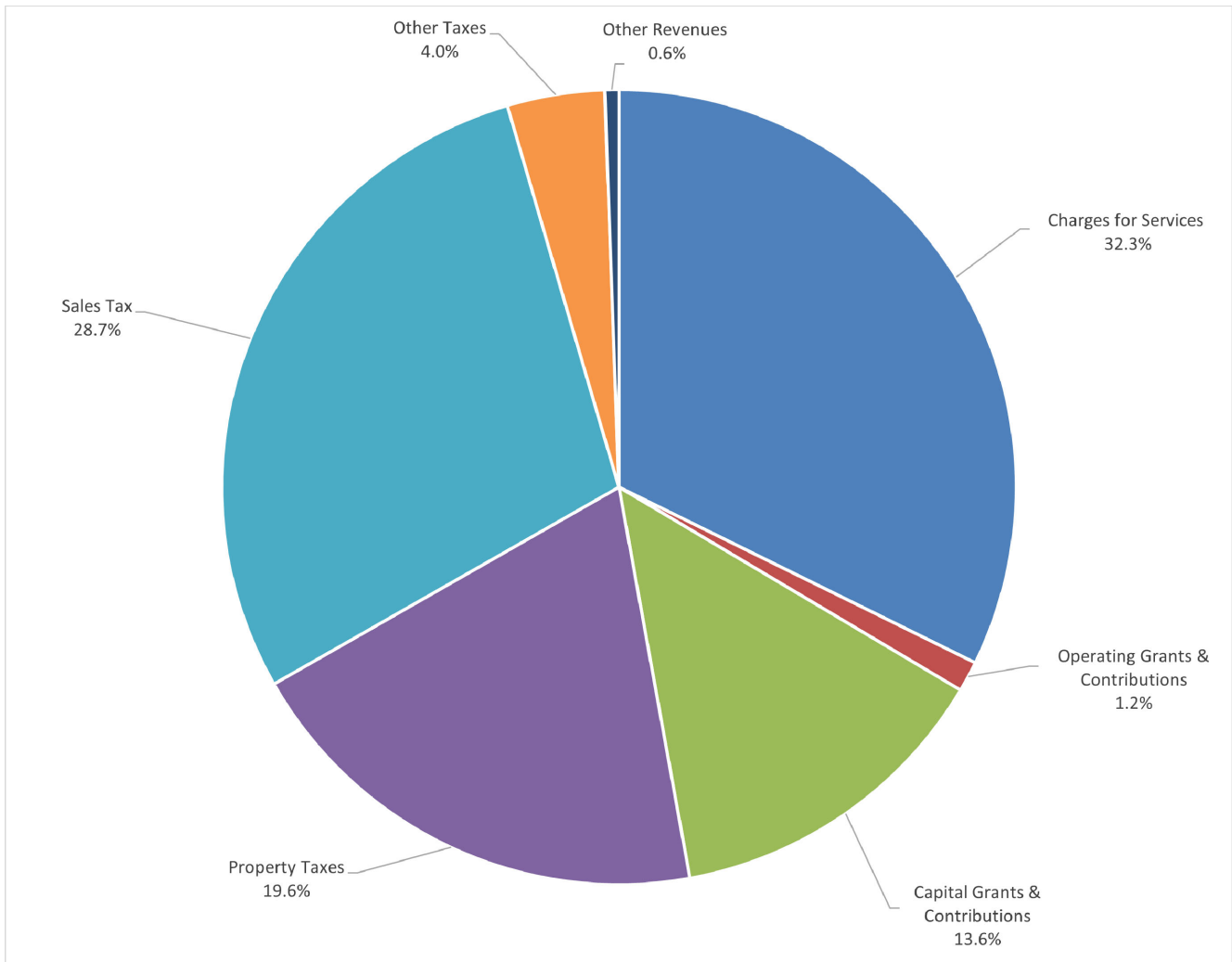
- Total expenses – Increased to a pre-pandemic level after significant cost saving measures taken in the prior year to manage the impact of the pandemic.

The City's net position increased for business-type activities by \$8 million which is comparable to the increase of \$8 million seen in 2019, prior to the pandemic.

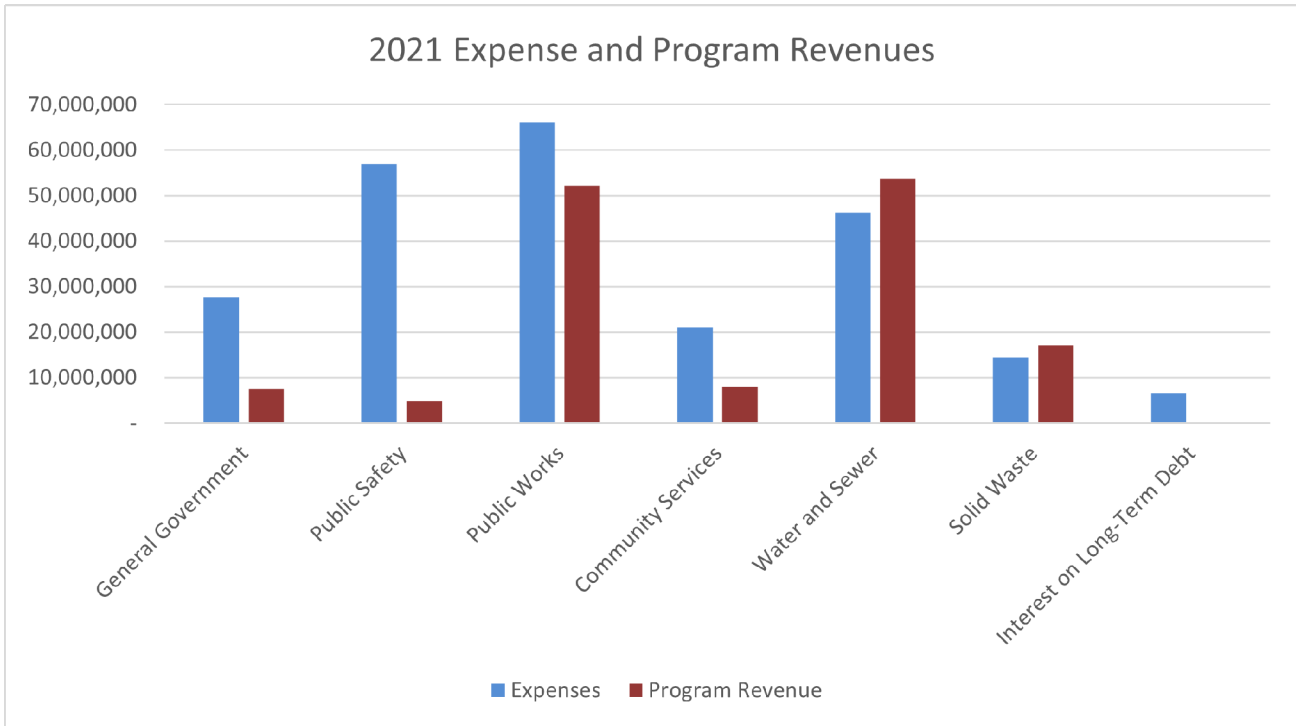
The government-wide statement of activities indicates the major sources of program revenues are capital grants and contributions and charges for solid waste and water and sewer services. General revenues comprised 68.4% of total revenues for governmental activities. Sales and use taxes are the largest general revenue source for governmental activities accounting for 54.9% of general revenues, followed by property taxes which account for 37.5% of general revenues.

The following graph depicts the composition of primary government revenues as presented in the statement of activities.

2021 Revenue by Source



The following chart compares the primary expenses and program revenues as presented in the statement of activities.



The total cost of governmental and business-type activities was \$239 million. However, \$144 million was funded by users directly benefiting from the services or by other organizations through grants and contributions. The remaining \$95 million of these services were paid by the City's taxpayers primarily through property and sales taxes.

Analysis of the Fund Financial Statements

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 2021, unassigned fund balance of the general fund was \$35,362,011 and the total fund balance was \$36,132,887 which is 31.3% and 32.0% of the total general fund revenues, respectively.

The fund balance of the City's general fund increased by \$5,398,036 during 2021. The revenues increased by \$12,677,003 (11.2%). Expenditures increased by \$11,729,018 (11.5%). Transfers in increased \$491,270 while transfers out decreased by \$4,149,170.

The debt service fund has a total fund balance of \$68,453,968; \$27,898,416 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 \$11,812,703.

The special tax financing levy fund has a restricted fund balance of \$9,932,435 at the end of 2021. The fund balance increased by \$1,586,323 during the year. The primary reason for the increase was an increase in sales tax and transient guest tax revenue.

The capital projects fund increased its fund balance by \$54,959,716 during 2021. The increase was due to intergovernmental revenues and the issuance of bonds during the year.

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 2021 was \$37,819,083; and the Solid Waste Fund was \$(269,451). The total change in net position for the Water and Sewer Utility and Solid Waste was \$7,082,770 and \$(6,810), respectively. Fluctuations within these funds were discussed in the government-wide statement section above.

General Fund Budgetary Highlights

The legally adopted budget for the general fund was not amended by the governing body during 2021. However, departments within the City are allowed to transfer budget between line item and activities. During the year, revenues were more than budgetary estimates by \$19,560,197 (12.6%). Sales taxes were \$19,509,147 more than budget due to a quicker than expected rebound after the pandemic. Total expenditures were less than budgetary estimates by \$22,470,579 (18.0%). As part of the budgeting process the City budgets for a contingency reserve for unforeseen expenditures. Any funds allocated from this budget are transferred to the requesting department so there will not be any actual expenditures charged to this category. Of the total difference in the budgeted expenditures, \$21,875,304 is due to the restricted reserve.

Capital Asset and Debt Administration

Capital assets

The total amount invested in capital assets for the City as of December 31, 2021 was \$1,186,070,721, 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. The following chart details the City's capital asset balance by category. Additional information about the City's capital assets is presented in Note 5 to the basic financial statements.

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 128,605,774	\$ 121,107,411	\$ 4,659,930	\$ 4,621,134	\$ 133,265,704	\$ 125,728,545
Other nondepreciable assets	50,225	63,545	-	-	50,225	63,545
Land improvements	66,753	66,753	-	-	66,753	66,753
Buildings	125,701,570	123,817,920	33,778,295	33,778,295	159,479,865	157,596,215
Machinery & equipment	87,133,295	84,395,395	5,051,065	4,617,047	92,184,360	89,012,442
Swimming pools	10,251,984	10,021,514	-	-	10,251,984	10,021,514
Water system	-	-	225,200,847	224,143,253	225,200,847	224,143,253
Sewer system	-	-	216,652,112	212,896,597	216,652,112	212,896,597
Infrastructure	867,543,251	856,964,776	-	-	867,543,251	856,964,776
Books and materials	4,339,604	4,226,322	-	-	4,339,604	4,226,322
Construction in progress	226,762,325	168,821,790	45,132,666	38,550,872	271,894,991	207,372,662
Total capital assets	1,450,454,781	1,369,485,426	530,474,915	518,607,198	1,980,929,696	1,888,092,624
Less accumulated depreciation	650,133,776	615,798,794	144,725,199	137,300,910	794,858,975	753,099,704
Total capital assets, net	\$ 800,321,005	\$ 753,686,632	\$ 385,749,716	\$ 381,306,288	\$ 1,186,070,721	\$ 1,134,992,920

Major additions to the capital assets, including construction in progress, this year include:

- Fire Station #8
- Fire Training Center
- Downtown Library
- 159th St. and Black Bob Road improvements
- I-35 and 119th improvements
- Ridgeview, 143rd to 151st improvements
- Lone Elm Road, Old 56 Hwy to 151st improvements

Long-term debt

As of December 31, 2021, the City had total bonded debt outstanding of \$351,112,454. Of this amount, \$227,265,000 is comprised of debt backed by the full faith and credit of the City and \$20,077,454 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). 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. Under current state statutes, the City's bonded debt issuances are subject to a legal limitation based on a percentage of the assessed valuation of real estate and personal property. As of December 31, 2021, the total general obligation debt of \$227,265,000 was well below the City's legal limit of \$670,055,497. A summary of the City's bonded debt outstanding as of December 31 can be found in the chart below. Additional information about the City's long-term debt is presented in Note 6 to the basic financial statements.

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 221,315,000	\$ 163,735,000	\$ 5,950,000	\$ 7,320,000	\$ 227,265,000	\$ 171,055,000
Special obligation bonds	20,077,454	21,715,170	-	-	20,077,454	21,715,170
Revenue bonds	2,860,000	2,970,000	100,910,000	96,680,000	103,770,000	99,650,000
Total	<u>\$ 244,252,454</u>	<u>\$ 188,420,170</u>	<u>\$ 106,860,000</u>	<u>\$ 104,000,000</u>	<u>\$ 351,112,454</u>	<u>\$ 292,420,170</u>

This balance of the City's total bonded debt represents an increase of \$58,692,284 from the prior year. Key factors in this increase were the issuance of \$98,445,000 in general obligation bonds, \$35,270,000 in revenue bonds, and principal payments of \$73,385,000 on existing and refunded bonds.

Economic Factors and Next Year's Budget

Future Ready – One of the key features of Olathe's budget and operational framework is to build a city that is "resilient, innovative, nimble and collaborative in how we address tomorrow's challenges today." Informed by the city's strategic plan "Olathe 2040," the city is making investments in Infrastructure capacity and maintenance, and risk management.

Quality of Life – Olathe is committed to providing an excellent Quality of Life to its residents and visitors. This value encompasses health, safety, quality neighborhoods, and connections to important places and one another. The budget and CIP include improvements to Animal Care and Control staffing, improvements to parks, and a historic investment in the new downtown library. The library will be both an anchor for downtown and provide a top-notch facility for residents of all ages to learn and grow.

Infrastructure – Olathe's infrastructure is designed be safe, reliable, efficient and sustainable. Budget investments hope to propel these values for future generations and include key staff to maintain solid waste, water and wastewater services; street improvements and capacity building; and preliminary engineering on key arterial roads.

Economy – Olathe hopes to improve its already diverse economic base to be a regional leader. Budget investments in this area include the downtown library, which will provide office space for the chamber of commerce, and a development review coordinator to maintain timeliness in application turnaround and work with community development partners. The city also closely monitors changing economic factor that may affect Olathe’s tax base, employment and financial sustainability.

Exceptional Services – Olathe strives to provide the highest quality services to its customers – the residents and taxpayers of the city. This budget invests in a compensation specialist to ensure the city can attract and retain the best talent who will continue serving the community with courtesy, professionalism and efficiency.

Requests for information

This financial report is designed to provide a general overview of the City’s finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, City of Olathe, 100 E. Santa Fe, Olathe, Kansas 66061.

Basic Financial Statements

City of Olathe, Kansas
Statement of Net Position
December 31, 2021

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash, cash equivalents, and investments	\$ 247,652,932	\$ 44,612,712	\$ 292,265,644	\$ 1,022,828
Cash held by trustee or restricted Receivables (net of allowance)	2,059,745	8,403,527	10,463,272	-
Taxes	75,550,077	-	75,550,077	-
Special assessments	25,274,786	-	25,274,786	-
Accounts	1,036,468	7,797,692	8,834,160	51,348
Accrued interest	66,857	-	66,857	-
Loans	3,915,989	-	3,915,989	-
Internal balances	(11,146,345)	11,146,345	-	-
Due from other governments	3,356,806	-	3,356,806	-
Inventories and other prepaid items	818,395	749,259	1,567,654	-
Capital assets:				
Land and construction in progress	355,418,324	49,792,596	405,210,920	-
Other capital assets, net of accumulated depreciation	444,902,681	335,957,120	780,859,801	2,036,207
Other assets	11,000	-	11,000	-
Total assets	1,148,917,715	458,459,251	1,607,376,966	3,110,383
Deferred Outflows of Resources				
KPERS pension	19,836,145	3,173,632	23,009,777	-
OPEB	3,712,939	594,042	4,306,981	-
KPERS OPEB	417,508	66,798	484,306	-
Deferred amounts on refunding	77,040	854,894	931,934	-
Total deferred outflows of resources	24,043,632	4,689,366	28,732,998	-
Total assets and deferred outflows of resources	<u>\$ 1,172,961,347</u>	<u>\$ 463,148,617</u>	<u>\$ 1,636,109,964</u>	<u>\$ 3,110,383</u>
Liabilities				
Accounts and other current liabilities	\$ 18,604,289	\$ 1,309,182	\$ 19,913,471	\$ 183,358
Interest payable	8,940,584	242,402	9,182,986	-
Temporary notes	49,531,641	-	49,531,641	-
Deposits	11,000	235,600	246,600	-
Noncurrent liabilities:				
Due within one year: bonds, notes, leases, compensated absences	48,206,202	9,021,494	57,227,696	-
Due in more than one year: Bonds, notes, leases, OPEB, compensated absences	259,910,346	119,528,092	379,438,438	58,806
Net pension liability	62,044,420	9,327,887	71,372,307	-
Total liabilities	447,248,482	139,664,657	586,913,139	242,164
Deferred Inflows of Resources				
Property taxes levied for a subsequent period	58,029,112	-	58,029,112	-
Deferred amounts on refunding	726,651	-	726,651	-
KPERS pension	19,488,531	3,367,947	22,856,478	-
OPEB	1,309,795	226,354	1,536,149	-
KPERS OPEB	260,310	44,986	305,296	-
Total Deferred Inflows of Resources	79,814,399	3,639,287	83,453,686	-
Net Position				
Net investment in capital assets	503,693,697	262,745,169	766,438,866	2,036,207
Restricted for:				
Debt service	54,165,053	8,403,527	62,568,580	-
Public safety	121,719	-	121,719	-
Capital improvements	30,715,902	-	30,715,902	-
Community services	11,004,499	-	11,004,499	-
General government	5,002,546	-	5,002,546	-
Unrestricted	41,195,050	48,695,977	89,891,027	832,012
Total net position	645,898,466	319,844,673	965,743,139	2,868,219
Total liabilities, deferred inflows of of resources, and net position	<u>\$ 1,172,961,347</u>	<u>\$ 463,148,617</u>	<u>\$ 1,636,109,964</u>	<u>\$ 3,110,383</u>

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Activities
For the Year Ended December 31, 2021

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
General government	\$ 27,620,858	\$ 5,958,325	\$ 1,514,121	\$ -	\$ (20,148,412)
Public safety	56,950,109	3,118,926	1,755,122	-	(52,076,061)
Public works	66,082,643	11,879,017	78,946	41,853,456	(12,271,224)
Community services	21,072,224	7,521,950	467,973	-	(13,082,301)
Interest on long-term debt	6,563,929	-	-	-	(6,563,929)
Total governmental activities	<u>178,289,763</u>	<u>28,478,218</u>	<u>3,816,162</u>	<u>41,853,456</u>	<u>(104,141,927)</u>
Business-type activities					
Water and sewer	46,325,732	53,764,594	-	-	7,438,862
Solid waste	14,427,967	17,051,747	-	-	2,623,780
Total business-type activities	<u>60,753,699</u>	<u>70,816,341</u>	<u>-</u>	<u>-</u>	<u>10,062,642</u>
Total primary government	<u>\$ 239,043,462</u>	<u>\$ 99,294,559</u>	<u>\$ 3,816,162</u>	<u>\$ 41,853,456</u>	<u>\$ (94,079,285)</u>
Nonmajor discretely presented component unit					
Olathe Public Housing Authority	<u>\$ 4,798,147</u>	<u>\$ 509,146</u>	<u>\$ 4,336,325</u>	<u>\$ 156,578</u>	<u>\$ 203,902</u>

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Activities
For the Year Ended December 31, 2021

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (104,141,927)	\$ 10,062,642	\$ (94,079,285)	\$ 203,902
General revenues				
Taxes:				
Property taxes, levied for general purpose	34,512,204	-	34,512,204	-
Property taxes, levied for debt service	25,784,995	-	25,784,995	-
Sales tax	88,308,857	-	88,308,857	-
Franchise taxes	10,494,220	-	10,494,220	-
Transient guest tax	1,686,485	-	1,686,485	-
Unrestricted investment earnings	105,806	12,777	118,583	522
Miscellaneous	315,531	1,327,396	1,642,927	-
Transfers - internal activities	3,269,886	(3,269,886)	-	-
Total general revenues and transfers	<u>164,477,984</u>	<u>(1,929,713)</u>	<u>162,548,271</u>	<u>522</u>
Change in net position	<u>60,336,057</u>	<u>8,132,929</u>	<u>68,468,986</u>	<u>204,424</u>
Net position - beginning of year	585,562,409	311,711,744	897,274,153	2,796,387
Prior period adjustment	-	-	-	(132,592)
Net position - beginning of year, restated	<u>585,562,409</u>	<u>311,711,744</u>	<u>897,274,153</u>	<u>2,663,795</u>
Net position - end of year	<u>\$ 645,898,466</u>	<u>\$ 319,844,673</u>	<u>\$ 965,743,139</u>	<u>\$ 2,868,219</u>

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Balance Sheet
Governmental Funds
December 31, 2021

	General	Debt Service		Capital Projects	Other Governmental Funds	Total Governmental Funds
		Debt Service	Special Tax Financing			
Assets						
Cash, cash equivalents, and investments	\$ 34,112,767	\$ 66,535,324	\$ 7,252,047	\$ 75,878,361	\$ 30,510,566	\$ 214,289,065
Cash held by trustee	-	-	2,059,745	-	-	2,059,745
Receivables (net of allowance)						
Taxes	35,147,237	21,735,600	4,166,777	-	14,500,463	75,550,077
Accounts	257,965	-	-	-	760,510	1,018,475
Accrued interest	66,857	-	-	-	-	66,857
Special assessments	-	25,274,786	-	-	-	25,274,786
Loans	-	-	-	-	3,915,989	3,915,989
Due from other funds	599,931	-	-	-	-	599,931
Due from other governments	119,858	-	-	1,963,663	1,273,285	3,356,806
Prepaid assets	437,938	-	-	-	3,199	441,137
Total assets and deferred outflows of resources	<u>\$ 70,742,553</u>	<u>\$ 113,545,710</u>	<u>\$ 13,478,569</u>	<u>\$ 77,842,024</u>	<u>\$ 50,964,012</u>	<u>\$ 326,572,868</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 9,550,898	\$ -	\$ 246,134	\$ 2,700,921	\$ 696,376	\$ 13,194,329
Accrued payroll	2,745,168	-	-	-	-	2,745,168
Due to other funds	-	-	-	1,289,528	599,931	1,889,459
Temporary notes	-	-	-	49,531,641	-	49,531,641
Total liabilities	<u>12,296,066</u>	<u>-</u>	<u>246,134</u>	<u>53,522,090</u>	<u>1,296,307</u>	<u>67,360,597</u>
Deferred Inflows of Resources						
Property taxes levied for a subsequent period	22,313,600	21,735,600	3,300,000	-	10,679,912	58,029,112
Unavailable revenue - intergovernmental	-	-	-	27,812	288,103	315,915
Unavailable revenue - special assessments	-	23,356,142	-	-	-	23,356,142
Total deferred inflows of resources	<u>22,313,600</u>	<u>45,091,742</u>	<u>3,300,000</u>	<u>27,812</u>	<u>10,968,015</u>	<u>81,701,169</u>
Fund balances						
Nonspendable	437,938	-	-	-	3,199	441,137
Restricted	-	27,898,416	9,932,435	24,292,122	22,847,469	84,970,442
Committed	-	-	-	-	15,849,022	15,849,022
Assigned	332,938	40,555,552	-	-	-	40,888,490
Unassigned	35,362,011	-	-	-	-	35,362,011
Total fund balances	<u>36,132,887</u>	<u>68,453,968</u>	<u>9,932,435</u>	<u>24,292,122</u>	<u>38,699,690</u>	<u>177,511,102</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 70,742,553</u>	<u>\$ 113,545,710</u>	<u>\$ 13,478,569</u>	<u>\$ 77,842,024</u>	<u>\$ 50,964,012</u>	<u>\$ 326,572,868</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, 2021

Total fund balance - all governmental funds \$ 177,511,102

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. 800,321,005

Land and construction in progress	\$	355,418,324
Capital assets being depreciated		1,095,036,457
Accumulated depreciation		(650,133,776)

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. (379,101,552)

Interest payable		(8,940,584)
Noncurrent liabilities:		
Due within one year		
General obligation bonds		(25,460,492)
Special obligation bonds		(15,037,454)
Revenue bonds		(120,000)
Compensated absences		(4,356,550)
Capitalized leases		(71,450)
Due in more than one year		
General obligation bonds		(195,854,508)
Special obligation bonds		(5,040,000)
Revenue bonds		(2,740,000)
Compensated absences		(765,461)
Total OPEB liability		(29,396,359)
Bond issuance premium		(29,238,544)
Bond issuance discount		1,579
Capitalized leases		(37,309)
Pension liability		(62,044,420)

Long-term assets or deferred outflows of resources are not available to pay current period expenditures and are therefore deferred in the fund statements. 25,930,402

Special assessments		23,356,142
Deferred refunding (net)		(649,611)
Deferred outflows - pension		19,836,145
Deferred outflows - KPERS OPEB		417,508
Deferred outflows - OPEB		3,712,939
Deferred inflows - KPERS pension		(19,488,531)
Deferred inflow - OPEB		(1,309,795)
Deferred inflows - KPERS OPEB		(260,310)
Due from other governments		315,915

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. 21,237,509

Internal service fund capital assets, net		(24,488,925)
Internal service fund compensated absences		128,553
Internal service fund net position		56,744,226
Internal service fund due to business-type		(11,146,345)

Net position of governmental activities \$ 645,898,466

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, 2021

	General	Debt Service		Capital Projects	Other Governmental Funds	Total Governmental Funds
		Debt Service	Special Tax Financing			
Revenues						
Taxes:						
Property	\$ 23,146,341	\$ 22,638,883	\$ 3,146,112	\$ -	\$ 11,365,863	\$ 60,297,199
Sales	64,157,972	-	4,678,591	-	19,472,294	88,308,857
Franchise	10,494,220	-	-	-	-	10,494,220
Transient guest	-	-	448,177	-	1,238,308	1,686,485
Special assessments	-	3,924,331	-	-	-	3,924,331
Intergovernmental	1,404,687	-	-	38,891,639	6,381,529	46,677,855
Licenses and permits	2,118,160	-	-	-	-	2,118,160
Fines, forfeitures, and penalties	2,665,530	-	-	-	114,520	2,780,050
Charges for services	8,405,750	-	-	3,297,492	11,876,766	23,580,008
Use of money and property	23,785	39,418	5,050	69	21,227	89,549
Miscellaneous	552,101	-	-	-	363,557	915,658
Total revenues	<u>112,968,546</u>	<u>26,602,632</u>	<u>8,277,930</u>	<u>42,189,200</u>	<u>50,834,064</u>	<u>240,872,372</u>
Expenditures						
Current:						
General government	24,951,220	126,335	318,265	18,794	1,708,320	27,122,934
Public safety	55,074,304	-	-	-	1,836,722	56,911,026
Public works	14,957,237	-	-	-	2,772,096	17,729,333
Community services	7,147,306	-	-	-	12,871,627	20,018,933
Capital improvements	-	-	4,084,962	97,548,703	-	101,633,665
Debt service:						
Principal retirements	-	19,949,914	1,637,716	-	178,585	21,766,215
Interest and fiscal charges	-	6,869,395	650,664	659,306	120,161	8,299,526
Total expenditures	<u>102,130,067</u>	<u>26,945,644</u>	<u>6,691,607</u>	<u>98,226,803</u>	<u>19,487,511</u>	<u>253,481,632</u>
Excess of revenues over (under) expenditures	<u>10,838,479</u>	<u>(343,012)</u>	<u>1,586,323</u>	<u>(56,037,603)</u>	<u>31,346,553</u>	<u>(12,609,260)</u>
Other financing sources (uses)						
Payment to refunded bond escrow	-	(14,965,086)	-	-	-	(14,965,086)
Issuance of bonds	-	15,945,440	-	76,549,560	-	92,495,000
Bond premium	-	1,196,102	-	12,858,344	-	14,054,446
Capital lease proceeds	-	-	-	-	-	-
Transfers in	8,117,503	10,029,030	-	25,274,323	618,113	44,038,969
Transfers out	(13,557,946)	(49,771)	-	(3,684,908)	(23,795,983)	(41,088,608)
Total other financing sources (uses)	<u>(5,440,443)</u>	<u>12,155,715</u>	<u>-</u>	<u>110,997,319</u>	<u>(23,177,870)</u>	<u>94,534,721</u>
Net changes in fund balances	<u>5,398,036</u>	<u>11,812,703</u>	<u>1,586,323</u>	<u>54,959,716</u>	<u>8,168,683</u>	<u>81,925,461</u>
Fund balances - beginning 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>
Fund balances - end of year	<u>\$ 36,132,887</u>	<u>\$ 68,453,968</u>	<u>\$ 9,932,435</u>	<u>\$ 24,292,122</u>	<u>\$ 38,699,690</u>	<u>\$ 177,511,102</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, 2021

Net change in fund balances - all governmental funds		\$ 81,925,461
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.		
		48,666,009
Capital outlay	\$ 82,878,500	
Net book value on disposals of capital assets	(1,072,843)	
Depreciation	(33,139,648)	
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.		
		(67,289,679)
Principal payments	36,731,301	
Proceeds of general obligation bonds	(92,495,000)	
Premium/discount	(10,400,558)	
OPEB	(588,368)	
KPERS OPEB	(537,054)	
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.		
		(155,562)
Compensated absences	(105,742)	
Pension	703,957	
Interest expense	(753,777)	
Revenues in the statement of activities that do not provide current financing resources are not reported as revenues in the funds.		
		(6,097,082)
Special assessments	(3,407,556)	
Deferred refunding	(1,164,514)	
Capital grant	(1,525,012)	
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.		
		3,286,910
Change in net position of governmental activities		\$ 60,336,057

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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Taxes:			
Property	\$ 23,254,844	\$ 23,146,341	\$ (108,503)
Sales	44,648,825	64,157,972	19,509,147
Franchise	11,175,619	10,494,220	(681,399)
Intergovernmental	1,422,763	1,404,687	(18,076)
Licenses and permits	2,532,955	2,118,160	(414,795)
Fines, forfeitures, and penalties	2,640,158	2,665,530	25,372
Charges for services	6,367,228	8,405,750	2,038,522
Use of money and property	825,892	23,785	(802,107)
Miscellaneous	540,065	552,101	12,036
Total revenues	<u>93,408,349</u>	<u>112,968,546</u>	<u>19,560,197</u>
Expenditures			
General government	24,731,975	24,995,222	(263,247)
Public safety	56,759,098	54,954,523	1,804,575
Public works	11,695,046	14,995,999	(3,300,953)
Community services	9,566,792	7,211,892	2,354,900
Contingency	21,875,304	-	21,875,304
Total expenditures	<u>124,628,215</u>	<u>102,157,636</u>	<u>22,470,579</u>
Excess of revenues over expenditures	<u>(31,219,866)</u>	<u>10,810,910</u>	<u>42,030,776</u>
Other financing sources (uses)			
Transfers in	7,900,835	8,117,503	216,668
Transfers out	<u>(9,542,322)</u>	<u>(13,557,946)</u>	<u>(4,015,624)</u>
Total other financing sources (uses)	<u>(1,641,487)</u>	<u>(5,440,443)</u>	<u>(3,798,956)</u>
Net change in fund balance	<u>\$ (32,861,353)</u>	<u>5,370,467</u>	<u>\$ 38,231,820</u>
Fund balance - beginning of year - budget basis		<u>30,429,482</u>	
Fund balance - end of year - budget basis		<u>35,799,949</u>	
Encumbrances incurred and outstanding		<u>332,938</u>	
Fund balance - end of year - GAAP basis		<u>\$ 36,132,887</u>	

City of Olathe, Kansas
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-type Activities - Enterprise Funds			Governmental
	Major			Activities -
	Water and Sewer Fund	Solid Waste Fund	Total	Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 42,649,216	\$ 1,963,496	\$ 44,612,712	\$ 33,363,867
Accounts receivable (net of allowance)	5,861,899	1,935,793	7,797,692	17,993
Inventories and other prepaid items	749,259	-	749,259	377,258
Total current assets	<u>49,260,374</u>	<u>3,899,289</u>	<u>53,159,663</u>	<u>33,759,118</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	8,403,527	-	8,403,527	-
Due from other funds	-	-	-	1,289,528
Other	-	-	-	11,000
Total restricted assets	<u>8,403,527</u>	<u>-</u>	<u>8,403,527</u>	<u>1,300,528</u>
Capital assets:				
Capital assets not being depreciated				
Land	3,404,925	1,255,005	4,659,930	-
Construction in progress	45,132,666	-	45,132,666	-
Total capital assets not being depreciated	<u>48,537,591</u>	<u>1,255,005</u>	<u>49,792,596</u>	<u>-</u>
Capital assets being depreciated				
Buildings	33,778,295	-	33,778,295	-
Machinery and equipment	3,496,986	1,554,078	5,051,064	68,874,283
Water system	227,898,768	-	227,898,768	-
Sewer system	213,954,190	-	213,954,190	-
Total capital assets being depreciated	<u>479,128,239</u>	<u>1,554,078</u>	<u>480,682,317</u>	<u>68,874,283</u>
Less accumulated depreciation	<u>(143,426,129)</u>	<u>(1,299,068)</u>	<u>(144,725,197)</u>	<u>(44,385,358)</u>
Total capital assets (net of accumulated depreciation)	<u>384,239,701</u>	<u>1,510,015</u>	<u>385,749,716</u>	<u>24,488,925</u>
Total noncurrent assets	<u>392,643,228</u>	<u>1,510,015</u>	<u>394,153,243</u>	<u>25,789,453</u>
Total assets	<u>441,903,602</u>	<u>5,409,304</u>	<u>447,312,906</u>	<u>59,548,571</u>
Deferred Outflows of Resources				
Deferred pension	2,204,305	969,327	3,173,632	-
Deferred OPEB	412,603	181,439	594,042	-
Deferred KPERS OPEB	46,396	20,402	66,798	-
Deferred amounts on refunding	854,894	-	854,894	-
Total deferred outflows of resources	<u>3,518,198</u>	<u>1,171,168</u>	<u>4,689,366</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 445,421,800</u>	<u>\$ 6,580,472</u>	<u>\$ 452,002,272</u>	<u>\$ 59,548,571</u>

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-type Activities - Enterprise Funds			Governmental
	Major			Activities -
	Water and Sewer Fund	Solid Waste Fund	Total	Internal Service Funds
Liabilities				
Current liabilities:				
Accounts and claims payable	\$ 1,309,182	\$ -	\$ 1,309,182	\$ 2,664,792
Interest payable	242,402	-	242,402	-
Compensated absences	720,025	245,442	965,467	106,492
Current portion of general obligation bonds	564,508	-	564,508	-
Current portion of revolving loan	1,461,503	-	1,461,503	-
Current portion of revenue bonds	6,030,016	-	6,030,016	-
Total current liabilities	<u>10,327,636</u>	<u>245,442</u>	<u>10,573,078</u>	<u>2,771,284</u>
Noncurrent liabilities:				
Compensated absences	115,068	47,396	162,464	22,061
General obligation bonds	5,385,492	-	5,385,492	-
Revolving loan, net	9,428,314	-	9,428,314	-
Revenue bonds, net	100,989,608	-	100,989,608	-
Total KPERS OPEB liability	198,239	87,225	285,464	-
Total OPEB liability	2,278,928	997,822	3,276,750	-
Net pension liability	6,477,699	2,850,188	9,327,887	-
Deposit	235,600	-	235,600	11,000
Total noncurrent liabilities	<u>125,108,948</u>	<u>3,982,631</u>	<u>129,091,579</u>	<u>33,061</u>
Total liabilities	<u>135,436,584</u>	<u>4,228,073</u>	<u>139,664,657</u>	<u>2,804,345</u>
Deferred Inflows of Resources				
KPERS pension	2,339,009	1,028,938	3,367,947	-
KPERS OPEB	31,242	13,744	44,986	-
OPEB	157,201	69,153	226,354	-
Total deferred inflows of resources	<u>2,527,452</u>	<u>1,111,835</u>	<u>3,639,287</u>	<u>-</u>
Net position				
Net investment in capital assets	261,235,154	1,510,015	262,745,169	24,488,925
Restricted for bond requirements	8,403,527	-	8,403,527	-
Unrestricted	37,819,083	(269,451)	37,549,632	32,255,301
Total net position	<u>307,457,764</u>	<u>1,240,564</u>	<u>308,698,328</u>	<u>56,744,226</u>
Total liabilities and net position	<u>\$ 445,421,800</u>	<u>\$ 6,580,472</u>		<u>\$ 59,548,571</u>
Reconciliation to government-wide statement of net position:				
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds			<u>11,146,345</u>	
Net position of business-type activities			<u>\$ 319,844,673</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, 2021

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Major			
	Water and Sewer Fund	Solid Waste Fund	Total	Internal Service Funds
Operating revenues				
Charges for services	\$ 53,764,594	\$ 17,051,747	\$ 70,816,341	\$ 42,413,398
Miscellaneous	1,327,396	-	1,327,396	-
Total operating revenues	<u>55,091,990</u>	<u>17,051,747</u>	<u>72,143,737</u>	<u>42,413,398</u>
Operating expenses				
Water production	5,266,449	-	5,266,449	-
Wastewater treatment	2,416,930	-	2,416,930	-
Water and sewer maintenance	4,681,502	-	4,681,502	-
Administration and general	22,547,848	4,169,460	26,717,308	26,322,545
Equipment maintenance	-	-	-	6,930,024
Sanitation expense	-	6,320,918	6,320,918	-
Transfer station expense	-	4,443,940	4,443,940	-
Depreciation	7,352,769	71,520	7,424,289	5,612,127
Total operating expenses	<u>42,265,498</u>	<u>15,005,838</u>	<u>57,271,336</u>	<u>38,864,696</u>
Operating income	<u>12,826,492</u>	<u>2,045,909</u>	<u>14,872,401</u>	<u>3,548,702</u>
Nonoperating revenues (expenses)				
Interest income	10,782	1,995	12,777	16,257
Interest expense	(4,539,332)	-	(4,539,332)	-
Gain from sale of equipment	-	-	-	459,395
Total nonoperating revenues (expenses)	<u>(4,528,550)</u>	<u>1,995</u>	<u>(4,526,555)</u>	<u>475,652</u>
Net income (loss) before transfers and capital contributions	8,297,942	2,047,904	10,345,846	4,024,354
Transfers in	349,920	42,286	392,206	839,500
Transfers out	(1,565,092)	(2,097,000)	(3,662,092)	(519,975)
Change in net position	<u>7,082,770</u>	<u>(6,810)</u>	<u>7,075,960</u>	<u>4,343,879</u>
Net position - beginning of year	300,374,994	1,247,374		52,400,347
Net position - end of year	<u>\$ 307,457,764</u>	<u>\$ 1,240,564</u>		<u>\$ 56,744,226</u>

Reconciliation to government-wide statement of activities:

Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.

1,056,969

Change in net position of business-type activities

\$ 8,132,929

See accompanying notes to the basic financial statements

City of Olathe, Kansas
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds			Governmental
	Major			Activities -
	Water and Sewer Fund	Solid Waste Fund	Total	Internal Service Funds
Cash Flows from Operating Activities				
Receipts from customers and users	\$ 54,707,090	\$ 16,949,667	\$ 71,656,757	\$ 42,496,238
Payments to suppliers	(20,608,645)	(8,021,635)	(28,630,280)	(29,856,908)
Payments to employees	(13,774,929)	(7,021,564)	(20,796,493)	(3,211,166)
Net cash provided by operating activities	<u>20,323,516</u>	<u>1,906,468</u>	<u>22,229,984</u>	<u>9,428,164</u>
Cash Flows from Noncapital Financing Activities				
Transfers from other funds	349,920	42,286	392,206	839,500
Transfers to other funds	(1,565,092)	(2,097,000)	(3,662,092)	(519,975)
Net cash provided by (used in) noncapital financing activities	<u>(1,215,172)</u>	<u>(2,054,714)</u>	<u>(3,269,886)</u>	<u>319,525</u>
Cash Flows from Capital and Related Financing Activities				
Acquisitions and construction of capital assets	(11,867,716)	-	(11,867,716)	(3,580,491)
Proceeds from sale of capital assets	-	-	-	459,395
Proceeds from revenue bonds	39,094,122	-	39,094,122	-
Proceeds from general obligation bonds	5,950,000	-	5,950,000	-
Principal paid on revenue bonds	(31,749,062)	-	(31,749,062)	-
Principal paid on general obligation bonds	(7,320,000)	-	(7,320,000)	-
Principal paid on revolving loans	(1,414,855)	-	(1,414,855)	-
Principal paid on capital lease	(992,747)	-	(992,747)	-
Interest paid	(4,418,354)	-	(4,418,354)	-
Net cash (used in) capital and related financing activities	<u>(12,718,612)</u>	<u>-</u>	<u>(12,718,612)</u>	<u>(3,121,096)</u>
Cash Flows from Investing Activities				
Interest received	10,782	1,995	12,777	16,257
Net cash provided by investing activities	<u>10,782</u>	<u>1,995</u>	<u>12,777</u>	<u>16,257</u>
Net increase (decrease) in cash and cash equivalents	6,400,514	(146,251)	6,254,263	6,642,850
Cash and cash equivalents - beginning of year	44,652,229	2,109,747	46,761,976	26,721,017
Cash and cash equivalents - end of year	<u>\$ 51,052,743</u>	<u>\$ 1,963,496</u>	<u>\$ 53,016,239</u>	<u>\$ 33,363,867</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, 2021

	<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>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 12,826,492	\$ 2,045,909	\$ 14,872,401	\$ 3,548,702
Adjustments to reconcile operating income to cash provided by operating activities				
Depreciation	7,352,769	71,520	7,424,289	5,612,127
Changes in assets and liabilities				
(Increase) Decrease in receivables	(384,900)	(102,080)	(486,980)	82,840
Decrease in deferred outflows	533,006	157,562	690,568	-
(Increase) Decrease decrease in inventories	147,529	-	147,529	(48,461)
Increase (decrease) in accounts and claims payable	470,090	(3,150)	466,940	258,957
(Decrease) in net pension liability	(2,537,614)	(1,116,550)	(3,654,164)	-
Increase in deferred inflows	2,250,549	990,279	3,240,828	-
(Decrease) in total KPERS OPEB liability	(402,913)	(177,282)	(580,195)	-
Increase in total OPEB liability	159,628	69,892	229,520	-
(Decrease) in deposits	(12,542)	-	(12,542)	-
(Decrease) in compensated absences	(78,578)	(29,632)	(108,210)	(26,001)
Total adjustments	<u>7,497,024</u>	<u>(139,441)</u>	<u>7,357,583</u>	<u>5,879,462</u>
Net cash provided by operating activities	<u>\$ 20,323,516</u>	<u>\$ 1,906,468</u>	<u>\$ 22,229,984</u>	<u>\$ 9,428,164</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, 2021

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, 2021

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
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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
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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
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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, 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.

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

City of Olathe, Kansas
Notes to the Basic Financial Statements
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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. The City also reports a deferred charge on refunding which is the result from the difference in carrying value of refunded debt and its reacquisition price. 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, the net difference between projected and actual earnings on pension investments, 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, and Debt Service.

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
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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
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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.

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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, 2021:

- State investment pool of \$13,773,289 and are valued using net asset value (Level 1 inputs).
- Treasury Notes of \$14,965,246 are valued at market value (Level 1 inputs).
- Government Agencies of \$9,992,626 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.

Cash, Cash Equivalents, and Investments	Maturities	Fair Value
State investment pool - overnight	6 months or less	\$ 13,773,289
Government Agency	4-May-22	9,992,626
Treasury Note	3-Nov-22	9,965,793
Treasury Note	10-Feb-22	4,999,453
Total investments		38,731,161
Certificates of deposit		142,500,000
Cash held by trustee		2,059,745
Restricted cash deposits		8,403,527
Unrestricted cash deposits		111,034,483
Total cash, cash equivalents, and investments		<u>\$ 302,728,916</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, 2021, 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 – Presented below is the actual rating by Moody’s Investor Services as of year-end for each cash and investment type, as well as the concentration, and respective fair value.

City of Olathe, Kansas
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<u>Investment Type</u>	<u>Total</u>	<u>Percentage of total cash and investments</u>
Kansas Municipal Investment Pool	\$ 13,773,289	4.55%
Certificates of deposit	142,500,000	47.07%
U.S. Government Securities		
Federal Home Loan Bank	9,992,626	3.30%
U.S. Treasury Notes	14,965,246	4.94%
Held by trustee or restricted accounts	10,463,272	3.46%
Unrestricted cash deposit accounts	111,034,483	36.68%
Total	<u>\$ 302,728,916</u>	<u>100.00%</u>

Federal Home Loan Bank securities are a government sponsored instrument and are rated Aaa by Moody's. U.S. Treasury Notes (issued by the U.S. Government) are not rated as they are considered to be of the highest quality and are backed by the full faith and credit of the U.S. Government.

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, 2021, 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 \$24,957,872 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, 2021 are as follows:

	<u>Major</u>			<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Special Tax Financing</u>	<u>Governmental Funds</u>	
Property tax	\$ 23,146,341	\$ 22,638,883	\$ 3,146,112	\$ 11,365,863	\$ 60,297,199
Sales tax	64,157,972	-	4,678,591	19,472,294	88,308,857
Franchise tax	10,494,220	-	-	-	10,494,220
Transient guest tax	-	-	448,177	1,238,308	1,686,485
Special assessment	-	3,924,331	-	-	3,924,331
	<u>\$ 97,798,533</u>	<u>\$ 26,563,214</u>	<u>\$ 8,272,880</u>	<u>\$ 32,076,465</u>	<u>\$ 164,711,092</u>

Taxes and special assessments receivable by fund type as of December 31, 2021 are as follows:

City of Olathe, Kansas
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	Major			Other	Total
	General	Debt Service	Special Tax Financing	Governmental Funds	
Property tax	\$ 22,213,598	\$ 21,735,600	\$ 3,300,000	\$ 10,679,047	\$ 57,928,245
Sales tax	11,649,805	-	717,856	3,439,403	15,807,064
Franchise tax	1,283,834	-	-	-	1,283,834
Transient guest tax	-	-	148,921	382,013	530,934
Special assessment	-	25,274,786	-	-	25,274,786
	<u>\$ 35,147,237</u>	<u>\$ 47,010,386</u>	<u>\$ 4,166,777</u>	<u>\$ 14,500,463</u>	<u>\$ 100,824,863</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, 2020 on which the 2021 levy was based was \$2,233,518,322.

The City's property tax levies per \$1,000 assessed valuation for the year ended December 31, 2021 were as follows:

Fund	Levy
General	\$ 9.945
Special revenue	4.782
Debt service	9.731
	<u>\$ 24.458</u>

The City's property taxes for 2021 were assessed in November of 2020 and distributed to the City in 2021 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, 2021 are as follows:

City of Olathe, Kansas
Notes to the Basic Financial Statements
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	Major		Other Governmental Funds	Total
	General	Capital Projects		
Federal				
Department of Housing and Urban Development	\$ -	\$ -	\$ 34,037	\$ 34,037
State				
Department of Revenue	100,000	-	1,208,534	1,308,534
Department of Transportation	19,858	690,840	-	710,698
Local				
Kansas City Area Transportation Authority	-	-	30,714	30,714
Johnson County	-	1,272,823	-	1,272,823
	\$ 119,858	\$ 1,963,663	\$ 1,273,285	\$ 3,356,806

Intergovernmental revenues for the year ended December 31, 2021 consisted of the following:

	Major		Other Governmental Funds	Total
	General	Capital Projects		
Federal				
Department of Housing and Urban Development	\$ -	\$ 25,429	\$ 428,022	\$ 453,451
State and Local Fiscal Recovery Funds	-	7,459,246	-	7,459,246
FEMA	-	-	674,782	674,782
State				
Liquor Tax	504,707	-	1,009,415	1,514,122
State Highway Connecting Links	78,946	-	-	78,946
Special Highway	-	-	4,095,054	4,095,054
Library State Aid	-	-	39,950	39,950
Department of Wildlife and Parks	-	-	6,803	6,803
Department of Transportation	-	15,846,908	34,721	15,881,629
County				
Street Improvements	-	15,085,556	-	15,085,556
Heritage Trust	-	-	10,600	10,600
Local				
MARC	-	474,500	21,163	495,663
Kansas City Area Transportation Authority	-	-	61,019	61,019
Unified School District 233	821,034	-	-	821,034
	\$ 1,404,687	\$ 38,891,639	\$ 6,381,529	\$ 46,677,855

City of Olathe, Kansas
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5. Capital Assets

Capital Asset activity for the year ended December 31, 2021 was as follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 121,107,411	\$ 7,498,363	\$ -	\$ 128,605,774
Art collection	20,845	-	7,400	13,445
Kansas Room Collection / Genealogy	42,700	-	5,920	36,780
Construction in progress	168,821,790	74,673,312	16,732,777	226,762,325
Total capital assets, not being depreciated	<u>289,992,746</u>	<u>82,171,675</u>	<u>16,746,097</u>	<u>355,418,324</u>
Capital assets being depreciated				
Land improvements	66,753	-	-	66,753
Buildings	123,817,920	4,215,438	2,331,788	125,701,570
Machinery and equipment	84,395,395	5,536,052	2,798,152	87,133,295
Swimming pools	10,021,514	230,470	-	10,251,984
Infrastructure	856,964,776	10,578,475	-	867,543,251
Books and materials	4,226,322	540,982	427,700	4,339,604
Total capital assets being depreciated	<u>1,079,492,680</u>	<u>21,101,417</u>	<u>5,557,640</u>	<u>1,095,036,457</u>
Less accumulated depreciation for				
Land improvements	(32,812)	(3,338)	-	(36,150)
Buildings	(38,057,569)	(3,062,630)	(1,278,400)	(39,841,799)
Machinery and equipment	(55,031,101)	(6,196,000)	(2,710,693)	(58,516,408)
Swimming pools	(7,766,781)	(515,351)	-	(8,282,132)
Infrastructure	(511,818,068)	(28,520,012)	-	(540,338,080)
Books and materials	(3,092,463)	(454,444)	(427,700)	(3,119,207)
Total accumulated depreciation	<u>(615,798,794)</u>	<u>(38,751,775)</u>	<u>(4,416,793)</u>	<u>(650,133,776)</u>
Total capital assets being depreciated, net	<u>463,693,886</u>	<u>(17,650,358)</u>	<u>1,140,847</u>	<u>444,902,681</u>
Governmental activities capital assets, net	<u>\$ 753,686,632</u>	<u>\$ 64,521,317</u>	<u>\$ 17,886,944</u>	<u>\$ 800,321,005</u>

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2021

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 4,621,134	\$ 38,796	\$ -	\$ 4,659,930
Construction in progress	38,550,872	11,867,717	5,285,923	45,132,666
Total capital assets, not being depreciated	<u>43,172,006</u>	<u>11,906,513</u>	<u>5,285,923</u>	<u>49,792,596</u>
Capital assets being depreciated				
Buildings	33,778,295	-	-	33,778,295
Machinery and equipment	4,617,047	434,018	-	5,051,065
Water system	224,143,253	1,057,594	-	225,200,847
Sewer system	212,896,597	3,755,515	-	216,652,112
Total capital assets being depreciated	<u>475,435,192</u>	<u>5,247,127</u>	<u>-</u>	<u>480,682,319</u>
Less accumulated depreciation for				
Buildings	(14,962,118)	(815,234)	-	(15,777,352)
Machinery and equipment	(3,572,795)	(178,160)	-	(3,750,955)
Water system	(67,763,007)	(2,779,461)	-	(70,542,468)
Sewer system	(51,002,990)	(3,651,434)	-	(54,654,424)
Total accumulated depreciation	<u>(137,300,910)</u>	<u>(7,424,289)</u>	<u>-</u>	<u>(144,725,199)</u>
Total capital assets being depreciated, net	<u>338,134,282</u>	<u>(2,177,162)</u>	<u>-</u>	<u>335,957,120</u>
Business-type activities capital assets, net	<u>\$ 381,306,288</u>	<u>\$ 9,729,351</u>	<u>\$ 5,285,923</u>	<u>\$ 385,749,716</u>

	<u>Beginning of Year Restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>
Component unit				
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	8,657,638	164,298	-	8,821,936
Machinery and equipment	232,519	16,201	3,416	245,304
Total capital assets being depreciated	<u>8,890,157</u>	<u>180,499</u>	<u>3,416</u>	<u>9,067,240</u>
Less accumulated depreciation for				
Buildings	(7,039,837)	(218,478)	-	(7,258,315)
Machinery and equipment	(213,303)	(4,119)	(2,593)	(214,829)
Total accumulated depreciation	<u>(7,253,140)</u>	<u>(222,597)</u>	<u>(2,593)</u>	<u>(7,473,144)</u>
Total capital assets being depreciated, net	<u>1,637,017</u>	<u>(42,098)</u>	<u>823</u>	<u>1,594,096</u>
Component units capital assets, net	<u>\$ 2,079,128</u>	<u>\$ (42,098)</u>	<u>\$ 823</u>	<u>\$ 2,036,207</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	\$ 656,780
Public safety	1,136,177
Public works	30,087,624
Community services	1,259,067
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	<u>5,612,127</u>
Total depreciation expense for governmental activities	<u><u>\$ 38,751,775</u></u>

Business-type activities

Water and sewer	\$ 7,352,769
Solid waste	71,520
Total depreciation expense for business-type activities	<u><u>\$ 7,424,289</u></u>

Component Unit

Olathe public housing authority	<u><u>\$ 222,597</u></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, 2021.

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>	<u>Due in One Year</u>
Governmental					
Temporary notes	<u>\$ 76,776,277</u>	<u>\$ 49,531,641</u>	<u>\$ 76,776,277</u>	<u>\$ 49,531,641</u>	<u>\$ 49,531,641</u>
			<u>Interest Rate</u>	<u>Maturity Date</u>	<u>End of Year</u>
Temporary Notes					
Street and sidewalk improvements			4.00%	1-Aug-22	\$ 31,182,807
Citywide improvements			4.00%	1-Aug-22	18,348,834
					<u><u>\$ 49,531,641</u></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, 2021.

	Beginning of Year	Additions	Retirements	End of Year	Due in One Year
Governmental					
General obligation bonds	\$ 163,735,000	\$ 92,495,000	\$ 34,915,000	\$ 221,315,000	\$ 25,460,492
Special obligations bonds	21,715,170	-	1,637,716	20,077,454	15,037,454
Revenue bonds	2,970,000	-	110,000	2,860,000	120,000
Capitalized leases	177,344	-	68,585	108,759	71,450
Compensated absences	5,042,270	4,203,235	4,123,494	5,122,011	4,356,550
Total KPERS OPEB liability	1,586,636	509,705	197,573	1,898,768	-
Total OPEB liability	25,571,506	3,406,653	1,480,568	27,497,591	-
	<u>220,797,926</u>	<u>100,614,593</u>	<u>42,532,936</u>	<u>278,879,583</u>	<u>45,045,946</u>
Add: bond issuance premium	18,838,112	14,054,446	3,654,014	29,238,544	3,160,382
Deduct: bond discount	(1,705)	-	(126)	(1,579)	(126)
Total governmental debt	<u>239,634,333</u>	<u>114,669,039</u>	<u>46,186,824</u>	<u>308,116,548</u>	<u>48,206,202</u>
Business-type					
General obligation bonds	7,320,000	5,950,000	7,320,000	5,950,000	564,508
Revenue bonds	96,680,000	35,270,000	31,040,000	100,910,000	5,220,000
KDHE revolving loan	12,304,672	-	1,414,855	10,889,817	1,461,503
Capitalized leases	992,747	-	992,747	-	-
Compensated absences	1,236,141	855,981	964,190	1,127,932	965,467
Total KPERS OPEB liability	865,659	76,163	656,357	285,465	-
Total OPEB liability	3,047,230	421,047	191,527	3,276,750	-
	<u>122,446,449</u>	<u>42,573,191</u>	<u>42,579,676</u>	<u>122,439,964</u>	<u>8,211,478</u>
Add: bond issuance premium	2,994,564	3,824,121	709,063	6,109,622	810,016
Total business-type debt	<u>125,441,013</u>	<u>46,397,312</u>	<u>43,288,739</u>	<u>128,549,586</u>	<u>9,021,494</u>
Total primary government	<u>\$ 365,075,346</u>	<u>\$ 161,066,351</u>	<u>\$ 89,475,563</u>	<u>\$ 436,666,134</u>	<u>\$ 57,227,696</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, 2021

Bonds

	<u>Original Issue</u>	<u>Original Issue Interest Rate</u>	<u>Maturity Date</u>	<u>End of Year</u>
General Obligation Bonds				
Governmental activities				
2014 Series 223 improvement bonds	9,315,000	1.50 - 5.00	1-Oct-24	\$ 4,195,000
2014 Series 225 improvement bonds	12,905,000	1.00 - 3.90	1-Sep-35	10,165,000
2015 Series 226 improvement bonds	11,695,000	2.50 - 5.00	1-Oct-25	4,785,000
2015 Series 227 refunding	8,290,000	2.00 - 4.00	1-Oct-27	3,220,000
2016 Series 228 refunding and improvement	25,315,000	0.65 - 2.29	1-Oct-31	15,325,000
2016 Series 229 improvement	5,765,000	0.90 - 2.55	1-Oct-26	3,095,000
2017 Series 230 refunding and improvement	27,525,000	2.50 - 5.00	1-Oct-29	21,485,000
2018 Series 231 improvement bonds	34,170,000	4.00 - 5.00	1-Oct-28	25,595,000
2019 Series 232 improvement bonds	21,115,000	4.00 - 5.00	1-Oct-30	15,650,000
2020 Series 233 improvement bonds	29,365,000	2.00 - 3.00	1-Oct-31	25,305,000
2021 Series 234 improvement and refunding	92,495,000	1.75 - 4.25	1-Oct-41	92,495,000
				<u>221,315,000</u>
Business-type activities				
2021 Series 234 improvement and refunding	5,950,000	1.75 - 4.25	1-Oct-41	5,950,000
Total General Obligation Bonds				<u>\$ 227,265,000</u>

	<u>Original Issue</u>	<u>Original Issue Interest Rate</u>	<u>Maturity Date</u>	<u>End of Year</u>
Governmental activities				
Special Obligation Bonds				
2006 Series Olathe Gateway TIF	\$ 13,030,000	4.75 - 5.00	1-Mar-26	\$ 7,155,390
2006 Series Olathe Gateway TDD	9,195,000	4.75 - 5.00	1-Dec-28	6,677,064
2007 Series West Village TIF	16,565,000	5.00 - 5.50	1-Sep-26	6,245,000
				<u>\$ 20,077,454</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, 2021, total principal and interest remaining on the bonds was \$10,822,948. For 2021, principal and interest paid and total incremental tax revenues were \$339,339 and \$165,661, 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, 2021, total principal and interest remaining on the bonds was \$10,231,968, payable through December 2028. For 2021, principal and interest paid and total incremental tax revenues were \$188,377 and \$96,623, 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, 2021, total principal and interest remaining on the bonds was \$7,148,335, payable through September 2026. For 2021, principal and interest and total incremental tax revenues were \$1,110,000 and \$338,380, respectively.

	<u>Original Issue</u>	<u>Original Issue Interest Rate</u>	<u>Maturity Date</u>	<u>End of Year</u>
Revenue Bonds				
Governmental activities				
2019 Stormwater System revenue bonds	3,225,000	3.00 - 5.000	1-Oct-38	\$ 2,860,000
Business-type activities				
2012 Water and Sewer System revenue bonds	9,585,000	2.00 - 3.000	1-Jul-32	5,730,000
2015 Water and Sewer System revenue bonds	18,895,000	2.00 - 5.000	1-Jul-35	14,490,000
2017 Water and Sewer System revenue bonds	11,340,000	3.00 - 4.000	1-Jul-37	9,285,000
2018 Water and Sewer System revenue bonds	11,580,000	3.00 - 5.000	1-Jul-38	10,400,000
2019 Water and Sewer System revenue bonds	16,360,000	3.00 - 5.000	1-Jul-39	15,040,000
2020 Water and Sewer System revenue bonds	16,360,000	3.00 - 5.000	1-Jul-39	12,000,000
2021 Water and Sewer System revenue bonds	35,270,000	2.00 - 4.000	1-Jul-41	33,965,000
Total revenue bonds				<u>\$ 103,770,000</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, 2021, \$2,207,863 had been drawn on this loan and the payback amount was \$414,071. Principal payments of \$130,161 were made in 2021. 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, 2021, \$768,500 had been drawn on this loan and the payback amount was \$251,395. Principal payments of \$46,401 were made in 2021. 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, 2021, \$16,883,916 had been drawn on this loan and the payback amount was \$7,962,404. Principal payments of \$989,309 were made in 2021. 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, 2021, \$4,221,984 had been drawn on this loan and the payback amount was \$2,261,947. Principal payments of \$248,984 were made in 2021. 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		
2022	\$ 25,460,492	\$ 8,423,155	\$ 120,000	\$ 108,669	\$ 15,037,454	\$ 7,549,121	\$ 40,617,946	\$ 16,080,945
2023	25,949,585	7,390,309	125,000	102,669	1,300,000	259,600	27,374,585	7,752,578
2024	25,832,388	6,290,607	130,000	96,419	1,405,000	186,588	27,367,388	6,573,614
2025	25,172,855	5,201,518	135,000	89,919	1,515,000	107,938	26,822,855	5,399,375
2026	22,765,959	4,150,259	145,000	83,169	820,000	22,550	23,730,959	4,255,978
2027 - 2031	79,865,236	9,559,625	815,000	316,994	-	-	80,680,236	9,876,619
2032 - 2036	10,490,190	1,353,781	960,000	168,025	-	-	11,450,190	1,521,806
2037 - 2041	5,778,295	351,396	430,000	22,488	-	-	6,208,295	373,884
	<u>221,315,000</u>	<u>42,720,650</u>	<u>2,860,000</u>	<u>988,352</u>	<u>20,077,454</u>	<u>8,125,797</u>	<u>244,252,454</u>	<u>51,834,799</u>
Due within one year	25,460,492	8,423,155	120,000	108,669	15,037,454	7,549,121	40,617,946	16,080,945
Due in more than one year	<u>\$ 195,854,508</u>	<u>\$ 34,297,495</u>	<u>\$ 2,740,000</u>	<u>\$ 879,683</u>	<u>\$ 5,040,000</u>	<u>\$ 576,676</u>	<u>\$ 203,634,508</u>	<u>\$ 35,753,854</u>

City of Olathe, Kansas
Notes to the Basic Financial Statements
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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
2022	\$ 564,508	\$ 228,510	\$ 5,220,000	\$ 3,168,331	\$ 1,461,503	\$ 311,839	\$ 7,246,011	\$ 3,708,680
2023	565,415	204,519	5,415,000	2,974,281	1,509,702	268,357	7,490,117	3,447,157
2024	537,612	180,488	5,630,000	2,755,831	1,559,505	223,428	7,727,117	3,159,747
2025	542,145	157,640	5,840,000	2,541,881	1,464,683	177,984	7,846,828	2,877,505
2026	459,041	134,599	6,085,000	2,313,831	1,513,521	133,983	8,057,562	2,582,413
2027 - 2031	2,454,764	373,725	32,685,000	8,171,580	3,380,903	137,945	38,520,667	8,683,250
2032 - 2036	454,810	65,382	30,755,000	3,603,461	-	-	31,209,810	3,668,843
2037 - 2041	371,705	22,605	9,280,000	530,437	-	-	9,651,705	553,042
	5,950,000	1,367,468	100,910,000	26,059,633	10,889,817	1,253,536	117,749,817	28,680,637
Due within one year	564,508	228,510	5,220,000	3,168,331	1,461,503	311,839	7,246,011	3,708,680
Due in more than one year	\$ 5,385,492	\$ 1,138,958	\$ 95,690,000	\$ 22,891,302	\$ 9,428,314	\$ 941,697	\$ 110,503,806	\$ 24,971,957

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$103,770,000 (\$5,730,000 Series 2012, \$14,490,000 Series 2015, \$9,285,000 Series 2017, \$10,400,000 Series 2018, \$17,900,000 Series 2019, \$12,000,000 Series 2020, and \$33,965,000 Series 2021) 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 2041. The total principal and interest remaining to be paid on the bonds is \$130,817,985. Principal and interest paid for the current year were \$31,040,000 and \$4,039,471, respectively.

Water & Sewer Revenue Bonds

Fiscal Year	Revenues	Current Expenses	Net Revenue Available for Debt Service	Principal Requirement	Interest Requirement	Coverage
2021	\$ 55,102,772	\$ 34,500,267	\$ 20,602,505	\$ 4,785,000	\$ 3,925,303	2.37

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
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As of December 31, 2021, based on the assessed valuation as of December 15, 2021 of \$2,233,518,322, the general obligation debt limit was \$670,055,497 which, after reduction for outstanding eligible general obligation bonds and notes totaling \$274,860,000, and increases for exempt projects financed with outstanding general obligation bonds and notes totaling \$37,593,126 and amounts available for debt service of \$54,165,053, provides a general obligation debt margin of \$486,953,676.

Capitalized Leases

	End of Year
Governmental activities:	
4.10% interest lease for fitness equipment, payable in monthly principal and interest payments of \$6,215 through March 2023	\$ 108,759
Total capital leases	\$ 108,759

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Water & Sewer
Asset:		
Machinery and equipment	\$ 224,023	\$ -
Water system	-	12,876,265
Less: Accumulated depreciation	(112,012)	(9,497,914)
Total	\$ 112,011	\$ 3,378,351

Annual debt service requirements to maturity are as follows:

Year	Governmental Activities
2022	\$ 74,577
2023	37,629
	112,206
Less interest	3,447
Total	\$ 108,759

7. Refunded Debt

During 2021, the City issued Series 234 improvement and refunding bonds in the amount of \$98,445,000. A portion of the Bonds are being issued for the purpose of permanently financing the costs of certain public improvements. A portion of the proceeds of the Bonds will be applied to retire \$5,950,000 of the General Obligation Refunding Bonds Series 220, \$1,245,000 of the General Obligation Improvement and Refunding Bonds Series 221, and \$13,515,000 of the General Obligation Improvement and Refunding Bonds Series 222. The refunding resulted in a net present value savings of \$1,648,903. The bonds have interest rates ranging from 1.75% to 4.25% with a final maturity of October 1, 2041.

City of Olathe, Kansas
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In 2021, the City issued Water and Sewer Revenue Bonds Series 2021 in the amount of \$35,270,000 to partially fund construction of City projects and refund \$26,225,000 of the Water and Sewer Revenue Bond Series 2010C. The sale result yielded \$4,064,601 of net present value savings. The bond have interest rates ranging from 2.00% to 4.00% with a final maturity of July 1, 2041.

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, 2021.

City of Olathe, Kansas
Components of Fund Balance
December 31, 2021

	Major				Nonmajor	Total
	General	Debt Service	Special Tax Financing	Capital Projects	Other Governmental Funds	
Fund Balances:						
Non Spendable:	\$ 437,938	\$ -	\$ -	\$ -	\$ 3,199	\$ 441,137
Restricted for:						
Debt service	-	27,898,416	9,932,435	-	-	37,830,851
Public safety - fire levy	-	-	-	-	121,719	121,719
Public works - motor fuel tax	-	-	-	-	323,368	323,368
Public works - street maintenance sales tax	-	-	-	-	6,395,337	6,395,337

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2021

	Major				Nonmajor	Total Governmental Funds
	General	Debt Service	Special Tax Financing	Capital Projects	Other Governmental Funds	
Fund Balances:						
Restricted for:						
Community services - special alcohol	\$ -	\$ -	\$ -	\$ -	\$ 1,015,960	\$ 1,015,960
Community services - special park & recreation	-	-	-	-	2,276,676	2,276,676
Community services - Park sales tax	-	-	-	-	3,329,655	3,329,655
Community services - grants	-	-	-	-	4,343,854	4,343,854
Community services - reimbursable programs	-	-	-	-	38,354	38,354
General government - reimbursable programs	-	-	-	-	677,450	677,450
General government - library	-	-	-	-	4,325,096	4,325,096
Capital projects	-	-	-	24,292,122	-	24,292,122
Committed to:						
Public works - storm water	-	-	-	-	2,991,335	2,991,335
Public works - future street improvement	-	-	-	-	10,235,888	10,235,888
Community services - Recreation	-	-	-	-	317,427	317,427
Community services - Cemetary	-	-	-	-	377,127	377,127
General government - Economic Development	-	-	-	-	1,927,245	1,927,245
Assigned to:						
Debt service	-	40,555,552	-	-	-	40,555,552
Public safety - encumbrances	97,126	-	-	-	-	97,126
Public works - encumbrances	23,947	-	-	-	-	23,947
Community services - encumbrances	134,305	-	-	-	-	134,305
General government encumbrances	77,560	-	-	-	-	77,560
Unassigned:	35,362,011	-	-	-	-	35,362,011
Total fund balances:	\$ 36,132,887	\$ 68,453,968	\$ 9,932,435	\$ 24,292,122	\$ 38,699,690	\$ 177,511,102

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2021

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	\$ -	\$ 5,888,405	\$ 7,055,152	\$ -	\$ -	\$ -	\$ 614,389	\$ 13,557,946
Capital Projects	-	2,500,000	-	300,149	42,286	839,500	2,973	3,684,908
Other Governmental Funds	8,117,503	1,640,625	14,037,104	-	-	-	751	23,795,983
Debt Service	-	-	-	49,771	-	-	-	49,771
Proprietary Funds								
Water and sewer	-	-	1,565,092	-	-	-	-	1,565,092
Solid waste	-	-	2,097,000	-	-	-	-	2,097,000
Internal service funds	-	-	519,975	-	-	-	-	519,975
Total proprietary funds	-	-	4,182,067	-	-	-	-	4,182,067
Totals	<u>\$ 8,117,503</u>	<u>\$ 10,029,030</u>	<u>\$ 25,274,323</u>	<u>\$ 349,920</u>	<u>\$ 42,286</u>	<u>\$ 839,500</u>	<u>\$ 618,113</u>	<u>\$ 45,270,675</u>

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, 2021 were as follows:

	<u>Receivables</u>	<u>Payables</u>
Fund Statements		
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>
Government-Wide Statements		
Governmental	\$ (11,146,345)	\$ -
Business-type	-	11,146,345

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2021

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, 2021

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 8.87% for KPERS and 22.80% for KP&F for the fiscal year ended December 31, 2021.

Contributions to the pension plan from the City were \$3,764,469 for KPERS and \$6,539,274 for KP&F for the year ended December 31, 2021.

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, 2021 and 2020 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, 2021 and 2020, respectively. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. At June 30, 2021, the City's proportion was 2.11% for the local plan, which was a decrease of .10% from June 30, 2020, and 4.83% for the police and firemen plan, which was a decrease of .04% from June 30, 2020.

Net Pension Liability

As of December 31, 2021 and 2020, the City reported a liability of \$71,372,307 (\$25,279,789 for local government employees and \$46,092,518 for police and firemen) and \$98,421,588 (\$38,318,469 for local government employees and \$60,103,119 for police and firemen), respectively, for its proportionate share of the net pension liability.

The total pension liability for KPERS in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75%
Salary increases, including wage increases	3.50% to 12.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.25%

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, 2020 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
December 31, 2021

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 7.50% to 7.25%.
- General wage growth assumption was raised from 3.25% to 3.50%.

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	23.50%	5.20%
Non-U.S. equities	23.50	6.40
Private equity	8.00	9.50
Private real estate	11.00	4.45
Yield driven	8.00	4.70
Real return	11.00	3.25
Fixed income	11.00	1.55
Short-term investments	4.00	0.25
Total	<u>100.00%</u>	

Discount Rate

The discount rate used by KPERS to measure the total pension liability at June 30, 2021 was 7.25%. The discount rate used to measure the total pension liability at the prior measurement date of June 30, 2020 was 7.50%. 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 2021 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 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

City of Olathe, Kansas
Notes to the Basic Financial Statements
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	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Local government	\$ 41,582,799	\$ 25,279,789	\$ 11,607,650
Police and Firemen	69,180,458	46,092,518	26,779,449
Total	\$ 110,763,257	\$ 71,372,307	\$ 38,387,099

Pension Expense

For the year ended December 31, 2021, the City recognized pension expense of \$9,748,656 (\$2,578,253 local government employees and \$7,170,403 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, 2021, 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	\$ 3,995,745	\$ 195,170	\$ 639,152	\$ 33,728	\$ 4,634,897	\$ 228,898
Net differences between projected and actual earnings on investments	-	17,964,624	-	3,104,594	-	21,069,218
Changes in assumptions	9,344,054	-	1,495,336	-	10,839,390	-
Changes in proportion	1,718,665	1,328,737	274,915	229,625	1,993,580	1,558,362
Contributions after measurement date	4,777,681	-	764,229	-	5,541,910	-
Total	\$ 19,836,145	\$ 19,488,531	\$ 3,173,632	\$ 3,367,947	\$ 23,009,777	\$ 22,856,478

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:

Year Ended December 31:	KPERS	Police and Firemen
2022	\$ (36,508)	\$ 933,365
2023	(281,948)	129,720
2024	(686,982)	(632,468)
2025	(2,366,512)	(2,815,034)
2026	125,769	241,987
Thereafter	-	-
Total	\$ (3,246,181)	\$ (2,142,430)

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2021

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, 2021 totaled \$37,951,309.

Encumbrances

Listed below are the encumbrances by fund for the City as of December 31, 2021.

	Major	Nonmajor	
	General	Other Governmental Funds	Total Governmental Funds
Committed to:			
Public works	-	9,963	9,963
Community services	-	17,855	17,855
Assigned to:			
Public safety	23,947	-	23,947
Public works	134,305	-	134,305
Community services	77,560	-	77,560
General government	97,126	-	97,126
Total encumbrances	\$ 332,938	\$ 27,818	\$ 360,756

Commitments

As of December 31, 2021, 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:

	Project Authorizations	Costs - Project Inception to December 31, 2021
Street improvements	\$ 364,573,681	\$ 216,558,255
Citywide improvements	204,694,904	159,487,703
Water and sewer lines	82,736,819	54,377,843
	\$ 652,005,404	\$ 430,423,801

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.

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2021

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>
2022	\$	5,489,450	\$	1,406,999	\$	6,896,449
2023		6,079,566		1,498,735		7,578,301
2024		6,733,119		1,596,453		8,329,572

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

In 2020, 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. With the continued decline in daily COVID-19 infections and increasing vaccination rate, resulting in the reopening of retail shops, restaurants, and recreational and entertainment venues which has led to an increase in revenues. While the City continues to monitor expenses, many vacant positions were filled in 2021 and capital expenditures, previously postponed, have resumed.

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, 2021 which will exceed coverage and the funds reserved. There were no significant reductions in insurance coverage during 2021. No significant settlements in excess of insurance coverage have been paid in the last three years.

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 \$619,488 that represents the estimated future cost of claims made and claims incurred, but not reported at December 31, 2021. All is considered due within one year and is included in accounts and claims payable in the Statement of Net Position.

City of Olathe, Kansas
Notes to the Basic Financial Statements
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Changes in the balances of workers' compensation claims liabilities during the past two years are as follows:

	of Year		Additions		Deletions		Year
2020	\$	696,387	\$	962,757	\$	869,694	\$ 789,450
2021		789,450		370,735		540,697	619,488

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 \$1,175,100 at December 31, 2021. 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:

	Beginning of Year		Additions		Deletions		End of Year
2020	\$	958,873	\$13,342,395	\$	13,294,968	\$	1,006,300
2021		1,006,300	16,535,916		16,367,116		1,175,100

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. In December 1995 the City obtained an environmental engineer study of the landfill to evaluate the ultimate postclosure liability 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 and 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.

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2021

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, 2020, 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 \$30,774,343 was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2020.

The total OPEB liability in the December 31, 2021 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		2.04%
Healthcare cost trend rate	Medical & Pharmacy: 6.00% for 2020, decreasing to an ultimate rate of 4.50% for 2027 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-2021 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	\$ 28,618,736
1. Service cost	1,350,079
2. Interest cost	571,150
3. Changes in benefit terms	-
4. Differences between actual and expected experience	1,426,211
5. Changes in assumptions and inputs	465,165
6. Benefit payments (Employer Contributions)	<u>1,657,000</u>
Net Changes (1+2+3+4+5-6)	<u>2,155,605</u>
Total OPEB Liability - End of Year	<u><u>\$ 30,774,341</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 (1.04% or one percentage point higher (3.04%) than the current discount rate.

	1% Decrease 1.04%	Discount Rate 2.04%	1% Increase 3.04%
Total OPEB Liability	\$ 33,201,994	\$ 30,774,341	\$ 28,518,416

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	\$ 27,428,722	\$ 30,774,341	\$ 34,727,512

For the year ended December 31, 2021, the City recognized OPEB expense of \$2,234,164.

Deferred Inflows of Resources.

At December 31, 2021 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	\$ 2,606,356	\$ 457,410	\$ 417,035	\$ 79,078	\$ 3,023,391	\$ 536,488
Differences between expected and actual experience	1,106,583	852,385	177,007	147,276	1,283,590	999,661
Total	<u>\$ 3,712,939</u>	<u>\$ 1,309,795</u>	<u>\$ 594,042</u>	<u>\$ 226,354</u>	<u>\$ 4,306,981</u>	<u>\$ 1,536,149</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
2022	\$ 312,933
2023	312,933
2024	312,933
2025	312,933
2026	312,933
2027 & thereafter	1,206,167
	<u>\$ 2,770,832</u>

15. Other Postemployment Benefits – KPERS

Plan Description

The City participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (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 65th 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, 2021, the following employees were covered by the benefit terms:

Active employees	632
Disabled members	19
	651

Total OPEB Liability

The City's total KPERS OPEB liability of \$2,184,233 reported as of December 31, 2021 was measured as of June 30, 2021 and was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021 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	2.16%
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-2021.

The actuarial assumptions used in the June 30, 2021 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, 2020 KPERS pension valuation.

Total OPEB Liability - Beginning of Year	\$ 2,452,295
Service cost	125,456
Interest cost	54,470
Effect of economic/demographic gains or losses	(224,839)
Effect of assumptions changes or inputs	4,128
Benefit payments (Employer Contributions)	(227,277)
Net Changes	(268,062)
Total OPEB Liability - End of Year	\$ 2,184,233

City of Olathe, Kansas
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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 (1.16%) or 1 percentage point higher (3.16%) than the current discount rate.

	1% Decrease 1.16%	Discount Rate 2.16%	1% Increase 3.16%
Total OPEB Liability	\$ 2,264,982	\$ 2,184,233	\$ 2,100,286

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.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 2,184,233	\$ 2,184,233	\$ 2,184,233

For the year ended December 31, 2021, the City recognized OPEB expense of \$254,464.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2021, 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	\$ 122,733	\$ 38,640	\$ 19,636	\$ 38,308	\$ 142,369	\$ 76,948
Differences between expected and actual experience	294,699	221,670	47,150	6,678	341,849	228,348
Contributions subsequent to measurement date	76	-	12	-	88	-
Total	\$ 417,508	\$ 260,310	\$ 66,798	\$ 44,986	\$ 484,306	\$ 305,296

There was \$88 reported as deferred outflows of resources related to KPERS OPEB results from the City's contributions subsequent to the measurement date will be recognized of the net OPEB liability in the year ended December 31, 2022.

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

City of Olathe, Kansas
Notes to the Basic Financial Statements
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Year Ended December 31,	Deferred (Inflows) Outflows Amount
2022	\$ 26,850
2023	26,850
2024	26,850
2025	26,850
2026	28,996
2027 & thereafter	42,526
	\$ 178,922

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. (“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 EDRBs 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.

- 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.

City of Olathe, Kansas
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- 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, 2021, 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 45% of the total abatement amount.

Project Name	I-35 Logistics Park - Building C
Project Description	Warehouse
Approved Abatement	50% of ad valorem property taxes
2021 amount	\$92,138
Additional Commitment	N/A

Project Name	Himoinsa Power Systems, Inc
Project Description	Information services and data processing
Approved Abatement	50% of ad valorem property taxes
2021 amount	\$92,770
Additional Commitment	N/A

Project Name	Garmin Realty, LLC
Project Description	Warehouse
Approved Abatement	75% of ad valorem property taxes
2021 amount	\$497,281
Additional Commitment	N/A

City of Olathe, Kansas
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Project Name	I-35 Logistics Park - Building B
Project Description	Warehouse
Approved Abatement	50% of ad valorem property taxes
2021 amount	\$128,356
Additional Commitment	N/A

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.

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.

City of Olathe, Kansas
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For the fiscal year ending December 31, 2021, the City applied incremental revenues to TIF projects as follows:

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
2021 amount	\$940,406
Project Commitment	Development of shopping area / entertainment district
Additional Commitment	N/A

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
2021 amount	\$1,666,808
Project Commitment	Development of shopping area
Additional Commitment	N/A

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
2021 amount	\$98,155
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.
2021 amount	\$80,916
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
2021 amount	\$322,546
Project Commitment	Development of hotel
Additional Commitment	N/A

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2021

Project Name Ancona Honda
Project Description Redevelopment of car dealership
Approved TIF 100% Ad valorem property tax increment
2021 amount \$37,869
Project Commitment Redevelopment of car dealership
Additional Commitment N/A

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
2021 amount \$1,263,220
Project Commitment Development of convention center and hotel.
Additional Commitment N/A

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
2021 amount \$528,270
Project Commitment Development of soccer complex.
Additional Commitment N/A

As of December 31, 2021, there were 50 issues of industrial revenue and multi-housing bonds outstanding. Outstanding issues had an aggregate outstanding amount totaling \$622,000,278 and a total assessed valuation of \$134,879,762.

17. Component Unit Condensed Financial Statements and Restatement of Net Position

The City has one discretely presented component unit – Olathe Housing Authority. During the year ended December 31, 2021, the Housing Authority identified deferred revenues, accounts receivable, and capital assets that were not properly recorded for the year ended December 31, 2020. The correction of those revenues and capital assets caused a restatement of net position as follows:

	Public Housing Authority
Beginning net position	\$ 2,796,387
Prior period adjustments:	
Deferred revenue	(127,644)
Account receivable	3,818
Capital assets	(8,766)
Beginning net position, restated	\$ 2,663,795

City of Olathe, Kansas
Notes to the Basic Financial Statements
December 31, 2021

Listed below are condensed financial statements for the component unit.

	Olathe Public Housing Authority
Total assets	\$ 3,110,383
Total liabilities and deferred inflows	242,164
Net Position	\$ 2,868,219
Expenses	\$ 4,798,147
Program revenues	5,002,049
Net program revenues	203,902
Other general revenues	522
Change in net position	204,424
Beginning net position, restated	2,663,795
Ending net position	\$ 2,868,219

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,

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

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.

GASB Statement No. 99, *Omnibus 2022*, 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: 1) classification and reporting of derivative instruments within the scope of Statement No. 53 that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; 2) clarification of certain provisions in Statement No. 87, Statement No. 94 and Statement No. 96; 3) extension of the period during which the London Interbank offered Rate (LIBOR) is considered an appropriate benchmark interest rate of the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; 4) accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program; 5) disclosures

City of Olathe, Kansas
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December 31, 2021

related to nonmonetary transactions; 6) pledges of future revenues when resources are not received by the pledging government; 7) clarification of provisions in Statement No 34 related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63; and 8) terminology used in Statement No. 53 to refer to resource flows statements. The provisions of this statement for items 1 and 2 are effective for financial statements for the City's fiscal year ending December 31, 2024 and December 31, 2023, respectively. All other provisions of this statement are effective upon issuance.

19. Subsequent Events

On June 6, 2022, the City received \$7,459,246 in ARPA funds.



**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 Four Fiscal Years*

	2018	2019	2020	2021
Total OPEB liability				
Service cost	\$ 139,313	\$ 140,465	\$ 155,392	\$ 125,456
Interest	75,802	73,863	80,360	54,470
Benefit paid	(187,461)	(398,213)	(222,707)	(227,277)
Economic/demographic gains or losses	(109,329)	435,014	41,575	(224,839)
Changes in assumptions	(23,958)	34,566	146,643	4,128
Net change in total OPEB liability	(105,633)	285,695	201,263	(268,062)
Total OPEB liability - beginning of year	2,070,970	1,965,337	2,251,032	2,452,295
Total OPEB liability - end of year	<u>\$ 1,965,337</u>	<u>\$ 2,251,032</u>	<u>\$ 2,452,295</u>	<u>\$ 2,184,233</u>
Covered payroll	<u>\$ 34,666,148</u>	<u>\$ 37,224,241</u>	<u>\$ 37,224,241</u>	<u>\$ 38,657,315</u>
Total OPEB liability as a percentage of covered payroll	5.67%	6.05%	6.59%	5.65%
Discount Rate	3.50%	3.87%	2.21%	2.16%

* 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 Four Fiscal Years*

	2018	2019	2020	2021
Total OPEB liability				
Service cost	\$ 1,102,462	\$ 1,014,753	\$ 1,175,257	\$ 1,350,079
Interest	903,255	972,026	832,733	571,150
Benefit paid	(1,711,000)	(1,734,000)	(1,634,000)	(1,657,000)
Difference between expected and actual experience	(280,939)	(233,731)	(834,359)	1,426,211
Changes in assumptions	(894,144)	1,801,506	1,679,612	465,165
Changes in benefit terms	(484,927)	(687,045)	-	-
Net change in total OPEB liability	(1,365,293)	1,133,509	1,219,243	2,155,605
Total OPEB liability - beginning of year	27,631,277	26,265,984	27,399,493	28,618,736
Total OPEB liability - end of year	<u>\$ 26,265,984</u>	<u>\$ 27,399,493</u>	<u>\$ 28,618,736</u>	<u>\$ 30,774,341</u>
Covered payroll	<u>\$ 53,013,812</u>	<u>\$ 53,013,812</u>	<u>\$ 56,238,165</u>	<u>\$ 56,238,165</u>
Total OPEB liability as a percentage of covered payroll	49.55%	51.68%	50.89%	54.72%
Discount Rate	3.68%	3.00%	1.96%	2.04%

* 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 Eight Fiscal Years

Local Government	2014	2015	2016	2017	2018	2019	2020	2021
Proportion of the Net Pension Liability	1.878112%	1.936294%	1.938338%	1.997006%	2.092001%	2.156684%	2.210272%	2.106726%
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	\$ 25,279,789
Covered payroll	34,408,016	35,530,007	33,922,111	36,032,058	41,149,580	40,039,507	40,408,036	40,899,942
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%	61.81%
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%	76.40%
Police and Firemen	2015	2015	2016	2017	2018	2019	2020	2021
Proportion of the Net Pension Liability	4.500889%	4.660566%	4.546739%	4.510839%	4.819524%	4.849212%	4.874002%	4.830263%
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	\$ 46,092,518
Covered payroll	22,291,450	23,177,996	23,547,099	24,530,506	26,495,886	26,765,111	27,391,157	26,777,115
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%	172.13%
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%	76.40%

Note: Due to the City's implementing GASB 68, only eight years of information is available.

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

Local Government	2014	2015	2016	2017	2018	2019	2020	2021
Required contribution	\$ 2,590,522	\$ 2,961,053	\$ 3,100,570	\$ 3,123,646	\$ 3,154,582	\$ 3,445,055	\$ 3,652,057	\$ 3,764,469
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	3,764,469
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	42,440,457
Contributions as a percentage of covered payroll	7.45%	8.29%	8.94%	8.59%	7.58%	8.60%	9.04%	8.87%

Police and Firemen	2015	2015	2016	2017	2018	2019	2020	2021
Required contribution	\$ 3,764,718	\$ 4,378,971	\$ 4,515,855	\$ 4,446,415	\$ 4,794,549	\$ 5,481,040	\$ 5,898,976	\$ 6,539,274
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	6,539,274
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	28,681,025
Contributions as a percentage of covered payroll	16.55%	18.73%	19.10%	17.75%	17.60%	20.48%	21.54%	22.80%

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

City of Olathe, Kansas
Required Supplementary Information
Notes to Required Supplementary Information
December 31, 2021

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
Notes to Required Supplementary information
December 31, 2021

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
Notes to Required Supplementary information
December 31, 2021

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%.

Assumption changes effective December 31, 2020 were as follows:

- The investment return assumption was lowered from 7.50% to 7.25%.
- The general wage growth assumption was increased from 3.25% to 3.50%.



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, 2021**

	Special Revenue							Reimbursable Programs
	Fire Levy	Motor Fuel Tax	Library Operating	Economic Development and Tourism	Special Park and Recreation	Special Alcohol	Stormwater	
Assets								
Cash, cash equivalents, and investments	\$ 121,719	\$ -	\$ 3,648,685	\$ 1,545,232	\$ 2,276,960	\$ 1,015,960	\$ 2,322,418	\$ 715,804
Receivables (net of allowance)								
Taxes	3,868,661	-	6,810,385	382,013	-	-	-	-
Accounts	-	-	-	-	-	-	668,917	-
Loans	-	-	-	-	-	-	-	-
Due from other governments	-	923,299	-	-	100,000	100,000	-	-
Prepaid asset	-	-	3,199	-	-	-	-	-
Total assets	\$ 3,990,380	\$ 923,299	\$ 10,462,269	\$ 1,927,245	\$ 2,376,960	\$ 1,115,960	\$ 2,991,335	\$ 715,804
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 284	\$ -	\$ -	\$ -
Due to other funds	-	599,931	-	-	-	-	-	-
Total liabilities	-	599,931	-	-	284	-	-	-
Deferred Inflows of Resources								
Deferred revenue - property taxes	3,868,661	-	6,810,385	-	-	-	-	-
Deferred revenue - intergovernmental	-	-	-	-	100,000	100,000	-	-
Total deferred inflows of resources	3,868,661	-	6,810,385	-	100,000	100,000	-	-
Fund balances								
Nonspendable	-	-	3,199	-	-	-	-	-
Restricted								
Public safety	121,719	-	-	-	-	-	-	-
Public works	-	323,368	-	-	-	-	-	-
Community services	-	-	-	-	2,276,676	1,015,960	-	38,354
General government	-	-	3,648,685	-	-	-	-	677,450
Committed								
Public works	-	-	-	-	-	-	2,991,335	-
Community services	-	-	-	-	-	-	-	-
General government	-	-	-	1,927,245	-	-	-	-
Total fund balances	121,719	323,368	3,651,884	1,927,245	2,276,676	1,015,960	2,991,335	715,804
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,990,380	\$ 923,299	\$ 10,462,269	\$ 1,927,245	\$ 2,376,960	\$ 1,115,960	\$ 2,991,335	\$ 715,804

City of Olathe, Kansas
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021

	Special Revenue			Capital Projects			Total Nonmajor Governmental Funds	
	Grants Fund	Cemetery	Recreation	Library Capital	Park Sales Tax	Street Maintenance Sales Tax		Future Street Improvement
Assets								
Cash, cash equivalents, and investments	\$ 365,519	\$ 377,127	\$ 922,389	\$ 676,411	\$ 2,469,801	\$ 3,815,787	\$ 10,236,754	\$ 30,510,566
Receivables (net of allowance)								
Taxes	-	-	-	-	859,854	2,579,550	-	14,500,463
Accounts	10,479	-	81,114	-	-	-	-	760,510
Loans	3,915,989	-	-	-	-	-	-	3,915,989
Due from other governments	149,986	-	-	-	-	-	-	1,273,285
Prepaid asset	-	-	-	-	-	-	-	3,199
Total assets	\$ 4,441,973	\$ 377,127	\$ 1,003,503	\$ 676,411	\$ 3,329,655	\$ 6,395,337	\$ 10,236,754	\$ 50,964,012
Liabilities								
Accounts payable	\$ 10,016	\$ -	\$ 686,076	\$ -	\$ -	\$ -	\$ -	\$ 696,376
Due to other funds	-	-	-	-	-	-	-	599,931
Total liabilities	10,016	-	686,076	-	-	-	-	1,296,307
Deferred Inflows of Resources								
Deferred revenue - property taxes	-	-	-	-	-	-	866	10,679,912
Deferred revenue - intergovernmental	88,103	-	-	-	-	-	-	288,103
Total deferred inflows of resources	88,103	-	-	-	-	-	866	10,968,015
Fund balances								
Nonspendable	-	-	-	-	-	-	-	3,199
Restricted								
Public safety	-	-	-	-	-	-	-	121,719
Public works	-	-	-	-	-	6,395,337	-	6,718,705
Community services	4,343,854	-	-	-	3,329,655	-	-	11,004,499
General government	-	-	-	676,411	-	-	-	5,002,546
Committed								
Public works	-	-	-	-	-	-	10,235,888	13,227,223
Community services	-	377,127	317,427	-	-	-	-	694,554
General government	-	-	-	-	-	-	-	1,927,245
Total fund balances	4,343,854	377,127	317,427	676,411	3,329,655	6,395,337	10,235,888	38,699,690
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,441,973	\$ 377,127	\$ 1,003,503	\$ 676,411	\$ 3,329,655	\$ 6,395,337	\$ 10,236,754	\$ 50,964,012

City of Olathe, Kansas
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Special Revenue							Reimbursable Programs
	Fire Levy	Motor Fuel Tax	Library Operating	Economic Development and Tourism	Special Park and Recreation	Special Alcohol	Stormwater	
Revenues								
Taxes:								
Property	\$ 4,028,699	\$ -	\$ 7,093,436	\$ -	\$ -	\$ -	\$ -	\$ 243,728
Sales	-	-	-	-	-	-	-	-
Transient guest	-	-	-	1,238,308	-	-	-	-
Intergovernmental	-	4,095,054	-	-	504,707	504,707	-	-
Fines, forfeitures, and penalties	-	-	114,520	-	-	-	-	-
Charges for services	-	-	18,239	-	692,959	-	4,695,157	211,238
Use of money and property	-	-	7,922	752	1,130	570	994	47
Miscellaneous	-	-	-	-	-	-	-	141,729
Total revenues	<u>4,028,699</u>	<u>4,095,054</u>	<u>7,234,117</u>	<u>1,239,060</u>	<u>1,198,796</u>	<u>505,277</u>	<u>4,696,151</u>	<u>596,742</u>
Expenditures								
General government	-	-	187,362	1,079,292	-	-	18,918	418,823
Public safety	-	-	-	-	-	232,325	-	19,148
Public works	-	-	-	-	16,232	-	2,743,483	-
Community services	-	-	6,042,620	-	575,521	244,379	127,806	151,763
Debt service								
Principal retirements	-	-	-	-	-	-	110,000	-
Interest and fiscal charges	-	-	-	-	-	-	114,169	-
Total expenditures	<u>-</u>	<u>-</u>	<u>6,229,982</u>	<u>1,079,292</u>	<u>591,753</u>	<u>476,704</u>	<u>3,114,376</u>	<u>589,734</u>
Excess of revenues over (under) expenditures	<u>4,028,699</u>	<u>4,095,054</u>	<u>1,004,135</u>	<u>159,768</u>	<u>607,043</u>	<u>28,573</u>	<u>1,581,775</u>	<u>7,008</u>
Other financing sources (uses)								
Transfers in	-	-	1,443	3,845	-	-	-	65,000
Transfers out	(4,022,721)	(4,095,054)	(611,225)	-	(450,000)	-	(750,000)	(535,000)
Total other financing sources (uses)	<u>(4,022,721)</u>	<u>(4,095,054)</u>	<u>(609,782)</u>	<u>3,845</u>	<u>(450,000)</u>	<u>-</u>	<u>(750,000)</u>	<u>(470,000)</u>
Net change in fund balances	<u>5,978</u>	<u>-</u>	<u>394,353</u>	<u>163,613</u>	<u>157,043</u>	<u>28,573</u>	<u>831,775</u>	<u>(462,992)</u>
Fund balances - beginning of year	115,741	323,368	3,257,531	1,763,632	2,119,633	987,387	2,159,560	1,178,796
Fund balances - end of year	<u>\$ 121,719</u>	<u>\$ 323,368</u>	<u>\$ 3,651,884</u>	<u>\$ 1,927,245</u>	<u>\$ 2,276,676</u>	<u>\$ 1,015,960</u>	<u>\$ 2,991,335</u>	<u>\$ 715,804</u>

City of Olathe, Kansas
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Special Revenue			Capital Projects				Total Nonmajor Governmental Funds
	Grant Fund	Cemetery	Recreation	Library Capital	Park Sales Tax	Street Maintenance Sales Tax	Future Street Improvement	
Revenues								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,365,863
Sales	-	-	-	-	4,868,104	14,604,190	-	19,472,294
Transient guest	-	-	-	-	-	-	-	1,238,308
Intergovernmental	1,237,110	-	-	39,951	-	-	-	6,381,529
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	114,520
Charges for services	-	246,381	4,674,015	57,834	-	-	1,280,943	11,876,766
Use of money and property	8	404	461	-	534	3,891	4,514	21,227
Miscellaneous	221,828	-	-	-	-	-	-	363,557
Total revenues	<u>1,458,946</u>	<u>246,785</u>	<u>4,674,476</u>	<u>97,785</u>	<u>4,868,638</u>	<u>14,608,081</u>	<u>1,285,457</u>	<u>50,834,064</u>
Expenditures								
General government	-	-	3,925	-	-	-	-	1,708,320
Public safety	1,585,249	-	-	-	-	-	-	1,836,722
Public works	-	-	6,988	-	5,393	-	-	2,772,096
Community services	530,190	528,473	4,292,167	85,324	293,384	-	-	12,871,627
Debt service								
Principal retirements	-	-	68,585	-	-	-	-	178,585
Interest and fiscal charges	-	-	5,992	-	-	-	-	120,161
Total expenditures	<u>2,115,439</u>	<u>528,473</u>	<u>4,377,657</u>	<u>85,324</u>	<u>298,777</u>	<u>-</u>	<u>-</u>	<u>19,487,511</u>
Excess of revenues over (under) expenditures	<u>(656,493)</u>	<u>(281,688)</u>	<u>296,819</u>	<u>12,461</u>	<u>4,569,861</u>	<u>14,608,081</u>	<u>1,285,457</u>	<u>31,346,553</u>
Other financing sources (uses)								
Transfers in	547,825	-	-	-	-	-	-	618,113
Transfers out	(51,436)	-	-	-	(2,940,625)	(10,339,922)	-	(23,795,983)
Total other financing sources (uses)	<u>496,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,940,625)</u>	<u>(10,339,922)</u>	<u>-</u>	<u>(23,177,870)</u>
Net change in fund balances	<u>(160,104)</u>	<u>(281,688)</u>	<u>296,819</u>	<u>12,461</u>	<u>1,629,236</u>	<u>4,268,159</u>	<u>1,285,457</u>	<u>8,168,683</u>
Fund balances - beginning of year	4,503,958	658,815	20,608	663,950	1,700,419	2,127,178	8,950,431	30,531,007
Fund balances - end of year	<u>\$ 4,343,854</u>	<u>\$ 377,127</u>	<u>\$ 317,427</u>	<u>\$ 676,411</u>	<u>\$ 3,329,655</u>	<u>\$ 6,395,337</u>	<u>\$ 10,235,888</u>	<u>\$ 38,699,690</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, 2021

	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)
Revenues									
Taxes	\$ 4,470,694	\$ 4,028,699	\$ (441,995)	\$ -	\$ -	\$ -	\$ 7,110,301	\$ 7,093,436	\$ (16,865)
Intergovernmental	-	-	-	3,915,434	4,095,054	179,620	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	114,520	114,520
Charges for services	-	-	-	-	-	-	-	18,239	18,239
Use of money and property	-	-	-	4,362	-	(4,362)	36,912	7,922	(28,990)
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	<u>4,470,694</u>	<u>4,028,699</u>	<u>(441,995)</u>	<u>3,919,796</u>	<u>4,095,054</u>	<u>175,258</u>	<u>7,147,213</u>	<u>7,234,117</u>	<u>86,904</u>
Expenditures									
General government	-	-	-	-	-	-	-	187,362	(187,362)
Public safety	86,134	-	86,134	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	9,984,741	6,014,997	3,969,744
Debt service	-	-	-	-	-	-	-	-	-
Total expenditures	<u>86,134</u>	<u>-</u>	<u>86,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,984,741</u>	<u>6,202,359</u>	<u>3,782,382</u>
Excess of revenues over/ (under) expenditures	<u>4,384,560</u>	<u>4,028,699</u>	<u>(355,861)</u>	<u>3,919,796</u>	<u>4,095,054</u>	<u>175,258</u>	<u>(2,837,528)</u>	<u>1,031,758</u>	<u>3,869,286</u>
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	1,443	1,443
Transfers out	(4,022,449)	(4,022,721)	(272)	(3,878,386)	(4,095,054)	(216,668)	-	(611,225)	(611,225)
Total other financing sources/(uses)	<u>(4,022,449)</u>	<u>(4,022,721)</u>	<u>(272)</u>	<u>(3,878,386)</u>	<u>(4,095,054)</u>	<u>(216,668)</u>	<u>-</u>	<u>(609,782)</u>	<u>(609,782)</u>
Net change in fund balances	<u>\$ 362,111</u>	<u>5,978</u>	<u>\$ (356,133)</u>	<u>\$ 41,410</u>	<u>-</u>	<u>\$ (41,410)</u>	<u>\$ (2,837,528)</u>	<u>421,976</u>	<u>\$ 3,259,504</u>
Fund balances - beginning of year - Budget basis		<u>115,741</u>			<u>323,368</u>			<u>3,224,078</u>	
Fund balances - end of year - Budget basis		<u>121,719</u>			<u>323,368</u>			<u>3,646,054</u>	
Encumbrances incurred and outstanding / Due to other fund		<u>-</u>			<u>-</u>			<u>5,830</u>	
Fund balances - end of year - GAAP basis		<u>\$ 121,719</u>			<u>\$ 323,368</u>			<u>\$ 3,651,884</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, 2021

	<u>Economic Development and Tourism</u>			<u>Special Park and Recreation Fund</u>			<u>Special Alcohol Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues									
Taxes	\$ 1,202,538	\$ 1,238,308	\$ 35,770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	540,065	504,707	(35,358)	540,065	504,707	(35,358)
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	313,709	692,959	379,250	-	-	-
Use of money and property	-	752	752	38,357	1,130	(37,227)	-	570	570
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	<u>1,202,538</u>	<u>1,239,060</u>	<u>36,522</u>	<u>892,131</u>	<u>1,198,796</u>	<u>306,665</u>	<u>540,065</u>	<u>505,277</u>	<u>(34,788)</u>
Expenditures									
General government	1,300,000	1,079,292	220,708	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	257,635	232,325	25,310
Public works	-	-	-	-	16,232	(16,232)	-	-	-
Community services	-	-	-	650,591	575,521	75,070	271,000	234,087	36,913
Debt service	-	-	-	-	-	-	-	-	-
Total expenditures	<u>1,300,000</u>	<u>1,079,292</u>	<u>220,708</u>	<u>650,591</u>	<u>591,753</u>	<u>58,838</u>	<u>528,635</u>	<u>466,412</u>	<u>62,223</u>
Excess of revenues over (under) expenditures	<u>(97,462)</u>	<u>159,768</u>	<u>257,230</u>	<u>241,540</u>	<u>607,043</u>	<u>365,503</u>	<u>11,430</u>	<u>38,865</u>	<u>27,435</u>
Other financing sources (uses)									
Transfers in	-	3,845	3,845	-	-	-	-	-	-
Transfers out	-	-	-	(450,000)	(450,000)	-	-	-	-
Total other financing sources/(uses)	<u>-</u>	<u>3,845</u>	<u>3,845</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (97,462)</u>	<u>163,613</u>	<u>\$ 261,075</u>	<u>\$ (208,460)</u>	<u>157,043</u>	<u>\$ 365,503</u>	<u>\$ 11,430</u>	<u>38,865</u>	<u>\$ 27,435</u>
Fund balances - beginning of year - Budget basis		<u>1,763,632</u>			<u>2,119,633</u>			<u>977,095</u>	
Fund balances - end of year - Budget basis		<u>1,927,245</u>			<u>2,276,676</u>			<u>1,015,960</u>	
Encumbrances incurred and outstanding / Due to other fund		<u>-</u>			<u>-</u>			<u>-</u>	
Fund balances - end of year - GAAP basis		<u>\$ 1,927,245</u>			<u>\$ 2,276,676</u>			<u>\$ 1,015,960</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, 2021

	Storm Water Fund			Recreation			Total		
	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,783,533	\$ 12,360,443	\$ (423,090)
Intergovernmental	-	-	-	-	-	-	4,995,564	5,104,468	108,904
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	114,520	114,520
Charges for services	4,810,117	4,695,157	(114,960)	6,138,500	4,674,015	(1,464,485)	11,262,326	10,080,370	(1,181,956)
Use of money and property	20,000	994	(19,006)	32,200	461	(31,739)	131,831	11,829	(120,002)
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	<u>4,830,117</u>	<u>4,696,151</u>	<u>(133,966)</u>	<u>6,170,700</u>	<u>4,674,476</u>	<u>(1,496,224)</u>	<u>29,173,254</u>	<u>27,671,630</u>	<u>(1,501,624)</u>
Expenditures									
General government	-	18,918	(18,918)	-	3,925	(3,925)	1,300,000	1,289,497	10,503
Public safety	-	-	-	-	-	-	343,769	232,325	111,444
Public works	3,464,861	2,737,710	727,151	-	6,988	(6,988)	3,464,861	2,760,930	703,931
Community services	-	127,806	(127,806)	5,965,211	4,300,962	1,664,249	16,871,543	11,253,373	5,618,170
Debt service	-	224,169	(224,169)	-	74,577	(74,577)	-	298,746	(298,746)
Total expenditures	<u>3,464,861</u>	<u>3,108,603</u>	<u>356,258</u>	<u>5,965,211</u>	<u>4,386,452</u>	<u>1,578,759</u>	<u>21,980,173</u>	<u>15,834,871</u>	<u>6,145,302</u>
Excess of revenues over (under) expenditures	<u>1,365,256</u>	<u>1,587,548</u>	<u>222,292</u>	<u>205,489</u>	<u>288,024</u>	<u>82,535</u>	<u>7,193,081</u>	<u>11,836,759</u>	<u>4,643,678</u>
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	5,288	5,288
Transfers out	(750,000)	(750,000)	-	(200,000)	-	200,000	(9,300,835)	(9,929,000)	(628,165)
Total other financing sources/(uses)	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>	<u>(9,300,835)</u>	<u>(9,923,712)</u>	<u>(622,877)</u>
Net change in fund balances	<u>\$ 615,256</u>	<u>837,548</u>	<u>\$ 222,292</u>	<u>\$ 5,489</u>	<u>288,024</u>	<u>\$ 282,535</u>	<u>\$ (2,107,754)</u>	<u>1,913,047</u>	<u>\$ 4,020,801</u>
Fund balances - beginning of year - Budget basis		<u>2,143,824</u>			<u>17,378</u>			<u>10,684,749</u>	
Fund balances - end of year - Budget basis		<u>2,981,372</u>			<u>305,402</u>			<u>12,597,796</u>	
Encumbrances incurred and outstanding / Due to other fund		<u>9,963</u>			<u>12,025</u>			<u>27,818</u>	
Fund balances - end of year - GAAP basis		<u>\$ 2,991,335</u>			<u>\$ 317,427</u>			<u>\$ 12,625,614</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, 2021

	Budget	Actual	Variance - Positive (Negative)
Revenues			
Taxes	\$ 3,720,425	\$ 4,868,104	\$ 1,147,679
Use of money and property	15,826	534	(15,292)
Total revenues	<u>3,736,251</u>	<u>4,868,638</u>	<u>1,132,387</u>
Expenditures			
Public works	-	5,393	(5,393)
Community services	352,649	293,384	59,265
Total expenditures	<u>352,649</u>	<u>298,777</u>	<u>53,872</u>
Excess of revenues over (under) expenditures	<u>3,383,602</u>	<u>4,569,861</u>	<u>1,186,259</u>
Other financing sources (uses)			
Transfers out	<u>(3,690,625)</u>	<u>(2,940,625)</u>	750,000
Total other financing sources (uses)	<u>(3,690,625)</u>	<u>(2,940,625)</u>	750,000
Net change in fund balance	<u>\$ (307,023)</u>	1,629,236	<u>\$ 1,936,259</u>
Fund balance - beginning of year		1,700,419	
Fund balance - end of year		<u>\$ 3,329,655</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, 2021

	Budget	Actual	Variance - Positive (Negative)
Revenues			
Taxes	\$ 11,775,333	\$ 14,604,190	\$ 2,828,857
Use of money and property	142,898	3,891	(139,007)
Total revenues	<u>11,918,231</u>	<u>14,608,081</u>	<u>2,689,850</u>
Expenditures			
General government	-	-	-
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	<u>11,918,231</u>	<u>14,608,081</u>	<u>2,689,850</u>
Other financing sources (uses)			
Transfers out	<u>(12,500,000)</u>	<u>(10,339,922)</u>	<u>2,160,078</u>
Total other financing sources (uses)	<u>(12,500,000)</u>	<u>(10,339,922)</u>	<u>2,160,078</u>
Net change in fund balance	<u>\$ (581,769)</u>	4,268,159	<u>\$ 4,849,928</u>
Fund balance - beginning of year		2,127,178	
Fund balance - end of year		<u>\$ 6,395,337</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, 2021

	<u>Budget</u>	<u>Actual</u>	Variance - Positive (Negative)
Revenues			
Taxes and special assessments	\$ 25,553,282	\$ 26,563,214	\$ 1,009,932
Use of money and property	549,562	39,418	(510,144)
Miscellaneous	375,623	-	(375,623)
Total revenues	<u>26,478,467</u>	<u>26,602,632</u>	<u>124,165</u>
Expenditures			
General operations	90,000	126,335	(36,335)
Debt service:			
Principal retirements	19,949,914	19,949,914	-
Interest	64,705,204	6,869,395	57,835,809
Total expenditures	<u>84,745,118</u>	<u>26,945,644</u>	<u>57,799,474</u>
Excess of revenues over (under) expenditures	(58,266,651)	(343,012)	57,923,639
Other financing sources			
Issuance of bonds	-	15,945,440	15,945,440
Bond premium	-	1,196,102	1,196,102
Payment to refunded bond escrow	-	(14,965,086)	(14,965,086)
Transfers in	10,029,030	10,029,030	-
Transfers out	-	(49,771)	(49,771)
Total other financing sources/(uses)	<u>10,029,030</u>	<u>12,155,715</u>	<u>2,126,685</u>
Net change in fund balance	<u>\$ (48,237,621)</u>	11,812,703	<u>\$ 60,050,324</u>
Fund balance - beginning of year		56,641,265	
Fund balance - end of year		<u>\$ 68,453,968</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, 2021

	<u>Budget</u>	<u>Actual</u>	Variance - Positive (Negative)
Revenues			
Taxes and special assessments	\$ 8,045,000	\$ 8,272,880	\$ 227,880
Use of money and property	58,000	5,050	(52,950)
Total revenues	<u>8,103,000</u>	<u>8,277,930</u>	<u>174,930</u>
Expenditures			
General operations	-	318,265	(318,265)
Capital improvements	13,382,380	4,084,962	9,297,418
Debt service	-	2,288,380	(2,288,380)
Total expenditures	<u>13,382,380</u>	<u>6,691,607</u>	<u>6,690,773</u>
Excess of revenues over (under) expenditures	<u>\$ (5,279,380)</u>	1,586,323	<u>\$ 6,865,703</u>
Fund balance - beginning of year		8,346,112	
Fund balance - end of year		<u>\$ 9,932,435</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, 2021

	<u>Central Garage</u>	<u>Risk Management</u>	<u>Vehicle Replacement</u>	<u>Personal Computer Replacement</u>	<u>Building Maintenance</u>	<u>Total</u>
Assets						
Current assets						
Cash and cash equivalents	\$ 509,002	\$ 15,008,177	\$ 16,054,042	\$ 1,366,436	\$ 426,210	\$ 33,363,867
Accounts receivable	17,993	-	-	-	-	17,993
Inventories and prepaid assets	377,258	-	-	-	-	377,258
Total current assets	<u>904,253</u>	<u>15,008,177</u>	<u>16,054,042</u>	<u>1,366,436</u>	<u>426,210</u>	<u>33,759,118</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	-	68,575,470	228,269	-	68,874,283
Less accumulated depreciation	<u>(70,544)</u>	<u>-</u>	<u>(44,086,545)</u>	<u>(228,269)</u>	<u>-</u>	<u>(44,385,358)</u>
Net capital assets	<u>-</u>	<u>-</u>	<u>24,488,925</u>	<u>-</u>	<u>-</u>	<u>24,488,925</u>
Total assets	<u>\$ 904,253</u>	<u>\$ 15,019,177</u>	<u>\$ 41,832,495</u>	<u>\$ 1,366,436</u>	<u>\$ 426,210</u>	<u>\$ 59,548,571</u>
Liabilities						
Current liabilities						
Accounts and claims payable	\$ 506,859	\$ 2,157,933	\$ -	\$ -	\$ -	\$ 2,664,792
Compensated absences	68,586	9,237	-	-	28,669	106,492
Total current liabilities	<u>575,445</u>	<u>2,167,170</u>	<u>-</u>	<u>-</u>	<u>28,669</u>	<u>2,771,284</u>
Noncurrent liabilities						
Deposit	-	11,000	-	-	-	11,000
Compensated absences	16,243	1,398	-	-	4,420	22,061
Total noncurrent liabilities	<u>16,243</u>	<u>12,398</u>	<u>-</u>	<u>-</u>	<u>4,420</u>	<u>33,061</u>
Total liabilities	<u>591,688</u>	<u>2,179,568</u>	<u>-</u>	<u>-</u>	<u>33,089</u>	<u>2,804,345</u>
Net position						
Net investment in capital assets	-	-	24,488,925	-	-	24,488,925
Unrestricted	312,565	12,839,609	17,343,570	1,366,436	393,121	32,255,301
Total net position	<u>312,565</u>	<u>12,839,609</u>	<u>41,832,495</u>	<u>1,366,436</u>	<u>393,121</u>	<u>56,744,226</u>
Total liabilities and net position	<u>\$ 904,253</u>	<u>\$ 15,019,177</u>	<u>\$ 41,832,495</u>	<u>\$ 1,366,436</u>	<u>\$ 426,210</u>	<u>\$ 59,548,571</u>

City of Olathe, Kansas
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
December 31, 2021

	Central Garage	Risk Management	Vehicle Replacement	Personal Computer Replacement	Building Maintenance	Total
Operating revenues						
Charges for services	\$ 6,993,230	\$ 24,216,082	\$ 8,596,622	\$ 1,257,961	\$ 1,349,503	\$ 42,413,398
Total operating revenues	6,993,230	24,216,082	8,596,622	1,257,961	1,349,503	42,413,398
Operating expenses						
Administration and general	-	23,498,491	468,221	1,016,658	1,339,175	26,322,545
Equipment maintenance	6,857,349	-	-	-	72,675	6,930,024
Depreciation	-	-	5,612,127	-	-	5,612,127
Total operating expenses	6,857,349	23,498,491	6,080,348	1,016,658	1,411,850	38,864,696
Operating income (loss)	135,881	717,591	2,516,274	241,303	(62,347)	3,548,702
Nonoperating revenues (expenses)						
Interest income	-	8,758	6,581	837	81	16,257
Gain (loss) from sale of equipment	-	-	459,395	-	-	459,395
Total nonoperating revenues (expenses)	-	8,758	465,976	837	81	475,652
Net income (loss)	135,881	726,349	2,982,250	242,140	(62,266)	4,024,354
Transfers in	-	-	839,500	-	-	839,500
Transfers out	-	(519,533)	(442)	-	-	(519,975)
Net income (loss)	135,881	206,816	3,821,308	242,140	(62,266)	4,343,879
Net position - beginning of year	176,684	12,632,793	38,011,187	1,124,296	455,387	52,400,347
Net position - end of year	\$ 312,565	\$ 12,839,609	\$ 41,832,495	\$ 1,366,436	\$ 393,121	\$ 56,744,226

City of Olathe, Kansas
Combining Statement of Cash Flows
Internal Service Funds
December 31, 2021

	Central Garage	Risk Management	Vehicle Replacement	Personal Computer Replacement	Building Maintenance	Total
Cash Flows from Operating Activities						
Receipts from customers and users	\$ 7,050,021	\$ 24,216,082	\$ 8,622,671	\$ 1,257,961	\$ 1,349,503	\$ 42,496,238
Payments to suppliers	(4,737,813)	(22,911,270)	(468,221)	(1,016,658)	(722,946)	(29,856,908)
Payments to employees	(1,999,858)	(512,812)	-	-	(698,496)	(3,211,166)
Net cash provided by (used in) operating activities	<u>312,350</u>	<u>792,000</u>	<u>8,154,450</u>	<u>241,303</u>	<u>(71,939)</u>	<u>9,428,164</u>
Cash Flows from Noncapital Financing Activities						
Transfers from other funds	-	-	839,500	-	-	839,500
Transfers to other funds	-	(519,533)	(442)	-	-	(519,975)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(519,533)</u>	<u>839,058</u>	<u>-</u>	<u>-</u>	<u>319,525</u>
Cash Flows from Capital and Related Financing Activities						
Acquisitions and construction of capital assets	-	-	(3,580,491)	-	-	(3,580,491)
Proceeds from sale of capital assets	-	-	459,395	-	-	459,395
Net cash (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(3,121,096)</u>	<u>-</u>	<u>-</u>	<u>(3,121,096)</u>
Cash Flows from Investing Activities						
Interest received	-	8,758	6,581	837	81	16,257
Net cash provided by investing activities	<u>-</u>	<u>8,758</u>	<u>6,581</u>	<u>837</u>	<u>81</u>	<u>16,257</u>
Net increase (decrease) in cash and cash equivalents	312,350	281,225	5,878,993	242,140	(71,858)	6,642,850
Cash and cash equivalents - beginning of year	196,652	14,726,952	10,175,049	1,124,296	498,068	26,721,017
Cash and cash equivalents - end of year	<u>\$ 509,002</u>	<u>\$ 15,008,177</u>	<u>\$ 16,054,042</u>	<u>\$ 1,366,436</u>	<u>\$ 426,210</u>	<u>\$ 33,363,867</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ 135,881	\$ 717,591	\$ 2,516,274	\$ 241,303	\$ (62,347)	\$ 3,548,702
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities						
Depreciation and amortization	-	-	5,612,127	-	-	5,612,127
Changes in assets and liabilities						
Decrease in accounts receivable	56,791	-	26,049	-	-	82,840
(Increase) in inventories and prepaid assets	(48,461)	-	-	-	-	(48,461)
Increase in accounts and claims payable	186,833	72,124	-	-	-	258,957
Increase (decrease) in compensated absences	(18,694)	2,285	-	-	(9,592)	(26,001)
Total adjustments	<u>176,469</u>	<u>74,409</u>	<u>5,638,176</u>	<u>-</u>	<u>(9,592)</u>	<u>5,879,462</u>
Net cash provided by (used in) operating activities	<u>\$ 312,350</u>	<u>\$ 792,000</u>	<u>\$ 8,154,450</u>	<u>\$ 241,303</u>	<u>\$ (71,939)</u>	<u>\$ 9,428,164</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, 2021

	<u>Olathe Public Housing Authority</u>
Assets	
Cash and cash equivalents	\$ 1,022,828
Receivable	51,348
Other assets	-
Capital assets, net of accumulated depreciation	2,036,207
Total assets	<u><u>\$ 3,110,383</u></u>
Liabilities and net position	
Liabilities	
Accounts payable	\$ 92,397
Accrued liabilities	90,961
Noncurrent liabilities:	58,806
Total liabilities	<u>242,164</u>
Net position	
Net invested in capital assets	2,036,207
Unrestricted	832,012
Total net position	<u>2,868,219</u>
Total liabilities and net position	<u><u>\$ 3,110,383</u></u>

City of Olathe, Kansas
Statement of Revenues, Expenses,
and Changes in Net Position
Discretely Presented Component Unit
For the Year Ended December 31, 2021

	<u>Olathe Public Housing Authority</u>
Operating revenues	
Charges for services	\$ 509,146
Intergovernmental	4,492,903
Total operating revenues	<u>5,002,049</u>
 Operating expenses	
Community services	<u>4,798,147</u>
Total operating expenses	<u>4,798,147</u>
 Operating (loss)	 203,902
 Nonoperating revenues	
Unrestricted investment earnings	<u>522</u>
Total nonoperating revenues	<u>522</u>
 Change in net position	 <u>204,424</u>
 Net position - beginning of year, restated	 <u>2,663,795</u>
Net position - end of year	<u><u>\$ 2,868,219</u></u>

City of Olathe, Kansas
Statement of Cash Flows
Discretely Presented Component Unit
For the Year Ended December 31, 2021

	<u>Olathe Public Housing Authority</u>
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 5,040,180
Payments to suppliers	(4,256,224)
Payments to employees	(438,118)
Net cash provided by (used in) operating activities	<u>345,838</u>
Cash Flows from Capital and Related Financing Activities	
Acquisitions and construction of capital assets	(168,317)
Net cash (used in) capital and related financing activities	<u>(168,317)</u>
Cash Flows from Investing Activities	
Interest received	522
Net cash provided by investing activities	<u>522</u>
Net increase (decrease) in cash and cash equivalents	178,043
Cash and cash equivalents - beginning of year	<u>844,785</u>
Cash and cash equivalents - end of year	<u><u>\$ 1,022,828</u></u>
Reconciliation of operating income to net cash provided by (used in) operating activities	
Operating loss	\$ 203,902
Adjustments to reconcile operating income to cash provided by (used in) operating activities	
Depreciation	220,004
Changes in assets and liabilities	
(Increase) in receivables	(15,199)
Decrease in other assets	53,330
(Decrease) in accounts payable and accrued liabilities	(90,435)
(Decrease) in escrow account	(25,764)
Total adjustments	<u>141,936</u>
Net cash provided by (used in) operating activities	<u><u>\$ 345,838</u></u>



Statistical Section

City of Olathe, Kansas Statistical Section

The statistical section of the City's Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information say about the City's overall financial health.

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

1 - 4

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources, property tax and sales tax.

5 - 12

Debt Capacity

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

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

18 - 21

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

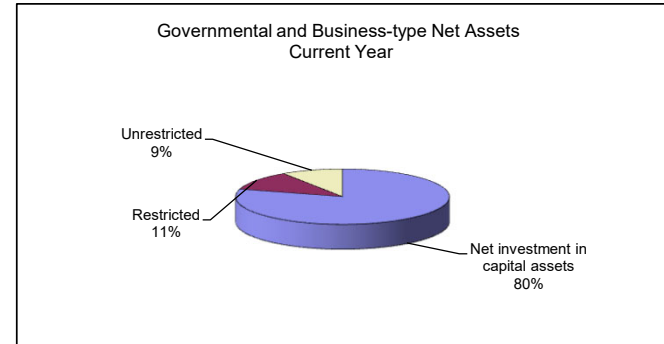
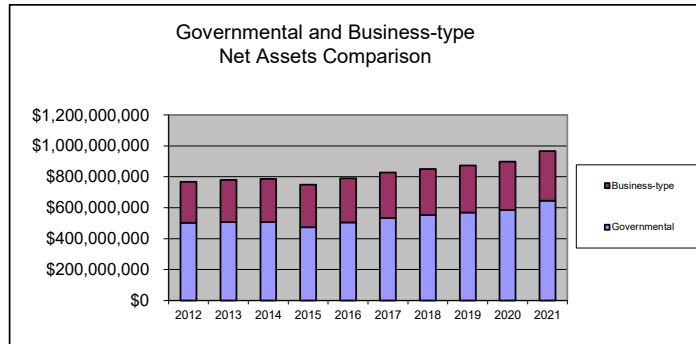
22 - 24

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



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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 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	\$ 503,693,697
Restricted	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	101,009,719
Unrestricted	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	41,195,050
Total governmental activities net position	<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>	<u>\$ 645,898,466</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 262,745,169
Restricted	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	8,403,527
Unrestricted	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	48,695,977
Total business-type activities net position	<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>	<u>\$ 319,844,673</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 766,438,866
Restricted	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	109,413,246
Unrestricted	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	89,891,027
Total primary government activities net position	<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>	<u>\$ 965,743,139</u>



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

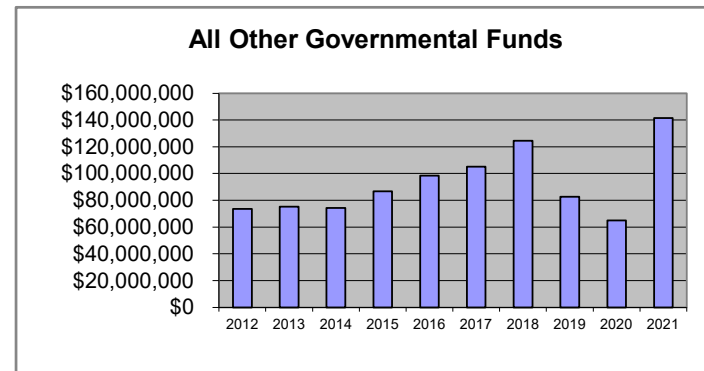
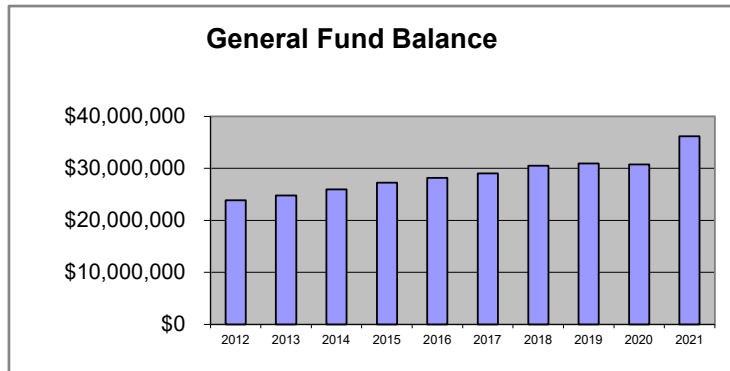
	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program expenses										
Governmental activities:										
General government	\$ 21,758,241	\$ 22,936,723	\$ 22,648,134	\$ 22,935,349	\$ 29,698,687	\$ 30,659,017	\$ 31,670,765	\$ 33,634,434	\$ 35,991,748	\$ 27,620,858
Public safety	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	56,950,109
Public works	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	66,082,643
Community services	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	21,072,224
Interest on long-term debt	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	6,563,929
Total governmental activities	<u>120,880,562</u>	<u>132,027,165</u>	<u>157,720,356</u>	<u>156,533,271</u>	<u>171,338,029</u>	<u>169,001,253</u>	<u>153,780,032</u>	<u>178,778,773</u>	<u>173,035,789</u>	<u>178,289,763</u>
Business-type activities:										
Water and sewer	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	46,325,732
Solid waste	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	14,427,967
Total business-type activities	<u>49,571,984</u>	<u>45,127,277</u>	<u>47,539,805</u>	<u>49,392,620</u>	<u>50,963,542</u>	<u>54,356,604</u>	<u>57,398,167</u>	<u>62,827,698</u>	<u>63,228,043</u>	<u>60,753,699</u>
Total primary government expenses	<u>\$ 170,452,546</u>	<u>\$ 177,154,442</u>	<u>\$ 205,260,161</u>	<u>\$ 205,925,891</u>	<u>\$ 222,301,571</u>	<u>\$ 223,357,857</u>	<u>\$ 211,178,199</u>	<u>\$ 241,606,471</u>	<u>\$ 236,263,832</u>	<u>\$ 239,043,462</u>
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 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	\$ 5,958,325
Public safety	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	3,118,926
Public works	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	11,879,017
Community services	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	7,521,950
Operating grants and contributions	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	3,816,162
Capital grants and contributions	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	41,853,456
Total governmental activities	<u>31,516,483</u>	<u>39,039,465</u>	<u>44,021,387</u>	<u>50,666,097</u>	<u>72,407,359</u>	<u>64,360,929</u>	<u>45,157,635</u>	<u>51,384,850</u>	<u>45,368,063</u>	<u>74,147,836</u>
Business-type activities:										
Charges for services										
Water and sewer	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	53,764,594
Solid waste	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	17,051,747
Operating grants and contributions	-	-	-	-	-	-	-	-	758,571	-
Capital grants and contributions	5,241,451	3,178,066	2,742,115	2,452,669	4,416,279	3,286,002	2,813,011	4,445,642	-	-
Total business-type activities	<u>55,537,168</u>	<u>52,790,919</u>	<u>53,354,543</u>	<u>54,399,285</u>	<u>60,955,041</u>	<u>61,946,936</u>	<u>64,872,678</u>	<u>66,091,164</u>	<u>66,129,586</u>	<u>70,816,341</u>
Total primary government program revenues	<u>\$ 87,053,651</u>	<u>\$ 91,830,384</u>	<u>\$ 97,375,930</u>	<u>\$ 105,065,382</u>	<u>\$ 133,362,400</u>	<u>\$ 126,307,865</u>	<u>\$ 110,030,313</u>	<u>\$ 117,476,014</u>	<u>\$ 111,497,649</u>	<u>\$ 144,964,177</u>
Net program expense	<u>\$ (83,398,895)</u>	<u>\$ (85,324,058)</u>	<u>\$ (107,884,231)</u>	<u>\$ (100,860,509)</u>	<u>\$ (88,939,171)</u>	<u>\$ (97,049,992)</u>	<u>\$ (101,147,886)</u>	<u>\$ (124,130,457)</u>	<u>\$ (124,766,183)</u>	<u>\$ (94,079,285)</u>

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 60,297,199
Sales taxes	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	88,308,857
Franchise taxes	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	10,494,220
Other taxes	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	1,686,485
Investment earnings	1,462,684	378,433	642,836	602,315	862,779	1,512,957	3,013,147	4,679,309	1,518,553	105,806
Miscellaneous	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	315,531
Transfers	823,525	(107,331)	188,459	2,376,172	2,251,686	137,682	3,441,360	(2,104,062)	(534,941)	3,269,886
Total governmental activities	<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>	<u>164,477,984</u>
Business-type activities:										
Investment earnings	382,636	119,081	230,865	183,741	291,045	477,905	861,184	1,323,989	358,603	12,777
Miscellaneous	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	1,327,396
Transfers	(823,525)	107,331	(188,459)	(2,376,172)	(2,251,686)	(137,682)	(3,441,360)	2,104,062	534,941	(3,269,886)
Total business-type activities	<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>	<u>(1,929,713)</u>
Total primary government general revenues	<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>	<u>\$ 162,548,271</u>
Change in net position	<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>	<u>\$ 68,468,986</u>

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 826,094	\$ 372,171	\$ 360,834	\$ 273,262	\$ 180,838	\$ 65,974	\$ 6,011	\$ 109,998	\$ 92,517	\$ 437,938
Assigned	423,495	691,195	575,716	308,646	408,916	313,803	367,726	152,861	305,369	332,938
Unassigned	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	35,362,011
Total general fund	<u>\$ 23,864,516</u>	<u>\$ 24,778,297</u>	<u>\$ 25,966,116</u>	<u>\$ 27,235,122</u>	<u>\$ 28,137,597</u>	<u>\$ 29,040,528</u>	<u>\$ 30,513,568</u>	<u>\$ 30,925,240</u>	<u>\$ 30,734,851</u>	<u>\$ 36,132,887</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,704	\$ 15,523	\$ 3,199
Restricted	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	84,970,442
Committed	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	15,849,022
Assigned	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	40,555,552
Unassigned	(356,083)	-	-	-	-	-	-	-	(30,667,594)	-
Total all other governmental funds	<u>\$ 73,445,018</u>	<u>\$ 75,212,528</u>	<u>\$ 74,310,013</u>	<u>\$ 86,791,392</u>	<u>\$ 98,361,044</u>	<u>\$ 105,072,118</u>	<u>\$ 124,438,474</u>	<u>\$ 82,503,855</u>	<u>\$ 64,850,790</u>	<u>\$ 141,378,215</u>

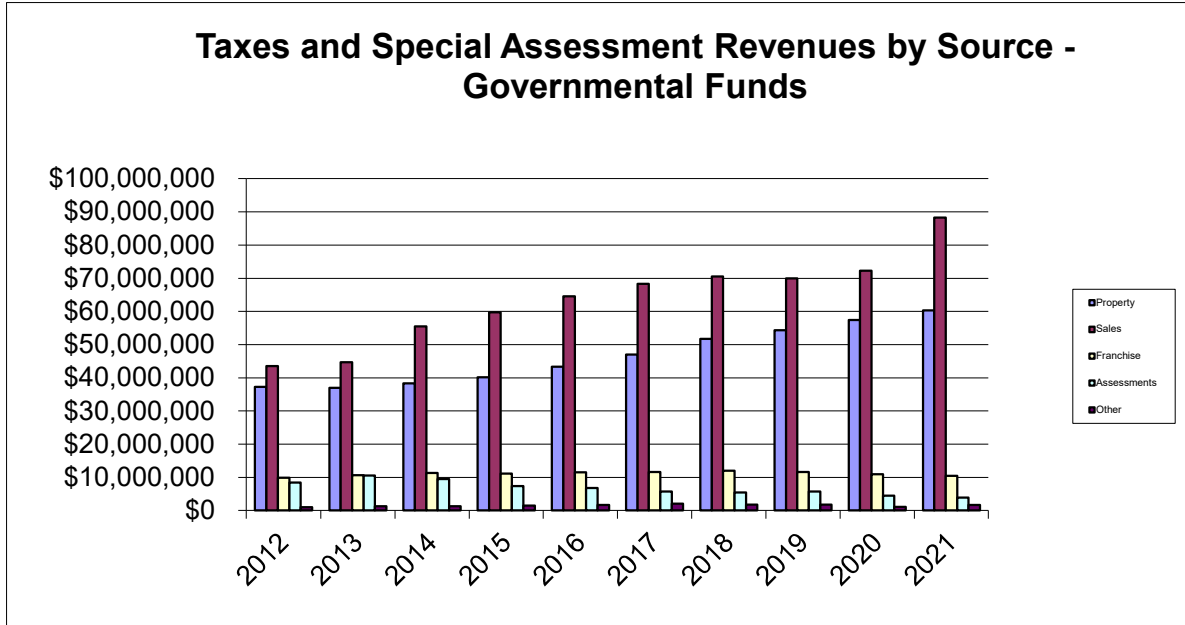


City of Olathe, Kansas
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes and special assessments	\$ 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	\$ 164,711,092
Intergovernmental	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	46,677,855
Licenses and permits	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	2,118,160
Fines, forfeitures, and penalties	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	2,780,050
Charges for services	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	23,580,008
Use of money and property	1,450,621	332,055	569,071	549,290	793,780	1,422,000	2,647,564	4,296,722	1,371,379	89,549
Miscellaneous	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	915,658
Total revenues	<u>128,760,785</u>	<u>135,524,788</u>	<u>157,617,860</u>	<u>155,490,163</u>	<u>165,808,126</u>	<u>182,978,865</u>	<u>191,414,153</u>	<u>187,607,708</u>	<u>190,567,705</u>	<u>240,872,372</u>
Expenditures										
Current:										
General government	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	27,122,934
Public safety	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	56,911,026
Public works	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	17,729,333
Community services	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	20,018,933
Capital improvements	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	101,633,665
Debt service:										
Principal retirements	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	21,766,215
Interest and fiscal charges	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	8,299,526
Total expenditures	<u>130,257,428</u>	<u>162,503,461</u>	<u>182,353,803</u>	<u>169,016,989</u>	<u>182,290,443</u>	<u>193,799,363</u>	<u>208,295,011</u>	<u>231,086,906</u>	<u>230,314,678</u>	<u>253,481,632</u>
Excess of revenues under expenditures	<u>(1,496,643)</u>	<u>(26,978,673)</u>	<u>(24,735,943)</u>	<u>(13,526,826)</u>	<u>(16,482,317)</u>	<u>(10,820,498)</u>	<u>(16,880,858)</u>	<u>(43,479,198)</u>	<u>(39,746,973)</u>	<u>(12,609,260)</u>
Other financing sources (uses)										
Payment to refunded bond escrow	(7,245,028)	-	(3,200,000)	(2,450,000)	(9,605,000)	(13,800,000)	(3,920,000)	(24,710,000)	(10,324,985)	(14,965,086)
Issuance of bonds	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	92,495,000
Issuance of refunding bonds	3,335,000	5,165,000	4,260,000	8,290,000	13,180,000	16,235,000	-	10,094,579	9,610,000	-
Bond premium	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	14,054,446
Capital lease proceeds	-	237,839	9,255	-	-	-	-	-	224,023	-
Insurance proceeds	-	-	-	-	539,359	164,173	-	664,211	-	-
Transfers in	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	44,038,969
Transfers out	(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)	(41,088,608)
Total other financing sources (uses)	<u>515,466</u>	<u>29,659,964</u>	<u>25,021,247</u>	<u>23,816,933</u>	<u>25,274,024</u>	<u>18,450,338</u>	<u>37,715,952</u>	<u>1,870,921</u>	<u>21,903,519</u>	<u>94,534,721</u>
Net change in fund balances	<u>\$ (981,177)</u>	<u>\$ 2,681,291</u>	<u>\$ 285,304</u>	<u>\$ 10,290,107</u>	<u>\$ 8,791,707</u>	<u>\$ 7,629,840</u>	<u>\$ 20,835,094</u>	<u>\$ (41,608,277)</u>	<u>\$ (17,843,454)</u>	<u>\$ 81,925,461</u>
Debt service as a percentage of noncapital expenditures	30.4%	27.2%	24.5%	21.9%	18.1%	20.0%	21.8%	18.3%	19.0%	17.6%

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

Fiscal Year	Property	Sales	Franchise	Special Assessments	Other Taxes	Total
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
2021	60,297,199	88,308,857	10,494,220	3,924,331	1,686,485	164,711,092
Change 2012 to 2021	61.77%	102.72%	6.46%	-53.52%	66.04%	64.46%



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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Retail Trade										
(Big Box Retail, Grocery, Electronics)	\$ 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	\$ 27,479,106
Accommodation & Food Services										
(Hotel, Restaurant)	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	4,594,563
Utilities										
(Gas, Electric)	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	2,528,516
Information										
(Newsprint, Publishing)	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	1,488,432
Wholesale Trade										
(Wholesale Materials)	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	1,781,215
Manufacturing										
(Food, Beverage, Paper, Machinery)	637,218	611,627	811,627	967,271	983,735	948,760	929,794	760,624	780,948	835,937
Other Services										
(Auto Repair, Laundry)	663,561	674,440	824,551	1,047,467	1,111,621	1,129,824	1,147,384	1,477,371	1,210,238	1,293,359
Administrative, Support, Waste Management, & Remediation Services	191,995	200,444	229,120	287,092	319,937	382,946	419,703	417,450	711,645	619,516
Other	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	3,399,448
Total	\$ 24,060,269	\$ 25,022,272	\$ 29,161,950	\$ 36,382,865	\$ 37,705,732	\$ 38,683,066	\$ 39,269,165	\$ 38,426,628	\$ 40,498,643	\$ 44,020,092

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 of Olathe			Johnson County					State of Kansas (6)	Total	
	General	Parks (1)	Streets (2)	General	Public Safety	Stormwater	Public Safety Capital (3)	Education Research Triangle (4)			Public Safety Courthouse (5)
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%
2021	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

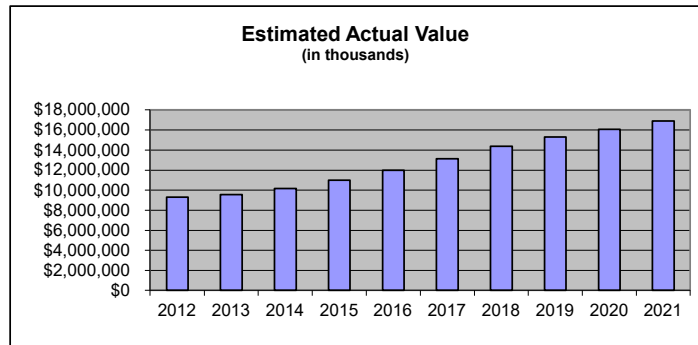
- (1) The citizens of Olathe approved an 1/8% sales tax for various park projects effective in April 2000. The citizens of Olathe approved an extension of this tax through March 2025.
- (2) The citizens of Olathe approved an 3/8% sales tax for street maintenance for 10 years effective April 2014.
- (3)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

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
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
2021	2,167,129	52,672	13,717	2,233,518	16,895,001	24.458

Source: Johnson County Appraiser 2021 Annual Abstract of Taxes

(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.



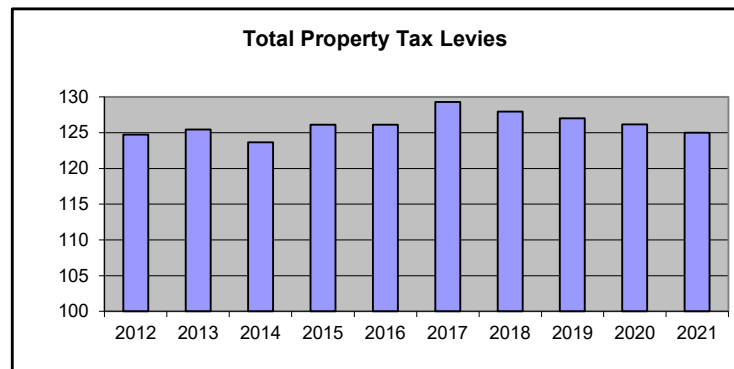
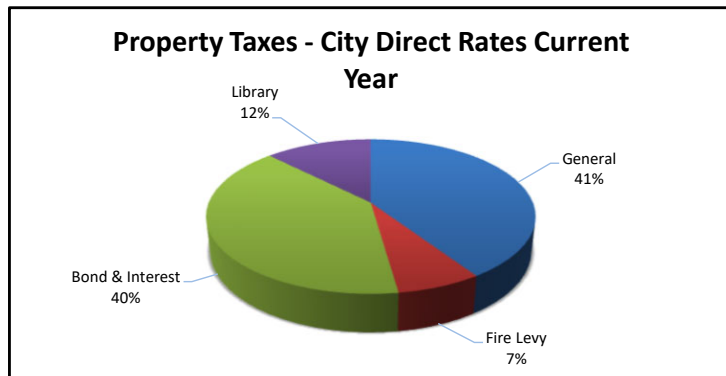
**City of Olathe, Kansas
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Year	City Direct Rates					Overlapping Rates (1)					
	General	Fire Levy	Bond and Interest	Library	Total	State	County	Community College	County Park	Olathe Schools	Total
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
2021	9.945	1.733	9.731	3.049	24.458	1.500	18.564	9.110	3.096	68.282	125.010

Per \$1,000 of Assessed Valuation

Source: Johnson County Appraiser 2021 Annual Abstract of Taxes

(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	2021			2012		
		Total Assessed Value	Rank	Percentage of Total Assessed Valuation	Total Assessed Value	Rank	Percentage of Total Assessed Valuation
GARMIN REALTY, LLC	Manufacturer	\$ 26,688,014	1	1.19%			
EVERGY METRO INC	Utility	18,416,358	2	0.82%			
JDM III SF KANSAS CITY DC LLC	Information Process	16,081,601	3	0.72%			
ATMOS ENERGY CORP	Utility	12,814,956	4	0.57%			
EVERGY KANSAS CENTRAL INC	Utility	11,213,575	5	0.50%			
G&I X INDUSTRIAL KS LLC	Warehouse	10,666,407	6	0.48%			
US BANK	Financial Services	10,616,466	7	0.48%			
WAL-MART REAL ESTATE BUSINESS TRUST	Retail	9,872,968	8	0.44%			
NORTHRIDGE 07 A LLC	Retail	8,946,052	9	0.40%	6,426,655	5	0.52%
HOA HOTELS KANSAS LLC	Hotel	8,927,751	10	0.40%			
KCPL	Utility				10,538,959	1	0.85%
Atmos Energy (United Gas)	Utility				10,015,158	2	0.80%
Passco Olathe Station	Retail				7,575,851	3	0.61%
Homestead Apartment Homes	Apartments				6,546,146	4	0.53%
Westar Energy (KPL)	Utility				5,810,888	6	0.47%
Honeywell (Bendix/King)	Aircraft Communications				5,341,251	7	0.43%
Arciterra Olathe Pointe	Retail				5,328,001	8	0.43%
Foodbrands America	Manufacturer				5,000,001	9	0.40%
Southwestern Bell Telephone	Utility				4,906,149	10	0.39%
Total		<u>\$ 134,244,148</u>			<u>\$ 67,489,059</u>		

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

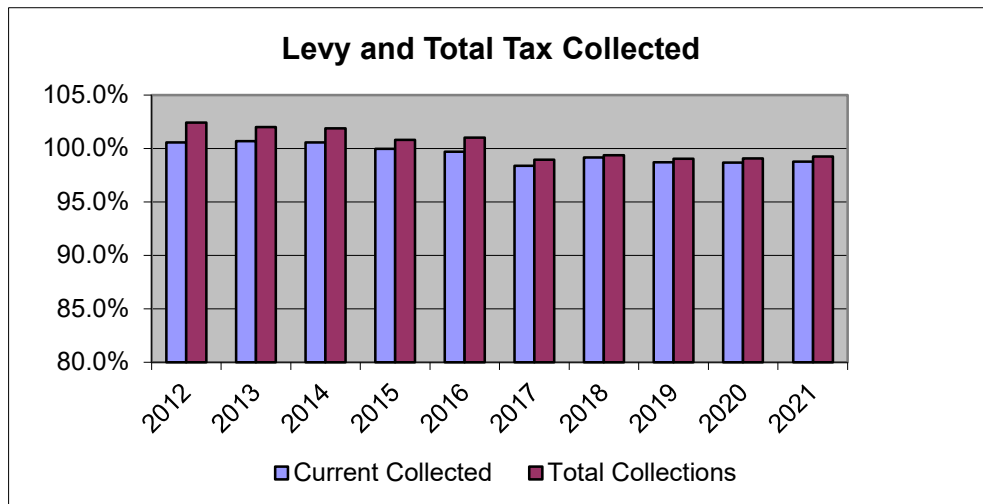
**City of Olathe, Kansas
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Levy (1)	Current Tax Collection	Percent of Levy Collected	Delinquent Tax Collections (2)	Total Tax Collections	Total Collections as Percent of Current Levy
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%
2021	51,908,685	51,277,663	98.8%	240,928	51,518,591	99.2%

Source: Johnson County Appraiser

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

(2) 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%.

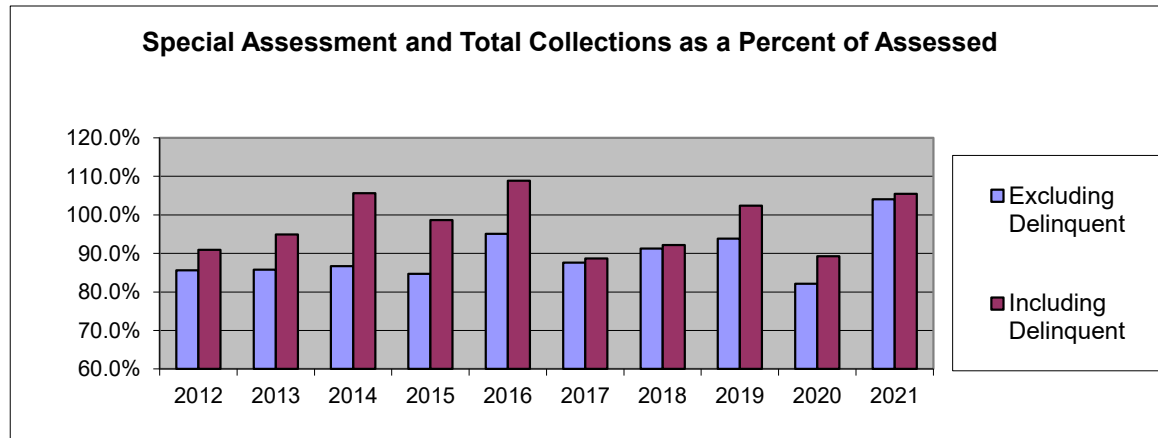


City of Olathe, Kansas
Special Assessment Collections
Last Ten Fiscal Years

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
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
2021	3,722,025	3,873,028	104.1%	51,303	3,924,331	105.4%	24,261	3,948,592

Source: Johnson County

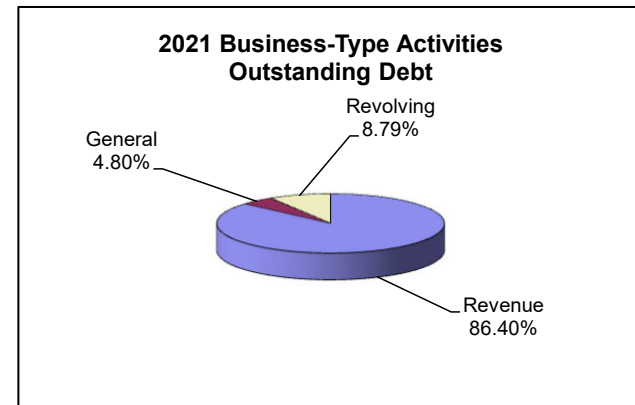
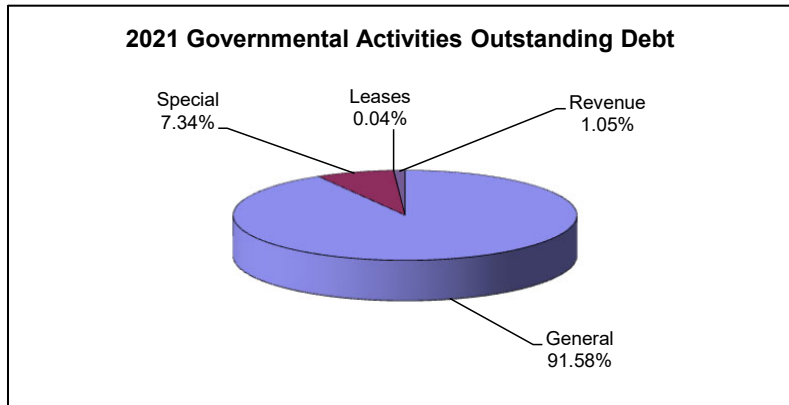
(1) Collections include interest.



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

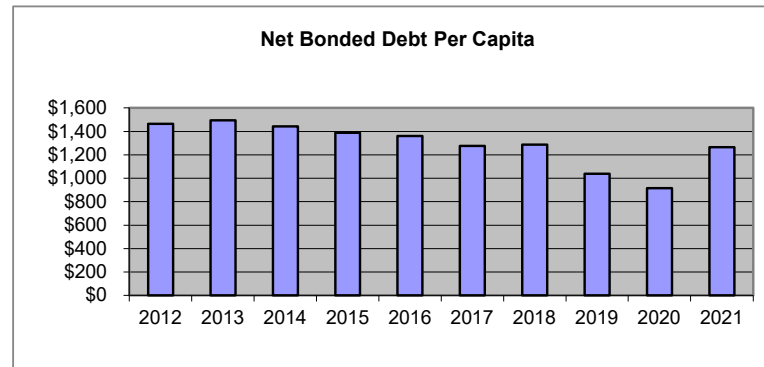
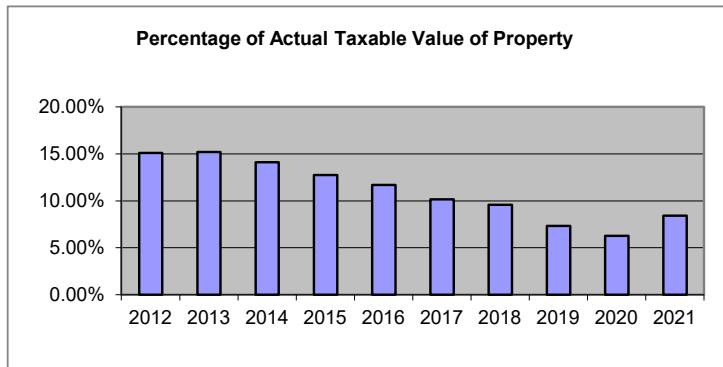
Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Special Obligation Bonds	Revenue Bonds	Capital Leases	Revenue Bonds	General Obligation Bonds	State Revolving Loan	Capital Leases			
2012	\$ 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	21,715,170	2,970,000	177,344	99,674,564	7,320,000	12,304,672	992,747	327,725,904	2.3%	2,253
2021	250,551,965	20,077,454	2,860,000	108,759	107,019,622	5,950,000	10,889,817	-	397,457,617	2.0%	2,674

(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**

Fiscal Year	General Obligation Debt	Reserved for Debt Service	Net General Obligation Debt	Assessed Valuation	Percentage of Actual Taxable Value of Property	Population	Per Capita
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
2021	256,501,965	68,453,968	188,047,997	2,233,518,000	8.42%	148,665	1,265



City of Olathe, Kansas
Direct and Overlapping Governmental Activities Debt
December 31, 2021

Taxing Unit	Net Debt to Nearest Date	Percentage Applicable to the City of Olathe	Estimated Share
Johnson County	\$ 580,315,200	18.43%	\$ 106,952,091
USD 229	363,885,000	3.24%	11,789,874
USD 230	220,600,000	41.72%	92,034,320
USD 231	122,910,000	1.62%	1,991,142
USD 232	172,510,000	2.19%	3,777,969
USD 233	503,134,386	70.18%	353,099,712
Johnson County Fire District #2	2,200,000	0.22%	4,840
Total estimated overlapping debt			<u>569,649,948</u>
City of Olathe's direct debt			273,598,178
Total direct and overlapping debt			<u><u>\$ 843,248,126</u></u>

Source: Johnson County

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries 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, 2021. All other districts' debt is as of June 30, 2021.

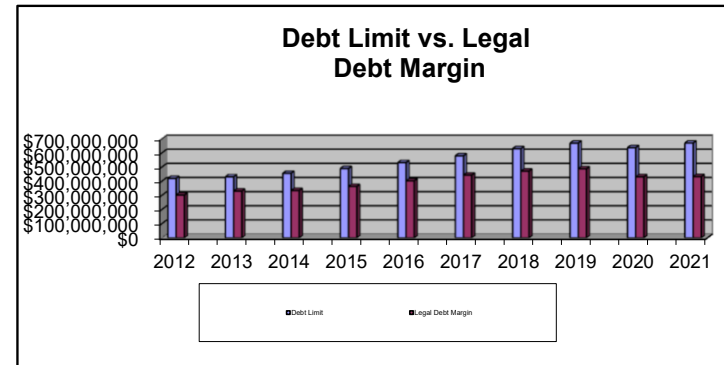
**City of Olathe, Kansas
Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 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	\$ 670,055,497
Total net debt applicable to limit	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	237,266,874
Legal debt margin	\$ 302,822,712	\$ 330,419,828	\$ 334,528,856	\$ 363,403,464	\$ 402,588,410	\$ 443,334,704	\$ 471,619,476	\$ 487,997,114	\$ 431,305,849	\$ 432,788,623
Total net debt applicable to the limit as a percentage of debt limit	27.98%	23.33%	26.64%	25.85%	24.28%	23.50%	25.18%	27.11%	32.31%	35.41%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed valuation	\$2,233,518,322
Legal debt limit (1)	670,055,497
Debt applicable to limit	
General obligation bonds	227,265,000
Temporary notes	47,595,000
Total general obligation debt outstanding	274,860,000
Less exempt capital projects (2)	37,593,126
Debt margin	<u>\$ 432,788,623</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

Water & Sewer Revenue Bonds						
Fiscal Year	Revenues	Current Expenses (1)	Net Revenue Available for Debt Service	Principal Requirement	Interest Requirement	Coverage
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	53,340,380	36,173,340	17,167,040	4,450,000	4,115,468	2.00
2021	55,102,772	34,500,267	20,602,505	4,785,000	3,925,303	2.37

Special Obligation Bonds and Developers' Agreements (2)					
Fiscal Year	Revenues	Principal Requirement	Interest Requirement	Developers' Agreement	Coverage
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	1,494,459	656,010	3,602,740	1.18
2021	8,277,930	1,637,716	650,664	4,084,962	1.30

(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

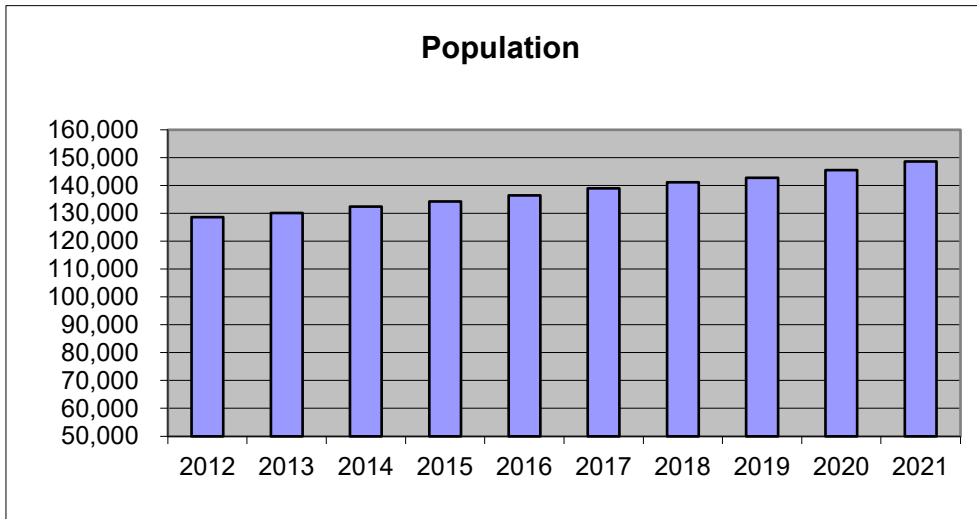
Fiscal Year	Population (3)	Personal Income (2)*	Per Capita Personal Income	Unemployment Rates (1)
2012	128,563	\$ 7,270,238	\$ 56,550	5.3%
2013	130,055	7,741,384	59,524	4.1%
2014	132,437	7,955,489	60,070	3.2%
2015	134,231	8,322,972	62,005	2.8%
2016	136,394	8,322,993	61,483	2.9%
2017	138,922	8,385,912	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	145,549	11,006,827	75,670	3.5%
2021	148,665	11,994,448	80,681	2.5%

* 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	2021			2012		
	Employees	Rank	Percentage of Total City Population	Employees	Rank	Percentage of Total City Population
Company						
Olathe Unified School District	4,572	1	3.08%	2,000	4	1.57%
GARMIN International	4,500	2	3.03%	2,975	2	2.34%
Olathe Health System	2,500	3	1.68%	1,649	5	1.30%
Johnson County Government	2,000	4	1.35%	2,000	3	1.57%
Farmers Insurance	1,733	5	1.17%	3,000	1	2.36%
City of Olathe	962	6	0.65%	825	7	0.65%
Honeywell Aerospace Electronic Systems	900	7	0.61%	850	6	0.67%
TransAm Trucking	800	8	0.54%	700	9	0.55%
TVH	670	9	0.45%			
FAA/Air Route Traffic Control Center	600	10	0.40%	600	10	0.47%
Sysco Foods of Kansas City				780	8	0.61%
Total	19,237		12.94%	15,379		12.09%

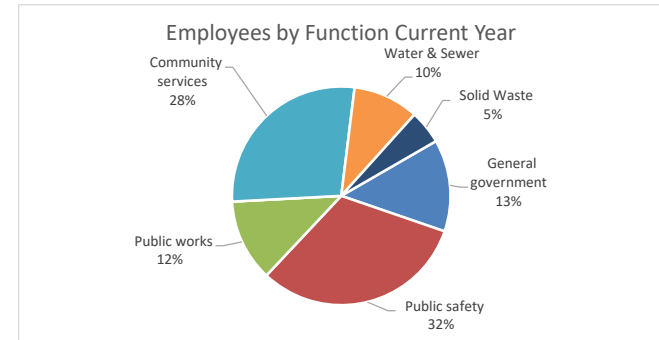
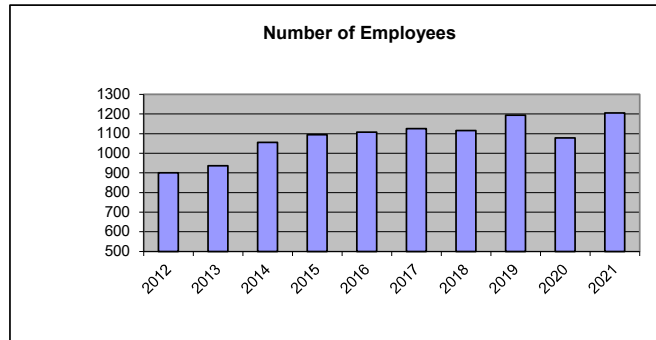
Source: Olathe Chamber of Commerce

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental										
General government	113	105	119	120	129	119	113	114	126	164
Public safety	333	341	348	348	347	374	379	396	391	382
Public works	128	134	126	134	135	128	140	130	85	147
Development services	7	-	-	-	-	-	-	-	-	-
Community services	139	162	280	307	308	291	275	346	270	335
Business-Type										
Water & Sewer	123	134	123	125	129	152	150	149	143	117
Solid Waste	58	61	59	60	60	62	59	59	63	60
Totals	901	937	1,055	1,094	1,108	1,126	1,116	1,194	1,078	1,205
Employees per budget	827	838	865	870	889	911	924	950	962	962

Source: City's Payroll System

Note: The number of employees by function include full-time, part-time, and other variable employees. The annual budget does not include all variable employee types resulting in actual employees in excess of budgeted.



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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public safety										
<i>Police</i>										
Violent Crime Rate per 1,000 residents	1.51%	1.53%	1.46%	1.20%	1.43%	1.48%	1.91%	2.57%	1.18%	11.21%*
Property Crime Rate per 1,000 residents	19.02%	17.33%	16.29%	16.21%	16.84%	15.48%	15.54%	15.23%	2.69%	27.29%*
Average calls for service per FTE - first responder	347	353	345	354	369	367	371	370	355	289
<i>Fire</i>										
Code 1 Emergencies response within 5 minutes	57%	58%	51%	60%	53%	59%	61%	62%	64%	62%
Fire Confined to Object or Room of Origin	58%	74%	87%	73%	76%	73%	79%	81%	93%	74%
Public works										
<i>Governmental activities</i>										
Maintenance of City Streets - Satisfactory or above	76.00%	70.00%	74.00%	69.00%	74.12%	75.72%	74.95%	75.44%	75.60%	70.80%
Major Street Snow Removal - Satisfactory or above	84.00%	84.00%	85.00%	86.88%	84.94%	85.52%	86.04%	88.28%	92.48%	92.10%
Residential Streets Snow Removal - Satisfactory or above	63.00%	59.00%	61.00%	64.33%	66.80%	70.23%	70.64%	75.00%	81.84%	80.40%
Maintenance of Sidewalks - Satisfactory or above	62.00%	55.00%	61.00%	60.00%	57.20%	61.34%	60.00%	65.01%	63.86%	61.80%
<i>Business-type activities</i>										
<i>Water and sewer</i>										
Time water meets regulatory standards	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Time wastewater meets effluent limits	99.97%	100.00%	99.96%	99.86%	99.95%	100.00%	99.98%	100.00%	100.00%	99.98%
<i>Solid waste</i>										
Tonnage diverted	37.67%	38.29%	41.10%	43.88%	44.60%	45.27%	40.03%	42.42%	39.10%	38.85%
Community services										
Quality of Parks and Recreation Programs and Facilities - Satisfactory or above	85.00%	89.00%	90.00%	88.00%	92.32%	91.88%	91.00%	93.45%	91.62%	93.10%
Quality of Outdoor Athletic Fields - Satisfactory or above	80.00%	81.00%	81.00%	89.00%	83.54%	82.19%	80.75%	84.05%	86.42%	82.70%
Quality of Indoor Recreation Facilities - Satisfactory or above	59.00%	65.00%	75.00%	92.00%	82.03%	80.97%	84.00%	82.73%	85.51%	81.60%

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

*The substantial increase in some police statistics is due to a change in reporting definitions to align with industry standards.

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

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	56	58	58	58	58	58	58	60	60	62
Fire stations	7	7	7	7	7	7	7	7	7	8
Public works										
Governmental activities										
Streets (miles)	1,237	1,256	1,256	1,256	1,275	1,275	1,275	1,306	1,372	1345
Business-type activities										
Water and sewer										
Water mains (miles)	578	590	590	590	600	600	600	600	600	627
Acre wellfield	95	95	95	95	95	95	95	95	95	95
Sanitary sewers (miles)	428	410	410	410	439	449	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	1,978	1,367
Parks	43	45	45	45	45	45	45	45	45	43
Swimming Facilities	4	4	4	5	5	5	5	5	5	6
Trails (miles)	30.5	31	31	31	33	33	32	58	71	79

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>
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
2021	36,947	31,669

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>
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%
2021	12.74	2.4%	4,653.74	2.5%

**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>
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%
2021	6.41	12.9%	2,338	11.8%

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>
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
2021	24.37	30.98

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 2021 revenue generated by each.

Water System			
Customer	Type of Enterprise	2021 Water Billing	Percentage of Total 2021 System Revenues
Rural Water District 6	Rural Water	\$ 498,176	2.6%
New Century Air Center	Wholesale	483,193	2.5%
Rural Water District 7	Rural Water	323,687	1.7%
FSI Santa Barbara Property LLC	Multi-family	149,129	0.8%
Olathe Medical Center	Hospital	116,757	0.6%
Cintas	Services	55,418	0.3%
Geiger Ready Mix	Industrial	48,173	0.2%
Santa Marta Retirement	Retirement home	44,473	0.2%
Olathe Car Wash LLC	Car wash	37,223	0.2%
Villa St Francis	Multi-family	36,887	0.2%
Sewer System			
Customer	Type of Enterprise	2021 Sewer Charge	Percentage of Total 2021 System Revenues
Olathe Medical Center	Hospital	\$ 124,347	0.8%
Cintas	Services	101,881	0.7%
Green Lantern Car Wash LLC	Car wash	68,351	0.5%
Villa St Francis	Multi-family	62,274	0.4%
ExxonMobil Grease Plant	Industrial	51,464	0.3%
AMC Theatres Mail Stop 4	Industrial	50,282	0.3%
Olathe Car Wash LLC	Car wash	47,871	0.3%
Good Samaritan Center	Multi-family	89,353	0.6%
Aho LLC	Commercial	42,774	0.3%
Johnson County Adult Detention	Government	39,287	0.3%

City of Olathe, Kansas
Risk Management Fund
December 31, 2021

	<u>Workers'</u> <u>Compensation</u>	<u>Health &</u> <u>Dental</u>	<u>General</u> <u>Liability</u>	<u>Other</u>	<u>Total</u>
Assets					
Current assets					
Cash and cash equivalents	\$ 5,595,120	\$ 6,074,520	\$ 3,210,472	\$ 128,065	\$ 15,008,177
Total current assets	<u>5,595,120</u>	<u>6,074,520</u>	<u>3,210,472</u>	<u>128,065</u>	<u>15,008,177</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>\$ 5,595,120</u>	<u>\$ 6,085,520</u>	<u>\$ 3,210,472</u>	<u>\$ 128,065</u>	<u>\$ 15,019,177</u>
Liabilities					
Current liabilities					
Accounts and claims payable	\$ 619,488	\$ 1,175,100	\$ 363,345	\$ -	\$ 2,157,933
Compensated absences	545	8,692	-	-	9,237
Total current liabilities	<u>620,033</u>	<u>1,183,792</u>	<u>363,345</u>	<u>-</u>	<u>2,167,170</u>
Noncurrent liabilities					
Deposit	-	11,000	-	-	11,000
Compensated absences	-	1,398	-	-	1,398
Total noncurrent liabilities	<u>-</u>	<u>12,398</u>	<u>-</u>	<u>-</u>	<u>12,398</u>
Total liabilities	<u>620,033</u>	<u>1,196,190</u>	<u>363,345</u>	<u>-</u>	<u>2,179,568</u>
Net position					
Unrestricted	4,975,087	4,889,330	2,847,127	128,065	12,839,609
Total liabilities and net position	<u>\$ 5,595,120</u>	<u>\$ 6,085,520</u>	<u>\$ 3,210,472</u>	<u>\$ 128,065</u>	<u>\$ 15,019,177</u>
Operating revenues					
Charges for services	<u>\$ 1,365,323</u>	<u>\$ 20,825,606</u>	<u>\$ 1,959,273</u>	<u>\$ 65,880</u>	<u>\$ 24,216,082</u>
Operating expenses					
Administration and general	<u>694,346</u>	<u>21,007,687</u>	<u>1,748,175</u>	<u>48,283</u>	<u>23,498,491</u>
Operating income (loss)	<u>670,977</u>	<u>(182,081)</u>	<u>211,098</u>	<u>17,597</u>	<u>717,591</u>
Nonoperating revenues (expenses)					
Interest income	2,954	4,006	1,731	67	8,758
Transfer out	-	(460,718)	(58,815)	-	(519,533)
Net income (loss)	<u>673,931</u>	<u>(638,793)</u>	<u>154,014</u>	<u>17,664</u>	<u>206,816</u>
Net position - beginning of year	4,301,156	5,528,123	2,693,113	110,401	12,632,793
Net position - end of year	<u>\$ 4,975,087</u>	<u>\$ 4,889,330</u>	<u>\$ 2,847,127</u>	<u>\$ 128,065</u>	<u>\$ 12,839,609</u>