



New Development at the Northwest Corner of Johnson Drive and Roe Boulevard in Roeland Park

~photo courtesy of John DeMoss

Comprehensive Annual Financial Report

For the Fiscal Year Ending December 31, 2017



City of Roeland Park, Kansas

City of Roeland Park, Kansas



**Comprehensive Annual Financial Report
for the fiscal year ended December 31, 2017**

Prepared by:

Jennifer Jones-Lacy
Assistant City Administrator/
Finance Director

INTRODUCTORY SECTION

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April 26, 2018

The Honorable Mayor, Members of the City Council, and Residents of the City of Roeland Park, Kansas

The Comprehensive Annual Financial Report (CAFR) of the City of Roeland Park for fiscal year ending December 31, 2017 is submitted to you. State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill the requirements for fiscal year ending December 31, 2017.

**Letter of
Transmittal**

For the Fiscal Year
Ended December 31, 2017

City of Roeland Park, Kansas

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included which includes management's discussion and analysis.

The management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that; (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

This letter of transmittal provides a non-technical summary of City finances, economic prospects, and achievements. The Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the City's basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The independent auditing firm of RSM US, LLP, has issued an unmodified ("clean") opinion on the City of Roeland Park's financial statements for the year ending December 31, 2017. The independent audit involved examining,

on a test basis, evidence supporting the amounts and disclosures in the Government-wide and Fund Financial Statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is located at the front of the financial section of this report.

CITY OF ROELAND PARK PROFILE

The City of Roeland Park was incorporated in 1951 and is located in the northeastern part of Johnson County, Kansas. The City occupies 1.64 square miles and serves a population of approximately 6,700. The City's population is at the same population as it was in 1950. During the 1960's through 1980's the city saw a 6-10% population increase each decade. During the past three decades, the City's population has decreased with the 2010 census reporting 6731. The City's population has decreased approximately 18% since 1980.

The City of Roeland Park operates under the Mayor-Council-Administrator form of government. The City is divided into four wards with two councilpersons elected from each ward to serve staggered four year terms. The Mayor is elected by the City at large for a four year term. Policy-making and legislative authority are vested in a Governing Body consisting of the Mayor and eight council members, all elected on a non-partisan basis. The City Council directly appoints the following officers: City Administrator, City Attorney, City Engineer, City Prosecutor, Special Ethics Attorney and Municipal Judge who have full responsibility for carrying out City Council policies and administering day-to-day City operations.

The City Administrator hires the heads of the various departments. The City Administrator is responsible for administering all City programs and departments in accordance with policies and the annual budget adopted by the council. The City provides a full range of municipal services including police protection; the construction and maintenance of streets, storm drainage and other infrastructure, and recreational and cultural activities. Fire and health services are provided by the Consolidated Fire District and County and utilities are a service provided by the outside agencies. The City has an independent contract with a solid waste collector for recycling, yard waste and residential solid waste disposal.

The City of Roeland Park is also financially accountable for a legally separate Public Building Commission and Property Owners Association, both of which are reported separately within the City of Roeland Park's financial statements. Additional information on both of these legally separate entities can be found in the notes to the financial statements (See Note 1).

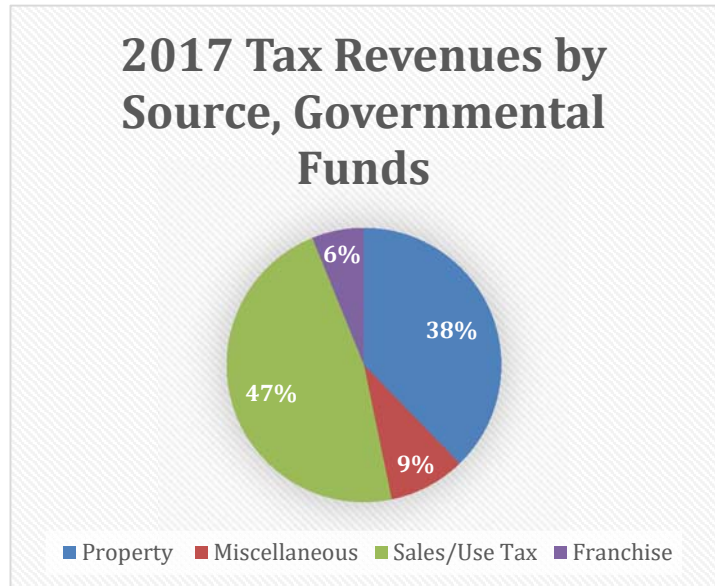
The annual budget serves as the foundation for Roeland Park's financial planning and control. The City Council formally adopts the budget and legally allocates, or appropriates, available monies for the City's various funds. The Council is required to adopt a final budget for the next fiscal year by no later than August 25th of the current year. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The City Administrator has the authority to transfer resources within a department and between departments. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

LOCAL ECONOMY

The City of Roeland Park is a small community that has a lot to offer its citizens and visitors. The Roeland Park Community Campus is home to the Community Center, originally built in 1971 as an elementary school, a year-round swimming pool, a sports dome that offers volleyball and basketball, as well as soccer. The facility abuts Nall Park, a 10 ½ acre natural conservation area with a walking path, a multi-purpose trail, rain gardens, playground and covered shelter area. The

City of Roeland Park's newest park, R Park was opened in March 2010. The park has basketball courts, multi-use fields, playground equipment, new tennis courts in 2018, an arboretum, and a walking trail. There are plans to install a performance pavilion, a large permanent sculpture from world-renowned artist Jorge Blanco and permanent restrooms.

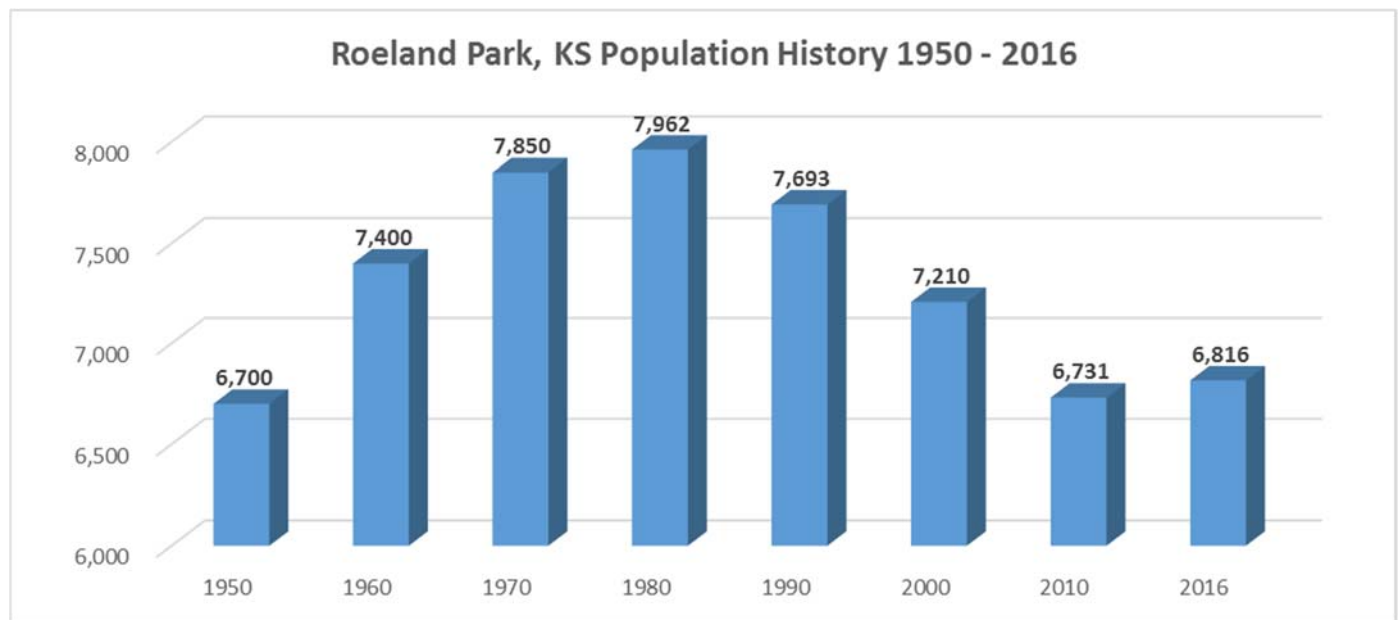
The City of Roeland Park's tax revenue base consists of a variety of tax categories; the most significant being taxes applicable to sales and use followed by property tax. Sales taxes include the local generated sales tax as well as a share from the County sales tax that is distributed by population to cities within the County. The City has major industries located within the government's boundaries or in close proximity, which include major grocery stores, major department stores and convenience stores, as well as several financial institutions and insurance companies.



Roeland Park issued 9% more building permits in 2017 and collected 27% more building permit revenue than in 2016. A big reason for the increase in revenue is the new hospital and bank that were built in 2017. In addition, the City has experienced more home renovations and new construction than it has seen in the past. Assessed valuations of residential and commercial properties in Roeland Park increased by approximately 6% in 2017.

In 2014, the City adopted the Johnson County Contractor Licensing Program that requires all contractors obtaining a building, electrical, mechanical, plumbing or demolition permit are to be licensed with the County. The program ensures contractors understand building codes and requires annual continuing education classes to maintain the licensure. The program helps provide homeowners with assurance that contractors in Roeland Park understand City codes, have the required level of insurance and are professionals in their fields.

Median household incomes within the City of Roeland Park are higher than for the state and the nation. According to the census data from the year 2010, median household income was \$64,696 for the City of Roeland Park and \$51,273 for the state.



The City of Roeland Park's population has decreased 3.7 percent in the last 10 years due to the changing demographics of the area. However, the 2016 Census estimates show a slight uptick in population from the low in 2010. The median single family home sale price was \$203,660 in 2017 or 10.8% higher than the prior year per the 2018 Johnson County Appraisers' report.

FINANCIAL ANALYSIS

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

- Property Taxes are recognized as revenues in the year for which they are levied.
- Grants are recognized as revenue as soon as all eligibility requirements have been met.
- Program Revenues, such as charges to customers for goods and services, are recognized in the period they are earned.

Government fund financial statements are reported using the current financial resources measurement focus and the modified cash basis of accounting.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

- The City considers revenues to be available if they are collected within 60 days of the end of the year.
- Expenditures are generally recorded when a liability is incurred.
- Debt service expenditures and expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

LONG TERM FINANCIAL PLANNING

The City began implementing long range financial forecasting in 2012 to develop the City's annual budget to assist the Governing Body in creating a sustainable budget and to stabilize taxes. Looking long-term provides a more complete picture of the City's financial future.

Each department prepares a three-year proposed budget, with the current year budget as their base. A review of each proposed departmental budget is completed by the council. The budget process includes input from departments, the City Administrator, the City Council and residents at community budget meetings. The Governing Body adopts the budget for the following year by mid-August.

In addition to the budget process, departments submit updated five year capital plans for review and approval based upon available funding. As of the 2018 Budget, staff developed a longer-term 10 year capital plan to assess the City's ability to pay cash for capital improvements. The Capital Improvement Plan includes all of the City owned facilities, equipment and infrastructure needs, including the Community Center and Aquatic Center. As part of the process, revenue from property taxes, sales/use taxes and grant revenues are updated to determine fund availabilities for long-term projects.

MAJOR INITIATIVES

City adopts a new logo and works toward brand implementation



After a year of consideration, the Governing Body adopted a new logo for the City moving forward. The logo was designed by Vireo Consultants. The new logo pays homage to the City's history as a Tree City USA and notes its incorporation date of 1951 while calling out the neighborhood feel that many residents enjoy about Roeland Park. In addition to the logo, the Governing Body adopted new design guidelines which will drive the City's branding initiative and new website design which is scheduled for launch in August 2018.

The Citizens Fundraising Initiative for R Park Raises \$86,000 for new Amenities in R Park

Since 2014, Citizens Fundraising Initiative for R Park (CFI), a group of dedicated volunteers and residents have been pounding the pavement to raise money for improvements to R Park, the City's newest park where a former elementary school sat. As of the end of 2017, the CFI had raised approximately \$86,500 to benefit park amenities. The CFI, organized by Gretchen and Ardie Davis, has held several successful fundraisers including the Spring Wine Fling in 2017 that brought local wineries and vendors to



the Roeland Park Community Center for patrons to enjoy along with jazz music. The group has been actively raising money for a new shelter and performance pavilion which is scheduled to be installed in 2020 with \$50,000 of the estimated \$200,000 cost to come from donations. The CFI, in conjunction with the Arts Committee has commissioned a sculpture from world-renowned artist Jorge Blanco to install in the park as a permanent structure. The entire \$56,000 estimated cost will be funded through donations.

City Rezones 'The Rocks' Development to Prepare for Future Development

In 2017, City staff led the charge to rezone and develop a preliminary development plan for the former pool site, now referred to as The Rocks development. After the City's municipal pool shut down due to safety concerns in 1993, the site has remained vacant city-owned land ever since. Starting in 2016, the City contracted with Pyramid construction to fill the caves and grade the site for future development. The City zoned the property to CP-2, General Business District in hopes of attracting a hotel vendor, a local restaurant and a regional attraction where the pool used to sit on the lower level. The City has been working with CBC Real Estate Consultants to secure prospects who may be interested in developing on this site. Once a vendor is in place, the City will need to move the public works facility which is located on the upper level of the property. Staff is actively seeking prospective locations for the future public works building. Until then, work continues on installing regional stormwater detention and installing a sanitary sewer system to serve the site.



The Rocks Mixed Use
Roeland Park, KS

SAIR 171201
01.16.2018

RELEVANT FINANCIAL POLICIES

The FY 2018 budget saw a mill levy reduction of 2.5 mills with an additional reduction to the solid waste fee passed along to residents for leaf collection which equates to roughly 0.5 mills. The 2018 budget was created based upon the following assumptions:

- *Sales tax will grow at 1% rate between 2018 – 2020. No changes in major retailers are anticipated now that Wal-Mart has announced their continuation of their lease for the next five years as of 2017.*
- *Council established a committed reserve in the General Fund of \$1.41 million to be available in the event sales tax takes a significant hit of 25% or more for six months. This amount equates to the amount of reserves that have built up since the mill levy was increased in 2014.*
- *Despite recent strong growth, City staff project a modest 1.5% annual growth in property taxes year over year.*

The Governing Body has utilized Tax Increment Financing (TIF) as a means of financing major projects within the City. This has proven to be a vital tool in reducing the amount of City funds that are needed to spur development. The City also approved two Transportation Development Districts (TDDs) which enable long term debt to be retired through the use of a special sales tax. In 2012 the City approved the first Community Improvement District (CID) for the Bella Roe/Wal-Mart properties. The CID enables improvements within the district through the use of special sales tax.

FUTURE INITIATIVES

The Governing Body developed several Organizational Goals and Current Objectives during the 2018 Budget process. Some of the key goals include:

Monetary Goals

- Provide maintenance, removal or add new public art
- Develop a phased development plan for R Park
- Identify and complete a high priority sidewalk extension project
- Invest in automated time and attendance payroll program
- Implement branding launch plan
- Budget for a revised Comprehensive Plan in 2019

Non-Monetary Goals

- Increase police visibility in neighborhoods
- Apply for the GFOA Distinguished Budget presentation award

For three years, council members appointed to the Ad Hoc Development Committee have focused on key areas for redevelopment in the City. The initial focus of the committee is on the former pool/caves site at Roe Parkway and West 48h Street. This property is the beneficiary of TIF revenues associated with Redevelopment District 3A which are set to cease collection in early 2018. As a result, the Council has worked to expedite development through the hiring of a consultant who can assist in the planning and marketing process of this property. The Ad Hoc group is also actively working to develop the vacant parcel located at the northeast corner of Johnson Drive and Roe Boulevard.

In 2016 the City approved a request for the Final Development Plan and to rezone the northwest corner of Johnson and Roe Boulevard to a new mixed use zoning designation (MXD). In 2017, Commerce Bank and a small hospital operated by St. Luke's Health System was substantially completed and both facilities will open in 2018.

AWARDS AND ACKNOWLEDGMENTS

The City received the following recognitions and awards in 2017.

- The website Niche named Roeland Park #1 best places for Millennials in Kansas and #39 in the nation in 2018.
- AAA awarded the Roeland park Police Department the Gold Award for Community Traffic Safety. This is the fourth year in a row the City received a Traffic Award from AAA.
- The Government Finance Officers Association (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting for its Annual Financial Report (CAFR) for the 23rd year in a row for statements ending in December 31, 2016.

The preparation of this report would not have been possible without the dedicated and efficient service of the entire staff of the administration department. I wish to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the City Administrator, Mayor and the Council for their constant support for maintaining the highest standards of professionalism in the management of the City of Roeland Parks finances.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Jennifer Jones-Lacy". The signature is written in a cursive, flowing style.

Jennifer Jones-Lacy
Assistant City Administrator/Director of Finance



Government Finance Officers Association

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

Presented to

**City of Roeland Park
Kansas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

CITY COUNCIL



Front row from left to right: Sheri McNeil, Tim Janssen, Ryan Kellerman, Teresa Kelly

Back row from left to right: Becky Fast, Michael Rhoades, Joel Marquardt, Erin Thompson, Michael Poppa

2017 DEPARTMENT HEADS AND APPOINTED OFFICIALS

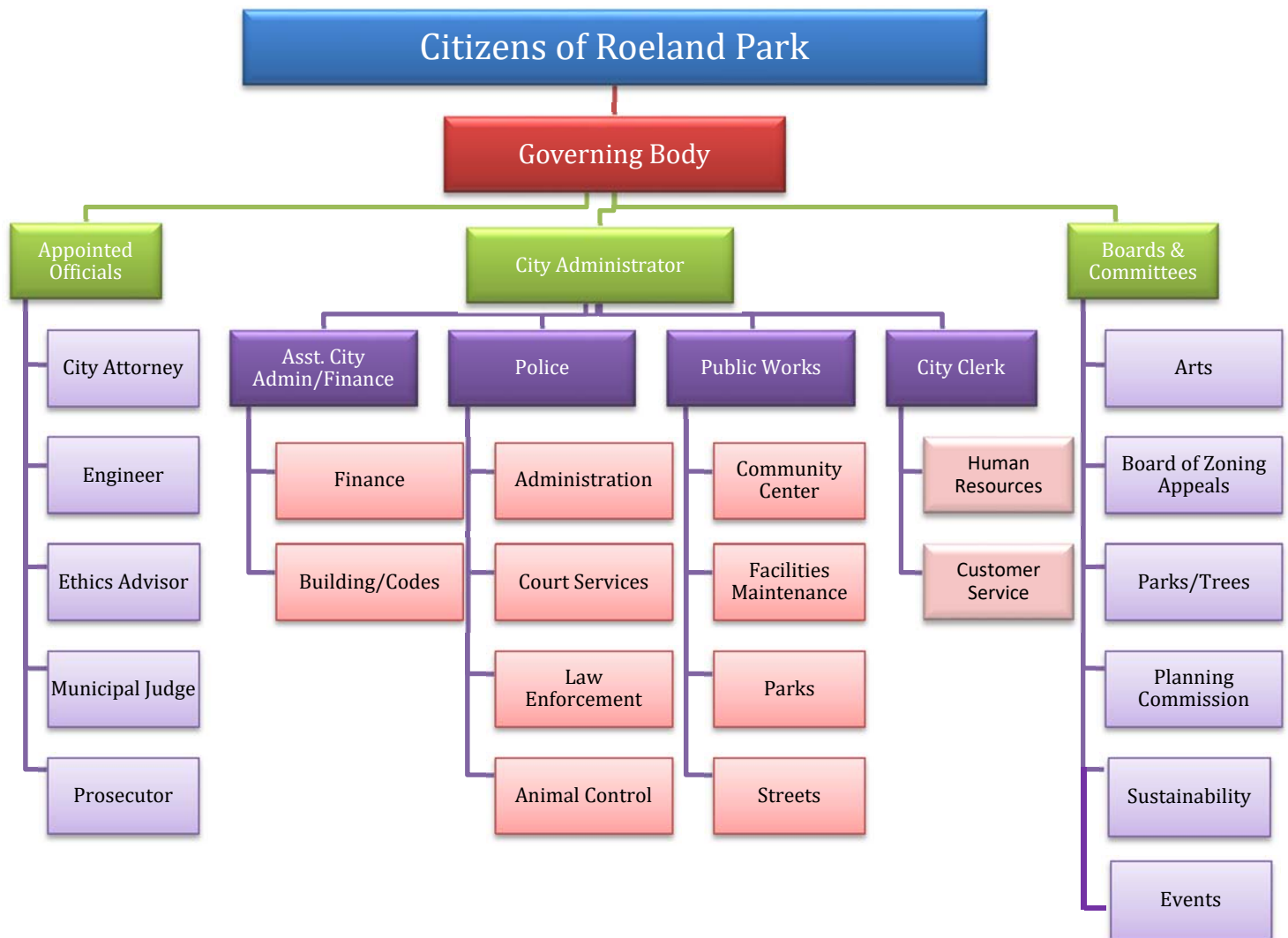
Department Heads

City Administrator Keith Moody
Assistant City Administrator/Director of Finance Jennifer Jones-Lacy
City Clerk.....Kelley Bohon
Chief of Police..... Edward John Morris
Director of Public Works..... Jose Leon

Appointed Officials

City Attorney..... Steve Mauer
Municipal Court Judge Karen Torline
City Prosecutor Frank Gilman
City Engineer.....Larkin, Lamp Rynearson
City Ethics Attorney..... David Waters

ORGANIZATION CHART



FINANCIAL SECTION

Independent Auditor's Report

RSM US LLP

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Roeland Park, Kansas (the City), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Roeland Park, Kansas, as of December 31, 2017, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2018, 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 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.

RSM US LLP

Kansas City, Missouri
April 26, 2018

City of Roeland Park, Kansas

Management's Discussion and Analysis For Fiscal Year Ended December 31, 2017

We offer those interested in the City of Roeland Park's financial statements this narrative overview and analysis of the financial activities of the City of Roeland Park for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Roeland Park exceeded its liabilities and deferred inflows of resources as of December 31, 2017 by \$19,470,020 (net position). The assets and deferred outflows of resources of the City of Roeland Park exceeded its liabilities and deferred inflows of resources as of December 31, 2016 by \$16,539,768 (net position).
- The government's total net position increased by \$2,930,252 and \$2,183,030 for 2017 and 2016, respectively. The increase in total net position during fiscal year 2017 was primarily due to an increase in property taxes in the TIF 1 fund and an increase in sales taxes. The City benefited from a new county sales/use tax instituted to build a new county courthouse and crime lab. State statute requires a portion of all county sales and use tax be distributed to the municipalities within the County. The City has built substantial reserves to ensure ongoing operations at current day levels.
- The City of Roeland Park's governmental funds reported combined ending fund balances of \$5,719,728 and \$6,952,644 as of December 31, 2017 and 2016, respectively. Unassigned fund balance for fiscal years 2017 and 2016 was \$(2,359,538) and \$1,647,608, respectively.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,207,063, or 27 percent of total General Fund expenditures compared to the 2016 balance of \$2,696,653, or 62 percent of total General Fund expenditures.
- The City of Roeland Park's total debt, excluding compensated absences and net pension liability, decreased by \$2,848,363 (23 percent) during fiscal year ended December 31, 2017. The City of Roeland Park's total debt, excluding compensated absences and net pension liability, decreased by \$1,989,432 (14 percent) during fiscal year ended December 31, 2016. The majority of the decrease was due to scheduled principal payments on the debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Roeland Park's basic financial statements. The City of Roeland Park's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to basic financial statements.

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

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

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

City of Roeland Park, Kansas

Management's Discussion and Analysis For Fiscal Year Ended December 31, 2017

The government-wide financial statements reflect functions of the City of Roeland Park that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City of Roeland Park include public safety, highways and streets, culture and recreation, employee benefits and general government.

The government-wide financial statements include the City of Roeland Park itself (known as the primary government). The financial statements also include the Public Building Commission and the Roeland Park City Hall Property Owners Association, the component units of the City of Roeland Park. The component units, although legally separate entities, are included in the City's reporting entity as blended component units because of their significant operational or financial relationship with the City.

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 of Roeland Park, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Roeland Park are governmental funds.

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

Because the focus of 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 the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Roeland Park maintains 15 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Bella Roe/Walmart TIF Fund, Debt Service Fund, TDD #1 – Price Chopper Fund and CID #1 Roeland Park Shopping Center Fund all of which are considered to be major funds. Data from the other 10 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 elsewhere in this report.

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

Other information. The City's other postemployment benefit plan, pension plan and budgetary comparison schedules are presented as required supplementary information immediately following the notes to the basic financial statements. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's total net position has increased from a year ago by \$2,930,252. The following table is a condensed version of the government-wide statement of net position comparing fiscal years 2017 and 2016.

City of Roeland Park, Kansas

Management's Discussion and Analysis For Fiscal Year Ended December 31, 2017

The City of Roeland Park's restricted net position (\$5,298,710 and \$3,846,469 for fiscal years 2017 and 2016, respectively) represent resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net position (\$1,296,164) and (\$2,399,604) for 2017 and 2016, respectively.

City of Roeland Park's Net Position

	Governmental Activities 2017	Governmental Activities 2016	Change
Current and other assets	\$ 15,835,537	\$ 14,703,655	\$ 1,131,882
Capital assets	20,076,856	21,080,201	(1,003,345)
Total assets	35,912,393	35,783,856	128,537
 Total deferred outflows of resources	 537,871	 676,979	 (139,108)
 Noncurrent liabilities	 5,880,063	 11,961,338	 (6,081,275)
Other liabilities	6,771,277	3,676,577	3,094,700
Total liabilities	12,651,340	15,637,915	(2,986,575)
 Total deferred inflows of resources	 4,328,904	 4,283,152	 45,752
 Net position:			
Net investment in capital assets	15,467,474	15,092,903	374,571
Restricted	5,298,710	3,846,469	1,452,241
Unrestricted (deficit)	(1,296,164)	(2,399,604)	1,103,440
Total net position	\$ 19,470,020	\$ 16,539,768	\$ 2,930,252

At the end of the current fiscal year, the City of Roeland Park is able to report positive balances in two of the three categories of net position for the government as a whole. The City's investment in capital assets is net of any debt used to acquire capital assets, less any unspent debt proceeds. Retroactive reporting of infrastructure assets is not required to be reported by the City of Roeland Park; however, the net position category invested in capital assets is reduced by debt funding used to purchase prior year's infrastructure.

Net position may serve over time as one useful indicator of a government's financial condition. The City's net position increased by \$2,930,252, or 18 percent, for the fiscal year ended December 31, 2017.

Current and Other Assets – The City's current and other assets increased by \$1.1 million from \$14.7 million to \$15.8 million. The increase is attributable to increased property taxes including taxes redirected to TIF. The main decline in revenues was for capital grants and contributions which declined in 2017 from the prior year primarily due to not yet receiving grant revenues for ongoing capital projects that are grant funded. Much of those revenues will be received in future years. The City's capital assets decreased by approximately \$1.0 million or a five percent decrease. The primary element of this decrease is due to the depreciation of capital assets.

Noncurrent liabilities decreased by 50.8 percent no longer holding capital lease obligations, and a substantial reduction in tax increment revenue bond liabilities due to paying down the 2005 Series debt in 2017. In addition, all outstanding debt for the transportation development district has been called due to not keeping up with scheduled debt service payments. All outstanding TDD debt is now considered a current liability. Noncurrent liabilities, excluding debt, include \$137,622 of other postemployment benefits. Other liabilities decreased by 84.2 percent.

City of Roeland Park, Kansas

Management's Discussion and Analysis For Fiscal Year Ended December 31, 2017

The largest portion of the government's net position for governmental activities (79.4 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less any related outstanding debt used to acquire those assets. The government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the government's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Capital assets include all assets, still in use, acquired from 1952 through December 31, 2017.

Restricted net position totals \$5,298,710 and represent assets with constraints placed on their use by either external groups such as creditors, grantors, contributors, laws or regulations of other governments, or law through constitutional provisions or enabling legislation. Unrestricted net position (deficit), of (\$1,296,164), consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

The changes in net position are highlighted in the following table, which shows the City's revenues and expenses for the fiscal year. These two main components are subtracted to yield the change in net position.

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for sales and services, operating grants and contributions, and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

A summary of the City's changes in net position follows:

City of Roeland Park's Changes in Net Position			
	Governmental Activities 2017	Governmental Activities 2016	Change
Revenues:			
Program revenues:			
Charges for services	\$ 730,018	\$ 723,247	\$ 6,771
Operating grants and contributions	182,688	418,651	(235,963)
Capital grants and contributions	-	196,213	(196,213)
General revenues:			
Property taxes	3,841,051	2,997,446	843,605
Sales and use taxes	3,801,032	3,585,138	215,894
County jail tax	159,208	156,387	2,821
Franchise taxes	484,307	487,923	(3,616)
Investment earnings	54,480	26,774	27,706
Miscellaneous	597,101	689,633	(92,532)
Total revenues	9,849,885	9,281,412	568,473
Expenses:			
General government	1,879,577	2,036,192	(156,615)
Highways and streets	2,821,753	2,734,430	87,323
Public safety	1,548,820	1,610,627	(61,807)
Culture and recreation	380,923	229,828	151,095
Interest on long-term debt	288,560	487,305	(198,745)
Total expenses	6,919,633	7,098,382	(178,749)
Increase in net position	2,930,252	2,183,030	747,222
Net position, beginning	16,539,768	14,356,738	2,183,030
Net position, ending	\$ 19,470,020	\$ 16,539,768	\$ 2,930,252

City of Roeland Park, Kansas

Management's Discussion and Analysis For Fiscal Year Ended December 31, 2017

Total governmental activities revenue was \$9,849,885 and \$9,281,412 in fiscal years 2017 and 2016, respectively.

Certain revenues are generated that are specific to governmental program activities. These totaled \$921,706 and \$1,338,111 in 2017 and 2016, respectively. The graphs in Tables 1 and 2 of the statistical section as listed in the table of contents, show the composition of the fiscal year's governmental activities revenue and expenses.

Total governmental activities expenses were \$6,919,633 and \$7,098,382 in fiscal years 2017 and 2016, respectively.

Several of the revenue and expense categories fluctuated between 2017 and 2016. Highlights include the following:

Revenues:

- Property taxes increased by \$843,605 from 2016 due to an increase in assessed valuation, primarily on big box retailers which impacted revenues received in the TIF 1 Fund.
- Sales and use taxes increased by \$215,894 from 2016, which is a 6.0 percent increase.

Expenses:

- The general government expenses decreased by \$156,615, or 7.7%, from 2016 due to a variety of expenses that occurred in 2016 that did not in 2017 including fiber infrastructure installation for City Hall in 2016, engineering services in the TIF 2 fund for storm sewer work, a lower property tax bill for the rental suites in City Hall due to a successful tax appeal, for example.
- Interest on long-term debt expenses decreased by 40.8 percent due to the advance payment of the 2005 Series tax increment bond in 2017 and the movement of transportation development district sales tax revenue bonds (TDD 1) to a current liability. Both TDD 1 and TDD 2 are in default and the bonds have been called by the bond holders.

Financial Analysis of the Governmental Funds

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

Governmental funds. The focus of the City of Roeland Park'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 of Roeland Park's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Roeland Park's governmental funds reported combined ending fund balances of \$5,719,728 a decrease of \$1,232,936 in comparison with the prior year. Fund balance that is restricted to indicate that it is not available for new spending because it has already been committed to pay debt service \$268,346, capital expansion and improvements \$4,468,965 and Roeland Park property owners association of \$16,504.

City of Roeland Park, Kansas

Management's Discussion and Analysis For Fiscal Year Ended December 31, 2017

The General Fund is the chief operating fund of the City of Roeland Park. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,207,063, while total fund balance was \$2,783,476. This is less than the 2016 unassigned fund balance of \$2,696,653 and the total 2016 General Fund balance of \$2,862,066. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 27 percent of total General Fund expenditures, while total fund balance represents 62 percent of that same amount. Unassigned fund balance represented 62 percent of total General Fund expenditures for 2016, while total fund balance represents 66 percent of that same amount.

The fund balance of the City of Roeland Park's General Fund decreased by \$78,590 in 2017 and increased by \$408,634 during fiscal year 2016. The decrease in 2017 is due to a policy change by the City Council which created an assigned fund balance of \$1.41 million as a sales tax reserve fund. Furthermore, any fund balance beyond 25% of expenditures plus \$1.41 million would be transferred to the Special Infrastructure Fund to cover the City's capital improvements program without having to issue additional debt. Total expenditures in the general fund increased \$114,870 or 2.6 percent, while revenues increased \$129,277 or 2.6 percent. The majority of the revenue increase is attributable to the increase in assessments on commercial properties and property tax receipts. Most expenditure increases were due to higher public works costs in 2017.

The Bella Roe/Walmart TIF Fund had an ending fund balance of \$907,195. The net decrease in fund balance was \$131,085 for the year. The net decrease in fund balance was due to paying outstanding debt service in advance of its due date.

The Debt Service Fund had a total fund balance of \$268,346, all of which is restricted for the payment of debt service (i.e., payment of general obligation principal and interest). The net decrease in fund balance during the current year in the Debt Service Fund was \$95,274. The net decrease in fund balance was due to higher debt service payments in 2017. The reserves in the Debt Service Fund remain at nearly 25 percent of principal and debt payments for 2017, which is well above the 10 percent - 15 percent fund balance policy adopted by Council.

The TDD #1 – Price Chopper Fund had an ending fund balance deficit of (\$2,756,849). The net decrease in fund balance was \$2,649,531 for the year. The net decrease in fund balance was due TDD #1 being in default and the bonds being called in 2017 making all of the long-term liability a current liability that must be recorded and reflected in the fund statement.

CID #1 - Roeland Park Shopping Center Fund had an ending fund balance of \$2,225,413. The net increase in fund balance was \$460,928 for the year. Since inception, the fund has had almost no draws on the balance. The CID is meant for economic development of the district and expenses are made when the property owner submits a request for a qualifying expense. The CID was established to help redevelop the shopping center if and when Wal-Mart left. To date, the retailer has decided not to move from the site. As such, the net increase in fund balance was due to no significant expenditures being made in the fund.

General Fund Budgetary Highlights

The legally adopted budget for the General Fund was not amended by the Governing Body in 2017. On a budgetary basis, which can be found in the required supplementary information on page 47, expenditures were less than revenues and other sources, which resulted in a decrease in fund balance by \$78,590. The decrease in the fund balance is due to the policy change adopted by Council setting aside \$1.41 million for the sales tax reserve and transferring any excess reserves beyond 25% of expenditures plus the \$1.41 million to the Special Infrastructure Fund to help pay for capital projects. Actual revenues were \$2,964,918 less than budgeted revenues.

General Fund expenditures were lower than the final budget by \$696,139.

City of Roeland Park, Kansas

Management's Discussion and Analysis For Fiscal Year Ended December 31, 2017

Capital Asset and Debt Administration

Capital assets. The City of Roeland Park's investment in capital assets for its governmental activities as of December 31, 2017 and 2016, respectively, was \$20,076,856 and \$21,080,201 (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings, improvements and infrastructure and machinery and equipment. The total decrease in the City of Roeland Park's investment in capital assets for the current fiscal year was 5 percent.

City of Roeland Park's Capital Assets

	Governmental Activities	
	2017	2016
Land	\$ 2,216,272	\$ 1,396,272
Artwork	12,620	12,620
Buildings	4,470,373	4,470,373
Improvements other than buildings and infrastructure	27,872,131	27,848,107
Machinery and equipment	1,997,867	1,847,431
Construction-in-progress	85,824	557,600
Accumulated depreciation	(16,578,231)	(15,052,202)
Total	\$ 20,076,856	\$ 21,080,201

Additional information on the City of Roeland Park's capital assets can be found in Note 3 of this report.

City of Roeland Park's Outstanding Debt General Obligation and Revenue Bonds

	Governmental Activities	
	2017	2016
General obligation bonds	\$ 4,466,000	\$ 5,603,000
Special obligation tax increment revenue bonds	1,228,376	2,337,203
Transportation development district sales tax revenue bonds	3,778,487	4,128,491
Capital leases	203,719	456,251
Total	\$ 9,676,582	\$ 12,524,945

Long-term debt. At the end of the current fiscal year, the City of Roeland Park had total bonded debt outstanding of \$9,472,863. Of this amount, \$4,466,000 comprises debt backed by the full faith and credit of the government. The remainder of the City of Roeland Park's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) and capital leases of \$5,210,582.

The City of Roeland Park's total debt decreased by \$2,848,363 (23 percent) during the current fiscal year. The majority of the decrease was due to scheduled principal payments on the G.O. and capital lease debt.

Additional information on the City of Roeland Park's long-term debt can be found in Note 4 of this report.

City of Roeland Park, Kansas

Management's Discussion and Analysis For Fiscal Year Ended December 31, 2017

Economic Factors and Next Year's Budgets and Rates

Economic conditions are currently positive. The City received assurance that Wal-Mart is committed to its current location in Roeland Park. They also invested in renovations to their existing facility in 2016 and 2017. In 2016, the City saw an 11 percent increase in valuation or a valuation of \$70,318,083 for the 2017 Budget. In 2017, the City saw a 6.7 percent increase in valuation for a valuation of \$75,040,020 for the 2018 Budget. However, Kansas House Bill 2088 which imposes a cap on the amount of taxes levied in excess of the prior year's tax levy to the Consumer Price Index, goes into effect for the 2018 budget which limits City's abilities to capture valuation increases with some exceptions. In addition, taxes for several of the large retailers throughout Johnson County have appealed their property taxes using an argument known as "dark store theory" where they argue a fully occupied and active store should be valued the same as a vacant store. If successful, this appeal would have significant impacts on all Cities across the state including Roeland Park.

The City has financial policies that govern financial decision making. These policies help the governing body:

- Ensure financial sustainability
- Provide transparency to residents and stakeholders
- Establish strategic intent for financial management and a consistent methodology

2018 Budget

The Council approved the 2018 budget based upon information provided in the three year forecast.

Factors considered in projecting revenues and expenditures in 2018 include:

- A 1% increase in sales tax 2018-2020.
- Council approved Resolution 653 which established a \$1.41 million committed reserve to be available in the event sales taxes see a significant (25%) and sustained (at least six months) decline.
- Property values continue to grow at a 2 percent rate over time, keeping in mind the tax lid limitations.
- Franchise fees and court revenues remain in line with 3-5 year trend analysis.
- Maintain the same level of services that were experienced in the 2017 budget and include a 3 percent merit pool for employee raises and a 2% market adjustment for employee classes that fall below the market average.

Proposed Three Year Outlook - Mill Levy

	2017	2018	2019
Mill Levy	33.463	31.023	31.023

All of these factors were considered in preparing the City of Roeland Park's budget for fiscal year 2018.

Requests for Information

This financial report is designed to provide a general overview of the City of Roeland Park's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Jennifer Jones-Lacy, Assistant City Administrator/Director of Finance, City of Roeland Park, 4600 West 51st Street, Roeland Park, Kansas 66205.

BASIC FINANCIAL STATEMENTS

City of Roeland Park, Kansas

**Statement of Net Position
December 31, 2017**

	Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 1,577,575
Investments	3,573,509
Receivables:	
Taxes	4,888,610
Special assessments	1,713,484
Intergovernmental	66,024
Other	15,488
Total current assets	11,834,690
Noncurrent assets:	
Restricted assets, cash and cash equivalents	874,643
Restricted investments	3,126,204
Capital assets:	
Nondepreciable:	
Land	2,216,272
Artwork	12,620
Construction-in-progress	85,824
Depreciable:	
Buildings	4,470,373
Improvements other than buildings and infrastructure	27,872,131
Machinery and equipment	1,997,867
Accumulated depreciation	(16,578,231)
Total noncurrent assets	24,077,703
Total assets	35,912,393
Deferred Outflows of Resources	
Deferred charge on refunding	67,208
Pension related amounts	470,663
Total deferred outflows of resources	537,871

See notes to basic financial statements.

	Governmental Activities
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 518,158
Interest payable	79,309
Compensated absences	81,921
Capital lease obligations	203,719
Tax increment revenue bonds	944,683
General obligation bonds	1,165,000
Transportation development district sales tax revenue bonds	3,778,487
Total current liabilities	<u>6,771,277</u>
Noncurrent liabilities:	
Compensated absences	57,296
Tax increment revenue bonds, net bond discounts	239,570
General obligation bonds, including bond premiums	3,307,871
Net pension liability	2,137,704
Net OPEB obligation	137,622
Total noncurrent liabilities	<u>5,880,063</u>
Total liabilities	<u>12,651,340</u>
Deferred Inflows of Resources	
Property taxes	4,105,680
Pension related amounts	223,224
Total deferred inflows of resources	<u>4,328,904</u>
Net Position	
Net investment in capital assets	15,467,474
Restricted for:	
Debt service	626,631
Special highway	186,610
Capital expansion and improvement	4,468,965
Roeland Park property owners association	16,504
Unrestricted (deficit)	<u>(1,296,164)</u>
Total net position	<u>\$ 19,470,020</u>

City of Roeland Park, Kansas

**Statement of Activities
Year Ended December 31, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary Government					
Governmental activities:					
General government	\$ 1,879,577	\$ 368,610	\$ -	\$ -	\$ (1,510,967)
Highways and streets	2,821,753	-	181,464	-	(2,640,289)
Public safety	1,548,820	361,408	1,224	-	(1,186,188)
Culture and recreation	380,923	-	-	-	(380,923)
Interest on long-term debt	288,560	-	-	-	(288,560)
Total governmental activities	\$ 6,919,633	\$ 730,018	\$ 182,688	\$ -	(6,006,927)
General Revenues					
Taxes:					
Property taxes (ad valorem and personal property)					3,841,051
Sales and use taxes					3,801,032
County jail tax					159,208
Franchise taxes					484,307
Investment earnings					54,480
Miscellaneous					597,101
Total general revenues					8,937,179
Changes in net position					2,930,252
Net position beginning of year					16,539,768
Net position end of year					\$ 19,470,020

See notes to basic financial statements.

City of Roeland Park, Kansas

**Balance Sheet
Governmental Funds
December 31, 2017**

	General Fund	Bella Roe/ Walmart TIF Fund	Debt Service Fund
Assets			
Pooled cash	\$ 88,266	\$ 316,733	\$ 97,538
Investments	2,555,445	-	-
Receivables:			
Taxes	2,654,095	952,704	261,613
Special assessments	-	-	1,713,484
Intergovernmental	-	-	-
Other	15,488	-	-
Restricted cash	157,500	593,160	-
Restricted investments	-	-	170,808
Total assets	\$ 5,470,794	\$ 1,862,597	\$ 2,243,443
Liabilities			
Accounts payable and accrued liabilities	\$ 372,280	\$ 2,698	\$ -
Matured long-term debt in default	-	-	-
Total liabilities	372,280	2,698	-
Deferred inflows of resources			
Unavailable revenue—property taxes	2,315,038	952,704	261,613
Unavailable revenue—special assessments	-	-	1,713,484
Total deferred inflows of resources	2,315,038	952,704	1,975,097
Fund balances (deficits)			
Restricted	157,500	780,195	268,346
Committed	1,410,000	127,000	-
Assigned	8,913	-	-
Unassigned	1,207,063	-	-
Total fund balances (deficits)	2,783,476	907,195	268,346
Total liabilities, deferred inflows of resources and fund balances	\$ 5,470,794	\$ 1,862,597	\$ 2,243,443

See notes to basic financial statements.

TDD #1 - Price Chopper Fund	CID #1 - Roeland Park Shopping Center Fund	Nonmajor Governmental Funds	Total
\$ 76,306	\$ -	\$ 998,732	\$ 1,577,575
-	-	1,018,064	3,573,509
47,293	90,493	882,412	4,888,610
-	-	-	1,713,484
-	-	66,024	66,024
-	-	-	15,488
13,933	109,129	921	874,643
-	2,025,791	929,605	3,126,204
<u>\$ 137,532</u>	<u>\$ 2,225,413</u>	<u>\$ 3,895,758</u>	<u>\$ 15,835,537</u>
\$ 400	\$ -	\$ 142,780	\$ 518,158
2,893,981	-	884,506	3,778,487
<u>2,894,381</u>	<u>-</u>	<u>1,027,286</u>	<u>4,296,645</u>
-	-	576,325	4,105,680
-	-	-	1,713,484
<u>-</u>	<u>-</u>	<u>576,325</u>	<u>5,819,164</u>
-	2,225,413	2,726,760	6,158,214
-	-	-	1,537,000
-	-	375,139	384,052
(2,756,849)	-	(809,752)	(2,359,538)
<u>(2,756,849)</u>	<u>2,225,413</u>	<u>2,292,147</u>	<u>5,719,728</u>
<u>\$ 137,532</u>	<u>\$ 2,225,413</u>	<u>\$ 3,895,758</u>	<u>\$ 15,835,537</u>

City of Roeland Park, Kansas

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2017**

Total governmental fund balances		\$	5,719,728
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:			
Capital assets			36,655,087
Accumulated depreciation			(16,578,231)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as a deferred inflow of resources in the funds, unavailable revenues.			
			1,713,484
Pension related deferred outflows and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds:			
Deferred outflows of resources - pension related amounts			470,663
Deferred inflows of resources - pension related amounts			(223,224)
Long-term liabilities including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:			
Compensated absences, current	\$	(81,921)	
Compensated absences, noncurrent		(57,296)	
Interest payable		(79,309)	
Premium on bonds, net		(6,871)	
Discount on bonds, net		44,123	
Deferred charge on refunding, net		67,208	
General obligation bonds, current		(1,165,000)	
General obligation bonds, noncurrent		(3,301,000)	
Tax increment revenue bonds, current		(944,683)	
Tax increment revenue bonds, noncurrent		(283,693)	
Capital lease obligations, current		(203,719)	
Net pension liability		(2,137,704)	
Net OPEB obligation		(137,622)	
			(8,287,487)
Net position of governmental activities		\$	<u><u>19,470,020</u></u>

See notes to basic financial statements.

City of Roeland Park, Kansas

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Governmental Funds
Year Ended December 31, 2017**

	General Fund	Bella Roe/ Walmart TIF Fund	Debt Service Fund
Revenues:			
Taxes	\$ 3,687,870	\$ 1,037,211	\$ 323,817
Special assessments	2,590	-	257,288
Intergovernmental	211,638	-	-
Licenses and permits	183,042	-	-
Fines and forfeitures	311,722	-	-
Investment income	21,558	18,515	4,248
Other	738,529	-	-
Total revenues	5,156,949	1,055,726	585,353
Expenditures:			
Current:			
General government	1,627,842	-	3,050
Highways and streets	972,097	-	-
Public safety	1,488,064	-	-
Culture and recreation	172,466	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	198,000	1,070,000	972,000
Interest and fiscal charges	13,860	116,811	121,577
Total expenditures	4,472,329	1,186,811	1,096,627
Excess (deficiency) of revenues over expenditures	684,620	(131,085)	(511,274)
Other financing sources (uses):			
Transfers in	-	-	416,000
Transfers out	(763,210)	-	-
Total other financing sources (uses)	(763,210)	-	416,000
Changes in fund balances (deficits)	(78,590)	(131,085)	(95,274)
Fund balances (deficits), beginning of year	2,862,066	1,038,280	363,620
Fund balances (deficits), end of year	\$ 2,783,476	\$ 907,195	\$ 268,346

See notes to basic financial statements.

TDD #1 - Price Chopper Fund	CID #1 - Roeland Park Shopping Center Fund	Nonmajor Governmental Funds	Total
\$ 264,456	\$ 454,122	\$ 2,306,483	\$ 8,073,959
-	-	-	259,878
-	-	181,464	393,102
-	-	-	183,042
-	-	-	311,722
132	6,892	3,135	54,480
-	-	33,847	772,376
264,588	461,014	2,524,929	10,048,559
2,467	86	137,104	1,770,549
-	-	268,040	1,240,137
-	-	-	1,488,064
-	-	83,534	256,000
-	-	834,960	834,960
2,900,000	-	258,359	5,398,359
11,652	-	29,526	293,426
2,914,119	86	1,611,523	11,281,495
(2,649,531)	460,928	913,406	(1,232,936)
-	-	821,180	1,237,180
-	-	(473,970)	(1,237,180)
-	-	347,210	-
(2,649,531)	460,928	1,260,616	(1,232,936)
(107,318)	1,764,485	1,031,531	6,952,664
\$ (2,756,849)	\$ 2,225,413	\$ 2,292,147	\$ 5,719,728

City of Roeland Park, Kansas

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) of Governmental Funds to the Statement of Activities Year Ended December 31, 2017

Net change in fund balances - governmental funds	\$	(1,232,936)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay		552,149
Depreciation:		
General government	\$ (81,495)	
Public safety	(53,067)	
Culture and recreation	(124,923)	
Highways and streets	<u>(1,296,009)</u>	<u>(1,555,494)</u>

Revenues in the statement of activities that do not provide current financial resources are not reported in the funds	(198,674)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in compensated absences	(15,200)
Change in net OPEB obligation	(8,839)
Pension expense	(13,979)

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

Principal payments on long-term debt	5,398,359	
Amortization of bond premium, bond discounts and deferred charge on refunding	(17,912)	
Change in accrued interest	<u>22,778</u>	<u>5,403,225</u>

Change in net position of governmental activities	\$ <u>2,930,252</u>
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See notes to basic financial statements.

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies

Nature of operations: The City of Roeland Park, Kansas (the City) is a second-class city with a mayor-council form of government and a City Administrator. The City was incorporated in 1951 and covers an area of approximately 1.64 square miles in Johnson County, Kansas. The City has approximately 6,800 residents. The City's organization consists of the general governmental departments of Administration, Police, Public Works and Recreation.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America applicable to local governments. The following represent the more significant accounting and reporting policies and practices of the City.

Reporting entity: Accounting principles generally accepted in the United States of America require the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

As required, the accompanying basic financial statements present the City and its component units for which the City is considered to be financially accountable. Financial accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships).

Component units' year-ends are December 31 and are reported in the City's basic financial statements as follows:

Blended component units are the Public Building Commission (PBC) of Roeland Park and the Roeland Park City Hall Property Owners Association (the Association), both of which are governed by the same governing body as the City. Although they are legally separate from the City, the PBC and the Association are reported as if they were part of the primary government as blended component units. The PBC's sole function is to finance through issuance of bonds the construction, equipping and furnishing of a building or buildings or other facilities of a revenue-producing character, including parking facilities. The Association's primary function is to act as an agent for the unit owners within City Hall. The Association administers various functions within City Hall, establishes the means and methods of collecting assessments and charges and arranges for the management of City Hall. The activities of the Association are included in the accompanying basic financial activities as part of the Special Revenue Funds. The PBC had no current year activity to present in the financial statements. Complete unaudited financial statements of the individual component units can be obtained from the Finance Department at City Hall:

City of Roeland Park
Finance Department
4600 West 51st Street
Roeland Park, Kansas 66205

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Basis of presentation:

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. The focus of fund financial statements is on major funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

Fund accounting: The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures. The City has the following funds:

Governmental fund types: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as "fund balance." The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's major governmental funds:

General: The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Bella Roe/Walmart TIF: A debt service fund created to account for monies received which are restricted for the purpose of retiring tax increment bonds issued by the Roeland Park Redevelopment LLC project. Currently, this includes the Series 2005, Special Obligation Tax Increment Revenue Bonds dated February 1, 2005 for original issuance amount of \$4,495,000.

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Debt Service: A debt service fund used to account for the servicing of the general long-term debt of the City.

TDD #1 – Price Chopper: A debt service fund created to establish transportation development districts ("transportation districts") to acquire interests in property and to construct any project or undertaking relating thereto to improve any bridge, street, road, highway access road, interchange, intersection, signing, signalization, parking lot, bus stop, station, garage, terminal, hangar, shelter, rest area, dock, wharf, lake or river port, airport, railroad, light rail or other mass transit facility and any similar or related project or infrastructure (collectively, "transportation projects"); and the Act further authorizes said governing body, in order to pay the costs of such transportation projects, to impose a transportation district sales tax on the selling of tangible personal property at retail or rendering or furnishing services within transportation districts in any increment of .10 percent or .25 percent not to exceed 1.0 percent and/or the levy of special assessments upon property within such transportation districts, and to issue revenue bonds payable from such sales taxes and/or special assessments. The District covers all of Lots 1, 3, 4, 5 and 6 and Tract "A", Roeland Park Shopping Center, a subdivision of land in Roeland Park, Kansas.

CID #1 – Roeland Park Shopping Center: A special revenue fund created to account for monies received within the Community Improvement District to be solely used to pay the costs of the approved project. The CID sales tax imposed is one percent (1%) for 22 years. However, the sales tax will cease to be collected once the fund reserves equal three million dollars (\$3,000,000). The City expects the fund balance to reach three million dollars within two years. Eligible expenses made by the developer will be reimbursed on a two-to-one bases. For every \$2 of eligible expenses made by the developer, the CID fund will reimburse \$1.

Measurement focus and basis of accounting: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions and claims and judgments, are recorded only when payment is 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 purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded and the availability criteria. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Charges for sales and services, licenses and permits, fines and forfeitures and miscellaneous revenues are generally recorded as revenue when received in cash, because they are generally not measurable until actually received. Investment earnings are recorded as revenue when earned since they are both measurable and available.

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. The current taxes receivable represent the 2017 levy plus any uncollected amounts from the 2016 levy. Property taxes that are not available for current year operations are shown as a deferred inflow of resources. Property taxes are levied each year on all taxable real and personal property in the City. The City's property tax is levied and a lien attached each November 1 on the assessed value as of the prior January 1. The first half is paid on or before December 20 and the second half paid on or before May 10 of the following year.

Taxes receivable represent property, sales and franchise taxes, including interest and penalties, reduced by an appropriate allowance for uncollectible taxes.

Summary of significant accounting policies: The significant accounting policies followed by the City include the following:

Cash and investments: The City maintains a cash and investment pool to maximize investment opportunities. Income from investments purchased with pooled cash is allocated to individual funds based on the fund's average cash balance and legal requirements. Each fund's portion of total cash and investments is reported as such within this report. In addition, certain investments are separately held by several of the City's funds.

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Investments, other than the external investment pool and money market funds, are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same—that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between the market and participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. See Note 2 for additional information regarding fair value measures.

The City invests in the Kansas Municipal Investment Pool (KMIP) which is administered by the Kansas Office of State Treasurer, and the Federated Money Market Treasury Obligations Fund. KMIP is not SEC registered and is regulated by the state of Kansas. This external investment pool is reported at amortized cost pursuant to the criteria set forth in GASB Statement No 79. The City's money market funds are also reported at amortized cost.

In addition, certain resources set aside are classified as restricted assets on the balance sheet because their use is limited by applicable bond requirements, as either bond reserve accounts or debt service accounts.

Accounts receivable: Results primarily from miscellaneous services provided to citizens in the governmental funds. All are net of an allowance for uncollectibles.

Capital assets: Including land, construction-in-progress, buildings, improvements, machinery and equipment and infrastructure are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The City has not capitalized general governmental infrastructure assets purchased or constructed prior to January 1, 2003 as allowed by Governmental Accounting Standards Board Statement No. 34. Retroactive reporting of general governmental infrastructure assets is not required for the City of Roeland Park, Kansas.

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

Depreciation has been provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives for each capital asset type are as follows:

	Years
Buildings	20-50
Improvements other than buildings	20
Vehicles	3-15
Machinery and equipment	5-20
Infrastructure	65

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

The City's collection of works of art, library books and other similar assets are not capitalized, except for any individual items greater than \$5,000, which are reported as nondepreciable capital assets. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to City policy that requires proceeds from the sale of these items to be used to acquire other collection items.

Deferred outflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has two items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide 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 using the straight-line method which approximates the effective interest method. The second deferred outflow item consists of unrecognized items not yet charged to pension expense and contributions from the City after the measurement date but before the end of the City's reporting period.

Deferred inflows of resources: In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In the City's government-wide statements, the property tax revenues remain as a deferred inflow of resources and will become an inflow in the year for which they are levied. The City's government-wide statements also include pension related deferred inflows, which are the unamortized portion of the difference between expected and actual experience, changes in assumptions and the change in proportion and differences between the City's contributions and proportionate share of contributions all related to the net pension liability.

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

Interfund transactions: Transactions, among City funds that would be treated as revenues and expenditures if they involved organizations external to City government, are accounted for as revenues and expenditures in the funds involved.

Transactions, which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statement of revenues, expenditures and changes in fund balance.

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds." Those that are longer term in nature are reported as advances to/from other funds.

Compensated absences: Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days up to the amount earned in one year. These benefits of the governmental funds that are considered matured or due are reported as an expenditure and a fund liability of the fund that will pay it. Employees are not paid for accumulated sick leave upon termination. The amount of accumulated unpaid vacation which is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirements and resignations.

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

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council through ordinance approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts constrained by the City's intent to use them for a specific purpose. It is the City's policy that the authority to assign fund balance has been delegated by the City Council to the Assistant City Administrator/Director of Finance and City Administrator.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Restricted deficit amounts of other governmental funds would also be reported as unassigned.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the City's procedure is to pay the expenditure from restricted fund balance and then from less-restrictive classifications—committed, assigned and then unassigned fund balances.

Net position: Represent the difference between assets and liabilities. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted through enabling legislation consist of \$626,631 for debt service, \$186,610 for special highway, \$4,468,965 for capital expansion and improvements and \$16,504 for Roeland Park property owner's association.

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)

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

Bond discount, premium and issuance costs: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Bond issuance costs are reported as debt service expenditures in the period that the debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

Note 2. Cash and Investments

Authorized investments: Kansas state statutes authorize the City, with certain restrictions, to deposit or invest in open accounts, time deposits, direct obligations of the U.S. government or its agencies, certificates of deposit, repurchase agreements, United States treasury bills and notes and the State Treasurer's investment pool. Statutes also require that collateral pledged must have a fair market value equal to 100 percent of the deposits (less insured amounts) and investments, and must be assigned for the benefit of the City. The statutes provided for an exception for peak deposit periods during tax-paying time where, for a period of 60 days, the amount of required collateral could be reduced by one-half. The City maintains a pooled money market account that is available for use by all funds. Each fund type's portion of this pool is presented on the combined balance sheet as pooled cash. Investment income is credited to the corresponding accounts per state statute. Interest is then credited to the General Fund based on the average balance of funds held for future claim liabilities. Remaining investment income is credited to the Debt Service Fund and capital projects funds based on the funds' average investment balance. The City has not adopted a formal investment policy that would further limit its investment choices.

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

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

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

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 2. Cash and Investments (Continued)

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

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

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

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

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

As of December 31, 2017, the City had the following investments with the following maturities:

Investment Type	Fair Value	Investment Maturities (in years)		Fair Value Measurement
		Less than 1	1 - 2	
Federal Home Loan Bank	\$ 2,120,708	\$ 432,193	\$ 1,688,515	Level 2
Federal National Mortgage Association	2,758,405	2,409,070	349,335	Level 2
Freddie Mac	725,783	99,415	626,368	Level 2
Federal Farm Credit Banks	1,094,817	1,094,817	-	Level 2
	<u>\$ 6,699,713</u>	<u>\$ 4,035,495</u>	<u>\$ 2,664,218</u>	

As of December 31, 2017, the City had \$157,500 invested in the Kansas Municipal Investment Pool. The Kansas Municipal Investment Pool is authorized under the 1992 Senate Bill 480 Section 1 and funds may be withdrawn at any time, with no restrictions or limitations on withdrawals. The average maturity of the Kansas Municipal Investment Pool as of December 31, 2017 is less than one year. As of December 31, 2017, the City also had \$16,499 invested in the Federated Money Market Treasury Obligations Fund in which funds may be withdrawn at any time. The average maturity of the Federated Money Market Treasury Obligations Fund as of December 31, 2017 is 26 days. The City also had \$449,500 invested in a Repurchase Agreement—Treasury Bond, which is not subject to interest rate risk as it is guaranteed by the U.S. government. These are recorded as restricted cash and cash equivalents on the statement of net position

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 2. Cash and Investments (Continued)

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City has no investment policy that would limit its investment choices. As of December 31, 2017, the City's investment in the Kansas Municipal Investment Pool was rated AA+ by Standard & Poor's and was not rated by Moody's Investor Services. The City's investment in Federated Money Market Treasury Obligations Fund was rated AA+ by Standard & Poor's and Aaa-mf by Moody's Investor Services. The City's investment in the Repurchase Agreement—Treasury Bond, is not subject to credit risk as it is guaranteed by the U.S. government.

The table below illustrates the City's exposure to credit risk for investments outside of pools:

Investment Type	S&P Credit Rating
Federal Home Loan Bank	AA+
Federal National Mortgage Association	AA+
Freddie Mac	AA+
Federal Farm Credit Banks	AA+

Concentration of credit risk: The City places no limit on the amount the City may invest in any one issuer. As of December 31, 2017, the City's investments are invested in FHLB, FNMA, Freddie Mac, and Federal Farm Credit Banks which represent 32, 41, 11 and 16 percent, respectively, of total investments.

Custodial credit risk: Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. As of December 31, 2017, the City's bank balances of deposits with financial institutions of \$1,895,404 were not exposed to custodial credit risk. As of December 31, 2017, the City's investment in direct obligations of the U.S. Government, the Kansas Municipal Investment Pool, Federated Money Market Treasury Obligations Fund and the Repurchase Agreement—Treasury Bond were not subject to custodial credit risk. All other City investments were not exposed to custodial credit risk.

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 3. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2017:

	2016 Balance	Additions	Deletions	2017 Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,396,272	\$ 820,000	\$ -	\$ 2,216,272
Artwork	12,620	-	-	12,620
Construction in progress	557,600	348,224	820,000	85,824
Total capital assets not being depreciated	1,966,492	1,168,224	820,000	2,314,716
Capital assets being depreciated:				
Buildings	4,470,373	-	-	4,470,373
Improvements other than buildings and infrastructure	27,848,107	24,024	-	27,872,131
Machinery and equipment	1,847,431	179,901	29,465	1,997,867
Total capital assets being depreciated	34,165,911	203,925	29,465	34,340,371
Less accumulated depreciation for:				
Buildings	2,045,081	83,772	-	2,128,853
Improvements other than buildings and infrastructure	11,809,539	1,338,727	-	13,148,266
Machinery and equipment	1,197,582	132,995	29,465	1,301,112
Total accumulated depreciation	15,052,202	1,555,494	29,465	16,578,231
Total capital assets being depreciated, net	19,113,709	(1,351,569)	-	17,762,140
Governmental activities capital assets, net	\$ 21,080,201	\$ (183,345)	\$ 820,000	\$ 20,076,856

Depreciation expense was charged to governmental activities functions/programs as follows:

Governmental Activities	
General government	\$ 81,495
Public safety	53,067
Culture and recreation	124,923
Highways and streets	1,296,009
Total depreciation expense, governmental activities	<u>\$ 1,555,494</u>

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 4. Long-Term Debt

A summary of changes in long-term debt for the year ended December 31, 2017 follows:

Type of Issue	Balance December 31, 2016	Additions	Retirements	Balance December 31, 2017	Due Within One Year
General obligation bonds	\$ 5,603,000	\$ -	\$ 1,137,000	\$ 4,466,000	\$ 1,165,000
Tax increment revenue bonds	2,337,203	-	1,108,827	1,228,376	944,683
Transportation development district sales tax revenue bonds	4,128,491	-	350,004	3,778,487	3,778,487
Add premiums	7,663	-	792	6,871	-
Less discounts	(50,419)	-	(6,296)	(44,123)	-
Capital leases	456,251	-	252,532	203,719	203,719
Net pension liability	2,357,010	-	219,306	2,137,704	-
Net OPEB obligation	128,783	8,839	-	137,622	-
Compensated absences	124,017	97,121	81,921	139,217	81,921
Total long-term debt	\$ 15,091,999	\$ 105,960	\$ 3,144,086	\$ 12,053,873	\$ 6,173,810

Compensated absences, the net OPEB obligation and the net pension liability are normally liquidated by the General Fund.

A detailed listing of the City's long-term debt outstanding as of December 31, 2017 follows:

Debt Issue	Date Issued	Original Amount	Interest Rate	Balance
Long-Term Debt:				
General Obligations Bonds:				
General Obligations Bonds, Series 2010-1	8/19/10	\$ 3,345,000	1.50-3.50%	\$ 1,360,000
General Obligations Bonds, Series 2012-1	8/1/12	2,950,000	0.65-2.40	965,000
General Obligations Bonds, Series 2011-2	8/25/11	1,565,000	2.00-3.40	1,805,000
General Obligations Bonds, Series 2014-A	11/25/14	650,000	2.25	336,000
				<u>\$ 4,466,000</u>
Special Obligation Tax Increment Revenue Bonds:				
Series 2000, Valley State Bank Project	2/1/00	695,000	7.00	\$ 318,376
Series 2005, Roeland Park Redevelopment LLC Project	2/1/05	4,495,000	4.60-5.75	910,000
				<u>\$ 1,228,376</u>
Revenue Bonds:				
Transportation Development District:				
Sales Tax Revenue Bonds, 2005	11/1/05	3,555,000	4.50-5.75	\$ 2,121,045
Sales Tax Revenue Bonds, 2006A	1/1/06	1,090,000	5.875	772,936
Sales Tax Revenue Bonds, 2006B	1/1/06	1,690,000	5.125 - 5.875	884,506
				<u>\$ 3,778,487</u>
Capital Lease Obligations:				
Pool	9/1/01	2,673,908	5.10-5.30	\$ 148,500
Street sweeper	9/23/10	212,550	3.84	30,077
Trucks	8/24/11	167,788	2.79	25,142
				<u>\$ 203,719</u>

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 4. Long-Term Debt (Continued)

Annual debt service requirements for general obligation bonds to be paid with tax levies are:

Year	Principal	Interest	Total
GO Bonds:			
2018	\$ 1,165,000	\$ 109,381	\$ 1,274,381
2019	847,000	86,916	933,916
2020	694,000	68,098	762,098
2021	395,000	50,916	445,916
2022	410,000	40,811	450,811
2023 - 2026	955,000	62,913	1,017,913
	<u>\$ 4,466,000</u>	<u>\$ 419,035</u>	<u>\$ 4,885,035</u>

Annual debt service requirements for the special obligation tax increment revenue bonds to be paid for with property tax revenues generated from the tax increment financing district securing the debt are:

Year	Principal	Interest	Total
Tax Increment:			
2018	\$ 944,683	\$ 37,484	\$ 982,167
2019	34,683	33,322	68,005
2020	249,010	33,322	282,332
	<u>\$ 1,228,376</u>	<u>\$ 104,128</u>	<u>\$ 1,332,504</u>

Annual debt service requirements for the transportation development district revenue bonds to be paid for with sales tax revenues generated from the tax increment financing district securing the debt are:

Year	Principal	Interest	Total
TDD:			
2018	\$ 3,778,487	\$ 600,390	\$ 4,378,877
2019	-	191,181	191,181
2020	-	169,976	169,976
2021	-	147,062	147,062
2022	-	121,824	121,824
2023 - 2025	-	193,445	193,445
	<u>\$ 3,778,487</u>	<u>\$ 1,423,878</u>	<u>\$ 5,202,365</u>

Annual debt service requirements for capital leases to be paid for with tax levies are:

Year	Principal	Interest	Total
Capital Leases:			
2018	\$ 203,719	\$ 7,542	\$ 211,261

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 4. Long-Term Debt (Continued)

K.S.A. 10-308 prescribes that indebtedness of a city shall be limited to 30 percent of such city's assessed valuation. As of December 31, 2017, the statutory limit for the City was \$24,976,446 providing a debt margin of \$20,306,726. Included in the legal debt margin calculation are outstanding general obligation bonds as of December 31, 2017 of \$4,466,000 and capital lease obligations of \$203,719.

During 1996, the City entered into an Interlocal Cooperation Agreement with the Johnson County Parks and Recreation District, Johnson County, Kansas, to construct, operate and maintain a leisure activity pool within the City. This agreement called for the County to issue bonds to finance construction of the pool. In conjunction with the bond issuance, the City entered into a capital lease agreement.

During 2001, the County refunded the bonds originally issued for the construction of the pool. In conjunction with the bond reissue, the City entered into a new capital lease agreement. Minimum principal and interest payments on the lease as of 2001 totaled \$2,673,908 and \$1,432,282, respectively, over the term of the lease and will be used to pay the principal and interest on the bonds issued by the County. This lease is included in the capital lease annual debt service requirements on the previous page. The City also made payments to the County's Bond Reserve of \$157,500 which is the City's share of the Bond Reserve. These payments are reflected as restricted assets in the General Fund.

During 2000, the City issued \$1,248,525 in two issuances of Special Obligation Tax Increment Financing Revenue Bonds to finance certain eligible tax increment financing projects for the Boulevard Apartments and Valley State Bank. These special obligation bonds under Kansas law are payable solely from property tax increment received with respect to the financed projects. Incremental property taxes were projected to produce \$1,600,858 or 122 percent of the debt service requirements over the life of the bonds. These bonds are not general obligations of the City. It is not considered a default if there is insufficient tax increment to pay the full amount of principal and interest on the bonds. If the tax increment is insufficient to pay the full amount of principal and interest at maturity, the bonds will be deemed satisfied and paid in full. In 2003, the City issued the remaining \$39,362 authorized amount of Special Obligation Tax Increment Financing Revenue Bonds in relation to the Series 2000, The Boulevard Apartments. During 2013, the Boulevard Apartments debt was paid off. Total principal and interest remaining on the Valley State Bank bonds is \$418,243 payable through 2020. For the current year, principal and interest paid and total incremental property tax revenues were \$54,032 and \$69,375, respectively.

During 2005, the City issued \$4,495,000 Special Obligation Tax Increment Revenue Bonds to finance an eligible tax increment financing project. These special obligation bonds under Kansas law are payable solely from property tax increment received with respect to the financial projects. Incremental property taxes were projected to produce \$9,968,920 or 130 percent of the debt service requirements over the life of the bonds. These bonds are not direct obligations of the City. It is not considered a default if there is insufficient tax increment to pay the full amount of principal and interest on the bonds. If the tax increment is insufficient to pay the full amount of principal and interest at maturity, the bonds will be deemed satisfied and paid in full. In accordance with the debt agreement, upon issuance of the bonds, the City established a bond reserve and a debt service reserve fund. The balances of the bond reserve and the debt service reserve funds as of December 31, 2017 were \$449,500 and \$143,660, respectively, and are shown as restricted assets in the Bella Roe/Walmart Fund. Total principal and interest remaining on the bonds is \$914,162 payable through 2024. For the current year, principal and interest paid and total incremental property tax revenues were \$1,180,456 and \$1,037,211, respectively.

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 4. Long-Term Debt (Continued)

During 2005 and 2006, the City issued \$4,645,000 Transportation Development District Sales Tax Revenue Bonds to finance the TDD #1 project. The TDD #1 Sales Tax Revenues which the City has pledged as security for the bonds are derived from a 1 percent TDD #1 sales tax imposed by the City within Transportation District #1 and the bonds are payable through 2025. The TDD #1 sales tax became effective on October 1, 2005. In accordance with the debt agreement, upon issuance of the bonds, the City established a bond reserve and a debt service reserve fund. The balance of the bond reserve fund as of December 31, 2017 was \$13,933 and is shown as restricted assets in the TDD #1—Price Chopper Fund. Total principal and interest remaining to be paid on the bonds is \$3,791,296. Principal and interest paid for the current year and total TDD #1 sales taxes were \$239,000 and \$264,456, respectively.

During 2006, the City issued \$1,690,000 Transportation Development District Sales Tax Revenue Bonds to finance the TDD #2 project. The TDD #2 Sales Tax Revenues which the City has pledged as security for the bonds are derived from a one percent TDD #2 sales tax imposed by the City within Transportation District #2 and the bonds are payable through 2025. The TDD #2 sales tax became effective on October 1, 2005. In accordance with the debt agreement, upon issuance of the bonds, the City established a bond reserve and a debt service reserve fund. The balance of the bond reserve fund as of December 31, 2017 was \$920 and is shown as restricted assets in the TDD #2—Lowe's Fund. Total principal and interest remaining to be paid on the bonds is \$1,411,069. Principal and interest paid for the current year and total TDD #2 sales taxes were \$121,000 and \$140,435, respectively.

Notice of acceleration: In 2012, the City did not make a scheduled principal payment of \$60,000 payable on December 1, 2012 for the 2006B Transportation Development District Sales Tax Revenue Bond due to insufficient sales tax revenues deposited in the debt service reserve fund. The City filed a notice of the missed payment with the Municipal Securities Rulemaking Board and its bondholders. As this qualified as an event of default, the bondholders have the ability to file written notice with the trustee to accelerate the maturity of the bonds. In 2013, the bondholders exercised this right and the bond issue was put into a notice of acceleration by the bondholders to accelerate the maturity of the bonds. The notice of acceleration was a result of insufficient sales tax revenue received and therefore insufficient funds held in the bond reserve account. The outstanding principal due on the bonds of \$884,506 as of December 31, 2017 has been recorded as a liability in the TDD #2—Lowe's Fund balance sheet as the liability has matured.

In 2015, the City did not make a scheduled principal payment of \$160,000 payable on December 1, 2015 for the 2005 and 2006A Transportation Development District Sales Tax Revenue Bond due to insufficient sales tax revenues deposited in the debt service reserve fund. The City filed a notice of the missed payment with the Municipal Securities Rulemaking Board and its bondholders. As this qualified as an event of default, the bondholders have the ability to file written notice with the trustee to accelerate the maturity of the bonds. In 2017, the bondholders exercised this right and the bond issue was put into a notice of acceleration by the bondholders to accelerate the maturity of the bonds. The notice of acceleration was a result of insufficient sales tax revenue received and therefore insufficient funds held in the bond reserve account. The outstanding principal due on the bonds of \$2,893,981 as of December 31, 2017 has been recorded as a liability in the TDD #1—Price Chopper Fund balance sheet as the liability has matured.

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 5. Transfers

Transfers for the year ended December 31, 2017 consisted of:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 763,210
Debt Service Fund	416,000	-
Special revenue funds, nonmajor governmental funds	604,250	473,970
Capital projects funds, nonmajor governmental funds	216,930	-
	<u>\$ 1,237,180</u>	<u>\$ 1,237,180</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 or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 6. Defined Benefit Pension Plan

Kansas Public Employees Retirement System

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

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

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

Those employees participating in the Pension Plan for the City are included in the local employee group.

KPERS issues a stand-alone comprehensive annual financial report, which is available on the KPERS website at www.kpers.org.

Benefits: Benefits are established by statute and may only be changed by the General Assembly. Members with ten or more years of credited service, may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85.

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

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 6. Defined Benefit Pension Plan (Continued)

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

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

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2 percent of total payroll for the fiscal year ended June 30, 2017.

The actuarially determined employer contribution rates and the statutory contribution rates for local employees are both 8.46 percent. The actuarially determined employer contribution rates and the statutory contribution rates for Police and Firemen are both 19.03 percent. Member contribution rates as a percentage of eligible compensation in fiscal year 2017 are 6.00 percent for public employees, 7.15 percent for Police and Firemen, and 6.00 percent or 2.00 percent for Judges.

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 of the following groups of the plan:

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

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

The allocation percentages for the City's share of the collective pension amounts as of June 30, 2017 was based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the year ended June 30, 2017.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2017, the City's proportion was 0.204133 percent, which was a decrease of 0.019345 percent from its proportion measured at June 30, 2016.

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 6. Defined Benefit Pension Plan (Continued)

Net pension liability: The employer's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the net pension liability to June 30, 2017. At December 31, 2017, the City reported a liability of \$2,137,704 for its proportionate share of the net pension liability.

Actuarial assumptions: The actuarial valuation as of December 31, 2016 using the following actuarial assumptions:

Price inflation	2.75%
Wage inflation	3.00%
Salary increases, including wage increases	3.50 to 12.00%, including price inflation
Long-term rate of return, net of investment expense, and including price inflation	7.75%

Mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table for Males and Females, with adjustments to better match actual experience. Separate tables apply for males and females as well as each group (State, School, Local, Police and Firemen, and Judges). Future mortality improvements are anticipated using scale MP-2016.

The following actuarial assumptions and methods used for measuring the total pension liability were changed since prior measurement date.

- 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%
- The mortality assumption was modified by moving to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS users.
- Assumed retirement and termination rates were adjusted to better reflect actual experience.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study conducted for three years ending December 31, 2015.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

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

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 6. Defined Benefit Pension Plan (Continued)

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

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

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share of net pension liability	\$ 3,046,310	\$ 2,137,704	\$ 1,375,449

Pension expense: For the year ended December 31, 2017, the City recognized pension expense of \$235,174, which includes the changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred outflows of resources and deferred inflows of resources: At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 75,776	\$ (33,159)
Net differences between projected and actual earnings on investments	75,596	-
Changes of assumptions	139,152	(11,355)
Changes in proportion	69,163	(178,710)
Contributions made subsequent to the measurement date *	110,976	-
Total	\$ 470,663	\$ (223,224)

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

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 6. Defined Benefit Pension Plan (Continued)

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

Years ending December 31:

2018	\$	6,409
2019		90,485
2020		59,951
2021		(21,022)
2022		640
	\$	<u>136,463</u>

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

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report, which can be located at www.kpers.org.

Note 7. Commitments and Contingencies

- (a) **Risk Management:** The City is a member of Midwest Public Risk (MPR), a not-for-profit corporation consisting of governmental entities incorporated in 2009 to acquire insurance for its members. MPR operates as a purchasing pool and is not a joint venture activity of the City. The City has no control over budgeting, financing, management selection or the governing body. MPR provides both conventional and self-insurance coverage for its members including medical, dental, property, casualty, general liability and worker's compensation. The City participates in health care coverage. The City purchases commercial insurance for property, casualty, general liability and worker's compensation insurance coverages.

MPR manages the cash and investment pool, funded by insurance premiums, on behalf of its members. MPR's investment pool consists of interest bearing deposits, U.S. Treasury strips, U.S. governmental agency obligations and collateralized mortgage obligations.

In the event that a deficit occurs with respect to any fiscal year of MPR for which the City was a participant at any time during such year; and in the event that MPR determines that an assessment is required in order to provide additional funds for the obligations of MPR for such year; and further, in the event that the City was covered by the types of benefits requiring the assessment during the time period in which the assessment arose, the City is obligated to pay its pro rata share of any such assessment, irrespective of whether or not the City is a member of MPR at the time of such assessment. MPR has not had deficiencies in any of the past three fiscal years.

- (b) **Commitments:** Normal commitments have been made for future expenditures related to the City's capital projects programs.

The Bella Roe/Walmart TIF Fund has encumbered \$606,648 to be spent in fiscal year 2018.

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 8. Other Postemployment Benefits

Plan description: In addition to providing the pension benefits described above, the City provides employees an agent multiple-employer plan. At the same time they end their service to the City, the retiree has the opportunity for continuation of medical and dental insurance coverage offered through Midwest Public Risk (MPR). To be eligible, employees must be full-time with at least ten years of service. The City provides retiree healthcare benefits through MPR which is an insurance pool comprised of about 59 entity members.

The City maintains a trust arrangement with MPR to collect premiums and pay claims/administrative costs. This trust arrangement does not qualify as an "OPEB Plan" and is not treated as holding assets in order to offset GASB Statement No. 45 liabilities. However, GASB does require the "Plan" determine the valuation interest rate (or discount rate) based on expected return of the MPR Health and Dental Fund since it is used to pay retiree claims. The plan is not accounted for as a trust fund since an irrevocable trust has not been established. There is no standalone financial report for the plan.

Funding policy: The City does not pay retiree benefits directly; they are paid implicitly over time through employer subsidization of active premiums that would be lower if retirees were not part of the experience group. Retirees who elect to continue coverage in the medical and dental plans offered through MPR are required to pay a contribution until the employee becomes eligible for Medicare. Since the retirees pay the premiums each year, the City's share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. The benefits and benefit levels are governed by City policy and the MPR trust agreement. As of December 31, 2017, there was one City retiree participating in the plan.

Annual OPEB cost and net OPEB obligation: The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the City's annual OPEB obligation:

Annual required contribution	\$	14,103
Interest on net OPEB obligation		5,795
Adjustment to annual required contribution		(7,059)
Annual OPEB cost (expense)		<u>12,839</u>
Contributions and payments made		<u>(4,000)</u>
Increase in net OPEB obligation		8,839
Net OPEB obligation, beginning of year		<u>128,783</u>
Net OPEB obligation, end of year	\$	<u><u>137,622</u></u>

The General Fund will liquidate the net other postemployment benefit obligation in future years.

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 8. Other Postemployment Benefits (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2017 and the two preceding years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2017	\$ 12,839	31.2%	\$ 137,622
December 31, 2016	12,451	32.1	128,783
December 31, 2015	14,224	7.0	120,332

Funded status and funding progress: As of July 1, 2015, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$100,271 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$100,271. The covered payroll (annual payroll of active employees covered by the plan) was \$1,402,959 and the ratio of the UAAL to the covered payroll was 7.1 percent.

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

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

In the July 1, 2015 actuarial valuation, projected unit credit method was used. The actuarial assumptions included 4.5 percent investment rate of return; a cost trend rate of 7.00 percent for medical claims and prescriptions, reduced by decrements to an ultimate rate of 5.00 percent after six years. The UAAL is being amortized as open-level dollar over a period of 30 years.

Note 9. Leases

The City is a lessor under rental agreements for the rental of land, a tower and building space. Lease revenue of \$123,664 is included in General Fund other revenue. Future minimum rentals under such leases are as follows:

Years ending December 31:

2018	\$ 87,967
2019	92,351
2020	94,786
2021	75,489
	<u>\$ 350,593</u>

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 10. Fund Balance Deficits

The TDD #2—Lowe's Debt Service Fund had a fund balance deficit of \$809,752. This deficit occurred due to the notice of acceleration on the 2006B Transportation Development District Sales Tax Revenue Bond as discussed in Note 4. This deficit will be eliminated through the associated sales tax revenue stream from the Transportation Development District.

The TDD #1—Price Chopper Debt Service Fund had a fund balance deficit of \$2,756,849. This deficit occurred due to the default on principal payments on the 2005B and 2006A Transportation Development District Sales Tax Revenue Bond as discussed in Note 4. This deficit will be eliminated through the associated sales tax revenue stream from the Transportation Development District.

Note 11. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The classifications of fund balances by opinion unit are as follows:

Fund Balances	General Fund	Bella Roe/ Walmart TIF Fund	Debt Service Fund	TDD #1 - Price Chopper Fund	CID #1 Roeland Park Shopping Center Fund	Nonmajor Governmental Funds	Total
Restricted:							
Debt service	\$ 157,500	\$ 780,195	\$ 268,346	\$ -	\$ -	\$ 280,094	\$ 1,486,135
Special highway	-	-	-	-	-	186,610	186,610
Capital expansion and improvements	-	-	-	-	2,225,413	2,243,552	4,468,965
Roeland Park Property Owners Association	-	-	-	-	-	16,504	16,504
Total restricted	157,500	780,195	268,346	-	2,225,413	2,726,760	6,158,214
Committed:							
Capital projects	-	127,000	-	-	-	-	127,000
Revenue stabilization policy	1,410,000	-	-	-	-	-	1,410,000
	1,410,000	127,000	-	-	-	-	1,537,000
Assigned, special law	8,913	-	-	-	-	375,139	384,052
Unassigned	1,207,063	-	-	(2,756,849)	-	(809,752)	(2,359,538)
Total fund balances	\$ 2,783,476	\$ 907,195	\$ 268,346	\$ (2,756,849)	\$ 2,225,413	\$ 2,292,147	\$ 5,719,728

City of Roeland Park, Kansas

Notes to Basic Financial Statements

Note 12. New Governmental Accounting Standards Board (GASB) Standards

As of December 31, 2017, the GASB had issued several statements not yet implemented by the City of Roeland Park, Kansas. The statements which might impact the City are as follows:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued in June 2015, will be effective for the City beginning with its fiscal year ending December 31, 2018. The Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.

GASB Statement No. 85, *Omnibus 2017* will be effective for the City with its year ending December 31, 2017. The objective of Statement No. 85 is to address practice issues that have been identified during implementation and application of certain GASB Statements. Statement No. 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the City beginning with its fiscal year ending December 31, 2020, with earlier adoption encouraged. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. Under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must report the (1) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, nonlease components embedded in lease contracts (such as service agreements), and leases with related parties.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placement*, issued March 2018, will be effective for the City beginning with its fiscal year ending December 31, 2019, with earlier adoption encouraged. Statement No. 88 clarifies which liabilities governments should include in their note disclosures related to debt. This Statement defines debt that must be disclosed in the notes to financial statements as a liability that arises from a contractual obligation to pay cash in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Governments must also disclose amounts of unused lines of credit, assets pledged as collateral for debt and the terms specified in debt agreements related to significant events of default with finance-related consequences, termination events with finance-related consequences, and subjective acceleration clauses. Within the notes, governments should separate information regarding direct borrowings and direct placements of debt from other debt.

Management intends to adopt these Statements by the required dates and will modify and expand its disclosures accordingly.

City of Roeland Park, Kansas

**Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Kansas Public Employees' Retirement System**

	2017	2016	2015
City's proportion of the net pension liability	0.204133%	0.223478%	0.214844%
City's proportionate share of the net pension liability	\$ 2,137,704	\$ 2,357,010	\$ 1,810,638
City's covered-employee payroll	\$ 1,601,207	\$ 1,541,676	\$ 1,513,662
City's proportionate share of the net pension liability as a percentage of its covered payroll	133.51%	152.89%	119.62%
Plan fiduciary net position as a percentage of the total pension liability	67.12%	65.10%	64.95%

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

City of Roeland Park, Kansas

**Required Supplementary Information
Schedule of City Contributions
Kansas Public Employees' Retirement System**

KPERS - Local Group					
Fiscal Year-End	Statutorily Required Contribution *	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered- Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2017	\$ 68,416	\$ 68,416	\$ -	\$ 803,624	9%
2016	70,790	70,790	-	771,138	9
2015	68,774	68,774	-	725,466	9
2014	63,395	63,395	-	717,139	9
2013	50,942	50,942	-	641,763	8
2012	47,142	47,142	-	640,286	7
2011	41,029	41,029	-	605,021	7
2010	41,020	41,020	-	669,507	6
2009	38,328	38,328	-	691,847	6
2008	32,757	32,757	-	664,713	5

KP&F					
Fiscal Year-End	Statutorily Required Contribution *	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	City's Covered- Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2017	\$ 158,102	\$ 158,102	\$ -	\$ 797,583	20%
2016	163,189	163,189	-	770,538	21
2015	170,106	170,106	-	796,374	21
2014	157,038	157,038	-	788,345	20
2013	145,687	145,687	-	N/A	N/A
2012	132,040	132,040	-	N/A	N/A
2011	108,581	108,581	-	N/A	N/A
2010	108,293	108,293	-	N/A	N/A
2009	112,692	112,692	-	N/A	N/A
2008	110,623	110,623	-	N/A	N/A

* Includes KPERS Contribution only, this excludes insurance required through KPERS

N/A - Information from this period is not available

City of Roeland Park, Kansas

**Required Supplementary Information
Other Postemployment Benefit Plan**

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2017	7/1/15	\$ -	\$ 100,271	\$ 100,271	- %	1,582,624	6.3%
2016	7/1/15	-	100,271	100,271	-	1,402,959	7.1
2015	7/1/13	-	99,224	99,224	-	1,496,583	6.6
2014	7/1/13	-	99,224	99,224	-	1,617,972	6.1
2013	7/1/11	-	98,264	98,264	-	1,550,396	6.3

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of July 1, 2015. Additional information follows:

- The cost method used to determine the ARC is the projected unit credit method.
- The actuarial assumptions included 4.5 percent investment rate of return; general inflation rate of 2.5 percent; dental care cost trend rate of 3.75 percent and 7 percent for medical claims and prescriptions, reduced by decrements to an ultimate rate of 5 percent after 8 years.
- The amortization method is level dollar, open.

City of Roeland Park, Kansas

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—General Fund
Year Ended December 31, 2017

	Budget			Final Budget to Actual Variance
	Original	Final	Actual	
Revenues:				
Taxes	\$ 4,006,722	\$ 4,006,722	\$ 3,687,870	\$ (318,852)
Special assessments	3,403	3,403	2,590	(813)
Intergovernmental	2,904,158	2,904,158	211,638	(2,692,520)
Licenses and permits	165,108	165,108	183,042	17,934
Fines and forfeitures	281,099	281,099	311,722	30,623
Interest	33,385	33,385	21,558	(11,827)
Other	727,992	727,992	738,529	10,537
Total revenues	8,121,867	8,121,867	5,156,949	(2,964,918)
Expenditures:				
Current:				
General government	1,846,415	1,846,415	1,444,741	401,674
Highway and streets	890,855	890,855	825,617	65,238
Public safety	1,199,518	1,199,518	1,085,243	114,275
Culture and recreation	232,563	232,563	172,466	60,097
Employee benefits	787,254	787,254	732,402	54,852
Debt service:				
Principal retirement	198,000	198,000	198,000	-
Interest and fiscal charges	13,860	13,860	13,860	-
Total expenditures	5,168,465	5,168,465	4,472,329	696,136
Excess of revenues over expenditures	2,953,402	2,953,402	684,620	(2,268,782)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(192,430)	(192,430)	(763,210)	(570,780)
Total other financing sources (uses)	(192,430)	(192,430)	(763,210)	(570,780)
Changes in fund balance	\$ 2,760,972	\$ 2,760,972	(78,590)	\$ (2,839,562)
Fund balance, beginning of year			2,862,066	
Fund balance, end of year			<u>\$ 2,783,476</u>	

See note to required supplementary information.

City of Roeland Park, Kansas

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—CID #1—Roeland Park Shopping Center Fund
Year Ended December 31, 2017

	Budget			Final Budget to Actual Variance
	Original	Final	Actual	
Revenues:				
Taxes	\$ 446,114	\$ 446,114	\$ 454,122	\$ 8,008
Investment income	10,910	10,910	6,892	(4,018)
Intergovernmental	1,763,318	1,763,318	-	-
Total revenues	2,220,342	2,220,342	461,014	3,990
Expenditures, capital outlay	1,960,403	1,960,403	86	1,960,317
Changes in fund balance	\$ 259,939	\$ 259,939	460,928	\$ 1,964,307
Fund balance, beginning of year			1,764,485	
Fund balance, end of year			<u>\$ 2,225,413</u>	

See note to required supplementary information.

City of Roeland Park, Kansas

Note to Required Supplementary Information Year Ended December 31, 2017

Budgets and Budgetary Accounting

State statutes require that an annual operating budget be legally adopted for the General Fund, special revenue funds (unless specifically exempted by statute), Debt Service Fund and the Equipment Reserve Fund (capital projects funds).

The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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. Unencumbered appropriations lapse at year-end.

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

The City Administrator has the authority to transfer budgeted amounts (including transfers) between line items at the department level and between departments. The statutes also permit transferring budgeted amounts between line items within an individual fund. The statutes prohibit expenditures and transfers out in excess of the total amount of the adopted budget of expenditures and transfers out of individual funds (the legal level of control). Budget comparison statements are presented for each fund type showing actual revenue and expenditures compared to legally budgeted revenue and expenditures.

State statutes prohibit cities from creating indebtedness unless there is money on hand in the proper fund and unencumbered by previous commitments with which to pay the indebtedness. The execution of a contract, or the issuing of a purchase order, automatically encumbers the money in the fund for the payment of the amount represented by the commitment. It makes no difference that the amount may not have to be paid until more monies are in the fund or until the following year. An exception to this cash basis law is the issuance of debt, in the form of bonds, notes or warrants, pursuant to statutory authority, referendum or by the State Board of Tax Appeals. In the event debt is issued, funds need not be on hand for future payments.

The budgeted amount reflects the 2017 Adopted Operating Budget for the City. Every year, during the adoption of the following year's budget, the City will provide a mid-year projection which makes adjustments to the budget based on any changes since the adoption of that year's budget. Per state requirements, the City completes a state budget form which allocates the entire operating budget plus the fund balance for each fund in the event we make changes mid-year and exceed the operating budget. As a result, the City is not required to submit a budget amendment unless expenditures exceed what is in the fund balance.

City of Roeland Park

The other governmental funds of the City are considered nonmajor and are as follows:

Special Revenue Funds: Are used to account for the proceeds of specific revenue sources (other than certain capital projects that are legally restricted to expenditures for specific projects).

Special Highway: Established to account for monies sent quarterly from the State Treasurer's office which are the Special City and County Highway Funds distributed and computed in compliance with K.S.A. 79-3425CC.

Community Center: Established to pay the cost of the acquisition, maintenance, improvements and the use of former Skyline School. A one-eighth cent local sales tax approved by residents is allocated to this fund. This fund is referred to the 27C fund of the City.

Roeland Park City Hall Property Owners Association Fund: Created to administer various functions within City Hall and to establish the means and methods of collecting assessments and charges for the management of City Hall.

Special Infrastructure: Established to pay the cost of public infrastructure projects including buildings. Revenues generated in this fund come from an additional City Retailers' Sales Tax in the amount of one-fourth of one percent (.25 percent) beginning on April 1, 2003, and ending on March 31, 2023. This fund is referred to as the "27D Fund" of the City.

TIF 2D – City Hall/Walgreens/QT: Established to account for monies received to promote development in the district, as well as retire any bonds associated with the projects. Projects approved in the area include City Hall Remodel/Technology updates, Granada Park improvements, roadway improvements and Stormwater Improvements.

Special Street: Created for the purpose of paying for the repair, maintenance and improvement of streets, curbs and sidewalks located within the City. Revenues generated in this fund come from a retailer's sales tax of one-half of one percent (.5 percent). In addition, payments are made from this fund to service General Obligation long-term debt of the City. This fund is referred to as the "27A Fund" of the City.

Capital Projects Funds: Are used to account for all resources which are restricted, committed or assigned for the acquisition and construction of capital facilities and other capital assets.

Equipment and Building Reserve: A fund created to account for the scheduled purchase and replacement of vehicles and equipment as well as reserves from facility improvements.

Old Pool and Boulevard Apartments: Created in order to segregate funds dedicated to the repayment of special obligation tax increment fund (TIF) bonds issued to fund improvements and economic development within the project areas. After the bonds were retired, the funding has been used for economic development projects benefiting the TIF district.

Debt Service Funds: Are used to account for all resources which are restricted, committed or assigned for the payment of principal and interest on long-term debt.

City of Roeland Park

Valley State Bank: Created to account for monies received to retire special obligation tax increment revenue bonds Series 2000 dated February 1, 2000 in the amount of \$695,000.

TDD #2 – Lowe’s: Created to establish transportation development districts (“transportation districts”) within such jurisdiction, to acquire interests in property and to construct any project or undertaking relating thereto to improve any bridge, street, road, highway access road, interchange, intersection, signing, signalization, parking lot, bus stop, station, garage, terminal, hangar, shelter, rest area, dock, wharf, lake or river port, airport, railroad, light rail or other mass transit facility and any similar or related project or infrastructure (collectively, “transportation projects”); and the act further authorizes said governing body, in order to pay the costs of such transportation projects, to impose a transportation district sales tax on the selling of tangible personal property at retail or rendering or furnishing services within transportation districts in any increment of .10 percent not to exceed 1.0 percent and/or the levy of special assessments upon property within such transportation districts, and to issue revenue bonds payable from such sales taxes and/or special assessments. The district covers all of Lot 2, Roeland Park Shopping Center, a subdivision of land in Roeland Park, Kansas.

City of Roeland Park, Kansas

**Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017**

	Special Revenue		
	Special Highway Fund	Community Center Fund	Roeland Park City Hall Property Owners Association Fund
Assets			
Pooled cash	\$ 33,254	\$ 145,108	\$ 16,504
Investments	-	269,496	-
Receivables:			
Taxes	-	36,699	-
Intergovernmental	46,084	12,803	-
Restricted cash	-	-	-
Restricted investments	111,000	-	-
Total assets	\$ 190,338	\$ 464,106	\$ 16,504
Liabilities			
Accounts payable and accrued liabilities	\$ 3,728	\$ 1,282	\$ -
Matured long-term debt in default	-	-	-
Total liabilities	3,728	1,282	-
Deferred inflows of resources			
Unavailable revenue - property taxes	-	-	-
Fund balances (deficits)			
Restricted	186,610	462,824	16,504
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances (deficits)	186,610	462,824	16,504
Total liabilities, deferred inflows of resources and fund balances	\$ 190,338	\$ 464,106	\$ 16,504

(Continued)

Special Revenue			Capital Projects		
Special Infrastructure Fund	TIF 2D—CityHall/ Walgreens/QT Fund	Special Street Fund	Equipment and Building Reserve Fund	Old Pool and Boulevard Apartments Fund	
\$ 357,770	\$ 48,104	\$ 239,888	\$ 84,571	\$ 5,752	
458,000	-	-	290,568	-	
73,399	254,632	175,027	-	251,463	
7,137	-	-	-	-	
-	-	-	-	-	
-	128,481	392,736	-	297,388	
<u>\$ 896,306</u>	<u>\$ 431,217</u>	<u>\$ 807,651</u>	<u>\$ 375,139</u>	<u>\$ 554,603</u>	
\$ 34,765	\$ 44,241	\$ 20,454	\$ -	\$ 37,908	
-	-	-	-	-	
<u>34,765</u>	<u>44,241</u>	<u>20,454</u>	<u>-</u>	<u>37,908</u>	
-	254,632	354	-	251,463	
861,541	132,344	786,843	-	265,232	
-	-	-	375,139	-	
-	-	-	-	-	
<u>861,541</u>	<u>132,344</u>	<u>786,843</u>	<u>375,139</u>	<u>265,232</u>	
<u>\$ 896,306</u>	<u>\$ 431,217</u>	<u>\$ 807,651</u>	<u>\$ 375,139</u>	<u>\$ 554,603</u>	

City of Roeland Park, Kansas

**Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2017**

	Debt Service		
	Valley State Bank Fund	TDD #2 Lowe's Fund	Totals
Assets			
Pooled cash	\$ 14,861	\$ 52,920	\$ 998,732
Investments	-	-	1,018,064
Receivables:			
Taxes	69,876	21,316	882,412
Intergovernmental	-	-	66,024
Restricted cash	1	920	921
Restricted investments	-	-	929,605
Total assets	\$ 84,738	\$ 75,156	\$ 3,895,758
Liabilities			
Accounts payable and accrued liabilities	\$ -	\$ 402	\$ 142,780
Matured long-term debt in default	-	884,506	884,506
Total liabilities	-	884,908	1,027,286
Deferred inflows of resources			
Unavailable revenue - property taxes	69,876	-	576,325
Fund balances (deficits)			
Restricted	14,862	-	2,726,760
Assigned	-	-	375,139
Unassigned	-	(809,752)	(809,752)
Total fund balances (deficits)	14,862	(809,752)	2,292,147
Total liabilities, deferred inflows of resources and fund balances	\$ 84,738	\$ 75,156	\$ 3,895,758

City of Roeland Park, Kansas

**Combining Statement of Revenues, Expenditures and Changes in
Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2017**

	Special Revenue		
	Special Highway Fund	Community Center Fund	Roeland Park City Hall Property Owners Association Fund
Revenues:			
Taxes	\$ -	\$ 202,485	\$ -
Intergovernmental	181,464	-	-
Investment income	-	-	-
Other	-	-	33,847
Total revenues	181,464	202,485	33,847
Expenditures:			
Current:			
General government	-	-	31,923
Highways and streets	64,328	7,380	-
Public safety	-	-	-
Culture and recreation	-	83,534	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	64,328	90,914	31,923
Excess (deficiency) of revenues over expenditures	117,136	111,571	1,924
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(57,970)	-	-
Total other financing sources (uses)	(57,970)	-	-
Changes in fund balances	59,166	111,571	1,924
Fund balances (deficits), beginning of year	127,444	351,253	14,580
Fund balances (deficits), end of year	\$ 186,610	\$ 462,824	\$ 16,504

(Continued)

Special Revenue			Capital Projects		
Special Infrastructure Fund	TIF 2D—CityHall/ Walgreens/QT Fund	Special Street Fund	Equipment and Building Reserve Fund	Old Pool and Boulevard Apartments	
\$ 404,970	\$ 315,659	\$ 931,073	\$ -	\$ 242,486	
-	-	-	-	-	
-	1,465	1,172	-	432	
-	-	-	-	-	
404,970	317,124	932,245	-	242,918	
-	-	-	-	98,379	
57,187	-	139,145	-	-	
-	-	-	-	-	
-	-	-	-	-	
231,514	349,717	-	94,129	159,600	
-	165,000	-	54,532	-	
-	7,510	-	3,437	-	
288,701	522,227	139,145	152,098	257,979	
116,269	(205,103)	793,100	(152,098)	(15,061)	
551,250	53,000	-	216,930	-	
-	-	(416,000)	-	-	
551,250	53,000	(416,000)	216,930	-	
667,519	(152,103)	377,100	64,832	(15,061)	
194,022	284,447	409,743	310,307	280,293	
\$ 861,541	\$ 132,344	\$ 786,843	\$ 375,139	\$ 265,232	

City of Roeland Park, Kansas

**Combining Statement of Revenues, Expenditures and Changes in
Fund Balances (Continued)
Nonmajor Governmental Funds
Year Ended December 31, 2017**

	Debt Service		
	Valley State Bank Fund	TDD #2 Lowe's Fund	Totals
Revenues:			
Taxes	\$ 69,375	\$ 140,435	\$ 2,306,483
Intergovernmental	-	-	181,464
Investment income	-	66	3,135
Other	-	-	33,847
Total revenues	69,375	140,501	2,524,929
Expenditures:			
Current:			
General government	1,650	5,152	137,104
Highways and streets	-	-	268,040
Public safety	-	-	-
Culture and recreation	-	-	83,534
Capital outlay	-	-	834,960
Debt service:			
Principal retirement	38,827	-	258,359
Interest and fiscal charges	15,205	3,374	29,526
Total expenditures	55,682	8,526	1,611,523
Excess (deficiency) of revenues over expenditures	13,693	131,975	913,406
Other financing sources (uses):			
Transfers in	-	-	821,180
Transfers out	-	-	(473,970)
Total other financing sources (uses)	-	-	347,210
Changes in fund balances	13,693	131,975	1,260,616
Fund balances (deficits), beginning of year	1,169	(941,727)	1,031,531
Fund balances (deficits), end of year	\$ 14,862	\$ (809,752)	\$ 2,292,147

City of Roeland Park, Kansas

**Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—Debt Service Fund
Year Ended December 31, 2017**

	Budget	Actual
Revenues:		
Taxes	\$ 387,804	\$ 323,817
Special assessments	260,871	257,288
Investment income	5,455	4,248
Intergovernmental	354,710	-
Total revenues	<u>1,008,840</u>	<u>585,353</u>
Expenditures:		
General government	68,500	3,050
Debt service:		
Principal retirement	972,000	972,000
Interest and fiscal charges	121,582	121,577
Total expenditures	<u>1,162,082</u>	<u>1,096,627</u>
Deficiency of revenues under expenditures	(153,242)	(511,274)
Other financing sources (uses), transfers in	<u>532,970</u>	<u>416,000</u>
Changes in fund balance	<u><u>\$ 379,728</u></u>	<u>(95,274)</u>
Fund balance, beginning of year		<u>363,620</u>
Fund balance, end of year		<u><u>\$ 268,346</u></u>

City of Roeland Park, Kansas

**Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—Special Highway Fund
Year Ended December 31, 2017**

	Budget	Actual
Revenues, intergovernmental	\$ 290,464	\$ 181,464
Expenditures, current, highway and streets	101,379	64,328
Excess of revenues over expenditures	189,085	117,136
Other financing source (uses), transfers out	57,970	(57,970)
Changes in fund balance	<u>\$ 131,115</u>	59,166
Fund balance, beginning of year		127,444
Fund balance, end of year		<u>\$ 186,610</u>

City of Roeland Park, Kansas

**Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—Community Center Fund
Year Ended December 31, 2017**

	Budget	Actual
Revenues:		
Taxes	\$ 185,317	\$ 202,485
Intergovernmental	316,288	-
Total revenues	<u>501,605</u>	<u>202,485</u>
Expenditures:		
Highways and streets	14,700	7,380
Culture and recreation	102,500	83,534
Total expenditures	<u>117,200</u>	<u>90,914</u>
Changes in fund balance	<u>\$ 384,405</u>	111,571
Fund balance, beginning of year		<u>351,253</u>
Fund balance, end of year		<u>\$ 462,824</u>

City of Roeland Park, Kansas

**Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—Roeland Park City Hall Property Owners Association Fund
Year Ended December 31, 2017**

	Budget	Actual
Revenues:		
Other	\$ 33,847	\$ 33,847
Intergovernmental	14,623	-
Total revenues	<u>48,470</u>	<u>33,847</u>
Expenditures, current, general government	<u>31,875</u>	<u>31,923</u>
Changes in fund balance	<u><u>\$ 16,595</u></u>	1,924
Fund balance, beginning of year		<u>14,580</u>
Fund balance, end of year		<u><u>\$ 16,504</u></u>

City of Roeland Park, Kansas

**Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—Special Infrastructure Fund
Year Ended December 31, 2017**

	Budget	Actual
Revenues:		
Taxes	\$ 370,634	\$ 404,970
Other	20,000	-
Intergovernmental	23,274	-
Total revenues	413,908	404,970
Expenditures:		
Current, highways and streets	115,000	57,187
Capital outlay	230,000	231,514
Total expenditures	345,000	288,701
Excess of revenues over expenditures	68,908	116,269
Other financing sources, transfers in	-	551,250
Changes in fund balance	\$ 68,908	667,519
Fund balance, beginning of year		194,022
Fund balance, end of year		\$ 861,541

City of Roeland Park, Kansas

**Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—TIF 2D—City Hall/Walgreens/QT
Year Ended December 31, 2017**

	Budget	Actual
Revenues:		
Taxes	\$ 306,000	\$ 315,659
Investment income	-	1,465
Intergovernmental	316,220	-
Total revenues	622,220	317,124
Expenditures:		
General government	3,000	-
Debt service:		
Principal retirement	165,000	165,000
Interest and fiscal charges	7,510	7,510
Capital outlay	-	349,717
Total expenditures	175,510	522,227
Other financing sources, transfers in	-	53,000
Changes in fund balance	\$ 446,710	(152,103)
Fund balance, beginning of year		284,447
Fund balance, end of year		\$ 132,344

The budgeted amount reflects the 2017 Adopted Operating Budget for the City. Every year, during the adoption of the following year's budget, the City will provide a mid-year projection which makes adjustments to the budget based on any changes since the adoption of that year's budget. Per state requirements, the City completes a state budget form which allocates the entire operating budget plus the fund balance for each fund in the event we make changes mid-year and exceed the operating budget. As a result, the City is not required to submit a budget amendment unless expenditures exceed what is in the fund balance.

City of Roeland Park, Kansas

**Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—Special Street Fund
Year Ended December 31, 2017**

	Budget	Actual
Revenues:		
Taxes	\$ 741,268	\$ 931,073
Intergovernmental	604,579	-
Investment income	5,455	1,172
Total revenues	<u>1,351,302</u>	<u>932,245</u>
Expenditures, current, highways and streets	<u>465,680</u>	<u>139,145</u>
Excess of revenues over expenditures	885,622	793,100
Other financing (uses), transfers out	<u>416,000</u>	<u>(416,000)</u>
Changes in fund balance	<u>\$ 469,622</u>	\$ 377,100
Fund balance, beginning of year		<u>409,743</u>
Fund balance, end of year		<u>\$ 786,843</u>

City of Roeland Park, Kansas

**Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—Equipment Reserve Fund
Year Ended December 31, 2017**

	Budget	Actual
Revenues, intergovernmental	\$ 261,448	\$ -
Expenditures:		
Capital outlay	27,001	94,129
Highway and streets	15,349	
Public safety	22,394	-
Culture and recreation	183,147	-
Debt service:		
Principal retirement	54,532	54,532
Interest and fiscal charges	3,437	3,437
Total expenditures	305,860	152,098
Other financing sources, transfers in	133,430	216,930
Changes in fund balance	\$ 89,018	64,832
Fund balance, beginning of year		310,307
Fund balance, end of year		\$ 375,139

City of Roeland Park, Kansas

**Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—TDD #1—Price Chopper Fund
Year Ended December 31, 2017**

	Budget	Actual
Revenues:		
Taxes	\$ 270,346	\$ 264,456
Investment income	-	132
Total revenues	<u>270,346</u>	<u>264,588</u>
Expenditures:		
General government	-	2,467
Debt service:		
Principal retirement *	-	2,900,000
Interest and fiscal charges	270,346	11,652
Total expenditures	<u>270,346</u>	<u>2,914,119</u>
Changes in fund balance	<u>\$ -</u>	(2,649,531)
Fund balance (deficit), beginning of year		<u>(107,318)</u>
Fund balance (deficit), end of year		<u>\$ (2,756,849)</u>

* The principal retirement expense includes a principal payment of \$148,641, and the remaining amount includes principal retirement expense to recognize the full outstanding principal balance in the fund as a liability.

City of Roeland Park, Kansas

**Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—TDD #2—Lowe's Fund
Year Ended December 31, 2017**

	Budget	Actual
Revenues:		
Taxes	\$ 131,501	\$ 140,435
Investment income	-	66
Total revenues	<u>131,501</u>	<u>140,501</u>
Expenditures:		
General government	5,000	5,152
Debt service:		
Principal retirement *	126,501	-
Interest and fiscal charges	-	3,374
Total expenditures	<u>131,501</u>	<u>8,526</u>
Changes in fund balance	<u>\$ -</u>	131,975
Fund balance (deficit), beginning of year		<u>(941,727)</u>
Fund balance (deficit), end of year		<u>\$ (809,752)</u>

* The City made a principal payment of \$117,626 in the current year, however this is no longer recognized in the fund as an expenditure because full outstanding principal balance is recorded in the fund as a liability.

City of Roeland Park, Kansas

**Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—Bella Roe/Walmart TIF Fund
Year Ended December 31, 2017**

	Budget	Actual
Revenues:		
Taxes	\$ 728,000	\$ 1,037,211
Investment income	17,496	18,515
Intergovernmental	1,040,210	-
Total revenues	1,785,706	1,055,726
Expenditures:		
Debt service:		
Principal retirement	270,000	1,070,000
Interest and fiscal charges	112,456	116,811
Total expenditures	382,456	1,186,811
Changes in fund balance	\$ 1,403,250	(131,085)
Fund balance, beginning of year		1,038,280
Fund balance, end of year		\$ 907,195

The budgeted amount reflects the 2017 Adopted Operating Budget for the City. Every year, during the adoption of the following year's budget, the City will provide a mid-year projection which makes adjustments to the budget based on any changes since the adoption of that year's budget. Per state requirements, the City completes a state budget form which allocates the entire operating budget plus the fund balance for each fund in the event we make changes mid-year and exceed the operating budget. As a result, the City is not required to submit a budget amendment unless expenditures exceed what is in the fund balance.

City of Roeland Park, Kansas

**Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—Valley State Bank Fund
Year Ended December 31, 2017**

	Budget	Actual
Revenues, taxes	\$ 48,330	\$ 69,375
Expenditures:		
Current, general government	2,500	1,650
Debt service:		
Principal retirement	45,240	38,827
Interest and fiscal charges	-	15,205
Total expenditures	47,740	55,682
Changes in fund balance	\$ 590	13,693
Fund balance, beginning of year		1,169
Fund balance, end of year		\$ 14,862

City of Roeland Park, Kansas

**Schedule of Revenues, Expenditures and Changes in Fund Balance—
Budget and Actual—Old Pool and Boulevard Apartments
Year Ended December 31, 2017**

	Budget	Actual
Revenues:		
Taxes	\$ 246,498	\$ 242,486
Intergovernmental	536,462	-
Investment income	-	432
Other	5,000	-
Total revenues	787,960	242,918
Expenditures:		
General government	141,338	98,379
Capital outlay	515,000	159,600
Total expenditures	656,338	257,979
Changes in fund balance	\$ 131,622	(15,061)
Fund balance, beginning of year		280,293
Fund balance, end of year		\$ 265,232

City of Roeland Park, Kansas

Schedule of Capital Assets by Source

December 31, 2017

(With Comparative Totals as of December 31, 2016)

	2017	2016
Capital assets:		
Land	\$ 2,216,272	\$ 1,396,272
Artwork	12,620	12,620
Buildings	4,470,373	4,470,373
Improvements other than buildings and infrastructure	27,872,131	27,848,107
Machinery and equipment	1,997,867	1,847,431
Construction-in-progress	85,824	557,600
	\$ 36,655,087	\$ 36,132,403
Investment in capital assets from:		
General Fund revenues	\$ 4,754,730	\$ 4,784,194
Special revenue funds revenues	6,691,514	6,319,266
Debt Service Fund revenues	11,632,946	11,632,946
Capital projects funds revenues	13,575,897	13,395,997
	\$ 36,655,087	\$ 36,132,403

City of Roeland Park, Kansas

**Schedule of Capital Assets by Function and Activity
December 31, 2017**

Function and Activity	Land	Artwork	Buildings	Improvements Other Than Buildings and Infrastructure	Machinery and Equipment	Construction in-progress	Total
Highways and streets	\$ 323,801	\$ -	\$ 202,203	\$ 25,114,365	\$ 931,489	\$ 71,424	\$ 26,643,282
Public safety	-	-	-	12,605	484,396	-	497,001
Culture and recreation	1,112	12,620	2,860,000	1,064,051	279,814	14,400	4,231,997
General government	1,891,359	-	1,408,170	1,681,110	302,168	-	5,282,807
Total capital assets	\$ 2,216,272	\$ 12,620	\$ 4,470,373	\$ 27,872,131	\$ 1,997,867	\$ 85,824	\$ 36,655,087

City of Roeland Park, Kansas

**Schedule of Changes in Capital Assets by Function and Activity
Year Ended December 31, 2017**

Function and Activity	Capital Assets December 31, 2016	Additions	Deductions	Capital Assets December 31, 2017
General government	\$ 4,453,444	\$ 829,363	\$ -	\$ 5,282,807
Public safety	497,001	-	-	497,001
Culture and recreation	4,053,824	178,173	-	4,231,997
Highways and streets	27,128,134	364,613	(849,465)	26,643,282
Total capital assets	\$ 36,132,403	\$ 1,372,149	\$ (849,465)	\$ 36,655,087

STATISTICAL SECTION

City of Roeland Park

Supplemental Statistical Section (Unaudited) Contents

The supplemental statistical section of the City's comprehensive annual financial report is presented to provide additional 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.

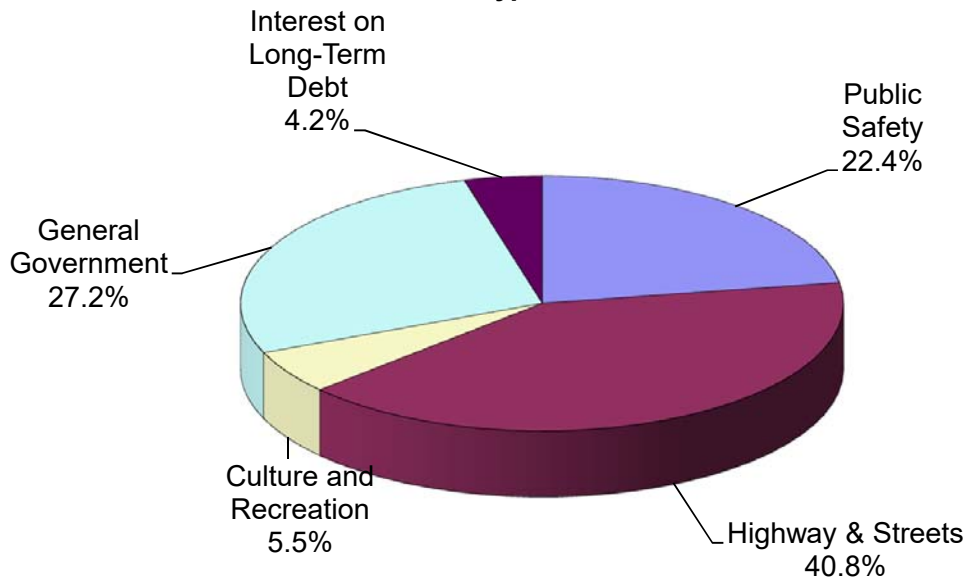
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General Governmental Revenues by Function	4	78
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Ratio of Net General Bonded Debt to Assessed Value and Net Bonded	9	83

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

CITY of ROELAND PARK, KANSAS
Government-Wide Expenses by Function
(Unaudited)

Fiscal Year Ended December 31	Public Safety	Highway & Streets	Culture and Recreation	General Government	Interest on Long-Term Debt	Total
2008	\$ 1,670,306	\$ 1,498,495	\$ 172,434	\$ 2,145,402	\$ 1,100,260	\$ 6,586,897
2009	\$ 1,659,009	\$ 1,977,515	\$ 143,537	\$ 1,984,797	\$ 1,141,986	\$ 6,906,844
2010	\$ 1,613,703	\$ 1,918,971	\$ 148,485	\$ 2,635,337	\$ 1,013,861	\$ 7,330,357
2011	\$ 1,599,006	\$ 2,052,826	\$ 136,601	\$ 2,015,395	\$ 935,023	\$ 6,738,851
2012	\$ 1,628,167	\$ 1,950,919	\$ 184,096	\$ 2,015,841	\$ 924,701	\$ 6,703,724
2013	\$ 1,583,758	\$ 2,095,342	\$ 196,798	\$ 2,080,869	\$ 833,048	\$ 6,789,815
2014	\$ 1,522,496	\$ 2,558,464	\$ 191,761	\$ 2,106,504	\$ 667,568	\$ 7,046,793
2015	\$ 1,705,422	\$ 2,595,853	\$ 394,139	\$ 2,127,914	\$ 605,361	\$ 7,428,689
2016	\$ 1,610,627	\$ 2,734,430	\$ 229,828	\$ 2,036,192	\$ 487,305	\$ 7,098,382
2017	\$ 1,548,820	\$ 2,821,753	\$ 380,923	\$ 1,879,577	\$ 288,560	\$ 6,919,633

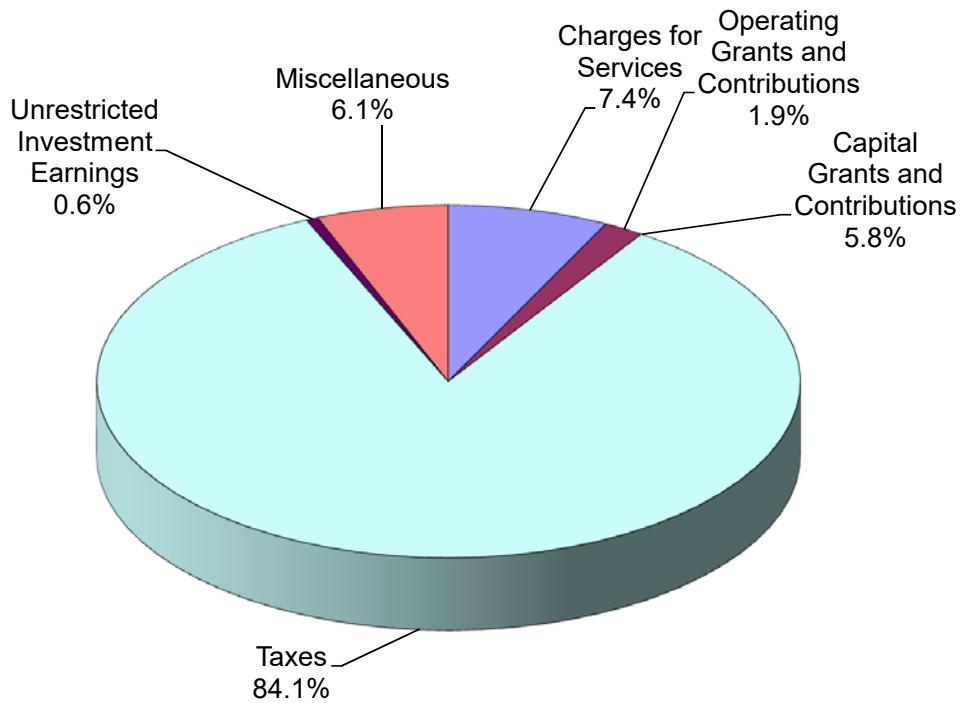
**Expenses and Charges for Services -
Government-Type Activities 2017**



CITY of ROELAND PARK, KANSAS
Government-Wide Revenues
(Unaudited)

Fiscal Year Ended December 31	Program Revenues			General Revenues				
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Investment Earnings	Unrestricted Grants and Contributions	Miscellaneous	Total
2008	\$ 1,194,221	\$ 893,035	\$ 262,237	\$ 5,886,704	\$ 178,114	\$ -	\$ 402,970	\$ 8,817,281
2009	\$ 579,850	\$ 355,046	\$ 2,766,672	\$ 5,506,024	\$ 49,796	\$ -	\$ 420,611	\$ 9,677,999
2010	\$ 1,949,647	\$ 399,406	\$ 1,955,710	\$ 5,270,200	\$ 62,401	\$ -	\$ 541,237	\$ 10,178,601
2011	\$ 2,083,731	\$ 273,711	\$ 524,531	\$ 5,513,726	\$ 71,599	\$ -	\$ 656,070	\$ 9,123,368
2012	\$ 412,275	\$ 535,553	\$ 312,757	\$ 5,628,962	\$ 21,642	\$ -	\$ 1,264,988	\$ 8,176,177
2013	\$ 662,318	\$ 345,189	\$ -	\$ 6,379,618	\$ 17,921	\$ -	\$ 526,344	\$ 7,931,390
2014	\$ 682,000	\$ 369,442	\$ -	\$ 6,964,685	\$ 17,898	\$ -	\$ 596,702	\$ 8,630,727
2015	\$ 739,459	\$ 416,581	\$ -	\$ 6,916,439	\$ 17,713	\$ -	\$ 614,849	\$ 8,705,041
2016	\$ 723,247	\$ 418,651	\$ 196,213	\$ 7,226,894	\$ 26,774	\$ -	\$ 689,633	\$ 9,281,412
2017	\$ 730,018	\$ 182,688	\$ -	\$ 8,285,598	\$ 54,480	\$ -	\$ 597,101	\$ 9,849,885

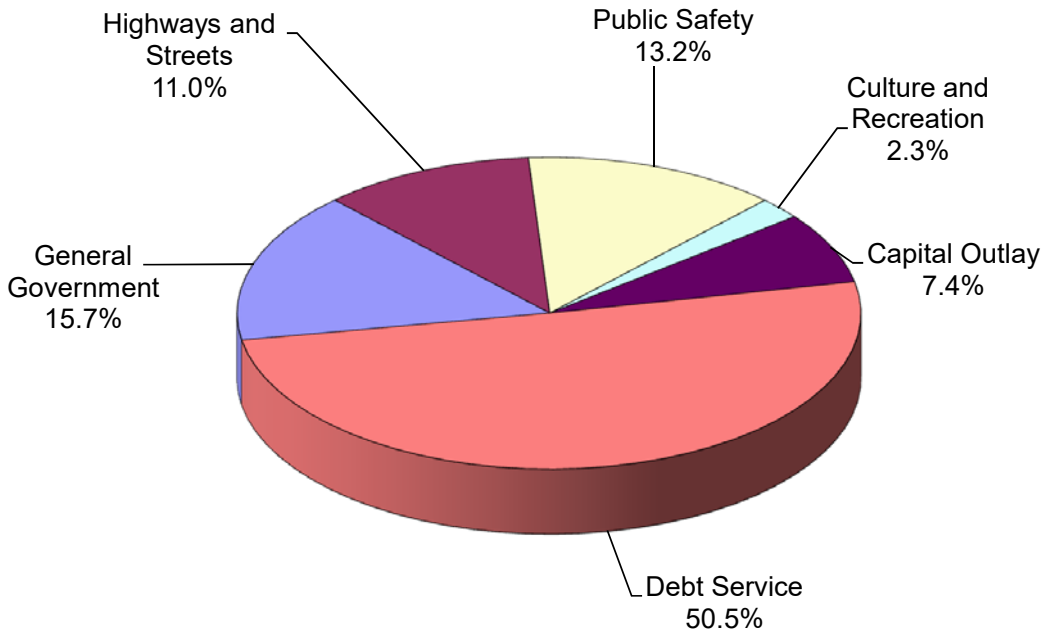
Revenue by Source - Government Activities - 2017



CITY of ROELAND PARK, KANSAS
General Governmental Expenditures by Function (1)
Last Ten Years
(Unaudited)

Year Ended December 31	General Government	Highways and Streets	Public Safety	Culture and Recreation	Capital Outlay	Debt Service	Total
2008	\$2,640,782	\$ 1,035,974	\$ 1,193,771	\$ 87,800	\$ 1,072,858	\$ 1,991,380	\$ 8,022,565
2009	\$2,559,685	\$ 1,124,513	\$ 1,202,635	\$ 59,549	\$ 6,718,722	\$ 2,217,917	\$ 13,883,021
2010	\$2,591,868	\$ 1,076,574	\$ 1,177,174	\$ 64,497	\$ 3,806,144	\$ 2,800,156	\$ 11,516,413
2011	\$2,585,601	\$ 559,475	\$ 1,114,836	\$ 146,941	\$ 530,099	\$ 2,260,661	\$ 7,197,613
2012	\$4,050,917	\$ 522,275	\$ 1,165,306	\$ 90,675	\$ 1,175,008	\$ 2,522,448	\$ 9,526,629
2013	\$2,452,037	\$ 508,702	\$ 1,141,180	\$ 103,377	\$ 180,120	\$ 3,636,664	\$ 8,022,080
2014	\$2,475,504	\$ 719,451	\$ 1,054,081	\$ 98,340	\$ 1,012,312	\$ 2,381,167	\$ 7,740,855
2015	\$2,523,770	\$ 902,507	\$ 1,066,170	\$ 285,523	\$ 456,450	\$ 3,242,227	\$ 8,476,647
2016	\$2,463,299	\$ 956,315	\$ 1,148,187	\$ 113,891	\$ 1,752,369	\$ 2,409,303	\$ 8,843,364
2017	\$1,770,549	\$ 1,240,137	\$ 1,488,064	\$ 256,000	\$ 834,960	\$ 5,691,785	\$ 11,281,495

**General Governmental Expenditures
by Function for 2017**



(1) Includes General, Special Revenue, Debt Service and Capital Project Funds

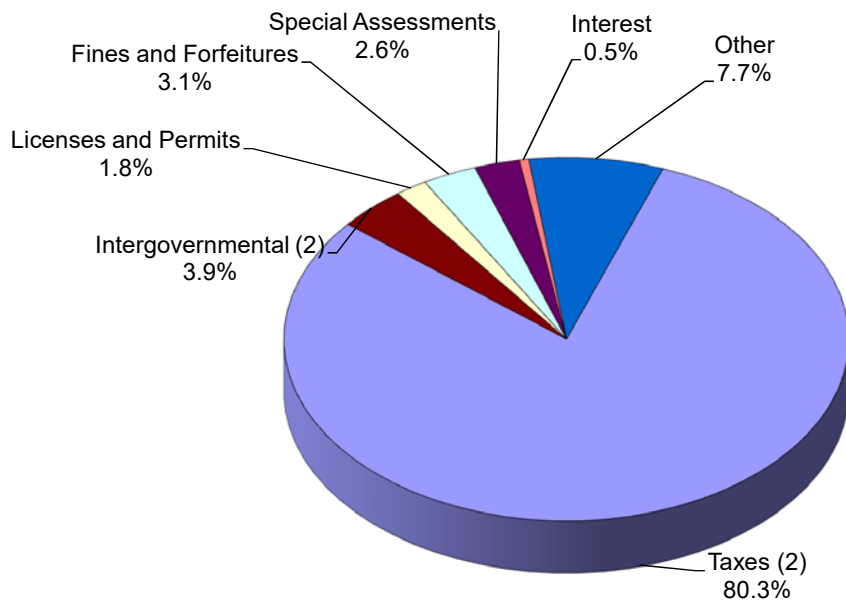
CITY of ROELAND PARK, KANSAS
General Governmental Revenues by Function (1)
Last Ten Years
(Unaudited)

Fiscal Year December 31	Taxes (2)	Intergovernmental (2)	Licenses and Permits	Fines and Forfeitures	Special Assessments	Interest	Other	Total
2008	\$ 5,072,612	\$ 1,907,675	\$ 147,990	\$ 326,038	\$ 56,909	\$ 178,114	\$ 500,917	\$ 8,190,255
2009	\$ 4,176,141	\$ 4,420,264	\$ 131,477	\$ 338,502	\$ 76,330	\$ 49,796	\$ 519,727	\$ 9,712,237
2010	\$ 4,574,437	\$ 2,990,032	\$ 135,627	\$ 335,526	\$ 322,381	\$ 62,401	\$ 601,786	\$ 9,022,190
2011	\$ 4,685,496	\$ 1,647,894	\$ 125,226	\$ 285,711	\$ 295,374	\$ 71,599	\$ 739,799	\$ 7,851,099
2012	\$ 4,799,321	\$ 1,556,514	\$ 136,320	\$ 221,046	\$ 303,366	\$ 21,642	\$ 714,493	\$ 7,752,702
2013	\$ 5,517,739	\$ 1,296,628	\$ 155,456	\$ 281,099	\$ 274,790	\$ 17,921	\$ 662,346	\$ 8,205,979
2014	\$ 6,065,253	\$ 1,268,876	\$ 171,320	\$ 284,977	\$ 259,808	\$ 17,898	\$ 748,610	\$ 8,816,742
2015	\$ 6,018,615	\$ 1,314,405	\$ 171,629	\$ 400,993	\$ 262,094	\$ 17,713	\$ 713,266	\$ 8,898,715
2016	\$ 6,322,799	\$ 1,517,308	\$ 155,400	\$ 359,655	\$ 271,144	\$ 26,774	\$ 822,006	\$ 9,475,086
2017	\$ 8,073,959	\$ 393,102	\$ 183,042	\$ 311,722	\$ 259,878	\$ 54,480	\$ 772,376	\$ 10,048,559

(1) Includes General, Special Revenue, Debt Service and Capital Project Funds

(2) In 2017 County shared sales taxes were reclassified from Intergovernmental to Taxes which accounts for the discrepancy in 2017 for taxes and intergovernmental revenues. In addition, the collection of the city share of the county court sales tax began in 2017.

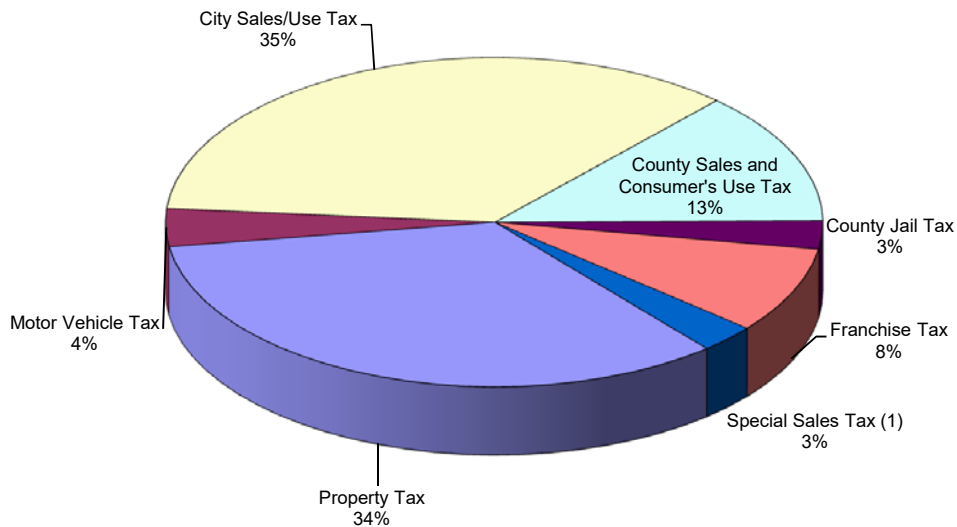
**General Governmental Revenues
by Source for 2017**



CITY of ROELAND PARK, KANSAS
Tax Revenues by Source
Last Ten Fiscal Years
(Unaudited)

Fiscal Year December 31	Property Tax	Motor Vehicle Tax	City Sales/Use Tax	County Sales and Consumer's Use Tax	County Jail Tax	Franchise Tax	Special Sales Tax (1)	Total
2008	\$ 1,217,707	\$ 151,282	\$ 1,727,734	\$ 564,347	\$ 141,087	\$ 486,913	\$ 141,087	\$ 4,430,158
2009	\$ 1,115,109	\$ 143,680	\$ 1,697,927	\$ 498,368	\$ 124,833	\$ 485,644	\$ 124,833	\$ 4,190,395
2010	\$ 1,079,867	\$ 135,368	\$ 1,701,609	\$ 474,781	\$ 117,736	\$ 505,688	\$ 117,736	\$ 4,132,785
2011	\$ 1,240,389	\$ 133,730	\$ 1,747,903	\$ 558,206	\$ 139,554	\$ 504,815	\$ 139,554	\$ 4,464,151
2012	\$ 1,268,477	\$ 152,665	\$ 1,815,977	\$ 568,541	\$ 142,136	\$ 488,483	\$ 142,136	\$ 4,578,415
2013	\$ 1,385,532	\$ 170,617	\$ 1,925,141	\$ 597,634	\$ 149,409	\$ 493,139	\$ 149,409	\$ 4,870,881
2014	\$ 1,728,634	\$ 177,334	\$ 1,894,499	\$ 620,713	\$ 155,177	\$ 517,297	\$ 155,177	\$ 5,248,831
2015	\$ 1,739,764	\$ 191,699	\$ 1,853,170	\$ 650,665	\$ 154,965	\$ 485,823	\$ 155,004	\$ 5,231,090
2016	\$ 1,804,072	\$ 200,075	\$ 1,941,359	\$ 625,545	\$ 156,388	\$ 486,927	\$ 156,388	\$ 5,403,723
2017	\$ 1,927,691	\$ 211,638	\$ 2,024,849	\$ 746,679	\$ 159,208	\$ 484,307	\$ 159,208	\$ 5,713,580

**Tax Revenues
By Source for 2017**



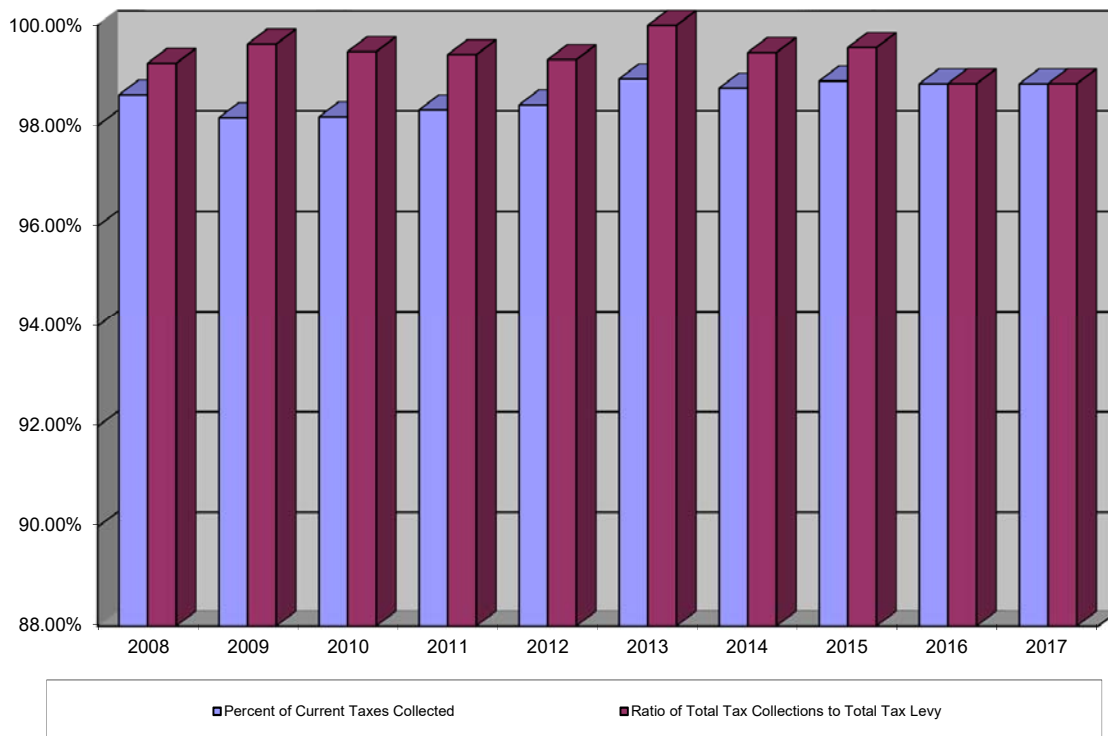
(1) 2004-2008 School Sales Tax, in 2009 changed to Safety Sales Tax

Note: The above summary excludes tax revenue from tax increment financing districts and TDDs.

CITY of ROELAND PARK, KANSAS
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Year Ended December 31	Total Tax Levy	Current Taxes Collected	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Tax to Total Tax Levy
2008	\$ 1,221,217	\$ 1,204,298	98.61%	\$ 7,689	\$ 1,211,988	99.24%	\$ 16,918	1.39%
2009	\$ 1,112,550	\$ 1,092,093	98.16%	\$ 16,330	\$ 1,108,422	99.63%	\$ 20,457	1.84%
2010	\$ 1,085,143	\$ 1,065,374	98.18%	\$ 14,098	\$ 1,079,473	99.48%	\$ 19,769	1.82%
2011	\$ 1,247,673	\$ 1,226,655	98.32%	\$ 13,734	\$ 1,240,389	99.42%	\$ 21,018	1.68%
2012	\$ 1,277,186	\$ 1,256,944	98.42%	\$ 11,528	\$ 1,268,472	99.32%	\$ 20,242	1.58%
2013	\$ 1,377,143	\$ 1,362,458	98.93%	\$ 23,074	\$ 1,385,532	100.61%	\$ 14,685	1.07%
2014	\$ 1,735,299	\$ 1,713,664	98.75%	\$ 12,330	\$ 1,725,994	99.46%	\$ 21,635	1.25%
2015	\$ 1,750,085	\$ 1,730,710	98.89%	\$ 11,688	\$ 1,742,397	99.56%	\$ 19,375	1.11%
2016	\$ 1,825,301	\$ 1,804,072	98.84%	\$ 31,070	\$ 1,835,142	98.84%	\$ 21,229	1.16%
2017	\$ 1,929,582	\$ 1,907,143	98.84%	\$ 6,300	\$ 1,913,443	98.84%	\$ 16,139	0.84%

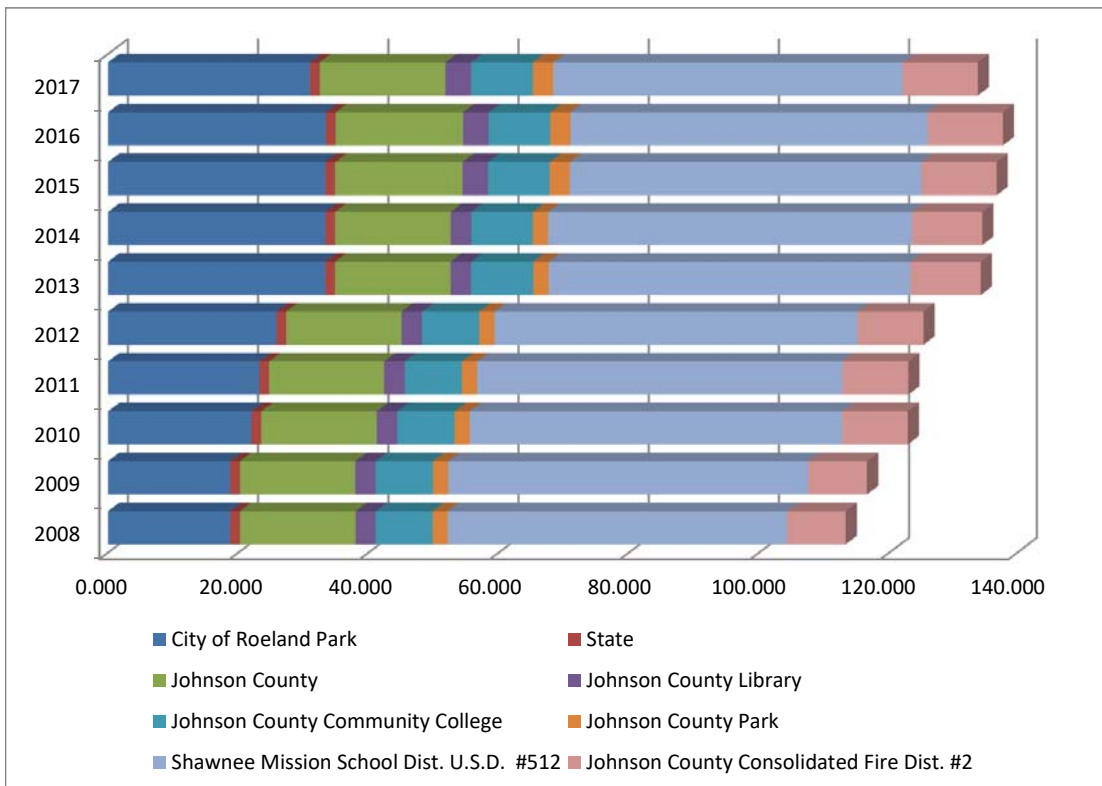
Tax Levies and Tax Collections



Information Provided by Johnson County Treasurer's Office - Letter to John Bartolac

CITY of ROELAND PARK, KANSAS
Property Tax Rates - Direct and Overlapping Governments(1)
(Per \$ 1,000 of Assessed Value)
Last Ten Fiscal Years
(Unaudited)

Mill Levy Year	City of Roeland Park	State	Johnson County	Johnson County Library	Johnson County Community College	Johnson County Park	Shawnee Mission School Dist. U.S.D. #512	Johnson County Consolidated Fire Dist. #2	Total
2008	18.783	1.500	17.767	3.057	8.768	2.341	52.094	8.992	113.302
2009	18.770	1.500	17.716	3.151	8.784	2.346	55.318	8.991	116.576
2010	22.030	1.500	17.748	3.158	8.799	2.350	57.192	10.074	122.851
2011	23.225	1.500	17.700	3.145	8.776	2.343	56.135	10.098	122.922
2012	25.872	1.500	17.717	3.149	8.785	2.343	55.766	10.187	125.319
2013	33.379	1.500	17.745	3.155	9.551	2.347	55.611	11.004	134.292
2014	33.378	1.500	17.764	3.157	9.461	2.349	55.911	11.003	134.523
2015	33.385	1.500	19.582	3.912	9.469	3.101	54.059	11.757	136.765
2016	33.463	1.500	19.590	3.915	9.473	3.102	54.940	11.769	137.752
2017	31.023	1.500	19.318	3.921	9.503	3.122	53.663	11.760	133.810

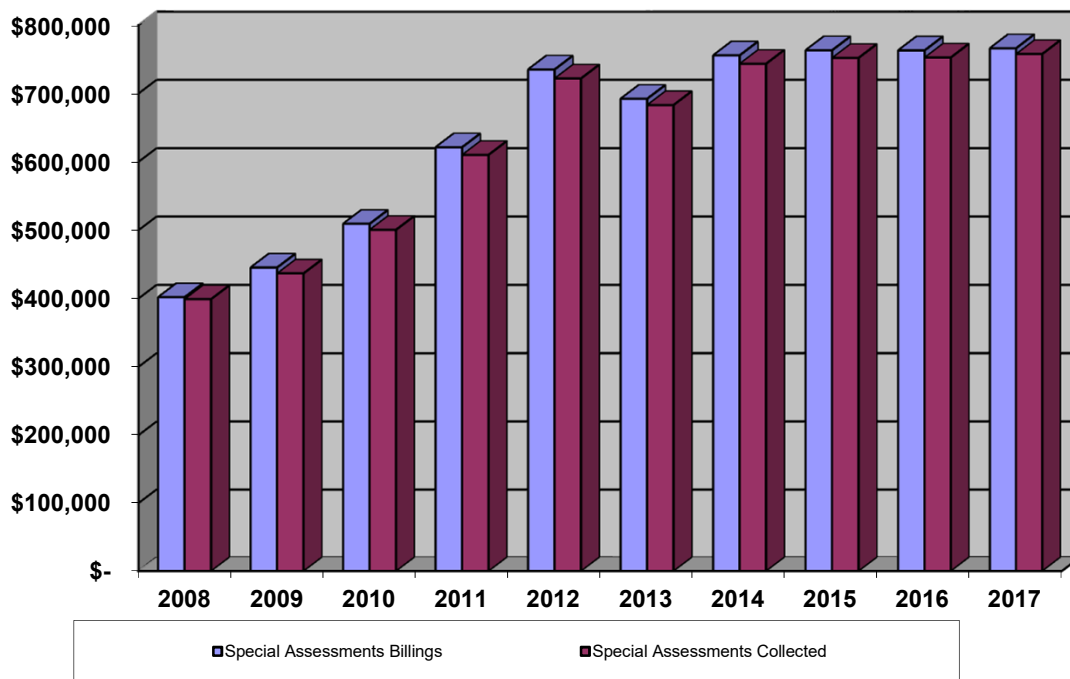


*SOURCE: Johnson County 2017 Annual Abstract of Taxes (RTA)

CITY of ROELAND PARK, KANSAS
Special Assessment Billings and Collections
Last Ten Fiscal Years
(Unaudited)

Year Ended December 31	Special Assessments Billings	Special Assessments Collected
2008	\$ 401,954	\$ 399,081
2009	\$ 445,397	\$ 436,783
2010	\$ 509,392	\$ 500,629
2011	\$ 621,451	\$ 610,307
2012	\$ 735,268	\$ 722,171
2013	\$ 692,350	\$ 683,226
2014	\$ 755,870	\$ 743,624
2015	\$ 763,400	\$ 752,207
2016	\$ 763,180	\$ 752,743
2017	\$ 766,320	\$ 757,819

Special Assessment Billings and Collections

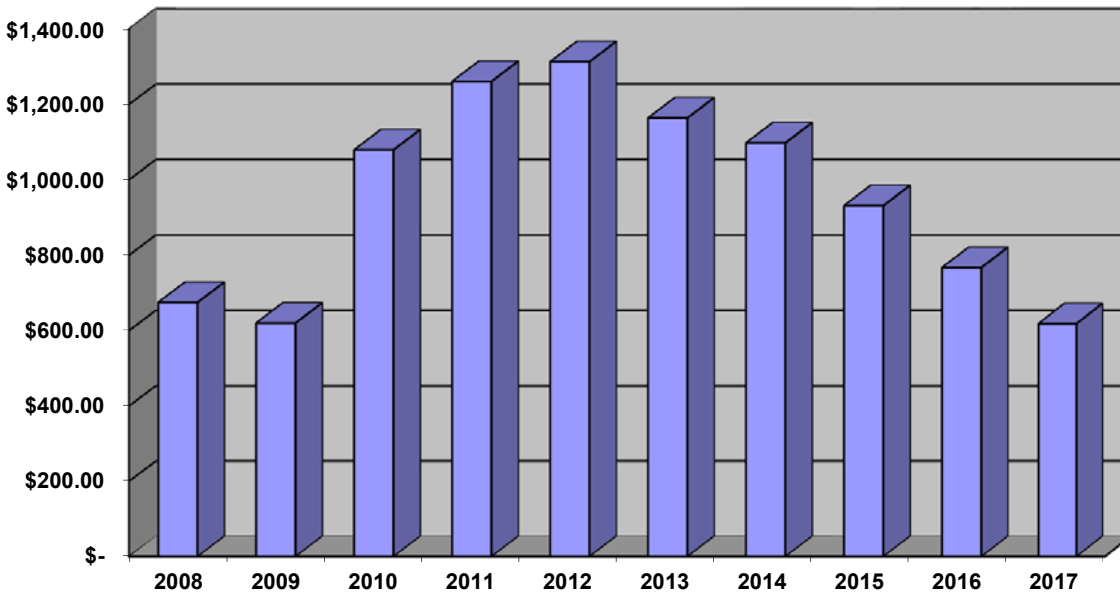


NOTE: Levy is for the tax year prior to the year of collection; e.g., 2009 is tax year 2008

CITY of ROELAND PARK, KANSAS
Ratio of Net General Bonded Debt
to Assessed Value and Net Bonded
Debt Per Capita
Last Ten Fiscal Years
(Unaudited)

Year Ended December 31	Population(1)	Assessed Value	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2008	6951	\$ 70,737,341	\$ 5,065,000	\$ 373,212	\$ 4,691,788	6.6%	\$ 674.98
2009	6960	\$ 70,177,168	\$ 4,630,000	\$ 313,476	\$ 4,316,524	6.2%	\$ 620.19
2010	6731	\$ 65,889,739	\$ 7,480,000	\$ 213,348	\$ 7,266,652	11.0%	\$ 1,079.58
2011	6731	\$ 63,789,417	\$ 8,920,000	\$ 432,827	\$ 8,487,173	13.3%	\$ 1,260.91
2012	6841	\$ 60,457,328	\$ 9,260,000	\$ 421,769	\$ 8,838,231	14.6%	\$ 1,313.06
2013	6816	\$ 59,270,263	\$ 8,395,000	\$ 459,907	\$ 7,935,093	13.4%	\$ 1,164.19
2014	6845	\$ 60,830,643	\$ 7,995,000	\$ 479,137	\$ 7,515,863	12.4%	\$ 1,098.01
2015	6840	\$ 63,329,216	\$ 6,793,000	\$ 421,228	\$ 6,371,772	10.1%	\$ 931.55
2016	6827	\$ 70,318,083	\$ 5,603,000	\$ 363,620	\$ 5,239,380	7.5%	\$ 767.45
2017	6786	\$ 75,040,020	\$ 4,466,000	\$ 268,346	\$ 4,197,654	5.6%	\$ 618.58

Net Bonded Debt Per Capita



(1) Certified Populations to the Kansas Secretary of State by Division of the Budget on July 1, 2017
<https://budget.kansas.gov/population/>

City of Roeland Park

Statistical Section Contents

The statistical section of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the City's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	85-92
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, sales tax.	93-95
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	96-102
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.	103-104
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.	105-110

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

City of Roeland Park

Net Position By Component Last Ten Fiscal Years (*accrual basis of accounting*) (Unaudited)

	Fiscal Year		
	2008	2009	2010
Governmental activities:			
Net investment in capital assets	\$ 8,659,121	\$ 12,336,193	\$ 13,455,476
Restricted	3,362,134	3,115,716	2,987,693
Unrestricted (deficit)	(9,181,115)	(9,840,614)	(7,983,630)
Total governmental activities net position	\$ 2,840,140	\$ 5,611,295	\$ 8,459,539
Primary government:			
Net investment in capital assets	\$ 8,659,121	\$ 12,336,193	\$ 13,455,476
Restricted	3,362,134	3,115,716	2,987,693
Unrestricted (deficit)	(9,181,115)	(9,840,614)	(7,983,630)
Total primary government net position	\$ 2,840,140	\$ 5,611,295	\$ 8,459,539

Fiscal Year						
2011	2012	2013	2014	2015	2016	2017
\$ 13,442,965	\$ 14,387,590	\$ 14,000,008	\$ 13,809,231	\$ 13,804,501	\$ 15,092,903	\$ 15,467,474
1,846,236	1,262,832	2,083,763	2,924,033	2,570,695	3,846,469	5,298,710
(4,445,145)	(3,748,931)	(3,040,705)	(2,106,264)	(2,018,458)	(2,399,604)	(1,296,164)
\$ 10,844,056	\$ 11,901,491	\$ 13,043,066	\$ 14,627,000	\$ 14,356,738	\$ 16,539,768	\$ 19,470,020
\$ 13,442,965	\$ 14,387,590	\$ 14,000,008	\$ 13,809,231	\$ 13,804,501	\$ 15,092,903	\$ 15,467,474
1,846,236	1,262,832	2,083,763	2,924,033	2,570,695	3,846,469	5,298,710
(4,445,145)	(3,748,931)	(3,043,705)	(2,106,264)	(2,018,458)	(2,399,604)	(1,296,164)
\$ 10,844,056	\$ 11,901,491	\$ 13,040,066	\$ 14,627,000	\$ 14,356,738	\$ 16,539,768	\$ 19,470,020

City of Roeland Park

Changes In Net Position Last Ten Fiscal Years (accrual basis of accounting) (Unaudited)

	Fiscal Year		
	2008	2009	2010
Expenses:			
Governmental activities:			
General government	\$ 2,145,402	\$ 1,984,797	\$ 2,635,337
Highway & Streets	1,498,495	1,977,515	1,918,971
Public safety	1,670,306	1,659,009	1,613,703
Culture and recreation	172,434	143,537	148,485
Employee Benefits	***	***	***
Interest on long-term debt	1,100,260	1,141,986	1,013,861
Total governmental activities expenses	6,586,897	6,906,844	7,330,357
Total primary government expenses	6,586,897	6,906,844	7,330,357
Program revenue:			
Governmental activities:			
Charges for services:			
General government	241,575	259,639	280,817
Highway and streets	621,446	-	245,419
Public safety	328,304	320,211	1,423,411
Culture and recreation	2,896	-	-
Operating grants and contributions:			
General government	-	-	-
Highway and streets	893,035	353,813	385,566
Public safety	-	1,233	13,840
Culture and recreation	-	-	-
Capital grants and contributions, highways and streets	262,237	2,766,672	1,955,710
Total governmental activities program revenue	2,349,493	3,701,568	4,304,763
Total primary government program revenues	2,349,493	3,701,568	4,304,763
Net (expense) revenue:			
Governmental activities	(4,237,404)	(3,205,276)	(3,025,594)
Total primary government net expense	(4,237,404)	(3,205,276)	(3,025,594)
General revenues and other changes in net position:			
Governmental activities:			
Taxes:			
Property taxes	1,217,707	1,115,109	1,079,867
Sales and use taxes	4,040,997	3,780,438	3,566,909
County jail taxes	141,087	124,833	117,736
Franchise taxes	486,913	485,644	505,688
Intergovernment	**	**	**
Other taxes	**	**	**
Investment earnings	178,114	49,796	62,401
Miscellaneous	402,970	420,611	541,237
Gain on disposal of capital Assets	-	-	-
Total governmental activities	6,467,788	5,976,431	5,873,838
Total primary government	6,467,788	5,976,431	5,873,838
Changes in net position:			
Governmental activities	2,230,384	2,771,155	2,848,244
Total primary government	\$ 2,230,384	\$ 2,771,155	\$ 2,848,244

* Taxes not separated out of intergovernmental and other.

** Taxes separated into specific activities.

***Employee benefits expenses were allocated to governmental activities expense functions beginning in Fiscal Year 2006.

Note: TIF revenue is recognized in the property tax category instead of sales and use taxes beginning in 2014.

Fiscal Year						
2011	2012	2013	2014	2015	2016	2017
\$ 2,015,395	\$ 2,015,841	\$ 2,080,869	\$ 2,106,504	\$ 2,127,914	\$ 2,036,192	\$ 1,879,577
2,052,826	1,950,919	2,095,342	2,558,464	2,595,853	2,734,430	2,821,753
1,599,006	1,628,167	1,583,758	1,522,496	1,705,422	1,610,627	1,548,820
136,601	184,096	196,798	191,761	394,139	229,828	380,923
***	***	***	***	***	***	***
935,023	924,701	833,048	667,568	605,361	487,305	288,560
6,738,851	6,703,724	6,789,815	7,046,793	7,428,689	7,098,382	6,919,633
6,738,851	6,703,724	6,789,815	7,046,793	7,428,689	7,098,382	6,919,633
328,111	138,559	313,360	323,727	332,978	332,914	368,610
149,120	-	-	-	-	-	-
1,606,500	273,716	348,958	358,273	406,481	390,333	361,408
-	-	-	-	-	-	-
-	163,000	440	6,325	12,066	-	-
273,711	372,553	344,749	363,117	404,515	417,031	181,464
-	-	-	-	-	1,620	1,224
-	-	-	-	-	-	-
524,531	312,757	-	-	-	196,213	-
2,881,973	1,260,585	1,007,507	1,051,442	1,156,040	1,338,111	912,706
2,881,973	1,260,585	1,007,507	1,051,442	1,156,040	1,338,111	912,706
(3,856,878)	(5,443,139)	(5,782,308)	(5,995,351)	(6,272,649)	(5,760,271)	(6,006,927)
(3,856,878)	(5,443,139)	(5,782,308)	(5,995,351)	(6,272,649)	(5,760,271)	(6,006,927)
1,240,389	1,268,477	1,385,532	2,733,711	2,799,501	2,997,446	3,841,051
3,628,968	3,729,866	4,351,538	3,558,501	3,476,151	3,585,138	3,801,032
139,554	142,136	149,409	155,176	154,964	156,387	159,208
504,815	488,483	493,139	517,297	485,823	487,923	484,307
**	-	-	-	**	**	**
**	-	-	-	**	**	**
71,599	21,642	17,921	17,898	17,713	26,774	54,480
656,070	581,845	526,344	596,702	614,849	689,633	597,101
-	683,143	-	-	-	-	-
6,241,395	6,915,592	6,923,883	7,579,285	7,549,001	7,943,301	8,937,179
6,241,395	6,915,592	6,923,883	7,579,285	7,549,001	7,943,301	8,937,179
2,384,517	1,472,453	1,141,575	1,583,934	1,276,352	2,183,030	2,930,252
\$ 2,384,517	\$ 1,472,453	\$ 1,141,575	\$ 1,583,934	\$ 1,276,352	\$ 2,183,030	\$ 2,930,252

City of Roeland Park

Fund Balances, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting) (Unaudited)

	Fiscal Year		
	2008	2009	2010
General Fund:			
Nonspendable	\$ -	\$ -	\$ -
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Reserved	251,721	258,410	179,022
Unreserved	728,708	320,523	230,883
Total General Fund	\$ 980,429	\$ 578,933	\$ 409,905
All Other Governmental Funds:			
Nonspendable	\$ -	\$ -	\$ -
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Reserved	7,917,013	7,342,112	2,827,013
Unreserved, reported in:			
Special revenue funds	1,230,075	1,116,629	1,089,663
Debt service funds	-	116,511	55,848
Capital projects funds	(6,163,469)	(9,316,611)	(3,427,335)
Total all other government funds	\$ 2,983,619	\$ (3,182,885)	\$ 545,189

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, implemented in Fiscal Year 2011

Fiscal Year						
2011	2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
157,500	166,027	157,500	157,500	157,500	157,500	157,500
-	-	-	-	-	-	1,410,000
21,522	367	367	10,267	8,213	7,913	8,913
404,462	1,253,199	1,314,949	1,922,771	2,287,719	2,696,653	1,207,063
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 583,484	\$ 1,419,593	\$ 1,472,816	\$ 2,090,538	\$ 2,453,432	\$ 2,862,066	\$ 2,783,476
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,236,959	2,764,735	3,624,015	4,516,758	4,460,596	4,702,336	6,000,714
127,000	127,000	127,000	127,000	127,000	127,000	127,000
-	91,013	267,923	364,228	372,371	310,307	375,139
(50,271)	(413,253)	(1,318,767)	(1,199,650)	(1,092,457)	(1,049,045)	(3,566,601)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 3,313,688	\$ 2,569,495	\$ 2,700,171	\$ 3,808,336	\$ 3,867,510	\$ 4,090,598	\$ 2,936,252

City of Roeland Park

Changes In Fund Balances, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting) (Unaudited)

	Fiscal Year		
	2008	2009	2010
Revenues:			
Taxes	5,072,612	4,781,852	4,574,437
Special Assessments	56,909	76,330	322,381
Intergovernmental	1,907,675	3,814,553	2,990,032
Licenses and Permits	147,990	131,477	135,627
Fines and Forfeitures	326,038	338,502	335,526
Interest	178,114	49,796	62,401
Other	500,917	519,727	601,786
Total revenues	8,190,255	9,712,237	9,022,190
Expenditures:			
General government	2,640,782	2,559,685	2,591,868
Highways and streets	1,035,974	1,124,513	1,076,574
Public Safety	1,193,771	1,202,635	1,177,174
Culture and recreation	87,800	59,549	64,497
Capital Outlay	1,072,858	6,718,722	3,806,144
Debt Service:			
Principal retirement	964,519	1,068,359	1,756,419
Interest and fiscal Charges	979,709	1,149,558	1,007,374
Issuance costs	47,152	-	36,363
Total expenditures	8,022,565	13,883,021	11,516,413
Excess of revenues (under)			
expenditures	167,690	(4,170,784)	(2,494,223)
Other financing sources (uses):			
Capital Lease Obligations	-	-	-
Issuance of certificates of participation	-	-	-
Issuance of long-term Debt	4,185,000	44,310	3,583,243
Issuance of Long-term Refunding Debt	-	-	-
Payment to refunded bond escrow agent	-	-	-
Transfers in	1,594,726	818,625	683,721
Transfers out	(1,594,726)	(818,625)	(683,721)
Proceeds from sale of assets	649	-	28,500
Issuance of bonds	-	-	-
Premium on bonds	-	-	-
Discount on bonds	-	-	-
Total other financing sources			
(uses)	4,185,649	44,310	3,611,743
Net changes in fund balance	\$ 4,353,339	\$ (4,126,474)	\$ 1,117,520
Debt service as a percentage of noncapital expenditures	29%	31%	36%

Fiscal Year						
2011	2012	2013	2014	2015	2016	2017
4,685,496	4,799,321	5,517,739	6,065,253	6,018,615	6,322,799	8,073,959
295,374	303,366	274,790	259,808	262,094	271,144	259,878
1,647,894	1,556,514	1,296,628	1,268,876	1,314,405	1,517,308	393,102
125,226	136,320	155,456	171,320	171,629	155,400	183,042
285,711	221,046	281,099	284,977	400,993	359,655	311,722
71,599	21,642	17,921	17,898	17,713	26,774	54,480
739,799	714,493	662,346	748,610	713,266	822,006	772,376
7,851,099	7,752,702	8,205,979	8,816,742	8,898,715	9,475,086	10,048,559
2,585,601	4,050,917	2,452,037	2,475,504	2,523,770	2,463,299	1,770,549
559,475	522,275	508,702	719,451	902,507	956,315	1,240,137
1,114,836	1,165,306	1,141,180	1,054,081	1,066,170	1,148,187	1,488,064
146,941	90,675	103,377	98,340	285,523	113,891	256,000
530,099	1,175,008	180,120	1,012,312	456,450	1,752,369	834,960
1,289,914	1,550,334	2,875,321	1,693,181	2,627,024	1,925,198	5,398,359
921,373	817,222	761,343	665,100	615,203	484,105	293,426
49,374	154,892	-	22,886	-	-	-
7,197,613	9,526,629	8,022,080	7,740,855	8,476,647	8,843,364	11,281,495
653,486	(1,773,927)	183,899	1,075,887	422,068	631,722	(1,232,936)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,257,788	973,500	-	-	-	-	-
-	1,976,500	-	650,000	-	-	-
-	(1,916,485)	-	-	-	-	-
335,249	1,636,546	1,382,985	1,212,087	1,209,390	998,390	1,237,180
(335,249)	(1,636,546)	(1,382,985)	(1,212,087)	(1,209,390)	(998,390)	(1,237,180)
18,916	832,328	-	-	-	-	-
-	-	-	-	-	-	-
11,888	-	-	-	-	-	-
-	-	-	-	-	-	-
2,288,592	1,865,843	-	650,000	-	-	-
\$ 2,942,078	\$ 91,916	\$ 183,899	\$ 1,725,887	\$ 422,068	\$ 631,722	\$ (1,232,936)
34%	30%	46%	35%	40%	34%	53%

City of Roeland Park

Tax Revenues by Source, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Fiscal Year	Property	Sales & Use	County Jail	Franchise	Total
2008	\$ 1,217,707	\$ 4,040,997	\$ 141,087	\$ 486,913	\$ 5,886,704
2009	1,115,109	3,780,438	124,833	485,644	5,506,024
2010	1,079,867	3,566,909	117,736	505,688	5,270,200
2011	1,240,389	3,628,968	139,554	504,815	5,513,726
2012	1,268,477	3,729,866	142,136	488,483	5,628,962
2013	1,385,532	4,351,538	149,409	493,139	6,379,618
2014	2,733,711	3,558,501	155,176	517,297	6,964,685
2015	2,799,501	3,476,151	154,964	485,823	6,916,439
2016	2,997,446	3,585,138	156,387	487,923	7,226,894
2017	3,841,051	3,801,032	159,208	484,307	8,285,598
Change					
2008-2017	2,623,344	(239,965)	18,121	(2,606)	2,398,894

Source: City records.

*TIF revenue is recognized in the property tax category instead of sales and use beginning in 2014

*Property taxes collected in TIF 1A and 1B increased substantially from 2016 to 2017.

*Sales and use tax increased due to reclassifying the City's share of county sales tax to sales & use tax in 2017. In addition, the City started receiving a portion of the new county courthouse sales tax in 2017.

City of Roeland Park

Principal Taxpayers (Roeland Park) Current Year and Ten Years Ago (Unaudited)

Taxpayer	2017			2007		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
BELLA ROE LOTS 2, 3 AND 6 07	3,897,912	1	5.37%	*	*	*
TMM ROELAND PARK CENTER, LLC	3,828,353	2	5.27%	*	*	*
BOULEVARD APARTMENTS, LLC	2,737,920	3	3.77%	*	*	*
BELLA ROE LOTS 1 AND 4 07 A	1,859,139	4	2.56%	*	*	*
WALGREEN CO.	693,500	5	0.96%	*	*	*
ALDI INC.	583,111	6	0.80%	*	*	*
BELLA ROE LOTS 2, 3 AND 6 07B	441,818	7	0.61%	*	*	*
BELLA ROE LOTS 2, 3 AND 6 07C	441,818	8	0.61%	*	*	*
BELLA ROE LOTS 2, 3 AND 6 07 ALL	441,818	9	0.61%	*	*	*
SECURITY BANK	420,001	10	0.58%	*	*	*

Source:

City of Roeland Park CAFR 2007 - 2007 CAFR did not have this information

*Unknown

Johnson County Records and Tax Administration

City of Roeland Park

Principal Sales Tax Industries

Current Year

(Unaudited)

Industry Type (NAICS)	Percentage of Total City Sales Tax Revenues
Retail Trade	77.56%
Food Service	6.04%
Utilities	5.29%
Information	4.49%
Other Services (except public administration)	1.55%
Construction	1.11%
Wholesale Trade	1.02%
Manufacturing	0.72%
Transportation and Warehousing	0.57%
All Others	1.60%
Total Percentage of Sales Tax Revenues	100.0%

Sources: Sales Tax Records, State of Kansas (NAICS Codes)

City of Roeland Park

Ratios of Outstanding Debt by Type Last Ten Fiscal Years (Unaudited)

Fiscal Year	Governmental Activities				
	General Obligation Bonds	Tax Increment Revenue Bonds	Revenue Bonds	Transportation Development District	Certificate of Participation
2008	\$ 5,065,000	\$ 5,080,732	\$ 85,000	\$ 5,770,000	\$ 650,000
2009	4,630,000	4,865,502	-	5,610,000	650,000
2010	7,480,000	4,627,394	-	5,430,000	-
2011	8,920,000	4,398,941	-	5,235,000	-
2012	9,260,000	4,106,044	-	5,080,000	-
2013	8,395,000	3,879,226	-	4,805,151	-
2014	8,004,247	3,622,299	-	4,455,696	-
2015	6,801,455	2,615,657	-	4,356,514	-
2016	5,603,792	2,337,203	-	4,078,072	-
2017	4,472,871	1,228,376		3,734,364	

Note: Details regarding the City's outstanding debt may be found in the notes to the financial statements.

(1) Personal income amounts are obtained from the demographic and economic statistics table of this section. The 2009 percentage of personal income is based off of the 2008 personal income information as 2009 was unavailable.

	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita
\$	1,780,262	\$ 18,430,994	59.84%	2,652
	1,651,443	17,406,945	61.50%	2,501
	1,642,243	19,179,637	65.30%	2,849.45
	1,593,570	20,147,511	64.43%	2,993
	1,381,133	19,827,177	59.49%	2,898
	1,162,630	18,182,739	54.56%	2,668
	933,528	17,015,770	49.97%	2,493
	697,995	14,471,621	42.50%	2,114
	456,251	12,475,318	33.06%	1,827
	203,719	9,639,330	24.97%	1,420

City of Roeland Park

**Ratios of Net General Bonded Debt Outstanding by Type
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Population	Assessed Value	Governmental Activities			Percentage of Actual Property Value	Debt Per Capita	Percentage of Personal Income (1)
			General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt			
2008	6951	\$70,324,732	\$ 5,065,000	\$ 373,212	\$ 4,691,788	6.7%	\$ 675	15.2%
2009	6960	\$73,305,497	4,630,000	313,476	4,316,524	5.9%	\$ 620	15.3%
2010	7026	\$70,978,838	7,480,000	213,348	7,266,652	10.2%	\$ 1,034	24.7%
2011	6731	\$69,358,737	8,920,000	432,827	8,487,173	12.2%	\$ 1,261	27.1%
2012	6841	\$60,446,819	9,260,000	421,769	8,838,231	14.6%	\$ 1,292	26.5%
2013	6816	\$59,270,263	8,395,000	459,907	7,945,132	13.4%	\$ 1,166	23.8%
2014	6845	\$60,835,995	8,004,247	479,137	7,525,110	12.4%	\$ 1,099	21.1%
2015	6840	\$63,329,216	6,801,455	421,228	6,380,227	10.1%	\$ 933	16.5%
2016	6827	\$70,318,083	5,603,792	363,620	5,240,172	8.8%	\$ 768	15.7%
2017	6786	\$75,040,020	4,472,871	268,346	4,204,525	5.6%	\$ 620	12.6%

Note: Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.

(1) Personal income amounts are obtained from the demographic and economic statistics table of this section.
The 2009 percentage of personal income is based off of the 2008 personal income information as 2009 was unavailable.

City of Roeland Park

Direct and Overlapping Governmental Activities Debt For the Year Ended December 31, 2017 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Johnson County (1)	312,063,100	0.77%	2,402,886
Johnson County Consolidated Fire District #2 (1)	190,000	8.44%	16,036
Johnson County Community College	7,210,000	0.77%	55,517
Johnson County Parks and Recreation (1)	1,215,000	0.77%	9,356
Shawnee Mission School Dist. - U.S.D. #512 (1)	341,795,000	2.10%	7,177,695
Water District #1 of Johnson County (3)	253,025,000	1.58%	3,997,795
Subtotal, overlapping debt			<u>\$ 13,659,284</u>
City Direct Debt			<u>9,639,330</u>
Total direct and overlapping debt			<u><u>\$ 23,298,614</u></u>

Sources: Johnson County, Department of Records and Tax Administration
Water District No. 1

(1) Data as of December 31, 2016

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the government's boundaries and dividing it by the County total taxable assessed value.

City of Roeland Park

**Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)**

	2008	2009	2010	2011
Debt limit	\$ 21,097,420	\$ 21,991,649	\$ 21,293,651	\$ 20,807,621
Total net debt applicable to limit	12,580,262	12,731,443	11,907,243	10,513,570
Legal debt margin	\$ 8,517,158	\$ 9,260,206	\$ 9,386,408	\$ 10,294,051
Total net debt applicable to the limit as a percentage of debt limit	59.63%	57.89%	55.92%	50.53%

Source: City Records

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	\$ 83,254,820
Debt limit (30% of assessed value)	<u>24,976,446</u>
Debt applicable to limit:	
General obligation bonds	4,466,000
Temporary Notes	-
Certificates of Participation	-
Capital Leases	<u>203,719</u>
Total net debt applicable to limit	<u>4,669,719</u>
Legal debt margin	<u>\$ 20,306,726</u>

	2012		2013		2014		2015		2016		2017
\$	20,327,553	\$	20,070,973	\$	20,535,644	\$	21,294,949	\$	23,448,007	\$	24,976,446
	11,501,133		9,557,630		8,928,528		7,490,995		6,059,251		4,669,719
\$	8,826,420	\$	10,513,343	\$	11,607,116	\$	13,803,954	\$	17,388,756	\$	20,306,726
	56.58%		52.38%		43.48%		35.18%		25.84%		18.70%

City of Roeland Park

Pledged-Revenue Coverage

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

Transportation Development District

Funding Source: Sales Tax Revenue and Interest Earnings

Fiscal Year	Transportation Development District	Debt Service		Coverage
		Principal	Interest	
2008	436,037	150,000	328,932	0.91
2009	397,637	160,000	321,694	0.83
2010	372,955	180,000	313,937	0.76
2011	381,398	195,000	305,182	0.76
2012	396,732	155,000	301,944	0.87
2013	390,626	274,849	248,408	0.73
2014	406,455	309,292	237,465	0.74
2015	401,856	160,000	192,621	1.14
2016	404,556	215,000	146,069	1.12
2017	405,089	2,900,000	15,026	0.14

Revenue Bonds

Funding Source: Revenues and Interest Earnings

Fiscal Year	Revenue Bonds	Debt Service		Coverage
		Principal	Interest	
2008	-	85,000	7,289	-
2009	-	85,000	2,444	-
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-

Tax Increment Bonds

Funding Source: Tax Increment Revenues and Interest Earnings

Fiscal Year	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2008	176,113	107,413	47,087	1.14
2009	146,667	75,231	63,770	1.06
2010	126,208	78,109	42,768	1.04
2011	106,272	58,453	49,697	0.98
2012	363,974	107,897	251,614	1.01
2013	609,451	226,818	284,053	1.19
2014	629,268	234,079	224,490	1.37
2015	550,025	1,029,940	206,629	0.44
2016	623,425	278,454	154,516	1.44
2017	1,125,101	1,108,827	132,016	0.91

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Roeland Park made an advance payment of the 2005 Series Tax Increment Debt in 2017

Source: City Records

City of Roeland Park

Demographic and Economic Statistics Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended April 30	Population (1)	Per Capita Personal Income (2)	Personal Income (3)	Median Age (4)	School Enrollment (5)	Unemployment Rate (6)
2008	6,951	57,880	30,802,101	36.20	347	4.8%
2009	6,960	52,472	28,303,211	35.70	359	6.0%
2010	7,026	53,821	29,372,416	36.40	379	6.0%
2011	6,731	56,550	31,271,376	36.50	386	5.1%
2012	6,841	59,524	33,328,220	34.80	370	4.5%
2013	6,816	59,524 *	33,328,220 *	34.80 *	370	3.8%
2014	6,845	60,068 *	34,054,458 *	36.50 *	400	3.7%
2015	6,840	62,005	35,607,643	36.60	400	3.4%
2016	6,827	65,050	37,739,389	36.60	400	3.3%
2017	6,786	66,063	38,610,439	37.10	365	3.3%

Sources:

- (1) Johnson County Clerk/Secretary of State - Division of the Budget
- (2) Bureau of Economic Analysis, Table CA1-3, Johnson County, Kansas Per Capita, personal income
- (3) Bureau of Economic Analysis, Table CA1-3, Johnson County, Kansas, personal income
- (4) US Census Bureau, Johnson County, Kansas
- (5) Shawnee Mission School District, elementary public schools only
- (6) Bureau of Labor Statistics

* Data Not Available

City of Roeland Park

**Principal Employers (Johnson County)
Current Year and Ten Years Ago
(Unaudited)**

Employer	2017			2008		
	Employees in County (1)	Rank	Percentage of Total County Employment (2)	Employees in County (1)	Rank	Percentage of Total County Employment
Sprint	6,000	1	1.90%	*	*	*
Olathe Unified School District	4,500	2	1.43%	*	*	*
Johnson County Government	3,900	3	1.11%	*	*	*
Garmin International	3,800	4	1.20%	*	*	*
Shawnee Mission School District	3,400	5	1.08%	*	*	*
Black & Veatch	3,300	6	0.89%	*	*	*
Blue Valley School District	3,200	7	1.02%	*	*	*
Olathe Health System	2,600	8	0.81%	*	*	*
Wal-Mart	2,500	9	0.79%	*	*	*
Hy-Vee Food Stores	2,400	10	0.77%	*	*	*

Source:

Johnson County, Treasury and Financial Management & County Economic Research Institute (CERI)

* Data Not Available

City of Roeland Park

Full-Time Equivalent City Government Employees By Functions/Programs Last Ten Fiscal Years (Unaudited)

Functions/Program	Full-Time Equivalent Employees as of December 31			
	2017	2016	2015	2014
General Government:				
City Administrator	1	1	1	1
City Clerk	1	1	1	1
Finance Director/Asst. City Admin	1	1	1	1
Neighborhood Services	2	2	2	2
Assistants/Interns	1	1	1	1
Police:				
Officers	16	16	16	16
Public Works:				
Administration	1	1	1	1
Street Maintenance	6	6	6	6
Total	29	29	29	29

Source: City Records

Full-Time Equivalent Employees as of December 31

2013	2012	2011	2010	2009	2008
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	2	2	2
2	2	2	2	2	2
17	17	17	17	18	18
1	1	1	1	1	1
6	6	6	6	6	6
29	29	29	30	31	31

City of Roeland Park

Operating Indicators By Function/Program

Last Ten Fiscal Years

(Unaudited)

Function/Program	Calendar Year			
	2008	2009	2010	2011
Police:				
Adult arrest	429	400	383	281
Non-moving citations only	315	205	287	272
Total citations	2,665	2,853	2,915	2,240
Building Safety:				
Total building permits	496	475	441	388
Total value all permits	\$ 3,103,909	\$ 2,703,038	\$ 2,092,406	\$ 2,107,123

Source: City Records

Calendar Year					
2012	2013	2014	2015	2016	2017
362	315	313	284	248	233
282	306	258	271	257	178
3,374	2,281	2,712	2,229	2,695	3,088
433	487	525	526	467	527
\$ 4,111,694	\$ 3,119,141	\$ 3,846,616	\$ 4,165,361	\$ 4,650,000	\$ 12,960,000

City of Roeland Park

Capital Asset Statistics By Function/Program Last Ten Fiscal Years (Unaudited)

Function/Program	2008	2009	2010	2011	2012	2013
Public Works:						
Number of Streetlights	596	596	596	596	596	595
Streets (Lane Miles)	35.1	35.1	35.1	35.1	35.1	35.1
Public Safety:						
Stations	1	1	1	1	1	1
Culture and Recreation:						
Acreage	15	15	18	18	13	13
Parks	6	6	8	9	8	8
Tennis Courts	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1
Parks with Playground Equipment	2	2	3	3	3	3
Picnic Shelters	1	1	1	1	1	1
Community Centers	1	1	1	1	1	1
Skateboard Park	1	1	1	1	1	1

Source: City Records

2014	2015	2016	2017
595	595	595	595
35.1	35.1	35.1	35.1
1	1	1	1
13	13	13	13
8	8	8	8
1	1	1	1
1	1	1	1
3	3	3	3
1	1	1	1
1	1	1	1
1	1	1	1