
**CITY OF LENEXA, KANSAS
COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For The Year Ended December 31, 2020



*Report prepared and submitted by the
Finance Department*

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Introductory Section



May 17, 2021

The Honorable Mayor, City Council, Citizens,
Taxpayers and Other Interested Parties
City of Lenexa, Kansas

Introduction

The Comprehensive Annual Financial Report of the City of Lenexa (the City) for the fiscal year ended December 31, 2020 is hereby submitted. 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 our 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.

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

The Financial Reporting Entity

The Governmental Accounting Standards Board (GASB) has established the criteria to determine the financial reporting entity for a municipal government's financial report. Therefore, the City used these criteria to examine the relationship of the City to other associated but legally separate entities to determine if their inclusion in this report would be necessary to fairly present the financial position of the City. These criteria generally have to do with financial benefit or burden and levels of influence over the activities of these organizations. Management has determined that no such separate entities met the definition that would require these entities to be included in this report. The financial reporting entity includes all funds of the City.

Government Structure

The town of Lenexa was platted in August 1869 and became a city of the first class on December 1, 1980. The City operates under a Mayor-Council form of government with the addition of a City Manager. The Mayor is elected on an at-large, nonpartisan basis and serves a four-year term. The eight Council members are elected (nonpartisan) by ward and serve four-year terms of office. An election for Council members is held every odd-numbered year, with one representative from each of the four wards being chosen at each election.

The City provides a full range of services, including police and fire protection, emergency preparedness, street and storm drainage maintenance, comprehensive recreation and cultural events, planning and zoning management, and general administrative services.

Economic Condition and Outlook

Lenexa is located in Johnson County, Kansas, approximately 12 miles from downtown Kansas City, Missouri. Lenexa occupies a strategic location within the metropolitan area. Its superior position at the intersection of several major transportation routes has been a major factor in the City's growth and development, particularly for high-quality business park development.

Lenexa's commercial and residential construction increased from \$310.8 million to \$450.0 million in 2020 (an increase of 45%). In 2020, a total of 215 permits were issued for single family homes and a grand total of 2,762 building permits for residential and commercial were issued.

The number of new businesses that located in Lenexa in 2020 is 197.

Lenexa's current population is 57,039 with a projected population for year 2025 of 61,077.

The City's 2020 assessed valuation increased to \$1,450,374,180 (including motor vehicles and recreational vehicles) from \$1,364,582,453 in 2019, a 6.3% increase.

Major Initiatives

2020 Initiatives and Highlights

The City of Lenexa was proud to win a "Leading the Way" award from ETC Institute in 2020 in recognition of outstanding achievement in the delivery of services to residents. Recipients of the award ranked in the top 10% of local governments across the country in regard to their composite performances in three core areas assessed on ETC Institute's DirectionFinder survey: satisfaction with the overall quality of services; satisfaction with customer service provided by employees; satisfaction with the value residents think they receive for local taxes and fees. Lenexa is proud to be one of only 16 communities across the United States to receive the award in its inaugural year.

In August, 2020, the Lenexa City Council accepted the Climate Action Playbook developed by Climate Action KC, a community partnership dedicated to reducing greenhouse gas emissions and promoting a thriving, climate-resilient Kansas City metro region. The Playbook includes recommended actions as policies to reduce pollution and its negative effects, plus provides a menu of ideas ready to implement at the local level. The recommended actions are built around six areas: building and cities; electricity generation; food; land use; materials; and transportation.

A number of upgrades at Santa Fe Trail Drive and 95th Street were completed in 2020. The newly improved intersection now includes right turn lanes for each direction of traffic, an extended eastbound left turn lane, realigned driveways, ADA ramps and accessible pedestrian signals and storm drainage improvements. A new monument sign also marks the entrance to Lenexa's historic Old Town district.

In 2020, the Stormwater Infrastructure Replacement Program completed improvements in The Cedars and Lakeview (87th Street Parkway to Santa Fe Trail Drive from Pflumm Road to Little Mill Creek) neighborhoods that will prevent future drainage issues and emergency repairs. The city has more than 60 miles of corrugated metal pipe for stormwater infrastructure.

Future/Planned Initiatives

The Governing Body strategic goals are as follows:

- **City Services:** Ensure that City Services assist in creating a superior quality of life and a safe atmosphere where people desire to live, work and play.
- **Fiscal Responsibility:** Provide exceptional value for community-provided resources and strive for the long-term financial balance in the City's operational and capital activities.
- **Economic Development:** Promote and stimulate quality development (including retail, corporate headquarters, bioscience, high technology companies and residential) to enhance the City's diverse economic base.
- **Reinvestment:** Promote and support efforts to redevelop retail sites and improve our neighborhoods to continue the City's reputation as a safe and friendly community.
- **City Center:** Partner in the development of a premier destination point - "City Center" - that serves as a community gathering place integrating a variety of uses (including residential, retail and office uses).
- **Sense of Community:** Celebrate Lenexa's heritage and history to enhance the sense of community, pride and quality of life for residents.

Financial Information

The 2020 operating budget includes appropriate contingency funding to meet unexpected requirements that may arise during the year. Specifically, there is a contingency amount budgeted in the General Fund, and unallocated resources are available in the Capital Improvement Fund and other funds, which include the Municipal Buildings Fund and the Capital Acquisition Fund.

Internal Control Structure and Budgetary Controls

Management of the City is responsible for establishing and maintaining internal control 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 accounting principles generally accepted 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.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Governing Body. Activities of the General Fund, certain Special Revenue Funds, Enterprise Funds and Debt Service Fund are included in the annual appropriated budget. Project length financial plans are prepared by City staff and adopted by the Governing Body for all capital projects accounted for in the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established within the individual funds. The City also maintains an encumbrance accounting system as one method of accomplishing budgetary control. Unencumbered amounts lapse at year end.

As demonstrated by the statements and schedules included in the Financial Section of this report, the City continues to meet its responsibility for sound financial management.

Single Audit

The City of Lenexa is usually subject to Single Audit requirements in conformity with the provisions of the Single Audit Amendments of 1996 and U.S. Office of Management and Budget (OMB) Uniform Guidance – Subpart F, Audit Requirements. As a recipient of federal, state, and local financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to maintain compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the City.

Other Information

Independent Audit

Kansas Statutes Annotated 75-1122 requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by independent certified public accountants. The accounting firm of RubinBrown LLP was selected by the Governing Body.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lenexa for its annual financial report for 42 consecutive years (each of the fiscal years ended December 31, 1978 through 2019).

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe this current report continues to conform to the Certificate of Achievement program requirements, and we are submitting this report to the GFOA to determine its eligibility for another certificate.

The Honorable Mayor, City Council, Citizens,
Taxpayers, and Other Interested Parties

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning January 1, 2020. The City has received the Distinguished Budget Presentation Award since 1990. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

Acknowledgments

The preparation of the annual financial report on a timely basis was made possible by the dedicated service of the entire Finance Department staff. Each staff member has our sincere appreciation for their work in preparation of this report.

In closing, without the leadership and support of the Governing Body of the City of Lenexa, preparation of this report would not have been possible.

Sincerely,



Rebecca Yocham
City Manager



Doug Robinson
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lenexa
Kansas**

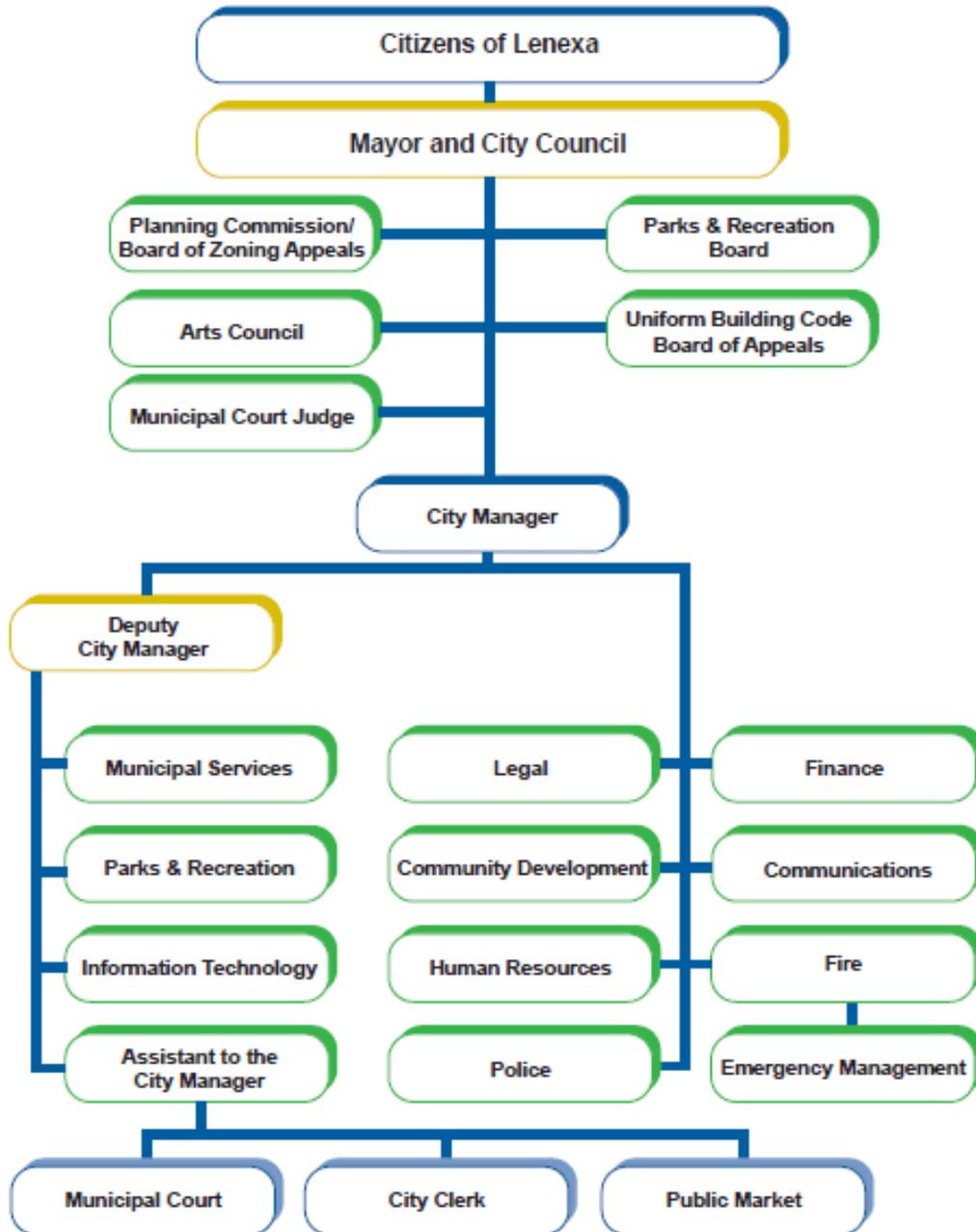
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

**CITY OF LENEXA
Organizational Chart
(Population 57,039)**



CITY OF LENEXA, KANSAS

LIST OF PRINCIPAL OFFICIALS

Mayor

Michael Boehm

City Council

Joe Karlin
Courtney Eiterich
Bill Nicks
Thomas Nolte
Dan Roh
Corey Hunt
Mandy Stuke
Julie Sayers

City Manager

Rebecca Yocham

Deputy City Manager

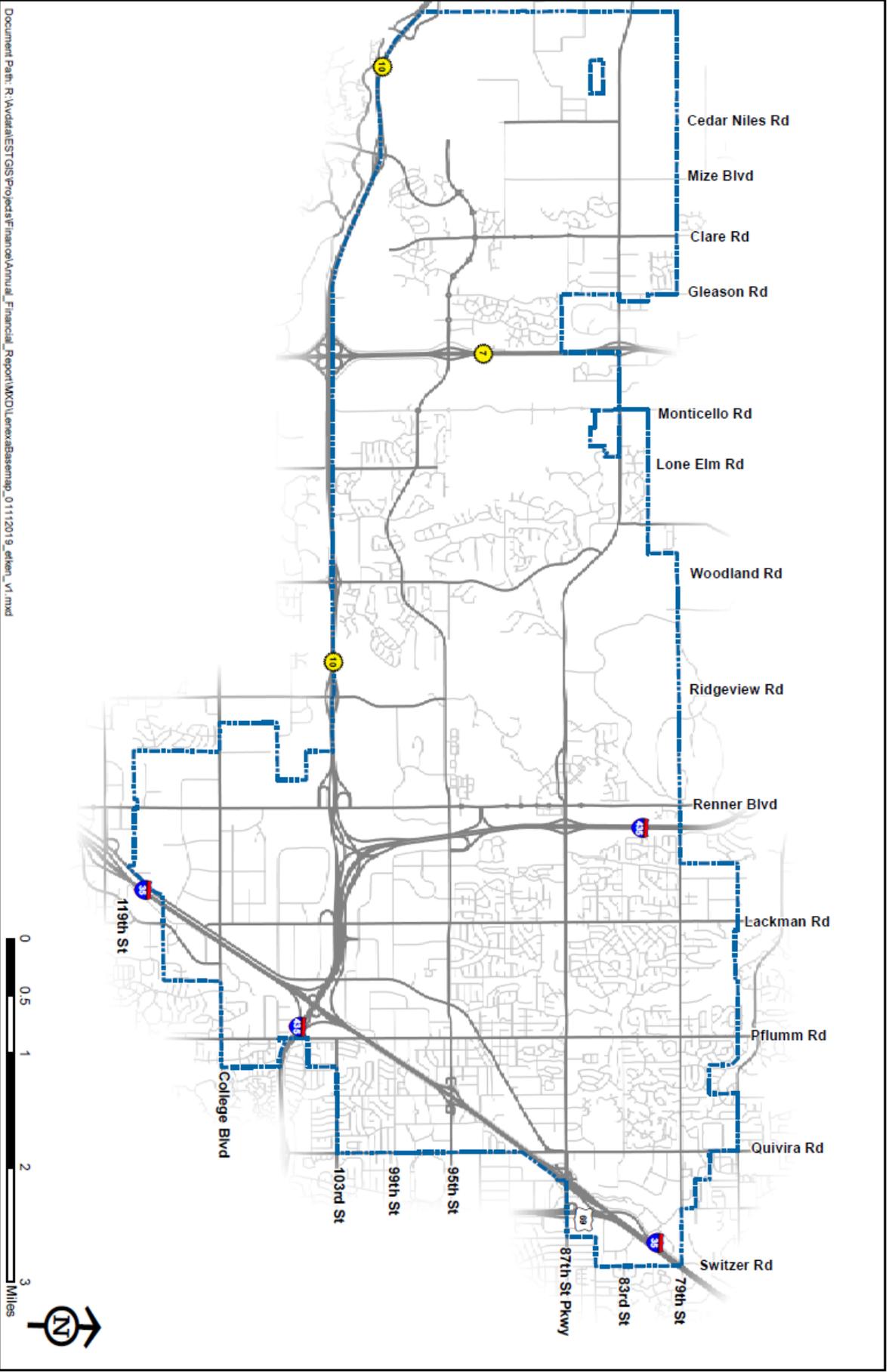
Todd Pelham

Assistant to the City Manager

Michael Nolan

Finance Department

Doug Robinson, Chief Financial Officer
Briana Burrichter, Assistant Chief Financial Officer
Jennifer Deming, Accounting Manager
Dana Stauch, Senior Accounts Payable Specialist
Lisa Cline, Senior Budget & Financial Analyst
Megan Sterling, Senior Accountant
Barbara Young, Senior Payroll Specialist



Financial Section



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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

The Honorable Mayor and
Members of the City Council
City of Lenexa, Kansas

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lenexa, Kansas (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Lenexa, Kansas' 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.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lenexa, Kansas as of December 31, 2020 and the respective changes in financial position, and where applicable, its cash flows 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 on pages 4 through 15, the Budgetary Comparison Information on pages 86 through 88 and the Pension and Other Post Employments Benefits schedules on pages 89 through 94 to 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 of Lenexa, Kansas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable Mayor and
Members of the City Council
City of Lenexa, Kansas

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

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

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

RubinBrown LLP

May 17, 2021

Management's Discussion And Analysis

CITY OF LENEXA, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2020

This discussion and analysis of the City of Lenexa, Kansas' (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

The City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the end of 2020 by \$613,862,049. Of this amount, \$47,390,105 is unrestricted net position.

The City's total long-term liabilities decreased by \$10,178,891. The key factors in this decrease were the issuance of \$9,040,000 in general obligation bonds, the principal payments of \$18,665,000 in general obligation bonds and \$399,000 in general obligation notes payable.

Capital assets decreased \$28,526 due to \$47,171,675 in infrastructure additions, (including donated capital assets from developers of \$6,188,851) net decrease of construction in progress of \$28,429,967, land purchase of \$7,000 and non-infrastructure capital asset additions and retirements of \$1,692,142 and net depreciation of \$20,469,376.

At the end of 2020, the fund balance for the General Fund was \$48,418,972.

The Basic Financial Statements

The Basic Financial Statements of the City include the Government-Wide Financial Statements, the Fund Financial Statements and notes to the basic financial statements. The Notes to the Basic Financial Statements are essential for the reader's understanding of the financial statements. Required and other supplementary information is also included at the end of this report to provide additional information for the reader.

Government-Wide Financial Statements

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

The Statement of Net Position reports all of the City's assets, deferred outflows, liabilities and deferred inflows. Assets and deferred outflows less liabilities and deferred inflows equals net position, which is one way to measure the City's financial health, or financial position. Over time, the increases and decreases in net position can be monitored to determine whether the City's financial position is improving or deteriorating. Other non-financial factors necessary to assess the overall health of the City include changes in the City's property tax base and the condition of the City's capital assets (streets, building and storm drainage).

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

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

Both statements show the operations of the City distinguished between governmental activities and business-type activities. Governmental activities are the operations and services of the City generally supported by taxes, such as Municipal Services, Police, Fire, Parks and Recreation, and General Administration.

Fund Financial Statements

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

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

Proprietary Funds fall into two categories: Enterprise Funds and Internal Service Funds. All Proprietary Funds are prepared on the accrual basis of accounting. Enterprise Funds are used to account for business-type transactions. Enterprise Fund statements present the same information that is in the Government-Wide Statements for business activities, only in greater detail. Currently, the City uses an Enterprise fund to account for its Stormwater and Rec-Center operations. Internal Service Funds are used to account for the cost of operations shared by various functions of the City. The City uses three Internal Services Funds to account for its self-insurance activities: Health Plan Fund, Risk Management Fund, and the Workers' Compensation Fund. These three funds are combined into a single column on the Proprietary Fund statement. A combining statement for these funds can be found in the supplementary information. In the Government-Wide Statements, the information for these Internal Service Funds is presented as part of the governmental activities information.

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

Fiduciary Funds are used by the City to account for resources held by the City for the benefit of a third party. Because the resources of these funds are not available for the City's operations, they are not presented in the Government-Wide Financial Statements. The City's Fiduciary Fund is the Defined Benefit Pension Plan Fund, which is reported as a pension trust fund.

Notes To The Basic Financial Statements

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

Other Information

In addition to the financial statements and the notes described above, required supplementary information regarding the City's General Fund budget and schedules of funding progress for the City's Defined Benefit Pension Plan and Other Post Employment Benefit Plan have been included to give the reader further insight into the City's funding progress. The combining statements for Nonmajor Funds are included after the required supplementary information on pension plans. Finally, the Statistical Section includes statistical data about the City.

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

Analysis Of Government-Wide Financial Statements

Statement Of Net Position

Combined net position of the City at December 31 is as follows:

	Activities		Activities		Government	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 200,692,241	\$ 190,013,678	\$ 14,228,999	\$ 11,728,703	\$ 214,921,240	\$ 201,742,381
Capital assets	523,610,991	522,154,058	126,008,701	127,494,160	649,619,692	649,648,218
Total Assets	724,303,232	712,167,736	140,237,700	139,222,863	864,540,932	851,390,599
Deferred Outflows Of Resources						
Deferred outflows - pension	13,334,322	9,062,093	436,498	274,655	13,770,820	9,336,748
Deferred outflows - OPEB	1,926,194	547,164	107,653	31,766	2,033,847	578,930
Total Deferred Outflows Of Resources	15,260,516	9,609,257	544,151	306,421	15,804,667	9,915,678
Liabilities						
Other liabilities	8,592,276	12,428,434	703,441	755,324	9,295,717	13,183,758
Self insurance claims payable	1,515,946	2,081,685	—	—	1,515,946	2,081,685
Long-term obligations	123,865,673	135,503,894	27,160,685	25,701,355	151,026,358	161,205,249
OPEB liability	8,043,110	4,918,432	413,517	256,764	8,456,627	5,175,196
Net pension liability	44,862,708	37,013,150	1,430,829	1,161,517	46,293,537	38,174,667
Total Liabilities	186,879,713	191,945,595	29,708,472	27,874,960	216,588,185	219,820,555
Deferred Inflows Of Resources						
Property tax	45,444,318	42,841,241	—	—	45,444,318	42,841,241
Deferred inflows - pension	3,121,528	3,458,283	51,324	60,875	3,172,852	3,519,158
Deferred inflow - OPEB	565,503	614,631	29,833	33,229	595,336	647,860
Deferred amount on refunding	349,855	154,363	333,004	346,446	682,859	500,809
Total Deferred Inflows Of Resources	49,481,204	47,068,518	414,161	440,550	49,895,365	47,509,068
Net Position						
Net investment in capital assets	408,588,303	398,831,197	100,390,724	102,036,825	508,979,027	500,868,022
Restricted	53,384,378	47,441,146	4,108,539	4,279,239	57,492,917	51,720,385
Unrestricted	41,230,150	36,490,537	6,159,955	4,897,710	47,390,105	41,388,247
Total Net Position	\$ 503,202,831	\$ 482,762,880	\$ 110,659,218	\$ 111,213,774	\$ 613,862,049	\$ 593,976,654

As noted earlier, net position may serve over time as useful indicators of a government's financial position. In the case of the City, assets and deferred outflows exceed liabilities and deferred inflows by \$613,862,049 at December 31, 2020.

The largest portion of the City's net position, \$508,979,027 (82.9%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's 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.

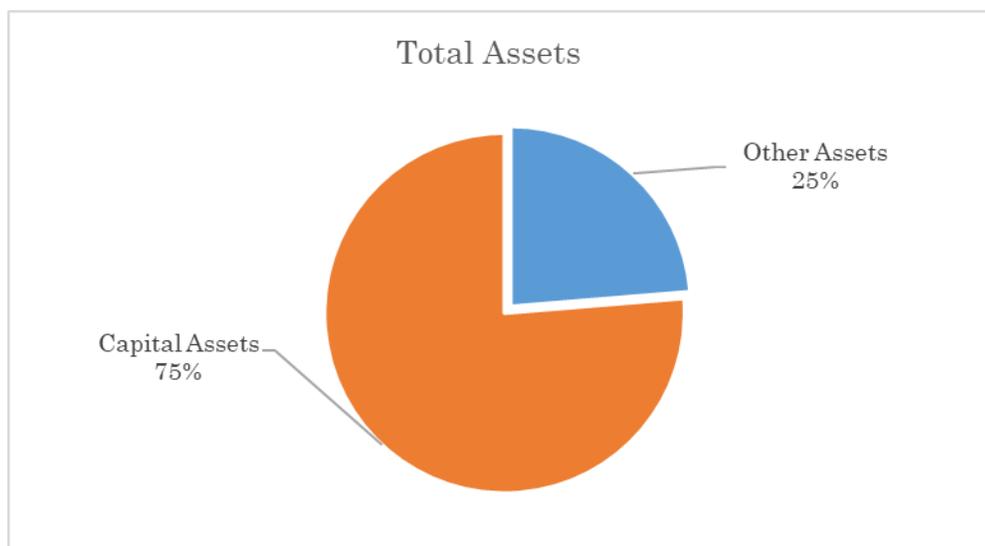
CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

An additional portion of the City's net position, \$57,492,917 (9.4%), represents resources that are subject to external restrictions on how they may be used. Unrestricted net position, which totals \$47,390,105 (7.7%), represents assets that may be used to meet the government's ongoing obligations to citizens and creditors. The government's net position increased by \$19,892,395, or 3.3%, during the current fiscal year.

A review of the government-wide financial statement of net position reveals the following:

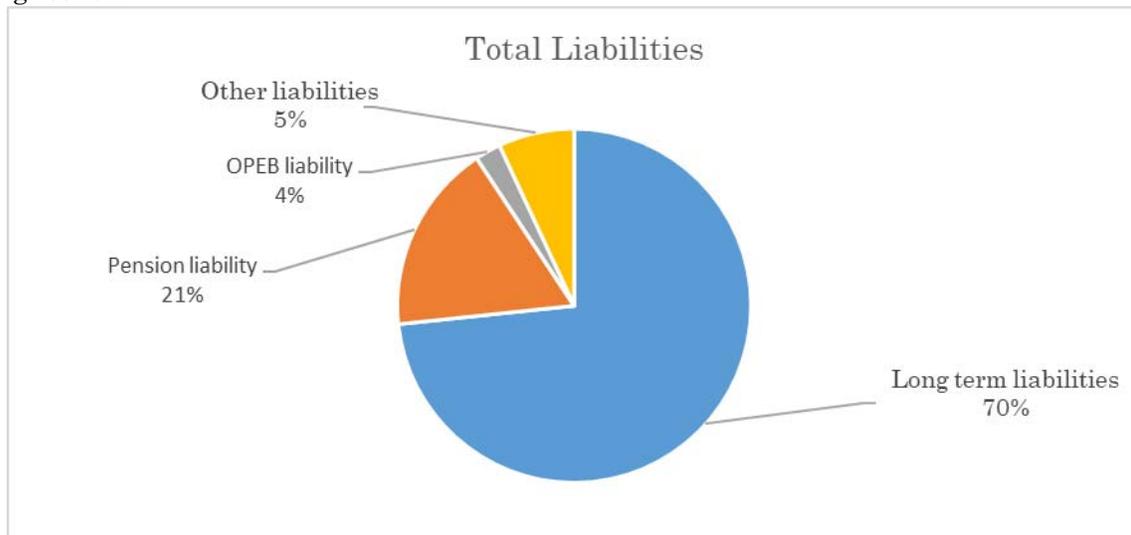
The City ended 2020 with a positive net position. Total assets for the City are \$864,540,932. Of these total assets, \$649,619,692 are capital assets and \$214,921,240 are other assets.



CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

Total liabilities for the City are \$216,588,185. Of these total liabilities, \$151,026,358 are for long-term liabilities, \$46,293,537 for net pension liability, \$8,456,627 are for Other Post Employment Benefit liability, \$1,515,946 for self-insurance claims payable and \$9,295,717 for other liabilities. The majority of the long-term liabilities are for debt issued for major capital projects. Debt issues are never extended longer than the useful life of the project for which debt is being issued.



Total net position for the City is \$613,862,049. Of this, \$47,390,105 are unrestricted and \$57,492,917 are restricted. Net investment in capital assets is \$508,979,027.

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

Statement Of Activities

The following table reflects the revenues and expenses for the City's activities for the year ended December 31:

	Governmental Activities		Business Type Activities		Total Primary Government		Variance Over (Under)
	2020	2019	2020	2019	2020	2019	
Revenues							
Program revenues:							
Charges for services	\$ 6,317,870	\$ 7,036,821	\$ 7,685,078	\$ 10,041,868	\$ 14,002,948	\$ 17,078,689	\$ (3,075,741)
Grants and contributions	3,276,729	1,596,552	8,404	16,688	3,285,133	1,613,240	1,671,893
Capital grants and contributions	8,021,817	4,755,410	1,544,519	1,809,807	9,566,336	6,565,217	3,001,119
General revenues:							
Property taxes	49,678,176	48,414,945	235,610	4,577,461	49,913,786	52,992,406	(3,078,620)
Sales tax	38,897,812	37,571,363	—	—	38,897,812	37,571,363	1,326,449
Other taxes	12,838,294	13,444,535	—	—	12,838,294	13,444,535	(606,241)
Investment revenue	1,672,459	3,695,240	79,995	183,199	1,752,454	3,878,439	(2,125,985)
Other	1,312,815	1,861,300	5,546	21,879	1,318,361	1,883,179	(564,818)
Total Revenues	122,015,972	118,376,166	9,559,152	16,650,902	131,575,124	135,027,068	(3,451,944)
Expenses							
General government	17,817,052	18,166,556	—	—	17,817,052	18,166,556	(349,504)
Public safety	32,530,261	27,570,692	—	—	32,530,261	27,570,692	4,959,569
Municipal services	34,961,757	36,110,897	—	—	34,961,757	36,110,897	(1,149,140)
Parks and recreation	5,593,257	7,314,935	—	—	5,593,257	7,314,935	(1,721,678)
Economic development	6,915,091	6,800,669	—	—	6,915,091	6,800,669	114,422
Interest on long-term debt	3,614,590	3,956,751	—	—	3,614,590	3,956,751	(342,161)
Rec Center	—	—	3,523,656	3,731,578	3,523,656	3,731,578	(207,922)
Stormwater	—	—	6,727,065	7,849,970	6,727,065	7,849,970	(1,122,905)
Total Expenses	101,432,008	99,920,500	10,250,721	11,581,548	111,682,729	111,502,048	180,681
Excess Of Revenues Over Expenditures	20,583,964	18,455,666	(691,569)	5,069,354	19,892,395	23,525,020	(3,632,625)
Other Financing Sources (Uses)							
Transfers	(137,013)	(2,038,539)	137,013	2,038,539	—	—	—
Total Other Financing Sources (Uses)	(137,013)	(2,038,539)	137,013	2,038,539	—	—	—
Change In Net Position	20,446,951	16,417,127	(554,556)	7,107,893	19,892,395	23,525,020	(3,632,625)
Net Position - Beginning Of Year	482,755,880	466,345,753	111,213,774	104,105,881	593,969,654	570,451,634	23,518,020
Net Position, End Of Year	\$ 503,202,831	\$ 482,762,880	\$ 110,659,218	\$ 111,213,774	\$ 613,862,049	\$ 593,976,654	\$ 19,885,395

The City's net position increased for governmental activities by \$20,446,951. Key elements of this increase are as follows:

- The City received \$4.7 million of donated streets through developer constructed projects.
- Completion of Ridgeview Road project totaling \$27.6 million.
- An increase in grant revenue of \$2.2 million primarily due to the \$1.7 million in Federal CARES Act funding issued in response to the COVID-19 pandemic.
- An increase in property tax revenue of \$1.3 million primarily due to increase in assessed valuation of 6% and mill levy reduction of .59 mills.
- An increase in sales tax revenue of \$1.3 million primarily due to increase in grocery and whole sale club spending.

CITY OF LENEXA, KANSAS

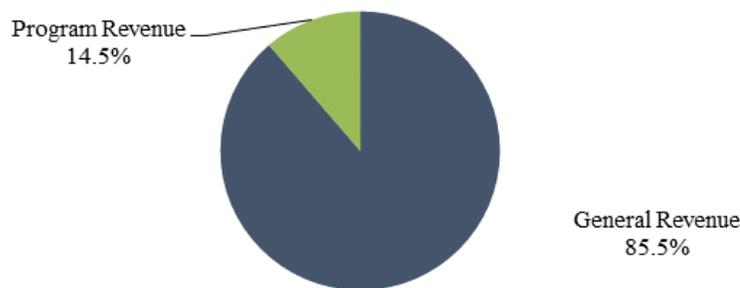
Management's Discussion and Analysis (*Continued*)

The City's net position decreased for the business-type activities by \$554,556. The key element of this decrease is as follows:

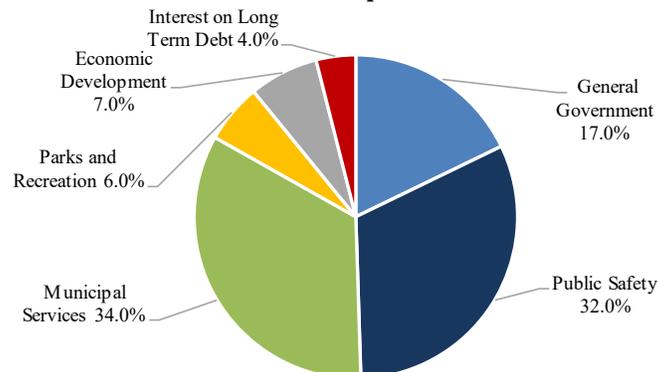
- A decrease in charges for service by the Rec Center of \$1.4 million due to closures and capacity restrictions in place due to the COVID-19 pandemic.
- A decrease of 13.3% in storm water service charges due to an impervious surface mapping completed by the city.

The government-wide statement of activities indicates the major sources of program revenues are capital grants and contributions. General revenues comprised 85.5% of total revenues for governmental activities. Property taxes are the largest general revenue source for governmental activities amounting to 40.7% followed closely by sales tax amounting to 31.9% of general revenues.

Total Revenue



Total Expenses



CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

For purposes of the above graph, only governmental activities are included. In addition, the capital grants and contributions amounts of \$7.5 million have not been included in the net costs of services. The total cost of services for 2020 was \$101.4 million; however, \$6.3 million was funded by charges to users directly benefiting from the services. Of the remaining \$95.1 million for cost of services, \$83.8 million of these services was funded primarily through property taxes and sales taxes with \$3.3 million being funded by operating grants, and \$8.0 million being funded by capital grants and contributions.

Analysis Of The Fund Financial Statements

Governmental Funds

The City's governmental fund statements can be found on pages 18 to 21 of the basic financial statements. As stated earlier, these statements are presented on the modified accrual basis. Reconciliation to the Government-Wide Financial Statements has been provided with these fund statements. The Governmental Funds ended fiscal year 2020 with an increase in fund balance.

The General Fund is the main operating fund of the City. The fund balance of the General Fund at December 31, 2020 was \$48,418,972. This represents an increase of \$9,059,936 or a 23.0% increase over the previous year's balance which is due to a decrease in overall expenditures of \$1.8 million and decrease in net transfers out of \$5.5 million. Property tax revenues increased \$872,469 due to an increase in assessed valuation of 6.0% and mill levy reduction of .59 mills. Sales and compensating use tax revenue increased \$1.3 million or 3.6%. Excluding refunds and one-time payments received in 2019, City sales tax revenues increased by \$0.9 million or .5% compared to 2019. The investment earnings in the general fund decreased \$1.1 million or 51% compared to 2019.

The fund balance of the Debt Service Fund at December 31, 2020 was \$4,215,164. This represents a decrease of \$149,699 or a 3.4% decrease over the previous year's balance. All of the Debt Service Fund balance is reserved for the payment of debt service expenditures.

The fund balance of the Capital Improvement Fund at December 31, 2020 was \$31,755,855. This represents an increase of \$6,525,864 or a 25.0% increase over the previous year's balance. This increase is primarily the result of the delay of capital projects as result of the COVID-19 pandemic and reserving capital improvement funds for the upcoming public safety building project.

The fund balance of the Street Improvement Fund will vary on a year-to-year basis depending on what capital projects are in process, the cost of those projects and the various funding sources for those projects. The fund balance of the Street Improvement Fund at December 31, 2020 was \$11,056,340. This represents an decrease of \$6,220,930 or a 36.0% decrease over the previous year's balance.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus used is the economic resources measurement focus. Enterprise funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The City reports the Stormwater Fund and the Rec Center Fund as Enterprise Funds. All activities necessary to provide such services are accounted for in these funds, including administration, operations, maintenance, financing and related debt service.

The Internal Service Funds information is included with the governmental activities information on the Government-Wide Statements. Any asset, revenue, and/or expense fluctuations have been discussed in the Government-Wide Statement section.

General Fund Budgetary Highlights

The legally adopted budget for the General Fund was not amended by the Governing Body during 2020. However, departments within the City are allowed to transfer budget between line items and between activities within a department. Revenues were less than budgetary estimates by \$1.3 million and expenditures were less than budgetary estimates by \$9.1 million. Revenues decreased in the general fund \$1.2 million over the prior year. Expenditures decreased \$1.8 million while transfers out to other funds decreased \$5.6 million. The following are major budgetary highlights of the general fund for the 2020 fiscal year:

- Total taxes revenue was \$75.3 million, which was \$.7 million less than the budget estimate of \$76.0 million. This is due to property tax appeals and refunds.
- Licenses and permits revenue was \$2.6 million, which was an increase of \$0.8 million over the budget estimate.
- An increase in operating expense for the General Fund due to increases in employee compensation.
- The City proactively responded to the COVID-19 pandemic's economic effects by leaving positions vacant, delaying some capital projects and operating expenses.

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

Capital Asset and Debt Administration

Capital Assets

The total amount of capital assets for the City at December 31, 2020 was \$649,619,692 net of accumulated depreciation. This investment of capital assets includes land, buildings, improvements, vehicles and equipment, park facilities, storm sewers, bridges and streets. The following chart breaks down the City's capital asset balance, net of accumulated depreciation, into the various categories of assets.

	Governmental Activities	
	2020	2019
Land	\$ 25,322,049	\$ 25,315,049
Buildings	61,807,696	63,364,621
Machinery and equipment	13,244,349	14,039,519
Other capital, depreciable	164,247	317,272
Other capital, non-depreciable	411,700	411,700
Infrastructure, depreciable	416,270,744	383,885,724
Construction in progress	6,390,206	34,820,173
Total	\$ 523,610,991	\$ 522,154,058

	Business-Type Activities	
	2020	2019
Land	\$ 1,042,499	\$ 1,042,499
Buildings	29,900,363	31,028,679
Machinery and equipment	1,129,844	1,380,392
Other capital, non-depreciable	98,800	98,800
Infrastructure, depreciable	93,837,195	93,943,790
Total	\$ 126,008,701	\$ 127,494,160

Major capital events during the fiscal year included the following:

- About 5,100 linear feet of sidewalks were repaired or added in the Century Estates and Falcon Ridge subdivisions.
- \$29.9 million was invested to extend Ridgeview Road from Prairie Star Parkway to Kansas Highway 10 and make other surrounding improvements. The new mile of road opened in the spring of 2020.
- The intersection at Santa Fe Trail Drive and 95th Street was improved to include right turn lanes for each direction of traffic, an extended eastbound left turn lane, realigned driveways, ADA ramps and accessible pedestrian signals, and storm drainage improvements.
- In 2020, 98% of our streetlights were converted to LED. These new lights have provided brighter, safer streets while saving energy, money and maintenance time.

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

- In 2020, we rebuilt sports courts in Sar-Ko-Par Trails Park and Bois D'Arc Park. Sar-Ko-Par now has two tennis courts and a roller hockey rink. Bois D'Arc Park now has eight pickleball courts. The new courts opened in June.

Additional information can be found in Note 5 of this report.

Debt Administration

At December 31, 2020, the City had a number of debt issues outstanding. These issues include \$128,305,000 of general obligation bonds and special assessment debt backed by the full faith and credit of the City. This balance represents a \$9,625,000 net decrease over the 2019 balance. This net decrease is primarily due to the issuance of \$9,040,000 of general obligation bonds along with the principal payment of \$18,665,000 on existing and refunded bonds. The City maintained its bond rating from Standard and Poor's of AAA and maintained an Aaa bond rating from Moody's Investors Service, Inc. on general obligation bond issues. Under current state statutes, the City's bonded debt issuances are subject to a legal limitation based on a percentage of the assessed valuation of real estate and personal property. As of December 31, 2020, the total general obligation debt of \$128,305,000 was well below the City's legal limit of \$435,112,254. A summary of outstanding debt is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 102,655,000	\$ 113,635,000	\$ 25,650,000	\$ 24,295,000	\$ 128,305,000	\$ 137,930,000
TIF revenue bonds	5,795,953	5,961,193	—	—	5,795,953	5,961,193
General obligation notes payable	5,075,000	5,474,000	—	—	5,075,000	5,474,000
Employee compensated absences (net)	3,396,886	2,776,698	116,695	93,492	3,513,581	2,870,190
Net unamortized premium	6,944,712	7,661,698	1,232,948	1,138,733	8,177,660	8,800,431
Discount on notes	(1,878)	(4,695)	—	—	(1,878)	(4,695)
Revolving loan	—	—	161,042	174,130	161,042	174,130
Total long-term liabilities	\$ 123,865,673	\$ 135,503,894	\$ 27,160,685	\$ 25,701,355	\$ 151,026,358	\$ 161,205,249

Additional information on the City's debt can be found in Note 9 of this report.

Requests For Information

This financial report is intended to give the reader a general overview of the City's finances. Questions about the information contained in this report or requests for additional information should be directed to the Chief Financial Officer, 17101 W. 87th Street Parkway, Lenexa, Kansas 66219.

Basic Financial Statements

CITY OF LENEXA, KANSAS

STATEMENT OF NET POSITION

December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Deposits, including investments and restricted cash and investments	\$ 116,507,023	\$ 9,990,833	\$ 126,497,856
Receivables (net of allowance of \$1,571,880)	81,904,551	4,215,397	86,119,948
Net pension asset	1,950,521	22,769	1,973,290
Prepays	330,146	—	330,146
Capital assets - nondepreciable	32,123,955	1,141,299	33,265,254
Capital assets - depreciable, net	491,487,036	124,867,402	616,354,438
Total Assets	724,303,232	140,237,700	864,540,932
Deferred Outflows Of Resources			
Deferred outflow - pension	13,334,322	436,498	13,770,820
Deferred outflow - OPEB	1,926,194	107,653	2,033,847
Total Deferred Outflows Of Resources	15,260,516	544,151	15,804,667
Liabilities			
Accounts payable	2,802,914	253,281	3,056,195
Accrued interest payable	4,006,596	249,715	4,256,311
Accrued compensation	1,391,862	89,819	1,481,681
Other	205,933	110,626	316,559
Due to other entities	184,971	—	184,971
Self-insurance claims payable:			
Due within one year	1,232,062	—	1,232,062
Due in more than one year	283,884	—	283,884
Long-term liabilities:			
Due within one year	25,830,870	2,370,269	28,201,139
Due in more than one year	98,034,803	24,790,416	122,825,219
Net pension liability	44,862,708	1,430,829	46,293,537
OPEB liability	8,043,110	413,517	8,456,627
Total Liabilities	186,879,713	29,708,472	216,588,185
Deferred Inflows Of Resources			
Property tax	45,444,318	—	45,444,318
Deferred amount on refunding	349,855	333,004	682,859
Deferred inflow - pension	3,121,528	51,324	3,172,852
Deferred inflow - OPEB	565,503	29,833	595,336
Total Deferred Inflows Of Resources	49,481,204	414,161	49,895,365
Net Position			
Net investment in capital assets	408,588,303	100,390,724	508,979,027
Restricted for:			
Capital projects	6,981,590	—	6,981,590
Debt service	25,839,239	4,108,539	29,947,778
General government	3,595,144	—	3,595,144
Municipal services	8,178,273	—	8,178,273
Parks and recreation	7,935,894	—	7,935,894
Public safety	854,238	—	854,238
Unrestricted	41,230,150	6,159,955	47,390,105
Total Net Position	\$ 503,202,831	\$ 110,659,218	\$ 613,862,049

CITY OF LENEXA, KANSAS

STATEMENT OF ACTIVITIES For The Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Position		
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 17,817,052	\$ 3,342,493	\$ 459,722	\$ —	\$ (14,014,837)	\$ —	\$ (14,014,837)
Public safety	32,530,261	1,203,835	1,333,471	—	(29,992,955)	—	(29,992,955)
Municipal services	34,961,757	668,458	1,483,536	8,021,817	(24,787,946)	—	(24,787,946)
Parks and recreation	5,593,257	1,103,084	—	—	(4,490,173)	—	(4,490,173)
Economic development	6,915,091	—	—	—	(6,915,091)	—	(6,915,091)
Interest on long-term debt	3,614,590	—	—	—	(3,614,590)	—	(3,614,590)
Total Governmental Activities	101,432,008	6,317,870	3,276,729	8,021,817	(83,815,592)	—	(83,815,592)
Business-Type Activities							
Rec Center	3,523,656	1,745,187	8,404	—	—	(1,770,065)	(1,770,065)
Stormwater	6,727,065	5,939,891	—	1,544,519	—	757,345	757,345
Total Business-Type Activities	10,250,721	7,685,078	8,404	1,544,519	—	(1,012,720)	(1,012,720)
Total	\$ 111,682,729	\$ 14,002,948	\$ 3,285,133	\$ 9,566,336	(83,815,592)	(1,012,720)	(84,828,312)
General revenues:							
Taxes:							
Property taxes					49,678,176	235,610	49,913,786
Sales taxes					38,897,812	—	38,897,812
Franchise taxes					6,847,965	—	6,847,965
Motor vehicle taxes					3,215,447	—	3,215,447
Transient guest tax					750,897	—	750,897
Excise tax					1,329,054	—	1,329,054
Special liquor tax					694,931	—	694,931
Unrestricted investment earnings					1,672,459	79,995	1,752,454
Miscellaneous					1,312,815	5,546	1,318,361
Transfers					(137,013)	137,013	—
Total General Revenues And Transfers					104,262,543	458,164	104,720,707
Change In Net Position					20,446,951	(554,556)	19,892,395
Net Position - Beginning Of Year					482,755,880	111,213,774	593,969,654
Net Position - End Of Year					\$ 503,202,831	\$ 110,659,218	\$ 613,862,049

CITY OF LENEXA, KANSAS

BALANCE SHEET - GOVERNMENTAL FUNDS December 31, 2020

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General Fund	Debt Service	Capital Improvement Fund	Street Improvements	Other Governmental Funds	
Assets						
Deposits and investments	\$ 45,266,056	\$ 4,195,977	\$ 29,851,695	\$ 10,059,280	\$ 18,921,669	\$ 108,294,677
Restricted cash and investments	207,335	—	—	—	2,407	209,742
Special assessment receivable	—	25,178,263	—	—	—	25,178,263
Property tax receivable (net of allowance for uncollectibles)	25,965,001	7,125,107	—	—	12,354,210	45,444,318
Sales tax receivable	6,898,334	—	—	—	244,314	7,142,648
Transient guest tax receivable	—	—	—	—	165,628	165,628
Franchise tax receivable	695,598	—	—	—	—	695,598
Special highway tax receivable	—	—	—	—	365,424	365,424
Special liquor tax receivable	65,393	—	—	—	130,785	196,178
Intergovernmental	—	—	—	1,309,666	558,092	1,867,758
Interest receivable	240,494	19,187	143,900	—	42,275	445,856
Due from other funds	51,669	—	1,617,293	—	—	1,668,962
Other receivable	89,281	—	147,467	—	73,931	310,679
Prepaid items	330,146	—	—	—	—	330,146
Total Assets	\$ 79,809,307	\$ 36,518,534	\$ 31,760,355	\$ 11,368,946	\$ 32,858,735	\$ 192,315,877
Liabilities, Deferred Inflows And Fund Balances						
Liabilities						
Accounts payable	\$ 2,026,634	\$ —	\$ 4,500	\$ 312,606	\$ 452,040	\$ 2,795,780
Accrued compensation	1,390,503	—	—	—	—	1,390,503
Due to other funds	1,617,293	—	—	—	125,600	1,742,893
Due to outside entities	184,971	—	—	—	—	184,971
Municipal court deposits	18,045	—	—	—	—	18,045
Unearned revenue	187,888	—	—	—	—	187,888
Total Liabilities	5,425,334	—	4,500	312,606	577,640	6,320,080
Deferred Inflows Of Resources						
Property tax	25,965,001	7,125,107	—	—	12,354,210	45,444,318
Special assessments	—	25,178,263	—	—	—	25,178,263
Total Deferred Inflows Of Resources	25,965,001	32,303,370	—	—	12,354,210	70,622,581
Fund Balances						
Nonspendable	330,146	—	—	—	—	330,146
Restricted	—	4,215,164	6,044,768	6,367,562	15,135,218	31,762,712
Committed	270,736	—	350,628	1,562,559	601,131	2,785,054
Assigned	39,876	—	25,360,459	3,126,219	4,190,536	32,717,090
Unassigned	47,778,214	—	—	—	—	47,778,214
Total Fund Balances	48,418,972	4,215,164	31,755,855	11,056,340	19,926,885	115,373,216
Total Liabilities, Deferred Inflows And Fund Balances	\$ 79,809,307	\$ 36,518,534	\$ 31,760,355	\$ 11,368,946	\$ 32,858,735	\$ 192,315,877

CITY OF LENEXA, KANSAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION December 31, 2020

Total Fund Balance - Governmental Funds \$ 115,373,216

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds:
Governmental capital assets (less accumulated depreciation). 523,610,991

Internal Service Funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the statement of net position. 6,644,297

Some of the City's revenues, including taxes, will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows in the fund financial statements. 25,178,263

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the fund financial statements. All liabilities - both current and long-term - are reported on the government-wide statement of net position. Balances as of year end are:

Accrued compensated absences	(3,396,886)
Other post employment benefits obligation	(8,043,110)
Unamortized premium on bonds payable	(6,944,712)
Unamortized discount on bonds payable	1,878
Net pension asset	1,950,521
General obligation notes payable	(5,075,000)
Accrued interest payable on long-term debt	(4,006,596)
Deferred amount on refunding	(349,855)
Tax increment financing bonds payable	(5,795,953)
General obligation bonds payable	(102,655,000)
Net pension liability	(44,862,708)
Deferred outflows - pension	13,334,322
Deferred inflows - pension	(3,121,528)
Deferred outflows - OPEB	1,764,805
Deferred inflows - OPEB	(489,147)
Deferred outflow - OPEB KPERS	161,389
Deferred inflow - OPEB/KPERS	(76,356)
	<u>(167,603,936)</u>

Total Net Position - Governmental Activities \$ 503,202,831

CITY OF LENEXA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For The Year Ended December 31, 2020

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Debt Service	Capital Improvement Fund	Street Improvements	Other Governmental Funds		
Revenues							
Taxes	\$ 75,279,522	\$ 10,985,384	\$ —	\$ —	\$ 14,099,833	\$ 100,364,739	
Intergovernmental	—	—	980	1,902,177	3,485,565	5,388,722	
Licenses and permits	2,564,797	—	—	—	—	2,564,797	
Charges for services	1,223,709	—	—	—	1,342,580	2,566,289	
Rents and leases	691,078	—	—	—	—	691,078	
Fines and forfeitures	765,639	—	—	—	24,401	790,040	
Investment earnings	1,023,297	138,260	266,584	13,616	84,964	1,526,721	
Miscellaneous	283,577	—	261,389	189,970	240,631	975,567	
Total Revenues	81,831,619	11,123,644	528,953	2,105,763	19,277,974	114,867,953	
Expenditures							
Current:							
General government	14,743,666	—	291,585	—	1,356,024	16,391,275	
Public safety	26,008,396	—	—	—	1,620,796	27,629,192	
Municipal services	9,040,922	—	26,112	—	63,760	9,130,794	
Recreation	5,714,204	—	5,925	—	66,091	5,786,220	
Economic development	—	—	—	—	6,918,780	6,918,780	
Debt service:							
Principal retirement	—	8,975,000	2,000,000	5,284,000	330,240	16,589,240	
Interest and fiscal charges	—	3,318,553	844,100	141,595	184,866	4,489,114	
Capital outlay:							
Municipal services	—	—	7,000	18,163,608	4,997,724	23,168,332	
Total Expenditures	55,507,188	12,293,553	3,174,722	23,589,203	15,538,281	110,102,947	
Excess (Deficiency) Of Revenues Over Expenditures	26,324,431	(1,169,909)	(2,645,769)	(21,483,440)	3,739,693	4,765,006	
Other Financing Sources (Uses)							
Issuance of general obligation bonds	—	—	—	505,000	—	505,000	
Issuance of refunding bonds	—	—	—	4,540,000	—	4,540,000	
Premium on general obligation bonds	—	—	—	477,565	—	477,565	
Transfers in	268,064	1,020,213	18,580,575	11,307,292	3,633,146	34,809,290	
Transfers out	(17,532,559)	—	(9,408,942)	(1,567,348)	(6,437,454)	(34,946,303)	
Total Other Financing Sources (Uses)	(17,264,495)	1,020,213	9,171,633	15,262,509	(2,804,308)	5,385,552	
Net Changes In Fund Balances	9,059,936	(149,696)	6,525,864	(6,220,931)	935,385	10,150,558	
Fund Balances - Beginning Of Year	39,359,036	4,364,860	25,229,991	17,277,271	18,991,500	105,222,658	
Fund Balances - End Of Year	\$ 48,418,972	\$ 4,215,164	\$ 31,755,855	\$ 11,056,340	\$ 19,926,885	\$ 115,373,216	

CITY OF LENEXA, KANSAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES For The Year Ended December 31, 2020

Net Change In Fund Balances - Total Governmental Funds \$ 10,150,558

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

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

Expenditure for capital assets:

Capital outlays	\$ 15,797,909
Depreciation expense	(18,980,790)

The net effect of various transactions involving capital assets is to increase net position:

Contributions from developers	4,679,874
Net book value of current year disposals	<u>(40,060)</u>
	1,456,933

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 the governmental funds:

Change in accrued interest payable	(71,828)
Change in employee compensated absences	(620,188)
Change in net pension	(2,610,579)
Change in other post employment benefits obligation	<u>(1,696,520)</u>
	(4,999,115)

Some revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds. Change in receivables not considered available in the fund statements:

2,290,188

The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in these statements 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. Also governmental funds report the effect of premiums and discounts when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

General obligation bond proceeds	(5,045,000)
Bond principal payment	16,025,000
General obligation note payments	399,000
Tax increment financing revenue bond payments	165,240
Bond premium	(477,565)
Amortization of bond premium	1,194,551
Amortization of bond discount	(2,817)
Deferred amount on refunding	(235,698)
Amortization of deferred amount on refunding	<u>40,206</u>
	12,062,917

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

(514,530)

Change In Net Position Of Governmental Activities

\$ 20,446,951

CITY OF LENEXA, KANSAS

STATEMENT OF NET POSITION - PROPRIETARY FUNDS December 31, 2020

	Business-type Activities			Governmental Activities
	Stormwater	Rec Center	Total Enterprise Funds	Internal Service Fund
Assets				
Current assets:				
Deposits and investments	\$ 8,128,091	\$ 1,862,742	\$ 9,990,833	\$ 8,002,604
Special assessment receivable	4,108,539	—	4,108,539	—
Interest receivable	25,266	8,369	33,635	30,150
Intergovernmental receivable	37,136	—	37,136	—
Due from other funds	—	—	—	73,931
Other receivable	—	36,087	36,087	62,051
Total current assets	12,299,032	1,907,198	14,206,230	8,168,736
Noncurrent assets:				
Capital assets - nondepreciable	1,042,499	98,800	1,141,299	—
Capital assets - depreciable, net	94,639,262	30,228,140	124,867,402	—
Net pension asset	22,769	—	22,769	—
Total noncurrent assets	95,704,530	30,326,940	126,031,470	—
Total Assets	108,003,562	32,234,138	140,237,700	8,168,736
Deferred Outflows Of Resources				
Deferred outflows - pension	294,440	142,058	436,498	—
Deferred outflows - OPEB	75,109	32,544	107,653	—
Total Deferred Outflows Of Resources	369,549	174,602	544,151	—
Liabilities				
Current liabilities:				
Accounts payable	200,708	52,573	253,281	7,134
Accrued interest payable	249,715	—	249,715	—
Accrued compensation	44,848	44,971	89,819	1,359
Self insurance claims payable	—	—	—	1,232,062
Current portion of long-term obligations	2,351,429	18,840	2,370,269	—
Unearned revenue	—	110,626	110,626	—
Total current liabilities	2,846,700	227,010	3,073,710	1,240,555
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	24,786,656	3,760	24,790,416	—
Self insurance claims payable	—	—	—	283,884
Net pension liability	953,885	476,944	1,430,829	—
Net OPEB liability	288,889	124,628	413,517	—
Total noncurrent liabilities	26,029,430	605,332	26,634,762	283,884
Total Liabilities	28,876,130	832,342	29,708,472	1,524,439
Deferred Inflows Of Resources				
Deferred inflows - pension	43,049	8,275	51,324	—
Deferred inflows - OPEB	20,815	9,018	29,833	—
Deferred amount on refunding	333,004	—	333,004	—
Total Deferred Inflows Of Resources	396,868	17,293	414,161	—
Net Position				
Net investment in capital assets	70,063,784	30,326,940	100,390,724	—
Restricted for debt service	4,108,539	—	4,108,539	—
Unrestricted	4,927,790	1,232,165	6,159,955	6,644,297
Total Net Position	\$ 79,100,113	\$ 31,559,105	\$ 110,659,218	\$ 6,644,297

CITY OF LENEXA, KANSAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUND For The Year Ended December 31, 2020

	Business-Type Activities			Governmental
	Total Enterprise			Internal Service
	Stormwater	Rec Center	Funds	Fund
Operating Revenues				
Intergovernmental	\$ —	\$ 8,404	\$ 8,404	\$ —
Charges for services	5,939,891	1,745,187	7,685,078	6,363,731
Property tax	235,610	—	235,610	—
Reimbursements from insurance companies	—	—	—	259,186
Miscellaneous	—	5,546	5,546	361,879
Total Operating Revenues	6,175,501	1,759,137	7,934,638	6,984,796
Operating Expenses				
Personal services	1,519,712	1,673,637	3,193,349	43,752
Contractual services	—	—	—	1,583,874
Commodities	—	—	—	40,752
Stormwater operations	2,795,504	—	2,795,504	—
Rec Center operations	—	493,557	493,557	—
Depreciation	1,755,024	1,356,462	3,111,486	—
Claims	—	—	—	5,976,686
Total Operating Expenses	6,070,240	3,523,656	9,593,896	7,645,064
Operating Income (Loss)	105,261	(1,764,519)	(1,659,258)	(660,268)
Nonoperating Revenues (Expenses)				
Intergovernmental	35,542	—	35,542	—
Investment income	61,550	18,445	79,995	145,738
Interest expense	(656,825)	—	(656,825)	—
Total Nonoperating Revenues (Expenses)	(559,733)	18,445	(541,288)	145,738
Loss Before Contributions And Transfers	(454,472)	(1,746,074)	(2,200,546)	(514,530)
Capital contributions	1,508,977	—	1,508,977	—
Transfers in	162,013	—	162,013	—
Transfers out	(25,000)	—	(25,000)	—
Change In Net Position	1,191,518	(1,746,074)	(554,556)	(514,530)
Total Net Position - Beginning Of Year	77,908,595	33,305,179	111,213,774	7,158,827
Total Net Position - End Of Year	\$ 79,100,113	\$ 31,559,105	\$ 110,659,218	\$ 6,644,297

CITY OF LENEXA, KANSAS

STATEMENT OF CASH FLOWS PROPRIETARY FUND For The Year Ended December 31, 2020

	Business-Type Activities			Governmental
	Stormwater	Rec Center	Total Enterprise Funds	Internal Service Funds
Cash Flows From Operating Activities				
Cash received from customers	\$ 5,995,827	\$ 1,650,525	\$ 7,646,352	\$ 6,725,609
Cash other	406,310	3,215	409,525	—
Cash from interfund	—	—	—	8,922
Cash received from insurance companies	—	—	—	377,548
Cash payments for personnel services	(1,437,352)	(1,605,834)	(3,043,186)	(43,414)
Cash payments for contractual services and accounts payable	(2,691,191)	(449,949)	(3,141,140)	(8,172,640)
Net Cash Provided By (Used In) Operating Activities	2,273,594	(402,043)	1,871,551	(1,103,975)
Cash Flows From Noncapital Financing Activities				
Transfers in	162,013	—	162,013	—
Transfers out	(25,000)	—	(25,000)	—
Net Cash Provided By Noncapital Financing Activities	137,013	—	137,013	—
Cash Flows From Capital And Related Financing Activities				
Premium on bonds	259,222	—	259,222	—
Interest paid on long term debt	(873,511)	—	(873,511)	—
Additions to capital assets	(117,050)	—	(117,050)	—
Capital grant	35,542	—	35,542	—
Principal paid on revolving loan	(13,087)	—	(13,087)	—
Proceeds from bonds	3,995,000	—	3,995,000	—
Principal paid on bonds	(2,640,000)	—	(2,640,000)	—
Net Cash Used In Capital And Related Financing Activities	646,116	—	646,116	—
Cash Flows From Investing Activities				
Investment income	61,549	18,444	79,993	—
Interest received	—	—	—	150,253
Net Cash Provided By Investing Activities	61,549	18,444	79,993	150,253
Net Increase (Decrease) In Cash And Cash Equivalents	3,118,272	(383,599)	2,734,673	(953,722)
Cash And Cash Equivalents – Beginning Of Year	5,009,819	2,246,341	7,256,160	8,956,326
Cash And Cash Equivalents – End Of Year	\$ 8,128,091	\$ 1,862,742	\$ 9,990,833	\$ 8,002,604
Reconciliation Of Operating Income To Net Cash From Operating Activities				
Operating income (loss)	\$ 105,261	\$ (1,764,519)	\$ (1,659,258)	\$ (660,268)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Depreciation	1,755,024	1,356,462	3,111,486	—
Changes in assets and liabilities:				
Other operating receivables	55,936	5,123	61,059	127,285
Customer receivables	—	9,972	9,972	—
Net OPEB	54,234	23,239	77,473	—
Compensated absences	17,558	5,645	23,203	—
Accounts, wages and claims payable	57,152	49,693	106,845	(570,992)
Net pension	57,729	32,835	90,564	—
Unearned revenue	—	(120,493)	(120,493)	—
Special assessment receivable	170,700	—	170,700	—
Net Cash Provided By (Used In) Operating Activities	\$ 2,273,594	\$ (402,043)	\$ 1,871,551	\$ (1,103,975)

CITY OF LENEXA, KANSAS

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS December 31, 2020

	Pension Trust Fund
Assets	
Cash and short-term investments	\$ 729,407
Investments at fair value:	
Corporate bonds	2,579,693
Domestic stocks	6,893,829
Real estate	2,509,969
International stocks	303,311
Master limited partnerships	1,430,142
Fixed income mutual funds	6,370,144
International mutual funds	10,909,200
Domestic mutual funds	140,329
Total investments at fair value	<u>31,136,617</u>
Prepaid expenses	273,045
Total Assets	<u>32,139,069</u>
Liabilities	
Accounts payable	<u>4,071</u>
Net Position Restricted For Pensions	<u><u>\$ 32,134,998</u></u>

CITY OF LENEXA, KANSAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION For The Year Ended December 31, 2020

	<u>Pension Trust Fund</u>
Additions	
Contributions:	
Employer	\$ —
Investment income:	
Net appreciation in fair value of investments	2,020,997
Dividends and interest	406,445
Investment expenses	<u>(106,527)</u>
Net investment income	<u>2,320,915</u>
Total Additions	2,320,915
Deductions	
Benefits paid	<u>1,647,002</u>
Net Increase	673,913
Net Position Restricted For Pensions	
Beginning of year	<u>31,461,085</u>
End of year	<u><u>\$ 32,134,998</u></u>

Notes To Basic Financial Statements

THE CITY OF LENEXA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2020

1. Summary Of Significant Accounting Policies

The following is a summary of significant accounting policies employed in the preparation of the accompanying financial statements.

Reporting Entity

The City of Lenexa, Kansas (the City) was incorporated as a city in 1907 and designated as a city of the first class on December 1, 1980, under the provisions of K.S.A. 13-101, et seq. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, culture and recreation, public improvements, planning and zoning, and general administrative services. The City is governed by an elected eight-member council and a mayor. As required by accounting principles generally accepted in the United States of America, these financial statements present the City's primary government. There are no component units related to the City that should be accounted for in the City's financial statements.

Government-Wide And Fund Financial Statements

The Government-Wide Financial Statements (that is, the Statement of Net Position and the Statement of Activities) report information on all nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements to minimize the duplication of internal activities with the exception of interfund services provided and used. The City reports stormwater functions and a recreation center as business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Administrative overhead charges are included in direct expenses. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for Governmental Funds, Proprietary Funds and Fiduciary Funds, even though the latter are excluded from the Government-Wide Financial Statements. Major individual Governmental Funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis Of Accounting And Financial Statement Presentation

The Government-Wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary and Fiduciary Fund Financial Statements. 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.

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 government 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, and pension costs are recorded only when payment is due.

Property taxes and special assessments, though measurable, are not available to finance current period obligations. Therefore, property taxes and special assessment receivables are recorded and deferred in the fund statements until they become available.

The City reports the following Major Governmental Funds:

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.

The *Debt Service Fund* is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the Governmental Funds.

The *Capital Improvement Fund* is used to account for the monies transferred from the General Fund for the purpose of financing authorized improvement projects and expenditures for machinery and equipment.

The *Street Improvements Fund* is used to account for the financing and construction of various street improvement projects within the City.

Additionally, the City reports the following fund types:

Internal Service Funds are used to account for payments of judgments, claims, uninsured losses and health and workers' compensation claims on a cost-reimbursement basis.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Enterprise Funds are used to report the City's stormwater activities and Rec Center activities. The stormwater fund is used to account for the resources received from stormwater utility charges, capital charges and grant funds to provide a systematic, economical and environmentally sensitive means for managing stormwater. The Rec Center fund is used to account for the activities related to the rec center.

The *Pension Trust Fund* is used to account for the accumulation of resources for pension benefit payments.

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations.

The principal operating revenues of the stormwater fund are utility charges to customers and other capital charges. Operating expenses include the costs of operating and maintaining the system, administrative expenses and depreciation on capital assets. The principal operating revenues of the rec center fund are charges to customers. Operating expenses include the costs of operating and maintain the rec center. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Deposits And Investments

The City temporarily pools available idle funds for the purpose of increasing revenue through investment activities. Each fund's portion of this pool is displayed on the financial statements as "Deposits, including investments". Interest earned on this pool is allocated to various funds on the basis of the fund's average month end cash balance. The deposits and investments of the pension trust fund are held separately from those of other City funds.

Investments are reported at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*.

The City typically invests available cash in demand deposits, time deposits and U.S. Government securities with maturities of twenty-four months or less. The average yield on investments during the year was 1.46% and the amount of investment revenue earned was \$1,752,454.

For the statement of cash flows purposes, the City considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar-year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing the taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, 2020, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred inflows on the balance sheets of the appropriate funds and the government-wide statements of net position. In addition, amounts received during the year levied are deferred until the subsequent year. Delinquent taxes receivable held by the County Treasurer at December 31, 2020 are not significant.

Interfund Receivables And Payables

Activity between funds that is representative of borrowing/lending arrangements outstanding at the end of the fiscal year are referred to as either “due to/due from other funds.”

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (for example, roads, bridges, sidewalks and similar items), are reported in the Government-Wide Financial Statements. Governmental capital assets are defined by the government as assets with individual costs of more than \$10,000 for machinery and equipment and a minimum of \$300,000 for infrastructure assets. Proprietary or Business type capital assets are defined as having an individual cost of more than \$5,000 for machinery and equipment and a minimum of \$300,000 for infrastructure assets. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

<u>Assets</u>	<u>Years</u>
Buildings	30
Communications equipment	5 - 10
Infrastructure	20 - 99
Motor vehicles	2 - 8
Operating equipment/mowers	3 - 15
Office equipment	5 - 15
Playground equipment	15

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/expenditure) until then. The City has deferred outflows related to pensions and OPEB that result from net differences between projected and actual earnings on investments, differences in actual and expected experience, changes in proportion, and contributions made subsequent to the measurement date.

Compensated Absences

All full-time, part-time and seasonal employees are eligible for vacation benefits in varying annual amounts. For the 2020 calendar year, due to the Covid-19 pandemic, full-time employees were allowed to accumulate and carry forward 280 hours of vacation, shift firefighters could carry forward 392 hours and part-time employees could carry forward 140 to 210 hours depending on annually scheduled hours. Hours accumulated and not taken in excess of these amounts as of the last day of the first pay period of the following calendar year were transferred to the employee's sick leave balance. This was a change from the 2019 calendar year, where full-time employees were allowed to accumulate and carry forward 240 hours of vacation, shift firefighters could carry forward 336 hours and part-time employees could carry forward 120 to 180 hours depending on annually scheduled hours. Hours accumulated and not taken in excess of these amounts as of the last day of the pay period of the calendar year were transferred to the employee's sick leave balance. Upon termination or resignation, full-time employees and part-time employees on regular status who have been employed for a minimum of one year shall be compensated for all accumulated, unused vacation leave. Seasonal employees accrue vacation according to the part-time accrual schedule but do not carry over balances. Vacation time accrued and not used by the end of the season is paid out to separating employees who worked the entire season. All vacation pay is accrued when incurred in the Government-Wide Financial Statements. A liability for these amounts is reported in Governmental Funds only if they have matured, for example, as a result of employee resignations and retirements.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Sick leave benefits accrue to all full-time and part-time employees in an amount based on position type, with no maximum accumulation. Sick leave balances are not paid out to an employee upon separation of service.

Supervisors may authorize employees in full-time, part-time, and non-shift firefighter, nonexempt positions to earn compensatory leave time in lieu of overtime up to a maximum of 80 hours. Any unused compensatory leave will be paid out upon separation of service to an employee.

Long-Term Obligations

In the Government-Wide and Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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.

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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has nonexchange revenue transactions where a receivable has been recorded because property taxes were levied, but the resources cannot be used until a future period. A deferred inflow for pension and OPEB results from pension and OPEB differences between expected and actual experience, changes of assumptions, differences between expected and actual earnings and changes in proportion. These amounts are deferred and amortized over the average expected remaining service life of the active and inactive plan members. The City also has deferred gains on refunding reported in the government-wide statement of net position. A deferred gain 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. These items have been reported as deferred inflows on the government-wide statement of net position.

On the modified accrual basis of accounting, the City has recorded certain receivables where the related revenue is unavailable. Unavailable revenues have been reported as deferred inflows of resources on the governmental fund balance sheet.

KPERS Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and 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.

Special Assessments

Kansas statutes require that certain projects financed in part by special assessments to be financed through the issuance of general obligation bonds that are secured by the full faith and credit of the City. Special assessments received prior to or after the issuance of general obligation bonds are recorded as revenue in the Debt Service Fund unless related to the Stormwater Fund. Further, state statutes require levying additional general ad valorem property taxes in the Debt Service Fund for any governmental fund assessments to finance delinquent special assessments receivable. Accordingly, special assessments receivable governmental funds are accounted for within the Debt Service Fund. Stormwater special assessments are reflected in the proprietary stormwater fund. Special assessments are levied over a 10-, 15- or 20-year period and annual installments are due and payable with annual ad valorem property taxes. Johnson County (the County) may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. At December 31, 2020, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the applicable governmental fund with a corresponding amount recorded as deferred revenue. The stormwater special assessment revenue is recognized in full at the time of the assessment in the stormwater proprietary fund.

Equity Classifications

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

- (1) Net investment in capital assets - consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) Restricted net position - consists of net position with restrictions placed on their use either by (a) external groups such as creditors, grantors, contributors or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first and then unrestricted resources, as they are needed.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

- (3) Unrestricted net position - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

1. *Nonspendable* - Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
2. *Restricted* - Assets with externally imposed constraints, such as those mandated by creditors, grantors, and contributors or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws or regulations.
3. *Committed* - Assets with a purpose formally imposed by ordinance of the City Council, binding unless modified or rescinded by the City Council through a similar action.
4. *Assigned* - Assets intended to be used for a specific purpose that is neither restricted or committed. Intent is expressed by the City Council or their designee. The City Council has delegated the authority to assign amounts to be used for specific purposes through policies approved by the City Council.
5. *Unassigned* - All amounts not included in the other fund balance classifications. The general fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

For the classification of fund balances, the City considers restricted amounts to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Expenditures are to be spent from restricted fund balance first, followed by committed, assigned and, lastly, unassigned.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

Fund balances for all major and nonmajor governmental funds as of December 31, 2020 were allocated as follows:

Fund Balances	Major				Nonmajor	Total Governmental Funds
	General	Debt Service	Capital Improvement	Street Improvements	Other Governmental	
Nonspendable	\$ 330,146	\$ —	\$ —	\$ —	\$ —	\$ 330,146
Restricted for:						
Debt service	—	4,215,164	—	—	2,408	4,217,572
Public safety:						
Alcohol prevention	—	—	—	—	626,422	626,422
Police department	—	—	—	—	227,816	227,816
Municipal services:						
Community improvement districts	—	—	—	—	735,086	735,086
Traffic improvements	—	—	—	—	2,093,734	2,093,734
Street improvements	—	—	—	—	365,424	365,424
TIF districts	—	—	—	—	4,984,032	4,984,032
Parks and recreation:						
Parks projects	—	—	4,709,603	—	2,789,597	7,499,200
Street Trees	—	—	—	—	436,695	436,695
General government:						
Economic development	—	—	1,335,165	—	—	1,335,165
Community development	—	—	—	—	12,643	12,643
Neighborhood redevelopment	—	—	—	—	396,112	396,112
Tourism	—	—	—	—	1,775,451	1,775,451
Legal	—	—	—	—	75,772	75,772
Capital projects:						
Street projects	—	—	—	6,367,562	—	6,367,562
Municipal building projects	—	—	—	—	368,000	368,000
Parks and recreation projects	—	—	—	—	246,026	246,026
Committed to:						
Encumbrances:						
Public safety:						
Community development	1,508	—	—	—	—	1,508
Foundation	98,042	—	—	—	—	98,042
Street projects	—	—	—	1,562,559	—	1,562,559
Capital acquisition	—	—	—	—	163,000	163,000
Municipal building projects	171,186	—	—	—	193,720	364,906
Parks and recreation projects	—	—	—	—	244,411	244,411
Assigned to:						
Encumbrances:						
Municipal services	—	—	—	—	1,988,436	1,988,436
Parks projects	39,876	—	—	—	—	39,876
Street projects	—	—	—	3,126,219	—	3,126,219
Equipment replacement	—	—	—	—	2,202,100	2,202,100
Future capital projects	—	—	25,360,459	—	—	25,360,459
Unassigned	47,778,214	—	—	—	—	47,778,214
	\$ 48,418,972	\$ 4,215,164	\$ 31,755,855	\$ 11,056,340	\$ 19,926,885	\$ 115,373,216

Use Of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

New Accounting Standard

For the year ended December 31, 2020, the City will adopt GASB Statement No. 95 Postponement of the Effective Dates of Certain Authoritative Guidance. Per the pronouncement guidance the city will continue to present our financials with all previously adopted standards.

2. Deposits And Investments

A summary of the City's significant accounting policies regarding cash, cash equivalents and investments may be found in Note 1 of the Basic Financial Statements. The City's deposits and investments are generally segregated into two parts: City-wide deposits and investments and the City's Defined Benefit Pension Plan deposits and investments. Below is a description of the policies associated with these categories of deposits and investments.

City-Wide Deposits And Investments

According to Kansas statutes and the City's formal investment policy adopted by the Governing Body, the City is allowed to pool idle cash from all funds for the purpose of increasing income through temporary investment activities, which may include certificates of deposit, repurchase agreements, money market funds, passbook savings accounts, U.S. Government securities and the Kansas Municipal Investment Pool (KMIP). KMIP is not registered with the SEC and is governed by the State of Kansas Pooled Money Investment Board. KMIP does not include any involuntary participants.

In 2003, the City was granted expanded investment powers by the State of Kansas. In addition to the options mentioned above, expanded investment powers allow the City to extend maturities up to four years. The City is required to provide an annual report of investment results to the State as a condition of maintaining the expanded powers.

Investments are stated at fair value. The fair value of marketable securities is based on quotations, which are generally obtained from national securities exchanges. Where marketable securities are not listed on an exchange, quotations are obtained from brokerage firms or national pricing services.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The carrying value of deposits and investments are summarized as follows:

	Governmental Activities	Business Type Activities	Total
Deposits	\$ 88,152	\$ 7,556	\$ 95,708
Petty cash	12,267	700	12,967
Investments:			
Municipal investment pool	479,932	45,852	525,784
Repurchase agreements	13,272,330	1,137,670	14,410,000
U.S. Governments securities	62,411,835	5,349,779	67,761,614
U.S. Treasury notes	40,240,099	3,449,276	43,689,375
Investments held with trustee:			
Deposits	2,408	—	2,408
Total deposits, including investments	\$ 116,507,023	\$ 9,990,833	\$ 126,497,856

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City's policy is to collateralize the demand deposits with securities held by the financial institution's agent and in the City's name. At December 31, 2020, the City's deposits were insured by federal depository insurance and uninsured deposits were fully collateralized in accordance with the City's policy.

For an investment, the custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's safeguarding policy is that investments are to be held in a single safekeeping agent in the name of the City. At December 31, 2020, the City's investments were in compliance with the policy.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Credit Risk And Concentration Of Credit Risk

The City's investment option types are limited, which inherently reduces credit risk. State statutes do not address concentration of credit risk. The City's investment policy limits the percentage of the portfolio that can be invested in various investment classes. The investment classes and their respective limits are shown below:

<u>Investment Type</u>	<u>Maximum Percentage Of Portfolio</u>
Repurchase agreements	30%
Collateralized time and demand deposits	100%
U.S. Treasury Notes and Bills	100%
U.S. Government Agency Obligations	90%
Kansas Municipal Investment Pool	30%
Bank Trust Department Mutual Pools	10%
Kansas General Obligation Bonds	10%
Temporary Notes or No-Fund Warrants	10%

The limit on repurchase agreements and KMIP deposits may exceed 60%, but not more than 75%, of the portfolio for a maximum of 45 days during each of the January and June property tax distributions, and prior to debt service payments on March 1 and September 1.

No single financial institution should hold demand or time deposits which will constitute more than 10% of the City's portfolio. No more than 33% of the total portfolio in any investment type of the City should be placed with a single issuer other than the United States Treasury.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Presented below is the actual rating by Moody's Investor Services or Standard and Poor's as of year end for each investment type, as well as the concentration of the issuers of securities, and the respective fair value of those securities:

<u>Investment Type</u>	<u>Total</u>	<u>Rating As Of December 31, 2020</u>	<u>Percentage</u>
Kansas Municipal Investment Pool	\$ 525,784	AAAf/S1+	0%
Repurchase agreements	14,410,000	Aaa Collateral	11%
U.S. Government Securities			
Federal National Mortgage Association	17,111,432	Aaa	14%
Federal Home Loan Banks	30,562,697	Aaa	24%
Federal Home Loan Mortgage Corporation	2,999,433	Aaa	2%
Federal Farm Credit	17,088,052	Aaa	14%
U.S. Treasury Notes	43,689,375	**	36%
Investments held by trustee			
State and local government securities	2,408	**	0%
Total	<u>\$ 126,389,181</u>		<u>100%</u>

** U.S. Treasury Notes and State and local government securities (issued by the U.S. Government) are not rated because they are considered of the highest quality and are backed by the full faith and credit of the U.S. Government.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of debt security investments. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has a formal policy to structure the portfolio so that securities mature to meet cash requirements for ongoing operations to minimize sales of securities prior to maturity. Exposure to interest rate risk is further limited by setting a maximum maturity of four years.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

As of December 31, 2020, the City's investment portfolio had the following investments and maturities:

Investment Type	Total	6 Months Or Less	6 - 12 Months	12 - 24 Months
Kansas Municipal Investment Pool	\$ 525,784	\$ 525,784	\$ —	\$ —
Repurchase agreements	14,410,000	14,410,000	—	—
U.S. Government Securities				
Federal National Mortgage Association	17,111,432	12,063,192	5,048,240	—
Federal Home Loan Banks	30,562,697	7,072,836	5,072,655	18,417,206
Federal Home Loan Mortgage Corporation	2,999,433	—	—	2,999,433
Federal Farm Credit	17,088,052	3,010,659	4,001,408	10,075,985
U.S. Treasury Notes	43,689,375	11,026,250	14,222,656	18,440,469
Investments held by Trustee:				
State and local government securities	2,408	2,408	—	—
	\$ 126,389,181	\$ 48,111,129	\$ 28,344,959	\$ 49,933,093

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs and Level 3 inputs are significant unobservable inputs.

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

- U.S. Government Securities of \$67,761,614 measured using a matrix pricing model (Level 2 inputs)
- U.S. Treasury Notes of \$43,689,375 measured using quoted prices in an active market (Level 1 inputs)

The Kansas Municipal Investment Pool of \$525,784 and the Repurchase Agreements of \$14,410,000 are measured at net asset value, which approximates fair value, and amortized cost, respectively. There are no restrictions on the redemption of the funds as the strategy of the funds is provide liquidity with an investment return.

Defined Benefit Pension Plan

The City had \$31,866,024 in cash and investments related to the City's defined benefit pension plan. These investments are carried at fair value. The City determines fair value based on current available market pricing. The primary objective of the City of Lenexa Defined Benefit Pension Plan is to provide eligible employees with retirement benefits. The Plan's investment objectives should be pursued as long-term goals designed to maximize return while reducing exposure to undue risk. At a minimum, it is the objective of the plan to meet its actuarial interest assumption on an ongoing basis. Currently, the actuarial interest assumption is 7.00%.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

There are six asset classes used: domestic equity, emerging markets equity, international equity, domestic fixed income, real assets and cash. The allocation percentages for each asset category are listed in the table below. Percentage allocations are intended to serve as guidelines.

Asset Category	Allocation			Long-Term Expected Return**
	Target*	Minimum	Maximum	
Domestic equity	28%	20%	40%	4.30%
International equities	23%	15%	30%	6.50%
Domestic fixed income	21%	15%	30%	2.10%
Real assets	20%	10%	30%	5.90%
Emerging markets equity	8%	5%	15%	7.20%
Cash	0%	0%	5%	1.10%

*Target approximates the assumed asset allocation

**Geometric mean

The benchmark for the domestic equity portion of the portfolio is to match or exceed the return of the Russell 3000 Index (net of investment management fees and transaction costs); the benchmark for the emerging markets portion of the portfolio is the MSCI Emerging Markets Index (net of investment management fees and transaction costs); the benchmark for the international equity portion of the portfolio is to match or exceed the return of the MSCI EAFE Foreign Equity Index (net of management fees and transaction costs); the benchmark for the fixed income portion of the plan is to equal or exceed the return of the Barclays Capital U.S. Aggregate (net of management fees and transaction costs); the benchmark for the real assets of the plan is to equal or exceed the return of 60% of the NCREIF ODCE Index (net of management fees and transaction costs) and 40% of the Alerian MLP index (net of management fees). Investments in cash must represent maturities of one year or less at the time of purchase.

Interest Rate Risk

Interest rate risk is the risk associated with a portfolio's sensitivity to changes in interest rates. The Plan has no specific policy regarding interest rate risk. As of December 31, 2020, the Plan had the following investments and maturities:

	Total	12 Months	12 - 48	> 48 Months
		Or Less	Months	
Fixed income mutual funds	\$ 6,370,144	\$ —	\$ —	\$ 6,370,144
Money market mutual funds	729,407	729,407	—	—
	7,099,551	\$ 729,407	\$ —	\$ 6,370,144
Domestic stocks	6,893,829			
International stocks	303,311			
Real estate	2,509,969			
Mutual funds	11,049,529			
Collective investment trust	2,579,693			
Master limited partnerships	1,430,142			
Total investments	\$ 31,866,024			

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Credit Risk

Credit risk is associated with the credit quality or rating of debt instrument investments. The Plan has no specific policy regarding credit risk. The fixed income mutual funds of \$6,370,144 and the money market mutual funds of \$730,611 are unrated for the purposes of credit risk.

Concentration Of Credit Risk

As of December 31, 2020, the following table lists the issuers of securities and the respective fair value of those securities that represent 5% or more of the Plan's total investments:

Metwest Total Return Bond Fund Class I	\$	6,370,144	20%
American Funds/Euro Pacific Growth		4,991,344	16%
Meritage Large Cap Growth		3,960,552	13%
BMO Global Asset Management		3,142,607	10%
Vanguard Developed Markets		3,042,031	10%
Vanguard Emerging Markets		2,875,826	9%
Principal SMID Cap Value Equity Fund		2,579,639	8%
Principal US Property		2,374,894	8%
Tortoise Capital Advisors		1,997,483	6%

Foreign Currency Risk

The Plan's investment policy permits it to invest up to 20% of total investments in foreign currency denominated investments. Currently, the Plan does not have any foreign currency denominated investments. The Plan's investment in international equities is comprised of mutual funds and separately managed accounts denominated in U.S. currency.

Fair Value

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

The City's pension plan investments have the following recurring fair value measurements as of December 31, 2020:

	Total As Of December 31, 2020	Fair Value Measurements Using:		
		Quoted Prices In	Significant Other	Significant
		Active Markets For	Observable	Unobservable
		Identical Assets Level 1	Inputs Level 2	Inputs Level 3
<i>Investments By Fair Value Level</i>				
Common Stock				
Communication	\$ 275,539	\$ 275,539	\$ —	\$ —
Consumer discretionary	903,144	903,144	—	—
Consumer staples	337,432	337,432	—	—
Energy	567,996	567,996	—	—
Financials	846,217	846,217	—	—
Healthcare	1,023,972	1,023,972	—	—
Industrials	872,053	872,053	—	—
Materials	38,545	38,545	—	—
Technology	2,164,979	2,164,979	—	—
Utilities	167,263	167,263	—	—
Total Common Stock	7,197,140	7,197,140	—	—
Master Limited Partnerships	1,430,142	1,430,142	—	—
Collective Investment Trust	2,579,693	2,579,693	—	—
Mutual Funds				
Fixed income - intermediate-term	6,370,144	6,370,144	—	—
International - foreign large growth	4,991,344	4,991,344	—	—
International - foreign large blend	3,042,031	3,042,031	—	—
International - diversified emerging markets	2,875,826	2,875,826	—	—
Domestic commingled and ETF	140,328	140,328	—	—
Total Mutual Funds	17,419,673	17,419,673	—	—
Investments By Fair Value Level	\$ 28,626,648	\$ 28,626,648	\$ —	\$ —
<i>Investments At Net Asset Value</i>				
Real estate commingled funds	\$ 2,509,969			
<i>Investments Measured At Amortized Cost</i>				
Money market investments	729,407			
Total Investments Value	\$ 31,866,024			

Common Stock

Common Stock classified in Level 1 are priced by identical securities traded on an established exchange.

Master Limited Partnerships

Master Limited Partnerships classified in Level 1 are priced by identical securities traded on an established exchange.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

Mutual Funds

Mutual funds classified in Level 1 are the sum of their respective public market holdings and are leveled according to those inputs and are not driven by the characteristic of their ownership.

Investments Measured At Net Asset Value (NAV)

For the Principal US Property real estate commingled funds, the fair value of the investment has been determined using the NAV per share or its equivalent of the Retirement System's ownership interest in the partners' capital. Principal US Property fund provided their most recently available audit report issued for their respective year ends occurring in 2020 along with unaudited quarterly reports. There were no unfunded commitments related to the investments at December 31, 2020. The investments in real estate funds are invested primarily in US real estate including office, retail, apartment, and industrial real estate. Redemptions can be made for Principal US Property fund it requires 7 day written notice to the fund for redemption to be completed. Units are redeemed monthly and are subject to stable investment market conditions and cash availability.

3. Receivables

Receivables as of year-end for the City's Major Funds, Nonmajor Funds and Internal Service Funds, including applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Capital Improve- ment	Street Improve- ments	Other Govern- mental	Internal Service	Total
Property tax	\$ 27,198,418	\$ 7,463,570	\$ —	\$ —	\$ 12,354,210	\$ —	\$ 47,016,198
Sales tax	6,898,334	—	—	—	244,314	—	7,142,648
Transient guest tax	—	—	—	—	165,628	—	165,628
Franchise tax	695,598	—	—	—	—	—	695,598
Special highway tax	—	—	—	—	365,424	—	365,424
Special liquor tax	65,393	—	—	—	130,785	—	196,178
Special assessment	—	25,178,263	—	—	—	—	25,178,263
Intergovernmental	—	—	—	1,309,666	558,092	—	1,867,758
Interest	240,494	19,187	143,900	—	42,275	30,150	476,006
Other	89,281	—	147,467	—	73,931	62,051	372,730
Less: allowance for uncollectible accounts	(1,233,417)	(338,463)	—	—	—	—	(1,571,880)
Total receivables	\$ 33,954,101	\$ 32,322,557	\$ 291,367	\$ 1,309,666	\$ 13,934,659	\$ 92,201	\$ 81,904,551

Included in "Other" in the Capital Improvement Fund is a \$147,467 tenant improvement loan for Park University.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

4. Tax Revenues

Tax revenues for the City's Major Funds and Nonmajor Funds are as follows:

	General	Debt Service	Governmental Funds	Other Funds	Total
Property tax	\$ 26,594,644	\$ 7,300,036	\$ 10,369,457	\$ 44,264,137	\$ 44,264,137
Sales tax	37,805,233	—	1,092,579	38,897,812	38,897,812
Transient guest tax	—	—	750,897	750,897	750,897
Franchise tax	6,847,965	—	—	6,847,965	6,847,965
Special assessment	—	2,940,883	—	2,940,883	2,940,883
Motor vehicle	2,470,982	744,465	—	3,215,447	3,215,447
Other	1,560,698	—	1,886,900	3,447,598	3,447,598
Total tax revenues	\$ 75,279,522	\$ 10,985,384	\$ 14,099,833	\$ 100,364,739	\$ 100,364,739

5. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2020:

	Balance December 31, 2019	Increases	Decreases	Balance December 31, 2020
Governmental activities:				
Assets not being depreciated:				
Land	\$ 25,315,049	\$ 7,000	\$ —	\$ 25,322,049
Other capital - non-depreciated	411,700	—	—	411,700
Construction in progress	34,820,173	13,624,811	42,054,778	6,390,206
Total nondepreciable capital assets	60,546,922	13,631,811	42,054,778	32,123,955
Assets being depreciated:				
Buildings	98,763,580	1,426,561	248,167	99,941,974
Machinery and equipment	31,537,066	1,786,001	1,392,324	31,930,743
Other capital - depreciated	2,215,685	25,490	22,469	2,218,706
Infrastructure - streets	651,184,589	45,662,698	—	696,847,287
Total depreciable capital assets	783,700,920	48,900,750	1,662,960	830,938,710
Less accumulated depreciation				
Buildings	(35,398,959)	(2,983,486)	(248,167)	(38,134,278)
Machinery and equipment	(17,497,547)	(2,541,111)	(1,352,264)	(18,686,394)
Other capital - depreciated	(1,898,413)	(178,515)	(22,469)	(2,054,459)
Infrastructure - streets	(267,298,865)	(13,277,678)	—	(280,576,543)
Total accumulated depreciation	(322,093,784)	(18,980,790)	(1,622,900)	(339,451,674)
Total capital assets being depreciated, net	461,607,136	29,919,960	40,060	491,487,036
Total governmental activities, capital assets, net	\$ 522,154,058	\$ 43,551,771	\$ 42,094,838	\$ 523,610,991

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

	Balance December 31, 2019	Increases	Decreases	Balance December 31, 2020
Business type activities:				
Assets not being depreciated:				
Land	\$ 1,042,499	\$ —	\$ —	\$ 1,042,499
Other capital - non-depreciated	98,800	—	—	98,800
Construction in progress	—	—	—	—
Total nondepreciable capital assets	1,141,299	—	—	1,141,299
Assets being depreciated:				
Buildings	33,849,468	—	—	33,849,468
Machinery and equipment	2,494,802	117,050	—	2,611,852
Infrastructure - stormwater	120,336,125	1,508,977	—	121,845,102
Total depreciable capital assets	156,680,395	1,626,027	—	158,306,422
Less accumulated depreciation				
Buildings	(2,820,789)	(1,128,316)	—	(3,949,105)
Machinery and equipment	(1,114,410)	(367,598)	—	(1,482,008)
Infrastructure - stormwater	(26,392,335)	(1,615,572)	—	(28,007,907)
Total accumulated depreciation	(30,327,534)	(3,111,486)	—	(33,439,020)
Total capital assets being depreciated, net	126,352,861	(1,485,459)	—	124,867,402
Total business type activities, capital assets, net	\$ 127,494,160	\$ (1,485,459)	\$ —	\$ 126,008,701

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 665,420
Public safety	1,664,734
Municipal services	2,440,334
Infrastructure	13,277,678
Parks and recreation	932,624
Total depreciation expense - governmental activities	\$ 18,980,790
Business-type activities:	
Municipal services	\$ 139,453
Parks and recreation	1,356,461
Infrastructure	1,615,572
Total depreciation expense - business type activities	\$ 3,111,486

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

6. Commitments

Construction Commitments

Normal commitments have been made for future expenditures related to the City's capital projects programs. At December 31, 2020, outstanding construction commitments, including obligations for capital outlay, were \$3,570,676.

At December 31, 2020, capital project authorizations compared with expenditures from inception are as follows:

	Project Authorizations	Expenditures - Project Inception To December 31, 2020
Governmental activities:		
Street improvements	\$ 102,299,405	\$ 4,324,873
Municipal buildings	16,192,036	—
Capital acquisitions	6,811,000	7,377
Parks and recreation	7,373,658	2,057,956
	\$ 132,676,099	\$ 6,390,206
Business-type activities:		
Storm drainage	\$ 15,531,738	\$ —

Economic Conditions

The recent outbreak of COVID-19, which has been declared by the World Health Organization to be a public health emergency of international concern, has spread across the globe and is impacting worldwide economic activity. The COVID-19 outbreak poses the risk that the City or its employees, contractors, residents, local businesses, and other partners may be prevented from conducting business activities for an indefinite period of time, due to shutdowns that may be requested or mandated by governmental authorities.

Other Commitments And Contingencies

The City is a defendant in various legal actions pending or in process for property damage, personal injuries, zoning matters and other miscellaneous claims. Such litigation, in the opinion of management, based on the advice of counsel, prior experience and further based on the present status of the City's insurance coverage, will have no material effect on the financial statements of the City.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

7. Interfund Receivables, Payables And Transfers

Interfund receivable and payable balances at December 31, 2020 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 51,669	\$ 1,617,293
Capital improvement fund	1,617,293	—
City Center East #1 CID fund	—	73,931
Grants fund	—	51,669
Risk management	73,931	—
	<u>\$ 1,742,893</u>	<u>\$ 1,742,893</u>

The General Fund interfund payable is a portion of the 3/8 cent sales tax to fund parks and road improvements. The payable will be eliminated in 2021. The interfund payable portion of the Grants Fund is due to a deficit balance, this payable will be liquidated when grant revenues are received.

A summary of interfund transfers by fund type is as follows at December 31, 2020:

	<u>Transfers Out</u>					<u>Total</u>
	<u>General</u>	<u>Street Improve- ments</u>	<u>Capital Improve- ments</u>	<u>Nonmajor Govern- mental</u>	<u>Enterprise</u>	
Transfers in:						
General	\$ —	\$ —	\$ —	\$ 268,064	\$ —	\$ 268,064
Debt service	—	40,407	—	979,806	—	1,020,213
Street Improvements	—	—	8,545,242	2,737,050	25,000	11,307,292
Capital Improvements	15,332,559	1,201,876	—	2,046,140	—	18,580,575
Nonmajor Governmental	2,200,000	325,065	863,700	244,381	—	3,633,146
Enterprise	—	—	—	162,013	—	162,013
Total	<u>\$ 17,532,559</u>	<u>\$ 1,567,348</u>	<u>\$ 9,408,942</u>	<u>\$ 6,437,454</u>	<u>\$ 25,000</u>	<u>\$ 34,971,303</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts and (3) use unrestricted revenues collected in a fund that is used to finance various programs and capital outlay projects accounted for in another fund in accordance with budgetary authorizations. Any transfers within the governmental funds or within the proprietary funds have been eliminated in the government-wide statement of activities.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

8. Lease Income

Following are descriptions of the City's major operating lease agreements.

Lenexa Chamber Of Commerce

The City leases to the Lenexa Chamber of Commerce, the Thompson Farm premise located in the Southlake Business Park. The lease provides for monthly lease payments of \$1,674. The cost of the Thompson Farm was \$790,000 with accumulated depreciation of \$618,833 and a current carrying value of \$171,167.

Cellular Tower Leases

The City has lease agreements with multiple wireless telecommunications providers for space on City-owned monopole towers located at 87th and Lackman, 87th and Quivira Road, 7700 Cottonwood, 87th and Monrovia, 11925 Santa Fe Drive, and 12500 W 87th St. The lease agreements provide for monthly lease payments. The cost of the cellular towers was \$1,063,500 with accumulated depreciation of \$1,063,500 and a current carrying value of \$0.

The following is a schedule of minimum future rentals on the cellular tower leases:

<u>Year</u>	<u>Amount</u>
2021	\$ 430,171
2022	444,335
2023	459,090
2024	458,266
2025	397,074
2026 - 2030	1,711,181
2031 - 2035	604,218
	<u>\$ 4,504,335</u>

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Park University Lease

The City leases to Park University, a portion of the building at Lenexa City Hall, 17101 West 87th Street Parkway for post-secondary educational opportunities. This lease consists of 5,600 square feet on the second floor of City Hall. The lease provides for monthly rent payments in the amount of \$9,777 for the first 36 months of the lease. The monthly rental amount for the 37th month to the 60th month increases to \$10,262. Minimum future rentals are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 123,144
2022	71,834
	<u>\$ 194,978</u>

Public Market Lease

The City has multiple lease agreements with vendors for market space in the city owned Public Market at 8750 Penrose Lane in the lower level of Lenexa City Hall. The lease agreements provide for monthly lease payments. The lease agreements for three of our anchor tenants are for 24 months. Base rent is calculated as 10% of gross sales for the period commencing on the 15th day of the calendar month two months prior to the month in which the base rent is due through the 14th day of the month immediately preceding the calendar month in which the base rent is due. One of the Public Market's anchor tenants has a 36-month lease agreement with an option to renew with a 3% increase for an additional 36 months. The minimum future rentals payments are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 41,927
2022	32,124
2023	24,501
2024	3,100
	<u>\$ 101,652</u>

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

9. Long-Term Debt And Other Obligations

Changes In Long-Term Liabilities

The following is a summary of the changes in long-term debt for the year ended December 31, 2020:

	Balance December 31, 2019	Additions	Retired	Balance December 31, 2020	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 113,635,000	\$ 5,045,000	\$ 16,025,000	\$ 102,655,000	\$ 11,260,000
Net unamortized premium	7,661,698	477,565	1,194,551	6,944,712	869,983
Less unamortized discount	(4,695)	—	(2,817)	(1,878)	(1,878)
Tax increment revenue bonds	5,961,193	—	165,240	5,795,953	5,795,953
General obligation notes payable	5,474,000	—	399,000	5,075,000	5,075,000
Employee compensated absences	2,776,698	2,639,909	2,019,721	3,396,886	2,831,812
Total governmental activities long-term obligations	135,503,894	8,162,474	19,800,695	123,865,673	25,830,870
Business Type Activities:					
General obligation bonds	24,295,000	3,995,000	2,640,000	25,650,000	2,130,000
Net unamortized premium	1,138,734	259,222	165,008	1,232,948	129,541
Employee compensated absences	93,492	92,588	69,385	116,695	97,283
Revolving loans payable	174,129	—	13,087	161,042	13,445
Total business type activities long-term obligations	25,701,355	4,346,810	2,887,480	27,160,685	2,370,269
	\$ 161,205,249	\$ 12,509,284	\$ 22,688,175	\$ 151,026,358	\$ 28,201,139

For governmental activities, compensated absences and other post-employment benefits obligations are generally liquidated from the General Fund.

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental and business-type activities.

In the 2020A debt issue the City completed a current refunding of the General Obligation Bonds Series 2010B. The total remaining debt service on the 2010B series was \$6,398,081 versus the new debt service for the 2020A of \$5,772,780 resulting in a savings for the City of \$625,301. This savings reported as net present value cash flow savings at 1.071% (Bond Yield) is \$591,988.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 10-year, 15-year or 20-year serial bonds with level debt service payments. General obligation bonds currently outstanding are as follows:

	Series	Interest Rates %	Original Issue Amount	Final Maturity Date	Outstanding December 31, 2020	Interest Paid 2020
Street improvements	2010B	3.0 to 4.0%	11,445,000	9/1/2030	\$ —	\$ 202,769
Building improvements	2011A	3.0 to 4.0%	4,800,000	9/1/2021	530,000	31,500
Street improvements	2012A	2.25 to 3.25%	13,000,000	9/1/2032	6,960,000	231,556
Street Improvements	2013A	2.0 to 4.125%	4,635,000	9/1/2028	1,720,000	66,625
Street Improvements	2014A	2.125 to 5.0%	14,490,000	9/1/2035	7,950,000	335,350
Street improvements, refunding	2014B	2.0 to 5.0%	4,320,000	9/1/2021	580,000	75,500
Street improvements, refunding	2015A	2.0 to 5.0%	21,390,000	9/1/2035	15,415,000	611,925
Civic Center Project	2015B	2.0 to 5.0%	44,140,000	9/1/2035	33,395,000	1,379,588
Refunding, Benefit Districts	2018A	2.0 to 5.0%	13,300,000	9/1/2038	10,030,000	470,081
Street improvements	2018C	3.0 to 5.0%	15,550,000	9/1/2038	14,395,000	592,250
Street improvements	2019C	2.25% to 5.0%	6,945,000	9/1/2039	6,635,000	275,616
Street improvements, refunding	2020A	1% to 3.5%	5,045,000	9/1/2041	5,045,000	—
					<u>\$ 102,655,000</u>	<u>\$ 4,272,760</u>

	Series	Interest Rates %	Original Issue Amount	Final Maturity Date	Outstanding December 31, 2020	Interest Paid 2020
Stormwater improvements	2010B	3.0 to 4.0%	1,945,000	9/1/2030	\$ —	\$ 30,213
Stormwater improvements	2011A	3.0 to 4.0%	1,260,000	9/1/2031	795,000	29,519
Stormwater improvements	2012A	2.25 to 3.25%	1,465,000	9/1/2032	660,000	22,806
Stormwater refunding	2012B	2.0 to 3.0%	4,208,124	9/1/2024	1,535,000	56,400
Stormwater Improvements	2013A	2.0 to 4.125%	2,985,000	9/1/2033	2,140,000	82,006
Stormwater Improvements	2014A	2.125 to 5.0%	1,115,000	9/1/2034	855,000	28,706
Stormwater improvements, refunding	2014B	2.0 to 5.0%	4,325,000	9/1/2026	2,565,000	88,313
Stormwater improvements	2015A	2.0 to 5.0%	1,705,000	9/1/2035	1,395,000	53,200
Stormwater improvements, refunding	2018A	2.0 to 5.0%	9,700,000	9/1/2038	8,655,000	350,150
Stormwater improvements	2018C	3.0 to 5.0%	1,170,000	9/1/2038	1,085,000	44,619
Stormwater improvements	2019C	2.25% to 5.0%	2,035,000	9/1/2039	1,970,000	74,743
Stormwater improvements, refunding	2020A	1% to 3.5%	3,995,000	9/1/2040	3,995,000	—
					<u>\$ 25,650,000</u>	<u>\$ 860,674</u>

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Annual debt service requirements to maturity for general obligation bonds are as follows for the governmental and business-type activities, respectively:

Year	Principal	Interest	Total
2021	\$ 11,260,000	\$ 3,709,317	\$ 14,969,317
2022	10,475,000	3,361,943	13,836,943
2023	10,065,000	2,911,693	12,976,693
2024	8,805,000	2,512,593	11,317,593
2025	7,945,000	2,148,949	10,093,949
2026 - 2030	30,300,000	6,713,119	37,013,119
2031 - 2035	19,005,000	2,702,388	21,707,388
2036 - 2040	4,770,000	355,715	5,125,715
2041 - 2045	30,000	600	30,600
	\$ 102,655,000	\$ 24,416,315	\$ 127,071,315

Year	Principal	Interest	Total
2021	\$ 2,130,000	\$ 825,149	\$ 2,955,149
2022	2,150,000	759,729	2,909,729
2023	2,180,000	684,004	2,864,004
2024	2,230,000	624,704	2,854,704
2025	1,900,000	545,848	2,445,848
2026 - 2030	6,635,000	1,863,744	8,498,744
2031 - 2035	5,380,000	859,296	6,239,296
2036 - 2040	3,045,000	192,761	3,237,761
	\$ 25,650,000	\$ 6,355,235	\$ 32,005,235

General Obligation Notes Payable

Kansas statutes permit the issuance of notes to finance certain capital improvement projects. Prior to note issuance, the Governing Body must take the necessary legal steps to authorize the issuance of bonds for the project. Notes are interest-bearing and have a maturity date no later than four years from the date of issuance. General obligation notes outstanding at December 31, 2020 are payable as follows:

Project	Interest Rate %	Issue Date	Maturity Date	Outstanding December 31, 2020	Interest Paid 2020
Street Improvements	1.60%	8/15/2019	5/1/2021	\$ —	\$ 7,147
Street Improvements	1.63%	4/26/2019	9/1/2021	5,075,000	86,134
				\$ 5,075,000	\$ 93,281

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The City's total general obligation debt is \$128,305,000 and general obligation notes payable of \$5,075,000 for a total of \$133,380,000. The City has \$324,654,585 remaining before reaching its legal debt margin.

The above bonds include debt issued for special assessments for certain capital improvements made on behalf of benefit districts as further discussed in Note 1, with the remainder of the obligations to be liquidated from future general operations. Delinquent special assessments will be paid from additional general ad valorem property tax levies.

GASB 88

The City has reviewed all debt in accordance with the criteria outlined in GASB Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*. Through the City's purchasing card program, the City has a credit limit of \$1,000,000, of which \$588,024 was available at December 31, 2020. The amount due against credit limit is included within accounts payable. The City has no other unused lines of credit. The City's only direct borrowing is the city's participation in the Kansas State Water Pollution Control Revolving Fund Loan that had a year-end balance of \$161,042. No assets are pledged as collateral on debt issues. The note below outlines the only item of default for the City, the Tax Increment Revenue Bonds Series 2007.

Tax Increment Revenue Bonds

On August 1, 2007, the City issued \$7,865,000 of tax increment revenue bonds related to the City Center East Project I (Revenue Bond Series 2007). The bonds are special, limited obligations of the City payable solely and only from ad valorem taxes collected from real property located within the Project Area on or after January 1, 2008, that is in excess of the amount of real property taxes which were collected from the Project Area in the year the Redevelopment District was established. Incremental ad valorem taxes were projected to produce 110% of debt service requirements over the life of the bonds. For 2020, incremental ad valorem tax revenues were \$244,382.

On April 1, 2013, the trustee for the bond issue (Security Bank of Kansas City) made a partial payment of \$190,000 on the accrued interest for the bonds.

On July 9, 2013, pursuant to the request of the owners of not less than a majority in principal amount of the bonds outstanding, the trustee for the bond issue declared the principal of all bonds outstanding and the accrued interest thereon due and payable.

On August 1, 2013, pursuant to the terms of the Indenture, the trustee transferred the amount of \$873,503 from the Full Valuation Reserve Fund account to the Debt Service Fund account. On October 1, 2013, the trustee applied \$820,045 of these funds for the partial redemption payment of principal on the bonds and \$53,458 of these funds for partial payment of the accrued interest on the bonds.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

In March 2014, the trustee filed a communication to bondholders on the Electronic Municipal Market Access (EMMA) website. The trustee's communication to bondholders states "it is unlikely there will be sufficient funds to make the October 1, 2014 interest and principal payment due on the bonds or to pay past due amounts. Future payments of principal of and interest on the bonds will be dependent on increases in incremental tax revenues and timely payment of ad valorem taxes by the owner of the project - the trustee cannot predict if those increases will occur or when they might occur or if those payments will be made timely. The significantly reduced assessed value of the project (and any further reduction) can be expected to negatively impact the incremental tax revenues from the anticipated receipts set out in the official statement."

On April 1, 2014, the trustee made a partial redemption payment of principal on the bonds in the amount of \$191,782 and a partial payment of the accrued interest in the amount of \$18,278. On July 15, 2015, the trustee made a partial redemption payment of principal on the bonds in the amount of \$177,566 and a partial payment of the accrued interest in the amount of \$27,444. On July 12, 2016, the trustee made a partial redemption payment of principal on the bonds in the amount of \$181,199 and a partial payment of the accrued interest in the amount of \$38,801. On July 14, 2017, the trustee made a partial redemption payment of principal on the bonds in the amount of \$184,500 and a partial payment of the accrued interest in the amount of \$50,500. On July 13, 2018, the trustee made a partial redemption payment of principal on the bonds in the amount of \$180,007 and a partial payment of the accrued interest in the amount of \$59,993. On July 17, 2019, the trustee made a partial redemption payment of principal on the bonds in the amount of \$168,718 and a partial payment of the accrued interest in the amount of \$66,282. On July 10, 2020, the trustee made a partial redemption payment of principal on the bonds in the amount of \$165,240 and a partial payment of the accrued interest in the amount of \$74,760.

As of December 31, 2020, the outstanding principal for the bonds is \$5,795,953 and the outstanding accrued interest is \$2,786,281.

Reimbursable Developer Project Costs

These obligations represent tax increment financing (TIF) project costs that have been certified by the City as eligible for reimbursement to the applicant from TIF revenues attributable to a TIF project. Costs are certified upon project completion and may be certified in phases. Under the state TIF Act and City policy, the City may reimburse approved certified cost amounts from incremental taxes generated from the redevelopment project plan for a period up to 20 years from the date of such plan approval. Reimbursement is made in accordance with the terms of a Disposition & Development Agreement (DDA) entered into between an applicant and the City. Accordingly, certified project costs in excess of amounts reimbursed to date are tracked by the City for future repayment upon collection of attributable property tax. The City is only obligated for the amount of incremental taxes received attributable to the project and then, only in accordance with the terms of the DDA. Any project costs in excess of the incremental taxes received are the responsibility of the applicant.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The City has five established active redevelopment districts and, as of December 31, 2020, the City has approved thirty-three redevelopment project plans. All but two of the redevelopment project plans are reimbursement only, and three of the approved plans provide for reimbursement only to the City. At the time of redevelopment project plan approval, a feasibility study is performed to support a finding that the incremental ad valorem taxes projected and other available revenues, including private equity, are sufficient to pay for the approved TIF project costs.

Ridgeview Mining (formerly Meritex) TIF Project Plan Two was approved by Ordinance No. 5594 on April 18, 2017. This ordinance provides solely for reimbursement to the City for TIF eligible infrastructure improvements associated with the construction of Ridgeview Road (Prairie Star Parkway to K-10 Highway), remainder of the 99th Street and 98th Street.

Ridgeview Mining (formerly Meritex) TIF Project Plan Three was approved by Ordinance No. 5689 on November 6, 2018. In 2019, incremental ad valorem tax revenues and payments made to the applicant were \$346,402. At December 31, 2020, no certified costs have been submitted.

Ridgeview Mining (formerly Meritex) TIF Project Plan Four was approved by Ordinance No. 5718 on April 16, 2019. At December 31, 2019, no certified costs have been submitted.

Ridgeview Mining (formerly Meritex) TIF Project Plan Five was approved by Ordinance No. 5776 on April 7, 2020. At December 31, 2020, no certified costs have been submitted.

Ridgeview Mining (formerly Meritex) TIF Project Plan Six was approved by Ordinance No. 5791 on September 15, 2020. At December 31, 2020, no certified costs have been submitted.

A redevelopment district was established by Ordinance No. 4604 on April 6, 2004 for the Mining TIF District. The Mining TIF District was amended on December 20, 2005 by Ordinance No. 4825 to expand its boundaries. Mining TIF Project Plan One was approved by Ordinance No. 4609 in 2004 and amended by Ordinance No. 4938 on May 15, 2007. In 2020, incremental ad valorem tax revenues and payments made to the applicant were \$656,167. The applicant may be reimbursed up to the balance of the certified cost amount of \$3,560,124 until 2024.

Mining TIF Project Plan Two was approved by Ordinance No. 5033 on May 6, 2008. The applicant may be reimbursed up to the balance of the certified cost amount of \$3,108,971 through June 2025, and the City shall be reimbursed for its TIF eligible costs through May 2028. The applicant receives first priority for the TIF distributions, if they meet certain performance benchmarks. At December 31, 2020, no certified costs have been submitted.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Mining TIF Project Plan Three was approved by Ordinance No. 5262 on June 5, 2012 and amended by Ordinance No. 5631 on December 5, 2017. In 2020, incremental ad valorem tax revenues and payments made to the applicant were \$893,707. The applicant may be reimbursed up to the balance of the certified cost amount of \$8,066,443 through June 2032.

Mining TIF Project Plan Four was approved by Ordinance No. 5688 on November 6, 2018. No certified costs have been submitted.

A redevelopment district was established by Ordinance No. 4427 on September 11, 2001 for the City Center TIF District and was subsequently amended by Ordinance No. 4824 on December 20, 2005 to expand the boundaries. The initial project plan (project plan 1) for the City Center TIF District was approved on October 16, 2001 by Ordinance No. 4431, which subsequently was amended by Ordinance No. 4482 on April 9, 2002 and again on May 16, 2006 by Ordinance No. 4846. This project plan provides solely for reimbursement to the City for TIF eligible land acquisition costs.

City Center TIF project plan 1B was approved by Ordinance No. 5043 on July 1, 2008. In 2020, incremental ad valorem tax revenues and payments made to the applicant were \$332,672. The applicant may be reimbursed up to the balance of the certified cost amount of \$1,725,401 until July 2028.

City Center TIF project plan 1C was approved by Ordinance No. 5272 on July 11, 2012. In 2020, incremental ad valorem tax revenues and payments made to the applicant were \$679,805. The applicant may be reimbursed up to the balance of the certified cost amount of \$12,266,676 through July 2032.

City Center TIF project plan 1D was approved by Ordinance No. 5297 on March 5, 2013. In 2020, incremental ad valorem tax revenues and payments made to the applicant were \$97,718. The applicant may be reimbursed up to the balance of the certified cost amount of \$373,119 until March 2033.

City Center TIF project plan 1E was approved by Ordinance No. 5357 on January 21, 2014. In 2020, incremental ad valorem tax revenues and payments made to the applicant were \$389,188. The applicant may be reimbursed up to the balance of the certified cost amount of \$6,714,331 until January 2029.

City Center TIF project plan 1F was approved by Ordinance No. 5516 on February 16, 2016. In 2020, incremental ad valorem tax revenues and payments made to the applicant were \$681,621. The applicant may be reimbursed up to the balance of the certified cost amount of \$12,990,767 until February 2036.

City Center TIF project plan 1G was approved by Ordinance No. 5517 on February 16, 2016. In 2020, incremental ad valorem tax revenues and payments made to the applicant were \$66,928. The applicant may be reimbursed up to the balance of the certified cost amount of \$1,865,402 until February 2036.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

City Center TIF project plan 1H was approved by Ordinance No. 5657 on June 5, 2018. No certified costs have been submitted.

City Center TIF project plan 1I was approved by Ordinance No. 5670 on July 17, 2018. No certified costs have been submitted.

City Center TIF project plan 2 was approved by Ordinance No. 4803 on November 15, 2005, which was subsequently repealed on April 17, 2007 with the adoption of Ordinance No. 4932 approving the amended project plan 2. The City issued TIF revenue bonds in 2007 to finance approved TIF eligible developer costs.

City Center TIF project plan 2B was approved by Ordinance No. 5370 on April 15, 2014. In 2020, incremental ad valorem tax revenues and payments made to the applicant were \$293,261. The applicant may be reimbursed up to the balance of the certified cost amount of \$1,075,795 until April 2034.

City Center TIF project plan 2C was approved by Ordinance No. 5738 on June 18, 2019. No certified costs have been submitted.

City Center TIF project plan 3A was approved by Ordinance No. 4933 on April 17, 2007, which was subsequently repealed on August 19, 2008 with the adoption of Ordinance No. 5053 approving the amended project plan 3A. This ordinance provides solely for reimbursement to the City for TIF eligible street and stormwater improvements.

City Center TIF project plan 3B was approved by Ordinance No. 5430 on March 17, 2015. In 2020, incremental ad valorem tax revenues and payments made to the applicant were \$378,137. The applicant may be reimbursed up to the balance of the certified cost amount of \$4,928,803 until March 2035.

City Center TIF project plan 3F was approved by Ordinance No. 5613 on September 5, 2017. In 2020, incremental ad valorem tax revenues and payments made to the applicant were \$87,755. The applicant may be reimbursed up to the balance of the certified cost amount of \$3,014,140 until September 2037.

City Center TIF project plan 3G was approved by Ordinance No. 5644 on February 20, 2018. In 2020, incremental ad valorem tax revenues and payments made to the applicant were \$0. The applicant may be reimbursed up to the balance of the certified cost amount of \$2,240,085 until February 2038.

City Center TIF project plan 4A was approved by Ordinance No. 5321 on June 18, 2013. In 2020, incremental ad valorem tax revenues and payments made to the applicant were \$261,233. The applicant may be reimbursed up to the balance of the certified cost amount of \$6,499,389 until June 2033.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

City Center TIF project plan 4B was approved by Ordinance No. 5448 on June 16, 2015. In 2020, incremental ad valorem tax revenues and payments made to the applicant were \$306,487. The applicant may be reimbursed up to the balance of the certified cost amount of \$5,655,590 until June 2035.

City Center TIF project plan 4C was approved by Ordinance No. 5701 on December 18, 2018. No certified costs have been submitted.

City Center TIF project plan 5A was approved by Ordinance No. 5658 on June 5, 2018. In 2020, incremental ad valorem tax revenues and payments made to the applicant were \$236,171. The applicant may be reimbursed up to the balance of the certified cost amount of \$2,763,829 until June 2038.

City Center TIF project plan 5B was approved by Ordinance No. 5659 on June 5, 2018. No certified costs have been submitted.

City Center TIF project plan 5C was approved by Ordinance No. 5803 on November 17, 2020. No certified costs have been submitted.

A redevelopment district was established by Ordinance No. 4923 on February 6, 2007 for the I-35 and 95th Street TIF District. I-35 and 95th Street TIF District project plan 1 was approved by Ordinance No. 5306 on April 16, 2013. In 2020 incremental ad valorem tax revenues and payments made to the applicant were \$34,839. The applicant may be reimbursed up to the balance of the certified cost amount of \$416,437 until April 2033.

I-35 and 95th Street TIF District project plan 3 was approved by Ordinance No. 5549 on August 16, 2016. In 2020, incremental ad valorem tax revenues and payments made to the applicants were \$286,838. The applicants may be reimbursed up to the balance of the certified costs of \$4,313,776 until August 2036.

I-35 and 95th Street TIF District project plan 4 was approved by Ordinance No. 5593 on April 18, 2017. This ordinance provides solely for reimbursement to the City for TIF eligible infrastructure landscaping improvements associated with the 95th Street and I-35 interchange project.

I-35 and 95th Street TIF District project plan 5 was approved by Ordinance No. 5660 on June 5, 2018. No certified costs have been submitted.

Community Improvement District

Upon petition of the developer and all of the property owners within the proposed community improvement district, the City has established ten community improvement districts (CID). Prior to reimbursement of any approved CID eligible costs, the City enters into a Development Agreement with the developer setting forth the terms and conditions under which reimbursement is made. Certified project costs in excess of amounts reimbursed to date are tracked by the City for future repayment upon collection of attributable sales tax. These obligations represent developer project costs that have been certified by the City as eligible for reimbursement from community improvement district revenues attributable to the project. The City is only obligated for the amount of sales tax received attributable to the project; any deficiencies are the responsibility of the developer.

The City established the Orchards Corner CID by Ordinance No. 5174 on October 19, 2010, approving and levying an additional 1% sales tax within the CID. The purpose of the District is to finance the cost of traffic improvements and internal tenant improvements to the Orchard Corners Center located on the southwest corner of 95th Street and Quivira Road. The additional sales tax became effective April 1, 2011. The developer may be reimbursed up to the certified cost amount from collected sales taxes up to a period of 22 years from the date the CID sales tax is first collected in accordance with the terms of the Development Agreement. The developer may be reimbursed up to the balance of the certified cost amount of \$6,005,507.

The City established the Prairie Creek CID by Ordinance No. 5263 on June 5, 2012, approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to finance the cost of traffic improvements and internal tenant improvements to the Prairie Creek development located on the northwest corner of Prairie Star Parkway and Renner Boulevard. The additional sales tax became effective October 1, 2012. The developer may be reimbursed up to the certified cost amount from collected sales taxes up to a period of 22 years from the date the CID sales tax is first collected in accordance with the terms of the Development Agreement. The Developer may be reimbursed up to the balance of the certified cost amount of \$28,780,185.

The City established the Quivira 95 CID by Ordinance No. 5307 on April 16, 2013, approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to finance the cost of improvements associated with the design, development and construction of the Quivira 95 development, consisting of a multi-tenant commercial/retail structure and the associated infrastructure located at the northwest corner of 95th Street and Quivira Road. The additional sales tax became effective October 1, 2013. The developer may be reimbursed up to the certified cost amount from collected sales taxes up to a period of 22 years from the date the CID sales tax is first collected in accordance with the terms of the Development Agreement. The Developer may be reimbursed up to the balance of the certified cost amount of \$877,612.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The City established the Greystone Plaza CID by Ordinance No. 5344 on October 10, 2013, approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to finance the renovation and redevelopment of the Greystone Shopping Center located north of 87th Street Parkway and west of Rosehill Road. The additional sales tax became effective April 1, 2014. The developer may be reimbursed up to the certified cost amount from collected sales taxes up to a period of 22 years from the date the CID sales tax is first collected in accordance with the terms of the Development Agreement. The Developer may be reimbursed up to the balance of the certified cost amount of \$1,084,067.

The City established the City Center East I CID by Ordinance No. 5377 on June 3, 2014 approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to reimburse the Developer for eligible costs associated with the tenant finishes, landscaping and streetscaping. The CID area includes a four story commercial office/retail building with adjacent outdoor plaza area. The additional sales tax became effective October 1, 2014. The developer may be reimbursed up to the certified cost from collected sales taxes up to a period of 22 years from the date the CID sales tax is first collected in accordance with the terms of the Development Agreement. The Developer may be reimbursed up to the balance of the certified cost amount of \$765,396.

The City established the City Center East II CID by Ordinance No. 5369 on April 15, 2014, approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to reimburse the developers of the hotel, conference center and restaurant for eligible tenant, site and building improvements. The additional sales tax became effective on January 1, 2016. The Developers may be reimbursed for certified costs from collected CID sales taxes up to a period of 22 years from the date the CID sales tax is first collected. Such reimbursement shall be made in accordance with the terms of a development agreement entered into with each Developer. The Developer may be reimbursed up to the balance of the certified cost amount of \$1,038,568.

The City established the Candlewood Suites CID by Ordinance No. 5558 on October 18, 2016, approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to reimburse the developers of the hotel for eligible site and building improvements. The additional sales tax became effective on January 1, 2017. The developers may be reimbursed for certified costs from collected CID sales taxes up to a period of 22 years from the date the CID sales tax is first collected. Such reimbursement shall be made in accordance with the terms of a development agreement entered into with each Developer. The Developer may be reimbursed up the balance of the certified cost amount of \$1,696,929.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The City established the Holiday Inn Express CID by Ordinance No. 5559 on October 18, 2016, approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to reimburse the developers of the hotel for eligible site and building improvements. The additional sales tax became effective on October 1, 2017. The developers may be reimbursed for certified costs from collected CID sales taxes up to a period of 22 years from the date the CID sales tax is first collected. Such reimbursement shall be made in accordance with the terms of a development agreement entered into with each developer. The Developer may be reimbursed up the balance of the certified cost amount of \$1,694,374.

The City established the Midas Springhill Suites CID by Ordinance No. 5588 on February 21, 2017, approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to reimburse the Developers for the construction of a 124 room Marriott Springhill Suites hotel, retail space, a two story parking garage and other eligible site and building improvements. The additional sales tax became effective on July 1, 2017. The Developers may be reimbursed for certified costs from collected CID sales taxes up to a period of 22 years from the date the CID sales tax is first collected. Such reimbursement shall be made in accordance with the terms of a development agreement entered into with each Developer. The Developer may be reimbursed up to the balance of the certified cost amount of \$1,874,877.

The City established the City Center Area E CID by Ordinance No. 5694 on November 20, 2018, approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to reimburse the Developer for land acquisition, site costs, and construction of a mixed-use building. The additional sales tax became effective on July 1, 2019. The Developer may be reimbursed for certified costs from collected CID sales taxes up to a period of 22 years from the date the CID sales tax is first collected. Such reimbursement shall be made in accordance with the terms of the development agreement. No certified costs were submitted as of December 31, 2020.

The City established the Lenexa Point CID by Ordinance No. 5765 on December 17, 2019, approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to reimburse the Developer for building and site improvements. The additional sales tax became effective on April 1, 2020. The Developer may be reimbursed for certified costs from collected CID sales taxes up to a period of 22 years from the date the CID sales tax is first collected. Such reimbursement shall be made in accordance with the terms of the development agreement. No certified costs were submitted as of December 31, 2020.

The City established the Sonoma Plaza CID by Ordinance No. 5765 on December 17, 2019, approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to reimburse the Developer for land acquisition, site costs, and construction of multiple buildings. The additional sales tax became effective on July 1, 2020. The Developer may be reimbursed for certified costs from collected CID sales taxes up to a period of 22 years from the date the CID sales tax is first collected. Such reimbursement shall be made in accordance with the terms of the development agreement. No certified costs were submitted as of December 31, 2020.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Revolving Loan

The City entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) during the year ended December 31, 2010 for the City Center Central Green project. The loan was entered into on September 21, 2009 with an interest rate of 2.72% and a maximum amount of \$1,073,430. As of December 31, 2020, \$1,073,430 has been drawn on this loan and the payback amount is \$161,042. Principal payments of \$13,087 were made in 2020. KDHE has committed to 75% principal forgiveness of the loan beginning in 2010. The payback period for the amount of the loan remaining after the principal forgiveness is 20 years. The loan payments began in 2011 when the project was completed.

Annual debt service requirements to maturity for the revolving loan are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 13,445	\$ 3,895	\$ 17,340
2022	13,814	3,561	17,375
2023	14,192	3,217	17,409
2024	14,581	2,864	17,445
2025	14,980	2,502	17,482
2026 - 2030	81,282	6,713	87,995
2031 - 2031	8,748	108	8,856
	<u>\$ 161,042</u>	<u>\$ 22,860</u>	<u>\$ 183,902</u>

Conduit Debt Obligations

The City has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed, as well as letters of credit, and are payable solely from payments received from the private businesses involved. The City has also issued multifamily housing bonds to provide mortgage loans for the construction and financing of multifamily rental and single-family residences in the City. These bonds are secured solely by the property financed by the respective bond issues and by credit guarantees of reinvestment-grade financial institutions. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the City nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2020, there were 30 issues of industrial revenue and multifamily housing bonds outstanding. These issues have an aggregate original issue amount of approximately \$445 million and an aggregate balance outstanding of approximately \$369 million at December 31, 2020.

10. Risk Management

The City is exposed to various risks of loss related to property, various types of litigation and workers' compensation.

The City's risk financing activities are reported separately in the Risk Management, Health Plan and Workers Compensation Internal Service Funds. Property and liability insurance coverage is purchased from outside sources. The City is insured for property losses under blanket coverage at replacement cost. The policy carries a \$25,000 deductible on property losses. The City has a deductible of \$25,000 per occurrence on all liability claims. In addition, the City carries an excess liability policy with a limit of \$8,000,000. The City has purchased both specific and aggregate reinsurance to protect the City from extreme liability. For workers compensation, the City has a self-insurance retention of \$450,000 per occurrence on all Police and Fire Department liability claims and \$400,000 per occurrence on all other claims with a \$1,000,000 statutory limit. The aggregate stop loss is \$2,859,989. There have been no significant reductions in insurance coverage from the prior year. In addition, the City is not aware of any potential liability at December 31, 2020 that would exceed insurance coverage. There has been one insurance settlement from 2018 (resolved in 2020) that exceeded the insurance coverage.

The Risk Management Fund was established to fund expenses related to threatened or actual litigation, deductibles and any uninsured losses. This fund is designed to protect the City by funding losses not covered by insurance. The claims liability is based on estimates of the ultimate cost of claims, including inflation factors and historical trend data. Other non-incremental costs are not included in the basis of estimating the liability.

At December 31, 2020, the workers compensation net position balance was \$1,135,900 with claims liability of \$896,225. This claims liability is based on estimates of the ultimate cost of claims, including inflation factors and historical trend data. Other non-incremental costs are not included in the basis of estimating the liability. Claims administration of the fund is performed by Thomas McGee. The City and Thomas McGee filed the necessary papers with the Kansas Insurance Commissioner and received approval to be self-funded.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

The City self-insures a health benefit and short-term disability plan. Contributions of \$462,284 a month on behalf of and from current employees are made to a special City bank account, and approximately \$11,430 is deposited monthly from COBRA and retiree participants. Trustmark administers, processes and pays employee health claims from funds in this account in accordance with the plan. The medical plan will pay medical and pharmacy claims up to the individual stop loss deductible of \$100,000 per person enrolled on the medical plan. There is a one-time aggregating specific deductible of \$50,000. Claims over \$100,000 per person and the aggregating deductible are covered under the specific stop loss contract with American National Insurance. Aggregate reinsurance coverage through Aetna covers the next \$1,000,000 over the annual amount of \$7,763,751 in medical and pharmacy claims paid by the City. Payments made in accordance with the plans and related insurance premiums are recorded in the Health Plan Fund. As of December 31, 2020, a liability of \$384,340 has been recorded in the fund for outstanding healthcare claims, including an estimate for claims incurred but not recorded. This claims liability is based on estimates of the ultimate cost of claims, including inflation factors and historical trend data. Other non-incremental costs are not included in the basis of estimating the liability.

Changes in the Risk Management Fund insurance claims payable were as follows:

<u>Year</u>	<u>Beginning Of Fiscal Year Liability</u>	<u>Current Year Claims And Changes In Estimates</u>	<u>Claim Payments</u>	<u>Balance At Fiscal Year End</u>
2019	\$ 808,535	\$ (429,071)	\$ 325,944	\$ 53,520
2020	53,520	181,861	—	235,381

Changes in the Workers Compensation Plan Fund insurance claims payable were as follows:

<u>Year</u>	<u>Beginning Of Fiscal Year Liability</u>	<u>Current Year Claims And Changes In Estimates</u>	<u>Claim Payments</u>	<u>Balance At Fiscal Year End</u>
2019	\$ 673,582	\$ 1,109,584	\$ 356,305	\$ 1,426,861
2020	1,426,861	22,466	553,102	896,225

Changes in the Health Plan Fund insurance claims payable were as follows:

<u>Year</u>	<u>Beginning Of Fiscal Year Liability</u>	<u>Current Year Claims And Changes In Estimates</u>	<u>Claim Payments</u>	<u>Balance At Fiscal Year End</u>
2019	\$ 451,512	\$ 6,684,934	\$ 6,535,142	\$ 601,304
2020	601,304	4,783,856	5,000,820	384,340

11. Employee Retirement Systems And Pension Plans

Defined Contribution Plan

Effective January 1, 2010, pursuant to resolution, the Governing Body established the City of Lenexa 401(a) Defined Contribution Plan (Defined Contribution Plan) which is currently administered by Voya Financial. This 401(a) plan is a defined contribution plan governed by the Internal Revenue Code of 1986. Under the authority of the Governing Body, the City will contribute 4% of total compensation for each employee into a 401(a) account for all full time and part time employees of the City, which includes all employees whose employment is not seasonal, temporary or elected and whose employment requires at least 1,000 hours of work each year. In addition, the City will match 50% of an employee's contribution up to a maximum of an additional 2%. The City's total maximum contribution per employee would be 6%. The plan was subsequently amended in 2014 to require the City to contribute an additional 5.3% of the City Manager's compensation into a 401(a) account. The City contributed \$1,809,818 during 2020 to the Defined Contribution Plan. The Defined Contribution Plan provides funds for retirements and for beneficiaries in the event of death. Eligible participants are not required to contribute to the Defined Contribution Plan; however, the participant may choose to contribute. Eligible participants are 100% vested after three years of employment. The balances in the Defined Contribution Plan are not controlled by the City, and therefore, the related assets and liabilities are not reflected in the financial statements.

Defined Benefit Plan – City Of Lenexa Defined Benefit Pension Plan

Plan Description And Provisions

On January 1, 1989, the City initiated The City of Lenexa Defined Benefit Pension Plan (the Plan). The Plan is a single-employer plan that covers eligible employees who are employed by the City, excluding any person who is an elected or appointed official. Employees are 100% vested after three years of service. The Plan provides retirement, disability and death benefits to plan members and beneficiaries. The City, as the employer sponsoring the Plan, has the authority to establish benefit provisions and contribution amounts under Sections 4.1 and 8.1 of the Plan. The Retirement Committee (Trustees) serves as the trustees of the Plan. The Trustees have the authority to amend the Plan, including changes affecting plan design, but not to terminate a plan. The Governing Body retains the authority to terminate any plan. The Trustees consist of nine members: the City Manager, the Chief Financial Officer, Fire Chief, Police Chief, Parks & Recreation Director, Municipal Services Director, Human Resources Director and two at-large members appointed by the City Manager. The Trustees review investment performance on a quarterly basis and reviews Plan performance. A stand-alone financial report is not issued for the Plan. The Plan is considered part of the City's reporting entity and is presented solely in the accompanying financial statements as a pension trust fund in the Fiduciary Fund financial statements.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Under the Plan, employees were eligible to participate when they had worked 1,000 hours in a plan year. Employees were 100% vested after three years of service and obtained no vesting in the first two years of service. The Plan was closed to new participants as of December 31, 2009.

The financial statements are prepared using the accrual basis of accounting. The government's contributions are recognized when a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the government's balance sheet. Securities without an established market are reported at estimated fair value.

Membership of the Plan consisted of the following at December 31, 2020, the date of the latest measurement:

	<u>Public Service</u>	<u>Police & Fire</u>
Inactive members or beneficiaries receiving benefits	116	72
Inactive members entitled to future benefits	106	46
Active plan members	97	75
Total	319	193

The Plan has two different retirement dates. Employees, other than those working as sworn police officers or firefighters, who retire at or after age 62 are entitled to a normal retirement benefit, payable monthly for life, equal to 0.75% of the average monthly compensation, as defined in the plan agreement, multiplied by the years of credited service plus 1% of the average monthly compensation multiplied by the total number of years of service from January 1, 1989 to the normal retirement date. In addition, the Plan also provides for early retirement and death benefits. Police officers and firefighters have the same benefits as Public Service employees except that the normal retirement age is 55 versus 62 and there is no early retirement option.

Contributions

The City's contribution is set by the City Council in conjunction with its approval of the annual budget, based on information provided by the Plan's consulting actuary and the Retirement Committee. For the year ending December 31, 2020, the City contributed 0.00% of the payroll of active members.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Actuarial Assumptions

Actuarial methods and assumptions:

Valuation date	January 1, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar open ended
Remaining amortization period	30 years
Asset valuation method	Five-year moving average

Primary actuarial assumptions:

Investment rate of return	7.00%
Discount rate	6.50%
Inflation rate	3.00%
Projected salary increases	N/A, frozen benefit
Withdrawal rates	T-3 Table
Mortality table	Pub-2010 mortality table base rates projected generationally with scale MP-2020
Administrative expenses	Paid outside of the plan assets

Net Pension Liability (Asset)

Consistent with the requirements of GASB Statement No. 67, *Financial Reporting for Pension Plans*, the Plan is required to calculate and disclose the net pension liability (asset) of the City. For the year ended December 31, 2020, the City recorded the net pension liability (asset) of the City on the statement of net position in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The components of the net pension liability (asset) of the City, based on a measurement date and valuation date of December 31, 2020 and January 1, 2021, respectively, according to the calculations required by GASB Statement No. 68, were as follows:

Total pension liability	\$ 29,892,734
Plan fiduciary net position	<u>31,866,024</u>
City's net pension liability (asset)	<u><u>\$ (1,973,290)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	106.60%

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Changes to the total pension liability, the plan's fiduciary net position, and the City's net pension liability during 2020 are summarized as follows:

Total Pension Liability	
Service cost	\$ —
Interest	1,894,363
Difference between expected and actual experience	(319,317)
Changes of assumptions	(40,403)
Benefit payments	<u>(1,647,002)</u>
Net Change In Total Pension Liability	(112,359)
Total pension liability - beginning	30,005,093
Total pension liability - ending (a)	29,892,734
Plan Fiduciary Net Position	
Contributions - employer	—
Net investment income	2,171,993
Benefit payments	<u>(1,647,002)</u>
Net Change In Plan Fiduciary Net Position	524,991
Total fiduciary net position - beginning	<u>31,341,033</u>
Total fiduciary net position - ending (b)	<u>31,866,024</u>
Net Pension Liability (Asset) (a) - (b)	<u>\$ (1,973,290)</u>

Reconciling items between the amount listed above for fiduciary net position – ending of \$31,866,024 and the Statement of Fiduciary Net Position – Net Position Restricted For Pensions at December 31, 2021 of \$32,134,998 include prepaid amounts of \$273,045 and liabilities of \$4,071 that the City recorded at the end of the year.

At December 31, 2020, \$1,950,522 of the net pension asset was allocated to governmental activities and \$22,769 to business-type activities.

Investment Categories

Refer to Note 2: Deposits and Investments for policies pertaining to the allocation of investments.

Rates Of Return

The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of expense, was 7.25%. Refer to Note 2: Deposits and Investments for policies pertaining to the expected return.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at a rate equal to the actuarially determined contribution rates. 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 Net Pension Liability (Asset) To Changes In The Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.50%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Discount Rate	5.50%	6.50%	7.50%
City Net Pension Liability (Asset)	\$ 1,628,006	\$ (1,973,290)	\$ (4,962,790)

Pension Expense

For the year ended December 31, 2020, the City recognized pension benefit of \$687,970, which includes the changes in the net pension liability (asset), projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. For the year ended December 31, 2020, pension benefit of \$680,032 was allocated to governmental activities and \$7,938 to business-type activities.

Deferred Outflows Of Resources And Deferred Inflows Of Resources

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Difference between actual and expected experience	\$ 246,647	\$ 997,727
Net differences between projected and actual earnings on investments	—	764,828
Changes in assumptions	647,917	533,995
	<u>\$ 894,564</u>	<u>\$ 2,296,550</u>

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

At December 31, 2020, total deferred outflows of resources of \$884,242 were allocated to governmental activities and \$10,322 were allocated to business-type activities. At December 31, 2020, total deferred inflows of resources of \$2,270,051 were allocated to governmental activities and \$26,499 were allocated to business-type activities.

The amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2021	\$ (493,374)
2022	86,765
2023	(833,604)
2024	(14,274)
2025	69,726
Thereafter	(217,225)
<u>Total</u>	<u>\$ (1,401,986)</u>

Defined Benefit Pension Plan – KPERS & KP&F

Description Of Pension Plan

Employees of the City of Lenexa, Kansas participate in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer public employee retirement system (the Pension Plan). The Pension Plan is administered by the 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 are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

The employees participating in the Pension Plan for the City of Lenexa are included in the Local Employee group or the Police and Firemen 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 (except Police and Firemen) with ten or more years of credited service may retire as early as age 55 (Police and Fireman may be age 50 with 20 years of credited service), with the 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 (Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years or any age with 36 years of service).

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

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 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 are related to subsequent benefit enhancements and are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2020.

The actuarially determined employer contribution rate and the statutory contribution rate for the local employee group are both 8.61%. Member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2020 are 6%. The actuarially determined employer contribution rate and the statutory contribution rate for the police and firemen group are both 21.93%. Member contribution rates for this group are 7.15%.

Contributions to the Pension Plan from the City for the local employee group and police and fireman group were \$1,678,173 and \$2,984,120, respectively, for the year ended December 31, 2020.

Employer Allocations

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate 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 Fireman
- Judges

To facilitate 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 the 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, 2020 were based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2020.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2020, the City's proportion in the local employee group was 0.9170%, which was a decrease of 0.0066% from its proportion measured at June 30, 2019. The City's proportion in the police and fire group was 2.4649%, which was a decrease of 0.0317% from its June 30, 2019 proportion.

Net Pension Liability

At June 30, 2020, the City's local employee group reported a liability of \$15,898,092 for its proportionate share of the net pension liability. The City's police and fire group reported net pension liability of \$30,395,445 at June 30, 2020. At December 31, 2020, the aggregate KPERS plan net pension liability was allocated \$44,862,708 to the governmental activities and \$1,430,829 to the business-type activities. The aggregate net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020.

There were no significant changes in the benefit terms during the KPERS plan year ended June 30, 2020 that affected the measurement of the total pension liability.

Actuarial Assumptions

The total pension liability as of the measurement date of June 30, 2020 was determined using the following actuarial assumptions:

Price Inflation	2.75%
Wage Inflation	3.0%
Salary increases, including wage increases and inflation	3.25 to 11.75%, including inflation
Long-term rate of return, net of investment expense and including price inflation	7.50%

Mortality rates were based on the RP-2014 Mortality Table, with adjustments to better match actual experience. Separate tables apply for males and females as well as each group (State, School, Local, Police and Fire and Judges).

The actuarial cost method is entry age normal. The amortization method is level percentage of payroll, closed.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study completed January 7, 2020. It covered the three-year period of January 1, 2016 through December 31, 2019. It resulted in maintaining the Price Inflation of 2.75%, a reduction of Wage Inflation from 3.5% to 3.0%, and a reduction in the Long-term rate of return (net of investment expense and including price inflation) from 7.75% to 7.50%.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Target Allocation</u>	<u>Long-Term Expected Rate Of Return</u>
US Equities	23.5%	5.20%
Non-US Equities	23.5%	6.40%
Fixed Income	11.0%	1.55%
Yield Driven	8.0%	4.70%
Real Return	11.0%	3.25%
Real Estate	11.0%	4.45%
Alternatives	8.0%	9.50%
Short-Term Investments	4.0%	0.25%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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 Fireman and Judges. Future employer contribution rates were also modeled for Police and Fireman 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.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

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 7.50% 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 (6.50%) or 1-percentage point higher (8.50%) than the current rate:

	1.00% Decrease (6.50%)	Current Rate (7.50%)	1.00% Increase (8.50%)
Local	\$ 22,374,979	\$ 15,898,092	\$ 10,452,719
Police and Fireman	41,602,009	30,395,445	21,036,360
Total	\$ 63,976,988	\$ 46,293,537	\$ 31,489,079

Pension Expense

For the year ended December 31, 2020, the City recognized pension expense of \$3,389,112, 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. For the year ended December 31, 2020, pension expense of \$3,290,610 was allocated to governmental activities and \$98,502 to business-type activities.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between actual and expected experience	\$ 1,153,889	\$ 204,390
Net differences between projected and actual earnings on investments	4,808,556	—
Changes in assumptions	3,061,651	—
Changes in proportional share	1,577,834	671,912
City contributions subsequent to the measurement date of June 30, 2020	2,274,326	—
	\$ 12,876,256	\$ 876,302

At December 31, 2020, total deferred outflows of resources of \$12,450,080 were allocated to governmental activities and \$426,176 were allocated to business-type activities. At December 31, 2020, total deferred inflows of resources of \$851,477 were allocated to governmental activities and \$24,825 were allocated to business-type activities.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

	Year Ended December 31,					
	2021	2022	2023	2024	2025	Total
Local	\$ 994,750	\$ 1,050,191	\$ 943,199	\$ 696,627	\$ 26,558	\$ 3,711,325
Police and fireman	1,701,584	1,666,359	1,508,350	1,097,894	40,116	6,014,303
	\$ 2,696,334	\$ 2,716,550	\$ 2,451,549	\$ 1,794,521	\$ 66,674	\$ 9,725,628

Pension Plan Fiduciary Net Position

Detailed information about the Pension Plan's fiduciary net position is available in the separately issued KPERS' financial report.

Aggregate Pension Expense

The aggregate pension expense for the year ended December 31, 2020 for all pensions recognized by the City was \$2,701,142, which includes the changes in the 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. For the year ended December 31, 2020, aggregate pension expense of \$2,660,614 was allocated to governmental activities and aggregate pension expense of \$90,564 to business-type activities.

12. Postemployment Benefits Other Than Pensions

Plan Description – City Plan

The City allows qualifying retirees to continue insurance coverage under the City's program until Medicare eligibility (i.e., age 65) in accordance with Kansas Statute 12-5040. Retirees who retire with at least 10 years of cumulative service with the City and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERS) are eligible for benefits. Medical, prescription and dental coverage are available. The benefit plan structure operates as a single-employer defined benefit plan. Coverage is provided through self-insurance with stop-loss coverage. The City required retirees to pay 125% of the funding rate in 2020 to receive benefits. In December 2020, the City adopted a new retiree contribution policy decreasing high deductible plan rates to 102% of the funding rate and PPO plan rates to 110% of the funding rate to receive benefits. The difference between these amounts is the implicit rate subsidy, which is considered other post-employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 75 (GASB Statement 75). The plan is funded on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Membership of the Plan consisted of the following at January 1, 2020, the date of the latest actuarial valuation:

Active plan members	440
Terminated plan members	—
Retirees and beneficiaries receiving benefits	<u>9</u>
Total	<u><u>449</u></u>

Retirees and spouses have the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan or when the retiree reaches Medicare eligibility age, which is currently age 65. Spouses are offered COBRA coverage for 36 months when the retiree becomes covered under another employer health plan, attains Medicare eligibility age or dies.

Funding Policy

Total OPEB Liability And Changes In OPEB Liability - City Plan

The City's total OPEB liability was based on an actuarial valuation dated January 1, 2019, using a measurement date of December 31, 2020. The changes in the OPEB liability are as follows:

Net OPEB liability - beginning of year	<u>\$ 4,716,509</u>
Service costs	364,434
Interest cost	153,120
Changes in benefit terms	1,013,770
Difference between actual and expected experience	101,872
Changes in assumptions and inputs	1,458,733
Employer contributions (Benefit payments)	<u>46,142</u>
Net changes	<u><u>3,138,071</u></u>
OPEB liability - end of year	<u><u>\$ 7,854,580</u></u>

At December 31, 2020, \$7,493,450 of the net OPEB liability was allocated to governmental activities and \$361,130 to business-type activities.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Actuarial Methods And Assumptions - City Plan

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

Valuation date:	January 1, 2019
Actuarial cost method:	Entry Age - Level Percent of Pay
Measurement date:	December 31, 2020 end of year
Salary scale	3.00%
Discount rate	1.96% per annum end of year 3.00% per annum beginning of year
Mortality:	MP-2020; previously was MP-2019
Medical/Rx Cost Trend:	7.0% decreasing to ultimate rate of 4.5%
Dental Cost Trend:	3.0% per year
Inflation Rate:	2.50% per year

The municipal bond rate was determined by taking the average of the S&P Municipal Bond 20 Year High Grade and Fidelity GO AA-20 Year published yields was evaluated to determine the discount rate. The selected rates are 3.00% (beginning of the year measurement) and 1.96% (end of year measurement).

GASB 75 requires full updated valuations every 2 years unless a material change occurs. Though a full valuation is not required for interim year fiscal year 2020 (assuming no material changes) the OPEB Expense and Net OPEB Liability will need to be re-measured using a discount rate based on the published bond rates as of the measurement date of December 31, 2020.

Sensitivity Of The Total OPEB Liability To Changes In The Discount Rate – City Plan

The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (0.96%) or 1-percentage point higher (2.96%) than the current rate:

	1.00% Decrease (0.96%)	Current Discount (1.96%)	1.00% Increase (2.96%)
Total OPEB Liability	\$ 8,757,866	\$ 7,854,580	\$ 7,062,062

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Sensitivity Of The Total OPEB Liability To Changes In The Healthcare Trend Rate – City Plan

The following presents the City’s total OPEB liability, as well as what the City’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1.00% Decrease</u>	<u>Current Discount</u>	<u>1.00% Increase</u>
Total OPEB Liability	\$ 6,745,895	\$ 7,854,580	\$ 9,205,359

OPEB Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To OPEB – City Plan

For the year ended December 31, 2020, the City recognized OPEB expense for this plan of \$1,690,423. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Difference between actual and expected experience	\$ 94,036	\$ (512,720)
Changes in assumptions	1,755,822	—
	<u>\$ 1,849,858</u>	<u>\$ (512,720)</u>

At December 31, 2020, total deferred outflows of resources of \$1,764,807 were allocated to governmental activities and \$85,051 were allocated to business-type activities. At December 31, 2020, total deferred inflows of resources of \$489,147 were allocated to governmental activities and \$23,573 were allocated to business-type activities.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

<u>Fiscal Year Ending</u>	<u>Deferred Inflows Of Resources</u>
2021	\$ 112,957
2022	112,957
2023	112,957
2024	112,957
2025	112,957
2026 & thereafter	772,353
Total	<u>\$ 1,337,138</u>

Plan Description – KPERS Long-Term Disability Plan

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

Benefits

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

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

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Covered Employees

The City has the following employees covered by the KPERS Plan as of December 31, 2020:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	<u>278</u>
Total	<u><u>280</u></u>

Total OPEB Liability - KPERS Plan

The City's total OPEB liability for the KPERS Plan of \$602,048 reported as of December 31, 2020 was measured as of June 30, 2020 (the measurement date), and was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020, using the following actuarial assumptions:

Price inflation:	2.75%
Salary increase, including wage increases:	3.50%
Discount rate (based on the 20 year municipal bond rate with an average rating of AA/Aa or better, obtained from the Bond Buyer index.)	3.50%

Mortality rates used for the death benefits were based on the RP-2014 Healthy Annuitant Mortality Table for Males and Females, adjusted for generational mortality improvement using MP-2020.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study conducted for two years ending December 31, 2018.

Changes In Total OPEB Liability

OPEB Liability - beginning of year	<u>\$ 458,687</u>
Changes for the year:	
Service costs	66,963
Interest cost	17,635
Changes in benefit terms	—
Difference between actual and expected experience	64,807
Changes in assumptions and inputs	37,852
Benefit payments	<u>(43,897)</u>
Net changes	<u>143,360</u>
OPEB Liability - end of year	<u><u>\$ 602,047</u></u>

At December 31, 2020, \$549,660 of the net OPEB liability was allocated to governmental activities and \$52,387 to business-type activities.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Sensitivity Analysis

The following presents the City's total OPEB liability for the KPERS Plan calculated using the discount rate of 2.21%, as well as what the City's total OPEB liability for the KPERS Plan would be if it were calculated using a discount rate that is 1-percentage point lower (1.21%) or 1-percentage point higher (3.21%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Discount Rate	1.21%	2.21%	3.21%
Total OPEB Liability	\$ 619,677	\$ 602,047	\$ 581,441

Healthcare cost trend rate sensitivity analysis is not applicable as healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS.

OPEB Expense

For the year ended December 31, 2020, the City recognized KPERS OPEB expense for the KPERS Plan of \$83,715, which includes the changes in the total OPEB liability, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows Of Resources And Deferred Inflows Of Resources

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB for the KPERS Plan from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Difference between actual and expected experience	\$ 58,254	\$ (72,170)
Changes in assumptions	39,178	(10,446)
City contributions subsequent to the measurement dates	86,557	—
	<u>\$ 183,989</u>	<u>\$ (82,616)</u>

At December 31, 2020, total deferred outflows of resources of \$161,387 were allocated to governmental activities and \$22,602 were allocated to business-type activities. At December 31, 2020, total deferred inflows of resources of \$76,356 were allocated to governmental activities and \$6,260 were allocated to business-type activities.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$86,557 consist of payments made to KPERS for benefits and administrative costs, and will be recognized as a reduction in the total OPEB liability during the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending</u>	<u>Deferred Inflows Of Resources</u>
2021	\$ (884)
2022	(884)
2023	(884)
2024	(884)
2025	(884)
2026 & thereafter	19,236
<u>Total</u>	<u>\$ 14,816</u>

13. Tax Abatements

In fiscal year 2016, the City implemented GASB Statement No. 77, *Tax Abatement Disclosures*. The objective of GASB Statement No. 77 is to improve financial reporting by giving financial statement users essential information regarding the nature and magnitude of tax abatements.

The City operates three economic development programs that qualify as tax abatements under GASB Statement No. 77. These programs are summarized as follows.

Property Tax Abatements

The City approves property tax abatements in accordance with K.S.A. 79-201a Second and Twenty-Fourth and K.S.A. 12-1740 to 12-1749d, inclusive. The City adopted the “Private Activity Conduit Financing and Tax Abatement Policy for Economic Development” to guide the Governing Body in deciding whether to grant property tax abatements for economic development projects. The City expects property tax abatements to help achieve some or all of the following objectives included in the policy:

- Retention and/or expansion of existing businesses located in the City;
- Diversification of the local economy;
- Positive net impact on the City or a particular area of the City where economic assistance is needed;
- Enhance the City’s economic climate and increase/maintain the City’s job market;
- Establish the City’s visual identity as the highest quality built commercial environment in the metropolitan area;
- Increase the property tax base of commercial properties to further support the cost of City services;

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

- Enhance the City's credit worthiness by broadening the tax base;
- Promote the redevelopment of the City's older areas; and
- Promote the completion of existing City business parks and encourage the development of new business enterprises.

The policy allows the City to grant tax abatements ranging from 45% to 55% of property taxes for a maximum period of 10 years. In addition, the Governing Body may choose to waive the policy and grant tax abatements greater than 55% for specific projects.

For the fiscal year ended December 31, 2020, the City abated property taxes totaling \$871,503, including the following property tax abatements exceeding 20% of the total property taxes abated for the year:

- 100% property tax abatement for WaterSide Residences on Quivira to construct apartments located at 8201 Quivira Road. The property tax abatement amount was \$219,972.

Neighborhood Revitalization Program

The City established a Neighborhood Revitalization District in accordance with K.S.A. 12-117, 114 et seq., as amended. The City established the district to promote the revitalization and development of residential and commercial properties in the district area by offering property tax rebates on incremental taxes generated from properties within the district area. The property tax rebates range from 75% to 85% for a maximum period of 10 years. In addition, the Governing Body may choose to grant property tax rebates greater than 85% for specific projects.

For the fiscal year ended December 31, 2020, the City granted property tax rebates totaling \$225,962, including the following property tax rebates exceeding 20% of the total property taxes rebated for the year:

- 75% property tax rebate for Ceva Animal Health, LLC to construct a new commercial facility on its campus at 8901 Rosehill Road. The property tax rebate amount was \$56,473.
- 100% property tax rebate for Shamrock Trading Corporation to demolish a vacant retail building and construct a new commercial office building at 8600 Quivira Road. The property tax rebate amount was \$93,317.
- 75% property tax rebate for Sparhawk Laboratories Inc. to construct an addition to its campus at 12340 Santa Fe Trail Drive. The property tax rebate amount was \$69,727.

Tax Increment Financing

The City discloses information on Tax Increment Financing in Footnote 9 (Long-Term Debt and Other Obligations). The total payments of certified project costs during 2020 were approximately \$6,028,929.

Required Supplementary Information

CITY OF LENEXA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS - GENERAL FUND

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For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 75,981,783	\$ 75,981,783	\$ 75,279,522	\$ (702,261)
Licenses and permits	1,781,500	1,781,500	2,564,797	783,297
Charges for services	2,045,980	2,045,980	1,223,709	(822,271)
Rents and leases	754,027	754,027	691,078	(62,949)
Fines and forfeitures	1,321,000	1,321,000	765,639	(555,361)
Investment earnings	875,000	875,000	1,023,297	148,297
Miscellaneous	305,970	305,970	283,577	(22,393)
Total Revenues	83,065,260	83,065,260	81,831,619	(1,233,641)
Expenditures				
Current				
General government:				
Executive	3,069,347	3,220,349	2,806,917	413,432
Information technology	3,537,088	3,590,288	3,467,857	122,431
Finance	1,427,855	1,427,855	1,362,430	65,425
Legal	1,798,851	1,798,851	1,469,880	328,971
Human resources	1,276,196	1,276,196	1,127,160	149,036
Community development	4,777,868	4,777,342	4,267,689	509,653
Total General Government	15,887,205	16,090,881	14,501,933	1,588,948
Public safety:				
Police administration	6,065,673	5,990,673	5,348,015	642,658
Police investigation	1,706,893	1,706,893	1,317,706	389,187
Police patrol	9,171,647	9,171,647	7,697,287	1,474,360
Fire	12,096,796	12,096,320	11,490,103	606,217
Total Public Safety	29,041,009	28,965,533	25,853,111	3,112,422
Municipal services:				
Municipal services administration	715,164	718,818	600,063	118,755
Streets	2,682,169	2,725,517	2,487,970	237,547
Traffic	1,802,095	1,801,595	1,659,058	142,537
Fleet	2,727,887	2,692,949	2,266,176	426,773
Parking structure	90,000	90,000	4,700	85,300
Facilities management	2,615,486	2,614,886	2,184,238	430,648
Total Municipal Services	10,632,801	10,643,765	9,202,205	1,441,560

CITY OF LENEXA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS - GENERAL FUND

Page 2 Of 2

For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Recreation:				
Recreation administration	\$ 821,793	\$ 857,627	\$ 848,593	\$ 9,034
Maintenance	4,494,817	4,447,947	3,657,922	790,025
Programs	1,743,300	1,995,782	1,183,444	812,338
Total Recreation	7,059,910	7,301,356	5,689,959	1,611,397
Total Expenditures	62,620,925	63,001,535	55,247,208	7,754,327
Excess Of Revenues Over Expenditures	20,444,335	20,063,725	26,584,411	6,520,686
Other Financing Sources (Uses)				
Transfers in	382,750	382,750	268,064	(114,686)
Transfers out	(49,918,654)	(49,538,044)	(17,532,559)	32,005,485
Total Other Financing Sources (Uses)	(49,535,904)	(49,155,294)	(17,264,495)	31,890,799
Net Changes In Fund Balance	\$ (29,091,569)	\$ (29,091,569)	9,319,916	\$ 38,411,485
Fund Balance - Beginning Of Year			39,359,036	
Fund Balance - End Of Year - Budget Basis			\$ 48,678,952	
Adjustments To Reconcile To GAAP Basis				
Encumbrances at December 31, 2020			\$ 189,453	
Encumbrances at December 31, 2019			(449,433)	
Fund Balance - End Of Year - GAAP Basis			\$ 48,418,972	

CITY OF LENEXA, KANSAS

NOTE TO BUDGETARY COMPARISON INFORMATION December 31, 2020

1. Budgetary Information

Applicable Kansas statutes require that annual budgets be legally adopted for all funds (including Proprietary Funds) unless exempted by a specific statute. Specific funds exempted from legally adopted budgets are Federal and State Assistance Funds, which are the following Special Revenue Funds: Law Enforcement Trust, Legal Trust, TIF Funds, and all Capital Projects, Internal Service and Fiduciary Funds.

Control over spending in funds that are not subject to legal budgets is maintained by the use of internal spending limits established by management. For budgeting, revenues are recognized when they become both measurable and available to finance expenditures of the current period, except for special assessments of the Debt Service Fund, which are recognized on the cash basis. Applicable Kansas statutes require the use of an encumbrance system as a management control technique to assist in controlling expenditures. Encumbrances of the budgeted Governmental Fund types represent purchase orders, contracts and other commitments.

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

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

Kansas statutes permit transferring budgeted amounts from one object or purpose to another within the same fund; however, such statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. All appropriations lapse at the end of the year except for Capital Projects Funds, which are carried forward until such time as the project is completed or terminated. All encumbered appropriations are reappropriated as part of the following year's budget. Current year encumbrances are included as expenditures for the budgetary presentations. Kansas statutes permit original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish a notice of hearing to amend the budget. Ten days after publication, a public hearing is held and the Governing Body may amend the budget at that time. Management is not allowed to amend a fund's total budgeted expenditures without the City Council's approval. No additional appropriation were approved in the 2020 budget. The Prairie Creek CID was over budget at the end of 2020.

CITY OF LENEXA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS CITY OF LENEXA DEFINED BENEFIT PLAN

	December 31,						
	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Interest	\$ 1,894,363	\$ 1,809,914	\$ 1,816,557	\$ 1,808,088	\$ 1,860,371	\$ 1,789,881	\$ 1,676,595
Difference between expected and actual experience	(319,317)	339,743	6,959	(392,796)	(1,068,566)	(258,290)	(236,393)
Changes of assumptions	(40,403)	798,318	(327,887)	181,279	(250,237)	(363,604)	1,296,099
Benefit payments	(1,647,002)	(1,603,673)	(1,640,783)	(1,239,651)	(1,448,422)	(900,412)	(947,023)
Net Change In Total Pension Liability	(112,359)	1,344,302	(145,154)	356,920	(906,854)	267,575	1,789,278
Total pension liability - beginning	30,005,093	28,660,791	28,805,945	28,449,025	29,355,879	29,088,304	27,299,026
Total pension liability - ending (a)	29,892,734	30,005,093	28,660,791	28,805,945	28,449,025	29,355,879	29,088,304
Plan Fiduciary Net Position							
Contributions - employer	—	—	—	454,534	433,000	432,000	610,000
Net investment income	2,171,993	4,891,765	(2,561,165)	4,727,547	2,275,523	(116,314)	1,648,230
Benefit payments	(1,647,002)	(1,603,673)	(1,640,783)	(1,239,651)	(1,448,421)	(971,868)	(890,052)
Net Change In Plan Fiduciary Net Position	524,991	3,288,092	(4,201,948)	3,942,430	1,260,102	(656,182)	1,368,178
Total fiduciary net position - beginning	31,341,033	28,052,941	32,254,889	28,312,459	27,052,357	27,708,539	26,340,361
Total fiduciary net position - ending (b)	31,866,024	31,341,033	28,052,941	32,254,889	28,312,459	27,052,357	27,708,539
Net Pension Liability (Asset) (a) - (b)	(1,973,290)	(1,335,940)	607,850	(3,448,944)	136,566	2,303,522	1,379,765
Plan fiduciary net position as a percentage of the total pension liability	106.60%	104.45%	97.88%	111.97%	99.52%	92.15%	95.26%
Covered payroll	14,238,159	14,755,309	15,871,187	15,056,728	16,132,606	18,119,199	17,220,621
Covered payroll < normal retirement age	12,961,214	13,699,060	14,204,035	13,798,331	15,625,068	17,261,969	16,486,181
Net pension liability (asset) as a percentage of covered payroll	-13.86%	-9.05%	3.83%	-22.91%	0.85%	12.71%	8.01%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

CITY OF LENEXA, KANSAS
REQUIRED SUPPLEMENTARY INFORMATION

The City Of Lenexa Defined Benefit Pension Plan
Schedule of Contributions
Last 10 Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially Determined Contribution	\$ —	\$ —	\$ —	\$ —	\$ 62,623	\$ 69,766	\$ 188,237	\$ 511,375	\$ 329,624	\$ 244,746
Contribution in relation to the actuarially determined contribution	—	—	—	454,534	433,000	432,000	610,000	572,000	432,000	432,000
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ (454,534)	\$ (370,377)	\$ (362,234)	\$ (421,763)	\$ (60,625)	\$ (102,376)	\$ (187,254)
Covered Payroll	\$ 12,961,214	\$ 13,699,060	\$ 14,204,035	\$ 13,798,331	\$ 15,265,068	\$ 17,261,969	\$ 17,220,621	\$ 18,218,474	\$ 19,526,691	\$ 18,633,428
Contribution as a percentage of covered payroll	—	—	—	3.29	2.84	2.50	3.54	3.14	2.21	2.32

Notes:

Methods and Assumptions:

Actuarial Cost Method	Entry Age Normal (Plan benefits frozen January 1, 2010)
Asset Valuation Method	Unit Credit
Withdrawal	T-3
Salary Increases	N/A, Frozen Benefit
Investment Rate of Return	7.00%
Retirement Age	Service - 62, Police & Fire - 55
Mortality	In the 2020 actuarial valuation, the assumed life expectancies were according to the Pub-2010 Mortality Table are rates projected generationally with scale MP-2020

CITY OF LENEXA, KANSAS
REQUIRED SUPPLEMENTARY INFORMATION

The City Of Lenexa Defined Benefit Pension Plan
Schedule Of Investment Returns
Last 10 years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Annual money-weighted rate of return, net of investment expense	7.25%	18.11%	(8.04)%	16.91%	8.52%	(0.36)%	6.00%	14.71%	10.85%	0.76%

CITY OF LENEXA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION KANSAS EMPLOYEES' RETIREMENT SYSTEM

Schedule of Proportionate Share Of The Net Pension Liability

	Plan Year June 30,						
	2020	2019	2018	2017	2016	2015	2014
City's local group proportion of the net pension liability	0.91703%	0.92357%	0.86255%	0.83368%	0.78462%	0.74050%	0.74050%
City's local group proportionate share of the net pension liability	\$ 15,898,092	\$ 12,905,741	\$ 12,022,150	\$ 12,075,427	\$ 12,138,319	\$ 9,723,131	\$ 9,723,131
City's local group covered payroll	17,248,084	17,017,030	15,393,856	14,749,129	13,376,593	12,249,628	12,249,628
City's local group proportionate share of net pension liability as a percentage of its covered payroll	92.17%	75.84%	78.10%	81.87%	90.74%	79.37%	79.37%
Plan fiduciary net position as a percentage of the total pension liability	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%	64.95%

	Plan Year June 30,						
	2020	2019	2018	2017	2016	2015	2014
City's police & fire proportion of the net pension liability	2.46489%	2.49663%	2.40319%	2.51123%	2.42603%	2.39714%	2.39714%
City's police & fire proportionate share of the net pension liability	\$ 30,395,445	\$ 25,268,926	\$ 23,123,525	\$ 23,550,108	\$ 22,532,082	\$ 17,406,056	\$ 17,406,056
City's police & fire covered payroll	13,545,668	13,364,015	12,217,739	12,537,063	11,516,050	10,913,458	10,913,458
City's police & fire proportionate share of net pension liability as a percentage of its covered payroll	224.39%	189.08%	189.26%	187.84%	195.66%	159.49%	159.49%
Plan fiduciary net position as a percentage of the total pension liability	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%	64.95%

Schedule Of Contributions

	December 31,						
	2020	2019	2018	2017	2016	2015	2014
Required local group contribution	\$ 1,678,175	\$ 1,710,050	\$ 1,532,015	\$ 1,284,486	\$ 1,261,475	\$ 1,285,709	\$ 1,049,182
Contributions made in relation to the required contribution	1,678,175	1,710,050	1,532,015	1,284,486	1,261,475	1,285,709	1,049,182
Contribution deficiency	—	—	—	—	—	—	—
City's local group covered payroll	17,482,361	17,308,092	16,330,984	14,686,136	13,717,099	13,465,754	11,772,906
Contributions as a percentage of local group covered payroll	9.60%	9.88%	9.38%	8.75%	9.20%	9.55%	8.91%

	December 31,						
	2020	2019	2018	2017	2016	2015	2014
Required police & fire contribution	\$ 2,984,120	\$ 3,021,033	\$ 2,572,690	\$ 2,305,146	\$ 2,407,153	\$ 2,480,273	\$ 2,143,302
Contributions made in relation to the required contribution	2,984,120	3,021,033	2,572,690	2,305,146	2,407,153	2,480,273	2,143,302
Contribution deficiency	—	—	—	—	—	—	—
City's police & fire covered payroll	13,607,479	13,651,300	12,805,819	12,113,219	11,788,210	11,611,765	10,732,609
Contributions as a percentage of police & fire covered payroll	21.93%	22.13%	20.09%	19.03%	20.42%	21.36%	19.97%

Notes:

Above schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

Information is provided on a measurement date and actuarial valuation as of December 31, 2019, 2018, 2017, 2016, 2015, 2014 and 2013, rolled forward to June 30, 2020, 2019, 2018, 2017, 2016, 2015 and 2014.

Changes Of Benefit Terms Or Assumptions

There were no significant changes to benefit terms or actuarial assumptions for the most recent actuarial valuation.

CITY OF LENEXA, KANSAS

SCHEDULE OF OTHER POST EMPLOYMENT BENEFITS LONG TERM DISABILITY BENEFITS SPONSORED BY KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM (KPERs)

	For The Fiscal Year		
	2020	2019	2018
Service cost	\$ 66,963	\$ 56,146	\$ 55,759
Interest on total OPEB liability	17,635	18,706	17,886
Changes of benefit terms	—	—	—
Effect of economic/demographic gains or (losses)	64,807	(37,667)	(61,187)
Effect of assumption changes or inputs	37,852	6,487	(5,004)
Benefit payments	(43,897)	(24,123)	(24,123)
Net change in total OPEB liability	143,360	19,549	(16,669)
Total OPEB liability - beginning	458,687	439,138	455,807
Total OPEB liability - ending	\$ 602,047	\$ 458,687	\$ 439,138
Covered payroll	\$ 16,826,629	\$ 16,226,943	\$ 14,329,127
Total OPEB liability as a percentage of covered payroll	3.58%	2.83%	3.06%

Notes:

Above schedules are intended to show information for 10 years. Additional years will be displayed as they become available. Information is provided on an actuarial valuation date as of December 31, 2019, rolled forward to the measurement date of June 30, 2020.

Changes Of Benefit Terms Or Assumptions

The discount rate decreased to 2.21% as of June 30, 2020 from 3.50% as of June 30, 2019.

CITY OF LENEXA, KANSAS

SCHEDULE OF OTHER POST EMPLOYMENT BENEFITS HEALTHCARE BENEFITS FOR PRE-MEDICARE RETIREES – CITY PLAN

	For The Years Ended December 31		
	2020	2019	2018
Service cost	\$ 364,434	\$ 300,949	\$ 275,906
Interest on total OPEB liability	153,120	185,278	137,764
Changes of benefit terms	1,013,770	—	—
Effect of economic/demographic gains or (losses)	101,872	(615,264)	—
Effect of assumption changes or inputs	1,458,733	139,855	390,338
Benefit payments	46,142	(56,185)	(36,406)
Net change in total OPEB liability	3,138,071	(45,367)	
Total OPEB liability - beginning	4,716,509	4,761,876	3,994,274
Total OPEB liability - ending	\$ 7,854,580	\$ 4,716,509	\$ 4,761,876
Covered payroll	\$ 27,818,766	\$ 27,818,766	\$ 24,110,711
Total OPEB liability as a percentage of covered payroll	28.23%	16.95%	19.75%

Notes:

Above schedules are intended to show information for 10 years. Additional years will be displayed as they become available. Information is provided on an actuarial valuation date as of January 1, 2019, rolled forward to December 31, 2020.

Changes Of Benefit Terms Or Assumptions

The discount rate decreased to 1.96% as of the measurement date of December 31, 2020 from 3.00% as of the measurement date of December 31, 2019.

Supplementary Information

**Combining And Individual Fund
Financial Statements And Schedules**

CITY OF LENEXA, KANSAS

NONMAJOR GOVERNMENTAL FUNDS Special Revenue Funds

Fund Descriptions

Grants

To account for various grants in which the City receives Federal and State funding (i.e., Step grant, Saturation grant, COPS grant).

Law Enforcement Trust

To account for monies received from the confiscation and sale of items seized in drug-related offenses and also proceeds from certain state grant programs.

Legal Trust

To account for monies received from the confiscation and sale of items seized in drug-related offenses and to be used for additional law enforcement and prosecutorial purposes as the City Attorney deems appropriate.

Special Highway*

To account for monies levied by the state of Kansas (Motor Fuel Tax) producing revenues to be used to defray in whole or in part the cost of constructing, altering, reconstructing, maintaining, and repairing streets and highways pursuant to K.S.A. 79-3425C.

Special Alcohol Control*

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

Special Park And Recreation*

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

Tourism And Convention*

To account for monies derived from transient guest tax levied on the gross rental receipts paid by guests for lodging to be used for promotion of tourism, conventions, and economic development.

CITY OF LENEXA, KANSAS

Nonmajor Governmental Funds (*Continued*)

Neighborhood Revitalization District*

To account for incentives available to encourage property owners to reinvest and increase the assessed value of their properties.

Parks And Recreation Impact Fee (Zones 1, 2 And 3)*

To account for monies provided by park impact fees imposed on new development and expended on parks and recreation facilities.

Street Tree (Zones 1, 2 And 3)*

To account for monies received from building permits for the purpose of financing the landscaping of street-side property in areas under development.

Transportation Improvement Plan (TIP) (Zones 1, 2 And 3)*

To account for monies provided by traffic impact fees imposed on new development and expended on transportation operational improvements.

City Center TIF*

To account for monies received by the City from the TIF property tax increment to finance City Center projects.

City Center East TIF Bonds

To account for monies received from TIF revenue bonds to finance the City Center East project.

Mining TIF District*

To account for monies received by the City from the TIF property tax increment to reimburse the developer for certified costs associated with the Mining TIF district.

Ridgeview (Meritex) Mining TIF*

To account for the monies received from the Tax Increment Financing District for the purpose of redevelopment at the intersection of 95th and Renner Boulevard.

South Mining TIF District

To account for monies received by the City from the TIF property tax increment to reimburse developers for certified costs associated with the South Mining TIF district.

Orchard Corners CID*

To account for monies received from the Community Improvement District additional 1% sales tax to be expended on development within the District (southwest corner of 95th and Quivira).

CITY OF LENEXA, KANSAS

Nonmajor Governmental Funds (*Continued*)

Prairie Creek CID*

To account for monies received from the Community Improvement District additional 1% sales tax to be expended on development within the District (northwest corner of Prairie Star Parkway and Renner Boulevard).

Quivira 95 CID*

To account for monies received from the Community Improvement District additional 1% sales tax to be expended on development within the District (located at the northwest corner of Quivira and 95th Street).

Greystone Plaza CID*

To account for monies received from the Community Improvement District additional 1% sales tax to be expended on development within the District (located north of 87th Street Parkway and west of Rosehill Road).

City Center East (CCE) #1 CID*

To account for monies received from the Community Improvement District additional 1% sales tax to be expended on development within the District (a four-story commercial office/retail building with an adjacent outdoor plaza area).

City Center East (CCE) #2 CID*

To account for monies received from the Community Improvement District additional 1% sales tax to be expended on eligible reimbursable costs within the District (City Center East Village first and second plat).

I-35 & 95th Street TIF*

To account for monies received by the City from the TIF property tax increment to be expended on eligible reimbursable costs associated with the Interstate 35 and 95th Street TIF district.

Springhill Suites CID*

To account for monies received from the Community Improvement District additional 1% sales tax to be expended on eligible reimbursable costs within the District (located northwest corner of 87th Street Parkway and Penrose).

Candlewood Suites CID*

To account for monies received from the Community Improvement District additional 1% sales tax to be expended on eligible reimbursable costs within the District (located northwest corner of 96th Terrace and Rosehill Road).

Holiday Inn Express CID*

To account for monies received from the Community Improvement District additional 1% sales tax to be expended on eligible reimbursable costs within the District (located at the northwest corner of 96th Terrace and Rosehill Road).

CITY OF LENEXA, KANSAS

Nonmajor Governmental Funds *(Continued)*

Sonoma Plaza CID*

To account for monies received from the Community Improvement District additional 1% sales tax to be expended on eligible reimbursable costs within the District (located in the southeast corner of 87th Street Parkway and I-435).

Lenexa City Center Area E. CID*

To account for monies received from the Community Improvement District additional 1% sales tax to be expended on eligible reimbursable costs within the District (located at the southwest corner of 87th Street Parkway and Renner Boulevard).

Lenexa Point CID*

To account for monies received from the Community Improvement District additional 1% sales tax to be expended on eligible reimbursable costs within the District (located in the northwest corner of 87th Street Parkway and Maurer Road).

*Budgeted Special Revenue Fund.

Debt Service Funds

Fund Descriptions

Debt Service Reserve - TIF

To account for the Debt Service Reserve Fund for City Center East TIF Revenue bonds to be used for the payment of principal and interest if monies otherwise available is insufficient to pay bonds.

Capital Projects Funds

Fund Descriptions

Capital Acquisition

To account for the financing for municipal capital purchases.

Parks And Recreation

To account for monies received for the purchase of park land and park development.

Municipal Buildings

To account for the financing and construction of municipal buildings within the City.

CITY OF LENEXA, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2020

	Combined Special Revenue Funds	Debt Service Reserve TIF	Capital Project Funds			Total Nonmajor Governmental Funds
			Parks And Recreation	Municipal Buildings	Capital Acquisition	
Assets						
Deposits, including investments	\$ 13,600,495	\$ 1	\$ 184,754	\$ 2,653,731	\$ 2,482,688	\$ 18,921,669
Restricted cash and investments	—	2,407	—	—	—	2,407
Property tax receivable (net of allowance for uncollectibles)	12,354,210	—	—	—	—	12,354,210
Sales tax receivable	244,314	—	—	—	—	244,314
Transient guest tax receivable	165,628	—	—	—	—	165,628
Special highway tax receivable	365,424	—	—	—	—	365,424
Special liquor tax receivable	130,785	—	—	—	—	130,785
Intergovernmental receivable	64,312	—	493,780	—	—	558,092
Interest receivable	23,873	—	—	10,207	8,195	42,275
Other receivable	73,931	—	—	—	—	73,931
Total Assets	\$ 27,022,972	\$ 2,408	\$ 678,534	\$ 2,663,938	\$ 2,490,883	\$ 32,858,735
Liabilities, Deferred Inflows And Fund Balances						
Liabilities						
Accounts payable	\$ 24,378	\$ —	\$ 188,097	\$ 113,782	\$ 125,783	\$ 452,040
Due to other funds	125,600	—	—	—	—	125,600
Total Liabilities	149,978	—	188,097	113,782	125,783	577,640
Deferred Inflows Of Resources						
Property tax	12,354,210	—	—	—	—	12,354,210
Fund Balances						
Restricted	14,518,784	2,408	246,026	368,000	—	15,135,218
Committed	—	—	244,411	193,720	163,000	601,131
Assigned	—	—	0	1,988,436	2,202,100	4,190,536
Total Fund Balances	14,518,784	2,408	490,437	2,550,156	2,365,100	19,926,885
Total Liabilities, Deferred Inflows And Fund Balances	\$ 27,022,972	\$ 2,408	\$ 678,534	\$ 2,663,938	\$ 2,490,883	\$ 32,858,735

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For The Year Ended December 31, 2020

	Combined Special Revenue Funds	Debt Service Reserve TIF	Capital Project Funds			Total Nonmajor Governmental Funds
			Parks And Recreation	Municipal Buildings	Capital Acquisition	
Revenues						
Taxes	\$ 14,099,833	\$ —	\$ —	\$ —	\$ —	\$ 14,099,833
Intergovernmental	2,391,115	—	1,094,450	—	—	3,485,565
Charges for services	1,342,580	—	—	—	—	1,342,580
Fines and forfeitures	24,401	—	—	—	—	24,401
Investment earnings	46,892	154	—	12,720	25,198	84,964
Miscellaneous	—	—	—	—	240,631	240,631
Total Revenues	17,904,821	154	1,094,450	12,720	265,829	19,277,974
Expenditures						
Current:						
General government	1,348,735	7,289	—	—	—	1,356,024
Public safety	1,620,796	—	—	—	—	1,620,796
Municipal services	63,760	—	—	—	—	63,760
Recreation	66,091	—	—	—	—	66,091
Economic development	6,918,780	—	—	—	—	6,918,780
Capital outlay						
Municipal services	535,143	—	1,928,248	556,362	1,977,971	4,997,724
Debt service:						
Principal retirement	165,000	165,240	—	—	—	330,240
Interest and fiscal charges	110,106	74,760	—	—	—	184,866
Total Expenditures	10,828,411	247,289	1,928,248	556,362	1,977,971	15,538,281
Excess (Deficiency) Of Revenues Over Expenditures	7,076,410	(247,135)	(833,798)	(543,642)	(1,712,142)	3,739,693
Other Financing Sources (Uses)						
Transfers in	325,064	244,382	160,700	918,000	1,985,000	3,633,146
Transfers out	(6,042,317)	—	—	(222,175)	(172,962)	(6,437,454)
Total Other Financing Sources (Uses)	(5,717,253)	244,382	160,700	695,825	1,812,038	(2,804,308)
Net Changes In Fund Balances	1,359,157	(2,753)	(673,098)	152,183	99,896	935,385
Fund Balances - Beginning Of Year	13,159,627	5,161	1,163,535	2,397,973	2,265,204	18,991,500
Fund Balances - End Of Year	\$ 14,518,784	\$ 2,408	\$ 490,437	\$ 2,550,156	\$ 2,365,100	\$ 19,926,885

CITY OF LENEXA, KANSAS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

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December 31, 2020**

	Grants	Law Enforcement Trust	Legal Trust	Special Highway	Special Alcohol Control	Special Parks And Recreation	Tourism And Convention	Neighborhood Revitalization District
Assets								
Deposits and investments	\$ —	\$ 227,816	\$ 75,772	\$ —	\$ 579,708	\$ —	\$ 1,609,823	\$ 396,112
Property tax receivable (net of allowance for uncollectibles)	—	—	—	—	—	—	—	271,628
Sales tax receivable	—	—	—	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—	—	165,628	—
Special highway tax receivable	—	—	—	365,424	—	—	—	—
Special liquor tax receivable	—	—	—	—	65,392	65,393	—	—
Intergovernmental receivable	64,312	—	—	—	—	—	—	—
Interest receivable	—	—	—	—	—	—	—	—
Other receivable	—	—	—	—	—	—	—	—
Total Assets	\$ 64,312	\$ 227,816	\$ 75,772	\$ 365,424	\$ 645,100	\$ 65,393	\$ 1,775,451	\$ 667,740
Liabilities, Deferred Inflows And Fund Balances								
Liabilities								
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ 18,678	\$ —	\$ —	\$ —
Due to other funds	51,669	—	—	—	—	—	—	—
Total Liabilities	51,669	—	—	—	18,678	—	—	—
Deferred Inflows Of Resources								
Property tax	—	—	—	—	—	—	—	271,628
Fund Balances								
Restricted	12,643	227,816	75,772	365,424	626,422	65,393	1,775,451	396,112
Total Liabilities, Deferred Inflows And Fund Balances	\$ 64,312	\$ 227,816	\$ 75,772	\$ 365,424	\$ 645,100	\$ 65,393	\$ 1,775,451	\$ 667,740

CITY OF LENEXA, KANSAS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

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December 31, 2020**

	Parks And Recreation Impact Zone 1	Parks And Recreation Impact Zone 2	Parks And Recreation Impact Zone 3	Street Tree Zone 1	Street Tree Zone 2	Street Tree Zone 3	TIP Zone 1	TIP Zone 2	TIP Zone 3
Assets									
Deposits and investments	\$ 1,000,986	\$ 913,016	\$ 797,801	\$ 105,119	\$ 160,798	\$ 174,464	\$ 1,344,373	\$ 620,590	\$ 119,313
Property tax receivable (net of allowance for uncollectibles)	—	—	—	—	—	—	—	—	—
Sales tax receivable	—	—	—	—	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—	—	—	—	—
Special highway tax receivable	—	—	—	—	—	—	—	—	—
Special liquor tax receivable	—	—	—	—	—	—	—	—	—
Intergovernmental receivable	—	—	—	—	—	—	—	—	—
Interest receivable	4,578	4,175	3,648	481	735	798	6,074	2,838	546
Other receivable	—	—	—	—	—	—	—	—	—
Total Assets	\$ 1,005,564	\$ 917,191	\$ 801,449	\$ 105,600	\$ 161,533	\$ 175,262	\$ 1,350,447	\$ 623,428	\$ 119,859
Liabilities, Deferred Inflows And Fund Balances									
Liabilities									
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,700	\$ —	\$ —	\$ —
Due to other funds	—	—	—	—	—	—	—	—	—
Total Liabilities	—	—	—	—	—	5,700	—	—	—
Deferred Inflows Of Resources									
Property tax	—	—	—	—	—	—	—	—	—
Fund Balances									
Restricted	1,005,564	917,191	801,449	105,600	161,533	169,562	1,350,447	623,428	119,859
Total Liabilities, Deferred Inflows And Fund Balances	\$ 1,005,564	\$ 917,191	\$ 801,449	\$ 105,600	\$ 161,533	\$ 175,262	\$ 1,350,447	\$ 623,428	\$ 119,859

CITY OF LENEXA, KANSAS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

**Page 3 Of 4
December 31, 2020**

	City Center TIF	City Center East TIF Bonds	Mining TIF District	Ridgeview Mining TIF	South Mining District TIF	Orchard Corners CID	Prairie Creek CID	Quivira 95 CID	Greystone Plaza CID
Assets									
Deposits and investments	\$ 1,781,949	\$ 23,772	\$ 743,660	\$ 832,448	\$ 12,179	\$ 32,941	\$ 79	\$ 8	\$ 41
Property tax receivable (net of allowance for uncollectibles)	7,381,408	262,606	2,528,128	1,016,066	211	—	—	—	—
Sales tax receivable	—	—	—	—	—	110,655	24,886	4,698	8,044
Transient guest tax receivable	—	—	—	—	—	—	—	—	—
Special highway tax receivable	—	—	—	—	—	—	—	—	—
Special liquor tax receivable	—	—	—	—	—	—	—	—	—
Intergovernmental receivable	—	—	—	—	—	—	—	—	—
Interest receivable	—	—	—	—	—	—	—	—	—
Other receivable	—	—	—	—	—	—	—	—	—
Total Assets	\$ 9,163,357	\$ 286,378	\$ 3,271,788	\$ 1,848,514	\$ 12,390	\$ 143,596	\$ 24,965	\$ 4,706	\$ 8,085
Liabilities, Deferred Inflows And Fund Balances									
Liabilities									
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Due to other funds	—	—	—	—	—	—	—	—	—
Total Liabilities	—	—	—	—	—	—	—	—	—
Deferred Inflows Of Resources									
Property tax	7,381,408	262,606	2,528,128	1,016,066	211	—	—	—	—
Fund Balances									
Restricted	1,781,949	23,772	743,660	832,448	12,179	143,596	24,965	4,706	8,085
Total Liabilities, Deferred Inflows And Fund Balances	\$ 9,163,357	\$ 286,378	\$ 3,271,788	\$ 1,848,514	\$ 12,390	\$ 143,596	\$ 24,965	\$ 4,706	\$ 8,085

CITY OF LENEXA, KANSAS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

**Page 4 Of 4
December 31, 2020**

	City Center East #1 CID	City Center East #2 CID	I-35 & 95th Street TIF	Springhill Suites CID	Candlewood Suites CID	Holiday Inn Express CID	Sonoma Plaza CID	Lenexa City Center Area E CID	Lenexa Point CID	Total Special Revenue Funds
Assets										
Deposits and investments	\$ 17,862	\$ 257,373	\$ 1,590,024	\$ 17	\$ 10	\$ —	\$ 70,506	\$ 23,662	\$ 88,273	\$ 13,600,495
Property tax receivable (net of allowance for uncollectibles)	—	—	894,163	—	—	—	—	—	—	12,354,210
Sales tax receivable	4,377	2,282	—	4,580	2,973	102	50,893	3,167	27,657	244,314
Transient guest tax receivable	—	—	—	—	—	—	—	—	—	165,628
Special highway tax receivable	—	—	—	—	—	—	—	—	—	365,424
Special liquor tax receivable	—	—	—	—	—	—	—	—	—	130,785
Intergovernmental receivable	—	—	—	—	—	—	—	—	—	64,312
Interest receivable	—	—	—	—	—	—	—	—	—	23,873
Other receivable	73,931	—	—	—	—	—	—	—	—	73,931
Total Assets	\$ 96,170	\$ 259,655	\$ 2,484,187	\$ 4,597	\$ 2,983	\$ 102	\$ 121,399	\$ 26,829	\$ 115,930	\$ 27,022,972
Liabilities, Deferred Inflows And Fund Balances										
Liabilities										
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 24,378
Due to other funds	73,931	—	—	—	—	—	—	—	—	125,600
Total Liabilities	73,931	—	—	—	—	—	—	—	—	149,978
Deferred Inflows Of Resources										
Property tax	—	—	894,163	—	—	—	—	—	—	12,354,210
Fund Balances										
Restricted	22,239	259,655	1,590,024	4,597	2,983	102	121,399	26,829	115,930	14,518,784
Total Liabilities, Deferred Inflows And Fund Balances	\$ 96,170	\$ 259,655	\$ 2,484,187	\$ 4,597	\$ 2,983	\$ 102	\$ 121,399	\$ 26,829	\$ 115,930	\$ 14,668,762

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS

Page 1 Of 4
For The Year Ended December 31, 2020

	Grants	Law Enforcement Trust	Legal Trust	Special Highway	Special Alcohol Control	Special Park And Recreation	Tourism And Convention	Neighborhood Revitalization District
Revenues								
Taxes	\$ —	\$ —	\$ —	\$ 1,419,918	\$ 231,644	\$ 231,644	\$ 750,897	\$ 271,782
Intergovernmental	2,389,827	1,288	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—	—	—
Fines and forfeitures	—	21,980	2,421	—	—	—	—	—
Investment earnings	—	—	—	—	—	—	—	—
Total Revenues	2,389,827	23,268	2,421	1,419,918	231,644	231,644	750,897	271,782
Expenditures								
Current:								
General government	505,393	—	—	—	—	—	617,380	225,962
Public safety	1,299,577	85,297	—	—	235,922	—	—	—
Municipal services	63,760	—	—	—	—	—	—	—
Recreation	—	—	—	—	—	—	—	—
Economic development	—	—	—	—	—	—	70,000	—
Capital outlay								
Municipal services	535,143	—	—	—	—	—	—	—
Debt service:								
Principal retirement	—	—	—	—	—	—	165,000	—
Interest and fiscal charges	—	—	—	—	—	—	110,106	—
Total Expenditures	2,403,873	85,297	—	—	235,922	—	962,486	225,962
Excess (Deficiency) Of Revenues Over Expenditures	(14,046)	(62,029)	2,421	1,419,918	(4,278)	231,644	(211,589)	45,820
Other Financing Sources (Uses)								
Transfers in	—	—	—	—	—	—	—	—
Transfers out	—	—	—	(1,442,629)	—	(238,999)	(22,000)	—
Total Other Financing Sources (Uses)	—	—	—	(1,442,629)	—	(238,999)	(22,000)	—
Net Changes In Fund Balances	(14,046)	(62,029)	2,421	(22,711)	(4,278)	(7,355)	(233,589)	45,820
Fund Balances - Beginning Of Year	26,689	289,845	73,351	388,135	630,700	72,748	2,009,040	350,292
Fund Balances - End Of Year	\$ 12,643	\$ 227,816	\$ 75,772	\$ 365,424	\$ 626,422	\$ 65,393	\$ 1,775,451	\$ 396,112

CITY OF LENEXA, KANSAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

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For The Year Ended December 31, 2020

	Parks And Recreation Impact Zone 1	Parks And Recreation Impact Zone 2	Parks And Recreation Impact Zone 3	Street Tree Zone 1	Street Tree Zone 2	Street Tree Zone 3	TIP Zone 1	TIP Zone 2	TIP Zone 3
Revenues									
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	—	—	—	—	—	—
Charges for services	352,285	195,653	92,511	—	—	58,400	361,583	191,674	90,474
Fines and forfeitures	—	—	—	—	—	—	—	—	—
Investment earnings	8,859	7,770	7,267	1,098	1,635	1,265	12,656	5,298	1,044
Total Revenues	361,144	203,423	99,778	1,098	1,635	59,665	374,239	196,972	91,518
Expenditures									
Current:									
General government	—	—	—	—	—	—	—	—	—
Public safety	—	—	—	—	—	—	—	—	—
Municipal services	—	—	—	—	—	—	—	—	—
Recreation	—	—	—	3,265	22,683	40,143	—	—	—
Economic development	—	—	—	—	—	—	—	—	—
Capital outlay									
Municipal services	—	—	—	—	—	—	—	—	—
Debt service:									
Principal retirement	—	—	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—	—	—
Total Expenditures	—	—	—	3,265	22,683	40,143	—	—	—
Excess (Deficiency) Of Revenues Over Expenditures	361,144	203,423	99,778	(2,167)	(21,048)	19,522	374,239	196,972	91,518
Other Financing Sources (Uses)									
Transfers in	—	—	—	—	—	—	16,129	—	—
Transfers out	—	—	—	—	—	—	(570,884)	—	(723,537)
Total Other Financing Sources (Uses)	—	—	—	—	—	—	(554,755)	—	(723,537)
Net Changes In Fund Balances	361,144	203,423	99,778	(2,167)	(21,048)	19,522	(180,516)	196,972	(632,019)
Fund Balances - Beginning Of Year	644,420	713,768	701,671	107,767	182,581	150,040	1,530,963	426,456	751,878
Fund Balances - End Of Year	\$ 1,005,564	\$ 917,191	\$ 801,449	\$ 105,600	\$ 161,533	\$ 169,562	\$ 1,350,447	\$ 623,428	\$ 119,859

CITY OF LENEXA, KANSAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS**

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For The Year Ended December 31, 2020

	City Center TIF	City Center East TIF Bonds	Mining TIF District	Ridgeview Mining TIF	South Mining District TIF	Orchard Corners CID	Prairie Creek CID	Quivira 95 CID	Greystone Plaza CID
Revenues									
Taxes	\$ 5,840,600	\$ 244,382	\$ 2,200,399	\$ 984,900	\$ 140	\$ 564,110	\$ 118,157	\$ 23,806	\$ 52,324
Intergovernmental	—	—	—	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—	—
Investment earnings	—	—	—	—	—	—	—	—	—
Total Revenues	5,840,600	244,382	2,200,399	984,900	140	564,110	118,157	23,806	52,324
Expenditures									
Current:									
General government	—	—	—	—	—	—	—	—	—
Public safety	—	—	—	—	—	—	—	—	—
Municipal services	—	—	—	—	—	—	—	—	—
Recreation	—	—	—	—	—	—	—	—	—
Economic development	3,810,975	—	1,549,874	346,402	—	556,908	112,544	25,960	54,325
Capital outlay									
Municipal services	—	—	—	—	—	—	—	—	—
Debt service:									
Principal retirement	—	—	—	—	—	—	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	—	—	—
Total Expenditures	3,810,975	—	1,549,874	346,402	—	556,908	112,544	25,960	54,325
Excess (Deficiency) Of Revenues Over Expenditures	2,029,625	244,382	650,525	638,498	140	7,202	5,613	(2,154)	(2,001)
Other Financing Sources (Uses)									
Transfers in	—	—	—	—	—	—	—	—	—
Transfers out	(1,983,811)	(244,382)	(4,491)	(801,732)	—	(5,787)	(1,058)	(255)	(508)
Total Other Financing Sources (Uses)	(1,983,811)	(244,382)	(4,491)	(801,732)	—	(5,787)	(1,058)	(255)	(508)
Net Changes In Fund Balances	45,814	—	646,034	(163,234)	140	1,415	4,555	(2,409)	(2,509)
Fund Balances - Beginning Of Year	1,736,135	23,772	97,626	995,682	12,039	142,181	20,410	7,115	10,594
Fund Balances - End Of Year	\$ 1,781,949	\$ 23,772	\$ 743,660	\$ 832,448	\$ 12,179	\$ 143,596	\$ 24,965	\$ 4,706	\$ 8,085

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS

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For The Year Ended December 31, 2020

	City Center East #1 CID	City Center East #2 CID	I-35 & 95th Street TIF	Springhill Suites CID	Candlewood Suites CID	Holiday Inn Express CID	Sonoma Plaza CID	Lenexa City Center Area E CID	Lenexa Point CID	Total Special Revenue Funds
Revenues										
Taxes	\$ —	\$ 30,788	\$ 827,255	\$ 28,234	\$ 16,717	\$ 4,110	\$ 121,399	\$ 20,697	\$ 115,930	\$ 14,099,833
Intergovernmental	—	—	—	—	—	—	—	—	—	2,391,115
Charges for services	—	—	—	—	—	—	—	—	—	1,342,580
Fines and forfeitures	—	—	—	—	—	—	—	—	—	24,401
Investment earnings	—	—	—	—	—	—	—	—	—	46,892
Total Revenues	—	30,788	827,255	28,234	16,717	4,110	121,399	20,697	115,930	17,904,821
Expenditures										
Current:										
General government	—	—	—	—	—	—	—	—	—	1,348,735
Public safety	—	—	—	—	—	—	—	—	—	1,620,796
Municipal services	—	—	—	—	—	—	—	—	—	63,760
Recreation	—	—	—	—	—	—	—	—	—	66,091
Economic development	3,692	12,120	321,677	30,438	16,459	7,406	—	—	—	6,918,780
Capital outlay										
Municipal services	—	—	—	—	—	—	—	—	—	535,143
Debt service:										
Principal retirement	—	—	—	—	—	—	—	—	—	165,000
Interest and fiscal charges	—	—	—	—	—	—	—	—	—	110,106
Total Expenditures	3,692	12,120	321,677	30,438	16,459	7,406	—	—	—	10,828,411
Excess (Deficiency) Of Revenues Over Expenditures	(3,692)	18,668	505,578	(2,204)	258	(3,296)	121,399	20,697	115,930	7,076,410
Other Financing Sources (Uses)										
Transfers in	—	—	308,935	—	—	—	—	—	—	325,064
Transfers out	—	(105)	(1,616)	(291)	(157)	(75)	—	—	—	(6,042,317)
Total Other Financing Sources (Uses)	—	(105)	307,319	(291)	(157)	(75)	—	—	—	(5,717,253)
Net Changes In Fund Balances	(3,692)	18,563	812,897	(2,495)	101	(3,371)	121,399	20,697	115,930	1,359,157
Fund Balances - Beginning Of Year	25,931	241,092	777,127	7,092	2,882	3,473	—	6,132	—	13,159,627
Fund Balances - End Of Year	\$ 22,239	\$ 259,655	\$ 1,590,024	\$ 4,597	\$ 2,983	\$ 102	\$ 121,399	\$ 26,829	\$ 115,930	\$ 14,518,784

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL STREET TREE ZONE 1 FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 10,000	\$ 10,000	\$ —	\$ (10,000)
Investment earnings	—	—	1,098	1,098
Total Revenues	10,000	10,000	1,098	(8,902)
Expenditures				
Current:				
Recreation	10,000	10,000	3,265	6,735
Excess (Deficiency) Of Revenues Over Expenditures	—	—	(2,167)	(2,167)
Other Financing Uses				
Transfers out	(107,277)	(107,277)	—	107,277
Net Changes In Fund Balances	(107,277)	(107,277)	(2,167)	(105,110)
Fund Balances - Beginning Of Year			107,767	
Fund Balances - End Of Year			\$ 105,600	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL STREET TREE ZONE 2 FUND For The Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Charges for services	\$ 50,000	\$ 50,000	\$ —	\$ (50,000)
Investment loss	—	—	1,635	1,635
Total Revenues	50,000	50,000	1,635	(48,365)
Expenditures				
Current:				
Recreation	50,000	50,000	22,683	27,317
Excess (Deficiency) Of Revenues Over Expenditures	—	—	(21,048)	(21,048)
Other Financing Uses				
Transfers out	(122,148)	(122,148)	—	122,148
Net Changes In Fund Balances	(122,148)	(122,148)	(21,048)	101,100
Fund Balances - Beginning Of Year			<u>182,581</u>	
Fund Balances - End Of Year			<u>\$ 161,533</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL STREET TREE ZONE 3 FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 30,000	\$ 30,000	\$ 58,400	\$ 28,400
Investment earnings	—	—	1,265	1,265
Total Revenues	30,000	30,000	59,665	29,665
Expenditures				
Current:				
Recreation	30,000	65,000	40,143	24,857
Excess Of Revenues Over Expenditures	—	(50,000)	19,522	69,522
Other Financing Uses				
Transfers out	(163,722)	(113,722)	—	(113,722)
Net Changes In Fund Balances	(163,722)	(163,722)	19,522	183,244
Fund Balances - Beginning Of Year			150,040	
Fund Balances - End Of Year			\$ 169,562	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL HIGHWAY FUND For The Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 1,460,550	\$ 1,460,550	\$ 1,419,918	\$ (40,632)
Other Financing Uses				
Transfers out	(1,825,582)	(1,825,582)	(1,442,629)	382,953
Net Changes In Fund Balances	<u>(365,032)</u>	<u>(365,032)</u>	(22,711)	<u>342,321</u>
Fund Balances - Beginning Of Year			<u>388,135</u>	
Fund Balances - End Of Year			<u><u>\$ 365,424</u></u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL TOURISM AND CONVENTION FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 1,690,000	\$ 1,690,000	\$ 750,897	\$ (939,103)
Expenditures				
Current:				
General government	652,715	652,715	617,380	35,335
Economic development	517,429	517,429	70,000	447,429
Debt service:				
Principal retirement	165,000	165,000	165,000	—
Interest and fiscal charges	110,106	110,106	110,106	—
Total Expenditures	1,445,250	1,445,250	962,486	482,764
Excess (Deficiency) Of Revenues Over Expenditures	244,750	244,750	(211,589)	(456,339)
Other Financing Uses				
Transfers out	(1,638,655)	(1,638,655)	(22,000)	1,616,655
Net Changes In Fund Balances	(1,393,905)	(1,393,905)	(233,589)	1,160,316
Fund Balances - Beginning Of Year			<u>2,009,040</u>	
Fund Balances - End Of Year			<u>\$ 1,775,451</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL ALCOHOL CONTROL FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 311,385	\$ 311,385	\$ 231,644	\$ (79,741)
Expenditures				
Current:				
Public safety	221,385	221,385	235,922	(14,537)
Recreation	30,000	30,000	—	30,000
Total Expenditures	251,385	251,385	235,922	15,463
Excess (Deficiency) Of Revenues Over Expenditures	60,000	60,000	(4,278)	(64,278)
Other Financing Uses				
Transfers out	(624,443)	(624,443)	—	624,443
Net Changes In Fund Balances	(564,443)	(564,443)	(4,278)	560,165
Fund Balances - Beginning Of Year			<u>630,700</u>	
Fund Balances - End Of Year			<u><u>\$ 626,422</u></u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL PARKS AND RECREATION FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 311,385	\$ 311,385	\$ 231,644	\$ (79,741)
Other Financing Uses				
Transfers out	311,385	311,385	(238,999)	(550,384)
Net Changes In Fund Balances	<u>(328,250)</u>	<u>(328,250)</u>	<u>(7,355)</u>	<u>320,895</u>
Fund Balances - Beginning Of Year			<u>72,748</u>	
Fund Balances - End Of Year			<u><u>\$ 65,393</u></u>	

CITY OF LENEXA, KANSAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TIP ZONE 1 FUND
For The Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 320,000	\$ 320,000	\$ 361,583	\$ 41,583
Investment earnings	—	—	12,656	12,656
Total Revenues	320,000	320,000	374,239	54,239
Other Financing Sources (Uses)				
Transfers in	—	—	16,129	16,129
Transfers out	(1,736,110)	(1,736,110)	(570,884)	1,165,226
Net Changes In Fund Balances	(1,416,110)	(1,416,110)	(180,516)	1,235,594
Fund Balances - Beginning Of Year			1,530,963	
Fund Balances - End Of Year			\$ 1,350,447	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL TIP ZONE 2 FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 225,000	\$ 225,000	\$ 191,674	\$ (33,326)
Investment loss	—	—	5,298	5,298
Total Revenues	225,000	225,000	196,972	(28,028)
Other Financing Sources (Uses)				
Transfers out	(699,678)	(669,678)	—	669,678
Net Changes In Fund Balances	(474,678)	(444,678)	196,972	641,650
Fund Balances - Beginning Of Year			<u>426,456</u>	
Fund Balances - End Of Year			<u><u>\$ 623,428</u></u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL TIP ZONE 3 FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 150,000	\$ 150,000	\$ 90,474	\$ (59,526)
Investment earnings	—	—	1,044	1,044
Total Revenues	150,000	150,000	91,518	(58,482)
Other Financing Uses				
Transfers out	(815,041)	(815,041)	(723,537)	91,504
Net Changes In Fund Balances	(665,041)	(665,041)	(632,019)	33,022
Fund Balances - Beginning Of Year			<u>751,878</u>	
Fund Balances - End Of Year			<u>\$ 119,859</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL NEIGHBORHOOD REVITALIZATION DISTRICT FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 350,000	\$ 350,000	\$ 271,782	\$ (78,218)
Expenditures				
Current:				
General government	350,000	350,000	225,962	124,038
Excess Of Revenues Over Expenditures	—	—	45,820	45,820
Other Financing Uses				
Transfers out	(281,138)	(281,138)	—	281,138
Net Changes In Fund Balances	<u>(281,138)</u>	<u>(281,138)</u>	45,820	<u>326,958</u>
Fund Balances - Beginning Of Year			<u>350,292</u>	
Fund Balances - End Of Year			<u>\$ 396,112</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL RIDGEVIEW MINING TIF DISTRICT FUND For The Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Taxes	\$ 1,123,000	\$ 1,123,000	\$ 984,900	\$ (138,100)
Expenditures				
Current:				
Economic development	1,117,385	1,117,385	346,402	770,983
Excess Of Revenues Over Expenditures	5,615	5,615	638,498	632,883
Other Financing Uses				
Transfers out	(1,726,916)	(1,726,916)	(801,732)	925,184
Net Changes In Fund Balances	(1,721,301)	(1,721,301)	(163,234)	1,558,067
Fund Balances - Beginning Of Year			995,682	
Fund Balances - End Of Year			<u>\$ 832,448</u>	

CITY OF LENEXA, KANSAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MINING TIF DISTRICT FUND
For The Year Ended December 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Taxes	\$ 3,107,000	\$ 3,107,000	\$ 2,200,399	\$ (906,601)
Expenditures				
Current:				
Economic development	3,091,465	3,091,465	1,549,874	1,541,591
Excess Of Revenues Over Expenditures	15,535	15,535	650,525	634,990
Other Financing Uses				
Transfers out	(49,175)	(49,175)	(4,491)	44,684
Net Changes In Fund Balances	<u>(33,640)</u>	<u>(33,640)</u>	646,034	<u>679,674</u>
Fund Balances - Beginning Of Year			<u>97,626</u>	
Fund Balances - End Of Year			<u>\$ 743,660</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL PARKS AND RECREATION IMPACT FEE ZONE 1 FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 225,000	\$ 225,000	\$ 352,285	\$ 127,285
Investment earnings	—	—	8,859	8,859
Total Revenues	225,000	225,000	361,144	136,144
Excess (Deficiency) Of Expenditures Over Revenues	225,000	225,000	361,144	136,144
Other Financing Uses				
Transfers out	(757,514)	(757,514)	—	757,514
Net Changes In Fund Balances	(532,514)	(532,514)	361,144	893,658
Fund Balances - Beginning Of Year			<u>644,420</u>	
Fund Balances - End Of Year			<u>\$ 1,005,564</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL PARKS AND RECREATION IMPACT FEE ZONE 2 FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 100,000	\$ 100,000	\$ 195,653	\$ 95,653
Investment earnings	—	—	7,770	7,770
Total Revenues	100,000	100,000	203,423	103,423
Other Financing Uses				
Transfers out	(712,066)	(712,066)	—	712,066
Net Changes In Fund Balances	(612,066)	(612,066)	203,423	815,489
Fund Balances - Beginning Of Year			713,768	
Fund Balances - End Of Year			<u>\$ 917,191</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL PARKS AND RECREATION IMPACT FEE ZONE 3 FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 100,000	\$ 100,000	\$ 92,511	\$ (7,489)
Investment earnings	—	—	7,267	7,267
Total Revenues	100,000	100,000	99,778	(222)
Other Financing Uses				
Transfers out	(706,353)	(706,353)	—	706,353
Net Changes In Fund Balances	(606,353)	(606,353)	99,778	706,131
Fund Balances - Beginning Of Year			701,671	
Fund Balances - End Of Year			\$ 801,449	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CITY CENTER TIF FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 7,367,000	\$ 7,367,000	\$ 5,840,600	\$ (1,526,400)
Expenditures				
Current:				
Economic development	7,330,165	7,330,165	3,810,975	3,519,190
Excess Of Revenues Over Expenditures	36,835	36,835	2,029,625	1,992,790
Other Financing Uses				
Transfers out	(1,314,983)	(1,314,983)	(1,983,811)	(668,828)
Net Changes In Fund Balances	(1,278,148)	(1,278,148)	45,814	1,323,962
Fund Balances - Beginning Of Year			1,736,135	
Fund Balances - End Of Year			\$ 1,781,949	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL I-35 & 95TH STREET TIF FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 1,290,000	\$ 1,290,000	\$ 827,255	\$ (462,745)
Expenditures				
Current:				
Economic development	1,283,550	1,283,550	321,677	961,873
Excess Of Revenues Over Expenditures	6,450	6,450	505,578	499,128
Other Financing Uses				
Transfers in	—	—	308,935	308,935
Transfers out	(871,351)	(871,351)	(1,616)	869,735
Net Changes In Fund Balances	(864,901)	(864,901)	812,897	1,677,798
Fund Balances - Beginning Of Year			777,127	
Fund Balances - End Of Year			\$ 1,590,024	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL ORCHARD CORNERS CID FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 650,000	\$ 650,000	\$ 564,110	\$ (85,890)
Expenditures				
Current:				
Economic development	643,500	643,500	556,908	86,592
Excess Of Revenues Over Expenditures	6,500	6,500	7,202	702
Other Financing Uses				
Transfers out	(161,017)	(161,017)	(5,787)	155,230
Net Changes In Fund Balances	(154,517)	(154,517)	1,415	155,932
Fund Balances - Beginning Of Year			142,181	
Fund Balances - End Of Year			\$ 143,596	

CITY OF LENEXA, KANSAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PRAIRIE CREEK CID FUND
For The Year Ended December 31, 2020**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 110,000	\$ 110,000	\$ 118,157	\$ 8,157
Expenditures				
Current:				
Economic development	108,900	108,900	112,544	(3,644)
Excess Of Revenues Over Expenditures	1,100	1,100	5,613	4,513
Other Financing Uses				
Transfers out	(18,461)	(18,461)	(1,058)	17,403
Net Changes In Fund Balances	(17,361)	(17,361)	4,555	21,916
Fund Balances - Beginning Of Year			20,410	
Fund Balances - End Of Year			<u>\$ 24,965</u>	

CITY OF LENEXA, KANSAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
QUIVIRA 95 CID FUND
For The Year Ended December 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Taxes	\$ 52,000	\$ 52,000	\$ 23,806	\$ (28,194)
Expenditures				
Current:				
Economic development	51,480	51,480	25,960	25,520
Excess (Deficiency) Of Revenues Over Expenditures	520	520	(2,154)	(2,674)
Other Financing Uses				
Transfers out	(8,161)	(8,161)	(255)	7,906
Net Changes In Fund Balances	(7,641)	(7,641)	(2,409)	5,232
Fund Balances - Beginning Of Year			7,115	
Fund Balances - End Of Year			<u>\$ 4,706</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GREYSTONE PLAZA CID FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 70,000	\$ 70,000	\$ 52,324	\$ (17,676)
Expenditures				
Current:				
Economic development	69,300	69,300	54,325	14,975
Excess (Deficiency) Of Revenues Over Expenditures	700	700	(2,001)	(2,701)
Other Financing Uses				
Transfers out	(9,961)	(9,961)	(508)	9,453
Net Changes In Fund Balances	<u>(9,261)</u>	<u>(9,261)</u>	<u>(2,509)</u>	<u>6,752</u>
Fund Balances - Beginning Of Year			<u>10,594</u>	
Fund Balances - End Of Year			<u><u>\$ 8,085</u></u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CITY CENTER EAST #1 CID FUND For The Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Taxes	\$ 20,000	\$ 20,000	\$ —	\$ (20,000)
Expenditures				
Current:				
Economic development	19,800	19,800	3,692	16,108
Excess (Deficiency) Of Revenues Over Expenditures	200	200	(3,692)	(3,892)
Other Financing Uses				
Transfers out	(28,784)	(28,784)	—	28,784
Net Changes In Fund Balances	<u>(28,584)</u>	<u>(28,584)</u>	<u>(3,692)</u>	<u>24,892</u>
Fund Balances - Beginning Of Year			<u>25,931</u>	
Fund Balances - End Of Year			<u>\$ 22,239</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CITY CENTER EAST #2 CID FUND For The Year Ended December 31, 2020

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 90,000	\$ 90,000	\$ 30,788	\$ (59,212)
Expenditures				
Current:				
Economic development	89,100	89,100	12,120	76,980
Excess Of Revenues Over Expenditures	900	900	18,668	17,768
Other Financing Uses				
Transfers out	(138,847)	(138,847)	(105)	138,742
Net Changes In Fund Balances	(137,947)	(137,947)	18,563	156,510
Fund Balances - Beginning Of Year			241,092	
Fund Balances - End Of Year			\$ 259,655	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPRINGHILL SUITES CID FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 55,000	\$ 55,000	\$ 28,234	\$ (26,766)
Expenditures				
Current:				
Economic development	54,450	54,450	30,438	24,012
Excess (Deficiency) Of Revenues Over Expenditures	550	550	(2,204)	(2,754)
Other Financing Uses				
Transfers out	(7,096)	(7,096)	(291)	6,805
Net Changes In Fund Balances	<u>(6,546)</u>	<u>(6,546)</u>	<u>(2,495)</u>	<u>4,051</u>
Fund Balances - Beginning Of Year			<u>7,092</u>	
Fund Balances - End Of Year			<u>\$ 4,597</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CANDLEWOOD SUITES CID FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 24,000	\$ 24,000	\$ 16,717	\$ (7,283)
Expenditures				
Current:				
Economic development	23,760	23,760	16,459	7,301
Excess Of Revenues Over Expenditures	240	240	258	18
Other Financing Uses				
Transfers out	(19,208)	(19,208)	(157)	19,051
Net Changes In Fund Balances	(18,968)	(18,968)	101	19,069
Fund Balances - Beginning Of Year			2,882	
Fund Balances - End Of Year			\$ 2,983	

CITY OF LENEXA, KANSAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOLIDAY INN EXPRESS CID FUND
For The Year Ended December 31, 2020**

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 30,000	\$ 30,000	\$ 4,110	\$ (25,890)
Expenditures				
Current:				
Economic development	29,700	29,700	7,406	22,294
Excess (Deficiency) Of Revenues Over Expenditures	300	300	(3,296)	(3,596)
Other Financing Uses				
Transfers out	(27,295)	(27,295)	(75)	27,220
Net Changes In Fund Balances	(26,995)	(26,995)	(3,371)	23,624
Fund Balances - Beginning Of Year			3,473	
Fund Balances - End Of Year			\$ 102	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL LENEXA CITY CENTER AREA E CID FUND For The Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 50,000	\$ 50,000	\$ 20,697	\$ (29,303)
Expenditures				
Current:				
Economic development	49,500	49,500	—	49,500
Excess Of Revenues Over Expenditures	500	500	20,697	20,197
Other Financing Uses				
Transfers out	(500)	(500)	—	500
Net Changes In Fund Balances	—	—	20,697	20,697
Fund Balances - Beginning Of Year			6,132	
Fund Balances - End Of Year			<u>\$ 26,829</u>	

CITY OF LENEXA, KANSAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SONOMA PLAZA CID FUND
For The Year Ended December 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Taxes	\$ 280,000	\$ 280,000	\$ 121,399	\$ (158,601)
Expenditures				
Current:				
Economic development	277,200	277,200	—	277,200
Excess (Deficiency) Of Revenues Over Expenditures	2,800	2,800	121,399	118,599
Other Financing Uses				
Transfers out	(2,800)	(2,800)	—	2,800
Net Changes In Fund Balances	—	—	121,399	121,399
Fund Balances - Beginning Of Year			—	
Fund Balances - End Of Year			<u>\$ 121,399</u>	

CITY OF LENEXA, KANSAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LENEXA POINT FUND**

For The Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Taxes	\$ —	\$ —	\$ 115,930	\$ 115,930
<hr/>				
Excess (Deficiency) Of Revenues Over Expenditures	—	—	115,930	115,930
<hr/>				
Net Changes In Fund Balances	—	—	115,930	115,930
<hr/>				
Fund Balances - Beginning Of Year			—	
<hr/>				
Fund Balances - End Of Year			<u>\$ 115,930</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL DEBT SERVICE MAJOR FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 12,775,011	\$ 12,775,011	\$ 10,985,384	\$ (1,789,627)
Investment earnings	125,000	125,000	138,260	13,260
Total Revenues	12,900,011	12,900,011	11,123,644	(1,776,367)
Expenditures				
Debt service:				
Principal retirement	9,090,000	9,090,000	8,975,000	115,000
Interest and fiscal charges	3,213,180	3,213,180	3,318,553	(105,373)
Total Expenditures	12,303,180	12,303,180	12,293,553	9,627
Deficiency Of Revenues Over Expenditures	596,831	596,831	(1,169,909)	(1,766,740)
Other Financing Sources				
Transfers in	—	—	1,020,213	1,020,213
Transfers out	(4,692,490)	(4,692,490)	—	4,692,490
Total Other Financing Sources (Uses)	(4,692,490)	(4,692,490)	1,020,213	5,712,703
Net Changes In Fund Balances	(4,095,659)	(4,095,659)	(149,696)	3,945,963
Fund Balances - Beginning Of Year			4,364,860	
Fund Balances - End Of Year			\$ 4,215,164	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL DEBT SERVICE RESERVE TIF FUND For The Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Investment earnings	\$ —	\$ —	\$ 154	\$ 154
Expenditures				
Current:				
General government	—	7,500	7,289	211
Debt service:				
Principal retirement	—	—	165,240	(165,240)
Interest and fiscal charges	240,486	232,986	74,760	158,226
Total Expenditures	240,486	240,486	247,289	(6,803)
Excess (Deficiency) Of Revenues Over Expenditures	(240,486)	(240,486)	(247,135)	(6,649)
Other Financing Sources				
Transfers in	—	—	244,382	244,382
Net Changes In Fund Balances	(240,486)	(240,486)	(2,753)	237,733
Fund Balances - Beginning Of Year			5,161	
Fund Balances - End Of Year			\$ 2,408	

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS December 31, 2020

	Health Plan	Risk Management	Workers' Compensation	Total
Assets				
Deposits and investments	\$ 4,356,732	\$ 1,615,871	\$ 2,030,001	\$ 8,002,604
Interest receivable	18,940	7,727	3,483	30,150
Due from other funds	—	73,931	—	73,931
Other receivable	62,051	—	—	62,051
Total Assets	4,437,723	1,697,529	2,033,484	8,168,736
Liabilities				
Current Liabilities				
Accounts payable	5,850	1,284	—	7,134
Accrued compensation	—	—	1,359	1,359
Self insurance claims payable	384,340	235,381	612,341	1,232,062
Total Current Liabilities	390,190	236,665	613,700	1,240,555
Noncurrent Liabilities				
Self insurance claims payable	—	—	283,884	283,884
Total Liabilities	390,190	236,665	897,584	1,524,439
Net Position				
Unrestricted	\$ 4,047,533	\$ 1,460,864	\$ 1,135,900	\$ 6,644,297

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS For The Year Ended December 31, 2020

	Health Plan	Risk Management	Workers' Compensation	Total
Operating Revenues				
Charges for services	\$ 5,684,568	\$ 6,800	\$ 672,363	\$ 6,363,731
Intergovernmental	—	—	—	—
Reimbursements from insurance companies	96,757	162,429	—	259,186
Miscellaneous	81,484	—	280,395	361,879
Total Operating Revenues	5,862,809	169,229	952,758	6,984,796
Operating Expenses				
Personal services	—	—	43,752	43,752
Contractual services	824,747	52,281	706,846	1,583,874
Commodities	(11,931)	52,743	(60)	40,752
Claims	6,067,004	181,861	(272,179)	5,976,686
Total Operating Expenses	6,879,820	286,885	478,359	7,645,064
Operating Income (Loss)	(1,017,011)	(117,656)	474,399	(660,268)
Nonoperating Revenues				
Investment income	88,663	17,385	39,690	145,738
Change In Net Position	(928,348)	(100,271)	514,089	(514,530)
Total Net Position - Beginning Of Year	4,975,881	1,561,135	621,811	7,158,827
Total Net Position - End Of Year	\$ 4,047,533	\$ 1,460,864	\$ 1,135,900	\$ 6,644,297

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For The Year Ended December 31, 2020

	Health Plan	Risk Management	Workers' Compensation	Total
Cash Flows From Operating Activities				
Cash from interfund	\$ —	\$ 8,922	\$ —	\$ 8,922
Cash receipts from customers	5,766,052	6,800	952,757	6,725,609
Cash received from insurance companies	215,119	162,429	—	377,548
Cash payments for personnel services	—	—	(43,414)	(43,414)
Cash payments for contractual services and accounts payable	(7,096,077)	(103,740)	(972,823)	(8,172,640)
Net Cash Provided By (Used In) Operating Activities	(1,114,906)	74,411	(63,480)	(1,103,975)
Cash Flows From Investing Activities				
Interest received	93,430	17,098	39,725	150,253
Net Increase (Decrease) In Cash And Cash Equivalents	(1,021,476)	91,509	(23,755)	(953,722)
Cash And Cash Equivalents - Beginning Of Year	5,378,208	1,524,362	2,053,756	8,956,326
Cash And Cash Equivalents - End Of Year	\$ 4,356,732	\$ 1,615,871	\$ 2,030,001	\$ 8,002,604
Reconciliation Of Operating Income (Loss) To Net Cash Used In Operating Activities				
Operating income (loss)	\$ (1,017,011)	\$ (117,656)	\$ 474,399	\$ (660,268)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Change in other operating receivables	118,363	8,922	—	127,285
Change in accounts, wages and claims payable	(216,258)	183,145	(537,879)	(570,992)
Net Cash Provided By (Used In) Operating Activities	\$ (1,114,906)	\$ 74,411	\$ (63,480)	\$ (1,103,975)

Statistical Section

CITY OF LENEXA, KANSAS
Statistical Section
December 31, 2020

This part of the City of Lenexa, Kansas' (the City) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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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.....	140 - 144
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, property and sales tax..	145 - 150
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.....	151 - 154
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.	155 - 158
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.	159 - 160

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

CITY OF LENEXA, KANSAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Schedule 1

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
Net investment in capital assets	\$ 408,588,303	\$ 398,828,195	\$ 394,509,349	\$ 378,322,396	\$ 391,517,602	\$ 338,017,512	\$ 385,442,966	\$ 286,099,738	\$ 388,380,343	\$ 381,064,682
Restricted component of net position	53,384,378	47,441,146	41,828,452	21,792,575	43,833,114	82,384,501	38,132,771	32,754,028	23,790,801	20,838,326
Unrestricted component of net position	41,230,150	36,493,549	30,007,952	49,864,758	41,592,339	43,591,227	57,408,155	51,295,806	53,736,140	42,455,157
Total governmental activities net position	\$ 503,202,831	\$ 482,762,890	\$ 466,345,753	\$ 449,979,729	\$ 476,943,055	\$ 463,993,240	\$ 480,983,892	\$ 370,149,572	\$ 465,907,284	\$ 444,358,165
Business-type activities:										
Net investment in capital assets	\$ 100,390,724	\$ 102,036,824	\$ 102,015,292	\$ 103,251,937	\$ 64,187,268	\$ 59,006,961	\$ 55,638,165	\$ 59,267,375	\$ 60,553,428	\$ 58,532,281
Restricted component of net position	4,108,539	3,275,934	—	—	1,211,653	2,267,544	5,730,161	1,187,798	1,504,271	1,390,539
Unrestricted component of net position	6,159,955	1,621,779	2,090,589	1,289,949	(1,941,940)	281,125	1,683,970	2,323,704	1,692,811	2,755,159
Total business-type activities net position	\$ 110,659,218	\$ 106,934,537	\$ 104,105,881	\$ 104,541,886	\$ 63,456,981	\$ 61,555,630	\$ 63,052,296	\$ 62,778,877	\$ 63,750,510	\$ 62,677,979
Primary government:										
Net investment in capital assets	\$ 508,979,027	\$ 500,865,019	\$ 496,524,641	\$ 481,574,333	\$ 455,704,870	\$ 397,024,473	\$ 441,081,131	\$ 445,367,113	\$ 448,933,771	\$ 439,596,963
Restricted component of net position	57,492,917	50,717,080	41,828,452	21,792,575	45,044,767	84,652,045	43,862,932	33,941,826	25,295,072	22,228,865
Unrestricted component of net position	47,390,105	38,115,328	32,098,541	51,154,707	39,650,399	43,872,352	59,092,125	53,619,510	55,428,951	45,210,316
Total primary government net position	\$ 613,862,049	\$ 589,697,427	\$ 570,451,634	\$ 554,521,615	\$ 540,400,036	\$ 525,548,870	\$ 544,036,188	\$ 532,928,449	\$ 529,657,794	\$ 507,036,144

CITY OF LENEXA, KANSAS

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

Schedule 2

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental Activities										
General government	\$ 17,817,052	\$ 18,166,556	\$ 16,514,423	\$ 15,360,882	\$ 14,071,946	\$ 13,024,689	\$ 12,392,323	\$ 11,787,142	\$ 10,983,954	\$ 9,891,228
Public safety	32,530,261	27,617,842	28,042,267	26,839,241	25,217,583	23,965,389	25,336,801	22,687,013	21,738,865	21,476,020
Municipal services	34,961,757	35,972,375	34,830,561	36,074,412	28,861,872	32,918,834	31,499,578	28,675,556	33,013,487	30,929,195
Parks and recreation	5,593,257	7,406,308	6,657,697	6,847,771	5,538,469	4,986,999	3,184,030	4,900,596	2,706,899	3,250,279
Economic development	6,915,091	6,800,669	6,102,991	4,152,083	3,121,938	2,784,901	2,014,151	2,024,180	543,750	707,048
Interest on long-term debt	3,614,590	3,956,751	3,003,720	3,729,948	4,367,401	2,701,398	2,797,985	2,863,649	5,395,666	3,178,417
Total Governmental Activities Expenses	101,432,008	99,920,501	95,151,659	93,004,337	81,179,209	80,382,210	77,224,868	72,938,136	74,382,621	69,432,187
Business-Type Activities										
Rec Center	3,523,656	3,731,577	3,557,455	2,058,289	—	—	—	—	—	—
Stormwater	6,727,065	7,849,969	8,170,562	4,835,726	4,981,885	5,486,056	4,376,849	8,464,812	4,397,887	3,662,798
Total Business-Type Activities Expenses	10,250,721	11,581,546	11,728,017	6,894,015	4,981,885	5,486,056	4,376,849	8,464,812	4,397,887	3,662,798
Total Primary Government Expenses	111,682,729	111,502,047	106,879,676	99,898,352	86,161,094	85,868,266	81,601,717	81,402,948	78,780,508	73,094,985
Program Revenues										
Governmental Activities										
Charges for services:										
General government	3,342,493	3,227,081	3,409,364	3,414,991	3,092,003	3,056,118	2,484,045	2,179,527	2,226,117	1,581,325
Public safety	1,203,835	1,748,663	1,311,863	1,473,915	1,774,878	1,885,903	2,120,745	1,779,419	1,655,728	1,731,928
Municipal services	668,458	604,424	738,272	601,756	604,279	402,705	640,068	447,415	302,153	144,551
Parks and recreation	1,103,084	1,456,653	1,461,020	1,713,616	1,633,639	1,256,064	1,459,156	1,178,267	1,154,169	813,320
Operating grants and contributions	3,276,729	1,596,552	1,631,502	1,426,465	1,425,016	1,347,293	1,305,664	1,257,628	1,256,493	1,250,263
Capital grants and contributions	8,021,817	4,755,410	5,394,360	6,863,630	3,980,005	4,443,906	3,123,154	2,192,684	7,591,002	5,692,079
Total Governmental Activities Program Revenues	17,616,416	13,388,783	13,946,381	15,494,373	12,509,820	12,391,989	11,132,832	9,034,940	14,185,662	11,213,466
Business-Type Activities										
Charges for services:										
Rec Center	1,745,187	6,888,367	6,417,934	6,228,972	6,500,502	5,281,665	5,417,668	5,362,455	4,693,889	4,129,646
Stormwater	5,939,891	3,153,499	2,624,792	743,893	—	—	—	—	—	—
Operating grants and contributions	8,404	16,688	12,233	1,677	—	—	—	—	—	—
Capital grants and contributions	1,544,519	1,809,807	1,682,329	2,206,171	—	—	22,146	1,357,326	1,352,307	1,845,602
Total Business-Type Activities Program Revenues	9,238,001	11,868,361	10,737,288	9,180,713	6,500,502	5,281,665	5,439,814	6,719,781	6,046,196	5,975,248
Total Primary Government Program Revenues	26,854,417	25,257,144	24,683,669	24,675,086	19,010,322	17,673,654	16,572,646	15,754,721	20,231,858	17,188,714
Net Expenses	(84,828,312)	(86,244,903)	(82,196,007)	(75,223,266)	(67,150,772)	(68,194,612)	(65,029,071)	(65,648,227)	(58,548,650)	(55,906,271)

CITY OF LENEXA, KANSAS

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Schedule 2 (Continued)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues										
Governmental Activities										
Property taxes	\$ 49,678,176	\$ 48,414,945	\$ 40,772,586	\$ 38,184,871	\$ 34,933,119	\$ 36,691,396	\$ 29,232,719	\$ 27,717,179	\$ 42,037,662	\$ 24,611,342
Sales tax	38,897,812	37,571,363	37,689,395	34,370,104	32,611,098	31,721,438	31,493,735	28,958,995	27,723,180	25,982,247
Franchise taxes	6,847,965	6,935,635	7,608,294	7,031,329	7,070,186	6,794,649	6,845,226	6,577,958	6,188,771	6,488,264
Motor vehicle tax	3,215,447	3,370,119	3,287,944	3,127,535	3,012,057	2,817,064	2,596,900	2,244,946	2,044,063	1,926,812
Transient guest tax	750,897	1,385,902	1,430,576	1,251,267	894,214	837,296	799,992	668,185	727,321	660,183
Excise tax	1,329,054	812,409	865,081	2,281,357	676,916	1,147,282	373,460	632,142	466,233	—
Special liquor tax	694,931	940,469	912,429	783,143	761,406	754,006	705,861	670,553	552,189	552,264
Investment revenue	1,672,459	3,695,242	2,062,833	766,565	1,179,090	260,491	203,173	291,576	312,271	286,548
Miscellaneous	1,312,815	1,861,306	3,196,937	1,509,879	859,450	(846,276)	3,802,033	1,181,972	1,097,597	721,592
Transfers	(137,013)	(2,038,540)	(521,417)	(3,706,560)	(378,550)	651,614	873,257	(798,022)	596,791	(4,240,983)
Capital contributions	—	—	—	(35,052,634)	—	—	—	—	—	(56,084,902)
Total Governmental Activities General Revenues	104,262,543	102,948,850	97,304,658	50,546,856	81,618,986	80,828,960	76,926,356	68,145,484	81,746,078	903,367
Business-Type Activities										
Property taxes	235,610	298,222	—	—	—	—	—	—	—	—
Investment revenue	79,995	183,199	90,273	38,402	4,398	43,871	83,711	(32,144)	21,013	39,644
Miscellaneous	5,546	21,880	16,646	397	—	—	—	7,520	—	—
Transfers	137,013	2,038,540	521,416	3,706,560	378,550	(651,613)	(873,257)	798,022	(596,791)	4,240,983
Capital contributions	—	—	—	35,052,634	—	—	—	—	—	56,084,902
Total Business-Type Activities General Revenues	458,164	2,541,841	628,335	38,797,993	382,948	(607,742)	(789,546)	773,398	(575,778)	60,365,529
Total Primary Government General Revenues	104,720,707	105,490,691	97,932,993	89,344,849	82,001,934	80,221,218	76,136,810	68,918,882	81,170,300	61,268,896
Changes In Net Position										
Governmental Activities	20,446,951	16,417,132	16,099,380	(26,963,108)	12,949,597	12,838,739	10,834,320	4,242,288	21,549,119	(57,315,354)
Business-Type Activities	(554,556)	2,828,656	(362,394)	41,084,691	1,901,565	(812,133)	273,419	(971,633)	1,072,531	62,677,979
Total City	\$ 19,892,395	\$ 19,245,788	\$ 15,736,986	\$ 14,121,583	\$ 14,851,162	\$ 12,026,606	\$ 11,107,739	\$ 3,270,655	\$ 22,621,650	\$ 5,362,625

CITY OF LENEXA, KANSAS

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Schedule 3

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Nonspendable	\$ 330,146	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Committed	270,736	64,232	278,649	42,902	212,860	61,021	149,626	84,903	119,570	258,142
Assigned	39,876	77,730	335,313	127,668	233,532	37,050	42,995	178,674	153,898	168,011
Unassigned	47,778,214	39,217,072	35,826,309	32,778,478	31,980,503	29,733,107	28,171,990	25,858,737	23,554,040	23,096,434
Total	\$ 48,418,972	\$ 39,359,034	\$ 36,440,271	\$ 32,949,048	\$ 32,426,895	\$ 29,831,178	\$ 28,364,611	\$ 26,122,314	\$ 23,827,508	\$ 23,522,587
All Other Governmental Funds:										
Nonspendable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,508,749	\$ 1,590,037	\$ 1,588,700	\$ —	\$ —
Restricted	31,762,712	28,474,705	27,021,639	21,792,576	43,833,114	82,384,501	38,132,771	32,754,028	23,790,801	20,838,326
Committed	2,514,318	5,809,723	15,218,794	550,475	1,503,475	5,697,966	146,369	—	—	90,695
Assigned	32,677,214	31,579,194	27,203,712	30,330,565	21,554,891	16,741,864	12,498,596	8,882,052	12,684,407	13,507,019
Unassigned	—	—	—	—	—	(5,297)	(7,693)	—	—	(402)
Total all other governmental funds	\$ 66,954,244	\$ 65,863,622	\$ 69,444,145	\$ 52,673,616	\$ 66,891,480	\$ 106,327,783	\$ 52,360,080	\$ 43,224,780	\$ 36,475,208	\$ 34,435,638

Note: The increase in the 2015 Restricted Fund Balance of the Governmental Funds is due to the issuance of \$44 million of general obligation bonds for the Civic Center project.

Fund balance reclassifications made to conform to the provisions of GASB 54 were made in 2011 prospectively. The information for previous years has not been restated, as such, an explanation of the nature of the differences from the prior information is as follows:

- General Fund balances that were reserved for encumbrances were moved to assigned or committed depending on whether Governing Body action was taken on the amount.
- General Fund unreserved balances were moved to unassigned.
- Reserved for debt service was moved to restricted.
- Reserved for economic development was moved to restricted.
- Reserved for encumbrances for all other governmental funds were moved to assigned or committed depending on whether Governing Body action was taken on the amount.
- Unreserved amounts in the special revenue funds were moved to restricted
- Deficit amounts were netted against unassigned.

CITY OF LENEXA, KANSAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Schedule 4

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes	\$ 100,364,739	\$ 96,530,885	\$ 95,618,659	\$ 90,027,720	\$ 82,818,546	\$ 79,016,621	\$ 73,822,909	\$ 69,935,607	\$ 69,468,897	\$ 62,744,415
Intergovernmental	5,388,722	827,854	2,028,304	1,049,376	4,044,792	1,799,978	2,121,400	3,533,064	5,483,626	6,262,891
Licenses and permits	2,564,797	2,266,423	2,626,121	2,745,234	2,531,585	2,367,142	1,907,425	1,582,011	1,410,326	1,064,999
Charges for services	2,566,289	2,912,551	2,964,137	3,060,961	3,037,254	2,536,409	1,946,108	2,433,306	1,139,474	1,192,278
Rents and leases	691,078	791,386	695,946	491,591	450,333	456,630	439,154	442,765	423,205	390,773
Fines and forfeitures	790,040	1,325,705	872,986	1,065,920	1,292,297	1,448,719	2,887,025	1,392,102	2,513,195	1,817,836
Investment earnings	1,526,721	3,343,822	1,808,325	685,158	1,168,818	122,431	245,231	166,166	282,440	210,356
Miscellaneous	975,567	1,969,645	3,612,372	1,300,919	1,111,344	1,386,484	3,297,853	910,349	1,040,724	276,714
Total Revenues	114,867,953	109,968,271	110,226,850	100,426,879	96,454,969	89,134,414	86,667,105	80,395,370	81,761,887	73,960,262
Expenditures										
Current:										
General government	16,391,275	16,421,818	15,822,800	15,379,648	13,417,765	13,166,663	12,207,937	11,798,749	10,796,956	9,911,718
Public safety	27,629,192	27,306,074	26,592,180	25,311,240	24,821,072	23,919,222	22,462,965	22,988,869	21,563,319	20,782,769
Municipal services	9,130,794	8,483,375	9,330,177	7,822,972	7,451,323	7,308,458	8,224,579	8,023,102	7,391,326	7,595,127
Recreation	5,786,220	6,686,478	6,645,360	6,280,647	5,789,301	5,703,193	4,984,799	4,926,008	4,320,126	4,224,838
Economic Development	6,918,780	6,800,669	6,102,991	4,152,081	3,121,938	2,784,904	2,014,152	2,024,180	1,926,943	—
Capital projects	23,168,332	36,441,890	28,398,112	38,336,699	62,422,767	31,559,271	35,072,756	17,594,799	30,224,938	25,045,565
Debt service:										
Principal retirement	16,589,240	15,038,718	26,395,332	11,690,300	14,151,811	20,875,431	8,594,078	9,399,176	17,235,000	15,591,361
Interest and fiscal charges	4,489,114	4,495,283	4,274,843	4,691,068	4,773,089	3,167,356	2,882,772	3,256,045	3,432,403	3,633,968
Bond issue costs	—	—	—	—	—	—	—	—	—	125,768
Total Expenditures	110,102,947	121,674,305	123,561,795	113,664,655	135,949,066	108,484,498	96,444,038	80,010,928	96,891,011	86,911,114
Excess Of Revenues Under Expenditures	4,765,006	(11,706,034)	(13,334,945)	(13,237,776)	(39,494,097)	(19,350,084)	(9,776,933)	384,442	(15,129,124)	(12,950,852)
Other Financing Sources And Uses,										
Including Transfers										
Issuance of general obligation bonds	505,000	6,945,000	21,530,000	—	—	60,385,000	14,490,000	4,635,000	13,000,000	4,800,000
Premium from general obligation & refunding bonds	477,565	669,452	1,355,207	—	—	6,122,830	1,971,270	192,898	590,008	274,040
Premium from general obligation temporary notes	—	—	—	—	16,229	—	—	—	—	—
Issuance of general obligation refunding bonds	—	—	7,320,000	—	—	5,145,000	4,320,000	—	2,401,876	—
Issuance of general obligation temporary notes	—	5,468,367	3,690,000	3,575,000	2,940,000	—	—	4,830,000	885,000	8,195,000
Issuance of refunding bonds	4,540,000	—	—	—	—	—	—	—	—	—
Payment for refunded general obligation bonds	—	—	—	—	—	—	—	—	—	—
Revolving Loan KDHE	—	—	—	—	—	—	—	—	—	—
Sale of Land	—	—	—	—	—	2,479,912	—	—	—	—
Transfers in	34,809,290	70,247,216	55,182,329	51,083,170	26,274,450	63,179,444	27,349,281	25,638,451	27,721,177	22,648,415
Transfers out	(34,946,303)	(72,285,755)	(55,480,840)	(55,116,105)	(26,577,171)	(62,527,830)	(26,976,021)	(26,636,473)	(27,124,386)	(26,889,398)
Total Other Financing Sources And Uses, Including Transfers	5,385,552	11,044,280	33,596,696	(457,935)	2,653,508	74,784,356	21,154,530	8,659,876	17,473,675	9,028,057
Net Change In Fund Balances	\$ 10,150,558	\$ (661,754)	\$ 20,261,751	\$ (13,695,711)	\$ (36,840,589)	\$ 55,434,272	\$ 11,377,597	\$ 9,044,318	\$ 2,344,551	\$ (3,922,795)
Debt service as a percentage of noncapital expenditures	26%	25%	34%	23%	27%	32%	19%	21%	32%	31%

CITY OF LENEXA, KANSAS

GOVERNMENTAL FUND TYPES REVENUES BY SOURCE LAST TEN FISCAL YEARS

Schedule 5

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Taxes										
Property	\$ 44,264,137	\$ 41,697,459	\$ 40,131,389	\$ 37,542,038	\$ 34,149,273	\$ 31,546,294	\$ 27,685,512	\$ 27,079,695	\$ 26,648,809	\$ 24,694,182
Sales (including compensating use)	38,897,812	37,571,362	37,689,395	34,370,107	32,611,098	31,721,440	31,493,735	28,958,995	27,719,387	25,982,246
Franchise	6,847,965	6,935,635	7,608,294	7,031,329	7,070,186	6,794,649	6,845,226	6,577,958	7,437,234	6,488,263
Special assessments	2,940,883	2,303,132	2,240,776	2,229,268	2,250,546	2,058,023	2,022,506	1,850,735	3,869,871	1,198,352
Motor vehicle excise	3,215,447	3,370,118	3,287,945	3,127,535	3,012,057	2,817,063	2,596,900	2,244,945	2,044,064	1,926,812
Transient guest	750,897	1,385,902	1,430,576	1,251,267	894,214	837,297	799,992	668,185	731,114	660,182
Excise	1,329,054	812,409	865,081	2,281,357	676,916	1,147,282	373,460	631,142	466,233	—
Other taxes	2,118,544	2,454,868	2,365,203	2,194,819	2,154,259	2,094,573	2,005,578	1,923,952	552,185	1,794,378
Total Taxes	100,364,739	96,530,885	95,618,659	90,027,720	82,818,549	79,016,621	73,822,909	69,935,607	69,468,897	62,744,415
Revenues										
Intergovernmental	5,388,722	827,854	2,028,304	1,049,377	4,045,792	1,799,978	2,121,400	3,533,064	5,483,626	6,262,891
Licenses and permits	2,564,797	2,266,423	2,626,121	2,745,234	2,531,585	2,367,142	1,907,425	1,582,011	1,410,326	1,064,999
Charges for services	2,566,289	1,325,705	872,986	1,065,920	1,292,297	1,448,719	1,946,108	2,433,306	2,513,195	1,192,278
Rents and leases	691,078	791,386	695,946	491,591	450,333	456,630	439,154	442,765	423,205	390,773
Fines and forfeitures	790,040	2,912,551	2,964,137	3,060,961	3,037,255	2,536,409	2,887,025	1,392,102	1,139,474	1,817,836
Investment earnings	1,526,721	3,343,822	1,808,325	685,158	1,168,819	122,431	245,231	166,166	282,440	210,356
Miscellaneous	975,567	1,969,645	3,612,372	1,300,919	1,110,344	1,386,484	3,297,853	910,349	1,040,724	276,714
Total Revenues	14,503,214	13,437,386	14,608,191	10,399,160	13,636,425	10,117,793	12,844,196	10,459,763	12,292,990	11,215,847
Grand Total	\$ 114,867,953	\$ 109,968,271	\$ 110,226,850	\$ 100,426,880	\$ 96,454,974	\$ 89,134,414	\$ 86,667,105	\$ 80,395,370	\$ 81,761,887	\$ 73,960,262

CITY OF LENEXA, KANSAS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Schedule 6

Tax Year Ended December 31,	Fiscal Year Ended December 31,	Real Estate	Assess Value As A Percentage Of Actual Value	Estimated Actual Taxable Value	Personal Property	State Assessed Utilities	Motor Vehicle (1)	Total Taxable Assessed Value	Total Direct Tax Rate
2019	2020	\$ 1,296,984,645	15%	\$ 8,582,933,048	\$ 14,057,813	\$ 32,794,898	\$ 106,536,824	\$ 1,450,374,180	29.319
2018	2019	1,214,325,371	15%	8,095,733,570	16,488,515	30,620,263	103,148,304	1,364,582,453	29.909
2017	2018	1,146,089,588	17%	6,920,478,999	17,923,645	29,706,402	99,049,196	1,292,768,831	31.832
2016	2017	1,053,541,388	15%	7,037,789,230	21,061,775	27,978,598	96,118,010	1,198,699,771	31.828
2015	2016	989,935,596	16%	6,112,670,017	22,349,586	28,127,653	93,061,812	1,133,474,647	31.807
2014	2015	924,106,434	15%	6,020,523,550	23,679,751	27,548,961	85,542,570	1,060,877,716	31.765
2013	2014	849,596,536	15%	5,585,677,480	27,206,191	27,077,031	79,426,145	983,305,903	29.713
2012	2013	793,950,131	15%	5,429,641,216	36,743,490	29,661,638	76,704,885	937,060,144	29.668
2011	2012	771,570,154	14%	5,397,313,060	45,628,362	27,492,147	74,417,660	919,108,323	29.635
2010	2011	768,176,024	14%	5,353,062,770	53,837,911	28,058,513	74,158,463	924,230,911	26.626

(1) Includes recreational vehicle assessed value:

- 2011 recreational vehicle tax amounted to \$275,145
- 2012 recreational vehicle tax amounted to \$307,520
- 2013 recreational vehicle tax amounted to \$216,510
- 2014 recreational vehicle tax amounted to \$247,645
- 2015 recreational vehicle tax amounted to \$254,573
- 2016 recreational vehicle tax amounted to \$272,638
- 2017 recreational vehicle tax amounted to \$275,649
- 2018 recreational vehicle tax amounted to \$279,729
- 2019 recreational vehicle tax amounted to \$308,505
- 2020 recreational vehicle tax amounted to \$321,095

Source: Johnson County Appraiser

CITY OF LENEXA, KANSAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

Schedule 7

Tax Year	Fiscal Year	City Direct Rates			Overlapping Rates									Total Direct And Overlapping Rates
		General	Debt Service	Total Direct	State	County	Library	County Community College	Park	Total Overlapping Without Schools	School District Shawnee Mission	School District De Soto	School District Olathe	
2019	2020	23.006	6.313	29.319	1.500	19.036	3.904	9.121	3.090	65.970	52.121	63.829	69.878	95.289
2018	2019	23.120	6.789	29.909	1.500	19.024	3.901	9.266	3.088	66.688	52.427	64.841	70.665	96.597
2017	2018	23.891	7.941	31.832	1.500	19.318	3.921	9.503	3.112	69.186	53.663	67.467	71.174	101.018
2016	2017	23.891	7.937	31.828	1.500	19.590	3.915	9.473	3.102	69.408	54.940	68.864	67.774	101.236
2015	2016	21.875	9.932	31.807	1.500	19.582	3.912	9.469	3.101	69.371	54.059	74.461	67.764	101.178
2014	2015	23.066	8.699	31.765	1.500	17.764	3.157	9.461	2.349	65.996	55.911	71.951	67.868	97.761
2013	2014	21.028	8.685	29.713	1.500	17.745	3.155	9.551	2.347	64.011	55.611	79.984	69.486	93.724
2012	2013	20.496	9.172	29.668	1.500	17.717	3.149	8.785	2.344	63.163	55.766	82.262	69.618	92.831
2011	2012	20.473	9.162	29.635	1.500	17.700	3.145	8.776	2.343	63.099	56.135	82.558	69.925	92.734
2010	2011	17.467	9.159	26.626	1.500	17.700	3.158	8.799	2.350	60.133	57.192	84.051	72.917	86.759

Source: All overlapping governments, Johnson County Clerk's office. Rates are for Taxing District No. 4, which apply to the majority of the City's taxpayers.

Note A: Tax Year - The tax levy is the following year's tax revenue.

Note B: Overlapping rates are those of local and county government that apply to property owners within the City of Lenexa. Not all overlapping rates apply to all Lenexa property owners.

CITY OF LENEXA, KANSAS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

Schedule 8

Taxpayer	2019 Tax Year/2020 Fiscal Year			Taxpayer	2010 Tax Year/2011 Fiscal Year		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value
Southlake Investments SPE LLC	\$ 17,780,739	1	1.23%	HRPT Lenexa Properties Trust	\$ 25,297,576	1	2.74%
Perg Buildings, LLC	18,011,806	2	1.24%	Perg Buildings, LLC	17,985,720	2	1.95%
Kiewit Properties (Kansas) LLC	17,415,138	3	1.20%	Sprint Spectrum LP	9,376,368	3	1.01%
LIT Industrial Limited Partnership	11,744,759	4	0.81%	Kansas City Power & Light Co	9,730,107	4	1.05%
Meritex Lenexa Executive Park, LLC	10,278,517	5	0.71%	MEPT Kansas Commerce	8,075,717	5	0.87%
Colfin 2017-11 Industrial Owner LLC	8,705,751	6	0.60%	JC Penney Corporation Inc	7,732,693	6	0.84%
MEPT Kansas Commerce Center, LLC	8,969,451	7	0.62%	Meritex	5,783,005	7	0.63%
J.C. Penny Properties, Inc.	6,842,501	8	0.47%	Labone, Inc	5,599,796	8	0.61%
EGP 11201 Lenexa LLC	6,542,267	9	0.45%	Orchard Center CO LLC	4,412,003	9	0.48%
BPI SPE LLC	6,018,555	10	0.41%	LIT Industrial Limited	4,392,215	10	0.48%
Total	\$ 112,309,484			Total	\$ 98,385,200		
City of Lenexa (includes motor vehicles)	\$ 1,450,374,180			City of Lenexa (includes motor vehicles)	\$ 924,230,911		

Source: Johnson County Department of Records and Tax Administration

CITY OF LENEXA, KANSAS

SALES TAX RATES LAST TEN FISCAL YEARS

Schedule 9

Fiscal Year	City Sales	City Roads/ Parks Civic Facility Sales	County Sales	County Public Safety - I Sales	County Storm- water	County Public Safety - II Sales	County Research Triangle Sales	County Public Safety - III Sales	State	Total Direct
2011	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.000%	6.300%	8.900%
2012	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.000%	6.300%	8.900%
2013*	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.000%	6.300%	8.900%
2014	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.000%	6.150%	8.900%
2015**	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.000%	6.500%	8.750%
2016	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.000%	6.500%	9.100%
2017	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.100%
2018	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.350%
2019	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.350%
2020	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.350%

Tax Rates from Kansas Department of Revenue

*Effective July 1, 2013 the State Sales tax rate changed from 6.3% to 6.15%.

**Effective July 1, 2015 the State Sales tax rate changed from 6.15% to 6.50%.

CITY OF LENEXA, KANSAS

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Schedule 10

Fiscal Year (1)	Total Tax Levy	Current Tax Collections (2)	Current TIF Collections (3)	Total Collections	Percentage Current Tax Collected	Prior Year's Tax Collected	Total Tax Collections	Percentage Total Collection To Current Levy
2011	\$ 22,843,334	\$ 22,186,644	\$ —	\$ 22,186,644	97.13%	\$ 222,993	\$ 22,409,637	98.10%
2012	25,183,253	24,399,073	—	24,399,073	96.89%	246,678	24,645,751	97.87%
2013	25,070,608	24,373,596	—	24,373,596	97.22%	209,564	24,583,160	98.06%
2014	25,571,353	24,617,004	—	24,617,004	96.27%	315,311	24,932,315	97.50%
2015	28,735,721	27,429,025	—	27,429,025	95.45%	262,422	27,691,447	96.37%
2016	31,019,568	29,402,974	1,298,955	30,701,929	98.98%	192,265	30,894,195	99.60%
2017	33,112,343	31,218,276	1,813,783	33,032,059	99.76%	91,524	33,123,583	100.03%
2018	35,096,845	32,703,904	2,265,796	34,969,700	99.64%	(106,831)	34,862,868	99.33%
2019	35,702,969	33,189,074	2,479,288	35,668,362	99.90%	89,153	35,757,515	100.15%
2020	36,983,743	33,936,024	3,064,702	37,000,726	100.05%	(41,344)	36,959,382	99.93%

⁽¹⁾ The year shown is the year in which the collections are received. The tax levy is made in the year preceding the fiscal year.

⁽²⁾ Property tax revenue received from TIF districts are not included.

⁽³⁾ TIF collections only include City portion of the total.

CITY OF LENEXA, KANSAS

RATIOS OF DEBT OUTSTANDING LAST TEN FISCAL YEARS

Schedule 11

Fiscal Year	Governmental Activities			Business-Type Activities			Total	Percentage	
	General Obligation Bonds ³	General Obligation Notes	TIF Revenue Bonds ¹	General Obligation Bonds ³	General Obligation Notes	Revolving Loans Payable		Of Total Personal Income ²	Per Capita ²
2011	\$ 74,536,943	\$ 8,195,000	\$ 7,865,000	\$ 31,322,169	\$ —	\$ 266,983	\$ 122,186,095	4.47%	\$ 2,528
2012	81,015,279	885,000	7,865,000	30,572,179	—	256,475	120,593,933	4.19%	2,489
2013	77,620,539	4,830,000	7,044,955	31,164,912	—	245,644	120,906,050	4.08%	2,448
2014	89,408,756	4,830,000	6,853,173	34,224,793	—	234,514	135,551,236	4.37%	2,693
2015	144,348,272	—	6,675,617	30,753,258	—	223,082	182,000,229	5.59%	3,566
2016	129,204,450	2,940,000	6,494,418	25,440,669	4,585,000	211,334	168,875,871	4.79%	3,217
2017	116,559,498	6,515,000	6,309,918	22,259,485	4,585,000	199,266	156,428,167	4.26%	2,905
2018	125,762,972	3,690,000	6,129,911	27,043,723	—	186,868	162,813,474	4.05%	2,942
2019	121,292,003	5,474,000	5,961,193	25,433,733	—	174,130	158,335,059	3.84%	2,845
2020	109,597,833	5,075,000	5,795,953	26,882,948	—	161,042	147,512,776	3.39%	2,586

Note: City's outstanding debt is further detailed in the notes to the basic financial statements.

¹ TIF Revenue Bonds are special, limited obligations of the City payable solely and only from ad valorem taxes collected from real property located within the Project Area on or after January 1, 2008, that is in excess of the amount of real property taxes which were collected from the Project Area in the year the Redevelopment District was established.

² See Exhibit 15 for personal income and population data.

³ Bonds include premiums and discounts.

CITY OF LENEXA, KANSAS

RATIOS OF GENERAL OBLIGATION DEBT OUTSTANDING LAST TEN FISCAL YEARS

Schedule 12

Fiscal Year	Governmental Activities			Business-Type Activities		Less: Amounts Available In Debt Service Fund	Total	Percentage Of Assessed Taxable Value ¹ Of Property	Per Capita ²
	General Obligation Bonds	General Obligation Notes	General Obligation Debt	General Obligation Bonds	General Obligation Notes				
2011	\$ 74,536,943	\$ 8,195,000	\$ 82,731,943	\$ 31,322,169	\$ —	\$ 5,054,122	\$ 108,999,990	11.79%	\$ 2,255.51
2012	81,015,279	885,000	81,900,279	30,572,179	—	8,348,380	104,124,078	11.33%	2,149.19
2013	77,620,539	4,830,000	82,450,539	31,164,912	—	8,106,262	105,509,189	11.26%	2,136.07
2014	89,408,756	4,830,000	94,238,756	34,224,793	—	7,875,076	120,588,473	12.26%	2,395.29
2015	144,348,272	—	144,348,272	30,753,258	—	7,350,082	167,751,448	15.81%	3,286.54
2016	129,204,450	2,940,000	132,144,450	25,440,669	4,585,000	7,205,821	150,379,298	13.27%	2,865.02
2017	116,559,498	6,515,000	123,074,498	22,259,485	4,585,000	5,813,059	139,520,924	11.64%	2,591.40
2018	125,762,972	3,690,000	129,452,972	27,043,723	—	4,506,695	151,990,000	11.76%	2,746.23
2019	121,292,003	5,474,000	126,766,003	25,433,733	—	4,364,862	147,834,874	10.19%	2,656.37
2020	109,597,833	5,075,000	114,672,833	26,882,948	—	4,215,164	137,340,617	9.47%	2,407.84

Note: City's outstanding debt is further detailed in the notes to the basic financial statements.

¹ See Exhibit 6 for property value data.

² See Exhibit 15 for personal income and population data.

CITY OF LENEXA, KANSAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT December 31, 2020

Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share Of Overlapping Debt
Debt To Be Repaid With Property Taxes			
Johnson County, Kansas	\$ 521,540,000	11.36%	\$ 59,246,944
Johnson County Parks & Recreation	—	0.00%	—
Community College	1,930,000	11.36%	219,248
U.S.D. #232 (De Soto)	169,515,000	7.54%	12,781,431
U.S.D. #233 (Olathe)	503,187,330	15.47%	77,843,080
U.S.D. #512 (Shawnee Mission)	291,715,000	20.06%	58,518,029
Total Overlapping Debt			<u>208,608,732</u>
City Direct Debt	120,468,786	100.0%	<u>120,468,786</u>
Total Direct And Overlapping Debt			<u><u>\$ 329,077,518</u></u>

Sources: Assessed value data used to estimate percentage were obtained from the Johnson County, Kansas Appraiser's Office. Debt outstanding data provided by Johnson County Department of Records and Tax Administration. Johnson County and City of Lenexa Debt as of 12/31/2020. Other debt as of 6/30/2020.

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

¹ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also applied to the other debt of the overlapping governmental units.

CITY OF LENEXA, KANSAS

LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

Schedule 14

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 277,269,273	\$ 275,732,497	\$ 281,118,043	\$ 294,991,771	\$ 318,263,315	\$ 340,042,394	\$ 359,609,931	\$ 387,830,649	\$ 409,374,736	\$ 435,112,254
Total net debt applicable to limit	103,815,878	73,551,899	74,344,277	86,363,680	136,998,190	124,938,629	116,368,390	124,946,277	122,401,141	110,457,669
Legal debt limit	\$ 173,453,395	\$ 202,180,598	\$ 206,773,766	\$ 208,628,091	\$ 181,265,125	\$ 215,103,765	\$ 243,241,541	\$ 262,884,372	\$ 286,973,595	\$ 324,654,585
Total net debt applicable to the limit as a percentage of the limit	37.4%	26.7%	26.4%	29.3%	43.0%	36.7%	32.4%	32.2%	29.9%	25.4%
Total net debt as a percentage of assessed value*	11.5%	11.0%	7.6%	8.8%	12.9%	11.0%	9.7%	9.6%	9.0%	7.6%

Legal Debt Margin Calculation For Fiscal Year 2019

Assessed value	\$ 1,450,374,180
Debt limit (30% of total assessed value)	435,112,254
Debt applicable to limit:	
General obligation debt	114,672,833
Less: Amount set aside for repayment of general obligation debt	4,215,164
Net debt applicable to limit	110,457,669
Legal Debt Margin	\$ 324,654,585

* Under State law, the City's outstanding general obligation debt should not exceed 30% percent of the total assessed property value. By law, the general obligation debt subject to the limitation may be offset by reserved fund balance amounts in the debt service fund.

CITY OF LENEXA, KANSAS

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Schedule 15

Fiscal Year	City Population	County Population*	City Population Percent Change	Personal Income*	Per Capita Personal Income*	City Unemployment Rate	State Unemployment Rate
2020	57,039	609,390	2.5%	\$ 4,346,714,034	\$ 76,206	10.9%	11.9%
2019	55,653	602,401	0.6%	4,118,878,530	74,010	3.4%	4.2%
2018	55,345	596,767	2.8%	4,024,522,365	72,717	3.3%	4.0%
2017	53,840	589,609	2.6%	3,669,626,720	68,158	3.7%	4.6%
2016	52,488	584,451	2.8%	3,527,036,136	67,197	4.3%	5.2%
2015	51,042	590,604	1.4%	3,255,969,180	63,790	5.6%	6.6%
2014	50,344	574,096	1.9%	3,103,405,536	61,644	5.0%	6.3%
2013	49,394	566,933	2.0%	2,966,998,792	60,068	5.4%	6.7%
2012	48,448	559,836	0.3%	2,875,243,456	59,347	5.0%	5.3%
2011	48,326	552,874	0.3%	2,736,169,794	56,619	6.0%	6.0%

*Restated 2011-2013 in fiscal year 2014.

Data Sources: Lenexa Community Development Department
www.laborstats.dol.ks.gov/lfe/lfecurrent.htm

Per Capita Personal Income reflects that of Johnson County, Kansas. Figures are not available by municipality.

CITY OF LENEXA, KANSAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Schedule 16

Employer	2019 Tax Year/2020 Fiscal Year			Employer	2010 Tax Year/2011 Fiscal Year		
	Employees	Rank	Percentage Of Total City Employment		Employees	Rank	Percentage Of Total City Employment
Quest Diagnostics	1,830	1	3.17%	Quest Diagnostics/Lab One	2,411	1	5.24%
Kiewit Power Engineers	1,300	2	2.25%	United Parcel Service	2,133	2	4.64%
Alliance Data Systems Corp	920	3	1.59%	Faith Technologies	1,540	3	3.35%
Community America Credit Union	750	4	1.30%	Freightquote.com	963	4	2.09%
JC Penney Logistics Center	700	5	1.21%	JC Penney Logistics Center	899	5	1.95%
P1 Group	700	6	1.21%	Kiewit Power Engineers Company	800	6	1.74%
Community Living Opportunities	680	7	1.18%	Gear for Sports	603	7	1.31%
United Parcel Service	650	8	1.12%	Deluxe Corporation	600	8	1.30%
Gear for Sports Inc	600	9	1.04%	Lakeview Village	511	9	1.11%
Henderson Engineers Inc	563	10	0.97%	Coca-Cola Bottling	506	10	1.10%
Total	8,693			Total	10,966		
City of Lenexa (total employment)	57,819			City of Lenexa (total employment)	46,000		

Source: Chamber of Commerce Membership Directory/ESRI

CITY OF LENEXA, KANSAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Schedule 17

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government	101	99	99	91	88	89	83	83	83	89
Public safety	246	244	244	239	232	222	216	216	215	210
Municipal services	72	71	71	68	67	67	66	70	70	65
Parks and recreation	126	128	124	102	72	72	72	62	62	53
Total	545	542	538	500	459	450	437	431	430	417

Source: Human Resources Department

CITY OF LENEXA, KANSAS

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Schedule 18

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
City Hall	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police Station	1	1	1	1	1	1	1	1	1	1
Police Substation	1	1	1	1	1	1	1	1	1	1
Fire Stations	5	5	5	5	5	5	5	5	5	5
Municipal Services										
Center lane miles added	4	4	4	9	1	1	—	—	—	—
Service Center	1	1	1	1	1	1	1	1	1	1
Public Storm Structures (manholes, inlets and junction boxes)	8,281	8,116	8,044	7,652	7,638	7,523	7,286	6,957	6,957	6,957
Streetlights maintained	8,006	7,713	7,446	7,306	7,333	7,605	7,149	7,368	7,567	6,581
Parks And Recreation										
Parks (acres & trail system)**	887	887**	802	802	799	795	795	795	776*	915
Pools	4	4	4	4	3	3	3	3	3	3
Conference Center	1	1	1	1	1	1	1	1	1	1
Community Center	1	1	1	1	1	1	1	1	1	1
Recreation Center	1	1	1	1	—	—	—	—	—	—
Senior Center	1	1	1	1	1	1	1	1	1	1

* Per Parks & Recreation Comprehensive Plan

**Per Parks & Recreation GIS software

Sources: Various City departments. No capital assets indicators are available for the general government function.

CITY OF LENEXA, KANSAS
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Schedule 19

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
GIS										
Data sets maintained	990	783	777	750	950	750	750	803	713	640
Map requests	275	310	185	150	200	65	75	154	386	307
ArcGIS users supported	232	180	146	114	96	85	85	83	71	56
Community Development										
Planning commission items	71	89	106	102	83	92	86	89	66	73
Staff review final plans	14	17	7	9	7	14	15	9	9	16
New single family permits	215	154	241	242	189	241	169	213	146	89
Valuation of new construction (millions of dollars)	373	203	242	296	68	78	53	67	103	67
Commercial construction (millions of dollars)	224	194	324	219	134	110	68	82	132	34
Human Resources										
Positions filled (full-time/part-time/temporary)	143	287	269	348	189	210	196	190	188	130
Work comp/disability/FMLA cases managed	128	115	133	132	117	118	110	91	142	122
Separations/retirements processed	118	224	240	198	171	190	176	48	170	125
Finance										
Accounts payable invoices	3,375	4,138	4,050	3,953	3,864	4,614	5,195	4,977	4,927	4,446
Payroll checks processed	16,667	17,457	16,796	14,366	12,964	13,515	12,534	12,490	12,294	11,657
Purchasing Card transactions	11,273	13,940	14,754	15,054	13,589	13,245	12,905	13,743	13,871	12,974
Information Technology										
Supported users	605	722	611	569	491	457	583	589	446	403
Workstations	509	419	428	442	397	412	421	423	451	424
Laptops	344	307	282	244	229	205	207	182	161	183
Servers	204	175	162	165	161	218	183	133	122	119
Printers	231	217	225	219	214	224	106	156	152	144
Municipal Court										
Charges issued	6,519	11,824	7,213	8,558	12,349	12,907	14,514	14,151	11,474	11,310
Charges completed	6,135	10,481	7,113	8,639	10,909	12,880	14,349	14,167	10,363	14,770
Charges pending (*Change in software)	2,351	2,716	2,266	1,495	2,977	2,707	3,002	3,417	2,897	10,021
D.U.I. issued	164	170	128	162	193	172	547	222	151	186
Legal										
Appeals to District Court prosecuted	6	5	5	3	9	5	12	7	19	8
Forfeitures cases filed	6	9	5	8	9	9	14	20	16	16
Third party claims made v. City	15	26	12	8	12	12	21	22	8	15
Third party claims paid	9	16	11	2	7	5	10	18	2	9

CITY OF LENEXA, KANSAS
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Schedule 19 (Continued)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety										
Police										
Calls for service	19,859	22,706	21,551	21,223	20,886	20,819	20,402	21,631	21,293	20,756
Officer self initiated	15,412	26,845	18,656	19,889	23,600	21,289	24,582	24,571	20,664	20,749
Walk in/station reports	706	1,106	1,234	1,254	1,388	1,369	1,037	1,047	1,081	1,090
Total incidents	35,977	49,551	41,441	42,366	45,874	43,689	46,622	48,013	43,838	43,337
Arrests	2,225	3,277	3,191	3,266	3,365	2,976	3,176	3,870	3,581	3,256
Citations	6,228	11,823	7,106	8,457	12,245	11,598	14,300	14,023	11,284	11,039
Discovery requests approved*	536	792	753	441	388	462	463	467	364	364
Fire										
Emergency incident responses	5,820	6,318	6,265	5,913	5,682	5,638	5,237	5,204	5,012	4,884
Building fires/1,000 pop.	1	1	1	1	1	1	1	1	1	2
Ill or injured patients treated	2,443	2,843	2,799	2,756	3,065	3,108	2,818	2,895	2,935	3,002
Fire inspections	7,192	8,827	9,471	7,922	7,929	6,086	4,585	4,008	3,623	2,517
Training hours	26,293	27,328	26,593	26,209	24,118	24,243	25,200	24,387	24,453	17,955
Municipal Services										
Number of City vehicles maintained	502	502	496	496	457	455	368	354	346	344
Lane-miles of roadway	828	798	787	787	660	660	660	660	660	660
Signalized intersections maintained	91	82	82	73	69	67	67	67	66	67
Streetlights maintained	9,091	7,782	7,972	7,593	7,333	6,904	7,149	7,368	7,000	6,581
Traffic signs maintained	14,211	13,877	12,697	12,757	11,997	11,780	12,094	12,055	11,800	11,210
Square feet maintained	692,755	692,755	673,455	673,455	327,555	327,555	327,555	327,555	327,555	327,555
Parks And Recreation										
Acres of park maintained	887	887	802	802	799	795	795	795	776	696
Number of events - Thompson Barn	125	304	295	299	342	307	271	220	177	186
Pool attendance	24,758	41,651	44,773	45,976	47,903	41,254	47,526	45,421	55,952	52,522
Swim lessons	356	559	581	1,037	743	643	679	740	666	712
Rec Center**										
Pool attendance	90,505	93,186	98,901	4368***	—	—	—	—	—	—
Swim lessons	829	1,369	1040****	295****	—	—	—	—	—	—

*were previously administered by Legal. Police administered beginning in 2010.

**officially opened on 7/31/17.

***statistics for November and December 2017.

****Rec Center Swim lessons information for 2018 was corrected in 2019.

Sources: Various City departments.