



**CITY OF LENEXA, KANSAS**

Comprehensive Annual Financial Report

For The Year Ended December 31, 2011

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

*For The Year Ended December 31, 2011*

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*Report prepared and submitted by the  
Finance Department*

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## Introductory Section

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May 16, 2012

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

## **Introduction**

The Comprehensive Annual Financial Report (CAFR) of the City of Lenexa (the City) for the fiscal year ended December 31, 2011 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 Administrator. 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 decreased from \$75.7 million to \$67.2 million in 2011. In 2011, a total of 89 permits were issued for single family homes. A total of 1,372 building permits for residential and commercial were issued during 2011 with an estimated construction value of \$67.2 million. Thirteen commercial projects with valuations over \$500,000 were issued building permits in 2011. New construction took place for Price Family Limited Partnership, the City of Lenexa Municipal Services building and the Club at Canyon Creek. Significant remodels included Rising Star and Mill Creek Elementary Schools, IBM, Robbie Manufacturing and the City of Lenexa Parks and Recreation building. Tenant finishes over \$500,000 include Kiewit Powers, Shawnee Mission Medical Center, Dark Horse Distillery, KC Bariatric and Nordstrom Rack.

The number of new businesses that have located in Lenexa in 2011 is 217.

Lenexa's current population is 48,326 with a projected population for year 2020 of 58,510.

The City's 2011 assessed valuation decreased to \$924,230,911 (including motor vehicles and recreational vehicles) from \$931,756,181 in 2010, a 0.9% decrease.

## **Major Initiatives**

### **2011 Initiatives and Highlights**

The City Council approved a \$103.1 million budget for 2012, including a three-mill property tax increase, in order to continue capital improvement projects and quality city services.

To better serve the community, two new service centers were completed which allowed parks and municipal services crews to house more equipment and machinery, increasing effectiveness and reducing costs.

Lenexa continued its focus on sustainability and taking care of assets such as roads, parks and facilities. The City utilized funding from the 3/8-cent sales tax approved by residents in 2008 to fund the ongoing pavement management program, playground equipment replacements, and pond restoration at Sar-Ko-Par Trails Park.

Lenexa was included in Money Magazine's "100 Best Places to Live in America," a ranking of small U.S. communities, for the second time. Lenexa, the only city in Kansas to make the list, was praised for numerous attributes, including its festivals and gatherings.

Lenexa has incredible volunteers who donate time and talent to help the city better serve residents. Lenexa volunteers donated 8,464 hours in 2011, saving the City over \$61,000 based on the minimum wage and more than \$150,000 using the Kansas Volunteer Contribution Rate.

Early in 2011, the City received results from the most recent ETC DirectionFinder citizen satisfaction survey. Lenexa residents continued to be happy with City services, ranking their City as the regional leader in nearly every major service category including police, fire, parks and recreation, public communication, street maintenance, code enforcement and stormwater runoff.

#### 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)
- **Community Pride:** Enhance the Sense of "Community".

The 2012 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.

#### **Financial Information**

##### **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 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) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. 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. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Amendments of 1996 and related OMB Circular A-133.

#### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lenexa for its CAFR for 33 consecutive years (each of the fiscal years ended December 31, 1978 through 2010).

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, 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.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning January 1, 2011. 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 CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each staff member has our sincere appreciation for the contributions made in the 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,



Eric Wade  
City Administrator



Doug Robinson  
Finance Director

# 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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



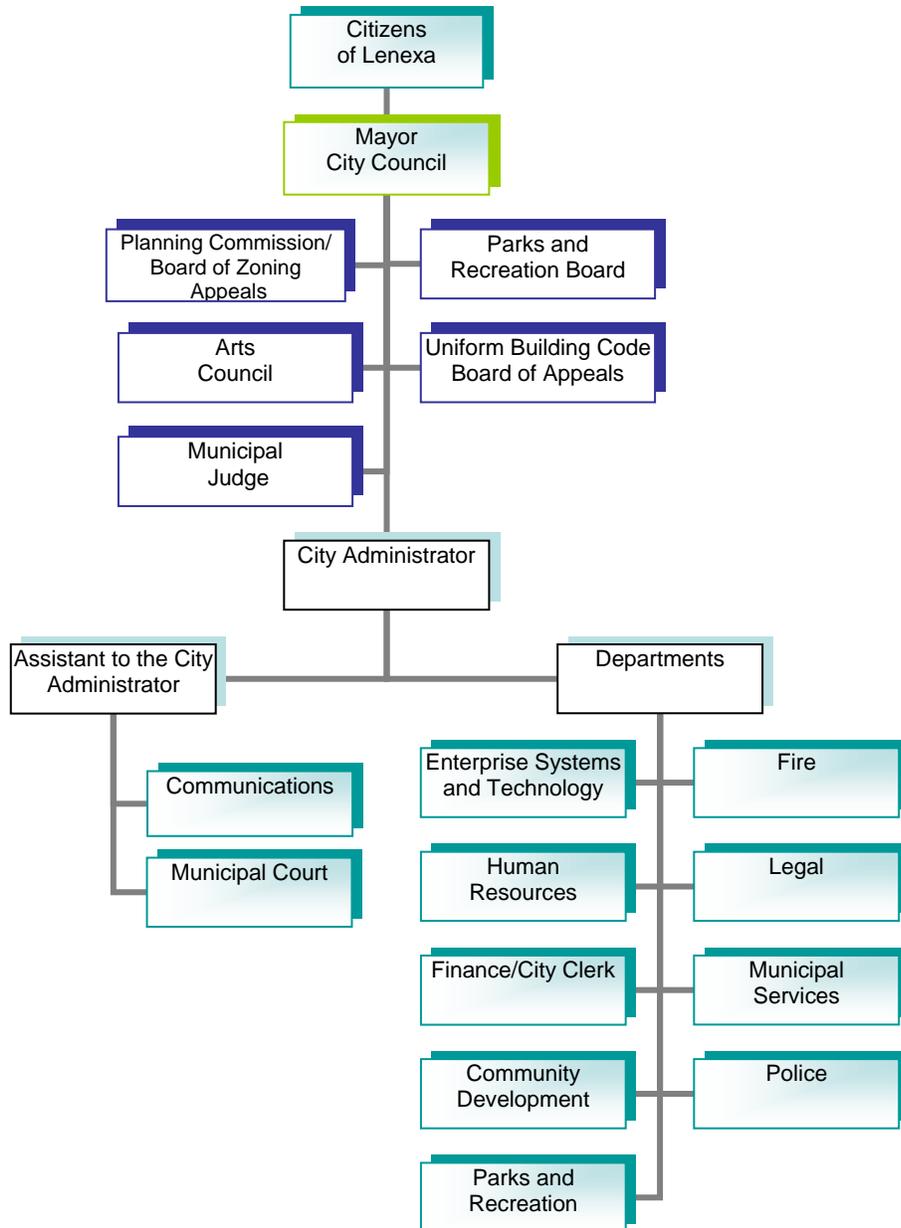
*Linda C. Dandson*

President

*Jeffrey R. Egan*

Executive Director

**CITY OF LENEXA  
Organizational Chart  
(Population 48,326)**



# **CITY OF LENEXA, KANSAS**

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## **LIST OF PRINCIPAL OFFICIALS**

### **Mayor**

Michael Boehm

### **City Council**

Joe Karlin  
Steve Lemons  
Diane Linver  
Thomas Nolte  
Amy Slater  
Lou Serrone  
Mandy Stuke  
Andy Huckaba

### **City Administrator**

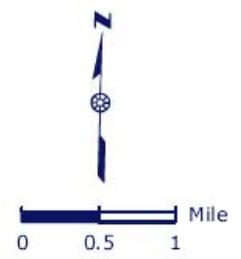
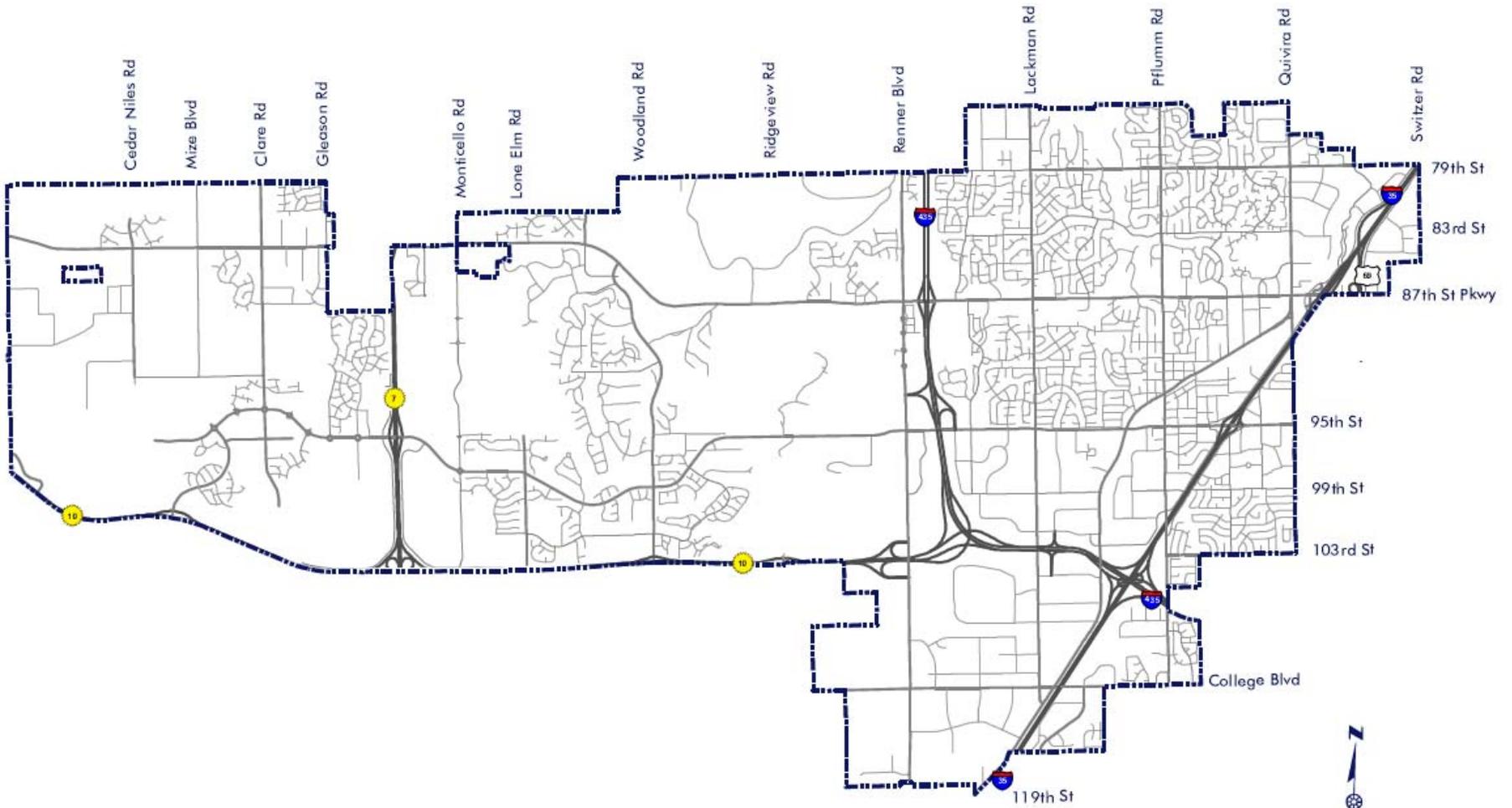
Eric Wade

### **Assistant to the City Administrator**

Leslee Fonseca

### **Finance Department**

Doug Robinson, Finance Director  
Jill Grube, Assistant Finance Director  
Loretta Cornejo, Accounting Manager  
Dana Simms, Accountant II  
Lisa Cline, Accountant II  
Megan Robson, Accountant II  
David Bryant III, City Clerk



Map Published May, 2009

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## **Financial Section**

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& Business Consultants

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## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Lenexa, Kansas (the City), as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 14 to the financial statements, the City adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011.

In accordance with *Government Auditing Standards*, we have also issued a report, dated May 16, 2012 on our consideration of the City's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 13, the Budgetary Comparison Information on pages 60 through 62, and the Pension and Other Post Employments Benefits schedules on pages 63 and 64 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United State of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual 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 financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken 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.

*RubinBrown LLP*

May 16, 2012

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## **Management's Discussion And Analysis**

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# CITY OF LENEXA, KANSAS

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2011

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, 2011. 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 exceeded its total liabilities at the end of 2011 by \$491,944,097. Of this amount \$30,118,269 is unrestricted net assets.

The City's total long-term liabilities decreased by \$2,746,590. The key factors in this decrease was the principal payments of \$9,660,000 in general obligation bonds, the issuance of \$6,060,000 in general obligation bonds, the reduction in TIF developer obligations of \$962,956, the addition of Community Improvement District (CID) developer obligations of \$921,130 and the increase in general obligation notes payable of \$1,055,000.

Capital assets increased \$3,597,474 due to \$12,729,270 in infrastructure additions, (including donated capital assets from developers of \$119,396) net decrease of construction in progress of \$936,681, non-infrastructure capital assets additions and retirements of \$6,374,008, and net depreciation of \$14,569,123. Donated capital assets from developers amounted to 1% of the increase in infrastructure additions.

At the end of 2011, the fund balance for the General Fund was \$23,522,587.

### **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 Assets reports all of the City's assets and liabilities. Net assets, the difference between assets and liabilities, are an important measure of the City's overall financial health. Over time, the increases and decreases in net assets 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).

The Statement of Activities shows how the net assets have 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 incurred.

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 picture of the operations reported rather than the City as a whole. Most of the City's basic operations are reported in the Governmental Fund financial statements. The information reported in these statements can be compared to the governmental activities information in the Government-Wide Statements. The reconciliation at the end of the fund financial statements details the relationship between the two types of financial statements.

Proprietary Funds fall into two categories: Enterprise Funds and Internal Service Funds. All Proprietary Funds are prepared on the accrual basis of accounting. Enterprise Funds are used to account for business-type 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 activities. 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 and Stormwater Management 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.

#### **Analysis Of Government-Wide Financial Statements**

##### **Statement Of Net Assets**

Combined net assets of the City at December 31 are as follows:

	Governmental Activities		Business Type Activities	Total Primary Government	
	2011	2010	2011	2011	2010
<b>Assets</b>					
Current and other assets	\$ 108,410,920	\$ 112,135,450	\$ 4,925,671	\$ 113,336,591	\$ 112,135,450
Capital assets	463,779,697	550,431,753	90,249,531	554,029,228	550,431,753
<b>Total Assets</b>	<b>572,190,617</b>	<b>662,567,203</b>	<b>95,175,202</b>	<b>667,365,819</b>	<b>662,567,203</b>
<b>Liabilities</b>					
Other liabilities	31,731,376	30,220,878	650,924	32,382,300	30,220,878
Self insurance claims payable	766,195	746,036	—	766,195	746,036
Long-term obligations	110,426,928	145,019,817	31,846,299	142,273,227	145,019,817
<b>Total Liabilities</b>	<b>142,924,499</b>	<b>175,986,731</b>	<b>32,497,223</b>	<b>175,421,722</b>	<b>175,986,731</b>
<b>Net assets</b>					
Invested in capital assets, net of related debt	381,064,682	431,336,688	58,532,281	439,596,963	431,336,688
Restricted	20,838,326	22,697,434	1,390,539	22,228,865	22,697,434
Unrestricted	27,363,110	32,547,350	2,755,159	30,118,269	32,547,350
<b>Total Net Assets</b>	<b>\$ 429,266,118</b>	<b>\$ 486,581,472</b>	<b>\$ 62,677,979</b>	<b>\$ 491,944,097</b>	<b>\$ 486,581,472</b>

## CITY OF LENEXA, KANSAS

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### Management's Discussion and Analysis (*Continued*)

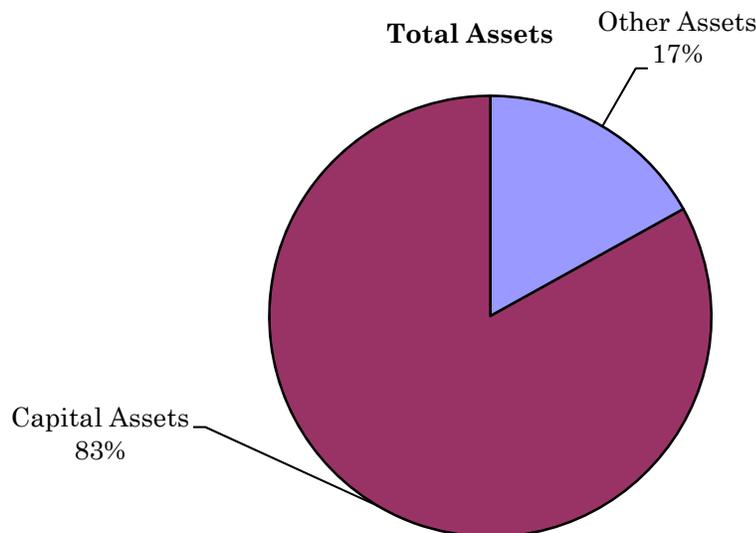
As noted earlier, net assets may serve over time as useful indicators of a government's financial position. In the case of the City, assets exceed liabilities by \$491,944,097 at December 31, 2011.

The largest portion of the City's net assets, \$439,596,963 (89.4%) 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.

An additional portion of the City's net assets, \$22,228,865 (4.5%), represents resources that are subject to external restrictions on how they may be used. Unrestricted net assets, which total \$30,118,269 (6.1%), represent assets that may be used to meet the government's ongoing obligations to citizens and creditors. The government's net assets increased by \$5,362,625 or 1.1%, during the current fiscal year.

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

The City ended 2011 with positive net assets. Total assets for the City are \$667,365,819. Of these total assets, \$554,029,228 is capital assets and \$113,336,591 is other assets.

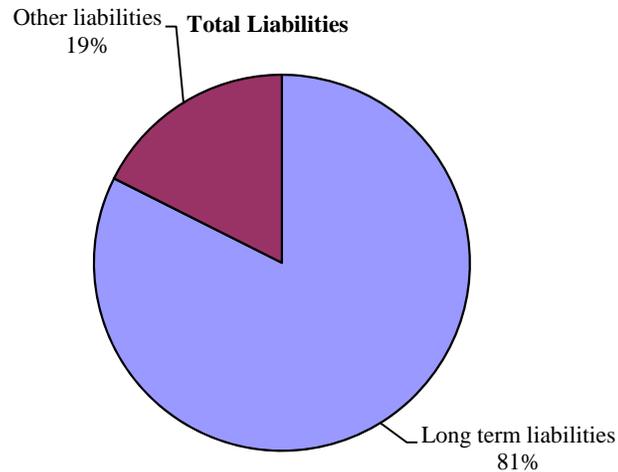


## CITY OF LENEXA, KANSAS

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### Management's Discussion and Analysis (*Continued*)

Total liabilities for the City are \$175,421,722. Of these total liabilities, \$142,273,227 is for long-term liabilities, \$766,195 is self-insurance claims payable and \$32,382,300 is 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 assets for the City are \$491,944,097. Of these total net assets, \$30,118,269 is unrestricted net assets and \$22,228,865 is for restricted net assets. Net assets invested in capital assets net of related debt are \$439,596,963. Additional details on capital assets can be found on page 11.

## 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	Total		Variance Over (Under)
	2011	2010	Activities 2011	Primary Government		
	2011	2010	2011	2011	2010	
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 4,271,124	\$ 8,022,606	\$ 4,129,646	\$ 8,400,770	\$ 8,022,606	\$ 378,164
Grants and contributions	1,250,263	1,621,587	—	1,250,263	1,621,587	(371,324)
Capital grants and contributions	5,692,079	5,096,318	1,845,602	7,537,681	5,096,318	2,441,363
General revenues:						
Property taxes	24,611,342	24,793,267	—	24,611,342	24,793,267	(181,925)
Sales tax	25,982,247	24,385,785	—	25,982,247	24,385,785	1,596,462
Other taxes	9,627,523	9,097,602	—	9,627,523	9,097,602	529,921
Investment revenue	286,548	360,162	39,644	326,192	360,162	(33,970)
Other	721,592	1,034,313	—	721,592	1,034,313	(312,721)
Transfers	(4,240,983)	—	4,240,983	—	—	—
Capital contributions	(56,084,902)	—	56,084,902	—	—	—
<b>Total Revenues</b>	<b>12,116,833</b>	<b>74,411,640</b>	<b>66,340,777</b>	<b>78,457,610</b>	<b>74,411,640</b>	<b>4,045,970</b>
<b>Expenses</b>						
General government	9,891,228	10,833,526	—	9,891,228	10,833,526	(942,298)
Public safety	21,476,020	20,124,393	—	21,476,020	20,124,393	1,351,627
Municipal services	30,929,195	29,708,136	—	30,929,195	29,708,136	1,221,059
Parks and recreation	3,250,279	4,601,241	—	3,250,279	4,601,241	(1,350,962)
Economic development	707,048	3,470,102	—	707,048	3,470,102	(2,763,054)
Interest on long-term debt	3,178,417	4,511,828	—	3,178,417	4,511,828	(1,333,411)
Stormwater	—	—	3,662,798	3,662,798	—	3,662,798
<b>Total Expenses</b>	<b>69,432,187</b>	<b>73,249,226</b>	<b>3,662,798</b>	<b>73,094,985</b>	<b>73,249,226</b>	<b>(154,241)</b>
<b>Increase In Net Assets</b>	<b>(57,315,354)</b>	<b>1,162,414</b>	<b>62,677,979</b>	<b>5,362,625</b>	<b>1,162,414</b>	<b>4,200,211</b>
<b>Net Assets, January 1</b>	<b>486,581,472</b>	<b>485,419,058</b>	<b>—</b>	<b>486,581,472</b>	<b>485,419,058</b>	<b>1,162,414</b>
<b>Net Assets, December 31</b>	<b>\$ 429,266,118</b>	<b>\$ 486,581,472</b>	<b>\$ 62,677,979</b>	<b>\$ 491,944,097</b>	<b>\$ 486,581,472</b>	<b>\$ 5,362,625</b>

The City's net assets increased \$5,362,625. Key elements of this increase are as follows:

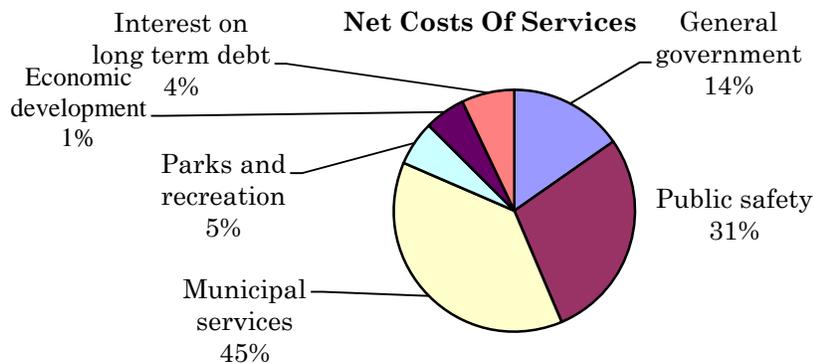
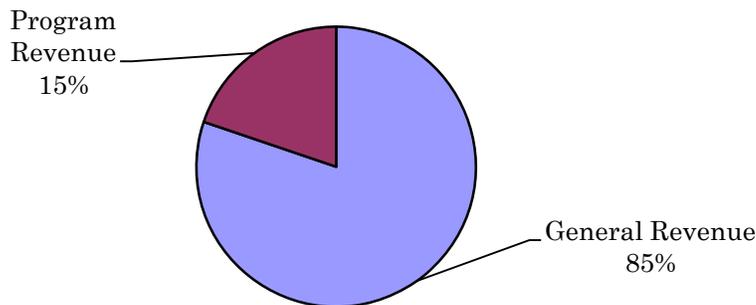
- Increase in capital grants and contributions due to federal funding for the 87<sup>th</sup> Street Parkway from Lennox to Renner Boulevard (\$3.7 million).
- Increase in sales tax revenue from 2010 to 2011 due to additional retailers and a better economic climate.
- Increase in Municipal Services of approximately \$3.5 million due to an increase in construction in progress. Major projects under construction in 2011 includes the 87<sup>th</sup> Street Parkway from Lennox to Renner Boulevard and the Flat Rock Creek Pool renovation.
- Decrease in Economic Development due to lower amount of certified costs in the Mining TIF District.

**CITY OF LENEXA, KANSAS**

Management's Discussion and Analysis (*Continued*)

- The government-wide statement of activities indicates the major sources of program revenues are capital grant contributions. General revenues comprised 85% of total revenues for governmental activities. Sales taxes are the largest general revenue source for governmental activities amounting to 42% followed closely by property tax amounting to 40% of general revenues.

**Total General Revenue**



For purposes of the above graph, only governmental activities are included. In addition, the capital grants and contributions amounts of \$5,692,079 have not been included in the net costs of services. The total cost of services for 2011 was \$69.4 million; however, \$4.3 million was funded by charges to users directly benefiting from the services or by other organizations through grants and contributions. The remaining \$65.1 million of these services was funded primarily through property taxes and sales taxes.

## **Analysis Of The Fund Financial Statements**

### ***Governmental Funds***

The City's governmental fund statements can be found on pages 16 to 19 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 2011 with a decrease in fund balance.

The General Fund is the main operating fund of the City. The fund balance of the General Fund at December 31, 2011 was \$23,522,587. This represents an increase of \$10,792 or a 0.05% increase over the previous year's balance. The General Fund had an increase in revenues along with an increase in expenditures. The increase in revenues was due to an increase in the amount of sales tax collected. The General Fund transfers included a one-time transfer of additional funds to the Capital Improvement Fund to pay cash for construction projects.

The fund balance of the Debt Service Fund at December 31, 2011 was \$5,054,122. This represents an increase of \$871,855 or a 21% increase 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, 2011 was \$14,770,150. This represents an increase of \$4,813,554 or a 48.3% over the previous year's balance. This increase is due to the accumulation of 3/8 cent sales tax revenue to fund future parks and civic capital projects.

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.

### ***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 as an Enterprise Fund. All activities necessary to provide such services are accounted for in this fund, 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.

## CITY OF LENEXA, KANSAS

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### Management's Discussion and Analysis (*Continued*)

#### General Fund Budgetary Highlights

The legally adopted budget for the General Fund was not amended by the Governing Body during 2011. However, departments within the City are allowed to transfer budget between line items and between activities within a department. Revenues exceeded budgetary estimates and expenditures were less than budgetary estimates. Revenues increased in the general fund almost \$1 million and expenditures increased \$1.5 million. The following are major budgetary highlights of the general fund for the 2011 fiscal year:

- An increase in sales tax revenue of \$1.3 million or a 5.3% increase. (This includes revenue for city and county sales tax along with revenue for compensating use tax.) This increase is due to additional retailers locating in Lenexa and the gradual improvement of overall economic trends.
- A 40% increase or \$305,000 in licenses and permits due to implementation of a staggered billing cycle for business licenses in the Community Development department.
- Increase in fuel costs of \$150,000 or 31% due to increased cost of gas.
- An increase in the amount of transfers to the Capital Improvement Fund to provide additional cash funding for construction projects.

#### Capital Asset And Debt Administration

##### *Capital Assets*

The total amount of capital assets for the City at December 31, 2011 was \$554,029,228, 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.

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Land	\$ 28,253,840	\$ 29,337,711
Buildings	28,535,346	24,754,013
Machinery and equipment	9,164,319	9,107,989
Infrastructure, depreciable	390,772,627	475,395,491
Construction in progress	7,053,565	11,836,550
Total	<u>\$ 463,779,697</u>	<u>\$ 550,431,754</u>

## CITY OF LENEXA, KANSAS

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### Management's Discussion and Analysis (*Continued*)

	Business-type Activities	
	2011	2010
Land	\$ 1,242,929	\$ —
Machinery and equipment	63,604	—
Infrastructure, depreciable	85,096,694	—
Construction in progress	3,846,304	—
Total	\$ 90,249,531	\$ —

Major capital events during the fiscal year included the following:

- Completed the construction of Black Hook Park phase II. This project provides amenities, such as shelters, play equipment and walking trails at Lake Lenexa.
- Completed the 96<sup>th</sup> and Marshall and the 108<sup>th</sup> and Pflumm storm drainage projects.
- Completed the construction of the new Municipal Service Center. The project includes new office and meeting space for street maintenance personnel.
- Completed reconstruction of the Parks Maintenance Facility. The project includes a new parks maintenance facility and additional office, storage and meeting space for Parks Maintenance personnel.
- Completed the 2011 Stormwater Infrastructure Replacement project. This project reconstructs or lines deteriorated corrugated metal pipe at various locations throughout the City.
- Completed the annual Pavement Management Program which reconstructs curbs and sidewalks and restores pavement surfaces at various locations throughout the City.

Additional information can be found in Note 6 starting on page 37 of this report.

### ***Debt Administration***

At December 31, 2011, the City had a number of debt issues outstanding. These issues include \$100,675,000 of general obligation bonds and special assessment debt backed by the full faith and credit of the City. This balance represents a \$3,600,000 net decrease over the 2010 balance. This net decrease is due to the issuance of \$6,060,000 general obligation improvement bonds to finance several capital improvement projects and the retirement of \$9,660,000 of general obligation principal. The City maintained an AA+ bond rating from Standard & Poor's and 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, 2011, the total general obligation debt of \$100,675,000 was well below the City's legal limit of \$277,269,273. The change in the Tax Increment Financing (TIF) developer obligation is due to payments to developers. In addition, the City added a Community Improvement District (CID) at the Orchard Corners complex. This CID had certified costs of \$921,130 at the end of the year. The City implemented GASB 45 in 2007 (Other Post Employment Benefits), and the related obligation as of December 31, 2011 is \$2,796,995. A summary of outstanding debt is as follows:

## CITY OF LENEXA, KANSAS

### Management's Discussion and Analysis (*Continued*)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 70,824,163	\$ 104,275,000	\$ 29,850,837	\$ —	\$ 100,675,000	\$ 104,275,000
TIF revenue bonds	7,865,000	7,865,000	—	—	7,865,000	7,865,000
General obligation notes payable	8,195,000	7,140,000	—	—	8,195,000	7,140,000
Employee compensated absences (net)	2,038,984	2,051,524	47,936	—	2,086,920	2,051,524
Other post employment benefits obligation	2,715,882	2,700,769	81,113	—	2,796,995	2,700,769
TIF developer obligation	14,170,917	15,133,873	—	—	14,170,917	15,133,873
CID developer obligation	921,130	—	—	—	921,130	—
Net unamortized premium	3,783,253	5,687,769	1,550,842	—	5,334,095	5,687,769
Discount on bonds	(70,473)	(161,833)	(79,510)	—	(149,983)	(161,833)
Capital lease payable	—	64,270	—	—	—	64,270
Revolving loan	—	212,740	266,983	—	266,983	212,740
Deferred amount on refunding	(16,928)	123,876	128,098	—	111,170	123,876
Total long-term liabilities	\$ 110,426,928	\$ 145,092,988	\$ 31,846,299	\$ —	\$ 142,273,227	\$ 145,092,988

Additional information on the City's debt can be found in Note 10 starting on page 42 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 Finance Director, 12350 W. 87th Street Parkway, Lenexa, Kansas 66215.

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## **Basic Financial Statements**

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# CITY OF LENEXA, KANSAS

## STATEMENT OF NET ASSETS December 31, 2011

	Governmental Activities	Business Activities	Total
<b>Assets</b>			
Deposits, including investments and restricted cash and investments	\$ 61,464,638	\$ 4,262,557	\$ 65,727,195
Receivables (net of allowance of \$755,497)	45,924,232	460,005	46,384,237
Bond issue costs	749,563	194,971	944,534
Net pension asset	272,487	8,138	280,625
Capital assets – nondepreciable	35,307,405	5,089,233	40,396,638
Capital assets – depreciable, net	428,472,292	85,160,298	513,632,590
<b>Total Assets</b>	<b>572,190,617</b>	<b>95,175,202</b>	<b>667,365,819</b>
<b>Liabilities</b>			
Accounts payable	3,124,340	197,598	3,321,938
Accrued interest payable	1,116,359	423,787	1,540,146
Accrued compensation	987,265	29,539	1,016,804
Unearned revenues	26,280,527	—	26,280,527
Other	60,614	—	60,614
Due to other entities	162,271	—	162,271
Self-insurance claims payable:			
Due within one year	691,363	—	691,363
Due in more than one year	74,832	—	74,832
Long-term liabilities:			
Due within one year	18,995,081	2,434,854	21,429,935
Due in more than one year	91,431,847	29,411,445	120,843,292
<b>Total Liabilities</b>	<b>142,924,499</b>	<b>32,497,223</b>	<b>175,421,722</b>
<b>Net Assets</b>			
Investment in capital assets, net of related debt	381,064,682	58,532,281	439,596,963
Restricted for:			
Debt service	5,310,119	—	5,310,119
Public safety	443,834	—	443,834
Municipal services	3,374,920	—	3,374,920
Parks and recreation	7,393,646	—	7,393,646
General government	303,250	—	303,250
Capital projects	4,012,557	1,390,539	5,403,096
Unrestricted	27,363,110	2,755,159	30,118,269
<b>Total Net Assets</b>	<b>\$ 429,266,118</b>	<b>\$ 62,677,979</b>	<b>\$ 491,944,097</b>

# CITY OF LENEXA, KANSAS

## STATEMENT OF ACTIVITIES For The Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Assets		Total
		Charges For	Operating Grants And	Capital Grants And	Governmental	Business-type	
		Services	Contributions	Contributions	Activities	Activities	
<b>Governmental Activities</b>							
General government	\$ 9,891,228	\$ 1,581,325	\$ 1,030	\$ —	(8,308,873)	\$ —	\$ (8,308,873)
Public safety	21,476,020	1,731,928	7,118	(12,470)	(19,749,444)	—	(19,749,444)
Municipal services	30,929,195	144,551	1,242,115	5,394,096	(24,148,433)	—	(24,148,433)
Parks and recreation	3,250,279	813,320	—	310,453	(2,126,506)	—	(2,126,506)
Economic development	707,048	—	—	—	(707,048)	—	(707,048)
Interest on long-term debt	3,178,417	—	—	—	(3,178,417)	—	(3,178,417)
<b>Total Governmental Activities</b>	<b>69,432,187</b>	<b>4,271,124</b>	<b>1,250,263</b>	<b>5,692,079</b>	<b>(58,218,721)</b>	<b>—</b>	<b>(58,218,721)</b>
<b>Business-type Activities</b>							
Stormwater	3,662,798	4,129,646	—	1,845,602	—	2,312,450	2,312,450
<b>Total</b>	<b>\$ 73,094,985</b>	<b>\$ 8,400,770</b>	<b>\$ 1,250,263</b>	<b>\$ 7,537,681</b>	<b>(58,218,721)</b>	<b>2,312,450</b>	<b>(55,906,271)</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes					24,611,342	—	24,611,342
Sales taxes					25,982,247	—	25,982,247
Franchise taxes					6,488,264	—	6,488,264
Motor vehicle taxes					1,926,812	—	1,926,812
Transient guest tax					660,183	—	660,183
Special liquor tax					552,264	—	552,264
Unrestricted investment earnings					286,548	39,644	326,192
Miscellaneous					721,592	—	721,592
Transfers					(4,240,983)	4,240,983	—
Capital contributions					(56,084,902)	56,084,902	—
<b>Total General Revenues And Transfers</b>					<b>903,367</b>	<b>60,365,529</b>	<b>61,268,896</b>
Change in net assets					(57,315,354)	62,677,979	5,362,625
<b>Net Assets - Beginning Of Year</b>					<b>486,581,472</b>	<b>—</b>	<b>486,581,472</b>
<b>Net Assets - End Of Year</b>					<b>\$ 429,266,118</b>	<b>\$ 62,677,979</b>	<b>\$ 491,944,097</b>

# CITY OF LENEXA, KANSAS

## BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2011

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General Fund	Debt Service	Capital Improvement Fund	Street Improvements	Other Governmental Funds	
<b>Assets</b>						
Deposits and investments	\$ 20,579,934	\$ 5,026,896	\$ 13,887,476	\$ —	\$ 13,096,737	\$ 52,591,043
Restricted cash and investments	222,885	—	—	—	255,997	478,882
Special assessment receivable	—	10,025,949	—	—	—	10,025,949
Property tax receivable (net of allowance for uncollectibles)	16,461,445	7,366,507	—	—	2,452,575	26,280,527
Sales tax receivable	4,453,057	—	—	—	138,629	4,591,686
Transient guest tax receivable	—	—	—	—	165,676	165,676
Franchise tax receivable	780,968	—	—	—	—	780,968
Special highway tax receivable	—	—	—	—	315,813	315,813
Special liquor tax receivable	42,661	—	—	—	85,322	127,983
Intergovernmental	—	—	—	2,758,226	11,022	2,769,248
Interest receivable	285,951	27,226	61,819	4,092	36,423	415,511
Due from other funds	300,514	—	859,905	216,679	—	1,377,098
Other receivable	212,246	—	—	—	—	212,246
<b>Total Assets</b>	<b>\$ 43,339,661</b>	<b>\$ 22,446,578</b>	<b>\$ 14,809,200</b>	<b>\$ 2,978,997</b>	<b>\$ 16,558,194</b>	<b>\$ 100,132,630</b>
<b>Liabilities And Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 994,355	\$ —	\$ 39,050	\$ 844,138	\$ 1,199,391	\$ 3,076,934
Accrued compensation	981,805	—	—	2,480	1,688	985,973
Due to other funds	1,076,584	—	—	300,112	402	1,377,098
Due to outside entities	162,271	—	—	—	—	162,271
Deferred revenue	16,541,445	17,392,456	—	114,017	2,463,597	36,511,515
Fire insurance proceeds	25,922	—	—	—	—	25,922
Municipal court deposits	34,692	—	—	—	—	34,692
<b>Total Liabilities</b>	<b>19,817,074</b>	<b>17,392,456</b>	<b>39,050</b>	<b>1,260,747</b>	<b>3,665,078</b>	<b>42,174,405</b>
<b>Fund Balances</b>						
Restricted	—	5,054,122	6,694,097	1,480,740	7,609,367	20,838,326
Committed	258,142	—	90,695	—	—	348,837
Assigned	168,011	—	7,985,358	237,510	5,284,151	13,675,030
Unassigned	23,096,434	—	—	—	(402)	23,096,032
<b>Total Fund Balances</b>	<b>23,522,587</b>	<b>5,054,122</b>	<b>14,770,150</b>	<b>1,718,250</b>	<b>12,893,116</b>	<b>57,958,225</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 43,339,661</b>	<b>\$ 22,446,578</b>	<b>\$ 14,809,200</b>	<b>\$ 2,978,997</b>	<b>\$ 16,558,194</b>	<b>\$ 100,132,630</b>

See the accompanying notes to basic financial statements.

# CITY OF LENEXA, KANSAS

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS December 31, 2011

**Total Fund Balance - Governmental Funds** \$ 57,958,225

Amounts reported for governmental activities in the statement of net assets 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) 463,779,697

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 assets

7,818,445

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 revenue in the fund financial statements.

10,230,988

Cost of debt issuance are capitalized and reported in the government-wide statement of net assets as a deferred charge and are amortized over the life of the bond issue

749,563

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 assets. Balances as of December 31, 2011 are:

Accrued compensated absences	(2,038,984)
Other post employment benefits obligation	(2,715,882)
Unamortized premium on bonds payable	(3,783,253)
Unamortized discount on bonds payable	70,473
Net pension asset	272,487
General obligation notes payable	(8,195,000)
Accrued interest payable on long-term debt	(1,116,359)
Reimbursable developer project costs (TIF)	(14,170,917)
Reimbursable developer project costs (CID)	(921,130)
Deferred amount on refunding	16,928
Tax increment financing bonds payable	(7,865,000)
General obligation bonds payable	(70,824,163)
	<u>(111,270,800)</u>

**Total Net Assets - Governmental Activities** \$ 429,266,118

# CITY OF LENEXA, KANSAS

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For The Year Ended December 31, 2011

	Major Funds						Nonmajor Funds	Total Governmental Funds
	General	Debt Service	Stormwater Management	Capital Improvement Fund	Street Improvements	Storm Drainage	Other Governmental Funds	
<b>Revenues</b>								
Taxes	\$ 48,292,461	\$ 9,580,287	\$ —	\$ —	\$ —	\$ —	\$ 4,871,667	\$ 62,744,415
Intergovernmental	—	—	—	1,030	5,832,894	—	428,967	6,262,891
Licenses and permits	1,064,999	—	—	—	—	—	—	1,064,999
Charges for services	1,244,224	—	—	—	—	—	573,612	1,817,836
Rents and leases	390,773	—	—	—	—	—	—	390,773
Fine and forfeits	1,138,177	—	—	—	—	—	54,101	1,192,278
Investment earnings	58,015	23,010	—	43,911	72,949	—	12,471	210,356
Miscellaneous	130,962	7,804	—	2,750	20,702	—	114,496	276,714
<b>Total Revenues</b>	<b>52,319,611</b>	<b>9,611,101</b>	<b>—</b>	<b>47,691</b>	<b>5,926,545</b>	<b>—</b>	<b>6,055,314</b>	<b>73,960,262</b>
<b>Expenditures</b>								
Current:								
General government	9,211,827	—	—	50,074	—	—	649,817	9,911,718
Public safety	20,540,937	—	—	5,155	—	—	236,677	20,782,769
Municipal services	7,483,671	—	—	77,586	—	—	33,870	7,595,127
Recreation	3,544,149	—	—	33,053	—	—	647,636	4,224,838
Capital outlay	—	—	—	—	12,634,312	—	12,411,253	25,045,565
Debt service:								
Principal retirement	57,135	7,645,000	—	—	7,140,000	—	749,226	15,591,361
Interest and fiscal charges	9,705	3,044,899	—	—	110,819	—	468,545	3,633,968
Bond issuance costs	—	—	—	—	41,904	—	83,864	125,768
<b>Total Expenditures</b>	<b>40,847,424</b>	<b>10,689,899</b>	<b>—</b>	<b>165,868</b>	<b>19,927,035</b>	<b>—</b>	<b>15,280,888</b>	<b>86,911,114</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>11,472,187</b>	<b>(1,078,798)</b>	<b>—</b>	<b>(118,177)</b>	<b>(14,000,490)</b>	<b>—</b>	<b>(9,225,574)</b>	<b>(12,950,852)</b>
<b>Other Financing Sources (Uses)</b>								
Issuance of general obligation bonds	—	—	—	—	—	—	4,800,000	4,800,000
Issuance of general obligation temporary notes	—	—	—	—	8,195,000	—	—	8,195,000
Premium on general obligation bonds	—	—	—	—	—	—	274,040	274,040
Transfers in	452,268	1,950,653	—	10,139,082	3,723,695	—	6,382,717	22,648,415
Transfers out	(11,913,663)	—	(4,188,746)	(5,207,351)	(1,571,117)	(56,843)	(3,951,678)	(26,889,398)
<b>Total Other Financing Sources (Uses)</b>	<b>(11,461,395)</b>	<b>1,950,653</b>	<b>(4,188,746)</b>	<b>4,931,731</b>	<b>10,347,578</b>	<b>(56,843)</b>	<b>7,505,079</b>	<b>9,028,057</b>
<b>Net Changes In Fund Balances</b>	<b>10,792</b>	<b>871,855</b>	<b>(4,188,746)</b>	<b>4,813,554</b>	<b>(3,652,912)</b>	<b>(56,843)</b>	<b>(1,720,495)</b>	<b>(3,922,795)</b>
<b>Fund Balances - Beginning Of Year</b>	<b>23,511,795</b>	<b>4,182,267</b>	<b>4,188,746</b>	<b>9,956,596</b>	<b>5,371,162</b>	<b>56,843</b>	<b>14,613,611</b>	<b>61,881,020</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 23,522,587</b>	<b>\$ 5,054,122</b>	<b>\$ —</b>	<b>\$ 14,770,150</b>	<b>\$ 1,718,250</b>	<b>\$ —</b>	<b>\$ 12,893,116</b>	<b>\$ 57,958,225</b>

# 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, 2011

**Net Change In Fund Balances - Total Governmental Funds** \$ (3,922,795)

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	16,272,355
Depreciation expense	(13,941,585)

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

Contributions from developers	119,396	
Net book value of current year disposals	(147,051)	
Capital contributions to enterprise fund	<u>(56,084,902)</u>	(53,781,787)

Some expenses reported in the statement of activities do not require the use of current financial

Change in accrued interest payable	106,484	
Change in employee compensated absences	12,540	
Change in net pension asset	199,316	
Change in other post employment benefits obligation	<u>(15,113)</u>	303,227

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

(1,901,641)

The issuance of long-term debt provides current financial resources to governmental funds, but issuing

General obligation bond proceeds	(4,800,000)	
General obligation note proceeds	(8,195,000)	
Bond issue cost	125,768	
Bond principal payment	7,645,000	
General obligation note payments	7,140,000	
Bond premium	(274,040)	
Reimbursable developer project cost payment (TIF)	962,956	
Reimbursable developer project cost obligation (CID)	(1,099,148)	
Reimbursable developer project cost payment (CID)	178,018	
Amortization of bond premium	451,041	
Amortization of bond discount	(5,824)	
Amortization of bond issue costs	(93,052)	
Amortization of deferred amount of refunding	(10,118)	
Capital lease payments	<u>64,270</u>	2,089,871

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

(102,229)

**Change In Net Assets Of Governmental Activities**

\$ (57,315,354)

# CITY OF LENEXA, KANSAS

## STATEMENT OF NET ASSETS - PROPRIETARY FUND December 31, 2011

	<b>Business -type Activities - Major Enterprise Fund <u>Stormwater</u></b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets</b>		
Current assets:		
Deposits and investments	\$ 4,262,557	\$ 8,394,713
Interest receivable	20,837	50,122
Intergovernmental receivable	439,168	—
Other receivable	—	188,503
Total current assets	<u>4,722,562</u>	<u>8,633,338</u>
Noncurrent assets:		
Capital assets – nondepreciable	5,089,233	—
Capital assets – depreciable, net	85,160,298	—
Net pension asset	8,138	—
Bond issue costs, net	194,971	—
Total noncurrent assets	<u>90,452,640</u>	<u>—</u>
<b>Total Assets</b>	<u>95,175,202</u>	<u>8,633,338</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	197,598	47,406
Accrued interest payable	423,787	—
Accrued compensation	29,539	1,292
Self insurance claims payable	—	691,363
Due within one year	2,434,854	—
Total current liabilities	<u>3,085,778</u>	<u>740,061</u>
Noncurrent liabilities:		
Due in more than one year	29,411,445	—
Self insurance claims payable	—	74,832
Total noncurrent liabilities	<u>29,411,445</u>	<u>74,832</u>
<b>Total Liabilities</b>	<u>32,497,223</u>	<u>814,893</u>
<b>Net Assets</b>		
Investments in capital assets, net of related debt	58,532,281	—
Restricted for capital projects	1,390,539	—
Unrestricted	2,755,159	7,818,445
<b>Total Net Assets</b>	<u>\$ 62,677,979</u>	<u>\$ 7,818,445</u>

# CITY OF LENEXA, KANSAS

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS PROPRIETARY FUND For The Year Ended December 31, 2011

	<b>Business -type Activities - Major Enterprise Fund Stormwater</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating Revenues</b>		
Charges for services	\$ 4,129,646	\$ 5,532,634
Reimbursements from insurance companies	—	408,755
Intergovernmental	—	6,825
Miscellaneous	—	208
<b>Total Operating Revenues</b>	<b>4,129,646</b>	<b>5,948,422</b>
<b>Operating Expenses</b>		
Personal services	1,003,721	46,528
Contractual services	—	804,383
Commodities	—	69,139
Stormwater operations	230,333	—
Depreciation	1,339,272	—
Claims	—	5,206,793
<b>Total Operating Expenses</b>	<b>2,573,326</b>	<b>6,126,843</b>
<b>Operating Income</b>	<b>1,556,320</b>	<b>(178,421)</b>
<b>Nonoperating Revenues (Expenses)</b>		
Investment income	39,644	76,192
Interest expense	(1,089,472)	—
Capital grants	1,845,602	—
<b>Total Nonoperating Revenues (expenses)</b>	<b>795,774</b>	<b>76,192</b>
<b>Income Before Contributions And Transfers</b>	<b>2,352,094</b>	<b>(102,229)</b>
Capital contributions	56,084,902	—
Transfers in	4,722,146	—
Transfers out	(481,163)	—
<b>Change In Net Assets</b>	<b>62,677,979</b>	<b>(102,229)</b>
<b>Total Net Assets – Beginning Of Year</b>	<b>—</b>	<b>7,920,674</b>
<b>Total Net Assets – End Of Year</b>	<b>\$ 62,677,979</b>	<b>\$ 7,818,445</b>

# CITY OF LENEXA, KANSAS

## STATEMENT OF CASH FLOWS PROPRIETARY FUND For The Year Ended December 31, 2011

	<b>Business-type Activities - Major Enterprise Fund Stormwater</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash Flows From Operating Activities</b>		
Cash received from customers	\$ 4,129,646	\$ 5,532,842
Cash received from insurance companies	—	163,572
Cash received from federal government	—	6,825
Cash payments for personnel services	(853,271)	(46,528)
Cash payments for contractual services and accounts payable	(32,735)	(5,918,977)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>3,243,640</b>	<b>(262,266)</b>
<b>Cash Flows From Noncapital Financing Activities</b>		
Transfers in	4,722,146	—
Transfers out	(481,163)	—
<b>Net Cash Provided By Noncapital Financing Activities</b>	<b>4,240,983</b>	<b>—</b>
<b>Cash Flows From Capital And Related Financing Activities</b>		
Premium on bonds	27,823	—
Bond issuance costs	(4,395)	—
Interest paid on long term debt	(1,336,347)	—
Additions to capital assets	(2,633,631)	—
Capital grants received from federal government	1,406,434	—
Proceeds from bonds	1,260,000	—
Proceeds from revolving loan	55,618	—
Principal paid on revolving loan	(1,375)	—
Principal paid on bonds	(2,015,000)	—
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(3,240,873)</b>	<b>—</b>
<b>Cash Flows Provided By Investing Activities</b>		
Interest received	18,807	105,146
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>4,262,557</b>	<b>(157,120)</b>
<b>Cash And Cash Equivalents – Beginning Of Year</b>	<b>—</b>	<b>8,551,833</b>
<b>Cash And Cash Equivalents – End Of Year</b>	<b>\$ 4,262,557</b>	<b>\$ 8,394,713</b>
<b>Reconciliation Of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities</b>		
Operating income (loss)	1,556,320	(178,421)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,339,272	—
Change in other receivables	—	(70,183)
Change in net pension obligation	(8,138)	—
Change in net OPEB	81,113	—
Change in compensated absences	47,936	—
Change in accounts, wages and claims payable	227,137	(13,662)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>\$ 3,243,640</b>	<b>\$ (262,266)</b>
<b>Noncash capital and related financing activities:</b>		
Capital contribution related to the reassignment of assets and liabilities from governmental activities (Note 1)	<b>\$ 56,084,902</b>	<b>\$ —</b>

# CITY OF LENEXA, KANSAS

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## STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS December 31, 2011

	<b>Pension Trust Fund</b>
<b>Assets</b>	
Cash and short-term investments	\$ 432,549
Investments at fair value:	
Corporate bonds	6,128,720
Domestic stocks	10,973,923
Real estate	2,235,077
International stocks	1,582,247
	<u>21,352,516</u>
<b>Net Assets</b>	<u>\$ 21,352,516</u>

# CITY OF LENEXA, KANSAS

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## STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS PENSION TRUST FUND For The Year Ended December 31, 2011

	<u>Pension Trust Fund</u>
<b>Additions</b>	
Contributions:	
Employer	<u>\$ 432,000</u>
Investment income:	
Net depreciation in fair value of investments	(775,224)
Dividends and interest	786,326
Investment expenses	(241,752)
Net investment income	<u>(230,650)</u>
<b>Total Additions</b>	201,350
<b>Deductions</b>	
Benefits paid	<u>1,123,856</u>
<b>Net Increase</b>	(922,506)
<b>Net Assets Held In Trust For Pension Benefits</b>	
Beginning of year	<u>22,275,022</u>
End of year	<u>\$ 21,352,516</u>

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**Notes To Basic Financial Statements**

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# THE CITY OF LENEXA, KANSAS

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## NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2011

### 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 Assets 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 as a business-type activity.

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 *Stormwater Management Fund* was used to account for the resources received from stormwater utility charges, sales tax, capital charges, general fund revenues, and grant funds to provide a systematic, economical, and environmentally sensitive means for managing stormwater. At the start of 2012, the assets, liabilities and remaining fund balance were transferred to an enterprise fund (Stormwater Fund).

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 CITY OF LENEXA, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

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

The *Storm Drainage Improvements Fund* was used to account for the financing and construction of various storm drainage improvement projects in within the City. At the start of 2012, the assets, liabilities and remaining fund balance were transferred to an enterprise fund (Stormwater Fund).

Additionally, the City reports the following fund types:

An *Enterprise Fund* is used to report the City's stormwater 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. This fund is considered a major fund. Certain assets and liabilities that were previously reported by the governmental activities were reassigned to the Stormwater Fund and reported as contributed capital.

*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 *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. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The City applies all applicable pronouncements of the Financial Accounting Standards Board (FASB) in accounting and reporting for proprietary activities issued on or before November 30, 1989, unless these pronouncements conflict with applicable Governmental Accounting Standards Board (GASB) guidance as prescribed by GASB Statement No. 20. The City has elected not to adopt pronouncements of the FASB issued after November 30, 1989.

## **THE CITY OF LENEXA, KANSAS**

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### Notes To Basic Financial Statements (*Continued*)

#### **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 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. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

The City typically invests available cash in demand deposits, time deposits, and U.S. Government securities ranging from 30 to 788 days to maturity. The average yield on investments during the year was 0.45% and the amount of investment revenue received was \$326,192.

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, 2011, 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 revenue on the balance sheets of the appropriate funds and the government-wide statements of net assets. 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, 2011 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."

# THE CITY OF LENEXA, KANSAS

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## Notes To Basic Financial Statements (*Continued*)

### 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. 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. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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.

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 - 10
Playground equipment	15

### Compensated Absences

All full-time and regular part-time employees are eligible for vacation benefits in varying annual amounts. Full time employees are allowed to accumulate and carry forward 240 hours of vacation, shift firefighters can carry forward 336 hours and regular part time employees can carry forward 120 hours. Hours accumulated and not taken in excess of these amounts as of December 31 of each year are transferred to the employee's sick leave balance. Upon termination or resignation, full-time employees on regular status and regular part-time employees who have been employed for a minimum of one year shall be compensated for all accumulated, unused vacation leave. 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.

Sick leave benefits accrue to all full-time and regular part-time employees in an amount based on position, 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, nonshift 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.

## **THE CITY OF LENEXA, KANSAS**

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### Notes To Basic Financial Statements (*Continued*)

#### **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 assets. Bond premiums and discounts, deferred amounts on refundings, as well as issuance costs, 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 and unamortized deferred amounts on refundings.

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.

#### **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 appropriate project fund. Further, state statutes require levying additional general ad valorem property taxes in the Debt Service Fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the Debt Service Fund. Special assessments are levied over a 10- or 15-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, 2011, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the applicable fund with a corresponding amount recorded as deferred revenue.

#### **Net Assets**

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

- (1) Invested in capital assets, net of related debt - 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.

## **THE CITY OF LENEXA, KANSAS**

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### Notes To Basic Financial Statements (*Continued*)

- (2) Restricted net assets - consists of net assets 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.
- (3) Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

For the fund financial statements, during 2011, the City adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The new Statement changed how fund balances are classified and reported, and clarified the definitions of existing governmental fund types. The new fund balance classifications for the City are described in Footnote 14. There was no effect on the City's total reported fund balance or changes in fund balance.

#### **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.

## **2. Compliance And Accountability**

### **Deficit Fund Equity**

At December 31, 2011, the Special Revenue Fund - Grants had a fund deficit of \$402. The Grant fund deficit balance should be eliminated with future grant revenues.

## **3. 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.

## THE CITY OF LENEXA, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

#### 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. Investments, if any, in the KMIP are reported at the amount invested by the City plus any accrued interest earned, which approximates fair value. 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 invest in U.S. Government Agency securities and securities of U.S. Government sponsored enterprises, as well as to extend maturities up to four years. The City is required to provide an annual report of investment results to the State as a condition of maintaining the expanded powers.

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 carrying value of deposits and investments are summarized as follows:

	<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Total</b>
Deposits	\$ (791,214)	\$ (55,900)	\$ (847,114)
Petty cash	3,790	—	3,790
Investments:			
Repurchase agreements	6,295,234	444,766	6,740,000
U.S. Governments securities	54,827,483	3,873,691	58,701,174
Investments held with trustee:			
Deposits	1,129,345	—	1,129,345
Total deposits, including investments	<u>\$ 61,464,638</u>	<u>\$ 4,262,557</u>	<u>\$ 65,727,195</u>

#### ***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, 2011, the City's deposits were insured by federal depository insurance and uninsured deposits were fully collateralized in accordance with the City's 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%
Temporary Notes or No-Fund Warrants	10%

The limit on repurchase agreements and Kansas MIP deposits may exceed 60%, but not more than 75%, of the portfolio for a maximum of 45 days during each of the June and December tax seasons and prior to debt service payments in 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.

Presented below is the actual rating by Moody's Investor Services as of year-end for each investment type, as well as 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, 2011</u>	<u>Percentage</u>
Repurchase agreements	\$ 6,740,000	AAA Collateral	10%
U.S. Government Securities			
US Treasury Notes	2,019,607	**	3%
Federal National Mortgage Association	16,571,159	AAA	25%
Federal Home Loan Banks	15,084,633	AAA	23%
Federal Home Loan Mortgage Corporation	17,682,881	AAA	27%
Federal Farm Credit	7,342,894	AAA	11%
Total	<u>\$ 65,441,174</u>		<u>100%</u>

\*\* U.S. Treasury Notes are not rated because they are considered of the highest quality.

## THE CITY OF LENEXA, KANSAS

### Notes To Basic Financial Statements (Continued)

#### **Interest Rate Risk**

As a means of minimizing the risk that the market value of securities in the portfolio will decline due to the changes in general interest rates, the City's policy is to structure the portfolio so that securities mature to meet cash requirement for ongoing operations, investing cash funds primarily in securities with maturities of one year or less in the Kansas Municipal Investment Pool and limiting investments to a maximum stated maturity of four years.

As of December 31, 2011, the City's investment portfolio had the following investments and maturities.

<b>Investment Type</b>	<b>Total</b>	<b>6 Months Or Less</b>	<b>6-12 Months</b>	<b>12-24 Months</b>	<b>24-36 Months</b>
U.S. Government Securities					
US Treasury Notes	\$ 2,019,607	\$ —	\$ 2,019,607	\$ —	\$ —
FNMA	16,571,159	6,107,253	3,136,521	4,272,360	3,055,025
FHLB	15,084,633	3,031,137	3,134,187	8,919,309	—
FHLMC	17,682,881	2,016,848	9,373,103	6,292,930	—
Federal Farm Credit	7,342,894	3,073,511	—	4,269,383	—
Repurchase agreements	6,740,000	6,740,000	—	—	—
	<b>\$ 65,441,174</b>	<b>\$ 20,968,749</b>	<b>\$ 17,663,418</b>	<b>\$ 23,753,982</b>	<b>\$ 3,055,025</b>

#### **Defined Benefit Pension Plan**

The City had \$21,352,516 in investments related to the City's defined benefit pension plan. These investments are carried at fair market value. The City determines fair value based on current available market rates. 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%.

There are five asset classes used: domestic equity (large cap and small cap), international equity, domestic fixed income, real estate and cash. The allocation percentages for each asset category are listed in the table below. Percentage allocations are intended to serve as guidelines.

<b>Asset Category</b>	<b>Allocation</b>		
	<b>Target</b>	<b>Minimum</b>	<b>Maximum</b>
Domestic equity - large cap	30%	25%	40%
Domestic equity - small cap	20%	10%	30%
International Equities	11%	5%	20%
Domestic Fixed Income	30%	20%	50%
Real Estate	9%	5%	15%
Cash	0%	0%	5%

## THE CITY OF LENEXA, KANSAS

### Notes To Basic Financial Statements (Continued)

The benchmark for the large cap domestic equity portion of the portfolio is to match or exceed the return of the Russell 1000 Index (net of investment management fees and transaction costs); the benchmark for the small/mid cap value equity manager is the Russell 2500 Value Index; 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 estate portion of the plan is to equal or exceed the return of the NCREIF Index (net of management fees and transaction costs) and 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, 2011, the Plan had the following investments and maturities.

	<b>Total</b>	<b>12 Months Or Less</b>	<b>12-48 Months</b>	<b>&gt; 48 Months</b>
Corporate bonds	\$ 6,128,720	\$ 53,257	\$ 505,938	\$ 5,569,525
Money market mutual funds	432,549	432,549	—	—
	6,561,269	\$ 485,806	\$ 505,938	\$ 5,569,525
Domestic stocks	10,973,923			
Real estate	2,235,077			
International stocks	1,582,247			
Total investments	\$ 21,352,516			

#### **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 Plan uses the credit ratings issued by Standard and Poor's for disclosure of credit risk. The following table summarizes the Plan investments subject to credit risk.

<b>Quality Rating</b>	<b>Corporate Bonds</b>	<b>Money Market Mutual Funds</b>
AAA	\$ 3,484,128	\$ —
AA	387,740	—
A	540,222	—
BBB or less	1,575,018	—
Not rated	141,612	432,549
	\$ 6,128,720	\$ 432,549

**THE CITY OF LENEXA, KANSAS**

Notes To Basic Financial Statements (*Continued*)

***Concentration Of Credit Risk***

As of December 31, 2011, 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	\$	4,438,053	21%
NWQ Investment Management		4,244,223	20%
Meritage Large Cap Growth		3,489,390	16%
Mainstay ICAP Equity Fund		3,157,015	15%
TIAA-CREF		2,235,077	10%
American Funds EuroPacific Growth		1,582,247	7%
Cavanal Hill Bond Funds		1,482,072	7%

***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.

**4. 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	Street Improve- ments	Capital Improve- ment	Nonmajor Govern- mental	Enterprise	Internal Service	Total
Property tax	\$ 16,983,377	\$ 7,600,072	\$ —	\$ —	\$ 2,452,575	\$ —	\$ —	\$ 27,036,024
Sales tax	4,453,057	—	—	—	138,629	—	—	4,591,686
Transient guest tax	—	—	—	—	165,676	—	—	165,676
Franchise tax	780,968	—	—	—	—	—	—	780,968
Special highway tax	—	—	—	—	315,813	—	—	315,813
Special liquor tax	42,661	—	—	—	85,322	—	—	127,983
Special assessment	—	10,025,949	—	—	—	—	—	10,025,949
Intergovernmental	—	—	2,758,226	—	11,022	439,168	—	3,208,416
Interest	285,951	27,226	4,092	61,819	36,423	20,837	50,122	486,470
Other	212,246	—	—	—	—	—	188,503	400,749
Less: allowance for uncollectible accounts	(521,932)	(233,565)	—	—	—	—	—	(755,497)
<b>Total Receivables</b>	<b>\$ 22,236,328</b>	<b>\$ 17,419,682</b>	<b>\$ 2,762,318</b>	<b>\$ 61,819</b>	<b>\$ 3,205,460</b>	<b>\$ 460,005</b>	<b>\$ 238,625</b>	<b>\$ 46,384,237</b>

**THE CITY OF LENEXA, KANSAS**

Notes To Basic Financial Statements (*Continued*)

**5. Tax Revenues**

Tax revenues for the City consist of the following:

	General	Debt Service	Nonmajor Governmental Funds	Total
Property tax	\$ 14,698,343	\$ 7,711,293	\$ 2,284,546	\$ 24,694,182
Sales tax	25,665,600	—	316,647	25,982,247
Transient guest tax	—	—	660,183	660,183
Franchise tax	6,488,264	—	—	6,488,264
Special assessment	—	1,198,352	—	1,198,352
Motor vehicle	1,256,170	670,642	—	1,926,812
Other	184,084	—	1,610,291	1,794,375
<b>Total tax revenues</b>	<b>\$ 48,292,461</b>	<b>\$ 9,580,287</b>	<b>\$ 4,871,667</b>	<b>\$ 62,744,415</b>

**6. Capital Assets**

The following is a summary of changes in capital assets for the year ended December 31, 2011:

	Balance December 31, 2010	Reclassi- fications	Increases	Decreases	Balance December 31, 2011
Governmental activities:					
Assets not being depreciated:					
Land	\$ 29,337,711	\$ (1,083,871)	\$ —	\$ —	\$ 28,253,840
Construction in progress	11,836,550	(3,021,179)	17,267,523	19,029,329	7,053,565
<b>Total nondepreciable capital assets</b>	<b>41,174,261</b>	<b>(4,105,050)</b>	<b>17,267,523</b>	<b>19,029,329</b>	<b>35,307,405</b>
Assets being depreciated:					
Buildings	45,323,936		5,041,662	—	50,365,598
Machinery and equipment	23,140,537	(196,846)	1,885,022	711,734	24,116,979
Infrastructure - Streets	551,158,000		11,226,873	147,051	562,237,822
Infrastructure - Stormwater	98,115,125	(98,115,125)	—	—	—
<b>Total depreciable capital assets</b>	<b>717,737,598</b>	<b>(98,311,971)</b>	<b>18,153,557</b>	<b>858,785</b>	<b>636,720,399</b>
Less accumulated depreciation					
Buildings	(20,569,923)		(1,260,329)	—	(21,830,252)
Machinery and equipment	(14,032,548)	113,168	(1,745,014)	(711,734)	(14,952,660)
Infrastructure - Streets	(160,528,953)		(10,936,242)	—	(171,465,195)
Infrastructure - Stormwater	(13,348,681)	13,348,681	—	—	—
<b>Total accumulated depreciation</b>	<b>(208,480,105)</b>	<b>13,461,849</b>	<b>(13,941,585)</b>	<b>(711,734)</b>	<b>(208,248,107)</b>
<b>Total capital assets being depreciated, net</b>	<b>509,257,493</b>	<b>(84,850,122)</b>	<b>4,211,972</b>	<b>147,051</b>	<b>428,472,292</b>
<b>Total governmental activities, capital assets, net</b>	<b>\$ 550,431,754</b>	<b>\$ (88,955,172)</b>	<b>\$ 21,479,495</b>	<b>\$ 19,176,380</b>	<b>\$ 463,779,697</b>

**THE CITY OF LENEXA, KANSAS**

Notes To Basic Financial Statements (*Continued*)

	Balance December 31, 2010	Reclassi- fications	Increases	Decreases	Balance December 31, 2011
Business type activities:					
Assets not being depreciated:					
Land	\$ —	\$ 1,083,871	\$ 159,058	\$ —	\$ 1,242,929
Construction in progress	—	3,021,179	2,474,573	1,649,448	3,846,304
<b>Total nondepreciable capital assets</b>	<b>—</b>	<b>4,105,050</b>	<b>2,633,631</b>	<b>1,649,448</b>	<b>5,089,233</b>
Assets being depreciated:					
Machinery and equipment	—	196,846	—	—	196,846
Infrastructure - Stormwater	—	98,115,125	1,649,448	—	99,764,573
<b>Total depreciable capital assets</b>	<b>—</b>	<b>98,311,971</b>	<b>1,649,448</b>	<b>—</b>	<b>99,961,419</b>
Less accumulated depreciation					
Machinery and equipment	—	(113,168)	(20,074)	—	(133,242)
Infrastructure - Stormwater	—	(13,348,681)	(1,319,198)	—	(14,667,879)
<b>Total accumulated depreciation</b>	<b>—</b>	<b>(13,461,849)</b>	<b>(1,339,272)</b>	<b>—</b>	<b>(14,801,121)</b>
<b>Total capital assets being depreciated, net</b>	<b>—</b>	<b>84,850,122</b>	<b>310,176</b>	<b>—</b>	<b>85,160,298</b>
<b>Total business type activities, capital assets, net</b>	<b>\$ —</b>	<b>\$ 88,955,172</b>	<b>\$ 2,943,807</b>	<b>\$ 1,649,448</b>	<b>\$ 90,249,531</b>

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

Governmental activities:	
General government	\$ 410,948
Public safety	1,625,982
Municipal Services	427,614
Infrastructure	10,936,242
Parks and recreation	540,799
<b>Total depreciation expense – governmental activities</b>	<b>\$ 13,941,585</b>
Business Type activities:	
Municipal services	\$ 20,074
Infrastructure	1,319,198
<b>Total depreciation expense – business type activities</b>	<b>\$ 1,339,272</b>

**7. Commitments**

**Construction Commitments**

Normal commitments have been made for future expenditures related to the City's capital projects programs. At December 31, 2011, outstanding construction commitments, including obligations for capital outlay, were \$7,042,382.

## THE CITY OF LENEXA, KANSAS

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### Notes To Basic Financial Statements (Continued)

At December 31, 2011, capital project authorizations compared with expenditures from inception are as follows:

	<b>Project Authorizations</b>	<b>Expenditures - Project Inception To December 31, 2011</b>
Governmental Activities:		
Street improvements	\$ 59,807,781	\$ 14,300,635
Municipal buildings	6,990,000	5,165,084
Capital acquisitions	3,454,360	1,547,549
Parks and recreation	8,441,865	5,228,689
	<u>\$ 78,694,006</u>	<u>\$ 26,241,957</u>

	<b>Project Authorizations</b>	<b>Expenditures - Project Inception To December 31, 2011</b>
Business Type Activities:		
Storm Drainage	\$ 23,990,977	\$ 5,336,694

### 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.

## 8. Interfund Receivables, Payables And Transfers

Interfund receivable and payable balances at December 31, 2011 are as follows:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General fund	\$ 300,514	\$ 1,076,584
Street improvements	216,679	300,112
Capital improvement fund	859,905	—
Nonmajor governmental	—	402
	<u>\$ 1,377,098</u>	<u>\$ 1,377,098</u>

## THE CITY OF LENEXA, KANSAS

### Notes To Basic Financial Statements (Continued)

The General Fund interfund payable is a portion of the economic development sales tax that will fund capital projects and a portion of the 3/8 cent sales tax to fund parks/roads and a civic center project. The payable will be eliminated in 2012.

A summary of interfund transfers by fund type is as follows at December 31, 2011:

	Transfers Out							Total
	General	Street Improve- ments	Storm Drainage	Stormwater Management	Capital Improve- ment	Nonmajor Govern- mental	Stormwater	
Transfers in:								
General	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 452,268	\$ —	\$ 452,268
Debt Service	—	1,203,244	—	—	—	291,246	456,163	1,950,653
Capital								
Improvements	9,233,859	340,180	—	—	—	565,043	—	10,139,082
Street								
Improvements	14,570	—	—	—	2,427,896	1,256,229	25,000	3,723,695
Nonmajor								
Governmental	2,665,234	—	—	—	2,779,455	938,028	—	6,382,717
Stormwater	—	27,693	56,843	4,188,746	—	448,864	—	4,722,146
Total	\$ 11,913,663	\$ 1,571,117	\$ 56,843	\$ 4,188,746	\$ 5,207,351	\$ 3,951,678	\$ 481,163	\$ 27,370,561

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.

## 9. Leases

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 current lease agreement is in the 2 year extension option that covers the period of June 1, 2011 to May 21, 2013. The cost of the Thompson Farm was \$790,000 with accumulated depreciation of \$381,833 and a current carrying value of \$408,167.

**THE CITY OF LENEXA, KANSAS**

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Notes To Basic Financial Statements (*Continued*)

**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, 96<sup>th</sup> and Pflumm, 24000 Prairie Star Parkway, 10855 Eicher and 12500 W 87<sup>th</sup> St. The lease agreements provide for monthly lease payments. The cost of the cellular towers was \$1,063,500 with accumulated depreciation of \$860,250 and a current carrying value of \$203,250.

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

<u>Year</u>	<u>Amount</u>
2012	\$ 391,218
2013	401,166
2014	413,632
2015	420,962
2016	374,754
2017 - 2021	1,820,259
2022 - 2026	1,170,727
2027 - 2030	448,175
	<u>\$ 5,440,893</u>

**THE CITY OF LENEXA, KANSAS**

Notes To Basic Financial Statements (*Continued*)

**10. 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, 2011:

	Balance December 31, 2010	Additions	Retired	Reclass- ification	Balance December 31, 2011	Due Within One Year
<b>Governmental activities:</b>						
General obligation bonds	\$ 104,275,000	\$ 4,800,000	\$ 7,645,000	\$ (30,605,837)	\$ 70,824,163	\$ 6,560,000
Net unamortized premium	5,687,769	274,040	451,041	(1,727,515)	3,783,253	464,969
Less unamortized discount	(161,833)	—	(5,824)	85,536	(70,473)	(5,823)
TIF revenue bonds	7,865,000	—	—	—	7,865,000	395,000
General obligation notes payable	7,140,000	8,195,000	7,140,000	—	8,195,000	8,195,000
Capital lease payable	64,270	—	64,270	—	—	—
Employee compensated absences	2,051,524	1,736,175	1,748,715	—	2,038,984	1,835,087
Reimbursable developer project costs - TIF	15,133,873	—	962,956	—	14,170,917	639,836
Reimbursable developer project costs - CID	—	1,099,148	178,018	—	921,130	921,130
Revolving loans payable	212,740	—	—	(212,740)	—	—
Deferred amount on refunding	123,876	—	(10,118)	(150,922)	(16,928)	(10,118)
Net other post employment benefits obligation	2,700,769	332,661	317,548	—	2,715,882	—
Total governmental activities long-term obligations	145,092,988	16,437,024	18,491,606	(32,611,478)	110,426,928	18,995,081
<b>Business type activities:</b>						
General obligation bonds	—	1,260,000	2,015,000	30,605,837	29,850,837	2,160,000
Net unamortized premium	—	27,823	204,496	1,727,515	1,550,842	205,364
Less unamortized discount	—	—	(6,026)	(85,536)	(79,510)	(6,026)
Employee compensated absences	—	47,936	—	—	47,936	42,184
Revolving loans payable	—	55,618	1,375	212,740	266,983	10,508
Deferred amount on refunding	—	—	22,824	150,922	128,098	22,824
Net other post employment benefits obligation	—	81,113	—	—	81,113	—
Total business type activities long-term obligations	—	1,472,490	2,237,669	32,611,478	31,846,299	2,434,854
	\$ 145,092,988	\$ 17,909,514	\$ 20,729,275	\$ —	\$ 142,273,227	\$ 21,429,935

**THE CITY OF LENEXA, KANSAS**

Notes To Basic Financial Statements (*Continued*)

**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 activities. During the year, general obligation bonds totaling \$6,060,000 were issued to finance street and storm drainage improvements.

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, 2011	Interest Paid 2011
Street improvements, refunding	2003A	3.65 to 4.6%	\$ 34,565,000	9/1/2018	\$ 2,969,501	\$ 961,000
Street improvements	2004A	2.5 to 4.4%	11,010,000	9/1/2024	3,665,000	155,365
Street improvements	2005A	2.15 to 3.75%	1,140,000	9/1/2025	505,000	21,630
Street improvements, refunding	2005B	2.65 to 4.35%	8,915,000	9/1/2025	2,870,000	118,433
Street improvements	2006C	4.25 to 4.625%	7,625,000	9/1/2026	5,005,000	262,056
Land acquisition	2006E	4.0 to 4.125%	940,000	9/1/2026	760,000	32,091
Street, City Center East Benefit District	2007B	5.0%	12,975,000	9/1/2027	3,745,000	200,000
Street improvements	2008B	3.0 to 5%	15,020,000	9/1/2023	12,725,000	548,563
Street improvements	2009A	1.5 to 5.5%	2,985,000	9/1/2029	2,510,000	72,166
Refunding	2009B	3.0 to 4.0%	7,660,000	9/1/2027	7,005,000	256,438
Street improvements	2010B	3.0 to 4.0 %	11,445,000	9/1/2025	10,840,000	417,158
Refunding	2010C	4.0 to 5.0%	13,424,662	9/1/2018	13,424,662	—
Building improvements	2011A	3.0 to 4.0%	4,800,000	48,092	4,800,000	—
					<u>\$ 70,824,163</u>	<u>\$ 3,044,900</u>

	Series	Interest Rates %	Original Issue Amount	Final Maturity Date	Outstanding December 31, 2011	Interest Paid 2011
Stormwater improvements	2003A	3.65 to 4.6%	16,800,000	9/1/2018	\$ 1,635,499	\$ 450,550
Stormwater improvements	2004A	2.5 to 4.4%	6,355,000	9/1/2024	4,625,000	188,070
Stormwater improvements	2005B	2.65 to 4.35%	3,945,000	9/1/2025	3,095,000	129,272
Stormwater improvements	2006C	4.25 to 4.625%	5,735,000	9/1/2026	3,115,000	145,131
Stormwater improvements	2006E	4.0 to 4.125%	2,070,000	9/1/2026	1,660,000	70,266
Stormwater improvements	2007B	5.0%	4,010,000	9/1/2027	3,500,000	182,000
Stormwater improvements	2009A	1.5 to 5.5%	2,960,000	9/1/2029	2,740,000	88,119
Stormwater improvements	2010B	3.0 to 4.0%	1,945,000	9/1/2025	1,830,000	71,460
Stormwater improvements, refunding	2010C	4.0 to 5.0%	6,390,338	9/1/2018	6,390,338	—
Stormwater improvements	2011A	3.0 to 4.0%	1,260,000	9/1/2031	1,260,000	—
					<u>\$ 29,850,837</u>	<u>\$ 1,324,868</u>

**THE CITY OF LENEXA, KANSAS**

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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:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 6,560,000	\$ 2,901,811	\$ 9,461,811
2013	7,055,088	2,577,176	9,632,264
2014	7,364,463	2,322,821	9,687,284
2015	6,507,875	2,053,628	8,561,503
2016	6,425,612	1,810,014	8,235,626
2017 – 2021	26,276,125	5,122,011	31,398,136
2022 – 2026	9,340,000	1,158,426	10,498,426
2027 – 2031	1,295,000	96,400	1,391,400
	<u>\$ 70,824,163</u>	<u>\$ 18,042,287</u>	<u>\$ 88,866,450</u>

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 2,160,000	\$ 1,325,739	\$ 3,485,739
2013	2,139,912	1,199,669	3,339,581
2014	2,270,537	1,116,699	3,387,236
2015	2,417,125	1,028,482	3,445,607
2016	2,459,388	932,967	3,392,355
2017 – 2021	9,728,875	3,091,319	12,820,194
2022 – 2026	7,130,000	1,279,014	8,409,014
2027 – 2031	1,545,000	154,513	1,699,513
	<u>\$ 29,850,837</u>	<u>\$ 10,128,402</u>	<u>\$ 39,979,239</u>

In prior years, the City defeased certain general obligation bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2011, \$26,640,000 of bonds outstanding are considered defeased.

## THE CITY OF LENEXA, KANSAS

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### Notes To Basic Financial Statements (Continued)

#### 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, 2011 are payable as follows:

<u>Project</u>	<u>Interest Rate %</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Outstanding December 31, 2011</u>	<u>Interest Paid 2011</u>
Street Improvements	1.25%	05/15/2010	11/01/2011	\$ —	\$ 130,404
Street Improvements	0.40%	07/19/2011	11/01/2012	8,195,000	—
				<u>\$ 8,195,000</u>	<u>\$ 130,404</u>

Annual debt service requirements to maturity for general obligation notes payable are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 8,195,000	\$ 40,064	\$ 8,235,064

The City's total general obligation debt of \$100,675,000 and general obligation notes payable of \$8,195,000 total \$108,870,000. The City has \$173,453,395 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.

#### 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 2011, incremental ad valorem tax revenues were \$429,269. The bonds have rates of interest ranging from 5.75% to 6% and mature annually through 2027 with amounts ranging from \$170,000 to \$1,080,000.

## THE CITY OF LENEXA, KANSAS

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### Notes To Basic Financial Statements (Continued)

The trustee for the bond issue (Security Bank of Kansas City) did not make the \$170,000 scheduled payment of principal on the bonds due April 1, 2011 or the \$225,000 scheduled payment of principal due April 1, 2012. The interest payment due on April 1, 2012 was paid as scheduled by the trustee. On April 17, 2012 the trustee filed a communication to bondholders on the Electronic Municipal Market Access (EMMA) website. The trustee's communication to bondholders states "the occurrence of certain events involving the City Center East Project has led the Trustee to believe that future payments of principal of and interest on the Bonds may not be made on schedule."

Annual debt service requirements to maturity for the tax increment revenue bonds are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 395,000	\$ 452,301	\$ 847,301
2013	260,000	438,357	698,357
2014	285,000	422,689	707,689
2015	310,000	405,350	715,350
2016	335,000	386,323	721,323
2017-2021	2,120,000	1,585,320	3,705,320
2022-2026	3,080,000	812,400	3,892,400
2027	1,080,000	32,400	1,112,400
	<u>\$ 7,865,000</u>	<u>\$ 4,535,140</u>	<u>\$ 12,400,140</u>

### Reimbursable Developer Project Costs

These obligations represent developer project costs that have been certified by the City as eligible for reimbursement from tax increment financing revenues attributable to the project. Under tax increment financing plans, the developer may be reimbursed up to the certified cost amount from incremental taxes up to a period of 20 years. Accordingly, certified project costs in excess of amounts reimbursed to date are reflected as a long-term obligation of the City. The City is only obligated for the amount of incremental taxes received attributable to the project; any deficiencies are the responsibility of the developer.

A redevelopment district was established on June 17, 1997 for the Ridgeview Mining (formerly Meritix) TIF District. Project Plan One was approved in 2002. Incremental ad valorem taxes were projected to produce sufficient revenues to reimburse the developer for eligible project costs. For 2011, incremental ad valorem tax revenues amounted to \$662,533 and payments to the developer were \$0. At December 31, 2011 there are no additional certified costs to be reimbursed to the developer. Project Plan One expires in 2018.

## **THE CITY OF LENEXA, KANSAS**

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### Notes To Basic Financial Statements (*Continued*)

A redevelopment district was established on April 6, 2004 for the Mining TIF District. Project Plan One was approved in 2004. Incremental ad valorem taxes were projected to produce sufficient revenues to reimburse the developer for eligible costs. For 2011, incremental ad valorem tax revenues and payments to the developer were \$107,648. The Developer may be reimbursed up to the balance of the certified cost amount of \$5,047,241 until 2022.

Mining TIF District Project Plan Two was approved in 2008. Incremental ad valorem taxes were projected to produce sufficient revenues to reimburse the developer for eligible costs. For 2011, incremental ad valorem tax revenues and payments made to the developer were \$392,785. The Developer may be reimbursed up to the balance of the certified cost amount of \$6,684,134 until 2024.

A redevelopment district was established on September 11, 2001 for the City Center TIF District. Project Plan One B was approved in 2008. Incremental ad valorem taxes were projected to produce sufficient revenues to reimburse the developer for eligible costs. For 2011, incremental ad valorem tax revenues and payments made to the developer were \$70,423. The Developer may be reimbursed up to the balance of the certified cost amount of \$2,439,542 until 2028.

#### **Community Improvement District**

The City established a Community Improvement District (CID) and approved an additional 1% sales tax within the District. 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 95<sup>th</sup> Street and Quivira Road. The estimated cost of the proposed project within the District is approximately \$16,000,000. 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 provided the required minimum capital investment is met. Certified project costs in excess of amounts reimbursed to date are reflected as a long-term obligation of the City. 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 Developer may be reimbursed up to the balance of the certified cost amount of \$921,130. The City is only obligated for the amount of sales tax received attributable to the project; any deficiencies are the responsibility of the developer.

#### **Revolving Loan**

The City entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) 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, 2011, \$1,073,430 has been drawn on this loan and the payback amount is \$268,358. KDHE has committed to 75 percent principal forgiveness of the loan beginning in 2010. The City made a principal payment to this loan in the amount of \$1,375, which resulted in \$266,983 left outstanding as of December 31, 2011.

## THE CITY OF LENEXA, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

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

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 10,508	\$ 6,563	\$ 17,071
2013	10,832	6,268	17,100
2014	11,129	5,999	17,128
2015	11,433	5,722	17,155
2016	11,746	5,438	17,184
2017 – 2021	63,738	22,645	86,383
2022 – 2026	72,956	14,274	87,230
2027 – 2031	74,641	4,692	79,333
	<b>\$ 266,983</b>	<b>\$ 71,601</b>	<b>\$ 338,584</b>

### **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, 2011, there were 16 issues of industrial revenue and multifamily housing bonds outstanding. These issues have an aggregate original issue amount of approximately \$226 million and an aggregate balance outstanding of approximately \$148 million at December 31, 2011.

## **11. 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 Funds, all of which are Internal Service Funds. Property and liability insurance coverage is purchased from outside sources. The City is insured for property losses up to approximately \$79 million and carries a \$25,000 deductible on property losses. For general liability, the City has \$1 million in coverage with a statutory limit of \$500,000 per tort claim. The City has a deductible of \$25,000 per occurrence on all liability claims, with a \$300,000 aggregate deductible stop loss that applies to all liability lines. In addition, the City carries an excess liability policy with a limit of \$5,000,000 with a \$10,000 deductible. The City has purchased both specific and aggregate reinsurance, as well as an Accidental, Death and Dismemberment (AD&D) policy, to protect the City from extreme liability. For workers compensation, the City has a self-insurance retention of \$350,000 per occurrence on all Police and Fire Department liability claims and \$350,000 per occurrence on all other claims with a \$1,000,000 statutory limit. The aggregate stop loss is \$1,222,308. 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, 2011 that would exceed insurance coverage. There have been no insurance settlements that have exceeded the insurance coverage for the past three years.

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 nonincremental costs are not included in the basis of estimating the liability.

At year end, the workers compensation net asset balance was \$1,450,665 with claims liability of \$299,330. This claims liability is based on estimates of the ultimate cost of claims, including inflation factors and historical trend data. Other nonincremental 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

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### Notes To Basic Financial Statements (Continued)

The City self-insures a health benefit and short-term disability plan. Contributions of \$420,671 a month on behalf of and from current employees are made to a designated City bank account, and approximately \$26,349 is deposited monthly from COBRA and retiree participants. FMH Benefit Services, Inc. administers, processes, and pays employee health, dental, and disability claims from funds in this account in accordance with the plan. The medical plan will pay a stop loss benefit of \$100,000 per person medical claim per year (\$100,000 for retirees) plus a one time aggregate deductible of \$50,000 with a maximum of \$5,025,753 for total medical and pharmacy claims per year. After the maximum benefit per employee and \$5,025,753 total per year are paid, a reinsurance policy with Remoulton/AmericanUnited Life becomes effective. Payments made in accordance with the plans and related insurance premiums are recorded in the Health Plan Fund. As of December 31, 2011, a liability of \$401,865 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 nonincremental 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>
2010	\$ 276,000	\$ (161,000)	\$ —	\$ 115,000
2011	115,000	(50,000)	—	65,000

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>
2010	\$ 509,663	\$ 244,126	\$ 385,241	\$ 368,548
2011	368,548	175,814	245,032	299,330

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

<u>Year</u>	<u>Beginning Of Fiscal Year Liability</u>	<u>Claims And Changes In Estimates</u>	<u>Claim Payments</u>	<u>Balance At Fiscal Year End</u>
2010	\$ 426,133	\$ 4,047,263	\$ 4,211,908	\$ 261,488
2011	261,488	4,411,351	4,270,974	401,865

## **12. Employee Retirement Systems And Pension Plans**

### **Pension Plans**

#### **KPERS And KP&F**

The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available joint financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (400 SW 8th Avenue, Suite 200, Topeka, Kansas 66603-3925) or by calling 1-800-228-0366.

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary prior to June 30, 2009, and at 6% of covered salary from July 1, 2009 to December 31, 2011. K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established for the fiscal year beginning in 2011 was 7.74% for January 1, 2011 to December 31, 2011 of the employee's gross salary. The City employer contributions to KPERS for the years ended December 31, 2011, 2010 and 2009 were \$811,143, \$819,477, and \$801,920, respectively, equal to the required contributions for each year. The KP&F employer rate established for the fiscal year beginning in 2011 is 14.69%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The City employer contributions to KP&F for the years ending December 31, 2011, 2010 and 2009 were \$1,529,407, \$1,341,143, and \$1,446,618, respectively, equal to the required contributions for each year. For employers who hire a KPERS retiree who retired from a different employer, the employer contribution rate from January 1, 2011 to December 31, 2011 was 14.42%. The City contribution for Working After Retirement for the years ended December 31, 2011 and 2010 was \$17,749 and \$13,205, respectively.

**Defined Contribution Plan**

In July 2004, pursuant to resolution, the Governing Body established the City of Lenexa 401(a) plan on behalf of the City Administrator, administered by the ING Life Insurance and Annuity Company. This 401(a) plan is a defined contribution plan governed by the Internal Revenue Code of 1986. Contributions are made by the City to the plan on behalf of the City Administrator per the annual employment agreement between the Governing Body and the City Administrator. The City contributed \$10,210 during 2011 to the Defined Contribution Plan. The Plan provides funds for retirement and for beneficiaries in the event of death. The eligible participant is not required to contribute to the Plan however the participant may choose to contribute. The eligible participant is immediately vested.

Effective January 1, 2010, pursuant to resolution, the Governing Body established the City of Lenexa 401(a) Defined Contribution Plan (Defined Contribution Plan) to be administered by ING Life Insurance and Annuity Company effective January 1, 2010. This 401(a) plan is a defined contribution plan governed by the Internal Revenue Code of 1986. The City will contribute 4% of total compensation for each employee into a 401(a) account for all full time and regular part time employees of the City, which includes all employees whose employment is not seasonal, temporary, elected or appointed 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 City contributed \$1,212,989 during 2011 to the Defined Contribution Plan. The Defined Contribution Plan provides funds for retirement 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 owned by the City and therefore the related assets and liabilities are not reflected in the financial statements.

**Defined Benefit Plan**

***Plan Description And Provisions***

On January 1, 1989, in addition to the KPERS and KP&F plans, 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. 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

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### Notes To Basic Financial Statements (*Continued*)

Under the Plan, employees were eligible to participate when they have worked 1,000 hours in a plan year. Employees were 100% vested after three years of service and obtain 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, 2011, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	70
Terminated plan members entitled to, but not yet receiving benefits	168
Active plan members	<u>329</u>
Total	<u><u>567</u></u>

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 the other employees except that the normal retirement age is 55 versus 62 and there is no early retirement option.

#### ***Funding Policy***

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 Board of Trustees.

The recommended contribution rate is determined by the Plan's consulting actuary using the unit credit actuarial cost funding method. Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the actuarial accrued liability. Significant actuarial assumptions used include: (a) a rate of return on the investment of 7% per year compounded annually prior to retirement and 6.25% per year compounded annually after retirement; (b) projected salary increases of 5% per year; and (c) inflation rate of 3% per year.

## THE CITY OF LENEXA, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

The City contribution rate is expected to fund normal cost and amortize the unfunded actuarial accrued liability over a rolling 30 year period. Under the Plan, participants are not required to contribute. All contributions to this single-employer defined benefit pension plan are made by the City. The City's annual pension cost and net pension asset consisted of the following at December 31, 2011, the date of the latest actuarial valuation:

#### Annual Pension Cost And Net Pension Obligation

Annual required contribution	\$	244,746
Interest on net pension obligation		(5,122)
Adjustment to annual required contribution		5,897
<b>Annual Pension Cost</b>		<u>245,521</u>
Contributions made plus interest		<u>452,975</u>
<b>Change In Net Pension Asset</b>		(207,454)
<b>Net Pension Asset - Beginning Of Year</b>		<u>(73,171)</u>
<b>Net Pension Asset - End Of Year</b>	\$	<u>(280,625)</u>

	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation (Asset)</b>
Fiscal year ended:			
2011	\$ 245,521	184.50%	\$ (280,625)
2010	220,213	202.90%	(73,171)
2009	2,499,849	107.80%	153,363

#### Funding Status And Funding Progress

As of January 1, 2011, the most recent actuarial valuation date, the Plan was 84.4% funded. The actuarial accrued liability (AAL) for benefits was \$26,143,835 and the actuarial value of assets was \$22,053,517, resulting in an unfunded AAL (UAAL) of \$4,090,318. The covered payroll was \$17,917,668, and the ratio of the UAAL to the covered payroll was 22.8%. The plan was frozen as of December 31, 2009. No new benefits will accrue in the defined benefit pension plan as of December 31, 2009 and the plan is closed to new participants. The City receives an annual actuarial report for the Plan that gives the present value of accumulated plan benefits and net assets available for benefits. The City will continue to fund the plan annually through the annual budget process based on actuarial information provided by the Plan's actuary and the Board of Trustees. On January 1, 2010, the City implemented a defined contribution plan in which the City will contribute 4% of total compensation for all employees and match 50% of an employee's contribution up to an additional 2% of compensation.

## THE CITY OF LENEXA, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

The scheduled funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial methods and assumptions:

Valuation date	January 1
Actuarial cost method	Projected Unit Credit
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*:	
Prior to retirement	7.00%
After retirement	6.25%
Inflation rate	3.00%
Projected salary increases	5.00%
Withdrawal rates	T-3
Mortality table**:	
Prior to retirement	83 GAM, separate male and female tables
After retirement	Blended 83 GAM table (50% male, 50% female)
Administrative expenses	Paid outside of the plan assets

\* (7% used for reports prior to 1/1/2001 and 8% used for reports prior to 1/1/2006)

\*\* (UP84 used for reports prior to 1/1/2001)

## 13. Postemployment Benefits Other Than Pensions

### Plan Description

The City sponsors a single-employer, defined benefit healthcare plan that provides healthcare benefits to retirees and their dependents to age 65, including medical and dental coverage. Retiree health coverage is provided for under 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 (KPEERS) are eligible for benefits.

The City required retirees to pay 110% of the funding rate in 2011 to receive benefits. For future plan years an increment is added to the contribution rate up to a maximum contribution rate of 125%. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. 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. 45 (GASB Statement 45).

## THE CITY OF LENEXA, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

Retirees and spouses have the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches Medicare eligibility age, which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies. A stand alone financial report is not available for the plan.

#### **Funding Policy**

GASB Statement 45 does not require funding of the OPEB liability, and the City has chosen not to fund it. City policy dictates the payment of retiree claims as they become due.

#### **Annual OPEB Cost And Net OPEB Obligation**

The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. GASB Statement 45 requires an actuarial study to be performed at a minimum biennially. The latest actuarial valuation date is January 1, 2011. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize the unfunded actuarial liability over a period not to exceed 30 years. Participants must contribute 110% of the funding rate in 2011 to receive benefits. For future plan years, an increment is added to the contribution rate up to a maximum contribution rate of 125%. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Normal cost	\$ 203,784
Amortization of unfunded actuarial accrued liability	<u>247,119</u>
Annual required contribution (ARC)	450,903
Interest on net OPEB obligation	121,535
Adjustment to annual required contribution	<u>(158,664)</u>
Annual OPEB cost	<u>413,774</u>
Contributions made:	
Claims	517,296
Stop-loss premiums and fees paid on behalf of retirees	62,040
Reinsurance contributions	<u>—</u>
Net employer contributions	<u>317,548</u>
Change in net pension obligation	96,226
Net OPEB obligation, December 31, 2010	<u>2,700,769</u>
Net OPEB obligation, December 31, 2011	<u>\$ 2,796,995</u>

## THE CITY OF LENEXA, KANSAS

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### Notes To Basic Financial Statements (*Continued*)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 were as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
12/31/2009	\$ 979,226	16.8%	\$ 1,961,333
12/31/2010	968,018	23.6%	2,700,769
12/31/2011	413,774	76.7%	2,796,995

### **Funded Status And Funding Progress**

As of January 1, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$4,025,300 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,025,300. The covered payroll (annual payroll of active employees covered by the plan) was \$19 million, and the ratio of the UAAL to the covered payroll was 21.2%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

### **Actuarial Methods And Assumptions**

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

In the January 1, 2011 actuarial valuation, the entry age normal – level dollar method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer’s own investments calculated based on the funded level of the plan at the valuation date, an annual healthcare cost trend rate of 8.5% initially, reduced by decrements to an ultimate rate of 5.0% after 8 years and an annual dental cost trend rate of 4.5%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2011 was 27 years.

#### **14. Fund Balance Categories And Classifications**

In February 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated and unreserved have been replaced with five new classifications: nonspendable, restricted, committed, assigned and unassigned.

*Nonspendable* – assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

*Restricted* – amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

*Committed* – amounts constrained on use imposed by formal action of the government’s highest level of decision making authority.

*Assigned* – amounts intended to be used for specific purposes. This consists of amounts which are constrained by City management’s intent to be used for a specific purpose but are not formally restricted by external sources or not committed by City Council. The City Administrator has the authority to assign amounts for a specific purpose.

# THE CITY OF LENEXA, KANSAS

## Notes To Basic Financial Statements (Continued)

*Unassigned* – all other resources; the remaining fund balances after non-spendable, restrictions, commitments, and assignments. This class only occurs in the General fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

### Fund Balance Classification Policies and Procedures

For committed fund balance, the City’s highest level of decision-making authority is the City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is through a formal action and committed fund balances do not lapse at year end.

For assigned fund balance, the City Administrator is authorized to assign amounts to a specific purpose. The authorization is delegated by the City Council to the City Administrator for purposes of fund balance classification. Expenditures are to be spent from restricted fund balance first, followed by committed, assigned, and lastly unassigned.

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. Also for the classification of fund balances, the City considers committed, assigned or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Fund balances for all major and nonmajor governmental funds as of June 30, 2011, were allocated as follows:

	Major				Nonmajor	Total Governmental Funds
	General	Debt Service	Capital Improvement	Street Improvements	Other Governmental Funds	
Fund Balances						
Restricted for:						
Debt service	\$ —	\$ 5,054,122	\$ —	\$ —	\$ 255,997	\$ 5,310,119
Public safety	—	—	—	—	443,834	443,834
Municipal services	—	—	—	—	3,374,920	3,374,920
Parks and recreation	—	—	6,694,097	—	699,549	7,393,646
General government	—	—	—	—	303,250	303,250
Capital projects	—	—	—	1,480,740	2,531,817	4,012,557
Committed to:						
Public safety	9,874	—	21,167	—	—	31,041
Municipal services	248,268	—	69,528	—	—	317,796
Assigned to:						
Public safety	9,647	—	—	—	—	9,647
Municipal services	42,594	—	—	—	—	42,594
Parks and recreation	45,996	—	—	—	—	45,996
General government	69,774	—	—	—	—	69,774
Capital projects	—	—	7,985,358	237,510	5,284,151	13,507,019
Unassigned:	23,096,434	—	—	—	(402)	23,096,032
	<u>\$ 23,522,587</u>	<u>\$ 5,054,122</u>	<u>\$ 14,770,150</u>	<u>\$ 1,718,250</u>	<u>\$ 12,893,116</u>	<u>\$ 57,958,225</u>

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**Required Supplementary Information**

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# CITY OF LENEXA, KANSAS

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

Page 1 Of 2

For The Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 45,663,273	\$ 45,663,273	\$ 48,292,461	\$ 2,629,188
Licenses and permits	1,033,619	1,033,619	1,064,999	31,380
Charges for services	1,255,680	1,255,680	1,244,224	(11,456)
Rents and leases	401,730	401,730	390,773	(10,957)
Fines and forfeitures	1,449,670	1,449,670	1,138,177	(311,493)
Investment earnings	212,824	212,824	58,015	(154,809)
Miscellaneous	77,809	77,809	130,962	53,153
<b>Total Revenues</b>	<b>50,094,605</b>	<b>50,094,605</b>	<b>52,319,611</b>	<b>2,225,006</b>
<b>Expenditures</b>				
Current				
General government:				
Legislative	179,537	185,600	125,336	60,264
Executive	596,429	596,429	538,968	57,461
City clerk	501,160	487,242	327,486	159,756
Communications	324,548	344,051	322,082	21,969
Municipal court	578,273	594,172	594,230	(58)
Enterprise systems and technology	1,861,112	1,905,925	1,883,041	22,884
Finance	885,592	901,977	852,506	49,471
Legal	1,216,465	1,228,238	1,131,943	96,295
Human resources	700,623	708,819	586,736	122,083
Building inspection	802,333	810,657	550,421	260,236
Land use	405,636	538,635	492,107	46,528
Development engineering	1,066,776	1,007,340	927,665	79,675
Support services	806,425	885,211	875,200	10,011
<b>Total General Government</b>	<b>9,924,909</b>	<b>10,194,296</b>	<b>9,207,721</b>	<b>986,575</b>
Public safety:				
Administration	4,322,465	4,354,737	4,110,629	244,108
Investigation	1,661,300	1,678,101	1,603,567	74,534
Patrol	6,888,946	7,076,804	6,547,435	529,369
Towers	54,001	66,170	45,580	20,590
Fire	8,441,628	8,499,136	8,220,697	278,439
<b>Total Public Safety</b>	<b>21,368,340</b>	<b>21,674,948</b>	<b>20,527,908</b>	<b>1,147,040</b>
Municipal services:				
Streets	3,850,028	3,857,403	3,591,088	266,315
Traffic	1,900,942	1,897,158	1,726,610	170,548
Engineering	482,001	487,647	425,604	62,043
Facilities management	1,919,489	2,000,763	1,952,091	48,672
<b>Total Municipal Services</b>	<b>8,152,460</b>	<b>8,242,971</b>	<b>7,695,393</b>	<b>547,578</b>

# 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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Recreation:				
Recreation administration	\$ 432,625	\$ 519,527	\$ 522,188	\$ (2,661)
Maintenance	2,262,051	2,280,183	2,171,131	109,052
Programs	987,181	905,424	754,060	151,364
Programs - fee supported	183,000	191,990	91,060	100,930
<b>Total Recreation</b>	3,864,857	3,897,124	3,538,439	358,685
Debt Service				
Principal	66,840	66,840	66,840	—
<b>Total Expenditures</b>	43,377,406	44,076,179	41,036,301	3,039,878
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	6,717,199	6,018,426	11,283,310	5,264,884
<b>Other Financing Sources (Uses)</b>				
Transfers in	40,000	40,000	452,268	412,268
Transfers out	(26,531,660)	(25,832,887)	(11,913,663)	13,919,224
<b>Total Other Financing Sources (Uses)</b>	(26,491,660)	(25,792,887)	(11,461,395)	14,331,492
<b>Net Changes In Fund Balance</b>	\$ (19,774,461)	\$ (19,774,461)	(178,085)	\$ 19,596,376
<b>Fund Balance - Beginning Of Year</b>			23,511,795	
<b>Fund Balance - End Of Year - Budget Basis</b>			\$ 23,333,710	
<b>Adjustments To Reconcile To GAAP Basis</b>				
Encumbrances reserved at December 31, 2011			\$ 400,299	
Encumbrances reserved at December 31, 2010			(211,422)	
<b>Fund Balance - End of Year - GAAP Basis</b>			\$ 23,522,587	

# CITY OF LENEXA, KANSAS

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## NOTE TO BUDGETARY COMPARISON INFORMATION

December 31, 2011

### 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 disclosed as reservations of fund balance and 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. In October 2011, an additional appropriation was approved for \$372,000 for the addition of the Orchard Corners CID Fund; the appropriated 2011 expenditure for the Special Event Fund was increased \$162,844 and the Lenexa Conference Center Fund was increased \$159,351.

# CITY OF LENEXA, KANSAS

## REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2011

### Pension Plan - City Of Lenexa Defined Benefit Plan

#### Schedule Of Funding Progress:

Actuarial valuation date	Actuarial value of assets (a)	Actuarial liability (AAL) entry age (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll (b-a)/c
12/31/2005*	\$ 16,531,472	\$ 25,355,145	\$ 8,823,673	65.2%	\$ 18,849,675	46.8%
12/31/2006	17,320,698	26,868,357	9,547,659	64.5%	20,072,363	47.6%
12/31/2007	20,006,263	29,070,152	9,063,889	68.8%	21,277,025	42.6%
12/31/2008	19,688,963	31,981,703	12,292,740	61.6%	22,047,282	55.8%
12/31/2009**	22,640,119	25,392,898	2,752,779	89.2%	20,872,736	13.2%
12/31/2010	22,098,300	25,135,372	3,037,072	87.9%	19,273,627	15.8%
12/31/2011	22,053,517	26,143,835	4,090,318	84.4%	17,917,668	22.8%

\*Actuarial assumptions changed at the end of 2005 plan year.

\*\*Plan frozen.

#### Schedule Of Employer Contributions:

Year	Annual Required Contribution	Percentage Contributed
2005	\$ 1,778,979	96%
2006	2,108,036	106%
2007	2,156,727	104%
2008	2,190,774	104%
2009	2,503,531	108%
2010	221,837	201%
2011	244,746	185%

# CITY OF LENEXA, KANSAS

## REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2011

### Other Post Employment Benefit Obligations

#### Schedule Of Funding Progress:

Actuarial valuation date	Actuarial Value Of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll ((b-a)/c)
01/01/2007	\$ —	\$ 4,096,691	\$ 4,096,691	0.00%	\$ 18,264,851	22.4%
01/01/2009	—	8,055,692	8,055,692	0.00%	19,158,695	42.0%
01/01/2011	—	4,025,300	4,023,300	0.00%	18,972,578	21.2%

\*Annualized pay (as of 1/1/2011) of active employees included in the valuation.

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**Supplementary Information**

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

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# CITY OF LENEXA, KANSAS

## NONMAJOR GOVERNMENTAL FUNDS Special Revenue Funds

### Fund Descriptions

#### Street Tree (Zone 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.

#### Special Event\*

To account for various City special events which are self-supportive. These events include the annual Lenexa BBQ, the Chili Challenge, Spinach Festival, and the Lenexa Freedom Run.

#### 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.

#### 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.

#### 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.

#### 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.

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## **CITY OF LENEXA, KANSAS**

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### Nonmajor Governmental Funds (*Continued*)

#### **Swimming Pool\***

To account for monies received and expenses incurred for providing swimming pool facilities to the residents of the City. Such facilities include the necessary personnel to ensure the maximum safety of the user residents.

#### **Neighborhood Revitalization Program\***

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

#### **Grants**

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

#### **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.

#### **City Center TIF\***

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

#### **City Center North TIF**

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

#### **Lenexa Conference Center\***

To account for revenue and expenses related to the rental and use of the Lenexa Conference Center.

#### **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.

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## **CITY OF LENEXA, KANSAS**

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### Nonmajor Governmental Funds (*Continued*)

#### **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.

#### **City Center East TIF Bonds**

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

#### **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.

#### **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.

\*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.

##### **Municipal Buildings**

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

##### **Parks And Recreation**

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

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# CITY OF LENEXA, KANSAS

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS December 31, 2011

	Combined Special Revenue Funds	Debt Service Reserve TIF	Capital Project Funds			Total Nonmajor Governmental Funds
			Capital Acquisition	Municipal Buildings	Parks And Recreation	
<b>Assets</b>						
Deposits, including investments	\$ 4,115,945	\$ —	\$ 3,062,871	\$ 3,513,800	\$ 2,404,121	\$ 13,096,737
Restricted cash and investments	—	255,997	—	—	—	255,997
Property tax receivable (net of allowance for uncollectibles)	2,452,575	—	—	—	—	2,452,575
Sales tax receivable	138,629	—	—	—	—	138,629
Transient guest tax receivable	165,676	—	—	—	—	165,676
Special highway tax receivable	315,813	—	—	—	—	315,813
Special liquor tax receivable	85,322	—	—	—	—	85,322
Intergovernmental receivable	—	—	—	—	11,022	11,022
Interest receivable	7,547	—	10,803	18,073	—	36,423
<b>Total Assets</b>	<b>\$ 7,281,507</b>	<b>\$ 255,997</b>	<b>\$ 3,073,674</b>	<b>\$ 3,531,873</b>	<b>\$ 2,415,143</b>	<b>\$ 16,558,194</b>
<b>Liabilities And Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 5,691	\$ —	\$ 193,384	\$ 504,674	\$ 495,642	\$ 1,199,391
Accrued compensation	1,688	—	—	—	—	1,688
Due to other funds	402	—	—	—	—	402
Deferred revenue	2,452,575	—	—	—	11,022	2,463,597
<b>Total Liabilities</b>	<b>2,460,356</b>	<b>—</b>	<b>193,384</b>	<b>504,674</b>	<b>506,664</b>	<b>3,665,078</b>
<b>Fund Balances (Deficit)</b>						
Restricted	4,821,553	255,997	552,875	282,677	1,696,265	7,609,367
Assigned	—	—	2,327,415	2,744,522	212,214	5,284,151
Unassigned	(402)	—	—	—	—	(402)
<b>Total Fund Balances (Deficit)</b>	<b>4,821,151</b>	<b>255,997</b>	<b>2,880,290</b>	<b>3,027,199</b>	<b>1,908,479</b>	<b>12,893,116</b>
<b>Total Liabilities And Fund Balances (Deficit)</b>	<b>\$ 7,281,507</b>	<b>\$ 255,997</b>	<b>\$ 3,073,674</b>	<b>\$ 3,531,873</b>	<b>\$ 2,415,143</b>	<b>\$ 16,558,194</b>

# CITY OF LENEXA, KANSAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For The Year Ended December 31, 2011

	Combined Special Revenue Funds	Debt Service Reserve TIF	Capital Project Funds			Total Nonmajor Governmental Funds
			Capital Acquisition	Municipal Buildings	Parks And Recreation	
<b>Revenues</b>						
Taxes	\$ 4,871,667	\$ —	\$ —	\$ —	\$ —	\$ 4,871,667
Intergovernmental	68,727	—	49,787	—	310,453	428,967
Charges for services	573,612	—	—	—	—	573,612
Fines and forfeitures	54,101	—	—	—	—	54,101
Investment earnings (loss)	18,681	(20,332)	20,371	(6,249)	—	12,471
Miscellaneous	46,533	—	66,428	—	1,535	114,496
<b>Total Revenues</b>	<b>5,633,321</b>	<b>(20,332)</b>	<b>136,586</b>	<b>(6,249)</b>	<b>311,988</b>	<b>6,055,314</b>
<b>Expenditures</b>						
Current:						
General government	559,613	90,204	—	—	—	649,817
Public safety	236,677	—	—	—	—	236,677
Municipal services	33,870	—	—	—	—	33,870
Recreation	647,636	—	—	—	—	647,636
Capital outlay	—	—	3,365,834	5,165,240	3,880,179	12,411,253
Debt service:						
Principal retirement	749,226	—	—	—	—	749,226
Interest and fiscal charges	—	468,545	—	—	—	468,545
Bond issue costs	—	—	—	83,864	—	83,864
<b>Total Expenditures</b>	<b>2,227,022</b>	<b>558,749</b>	<b>3,365,834</b>	<b>5,249,104</b>	<b>3,880,179</b>	<b>15,280,888</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>3,406,299</b>	<b>(579,081)</b>	<b>(3,229,248)</b>	<b>(5,255,353)</b>	<b>(3,568,191)</b>	<b>(9,225,574)</b>
<b>Other Financing Sources (Uses)</b>						
Issuance of general obligation bonds	—	—	—	4,800,000	—	4,800,000
Premium on general obligation bonds	—	—	—	274,040	—	274,040
Transfers in	401,170	428,617	2,474,588	1,518,515	1,559,827	6,382,717
Transfers out	(3,341,030)	—	(59,693)	(162,907)	(388,048)	(3,951,678)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,939,860)</b>	<b>428,617</b>	<b>2,414,895</b>	<b>6,429,648</b>	<b>1,171,779</b>	<b>7,505,079</b>
<b>Net Changes In Fund Balances</b>	<b>466,439</b>	<b>(150,464)</b>	<b>(814,353)</b>	<b>1,174,295</b>	<b>(2,396,412)</b>	<b>(1,720,495)</b>
<b>Fund Balances - Beginning Of Year</b>	<b>4,354,712</b>	<b>406,461</b>	<b>3,694,643</b>	<b>1,852,904</b>	<b>4,304,891</b>	<b>14,613,611</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 4,821,151</b>	<b>\$ 255,997</b>	<b>\$ 2,880,290</b>	<b>\$ 3,027,199</b>	<b>\$ 1,908,479</b>	<b>\$ 12,893,116</b>

**CITY OF LENEXA, KANSAS**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

**Page 1 Of 4  
December 31, 2011**

	<b>Neighborhood Revitalization District</b>	<b>Street Tree Zone 1</b>	<b>Street Tree Zone 2</b>	<b>Street Tree Zone 3</b>	<b>Special Highway</b>	<b>Tourism And Convention</b>
<b>Assets</b>						
Deposits and investments	\$ 21,155	\$ 109,475	\$ 135,514	\$ 245,101	\$ —	\$ 117,856
Property tax receivable (net of allowance for uncollectibles)	39,313	—	—	—	—	—
Sales tax receivable	—	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—	165,676
Special highway tax receivable	—	—	—	—	315,813	—
Special liquor tax receivable	—	—	—	—	—	—
Interest receivable	—	596	785	1,386	—	—
<b>Total Assets</b>	<b>\$ 60,468</b>	<b>\$ 110,071</b>	<b>\$ 136,299</b>	<b>\$ 246,487</b>	<b>\$ 315,813</b>	<b>\$ 283,532</b>
<b>Liabilities And Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 664
Accrued compensation	—	—	—	—	—	773
Due to other funds	—	—	—	—	—	—
Deferred revenue	39,313	—	—	—	—	—
<b>Total Liabilities</b>	<b>39,313</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,437</b>
<b>Fund Balances</b>						
Restricted	21,155	110,071	136,299	246,487	315,813	282,095
Unassigned	—	—	—	—	—	—
<b>Total Fund Balances (Deficit)</b>	<b>21,155</b>	<b>110,071</b>	<b>136,299</b>	<b>246,487</b>	<b>315,813</b>	<b>282,095</b>
<b>Total Liabilities And Fund Balances (Deficit)</b>	<b>\$ 60,468</b>	<b>\$ 110,071</b>	<b>\$ 136,299</b>	<b>\$ 246,487</b>	<b>\$ 315,813</b>	<b>\$ 283,532</b>

**CITY OF LENEXA, KANSAS**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

Page 2 Of 4

December 31, 2011

	Special Alcohol Control	Special Park And Recreation	TIP Zone 1	TIP Zone 2	TIP Zone 3	Swimming Pool	Grants
<b>Assets</b>							
Deposits and investments	\$ 72,906	\$ —	\$ 457,906	\$ 174,754	\$ 84,325	\$ 2,041	\$ —
Property tax receivable (net of allowance for uncollectibles)	—	—	—	—	—	—	—
Sales tax receivable	—	—	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—	—	—
Special highway tax receivable	—	—	—	—	—	—	—
Special liquor tax receivable	42,661	42,661	—	—	—	—	—
Interest receivable	—	—	2,493	949	456	—	—
<b>Total Assets</b>	<b>\$ 115,567</b>	<b>\$ 42,661</b>	<b>\$ 460,399</b>	<b>\$ 175,703</b>	<b>\$ 84,781</b>	<b>\$ 2,041</b>	<b>\$ —</b>
<b>Liabilities And Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 118	\$ —	\$ —	\$ —	\$ —	\$ 2,041	\$ —
Accrued compensation	—	—	—	—	—	—	—
Due to other funds	—	—	—	—	—	—	402
Deferred revenue	—	—	—	—	—	—	—
<b>Total Liabilities</b>	<b>118</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,041</b>	<b>402</b>
<b>Fund Balances</b>							
Restricted	115,449	42,661	460,399	175,703	84,781	—	—
Unassigned	—	—	—	—	—	—	(402)
<b>Total Fund Balances (Deficit)</b>	<b>115,449</b>	<b>42,661</b>	<b>460,399</b>	<b>175,703</b>	<b>84,781</b>	<b>—</b>	<b>(402)</b>
<b>Total Liabilities And Fund Balances (Deficit)</b>	<b>\$ 115,567</b>	<b>\$ 42,661</b>	<b>\$ 460,399</b>	<b>\$ 175,703</b>	<b>\$ 84,781</b>	<b>\$ 2,041</b>	<b>\$ —</b>

**CITY OF LENEXA, KANSAS**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

Page 3 Of 4

December 31, 2011

	Ridgeview Mining TIF	South Mining District TIF	City Center TIF	Lenexa Conference Center	Law Enforcement Trust	Legal Trust
<b>Assets</b>						
Deposits and investments	\$ 1,538,062	\$ 3,258	\$ 651,924	\$ 3,075	\$ 271,106	\$ 57,987
Property tax receivable (net of allowance for uncollectibles)	672,692	3,066	982,339	—	—	—
Sales tax receivable	—	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—	—
Special highway tax receivable	—	—	—	—	—	—
Special liquor tax receivable	—	—	—	—	—	—
Interest receivable	—	—	—	—	—	—
<b>Total Assets</b>	<b>\$ 2,210,754</b>	<b>\$ 6,324</b>	<b>\$ 1,634,263</b>	<b>\$ 3,075</b>	<b>\$ 271,106</b>	<b>\$ 57,987</b>
<b>Liabilities</b>						
Accounts payable	\$ —	\$ —	\$ —	\$ 2,160	\$ 708	\$ —
Accrued compensation	—	—	—	915	—	—
Due to other funds	—	—	—	—	—	—
Deferred revenue	672,692	3,066	982,339	—	—	—
<b>Total Liabilities</b>	<b>672,692</b>	<b>3,066</b>	<b>982,339</b>	<b>3,075</b>	<b>708</b>	<b>—</b>
<b>Fund Balances</b>						
Restricted	1,538,062	3,258	651,924	—	270,398	57,987
Unassigned	—	—	—	—	—	—
<b>Total Fund Balances (Deficit)</b>	<b>1,538,062</b>	<b>3,258</b>	<b>651,924</b>	<b>—</b>	<b>270,398</b>	<b>57,987</b>
<b>Total Liabilities And Fund Balances (Deficit)</b>	<b>\$ 2,210,754</b>	<b>\$ 6,324</b>	<b>\$ 1,634,263</b>	<b>\$ 3,075</b>	<b>\$ 271,106</b>	<b>\$ 57,987</b>

**CITY OF LENEXA, KANSAS**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

Page 4 Of 4  
December 31, 2011

	Mining TIF District	City Center East TIF Bonds	Orchard Corners CID	Parks And Recreation Impact Zone 1	Parks And Recreation Impact Zone 2	Parks And Recreation Impact Zone 3	Total Special Revenue Funds
<b>Assets</b>							
Deposits and investments	\$ 278	\$ 6,073	\$ —	\$ 21,522	\$ 44,128	\$ 97,499	\$ 4,115,945
Property tax receivable (net of allowance for uncollectibles)	499,970	255,195	—	—	—	—	2,452,575
Sales tax receivable	—	—	138,629	—	—	—	138,629
Transient guest tax receivable	—	—	—	—	—	—	165,676
Special highway tax receivable	—	—	—	—	—	—	315,813
Special liquor tax receivable	—	—	—	—	—	—	85,322
Interest receivable	—	—	—	116	238	528	7,547
<b>Total Assets</b>	<b>\$ 500,248</b>	<b>\$ 261,268</b>	<b>\$ 138,629</b>	<b>\$ 21,638</b>	<b>\$ 44,366</b>	<b>\$ 98,027</b>	<b>\$ 7,281,507</b>
<b>Liabilities And Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,691
Accrued compensation	—	—	—	—	—	—	1,688
Due to other funds	—	—	—	—	—	—	402
Deferred revenue	499,970	255,195	—	—	—	—	2,452,575
<b>Total Liabilities</b>	<b>499,970</b>	<b>255,195</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,460,356</b>
<b>Fund Balances (Deficit)</b>							
Restricted	278	6,073	138,629	21,638	44,366	98,027	4,821,553
Unassigned	—	—	—	—	—	—	(402)
<b>Total Fund Balances (Deficit)</b>	<b>278</b>	<b>6,073</b>	<b>138,629</b>	<b>21,638</b>	<b>44,366</b>	<b>98,027</b>	<b>4,821,151</b>
<b>Total Liabilities And Fund Balances (Deficit)</b>	<b>\$ 500,248</b>	<b>\$ 261,268</b>	<b>\$ 138,629</b>	<b>\$ 21,638</b>	<b>\$ 44,366</b>	<b>\$ 98,027</b>	<b>\$ 7,281,507</b>

**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, 2011

	Neighborhood Revitalization District	Street Tree Zone 1	Street Tree Zone 2	Street Tree Zone 3	Special Event	Special Highway	Tourism And Convention
<b>Revenues</b>							
Taxes	\$ 57,635	\$ —	\$ —	\$ —	\$ —	\$ 1,242,115	\$ 660,183
Intergovernmental	—	—	—	—	—	—	—
Charges for services	—	—	—	—	180,106	—	—
Fines and forfeitures	—	—	—	—	—	—	—
Investment earnings	—	515	1,219	2,267	—	—	—
Miscellaneous	25	—	—	—	500	—	—
<b>Total Revenues</b>	<b>57,660</b>	<b>515</b>	<b>1,219</b>	<b>2,267</b>	<b>180,606</b>	<b>1,242,115</b>	<b>660,183</b>
<b>Expenditures</b>							
Current:							
General government	46,832	—	—	—	—	—	510,389
Public safety	—	—	—	—	—	—	—
Municipal services	—	—	—	—	—	—	—
Recreation	—	—	15,115	26,453	151,316	—	—
Debt service:							
Principal retirement	—	—	—	—	—	—	—
<b>Total Expenditures</b>	<b>46,832</b>	<b>—</b>	<b>15,115</b>	<b>26,453</b>	<b>151,316</b>	<b>—</b>	<b>510,389</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>10,828</b>	<b>515</b>	<b>(13,896)</b>	<b>(24,186)</b>	<b>29,290</b>	<b>1,242,115</b>	<b>149,794</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	—	—	—	—	—	—	—
Transfers out	—	—	—	—	(132,561)	(1,256,229)	(23,000)
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(132,561)</b>	<b>(1,256,229)</b>	<b>(23,000)</b>
<b>Net Changes In Fund Balances</b>	<b>10,828</b>	<b>515</b>	<b>(13,896)</b>	<b>(24,186)</b>	<b>(103,271)</b>	<b>(14,114)</b>	<b>126,794</b>
<b>Fund Balances - Beginning Of Year</b>	<b>10,327</b>	<b>109,556</b>	<b>150,195</b>	<b>270,673</b>	<b>103,271</b>	<b>329,927</b>	<b>155,301</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 21,155</b>	<b>\$ 110,071</b>	<b>\$ 136,299</b>	<b>\$ 246,487</b>	<b>\$ —</b>	<b>\$ 315,813</b>	<b>\$ 282,095</b>

# CITY OF LENEXA, KANSAS

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

Page 2 Of 4

For The Year Ended December 31, 2011

	Special Alcohol Control	Special Park And Recreation	TIP Zone 1	TIP Zone 2	TIP Zone 3	Facilities Maintenance	Swimming Pool	Equipment Reserve	Grants
<b>Revenues</b>									
Taxes	\$ 184,088	\$ 184,088	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	—	—	—	—	—	61,609
Charges for services	—	—	7,688	15,421	14,209	—	236,315	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—	—
Investment earnings	—	—	(52)	8,000	3,752	—	—	—	—
Miscellaneous	—	—	—	—	—	—	29,060	—	—
<b>Total Revenues</b>	<b>184,088</b>	<b>184,088</b>	<b>7,636</b>	<b>23,421</b>	<b>17,961</b>	<b>—</b>	<b>265,375</b>	<b>—</b>	<b>61,609</b>
<b>Expenditures</b>									
Current:									
General government	—	—	—	—	—	—	—	—	—
Public safety	131,239	—	—	—	—	—	—	—	15,025
Municipal services	—	—	2,499	—	—	—	—	—	31,371
Recreation	—	—	—	—	—	—	339,029	—	—
Debt service:									
Principal retirement	—	—	—	—	—	—	—	—	—
<b>Total Expenditures</b>	<b>131,239</b>	<b>—</b>	<b>2,499</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>339,029</b>	<b>—</b>	<b>46,396</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>52,849</b>	<b>184,088</b>	<b>5,137</b>	<b>23,421</b>	<b>17,961</b>	<b>—</b>	<b>(73,654)</b>	<b>—</b>	<b>15,213</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	—	—	344,788	—	—	—	44,427	—	—
Transfers out	—	(199,408)	(195,000)	(344,788)	—	—	—	—	—
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>(199,408)</b>	<b>149,788</b>	<b>(344,788)</b>	<b>—</b>	<b>—</b>	<b>44,427</b>	<b>—</b>	<b>—</b>
<b>Net Changes In Fund Balances</b>	<b>52,849</b>	<b>(15,320)</b>	<b>154,925</b>	<b>(321,367)</b>	<b>17,961</b>	<b>—</b>	<b>(29,227)</b>	<b>—</b>	<b>15,213</b>
<b>Fund Balances - Beginning Of Year</b>	<b>62,600</b>	<b>57,981</b>	<b>305,474</b>	<b>497,070</b>	<b>66,820</b>	<b>—</b>	<b>29,227</b>	<b>—</b>	<b>(15,615)</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 115,449</b>	<b>\$ 42,661</b>	<b>\$ 460,399</b>	<b>\$ 175,703</b>	<b>\$ 84,781</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (402)</b>

# CITY OF LENEXA, KANSAS

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

Page 3 Of 4

For The Year Ended December 31, 2011

	Ridgeview Mining TIF	South Mining District TIF	City Center TIF	City Center North TIF Bonds	Lenexa Conference Center	Law Enforcement Trust	Legal Trust
<b>Revenues</b>							
Taxes	\$ 662,533	\$ 2,983	\$ 631,738	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	—	—	7,118	—
Charges for Services	—	—	—	—	80,853	—	—
Fines and forfeitures	—	—	—	—	—	49,669	4,432
Investment earnings	—	—	—	—	—	—	—
Miscellaneous	—	—	—	—	—	14,281	2,667
<b>Total Revenues</b>	<b>662,533</b>	<b>2,983</b>	<b>631,738</b>	<b>—</b>	<b>80,853</b>	<b>71,068</b>	<b>7,099</b>
<b>Expenditures</b>							
Current:							
General government	—	—	—	—	—	—	—
Public safety	—	—	—	—	—	90,413	—
Municipal services	—	—	—	—	—	—	—
Recreation	—	—	—	—	115,723	—	—
Debt service:							
Principal retirement	—	—	70,775	—	—	—	—
<b>Total Expenditures</b>	<b>—</b>	<b>—</b>	<b>70,775</b>	<b>—</b>	<b>115,723</b>	<b>90,413</b>	<b>—</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>662,533</b>	<b>2,983</b>	<b>560,963</b>	<b>—</b>	<b>(34,870)</b>	<b>(19,345)</b>	<b>7,099</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	—	—	—	—	—	—	—
Transfers out	—	—	(453,642)	—	(156,133)	—	—
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>—</b>	<b>(453,642)</b>	<b>—</b>	<b>(156,133)</b>	<b>—</b>	<b>—</b>
<b>Net Changes In Fund Balances</b>	<b>662,533</b>	<b>2,983</b>	<b>107,321</b>	<b>—</b>	<b>(191,003)</b>	<b>(19,345)</b>	<b>7,099</b>
<b>Fund Balances - Beginning Of Year</b>	<b>875,529</b>	<b>275</b>	<b>544,603</b>	<b>—</b>	<b>191,003</b>	<b>289,743</b>	<b>50,888</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 1,538,062</b>	<b>\$ 3,258</b>	<b>\$ 651,924</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 270,398</b>	<b>\$ 57,987</b>

**CITY OF LENEXA, KANSAS**

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

Page 4 Of 4

For The Year Ended December 31, 2011

	Mining TIF District	City Center East TIF Bonds	Orchard Corners CID	Parks And Recreation Impact Zone 1	Parks And Recreation Impact Zone 2	Parks And Recreation Impact Zone 3	Total Special Revenue Funds
<b>Revenues</b>							
Taxes	\$ 500,388	\$ 429,269	\$ 316,647	\$ —	\$ —	\$ —	\$ 4,871,667
Intergovernmental	—	—	—	—	—	—	68,727
Charges for services	—	—	—	1,329	21,410	16,281	573,612
Fines and forfeitures	—	—	—	—	—	—	54,101
Investment earnings	—	—	—	2,704	(102)	378	18,681
Miscellaneous	—	—	—	—	—	—	46,533
<b>Total Revenues</b>	500,388	429,269	316,647	4,033	21,308	16,659	5,633,321
<b>Expenditures</b>							
Current:							
General government	—	2,392	—	—	—	—	559,613
Public safety	—	—	—	—	—	—	236,677
Municipal services	—	—	—	—	—	—	33,870
Recreation	—	—	—	—	—	—	647,636
Debt service:							
Principal retirement	500,433	—	178,018	—	—	—	749,226
<b>Total Expenditures</b>	500,433	2,392	178,018	—	—	—	2,227,022
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	(45)	426,877	138,629	4,033	21,308	16,659	3,406,299
<b>Other Financing Sources (Uses)</b>							
Transfers in	—	—	—	10,296	1,659	—	401,170
Transfers out	—	(428,617)	—	(151,652)	—	—	(3,341,030)
<b>Total Other Financing Sources (Uses)</b>	—	(428,617)	—	(141,356)	1,659	—	(2,939,860)
<b>Net Changes In Fund Balances</b>	(45)	(1,740)	138,629	(137,323)	22,967	16,659	466,439
<b>Fund Balances - Beginning Of Year</b>	323	7,813	—	158,961	21,399	81,368	4,354,712
<b>Fund Balances - End Of Year</b>	\$ 278	\$ 6,073	\$ 138,629	\$ 21,638	\$ 44,366	\$ 98,027	\$ 4,821,151

# 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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 25,000	\$ 25,000	\$ —	\$ (25,000)
Investment earnings	—	—	515	515
<b>Total Revenues</b>	25,000	25,000	515	(24,485)
<b>Expenditures</b>				
Current:				
Recreation	137,675	137,675	—	137,675
<b>Net Changes In Fund Balances</b>	(112,675)	(112,675)	515	113,190
<b>Fund Balances - Beginning Of Year</b>			109,556	
<b>Fund Balances - End Of Year - Budget Basis</b>			\$ 110,071	

**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, 2011**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 25,000	\$ 25,000	\$ —	\$ (25,000)
Investment earnings	—	—	1,219	1,219
<b>Total Revenues</b>	<b>25,000</b>	<b>25,000</b>	<b>1,219</b>	<b>(23,781)</b>
<b>Expenditures</b>				
Current:				
Recreation	185,962	185,962	19,000	166,962
<b>Net Changes In Fund Balances</b>	<b>(160,962)</b>	<b>(160,962)</b>	<b>(17,781)</b>	<b>143,181</b>
<b>Fund Balances - Beginning Of Year</b>			<u>150,195</u>	
<b>Fund Balances - End Of Year - Budget Basis</b>			<u>\$ 132,414</u>	
<b>Adjustments To Reconcile To GAAP Basis</b>				
Encumbrances reserved at December 31, 2011			\$ 3,885	
Encumbrances reserved at December 31, 2010			—	
<b>Fund Balances - End of Year - GAAP Basis</b>			<u>\$ 136,299</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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 25,000	\$ 25,000	\$ —	\$ (25,000)
Investment earnings	—	—	2,267	2,267
<b>Total Revenues</b>	25,000	25,000	2,267	(22,733)
<b>Expenditures</b>				
Current:				
Recreation	300,944	300,944	27,563	273,381
<b>Net Changes In Fund Balances</b>	(275,944)	(275,944)	(25,296)	250,648
<b>Fund Balances - Beginning Of Year</b>			270,673	
<b>Fund Balances - End Of Year - Budget Basis</b>			\$ 245,377	
<b>Adjustments To Reconcile To GAAP Basis</b>				
Encumbrances reserved at December 31, 2011			\$ 1,110	
Encumbrances reserved at December 31, 2010			—	
<b>Fund Balances - End of Year - GAAP Basis</b>			\$ 246,487	

# CITY OF LENEXA, KANSAS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL EVENT FUND For The Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 206,000	\$ 346,729	\$ 180,106	\$ (166,623)
Miscellaneous	—	—	500	500
<b>Total Revenues</b>	206,000	346,729	180,606	(166,123)
<b>Expenditures</b>				
Current:				
Recreation	206,000	206,000	151,316	54,684
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	—	140,729	29,290	(111,439)
<b>Other Financing Sources (Uses)</b>				
Transfers out	(81,156)	(244,000)	(132,561)	111,439
<b>Net Changes In Fund Balances</b>	(81,156)	(103,271)	(103,271)	—
<b>Fund Balances - Beginning Of Year</b>			103,271	
<b>Fund Balances - End Of Year</b>			\$ —	

# 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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 1,269,390	\$ 1,269,390	\$ 1,242,115	\$ (27,275)
Miscellaneous taxes	100,000	100,000	—	(100,000)
<b>Total Revenues</b>	<b>1,369,390</b>	<b>1,369,390</b>	<b>1,242,115</b>	<b>(127,275)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(1,369,390)	(1,369,390)	(1,256,229)	113,161
<b>Net Changes In Fund Balances</b>	<b>—</b>	<b>—</b>	<b>(14,114)</b>	<b>(14,114)</b>
<b>Fund Balances - Beginning Of Year</b>			<u>329,927</u>	
<b>Fund Balances - End Of Year</b>			<u>\$ 315,813</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Taxes	\$ 513,333	\$ 513,333	\$ 660,183	\$ 146,850
<b>Expenditures</b>				
Current:				
General government	522,102	522,102	510,389	11,713
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>(8,769)</b>	<b>(8,769)</b>	<b>149,794</b>	<b>158,563</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(65,825)	(65,825)	(23,000)	42,825
<b>Net Changes In Fund Balances</b>	<b>(74,594)</b>	<b>(74,594)</b>	<b>126,794</b>	<b>201,388</b>
<b>Fund Balances - Beginning Of Year</b>			<u>155,301</u>	
<b>Fund Balances - End Of Year</b>			<u>\$ 282,095</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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 166,832	\$ 166,832	\$ 184,088	\$ 17,256
<hr/>				
<b>Expenditures</b>				
Current:				
Public safety	133,659	133,659	133,539	120
<hr/>				
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	33,173	33,173	50,549	17,376
<hr/>				
<b>Other Financing Sources (Uses)</b>				
Transfers out	(51,422)	(51,422)	—	51,422
<hr/>				
<b>Net Changes In Fund Balances</b>	(18,249)	(18,249)	50,549	68,798
<hr/>				
<b>Fund Balances - Beginning Of Year</b>			62,600	
<b>Fund Balances - End Of Year</b>			\$ 113,149	
<b>Adjustments To Reconcile To GAAP Basis</b>				
Encumbrances reserved at December 31, 2011			\$ 2,300	
Encumbrances reserved at December 31, 2010			—	
<b>Fund Balances - End of Year - GAAP Basis</b>			\$ 115,449	

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# CITY OF LENEXA, KANSAS

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## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL PARKS AND RECREATION FUND For The Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Taxes	\$ 166,833	\$ 166,833	\$ 184,088	\$ 17,255
<b>Other Financing Sources (Uses)</b>				
Transfers out	(207,563)	(207,563)	(199,408)	8,155
<b>Net Changes In Fund Balances</b>	<u>(40,730)</u>	<u>(40,730)</u>	<u>(15,320)</u>	<u>25,410</u>
<b>Fund Balances - Beginning Of Year</b>			<u>57,981</u>	
<b>Fund Balances - End Of Year</b>			<u><u>\$ 42,661</u></u>	

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**CITY OF LENEXA, KANSAS**

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**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
TIP ZONE 1  
For The Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 75,000	\$ 75,000	\$ 7,688	\$ (67,312)
Investment earnings	—	—	(52)	(52)
<b>Total Revenues</b>	75,000	75,000	7,636	(67,364)
<b>Other Financing Sources (Uses)</b>				
Transfers in	—	—	344,788	344,788
Transfers out	(260,754)	(258,255)	(195,000)	63,255
<b>Total Other Financing Sources (Uses)</b>	(260,754)	(258,255)	149,788	408,043
<b>Net Changes In Fund Balances</b>	(185,754)	(185,754)	154,925	340,679
<b>Fund Balances - Beginning Of Year</b>			305,474	
<b>Fund Balances - End Of Year</b>			\$ 460,399	

# CITY OF LENEXA, KANSAS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL TIP ZONE 2 For The Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 75,000	\$ 75,000	\$ 15,421	\$ (59,579)
Investment earnings	—	—	8,000	8,000
<b>Total Revenues</b>	<b>75,000</b>	<b>75,000</b>	<b>23,421</b>	<b>(51,579)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(589,915)	(589,915)	(344,788)	245,127
<b>Net Changes In Fund Balances</b>	<b>(514,915)</b>	<b>(514,915)</b>	<b>(321,367)</b>	<b>193,548</b>
<b>Fund Balances - Beginning Of Year</b>			<u>497,070</u>	
<b>Fund Balances - End Of Year</b>			<u>\$ 175,703</u>	

**CITY OF LENEXA, KANSAS**

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**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
TIP ZONE 3  
For The Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 75,000	\$ 75,000	\$ 14,209	\$ (60,791)
Investment earnings	—	—	3,752	3,752
<b>Total Revenues</b>	75,000	75,000	17,961	(57,039)
<b>Other Financing Sources (Uses)</b>				
Transfers out	(180,864)	(180,864)	—	180,864
<b>Net Changes In Fund Balances</b>	(105,864)	(105,864)	17,961	123,825
<b>Fund Balances - Beginning Of Year</b>			66,820	
<b>Fund Balances - End Of Year</b>			\$ 84,781	

**CITY OF LENEXA, KANSAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
SWIMMING POOL FUND  
For The Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 375,048	\$ 375,048	\$ 236,315	\$ (138,733)
Miscellaneous	54,876	54,876	29,060	(25,816)
<b>Total Revenues</b>	<b>429,924</b>	<b>429,924</b>	<b>265,375</b>	<b>(164,549)</b>
<b>Expenditures</b>				
Current:				
Recreation	444,945	444,945	339,029	105,916
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>(15,021)</b>	<b>(15,021)</b>	<b>(73,654)</b>	<b>(58,633)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	—	—	44,427	44,427
Transfers out	(24,942)	(24,942)	—	24,942
<b>Total Other Financing Sources (Uses)</b>	<b>(24,942)</b>	<b>(24,942)</b>	<b>44,427</b>	<b>69,369</b>
<b>Net Changes In Fund Balances</b>	<b>(39,963)</b>	<b>(39,963)</b>	<b>(29,227)</b>	<b>10,736</b>
<b>Fund Balances - Beginning Of Year</b>			<u>29,227</u>	
<b>Fund Balances - End Of Year - Budget Basis</b>			<u><u>\$ —</u></u>	

# CITY OF LENEXA, KANSAS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL NEIGHBORHOOD REVITALIZATION PROGRAM For The Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 250,000	\$ 250,000	\$ 57,635	\$ (192,365)
Charges for services	—	—	25	25
<b>Total Revenues</b>	<b>250,000</b>	<b>250,000</b>	<b>57,660</b>	<b>(192,340)</b>
<b>Expenditures</b>				
Current:				
General government	250,000	250,000	46,832	203,168
<b>Net Changes In Fund Balances</b>	<b>—</b>	<b>—</b>	<b>10,828</b>	<b>10,828</b>
<b>Fund Balances - Beginning Of Year</b>			<b>10,327</b>	
<b>Fund Balances - End Of Year</b>			<b>\$ 21,155</b>	

# 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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 550,613	\$ 550,613	\$ 662,533	\$ 111,920
<hr/>				
<b>Expenditures</b>				
Current:				
General government	1,426,142	1,426,142	—	1,426,142
<hr/>				
<b>Net Changes In Fund Balances</b>	(875,529)	(875,529)	662,533	1,538,062
<hr/>				
<b>Fund Balances - Beginning Of Year</b>			875,529	
<b>Fund Balances - End Of Year</b>			\$ 1,538,062	

# CITY OF LENEXA, KANSAS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL LENEXA CONFERENCE CENTER FUND For The Year Ended December 31, 2011

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 120,000	\$ 101,997	\$ 80,853	\$ (21,144)
Miscellaneous	7,000	7,000	—	(7,000)
<b>Total Revenues</b>	127,000	108,997	80,853	(28,144)
<b>Expenditures</b>				
Current:				
Recreation	127,000	140,649	115,723	24,926
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	—	(31,652)	(34,870)	(3,218)
<b>Other Financing Sources (Uses)</b>				
Transfers out	(13,649)	(159,351)	(156,133)	3,218
<b>Net Changes In Fund Balances</b>	(13,649)	(191,003)	(191,003)	—
<b>Fund Balances - Beginning Of Year</b>			191,003	
<b>Fund Balances - End Of Year - Budget Basis</b>			\$ —	

# 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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 515,710	\$ 515,710	\$ 500,388	\$ (15,322)
<b>Expenditures</b>				
Current:				
General government	516,033	516,033	500,433	15,600
<b>Net Changes In Fund Balances</b>	(323)	(323)	(45)	278
<b>Fund Balances - Beginning Of Year</b>			<u>323</u>	
<b>Fund Balances - End Of Year</b>			<u>\$ 278</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, 2011**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 50,000	\$ 50,000	\$ 1,329	\$ (48,671)
Investment earnings	—	—	2,704	2,704
<b>Total Revenues</b>	<b>50,000</b>	<b>50,000</b>	<b>4,033</b>	<b>(45,967)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	—	—	10,296	10,296
Transfers out	(257,505)	(257,505)	(151,652)	105,853
<b>Total Other Financing Sources (Uses)</b>	<b>(257,505)</b>	<b>(257,505)</b>	<b>(141,356)</b>	<b>116,149</b>
<b>Net Changes In Fund Balances</b>	<b>(207,505)</b>	<b>(207,505)</b>	<b>(137,323)</b>	<b>70,182</b>
<b>Fund Balances - Beginning Of Year</b>			<u>158,961</u>	
<b>Fund Balances - End Of Year</b>			<u><u>\$ 21,638</u></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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 50,000	\$ 50,000	\$ 21,410	\$ (28,590)
Investment earnings (loss)	—	—	(102)	(102)
<b>Total Revenues</b>	50,000	50,000	21,308	(28,692)
<b>Other Financing Sources (Uses)</b>				
Transfers out	(193,188)	(193,188)	1,659	194,847
<b>Net Changes In Fund Balances</b>	(143,188)	(143,188)	22,967	166,155
<b>Fund Balances - Beginning Of Year</b>			21,399	
<b>Fund Balances - End Of Year</b>			\$ 44,366	

# 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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 50,000	\$ 50,000	\$ 16,281	\$ (33,719)
Investment earnings	—	—	378	378
<b>Total Revenues</b>	<b>50,000</b>	<b>50,000</b>	<b>16,659</b>	<b>(33,341)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(101,689)	(101,689)	—	101,689
<b>Net Changes In Fund Balances</b>	<b>(51,689)</b>	<b>(51,689)</b>	<b>16,659</b>	<b>68,348</b>
<b>Fund Balances - Beginning Of Year</b>			<u>81,368</u>	
<b>Fund Balances - End Of Year</b>			<u>\$ 98,027</u>	

# 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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 869,605	\$ 869,605	\$ 631,738	\$ (237,867)
<b>Expenditures</b>				
Current:				
General government	1,321,782	867,788	70,775	797,013
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	(452,177)	1,817	560,963	559,146
<b>Other Financing Sources (Uses)</b>				
Transfers out	—	(453,994)	(453,642)	352
<b>Net Changes In Fund Balances</b>	(452,177)	(452,177)	107,321	559,498
<b>Fund Balances - Beginning Of Year</b>			544,603	
<b>Fund Balances - End Of Year</b>			\$ 651,924	

# 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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ —	\$ 372,000	\$ 316,647	\$ (55,353)
<b>Expenditures</b>				
Current:				
General government	—	372,000	178,018	193,982
<b>Net Changes In Fund Balances</b>	—	—	138,629	138,629
<b>Fund Balances - Beginning Of Year</b>			—	
<b>Fund Balances - End Of Year</b>			\$ 138,629	

**CITY OF LENEXA, KANSAS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
DEBT SERVICE FUND  
For The Year Ended December 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>Revenues</b>				
Taxes	\$ 10,705,490	\$ 10,705,490	\$ 9,580,287	\$ (1,125,203)
Investment earnings	70,178	70,178	23,010	(47,168)
<b>Total Revenues</b>	<b>10,775,668</b>	<b>10,775,668</b>	<b>9,611,101</b>	<b>(1,164,567)</b>
<b>Expenditures</b>				
Debt service:				
Principal retirement	7,751,283	7,751,283	7,645,000	106,283
Interest and fiscal charges	3,612,592	3,612,592	3,044,899	567,693
<b>Total Expenditures</b>	<b>11,363,875</b>	<b>11,363,875</b>	<b>10,689,899</b>	<b>673,976</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>				
	(588,207)	(588,207)	(1,078,798)	(490,591)
<b>Other Financing Sources (Uses)</b>				
Transfers in	—	—	1,950,653	1,950,653
Transfers out	(3,439,692)	(3,349,927)	—	3,349,927
<b>Total Other Financing Sources (Uses)</b>	<b>(3,439,692)</b>	<b>(3,349,927)</b>	<b>1,950,653</b>	<b>5,300,580</b>
<b>Net Changes In Fund Balances</b>	<b>(4,027,899)</b>	<b>(3,938,134)</b>	<b>871,855</b>	<b>4,809,989</b>
<b>Fund Balances - Beginning Of Year</b>			<u>4,182,267</u>	
<b>Fund Balances - End Of Year</b>			<u>\$ 5,054,122</u>	

# 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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 633,650	\$ 633,650	\$ —	\$ (633,650)
Investment earnings	—	—	(20,332)	(20,332)
<b>Total Revenues</b>	633,650	633,650	(20,332)	(653,982)
<b>Expenditures</b>				
Current:				
General government	—	90,205	90,204	1
Debt service:				
Principal retirement	165,105	164,665	—	164,665
Interest and fiscal charges	468,545	468,545	468,545	—
<b>Total Expenditures</b>	633,650	723,415	558,749	164,666
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	—	(89,765)	(579,081)	(489,316)
<b>Other Financing Sources (Uses)</b>				
Transfers in	—	—	428,617	428,617
<b>Net Changes In Fund Balances</b>	—	(89,765)	(150,464)	(60,699)
<b>Fund Balances - Beginning Of Year</b>			406,461	
<b>Fund Balances - End Of Year</b>			\$ 255,997	

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# CITY OF LENEXA, KANSAS

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## COMBINING STATEMENT OF NET ASSETS INTERNAL SERVICE FUNDS December 31, 2011

	Health Plan	Risk Management	Workers' Compensation	Total
<b>Assets</b>				
Deposits and investments	\$ 5,326,942	\$ 1,323,341	\$ 1,744,430	\$ 8,394,713
Interest receivable	33,340	7,267	9,515	50,122
Other receivable	188,503	—	—	188,503
<b>Total Assets</b>	<b>5,548,785</b>	<b>1,330,608</b>	<b>1,753,945</b>	<b>8,633,338</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	41,048	3,700	2,658	47,406
Accrued wages payable	—	—	1,292	1,292
Self insurance claims payable	401,865	65,000	224,498	691,363
<b>Total Current Liabilities</b>	<b>442,913</b>	<b>68,700</b>	<b>228,448</b>	<b>740,061</b>
<b>Noncurrent Liabilities</b>				
Self insurance claims payable	—	—	74,832	74,832
<b>Total Liabilities</b>	<b>442,913</b>	<b>68,700</b>	<b>303,280</b>	<b>814,893</b>
<b>Net Assets</b>				
Unrestricted	\$ 5,105,872	\$ 1,261,908	\$ 1,450,665	\$ 7,818,445

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# CITY OF LENEXA, KANSAS

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS INTERNAL SERVICE FUNDS For The Year Ended December 31, 2011

	Health Plan	Risk Management	Workers' Compensation	Total
<b>Operating Revenues</b>				
Charges for services	\$ 5,325,624	\$ 5,512	\$ 201,498	\$ 5,532,634
Intergovernmental	6,825	—	—	6,825
Miscellaneous	—	—	208	208
Reimbursements from insurance companies	195,142	213,613	—	408,755
<b>Total Operating Revenues</b>	<b>5,527,591</b>	<b>219,125</b>	<b>201,706</b>	<b>5,948,422</b>
<b>Operating Expenses</b>				
Personal services	—	—	46,528	46,528
Contractual services	450,583	226,490	127,310	804,383
Commodities	32,592	36,017	530	69,139
Claims	5,057,100	—	149,693	5,206,793
<b>Total Operating Expenses</b>	<b>5,540,275</b>	<b>262,507</b>	<b>324,061</b>	<b>6,126,843</b>
<b>Operating Income</b>	<b>(12,684)</b>	<b>(43,382)</b>	<b>(122,355)</b>	<b>(178,421)</b>
<b>Nonoperating Revenues</b>				
Investment income	46,302	11,783	18,107	76,192
<b>Income Before Transfers</b>	<b>33,618</b>	<b>(31,599)</b>	<b>(104,248)</b>	<b>(102,229)</b>
<b>Total Net Assets - Beginning Of Year</b>	<b>5,072,254</b>	<b>1,293,507</b>	<b>1,554,913</b>	<b>7,920,674</b>
<b>Total Net Assets - End Of Year</b>	<b>\$ 5,105,872</b>	<b>\$ 1,261,908</b>	<b>\$ 1,450,665</b>	<b>\$ 7,818,445</b>

# CITY OF LENEXA, KANSAS

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For The Year Ended December 31, 2011

	<b>Health Plan</b>	<b>Risk Management</b>	<b>Workers' Compensation</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>				
Cash received from customers	\$ 5,325,624	\$ 5,512	\$ 201,706	\$ 5,532,842
Cash received from insurance companies	124,959	38,613	—	163,572
Cash received from federal government	6,825	—	—	6,825
Cash payments for personnel services	—	—	(46,528)	(46,528)
Cash payments for contractual services and accounts payable	(5,431,366)	(143,306)	(344,305)	(5,918,977)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>26,042</b>	<b>(99,181)</b>	<b>(189,127)</b>	<b>(262,266)</b>
<b>Cash Flows From Investing Activities</b>				
Interest received	63,548	16,485	25,113	105,146
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>89,590</b>	<b>(82,696)</b>	<b>(164,014)</b>	<b>(157,120)</b>
<b>Cash And Cash Equivalents – Beginning Of Year</b>	<b>5,237,352</b>	<b>1,406,037</b>	<b>1,908,444</b>	<b>8,551,833</b>
<b>Cash And Cash Equivalents – End Of Year</b>	<b>\$ 5,326,942</b>	<b>\$ 1,323,341</b>	<b>\$ 1,744,430</b>	<b>\$ 8,394,713</b>
<b>Reconciliation Of Operating Income To Net Cash Provided By (Used In) Operating Activities</b>				
Operating loss	\$ (12,684)	\$ (43,382)	\$ (122,355)	\$ (178,421)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Change in other receivables	(70,183)	—	—	(70,183)
Change in accounts payable and claims payable	108,909	(55,799)	(66,772)	(13,662)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>\$ 26,042</b>	<b>\$ (99,181)</b>	<b>\$ (189,127)</b>	<b>\$ (262,266)</b>

**CITY OF LENEXA, KANSAS**  
**Statistical Section**  
**December 31, 2011**

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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These schedules contain information to help the reader assess the City's most significant local revenue sources, property and sales tax..	106 - 111
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<b>Demographic And Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. ....	115 - 117
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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. ....	118 - 120

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 ASSETS BY COMPONENT**  
**LAST NINE FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

**Schedule 1**

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:									
Invested in capital assets, net of related debt	\$ 381,064,682	\$ 431,336,688	\$ 433,106,968	\$ 419,733,080	\$ 393,808,972	\$ 362,437,246	\$ 321,741,301	\$ 23,090,637	\$ (9,381,663)
Restricted	20,838,326	22,697,434	19,501,498	20,333,616	30,079,331	28,871,081	24,437,172	5,811,871	5,554,595
Unrestricted	27,363,110	32,547,350	32,810,592	45,747,060	38,882,650	23,857,686	19,514,705	64,996,979	62,101,700
<b>Total governmental activities net assets</b>	<b>\$ 429,266,118</b>	<b>\$ 486,581,472</b>	<b>\$ 485,419,058</b>	<b>\$ 485,813,756</b>	<b>\$ 462,770,953</b>	<b>\$ 415,166,013</b>	<b>\$ 365,693,178</b>	<b>\$ 93,899,487</b>	<b>\$ 58,274,632</b>
Business type activities									
Invested in capital assets, net of related debt	\$ 58,532,281	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Restricted	1,390,539	—	—	—	—	—	—	—	—
Unrestricted	2,755,159	—	—	—	—	—	—	—	—
<b>Total business-type activities net assets</b>	<b>\$ 62,677,979</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>					
Primary government									
Invested in capital assets, net of related debt	\$ 439,596,963	\$ 431,336,688	\$ 433,106,968	\$ 419,733,080	\$ 393,808,972	\$ 362,437,246	\$ 321,741,301	\$ 23,090,637	\$ (9,381,663)
Restricted	22,228,865	22,697,434	19,501,498	20,333,616	30,079,331	28,871,081	24,437,172	5,811,871	5,554,595
Unrestricted	30,118,269	32,547,350	32,810,592	45,747,060	38,882,650	23,857,686	19,514,705	64,996,979	62,101,700
<b>Total business-type activities net assets</b>	<b>\$ 491,944,097</b>	<b>\$ 486,581,472</b>	<b>\$ 485,419,058</b>	<b>\$ 485,813,756</b>	<b>\$ 462,770,953</b>	<b>\$ 415,166,013</b>	<b>\$ 365,693,178</b>	<b>\$ 93,899,487</b>	<b>\$ 58,274,632</b>

\* The City implemented the retroactive infrastructure reporting provisions of GASB Statement No. 34.

The City implemented GASB 34 in 2003 therefore only 9 years of information is presented.

# CITY OF LENEXA, KANSAS

## CHANGES IN NET ASSETS LAST NINE FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

### Schedule 2

	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Expenses</b>									
<b>Governmental Activities</b>									
General government	\$ 9,891,228	\$ 10,833,526	\$ 11,925,719	\$ 10,383,824	\$ 10,439,441	\$ 10,140,866	\$ 7,877,120	\$ 8,095,326	\$ 8,303,131
Public safety	21,476,020	20,124,393	19,494,864	23,121,157	22,554,224	21,674,903	19,307,055	19,062,115	18,223,159
Municipal Services	30,929,195	29,708,136	29,299,766	30,795,517	20,785,278	22,606,757	19,930,013	9,426,253	8,482,185
Parks and recreation	3,250,279	4,601,241	3,617,450	4,675,363	3,563,224	4,230,363	4,073,203	4,287,148	4,066,202
Economic Development	707,048	3,470,102	11,249,594	21,158	5,224,536	—	—	—	—
Interest on long-term debt	3,178,417	4,511,828	5,030,464	6,327,205	5,645,529	4,587,781	4,167,996	4,166,403	3,446,881
<b>Total Governmental Activities Expenses</b>	<b>69,432,187</b>	<b>73,249,226</b>	<b>80,617,857</b>	<b>75,324,224</b>	<b>68,212,232</b>	<b>63,240,670</b>	<b>55,355,387</b>	<b>45,037,245</b>	<b>42,521,558</b>
<b>Business type Activies</b>									
Stormwater	3,662,798	—	—	—	—	—	—	—	—
<b>Total Primary Government Expenses</b>	<b>73,094,985</b>	<b>73,249,226</b>	<b>80,617,857</b>	<b>75,324,224</b>	<b>68,212,232</b>	<b>63,240,670</b>	<b>55,355,387</b>	<b>45,037,245</b>	<b>42,521,558</b>
<b>Program Revenues</b>									
<b>Governmental Activities</b>									
<b>Charges for Services</b>									
General government	1,581,325	1,112,486	1,174,156	1,939,122	2,110,830	1,669,412	1,348,568	1,331,190	1,301,000
Public safety	1,731,928	2,102,003	2,637,487	2,281,056	1,974,419	2,530,617	2,090,781	1,555,911	1,439,460
Municipal Services	144,551	4,000,452	7,483,343	4,916,080	4,067,268	2,974,051	2,847,286	2,554,613	1,862,126
Parks and recreation	813,320	807,665	848,240	1,096,559	1,327,815	1,254,191	1,303,004	1,316,645	1,240,674
Operating grants and contributions	1,250,263	1,621,587	1,172,192	1,342,607	1,333,323	1,628,914	1,468,887	1,678,643	1,211,786
Capital grants and contributions	5,692,079	5,096,318	3,029,140	16,936,970	38,473,225	41,225,817	17,620,078	13,407,974	12,322,680
<b>Total Program Revenues</b>	<b>11,213,466</b>	<b>14,740,511</b>	<b>16,344,558</b>	<b>28,512,394</b>	<b>49,286,880</b>	<b>51,283,002</b>	<b>26,678,604</b>	<b>21,844,976</b>	<b>19,377,726</b>
<b>Business Type Activities</b>									
<b>Charges for Services</b>									
Stormwater	4,129,646	—	—	—	—	—	—	—	—
Capital grants and contributions	1,845,602	—	—	—	—	—	—	—	—
<b>Total Program Revenues</b>	<b>5,975,248</b>	<b>—</b>							
<b>Total Primary Government Program Revenues</b>	<b>17,188,714</b>	<b>14,740,511</b>	<b>16,344,558</b>	<b>28,512,394</b>	<b>49,286,880</b>	<b>51,283,002</b>	<b>26,678,604</b>	<b>21,844,976</b>	<b>19,377,726</b>
<b>Net (Expenses)/Revenue</b>	<b>(55,906,271)</b>	<b>(58,508,715)</b>	<b>(64,273,299)</b>	<b>(46,811,830)</b>	<b>(18,925,352)</b>	<b>(11,957,668)</b>	<b>(28,676,783)</b>	<b>(23,192,269)</b>	<b>(23,143,832)</b>

# CITY OF LENEXA, KANSAS

## CHANGES IN NET ASSETS LAST NINE FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

### Schedule 2 (Continued)

	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Revenues</b>									
<b>Governmental Activities</b>									
Property taxes	\$ 24,611,342	\$ 24,793,267	\$ 28,587,311	\$ 28,922,505	\$ 27,026,449	\$ 24,460,112	\$ 23,143,077	\$ 24,379,660	\$ 21,413,846
Sales tax	25,982,247	24,385,785	25,085,389	23,611,541	23,211,369	22,984,775	22,900,980	22,890,060	18,040,865
Franchise taxes	6,488,264	6,103,057	5,953,082	5,796,496	5,320,626	4,937,822	4,915,958	4,474,203	4,055,743
Motor vehicle tax	1,926,812	1,905,333	1,922,587	1,995,251	2,021,732	2,038,168	1,988,324	1,052,870	1,008,071
Transient guest tax	660,183	458,398	441,128	573,637	582,001	604,423	531,379	488,002	396,368
Excise tax	—	14,242	132,837	1,113,091	1,824,963	821,587	2,334,370	1,123,877	1,017,873
Special liquor tax	552,264	616,572	538,966	550,690	582,585	579,278	515,163	495,705	519,237
Investment revenue	286,548	360,162	439,528	2,797,896	4,348,915	3,933,615	2,067,324	1,222,614	882,749
Gain on disposal of capital assets	—	—	—	—	—	1,500	33,828	44,461	56,246
Miscellaneous	721,592	1,034,313	777,773	931,383	1,611,652	1,069,223	1,582,233	2,645,672	2,448,975
Transfers	(4,240,983)	—	—	—	—	—	—	—	—
Capital contributions	(56,084,902)	—	—	—	—	—	—	—	—
Special item - gain on sale of land	—	—	—	2,667,909	—	—	—	—	—
<b>Total Governmental Activities</b>	<b>903,367</b>	<b>59,671,129</b>	<b>63,878,601</b>	<b>68,960,399</b>	<b>66,530,292</b>	<b>61,430,503</b>	<b>60,012,636</b>	<b>58,817,124</b>	<b>49,839,973</b>
<b>Business-type Activities</b>									
Investment revenue	39,644	—	—	—	—	—	—	—	—
Transfers	4,240,983	—	—	—	—	—	—	—	—
Capital contributions	56,084,902	—	—	—	—	—	—	—	—
<b>Total Business-type Activities</b>	<b>60,365,529</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Primary Government</b>	<b>61,268,896</b>	<b>59,671,129</b>	<b>63,878,601</b>	<b>68,960,399</b>	<b>66,530,292</b>	<b>61,430,503</b>	<b>60,012,636</b>	<b>58,817,124</b>	<b>49,839,973</b>
<b>Changes In Net Assets</b>									
Governmental Activities	(57,315,354)	1,162,414	(394,698)	22,148,569	47,604,940	49,472,835	31,335,853	35,624,855	26,696,141
Businesss type Activities	62,677,979	—	—	—	—	—	—	—	—
<b>Total City</b>	<b>\$ 5,362,625</b>	<b>\$ 1,162,414</b>	<b>\$ (394,698)</b>	<b>\$ 22,148,569</b>	<b>\$ 47,604,940</b>	<b>\$ 49,472,835</b>	<b>\$ 31,335,853</b>	<b>\$ 35,624,855</b>	<b>\$ 26,696,141</b>

\* The City implemented the retroactive infrastructure reporting provisions of GASB Statement No. 34. The City implemented GASB 34 in 2003 therefore only 8 years of information is presented.

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

**Schedule 3**

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Fund:</b>										
Reserved for encumbrances	\$ —	\$ 211,422	\$ 602,653	\$ 573,079	\$ 652,466	\$ 672,814	\$ 587,497	\$ 269,816	\$ 576,017	\$ 598,941
Unreserved	—	23,263,831	19,700,723	19,527,627	20,647,840	19,463,189	16,449,763	11,465,294	7,177,053	6,209,805
Committed	258,142	—	—	—	—	—	—	—	—	—
Assigned	168,011	—	—	—	—	—	—	—	—	—
Unassigned	23,096,434	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 23,522,587</b>	<b>\$ 23,475,253</b>	<b>\$ 20,303,376</b>	<b>\$ 20,100,706</b>	<b>\$ 21,300,306</b>	<b>\$ 20,136,003</b>	<b>\$ 17,037,260</b>	<b>\$ 11,735,110</b>	<b>\$ 7,753,070</b>	<b>\$ 6,808,746</b>
<b>All Other Governmental Funds:</b>										
Reserved for Debt Service	\$ —	\$ 4,588,728	\$ 5,020,086	\$ 7,981,772	\$ 12,117,994	\$ 8,842,822	\$ 7,586,671	\$ 6,992,501	\$ 6,875,627	\$ 551,285
Reserved for economic development	—	1,583,844	740,675	591,062	442,686	336,524	208,900	162,509	148,937	144,727
Encumbrances	—	16,140,257	7,600,180	11,864,275	22,869,483	25,254,723	16,378,988	24,752,816	28,973,461	9,079,220
Unreserved (deficit), reported in:										
Special revenue funds	—	19,994,826	18,670,980	17,694,956	19,103,774	14,918,654	15,436,997	11,728,052	11,423,740	8,562,661
Capital projects funds	—	(3,901,888)	230,225	562,825	(9,981,079)	(1,540,113)	14,956,937	16,025,724	14,463,308	217,398
Restricted	20,838,326	—	—	—	—	—	—	—	—	—
Committed	90,695	—	—	—	—	—	—	—	—	—
Assigned	13,507,019	—	—	—	—	—	—	—	—	—
Unassigned	(402)	—	—	—	—	—	—	—	—	—
<b>Total all other governmental funds</b>	<b>\$ 34,435,638</b>	<b>\$ 38,405,767</b>	<b>\$ 32,262,146</b>	<b>\$ 38,694,890</b>	<b>\$ 44,552,858</b>	<b>\$ 47,812,610</b>	<b>\$ 54,568,493</b>	<b>\$ 59,661,602</b>	<b>\$ 61,885,073</b>	<b>\$ 18,555,291</b>

# CITY OF LENEXA, KANSAS

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

### Schedule 4

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Revenues</b>										
Taxes	\$ 62,744,415	\$ 62,228,253	\$ 63,828,961	\$ 63,860,604	\$ 61,859,940	\$ 57,765,612	\$ 57,562,746	\$ 56,076,938	\$ 47,588,135	\$ 45,788,481
Intergovernmental	6,262,891	4,888,801	4,361,503	6,694,141	10,780,159	12,645,540	8,165,952	7,743,672	3,486,430	3,184,967
Licenses and permits	1,064,999	766,917	1,022,062	1,508,455	1,899,172	1,516,650	1,489,705	1,351,842	1,569,823	1,137,698
Fines and forfeitures	1,817,836	5,638,572	5,623,865	7,075,096	1,450,934	1,822,004	1,648,233	1,501,396	1,704,547	1,507,710
Rents and leases	390,773	398,639	399,617	335,371	275,845	228,822	193,958	181,829	160,682	163,782
Charges for services	1,192,278	1,316,984	1,629,641	1,558,649	6,283,919	5,080,068	4,490,799	3,993,717	3,312,793	3,779,803
Investment earnings	210,356	316,622	431,469	2,490,655	3,866,331	3,723,821	1,969,693	1,190,230	599,186	682,230
Miscellaneous	276,714	369,034	518,795	544,910	1,180,662	216,053	1,109,702	1,909,090	1,911,729	370,841
<b>Total Revenues</b>	<b>73,960,262</b>	<b>75,923,822</b>	<b>77,815,913</b>	<b>84,067,881</b>	<b>87,596,962</b>	<b>82,998,570</b>	<b>76,630,788</b>	<b>73,948,714</b>	<b>60,333,325</b>	<b>56,615,512</b>
<b>Expenditures</b>										
Current:										
General government	9,911,718	10,445,642	11,377,549	10,157,721	9,958,537	9,070,643	8,239,652	7,963,360	7,745,701	7,735,313
Public safety	20,782,769	20,680,879	21,631,286	22,684,149	22,449,884	21,541,853	20,034,196	19,362,250	17,275,162	17,018,223
Municipal services	7,595,127	9,493,093	10,309,730	11,032,630	10,584,153	9,566,884	9,288,797	9,188,447	8,337,772	7,629,136
Recreation	4,224,838	4,127,290	4,071,065	4,253,176	4,115,717	3,831,821	3,661,223	3,813,540	3,533,334	7,974,648
Economic Development	—	—	—	21,158	5,224,536	—	—	—	—	—
Capital projects	25,045,565	20,989,619	23,731,169	34,082,317	41,390,777	51,865,333	36,317,103	37,141,255	19,850,420	29,650,430
Debt service:										
Principal retirement	15,591,361	17,306,494	13,077,667	29,388,094	16,255,412	21,129,757	14,000,000	7,545,000	7,415,000	8,285,000
Interest and fiscal charges	3,633,968	4,873,648	5,381,359	5,801,473	5,113,743	4,616,229	4,256,438	4,336,550	2,057,349	2,439,944
Bond issue costs	125,768	252,005	194,682	137,393	284,465	203,631	66,412	54,547	105,489	49,563
Miscellaneous	—	—	—	—	—	—	—	—	23,291	55
<b>Total Expenditures</b>	<b>86,911,114</b>	<b>88,168,670</b>	<b>89,774,507</b>	<b>117,558,111</b>	<b>115,377,224</b>	<b>121,826,151</b>	<b>95,863,821</b>	<b>89,404,949</b>	<b>66,343,518</b>	<b>80,782,312</b>
<b>Excess Of Revenues Over/(Under) Expenditures</b>	<b>(12,950,852)</b>	<b>(12,244,848)</b>	<b>(11,958,594)</b>	<b>(33,490,230)</b>	<b>(27,780,262)</b>	<b>(38,827,581)</b>	<b>(19,233,033)</b>	<b>(15,456,235)</b>	<b>(6,010,193)</b>	<b>(24,166,800)</b>
<b>Other Financing Sources And Uses,</b>										
<b>Including Transfers</b>										
Issuance of general obligation bonds	4,800,000	13,390,000	5,945,000	15,020,000	16,985,000	16,370,000	9,470,000	17,365,000	5,665,000	—
Discount on general obligation bonds	—	—	—	(28,825)	—	—	(130,318)	(100,196)	—	—
Premium from general obligation refunding bonds	274,040	3,882,135	182,576	315,274	825,351	193,581	—	—	6,074,042	—
Issuance of sales tax revenue bonds	—	—	—	—	—	—	—	—	—	—
Issuance of general obligation refunding bonds	—	19,815,000	7,660,000	—	—	—	4,530,000	—	51,365,000	—
Issuance of general obligation temporary notes	8,195,000	7,140,000	—	7,410,000	—	18,640,000	9,750,000	—	—	10,115,000
Issuance of tax increment financing bonds	—	—	—	—	7,865,000	—	—	—	—	—
Payment for refunded general obligation bonds	—	(22,879,529)	(7,669,680)	—	—	—	(4,475,000)	—	(13,328,751)	—
Proceeds from capital lease	—	—	—	—	309,462	—	—	—	—	—
Revolving Loan KDHE	—	212,740	60,624	—	—	—	—	—	—	—
Transfers in	22,648,415	23,576,934	23,337,150	38,600,114	22,584,209	16,743,217	10,066,880	12,061,759	12,391,271	15,176,318
Transfers out	(26,889,398)	(23,576,934)	(23,787,150)	(39,050,114)	(22,884,209)	(16,776,358)	(9,966,880)	(12,111,759)	(12,391,271)	(15,226,318)
<b>Total Other Financing Sources And Uses, Including Transfers</b>	<b>9,028,057</b>	<b>21,560,346</b>	<b>5,728,520</b>	<b>22,266,449</b>	<b>25,684,813</b>	<b>35,170,440</b>	<b>19,244,682</b>	<b>17,214,804</b>	<b>49,775,291</b>	<b>10,065,000</b>
<b>Special Item</b>										
Proceeds from sale of land	—	—	—	4,166,213	—	—	—	—	—	—
<b>Net change in fund balances</b>	<b>\$ (3,922,795)</b>	<b>\$ 9,315,498</b>	<b>\$ (6,230,074)</b>	<b>\$ (7,057,568)</b>	<b>\$ (2,095,449)</b>	<b>\$ (3,657,141)</b>	<b>\$ 11,649</b>	<b>\$ 1,758,569</b>	<b>\$ 43,765,098</b>	<b>\$ (14,101,800)</b>
Debt service as a percentage of noncapital expenditures	27%	31%	28%	42%	31%	37%	31%	23%	21%	21%

# CITY OF LENEXA, KANSAS

## GOVERNMENTAL FUND TYPES REVENUES BY SOURCE LAST TEN FISCAL YEARS

### Schedule 5

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Taxes</b>										
Property	\$ 24,694,182	\$ 26,107,166	\$ 27,446,726	\$ 27,398,743	\$ 26,045,590	\$ 24,197,568	\$ 23,029,624	\$ 23,565,713	\$ 20,568,560	\$ 19,532,897
Sales (including compensating use)	25,982,247	24,385,785	25,085,389	23,611,541	23,211,369	22,984,775	22,900,979	22,199,157	18,040,865	17,109,561
Franchise	6,488,264	6,103,057	5,953,079	5,796,496	5,320,626	4,937,822	4,915,958	4,474,203	4,055,743	4,149,237
Special assessments	1,198,352	1,032,994	1,140,585	1,523,759	980,860	364,274	113,454	71,684	113,641	134,743
Motor vehicle excise	1,926,812	1,905,333	1,922,586	1,995,252	2,021,732	2,038,167	1,954,709	1,764,289	1,716,384	1,625,684
Transient guest	660,183	458,398	441,129	573,637	582,001	604,423	531,379	488,002	396,367	404,088
Excise	—	14,242	132,836	1,113,091	1,824,963	821,587	2,334,370	1,814,781	1,017,873	402,115
Other Taxes	1,794,375	1,770,910	1,706,631	1,848,085	1,872,799	1,816,996	1,782,273	1,699,109	1,678,702	2,430,156
<b>Total Taxes</b>	<b>62,744,415</b>	<b>61,777,885</b>	<b>63,828,961</b>	<b>63,860,604</b>	<b>61,859,940</b>	<b>57,765,612</b>	<b>57,562,746</b>	<b>56,076,938</b>	<b>47,588,135</b>	<b>45,788,481</b>
<b>Revenues</b>										
Intergovernmental	6,262,891	4,888,801	4,361,503	6,694,142	10,780,159	12,645,540	8,165,952	7,743,672	3,486,430	3,184,967
Licenses and permits	1,064,999	766,917	1,022,062	1,508,455	1,899,172	1,516,650	1,489,705	1,351,842	1,569,823	1,137,698
Fines and forfeitures	1,192,278	1,316,984	1,629,641	7,075,095	1,450,934	1,822,004	1,648,233	1,501,396	1,704,547	1,507,710
Rents and leases	390,773	398,639	399,617	335,371	275,845	228,822	193,958	181,829	160,682	163,782
Charges for services	1,817,836	5,638,572	5,623,865	1,558,649	6,283,919	5,080,068	4,490,799	3,993,717	3,312,793	3,779,803
Investment earnings	210,356	316,622	436,532	2,490,655	3,866,331	3,723,821	1,969,693	1,190,230	599,186	682,230
Miscellaneous	276,714	369,034	518,795	544,910	1,180,662	216,053	1,109,702	1,909,090	1,911,729	370,841
<b>Total Revenues</b>	<b>11,215,847</b>	<b>13,695,569</b>	<b>13,992,015</b>	<b>20,207,277</b>	<b>25,737,022</b>	<b>25,232,958</b>	<b>19,068,042</b>	<b>17,871,776</b>	<b>12,745,190</b>	<b>10,827,031</b>
<b>Grand Total</b>	<b>\$ 73,960,262</b>	<b>\$ 75,473,454</b>	<b>\$ 77,820,976</b>	<b>\$ 84,067,881</b>	<b>\$ 87,596,962</b>	<b>\$ 82,998,570</b>	<b>\$ 76,630,788</b>	<b>\$ 73,948,714</b>	<b>\$ 60,333,325</b>	<b>\$ 56,615,512</b>

# 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
2010	2011	\$ 768,176,024	15%	\$ 5,008,836,688	\$ 53,837,911	\$ 28,058,513	\$ 74,158,463	\$ 924,230,911	29.635
2009	2010	765,361,859	15%	5,234,310,460	60,483,211	31,351,516	74,559,595	931,756,181	26.574
2008	2009	829,743,292	13%	6,301,357,160	93,491,169	33,701,766	77,610,667	1,034,546,894	26.568
2007	2008	853,642,326	14%	5,915,463,793	113,984,994	29,778,985	78,523,529	1,075,929,834	26.477
2006	2007	822,636,283	14%	5,903,655,326	151,089,330	32,308,929	76,442,635	1,082,477,177	26.468
2005	2006	771,464,338	13%	5,794,230,298	165,954,347	35,665,105	74,847,736	1,047,931,526	26.477
2004	2005	716,505,869	14%	5,225,759,116	160,224,546	33,944,169	71,785,927	982,460,511	26.513
2003	2004	675,525,628	14%	4,935,352,673	146,084,234	44,917,378	69,400,057	935,927,297	26.553
2002	2003	645,083,486	13%	4,783,126,334	158,873,037	45,770,906	69,143,524	918,870,953	23.575
2001	2002	618,108,087	14%	4,550,304,267	153,533,830	42,741,715	67,637,118	882,020,750	23.537

(1) Includes recreational vehicle assessed value:

- 2002 recreational vehicle tax amounted to \$250,483.
- 2003 recreational vehicle tax amounted to \$241,466.
- 2004 recreational vehicle tax amounted to \$256,533.
- 2005 recreational vehicle tax amounted to \$287,497.
- 2006 recreational vehicle tax amounted to \$315,276.
- 2007 recreational vehicle tax amounted to \$329,228.
- 2008 recreational vehicle tax amounted to \$297,355.
- 2009 recreational vehicle tax amounted to \$289,360.
- 2010 recreational vehicle tax amounted to \$283,667.
- 2011 recreational vehicle tax amounted to \$275,145.

# CITY OF LENEXA, KANSAS

## DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

### Schedule 7

		City Direct Rates			Overlapping Rates										
Tax Year	Fiscal Year	General	Debt Service	Total Direct	State	County	Library	County Community College	Park	Waste-water	Total Over-lapping Without Schools	School District Shawnee Mission	School District De Soto	School District Olathe	Total Direct And Over-lapping Rates
2010	2011	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
2009	2010	17.433	9.141	26.574	1.500	17.716	3.151	8.784	2.346	—	60.071	55.318	74.186	66.900	86.645
2008	2009	16.929	9.639	26.568	1.500	17.767	3.057	8.768	2.341	—	60.001	52.094	74.170	66.913	86.569
2007	2008	16.871	9.606	26.477	1.500	17.985	2.962	8.749	2.295	—	59.968	52.008	71.463	64.343	86.445
2006	2007	16.865	9.603	26.468	1.500	17.949	2.960	8.872	2.290	—	60.039	51.980	69.693	65.180	86.507
2005	2006	16.871	9.606	26.477	1.500	17.922	2.955	8.960	2.286	—	60.100	49.748	69.115	68.173	86.577
2004	2005	16.894	9.619	26.513	1.500	16.041	2.956	9.438	2.367	—	58.815	42.655	72.806	69.177	85.328
2003	2004	16.920	9.633	26.553	1.500	16.381	2.954	9.432	2.365	—	59.185	37.774	74.734	64.166	85.738
2002	2003	13.827	9.748	23.575	1.500	16.221	2.948	9.428	1.602	—	55.274	42.238	75.518	64.125	78.849
2001	2002	13.805	9.732	23.537	1.500	16.333	2.971	7.743	1.382	4.181	57.647	38.699	75.640	64.385	81.184

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	2010 Tax Year/2011 Fiscal Year			Taxpayer	2000 Tax Year/2001 Fiscal Year		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value
HRPT Lenexa Properties Trust	\$ 25,297,576	1	2.74%	Lenexa Industrial Park, Inc.	\$ 23,420,268	1	2.74%
Perg Buildings, LLC	17,985,720	2	1.95%	Sprint Corporation	20,595,223	2	2.41%
Sprint Spectrum LP	9,937,368	3	1.08%	Perg Building Partnership	16,822,765	3	1.97%
Kansas City Power & Light	9,730,107	4	1.05%	Southwestern Bell Telephone	12,296,081	4	1.44%
MEPT Kansas Commerce	8,075,717	5	0.87%	KPERS Realty Holding #1, Inc.	11,186,288	5	1.31%
JC Penney Properties, Inc	7,732,693	6	0.84%	Karbank, Barney A.	6,786,330	6	0.79%
Meritex, Inc	5,783,005	7	0.63%	J.C. Penney Properties	6,209,088	7	0.73%
Labone, Inc	5,599,796	8	0.61%	Caleast industrial Investors	6,174,796	8	0.72%
Orchard Center Co., LLC	4,412,003	9	0.48%	Oak Park Commons	4,925,520	9	0.58%
LIT Industrial Limited	4,392,215	10	0.48%	Kansas City Power & Light	4,866,765	10	0.57%
<b>Total</b>	<b>\$ 98,946,200</b>			<b>Total</b>	<b>\$ 113,283,124</b>		
City of Lenexa (includes motor vehicles)	\$ 924,230,911			City of Lenexa (includes motor vehicles)	\$ 855,114,926		

Source: Johnson County Department of Records and Tax Administration

# CITY OF LENEXA, KANSAS

## SALES TAX RATES LAST TEN FISCAL YEARS

### Schedule 9

<b>Fiscal Year</b>	<b>City Sales</b>	<b>City Roads/ Parks Civic Facility Sales</b>	<b>City Storm- water Sales</b>	<b>County Sales</b>	<b>County Public Safety Sales</b>	<b>County Bi-State Sales</b>	<b>County Storm- water Sales</b>	<b>County Economic Development Sales</b>	<b>County Education Research Triange Sales</b>	<b>State</b>	<b>Total Direct</b>
2002	1.000%	0.000%	0.125%	0.500%	0.250%	0.000%	0.100%	0.000%	0.000%	5.300%	7.275%
2003	1.000%	0.000%	0.125%	0.500%	0.250%	0.000%	0.100%	0.250%	0.000%	5.300%	7.525%
2004	1.000%	0.000%	0.125%	0.500%	0.250%	0.000%	0.100%	0.250%	0.000%	5.300%	7.525%
2005	1.000%	0.000%	0.125%	0.500%	0.250%	0.000%	0.100%	0.250%	0.000%	5.300%	7.525%
2006	1.000%	0.000%	0.125%	0.500%	0.250%	0.000%	0.100%	0.250%	0.000%	5.300%	7.525%
2007	1.000%	0.000%	0.125%	0.500%	0.250%	0.000%	0.100%	0.250%	0.000%	5.300%	7.525%
2008	1.000%	0.375%	0.125%	0.500%	0.250%	0.000%	0.100%	0.250%	0.000%	5.300%	7.900%
2009	1.000%	0.375%	0.125%	0.500%	0.250%	0.000%	0.100%	0.250%	0.125%	5.300%	8.025%
2010	1.000%	0.375%	0.000%	0.500%	0.250%	0.000%	0.100%	0.250%	0.125%	6.300%	8.900%
2011	1.000%	0.375%	0.000%	0.500%	0.250%	0.000%	0.100%	0.250%	0.125%	6.300%	8.900%

Tax Rates from Kansas Department of Revenue

# CITY OF LENEXA, KANSAS

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

### Schedule 10

Fiscal Year (1)	Total Tax Levy	Current Tax Collections	Percentage Current Tax Collected	Prior Year's Tax Collected	Total Tax Collections	Percentage Total Collection To Current Levy
2002	\$ 18,598,523	\$ 17,870,480	96.09	\$ 72,353	\$ 17,942,833	96.47
2003	19,161,380	18,689,462	97.54	212,198	18,901,660	98.64
2004	22,519,176	22,352,249	99.26	151,833	22,504,082	99.93
2005	22,944,686	22,567,621	98.36	187,034	22,754,655	99.17
2006	24,078,555	23,713,948	98.49	156,850	23,870,798	99.14
2007	25,779,816	25,368,258	98.40	250,465	25,618,723	99.38
2008	26,614,304	26,227,121	98.55	311,309	26,538,430	99.71
2009	26,488,848	25,840,274	97.55	211,286	26,051,560	98.35
2010	25,421,859	24,617,924	96.84	227,449	24,845,373	97.73
2011	22,843,334	22,186,644	97.13	222,993	22,409,637	98.10

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

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

# CITY OF LENEXA, KANSAS

## RATIOS OF GENERAL OBLIGATION DEBT OUTSTANDING LAST TEN FISCAL YEARS

### Schedule 11

Fiscal Year	General Obligation Bonds	General Obligation Notes	General Obligation Debt	Less:		Percentage Of Assessed Taxable Value <sup>1</sup> Of Property	Per Capita <sup>2</sup>
				Amounts Available In Debt Service Fund	Total		
2002	\$ 35,880,000	\$ 15,515,000	\$ 51,395,000	\$ 551,285	\$ 50,843,715	5.76%	1,234
2003	73,170,000	15,780,000	88,950,000	6,875,627	82,074,373	8.93%	1,951
2004	83,920,000	15,780,000	99,700,000	6,992,501	92,707,499	9.91%	2,175
2005	86,085,000	19,865,000	105,950,000	7,586,671	98,363,329	10.01%	2,248
2006	94,710,000	25,565,000	120,275,000	8,842,822	111,432,178	10.63%	2,492
2007	102,820,000	18,640,000	121,460,000	10,410,389	111,049,611	10.26%	2,424
2008	107,580,000	7,410,000	114,990,000	6,730,335	108,259,665	10.06%	2,342
2009	101,845,000	7,410,000	109,255,000	4,205,684	105,049,316	10.15%	2,189
2010	104,275,000	7,140,000	111,415,000	4,182,267	107,232,733	11.51%	2,225
2011	100,675,000	8,195,000	108,870,000	5,054,122	103,815,878	11.23%	2,148

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

<sup>1</sup> See Exhibit 6 for property value data.

<sup>2</sup> See Exhibit 14 for personal income and population data.

# CITY OF LENEXA, KANSAS

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT December 31, 2010

### Schedule 12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable <sup>1</sup>	Estimated Share Of Overlapping Debt
<b>Debt To Be Repaid With Property Taxes</b>			
Johnson County, Kansas	\$ 240,750,000	11.11%	\$ 26,747,325
Johnson County Parks & Recreation	3,625,000	11.11%	402,738
U.S.D. #232 (De Soto)	186,215,000	5.68%	10,577,012
U.S.D. #233 (Olathe)	347,365,000	15.24%	52,938,426
U.S.D. #512 (Shawnee Mission)	222,340,000	19.15%	42,578,110
Fire #3 Benefit District "B"	360,000	0.00%	—
<b>Total Overlapping Debt</b>			<b>133,243,611</b>
<b>City Direct Debt</b>	<b>108,870,000</b>	<b>100.0%</b>	<b>108,870,000</b>
<b>Total Direct And Overlapping Debt</b>			<b>\$ 242,113,611</b>

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 12/31/2010. Other debt as of 6/30/2010.

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 resident 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.

<sup>1</sup> 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.

\*\* 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

## LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

### Schedule 13

Fiscal Year	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt limit	\$ 264,606,225	\$ 275,661,286	\$ 280,778,189	\$ 294,738,153	\$ 314,379,458	\$ 324,743,153	\$ 322,778,950	\$ 310,364,068	\$ 279,526,854	\$ 277,269,273
Total net debt applicable to limit	50,843,715	82,074,373	92,707,499	98,363,329	111,432,178	111,049,611	108,259,665	105,049,316	107,232,733	103,815,878
<b>Legal Debt Limit</b>	<b>\$ 213,762,510</b>	<b>\$ 193,586,913</b>	<b>\$ 188,070,690</b>	<b>\$ 196,374,824</b>	<b>\$ 202,947,280</b>	<b>\$ 213,693,542</b>	<b>\$ 214,519,285</b>	<b>\$ 205,314,752</b>	<b>\$ 172,294,121</b>	<b>\$ 173,453,395</b>
Total net debt applicable to the limit as a percentage of the limit	19.2%	29.8%	33.0%	33.4%	35.4%	34.2%	33.5%	33.8%	38.4%	37.4%
Total net debt as a percentage of assessed value**	5.8%	9.7%	10.7%	10.8%	10.6%	10.3%	10.1%	10.2%	11.5%	11.2%

#### Legal Debt Margin Calculation For Fiscal Year 2010

Assessed value	\$ 924,230,911
Debt limit (30% of total assessed value)	277,269,273
Debt applicable to limit:	
General obligation debt	108,870,000
Less: Amount set aside for repayment of general obligation debt	5,054,122
Net debt applicable to limit	103,815,878
<b>Legal Debt Margin</b>	<b>\$ 173,453,395</b>

# CITY OF LENEXA, KANSAS

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

### Schedule 14

<b>Fiscal Year</b>	<b>City Population</b>	<b>County Population</b>	<b>City Population Percent Change</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>City Unemployment Rate</b>	<b>State Unemployment Rate</b>
2011	48,326	548,837	0.3%	\$ 2,699,152,078	\$ 55,853	6.0%	6.0%
2010	48,190	558,628	0.4%	2,822,488,300	58,570	7.3%	7.0%
2009	47,996	548,122	3.8%	2,762,217,796	57,551	6.5%	6.2%
2008	46,219	539,811	0.9%	2,527,208,701	54,679	5.4%	4.8%
2007	45,804	527,066	2.5%	2,377,594,032	51,908	4.1%	3.7%
2006	44,708	516,731	2.2%	2,272,686,472	50,834	4.0%	4.1%
2005	43,765	506,562	2.7%	2,136,734,219	48,823	4.2%	5.1%
2004	42,615	496,691	1.3%	1,981,512,270	46,498	3.5%	5.6%
2003	42,068	486,943	2.1%	1,847,290,016	43,912	3.7%	5.6%
2002	41,203	476,009	1.3%	1,798,593,356	43,652	4.1%	5.1%

Data Sources: Lenexa Community Development Department  
[www.laborstats.dol.ks.gov/lfe/lfecurrent.htm](http://www.laborstats.dol.ks.gov/lfe/lfecurrent.htm)

Per Capita Personal Income reflects that of Johnson County, Kansas. Figures are not available by municipality. 2000 - 2003 figures are from [www.bea.gov](http://www.bea.gov) and reflect Johnson County's per capita personal income. 2005 and 2006 figures were not available and are estimated.

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

**Schedule 15**

<b>Employer</b>	<b>2010 Tax Year/2011 Fiscal Year</b>			<b>Employer</b>	<b>2000 Tax Year/2001 Fiscal Year</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage Of Total City Employment</b>		<b>Employees</b>	<b>Rank</b>	<b>Percentage Of Total City Employment</b>
Quest Diagnostics/Lab One	2,411	1	5.24%	United Parcel Service, Inc.	1,800	1	4.09%
United Parcel Service	2,133	2	4.64%	J.C. Penney Catalog Distribution Center	1,300	2	2.95%
Faith Technologies	1,540	3	3.35%	Deluxe Corporation	1,200	3	2.73%
Freightquote.com	963	4	2.09%	Sprint Corporation	950	4	2.16%
JC Penney Logistics Center	899	5	1.95%	LabOne, Incorporated	900	5	2.05%
Kiewit Power Engineers Company	800	6	1.74%	Asplundh Tree Expert Company	800	6	1.82%
Gear for Sports	603	7	1.31%	Gear for Sports	750	7	1.70%
Deluxe Corporation	600	8	1.30%	Gill Studios, Inc.	600	8	1.36%
Lakeview Village	511	9	1.11%	Regional Media Labs (REMEL)	500	9	1.14%
Coca-Cola Bottling	506	10	1.10%	Coca-Cola of Mid-America	450	10	1.02%
<b>Total</b>	<b>10,966</b>			<b>Total</b>	<b>9,250</b>		
City of Lenexa (total employment)	<b>46,000</b>			City of Lenexa (total employment)	<b>44,000</b>		

Source: Chamber of Commerce Membership Directory

# CITY OF LENEXA, KANSAS

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

### Schedule 16

Function	Fiscal Year									
	2011**	2010**	2009**	2008**	2007**	2006**	2005**	2004*	2003*	2002*
General government	89	87	81	80	79	78	67	69	85	95
Public safety	210	210	213	227	225	220	216	215	209	197
Municipal services	65	67	88	96	95	95	79	77	77	78
Parks and recreation	53	52	54	60	59	58	58	29	31	31
<b>Total</b>	<b>417</b>	<b>416</b>	<b>436</b>	<b>463</b>	<b>458</b>	<b>451</b>	<b>420</b>	<b>389</b>	<b>402</b>	<b>401</b>

\* Prior to 2005 the employee totals are based on the number of positions for full-time and regular part-time positions.

\*\* 2005 to present numbers are based on full-time equivalents (FTE) calculations and include full-time, regular part-time, part-time, and seasonal positions. However, seasonal parks fee-supported positions are excluded since only a small number are employees (the vast majority are contract workers).

# CITY OF LENEXA, KANSAS

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

### Schedule 17

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Government</b>										
City Hall	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
Police Station	1	1	1	1	1	1	1	1	1	1
Fire Stations	5	5	4	4	4	4	4	4	4	4
<b>Municipal Services</b>										
Center lane miles added	—	—	1	3	8	8	6	3	4	9
Service Center	1	1	1	1	1	1	1	1	1	1
Number of storm drains	7,289	—	—	—	—	—	—	—	—	—
Streetlights maintained	6,581	6,971	6,262	4,000	4,000	3,000	2,750	2,550	2,350	2,350
<b>Parks And Recreation</b>										
Parks (acres)	915	918	898	863	750	750	750	750	535	480
Pools	3	3	3	3	3	3	3	3	3	3
Conference Center	1	1	1	1	1	1	1	1	—	—
Community Center	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1

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 Page 1 Of 2

### Schedule 18

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Government</b>										
GIS										
Data sets maintained	640	596	592	191	110	45	40	40	40	40
Graphics requests completed (nondata)	13	15	13	25	15	10	1	1	1	1
Map graphic orders standard products completed	307	236	311	285	200	175	140	200	200	200
ArcView users supported	56	60	51	75	73	40	50	65	65	65
Community Development										
Planning commission items	73	70	57	130	118	144	154	98	100	100
Staff review final plans	16	6	18	14	19	17	22	25	30	30
New single family permits	89	57	35	73	215	326	345	352	341	341
Valuation of new construction (millions of dollars)	67	76	64	204	282	198	182	193	131	142
Commercial construction (millions of dollars)	34	46	44	135	190	104	75	98	38	63
Human Resources										
Positions filled (full-time/part-time/temporary)	130	150	124	145	91	187	217	195	204	204
Work comp/disability/FMLA cases managed	122	102	71	141	87	83	90	96	65	65
Separations/retirements processed	125	145	180	91	74	183	204	188	192	192
Finance										
Accounts payable invoices	4,446	5,627	5,109	6,539	6,617	7,094	6,735	7,552	9,002	9,436
Payroll checks processed	11,657	11,920	12,669	12,048	12,918	12,702	12,352	11,756	11,775	11,693
Purchasing Card transactions	12,974	12,862	11,868	13,589	13,783	14,339	13,808	13,391	11,579	10,564
Information Technology										
Supported users	403	427	466	417	405	442	375	370	365	362
Workstations	424	410	406	399	370	375	345	340	355	335
Laptops	183	216	163	160	147	133	130	130	139	142
Servers	119	119	111	80	52	52	45	42	40	40
Printers	144	145	143	148	148	146	143	143	143	133
Municipal Court										
Charges issued	11,310	13,043	16,998	15,769	14,269	19,598	17,492	18,094	15,570	18,403
Charges completed	14,770	12,715	14,949	15,134	14,967	19,216	18,406	16,648	15,225	17,534
Charges pending (*Change in software)	10,021	13,481	13,651*	5,791	6,212	6,910	7,207	8,090	6,799	6,868
D.U.I. issued	186	257	413	277	293	285	245	215	239	314
Legal										
Discovery requests approved **	0**	0**	496	423	325	466	422	451	337	n/a
Appeals to District Court prosecuted	8	14	20	24	11	16	16	13	13	20
Forfeitures cases filed	16	11	6	9	24	14	16	8	16	11
Third party claims made v. City	15	16	14	11	12	18	13	34	n/a	n/a
Third party claims paid	9	7	10	3	5	8	3	12	n/a	n/a

# CITY OF LENEXA, KANSAS

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS Page 2 Of 2

### Schedule 18

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Public Safety</b>										
Police										
Calls for service	20,756	21,309	20,936	22,469	18,664	17,363	17,129	16,470	16,231	17,151
Officer self initiated	20,749	22,413	26,885	25,778	25,162	31,246	30,161	30,020	26,111	33,321
Administrative activity	—	—	—	—	9,030	9,861	11,614	10,613	8,100	9,092
Walk in/station reports	1,090	1,163	1,476	1,458	1,741	1,729	2,021	1,670	1,819	1,805
Incident handled by Communications	—	—	—	145	15,307	15,655	15,164	15,726	14,721	15,016
Total incidents	43,337	45,312	49,502	49,850	69,904	75,854	76,089	74,499	66,982	76,385
Arrests	3,256	4,004	4,881	4,402	3,814	4,177	4,023	3,877	3,667	3,667
Citations	11,039	12,412	10,224	14,643	12,836	18,102	17,942	19,000	18,200	18,200
Discovery requests approved**	364	367								
Fire										
Emergency incident responses	4,884	4,608	4,435	4,581	4,406	4,188	4,297	3,887	3,717	3,828
Building fires/1,000 pop.	2	1	1	2	2	2	2	2	2	3
Ill or injured patients treated	3,002	2,689	2,762	3,049	2,659	2,560	2,683	2,426	2,380	2,114
Fire inspections	2,517	5,466	5,979	6,140	5,225	6,100	6,092	5,073	3,732	4,574
Training hours	17,955	24,025	22,204	26,348	22,253	23,856	27,226	28,748	21,002	22,120
<b>Municipal Services</b>										
Number of City vehicles maintained	344	347	347	347	335	325	318	316	321	321
Streetlights maintained	6,581	6,971	6,262	4,000	4,000	3,000	2,750	2,550	2,350	2,350
Traffic signs maintained	11,210	11,039	10,274	10,000	9,650	8,650	8,400	8,150	7,900	7,900
Square feet maintained	327,555	296,743	296,743	287,743	287,743	276,852	265,858	262,442	262,092	262,092
<b>Parks and Recreation</b>										
Special events subsidy	—	—	—	—	—	—	—	—	—	—
Acres of park maintained	696	687	898	863	794	674	489	486	486	486
Number of events - Lenexa Conference Center	186	194	236	268	389	325	175	167	n/a	n/a
Pool attendance***	52,522	65,032	59,268	54,472	74,029	76,841	63,390	76,453	103,000	103,000
Swim lessons	712	659	662	668	639	674	811	744	800	800

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

\*\*\* pool attendance down due to Flat Rock Creek construction

Sources: Various City departments.