



**CITY OF LENEXA, KANSAS**

Comprehensive Annual Financial Report

For The Year Ended December 31, 2012

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

*For The Year Ended December 31, 2012*

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*Report prepared and submitted by the  
Finance Department*

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## **Introductory Section**

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May 15, 2013

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, 2012 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 increased from \$67.2 million to \$180.5 million in 2012. In 2012, a total of 146 permits were issued for single family homes. A total of 2,070 building permits for residential and commercial were issued during 2012 with an estimated construction value of \$180.5 million. Sixty-eight commercial projects with valuations over \$500,000 were issued building permits in 2012. New construction took place for Prairie Creek commercial buildings and apartments, Mansions at Canyon Creek, USD #512-Trailridge Middle School, Covenant Place, Oak Park Village Apartments, QuickTrip Corporation and Lackman Business Park Building D. Significant remodels included Sprint Nextel, Sprint N OSSC, Delmar Gardens, CoSentry, County Board of Commissioners, Arsalon, Ceva Biomune, Thermo Fisher and Clinical Reference Lab. Tenant finishes over \$500,000 include EPA Region 7 Headquarters, Henderson Engineers, BE Smith, Shawnee Mission Medical Center, Kraft Foods, Suture Express, Sisters of Charity Health Systems, Quidsi, First National Bank of Omaha and Adams Cable Equipment.

The number of new businesses that have located in Lenexa in 2012 is 274.

Lenexa's current population is 48,448 with a projected population for year 2020 of 58,510.

The City's 2012 assessed valuation decreased to \$919,108,323 (including motor vehicles and recreational vehicles) from \$924,230,911 in 2011, a 0.6% decrease.

## **Major Initiatives**

### **2012 Initiatives and Highlights**

Bloomberg Business Week selected Lenexa as #17 in their list of "Best Place to Raise Kids". Bloomberg considers factors such as public schools, safety, public services, housing costs and amenities. Lenexa was the only city in Kansas to receive this designation.

The City of Lenexa was featured in a national video created by the U.S. Environmental Protection Agency highlighting the Central Green Streamway at Lenexa City Center. Lenexa was chosen as an example to illustrate innovative stormwater solutions.

In 2012, the Lenexa Fire Department received reaccreditation from the Commission on Fire Accreditation International. Less than 170 fire agencies in the world have received this certification, demonstrating Lenexa's commitment to excellence in public service.

The Municipal Services Department earned reaccreditation from the American Public Works Association. Less than 2% of public works agencies are accredited nationally.



Lenexa's Enterprise Systems & Technology, Community Development, Municipal Services and Parks and Recreation departments redesigned the service request system used by the City. In addition to the redesigned website they released the "Lenexa 311" App in the Apple iTunes store. This free App allows residents to report all service requests including potholes, signals, and code requests through the mobile platform. Residents can take a photo of the problem, the location, and include details. For this, the City received the prestigious "Impact Award" from the Kansas City Business Journal.

### **Future/Planned Initiatives**

The Governing Body strategic goals are as follows:

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

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 34 consecutive years (each of the fiscal years ended December 31, 1978 through 2011).

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.

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

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In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning January 1, 2012. 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  
Administrative Services Director/CFO

# 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, 2011

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.



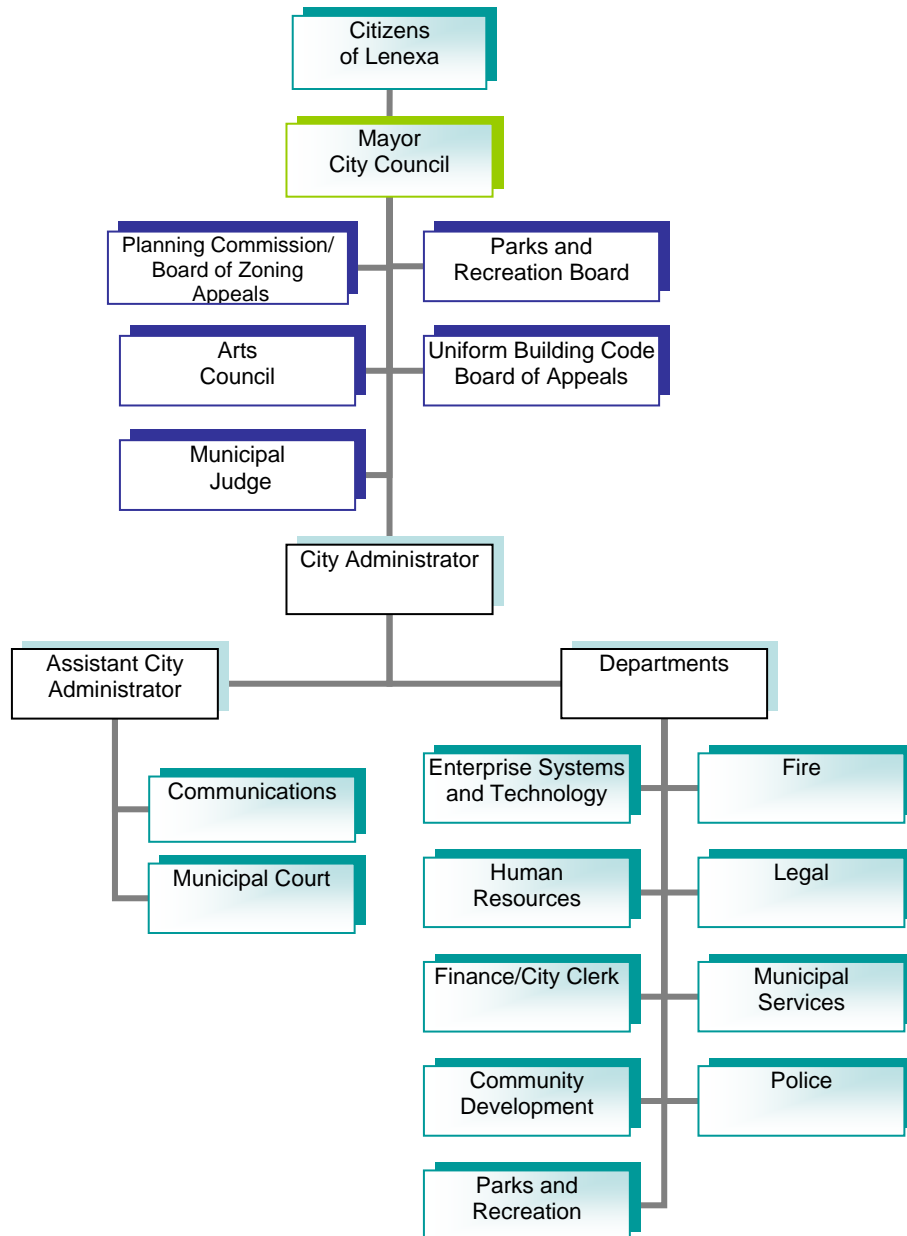
*Christopher P. Morill*

President

*Jeffrey R. Emery*

Executive Director

**CITY OF LENEXA  
Organizational Chart  
(Population 48,448)**



# **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**

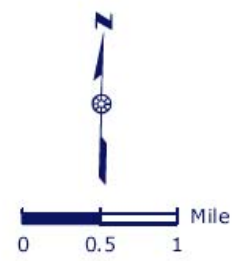
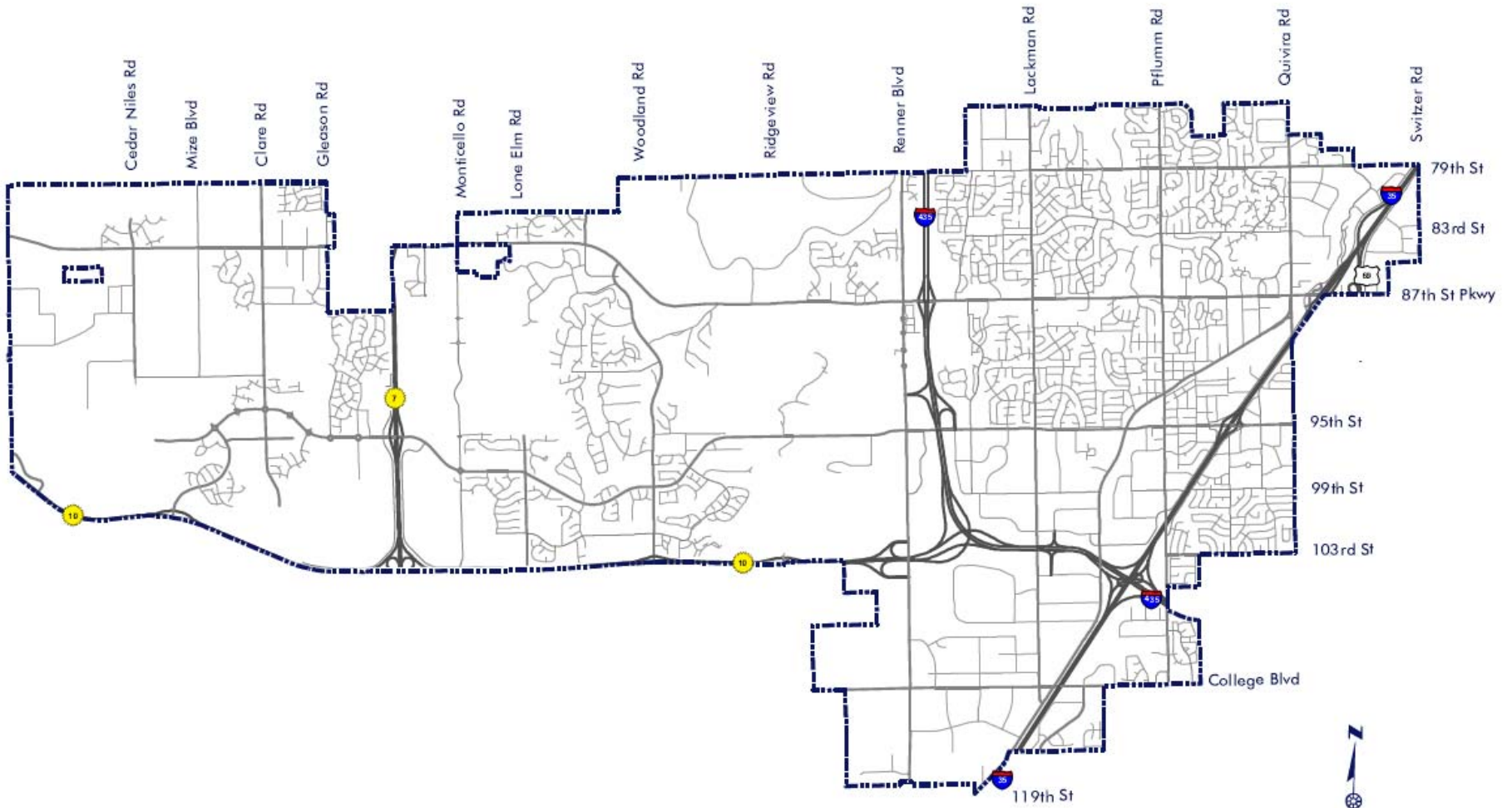
Eric Wade

### **Assistant City Administrator**

Leslee Rivarola

### **Finance Department**

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



Map Published May, 2009

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## Financial Section

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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, the 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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

### Management's Responsibility For The Financial Statements

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

### Auditors' Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2012, and the respective changes in financial position and where applicable its cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change In Accounting Principle**

As discussed in Note 14 to the financial statements, in 2012 the City adopted GASB Statement No. 65, *Items Previously Recognized as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 15, the Budgetary Comparison Information on pages 64 through 66, and the Pension and Other Post Employments Benefits schedules on pages 67 and 68 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

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

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 15, 2013 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* in considering the City's internal control over financial reporting and compliance.

*RubinBrown LLP*

May 15, 2013

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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, 2012

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, 2012. 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 2012 by \$529,657,794. Of this amount \$55,428,951 is unrestricted net position.

The City's total long-term liabilities decreased by \$1,263,786. The key factors in this decrease were the principal payments of \$15,545,000 in general obligation bonds, the issuance of \$21,075,000 in general obligation and refunding bonds, the increase in general obligation notes payable of \$885,000 and the principal payment of \$8,195,000 of general obligation notes payable.

Capital assets increased \$7,649,940 due to \$18,079,132 in infrastructure additions, (including donated capital assets from developers of \$825,675) net decrease of construction in progress of \$3,678,715, non-infrastructure capital assets additions and retirements of \$8,490,511, and net depreciation of \$15,240,988.

At the end of 2012, the fund balance for the General Fund was \$23,827,508.

### **The Basic Financial Statements**

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

### ***Government-Wide Financial Statements***

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

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

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

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

	Governmental		Business Type		Total	
	Activities		Activities		Primary Government	
	2012	2011	2012	2011	2012	2011
<b>Assets</b>						
Current and other assets	\$ 124,984,820	\$ 108,427,848	\$ 4,283,151	\$ 4,925,671	\$ 129,267,971	\$ 113,353,519
Capital assets	470,333,597	463,779,697	91,345,571	90,249,531	561,679,168	554,029,228
<b>Total Assets</b>	<b>595,318,417</b>	<b>572,207,545</b>	<b>95,628,722</b>	<b>95,175,202</b>	<b>690,947,139</b>	<b>667,382,747</b>
<b>Liabilities</b>						
Other liabilities	7,494,581	31,731,376	687,590	650,924	8,182,171	32,382,300
Self insurance claims payable	543,157	766,195	—	—	543,157	766,195
Long-term obligations	94,835,566	95,351,809	30,970,658	31,718,201	125,806,224	127,070,010
<b>Total Liabilities</b>	<b>102,873,304</b>	<b>127,849,380</b>	<b>31,658,248</b>	<b>32,369,125</b>	<b>134,531,552</b>	<b>160,218,505</b>
<b>Deferred Inflows of Resources</b>						
Property tax	26,484,854	—	—	—	26,484,854	—
Deferred amount on refunding	52,975	—	219,964	128,098	272,939	128,098
<b>Total Deferred Inflow of Resources</b>	<b>26,537,829</b>	<b>—</b>	<b>219,964</b>	<b>128,098</b>	<b>26,757,793</b>	<b>128,098</b>
<b>Net Position</b>						
Net investment in capital assets	388,380,343	381,064,682	60,553,428	58,532,281	448,933,771	439,596,963
Restricted	23,790,801	20,838,326	1,504,271	1,390,539	25,295,072	22,228,865
Unrestricted	53,736,140	42,455,157	1,692,811	2,755,159	55,428,951	45,210,316
<b>Total Net Position</b>	<b>\$ 465,907,284</b>	<b>\$ 444,358,165</b>	<b>\$ 63,750,510</b>	<b>\$ 62,677,979</b>	<b>\$ 529,657,794</b>	<b>\$ 507,036,144</b>

## CITY OF LENEXA, KANSAS

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

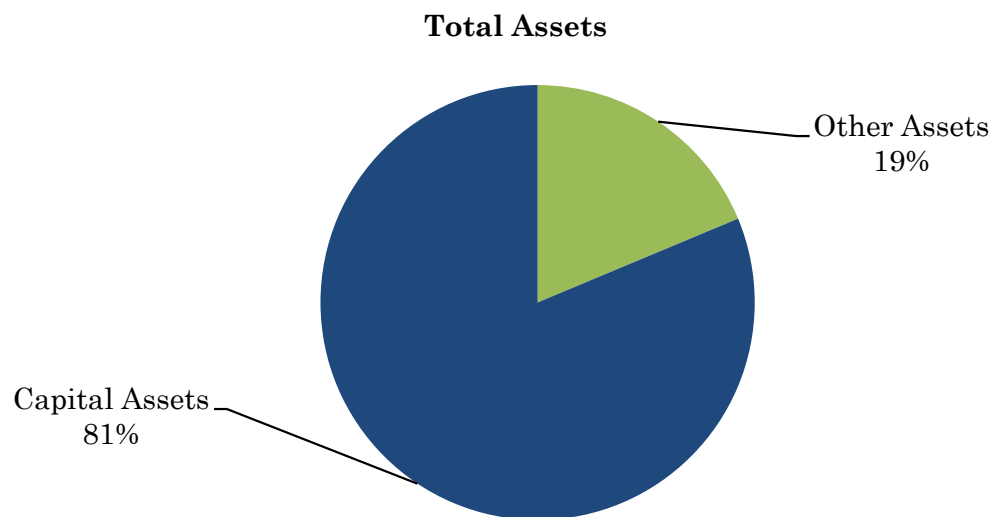
As noted earlier, net position may serve over time as useful indicators of a government's financial position. In the case of the City, assets exceed liabilities by \$529,657,794 at December 31, 2012.

The largest portion of the City's net position, \$448,933,771 (84.8%) 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 position, \$25,295,072 (4.8%), represents resources that are subject to external restrictions on how they may be used. Unrestricted net position, which totals \$55,428,951 (10.4%), represents assets that may be used to meet the government's ongoing obligations to citizens and creditors. The government's net position increased by \$22,621,650 or 4.5%, during the current fiscal year.

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

The City ended 2012 with a positive net position. Total assets for the City are \$690,947,139. Of these total assets, \$561,679,168 is capital assets and \$129,267,971 is other assets.



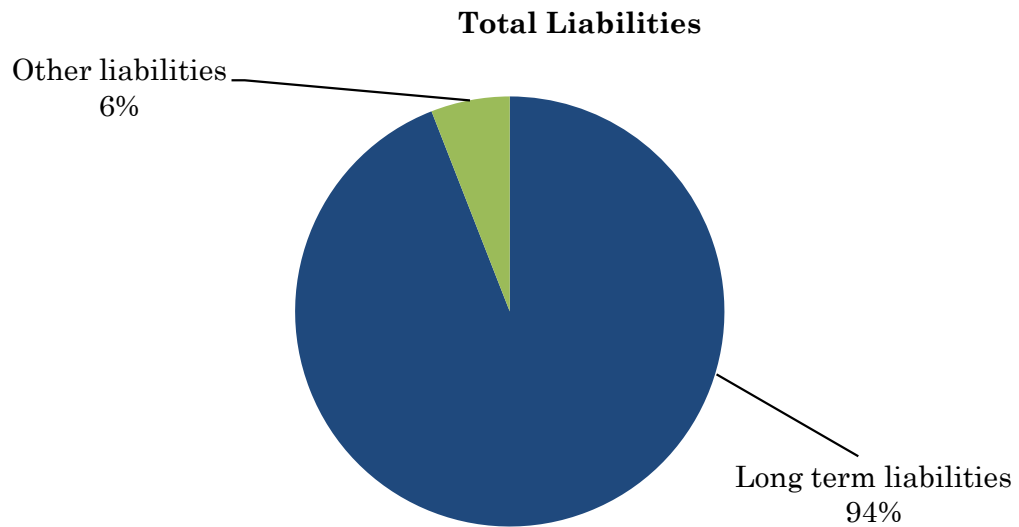


**CITY OF LENEXA, KANSAS**

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Management's Discussion and Analysis (*Continued*)

Total liabilities for the City are \$134,531,552. Of these total liabilities, \$125,806,224 is for long-term liabilities, \$543,157 is self-insurance claims payable and \$8,182,171 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 position for the City is \$529,657,794. Of this, \$55,428,951 is unrestricted and \$25,295,072 is restricted. Net investment in capital assets is \$448,933,771.

# CITY OF LENEXA, KANSAS

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

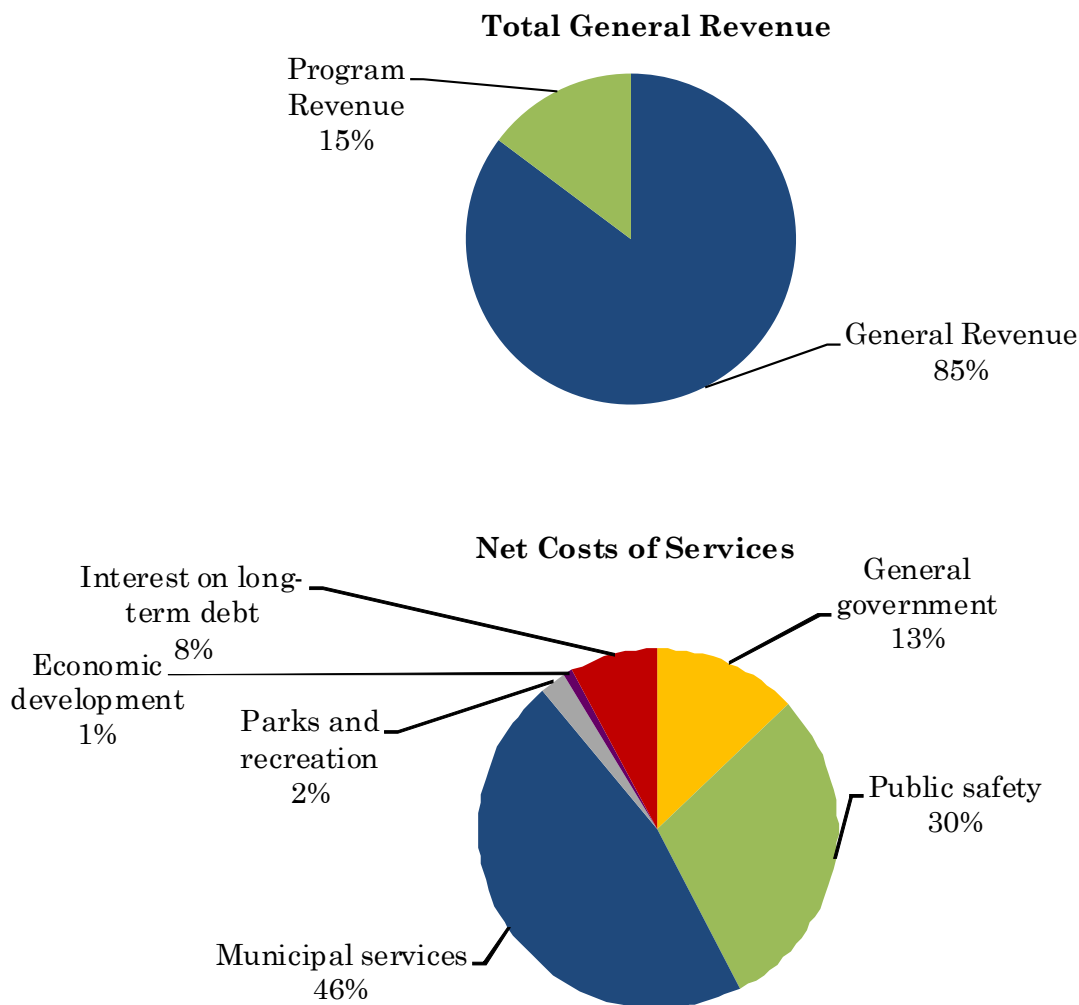
### Statement Of Activities

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

	Governmental Activities		Business Type Activities		Total Primary Government		Variance Over (Under)
	2012	2011	2012	2011	2012	2011	
<b>Revenues</b>							
Program revenues:							
Charges for services	\$ 5,338,167	\$ 4,271,124	\$ 4,693,889	\$ 4,129,646	\$ 10,032,056	\$ 8,400,770	\$ 1,631,286
Grants and contributions	1,256,493	1,250,263	—	—	1,256,493	1,250,263	6,230
Capital grants and contributions	7,591,002	5,692,079	1,352,307	1,845,602	8,943,309	7,537,681	1,405,628
General revenues:							
Property taxes	42,037,662	24,611,342	—	—	42,037,662	24,611,342	17,426,320
Sales tax	27,723,180	25,982,247	—	—	27,723,180	25,982,247	1,740,933
Other taxes	9,978,577	9,627,523	—	—	9,978,577	9,627,523	351,054
Investment revenue	312,271	286,548	21,013	39,644	333,284	326,192	7,092
Other	1,097,597	721,592	—	—	1,097,597	721,592	376,005
Transfers	596,791	(4,240,983)	(596,791)	4,240,983	—	—	—
Capital contributions	—	(56,084,902)	—	56,084,902	—	—	—
<b>Total Revenues</b>	<b>95,931,740</b>	<b>12,116,833</b>	<b>5,470,418</b>	<b>66,340,777</b>	<b>101,402,158</b>	<b>78,457,610</b>	<b>22,944,548</b>
<b>Expenses</b>							
General government	10,983,954	9,891,228	—	—	10,983,954	9,891,228	1,092,726
Public safety	21,738,865	21,476,020	—	—	21,738,865	21,476,020	262,845
Municipal services	33,013,487	30,929,195	—	—	33,013,487	30,929,195	2,084,292
Parks and recreation	2,706,899	3,250,279	—	—	2,706,899	3,250,279	(543,380)
Economic development	543,750	707,048	—	—	543,750	707,048	(163,298)
Interest on long-term debt	5,395,666	3,178,417	—	—	5,395,666	3,178,417	2,217,249
Stormwater	—	—	4,397,887	3,662,798	4,397,887	3,662,798	735,089
<b>Total Expenses</b>	<b>74,382,621</b>	<b>69,432,187</b>	<b>4,397,887</b>	<b>3,662,798</b>	<b>78,780,508</b>	<b>73,094,985</b>	<b>5,685,523</b>
<b>Change In Net Position</b>	<b>21,549,119</b>	<b>(57,315,354)</b>	<b>1,072,531</b>	<b>62,677,979</b>	<b>22,621,650</b>	<b>5,362,625</b>	<b>17,259,025</b>
<b>Net Position - Beginning Of Year</b>	<b>429,266,118</b>	<b>486,581,472</b>	<b>62,677,979</b>	<b>—</b>	<b>491,944,097</b>	<b>486,581,472</b>	<b>5,362,625</b>
<b>Prior Period Adjustment</b>	<b>15,092,047</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15,092,047</b>	<b>—</b>	<b>15,092,047</b>
<b>Net Position - Beginning Of Year as Restated</b>	<b>444,358,165</b>	<b>486,581,472</b>	<b>62,677,979</b>	<b>—</b>	<b>507,036,144</b>	<b>486,581,472</b>	<b>20,454,672</b>
<b>Net Position, End Of Year</b>	<b>\$ 465,907,284</b>	<b>\$ 429,266,118</b>	<b>\$ 63,750,510</b>	<b>\$ 62,677,979</b>	<b>\$ 529,657,794</b>	<b>\$ 491,944,097</b>	<b>\$ 37,713,697</b>

The City's net position increased \$22,621,650. Key elements of this increase are as follows:

- Increase in property tax revenues due to a 3 mills increase in the property tax rate (from 26.626 mills to 29.635 mills) which will make up for the \$2.5 million loss in property tax revenue due to the Legislature's decision to exempt new machinery and equipment from property taxation.
- Increase in property taxes due to \$9.1 million addition for the 87<sup>th</sup> Street special benefit district project.
- Increase in sales tax revenue from 2012 to 2011 due to additional retailers and a better economic climate.
- 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. Property taxes are the largest general revenue source for governmental activities amounting to 51% followed closely by sales tax amounting to 31% of general revenues.



For purposes of the above graph, only governmental activities are included. In addition, the capital grants and contributions amounts of \$7,591,002 have not been included in the net costs of services. The total cost of services for 2012 was \$74.4 million; however, \$5.3 million was funded by charges to users directly benefiting from the services or by other organizations through grants and contributions. Of the remaining \$69.1 million for cost of services, \$67.8 million of these services was funded primarily through property taxes and sales taxes with \$1.3 million being funded by operating grants.

**Analysis Of The Fund Financial Statements**

***Governmental Funds***

The City's governmental fund statements can be found on pages 18 to 21 of the basic financial statements. As stated earlier, these statements are presented on the modified accrual basis. Reconciliation to the Government-Wide Financial Statements has been provided with these fund statements. The Governmental Funds ended fiscal year 2012 with an increase in fund balance.

## **CITY OF LENEXA, KANSAS**

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

The General Fund is the main operating fund of the City. The fund balance of the General Fund at December 31, 2012 was \$23,827,508. This represents an increase of \$304,921 or a 1.3% 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 primarily due to a 3 mill increase in the property tax rate which attributed to an approximate 2.5 million increase in revenues. In addition, there was an increase in the amount of sales tax collected. Increase in General Fund expenditures are primarily due to the consolidation of the Lenexa Conference Center and the Swimming Pools into the General Fund.

The fund balance of the Debt Service Fund at December 31, 2012 was \$8,348,380. This represents an increase of \$3,294,258 or an 65.0% increase over the previous year's balance due to the payment of the special assessment debt on the City Center project. 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, 2012 was \$16,799,873. This represents an increase of \$2,029,723 or a 13.7% 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 2012. 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 \$5.9 million and expenditures increased \$1.8 million. The following are major budgetary highlights of the general fund for the 2012 fiscal year:

- An increase in property tax revenue of \$2.3 million or a 15.8% increase due to a 3 mill property tax increase for fiscal year 2012.
- An increase in sales tax revenue of \$1.6 million or a 6.1% 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.
- The revenue and expenditures for the Lenexa Conference Center and the three swimming pools were previously reported as other governmental funds but in 2012 these funds have been consolidated into the General Fund this result in an increase in the Recreation Department expenditures.

#### Capital Asset And Debt Administration

##### *Capital Assets*

The total amount of capital assets for the City at December 31, 2012 was \$561,679,168 net of accumulated depreciation. This investment of capital assets includes land, buildings, improvements, vehicles and equipment, park facilities, storm sewers, bridges, and streets. The following chart breaks down the City's capital asset balance, net of accumulated depreciation, into the various categories of assets.

	Governmental Activities	
	2012	2011
Land	\$ 32,009,486	\$ 28,253,840
Buildings	29,126,972	28,535,346
Machinery and equipment	10,622,686	9,164,319
Infrastructure, depreciable	394,627,934	390,772,627
Construction in progress	3,946,519	7,053,565
<b>Total</b>	<b>\$ 470,333,597</b>	<b>\$ 463,779,697</b>

## CITY OF LENEXA, KANSAS

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

	<b>Business-Type Activities</b>	
	<b>2012</b>	<b>2011</b>
Land	\$ 1,242,929	\$ 1,242,929
Machinery and equipment	43,530	63,604
Infrastructure, depreciable	86,784,477	85,096,694
Construction in progress	3,274,635	3,846,304
<b>Total</b>	<b>\$ 91,345,571</b>	<b>\$ 90,249,531</b>

Major capital events during the fiscal year included the following:

- 87<sup>th</sup> Haven to Renner - Reconstruction and realignment of existing 87<sup>th</sup> Street Parkway to meet the need of City Center. Improvements included storm sewer, sidewalks, pavement, landscaping and traffic signals.
- Flat Rock Creek Pool - Renovations included new bath house, diving basin with climbing wall, toddler area with slide and new improvements to the water circulation/filtration system.
- 79<sup>th</sup> & Lackman - Traffic Signal and Storm Drainage - Project consisted of installing a traffic signal at intersection and replacement of a corrugated metal culvert which reached the end of its service life. Project also included stream stabilization measures and replacement of stormwater infrastructure throughout the neighborhoods along the streamway.
- Sar Ko Par Trails Park Lake & Dam Improvements - This project renovated Rose's Pond, including dredging sediment to restore the pond to its original depth. The spillway and dam were also replaced while incorporating stormwater best management practices to improve water quality and recreational access.

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

## CITY OF LENEXA, KANSAS

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

#### ***Debt Administration***

At December 31, 2012, the City had a number of debt issues outstanding. These issues include \$106,205,000 of general obligation bonds and special assessment debt backed by the full faith and credit of the City. This balance represents a \$5,530,000 net increase over the 2011 balance. This net increase is due to the issuance of \$14,465,000 general obligation improvement bonds to finance several capital improvement projects and the retirement of \$8,720,000 of general obligation principal. In addition, the City issued \$6,610,000 of refunding bonds to refund \$6,825,000 of debt. 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, 2012, the total general obligation debt of \$107,090,000 was well below the City's legal limit of \$275,732,497. The City implemented GASB 45 in 2007 (Other Post Employment Benefits), and the related obligation as of December 31, 2012 is \$3,089,832. A summary of outstanding debt is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 77,186,039	\$ 70,824,163	\$ 29,018,961	\$ 29,850,837	\$ 106,205,000	\$ 100,675,000
TIF revenue bonds	7,865,000	7,865,000	—	—	7,865,000	7,865,000
General obligation notes payable	885,000	8,195,000	—	—	885,000	8,195,000
Employee compensated absences (net)	2,072,329	2,038,984	50,130	47,936	2,122,459	2,086,920
Other post employment benefits obligation	2,997,958	2,715,882	91,874	81,113	3,089,832	2,796,995
Net unamortized premium	3,867,995	3,783,253	1,593,734	1,550,842	5,461,729	5,334,095
Discount on bonds	(38,755)	(70,473)	(40,516)	(79,510)	(79,271)	(149,983)
Revolving loan	—	—	256,475	266,983	256,475	266,983
Total long-term liabilities	\$ 94,835,566	\$ 95,351,809	\$ 30,970,658	\$ 31,718,201	\$ 125,806,224	\$ 127,070,010

Additional information on the City's debt can be found in Note 10 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 Administrative Services Director/CFO, 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 POSITION

December 31, 2012

	Governmental Activities	Business Activities	Total
<b>Assets</b>			
Deposits, including investments and restricted cash and investments	\$ 65,212,931	\$ 3,950,902	\$ 69,163,833
Receivables (net of allowance of \$752,118)	59,374,060	320,057	59,694,117
Net pension asset	397,829	12,192	410,021
Capital assets – nondepreciable	35,956,005	4,517,564	40,473,569
Capital assets – depreciable, net	434,377,592	86,828,007	521,205,599
<b>Total Assets</b>	<b>595,318,417</b>	<b>95,628,722</b>	<b>690,947,139</b>
<b>Liabilities</b>			
Accounts payable	4,918,740	247,027	5,165,767
Accrued interest payable	1,350,519	406,410	1,756,929
Accrued compensation	1,025,857	34,153	1,060,010
Other	31,917	—	31,917
Due to other entities	167,548	—	167,548
Self-insurance claims payable:			
Due within one year	484,566	—	484,566
Due in more than one year	58,591	—	58,591
Long-term liabilities:			
Due within one year	11,591,486	2,502,994	14,094,480
Due in more than one year	83,244,080	28,467,664	111,711,744
<b>Total Liabilities</b>	<b>102,873,304</b>	<b>31,658,248</b>	<b>134,531,552</b>
<b>Deferred Inflows Of Resources</b>			
Property tax	26,484,854	—	26,484,854
Deferred amount on refunding	52,975	219,964	272,939
<b>Total Deferred Inflows Of Resources</b>	<b>26,537,829</b>	<b>219,964</b>	<b>26,757,793</b>
<b>Net Position</b>			
Net investment in capital assets	388,380,343	60,553,428	448,933,771
Restricted for:			
Debt service	8,458,597	—	8,458,597
Public safety	357,920	—	357,920
Municipal services	3,393,793	—	3,393,793
Parks and recreation	9,650,989	—	9,650,989
General government	565,410	—	565,410
Capital projects	1,364,092	1,504,271	2,868,363
Unrestricted	53,736,140	1,692,811	55,428,951
<b>Total Net Position</b>	<b>\$ 465,907,284</b>	<b>\$ 63,750,510</b>	<b>\$ 529,657,794</b>

# CITY OF LENEXA, KANSAS

## STATEMENT OF ACTIVITIES For The Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Position		Total
		Charges For Services	Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-type Activities	
<b>Governmental Activities</b>							
General government	\$ 10,983,954	\$ 2,226,117	\$ 1,030	\$ —	\$ (8,756,807)	\$ —	\$ (8,756,807)
Public safety	21,738,865	1,655,728	7,000	—	(20,076,137)	—	(20,076,137)
Municipal services	33,013,487	302,153	1,248,463	7,539,980	(23,922,891)	—	(23,922,891)
Parks and recreation	2,706,899	1,154,169	—	51,022	(1,501,708)	—	(1,501,708)
Economic development	543,750	—	—	—	(543,750)	—	(543,750)
Interest on long-term debt	5,395,666	—	—	—	(5,395,666)	—	(5,395,666)
<b>Total Governmental Activities</b>	<b>74,382,621</b>	<b>5,338,167</b>	<b>1,256,493</b>	<b>7,591,002</b>	<b>(60,196,959)</b>	<b>—</b>	<b>(60,196,959)</b>
<b>Business-type Activities</b>							
Stormwater	4,397,887	4,693,889	—	1,352,307	—	1,648,309	1,648,309
<b>Total</b>	<b>\$ 78,780,508</b>	<b>\$ 10,032,056</b>	<b>\$ 1,256,493</b>	<b>\$ 8,943,309</b>	<b>(60,196,959)</b>	<b>1,648,309</b>	<b>(58,548,650)</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes					42,037,662	—	42,037,662
Sales taxes					27,723,180	—	27,723,180
Franchise taxes					6,188,771	—	6,188,771
Motor vehicle taxes					2,044,063	—	2,044,063
Transient guest tax					727,321	—	727,321
Excise tax					466,233	—	466,233
Special liquor tax					552,189	—	552,189
Unrestricted investment earnings					312,271	21,013	333,284
Miscellaneous					1,097,597	—	1,097,597
Transfers					596,791	(596,791)	—
<b>Total General Revenues And Transfers</b>					<b>81,746,078</b>	<b>(575,778)</b>	<b>81,170,300</b>
<b>Change In Net Position</b>					<b>21,549,119</b>	<b>1,072,531</b>	<b>22,621,650</b>
<b>Net Position - Beginning Of Year</b>					<b>429,266,118</b>	<b>62,677,979</b>	<b>491,944,097</b>
<b>Prior Period Adjustment</b>					<b>15,092,047</b>	<b>—</b>	<b>15,092,047</b>
<b>Net Position - Beginning Of Year as Restated</b>					<b>444,358,165</b>	<b>62,677,979</b>	<b>507,036,144</b>
<b>Net Position - End Of Year</b>					<b>\$ 465,907,284</b>	<b>\$ 63,750,510</b>	<b>\$ 529,657,794</b>

# CITY OF LENEXA, KANSAS

## BALANCE SHEET - GOVERNMENTAL FUNDS December 31, 2012

	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	\$ 21,417,452	\$ 5,621,238	\$ 15,815,304	\$ 2,033,279	\$ 10,669,059	\$ 55,556,332
Restricted cash and investments	199,465	—	—	873,437	110,217	1,183,119
Special assessment receivable	—	24,245,956	—	—	—	24,245,956
Property tax receivable (net of allowance for uncollectibles)	16,362,515	7,322,497	—	—	2,799,842	26,484,854
Sales tax receivable	4,892,264	—	—	—	107,328	4,999,592
Transient guest tax receivable	—	—	—	—	205,491	205,491
Franchise tax receivable	798,664	—	—	—	—	798,664
Special highway tax receivable	—	—	—	—	305,578	305,578
Special liquor tax receivable	45,190	—	—	—	90,380	135,570
Intergovernmental	—	—	—	1,707,440	500	1,707,940
Interest receivable	227,118	26,119	73,437	11,263	25,319	363,256
Due from other funds	—	—	961,512	227,787	—	1,189,299
Other receivable	26,111	—	—	—	—	26,111
<b>Total Assets</b>	<b>\$ 43,968,779</b>	<b>\$ 37,215,810</b>	<b>\$ 16,850,253</b>	<b>\$ 4,853,206</b>	<b>\$ 14,313,714</b>	<b>\$ 117,201,762</b>
<b>Liabilities And Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 1,366,300	\$ —	\$ 50,380	\$ 2,860,702	\$ 631,415	\$ 4,908,797
Accrued compensation	1,023,692	—	—	—	744	1,024,436
Due to other funds	1,189,299	—	—	—	—	1,189,299
Due to outside entities	167,548	—	—	—	—	167,548
Municipal court deposits	31,917	—	—	—	—	31,917
<b>Total Liabilities</b>	<b>3,778,756</b>	<b>—</b>	<b>50,380</b>	<b>2,860,702</b>	<b>632,159</b>	<b>7,321,997</b>
<b>Deferred Inflows Of Resources</b>						
Property tax	16,362,515	7,322,497	—	—	2,799,842	26,484,854
Special assessments	—	21,544,933	—	—	—	21,544,933
Other	—	—	—	1,547,202	—	1,547,202
<b>Total Deferred Inflows Of Resources</b>	<b>16,362,515</b>	<b>28,867,430</b>	<b>—</b>	<b>1,547,202</b>	<b>2,799,842</b>	<b>49,576,989</b>
<b>Fund Balances</b>						
Restricted	—	8,348,380	8,536,940	—	6,905,481	23,790,801
Committed	119,570	—	—	—	—	119,570
Assigned	153,898	—	8,262,933	445,302	3,976,232	12,838,365
Unassigned	23,554,040	—	—	—	—	23,554,040
<b>Total Fund Balances</b>	<b>23,827,508</b>	<b>8,348,380</b>	<b>16,799,873</b>	<b>445,302</b>	<b>10,881,713</b>	<b>60,302,776</b>
<b>Total Liabilities, Deferred Inflows Of Resources And Fund Balances</b>	<b>\$ 43,968,779</b>	<b>\$ 37,215,810</b>	<b>\$ 16,850,253</b>	<b>\$ 4,853,206</b>	<b>\$ 14,313,714</b>	<b>\$ 117,201,762</b>

# CITY OF LENEXA, KANSAS

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION December 31, 2012

**Total Fund Balance - Governmental Funds** \$ 60,302,776

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds:

Governmental capital assets (less accumulated depreciation) 470,333,597

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

8,020,007

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

23,092,135

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the fund financial statements. All liabilities - both current and long-term - are reported on the government-wide statement of net position. Balances as of December 31, 2012 are:

Accrued compensated absences	(2,072,329)
Other post employment benefits obligation	(2,997,958)
Unamortized premium on bonds payable	(3,867,995)
Unamortized discount on bonds payable	38,755
Net pension asset	397,829
General obligation notes payable	(885,000)
Accrued interest payable on long-term debt	(1,350,519)
Deferred amount on refunding	(52,975)
Tax increment financing bonds payable	(7,865,000)
General obligation bonds payable	(77,186,039)
	<u>(95,841,231)</u>

**Total Net Position - Governmental Activities** \$ 465,907,284

# CITY OF LENEXA, KANSAS

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For The Year Ended December 31, 2012

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Debt Service	Capital Improvement Fund	Street Improvements	Other Governmental Funds	Total Governmental Funds	
<b>Revenues</b>							
Taxes	\$ 52,450,786	\$ 12,208,941	\$ —	\$ —	\$ 4,809,170	\$ 69,468,897	
Intergovernmental	—	—	1,030	5,338,675	143,921	5,483,626	
Licenses and permits	1,410,326	—	—	—	—	1,410,326	
Charges for services	2,004,430	—	—	—	508,765	2,513,195	
Rents and leases	423,205	—	—	—	—	423,205	
Fine and forfeits	1,081,380	—	—	—	58,094	1,139,474	
Investment earnings	254,146	20,929	(27,690)	(7,971)	43,026	282,440	
Miscellaneous	584,188	—	50,750	—	405,786	1,040,724	
<b>Total Revenues</b>	<b>58,208,461</b>	<b>12,229,870</b>	<b>24,090</b>	<b>5,330,704</b>	<b>5,968,762</b>	<b>81,761,887</b>	
<b>Expenditures</b>							
Current:							
General government	10,147,346	—	83,357	—	566,253	10,796,956	
Public safety	21,233,132	—	10,605	—	319,582	21,563,319	
Municipal services	7,282,992	—	100,964	—	7,370	7,391,326	
Recreation	4,297,672	—	17,029	—	5,425	4,320,126	
Economic development	—	—	543,750	—	1,383,193	1,926,943	
Capital outlay	—	—	3,548,588	18,305,502	8,370,848	30,224,938	
Debt service:							
Principal retirement	—	6,560,000	—	10,675,000	—	17,235,000	
Interest and fiscal charges	—	2,864,634	—	333,496	234,273	3,432,403	
<b>Total Expenditures</b>	<b>42,961,142</b>	<b>9,424,634</b>	<b>4,304,293</b>	<b>29,313,998</b>	<b>10,886,944</b>	<b>96,891,011</b>	
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>15,247,319</b>	<b>2,805,236</b>	<b>(4,280,203)</b>	<b>(23,983,294)</b>	<b>(4,918,182)</b>	<b>(15,129,124)</b>	
<b>Other Financing Sources (Uses)</b>							
Issuance of general obligation bonds	—	—	—	13,000,000	—	13,000,000	
Issuance of refunding bonds	—	—	—	2,401,876	—	2,401,876	
Issuance of general obligation temporary notes	—	—	—	885,000	—	885,000	
Premium on general obligation bonds	—	—	—	590,008	—	590,008	
Transfers in	8,345	489,022	14,648,372	6,468,377	6,107,061	27,721,177	
Transfers out	(14,950,743)	—	(8,338,446)	(634,915)	(3,200,282)	(27,124,386)	
<b>Total Other Financing Sources (Uses)</b>	<b>(14,942,398)</b>	<b>489,022</b>	<b>6,309,926</b>	<b>22,710,346</b>	<b>2,906,779</b>	<b>17,473,675</b>	
<b>Net Changes In Fund Balances</b>	<b>304,921</b>	<b>3,294,258</b>	<b>2,029,723</b>	<b>(1,272,948)</b>	<b>(2,011,403)</b>	<b>2,344,551</b>	
<b>Fund Balances - Beginning Of Year</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>Fund Balances - End Of Year</b>	<b>\$ 23,827,508</b>	<b>\$ 8,348,380</b>	<b>\$ 16,799,873</b>	<b>\$ 445,302</b>	<b>\$ 10,881,713</b>	<b>\$ 60,302,776</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, 2012

**Net Change In Fund Balances - Total Governmental Funds** \$ 2,344,551

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

20,416,485

Depreciation expense

(14,372,663)

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

Contributions from developers

825,675

Net book value of current year disposals

(315,597)

6,553,900

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

Change in accrued interest payable

(234,160)

Change in employee compensated absences

(33,345)

Change in net pension asset

125,342

Change in other post employment benefits obligation

(282,076)

(424,239)

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

12,861,147

Removal of bond issuance costs as a result of adopting GASB 65

(749,563)

The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in these statements of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Also governmental funds report the effect of issuance costs, premiums and discounts when the debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities.

General obligation bond proceeds

(15,401,876)

General obligation note proceeds

(885,000)

Bond principal payment

9,040,000

General obligation note payments

8,195,000

Bond premium

(590,008)

Deferred amount on refunding

(79,714)

Amortization of bond premium

505,266

Amortization of bond discount

(31,718)

Amortization of deferred amount of refunding

9,811

761,761

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.

201,562

**Change In Net Assets Of Governmental Activities**

**\$ 21,549,119**

# CITY OF LENEXA, KANSAS

## STATEMENT OF NET POSITION - PROPRIETARY FUND December 31, 2012

	<b>Business-type Activities - Major Enterprise Fund Stormwater</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets</b>		
Current assets:		
Deposits and investments	\$ 3,950,902	\$ 8,473,480
Interest receivable	19,307	42,942
Intergovernmental receivable	300,750	—
Other receivable	—	58,106
Total current assets	<u>4,270,959</u>	<u>8,574,528</u>
Noncurrent assets:		
Capital assets – nondepreciable	4,517,564	—
Capital assets – depreciable, net	86,828,007	—
Net pension asset	12,192	—
Total noncurrent assets	<u>91,357,763</u>	<u>—</u>
<b>Total Assets</b>	<u>95,628,722</u>	<u>8,574,528</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	247,027	9,943
Accrued interest payable	406,410	—
Accrued compensation	34,153	1,421
Self insurance claims payable	—	484,566
Due within one year	2,502,994	—
Total current liabilities	<u>3,190,584</u>	<u>495,930</u>
Noncurrent liabilities:		
Due in more than one year	28,467,664	—
Self insurance claims payable	—	58,591
Total noncurrent liabilities	<u>28,467,664</u>	<u>58,591</u>
<b>Total Liabilities</b>	<u>31,658,248</u>	<u>554,521</u>
<b>Deferred Inflows Of Resources</b>		
Deferred amount on refunding	<u>219,964</u>	<u>—</u>
<b>Net Position</b>		
Net investment in capital assets	60,553,428	—
Restricted for capital projects	1,504,271	—
Unrestricted	<u>1,692,811</u>	<u>8,020,007</u>
<b>Total Net Position</b>	<u>\$ 63,750,510</u>	<u>\$ 8,020,007</u>

# CITY OF LENEXA, KANSAS

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUND For The Year Ended December 31, 2012

	Business-Type Activities - Major Enterprise Fund Stormwater	Governmental Activities - Internal Service Fund
<b>Operating Revenues</b>		
Charges for services	\$ 4,693,889	\$ 5,639,284
Reimbursements from insurance companies	—	498,204
Miscellaneous	—	83,599
<b>Total Operating Revenues</b>	<u>4,693,889</u>	<u>6,221,087</u>
<b>Operating Expenses</b>		
Personal services	1,021,883	39,134
Contractual services	—	511,205
Commodities	—	18,139
Stormwater operations	626,506	—
Depreciation	1,370,523	—
Claims	—	5,480,878
<b>Total Operating Expenses</b>	<u>3,018,912</u>	<u>6,049,356</u>
<b>Operating Income</b>	<u>1,674,977</u>	<u>171,731</u>
<b>Nonoperating Revenues (Expenses)</b>		
Investment income	21,013	29,831
Interest expense	(1,378,975)	—
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(1,357,962)</u>	<u>29,831</u>
<b>Income Before Contributions And Transfers</b>	317,015	201,562
Capital contributions	1,352,307	—
Transfers in	202,582	—
Transfers out	(799,373)	—
<b>Change In Net Position</b>	1,072,531	201,562
<b>Total Net Position – Beginning Of Year</b>	<u>62,677,979</u>	<u>7,818,445</u>
<b>Total Net Position – End Of Year</b>	<u>\$ 63,750,510</u>	<u>\$ 8,020,007</u>



# CITY OF LENEXA, KANSAS

## STATEMENT OF CASH FLOWS PROPRIETARY FUND For The Year Ended December 31, 2012

	<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	\$ 4,693,889	\$ 5,722,883
Cash received from insurance companies	—	628,601
Cash payments for personnel services	(1,008,368)	(39,134)
Cash payments for contractual services and accounts payable	(577,077)	(6,270,594)
<b>Net Cash Provided By Operating Activities</b>	<b>3,108,444</b>	<b>41,756</b>
<b>Cash Flows From Noncapital Financing Activities</b>		
Transfers in	202,582	—
Transfers out	(799,373)	—
<b>Net Cash Used In Noncapital Financing Activities</b>	<b>(596,791)</b>	<b>—</b>
<b>Cash Flows From Capital And Related Financing Activities</b>		
Premium on bonds	258,019	—
Bond issuance costs	(48,019)	—
Interest paid on long term debt	(1,237,629)	—
Additions to capital assets	(2,466,563)	—
Capital grants received from federal government	1,490,725	—
Proceeds from bonds	5,673,124	—
Principal paid on revolving loan	(10,508)	—
Principal paid on bonds	(6,505,000)	—
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(2,845,851)</b>	<b>—</b>
<b>Cash Flows Provided By Investing Activities</b>		
Interest received	22,543	37,011
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>(311,655)</b>	<b>78,767</b>
<b>Cash And Cash Equivalents – Beginning Of Year</b>	<b>4,262,557</b>	<b>8,394,713</b>
<b>Cash And Cash Equivalents – End Of Year</b>	<b>\$ 3,950,902</b>	<b>\$ 8,473,480</b>
<b>Reconciliation Of Operating Income To Net Cash Provided By Operating Activities</b>		
Operating income	\$ 1,674,977	\$ 171,731
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,370,523	—
Change in other receivables	—	130,397
Change in net pension asset	(4,054)	—
Change in net OPEB	10,761	—
Change in compensated absences	2,194	—
Change in accounts, wages and claims payable	54,043	(260,372)
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 3,108,444</b>	<b>\$ 41,756</b>

# CITY OF LENEXA, KANSAS

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## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS December 31, 2012

	<b>Pension Trust Fund</b>
<b>Assets</b>	
Cash and short-term investments	\$ 590,319
Investments at fair value:	
Corporate bonds	7,212,810
Domestic stocks	10,960,550
Real estate	2,508,043
International stocks	1,892,975
	<u>23,164,697</u>
<b>Net Position</b>	<u><u>\$ 23,164,697</u></u>

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**CITY OF LENEXA, KANSAS**

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**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUND  
For The Year Ended December 31, 2012**

	<b><u>Pension Trust Fund</u></b>
<b>Additions</b>	
Contributions:	
Employer	<u>\$ 432,000</u>
Investment income:	
Net appreciation in fair value of investments	2,015,025
Dividends and interest	571,680
Investment expenses	<u>(238,730)</u>
Net investment income	<u>2,347,975</u>
<b>Total Additions</b>	2,779,975
<b>Deductions</b>	
Benefits paid	<u>967,794</u>
<b>Net Increase</b>	1,812,181
<b>Net Position Held In Trust For Pension Benefits</b>	
Beginning of year	<u>21,352,516</u>
End of year	<u><u>\$ 23,164,697</u></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, 2012

### 1. Summary Of Significant Accounting Policies

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

#### **Reporting Entity**

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

#### **Government-Wide And Fund Financial Statements**

The Government-Wide Financial Statements (that is, the Statement of Net Position and the Statement of Activities) report information on all nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements to minimize the duplication of internal activities with the exception of interfund services provided and used. The City reports stormwater functions 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 *Capital Improvement Fund* is used to account for the monies transferred from the General Fund for the purpose of financing authorized improvement projects and expenditures for machinery and equipment.

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

## THE CITY OF LENEXA, KANSAS

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

Additionally, the City reports the following fund types:

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

*Enterprise Funds* are used to report the City's Stormwater activities. This Fund is used to account for the resources received from stormwater utility charges, capital charges, and grant funds to provide a systematic, economical, and environmentally sensitive means for managing stormwater.

The *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.

### **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 0.32% and the amount of investment revenue received was \$333,284.

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, 2012, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred inflows on the balance sheets of the appropriate funds and the government-wide statements of net position. In addition, amounts received during the year levied are deferred until the subsequent year. Delinquent taxes receivable held by the County Treasurer at December 31, 2012 are not significant.

**Interfund Receivables And Payables**

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

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (for example, roads, bridges, sidewalks, and similar items), are reported in the Government-Wide Financial Statements. 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.



## THE CITY OF LENEXA, KANSAS

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

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

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

### **Deferred Outflows Of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

### **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, non-shift firefighter, nonexempt positions to earn compensatory leave time in lieu of overtime up to a maximum of 80 hours. Any unused compensatory leave will be paid out upon separation of service to an employee.

**Long-Term Obligations**

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

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

**Deferred Inflows Of Resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has nonexchange revenue transactions where a receivable has been recorded because property taxes were levied, but the resources cannot be used until a future period. The City also has a deferred gain on refunding reported in the government-wide statement of net position. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. These items have been reported as deferred inflows on the government-wide statement of net position.

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

**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-, 15- or 20-year period and annual installments are due and payable with annual ad valorem property taxes. Johnson County (the County) may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. At December 31, 2012, 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.

**Equity Classifications**

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

- (1) Net investment in capital assets - consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) Restricted net position - consists of net position with restrictions placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first and then unrestricted resources, as they are needed.
- (3) Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

## THE CITY OF LENEXA, KANSAS

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

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

1. *Nonspendable* - Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
2. *Restricted* - Assets with externally imposed constraints, such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws, or regulations.
3. *Committed* - Assets with a purpose formally imposed by ordinance of the City Council, binding unless modified or rescinded by the City Council through a similar action.
4. *Assigned* - Assets constrained by City management's intent to be used for a specific purpose but are not formally restricted by external sources or committed by City Council. The City Administrator has the authority to assign amounts for a specific purpose.
5. *Unassigned* - All amounts not included in the other fund balance classifications. The general fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

# THE CITY OF LENEXA, KANSAS

## Notes To Basic Financial Statements (Continued)

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

Fund balance for all major and nonmajor governmental funds as of December 31, 2012 were allocated as follows:

	Major				Nonmajor	Total
	General	Debt Service	Capital Improvement	Street Improvements	Other Governmental Funds	
Fund Balances						
Restricted for:						
Debt service	\$ —	\$ 8,348,380	\$ —	\$ —	\$ 110,217	\$ 8,458,597
Public safety	—	—	—	—	357,920	357,920
Municipal services	—	—	—	—	3,393,793	3,393,793
Parks and recreation	—	—	8,536,940	—	1,114,049	9,650,989
General government	—	—	—	—	565,410	565,410
Capital projects	—	—	—	—	1,364,092	1,364,092
Committed to:						
Public safety	15,935	—	—	—	—	15,935
Municipal services	71,875	—	—	—	—	71,875
Parks and recreation	31,760	—	—	—	—	31,760
Assigned to:						
Public safety	7,425	—	—	—	—	7,425
Municipal services	25,426	—	—	—	—	25,426
Parks and recreation	94,139	—	—	—	—	94,139
General government	26,908	—	—	—	—	26,908
Capital projects	—	—	8,262,933	445,302	3,976,232	12,684,467
Unassigned	23,554,040	—	—	—	—	23,554,040
	\$ 23,827,508	\$ 8,348,380	\$ 16,799,873	\$ 445,302	\$ 10,881,713	\$ 60,302,776

### 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. 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	\$ (157,845)	\$ (9,563)	\$ (167,408)
Petty cash	3,690	—	3,690
Investments:			
Municipal investment pool	1,589,497	—	1,589,497
Repurchase agreements	7,529,997	532,003	8,062,000
U.S. Governments securities	55,263,938	3,428,462	58,692,400
Investments held with trustee:			
Deposits	983,654	—	983,654
<b>Total deposits, including investments</b>	<b>\$ 65,212,931</b>	<b>\$ 3,950,902</b>	<b>\$ 69,163,833</b>

***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, 2012, the City's deposits were insured by federal depository insurance and uninsured deposits were fully collateralized in accordance with the City's policy.

***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.

## THE CITY OF LENEXA, KANSAS

### Notes To Basic Financial Statements (Continued)

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:

Investment Type	Total	Rating As Of December 31, 2012	Percentage
Kansas Municipal Investment Pool	\$ 1,589,497	AAA	2%
Repurchase agreements	8,062,000	AAA Collateral	12%
U.S. Government Securities			
Federal National Mortgage Association	18,408,405	AAA	27%
Federal Home Loan Banks	20,150,438	AAA	30%
Federal Home Loan Mortgage Corporation	16,039,210	AAA	23%
Federal Farm Credit	4,094,347	AAA	6%
Total	<u>\$ 68,343,897</u>		<u>100%</u>

### *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 18 months or less in the Kansas Municipal Investment Pool and limiting investments to a maximum stated maturity of four years.

As of December 31, 2012, the City's investment portfolio had the following investments and maturities.

Investment Type	Total	6 Months Or Less	6-12 Months	12-24 Months	24-36 Months
U.S. Government Securities					
FNMA	\$ 18,408,405	\$ 2,036,360	\$ 2,090,349	\$ 12,046,992	\$ 2,234,704
FHLB	20,150,438	2,016,974	6,707,890	11,425,574	—
FHLMC	16,039,210	2,037,103	4,104,606	4,221,304	5,676,197
Federal Farm Credit	4,094,347	4,094,347	—	—	—
Repurchase agreements	8,062,000	8,062,000	—	—	—
Kansas Municipal Investment Pool	1,589,497	1,589,497	—	—	—
	<u>\$ 68,343,897</u>	<u>\$ 19,836,281</u>	<u>\$ 12,902,845</u>	<u>\$ 27,693,870</u>	<u>\$ 7,910,901</u>



## THE CITY OF LENEXA, KANSAS

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

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

The City had \$23,164,697 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.

<u>Asset Category</u>	<u>Allocation</u>		
	<u>Target</u>	<u>Minimum</u>	<u>Maximum</u>
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 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.

## THE CITY OF LENEXA, KANSAS

### Notes To Basic Financial Statements (Continued)

#### **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, 2012, 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	\$ 7,212,810	\$ —	\$ 16,394	\$ 7,196,416
Money market mutual funds	590,319	590,319	—	—
	7,803,129	\$ 590,319	\$ 16,394	\$ 7,196,416
Domestic stocks	10,960,550			
Real estate	2,508,043			
International stocks	1,892,975			
Total investments	\$ 23,164,697			

#### **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	\$ 4,286,158	\$ —
AA	451,918	—
A	699,060	—
BBB or less	1,695,279	—
Not rated	80,395	590,319
	\$ 7,212,810	\$ 590,319

## THE CITY OF LENEXA, KANSAS

### Notes To Basic Financial Statements (Continued)

#### **Concentration Of Credit Risk**

As of December 31, 2012, 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	\$	7,061,216	30%
Wells Fargo/NWQ		3,994,092	17%
Mainstay ICAP Equity Fund		3,633,348	16%
Wells Fargo/Meritage		3,246,379	14%
TIAA-CREF		2,508,043	11%
American Funds		1,892,975	8%

#### **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.

### **3. Receivables**

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

	General	Debt Service	Capital Improvement	Street Improvements	Nonmajor Governmental	Internal Service	Total
Property tax	\$ 16,882,107	\$ 7,555,023	\$ —	\$ —	\$ 2,799,842	\$ —	\$ 27,236,972
Sales tax	4,892,264	—	—	—	107,328	—	4,999,592
Transient guest tax	—	—	—	—	205,491	—	205,491
Franchise tax	798,664	—	—	—	—	—	798,664
Special highway tax	—	—	—	—	305,578	—	305,578
Special liquor tax	45,190	—	—	—	90,380	—	135,570
Special assessment	—	24,245,956	—	—	—	—	24,245,956
Intergovernmental	—	—	—	1,707,440	500	—	1,707,940
Interest	227,118	26,119	73,437	11,263	25,319	42,942	406,198
Other	26,111	—	—	—	—	58,106	84,217
Less: allowance for uncollectible accounts	(519,592)	(232,526)	—	—	—	—	(752,118)
<b>Total receivables</b>	<b>\$ 22,351,862</b>	<b>\$ 31,594,572</b>	<b>\$ 73,437</b>	<b>\$ 1,718,703</b>	<b>\$ 3,534,438</b>	<b>\$ 101,048</b>	<b>\$ 59,374,060</b>

**THE CITY OF LENEXA, KANSAS**

Notes To Basic Financial Statements (*Continued*)

**4. Tax Revenues**

Tax revenues for the City consist of the following:

	General	Debt Service	Governmental Funds	Other Funds	Total
Property tax	\$ 17,027,815	\$ 7,635,936	\$ 1,985,058	\$	26,648,809
Sales tax	27,242,975	—	476,412	—	27,719,387
Transient guest tax	—	—	731,114	—	731,114
Franchise tax	6,188,771	—	—	—	6,188,771
Special assessment	—	3,869,871	—	—	3,869,871
Motor vehicle	1,340,930	703,134	—	—	2,044,064
Other	650,295	—	1,616,586	—	2,266,881
<b>Total tax revenues</b>	<b>\$ 52,450,786</b>	<b>\$ 12,208,941</b>	<b>\$ 4,809,170</b>	<b>\$</b>	<b>69,468,897</b>

**5. Capital Assets**

The following is a summary of changes in capital assets for the year ended December 31, 2012:

	Balance December 31, 2011	Increases	Decreases	Balance December 31, 2012
Governmental activities:				
Assets not being depreciated:				
Land	\$ 28,253,840	\$ 3,774,030	\$ 18,384	\$ 32,009,486
Construction in progress	7,053,565	15,801,805	18,908,851	3,946,519
<b>Total nondepreciable capital assets</b>	<b>35,307,405</b>	<b>19,575,835</b>	<b>18,927,235</b>	<b>35,956,005</b>
Assets being depreciated:				
Buildings	50,365,598	1,979,141	—	52,344,739
Machinery and equipment	24,116,979	3,555,135	759,251	26,912,863
Infrastructure - Streets	562,237,822	15,040,900	—	577,278,722
<b>Total depreciable capital assets</b>	<b>636,720,399</b>	<b>20,575,176</b>	<b>759,251</b>	<b>656,536,324</b>
Less accumulated depreciation				
Buildings	(21,830,252)	(1,387,515)	—	(23,217,767)
Machinery and equipment	(14,952,660)	(1,799,555)	(462,038)	(16,290,177)
Infrastructure - Streets	(171,465,195)	(11,185,593)	—	(182,650,788)
<b>Total accumulated depreciation</b>	<b>(208,248,107)</b>	<b>(14,372,663)</b>	<b>(462,038)</b>	<b>(222,158,732)</b>
<b>Total capital assets being depreciated, net</b>	<b>428,472,292</b>	<b>6,202,513</b>	<b>297,213</b>	<b>434,377,592</b>
<b>Total governmental activities, capital assets, net</b>	<b>\$ 463,779,697</b>	<b>\$ 25,778,348</b>	<b>\$ 19,224,448</b>	<b>\$ 470,333,597</b>

# THE CITY OF LENEXA, KANSAS

## Notes To Basic Financial Statements (Continued)

	Balance December 31, 2011	Increases	Decreases	Balance December 31, 2012
Business type activities:				
Assets not being depreciated:				
Land	\$ 1,242,929	\$ —	\$ —	\$ 1,242,929
Construction in progress	3,846,304	2,466,563	3,038,232	3,274,635
<b>Total nondepreciable capital assets</b>	<b>5,089,233</b>	<b>2,466,563</b>	<b>3,038,232</b>	<b>4,517,564</b>
Assets being depreciated:				
Machinery and equipment	196,846	—	40,160	156,686
Infrastructure - Stormwater	99,764,573	3,038,232	—	102,802,805
<b>Total depreciable capital assets</b>	<b>99,961,419</b>	<b>3,038,232</b>	<b>40,160</b>	<b>102,959,491</b>
Less accumulated depreciation				
Machinery and equipment	(133,242)	(20,074)	(40,160)	(113,156)
Infrastructure - Stormwater	(14,667,879)	(1,350,449)	—	(16,018,328)
<b>Total accumulated depreciation</b>	<b>(14,801,121)</b>	<b>(1,370,523)</b>	<b>(40,160)</b>	<b>(16,131,484)</b>
<b>Total capital assets being depreciated, net</b>	<b>85,160,298</b>	<b>1,667,709</b>	<b>—</b>	<b>86,828,007</b>
<b>Total business type activities, capital assets, net</b>	<b>\$ 90,249,531</b>	<b>\$ 4,134,272</b>	<b>\$ 3,038,232</b>	<b>\$ 91,345,571</b>

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

Governmental activities:	
General government	\$ 447,837
Public safety	1,653,397
Municipal Services	509,053
Infrastructure	11,185,593
Parks and recreation	576,783
<b>Total depreciation expense – governmental activities</b>	<b>\$ 14,372,663</b>
Business Type activities:	
Municipal services	\$ 20,074
Infrastructure	1,350,449
<b>Total depreciation expense – business type activities</b>	<b>\$ 1,370,523</b>

## 6. Commitments

### Construction Commitments

Normal commitments have been made for future expenditures related to the City's capital projects programs. At December 31, 2012, outstanding construction commitments, including obligations for capital outlay, were \$4,506,935.

# THE CITY OF LENEXA, KANSAS

## Notes To Basic Financial Statements (Continued)

At December 31, 2012, capital project authorizations compared with expenditures from inception are as follows:

	<b>Project Authorizations</b>	<b>Expenditures - Project Inception To December 31, 2012</b>
Governmental Activities:		
Street improvements	\$ 24,247,355	\$ 3,238,771
Municipal buildings	897,500	379,456
Capital acquisitions	940,000	381,947
Parks and recreation	2,415,794	931,085
	<u>\$ 28,500,649</u>	<u>\$ 4,931,259</u>

	<b>Project Authorizations</b>	<b>Expenditures - Project Inception To December 31, 2012</b>
Business Type Activities:		
Storm Drainage	\$ 16,961,301	\$ 3,012,123

### 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.

## 7. Interfund Receivables, Payables And Transfers

Interfund receivable and payable balances at December 31, 2012 are as follows:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General fund	\$ —	\$ 1,189,299
Street improvements	227,787	—
Capital improvement fund	961,512	—
	<u>\$ 1,189,299</u>	<u>\$ 1,189,299</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, 2012:

	Transfers Out					Total
	General	Street Improve- ments	Capital Improve- ment	Nonmajor Govern- mental	Enterprise	
Transfers in:						
General	\$ —	\$ —	\$ —	\$ 8,345	\$ —	\$ 8,345
Debt Service	—	212,891	—	267,393	8,738	489,022
Street Improvements	267,108	—	4,293,071	1,883,198	25,000	6,468,377
Capital Improvements	13,082,730	405,320	—	660,122	500,200	14,648,372
Nonmajor Governmental	1,600,905	16,704	4,042,360	292,092	155,000	6,107,061
Enterprise	—	—	3,015	89,132	110,435	202,582
Total	\$ 14,950,743	\$ 634,915	\$ 8,338,446	\$ 3,200,282	\$ 799,373	\$ 27,923,759

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.

## 8. 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 two 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 \$408,167 and a current carrying value of \$381,833.

**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 \$911,750 and a current carrying value of \$151,750.

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

<u>Year</u>	<u>Amount</u>
2013	\$ 425,646
2014	438,846
2015	446,933
2016	401,503
2017	399,364
2018 - 2022	1,877,633
2023 - 2027	1,183,660
2028 - 2030	306,463
	<u>\$ 5,480,048</u>



# THE CITY OF LENEXA, KANSAS

## Notes To Basic Financial Statements (Continued)

### 9. Long-Term Debt And Other Obligations

#### Changes In Long-Term Liabilities

The following is a summary of the changes in long-term debt for the year ended December 31, 2012:

	Balance December 31, 2011	Additions	Retired	Balance December 31, 2012	Due Within One Year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 70,824,163	\$ 15,401,876	\$ 9,040,000	\$ 77,186,039	\$ 7,694,131
Net unamortized premium	3,783,253	590,008	505,266	3,867,995	524,280
Less unamortized discount	(70,473)	—	(31,718)	(38,755)	(3,619)
TIF revenue bonds	7,865,000	—	—	7,865,000	655,000
General obligation notes payable	8,195,000	885,000	8,195,000	885,000	885,000
Employee compensated absences	2,038,984	1,701,643	1,668,298	2,072,329	1,836,694
Net other post employment benefits obligation	2,715,882	398,137	116,061	2,997,958	—
Total governmental activities long-term obligations	95,351,809	18,976,664	19,492,907	94,835,566	11,591,486
<b>Business Type Activities:</b>					
General obligation bonds	29,850,837	5,673,124	6,505,000	29,018,961	2,225,869
Net unamortized premium	1,550,842	258,019	215,127	1,593,734	224,897
Less unamortized discount	(79,510)	—	(38,994)	(40,516)	(3,220)
Employee compensated absences	47,936	42,550	40,356	50,130	44,616
Revolving loans payable	266,983	—	10,508	256,475	10,832
Net other post employment benefits obligation	81,113	14,313	3,552	91,874	—
Total business type activities long-term obligations	31,718,201	5,988,006	6,735,549	30,970,658	2,502,994
	\$ 127,070,010	\$ 24,964,670	\$ 26,228,456	\$ 125,806,224	\$ 14,094,480

#### 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 \$21,075,000 were issued to finance street and storm drainage improvements.

On July 1, 2012, the City issued \$6,610,000 in General Obligation Refunding Bonds with an average interest rate of 2.78 percent to refund \$6,825,000 of the September 1, 2013 through 2024 maturities of the City's General Obligation Refunding and Improvement bonds Series 2004A with an average interest rate of 3.88 percent. The net proceeds of \$6.9 million (after payment of underwriting fees and other issuance costs) were used to refund the Series 2004A bonds. As a result, \$6,825,000 of the Series 2004A bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets.

**THE CITY OF LENEXA, KANSAS**

Notes To Basic Financial Statements (*Continued*)

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$199,394. This difference, reported in the accompanying financial statements as deferred inflows of resources, is being charged to operations through the year 2014 in the governmental activities and through 2024 in the business-type activities using the straight line interest method. The City completed the refunding to achieve interest cost savings. The economic gain (difference between the present values of the old and new debt service payments) amounts to \$593,319.

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, 2012	Interest Paid 2012
Street improvements, refunding	2003A	3.65 to 4.6%	\$ 34,565,000	9/1/2018	\$ 1,219,501	\$ 821,500
Street improvements	2004A	2.5 to 4.4%	11,010,000	9/1/2024	—	121,015
Street improvements	2005A	2.15 to 3.75%	1,140,000	9/1/2025	385,000	17,950
Street improvements, refunding	2005B	2.65 to 4.35%	8,915,000	9/1/2025	2,595,000	109,555
Street improvements	2006C	4.25 to 4.625%	7,625,000	9/1/2026	4,595,000	219,556
Land acquisition	2006E	4.0 to 4.125%	940,000	9/1/2026	720,000	30,691
Street, City Center East Benefit District	2007B	5.0%	12,975,000	9/1/2027	3,480,000	187,250
Street improvements	2008B	3.0 to 5%	15,020,000	9/1/2023	11,830,000	522,763
Street improvements	2009A	1.5 to 5.5%	2,985,000	9/1/2029	2,265,000	69,046
Refunding	2009B	3.0 to 4.0%	7,660,000	9/1/2027	6,665,000	246,387
Street improvements	2010B	3.0 to 4.0 %	11,445,000	9/1/2025	10,210,000	366,919
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	9/1/2031	4,395,000	152,000
Street improvements	2012A	2.25 to 3.25%	13,000,000	9/1/2032	13,000,000	—
Street improvements, refunding	2012B	2.0 to 3.0%	2,401,876	9/1/2014	2,401,876	—
					<u>\$ 77,186,039</u>	<u>\$ 2,864,632</u>

	Series	Interest Rates %	Original Issue Amount	Final Maturity Date	Outstanding December 31, 2012	Interest Paid 2012
Stormwater improvements	2003A	3.65 to 4.6%	16,800,000	9/1/2018	580,499	\$ 400,800
Stormwater improvements	2004A	2.5 to 4.4%	6,355,000	9/1/2024	—	179,970
Stormwater improvements	2005B	2.65 to 4.35%	3,945,000	9/1/2025	2,925,000	123,745
Stormwater improvements	2006C	4.25 to 4.625%	5,735,000	9/1/2026	2,965,000	139,394
Stormwater improvements	2006E	4.0 to 4.125%	2,070,000	9/1/2026	1,575,000	67,066
Stormwater improvements	2007B	5.0%	4,010,000	9/1/2027	3,355,000	175,000
Stormwater improvements	2009A	1.5 to 5.5%	2,960,000	9/1/2029	2,625,000	86,624
Stormwater improvements	2010B	3.0 to 4.0%	1,945,000	9/1/2025	1,710,000	62,515
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	1,220,000	43,983
Stormwater improvements	2012A	2.25 to 3.25%	1,465,000	9/1/2032	1,465,000	—
Stormwater refunding	2012B	2.0 to 3.0%	4,208,124	9/1/2024	4,208,124	—
					<u>\$ 29,018,961</u>	<u>\$ 1,279,097</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>
2013	\$ 7,694,131	\$ 2,972,783	\$ 10,666,914
2014	8,012,296	2,644,166	10,656,462
2015	7,252,875	2,372,035	9,624,910
2016	7,185,612	2,111,658	9,297,270
2017	7,540,800	1,823,249	9,364,049
2018 – 2022	26,610,325	5,168,122	31,778,447
2023 – 2027	9,495,000	1,444,735	10,939,735
2028 – 2032	3,395,000	325,144	3,720,144
	<b>\$ 77,186,039</b>	<b>\$ 18,861,892</b>	<b>\$ 96,047,931</b>

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	\$ 2,225,869	\$ 1,200,315	\$ 3,426,184
2014	2,457,704	1,102,094	3,559,798
2015	2,517,125	1,004,173	3,521,298
2016	2,559,388	911,381	3,470,769
2017	2,704,200	804,987	3,509,187
2018 – 2022	9,034,675	2,620,733	11,655,408
2023 – 2027	6,330,000	995,474	7,325,474
2028 – 2032	1,190,000	108,169	1,298,169
	<b>\$ 29,018,961</b>	<b>\$ 8,747,326</b>	<b>\$ 37,766,287</b>

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, 2012, \$4,565,000 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, 2012 are payable as follows:

<u>Project</u>	<u>Interest Rate %</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Outstanding December 31, 2012</u>	<u>Interest Paid 2012</u>
Street Improvements	0.3%	10/17/2012	9/1/2013	\$ 885,000	\$ —

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>
2013	\$ 885,000	\$ 2,316	\$ 887,316

The City's total general obligation debt of \$106,205,000 and general obligation notes payable of \$885,000 total \$107,090,000. The City has \$175,233,395 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 2012, incremental ad valorem tax revenues were \$109,810. 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 following scheduled principal payments:

- \$170,000 due on April 1, 2011
- \$225,000 due on April 1, 2012
- \$260,000 due on April 1, 2013

The interest payment due on April 1, 2012 was paid as scheduled by the trustee. However, the trustee did not make the interest payment scheduled on October 1, 2012. The trustee paid \$190,000 of interest due on April 1, 2013. As of April 1, 2013, a total of \$278,545 in interest is due and unpaid.

In April 2013, 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 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 and will not in any case be made on schedule."

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 655,000	\$ 661,274	\$ 1,316,274
2014	285,000	422,689	707,689
2015	310,000	405,351	715,351
2016	335,000	386,323	721,323
2017	360,000	365,820	725,820
2018-2022	2,290,000	1,453,200	3,743,200
2023-2027	3,630,000	611,100	4,241,100
	<u>\$ 7,865,000</u>	<u>\$ 4,305,757</u>	<u>\$ 12,170,757</u>

### **Reimbursable Developer Project Costs**

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

## THE CITY OF LENEXA, KANSAS

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

The City has five established redevelopment districts and as of December 31, 2012, the City has approved ten redevelopment project plans. All but one of the redevelopment project plans are reimbursement only and two of the approved plans provide for reimbursement only to the City. At the time of redevelopment project plan approval, a feasibility study is performed to support a finding that the incremental ad valorem taxes projected and other available revenues, including private equity, are sufficient to pay for the approved TIF project costs.

A redevelopment district was established by Ordinance No. 4074 on June 17, 1997 for the Ridgeview Mining (formerly Meritex) TIF District. Project Plan One was approved on December 15, 1998 by Ordinance No. 4219 and subsequently amended on July 2, 2002 by Ordinance No. 4494 and again on January 15, 2010 by Ordinance No. 5135. In 2012, incremental ad valorem tax revenues amounted to \$672,623 and payments to the applicant were \$216,534. At December 31, 2012, there are no additional certified costs to be reimbursed to the applicant. Project Plan One expires in December 15, 2018.

A redevelopment district was established by Ordinance No. 4604 on April 6, 2004 for the Mining TIF District. The Mining TIF District was amended on December 20, 2005 by Ordinance No. 4825 to expand its boundaries. Mining TIF Project Plan One was approved by Ordinance No. 4609 in 2004 and amended by Ordinance No. 4938 on May 15, 2007. In 2012, incremental ad valorem tax revenues and payments to the applicant were \$83,167. The applicant may be reimbursed up to the balance of the certified cost amount of \$6,265,588 until 2022.

Mining TIF Project Plan Two was approved by Ordinance No. 5033 on May 6, 2008. In 2012, incremental ad valorem tax revenues and payments made to the applicant were \$400,703. The applicant may be reimbursed up to the balance of the certified cost amount of \$6,283,431 through May 2026.

Mining TIF Project Plan Three was approved by Ordinance No. 5262 on June 5, 2012. The City has approved \$2,358,090 in certified costs to the applicant. Reimbursement to the applicant will commence with the first increment tax distribution received in 2013 and may continue through June 2032.

A redevelopment district was established by Ordinance No. 4427 on September 11, 2001 for the City Center TIF District and was subsequently amended by Ordinance No. 4824 on December 20, 2005 to expand the boundaries. Project City Center TIF Plan 1B was approved by Ordinance No. 5043 on July 1, 2008. In 2012 incremental ad valorem tax revenues and payments made to the applicant were \$181,936. The applicant may be reimbursed up to the balance of the certified cost amount of \$2,257,606 until July 2028.

City Center TIF Project Plan 1C was approved by Ordinance 5272 on July 11, 2012. No certified costs have been submitted.

**Community Improvement District**

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

The City established the Orchards Corners CID by Ordinance No. 5174 on October 19, 2010 approving and levying an additional 1% sales tax within the CID. The purpose of the District is to finance the cost of traffic improvements and internal tenant improvements to the Orchard Corners Center located on the southwest corner of 95th Street and Quivira Road. The additional sales tax became effective April 1, 2011. The developer may be reimbursed up to the certified cost amount from collected sales taxes up to a period of 22 years from the date the CID sales tax is first collected in accordance with the terms of the Development Agreement. The Developer may be reimbursed up to the balance of the certified cost amount of \$3,534,733.

The City established the Prairie Creek CID by Ordinance No. 5263 on June 5, 2012 approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to finance the cost of traffic improvements and internal tenant improvements to the Prairie Creek Project located on the northwest corner of Prairie Star Parkway and Renner Boulevard. The additional sales tax became effective October 1, 2012. The developer may be reimbursed up to the certified cost amount from collected sales taxes up to a period of 22 years from the date the CID sales tax is first collected in accordance with the terms of the Development Agreement. The Developer may be reimbursed up to the balance of the certified cost amount of \$2,209,078.

**Revolving Loan**

The City entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) for the year ended December 31, 2010 for the City Center Central Green project. The loan was entered into on September 21, 2009 with an interest rate of 2.72% and a maximum amount of \$1,073,430. As of December 31, 2012, \$1,073,430 has been drawn on this loan and the payback amount is \$256,475. Principal payments of \$10,508 were made in 2012. KDHE has committed to 75% principal forgiveness of the loan beginning in 2010. The payback period for the amount of the loan remaining after the principal forgiveness is 20 years. The loan payments began in 2011 when the project was completed.

## 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>
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	12,068	5,146	17,214
2018 – 2022	65,862	20,716	86,578
2023 – 2027	74,576	12,804	87,380
2028 – 2031	58,829	2,945	61,774
	<b>\$ 256,475</b>	<b>\$ 65,038</b>	<b>\$ 321,513</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, 2012, there were 17 issues of industrial revenue and multifamily housing bonds outstanding. These issues have an aggregate original issue amount of approximately \$243 million and an aggregate balance outstanding of approximately \$155 million at December 31, 2012.



## **10. Risk Management**

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

The City's risk financing activities are reported separately in the Risk Management, Health Plan and Workers Compensation Funds, all 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 \$1,442,679. 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, 2012 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 December 31, 2012, the workers compensation net asset balance was \$1,038,387 with claims liability of \$234,365. This claims liability is based on estimates of the ultimate cost of claims, including inflation factors and historical trend data. Other non-incremental costs are not included in the basis of estimating the liability. Claims administration of the fund is performed by Thomas McGee. The City and Thomas McGee filed the necessary papers with the Kansas Insurance Commissioner and received approval to be self-funded.

## THE CITY OF LENEXA, KANSAS

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### Notes To Basic Financial Statements (Continued)

The City self-insures a health benefit and short-term disability plan. Contributions of \$448,728 a month on behalf of and from current employees are made to a special City bank account, and approximately \$22,784 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 \$4,979,777 for total medical and pharmacy claims per year. After the maximum benefit per employee and \$4,979,777 total per year are paid, a reinsurance policy with Symetra for specific insurance and Aetna for aggregate insurance becomes effective. Payments made in accordance with the plans and related insurance premiums are recorded in the Health Plan Fund. As of December 31, 2012, a liability of \$273,792 has been recorded in the fund for outstanding healthcare claims, including an estimate for claims incurred but not recorded. This claims liability is based on estimates of the ultimate cost of claims, including inflation factors and historical trend data. Other non-incremental costs are not included in the basis of estimating the liability.

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

<u>Year</u>	<u>Beginning Of Fiscal Year Liability</u>	<u>Current Year Claims And Changes In Estimates</u>	<u>Claim Payments</u>	<u>Balance At Fiscal Year End</u>
2011	\$ 115,000	\$ (50,000)	\$ —	\$ 65,000
2012	65,000	(30,000)	—	35,000

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>
2011	\$ 368,548	\$ 175,814	\$ 245,032	\$ 299,330
2012	299,330	221,822	286,787	234,365

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>
2011	\$ 261,488	\$ 4,411,351	\$ 4,270,974	\$ 401,865
2012	401,865	4,480,017	4,608,090	273,792

## **11. 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, 2012. 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 2012 was 8.34% for January 1, 2012 to March 31, 2012, 7.34% for April 1, 2012 through June 30, 2012, and 8.34% for July 1, 2012 through December 31, 2012 of the employee's gross salary. The City employer contributions to KPERS for the years ended December 31, 2012, 2011 and 2010 were \$911,714, \$811,143, and \$819,477, respectively, equal to the required contributions for each year. The KP&F employer rate established for the fiscal year beginning in 2012 is 16.66%. 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, 2012, 2011 and 2010 were \$1,778,968, \$1,529,407, and \$1,341,143, 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, 2012 to December 31, 2012 was 13.44%. The City contribution for Working After Retirement for the years ended December 31, 2012, 2011 and 2010 were \$16,592, \$17,749, and \$13,205, respectively.

**Defined Contribution Plans**

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 2012 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 or elected and whose employment requires at least 1,000 hours of work each year. In addition, the City will match 50% of an employee's contribution up to a maximum of an additional 2%. The City's total maximum contribution per employee would be 6%. The City contributed \$1,262,404 during 2012 to the Defined Contribution Plan. The Defined Contribution Plan provides funds for retirements and for beneficiaries in the event of death. Eligible participants are not required to contribute to the Defined Contribution Plan, however, the participant may choose to contribute. Eligible participants are 100% vested after three years of employment. The balances in the Defined Contribution Plan are not 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, 2012, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	78
Terminated plan members entitled to, but not yet receiving benefits	177
Active plan members	<u>305</u>
Total	<u><u>560</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 entry age normal 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 obligation consisted of the following at December 31, 2012, the date of the latest actuarial valuation:

#### Annual Pension Cost And Net Pension Obligation

Annual required contribution	\$ 329,624
Interest on net pension obligation	(19,644)
Adjustment to annual required contribution	22,615
<b>Annual Pension Cost</b>	<b>332,595</b>
Contributions made plus interest	461,991
<b>Change In Net Pension Asset</b>	<b>(129,396)</b>
<b>Net Pension Asset - Beginning Of Year</b>	<b>(280,625)</b>
<b>Net Pension Asset - End Of Year</b>	<b>\$ (410,021)</b>

	<b>Annual Pension Cost (APC)</b>	<b>Percentage Of APC Contributed</b>	<b>Net Pension Obligation (Asset)</b>
Fiscal year ended:			
2012	\$ 332,595	138.9%	\$ (410,021)
2011	245,521	184.5%	(280,625)
2010	220,213	202.9%	(73,171)

#### Funding Status And Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the Plan was 77.9% funded. The actuarial accrued liability (AAL) for benefits was \$28,739,914 and the actuarial value of assets was \$22,394,233, resulting in an unfunded AAL (UAAL) of \$6,345,681. The covered payroll was \$19,042,503, and the ratio of the UAAL to the covered payroll was 33.3%. 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 position 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	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)

## 12. 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 (KPERs) are eligible for benefits.

The City required retirees to pay 113% of the funding rate in 2012 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*)

Membership of the Plan consisted of the following at January 1, 2011, the date of the latest actuarial valuation:

Active plan members	347
Terminated plan members	—
Retirees and beneficiaries receiving benefits	<u>56</u>
Total	<u><u>403</u></u>

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

**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.



## THE CITY OF LENEXA, KANSAS

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

#### 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 113% of the funding rate in 2012 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	125,865
Adjustment to annual required contribution	<u>(164,318)</u>
Annual OPEB cost	<u>412,450</u>
Contributions made:	
Claims	347,431
Stop-loss premiums and fees paid on behalf of retirees	40,138
Retiree contributions	<u>(267,956)</u>
Net employer contributions	<u>119,613</u>
Change in net pension obligation	292,837
Net OPEB obligation, December 31, 2011	<u>2,796,995</u>
Net OPEB obligation, December 31, 2012	<u>\$ 3,089,832</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 2012 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
12/31/2012	412,450	29.0%	3,089,832

### **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% after eight years and an annual dental cost trend rate of 4.5%. The valuation process does not directly utilize an explicit inflation rate assumption to build the trend assumptions. An estimated general inflation rate that is reasonable in conjunction with the healthcare trend assumptions is 2.5%. There is no projected salary or post-retirement benefit increase used in this valuation. 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.

### **13. Prior Period Adjustment**

In 2012, management of the City evaluated the recording of the reimbursable developer's cost obligations. These obligations represent developer project costs that have been certified as eligible for reimbursement from the incremental taxes attributable to certain projects that are located in tax increment financing (TIF) or community improvement districts (CID). The City is only obligated to pay the amounts of incremental taxes received attributable to the projects; any deficiencies are the responsibility of the developer. Management has determined that a change in methodology is necessary to improve the financial reporting of these transactions. Under this methodology, obligations are incurred only as the pledged revenue is recognized. Under the prior methodology, a liability was recorded when the project costs were certified as eligible for reimbursement.

This change in methodology resulted in an adjustment to beginning net position for Governmental Activities on the Statement of Net Position. The impact of this adjustment was an increase in the City's net position as of January 1, 2012 for \$15,092,047 and a corresponding decrease to the liability recorded for reimbursable developer costs.

**14. Change In Accounting Principle**

During the year, the City adopted GASB Statement No. 65, *Items Previously Recognized as Assets and Liabilities*. The objective of this statement is to establish standards that reclassify certain items that were previously reported as assets and liabilities and instead to classify them as deferred inflows of resources, deferred outflows of resources, or as outflows of resources. As a result of implementing this statement, the following assets and liabilities have been reclassified:

<u>Item</u>	<u>New Classification</u>	<u>Amount</u>
Deferred gain on refunding (previously included in bonds payable, net)	Deferred inflow of resources	\$ 272,939
Bond issuance costs (the unamortized portion was previously reported as an asset)	Outflow of resources	944,534
Revenue in governmental funds not collected within 60 days of year end (previously reported as a liability)	Deferred inflow of resources	49,576,989
Property tax billed, but levied for the next year's budget (previously reported as a liability)	Deferred inflow of resources	26,484,854

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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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 49,564,465	\$ 49,564,465	\$ 52,450,786	\$ 2,886,321
Licenses and permits	897,710	897,710	1,410,326	512,616
Charges for services	1,875,019	1,875,019	2,004,430	129,411
Rents and leases	411,309	411,309	423,205	11,896
Fines and forfeitures	1,336,170	1,336,170	1,081,380	(254,790)
Investment earnings	202,275	202,275	254,146	51,871
Miscellaneous	139,026	139,026	584,188	445,162
<b>Total Revenues</b>	<b>54,425,974</b>	<b>54,425,974</b>	<b>58,208,461</b>	<b>3,782,487</b>
<b>Expenditures</b>				
Current				
General government:				
Legislative	166,971	166,971	126,026	40,945
Executive	574,497	584,861	556,773	28,088
Communications	368,020	372,941	256,680	116,261
Municipal court	616,024	597,459	543,114	54,345
Enterprise systems and technology	2,263,315	2,369,033	2,311,570	57,463
Finance	1,292,194	1,580,955	1,572,738	8,217
Legal	1,225,988	1,238,183	1,093,181	145,002
Human resources	2,168,432	1,416,788	690,486	726,302
Community standards	—	221,718	205,763	15,955
Building inspection	703,509	510,987	412,446	98,541
Land use	507,218	535,969	524,993	10,976
Development engineering	1,124,969	1,098,638	1,011,703	86,935
Support services	733,926	804,289	799,007	5,282
<b>Total General Government</b>	<b>11,745,063</b>	<b>11,498,792</b>	<b>10,104,480</b>	<b>1,394,312</b>
Public safety:				
Administration	4,344,277	4,398,330	4,235,681	162,649
Investigation	1,682,954	1,635,994	1,549,076	86,918
Patrol	6,799,307	6,981,557	6,872,087	109,470
Towers	54,001	49,249	3,872	45,377
Fire	8,422,254	8,710,094	8,580,087	130,007
<b>Total Public Safety</b>	<b>21,302,793</b>	<b>21,775,224</b>	<b>21,240,803</b>	<b>534,421</b>
Municipal services:				
Streets	4,047,947	3,833,456	3,169,385	664,071
Traffic	1,727,063	1,732,634	1,406,202	326,432
Engineering	571,128	586,428	557,362	29,066
Facilities management	1,963,164	2,059,141	1,956,482	102,659
<b>Total Municipal Services</b>	<b>8,309,302</b>	<b>8,211,659</b>	<b>7,089,431</b>	<b>1,122,228</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, 2012

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Recreation:				
Recreation administration	\$ 524,484	\$ 567,378	\$ 567,521	\$ (143)
Maintenance	2,228,579	2,245,513	2,215,605	29,908
Programs	1,891,964	1,952,554	1,587,060	365,494
<b>Total Recreation</b>	<b>4,645,027</b>	<b>4,765,445</b>	<b>4,370,186</b>	<b>395,259</b>
<b>Total Expenditures</b>	<b>46,002,185</b>	<b>46,251,120</b>	<b>42,804,900</b>	<b>3,446,220</b>
<b>Excess Of Revenues Over Expenditures</b>	<b>8,423,789</b>	<b>8,174,854</b>	<b>15,403,561</b>	<b>7,228,707</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	32,798	32,798	8,345	(24,453)
Transfers out	(26,400,228)	(26,151,293)	(14,950,743)	11,200,550
<b>Total Other Financing Sources (Uses)</b>	<b>(26,367,430)</b>	<b>(26,118,495)</b>	<b>(14,942,398)</b>	<b>11,176,097</b>
<b>Net Changes In Fund Balance</b>	<b>\$ (17,943,641)</b>	<b>\$ (17,943,641)</b>	<b>461,163</b>	<b>\$ 18,404,804</b>
<b>Fund Balance - Beginning Of Year</b>			23,522,587	
<b>Fund Balance - End Of Year - Budget Basis</b>			<u>\$ 23,983,750</u>	
<b>Adjustments To Reconcile To GAAP Basis</b>				
Encumbrances reserved at December 31, 2012			\$ 244,057	
Encumbrances reserved at December 31, 2011			(400,299)	
<b>Fund Balance - End Of Year - GAAP Basis</b>			<u>\$ 23,827,508</u>	

# CITY OF LENEXA, KANSAS

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## NOTE TO BUDGETARY COMPARISON INFORMATION

December 31, 2012

### 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 August 2012, an additional appropriation was approved for \$227,684 for the Orchard Corners CID Fund and an appropriation of \$30,000 for the Prairie Creek CID Fund.



# CITY OF LENEXA, KANSAS

## REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2012

### 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)
12/31/2007	\$ 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%
12/31/2012	22,394,233	28,739,914	6,345,681	77.9%	19,042,503	33.3%

\*\*Plan frozen.

#### Schedule Of Employer Contributions:

Year	Annual Required Contribution	Percentage Contributed
2007	\$ 2,156,727	104%
2008	2,190,774	104%
2009	2,503,531	108%
2010	221,837	201%
2011	244,746	185%
2012	329,624	140%

# CITY OF LENEXA, KANSAS

## REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2012

### 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	4,025,300	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**

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## **NONMAJOR GOVERNMENTAL FUNDS Special Revenue Funds**

### **Fund Descriptions**

#### **Street Tree (Zones 1, 2 And 3)\***

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

#### **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.

## **CITY OF LENEXA, KANSAS**

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### Nonmajor Governmental Funds (*Continued*)

#### **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.

#### **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.

#### **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.

## **CITY OF LENEXA, KANSAS**

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### Nonmajor Governmental Funds (*Continued*)

#### **Orchard Corners CID\***

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

#### **Prairie Creek CID Fund\***

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

\*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.

# CITY OF LENEXA, KANSAS

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS December 31, 2012

	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	\$ 4,752,716	\$ —	\$ 2,395,926	\$ 2,552,303	\$ 968,114	\$ 10,669,059
Restricted cash and investments	—	110,217	—	—	—	110,217
Property tax receivable (net of allowance for uncollectibles)	2,799,842	—	—	—	—	2,799,842
Sales tax receivable	107,328	—	—	—	—	107,328
Transient guest tax receivable	205,491	—	—	—	—	205,491
Special highway tax receivable	305,578	—	—	—	—	305,578
Special liquor tax receivable	90,380	—	—	—	—	90,380
Intergovernmental receivable	—	—	—	—	500	500
Interest receivable	8,630	—	7,367	9,322	—	25,319
<b>Total Assets</b>	<b>\$ 8,269,965</b>	<b>\$ 110,217</b>	<b>\$ 2,403,293</b>	<b>\$ 2,561,625</b>	<b>\$ 968,614</b>	<b>\$ 14,313,714</b>
<b>Liabilities And Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 38,207	\$ —	\$ 498,086	\$ 89,423	\$ 5,699	\$ 631,415
Accrued compensation	744	—	—	—	—	744
<b>Total Liabilities</b>	<b>38,951</b>	<b>—</b>	<b>498,086</b>	<b>89,423</b>	<b>5,699</b>	<b>632,159</b>
<b>Deferred Inflows Of Resources</b>						
Property tax	2,799,842	—	—	—	—	2,799,842
<b>Fund Balances</b>						
Restricted	5,431,172	110,217	—	481,176	882,916	6,905,481
Assigned	—	—	1,905,207	1,991,026	79,999	3,976,232
<b>Total Fund Balances</b>	<b>5,431,172</b>	<b>110,217</b>	<b>1,905,207</b>	<b>2,472,202</b>	<b>962,915</b>	<b>10,881,713</b>
<b>Total Liabilities, Deferred Inflows Of Resources And Fund Balances</b>	<b>\$ 8,269,965</b>	<b>\$ 110,217</b>	<b>\$ 2,403,293</b>	<b>\$ 2,561,625</b>	<b>\$ 968,614</b>	<b>\$ 14,313,714</b>

# CITY OF LENEXA, KANSAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For The Year Ended December 31, 2012

	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	\$ 4,809,170	\$ —	\$ —	\$ —	\$ —	\$ 4,809,170
Intergovernmental	59,431	—	33,468	—	51,022	143,921
Charges for services	508,765	—	—	—	—	508,765
Fines and forfeitures	58,094	—	—	—	—	58,094
Investment earnings (loss)	(3,094)	20	15,024	31,076	—	43,026
Miscellaneous	—	—	405,786	—	—	405,786
<b>Total Revenues</b>	<b>5,432,366</b>	<b>20</b>	<b>454,278</b>	<b>31,076</b>	<b>51,022</b>	<b>5,968,762</b>
<b>Expenditures</b>						
Current:						
General government	544,823	21,430	—	—	—	566,253
Public safety	319,582	—	—	—	—	319,582
Municipal services	7,370	—	—	—	—	7,370
Recreation	5,425	—	—	—	—	5,425
Economic development	1,383,193	—	—	—	—	1,383,193
Capital outlay	—	—	5,013,931	936,073	2,420,844	8,370,848
Debt service:						
Interest and fiscal charges	—	234,273	—	—	—	234,273
<b>Total Expenditures</b>	<b>2,260,393</b>	<b>255,703</b>	<b>5,013,931</b>	<b>936,073</b>	<b>2,420,844</b>	<b>10,886,944</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>3,171,973</b>	<b>(255,683)</b>	<b>(4,559,653)</b>	<b>(904,997)</b>	<b>(2,369,822)</b>	<b>(4,918,182)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	354,798	109,903	3,584,570	350,000	1,707,790	6,107,061
Transfers out	(2,916,750)	—	—	—	(283,532)	(3,200,282)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,561,952)</b>	<b>109,903</b>	<b>3,584,570</b>	<b>350,000</b>	<b>1,424,258</b>	<b>2,906,779</b>
<b>Net Changes In Fund Balances</b>	<b>610,021</b>	<b>(145,780)</b>	<b>(975,083)</b>	<b>(554,997)</b>	<b>(945,564)</b>	<b>(2,011,403)</b>
<b>Fund Balances - Beginning 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>
<b>Fund Balances - End Of Year</b>	<b>\$ 5,431,172</b>	<b>\$ 110,217</b>	<b>\$ 1,905,207</b>	<b>\$ 2,472,202</b>	<b>\$ 962,915</b>	<b>\$ 10,881,713</b>



**CITY OF LENEXA, KANSAS**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

**Page 1 Of 4  
December 31, 2012**

	<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	\$ 31,262	\$ 109,894	\$ 142,033	\$ 245,300	\$ —	\$ 266,432
Property tax receivable (net of allowance for uncollectibles)	260,442	—	—	—	—	—
Sales tax receivable	—	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—	205,491
Special highway tax receivable	—	—	—	—	305,578	—
Special liquor tax receivable	—	—	—	—	—	—
Interest receivable	—	513	654	1,145	—	—
<b>Total Assets</b>	<b>\$ 291,704</b>	<b>\$ 110,407</b>	<b>\$ 142,687</b>	<b>\$ 246,445</b>	<b>\$ 305,578</b>	<b>\$ 471,923</b>
<b>Liabilities, Deferred Inflows And Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 275
Accrued compensation	—	—	—	—	—	744
<b>Total Liabilities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,019</b>
<b>Deferred Inflows Of Resources</b>						
Property tax	260,442	—	—	—	—	—
<b>Fund Balances</b>						
Restricted	31,262	110,407	142,687	246,445	305,578	470,904
<b>Total Liabilities, Deferred Inflows And Fund Balances</b>	<b>\$ 291,704</b>	<b>\$ 110,407</b>	<b>\$ 142,687</b>	<b>\$ 246,445</b>	<b>\$ 305,578</b>	<b>\$ 471,923</b>

**CITY OF LENEXA, KANSAS**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

Page 2 Of 4

December 31, 2012

	<b>Special Alcohol Control</b>	<b>Special Park And Recreation</b>	<b>TIP Zone 1</b>	<b>TIP Zone 2</b>	<b>TIP Zone 3</b>	<b>Grants</b>
<b>Assets</b>						
Deposits and investments	\$ 129,529	\$ —	\$ 278,234	\$ 202,271	\$ 116,177	\$ 5,834
Property tax receivable (net of allowance for uncollectibles)	—	—	—	—	—	—
Sales tax receivable	—	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—	—
Special highway tax receivable	—	—	—	—	—	—
Special liquor tax receivable	45,190	45,190	—	—	—	—
Interest receivable	—	—	2,199	940	539	—
<b>Total Assets</b>	<b>\$ 174,719</b>	<b>\$ 45,190</b>	<b>\$ 280,433</b>	<b>\$ 203,211</b>	<b>\$ 116,716</b>	<b>\$ 5,834</b>
<b>Liabilities, Deferred Inflows Of Resources And Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 5,482	\$ —	\$ —	\$ —	\$ —	\$ —
Accrued compensation	—	—	—	—	—	—
<b>Total Liabilities</b>	<b>5,482</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Deferred Inflows Of Resources</b>						
Property tax	—	—	—	—	—	—
<b>Fund Balances</b>						
Restricted	169,237	45,190	280,433	203,211	116,716	5,834
<b>Total Liabilities, Deferred Inflows Of Resources And Fund Balances</b>	<b>\$ 174,719</b>	<b>\$ 45,190</b>	<b>\$ 280,433</b>	<b>\$ 203,211</b>	<b>\$ 116,716</b>	<b>\$ 5,834</b>

**CITY OF LENEXA, KANSAS**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

**Page 3 Of 4  
December 31, 2012**

	Ridgeview Mining TIF	South Mining District TIF	City Center TIF	Law Enforcement Trust	Legal Trust
<b>Assets</b>					
Deposits and investments	\$ 1,994,151	\$ 6,268	\$ 348,751	\$ 182,849	\$ 63,244
Property tax receivable (net of allowance for uncollectibles)	671,044	2,943	1,107,951	—	—
Sales tax receivable	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—
Special highway tax receivable	—	—	—	—	—
Special liquor tax receivable	—	—	—	—	—
Interest receivable	—	—	—	—	—
<b>Total Assets</b>	<b>\$ 2,665,195</b>	<b>\$ 9,211</b>	<b>\$ 1,456,702</b>	<b>\$ 182,849</b>	<b>\$ 63,244</b>
<b>Liabilities, Deferred Inflows Of Resources And Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —
Accrued compensation	—	—	—	—	—
<b>Total Liabilities</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Deferred Inflows Of Resources</b>					
Property tax	671,044	2,943	1,107,951	—	—
<b>Fund Balances</b>					
Restricted	1,994,151	6,268	348,751	182,849	63,244
<b>Total Liabilities, Deferred Inflows Of Resources And Fund Balances</b>	<b>\$ 2,665,195</b>	<b>\$ 9,211</b>	<b>\$ 1,456,702</b>	<b>\$ 182,849</b>	<b>\$ 63,244</b>

**CITY OF LENEXA, KANSAS**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

**Page 4 Of 4  
December 31, 2012**

	Mining TIF District	City Center East TIF Bonds	Orchard Corners CID	Prairie Creek 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	\$ 3,465	\$ 23,772	\$ 32,778	\$ 3,792	\$ 159,890	\$ 280,531	\$ 126,259	\$ 4,752,716
Property tax receivable (net of allowance for uncollectibles)	555,578	201,884	—	—	—	—	—	2,799,842
Sales tax receivable	—	—	98,856	8,472	—	—	—	107,328
Transient guest tax receivable	—	—	—	—	—	—	—	205,491
Special highway tax receivable	—	—	—	—	—	—	—	305,578
Special liquor tax receivable	—	—	—	—	—	—	—	90,380
Interest receivable	—	—	—	—	747	1,308	585	8,630
<b>Total Assets</b>	<b>\$ 559,043</b>	<b>\$ 225,656</b>	<b>\$ 131,634</b>	<b>\$ 12,264</b>	<b>\$ 160,637</b>	<b>\$ 281,839</b>	<b>\$ 126,844</b>	<b>\$ 8,269,965</b>
<b>Liabilities, Deferred Inflows Of Resources And Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ —	\$ —	\$ 32,450	\$ —	\$ —	\$ —	\$ —	\$ 38,207
Accrued compensation	—	—	—	—	—	—	—	744
<b>Total Liabilities</b>	<b>—</b>	<b>—</b>	<b>32,450</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>38,951</b>
<b>Deferred Inflows Of Resources</b>								
Property tax	555,578	201,884	—	—	—	—	—	2,799,842
<b>Fund Balances</b>								
Restricted	3,465	23,772	99,184	12,264	160,637	281,839	126,844	5,431,172
<b>Total Liabilities, Deferred Inflows Of Resources And Fund Balances</b>	<b>\$ 559,043</b>	<b>\$ 225,656</b>	<b>\$ 131,634</b>	<b>\$ 12,264</b>	<b>\$ 160,637</b>	<b>\$ 281,839</b>	<b>\$ 126,844</b>	<b>\$ 8,269,965</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, 2012

	Neighborhood Revitalization District	Street Tree Zone 1	Street Tree Zone 2	Street Tree Zone 3	Special Highway	Tourism And Convention
<b>Revenues</b>						
Taxes	\$ 39,418	\$ —	\$ —	\$ —	\$ 1,248,463	\$ 727,321
Intergovernmental	—	—	—	—	—	—
Charges for services	—	—	10,350	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Investment earnings	—	336	493	928	—	—
<b>Total Revenues</b>	39,418	336	10,843	928	1,248,463	727,321
<b>Expenditures</b>						
Current:						
General government	29,311	—	—	—	—	515,512
Public safety	—	—	—	—	—	—
Municipal services	—	—	—	—	—	—
Recreation	—	—	4,455	970	—	—
Economic development	—	—	—	—	—	—
<b>Total Expenditures</b>	29,311	—	4,455	970	—	515,512
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	10,107	336	6,388	(42)	1,248,463	211,809
<b>Other Financing Sources (Uses)</b>						
Transfers in	—	—	—	—	—	—
Transfers out	—	—	—	—	(1,258,698)	(23,000)
<b>Total Other Financing Sources (Uses)</b>	—	—	—	—	(1,258,698)	(23,000)
<b>Net Changes In Fund Balances</b>	10,107	336	6,388	(42)	(10,235)	188,809
<b>Fund Balances - Beginning Of Year</b>	21,155	110,071	136,299	246,487	315,813	282,095
<b>Fund Balances - End Of Year</b>	\$ 31,262	\$ 110,407	\$ 142,687	\$ 246,445	\$ 305,578	\$ 470,904

# 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, 2012

	Special Alcohol Control	Special Park And Recreation	TIP Zone 1	TIP Zone 2	TIP Zone 3	Grants
<b>Revenues</b>						
Taxes	\$ 184,063	\$ 184,063	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	—	—	47,582
Charges for services	—	—	211,036	27,344	32,157	—
Fines and forfeitures	—	—	—	—	—	—
Investment earnings	—	—	890	164	(222)	—
<b>Total Revenues</b>	<b>184,063</b>	<b>184,063</b>	<b>211,926</b>	<b>27,508</b>	<b>31,935</b>	<b>47,582</b>
<b>Expenditures</b>						
Current:						
General government	—	—	—	—	—	—
Public safety	130,275	—	—	—	—	37,072
Municipal services	—	—	3,096	—	—	4,274
Recreation	—	—	—	—	—	—
Economic development	—	—	—	—	—	—
<b>Total Expenditures</b>	<b>130,275</b>	<b>—</b>	<b>3,096</b>	<b>—</b>	<b>—</b>	<b>41,346</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>53,788</b>	<b>184,063</b>	<b>208,830</b>	<b>27,508</b>	<b>31,935</b>	<b>6,236</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	—	—	171,704	—	—	—
Transfers out	—	(181,534)	(560,500)	—	—	—
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>(181,534)</b>	<b>(388,796)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net Changes In Fund Balances</b>	<b>53,788</b>	<b>2,529</b>	<b>(179,966)</b>	<b>27,508</b>	<b>31,935</b>	<b>6,236</b>
<b>Fund Balances - Beginning Of Year</b>	<b>115,449</b>	<b>42,661</b>	<b>460,399</b>	<b>175,703</b>	<b>84,781</b>	<b>(402)</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 169,237</b>	<b>\$ 45,190</b>	<b>\$ 280,433</b>	<b>\$ 203,211</b>	<b>\$ 116,716</b>	<b>\$ 5,834</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, 2012**

	Ridgeview Mining TIF	South Mining District TIF	City Center TIF	Law Enforcement Trust	Legal Trust
<b>Revenues</b>					
Taxes	\$ 672,623	\$ 3,010	\$ 655,351	\$ —	\$ —
Intergovernmental	—	—	—	11,849	—
Charges for Services	—	—	—	—	—
Fines and forfeitures	—	—	—	52,837	5,257
Investment earnings	—	—	—	—	—
<b>Total Revenues</b>	<b>672,623</b>	<b>3,010</b>	<b>655,351</b>	<b>64,686</b>	<b>5,257</b>
<b>Expenditures</b>					
Current:					
General government	—	—	—	—	—
Public safety	—	—	—	152,235	—
Municipal services	—	—	—	—	—
Recreation	—	—	—	—	—
Economic development	216,534	—	181,935	—	—
<b>Total Expenditures</b>	<b>216,534</b>	<b>—</b>	<b>181,935</b>	<b>152,235</b>	<b>—</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>456,089</b>	<b>3,010</b>	<b>473,416</b>	<b>(87,549)</b>	<b>5,257</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	—	—	—	—	—
Transfers out	—	—	(776,589)	—	—
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>—</b>	<b>(776,589)</b>	<b>—</b>	<b>—</b>
<b>Net Changes In Fund Balances</b>	<b>456,089</b>	<b>3,010</b>	<b>(303,173)</b>	<b>(87,549)</b>	<b>5,257</b>
<b>Fund Balances - Beginning Of Year</b>	<b>1,538,062</b>	<b>3,258</b>	<b>651,924</b>	<b>270,398</b>	<b>57,987</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 1,994,151</b>	<b>\$ 6,268</b>	<b>\$ 348,751</b>	<b>\$ 182,849</b>	<b>\$ 63,244</b>

# CITY OF LENEXA, KANSAS

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

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For The Year Ended December 31, 2012

	Mining TIF District	City Center East TIF Bonds	Orchard Corners CID	Prairie Creek 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	\$ 487,056	\$ 127,598	\$ 467,940	\$ 12,264	\$ —	\$ —	\$ —	\$ 4,809,170
Intergovernmental	—	—	—	—	—	—	—	59,431
Charges for services	—	—	—	—	66,175	132,750	28,953	508,765
Fines and forfeitures	—	—	—	—	—	—	—	58,094
Investment earnings	—	—	—	—	(2,030)	(3,517)	(136)	(3,094)
<b>Total Revenues</b>	<b>487,056</b>	<b>127,598</b>	<b>467,940</b>	<b>12,264</b>	<b>64,145</b>	<b>129,233</b>	<b>28,817</b>	<b>5,432,366</b>
<b>Expenditures</b>								
Current:								
General government	—	—	—	—	—	—	—	544,823
Public safety	—	—	—	—	—	—	—	319,582
Municipal services	—	—	—	—	—	—	—	7,370
Recreation	—	—	—	—	—	—	—	5,425
Economic development	483,869	—	500,855	—	—	—	—	1,383,193
<b>Total Expenditures</b>	<b>483,869</b>	<b>—</b>	<b>500,855</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,260,393</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>3,187</b>	<b>127,598</b>	<b>(32,915)</b>	<b>12,264</b>	<b>64,145</b>	<b>129,233</b>	<b>28,817</b>	<b>3,171,973</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	—	—	—	—	74,854	108,240	—	354,798
Transfers out	—	(109,899)	(6,530)	—	—	—	—	(2,916,750)
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>(109,899)</b>	<b>(6,530)</b>	<b>—</b>	<b>74,854</b>	<b>108,240</b>	<b>—</b>	<b>(2,561,952)</b>
<b>Net Changes In Fund Balances</b>	<b>3,187</b>	<b>17,699</b>	<b>(39,445)</b>	<b>12,264</b>	<b>138,999</b>	<b>237,473</b>	<b>28,817</b>	<b>610,021</b>
<b>Fund Balances - Beginning Of Year</b>	<b>278</b>	<b>6,073</b>	<b>138,629</b>	<b>—</b>	<b>21,638</b>	<b>44,366</b>	<b>98,027</b>	<b>4,821,151</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 3,465</b>	<b>\$ 23,772</b>	<b>\$ 99,184</b>	<b>\$ 12,264</b>	<b>\$ 160,637</b>	<b>\$ 281,839</b>	<b>\$ 126,844</b>	<b>\$ 5,431,172</b>



**CITY OF LENEXA, KANSAS**

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**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
STREET TREE ZONE 1 FUND  
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 10,000	\$ 10,000	\$ —	\$ (10,000)
Investment earnings	—	—	336	336
<b>Total Revenues</b>	10,000	10,000	336	(9,664)
<b>Expenditures</b>				
Current:				
Recreation	10,000	10,000	—	10,000
<b>Net Changes In Fund Balances</b>	—	—	336	336
<b>Fund Balances - Beginning Of Year</b>			110,071	
<b>Fund Balances - End Of Year - Budget Basis</b>			\$ 110,407	

# 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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 25,000	\$ 25,000	\$ 10,350	\$ (14,650)
Investment earnings	—	—	493	493
<b>Total Revenues</b>	25,000	25,000	10,843	(14,157)
<b>Expenditures</b>				
Current:				
Recreation	25,000	25,000	10,469	14,531
<b>Net Changes In Fund Balances</b>	—	—	374	374
<b>Fund Balances - Beginning Of Year</b>			136,299	
<b>Fund Balances - End Of Year - Budget Basis</b>			\$ 136,673	
<b>Adjustments To Reconcile To GAAP Basis</b>				
Encumbrances reserved at December 31, 2012			\$ 9,899	
Encumbrances reserved at December 31, 2011			(3,885)	
<b>Fund Balances - End Of Year - GAAP Basis</b>			\$ 142,687	

# 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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 20,000	\$ 20,000	\$ —	\$ (20,000)
Investment earnings	—	—	928	928
<b>Total Revenues</b>	20,000	20,000	928	(19,072)
<b>Expenditures</b>				
Current:				
Recreation	20,000	20,000	16,959	3,041
<b>Net Changes In Fund Balances</b>	—	—	(16,031)	(16,031)
<b>Fund Balances - Beginning Of Year</b>			246,487	
<b>Fund Balances - End Of Year - Budget Basis</b>			\$ 230,456	
<b>Adjustments To Reconcile To GAAP Basis</b>				
Encumbrances reserved at December 31, 2012			\$ 17,099	
Encumbrances reserved at December 31, 2011			(1,110)	
<b>Fund Balances - End Of Year - GAAP Basis</b>			\$ 246,445	

# 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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 1,255,130	\$ 1,255,130	\$ 1,248,463	\$ (6,667)
Miscellaneous taxes	75,000	75,000	—	(75,000)
<b>Total Revenues</b>	<b>1,330,130</b>	<b>1,330,130</b>	<b>1,248,463</b>	<b>(81,667)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(1,660,057)	(1,660,057)	(1,258,698)	401,359
<b>Net Changes In Fund Balances</b>	<b>(329,927)</b>	<b>(329,927)</b>	<b>(10,235)</b>	<b>319,692</b>
<b>Fund Balances - Beginning Of Year</b>			<u>315,813</u>	
<b>Fund Balances - End Of Year</b>			<u>\$ 305,578</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, 2012

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Taxes	\$ 543,161	\$ 543,161	\$ 727,321	\$ 184,160
<b>Expenditures</b>				
Current:				
General government	520,161	529,161	515,512	13,649
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	23,000	14,000	211,809	197,809
<b>Other Financing Sources (Uses)</b>				
Transfers out	(146,532)	(137,532)	(23,000)	114,532
<b>Net Changes In Fund Balances</b>	(123,532)	(123,532)	188,809	312,341
<b>Fund Balances - Beginning Of Year</b>			282,095	
<b>Fund Balances - End Of Year</b>			\$ 470,904	

# 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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 165,333	\$ 165,333	\$ 184,063	\$ 18,730
<b>Expenditures</b>				
Current:				
Public safety	132,535	134,835	138,388	(3,553)
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	32,798	30,498	45,675	15,177
<b>Other Financing Sources (Uses)</b>				
Transfers out	(95,398)	(93,098)	—	93,098
<b>Net Changes In Fund Balances</b>	(62,600)	(62,600)	45,675	108,275
<b>Fund Balances - Beginning Of Year</b>			115,449	
<b>Fund Balances - End Of Year</b>			\$ 161,124	
<b>Adjustments To Reconcile To GAAP Basis</b>				
Encumbrances reserved at December 31, 2012			\$ 10,413	
Encumbrances reserved at December 31, 2011			(2,300)	
<b>Fund Balances - End Of Year - GAAP Basis</b>			\$ 169,237	

# CITY OF LENEXA, KANSAS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL PARKS AND RECREATION FUND For The Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 135,333	\$ 135,333	\$ 184,063	\$ 48,730
<b>Other Financing Sources (Uses)</b>				
Transfers out	(223,314)	(223,314)	(181,534)	41,780
<b>Net Changes In Fund Balances</b>	<b>(87,981)</b>	<b>(87,981)</b>	<b>2,529</b>	<b>90,510</b>
<b>Fund Balances - Beginning Of Year</b>			<u>42,661</u>	
<b>Fund Balances - End Of Year</b>			<u><u>\$ 45,190</u></u>	

# CITY OF LENEXA, KANSAS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL TIP ZONE 1 For The Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 50,000	\$ 50,000	\$ 211,036	\$ 161,036
Investment earnings	—	—	890	890
<b>Total Revenues</b>	<b>50,000</b>	<b>50,000</b>	<b>211,926</b>	<b>161,926</b>
<b>Expenditures</b>				
Current:				
Municipal services	—	3,000	3,096	(96)
<b>Excess Of Revenues Over Expenditures</b>	<b>50,000</b>	<b>47,000</b>	<b>208,830</b>	<b>161,830</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	—	—	171,704	171,704
Transfers out	(554,200)	(551,200)	(560,500)	(9,300)
<b>Total Other Financing Sources (Uses)</b>	<b>(554,200)</b>	<b>(551,200)</b>	<b>(388,796)</b>	<b>162,404</b>
<b>Net Changes In Fund Balances</b>	<b>(504,200)</b>	<b>(504,200)</b>	<b>(179,966)</b>	<b>324,234</b>
<b>Fund Balances - Beginning Of Year</b>			<u>460,399</u>	
<b>Fund Balances - End Of Year</b>			<u><u>\$ 280,433</u></u>	



# 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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 75,000	\$ 75,000	\$ 27,344	\$ (47,656)
Investment earnings	—	—	164	164
<b>Total Revenues</b>	75,000	75,000	27,508	(47,492)
<b>Other Financing Uses</b>				
Transfers out	(277,282)	(277,282)	—	277,282
<b>Net Changes In Fund Balances</b>	(202,282)	(202,282)	27,508	229,790
<b>Fund Balances - Beginning Of Year</b>			175,703	
<b>Fund Balances - End Of Year</b>			\$ 203,211	

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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 3  
For The Year Ended December 31, 2012**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 75,000	\$ 75,000	\$ 32,157	\$ (42,843)
Investment loss	—	—	(222)	(222)
<b>Total Revenues</b>	75,000	75,000	31,935	(43,065)
<b>Other Financing Uses</b>				
Transfers out	(141,820)	(141,820)	—	141,820
<b>Net Changes In Fund Balances</b>	(66,820)	(66,820)	31,935	98,755
<b>Fund Balances - Beginning Of Year</b>			<u>84,781</u>	
<b>Fund Balances - End Of Year</b>			<u><u>\$ 116,716</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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 250,000	\$ 250,000	\$ 39,418	\$ (210,582)
<b>Expenditures</b>				
Current:				
General government	250,000	250,000	29,311	220,689
<b>Net Changes In Fund Balances</b>	—	—	10,107	10,107
<b>Fund Balances - Beginning Of Year</b>			21,155	
<b>Fund Balances - End Of Year</b>			\$ 31,262	

# 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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 689,657	\$ 689,657	\$ 672,623	\$ (17,034)
<b>Expenditures</b>				
Current:				
Economic development	—	—	216,534	(216,534)
<b>Net Changes In Fund Balances</b>	<b>689,657</b>	<b>689,657</b>	<b>456,089</b>	<b>(233,568)</b>
<b>Fund Balances - Beginning Of Year</b>			<u>1,538,062</u>	
<b>Fund Balances - End Of Year</b>			<u><u>\$ 1,994,151</u></u>	

# CITY OF LENEXA, KANSAS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL MINING TIF DISTRICT FUND For The Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 600,784	\$ 600,784	\$ 487,056	\$ (113,728)
<b>Expenditures</b>				
Current:				
Economic development	600,784	600,784	483,869	116,915
<b>Net Changes In Fund Balances</b>	—	—	3,187	3,187
<b>Fund Balances - Beginning Of Year</b>			278	
<b>Fund Balances - End Of Year</b>			\$ 3,465	

**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, 2012**

	<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>				
Charges for services	\$ 15,000	\$ 15,000	\$ 66,175	\$ 51,175
Investment loss	—	—	(2,030)	(2,030)
<b>Total Revenues</b>	<b>15,000</b>	<b>15,000</b>	<b>64,145</b>	<b>49,145</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	—	—	74,854	74,854
Transfers out	(173,961)	(173,961)	—	173,961
<b>Total Other Financing Sources (Uses)</b>	<b>(173,961)</b>	<b>(173,961)</b>	<b>74,854</b>	<b>248,815</b>
<b>Net Changes In Fund Balances</b>	<b>(158,961)</b>	<b>(158,961)</b>	<b>138,999</b>	<b>297,960</b>
<b>Fund Balances - Beginning Of Year</b>			<u>21,638</u>	
<b>Fund Balances - End Of Year</b>			<u><u>\$ 160,637</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, 2012**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 25,000	\$ 25,000	\$ 132,750	\$ 107,750
Investment loss	—	—	(3,517)	(3,517)
<b>Total Revenues</b>	25,000	25,000	129,233	104,233
<b>Other Financing Sources (Uses)</b>				
Transfers in	—	—	108,240	108,240
Transfers out	(46,399)	(46,399)	—	46,399
<b>Total Other Financing Sources (Uses)</b>	(46,399)	(46,399)	108,240	154,639
<b>Net Changes In Fund Balances</b>	(21,399)	(21,399)	237,473	258,872
<b>Fund Balances - Beginning Of Year</b>			44,366	
<b>Fund Balances - End Of Year</b>			\$ 281,839	

# 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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Charges for services	\$ 20,000	\$ 20,000	\$ 28,953	\$ 8,953
Investment loss	—	—	(136)	(136)
<b>Total Revenues</b>	20,000	20,000	28,817	8,817
<b>Other Financing Uses</b>				
Transfers out	(101,368)	(101,368)	—	101,368
<b>Net Changes In Fund Balances</b>	(81,368)	(81,368)	28,817	110,185
<b>Fund Balances - Beginning Of Year</b>			98,027	
<b>Fund Balances - End Of Year</b>			\$ 126,844	



# 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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 971,514	\$ 971,514	\$ 655,351	\$ (316,163)
<b>Expenditures</b>				
Current:				
Economic development	971,514	556,809	181,935	(374,874)
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	—	414,705	473,416	58,711
<b>Other Financing Uses</b>				
Transfers out	(544,603)	(959,308)	(776,589)	182,719
<b>Net Changes In Fund Balances</b>	(544,603)	(544,603)	(303,173)	241,430
<b>Fund Balances - Beginning Of Year</b>			651,924	
<b>Fund Balances - End Of Year</b>			\$ 348,751	

# 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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 372,316	\$ 600,000	\$ 467,940	\$ (132,060)
<b>Expenditures</b>				
Current:				
Economic development	372,316	600,000	500,855	99,145
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	—	—	(32,915)	(32,915)
<b>Other Financing Uses</b>				
Transfers out	—	—	(6,530)	(6,530)
<b>Net Changes In Fund Balances</b>	—	—	(39,445)	(39,445)
<b>Fund Balances - Beginning Of Year</b>			138,629	
<b>Fund Balances - End Of Year</b>			<u>\$ 99,184</u>	

# CITY OF LENEXA, KANSAS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL PRAIRIE CREEK CID FUND For The Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ —	\$ 30,000	\$ 12,264	\$ (17,736)
<b>Expenditures</b>				
Current:				
General government	—	30,000	—	30,000
<b>Net Changes In Fund Balances</b>	—	—	12,264	12,264
<b>Fund Balances - Beginning Of Year</b>			—	
<b>Fund Balances - End Of Year</b>			\$ 12,264	

# 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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 10,702,579	\$ 10,702,579	\$ 12,208,941	\$ 1,506,362
Investment earnings	55,877	55,877	20,929	(34,948)
<b>Total Revenues</b>	10,758,456	10,758,456	12,229,870	1,471,414
<b>Expenditures</b>				
Debt service:				
Principal retirement	6,789,496	6,789,496	6,560,000	229,496
Interest and fiscal charges	3,010,336	3,010,336	2,864,634	145,702
<b>Total Expenditures</b>	9,799,832	9,799,832	9,424,634	375,198
<b>Excess Of Revenues Over Expenditures</b>	958,624	958,624	2,805,236	1,846,612
<b>Other Financing Sources (Uses)</b>				
Transfers in	—	—	489,022	489,022
Transfers out	(3,818,159)	(3,818,159)	—	3,818,159
<b>Total Other Financing Sources (Uses)</b>	(3,818,159)	(3,818,159)	489,022	4,307,181
<b>Net Changes In Fund Balances</b>	(2,859,535)	(2,859,535)	3,294,258	6,153,793
<b>Fund Balances - Beginning Of Year</b>			5,054,122	
<b>Fund Balances - End Of Year</b>			\$ 8,348,380	

# 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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues</b>				
Investment earnings	\$ —	\$ —	\$ 20	\$ 20
<b>Total Revenues</b>	<b>—</b>	<b>—</b>	<b>20</b>	<b>20</b>
<b>Expenditures</b>				
Current:				
General government	—	21,430	21,430	—
Debt service:				
Interest and fiscal charges	667,301	655,871	234,273	421,598
<b>Total Expenditures</b>	<b>667,301</b>	<b>677,301</b>	<b>255,703</b>	<b>421,598</b>
<b>Excess Of Expenditures Over Revenues</b>	<b>(667,301)</b>	<b>(677,301)</b>	<b>(255,683)</b>	<b>421,618</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	—	—	109,903	109,903
<b>Net Changes In Fund Balances</b>	<b>(667,301)</b>	<b>(677,301)</b>	<b>(145,780)</b>	<b>531,521</b>
<b>Fund Balances - Beginning Of Year</b>			<u>255,997</u>	
<b>Fund Balances - End Of Year</b>			<u><u>\$ 110,217</u></u>	

# CITY OF LENEXA, KANSAS

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS December 31, 2012

	Health Plan	Risk Management	Workers' Compensation	Total
<b>Assets</b>				
Deposits and investments	\$ 5,877,717	\$ 1,321,879	\$ 1,273,884	\$ 8,473,480
Interest receivable	30,572	6,171	6,199	42,942
Other receivable	58,106	—	—	58,106
<b>Total Assets</b>	<b>5,966,395</b>	<b>1,328,050</b>	<b>1,280,083</b>	<b>8,574,528</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	2,975	1,058	5,910	9,943
Accrued compensation	—	—	1,421	1,421
Self insurance claims payable	273,792	35,000	175,774	484,566
<b>Total Current Liabilities</b>	<b>276,767</b>	<b>36,058</b>	<b>183,105</b>	<b>495,930</b>
<b>Noncurrent Liabilities</b>				
Self insurance claims payable	—	—	58,591	58,591
<b>Total Liabilities</b>	<b>276,767</b>	<b>36,058</b>	<b>241,696</b>	<b>554,521</b>
<b>Net Position</b>				
Unrestricted	\$ 5,689,628	\$ 1,291,992	\$ 1,038,387	\$ 8,020,007

# CITY OF LENEXA, KANSAS

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS For The Year Ended December 31, 2012

	Health Plan	Risk Management	Workers' Compensation	Total
<b>Operating Revenues</b>				
Charges for services	\$ 5,636,779	\$ 2,505	\$ —	\$ 5,639,284
Miscellaneous	72,891	5,097	5,611	83,599
Reimbursements from insurance companies	475,240	22,964	—	498,204
<b>Total Operating Revenues</b>	<b>6,184,910</b>	<b>30,566</b>	<b>5,611</b>	<b>6,221,087</b>
<b>Operating Expenses</b>				
Personal services	1,274	—	37,860	39,134
Contractual services	333,531	—	177,674	511,205
Commodities	6,945	4,843	6,351	18,139
Claims	5,272,938	—	207,940	5,480,878
<b>Total Operating Expenses</b>	<b>5,614,688</b>	<b>4,843</b>	<b>429,825</b>	<b>6,049,356</b>
<b>Operating Income (Loss)</b>	<b>570,222</b>	<b>25,723</b>	<b>(424,214)</b>	<b>171,731</b>
<b>Nonoperating Revenues</b>				
Investment income	13,534	4,361	11,936	29,831
<b>Change In Net Position</b>	<b>583,756</b>	<b>30,084</b>	<b>(412,278)</b>	<b>201,562</b>
<b>Total Net Position – Beginning Of Year</b>	<b>5,105,872</b>	<b>1,261,908</b>	<b>1,450,665</b>	<b>7,818,445</b>
<b>Total Net Position – End Of Year</b>	<b>\$ 5,689,628</b>	<b>\$ 1,291,992</b>	<b>\$ 1,038,387</b>	<b>\$ 8,020,007</b>

# CITY OF LENEXA, KANSAS

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For The Year Ended December 31, 2012

	Health Plan	Risk Management	Workers' Compensation	Total
<b>Cash Flows From Operating Activities</b>				
Cash received from customers	\$ 5,709,670	\$ 7,602	\$ 5,611	\$ 5,722,883
Cash received from insurance companies	605,637	22,964	—	628,601
Cash received from federal government	—	—	—	—
Cash payments for personnel services	(1,274)	—	(37,860)	(39,134)
Cash payments for contractual services and accounts payable	(5,779,560)	(37,485)	(453,549)	(6,270,594)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>534,473</b>	<b>(6,919)</b>	<b>(485,798)</b>	<b>41,756</b>
<b>Cash Flows Provided By Investing Activities</b>				
Interest received	16,302	5,457	15,252	37,011
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>550,775</b>	<b>(1,462)</b>	<b>(470,546)</b>	<b>78,767</b>
<b>Cash And Cash Equivalents – Beginning Of Year</b>	<b>5,326,942</b>	<b>1,323,341</b>	<b>1,744,430</b>	<b>8,394,713</b>
<b>Cash And Cash Equivalents – End Of Year</b>	<b>\$ 5,877,717</b>	<b>\$ 1,321,879</b>	<b>\$ 1,273,884</b>	<b>\$ 8,473,480</b>
<b>Reconciliation Of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities</b>				
Operating income (loss)	\$ 570,222	\$ 25,723	\$ (424,214)	\$ 171,731
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Change in other receivables	130,397	—	—	130,397
Change in accounts payable and claims payable	(166,146)	(32,642)	(61,584)	(260,372)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>\$ 534,473</b>	<b>\$ (6,919)</b>	<b>\$ (485,798)</b>	<b>\$ 41,756</b>



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**Statistical Section**

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**CITY OF LENEXA, KANSAS**  
**Statistical Section**  
**December 31, 2012**

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 present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.....	116 - 118
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

**Schedule 1**

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:										
Net investment in capital assets	\$ 388,380,343	\$ 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	23,790,801	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	53,736,140	42,455,157	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 position</b>	<b>\$ 465,907,284</b>	<b>\$ 444,358,165</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										
Net investment in capital assets	\$ 60,553,428	\$ 58,532,281	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Restricted	1,504,271	1,390,539	—	—	—	—	—	—	—	—
Unrestricted	1,692,811	2,755,159	—	—	—	—	—	—	—	—
<b>Total business-type activities net position</b>	<b>\$ 63,750,510</b>	<b>\$ 62,677,979</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
Primary government										
Net investment in capital assets	\$ 448,933,771	\$ 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 component of net position	25,295,072	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 component of net position	55,428,951	45,210,316	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 position</b>	<b>\$ 529,657,794</b>	<b>\$ 507,036,144</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.

# CITY OF LENEXA, KANSAS

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

### Schedule 2

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Expenses</b>										
<b>Governmental Activities</b>										
General government	\$ 10,983,954	\$ 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	21,738,865	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	33,013,487	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	2,706,899	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	543,750	707,048	3,470,102	11,249,594	21,158	5,224,536	—	—	—	—
Interest on long-term debt	5,395,666	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>74,382,621</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 Activities</b>										
Stormwater	4,397,887	3,662,798	—	—	—	—	—	—	—	—
<b>Total Primary Government Expenses</b>	<b>78,780,508</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>										
Charges for Services										
General government	2,226,117	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	1,655,728	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	302,153	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	1,154,169	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	1,256,493	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	7,591,002	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>14,185,662</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>										
Charges for Services										
Stormwater	4,693,889	4,129,646	—	—	—	—	—	—	—	—
Capital grants and contributions	1,352,307	1,845,602	—	—	—	—	—	—	—	—
<b>Total Program Revenues</b>	<b>6,046,196</b>	<b>5,975,248</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Primary Government Program Revenues</b>	<b>20,231,858</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</b>	<b>(58,548,650)</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 TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

**Schedule 2 (Continued)**

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Revenues</b>										
<b>Governmental Activities</b>										
Property taxes	\$ 42,037,662	\$ 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	27,723,180	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	6,188,771	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	2,044,063	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	727,321	660,183	458,398	441,128	573,637	582,001	604,423	531,379	488,002	396,368
Excise tax	466,233	—	14,242	132,837	1,113,091	1,824,963	821,587	2,334,370	1,123,877	1,017,873
Special liquor tax	552,189	552,264	616,572	538,966	550,690	582,585	579,278	515,163	495,705	519,237
Investment revenue	312,271	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	1,097,597	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	596,791	(4,240,983)	—	—	—	—	—	—	—	—
Capital contributions	—	(56,084,902)	—	—	—	—	—	—	—	—
Special item - gain on sale of land	—	—	—	—	2,667,909	—	—	—	—	—
<b>Total Governmental Activities</b>	<b>81,746,078</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	21,013	39,644	—	—	—	—	—	—	—	—
Transfers	(596,791)	4,240,983	—	—	—	—	—	—	—	—
Capital contributions	—	56,084,902	—	—	—	—	—	—	—	—
<b>Total Business-Type Activities</b>	<b>(575,778)</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>81,170,300</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 Position</b>										
Governmental Activities	21,549,119	(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
Business-Type Activities	1,072,531	62,677,979	—	—	—	—	—	—	—	—
<b>Total City</b>	<b>\$ 22,621,650</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.

# CITY OF LENEXA, KANSAS

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

### Schedule 3

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Reserved for encumbrances	\$ —	\$ —	\$ 211,422	\$ 602,653	\$ 573,079	\$ 652,466	\$ 672,814	\$ 587,497	\$ 269,816	\$ 576,017
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
Committed	119,570	258,142	—	—	—	—	—	—	—	—
Assigned	153,898	168,011	—	—	—	—	—	—	—	—
Unassigned	23,554,040	23,096,434	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$ 23,827,508</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>
All Other Governmental Funds:										
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
Reserved for economic development	—	—	1,583,844	740,675	591,062	442,686	336,524	208,900	162,509	148,937
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
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
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
Restricted	23,790,801	20,838,326	—	—	—	—	—	—	—	—
Committed	—	90,695	—	—	—	—	—	—	—	—
Assigned	12,684,467	13,507,019	—	—	—	—	—	—	—	—
Unassigned	—	(402)	—	—	—	—	—	—	—	—
<b>Total all other governmental funds</b>	<b>\$ 36,475,268</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>

# CITY OF LENEXA, KANSAS

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

### Schedule 4

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Revenues</b>										
Taxes	\$ 69,468,897	\$ 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
Intergovernmental	5,483,626	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
Licenses and permits	1,410,326	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
Fines and forfeitures	2,513,195	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
Rents and leases	423,205	390,773	398,639	399,617	335,371	275,845	228,822	193,958	181,829	160,682
Charges for services	1,139,474	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
Investment earnings	282,440	210,356	316,622	431,469	2,490,655	3,866,331	3,723,821	1,969,693	1,190,230	599,186
Miscellaneous	1,040,724	276,714	369,034	518,795	544,910	1,180,662	216,053	1,109,702	1,909,090	1,911,729
<b>Total Revenues</b>	<b>81,761,887</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>Expenditures</b>										
Current:										
General government	10,796,956	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
Public safety	21,563,319	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
Municipal services	7,391,326	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
Recreation	4,320,126	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
Economic Development	1,926,943	—	—	—	21,158	5,224,536	—	—	—	—
Capital projects	30,224,938	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
Debt service:										
Principal retirement	17,235,000	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
Interest and fiscal charges	3,432,403	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
Bond issue costs	—	125,768	252,005	194,682	137,393	284,465	203,631	66,412	54,547	105,489
Miscellaneous	—	—	—	—	—	—	—	—	—	23,291
<b>Total Expenditures</b>	<b>96,891,011</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>Excess Of Revenues Under Expenditures</b>	<b>(15,129,124)</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>Other Financing Sources And Uses, Including Transfers</b>										
Issuance of general obligation bonds	13,000,000	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	590,008	274,040	3,882,135	182,576	315,274	825,351	193,581	—	—	6,074,042
Issuance of general obligation refunding bonds	2,401,876	—	19,815,000	7,660,000	—	—	—	4,530,000	—	51,365,000
Issuance of general obligation temporary notes	885,000	8,195,000	7,140,000	—	7,410,000	—	18,640,000	9,750,000	—	—
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	27,721,177	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
Transfers out	(27,124,386)	(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)
<b>Total Other Financing Sources And Uses, Including Transfers</b>	<b>17,473,675</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>Special Item</b>										
Proceeds from sale of land	—	—	—	—	4,166,213	—	—	—	—	—
<b>Net Change In Fund Balances</b>	<b>\$ 2,344,551</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>
Debt service as a percentage of noncapital expenditures	37%	27%	31%	28%	42%	31%	37%	31%	23%	21%

# CITY OF LENEXA, KANSAS

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

### Schedule 5

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Taxes</b>										
Property	\$ 26,648,809	\$ 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
Sales (including compensating use)	27,719,387	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
Franchise	6,188,771	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
Special assessments	3,869,871	1,198,352	1,032,994	1,140,585	1,523,759	980,860	364,274	113,454	71,684	113,641
Motor vehicle excise	2,044,064	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
Transient guest	731,114	660,183	458,398	441,129	573,637	582,001	604,423	531,379	488,002	396,367
Excise	466,233	—	14,242	132,836	1,113,091	1,824,963	821,587	2,334,370	1,814,781	1,017,873
Other taxes	1,800,648	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
<b>Total Taxes</b>	<b>69,468,897</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>Revenues</b>										
Intergovernmental	5,483,626	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
Licenses and permits	1,410,326	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
Fines and forfeitures	2,513,195	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
Rents and leases	423,205	390,773	398,639	399,617	335,371	275,845	228,822	193,958	181,829	160,682
Charges for services	1,139,474	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
Investment earnings	282,440	210,356	316,622	436,532	2,490,655	3,866,331	3,723,821	1,969,693	1,190,230	599,186
Miscellaneous	1,040,724	276,714	369,034	518,795	544,910	1,180,662	216,053	1,109,702	1,909,090	1,911,729
<b>Total Revenues</b>	<b>12,292,990</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>Grand Total</b>	<b>\$ 81,761,887</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>



# 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
2011	2012	\$ 771,570,154	14%	\$ 5,397,313,060	\$ 45,628,362	\$ 27,492,147	\$ 74,417,660	\$ 919,108,323	29.635
2010	2011	768,176,024	15%	5,008,836,688	53,837,911	28,058,513	74,158,463	924,230,911	26.626
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

(1) Includes recreational vehicle assessed value:

- 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.
- 2012 recreational vehicle tax amounted to \$307,520.

# 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
2011	2012	20.473	9.162	29.635	1.500	17.700	3.145	8.776	2.343	—	63.099	56.135	82.558	69.925	92.734
2010	2011	17.467	9.159	26.626	1.500	17.700	3.158	8.799	2.350	—	60.181	57.192	84.051	72.917	86.807
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

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**

<b>Taxpayer</b>	<b>2011 Tax Year/2012 Fiscal Year</b>			<b>Taxpayer</b>	<b>2001 Tax Year/2002 Fiscal Year</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage Of Total City Taxable Assessed Value</b>		<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage Of Total City Taxable Assessed Value</b>
HRPT Lenexa Properties Trust	\$ 24,150,490	1	2.63%	Lenexa Industrial Park, Inc.	\$ 24,249,265	1	2.75%
Perg Buildings, LLC	17,848,470	2	1.94%	Perg Building Partnership	19,307,391	2	2.19%
Sprint Spectrum LP	9,937,368	3	1.08%	KPERS Realty Holding #1, Inc.	10,602,116	3	1.20%
MEPT Kansas Commerce	8,333,153	4	0.91%	Karbank, Barney A.	6,515,629	4	0.74%
JC Penney Properties, Inc	6,728,930	5	0.73%	J.C. Penney Properties	6,281,982	5	0.71%
Labone, Inc	5,437,546	6	0.59%	Caleast Industrial Investors	5,969,454	6	0.68%
Karbank Holdings, LLC	4,716,749	7	0.51%	Orchard Center Company, LLC	4,921,330	7	0.56%
LIT Industrial Limited	4,705,031	8	0.51%	Oak Park Commons	4,693,215	8	0.53%
RREEF America Reit II Corp	4,667,502	9	0.51%	Monaxa Limited Partnership	4,530,101	9	0.51%
Orchard Center Co., LLC	4,453,002	10	0.48%	Peterson Brookhollow, Inc.	4,302,863	10	0.49%
<b>Total</b>	<b>\$ 90,978,241</b>			<b>Total</b>	<b>\$ 91,373,346</b>		
City of Lenexa (includes motor vehicles)	<b>\$ 919,108,323</b>			City of Lenexa (includes motor vehicles)	<b>\$ 882,020,750</b>		

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 Storm- water</b>	<b>County Economic Development Sales</b>	<b>County Education Research Triange</b>	<b>State</b>	<b>Total Direct</b>
2003	1.000%	0.000%	0.125%	0.500%	0.250%	0.100%	0.250%	0.000%	5.300%	7.525%
2004	1.000%	0.000%	0.125%	0.500%	0.250%	0.100%	0.250%	0.000%	5.300%	7.525%
2005	1.000%	0.000%	0.125%	0.500%	0.250%	0.100%	0.250%	0.000%	5.300%	7.525%
2006	1.000%	0.000%	0.125%	0.500%	0.250%	0.100%	0.250%	0.000%	5.300%	7.525%
2007	1.000%	0.000%	0.125%	0.500%	0.250%	0.100%	0.250%	0.000%	5.300%	7.525%
2008	1.000%	0.375%	0.125%	0.500%	0.250%	0.100%	0.250%	0.000%	5.300%	7.900%
2009	1.000%	0.375%	0.125%	0.500%	0.250%	0.100%	0.250%	0.125%	5.300%	8.025%
2010	1.000%	0.375%	0.000%	0.500%	0.250%	0.100%	0.250%	0.125%	6.300%	8.900%
2011	1.000%	0.375%	0.000%	0.500%	0.250%	0.100%	0.250%	0.125%	6.300%	8.900%
2012	1.000%	0.375%	0.000%	0.500%	0.250%	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

<b>Fiscal Year (1)</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percentage Current Tax Collected</b>	<b>Prior Year's Tax Collected</b>	<b>Total Tax Collections</b>	<b>Percentage Total Collection To Current Levy</b>
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
2012	25,183,253	24,399,073	96.89	246,678	24,645,751	97.87

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

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

# CITY OF LENEXA, KANSAS

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

### Schedule 11

Fiscal Year	Governmental Activities			Business-Type	Less:	Total	Percentage Of Assessed Taxable Value <sup>1</sup> Of Property	Per Capita <sup>2</sup>
	General	General	General	Activities	Amounts			
	Obligation	Obligation	Obligation	General	In Debt			
	Bonds	Notes	Debt	Bonds	Service	Fund		
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	70,824,163	8,195,000	79,019,163	29,850,837	5,054,122	103,815,878	11.23%	2,148
2012	77,186,039	885,000	78,071,039	29,018,961	8,348,380	98,741,620	10.60%	2,038

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, 2012

### 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	\$ 290,901,089	11.09%	\$ 32,260,931
Johnson County Parks & Recreation	3,000,000	11.09%	332,700
U.S.D. #232 (De Soto)	175,780,000	5.79%	10,177,662
U.S.D. #233 (Olathe)	317,601,339	15.40%	48,910,606
U.S.D. #512 (Shawnee Mission)	207,765,000	19.33%	40,160,975
Fire #3 Benefit District "B"	275,000	0.01%	<u>28</u>
<b>Total Overlapping Debt</b>			131,842,901
<b>City Direct Debt</b>	78,071,039	100.0%	<u>78,071,039</u>
<b>Total Direct And Overlapping Debt</b>			<u><u>\$ 209,913,940</u></u>

Sources: Assessed value data used to estimate percentage were obtained from the Johnson County, Kansas Appraiser's Office. Debt outstanding data provided by Johnson County Department of Records and Tax Administration. Johnson County and City of Lenexa Debt as of 12/31/2012. Other debt as of 6/30/2012.

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.

# CITY OF LENEXA, KANSAS

## LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

### Schedule 13

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 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	\$ 275,732,497
Total net debt applicable to limit	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	69,722,659
Legal Debt Limit	\$ 193,586,913	\$ 188,070,690	\$ 196,374,824	\$ 202,947,280	\$ 213,693,542	\$ 214,519,285	\$ 205,314,752	\$ 172,294,121	\$ 173,453,395	\$ 206,009,838
Total net debt applicable to the limit as a percentage of the limit	29.8%	33.0%	33.4%	35.4%	34.2%	33.5%	33.8%	38.4%	37.4%	25.3%
Total net debt as a percentage of assessed value**	9.7%	10.7%	10.8%	10.6%	10.3%	10.1%	10.2%	11.5%	11.5%	11.0%

#### Legal Debt Margin Calculation For Fiscal Year 2012

Assessed value	\$ 919,108,323
Debt limit (30% of total assessed value)	275,732,497
Debt applicable to limit:	
General obligation debt	78,071,039
Less: Amount set aside for repayment of general obligation debt	8,348,380
Net debt applicable to limit	69,722,659
<b>Legal Debt Margin</b>	<b>\$ 206,009,838</b>

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



# CITY OF LENEXA, KANSAS

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

### Schedule 14

Fiscal Year	City Population	County Population	City Population Percent Change	Personal Income	Per Capita Personal Income	City Unemploy- ment Rate	State Unemploy- ment Rate
2012	48,448	559,913	0.3%	\$ 2,816,330,688	\$ 58,131	5.0%	5.3%
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%

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>2011 Tax Year/2012 Fiscal Year</b>			<b>Employer</b>	<b>2001 Tax Year/2002 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	3,189	1	5.60%	J.C. Penney Catalog Distribution Center	1,900	1	4.75%
United Parcel Service	2,081	2	3.66%	United Parcel Service	1,800	2	4.50%
Kiewit Power Engineers Company	840	3	1.48%	Deluxe Corporation	1,200	3	3.00%
Gear for Sports	680	4	1.19%	Sprint Corporation	950	4	2.38%
JC Penney Logistics Center	673	5	1.18%	LabOne, Incorporated	900	5	2.25%
Deluxe Corporation	600	6	1.05%	Gear for Sports	750	6	1.88%
Environmental Protection Agency (EPA)	578	7	1.02%	Gill Studios, Inc.	600	7	1.50%
PRA International	547	8	0.96%	Regional Media Labs (REMEL)	500	8	1.25%
Lakeview Village	538	9	0.95%	Coca-Cola of Mid-America	450	9	1.13%
Coca-Cola Bottling	506	10	0.89%	IBM	450	10	1.13%
<b>Total</b>	<b>10,232</b>			<b>Total</b>	<b>9,500</b>		
City of Lenexa (total employment)	<b>56,907</b>			City of Lenexa (total employment)	<b>40,000</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									
	2012**	2011**	2010**	2009**	2008**	2007**	2006**	2005**	2004*	2003*
General government	83	82	89	81	80	79	78	67	69	85
Public safety	216	215	216	213	227	225	220	216	215	209
Municipal services	70	72	73	88	96	95	95	79	77	77
Parks and recreation	61	61	61	54	60	59	58	58	29	31
Total	430	430	439	436	463	458	451	420	389	402

\* 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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<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	5	4	4	4	4	4	4	4
<b>Municipal Services</b>										
Center lane miles added	—	—	—	1	3	8	8	6	3	4
Service Center	1	1	1	1	1	1	1	1	1	1
Number of storm drains	7,289	7,289	—	—	—	—	—	—	—	—
Streetlights maintained	7,567	6,581	6,971	6,262	4,000	4,000	3,000	2,750	2,550	2,350
<b>Parks And Recreation</b>										
Parks (acres)	776*	915	918	898	863	750	750	750	750	535
Pools	3	3	3	3	3	3	3	3	3	3
Conference Center	1	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

\* Per Parks & Recreation Comprehensive Plan

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									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Government</b>										
GIS										
Data sets maintained	713	640	596	592	191	110	45	40	40	40
Graphics requests completed (nondata)	21	13	15	13	25	15	10	1	1	1
Map graphic orders standard products completed	386	307	236	311	285	200	175	140	200	200
ArcView users supported	71	56	60	51	75	73	40	50	65	65
Community Development										
Planning commission items	66	73	70	57	130	118	144	154	98	100
Staff review final plans	9	16	6	18	14	19	17	22	25	30
New single family permits	146	89	57	35	73	215	326	345	352	341
Valuation of new construction (millions of dollars)	103	67	76	64	204	282	198	182	193	131
Commercial construction (millions of dollars)	132	34	46	44	135	190	104	75	98	38
Human Resources										
Positions filled (full-time/part-time/temporary)	188	130	150	124	145	91	187	217	195	204
Work comp/disability/FMLA cases managed	142	122	102	71	141	87	83	90	96	65
Separations/retirements processed	170	125	145	180	91	74	183	204	188	192
Finance										
Accounts payable invoices	4,927	4,446	5,627	5,109	6,539	6,617	7,094	6,735	7,552	9,002
Payroll checks processed	12,294	11,657	11,920	12,669	12,048	12,918	12,702	12,352	11,756	11,775
Purchasing Card transactions	13,871	12,974	12,862	11,868	13,589	13,783	14,339	13,808	13,391	11,579
Information Technology										
Supported users	446	403	427	466	417	405	442	375	370	365
Workstations	451	424	410	406	399	370	375	345	340	355
Laptops	161	183	216	163	160	147	133	130	130	139
Servers	122	119	119	111	80	52	52	45	42	40
Printers	152	144	145	143	148	148	146	143	143	143
Municipal Court										
Charges issued	11,474	11,310	13,043	16,998	15,769	14,269	19,598	17,492	18,094	15,570
Charges completed	10,363	14,770	12,715	14,949	15,134	14,967	19,216	18,406	16,648	15,225
Charges pending (*Change in software)	2,897	10,021	13,481	13,651*	5,791	6,212	6,910	7,207	8,090	6,799
D.U.I. issued	151	186	257	413	277	293	285	245	215	239
Legal										
Discovery requests approved **	0**	0**	0**	496	423	325	466	422	451	337
Appeals to District Court prosecuted	19	8	14	20	24	11	16	16	13	13
Forfeitures cases filed	16	16	11	6	9	24	14	16	8	16
Third party claims made v. City	8	15	16	14	11	12	18	13	34	n/a
Third party claims paid	2	9	7	10	3	5	8	3	12	n/a

# CITY OF LENEXA, KANSAS

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

### Schedule 18

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Public Safety</b>										
Police										
Calls for service	21,293	20,756	21,309	20,936	22,469	18,664	17,363	17,129	16,470	16,231
Officer self initiated	20,664	20,749	22,413	26,885	25,778	25,162	31,246	30,161	30,020	26,111
Administrative activity	—	—	—	—	—	9,030	9,861	11,614	10,613	8,100
Walk in/station reports	1,081	1,090	1,163	1,476	1,458	1,741	1,729	2,021	1,670	1,819
Incident handled by Communications	—	—	—	—	145	15,307	15,655	15,164	15,726	14,721
Total incidents	43,838	43,337	45,312	49,502	49,850	69,904	75,854	76,089	74,499	66,982
Arrests	3,581	3,256	4,004	4,881	4,402	3,814	4,177	4,023	3,877	3,667
Citations	11,284	11,039	12,412	10,224	14,643	12,836	18,102	17,942	19,000	18,200
Discovery requests approved**	364	364	367							
Fire										
Emergency incident responses	5,012	4,884	4,608	4,435	4,581	4,406	4,188	4,297	3,887	3,717
Building fires/1,000 pop.	1	2	1	1	2	2	2	2	2	2
Ill or injured patients treated	2,935	3,002	2,689	2,762	3,049	2,659	2,560	2,683	2,426	2,380
Fire inspections	3,623	2,517	5,466	5,979	6,140	5,225	6,100	6,092	5,073	3,732
Training hours	24,453	17,955	24,025	22,204	26,348	22,253	23,856	27,226	28,748	21,002
<b>Municipal Services</b>										
Number of City vehicles maintained	346	344	347	347	347	335	325	318	316	321
Lane-miles of roadway	660	660	660	660	600	592	578	566	559	549
Signalized intersections maintained	68	67	65	66	65	61	61	59	56	55
Streetlights maintained	6,385	6,581	6,971	6,262	4,000	4,000	3,000	2,750	2,550	2,350
Traffic signs maintained	11,252	11,210	11,039	10,274	10,000	9,650	8,650	8,400	8,150	7,900
Square feet maintained	327,555	327,555	296,743	296,743	287,743	287,743	276,852	265,858	262,442	262,092
<b>Parks and Recreation</b>										
Acres of park maintained	776	696	687	898	863	794	674	489	486	486
Number of events - Lenexa Conference Center	177	186	194	236	268	389	325	175	167	n/a
Pool attendance***	55,952	52,522	65,032	59,268	54,472	74,029	76,841	63,390	76,453	103,000
Swim lessons	666	712	659	662	668	639	674	811	744	800

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

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

Sources: Various City departments.