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

For The Year Ended December 31, 2014



*Report prepared and submitted by the
Finance Department*

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Introductory Section



May 26, 2015

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, 2014 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 \$228.3 million to \$277.8 million in 2014 (an increase of 22%). In 2014, a total of 169 permits were issued for single family homes and a grand total of 2,912 building permits for residential and commercial were issued.

The number of new businesses that have located in Lenexa in 2014 is 592.

Lenexa's current population is 50,344 with a projected population for year 2020 of 58,510.

The City's 2014 assessed valuation increased to \$983,305,903 (including motor vehicles and recreational vehicles) from \$937,060,144 in 2013, a 4.9% increase.

Major Initiatives

2014 Initiatives and Highlights

Lenexa's population surpassed 50,000 residents during 2014. The number of residents has grown by nearly 50% in the last 25 years.

Lenexa maintained an Aaa rating from Moody's Investors Services and obtained an AAA from Standard and Poor's rating agency.

Considerable development activity took place at the Lenexa City Center, a 200-acre walkable, mixed-use neighborhood. Perceptive Software moved into its new, state-of-the-art world headquarters in the summer of 2014 and the WaterCrest at City Center apartments began leasing in the fall of 2014. The Hyatt Place Hotel and Lenexa Conference Center began construction and are on schedule to open in late 2015.

The City used Community Improvement Districts to invigorate older parts of Lenexa including the Greystone South and Quivira 95 shopping centers.

Amazon began leasing a new 260,707 square foot building in the Lenexa Logistics Centre South industrial park.

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 2014 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) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lenexa for its CAFR for 36 consecutive years (each of the fiscal years ended December 31, 1978 through 2013).

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

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning January 1, 2015. 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.

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

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

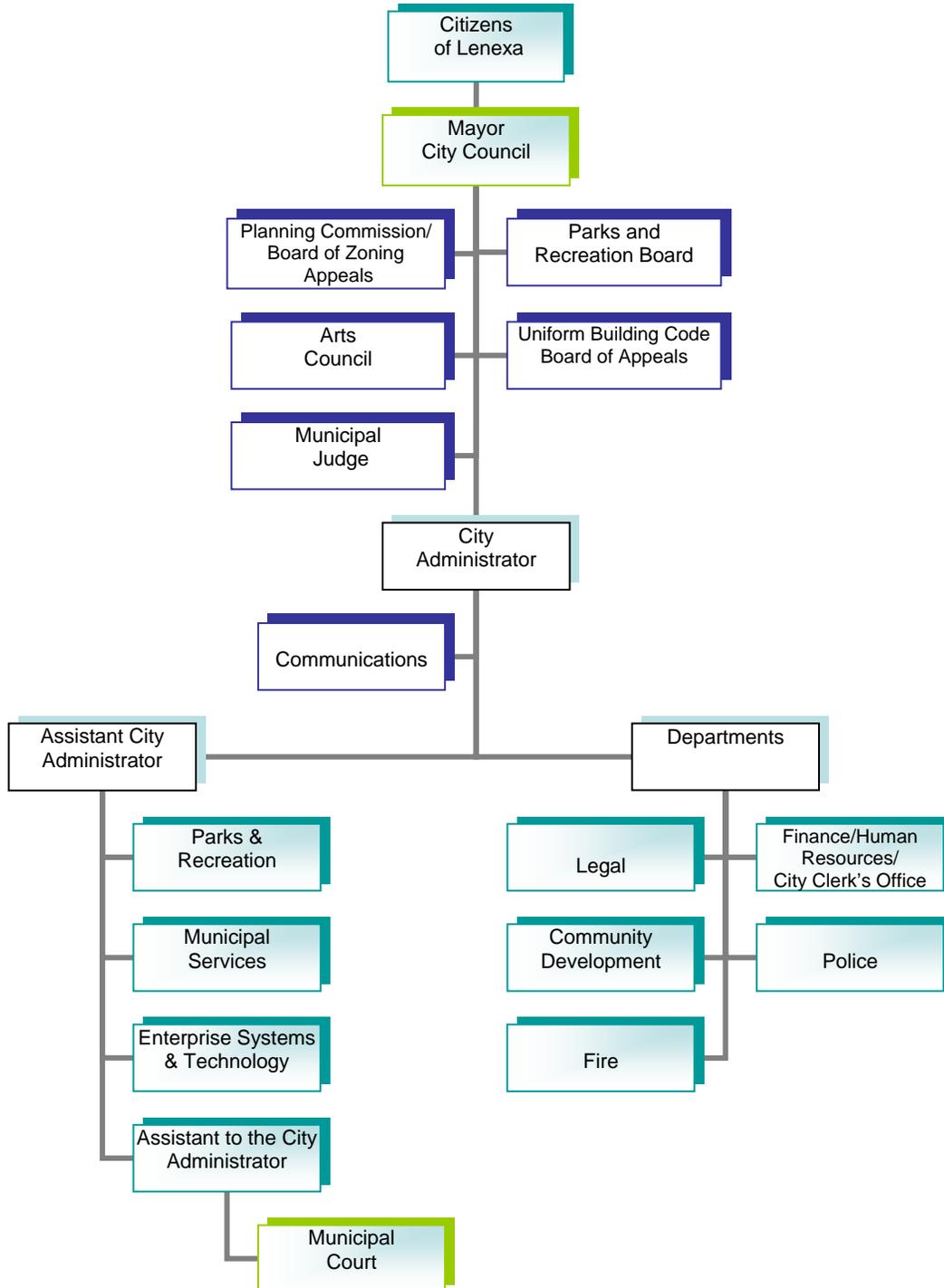
City of Lenexa
Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

**CITY OF LENEXA
Organizational Chart
(Population 50,344)**



CITY OF LENEXA, KANSAS

LIST OF PRINCIPAL OFFICIALS

Mayor

Michael Boehm

City Council

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

City Administrator

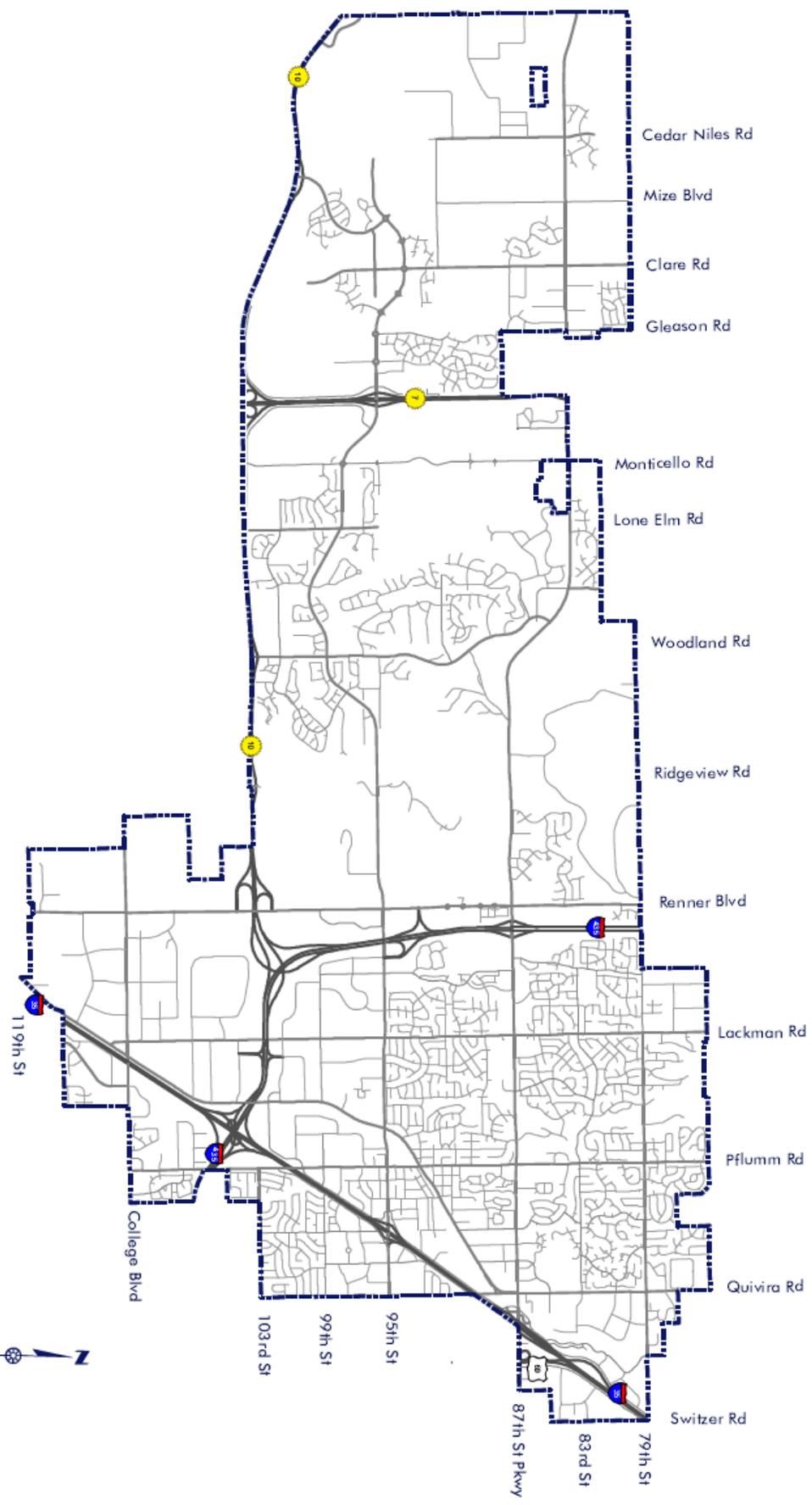
Eric Wade

Assistant to the City Administrator

Danielle Dulin
Michael Nolan

Finance Department

Doug Robinson, Administrative Services Director/CFO
Jill Grube, Assistant Chief Financial Officer
Dana Simms, Senior Accountant
Lisa Cline, Senior Accountant
Megan Sterling, Senior Accountant
Barbara Young, Senior Accountant
David Bryant III, City Clerk



Map Published May, 2009

Financial Section



Independent Auditors' Report

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

RubinBrown LLP
Certified Public Accountants
& Business Consultants

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Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lenexa, Kansas (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Lenexa, Kansas' basic financial statements, as listed in the table of contents.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lenexa, Kansas as of December 31, 2014, 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 11 to the financial statements, the City adopted the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*. 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 14, the Budgetary Comparison Information on pages 69 through 71, and the Pension and Other Post Employments Benefits schedules on pages 72 through 76 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

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

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 26, 2015, on our consideration of the City of Lenexa, Kansas' 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 26, 2015

Management's Discussion And Analysis

CITY OF LENEXA, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2014

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, 2014. 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 2014 by \$544,036,188. Of this amount, \$59,092,125 is unrestricted net position.

The City's total long-term liabilities increased by \$14,976,528. The key factors in this increase were the principal payments of \$10,970,000 in general obligation bonds, the issuance of \$15,605,000 in general obligation bonds and \$8,645,000 in general obligation refunding bonds, and the principal payment of \$191,782 of TIF revenue bonds.

Capital assets increased \$10,531,838 due to \$18,035,573 in infrastructure additions, (including donated capital assets from developers of \$892,823) net increase of construction in progress of \$7,012,961, non-infrastructure capital assets additions and retirements of \$2,133,777, and net depreciation of \$16,650,473.

At the end of 2014, the fund balance for the General Fund was \$28,364,611.

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 Activities		Business Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 147,934,718	\$ 130,635,130	\$ 8,314,812	\$ 4,553,012	\$ 156,249,530	\$ 135,188,142
Capital assets	479,711,010	468,581,361	90,025,565	90,623,376	569,736,575	559,204,737
Total Assets	627,645,728	599,216,491	98,340,377	95,176,388	725,986,105	694,392,879
Liabilities						
Other liabilities	8,329,937	6,468,005	501,256	646,705	8,831,193	7,114,710
Self insurance claims payable	903,741	650,082	—	—	903,741	650,082
Long-term obligations	106,661,788	94,749,760	34,624,218	31,559,718	141,286,006	126,309,478
Total Liabilities	115,895,466	101,867,847	35,125,474	32,206,423	151,020,940	134,074,270
Deferred Inflows Of Resources						
Property tax	30,737,082	27,167,988	—	—	30,737,082	27,167,988
Deferred amount on refunding	29,288	31,084	162,607	191,088	191,895	222,172
Total Deferred Inflows Of Resources	30,766,370	27,199,072	162,607	191,088	30,928,977	27,390,160
Net Position						
Net investment in capital assets	385,442,966	386,099,738	55,638,165	59,267,375	441,081,131	445,367,113
Restricted	38,132,771	32,754,028	5,730,161	1,187,798	43,862,932	33,941,826
Unrestricted	57,408,155	51,295,806	1,683,970	2,323,704	59,092,125	53,619,510
Total Net Position	\$ 480,983,892	\$ 470,149,572	\$ 63,052,296	\$ 62,778,877	\$ 544,036,188	\$ 532,928,449

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

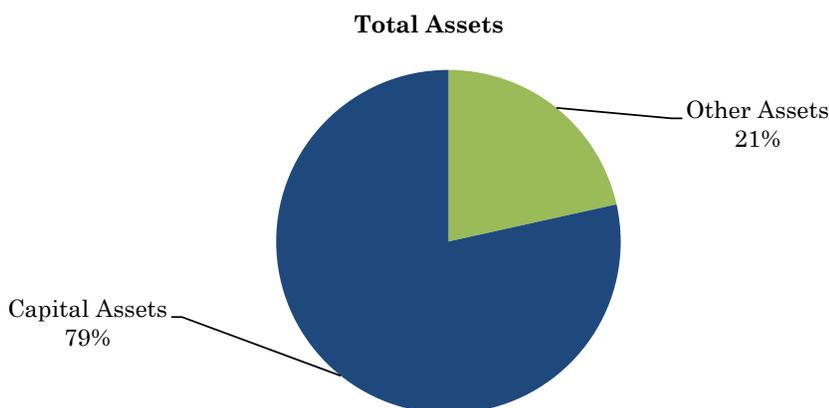
As noted earlier, net position may serve over time as useful indicators of a government's financial position. In the case of the City, assets exceed liabilities by \$544,036,188 at December 31, 2014.

The largest portion of the City's net position, \$441,081,131 (81.1%) 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, \$43,862,932 (8.1%), represents resources that are subject to external restrictions on how they may be used. Unrestricted net position, which totals \$59,092,125 (10.8%), represents assets that may be used to meet the government's ongoing obligations to citizens and creditors. The government's net position increased by \$11,107,739 or 2.1%, during the current fiscal year.

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

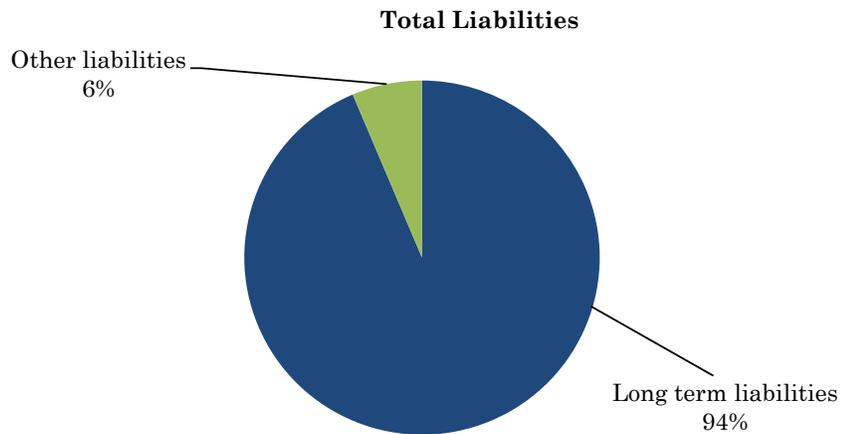
The City ended 2014 with a positive net position. Total assets for the City are \$725,986,105. Of these total assets, \$569,736,575 is capital assets and \$156,249,530 is other assets.



CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

Total liabilities for the City are \$151,020,940. Of these total liabilities, \$141,286,006 is for long-term liabilities, \$903,741 is self-insurance claims payable and \$8,831,193 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 \$544,036,188. Of this, \$59,092,125 is unrestricted and \$43,862,932 is restricted. Net investment in capital assets is \$441,081,131.

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)
	2014	2013	2014	2013	2014	2013	
Revenues							
Program revenues:							
Charges for services	\$ 6,704,014	\$ 5,584,628	\$ 5,417,668	\$ 5,362,455	\$ 12,121,682	\$ 10,947,083	\$ 1,174,599
Grants and contributions	1,305,664	1,257,628	—	—	1,305,664	1,257,628	48,036
Capital grants and contributions	3,123,154	2,192,684	22,146	1,357,326	3,145,300	3,550,010	(404,710)
General revenues:							
Property taxes	29,232,719	27,717,179	—	—	29,232,719	27,717,179	1,515,540
Sales tax	31,493,735	28,958,995	—	—	31,493,735	28,958,995	2,534,740
Other taxes	11,321,439	10,793,784	—	—	11,321,439	10,793,784	527,655
Investment revenue	203,173	291,576	83,711	(32,144)	286,884	259,432	27,452
Other	3,802,033	1,181,972	—	7,520	3,802,033	1,189,492	2,612,541
Transfers	873,257	(798,022)	(873,257)	798,022	—	—	—
Total Revenues	88,059,188	77,180,424	4,650,268	7,493,179	92,709,456	84,673,603	8,035,853
Expenses							
General government	12,392,323	11,787,142	—	—	12,392,323	11,787,142	605,181
Public safety	25,336,801	22,687,013	—	—	25,336,801	22,687,013	2,649,788
Municipal services	31,499,578	28,675,556	—	—	31,499,578	28,675,556	2,824,022
Parks and recreation	3,184,030	4,900,596	—	—	3,184,030	4,900,596	(1,716,566)
Economic development	2,014,151	2,024,180	—	—	2,014,151	2,024,180	(10,029)
Interest on long-term debt	2,797,985	2,863,649	—	—	2,797,985	2,863,649	(65,664)
Stormwater	—	—	4,376,849	8,464,812	4,376,849	8,464,812	(4,087,963)
Total Expenses	77,224,868	72,938,136	4,376,849	8,464,812	81,601,717	81,402,948	198,769
Change In Net Position	10,834,320	4,242,288	273,419	(971,633)	11,107,739	3,270,655	7,837,084
Net Position - Beginning Of Year	470,149,572	465,907,284	62,778,877	63,750,510	532,928,449	529,657,794	3,270,655
Net Position, End Of Year	\$ 480,983,892	\$ 470,149,572	\$ 63,052,296	\$ 62,778,877	\$ 544,036,188	\$ 532,928,449	\$ 11,107,739

The City's net position increased for governmental activities \$10,834,320. Key elements of this increase are as follows:

- An increase in property tax revenue of \$1.5 million or a 5.5% increase due to an increase in overall assessed valuation of 5%.
- An increase in sales taxes of \$2.5 million or 8.7% due to an improved economy and new retailers locating within the City.
- An increase in Municipal Services due to additional streets maintenance.

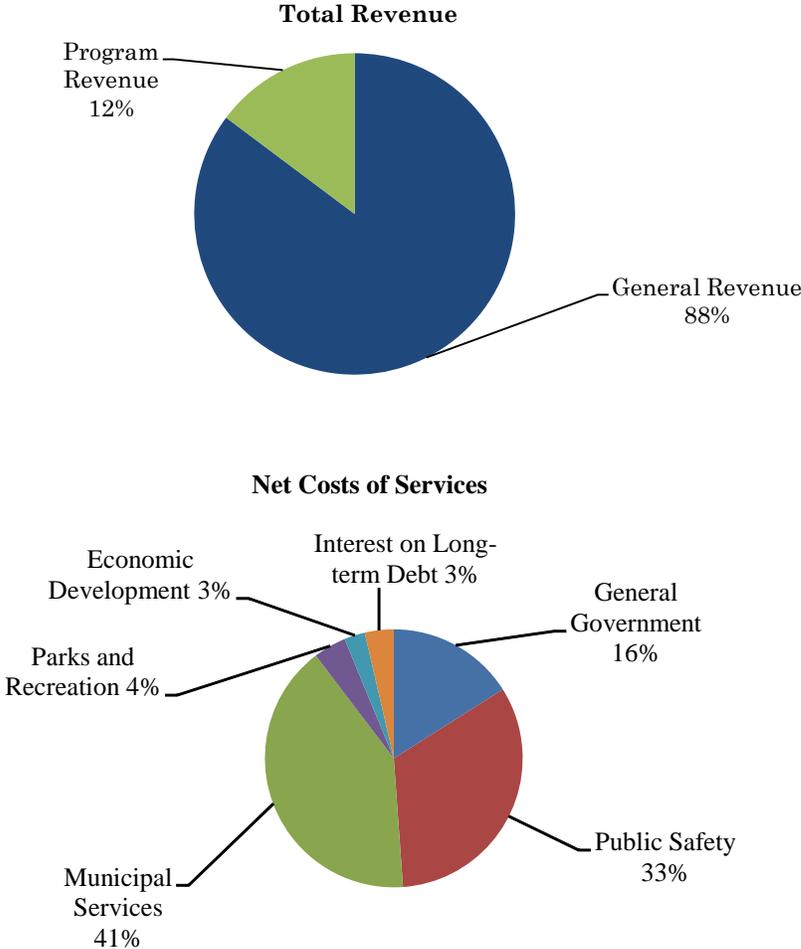
The City's net position increased for the business-type activities \$273,419. Key elements of this increase are as follows:

- A decrease in the amount of capital grants and contributions due to a reduction in the number of stormwater projects eligible for grant funding.
- A decrease in the amount of stormwater projects being undertaken due to completion of many of the major watershed projects.

CITY OF LENEXA, KANSAS

Management’s Discussion and Analysis (*Continued*)

The government-wide statement of activities indicates the major sources of program revenues are capital grant contributions. General revenues comprised 82% of total revenues for governmental activities. Sales taxes are the largest general revenue source for governmental activities amounting to 41.4% followed closely by property tax amounting to 38.4% of general revenues.



For purposes of the above graph, only governmental activities are included. In addition, the capital grants and contributions amounts of \$3.1 million have not been included in the net costs of services. The total cost of services for 2014 was \$77.2 million; however, \$6.7 million was funded by charges to users directly benefiting from the services or by other organizations through grants and contributions. Of the remaining \$70.5 million for cost of services, \$69.0 million of these services was funded primarily through property taxes and sales taxes with \$1.5 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 17 to 19 of the basic financial statements. As stated earlier, these statements are presented on the modified accrual basis. Reconciliation to the Government-Wide Financial Statements has been provided with these fund statements. The Governmental Funds ended fiscal year 2014 with an increase in fund balance.

The General Fund is the main operating fund of the City. The fund balance of the General Fund at December 31, 2014 was \$28,364,611. This represents an increase of \$2,242,297 or an 8.5% increase over the previous year's balance which is due to an increase in overall revenues of \$4.7 million. The primary increase in revenues was due to increase in sales tax and use tax revenues of \$2.4 million or 8.6%. This increase was the result of an improved economy and additional retail located within the City. Another factor in the increase in revenues is due to an increase in the overall assessed valuation of real estate which increased property tax revenue by \$657,000 or 3.9%

The fund balance of the Debt Service Fund at December 31, 2014 was \$7,875,076. This represents a decrease of \$231,186 or a 2.9% decrease over the previous year's balance. All of the Debt Service Fund balance is reserved for the payment of debt service expenditures.

The fund balance of the Capital Improvement Fund at December 31, 2014 was \$25,525,518. This represents an increase of \$7,623,168 or a 42.6% increase over the previous year's balance. This increase is a result of a \$5.5 million transfer from the General Fund to the Capital Improvement Fund to help fund the Civic Center and other capital projects approved in the 2015-2019 Capital Improvement Program.

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.

General Fund Budgetary Highlights

The legally adopted budget for the General Fund was not amended by the Governing Body during 2014. However, departments within the City are allowed to transfer budget between line items and between activities within a department. Revenues exceeded budgetary estimates by \$5.8 million and expenditures were less than budgetary estimates by \$3.4 million. Revenues increased in the general fund almost \$4.7 million over the prior year. Expenditures increased \$0.8 million while transfers out to other funds increased \$2.9 million. The following are major budgetary highlights of the general fund for the 2014 fiscal year:

- An increase in sales and use tax revenue of \$2.4 million or an 8.6% increase due to additional retailers locating in Lenexa and the gradual improvement of overall economic trend.
- An increase in licenses and permits due to receiving \$0.7 million in building permits revenues over the original budget estimate of \$0.5 million for a total of \$1.2 million or a 140% increase.
- A transfer of \$5.5 million to the Capital Improvement Fund to help fund the Civic Center and other capital projects; \$0.2 million to replenish the Risk Management Fund reserve and \$0.3 million to replenish the Workers Compensation Fund reserve.

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

Capital Asset And Debt Administration

Capital Assets

The total amount of capital assets for the City at December 31, 2014 was \$559,736,575 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	
	2014	2013
Land	\$ 31,951,781	\$ 31,986,969
Buildings	26,436,639	26,438,297
Machinery and equipment	11,311,327	12,774,616
Infrastructure, depreciable	391,965,042	386,348,219
Construction in progress	18,046,221	11,033,260
Total	\$ 479,711,010	\$ 468,581,361

	Business-Type Activities	
	2014	2013
Land	\$ 1,242,929	\$ 1,242,929
Machinery and equipment	9,738	23,456
Infrastructure, depreciable	88,772,898	89,356,991
Total	\$ 90,025,565	\$ 90,623,376

Major capital events during the fiscal year included the following:

- Lenexa Logistics Center special benefit district project is near completion which consists of construction of a 40 foot wide industrial street along with the storm drainage system, detention and sanitary sewers for first phase of the project.
- Renner Boulevard north of 87th Street Parkway is near completion. This project separates the north and southbound lanes, makes each two-lane, adds a traffic circle curb and gutters.
- The Freedom Fields Renovation project was completed which improves the existing amenities, as well as adding new sports fields and other improvements.
- The Little Mill Creek Restoration & Sewer project was completed which realigns the stream to a more stable alignment. Construction also included enhancement of the stream corridor and realignment of the existing trail that borders the stream.

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, 2014, the City had a number of debt issues outstanding. These issues include \$117,185,000 of general obligation bonds and special assessment debt backed by the full faith and credit of the City. This balance represents a \$13,280,000 net increase over the 2013 balance. This net increase is due to the issuance of \$15,605,000 general obligation improvement bonds to finance several capital improvement projects, the issuance of \$8,645,000 general obligation refunding bonds and the retirement of \$10,970,000 of general obligation principal. The City received an upgrade in its bond rating from Standard and Poor's to AAA and maintained an Aaa bond rating from Moody's Investors Service, Inc. on general obligation bond issues. Under current state statutes, the City's bonded debt issuances are subject to a legal limitation based on a percentage of the assessed valuation of real estate and personal property. As of December 31, 2014, the total general obligation debt of \$122,015,000 was well below the City's legal limit of \$294,991,771. The City implemented GASB 45 in 2007 (Other Post Employment Benefits), and the related obligation as of December 31, 2014 is \$3,502,286. A summary of outstanding debt is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 84,534,612	\$ 74,126,908	\$ 32,650,388	\$ 29,778,092	\$ 117,185,000	\$ 103,905,000
TIF revenue bonds	6,853,173	7,044,955	—	—	6,853,173	7,044,955
General obligation notes payable	4,830,000	4,830,000	—	—	4,830,000	4,830,000
Employee compensated absences (net)	2,172,850	2,106,658	59,633	52,090	2,232,483	2,158,748
Other post employment benefits obligation	3,397,009	3,147,608	105,277	97,072	3,502,286	3,244,680
Net unamortized premium	4,905,661	3,528,767	1,608,481	1,424,116	6,514,142	4,952,883
Discount on bonds	(31,517)	(35,136)	(34,076)	(37,296)	(65,593)	(72,432)
Revolving loan	—	—	234,515	245,644	234,515	245,644
Total long-term liabilities	\$ 106,661,788	\$ 94,749,760	\$ 34,624,218	\$ 31,559,718	\$ 141,286,006	\$ 126,309,478

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

Requests For Information

This financial report is intended to give the reader a general overview of the City's finances. Questions about the information contained in this report or requests for additional information should be directed to the Administrative Services Director/CFO, 12350 W. 87th Street Parkway, Lenexa, Kansas 66215.

Basic Financial Statements

CITY OF LENEXA, KANSAS

STATEMENT OF NET POSITION

December 31, 2014

	Governmental Activities	Business-Type Activities	Total
Assets			
Deposits, including investments and restricted cash and investments	\$ 86,534,855	\$ 8,239,974	\$ 94,774,829
Receivables (net of allowance of \$862,072)	60,475,363	44,424	60,519,787
Net pension asset	924,500	30,414	954,914
Capital assets - nondepreciable	49,998,002	1,242,929	51,240,931
Capital assets - depreciable, net	429,713,008	88,782,636	518,495,644
Total Assets	627,645,728	98,340,377	725,986,105
Liabilities			
Accounts payable	4,425,625	32,916	4,458,541
Accrued interest payable	2,016,287	423,852	2,440,139
Accrued compensation	1,439,929	44,488	1,484,417
Other	26,519	—	26,519
Due to other entities	421,577	—	421,577
Self-insurance claims payable:			
Due within one year	704,527	—	704,527
Due in more than one year	199,214	—	199,214
Long-term liabilities:			
Due within one year	22,797,406	2,993,643	25,791,049
Due in more than one year	83,864,382	31,630,575	115,494,957
Total Liabilities	115,895,466	35,125,474	151,020,940
Deferred Inflows Of Resources			
Property tax	30,737,082	—	30,737,082
Deferred amount on refunding	29,288	162,607	191,895
Total Deferred Inflows Of Resources	30,766,370	162,607	30,928,977
Net Position			
Net investment in capital assets	385,442,966	55,638,165	441,081,131
Restricted for:			
Debt service	4,835,367	4,647,168	9,482,535
Public safety	12,895,604	—	12,895,604
Municipal services	1,399,215	—	1,399,215
Parks and recreation	2,583,075	—	2,583,075
General government	15,504,452	—	15,504,452
Capital projects	915,058	1,082,993	1,998,051
Unrestricted	57,408,155	1,683,970	59,092,125
Total Net Position	\$ 480,983,892	\$ 63,052,296	\$ 544,036,188

CITY OF LENEXA, KANSAS

STATEMENT OF ACTIVITIES For The Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Position		
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General government	\$ 12,392,323	\$ 2,484,045	\$ 2,310	\$ —	\$ (9,905,968)	\$ —	\$ (9,905,968)
Public safety	25,336,801	2,120,745	3,636	—	(23,212,420)	—	(23,212,420)
Municipal services	31,499,578	640,068	1,299,718	3,123,154	(26,436,638)	—	(26,436,638)
Parks and recreation	3,184,030	1,459,156	—	—	(1,724,874)	—	(1,724,874)
Economic development	2,014,151	—	—	—	(2,014,151)	—	(2,014,151)
Interest on long-term debt	2,797,985	—	—	—	(2,797,985)	—	(2,797,985)
Total Governmental Activities	77,224,868	6,704,014	1,305,664	3,123,154	(66,092,036)	—	(66,092,036)
Business-Type Activities							
Stormwater	4,376,849	5,417,668	—	22,146	—	1,062,965	1,062,965
Total	\$ 81,601,717	\$ 12,121,682	\$ 1,305,664	\$ 3,145,300	(66,092,036)	1,062,965	(65,029,071)
General revenues:							
Taxes:							
Property taxes					29,232,719	—	29,232,719
Sales taxes					31,493,735	—	31,493,735
Franchise taxes					6,845,226	—	6,845,226
Motor vehicle taxes					2,596,900	—	2,596,900
Transient guest tax					799,992	—	799,992
Excise tax					373,460	—	373,460
Special liquor tax					705,861	—	705,861
Unrestricted investment earnings					203,173	83,711	286,884
Miscellaneous					3,802,033	—	3,802,033
Transfers					873,257	(873,257)	—
Total General Revenues And Transfers					76,926,356	(789,546)	76,136,810
Change In Net Position					10,834,320	273,419	11,107,739
Net Position - Beginning Of Year					470,149,572	62,778,877	532,928,449
Net Position - End Of Year					\$ 480,983,892	\$ 63,052,296	\$ 544,036,188

CITY OF LENEXA, KANSAS

BALANCE SHEET - GOVERNMENTAL FUNDS December 31, 2014

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General Fund	Debt Service	Capital Improvement Fund	Street Improvements	Other Governmental Funds	
Assets						
Deposits and investments	\$ 26,063,365	\$ 7,847,880	\$ 22,852,414	\$ 2,829,822	\$ 12,488,969	\$ 72,082,450
Restricted cash and investments	198,096	—	—	5,019,532	1,003	5,218,631
Special assessment receivable	—	19,856,383	—	—	—	19,856,383
Property tax receivable (net of allowance for uncollectibles)	19,560,687	7,376,954	—	—	3,799,441	30,737,082
Sales tax receivable	5,503,575	—	—	—	145,302	5,648,877
Transient guest tax receivable	—	—	—	—	241,028	241,028
Franchise tax receivable	783,861	—	—	—	—	783,861
Special highway tax receivable	—	—	—	—	326,969	326,969
Special liquor tax receivable	61,465	—	—	—	122,930	184,395
Intergovernmental	—	—	—	722,312	40,402	762,714
Interest receivable	85,695	27,196	80,619	5,528	16,404	215,442
Due from other funds	7,693	—	1,057,670	—	—	1,065,363
Other receivable	60,086	—	1,590,037	—	56,400	1,706,523
Total Assets	\$ 52,324,523	\$ 35,108,413	\$ 25,580,740	\$ 8,577,194	\$ 17,238,848	\$ 138,829,718
Liabilities, Deferred Inflows And Fund Balances						
Liabilities						
Accounts payable	\$ 1,455,550	\$ —	\$ 55,222	\$ 2,122,555	\$ 764,109	\$ 4,397,436
Accrued compensation	1,437,909	—	—	—	—	1,437,909
Due to other funds	1,057,670	—	—	—	7,693	1,065,363
Due to outside entities	421,577	—	—	—	—	421,577
Municipal court deposits	26,519	—	—	—	—	26,519
Total Liabilities	4,399,225	—	55,222	2,122,555	771,802	7,348,804
Deferred Inflows Of Resources						
Property tax	19,560,687	7,376,954	—	—	3,799,441	30,737,082
Special assessments	—	19,856,383	—	—	—	19,856,383
Other	—	—	—	162,758	—	162,758
Total Deferred Inflows Of Resources	19,560,687	27,233,337	—	162,758	3,799,441	50,756,223
Fund Balances						
Nonspendable	—	—	1,590,037	—	—	1,590,037
Restricted	—	7,875,076	14,612,880	6,291,881	9,352,934	38,132,771
Committed	149,626	—	—	—	146,369	295,995
Assigned	42,995	—	9,322,601	—	3,175,995	12,541,591
Unassigned	28,171,990	—	—	—	(7,693)	28,164,297
Total Fund Balances	28,364,611	7,875,076	25,525,518	6,291,881	12,667,605	80,724,691
Total Liabilities, Deferred Inflows And Fund Balances	\$ 52,324,523	\$ 35,108,413	\$ 25,580,740	\$ 8,577,194	\$ 17,238,848	\$ 138,829,718

CITY OF LENEXA, KANSAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION December 31, 2014

Total Fund Balance - Governmental Funds \$ 80,724,691

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). 479,711,010

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. 8,311,913

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. 20,019,141

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, 2014 are:

Accrued compensated absences	(2,172,850)
Other post employment benefits obligation	(3,397,009)
Unamortized premium on bonds payable	(4,905,661)
Unamortized discount on bonds payable	31,517
Net pension asset	924,500
General obligation notes payable	(4,830,000)
Accrued interest payable on long-term debt	(2,016,287)
Deferred amount on refunding	(29,288)
Tax increment financing bonds payable	(6,853,173)
General obligation bonds payable	(84,534,612)
	<u>(107,782,863)</u>

Total Net Position - Governmental Activities \$ 480,983,892

CITY OF LENEXA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For The Year Ended December 31, 2014

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Debt Service	Capital Improvement Fund	Street Improvements	Other Governmental Funds	
Revenues						
Taxes	\$ 57,728,699	\$ 10,122,862	\$ —	\$ —	\$ 5,971,348	\$ 73,822,909
Intergovernmental	49,109	—	1,030	1,968,214	103,047	2,121,400
Licenses and permits	1,907,425	—	—	—	—	1,907,425
Charges for services	1,869,765	—	—	—	1,017,260	2,887,025
Rents and leases	439,154	—	—	—	—	439,154
Fines and forfeitures	1,593,022	—	—	—	353,086	1,946,108
Investment earnings	27,786	93,820	(14,914)	113,493	25,046	245,251
Miscellaneous	1,235,001	—	384,760	1,240,483	437,609	3,297,853
Total Revenues	64,849,961	10,216,682	370,876	3,322,190	7,907,396	86,667,105
Expenditures						
Current:						
General government	11,062,082	—	389,231	—	756,624	12,207,937
Public safety	22,278,779	—	—	—	184,186	22,462,965
Municipal services	7,880,998	—	292,545	—	51,036	8,224,579
Recreation	4,810,119	—	64,935	—	109,745	4,984,799
Economic development	—	—	155,037	—	1,859,115	2,014,152
Capital outlay	—	—	—	28,371,862	6,700,894	35,072,756
Debt service:						
Principal retirement	—	8,402,296	—	—	191,782	8,594,078
Interest and fiscal charges	—	2,700,335	—	164,219	18,218	2,882,772
Total Expenditures	46,031,978	11,102,631	901,748	28,536,081	9,871,600	96,444,038
Excess (Deficiency) Of Revenues Over Expenditures	18,817,983	(885,949)	(530,872)	(25,213,891)	(1,964,204)	(9,776,933)
Other Financing Sources (Uses)						
Issuance of general obligation bonds	—	—	—	10,485,000	4,005,000	14,490,000
Issuance of refunding bonds	—	—	—	4,320,000	—	4,320,000
Premium on general obligation bonds	—	—	—	1,807,517	163,753	1,971,270
Transfers in	28,188	654,763	14,916,149	6,718,035	5,032,146	27,349,281
Transfers out	(16,603,874)	—	(6,762,109)	(138,611)	(3,471,427)	(26,976,021)
Total Other Financing Sources (Uses)	(16,575,686)	654,763	8,154,040	23,191,941	5,729,472	21,154,530
Net Changes In Fund Balances	2,242,297	(231,186)	7,623,168	(2,021,950)	3,765,268	11,377,597
Fund Balances - Beginning Of Year	26,122,314	8,106,262	17,902,350	8,313,831	8,902,337	69,347,094
Fund Balances - End Of Year	\$ 28,364,611	\$ 7,875,076	\$ 25,525,518	\$ 6,291,881	\$ 12,667,605	\$ 80,724,691

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, 2014

Net Change In Fund Balances - Total Governmental Funds \$ 11,377,597

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	27,942,025
Depreciation expense	(15,206,450)

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

Contributions from developers	892,823
Net book value of current year disposals	(2,498,749)

11,129,649

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	(507,766)
Change in employee compensated absences	(66,192)
Change in net pension asset	442,863
Change in other post employment benefits obligation	(249,401)

(380,496)

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

(312,541)

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

General obligation bond proceeds	(18,810,000)
Bond principal payment	8,402,296
Tax increment financing revenue bond payments	191,782
Bond premium	(1,971,270)
Amortization of bond premium	594,376
Amortization of bond discount	(3,619)
Amortization of deferred amount of refunding	1,796

(11,594,639)

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.

614,750

Change In Net Position Of Governmental Activities

\$ 10,834,320

CITY OF LENEXA, KANSAS

STATEMENT OF NET POSITION - PROPRIETARY FUND December 31, 2014

	Business-Type Activities - Major Enterprise Fund Stormwater	Governmental Activities - Internal Service Fund
Assets		
Current assets:		
Deposits and investments	\$ 3,590,916	\$ 9,233,774
Restricted cash and investments	4,649,058	—
Interest receivable	9,790	12,089
Intergovernmental receivable	34,634	—
Total current assets	8,284,398	9,245,863
Noncurrent assets:		
Capital assets - nondepreciable	1,242,929	—
Capital assets - depreciable, net	88,782,636	—
Net pension asset	30,414	—
Total noncurrent assets	90,055,979	—
Total Assets	98,340,377	9,245,863
Liabilities		
Current liabilities:		
Accounts payable	32,916	28,189
Accrued interest payable	423,852	—
Accrued compensation	44,488	2,020
Self insurance claims payable	—	704,527
Current portion of long-term obligations	2,993,643	—
Total current liabilities	3,494,899	734,736
Noncurrent liabilities:		
Noncurrent portion of long-term obligations	31,630,575	—
Self insurance claims payable	—	199,214
Total noncurrent liabilities	31,630,575	199,214
Total Liabilities	35,125,474	933,950
Deferred Inflows Of Resources		
Deferred amount on refunding	162,607	—
Net Position		
Net investment in capital assets	55,638,165	—
Restricted for debt service	4,647,168	—
Restricted for capital projects	1,082,993	—
Unrestricted	1,683,970	8,311,913
Total Net Position	\$ 63,052,296	\$ 8,311,913

CITY OF LENEXA, KANSAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUND

For The Year Ended December 31, 2014

	Business-Type Activities - Major Enterprise Fund Stormwater	Governmental Activities - Internal Service Fund
Operating Revenues		
Charges for services	\$ 5,417,668	\$ 6,138,848
Reimbursements from insurance companies	—	287,528
Miscellaneous	—	242,036
Total Operating Revenues	5,417,668	6,668,412
Operating Expenses		
Personal services	1,143,715	51,660
Contractual services	—	804,327
Commodities	—	48,724
Stormwater operations	822,365	—
Depreciation	1,444,023	—
Claims	—	5,606,901
Total Operating Expenses	3,410,103	6,511,612
Operating Income	2,007,565	156,800
Nonoperating Revenues (Expenses)		
Investment income (loss)	83,711	(42,050)
Interest expense	(966,746)	—
Total Nonoperating Revenues (Expenses)	(883,035)	(42,050)
Income Before Contributions And Transfers	1,124,530	114,750
Intergovernmental	22,146	—
Transfers in	210,365	500,000
Transfers out	(1,083,622)	—
Change In Net Position	273,419	614,750
Total Net Position - Beginning Of Year	62,778,877	7,697,163
Total Net Position - End Of Year	\$ 63,052,296	\$ 8,311,913

CITY OF LENEXA, KANSAS

STATEMENT OF CASH FLOWS PROPRIETARY FUND For The Year Ended December 31, 2014

	Business-Type Activities - Major Enterprise Fund Stormwater	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities		
Cash received from customers	\$ 5,417,668	\$ 6,380,885
Cash received from insurance companies	—	287,528
Cash payments for personnel services	(1,133,424)	(51,660)
Cash payments for contractual services and accounts payable	(996,579)	(6,200,744)
Net Cash Provided By Operating Activities	3,287,665	416,009
Cash Flows From Noncapital Financing Activities		
Transfers in	210,365	500,000
Transfers out	(1,083,622)	—
Net Cash Provided By (Used In) Noncapital Financing Activities	(873,257)	500,000
Cash Flows From Capital And Related Financing Activities		
Premium on bonds	423,699	—
Interest paid on long term debt	(1,210,805)	—
Additions to capital assets	(846,212)	—
Capital grants received from federal government	660,616	—
Proceeds from bonds	5,440,000	—
Principal paid on revolving loan	(11,129)	—
Principal paid on bonds	(2,567,704)	—
Net Cash Provided By Capital And Related Financing Activities	1,888,465	—
Cash Flows From Investing Activities		
Purchases of investments	100,025	—
Interest paid	—	(43,849)
Net Cash Provided By (Used In) Investing Activities	100,025	(43,849)
Net Increase In Cash And Cash Equivalents	4,402,898	872,160
Cash And Cash Equivalents – Beginning Of Year	3,837,076	8,361,614
Cash And Cash Equivalents – End Of Year	\$ 8,239,974	\$ 9,233,774
Reconciliation Of Operating Income To Net Cash From Operating Activities		
Operating income	\$ 2,007,565	\$ 156,800
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,444,023	—
Change in net pension asset	(13,686)	—
Change in net OPEB	8,205	—
Change in compensated absences	7,543	—
Change in accounts, wages and claims payable	(165,985)	259,209
Net Cash Provided By Operating Activities	\$ 3,287,665	\$ 416,009

CITY OF LENEXA, KANSAS

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS December 31, 2014

	<u>Pension Trust Fund</u>
Assets	
Cash and short-term investments	\$ 32,591
Investments at fair value:	
Corporate bonds	8,119,235
Domestic stocks	14,517,163
Real estate	2,974,040
International stocks	<u>2,065,510</u>
	<u>27,708,539</u>
 Net Position Restricted For Pensions	 <u><u>\$ 27,708,539</u></u>

CITY OF LENEXA, KANSAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUND For The Year Ended December 31, 2014

	<u>Pension Trust Fund</u>
Additions	
Contributions:	
Employer	<u>\$ 610,000</u>
Investment income:	
Net appreciation in fair value of investments	1,446,007
Dividends and interest	448,483
Investment expenses	<u>(246,260)</u>
Net investment income	<u>1,648,230</u>
Total Additions	2,258,230
Deductions	
Benefits paid	<u>890,052</u>
Net Increase	1,368,178
Net Position Restricted For Pensions	
Beginning of year	<u>26,340,361</u>
End of year	<u><u>\$ 27,708,539</u></u>

Notes To Basic Financial Statements

THE CITY OF LENEXA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2014

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

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 778 days to maturity. The average yield on investments during the year was 0.30% and the amount of investment revenue received was \$286,884.

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, 2014, 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, 2014 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

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, 2014, 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."

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.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

Fund balance for all major and nonmajor governmental funds as of December 31, 2014 were allocated as follows:

	Major				Nonmajor		Total
	General	Debt Service	Capital Improvement	Street Improvements	Other Governmental Funds	Governmental Funds	
Fund Balances							
Nonspendable:							
Long-term portion of loans receivable	\$ —	\$ —	\$ 1,590,037	\$ —	\$ —	\$ —	\$ 1,590,037
Restricted for:							
Debt service	—	7,875,076	—	5,019,525	1,003	—	12,895,604
Public safety							
Alcohol prevention	—	—	—	—	354,878	—	354,878
Police department	—	—	—	—	560,180	—	560,180
Municipal services							
Community improvement districts	—	—	—	—	160,872	—	160,872
Traffic improvements	—	—	—	—	1,396,007	—	1,396,007
Street improvements	—	—	—	—	326,969	—	326,969
TIF districts	—	—	—	—	699,227	—	699,227
Parks and recreation							
Civic Center	—	—	14,210,899	—	—	—	14,210,899
Parks projects	—	—	—	—	1,293,554	—	1,293,554
General government							
Economic development	—	—	401,981	—	—	—	401,981
Neighborhood redevelopment	—	—	—	—	99,895	—	99,895
Tourism	—	—	—	—	827,691	—	827,691
Legal department	—	—	—	—	69,648	—	69,648
Capital projects							
Street projects	—	—	—	1,272,356	—	—	1,272,356
Municipal building projects	—	—	—	—	2,992,317	—	2,992,317
Parks and recreation projects	—	—	—	—	570,693	—	570,693
Committed to:							
Encumbrances							
Police department	20,246	—	—	—	—	—	20,246
Traffic	128,668	—	—	—	—	—	128,668
Enterprise systems and technology	712	—	—	—	—	—	712
Capital projects							
Equipment replacement	—	—	—	—	88,043	—	88,043
Parks shelter and restrooms	—	—	—	—	10,426	—	10,426
Facilities maintenance	—	—	—	—	47,900	—	47,900
Assigned to:							
Encumbrances							
Highways and streets	10,000	—	—	—	—	—	10,000
Traffic	5,013	—	—	—	—	—	5,013
Parks maintenance	27,682	—	—	—	—	—	27,682
Building inspection	300	—	—	—	—	—	300
Parks projects	—	—	939,337	—	659,735	—	1,599,072
Street projects	—	—	987,452	—	—	—	987,452
Municipal building projects	—	—	—	—	198,942	—	198,942
Capital acquisition projects	—	—	—	—	2,317,318	—	2,317,318
Traffic	—	—	33,042	—	—	—	33,042
Future capital projects	—	—	7,362,770	—	—	—	7,362,770
Unassigned	28,171,990	—	—	—	(7,693)	—	28,164,297
	\$ 28,364,611	\$ 7,875,076	\$ 25,525,518	\$ 6,291,881	\$ 12,667,605	\$ —	\$ 80,724,691

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.

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 CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

	Governmental Activities	Business Type Activities	Total
Deposits	\$ 597,060	\$ 26,571	\$ 623,631
Petty cash	5,057	—	5,057
Investments:			
Municipal investment pool	4,310,934	189,905	4,500,839
Repurchase agreements	4,601,303	202,697	4,804,000
U.S. Governments securities	66,686,884	2,937,692	69,624,576
U.S. Treasury notes	5,313,083	234,052	5,547,135
Investments held with trustee:			
State and local governments securities	5,019,524	4,649,057	9,668,581
Deposits	1,010	—	1,010
Total deposits, including investments	\$ 86,534,855	\$ 8,239,974	\$ 94,774,829

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, 2014, the City's deposits were insured by federal depository insurance and uninsured deposits were fully collateralized in accordance with the City's policy.

For an investment, the custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's safeguarding policy is that investments are to be held in a single safekeeping agent in the name of the City. At December 31, 2014, the City's investments were in compliance with the policy.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Credit Risk And Concentration Of Credit Risk

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

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

The limit on repurchase agreements and KMIP deposits may exceed 60%, but not more than 75%, of the portfolio for a maximum of 45 days during each of the 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 or Standard and Poor's 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, 2014	Percentage
Kansas Municipal Investment Pool	\$ 4,500,839	AAAf/S1+	5%
Repurchase agreements	4,804,000	AAA Collateral	5%
U.S. Government Securities			
Federal National Mortgage Association	17,418,480	AAA	19%
Federal Home Loan Banks	20,892,991	AAA	22%
Federal Home Loan Mortgage Corporation	17,600,415	AAA	19%
Federal Farm Credit	13,712,690	AAA	14%
U.S. Treasury Notes	5,547,135	**	6%
Investments held by trustee			
State and local government securities	<u>9,668,581</u>	**	<u>10%</u>
Total	<u>\$ 94,145,131</u>		<u>100%</u>

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

Interest Rate Risk

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, 2014, 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					
U.S. Treasury Notes	\$ 5,547,135	\$ 5,547,135	\$ —	\$ —	\$ —
FNMA	17,418,480	2,016,080	3,037,650	12,364,750	—
FHLB	20,892,991	4,100,911	3,005,010	13,787,070	—
FHLMC	17,600,415	5,509,815	3,003,810	6,082,050	3,004,740
Federal Farm Credit	13,712,690	—	10,207,160	3,505,530	—
Repurchase agreements	4,804,000	4,804,000	—	—	—
Kansas Municipal Investment Pool	4,500,839	4,500,839	—	—	—
Investments held by Trustee:					
State and local government securities	<u>9,668,581</u>	<u>173,515</u>	<u>4,247,588</u>	<u>5,247,478</u>	<u>—</u>
	<u>\$ 94,145,131</u>	<u>\$ 26,652,295</u>	<u>\$ 23,501,218</u>	<u>\$ 40,986,878</u>	<u>\$ 3,004,740</u>

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Defined Benefit Pension Plan

The City had \$27,708,539 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 6.25%.

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.

Asset Category	Allocation			Long-Term Expected Return**
	Target*	Minimum	Maximum	
Domestic equity - large cap	30%	25%	40%	7.25%
Domestic equity - small cap	20%	10%	30%	7.25%
International equities	11%	5%	20%	7.25%
Domestic fixed income	30%	20%	50%	3.75%
Real estate	9%	5%	15%	6.30%
Cash	0%	0%	5%	0%

*Target approximates the assumed asset allocation

**Geometric mean

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, 2014, the Plan had the following investments and maturities.

	<u>Total</u>	<u>12 Months</u>	
		<u>Or Less</u>	<u>> 48 Months</u>
Corporate bonds	\$ 8,119,235	\$ —	\$ 8,119,235
Money market mutual funds	32,591	32,591	—
	8,151,826	\$ 32,591	\$ 8,119,235
Domestic stocks	14,517,163		
Real estate	2,974,040		
International stocks	2,065,510		
Total investments	<u>\$ 27,708,539</u>		

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.

<u>Quality Rating</u>	<u>Corporate Bonds</u>	<u>Money Market Mutual Funds</u>
AAA	\$ 5,805,253	\$ —
AA	308,531	—
A	722,612	—
BBB or less	1,258,481	—
Not rated	24,358	32,591
	\$ 8,119,235	\$ 32,591

Concentration Of Credit Risk

As of December 31, 2014, the following table lists the issuers of securities, and the respective fair value of those securities, that represent 5% or more of the Plan's total investments:

Metwest Total Return Bond Fund Class I	\$ 8,054,235	29%
The Boston Company Small-Mid Cap Opportunistic Value	5,576,797	20%
Meritage Large Cap Growth	4,197,212	15%
Mainstay ICAP Large Cap Value	4,138,120	15%
TIAA-CREF Asset Management Core Property Fund LP	2,974,040	11%
American Funds/Euro Pacific Growth	2,065,510	7%

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

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	\$ 20,186,673	\$ 7,613,040	\$ —	\$ —	\$ 3,799,441	\$ —	\$ 31,599,154
Sales tax	5,503,575	—	—	—	145,302	—	5,648,877
Transient guest tax	—	—	—	—	241,028	—	241,028
Franchise tax	783,861	—	—	—	—	—	783,861
Special highway tax	—	—	—	—	326,969	—	326,969
Special liquor tax	61,465	—	—	—	122,930	—	184,395
Special assessment	—	19,856,383	—	—	—	—	19,856,383
Intergovernmental	—	—	—	722,312	40,402	—	762,714
Interest	85,695	27,196	80,619	5,528	16,404	12,089	227,531
Other	60,086	—	1,590,037	—	56,400	—	1,706,523
Less: allowance for uncollectible accounts	(625,986)	(236,086)	—	—	—	—	(862,072)
Total receivables	\$ 26,055,369	\$ 27,260,533	\$ 1,670,656	\$ 727,840	\$ 4,748,876	\$ 12,089	\$ 60,475,363

The primary other receivable in the Capital Improvement Fund includes an economic development loan with a private business to construct structured parking at City Center East. The additional parking associated with a structured parking facility will assist in achieving the sense of place described in the City Center design guidelines and permit additional economic development within City Center East. Principal payments in the amount of \$75,000 were made in 2014. The balance of the loan as of December 31, 2014 is \$1,513,700. The payback period for this loan is 20 years with an interest rate of 2.5% (the first loan payment occurred in 2013).

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	\$ 17,634,807	\$ 7,297,509	\$ 2,753,196	\$ 27,685,512	\$ 27,685,512
Sales tax	30,845,866	—	647,869	31,493,735	31,493,735
Transient guest tax	—	—	799,992	799,992	799,992
Franchise tax	6,845,226	—	—	6,845,226	6,845,226
Special assessment	—	2,022,506	—	2,022,506	2,022,506
Motor vehicle	1,794,053	802,847	—	2,596,900	2,596,900
Other	608,747	—	1,770,291	2,379,038	2,379,038
Total tax revenues	\$ 57,728,699	\$ 10,122,862	\$ 5,971,348	\$ 73,822,909	\$ 73,822,909

5. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2014:

	Balance December 31, 2013	Increases	Decreases	Balance December 31, 2014
Governmental activities:				
Assets not being depreciated:				
Land	\$ 31,986,969	\$ 799,260	\$ 834,448	\$ 31,951,781
Construction in progress	11,033,260	25,781,694	18,768,733	18,046,221
Total nondepreciable capital assets	43,020,229	26,580,954	19,603,181	49,998,002
Assets being depreciated:				
Buildings	51,504,380	1,358,928	1,591,551	51,271,757
Machinery and equipment	29,353,879	2,474,338	5,344,869	26,483,348
Infrastructure - Streets	580,359,622	17,189,361	—	597,548,983
Total depreciable capital assets	661,217,881	21,022,627	6,936,420	675,304,088
Less accumulated depreciation				
Buildings	(25,066,083)	(1,360,586)	(1,591,551)	(24,835,118)
Machinery and equipment	(16,579,263)	(2,273,326)	(3,680,568)	(15,172,021)
Infrastructure - Streets	(194,011,403)	(11,572,538)	—	(205,583,941)
Total accumulated depreciation	(235,656,749)	(15,206,450)	(5,272,119)	(245,591,080)
Total capital assets being depreciated, net	425,561,132	5,816,177	1,664,301	429,713,008
Total governmental activities, capital assets, net	\$ 468,581,361	\$ 32,397,131	\$ 21,267,482	\$ 479,711,010

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

	Balance December 31, 2013	Increases	Decreases	Balance December 31, 2014
Business type activities:				
Assets not being depreciated:				
Land	\$ 1,242,929	\$ —	\$ —	\$ 1,242,929
Construction in progress	—	846,212	846,212	—
Total nondepreciable capital assets	1,242,929	846,212	846,212	1,242,929
Assets being depreciated:				
Machinery and equipment	196,846	—	67,262	129,584
Infrastructure - Stormwater	106,772,488	846,212	—	107,618,700
Total depreciable capital assets	106,969,334	846,212	67,262	107,748,284
Less accumulated depreciation				
Machinery and equipment	(173,390)	(13,718)	(67,262)	(119,846)
Infrastructure - Stormwater	(17,415,497)	(1,430,305)	—	(18,845,802)
Total accumulated depreciation	(17,588,887)	(1,444,023)	(67,262)	(18,965,648)
Total capital assets being depreciated, net	89,380,447	(597,811)	—	88,782,636
Total business type activities, capital assets, net	\$ 90,623,376	\$ 248,401	\$ 846,212	\$ 90,025,565

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

Governmental activities:	
General government	\$ 626,809
Public safety	1,647,320
Municipal services	654,551
Infrastructure	11,572,538
Parks and recreation	705,232
Total depreciation expense - governmental activities	\$ 15,206,450
Business-type activities:	
Municipal services	\$ 13,718
Infrastructure	1,430,305
Total depreciation expense - business type activities	\$ 1,444,023

6. Commitments

Construction Commitments

Normal commitments have been made for future expenditures related to the City's capital projects programs. At December 31, 2014, outstanding construction commitments, including obligations for capital outlay, were \$7,907,496.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

At December 31, 2014, capital project authorizations compared with expenditures from inception are as follows:

	Project Authorizations	Expenditures - Project Inception To December 31, 2014
Governmental activities:		
Street improvements	\$ 92,101,821	\$ 16,452,103
Municipal buildings	60,225,125	1,081,248
Capital acquisitions	2,416,900	421,982
Parks and recreation	6,243,762	90,887
	<u>\$ 160,987,608</u>	<u>\$ 18,046,220</u>

	Project Authorizations	Expenditures - Project Inception To December 31, 2014
Business-type activities:		
Storm drainage	\$ 8,777,682	\$ —

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, 2014 are as follows:

	Interfund Receivables	Interfund Payables
General fund	\$ 7,693	\$ 1,057,670
Grant fund	—	7,693
Capital improvement fund	1,057,670	—
	<u>\$ 1,065,363</u>	<u>\$ 1,065,363</u>

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

The General Fund interfund payable is a portion of the 3/8 cent sales tax to fund parks/roads and a civic center project. The payable will be eliminated in 2015. The interfund payable portion of the Grant Fund is due to a deficit balance, this payable will be eliminated when grant revenues are received.

A summary of interfund transfers by fund type is as follows at December 31, 2014:

	Transfers Out					
	General	Street Improve- ments	Capital Improve- ment	Nonmajor Govern- mental	Enterprise	Total
Transfers in:						
General	\$ —	\$ —	\$ —	\$ 28,188	\$ —	\$ 28,188
Debt service	—	127,389	—	354,058	173,316	654,763
Street Improvements	—	—	4,017,815	2,089,914	610,306	6,718,035
Capital Improvements	14,503,874	211	143,236	268,828	—	14,916,149
Nonmajor Governmental	1,600,000	11,011	2,478,058	643,077	300,000	5,032,146
Enterprise	—	—	123,000	87,362	—	210,362
Internal service	500,000	—	—	—	—	500,000
Total	\$ 16,603,874	\$ 138,611	\$ 6,762,109	\$ 3,471,427	\$ 1,083,622	\$ 28,059,643

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, 2013 to May 21, 2015. The cost of the Thompson Farm was \$790,000 with accumulated depreciation of \$460,833 and a current carrying value of \$329,167.

THE CITY OF LENEXA, KANSAS

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, 96th and Pflumm, 24000 Prairie Star Parkway, 10855 Eicher and 12500 W 87th St. The lease agreements provide for monthly lease payments. The cost of the cellular towers was \$1,063,500 with accumulated depreciation of \$1,046,250 and a current carrying value of \$17,250.

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

<u>Year</u>	<u>Amount</u>
2015	\$ 446,933
2016	401,503
2017	399,364
2018	388,669
2019	379,749
2020 - 2024	1,699,444
2025 - 2029	789,007
2030	110,886
	<u>\$ 4,615,555</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, 2014:

	Balance December 31, 2013	Additions	Retired	Balance December 31, 2014	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 74,126,908	\$ 18,810,000	\$ 8,402,296	\$ 84,534,612	\$ 8,562,875
Net unamortized premium	3,528,767	1,971,270	594,376	4,905,661	718,319
Less unamortized discount	(35,136)	—	(3,619)	(31,517)	(3,030)
TIF revenue bonds	7,044,955	—	191,782	6,853,173	6,853,173
General obligation notes payable	4,830,000	—	—	4,830,000	4,830,000
Employee compensated absences	2,106,658	1,741,512	1,675,320	2,172,850	1,836,069
Net other post employment benefits obligation	3,147,608	428,428	179,027	3,397,009	—
Total governmental activities long-term obligations	94,749,760	22,951,210	11,039,182	106,661,788	22,797,406
Business Type Activities:					
General obligation bonds	29,778,092	5,440,000	2,567,704	32,650,388	2,672,125
Net unamortized premium	1,424,116	423,699	239,334	1,608,481	262,915
Less unamortized discount	(37,296)	—	(3,220)	(34,076)	(3,220)
Employee compensated absences	52,090	53,521	45,978	59,633	50,390
Revolving loans payable	245,644	—	11,129	234,515	11,433
Net other post employment benefits obligation	97,072	14,095	5,890	105,277	—
Total business type activities long-term obligations	31,559,718	5,931,315	2,866,815	34,624,218	2,993,643
	\$ 126,309,478	\$ 28,882,525	\$ 13,905,997	\$ 141,286,006	\$ 25,791,049

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

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. During the year, general obligation bonds totaling \$15,605,000 were issued to finance street and storm drainage improvements and \$8,645,000 were issued as crossover refunding bonds.

Crossover Advance Refunding

In 2014, the City refunded certain debt by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on old debt using a crossover advance refunding bond issue. For reporting purposes, under a crossover advance refunding bond issue, the original issue (refunded bonds) is not considered defeased until they are retired. As with advanced refunding bond issues, the proceeds of the crossover advance refunding bonds are placed into an escrow account. However, unlike other types of advance refunding, the escrow account in a crossover advance refunding transaction is not immediately dedicated to debt service principal and interest payments on the refunded debt. Instead the resources in the escrow account are used temporarily to meet debt service requirements on the refunding bonds. Only at a later date, known as the “crossover date” are the resources in the escrow account dedicated exclusively to the payment of principal and interest on the refunded debt. Crossover advance refundings do not result in the defeasance of debt prior to the crossover date. The City has recorded in the appropriate financial statements the outstanding debt of both the refunding and the refunded issues which are not considered defeased. At December 31, 2014, the 2014B crossover advance refunding bonds are recorded as liability of \$8,645,000 on the government-wide statement of net position. The 2014B bonds are being used to refund the 2005B and 2006C governmental and business-type bonds. The difference between the cash flows required to service the old debt and the cash flows required to service the new debt and complete the refunding is \$833,503, and the economic gain (difference between the present values of the old and new debt service payments) on the transaction is \$790,314.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

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

	Series	Interest Rates %	Original Issue Amount	Final Maturity Date	Outstanding December 31, 2014	Interest Paid 2014
Street improvements, refunding	2003A	3.65 to 4.6%	\$ 34,565,000	9/1/2018	\$ 873,975	\$ 48,916
Street improvements	2005A	2.15 to 3.75%	1,140,000	9/1/2025	130,000	9,555
Street improvements, refunding	2005B	2.65 to 4.35%	8,915,000	9/1/2025	2,015,000	89,950
Street improvements	2006C	4.25 to 4.625%	7,625,000	9/1/2026	3,740,000	184,069
Land acquisition	2006E	4.0 to 4.125%	940,000	9/1/2026	640,000	27,491
Street, City Center East Benefit District	2007B	5.0%	12,975,000	9/1/2027	2,905,000	160,000
Street improvements	2008B	3.0 to 5%	15,020,000	9/1/2023	9,935,000	463,450
Street improvements	2009A	1.5 to 5.5%	2,985,000	9/1/2029	1,750,000	20,640
Refunding	2009B	3.0 to 4.0%	7,660,000	9/1/2027	5,985,000	226,138
Street improvements	2010B	3.0 to 4.0%	11,445,000	9/1/2025	8,930,000	328,969
Refunding	2010C	4.0 to 5.0%	13,424,662	9/1/2018	9,420,637	531,464
Building improvements	2011A	3.0 to 4.0%	4,800,000	9/1/2031	3,520,000	118,950
Street improvements	2012A	2.25 to 3.25%	13,000,000	9/1/2032	11,635,000	334,831
Street improvements, refunding	2012B	2.0 to 3.0%	2,401,876	9/1/2032	—	29,184
Street improvements	2013A	2.0 to 4.125%	4,635,000	9/1/2033	4,245,000	126,728
Street improvements	2014A	2.125 to 5.0%	14,490,000	9/1/2035	14,490,000	—
Street improvements, refunding	2014B	2.0 to 5.0%	4,320,000	9/1/2026	4,320,000	—
					\$ 84,534,612	\$ 2,700,335

	Series	Interest Rates %	Original Issue Amount	Final Maturity Date	Outstanding December 31, 2014	Interest Paid 2014
Stormwater improvements	2003A	3.65 to 4.6%	\$ 16,800,000	9/1/2018	\$ 416,025	\$ 23,284
Stormwater improvements	2005B	2.65 to 4.35%	3,945,000	9/1/2025	2,565,000	111,668
Stormwater improvements	2006C	4.25 to 4.625%	5,735,000	9/1/2026	2,640,000	126,431
Stormwater improvements	2006E	4.0 to 4.125%	2,070,000	9/1/2026	1,400,000	60,266
Stormwater improvements	2007B	5.0%	4,010,000	9/1/2027	3,040,000	160,000
Stormwater improvements	2009A	1.5 to 5.5%	2,960,000	9/1/2029	2,375,000	126,042
Stormwater improvements	2010B	3.0 to 4.0%	1,945,000	9/1/2025	1,470,000	55,313
Stormwater improvements, refunding	2010C	4.0 to 5.0%	6,390,338	9/1/2018	4,484,363	252,986
Stormwater improvements	2011A	3.0 to 4.0%	1,260,000	9/1/2031	1,135,000	39,268
Stormwater improvements	2012A	2.25 to 3.25%	1,465,000	9/1/2032	1,285,000	36,419
Stormwater refunding	2012B	2.0 to 3.0%	4,208,124	9/1/2032	3,525,000	110,416
Stormwater improvements	2013A	2.0 to 4.125%	2,985,000	9/1/2033	2,875,000	102,705
Stormwater improvements	2014A	2.125 to 5.0%	1,115,000	9/1/2035	1,115,000	—
Stormwater improvements, refunding	2014B	2.0 to 5.0%	4,325,000	9/1/2026	4,325,000	—
					\$ 32,650,388	\$ 1,204,798

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

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

Year	Principal	Interest	Total
2015	\$ 8,562,875	\$ 3,161,320	\$ 11,724,195
2016	8,880,612	2,899,183	11,779,795
2017	9,860,800	2,558,174	12,418,974
2018	10,185,325	2,148,320	12,333,645
2019	7,590,000	1,757,904	9,347,904
2020 - 2024	28,825,000	4,637,565	33,462,565
2025 - 2029	7,165,000	1,176,488	8,341,488
2030 - 2034	3,200,000	278,113	3,478,113
2035	265,000	8,281	273,281
	\$ 84,534,612	\$ 18,625,348	\$ 102,886,679

Year	Principal	Interest	Total
2015	\$ 2,672,125	\$ 1,280,527	\$ 3,952,652
2016	2,899,388	1,193,206	4,092,594
2017	3,234,200	1,074,212	4,308,412
2018	3,344,675	937,488	4,282,163
2019	2,085,000	796,804	2,881,804
2020 - 2024	11,205,000	2,697,754	13,902,754
2025 - 2029	5,700,000	844,030	6,544,030
2030 - 2034	1,510,000	134,388	1,644,388
	\$ 32,650,388	\$ 8,958,409	\$ 41,608,797

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, 2014, \$2,850,000 of bonds outstanding are considered defeased.

THE CITY OF LENEXA, KANSAS

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, 2014 are payable as follows:

<u>Project</u>	<u>Interest Rate %</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Outstanding December 31, 2014</u>	<u>Interest Paid 2014</u>
Street Improvements	0.5%	8/12/2013	8/1/2015	\$ 4,830,000	\$ —

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>
2015	\$ 4,830,000	\$ 48,300	\$ 4,878,300

The City's total general obligation debt of \$117,185,000 and general obligation notes payable of \$4,830,000 total \$122,015,000. The City has \$208,628,091 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 2014, incremental ad valorem tax revenues were \$216,050.

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

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

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

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

As of December 31, 2014, the outstanding principal for the bonds is \$6,853,173 and the outstanding accrued interest is \$953,635.

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 and City policy, 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 property tax. The City is only obligated for the amount of incremental taxes received attributable to the project and then, only in accordance with the terms of the DDA. Any project costs in excess of the incremental taxes received are the responsibility of the applicant.

The City has five established active redevelopment districts and as of December 31, 2014, the City has approved thirteen redevelopment project plans. All but two 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.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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 2014, incremental ad valorem tax revenues amounted to \$680,391 and payments to the applicant were \$0. At December 31, 2014, there are \$178,835 in 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 2014, incremental ad valorem tax revenues were \$153,538 and payments to the applicant were \$276,072. The applicant may be reimbursed up to the balance of the certified cost amount of \$5,989,517 until 2022.

Mining TIF Project Plan Two was approved by Ordinance No. 5033 on May 6, 2008. In 2014, incremental ad valorem tax revenues and payments made to the applicant were \$428,370. The applicant may be reimbursed up to the balance of the certified cost amount of \$5,480,063 through May 2026.

Mining TIF Project Plan Three was approved by Ordinance No. 5262 on June 5, 2012. In 2014, incremental ad valorem tax revenues and payments made to the applicant were \$247,708. The applicant may be reimbursed up to the balance of the certified cost amount of \$11,820,545 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. The initial project plan (project plan 1) for the City Center TIF District was approved on October 16, 2001 by Ordinance No. 4431 which subsequently amended by Ordinance No. 4482 on April 9, 2002 and again on May 16, 2006 by Ordinance No. 4846. This project plan provides solely for reimbursement to the City for TIF eligible land acquisition costs.

City Center TIF project plan 1B was approved by Ordinance No. 5043 on July 1, 2008. In 2014 incremental ad valorem tax revenues and payments made to the applicant were \$308,122. The applicant may be reimbursed up to the balance of the certified cost amount of \$2,485,884 until July 2028.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

City Center TIF project plan 1D was approved by Ordinance No. 5297 on March 5, 2013. No certified costs have been submitted.

City Center TIF project plan 1E was approved by Ordinance No. 5357 on January 21, 2014. No certified costs have been submitted.

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

City Center TIF project plan 2B was approved by Ordinance No. 5370 on April 15, 2014. No certified costs have been submitted.

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

City Center TIF project plan 4A was approved by Ordinance No. 5321 on June 18, 2013. No certified costs have been submitted.

A redevelopment district was established by Ordinance No. 4923 on February 6, 2007 for the I-35 and 95th Street TIF District. I-35 and 95th Street TIF District project plan 1 was approved by Ordinance No. 5306 on April 16, 2013. Certified costs in the amount of \$555,000 have been submitted. There has been no increment in the district as of December 31, 2014.

Community Improvement District

Upon petition of the developer and all of the property owners within the proposed community improvement district, the City has established six 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 OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The City established the Orchards Corner CID by Ordinance No. 5174 on October 19, 2010 approving and levying an additional 1% sales tax within the CID. The purpose of the District is to finance the cost of traffic improvements and internal tenant improvements to the Orchard Corners Center located on the southwest corner of 95th Street and Quivira Road. The additional sales tax became effective April 1, 2011. The developer may be reimbursed up to the certified cost amount from collected sales taxes up to a period of 22 years from the date the CID sales tax is first collected in accordance with the terms of the Development Agreement. The Developer may be reimbursed up to the balance of the certified cost amount of \$3,625,274.

The City established the Prairie Creek CID by Ordinance No. 5263 on June 5, 2012 approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to finance the cost of traffic improvements and internal tenant improvements to the Prairie Creek development located on the northwest corner of Prairie Star Parkway and Renner Boulevard. The additional sales tax became effective October 1, 2012. The developer may be reimbursed up to the certified cost amount from collected sales taxes up to a period of 22 years from the date the CID sales tax is first collected in accordance with the terms of the Development Agreement. The Developer may be reimbursed up to the balance of the certified cost amount of \$25,030,088.

The City established the Quivira 95 CID by Ordinance No. 5307 on April 16, 2013 approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to finance the cost of improvements associated with the design, development and construction of the Quivira 95 development consisting of a multi-tenant commercial/retail structure and the associated infrastructure located at the northwest corner of 95th Street and Quivira Road. The additional sales tax became effective October 1, 2013. The developer may be reimbursed up to the certified cost amount from collected sales taxes up to a period of 22 years from the date the CID sales tax is first collected in accordance with the terms of the Development Agreement. The Developer may be reimbursed up to the balance of the certified cost amount of \$1,087,671.

The City established the Greystone Plaza CID by Ordinance No. 5344 on October 10, 2013 approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to finance the renovation and redevelopment of the Greystone Shopping Center located north of 87th Street Parkway and west of Rosehill Road. The additional sales tax became effective April 1, 2014. The developer may be reimbursed up to the certified cost amount from collected sales taxes up to a period of 22 years from the date the CID sales tax is first collected in accordance with the terms of the Development Agreement. No certified costs have been approved as of December 31, 2014.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

The City established the City Center East I CID by Ordinance No. 5377 on June 3, 2014 approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to reimburse the Developer for eligible costs associated with the tenant finishes, landscaping and streetscaping. The CID area includes a four story commercial office/retail building with adjacent outdoor plaza area. The additional sales tax became effective October 1, 2014. The developer may be reimbursed up to the certified cost from collected sales taxes up to a period of 22 years from the date the CID sales tax is first collected in accordance with the terms of the Development Agreement. The Developer may be reimbursed up to the balance of the certified cost amount of \$918,257.

The City established the City Center East II CID by Ordinance No. 5369 on April 15, 2014 approving and levying an additional 1% sales tax with the CID. The purpose of the CID is to reimburse the Developers of the hotel, conference center and restaurant for eligible tenant, site and building improvements. The additional sales tax becomes effective on January 1, 2016. The Developers may be reimbursed for certified costs from collected CID sales taxes up to a period of 22 years from the date the CID sales tax is first collected. Such reimbursement shall be made in accordance with the terms of a development agreement entered into with each Developer. No certified costs have been approved as of December 31, 2014.

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, 2014, \$1,073,430 has been drawn on this loan and the payback amount is \$234,515. Principal payments of \$11,129 were made in 2014. KDHE has committed to 75% principal forgiveness of the loan beginning in 2010. The payback period for the amount of the loan remaining after the principal forgiveness is 20 years. The loan payments began in 2011 when the project was completed.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 11,433	\$ 5,722	\$ 17,155
2016	11,746	5,438	17,184
2017	12,068	5,146	17,214
2018	12,399	4,846	17,245
2019	12,738	4,538	17,276
2020 - 2024	69,119	17,759	86,878
2025 - 2029	79,116	8,681	87,797
2030 - 2031	25,896	642	26,538
	<u>\$ 234,515</u>	<u>\$ 52,772</u>	<u>\$ 287,287</u>

Conduit Debt Obligations

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

As of December 31, 2014, there were 17 issues of industrial revenue and multifamily housing bonds outstanding. These issues have an aggregate original issue amount of approximately \$295 million and an aggregate balance outstanding of approximately \$161 million at December 31, 2014.

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 \$78.2 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 Occupational Accident Buffer Layer Insurance 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 \$1,417,415. 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, 2014 that would exceed insurance coverage. There have been no insurance settlements that have exceeded the insurance coverage for the past three years.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

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, 2014, the workers compensation net position balance was \$822,844 with claims liability of \$398,427. 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 self-insures a health benefit and short-term disability plan. Contributions of \$404,586 a month on behalf of and from current employees are made to a special City bank account, and approximately \$15,627 is deposited monthly from COBRA and retiree participants. CoreSource administers, processes, and pays employee health claims from funds in this account in accordance with the plan. The medical plan will pay medical and pharmacy claims up to the individual stop loss deductible of \$100,000 per person enrolled on the medical plan. There is a one-time aggregating specific deductible of \$50,000. Claims over \$100,000 per person and the aggregating deductible are covered under the specific stop loss contract with American National Insurance. Aggregate reinsurance coverage through Aenta covers the next \$1,000,000 over the annual amount of \$5,483,295 in medical and pharmacy claims paid by the City. Payments made in accordance with the plans and related insurance premiums are recorded in the Health Plan Fund. As of December 31, 2014, a liability of \$505,314 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:

Year	Beginning Of Fiscal Year Liability	Current Year Claims And Changes In Estimates	Claim Payments	Balance At Fiscal Year End
2013	\$ 35,000	\$ 25,000	\$ —	\$ 60,000
2014	60,000	(60,000)	—	—

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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>
2013	\$ 234,365	\$ 396,427	\$ 317,109	\$ 313,683
2014	313,683	368,301	283,557	398,427

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

<u>Year</u>	<u>Beginning Of Fiscal Year Liability</u>	<u>Current Year Claims And Changes In Estimates</u>	<u>Claim Payments</u>	<u>Balance At Fiscal Year End</u>
2013	\$ 273,792	\$ 4,366,680	\$ 4,364,073	\$ 276,399
2014	276,399	4,372,375	4,143,460	505,314

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.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for employees first employed prior to June 30, 2009, and at 6% of covered salary for employees first employed on or after July 1, 2009. Members whose original contribution rate was 4%, increased to a contribution rate of 5% in January 2014. K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary and at 7.15% of covered salary effective with payroll period beginning on or after July 1, 2013. 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 2014 was 9.69% of the employees' gross salary for January 1, 2014 through December 31, 2014. The City employer contributions to KPERS for the years ended December 31, 2014, 2013, and 2012 were \$1,124,173, \$988,042, and \$911,714, respectively, equal to the required contributions for each year. The KP&F employer rate established for the fiscal year beginning in 2014 was 19.97%. 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, 2014, 2013, and 2012 were \$2,143,302, \$1,871,721, and \$1,778,968, 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, 2014 through December 31, 2014 was 13.77%. The City contributions for Working After Retirement for the years ended December 31, 2014, 2013, and 2012 were \$23,620, \$18,449, and \$16,592, 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, which is currently administered by Voya Financial. 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 \$10,798 during 2014 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.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Effective January 1, 2010, pursuant to resolution, the Governing Body established the City of Lenexa 401(a) Defined Contribution Plan (Defined Contribution Plan) which is currently administered by Voya Financial. This 401(a) plan is a defined contribution plan governed by the Internal Revenue Code of 1986. 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 \$1,313,164 during 2014 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. The Retirement Committee (Trustees) serves as the trustees of the Plan. The Trustees have the authority to amend the Plan, including changes affecting plan design, but not to terminate a plan. The Governing Body retains the authority to terminate any plan. The Trustees consist of seven members: the City Administrator, the Administrative Services Director/CFO, Fire Chief, Police Chief, Parks & Recreation Director, Municipal Services Director, and one at-large member shall be appointed by, and serve at the pleasure of, the City Administrator. The Trustees review investment performance on a quarterly basis and reviews Plan performance. A stand-alone financial report is not issued for the Plan. The Plan is considered part of the City's reporting entity and is presented solely in the accompanying financial statements as a pension trust fund in the Fiduciary Fund financial statements.

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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, 2014, the date of the latest measurement:

	Public Service	Police & Fire
Inactive members or beneficiaries receiving benefits	60	41
Inactive members entitled to future benefits	138	46
Active plan members	133	123
Total	<u>331</u>	<u>210</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 Public Service employees except that the normal retirement age is 55 versus 62 and there is no early retirement option.

Contributions

The City's contribution is set by the City Council in conjunction with its approval of the annual budget, based on information provided by the Plan's consulting actuary and Board of Trustees. For the year ending December 31, 2014, the City contributed 3.54% of the payroll of active members.

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 as of the latest actuarial valuation of January 1, 2014 pursuant to GASB Statement No. 27 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 most recent experience study of the covered group was completed in 2009.

THE CITY OF LENEXA, KANSAS

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 (asset) consisted of the following at December 31, 2014, the date of the latest actuarial measurement:

Annual Pension Cost And Net Pension Obligation (Asset)

Annual required contribution	\$ 188,237
Interest on net pension obligation	(34,886)
Adjustment to annual required contribution	40,161
Annual Pension Cost	193,512
Contributions made plus interest	650,061
Change In Net Pension Asset	(456,549)
Net Pension Asset - Beginning Of Year	(498,365)
Net Pension Asset - End Of Year	\$ (954,914)

<u>Fiscal Year Ended:</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2014	\$ 193,512	335.9%	\$ (954,914)
2013	515,716	117.1%	(498,365)
2012	332,595	138.9%	(410,021)

Funding Status And Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the Plan was 92.6% funded. The actuarial accrued liability (AAL) for benefits was \$29,088,304 and the actuarial value of assets was \$26,924,289, resulting in an unfunded AAL (UAAL) of \$2,164,015. The covered payroll was \$16,486,181, and the ratio of the UAAL to the covered payroll was 13.1%. The Plan was closed to new participants as of December 31, 2009, and no new benefits will accrue. 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

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 Assumptions

Actuarial methods and assumptions:

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

Primary actuarial assumptions:

Investment rate of return*:	
Prior to retirement	6.25%
After retirement	6.25%
Inflation rate	3.00%
Projected salary increases	5.00%
Withdrawal rates	T-3
Mortality table**	RP-2000 Health Annuitant Mortality Table
Administrative expenses	Paid outside of the plan assets

* (7% used for reports prior to 1/1/2014 and 8% used for reports prior to 1/1/2006)

** (83 GAM used for reports prior to and including 1/1/2014)

Net Pension Liability

Consistent with the requirements of GASB Statement No. 67, *Financial Reporting for Pension Plans*, the City is required to calculate and disclose the net pension liability of the City. For the year ended December 31, 2015, the City will record the net pension liability of the City on the statement of net position in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. For the year ended December 31, 2014, the City has recorded on its Statement of Net Position a net pension asset, calculated in accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. The components of the net pension liability of the City, based on a valuation date of January 1, 2014 rolled forward to a measurement date of December 31, 2014, according the calculations required by GASB Statement No. 67 were as follows:

Total Pension Liability	\$ 29,088,304
Plan Fiduciary Net Position	<u>27,708,539</u>
City's Net Pension Liability	<u>\$ 1,379,765</u>
Plan Fiduciary Net Position as a percentage of the total pension liability	95.26%

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Investment Categories

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

Rates Of Return

The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of expense, was 6.00%.

Discount Rate

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at a rate equal to 2.0% of the projected payroll for the next 10 years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Of The Net Pension Liability To Changes In The Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.25%) or 1 percentage point higher (7.25%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Discount Rate	5.25%	6.25%	7.25%
City Net Pension Liability (Asset)	\$ 5,349,204	\$ 1,379,765	\$ (1,990,948)

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 OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The City required retirees to pay 120% of the funding rate in 2014 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).

Membership of the Plan consisted of the following at January 1, 2013, the date of the latest actuarial valuation:

Active plan members	367
Terminated plan members	—
Retirees and beneficiaries receiving benefits	<u>36</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

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, 2013. 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 120% of the funding rate in 2014 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	\$	258,447
Amortization of unfunded actuarial accrued liability		<u>240,964</u>
Annual required contribution (ARC)		499,411
Interest on net OPEB obligation		113,564
Adjustment to annual required contribution		<u>(170,452)</u>
Annual OPEB cost		<u>442,523</u>
Contributions made:		
Claims		337,987
Stop-loss premiums and fees paid on behalf of retirees		30,933
Retiree contributions		<u>(184,003)</u>
Net employer contributions		<u>184,917</u>
Change in net pension obligation		257,606
Net OPEB obligation, December 31, 2013		<u>3,244,680</u>
Net OPEB obligation, December 31, 2014	\$	<u><u>3,502,286</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2014 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2012	\$ 412,450	29.0%	\$ 3,089,832
12/31/2013	445,238	65.2%	3,244,680
12/31/2014	442,523	41.8%	3,502,286

Funded Status And Funding Progress

As of January 1, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$4,431,818 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,431,818. The covered payroll (annual payroll of active employees covered by the plan) was \$20 million, and the ratio of the UAAL to the covered payroll was 22.3%.

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, 2013 actuarial valuation, the entry age normal - level dollar method was used. The actuarial assumptions included a 3.5% 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 7.0% initially, reduced by decrements to an ultimate rate of 5% after eight years and an annual dental cost trend rate of 4.0%. 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 2.75%. 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, 2013 was 30 years.

Required Supplementary Information

CITY OF LENEXA, KANSAS

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

Page 1 Of 2

For The Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 54,065,292	\$ 54,065,292	\$ 57,728,699	\$ 3,663,407
Intergovernmental	—	—	49,109	49,109
Licenses and permits	1,009,300	1,009,300	1,907,425	898,125
Charges for services	1,966,114	2,011,964	1,869,765	(142,199)
Rents and leases	459,091	459,091	439,154	(19,937)
Fines and forfeitures	1,145,000	1,145,000	1,593,022	448,022
Investment earnings	126,000	126,000	27,786	(98,214)
Miscellaneous	272,553	273,053	1,235,001	961,948
Total Revenues	59,043,350	59,089,700	64,849,961	5,760,261
Expenditures				
Current				
General government:				
Legislative	168,197	207,482	156,637	50,845
Executive	704,416	699,216	600,865	98,351
Communications	343,081	343,078	336,646	6,432
Municipal court	561,933	560,298	476,302	83,996
Enterprise systems and technology	3,324,119	3,469,438	2,895,259	574,179
Finance	1,431,815	1,342,848	1,323,805	19,043
Legal	1,305,050	1,305,050	1,175,925	129,125
Human resources	726,572	813,481	730,855	82,626
Community development	3,458,352	3,499,702	3,251,552	248,150
Total General Government	12,023,535	12,240,593	10,947,846	1,292,747
Public safety:				
Police Administration	4,531,279	4,501,391	4,196,648	304,743
Police Investigation	1,708,044	1,708,044	1,466,624	241,420
Police Patrol	7,405,661	7,391,899	7,285,660	106,239
Fire	9,316,953	9,336,303	9,335,187	1,116
Total Public Safety	22,961,937	22,937,637	22,284,119	653,518
Municipal services:				
Municipal Services Administration	505,545	555,565	505,529	50,036
Streets	2,260,204	2,353,859	2,096,528	257,331
Traffic	1,896,054	1,894,097	1,725,563	168,534
Fleet	2,068,230	1,940,532	1,730,862	209,670
Facilities management	1,946,989	1,951,619	1,900,467	51,152
Total Municipal Services	8,677,022	8,695,672	7,958,949	736,723

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, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Recreation:				
Recreation administration	\$ 2,517,019	\$ 566,535	\$ 558,300	\$ 8,235
Maintenance	653,136	2,625,371	2,361,478	263,893
Programs	2,301,062	2,339,793	1,885,574	454,219
Total Recreation	5,471,217	5,531,699	4,805,352	726,347
Total Expenditures	49,133,711	49,405,601	45,996,266	3,409,335
Excess Of Revenues Over Expenditures	9,909,639	9,684,099	18,853,695	9,169,596
Other Financing Sources (Uses)				
Transfers in	46,152	46,152	28,188	(17,964)
Transfers out	(31,125,447)	(30,853,557)	(16,603,874)	14,249,683
Total Other Financing Sources (Uses)	(31,079,295)	(30,807,405)	(16,575,686)	14,231,719
Net Changes In Fund Balance	\$ (21,169,656)	\$ (21,123,306)	2,278,009	\$ 23,401,315
Fund Balance - Beginning Of Year			26,122,314	
Fund Balance - End Of Year - Budget Basis			\$ 28,400,323	
Adjustments To Reconcile To GAAP Basis				
Encumbrances reserved at December 31, 2014			\$ 227,866	
Encumbrances reserved at December 31, 2013			(263,578)	
Fund Balance - End Of Year - GAAP Basis			\$ 28,364,611	

CITY OF LENEXA, KANSAS

NOTE TO BUDGETARY COMPARISON INFORMATION

December 31, 2014

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 November 2014, an additional appropriation was approved for \$250,000 for the Special Parks and Recreation, \$960,000 for the Mining TIF Fund, \$540,000 for the TIP fund, \$5,000 for the City Center East CID and \$24,000 Greystone Plaza CID Fund.

CITY OF LENEXA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2014

Pension Plan – City Of Lenexa Defined Benefit Plan

Schedule Of Funding Progress:

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued 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)
1/1/2009	\$ 22,640,119	\$ 25,392,898	\$ 2,752,779	89.2%	\$ 20,872,736	13.2%
1/1/2010	22,098,300	25,135,372	3,037,072	87.9%	19,273,627	15.8%
1/1/2011	22,053,517	26,143,835	4,090,318	84.4%	17,917,668	22.8%
1/1/2012	22,394,233	28,739,914	6,345,681	77.9%	19,042,503	33.3%
1/1/2013	24,963,189	27,298,888	2,335,699	91.4%	17,455,440	13.4%
1/1/2014	26,924,289	29,088,304	2,164,015	92.6%	16,486,181	13.1%

Note: Plan frozen in 2009

CITY OF LENEXA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE YEAR ENDED DECEMBER 31

	2014	2013
Total Pension Liability		
Service cost	\$ —	—
Interest	1,676,595	\$ 1,985,176
Changes of benefit terms	—	—
Difference between expected and actual experience	(236,393)	(2,665,546)
Changes of assumptions*	1,296,099	—
Benefit payments	(947,023)	(760,518)
Net Change In Total Pension Liability	1,789,278	(1,440,888)
Total pension liability - beginning	27,299,026	28,739,914
Total pension liability - ending (a)	29,088,304	27,299,026
Plan Fiduciary Net Position		
Contributions - employer	610,000	572,000
Net investment income	1,648,230	3,364,999
Benefit payments	(890,052)	(760,518)
Net Change In Plan Fiduciary Net Position	1,368,178	3,176,481
Total fiduciary net position - beginning	26,340,361	23,163,880
Total fiduciary net position - ending (b)	27,708,539	26,340,361
Net Pension Liability (a) - (b)	1,379,765	958,665
Plan fiduciary net position as a percentage of the total pension liability	95.26%	96.49%
Covered employee payroll	17,220,621	18,218,474
Covered employee payroll < normal retirement age	16,486,181	17,455,440
Net pension liability as a percentage of covered employee payroll	8.01%	5.26%

* Mortality assumption updated in 2014, interest rate prior to retirement decreased from 7% to 6.25%

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

CITY OF LENEXA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially Determined Contribution	\$ 188,237	\$ 511,375	\$ 329,624	\$ 244,746	\$ 221,837	\$ 2,503,531	\$ 2,190,774	\$ 2,156,727	\$ 2,108,306	\$ 1,778,979
Contribution in relation to the actuarially determined contribution	610,000	572,000	432,000	432,000	432,000	2,600,004	2,190,774	2,156,732	2,152,136	1,647,204
Contribution deficiency (excess)	\$ (421,763)	\$ (60,625)	\$ (102,376)	\$ (187,254)	\$ (210,163)	\$ (96,473)	\$ —	\$ (5)	\$ (43,830)	\$ 131,775
Covered Payroll	\$ 17,220,621	\$ 18,218,474	\$ 19,526,691	\$ 18,633,428	\$ 20,085,937	\$ 21,693,357	\$ 22,906,764	\$ 21,778,271	\$ 20,804,036	\$ 19,749,094
Contribution as a percentage of covered employee payroll	3.5	3.1	2.2	2.3	2.2	12.0	9.6	9.9	10.3	8.3
Contribution as a percentage of actuarially determined contribution	324%	112%	131%	177%	195%	104%	100%	100%	102%	93%

Notes:

Methods and Assumptions:

Actuarial Cost Method	Entry Age Normal (Plan benefits frozen January 1, 2010)
Asset Valuation Method	5- Year Smoothed Market Value
Withdrawal	T-3
Salary Increases	N/A, Frozen Benefit
Investment Rate of Return	6.25% (7.00% used for reports prior to 2014, 8.00% used for reports prior to 2006)
Retirement Age	Service - 62, Police & Fire - 55
Mortality	In the actuarial valuation for 2014, the assumed life expectancies were adjusted as a result of adopting the RP-2000

CITY OF LENEXA, KANSAS
REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Annual money-weighted rate of return, net of investment expense	6.00%	14.71%	10.85%	0.76%	15.22%	25.71%	(27.53)%	8.88%	15.28%	6.68%

CITY OF LENEXA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2014

Other Post Employment Benefit Obligations

Schedule Of Funding Progress:

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued 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)
01/01/2009	\$ —	\$ 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%
01/01/2013	—	4,431,818	4,431,818	0.00%	19,903,585	22.3%

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

Supplementary Information

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

CITY OF LENEXA, KANSAS

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

Nonmajor Governmental Funds (*Continued*)

Neighborhood Revitalization District*

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

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

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 95th and Quivira).

Prairie Creek CID*

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

Quivira 95 CID*

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

Greystone Plaza CID*

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

City Center East (CCE) #1 CID*

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

*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.

CITY OF LENEXA, KANSAS

Nonmajor Governmental Funds (*Continued*)

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, 2014

	Combined Special Revenue Funds	Debt Service Reserve TIF	Capital Project Funds			Total Nonmajor Governmental Funds
			Capital Acquisition	Municipal Buildings	Parks And Recreation	
Assets						
Deposits, including investments	\$ 4,957,169	\$ —	\$ 2,367,628	\$ 3,919,420	\$ 1,244,752	\$ 12,488,969
Restricted cash and investments	—	1,003	—	—	—	1,003
Property tax receivable (net of allowance for uncollectibles)	3,799,441	—	—	—	—	3,799,441
Sales tax receivable	145,302	—	—	—	—	145,302
Transient guest tax receivable	241,028	—	—	—	—	241,028
Special highway tax receivable	326,969	—	—	—	—	326,969
Special liquor tax receivable	122,930	—	—	—	—	122,930
Other receivable	—	—	56,400	—	—	56,400
Intergovernmental receivable	40,402	—	—	—	—	40,402
Interest receivable	9,352	—	4,111	2,941	—	16,404
Total Assets	\$ 9,642,593	\$ 1,003	\$ 2,428,139	\$ 3,922,361	\$ 1,244,752	\$ 17,238,848
Liabilities, Deferred Inflows And Fund Balances						
Liabilities						
Accounts payable	\$ 54,231	\$ —	\$ 22,778	\$ 683,202	\$ 3,898	\$ 764,109
Due to other funds	7,693	—	—	—	—	7,693
Total Liabilities	61,924	—	22,778	683,202	3,898	771,802
Deferred Inflows Of Resources						
Property tax	3,799,441	—	—	—	—	3,799,441
Fund Balances						
Restricted	5,788,921	1,003	—	2,992,317	570,693	9,352,934
Committed	—	—	88,043	47,900	10,426	146,369
Assigned	—	—	2,317,318	198,942	659,735	3,175,995
Unassigned	(7,693)	—	—	—	—	(7,693)
Total Fund Balances	5,781,228	1,003	2,405,361	3,239,159	1,240,854	12,667,605
Total Liabilities, Deferred Inflows And Fund Balances	\$ 9,642,593	\$ 1,003	\$ 2,428,139	\$ 3,922,361	\$ 1,244,752	\$ 17,238,848

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For The Year Ended December 31, 2014

	Combined Special Revenue Funds	Debt Service Reserve TIF	Capital Project Funds			Total Nonmajor Governmental Funds
			Capital Acquisition	Municipal Buildings	Parks And Recreation	
Revenues						
Taxes	\$ 5,971,348	\$ —	\$ —	\$ —	\$ —	\$ 5,971,348
Intergovernmental	51,517	—	51,530	—	—	103,047
Charges for services	1,017,260	—	—	—	—	1,017,260
Fines and forfeitures	353,086	—	—	—	—	353,086
Investment earnings	14,969	3	(4,762)	14,836	—	25,046
Miscellaneous	—	—	435,748	—	1,861	437,609
Total Revenues	7,408,180	3	482,516	14,836	1,861	7,907,396
Expenditures						
Current:						
General government	745,662	10,962	—	—	—	756,624
Public safety	184,186	—	—	—	—	184,186
Municipal services	51,036	—	—	—	—	51,036
Recreation	109,745	—	—	—	—	109,745
Economic development	1,859,115	—	—	—	—	1,859,115
Capital outlay	—	—	2,054,674	2,880,551	1,765,669	6,700,894
Debt service:						
Principal retirement	—	191,782	—	—	—	191,782
Interest and fiscal charges	—	18,218	—	—	—	18,218
Total Expenditures	2,949,744	220,962	2,054,674	2,880,551	1,765,669	9,871,600
Excess (Deficiency) Of Revenues Over Expenditures	4,458,436	(220,959)	(1,572,158)	(2,865,715)	(1,763,808)	(1,964,204)
Other Financing Sources (Uses)						
Issuance of general obligation bonds	—	—	—	4,005,000	—	4,005,000
Premium on general obligation bonds	—	—	—	163,753	—	163,753
Transfers in	11,009	216,050	2,668,989	350,000	1,786,098	5,032,146
Transfers out	(3,367,606)	—	—	(103,821)	—	(3,471,427)
Total Other Financing Sources (Uses)	(3,356,597)	216,050	2,668,989	4,414,932	1,786,098	5,729,472
Net Changes In Fund Balances	1,101,839	(4,909)	1,096,831	1,549,217	22,290	3,765,268
Fund Balances - Beginning Of Year	4,679,389	5,912	1,308,530	1,689,942	1,218,564	8,902,337
Fund Balances - End Of Year	\$ 5,781,228	\$ 1,003	\$ 2,405,361	\$ 3,239,159	\$ 1,240,854	\$ 12,667,605

CITY OF LENEXA, KANSAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
Page 1 Of 4
December 31, 2014

	Neighborhood Revitalization District	Street Tree Zone 1	Street Tree Zone 2	Street Tree Zone 3	Special Highway	Tourism And Convention
Assets						
Deposits and investments	\$ 99,895	\$ 107,840	\$ 92,320	\$ 203,261	\$ —	\$ 586,663
Property tax receivable (net of allowance for uncollectibles)	207,250	—	—	—	—	—
Sales tax receivable	—	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—	241,028
Special highway tax receivable	—	—	—	—	326,969	—
Special liquor tax receivable	—	—	—	—	—	—
Intergovernmental receivable	—	—	—	—	—	—
Interest receivable	—	385	329	726	—	—
Total Assets	\$ 307,145	\$ 108,225	\$ 92,649	\$ 203,987	\$ 326,969	\$ 827,691
Liabilities, Deferred Inflows And Fund Balances						
Liabilities						
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Due to other funds	—	—	—	—	—	—
Total Liabilities	—	—	—	—	—	—
Deferred Inflows Of Resources						
Property tax	207,250	—	—	—	—	—
Fund Balances						
Restricted	99,895	108,225	92,649	203,987	326,969	827,691
Unassigned	—	—	—	—	—	—
Total Fund Balances	99,895	108,225	92,649	203,987	326,969	827,691
Total Liabilities, Deferred Inflows And Fund Balances	\$ 307,145	\$ 108,225	\$ 92,649	\$ 203,987	\$ 326,969	\$ 827,691

CITY OF LENEXA, KANSAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
Page 2 Of 4
December 31, 2014

	Special Alcohol Control	Special Park And Recreation	TIP Zone 1	TIP Zone 2	TIP Zone 3	Grants
Assets						
Deposits and investments	\$ 296,291	\$ —	\$ 725,303	\$ 326,863	\$ 338,873	\$ (40,056)
Property tax receivable (net of allowance for uncollectibles)	—	—	—	—	—	—
Sales tax receivable	—	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—	—
Special highway tax receivable	—	—	—	—	—	—
Special liquor tax receivable	61,465	61,465	—	—	—	—
Other receivable	—	—	—	—	—	—
Intergovernmental receivable	—	—	—	—	—	40,402
Interest receivable	—	—	2,590	1,168	1,210	—
Total Assets	\$ 357,756	\$ 61,465	\$ 727,893	\$ 328,031	\$ 340,083	\$ 346
Liabilities, Deferred Inflows And Fund Balances						
Liabilities						
Accounts payable	\$ 2,878	\$ —	\$ —	\$ —	\$ —	\$ 346
Due to other funds	—	—	—	—	—	7,693
Total Liabilities	2,878	—	—	—	—	8,039
Deferred Inflows Of Resources						
Property tax	—	—	—	—	—	—
Fund Balances						
Restricted	354,878	61,465	727,893	328,031	340,083	—
Unassigned	—	—	—	—	—	(7,693)
Total Fund Balances	354,878	61,465	727,893	328,031	340,083	(7,693)
Total Liabilities, Deferred Inflows And Fund Balances	\$ 357,756	\$ 61,465	\$ 727,893	\$ 328,031	\$ 340,083	\$ 346

CITY OF LENEXA, KANSAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
Page 3 Of 4
December 31, 2014

	Ridgeview Mining TIF	South Mining District TIF	City Center TIF	Law Enforcement Trust	Legal Trust	Mining TIF District	City Center East TIF Bonds
Assets							
Deposits and investments	\$ 4,455	\$ 12,198	\$ 654,903	\$ 560,180	\$ 69,648	\$ 3,899	\$ 23,772
Property tax receivable (net of allowance for uncollectibles)	703,793	2,894	1,422,732	—	—	1,176,441	286,331
Sales tax receivable	—	—	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—	—	—
Special highway tax receivable	—	—	—	—	—	—	—
Special liquor tax receivable	—	—	—	—	—	—	—
Intergovernmental receivable	—	—	—	—	—	—	—
Interest receivable	—	—	—	—	—	—	—
Total Assets	\$ 708,248	\$ 15,092	\$ 2,077,635	\$ 560,180	\$ 69,648	\$ 1,180,340	\$ 310,103
Liabilities, Deferred Inflows And Fund Balances							
Liabilities							
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Deferred Inflows Of Resources							
Property tax	703,793	2,894	1,422,732	—	—	1,176,441	286,331
Fund Balances							
Restricted	4,455	12,198	654,903	560,180	69,648	3,899	23,772
Unassigned	—	—	—	—	—	—	—
Total Fund Balances	4,455	12,198	654,903	560,180	69,648	3,899	23,772
Total Liabilities, Deferred Inflows And Fund Balances	\$ 708,248	\$ 15,092	\$ 2,077,635	\$ 560,180	\$ 69,648	\$ 1,180,340	\$ 310,103

CITY OF LENEXA, KANSAS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

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December 31, 2014

	Orchard Corners CID	Prairie Creek CID	Quivira 95 CID	Greystone Plaza CID	City Center East #1 CID	Parks And Recreation Impact Zone 1	Parks And Recreation Impact Zone 2	Parks And Recreation Impact Zone 3	Total Special Revenue Funds
Assets									
Deposits and investments	\$ 40,765	\$ 6,669	\$ 2,591	\$ 15,570	\$ 982	\$ 344,370	\$ 250,146	\$ 229,768	\$ 4,957,169
Property tax receivable (net of allowance for uncollectibles)	—	—	—	—	—	—	—	—	3,799,441
Sales tax receivable	117,152	13,104	6,704	4,827	3,515	—	—	—	145,302
Transient guest tax receivable	—	—	—	—	—	—	—	—	241,028
Special highway tax receivable	—	—	—	—	—	—	—	—	326,969
Special liquor tax receivable	—	—	—	—	—	—	—	—	122,930
Intergovernmental receivable	—	—	—	—	—	—	—	—	40,402
Interest receivable	—	—	—	—	—	1,230	894	820	9,352
Total Assets	\$ 157,917	\$ 19,773	\$ 9,295	\$ 20,397	\$ 4,497	\$ 345,600	\$ 251,040	\$ 230,588	\$ 9,642,593
Liabilities, Deferred Inflows And Fund Balances									
Liabilities									
Accounts payable	\$ 40,765	\$ 6,669	\$ 2,591	\$ —	\$ 982	\$ —	\$ —	\$ —	\$ 54,231
Due to other funds	—	—	—	—	—	—	—	—	7,693
Total Liabilities	40,765	6,669	2,591	—	982	—	—	—	61,924
Deferred Inflows Of Resources									
Property tax	—	—	—	—	—	—	—	—	3,799,441
Fund Balances									
Restricted	117,152	13,104	6,704	20,397	3,515	345,600	251,040	230,588	5,788,921
Unassigned	—	—	—	—	—	—	—	—	(7,693)
Total Fund Balances	117,152	13,104	6,704	20,397	3,515	345,600	251,040	230,588	5,781,228
Total Liabilities, Deferred Inflows And Fund Balances	\$ 157,917	\$ 19,773	\$ 9,295	\$ 20,397	\$ 4,497	\$ 345,600	\$ 251,040	\$ 230,588	\$ 9,642,593

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, 2014

	Neighborhood Revitalization District	Street Tree Zone 1	Street Tree Zone 2	Street Tree Zone 3	Special Highway	Tourism And Convention
Revenues						
Taxes	\$ 241,177	\$ —	\$ —	\$ —	\$ 1,299,718	\$ 799,992
Intergovernmental	—	—	—	—	—	—
Charges for services	100	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—
Investment earnings	—	769	1,100	2,303	—	—
Total Revenues	241,277	769	1,100	2,303	1,299,718	799,992
Expenditures						
Current:						
General government	213,803	—	—	—	—	531,859
Public safety	—	—	—	—	—	—
Municipal services	—	—	—	—	—	—
Recreation	—	2,475	33,926	46,033	—	—
Economic development	—	—	—	—	—	—
Total Expenditures	213,803	2,475	33,926	46,033	—	531,859
Excess (Deficiency) Of Revenues Over Expenditures	27,474	(1,706)	(32,826)	(43,730)	1,299,718	268,133
Other Financing Sources (Uses)						
Transfers in	—	—	—	—	—	—
Transfers out	—	—	—	—	(1,291,160)	(23,000)
Total Other Financing Sources (Uses)	—	—	—	—	(1,291,160)	(23,000)
Net Changes In Fund Balances	27,474	(1,706)	(32,826)	(43,730)	8,558	245,133
Fund Balances - Beginning Of Year	72,421	109,931	125,475	247,717	318,411	582,558
Fund Balances - End Of Year	\$ 99,895	\$ 108,225	\$ 92,649	\$ 203,987	\$ 326,969	\$ 827,691

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, 2014

	Special Alcohol Control	Special Park And Recreation	TIP Zone 1	TIP Zone 2	TIP Zone 3	Grants
Revenues						
Taxes	\$ 235,287	\$ 235,287	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	—	—	47,881
Charges for services	—	—	366,809	124,314	104,133	—
Fines and forfeitures	—	—	—	—	—	—
Investment earnings (loss)	—	—	(1,860)	3,287	1,325	—
Total Revenues	235,287	235,287	364,949	127,601	105,458	47,881
Expenditures						
Current:						
General government	—	—	—	—	—	—
Public safety	135,734	—	—	—	—	10,367
Municipal services	—	—	—	—	—	51,036
Recreation	—	—	—	—	—	—
Economic development	—	—	—	—	—	—
Total Expenditures	135,734	—	—	—	—	61,403
Excess (Deficiency) Of Revenues Over Expenditures	99,553	235,287	364,949	127,601	105,458	(13,522)
Other Financing Sources (Uses)						
Transfers in	—	—	11,009	—	—	—
Transfers out	—	(228,870)	—	(120,411)	—	—
Total Other Financing Sources (Uses)	—	(228,870)	11,009	(120,411)	—	—
Net Changes In Fund Balances	99,553	6,417	375,958	7,190	105,458	(13,522)
Fund Balances - Beginning Of Year	255,325	55,048	351,935	320,841	234,625	5,829
Fund Balances - End Of Year	\$ 354,878	\$ 61,465	\$ 727,893	\$ 328,031	\$ 340,083	\$ (7,693)

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, 2014

	Ridgeview Mining TIF	South Mining District TIF	City Center TIF	Law Enforcement Trust	Legal Trust	Mining TIF District	City Center East TIF Bonds
Revenues							
Taxes	\$ 680,391	\$ 2,907	\$ 776,733	\$ —	\$ —	\$ 835,938	\$ 216,050
Intergovernmental	—	—	—	3,636	—	—	—
Charges for services	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	349,404	3,682	—	—
Investment earnings (loss)	—	—	—	—	—	—	—
Total Revenues	680,391	2,907	776,733	353,040	3,682	835,938	216,050
Expenditures							
Current:							
General government	—	—	—	—	—	—	—
Public safety	—	—	—	38,085	—	—	—
Municipal services	—	—	—	—	—	—	—
Recreation	—	—	—	—	—	—	—
Economic development	—	—	308,122	—	—	952,150	—
Total Expenditures	—	—	308,122	38,085	—	952,150	—
Excess (Deficiency) Of Revenues Over Expenditures	680,391	2,907	468,611	314,955	3,682	(116,212)	216,050
Other Financing Sources (Uses)							
Transfers in	—	—	—	—	—	—	—
Transfers out	(678,342)	—	(374,661)	—	—	(1,245)	(216,050)
Total Other Financing Sources (Uses)	(678,342)	—	(374,661)	—	—	(1,245)	(216,050)
Net Changes In Fund Balances	2,049	2,907	93,950	314,955	3,682	(117,457)	—
Fund Balances - Beginning Of Year	2,406	9,291	560,953	245,225	65,966	121,356	23,772
Fund Balances - End Of Year	\$ 4,455	\$ 12,198	\$ 654,903	\$ 560,180	\$ 69,648	\$ 3,899	\$ 23,772

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, 2014

	Orchard Corners CID	Prairie Creek CID	Quivira 95 CID	Greystone Plaza CID	City Center East #1 CID	Parks And Recreation Impact Zone 1	Parks And Recreation Impact Zone 2	Parks And Recreation Impact Zone 3	Total Special Revenue Funds
Revenues									
Taxes	\$ 508,571	\$ 84,154	\$ 30,239	\$ 20,397	\$ 4,507	\$ —	\$ —	\$ —	\$ 5,971,348
Intergovernmental	—	—	—	—	—	—	—	—	51,517
Charges for services	—	—	—	—	—	233,587	143,074	45,243	1,017,260
Fines and forfeitures	—	—	—	—	—	—	—	—	353,086
Investment earnings (loss)	—	—	—	—	—	2,158	4,588	1,299	14,969
Total Revenues	508,571	84,154	30,239	20,397	4,507	235,745	147,662	46,542	7,408,180
Expenditures									
Current:									
General government	—	—	—	—	—	—	—	—	745,662
Public safety	—	—	—	—	—	—	—	—	184,186
Municipal services	—	—	—	—	—	—	—	—	51,036
Recreation	—	—	—	—	—	14,811	12,500	—	109,745
Economic development	493,666	79,366	24,829	—	982	—	—	—	1,859,115
Total Expenditures	493,666	79,366	24,829	—	982	14,811	12,500	—	2,949,744
Excess (Deficiency) Of Revenues									
Over Expenditures	14,905	4,788	5,410	20,397	3,525	220,934	135,162	46,542	4,458,436
Other Financing Sources (Uses)									
Transfers in	—	—	—	—	—	—	—	—	11,009
Transfers out	(5,692)	(887)	(251)	—	(10)	(157,054)	(269,973)	—	(3,367,606)
Total Other Financing Sources (Uses)	(5,692)	(887)	(251)	—	(10)	(157,054)	(269,973)	—	(3,356,597)
Net Changes In Fund Balances	9,213	3,901	5,159	20,397	3,515	63,880	(134,811)	46,542	1,101,839
Fund Balances - Beginning Of Year	107,939	9,203	1,545	—	—	281,720	385,851	184,046	4,679,389
Fund Balances - End Of Year	\$ 117,152	\$ 13,104	\$ 6,704	\$ 20,397	\$ 3,515	\$ 345,600	\$ 251,040	\$ 230,588	\$ 5,781,228

CITY OF LENEXA, KANSAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STREET TREE ZONE 1 FUND
For The Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 10,000	\$ 10,000	\$ —	\$ (10,000)
Investment earnings	—	—	769	769
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>769</u>	<u>(9,231)</u>
Expenditures				
Current:				
Recreation	10,000	10,000	2,475	7,525
Deficiency Of Revenues Over Expenditures	—	—	(1,706)	(1,706)
Other Financing Sources (Uses)				
Transfers out	(110,407)	(110,407)	—	110,407
Net Changes In Fund Balances	<u>(110,407)</u>	<u>(110,407)</u>	<u>(1,706)</u>	<u>(1,706)</u>
Fund Balances - Beginning Of Year			<u>109,931</u>	
Fund Balances - End Of Year			<u><u>\$ 108,225</u></u>	

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, 2014**

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 25,000	\$ 25,000	\$ —	\$ (25,000)
Investment earnings	—	—	1,100	1,100
Total Revenues	25,000	25,000	1,100	(23,900)
Expenditures				
Current:				
Recreation	25,000	14,920	33,926	(19,006)
Excess (Deficiency) Of Revenues Over Expenditures	—	10,080	(32,826)	(42,906)
Other Financing Sources (Uses)				
Transfers out	(136,673)	(121,753)	—	121,753
Net Changes In Fund Balances	(136,673)	(111,673)	(32,826)	78,847
Fund Balances - Beginning Of Year			<u>125,475</u>	
Fund Balances - End Of Year			<u><u>\$ 92,649</u></u>	

CITY OF LENEXA, KANSAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
STREET TREE ZONE 3 FUND
For The Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 20,000	\$ 20,000	\$ —	\$ (20,000)
Investment earnings	—	—	2,303	2,303
Total Revenues	20,000	20,000	2,303	(17,697)
Expenditures				
Current:				
Recreation	20,000	27,720	46,033	(18,313)
Deficiency Of Revenues Over Expenditures	—	(7,720)	(43,730)	(36,010)
Other Financing Sources (Uses)				
Transfers out	(230,456)	(222,736)	—	(222,736)
Net Changes In Fund Balances	(230,456)	(230,456)	(43,730)	186,726
Fund Balances - Beginning Of Year			247,717	
Fund Balances - End Of Year			\$ 203,987	

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Taxes	\$ 1,275,750	\$ 1,275,750	\$ 1,299,718	\$ 23,968
Miscellaneous taxes	75,000	75,000	—	(75,000)
Total Revenues	<u>1,350,750</u>	<u>1,350,750</u>	<u>1,299,718</u>	<u>(51,032)</u>
Other Financing Sources (Uses)				
Transfers out	(1,656,328)	(1,656,328)	(1,291,160)	365,168
Net Changes In Fund Balances	<u>(305,578)</u>	<u>(305,578)</u>	<u>8,558</u>	<u>314,136</u>
Fund Balances - Beginning Of Year			<u>318,411</u>	
Fund Balances - End Of Year			<u>\$ 326,969</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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Taxes	\$ 700,000	\$ 700,000	\$ 799,992	\$ 99,992
<hr/>				
Expenditures				
Current:				
General government	556,116	556,116	531,859	24,257
<hr/>				
Excess Of Revenues Over Expenditures	143,884	143,884	268,133	124,249
Other Financing Sources (Uses)				
Transfers out	(614,788)	(614,788)	(23,000)	591,788
<hr/>				
Net Changes In Fund Balances	(470,904)	(470,904)	245,133	716,037
<hr/>				
Fund Balances - Beginning Of Year			582,558	
Fund Balances - End Of Year			<u>\$ 827,691</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL ALCOHOL CONTROL FUND For The Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Taxes	\$ 182,501	\$ 182,501	\$ 235,287	\$ 52,786
Expenditures				
Current:				
Public safety	136,349	137,495	135,734	1,761
Excess Of Revenues Over Expenditures	46,152	45,006	99,553	54,547
Other Financing Sources (Uses)				
Transfers out	(207,276)	(206,130)	—	206,130
Net Changes In Fund Balances	<u>(161,124)</u>	<u>(161,124)</u>	99,553	<u>260,677</u>
Fund Balances - Beginning Of Year			<u>255,325</u>	
Fund Balances - End Of Year			<u>\$ 354,878</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL PARKS AND RECREATION FUND For The Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 182,501	\$ 204,810	\$ 235,287	\$ 30,477
Other Financing Sources (Uses)				
Transfers out	(227,691)	(250,000)	(228,870)	21,130
Net Changes In Fund Balances	<u>(45,190)</u>	<u>(45,190)</u>	6,417	<u>51,607</u>
Fund Balances - Beginning Of Year			<u>55,048</u>	
Fund Balances - End Of Year			<u><u>\$ 61,465</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, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 50,000	\$ 50,000	\$ 366,809	\$ 316,809
Investment loss	—	—	(1,860)	(1,860)
Total Revenues	50,000	50,000	364,949	314,949
Other Financing Sources (Uses)				
Transfers in	—	—	11,009	11,009
Transfers out	(50,000)	(50,000)	—	50,000
Total Other Financing Sources (Uses)	(50,000)	(50,000)	11,009	61,009
Net Changes In Fund Balances	—	—	375,958	375,958
Fund Balances - Beginning Of Year			<u>351,935</u>	
Fund Balances - End Of Year			<u>\$ 727,893</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, 2014**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 50,000	\$ 202,873	\$ 124,314	\$ (78,559)
Investment earnings	—	—	3,287	3,287
Total Revenues	<u>50,000</u>	<u>202,873</u>	<u>127,601</u>	<u>(75,272)</u>
Other Financing Uses				
Transfers out	(120,411)	(152,873)	(120,411)	32,462
Net Changes In Fund Balances	<u>(70,411)</u>	<u>50,000</u>	<u>7,190</u>	<u>(42,810)</u>
Fund Balances - Beginning Of Year			<u>320,841</u>	
Fund Balances - End Of Year			<u><u>\$ 328,031</u></u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL TIP ZONE 3 For The Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 50,000	\$ 50,000	\$ 104,133	\$ 54,133
Investment earnings	—	—	1,325	1,325
Total Revenues	50,000	50,000	105,458	55,458
Other Financing Uses				
Transfers out	(216,716)	(216,716)	—	216,716
Net Changes In Fund Balances	(166,716)	(166,716)	105,458	272,174
Fund Balances - Beginning Of Year			<u>234,625</u>	
Fund Balances - End Of Year			<u>\$ 340,083</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL NEIGHBORHOOD REVITALIZATION DISTRICT For The Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 250,000	\$ 250,000	\$ 241,177	\$ (8,823)
Charges for services	—	—	100	100
Total Revenues	250,000	250,000	241,277	(8,723)
Expenditures				
Current:				
General government	250,000	250,000	213,803	36,197
Excess Of Revenues Over Expenditures	—	—	27,474	27,474
Other Financing Sources (Uses)				
Transfers out	(31,262)	(31,262)	—	31,262
Net Changes In Fund Balances	(31,262)	(31,262)	27,474	58,736
Fund Balances - Beginning Of Year			72,421	
Fund Balances - End Of Year			\$ 99,895	

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, 2014**

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 704,000	\$ 704,000	\$ 680,391	\$ (23,609)
Expenditures				
Current:				
Economic development	704,000	—	—	—
Excess Of Revenues Over Expenditures	—	704,000	680,391	(23,609)
Other Financing Sources (Uses)				
Transfers out	—	(704,000)	(678,342)	25,658
Net Changes In Fund Balances	—	—	2,049	2,049
Fund Balances - Beginning Of Year			2,406	
Fund Balances - End Of Year			\$ 4,455	

CITY OF LENEXA, KANSAS

SCCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL MINING TIF DISTRICT FUND For The Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 931,000	\$ 956,535	\$ 835,938	\$ (120,597)
Expenditures				
Current:				
Economic development	931,000	956,535	952,150	4,385
Excess Of Expenditures Over Revenues	—	—	(116,212)	(116,212)
Other Financing Sources (Uses)				
Transfers out	(3,465)	(3,465)	(1,245)	2,220
Net Changes In Fund Balances	(3,465)	(3,465)	(117,457)	(113,992)
Fund Balances - Beginning Of Year			121,356	
Fund Balances - End Of Year			\$ 3,899	

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, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 50,000	\$ 50,000	\$ 233,587	\$ 183,587
Investment earnings	—	—	2,158	2,158
Total Revenues	50,000	50,000	235,745	185,745
Expenditures				
Current:				
Recreation	—	14,811	14,811	—
Excess Of Revenues Over Expenditures	50,000	35,189	220,934	185,745
Other Financing Sources (Uses)				
Transfers out	(188,999)	(174,188)	(157,054)	17,134
Total Other Financing Sources (Uses)	(188,999)	(174,188)	(157,054)	17,134
Net Changes In Fund Balances	(138,999)	(138,999)	63,880	202,879
Fund Balances - Beginning Of Year			281,720	
Fund Balances - End Of Year			<u>\$ 345,600</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, 2014

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 50,000	\$ 50,000	\$ 143,074	\$ 93,074
Investment earnings	—	—	4,588	4,588
Total Revenues	50,000	50,000	147,662	97,662
Expenditures				
Current:				
Recreation	—	17,500	12,500	(5,000)
Excess Of Revenues Over Expenditures	50,000	32,500	135,162	102,662
Other Financing Sources (Uses)				
Transfers out	(287,473)	(269,973)	(269,973)	—
Net Changes In Fund Balances	(237,473)	(237,473)	(134,811)	102,662
Fund Balances - Beginning Of Year			385,851	
Fund Balances - End Of Year			<u>\$ 251,040</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL PARKS AND RECREATION IMPACT FEE ZONE 3 FUND For The Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 25,000	\$ 25,000	\$ 45,243	\$ 20,243
Investment earnings	—	—	1,299	1,299
Total Revenues	25,000	25,000	46,542	21,542
Other Financing Uses				
Transfers out	(151,844)	(151,844)	—	151,844
Net Changes In Fund Balances	(126,844)	(126,844)	46,542	173,386
Fund Balances - Beginning Of Year			184,046	
Fund Balances - End Of Year			<u>\$ 230,588</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CITY CENTER TIF FUND For The Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 960,000	\$ 960,000	\$ 776,733	\$ (183,267)
Expenditures				
Current:				
Economic development	960,000	320,000	308,122	11,878
Excess Of Revenues Over Expenditures	—	640,000	468,611	(171,389)
Other Financing Uses				
Transfers out	(348,751)	(988,751)	(374,661)	614,090
Net Changes In Fund Balances	<u>(348,751)</u>	<u>(348,751)</u>	93,950	<u>442,701</u>
Fund Balances - Beginning Of Year			<u>560,953</u>	
Fund Balances - End Of Year			<u><u>\$ 654,903</u></u>	

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, 2014

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 606,000	\$ 606,000	\$ 508,571	\$ (97,429)
<hr/>				
Expenditures				
Current:				
Economic development	606,000	606,000	493,666	112,334
<hr/>				
Excess Of Revenues Over Expenditures	—	—	14,905	14,905
<hr/>				
Other Financing Uses				
Transfers out	(99,184)	(99,184)	(5,692)	93,492
<hr/>				
Net Changes In Fund Balances	(99,184)	(99,184)	9,213	108,397
<hr/>				
Fund Balances - Beginning Of Year			107,939	
<hr/>				
Fund Balances - End Of Year			<u>\$ 117,152</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, 2014

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 100,000	\$ 100,000	\$ 84,154	\$ (15,846)
Expenditures				
Current:				
Economic development	100,000	99,732	79,366	20,366
Excess Of Revenues Over Expenditures	—	268	4,788	4,520
Other Financing Sources (Uses)				
Transfers out	(12,264)	(12,532)	(887)	11,645
Net Changes In Fund Balances	(12,264)	(12,264)	3,901	16,165
Fund Balances - Beginning Of Year			9,203	
Fund Balances - End Of Year			<u>\$ 13,104</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL QUIVIRA 95 CID FUND For The Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 52,000	\$ 52,000	\$ 30,239	\$ (21,761)
Expenditures				
Current:				
Economic development	52,000	51,749	24,829	26,920
Excess Of Revenues Over Expenditures	—	251	5,410	5,159
Other Financing Uses				
Transfers out	—	(251)	(251)	—
Net Changes In Fund Balances	—	—	5,159	5,159
Fund Balances - Beginning Of Year			1,545	
Fund Balances - End Of Year			<u>\$ 6,704</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GREYSTONE PLAZA CID FUND For The Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ —	\$ 24,000	\$ 20,397	\$ (3,603)
Other Financing Sources (Uses)				
Transfers out	—	(24,000)	—	24,000
Net Changes In Fund Balances	—	—	20,397	20,397
Fund Balances - Beginning Of Year			—	
Fund Balances - End Of Year			<u>\$ 20,397</u>	

CITY OF LENEXA, KANSAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CITY CENTER EAST #1 CID FUND
For The Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Taxes	\$ —	\$ 5,000	\$ 4,507	\$ (493)
Expenditures				
Current:				
Economic Development	—	4,990	982	4,008
Excess Of Revenues Over Expenditures	—	10	3,525	3,515
Other Financing Sources (Uses)				
Transfers out	—	(10)	(10)	—
Net Changes In Fund Balances	—	—	3,515	3,515
Fund Balances - Beginning Of Year			—	
Fund Balances - End Of Year			<u>\$ 3,515</u>	

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, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 11,128,551	\$ 11,128,551	\$ 10,122,862	\$ (1,005,689)
Investment earnings	30,000	30,000	93,820	63,820
Total Revenues	11,158,551	11,158,551	10,216,682	(941,869)
Expenditures				
Debt service:				
Principal retirement	8,538,176	8,538,176	8,402,296	135,880
Interest and fiscal charges	2,747,487	2,747,487	2,700,335	47,152
Total Expenditures	11,285,663	11,285,663	11,102,631	183,032
Excess Of Expenditures Over Revenues	(127,112)	(127,112)	(885,949)	(758,837)
Other Financing Sources (Uses)				
Transfers in	—	—	654,763	654,763
Transfers out	(7,417,934)	(7,417,934)	—	7,417,934
Total Other Financing Sources (Uses)	(7,417,934)	(7,417,934)	654,763	8,072,697
Net Changes In Fund Balances	(7,545,046)	(7,545,046)	(231,186)	7,313,860
Fund Balances - Beginning Of Year			8,106,262	
Fund Balances - End Of Year			\$ 7,875,076	

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, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Investment earnings	\$ —	\$ —	\$ 3	\$ 3
Expenditures				
Current:				
General government	—	10,962	10,962	—
Debt service:				
Principal retirement	500,441	489,479	191,782	297,697
Interest and fiscal charges	207,248	207,248	18,218	189,030
Total Expenditures	707,689	707,689	220,962	486,727
Excess Of Expenditures Over Revenues	(707,689)	(707,689)	(220,959)	486,730
Other Financing Sources (Uses)				
Transfers in	—	—	216,050	216,050
Net Changes In Fund Balances	(707,689)	(707,689)	(4,909)	702,780
Fund Balances - Beginning Of Year			5,912	
Fund Balances - End Of Year			\$ 1,003	

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS December 31, 2014

	Health Plan	Risk Management	Workers' Compensation	Total
Assets				
Deposits and investments	\$ 6,599,751	\$ 1,412,529	\$ 1,221,494	\$ 9,233,774
Interest receivable	5,223	5,069	1,797	12,089
Total Assets	6,604,974	1,417,598	1,223,291	9,245,863
Liabilities				
Current Liabilities				
Accounts payable	24,472	3,717	—	28,189
Accrued compensation	—	—	2,020	2,020
Self insurance claims payable	505,314	—	199,213	704,527
Total Current Liabilities	529,786	3,717	201,233	734,736
Noncurrent Liabilities				
Self insurance claims payable	—	—	199,214	199,214
Total Liabilities	529,786	3,717	400,447	933,950
Net Position				
Unrestricted	\$ 6,075,188	\$ 1,413,881	\$ 822,844	\$ 8,311,913

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS For The Year Ended December 31, 2014

	Health Plan	Risk Management	Workers' Compensation	Total
Operating Revenues				
Charges for services	\$ 5,870,675	\$ 1,534	\$ 266,639	\$ 6,138,848
Reimbursements from insurance companies	1,225	286,303	—	287,528
Miscellaneous	5,522	233,824	2,690	242,036
Total Operating Revenues	5,877,422	521,661	269,329	6,668,412
Operating Expenses				
Personal services	2,788	—	48,872	51,660
Contractual services	351,640	265,977	186,710	804,327
Commodities	32,250	16,474	—	48,724
Claims	5,246,305	—	360,596	5,606,901
Total Operating Expenses	5,632,983	282,451	596,178	6,511,612
Operating Income (Loss)	244,439	239,210	(326,849)	156,800
Nonoperating Revenues				
Investment loss	(24,417)	(1,804)	(15,829)	(42,050)
Change In Net Position Before Transfers	220,022	237,406	(342,678)	114,750
Transfers in	—	200,000	300,000	500,000
Change In Net Position	220,022	437,406	(42,678)	614,750
Total Net Position - Beginning Of Year	5,855,166	976,475	865,522	7,697,163
Total Net Position - End Of Year	\$ 6,075,188	\$ 1,413,881	\$ 822,844	\$ 8,311,913

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For The Year Ended December 31, 2014

	Health Plan	Risk Management	Workers' Compensation	Total
Cash Flows From Operating Activities				
Cash received from customers	\$ 5,876,198	\$ 235,358	\$ 269,329	\$ 6,380,885
Cash received from insurance companies	1,225	286,303	—	287,528
Cash payments for personnel services	(2,788)	—	(48,872)	(51,660)
Cash payments for contractual services and accounts payable	(5,377,603)	(360,836)	(462,305)	(6,200,744)
Net Cash Provided By (Used In) Operating Activities	497,032	160,825	(241,848)	416,009
Cash Flows Provided By Noncapital Financing Activities				
Transfers in	—	200,000	300,000	500,000
Cash Flows Used In Investing Activities				
Interest paid	(24,831)	(1,395)	(17,623)	(43,849)
Net Increase In Cash And Cash Equivalents	472,201	359,430	40,529	872,160
Cash And Cash Equivalents - Beginning Of Year	6,127,550	1,053,099	1,180,965	8,361,614
Cash And Cash Equivalents - End Of Year	\$ 6,599,751	\$ 1,412,529	\$ 1,221,494	\$ 9,233,774
Reconciliation Of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities				
Operating income (loss)	\$ 244,439	\$ 239,210	\$ (326,849)	\$ 156,800
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Change in accounts, wages and claims payable	252,593	(78,385)	85,001	259,209
Net Cash Provided By (Used In) Operating Activities	\$ 497,032	\$ 160,825	\$ (241,848)	\$ 416,009

Statistical Section

CITY OF LENEXA, KANSAS
Statistical Section
December 31, 2014

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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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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities:										
Net investment in capital assets	\$ 385,442,966	\$ 286,099,738	\$ 388,380,343	\$ 381,064,682	\$ 431,336,688	\$ 433,106,968	\$ 419,733,080	\$ 393,808,972	\$ 362,437,246	\$ 321,741,301
Restricted	38,132,771	32,754,028	23,790,801	20,838,326	22,697,434	19,501,498	20,333,616	30,079,331	28,871,081	24,437,172
Unrestricted	57,408,155	51,295,806	53,736,140	42,455,157	32,547,350	32,810,592	45,747,060	38,882,650	23,857,686	19,514,705
Total governmental activities net position	\$ 480,983,892	\$ 370,149,572	\$ 465,907,284	\$ 444,358,165	\$ 486,581,472	\$ 485,419,058	\$ 485,813,756	\$ 462,770,953	\$ 415,166,013	\$ 365,693,178
Business type activities										
Net investment in capital assets	\$ 55,638,165	\$ 59,267,375	\$ 60,553,428	\$ 58,532,281	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Restricted	5,730,161	1,187,798	1,504,271	1,390,539	—	—	—	—	—	—
Unrestricted	1,683,970	2,323,704	1,692,811	2,755,159	—	—	—	—	—	—
Total business-type activities net position	\$ 63,052,296	\$ 62,778,877	\$ 63,750,510	\$ 62,677,979	\$ —					
Primary government										
Net investment in capital assets	\$ 441,081,131	\$ 445,367,113	\$ 448,933,771	\$ 439,596,963	\$ 431,336,688	\$ 433,106,968	\$ 419,733,080	\$ 393,808,972	\$ 362,437,246	\$ 321,741,301
Restricted component of net position	43,862,932	33,941,826	25,295,072	22,228,865	22,697,434	19,501,498	20,333,616	30,079,331	28,871,081	24,437,172
Unrestricted component of net position	59,092,125	53,619,510	55,428,951	45,210,316	32,547,350	32,810,592	45,747,060	38,882,650	23,857,686	19,514,705
Total business-type activities net position	\$ 544,036,188	\$ 532,928,449	\$ 529,657,794	\$ 507,036,144	\$ 486,581,472	\$ 485,419,058	\$ 485,813,756	\$ 462,770,953	\$ 415,166,013	\$ 365,693,178

CITY OF LENEXA, KANSAS

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

Schedule 2

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental Activities										
General government	\$ 12,392,323	\$ 11,787,142	\$ 10,983,954	\$ 9,891,228	\$ 10,833,526	\$ 11,925,719	\$ 10,383,824	\$ 10,439,441	\$ 10,140,866	\$ 7,877,120
Public safety	25,336,801	22,687,013	21,738,865	21,476,020	20,124,393	19,494,864	23,121,157	22,554,224	21,674,903	19,307,055
Municipal services	31,499,578	28,675,556	33,013,487	30,929,195	29,708,136	29,299,766	30,795,517	20,785,278	22,606,757	19,930,013
Parks and recreation	3,184,030	4,900,596	2,706,899	3,250,279	4,601,241	3,617,450	4,675,363	3,563,224	4,230,363	4,073,203
Economic development	2,014,151	2,024,180	543,750	707,048	3,470,102	11,249,594	21,158	5,224,536	—	—
Interest on long-term debt	2,797,985	2,863,649	5,395,666	3,178,417	4,511,828	5,030,464	6,327,205	5,645,529	4,587,781	4,167,996
Total Governmental Activities Expenses	77,224,868	72,938,136	74,382,621	69,432,187	73,249,226	80,617,857	75,324,224	68,212,232	63,240,670	55,355,387
Business-Type Activities										
Stormwater	4,376,849	8,464,812	4,397,887	3,662,798	—	—	—	—	—	—
Total Primary Government Expenses	81,601,717	81,402,948	78,780,508	73,094,985	73,249,226	80,617,857	75,324,224	68,212,232	63,240,670	55,355,387
Program Revenues										
Governmental Activities										
Charges for services										
General government	2,484,045	2,179,527	2,226,117	1,581,325	1,112,486	1,174,156	1,939,122	2,110,830	1,669,412	1,348,568
Public safety	2,120,745	1,779,419	1,655,728	1,731,928	2,102,003	2,637,487	2,281,056	1,974,419	2,530,617	2,090,781
Municipal services	640,068	447,415	302,153	144,551	4,000,452	7,483,343	4,916,080	4,067,268	2,974,051	2,847,286
Parks and recreation	1,459,156	1,178,267	1,154,169	813,320	807,665	848,240	1,096,559	1,327,815	1,254,191	1,303,004
Operating grants and contributions	1,305,664	1,257,628	1,256,493	1,250,263	1,621,587	1,172,192	1,342,607	1,333,323	1,628,914	1,468,887
Capital grants and contributions	3,123,154	2,192,684	7,591,002	5,692,079	5,096,318	3,029,140	16,936,970	38,473,225	41,225,817	17,620,078
Total Program Revenues	11,132,832	9,034,940	14,185,662	11,213,466	14,740,511	16,344,558	28,512,394	49,286,880	51,283,002	26,678,604
Business-Type Activities										
Charges for services										
Stormwater	5,417,668	5,362,455	4,693,889	4,129,646	—	—	—	—	—	—
Capital grants and contributions	22,146	1,357,326	1,352,307	1,845,602	—	—	—	—	—	—
Total Program Revenues	5,439,814	6,719,781	6,046,196	5,975,248	—	—	—	—	—	—
Total Primary Government Program Revenues	16,572,646	15,754,721	20,231,858	17,188,714	14,740,511	16,344,558	28,512,394	49,286,880	51,283,002	26,678,604
Net Expenses	(65,029,071)	(65,648,227)	(58,548,650)	(55,906,271)	(58,508,715)	(64,273,299)	(46,811,830)	(18,925,352)	(11,957,668)	(28,676,783)

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

Schedule 2 (Continued)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Revenues										
Governmental Activities										
Property taxes	\$ 29,232,719	\$ 27,717,179	\$ 42,037,662	\$ 24,611,342	\$ 24,793,267	\$ 28,587,311	\$ 28,922,505	\$ 27,026,449	\$ 24,460,112	\$ 23,143,077
Sales tax	31,493,735	28,958,995	27,723,180	25,982,247	24,385,785	25,085,389	23,611,541	23,211,369	22,984,775	22,900,980
Franchise taxes	6,845,226	6,577,958	6,188,771	6,488,264	6,103,057	5,953,082	5,796,496	5,320,626	4,937,822	4,915,958
Motor vehicle tax	2,596,900	2,244,946	2,044,063	1,926,812	1,905,333	1,922,587	1,995,251	2,021,732	2,038,168	1,988,324
Transient guest tax	799,992	668,185	727,321	660,183	458,398	441,128	573,637	582,001	604,423	531,379
Excise tax	373,460	632,142	466,233	—	14,242	132,837	1,113,091	1,824,963	821,587	2,334,370
Special liquor tax	705,861	670,553	552,189	552,264	616,572	538,966	550,690	582,585	579,278	515,163
Investment revenue	203,173	291,576	312,271	286,548	360,162	439,528	2,797,896	4,348,915	3,933,615	2,067,324
Gain on disposal of capital assets	—	—	—	—	—	—	—	—	1,500	33,828
Miscellaneous	3,802,033	1,181,972	1,097,597	721,592	1,034,313	777,773	931,383	1,611,652	1,069,223	1,582,233
Transfers	873,257	(798,022)	596,791	(4,240,983)	—	—	—	—	—	—
Capital contributions	—	—	—	(56,084,902)	—	—	—	—	—	—
Special item - gain on sale of land	—	—	—	—	—	—	2,667,909	—	—	—
Total Governmental Activities	76,926,356	68,145,484	81,746,078	903,367	59,671,129	63,878,601	68,960,399	66,530,292	61,430,503	60,012,636
Business-Type Activities										
Investment revenue	83,711	(32,144)	21,013	39,644	—	—	—	—	—	—
Miscellaneous	—	7,520	—	—	—	—	—	—	—	—
Transfers	(873,257)	798,022	(596,791)	4,240,983	—	—	—	—	—	—
Capital contributions	—	—	—	56,084,902	—	—	—	—	—	—
Total Business-Type Activities	(789,546)	773,398	(575,778)	60,365,529	—	—	—	—	—	—
Total Primary Government	76,136,810	68,918,882	81,170,300	61,268,896	59,671,129	63,878,601	68,960,399	66,530,292	61,430,503	60,012,636
Changes In Net Position										
Governmental Activities	10,834,320	4,242,288	21,549,119	(57,315,354)	1,162,414	(394,698)	22,148,569	47,604,940	49,472,835	31,335,853
Business-Type Activities	273,419	(971,633)	1,072,531	62,677,979	—	—	—	—	—	—
Total City	\$ 11,107,739	\$ 3,270,655	\$ 22,621,650	\$ 5,362,625	\$ 1,162,414	\$ (394,698)	\$ 22,148,569	\$ 47,604,940	\$ 49,472,835	\$ 31,335,853

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

Schedule 3

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund:										
Reserved for encumbrances	\$ —	\$ —	\$ —	\$ —	\$ 211,422	\$ 602,653	\$ 573,079	\$ 652,466	\$ 672,814	\$ 587,497
Unreserved	—	—	—	—	23,263,831	19,700,723	19,527,627	20,647,840	19,463,189	16,449,763
Committed	149,626	84,903	119,570	258,142	—	—	—	—	—	—
Assigned	42,995	178,674	153,898	168,011	—	—	—	—	—	—
Unassigned	28,171,990	25,858,737	23,554,040	23,096,434	—	—	—	—	—	—
Total	\$ 28,364,611	\$ 26,122,314	\$ 23,827,508	\$ 23,522,587	\$ 23,475,253	\$ 20,303,376	\$ 20,100,706	\$ 21,300,306	\$ 20,136,003	\$ 17,037,260
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
Reserved for economic development	—	—	—	—	1,583,844	740,675	591,062	442,686	336,524	208,900
Encumbrances	—	—	—	—	16,140,257	7,600,180	11,864,275	22,869,483	25,254,723	16,378,988
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
Capital projects funds	—	—	—	—	(3,901,888)	230,225	562,825	(9,981,079)	(1,540,113)	14,956,937
Nonspendable	1,590,037	1,588,700	—	—	—	—	—	—	—	—
Restricted	38,132,771	32,754,028	23,790,801	20,838,326	—	—	—	—	—	—
Committed	146,369	—	—	90,695	—	—	—	—	—	—
Assigned	12,498,596	8,882,052	12,684,467	13,507,019	—	—	—	—	—	—
Unassigned	(7,693)	—	—	(402)	—	—	—	—	—	—
Total all other governmental funds	\$ 52,360,080	\$ 43,224,780	\$ 36,475,268	\$ 34,435,638	\$ 38,405,767	\$ 32,262,146	\$ 38,694,890	\$ 44,552,858	\$ 47,812,610	\$ 54,568,493

Note: Growth in sales tax accounts for the increases in unassigned fund balance and the portion of the 3/8 cent sales tax which is restricted.

CITY OF LENEXA, KANSAS

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

Schedule 4

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Taxes	\$ 73,822,909	\$ 69,935,607	\$ 69,468,897	\$ 62,744,415	\$ 62,228,253	\$ 63,828,961	\$ 63,860,604	\$ 61,859,940	\$ 57,765,612	\$ 57,562,746
Intergovernmental	2,121,400	3,533,064	5,483,626	6,262,891	4,888,801	4,361,503	6,694,141	10,780,159	12,645,540	8,165,952
Licenses and permits	1,907,425	1,582,011	1,410,326	1,064,999	766,917	1,022,062	1,508,455	1,899,172	1,516,650	1,489,705
Charges for services	2,887,025	1,392,102	2,513,195	1,817,836	5,638,572	5,623,865	7,075,096	1,450,934	1,822,004	1,648,233
Rents and leases	439,154	442,765	423,205	390,773	398,639	399,617	335,371	275,845	228,822	193,958
Fines and forfeitures	1,946,108	2,433,306	1,139,474	1,192,278	1,316,984	1,629,641	1,558,649	6,283,919	5,080,068	4,490,799
Investment earnings	245,231	166,166	282,440	210,356	316,622	431,469	2,490,655	3,866,331	3,723,821	1,969,693
Miscellaneous	3,297,853	910,349	1,040,724	276,714	369,034	518,795	544,910	1,180,662	216,053	1,109,702
Total Revenues	86,667,105	80,395,370	81,761,887	73,960,262	75,923,822	77,815,913	84,067,881	87,596,962	82,998,570	76,630,788
Expenditures										
Current:										
General government	12,207,937	11,798,749	10,796,956	9,911,718	10,445,642	11,377,549	10,157,721	9,958,537	9,070,643	8,239,652
Public safety	22,462,965	22,988,869	21,563,319	20,782,769	20,680,879	21,631,286	22,684,149	22,449,884	21,541,853	20,034,196
Municipal services	8,224,579	8,023,102	7,391,326	7,595,127	9,493,093	10,309,730	11,032,630	10,584,153	9,566,884	9,288,797
Recreation	4,984,799	4,926,008	4,320,126	4,224,838	4,127,290	4,071,065	4,253,176	4,115,717	3,831,821	3,661,223
Economic Development	2,014,152	2,024,180	1,926,943	—	—	—	21,158	5,224,536	—	—
Capital projects	35,072,756	17,594,799	30,224,938	25,045,565	20,989,619	23,731,169	34,082,317	41,390,777	51,865,333	36,317,103
Debt service:										
Principal retirement	8,594,078	9,399,176	17,235,000	15,591,361	17,306,494	13,077,667	29,388,094	16,255,412	21,129,757	14,000,000
Interest and fiscal charges	2,882,772	3,256,045	3,432,403	3,633,968	4,873,648	5,381,359	5,801,473	5,113,743	4,616,229	4,256,438
Bond issue costs	—	—	—	125,768	252,005	194,682	137,393	284,465	203,631	66,412
Total Expenditures	96,444,038	80,010,928	96,891,011	86,911,114	88,168,670	89,774,507	117,558,111	115,377,224	121,826,151	95,863,821
Excess Of Revenues Under Expenditures	(9,776,933)	384,442	(15,129,124)	(12,950,852)	(12,244,848)	(11,958,594)	(33,490,230)	(27,780,262)	(38,827,581)	(19,233,033)
Other Financing Sources And Uses, Including Transfers										
Issuance of general obligation bonds	14,490,000	4,635,000	13,000,000	4,800,000	13,390,000	5,945,000	15,020,000	16,985,000	16,370,000	9,470,000
Discount on general obligation bonds	—	—	—	—	—	—	(28,825)	—	—	(130,318)
Premium from general obligation refunding bonds	1,971,270	192,898	590,008	274,040	3,882,135	182,576	315,274	825,351	193,581	—
Issuance of general obligation refunding bonds	4,320,000	—	2,401,876	—	19,815,000	7,660,000	—	—	—	4,530,000
Issuance of general obligation temporary notes	—	4,830,000	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)
Proceeds from capital lease	—	—	—	—	—	—	—	309,462	—	—
Revolving Loan KDHE	—	—	—	—	212,740	60,624	—	—	—	—
Transfers in	27,349,281	25,638,451	27,721,177	22,648,415	23,576,934	23,337,150	38,600,114	22,584,209	16,743,217	10,066,880
Transfers out	(26,976,021)	(26,636,473)	(27,124,386)	(26,889,398)	(23,576,934)	(23,787,150)	(39,050,114)	(22,884,209)	(16,776,358)	(9,966,880)
Total Other Financing Sources And Uses, Including Transfers	21,154,530	8,659,876	17,473,675	9,028,057	21,560,346	5,728,520	22,266,449	25,684,813	35,170,440	19,244,682
Special Item										
Proceeds from sale of land	—	—	—	—	—	—	4,166,213	—	—	—
Net Change In Fund Balances	\$ 11,377,597	\$ 9,044,318	\$ 2,344,551	\$ (3,922,795)	\$ 9,315,498	\$ (6,230,074)	\$ (7,057,568)	\$ (2,095,449)	\$ (3,657,141)	\$ 11,649
Debt service as a percentage of noncapital expenditures	17%	19%	27%	27%	31%	27%	39%	30%	35%	30%

CITY OF LENEXA, KANSAS

GOVERNMENTAL FUND TYPES REVENUES BY SOURCE LAST TEN FISCAL YEARS

Schedule 5

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Taxes										
Property	\$ 27,685,512	\$ 27,079,695	\$ 26,648,809	\$ 24,694,182	\$ 26,107,166	\$ 27,446,726	\$ 27,398,743	\$ 26,045,590	\$ 24,197,568	\$ 23,029,624
Sales (including compensating use)	31,493,735	28,958,995	27,719,387	25,982,247	24,385,785	25,085,389	23,611,541	23,211,369	22,984,775	22,900,979
Franchise	6,845,226	6,577,958	6,188,771	6,488,264	6,103,057	5,953,079	5,796,496	5,320,626	4,937,822	4,915,958
Special assessments	2,022,506	1,850,735	3,869,871	1,198,352	1,032,994	1,140,585	1,523,759	980,860	364,274	113,454
Motor vehicle excise	2,596,900	2,244,945	2,044,064	1,926,812	1,905,333	1,922,586	1,995,252	2,021,732	2,038,167	1,954,709
Transient guest	799,992	668,185	731,114	660,183	458,398	441,129	573,637	582,001	604,423	531,379
Excise	373,460	631,142	466,233	—	14,242	132,836	1,113,091	1,824,963	821,587	2,334,370
Other taxes	2,005,578	1,923,952	1,800,648	1,794,375	1,770,910	1,706,631	1,848,085	1,872,799	1,816,996	1,782,273
Total Taxes	73,822,909	69,935,607	69,468,897	62,744,415	61,777,885	63,828,961	63,860,604	61,859,940	57,765,612	57,562,746
Revenues										
Intergovernmental	2,121,400	3,533,064	5,483,626	6,262,891	4,888,801	4,361,503	6,694,142	10,780,159	12,645,540	8,165,952
Licenses and permits	1,907,425	1,582,011	1,410,326	1,064,999	766,917	1,022,062	1,508,455	1,899,172	1,516,650	1,489,705
Charges for services	2,887,025	2,433,306	2,513,195	1,192,278	1,316,984	1,629,641	7,075,095	1,450,934	1,822,004	1,648,233
Rents and leases	439,154	442,765	423,205	390,773	398,639	399,617	335,371	275,845	228,822	193,958
Fines and forfeitures	1,946,108	1,392,102	1,139,474	1,817,836	5,638,572	5,623,865	1,558,649	6,283,919	5,080,068	4,490,799
Investment earnings	245,231	166,166	282,440	210,356	316,622	436,532	2,490,655	3,866,331	3,723,821	1,969,693
Miscellaneous	3,297,853	910,349	1,040,724	276,714	369,034	518,795	544,910	1,180,662	216,053	1,109,702
Total Revenues	12,844,196	10,459,763	12,292,990	11,215,847	13,695,569	13,992,015	20,207,277	25,737,022	25,232,958	19,068,042
Grand Total	\$ 86,667,105	\$ 80,395,370	\$ 81,761,887	\$ 73,960,262	\$ 75,473,454	\$ 77,820,976	\$ 84,067,881	\$ 87,596,962	\$ 82,998,570	\$ 76,630,788

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
2013	2014	\$ 849,596,536	15%	\$ 5,585,677,480	\$ 27,206,191	\$ 27,077,031	\$ 79,426,145	\$ 983,305,903	29.713
2012	2013	793,950,131	15%	5,429,641,216	36,743,490	29,661,638	76,704,885	937,060,144	29.668
2011	2012	771,570,154	14%	5,397,313,060	45,628,362	27,492,147	74,417,660	919,108,323	29.635
2010	2011	768,176,024	14%	5,353,062,770	53,837,911	28,058,513	74,158,463	924,230,911	26.626
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

(1) Includes recreational vehicle assessed value:

- 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.
- 2013 recreational vehicle tax amounted to \$216,510.
- 2014 recreational vehicle tax amounted to \$247,645.

CITY OF LENEXA, KANSAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

Schedule 7

Tax Year	Fiscal Year	City Direct Rates			Overlapping Rates							Total Direct And Overlapping Rates		
		General	Debt Service	Total Direct	State	County	Library	County Community College	Park	Total Overlapping Without Schools	School District Shawnee Mission		School District De Soto	School District Olathe
2013	2014	21.028	8.685	29.713	1.500	17.745	3.155	9.551	2.347	64.011	55.611	79.984	69.486	93.724
2012	2013	20.496	9.172	29.668	1.500	17.717	3.149	8.785	2.344	63.163	55.766	82.262	69.618	92.831
2011	2012	20.473	9.162	29.635	1.500	17.700	3.145	8.776	2.343	63.099	56.135	82.558	69.925	92.734
2010	2011	17.467	9.159	26.626	1.500	17.700	3.158	8.799	2.350	60.181	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

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

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

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

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

Schedule 8

Taxpayer	2013 Tax Year/2014 Fiscal Year			Taxpayer	2003 Tax Year/2004 Fiscal Year		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value
Perg Buildings, LLC	\$ 17,805,833	1	1.81%	Lenexa Industrial Park, Inc.	\$ 19,778,111	1	2.11%
Lenexa Real Estate Portfolio	17,566,564	2	1.79%	Perg Building Partnership	16,256,031	2	1.74%
Kansas City Power & Light Co	9,707,538	3	0.99%	KPERS Realty Holding #1, Inc.	10,310,538	3	1.10%
MEPT Kansas Commerce	8,239,882	4	0.84%	J.C. Penney Properties	6,043,335	4	0.65%
Meritex Lenexa Executive Park	5,713,401	5	0.58%	Caleast industrial Investors	5,874,179	5	0.63%
JC Penney Properties, Inc	5,614,501	6	0.57%	Orchard Center Commons LLC	4,923,768	6	0.53%
Orchard Center Company LLC	5,429,554	7	0.55%	Oak Park Commons	4,617,267	7	0.49%
Perceptive Software LLC	5,389,800	8	0.55%	Monaxa Lmited Partnership	4,324,501	8	0.46%
Karbank Holdings LLC	5,266,579	9	0.54%	Lackman Business Park, LLC	4,215,902	9	0.45%
RREEF America REIT II Corp	5,213,505	10	0.53%	Karbank, Barney A.	3,797,920	10	0.41%
Total	\$ 85,947,157			Total	\$ 80,141,552		
City of Lenexa (includes motor vehicles)	\$ 983,305,903			City of Lenexa (includes motor vehicles)	\$ 935,927,297		

Source: Johnson County Department of Records and Tax Administration

CITY OF LENEXA, KANSAS

SALES TAX RATES LAST TEN FISCAL YEARS

Schedule 9

Fiscal Year	City Sales	City Roads/ Parks/ Civic Facility Sales	City Storm- water Sales	County Sales	County Public Safety Sales	County Storm- water	County Economic Development Sales	County Education Research Triangle	State	Total Direct
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%
2013*	1.000%	0.375%	0.000%	0.500%	0.250%	0.100%	0.250%	0.125%	6.300%	8.900%
2014	1.000%	0.375%	0.000%	0.500%	0.250%	0.100%	0.250%	0.125%	6.150%	8.750%

Tax Rates from Kansas Department of Revenue

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

CITY OF LENEXA, KANSAS

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Schedule 10

Fiscal Year (1)	Total Tax Levy	Current Tax Collections (2)	Percentage Current Tax Collected	Prior Year's Tax Collected	Total Tax Collections	Percentage Total Collection To Current Levy
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%
2013	25,070,608	24,373,596	97.22%	209,564	24,583,160	98.06%
2014	25,571,353	24,617,004	96.27%	315,311	24,932,315	97.50%

(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 DEBT OUTSTANDING LAST TEN FISCAL YEARS

Schedule 11

Fiscal Year	Governmental Activities			Business-Type Activities			Total	Percentage Of Total Personal Income ²	Per Capita ²
	General Obligation Bonds ³	General Obligation Notes	TIF Revenue Bonds ¹	General Obligation Bonds ³	Revolving Loans Payable				
2005	\$ 90,470,071	\$ 19,865,000	\$ —	\$ —	\$ —	\$ —	\$ 110,335,071	5.29%	\$ 2,521
2006	98,683,795	25,565,000	—	—	—	—	124,248,795	5.38%	2,779
2007	106,985,676	18,640,000	7,865,000	—	—	—	133,490,676	5.41%	2,914
2008	112,464,054	7,410,000	7,865,000	—	—	—	127,739,054	4.84%	2,764
2009	106,105,126	7,410,000	7,865,000	—	—	—	121,380,126	4.77%	2,529
2010	109,980,936	7,140,000	7,865,000	—	60,624	—	125,046,560	4.88%	2,595
2011	74,536,943	8,195,000	7,865,000	31,322,169	266,983	—	122,186,095	4.47%	2,528
2012	81,015,279	885,000	7,865,000	30,572,179	256,475	—	120,593,933	4.19%	2,489
2013	77,620,539	4,830,000	7,044,955	31,164,912	245,644	—	120,906,050	4.08%	2,448
2014	89,408,756	4,830,000	6,853,173	34,224,793	234,514	—	135,551,236	4.37%	2,693

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

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

² See Exhibit 15 for personal income and population data.

³ Bonds include premiums and discounts.

CITY OF LENEXA, KANSAS

RATIOS OF GENERAL OBLIGATION DEBT OUTSTANDING LAST TEN FISCAL YEARS

Schedule 12

Fiscal Year	Governmental Activities			Business-Type Activities	Less: Amounts Available In Debt Service Fund	Total	Percentage Of Assessed Taxable Value ¹ Of Property	Per Capita ²
	General Obligation Bonds	General Obligation Notes	General Obligation Debt	General Obligation Bonds				
2005	\$ 90,470,071	\$ 19,865,000	\$ 110,335,071	\$ —	\$ 7,586,671	\$ 102,748,400	10.46%	\$ 2,348
2006	98,683,795	25,565,000	124,248,795	—	8,842,822	115,405,973	11.01%	2,581
2007	106,985,676	18,640,000	125,625,676	—	10,410,389	115,215,287	10.64%	2,515
2008	112,464,054	7,410,000	119,874,054	—	6,730,335	113,143,719	10.52%	2,448
2009	106,105,126	7,410,000	113,515,126	—	4,205,684	109,309,442	10.57%	2,277
2010	109,980,936	7,140,000	117,120,936	—	4,182,267	112,938,669	12.12%	2,344
2011	74,536,943	8,195,000	82,731,943	31,322,169	5,054,122	108,999,990	11.79%	2,256
2012	81,015,279	885,000	81,900,279	30,572,179	8,348,380	104,124,078	11.33%	2,149
2013	77,620,539	4,830,000	82,450,539	31,164,912	8,106,262	105,509,189	11.26%	2,136
2014	89,408,756	4,830,000	94,238,756	34,224,793	7,875,076	120,588,473	12.26%	2,395

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

¹ See Exhibit 6 for property value data.

² See Exhibit 15 for personal income and population data.

CITY OF LENEXA, KANSAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT December 31, 2014

Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share Of Overlapping Debt
Debt To Be Repaid With Property Taxes			
Johnson County, Kansas	\$ 316,465,935	11.04%	\$ 34,937,839
Johnson County Parks & Recreation	2,315,000	11.04%	255,576
U.S.D. #232 (De Soto)	156,755,000	5.28%	8,276,664
U.S.D. #233 (Olathe)	502,561,339	14.24%	71,564,735
U.S.D. #512 (Shawnee Mission)	194,477,739	18.39%	35,764,456
Fire #3 Benefit District "B"	95,000	0.01%	10
Total Overlapping Debt			<u>150,799,280</u>
City Direct Debt	94,238,756	100.0%	<u>94,238,756</u>
Total Direct And Overlapping Debt			<u><u>\$ 245,038,036</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 12/31/2014. Other debt as of 6/30/2014.

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.

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

CITY OF LENEXA, KANSAS

LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

Schedule 14

Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 294,738,153	\$ 314,379,458	\$ 324,743,153	\$ 322,778,950	\$ 310,364,068	\$ 279,526,854	\$ 277,269,273	\$ 275,732,497	\$ 281,118,043	\$ 294,991,771
Total net debt applicable to limit	98,363,329	111,432,178	111,049,611	108,259,665	105,049,316	107,232,733	103,815,878	73,551,899	74,344,277	86,363,680
Legal Debt Limit	\$ 196,374,824	\$ 202,947,280	\$ 213,693,542	\$ 214,519,285	\$ 205,314,752	\$ 172,294,121	\$ 173,453,395	\$ 202,180,598	\$ 206,773,766	\$ 208,628,091
Total net debt applicable to the limit as a percentage of the limit	33.4%	35.4%	34.2%	33.5%	33.8%	38.4%	37.4%	26.7%	26.4%	29.3%
Total net debt as a percentage of assessed value**	10.8%	10.6%	10.3%	10.1%	10.2%	11.5%	11.5%	11.0%	7.6%	8.8%

Legal Debt Margin Calculation For Fiscal Year 2014

Assessed value	<u>\$ 983,305,903</u>
Debt limit (30% of total assessed value)	<u>294,991,771</u>
Debt applicable to limit:	
General obligation debt	94,238,756
Less: Amount set aside for repayment of general obligation debt	<u>7,875,076</u>
Net debt applicable to limit	<u>86,363,680</u>
Legal Debt Margin	<u>\$ 208,628,091</u>

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

CITY OF LENEXA, KANSAS

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Schedule 15

Fiscal Year	City Population	County Population*	City Population Percent Change		Personal Income*	Per Capita Personal Income*	City Unemployment Rate	State Unemployment Rate
2014	50,344	574,096	1.9%	\$	3,103,405,536	\$ 61,644	5.0%	6.3%
2013	49,394	566,933	2.0%		2,966,998,792	60,068	5.4%	6.7%
2012	48,448	559,836	0.3%		2,875,243,456	59,347	5.0%	5.3%
2011	48,326	552,874	0.3%		2,736,169,794	56,619	6.0%	6.0%
2010	48,190	545,696	0.4%		2,561,443,070	53,153	7.3%	7.0%
2009	47,996	539,396	3.8%		2,543,212,048	52,988	6.5%	6.2%
2008	46,219	532,175	0.9%		2,637,718,330	57,070	5.4%	4.8%
2007	45,804	523,879	2.5%		2,469,247,836	53,909	4.1%	3.7%
2006	44,708	514,713	2.2%		2,307,648,128	51,616	4.0%	4.1%
2005	43,765	504,441	2.7%		2,085,183,425	47,645	4.2%	5.1%

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

Per Capita Personal Income reflects that of Johnson County, Kansas. Figures are not available by municipality. 2005 and 2006 figures were not available and are estimated.

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

Schedule 16

Employer	2013 Tax Year/2014 Fiscal Year			Employer	2003 Tax Year/2004 Fiscal Year		
	Employees	Rank	Percentage Of Total City Employment		Employees	Rank	Percentage Of Total City Employment
United Parcel Services	2,256	1	4.67%	Quest Diagnostics	2,700	1	6.00%
Quest Diagnostics/Lab One	1,851	2	3.83%	United Parcel Service, Inc.	2,100	2	4.67%
Kiewit Power Engineers Company	1,300	3	2.69%	Sprint/Nextel	1,519	3	3.38%
JC Penney Logistics Center	850	4	1.76%	JC Penney Logistics Center	1,151	4	2.56%
Thermo Fisher Scientific/Remel	640	5	1.32%	T-Mobile	800	5	1.78%
Clinical Reference Lab	627	6	1.30%	Gear for Sports	675	6	1.50%
Alliance Data Systems	625	7	1.29%	Jo Co Developmental Supports	597	7	1.33%
Gear for Sports	622	8	1.29%	Clinical Reference Lab	506	8	1.12%
Lakeview Village	600	9	1.24%	Freightquote	500	9	1.11%
Environmental Protection Agency (EPA)	504	10	1.04%	City of Lenexa	468	10	1.04%
Total	9,875			Total	11,016		
City of Lenexa (total employment)	48,318			City of Lenexa (total employment)	45,000		

Source: Chamber of Commerce Membership Directory

CITY OF LENEXA, KANSAS

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

Schedule 17

Function	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General government	83	83	83	89	87	81	80	79	78	67
Public safety	216	216	215	210	210	213	227	225	220	216
Municipal services	66	70	70	65	67	88	96	95	95	79
Parks and recreation	72	62	62	53	52	54	60	59	58	58
Total	437	431	430	417	416	436	463	458	451	420

CITY OF LENEXA, KANSAS

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Schedule 18

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
City Hall	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police Station	1	1	1	1	1	1	1	1	1	1
Fire Stations	5	5	5	5	5	4	4	4	4	4
Municipal Services										
Center lane miles added	—	—	—	—	—	1	3	8	8	6
Service Center	1	1	1	1	1	1	1	1	1	1
Public Storm Structures	7,286	6,957	6,957	6,957	—	—	—	—	—	—
Streetlights maintained	7,149	7,368	7,567	6,581	6,971	6,262	4,000	4,000	3,000	2,750
Parks And Recreation										
Parks (acres)	795*	795*	776*	915	918	898	863	750	750	750
Pools	3	3	3	3	3	3	3	3	3	3
Conference Center	1	1	1	1	1	1	1	1	1	1
Community Center	1	1	1	1	1	1	1	1	1	1
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 19

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government										
GIS										
Data sets maintained	750	803	713	640	596	592	191	110	45	40
Graphics requests completed (nondata)	120	24	21	13	15	13	25	15	10	1
Map graphic orders standard products completed	75	154	386	307	236	311	285	200	175	140
ArcView users supported	85	83	71	56	60	51	75	73	40	50
Community Development										
Planning commission items	86	89	66	73	70	57	130	118	144	154
Staff review final plans	15	9	9	16	6	18	14	19	17	22
New single family permits	169	213	146	89	57	35	73	215	326	345
Valuation of new construction (millions of dollars)	53	67	103	67	76	64	204	282	198	182
Commercial construction (millions of dollars)	68	82	132	34	46	44	135	190	104	75
Human Resources										
Positions filled (full-time/part-time/temporary)	196	190	188	130	150	124	145	91	187	217
Work comp/disability/FMLA cases managed	110	91	142	122	102	71	141	87	83	90
Separations/retirements processed	176	48	170	125	145	180	91	74	183	204
Finance										
Accounts payable invoices	5,195	4,977	4,927	4,446	5,627	5,109	6,539	6,617	7,094	6,735
Payroll checks processed	12,534	12,490	12,294	11,657	11,920	12,669	12,048	12,918	12,702	12,352
Purchasing Card transactions	12,905	13,743	13,871	12,974	12,862	11,868	13,589	13,783	14,339	13,808
Information Technology										
Supported users	583	589	446	403	427	466	417	405	442	375
Workstations	421	423	451	424	410	406	399	370	375	345
Laptops	207	182	161	183	216	163	160	147	133	130
Servers	183	133	122	119	119	111	80	52	52	45
Printers	106	156	152	144	145	143	148	148	146	143
Municipal Court										
Charges issued	14,514	14,151	11,474	11,310	13,043	16,998	15,769	14,269	19,598	17,492
Charges completed	14,349	14,167	10,363	14,770	12,715	14,949	15,134	14,967	19,216	18,406
Charges pending (*Change in software)	3,002	3,417	2,897	10,021	13,481	13,651*	5,791	6,212	6,910	7,207
D.U.I. issued	547	222	151	186	257	413	277	293	285	245
Legal										
Discovery requests approved **	0**	0**	0**	0**	0**	496	423	325	466	422
Appeals to District Court prosecuted	12	7	19	8	14	20	24	11	16	16
Forfeitures cases filed	14	20	16	16	11	6	9	24	14	16
Third party claims made v. City	21	22	8	15	16	14	11	12	18	13
Third party claims paid	10	18	2	9	7	10	3	5	8	3

CITY OF LENEXA, KANSAS

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

Schedule 19

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public Safety										
Police										
Calls for service	20,402	21,631	21,293	20,756	21,309	20,936	22,469	18,664	17,363	17,129
Officer self initiated	24,582	24,571	20,664	20,749	22,413	26,885	25,778	25,162	31,246	30,161
Walk in/station reports	1,037	1,047	1,081	1,090	1,163	1,476	1,458	1,741	1,729	2,021
Total incidents	46,622	48,013	43,838	43,337	45,312	49,502	49,850	69,904	75,854	76,089
Arrests	3,176	3,870	3,581	3,256	4,004	4,881	4,402	3,814	4,177	4,023
Citations	14,300	14,023	11,284	11,039	12,412	10,224	14,643	12,836	18,102	17,942
Discovery requests approved**	463	467	364	364	367	—	—	—	—	—
Fire										
Emergency incident responses	5,237	5,204	5,012	4,884	4,608	4,435	4,581	4,406	4,188	4,297
Building fires/1,000 pop.	1	1	1	2	1	1	2	2	2	2
Ill or injured patients treated	2,818	2,895	2,935	3,002	2,689	2,762	3,049	2,659	2,560	2,683
Fire inspections	4,585	4,008	3,623	2,517	5,466	5,979	6,140	5,225	6,100	6,092
Training hours	25,200	24,387	24,453	17,955	24,025	22,204	26,348	22,253	23,856	27,226
Municipal Services										
Number of City vehicles maintained	368	354	346	344	347	347	347	335	325	318
Lane-miles of roadway	660	660	660	660	660	660	600	592	578	566
Signalized intersections maintained	67	67	66	67	65	66	65	61	61	59
Streetlights maintained	7,149	7,368	7,000	6,581	6,971	6,262	4,000	4,000	3,000	2,750
Traffic signs maintained	12,094	12,055	11,800	11,210	11,039	10,274	10,000	9,650	8,650	8,400
Square feet maintained	327,555	327,555	327,555	327,555	296,743	296,743	287,743	287,743	276,852	265,858
Parks and Recreation										
Acres of park maintained	795	795	776	696	687	898	863	794	674	489
Number of events - Lenexa Conference Center	271	220	177	186	194	236	268	389	325	175
Pool attendance***	47,526	45,421	55,952	52,522	65,032	59,268	54,472	74,029	76,841	63,390
Swim lessons	679	740	666	712	659	662	668	639	674	811

**Previously administered by Legal. Police administered beginning in 2010.

*** Pool attendance down due to Flat Rock Creek construction.

Sources: Various City departments.