

CITY OF LENEXA, KANSAS
Comprehensive Annual Financial Report
For The Year Ended December 31, 2019

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

For The Year Ended December 31, 2019



*Report prepared and submitted by the
Finance Department*

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Introductory Section



May 12, 2020

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, 2019 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included, which includes management's discussion and analysis.

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

The Financial Reporting Entity

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

Government Structure

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

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

Economic Condition and Outlook

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

Lenexa's commercial and residential construction decreased from \$466.2 million to \$310.8 million in 2019 (a decrease of 33%). In 2019, a total of 154 permits were issued for single family homes and a grand total of 2,804 building permits for residential and commercial were issued.

The number of new businesses that located in Lenexa in 2019 is 281.

Lenexa's current population is 55,653 with a projected population for year 2020 of 58,510.

The City's 2019 assessed valuation increased to \$1,364,582,453 (including motor vehicles and recreational vehicles) from \$1,292,768,831 in 2018, a 5.6% increase.

Major Initiatives

2019 Initiatives and Highlights

In May 2019, the Lenexa City Council accepted the final recommendations of Vision 2040. Its five major priorities – healthy people, inviting places, vibrant neighborhoods, integrated transportation and infrastructure, and thriving economy – and their accompanying recommendations will serve as a guide for planning Lenexa's next 20 years.

A Complete Streets study to help create a comprehensive transportation network that offers safe, comfortable connections for drivers, pedestrians, and cyclists also wrapped up in 2019. In the fall of 2019, a new right-turn lane on westbound 87th Street Parkway to northbound I-435 was completed which has improved traffic flow.

New sport courts are replacing 40-year-old tennis courts at two parks this year. The Bois D'Arc courts are being converted to eight pickleball courts with new lighting, shade and seating. Sar-Ko-Par Trails Park will feature two tennis courts and a roller hockey court, plus new fencing and lighting.

The Ridgeview Road extension project, connecting Kansas Highway 10 to Prairie Star Parkway, saw significant progress in 2019. The project will provide a vital transportation connection and open up the surrounding area to new development opportunities. The road is set to open to the public in the spring of 2020.

The Fleet Facility on Lenexa's Municipal Services campus was finished in the fall of 2019. This facility supports the City's in-house fleet maintenance program.

Future/Planned Initiatives

The Governing Body strategic goals are as follows:

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

Financial Information

The 2019 operating budget includes appropriate contingency funding to meet unexpected requirements that may arise during the year. Specifically, there is a contingency amount budgeted in the General Fund, and unallocated resources are available in the Capital Improvement Fund and other funds, which include the Municipal Buildings Fund and the Capital Acquisition Fund.

Internal Control Structure and Budgetary Controls

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

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

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

Single Audit

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

Other Information

Independent Audit

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lenexa for its CAFR for 41 consecutive years (each of the fiscal years ended December 31, 1978 through 2018).

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

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

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning January 1, 2019. The City has received the Distinguished Budget Presentation Award since 1990. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

Acknowledgments

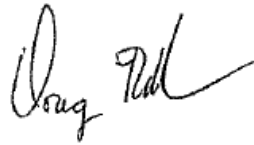
The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire Finance Department staff. Each staff member has our sincere appreciation for their work in preparation of this report. We would like to give special recognition to Assistant Chief Financial Officer Jill Grube, who is retiring in May 2020 after over 30 years of dedicated service to the City. Jill's contributions to the CAFR document and the Finance Department were numerous and will influence the City for a long period of time.

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

Sincerely,



Rebecca Yocham
City Manager



Doug Robinson
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**City of Lenexa
Kansas**

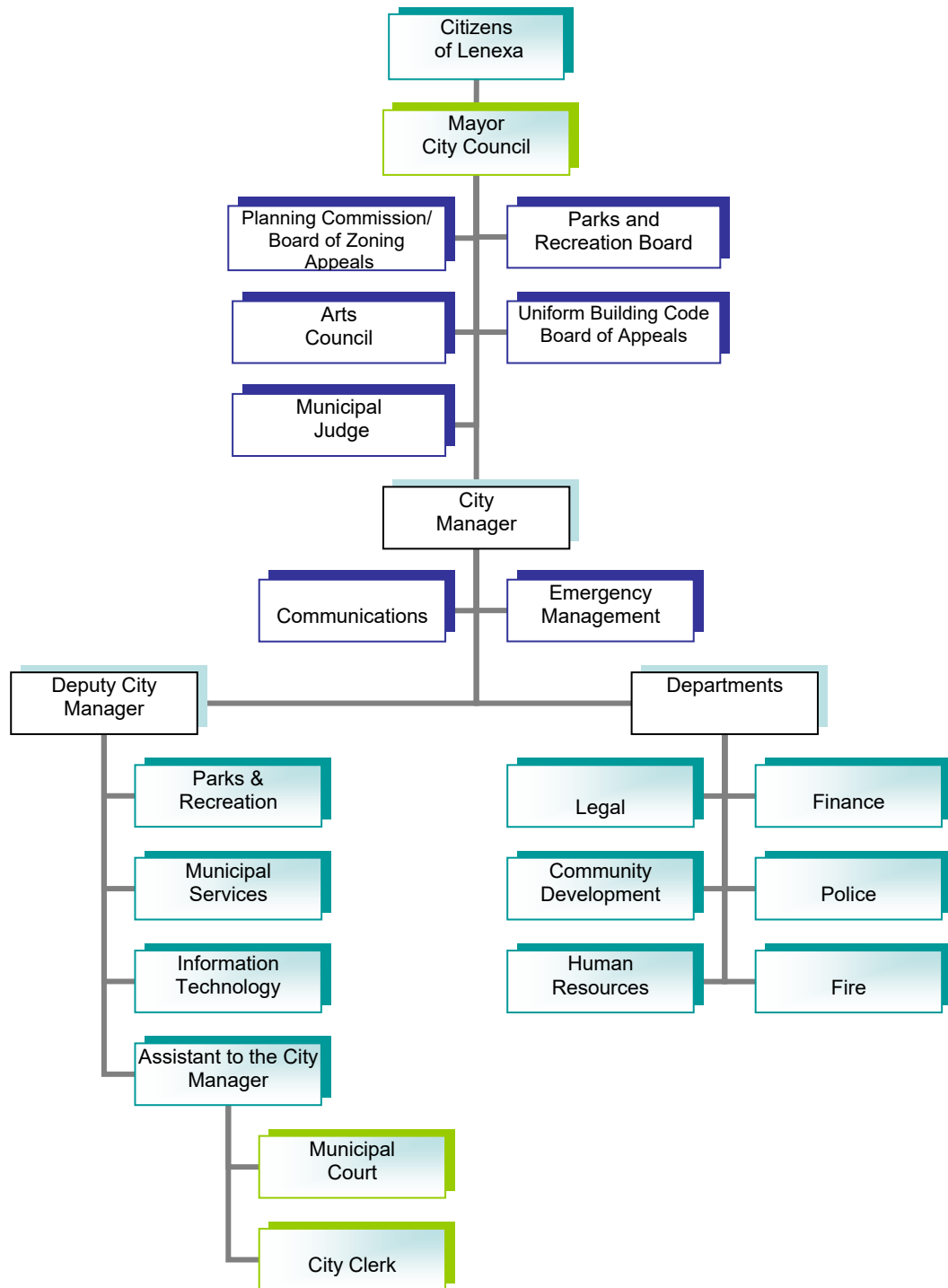
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

**CITY OF LENEXA
Organizational Chart
(Population 55,653)**



CITY OF LENEXA, KANSAS

LIST OF PRINCIPAL OFFICIALS

Mayor

Michael Boehm

City Council

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

City Manager

Rebecca Yocham

Deputy City Manager

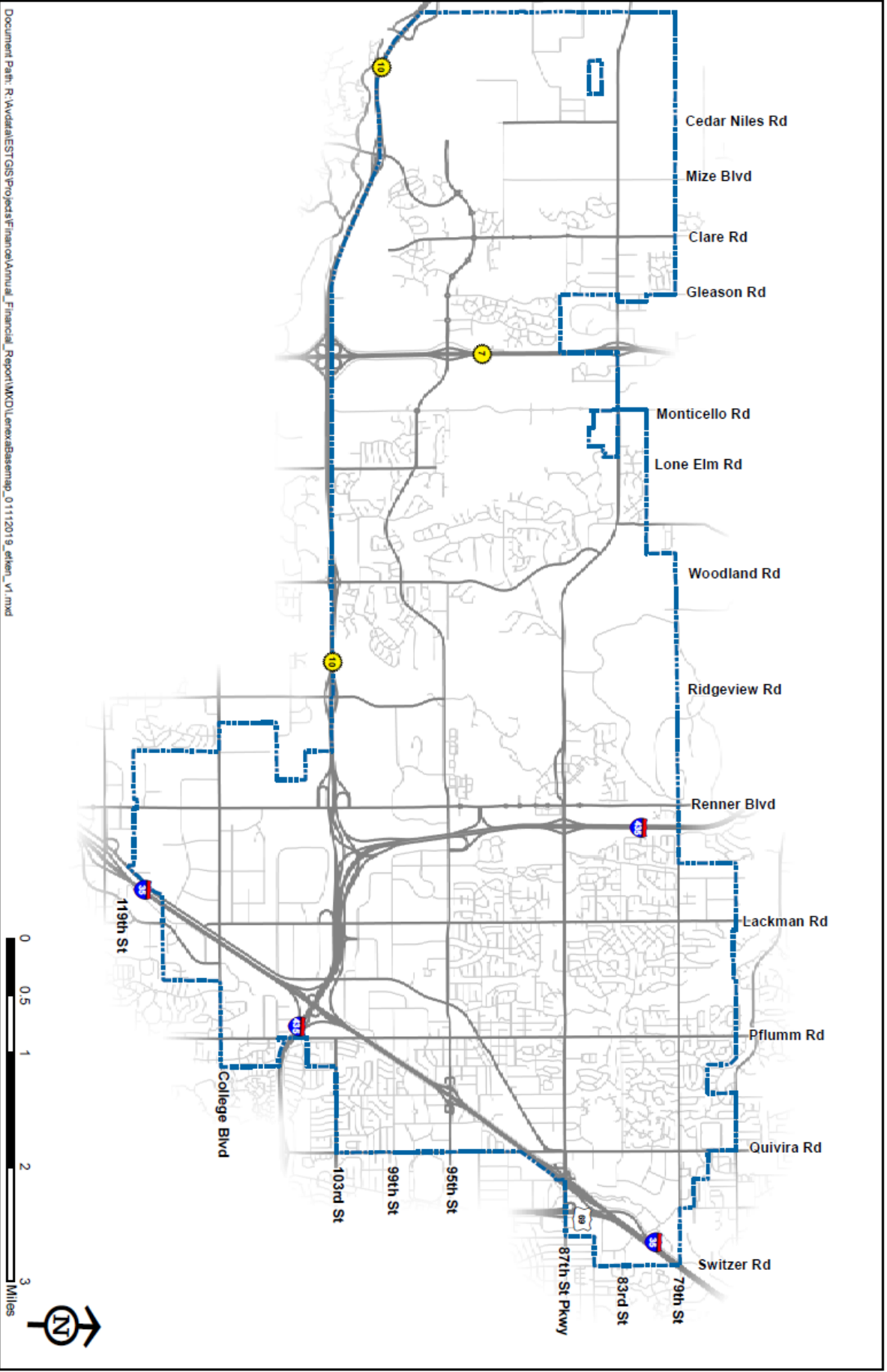
Todd Pelham

Assistant to the City Manager

Michael Nolan

Finance Department

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



Financial Section



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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

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

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Lenexa, Kansas (the City), as of and for the year ended December 31, 2019, 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, 2019 and the respective changes in financial position, and where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 15, the Budgetary Comparison Information on pages 85 through 87 and the Pension and Other Post Employments Benefits schedules on pages 88 through 93 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

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

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RubinBrown LLP

May 12, 2020

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Management's Discussion And Analysis

CITY OF LENEXA, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2019

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, 2019. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

The City's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the end of 2019 by \$593,976,654. Of this amount, \$41,388,247 is unrestricted net position.

The City's total long-term liabilities decreased by \$4,357,442. The key factors in this decrease were the issuance of \$8,980,000 in general obligation bonds and \$5,474,000 in general obligation notes payable, the principal payments of \$14,850,000 in general obligation bonds and \$3,690,000 in general obligation notes payable.

Capital assets increased \$13,339,730 due to \$8,317,111 in infrastructure additions, (including donated capital assets from developers of \$5,685,547) net increase of construction in progress of \$14,917,997, land disposal of \$367,587 and non-infrastructure capital asset additions and retirements of \$10,982,944 and net depreciation of \$20,510,735.

At the end of 2019, the fund balance for the General Fund was \$39,359,036.

The Basic Financial Statements

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

Government-Wide Financial Statements

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

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

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

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

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

Fund Financial Statements

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

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

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

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

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

Notes To The Basic Financial Statements

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

Other Information

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

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

Analysis Of Government-Wide Financial Statements

Statement Of Net Position

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

	Governmental		Business Type		Total Primary	
	Activities		Activities		Government	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$ 190,013,678	\$ 184,425,934	\$ 11,728,703	\$ 5,045,216	\$ 201,742,381	\$ 189,471,150
Capital assets	522,154,058	507,619,018	127,494,160	128,689,470	649,648,218	636,308,488
Total Assets	712,167,736	692,044,952	139,222,863	133,734,686	851,390,599	825,779,638
Deferred Outflows Of Resources						
Deferred outflows - pension	9,062,093	11,679,587	274,655	290,515	9,336,748	11,970,102
Deferred outflows - OPEB	547,164	394,949	31,766	21,558	578,930	416,507
Deferred amount on refunding	—	—	—	—	—	—
Total Deferred Outflows Of Resources	9,609,257	12,074,536	306,421	312,073	9,915,678	12,386,609
Liabilities						
Other liabilities	12,428,434	12,334,078	755,324	787,722	13,183,758	13,121,800
Self insurance claims payable	2,081,685	1,933,629	—	—	2,081,685	1,933,629
Long-term obligations	135,503,894	138,239,484	25,701,355	27,323,207	161,205,249	165,562,691
OPEB liability	4,918,432	4,943,865	256,764	257,149	5,175,196	5,201,014
Net pension liability	37,013,150	34,664,519	1,161,517	1,089,007	38,174,667	35,753,526
Total Liabilities	191,945,595	192,115,575	27,874,960	29,457,085	219,820,555	221,572,660
Deferred Inflows Of Resources						
Property tax	42,841,241	40,379,303	—	—	42,841,241	40,379,303
Deferred inflows - pension	3,458,283	5,037,841	60,875	79,690	3,519,158	5,117,531
Deferred inflow - OPEB	614,631	53,073	33,229	5,058	647,860	58,131
Deferred amount on refunding	154,363	187,943	346,446	399,045	500,809	586,988
Total Deferred Inflows Of Resources	47,068,518	45,658,160	440,550	483,793	47,509,068	46,141,953
Net Position						
Net investment in capital assets	398,831,197	394,509,349	102,036,825	102,015,292	500,868,022	496,524,641
Restricted	47,441,146	41,828,452	4,279,239	—	51,720,385	41,828,452
Unrestricted	36,490,537	30,007,952	4,897,710	2,090,589	41,388,247	32,098,541
Total Net Position	\$ 482,762,880	\$ 466,345,753	\$ 111,213,774	\$ 104,105,881	\$ 593,976,654	\$ 570,451,634

As noted earlier, net position may serve over time as useful indicators of a government's financial position. In the case of the City, assets and deferred outflows exceed liabilities and deferred inflows by \$593,976,654 at December 31, 2019.

CITY OF LENEXA, KANSAS

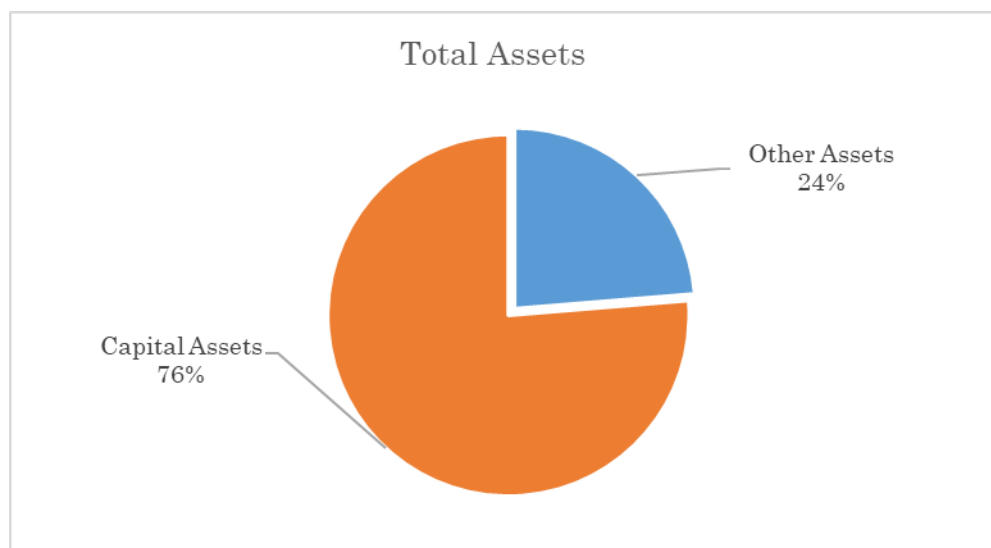
Management's Discussion and Analysis (*Continued*)

The largest portion of the City's net position, \$500,868,022 (84.3%) 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, \$51,720,385 (8.7%), represents resources that are subject to external restrictions on how they may be used. Unrestricted net position, which totals \$41,388,247 (7.0%), represents assets that may be used to meet the government's ongoing obligations to citizens and creditors. The government's net position increased by \$23,525,020, or 4.1%, during the current fiscal year.

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

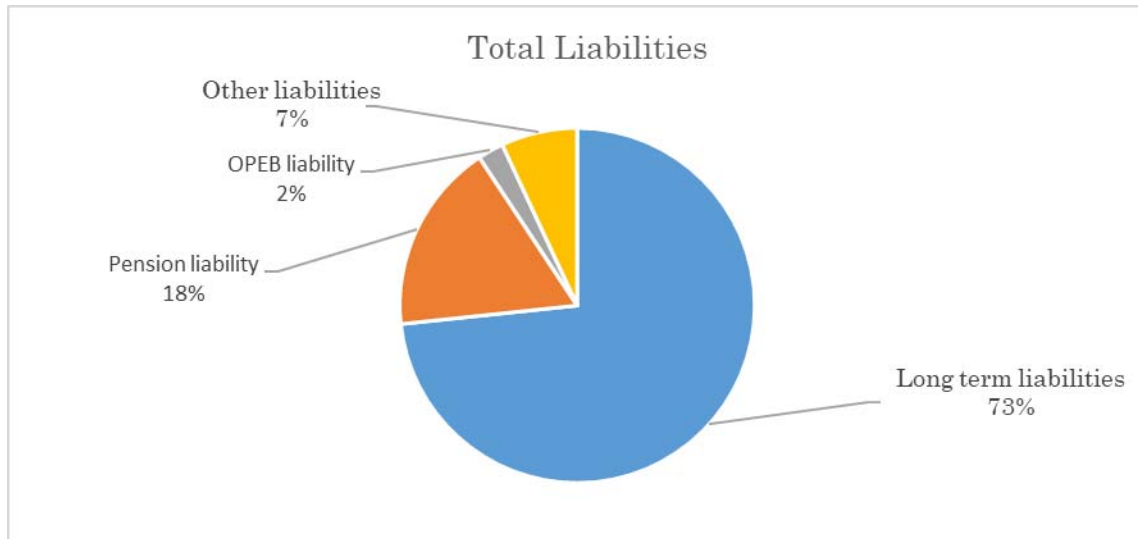
The City ended 2019 with a positive net position. Total assets for the City are \$851,390,599. Of these total assets, \$649,648,218 are capital assets and \$201,742,381 are other assets.



CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

Total liabilities for the City are \$219,820,555. Of these total liabilities, \$161,205,249 are for long-term liabilities, \$38,174,667 for net pension liability, \$5,175,196 are for Other Post Employment Benefit Obligations, \$2,081,685 for self-insurance claims payable and \$13,183,758 for other liabilities. The majority of the long-term liabilities are for debt issued for major capital projects. Debt issues are never extended longer than the useful life of the project for which debt is being issued.



Total net position for the City is \$593,976,654. Of this, \$41,388,247 are unrestricted and \$51,720,385 are restricted. Net investment in capital assets is \$500,868,022.

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		Business Type		Total		Variance Over (Under)
	Activities		Activities		Primary Government		
	2019	2018	2019	2018	2019	2018	
Revenues							
Program revenues:							
Charges for services	\$ 7,036,821	\$ 6,920,519	\$ 10,041,868	\$ 9,042,726	\$ 17,078,689	\$ 15,963,245	\$ 1,115,444
Grants and contributions	1,596,552	1,631,502	16,688	12,233	1,613,240	1,643,735	(30,495)
Capital grants and contributions	4,755,410	5,394,360	1,809,807	1,682,329	6,565,217	7,076,689	(511,472)
General revenues:							
Property taxes	48,414,945	40,772,586	4,577,461	—	52,992,406	40,772,586	12,219,820
Sales tax	37,571,363	37,689,395	—	—	37,571,363	37,689,395	(118,032)
Other taxes	13,444,535	14,104,324	—	—	13,444,535	14,104,324	(659,789)
Investment revenue	3,695,240	2,062,833	183,199	90,273	3,878,439	2,153,106	1,725,333
Other	1,861,300	3,196,936	21,879	16,646	1,883,179	3,213,582	(1,330,403)
Total Revenues	118,376,166	111,772,455	16,650,902	10,844,207	135,027,068	122,616,662	12,410,406
Expenses							
General government	18,166,556	16,514,423	—	—	18,166,556	16,514,423	1,652,133
Public safety	27,570,692	28,042,267	—	—	27,570,692	28,042,267	(471,575)
Municipal services	36,110,897	34,830,561	—	—	36,110,897	34,830,561	1,280,336
Parks and recreation	7,314,935	6,657,697	—	—	7,314,935	6,657,697	657,238
Economic development	6,800,669	6,102,991	—	—	6,800,669	6,102,991	697,678
Interest on long-term debt	3,956,751	3,003,720	—	—	3,956,751	3,003,720	953,031
Rec Center	—	—	3,731,578	3,557,455	3,731,578	3,557,455	174,123
Stormwater	—	—	7,849,970	8,170,562	7,849,970	8,170,562	(320,592)
Total Expenses	99,920,500	95,151,659	11,581,548	11,728,017	111,502,048	106,879,676	4,622,372
Excess Of Revenues Over Expenditures	18,455,666	16,620,796	5,069,354	(883,810)	23,525,020	15,736,986	7,788,034
Other Financing Sources (Uses)							
Capital Contribution	—	—	—	—	—	—	—
Transfers	(2,038,539)	(521,416)	2,038,539	521,416	—	—	—
Total Other Financing Sources (Uses)	(2,038,539)	(521,416)	2,038,539	521,416	—	—	—
Change In Net Position	16,417,127	16,099,380	7,107,893	(362,394)	23,525,020	15,736,986	7,788,034
Net Position - Beginning Of Year	466,345,753	449,979,729	104,105,881	104,541,886	570,451,634	554,521,615	15,930,019
Prior Period Adjustment	—	266,644	—	(73,611)	—	193,033	(193,033)
Net Position - Beginning Of Year As Restated	466,345,753	450,246,373	104,105,881	104,468,275	570,451,634	554,714,648	15,736,986
Net Position, End Of Year	\$ 482,762,880	\$ 466,345,753	\$ 111,213,774	\$ 104,105,881	\$ 593,976,654	\$ 570,451,634	\$ 23,525,020

The City's net position increased for governmental activities by \$16,417,127. Key elements of this increase are as follows:

- The City received \$3.9 million of donated streets through developer constructed projects.
- Completion of a new Fleet Facility building totaling \$6.4 million.
- An increase in investment revenue of \$1.6 million due to increased interest rates.
- An increase in property tax revenue of \$7.6 million primarily due to increase in assessed valuation of 7%.

CITY OF LENEXA, KANSAS

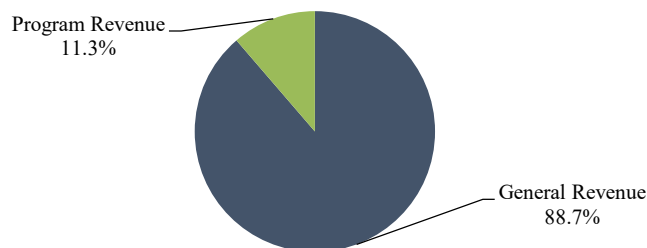
Management's Discussion and Analysis (*Continued*)

The City's net position increased for the business-type activities by \$7,107,893. The key element of this increase is as follows:

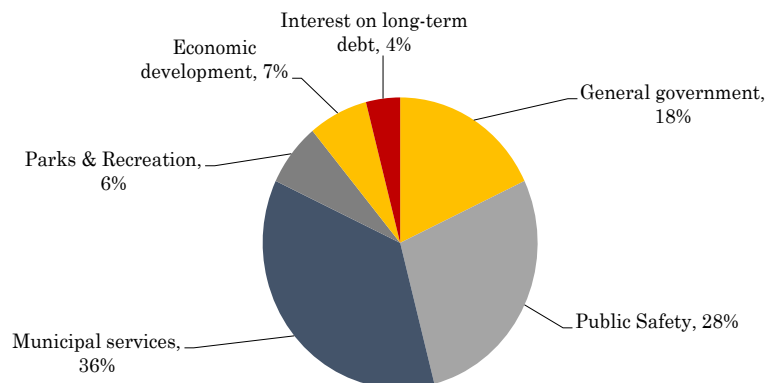
- An increase in property tax revenue of \$4.6 million due to the Lenexa Logistics North Stormwater project that is funded with Special Assessments.

An increase of 7.4% in storm water service charges due to development throughout the City. The government-wide statement of activities indicates the major sources of program revenues are capital grants and contributions. General revenues comprised 88.7% of total revenues for governmental activities. Property taxes are the largest general revenue source for governmental activities amounting to 46.1% followed closely by sales tax amounting to 35.8% of general revenues.

Total Revenue



Net Costs Of Services



CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

For purposes of the above graph, only governmental activities are included. In addition, the capital grants and contributions amounts of \$4.8 million have not been included in the net costs of services. The total cost of services for 2019 was \$99.9 million; however, \$7.0 million was funded by charges to users directly benefiting from the services. Of the remaining \$92.9 million for cost of services, \$91.3 million of these services was funded primarily through property taxes and sales taxes with \$1.6 million being funded by operating grants.

Analysis Of The Fund Financial Statements

Governmental Funds

The City's governmental fund statements can be found on pages 18 to 21 of the basic financial statements. As stated earlier, these statements are presented on the modified accrual basis. Reconciliation to the Government-Wide Financial Statements has been provided with these fund statements. The Governmental Funds ended fiscal year 2019 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, 2019 was \$39,359,036. This represents an increase of \$2,918,765 or a 8.0% increase over the previous year's balance which is due to an increase in overall revenues of \$0.47 million and decrease in net transfers out of \$1.2 millions. Property tax revenues increased \$1,256,590 due to an increase in assessed valuation of 7.0%. Sales and compensating use tax revenue decreased \$0.1 million or less than 0.1%. Excluding refunds and one-time payments received in 2018, City sales tax revenues increased by \$0.4 million or 2.5% compared to 2018. The investment earnings in the general fund increased \$1.0 million or 100% compared to 2018. The Governing Body also authorized an unplanned \$1 million transfer to the Equipment Reserve Fund and \$0.6 million transfer to the Facilities Maintenance Fund due to excess General Fund revenue from the prior year.

The fund balance of the Debt Service Fund at December 31, 2019 was \$4,364,860. This represents a decrease of \$141,835 or a 3.1% 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, 2019 was \$25,229,991. This represents a decrease of \$4,117,349 or a 14.0% decrease over the previous year's balance. This decrease is primarily the result of the planned utilization of the fund balance for capital improvement projects.

The fund balance of the Street Improvement Fund will vary on a year-to-year basis depending on what capital projects are in process, the cost of those projects and the various funding sources for those projects. The fund balance of the Street Improvement Fund at December 31, 2019 was \$17,277,271. This represents an increase of \$403,095 or a 2.4% increase over the previous year's balance.

Proprietary Funds

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

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

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

General Fund Budgetary Highlights

The legally adopted budget for the General Fund was not amended by the Governing Body during 2019. However, departments within the City are allowed to transfer budget between line items and between activities within a department. Revenues exceeded budgetary estimates by \$1.6 million and expenditures were less than budgetary estimates by \$5.9 million. Revenues increased in the general fund \$0.5 million over the prior year. Expenditures increased \$0.8 million while transfers out to other funds decreased \$1.3 million. The following are major budgetary highlights of the general fund for the 2019 fiscal year:

- Total taxes revenue was \$72.8 million, which was \$1.0 million less than the budget estimate of \$73.9 million. This is due to sales tax refunds, and franchise tax revenues decreasing due to Everygy billing credits for customers.
- Licenses and permits revenue was \$2.3 million, which was a decrease of \$0.1 million over the budget estimate.
- An increase in operating expense for the General Fund due to increases in employee compensations.
- The Governing Body approved merit and market adjustments to the employee pay plan. This included adjustments to the non-public safety pay ranges, created new pay ranges for sworn police and fire positions, and adjusted pay administration guidelines with how the City credits employees for internal and external positions.

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, 2019 was \$649,648,218 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	
	2019	2018
Land	\$ 25,315,049	\$ 25,682,636
Buildings	63,364,621	59,687,473
Machinery and equipment	14,039,519	11,312,761
Other capital, depreciable	317,272	491,781
Other capital, non-depreciable	411,700	411,700
Infrastructure, depreciable	383,885,724	390,130,491
Construction in progress	34,820,173	19,902,176
Total	\$ 522,154,058	\$ 507,619,018

	Business-Type Activities	
	2019	2018
Land	\$ 1,042,499	\$ 1,042,499
Buildings	31,028,679	32,156,995
Machinery and equipment	1,380,392	1,663,746
Other capital, non-depreciable	98,800	98,800
Infrastructure, depreciable	93,943,790	93,727,430
Total	\$ 127,494,160	\$ 128,689,470

Major capital events during the fiscal year included the following:

- The Pavement Management Program applied new surface treatments to more than 430,000 square yards of streets in neighborhoods, commercial districts, and industrial areas, as well as a portion of the Oak Valley Trail.
- The Renner Boulevard (91st to 93rd Street) Mixed Use Trail was completed in 2019. This project provided a key missing segment of the mixed-use trail system on Renner Blvd and completed the trail connection between City Center and 95th Street/Prairie Star Parkway.
- The Ridgeview Road extension project, connecting Kansas Highway 10 to Prairie Star Parkway, saw significant progress in 2019. The project will provide a vital transportation connection and open up the surrounding area to new development opportunities. The road is set to open to the public in the spring of 2020.

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

- In 2019, the Brookwood Place Storm Drainage Improvement project was completed, which was located in neighborhoods east of Mauer and west of Lackman between 83rd Street and 87th Street Parkway.
- The Fleet Facility on Lenexa's Municipal Services campus was finished in the Fall of 2019. This facility supports the City's in-house fleet maintenance program.

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

Debt Administration

At December 31, 2019, the City had a number of debt issues outstanding. These issues include \$137,930,000 of general obligation bonds and special assessment debt backed by the full faith and credit of the City. This balance represents a \$5,870,000 net decrease over the 2018 balance. This net decrease is primarily due to the issuance of \$8,980,000 of general obligation bonds along with the principal payment of \$14,850,000 on existing and refunded bonds. The City maintained its bond rating from Standard and Poor's of AAA and maintained an Aaa bond rating from Moody's Investors Service, Inc. on general obligation bond issues. Under current state statutes, the City's bonded debt issuances are subject to a legal limitation based on a percentage of the assessed valuation of real estate and personal property. As of December 31, 2019, the total general obligation debt of \$137,930,000 was well below the City's legal limit of \$409,374,736. A summary of outstanding debt is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 113,635,000	\$ 117,870,000	\$ 24,295,000	\$ 25,930,000	\$ 137,930,000	\$ 143,800,000
TIF revenue bonds	5,961,193	6,129,911	—	—	5,961,193	6,129,911
General obligation notes payable	5,474,000	3,690,000	—	—	5,474,000	3,690,000
Employee compensated absences (net)	2,776,698	2,656,601	93,492	92,616	2,870,190	2,749,217
Net unamortized premium	7,661,698	7,892,972	1,138,733	1,113,723	8,800,431	9,006,695
Discount on notes	(4,695)	—	—	—	(4,695)	—
Revolving loan	—	—	174,130	186,868	174,130	186,868
Total long-term liabilities	\$ 135,503,894	\$ 138,239,484	\$ 25,701,355	\$ 27,323,207	\$ 161,205,249	\$ 165,562,691

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

Requests For Information

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

Basic Financial Statements

CITY OF LENEXA, KANSAS

STATEMENT OF NET POSITION

December 31, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Deposits, including investments and restricted cash and investments	\$ 113,067,971	\$ 7,256,160	\$ 120,324,131
Receivables (net of allowance of \$1,479,350)	75,436,479	4,457,128	79,893,607
Net pension asset	1,320,525	15,415	1,335,940
Prepaid expenses	188,703	—	188,703
Capital assets - nondepreciable	60,546,922	1,141,299	61,688,221
Capital assets - depreciable, net	461,607,136	126,352,861	587,959,997
Total Assets	712,167,736	139,222,863	851,390,599
Deferred Outflows Of Resources			
Deferred outflow - pension	9,062,093	274,655	9,336,748
Deferred outflow - OPEB	547,164	31,766	578,930
Total Deferred Outflows Of Resources	9,609,257	306,421	9,915,678
Liabilities			
Accounts payable	6,958,656	166,747	7,125,403
Accrued interest payable	3,934,768	287,951	4,222,719
Accrued compensation	1,069,002	69,507	1,138,509
Other	283,499	231,119	514,618
Due to other entities	182,509	—	182,509
Self-insurance claims payable:			
Due within one year	1,580,725	—	1,580,725
Due in more than one year	500,960	—	500,960
Long-term liabilities:			
Due within one year	20,390,196	2,190,844	22,581,040
Due in more than one year	115,113,698	23,510,511	138,624,209
Net pension liability	37,013,150	1,161,517	38,174,667
OPEB liability	4,918,432	256,764	5,175,196
Total Liabilities	191,945,595	27,874,960	219,820,555
Deferred Inflows Of Resources			
Property tax	42,841,241	—	42,841,241
Deferred amount on refunding	154,363	346,446	500,809
Deferred inflow - pension	3,458,283	60,875	3,519,158
Deferred inflow - OPEB	614,631	33,229	647,860
Total Deferred Inflows Of Resources	47,068,518	440,550	47,509,068
Net Position			
Net investment in capital assets	398,831,197	102,036,825	500,868,022
Restricted for:			
Debt service	6,192,430	4,279,239	10,471,669
Public safety	23,330,331	—	23,330,331
Municipal services	3,590,787	—	3,590,787
Parks and recreation	7,212,847	—	7,212,847
General government	6,194,206	—	6,194,206
Capital projects	920,545	—	920,545
Unrestricted	36,490,537	4,897,710	41,388,247
Total Net Position	\$ 482,762,880	\$ 111,213,774	\$ 593,976,654

CITY OF LENEXA, KANSAS

STATEMENT OF ACTIVITIES For The Year Ended December 31, 2019

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	\$ 18,166,556	\$ 3,227,081	\$ 53,948	\$ —	\$ (14,885,527)	\$ —	\$ (14,885,527)
Public safety	27,570,692	1,748,663	26,142	—	(25,795,887)	—	(25,795,887)
Municipal services	36,110,897	604,424	1,514,398	4,755,410	(29,236,665)	—	(29,236,665)
Parks and recreation	7,314,935	1,456,653	2,064	—	(5,856,218)	—	(5,856,218)
Economic development	6,800,669	—	—	—	(6,800,669)	—	(6,800,669)
Interest on long-term debt	3,956,751	—	—	—	(3,956,751)	—	(3,956,751)
Total Governmental Activities	99,920,500	7,036,821	1,596,552	4,755,410	(86,531,717)	—	(86,531,717)
Business-Type Activities							
Rec Center	3,731,578	3,153,500	16,688	—	—	(561,390)	(561,390)
Stormwater	7,849,970	6,888,368	—	1,809,807	—	848,205	848,205
Total Business-Type Activities	11,581,548	10,041,868	16,688	1,809,807	—	286,815	286,815
Total	\$ 111,502,048	\$ 17,078,689	\$ 1,613,240	\$ 6,565,217	(86,531,717)	286,815	(86,244,902)
General revenues:							
Taxes:							
Property taxes					48,414,945	4,577,461	52,992,406
Sales taxes					37,571,363	—	37,571,363
Franchise taxes					6,935,636	—	6,935,636
Motor vehicle taxes					3,370,119	—	3,370,119
Transient guest tax					1,385,901	—	1,385,901
Excise tax					812,409	—	812,409
Special liquor tax					940,470	—	940,470
Unrestricted investment earnings					3,695,240	183,199	3,878,439
Miscellaneous					1,861,300	21,879	1,883,179
Transfers					(2,038,539)	2,038,539	—
Total General Revenues And Transfers					102,948,844	6,821,078	109,769,922
Change In Net Position					16,417,127	7,107,893	23,525,020
Net Position - Beginning Of Year					466,345,753	104,105,881	570,451,634
Net Position - End Of Year					\$ 482,762,880	\$ 111,213,774	\$ 593,976,654

CITY OF LENEXA, KANSAS

BALANCE SHEET - GOVERNMENTAL FUNDS December 31, 2019

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General Fund	Debt Service	Capital Improvement Fund	Street Improvements	Other Governmental Funds	Total Governmental Funds	
Assets							
Deposits and investments	\$ 36,567,684	\$ 4,345,013	\$ 23,461,771	\$ 20,914,980	\$ 18,596,675	\$ 103,886,123	
Restricted cash and investments	220,361	—	—	—	5,160	225,521	
Special assessment receivable	—	22,705,106	—	—	—	22,705,106	
Property tax receivable (net of allowance for uncollectibles)	25,362,391	6,960,002	—	—	10,518,848	42,841,241	
Sales tax receivable	6,674,360	—	—	—	203,437	6,877,797	
Transient guest tax receivable	—	—	—	—	367,528	367,528	
Franchise tax receivable	701,549	—	—	—	—	701,549	
Special highway tax receivable	—	—	—	—	388,135	388,135	
Special liquor tax receivable	72,748	—	—	—	145,496	218,244	
Intergovernmental	—	—	—	237,370	29,758	267,128	
Interest receivable	236,894	19,847	114,160	20,188	43,071	434,160	
Due from other funds	3,069	—	1,551,122	—	—	1,554,191	
Other receivable	136,046	—	183,662	—	100,806	420,514	
Prepaid expenses	188,703	—	—	—	—	188,703	
Total Assets	\$ 70,163,805	\$ 34,029,968	\$ 25,310,715	\$ 21,172,538	\$ 30,398,914	\$ 181,075,940	
Liabilities, Deferred Inflows And Fund Balances							
Liabilities							
Accounts payable	\$ 2,357,267	\$ —	\$ 80,724	\$ 3,705,297	\$ 802,644	\$ 6,945,932	
Accrued compensation	1,067,981	—	—	—	—	1,067,981	
Due to other funds	1,551,122	—	—	—	85,922	1,637,044	
Due to outside entities	182,509	—	—	—	—	182,509	
Temporary notes payable	—	—	—	—	—	—	
Fire insurance proceeds	—	—	—	—	—	—	
Municipal court deposits	34,133	—	—	—	—	34,133	
Unearned revenue	249,366	—	—	—	—	249,366	
Total Liabilities	5,442,378	—	80,724	3,705,297	888,566	10,116,965	
Deferred Inflows Of Resources							
Property tax	25,362,391	6,960,002	—	—	10,518,848	42,841,241	
Special assessments	—	22,705,106	—	—	—	22,705,106	
Other	—	—	—	189,970	—	189,970	
Total Deferred Inflows Of Resources	25,362,391	29,665,108	—	189,970	10,518,848	65,736,317	
Fund Balances							
Restricted	—	4,364,860	4,752,627	5,264,937	14,092,281	28,474,705	
Committed	64,232	—	—	5,251,857	557,866	5,873,955	
Assigned	77,730	—	20,477,364	6,760,477	4,341,353	31,656,924	
Unassigned	39,217,074	—	—	—	—	39,217,074	
Total Fund Balances	39,359,036	4,364,860	25,229,991	17,277,271	18,991,500	105,222,658	
Total Liabilities, Deferred Inflows And Fund Balances	\$ 70,163,805	\$ 34,029,968	\$ 25,310,715	\$ 21,172,538	\$ 30,398,914	\$ 181,075,940	

CITY OF LENEXA, KANSAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION December 31, 2019

Total Fund Balance - Governmental Funds	\$ 105,222,658
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).	<u>522,154,058</u>
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.	<u>7,158,827</u>
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.	<u>22,895,076</u>
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the fund financial statements. All liabilities - both current and long-term - are reported on the government-wide statement of net position. Balances as of year end are:	
Accrued compensated absences	(2,776,698)
Other post employment benefits obligation	(4,918,432)
Unamortized premium on bonds payable	(7,661,698)
Unamortized discount on bonds payable	4,695
Net pension asset	1,320,525
General obligation notes payable	(5,474,000)
Accrued interest payable on long-term debt	(3,934,768)
Deferred amount on refunding	(154,363)
Tax increment financing bonds payable	(5,961,193)
General obligation bonds payable	(113,635,000)
Net pension liability	(37,013,150)
Deferred outflows - pension	9,062,093
Deferred inflows - pension	(3,458,283)
Deferred outflows - OPEB	547,164
Deferred inflows - OPEB	(614,631)
	<u>(174,667,739)</u>
Total Net Position - Governmental Activities	\$ 482,762,880

CITY OF LENEXA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For The Year Ended December 31, 2019

	Major Funds				Nonmajor Funds	
	General	Debt Service	Capital Improvement Fund	Street Improvements	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 72,847,441	\$ 10,699,855	\$ —	\$ —	\$ 12,992,634	\$ 96,539,930
Intergovernmental	—	—	1,288	495,700	332,827	829,815
Licenses and permits	2,266,424	—	—	—	—	2,266,424
Charges for services	2,000,980	—	—	—	911,575	2,912,555
Rents and leases	791,387	—	—	—	—	791,387
Fines and forfeitures	1,299,840	—	—	—	23,905	1,323,745
Investment earnings	2,099,945	205,094	663,677	126,500	248,604	3,343,820
Miscellaneous	1,662,293	—	72,436	15,600	219,307	1,969,636
Total Revenues	82,968,310	10,904,949	737,401	637,800	14,728,852	109,977,312
Expenditures						
Current:						
General government	15,335,402	—	155,305	—	931,113	16,421,820
Public safety	27,008,122	—	—	—	250,799	27,258,921
Municipal services	8,405,247	—	78,128	—	—	8,483,375
Recreation	6,523,885	—	5,802	—	65,418	6,595,105
Economic development	—	—	—	—	6,809,716	6,809,716
Debt service:						
Principal retirement	—	9,115,000	1,905,000	3,690,000	328,718	15,038,718
Interest and fiscal charges	—	3,296,190	939,350	80,156	179,588	4,495,284
Capital outlay:						
Municipal services	—	—	1,001,128	21,822,274	13,757,008	36,580,410
Total Expenditures	57,272,656	12,411,190	4,084,713	25,592,430	22,322,360	121,683,349
Excess (Deficiency) Of Revenues Over Expenditures	25,695,654	(1,506,241)	(3,347,312)	(24,954,630)	(7,593,508)	(11,706,037)
Other Financing Sources (Uses)						
Issuance of general obligation bonds	—	—	—	6,945,000	—	6,945,000
Issuance of general obligation temporary notes	—	—	—	5,468,366	—	5,468,366
Premium on general obligation bonds	—	—	—	669,452	—	669,452
Transfers in	362,638	1,364,406	19,973,079	12,486,603	13,085,340	47,272,066
Transfers out	(23,139,527)	—	(20,743,116)	(211,696)	(5,216,266)	(49,310,605)
Total Other Financing Sources (Uses)	(22,776,889)	1,364,406	(770,037)	25,357,725	7,869,074	11,044,279
Net Changes In Fund Balances	2,918,765	(141,835)	(4,117,349)	403,095	275,566	(661,758)
Fund Balances - Beginning Of Year	36,440,271	4,506,695	29,347,340	16,874,176	18,715,934	105,884,416
Fund Balances - End Of Year	\$ 39,359,036	\$ 4,364,860	\$ 25,229,991	\$ 17,277,271	\$ 18,991,500	\$ 105,222,658

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, 2019

Net Change In Fund Balances - Total Governmental Funds \$ (661,758)

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	\$ 29,107,190	
Depreciation expense	(18,072,966)	

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

Contributions from developers	3,875,740	
Sale of land	(367,587)	
Net book value of current year disposals	<u>(7,337)</u>	
		14,535,040

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	(394,834)	
Change in employee compensated absences	(120,097)	
Change in net pension	(2,066,042)	
Change in other post employment benefits obligation	<u>(383,910)</u>	
		(2,964,883)

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: 4,548,325

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	(6,945,000)	
General obligation note proceeds	(5,474,000)	
Bond principal payment	11,180,000	
General obligation note payments	3,690,000	
Tax increment financing revenue bond payments	168,718	
Bond premium	(669,452)	
Amortization of bond premium	900,726	
Bond discount	5,634	
Amortization of bond discount	(939)	
Amortization of deferred amount of refunding	<u>33,580</u>	
		2,889,267

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. (1,928,864)

Change In Net Position Of Governmental Activities \$ 16,417,127

CITY OF LENEXA, KANSAS

STATEMENT OF NET POSITION - PROPRIETARY FUNDS December 31, 2019

	Business-type Activities			Governmental Activities
	Stormwater	Rec Center	Total Enterprise Funds	Internal Service Fund
Assets				
Current assets:				
Deposits and investments	\$ 5,009,819	\$ 2,246,341	\$ 7,256,160	\$ 8,956,327
Special assessment receivable	4,279,239	—	4,279,239	—
Interest receivable	19,881	10,278	30,159	34,664
Intergovernmental receivable	98,457	3,215	101,672	—
Due from other funds	—	—	—	82,853
Other receivable	—	46,058	46,058	180,413
Total current assets	9,407,396	2,305,892	11,713,288	9,254,257
Noncurrent assets:				
Capital assets - nondepreciable	1,042,499	98,800	1,141,299	—
Capital assets - depreciable, net	94,768,259	31,584,602	126,352,861	—
Net pension asset	15,415	—	15,415	—
Total noncurrent assets	95,826,173	31,683,402	127,509,575	—
Total Assets	105,233,569	33,989,294	139,222,863	9,254,257
Deferred Outflows Of Resources				
Deferred outflows - pension	196,356	78,299	274,655	—
Deferred outflows - OPEB	22,117	9,649	31,766	—
Total Deferred Outflows Of Resources	218,473	87,948	306,421	—
Liabilities				
Current liabilities:				
Accounts payable	160,249	6,498	166,747	12,724
Accrued interest payable	287,951	—	287,951	—
Accrued compensation	28,155	41,352	69,507	1,021
Deferred revenue	—	—	—	—
Self insurance claims payable	—	—	—	1,580,725
Current portion of long-term obligations	2,176,283	14,561	2,190,844	—
Unearned revenue	—	231,119	231,119	—
Total current liabilities	2,652,638	293,530	2,946,168	1,594,470
Noncurrent liabilities:				
Noncurrent portion of long-term obligations	23,508,117	2,394	23,510,511	—
Self insurance claims payable	—	—	—	500,960
Net pension liability	774,344	387,173	1,161,517	—
Net OPEB liability	179,299	77,465	256,764	—
Total noncurrent liabilities	24,461,760	467,032	24,928,792	500,960
Total Liabilities	27,114,398	760,562	27,874,960	2,095,430
Deferred Inflows Of Resources				
Special assessments	—	—	—	—
Deferred inflows - pension	59,423	1,452	60,875	—
Deferred inflows - OPEB	23,180	10,049	33,229	—
Deferred amount on refunding	346,446	—	346,446	—
Total Deferred Inflows Of Resources	429,049	11,501	440,550	—
Net Position				
Net investment in capital assets	70,353,423	31,683,402	102,036,825	—
Restricted for debt service	4,279,239	—	4,279,239	—
Restricted for capital projects	—	—	—	—
Unrestricted	3,275,933	1,621,777	4,897,710	7,158,827
Total Net Position	\$ 77,908,595	\$ 33,305,179	\$ 111,213,774	\$ 7,158,827

CITY OF LENEXA, KANSAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUND For The Year Ended December 31, 2019

	Business-Type Activities			Governmental Activities
	Total Enterprise			Internal Service
	Stormwater	Rec Center	Funds	Fund
Operating Revenues				
Intergovernmental	\$ —	\$ 16,688	\$ 16,688	\$ —
Charges for services	6,888,368	3,153,500	10,041,868	5,952,158
Property tax	4,577,461	—	4,577,461	—
Reimbursements from insurance companies	—	—	—	1,188,187
Miscellaneous	3,700	18,179	21,879	996,820
Total Operating Revenues	11,469,529	3,188,367	14,657,896	8,137,165
Operating Expenses				
Personal services	1,473,607	1,728,441	3,202,048	97,296
Contractual services	—	—	—	1,318,223
Commodities	—	—	—	49,387
Stormwater operations	3,910,406	—	3,910,406	—
Rec Center operations	—	594,787	594,787	—
Depreciation	1,721,517	1,408,350	3,129,867	—
Claims	—	—	—	8,952,542
Total Operating Expenses	7,105,530	3,731,578	10,837,108	10,417,448
Operating Income/(Loss)	4,363,999	(543,211)	3,820,788	(2,280,283)
Nonoperating Revenues (Expenses)				
Investment income	132,841	50,358	183,199	351,419
Interest expense	(744,440)	—	(744,440)	—
Total Nonoperating Revenues (Expenses)	(611,599)	50,358	(561,241)	351,419
Loss Before Contributions And Transfers	3,752,400	(492,853)	3,259,547	(1,928,864)
Capital contributions	1,809,807	—	1,809,807	—
Transfers in	2,061,360	363,204	2,424,564	—
Transfers out	(386,025)	—	(386,025)	—
Change In Net Position	7,237,542	(129,649)	7,107,893	(1,928,864)
Total Net Position - Beginning Of Year	70,671,053	33,434,828	104,105,881	9,087,691
Total Net Position - End Of Year	\$ 77,908,595	\$ 33,305,179	\$ 111,213,774	\$ 7,158,827

CITY OF LENEXA, KANSAS

STATEMENT OF CASH FLOWS PROPRIETARY FUND For The Year Ended December 31, 2019

	Business-Type Activities			Governmental
			Total Enterprise	Internal
	Stormwater	Rec Center	Funds	Service Funds
Cash Flows From Operating Activities				
Cash received from customers	\$ 6,900,154	\$ 3,134,631	\$ 10,034,785	\$ 6,193,359
Cash other	298,222	275	298,497	—
Cash from interfund	—	—	—	8,730
Cash received from insurance companies	—	—	—	1,059,619
Cash payments for personnel services	(1,434,994)	(1,689,637)	(3,124,631)	(97,114)
Cash payments for contractual services and accounts payable	(3,893,372)	(597,054)	(4,490,426)	(9,405,360)
Net Cash Provided By (Used In) Operating Activities	1,870,010	848,215	2,718,225	(2,240,766)
Cash Flows From Noncapital Financing Activities				
Transfers in	2,061,360	363,204	2,424,564	—
Transfers out	(386,025)	—	(386,025)	—
Net Cash Provided By Noncapital Financing Activities	1,675,335	363,204	2,038,539	—
Cash Flows From Capital And Related Financing Activities				
Premium on bonds	137,880	—	137,880	—
Interest paid on long term debt	(936,466)	—	(936,466)	—
Additions to capital assets	(115,800)	(8,949)	(124,749)	—
Principal paid on revolving loan	(12,738)	—	(12,738)	—
Proceeds from bonds	2,035,000	—	2,035,000	—
Principal paid on bonds	(3,670,000)	—	(3,670,000)	—
Net Cash Used In Capital And Related Financing Activities	(2,562,124)	(8,949)	(2,571,073)	—
Cash Flows From Investing Activities				
Investment income	132,841	50,357	183,198	—
Interest received	—	—	—	346,969
Net Cash Provided By Investing Activities	132,841	50,357	183,198	346,969
Net Increase (Decrease) In Cash And Cash Equivalents	1,116,062	1,252,827	2,368,889	(1,893,797)
Cash And Cash Equivalents – Beginning Of Year	3,893,757	993,514	4,887,271	10,850,124
Cash And Cash Equivalents – End Of Year	\$ 5,009,819	\$ 2,246,341	\$ 7,256,160	\$ 8,956,327
Reconciliation Of Operating Income To Net Cash From Operating Activities				
Operating income (loss)	\$ 4,363,999	\$ (543,211)	\$ 3,820,788	\$ (2,280,283)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Depreciation	1,721,517	1,408,350	3,129,867	—
Change in other operating receivables	8,087	(5,826)	2,261	(120,441)
Change in customer receivables	—	(22,205)	(22,205)	—
Change in net OPEB	12,325	5,253	17,578	—
Change in compensated absences	(3,263)	4,139	876	—
Change in accounts, wages and claims payable	10,829	8,760	19,589	159,958
Change in net pension liability	35,755	18,385	54,140	—
Change in unearned revenue	(4,279,239)	(25,430)	(4,304,669)	—
Net Cash Provided By (Used In) Operating Activities	\$ 1,870,010	\$ 848,215	\$ 2,718,225	\$ (2,240,766)
Supplemental Disclosure Of Cash Flow Information				
Noncash capital contributions	\$ —	\$ —	\$ —	\$ —

CITY OF LENEXA, KANSAS

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS December 31, 2019

	Pension Trust Fund
Assets	
Cash and short-term investments	\$ 218,866
Investments at fair value:	
Domestic stocks	6,445,434
Real estate	3,387,002
International stocks	253,174
Master limited partnerships	1,912,814
Private equity partnerships	
Fixed income mutual funds	6,300,677
International mutual funds	9,877,234
Domestic mutual funds	2,945,832
Total investments at fair value	<u>31,122,167</u>
Prepaid expenses	125,176
Total assets	<u>31,466,209</u>
Liabilities	
Accounts payable	<u>5,125</u>
Net Position Restricted For Pensions	<u><u>\$ 31,461,084</u></u>

CITY OF LENEXA, KANSAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For The Year Ended December 31, 2019

	Pension Trust Fund
Additions	
Contributions:	
Employer	\$ —
Investment income:	
Net appreciation in fair value of investments	4,308,036
Dividends and interest	834,461
Investment expenses	(224,724)
Net investment income	<u>4,917,773</u>
Total Additions	<u>4,917,773</u>
Deductions	
Benefits paid	<u>1,603,673</u>
Net Increase	3,314,100
Net Position Restricted For Pensions	
Beginning of year	<u>28,146,984</u>
End of year	<u><u>\$ 31,461,084</u></u>

Notes To Basic Financial Statements

THE CITY OF LENEXA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

1. Summary Of Significant Accounting Policies

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

Reporting Entity

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

Government-Wide And Fund Financial Statements

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

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

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

Measurement Focus, Basis Of Accounting And Financial Statement Presentation

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

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and pension costs are recorded only when payment is due.

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

The City reports the following Major Governmental Funds:

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

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

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

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

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

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

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

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

Deposits And Investments

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

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

The City typically invests available cash in demand deposits, time deposits and U.S. Government securities with maturities of twenty-four months or less. The average yield on investments during the year was 2.30% and the amount of investment revenue received was \$3,878,439.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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, 2019, 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, 2019 are not significant.

Interfund Receivables And Payables

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

Capital Assets

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

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

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

Deferred Outflows Of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has deferred outflows related to pensions and OPEB that result from net differences between projected and actual earnings on investments, differences in actual and expected experience, changes in proportion, and contributions made subsequent to the measurement date.

Compensated Absences

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

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

Long-Term Obligations

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

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

Deferred Inflows Of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has nonexchange revenue transactions where a receivable has been recorded because property taxes were levied, but the resources cannot be used until a future period. A deferred inflow for pension and OPEB results from pension and OPEB differences between expected and actual experience, changes of assumptions, differences between expected and actual earnings and changes in proportion. These amounts are deferred and amortized over the average expected remaining service life of the active and inactive plan members. The City also has 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 Debt Service Fund unless related to the Stormwater Fund. Further, state statutes require levying additional general ad valorem property taxes in the Debt Service Fund 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, 2019, 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 balances for all major and nonmajor governmental funds as of December 31, 2019 were allocated as follows:

Fund Balances	Major				Nonmajor	Total Governmental Funds
	General	Debt Service	Capital Improvement	Street Improvements	Other Governmental	
Restricted for:						
Debt service	\$ —	\$ 4,364,860	\$ —	\$ —	\$ 5,160	\$ 4,370,020
Public safety:						
Alcohol prevention	—	—	—	—	630,700	630,700
Police department	—	—	—	—	289,845	289,845
Municipal services:						
Community improvement districts	—	—	—	—	466,902	466,902
Traffic improvements	—	—	—	—	2,709,297	2,709,297
Street improvements	—	—	—	—	388,135	388,135
TIF districts	—	—	—	—	3,642,382	3,642,382
Parks and recreation:						
Parks projects	—	—	3,621,212	—	2,132,607	5,753,819
Street Trees	—	—	—	—	440,388	440,388
General government:						
Economic development	—	—	1,131,415	—	—	1,131,415
Community development	—	—	—	—	26,689	26,689
Neighborhood redevelopment	—	—	—	—	350,292	350,292
Tourism	—	—	—	—	2,009,041	2,009,041
Legal	—	—	—	—	73,351	73,351
Capital projects:						
Street projects	—	—	—	5,264,937	—	5,264,937
Municipal building projects	—	—	—	—	167,837	167,837
Parks and recreation projects	—	—	—	—	759,655	759,655
Committed to:						
Encumbrances:						
Legal	—	—	—	—	—	—
Community development	—	—	—	—	—	—
Fire pumper apparatus	—	—	—	—	—	—
Foundation	64,232	—	—	—	—	64,232
Street projects	—	—	—	5,251,857	—	5,251,857
Capital acquisition	—	—	—	—	332,755	332,755
Municipal building projects	—	—	—	—	27,995	27,995
Parks and recreation projects	—	—	—	—	197,116	197,116
Assigned to:						
Encumbrances:						
Vision 2040	—	—	—	—	—	—
Information technology	—	—	—	—	—	—
Community development	1,508	—	16,000	—	—	17,508
Municipal services	9,902	—	—	—	2,202,141	2,212,043
Fire department	—	—	—	—	—	—
Police department	1,200	—	—	—	—	1,200
Parks projects	65,120	—	—	—	206,763	271,883
Street projects	—	—	—	6,760,477	—	6,760,477
Equipment replacement	—	—	—	—	1,932,449	1,932,449
Future capital projects	—	—	20,461,364	—	—	20,461,364
Unassigned	39,217,074	—	—	—	—	39,217,074
	\$ 39,359,036	\$ 4,364,860	\$ 25,229,991	\$ 17,277,271	\$ 18,991,500	\$ 105,222,658

Use Of Estimates

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

New Accounting Standard

For the year ended December 31, 2019, the City implemented GASB Statement No. 84, *Fiduciary Activities*. The City has one Fiduciary Pension Trust fund that was previously and continues to be presented in the City's CAFR. Also, the City has implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. As a result of the implementation, the City has added an additional GASB 88 disclosure under Note 9 of these statements.

Subsequent Event

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

2. Deposits And Investments

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

City-Wide Deposits And Investments

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

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

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

	Governmental Activities	Business Type Activities	Total
Deposits	\$ (1,639,089)	\$ (93,574)	\$ (1,732,663)
Petty cash	9,397	700	10,097
Investments:			
Municipal investment pool	517,061	33,247	550,308
Repurchase agreements	11,524,010	740,990	12,265,000
U.S. Governments securities	50,536,559	3,249,484	53,786,043
U.S. Treasury notes	51,715,872	3,325,313	55,041,185
Temporary Notes	399,000	—	399,000
Investments held with trustee:			
Deposits	5,161	—	5,161
Total deposits, including investments	\$ 113,067,971	\$ 7,256,160	\$ 120,324,131

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, 2019, 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, 2019, the City's investments were in compliance with the policy.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Credit Risk And Concentration Of Credit Risk

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

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

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

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

Investment Type	Total	Rating As Of	
		December 31, 2019	Percentage
Kansas Municipal Investment Pool	\$ 550,308	AAAf/S1+	0%
Repurchase agreements	12,265,000	Aaa Collateral	10%
U.S. Government Securities			
Federal National Mortgage Association	21,032,845	Aaa	17%
Federal Home Loan Banks	9,181,700	Aaa	8%
Federal Home Loan Mortgage Corporation	17,004,787	Aaa	14%
Federal Farm Credit	6,566,711	Aaa	5%
U.S. Treasury Notes	55,041,185	**	46%
Temporary Notes	399,000	***	0%
Investments held by trustee			
State and local government securities	<u>5,161</u>	**	<u>0%</u>
Total	<u>\$ 122,046,697</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.

*** The Temporary Notes were issued and purchased by the City such that the City is holding its own debt.

Interest Rate Risk

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

As of December 31, 2019, the City's investment portfolio had the following investments and maturities:

Investment Type	Total	6 Months Or Less	6 - 12 Months	12 - 24 Months
Kansas Municipal Investment Pool	\$ 550,308	\$ 550,308	\$ —	\$ —
Repurchase agreements	12,265,000	12,265,000	—	—
U.S. Government Securities				
FNMA	21,032,845	4,999,015	3,996,864	12,036,966
FHLB	9,181,700	2,001,066	—	7,180,634
FHLMC	17,004,787	12,997,247	4,007,540	—
Federal Farm Credit	6,566,711	—	3,529,253	3,037,458
U.S. Treasury Notes	55,041,185	26,976,340	24,002,970	4,061,875
Temporary Notes	399,000	—	—	399,000
Investments held by Trustee:				
State and local government securities	5,161	5,161	—	—
	\$ 122,046,697	\$ 59,794,137	\$ 35,536,627	\$ 26,715,933

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

The City has the following recurring fair value measurements as of December 31, 2019:

- U.S. Government Securities of \$53,786,043 measured using a matrix pricing model (Level 2 inputs)
- U.S. Treasury Notes of \$55,041,185 measured using quoted prices in an active market (Level 1 inputs)

The Kansas Municipal Investment Pool of \$550,308 and the Repurchase Agreements of \$12,265,000 are measured at net asset value, which approximates fair value, and amortized cost, respectively. There are no restrictions on the redemption of the funds as the strategy of the funds is provide liquidity with an investment return.

Defined Benefit Pension Plan

The City had \$31,341,033 in cash and investments related to the City's defined benefit pension plan. These investments are carried at fair value. The City determines fair value based on current available market pricing. The primary objective of the City of Lenexa Defined Benefit Pension Plan is to provide eligible employees with retirement benefits. The Plan's investment objectives should be pursued as long-term goals designed to maximize return while reducing exposure to undue risk. At a minimum, it is the objective of the plan to meet its actuarial interest assumption on an ongoing basis. Currently, the actuarial interest assumption is 7.00%.

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

Asset Category	Allocation			Long-Term Expected Return**
	Target*	Minimum	Maximum	
Domestic equity	28%	20%	40%	6.85%
International equities	23%	15%	30%	8.48%
Domestic fixed income	21%	15%	30%	3.16%
Real assets	20%	10%	30%	6.37%
Emerging markets equity	8%	5%	15%	11.15%
Cash	0%	0%	5%	1.90%

*Target approximates the assumed asset allocation

**Geometric mean

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

Interest Rate Risk

Interest rate risk is the risk associated with a portfolio's sensitivity to changes in interest rates. The Plan has no specific policy regarding interest rate risk. As of December 31, 2019, the Plan had the following investments and maturities:

	Total	12 Months Or Less	12 - 48 Months	> 48 Months
Fixed income mutual funds	\$ 6,300,677	\$ —	\$ —	\$ 6,300,677
Money market mutual funds	218,866	218,866	—	—
	6,519,543	\$ 218,866	\$ —	\$ 6,300,677
Domestic stocks	6,445,434			
International stocks	253,174			
Real estate	3,387,002			
International mutual funds	9,877,234			
Domestic mutual funds	2,945,832			
Master limited partnerships	1,912,814			
Total investments	\$ 31,341,033			

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Credit Risk

Credit risk is associated with the credit quality or rating of debt instrument investments. The Plan has no specific policy regarding credit risk. The fixed income mutual funds of \$6,300,677 and the money market mutual funds of \$218,866 are unrated for the purposes of credit risk.

Concentration Of Credit Risk

As of December 31, 2019, the following table lists the issuers of securities and the respective fair value of those securities that represent 5% or more of the Plan's total investments:

Metwest Total Return Bond Fund Class I	\$ 6,300,678	20%
American Funds/Euro Pacific Growth	4,399,526	14%
Meritage Large Cap Growth	3,346,356	11%
Principal US Property	3,247,032	10%
BMO Global Asset Management	3,041,201	10%
Tortoise Capital Advisors	2,821,814	9%
Vanguard Developed Markets	2,810,542	9%
Principal SMID Cap Value Equity Fund	2,746,959	9%
Vanguard Emerging Markets	2,600,442	8%

Foreign Currency Risk

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

Fair Value

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

The City's pension plan investments have the following recurring fair value measurements as of December 31, 2019:

	Total As Of December 31, 2019	Fair Value Measurements Using:		
		Quoted Prices In Active Markets For Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments By Fair Value Level				
Common Stock				
Technology	\$ 1,350,522	\$ 1,350,522	\$ —	\$ —
Communications	98,482	98,482	—	—
Financial services	971,083	971,083	—	—
Consumer goods	1,004,867	1,004,867	—	—
Healthcare	941,464	941,464	—	—
Industrials	561,573	561,573	—	—
Energy	939,561	939,561	—	—
Utilities	261,245	261,245	—	—
Real estate	64,919	64,919	—	—
Basic materials	16,577	16,577	—	—
Services	488,315	488,315	—	—
Total Common Stock	6,698,608	6,698,608	—	—
Master Limited Partnerships	1,912,814	1,912,814	—	—
Mutual Funds				
Fixed income - intermediate-term	6,300,677	6,300,677	—	—
International - foreign large growth	4,399,526	4,399,526	—	—
International - foreign large blend	2,810,542	2,810,542	—	—
International - diversified emerging markets	2,600,442	2,600,442	—	—
Domestic - mid cap value	2,606,988	2,606,988	—	—
International - ETF multi sectors	66,725	66,725	—	—
Domestic commingled and ETF	338,843	338,843	—	—
Total Mutual Funds	19,123,743	19,123,743	—	—
Investments By Fair Value Level	\$ 27,735,165	\$ 27,735,165	\$ —	\$ —
Investments At Net Asset Value				
Real estate commingled funds	\$ 3,387,002			
Investments Measured At Amortized Cost				
Money market investments	218,866			
Total Investments Value	\$ 31,341,033			

Common Stock

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

Master Limited Partnerships

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

Mutual Funds

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

Investments Measured At Net Asset Value (NAV)

For one private equity partnership and two real estate commingled funds, the fair value of each investment has been determined using the NAV per share or its equivalent of the Retirement System's ownership interest in the partners' capital. All partnerships and funds provided their most recently available audit report issued for their respective year ends occurring in 2019 along with unaudited quarterly reports. There were no unfunded commitments related to these investments at December 31, 2019. The investments in real estate funds are invested primarily in US real estate including office, retail, apartment, and industrial real estate. The private equity partnership is invested primarily in common stocks and other equities generally traded on a major United States or Canadian stock exchange, and the fund is expected to have investments with market capitalization within the same range as issuers included in the Russell 2500 Index. Any sales of these investments would be on an inefficient secondary market that could result in values above or below those listed.

Redemptions can be made for the private equity partnership with at least one day notice to the fund. Redemptions can be postponed if the Fund determines such offering would disrupt the management of the Fund. One real estate commingled fund requires 45 day written notice to the fund for redemption to be completed. Units are redeemed monthly and are subject to cash availability. One real estate commingled fund requires 7 day written notice to the fund for redemption to be completed. Units are redeemed monthly and are subject to stable investment market conditions and cash availability.

3. Receivables

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

	General	Debt Service	Capital Improvement	Street Improvements	Other Governmental	Internal Service	Total
Property tax	\$ 26,523,199	\$ 7,278,544	\$ —	\$ —	\$ 10,518,848	\$ —	\$ 44,320,591
Sales tax	6,674,360	—	—	—	203,437	—	6,877,797
Transient guest tax	—	—	—	—	367,528	—	367,528
Franchise tax	701,549	—	—	—	—	—	701,549
Special highway tax	—	—	—	—	388,135	—	388,135
Special liquor tax	72,748	—	—	—	145,496	—	218,244
Special assessment	—	22,705,106	—	—	—	—	22,705,106
Intergovernmental	—	—	—	237,370	29,758	—	267,128
Interest	236,894	19,847	114,160	20,188	43,071	34,664	468,824
Other	136,046	—	183,662	—	100,806	180,413	600,927
Less: allowance for uncollectible accounts	(1,160,808)	(318,542)	—	—	—	—	(1,479,350)
Total receivables	\$ 33,183,988	\$ 29,684,955	\$ 297,822	\$ 257,558	\$ 11,797,079	\$ 215,077	\$ 75,436,479

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

Included in "Other" in the Capital Improvement Fund is a \$169,867 tenant improvement loan for Park University.

4. Tax Revenues

Tax revenues for the City consist of the following:

	General	Debt Service	Governmental Funds	Other Funds	Total
Property tax	\$ 25,722,176	\$ 7,556,052	\$ 8,419,231	\$ 41,697,459	\$ 41,697,459
Sales tax	36,534,283	—	1,037,079	37,571,362	37,571,362
Transient guest tax	—	—	1,385,901	1,385,901	1,385,901
Franchise tax	6,935,636	—	—	6,935,636	6,935,636
Special assessment	—	2,303,131	—	2,303,131	2,303,131
Motor vehicle	2,529,447	840,672	—	3,370,119	3,370,119
Other	1,125,899	—	2,150,423	3,276,322	3,276,322
Total tax revenues	\$ 72,847,441	\$ 10,699,855	\$ 12,992,634	\$ 96,539,930	\$ 96,539,930

5. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2019:

	Balance December 31, 2018	Increases	Decreases	Balance December 31, 2019
Governmental activities:				
Assets not being depreciated:				
Land	\$ 25,682,636	\$ —	\$ 367,587	\$ 25,315,049
Other capital - non-depreciated	411,700	—	—	411,700
Construction in progress	19,902,176	27,682,214	12,764,217	34,820,173
Total nondepreciable capital assets	45,996,512	27,682,214	13,131,804	60,546,922
Assets being depreciated:				
Buildings	92,392,400	6,485,235	114,055	98,763,580
Machinery and equipment	27,113,726	4,992,722	569,382	31,537,066
Other capital - depreciated	2,136,013	79,672	—	2,215,685
Infrastructure - streets	644,677,285	6,507,304	—	651,184,589
Total depreciable capital assets	766,319,424	18,064,933	683,437	783,700,920
Less accumulated depreciation				
Buildings	(32,704,927)	(2,804,992)	(110,960)	(35,398,959)
Machinery and equipment	(15,800,965)	(2,261,722)	(565,140)	(17,497,547)
Other capital - depreciated	(1,644,232)	(254,181)	—	(1,898,413)
Infrastructure - streets	(254,546,794)	(12,752,071)	—	(267,298,865)
Total accumulated depreciation	(304,696,918)	(18,072,966)	(676,100)	(322,093,784)
Total capital assets being depreciated, net	461,622,506	(8,033)	7,337	461,607,136
Total governmental activities, capital assets, net	\$ 507,619,018	\$ 27,674,181	\$ 13,139,141	\$ 522,154,058

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

	Balance December 31, 2018	Increases	Decreases	Balance December 31, 2019
Business type activities:				
Assets not being depreciated:				
Land	\$ 1,042,499	\$ —	\$ —	\$ 1,042,499
Other capital - non-depreciated	98,800	—	—	98,800
Construction in progress	—	—	—	—
Total nondepreciable capital assets	1,141,299	—	—	1,141,299
Assets being depreciated:				
Buildings	33,849,468	—	—	33,849,468
Machinery and equipment	2,386,050	124,750	15,998	2,494,802
Infrastructure - stormwater	118,526,318	1,809,807	—	120,336,125
Total depreciable capital assets	154,761,836	1,934,557	15,998	156,680,395
Less accumulated depreciation				
Buildings	(1,692,473)	(1,128,316)	—	(2,820,789)
Machinery and equipment	(722,304)	(408,104)	(15,998)	(1,114,410)
Infrastructure - stormwater	(24,798,888)	(1,593,447)	—	(26,392,335)
Total accumulated depreciation	(27,213,665)	(3,129,867)	(15,998)	(30,327,534)
Total capital assets being depreciated, net	127,548,171	(1,195,310)	—	126,352,861
Total business type activities, capital assets, net	\$ 128,689,470	\$ (1,195,310)	\$ —	\$ 127,494,160

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

Governmental activities:	
General government	\$ 735,198
Public safety	1,431,171
Municipal services	2,270,974
Infrastructure	12,752,071
Parks and recreation	883,552
Total depreciation expense - governmental activities	\$ 18,072,966
Business-type activities:	
Municipal services	\$ 128,070
Parks and recreation	1,408,350
Infrastructure	1,593,447
Total depreciation expense - business type activities	\$ 3,129,867

6. Commitments

Construction Commitments

Normal commitments have been made for future expenditures related to the City's capital projects programs. At December 31, 2019, outstanding construction commitments, including obligations for capital outlay, were \$13,471,577.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

At December 31, 2019, capital project authorizations compared with expenditures from inception are as follows:

	Project Authorizations	Expenditures - Project Inception To December 31, 2019
Governmental activities:		
Street improvements	\$ 88,579,711	\$ 33,320,465
Municipal buildings	9,075,000	—
Capital acquisitions	8,364,268	—
Parks and recreation	6,478,065	1,499,708
	\$ 112,497,044	\$ 34,820,173

	Project Authorizations	Expenditures - Project Inception To December 31, 2019
Business-type activities:		
Storm drainage	\$ 17,592,654	\$ —

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, 2019 are as follows:

	Interfund Receivables	Interfund Payables
General fund	\$ 3,069	\$ 1,551,122
Capital improvement fund	1,551,122	—
City Center East #1 CID fund	—	82,853
Grants fund	—	3,069
Risk management	82,853	—
	\$ 1,637,044	\$ 1,637,044

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 and road improvements. The payable will be eliminated in 2020. The interfund payable portion of the Grants Fund is due to a deficit balance, this payable will be liquidated when grant revenues are received.

A summary of interfund transfers by fund type is as follows at December 31, 2019:

	Transfers Out					Total
	General	Street Improve- ments	Capital Improve- ments	Nonmajor Govern- mental	Enterprise	
Transfers in:						
General	\$ —	\$ —	\$ —	\$ 362,638	\$ —	\$ 362,638
Debt service	—	—	380,000	984,406	—	1,364,406
Street Improvements	—	—	9,613,261	2,487,317	386,025	12,486,603
Capital Improvements	18,976,325	46,900	—	949,854	—	19,973,079
Nonmajor Governmental	3,800,000	—	9,044,854	240,486	—	13,085,340
Enterprise	363,202	164,796	1,705,001	191,565	—	2,424,564
Total	\$ 23,139,527	\$ 211,696	\$ 20,743,116	\$ 5,216,266	\$ 386,025	\$ 49,696,630

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. Lease Income

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

Lenexa Chamber Of Commerce

The City leases to the Lenexa Chamber of Commerce, the Thompson Farm premise located in the Southlake Business Park. The lease provides for monthly lease payments of \$1,674. The cost of the Thompson Farm was \$790,000 with accumulated depreciation of \$592,500 and a current carrying value of \$197,500.

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, 87th and Monrovia, 11925 Santa Fe Drive, and 12500 W 87th St. The lease agreements provide for monthly lease payments. The cost of the cellular towers was \$1,063,500 with accumulated depreciation of \$1,063,500 and a current carrying value of \$0.

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

<u>Year</u>	<u>Amount</u>
2020	\$ 414,277
2021	429,299
2022	443,438
2023	458,166
2024	457,314
2025 - 2029	1,793,427
2030 - 2034	919,046
	<u>\$ 4,914,967</u>

Park University Lease

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

<u>Year</u>	<u>Amount</u>
2020	\$ 119,747
2021	123,144
2022	71,834
	<u>\$ 314,725</u>

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

Public Market Lease

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

Year	Amount
2020	\$ 21,070
	\$ 21,070

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, 2019:

	Balance December 31, 2018	Additions	Retired	Balance December 31, 2019	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 117,870,000	\$ 6,945,000	\$ 11,180,000	\$ 113,635,000	\$ 11,140,000
Net unamortized premium	7,892,972	669,452	900,726	7,661,698	907,199
Less unamortized discount	—	(5,634)	(939)	(4,695)	(2,817)
Tax increment revenue bonds	6,129,911	—	168,718	5,961,193	5,961,193
General obligation notes payable	3,690,000	5,474,000	3,690,000	5,474,000	—
Employee compensated absences	2,656,601	2,460,161	2,340,064	2,776,698	2,384,621
Total governmental activities long-term obligations	138,239,484	15,542,979	18,278,569	135,503,894	20,390,196
Business Type Activities:					
General obligation bonds	25,930,000	2,035,000	3,670,000	24,295,000	1,980,000
Net unamortized premium	1,113,723	137,880	112,870	1,138,733	117,466
Employee compensated absences	92,616	79,667	78,791	93,492	80,291
Revolving loans payable	186,868	—	12,738	174,130	13,087
Total business type activities long-term obligations	27,323,207	2,252,547	3,874,399	25,701,355	2,190,844
	\$ 165,562,691	\$ 17,795,526	\$ 22,152,968	\$ 161,205,249	\$ 22,581,040

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

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

General Obligation Bonds

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

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, 2019	Interest Paid 2019
Street improvements	2009A	1.5 to 5.5%	\$ 2,985,000	9/1/2024	\$ —	\$ 23,203
Street improvements	2010B	3.0 to 4.0%	11,445,000	9/1/2030	5,595,000	229,969
Building improvements	2011A	3.0 to 4.0%	4,800,000	9/1/2021	1,050,000	47,100
Street improvements	2012A	2.25 to 3.25%	13,000,000	9/1/2022	7,775,000	249,444
Street improvements	2013A	2.0 to 4.125%	4,635,000	9/1/2023	2,165,000	79,675
Street improvements	2014A	2.125 to 5.0%	14,490,000	9/1/2035	9,150,000	358,850
Street improvements, refunding	2014B	2.0 to 5.0%	4,320,000	9/1/2021	1,510,000	119,750
Street improvements, refunding	2015A	2.0 to 5.0%	21,390,000	9/1/2035	16,735,000	674,675
Civic Center Project	2015B	2.0 to 5.0%	44,140,000	9/1/2035	36,075,000	1,507,088
Refunding, Benefit Districts	2018A	2.0 to 5.0%	13,300,000	9/1/2038	11,715,000	572,220
Street improvements	2018C	3.0 to 5.0%	15,550,000	9/1/2038	14,920,000	486,871
Street improvements	2019C	2.25% to 5.0%	6,945,000	9/1/2039	6,945,000	—
					<u>\$ 113,635,000</u>	<u>\$ 4,348,845</u>
	Series	Interest Rates %	Original Issue Amount	Final Maturity Date	Outstanding December 31, 2019	Interest Paid 2019
Stormwater improvements	2009A	1.5 to 5.5%	\$ 2,960,000	9/1/2029	\$ —	\$ 65,565
Stormwater improvements	2010B	3.0 to 4.0%	1,945,000	9/1/2030	800,000	35,813
Stormwater improvements	2011A	3.0 to 4.0%	1,260,000	9/1/2031	855,000	31,319
Stormwater improvements	2012A	2.25 to 3.25%	1,465,000	9/1/2032	775,000	25,281
Stormwater refunding	2012B	2.0 to 3.0%	4,208,124	9/1/2024	1,880,000	66,450
Stormwater improvements	2013A	2.0 to 4.125%	2,985,000	9/1/2033	2,270,000	85,756
Stormwater improvements	2014A	2.125 to 5.0%	1,115,000	9/1/2034	900,000	29,606
Stormwater improvements, refunding	2014B	2.0 to 5.0%	4,325,000	9/1/2026	2,995,000	108,063
Stormwater improvements	2015A	2.0 to 5.0%	1,705,000	9/1/2035	1,465,000	56,450
Stormwater improvements, refunding	2018A	2.0 to 5.0%	9,700,000	9/1/2038	9,195,000	391,042
Stormwater improvements	2018C	3.0 to 5.0%	1,170,000	9/1/2038	1,125,000	36,583
Stormwater improvements	2019C	2.25% to 5.0%	2,035,000	9/1/2039	2,035,000	—
					<u>\$ 24,295,000</u>	<u>\$ 931,928</u>

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

Year	Principal	Interest	Total
2020	\$ 11,140,000	\$ 4,272,760	\$ 15,412,760
2021	11,260,000	3,752,844	15,012,844
2022	10,490,000	3,366,144	13,856,144
2023	10,080,000	2,919,269	12,999,269
2024	8,820,000	2,522,663	11,342,663
2025 - 2029	33,900,000	7,959,206	41,859,206
2030 - 2034	19,880,000	3,331,031	23,211,031
2035 - 2039	8,065,000	630,425	8,695,425
	<u>\$ 113,635,000</u>	<u>\$ 28,754,342</u>	<u>\$ 142,389,342</u>

Year	Principal	Interest	Total
2020	\$ 1,980,000	\$ 860,674	\$ 2,840,674
2021	1,985,000	773,756	2,758,756
2022	2,025,000	692,406	2,717,406
2023	2,050,000	621,381	2,671,381
2024	2,095,000	566,894	2,661,894
2025 - 2029	6,555,000	1,916,775	8,471,775
2030 - 2034	4,815,000	897,781	5,712,781
2035 - 2039	2,790,000	231,700	3,021,700
	<u>\$ 24,295,000</u>	<u>\$ 6,561,367</u>	<u>\$ 30,856,367</u>

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, 2019 are payable as follows:

Project	Interest Rate %	Issue Date	Maturity Date	Outstanding December 31, 2019	Interest Paid 2019
Street Improvements	2.00%	8/16/2018	9/1/2020	\$ —	\$ 76,875
Street Improvements	1.60%	8/15/2019	5/1/2021	399,000	3,281
Street Improvements	1.63%	4/26/2019	9/1/2021	5,075,000	—
				<u>\$ 5,474,000</u>	<u>\$ 80,156</u>

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The City's total general obligation debt is \$137,930,000 and general obligation notes payable of \$5,474,000 for a total of \$143,400,000. The City has \$286,973,595 remaining before reaching its legal debt margin.

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

GASB 88

The City has reviewed all debt in accordance with the criteria outlined in GASB Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*. Through the City's purchasing card program, the City has a credit limit of \$1,000,000, of which \$510,000 was available at December 31, 2019. The amount due against credit limit is included within accounts payable. The City has no other unused lines and does not utilize direct borrowings or direct placements for debt issues. No assets are pledged as collateral on debt issues. The note below outlines the only item of default for the City, the Tax Increment Revenue Bonds Series 2007.

Tax Increment Revenue Bonds

On August 1, 2007, the City issued \$7,865,000 of tax increment revenue bonds related to the City Center East Project I (Revenue Bond Series 2007). The bonds are special, limited obligations of the City payable solely and only from ad valorem taxes collected from real property located within the Project Area on or after January 1, 2008, that is in excess of the amount of real property taxes which were collected from the Project Area in the year the Redevelopment District was established. Incremental ad valorem taxes were projected to produce 110% of debt service requirements over the life of the bonds. For 2019, incremental ad valorem tax revenues were \$240,486.

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

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

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

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

As of December 31, 2019, the outstanding principal for the bonds is \$5,961,193 and the outstanding accrued interest is \$2,519,466.

Reimbursable Developer Project Costs

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The City has five established active redevelopment districts and, as of December 31, 2019, the City has approved thirty-three redevelopment project plans. All but two of the redevelopment project plans are reimbursement only, and three of the approved plans provide for reimbursement only to the City. At the time of redevelopment project plan approval, a feasibility study is performed to support a finding that the incremental ad valorem taxes projected and other available revenues, including private equity, are sufficient to pay for the approved TIF project costs.

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

Ridgeview Mining (formerly Meritex) TIF Project Plan Three was approved by Ordinance No. 5689 on November 6, 2018. In 2019, incremental ad valorem tax revenues and payments made to the applicant were \$899,091. The applicant may be reimbursed up to the balance of the certified cost amount of \$0 until 2038.

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

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 2019, incremental ad valorem tax revenues and payments made to the applicant were \$520,230. The applicant may be reimbursed up to the balance of the certified cost amount of \$4,216,291 until 2024.

Mining TIF Project Plan Two was approved by Ordinance No. 5033 on May 6, 2008. In 2019, incremental ad valorem tax revenues and payments made to the applicant were \$470,059. The applicant may be reimbursed up to the balance of the certified cost amount of \$3,108,971 through June 2025, and the City shall be reimbursed for its TIF eligible costs through May 2028. The applicant receives first priority for the TIF distributions.

Mining TIF Project Plan Three was approved by Ordinance No. 5262 on June 5, 2012 and amended by Ordinance No. 5631 on December 5, 2017. In 2019, incremental ad valorem tax revenues and payments made to the applicant were \$863,649. The applicant may be reimbursed up to the balance of the certified cost amount of \$8,960,150 through June 2032.

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

City Center TIF project plan 1B was approved by Ordinance No. 5043 on July 1, 2008. In 2019, incremental ad valorem tax revenues and payments made to the applicant were \$308,031. The applicant may be reimbursed up to the balance of the certified cost amount of \$1,889,458 until July 2028.

City Center TIF project plan 1C was approved by Ordinance No. 5272 on July 11, 2012. In 2019, incremental ad valorem tax revenues and payments made to the applicant were \$659,151. The applicant may be reimbursed up to the balance of the certified cost amount of \$12,946,480 through July 2032.

City Center TIF project plan 1D was approved by Ordinance No. 5297 on March 5, 2013. In 2019, incremental ad valorem tax revenues and payments made to the applicant were \$92,829. The applicant may be reimbursed up to the balance of the certified cost amount of \$453,076 until March 2033.

City Center TIF project plan 1E was approved by Ordinance No. 5357 on January 21, 2014. In 2019, incremental ad valorem tax revenues and payments made to the applicant were \$407,265. The applicant may be reimbursed up to the balance of the certified cost amount of \$7,103,519 until January 2029.

City Center TIF project plan 1F was approved by Ordinance No. 5516 on February 16, 2016. No certified costs have been submitted.

City Center TIF project plan 1G was approved by Ordinance No. 5517 on February 16, 2016. No certified costs have been submitted.

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

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

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

City Center TIF project plan 2B was approved by Ordinance No. 5370 on April 15, 2014. In 2019, incremental ad valorem tax revenues and payments made to the applicant were \$257,723. The applicant may be reimbursed up to the balance of the certified cost amount of \$1,141,926 until April 2034.

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

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

City Center TIF project plan 3B was approved by Ordinance No. 5430 on March 17, 2015. In 2019, incremental ad valorem tax revenues and payments made to the applicant were \$361,118. The applicant may be reimbursed up to the balance of the certified cost amount of \$5,306,940 until March 2035.

City Center TIF project plan 3F was approved by Ordinance No. 5613 on September 5, 2017. No certified costs have been submitted.

City Center TIF project plan 3G was approved by Ordinance No. 5644 on February 20, 2018. No certified costs have been submitted.

City Center TIF project plan 4A was approved by Ordinance No. 5321 on June 18, 2013. In 2019, incremental ad valorem tax revenues and payments made to the applicant were \$283,589. The applicant may be reimbursed up to the balance of the certified cost amount of \$6,760,622 until June 2033.

City Center TIF project plan 4B was approved by Ordinance No. 5448 on June 16, 2015. In 2019, incremental ad valorem tax revenues and payments made to the applicant were \$320,759. The applicant may be reimbursed up to the balance of the certified cost amount of \$5,962,076 until June 2035.

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

City Center TIF project plan 5A was approved by Ordinance No. 5658 on June 5, 2018. No certified costs have been submitted.

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

A redevelopment district was established by Ordinance No. 4923 on February 6, 2007 for the I-35 and 95th Street TIF District. I-35 and 95th Street TIF District project plan 1 was approved by Ordinance No. 5306 on April 16, 2013. In 2019 incremental ad valorem tax revenues and payments made to the applicant were \$34,225. The applicant may be reimbursed up to the balance of the certified cost amount of \$451,276 until April 2033.

I-35 and 95th Street TIF District project plan 2 was approved by Ordinance No. 5536 on June 7, 2016. Project plan 2 was terminated on April 16, 2019 by Ordinance No. 5719 and repealing Ordinance No. 5536.

I-35 and 95th Street TIF District project plan 3 was approved by Ordinance No. 5549 on August 16, 2016. In 2019, incremental ad valorem tax revenues and payments made to the applicants were \$209,634. The applicants may be reimbursed up to the balance of the certified costs of \$4,600,614 until August 2036.

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

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

Community Improvement District

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

The City established the Orchards Corner CID by Ordinance No. 5174 on October 19, 2010, approving and levying an additional 1% sales tax within the CID. The purpose of the District is to finance the cost of traffic improvements and internal tenant improvements to the Orchard Corners Center located on the southwest corner of 95th Street and Quivira Road. The additional sales tax became effective April 1, 2011. The developer may be reimbursed up to the certified cost amount from collected sales taxes up to a period of 22 years from the date the CID sales tax is first collected in accordance with the terms of the Development Agreement. The developer may be reimbursed up to the balance of the certified cost amount of \$6,595,187.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The City established the Prairie Creek CID by Ordinance No. 5263 on June 5, 2012, approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to finance the cost of traffic improvements and internal tenant improvements to the Prairie Creek development located on the northwest corner of Prairie Star Parkway and Renner Boulevard. The additional sales tax became effective October 1, 2012. The developer may be reimbursed up to the certified cost amount from collected sales taxes up to a period of 22 years from the date the CID sales tax is first collected in accordance with the terms of the Development Agreement. The Developer may be reimbursed up to the balance of the certified cost amount of \$28,892,730.

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 \$903,572.

The City established the Greystone Plaza CID by Ordinance No. 5344 on October 10, 2013, approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to finance the renovation and redevelopment of the Greystone Shopping Center located north of 87th Street Parkway and west of Rosehill Road. The additional sales tax became effective April 1, 2014. The developer may be reimbursed up to the certified cost amount from collected sales taxes up to a period of 22 years from the date the CID sales tax is first collected in accordance with the terms of the Development Agreement. The Developer may be reimbursed up to the balance of the certified cost amount of \$1,138,392.

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The City established the City Center East II CID by Ordinance No. 5369 on April 15, 2014, approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to reimburse the developers of the hotel, conference center and restaurant for eligible tenant, site and building improvements. The additional sales tax became effective on January 1, 2016. The Developers may be reimbursed for certified costs from collected CID sales taxes up to a period of 22 years from the date the CID sales tax is first collected. Such reimbursement shall be made in accordance with the terms of a development agreement entered into with each Developer. The Developer may be reimbursed up to the balance of the certified cost amount of \$1,051,729.

The City established the Candlewood Suites CID by Ordinance No. 5558 on October 18, 2016, approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to reimburse the developers of the hotel, conference center and restaurant for eligible tenant, site and building improvements. The additional sales tax became effective on January 1, 2017. The developers may be reimbursed for certified costs from collected CID sales taxes up to a period of 22 years from the date the CID sales tax is first collected. Such reimbursement shall be made in accordance with the terms of a development agreement entered into with each Developer. The Developer may be reimbursed up the balance of the certified cost amount of \$1,713,388.

The City established the Holiday Inn Express CID by Ordinance No. 5559 on October 18, 2016, approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to reimburse the developers for the construction of a four story, 96- guestroom Holiday Inn and other eligible site and building improvements. The additional sales tax became effective on October 1, 2017. The developers may be reimbursed for certified costs from collected CID sales taxes up to a period of 22 years from the date the CID sales tax is first collected. Such reimbursement shall be made in accordance with the terms of a development agreement entered into with each developer. The Developer may be reimbursed up the balance of the certified cost amount of \$1,701,781.

The City established the Midas Springhill Suites CID by Ordinance No. 5588 on February 21, 2017, approving and levying an additional 1% sales tax within the CID. The purpose of the CID is to reimburse the Developers for the construction of a 124 room Marriott Springhill Suites hotel, retail space, a two story parking garage and other eligible site and building improvements. The additional sales tax became effective on July 1, 2017. The Developers may be reimbursed for certified costs from collected CID sales taxes up to a period of 22 years from the date the CID sales tax is first collected. Such reimbursement shall be made in accordance with the terms of a development agreement entered into with each Developer. The Developer may be reimbursed up to the balance of the certified cost amount of \$1,905,316.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

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

Revolving Loan

The City entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) during the year ended December 31, 2010 for the City Center Central Green project. The loan was entered into on September 21, 2009 with an interest rate of 2.72% and a maximum amount of \$1,073,430. As of December 31, 2019, \$1,073,430 has been drawn on this loan and the payback amount is \$174,130. Principal payments of \$12,738 were made in 2019. 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>
2020	\$ 13,087	\$ 4,221	\$ 17,308
2021	13,445	3,895	17,340
2022	13,814	3,561	17,375
2023	14,192	3,217	17,409
2024	14,580	2,864	17,444
2025 - 2029	79,116	8,681	87,797
2030 - 2031	25,896	642	26,538
	<u>\$ 174,130</u>	<u>\$ 27,081</u>	<u>\$ 201,211</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, 2019, there were 29 issues of industrial revenue and multifamily housing bonds outstanding. These issues have an aggregate original issue amount of approximately \$431 million and an aggregate balance outstanding of approximately \$349 million at December 31, 2019.

10. Risk Management

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

The City's risk financing activities are reported separately in the Risk Management, Health Plan and Workers Compensation Internal Service Funds. Property and liability insurance coverage is purchased from outside sources. The City is insured for property losses under blanket coverage at replacement cost. The policy carries a \$25,000 deductible on property losses. The City has a deductible of \$25,000 per occurrence on all liability claims. In addition, the City carries an excess liability policy with a limit of \$8,000,000 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 \$400,000 per occurrence on all Police and Fire Department liability claims and \$400,000 per occurrence on all other claims with a \$1,000,000 statutory limit. The aggregate stop loss is \$1,462,206. 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, 2019 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, 2019, the workers compensation net position balance was \$621,811 with claims liability of \$1,426,861. 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 \$428,437 a month on behalf of and from current employees are made to a special City bank account, and approximately \$9,272 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 Aetna covers the next \$1,000,000 over the annual amount of \$6,898,513 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, 2019, a liability of \$601,304 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
2018	\$ 495,535	\$ 313,000	\$ —	\$ 808,535
2019	808,535	(429,071)	325,944	53,520

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Changes in the Workers Compensation Plan 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
2018	\$ 822,908	\$ 372,708	\$ 522,034	\$ 673,582
2019	673,582	1,109,584	356,305	1,426,861

Changes in the Health Plan 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
2018	\$ 353,793	\$ 5,249,934	\$ 5,152,215	\$ 451,512
2019	451,512	6,684,934	6,535,142	601,304

11. Employee Retirement Systems And Pension Plans

Defined Contribution Plan

Effective January 1, 2010, pursuant to resolution, the Governing Body established the City of Lenexa 401(a) Defined Contribution Plan (Defined Contribution Plan) which is currently administered by Voya Financial. This 401(a) plan is a defined contribution plan governed by the Internal Revenue Code of 1986. Under the authority of the Governing Body, the City will contribute 4% of total compensation for each employee into a 401(a) account for all full time and part time employees of the City, which includes all employees whose employment is not seasonal, temporary or elected and whose employment requires at least 1,000 hours of work each year. In addition, the City will match 50% of an employee's contribution up to a maximum of an additional 2%. The City's total maximum contribution per employee would be 6%. The plan was subsequently amended in 2014 to require the City to contribute an additional 5.3% of the City Manager's compensation into a 401(a) account. The City contributed \$1,814,284 during 2019 to the Defined Contribution Plan. The Defined Contribution Plan provides funds for retirements and for beneficiaries in the event of death. Eligible participants are not required to contribute to the Defined Contribution Plan; however, the participant may choose to contribute. Eligible participants are 100% vested after three years of employment. The balances in the Defined Contribution Plan are not controlled by the City, and therefore, the related assets and liabilities are not reflected in the financial statements.

Defined Benefit Plan – City Of Lenexa Defined Benefit Pension Plan

Plan Description And Provisions

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

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

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

Membership of the Plan consisted of the following at December 31, 2019, the date of the latest measurement:

	<u>Public Service</u>	<u>Police & Fire</u>
Inactive members or beneficiaries receiving benefits	108	71
Inactive members entitled to future benefits	112	46
<u>Active plan members</u>	<u>100</u>	<u>79</u>
<u>Total</u>	<u>320</u>	<u>196</u>

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

Contributions

The City's contribution is set by the City Council in conjunction with its approval of the annual budget, based on information provided by the Plan's consulting actuary and the Retirement Committee. For the year ending December 31, 2019, the City contributed 0.00% of the payroll of active members.

Actuarial Assumptions

Actuarial methods and assumptions:

Valuation date	January 1, 2020
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar open ended
Remaining amortization period	30 years
Asset valuation method	Five-year moving average

Primary actuarial assumptions:

Investment rate of return	7.00%
Discount rate	6.50%
Inflation rate	3.00%
Projected salary increases	N/A, frozen benefit
Withdrawal rates	T-3 Table
Mortality table	Pub-2010 mortality table base rates projected generationally with scale MP-2019
Administrative expenses	Paid outside of the plan assets

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

Net Pension Liability

Consistent with the requirements of GASB Statement No. 67, *Financial Reporting for Pension Plans*, the Plan is required to calculate and disclose the net pension liability of the City. For the year ended December 31, 2019, the City recorded 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*. The components of the net pension liability of the City, based on a measurement date and valuation date of December 31, 2019 and January 1, 2020, respectively, according to the calculations required by GASB Statement No. 68, were as follows:

Total pension liability	\$ 30,005,093
Plan fiduciary net position	<u>31,341,033</u>
City's net pension liability (asset)	<u>\$ (1,335,940)</u>
Plan fiduciary net position as a percentage of the total pension liability	104.45%

Changes to the total pension liability, the plan's fiduciary net position, and the City's net pension liability during 2019 are summarized as follows:

Total Pension Liability	
Service cost	\$ —
Interest	1,809,914
Difference between expected and actual experience	339,743
Changes of assumptions	798,318
Benefit payments	<u>(1,603,673)</u>
Net Change In Total Pension Liability	<u>1,344,302</u>
Total pension liability - beginning	28,660,791
Total pension liability - ending (a)	30,005,093
Plan Fiduciary Net Position	
Contributions - employer	—
Net investment income	4,891,765
Benefit payments	<u>(1,603,673)</u>
Net Change In Plan Fiduciary Net Position	<u>3,288,092</u>
Total fiduciary net position - beginning	<u>28,052,941</u>
Total fiduciary net position - ending (b)	<u>31,341,033</u>
Net Pension Liability (Asset) (a) - (b)	<u>\$ (1,335,940)</u>

At December 31, 2019, \$1,320,525 of the net pension asset was allocated to governmental activities and \$15,415 to business-type activities.

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.

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, 2019, the annual money-weighted rate of return on pension plan investments, net of expense, was 18.11%. Refer to Note 2: Deposits and Investments for policies pertaining to the expected return.

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at a rate equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Of The Net Pension Liability (Asset) To Changes In The Discount Rate

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

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Discount Rate	5.50%	6.50%	7.50%
City Net Pension Liability (Asset)	\$ 2,395,774	\$ (1,335,940)	\$ (4,419,966)

Pension Expense

For the year ended December 31, 2019, the City recognized pension benefit of \$87,946, which includes the changes in the net pension liability (asset), projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. For the year ended December 31, 2019, pension benefit of \$86,931 was allocated to governmental activities and \$1,015 to business-type activities.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Deferred Outflows Of Resources and Deferred Inflows Of Resources

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between actual and expected experience	\$ 296,177	\$ 930,931
Net differences between projected and actual earnings on investments	—	1,003,986
Changes in assumptions	787,860	601,726
	<u>\$ 1,084,037</u>	<u>\$ 2,536,643</u>

At December 31, 2019, total deferred outflows of resources of \$1,071,529 were allocated to governmental activities and \$12,508 were allocated to business-type activities. At December 31, 2019, total deferred inflows of resources of \$2,507,374 were allocated to governmental activities and \$29,269 were allocated to business-type activities.

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

Year Ended December 31,	Amount
2020	\$ (511,584)
2021	(403,824)
2022	176,315
2023	(744,054)
2024	75,270
Thereafter	(44,729)
Total	<u>\$ (1,452,606)</u>

Defined Benefit Pension Plan – KPERS & KP&F

Description Of Pension Plan

Employees of the City of Lenexa, Kansas participate in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer public employee retirement system (the Pension Plan). The Pension Plan is administered by the KPERS, a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

The employees participating in the Pension Plan for the City of Lenexa are included in the Local Employee group or the Police and Firemen group.

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

Benefits

Benefits are established by statute and may only be changed by the General Assembly. Members (except Police and Firemen) with ten or more years of credited service may retire as early as age 55 (Police and Fireman may be age 50 with 20 years of credited service), with the actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85 (Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years or any age with 36 years of service).

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

Contributions

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

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates are related to subsequent benefit enhancements and are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2019.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The actuarially determined employer contribution rate and the statutory contribution rate for the local employee group are both 8.89%. Member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2019 are 6%. The actuarially determined employer contribution rate and the statutory contribution rate for the police and firemen group are both 22.13%. Member contribution rates for this group are 7.15%.

Contributions to the Pension Plan from the City for the local employee group and police and fireman group were \$1,710,047 and \$3,021,033, respectively, for the year ended December 31, 2019.

Employer Allocations

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each of the following groups of the plan:

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

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

The allocation percentages for the City's share of the collective pension amounts as of June 30, 2019 were based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2019.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2019, the City's proportion in the local employee group was 0.9236%, which was an increase of 0.0610% from its proportion measured at June 30, 2018. The City's proportion in the police and fire group was 2.4966%, which was an increase of 0.0934% from its June 30, 2018 proportion.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Net Pension Liability

At June 30, 2019, the City's local employee group reported a liability of \$12,905,741 for its proportionate share of the net pension liability. The City's police and fire group reported net pension liability of \$25,268,926 at June 30, 2019. At December 31, 2019, the aggregate KPERS plan net pension liability was allocated \$37,013,150 to the governmental activities and \$1,161,517 to the business-type activities.

There were no significant changes in the benefit terms during the KPERS plan year ended June 30, 2019 that affected the measurement of the total pension liability.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019 using the following actuarial assumptions:

Price Inflation	2.75%
Wage Inflation	3.0%
Salary increases, including wage increases and inflation	3.50 to 12.00%, including inflation
Long-term rate of return, net of investment expense and including price inflation	7.75%

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

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study completed in November 2016 and resulted in a reduction of the Price Inflation from 3.00% to 2.75%, a reduction of Wage Inflation from 4.00% to 3.5%, and a reduction in the Long-term rate of return (net of investment expense and including price inflation) from 8.00% to 7.75%.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Target Allocation</u>	<u>Long-Term Expected Rate Of Return</u>
Global Equity	47%	6.85%
Fixed Income	13%	1.25%
Yield Driven	8%	6.55%
Real Return	11%	1.71%
Real Estate	11%	5.05%
Alternatives	8%	9.85%
Short-Term Investments	2%	-0.25%
	<u>100%</u>	

Discount Rate

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

Sensitivity Of The City's Proportionate Share Of The Net Pension Liability To Changes In The Discount Rate

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

	1.00% Decrease (6.75%)	Current Rate (7.75%)	1.00% Increase (8.75%)
Local	\$ 19,274,992	\$ 12,905,741	\$ 7,577,976
Police and Fireman	35,858,440	25,268,926	16,403,473
Total	\$ 55,133,432	\$ 38,174,667	\$ 23,981,449

Pension Expense

For the year ended December 31, 2019, the City recognized pension expense of \$2,208,128, which includes the changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. For the year ended December 31, 2019, pension expense of \$2,152,974 was allocated to governmental activities and \$55,154 to business-type activities.

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between actual and expected experience	\$ 1,455,785	\$ 371,854
Net differences between projected and actual earnings on investments	812,231	—
Changes in assumptions	1,289,574	54,136
Changes in proportional share	2,410,083	556,525
City contributions subsequent to the measurement date of June 30, 2019	2,285,038	—
	\$ 8,252,711	\$ 982,515

At December 31, 2019, total deferred outflows of resources of \$7,990,564 were allocated to governmental activities and \$262,147 were allocated to business-type activities. At December 31, 2019, total deferred inflows of resources of \$950,909 were allocated to governmental activities and \$31,606 were allocated to business-type activities.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

	Year Ended December 31,					
	2020	2021	2022	2023	2024	Total
Local	\$ 850,450	\$ 310,658	\$ 367,461	\$ 260,505	\$ 13,328	\$ 1,802,402
Police and fireman	1,478,872	635,969	601,481	440,449	25,988	3,182,759
	\$ 2,329,322	\$ 946,627	\$ 968,942	\$ 700,954	\$ 39,316	\$ 4,985,161

Pension Plan Fiduciary Net Position

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

Aggregate Pension Expense

The aggregate pension expense for the year ended December 31, 2019 for all pensions recognized by the City was \$2,120,182, which includes the changes in the net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. For the year ended December 31, 2019, aggregate pension expense of \$2,066,042 was allocated to governmental activities and aggregate pension expense of \$54,139 to business-type activities.

12. Postemployment Benefits Other Than Pensions

Plan Description – City Plan

The City allows qualifying retirees to continue insurance coverage under the City's program until Medicare eligibility (i.e., age 65) in accordance with Kansas Statute 12-5040. Retirees who retire with at least 10 years of cumulative service with the City and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERS) are eligible for benefits. Medical, prescription and dental coverage are available. The benefit plan structure operates as a single-employer defined benefit plan. Coverage is provided through self-insurance with stop-loss coverage. The City required retirees to pay 125% of the funding rate in 2019 to receive benefits. The difference between these amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 75 (GASB Statement 75). The plan is funded on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Membership of the Plan consisted of the following at January 1, 2019, the date of the latest actuarial valuation:

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

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

Funding Policy

Total OPEB Liability And Changes In OPEB Liability – City Plan

GASB 75 titled “Accounting and Financial Reports for Postemployment Benefits Other than Pensions” replaces GASB 45 effective for fiscal years beginning after June 15, 2017. Thus, fiscal year 2018 is the GASB 75 implementation year for the City.

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

Net OPEB liability - beginning of year	<u>\$ 4,761,876</u>
Service costs	300,949
Interest cost	185,278
Changes in benefit terms	—
Difference between actual and expected experience	(615,264)
Changes in assumptions and inputs	139,855
Benefit payments	<u>(56,185)</u>
Net changes	<u>(45,367)</u>
OPEB liability - end of year	<u><u>\$ 4,716,509</u></u>

The net OPEB liability is included in the OPEB liability within the statement of net position as December 31, 2019.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The primary changes impacting the City under GASB 75 are noted below.

- The actuarial cost method allocates present value costs to time periods. The actuarial cost method is changed from the Entry Age Normal – Level Dollar to the Entry Age – Level Percent-of-Pay Method as required under GASB 75. The portion of the present value costs allocated to the current year is the Service Cost. The portion of the present value costs allocated to past service is the Actuarial Accrued Liability (“AAL”).
- The amount of AAL is the Total OPEB Liability. The amount of AAL less any trust assets is recognized as the Net OPEB Liability. This replaces the Net OPEB Obligation under GASB 45.
- The amount of OPEB Expense is measured as the change in the Net OPEB Liability from the beginning to the end of the period with deferral and amortization of specified items. This replaces the Annual OPEB Cost under GASB 45.
- The valuation interest rate under GASB 45 was based on the expected return pertaining to the assets used to pay healthcare costs. For unfunded plans, GASB 75 requires the discount rate be based on a yield or index rate as of the measurement date on 20 year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.
- Under GASB 75 a measurement date must be selected and consistently applied. The measurement date may range from one day prior to the beginning of the fiscal year to the end of the fiscal year. The measurement date equals the date of which the Net OPEB liability is calculated.
- The actuarial valuation date equals the date as of which an actuarial valuation is performed, generally coinciding with the “as of” census date. The actuarial valuation must be performed as of a date no more than 30 months and one day prior to the employer’s current fiscal year end.

Actuarial Methods And Assumptions – City Plan

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

Valuation date:	January 1, 2019
Actuarial cost method:	Entry Age - Level Percent of Pay
Measurement date:	December 31, 2019 end of year December 31, 2018 beginning of year
Salary scale	3.50%
Discount rate	3.00% per annum end of year 3.68% per annum beginning of year
Mortality:	MP-2019; previously was MP-2018
Medical/Rx Cost Trend:	7.0% decreasing to ultimate rate of 4.5%
Dental Cost Trend:	3.0% per year
Inflation Rate:	2.50% per year

The municipal bond rate was determined by taking the average of the S&P Municipal Bond 20 Year High Grade and Fidelity GO AA-20 Year published yields was evaluated to determine the discount rate. The selected rates are 3.68% (beginning of the year measurement) and 3.00% (end of year measurement).

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

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

The following presents the City's total OPEB liability, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.00%) or 1-percentage point higher (4.00%) than the current rate:

	1.00% Decrease (2.00%)	Current Discount (3.00%)	1.00% Increase (4.00%)
Total OPEB Liability	\$ 5,248,278	\$ 4,716,509	\$ 4,248,674

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

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

	1.00% Decrease	Current Discount	1.00% Increase
Total OPEB Liability	\$ 4,099,304	\$ 4,716,509	\$ 5,459,629

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

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

For the year ended December 31, 2019, the City recognized OPEB expense for this plan of \$446,198. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between actual and expected experience	\$ —	\$ (553,313)
Changes in assumptions	488,057	—
City contributions subsequent to the measurement dates	—	—
	\$ 488,057	\$ (553,313)

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

Fiscal Year Ending	Deferred Inflows Of Resources
2020	\$ (7,089)
2021	(7,089)
2022	(7,089)
2023	(7,089)
2024	(7,089)
2025 & thereafter	(29,811)
Total	\$ (65,256)

Plan Description – KPERS Long-Term Disability Plan

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Benefits

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

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

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

Covered Employees

The City has the following employees covered by the KPERS Plan as of December 31, 2019:

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

Total OPEB Liability – KPERS Plan

The City's total OPEB liability for the KPERS Plan of \$458,687 reported as of December 31, 2019 was measured as of June 30, 2019 (the measurement date), and was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019, using the following actuarial assumptions:

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

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted for three years ending June 30, 2015.

Changes In Total OPEB Liability

OPEB Liability - beginning of year	\$ 439,138
Changes for the year:	
Service costs	56,146
Interest cost	18,706
Changes in benefit terms	—
Difference between actual and expected experience	(37,667)
Changes in assumptions and inputs	6,487
Benefit payments	(24,123)
Net changes	19,549
OPEB Liability - end of year	\$ 458,687

Sensitivity Analysis

The following presents the City's total OPEB liability for the KPERS Plan calculated using the discount rate of 3.50%, as well as what the City's total OPEB liability for the KPERS Plan would be if it were calculated using a discount rate that is 1-percentage point lower (2.50%) or 1-percentage point higher (4.50%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Discount Rate	2.50%	3.50%	4.50%
Total OPEB Liability	\$ 474,801	\$ 458,687	\$ 440,504

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

OPEB Expense

For the year ended December 31, 2019, the City recognized KPERS OPEB expense for the KPERS Plan of \$63,588, which includes the changes in the total OPEB liability, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows Of Resources And Deferred Inflows Of Resources

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB for the KPERS Plan from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between actual and expected experience	\$ —	\$ (82,355)
Changes in assumptions	5,820	(12,192)
City contributions subsequent to the measurement dates	85,053	—
	\$ 90,873	\$ (94,547)

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$85,053 consist of payments made to KPERS for benefits and administrative costs, and will be recognized as a reduction in the total OPEB liability during the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending	Deferred Inflows Of Resources
2020	\$ (11,264)
2021	(11,264)
2022	(11,264)
2023	(11,264)
2024	(11,264)
2025 & thereafter	(32,407)
Total	\$ (88,727)

13. Tax Abatements

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

Property Tax Abatements

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

- Retention and/or expansion of existing businesses located in the City;
- Diversification of the local economy;
- Positive net impact on the City or a particular area of the City where economic assistance is needed;
- Enhance the City’s economic climate and increase/maintain the City’s job market;
- Establish the City’s visual identity as the highest quality built commercial environment in the metropolitan area;
- Increase the property tax base of commercial properties to further support the cost of City services;
- Enhance the City’s credit worthiness by broadening the tax base;
- Promote the redevelopment of the City’s older areas; and
- Promote the completion of existing City business parks and encourage the development of new business enterprises.

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

For the fiscal year ended December 31, 2019, the City abated property taxes totaling \$598,648, including the following property tax abatements exceeding 20% of the total property taxes abated for the year:

- 100% property tax abatement for Lenexa Logistics North, LLC and BK Properties, LLC to construct and lease a commercial warehouse and office building located at 17700 College Boulevard. The property tax abatement amount was \$141,583.

Neighborhood Revitalization Program

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

For the fiscal year ended December 31, 2019, the City granted property tax rebates totaling \$245,820, including the following property tax rebates exceeding 20% of the total property taxes rebated for the year:

- 75% property tax rebate for Ceva Animal Health, LLC to construct a new commercial facility on its campus at 8901 Rosehill Road. The property tax rebate amount was \$56,969.
- 100% property tax rebate for Shamrock Trading Corporation to demolish a vacant retail building and construct a new commercial office building at 8600 Quivira Road. The property tax rebate amount was \$93,128.
- 75% property tax rebate for Sparhawk Laboratories Inc. to construct an addition to its campus at 12340 Santa Fe Trail Drive. The property tax rebate amount was \$70,339.

Tax Increment Financing

The City discloses information on Tax Increment Financing in Footnote 9 (Long-Term Debt and Other Obligations). The total payments of certified project costs during 2019 were approximately \$5,687,353.

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, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 73,894,474	\$ 73,894,474	\$ 72,847,441	\$ (1,047,033)
Licenses and permits	2,367,500	2,367,500	2,266,424	(101,076)
Charges for services	2,084,494	2,084,494	2,000,980	(83,514)
Rents and leases	735,944	735,944	791,387	55,443
Fines and forfeitures	1,311,000	1,311,000	1,299,840	(11,160)
Investment earnings	675,000	675,000	2,099,945	1,424,945
Miscellaneous	315,110	315,110	1,662,293	1,347,183
Total Revenues	81,383,522	81,383,522	82,968,310	1,584,788
Expenditures				
Current				
General government:				
Executive	3,058,162	3,163,038	2,915,613	247,425
Information technology	3,547,739	3,804,739	3,530,160	274,579
Finance	1,610,726	1,405,426	1,385,886	19,540
Legal	1,761,092	1,761,092	1,462,825	298,267
Human resources	1,219,135	1,330,162	1,199,422	130,740
Community development	4,653,542	4,896,779	4,150,307	746,472
Total General Government	15,850,396	16,361,236	14,644,213	1,717,023
Public safety:				
Police administration	5,760,792	5,765,923	5,170,744	595,179
Police investigation	1,400,541	1,427,141	1,415,047	12,094
Police patrol	9,121,976	9,121,976	8,518,642	603,334
Fire	11,886,298	11,999,191	11,645,313	353,878
Total Public Safety	28,169,607	28,314,231	26,749,746	1,564,485
Municipal services:				
Municipal services administration	717,935	717,935	581,081	136,854
Streets	2,691,072	2,743,337	2,282,630	460,707
Traffic	1,787,796	1,787,796	1,303,769	484,027
Fleet	2,045,343	2,140,835	1,956,382	184,453
Parking structure	90,000	90,000	5,019	84,981
Facilities management	2,550,980	2,532,980	2,192,483	340,497
Total Municipal Services	9,883,126	10,012,883	8,321,364	1,691,519

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, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Recreation:				
Recreation administration	\$ 776,892	\$ 817,692	\$ 813,446	\$ 4,246
Maintenance	4,390,969	4,411,233	4,002,653	408,580
Programs	1,940,580	1,938,680	1,731,742	206,938
Total Recreation	7,108,441	7,167,605	6,547,841	619,764
Total Expenditures	61,011,570	61,855,955	56,263,164	5,592,791
Excess Of Revenues Over Expenditures	20,371,952	19,527,567	26,705,146	7,177,579
Other Financing Sources (Uses)				
Transfers in	315,000	315,000	362,638	47,638
Transfers out	(47,824,159)	(46,979,774)	(23,139,527)	23,840,247
Total Other Financing Sources (Uses)	(47,509,159)	(46,664,774)	(22,776,889)	23,887,885
Net Changes In Fund Balance	\$ (27,137,207)	\$ (27,137,207)	3,928,257	\$ 31,065,464
Fund Balance - Beginning Of Year			36,440,271	
Fund Balance - End Of Year - Budget Basis			\$ 40,368,528	
Adjustments To Reconcile To GAAP Basis				
Encumbrances at December 31, 2019			\$ (449,433)	
Encumbrances at December 31, 2018			(560,059)	
Fund Balance - End Of Year - GAAP Basis			\$ 39,359,036	

CITY OF LENEXA, KANSAS

NOTE TO BUDGETARY COMPARISON INFORMATION

December 31, 2019

1. Budgetary Information

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

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

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

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

Kansas statutes permit transferring budgeted amounts from one object or purpose to another within the same fund; however, such statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. All appropriations lapse at the end of the year except for Capital Projects Funds, which are carried forward until such time as the project is completed or terminated. All encumbered appropriations are reappropriated as part of the following year's budget. Current year encumbrances are included as expenditures for the budgetary presentations. Kansas statutes permit original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish a notice of hearing to amend the budget. Ten days after publication, a public hearing is held and the Governing Body may amend the budget at that time. Management is not allowed to amend a fund's total budgeted expenditures without the City Council's approval. No additional appropriation were approved in the 2019 budget. The Orchard Corners CID, the Holiday Inn CID, and Candlewood CID were over budget at the end of 2019.

CITY OF LENEXA, KANSAS

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

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

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

CITY OF LENEXA, KANSAS
REQUIRED SUPPLEMENTARY INFORMATION

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially Determined Contribution	\$ —	\$ —	\$ —	\$ 62,623	\$ 69,766	\$ 188,237	\$ 511,375	\$ 329,624	\$ 244,746	\$ 221,837
Contribution in relation to the actuarially determined contribution	—	—	454,534	433,000	432,000	610,000	572,000	432,000	432,000	432,000
Contribution deficiency (excess)	\$ —	\$ —	\$ (454,534)	\$ (370,377)	\$ (362,234)	\$ (421,763)	\$ (60,625)	\$ (102,376)	\$ (187,254)	\$ (210,163)
Covered Payroll	\$ 13,699,060	\$ 14,204,035	\$ 13,798,331	\$ 15,265,068	\$ 17,261,969	\$ 17,220,621	\$ 18,218,474	\$ 19,526,691	\$ 18,633,428	\$ 20,085,937
Contribution as a percentage of covered payroll	—	—	3.29	2.84	2.50	3.54	3.14	2.21	2.32	2.15

Notes:

Methods and Assumptions:

Actuarial Cost Method	Entry Age Normal (Plan benefits frozen January 1, 2010)
Asset Valuation Method	Unit Credit
Withdrawal	T-3
Salary Increases	N/A, Frozen Benefit
Investment Rate of Return	7.00%
Retirement Age	Service - 62, Police & Fire - 55
Mortality	In the 2019 actuarial valuation, the assumed life expectancies were according to the Pub-2010 Mortality Table are rates projected generationally with scale MP-2019

CITY OF LENEXA, KANSAS
REQUIRED SUPPLEMENTARY INFORMATION

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Annual money-weighted rate of return, net of investment expense	18.11%	(8.04)%	16.91%	8.52%	(0.36)%	6.00%	14.71%	10.85%	0.76%	15.22%

CITY OF LENEXA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION KANSAS EMPLOYEES' RETIREMENT SYSTEM

Schedule of Proportionate Share Of The Net Pension Liability

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

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

Schedule Of Contributions

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

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

Notes:

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

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

Changes Of Benefit Terms Or Assumptions

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

CITY OF LENEXA, KANSAS

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

	For The Years Ended	
	December 31,	
	2019	2018
Service cost	\$ 56,146	\$ 55,759
Interest on total OPEB liability	18,706	17,886
Changes of benefit terms	—	—
Effect of economic/demographic gains or (losses)	(37,667)	(61,187)
Effect of assumption changes or inputs	6,487	(5,004)
Benefit payments	(24,123)	(24,123)
Net change in total OPEB liability	19,549	(16,669)
Total OPEB liability - beginning	439,138	455,807
Total OPEB liability - ending	\$ 458,687	\$ 439,138
Covered payroll	\$ 16,226,943	\$ 14,329,127
Total OPEB liability as a percentage of covered payroll	2.83%	3.06%

Notes:

Above schedules are intended to show information for 10 years. Additional years will be displayed as they become available. Information is provided on an actuarial valuation date as of December 31, 2018, rolled forward to the measurement date of June 30, 2019.

Changes Of Benefit Terms Or Assumptions

The discount rate decreased to 3.50% as of June 30, 2019 from 3.87% as of June 30, 2018.

CITY OF LENEXA, KANSAS

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

	For The Years Ended December 31,	
	2019	2018
Service cost	\$ 300,949	\$ 275,906
Interest on total OPEB liability	185,278	137,764
Changes of benefit terms	—	—
Effect of economic/demographic gains or (losses)	(615,264)	—
Effect of assumption changes or inputs	139,855	390,338
Benefit payments	(56,185)	(36,406)
Net change in total OPEB liability	(45,367)	767,602
Total OPEB liability - beginning	4,761,876	3,994,274
Total OPEB liability - ending	\$ 4,716,509	\$ 4,761,876
Covered payroll	\$ 27,818,766	\$ 24,110,711
Total OPEB liability as a percentage of covered payroll	16.95%	19.75%

Notes:

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

Changes Of Benefit Terms Or Assumptions

The discount rate decreased to 3.00% as of the measurement date of December 31, 2019 from 3.68% as of the measurement date of December 31, 2018.

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 the TIF property tax increment to finance City Center projects.

I-35 & 95th Street TIF*

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

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.

CITY OF LENEXA, KANSAS

Nonmajor Governmental Funds (*Continued*)

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

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

Orchard Corners CID*

To account for monies received from the Community Improvement District additional 1% sales tax to be expended on development within the District (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).

City Center East (CCE) #2 CID*

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

Springhill Suites CID*

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

Candlewood Suites CID*

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

CITY OF LENEXA, KANSAS

Nonmajor Governmental Funds (*Continued*)

Holiday Inn Express CID*

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

Lenexa City Center Area E. CID*

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

*Budgeted Special Revenue Fund.

Debt Service Funds

Fund Descriptions

Debt Service Reserve - TIF

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

Capital Projects Funds

Fund Descriptions

Capital Acquisition

To account for the financing for municipal capital purchases.

Parks And Recreation

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

Municipal Buildings

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

CITY OF LENEXA, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2019

	Combined Special Revenue Funds	Debt Service Reserve TIF	Capital Project Funds			Total Nonmajor Governmental Funds
			Parks And Recreation	Municipal Buildings	Capital Acquisition	
Assets						
Deposits, including investments	\$ 12,056,645	\$ 1	\$ 1,439,022	\$ 2,782,744	\$ 2,318,263	\$ 18,596,675
Restricted cash and investments	—	5,160	—	—	—	5,160
Property tax receivable (net of allowance for uncollectibles)	10,518,848	—	—	—	—	10,518,848
Sales tax receivable	203,437	—	—	—	—	203,437
Transient guest tax receivable	367,528	—	—	—	—	367,528
Special highway tax receivable	388,135	—	—	—	—	388,135
Special liquor tax receivable	145,496	—	—	—	—	145,496
Intergovernmental receivable	29,758	—	—	—	—	29,758
Interest receivable	23,747	—	—	11,325	7,999	43,071
Other receivable	85,106	—	—	—	15,700	100,806
Total Assets	\$ 23,818,700	\$ 5,161	\$ 1,439,022	\$ 2,794,069	\$ 2,341,962	\$ 30,398,914
Liabilities, Deferred Inflows And Fund Balances						
Liabilities						
Accounts payable	\$ 54,303	\$ —	\$ 275,487	\$ 396,096	\$ 76,758	\$ 802,644
Due to other funds	85,922	—	—	—	—	85,922
Total Liabilities	140,225	—	275,487	396,096	76,758	888,566
Deferred Inflows Of Resources						
Property tax	10,518,848	—	—	—	—	10,518,848
Fund Balances						
Restricted	13,159,627	5,161	759,656	167,837	—	14,092,281
Committed	—	—	197,116	27,995	332,755	557,866
Assigned	—	—	206,763	2,202,141	1,932,449	4,341,353
Total Fund Balances	13,159,627	5,161	1,163,535	2,397,973	2,265,204	18,991,500
Total Liabilities, Deferred Inflows And Fund Balances	\$ 23,818,700	\$ 5,161	\$ 1,439,022	\$ 2,794,069	\$ 2,341,962	\$ 30,398,914

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For The Year Ended December 31, 2019

	Combined Special Revenue Funds	Debt Service Reserve TIF	Capital Project Funds			Total Nonmajor Governmental Funds
			Parks And Recreation	Municipal Buildings	Capital Acquisition	
Revenues						
Taxes	\$ 12,992,634	\$ —	\$ —	\$ —	\$ —	\$ 12,992,634
Intergovernmental	82,827	—	250,000	—	—	332,827
Charges for services	911,575	—	—	—	—	911,575
Fines and forfeitures	23,905	—	—	—	—	23,905
Investment earnings	141,384	1,215	—	63,228	42,777	248,604
Miscellaneous	—	—	—	—	219,307	219,307
Total Revenues	14,152,325	1,215	250,000	63,228	262,084	14,728,852
Expenditures						
Current:						
General government	923,829	7,284	—	—	—	931,113
Public safety	250,799	—	—	—	—	250,799
Recreation	65,418	—	—	—	—	65,418
Economic development	6,809,716	—	—	—	—	6,809,716
Capital outlay	—	—	2,093,469	7,366,918	4,296,621	13,757,008
Debt service:						
Principal retirement	160,000	168,718	—	—	—	328,718
Interest and fiscal charges	113,306	66,282	—	—	—	179,588
Total Expenditures	8,323,068	242,284	2,093,469	7,366,918	4,296,621	22,322,360
Excess (Deficiency) Of Revenues Over Expenditures	5,829,257	(241,069)	(1,843,469)	(7,303,690)	(4,034,537)	(7,593,508)
Other Financing Sources (Uses)						
Transfers in	23,400	240,486	958,311	6,655,000	5,208,143	13,085,340
Transfers out	(5,213,227)	—	(3,039)	—	—	(5,216,266)
Total Other Financing Sources (Uses)	(5,189,827)	240,486	955,272	6,655,000	5,208,143	7,869,074
Net Changes In Fund Balances	639,430	(583)	(888,197)	(648,690)	1,173,606	275,566
Fund Balances - Beginning Of Year	12,520,197	5,744	2,051,732	3,046,663	1,091,598	18,715,934
Fund Balances - End Of Year	\$ 13,159,627	\$ 5,161	\$ 1,163,535	\$ 2,397,973	\$ 2,265,204	\$ 18,991,500

CITY OF LENEXA, KANSAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
Page 1 Of 4
December 31, 2019

	Neighborhood Revitalization District	Street Tree Zone 1	Street Tree Zone 2	Street Tree Zone 3	Special Highway	Tourism And Convention
Assets						
Deposits and investments	\$ 350,292	\$ 107,277	\$ 183,452	\$ 159,855	\$ —	\$ 1,641,512
Property tax receivable (net of allowance for uncollectibles)	306,522	—	—	—	—	—
Sales tax receivable	—	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—	367,528
Special highway tax receivable	—	—	—	—	388,135	—
Special liquor tax receivable	—	—	—	—	—	—
Intergovernmental receivable	—	—	—	—	—	—
Interest receivable	—	490	839	730	—	—
Other receivable	—	—	—	—	—	—
Total Assets	\$ 656,814	\$ 107,767	\$ 184,291	\$ 160,585	\$ 388,135	\$ 2,009,040
Liabilities, Deferred Inflows And Fund Balances						
Liabilities						
Accounts payable	\$ —	\$ —	\$ 1,710	\$ 10,545	\$ —	\$ —
Due to other funds	—	—	—	—	—	—
Total Liabilities	—	—	1,710	10,545	—	—
Deferred Inflows Of Resources						
Property tax	306,522	—	—	—	—	—
Fund Balances						
Restricted	350,292	107,767	182,581	150,040	388,135	2,009,040
Total Liabilities, Deferred Inflows And Fund Balances	\$ 656,814	\$ 107,767	\$ 184,291	\$ 160,585	\$ 388,135	\$ 2,009,040

CITY OF LENEXA, KANSAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
Page 2 Of 4
December 31, 2019

	Special Alcohol Control	Special Park And Recreation	TIP Zone 1	TIP Zone 2	TIP Zone 3	Grants
Assets						
Deposits and investments	\$ 567,229	\$ —	\$ 1,524,001	\$ 424,517	\$ 748,459	\$ —
Property tax receivable (net of allowance for uncollectibles)	—	—	—	—	—	—
Sales tax receivable	—	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—	—
Special highway tax receivable	—	—	—	—	—	—
Special liquor tax receivable	72,748	72,748	—	—	—	—
Intergovernmental receivable	—	—	—	—	—	29,758
Interest receivable	—	—	6,962	1,939	3,419	—
Other receivable	—	—	—	—	—	—
Total Assets	\$ 639,977	\$ 72,748	\$ 1,530,963	\$ 426,456	\$ 751,878	\$ 29,758
Liabilities, Deferred Inflows And Fund Balances						
Liabilities						
Accounts payable	\$ 9,277	\$ —	\$ —	\$ —	\$ —	\$ —
Due to other funds	—	—	—	—	—	3,069
Total Liabilities	9,277	—	—	—	—	3,069
Deferred Inflows Of Resources						
Property tax	—	—	—	—	—	—
Fund Balances						
Restricted	630,700	72,748	1,530,963	426,456	751,878	26,689
Total Liabilities, Deferred Inflows And Fund Balances	\$ 639,977	\$ 72,748	\$ 1,530,963	\$ 426,456	\$ 751,878	\$ 29,758

CITY OF LENEXA, KANSAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
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December 31, 2019

	Ridgeview Mining TIF	South Mining District TIF	City Center TIF	I-35 & 95th Street TIF	Law Enforcement Trust	Legal Trust	Mining TIF District	City Center East TIF Bonds
Assets								
Deposits and investments	\$ 995,682	\$ 12,039	\$ 1,736,135	\$ 777,127	\$ 287,592	\$ 73,351	\$ 97,626	\$ 23,772
Property tax receivable (net of allowance for uncollectibles)	984,908	176	5,894,501	863,804	—	—	2,224,555	244,382
Sales tax receivable	—	—	—	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—	—	—	—
Special highway tax receivable	—	—	—	—	—	—	—	—
Special liquor tax receivable	—	—	—	—	—	—	—	—
Intergovernmental receivable	—	—	—	—	—	—	—	—
Interest receivable	—	—	—	—	—	—	—	—
Other receivable	—	—	—	—	2,253	—	—	—
Total Assets	\$ 1,980,590	\$ 12,215	\$ 7,630,636	\$ 1,640,931	\$ 289,845	\$ 73,351	\$ 2,322,181	\$ 268,154
Liabilities, Deferred Inflows And Fund Balances								
Liabilities								
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Due to other funds	—	—	—	—	—	—	—	—
Total Liabilities	—	—	—	—	—	—	—	—
Deferred Inflows Of Resources								
Property tax	984,908	176	5,894,501	863,804	—	—	2,224,555	244,382
Fund Balances								
Restricted	995,682	12,039	1,736,135	777,127	289,845	73,351	97,626	23,772
Total Liabilities, Deferred Inflows And Fund Balances	\$ 1,980,590	\$ 12,215	\$ 7,630,636	\$ 1,640,931	\$ 289,845	\$ 73,351	\$ 2,322,181	\$ 268,154

CITY OF LENEXA, KANSAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
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December 31, 2019

	Orchard Corners CID	Prairie Creek CID	Quivira 95 CID	Greystone Plaza CID	City Center East #1 CID	City Center East #2 CID	Springhill Suites CID	Candlewood Suites CID	Holiday Inn Express CID	Lenexa City Center Area E 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	\$ 32,771	\$ —	\$ —	\$ —	\$ 25,785	\$ 232,586	\$ —	\$ —	\$ —	\$ 5,094	\$ 641,489	\$ 710,522	\$ 698,480	\$ 12,056,645
Property tax receivable (net of allowance for uncollectibles)	—	—	—	—	—	—	—	—	—	—	—	—	—	10,518,848
Sales tax receivable	142,181	20,410	7,115	10,594	146	8,506	7,092	2,882	3,473	1,038	—	—	—	203,437
Transient guest tax receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	367,528
Special highway tax receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	388,135
Special liquor tax receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	145,496
Intergovernmental receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	29,758
Interest receivable	—	—	—	—	—	—	—	—	—	—	2,931	3,246	3,191	23,747
Other receivable	—	—	—	—	82,853	—	—	—	—	—	—	—	—	85,106
Total Assets	\$ 174,952	\$ 20,410	\$ 7,115	\$ 10,594	\$ 108,784	\$ 241,092	\$ 7,092	\$ 2,882	\$ 3,473	\$ 6,132	\$ 644,420	\$ 713,768	\$ 701,671	\$ 23,818,700
Liabilities, Deferred Inflows And Fund Balances														
Liabilities														
Accounts payable	\$ 32,771	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 54,303
Due to other funds	—	—	—	—	82,853	—	—	—	—	—	—	—	—	85,922
Total Liabilities	32,771	—	—	—	82,853	—	—	—	—	—	—	—	—	140,225
Deferred Inflows Of Resources														
Property tax	—	—	—	—	—	—	—	—	—	—	—	—	—	10,518,848
Fund Balances														
Restricted	142,181	20,410	7,115	10,594	25,931	241,092	7,092	2,882	3,473	6,132	644,420	713,768	701,671	13,159,627
Total Liabilities, Deferred Inflows And Fund Balances	\$ 174,952	\$ 20,410	\$ 7,115	\$ 10,594	\$ 108,784	\$ 241,092	\$ 7,092	\$ 2,882	\$ 3,473	\$ 6,132	\$ 644,420	\$ 713,768	\$ 701,671	\$ 23,818,700

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, 2019

	Neighborhood Revitalization District	Street Tree Zone 1	Street Tree Zone 2	Street Tree Zone 3	Special Highway	Tourism And Convention
Revenues						
Taxes	\$ 314,974	\$ —	\$ —	\$ —	\$ 1,514,397	\$ 1,385,902
Intergovernmental	—	—	—	—	—	—
Charges for services	—	—	64,300	10,825	—	—
Fines and forfeitures	—	—	—	—	—	—
Investment earnings	—	3,037	4,963	4,534	—	—
Total Revenues	314,974	3,037	69,263	15,359	1,514,397	1,385,902
Expenditures						
Current:						
General government	245,820	—	—	—	—	619,057
Public safety	—	—	—	—	—	—
Municipal services	—	—	—	—	—	—
Recreation	—	2,547	18,830	44,041	—	—
Economic development	—	—	—	—	—	115,963
Debt service:						
Principal retirement	—	—	—	—	—	160,000
Interest and fiscal charges	—	—	—	—	—	113,306
Total Expenditures	245,820	2,547	18,830	44,041	—	1,008,326
Excess (Deficiency) Of Revenues Over Expenditures	69,154	490	50,433	(28,682)	1,514,397	377,576
Other Financing Sources (Uses)						
Transfers in	—	—	—	—	—	—
Transfers out	—	—	—	—	(1,491,294)	(172,710)
Total Other Financing Sources (Uses)	—	—	—	—	(1,491,294)	(172,710)
Net Changes In Fund Balances	69,154	490	50,433	(28,682)	23,103	204,866
Fund Balances - Beginning Of Year	281,138	107,277	132,148	178,722	365,032	1,804,174
Fund Balances - End Of Year	\$ 350,292	\$ 107,767	\$ 182,581	\$ 150,040	\$ 388,135	\$ 2,009,040

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, 2019

	Special Alcohol Control	Special Park And Recreation	TIP Zone 1	TIP Zone 2	TIP Zone 3	Grants
Revenues						
Taxes	\$ 313,489	\$ 313,489	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	—	—	82,827
Charges for services	—	—	432,140	82,535	66,715	—
Fines and forfeitures	—	—	—	—	—	—
Investment earnings	—	—	42,941	11,921	20,122	—
Total Revenues	313,489	313,489	475,081	94,456	86,837	82,827
Expenditures						
Current:						
General government	—	—	—	—	—	58,952
Public safety	202,655	—	—	—	—	26,781
Municipal services	—	—	—	—	—	—
Recreation	—	—	—	—	—	—
Economic development	—	—	—	—	—	—
Total Expenditures	202,655	—	—	—	—	85,733
Excess Of Revenues Over Expenditures	110,834	313,489	475,081	94,456	86,837	(2,906)
Other Financing Sources (Uses)						
Transfers in	—	—	—	—	—	23,400
Transfers out	(44,577)	(326,562)	(360,228)	(152,678)	—	—
Total Other Financing Sources (Uses)	(44,577)	(326,562)	(360,228)	(152,678)	—	23,400
Net Changes In Fund Balances	66,257	(13,073)	114,853	(58,222)	86,837	20,494
Fund Balances - Beginning Of Year	564,443	85,821	1,416,110	484,678	665,041	6,195
Fund Balances - End Of Year	\$ 630,700	\$ 72,748	\$ 1,530,963	\$ 426,456	\$ 751,878	\$ 26,689

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, 2019

	Ridgeview Mining TIF	South Mining District TIF	City Center TIF	I-35 & 95th Street TIF	Law Enforcement Trust	Legal Trust	Mining TIF District	City Center East TIF Bonds
Revenues								
Taxes	\$ 977,967	\$ 18	\$ 4,282,266	\$ 681,255	\$ —	\$ —	\$ 1,922,264	\$ 240,486
Intergovernmental	—	—	—	—	—	—	—	—
Charges for services	—	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	23,094	811	—	—
Investment earnings (loss)	—	—	—	—	—	—	—	—
Total Revenues	977,967	18	4,282,266	681,255	23,094	811	1,922,264	240,486
Expenditures								
Current:								
General government	—	—	—	—	—	—	—	—
Public safety	—	—	—	—	21,363	—	—	—
Municipal services	—	—	—	—	—	—	—	—
Recreation	—	—	—	—	—	—	—	—
Economic development	899,091	—	2,720,195	243,858	—	—	1,853,938	—
Total Expenditures	899,091	—	2,720,195	243,858	21,363	—	1,853,938	—
Excess (Deficiency) Of Revenues								
Over Expenditures	78,876	18	1,562,071	437,397	1,731	811	68,326	240,486
Other Financing Sources (Uses)								
Transfers in	—	—	—	—	—	—	—	—
Transfers out	(804,495)	—	(1,080,312)	(525,171)	—	—	(4,340)	(240,486)
Total Other Financing Sources (Uses)	(804,495)	—	(1,080,312)	(525,171)	—	—	(4,340)	(240,486)
Net Changes In Fund Balances	(725,619)	18	481,759	(87,774)	1,731	811	63,986	—
Fund Balances - Beginning Of Year	1,721,301	12,021	1,254,376	864,901	288,114	72,540	33,640	23,772
Fund Balances - End Of Year	\$ 995,682	\$ 12,039	\$ 1,736,135	\$ 777,127	\$ 289,845	\$ 73,351	\$ 97,626	\$ 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, 2019

	Orchard Corners CID	Prairie Creek CID	Quivira 95 CID	Greystone Plaza CID	City Center East #1 CID	City Center East #2 CID	Springhill Suites CID	Candlewood Suites CID	Holiday Inn Express CID	Lenexa City Center Area E 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	\$ 641,031	\$ 97,201	\$ 34,828	\$ 70,118	\$ (2,634)	\$ 103,633	\$ 49,738	\$ 20,896	\$ 25,184	\$ 6,132	\$ —	\$ —	\$ —	\$ 12,992,634
Intergovernmental	—	—	—	—	—	—	—	—	—	—	—	—	—	82,827
Charges for services	—	—	—	—	—	—	—	—	—	—	95,427	82,912	76,721	911,575
Fines and forfeitures	—	—	—	—	—	—	—	—	—	—	—	—	—	23,905
Investment earnings (loss)	—	—	—	—	—	—	—	—	—	—	16,479	18,790	18,597	141,384
Total Revenues	641,031	97,201	34,828	70,118	(2,634)	103,633	49,738	20,896	25,184	6,132	111,906	101,702	95,318	14,152,325
Expenditures														
Current:														
General government	—	—	—	—	—	—	—	—	—	—	—	—	—	923,829
Public safety	—	—	—	—	—	—	—	—	—	—	—	—	—	250,799
Municipal services	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Recreation	—	—	—	—	—	—	—	—	—	—	—	—	—	65,418
Economic development	646,833	93,210	35,000	68,097	—	—	48,700	36,612	48,219	—	—	—	—	6,809,716
Debt service:														
Principal retirement	—	—	—	—	—	—	—	—	—	—	—	—	—	160,000
Interest and fiscal charges	—	—	—	—	—	—	—	—	—	—	—	—	—	113,306
Total Expenditures	646,833	93,210	35,000	68,097	—	—	48,700	36,612	48,219	—	—	—	—	8,323,068
Excess (Deficiency) Of Revenues Over Expenditures	(5,802)	3,991	(172)	2,021	(2,634)	103,633	1,038	(15,716)	(23,035)	6,132	111,906	101,702	95,318	5,829,257
Other Financing Sources (Uses)														
Transfers in	—	—	—	—	—	—	—	—	—	—	—	—	—	23,400
Transfers out	(6,534)	(942)	(354)	(688)	(19)	(488)	(492)	(370)	(487)	—	—	—	—	(5,213,227)
Total Other Financing Sources (Uses)	(6,534)	(942)	(354)	(688)	(19)	(488)	(492)	(370)	(487)	—	—	—	—	(5,189,827)
Net Changes In Fund Balances	(12,336)	3,049	(526)	1,333	(2,653)	103,145	546	(16,086)	(23,522)	6,132	111,906	101,702	95,318	639,430
Fund Balances - Beginning Of Year	154,517	17,361	7,641	9,261	28,584	137,947	6,546	18,968	26,995	—	532,514	612,066	606,353	12,520,197
Fund Balances - End Of Year	\$ 142,181	\$ 20,410	\$ 7,115	\$ 10,594	\$ 25,931	\$ 241,092	\$ 7,092	\$ 2,882	\$ 3,473	\$ 6,132	\$ 644,420	\$ 713,768	\$ 701,671	\$ 13,159,627

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, 2019

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 10,000	\$ 10,000	\$ —	\$ (10,000)
Investment earnings	—	—	3,037	3,037
Total Revenues	10,000	10,000	3,037	(6,963)
Expenditures				
Current:				
Recreation	10,000	11,000	2,547	8,453
Excess Of Revenues Over Expenditures	—	(1,000)	490	1,490
Other Financing Uses				
Transfers out	(105,944)	(104,944)	—	104,944
Net Changes In Fund Balances	(105,944)	(105,944)	490	(106,434)
Fund Balances - Beginning Of Year			107,277	
Fund Balances - End Of Year			<u>\$ 107,767</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, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 45,000	\$ 45,000	\$ 64,300	\$ 19,300
Investment loss	—	—	4,963	4,963
Total Revenues	45,000	45,000	69,263	24,263
Expenditures				
Current:				
Recreation	45,000	65,000	18,830	46,170
Deficiency Of Revenues Over Expenditures	—	(20,000)	50,433	70,433
Other Financing Uses				
Transfers out	(141,531)	(121,531)	—	121,531
Net Changes In Fund Balances	(141,531)	(141,531)	50,433	191,964
Fund Balances - Beginning Of Year			132,148	
Fund Balances - End Of Year			\$ 182,581	

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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Charges for services	\$ 30,000	\$ 30,000	\$ 10,825	\$ (19,175)
Investment earnings	—	—	4,534	4,534
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>15,359</u>	<u>(14,641)</u>
Expenditures				
Current:				
Recreation	30,000	65,000	44,041	20,959
Excess (Deficiency) Of Revenues Over Expenditures	<u>—</u>	<u>(35,000)</u>	<u>(28,682)</u>	<u>6,318</u>
Other Financing Uses				
Transfers out	(184,304)	(149,304)	—	(149,304)
Net Changes In Fund Balances	<u>(184,304)</u>	<u>(184,304)</u>	<u>(28,682)</u>	<u>155,622</u>
Fund Balances - Beginning Of Year			<u>178,722</u>	
Fund Balances - End Of Year			<u>\$ 150,040</u>	

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, 2019**

	<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	\$ 1,435,000	\$ 1,435,000	\$ 1,514,397	\$ 79,397
Other Financing Uses				
Transfers out	(1,795,861)	(1,795,861)	(1,491,294)	304,567
Net Changes In Fund Balances	<u>(360,861)</u>	<u>(360,861)</u>	23,103	<u>383,964</u>
Fund Balances - Beginning Of Year			<u>365,032</u>	
Fund Balances - End Of Year			<u><u>\$ 388,135</u></u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL TOURISM AND CONVENTION FUND For The Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 1,760,000	\$ 1,760,000	\$ 1,385,902	\$ (374,098)
Expenditures				
Current:				
General government	600,525	678,593	619,057	59,536
Economic development	864,169	864,169	115,963	748,206
Debt service:				
Principal retirement	160,000	160,000	160,000	—
Interest and fiscal charges	113,306	113,306	113,306	—
Total Expenditures	1,738,000	1,816,068	1,008,326	807,742
Excess (Deficiency) Of Revenues Over Expenditures	22,000	(56,068)	377,576	433,644
Other Financing Uses				
Transfers out	(1,510,143)	(1,432,075)	(172,710)	1,259,365
Net Changes In Fund Balances	(1,488,143)	(1,488,143)	204,866	1,693,009
Fund Balances - Beginning Of Year			1,804,174	
Fund Balances - End Of Year			\$ 2,009,040	

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, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 266,000	\$ 266,000	\$ 313,489	\$ 47,489
Expenditures				
Current:				
Public safety	206,000	206,000	202,655	3,345
Excess Of Revenues Over Expenditures	60,000	60,000	110,834	50,834
Other Financing Uses				
Transfers out	(552,475)	(552,475)	(44,577)	507,898
Net Changes In Fund Balances	(492,475)	(492,475)	66,257	558,732
Fund Balances - Beginning Of Year			564,443	
Fund Balances - End Of Year			\$ 630,700	

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, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 266,000	\$ 266,000	\$ 313,489	\$ 47,489
Other Financing Uses				
Transfers out	(321,791)	(321,791)	(326,562)	(4,771)
Net Changes In Fund Balances	<u>(328,250)</u>	<u>(328,250)</u>	(13,073)	<u>315,177</u>
Fund Balances - Beginning Of Year			<u>85,821</u>	
Fund Balances - End Of Year			<u><u>\$ 72,748</u></u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL TIP ZONE 1 FUND For The Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 320,000	\$ 320,000	\$ 432,140	\$ 112,140
Investment earnings	—	—	42,941	42,941
Total Revenues	320,000	320,000	475,081	155,081
Other Financing Sources (Uses)				
Transfers out	(1,189,336)	(1,189,336)	(360,228)	829,108
Net Changes In Fund Balances	(869,336)	(869,336)	114,853	984,189
Fund Balances - Beginning Of Year			<u>1,416,110</u>	
Fund Balances - End Of Year			<u>\$ 1,530,963</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL TIP ZONE 2 FUND For The Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 150,000	\$ 150,000	\$ 82,535	\$ (67,465)
Investment loss	—	—	11,921	11,921
Total Revenues	150,000	150,000	94,456	(55,544)
Other Financing Sources (Uses)				
Transfers out	(606,482)	(606,482)	(152,678)	453,804
Net Changes In Fund Balances	(456,482)	(456,482)	(58,222)	398,260
Fund Balances - Beginning Of Year			484,678	
Fund Balances - End Of Year			\$ 426,456	

CITY OF LENEXA, KANSAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TIP ZONE 3 FUND
For The Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Charges for services	\$ 76,000	\$ 76,000	\$ 66,715	\$ (9,285)
Investment earnings	—	—	20,122	20,122
Total Revenues	76,000	76,000	86,837	10,837
Other Financing Uses				
Transfers out	(652,810)	(652,810)	—	652,810
Net Changes In Fund Balances	(576,810)	(576,810)	86,837	663,647
Fund Balances - Beginning Of Year			665,041	
Fund Balances - End Of Year			<u>\$ 751,878</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL NEIGHBORHOOD REVITALIZATION DISTRICT FUND For The Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 300,000	\$ 300,000	\$ 314,974	\$ 14,974
Expenditures				
Current:				
General government	300,000	300,000	245,820	54,180
Excess Of Revenues Over Expenditures	—	—	69,154	69,154
Other Financing Uses				
Transfers out	(167,341)	(167,341)	—	167,341
Net Changes In Fund Balances	<u>(167,341)</u>	<u>(167,341)</u>	69,154	<u>236,495</u>
Fund Balances - Beginning Of Year			<u>281,138</u>	
Fund Balances - End Of Year			<u><u>\$ 350,292</u></u>	

CITY OF LENEXA, KANSAS

SCCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL RIDGEVIEW MINING TIF DISTRICT FUND For The Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 1,018,000	\$ 1,018,000	\$ 977,967	\$ (40,033)
Expenditures				
Current:				
Economic development	1,012,910	1,012,910	899,091	113,819
Excess Of Revenues Over Expenditures	5,090	5,090	78,876	73,786
Other Financing Uses				
Transfers out	(1,385,222)	(1,385,222)	(804,495)	580,727
Net Changes In Fund Balances	(1,380,132)	(1,380,132)	(725,619)	654,513
Fund Balances - Beginning Of Year			1,721,301	
Fund Balances - End Of Year			\$ 995,682	

CITY OF LENEXA, KANSAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MINING TIF DISTRICT FUND
For The Year Ended December 31, 2019**

	<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	\$ 2,639,000	\$ 2,639,000	\$ 1,922,264	\$ (716,736)
Expenditures				
Current:				
Economic development	2,625,805	2,625,805	1,853,938	771,867
Excess Of Revenues Over Expenditures	13,195	13,195	68,326	55,131
Other Financing Uses				
Transfers out	(18,355)	(18,355)	(4,340)	14,015
Net Changes In Fund Balances	(5,160)	(5,160)	63,986	69,146
Fund Balances - Beginning Of Year			<u>33,640</u>	
Fund Balances - End Of Year			<u><u>\$ 97,626</u></u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL PARKS AND RECREATION IMPACT FEE ZONE 1 FUND For The Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 275,000	\$ 275,000	\$ 95,427	\$ (179,573)
Investment earnings	—	—	16,479	16,479
Total Revenues	275,000	275,000	111,906	(163,094)
Other Financing Uses				
Transfers out	(764,364)	(764,364)	—	764,364
Net Changes In Fund Balances	(489,364)	(489,364)	111,906	601,270
Fund Balances - Beginning Of Year			<u>532,514</u>	
Fund Balances - End Of Year			<u><u>\$ 644,420</u></u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL PARKS AND RECREATION IMPACT FEE ZONE 2 FUND For The Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 100,000	\$ 100,000	\$ 82,912	\$ (17,088)
Investment earnings	—	—	18,790	18,790
Total Revenues	100,000	100,000	101,702	1,702
Other Financing Uses				
Transfers out	(578,516)	(578,516)	—	578,516
Net Changes In Fund Balances	(478,516)	(478,516)	101,702	580,218
Fund Balances - Beginning Of Year			612,066	
Fund Balances - End Of Year			<u>\$ 713,768</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, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 100,000	\$ 100,000	\$ 76,721	\$ (23,279)
Investment earnings	—	—	18,597	18,597
Total Revenues	100,000	100,000	95,318	(4,682)
Other Financing Uses				
Transfers out	(602,732)	(602,732)	—	602,732
Net Changes In Fund Balances	(502,732)	(502,732)	95,318	598,050
Fund Balances - Beginning Of Year			606,353	
Fund Balances - End Of Year			<u>\$ 701,671</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, 2019

	<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	\$ 5,100,000	\$ 5,100,000	\$ 4,282,266	\$ (817,734)
Expenditures				
Current:				
Economic development	5,074,500	5,074,500	2,720,195	2,354,305
Excess Of Revenues Over Expenditures	25,500	25,500	1,562,071	1,536,571
Other Financing Uses				
Transfers out	(2,009,941)	(2,009,941)	(1,080,312)	929,629
Net Changes In Fund Balances	(1,984,441)	(1,984,441)	481,759	2,466,200
Fund Balances - Beginning Of Year			1,254,376	
Fund Balances - End Of Year			<u>\$ 1,736,135</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL I-35 & 95TH STREET TIF FUND For The Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 1,204,000	\$ 1,204,000	\$ 681,255	\$ (522,745)
Expenditures				
Current:				
Economic Development	1,197,980	973,982	243,858	730,124
Excess Of Revenues Over Expenditures	6,020	230,018	437,397	207,379
Other Financing Uses				
Transfers out	(301,172)	(525,171)	(525,171)	—
Net Changes In Fund Balances	(295,152)	(295,153)	(87,774)	207,379
Fund Balances - Beginning Of Year			864,901	
Fund Balances - End Of Year			\$ 777,127	

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, 2019

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 650,000	\$ 650,000	\$ 641,031	\$ (8,969)
Expenditures				
Current:				
Economic development	643,500	643,500	646,833	(3,333)
Excess Of Revenues Over Expenditures	6,500	6,500	(5,802)	(12,302)
Other Financing Uses				
Transfers out	(107,796)	(107,796)	(6,534)	101,262
Net Changes In Fund Balances	(101,296)	(101,296)	(12,336)	88,960
Fund Balances - Beginning Of Year			154,517	
Fund Balances - End Of Year			\$ 142,181	

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, 2019**

	<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	\$ 110,000	\$ 110,000	\$ 97,201	\$ (12,799)
Expenditures				
Current:				
Economic development	108,900	108,900	93,210	15,690
Excess Of Revenues Over Expenditures	1,100	1,100	3,991	2,891
Other Financing Uses				
Transfers out	(15,481)	(15,481)	(942)	14,539
Net Changes In Fund Balances	(14,381)	(14,381)	3,049	17,430
Fund Balances - Beginning Of Year			17,361	
Fund Balances - End Of Year			<u>\$ 20,410</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, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Taxes	\$ 52,000	\$ 52,000	\$ 34,828	\$ (17,172)
Expenditures				
Current:				
Economic development	51,480	51,480	35,000	16,480
Excess Of Revenues Over Expenditures	520	520	(172)	(692)
Other Financing Uses				
Transfers out	(7,697)	(7,697)	(354)	—
Net Changes In Fund Balances	(7,177)	(7,177)	(526)	6,651
Fund Balances - Beginning Of Year			7,641	
Fund Balances - End Of Year			<u>\$ 7,115</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, 2019**

	<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	\$ 70,000	\$ 70,000	\$ 70,118	\$ 118
Expenditures				
Current:				
Economic Development	69,300	69,300	68,097	1,203
Excess Of Revenues Over Expenditures	700	700	2,021	1,321
Other Financing Uses				
Transfers out	(9,646)	(9,646)	(688)	8,958
Net Changes In Fund Balances	(8,946)	(8,946)	1,333	10,279
Fund Balances - Beginning Of Year			9,261	
Fund Balances - End Of Year			<u>\$ 10,594</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, 2019

	<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	\$ 60,000	\$ 60,000	\$ (2,634)	\$ (62,634)
Expenditures				
Current:				
Economic Development	59,400	59,400	—	59,400
Excess (Deficiency) Of Revenues Over Expenditures	600	600	(2,634)	(3,234)
Other Financing Uses				
Transfers out	(10,029)	(10,029)	(19)	10,010
Net Changes In Fund Balances	<u>(9,429)</u>	<u>(9,429)</u>	<u>(2,653)</u>	<u>6,776</u>
Fund Balances - Beginning Of Year			<u>28,584</u>	
Fund Balances - End Of Year			<u>\$ 25,931</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CITY CENTER EAST #2 CID FUND For The Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 90,000	\$ 90,000	\$ 103,633	\$ 13,633
Expenditures				
Current:				
Economic Development	89,100	89,100	—	89,100
Excess Of Revenues Over Expenditures	900	900	103,633	102,733
Other Financing Uses				
Transfers out	(83,192)	(83,192)	(488)	82,704
Net Changes In Fund Balances	<u>(82,292)</u>	<u>(82,292)</u>	103,145	<u>185,437</u>
Fund Balances - Beginning Of Year			<u>137,947</u>	
Fund Balances - End Of Year			<u>\$ 241,092</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPRINGHILL SUITES CID FUND For The Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 44,000	\$ 44,000	\$ 49,738	\$ 5,738
Expenditures				
Current:				
Economic Development	43,560	43,560	48,700	(5,140)
Excess (Deficiency) Of Revenues Over Expenditures	440	440	1,038	598
Other Financing Uses				
Transfers out	(9,879)	(9,879)	(492)	9,387
Net Changes In Fund Balances	(9,439)	(9,439)	546	9,985
Fund Balances - Beginning Of Year			6,546	
Fund Balances - End Of Year			\$ 7,092	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CANDLEWOOD SUITES CID FUND For The Year Ended December 31, 2019

	<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	\$ 24,000	\$ 24,000	\$ 20,896	\$ (3,104)
Expenditures				
Current:				
Economic Development	23,760	23,760	36,612	(12,852)
Excess Of Revenues Over Expenditures	240	240	(15,716)	(15,956)
Other Financing Uses				
Transfers out	(1,382)	(1,382)	(370)	1,012
Net Changes In Fund Balances	(1,142)	(1,142)	(16,086)	(14,944)
Fund Balances - Beginning Of Year			18,968	
Fund Balances - End Of Year			<u>\$ 2,882</u>	

CITY OF LENEXA, KANSAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
HOLIDAY INN EXPRESS CID FUND
For The Year Ended December 31, 2019**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 28,000	\$ 28,000	\$ 25,184	\$ (2,816)
Expenditures				
Current:				
Economic Development	27,720	30,206	48,219	(18,013)
Excess Of Revenues Over Expenditures	280	(2,206)	(23,035)	(20,829)
Other Financing Uses				
Transfers out	(2,989)	(503)	(487)	16
Net Changes In Fund Balances	(2,709)	(2,709)	(23,522)	(20,813)
Fund Balances - Beginning Of Year			26,995	
Fund Balances - End Of Year			\$ 3,473	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL LENEXA CITY CENTER AREA E CID FUND For The Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ —	\$ —	\$ 6,132	\$ 6,132
Net Changes In Fund Balances	<u>—</u>	<u>—</u>	6,132	<u>6,132</u>
Fund Balances - Beginning Of Year			<u>—</u>	
Fund Balances - End Of Year			<u><u>\$ 6,132</u></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, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 12,678,829	\$ 12,678,829	\$ 10,699,855	\$ (1,978,974)
Investment earnings	113,000	113,000	205,094	92,094
Total Revenues	12,791,829	12,791,829	10,904,949	(1,886,880)
Expenditures				
Debt service:				
Principal retirement	9,233,477	9,233,477	9,115,000	118,477
Interest and fiscal charges	3,356,585	3,356,585	3,296,190	60,395
Total Expenditures	12,590,062	12,590,062	12,411,190	178,872
Deficiency Of Revenues Over Expenditures	201,767	201,767	(1,506,241)	(1,708,008)
Other Financing Sources				
Transfers in	—	—	1,364,406	1,364,406
Transfers out	(4,070,951)	(4,070,951)	—	4,070,951
Total Other Financing Sources (Uses)	(4,070,951)	(4,070,951)	1,364,406	5,435,357
Net Changes In Fund Balances	(3,869,184)	(3,869,184)	(141,835)	3,727,349
Fund Balances - Beginning Of Year			4,506,695	
Fund Balances - End Of Year			\$ 4,364,860	

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, 2019

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Investment earnings	\$ —	\$ —	\$ 1,215	\$ 1,215
Expenditures				
Current:				
General government	—	7,302	7,284	18
Debt service:				
Principal retirement	—	—	168,718	(168,718)
Interest and fiscal charges	—	238,901	66,282	172,619
Total Expenditures	—	246,203	242,284	3,919
Excess (Deficiency) Of Revenues Over Expenditures	—	(246,203)	(241,069)	5,134
Other Financing Sources				
Transfers in	—	—	240,486	240,486
Net Changes In Fund Balances	—	(246,203)	(583)	245,620
Fund Balances - Beginning Of Year			5,744	
Fund Balances - End Of Year			\$ 5,161	

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS December 31, 2019

	Health Plan	Risk Management	Workers' Compensation	Total
Assets				
Deposits and investments	\$ 5,378,209	\$ 1,524,362	\$ 2,053,756	\$ 8,956,327
Interest receivable	23,707	7,440	3,517	34,664
Due from other funds	—	82,853	—	82,853
Other receivable	180,413	—	—	180,413
Total Assets	5,582,329	1,614,655	2,057,273	9,254,257
Liabilities				
Current Liabilities				
Accounts payable	5,144	—	7,580	12,724
Accrued compensation	—	—	1,021	1,021
Self insurance claims payable	601,304	53,520	925,901	1,580,725
Total Current Liabilities	606,448	53,520	934,502	1,594,470
Noncurrent Liabilities				
Self insurance claims payable	—	—	500,960	500,960
Total Liabilities	606,448	53,520	1,435,462	2,095,430
Net Position				
Unrestricted	\$ 4,975,881	\$ 1,561,135	\$ 621,811	\$ 7,158,827

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS For The Year Ended December 31, 2019

	Health Plan	Risk Management	Workers' Compensation	Total
Operating Revenues				
Charges for services	\$ 5,252,502	\$ 14,889	\$ 684,767	\$ 5,952,158
Intergovernmental	—	—	—	—
Reimbursements from insurance companies	830,935	357,252	—	1,188,187
Miscellaneous	13,891	755,015	227,914	996,820
Total Operating Revenues	6,097,328	1,127,156	912,681	8,137,165
Operating Expenses				
Personal services	—	55,376	41,920	97,296
Contractual services	662,370	233,012	422,841	1,318,223
Commodities	11,069	37,558	760	49,387
Claims	7,872,738	—	1,079,804	8,952,542
Total Operating Expenses	8,546,177	325,946	1,545,325	10,417,448
Operating Income (Loss)	(2,448,849)	801,210	(632,644)	(2,280,283)
Nonoperating Revenues				
Investment income	238,501	46,302	66,616	351,419
Change In Net Position	(2,210,348)	847,512	(566,028)	(1,928,864)
Total Net Position - Beginning Of Year	7,186,229	713,623	1,187,839	9,087,691
Total Net Position - End Of Year	\$ 4,975,881	\$ 1,561,135	\$ 621,811	\$ 7,158,827

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For The Year Ended December 31, 2019

	Health Plan	Risk Management	Workers' Compensation	Total
Cash Flows From Operating Activities				
Cash from interfund	\$ —	\$ 8,730	\$ —	\$ 8,730
Cash receipts from customers	5,265,789	14,889	912,681	6,193,359
Cash received from insurance companies	702,367	357,252	—	1,059,619
Cash payments for personnel services	—	(55,376)	(41,738)	(97,114)
Cash payments for contractual services and accounts payable	(8,391,901)	(270,569)	(742,890)	(9,405,360)
Net Cash Provided By (Used In) Operating Activities	(2,423,745)	54,926	128,053	(2,240,766)
Cash Flows From Investing Activities				
Interest received	235,609	45,183	66,177	346,969
Net Increase (Decrease) In Cash And Cash Equivalents	(2,188,136)	100,109	194,230	(1,893,797)
Cash And Cash Equivalents - Beginning Of Year	7,566,345	1,424,253	1,859,526	10,850,124
Cash And Cash Equivalents - End Of Year	\$ 5,378,209	\$ 1,524,362	\$ 2,053,756	\$ 8,956,327
Reconciliation Of Operating Income (Loss) To Net Cash Used In Operating Activities				
Operating income (loss)	\$ (2,448,849)	\$ 801,210	\$ (632,644)	\$ (2,280,283)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Change in other operating receivables	(129,172)	8,731	—	(120,441)
Change in accounts, wages and claims payable	154,276	(755,015)	760,697	159,958
Net Cash Provided By (Used In) Operating Activities	\$ (2,423,745)	\$ 54,926	\$ 128,053	\$ (2,240,766)

Statistical Section

CITY OF LENEXA, KANSAS
Statistical Section
December 31, 2019

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

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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	155 - 157

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
Net investment in capital assets	\$ 398,831,197	\$ 394,509,349	\$ 378,322,396	\$ 391,517,602	\$ 338,017,512	\$ 385,442,966	\$ 286,099,738	\$ 388,380,343	\$ 381,064,682	\$ 431,336,688
Restricted component of net position	47,441,146	41,828,452	21,792,575	43,833,114	82,384,501	38,132,771	32,754,028	23,790,801	20,838,326	22,697,434
Unrestricted component of net position	36,490,537	30,007,952	49,864,758	41,592,339	43,591,227	57,408,155	51,295,806	53,736,140	42,455,157	32,547,350
Total governmental activities net position	\$ 482,762,880	\$ 466,345,753	\$ 449,979,729	\$ 476,943,055	\$ 463,993,240	\$ 480,983,892	\$ 370,149,572	\$ 465,907,284	\$ 444,358,165	\$ 486,581,472
Business-type activities:										
Net investment in capital assets	\$ 102,036,825	\$ 102,015,292	\$ 103,251,937	\$ 64,187,268	\$ 59,006,961	\$ 55,638,165	\$ 59,267,375	\$ 60,553,428	\$ 58,532,281	\$ —
Restricted component of net position	4,279,239	—	—	1,211,653	2,267,544	5,730,161	1,187,798	1,504,271	1,390,539	—
Unrestricted component of net position	4,897,710	2,090,589	1,289,949	(1,941,940)	281,125	1,683,970	2,323,704	1,692,811	2,755,159	—
Total business-type activities net position	\$ 111,213,774	\$ 104,105,881	\$ 104,541,886	\$ 63,456,981	\$ 61,555,630	\$ 63,052,296	\$ 62,778,877	\$ 63,750,510	\$ 62,677,979	\$ —
Primary government:										
Net investment in capital assets	\$ 500,868,022	\$ 496,524,641	\$ 481,574,333	\$ 455,704,870	\$ 397,024,473	\$ 441,081,131	\$ 445,367,113	\$ 448,933,771	\$ 439,596,963	\$ 431,336,688
Restricted component of net position	51,720,385	41,828,452	21,792,575	45,044,767	84,652,045	43,862,932	33,941,826	25,295,072	22,228,865	22,697,434
Unrestricted component of net position	41,388,247	32,098,541	51,154,707	39,650,399	43,872,352	59,092,125	53,619,510	55,428,951	45,210,316	32,547,350
Total primary government net position	\$ 593,976,654	\$ 570,451,634	\$ 554,521,615	\$ 540,400,036	\$ 525,548,870	\$ 544,036,188	\$ 532,928,449	\$ 529,657,794	\$ 507,036,144	\$ 486,581,472

CITY OF LENEXA, KANSAS

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

Schedule 2

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental Activities										
General government	\$ 18,166,556	\$ 16,514,423	\$ 15,360,882	\$ 14,071,946	\$ 13,024,689	\$ 12,392,323	\$ 11,787,142	\$ 10,983,954	\$ 9,891,228	\$ 10,833,526
Public safety	27,570,692	28,042,267	26,839,241	25,217,583	23,965,389	25,336,801	22,687,013	21,738,865	21,476,020	20,124,393
Municipal services	36,110,897	34,830,561	36,074,412	28,861,872	32,918,834	31,499,578	28,675,556	33,013,487	30,929,195	29,708,136
Parks and recreation	7,314,935	6,657,697	6,847,771	5,538,469	4,986,999	3,184,030	4,900,596	2,706,899	3,250,279	4,601,241
Economic development	6,800,669	6,102,991	4,152,083	3,121,938	2,784,901	2,014,151	2,024,180	543,750	707,048	3,470,102
Interest on long-term debt	3,956,751	3,003,720	3,729,948	4,367,401	2,701,398	2,797,985	2,863,649	5,395,666	3,178,417	4,511,828
Total Governmental Activities Expenses	99,920,500	95,151,659	93,004,337	81,179,209	80,382,210	77,224,868	72,938,136	74,382,621	69,432,187	73,249,226
Business-Type Activities										
Rec Center	3,731,578	3,557,455	2,058,289	—	—	—	—	—	—	—
Stormwater	7,849,970	8,170,562	4,835,726	4,981,885	5,486,056	4,376,849	8,464,812	4,397,887	3,662,798	—
Total Business-Type Activities Expenses	11,581,548	11,728,017	6,894,015	4,981,885	5,486,056	4,376,849	8,464,812	4,397,887	3,662,798	—
Total Primary Government Expenses	111,502,048	106,879,676	99,898,352	86,161,094	85,868,266	81,601,717	81,402,948	78,780,508	73,094,985	73,249,226
Program Revenues										
Governmental Activities										
Charges for services:										
General government	3,227,081	3,409,364	3,414,991	3,092,003	3,056,118	2,484,045	2,179,527	2,226,117	1,581,325	1,112,486
Public safety	1,748,663	1,311,863	1,473,915	1,774,878	1,885,903	2,120,745	1,779,419	1,655,728	1,731,928	2,102,003
Municipal services	604,424	738,272	601,756	604,279	402,705	640,068	447,415	302,153	144,551	4,000,452
Parks and recreation	1,456,653	1,461,020	1,713,616	1,633,639	1,256,064	1,459,156	1,178,267	1,154,169	813,320	807,665
Operating grants and contributions	1,596,552	1,631,502	1,426,465	1,425,016	1,347,293	1,305,664	1,257,628	1,256,493	1,250,263	1,621,587
Capital grants and contributions	4,755,410	5,394,360	6,863,630	3,980,005	4,443,906	3,123,154	2,192,684	7,591,002	5,692,079	5,096,318
Total Governmental Activities Program Revenues	13,388,783	13,946,381	15,494,373	12,509,820	12,391,989	11,132,832	9,034,940	14,185,662	11,213,466	14,740,511
Business-Type Activities										
Charges for services:										
Rec Center	3,153,500	2,624,792	743,893	—	—	—	—	—	—	—
Stormwater	6,888,368	6,417,934	6,228,972	6,500,502	5,281,665	5,417,668	5,362,455	4,693,889	4,129,646	—
Operating grants and contributions	16,688	12,233	1,677	—	—	—	—	—	—	—
Capital grants and contributions	1,809,807	1,682,329	2,206,171	—	—	22,146	1,357,326	1,352,307	1,845,602	—
Total Business-Type Activities Program Revenues	11,868,363	10,737,288	9,180,713	6,500,502	5,281,665	5,439,814	6,719,781	6,046,196	5,975,248	—
Total Primary Government Program Revenues	25,257,146	24,683,669	24,675,086	19,010,322	17,673,654	16,572,646	15,754,721	20,231,858	17,188,714	14,740,511
Net Expenses	(86,244,902)	(82,196,007)	(75,223,266)	(67,150,772)	(68,194,612)	(65,029,071)	(65,648,227)	(58,548,650)	(55,906,271)	(58,508,715)

CITY OF LENEXA, KANSAS

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

Schedule 2 (Continued)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Revenues										
Governmental Activities										
Property taxes	\$ 48,414,945	\$ 40,772,586	\$ 38,184,871	\$ 34,933,119	\$ 36,691,396	\$ 29,232,719	\$ 27,717,179	\$ 42,037,662	\$ 24,611,342	\$ 24,793,267
Sales tax	37,571,363	37,689,395	34,370,102	32,611,098	31,721,440	31,493,735	28,958,995	27,723,180	25,982,247	24,385,785
Franchise taxes	6,935,636	7,608,294	7,031,330	7,070,186	6,794,649	6,845,226	6,577,958	6,188,771	6,488,264	6,103,057
Motor vehicle tax	3,370,119	3,287,944	3,127,535	3,012,057	2,817,063	2,596,900	2,244,946	2,044,063	1,926,812	1,905,333
Transient guest tax	1,385,901	1,430,576	1,251,268	894,214	837,297	799,992	668,185	727,321	660,183	458,398
Excise tax	812,409	865,081	2,281,357	676,916	1,147,282	373,460	632,142	466,233	—	14,242
Special liquor tax	940,470	912,429	783,144	761,406	754,005	705,861	670,553	552,189	552,264	616,572
Investment revenue	3,695,240	2,062,833	766,564	1,179,090	260,491	203,173	291,576	312,271	286,548	360,162
Miscellaneous	1,861,300	3,196,936	1,509,879	859,450	(846,276)	3,802,033	1,181,972	1,097,597	721,592	1,034,313
Transfers	(2,038,539)	(521,416)	(3,706,560)	(378,550)	651,613	873,257	(798,022)	596,791	(4,240,983)	—
Capital contributions	—	—	(35,052,634)	—	—	—	—	—	(56,084,902)	—
Total Governmental Activities General Revenues	102,948,844	97,304,658	50,546,856	81,618,986	80,828,960	76,926,356	68,145,484	81,746,078	903,367	59,671,129
Business-Type Activities										
Property taxes	4,577,461	—	—	—	—	—	—	—	—	—
Investment revenue	183,199	90,273	38,402	4,398	43,871	83,711	(32,144)	21,013	39,644	—
Miscellaneous	21,879	16,646	397	—	—	—	7,520	—	—	—
Transfers	2,038,539	521,416	3,706,560	378,550	(651,613)	(873,257)	798,022	(596,791)	4,240,983	—
Capital contributions	—	—	35,052,634	—	—	—	—	—	56,084,902	—
Total Business-Type Activities General Revenues	6,821,078	628,335	38,797,993	382,948	(607,742)	(789,546)	773,398	(575,778)	60,365,529	—
Total Primary Government General Revenues	109,769,922	97,932,993	89,344,849	82,001,934	80,221,218	76,136,810	68,918,882	81,170,300	61,268,896	59,671,129
Changes In Net Position										
Governmental Activities	16,417,127	16,099,380	(26,963,108)	12,949,597	12,838,739	10,834,320	4,242,288	21,549,119	(57,315,354)	1,162,414
Business-Type Activities	7,107,893	(362,394)	41,084,691	1,901,565	(812,133)	273,419	(971,633)	1,072,531	62,677,979	—
Total City	\$ 23,525,020	\$ 15,736,986	\$ 14,121,583	\$ 14,851,162	\$ 12,026,606	\$ 11,107,739	\$ 3,270,655	\$ 22,621,650	\$ 5,362,625	\$ 1,162,414

CITY OF LENEXA, KANSAS

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

Schedule 3

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Reserved for encumbrances	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 211,422
Unreserved	—	—	—	—	—	—	—	—	—	23,263,831
Committed	64,232	278,649	42,902	212,860	61,021	149,626	84,903	119,570	258,142	—
Assigned	77,730	335,313	127,668	233,532	37,051	42,995	178,674	153,898	168,011	—
Unassigned	39,217,074	35,826,309	32,778,478	31,980,503	29,733,107	28,171,990	25,858,737	23,554,040	23,096,434	—
Total	\$ 39,359,036	\$ 36,440,271	\$ 32,949,048	\$ 32,426,895	\$ 29,831,179	\$ 28,364,611	\$ 26,122,314	\$ 23,827,508	\$ 23,522,587	\$ 23,475,253
All Other Governmental Funds:										
Reserved for Debt Service	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,588,728
Reserved for economic development	—	—	—	—	—	—	—	—	—	1,583,844
Encumbrances	—	—	—	—	—	—	—	—	—	16,140,257
Unreserved (deficit), reported in:										
Special revenue funds	—	—	—	—	—	—	—	—	—	19,994,826
Capital projects funds	—	—	—	—	—	—	—	—	—	(3,901,888)
Nonspendable	—	—	—	—	1,508,749	1,590,037	1,588,700	—	—	—
Restricted	28,474,705	27,021,639	21,792,576	43,833,114	82,384,501	38,132,771	32,754,028	23,790,801	20,838,326	—
Committed	5,809,723	15,218,794	550,475	1,503,475	5,697,966	146,369	—	—	90,695	—
Assigned	31,579,194	27,203,712	30,330,565	21,554,891	16,741,864	12,498,596	8,882,052	12,684,467	13,507,019	—
Unassigned	—	—	—	—	(5,297)	(7,693)	—	—	(402)	—
Total all other governmental funds	\$ 65,863,622	\$ 69,444,145	\$ 52,673,616	\$ 66,891,480	\$ 106,327,783	\$ 52,360,080	\$ 43,224,780	\$ 36,475,268	\$ 34,435,638	\$ 38,405,767

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

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

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

CITY OF LENEXA, KANSAS

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

Schedule 4

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes	\$ 96,539,930	\$ 95,618,659	\$ 90,027,720	\$ 82,818,546	\$ 79,016,621	\$ 73,822,909	\$ 69,935,607	\$ 69,468,897	\$ 62,744,415	\$ 62,228,253
Intergovernmental	829,815	2,028,304	1,049,376	4,044,792	1,799,978	2,121,400	3,533,064	5,483,626	6,262,891	4,888,801
Licenses and permits	2,266,424	2,626,121	2,745,234	2,531,585	2,367,142	1,907,425	1,582,011	1,410,326	1,064,999	766,917
Charges for services	2,912,555	2,964,137	3,060,960	3,037,254	2,536,409	2,887,025	1,392,102	2,513,195	1,817,836	5,638,572
Rents and leases	791,387	695,946	491,591	450,333	456,630	439,154	442,765	423,205	390,773	398,639
Fines and forfeitures	1,323,745	872,986	1,065,921	1,292,297	1,448,719	1,946,108	2,433,306	1,139,474	1,192,278	1,316,984
Investment earnings	3,343,820	1,808,325	685,157	1,168,818	122,431	245,231	166,166	282,440	210,356	316,622
Miscellaneous	1,969,636	3,612,372	1,300,920	1,111,344	1,386,484	3,297,853	910,349	1,040,724	276,714	369,034
Total Revenues	109,977,312	110,226,850	100,426,879	96,454,969	89,134,414	86,667,105	80,395,370	81,761,887	73,960,262	75,923,822
Expenditures										
Current:										
General government	16,421,820	15,822,801	15,379,648	13,417,765	13,166,663	12,207,937	11,798,749	10,796,956	9,911,718	10,445,642
Public safety	27,258,921	26,592,178	25,311,240	24,821,072	23,919,222	22,462,965	22,988,869	21,563,319	20,782,769	20,680,879
Municipal services	8,483,375	9,348,747	7,822,972	7,451,323	7,308,458	8,224,579	8,023,102	7,391,326	7,595,127	9,493,093
Recreation	6,595,105	6,626,790	6,280,647	5,789,301	5,703,193	4,984,799	4,926,008	4,320,126	4,224,838	4,127,290
Economic Development	6,809,716	6,102,990	4,152,081	3,121,938	2,784,904	2,014,152	2,024,180	1,926,943	—	—
Capital projects	36,580,410	28,398,114	38,336,699	62,422,767	31,559,271	35,072,756	17,594,799	30,224,938	25,045,565	20,989,619
Debt service:										
Principal retirement	15,038,718	26,395,332	11,690,300	14,151,811	20,875,431	8,594,078	9,399,176	17,235,000	15,591,361	17,306,494
Interest and fiscal charges	4,495,284	4,274,843	4,691,068	4,773,089	3,167,356	2,882,772	3,256,045	3,432,403	3,633,968	4,873,648
Bond issue costs	—	—	—	—	—	—	—	—	125,768	252,005
Total Expenditures	121,683,349	123,561,795	113,664,655	135,949,066	108,484,498	96,444,038	80,010,928	96,891,011	86,911,114	88,168,670
Excess Of Revenues Under Expenditures	(11,706,037)	(13,334,945)	(13,237,776)	(39,494,097)	(19,350,084)	(9,776,933)	384,442	(15,129,124)	(12,950,852)	(12,244,848)
Other Financing Sources And Uses,										
Including Transfers										
Issuance of general obligation bonds	6,945,000	21,530,000	—	—	60,385,000	14,490,000	4,635,000	13,000,000	4,800,000	13,390,000
Premium from general obligation & refunding bonds	669,452	1,355,207	—	—	6,122,830	1,971,270	192,898	590,008	274,040	3,882,135
Premium from general obligation temporary notes	—	—	—	16,229	—	—	—	—	—	—
Issuance of general obligation refunding bonds	—	7,320,000	—	—	5,145,000	4,320,000	—	2,401,876	—	19,815,000
Issuance of general obligation temporary notes	5,468,366	3,690,000	3,575,000	2,940,000	—	—	4,830,000	885,000	8,195,000	7,140,000
Payment for refunded general obligation bonds	—	—	—	—	—	—	—	—	—	(22,879,529)
Revolving Loan KDHE	—	—	—	—	—	—	—	—	—	212,740
Sale of Land	—	—	—	—	2,479,912	—	—	—	—	—
Transfers in	47,272,066	49,335,894	51,083,170	26,274,450	55,335,944	27,349,281	25,638,451	27,721,177	22,648,415	23,576,934
Transfers out	(49,310,605)	(49,634,404)	(55,116,105)	(26,577,171)	(54,684,331)	(26,976,021)	(26,636,473)	(27,124,386)	(26,889,398)	(23,576,934)
Total Other Financing Sources And Uses, Including Transfers	11,044,279	33,596,697	(457,935)	2,653,508	74,784,355	21,154,530	8,659,876	17,473,675	9,028,057	21,560,346
Net Change In Fund Balances	\$ (661,758)	\$ 20,261,752	\$ (13,695,711)	\$ (36,840,589)	\$ 55,434,271	\$ 11,377,597	\$ 9,044,318	\$ 2,344,551	\$ (3,922,795)	\$ 9,315,498
Debt service as a percentage of noncapital expenditures	25%	34%	19%	24%	28%	17%	19%	27%	27%	31%

CITY OF LENEXA, KANSAS

GOVERNMENTAL FUND TYPES REVENUES BY SOURCE LAST TEN FISCAL YEARS

Schedule 5

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Taxes										
Property	\$ 41,697,459	\$ 40,131,389	\$ 37,542,038	\$ 34,149,273	\$ 31,546,294	\$ 27,685,512	\$ 27,079,695	\$ 26,648,809	\$ 24,694,182	\$ 26,107,166
Sales (including compensating use)	37,571,362	37,689,395	34,370,102	32,611,098	31,721,440	31,493,735	28,958,995	27,719,387	25,982,247	24,385,785
Franchise	6,935,636	7,608,294	7,031,330	7,070,186	6,794,649	6,845,226	6,577,958	6,188,771	6,488,264	6,103,057
Special assessments	2,303,131	2,240,776	2,229,268	2,250,546	2,058,023	2,022,506	1,850,735	3,869,871	1,198,352	1,032,994
Motor vehicle excise	3,370,119	3,287,945	3,127,535	3,012,057	2,817,063	2,596,900	2,244,945	2,044,064	1,926,812	1,905,333
Transient guest	1,385,901	1,430,576	1,251,268	894,214	837,297	799,992	668,185	731,114	660,183	458,398
Excise	812,409	865,081	2,281,357	676,916	1,147,282	373,460	631,142	466,233	—	14,242
Other taxes	2,463,913	2,365,203	2,194,822	2,154,259	2,094,573	2,005,578	1,923,952	1,800,648	1,794,375	1,770,910
Total Taxes	96,539,930	95,618,659	90,027,720	82,818,549	79,016,621	73,822,909	69,935,607	69,468,897	62,744,415	61,777,885
Revenues										
Intergovernmental	829,815	2,028,304	1,049,376	4,045,792	1,799,978	2,121,400	3,533,064	5,483,626	6,262,891	4,888,801
Licenses and permits	2,266,424	2,626,121	2,745,234	2,531,585	2,367,142	1,907,425	1,582,011	1,410,326	1,064,999	766,917
Charges for services	2,912,555	2,964,137	3,060,960	3,037,255	2,536,409	2,887,025	2,433,306	2,513,195	1,192,278	1,316,984
Rents and leases	791,387	695,946	491,591	450,333	456,630	439,154	442,765	423,205	390,773	398,639
Fines and forfeitures	1,323,745	872,986	1,065,921	1,292,297	1,448,719	1,946,108	1,392,102	1,139,474	1,817,836	5,638,572
Investment earnings	3,343,820	1,808,325	685,157	1,168,819	122,431	245,231	166,166	282,440	210,356	316,622
Miscellaneous	1,969,636	3,612,372	1,300,920	1,110,344	1,386,484	3,297,853	910,349	1,040,724	276,714	369,034
Total Revenues	13,437,382	14,608,191	10,399,159	13,636,425	10,117,793	12,844,196	10,459,763	12,292,990	11,215,847	13,695,569
Grand Total	\$ 109,977,312	\$ 110,226,850	\$ 100,426,879	\$ 96,454,974	\$ 89,134,414	\$ 86,667,105	\$ 80,395,370	\$ 81,761,887	\$ 73,960,262	\$ 75,473,454

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
2018	2019	\$ 1,214,325,371	15%	\$ 8,095,733,570	\$ 16,488,515	\$ 30,620,263	\$ 103,148,304	\$ 1,364,582,453	29.909
2017	2018	1,146,089,588	17%	6,920,478,999	17,923,645	29,706,402	99,049,196	1,292,768,831	31.832
2016	2017	1,053,541,388	15%	7,037,789,230	21,061,775	27,978,598	96,118,010	1,198,699,771	31.828
2015	2016	989,935,596	16%	6,112,670,017	22,349,586	28,127,653	93,061,812	1,133,474,647	31.807
2014	2015	924,106,434	15%	6,020,523,550	23,679,751	27,548,961	85,542,570	1,060,877,716	31.765
2013	2014	849,596,536	15%	5,585,677,480	27,206,191	27,077,031	79,426,145	983,305,903	29.713
2012	2013	793,950,131	15%	5,429,641,216	36,743,490	29,661,638	76,704,885	937,060,144	29.668
2011	2012	771,570,154	14%	5,397,313,060	45,628,362	27,492,147	74,417,660	919,108,323	29.635
2010	2011	768,176,024	14%	5,353,062,770	53,837,911	28,058,513	74,158,463	924,230,911	26.626
2009	2010	765,361,859	15%	5,234,310,460	60,483,211	31,351,516	74,559,595	931,756,181	26.574

(1) Includes recreational vehicle assessed value:

- 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
- 2015 recreational vehicle tax amounted to \$254,573
- 2016 recreational vehicle tax amounted to \$272,638
- 2017 recreational vehicle tax amounted to \$275,649
- 2018 recreational vehicle tax amounted to \$279,729
- 2019 recreational vehicle tax amounted to \$308,505

Source: Johnson County Appraiser

CITY OF LENEXA, KANSAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

Schedule 7

Tax Year	Fiscal Year	City Direct Rates			Overlapping Rates									
		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	Total Direct And Overlapping Rates
2018	2019	23.120	6.789	29.909	1.500	19.024	3.901	9.266	3.088	66.688	52.427	64.841	70.665	96.597
2017	2018	23.891	7.941	31.832	1.500	19.318	3.921	9.503	3.112	69.186	53.663	67.467	71.174	101.018
2016	2017	23.891	7.937	31.828	1.500	19.590	3.915	9.473	3.102	69.408	54.940	68.864	67.774	101.236
2015	2016	21.875	9.932	31.807	1.500	19.582	3.912	9.469	3.101	69.371	54.059	74.461	67.764	101.178
2014	2015	23.066	8.699	31.765	1.500	17.764	3.157	9.461	2.349	65.996	55.911	71.951	67.868	97.761
2013	2014	21.028	8.685	29.713	1.500	17.745	3.155	9.551	2.347	64.011	55.611	79.984	69.486	93.724
2012	2013	20.496	9.172	29.668	1.500	17.717	3.149	8.785	2.344	63.163	55.766	82.262	69.618	92.831
2011	2012	20.473	9.162	29.635	1.500	17.700	3.145	8.776	2.343	63.099	56.135	82.558	69.925	92.734
2010	2011	17.467	9.159	26.626	1.500	17.700	3.158	8.799	2.350	60.181	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

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	2018 Tax Year/2019 Fiscal Year			Taxpayer	2009 Tax Year/2010 Fiscal Year		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value
Southlake Investments SPE LLC	\$ 17,162,156	1	1.26%	HRPT Lenexa Properties Trust	\$ 28,674,233	1	3.08%
Perg Buildings, LLC	16,930,827	2	1.24%	Perg Buildings, LLC	20,458,693	2	2.20%
LIT Industrial Limited Partnership	11,801,903	3	0.86%	MEPT Kansas Commerce	9,432,334	3	1.01%
Meritex Lenexa Executive Park, LLC	10,085,074	4	0.74%	Kansas City Power & Light Co	8,916,928	4	0.96%
Kiewit Properties (Kansas) LLC	9,923,546	5	0.73%	RREEF America REIT II Corp	8,213,506	5	0.88%
MEPT Kansas Commerce Center, LLC	8,686,277	6	0.64%	JC Penney Corporation Inc	6,253,763	6	0.67%
Colfin 2017-11 Industrial Owner LLC	8,118,588	7	0.59%	Meritex	5,860,453	7	0.63%
J.C. Penny Properties, Inc.	6,387,250	8	0.47%	Southwestern Bell Telephone	5,420,442	8	0.58%
EGP 11201 Lenexa LLC	6,176,767	9	0.45%	Labone, Inc	5,234,776	9	0.56%
BPI SPE LLC	5,687,550	10	0.42%	LIT Industrial Limited	5,219,793	10	0.56%
Total	\$ 100,959,938			Total	\$ 103,684,921		
City of Lenexa (includes motor vehicles)	\$ 1,364,582,453			City of Lenexa (includes motor vehicles)	\$ 931,756,181		

Source: Johnson County Department of Records and Tax Administration

CITY OF LENEXA, KANSAS

SALES TAX RATES LAST TEN FISCAL YEARS

Schedule 9

Fiscal Year	City Sales	City Roads/ Parks/ Civic Facility Sales	County Sales	County Public Safety - I Sales	County Storm-water	County Public Safety - II Sales	County Research Triangle Sales	County Public Safety - III Sales	State	Total Direct
2010	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.000%	6.300%	8.900%
2011	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.000%	6.300%	8.900%
2012	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.000%	6.300%	8.900%
2013*	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.000%	6.300%	8.900%
2014	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.000%	6.150%	8.750%
2015**	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.000%	6.500%	9.100%
2016	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.000%	6.500%	9.100%
2017	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.350%
2018	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.350%
2019	1.000%	0.375%	0.500%	0.250%	0.100%	0.250%	0.125%	0.250%	6.500%	9.350%

Tax Rates from Kansas Department of Revenue

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

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

CITY OF LENEXA, KANSAS

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Schedule 10

Fiscal Year (1)	Total Tax Levy	Current Tax Collections (2)	Percentage Current Tax Collected	Prior Year's Tax Collected	Total Tax Collections	Percentage Total Collection To Current Levy
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%
2015	28,735,721	27,429,025	95.45%	262,422	27,691,447	96.37%
2016	31,019,568	29,402,974	94.79%	192,265	29,595,239	95.41%
2017	33,112,343	31,218,276	94.28%	91,524	31,309,800	94.56%
2018	35,096,845	32,703,904	93.18%	(106,831)	32,597,073	92.88%
2019	35,702,969	33,189,074	92.96%	89,153	33,278,227	93.21%

(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	
	General	General	TIF	General	General	Revolving		Personal Income ²	Per Capita ²
	Obligation Bonds ³	Obligation Notes	Revenue Bonds ¹	Obligation Bonds ³	Obligation Notes	Loans Payable			
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
2015	144,348,272	—	6,675,617	30,753,258	—	223,082	182,000,229	5.59%	3,566
2016	129,204,450	2,940,000	6,494,418	25,440,669	4,585,000	211,334	168,875,871	4.79%	3,217
2017	116,559,498	6,515,000	6,309,918	22,259,485	4,585,000	199,266	156,428,167	4.26%	2,905
2018	125,762,972	3,690,000	6,129,911	27,043,723	—	186,868	162,813,474	4.05%	2,942
2019	121,292,003	5,474,000	5,961,193	25,433,733	—	174,130	158,335,059	3.84%	2,845

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	Per Capita ²
	General Obligation Bonds	General Obligation Notes	General Obligation Debt	General Obligation Bonds	General Obligation Notes				
2010	\$ 109,980,936	\$ 7,140,000	\$ 117,120,936	\$ —	\$ —	\$ 4,182,267	\$ 112,938,669	12.12%	\$2,343.61
2011	74,536,943	8,195,000	82,731,943	31,322,169	—	5,054,122	108,999,990	11.79%	\$2,255.51
2012	81,015,279	885,000	81,900,279	30,572,179	—	8,348,380	104,124,078	11.33%	\$2,149.19
2013	77,620,539	4,830,000	82,450,539	31,164,912	—	8,106,262	105,509,189	11.26%	\$2,136.07
2014	89,408,756	4,830,000	94,238,756	34,224,793	—	7,875,076	120,588,473	12.26%	\$2,395.29
2015	144,348,272	—	144,348,272	30,753,258	—	7,350,082	167,751,448	15.81%	\$3,286.54
2016	129,204,450	2,940,000	132,144,450	25,440,669	4,585,000	7,205,821	150,379,298	13.27%	\$2,865.02
2017	116,559,498	6,515,000	123,074,498	22,259,485	4,585,000	5,813,059	144,105,924	12.02%	\$2,676.56
2018	125,762,972	3,690,000	129,452,972	27,043,723	—	4,506,695	151,990,000	11.14%	\$2,746.23
2019	121,292,003	5,474,000	126,766,003	25,433,733	—	4,364,862	147,834,874	10.83%	\$2,656.37

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, 2019

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	\$ 520,916,200	11.22%	\$ 58,446,798
Johnson County Parks & Recreation	420,000	11.22%	47,124
Community College	3,770,000	11.22%	422,994
U.S.D. #232 (De Soto)	148,125,000	7.44%	11,020,500
U.S.D. #233 (Olathe)	526,540,275	15.29%	80,508,008
U.S.D. #512 (Shawnee Mission)	312,560,000	19.89%	62,168,184
Total Overlapping Debt			<u>212,613,608</u>
City Direct Debt	132,727,196	100.0%	<u>132,727,196</u>
Total Direct And Overlapping Debt			<u><u>\$ 345,340,804</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 12/31/2019. Other debt as of 6/30/2019.

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

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

CITY OF LENEXA, KANSAS

LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

Schedule 14

Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 279,526,854	\$ 277,269,273	\$ 275,732,497	\$ 281,118,043	\$ 294,991,771	\$ 318,263,315	\$ 340,042,394	\$ 359,609,931	\$ 387,830,649	\$ 409,374,736
Total net debt applicable to limit	107,232,733	103,815,878	73,551,899	74,344,277	86,363,680	136,998,190	124,938,629	116,368,390	124,946,277	122,401,141
Legal debt limit	\$ 172,294,121	\$ 173,453,395	\$ 202,180,598	\$ 206,773,766	\$ 208,628,091	\$ 181,265,125	\$ 215,103,765	\$ 243,241,541	\$ 262,884,372	\$ 286,973,595
Total net debt applicable to the limit as a percentage of the limit	38.4%	37.4%	26.7%	26.4%	29.3%	43.0%	36.7%	32.4%	32.2%	29.9%
Total net debt as a percentage of assessed value*	11.5%	11.5%	11.0%	7.6%	8.8%	12.9%	11.0%	9.7%	9.6%	9.0%

Legal Debt Margin Calculation For Fiscal Year 2019

Assessed value	\$ 1,364,582,453
Debt limit (30% of total assessed value)	409,374,736
Debt applicable to limit:	
General obligation debt	126,766,003
Less: Amount set aside for repayment of general obligation debt	4,364,862
Net debt applicable to limit	122,401,141
Legal Debt Margin	\$ 286,973,595 *

* 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
2019	55,653	602,401	0.6%	\$ 4,118,878,530	\$ 74,010	3.4%	4.2%
2018	55,345	596,767	2.8%	4,024,522,365	72,717	3.3%	4.0%
2017	53,840	589,609	2.6%	3,669,626,720	68,158	3.7%	4.6%
2016	52,488	584,451	2.8%	3,527,036,136	67,197	4.3%	5.2%
2015	51,042	590,604	1.4%	3,255,969,180	63,790	5.6%	6.6%
2014	50,344	574,096	1.9%	3,103,405,536	61,644	5.0%	6.3%
2013	49,394	566,933	2.0%	2,966,998,792	60,068	5.4%	6.7%
2012	48,448	559,836	0.3%	2,875,243,456	59,347	5.0%	5.3%
2011	48,326	552,874	0.3%	2,736,169,794	56,619	6.0%	6.0%
2010	48,190	545,696	0.4%	2,561,443,070	53,153	7.3%	7.0%

*Restated 2009-2013 in fiscal year 2014.

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

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

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

Schedule 16

Employer	2018 Tax Year/2019 Fiscal Year			Employer	2009 Tax Year/2010 Fiscal Year		
	Employees	Rank	Percentage Of Total City Employment		Employees	Rank	Percentage Of Total City Employment
Quest Diagnostics	1,830	1	3.14%	United Parcel Service	2,095	1	4.55%
Kiewit Power Engineers	1,300	2	2.23%	Quest Diagnostics/Lab One	1,794	2	3.90%
Alliance Data Systems Corp	920	3	1.58%	JC Penney Logistics Ctr	1,500	3	3.26%
Community America Credit Union	750	4	1.28%	Freightquote.com	1,005	4	2.18%
JC Penney Logistics Center	700	5	1.20%	T-Mobile	820	5	1.78%
P1 Group	700	6	1.20%	Deluxe Corporation	750	6	1.63%
Community Living Opportunities	680	7	1.17%	Gear for Sports	653	7	1.42%
United Parcel Service	650	8	1.11%	Interstate Brands Corp	605	8	1.32%
Gear for Sports Inc	600	9	1.03%	Thermo Fischer Scientific/Remel	550	9	1.20%
Henderson Engineers Inc	563	10	0.96%	Lakeview Village	505	10	1.10%
Total	8,693			Total	10,277		
City of Lenexa (total employment)	58,367			City of Lenexa (total employment)	46,000		

Source: Chamber of Commerce Membership Directory/ESRI

CITY OF LENEXA, KANSAS

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

Schedule 17

Function	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government	99	99	91	88	89	83	83	83	89	87
Public safety	244	244	239	232	222	216	216	215	210	210
Municipal services	71	71	68	67	67	66	70	70	65	67
Parks and recreation	128	124	102	72	72	72	62	62	53	52
Total	542	538	500	459	450	437	431	430	417	416

Sources: Human Resources Department

CITY OF LENEXA, KANSAS

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Schedule 18

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
City Hall	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police Station	1	1	1	1	1	1	1	1	1	1
Police Substation	1	1	1	1	1	1	1	1	1	1
Fire Stations	5	5	5	5	5	5	5	5	5	5
Municipal Services										
Center lane miles added	4	4	9	1	1	—	—	—	—	—
Service Center	1	1	1	1	1	1	1	1	1	1
Public Storm Structures (manholes, inlets and junction boxes)	8,116	8,044	7,652	7,638	7,523	7,286	6,957	6,957	6,957	—
Streetlights maintained	7,713	7,446	7,306	7,333	7,605	7,149	7,368	7,567	6,581	6,971
Parks And Recreation										
Parks (acres & trail system)**	887**	802	802	799	795*	795*	795*	776*	915	918
Pools	4	4	4	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
Recreation Center	1	1	1	—	—	—	—	—	—	—
Senior Center	1	1	1	1	1	1	1	1	1	1

* Per Parks & Recreation Comprehensive Plan

**Per Parks & Recreation GIS software

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

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

Schedule 19

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
GIS										
Data sets maintained	783	777	750	950	750	750	803	713	640	596
Data requests	245	225	200	250	125	120	24	21	13	15
Map requests	310	185	150	200	65	75	154	386	307	236
ArcGIS users supported	180	146	114	96	85	85	83	71	56	60
Community Development										
Planning commission items	89	106	102	83	92	86	89	66	73	70
Staff review final plans	17	7	9	7	14	15	9	9	16	6
New single family permits	154	241	242	189	241	169	213	146	89	57
Valuation of new construction (millions of dollars)	203	242	296	68	78	53	67	103	67	76
Commercial construction (millions of dollars)	194	324	219	134	110	68	82	132	34	46
Human Resources										
Positions filled (full-time/part-time/temporary)	287	269	348	189	210	196	190	188	130	150
Work comp/disability/FMLA cases managed	115	133	132	117	118	110	91	142	122	102
Separations/retirements processed	224	240	198	171	190	176	48	170	125	145
Finance										
Accounts payable invoices	4,138	4,050	3,953	3,864	4,614	5,195	4,977	4,927	4,446	5,627
Payroll checks processed	115	16,796	14,366	12,964	13,515	12,534	12,490	12,294	11,657	11,920
Purchasing Card transactions	224	14,754	15,054	13,589	13,245	12,905	13,743	13,871	12,974	12,862
Information Technology										
Supported users	722	611	569	491	457	583	589	446	403	427
Workstations	419	428	442	397	412	421	423	451	424	410
Laptops	307	282	244	229	205	207	182	161	183	216
Servers	175	162	165	161	218	183	133	122	119	119
Printers	217	225	219	214	224	106	156	152	144	145
Municipal Court										
Charges issued	11,824	7,213	8,558	12,349	12,907	14,514	14,151	11,474	11,310	13,043
Charges completed	10,481	7,113	8,639	10,909	12,880	14,349	14,167	10,363	14,770	12,715
Charges pending (*Change in software)	2,716	2,266	1,495	2,977	2,707	3,002	3,417	2,897	10,021	13,481
D.U.I. issued	217	128	162	193	172	547	222	151	186	257
Legal										
Appeals to District Court prosecuted	5	5	3	9	5	12	7	19	8	14
Forfeitures cases filed	9	5	8	9	9	14	20	16	16	11
Third party claims made v. City	26	12	8	12	12	21	22	8	15	16
Third party claims paid	16	11	2	7	5	10	18	2	9	7

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

Schedule 19 (Continued)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public Safety										
Police										
Calls for service	22,706	21,551	21,223	20,886	20,819	20,402	21,631	21,293	20,756	21,309
Officer self initiated	26,845	18,656	19,889	23,600	21,289	24,582	24,571	20,664	20,749	22,413
Walk in/station reports	1,106	1,234	1,254	1,388	1,369	1,037	1,047	1,081	1,090	1,163
Total incidents	49,551	41,441	42,366	45,874	43,689	46,622	48,013	43,838	43,337	45,312
Arrests	3,277	3,191	3,266	3,365	2,976	3,176	3,870	3,581	3,256	4,004
Citations	11,823	7,106	3,457	12,245	11,598	14,300	14,023	11,284	11,039	12,412
Discovery requests approved*	792	753	441	388	462	463	467	364	364	367
Fire										
Emergency incident responses	6,318	6,265	5,913	5,682	5,638	5,237	5,204	5,012	4,884	4,608
Building fires/1,000 pop.	1	1	1	1	1	1	1	1	2	1
Ill or injured patients treated	2,843	2,799	2,756	3,065	3,108	2,818	2,895	2,935	3,002	2,689
Fire inspections	8,827	9,471	7,922	7,929	6,086	4,585	4,008	3,623	2,517	5,466
Training hours	27,328	26,593	26,209	24,118	24,243	25,200	24,387	24,453	17,955	24,025
Municipal Services										
Number of City vehicles maintained	502	496	496	457	455	368	354	346	344	347
Lane-miles of roadway	798	787	787	660	660	660	660	660	660	660
Signalized intersections maintained	82	82	73	69	67	67	67	66	67	65
Streetlights maintained	7,782	7,972	7,593	7,333	6,904	7,149	7,368	7,000	6,581	6,971
Traffic signs maintained	13,877	12,697	12,757	11,997	11,780	12,094	12,055	11,800	11,210	11,039
Square feet maintained	692,755	673,455	673,455	327,555	327,555	327,555	327,555	327,555	327,555	296,743
Parks And Recreation										
Acres of park maintained	887	802	802	799	795	795	795	776	696	687
Number of events - Thompson Barn	304	295	299	342	307	271	220	177	186	194
Pool attendance	41,651	44,773	45,976	47,903	41,254	47,526	45,421	55,952	52,522	65,032
Swim lessons	559	581	1,037	743	643	679	740	666	712	659
Rec Center**										
Pool attendance	93,186	98,901	4,368***	—	—	—	—	—	—	—
Swim lessons	1,369	1040****	295***	—	—	—	—	—	—	—

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

**Officially opened on 7/31/17

***Statistics for November and December 2017

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

Sources: Various City departments.