



CITY OF LENEXA, KANSAS

Comprehensive Annual Financial Report

For The Year Ended December 31, 2010

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

For The Year Ended December 31, 2010



*Report prepared and submitted by the
Finance Department*

Contents

	Page
Part I - Introductory Section:	
Transmittal Letter.....	i - v
Certificate Of Achievement For Excellence In Financial Reporting	vi
City Organizational Chart	vii
Principal Officials	viii
Map Of Lenexa Boundaries	ix
Part II - Financial Section:	
Independent Auditors' Report	1 - 2
Management's Discussion And Analysis	3 - 13
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement Of Net Assets	14
Statement Of Activities	15
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	16
Reconciliation Of The Balance Sheet Of Governmental Funds To The Statement Of Net Assets	17
Statement Of Revenues, Expenditures And Changes In Fund Balances.....	18
Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances To The Statement Of Activities	19
Proprietary Funds:	
Statement Of Net Assets	20
Statement Of Revenues, Expenses And Changes In Fund Net Assets	21
Statement Of Cash Flows.....	22
Fiduciary Funds:	
Statement Of Fiduciary Net Assets	23
Statement Of Changes In Fiduciary Net Assets - Pension Trust Fund	24
Notes To Basic Financial Statements.....	25 - 56
Required Supplementary Information	
Budgetary Comparison Information:	
Schedule Of Revenues, Expenditures And Changes In Fund Balances - Budget And Actual - Budget Basis - General Fund.....	57 - 58
Schedule Of Revenues, Expenditures And Changes In Fund Balances - Budget And Actual - Budget Basis - Stormwater Management Fund.....	59

Contents

	Page
Part II - Financial Section (Continued):	
Note To Budgetary Comparison Information	60
Required Supplementary Information - Pension Plan And Other Post Employment Benefit Obligations.....	61
Supplementary Information - Combining And Individual Fund Financial Statements And Schedules	
Combining Balance Sheet - Nonmajor Governmental Funds	62
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances - Nonmajor Governmental Funds	63
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	64 - 67
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances - Nonmajor Special Revenue Funds	68 - 71
Schedules Of Revenues, Expenditures And Changes In Fund Balances Budget And Actual - Budget Basis:	
Street Tree Zone 1 Fund.....	72
Street Tree Zone 2 Fund.....	73
Street Tree Zone 3 Fund.....	74
Special Event Fund.....	75
Special Highway Fund.....	76
Tourism And Convention Fund.....	77
Special Alcohol Control Fund.....	78
Special Parks And Recreation Fund	79
TIP Zone 1	80
TIP Zone 2	81
TIP Zone 3	82
Swimming Pool Fund.....	83
Neighborhood Revitalization Program	84
Ridgeview Mining TIF District Fund.....	85
Lenexa Conference Center Fund.....	86
Mining TIF District Fund.....	87
Parks And Recreation Impact Fee Zone 1 Fund	88
Parks And Recreation Impact Fee Zone 2 Fund	89
Parks And Recreation Impact Fee Zone 3 Fund	90
City Center TIF Fund	91
Debt Service Fund.....	92
Debt Service Reserve TIF Fund	93
Combining Statement Of Net Assets - Internal Service Funds	94
Combining Statement Of Revenues, Expenses And Changes In Fund Net Assets - Internal Service Funds	95
Combining Statement Of Cash Flows - Internal Service Funds.....	96

Contents

	<u>Schedule</u>	<u>Page</u>
Part III - Statistical Section (Unaudited):		
Net Assets By Component Last Eight Fiscal Years	1.....	97
Changes In Net Assets Last Eight Fiscal Years	2.....	98
Fund Balances, Governmental Funds Last Ten Fiscal Years.....	3.....	99
Changes In Fund Balances, Governmental Funds		
Last Ten Fiscal Years.....	4.....	100
Governmental Fund Types Revenues By Source		
Last Ten Fiscal Years.....	5.....	101
Assessed Value And Actual Value Of Taxable Property		
Last Ten Fiscal Years.....	6.....	102
Direct And Overlapping Property Tax Rates		
Last Ten Fiscal Years.....	7.....	103
Principal Property Tax Payers Current Year And Nine Years Ago	8.....	104
Sales Tax Rates Last Ten Fiscal Years	9.....	105
Property Tax Levies And Collections Last Ten Fiscal Years	10.....	106
Ratios Of General Obligation Debt Outstanding Last Ten Fiscal Years .	11.....	107
Direct And Overlapping Governmental Activities Debt.....	12.....	108
Legal Debt Margin.....	13.....	109
Demographic And Economic Statistics Last Ten Fiscal Years	14.....	110
Principal Employers Current Year And Nine Years Ago.....	15.....	111
Full-Time Equivalent City Government Employees		
By Function/Program Last Ten Fiscal Years.....	16.....	112
Capital Asset Statistics By Function Last Ten Fiscal Years	17.....	113
Operating Indicators By Function Last Ten Fiscal Years	18.....	114 - 115

Introductory Section



June 3, 2011

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, 2010 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included, which includes management's discussion and analysis.

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

The Financial Reporting Entity

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

Government Structure

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

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

Economic Condition and Outlook

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

Lenexa's commercial and residential construction increased from \$64.4 million to \$75.7 million in 2010. In 2010, a total of 68 permits were issued for single family homes. A total of 1,407 building permits for residential and commercial were issued during 2010 with an estimated construction value of \$75.7 million. Ten commercial projects with valuations over \$500,000 were issued building permits in 2010. New construction took place for Ceva Biomune and Ryan Transportation, and Thermo Fisher added on to its existing building. Delmar Gardens, Sprint, Sunflower Group and Johnson County Developmental Supports each remodeled their existing facilities, and PRA and Shawnee Mission Physicians Group moved into the city.

The number of new businesses that have located in Lenexa in 2010 is 197.

Lenexa's current population is 48,190 with a projected population for year 2020 of 58,510.

The City's 2010 assessed valuation decreased to \$931,756,181 (including motor vehicles and recreational vehicles) from \$1,034,546,894 in 2009, a 9.9% decrease.

Major Initiatives

2010 Initiatives and Highlights

The City Council approved a \$102.5 million budget for 2011, which is a decrease of \$4.4 million compared to the previous year's budget. This was the third year in a row that the city's budget declined.

To maintain effective, efficient service and also address budget concerns, Lenexa continued working through a reorganization plan and appointed three new directors to lead the reorganized departments. Other changes in leadership included a new Councilmember and a new Municipal Court Judge.

Lenexa continued its focus on sustainability and taking care of assets such as roads, parks and facilities. The City invested \$3.1 million, including revenue generated from the 3/8-cent sales tax approved by residents in 2008, for annual street maintenance. City crews also worked throughout much of the winter clearing streets of snow and ice during one of the most difficult winters on record.

The City was one of 27 communities selected as finalists for the prestigious All-American City Award, which is given annually by the National Civic League, in recognition of outstanding civic accomplishments.

Early in 2010, the City received results from the most recent ETC DirectionFinder citizen satisfaction survey. Lenexa residents continued to be happy with city services, ranking their city as the leader in nearly every major service category including police, fire, parks and recreation, public communication, street maintenance, code enforcement and stormwater runoff.

Future/Planned Initiatives

The Governing Body strategic goals are as follows:

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

The 2011 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 Equipment Reserve Fund and Facilities Maintenance Fund.

Financial Information

Internal Control Structure and Budgetary Controls

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

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

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

Single Audit

The City of Lenexa is subject to Single Audit requirements in conformity with the provisions of the Single Audit Amendments of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. As a recipient of federal, state, and local financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to maintain compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the City.

Other Information

Independent Audit

Kansas Statutes Annotated 75-1122 requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by independent certified public accountants. The accounting firm of RubinBrown LLP was selected by the Governing Body. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Amendments of 1996 and related OMB Circular A-133.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lenexa for its CAFR for 32 consecutive years (each of the fiscal years ended December 31, 1978 through 2009).

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

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning January 1, 2010. The City has received the Distinguished Budget Presentation Award since 1990. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

Acknowledgments

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

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

Sincerely,



Eric Wade
City Administrator



Doug Robinson
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lenexa
Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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



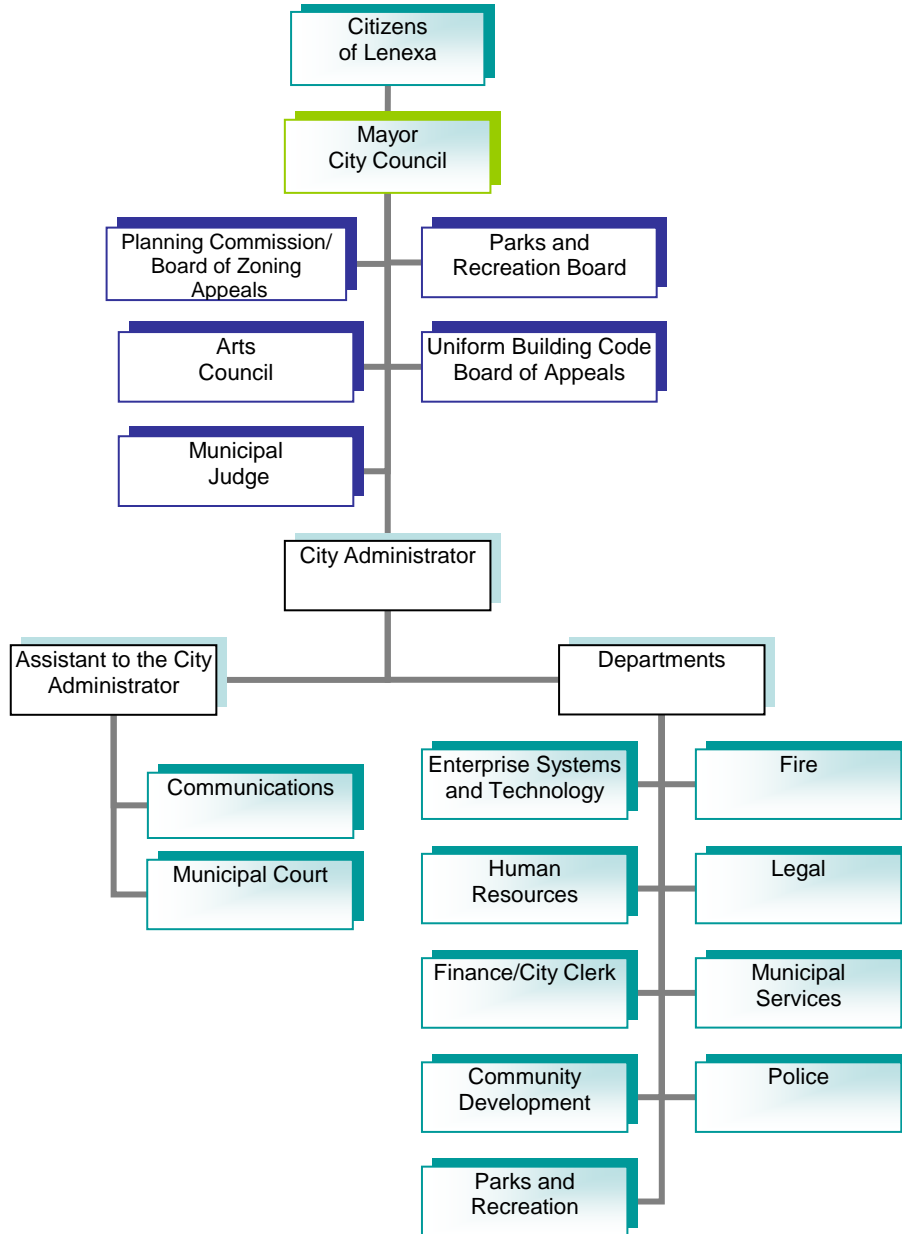
A stylized handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enev".

Executive Director

**CITY OF LENEXA
Organizational Chart
(Population 48,190)**



CITY OF LENEXA, KANSAS

LIST OF PRINCIPAL OFFICIALS

Mayor

Michael Boehm

City Council

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

City Administrator

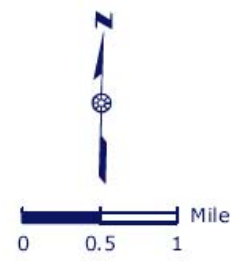
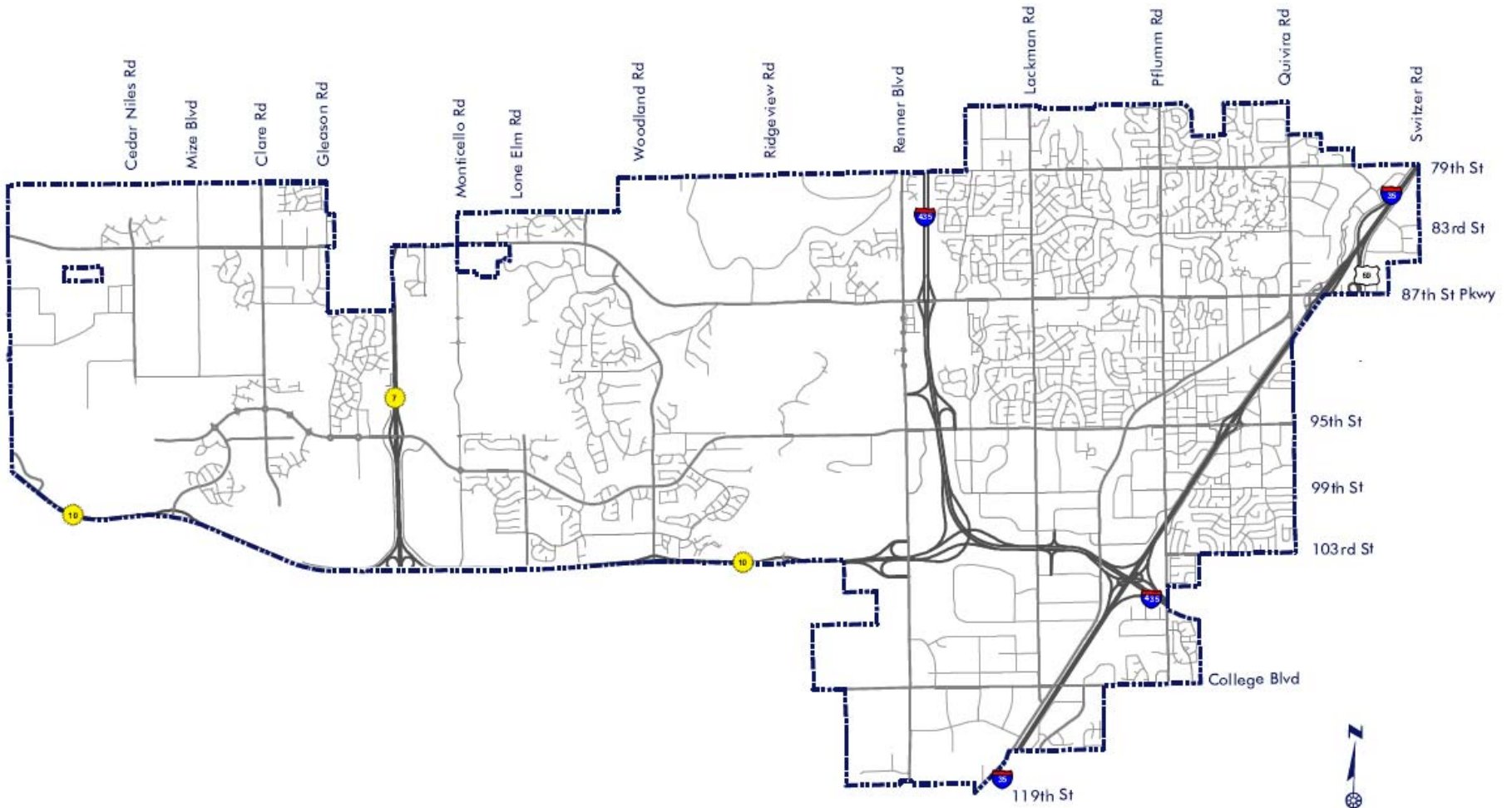
Eric Wade

Assistant to the City Administrator

Leslee Fonseca

Finance Department

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



Map Published May, 2009

Financial Section



RubinBrown LLP
Certified Public Accountants
& Business Consultants

10975 Grandview Drive
Suite 600
Overland Park, KS 66210

T 913.491.4144
F 913.491.6821

W rubinbrown.com
E info@rubinbrown.com

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Lenexa, Kansas (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report, dated June 3, 2011 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 13, the Budgetary Comparison Information on pages 57 through 59, and the Pension and Other Post Employments Benefits schedules on page 61 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

RubinBrown LLP

June 3, 2011

Management's Discussion And Analysis

CITY OF LENEXA, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2010

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, 2010. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

The City's total assets exceeded its total liabilities at the end of 2010 by \$486,581,472. Of this amount \$32,547,350 is unrestricted net assets.

The City's total long-term liabilities increased by \$7,602,427. The key factors in this increase was the addition of reimbursable developer projects costs of \$3,470,102, the issuance of \$33,205,000 in general obligation bonds, offset by principal payments of \$9,505,000 in general obligation bonds, and \$21,270,000 in general obligation refunding bonds.

Capital assets increased \$1,581,381 due to \$13,933,572 in infrastructure additions, (including donated capital assets from developers of \$342,515) net decrease of construction in progress of \$590,905, 2010 non-infrastructure capital assets additions and retirements of \$2,152,881, and net depreciation of \$13,914,167. Donated capital assets from developers amounted to 2% of the increase in infrastructure additions.

At the end of 2010, the fund balance for the General Fund was \$23,475,253.

The Basic Financial Statements

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

Government-Wide Financial Statements

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

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

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

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

Both statements show the operations of the City distinguished between governmental activities and business-type activities. Governmental activities are the operations and services of the City generally supported by taxes, such as Municipal Services, Police, Parks and Recreation, and General Administration. The City currently does not have any business-type activities.

Fund Financial Statements

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

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

Proprietary Funds fall into two categories: Enterprise Funds and Internal Service Funds. All Proprietary Funds are prepared on the accrual basis of accounting. Enterprise Funds are used to account for business-type transactions. Enterprise Fund statements present the same information that is in the Government-Wide Statements for business activities, only in greater detail. Currently, the City does not have any Enterprise Funds. Internal Service Funds are used to account for the cost of operations shared by various functions of the City. The City uses three Internal Services Funds to account for its self-insurance activities: Health Plan Fund, Risk Management Fund, and the Workers' Compensation Fund. These three funds are combined into a single column on the Proprietary Fund statement. A combining statement for these funds can be found in the supplementary information. In the Government-Wide Statements, the information for these Internal Service Funds is presented as part of the governmental activities information.

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

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

Notes To The Basic Financial Statements

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

Other Information

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

Analysis Of Government-Wide Financial Statements

Statement Of Net Assets

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

	Governmental Activities	
	2010	2009
Assets		
Current and other assets	\$ 112,135,450	\$ 105,655,449
Capital assets	550,431,753	548,850,372
Total Assets	662,567,203	654,505,821
Liabilities		
Other liabilities	30,220,878	30,457,577
Self insurance claims payable	745,036	1,211,796
Long-term obligations	145,019,817	137,417,390
Total Liabilities	175,985,731	169,086,763
Net assets:		
Invested in capital assets, net of related debt	431,336,688	433,106,968
Restricted	22,697,434	19,501,498
Unrestricted	32,547,350	32,810,592
Total Net Assets	\$ 486,581,472	\$ 485,419,058

As noted earlier, net assets may serve over time as useful indicators of a government's financial position. In the case of the City, assets exceed liabilities by \$486,581,472 at December 31, 2010.

CITY OF LENEXA, KANSAS

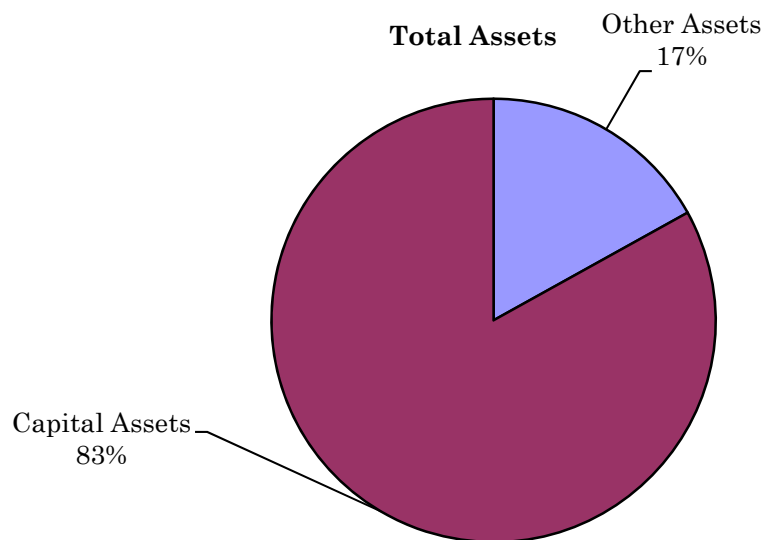
Management's Discussion and Analysis (*Continued*)

The largest portion of the City's net assets, \$431,336,688 (88.7%), reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets, \$22,697,434 (4.7%), represents resources that are subject to external restrictions on how they may be used. Unrestricted net assets, which total \$32,547,350 (6.6%), represent assets that may be used to meet the government's ongoing obligations to citizens and creditors. The government's net assets increased by \$1,162,414, or 0.24%, during the current fiscal year.

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

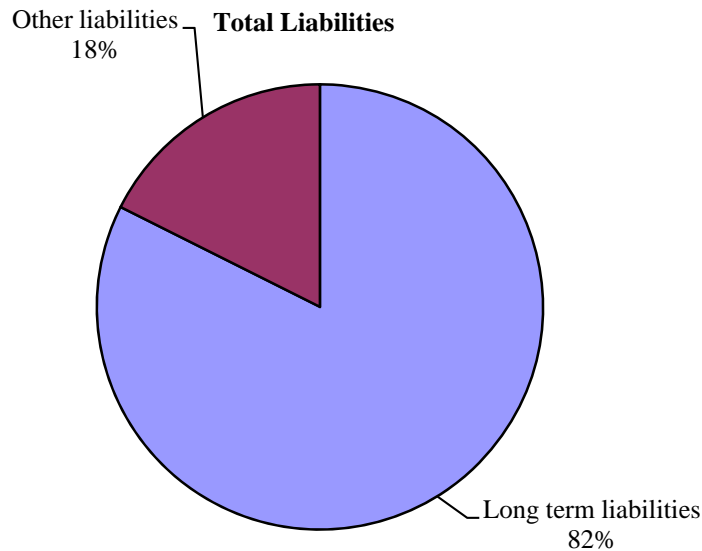
The City ended 2010 with positive net assets. Total assets for the City are \$662,567,203. Of these total assets, \$550,431,753 is capital assets and \$112,135,450 is other assets.



CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

Total liabilities for the City are \$175,985,731. Of these total liabilities, \$145,019,817 is for long-term liabilities, \$745,036 is self insurance claims payable and \$30,220,878 is other liabilities. The majority of the long-term liabilities are for debt issued for major capital projects. Debt issues are never extended longer than the useful life of the project for which debt is being issued.



Total net assets for the City are \$486,581,472. Of these total net assets, \$32,547,350 is unrestricted net assets and \$22,697,434 is for restricted net assets. Net assets invested in capital assets net of related debt are \$431,336,688. Additional details on capital assets can be found on pages 11 and 12.

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		Variance Over/(Under)
	Activities		
	2010	2009	
Revenues			
Program revenues:			
Charges for services	\$ 8,022,606	\$ 12,143,226	\$ (4,120,620)
Grants and contributions	1,621,587	1,172,192	449,395
Capital grants and contributions	5,096,318	3,029,140	2,067,178
General revenues:			
Property taxes	24,793,267	28,587,311	(3,794,044)
Sales tax	24,385,785	25,085,389	(699,604)
Other taxes	9,097,602	8,988,600	109,002
Investment revenue	360,162	439,528	(79,366)
Other	1,034,313	777,773	256,540
Total Revenues	74,411,640	80,223,159	(5,811,519)
Expenses			
General government	10,833,526	11,925,719	(1,092,193)
Public safety	20,124,393	19,494,864	629,529
Municipal services	29,708,136	29,299,766	408,370
Parks and recreation	4,601,241	3,617,450	983,791
Economic development	3,470,102	11,249,594	(7,779,492)
Interest on long-term debt	4,511,828	5,030,464	(518,636)
Total Expenses	73,249,226	80,617,857	(7,368,631)
Increase In Net Assets	1,162,414	(394,698)	1,557,112
Net Assets, January 1	485,419,058	485,813,756	(394,698)
Net Assets, December 31	\$ 486,581,472	\$ 485,419,058	\$ 1,162,414

The City's net assets increased \$1,162,414. Key elements of this increase are as follows:

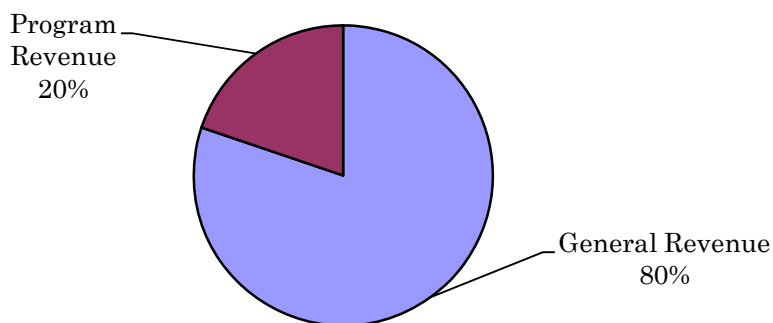
- Increase in capital grants and contributions due to federal funding for the 87th Street Parkway from Lennox to Renner Boulevard (\$1.9 million) and the K10 and Lone Elm interchange (\$0.5 million) project.
- Decrease in property tax revenue from 2010 to 2009 due to delinquent special assessments expected to be uncollectible.
- Decrease in charges for services due to \$3.8 million of streets contributed by developers in 2009.
- Decrease in personal expenses for General Government due to the retirement and resignation incentive program that was offered in 2009. The cost of this program was \$1.6 million in 2009 and \$225,000 in 2010.

CITY OF LENEXA, KANSAS

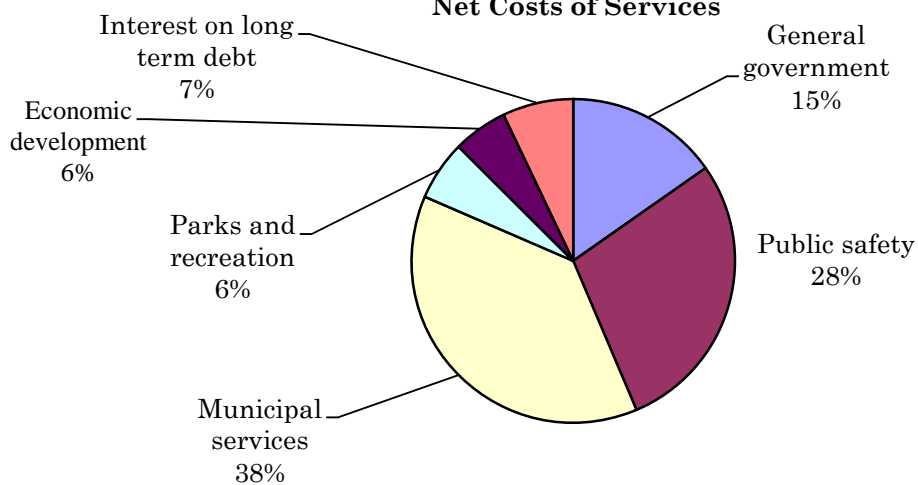
Management's Discussion and Analysis (*Continued*)

- Decrease in economic development expense due to less certified costs from \$11.2 million in 2009 (for the Mining TIF District and City Center Project Plan 1B) to \$3.5 million (for the Mining TIF District) in 2010.
- The government-wide statement of activities indicates the major sources of program revenues are capital grant contributions. General revenues comprised 80% of total revenues for governmental activities. Property taxes are the largest general revenue source for governmental activities amounting to 42% followed closely by sales tax amounting to 41% of general revenues.

Total General Revenue



Net Costs of Services



CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

For purposes of the graph on the previous page, the capital grants and contributions amounts of \$5,096,318 have not been included in the net costs of services. The total cost of services for 2010 was \$73.2 million; however, \$9.6 million was funded by charges to users directly benefiting from the services or by other organizations through grants and contributions. The remaining \$63.6 million of these services was funded primarily through property taxes and sales taxes.

Analysis of the Fund Financial Statements

Governmental Funds

The City's governmental fund statements can be found on pages 16 to 19 of the basic financial statements. As stated earlier, these statements are presented on the modified accrual basis. Reconciliation to the Government-Wide Financial Statements has been provided with these fund statements. The Governmental Funds ended fiscal year 2010 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, 2010 was \$23,475,253. This represents an increase of \$3,171,877 or a 15.6% increase over the previous year's balance. The General Fund had an increase to the amount of fund balance due to significant expenditure reductions, specifically in personnel services. These expenditure reductions were made to compensate for lower revenues.

The fund balance of the Debt Service Fund at December 31, 2010 was \$4,182,267. This represents a decrease of \$23,417 or a 0.6% 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 Stormwater Management Fund at December 31, 2010 was \$4,188,746. This represents an increase of \$62,624 or a 1.5% increase over the previous year's balance. The Stormwater Fund had a small increase in fund balance due to higher than projected sales tax revenues.

The fund balance of the Street Improvement Fund and Stormwater Drainage Fund will vary on a year-to-year basis depending on what capital projects are in process, the cost of those projects, and the various funding sources for those projects.

Proprietary Funds

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

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

General Fund Budgetary Highlights

The legally adopted budget for the General Fund was not amended by the Governing Body during 2010. However, departments within the City are allowed to transfer budget between line items and between activities within a department. Revenues were less than budgetary estimates and expenditures were also less than budgetary estimates. The substantial reduction in expenditures allowed the fund balance to increase during the year almost \$3.6 million. The following are major budgetary highlights of the general fund for the 2010 fiscal year:

- A decrease in property tax revenue due to an 11.0% decrease in the City's 2009 assessed valuation (including motor vehicle valuation).
- A 19% decrease in fines and forfeitures due to a decline in municipal court fine revenue. This decrease is due to limited staffing from the police department.
- Business licenses revenue decreased by 25% due to staggering the billing process to allow for less staffing in the Community Development department.
- Decrease in transfers out due to less cash funding of the Capital Improvement Program.
- Total expenditures in the general fund decreased by \$3.9 million, or 8.8%, due to significant organizational changes that were instituted in 2009 and continued during 2010. The retirement and resignation incentive program that was offered to employees cost approximately \$1.6 million in 2009 and \$225,000 in 2010.

Capital Asset and Debt Administration

Capital Assets

The total amount of capital assets for the City at December 31, 2010 was \$550,431,753 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	
	2010	2009
Land	\$ 29,337,711	\$ 29,337,711
Buildings	24,754,014	25,440,187
Machinery and equipment	9,107,988	8,187,064
Infrastructure, depreciable	475,395,490	473,457,955
Construction in progress	11,836,550	12,427,455
Total	\$ 550,431,753	\$ 548,850,372

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

Major capital events during the fiscal year included the following:

- Completed City Center Public Greenbelt and Streamway improvements. This project provides stormwater detention, water quality, and recreational activities.
- Completed City Center North Internal Street improvements.
- Completed 95th Street and Ridge Drive traffic signal installation
- Completed Woodland Road from 101st Street to south of K-10 Highway. This project provided signalization, roadway, and trail improvements.
- Began construction of 87th Street Parkway from Renner Blvd. to Lennox Drive. This project will total approximately \$18.6 million when completed.
- Construction in Progress decreased \$590,000 compared to 2009 which was due to the economic downturn and smaller projects during the year.
- In 2010, \$468,000 was added to buildings as compared to \$3.7 million in 2009 which resulted in accumulated depreciation for buildings being more than additions by \$686,000.

Additional information can be found in Note 6 on pages 37 and 38 of this report.

CITY OF LENEXA, KANSAS

Management's Discussion and Analysis (*Continued*)

Debt Administration

At December 31, 2010, the City had a number of debt issues outstanding. These issues include \$104,275,000 of general obligation bonds and special assessment debt backed by the full faith and credit of the City. This balance represents a \$2,430,000 net increase over the 2009 balance. This net increase is due to the issuance of \$33,205,000 general obligation improvement bonds to finance several capital improvement projects, the refunding of \$21,270,000 of general obligation bonds and the retirement of \$9,505,000 of general obligation principal. The City maintained an AA+ bond rating from Standard & Poor's and an Aaa bond rating from Moody's Investors Service, Inc. on general obligation bond issues. Under current state statutes, the City's bonded debt issuances are subject to a legal limitation based on a percentage of the assessed valuation of real estate and personal property. As of December 31, 2010, the total general obligation debt of \$104,275,000 was well below the City's legal limit of \$279,526,854. The change in the Tax Increment Financing (TIF) developer obligation is due to additional certified costs of \$3,470,102 and payments to developers of \$334,359. The City implemented GASB 45 in 2007 (Other Post Employment Benefits), and the related obligation as of December 31, 2010 is \$2,700,769. A summary of outstanding debt is as follows:

	<u>2010</u>	<u>2009</u>
General obligation bonds	\$ 104,275,000	\$ 101,845,000
TIF revenue bonds	7,865,000	7,865,000
General obligation notes payable	7,140,000	7,410,000
Employee compensated absences (net)	2,051,524	1,843,461
Other post employment benefits obligation	2,700,769	1,961,333
TIF developer obligation	15,133,873	11,998,130
Pension obligation	(73,171)	153,363
Net unamortized premium	5,687,769	4,447,572
Discount on bonds	(161,833)	(187,446)
Capital lease payable	64,270	126,067
Termination benefits	—	250,956
Revolving loan	212,740	60,624
Deferred amount on refunding	123,876	(356,670)
	<hr/>	<hr/>
Total long-term liabilities	\$ 145,019,817	\$ 137,417,390

Additional information on the City's debt can be found in Note 10 on pages 41 through 46 of this report.

Requests For Information

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

Basic Financial Statements

CITY OF LENEXA, KANSAS

STATEMENT OF NET ASSETS December 31, 2010

	<u>Governmental Activities</u>
Assets	
Deposits and investments, including restricted cash and investments	\$ 68,976,999
Receivables, (net of allowance of \$685,300)	42,251,029
Capital assets – nondepreciable	41,174,261
Capital assets – depreciable, net	509,257,492
Bond issue costs	907,422
Total Assets	<u>662,567,203</u>
Liabilities	
Accounts payable	2,945,577
Accrued interest payable	1,672,209
Accrued compensation	1,005,853
Unearned revenues	24,374,028
Other	66,050
Due to other entities	157,161
Self-insurance claims payable:	
Due within one year	652,899
Due in more than one year	92,137
Long-term liabilities:	
Due within one year	20,158,931
Due in more than one year	124,860,886
Total Liabilities	<u>175,985,731</u>
Net Assets	
Investment in capital assets, net of related debt	431,336,688
Restricted for:	
Debt service	2,916,519
Economic development	1,583,844
Specific revenue	7,804,004
Capital projects	10,393,067
Unrestricted	32,547,350
Total Net Assets	<u>\$ 486,581,472</u>

CITY OF LENEXA, KANSAS

STATEMENT OF ACTIVITIES For The Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Assets
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
General government	\$ 10,833,526	\$ 1,112,486	\$ 1,030	\$ —	\$ (9,720,010)
Public safety	20,124,393	2,102,003	15,850	409,840	(17,596,700)
Public works	29,708,136	4,000,452	1,604,707	4,363,223	(19,739,754)
Parks and recreation	4,601,241	807,665	—	323,255	(3,470,321)
Economic development	3,470,102	—	—	—	(3,470,102)
Interest on long-term debt	4,511,828	—	—	—	(4,511,828)
Total Governmental Activities	\$ 73,249,226	\$ 8,022,606	\$ 1,621,587	\$ 5,096,318	(58,508,715)

General revenues:

Taxes:

Property taxes	24,793,267
Sales taxes	24,385,785
Franchise taxes	6,103,057
Motor vehicle taxes	1,905,333
Transient guest tax	458,398
Excise tax	14,242
Special liquor tax	616,572
Unrestricted investment earnings	360,162
Miscellaneous	1,034,313
Total general revenues and transfers	59,671,129

Change in net assets 1,162,414

Net assets, beginning of year 485,419,058

Net assets, end of year \$ 486,581,472

CITY OF LENEXA, KANSAS

BALANCE SHEET - GOVERNMENTAL FUNDS December 31, 2010

	Major Funds					Nonmajor Funds	Total Governmental Funds
	General Fund	Debt Service	Stormwater Management	Street Improvements	Storm Drainage	Other Governmental Funds	
Assets							
Deposits and investments	\$ 21,052,154	\$ 4,146,570	\$ 4,203,885	\$ 5,597,862	\$ 944,126	\$ 22,978,107	\$ 58,922,704
Restricted cash and investments	222,742	—	—	873,259	—	406,461	1,502,462
Special assessment receivable	—	11,307,141	—	—	—	—	11,307,141
Property tax receivable (net of allowance for uncollectibles)	14,232,312	7,462,789	—	—	—	2,040,706	23,735,807
Sales tax receivable	4,238,174	—	2,918	—	—	—	4,241,092
Transient guest tax receivable	—	—	—	—	—	122,114	122,114
Franchise tax receivable	660,708	—	—	—	—	—	660,708
Special highway tax receivable	—	—	—	—	—	329,927	329,927
Special liquor tax receivable	40,147	—	—	—	—	80,294	120,441
Intergovernmental	—	—	60,499	755,672	150,168	49,578	1,015,917
Interest receivable	241,312	35,697	36,150	41,910	4,630	124,949	484,648
Due from other funds	15,615	—	—	202,110	—	825,937	1,043,662
Other receivable	35,838	—	—	—	—	—	35,838
Total Assets	\$ 40,739,002	\$ 22,952,197	\$ 4,303,452	\$ 7,470,813	\$ 1,098,924	\$ 26,958,073	\$ 103,522,461
Liabilities And Fund Balances							
Liabilities							
Accounts payable	\$ 807,981	\$ —	\$ 23,812	\$ 1,409,601	\$ 368,399	\$ 253,542	\$ 2,863,335
Accrued compensation	972,198	—	30,395	1,002	—	981	1,004,576
Due to other funds	1,028,047	—	—	—	—	15,615	1,043,662
Due to outside entities	157,161	—	—	—	—	—	157,161
Deferred revenue	14,232,312	18,769,930	60,499	689,048	673,682	2,081,186	36,506,657
Fire insurance proceeds	30,000	—	—	—	—	—	30,000
Municipal court deposits	36,050	—	—	—	—	—	36,050
Total Liabilities	17,263,749	18,769,930	114,706	2,099,651	1,042,081	2,351,324	41,641,441
Fund Balances (Deficit)							
Reserved:							
Encumbrances	211,422	—	50,616	11,690,410	719,689	3,679,542	16,351,679
Debt service	—	4,182,267	—	—	—	406,461	4,588,728
Economic development	—	—	—	—	—	1,583,844	1,583,844
Unreserved, reported in							
General fund	23,263,831	—	—	—	—	—	23,263,831
Special revenue funds	—	—	4,138,130	—	—	15,856,696	19,994,826
Capital projects funds	—	—	—	(6,319,248)	(662,846)	3,080,206	(3,901,888)
Total Fund Balances (Deficit)	23,475,253	4,182,267	4,188,746	5,371,162	56,843	24,606,749	61,881,020
Total Liabilities And Fund Balances (Deficit)	\$ 40,739,002	\$ 22,952,197	\$ 4,303,452	\$ 7,470,813	\$ 1,098,924	\$ 26,958,073	\$ 103,522,461

CITY OF LENEXA, KANSAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS December 31, 2010

Total Fund Balance - Governmental Funds \$ 61,881,020

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds: Governmental capital assets (less accumulated depreciation) 550,431,753

Internal Service Funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the statement of net assets 7,920,674

Some of the City's revenues, including taxes, will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the fund financial statements 12,132,629

Cost of debt issuance are capitalized and reported in the government-wide statement of net assets as a deferred charge and are amortized over the life of the bond issue 907,422

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the fund financial statements. All liabilities - both current and long-term - are reported on the government-wide statement of net assets. Balances as of December 31, 2010 are:

Accrued compensated absences	(2,051,524)
Other post employment benefits obligation	(2,700,769)
Unamortized premium on bonds payable	(5,687,769)
Unamortized discount on bonds payable	161,833
Net pension obligation	73,171
General obligation notes payable	(7,140,000)
Capital lease payable	(64,270)
Accrued interest payable on long-term debt	(1,672,209)
Reimbursable developer project costs	(15,133,873)
Revolving loan KDHE	(212,740)
Deferred amount on refunding	(123,876)
Tax increment financing bonds payable	(7,865,000)
General obligation bonds payable	(104,275,000)
	<u>(146,692,026)</u>

Total Net Assets - Governmental Activities \$ 486,581,472

CITY OF LENEXA, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For The Year Ended December 31, 2010

	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	Debt Service	Stormwater Management	Street Improvements	Storm Drainage	Other Governmental Funds	
Revenues							
Taxes	\$ 47,369,697	\$ 10,274,326	\$ 848,283	\$ —	\$ —	\$ 3,735,947	\$ 62,228,253
Intergovernmental	1,458	—	12,865	3,498,695	402,120	973,663	4,888,801
Licenses and permits	759,917	—	7,000	—	—	—	766,917
Charges for services	1,308,267	—	3,697,420	—	—	632,885	5,638,572
Rents and leases	398,639	—	—	—	—	—	398,639
Fine and forfeits	1,265,672	—	—	—	—	51,312	1,316,984
Investment earnings	134,917	70,588	9,139	31,456	1,220	69,302	316,622
Miscellaneous	158,962	7,532	2,508	400	—	199,632	369,034
Total Revenues	51,397,529	10,352,446	4,577,215	3,530,551	403,340	5,662,741	75,923,822
Expenditures							
Current:							
General government	9,511,759	—	—	—	—	933,883	10,445,642
Public safety	19,890,627	—	—	—	—	790,252	20,680,879
Municipal services	7,121,422	—	1,300,760	—	—	1,070,911	9,493,093
Recreation	3,390,654	—	—	—	—	736,636	4,127,290
Capital outlay	—	—	—	13,590,983	3,898,989	3,499,647	20,989,619
Debt service:							
Principal retirement	57,135	7,670,000	1,835,000	7,410,000	—	334,359	17,306,494
Interest and fiscal charges	9,705	2,938,544	1,335,824	121,030	—	468,545	4,873,648
Bond issuance costs	—	—	—	215,552	15,738	20,715	252,005
Total Expenditures	39,981,302	10,608,544	4,471,584	21,337,565	3,914,727	7,854,948	88,168,670
Excess (Deficiency) Of Revenues Over Expenditures	11,416,227	(256,098)	105,631	(17,807,014)	(3,511,387)	(2,192,207)	(12,244,848)
Other Financing Sources (Uses)							
Issuance of general obligation bonds	—	—	—	8,885,000	1,945,000	2,560,000	13,390,000
Issuance of refunding bonds	—	—	—	19,815,000	—	—	19,815,000
Issuance of general obligation temporary notes	—	—	—	7,140,000	—	—	7,140,000
Premium on general obligation bonds	—	—	—	3,637,689	107,013	137,433	3,882,135
Payment to refunded bond escrow agent	—	—	—	(22,879,529)	—	—	(22,879,529)
Revolving loan KDHE	—	—	—	—	212,740	—	212,740
Transfers in	—	232,681	86,361	4,249,611	355,788	18,652,493	23,576,934
Transfers out	(8,244,350)	—	(129,368)	(1,259,110)	(184,349)	(13,759,757)	(23,576,934)
Total Other Financing Sources (Uses)	(8,244,350)	232,681	(43,007)	19,588,661	2,436,192	7,590,169	21,560,346
Net Changes In Fund Balances	3,171,877	(23,417)	62,624	1,781,647	(1,075,195)	5,397,962	9,315,498
Fund Balances - Beginning Of Year	20,303,376	4,205,684	4,126,122	3,589,515	1,132,038	19,208,787	52,565,522
Fund Balances - End Of Year	\$ 23,475,253	\$ 4,182,267	\$ 4,188,746	\$ 5,371,162	\$ 56,843	\$ 24,606,749	\$ 61,881,020

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, 2010

Net Change In Fund Balances - Total Governmental Funds \$ 9,315,498

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

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

Expenditure for capital assets	
Capital outlays	\$ 16,157,621
Depreciation expense	(14,832,465)

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

Contributions from developers	342,515	
Net book value of current year disposals	<u>(86,290)</u>	
		1,581,381

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	(84,993)	
Change in employee compensated absences	(208,063)	
Change in net pension obligation	226,534	
Change in other post employment benefits obligation	(739,436)	
Change in termination benefits	250,956	
Change in revolving loan	<u>(152,116)</u>	
		(707,118)

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

(2,229,296)

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

General obligation bond proceeds	(33,205,000)	
General obligation note proceeds	(7,140,000)	
Bond issue cost	252,005	
Bond principal payment	30,775,000	
General obligation note payments	7,410,000	
Bond premium	(1,797,592)	
Deferred amount on refunding	(456,079)	
Reimbursable developer project cost obligation	(3,470,102)	
Reimbursable developer project cost payment	334,359	
Amortization of bond premium	557,395	
Amortization of bond discount	(25,613)	
Amortization of bond issue costs	(89,773)	
Amortization of deferred amount of refunding	(24,467)	
Capital lease payments	<u>61,797</u>	
		(6,818,070)

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

20,019

Change In Net Assets Of Governmental Activities

\$ 1,162,414

CITY OF LENEXA, KANSAS

STATEMENT OF NET ASSETS - PROPRIETARY FUND December 31, 2010

	Governmental Activities - Internal Service Fund
Assets	
Current Assets	
Deposits and investments	\$ 8,551,833
Interest receivable	79,076
Other receivable	118,320
Total Current Assets	<u>8,749,229</u>
Liabilities	
Current Liabilities	
Accounts payable	82,242
Accrued wages payable	1,277
Self insurance claims payable	652,899
Total Current Liabilities	<u>736,418</u>
Self Insurance Claims Payable	<u>92,137</u>
Total Liabilities	<u>828,555</u>
Net Assets	
Unrestricted	<u>\$ 7,920,674</u>

CITY OF LENEXA, KANSAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS PROPRIETARY FUND For The Year Ended December 31, 2010

	Governmental Activities - Internal Service Fund
Operating Revenues	
Charges for services	\$ 5,104,062
Reimbursements from insurance companies	156,106
Intergovernmental	46,612
Miscellaneous	175,197
Total Operating Revenues	<u>5,481,977</u>
Operating Expenses	
Personal services	41,358
Contractual services	228,519
Commodities	157,971
Claims	5,077,650
Total Operating Expenses	<u>5,505,498</u>
Operating Loss	<u>(23,521)</u>
Nonoperating Revenues	
Investment income	<u>43,540</u>
Change In Net Assets	20,019
Total Net Assets – Beginning Of Year	<u>7,900,655</u>
Total Net Assets – End Of Year	<u>\$ 7,920,674</u>

CITY OF LENEXA, KANSAS

STATEMENT OF CASH FLOWS PROPRIETARY FUND For The Year Ended December 31, 2010

	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities	
Cash received from customers	\$ 5,279,259
Cash received from insurance companies	123,316
Cash received from federal government	46,612
Cash payments to employees	(41,358)
Cash payments for contractual services and accounts payable	(5,881,940)
Net Cash Used In Operating Activities	<u>(474,111)</u>
 Cash Flows Provided By Investing Activities	
Interest on investments	<u>14,384</u>
 Net Decrease In Cash And Cash Equivalents	(459,727)
 Cash And Cash Equivalents – Beginning Of Year	<u>9,011,560</u>
 Cash And Cash Equivalents – End Of Year	<u><u>\$ 8,551,833</u></u>
 Reconciliation Of Operating Loss To Net Cash Used In Operating Activities	
Operating loss	\$ (23,521)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Change in other receivables	(32,790)
Change in accounts payable and claims payable	<u>(417,800)</u>
 Net Cash Used In Operating Activities	<u><u>\$ (474,111)</u></u>

CITY OF LENEXA, KANSAS

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS December 31, 2010

	Pension Trust Fund
	<u> </u>
Assets	
Cash and short-term investments	\$ 900,375
Investments at fair value:	
Corporate bonds	6,726,615
Domestic stocks	11,098,810
Real estate	1,710,190
International stocks	1,839,032
	<u>22,275,022</u>
Net Assets	<u><u>\$ 22,275,022</u></u>

CITY OF LENEXA, KANSAS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS PENSION TRUST FUND For The Year Ended December 31, 2010

	<u>Pension Trust Fund</u>
Additions	
Contributions:	
Employer	<u>\$ 432,000</u>
Investment Income:	
Net appreciation in fair value of investments	3,004,345
Dividends and interest	582,984
Investment expenses	(222,699)
Net Investment Income	<u>3,364,630</u>
Total Additions	3,796,630
Deductions	
Benefits paid	<u>2,372,081</u>
Net Increase	1,424,549
Net Assets Held In Trust For Pension Benefits	
Beginning of year	<u>20,850,473</u>
End of year	<u><u>\$ 22,275,022</u></u>

Notes To Basic Financial Statements

THE CITY OF LENEXA, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2010

1. Summary Of Significant Accounting Policies

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

Reporting Entity

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

Government-Wide And Fund Financial Statements

The Government-Wide Financial Statements (that is, the Statement of Net Assets and the Statement of Activities) report information on all nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements to minimize the duplication of internal activities with the exception of interfund services provided and used. The City does not have any 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 Fund and Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The City reports the following Major Governmental Funds:

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

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

The *Stormwater Management Fund* is used to account for the resources received from stormwater utility charges, sales tax, capital charges, general fund revenues and grant funds to provide a systematic, economical, and environmentally sensitive means for managing stormwater.

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

The *Storm Drainage Improvements Fund* is used to account for the financing and construction of various storm drainage 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.

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.

Deposits And Investments

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

Investments are reported at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

The City typically invests available cash in demand deposits, time deposits, and U.S. Government securities ranging from 30 to 565 days to maturity. The average yield on investments during the year was 0.41% and the amount of investment revenue received was \$360,162.

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.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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, 2010, such taxes are a lien on the property and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred revenue on the balance sheets of the appropriate funds and the government-wide statements of net assets. In addition, amounts received during the year levied are deferred until the subsequent year. Delinquent taxes receivable held by the County Treasurer at December 31, 2010 are not significant.

Interfund Receivables And Payables

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

Capital Assets

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

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

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

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

Compensated Absences

All full-time and regular part-time employees are eligible for vacation benefits in varying annual amounts. Full time employees are allowed to accumulate and carry forward 240 hours of vacation, shift firefighters can carry forward 336 hours and regular part time employees can carry forward 120 hours. Hours accumulated and not taken in excess of these amounts as of December 31 of each year are transferred to the employee's sick leave balance. Upon termination or resignation, full-time employees on regular status and regular part-time employees who have been employed for a minimum of one year shall be compensated for all accumulated, unused vacation leave. All vacation pay is accrued when incurred in the Government-Wide Financial Statements. A liability for these amounts is reported in Governmental Funds only if they have matured, for example, as a result of employee resignations and retirements.

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

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

Long-Term Obligations

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

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

Special Assessments

Kansas statutes require that certain projects financed in part by special assessments to be financed through the issuance of general obligation bonds that are secured by the full faith and credit of the City. Special assessments received prior to or after the issuance of general obligation bonds are recorded as revenue in the appropriate project fund. Further, state statutes require levying additional general ad valorem property taxes in the Debt Service Fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the Debt Service Fund. Special assessments are levied over a 10- or 15-year period and annual installments are due and payable with annual ad valorem property taxes. Johnson County (the County) may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. At December 31, 2010, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the applicable fund with a corresponding amount recorded as deferred revenue.

Net Assets

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

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

In the fund financial statements, Governmental Funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use Of Estimates

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

2. Compliance And Accountability

Deficit Fund Equity

At December 31, 2010, the Special Revenue Fund - Grants had a fund balance deficit of \$15,615. The Grant fund deficit balance should be eliminated with future grant revenues.

3. Deposits And Investments

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

City-Wide Deposits And Investments

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

In 2003, the City was granted expanded investment powers by the State of Kansas. In addition to the options mentioned above, expanded investment powers allow the City to invest in U.S. Government Agency securities and securities of U.S. Government sponsored enterprises, as well as to extend maturities up to four years. The City is required to provide an annual report of investment results to the State as a condition of maintaining the expanded powers.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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
Deposits	\$ (131,907)
Petty cash	3,790
Investments:	
Municipal investment pool	5
Repurchase agreements	6,728,000
U.S. Government securities	61,097,391
Investments held with trustee:	
Deposits	1,279,720
	<hr/>
Total deposits, including investments	\$ 68,976,999
	<hr/> <hr/>

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, 2010, the City's deposits were insured by federal depository insurance and uninsured deposits were fully collateralized in accordance with the City's policy.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

Credit Risk And Concentration Of Credit Risk

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

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

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

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

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

<u>Investment Type</u>	<u>Total</u>	<u>Rating As Of December 31, 2010</u>	<u>Percentage</u>
Kansas Municipal Investment Pool	\$ 5	AAA	0%
Repurchase agreements	6,728,000	AAA Collateral	10%
U.S. Government Securities			
U.S. Treasury Notes	6,045,223	**	9%
Federal National Mortgage Association	15,915,628	AAA	23%
Federal Home Loan Banks	17,341,842	AAA	26%
Federal Home Loan Mortgage Corporation	14,735,186	AAA	22%
Federal Farm Credit	<u>7,059,512</u>	AAA	<u>10%</u>
Total	<u>\$ 67,825,396</u>		<u>100%</u>

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

Interest Rate Risk

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

As of December 31, 2010, the City's investment portfolio had the following investments and maturities.

Investment Type	Total	6 Months Or Less	6-12 Months	12-24 Months	24-36 Months
U.S. Government Securities					
U.S. Treasury Notes	\$ 6,045,223	\$ 6,045,223	\$ —	\$ —	\$ —
FNMA	15,915,628	3,011,519	6,670,883	6,233,226	—
FHLB	17,341,842	4,547,278	9,740,685	3,053,879	—
FHLMC	14,735,186	6,018,071	6,687,315	2,029,800	—
FFC	7,059,512	—	7,059,512	—	—
Repurchase agreements	6,728,000	6,728,000	—	—	—
Kansas Municipal Investment Pool	5	5	—	—	—
	\$ 67,825,396	\$ 26,350,096	\$ 30,158,395	\$ 11,316,905	\$ —

Defined Benefit Pension Plan

The City had \$22,275,022 in investments related to the City's defined benefit pension plan. These investments are carried at fair market value. The City determines fair value based on current available market rates. The primary objective of the City of Lenexa Defined Benefit Pension Plan is to provide eligible employees with retirement benefits. The plan's investment objectives should be pursued as long-term goals designed to maximize return while reducing exposure to undue risk. At a minimum, it is the objective of the plan to meet its actuarial interest assumption on an ongoing basis. Currently, the actuarial interest assumption is 7%.

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

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

The benchmark for the large cap domestic equity portion of the portfolio is to match or exceed the return of the Russell 1000 Index (net of investment management fees and transaction costs); the benchmark for the small/mid cap value equity manager is the Russell 2500 Value Index; the benchmark for the international equity portion of the portfolio is to match or exceed the return of the MSCI EAFE Foreign Equity Index (net of management fees and transaction costs); the benchmark for the fixed income portion of the plan is to equal or exceed the return of the Barclays Capital U.S. Aggregate (net of management fees and transaction costs); the benchmark for the real estate portion of the plan is to equal or exceed the return of the NCREIF Index (net of management fees and transaction costs) and investments in cash must represent maturities of one year or less at the time of purchase.

Interest Rate Risk

Interest rate risk is the risk associated with a portfolio's sensitivity to changes in interest rates. The Plan has no specific policy regarding interest rate risk. As of December 31, 2010, the Plan had the following investments and maturities.

	Total	12 Months Or Less	12-48 Months	> 48 Months
Corporate bonds	\$ 6,726,615	\$ 50,472	\$ 567,314	\$ 6,108,829
Money market mutual funds	900,375	900,375	—	—
	7,626,990	\$ 950,847	\$ 567,314	\$ 6,108,829
Domestic stocks	11,098,810			
Real estate	1,710,190			
International stocks	1,839,032			
Total investments	<u>\$ 22,275,022</u>			

Credit Risk

Credit risk is associated with the credit quality or rating of debt instrument investments. The Plan has no specific policy regarding credit risk. The Plan uses the credit ratings issued by Standard and Poor's for disclosure of credit risk. The following table summarizes the Plan investments subject to credit risk.

Quality Rating	Corporate Bonds	Money Market Mutual Funds
AAA	\$ 3,684,398	\$ —
AA	378,534	—
A	710,352	—
BBB or less	1,827,064	—
Not rated	126,267	900,375
	<u>\$ 6,726,615</u>	<u>\$ 900,375</u>

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

Concentration Of Credit Risk

As of December 31, 2010, 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:

<u>Issuer</u>	<u>Total Fair Value</u>	<u>Percentage</u>
Wells Fargo/NWQ	\$ 4,773,846	21%
Metwest Bond Fund Class I	4,206,006	19%
Mainstay ICAP Equity Fund	3,459,964	16%
Wells Fargo/Meritage	3,344,680	15%
Cavanal Hill Bond Institutional Fund	2,213,564	10%

Foreign Currency Risk

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

4. Receivables

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

	<u>General</u>	<u>Debt Service</u>	<u>Stormwater Management</u>	<u>Street Improvements</u>	<u>Storm Drainage</u>	<u>Non-major governmental</u>	<u>Internal Service</u>	<u>Total</u>
Property tax	\$ 14,681,879	\$ 7,698,522	\$ —	\$ —	\$ —	\$ 2,040,706	\$ —	\$ 24,421,107
Sales tax	4,238,174	—	2,918	—	—	—	—	4,241,092
Transient guest tax	—	—	—	—	—	122,114	—	122,114
Franchise tax	660,708	—	—	—	—	—	—	660,708
Special highway tax	—	—	—	—	—	329,927	—	329,927
Special liquor tax	40,147	—	—	—	—	80,294	—	120,441
Special assessment	—	11,307,141	—	—	—	—	—	11,307,141
Intergovernmental	—	—	60,499	755,672	150,168	49,578	—	1,015,917
Interest	241,312	35,697	36,150	41,910	4,630	124,949	79,076	563,724
Other	35,838	—	—	—	—	—	118,320	154,158
Less: allowance for uncollectible accounts	(449,567)	(235,733)	—	—	—	—	—	(685,300)
Total Receivables	\$ 19,448,491	\$ 18,805,627	\$ 99,567	\$ 797,582	\$ 154,798	\$ 2,747,568	\$ 197,396	\$ 42,251,029

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

5. Tax Revenues

Tax revenues for the City consist of the following:

	General	Debt Service	Watershed Management	Other Governmental Funds	Total
Property tax	\$ 16,295,304	\$ 8,550,068	\$ —	\$ 1,261,794	\$ 26,107,166
Sales tax	23,537,502	—	848,283	—	24,385,785
Transient guest tax	—	—	—	458,398	458,398
Franchise tax	6,103,057	—	—	—	6,103,057
Special assessment	—	1,032,993	—	—	1,032,993
Excise tax	14,242	—	—	—	14,242
Motor vehicle	1,214,068	691,265	—	—	1,905,333
Other	205,524	—	—	2,015,755	2,221,279
Total tax revenues	\$ 47,369,697	\$ 10,274,326	\$ 848,283	\$ 3,735,947	\$ 62,228,253

6. Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2010:

	Balance January 1, 2010	Increases	Decreases	Balance December 31, 2010
Governmental activities:				
Assets not being depreciated:				
Land	\$ 29,337,711	\$ —	\$ —	\$ 29,337,711
Construction in progress	12,427,455	15,122,858	15,713,763	11,836,550
Total nondepreciable capital assets	41,765,166	15,122,858	15,713,763	41,174,261
Assets being depreciated:				
Buildings	44,855,933	468,003	—	45,323,936
Machinery and equipment	21,455,659	2,689,466	1,004,588	23,140,537
Infrastructure - Streets	542,181,770	8,976,230	—	551,158,000
Infrastructure - Stormwater	93,157,782	4,957,342	—	98,115,124
Total depreciable capital assets	701,651,144	17,091,041	1,004,588	717,737,597
Less accumulated depreciation				
Buildings	(19,415,746)	(1,154,177)	—	(20,569,923)
Machinery and equipment	(13,268,595)	(1,682,251)	(918,298)	(14,032,548)
Infrastructure - Streets	(149,808,069)	(10,720,884)	—	(160,528,953)
Infrastructure - Stormwater	(12,073,528)	(1,275,153)	—	(13,348,681)
Total accumulated depreciation	(194,565,938)	(14,832,465)	(918,298)	(208,480,105)
Total capital assets being depreciated, net	507,085,206	2,258,576	86,290	509,257,492
Total governmental activities, capital assets, net	\$ 548,850,372	\$ 17,381,434	\$ 15,800,053	\$ 550,431,753

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

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

Governmental activities:	
General government	\$ 413,035
Public safety	1,460,647
Public works	12,406,988
Parks and recreation	<u>551,795</u>
 Total depreciation expense – governmental activities	 <u><u>\$ 14,832,465</u></u>

7. Commitments

Construction Commitments

Normal commitments have been made for future expenditures related to the City's capital projects programs. At December 31, 2010, outstanding construction commitments, including obligations for capital outlay, were \$15,540,696.

At December 31, 2010, capital project authorizations compared with expenditures from inception are as follows:

	<u>Project</u> <u>Authorizations</u>	<u>Expenditures -</u> <u>Project</u> <u>Inception To</u> <u>December 31,</u> <u>2010</u>
Street improvements	\$ 85,373,634	\$ 43,185,738
Storm drainage	25,878,307	13,031,283
Municipal buildings	15,921,117	5,302,610
Capital acquisitions	1,575,000	1,722,670
Parks and recreation	3,759,915	1,954,769
	<u>\$ 132,507,973</u>	<u>\$ 65,197,070</u>

Other Commitments And Contingencies

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

8. Interfund Receivables, Payables And Transfers

Interfund receivable and payable balances at December 31, 2010 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 15,615	\$ 1,028,047
Street improvements	202,110	—
Non-major governmental funds	825,937	15,615
Total	<u>\$ 1,043,662</u>	<u>\$ 1,043,662</u>

The General Fund interfund payable is a portion of the economic development sales tax that will fund capital projects and a portion of the 3/8 cent sales tax to fund parks/roads and a civic center project. The payable will be eliminated in 2011. The interfund payable portion of the Non-major governmental fund is due to a deficit balance in the Grants fund. This payable will be eliminated when grant revenues are received.

A summary of interfund transfers by fund type is as follows at December 31, 2010:

	<u>Transfers Out</u>					<u>Total</u>
	<u>General</u>	<u>Stormwater Manage- ment</u>	<u>Street Improve- ments</u>	<u>Storm Drainage</u>	<u>Nonmajor Govern- mental</u>	
Transfers in:						
Debt Service	\$ —	\$ —	\$ —	\$ —	\$ 232,681	\$ 232,681
Stormwater Management	—	—	—	86,361	—	86,361
Street Improvements	23,318	—	—	93	4,226,199	4,249,610
Storm Drainage	—	129,368	184,920	—	41,500	355,788
Nonmajor Governmental	8,221,032	—	1,074,190	97,895	9,259,377	18,652,494
Total	<u>\$ 8,244,350</u>	<u>\$ 129,368</u>	<u>\$ 1,259,110</u>	<u>\$ 184,349</u>	<u>\$ 13,759,757</u>	<u>\$ 23,576,934</u>

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

9. Leases

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

Lenexa Chamber Of Commerce

The City leases, to the Lenexa Chamber of Commerce, the Thompson Farm premise located in the Southlake Business Park. The lease provides for monthly lease payments of \$1,674 and expires in 2011. The tenant may enter into an additional two-year lease. The cost of the Thompson Farm was \$790,000 with accumulated depreciation of \$355,500 and a current carrying value of \$434,500.

Cellular Tower Leases

The City has lease agreements with multiple wireless telecommunications providers for space on City-owned monopole towers located at 87th and Lackman, 87th and Quivira Road, 7700 Cottonwood, 96th and Pflumm, 24000 Prairie Star Parkway, 10855 Eicher and 12500 W 87th St. The lease agreements provide for monthly lease payments. The cost of the cellular towers was \$1,063,500 with accumulated depreciation of \$808,750 and a current carrying value of \$254,750.

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

<u>Year</u>	<u>Amount</u>
2011	\$ 380,328
2012	391,218
2013	401,166
2014	413,632
2015	420,962
2016 - 2020	1,825,267
2021 - 2025	1,362,353
2026 - 2030	626,296
	<u>\$ 5,821,222</u>

Capital Lease Obligation

Capital lease payable at December 31, 2010 is comprised of the following:

Governmental funds:

Mine Safety Applicance, Inc, interest at 4%, annual installments through July 1, 2011; a lease to purchase 57 Firefighter Self - Contained Breathing Apparatus	<u>\$ 64,270</u>
--	------------------

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2010 were as follows:

<u>Year</u>	<u>Amount</u>
2011	\$ 66,840
Less: Imputed interest	2,570
Present value of minimum lease payments	<u>\$ 64,270</u>

10. Long-Term Debt And Other Obligations

Changes In Long-Term Liabilities

The following is a summary of the changes in long-term debt for the year ended December 31, 2010:

	<u>Balance</u> <u>January 1,</u> <u>2010</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance</u> <u>December 31,</u> <u>2010</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
General obligation bonds	\$ 101,845,000	\$ 33,205,000	\$ 30,775,000	\$ 104,275,000	\$ 9,660,000
Net unamortized premium	4,447,572	1,797,592	557,395	5,687,769	649,915
Less unamortized discount	(187,446)	—	(25,613)	(161,833)	(11,849)
TIF revenue bonds	7,865,000	—	—	7,865,000	170,000
General obligation notes payable	7,410,000	7,140,000	7,410,000	7,140,000	7,140,000
Capital lease payable	126,067	—	61,797	64,270	64,270
Employee compensated absences	1,843,461	2,036,785	1,828,722	2,051,524	1,846,372
Reimbursable developer project costs	11,998,130	3,470,102	334,359	15,133,873	627,517
Revolving loans payable	60,624	152,116	—	212,740	—
Termination benefits	250,956	—	250,956	—	—
Net pension obligation (asset)	153,363	220,213	446,747	(73,171)	—
Deferred amount on refunding	(356,670)	456,079	(24,467)	123,876	12,706
Net other post employment benefits obligation	1,961,333	968,018	228,582	2,700,769	—
	<u>\$ 137,417,390</u>	<u>\$ 49,445,905</u>	<u>\$ 41,843,478</u>	<u>\$ 145,019,817</u>	<u>\$ 20,158,931</u>

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. During the year, general obligation bonds totaling \$13,390,000 were issued to finance street and storm drainage improvements.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

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

	Series	Interest Rates %	Original Issue Amount	Final Maturity Date	Outstanding December 31, 2010	Interest Paid 2010
Street, watershed improvements and refunding	2003A	3.65 to 4.6%	\$ 51,365,000	9/1/2018	\$ 8,390,000	\$ 1,588,550
Street, watershed improvements	2004A	2.5 to 4.4%	17,365,000	9/1/2024	9,705,000	382,622
Street, watershed improvements	2005A	2.15 to 3.75%	1,140,000	9/1/2025	620,000	25,080
Street, watershed improvements and refunding	2005B	2.65 to 4.35%	12,860,000	9/1/2025	6,395,000	292,185
Street, watershed improvements	2006C	4.25 to 4.625%	13,360,000	9/1/2026	9,255,000	453,938
Watershed improvements and land acquisition	2006E	4.0 to 4.125%	3,010,000	9/1/2026	2,535,000	106,958
Street, watershed improvements and City Center East Benefit District	2007B	5.0%	16,985,000	9/1/2027	7,640,000	401,000
Street improvements	2008B	3.0 to 5%	15,020,000	9/1/2023	13,585,000	573,462
Street, watershed improvements	2009A	1.5 to 5.5%	5,945,000	9/1/2029	5,605,000	171,850
Refunding	2009B	3.0 to 4.0%	7,660,000	9/1/2027	7,340,000	277,861
Street, watershed improvements	2010B	3.0 to 4.0 %	13,390,000	9/1/2025	13,390,000	—
Refunding	2010C	4.0 to 5.0%	19,815,000	9/1/2018	19,815,000	—
					<u>\$ 104,275,000</u>	<u>\$ 4,273,506</u>

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

Year	Principal	Interest	Total
2011	\$ 9,660,000	\$ 4,456,075	\$ 14,116,075
2012	8,275,000	4,031,566	12,306,566
2013	8,725,000	3,604,526	12,329,526
2014	9,145,000	3,281,301	12,426,301
2015	8,405,000	2,938,591	11,343,591
2016 – 2020	36,605,000	9,417,530	46,022,530
2021 – 2025	19,300,000	3,163,528	22,463,528
2026 – 2030	4,160,000	389,925	4,549,925
	<u>\$ 104,275,000</u>	<u>\$ 31,283,042</u>	<u>\$ 135,558,042</u>

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

General Obligation Notes Payable

Kansas statutes permit the issuance of notes to finance certain capital improvement projects. Prior to note issuance, the Governing Body must take the necessary legal steps to authorize the issuance of bonds for the project. Notes are interest-bearing and have a maturity date no later than four years from the date of issuance. General obligation notes outstanding at December 31, 2010 are payable as follows:

<u>Project</u>	<u>Interest Rate %</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Outstanding December 31, 2010</u>	<u>Interest paid 2010</u>
Street Improvements	2.45%	12/15/2008	12/15/2010	\$ —	\$ 121,030
Street Improvements	1.25%	05/15/2010	11/01/2011	7,140,000	—
				<u>\$ 7,140,000</u>	<u>\$ 121,030</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 7,140,000	\$ 130,404	\$ 7,270,404

The City's total general obligation debt of \$104,275,000 and general obligation notes payable of \$7,140,000 total \$111,415,000. The City has \$172,294,121 remaining before reaching its legal debt margin.

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

Tax Increment Revenue Bonds

On August 1, 2007, the City issued \$7,865,000 of tax increment revenue bonds related to the City Center East Project I (Revenue Bond Series 2007). The bonds are special, limited obligations of the City payable solely and only from ad valorem taxes collected from real property located within the Project Area on or after January 1, 2008, that is in excess of the amount of real property taxes which were collected from the Project Area in the year the Redevelopment District was established. Incremental ad valorem taxes were projected to produce 110% of debt service requirements over the life of the bonds. For 2010, incremental ad valorem tax revenues were \$0. The bonds have rates of interest ranging from 5.75% to 6% and mature annually beginning in 2011 through 2027 with amounts ranging from \$170,000 to \$1,080,000.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

On April 1, 2011, the trustee for the bond issue (Security Bank of Kansas City) did not make the \$170,000 scheduled payment of principal on the bonds. The interest payment due on April 1, 2011 was paid as scheduled by the trustee. On May 23, 2011, the trustee filed a communication to bondholders on the Electronic Municipal Market Access (EMMA) website. The trustee's communication to bondholders states "sufficient funds were not available to make a scheduled payment of \$170,000 of principal on the bonds due April 1, 2011."

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 170,000	\$ 463,658	\$ 633,658
2012	225,000	452,301	677,301
2013	260,000	438,357	698,357
2014	285,000	422,689	707,689
2015	310,000	405,350	715,350
2016-2020	1,965,000	1,707,342	3,672,342
2021-2025	2,865,000	990,750	3,855,750
2026-2027	1,785,000	39,450	1,824,450
	<u>\$ 7,865,000</u>	<u>\$ 4,919,897</u>	<u>\$ 12,784,897</u>

Bond Refunding

On August 1, 2010, the City issued \$19,815,000 in General Obligation Refunding Bonds with an average interest rate of 4.68 percent to advance refund \$21,270,000 of the September 1, 2013 through 2018 maturities of the City's General Obligation Refunding and Improvement bonds Series 2003A with an average interest rate of 4.77 percent. The net proceeds of \$22.9 million (after payment of underwriting fees and other issuance costs) were used to purchase U.S. government securities. The issuance of the Refunding Bonds is a crossover advance refunding in which the proceeds of the refunding bonds are placed in an irrevocable trust with an escrow agent and invested in government securities until September 1, 2012 at which time the escrow account will crossover and prepay the entire remaining principal and interest of the 2003A bonds. The City will continue to pay the originally scheduled debt service payments until the September 1, 2012 call date. After the call date the City will cross over and make the debt service payments on the refunding bonds. As a result, \$21,270,000 of the Series 2003A Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$462,711. This difference, reported in the accompanying financial statements as an addition to bonds payable, is being charged to operations through the year 2018 using the straight line interest method. The City completed the advance refunding to achieve interest cost savings. The economic gain (difference between the present values of the old and new debt service payments) amounts to \$1,582,925.

Reimbursable Developer Project Costs

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

A redevelopment district was established on June 17, 1997 for the Ridgeview Mining (formerly Meritix) TIF District. Project Plan One was approved in 2002. Incremental ad valorem taxes were projected to produce sufficient revenues to reimburse the developer for eligible project costs. For 2010, incremental ad valorem tax revenues amounted to \$660,578 and payments to the developer were \$0. At December 31, 2010 there are no additional certified costs to be reimbursed to the developer. Project Plan One expires in 2018.

A redevelopment district was established on April 6, 2004 for the Mining TIF District. Project Plan One was approved in 2004. Incremental ad valorem taxes were projected to produce sufficient revenues to reimburse the developer for eligible costs. For 2010, incremental ad valorem tax revenues and payments to the developer were \$75,354. The Developer may be reimbursed up to the balance of the certified cost amount of \$5,546,989 until 2022.

Project Plan Two was approved in 2008. Incremental ad valorem taxes were projected to produce sufficient revenues to reimburse the developer for eligible costs. For 2010, incremental ad valorem tax revenues and payments made to the developer were \$214,781. The Developer may be reimbursed up to the balance of the certified cost amount of \$7,076,919 until 2024.

A redevelopment district was established on September 11, 2001 for the City Center TIF District. Project Plan One B was approved in 2008. Incremental ad valorem taxes were projected to produce sufficient revenues to reimburse the developer for eligible costs. For 2010, incremental ad valorem tax revenues and payments made to the developer were \$44,224. The Developer may be reimbursed up to the balance of the certified cost amount of \$2,509,965 until 2028.

Revolving Loan

The City entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) for the year ended December 31, 2010 for the City Center Central Green project. The loan was entered into on September 21, 2009 with an interest rate of 2.72% and a maximum amount of \$1,073,430. As of December 31, 2010, \$850,960 has been drawn on this loan and the anticipated payback amount is \$212,740. KDHE has committed to 75 percent principal forgiveness of the loan beginning in 2010. As KDHE will not certify the forgiveness until the project has been completed and approved, the City has recorded \$638,220 as deferred revenue. The payback period for the amount of the loan remaining after the principal forgiveness is 20 years. The loan payments do not begin until completion of the project. As of December 31, 2010 the project has not been completed.

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, 2010, there were 18 issues of industrial revenue and multifamily housing bonds outstanding. These issues have an aggregate original issue amount of approximately \$261 million and an aggregate balance outstanding of approximately \$178 million at December 31, 2010.

11. Risk Management

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

The City's risk financing activities are reported separately in the Risk Management, Health Plan and Workers Compensation Funds, all of which are Internal Service Funds. Property and liability insurance coverage is purchased from outside sources. The City is insured for property losses up to approximately \$71 million and carries a \$25,000 deductible on property losses. For general liability, the City has \$1 million in coverage with a statutory limit of \$500,000 per tort claim. The City has a deductible of \$25,000 per occurrence on all liability claims, with a \$300,000 aggregate deductible stop loss that applies to all liability lines. In addition, the City carries an excess liability policy with a limit of \$5,000,000 with a \$10,000 deductible. The City has purchased both specific and aggregate reinsurance, as well as an Accidental, Death and Dismemberment (AD&D) policy, to protect the City from extreme liability. For workers compensation, the City has a self-insurance retention of \$350,000 per occurrence on all Police and Fire Department liability claims and \$300,000 per occurrence on all other claims with a \$1,000,000 statutory limit. The aggregate stop loss is \$1,537,126. 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, 2010 that would exceed insurance coverage. There have been no insurance settlements that have exceeded the insurance coverage for the past three years.

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

At year end, the workers compensation net asset balance was \$1,554,913 with claims liability of \$368,548. This claims liability is based on estimates of the ultimate cost of claims, including inflation factors and historical trend data. Other nonincremental costs are not included in the basis of estimating the liability. Claims administration of the fund is performed by Cannon Cochran Management Services, Inc. (CCMSI). The City and CCMSI filed the necessary papers with the Kansas Insurance Commissioner and received approval to be self-funded.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (Continued)

The City self-insures a health benefit and short-term disability plan. Contributions of \$394,061 a month on behalf of and from current employees are made to a designated City bank account, and approximately \$18,934 is deposited monthly from COBRA and retiree participants. FMH Benefit Services, Inc. administers, processes, and pays employee health, dental, and disability claims from funds in this account in accordance with the plan. The medical plan will pay a stop loss benefit of \$100,000 per person medical claim per year (\$100,000 for retirees) plus a one time aggregate deductible of \$50,000 with a maximum of \$4,932,383 for total medical and pharmacy claims per year. After the maximum benefit per employee and \$4,932,383 total per year are paid, a reinsurance policy with Remoulton/AmericanUnited Life becomes effective. Payments made in accordance with the plans and related insurance premiums are recorded in the Health Plan Fund. As of December 31, 2010, a liability of \$261,488 has been recorded in the fund for outstanding healthcare claims, including an estimate for claims incurred but not recorded. This claims liability is based on estimates of the ultimate cost of claims, including inflation factors and historical trend data. Other nonincremental costs are not included in the basis of estimating the liability.

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

<u>Year</u>	<u>Beginning Of Fiscal Year Liability</u>	<u>Current Year Claims And Changes In Estimates</u>	<u>Claim Payments</u>	<u>Balance At Fiscal Year End</u>
2009	\$ 240,000	\$ 36,000	\$ —	\$ 276,000
2010	276,000	(161,000)	—	115,000

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

<u>Year</u>	<u>Beginning Of Fiscal Year Liability</u>	<u>Current Year Claims And Changes In Estimates</u>	<u>Claim Payments</u>	<u>Balance At Fiscal Year End</u>
2009	\$ 432,741	\$ 228,952	\$ 152,030	\$ 509,663
2010	509,663	244,126	385,241	368,548

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

<u>Year</u>	<u>Beginning Of Fiscal Year Liability</u>	<u>Claims And Changes In Estimates</u>	<u>Claim Payments</u>	<u>Balance At Fiscal Year End</u>
2009	\$ 606,760	\$ 4,245,392	\$ 4,426,019	\$ 426,133
2010	426,133	4,047,263	4,211,908	261,488

12. Employee Retirement Systems And Pension Plans

Pension Plans

KPERS And KP&F

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

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary prior to June 30, 2009, and at 6% of covered salary from July 1, 2009 to December 31, 2010. K.S.A. 74-4975 establishes the KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The KPERS employer rate established for the fiscal year beginning in 2010 was 7.14% for January 1, 2010 to December 31, 2010 of the employee's gross salary. The City employer contributions to KPERS for the years ended December 31, 2010, 2009 and 2008 were \$819,477, \$801,920, and \$701,775, respectively, equal to the required contributions for each year. The KP&F employer rate established for the fiscal year beginning in 2010 is 12.98%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The City employer contributions to KP&F for the years ending December 31, 2010, 2009 and 2008 were \$1,341,143, \$1,446,618, and \$1,518,982, respectively, equal to the required contributions for each year. For employers who hire a KPERS retiree who retired from a different employer, the employer contribution rate from January 1, 2010 to December 31, 2010 was 12.52%. The City contribution for Working After Retirement was \$13,205 for 2010.

Defined Contribution Plan

In July 2004, pursuant to resolution, the Governing Body established the City of Lenexa 401(a) plan to be administered by the ICMA Retirement Corporation on behalf of the City Administrator. This 401(a) plan is a defined contribution plan governed by the Internal Revenue Code of 1986. Contributions are made by the City to the plan on behalf of the City Administrator per the annual employment agreement between the Governing Body and the City Administrator. The City contributed \$4,500 during 2010 to the Defined Contribution Plan. The Plan provides funds for retirement and for beneficiaries in the event of death. The eligible participant is not required to contribute to the Plan however the participant may choose to contribute. The eligible participant is immediately vested.

Effective January 1, 2010, pursuant to resolution, the Governing Body established the City of Lenexa 401(a) Defined Contribution Plan (Defined Contribution Plan) to be administered by ING Life Insurance and Annuity Company effective January 1, 2010. This 401(a) plan is a defined contribution plan governed by the Internal Revenue Code of 1986. The City will contribute 4% of total compensation for each employee into a 401(a) account for all full time and regular part time employees of the City, which includes all employees whose employment is not seasonal, temporary, elected or appointed and whose employment requires at least 1,000 hours of work each year. In addition, the City will match 50% of an employee's contribution up to a maximum of an additional 2%. The City's total maximum contribution per employee would be 6%. The City contributed \$1,250,249 during 2010 to the Defined Contribution Plan. The Defined Contribution Plan provides funds for retirement and for beneficiaries in the event of death. Eligible participants are not required to contribute to the Defined Contribution Plan, however, the participant may choose to contribute. Eligible participants are 100% vested after three years of employment. The balances in the Defined Contribution Plan are not owned by the City and therefore the related assets and liabilities are not reflected in the financial statements.

Defined Benefit Plan

Plan Description And Provisions

On January 1, 1989, in addition to the KPERS and KP&F plans, the City initiated The City of Lenexa Defined Benefit Pension Plan (the Plan). The Plan is a single-employer plan that covers eligible employees who are employed by the City, excluding any person who is an elected or appointed official. Employees are 100% vested after three years of service. The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The City, as the employer sponsoring the Plan, has the authority to establish benefit provisions and contribution amounts under Sections 4.1 and 8.1 of the Plan. A stand-alone financial report is not issued for the Plan. The Plan is considered part of the City's reporting entity and is presented solely in the accompanying financial statements as a pension trust fund in the Fiduciary Fund financial statements.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

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

Membership of the Plan consisted of the following at December 31, 2010, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	54
Terminated plan members entitled to, but not yet receiving benefits	153
Active plan members	<u>360</u>
Total	<u><u>567</u></u>

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

Funding Policy

The City's contribution is set by the City Council in conjunction with its approval of the annual budget, based on information provided by the Plan's consulting actuary and Board of Trustees.

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

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The City contribution rate is expected to fund normal cost and amortize the unfunded actuarial accrued liability over a rolling 30 year period. Under the Plan, participants are not required to contribute. All contributions to this single-employer defined benefit pension plan are made by the City. The City's annual pension cost and net pension obligation consisted of the following at December 31, 2010, the date of the latest actuarial valuation:

Annual Pension Cost And Net Pension Obligation

Annual required contribution	\$	221,837
Interest on net pension obligation		10,735
Adjustment to annual required contribution		<u>(12,359)</u>
Annual Pension Cost		220,213
Contributions made plus interest		<u>446,747</u>
Change In Net Pension Obligation		(226,534)
Net Pension Obligation - Beginning Of Year		<u>153,363</u>
Net Pension Asset - End Of Year	\$	<u><u>(73,171)</u></u>

	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Fiscal year ended:			
2010	\$ 220,213	202.90%	\$ (73,171)
2009	2,499,849	107.80%	153,363
2008	2,186,201	103.90%	347,842

Funding Status And Funding Progress

As of January 1, 2010, the most recent actuarial valuation date, the Plan was 87.9% funded. The actuarial accrued liability (AAL) for benefits was \$25,135,372 and the actuarial value of assets was \$22,098,300, resulting in an unfunded AAL (UAAL) of \$3,037,072. The covered payroll was \$19,273,627, and the ratio of the UAAL to the covered payroll was 15.8%. The plan was frozen as of December 31, 2009. No new benefits will accrue in the defined benefit pension plan as of December 31, 2009 and the plan is closed to new participants. The City receives an annual actuarial report for the Plan that gives the present value of accumulated plan benefits and net assets available for benefits. The City will continue to fund the plan annually through the annual budget process based on actuarial information provided by the Plan's actuary and the Board of Trustees. On January 1, 2010, the City implemented a defined contribution plan in which the City will contribute 4% of total compensation for all employees and match 50% of an employee's contribution up to an additional 2% of compensation.

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

Actuarial methods and assumptions:

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

Primary actuarial assumptions:

Investment rate of return*:	
Prior to retirement	7.00%
After retirement	6.25%
Inflation rate	3.00%
Projected salary increases	5.00%
Withdrawal rates	T-3
Mortality table**:	
Prior to retirement	83 GAM, separate male and female tables
After retirement	Blended 83 GAM table (50% male, 50% female)
Administrative expenses	Paid outside of the plan assets

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

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

13. Postemployment Benefits Other Than Pensions

Plan Description

The City sponsors a single-employer, defined benefit healthcare plan that provides healthcare benefits to retirees and their dependents to age 65, including medical and dental coverage. Retiree health coverage is provided for under Kansas Statute 12-5040. Retirees who retire with at least 10 years of cumulative service with the City and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERs) are eligible for benefits.

The City requires retirees to pay the same premiums charged to COBRA participants with a 2% additional charge for administrative expenses. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 45 (GASB Statement 45).

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

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

Funding Policy

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

Annual OPEB Cost And Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. GASB Statement 45 requires an actuarial study to be performed at a minimum biennially. The latest actuarial valuation date is January 1, 2009. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize the unfunded actuarial liability over a period not to exceed 30 years. Participants must contribute 105% of the funding rate to receive benefits. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Normal cost	\$ 521,727
Amortization of unfunded actuarial accrued liability	<u>473,255</u>
Interest Cost	<u>—</u>
Annual required contribution (ARC)	994,982
Interest on net OPEB obligation	88,260
Adjustment to annual required contribution	<u>(115,224)</u>
Annual OPEB cost	<u>968,018</u>
Contributions made:	
Claims	481,864
Stop-loss premiums and fees paid on behalf of retirees	50,439
Reinsurance contributions	(85,530)
Retiree contributions	<u>(218,191)</u>
Net employer contributions	228,582
Change in net pension obligation	739,436
Net OPEB obligation, December 31, 2009	<u>1,961,333</u>
Net OPEB obligation, December 31, 2010	<u>\$ 2,700,769</u>

THE CITY OF LENEXA, KANSAS

Notes To Basic Financial Statements (*Continued*)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2008	\$ 622,809	15.4%	\$ 1,146,106
12/31/2009	979,226	16.8%	1,961,333
12/31/2010	968,018	23.6%	2,700,769

Funded Status And Funding Progress

As of January 1, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$8,055,692 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,055,692. The covered payroll (annual payroll of active employees covered by the plan) was \$19.2 million, and the ratio of the UAAL to the covered payroll was 42.0%.

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

Actuarial Methods And Assumptions

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

In the January 1, 2009 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 6.25% after 9 years and an annual dental cost trend rate of 5.5%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2010 was 28 years.

Termination Benefits

In April 2009, the Governing Body approved a Voluntary Retirement and Resignation incentive program for City employees. This was done as a cost savings measure in response to reduced revenues due to the economic recession. Employees accepting the incentive were given one week's pay for each year of service with a minimum of 12 weeks and a \$3,000 lump sum compensation. In addition, those eligible employees terminating service during 2009 were given the option to pay active employee premium rates for COBRA for 18 months or \$6,400 in cash if they elected not to receive health benefits. Those employees retiring from service during 2010 were also given the incentive options. A total of 62 employees elected to participate in this program, with 6 employees retiring in 2010. The cost for the 2010 retirees was \$225,495. The annual salary savings from the incentive program is projected to be \$1,900,000. At December 31, 2010, there are no termination benefits left to be paid.

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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 49,512,254	\$ 49,512,254	\$ 47,369,697	\$ (2,142,557)
Intergovernmental	—	—	1,458	1,458
Licenses and permits	975,973	975,973	759,917	(216,056)
Charges for services	1,293,928	1,293,928	1,308,267	14,339
Rents and leases	350,897	350,897	398,639	47,742
Fines and forfeitures	1,458,350	1,458,350	1,265,672	(192,678)
Investment earnings	294,134	294,134	134,917	(159,217)
Miscellaneous	260,684	260,684	158,962	(101,722)
Total Revenues	54,146,220	54,146,220	51,397,529	(2,748,691)
Expenditures				
Current				
General government:				
Legislative	165,039	165,039	139,793	25,246
Executive	615,937	625,378	564,127	61,251
City clerk	375,721	363,781	297,667	66,114
Communications	317,451	319,950	294,666	25,284
Municipal court	578,378	581,458	562,853	18,605
Enterprise systems and technology	1,780,422	1,892,643	1,789,801	102,842
Finance	885,614	885,614	822,010	63,604
Legal	1,241,824	1,241,824	902,438	339,386
Human resources	691,423	916,918	848,331	68,587
Community standards	302,722	—	—	—
Building inspection	568,868	794,165	694,450	99,715
Land use	390,041	494,533	465,177	29,356
Development engineering	1,229,724	1,152,810	1,087,241	65,569
Support services	925,617	975,464	814,858	160,606
Total general government	10,068,781	10,409,577	9,283,412	1,126,165
Public safety:				
Administration	4,399,022	4,298,892	3,965,887	333,005
Investigation	1,678,686	1,648,686	1,576,586	72,100
Patrol	6,349,897	6,399,897	6,202,742	197,155
Towers	54,001	54,001	7,470	46,531
Fire	8,442,080	8,442,079	8,106,224	335,855
Total public safety	20,923,686	20,843,555	19,858,909	984,646
Municipal services:				
Streets	3,773,694	3,831,319	3,467,933	363,386
Traffic	1,868,287	1,868,287	1,380,369	487,918
Engineering	558,654	558,654	454,345	104,309
Facilities management	1,988,745	1,988,745	1,731,874	256,871
Total public works	8,189,380	8,247,005	7,034,521	1,212,484

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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Recreation:				
Recreation administration	\$ 303,924	\$ 491,779	\$ 487,902	\$ 3,877
Maintenance	2,173,718	2,173,718	1,995,530	178,188
Programs	1,081,294	893,439	765,287	128,152
Programs - fee supported	189,000	197,990	97,670	100,320
Total recreation	<u>3,747,936</u>	<u>3,756,926</u>	<u>3,346,389</u>	<u>410,537</u>
Debt Service				
Principal	66,840	66,841	66,840	1
Total Expenditures	<u>42,996,623</u>	<u>43,323,904</u>	<u>39,590,071</u>	<u>3,733,833</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>11,149,597</u>	<u>10,822,316</u>	<u>11,807,458</u>	<u>985,142</u>
Other Financing Sources (Uses)				
Transfers in	130,670	130,670	—	(130,670)
Transfers out	(30,381,055)	(30,053,774)	(8,244,350)	21,809,424
Total Other Financing Sources (Uses)	<u>(30,250,385)</u>	<u>(29,923,104)</u>	<u>(8,244,350)</u>	<u>21,678,754</u>
Net Changes In Fund Balance	<u>\$ (19,100,788)</u>	<u>\$ (19,100,788)</u>	<u>3,563,108</u>	<u>\$ 22,663,896</u>
Fund Balance - Beginning Of Year			20,303,376	
Fund Balance - End Of Year - Budget Basis			<u>\$ 23,866,484</u>	
Adjustments To Reconcile To GAAP Basis				
Encumbrances reserved at December 31, 2010			211,422	
Encumbrances reserved at December 31, 2009			<u>(602,653)</u>	
Fund Balance - End of Year - GAAP Basis			<u>\$ 23,475,253</u>	

CITY OF LENEXA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS - STORMWATER MANAGEMENT FUND For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 1,272,057	\$ 1,272,057	\$ 848,283	\$ (423,774)
Licenses and permits	51,600	51,600	7,000	(44,600)
Intergovernmental	—	—	12,865	12,865
Charges for services	4,134,442	4,134,442	3,697,420	(437,022)
Investment earnings	32,204	32,204	9,139	(23,065)
Miscellaneous	—	—	2,508	2,508
Total Revenues	5,490,303	5,490,303	4,577,215	(913,088)
Expenditures				
Current				
Public works	1,765,072	2,040,072	1,331,005	709,067
Debt service	3,328,936	3,329,798	3,170,824	158,974
Total Expenditures	5,094,008	5,369,870	4,501,829	868,041
Excess (Deficiency) Of Revenues Over Expenditures	396,295	120,433	75,386	(45,047)
Other Financing Sources (Uses)				
Transfers in	—	—	86,361	86,361
Transfers out	(4,816,745)	(4,540,883)	(129,368)	4,411,515
Total Other Financing Sources (Uses)	(4,816,745)	(4,540,883)	(43,007)	4,497,876
Net Changes In Fund Balance	\$ (4,420,450)	\$ (4,420,450)	32,379	\$ 4,452,829
Fund Balance - Beginning Of Year			4,126,122	
Fund Balance - End Of Year - Budget Basis			<u>\$ 4,158,501</u>	
Adjustments To Reconcile To GAAP Basis				
Encumbrances reserved at December 31, 2010			\$ 50,616	
Encumbrances reserved at December 31, 2009			<u>(20,371)</u>	
Fund Balances - End of Year - GAAP Basis			<u>\$ 4,188,746</u>	

CITY OF LENEXA, KANSAS

NOTE TO BUDGETARY COMPARISON INFORMATION

December 31, 2010

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: Facilities Maintenance Fund, Equipment Reserve Fund, Law Enforcement Trust, Legal Trust, Endowment Fund, TIF Funds; and all Capital Projects, Internal Service and Fiduciary Funds.

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

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

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

Kansas statutes permit transferring budgeted amounts from one object or purpose to another within the same fund; however, such statutes prohibit creating expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. All appropriations lapse at the end of the year, except for Capital Projects Funds, which are carried forward until such time as the project is completed or terminated. All encumbered appropriations are disclosed as reservations of fund balance and are reappropriated as part of the following year's budget. Current year encumbrances are included as expenditures for the budgetary presentations. Kansas statutes permit original budgets to be increased for previously unbudgeted increases in revenue other than ad valorem property taxes. The City must first publish a notice of hearing to amend the budget. Ten days after publication, a public hearing is held and the Governing Body may amend the budget at that time. Management is not allowed to amend a fund's total budgeted expenditures without the City Council's approval. In May 2010, an additional appropriation was approved for \$786,000 for the addition of the City Center TIF Fund.

CITY OF LENEXA, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2010

Pension Plan - City Of Lenexa Defined Benefit Plan

Schedule Of Funding Progress:

Actuarial valuation date	Actuarial value of assets (a)	Actuarial liability (AAL) entry age (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll ((b-a)/c)
12/31/2005*	\$ 16,531,472	\$ 25,355,145	\$ 8,823,673	65.2%	\$ 18,849,675	46.8%
12/31/2006	17,320,698	26,868,357	9,547,659	64.5%	20,072,363	47.6%
12/31/2007	20,006,263	29,070,152	9,063,889	68.8%	21,277,025	42.6%
12/31/2008	19,688,963	31,981,708	12,292,740	61.6%	22,047,282	55.8%
12/31/2009**	22,640,119	25,392,898	2,752,779	89.2%	20,872,736	13.2%
12/31/2010	22,098,300	25,135,372	3,037,072	87.9%	19,273,627	15.8%

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

**Plan frozen.

Schedule Of Employer Contributions:

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

Other Post Employment Benefit Obligations

Schedule Of Funding Progress:

Actuarial valuation date	Actuarial value of assets (a)	Actuarial liability (AAL) entry age (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll ((b-a)/c)
01/01/2007	—	\$4,096,691	\$4,096,691	0.0%	\$18,264,851	22.4%
01/01/2009	—	8,055,692	8,055,692	0.0%	19,158,695	42.0%

CITY OF LENEXA, KANSAS
NONMAJOR GOVERNMENTAL FUNDS
Special Revenue Funds

Fund Descriptions

Capital Improvement

To account for monies transferred from the General Fund for the purpose of financing authorized improvement projects and expenditures for machinery and equipment.

Street Tree (Zone 1, 2 And 3)*

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

Special Event*

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

Special Highway*

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

Tourism And Convention*

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

Special Alcohol Control*

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

Special Park And Recreation*

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

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

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

Facilities Maintenance

To account for monies transferred from the General Fund and reserved for extraordinary repairs to City buildings.

CITY OF LENEXA, KANSAS

Nonmajor Governmental Funds (*Continued*)

Swimming Pool*

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

Neighborhood Revitalization Program*

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

Equipment Reserve

To account for monies transferred from the General Fund and the Capital Improvement Fund to provide for level funding of vehicle replacements over \$10,000 in all City departments.

Grants

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

Ridgeview (Meritex) Mining TIF*

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

South Mining TIF District

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

City Center TIF

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

City Center North TIF

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

Lenexa Conference Center*

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

Law Enforcement Trust

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

CITY OF LENEXA, KANSAS

Nonmajor Governmental Funds (*Continued*)

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.

Endowment

To account for monies provided by public donations and restricted contributions.

Mining TIF District*

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

City Center East TIF Bonds

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

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

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

*Budgeted Special Revenue Fund.

CITY OF LENEXA, KANSAS

Nonmajor Governmental Funds (*Continued*)

Debt Service Funds

Fund Descriptions

Debt Service Reserve - TIF

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

Capital Projects Funds

Fund Descriptions

Capital Acquisition

To account for the financing for municipal capital purchases.

Municipal Buildings

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

Parks And Recreation

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

Supplementary Information

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

CITY OF LENEXA, KANSAS

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS December 31, 2010

	Combined Special Revenue Funds	Debt Service Reserve TIF	Capital Project Funds			Total Nonmajor Governmental Funds
			Capital Acquisition	Municipal Buildings	Parks And Recreation	
Assets						
Deposits and investments	\$ 16,697,173	\$ —	\$ 1,549,249	\$ 359,560	\$ 4,372,125	\$ 22,978,107
Restricted cash and investments	—	406,461	—	—	—	406,461
Property tax receivable (net of allowance for uncollectibles)	2,040,706	—	—	—	—	2,040,706
Transient guest tax receivable	122,114	—	—	—	—	122,114
Special highway tax receivable	329,927	—	—	—	—	329,927
Special liquor tax receivable	80,294	—	—	—	—	80,294
Intergovernmental receivable	12,470	—	—	—	37,108	49,578
Interest receivable	123,525	—	—	1,424	—	124,949
Due from other funds	825,937	—	—	—	—	825,937
Total Assets	\$ 20,232,146	\$ 406,461	\$ 1,549,249	\$ 360,984	\$ 4,409,233	\$ 26,958,073
Liabilities And Fund Balances						
Liabilities						
Accounts payable	\$ 172,889	\$ —	\$ 4,321	\$ —	\$ 76,332	\$ 253,542
Accrued compensation	981	—	—	—	—	981
Due to other funds	15,615	—	—	—	—	15,615
Deferred revenue	2,053,176	—	—	—	28,010	2,081,186
Total Liabilities	2,242,661	—	4,321	—	104,342	2,351,324
Fund Balances (Deficit)						
Reserved for:						
Encumbrances	548,945	—	1,038,995	408,644	1,682,958	3,679,542
Debt Service	—	406,461	—	—	—	406,461
Economic development	1,583,844	—	—	—	—	1,583,844
Unreserved:						
Special revenue funds	15,856,696	—	—	—	—	15,856,696
Capital projects funds	—	—	505,933	(47,660)	2,621,933	3,080,206
Total Fund Balances (Deficit)	17,989,485	406,461	1,544,928	360,984	4,304,891	24,606,749
Total Liabilities And Fund Balances (Deficit)	\$ 20,232,146	\$ 406,461	\$ 1,549,249	\$ 360,984	\$ 4,409,233	\$ 26,958,073

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For The Year Ended December 31, 2010

	Combined Special Revenue Funds	Debt Service Reserve TIF	Capital Project Funds			Total Nonmajor Governmental Funds
			Capital Acquisition	Municipal Buildings	Parks And Recreation	
Revenues						
Taxes	\$ 3,735,947	\$ —	\$ —	\$ —	\$ —	\$ 3,735,947
Intergovernmental	251,137	—	397,370	1,901	323,255	973,663
Charges for services	632,885	—	—	—	—	632,885
Fines and forfeitures	51,312	—	—	—	—	51,312
Investment earnings	61,055	7,946	—	301	—	69,302
Miscellaneous	196,468	—	—	589	2,575	199,632
Total Revenues	4,928,804	7,946	397,370	2,791	325,830	5,662,741
Expenditures						
Current:						
General government	918,045	15,838	—	—	—	933,883
Public safety	790,252	—	—	—	—	790,252
Municipal services	1,070,911	—	—	—	—	1,070,911
Recreation	736,636	—	—	—	—	736,636
Capital outlay	—	—	1,576,754	582,096	1,340,797	3,499,647
Debt service:						
Principal retirement	334,359	—	—	—	—	334,359
Interest and fiscal charges	—	468,545	—	—	—	468,545
Bond issue costs	—	—	—	20,715	—	20,715
Total Expenditures	3,850,203	484,383	1,576,754	602,811	1,340,797	7,854,948
Excess (Deficiency) Of Revenues Over Expenditures	1,078,601	(476,437)	(1,179,384)	(600,020)	(1,014,967)	(2,192,207)
Other Financing Sources (Uses)						
Issuance of general obligation bonds	—	—	—	2,560,000	—	2,560,000
Premium on general obligation bonds	—	—	—	137,433	—	137,433
Transfers in	11,068,839	68,496	2,375,937	2,409,690	2,729,531	18,652,493
Transfers out	(9,555,304)	—	—	(4,033,920)	(170,533)	(13,759,757)
Total Other Financing Sources (Uses)	1,513,535	68,496	2,375,937	1,073,203	2,558,998	7,590,169
Net Changes In Fund Balances	2,592,136	(407,941)	1,196,553	473,183	1,544,031	5,397,962
Fund Balances - Beginning Of Year	15,397,349	814,402	348,375	(112,199)	2,760,860	19,208,787
Fund Balances - End Of Year	\$ 17,989,485	\$ 406,461	\$ 1,544,928	\$ 360,984	\$ 4,304,891	\$ 24,606,749

CITY OF LENEXA, KANSAS

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS

Page 1 Of 4
December 31, 2010

	Capital Improvement	Neighborhood Revitalization District	Street Tree Zone 1	Street Tree Zone 2	Street Tree Zone 3	Special Event	Special Highway	Tourism And Convention
Assets								
Deposits and investments	\$ 9,202,756	\$ 10,327	\$ 108,803	\$ 148,928	\$ 268,391	\$ 103,796	\$ —	\$ 34,494
Property tax receivable (net of allowance for uncollectibles)	—	—	—	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—	—	—	122,114
Special highway tax receivable	—	—	—	—	—	—	329,927	—
Special liquor tax receivable	—	—	—	—	—	—	—	—
Intergovernmental receivable	—	—	—	—	—	—	—	—
Interest receivable	77,299	—	753	1,267	2,282	—	—	—
Due from other funds	825,937	—	—	—	—	—	—	—
Total Assets	\$ 10,105,992	\$ 10,327	\$ 109,556	\$ 150,195	\$ 270,673	\$ 103,796	\$ 329,927	\$ 156,608
Liabilities And Fund Balances								
Liabilities								
Accounts payable	\$ 149,396	\$ —	\$ —	\$ —	\$ —	\$ 525	\$ —	\$ 392
Accrued compensation	—	—	—	—	—	—	—	915
Due to other funds	—	—	—	—	—	—	—	—
Deferred revenue	—	—	—	—	—	—	—	—
Total Liabilities	149,396	—	—	—	—	525	—	1,307
Fund Balances								
Reserved for:								
Encumbrances	152,987	—	—	—	—	—	—	—
Economic development	—	—	—	—	—	—	—	155,301
Unreserved								
Undesignated	9,803,609	10,327	109,556	150,195	270,673	103,271	329,927	—
Total Fund Balances (Deficit)	9,956,596	10,327	109,556	150,195	270,673	103,271	329,927	155,301
Total Liabilities And Fund Balances (Deficit)	\$ 10,105,992	\$ 10,327	\$ 109,556	\$ 150,195	\$ 270,673	\$ 103,796	\$ 329,927	\$ 156,608

CITY OF LENEXA, KANSAS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

**Page 2 Of 4
December 31, 2010**

	Special Alcohol Control	Special Park And Recreation	TIP Zone 1	TIP Zone 2	TIP Zone 3	Facilities Maintenance	Swimming Pool	Equipment Reserve	Grants
Assets									
Deposits and investments	\$ 24,653	\$ 17,834	\$ 302,899	\$ 492,874	\$ 64,682	\$ 1,479,346	\$ 29,227	\$ 2,149,585	\$ —
Property tax receivable (net of allowance for uncollectibles)	—	—	—	—	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—	—	—	—	—
Special highway tax receivable	—	—	—	—	—	—	—	—	—
Special liquor tax receivable	40,147	40,147	—	—	—	—	—	—	—
Intergovernmental receivable	—	—	—	—	—	—	—	—	12,470
Interest receivable	—	—	2,575	4,196	2,138	12,574	—	18,273	—
Due from other funds	—	—	—	—	—	—	—	—	—
Total Assets	\$ 64,800	\$ 57,981	\$ 305,474	\$ 497,070	\$ 66,820	\$ 1,491,920	\$ 29,227	\$ 2,167,858	\$ 12,470
Liabilities And Fund Balances									
Liabilities									
Accounts payable	\$ 2,200	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 18,143	\$ —
Accrued compensation	—	—	—	—	—	—	—	—	—
Due to other funds	—	—	—	—	—	—	—	—	15,615
Deferred revenue	—	—	—	—	—	—	—	—	12,470
Total Liabilities	2,200	—	—	—	—	—	—	18,143	28,085
Fund Balances									
Reserved for:									
Encumbrances	—	—	—	—	—	221,274	—	143,313	31,371
Economic development	—	—	—	—	—	—	—	—	—
Unreserved:									
Undesignated	62,600	57,981	305,474	497,070	66,820	1,270,646	29,227	2,006,402	(46,986)
Total Fund Balances (Deficit)	62,600	57,981	305,474	497,070	66,820	1,491,920	29,227	2,149,715	(15,615)
Total Liabilities And Fund Balances (Deficit)	\$ 64,800	\$ 57,981	\$ 305,474	\$ 497,070	\$ 66,820	\$ 1,491,920	\$ 29,227	\$ 2,167,858	\$ 12,470

CITY OF LENEXA, KANSAS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

**Page 3 Of 4
December 31, 2010**

	Ridgeview Mining TIF	South Mining District TIF	City Center TIF	City Center North TIF Bonds	Lenexa Conference Center	Law Enforcement Trust	Legal Trust	Endowment
Assets								
Deposits and investments	\$ 875,529	\$ 275	\$ 544,603	\$ —	\$ 193,200	\$ 289,845	\$ 50,888	\$ 36,542
Property tax receivable (net of allowance for uncollectibles)	662,467	2,983	897,563	—	—	—	—	—
Transient guest tax receivable	—	—	—	—	—	—	—	—
Special highway tax receivable	—	—	—	—	—	—	—	—
Special liquor tax receivable	—	—	—	—	—	—	—	—
Intergovernmental receivable	—	—	—	—	—	—	—	—
Interest receivable	—	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—	—
Total Assets	\$ 1,537,996	\$ 3,258	\$ 1,442,166	\$ —	\$ 193,200	\$ 289,845	\$ 50,888	\$ 36,542
Liabilities And Fund Balances								
Liabilities								
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ 2,131	\$ 102	\$ —	\$ —
Accrued compensation	—	—	—	—	66	—	—	—
Due to other funds	—	—	—	—	—	—	—	—
Deferred revenue	662,467	2,983	897,563	—	—	—	—	—
Total Liabilities	662,467	2,983	897,563	—	2,197	102	—	—
Fund Balances								
Reserved for:								
Encumbrances	—	—	—	—	—	—	—	—
Economic development	875,529	275	544,603	—	—	—	—	—
Unreserved:								
Undesignated	—	—	—	—	191,003	289,743	50,888	36,542
Total Fund Balances (Deficit)	875,529	275	544,603	—	191,003	289,743	50,888	36,542
Total Liabilities And Fund Balances (Deficit)	\$ 1,537,996	\$ 3,258	\$ 1,442,166	\$ —	\$ 193,200	\$ 289,845	\$ 50,888	\$ 36,542

CITY OF LENEXA, KANSAS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

Page 4 Of 4
December 31, 2010

	Mining TIF District	City Center East TIF Bonds	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	\$ 323	\$ 7,813	\$ 157,621	\$ 21,224	\$ 80,715	\$ 16,697,173
Property tax receivable (net of allowance for uncollectibles)	477,693	—	—	—	—	2,040,706
Transient guest tax receivable	—	—	—	—	—	122,114
Special highway tax receivable	—	—	—	—	—	329,927
Special liquor tax receivable	—	—	—	—	—	80,294
Intergovernmental receivable	—	—	—	—	—	12,470
Interest receivable	—	—	1,340	175	653	123,525
Due from other funds	—	—	—	—	—	825,937
Total Assets	\$ 478,016	\$ 7,813	\$ 158,961	\$ 21,399	\$ 81,368	\$ 20,232,146
Liabilities And Fund Balances						
Liabilities						
Accounts payable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 172,889
Accrued compensation	—	—	—	—	—	981
Due to other funds	—	—	—	—	—	15,615
Deferred revenue	477,693	—	—	—	—	2,053,176
Total Liabilities	477,693	—	—	—	—	2,242,661
Fund Balances (Deficit)						
Reserved for:						
Encumbrances	—	—	—	—	—	548,945
Economic development	323	7,813	—	—	—	1,583,844
Unreserved:						
Undesignated	—	—	158,961	21,399	81,368	15,856,696
Total Fund Balances (Deficit)	323	7,813	158,961	21,399	81,368	17,989,485
Total Liabilities And Fund Balances (Deficit)	\$ 478,016	\$ 7,813	\$ 158,961	\$ 21,399	\$ 81,368	\$ 20,232,146

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, 2010

	Capital Improvement	Neighborhood Revitalization District	Street Tree Zone 1	Street Tree Zone 2	Street Tree Zone 3	Special Event	Special Highway	Tourism And Convention
Revenues								
Taxes	\$ —	\$ 19,020	\$ —	\$ —	\$ —	\$ —	\$ 1,604,707	\$ 458,398
Intergovernmental	1,030	—	—	—	—	—	—	—
Charges for services	—	200	—	—	—	180,611	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—
Investment earnings	34,028	—	841	753	1,239	—	—	—
Miscellaneous	—	—	—	—	—	490	—	—
Total Revenues	35,058	19,220	841	753	1,239	181,101	1,604,707	458,398
Expenditures								
Current:								
General government	—	10,168	—	—	—	—	—	554,774
Public safety	8,114	—	—	—	—	—	—	—
Municipal services	213,151	—	—	—	—	—	—	—
Recreation	—	—	3,600	7,560	5,070	145,086	—	—
Debt service:								
Principal retirement	—	—	—	—	—	—	—	—
Total Expenditures	221,265	10,168	3,600	7,560	5,070	145,086	—	554,774
Excess (Deficiency) Of Revenues								
Over Expenditures	(186,207)	9,052	(2,759)	(6,807)	(3,831)	36,015	1,604,707	(96,376)
Other Financing Sources (Uses)								
Transfers in	9,390,551	—	—	—	—	500	—	—
Transfers out	(7,783,814)	—	—	—	—	—	(1,274,780)	(23,000)
Total Other Financing Sources (Uses)	1,606,737	—	—	—	—	500	(1,274,780)	(23,000)
Net Changes In Fund Balances	1,420,530	9,052	(2,759)	(6,807)	(3,831)	36,515	329,927	(119,376)
Fund Balances - Beginning Of Year	8,536,066	1,275	112,315	157,002	274,504	66,756	—	274,677
Fund Balances - End Of Year	\$ 9,956,596	\$ 10,327	\$ 109,556	\$ 150,195	\$ 270,673	\$ 103,271	\$ 329,927	\$ 155,301

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, 2010

	Special Alcohol Control	Special Park And Recreation	TIP Zone 1	TIP Zone 2	TIP Zone 3	Facilities Maintenance	Swimming Pool	Equipment Reserve	Grants
Revenues									
Taxes	\$ 205,524	\$ 205,524	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	—	—	—	—	—	233,124
Charges for services	—	—	28,505	33,912	13,651	—	251,133	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—	—
Investment earnings	—	—	(933)	1,590	(2,695)	8,481	—	14,197	—
Miscellaneous	—	—	—	—	—	56,628	32,530	97,343	6,628
Total Revenues	205,524	205,524	27,572	35,502	10,956	65,109	283,663	111,540	239,752
Expenditures									
Current:									
General government	—	—	—	—	—	—	—	302,628	—
Public safety	167,640	—	—	—	—	—	—	494,623	88,362
Municipal services	—	—	—	—	—	378,124	—	314,740	164,896
Recreation	—	—	—	—	—	24,513	359,390	128,092	—
Debt service:									
Principal retirement	—	—	—	—	—	—	—	—	—
Total Expenditures	167,640	—	—	—	—	402,637	359,390	1,240,083	253,258
Excess (Deficiency) Of Revenues Over Expenditures	37,884	205,524	27,572	35,502	10,956	(337,528)	(75,727)	(1,128,543)	(13,506)
Other Financing Sources (Uses)									
Transfers in	—	—	92,148	—	—	347,288	75,000	1,150,000	—
Transfers out	—	(188,273)	—	(3,347)	—	—	—	—	—
Total Other Financing Sources (Uses)	—	(188,273)	92,148	(3,347)	—	347,288	75,000	1,150,000	—
Net Changes In Fund Balances	37,884	17,251	119,720	32,155	10,956	9,760	(727)	21,457	(13,506)
Fund Balances - Beginning Of Year	24,716	40,730	185,754	464,915	55,864	1,482,160	29,954	2,128,258	(2,109)
Fund Balances - End Of Year	\$ 62,600	\$ 57,981	\$ 305,474	\$ 497,070	\$ 66,820	\$ 1,491,920	\$ 29,227	\$ 2,149,715	\$ (15,615)

CITY OF LENEXA, KANSAS

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

Page 3 Of 4

For The Year Ended December 31, 2010

	Ridgeview Mining TIF	South Mining District TIF	City Center TIF	City Center North TIF Bonds	Lenexa Conference Center	Law Enforcement Trust	Legal Trust	Endowment
Revenues								
Taxes	\$ 660,283	\$ 137	\$ 291,896	\$ —	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	—	—	16,983	—	—
Charges for services	—	—	—	—	88,559	—	—	—
Fines and forfeitures	—	—	—	—	—	47,096	4,216	—
Investment earnings	—	—	—	—	—	—	—	—
Miscellaneous	—	—	—	—	—	540	60	2,249
Total Revenues	660,283	137	291,896	—	88,559	64,619	4,276	2,249
Expenditures								
Current:								
General government	—	—	40,220	—	—	—	—	2,075
Public safety	—	—	—	—	—	31,478	—	35
Municipal services	—	—	—	—	—	—	—	—
Recreation	—	—	—	—	62,725	—	—	600
Debt service:								
Principal retirement	—	—	44,224	—	—	—	—	—
Total Expenditures	—	—	84,444	—	62,725	31,478	—	2,710
Excess (Deficiency) Of Revenues Over Expenditures	660,283	137	207,452	—	25,834	33,141	4,276	(461)
Other Financing Sources (Uses)								
Transfers in	—	—	—	—	—	—	—	—
Transfers out	—	—	(44,224)	—	—	—	—	(500)
Total Other Financing Sources (Uses)	—	—	(44,224)	—	—	—	—	(500)
Net Changes In Fund Balances	660,283	137	163,228	—	25,834	33,141	4,276	(961)
Fund Balances - Beginning Of Year	215,246	138	381,375	—	165,169	256,602	46,612	37,503
Fund Balances - End Of Year	\$ 875,529	\$ 275	\$ 544,603	\$ —	\$ 191,003	\$ 289,743	\$ 50,888	\$ 36,542

CITY OF LENEXA, KANSAS

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

Page 4 Of 4

For The Year Ended December 31, 2010

	Mining TIF District	City Center East TIF Bonds	Parks And Recreation Impact Zone 1	Parks And Recreation Impact Zone 2	Parks And Recreation Impact Zone 3	Total Special Revenue Funds
Revenues						
Taxes	\$ 290,458	\$ —	\$ —	\$ —	\$ —	\$ 3,735,947
Intergovernmental	—	—	—	—	—	251,137
Charges for services	—	—	7,769	12,091	16,454	632,885
Fines and forfeitures	—	—	—	—	—	51,312
Investment earnings	—	4	1,687	1,990	(127)	61,055
Miscellaneous	—	—	—	—	—	196,468
Total Revenues	290,458	4	9,456	14,081	16,327	4,928,804
Expenditures						
Current:						
General government	—	8,180	—	—	—	918,045
Public safety	—	—	—	—	—	790,252
Municipal services	—	—	—	—	—	1,070,911
Recreation	—	—	—	—	—	736,636
Debt service:						
Principal retirement	290,135	—	—	—	—	334,359
Total Expenditures	290,135	8,180	—	—	—	3,850,203
Excess (Deficiency) Of Revenues						
Over Expenditures	323	(8,176)	9,456	14,081	16,327	1,078,601
Other Financing Sources (Uses)						
Transfers in	—	—	—	—	13,352	11,068,839
Transfers out	—	(68,496)	(58,000)	(110,870)	—	(9,555,304)
Total Other Financing Sources (Uses)	—	(68,496)	(58,000)	(110,870)	13,352	1,513,535
Net Changes In Fund Balances	323	(76,672)	(48,544)	(96,789)	29,679	2,592,136
Fund Balances - Beginning Of Year	—	84,485	207,505	118,188	51,689	15,397,349
Fund Balances - End Of Year	\$ 323	\$ 7,813	\$ 158,961	\$ 21,399	\$ 81,368	\$ 17,989,485

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, 2010**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 25,000	\$ 25,000	\$ —	\$ (25,000)
Investment earnings	—	—	841	841
Total Revenues	25,000	25,000	841	(24,159)
Expenditures				
Current:				
Recreation	132,018	132,018	(1,620)	133,638
Excess (Deficiency) Of Revenues Over Expenditures	(107,018)	(107,018)	2,461	109,479
Net Changes In Fund Balances	\$ (107,018)	\$ (107,018)	2,461	\$ 109,479
Fund Balances - Beginning Of Year			112,315	
Fund Balances - End Of Year - Budget Basis			\$ 114,776	
Adjustments To Reconcile To GAAP Basis				
Encumbrances reserved at December 31, 2010			\$ —	
Encumbrances reserved at December 31, 2009			(5,220)	
Fund Balances - End of Year - GAAP Basis			\$ 109,556	

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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 75,000	\$ 75,000	\$ —	\$ (75,000)
Investment earnings	—	—	753	753
Total Revenues	75,000	75,000	753	(74,247)
Expenditures				
Current:				
Recreation	215,413	215,413	3,060	212,353
Excess (Deficiency) Of Revenues Over Expenditures	(140,413)	(140,413)	(2,307)	138,106
Net Changes In Fund Balances	\$ (140,413)	\$ (140,413)	(2,307)	\$ 138,106
Fund Balances - Beginning Of Year			157,002	
Fund Balances - End Of Year - Budget Basis			\$ 154,695	
Adjustments To Reconcile To GAAP Basis				
Encumbrances reserved at December 31, 2010			\$ —	
Encumbrances reserved at December 31, 2009			(4,500)	
Fund Balances - End of Year - GAAP Basis			\$ 150,195	

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, 2010**

	<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	\$ 125,000	\$ 125,000	\$ —	\$ (125,000)
Investment earnings	—	—	1,239	1,239
Total Revenues	125,000	125,000	1,239	(123,761)
Expenditures				
Current:				
Recreation	386,405	386,405	(7,890)	394,295
Excess (Deficiency) Of Revenues Over Expenditures	(261,405)	(261,405)	9,129	270,534
Net Changes In Fund Balances	\$ (261,405)	\$ (261,405)	9,129	\$ 270,534
Fund Balances - Beginning Of Year			<u>274,504</u>	
Fund Balances - End Of Year - Budget Basis			<u>\$ 283,633</u>	
Adjustments To Reconcile To GAAP Basis				
Encumbrances reserved at December 31, 2010			\$ —	
Encumbrances reserved at December 31, 2009			<u>(12,960)</u>	
Fund Balances - End of Year - GAAP Basis			<u>\$ 270,673</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL EVENT FUND For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 206,000	\$ 206,000	\$ 180,611	\$ (25,389)
Miscellaneous	—	—	490	490
Total Revenues	206,000	206,000	181,101	(24,899)
Expenditures				
Current:				
Recreation	206,000	206,000	145,086	60,914
Excess (Deficiency) Of Revenues Over Expenditures	—	—	36,015	36,015
Other Financing Sources (Uses)				
Transfers in	—	—	500	500
Transfers out	(53,001)	(53,001)	—	53,001
Total Other Financing Sources (Uses)	(53,001)	(53,001)	500	53,501
Net Changes In Fund Balances	\$ (53,001)	\$ (53,001)	36,515	\$ 89,516
Fund Balances - Beginning Of Year			66,756	
Fund Balances - End Of Year			\$ 103,271	

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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 1,324,470	\$ 1,324,470	\$ 1,604,707	\$ 280,237
Miscellaneous taxes	150,000	150,000	—	(150,000)
Total Revenues	1,474,470	1,474,470	1,604,707	130,237
Other Financing Sources (Uses)				
Transfers out	(1,474,470)	(1,474,470)	(1,274,780)	199,690
Net Changes In Fund Balances	\$ —	\$ —	329,927	\$ 329,927
Fund Balances - Beginning Of Year			—	
Fund Balances - End Of Year			\$ 329,927	

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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 550,000	\$ 550,000	\$ 458,398	\$ (91,602)
Expenditures				
Current:				
General government	562,083	562,083	554,774	7,309
Excess (Deficiency) Of Revenues Over Expenditures	(12,083)	(12,083)	(96,376)	(84,293)
Other Financing Sources (Uses)				
Transfers out	(358,958)	(358,958)	(23,000)	335,958
Net Changes In Fund Balances	\$ (371,041)	\$ (371,041)	(119,376)	\$ 251,665
Fund Balances - Beginning Of Year			<u>274,677</u>	
Fund Balances - End Of Year			<u>\$ 155,301</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL ALCOHOL CONTROL FUND For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 188,273	\$ 188,273	\$ 205,524	\$ 17,251
Expenditures				
Current:				
Public safety	149,740	219,340	167,640	51,700
Excess (Deficiency) Of Revenues Over Expenditures	38,533	(31,067)	37,884	68,951
Other Financing Sources (Uses)				
Transfers out	(91,681)	(22,081)	—	22,081
Net Changes In Fund Balances	<u>\$ (53,148)</u>	<u>\$ (53,148)</u>	37,884	<u>\$ 91,032</u>
Fund Balances - Beginning Of Year			<u>24,716</u>	
Fund Balances - End Of Year			<u>\$ 62,600</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL SPECIAL PARKS AND RECREATION FUND For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 188,273	\$ 188,273	\$ 205,524	\$ 17,251
<hr/>				
Other Financing Sources (Uses)				
Transfers out	(188,273)	(188,273)	(188,273)	—
<hr/>				
Net Changes In Fund Balances	<u>\$ —</u>	<u>\$ —</u>	17,251	<u>\$ 17,251</u>
Fund Balances - Beginning Of Year			<u>40,730</u>	
Fund Balances - End Of Year			<u><u>\$ 57,981</u></u>	

CITY OF LENEXA, KANSAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TIP ZONE 1
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 100,000	\$ 100,000	\$ 28,505	\$ (71,495)
Investment earnings	—	—	(933)	(933)
Total Revenues	100,000	100,000	27,572	(72,428)
Other Financing Sources (Uses)				
Transfers in	—	—	92,148	92,148
Transfers out	(558,234)	(558,234)	—	558,234
Total Other Financing Sources (Uses)	(558,234)	(558,234)	92,148	650,382
Net Changes In Fund Balances	\$ (458,234)	\$ (458,234)	119,720	\$ 577,954
Fund Balances - Beginning Of Year			185,754	
Fund Balances - End Of Year			\$ 305,474	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL TIP ZONE 2 For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 100,000	\$ 100,000	\$ 33,912	\$ (66,088)
Investment earnings	—	—	1,590	1,590
Total Revenues	<u>100,000</u>	<u>100,000</u>	35,502	(64,498)
Other Financing Sources (Uses)				
Transfers out	(297,130)	(297,130)	(3,347)	293,783
Net Changes In Fund Balances	<u>\$ (197,130)</u>	<u>\$ (197,130)</u>	32,155	<u>\$ 229,285</u>
Fund Balances - Beginning Of Year			<u>464,915</u>	
Fund Balances - End Of Year			<u>\$ 497,070</u>	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL TIP ZONE 3 For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 100,000	\$ 100,000	\$ 13,651	\$ (86,349)
Investment earnings	—	—	(2,695)	(2,695)
Total Revenues	100,000	100,000	10,956	(89,044)
Other Financing Sources (Uses)				
Transfers out	(204,114)	(204,114)	—	204,114
Net Changes In Fund Balances	<u>\$ (104,114)</u>	<u>\$ (104,114)</u>	10,956	<u>\$ 115,070</u>
Fund Balances - Beginning Of Year			<u>55,864</u>	
Fund Balances - End Of Year			<u>\$ 66,820</u>	

CITY OF LENEXA, KANSAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SWIMMING POOL FUND
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 375,048	\$ 375,048	\$ 251,133	\$ (123,915)
Miscellaneous	54,876	54,876	32,530	(22,346)
Total Revenues	429,924	429,924	283,663	(146,261)
Expenditures				
Current:				
Recreation	444,915	444,915	359,390	85,525
Excess (Deficiency) Of Revenues Over Expenditures	(14,991)	(14,991)	(75,727)	(60,736)
Other Financing Sources (Uses)				
Transfers in	—	—	75,000	75,000
Transfers out	(60,557)	(60,557)	—	60,557
Total Other Financing Sources (Uses)	(60,557)	(60,557)	75,000	135,557
Net Changes In Fund Balances	\$ (75,548)	\$ (75,548)	(727)	\$ 74,821
Fund Balances - Beginning Of Year			29,954	
Fund Balances - End Of Year			\$ 29,227	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL NEIGHBORHOOD REVITALIZATION PROGRAM For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 250,000	\$ 250,000	\$ 19,020	\$ (230,980)
Charges for services	—	—	200	200
Total Revenues	250,000	250,000	19,220	(230,780)
Expenditures				
Current:				
General government	250,000	250,000	10,168	239,832
Net Changes In Fund Balances	\$ —	\$ —	9,052	\$ 9,052
Fund Balances - Beginning Of Year			1,275	
Fund Balances - End Of Year			\$ 10,327	

CITY OF LENEXA, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL RIDGEVIEW MINING TIF DISTRICT FUND For The Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 900,000	\$ 900,000	\$ 660,283	\$ (239,717)
<hr/>				
Expenditures				
Current:				
General government	900,000	900,000	—	900,000
<hr/>				
Net Changes In Fund Balances	<u>\$ —</u>	<u>\$ —</u>	660,283	<u>\$ 660,283</u>
Fund Balances - Beginning Of Year			<u>215,246</u>	
Fund Balances - End Of Year			<u>\$ 875,529</u>	

CITY OF LENEXA, KANSAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LENEXA CONFERENCE CENTER FUND
For The Year Ended December 31, 2010**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 126,000	\$ 126,000	\$ 88,559	\$ (37,441)
Miscellaneous	7,000	7,000	—	(7,000)
Total Revenues	133,000	133,000	88,559	(44,441)
Expenditures				
Current:				
Recreation	133,000	133,000	62,725	70,275
Excess (Deficiency) Of Revenues Over Expenditures	—	—	25,834	25,834
Other Financing Sources (Uses)				
Transfers out	(11,000)	(11,000)	—	11,000
Net Changes In Fund Balances	\$ (11,000)	\$ (11,000)	25,834	\$ 36,834
Fund Balances - Beginning Of Year			165,169	
Fund Balances - End Of Year			\$ 191,003	

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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 300,000	\$ 300,000	\$ 290,458	\$ (9,542)
<hr/>				
Expenditures				
Current:				
General government	300,000	300,000	290,135	9,865
<hr/>				
Net Changes In Fund Balances	<u>\$ —</u>	<u>\$ —</u>	323	<u>\$ 323</u>
Fund Balances - Beginning Of Year			<u>—</u>	
Fund Balances - End Of Year			<u>\$ 323</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, 2010**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 55,000	\$ 55,000	\$ 7,768	\$ (47,232)
Investment earnings	—	—	1,688	1,688
Total Revenues	55,000	55,000	9,456	(45,544)
Other Financing Sources (Uses)				
Transfers out	(256,604)	(256,604)	(58,000)	198,604
Net Changes In Fund Balances	<u>\$ (201,604)</u>	<u>\$ (201,604)</u>	(48,544)	<u>\$ 153,060</u>
Fund Balances - Beginning Of Year			<u>207,505</u>	
Fund Balances - End Of Year			<u>\$ 158,961</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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 100,000	\$ 100,000	\$ 12,091	\$ (87,909)
Investment earnings	—	—	1,990	1,990
Total Revenues	100,000	100,000	14,081	(85,919)
Other Financing Sources (Uses)				
Transfers out	(198,828)	(198,828)	(110,870)	87,958
Net Changes In Fund Balances	\$ (98,828)	\$ (98,828)	(96,789)	\$ 2,039
Fund Balances - Beginning Of Year			118,188	
Fund Balances - End Of Year			\$ 21,399	

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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Charges for services	\$ 50,000	\$ 50,000	\$ 16,454	\$ (33,546)
Investment earnings	—	—	(127)	(127)
Total Revenues	50,000	50,000	16,327	(33,673)
Other Financing Sources (Uses)				
Transfers in	—	—	13,352	13,352
Transfers out	(99,074)	(99,074)	—	99,074
Total Other Financing Sources (Uses)	(99,074)	(99,074)	13,352	112,426
Net Changes In Fund Balances	\$ (49,074)	\$ (49,074)	29,679	\$ 78,753
Fund Balances - Beginning Of Year			51,689	
Fund Balances - End Of Year			\$ 81,368	

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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ —	\$ 786,000	\$ 291,896	\$ (494,104)
Expenditures				
Current:				
General government	—	786,000	84,444	701,556
Excess (Deficiency) Of Revenues Over Expenditures	—	—	207,452	207,452
Other Financing Sources (Uses)				
Transfers out	—	—	(44,224)	(44,224)
Net Changes In Fund Balances	<u>\$ —</u>	<u>\$ —</u>	163,228	<u>\$ 163,228</u>
Fund Balances - Beginning Of Year			<u>381,375</u>	
Fund Balances - End Of Year			<u>\$ 544,603</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, 2010**

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 11,243,673	\$ 11,243,673	\$ 10,274,326	\$ (969,347)
Investment earnings	75,604	75,604	78,120	2,516
Total Revenues	11,319,277	11,319,277	10,352,446	(966,831)
Expenditures				
Debt service:				
Principal retirement	8,153,176	8,751,038	7,670,000	1,081,038
Interest and fiscal charges	3,210,620	3,210,620	2,938,544	272,076
Total Expenditures	11,363,796	11,961,658	10,608,544	1,353,114
Excess (Deficiency) Of Revenues Over Expenditures	(44,519)	(642,381)	(256,098)	386,283
Other Financing Sources (Uses)				
Transfers in	—	—	232,681	232,681
Transfers out	(3,414,679)	(2,816,817)	—	2,816,817
Total Other Financing Sources (Uses)	(3,414,679)	(2,816,817)	232,681	3,049,498
Net Changes In Fund Balances	\$ (3,459,198)	\$ (3,459,198)	(23,417)	\$ 3,435,781
Fund Balances - Beginning Of Year			4,205,684	
Fund Balances - End Of Year			\$ 4,182,267	

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, 2010

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original Budget	Final Budget		
Revenues				
Taxes	\$ 468,545	\$ 468,545	\$ —	\$ (468,545)
Investment earnings	—	—	7,946	7,946
Total Revenues	468,545	468,545	7,946	(460,599)
Expenditures				
Current:				
General government	15,838	15,838	15,838	—
Debt service:				
Interest and fiscal charges	468,545	468,545	468,545	—
Total Expenditures	484,383	484,383	484,383	—
Excess (Deficiency) Of Revenues Over Expenditures	(15,838)	(15,838)	(476,437)	(460,599)
Other Financing Sources (Uses)				
Transfers in	—	—	68,496	68,496
Net Changes In Fund Balances	\$ (15,838)	\$ (15,838)	(407,941)	\$ (392,103)
Fund Balances - Beginning Of Year			814,402	
Fund Balances - End Of Year			<u>\$ 406,461</u>	

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF NET ASSETS INTERNAL SERVICE FUNDS December 31, 2010

	Health Plan	Risk Management	Workers' Compensation	Total
Assets				
Current Assets				
Deposits, including investments	\$ 5,237,352	\$ 1,406,037	\$ 1,908,444	\$ 8,551,833
Interest receivable	50,586	11,969	16,521	79,076
Other receivable	118,320	—	—	118,320
Total Current Assets	5,406,258	1,418,006	1,924,965	8,749,229
Liabilities				
Current Liabilities				
Accounts payable	72,516	9,499	227	82,242
Accrued wages payable	—	—	1,277	1,277
Self insurance claims payable	261,488	115,000	276,411	652,899
Total Current Liabilities	334,004	124,499	277,915	736,418
Noncurrent Liabilities				
Self Insurance Claims Payable	—	—	92,137	92,137
Total Liabilities	334,004	124,499	370,052	828,555
Net Assets				
Unrestricted	\$ 5,072,254	\$ 1,293,507	\$ 1,554,913	\$ 7,920,674

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS INTERNAL SERVICE FUNDS For The Year Ended December 31, 2010

	Health Plan	Risk Management	Workers' Compensation	Total
Operating Revenues				
Charges for services	\$ 4,955,938	\$ 7,166	\$ 140,958	\$ 5,104,062
Intergovernmental	46,612	—	—	46,612
Miscellaneous	134	175,063	—	175,197
Reimbursements from insurance companies	126,179	28,855	1,072	156,106
Total Operating Revenues	5,128,863	211,084	142,030	5,481,977
Operating Expenses				
Personal services	—	—	41,358	41,358
Contractual services	121,768	60,892	45,859	228,519
Commodities	86,441	50,000	21,530	157,971
Claims	4,847,623	—	230,027	5,077,650
Total Operating Expenses	5,055,832	110,892	338,774	5,505,498
Operating Income (Loss)	73,031	100,192	(196,744)	(23,521)
Nonoperating Revenues				
Investment income	23,372	6,284	13,884	43,540
Change In Net Assets	96,403	106,476	(182,860)	20,019
Total Net Assets – Beginning Of Year	4,975,851	1,187,031	1,737,773	7,900,655
Total Net Assets – End Of Year	\$ 5,072,254	\$ 1,293,507	\$ 1,554,913	\$ 7,920,674

CITY OF LENEXA, KANSAS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended December 31, 2010

	Health Plan	Risk Management	Workers' Compensation	Total
Cash Flows From Operating Activities				
Cash received from customers	\$ 4,956,072	\$ 182,229	\$ 140,958	\$ 5,279,259
Cash received from insurance companies	93,389	28,855	1,072	123,316
Cash received from federal government	46,612	—	—	46,612
Cash payments to employees	—	—	(41,358)	(41,358)
Cash payments for personnel, contractual services and accounts payable	(5,158,509)	(285,240)	(438,191)	(5,881,940)
Net Cash Used In Operating Activities	(62,436)	(74,156)	(337,519)	(474,111)
Cash Flows Provided By Investing Activities				
Interest on investments	3,083	1,875	9,426	14,384
Net Decrease In Cash And Cash Equivalents	(59,353)	(72,281)	(328,093)	(459,727)
Cash And Cash Equivalents – Beginning Of Year	5,296,705	1,478,318	2,236,537	9,011,560
Cash And Cash Equivalents – End Of Year	\$ 5,237,352	\$ 1,406,037	\$ 1,908,444	\$ 8,551,833
Reconciliation Of Operating Income (Loss) To Net Cash Used In Operating Activities				
Operating income (loss)	\$ 73,031	\$ 100,192	\$ (196,744)	\$ (23,521)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Change in other receivables	(32,790)	—	—	(32,790)
Change in accounts payable and claims payable	(102,677)	(174,348)	(140,775)	(417,800)
Net Cash Used In Operating Activities	\$ (62,436)	\$ (74,156)	\$ (337,519)	\$ (474,111)

Statistical Section

CITY OF LENEXA, KANSAS
Statistical Section
December 31, 2010

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.

Contents

	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.....	97 - 100
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, property and sales tax..	101 - 106
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.....	107 - 109
Demographic And Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	110 - 112
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	113 - 115

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

CITY OF LENEXA, KANSAS

NET ASSETS BY COMPONENT LAST EIGHT FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

Schedule 1

	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:								
Invested in capital assets, net of related debt	\$ 431,336,688	\$ 433,106,968	\$ 419,733,080	\$ 393,808,972	\$ 362,437,246	\$ 321,741,301	\$ 23,090,637	\$ (9,381,663)
Restricted	22,697,434	19,501,498	20,333,616	30,079,331	28,871,081	24,437,172	5,811,871	5,554,595
Unrestricted	32,547,350	32,810,592	45,747,060	38,882,650	23,857,686	19,514,705	64,996,979	62,101,700
Total governmental activities net assets	\$ 486,581,472	\$ 485,419,058	\$ 485,813,756	\$ 462,770,953	\$ 415,166,013	\$ 365,693,178	\$ 93,899,487	\$ 58,274,632

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

The City implemented GASB 34 in 2003 therefore only 8 years of information is presented.

CITY OF LENEXA, KANSAS

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

Schedule 2

	2010	2009	2008	2007	2006	2005	2004	2003
Expenses								
General Government	\$ 10,833,526	\$ 11,925,719	\$ 10,383,824	\$ 10,439,441	\$ 10,140,866	\$ 7,877,120	\$ 8,095,326	\$ 8,303,131
Public safety	20,124,393	19,494,864	23,121,157	22,554,224	21,674,903	19,307,055	19,062,115	18,223,159
Public works	29,708,136	29,299,766	30,795,517	20,785,278	22,606,757	19,930,013	9,426,253	8,482,185
Parks and recreation	4,601,241	3,617,450	4,675,363	3,563,224	4,230,363	4,073,203	4,287,148	4,066,202
Economic Development	3,470,102	11,249,594	21,158	5,224,536	—	—	—	—
Interest on long-term debt	4,511,828	5,030,464	6,327,205	5,645,529	4,587,781	4,167,996	4,166,403	3,446,881
Total Expenses	73,249,226	80,617,857	75,324,224	68,212,232	63,240,670	55,355,387	45,037,245	42,521,558
Program Revenues								
Charges for Services								
General government	1,112,486	1,174,156	1,939,122	2,110,830	1,669,412	1,348,568	1,331,190	1,301,000
Public safety	2,102,003	2,637,487	2,281,056	1,974,419	2,530,617	2,090,781	1,555,911	1,439,460
Municipal services	4,000,452	7,483,343	4,916,080	4,067,268	2,974,051	2,847,286	2,554,613	1,862,126
Parks and recreation	807,665	848,240	1,096,559	1,327,815	1,254,191	1,303,004	1,316,645	1,240,674
Operating grants and contributions	1,621,587	1,172,192	1,342,607	1,333,323	1,628,914	1,468,887	1,678,643	1,211,786
Capital grants and contributions	5,096,318	3,029,140	16,936,970	38,473,225	41,225,817	17,620,078	13,407,974	12,322,680
Total Program Revenues	14,740,511	16,344,558	28,512,394	49,286,880	51,283,002	26,678,604	21,844,976	19,377,726
Net (Expenses)/Revenue	(58,508,715)	(64,273,299)	(46,811,830)	(18,925,352)	(11,957,668)	(28,676,783)	(23,192,269)	(23,143,832)
General Revenues								
Property taxes	24,793,267	28,587,311	28,922,505	27,026,449	24,460,112	23,143,077	24,379,660	21,413,846
Sales tax	24,385,785	25,085,389	23,611,541	23,211,369	22,984,775	22,900,980	22,890,060	18,040,865
Franchise taxes	6,103,057	5,953,082	5,796,496	5,320,626	4,937,822	4,915,958	4,474,203	4,055,743
Motor vehicle tax	1,905,333	1,922,587	1,995,251	2,021,732	2,038,168	1,988,324	1,052,870	1,008,071
Transient guest tax	458,398	441,128	573,637	582,001	604,423	531,379	488,002	396,368
Excise tax	14,242	132,837	1,113,091	1,824,963	821,587	2,334,370	1,123,877	1,017,873
Special liquor tax	616,572	538,966	550,690	582,585	579,278	515,163	495,705	519,237
Investment revenue	360,162	439,528	2,797,896	4,348,915	3,933,615	2,067,324	1,222,614	882,749
Gain on disposal of capital assets	—	—	—	—	1,500	33,828	44,461	56,246
Miscellaneous	1,034,313	777,773	931,383	1,611,652	1,069,223	1,582,233	2,645,672	2,448,975
Special item - gain on sale of land	—	—	2,667,909	—	—	—	—	—
Total general revenues	59,671,129	63,878,601	68,960,399	66,530,292	61,430,503	60,012,636	58,817,124	49,839,973
Changes In Net Assets	\$ 1,162,414	\$ (394,698)	\$ 22,148,569	\$ 47,604,940	\$ 49,472,835	\$ 31,335,853	\$ 35,624,855	\$ 26,696,141

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

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

Schedule 3

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund:										
Reserved for encumbrances	\$ 211,422	\$ 602,653	\$ 573,079	\$ 652,466	\$ 672,814	\$ 587,497	\$ 269,816	\$ 576,017	\$ 598,941	\$ 471,941
Unreserved	23,263,831	19,700,723	19,527,627	20,647,840	19,463,189	16,449,763	11,465,294	7,177,053	6,209,805	6,643,401
Total	\$ 23,475,253	\$ 20,303,376	\$ 20,100,706	\$ 21,300,306	\$ 20,136,003	\$ 17,037,260	\$ 11,735,110	\$ 7,753,070	\$ 6,808,746	\$ 7,115,342
All Other Governmental Funds:										
Reserved for Debt Service	\$ 4,588,728	\$ 5,020,086	\$ 7,981,772	\$ 12,117,994	\$ 8,842,822	\$ 7,586,671	\$ 6,992,501	\$ 6,875,627	\$ 551,285	\$ 1,213,521
Reserved for economic development	1,583,844	740,675	591,062	442,686	336,524	208,900	162,509	148,937	144,727	149,117
Encumbrances	16,140,257	7,600,180	11,864,275	22,869,483	25,254,723	16,378,988	24,752,816	28,973,461	9,079,220	17,339,946
Unreserved (deficit), reported in:										
Special revenue funds	19,994,826	18,670,980	17,694,956	19,103,774	14,918,654	15,436,997	11,728,052	11,423,740	8,562,661	6,601,754
Capital projects funds	(3,901,888)	230,225	562,825	(9,981,079)	(1,540,113)	14,956,937	16,025,724	14,463,308	217,398	7,046,157
Total all other governmental funds	\$ 38,405,767	\$ 32,262,146	\$ 38,694,890	\$ 44,552,858	\$ 47,812,610	\$ 54,568,493	\$ 59,661,602	\$ 61,885,073	\$ 18,555,291	\$ 32,350,495

CITY OF LENEXA, KANSAS

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

Schedule 4

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues										
Taxes	\$ 62,228,253	\$ 63,828,961	\$ 63,860,604	\$ 61,859,940	\$ 57,765,612	\$ 57,562,746	\$ 56,076,938	\$ 47,588,135	\$ 45,788,481	\$ 44,353,193
Intergovernmental	4,888,801	4,361,503	6,694,141	10,780,159	12,645,540	8,165,952	7,743,672	3,486,430	3,184,967	6,918,914
Licenses and permits	766,917	1,022,062	1,508,455	1,899,172	1,516,650	1,489,705	1,351,842	1,569,823	1,137,698	728,586
Fines and forfeitures	5,638,572	5,623,865	7,075,096	1,450,934	1,822,004	1,648,233	1,501,396	1,704,547	1,507,710	1,294,407
Rents and leases	398,639	399,617	335,371	275,845	228,822	193,958	181,829	160,682	163,782	157,190
Charges for services	1,316,984	1,629,641	1,558,649	6,283,919	5,080,068	4,490,799	3,993,717	3,312,793	3,779,803	3,334,403
Investment earnings	316,622	431,469	2,490,655	3,866,331	3,723,821	1,969,693	1,190,230	599,186	682,230	2,203,847
Miscellaneous	369,034	518,795	544,910	1,180,662	216,053	1,109,702	1,909,090	1,911,729	370,841	2,185,707
Total Revenues	75,923,822	77,815,913	84,067,881	87,596,962	82,998,570	76,630,788	73,948,714	60,333,325	56,615,512	61,176,247
Expenditures										
Current:										
General government	10,445,642	11,377,549	10,157,721	9,958,537	9,070,643	8,239,652	7,963,360	7,745,701	7,735,313	7,396,281
Public safety	20,680,879	21,631,286	22,684,149	22,449,884	21,541,853	20,034,196	19,362,250	17,275,162	17,018,223	15,387,750
Municipal services	9,493,093	10,309,730	11,032,630	10,584,153	9,566,884	9,288,797	9,188,447	8,337,772	7,629,136	8,203,337
Recreation	4,127,290	4,071,065	4,253,176	4,115,717	3,831,821	3,661,223	3,813,540	3,533,334	7,974,648	3,598,827
Economic Development	—	—	21,158	5,224,536	—	—	—	—	—	—
Capital projects	20,989,619	23,731,169	34,082,317	41,390,777	51,865,333	36,317,103	37,141,255	19,850,420	29,650,430	20,245,234
Debt service:										
Principal retirement	17,306,494	13,077,667	29,388,094	16,255,412	21,129,757	14,000,000	7,545,000	7,415,000	8,285,000	9,435,000
Interest and fiscal charges	4,873,648	5,381,359	5,801,473	5,113,743	4,616,229	4,256,438	4,336,550	2,057,349	2,439,944	2,164,182
Bond issue costs	252,005	194,682	137,393	284,465	203,631	66,412	54,547	105,489	49,563	82,889
Miscellaneous	—	—	—	—	—	—	—	23,291	55	540
Total Expenditures	88,168,670	89,774,507	117,558,111	115,377,224	121,826,151	95,863,821	89,404,949	66,343,518	80,782,312	66,514,040
Excess Of Revenues Over/(Under) Expenditures	(12,244,848)	(11,958,594)	(33,490,230)	(27,780,262)	(38,827,581)	(19,233,033)	(15,456,235)	(6,010,193)	(24,166,800)	(5,337,793)
Other Financing Sources And Uses,										
Including Transfers										
Issuance of general obligation bonds	13,390,000	5,945,000	15,020,000	16,985,000	16,370,000	9,470,000	17,365,000	5,665,000	—	4,922,603
Discount on general obligation bonds	—	—	(28,825)	—	—	(130,318)	(100,196)	—	—	—
Premium from general obligation refunding bonds	3,882,135	182,576	315,274	825,351	193,581	—	—	6,074,042	—	—
Issuance of sales tax revenue bonds	—	—	—	—	—	—	—	—	—	3,920,000
Issuance of general obligation refunding bonds	19,815,000	7,660,000	—	—	—	4,530,000	—	51,365,000	—	18,615,313
Issuance of general obligation temporary notes	7,140,000	—	7,410,000	—	18,640,000	9,750,000	—	—	10,115,000	5,400,000
Issuance of tax increment financing bonds	—	—	—	7,865,000	—	—	—	—	—	—
Payment for refunded general obligation bonds	(22,879,529)	(7,669,680)	—	—	—	(4,475,000)	—	(13,328,751)	—	(18,516,134)
Proceeds from capital lease	—	—	—	309,462	—	—	—	—	—	—
Revolving Loan KDHE	212,740	60,624	—	—	—	—	—	—	—	—
Transfers in	23,576,934	23,337,150	38,600,114	22,584,209	16,743,217	10,066,880	12,061,759	12,391,271	15,176,318	18,331,141
Transfers out	(23,576,934)	(23,787,150)	(39,050,114)	(22,884,209)	(16,776,358)	(9,966,880)	(12,111,759)	(12,391,271)	(15,226,318)	(18,370,122)
Total Other Financing Sources And Uses, Including Transfers	21,560,346	5,728,520	22,266,449	25,684,813	35,170,440	19,244,682	17,214,804	49,775,291	10,065,000	14,302,801
Special Item										
Proceeds from sale of land	—	—	4,166,213	—	—	—	—	—	—	—
Net Change In Fund Balances	\$ 9,315,498	\$ (6,230,074)	\$ (7,057,568)	\$ (2,095,449)	\$ (3,657,141)	\$ 11,649	\$ 1,758,569	\$ 43,765,098	\$ (14,101,800)	\$ 8,965,008
Debt service as a percentage of noncapital expenditures	33%	28%	42%	31%	37%	31%	23%	21%	21%	25%

CITY OF LENEXA, KANSAS

GOVERNMENTAL FUND TYPES REVENUES BY SOURCE LAST TEN FISCAL YEARS

Schedule 5

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Taxes										
Property	\$ 26,107,166	\$ 27,446,726	\$ 27,398,743	\$ 26,045,590	\$ 24,197,568	\$ 23,029,624	\$ 23,565,713	\$ 20,568,560	\$ 19,532,897	\$ 17,297,086
Sales (including compensating use)	24,385,785	25,085,389	23,611,541	23,211,369	22,984,775	22,900,979	22,199,157	18,040,865	17,109,561	17,328,842
Franchise	6,103,057	5,953,079	5,796,496	5,320,626	4,937,822	4,915,958	4,474,203	4,055,743	4,149,237	4,515,160
Special assessments	1,032,994	1,140,585	1,523,759	980,860	364,274	113,454	71,684	113,641	134,743	226,258
Motor vehicle excise	1,905,333	1,922,586	1,995,252	2,021,732	2,038,167	1,954,709	1,764,289	1,716,384	1,625,684	1,583,062
Transient guest	458,398	441,129	573,637	582,001	604,423	531,379	488,002	396,367	404,088	463,021
Excise	14,242	132,836	1,113,091	1,824,963	821,587	2,334,370	1,814,781	1,017,873	402,115	570,295
Other Taxes	1,770,910	1,706,631	1,848,085	1,872,799	1,816,996	1,782,273	1,699,109	1,678,702	2,430,156	2,369,469
Total Taxes	61,777,885	63,828,961	63,860,604	61,859,940	57,765,612	57,562,746	56,076,938	47,588,135	45,788,481	44,353,193
Revenues										
Intergovernmental	4,888,801	4,361,503	6,694,142	10,780,159	12,645,540	8,165,952	7,743,672	3,486,430	3,184,967	6,918,914
Licenses and permits	766,917	1,022,062	1,508,455	1,899,172	1,516,650	1,489,705	1,351,842	1,569,823	1,137,698	728,586
Fines and forfeitures	1,316,984	1,629,641	7,075,095	1,450,934	1,822,004	1,648,233	1,501,396	1,704,547	1,507,710	1,294,407
Rents and leases	398,639	399,617	335,371	275,845	228,822	193,958	181,829	160,682	163,782	157,190
Charges for services	5,638,572	5,623,865	1,558,649	6,283,919	5,080,068	4,490,799	3,993,717	3,312,793	3,779,803	3,334,403
Investment earnings	316,622	436,532	2,490,655	3,866,331	3,723,821	1,969,693	1,190,230	599,186	682,230	2,203,847
Miscellaneous	369,034	518,795	544,910	1,180,662	216,053	1,109,702	1,909,090	1,911,729	370,841	2,185,707
Total Revenues	13,695,569	13,992,015	20,207,277	25,737,022	25,232,958	19,068,042	17,871,776	12,745,190	10,827,031	16,823,054
Grand Total	\$ 75,473,454	\$ 77,820,976	\$ 84,067,881	\$ 87,596,962	\$ 82,998,570	\$ 76,630,788	\$ 73,948,714	\$ 60,333,325	\$ 56,615,512	\$ 61,176,247

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
2009	2010	\$ 765,361,859	15%	\$ 5,234,310,460	\$ 60,483,211	\$ 31,351,516	\$ 74,559,595	\$ 931,756,181	26.574
2008	2009	829,743,292	13%	6,301,357,160	93,491,169	33,701,766	77,610,667	1,034,546,894	26.568
2007	2008	853,642,326	14%	5,915,463,793	113,984,994	29,778,985	78,523,529	1,075,929,834	26.477
2006	2007	822,636,283	14%	5,903,655,326	151,089,330	32,308,929	76,442,635	1,082,477,177	26.468
2005	2006	771,464,338	13%	5,794,230,298	165,954,347	35,665,105	74,847,736	1,047,931,526	26.477
2004	2005	716,505,869	14%	5,225,759,116	160,224,546	33,944,169	71,785,927	982,460,511	26.513
2003	2004	675,525,628	14%	4,935,352,673	146,084,234	44,917,378	69,400,057	935,927,297	26.553
2002	2003	645,083,486	13%	4,783,126,334	158,873,037	45,770,906	69,143,524	918,870,953	23.575
2001	2002	618,108,087	14%	4,550,304,267	153,533,830	42,741,715	67,637,118	882,020,750	23.537
2000	2001	586,613,898	13%	4,349,786,551	159,009,771	44,558,638	64,932,619	855,114,926	22.409

(1) Includes recreational vehicle assessed value:

- 2001 recreational vehicle tax amounted to \$242,854.
- 2002 recreational vehicle tax amounted to \$250,483.
- 2003 recreational vehicle tax amounted to \$241,466.
- 2004 recreational vehicle tax amounted to \$256,533.
- 2005 recreational vehicle tax amounted to \$287,497.
- 2006 recreational vehicle tax amounted to \$315,276.
- 2007 recreational vehicle tax amounted to \$329,228.
- 2008 recreational vehicle tax amounted to \$297,355.
- 2009 recreational vehicle tax amounted to \$289,360.
- 2010 recreational vehicle tax amounted to \$283,667

CITY OF LENEXA, KANSAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

Schedule 7

		City Direct Rates			Overlapping Rates										
Tax Year	Fiscal Year	General	Debt Service	Total Direct	State	County	Library	County Community College	Park	Waste-water	Total Over-lapping Without Schools	School District Shawnee Mission	School District De Soto	School District Olathe	Total Direct And Over-lapping Rates
2009	2010	17.433	9.141	26.574	1.500	17.716	3.151	8.784	2.346	—	60.071	55.318	74.186	66.900	86.645
2008	2009	16.929	9.639	26.568	1.500	17.767	3.057	8.768	2.341	—	60.001	52.094	74.170	66.913	86.569
2007	2008	16.871	9.606	26.477	1.500	17.985	2.962	8.749	2.295	—	59.968	52.008	71.463	64.343	86.445
2006	2007	16.865	9.603	26.468	1.500	17.949	2.960	8.872	2.290	—	60.039	51.980	69.693	65.180	86.507
2005	2006	16.871	9.606	26.477	1.500	17.922	2.955	8.960	2.286	—	60.100	49.748	69.115	68.173	86.577
2004	2005	16.894	9.619	26.513	1.500	16.041	2.956	9.438	2.367	—	58.815	42.655	72.806	69.177	85.328
2003	2004	16.920	9.633	26.553	1.500	16.381	2.954	9.432	2.365	—	59.185	37.774	74.734	64.166	85.738
2002	2003	13.827	9.748	23.575	1.500	16.221	2.948	9.428	1.602	—	55.274	42.238	75.518	64.125	78.849
2001	2002	13.805	9.732	23.537	1.500	16.333	2.971	7.743	1.382	4.181	57.647	38.699	75.640	64.385	81.184
2000	2001	12.438	9.971	22.409	1.500	15.676	2.981	7.646	1.322	4.647	56.181	40.327	67.918	65.761	78.590

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	2009 Tax Year/2010 Fiscal Year			Taxpayer	1999 Tax Year/2000 Fiscal Year		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value
HRPT Lenexa Properties Trust	\$ 28,674,233	1	3.08%	Sprint Corporation	\$ 22,304,347	1	2.81%
Perg Buildings, LLC	20,458,693	2	2.20%	Lenexa Industrial Park, Inc.	19,018,903	2	2.40%
MEPT Kansas Commerce	9,432,334	3	1.01%	Perg Building Partnership	14,457,611	3	1.82%
Kansas City Power & Light	8,916,928	4	0.96%	KPERS Realty Holding #1, Inc.	10,954,432	4	1.38%
RREEF America REIT II Corp	8,213,506	5	0.88%	Southwestern Bell Telephone	10,126,932	5	1.28%
JC Penney Properties, Inc	6,253,763	6	0.67%	Karbank, Barney A.	6,705,930	6	0.84%
Meritex, Inc	5,860,453	7	0.63%	J.C. Penney Properties	6,209,088	7	0.78%
Southwestern Bell Telephone	5,420,442	8	0.58%	Caleast industrial Investors	5,875,673	8	0.74%
Labone, Inc	5,234,776	9	0.56%	Kansas City Power & Light	4,936,003	9	0.62%
LIT Industrial Limited	5,219,793	10	0.56%	Oak Park Commons	4,863,215	10	0.61%
Total	\$ 103,684,921			Total	\$ 105,452,134		
City of Lenexa (includes motor vehicles)	\$ 931,756,181			City of Lenexa (includes motor vehicles)	\$ 793,804,320		

Source: Johnson County Department of Records and Tax Administration

CITY OF LENEXA, KANSAS

SALES TAX RATES LAST TEN FISCAL YEARS

Schedule 9

Fiscal Year	City Sales	City Roads/ Parks Civic Facility Sales	City Storm- water Sales	County Sales	County Public Safety Sales	County Bi-State Sales	County Storm- water	County Economic Development Sales	County Education Research Triange	State	Total Direct
2001	1.000%	0.000%	0.125%	0.500%	0.250%	0.125%	0.100%	0.000%	0.000%	4.900%	7.000%
2002	1.000%	0.000%	0.125%	0.500%	0.250%	0.000%	0.100%	0.000%	0.000%	5.300%	7.275%
2003	1.000%	0.000%	0.125%	0.500%	0.250%	0.000%	0.100%	0.250%	0.000%	5.300%	7.525%
2004	1.000%	0.000%	0.125%	0.500%	0.250%	0.000%	0.100%	0.250%	0.000%	5.300%	7.525%
2005	1.000%	0.000%	0.125%	0.500%	0.250%	0.000%	0.100%	0.250%	0.000%	5.300%	7.525%
2006	1.000%	0.000%	0.125%	0.500%	0.250%	0.000%	0.100%	0.250%	0.000%	5.300%	7.525%
2007	1.000%	0.000%	0.125%	0.500%	0.250%	0.000%	0.100%	0.250%	0.000%	5.300%	7.525%
2008	1.000%	0.375%	0.125%	0.500%	0.250%	0.000%	0.100%	0.250%	0.000%	5.300%	7.900%
2009	1.000%	0.375%	0.125%	0.500%	0.250%	0.000%	0.100%	0.250%	0.125%	5.300%	8.025%
2010	1.000%	0.375%	0.000%	0.500%	0.250%	0.000%	0.100%	0.250%	0.125%	6.300%	8.900%

Tax Rates from Kansas Department of Revenue

CITY OF LENEXA, KANSAS

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Schedule 10

Fiscal Year (1)	Total Tax Levy	Current Tax Collections	Percentage Current Tax Collected	Prior Year's Tax Collected	Total Tax Collections	Percentage Total Collection To Current Levy
2001	\$ 16,413,788	\$ 15,976,687	97.34	\$ 261,030	\$ 16,237,717	98.93
2002	18,598,523	17,870,480	96.09	72,353	17,942,833	96.47
2003	19,161,380	18,689,462	97.54	212,198	18,901,660	98.64
2004	22,519,176	22,352,249	99.26	151,833	22,504,082	99.93
2005	22,944,686	22,567,621	98.36	187,034	22,754,655	99.17
2006	24,078,555	23,713,948	98.49	156,850	23,870,798	99.14
2007	25,779,816	25,368,258	98.40	250,465	25,618,723	99.38
2008	26,614,304	26,227,121	98.55	311,309	26,538,430	99.71
2009	26,488,848	25,840,274	97.55	211,286	26,051,560	98.35
2010	25,421,859	24,617,924	96.84	227,449	24,845,373	97.73

⁽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 is not included.

CITY OF LENEXA, KANSAS

RATIOS OF GENERAL OBLIGATION DEBT OUTSTANDING LAST TEN FISCAL YEARS

Schedule 11

Fiscal Year	General Obligation Bonds	General Obligation Notes	General Obligation Debt	Less:	Total	Percentage Of Assessed Taxable Value ¹ Of Property	Per Capita ²
				Amounts Available In Debt Service Fund			
2001	\$ 42,805,000	\$ 5,400,000	\$ 48,205,000	\$ 1,213,521	\$ 46,991,479	5.50%	\$ 1,155
2002	35,880,000	15,515,000	51,395,000	551,285	50,843,715	5.76%	1,234
2003	73,170,000	15,780,000	88,950,000	6,875,627	82,074,373	8.93%	1,951
2004	83,920,000	15,780,000	99,700,000	6,992,501	92,707,499	9.91%	2,175
2005	86,085,000	19,865,000	105,950,000	7,586,671	98,363,329	10.01%	2,248
2006	94,710,000	25,565,000	120,275,000	8,842,822	111,432,178	10.63%	2,492
2007	102,820,000	18,640,000	121,460,000	10,410,389	111,049,611	11.30%	2,424
2008	107,580,000	7,410,000	114,990,000	6,730,335	108,259,665	11.57%	2,342
2009	101,845,000	7,410,000	109,255,000	4,205,684	105,049,316	11.43%	2,189
2010	104,275,000	7,140,000	111,415,000	4,182,267	107,232,733	12.16%	2,320

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 14 for personal income and population data.

CITY OF LENEXA, KANSAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT December 31, 2010

Schedule 12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share Of Overlapping Debt
Debt To Be Repaid With Property Taxes			
Johnson County, Kansas	\$ 240,565,000	11.21%	\$ 26,967,337
Johnson County Parks & Recreation	3,625,000	11.21%	406,363
U.S.D. #232 (De Soto)	193,375,000	5.64%	10,906,350
U.S.D. #233 (Olathe)	336,850,000	15.36%	51,740,160
U.S.D. #512 (Shawnee Mission)	236,370,000	19.14%	45,241,218
Fire #3 Benefit District "B"	440,000	0.01%	44
Total Overlapping Debt			135,261,471
City Direct Debt	111,415,000	100.0%	111,415,000
Total Direct And Overlapping Debt			\$ 246,676,471

Sources: Assessed value data used to estimate percentage were obtained from the Johnson County, Kansas Appraiser's Office. Debt outstanding data provided by Johnson County Department of Records and Tax Administration. Johnson County and City of Lenexa Debt as of 12/31/2010. Other debt as of 6/30/2010.

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

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.

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

CITY OF LENEXA, KANSAS

LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

Schedule 13

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$ 256,534,478	\$ 264,606,225	\$ 275,661,286	\$ 280,778,189	\$ 294,738,153	\$ 314,379,458	\$ 324,743,153	\$ 322,778,950	\$ 310,364,068	\$ 279,526,854
Total net debt applicable to limit	46,991,479	50,843,715	82,074,373	92,707,499	98,363,329	111,432,178	111,049,611	108,259,665	105,049,316	107,232,733
Legal Debt Limit	\$ 209,542,999	\$ 213,762,510	\$ 193,586,913	\$ 188,070,690	\$ 196,374,824	\$ 202,947,280	\$ 213,693,542	\$ 214,519,285	\$ 205,314,752	\$ 172,294,121
Total net debt applicable to the limit as a percentage of the limit	18.3%	19.2%	29.8%	33.0%	33.4%	35.4%	34.2%	33.5%	33.8%	38.4%
Total net debt as a percentage of assessed value	5.6%	5.8%	9.7%	10.7%	10.8%	10.6%	10.3%	10.1%	10.2%	11.5%

Legal Debt Margin Calculation For Fiscal Year 2010

Assessed value	\$ 931,756,181
Debt limit (30% of total assessed value)	279,526,854
Debt applicable to limit:	
General obligation debt	111,415,000
Less: Amount set aside for repayment of general obligation debt	4,182,267
Net debt applicable to limit	107,232,733
Legal Debt Margin	\$ 172,294,121

CITY OF LENEXA, KANSAS

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Schedule 14

Fiscal Year	City Population	County Population	City Population Percent Change	Personal Income	Per Capita Personal Income	City Unemployment Rate	State Unemployment Rate
2010	48,190	558,628	0.4%	\$ 2,822,488,300	\$ 58,570	7.3%	7.0%
2009	47,996	548,122	3.8%	2,762,217,796	57,551	6.5%	6.2%
2008	46,219	539,811	0.9%	2,527,208,701	54,679	5.4%	4.8%
2007	45,804	527,066	2.5%	2,377,594,032	51,908	4.1%	3.7%
2006	44,708	516,731	2.2%	2,272,686,472	50,834	4.0%	4.1%
2005	43,765	506,562	2.7%	2,136,734,219	48,823	4.2%	5.1%
2004	42,615	496,691	1.3%	1,981,512,270	46,498	3.5%	5.6%
2003	42,068	486,943	2.1%	1,847,290,016	43,912	3.7%	5.6%
2002	41,203	476,009	1.3%	1,798,593,356	43,652	4.1%	5.1%
2001	40,675	464,008	1.1%	1,778,555,050	43,726	3.2%	4.3%

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. 2000 - 2003 figures are from www.bea.gov and reflect Johnson County's per capita personal income. 2005 and 2006 figures were not available and are estimated.

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

Schedule 15

Employer	2009 Tax Year/2010 Fiscal Year			Employer	1999 Tax Year/2000 Fiscal Year		
	Employees	Rank	Percentage Of Total City Employment		Employees	Rank	Percentage Of Total City Employment
United Parcel Service	2,095	1	4.55%	United Parcel Service, Inc.	1,800	1	4.09%
Quest Diagnostics/Lab One	1,794	2	3.90%	J.C. Penney Catalog Distribution Center	1,300	2	2.95%
ServiceMagic	1,500	3	3.26%	Deluxe Corporation	1,200	3	2.73%
JC Penney Logistics Center	1,005	4	2.18%	Sprint Corporation	950	4	2.16%
Freightquote.com	820	5	1.78%	LabOne, Incorporated	900	5	2.05%
Kiewit Power Engineers Company	750	6	1.63%	Asplundh Tree Expert Company	800	6	1.82%
T-Mobile	653	7	1.42%	Gear for Sports	750	7	1.70%
Gear for Sports	605	8	1.32%	Gill Studios, Inc.	600	8	1.36%
Deluxe Corporation	550	9	1.20%	Regional Media Labs (REMEL)	500	9	1.14%
Lakeview Village	505	10	1.10%	Coca-Cola of Mid-America	450	10	1.02%
Total	10,277			Total	9,250		
City of Lenexa (total employment)	46,000			City of Lenexa (total employment)	44,000		

Source: Chamber of Commerce Membership Directory

CITY OF LENEXA, KANSAS

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

Schedule 16

Function	Fiscal Year									
	2010**	2009**	2008**	2007**	2006**	2005**	2004*	2003*	2002*	2001*
General government	84	86	81	79	78	67	69	85	95	83
Public safety	207	207	227	225	220	216	215	209	197	189
Municipal services	66	66	96	95	95	79	77	77	78	75
Parks and recreation	60	60	62	59	58	58	29	31	31	28
Personnel reserve	23	23	—	—	—	—	—	—	—	—
Total	440	442	466	458	451	420	389	402	401	375

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

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

CITY OF LENEXA, KANSAS

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Schedule 17

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government										
City Hall	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police Station	1	1	1	1	1	1	1	1	1	1
Fire Stations	5	4	4	4	4	4	4	4	4	4
Municipal Services										
Center Lane Miles Added	—	1	3	8	8	6	3	4	9	10
Service Center	1	1	1	1	1	1	1	1	1	1
Stormwater acres maint'd.	358	358	221	307	443	229	137	271	280	429
Streetlights maintained	6,971	6,262	4,000	4,000	3,000	2,750	2,550	2,350	2,350	2,150
Parks and Recreation										
Parks (acres)	918	898	863	750	750	750	750	535	480	480
Pools	3	3	3	3	3	3	3	3	3	3
Conference Center	1	1	1	1	1	1	1	—	—	—
Community Center	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1

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

CITY OF LENEXA, KANSAS

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS Page 1 Of 2

Schedule 18

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government										
GIS										
Data sets maintained	596	592	191	110	45	40	40	40	40	35
Graphics requests completed (nondata)	15	13	25	15	10	1	1	1	1	4
Map graphic orders standard products completed	236	311	285	200	175	140	200	200	200	237
ArcView users supported	60	51	75	73	40	50	65	65	65	55
Community Development										
Planning commission items	70	57	130	118	144	154	98	100	100	100
Staff review final plans	6	18	14	19	17	22	25	30	30	24
New single family permits	57	35	73	215	326	345	352	341	341	340
Valuation of new construction (millions of dollars)	76	64	204	282	198	182	193	131	142	170
Commercial construction (millions of dollars)	46	44	135	190	104	75	98	38	63	91
Human Resources										
Positions filled (full-time/part-time/temporary)	150	124	145	91	187	217	195	204	204	201
Work comp/disability/FMLA cases managed	102	71	141	87	83	90	96	65	65	93
Separations/retirements processed	145	180	91	74	183	204	188	192	192	166
Finance										
Accounts payable invoices	5,627	5,109	6,539	6,617	7,094	6,735	7,552	9,002	9,436	32,289
Payroll checks processed	11,920	12,669	12,048	12,918	12,702	12,352	11,756	11,775	11,693	10,971
Purchasing Card transactions	12,862	11,868	13,589	13,783	14,339	13,808	13,391	11,579	10,564	1,126
Information Technology										
Supported users	427	466	417	405	442	375	370	365	362	340
Workstations	410	406	399	370	375	345	340	355	335	290
Laptops	216	163	160	147	133	130	130	139	142	120
Servers	119	111	80	52	52	45	42	40	40	28
Printers	145	143	148	148	146	143	143	143	133	140
Municipal Court										
Charges issued	13,043	16,998	15,769	14,269	19,598	17,492	18,094	15,570	18,403	16,975
Charges completed	12,715	14,949	15,134	14,967	19,216	18,406	16,648	15,225	17,534	16,303
Charges pending (*Change in software)	13,481	13,651*	5,791	6,212	6,910	7,207	8,090	6,799	6,868	6,598
D.U.I. issued	257	413	277	293	285	245	215	239	314	398
Legal										
Discovery requests approved (now handled by Police**)	0**	496	423	325	466	422	451	337	n/a	n/a
Appeals to District Court prosecuted	14	20	24	11	16	16	13	13	20	25
Forfeitures cases filed	11	6	9	24	14	16	8	16	11	17
Third party claims made v. City	16	14	11	12	18	13	34	n/a	n/a	n/a
Third party claims paid	7	10	3	5	8	3	12	n/a	n/a	n/a

CITY OF LENEXA, KANSAS

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

Schedule 18

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Public Safety										
Police										
Calls for service	21,309	20,936	22,469	18,664	17,363	17,129	16,470	16,231	17,151	n/a
Officer self initiated	22,413	26,885	25,778	25,162	31,246	30,161	30,020	26,111	33,321	n/a
Administrative activity	—	—	—	9,030	9,861	11,614	10,613	8,100	9,092	n/a
Walk in/station reports	1,163	1,476	1,458	1,741	1,729	2,021	1,670	1,819	1,805	n/a
Incident handled by Communications	—	—	145	15,307	15,655	15,164	15,726	14,721	15,016	n/a
Total incidents	45,312	49,502	49,850	69,904	75,854	76,089	74,499	66,982	76,385	n/a
Arrests	4,004	4,881	4,402	3,814	4,177	4,023	3,877	3,667	3,667	3,456
Citations	12,412	10,224	14,643	12,836	18,102	17,942	19,000	18,200	18,200	16,930
Discovery requests approved**	367									
Fire										
Emergency incident responses	4,608	4,435	4,581	4,406	4,188	4,297	3,887	3,717	3,828	3,812
Building fires/1,000 pop.	1	1	2	2	2	2	2	2	3	2
Ill or injured patients treated	2,689	2,762	3,049	2,659	2,560	2,683	2,426	2,380	2,114	2,182
Fire inspections	5,466	5,979	6,140	5,225	6,100	6,092	5,073	3,732	4,574	5,312
Training hours	24,025	22,204	26,348	22,253	23,856	27,226	28,748	21,002	22,120	20,128
Municipal Services										
Number of City Vehicles maintained	347	347	347	335	325	318	316	321	321	321
Lane-miles of roadway	660	660	600	592	578	566	559	549	523	513
Signalized intersections maintained	65	66	65	61	61	59	56	55	55	53
Streetlights maintained	6,971	6,262	4,000	4,000	3,000	2,750	2,550	2,350	2,350	2,150
Traffic signs maintained	11,039	10,274	10,000	9,650	8,650	8,400	8,150	7,900	7,900	7,600
Square feet maintained	296,743	296,743	287,743	287,743	276,852	265,858	262,442	262,092	262,092	260,442
Parks and Recreation										
Special events subsidy	—	—	—	—	—	—	—	—	—	—
Acres of park maintained	687	898	863	794	674	489	486	486	486	453
Number of events - Lenexa Conference Center	194	236	268	389	325	175	167	n/a	n/a	n/a
Pool attendance	65,032	59,268	54,472	74,029	76,841	63,390	76,453	103,000	103,000	126,000
Swim lessons	659	662	668	639	674	811	744	800	800	900

Sources: Various City departments.