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**CITY OF LEAWOOD, KANSAS  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**  
*For The Year Ended December 31, 2012*

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*Report prepared by Department Of Finance*

*Dawn Long, Finance Director*

*Theresa Lodde, Senior Accountant*

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## **Introductory Section**

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# City of Leawood

4800 Town Center Drive • Leawood, Kansas 66211 • (913) 339-6700  
(913) 339-6781 Fax

April 22, 2013

The Honorable Mayor,  
Members of the City Council  
and the Citizens of Leawood, Kansas:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2012.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, which is based upon a comprehensive framework of internal controls that have been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

This report was prepared by City staff in accordance with general accepted accounting principles (GAAP), which are uniform minimum standards and guidelines for financial accounting and reporting in the United States. This report is intended to provide sufficient information to permit the assessment of stewardship and accountability and to demonstrate legal compliance.

RubinBrown, LLP, Certified Public Accountants, has issued an unqualified opinion on the City of Leawood's financial statements for the year ended December 31, 2012. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

*“As a growing city, Leawood continues to contribute to Johnson County. The county is one of the leading local economies in the Midwest, making it a premier business location in the nation. This explains why over the past decade the county’s population has grown to 544,000.”*

Source: 2012-2013 Community Resource guide and Chamber Directory

## ***Profile of the Government***

The City of Leawood is located approximately 10 miles southwest of downtown Kansas City, Missouri, and occupies 14.7 square miles of land in northeastern Johnson County, Kansas. The City estimates its 2012 population to be 32,160. Johnson County encompasses 476 square miles and with a 2012 estimated population of 544,000 is the most populous county in the State of Kansas. The City's land area is approximately 75% developed, and growth is expected to continue albeit at a moderate pace. The City is bounded to the east by the Kansas-Missouri state line and on all other sides by incorporated cities of Johnson County.

The City of Leawood was incorporated as a city of the third class in 1948 with slightly more than 1,000 inhabitants. On December 31, 1998, the City became a city of the first class. The City operates under a Mayor-Council form of government with a City Administrator.

The Mayor is elected on an at-large, non-partisan basis and serves a four-year term. The eight council members are elected (non-partisan) by ward and serve four-year staggered terms of office. Every other year in the even numbered years, an election for council members is held with one council member from each of the four wards being chosen at each election.

The City Administrator is appointed by the Mayor and City Council as the Chief Administrative Officer of the City and is charged with the efficient and effective administration of the City.

The City of Leawood provides a variety of services including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational and cultural activities.

The Shawnee Mission Unified School District No. 512 and the Blue Valley Unified School District No. 229 provide public education services. Johnson County Water District No. 1 provides water services. It should be clearly noted that these self-government entities are not part of the City of Leawood.

*Leawood's first city election was held January 18, 1949.*

*The voters chose their first mayor, R.G. Bentrup as well as five city council members, a city clerk, a city treasurer and a police judge.*

*Since the first mayoral term of 1949 to 1951, Leawood*

*has had 18 Mayors, including the current*

*Mayor, Peggy Dunn. Mrs.*

*Dunn has served as Mayor since 1997 and served as a*

*City Council member for four years prior. Today the*

*Mayor and the eight City*

*Council positions are the only elected positions.*

*Source: Leawood, A Portrait In Time*

By Kansas law, the budget must be approved by the Council and submitted to the County Clerk by August 25<sup>th</sup> of each year. This annual budget serves as the foundation for the City of Leawood's financial planning and control. The budget is prepared by fund, function (e.g. public safety), and department (e.g. police). Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need approval from the City Administrator.

### ***Local economy***

Because of Leawood's location in a region with a varied economic base, the unemployment rate is at a modest 3.2 percent. During the past ten years, the unemployment rate experienced a decade low of 2.5 percent (2004 and 2006), and a decade high of 4.3 percent (2010). The direction of the change in the unemployment rate has mirrored the national economy.

During the past ten years, total expenditures have increased at an average annual rate of 2.8%. General government expenditures have increased at an average annual rate of 5.9%, public safety at 3.2% and parks and recreation is by far the fastest growing at 9%. Public works has decreased at an average of 2.8%. Capital outlay has grown at 11.8%, and debt service has increased at an average of 1.9%.

General government includes much of the staff necessary to support the daily operations of the city including finance, legal, information services, and human resources. Additionally, code and building enforcement and planning are part of this sector and are an integral part of the quality of growth and the overall quality of the community.

A number of public safety positions have been added to manage this aspect of growth. With the emergence of Leawood as a shopping, recreation and dining destination, the life safety of our residents, businesses and visitors is very important. The additional cost for public safety comes from an increase in demand for services and associated personnel costs.

The Public Works expenditures have managed to stay relatively low over the past ten years, considering that significant work to the City streets has taken place during this ten year period. The work included an accelerated street renovation program that began in 2004. It is the goal of the Governing Body to reduce the backlog of streets that do not meet a pavement condition index (pci) rating of not less than 70% within the next ten years.

*After incorporation and until 1953, the City Council met in the Kroh Brothers' barn where they kept lumber and paint. In 1953, the City began renting land and the small, colonial-style City Hall building from Kroh Brothers for \$250 a month. The City later purchased this property at 96<sup>th</sup> & Lee Boulevard. City government operated from that location until 1994, when the new City Hall opened at 4800 Town Center Drive.*

Source: Leawood, A Portrait In Time

Debt service increased 1.9% over the last ten years as the city has continued to build many of its buildings, parks and other amenities. During the last ten years, the City has invested considerable funds for new amenities in many areas of Leawood, notably in the Parks and Recreation Department. Correspondingly there has been an increase in the growth of the Parks and Recreation operating budget.

***Long-term financial planning***

The unassigned fund balance in the general fund (33% of total general fund expenditures) falls well above the policy guidelines set by the Council for budgetary and planning purposes (i.e. between 8.33 and 15 percent of total general fund expenditures).

The City’s continued control over expenditure growth has been, and will continue to be, a key factor in maintaining the City’s strong financial position. The City Council has wisely taken advantage of the past years’ financial prosperity to secure the future stability of the City. The conservative budgets that were passed in prior fiscal years have contributed to this overall financial philosophy.

***Relevant financial policies***

The Governmental Accounting Standards Board (GASB) issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This Statement’s objective is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position. GASB also issued Statement No. 65, Items Previously Reported as Assets and Liabilities. The objective of this Statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). The City has chosen to early implement Statement No. 65 in conjunction with Statement No. 63 in the current year. There were no other significant changes in existing City financial policies during the year.

***SUSTAINING THE FUTURE***

*The average home in Leawood is appraised around \$427,525; reflecting homeowners’ demand for the kind of housing Leawood offers – everything from elegant, stately older homes, to exclusive estates, to newly constructed higher-end subdivisions.*

*Leawood is proud to be home to many of the Kansas City metropolitan area’s most upscale neighborhoods.*

Source: 2012-2013 Community Resource Guide and Chamber Directory



**Major initiatives**

In 2012 the City of Leawood retained its AAA bond rating, continuing to ensure the Leawood business community and its residents that the City remains a solid investment opportunity for the Nation’s capital markets.

Last year, the City’s property tax levy rate was the second lowest amongst all of the cities of the first class in the State of Kansas.

In 2012 the City played a role in stimulating the local economy by breaking ground on our new Justice Center. This 92,000 square-foot facility and garage being erected by Titan Built Construction Company is located at Town Center Drive and Tomahawk Creek Parkway. It will house the City’s Police Department, Municipal Court, Legal Department and Information Services Department. The Justice Center will be constructed without issuance of bonds and free from debt-financing.

In another major public improvement endeavor, the City initiated a \$20 million dollar curb and gutter replacement program over a four-year period starting in 2013. The reason for this rehabilitation program is due to undetected faulty base material that was contained in the concrete installed, not only in Leawood, but also throughout the metropolitan area between 1983 and 1999. The City will debt-finance this program.

As for the private sector activity, the City issued almost 2,500 building permits, including 70 new residential permits, representing a three-fold increase over 2011. We are very pleased that the housing market is now showing tremendous strength. For large, commercial construction project activity, we ranked third in Johnson County.

Once again, Park Place took star billing this past year with the commencement of the construction of the AMC Global Headquarters. The 160,000 square-foot “iconic” office building will be the corporate home for nearly 500 associates and private contractors. Although the completion date is not slated until early summer of 2013, from what has been built to date, it is already evident that the structure clearly displays their esteemed position in the entertainment business.

**AAA**

*Moody’s highest Aaa rating*

*Reflects the City’s affluent*

*tax base in the Kansas City*

*metropolitan area; well*

*managed financial*

*operations that are expected*

*to continue despite budgeted*

*transfers from the General*

*Fund; alternate liquidity*

*provided by the city’s*

*Capital Fund reserves; and*

*debt levels that are expected*

*to remain affordable.*

Source: Moody’s Investors Service, September 3, 2009

AMC was not the only new corporation to decide to locate at Park Place in 2012. Last year saw the arrival of the prestigious Archer Foundation, which is dedicated to fostering entrepreneurial achievement and educational opportunities for students and single mothers; the Benjamin F. Edwards Brokerage; the law firm of Douthit, Frets, Rouse, Gentile & Rhodes; the Regus Virtual Office Company; and ACT Dental.

Several new retailers also opened their doors in 2012 at Park Place. These included Alysa Rene Boutique, a trend-setter of women's clothing and accessories; Geno's Clothiers, featuring international clothing and accessories for men; and Luxe Women's Apparel. Title Nine, with women's athletic attire; Pinot's Palette Painting Studio; KC Fine Cabinetry; Romanelli Sun Galleria; and Sweetpea & Company, specializing in children's wear, will be arriving in spring of 2013.

2012 saw a plethora of new corporations, businesses and retailers decide to make Leawood their home.

The new corporations included Ascend Learning and Morgan Stanley at the Hallbrook Office Center; trucking company Murphy Hoffman's corporate headquarters at the Tomahawk Creek Business Park; iModules on College Boulevard; CoreFirst Bank & Trust at Leawood Plaza; and SelectQuote Senior Insurance Services at 89<sup>th</sup> and State Line Road.

The new owners of Town Center Plaza, Glimcher, acquired One Nineteen and renamed the shopping center Town Center Crossing. Glimcher reported that their reasoning behind the acquisition was to allow the two shopping centers to work in tandem with each other and make both of these very successful centers even more prosperous.

New business and retailers included Evan Talan Homes in the city's Bi-State/Centennial Business Park; BMO Harris Bank at Leawood Commons and on State Line Road; Citizens Bank and Jazzercise at Leawood Corporate Manor; Wipe & Restore Computer Repair and Swim U at Market Square Center; Reese & Nichols at Parkway Plaza; Metcalf Bank at Town Center Plaza; Fusion Fitness and VanBrock's Jewelry at Mission Farms; IXL Martial Arts at the Nall Valley Shops; Bare Essentials Medical Spa, Little Sunshine Preschool and Midwest Dermatology at Iron Horse Centre; Vision Professionals of Leawood and Romanelli's Optix at Parkway Plaza; Feng, Frankly Basic, Love Culture, Orvis, Hot Mama, VaKo Jewels and Express at Town Center Crossing; Best Friends Pet at Leawood

*In November 1949, Leawood bought a 1949 Ford Central 500-gallon-per-minute pumper. Brook Beatty volunteered to serve as the City's first Fire Chief. In 1958 the Leawood Fire Department welcomed its' first paid firefighter. By 1971 the department had 12 paid firefighters and 10 volunteers. Today the department is staffed by 52 paid firefighters and 2 volunteers.*

Source: Leawood, A Portrait In Time

Square; and finally, Madewell, Walgreens, Allen Edmonds and Brooks Brothers at Town Center Plaza.

Oklahoma Joe's Barbeque Restaurant opened in Camelot Court with great fanfare and really, really long lines. Later in the year, Oklahoma Joe's was recognized as the "manliest" restaurant in the county by Men's Health Magazine. However, Oklahoma Joe's was not the only new restaurant to open its doors in Leawood in 2012. The Red Door Grill, a full service restaurant specializing in wood-fired menu items, was also approved to be located in Camelot Court.

The Tavern at Mission Farms, a classic American-styled restaurant, launched at Mission Farms. Renowned for its Midwestern fare, especially its fried chicken and lemon meringue pie, Rye Restaurant was welcomed at Mission Farms in December.

At Park Place, Steve Kerner, opened the doors for Marv's Delicatessen. Styled after the North Shore deli scene of Chicago, the restaurant is named in honor of Steve's father, a true deli fanatic. In response to the overwhelming success of the 801 Chophouse, owner Jimmy Lynch has decided to create a new seafood concept, 801 Fish, offering high-end seafood from around the world. 801 Fish will be located just down the street from 801 Chophouse giving Park Place patrons a new twist on surf and turf.

Jimmy Lynch also added his third dining establishment in Park Place, Pig and Finch, bringing Leawood's first American-style gastropub with international offerings of entrees and beer. Parisi Café, serving Parisi coffees, artisan teas, wine and specialty foods, is to be located next to the recently opened Mestizo Restaurant.

The city's Italian offerings were increased by the opening of Mio, serving classic Italian dishes from many of the distinct regions of Italy, as well as Oliver's Pizzeria at Parkway Plaza. Sammy's Pizza and Pub at Village of Seville also had its debut in 2012.

Several years ago, the city decided to hire Troon Golf to manage the golf course operations. In 2012, the city's Ironhorse Golf Course received Troon Golf, Inc.'s "Most Improved Property" award. In further recognition of Troon's efforts and those of the Ironhorse Golf Course Advisory Board, the Golf Course was also rated No. 4 of the top area public golf courses by the Kansas City Business Journal.

## *SUPERIOR AMENITIES*

*For lunch breaks and after-hours enjoyment, over 50 area restaurants offer a multitude of food choices in a variety of dining environments, certain to fit any appetite or budget.*

Source: 2012-2013 Community Resource guide and Chamber Directory

The Kansas City Business Journal also did a news article on crime rates across the Country. Of the six major cities in Johnson County, Leawood was ranked No. 1, meaning the lowest, in both its violent crime rate and its property crime rate. While the city is not free from crime, the Leawood City Council is extremely committed to the public safety of our community. Leawood has more sworn police officers per capita than any other city in the metropolitan area.

Leawood has maintained its reputation as the shopping and restaurant destination of the metropolitan area. It shows every indication of having no limits with its potential for expansion and an ever-growing, diverse array of quality venues for its citizens and visitors from around the region.

For the past several years, Leawood has continued to thrive despite the downturn in the United States' economy. Leawood continues to provide a good quality of life for its residents. Leawood is, indeed, fortunate. Together we will work hard to sustain our strengths as we continue moving forward on our path of "growth with distinction."

### ***Awards and Acknowledgements***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Leawood for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2011. The City has received this prestigious award for fifteen consecutive years. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated January 1, 2013. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

*Leawood has a first-class park system, which includes 486 acres of parkland.*

*For those who prefer the Serenity of nature, the Tomahawk Creek Greenway Provides a place for*

*Residents to exercise while taking in a peaceful afternoon in the woods.*

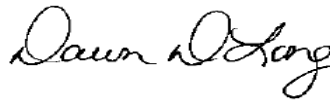
Source: 2012-2013 Community Resource guide and Chamber Directory

We wish to take this opportunity to thank each member of the Governing Body for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. In closing, the preparation of this report was not accomplished without the efficient and dedicated services of key staff in the Finance Department as well as other City departments who assisted and contributed to its preparation. Thank you to each individual involved.

Respectfully submitted,



Scott Lambers  
City Administrator



Dawn D. Long  
Director of Finance



**FRONT ROW** [left to right]:  
Councilmember Andrew Osman, Ward 1  
Councilmember Julie Cain, Ward 4  
Mayor Peggy Dunn  
Councilmember Lou Rasmussen, Ward 2

**BACK ROW** [left to right]:  
Councilmember Carrie Rezac, Ward 3  
Councilmember Jim Rawlings, Ward 2  
Councilmember Gary Bussing, Ward 3  
Councilmember James Azeltine, Ward 4  
Councilmember Debra Filla, Ward 1

*“Growing with Distinction”  
is a fitting motto for a city  
whose landscape is now  
rich with life. Leawood,  
once a barren canvas, is  
now a spectacular work of  
art. Its many artists of the  
past half century have  
painted a strong foundation  
to which future artists will  
add their own unique  
perspectives.*

Source: Leawood, A Portrait In Time

# **CITY OF LEAWOOD, KANSAS**

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## **PRINCIPAL OFFICIALS**

### **Mayor**

Peggy J. Dunn

### **City Council**

Debra Filla  
Andrew Osman  
Louis Rasmussen  
Jim Rawlings  
Gary Bussing  
Carrie Rezac  
Julie Cain  
James Azeltine

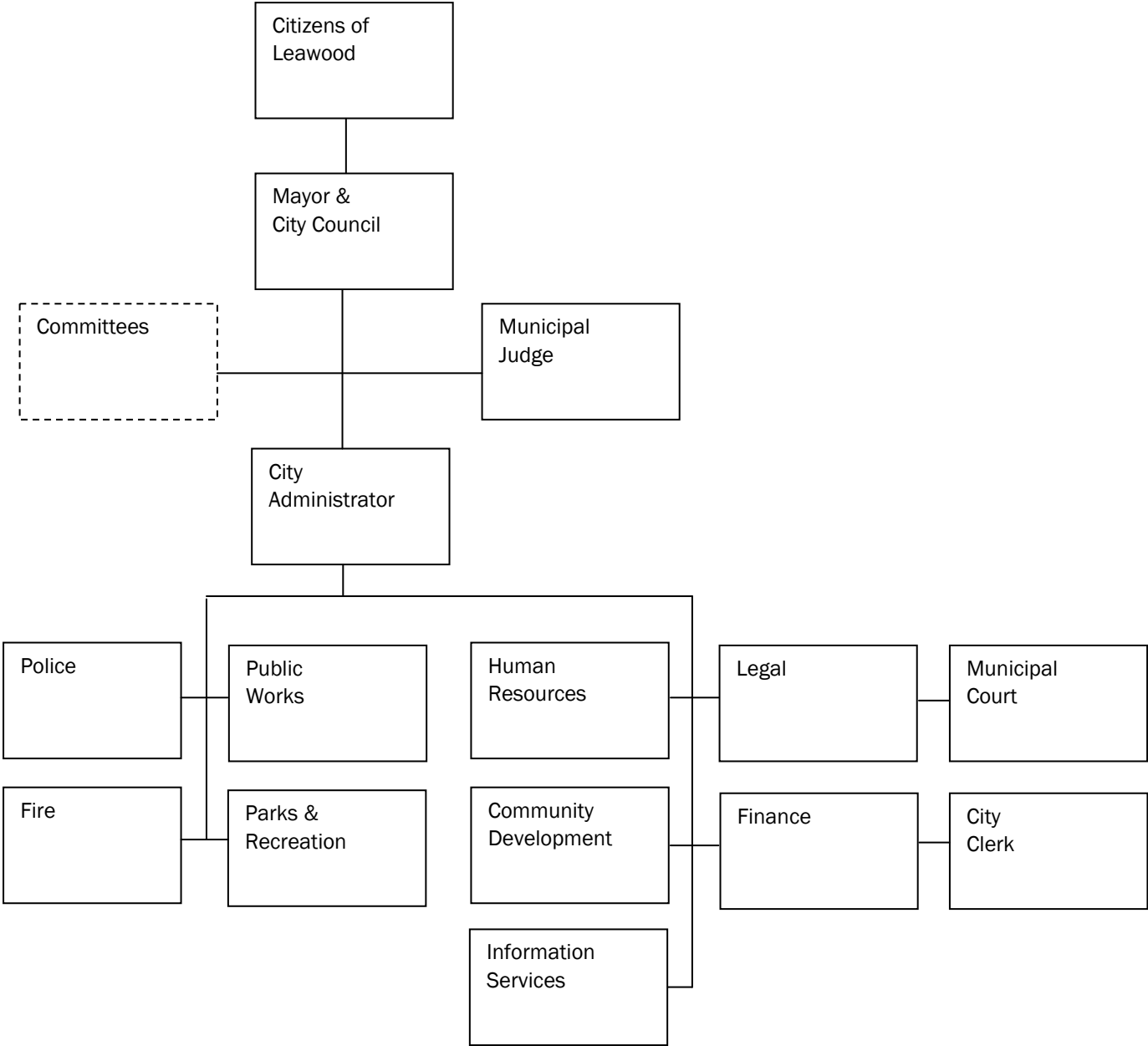
### **City Administrator**

Scott M. Lambers

### **Prepared By Department Of Finance**

Dawn Long, Finance Director  
Theresa Lodde, Senior Accountant

# CITY OF LEAWOOD, KANSAS ORGANIZATIONAL CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Leawood  
Kansas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

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



*Christopher P. Moivell*

President

*Jeffrey R. Emer*

Executive Director



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## **Financial Section**

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& Business Consultants

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## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Leawood, Kansas (the City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility For The Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## **Opinions**

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

## **Change in Accounting Principle**

As discussed in Note 10 to the financial statements, in 2012 the City adopted GASB Statement No. 65, *Items Previously Recognized as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 18, the Budgetary Comparison Information on page 56, the Schedule of Funding Progress on page 57, and the Comparison of Needed-to-Actual Maintenance/Preservation for Streetlights and Traffic Signals on page 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

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

*RubinBrown LLP*

April 22, 2013

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

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# CITY OF LEAWOOD, KANSAS

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## MANAGEMENT'S DISCUSSION AND ANALYSIS Fiscal Year Ended December 31, 2012

The following Management Discussion and Analysis (MD&A) of the City of Leawood's financial performance provides an introduction and overview to the financial activities of the City for the fiscal year ended December 31, 2012. This narrative discussion and analysis focuses on the current year's activities, resulting changes and currently known facts; therefore, the information presented here should be considered in conjunction with additional information furnished in the letter of transmittal and the accompanying basic financial statements.

### FINANCIAL HIGHLIGHTS

#### Government-Wide

- The assets of the City exceeded its liabilities at December 31, 2012 by \$356.4 million (*net position*). Of this amount, \$58.9 million (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$4.7 million as a result of current year's operation. This increase was primarily due to the completion of projects, acquisition of capital assets, and capital assets donated from developers.
- Expenses were \$37.7 million greater than program revenues generated for governmental activities. Taxes, return on investments and other income for \$42.4 million provided sufficient funding for City-wide programs and resulted in a surplus of \$4.7 million for the fiscal year ended December 31, 2012.

#### Fund Based

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$51.6 million. Net changes in fund balances for governmental funds were (\$4.7) million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10.2 million, or 33% of the total General Fund expenditures.
- During the year the City held temporary notes of \$7,615,000. There was long term debt issued in the amount of \$4,685,000 during 2012. It is anticipated that most of the temporary debt will be converted to longer term debt in 2013.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City of Leawood using the integrated approach as prescribed by GASB Statement No. 34.

**Government-Wide Financial Statements**

The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. The statements present governmental activities and business-type activities separately. These statements include all assets of the City (including infrastructure) as well as all known liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to inter-fund activity, payables and receivables.

The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. These statements include all assets, deferred outflows, liabilities and deferred inflows of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in them. Assets and deferred outflows less liabilities and deferred inflows equals net position, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position are one indicator of whether its *financial health* is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's roads.

In the Statement of Net Position and the Statement of Activities, we distinguish the City's functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities).

All of the City's basic services are reported in the governmental activities, including the General Government, Public Safety, Public Works and Parks and Recreation. Property and sales taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities. The City does not report any business-type activities.

The government-wide financial statements can be found on the pages immediately following this section as the first section of the Basic Financial Statements.

**Fund Financial Statements**

The Fund Financial Statements include statements for each of the two categories of activities: governmental and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The fiduciary activities are agency funds, which report a balance sheet, a statement of changes in assets and liabilities and do not have a measurement focus. Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

## **CITY OF LEAWOOD, KANSAS**

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

The Fund Financial Statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

**Governmental Funds** - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between fund balances in the Governmental Fund Financial Statement and net position reported in the Government-Wide Financial Statements are explained in the reconciliation schedule following each of the Governmental Fund Financial Statements.

The governmental fund financial statements can be found in the Basic Financial Statements section of this report.

**Fiduciary Funds** - The City is the trustee, or fiduciary, for certain funds held to account for activities reported in this category which include the receipt of special taxes and assessments used to pay principal and interest on related bonded debt that has no direct City liability, as well as receipt and disbursement of capital project proceeds related to these bonds. The City's fiduciary activities are reported in separate Statements of Fiduciary Assets and Liabilities and Combining Schedule of Changes in Assets and Liabilities.

The fiduciary fund Statement of Fiduciary Assets and Liabilities can be found in the Basic Financial Statements section of this report. The Combining Schedule of Changes in Assets and Liabilities can be found in the Supplementary Information section of this report.

### **Notes To The Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They are presented immediately following the Basic Financial Statements section of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide other post employment benefits to its employees, budgetary comparison schedules for the general fund, and schedules and disclosure of the modified approach for reporting the City's streetlights and traffic signals.



**CITY OF LEAWOOD, KANSAS**

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Management’s Discussion And Analysis (*Continued*)

Combining and individual statements for non-major governmental and fiduciary funds are presented in the Supplementary Information section of this report.

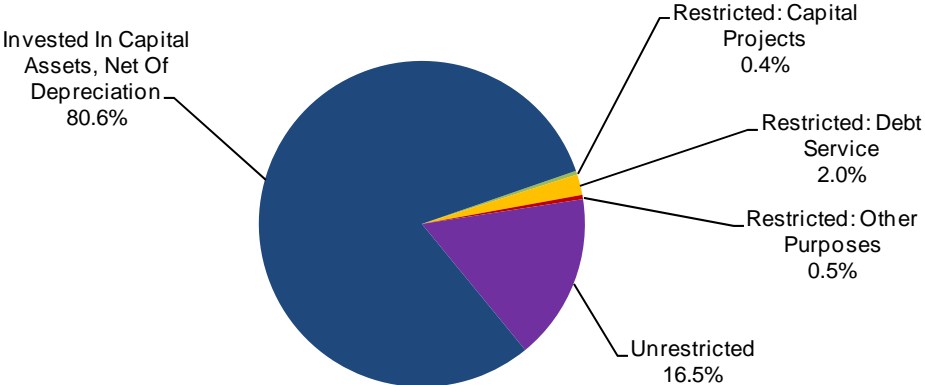
**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

This analysis focuses on the City’s net position and changes in net position of the governmental activities for the fiscal year ended December 31, 2012.

As noted earlier, the net position for the City as a whole increased 1.3% from \$351.7 million at December 31, 2011 to \$356.4 million at December 31, 2012. The largest portion of the City’s net position (80.6%) reflects the investment in capital assets such as land, buildings, machinery and equipment, less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to the citizens of the City of Leawood; therefore, they are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net position (2.9%) represents various resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$58.9 million) may be used to meet the City’s ongoing obligations to citizens and creditors.

The following graph demonstrated the component of the City’s net position at fiscal year ended December 31, 2012:



Consistent with the prior fiscal year, as of the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the government as a whole.

## CITY OF LEAWOOD, KANSAS

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

The following schedule is a condensed version of the City's statement of net position for the year ended December 31, 2012. Comparative data from fiscal year ended December 31, 2011 is also presented.

	<b>Governmental Activities</b>		Change
	<b>2012</b>	<b>2011</b>	
Current and other assets	\$ 82,868,153	\$ 81,571,969	\$ 1,296,184
Long-term receivables	16,490,845	18,264,281	(1,773,436)
Capital assets, net	347,186,520	340,510,130	6,676,390
<b>Total assets</b>	<b>446,545,518</b>	<b>440,346,380</b>	<b>6,199,138</b>
Deferred outflows of resources			
Deferred loss on refunding	943,100	928,671	14,429
<b>Total assets and deferred outflows</b>	<b>447,488,618</b>	<b>441,275,051</b>	<b>6,213,567</b>
Other liabilities	11,712,589	4,730,502	6,982,087
Long-term debt	61,264,679	65,816,139	(4,551,460)
<b>Total liabilities</b>	<b>72,977,268</b>	<b>70,546,641</b>	<b>2,430,627</b>
Deferred inflows of resources			
Deferred revenues	18,065,755	18,977,596	(911,841)
Net position:			
Net investment in capital assets	287,460,684	276,065,957	11,394,727
Restricted	10,126,701	18,822,407	(8,695,706)
Unrestricted	58,858,210	56,862,450	1,995,760
<b>Total net position</b>	<b>\$ 356,445,595</b>	<b>\$ 351,750,814</b>	<b>\$ 4,694,781</b>

## CITY OF LEAWOOD, KANSAS

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

The City's programs for governmental activities include general government, public safety, public works and parks and recreation. A comparison of each program's revenues and expenses for the current year and prior year is presented below.

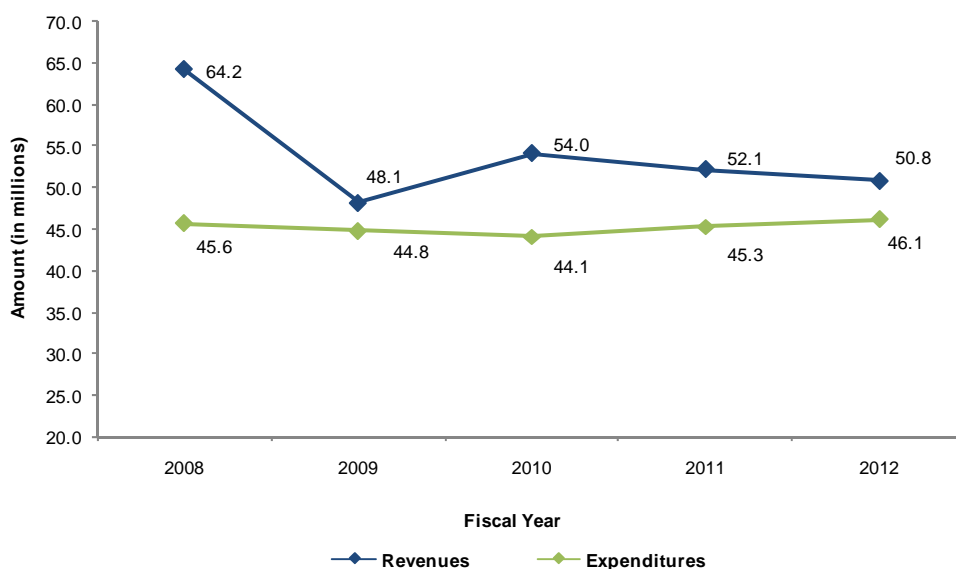
	<u>Governmental Activities</u>		
	<u>2012</u>	<u>2011</u>	<u>Change</u>
Revenues			
Program revenues:			
Charges for services	\$ 6,153,061	\$ 5,967,124	\$ 185,937
Operating grants and contributions	393,409	57,000	336,409
Capital grants and contributions	1,814,607	5,421,018	(3,606,411)
General revenues:			
Property taxes	18,637,320	18,817,100	(179,780)
Sales tax	14,643,273	14,335,987	307,286
Transient guest tax	345,817	271,632	74,185
Franchise tax	3,205,207	3,194,165	11,042
Other taxes	1,427,880	1,317,006	110,874
Grants and contributions not restricted to specific programs	2,812,561	2,361,594	450,967
Unrestricted investment earnings	109,514	152,212	(42,698)
Other	1,223,176	270,781	952,395
Total revenues	<u>50,765,825</u>	<u>52,165,619</u>	<u>(1,399,794)</u>
Expenses:			
General government	6,537,652	6,379,991	157,661
Public safety	14,351,473	14,164,738	186,735
Public works	14,761,231	15,525,753	(764,522)
Parks and recreation	7,703,873	6,732,828	971,045
Interest on long-term debt	2,716,815	2,499,718	217,097
Total expenses	<u>46,071,044</u>	<u>45,303,028</u>	<u>768,016</u>
Change in net position	4,694,781	6,862,591	(2,167,811)
Net position - beginning of year	<u>351,750,814</u>	<u>344,888,223</u>	<u>6,862,591</u>
Net position - end of year	<u>\$ 356,445,595</u>	<u>\$ 351,750,814</u>	<u>\$ 4,694,782</u>

## CITY OF LEAWOOD, KANSAS

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

#### Governmental Activities

Total resources available during the year to finance governmental operations were \$402.5 million consisting of net position at December 31, 2011 of \$351.7 million, program revenues of \$8.4 million and general revenues of \$42.4 million. Total expenses of governmental activities during the year were \$46.1 million; thus, net position increased by \$4.7 million to \$356.4 million. The chart below presents revenues and expenses in governmental activities for the past five years.



The cost of all governmental activities for fiscal year ended December 31, 2012 was \$46.1 million. However, as shown in the Statement of Activities the amount that the taxpayers ultimately financed for these activities was only \$37.7 million because some of the cost was paid by those who directly benefitted from the programs (\$6.2 million), or by other governments and organizations that subsidized certain programs with operating grants and contributions and capital grants and contributions (\$2.2 million). Overall, the City's governmental program revenues were \$8.4 million. The City paid for the remaining "public benefit" portion of governmental activities with \$42.4 million in taxes (some of which could only be used for certain programs) and with other revenues, such as interest and general entitlements.

## CITY OF LEAWOOD, KANSAS

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

The following is an in-depth analysis of the major revenue sources and expenses.

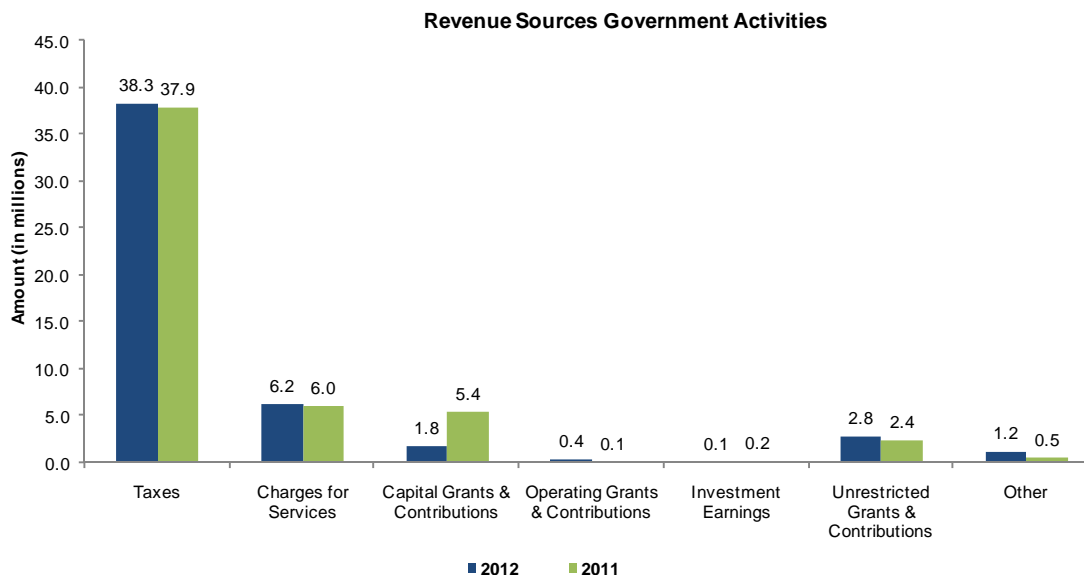
- Charges for services in total in 2012 were \$6,153,061 compared to \$5,967,124 in 2011. The largest increase was in parks and recreation. In 2012, there was \$2,702,437 in parks charges for services compared to \$2,475,831 in 2011. Ironhorse Golf Course generated \$1,583,236 in 2012 compared to \$1,321,809 in 2011. Fines were slightly lower with \$1,581,498 compared to \$1,610,087 in 2011. Building permits were lower but were offset with an increase in plan reviews and re-inspection fees.
- Capital grants and contributions totaled \$1,814,607. \$803,061 was in the form of indirect grants from other governments. Additionally community developers donated \$810,746 in infrastructure and right of way and the City received \$200,800 in donated park land in 2012. There were no special assessments issued in 2012 compared to \$5,155,000 in 2011. This accounts for the largest part of the \$3,606,411 decrease from 2011.
- Property tax collections totaled \$18,637,320, and 98.9% of the current year assessment. In comparison, the 2011 collections, of \$18,202,640, were 98.7% of the assessment.
- Sales and use tax revenue increased from \$14,335,987 in 2011 to \$14,643,273 in 2012. City sales tax increased from \$6,224,627 in 2011 to \$6,698,189 in 2012. City use tax increased from \$1,500,526 in 2011 to \$1,872,628 in 2012. The combination of continued growth in consumer spending along with the opening of several new and unique restaurants and retail destinations has resulted in the increase in other sales and use taxes.
- Investment earnings for 2012 decreased by 28%, due to low interest rates on quality investment options.
- Recognized depreciation expense of \$8,978,073, an increase of \$242,488 over 2011.
- Personnel Services increased to \$22,721,390 in 2012 from \$22,607,937 in 2011.
- Across all divisions, the City capitalized \$5,661,158 in depreciable capital infrastructure during 2012 up from \$3,130,303 in 2011, resulting in a lower net cost of service in 2012.

## CITY OF LEAWOOD, KANSAS

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

The chart below illustrates the total revenue from governmental activities for the fiscal years ended December 31, 2012 and 2011, respectively:



## FUND FINANCIAL ANALYSIS

### General Fund

The General Fund is the chief operating fund of the City of Leawood. Fund balance for the General Fund increased by \$0.4 million for the fiscal year ended December 31, 2012, with an ending balance of \$16.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund operating expenditures. Unassigned fund balance represents 33% of the total General Fund operating expenditures, while total fund balance represents 53.6% of that same amount.

Total fund balance is represented by five components: Nonspendable, restricted, committed, assigned and unassigned. The Nonspendable fund balance of \$0.1 million is essentially the same amount as the prior year. The unassigned fund balance is \$10.2 million in 2012 compared to the 12.5 million in 2011. The Assigned fund balance of \$6.1 is for the budgeted use of fund balance reserves in 2013.

## CITY OF LEAWOOD, KANSAS

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

The table below shows the City's General Fund balance for the past five years.

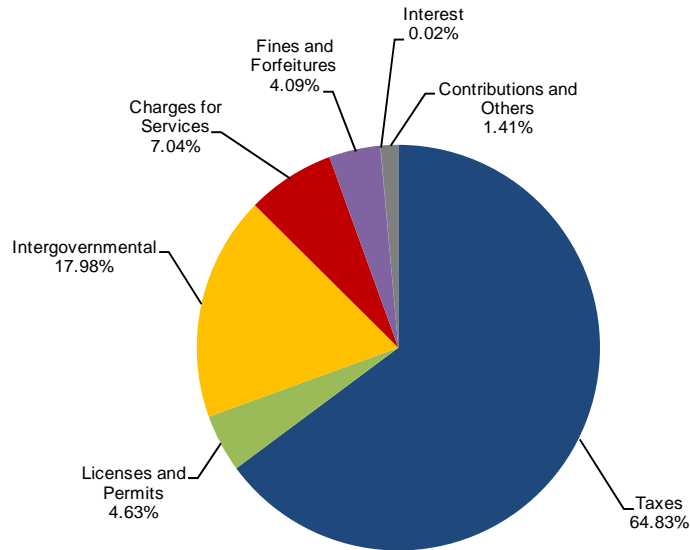
	2012	2011	2010	2009	2008
Fund balance					
Reserved	\$ —	\$ —	\$ 129,411	\$ 130,404	\$ 284,019
Unreserved	—	—	10,951,348	14,553,294	14,399,679
Nonspendable	144,368	123,850	—	—	—
Assigned	6,051,836	3,399,131	—	—	—
Unassigned	10,222,980	12,461,695	—	—	—
<b>Total fund balance</b>	<b>\$ 16,419,184</b>	<b>\$ 15,984,676</b>	<b>\$ 11,080,759</b>	<b>\$ 14,683,698</b>	<b>\$ 14,683,698</b>
Fund balance - beginning	\$ 15,984,676	\$ 11,080,759	\$ 14,683,698	\$ 14,683,698	\$ 15,154,703
Operating surplus	8,040,454	6,395,895	6,111,241	6,036,307	7,879,892
Transfers	(7,605,946)	(1,491,978)	(9,714,180)	(6,036,307)	(8,350,897)
<b>Fund balance - ending</b>	<b>\$ 16,419,184</b>	<b>\$ 15,984,676</b>	<b>\$ 11,080,759</b>	<b>\$ 14,683,698</b>	<b>\$ 14,683,698</b>

General Fund revenues increased overall by \$0.4 million or 1% over the prior year. General Fund interest revenues decreased by \$36,959 primarily due to the significant drop in interest rates for high quality instruments used to invest idle funds. The weighted average yield on our investment portfolio was .21% this year compared to .24% in 2011. Licenses and Permits increased in 2012 by slightly less than \$10,000. In 2011 there was an increase in building permits for roof replacements after a spring/summer hail storm. In 2012, building permit revenue went back down but there was an increase in plan reviews and inspections due to building growth as the economy starts to recover from prior years. Intergovernmental revenue increased by \$187,169 from 2011 to 2012. This increase is primarily due to an increase in county sales and use tax and motor vehicle tax. Taxes decreased by \$312,325 primarily due to a decrease in property taxes and franchise taxes. Property tax revenues vary from year to year because of the shift in levy between the General and the Debt Service funds. There was also a decrease in gas franchise tax because of mild winter weather conditions in 2012. City Sales tax was \$6,698,189 in 2012 compared to \$6,224,627 in 2011. Fines and forfeitures decreased in 2012 due to a decrease in the number of traffic violations. Lastly, charges for services increased by \$218,000 primarily due to higher golf course greens fees, memberships and other golf revenues.

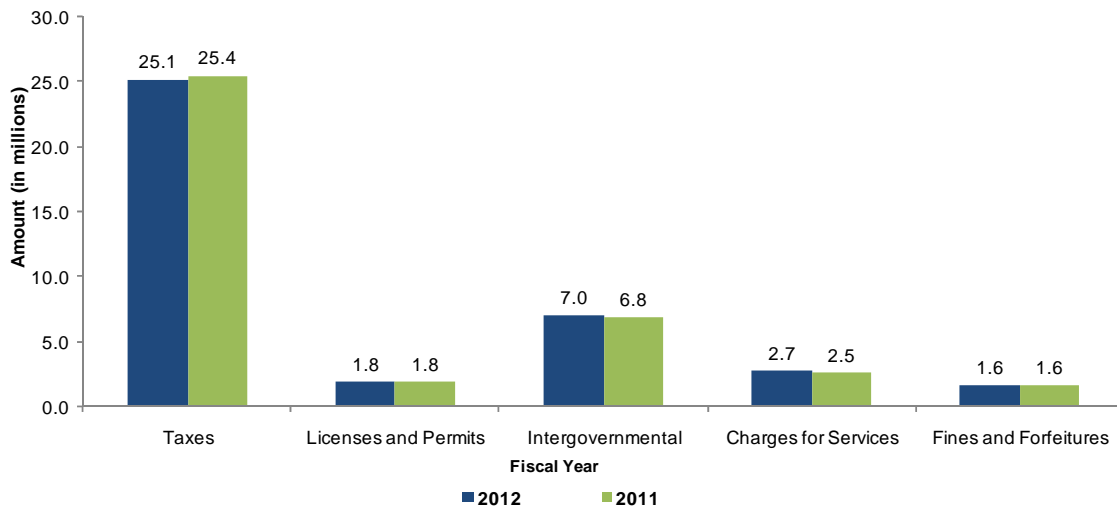
# CITY OF LEAWOOD, KANSAS

## Management's Discussion And Analysis (Continued)

The graph below illustrates General Fund revenues by source.



The graph below presents a comparison of each General Fund revenue source for the fiscal years ended December 31, 2012 and 2011:



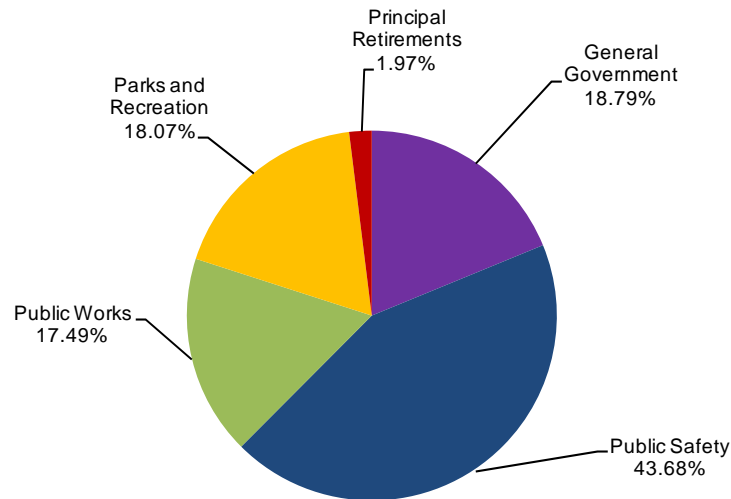
General Fund expenditures decreased overall by \$1.3 million or 4.0%. The largest decreases were in the area of capital outlay for Public Safety at \$1.2 million and capital outlay for Parks and Recreation for \$.2 million. In 2011, there were two capital leases recorded. One was for two fire pumpers and the other for the lease of golf carts. In 2012 there were no new capital leases recorded. General Government, Public Works and Park and Recreation current expenditures showed small increases due to increases in wages and benefits.



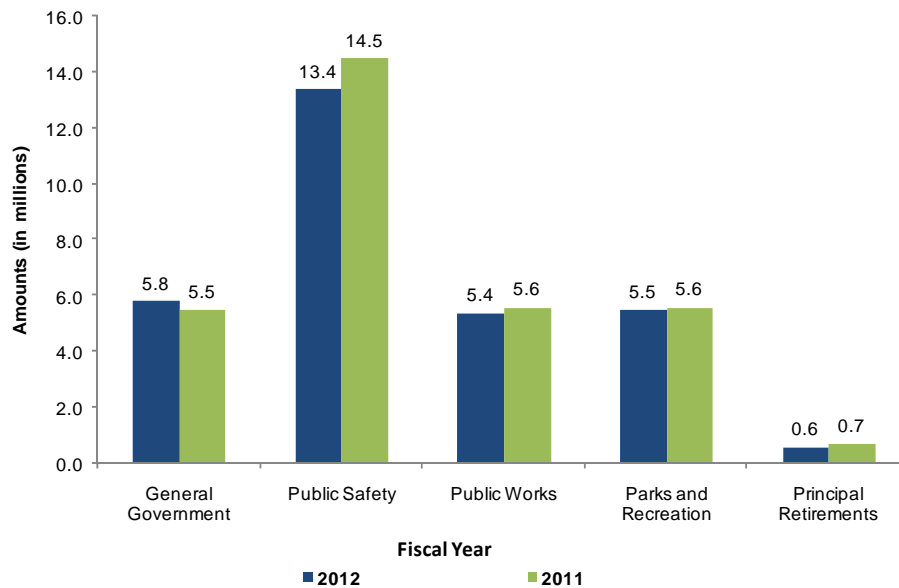
# CITY OF LEAWOOD, KANSAS

## Management's Discussion And Analysis (Continued)

The graph below presents General Fund expenditures by category.



The graph below illustrates a comparison of each expenditure category for the fiscal years ended December 31, 2012 and 2011:



Transfers to other funds increased by \$4.7 million from the prior year. The capital equipment and pay-as-you-go project transfers fluctuate as necessary to fund the C.I.P (Capital Improvement Program) and the Vehicle and Equipment Replacement Schedules.

## CITY OF LEAWOOD, KANSAS

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

#### Other Governmental Funds

The fund balance for the Debt Service Fund increased \$0.3 million from last year. This balance represents 100% of the 2012 annual debt service payments.

The fund balance in the Capital Projects Fund went from \$4.3 million in 2011 to \$3.8 million at the end of 2012. This change in fund balance was a result of the reduction in the bonding of completed projects and expenditures for projects not yet bonded. As the economic growth cycle winds down, the number of outstanding projects are becoming fewer and fewer. Once the projects are completed, the projects will be bonded.

The Capital Improvement Fund had an increase of \$1.5 million in fund balance as a result of the current year's operations. During 2012, there were \$1.9 million in transfers into this fund, compared to no transfers into the fund during 2011. Capital outlay was \$.9 million in 2012 compared to \$2.5 million in 2011.

The Public Safety Improvement Fund had a \$5.6 million dollar decrease in fund balance. Funds have been accumulating in this fund in order to build a new Justice Center. Construction began in 2012 and was approximately 50% completed at the end of 2012. It is anticipated to be completed in 2013. This project will be completed without the issuance of long term debt.

The Municipal Equipment Fund had an ending fund balance of \$9.8 million. This is a decrease of \$0.6 million over 2011. This decrease is due to capital outlay of \$1.4 million in 2012 compared to \$0.9 million in 2011. Transfers into this fund fluctuate as necessary to fund the City's Vehicle and Equipment Replacement Schedules.

#### DEBT ADMINISTRATION

As of December 31, 2012, the City of Leawood had total bonded debt outstanding of \$56,435,000. All of this debt is backed by the full faith and credit of the City.

#### **City of Leawood's Outstanding Debt General Obligation and Revenue Bonds**

	<u>Governmental Activities</u>		
	<u>2012</u>	<u>2011</u>	<u>Change</u>
General obligation bonds	\$ 56,435,000	\$ 61,000,000	\$ (4,565,000)
Revenue bonds	—	185,000	(185,000)
<b>Total</b>	<b>\$ 56,435,000</b>	<b>\$ 61,185,000</b>	<b>\$ (4,750,000)</b>

The City of Leawood achieved its first AAA bond rating from Moody's Investor Service in April 2008 and it was re-affirmed again in August 2012. This bond rating is a clear indication of the sound financial condition of the City of Leawood. This achievement is a primary factor in keeping interest costs low on the City's outstanding debt.

## **CITY OF LEAWOOD, KANSAS**

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

Kansas statutes limit the amount of general obligation debt that a unit of government can issue to thirty percent of the total assessed value of taxable property located within the City's boundaries. The legal debt margin for City of Leawood is \$193,922,842.

Additional information regarding the City of Leawood's long-term debt can be found in Note 9 of this report.

### **CAPITAL ASSETS**

The capital assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. At December 31, 2012, net capital assets of the governmental activities (net position) totaled \$347.2 million. Depreciation on capital assets is recognized in the Government-Wide Financial Statements. Refer to Note 6 for detail regarding capital assets.

The City has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for infrastructure reporting for its streetlights and traffic signals. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) condition assessments and summarizing the results using a measurement scale; and (3) estimation of the annual amounts to maintain and preserve at the established condition assessment level.
- The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

It is the City's policy to maintain and preserve streetlights and traffic signals at least at 85% of their normal operating mode. Street lights and traffic signals are often out of service for the following factors: (1) life of lamp light; (2) accidents by vehicles or contractors who excavate in the City's Right of Ways; (3) weather, such as high winds, rain, snow and ice; and (4) vandalism. During 2012, the City contracted with an outside service provider to perform inspections. The City also relies on citizens to report streetlight and traffic signal outages or malfunctions. The provider performs a monthly visual inspection on the streetlights and traffic signals and reports to the City Engineer. The City's policy is to repair/replace any outages or malfunctions within 48 hours. The average monthly condition assessment for 2012 was 98.7%. For 2012 the city incurred expenditures of \$223,550 compared to the budgeted amount of \$270,000 to maintain the condition assessment level.

## CITY OF LEAWOOD, KANSAS

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

The table below presents summary information on the City's capital assets.

	<b>Governmental Activities</b>		
	<b>2012</b>	2011	Percentage Change
Land/right of way	<b>\$ 118,564,022</b>	\$ 118,554,935	0%
Buildings and improvements	<b>26,992,007</b>	28,058,251	-4%
Machinery and equipment	<b>8,252,216</b>	7,623,063	8%
Infrastructure	<b>180,958,093</b>	183,598,773	-1%
Construction in progress	<b>12,420,182</b>	2,675,108	364%
<b>Total</b>	<b>\$ 347,186,520</b>	\$ 340,510,130	2%

### GENERAL FUND BUDGETARY HIGHLIGHTS

The legally adopted budget for the General Fund was not amended by the Governing Body during 2012.

In total, the General Fund revenues had a positive variance from the final budget by \$1.0 million. Charges for Services had the largest negative budget variance of \$(0.1) million. Taxes, Licenses and Permits and Contributions all showed positive variances totaling \$1.1 million.

The General Fund expenditures of \$30.6 million show a favorable variance of \$4.0 million when compared to the final budget of \$34.6 million. General Government, Public Safety, Public Works and Parks and Recreation all reported positive expenditure variances in 2012. Over \$1.2 million of the savings, were in personnel costs from position vacancies, intentional delays in hiring, as well as reductions in overtime and lower worker' compensation costs. Commodities and professional and contractual support was lower by \$2.8 million. Careful and conservative spending was used throughout the year.

Final budget	\$ 34,644,800
Expenditure actuals	<u>(30,643,460)</u>
Variance under	<u>\$ 4,001,340</u>

### CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Director of Finance, City of Leawood, 4800 Town Center Drive, Leawood, Kansas, 66211 or phone 913-339-6700 ext. 121.

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## **Basic Financial Statements**

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# CITY OF LEAWOOD, KANSAS

## STATEMENT OF NET POSITION

December 31, 2012

	<b>Governmental Activities</b>
<b>Assets</b>	
Pooled cash and investments	\$ 57,170,542
Restricted assets	161,895
Receivables (net of allowance for uncollectibles):	
Property tax	18,065,755
Sales tax	2,817,158
Transient guest tax	123,438
Franchise tax	680,203
Special assessments - current	2,061,055
Intergovernmental	1,465,215
Interest	151,130
Accounts	27,394
Inventory and prepaid expenses	144,368
Special assessments receivable - noncurrent	16,490,845
Capital assets:	
Land and other capital assets, nondepreciable	147,454,611
Other capital assets, net of depreciation	199,731,909
<b>Total Assets</b>	<b>446,545,518</b>
<b>Deferred Outflows Of Resources</b>	
Deferred loss on refunding	943,100
<b>Liabilities</b>	
Accounts payable	2,464,956
Due to employees and others	765,916
Temporary notes payable	7,615,000
Accrued interest payable	704,822
Municipal court deposits	161,895
Long-term liabilities:	
Due within one year	6,608,529
Due in more than one year	54,656,150
<b>Total Liabilities</b>	<b>72,977,268</b>
<b>Deferred Inflows of Resources</b>	
Property tax	18,065,755
<b>Net Position</b>	
Net investment in capital assets	287,460,684
Restricted for:	
Capital projects	1,357,106
Debt service	7,277,174
Other purposes	1,492,421
Unrestricted	58,858,210
<b>Total Net Position</b>	<b>\$ 356,445,595</b>

# CITY OF LEAWOOD, KANSAS

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Assets
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
<b>Governmental Activities</b>					
General government	\$ 6,537,652	\$ 3,185,794	\$ —	\$ —	\$ (3,351,858)
Public safety	14,351,473	138,412	6,888	—	(14,206,173)
Public works	14,761,231	126,418	386,521	1,613,807	(12,634,485)
Parks and recreation	7,703,873	2,702,437	—	200,800	(4,800,636)
Interest on long-term debt	2,716,815	—	—	—	(2,716,815)
<b>Total Governmental Activities</b>	<b>\$ 46,071,044</b>	<b>\$ 6,153,061</b>	<b>\$ 393,409</b>	<b>\$ 1,814,607</b>	<b>(37,709,967)</b>

### General Revenues

Property taxes levied for:	
Property taxes for general purposes	11,452,716
Property taxes for debt service	7,184,604
Sales taxes	14,643,273
Transient guest tax	345,817
Franchise taxes	3,205,207
Other taxes	1,427,880
Grants and contributions not restricted to specific programs	2,812,561
Unrestricted investment earnings	109,514
Miscellaneous	1,223,176
<b>Total General Revenues</b>	<b>42,404,748</b>
Change in net position	4,694,781
<b>Net Position - Beginning</b>	<b>351,750,814</b>
<b>Net Position - Ending</b>	<b>\$ 356,445,595</b>

# CITY OF LEAWOOD, KANSAS

## BALANCE SHEET - GOVERNMENTAL FUNDS December 31, 2012

	General Fund	Debt Service	Capital Projects	Capital Improvements	Public Safety Improvement	Municipal Equipment Reserve	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>								
Pooled cash and investments	\$ 14,215,145	\$ 7,077,115	\$ 11,464,385	\$ 2,789,817	\$ 8,300,951	\$ 9,880,461	\$ 3,442,668	\$ 57,170,542
Restricted assets	161,895	—	—	—	—	—	—	161,895
Receivables:								
Property tax	13,807,233	4,258,522	—	—	—	—	—	18,065,755
Sales tax	2,652,211	—	—	—	—	—	164,947	2,817,158
Transient guest tax	—	—	—	—	—	—	123,438	123,438
Accounts	27,394	—	—	—	—	—	—	27,394
Franchise tax	680,203	—	—	—	—	—	—	680,203
Interest	43,307	17,744	28,730	6,991	20,918	24,850	8,590	151,130
Intergovernmental	345,600	61,042	—	—	—	—	1,058,573	1,465,215
Special assessments	—	18,551,900	—	—	—	—	—	18,551,900
Inventories and prepaids	144,368	—	—	—	—	—	—	144,368
Due from other funds	—	—	—	—	157,187	—	—	157,187
<b>Total Assets</b>	<b>\$ 32,077,356</b>	<b>\$ 29,966,323</b>	<b>\$ 11,493,115</b>	<b>\$ 2,796,808</b>	<b>\$ 8,479,056</b>	<b>\$ 9,905,311</b>	<b>\$ 4,798,216</b>	<b>\$ 99,516,185</b>
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ 514,230	\$ —	\$ 1,328	\$ 9,538	\$ 1,763,726	\$ 114,336	\$ 61,798	\$ 2,464,956
Due to employees and others	765,916	—	—	—	—	—	—	765,916
Due to other funds	157,187	—	—	—	—	—	—	157,187
Temporary notes payable	—	—	7,615,000	—	—	—	—	7,615,000
Accrued interest payable	—	—	42,834	—	—	—	—	42,834
Municipal court deposits	161,895	—	—	—	—	—	—	161,895
<b>Total Liabilities</b>	<b>1,599,228</b>	<b>—</b>	<b>7,659,162</b>	<b>9,538</b>	<b>1,763,726</b>	<b>114,336</b>	<b>61,798</b>	<b>11,207,788</b>
<b>Deferred Inflows Of Resources</b>								
Property tax	13,807,233	4,258,522	—	—	—	—	—	18,065,755
Special assessments	—	18,369,585	—	—	—	—	—	18,369,585
Other	251,711	61,042	—	—	—	—	—	312,753
<b>Total Deferred Inflows Of Resources</b>	<b>14,058,944</b>	<b>22,689,149</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>36,748,093</b>
<b>Fund Balances</b>								
<b>Nonspendable:</b>								
Inventory	144,368	—	—	—	—	—	—	144,368
<b>Restricted For:</b>								
Social services	—	—	—	—	—	—	714,512	714,512
Parks and recreation	—	—	—	—	—	—	650,003	650,003
Tourism promotion	—	—	—	—	—	—	123,438	123,438
Bridges, streets and signals	—	—	—	—	—	—	1,357,106	1,357,106
Debt service reserve	—	7,277,174	—	—	—	—	—	7,277,174
Law enforcement	—	—	—	—	—	—	4,468	4,468
<b>Committed To:</b>								
Equipment purchases	—	—	—	—	—	9,790,975	—	9,790,975
Bridges, streets and signals	—	—	—	—	—	—	1,158,174	1,158,174
Justice center	—	—	—	—	6,715,330	—	—	6,715,330
City art	—	—	—	—	—	—	697,371	697,371
Park improvements	—	—	—	—	—	—	22,874	22,874
Other capital projects	—	—	3,833,953	2,787,270	—	—	—	6,621,223
<b>Assigned To:</b>								
Appropriation of fund balance for 2012	6,051,836	—	—	—	—	—	—	6,051,836
Other purposes	—	—	—	—	—	—	8,472	8,472
<b>Unassigned</b>	<b>10,222,980</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>10,222,980</b>
<b>Total Fund Balances</b>	<b>16,419,184</b>	<b>7,277,174</b>	<b>3,833,953</b>	<b>2,787,270</b>	<b>6,715,330</b>	<b>9,790,975</b>	<b>4,736,418</b>	<b>51,560,304</b>
<b>Total Liabilities, Deferred Inflows And Fund Balances</b>	<b>\$ 32,077,356</b>	<b>\$ 29,966,323</b>	<b>\$ 11,493,115</b>	<b>\$ 2,796,808</b>	<b>\$ 8,479,056</b>	<b>\$ 9,905,311</b>	<b>\$ 4,798,216</b>	<b>\$ 99,516,185</b>



# CITY OF LEAWOOD, KANSAS

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

**Total Fund Balance - Governmental Funds** \$ 51,560,304

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Net Assets the cost of those assets is capitalized and shown at cost or estimated cost, net of accumulated depreciation. This is the amount of net capital assets reported in the Statement of Net Assets. 347,186,520

Long-term assets are not available to pay for current period expenditures and are therefore deferred in the fund statements. 18,682,338

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Deferred loss on refunding	943,100
Unamortized premiums and discounts	(678,834)
Accrued interest payable	(661,988)
Long-term liabilities	(60,585,845)

**Total Net Position Of Governmental Activities** \$ 356,445,595

# CITY OF LEAWOOD, KANSAS

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

	General Fund	Debt Service	Capital Projects	Capital Improve- ments	Public Safety Improve- ment	Municipal Equipment Reserve	Other Govern- mental Funds	Total Govern- mental Funds
<b>Revenues</b>								
Taxes	\$ 25,077,006	\$ 4,621,113	\$ —	\$ —	\$ —	\$ —	\$ 1,182,138	\$ 30,880,257
Licenses and permits	1,789,447	—	—	—	—	—	56,305	1,845,752
Intergovernmental	6,954,265	340,317	—	—	—	—	2,975,423	10,270,005
Charges for services	2,724,439	—	—	—	—	—	—	2,724,439
Fines and forfeitures	1,581,363	—	—	—	—	—	—	1,581,363
Special assessments	—	2,563,491	—	—	—	—	—	2,563,491
Interest	9,130	9,597	53,367	4,361	21,200	635	11,224	109,514
Contributions and others	548,264	—	—	383,567	—	72,279	—	1,004,110
<b>Total Revenues</b>	<b>38,683,914</b>	<b>7,534,518</b>	<b>53,367</b>	<b>387,928</b>	<b>21,200</b>	<b>72,914</b>	<b>4,225,090</b>	<b>50,978,931</b>
<b>Expenditures</b>								
General government	5,759,285	—	—	—	—	—	453,673	6,212,958
Public safety	13,382,889	—	—	—	—	—	—	13,382,889
Public works	5,361,019	—	—	—	—	—	—	5,361,019
Parks and recreation	5,537,052	—	—	—	—	—	9,320	5,546,372
Capital outlay								
General government	—	—	—	—	—	56,502	—	56,502
Public safety	—	—	—	702,747	9,892,519	409,317	—	11,004,583
Public works	—	—	1,193,860	39,618	—	811,419	3,864,860	5,909,757
Parks and recreation	—	—	—	118,977	—	163,082	799,930	1,081,989
Debt service:								
Principal retirement	528,409	5,130,000	—	—	—	—	—	5,658,409
Interest and fiscal charges	74,806	2,121,714	10,912	—	—	—	—	2,207,432
<b>Total Expenditures</b>	<b>30,643,460</b>	<b>7,251,714</b>	<b>1,204,772</b>	<b>861,342</b>	<b>9,892,519</b>	<b>1,440,320</b>	<b>5,127,783</b>	<b>56,421,910</b>
<b>Revenues Over (Under)</b>								
<b>Expenditures</b>	8,040,454	282,804	(1,151,405)	(473,414)	(9,871,319)	(1,367,406)	(902,693)	(5,442,979)
<b>Other Financing Sources (Uses)</b>								
Transfers in	266,000	1,961	—	5,325,000	4,272,691	789,496	1,290,789	11,945,937
Transfers out	(7,871,946)	—	(1,961)	(3,400,000)	—	—	(672,030)	(11,945,937)
Payments to refunding escrow agent	—	(4,287,690)	—	—	—	—	—	(4,287,690)
Premiums	—	295,443	34,326	—	—	—	—	329,769
Refunding bonds issued	—	3,985,000	—	—	—	—	—	3,985,000
Bonds issued	—	—	700,000	—	—	—	—	700,000
<b>Total Other Financing Sources (Uses)</b>	<b>(7,605,946)</b>	<b>(5,286)</b>	<b>732,365</b>	<b>1,925,000</b>	<b>4,272,691</b>	<b>789,496</b>	<b>618,759</b>	<b>727,079</b>
<b>Net Change In Fund Balances</b>	<b>434,508</b>	<b>277,518</b>	<b>(419,040)</b>	<b>1,451,586</b>	<b>(5,598,628)</b>	<b>(577,910)</b>	<b>(283,934)</b>	<b>(4,715,900)</b>
<b>Fund Balances -</b>								
<b>Beginning Of Year</b>	15,984,676	6,999,656	4,252,993	1,335,684	12,313,958	10,368,885	5,020,352	56,276,204
<b>Fund Balances -</b>								
<b>End Of Year</b>	\$ 16,419,184	\$ 7,277,174	\$ 3,833,953	\$ 2,787,270	\$ 6,715,330	\$ 9,790,975	\$ 4,736,418	\$ 51,560,304

# CITY OF LEAWOOD, KANSAS

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

**Net Changes In Fund Balances - Total Governmental Funds** \$ (4,715,900)

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 capital outlays exceeded depreciation in the current period.

Capital outlay	14,727,073
Depreciation expense	(8,978,073)
Loss on disposal of capital assets	(84,155)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Amount of donated assets	1,011,546
Change in deferred revenue for tax revenues	(1,443,718)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of deferred loss on refunding and premiums	(583,672)
Interest expense	74,288
Issuance of long-term debt	(4,685,000)
Premium on long-term debt	(329,769)
Deferred loss on refunding	167,690
Payment of long-term debt	9,778,409
Payments to refunded bond escrow agent	—
Net post-retirement benefits obligation	(251,151)

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 governmental funds.

Compensated absences	7,213
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**Total Changes In Net Position Of Governmental Activities** \$ 4,694,781

# CITY OF LEAWOOD, KANSAS

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## STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS

December 31, 2012

### Assets

Pooled cash and investments	\$ 17,068
Special assessments	<u>5,076,579</u>

### Total Assets

\$ 5,093,647

### Liabilities

Due to employees	\$ 328
Due to other taxing jurisdiction	<u>5,093,319</u>

### Total Liabilities

\$ 5,093,647

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**Notes To Basic Financial Statements**

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# CITY OF LEAWOOD, KANSAS

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## NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2012

### 1. Summary Of Significant Accounting Policies

The City of Leawood, Kansas (the City) became a first class city effective December 31, 1998. The City operates under the Mayor-Council form of government with the addition of a City Administrator. The City covers an area of approximately 15 square miles in northeastern Johnson County, Kansas. The City provides many services to its estimated 32,160 residents, including law enforcement, fire protection, and recreational facilities. Educational services are provided by separate governmental entities.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The more significant accounting and reporting policies established in GAAP and practiced by the City are discussed below.

#### **Reporting Entity**

These financial statements present the City and its component unit, the Leawood Public Building Commission (PBC). As defined by GASB Statement No. 14, as amended by GASB Statement No. 39, component units are legally separate entities that are included in the City's financial statements because of the significance of their operating or financial relationship with the City.

The PBC is a not-for-profit corporation established to acquire assets and construct facilities and infrastructure for the benefit of the City by issuance of revenue bonds. The Public Building Revenue Bonds are payable from annually appropriated funds. The Board of Directors of the PBC is comprised of seven members, who are appointed by the Mayor of the City of Leawood and subject to approval of the City Council. The Mayor serves as the Commission Chairperson.

Although legally separate, the activities of the PBC are included in the General Fund as a blended component unit. No separately issued financial statements are prepared for the PBC.

#### **Basis Of Presentation**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

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

The statement of net position and the statement of activities display information about the City, the primary government, as a whole, with the exclusion of fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

## CITY OF LEAWOOD, KANSAS

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

The Government-Wide Statement of Activities presents a comparison between expenses and program revenues for each program of the governmental activities. Expenses are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the City. All interfund activity, other than interfund services provided and used, has been removed from these statements.

The City's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

#### Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

#### Governmental Funds

The major governmental funds of the City are described below:

##### General Fund

The General Fund is the principal operating fund of the City that accounts for all financial transactions not accounted for in other funds. The majority of the current operating expenditures of the City are financed through revenues received by the General Fund.

##### Debt Service Fund

The Debt Service Fund is used to account for resources to be used for the payment of general long-term debt principal, interest and related costs.

##### Capital Projects Fund

The Capital Projects Fund accounts for the purchase and/or construction of major capital projects. These projects are normally financed by temporary notes and/or general obligation bonds.

## **CITY OF LEAWOOD, KANSAS**

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

#### *Capital Improvements Fund*

The Capital Improvements Fund accounts for the budgeted transfer of monies from other City funds lawfully available for improvement purposes. Funds may be used to finance, in whole or in part, any public improvement need set forth in the adopted capital improvement plan.

#### *Public Safety Improvement Fund*

The Public Safety Improvement Fund accounts for a 4 tenths of one cent public safety sales tax and will be used to construct a Justice Center.

#### *Municipal Equipment Reserve Fund*

The Municipal Equipment Reserve Fund accounts for resources used for the acquisition of City equipment. Monies may be budgeted and transferred to the fund from any source which may be lawfully utilized for such purposes, including equipment use charges on the various departments and agencies of the City.

#### *Fiduciary Funds*

The City maintains seven fiduciary funds, all of which are agency funds. The Employee Giving Fund accounts for amounts withheld from employees for charitable purposes. The Insurance Proceeds Fund was established to account for insurance proceeds received by the City whenever any privately owned building or other structure is damaged as a result of fire, explosion or windstorm. When the insured party meets certain requirements to repair the property to the satisfaction of the City, the funds are returned to the insured party. The Resurrection, Cornerstone, Villaggio, One-Nineteen, and Park Place Transportation Development District Funds account for special assessment and/or sales tax collections along with related payments to bondholders for special assessment debt issued in which the City is not obligated in any manner.

### **Measurement Focus And Basis Of Accounting**

#### *Government-wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or when all eligibility requirements have been satisfied and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. This differs from the manner in which governmental fund financial statements are prepared; therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.



## CITY OF LEAWOOD, KANSAS

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

#### *Governmental Fund Financial Statements*

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

#### *Revenue Recognition*

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available (collectible within the current year or within two months of year end and available to pay obligations of the current period). This includes investment earnings and state-levied locally shared taxes (including motor vehicle fees). Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

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

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Property taxes are recognized as revenue in the government-wide financial statements in the year intended to be financed by those taxes in accordance with provisions of GASB No. 33 and GASB No. 34.

#### *Expenditure Recognition*

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which have not matured are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

#### *Fiduciary Fund Financial Statements*

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. Agency funds are custodial in nature and do not involve the measurement of results of operations. Agency funds apply the accrual basis of accounting, however they do not have a measurement focus.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

## CITY OF LEAWOOD, KANSAS

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

#### **Financial Statement Accounts**

##### *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 "Pooled cash and investments." Interest earned on this pool is allocated to various funds on the basis of the fund's month-end cash balance.

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 365 days to maturity. The average yield on investments during the year was 0.21% and the amount of investment revenue received was \$109,514.

From time to time, the City invests available cash in the Kansas Municipal Investment Pool (KMIP). KMIP is a pooled investment vehicle offered by the State of Kansas as a voluntary investment alternative for municipalities in the State of Kansas. KMIP 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.

##### *Inventories and Prepaid Items*

Inventory included on the City's financial statements is valued at the lower of cost or market, on a first-in first-out basis, and consists of fuel, golf merchandise and food and beverage items. Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items.

##### *Capital Assets*

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads/curbs, bridges, storm drainage systems, etc. acquired in 1948 and after) are reported in the governmental activities columns in the government-wide financial statements. In the governmental fund statements, capital assets are charged to expenditures as purchased. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair value as of the date of the donation.

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the efficiency or capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

## CITY OF LEAWOOD, KANSAS

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

Depreciation on exhaustible assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position. Depreciation is provided on the straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings/building improvements	20 - 40
Machinery and equipment	5 - 15
Infrastructure - storm drainage	75
Infrastructure - streets/curbs	40
Infrastructure - pedestrian bridges	30
Infrastructure - bridges	45

One-half year of depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include the street network, storm drainage network, streetlight network, traffic signal network, and pedestrian and vehicle bridges and buildings combined with the site amenities such as parking and landscaped areas used by the City in the conduct of its business.

The City has elected to use the Modified Approach as defined by GASB No. 34 for infrastructure reporting of its streetlights and traffic signals. Under GASB No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

The City manages the eligible infrastructure capital assets using an asset management system with the characteristics of (1) an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate annual amounts to maintain and preserve at the established condition assessment level. The Modified Approach for these two networks entails the following:

*Streetlights and Traffic Signals* - City owned streetlights and traffic signals are inspected on a monthly basis to determine any outages. The City's standard for the streetlight and traffic signals networks is that 85% of the City's owned streetlights and traffic signals are operating on an annual basis. A monthly report is generated for the City indicating the number of lights that are out. The City Engineer reviews the monthly report to ensure that the 85% operating standard is maintained. Streetlights and traffic signals not owned by the City are not maintained by the City and therefore are not included in the City's capital assets. The City estimates that cost of maintenance of the streetlight and traffic signal systems at 85% on an annual basis to be \$270,000.

## CITY OF LEAWOOD, KANSAS

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

#### *Deferred Outflows Of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

#### *Compensated Absences*

Under terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts, based upon length of service. In the event of termination or separation, an employee is paid for accumulated vacation. Employees are not paid for accumulated sick leave upon termination, except for employees hired before January 1, 1984 who were allowed to carry over sick leave benefits accumulated prior to January 1, 1984. These benefits are payable to the employee upon retirement and are not payable if the employee is terminated before retirement. Accrued vacation and pre-1984 sick leave is recorded as a long-term liability of the City.

#### *Long-Term Liabilities*

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, capital leases, net other post employment benefit obligations, and accrued compensated absences. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method which approximates the effective interest method.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

## CITY OF LEAWOOD, KANSAS

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

#### *Deferred Inflows Of Resources*

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has nonexchange revenue transactions where a receivable has been recorded because property taxes were levied, but the resources cannot be used until a future period. This item has been reported as a deferred inflow on the government-wide statement of net position.

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

#### *Special Assessments*

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of bonds are recorded as revenue for the appropriate project. Special assessments received after issuance of bonds are recorded as revenue in the Debt Service 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 various periods, and the annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. Special assessment taxes levied are a lien on the property and are recorded as special assessment receivable in the Debt Service Fund with a corresponding amount recorded as deferred inflow of resources in the fund financial statements.

#### *Interfund Receivables and Payables*

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Those related to the purchase of goods and services are classified as "due to and from other funds." Short-term interfund loans are reported as due to and due from other funds. Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between governmental funds are eliminated in the statement of net position.

#### *Interfund Transfers*

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated unless interfund services were provided.

## CITY OF LEAWOOD, KANSAS

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

#### *Equity Classifications*

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

1. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, related premiums or discounts, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. *Restricted net position* - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. *Unrestricted net position* - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

1. *Nonspendable* - Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
2. *Restricted* - Assets with externally imposed constraints, such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws, or regulations.
3. *Committed* - Assets with a purpose formally imposed by ordinance of the City Council, binding unless modified or rescinded by the City Council through a similar action.
4. *Assigned* - Assets constrained by the expressed written intent of the City Council, City Manager, Director of Resource Management, or designee. Encumbrances shall be considered as assigned unless they specifically meet the requirements to be restricted or committed.
5. *Unassigned* - All amounts not included in the other fund balance classifications. The general fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

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

**Estimates**

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, expenditures, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

**2. Stewardship, Compliance And Accountability**

**Budgetary Control**

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute) and the Debt Service Fund. Special Revenue Funds requiring a legally adopted budget include the Special Alcohol Fund, the Special City Highway Fund, the Special Parks and Recreation Fund and the Special Law Enforcement Fund. A legal operating budget is not required for Capital Projects Funds.

The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

The annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized on the modified accrual basis. Expenditures include disbursements and accounts payable.

The statutes permit transferring budgeted amounts between line items within an individual fund by management. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds.

## **CITY OF LEAWOOD, KANSAS**

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

The statutes allow for the governing body to increase the originally adopted expenditure budget for a fund for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The reported budgetary data represents the approved budget as adopted by the City Council.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the Governing Body. The legal level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriate amount) is at the fund level.

Kansas statutes prohibit cities from creating indebtedness unless there is money on hand in the treasury and unencumbered by previous commitments with which to pay the indebtedness. The execution of a contract, or the issuing of a purchase order, automatically encumbers the money for the payment of the amount represented by the commitment. An exception to this cash basis law is the issuance of debt, in the form of bonds, notes, or warrants, pursuant to statutory authority, referendum, or by the State Board of Tax Appeals. In the event debt is issued, funds need not be on hand for future payments.

### **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, 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 20 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are recorded as taxes receivable with a corresponding amount recorded as deferred inflows on the balance sheets of the appropriate funds. It is not practical to apportion delinquent taxes held by the County Treasurer at the end of the year and, further, the amount thereof is not material in relationship to the basic financial statements taken as a whole.



**3. Detailed Notes On All Funds**

**Deposits And Investments**

Kansas statutes authorize the City, with certain restrictions, to invest in open accounts, time deposits, certificates of deposits, KMIP, and U.S. Treasury securities. All deposits with banks are collateralized at 105% of market value, as required by the City's Cash and Investment Policy and State Statute, less insured amounts.

The City maintains a cash and investment program to pay for operating and capital requirements. The investment program consists of deposits, repurchase agreements, certificates of deposit, and U.S. Treasury securities. Nearly all maturities of securities were less than one year. At December 31, 2012, the bank balance, certificates of deposits and repurchase agreements were \$24,194,225, which were covered by federal depository insurance or collateral held in safekeeping in the City's name.

Cash and investments are pooled. Investment income is allocated to the funds based on the respective cash and investment balances.

A reconciliation of cash and investments with the statement of net position, as well as a summary of the City's cash and investments is as follows:

Cash on hand	\$	4,536
Carrying amount of deposits		12,937,545
Investments		<u>44,407,424</u>
Total cash and investments	\$	<u><u>57,349,505</u></u>
Pooled cash and investments	\$	57,170,542
Restricted cash		161,895
Cash and investments - agency funds		<u>17,068</u>
Total pooled cash and investments	\$	<u><u>57,349,505</u></u>

*Custodial Credit Risk*

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize the demand deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name.

## CITY OF LEAWOOD, KANSAS

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

At December 31, 2012, the City's deposits were fully collateralized by federal depository insurance and securities held in the City's name by their financial institution's agent. Accordingly, management has determined that none of the City's deposits were exposed to custodial credit risk as of December 31, 2012.

#### *Interest Rate Risk*

As a means of managing its exposure to fair value losses arising from increasing interest rates, the City's policy is to limit its investments to securities with stated maturities not exceeding two years. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

The following table shows the City's investment portfolio broken down into maturity ranges.

	Amount	Maturity		
		6 Months Or Less	6 - 12 Months	12 - 24 Months
U.S. Treasury Notes	\$ 33,392,477	\$ 14,037,360	\$ 9,072,132	\$ 10,282,985
Repurchase agreements	11,014,947	11,014,947	—	—
	<u>\$ 44,407,424</u>	<u>\$ 25,052,307</u>	<u>\$ 9,072,132</u>	<u>\$ 10,282,985</u>

#### *Foreign Currency Risk*

Foreign currency risk is the risk that fluctuations in exchange rates can lead to a loss in value of assets denominated in foreign currencies. The City investment policy does not allow for foreign currency denominated investments and, as a result, the City has no investments exposed to foreign currency risk. All investments are in U.S. dollars.

The City has an investment policy that regulates investments in securities that have objectives of safety in principal, liquidity with all investments in U.S. dollars, and investment returns optimized within the constraints of safety and liquidity. Eligible securities are specific to Kansas State Statutes. All securities owned by the City are in conformance with the investment policy.

#### *Credit Risk and Concentrations of Credit Risk*

Credit risk is the risk that an entity will not be able to honor its commitments in the event of liquidation. The City manages credit risk by requiring all investments, including the use of any external investment pools be AAA rated by nationally recognized rating agencies. All securities held by the City meet the credit quality objective.

## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements (Continued)

Additionally, the following table summarizes the City's policy limitations on investment concentration:

<u>Investment Type</u>	<u>Maximum Percentage</u>
Repurchase Agreements	40%
Collateralized Time and Demand Deposits	100%
U.S. Treasury Notes and Bills	100%
Kansas Municipal Investment Pool	30%
Bank Trust Department Municipal Pools	10%

Presented below is the actual rating by Standard and Poor's Investor Service 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>Fair Value</u>	<u>Rating As Of December 31, 2011</u>	<u>Percentage</u>
U.S. Treasury Securities	\$ 33,392,477	**	75.2%
Repurchase agreements	<u>11,014,947</u>	AAA Collateral	24.8%
	<u>\$ 44,407,424</u>		

\*\* Ratings are not required for U.S. Treasury Securities because they are the highest quality securities.

### Property Taxes

The City's property tax is levied and a lien attaches each November 1 on the assessed value as of the prior year January 1 for all property located in the City. Property taxes are due December 20, following the levy date. The taxes are collected by the County and remitted to the City, generally after December 31. The taxes may be paid in full or one-half on or before the due date of December 20, with the remaining one-half due on or before May 20 of the following year.

Assessed values are established by the County Appraiser. The assessed value for property located in the City as of January 1, 2011, on which the 2012 levy was based was \$743,042,296.

The City's property tax levies per \$1,000 (Mills) assessed valuation for the year ended December 31, 2012 recognized as revenue in 2012 were as follows:

	<u>Levy (Mills)</u>
General fund	\$ 18.102
Debt service fund	<u>6.291</u>
	<u>\$ 24.393</u>

# CITY OF LEAWOOD, KANSAS

## Notes To Basic Financial Statements (Continued)

Taxes receivable represent property taxes levied on November 1, 2012 for 2013, which have been recorded as a deferred inflow; delinquent property taxes, City sales taxes, consumers' use tax, and franchise taxes which have been recorded as revenues.

### 4. Intergovernmental Revenues

	General Fund	Debt Service	Other Governmental Funds	Total
Federal:				
Department of transportation	\$ 6,888	\$ —	\$ —	\$ 6,888
State Of Kansas:				
Special Liquor tax	475,960	—	951,920	1,427,880
Gasoline tax	—	—	832,414	832,414
Drug tax	—	—	1,507	1,507
County and local:				
County sales tax	4,435,726	—	—	4,435,726
County consumer's use tax	800,409	—	—	800,409
Motor vehicle tax	1,235,282	340,317	—	1,575,599
Interlocal agreements	—	—	1,189,582	1,189,582
	<u>\$ 6,954,265</u>	<u>\$ 340,317</u>	<u>\$ 2,975,423</u>	<u>\$ 10,270,005</u>

### 5. Interfund Transfers

A summary of interfund transfers by fund type is as follows:

Transfers To	Transfers From				Total
	General Fund	Capital Projects Fund	Capital Improvements Fund	Other Governmental Funds	
<b>Governmental Activities</b>					
General fund	\$ —	\$ —	\$ —	\$ 266,000	\$ 266,000
Debt service fund	—	1,961	—	—	1,961
Capital improvements fund	5,325,000	—	—	—	5,325,000
Public safety improvement fund	872,691	—	3,400,000	—	4,272,691
Municipal equipment reserve Fund	789,496	—	—	—	789,496
Other governmental funds	884,759	—	—	406,030	1,290,789
	<u>\$ 7,871,946</u>	<u>\$ 1,961</u>	<u>\$ 3,400,000</u>	<u>\$ 672,030</u>	<u>\$ 11,945,937</u>

## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements (Continued)

Transfers from/to other funds consisted of the following:

**From The General Fund To:**

Public Safety Capital Improvement Fund	\$ 872,691
Municipal Equipment Reserve Fund for capital expenditures	789,496
Street Improvements Fund for capital expenditures	650,000
Special Highway Fund	160,900
City Art Fund for capital expenditures	73,859
Capital Improvemnets Fund for capital expenditures	5,325,000
	<u>7,871,946</u>

**From Other Governmental Funds:**

From the Special Alcohol Fund to:	
General Fund for expenditures	266,000
From 1/8-Cent Sales Tax Fund to:	
Special City Highway Fund	400,000
From Capital Improvement Fund to:	
Public Safety Capital improvement Fund for reimbursement for land	3,400,000
Park Impact Fund	
Public Art Impact Fund	6,030
	<u>4,072,030</u>

**From Capital Project Fund To:**

Debt Service Fund	1,961
	<u>1,961</u>
	<u>\$ 11,945,937</u>

A summary of amounts due from/to other funds is as follows:

**Governmental Activities**

Due from the General Fund to:

Public Safety Improvement Fund	<u>\$ 157,187</u>
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Amounts due from the General Fund to the Public Safety Improvement Fund result from the lag time certain sales taxes are received by the General Fund that are designated for public safety capital improvements and the time that they are transferred to the Public Safety Improvement Fund.

**CITY OF LEAWOOD, KANSAS**

Notes To Basic Financial Statements (*Continued*)

**6. Capital Assets**

Governmental capital asset activity for the year ended December 31, 2012 was as follows:

	Balance - December 31,			Balance - December 31,
	2011	Increases	Decreases	2012
Governmental activities:				
Capital assets not being depreciated:				
Land and right-of-way	\$ 118,554,935	\$ 215,498	\$ 206,411	\$ 118,564,022
Infrastructure	16,211,636	258,771	—	16,470,407
Construction in progress	2,675,108	10,426,818	681,744	12,420,182
Total capital assets not being depreciated	137,441,679	10,901,087	888,155	147,454,611
Capital assets being depreciated:				
Buildings and improvements	44,739,662	1,001,716	779,653	44,961,725
Machinery and equipment	16,368,428	2,359,981	590,012	18,138,397
Infrastructure	258,817,949	2,978,266	188,250	261,607,965
Total capital assets being depreciated	319,926,039	6,339,963	1,557,915	324,708,087
Less accumulated depreciation for:				
Buildings and improvements	16,681,411	1,504,945	216,638	17,969,718
Machinery and equipment	8,745,365	1,632,068	491,252	9,886,181
Infrastructure	91,430,812	5,841,060	151,593	97,120,279
Total accumulated depreciation	116,857,588	8,978,073	859,483	124,976,178
Total capital assets being depreciated, net	203,068,451	(2,638,110)	698,432	199,731,909
Governmental activity capital assets, net	\$ 340,510,130	\$ 8,262,977	\$ 1,586,587	\$ 347,186,520

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

General government	\$ 448,795
Public safety	912,385
Public works	6,277,424
Parks and recreation	1,339,469
	<u>1,978,073</u>
Total depreciation expense	<u>\$ 8,978,073</u>

## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements (Continued)

#### 7. Capital Projects Authorized

The City has authorized street improvement and building construction projects. The following is a summary of capital projects, project authorization amounts and expenditures to date:

Project Number And Name	Authorized	Project-To-Date	
		At Year End	
80118 Park Improvements	\$ 500,000	\$ 165,168	
80162 143rd Street - Nall to Mission	13,500,000	941,372	
80212 2012 Residential Streets	1,275,000	1,188,605	
80250 2013 Curb Repair/Replacement	5,000,000	37,532	
80550 89th & Mission Stormsewer	1,190,755	8,600	
	\$ 21,465,755	\$ 2,341,277	

#### 8. Temporary Notes

During the year, the City issued a series of temporary notes for the purpose of funding various capital improvement projects.

	Balance January 1, 2012	Additions	Retirements	Balance December 31, 2012
Temporary notes	\$ 2,055,000	\$ 7,615,000	\$ 2,055,000	\$ 7,615,000

Temporary notes consisted of the following at December 31, 2012:

Maturing September 1, 2013:

1.50% General Obligation Temporary Notes \$ 7,615,000

# CITY OF LEAWOOD, KANSAS

## Notes To Basic Financial Statements (Continued)

### 9. Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the City for the year:

	Balance		Balance		Amount
	January 1,	Increases	Decreases	December 31,	Due
	2012			2012	In 2013
<b>Governmental Activities</b>					
General obligation bonds					
to be paid with:					
Tax levies	\$ 40,686,800	\$ 2,565,000	\$ 5,137,900	\$ 38,113,900	\$ 3,379,100
Special Benefit District					
Assessments	20,313,200	2,120,000	4,112,100	18,321,100	1,875,900
Revenue bonds	185,000	—	185,000	—	—
Bond premiums	380,823	329,769	31,758	678,834	—
Total bonds payable	61,565,823	5,014,769	9,466,758	57,113,834	5,255,000
Capital leases	1,752,024	—	343,409	1,408,615	357,502
Compensated absences*	1,252,249	1,515,259	1,522,472	1,245,036	996,027
Net OPEB Obligation	1,246,043	251,151	—	1,497,194	—
<b>Total Governmental</b>					
<b>Activity Debt</b>	\$ 65,816,139	\$ 6,781,179	\$ 11,332,639	\$ 61,264,679	\$ 6,608,529

\* Compensated absences and the net OPEB obligation typically have been liquidated in the general fund.



## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements (Continued)

The detail of debt at December 31, 2012 follows:

#### **Governmental Activities Debt:**

##### **General Obligation Bonds To Be Paid With Tax Levies**

\$10,205,000, Series 2004-A General Obligation Refunding Bonds due in annual installments through September 1, 2020; interest at 2% to 4.13%	\$ 4,015,000
\$3,140,000, Series 2004-B General Obligation Improvement Bonds due in annual installments through September 1, 2024; interest at 3% to 5%	175,000
\$1,032,703, Series 2005-A General Obligation Improvement Bonds due in annual installments through September 1, 2020; interest at 3.05% to 5%	565,000
\$6,050,000, Series 2006-A General Obligation Improvement Bonds due in annual installments through September 1, 2021; interest at 3.75% to 4%	3,620,000
\$6,405,000, Series 2006-B General Obligation Refunding Bonds due in annual installments through September 1, 2020; interest at 3.5% to 4%	5,315,000
\$6,589,322, Series 2007-A General Obligation Improvement Bonds due in annual installments through September 1, 2022; interest at 4% to 4.375%	4,400,000
\$5,417,800 Series 2008-A General Obligation Refunding Bonds due in annual installments through September 1, 2013; interest at 3% to 3.25%	1,105,000
\$3,576,393 Series 2008-B General Obligation Improvement Bonds due in annual installments through September 1, 2023; interest at 3% to 4.2%	2,763,900
\$13,670,000 Series 2010-A General Obligation Improvement Bonds due in annual installments through September 1, 2026; interest at 2% to 4%	13,590,000
\$700,000 Series 2012-A General Obligation Improvement Bonds due in annual installments through September 1, 2024; interest at 2% to 3%	700,000
\$1,865,000 Series 2012-A General Obligation Refunding Bonds due in annual installments through September 1, 2024; interest at 2% to 3%	1,865,000
	<u>38,113,900</u>

## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements (Continued)

#### General Obligation Bonds To Be Paid With Benefit District Assessments

\$155,000, Series 2004-A General Obligation Refunding Bonds due in annual installments through September 1, 2015; interest at 2% to 3.5%	\$ 50,000
\$1,140,000, Series 2004-B General Obligation Improvement Bonds due in annual installments through September 1, 2024; interest at 3% to 5%	75,000
\$3,057,297, Series 2005-A General Obligation Improvement Bonds due in annual installments through September 1, 2020; interest at 3.05% to 5%	1,600,000
\$450,678, Series 2007-A General Obligation Improvement Bonds due in annual installments through September 1, 2022; interest at 4% to 4.375%	300,000
\$1,082,200, Series 2008-A General Obligation Refunding Bonds due in annual installments through September 1, 2013; interest at 3%	90,000
\$6,098,607, Series 2008-B General Obligation Improvement Bonds due in annual installments through September 1, 2023; interest at 3% to 4.2%	4,471,100
\$2,700,000, Series 2008-C Taxable General Obligation Improvement Bonds due in annual installments through September 1, 2023; interest at 5% to 5.375%	1,980,000
\$3,310,000 Series 2010-A General Obligation Improvement Bonds due in annual installments through September 1, 2025; interest at 2% to 4%	2,820,000
\$5,155,000 Series 2011-A General Obligation Improvement Bonds due in annual installments through September 1, 2026; interest at 1.5% to 4.15%	4,815,000
\$2,120,000 Series 2012-A General Obligation Refunding Bonds due in annual installments through September 1, 2019; interest at 2% to 3%	2,120,000
	<u>18,321,100</u>
	56,435,000
Bonds premiums and discounts	<u>678,834</u>
<b>Total Bonds Payable</b>	<u><u>57,113,834</u></u>

#### Capital Leases

\$893,296, Lease for fire vehicles due in annual installments through March 1, 2013; interest at 4.1%	193,172
\$1,190,486, Lease for fire pumpers due in annual installments through March 24, 2021; interest at 3.99%	1,091,283
\$247,670, Lease for golf carts due in annual installments through March 1, 2014; interest at 2.98%	124,160
<b>Total Capital Leases</b>	<u><u>1,408,615</u></u>

#### Compensated Absences

1,245,036

#### Net OPEB Obligation (Note 11)

1,497,194

\$ 61,264,679

## CITY OF LEAWOOD, KANSAS

### Notes To Basic Financial Statements (Continued)

The annual debt service requirements to amortize the City's bonds and capital lease obligations at December 31, 2012 are as follows:

	Governmental Activities					
	Governmental		General Obligation Bonds		Total	
	Principal	Interest	Benefit Districts Principal	Interest	Principal	Interest
2013	\$ 3,379,100	\$ 1,312,646	\$ 1,875,900	\$ 618,174	\$ 5,255,000	\$ 1,930,820
2014	3,454,000	1,195,804	1,776,000	564,447	5,230,000	1,760,251
2015	3,519,000	1,082,879	1,761,000	515,182	5,280,000	1,598,061
2016	3,364,000	964,762	1,746,000	462,037	5,110,000	1,426,799
2017	3,459,000	844,327	1,746,000	404,727	5,205,000	1,249,054
2018 - 2022	15,969,900	2,358,813	6,890,100	1,201,140	22,860,000	3,559,953
2023 - 2027	4,868,900	377,174	2,526,100	199,969	7,395,000	577,143
2028 - 2032	100,000	4,400	—	—	100,000	4,400
	\$ 38,113,900	\$ 8,140,805	\$ 18,321,100	\$ 3,965,676	\$ 56,435,000	\$ 12,106,481

	Capital Leases	
	Principal	Interest
2013	\$ 357,502	\$ 55,162
2014	170,268	41,303
2015	111,557	35,146
2016	116,008	30,695
2017	120,637	26,066
2018 - 2022	532,643	54,169
	\$ 1,408,615	\$ 242,541

All debt has been issued either to acquire or construct capital assets, or to refund outstanding debt.

#### Prior Year Defeasance of Debt

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2012, there are \$4,120,000 bonds outstanding that are considered defeased.

Kansas statutes limit the amount of general obligation debt that a unit of government can issue to 30% of the total assessed value of taxable property located within the City's boundaries. The legal debt capacity for the City of Leawood is \$193,922,842.

## CITY OF LEAWOOD, KANSAS

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

#### Advance Refunding

On August 6, 2012, the City issued \$4,685,000 of Series 2012-A General Obligation Refunding Bonds and Improvement Bonds with interest rates from 2% to 3%. A total of \$3,985,000 principal amount of the Series 2012-A Bonds and other available funds were used to refund \$2,010,000 of the outstanding portion of the Series 2003-A and \$2,110,000 of the outstanding portion of the Series 2004-B General Obligation Special Assessment Bonds and General Obligation Bonds, with interest rates ranging from 3.25% to 4.5%. The net funds available of \$4,287,690 were deposited in an irrevocable trust with an escrow agent to provide for future debt payments on the 2003-A and 2004-B bonds. As a result, the 2003-A and 2004-B bonds are considered defeased and the related liability for these bonds has been removed from the long-term debt.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$167,690. This amount is reported as a deferred outflow of resources and is amortized over the remaining life of the refunded debt using the straight-line method. The City completed this refunding to reduce its debt service payments by \$440,586 and obtain an economic gain of \$411,823.

#### Capital Leases

As discussed above, the City has land and equipment under capital leases. To account for financing leases of governmental activities, the City charges payments made during the fiscal period as debt service in the governmental fund financial statements. In the year that the asset is received, the City records the present value of future lease payments as capital outlay expenditure and as an offsetting other-financing source in the governmental fund financial statements. The present value of payments due in future periods is shown as a liability, and the gross amount is recorded as a capital asset, net of accumulated amortization, in the statement of net position. As of December 31, 2012, the gross amount of capital assets under capital leases was \$2,414,175 in equipment, with net accumulated amortization of \$564,364.

## CITY OF LEAWOOD, KANSAS

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### Notes To Basic Financial Statements (Continued)

#### Transportation Development District (TDD) Bonds

The City issued the following no-commitment special assessment bonds related to four City transportation development districts as follows:

\$490,000, Series 2006 Taxable Transportation Development District Special Obligation Bonds due in annual installments through September 1, 2021; interest at 8% (Cornerstone Project)	\$ 310,000
\$170,000, Series 2006 Taxable Transportation Development District Special Obligation Bonds due in annual installments through September 1, 2021; interest at 8% (Resurrection Project)	110,000
\$835,000, Series 2007 Taxable Transportation Development District Special Obligation Bonds due in annual installments through September 1, 2022; interest at 7.5% (Villaggio Project)	635,000
\$2,985,000 Series 2010-B Taxable Transportation Development District Special Obligation Bonds due in annual installments through December 1, 2030; interest at 8.500% (One Nineteen Project)	2,180,000
\$1,615,000 Series 2012 Taxable Transportation Development District Special Obligation Bonds due in annual installments through December 1, 2032; interest at 7.500% (One Nineteen Project)	1,615,000
	<hr/>
	\$ 4,850,000
	<hr/>

The City is in no way liable for repayment of these bonds, but is only acting as agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings. Accordingly, collection and repayment activity associated with these debt issuances has been reported in agency funds.

**CITY OF LEAWOOD, KANSAS**

Notes To Basic Financial Statements (*Continued*)

**10. Change In Accounting Principle**

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

<u>Item</u>	<u>New Classification</u>	<u>Amount</u>
Deferred loss on refunding (previously included in bonds payable, net)	Deferred outflow of resources	\$ 943,100
Bond issuance costs (the unamortized portion was previously reported as an asset)	Outflow of resources	462,167
Revenue in governmental funds not collected within 60 days of year end (previously reported as a liability)	Deferred inflow of resources	18,682,338
Property tax billed, but levied for the next year's budget (previously reported as a liability)	Deferred inflow of resources	18,065,755

**11. Other Information**

**Commitments And Contingencies**

Encumbrances

Listed below are the encumbrances by fund for the City:

	<u>Capital Projects</u>	<u>Capital Improvements</u>	<u>Public Safety Improvement</u>	<u>Municipal Equipment Reserve</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Committed To:</b>						
Public Works	\$ 234,232	\$ 9,995	\$ —	\$ —	\$ 208,885	\$ 453,112
Public Safety	—	8,459	11,684,956 *	6,844	—	11,700,259
Parks and Recreation	—	—	—	26,000	124,411	150,411
<b>Total Encumbrances</b>	<b>\$ 234,232</b>	<b>\$ 18,454</b>	<b>\$ 11,684,956</b>	<b>\$ 32,844</b>	<b>\$ 333,296</b>	<b>\$ 12,303,782</b>

\*The amount encumbered in the Public Safety Improvement Fund is greater than the fund balance. The excess is a budgeted transfer from the general fund in 2013.

## CITY OF LEAWOOD, KANSAS

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

#### Defined Benefit Pension Plan

##### *Plan Description*

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 jointly issue a publicly available financial report that includes financial statements and required supplementary information for each system. The report may be obtained by writing to KPERS (611 S. Kansas Avenue, Suite 100, Topeka, Kansas 66603-3803) or by calling 1-888-275-5737.

##### *Funding Policy*

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. K.S.A. 74-49,210 establishes a second tier program where each participating employer who affiliates for any purpose on or after July 1, 2009, beginning with the first payroll for services performed by an employee on or after July 1, 2009, shall deduct from the compensation of each member 6% of such member's compensation as employee contributions. K.S.A. 74-4975 establishes 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 by statute for calendar year 2012 was 8.34%. The City employer contributions to KPERS for the years ended December 31, 2012, 2011, and 2010 were \$607,200, \$545,414 and \$487,312, respectively, equal to the required contributions for each year. The KP&F uniform participating employer rate established for calendar year 2012 was 17.13%. 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. City contributions to KP&F for the years ended December 31, 2012, 2011 and 2010 were \$1,264,045, \$1,146,080 and \$992,912, respectively, equal to the required contributions for each year.

##### *Supplemental Retirement Programs*

The City offers its non-KP&F employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and/or salary deferral under Section 401(a). Under the plans, the City will match 50 cents on the dollar up to a maximum of 2.5% of the employee's annual salary. Employees may participate in both plans, but the City will only contribute matching funds to one of the plans. Contributions to the plans by the City and employees for 2012 were \$127,215 and \$672,144.

## CITY OF LEAWOOD, KANSAS

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

#### Golf Course

The City's golf course is managed by a professional management firm. Under the terms of the management contract, each year the City and the firm agree on an operating budget, including anticipated revenues and expenditures (which include debt service and management fees) required to operate the golf course. In the event of a revenue shortfall, the City is obligated to advance monies for operations. In the event of an excess of revenues over expenditures, the City is to receive the excess less an agreed-upon contingency amount.

#### Federal and State Grants

The City has received financial assistance from various federal and state agencies in the form of grants and entitlements. These programs are subject to audit by agents of the granting authority. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the City.

#### 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, including medical and pharmacy coverage. There is no separate audited statement for this plan. 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 active 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).

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.



## CITY OF LEAWOOD, KANSAS

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

#### *Annual OPEB Cost and Net OPEB Obligation*

The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. 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. 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	\$	138,384
Amortization of unfunded actuarial accrued liability		<u>167,663</u>
Annual required contribution (ARC)		306,047
Interest on net OPEB obligation		74,763
Adjustment to annual required contribution		<u>(90,524)</u>
Annual OPEB cost	\$	<u><u>290,286</u></u>
Contributions made:		
Claims and fees paid on behalf of retirees	\$	133,650
Less: Retiree contributions		<u>94,515</u>
Net employer contributions		<u><u>39,135</u></u>
<b>Change In Net Pension Obligation</b>		251,151
<b>Net OPEB Obligation, December 31, 2011</b>		<u>1,246,043</u>
<b>Net OPEB Obligation, December 31, 2012</b>	\$	<u><u>1,497,194</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010, 2011 and 2012 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2010	\$ 292,685	12.22%	\$ 976,994
December 31, 2011	293,687	8.39%	1,246,043
December 31, 2012	290,286	13.48%	1,497,194

#### *Funded Status and Funding Progress*

As of December 31, 2012, the plan was not funded. The actuarial accrued liability for benefits was \$2,307,851, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,307,851. The covered payroll (annual payroll of active employees covered by the plan) was \$15,651,755 and the ratio of the UAAL to the covered payroll was 14.74%.

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

*Actuarial Methods and Assumptions*

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

In the January 1, 2011 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 6% 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, and an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 6% after nine years. The inflation rate assumption is 2.2% and there are no projected salary or post-retirement benefit increases used in this valuation. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012 was 24 years.

**Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. All potential claims, claims expenditures, and/or liabilities are reported immediately when it becomes evident that a loss has occurred or a claim may be made.

The City has addressed potential risk by purchasing various commercial insurance policies for certain insurable causes of loss. These policies cover property including buildings, contents, extra expenses, physical damage to vehicles, and contractor's equipment for direct damage due to many perils, including flood and earthquake.

## CITY OF LEAWOOD, KANSAS

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

In addition, the City carries insurance for instances in which the City is held to be legally liable for bodily injury and property damage. Coverage includes general liability, firefighter's liability, automobile liability, physical damage to vehicles, law enforcement liability, employee dishonesty, public official's liability and excess liability coverage. The coverage provides \$500,000 limits per occurrence for all claims capped by the Kansas Tort Claims Act (KTCA). Liabilities that fall outside the KTCA are insured to an additional \$10,000,000 in excess liability limits with exception of Employment Practices Liability and Employee Benefit Plan Administration Liability which is covered up to \$2,000,000. Other miscellaneous coverage purchased includes theft of cash/securities and underground storage tank liability.

In certain cases, the City retains risks up to the individual policy deductible amounts and for losses in excess of any amounts not provided by the excess liability insurance coverage. Settled claims have not exceeded the commercial limits in any of the past three fiscal years. During 2012, the City continued to participate in the Kansas Eastern Region Insurance Trust (KERIT) for workers' compensation coverage. The trust provides loss control services to all member entities. The City has an internal Safety Committee comprised of representatives from all departments. The committee reviews accidents, discusses safety issues and implements organizational-wide safety programs.

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**Required Supplementary Information**

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# CITY OF LEAWOOD, KANSAS

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## REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2012

Required supplementary information includes financial information and disclosures that are required by GAAP but are not considered a part of the basic financial statements.

Such information includes:

- Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund
- Schedule of Funding Progress - Other Postemployment Benefits
- Comparison of Needed-to-Actual Maintenance/Preservation for Streetlights and Traffic Signals

### **Budgetary Data**

GAAP is the budgetary basis of accounting

# CITY OF LEAWOOD, KANSAS

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

	Budgeted Amounts			Variance With Final Budget- Over (Under)
	Original	Final	Actual	
	Budget	Budget		
<b>Revenues</b>				
Taxes	\$ 24,213,799	\$ 24,922,658	\$ 25,077,006	\$ 154,348
Licenses and permits	1,195,000	1,255,000	1,789,447	534,447
Intergovernmental	6,269,991	6,976,008	6,954,265	(21,743)
Charges for services	2,983,881	2,845,109	2,724,439	(120,670)
Fines and forfeitures	1,600,000	1,600,000	1,581,363	(18,637)
Interest	60,329	26,051	9,130	(16,921)
Contributions and other	92,500	87,000	548,264	461,264
<b>Total Revenues</b>	36,415,500	37,711,826	38,683,914	972,088
<b>Expenditures</b>				
Current:				
General government	6,793,700	6,761,000	5,759,285	(1,001,715)
Public safety	14,894,400	14,416,600	13,382,889	(1,033,711)
Public works	6,836,000	6,637,200	5,361,019	(1,276,181)
Parks and recreation	6,437,900	6,216,600	5,537,052	(679,548)
Debt service:				
Principal retirement	538,450	538,450	528,409	(10,041)
Interest	74,950	74,950	74,806	(144)
<b>Total Expenditures</b>	35,575,400	34,644,800	30,643,460	(4,001,340)
<b>Revenues Over Expenditures</b>	840,100	3,067,026	8,040,454	4,973,428
<b>Other Financing Sources (Uses)</b>				
Transfers in	266,000	266,000	266,000	—
Transfers out	(7,357,539)	(7,863,909)	(7,871,946)	8,037
<b>Total Other Financing Sources (Uses)</b>	(7,091,539)	(7,597,909)	(7,605,946)	8,037
<b>Net Change In Fund Balance</b>	\$ (6,251,439)	\$ (4,530,883)	434,508	\$ 4,965,391
<b>Fund Balance - Beginning Of Year</b>			15,984,676	
<b>Fund Balance - End Of Year</b>			\$ 16,419,184	

**CITY OF LEAWOOD, KANSAS**

**SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS  
For The Year Ended December 31, 2012**

<b>Actuarial Valuation</b>	<b>(a) Actuarial Value Of Assets</b>	<b>(b) Actuarial Accrued Liability (AAL)</b>	<b>(b) - (a) Unfunded AAL (UAAL)</b>	<b>(a)/(b) Funded Ratio</b>	<b>(c) Annual Covered Payroll</b>	<b>(b)-(a)/(c) UAL As A Percentage Of Covered Payroll</b>
January 1, 2009	—	\$ 2,050,616	\$ 2,050,616	—	\$ 17,706,778	11.58%
January 1, 2010	—	2,050,616	2,050,616	—	15,511,931	13.22%
January 1, 2011	—	2,307,851	2,307,851	—	16,132,408	14.31%
January 1, 2012	—	2,307,851	2,307,851	—	15,651,755	14.74%

# CITY OF LEAWOOD, KANSAS

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## COMPARISON OF NEEDED-TO-ACTUAL MAINTENANCE/PRESERVATION FOR STREETLIGHTS AND TRAFFIC SIGNALS December 31, 2012

The City has elected to use the Modified Approach, as defined by GASB 34 for infrastructure reporting of its streetlights and traffic signals. Under GASB 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

The City manages the eligible infrastructure capital assets using an asset management system with the characteristics of (1) an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate annual amounts to maintain and preserve at the established condition assessment level.

The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level. It is the City's policy to maintain and preserve streetlights and traffic signals at least at 85% of their normal operating mode. Streetlights and traffic signals are often out of service due to the following factors: (1) life of lamp light; (2) accidents by vehicles or contractors who excavate in the City's right of ways; (3) weather, such as high winds, rain, snow and ice; (4) vandalism. During 2007, the City contracted with an outside service provider to perform inspections. The provider performs a monthly visual inspection on the streetlights and traffic signals and reports to the City Engineer. The City also relies on citizens to report street light and traffic signal outages or malfunctions. The City's policy is to repair/replace any outages or malfunction within 48 hours. The service provider's last three inspection reports show the following condition assessments: October 2012 - 99.4%; November 2012 - 99.0%; and December 2012 - 99.0%.

### Schedule of needed-to-actual maintenance/preservation – streetlights and traffic signals

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Needed	\$ 270,000	\$ 262,000	\$ 315,000	\$ 242,000	\$ 270,000
Actual	223,550	246,704	271,358	213,418	223,550



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**Supplementary Information**

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

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# CITY OF LEAWOOD, KANSAS

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND For The Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under) With Final Budget
General government:				
Administration:				
Personnel services	\$ 2,113,600	\$ 2,040,597	\$ 1,774,076	\$ (266,521)
Contractual services	1,257,800	1,266,003	924,436	(341,567)
Commodities	118,300	118,100	70,343	(47,757)
<b>Total administration</b>	<b>3,489,700</b>	<b>3,424,700</b>	<b>2,768,855</b>	<b>(655,845)</b>
Community development:				
Personnel services	1,173,600	1,153,200	1,133,699	(19,501)
Contractual services	120,900	135,400	66,510	(68,890)
Commodities	51,400	58,700	38,130	(20,570)
<b>Total community development</b>	<b>1,345,900</b>	<b>1,347,300</b>	<b>1,238,339</b>	<b>(108,961)</b>
Municipal court:				
Personnel services	503,600	484,400	483,642	(758)
Contractual services	74,700	74,700	46,332	(28,368)
Commodities	13,600	13,600	3,586	(10,014)
<b>Total municipal court</b>	<b>591,900</b>	<b>572,700</b>	<b>533,560</b>	<b>(39,140)</b>
Legal services:				
Personnel services	368,500	374,300	364,645	(9,655)
Contractual services	165,600	165,600	25,537	(140,063)
Commodities	2,800	4,000	2,882	(1,118)
<b>Total legal services</b>	<b>536,900</b>	<b>543,900</b>	<b>393,064</b>	<b>(150,836)</b>
Information services:				
Personnel services	485,900	479,200	457,800	(21,400)
Contractual services	204,400	204,400	201,373	(3,027)
Commodities	139,000	188,800	166,294	(22,506)
<b>Total information services</b>	<b>829,300</b>	<b>872,400</b>	<b>825,467</b>	<b>(46,933)</b>
<b>Total general government</b>	<b>6,793,700</b>	<b>6,761,000</b>	<b>5,759,285</b>	<b>(1,001,715)</b>
Public safety:				
Police:				
Personnel services	7,568,900	7,256,300	6,981,708	(274,592)
Contractual services	738,300	741,995	485,564	(256,431)
Commodities	758,800	764,805	503,483	(261,322)
<b>Total police</b>	<b>9,066,000</b>	<b>8,763,100</b>	<b>7,970,755</b>	<b>(792,345)</b>
Fire:				
Personnel services	5,296,500	5,097,300	4,961,802	(135,498)
Contractual services	265,100	273,400	217,811	(55,589)
Commodities	266,800	282,800	232,521	(50,279)
<b>Total fire</b>	<b>5,828,400</b>	<b>5,653,500</b>	<b>5,412,134</b>	<b>(241,366)</b>
<b>Total public safety</b>	<b>14,894,400</b>	<b>14,416,600</b>	<b>13,382,889</b>	<b>(1,033,711)</b>
Public works:				
Personnel services	3,537,100	3,489,600	3,197,625	(291,975)
Contractual services	2,011,900	2,013,700	1,442,438	(571,262)
Commodities	1,287,000	1,133,900	720,956	(412,944)
<b>Total public works</b>	<b>6,836,000</b>	<b>6,637,200</b>	<b>5,361,019</b>	<b>(1,276,181)</b>
Parks and recreation:				
Personnel services	3,680,300	3,568,964	3,366,388	(202,576)
Contractual services	2,049,100	1,924,244	1,603,581	(320,663)
Commodities	708,500	723,392	567,083	(156,309)
<b>Total parks and recreation</b>	<b>6,437,900</b>	<b>6,216,600</b>	<b>5,537,052</b>	<b>(679,548)</b>
<b>Total expenditures</b>	<b>\$ 34,962,000</b>	<b>\$ 34,031,400</b>	<b>\$ 30,040,245</b>	<b>\$ (3,991,155)</b>

# CITY OF LEAWOOD, KANSAS

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## OTHER NON-MAJOR GOVERNMENTAL FUNDS

December 31, 2012

**Special Revenue Funds** – account for revenue sources that are restricted to expenditures for specific purposes.

*Special Alcohol Fund* – established to account for one-third of the Alcohol Tax Funds sent to the City quarterly from the State Treasurer's office, which is computed in compliance with K.S.A. Supp. 79-41A04 et seq., representing tax receipts and adjustments processed by the Department of Revenue. For cities with a population exceeding 6,000, this amount is to be credited one-third to the General Fund, one-third to a Special Parks and Recreation Fund, and one-third to a Special Alcohol and Drug Program Fund. These monies are allocated yearly for distribution to agencies involved in drug and alcohol prevention and/or treatment programs that are approved by the City Council in specified amounts on a yearly basis.

*Special City Highway Fund* – established to account for monies received from the State for shared gas tax revenues, in accordance with K.S.A. Statute 79-3425c(c).

*Special Parks and Recreation Fund* – established to account for one-third of the Alcohol Tax funds that are sent to the City quarterly by the State Treasurer's office.

*Special Law Enforcement Fund* – established to provide depository for monies forfeited to the City of Leawood Police Department pursuant to the provisions of K.S.A. 65-4135 and 65-4156 related to controlled substance investigation forfeitures. Expenditures from this fund shall be made only for authorized law enforcement purposes of the City of Leawood Police Department. Any monies forfeited to the City of Leawood Police Department pursuant to the provisions of K.S.A. 1988 Supp. 65-4156, and any subsequent amendments thereto, shall be deposited in this fund.

*American Revolution Tri-Centennial Fund* – established to account for monies donated by the Leawood American Revolution Bicentennial Committee. These monies are to be continually reinvested by the City until the year 2076. It is intended that this fund then be used for the overall benefit for the citizens of the City on a special American Revolution Tri-Centennial event or project, needed community facilities, equipment or programs.

*Transient Guest Tax Fund* – established to account for monies levied by the City and paid by transient guests for lodging or sleeping accommodations in any hotel or motel. The tax monies collected will be used to promote economic development, conventions and tourism and related expenditures and such other purposes as may be determined by the Governing Body.

## CITY OF LEAWOOD, KANSAS

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### OTHER NON-MAJOR GOVERNMENTAL FUNDS (*Continued*)

December 31, 2012

**Capital Projects Funds** – account for resources used for the acquisition and/or construction of capital projects not being financed by other funds.

Street Improvements – established to account for the pay-as-you-go portion of the annual mill and overlay, slurry seal and arterial street repairs.

City Capital Art – established to account for funds used by the Arts Council for the selection and placement of public art on City property.

Park Impact Fee Fund – established to account for fees imposed by the City on all new development in South Leawood and all fees collected shall be used solely and exclusively for the purpose of acquisition and development of park land and open space made necessary by and serving such new development.

1/8<sup>th</sup> Cent Sales Tax Fund – established to fund an accelerated residential and thoroughfare street improvement program, and to fund storm water improvement projects which are not otherwise eligible for funding from other governmental sources.

Leawood Transportation Impact Fee Fund – established to account for fees imposed on new development in South Leawood for the purpose of assuring that transportation improvements are available and provides adequate transportation system capacity to support new development while maintaining levels of transportation service deemed adequate by the City. The impact fee shall be imposed on all new development in South Leawood, except as may be otherwise provided, and all fees collected shall be utilized solely and exclusively for transportation improvements in South Leawood serving such new development.

135th Street Corridor Impact Fee Fund – established to account for fees imposed on new development in the 135th Street corridor for the purpose of assuring that 135th Street highway transportation improvements are available and provides adequate transportation system capacity to support new development while maintaining levels of transportation service on Highway 135th Street deemed adequate by the City. The impact fee shall be imposed on all new development in the 135th Street corridor and all fees collected shall be utilized solely and exclusively for transportation improvements in the 135th Street corridor servicing such new development.

Public Art Impact Fee Fund – established by the City for the purpose of acquisition and construction of Public Art. A Public Art impact fee is imposed by the City on all new commercial development and commercial remodels in Leawood.

# CITY OF LEAWOOD, KANSAS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

December 31, 2012

Page 1 Of 2

	Special Revenue					
	Special Alcohol	Special City Highway	Special Parks And Recreation	Special Law Enforcement	American Revolution Tri-Centennial	Transient Guest Tax
<b>Assets</b>						
Pooled cash and investments	\$ 608,807	\$ 587,309	\$ 578,988	\$ 4,457	\$ 8,447	\$ —
Receivables:						
Sales tax	—	—	—	—	—	—
Transient guest tax	—	—	—	—	—	123,438
Interest	1,531	1,477	1,456	11	25	—
Intergovernmental	106,000	—	106,000	—	—	—
<b>Total Assets</b>	<b>\$ 716,338</b>	<b>\$ 588,786</b>	<b>\$ 686,444</b>	<b>\$ 4,468</b>	<b>\$ 8,472</b>	<b>\$ 123,438</b>
<b>Liabilities And Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ 1,826	\$ —	\$ 36,441	\$ —	\$ —	\$ —
<b>Fund Balances</b>						
<b>Restricted For:</b>						
Social services	714,512	—	—	—	—	—
Parks and recreation	—	—	650,003	—	—	—
Tourism promotion	—	—	—	—	—	123,438
Bridges, streets and signals	—	588,786	—	—	—	—
Law enforcement	—	—	—	4,468	—	—
<b>Committed To:</b>						
Bridges, streets and signals	—	—	—	—	—	—
City art	—	—	—	—	—	—
Park improvements	—	—	—	—	—	—
<b>Assigned To:</b>						
Other purposes	—	—	—	—	8,472	—
<b>Total Fund Balances</b>	<b>714,512</b>	<b>588,786</b>	<b>650,003</b>	<b>4,468</b>	<b>8,472</b>	<b>123,438</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 716,338</b>	<b>\$ 588,786</b>	<b>\$ 686,444</b>	<b>\$ 4,468</b>	<b>\$ 8,472</b>	<b>\$ 123,438</b>

# CITY OF LEAWOOD, KANSAS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

December 31, 2012

Page 2 Of 2

	Capital Projects							Total Nonmajor Other Governmental Funds
	Street Improve- ments	City Art	Park Impact Fee	1/8th Cent Sales Tax	Leawood Transportation Impact Fee	135th Street Corridor Impact Fee	Public Art Impact Fee	
<b>Assets</b>								
Pooled cash and investments	\$ 91,432	\$ 421,280	\$ 22,817	\$ 563,523	\$ 246,993	\$ 34,202	\$ 274,413	\$ 3,442,668
Receivables:								
Sales tax	—	—	—	164,947	—	—	—	164,947
Transient guest tax	—	—	—	—	—	—	—	123,438
Interest	230	988	57	1,418	621	86	690	8,590
Intergovernmental	803,061	—	—	43,512	—	—	—	1,058,573
<b>Total Assets</b>	<b>\$ 894,723</b>	<b>\$ 422,268</b>	<b>\$ 22,874</b>	<b>\$ 773,400</b>	<b>\$ 247,614</b>	<b>\$ 34,288</b>	<b>\$ 275,103</b>	<b>\$ 4,798,216</b>
<b>Liabilities And Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ 18,451	\$ —	\$ —	\$ 5,080	\$ —	\$ —	\$ —	\$ 61,798
<b>Fund Balances</b>								
<b>Restricted For:</b>								
Social services	—	—	—	—	—	—	—	714,512
Parks and recreation	—	—	—	—	—	—	—	650,003
Tourism promotion	—	—	—	—	—	—	—	123,438
Bridges, streets and signals	—	—	—	768,320	—	—	—	1,357,106
Law enforcement	—	—	—	—	—	—	—	4,468
<b>Committed To:</b>								
Bridges, streets and signals	876,272	—	—	—	247,614	34,288	—	1,158,174
City art	—	422,268	—	—	—	—	275,103	697,371
Park improvements	—	—	22,874	—	—	—	—	22,874
<b>Assigned To:</b>								
Other purposes	—	—	—	—	—	—	—	8,472
<b>Total Fund Balances</b>	<b>876,272</b>	<b>422,268</b>	<b>22,874</b>	<b>768,320</b>	<b>247,614</b>	<b>34,288</b>	<b>275,103</b>	<b>4,736,418</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 894,723</b>	<b>\$ 422,268</b>	<b>\$ 22,874</b>	<b>\$ 773,400</b>	<b>\$ 247,614</b>	<b>\$ 34,288</b>	<b>\$ 275,103</b>	<b>\$ 4,798,216</b>

# CITY OF LEAWOOD, KANSAS

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

For The Year Ended December 31, 2012

Page 1 Of 2

	Special Revenue					
	Special Alcohol	Special City Highway	Special Parks And Recreation	Special Law Enforcement	American Revolution Tri-Centennial	Transient Guest Tax
<b>Revenues</b>						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 345,817
Licenses and permits	—	—	—	—	—	—
Intergovernmental	475,960	832,414	475,960	1,507	—	—
Interest	503	3,158	1,760	5	36	612
<b>Total Revenues</b>	<b>476,463</b>	<b>835,572</b>	<b>477,720</b>	<b>1,512</b>	<b>36</b>	<b>346,429</b>
<b>Expenditures</b>						
General government	130,740	—	—	—	—	322,933
Parks and recreation	—	—	—	—	—	—
Capital outlay						
Public works	—	1,286,036	—	—	—	—
Parks and recreation	—	—	705,940	—	—	—
<b>Total Expenditures</b>	<b>130,740</b>	<b>1,286,036</b>	<b>705,940</b>	<b>—</b>	<b>—</b>	<b>322,933</b>
<b>Revenues Over (Under) Expenditures</b>	<b>345,723</b>	<b>(450,464)</b>	<b>(228,220)</b>	<b>1,512</b>	<b>36</b>	<b>23,496</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	—	560,900	—	—	—	—
Transfers out	(266,000)	—	—	—	—	—
<b>Total Other Financing Sources (Uses)</b>	<b>(266,000)</b>	<b>560,900</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net Change In Fund Balances</b>	<b>79,723</b>	<b>110,436</b>	<b>(228,220)</b>	<b>1,512</b>	<b>36</b>	<b>23,496</b>
<b>Fund Balances - Beginning Of Year</b>	<b>634,789</b>	<b>478,350</b>	<b>878,223</b>	<b>2,956</b>	<b>8,436</b>	<b>99,942</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 714,512</b>	<b>\$ 588,786</b>	<b>\$ 650,003</b>	<b>\$ 4,468</b>	<b>\$ 8,472</b>	<b>\$ 123,438</b>

# CITY OF LEAWOOD, KANSAS

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

For The Year Ended December 31, 2012

Page 2 Of 2

	Capital Projects							Total Nonmajor Other Governmental Funds
	Street Improvements	City Art	Park Impact Fee	1/8th Cent Sales Tax	Leawood Transportation Impact Fee	135th Street Corridor Impact Fee	Public Art Impact Fee	
<b>Revenues</b>								
Taxes	\$ —	\$ —	\$ —	\$ 836,321	\$ —	\$ —	\$ —	\$ 1,182,138
Licenses and permits	—	—	10,336	—	—	9,945	36,024	56,305
Intergovernmental	803,061	—	—	386,521	—	—	—	2,975,423
Interest	2,414	1,024	50	474	577	57	554	11,224
<b>Total Revenues</b>	<b>805,475</b>	<b>1,024</b>	<b>10,386</b>	<b>1,223,316</b>	<b>577</b>	<b>10,002</b>	<b>36,578</b>	<b>4,225,090</b>
<b>Expenditures</b>								
General government	—	—	—	—	—	—	—	453,673
Parks and recreation	—	9,320	—	—	—	—	—	9,320
Capital outlay								
Public works	1,931,047	—	—	647,777	—	—	—	3,864,860
Parks and recreation	—	93,990	—	—	—	—	—	799,930
<b>Total Expenditures</b>	<b>1,931,047</b>	<b>103,310</b>	<b>—</b>	<b>647,777</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5,127,783</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(1,125,572)</b>	<b>(102,286)</b>	<b>10,386</b>	<b>575,539</b>	<b>577</b>	<b>10,002</b>	<b>36,578</b>	<b>(902,693)</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	650,000	73,859	—	—	—	—	6,030	1,290,789
Transfers out	—	—	(6,030)	(400,000)	—	—	—	(672,030)
<b>Total Other Financing Sources (Uses)</b>	<b>650,000</b>	<b>73,859</b>	<b>(6,030)</b>	<b>(400,000)</b>	<b>—</b>	<b>—</b>	<b>6,030</b>	<b>618,759</b>
<b>Net Change In Fund Balances</b>	<b>(475,572)</b>	<b>(28,427)</b>	<b>4,356</b>	<b>175,539</b>	<b>577</b>	<b>10,002</b>	<b>42,608</b>	<b>(283,934)</b>
<b>Fund Balances - Beginning Of Year</b>	<b>1,351,844</b>	<b>450,695</b>	<b>18,518</b>	<b>592,781</b>	<b>247,037</b>	<b>24,286</b>	<b>232,495</b>	<b>5,020,352</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 876,272</b>	<b>\$ 422,268</b>	<b>\$ 22,874</b>	<b>\$ 768,320</b>	<b>\$ 247,614</b>	<b>\$ 34,288</b>	<b>\$ 275,103</b>	<b>\$ 4,736,418</b>



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**CITY OF LEAWOOD, KANSAS**

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**SPECIAL ALCOHOL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL  
For The Year Ended December 31, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Intergovernmental	\$ 420,000	\$ 475,960	\$ 55,960
Interest	311	503	192
<b>Total Revenues</b>	420,311	476,463	56,152
<b>Expenditures</b>			
General government	140,000	130,740	(9,260)
<b>Excess Of Revenues Over Expenditures</b>	280,311	345,723	65,412
<b>Other Financing Uses</b>			
Transfers out	(266,000)	(266,000)	—
<b>Net Change In Fund Balance</b>	<u>\$ 14,311</u>	<u>79,723</u>	<u>\$ 65,412</u>
<b>Fund Balance - Beginning Of Year</b>		<u>634,789</u>	
<b>Fund Balance - End Of Year</b>		<u>\$ 714,512</u>	

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**CITY OF LEAWOOD, KANSAS**

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**SPECIAL CITY HIGHWAY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
For The Year Ended December 31, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Intergovernmental	\$ 823,090	\$ 832,414	\$ 9,324
Interest	560	3,158	2,598
<b>Total Revenues</b>	823,650	835,572	11,922
<b>Expenditures</b>			
Capital outlay	1,582,929	1,286,036	(296,893)
<b>Excess Of Expenditures Over Revenues</b>	(759,279)	(450,464)	308,815
<b>Other Financing Sources</b>			
Transfers in	560,900	560,900	—
<b>Net Change In Fund Balance</b>	<u>\$ (198,379)</u>	<u>110,436</u>	<u>\$ 308,815</u>
<b>Fund Balance - Beginning Of Year</b>		<u>478,350</u>	
<b>Fund Balance - End Of Year</b>		<u>\$ 588,786</u>	

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**CITY OF LEAWOOD, KANSAS**

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Intergovernmental	\$ 420,000	\$ 475,960	\$ 55,960
Interest	477	1,760	1,283
<b>Total Revenues</b>	420,477	477,720	57,243
<b>Expenditures</b>			
Capital outlay	1,253,900	705,940	(547,960)
<b>Net Change In Fund Balance</b>	<u>\$ (833,423)</u>	<u>(228,220)</u>	<u>\$ 605,203</u>
<b>Fund Balance - Beginning Of Year</b>		<u>878,223</u>	
<b>Fund Balance - End Of Year</b>		<u>\$ 650,003</u>	

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**CITY OF LEAWOOD, KANSAS**

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**SPECIAL LAW ENFORCEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
For The Year Ended December 31, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Intergovernmental	\$ —	\$ 1,507	\$ 1,507
Interest	44	5	(39)
<b>Total Revenues</b>	<u>44</u>	<u>1,512</u>	<u>1,468</u>
<b>Net Change In Fund Balance</b>	<u>\$ 44</u>	<u>1,512</u>	<u>\$ 1,468</u>
<b>Fund Balance - Beginning Of Year</b>		<u>2,956</u>	
<b>Fund Balance - End Of Year</b>		<u>\$ 4,468</u>	

# CITY OF LEAWOOD, KANSAS

## DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL For The Year Ended December 31, 2012

	Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Taxes	\$ 4,716,663	\$ 4,621,113	\$ (95,550)
Intergovernmental	306,853	340,317	33,464
Special assessments	2,558,225	2,563,491	5,266
Interest	14,003	9,597	(4,406)
<b>Total Revenues</b>	<b>7,595,744</b>	<b>7,534,518</b>	<b>(61,226)</b>
<b>Expenditures</b>			
Debt service:			
Principal retirement	5,130,000	5,130,000	—
Interest and fiscal charges	2,184,100	2,121,714	(62,386)
<b>Total Expenditures</b>	<b>7,314,100</b>	<b>7,251,714</b>	<b>(62,386)</b>
<b>Excess Of Revenues Over Expenditures</b>	<b>281,644</b>	<b>282,804</b>	<b>1,160</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	—	1,961	1,961
Refunding bonds issued	—	3,985,000	3,985,000
Premiums	—	295,443	295,443
Payments to refunding escrow agent	—	(4,287,690)	(4,287,690)
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>(5,286)</b>	<b>(5,286)</b>
<b>Net Change In Fund Balance</b>	<b>\$ 281,644</b>	<b>277,518</b>	<b>\$ (4,126)</b>
<b>Fund Balance - Beginning Of Year</b>		<b>6,999,656</b>	
<b>Fund Balance - End Of Year</b>		<b>\$ 7,277,174</b>	

**CITY OF LEAWOOD, KANSAS**

**COMBINING SCHEDULE OF FIDUCIARY ASSETS AND  
LIABILITIES - AGENCY FUNDS**

**December 31, 2012**

	<b>Employee Giving</b>	<b>TDD - Resurrection Project</b>	<b>TDD - Cornerstone</b>	<b>TDD - Villaggio</b>	<b>TDD - One Nineteen</b>	<b>TDD - Park Place</b>	<b>Total Agency Funds</b>
<b>Assets</b>							
Pooled cash and investments	\$ 328	\$ 176	\$ —	\$ —	\$ —	\$ 16,564	\$ 17,068
Special assessments	—	110,000	310,000	635,000	3,976,245	45,334	5,076,579
<b>Total Assets</b>	<b>\$ 328</b>	<b>\$ 110,176</b>	<b>\$ 310,000</b>	<b>\$ 635,000</b>	<b>\$ 3,976,245</b>	<b>\$ 61,898</b>	<b>\$ 5,093,647</b>
<b>Liabilities</b>							
Due to employees	\$ 328	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 328
Due to other taxing jurisdiction	—	110,176	310,000	635,000	3,976,245	61,898	5,093,319
<b>Total Liabilities</b>	<b>\$ 328</b>	<b>\$ 110,176</b>	<b>\$ 310,000</b>	<b>\$ 635,000</b>	<b>\$ 3,976,245</b>	<b>\$ 61,898</b>	<b>\$ 5,093,647</b>

# CITY OF LEAWOOD, KANSAS

## COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS

For The Year Ended December 31, 2012

	Balance Beginning Of Year	Additions	Deductions	Balance End Of Year
<b>Agency Funds - Employee Giving</b>				
Assets:				
Pooled cash and investments	\$ 1,241	\$ 480	\$ 1,393	\$ 328
Liabilities:				
Due to employees	\$ 1,241	\$ 480	\$ 1,393	\$ 328
<b>Transportation Development District - Resurrection Project</b>				
Assets:				
Pooled cash and investments	\$ 551	\$ 19,975	\$ 20,350	\$ 176
Special assessments	120,000	—	10,000	110,000
	\$ 120,551	\$ 19,975	\$ 30,350	\$ 110,176
Liabilities:				
Due to other taxing jurisdiction	\$ 120,551	\$ 19,975	\$ 30,350	\$ 110,176
<b>Transportation Development District - Cornerstone</b>				
Assets:				
Pooled cash and investments	\$ —	\$ 55,451	\$ 55,451	\$ —
Special assessments	340,000	—	30,000	310,000
	\$ 340,000	\$ 55,451	\$ 85,451	\$ 310,000
Liabilities:				
Due to other taxing jurisdiction	\$ 340,000	\$ 56,481	\$ 86,481	\$ 310,000
<b>Transportation Development District - Villaggio</b>				
Assets:				
Pooled cash and investments	\$ —	\$ 317,098	\$ 317,098	\$ —
Special assessments	675,000	—	40,000	635,000
	\$ 675,000	\$ 317,098	\$ 357,098	\$ 635,000
Liabilities:				
Due to other taxing jurisdiction	\$ 675,000	\$ 92,366	\$ 132,366	\$ 635,000
<b>Transportation Development District - One Nineteen</b>				
Assets:				
Pooled cash and investments	\$ —	\$ 871,812	\$ 871,812	\$ —
Special assessments	2,897,899	1,796,244	717,898	3,976,245
	\$ 2,897,899	\$ 2,668,056	\$ 1,589,710	\$ 3,976,245
Liabilities:				
Due to other taxing jurisdiction	\$ 2,897,899	\$ 2,371,619	\$ 1,293,273	\$ 3,976,245
<b>Transportation Development District - Park Place</b>				
Assets:				
Pooled cash and investments	\$ 18,121	\$ 238,506	\$ 240,063	\$ 16,564
Special assessments	44,452	45,333	44,451	45,334
	\$ 62,573	\$ 283,839	\$ 284,514	\$ 61,898
Liabilities:				
Due to other taxing jurisdiction	\$ 62,573	\$ 239,388	\$ 240,063	\$ 61,898
<b>Total - All Agency Funds</b>				
Assets:				
Pooled cash and investments	\$ 19,913	\$ 1,503,322	\$ 1,506,167	\$ 17,068
Special assessments	4,077,351	1,841,577	842,349	5,076,579
Total assets	\$ 4,097,264	\$ 3,344,899	\$ 2,348,516	\$ 5,093,647
Liabilities:				
Due to employees	\$ 1,241	\$ 480	\$ 1,393	\$ 328
Due to other taxing jurisdiction	4,096,023	2,779,829	1,782,533	5,093,319
Total liabilities	\$ 4,097,264	\$ 2,780,309	\$ 1,783,926	\$ 5,093,647

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**Statistical Section**

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

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

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

# CITY OF LEAWOOD, KANSAS

## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS ACCRUAL BASIS OF ACCOUNTING

### Schedule 1

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 221,394,614	\$ 228,815,457	\$ 232,831,295	\$ 275,588,463	\$ 282,198,655	\$ 284,021,389	\$ 286,691,065	\$ 276,985,062	\$ 276,065,957	\$ 287,460,684
Restricted component of net position	4,688,880	7,166,833	7,522,989	7,606,885	9,360,053	14,395,675	16,949,599	21,926,652	18,822,407	10,126,701
Unrestricted component of net position	20,897,456	22,249,356	28,882,905	23,418,717	21,494,113	33,303,879	31,043,291	45,976,509	56,862,450	58,858,210
<b>Total Governmental Activities Net Position</b>	<b>\$ 246,980,950</b>	<b>\$ 258,231,646</b>	<b>\$ 269,237,189</b>	<b>\$ 306,614,065</b>	<b>\$ 313,052,821</b>	<b>\$ 331,720,943</b>	<b>\$ 334,683,955</b>	<b>\$ 344,888,223</b>	<b>\$ 351,750,814</b>	<b>\$ 356,445,595</b>
<b>Business-Type Activities</b>										
Net investment in capital assets	\$ 2,725,452	\$ 2,995,456	\$ 3,192,892	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Unrestricted component of net position	(1,820,411)	(1,735,685)	(1,761,214)	—	—	—	—	—	—	—
<b>Total Business-Type Activities Net Position</b>	<b>\$ 905,041</b>	<b>\$ 1,259,771</b>	<b>\$ 1,431,678</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 224,120,066	\$ 231,810,913	\$ 236,024,187	\$ 275,588,463	\$ 282,198,655	\$ 284,021,389	\$ 286,691,065	\$ 276,985,062	\$ 276,065,957	\$ 287,460,684
Restricted component of net position	4,688,880	7,166,833	7,522,989	7,606,885	9,360,053	14,395,675	16,949,599	21,926,652	18,822,407	10,126,701
Unrestricted component of net position	20,897,456	22,249,356	28,882,905	23,418,717	21,494,113	33,303,879	31,430,291	45,976,509	56,862,450	58,858,210
<b>Total Primary Government Net Position</b>	<b>\$ 247,885,991</b>	<b>\$ 259,491,417</b>	<b>\$ 270,668,867</b>	<b>\$ 306,614,065</b>	<b>\$ 313,052,821</b>	<b>\$ 331,720,943</b>	<b>\$ 335,070,955</b>	<b>\$ 344,888,223</b>	<b>\$ 351,750,814</b>	<b>\$ 356,445,595</b>

- (1) In 2006, the City retroactively capitalized stormwater infrastructure in the amount of \$25,207,590.
- (2) Effective January 1, 2007, the activities of the City's business-type activity are reported with governmental activities. Accordingly, the net positions of the business-type activities were transferred to the governmental activities at December 31, 2006.
- (3) During 2010, the City determined that revenue in the amount of \$387,021 was recognized that should not have been. The 2009 fund balance reflects this prior period adjustment.

# CITY OF LEAWOOD, KANSAS

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

### Schedule 2

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,178,147	\$ 4,747,939	\$ 5,117,718	\$ 4,752,202	\$ 5,348,073	\$ 6,263,238	\$ 6,216,550	\$ 5,908,886	\$ 6,379,991	\$ 6,537,652
Public safety	9,853,624	10,975,002	11,229,154	11,682,872	12,478,924	14,073,114	13,599,525	13,606,931	14,164,738	14,351,473
Public works	10,153,561	12,658,853	15,546,967	17,121,498	21,700,170	16,772,929	15,358,193	14,657,989	15,525,753	14,761,231
Parks and recreation	3,065,427	3,544,545	3,753,994	3,816,310	5,123,793	5,432,457	6,602,530	7,161,381	6,732,828	7,703,873
Interest on long-term debt	2,407,122	2,498,981	2,737,987	3,496,801	3,484,390	3,040,032	2,800,190	2,807,480	2,499,718	2,716,815
Total governmental activities	29,657,881	34,425,320	38,385,820	40,869,683	48,135,350	45,581,770	44,576,988	44,142,667	45,303,028	46,071,044
Business-type activities: <sup>(1)</sup>										
Golf course	2,214,698	2,287,663	2,414,478	2,153,020	—	—	—	—	—	—
<b>Total Primary Government Expenses</b>	<b>\$ 31,872,579</b>	<b>\$ 36,712,983</b>	<b>\$ 40,800,298</b>	<b>\$ 43,022,703</b>	<b>\$ 48,135,350</b>	<b>\$ 45,581,770</b>	<b>\$ 44,576,988</b>	<b>\$ 44,142,667</b>	<b>\$ 45,303,028</b>	<b>\$ 46,071,044</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 2,209,868	\$ 2,010,249	\$ 2,096,548	\$ 2,053,315	\$ 2,163,970	\$ 3,459,182	\$ 2,669,200	\$ 2,837,665	\$ 3,269,547	\$ 3,185,794
Public safety	99,639	98,647	93,050	114,496	131,806	117,901	117,873	111,455	137,569	138,412
Public works	2,132,951	2,859,835	2,083,496	1,876,606	2,906,444	159,082	36,547	235,842	84,177	126,418
Parks and recreation	988,692	990,564	1,029,053	1,109,853	1,258,691	2,054,396	2,448,775	2,444,912	2,475,831	2,702,437
Operating grants and contributions	613,345	859,665	152,984	792,403	2,007,683	165,828	468,238	30,874	57,000	393,409
Capital grants and contributions	12,818,493	7,707,622	16,893,649	8,476,782	4,793,850	16,109,458	1,014,264	5,125,371	5,421,018	1,814,607
Total governmental activities program revenues	18,862,988	14,526,582	22,348,780	14,423,455	13,262,444	22,065,847	6,754,897	10,786,119	11,445,142	8,361,077
Business-type activities: <sup>(1)</sup>										
Golf Course										
Charges for services	2,038,317	2,014,759	2,007,047	1,825,144	—	—	—	—	—	—
Capital grants and contributions	—	182,084	—	—	—	—	—	—	—	—
Total business-type activities program revenues	2,038,317	2,196,843	2,007,047	1,825,144	—	—	—	—	—	—
<b>Total primary government program revenues</b>	<b>\$ 20,901,305</b>	<b>\$ 16,723,425</b>	<b>\$ 24,355,827</b>	<b>\$ 16,248,599</b>	<b>\$ 13,262,444</b>	<b>\$ 22,065,847</b>	<b>\$ 6,754,897</b>	<b>\$ 10,786,119</b>	<b>\$ 11,445,142</b>	<b>\$ 8,361,077</b>
<b>Net (expense) revenue:</b>										
Governmental activities	\$ (10,794,894)	\$ (19,898,738)	\$ (16,037,040)	\$ (26,446,228)	\$ (34,872,906)	\$ (23,515,923)	\$ (37,822,091)	\$ (33,356,548)	\$ (33,857,886)	\$ (37,709,967)
Business-type activities: <sup>(1)</sup>	(176,381)	(90,820)	(407,431)	(327,876)	—	—	—	—	—	—
<b>Total primary government net expense</b>	<b>\$ (10,971,275)</b>	<b>\$ (19,989,558)</b>	<b>\$ (16,444,471)</b>	<b>\$ (26,774,104)</b>	<b>\$ (34,872,906)</b>	<b>\$ (23,515,923)</b>	<b>\$ (37,822,091)</b>	<b>\$ (33,356,548)</b>	<b>\$ (33,857,886)</b>	<b>\$ (37,709,967)</b>
<b>General Revenues And Other Changes In Net Position</b>										
Governmental activities:										
Taxes										
Property taxes, levied for general purpose	\$ 8,695,788	\$ 8,306,371	\$ 8,716,271	\$ 11,959,344	\$ 10,037,224	\$ 12,887,965	\$ 13,654,784	\$ 13,584,154	\$ 14,470,011	\$ 11,452,716
Property taxes, levied for debt service	3,991,063	6,266,815	5,896,324	3,838,579	6,806,038	5,324,394	5,477,801	6,921,040	4,347,089	7,184,604
Sales taxes	9,749,898	11,430,251	11,923,933	12,222,897	14,819,839	15,592,847	14,798,437	15,018,242	14,335,987	14,643,273
Transient guest tax	—	—	—	—	—	22,610	202,626	271,632	345,817	—
Franchise taxes	2,292,152	2,452,402	2,632,536	2,648,951	2,930,764	3,153,438	3,042,295	3,153,238	3,194,165	3,205,207
Other taxes	257,458	566,721	576,723	769,263	840,948	1,039,920	1,167,753	1,267,170	1,317,006	1,427,880
Unrestricted grants and contributions	1,760,113	1,590,986	2,290,236	2,380,457	2,498,880	2,468,242	2,323,161	2,393,766	2,361,594	2,812,561
Unrestricted investment earnings	438,926	746,382	1,789,313	2,976,921	2,947,277	1,200,836	373,546	196,515	152,212	109,514
Miscellaneous	166,542	234,606	102,475	112,838	430,692	516,403	311,716	437,065	270,781	1,223,176
Transfers in (out)	(165,637)	(445,100)	(579,137)	1,134,847	—	—	—	—	—	—
Total governmental activities	27,186,303	31,149,434	33,348,674	38,044,097	41,311,662	42,184,045	41,172,103	43,173,816	40,720,477	42,404,748
Business-type activities: <sup>(1)</sup>										
Unrestricted investment earnings	937	254	201	247	—	—	—	—	—	—
Miscellaneous	131,114	196	—	30,798	—	—	—	—	—	—
Transfers in (out)	165,637	445,100	579,137	(1,134,847)	—	—	—	—	—	—
Total business-type activities:	297,688	445,550	579,338	(1,103,802)	—	—	—	—	—	—
<b>Total Primary Government</b>	<b>\$ 27,483,991</b>	<b>\$ 31,594,984</b>	<b>\$ 33,928,012</b>	<b>\$ 36,940,295</b>	<b>\$ 41,311,662</b>	<b>\$ 42,184,045</b>	<b>\$ 41,172,103</b>	<b>\$ 43,173,816</b>	<b>\$ 40,720,477</b>	<b>\$ 42,404,748</b>
<b>Change In Net Position</b>										
Governmental activities	\$ 16,391,409	\$ 11,250,696	\$ 17,311,634	\$ 11,597,869	\$ 6,438,756	\$ 18,668,122	\$ 3,350,012	\$ 9,817,268	\$ 6,862,591	\$ 4,694,781
Business-type activities: <sup>(1)</sup>	121,307	354,730	171,907	(1,431,678)	—	—	—	—	—	—
<b>Total primary government</b>	<b>\$ 16,512,716</b>	<b>\$ 11,605,426</b>	<b>\$ 17,483,541</b>	<b>\$ 10,166,191</b>	<b>\$ 6,438,756</b>	<b>\$ 18,668,122</b>	<b>\$ 3,350,012</b>	<b>\$ 9,817,268</b>	<b>\$ 6,862,591</b>	<b>\$ 4,694,781</b>

- (1) Effective January 1, 2007, the activities of the City's business-type activity are reported with governmental activities.
- (2) Effective January 1, 2009, the City began collecting transient guest tax.

# CITY OF LEAWOOD, KANSAS

## GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS ACCRUAL BASIS OF ACCOUNTING

### Schedule 3

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Transient Guest Tax</b>	<b>Other Taxes</b>	<b>Total</b>
2003	\$ 12,686,851	\$ 9,749,898	\$ 2,292,152	\$ —	\$ 257,458	\$ 24,986,359
2004	14,573,186	11,430,251	2,452,402	—	566,721	29,022,560
2005	14,612,595	11,923,933	2,632,536	—	576,723	29,745,787
2006	15,797,923	12,222,897	2,648,951	—	769,263	31,439,034
2007	16,843,262	14,819,839	2,930,764	—	840,948	35,434,813
2008	18,212,359	15,592,847	3,153,438	—	1,039,920	37,998,564
2009	19,132,585	14,798,437	3,042,295	22,610	1,167,753	38,163,680
2010	20,505,194	15,018,242	3,153,238	202,626	1,267,170	40,146,470
2011	18,817,100	14,335,987	3,194,165	271,632	1,317,006	37,935,890
2012	18,637,320	14,643,273	3,205,207	345,817	1,427,880	38,259,497

(1) Property Tax includes Special Assessments

(2) January 1, 2009 the City began collecting transient guest tax

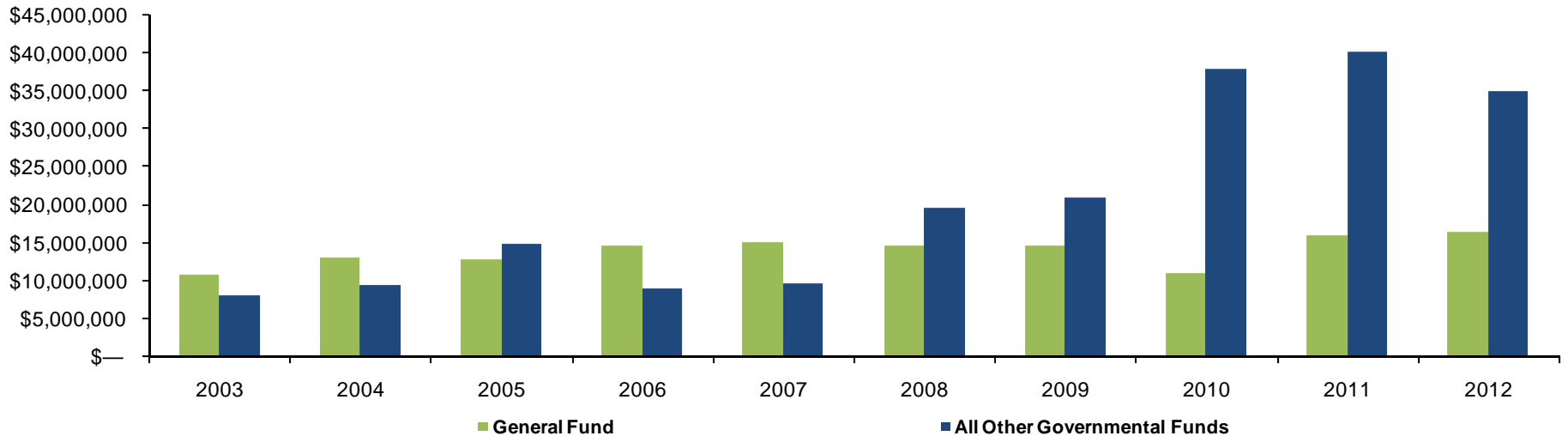
# CITY OF LEAWOOD, KANSAS

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

### Schedule 4

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund</b>										
Nonspendable	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 123,850	\$ 144,368
Restricted	—	—	—	—	—	—	—	—	—	—
Committed	—	—	—	—	—	—	—	—	—	—
Assigned	—	—	—	—	—	—	—	—	3,399,131	6,051,836
Unassigned	—	—	—	—	—	—	—	—	12,461,695	10,222,980
Reserved	1,239,976	1,197,867	1,076,631	55,185	390,617	284,019	130,404	129,411	—	—
Unreserved	9,607,178	11,974,459	11,751,740	14,651,607	14,764,086	14,399,479	14,553,294	10,951,348	—	—
<b>Total General Fund</b>	<b>\$ 10,847,154</b>	<b>\$ 13,172,326</b>	<b>\$ 12,828,371</b>	<b>\$ 14,706,792</b>	<b>\$ 15,154,703</b>	<b>\$ 14,683,498</b>	<b>\$ 14,683,698</b>	<b>\$ 11,080,759</b>	<b>\$ 15,984,676</b>	<b>\$ 16,419,184</b>
<b>All Other Governmental Funds</b>										
Restricted	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 18,822,407	\$ 10,126,701
Committed	—	—	—	—	—	—	—	—	21,469,121	25,005,947
Assigned	—	—	—	—	—	—	—	—	—	8,472
Reserved	3,143,615	5,239,707	6,945,422	5,922,766	7,822,871	12,877,724	14,793,749	18,116,968	—	—
Unreserved, reported in:										
Special revenue funds	183,656	319,207	525,975	784,576	855,578	987,977	1,035,193	1,964,573	—	—
Capital projects funds	4,884,924	4,037,678	7,461,892	2,265,856	935,662	5,707,914	5,146,005	17,863,206	—	—
<b>Total All Other Governmental Funds</b>	<b>\$ 8,212,195</b>	<b>\$ 9,596,592</b>	<b>\$ 14,933,289</b>	<b>\$ 8,973,198</b>	<b>\$ 9,614,111</b>	<b>\$ 19,573,615</b>	<b>\$ 20,974,947</b>	<b>\$ 37,944,747</b>	<b>\$ 40,291,528</b>	<b>\$ 35,141,120</b>

### Governmental Fund Balances



# CITY OF LEAWOOD, KANSAS

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

### Schedule 5

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$ 19,633,539	\$ 22,456,229	\$ 23,835,129	\$ 25,158,674	\$ 29,249,530	\$ 31,752,311	\$ 31,778,195	\$ 32,463,706	\$ 30,851,203	\$ 30,880,257
Licenses and permits	2,654,280	3,314,093	2,688,264	2,386,747	3,478,106	1,956,624	1,214,492	1,556,370	1,848,739	1,845,752
Intergovernmental	8,536,970	11,748,623	12,281,449	9,707,954	11,056,644	8,905,900	8,553,089	9,602,150	8,910,116	10,270,005
Charges for services	1,090,801	1,088,487	1,106,078	1,208,832	1,223,540	2,035,411	2,466,140	2,387,857	2,506,439	2,724,439
Fines and forfeitures	1,686,069	1,553,840	1,507,805	1,557,941	1,759,263	1,798,526	1,591,763	1,685,388	1,610,087	1,581,363
Special assessments	1,078,020	1,408,127	1,383,982	1,609,097	1,456,331	1,524,043	2,015,839	3,569,901	1,972,928	2,563,491
Interest	438,926	746,382	1,789,313	2,976,921	2,947,277	1,200,836	373,546	216,935	152,212	109,514
Contributions and other	363,687	694,737	205,384	807,892	535,774	579,917	345,398	490,413	330,450	1,004,110
<b>Total Revenues</b>	<b>35,482,292</b>	<b>43,010,518</b>	<b>44,797,404</b>	<b>45,414,058</b>	<b>51,706,465</b>	<b>49,753,568</b>	<b>48,338,462</b>	<b>51,972,720</b>	<b>48,182,174</b>	<b>50,978,931</b>
<b>Expenditures</b>										
General government	3,951,170	4,561,019	4,494,045	4,675,142	5,133,968	5,693,050	5,850,652	5,645,370	6,047,715	6,212,958
Public safety	9,185,875	10,350,561	10,488,343	10,948,107	11,498,384	12,245,002	12,623,748	12,716,593	13,307,250	13,382,889
Public works	3,954,668	4,249,162	4,424,584	4,646,724	5,082,036	5,066,565	5,297,652	5,625,473	5,638,881	5,361,019
Parks and recreation	2,547,194	2,964,727	2,944,389	3,007,512	3,800,013	5,085,190	5,302,092	5,282,814	5,320,546	5,546,372
Capital outlay	12,968,799	14,346,905	13,564,787	21,668,357	22,933,473	15,634,335	8,127,300	13,959,576	9,222,271	18,052,831
Debt service										
Principal	3,865,893	4,292,991	4,746,995	5,000,112	5,824,456	5,955,959	6,656,245	5,856,235	5,618,125	5,658,409
Interest and fiscal charges	2,163,860	2,801,361	2,914,082	3,510,916	3,435,648	3,269,044	2,941,330	2,394,876	2,403,665	2,207,432
<b>Total Expenditures</b>	<b>38,637,459</b>	<b>43,566,726</b>	<b>43,577,225</b>	<b>53,456,870</b>	<b>57,707,978</b>	<b>52,949,145</b>	<b>46,799,019</b>	<b>51,480,937</b>	<b>47,558,453</b>	<b>56,421,910</b>
<b>Excess (Deficiency) Of Revenues</b>										
<b>Over Expenditures</b>	<b>(3,155,167)</b>	<b>(556,208)</b>	<b>1,220,179</b>	<b>(8,042,812)</b>	<b>(6,001,513)</b>	<b>(3,195,577)</b>	<b>1,539,443</b>	<b>491,783</b>	<b>623,721</b>	<b>(5,442,979)</b>
<b>Other Financing Sources (Uses)</b>										
Transfer in	4,480,636	3,308,061	6,490,754	7,998,372	10,977,888	9,188,689	6,661,307	10,755,350	4,201,942	11,945,937
Transfers out	(4,646,273)	(3,753,161)	(7,069,891)	(10,230,621)	(10,977,888)	(9,188,689)	(6,661,307)	(10,755,350)	(4,201,942)	(11,945,937)
Refunding bonds issued	2,835,000	7,795,000	—	6,405,000	—	—	—	—	—	3,985,000
Bonds issued	5,060,000	4,280,000	4,090,000	6,050,000	7,040,000	18,875,000	—	16,980,000	5,155,000	700,000
Premium on bonds issued	—	338,200	261,700	105,571	50,337	264,804	248,912	147,183	33,821	329,769
Payments to refunded bonds escrow agent	(3,119,316)	(7,702,323)	—	(6,367,180)	—	(6,455,728)	—	(4,252,107)	—	(4,287,690)
Capitalized Leases	—	—	—	—	—	—	—	—	1,438,156	—
<b>Total Other Financing Sources</b>	<b>4,610,047</b>	<b>4,265,777</b>	<b>3,772,563</b>	<b>3,961,142</b>	<b>7,090,337</b>	<b>12,684,076</b>	<b>248,912</b>	<b>12,875,076</b>	<b>6,626,977</b>	<b>727,079</b>
<b>Net Changes In Fund Balances</b>	<b>\$ 1,454,880</b>	<b>\$ 3,709,569</b>	<b>\$ 4,992,742</b>	<b>\$ (4,081,670)</b>	<b>\$ 1,088,824</b>	<b>\$ 9,488,499</b>	<b>\$ 1,788,355</b>	<b>\$ 13,366,859</b>	<b>\$ 7,250,698</b>	<b>\$ (4,715,900)</b>
<b>Debt Service As A Percentage Of</b>										
<b>Noncapital Expenditures</b>	<b>22.17%</b>	<b>21.77%</b>	<b>20.80%</b>	<b>22.82%</b>	<b>20.77%</b>	<b>22.63%</b>	<b>22.86%</b>	<b>17.68%</b>	<b>19.22%</b>	<b>18.87%</b>

# CITY OF LEAWOOD, KANSAS

## GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE<sup>(1)</sup> LAST TEN FISCAL YEARS MODIFIED ACCRUAL BASIS OF ACCOUNTING

### Schedule 6

Fiscal Year	Property Tax	City Sales Tax	Transient Guest Tax	Franchise Tax	City Consumers' Use Tax	Total
2003	\$ 11,591,722	\$ 4,694,073	\$ —	\$ 2,292,152	\$ 1,055,593	\$ 19,633,539
2004	13,401,913	5,240,290	—	2,452,403	1,361,623	22,456,229
2005	14,304,471	5,649,000	—	2,632,535	1,249,124	23,835,129
2006	15,424,609	5,830,105	—	2,648,951	1,255,009	25,158,674
2007	16,620,416	7,843,787	—	2,930,764	1,854,563	29,249,530
2008	17,917,885	8,648,719	—	3,153,438	2,032,270	31,752,312
2009	18,508,788	8,414,265	22,610	3,042,295	1,790,237	31,778,195
2010	18,564,476	8,704,913	202,626	3,153,238	1,838,453	32,463,706
2011	18,207,076	7,560,359	271,632	3,194,165	1,617,971	30,851,203
2012	17,922,095	7,534,510	345,817	3,205,207	1,872,628	30,880,257

(1) Includes governmental activities as shown in the fund financial statements.

(2) In April 2007, the City began collecting a 0.4 cent sales tax for public safety.

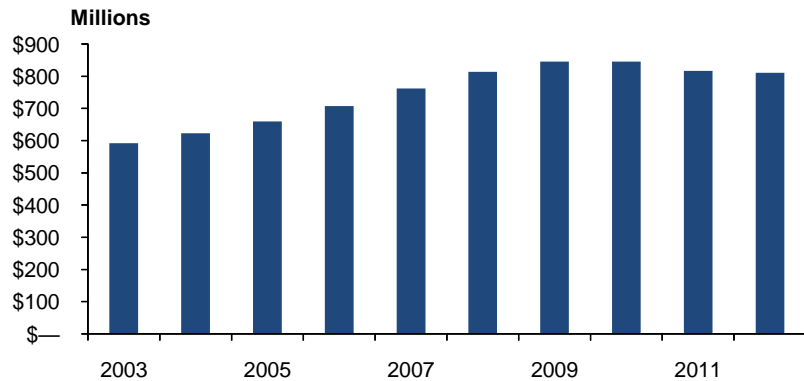
# CITY OF LEAWOOD, KANSAS

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

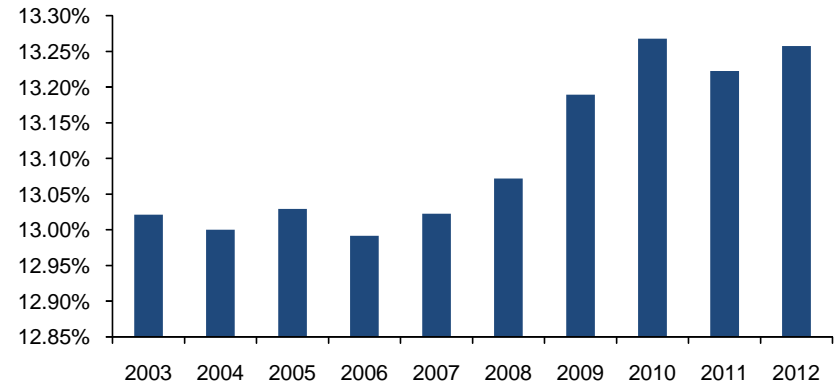
### Schedule 7

Year Ended December 31,	Assessed Value		State Assessed Utilities	Total Assessed Value	Assessed Value		Total Equalized Assessed Valuation	Total Direct Tax Rate	Real Property Estimated Actual Value	Personal Property Estimated Actual Value	Utilities Estimated Actual Value (1)	Total Estimated Actual Value	Ratio Of
	Residential Property	Personal Property			Motor Vehicles	Recreational Vehicles							Total Estimated Actual Value
2003	\$ 508,588,824	\$ 16,334,865	\$ 6,296,797	\$ 531,220,486	\$ 60,469,320	\$ 129,601	\$ 591,819,407	21.820	\$ 3,996,269,722	\$ 64,250,469	\$ 19,081,203	\$ 4,079,601,394	13.02%
2004	539,398,377	13,900,623	6,294,133	559,593,133	63,304,016	118,088	623,015,237	24.074	4,230,737,644	54,675,784	19,073,130	4,304,486,558	13.00%
2005	571,882,830	15,239,935	6,864,743	593,987,508	65,756,344	112,840	659,856,692	24.233	4,478,174,979	59,943,744	20,802,252	4,558,920,975	13.03%
2006	615,197,839	15,600,418	7,319,540	638,117,797	68,658,169	133,101	706,909,067	24.218	4,828,211,705	61,361,644	22,180,424	4,911,753,773	12.99%
2007	669,149,548	15,152,446	7,342,923	691,644,917	70,120,907	123,244	761,889,068	24.232	5,229,287,840	59,599,621	22,251,282	5,311,138,743	13.02%
2008	721,902,784	12,883,030	7,609,052	742,394,866	71,270,476	107,168	813,772,510	24.241	5,605,507,724	50,673,251	23,057,733	5,679,238,708	13.07%
2009	756,413,919	10,455,746	7,945,694	774,815,359	70,024,959	116,987	844,957,305	24.259	5,809,307,620	41,125,937	24,077,861	5,874,511,418	13.19%
2010	761,494,540	7,801,915	7,800,453	777,096,908	67,852,377	123,523	845,072,808	24.259	5,802,721,110	30,687,532	23,637,736	5,857,046,378	13.27%
2011	734,831,763	6,169,490	7,659,760	748,661,013	67,937,265	118,471	816,716,749	24.382	5,614,486,330	24,266,660	23,211,394	5,661,964,384	13.22%
2012	730,282,905	5,643,192	7,116,199	743,042,296	67,112,252	114,344	810,268,892	24.393	5,560,934,270	22,196,555	21,564,239	5,604,695,064	13.26%

**Total Equalized Assessed Valuation**



**Ratio Of Total Assessed Property Value To Total Estimated Actual Value**



Source: Johnson County Treasurer's Office

(1) Utilities estimated actual value is calculated by dividing the assessed value by 33%.



# CITY OF LEAWOOD, KANSAS

## PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUE) DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

### Schedule 8

Tax/Fiscal Year	City			State Of Kansas	Johnson County	Shawnee	Blue	Johnson	Johnson	Johnson	Total	Total
	General	Debt Service	Total City			Mission School District	Valley School District	County Community College	County Library	County Park	Blue Valley Direct And Overlapping Rates	Shawnee Mission Direct And Overlapping Rates
2002/2003	\$ 14.317	\$ 7.503	\$ 21.820	\$ 1.500	\$ 16.221	\$ 42.238	\$ 68.588	\$ 9.428	\$ 2.948	\$ 1.602	\$ 136.424	\$ 110.074
2003/2004	13.322	10.752	24.074	1.500	16.381	37.774	64.551	9.432	2.954	2.365	134.579	107.802
2004/2005	14.763	9.470	24.233	1.500	16.041	42.655	64.197	9.438	2.956	2.367	135.495	113.953
2005/2006	18.815	5.403	24.218	1.500	17.922	49.748	63.329	8.960	2.955	2.286	139.985	126.404
2006/2007	14.618	9.614	24.232	1.500	17.949	51.980	60.700	8.872	2.960	2.290	133.121	124.401
2007/2008	17.424	6.817	24.241	1.500	17.985	52.008	59.503	8.749	2.962	2.295	134.659	127.164
2008/2009	17.894	6.357	24.251	1.500	17.767	52.094	61.127	8.768	3.057	2.341	136.705	127.672
2009/2010	17.758	6.501	24.259	1.500	17.716	55.318	65.079	8.784	3.151	2.346	140.593	130.832
2010/2011	19.408	4.974	24.382	1.500	17.748	56.135	72.828	8.799	3.158	2.350	150.173	133.480
2011/2012	18.102	6.291	24.393	1.500	17.717	55.766	72.027	8.785	3.149	2.344	129.915	113.654

Source: Johnson County Clerk's Office

**CITY OF LEAWOOD, KANSAS**

**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

**Schedule 9**

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage Of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total Taxable Assessed Value
Town Center Plaza	\$ 23,008,252	1	2.82%	\$ 17,079,376	1	3.35%
119th Street Development LLC	11,066,750	2	1.36%	—		0.00%
Park Place Village LLC	7,721,503	3	0.95%	—		0.00%
95 West, L.P.	6,436,337	4	0.79%	6,724,835	2	1.32%
Hallbrook Office Center	5,559,257	5	0.68%	2,515,723	10	0.49%
Academy 1740, Inc.	4,949,501	6	0.61%	5,817,826	3	1.14%
Park Place Village 2 LLC	4,251,336	7	0.52%	—		0.00%
PCC Two, LLC	3,872,500	8	0.47%	—		0.00%
Kansas City Power & Light	3,430,648	9	0.42%	2,851,707	7	0.56%
Pinnacle Building III, LLC	2,881,001	10	0.35%	—		0.00%
114 Timberlands, LLC	—		0.00%	3,039,801	4	0.60%
Ranchmart, Inc.	—		0.00%	2,928,026	6	0.57%
Teacher's Insurance & Annuity	—		0.00%	2,726,001	8	0.53%
Entertainment Properties Trust	—		0.00%	2,695,201	9	0.53%
Kansas City Orthopedic Institute	—		0.00%	2,932,374	5	0.58%
<b>Total Principal Property Taxpayers</b>	<b>\$ 73,177,085</b>		<b>8.97%</b>	<b>\$ 49,310,870</b>		<b>9.67%</b>

Source: Johnson County Clerk's Office

**CITY OF LEAWOOD, KANSAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

**Schedule 10**

Tax/Fiscal Year	Total Tax Levy	Collected Within The Fiscal Year Of The Levy		Collections In Subsequent Years	Total Collections To Date	
		Amount	Percentage Of Levy		Amount	Percentage Of Levy
2002/2003	\$ 11,591,232	\$ 11,374,397	98.1%	\$ 216,835	\$ 11,591,232	100.0%
2003/2004	13,403,142	13,270,757	99.0%	136,860	13,407,617	100.0%
2004/2005	14,329,935	14,189,005	99.0%	140,930	14,329,935	100.0%
2005/2006	15,425,036	15,277,797	99.0%	141,669	15,419,466	100.0%
2006/2007	16,660,228	16,502,849	99.1%	157,379	16,660,228	100.0%
2007/2008	17,959,445	17,742,463	98.8%	134,849	17,877,312	99.5%
2008/2009	18,692,644	18,360,535	98.2%	98,137	18,458,672	98.7%
2009/2010	18,756,996	18,369,886	97.9%	189,972	18,559,858	98.9%
2010/2011	18,095,209	17,863,489	98.7%	—	17,863,489	98.7%
2011/2012	17,952,637	17,758,139	98.9%	—	17,758,139	98.9%

Delinquent Personal collections were distributed January 20, 2001.

Source: Johnson County Treasurer's Office

# CITY OF LEAWOOD, KANSAS

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

### Schedule 11

Fiscal Year	Governmental Activities					Business-Type Activities		Total Primary Government	Percentage Of Personal Income (1)	Per Capita (1)	
	General Obligation Bonds To Be Paid With			Revenue Bonds	Certificates Of Participation	Capital Leases	General Obligation Bonds				Capital Leases
	Tax Levies	Special Assessments									
2003	\$ 34,877,645	\$ 8,645,655	\$ 2,835,000	\$ —	\$ 1,175,112	\$ 4,641,700	\$ 249,996	\$ 52,425,108	*	\$ 1,816	
2004	35,805,700	8,757,200	2,760,000	—	944,420	4,507,100	148,840	52,923,260	*	1,796	
2005	33,647,403	10,708,697	2,420,000	—	834,225	4,004,230	88,744	51,703,299	*	1,719	
2006	40,519,400	9,400,600	2,070,000	—	881,591	—	—	52,871,591	*	1,758	
2007	43,069,522	8,595,478	1,710,000	—	712,135	—	—	54,087,135	*	1,764	
2008	42,618,193	16,116,807	1,345,000	—	1,429,473	—	—	61,509,473	*	1,885	
2009	38,403,000	14,757,000	965,000	—	728,227	—	—	54,853,227	*	1,719	
2010	44,112,900	16,712,100	580,000	—	556,991	—	—	61,961,991	11.41%	1,656	
2011	40,686,800	20,313,200	185,000	—	1,752,024	—	—	62,937,024	*	1,967	
2012	38,113,900	18,321,100	—	—	1,408,615	—	—	57,843,615	*	1,799	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

\* Information is not available. This information is compiled every ten years.

(1) Population data can be found in the Schedule of Demographic and Economic Statistics in Schedule 15.

Note: Effective January 1, 2007, the activities of the City's business-type activity is reported with governmental activities. Accordingly, the debt reported in the business-type activities has been reported with governmental activities debt as of December 31, 2006.

# CITY OF LEAWOOD, KANSAS

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

### Schedule 12

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage Of Estimated Actual Taxable Value Of Property (1)	Per Capita (2)
2003	\$ 48,165,000	\$ 2,489,872	\$ 45,675,128	1.11%	\$ 1,582
2004	49,070,000	2,912,003	46,157,997	1.02%	1,566
2005	48,360,330	5,239,707	43,120,623	0.91%	1,434
2006	49,920,000	6,945,422	42,974,578	0.90%	1,435
2007	51,665,000	5,922,766	45,742,234	0.83%	1,401
2008	58,735,000	7,822,863	50,912,137	0.89%	1,591
2009	58,735,000	7,977,756	50,757,244	0.78%	1,400
2010	53,160,000	7,604,434	45,555,566	0.91%	1,625
2011	60,825,000	7,775,937	53,049,063	0.95%	1,688
2012	56,435,000	7,277,174	49,157,826	0.88%	1,529

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Schedule 7 for property value data.
- (2) Population data can be found in the Schedule of Demographic and Economic Statistics in Schedule 15

# CITY OF LEAWOOD, KANSAS

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT December 31, 2012

### Schedule 13

<b>Governmental Unit</b>	<b>Net Debt Outstanding<sup>(1)</sup></b>	<b>Percentage Applicable To City Of Leawood<sup>(2)</sup></b>	<b>Amount Applicable To City Of Leawood</b>
Johnson County	\$ 290,901,089	9.75%	\$ 28,362,856
Shawnee Mission School District (U.S.D. 512)	207,765,000	5.36%	11,136,204
(U.S.D. 229)	357,770,000	25.51%	91,267,127
Parks and Recreation	3,000,000	9.75%	<u>292,500</u>
Subtotal, overlapping debt			131,058,687
City of Leawood direct debt <sup>(1)</sup>			<u>57,843,615</u>
Total direct and overlapping debt			<u><u>\$ 188,902,302</u></u>

Source: Johnson County Clerk's Office

<sup>(1)</sup> General obligation debt outstanding and lease purchase obligations

<sup>(2)</sup> Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in reporting unit as of January 1, 2004

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 outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Leawood. This process recognizes that, when considering the government'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.

**CITY OF LEAWOOD, KANSAS**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

**Schedule 14**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 176,694,980	\$ 186,057,454	\$ 197,222,884	\$ 211,196,094	\$ 228,130,856	\$ 244,131,753	\$ 253,487,192	\$ 253,521,842	\$ 245,015,025	\$ 243,080,668
Total net debt applicable to limit	36,607,342	35,073,093	30,706,211	43,997,234	43,842,137	50,757,244	45,555,566	53,049,065	54,000,344	49,157,826
Legal debt margin	140,087,638	150,984,361	166,516,673	167,198,860	184,288,719	193,374,509	207,931,626	200,472,777	191,014,681	193,922,842
Total net debt applicable to the limit as a percentage of debt limit	20.72%	18.85%	15.57%	20.83%	19.22%	20.79%	17.97%	20.92%	22.04%	20.22%

<b>Legal Debt Margin Calculation For Fiscal Year 2012</b>	
Assessed value, real and personal property - 2011	\$ 743,042,296
Plus assessed value, motor vehicles - 2010	67,226,596
<b>Total Assessed Value - 2012</b>	<b>810,268,892</b>
<b>Debt Limit (30% Of Total Assessed Value)</b>	<b>243,080,668</b>
<b>Debt Applicable To Limit</b>	
General obligation bonds	56,435,000
Less: Amount set aside for repayment of general obligation debt	7,277,174
<b>Total Net Debt Applicable To Limit</b>	<b>49,157,826</b>
<b>Legal Debt Margin</b>	<b>\$ 193,922,842</b>

Note: In 1997, the Kansas legislature repealed K.S. A. 79-5037, the statute which had governed legal debt limits for municipalities since statewide reappraisal in 1989. Based on this action, the legal general obligation debt limit for most cities in the state, including Leawood, returned to the pre-1989 limit of 30% of equalized assessed valuation. Between 1989 and 1997, K.S.A. 79-5037 adjusted the debt limit to account for the effect of reappraisal. During this period Leawood's debt limit was approximately 15.82% of equalized assessed valuation.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

# CITY OF LEAWOOD, KANSAS

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

### Schedule 15

Fiscal Year	Population	Personal Income (1) (Amounts Expressed In Thousands)	Per Capita Personal Income (1)	Median Age (1)	Percent Of Adult Population With At Least A Bachelors Degree	Unemployment Rate (2)
2003	28,870	*	*	*	*	2.9%
2004	29,470	*	*	*	*	2.5%
2005	30,070	*	*	*	*	2.7%
2006	30,670	*	*	*	*	2.5%
2007	31,284	*	*	*	*	2.6%
2008	31,910 (3)	*	*	*	*	3.4%
2009	32,548	*	*	*	*	4.0%
2010	32,643	5,431,698	170,449	43.2	73.9	4.4%
2011	32,000	*	*	*	*	3.7%
2012	32,160	*	*	*	*	3.2%

\* Information is not available. This information is compiled every ten years.

(1) Obtained from U.S. Census Bureau

(2) Obtained from Kansas Department of Human Resources, for the City of Leawood.

(3) Population data from the 2008 Comprehensive Plan.



# CITY OF LEAWOOD, KANSAS

## PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

### Schedule 16

Employer	2012			2003		
	Employees	Rank	Percentage Of Total City Employment	Employees	Rank	Percentage Of Total City Employment (1)
CBiZ Accounting	450	1	2.8%			
American Academy of Family Physicians	350	2	2.2%	380	1	2.9%
Unified School District No. 229	329	3	2.0%	326	3	2.5%
Ascend Learning	300	4	1.9%			
City of Leawood	256	5	1.6%	247	4	1.9%
Reece & Nichols	255	6	1.6%	353	2	2.7%
Euronet Worldwide Inc.	250	7	1.6%			
Weight Watchers	190	8	1.2%			
Houlihan's Restaurant Group	165	9	1.0%			
Hy Vee	147	10	0.9%			
Price Chopper				143	9	1.1%
Sprint				235	5	1.8%
Hen House				150	7	1.1%
Realty Executives				150	8	1.1%
Galyan's				200	6	1.5%
Root Dental Laboratories				141	10	1.1%
<b>Total</b>	<b>2,692</b>		<b>16.8%</b>	<b>2,325</b>		<b>17.6%</b>

Sources: Kansas Department of Labor, Leawood Chamber of Commerce, and Johnson County Economic Research Institute

# CITY OF LEAWOOD, KANSAS

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

### Schedule 17

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	39.50	40.25	39.94	41.00	47.25	48.25	49.21	49.21	45.71	45.71
Public safety										
Police										
Officers	56.00	56.00	58.00	60.00	61.00	63.00	63.00	63.00	61.00	61.00
Civilians	22.60	22.60	22.60	22.60	22.60	22.00	22.00	22.00	22.00	22.00
Fire										
Firefighters and officers	54.69	54.69	54.69	54.69	54.69	54.69	54.69	54.69	52.69	52.69
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works	50.00	51.00	52.17	52.67	47.42	48.92	50.92	50.23	48.23	48.23
Parks and Recreation	46.13	51.24	56.40	58.99	69.35	72.93	74.81	62.57	61.57	61.57
<b>Total Full-Time Equivalent</b>	<b>269.92</b>	<b>276.78</b>	<b>284.80</b>	<b>290.95</b>	<b>303.31</b>	<b>310.79</b>	<b>315.63</b>	<b>302.70</b>	<b>292.20</b>	<b>292.20</b>

Source: City Budget Manager

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

**Schedule 18**

<b>Function</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Police										
Number of traffic violations	18,065	14,320	14,586	15,544	14,167	12,744	12,481	14,327	14,336	15,305
Number of physical arrests	1,572	1,735	1,659	1,704	1,437	1,310	1,771	1,678	1,778	1,690
Number of dispatch calls (includes Officer-Initiated Calls)	34,846	32,861	33,961	36,553	35,446	34,510	35,797	34,298	31,443	33,161
Number of alarm calls	2,632	2,047	1,925	2,496	2,006	2,029	1,826	1,978	1,739	1,819
Fire										
Number of fire calls answered	1,681	949	1,035	935	1,003	1,021	1,004	803	1,058	1,017
Number of ambulance calls answered	1,170	1,223	1,334	1,265	1,324	1,349	1,433	1,686	1,638	1,685
Number of fire inspections	660	738	844	858	904	1,189	1,514	1,688	1,603	1,628
Parks and Recreation										
Number of programs offered	150	150	150	150	150	150	150	150	150	150

Source: Various City departments

**CITY OF LEAWOOD, KANSAS**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

**Schedule 19**

<b>Function</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Police										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of certified officers	56	56	58	60	61	63	63	63	61	61
Number of noncertified personnel	23	23	23	23	23	22	22	22	22	22
Number of patrol districts	6	3	3	3	3	3	3	3	3	3
Fire										
Number of fire stations	3	3	3	3	3	3	3	3	3	3
Number of paid firefighters	51	51	54	54	54	54	54	54	53	53
Number of volunteer firefighters	0.7	0.7	0.7	0.7	0.7	1	1	1	1	1
Number of nonfire personnel	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (miles)	177.60	190.60	189.36	190.58	193.00	197	197	200	200.7	201.5
Streetlights	2,497	2,555	2,625	2,721	2,800	2,878	2,887	2,935	2,935	2,962
Parks and Recreation										
Number of parks	6	6	6	6	6	6	6	6	6	6
Park acreage	423	423	423	423	423	423	423	423	478	478
Walking trail mileage	8	8	8	8	8	8	8.25	8.25	8.25	8.25
Aquatic centers	1	1	1	1	1	1	1	1	1	1
Golf courses	1	1	1	1	1	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	6	6	6	6
Soccer fields	14	14	14	14	14	14	14	14	14	14
Baseball diamonds	3	3	3	3	3	3	3	3	3	3

Source: Various City departments