City of Leawood, Kansas
Quarterly Report

Third Quarter – September, 2011

City of Leawood
Finance Department

Update of City Finances
For the period ending
September 30, 2011

Below, please find the highlights of revenues and expenditures for the first three quarters of 2011.

REVENUES

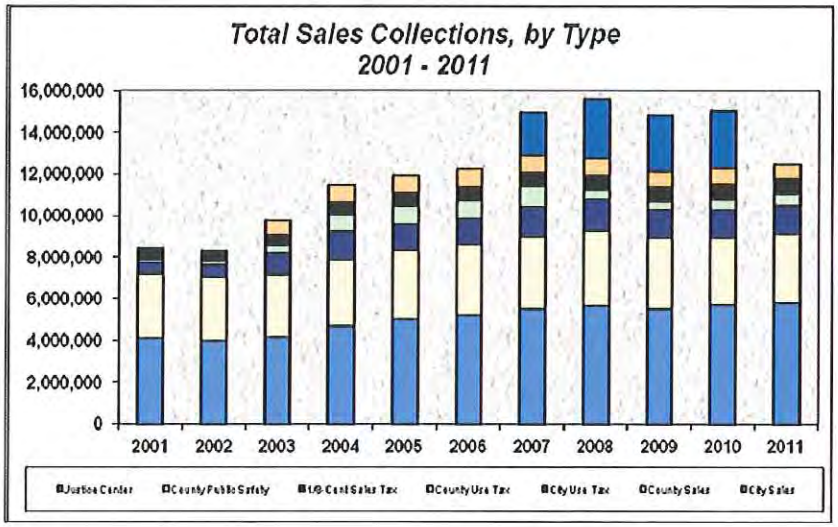
Property Tax: For 2011, property taxes are budgeted at $18,244,120, which do not include abatements/adjustments made by the County Clerk's Office. Collections through September are $17,860,202 or 98.7% of billed taxes. The receipts to date represent the majority of collections, which will be received for the year. Included in this area are current and delinquent property taxes for commercial and residential property. At year-end, this revenue is expected to be approximately 98% of budget. Collections for the same period in 2010 were $18,483,314 or 97.9% of billed taxes. This revenue source is included in both the General Fund and the Bond and Interest Fund.

Total Sales & Local Use Tax: Included in this category are the city one-cent sales tax, county sales tax, city and county compensating use taxes and the 1/8-cent sales tax, and the county public safety sales tax. Total sales and use tax cash collections received through September are $7,563,917 compared to $6,898,369 for the same period last year or 60.5% of the estimated budget of $12,494,878. Year to date, the county public safety sales tax collections are $485,627 and the Justice Center sales and use tax collections, which ended March 31, 2011, total $676,124. Collections to date represent actual cash received for the period of January through July. A two-month lag exists between the month of payment and the time the City receives the sales tax revenue from the State. Below is table showing the collections through the third quarter for this year as compared to previous years.

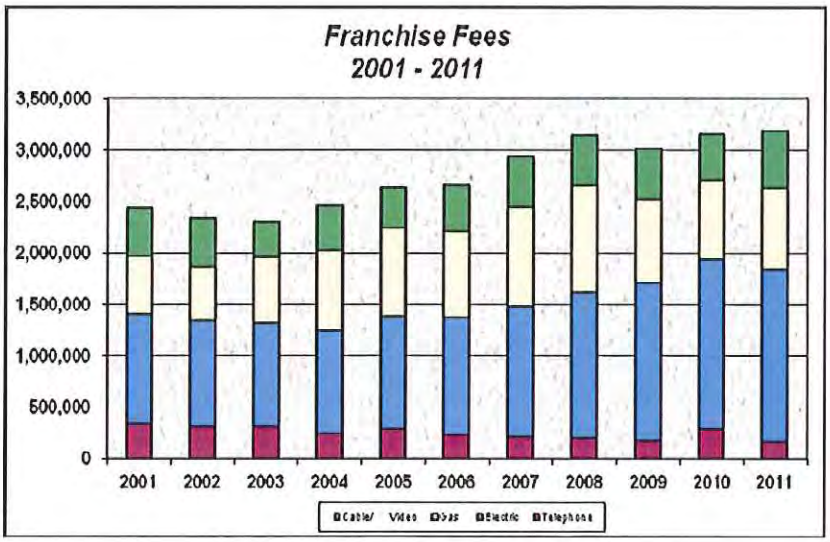
	3Q, 2008	*3Q, 2009*	*3Q, 2010*	*3Q, 2011*	*% Chg from 2010*
City Sales	3,123,192	3,113,736	3,214,980	3,409,269	6.0%
County Sales	2,153,372	1,981,728	1,841,151	2,054,066	11.6%
City Use	885,501	748,672	758,709	815,097	7.4%
County Use	189,139	266,374	265,470	374,002	40.1%
1/8-Cent	390,521	389,231	401,791	425,856	6.0%
County Public Safety	468,503	449,621	416,268	485,627	16.7%
TOTAL	***$7,210,228***	***$6,949,362***	***$6,898,369***	***$7,563,917***	***9.6%***

The 2011 original budget was $12,273,778. However during the preparation of the 2012 budget this forecast was increased to $12,494,878. As shown in the above table, the 2011 collections are trending higher when compared to the third quarter in 2010. Comparing each category to 2010, to date city one-cent sales tax is 6.0% higher, county sales tax is 11.6% higher, and city compensating use taxes are 7.4% higher. The county compensating use tax collections to date are also much higher, but this result is skewed due to the substantial refunds processed at the State level over the last two years, which negatively affected this area. According to the Department of Revenue, it is possible that at least another refund may occur late this year or early next year, but it would be considerably smaller than previous amounts.

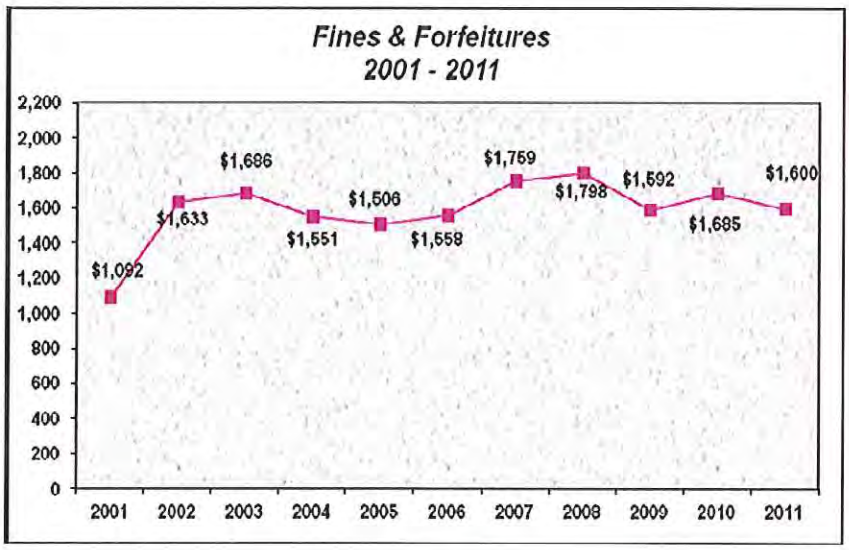
The below chart graphically displays the sales tax collections from 2001 to present.



Franchise Fees: This category, originally budgeted at $3,422,500, was revised downward to $3,185,000 in April. *Cash* collections through the third quarter are $2,307,490 or 72.4% of revised projections. Current year cash collections are approximately 12.9% lower than the same time last year. This has occurred in all areas (gas, electricity, telephone) except cable which to date has shown a 0.7% increase from collections for the same time last year.

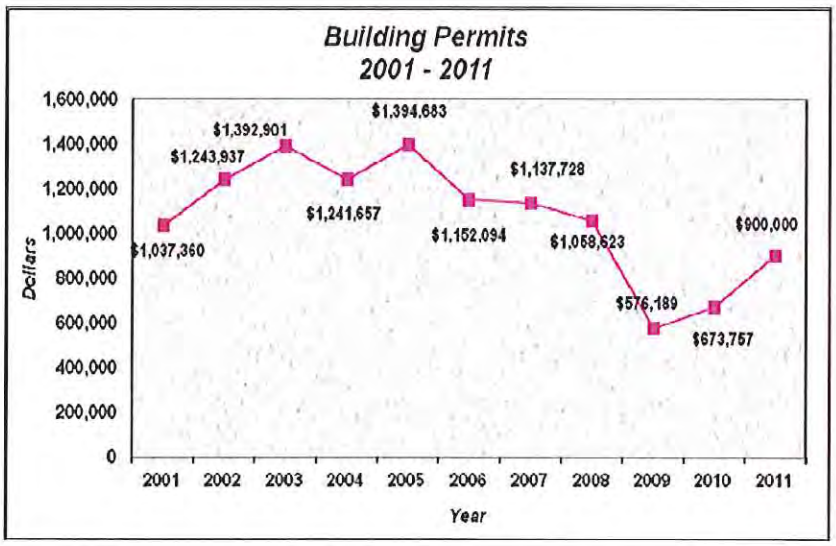


Fines and Forfeitures: Fines and forfeitures have been estimated at $1,600,000, unchanged from the original projections. Collections through September 30th are $1,246,910 or 77.9% of revised projections. Collections for the same period in 2010 were $1,212,606.



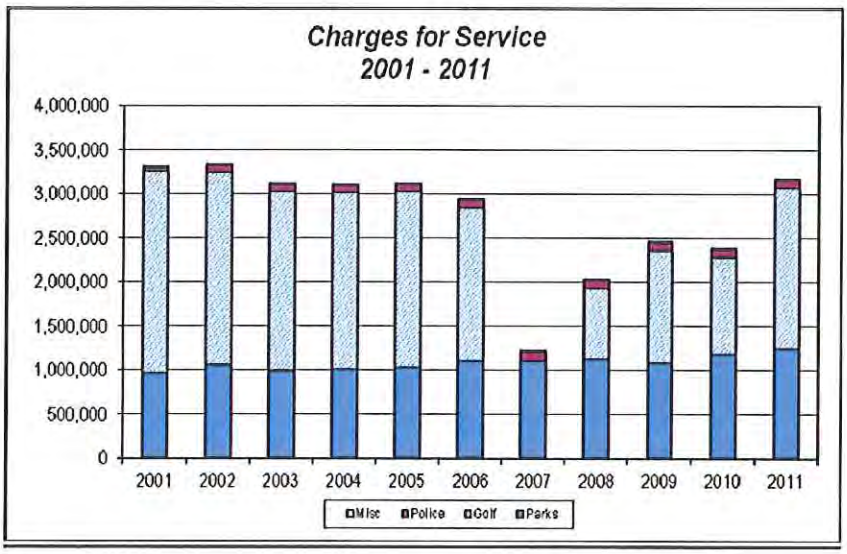
Licenses and Permits: Licenses and Permits include a variety of building, occupation, and animal fees. The revised budget is $1,068,975 compared to an original budget of $1,054,650. Collections through the third quarter are $1,403,114, exceeding projections by 31.3%. Current year collections are approximately 38.4% higher than collections received for the same period last year, of $1,013,519. Increases over April estimates are being realized in occupational licenses, liquor licenses, building permits, land disturbance fees, and public works inspection/right of way.

The current year building permit collections of $882,940 is 68.7% higher than the 2010 collections of $523,340. Over the last several years the City realized large increases in building permit activity, which began to decline in 2006 and is now showing some upward progress again. The chart below reflects revenue received from building permits, which is still the largest single source of revenue in this category.



Charges for Services: This category primarily reflects fees for park and recreation programs, including the golf course. The revenue for this area is projected at $2,916,263 for 2011. Through September, collections are $2,243,890 or 76.9% of April projections. Soccer, swim team and alarm fees are some of the revenues found in this category and are received in large sums during the spring

and summer months of the year. The majority of summer-related receipts have been received through September.



Interest Income: Interest income, for all funds, was originally budgeted at $180,339. However, this revenue was decreased to $117,552 in the 2011 estimated budget. Collections to date are $117,669, or 100.1% of the estimated budget, compared to $89,196 for the same time period in 2010. It has been very difficult to estimate this revenue source due to the volatility in the market.

GENERAL FUND EXPENDITURES

The General Fund 2011 budgeted expenditures, including reserves of $5,773,740, were initially budgeted at $44,273,000. As part of the 2012 budget process, all expenditures were reviewed and revised, if necessary, in April. With those revisions, expenditures are expected to be $37,265,900, including reserves/contingency of $200,073. The contingency funds can be used for any unforeseen expense or obligation the city may have that was not formally budgeted.

The first nine months of expenditures, which include most of the budgeted transfers from the General Fund to other funds, is $24,895,364, or 66.8% of the revised budget. General Fund expenditures are on track with the April re-estimates. Typically expenses should be approximately 75% of budget for the third quarter. Most departments are under 75% of their budget target with the following exception: Citywide, due to the transfers to other funds from the General Fund complete by the third quarter.

DEPARTMENTS	*General Fund Original Budget 2011*	*General Fund Estimated Budget 2011*	*General Fund ACTUALS Through 9/30/11*	*% Change Actuals/ Estimated Budget*
City Wide	$5,012,160	$4,537,427	$3,821,522	84.22%
Administration	$481,500	$463,800	$261,943	56.48%
Finance	$829,800	$742,400	$473,610	63.79%
Human Resources	$1,140,000	$1,104,800	$703,284	63.66%
Municipal Court	$617,700	$562,200	$364,761	64.88%
Legal Services	$538,100	$538,600	$279,056	51.81%
Information Services	$853,100	$852,400	$544,758	63.91%
Community Development	$1,293,500	$1,279,700	$830,103	64.87%
Police	$8,815,000	$8,511,300	$5,640,895	66.28%
Fire	$5,832,100	$5,681,100	$4,137,022	72.82%
Public Works	$6,777,100	$6,578,600	$3,771,303	57.33%
Parks & Recreation	$6,309,200	$6,213,500	$4,067,107	65.46%
TOTAL (without Cont/Reserves)	**$38,499,260**	**$37,065,827**	**$24,895,364**	**67.2%**
% Change			**67.2%**	
Contingency & Reserves	$5,773,740	$200,073	$0	
TOTAL	**$44,273,000**	**$37,265,900**	**$24,895,364**	**66.8%**

SUMMARY OF OTHER FUNDS

The following table includes the budgeted Special Revenue and Capital funds for the City. Shown is the beginning balance, revenues and expenditures through September 30th and the current balance. *The table is a reflection of the activity only through the third quarter and does not include anticipated revenue and expenses from October 1 through December 31, 2011.*

Funds	1/1/2011 Beginning Balance	*Actual through September 30, 2011*		
		YTD Revenue	YTD Expense	Current Balance
Special Revenue Funds				
Special Alcohol	$532,759	$232,362	$295,992	$469,129
Special Parks & Recreation	697,108	232,465	203,946	725,627
Special Law Enforcement	1,096	478	0	1,574
Special City, Street, Highway	499,876	968,828	1,091,008	377,696
Special Transient Guest Tax	225,356	121,117	0	346,473
Capital Funds				
Street Improvements	1,922,149	1,391	262,301	1,661,239
Capital Improvements	3,785,038	31,704	2,334,567	1,482,175
City Equipment	8,900,798	2,352,914	731,582	10,522,131
City Art	418,479	52,932	25,293	446,118
Park Impact Fee	120,002	2,719	120,000	2,721
1/8-Cent Sales Tax	748,571	435,590	480,250	703,911
Public Art Impact Fee	210,406	12,285	0	222,691
K-150 Impact Fee	246,346	24,285	246,346	24,285
	$18,307,985	***$4,469,071***	***$5,791,285***	***$16,985,771***

The following table includes the budgeted Special Revenue and Capital funds for the City. Shown is the beginning balance, along with budgeted revenues and expenditures for the entire year, leaving the projected ending fund balance at December 31, 2011.

Funds	1/1/2011 Beginning Balance	*Forecast through December 31, 2011*		
		Anticipated Revenue	Anticipated Expense	Projected Balance
Special Revenue Funds				
Special Alcohol	$532,759	$400,541	$380,000	$553,300
Special Parks & Recreation	697,108	400,592	980,000	117,700
Special Law Enforcement	1,096	4	0	1,100
Special City, Street, Highway	499,876	1,194,524	1,374,000	320,400
Special Transient Guest Tax	225,356	200,144	102,100	323,400
Capital Funds				
Street Improvements	1,922,149	2,099,351	3,171,200	850,300
Capital Improvements	3,785,038	128,962	2,858,400	1,055,600
City Equipment	8,900,798	2,287,701	1,248,800	9,939,700
City Art	418,479	53,421	235,600	236,300
Park Impact Fee	120,002	98	120000	100
1/8-Cent Sales Tax	748,571	728,829	1,131,000	346,400
Public Art Impact Fee	210,406	394	170,700	40,100
K-150 Impact Fee	246,346	0	246,346	0
	$18,307,985	***$7,494,561***	***$12,018,146***	***$13,784,400***

CONCLUSION

Leawood continues to fare considerably well during the economic recovery. While other surrounding cities and other parts of the country continue to see mediocre revenues, Leawood has experienced positive progress when compared to the same time last year. City Sales tax revenues are 6% higher; building-related fees are 60.8% more than 2010; fines are 2.8% higher; collection rates for tax payments and special assessment payments are 98.7% and 93.4%, respectively, which is an improvement when compared to the last couple of years; and albeit still not much in dollars at $117,669, interest revenue is 31.9% more than what was realized by the third quarter, 2010.

In early August, the State of Kansas released a statement stating that Fiscal Year 2012 began with July tax-only revenues $23.3m above estimates. That, along with the State's General Fund surplus in the budget and approximately $87.6m in above-estimate tax-only revenues since mid-April, left the State's General Fund surplus around $180m just one month into the new fiscal year. Key to the surplus was individual income tax withholding, which was $200.6m, $20.6m or 11.5%, above estimates for July. The only other significant above-estimate revenue stream was sales tax, which at $183.7m was $3.7m or 2.1% above estimates, and $38m or 26.1% above receipts for July, 2010.

City of Leawood, Kansas

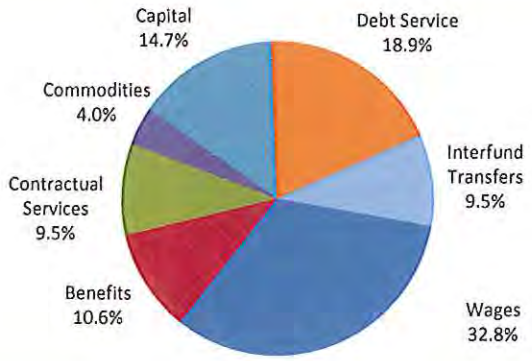
SNAPSHOT OF FINANCES and CITY ACTIVITY

as of September 30, 2011 *(75% of the year complete)*

General Fund Revenues

Revenues	*Estimated Budget*	*YTD*	*%*
Taxes	25,157,928	20,263,633	80.5%
Licenses & Permits	1,068,975	1,403,114	131.3%
Other Intergovernmental	6,132,686	4,185,421	68.2%
Charges for Services	2,916,263	2,243,890	76.9%
Fines & Forfeitures	1,600,000	1,246,910	77.9%
Interest Income	53,187	33,818	63.6%
Contributions & Other	92,500	203,273	219.8%
Other Financing Sources	225,000	225,000	100.0%
Sub-Total, Revenues	*37,246,539*	*29,805,058*	*80.0%*
Fund Balance	11,080,761	0	0.0%
Total Revenues	*$48,327,300*	*$29,805,058*	*61.7%*

YTD - Citywide Expense Allocation



General Fund Expenditures - by Program

Expenditures	*Est Budget*	*YTD*	*%*
General Operations	4,737,500	3,821,522	80.7%
Administration	463,800	261,943	56.5%
Finance	742,400	473,610	63.8%
Human Resources	1,104,800	703,284	63.7%
Municipal Court	562,200	364,761	64.9%
Legal Services	538,600	279,056	51.8%
Information Services	852,400	544,758	63.9%
Community Development	1,279,700	830,103	64.9%
Police	8,511,300	5,640,895	66.3%
Fire	5,681,100	4,137,022	72.8%
Public Works	6,578,600	3,771,303	57.3%
Parks & Recreation	6,213,500	4,067,107	65.5%
Total Expenditures	*$37,265,900*	*$24,895,364*	*66.8%*

YTD - Total Citywide Budget

Expenditures	*Est Budget*	*YTD*	*%*
Total Citywide Budget	$56,506,946	37,860,777	*67.0%*

All Other Budgeted Funds - by Fund Type

Special Revenue Funds	*Est Budget*	*YTD*	*%*
Revenues	2,195,805	1,555,251	*70.8%*
Fund Balance	1,956,195	0	0.0%
Total Revenues	*4,152,000*	*1,555,251*	*37.5%*
Total Expenses	*2,836,100*	*1,590,946*	*56.1%*

Capital Funds	*Est Budget*	*YTD*	*%*
Revenues	5,298,756	2,913,820	*55.0%*
Fund Balance	16,351,790	0	0.0%
Total Revenues	*21,650,546*	*2,913,820*	*13.5%*
Total Expenses	*9,182,046*	*4,200,339*	*45.7%*

Debt Service Fund	*Est Budget*	*YTD*	*%*
Revenues	6,585,365	6,274,338	*95.3%*
Fund Balance	7,775,935	0	0.0%
Total Revenues	*14,361,300*	*6,274,338*	*43.7%*
Total Expenses	*7,222,900*	*7,174,129*	*99.3%*

General Fund Expenditures - by Category

Expenditures	*Est Budget*	*YTD*	*%*
Personnel	23,469,800	16,437,730	70.0%
Contractual Services	6,676,600	3,507,316	52.5%
Commodities	3,192,900	1,504,915	47.1%
Capital	688,500	678,361	98.5%
Other Financing Uses	3,238,100	2,767,043	85.5%
Total Expenditures	*$37,265,900*	*$24,895,364*	*66.8%*

Key Activity Updates *(Year-to-Date)*

	Sep-11	*Sep-10*	*%*		*Sep-11*	*Sep-10*	*%*
City Sales Tax Collections *(receipts through July, 2011)*	3,409,269	3,214,980	6.0% ↑	Interest Earnings/Rates *(all budgeted funds)*	117,669	89,196	31.9% ↑
Building-related Fees *(per Building Official)*	966,452	601,051	60.8% ↑	Fines/Forfeitures	1,246,910	1,212,606	2.8% ↑
Property Tax Collections *(Collections thru Sep/Assessed)*	98.7%	97.9%	0.8% ↑	Special Assessment Collections *(Collections thru Sep/Assessed)*	93.4%	91.7%	1.9% ↑

CITY OF LEAWOOD, KANSAS

Pay-As-You-Go (PAYG) Project Status Report

As of 9/30/2011

No.	Project Name	Previous Yrs Expense	Orig 2011 Budget	Current 2011 Budget	2012-2016 Budgets	2011 Expenditures	2011 Encumbrances	Status/ Project to Date Information	Balance
Art									
79005	Temporary Art	13,441	5,000	5,000	25,000	-	-		5,000
79006	Sculpture Garden	5,000	232,500	100,000	300,000	-	-		100,000
79010	I-Lan Park Art	26,000	-	35,000	-	25,000	-		10,000
NA	Annual Art Maintenance	22,355	84,100	84,100	Varies	293	-		83,807
Art Total		***66,796***	***321,600***	***224,100***	***325,000***	***25,293***	-		***198,807***
Buildings and Grounds									
49112	Course - Cart Storage Garage Doors	-	-	8,334	-	-	-		8,334
49123	Course - Perimeter Fencing, Ph III	-	-	35,000	-	-	-		35,000
49124	Course - Perimeter Fencing, Ph IV	-	45,000	45,000					45,000
49127	Course - Irrigation Retrofit	58,980	-	35,249	-	35,152	-		97
49128	Clubhouse - HVAC Replacement	-	-	33,000	-	33,000	-		0
49129	Course - SubAir/Fans	-	-	78,750	-	74,838	3,179	Precision Eng *(4600.0000696)* Cadence Elec *(4600.0000721)*	733
71006	Pond and Trail Improvements	6,499	325,000	389,540	Varies	-	-		389,540
71007	Trail-ADA,City Park T-Ball Fields	-	-	60,000	-	13,869	1,102	KC Desk Supply *(4500.0000418)*	45,029
71009	City Park Pond Fountain	-	-	7,980	-	7,980	-		-
71010	Tomahawk Park Ball Field	-	-	27,480	-	1,632	25,800	VSR Design *(4111.0000214)* McAnany Const *(4111.0000214)*	48
74001	Bldg - City Hall Int Wall Renovations	-	-	25,000	75,000	-	-		25,000
74015	FS #1 - Roof Section Replacement	-	56,000	56,000	-	-	-		56,000
74017	FS#1 Standby Generator	51,207	-	4,093	-	-	-		4,093
74024	Park Maint - Pressure Wash Equipment	-	-	15,000	-	10,509	-		4,491
74026	Park Bldg Generator Unit/Switch	2,760	-	49,590	-	49,590	-		-
74030	Police Bldg - HVAC Replacement	-	5,000	5,000	31,000	-	-		5,000
74032	Old City Hall - Roof Replacement	-	-	47,000	-	-	-		47,000
74033	FS #1 - Ext Building Repairs	24,823	-	8,877	-	-			8,877
74035	Public Works - Fuel Dispensers	-	15,000	-	-	-	-		-
74044	Bldg-PW Salt Storage Doors	-	-	30,000	-	-	25,280	Tracker Door *(3111.0000391)*	4,720
76018	North Lake Improvements	-	-	290,000	-	-	-		290,000
76026	PES-123rd & Mission	20,350	-	1,950	-	1,950	-		-
76027	Gezer Park Amenities *(Spec Parks/Rec Fund)*	18,536	-	186,100	-	180,466	5,630	Precision *(4111.0000206)*	5
76027	Gezer Park Amenities *(Capital Imprv Fund)*	-	-	130,845	-	81,240	9,473	ABCreative *(4500.0000400)* RJ Thomas *(4500.0000415)* Western Extralite Co *(4500.0000414)*	40,133
76034	Leabrooke Land Purchase *(Capital Imprv Fund)*	-	-	781,415	-	780,482	-		933
76034	Leabrooke Land Purchase *(Park Impact Fund)*	-	-	120,000	-	120,000	-		-
76008	Justice Center Building	-	-	16,000,000	-	732,668	607,020	Hoefer Wysocki *(2111.0000206)* McRealty Grp *(2111.0000202)* Geotechnical Subsurf *(2111.0000205)*	14,660,312
80165	City Facility Improvements	-	1,100,000	1,231,253	-	1,198,007	33,246	Burns & McDonnell *(3111.0000374)*	-
Buildings and Grounds Total		***183,155***	***1,546,000***	***19,702,456***	***106,000***	***3,321,381***	***710,730***		***15,670,345***
Streets									
70009	2011 Slurry Seal	-	500,000	374,463	-	313,529	19,231	Vance Bros *(3111.0000376)*	41,703
70010	2011 Mill & Overlay	-	824,000	949,537	-	777,479	171,717	O'Donnell & Sons *(3111.0000383)*	341
72015	Arterial - 104th St Improvements	-	175,000	175,000			175,000	O'Donnell & Sons *(3111.0000383)*	-
72016	Arterial - Mission Rd, 95th-103rd	-	-	94,299	-	59,759	-		34,540
72018	Arterial - Nall, 119th-135th	-	1,953,300	1,953,300	-	-	-		1,953,300
72027	Arterial - ReSaw/Fill Joints, 135th St	-	-	440,000	-	-	-		440,000
72037	Arterial - Nall Ave, College to 119th	86,717	-	2,483	-	-	2,483	OP Ks *(3111.0000340)*	0
72038	Arterial - 95th & Mission Traffic Signals	9,581	60,000	43,888	-	24,750	-		19,138
72040	Arterial - Traffic Signals, 133rd & Roe	-	-	286,915	-	177,792	-		109,123
72042	Arterial - Traffic Signals, 128-135 State Line	-	-	120,000	-	-	-		120,000
Streets Total		***96,298***	***3,512,300***	***4,439,885***	-	***1,353,309***	***368,430***		***2,718,145***
Stormwater									
76022	2009 Accelerated Stormwater Program	511,620	-	88,380	-	69,800	4,282	Wiedenmann/Godfrey *(3111.0000355)*, Continental Eng *(3111.0000379)*	14,298
77111	2011 Accelerated Stormwater Program	-	600,000	634,000	-	107,644	469,785	Miles Excavating *(3111.0000383)*	56,571
77006	1/8 Cent - 12601 Norwood	-	65,000	34,880	-	22,606	8,394	O'Donnell & Sons *(3111.0000383)*	3,880
77009	1/8 Cent - 14601 Delmar	-	-	62,120	-	-	-		62,120
Stormwater Total		***511,620***	***665,000***	***819,380***	-	***200,050***	***482,462***		***136,869***
		857,869	**6,044,900**	**25,185,821**	**431,000**	**4,900,033**	**1,561,621**		**18,724,167**

CITY OF LEAWOOD, KANSAS

BOND-FINANCED Project Status Report

As of 9/30/2011

No.	Project Name	Budget (As Authorized by Resolution)	Resolution Numbers	Previous Yrs Expense	2011 Expenditures	2011 Encumbrances	Status/ Project to Date Information	Balance	Bond Life	Bond Year
Buildings and Grounds										
80154	Activity Center	-		-	375	-		(375)	NA	NA
Buildings and Grounds Total		-		-	*375*	-		*(375)*		
Streets										
80118	Amphitheater, Phase I	500,000	*Bonded*	155,758	9,410	-		334,832	NA	NA
80162	143rd St, Nall to Mission (2010)	13,500,000	1684, 2991	902,251	-	230,942	Burns & McDonnell *(3111.0000234)*	12,366,807	15	2017
80165	City Facility Improvements	780,000	3516	1,278	608,950	108,412	Burns & McDonnell *(3111.0000374)*	61,360	20	2012
80212	2012 Residential Streets, Ph II-Yr 4	1,275,000	3586	-	11,034	-		1,263,966	15	2013
Streets Total		*16,055,000*		*1,059,287*	*629,395*	*339,354*		*14,026,965*		
Economic Development										
80196	Park Place	5,500,000	2410, 2806	5,342,564	150,908	-		6,528	15	2011
Economic Development Total		*5,500,000*		*5,342,564*	*150,908*	-		*6,528*		
		21,555,000		**6,401,851**	**780,677**	**339,354**		**14,033,118**		

Capital Markets Group

City of Leawood

INVESTMENT PORTFOLIO EXECUTIVE SUMMARY

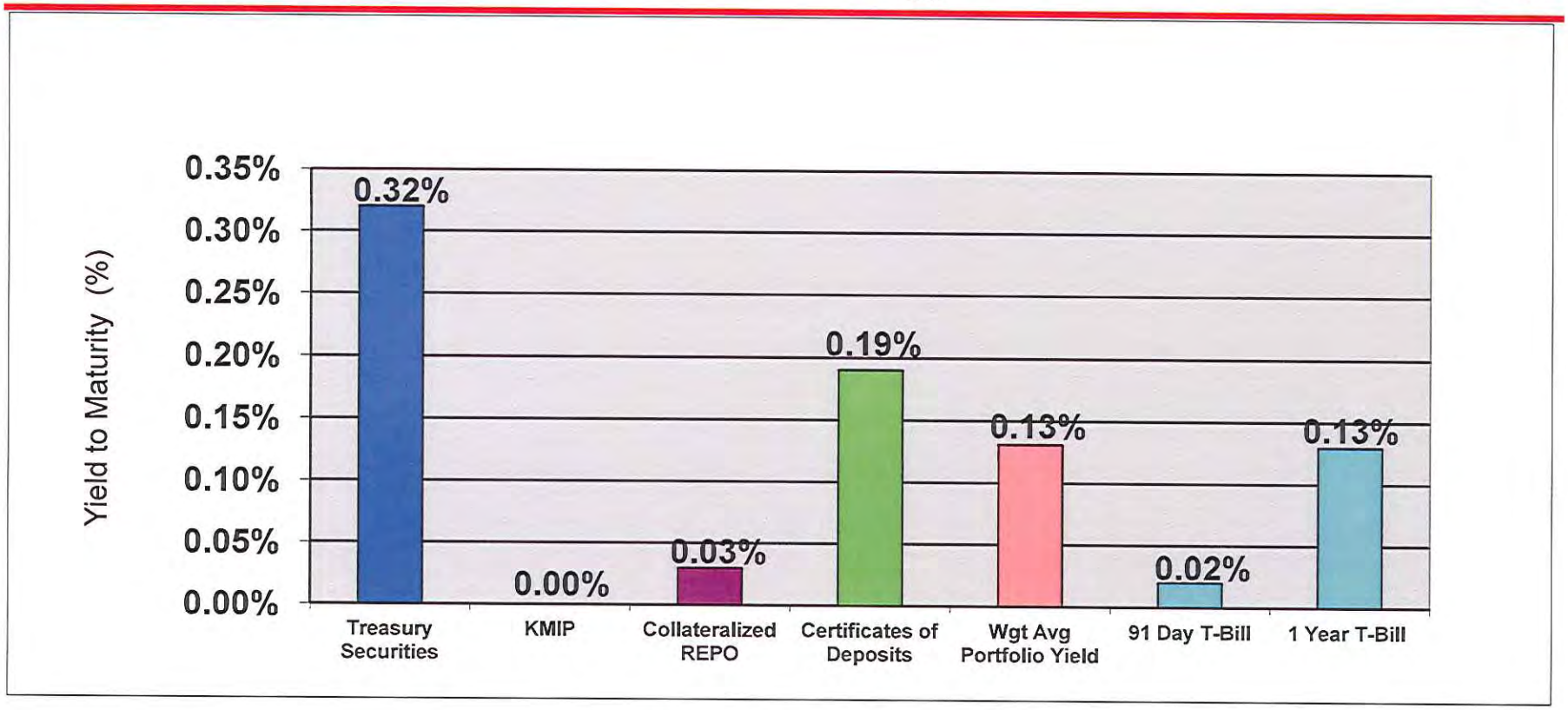
As of September 30, 2011

Commerce Bank

City of Leawood

YIELD TO MATURITY

Commerce Bank
Member FDIC



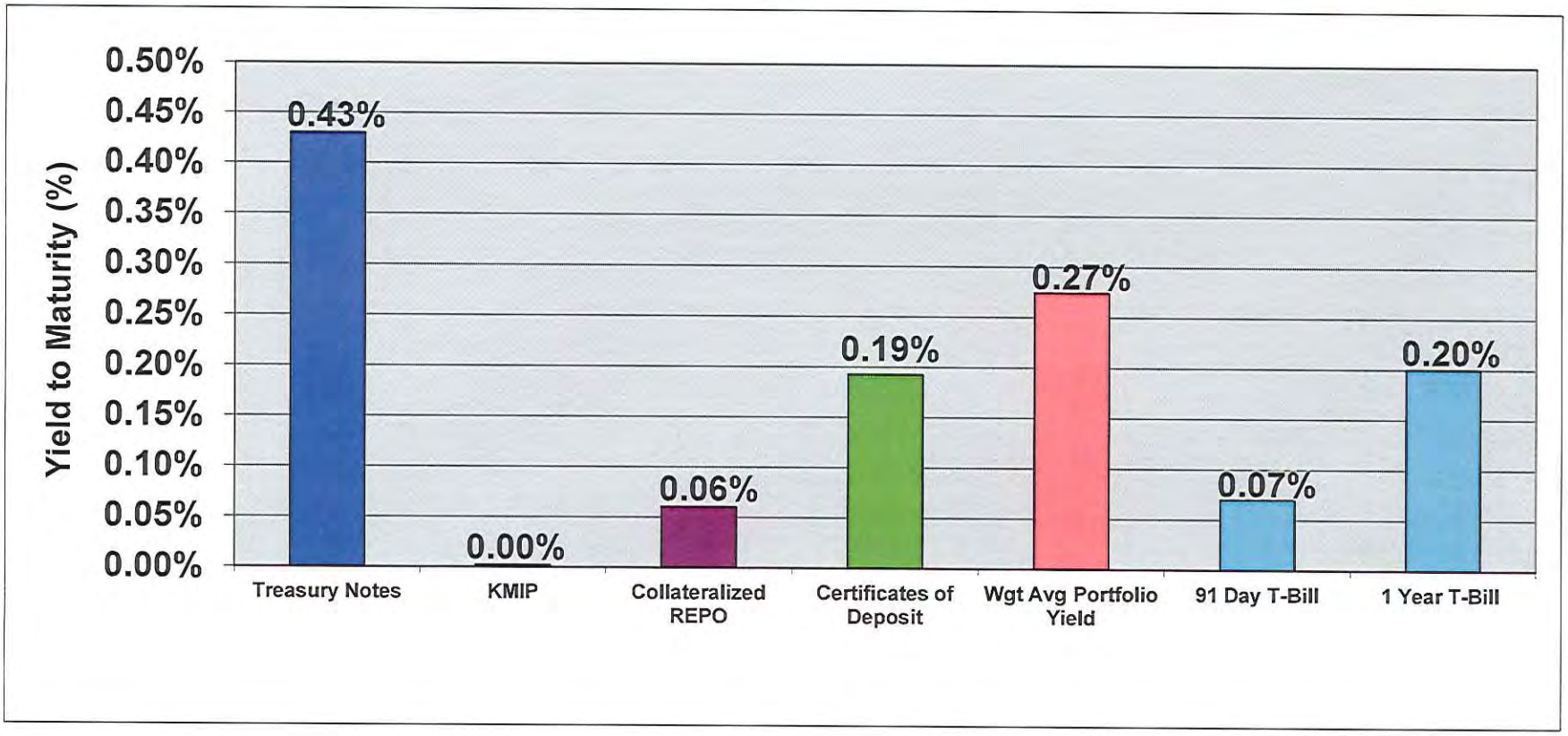
As of September 30, 2011

This graph demonstrates the yield to maturity for each asset class. The Weighted Average Portfolio yield is the average yield from each asset class weighted by the amount of par invested in each class. As of September 30, 2011 this chart shows the yield to maturity for these investments.

Note: The Collateralized REPO represents the Federal Reserve 91 day T-bill rate adjusted monthly in arrears. The third quarter average 91-day T-Bill rate was 0.02%. The long-term portfolio uses the one-year T-Bill as the benchmark. The third quarter average of the one-year T-Bill rate was 0.13%.

City of Leawood

YEAR TO DATE AVERAGE YIELD



As of September 30, 2011

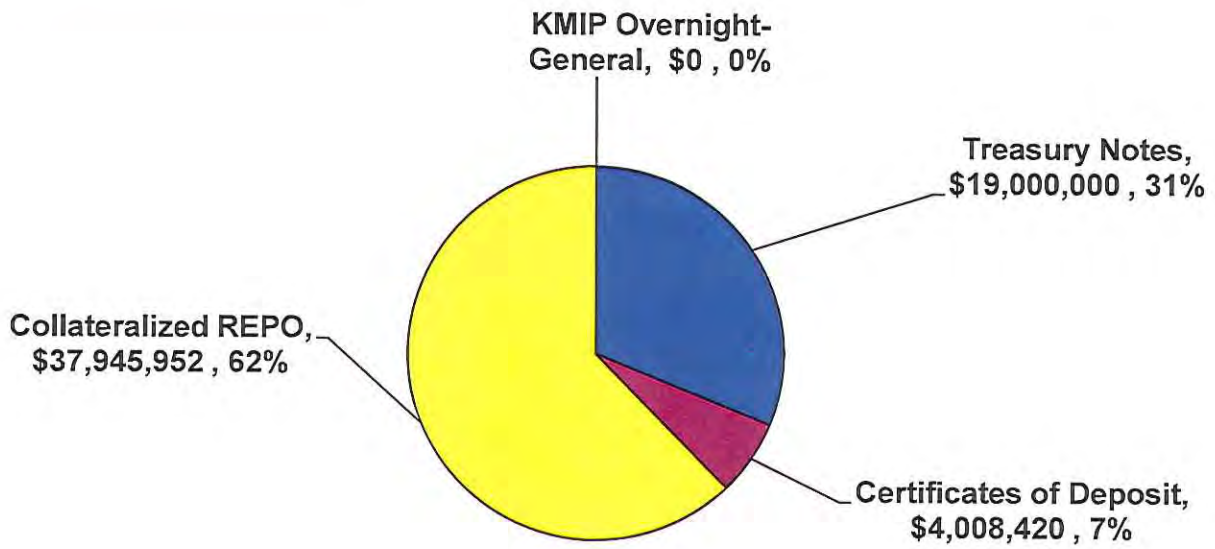
This graph demonstrates the year to date weighted average yield for each asset class. The weighted average portfolio yield is the average yield from each asset class weighted by the monthly par amount invested in each class. As of September 30, 2011 this chart shows the year to date yield to maturity for these investments.

Note: The Collateralized REPO represents the Federal Reserve 91-day T-bill rate adjusted monthly in arrears. Through third quarter 2011 the average year to date 91-day T-Bill rate was 0.07%. The long-term portfolio uses the one-year T-Bill as the benchmark. Through third quarter 2011 the average one-year T-Bill rate was 0.20%.

City of Leawood

SECTOR DISTRIBUTION

Commerce Bank
Member FDIC



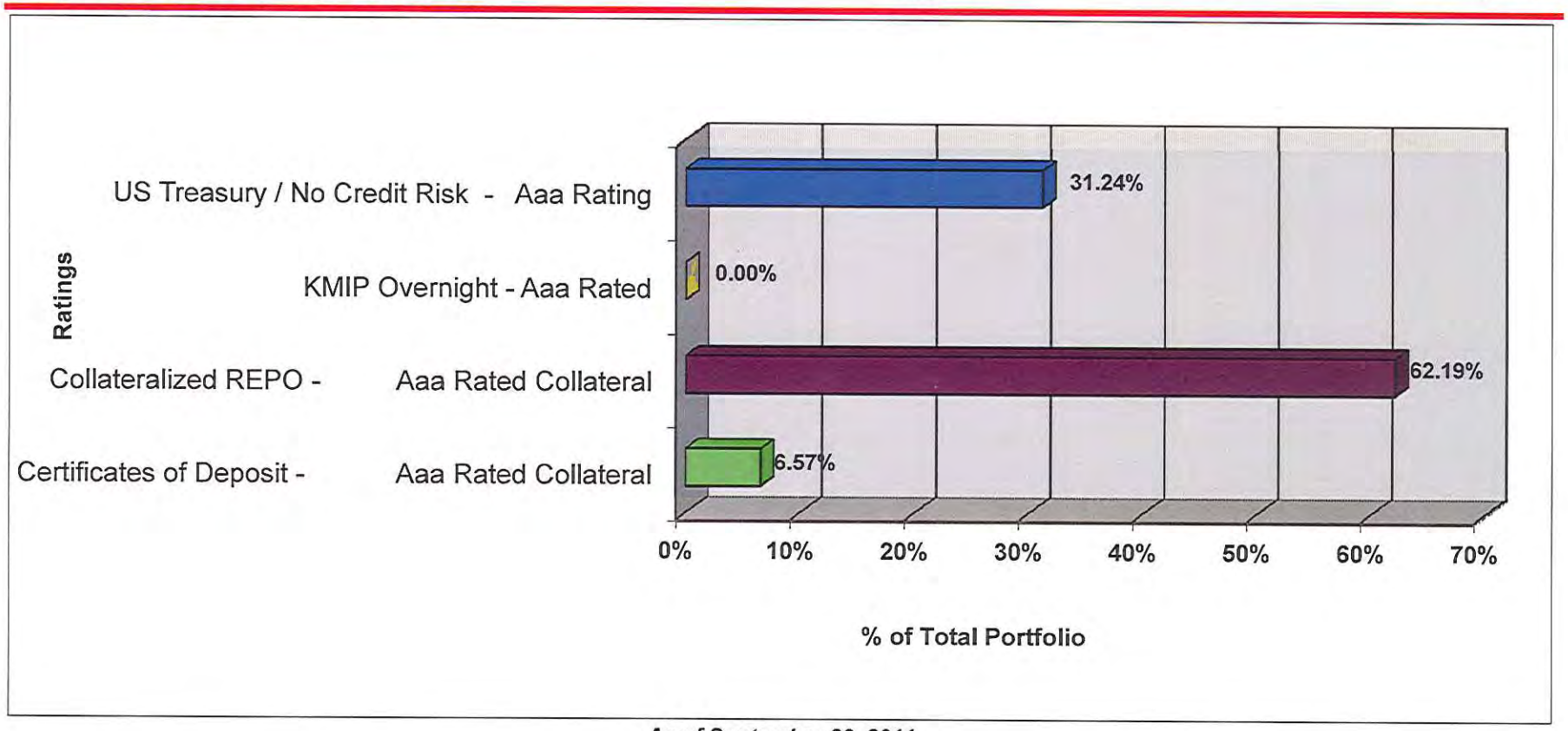
Total Portfolio $60,954,372

As of September 30, 2011

This graph demonstrates the distribution of the total par amount of assets in the portfolio among various asset types. The percentage represents the percent of total par held in each asset class.

City of Leawood

RATINGS DISTRIBUTION



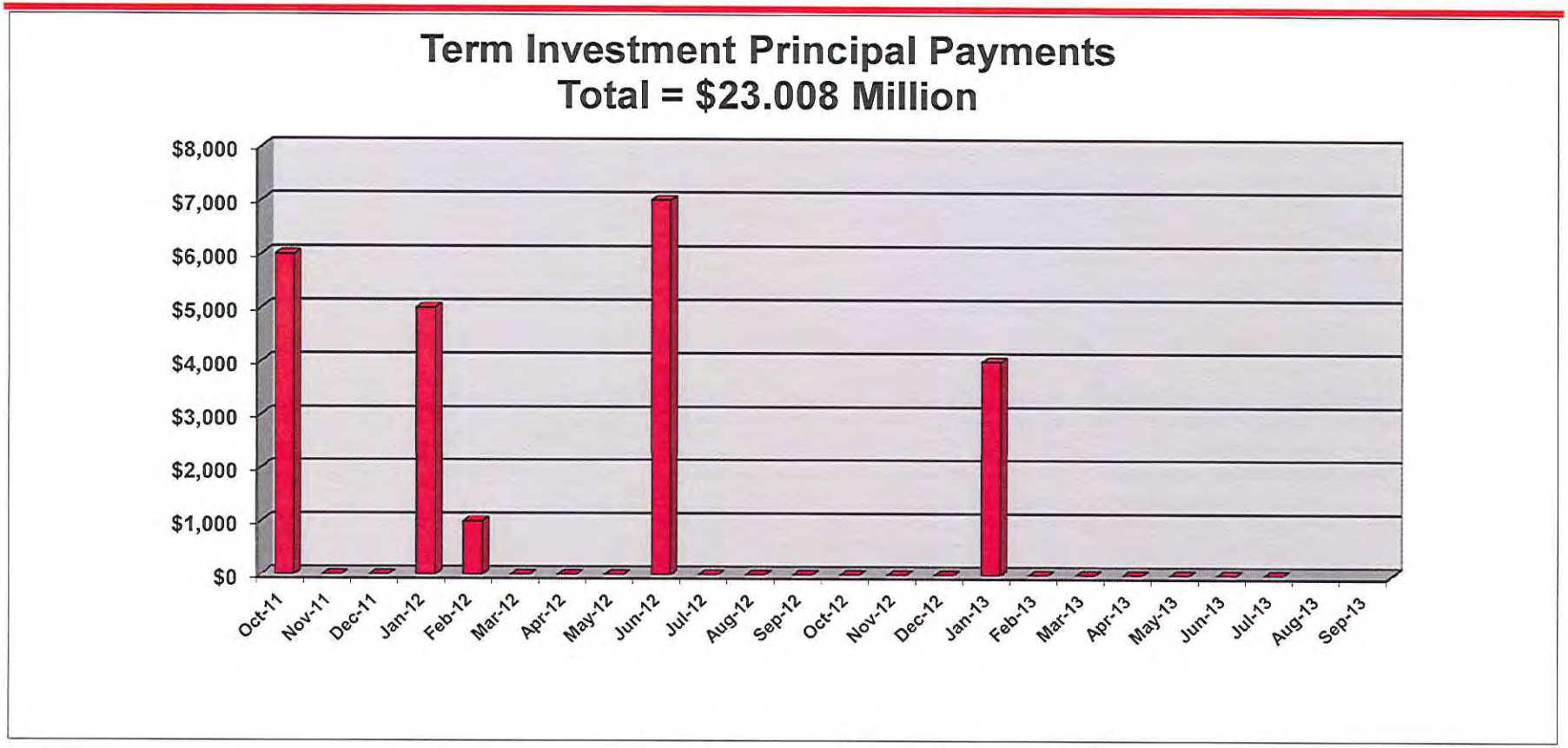
As of September 30, 2011

This graph demonstrates the distribution of assets by credit rating. The graph shows that 100% of the portfolio is invested in assets that have no material credit risk, since assets or the underlying collateral is rated Aaa by Moody's Investors Service. These percentages are well within policy guidelines. Basically, the City of Leawood owns nothing but the best credit risks in the world.

City of Leawood

2-YEAR CASH FLOWS

Commerce Bank
Member FDIC



As of September 30, 2011

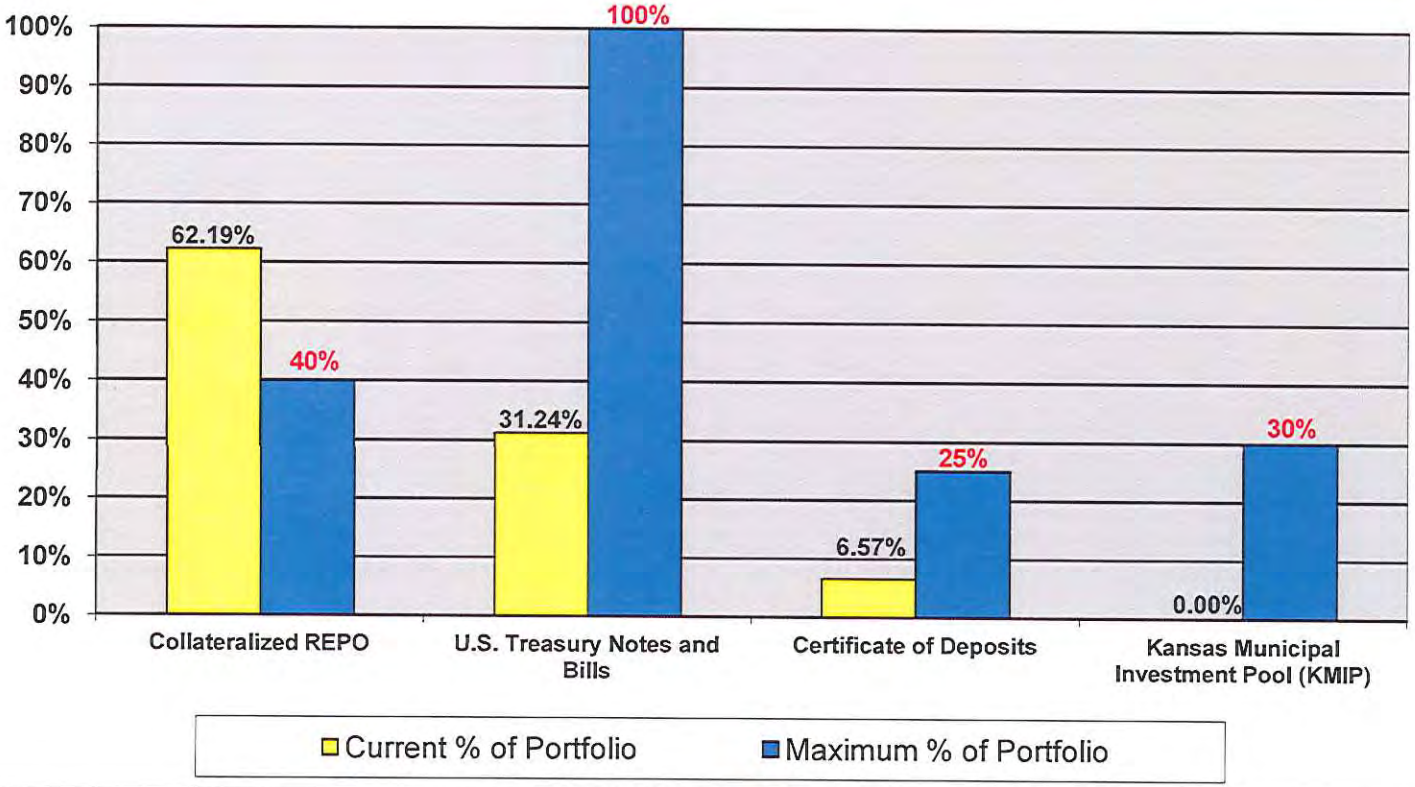
This graph demonstrates the amount of principal being paid from the portfolio each month for the next two years. As of the end of third quarter 2011, all term investment portfolio cash flow will be returned with-in the next 16-months.

By Kansas Statute we cannot go out any further than two years. We are also strategically keeping our investments short-term because we need cash flow for operations, capital and debt service. Attached to this report on yellow paper, you can see the short term and the long term yields.

City of Leawood

POLICY COMPLIANCE

Commerce Bank
Member FDIC



As of September 30, 2011

This graph compares the percentage of the total portfolio currently held in each asset class to the maximum percentage allowed in that asset class by policy. The City's investment policy allows some flexibility in the maximum percentage of investment by asset class when the market is considered volatile or unstable. Due to the volatility of the investment market at September 30th and the need to keep cash investments short term due to cash flow needs, the percentage in the Collateralized REPO was higher than allowed by the City's investment policy. The Kansas Municipal Investment Pool includes monies held in the city's capital improvement fund, which are exempt from investment policy compliance.

City of Leawood

MARKET VALUE

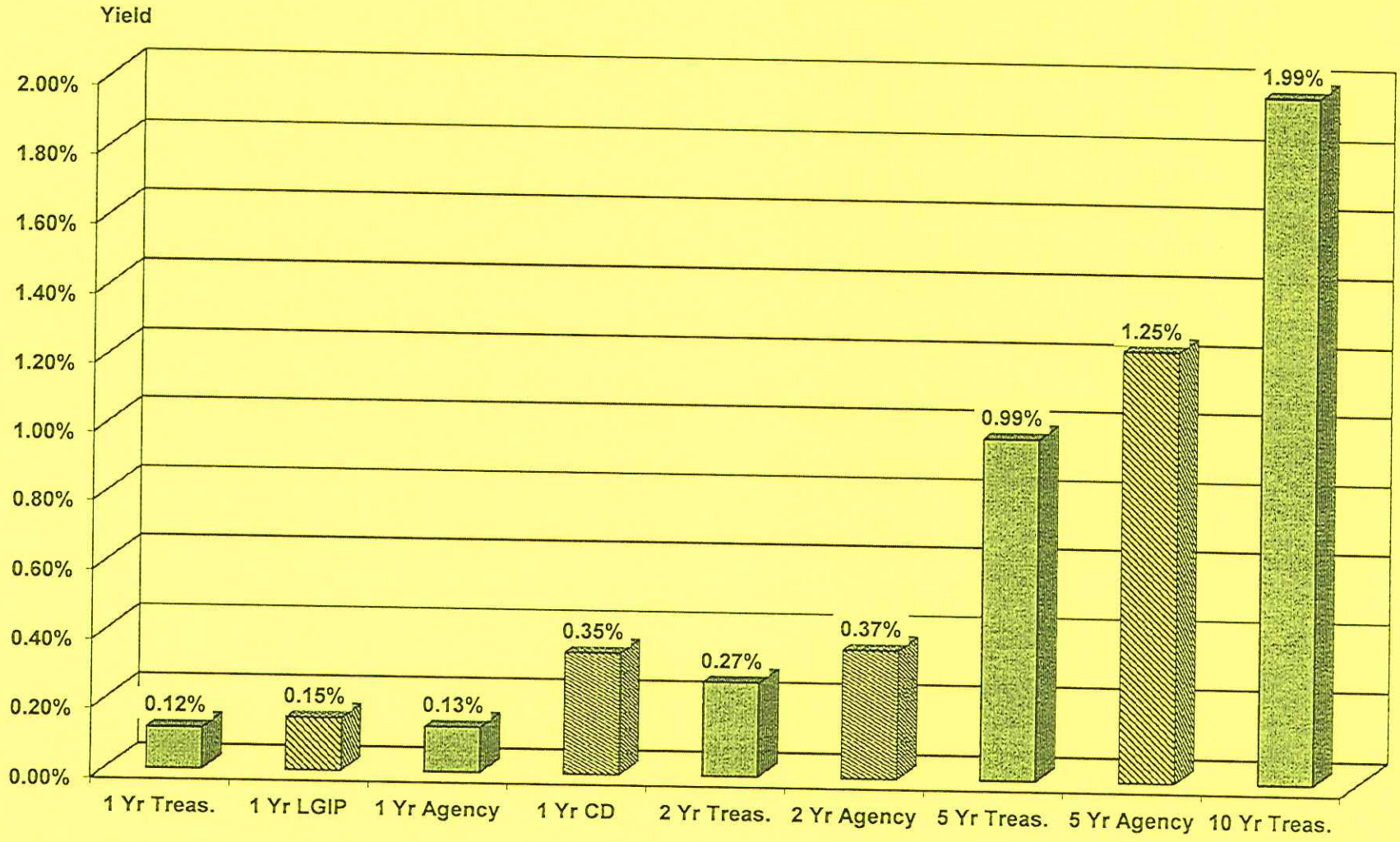
Commerce Bank
Member FDIC

SECTOR	Book Value	Market Value	Unrealized Gain (Loss)	Unrealized % Gain (Loss)
Treasury Notes	$19,063,322	$19,092,431	$29,109	0.15%
Collateralized REPO	$37,945,952	$37,945,952	$0	0.00%
Certificates of Deposit	$4,008,420	$4,008,420	$0	0.00%
Total Marketable Securities	$61,017,694	$61,046,803	$29,109	0.05%

As of September 30, 2011

This table compares the portfolio market value as of report date to book value, showing the corresponding unrealized gain or loss. The percentage gain or loss column reflects the amount of gain or loss divided by book value.

CURRENT YIELDS
Long Term as of September 30, 2011



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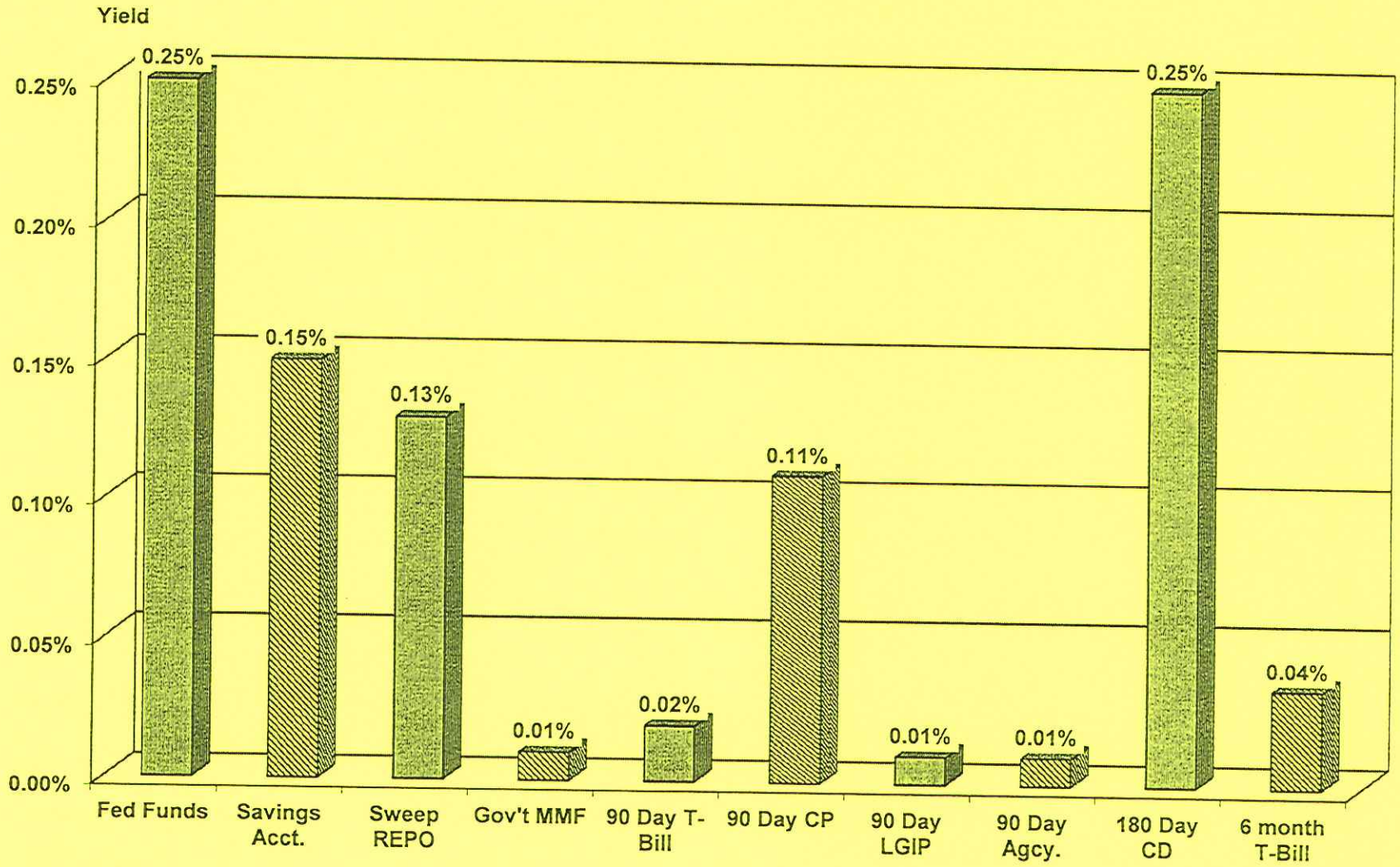
CURRENT YIELDS
Short Term as of September 30, 2011



J. F. Beasley & Co., Inc.