

# City of Leawood, Kansas *Quarterly Report*



**Second Quarter – June, 2012**

*City of Leawood*  
**Finance Department**

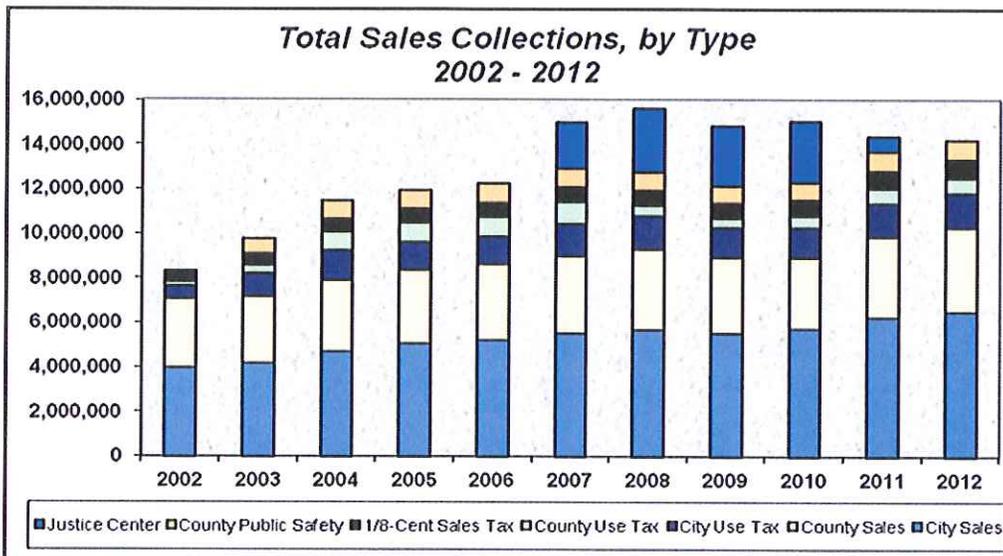
# Update of City Finances For the period ending June 30, 2012

Below, please find the highlights of revenues and expenditures for the second quarter of 2012.

## REVENUES

**Property Tax:** For 2012, property taxes are budgeted at \$18,293,021. Collections to date are \$17,572,160, or 96.5% of the budget projection. For the same period last year, collections were at 96.3% of projection. At year-end, collections should be approximately 98% of projections with any fluctuations from this percent caused by delinquent payments. This revenue appears to be on target to original budget projections, therefore no changes were made to the estimated budget. This revenue source is found in both the General and Bond and Interest funds.

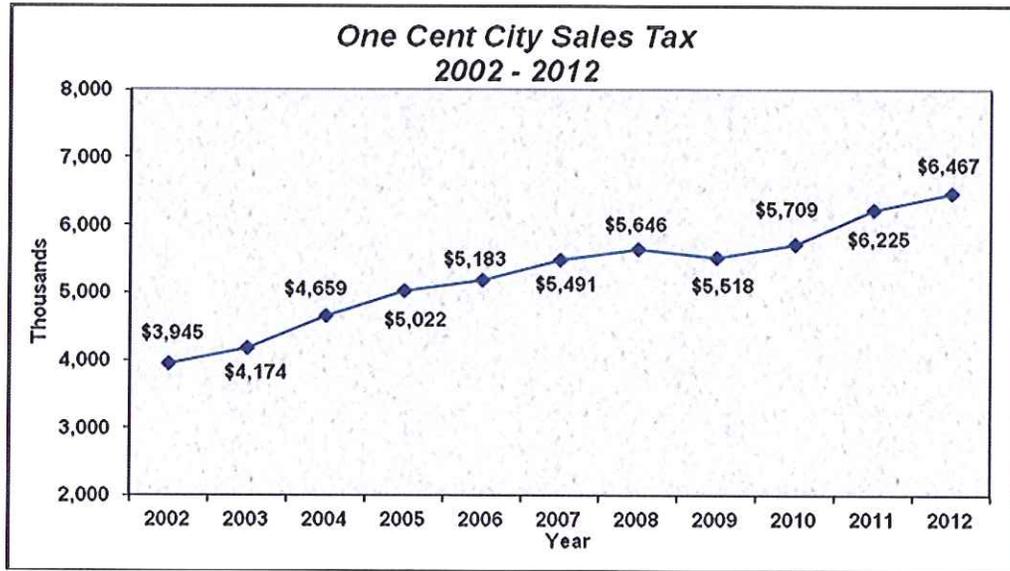
**Total Sales & Local Use Tax:** Included in this category are the city one-cent sales tax, county sales tax, city and county compensating use taxes, the 1/8-cent sales tax, the county special sales tax, and the County Education Research Triangle tax. The budgeted sales and use tax receipts through the second quarter total \$4,270,274 and are 9.8% higher than collections of \$3,890,718 for the same period last year. The 2012 total budget is estimated at \$13,299,212 and reflects a 3.9% increase for all areas from the 2011 actuals.



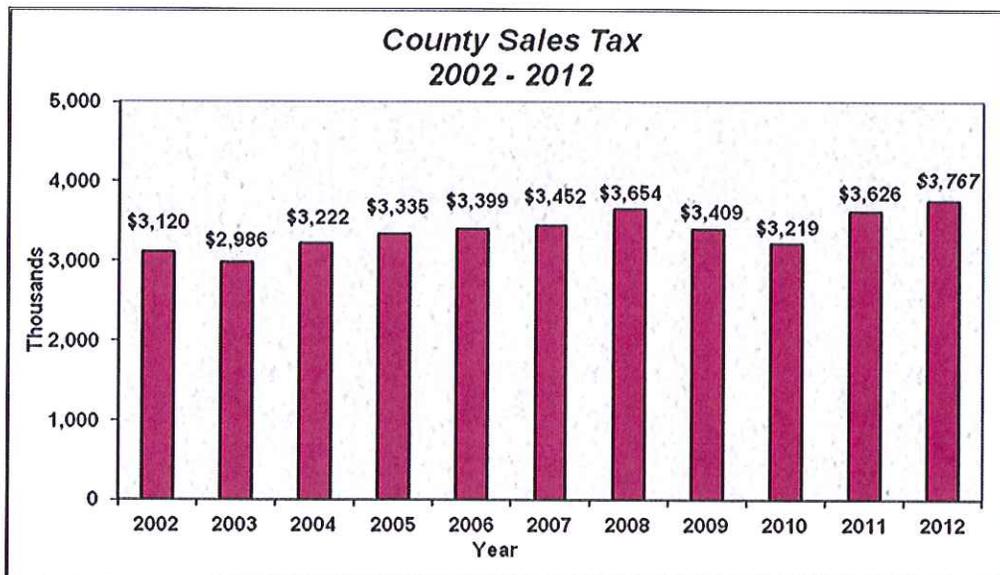
*It is important to remember that collections to date represent actual cash received for the period of January through April. A two-month lag exists between the month of payment and the month in which Leawood receives sales tax revenue from the State.*

Through the second quarter, the 0.25% county special sales tax collections total \$275,278. These receipts, along with the former 0.40% city sales tax collections which ended on March 31, 2011, are dedicated for the construction of the Justice Center. To date, a total of \$18,500,642 has been received from these two sources. Both of these payments have been placed into a Public Safety Improvements capital fund, where the Justice Center costs will be expended.

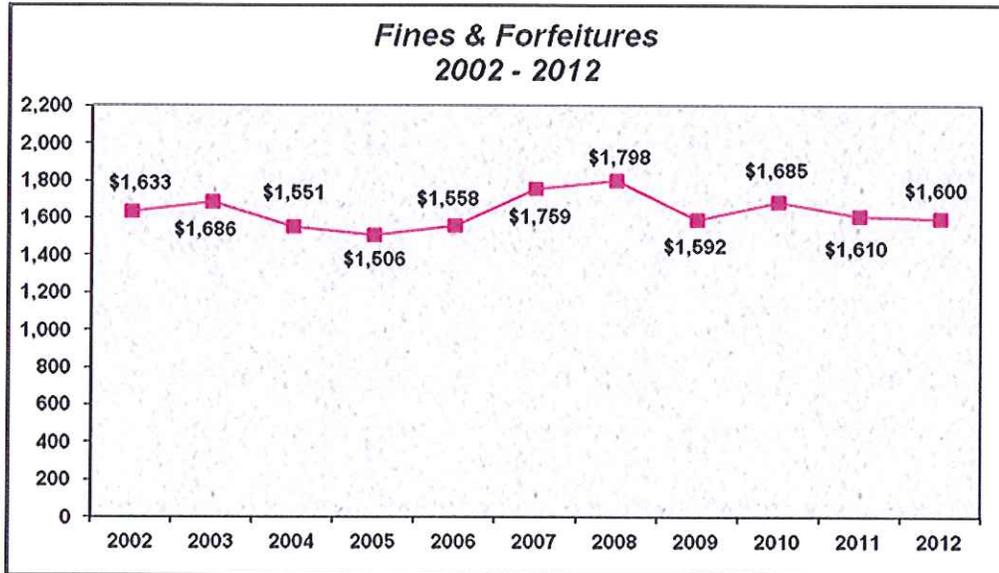
**General City Sales Tax:** The one-cent City Sales Tax is the second largest source for the General Fund. The 2012 original budget of \$5,968,647 has been increased to \$6,467,300. Collections through June 30, 2012 are \$2,105,067, 12.5% higher than the 2011 collections of \$1,871,809.



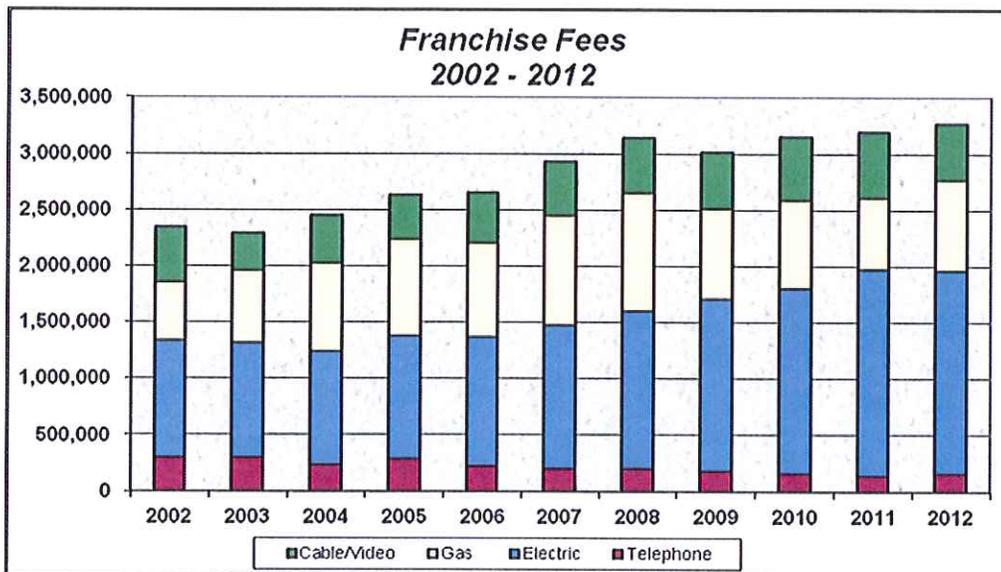
**County Retail Sales Tax:** The original budget for this area of \$3,349,333 has been adjusted to \$3,767,142; an increase of \$417,809 from the original projections and 3.9% higher than 2011 receipts. Cash collections to date, excluding the special county .25% receipts, are \$1,161,176, 3.1% higher than the 2011 collections and 31.0% of estimated projections. The collections for the same period in 2011 were \$1,125,870 or 34.3% of the estimated budget.



**Fines and Forfeitures:** Fines and forfeitures have been estimated at \$1,600,000, unchanged from the original projections. Through June 30, 2011 collections are \$765,709, or 47.9% of the estimated budget, and 4.7% lower than collections for the same period in 2011 of \$803,472.

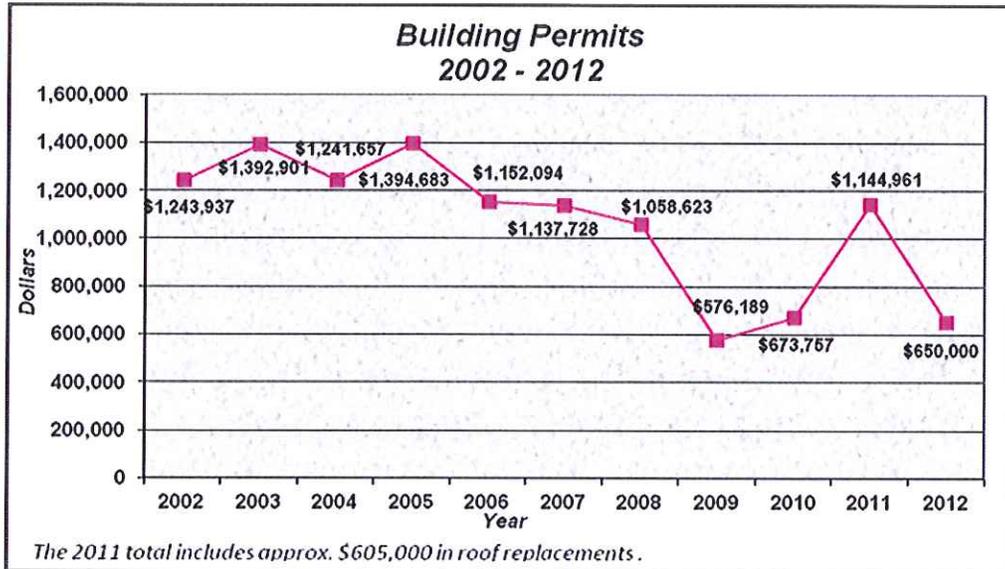


**Franchise Fees:** Franchise fees are estimated at \$3,320,000, up slightly from the original budget of \$3,280,500. The change was based on 2011 collections, and possible rate increases. Cash collections for the first six months are \$1,525,604, or 46.0% of the estimated budget, compared to \$1,665,303 for the same period in 2011.

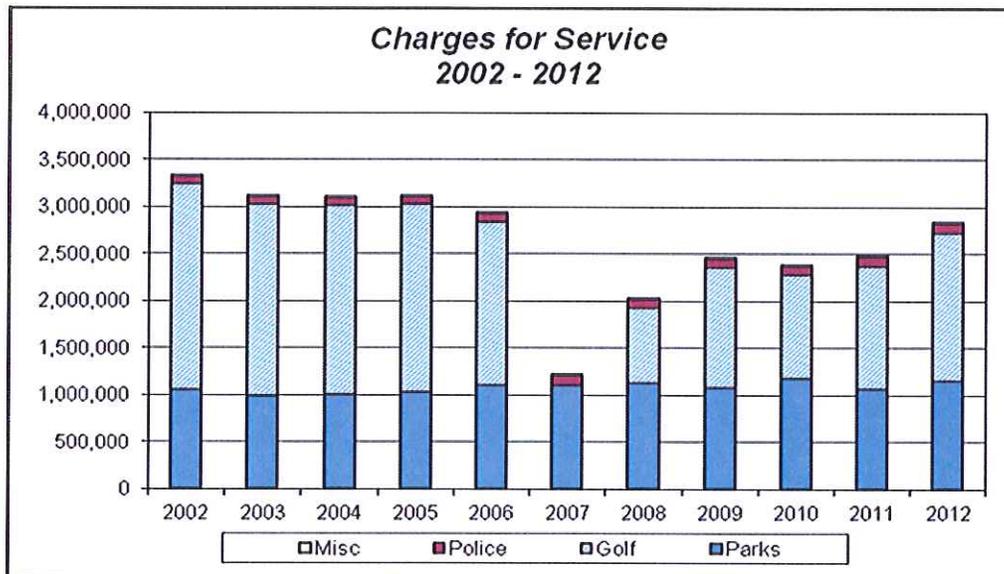


**Licenses and Permits:** Licenses and Permits include a variety of building, occupation, and animal fees. These fees have been reviewed and the estimated budget has increased slightly from the original budget of \$1,195,000 to \$1,225,000. Total collections through the second quarter are \$1,010,811 or 80.5% of the estimated budget.

Building permit collections, which have typically been the largest source of revenue in this category, total \$462,525 through the second quarter of 2012. To date receipts are 77.1% of the estimated budget of \$600,000 and only 2.0% lower than the 2011 collections, of \$472,152, which were higher during that year due to roof replacements resulting from the spring hail storm. Growth to date this year is in the commercial building area: new construction, remodel and tenant finish fees.



**Charges for Services:** This category generally reflects fees for park and recreation programs, including the golf course, as well as some Police Department items such as alarm fees, animal impound fees and school resource officer revenue. Through June 2012, collections were \$1,633,660, or 57.4% of the estimated budget of \$2,845,109, and higher than collections of \$1,420,069 for the same period last year by \$213,591. The majority, or 90%, of this increase is reflected in the Golf Course associated revenues followed by a 9.5% increase in Sports related fees.



**Interest Income:** Interest income, for all budgeted funds, was originally projected to be \$128,070. However, this revenue was decreased to \$60,579 in the 2012 estimated budget. Collections to date, excluding the January accrual entries, total \$124,418 compared to \$81,526 for the same period last year, an increase of 52.6%. The year-end accrual, to be determined by the fourth quarter, will reduce the interest earnings realized to date.

## EXPENDITURES

The 2012 General Fund budgeted expenditures were originally approved at \$47,742,900 including reserves of \$4,809,961 which nets to \$42,932,939. Revised estimates include total expenditures of \$42,508,709 and reserves of \$200,091. The reserve/contingency funds are available to be used for any unforeseen expense or obligation the city may have that was not formally budgeted.

The first six months of expenditures in 2012 are \$22,329,293 or 52.3% of the total estimated budget. Typically, expenses should be close to 50% of budget for the second quarter. As shown below, three departments exceed the 50% target. This is due to the full year of transfers from the General Fund to other funds and for the payment of annual contracts, all occurring in the first half of the year. The following table compares the expenses through the second quarter against the estimated budget.

<i>DEPARTMENTS</i>	<i>General Fund Original Budget 2012</i>	<i>General Fund Estimated Budget 2012</i>	<i>General Fund ACTUALS Through 6/30/12</i>	<i>% Change Actuals/ Est. Budget</i>
City Wide	\$9,111,739	\$9,664,809	\$7,939,801	82.15%
Administration	\$478,500	\$472,500	\$196,413	41.57%
Finance	\$817,900	\$728,600	\$313,705	43.06%
Human Resources	\$629,700	\$613,300	\$251,222	40.96%
Municipal Court	\$591,900	\$572,700	\$255,449	44.60%
Legal Services	\$536,900	\$543,900	\$179,808	33.06%
Information Services	\$829,300	\$872,400	\$474,376	54.38%
Community Development	\$1,345,900	\$1,347,300	\$592,921	44.01%
Police	\$9,072,000	\$8,763,100	\$3,968,945	45.29%
Fire	\$6,176,300	\$6,001,400	\$3,108,925	51.80%
Public Works	\$6,831,000	\$6,637,200	\$2,483,856	37.42%
Parks & Recreation	\$6,511,800	\$6,291,500	\$2,563,872	40.75%
<b>TOTAL (without Cont/Reserves)</b>	<b>\$42,932,939</b>	<b>\$42,508,709</b>	<b>\$22,329,293</b>	
Contingency & Reserves	\$4,809,961	\$200,091	\$0	0.00%
<b>TOTAL</b>	<b>\$47,742,900</b>	<b>\$42,708,800</b>	<b>\$22,329,293</b>	<b>52.28%</b>

## 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 June 30<sup>th</sup> and the current balance. *The table is a reflection of the activity only through the second quarter and does not include anticipated revenue and expenses for July 1 through December 31, 2012.*

Funds	1/1/2012 Beginning Balance	Actual through June 30, 2012		
		Revenue	Expense	Current Balance
<b>Special Revenue Funds</b>				
Special Alcohol	\$634,789	\$136,946	\$329,623	\$442,112
Special Parks & Recreation	878,223	138,063	107,447	908,839
Special Law Enforcement	2,956	581	0	3,537
Special City, Street, Highway	478,350	810,463	307	1,288,507
Special Transient Guest Tax	99,942	69,590	169,532	0
<b>Capital Funds</b>				
Street Improvements	1,351,844	649,271	142,870	1,858,246
Capital Improvements	1,335,684	5,701,536	775,710	6,261,510
City Equipment	10,368,885	818,763	663,720	10,523,928
City Capital Art	450,695	53,523	91,581	412,637
Park Impact Fee	18,518	8,217	0	26,735
1/8-Cent Sales Tax	592,782	276,137	456,183	412,737
Public Art Impact Fee	232,495	33,147	0	265,642
135 <sup>th</sup> St Corridor Impact Fee	24,286	10,012	0	34,298
	<b>\$16,469,449</b>	<b>\$8,706,252</b>	<b>\$2,736,973</b>	<b>\$22,438,728</b>

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, 2012.

Funds	1/1/2012 Beginning Balance	Forecast through December 31, 2012		
		Revenue	Expense	Projected Balance
<b>Special Revenue Funds</b>				
Special Alcohol	\$634,789	\$420,311	\$420,000	\$635,100
Special Parks & Recreation	878,223	420,477	1,278,900	19,800
Special Law Enforcement	2,956	44	0	3,000
Special City, Street, Highway	478,350	1,384,550	1,633,000	229,900
Special Transient Guest Tax	99,942	250,158	350,100	0
<b>Capital Funds</b>				
Street Improvements	1,351,844	1,728,956	2,469,700	611,100
Capital Improvements	1,335,684	5,712,116	6,392,600	655,200
City Equipment	10,368,885	862,515	2,178,600	9,052,800
City Capital Art	450,695	45,705	218,600	277,800
Park Impact Fee	18,518	82	0	18,600
1/8-Cent Sales Tax	592,782	1,406,318	1,561,600	437,500
Public Art Impact Fee	232,495	205	55,000	177,700
135 <sup>th</sup> St Corridor Impact Fee	24,286	114	0	24,400
	<b>\$16,469,449</b>	<b>\$12,231,551</b>	<b>\$16,558,100</b>	<b>\$12,142,900</b>

## CONCLUSION

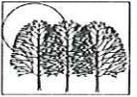
Leawood has sustained the recent recession and slow economic recovery better than many parts of the country, as well as other cities in Johnson County. This can be attributed in large part to the continued use of a financial forecasting and planning model used by staff to monitor financial progress. The City began using this tool over ten years ago. Every year it has been improved and it is monitored throughout the year to ensure that fund balances remain within policy standards, especially when revenue sources and expenditure demands change. Additionally, Leawood has a diversified revenue base. The largest category, 36%, being property taxes; followed by the other governmental revenue category of 35%, which includes franchise, licenses, permits, and charges for service; and lastly, sales taxes of 29%. Also contributing to Leawood's stability is the fact that the City continues to offer, attract and promote a high quality of life.

During the first six months of 2012, approximately 42% of revenues for the year have been received. Several areas have exceeded projections including sales/compensating use taxes, licenses/permits, alcohol tax payments, and golf course user fees. While not included in the budget projections, restaurants such as Oklahoma Joe's and more unique retail shops continue to open in One Nineteen and Park Place. These businesses will positively impact city sales tax payments, thus aiding to the continuation of exceeding initial growth targets.

To date, General Fund expenditures are at 52.3% of the estimated budget. This is slightly higher as transfers for the entire year from the General Fund to capital funds were complete before June. Staff will continue to be diligent in reviewing expenditures to stay within budget and to examine if an expense is truly needed before moving forward. While still a "very rough" estimate, it is projected that actual General Fund expenses will be approximately 5% to 10% lower than budget at year-end.

If these trends and best practices continue, Leawood will very likely maintain its comfortable reserve balances, if not increase them to begin 2013 on solid financial footing.

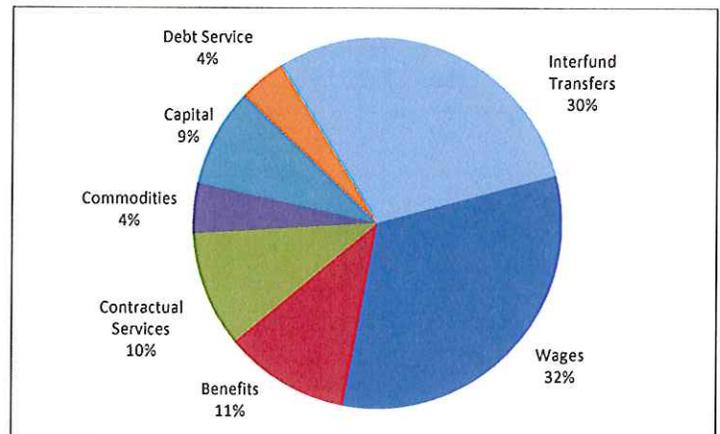
City of Leawood, Kansas  
**SNAPSHOT OF FINANCES and CITY ACTIVITY**  
*as of June 30, 2012 (50% of the year complete)*



**General Fund Revenues**

Revenues	Estimated Budget	YTD	%
Taxes	\$24,922,658	\$16,590,576	66.6%
Licenses & Permits	1,255,000	1,010,811	80.5%
Other Intergovernmental	6,976,008	2,300,383	33.0%
Charges for Services	2,845,109	1,633,660	57.4%
Fines & Forfeitures	1,600,000	765,709	47.9%
Interest Income	26,051	8,901	34.2%
Contributions & Other	87,000	114,093	131.1%
Other Financing Sources	266,000	266,000	100.0%
<b>Sub-Total, Revenues</b>	<b>37,977,826</b>	<b>22,690,132</b>	<b>59.7%</b>
Fund Balance	15,984,674	0	0.0%
<b>Total Revenues</b>	<b>\$53,962,500</b>	<b>\$22,690,132</b>	<b>42.0%</b>

**YTD - Citywide Expense Allocation**



**General Fund Expenditures - by Program**

Expenditures	Est Budget	YTD	%
General Operations	\$9,864,900	\$7,939,801	80.5%
Administration	472,500	196,413	41.6%
Finance	728,600	313,705	43.1%
Human Resources	613,300	251,222	41.0%
Municipal Court	572,700	255,449	44.6%
Legal Services	543,900	179,808	33.1%
Information Services	872,400	474,376	54.4%
Community Development	1,347,300	592,921	44.0%
Police	8,763,100	3,968,945	45.3%
Fire	6,001,400	3,108,925	51.8%
Public Works	6,637,200	2,483,856	37.4%
Parks & Recreation	6,291,500	2,563,872	40.8%
<b>Total Expenditures</b>	<b>\$42,708,800</b>	<b>\$22,329,293</b>	<b>52.3%</b>

**YTD - Total Citywide Budget**

Expenditures	Est Budget	YTD	%
Total Citywide Budget	\$66,581,000	\$26,136,391	39.3%

**All Other Budgeted Funds - by Fund Type**

Special Revenue Funds	Est Budget	YTD	%
Revenues	\$2,475,440	\$1,155,643	46.7%
Fund Balance	2,094,360	0	0.0%
<b>Total Revenues</b>	<b>4,569,800</b>	<b>1,155,643</b>	<b>25.3%</b>
<b>Total Expenses</b>	<b>3,682,000</b>	<b>606,909</b>	<b>16.5%</b>

**Capital Funds**

Capital Funds	Est Budget	YTD	%
Revenues	\$9,756,011	\$7,550,608	77.4%
Fund Balance	14,375,189	0	0.0%
<b>Total Revenues</b>	<b>24,131,200</b>	<b>7,550,608</b>	<b>31.3%</b>
<b>Total Expenses</b>	<b>12,876,100</b>	<b>2,130,063</b>	<b>16.5%</b>

**Debt Service Fund**

Debt Service Fund	Est Budget	YTD	%
Revenues	\$7,595,744	\$7,056,393	92.9%
Fund Balance	6,999,656	0	0.0%
<b>Total Revenues</b>	<b>14,595,400</b>	<b>7,056,393</b>	<b>48.3%</b>
<b>Total Expenses</b>	<b>7,314,100</b>	<b>1,070,126</b>	<b>14.6%</b>

**General Fund Expenditures - by Category**

Expenditures	Est Budget	YTD	%
Personnel	\$23,962,900	\$11,272,830	47.0%
Contractual Services	6,796,300	2,407,617	35.4%
Commodities	3,272,200	1,147,332	35.1%
Capital	613,400	415,439	67.7%
Other Financing Uses	8,064,000	7,086,074	87.9%
<b>Total Expenditures</b>	<b>\$42,708,800</b>	<b>\$22,329,293</b>	<b>52.3%</b>

**Key Activity Updates (Cash Basis, Year-To-Date)**

	Jun-12	Jun-11	%		Jun-12	Jun-11	%
City Sales Tax Collections (receipts through Apr, 2012)	\$2,105,067	\$1,871,809	12.5% ↑	Interest Earnings/Rates * (all budgeted funds)	\$124,418	\$81,526	52.6% ↑
Building-related Fees (per Building Official)	\$574,907	\$523,271	9.9% ↑	Fines/Forfeitures	\$765,709	\$803,472	-4.7% ↓
Property Tax Collections (Collections thru June/Assessed)	96.5%	96.3%	0.2% ↑	Special Assessment Collections (Collections thru June/Assessed)	94.5%	89.4%	5.7% ↑

\* Excludes January Accrual Entries, both years

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

As of 6/30/2012

No.	Project Name	Previous Yrs Expense	Orig 2012 Budget	Current 2012 Budget	2013-2017 Budgets	2012 Expenditures	2012 Encumbrances	Status/ to Date Information	Project	Balance
<b>Art</b>										
79005	Temporary Art	13,441	5,000	5,000	25,000	2,500	-			2,500
79010	I-Lan Park Art	52,275	-	2,000	-	699	-			1,301
79014	Sculpture Garden "A"	-	-	50,000	65,000	-	-			50,000
79019	Introspection Art	-	-	97,800	-	87,473	-			10,327
NA	Annual Art Maintenance	30,911	84,100	97,800	Varies	909	-			96,891
<b>Art Total</b>		<b>96,627</b>	<b>89,100</b>	<b>252,600</b>	<b>90,000</b>	<b>91,581</b>	-			<b>167,079</b>
<b>Buildings and Grounds</b>										
49112	Course - Cart Storage Garage Doors	-	-	5,076	-	5,076	-			-
49124	Course - Perimeter Fencing, Ph III	-	-	53,000	-	47,983	-			5,017
49130	Course - Irrigation Control Sys Upgrade	48,594	-	30,841	-	28,506	2,135	Prof Turf Products (4600.0000834)		0
71010	Tomahawk Park Ball Field	24,432	-	1,000	-	1,000	-			-
71011	North Lake Improvements	24,326	-	626,400	-	81,129	545,133	Continental Consult Eng (4111.0000220), Hayes Bros Const (4111.0000223)		138
71012	123rd St Trail/Stabil (Spec Parks/Rec Fund)	-	-	500,000	-	-	-			500,000
71012	123rd St Trail/Stabil (Capital Imprv Fund)	-	-	900,000	-	-	-			900,000
74001	Bldg - City Hall Int Wall Renovations	-	-	25,000	75,000	-	-			25,000
74003	Aquatic Center-Repaint Pool	59,920	85,000	85,000	85,000	4,950	-			80,050
74015	FS #1 - Roof Section Replacement	24,350	85,000	36,091	-	32,481	3,610	Godard & Sons Rfg Co (3111.0000404)		-
74030	Police Bldg - HVAC Replacement	6,600	5,000	-	-	-	-			5,000
74032	Old City Hall - Roof Replacement	-	-	39,420	-	32,409	7,011	Premier Contract Co (3111.0000400)		-
74041	Rpr/Updgrade VAV Controllers, City Hall	-	88,000	88,000	-	-	-			88,000
76025	Fire Station #1- Roof Replacement	-	105,000	51,268	-	42,085	9,183	Premier Contract Co (3111.0000400)		0
76027	Gezer Park Amenities (Capital Imprv Fund)	313,542	-	38,000	-	-	1,190	Elgius Bronze (4500.0000453)		36,810
76028	Justice Center Land Purchase	-	3,400,000	3,400,000	3,400,000	-	-			3,400,000
76029	Justice Center Fiber, Radios & Equipment	-	900,000	1,509,847	2,200,000	610,513	13,334	Olsson Assoc (2111.0000243), Motorola (2111.0000247)		886,000
76008	Justice Center Building	900,725	-	-	-	625,682	20,344,780	Hoefler Wysocki (2111.0000206) McRealty Grp (2111.0000202) Prof Serv Industries(2111.0000205) Prof Serv Ind (2111.0000205) Titan Built LLC (2111.0000249)		-
<b>Buildings and Grounds Total</b>		<b>1,402,489</b>	<b>4,583,000</b>	<b>7,393,743</b>	<b>5,760,000</b>	<b>1,511,814</b>	<b>20,926,377</b>			<b>5,926,075</b>
<b>Streets</b>										
70010	2011 Mill & Overlay	871,027	-	78,449	-	280	78,169	O'Donnell & Sons (3111.0000383)		1
70012	2012 Mill & Overlay	-	836,360	836,080	-	-	799,990	McAnany Const (3111.0000426)		36,090
70011	2012 Slurry Seal	-	507,500	668,400	-	-	496,801	Vance Bros Inc (3111.0000417)		171,599
72019	Arterial - Town Center Drive	-	300,000	300,000	-	-	-			300,000
72020	Arterial - 127th, Mission-Nall	-	485,870	485,870	-	-	-			485,870
72027	Arterial - ReSaw/Fill Joints, 135th St	-	-	440,000	-	142,870	255,367	Bryant & Bryant (3111.0000415)		41,764
72042	Arterial - Traffic Signals, 128-135 State Line	-	-	120,000	-	-	-			120,000
72043	Arterial - Widen 117th/Town Center Dr	-	648,815	648,815	-	-	-			648,815
74049	2012 Curb Replacement	-	400,000	400,000	-	-	-			400,000
<b>Streets Total</b>		<b>871,027</b>	<b>3,178,545</b>	<b>3,977,614</b>	-	<b>143,149</b>	<b>1,630,327</b>			<b>2,204,138</b>
<b>Stormwater</b>										
72020	1/8 Cent - 127th St, Mission - Nall	-	55,000	55,000	-	-	-			55,000
73003	SMAC - 81st Ter to 82nd, E of Wenonga	-	443,000	443,000	-	-	442,135	Miles Excavating Inc (3111.0000422) Pasco Irrigation (3111.0000394)		865
76022	2009 Accelerated Stormwater Program	589,804	-	10,195	-	200	9,995	Wired/Godfrey (3111.0000355)		0
77006	1/8 Cent - 12601 Norwood	22,606	-	8,394	-	-	8,394	O'Donnell & Sons (3111.0000383)		-
77011	1/8 Cent - Box Culvert, 87th & Mission	8,957	541,000	532,244	-	43,724	6,780	Pelphs Engineering (3111.0000402)		481,741
77111	2011 Accelerated Stormwater Program	561,036	-	72,963	-	12,459	-			60,504
<b>Stormwater Total</b>		<b>1,182,403</b>	<b>1,039,000</b>	<b>1,121,796</b>	-	<b>56,383</b>	<b>467,304</b>			<b>598,709</b>
<b>Total</b>		<b>3,552,546</b>	<b>8,889,645</b>	<b>12,745,753</b>	<b>5,850,000</b>	<b>1,802,927</b>	<b>23,024,007</b>			<b>8,889,282</b>

**CITY OF LEA WOOD, KANSAS**  
**BOND-FINANCED Project Status Report**

**As of 6/30/2012**

No.	Project Name	Budget (As Authorized by Resolution)	Resolution Numbers	Previous Yrs Expense	2012 Expenditures	2012 Encumbrances	Status/Project to Date Information	Balance	Bond Life	Bond Year
<b>Buildings and Grounds</b>										
80165	City Facility Improvements	780,000	3516	719,002	-	-		60,998	20	2012
<b>Buildings and Grounds Total</b>		<b>780,000</b>		<b>719,002</b>	-	-		<b>60,998</b>		
<b>Streets</b>										
80118	Amphitheater, Phase I	500,000	Bonded	165,168	-	-		334,832	NA	NA
80162	143rd St. Nall to Mission (2010)	13,500,000	1684, 2991	910,185	18,032	204,975	Burns & McDonnell (3111.0000234)	12,366,807	15	2017/18
80212	2012 Residential Streets, Ph II-Yr 4	1,275,000	3586	11,034	3,042	1,156,420	Miles Excavating Inc (3111.0000422)	104,504	15	2012
<b>Streets Total</b>		<b>15,275,000</b>		<b>1,086,387</b>	<b>21,074</b>	<b>1,361,395</b>		<b>12,806,144</b>		
<b>Economic Development</b>										
There are currently no Economic Development projects										
<b>Economic Development Total</b>		<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>		
<b>Total</b>		<b>16,055,000</b>		<b>1,805,390</b>	<b>21,074</b>	<b>1,361,395</b>		<b>12,867,141</b>		

**Capital Markets  
Group**



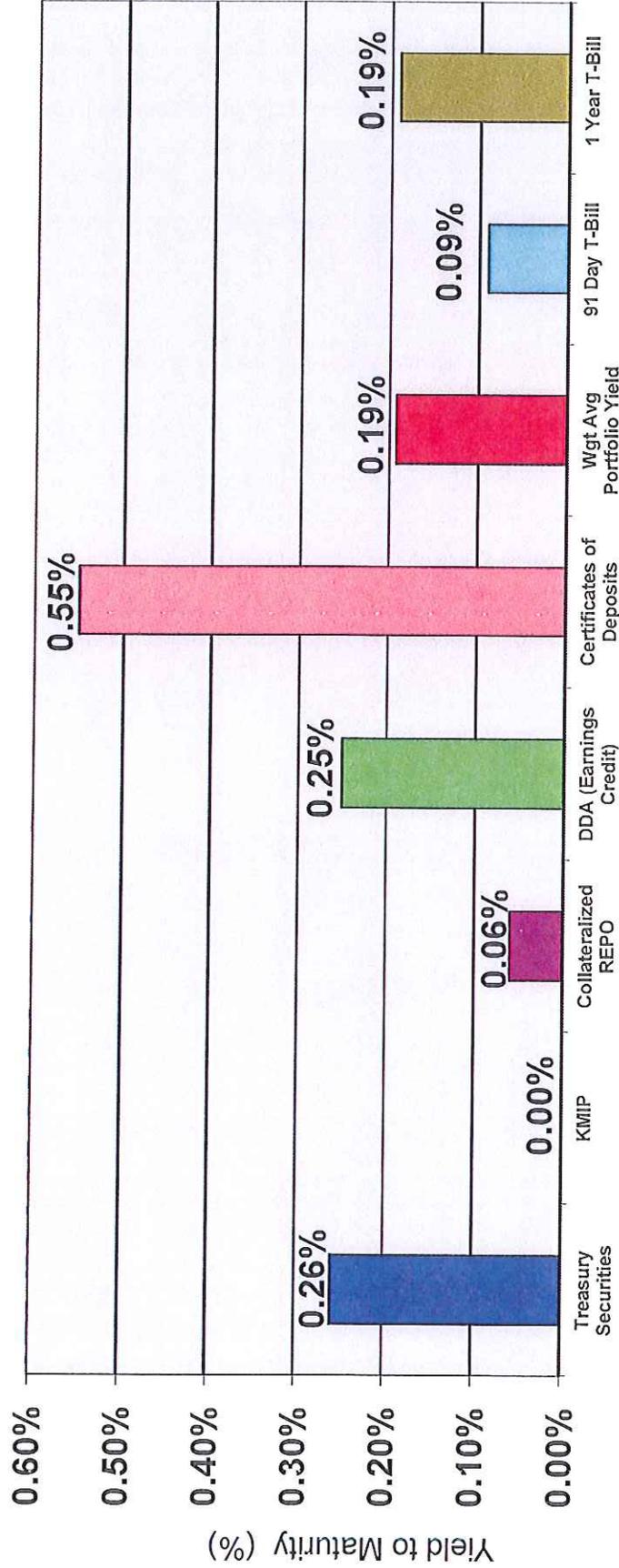
# City of Leawood

## INVESTMENT PORTFOLIO EXECUTIVE SUMMARY

*As of June 30, 2012*



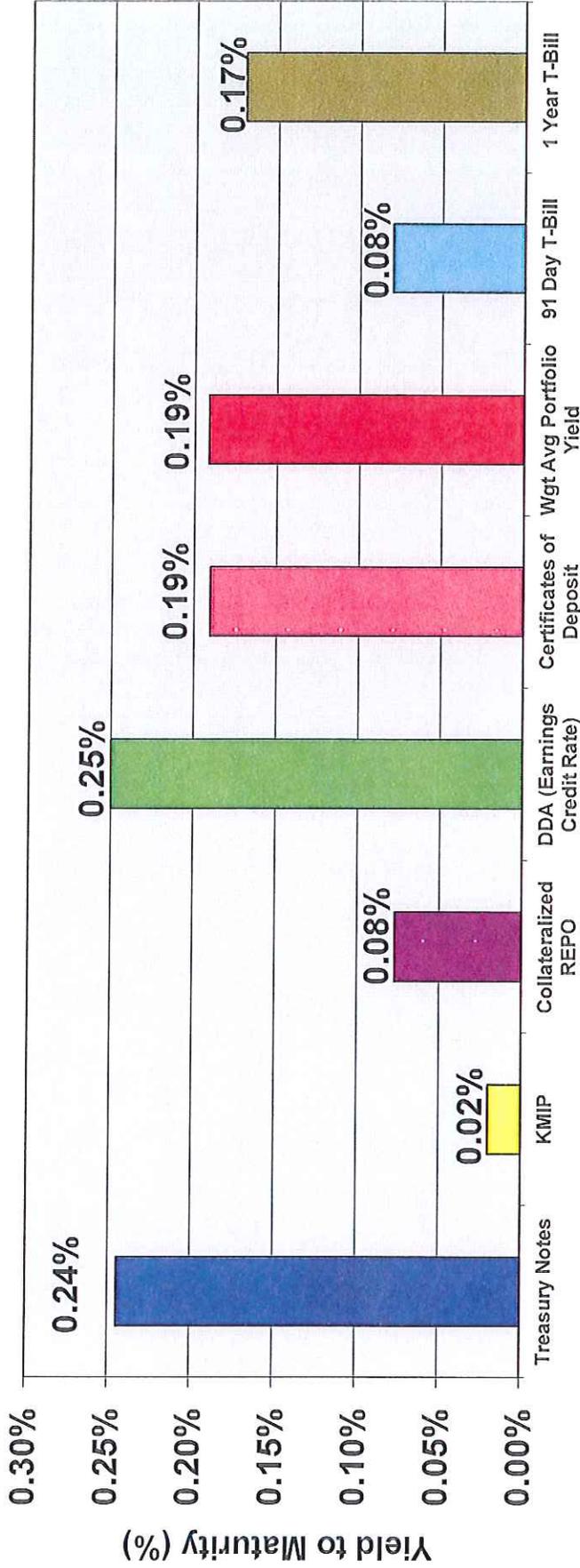
Commerce Bank



*As of June 30, 2012*

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 June 30, 2012 this chart shows the yield to maturity for these investments.

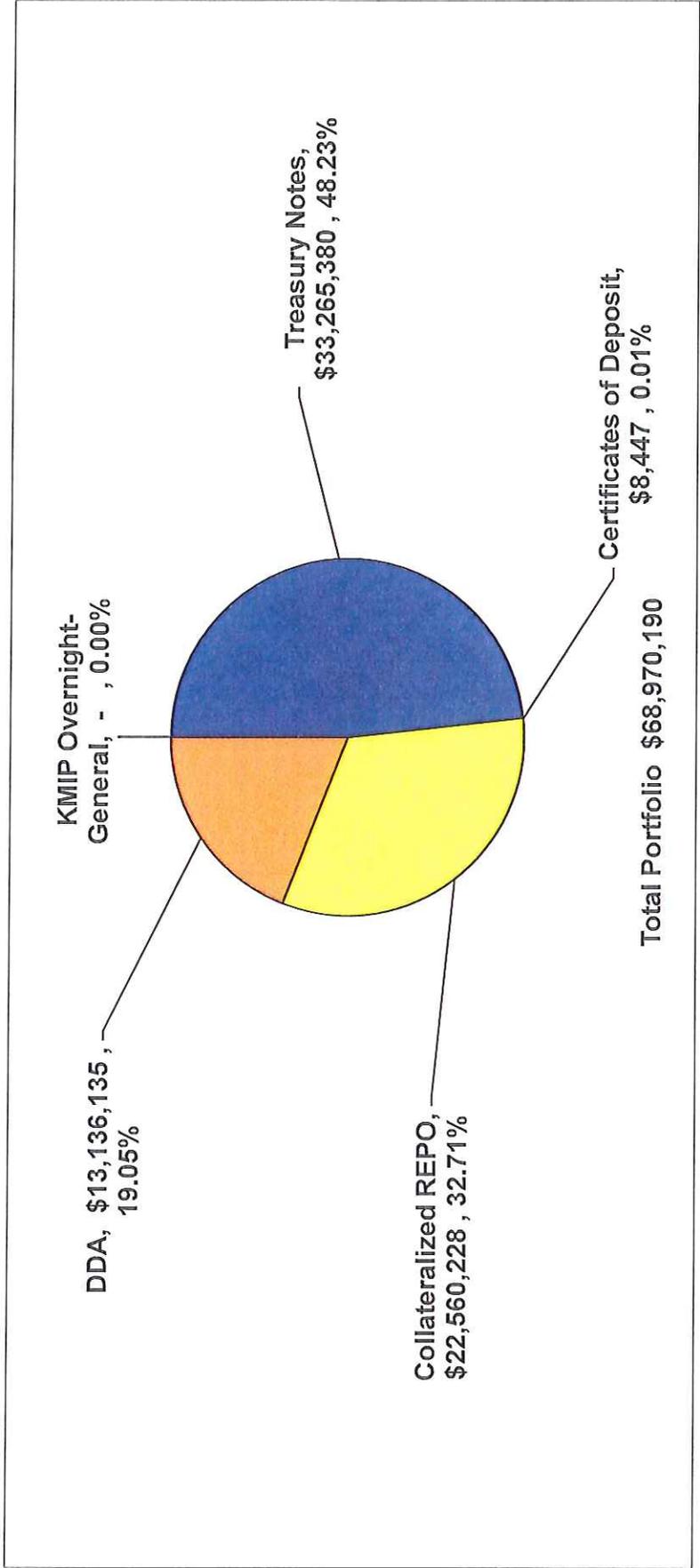
Note: The Collateralized REPO represents the Federal Reserve 91 day T-bill rate adjusted monthly in arrears. The second quarter average 91-day T-Bill rate was 0.09%. The long-term portfolio uses the one-year T-Bill as the benchmark. The second quarter average of the one-year T-Bill rate was 0.19%.



*As of June 30, 2012*

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 June 30, 2012 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. For year-to-date 2012, the average 91-day T-Bill rate was 0.08%. The long-term portfolio uses the one-year T-Bill as the benchmark. For 2012, the year-to-date average one-year T-Bill rate was 0.17%.

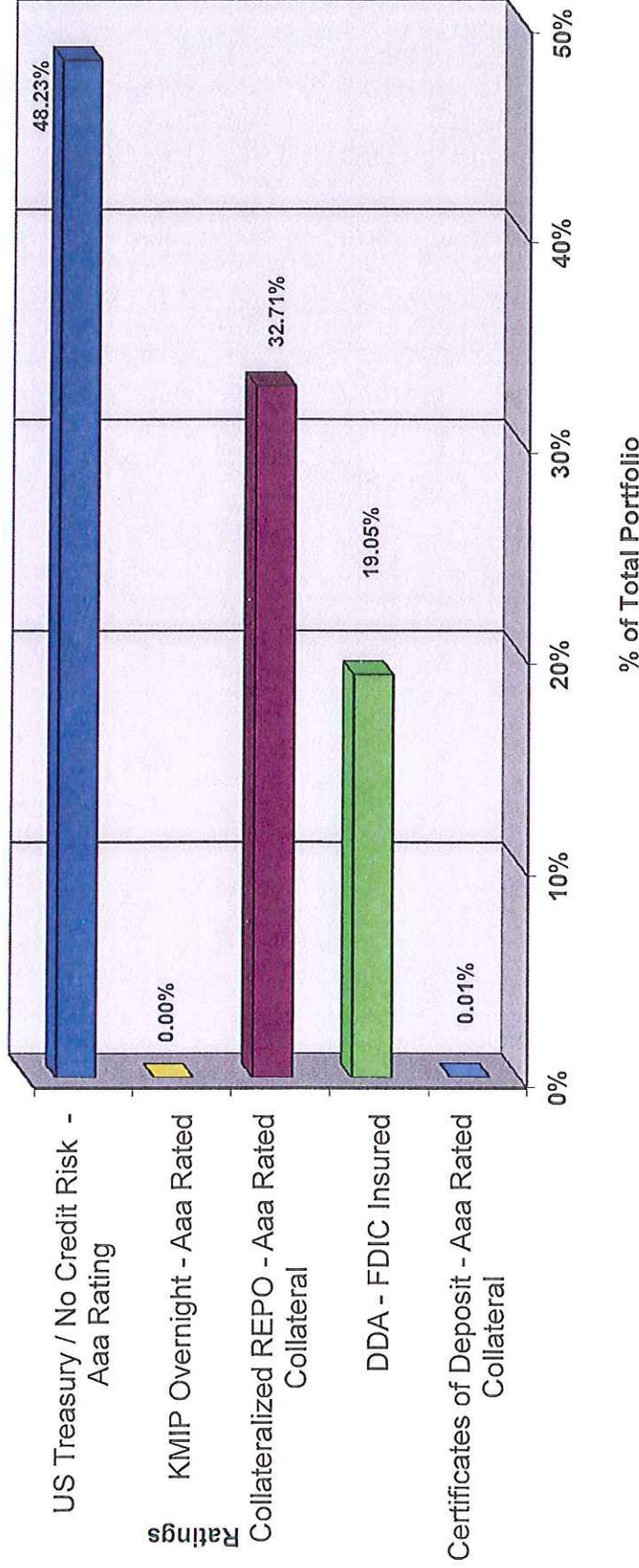


*As of June 30, 2012*

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

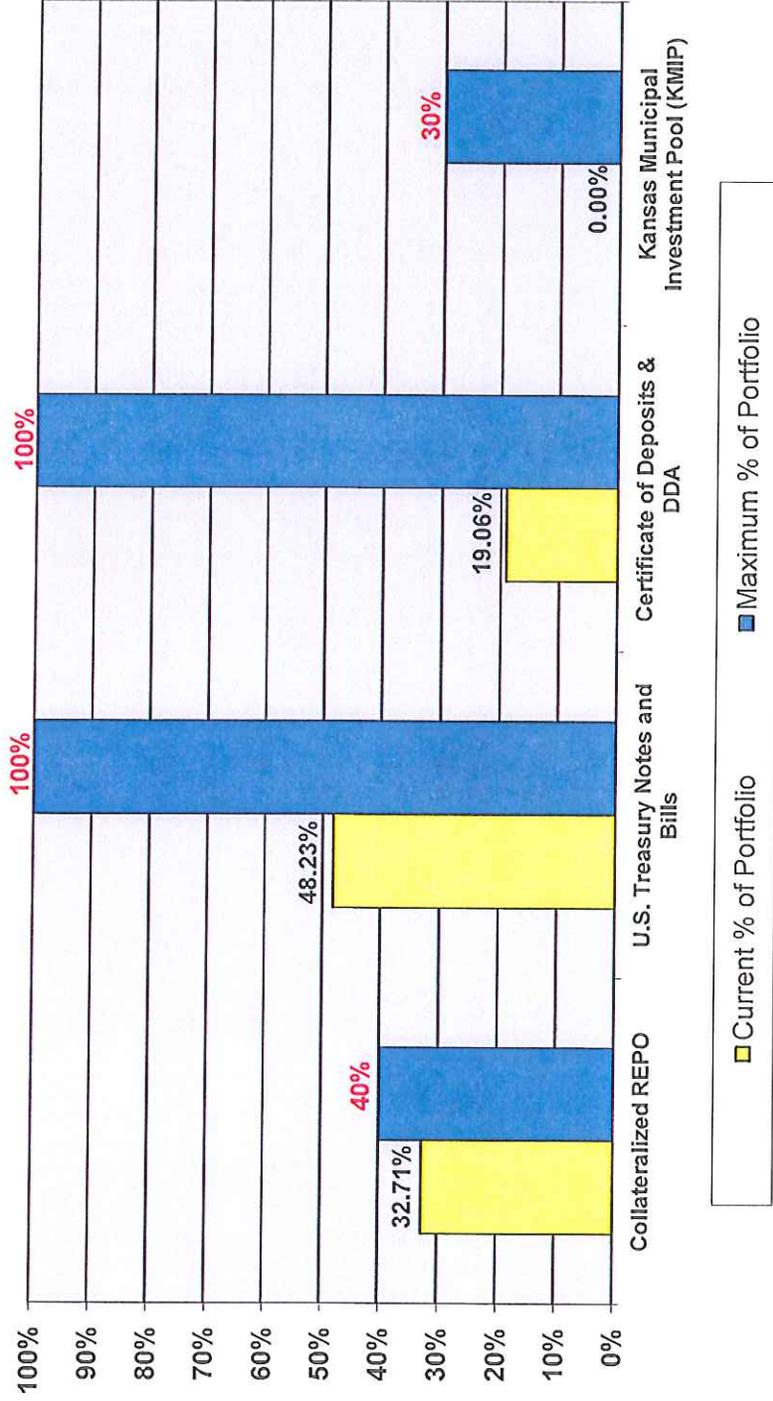
# City of Leawood

## RATINGS DISTRIBUTION



As of June 30, 2012

This graph demonstrates the book value 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.

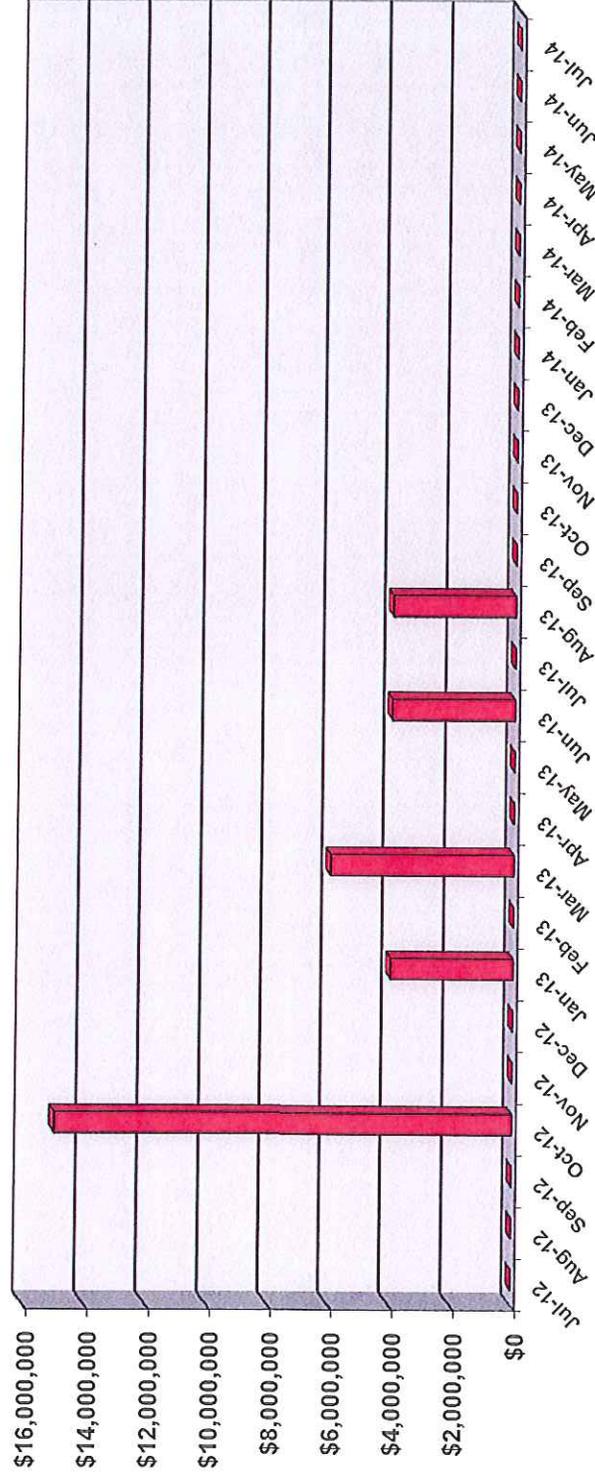


As of June 30, 2012

This graph compares the percentage of the total portfolio book value 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. The Kansas Municipal Investment Pool includes monies held in the city's capital improvement fund, which are exempt from investment policy compliance.



**Term Investment Principal Payments**  
**Total = \$33.008 Million**

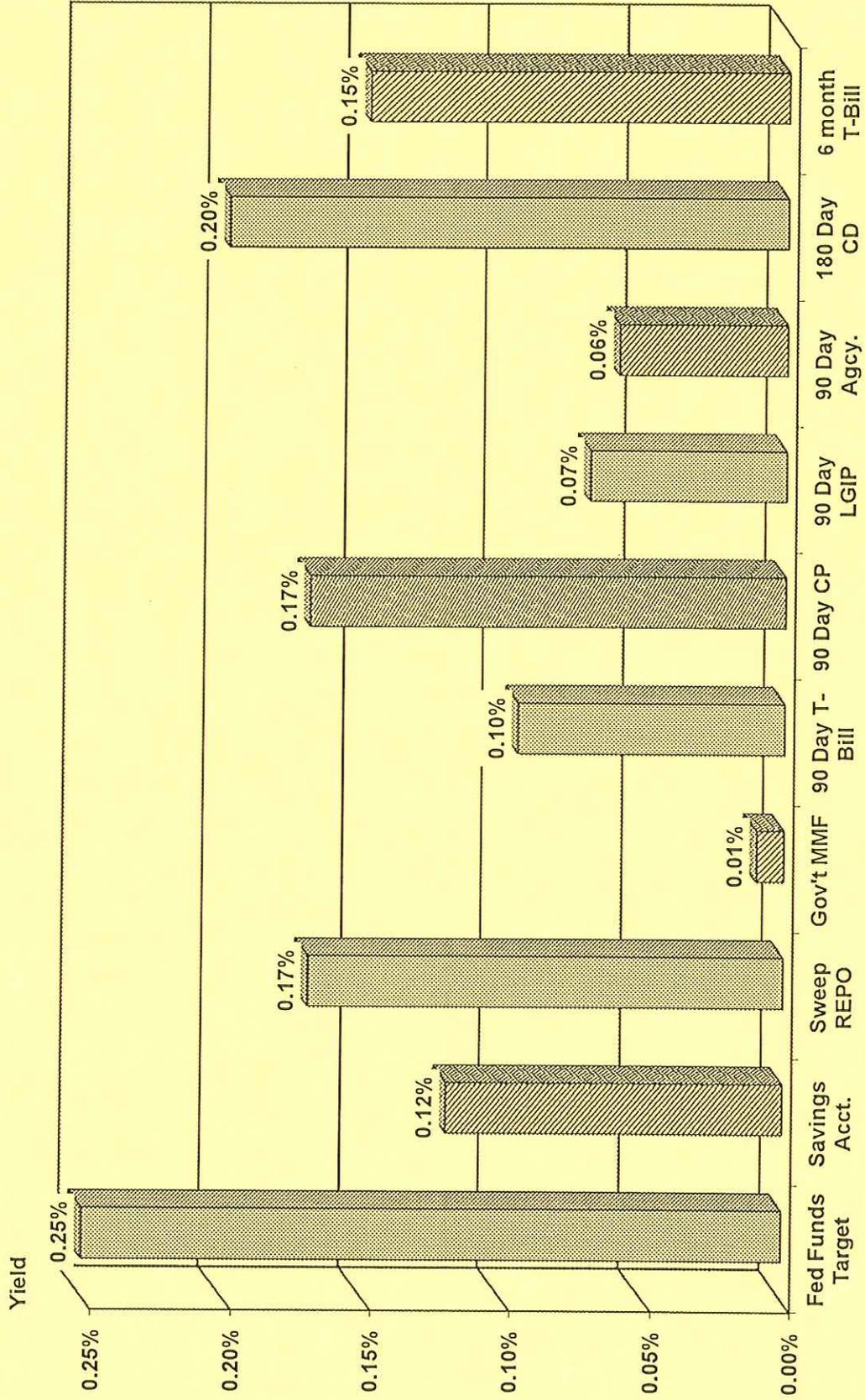


*As of June 30, 2012*

This graph demonstrates the amount of principal being paid from the portfolio each month for the next two years. As of June 2012, all term investment portfolio cash flow will be returned with-in the next 14-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.

**CURRENT YIELDS**  
Short Term as of June 30, 2012



**CURRENT YIELDS**  
 Long Term as of June 30, 2012

