

# **City of Leawood, Kansas** *Quarterly Report*



**Third Quarter – September, 2012**

*City of Leawood*  
**Finance Department**

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

Below, please find the highlights of revenues and expenditures for the first three quarters of 2012.

### REVENUES

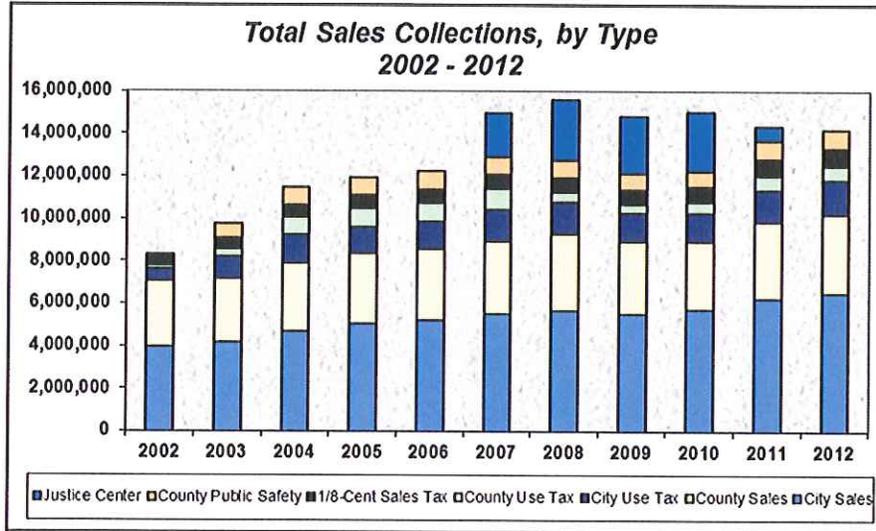
**Property Tax:** For 2012, property taxes are budgeted at \$18,293,021, which do not include abatements/adjustments made by the County Clerk's Office. Collections through September are \$17,916,474 or 98.0% of billed taxes. The receipts to date represent the majority of collections, which will be received 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 2011 were \$18,194,888 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, the 1/8-cent sales tax, and the county public safety sales tax. Total sales and use tax cash collections received through September are \$8,074,490 compared to \$7,563,917 for the same period last year or 56.9% of the estimated budget of \$14,192,358. 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 a table showing the collections through the third quarter for this year as compared to previous years.

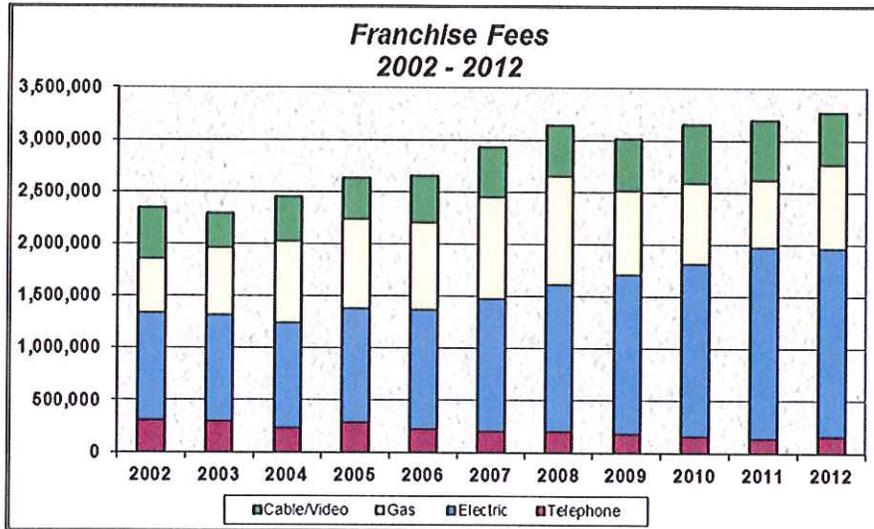
	3Q, 2009	3Q, 2010	3Q, 2011	3Q, 2012	% Chg from 2011
City Sales	3,113,736	3,214,980	3,409,269	3,715,544	9.0%
County Sales	1,981,728	1,841,151	2,054,066	2,093,579	1.9%
City Use	748,672	758,709	815,097	927,200	13.8%
County Use	266,374	265,470	374,002	379,617	1.5%
1/8-Cent	389,231	401,791	425,856	463,910	8.9%
County Public Safety	449,621	416,268	485,627	494,640	1.9%
<b>TOTAL</b>	<b>\$6,949,362</b>	<b>\$6,898,369</b>	<b>\$7,563,917</b>	<b>\$8,074,490</b>	<b>6.8%</b>

The 2012 original budget was \$12,777,530. However during the preparation of the 2013 budget this forecast was increased to \$14,192,358. As shown in the above table, the 2012 collections are trending higher when compared to the third quarter in 2011. Comparing each category to 2011, to date city one-cent sales tax is 9.0% higher, county sales tax is 1.9% higher, and city compensating use taxes are 10.0% higher.

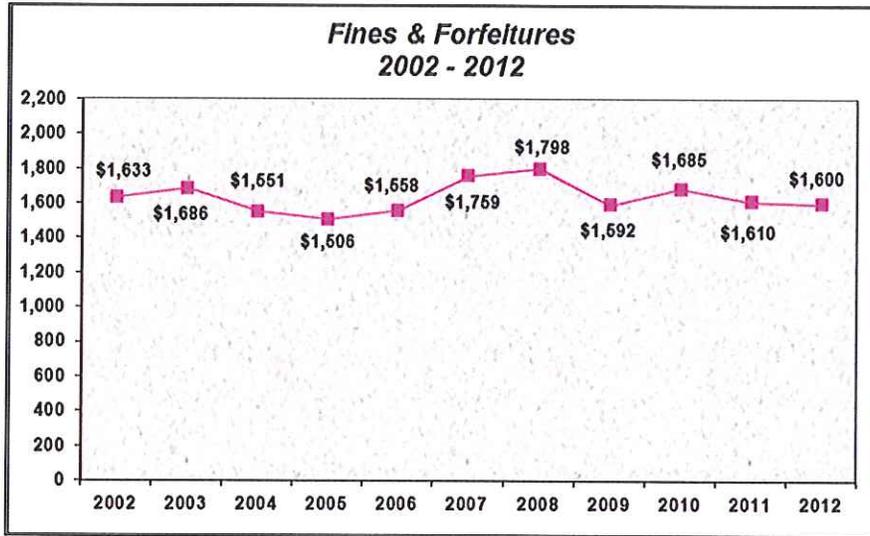
The below chart graphically displays the sales tax collections from 2002 to present.



**Franchise Fees:** This category, originally budgeted at \$3,280,500, was revised slightly upward to 3,320,000 in April. *Cash* collections through the third quarter are \$2,234,573 or 67.3% of revised projections. Current year cash collections are approximately 3.16% lower than the same time last year. This has occurred in all areas (gas, telephone, cable) except electricity which to date has shown a 9.4% increase from collections for the same time last year, primarily related to the above average temperatures for the summer.

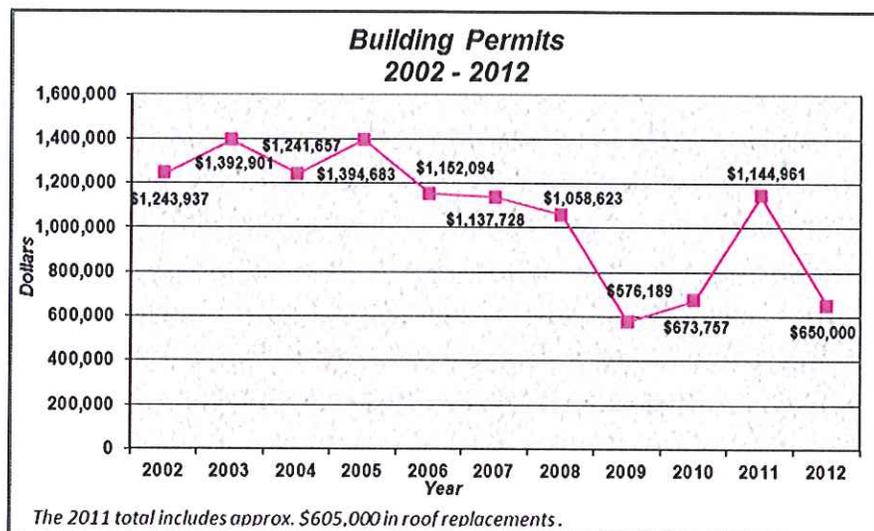


**Fines and Forfeitures:** Fines and forfeitures have been estimated at \$1,600,000, unchanged from the original projections. Collections through September 30<sup>th</sup> are \$1,174,945 or 73.4% of revised projections. Collections for the same period in 2011 were \$1,246,910.

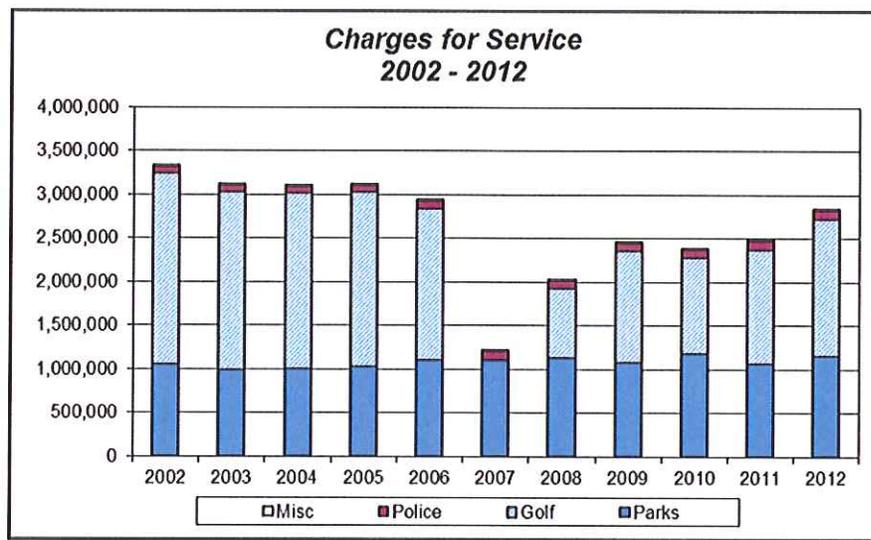


**Licenses and Permits:** Licenses and Permits include a variety of building, occupation, and animal fees. The revised budget is \$1,255,000 compared to an original budget of \$1,195,000. Collections through the third quarter are \$1,479,364, exceeding projections by 17.9%. Current year collections are approximately 5.4% higher than collections received for the same period last year, of \$1,403,114. Increases over April estimates are being realized in occupational licenses, liquor licenses, building permits, land disturbance fees, reinspection fees, review of plans and public works inspection/right of way fees.

The current year building permit collections of \$702,410 is 20.4% lower than the 2011 collections of \$882,940. However the 2011 activity was higher due to roof replacements resulting from the spring hail storm. Collections to date exceed the \$600,000 budget estimate by 17.1%. The areas realizing growth this year include commercial new construction, remodels and tenant finishes. Over the last several years the City realized large increases in building permit activity, which began to decline in 2006 and is now experiencing 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 \$2,845,109 for 2012. Through September, collections are \$2,474,816 or 87.0% 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 \$128,070. However, this revenue was decreased to \$60,579 in the 2012 estimated budget. Collections to date are \$54,432, or 89.8% of the estimated budget, compared to \$110,040 for the same time period in 2011. It has been very difficult to estimate this revenue source due to the volatility in the market.

## GENERAL FUND EXPENDITURES

The General Fund 2012 budgeted expenditures were originally approved at \$47,742,900 including reserves of \$4,809,961 which nets to \$42,932,939. 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 \$42,508,709, with reserves/contingency of \$200,091. 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 the majority of the budgeted transfers from the General Fund to other funds, is \$30,162,077, or 70.6% 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. The following table compares the expenses through the third 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 9/30/12</i>	<i>% Change Actuals/ Estimated Budget</i>
City Wide	\$9,111,739	\$9,664,809	\$8,746,412	90.50%
Administration	\$478,500	\$472,500	\$281,198	59.51%
Finance	\$817,900	\$728,600	\$454,292	62.35%
Human Resources	\$629,700	\$613,300	\$352,650	57.50%
Municipal Court	\$591,900	\$572,700	\$386,197	67.43%
Legal Services	\$536,900	\$543,900	\$267,711	49.22%
Information Services	\$829,300	\$872,400	\$617,204	70.75%
Community Development	\$1,345,900	\$1,347,300	\$896,851	66.57%
Police	\$9,072,000	\$8,763,100	\$5,811,259	66.32%
Fire	\$6,176,300	\$6,001,400	\$4,360,270	72.65%
Public Works	\$6,831,000	\$6,637,200	\$3,731,636	56.22%
Parks & Recreation	\$6,511,800	\$6,291,500	\$4,256,396	67.65%
<b>TOTAL (without Cont/Reserves)</b>	<b>\$42,932,939</b>	<b>\$42,508,709</b>	<b>\$30,162,077</b>	<b>70.62%</b>
<b>% Change</b>			<b>70.6%</b>	
Contingency & Reserves	\$4,809,961	\$200,091	\$0	
<b>TOTAL</b>	<b>\$47,742,900</b>	<b>\$42,708,800</b>	<b>\$30,162,077</b>	<b>70.6%</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 September 30<sup>th</sup> 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, 2012.*

Funds	1/1/2012 Beginning Balance	Actual through September 30, 2012		
		YTD Revenue	YTD Expense	Current Balance
<b><i>Special Revenue Funds</i></b>				
Special Alcohol	\$634,789	\$257,020	\$364,326	\$527,483
Special Parks & Recreation	878,223	258,237	636,908	499,553
Special Law Enforcement	2,956	1,519	0	4,475
Special City, Street, Highway	478,350	1,184,922	702,046	961,226
Special Transient Guest Tax	99,942	159,837	169,532	90,247
<b><i>Capital Funds</i></b>				
Street Improvements	1,351,844	651,267	482,132	1,520,980
Capital Improvements	1,335,684	5,706,764	4,199,104	2,843,344
City Equipment	10,368,885	849,021	1,077,725	10,140,180
City Art	450,695	47,038	96,269	401,463
Park Impact Fee	18,518	10,422	6,030	22,911
1/8-Cent Sales Tax	592,782	768,600	898,318	463,064
Public Art Impact Fee	232,495	42,773	0	275,268
135 <sup>th</sup> St Corridor Impact Fee	24,286	10,056	0	34,342
	<b>\$16,469,449</b>	<b>\$9,947,475</b>	<b>\$8,632,390</b>	<b>\$17,784,534</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		
		Anticipated Revenue	Anticipated Expense	Projected Balance
<i>Special Revenue Funds</i>				
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
<i>Capital Funds</i>				
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	863,834	2,178,600	9,052,800
City Art	450,695	45,705	218,600	277,800
Park Impact Fee	18,518	6,312	6,230	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>\$12,239,100</b>	<b>\$16,564,330</b>	<b>\$12,144,219</b>

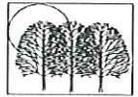
## CONCLUSION

In late July, the State of Kansas released the FY 2013 Comparison Report. This communication illustrates and discusses the changes to the Governor's budget recommendations by the 2012 Legislature. FY 2012 represents the first year since FY 2008 that the state did not have to make major cutbacks or allotments to agency budgets in reaction to declining revenues. The State General Fund is projected to conclude FY 2012 with \$466.3 million, or 7.6% of approved expenditures from the fund. For comparison, the same report for the previous year projected FY 2012 to end with a \$68.8 million balance, or 1.1% of approved expenditures. The impact of sales tax revenue growth, changes to the state's income tax rates and severance taxes, along with any increases to school district aid, KPERS contribution rates and other expenditure demands will all affect the state's FY 2013 ending general fund balance. Staff will monitor these factors over the next year.

For Leawood, as reported in the second quarter report, revenue receipts continue to consistently exceed projections in most areas. In fact in some areas, the to-date collections already exceed the amount anticipated for the entire year. Through September, City Sales tax revenues are 9% higher than 2011; building-related fees are 17.1% higher than the estimate, golf course user fees are 7.0% higher than the same time last year; and collection rates for tax payments and special assessment payments are 98.0% and 95.3%, respectively, which is an improvement when compared to the last couple of years. On an additional positive note, expenditures are on target to be approximately 5% to 10% lower than budget at year-end.

If these trends continue through the next quarter, Leawood will very likely maintain its comfortable reserve balances, if not increase them, to begin 2013 on solid financial footing.

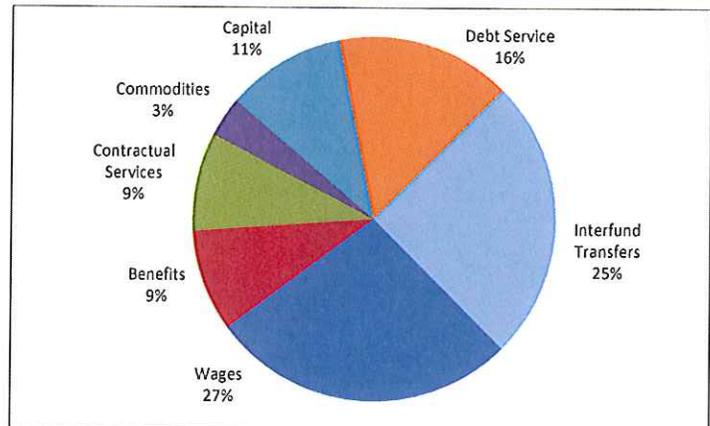
City of Leawood, Kansas  
**SNAPSHOT OF FINANCES and CITY ACTIVITY**  
as of September 30, 2012 (75% of the year complete)



**General Fund Revenues**

Revenues	Estimated Budget	YTD	%
Taxes	\$24,922,658	\$19,504,457	78.3%
Licenses & Permits	1,255,000	1,479,364	117.9%
Other Intergovernmental	6,976,008	4,317,225	61.9%
Charges for Services	2,845,109	2,474,816	87.0%
Fines & Forfeitures	1,600,000	1,174,945	73.4%
Interest Income	26,051	29,488	113.2%
Contributions & Other	87,000	182,880	210.2%
Other Financing Sources	266,000	266,000	100.0%
<b>Sub-Total, Revenues</b>	<b>37,977,826</b>	<b>29,429,175</b>	<b>77.5%</b>
Fund Balance	15,984,674	0	0.0%
<b>Total Revenues</b>	<b>\$53,962,500</b>	<b>\$29,429,175</b>	<b>54.5%</b>

**YTD - Citywide Expense Allocation**



**General Fund Expenditures - by Program**

Expenditures	Est Budget	YTD	%
General Operations	\$9,864,900	\$8,746,412	88.7%
Administration	472,500	281,198	59.5%
Finance	728,600	454,292	62.4%
Human Resources	613,300	352,650	57.5%
Municipal Court	572,700	386,197	67.4%
Legal Services	543,900	267,711	49.2%
Information Services	872,400	617,204	70.7%
Community Development	1,347,300	896,851	66.6%
Police	8,763,100	5,811,259	66.3%
Fire	6,001,400	4,360,270	72.7%
Public Works	6,637,200	3,731,636	56.2%
Parks & Recreation	6,291,500	4,256,396	67.7%
<b>Total Expenditures</b>	<b>\$42,708,800</b>	<b>\$30,162,077</b>	<b>70.6%</b>

**YTD - Total Citywide Budget**

Expenditures	Est Budget	YTD	%
Total Citywide Budget	\$66,581,000	\$46,024,038	69.1%

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

Special Revenue Funds	Est Budget	YTD	%
Revenues	\$2,475,540	\$1,861,535	75.2%
Fund Balance	2,094,260	0	0.0%
<b>Total Revenues</b>	<b>4,569,800</b>	<b>1,861,535</b>	<b>40.7%</b>
<b>Total Expenses</b>	<b>3,682,000</b>	<b>1,872,812</b>	<b>50.9%</b>

Capital Funds	Est Budget	YTD	%
Revenues	\$9,756,011	\$8,085,940	82.9%
Fund Balance	14,375,189	0	0.0%
<b>Total Revenues</b>	<b>24,131,200</b>	<b>8,085,940</b>	<b>33.5%</b>
<b>Total Expenses</b>	<b>12,876,100</b>	<b>6,759,578</b>	<b>52.5%</b>

Debt Service Fund	Est Budget	YTD	%
Revenues	\$7,595,744	\$7,302,205	96.1%
Fund Balance	6,999,656	0	0.0%
<b>Total Revenues</b>	<b>14,595,400</b>	<b>7,302,205</b>	<b>50.0%</b>
<b>Total Expenses</b>	<b>7,314,100</b>	<b>7,229,571</b>	<b>98.8%</b>

**General Fund Expenditures - by Category**

Expenditures	Est Budget	YTD	%
Personnel	\$23,944,247	\$16,732,352	69.9%
Contractual Services	6,813,253	3,705,685	54.4%
Commodities	3,273,900	1,655,389	50.6%
Capital	613,400	603,214	98.3%
Other Financing Uses	8,064,000	7,465,436	92.6%
<b>Total Expenditures</b>	<b>\$42,708,800</b>	<b>\$30,162,077</b>	<b>70.6%</b>

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

	Sep-12	Sep-11	%		Sep-12	Sep-11	%
City Sales Tax Collections (receipts through July, 2012)	\$3,715,544	\$3,409,269	9.0% ↑	Interest Earnings/Rates (all budgeted funds, includes full 2011 accruals; half 2012 accruals)	\$54,432	\$110,040	-50.5% ↓
Building-related Fees (per Building Official) (2011 higher due to hail storm roof replacements)	\$895,651	\$966,452	-7.3% ↓	Fines/Forfeitures	\$1,174,945	\$1,246,910	-5.8% ↓
Property Tax Collections (Collections thru Sep/Assessed)	98.0%	97.9%	0.1% ↑	Special Assessment Collections (Collections thru Sep/Assessed)	95.3%	93.4%	2.0% ↑

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

As of 9/30/2012

Art	No.	Project Name	Previous Yrs	2012	2013-2017	2012	2012	Encumbrances	Status/Project to Date Information	Balance
			Expense	Orig 2012 Budget	Current 2012 Budget	Budgets	Expenditures			
	79005	Temporary Art	13,441	5,000	5,000	25,000	2,958	-		2,042
	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	-	92,351	-		5,449
	NA	Annual Art Maintenance	30,911	84,100	97,800	Varies	3,918	-		93,882
	<b>Art Total</b>		<b>96,627</b>	<b>89,100</b>	<b>252,600</b>	<b>90,000</b>	<b>99,926</b>	-		<b>152,674</b>
	<b>Buildings and Grounds</b>									
	49112	Course - Cart Storage Garage Doors	-	-	5,076	-	5,076	-		-
	49123	Course - Perimeter Fencing, Ph III	-	-	53,000	-	47,983	-		5,017
	49130	Course - Irrigation Control Sys Upgrade	48,594	-	30,641	-	30,641	-		-
	71010	Tomahawk Park Ball Field	24,432	-	1,000	-	1,000	-		-
	71011	North Lake Improvements	24,326	-	626,400	-	562,036	63,226	Continental Consult Eng (4111.0000220), Hayes Bros Const (4111.0000223)	1,138
	71012	123rd St Trail/Stabil (Spec Parks/Rec Fund)	-	-	500,000	-	-	-		500,000
	71012	123rd St Trail/Stabil (Capital Imprv Fund)	-	-	900,000	-	-	-		806,458
	74001	Bldg - City Hall Int Wall Renovations	-	-	25,000	75,000	-	93,542	Phelps Engineering (3111.0000434)	25,000
	74003	Aquatic Center-Repaint Pool	59,920	85,000	85,000	85,000	4,950	50,765	Dayco Painting (4500.0000450)	29,285
	74015	FS #1 - Roof Section Replacement	24,350	-	36,091	-	36,091	-		-
	74030	Police Bldg - HVAC Replacement	6,600	5,000	-	-	-	-		5,000
	74032	Old City Hall - Roof Replacement	-	-	39,420	-	39,420	-		-
	74041	Rpr/Upgrade VVAV Controllers, City Hall	-	88,000	88,000	-	-	-		88,000
	76025	Fire Station #1 - Roof Replacement	-	105,000	51,268	-	51,268	-		-
	76027	Gezer Park Amenities (Capital Imprv Fund)	313,542	-	38,000	-	1,190	-		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	1,509,647	2,200,000	612,913	10,934	Olsson Assoc (2111.0000243), Motorola (2111.0000247)	886,000
	76008	Justice Center Building	900,725	-	-	-	3,289,562	18,143,472	Hoefler Wysocki (2111.0000206) McRealty Grp (2111.0000202) Prof Serv Industries(2111.0000205) Prof Serv Ind (2111.0000205) Titan Built LLC (2111.0000249) Kruger Tech (2111.0000253) Multivista-KC (2111.0000254)	-
	<b>Buildings and Grounds Total</b>									
	<b>Streets</b>			<b>1,402,489</b>	<b>4,583,000</b>	<b>7,393,743</b>	<b>5,760,000</b>	<b>4,682,131</b>	<b>18,367,939</b>	<b>5,782,708</b>
	70010	2011 Mill & Overlay	871,027	-	78,449	-	69,464	-		8,985
	70012	2012 Mill & Overlay	-	836,360	836,080	-	135,735	664,398	McAnany Const (3111.0000426)	35,947
	70011	2012 Slurry Seal	-	507,500	668,400	-	496,847	-		171,553
	72019	Arterial - Town Center Drive	-	300,000	300,000	-	-	250,434	JM Fahey Const (3111.0000432)	39,566
	72020	Arterial - 127th, Mission-Nall	-	485,870	574,450	-	-	544,371	JM Fahey Const (3111.0000432)	30,079
	72027	Arterial - ReSawFill Joints, 135th St	-	-	485,000	-	459,367	-		25,633
	72042	Arterial - Traffic Signals, 128-135 State Line	-	-	120,000	-	-	-		120,000
	72043	Arterial - Widen 117th/Town Center Dr	-	648,815	648,815	-	-	456,893	JM Fahey Const (3111.0000432)	191,922
	74049	2012 Curb Replacement	-	400,000	311,420	-	-	-		311,420
	<b>Streets Total</b>		<b>871,027</b>	<b>3,178,545</b>	<b>4,022,614</b>	<b>-</b>	<b>1,161,413</b>	<b>1,926,096</b>		<b>935,105</b>
	<b>Stormwater</b>									
	72020	1/8 Cent - 127th St, Mission - Nall	-	55,000	139,270	-	-	139,269	JM Fahey Const (3111.0000432)	1
	73003	SMAC - 81st Ter to 82nd, E of Wenonga	-	443,000	443,000	-	442,135	-		865
	76022	2009 Accelerated Stormwater Program	589,804	-	10,195	-	200	9,995	Wied/Godfrey (3111.0000355)	0
	77006	1/8 Cent - 12601 Norwood	22,606	-	8,394	-	-	-		8,394
	77011	1/8 Cent - Box Culvert, 87th & Mission	8,957	541,000	532,244	-	43,724	6,780	Phelps 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>1,206,066</b>	<b>-</b>	<b>498,518</b>	<b>156,044</b>		<b>551,504</b>
	<b>Stormwater Total</b>			<b>3,552,546</b>	<b>8,889,645</b>	<b>12,875,023</b>	<b>5,850,000</b>	<b>6,441,988</b>	<b>20,444,079</b>	<b>7,421,991</b>

**CITY OF LEA WOOD, KANSAS**  
**BOND-FINANCED Project Status Report**  
*As of 9/30/2012*

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	15,316	-		45,682	20	2012
	<b>Buildings and Grounds Total</b>	<b>780,000</b>		<b>719,002</b>	<b>15,316</b>	-		<b>45,682</b>		
	<b>Streets</b>									
80118	Amphitheater, Phase I	500,000	Bonded	165,168	-	-		334,832	NA	NA
80162	143rd St. Nail to Mission (2010)	13,500,000	1684, 2991	910,185	19,040	204,975	Burns & McDonnell (3111.0000234)	12,365,800	15	2017/18
80212	2012 Residential Streets, Ph II-Yr 4	1,275,000	3586	11,034	44,596	1,146,515	Miles Excavating Inc (3111.0000422) Pasco Irrigation (3111.0000431)	72,856	15	2013
80250	2013 Curb Repair/Replacement	5,000,000	3846	-	37,532	-		4,962,468	15	2014
	<b>Streets Total</b>	<b>20,275,000</b>		<b>1,086,387</b>	<b>101,168</b>	<b>1,351,490</b>		<b>17,735,955</b>		
80550	89th & Mission Stormsewer	1,190,755	2550	-	8,600	-		1,182,155	15	2014
	<b>Streets Total</b>	<b>1,190,755</b>		<b>-</b>	<b>8,600</b>	<b>-</b>		<b>1,182,155</b>		
	<b>Economic Development</b>									
	<i>There are currently no Economic Development projects</i>									
	<b>Economic Development Total</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>		
	<b>Total</b>	<b>22,245,755</b>		<b>1,805,390</b>	<b>125,084</b>	<b>1,351,490</b>		<b>18,963,792</b>		

**Capital Markets  
Group**



# City of Leawood

## INVESTMENT PORTFOLIO EXECUTIVE SUMMARY

*As of September 30, 2012*

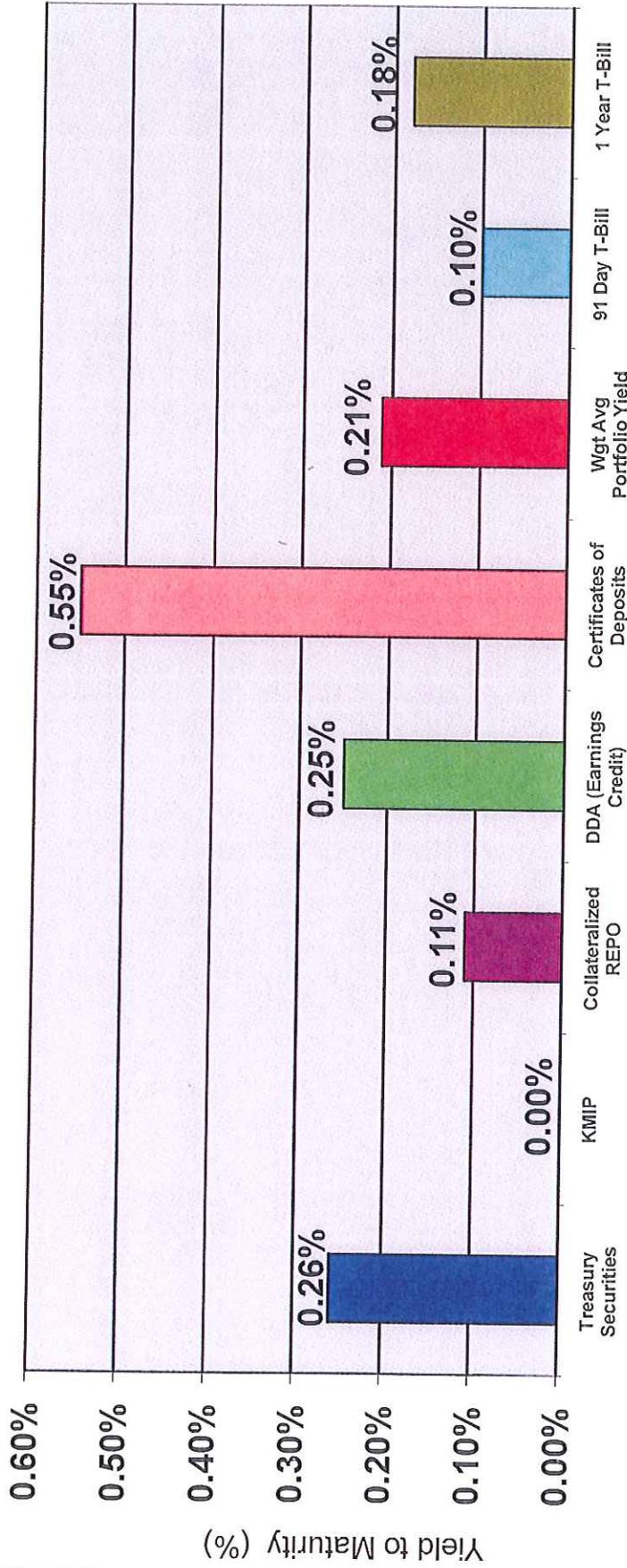


Commerce Bank

**City of Leawood**  
**YIELD TO MATURITY**



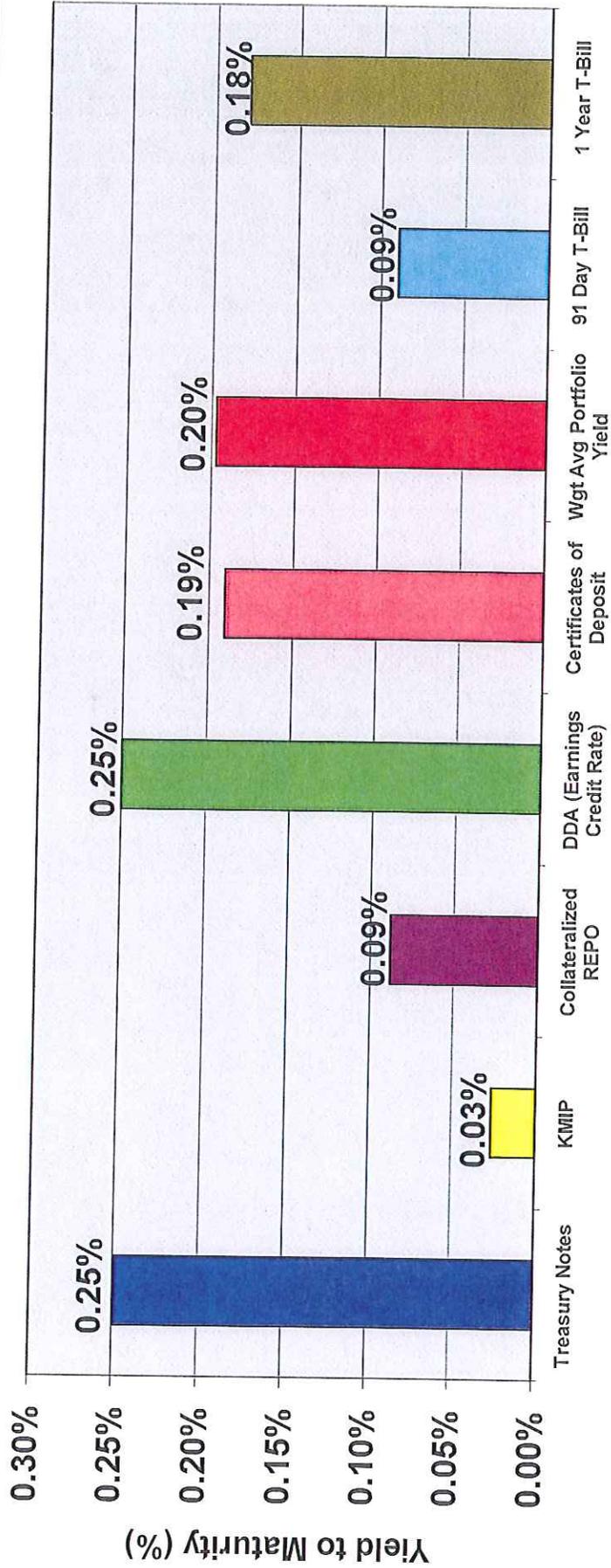
**Commerce Bank**  
 Member FDIC



*As of September 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 September 30, 2012 this chart shows the yield to maturity for these investments.

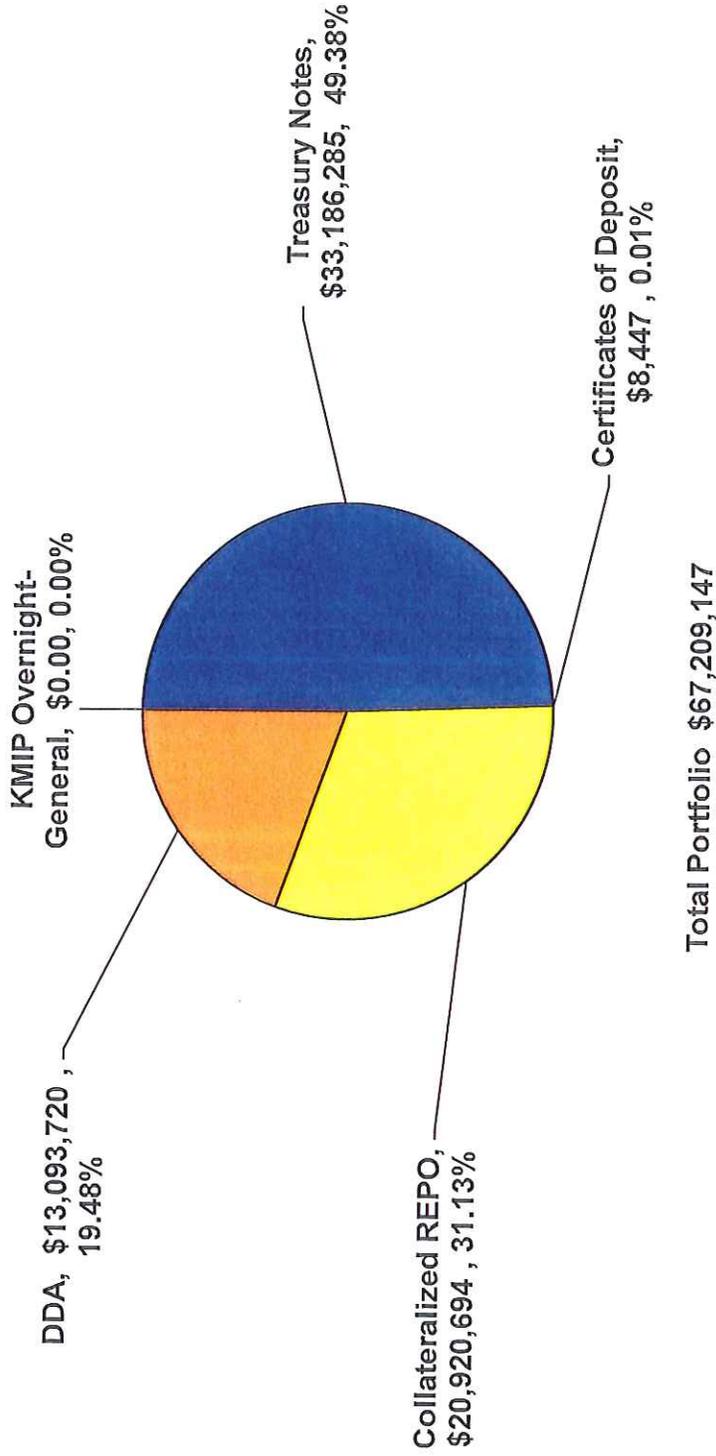
Note: The Collateralized REPO represents the Federal Reserve 91 day T-bill rate adjusted monthly in arrears. The third quarter average 91-day T-Bill rate was 0.10%. The long-term portfolio uses the one-year T-Bill as the benchmark. The third quarter average of the one-year T-Bill rate was 0.18%.



*As of September 30, 2012*

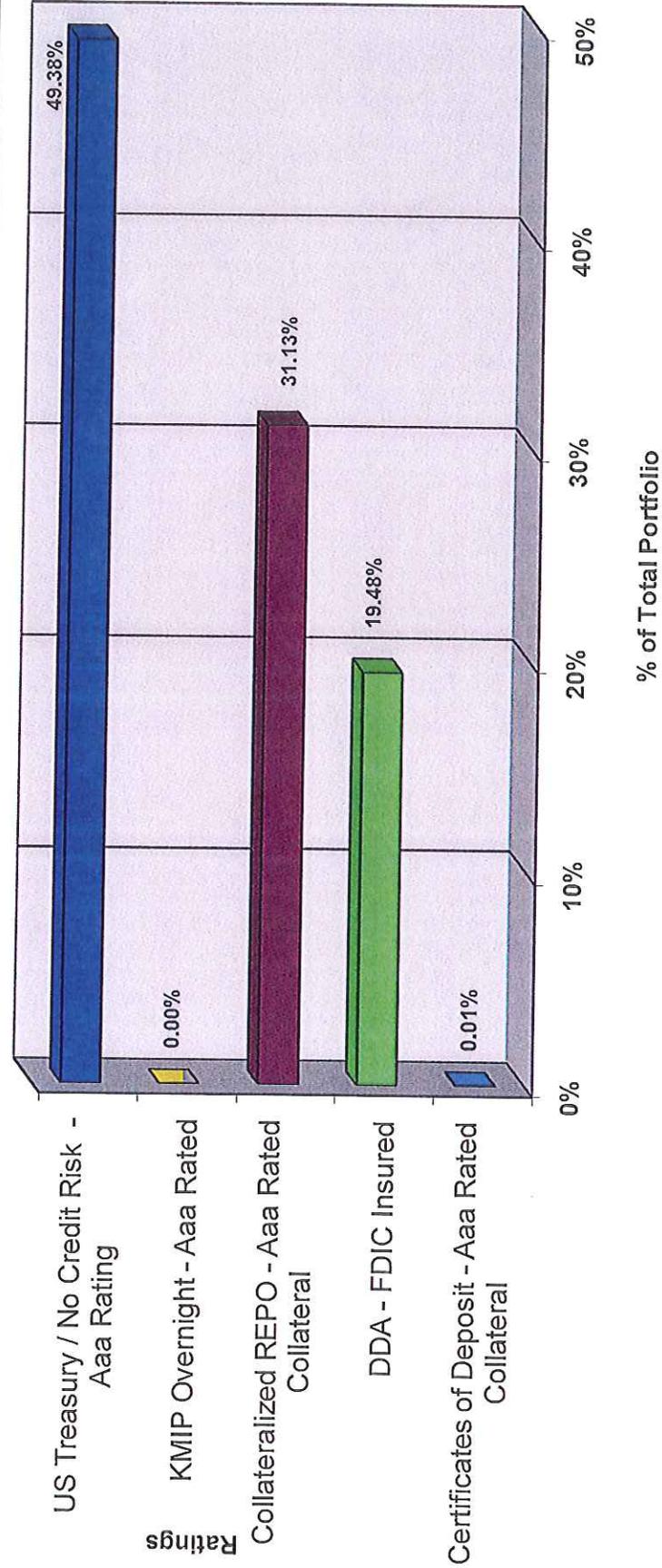
This graph demonstrates the year to date weighted average yield for each asset class. The weighted average portfolio yield is the average yield from each asset class weighted by the monthly par amount invested in each class. As of September 30, 2012 this chart shows the year to date yield to maturity 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 0.09%. 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 0.18%.



*As of September 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.



*As of September 30, 2012*

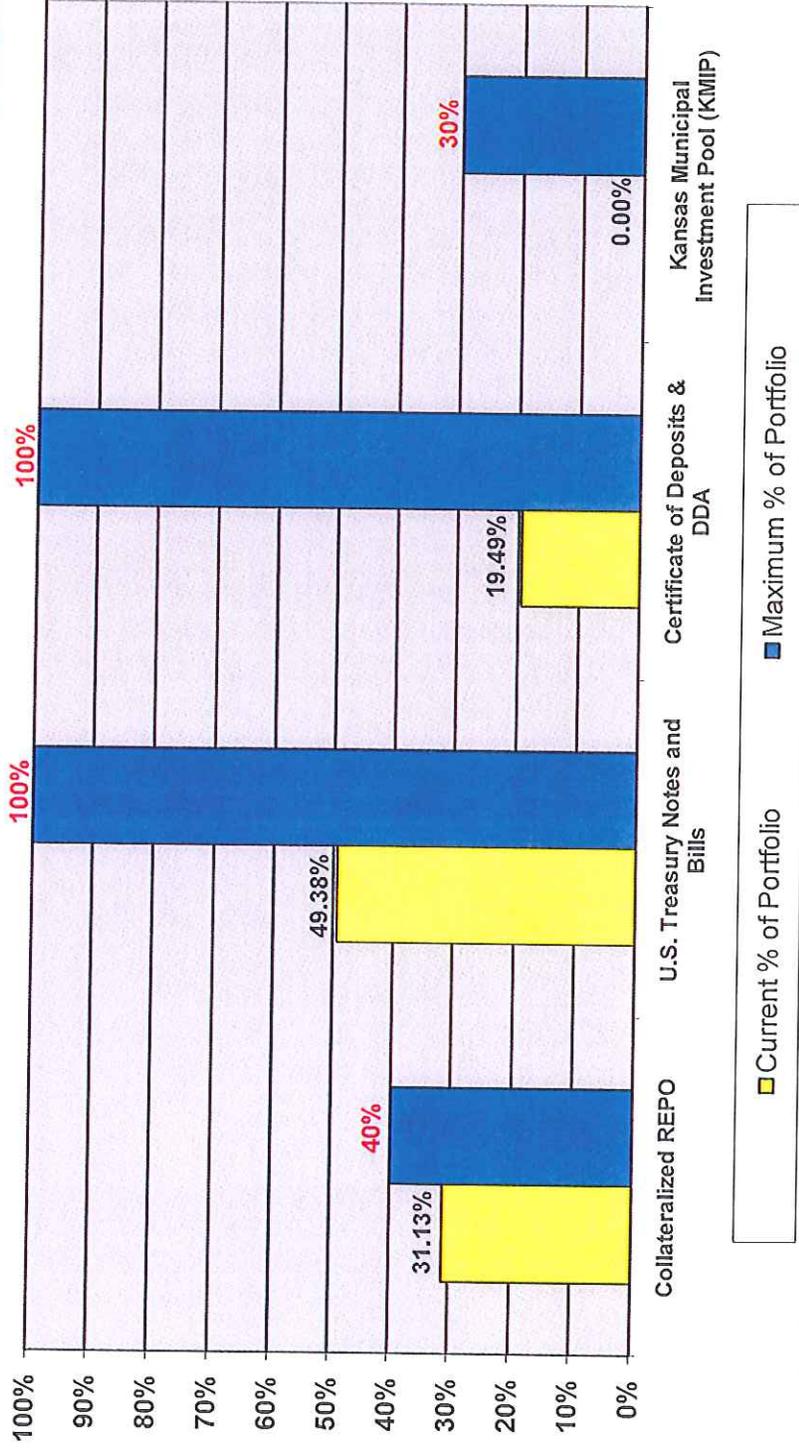
This graph demonstrates the book value distribution of assets by credit rating. The graph shows that 100% of the portfolio is invested in assets that have no material credit risk, since assets or the underlying collateral is rated Aaa by Moody's Investors Service. These percentages are well within policy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

# City of Leawood

## POLICY COMPLIANCE



**Commerce Bank**  
Member FDIC

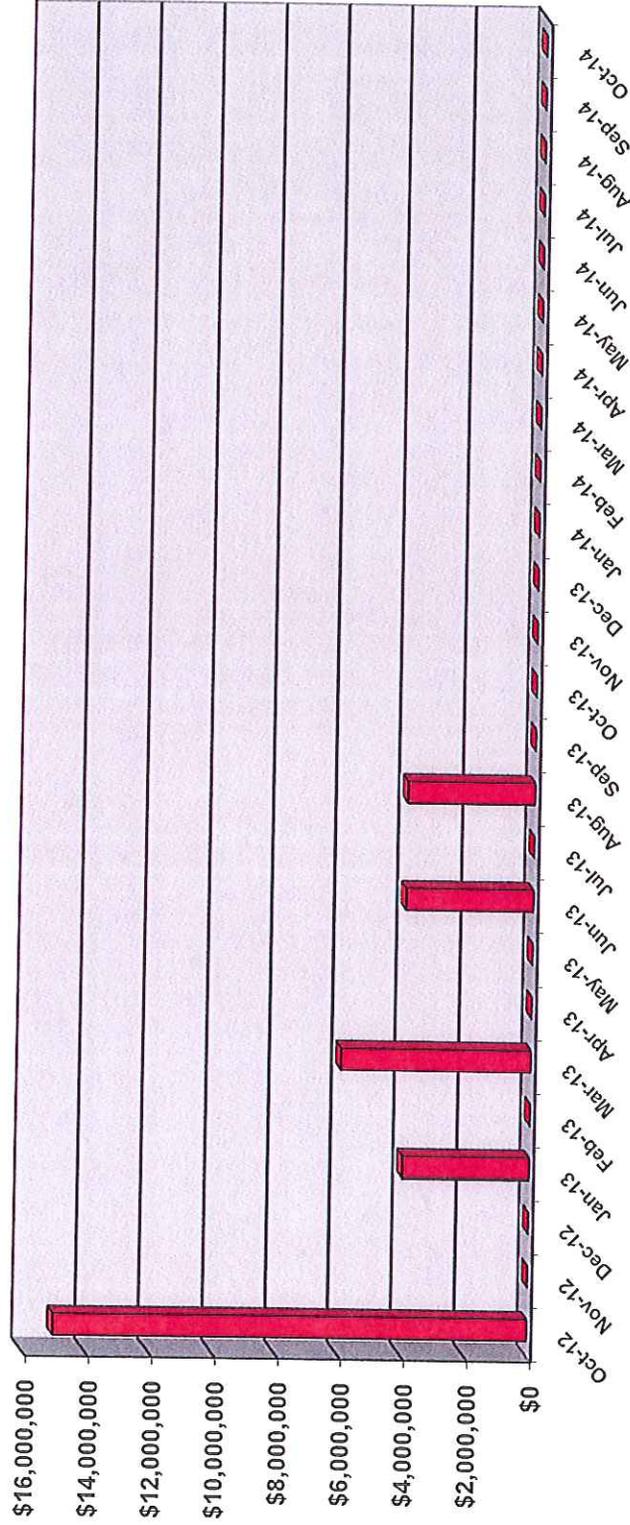


*As of September 30, 2012*

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 September 30, 2012*

This graph demonstrates the amount of principal being paid from the portfolio each month for the next two years. As of September 2012, all term investment portfolio cash flow will be returned with-in the next 11-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**  
**MARKET VALUE**



SECTOR	Book Value	Market Value	Unrealized Gain (Loss)	Unrealized % Gain (Loss)
Treasury Notes	\$33,186,285	\$33,202,727	\$16,442	0.05%
Collateralized REPO	\$20,920,694	\$20,920,694	\$0	0.00%
Certificates of Deposit	\$8,447	\$8,447	\$0	0.00%
<b>Total Marketable Securities</b>	<b>\$54,115,427</b>	<b>\$54,131,868</b>	<b>\$16,442</b>	<b>0.03%</b>

*As of September 30, 2012*

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.

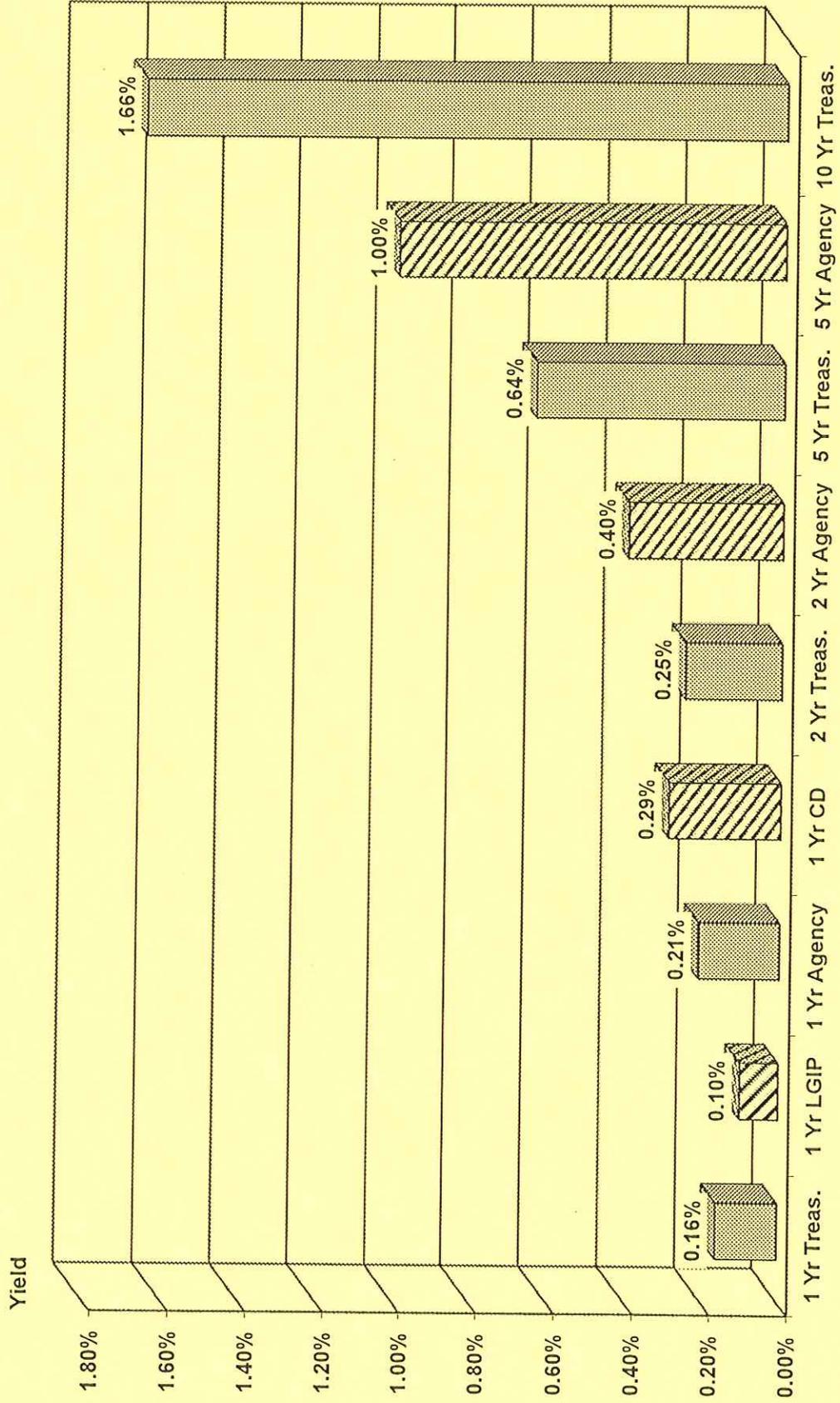


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**CURRENT YIELDS**  
 Long Term as of September 30, 2012



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

