

2007

**Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2007**

City of Leawood, Kansas



City of Leawood

City of Leawood, Kansas Comprehensive Annual Financial Report

For the Year Ended December 31, 2007

Prepared by Department of Finance

Kathleen M. Rogers, Finance Director
Dawn Long, Assistant Finance Director
Theresa Lodde, Senior Accountant

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CITY OF LEAWOOD, KANSAS
Comprehensive Annual Financial Report

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Introductory Section

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City of Leawood

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2007

Mayor

Peggy J. Dunn

City Council

Debra Filla
Greg Peppes
Louis Rasmussen
Jim Rawlings
Gary Bussing
Mike Gill
Scott Gullede
James Azeltine

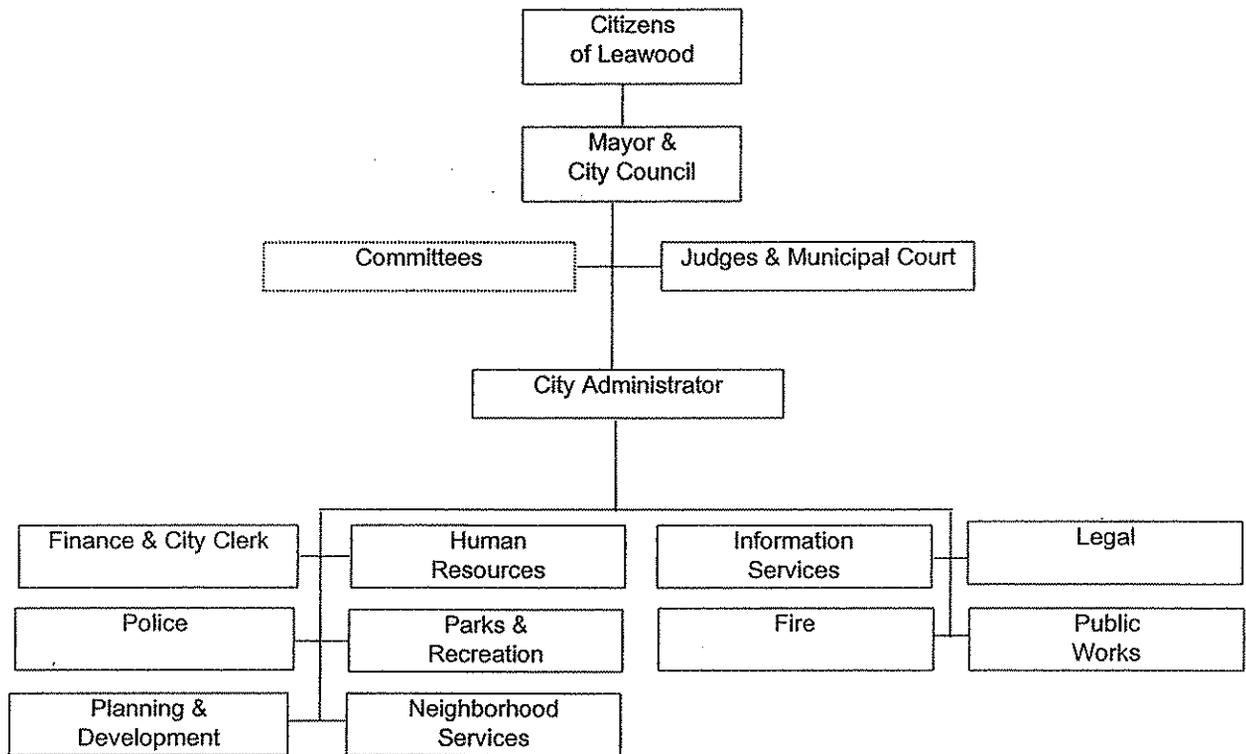
City Administrator

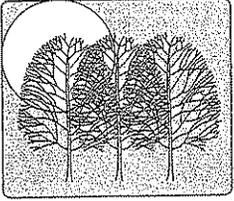
Scott M. Lambers

Prepared by Department of Finance

Kathleen M. Rogers, Finance Director
Dawn Long, Assistant Finance Director
Theresa Lodde, Senior Accountant

CITY OF LEAWOOD, KANSAS ORGANIZATIONAL CHART





City of Leawood

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April 3, 2008

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, 2007.

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.

Cochran Head Vick & Company, P.A., Certified Public Accountants, have issued an unqualified opinion on the City of Leawood's financial statements for the year ended December 31, 2007. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's 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.

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 2007 population to be 31,284. Johnson County encompasses 476 square miles and with a 2007 estimated population of 527,066 is the most populous county in the State of Kansas. Over the last twenty years, the City has had one of the fastest growing populations in the state of Kansas and is considered one of the top growth areas in the country. The City's land area is approximately 75% developed, and growth is expected to continue in the future. 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.

As required by Generally Accepted Accounting Principles (GAAP) in the United States of America, the only basic financial statements presented are the City's (the primary government) and one blended component unit. Blended component units, although legally separate entities, are in substance part of the primary government's operations and are included as part of the primary government. Accordingly, the Leawood Public Building Commission is reported in the Public Building Commission Special Revenue Fund.

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.

By Kansas law, the budget must be approved by the Council and submitted to the County Clerk by August 25th 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

The City of Leawood continued to see substantial development activity in 2007. The demand for new office and retail space remained strong. In addition to the traditional office and retail development, the City has continued to see interest in mixed-use development that includes retail, office, and residential uses within a single development. The mixed use development projects of Park Place, Parkway Plaza and Mission Farms had final site plans approved for future buildings within those developments. Park Place received final approval for a six story, 83,235 square foot, 158-room hotel with an additional 43,200 square foot of retail and restaurant space, and a four story, 40,153 square foot residential building containing 26 units. In addition to these two buildings Park Place received final approval on a number of tenant finished including: Morton's Steakhouse, Trezo Vino, Annabelle's, Envy Boutique, LeReve Nail Salon, The Learning Tree, Park Place Gallery, Rice Gallery, Fish City Grill, Paciugo, and Go Bug.

Mission Farms received final approval for twenty manors in addition to tenant finishes that include: Artichokes, Room 39, Boudreaux's Restaurant and Solutions Bank.

The City of Leawood had a significant amount of construction occurring in 2007. Park Place, the City's flagship development located at the northeast corner of 117th Street and Nall Avenue, saw the completion of California Pizza Kitchen, a 5,980 square foot restaurant, and continued construction of two multi-story office/retail buildings and a parking garage. One Nineteen, a retail development located at the southeast corner of 119th Street and Roe Avenue, started construction of a 118,000 square foot retail main center and received final approval of Sullivan's Steakhouse, a 8,800 square foot restaurant pad site. The Park Place and One Nineteen will complement Town Center Plaza and will make central Leawood a true downtown and an enviable crown jewel of the Greater Kansas City area. Three buildings within the Mission Farms mixed-use development, at the southeast corner of 105th Street and Mission Road, were completed in 2007. Two of the buildings will have retail on the first floor with residential condominiums above. The third is a three story; 49,984 square foot office/retail building that has retail on the first floor and office space above. Other developments that continue to see construction activity are Parkway Plaza, a mixed use development located at the northwest corner of 135th Street and Roe Avenue; and Market Square, a commercial development located at the northeast corner of 135th Street and Mission Road. Parkway Plaza has started construction of a main retail center, and has seen the completion of a number of office condominiums, and single story retail buildings. Market Square received final approval for the addition of 52,306 square foot of single story retail space.

Residential activity was also moderately strong during the past year. Single-family subdivisions continued to see construction activity including Highland Creek, located south of 143rd Street and east of Nall Avenue, Whilshire Place, located north of 133rd Street and east of Pawnee; LeaBrooke, located south of 143rd Street and west of Kenneth Road; and Tuscan Reserve, located south of 137th Street and east of Mission Road. In addition, a four story 26 unit condominium building received final approval within the Park Place mixed use development. In 2007, 21 building permits for new commercial developments were issued with an estimated value of \$58-million; and 87 new single-family home permits were issued with an estimated value of \$28-million.

Because of Leawood's location in a region with a varied economic base, the unemployment rate is relatively stable. During the past ten years, the unemployment rate dropped from an initial high of 3.0 percent (1996) to a decade low of 1.3 percent (1999), only to ascend once more to the current rate of 2.6 percent. The unemployment rate is expected to remain stable.

During the past ten years, total expenditures on average have increased at an annual rate of 10%. Operating expenditures have increased 5% overall, with general government at an annual rate of 5%, public safety at 7%, public works at 1%, and parks and recreation at 9%. Capital outlay is by far the fastest growing at an annual rate of 23%, and debt service has increased on average 6%.

The City of Leawood has been in a high growth mode over the past ten years. Administrative costs shown under general government include much of the staff to support the growth opportunities in the community including planning and development, finance, legal, information services, and human resources.

A number of public safety positions have been added to manage this aspect of growth. With the emergence of Leawood as a shopping 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 budget has increased only 1% over the past ten years, which is lower than the other divisions of the City. The reason for this is that the funds, which were once used for capital maintenance and improvement of the city streets, are no longer shown in the operating budgets but have been moved to capital pay-as-you-go budgets or are debt financed. Significant work to the City streets has also taken place during this ten year period, including 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.

The increase in debt service at 6% represents the largest increase to the general government and is a direct result of our own building projects. 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. These amenities range from a complete renovation of our first class golf course and four community parks which offer a rich array of leisure activities for our citizens and the community. To support these activities, there has been a direct correlation to the increase in the growth of the Parks and Recreation operating budget. Leawood is fortunate to not only be able to invest in its capital needs with current dollars, but has, and is expected to have, continued growth to support debt payments.

The City is proud of our staff and their accomplishments. In 2007 Public Works Director Joseph C. Johnson, P.E. was named one of the Top 10 Public Works Leaders of the year, from the American Public Works Association (APWA). The APWA is an international educational and professional association of public agencies, private sector companies, and individuals dedicated to providing high quality public works goods and services.

Originally chartered in 1937, APWA is the largest and oldest organization of its kind in the world, with headquarters in Kansas City, Missouri, an office in Washington, D.C., and 64 chapters throughout North America. APWA provides a forum in which public works professionals can exchange ideas, improve professional competency, increase the performance of their agencies and companies, and bring important public works-related topics to public attention in local, state and federal arenas.

Long-term financial planning

The unreserved, undesignated fund balance in the general fund (59.6% 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 year's financial prosperity to secure the future stability of the City. On an ongoing basis, funds are being set aside as reserves for building maintenance, vehicle replacement, replacement of large fire equipment, and replacement and upgrades for automation needs. 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. 45, *Accounting and financial Reporting by Employer's for Postemployment benefits Other Than Pensions*. Although, the City is not required to implement GASB 45 until December 31, 2008, the City early implemented the standard in the current year. This Statement establishes standards for the measurement, recognition, and display of other postemployment benefits (OPEB) expense/expenditures and related liabilities (assets), note disclosures, and, required supplementary information (RSI) in the financial reports of the City. There was no other significant changes in existing city financial policies.

Major initiatives

The City's continued commitment to the \$10.5-million accelerated residential street program and to storm water improvements remained strong in 2007. The Nall Avenue widening project continued from 143rd Street to 151st Street. For much of 2007 the road was completely blocked and residents were pleased when the initial work was completed and the road blocks removed.

The City has agreed to allow extensive use of Transportation Development District (TDD) debt for the enclosed parking structures needed to complete the new urbanism design surrounding the *Park Place*. Park Place development is adjacent to Leawood's Town Center outdoor shopping center. The financing for this project will allow for the parking garages that are necessary to capture the essential dynamics of this new urban trend of "building up". In 2007, Park Place developers announced that a second hotel would be built as well because of the continued demand for more hotel space in southern Johnson County. Leawood continues to invest in its capital assets.

During 2007 extensive storm water work adjacent to Leawood's premier golf course, Ironhorse, was essentially completed. Simultaneously, the golf greens were totally reconstructed as well as most of the cart paths and extensive renovations of the club house commenced.

The City will celebrate the 60th Anniversary of incorporation in 2008 and it has a lot to celebrate and to commemorate. A variety of activities are scheduled, including the "re-opening" of the golf course in May of 2008, a grand 4th of July celebration, as well as a fun Labor Day run.

Leawood continues to be a hub for fine art, cultural, and recreation activities with concert series and art shows. Leawood Stage Company hosted Tea with Shakespeare, a Sunday afternoon tea, in coordination with the Friends of the Heart of America Shakespeare Festival and the Magna Carta chapter of the Daughters of the British Empire. The tea was held in the Oak Room of City Hall to a full house. The event was a huge success, selling out two months prior to the event.

"The Music Man" was the big summer musical presented at Ironwoods Park Amphitheater. The seven night run attracted large crowds at each performance except for the night that it rained during the first act. The production met with rave reviews while staying well within budget. The technical staff was outstanding and the support of volunteers was phenomenal.

The Arts Council hosted four Art Shows and Receptions during the year. The success and quality of the program is attracting higher profile artists with each show.

A life sized sculpture by Dennis Smith of a one-room schoolhouse teacher with two students to honor teachers throughout time in our area was installed near the Historic Oxford Schoolhouse and dedicated in May. This project was initiated by the Leawood Foundation with the cooperation of the Historic Commission and Art in Public Places Committee. The groups worked together to host a memorable reception for donors and dedication with the artist in attendance. The dedication was attended by approximately 200 people.

The Historic Commission held its 6th annual Kansas Day Lecture. The original date was postponed due to snow and the second date also met unpleasant weather. Dr. David Hudgins presented a look back at the life of Clyde Tombaugh, the Kansas farm boy who discovered Pluto and the role that Kansas played in the history of astronomy. The docents also exhibited Oxford School information at the Kansas Day Event hosted by the Johnson County Library held at the Central Resource Library in Overland Park.

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, 2006. The City has received this prestigious award for ten 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.

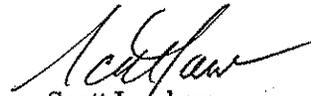
In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated January 1, 2008. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff in the Finance and Administration Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the governing City Council for their unfailing support of maintaining the highest standards of professionalism in the management of the City of Leawood's finances.

Respectfully submitted,



Kathleen M. Rogers
Finance Director



Scott Lambers
City Administrator

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, 2006

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.



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

Financial Section

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of 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 as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

Other Offices

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(816) 453-7016 FAX

1333 Meadowlark Lane
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(913) 287-0010 FAX

317 W. Young
Warrensburg, MO 64093
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(660) 747-9490 FAX

In our opinion, the basic 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, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 4 to the financial statements, the City adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*, in 2007.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2008 on our consideration of the City of Leawood, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the other required supplementary information as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Leawood, Kansas' basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Leawood, Kansas. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

April 3, 2008

Cochran Head Vider & Co PC

**City of Leawood, Kansas
Management's Discussion and Analysis**

Fiscal Year Ended December 31, 2007

This discussion and analysis of the City of Leawood's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

- The assets of the City of Leawood exceeded its liabilities at the close of the fiscal year by \$313,052,821.
- The City's total net assets increased by \$6,438,756, primarily due to the completion of projects and acquisition of capital assets donated from developers.
- As of the close of the current fiscal year, the City of Leawood's governmental funds reported combined ending fund balances of \$24,768,814, an increase of \$1,088,824 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$15,154,703 million or 59.6% of total general fund expenditures.
- Approximately 20% of the combined governmental fund balances, \$4,977,343, is considered unreserved and is available for spending at the City's discretion.
- The City of Leawood maintained an AA1 bond rating for the 14th consecutive year.

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

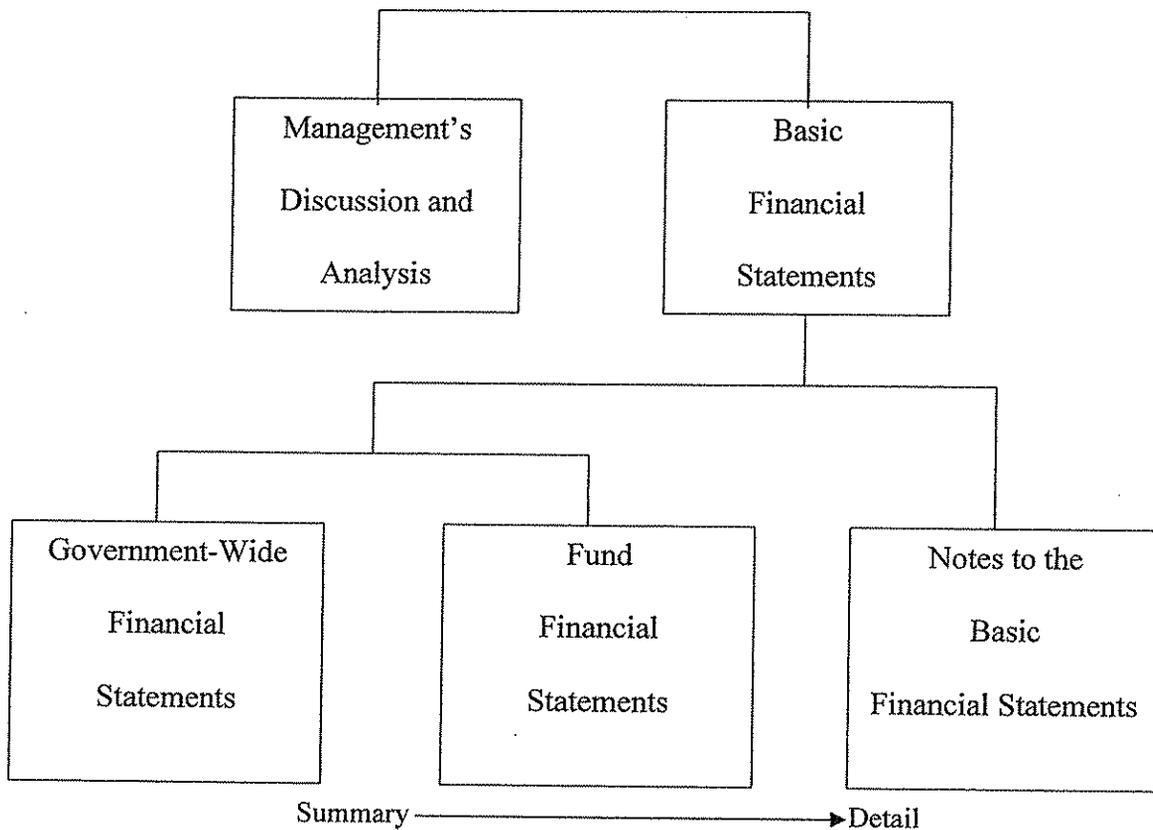
The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. The statements present governmental activities and business-type activities separately. These statements include assets of the City (including certain 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 Statements of Net Assets and Activities report the City's *net assets* and the resulting changes. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets 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.

The Statement of Activities distinguishes 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).

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits A and B) in the basic financial statements are the **Government Wide-Financial Statements**. The Government-Wide Financial Statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The Government-Wide Statements provide short and long-term information about the City's financial status as a whole.

The next statements (Exhibits C through E) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the Government-Wide Statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements and (2) the fiduciary fund statement.

The next section of the basic financial statements is the **Notes to the Basic Financial Statements**. The notes to the financial statements explain in detail some of the data contained in those statements. The Notes to the Basic Financial Statements are on pages 32-56 of this report.

After the notes, **required and other information** is provided to show details about the City's individual funds. These reports include certain *required supplementary information* concerning budgetary comparison schedule for the general fund, schedule of funding progress – other postemployment benefits, and disclosure of the modified approach for the reporting portions of the City's infrastructure. Required supplementary information can be found on pages 57-59 of this report.

Governmental activities – Most of the City's basic services are reported in this category, including General Government, Fire, Police, Public Works, and Parks and Recreation. Property and sales taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities.

Fund Financial Statements

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

Governmental 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 of net assets in the Governmental Fund Financial Statement to that reported in the Government-Wide Financial Statements are explained in the reconciliation schedule following each of the Governmental Fund Financial Statements.

Agency Funds - The City is the trustee, or *fiduciary*, for the Cornerstone Transportation Development Fund, the Resurrection Transportation Development, the Villiaggio Transportation Development Fund and the Leawood Employee Giving Fund. The city collects special assessment taxes and remits them to a trustee for disbursement to bond holders. The Employee Giving fund accounts for donations of monies and a special committee of employees provides for the use of those monies.

Government-Wide Financial Statements
Net Assets— figure 2

Governmental Activities

	<u>2007</u>	<u>2006</u>	<u>Change</u>
Current and other assets	\$ 70,305,970	\$ 71,512,801	\$ (1,206,831)
Long-term receivables	6,859,562	7,638,451	(778,889)
Capital assets, net	<u>334,770,876</u>	<u>326,893,070</u>	<u>7,877,806</u>
Total assets	<u>411,936,408</u>	<u>406,044,322</u>	<u>5,892,086</u>
Other liabilities	44,349,455	46,612,736	(2,263,281)
Long-term debt	<u>54,534,132</u>	<u>52,817,521</u>	<u>1,716,611</u>
Total liabilities	<u>98,883,587</u>	<u>99,430,257</u>	<u>(546,670)</u>
Net assets:			
Investment in capital assets, net of related debt	282,198,655	275,588,463	6,610,192
Restricted	9,360,053	7,606,885	1,753,168
Unrestricted	<u>21,494,113</u>	<u>23,418,717</u>	<u>(1,924,604)</u>
Total net assets	<u>\$ 313,052,821</u>	<u>\$ 306,614,065</u>	<u>\$ 6,438,756</u>

Net assets may serve over time as one useful indicator of a government's financial condition. The City's net assets increased by \$6,438,756 or 2.0% for the fiscal year ended December 31, 2007.

Current and other assets - Cash decreased due to an increase in capital outlay, while at the same time other current assets increased due to increases in property and sales tax receivables.

Long-term receivables in 2007 decreased slightly because there was fewer new special assessment receivables added than were retired.

Capital assets, which had the largest increase, are a result of donated infrastructure assets from developers as well as capital project construction by the City during the year.

Other liabilities decreased because temporary note borrowing was less than the prior year.

Long-term debt increased in 2007 as capital improvement projects were completed and bonded. More information on this can be found beginning on page 47 of this document.

Invested in capital assets, net of related debt represents the City's investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Capital assets include all assets, still in use, acquired from 1948 through December 31, 2007.

Restricted net assets total \$9,360,053 and represent assets with constraints placed on their use by either external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation. Unrestricted net assets, of \$21,494,113, consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

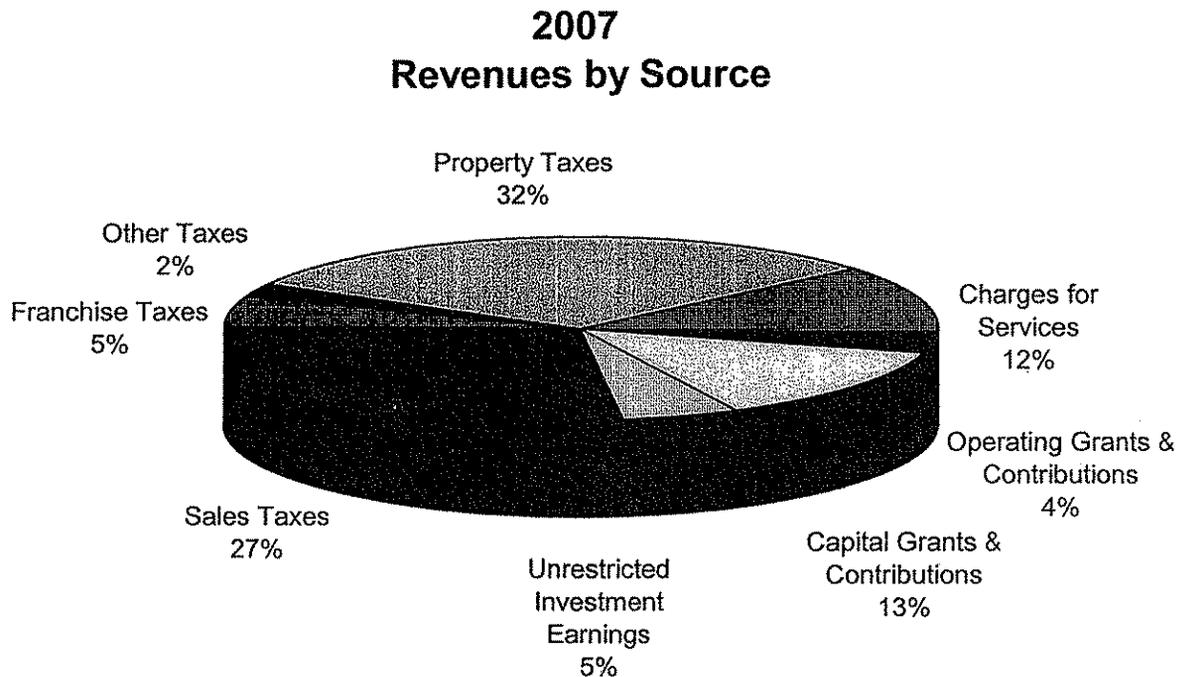
Government-Wide Financial Statements
Statement of Activities – figure 3

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 6,460,911	\$ 5,154,270	\$ -	\$ 1,825,144	\$ 6,460,911	\$ 6,979,414
Operating grants and contributions	2,007,683	792,403	-	-	2,007,683	792,403
Capital grants and contributions	4,793,850	8,476,782	-	-	4,793,850	8,476,782
General revenues:						
Property taxes	16,843,262	15,797,923	-	-	16,843,262	15,797,923
Sales tax	14,819,839	12,222,897	-	-	14,819,839	12,222,897
Franchise tax	2,930,764	2,648,951	-	-	2,930,764	2,648,951
Other taxes	840,948	769,263	-	-	840,948	769,263
Grants and contributions not restricted to specific programs	2,498,880	2,380,457	-	-	2,498,880	2,380,457
Unrestricted investment earnings	2,947,277	2,976,921	-	247	2,947,277	2,977,168
Other	430,692	112,838	-	30,798	430,692	143,636
Total revenues	<u>54,574,106</u>	<u>51,332,705</u>	<u>-</u>	<u>1,856,189</u>	<u>54,574,106</u>	<u>53,188,894</u>
Expenses:						
General government	5,348,073	4,752,202	-	-	5,348,073	4,752,202
Public safety	12,478,924	11,682,872	-	-	12,478,924	11,682,872
Public works	21,700,170	17,121,498	-	-	21,700,170	17,121,498
Parks and recreation	5,123,793	3,816,310	-	-	5,123,793	3,816,310
Golf course operations	-	-	-	1,989,003	-	1,989,003
Interest on long-term debt	3,484,390	3,496,801	-	164,017	3,484,390	3,660,818
Total expenses	<u>48,135,350</u>	<u>40,869,683</u>	<u>-</u>	<u>2,153,020</u>	<u>48,135,350</u>	<u>43,022,703</u>
Increase (decrease) in net assets.						
before transfers	6,438,756	10,463,022	-	(296,831)	6,438,756	10,166,191
Transfers	-	1,134,847	-	(1,134,847)	-	-
Change in net assets	<u>6,438,756</u>	<u>11,597,869</u>	<u>-</u>	<u>(1,431,678)</u>	<u>6,438,756</u>	<u>10,166,191</u>
Net assets, as of January 1	<u>306,614,065</u>	<u>295,016,196</u>		<u>1,431,678</u>	<u>306,614,065</u>	<u>296,447,874</u>
Net assets, December 31	<u>\$ 313,052,821</u>	<u>\$ 306,614,065</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 313,052,821</u>	<u>\$ 306,614,065</u>

On January 1, 2007 the Golf Course became a program in the Parks division of the General Fund and will no longer be a business type activity.

The City's total revenues in 2007 were \$54,574,106 and expenses were \$48,135,350. This total of Government activities and Business-Type activities are presented in a combined fashion as a result of GASB 34.

The following graph shows the composition of 2007 governmental activities.



Governmental revenues totaled \$54,574,106 for charges for services, operating and capital grants, general revenues, investments and others.

Several of the revenue and expense categories fluctuated between 2007 and 2006. Highlights include the following:

Revenues

- Charges for services in total in 2007 were \$6,460,911 compared to \$5,154,270 in 2006. Fines and forfeitures increased by \$200,000 because of an increase in the fine schedule from the previous year. In 2007, \$1,050,283 in impact fees from developers was collected compared to \$69,000 in 2006.
- Operating grant revenue in 2007 was higher at \$2,007,683 compared to \$792,403 in 2006.
- Capital grants and contributions represent \$450,678 in improvements to be paid by the developers in the form of special assessments, \$587,643 in funds from other governments and \$3,755,529 in donated infrastructure and right of way from other governments and community developers. This figure can vary from year to year depending on how many projects were funded in this manner and the nature of the project.
- Property taxes increased due to an increase in assessed valuation from 2006.
- Sales and use tax revenue increased from \$12.2 million in 2006 to nearly \$15 million in 2007 an increase of 21% over 2006. In April 2007 a 4 tenths of one cent retailers' sales tax took effect. This tax will end the earlier of March 31, 2012 or at the collection of revenues totaling \$10,000,000 and will be used to build a new Justice Center in Leawood. Excluding the new tax this revenue increased approximately by 5.0%
- Franchise Taxes increased approximately \$281,000. While traditional telephone franchise revenue decreased by 9.3%, natural gas saw a 15% or \$127,500 increase over the previous year due to the cost of gas. KCP& L also increased by 11.5% or \$131,200 due to rising prices. With the continuation of expanded services in the communications area and the //bundling of services in the city the city's cable franchise saw a 9.9% increase of \$43,800.

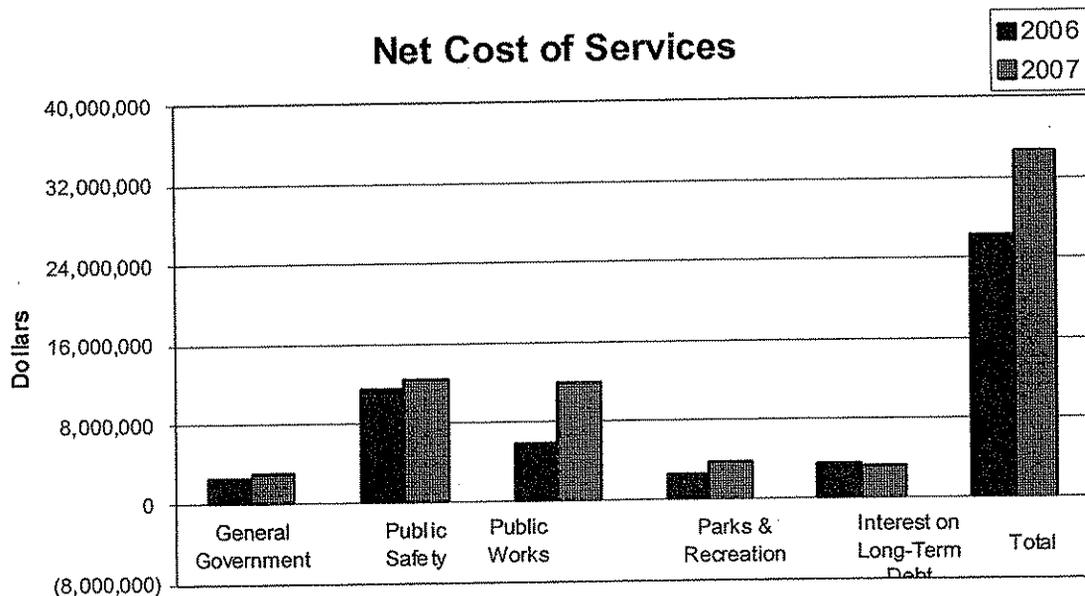
- Investment earnings for 2007 decreased by 1%, despite the wide fluctuation of rates throughout the year.

Expenses

Government activities expenses totaled \$48,135,350 for the general government, public safety, public works, parks and recreation, and interest on long-term debt. All transfers between funds have been eliminated. In addition, the general governmental funds:

- Recognized depreciation expense of \$7,850,436 an increase of \$729,338 over 2006.
- Wages, benefits, worker's compensation and energy costs increased in all operating divisions.
- The Public Works division capitalized \$2,613,000 less in capital projects in 2007 as compared to 2006.
- Had essentially, no change in interest on long-term debt.

The following chart compares the governmental net cost of services for 2006 and 2007.



The total cost of services for 2007 was \$48,135,350; however the portion of these services covered by the City's taxpayers was \$34,872,906. The City funded the majority of this cost with property taxes and sales taxes. The remaining \$13,262,442 was funded by users directly benefiting from the services or by other organizations through grants and contributions.

Business-type Activities.

Effective January 1, 2007 the operations of the golf course were transferred to the General Fund. During 2007 the golf course was closed for major renovations. The city anticipates it will re-open in the spring of 2008.

Analysis of the Fund Financial Statements

As noted earlier, the City of Leawood uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Leawood's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Leawood's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund. The general fund is the chief operating fund of the City of Leawood. At the end of the current fiscal year, total fund balance of the General Fund was \$15,154,703 an increase of \$447,911 over the beginning balance of \$14,706,792. Revenues were over final budget by \$2,278,856 primarily due to increases in sales and use taxes of \$474,300 from the city and \$908,200 from the county. A large portion of this is due to a change in the method in which the county economic development tax collections are recorded. Previous to 2007, these receipts were recorded into a capital projects fund. Since January 1, 2007 these receipts are first recorded in the general fund and then transferred. Other increases were realized in franchise fees of \$455,000; license and permit fees of \$410,800; and interest income of \$385,000. Expenditures were \$3,684,978 less than final budget with the largest variances occurring in Parks and Recreation. The main reason for this major difference was timing. The 2008 budget was prepared before the construction contracts were determined for the golf course. The timing of construction affected the outcome of the budgeted expenditures. Due to the closure of the golf course for a full year, and minimal operating expenses in this area for 2007, the actual expenditures were \$1,308,051 less than the original budget. All other departments were lower than budget including Public Works at \$703,764, Police at \$735,065, General Government at \$739,936; and Fire at \$198,162. Vacancies, professional and contractual support savings and efficiencies in the purchase of commodities and supplies all contributed to this favorable variance.

Debt Service Fund. The ending fund balance of \$7,822,863 was up \$1,900,097 from last year. This balance represents 109.6% of the 2007 annual debt service payments.

Capital Projects. The fund balance in the City's Major Capital Project Fund resulted in a deficit of (\$13,475,854). The deficit was a result of borrowing short term funds in order to finance capital projects. Once these projects are bonded the fund balance will return to a positive balance.

As of the close of the current fiscal year, the City of Leawood's governmental funds reported combined ending fund balances of \$24,768,814, an increase of \$1,088,824 in comparison with the prior year. The increase in governmental funds was a result of an increase in property and sales and use taxes as well as an increase in interest income. In addition, operating expenditures were lower in 2007 than budgeted due to conservative fiscal spending.

Capital Improvements Fund. The ending fund balance of \$3,689,111 decreased \$52,783 from last year as capital outlay expenditures exceeded revenues and other financing sources.

General Fund Budgetary Highlights

During the fiscal year, the City did not formally amend its General Fund budget. On a budgetary basis, which can be found in the *Required Supplementary Information* on schedule 1 page 57, the revenues and other sources, over expenditures, and transfers resulted in an increase in fund balance of \$447,911. Actual revenues were \$2.3-million greater than budgeted revenues. In the category of taxes, city sales and use taxes resulted in an additional \$474,000 over budget and franchise fees increased by \$455,000 mostly due to an increase in the base price of heating and cooling costs. Property taxes came in slightly lower than budget by \$152,000. Licenses and Permits were higher because building permits were \$137,000 more than budget. In addition, review of plans and planning applications were also higher by \$44,000 and public works inspections were up by \$105,000. The increase in the Intergovernmental category was higher by \$972,012 because the City changed the method in which it records certain sales taxes. Instead of recording these sales taxes into the capital projects fund, these sales taxes were recorded in the general fund and then were transferred to the capital projects fund. Fines and forfeitures was \$52,114 higher than budget. Interest income exceeded budgeted amounts by \$385,282 due to improved cash management and increases in the interest rate for the majority of the year.

General Fund expenditures were lower than the final budget by \$3.7-million. Savings in personnel costs from position vacancies, savings from professional and contractual support, and over estimation of health insurance costs completed the savings variances in the remaining activities. Much of this is scattered throughout the various departments, but primarily in Parks & Recreation. Initially Ironhorse Golf Course was expected to be partially opened during 2007. The decision was made after the budget was approved to keep the course closed for the entire year because it was determined that it would be most effective for the contractor to have full access to the golf course to complete the greens renovations, creek stabilization and major storm water improvement projects.

Capital Asset and Debt Administration

Capital assets. The amount invested in capital assets for the City at December 31, 2007, is \$334,770,876, net of accumulated depreciation. This amount includes all infrastructure assets acquired during 2007, as well as streetlights, traffic signals and land/right-of-way, bridges, storm water systems and streets, existing at and acquired subsequent to 1948 and still in use.

**City of Leawood's Capital Assets
(Net of depreciation)
Figure 4**

	Governmental Activities		
	2007	2006	% change
Land/Right of Way	\$ 108,640,241	\$ 107,459,250	1%
Buildings and Improvements	27,453,462	28,656,973	-4%
Machinery and equipment	5,982,211	5,101,597	17%
Infrastructure	182,813,960	178,537,722	2%
Construction in progress	9,881,002	7,137,528	38%
Total	\$ 334,770,876	\$ 326,893,070	2%

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. The City manages the eligible infrastructure capital assets using an asset management system with 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.

Under GASB 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

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 2007, 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 2007 was 98.6%. For 2007 the city incurred expenditures of \$165,770 compared to the budgeted amount of \$214,000 to maintain the condition assessment level.

All other assets and infrastructure are depreciated on a straight-line basis.

Major capital asset transactions during the year include the following additions and disposals:

- The City received \$3,755,529 in donated infrastructure assets from developers and capital grants.
- Construction in progress consists of \$9,881,002 for street, stormwater, and golf course greens and club house renovations. The city began an extensive project during the year that included stabilization of Nigro Creek, major storm water repairs and total renovation of the greens as well as significant repairs and replacement of the cart paths. All three projects were coordinated and bid to the same contractor. In addition to Nall Avenue street reconstruction (from 135th to 143rd) and the Villiaggio Development improvements, several residential streets were totally reconstructed. Work continued on phase two of the Dykes Branch storm water project.
- \$1.5 million in streets were removed from the capital assets as recent reconstruction/renovation projects, primarily Nall Avenue were completed

Additional information on the City's capital assets can be found in Note 1 Item D and Note 3 Item F. to the Basic Financial Statements.

Long-term Debt. As of December 31, 2007, the City of Leawood had total bonded debt outstanding of \$53,375,000. Of this, \$51,665,000 in debt is backed by the full faith and credit of the City. The remainder of \$1,710,000 represents revenue bonds secured solely by a lease agreement from the City of Leawood to the Public Building Commission.

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

Figure 5

	2007	Governmental Activities	
		2006	Change
General obligation bonds	\$ 51,665,000	\$ 49,920,000	\$ 1,745,000
Revenue bonds	1,710,000	2,070,000	(360,000)
Total	\$ 53,375,000	\$ 51,990,000	\$ 1,385,000

The City of Leawood maintained its AA1 bond rating from Moody's Investor Service for the 14th consecutive year. 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.

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 \$184,288,719. The City has \$1,050,000 in bonds authorized but un-issued at December 31, 2007.

Additional information regarding the City of Leawood's long-term debt can be found in Note 3 Item I. beginning on page 47 of this report.

Economic Factors and Next Year's Budgets and Rates

The City of Leawood continues to assess and is prepared to address recent economic changes. Leawood, Kansas has been fortunate not to be directly affected by the sub-prime house market issue. Commercial construction has been strong and the 2008 budget reflects an increase in assessed valuation of 7.8%. For 2008 budget year the mill levy is budgeted to stay the same. Sales and use taxes, is projected at 28% of total revenue in 2008 which is 2.9% over 2007. The citizens approved a 4 tenths of one cent sales tax for construction of a justice center. The tax became effective in April of 2007. Budget costs for healthcare, worker's compensation, and retirement benefits, continue to be increase. The City bid its health insurance during 2007 and as a result will change health carriers at the beginning of 2008. This change resulted in a slight increase of 1 ½% in the entire premium cost as compared to a double digit projection if we had not bid out the insurance. Increases in other necessary expenses, such a fuel and utilities are expected to rise. The city will look towards ways to reduce costs and continue service. We have adequate reserves and the 2008 budget represents an ongoing commitment to cost containment and concern for maintaining service delivery standards. The City's General fund operating budget was prepared in a manner that preserves the City Council's priorities to the maximum extent possible.

Public Safety. In 2007, Leawood police officers were involved with 35,446 calls for service, initiated 1,437 arrests and had 19,350 traffic stops. The Fire Department received the 2006 "Life Safety Achievement Award" in 2007 by the Kansas State Fire Marshall for having recorded zero fire-related fatalities. In addition, over 4,000 Leawood school children from Kindergarten to 5th grade were instructed in fire safety during the year.

Recreation and Cultural. A life sized sculpture by Dennis Smith of a one-room schoolhouse teacher with two students to honor teachers throughout time in our area was installed near the Historic Oxford Schoolhouse and dedicated in May. The 6th annual Kansas Day lecture was presented by Dr. David Hudgins. He presented a look back at the life of Clyde Tombaugh, the Kansas farm boy who discovered Pluto and the role that Kansas played in the history of astronomy.

Economic Development. During 2007 the City's Building Department issued twenty one commercial permits with an estimated value of \$58.9 million dollars and 87 residential permits with an estimated value of \$27.6 million dollars.

Transportation. Transportation issues remain at the forefront for the City. A tremendous effort continues to focus on regional issues as well as residential, as the City works to lessen the impact of growth. 2007 saw the continuation of the widening project on Nall Avenue. The segment from 135th Street south to 143rd was complete and work began on the second phase which will end at 159th. Interstate 435, which circles the entire greater Kansas City, bisects the City and provides direct access to other U.S., Interstate and State highways in the metropolitan area. Kansas City International Airport (MCI) is located about 25 miles north of the City and is easily accessible via the interstate system. The County operates Johnson County Industrial Airport and New Century Air Center, both located less than 15 miles southwest of the City. The New Century Air Center is FAA certified with full instrument control approach systems. Johnson County provides daily bus service for city commuters to and from downtown Kansas City through its Commute ride bus system.

Requests for Information

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

Basic Financial Statements

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City of Leawood, Kansas
Statement of Net Assets
December 31, 2007

	<u>Governmental Activities</u>
Assets	
Pooled cash and investments	\$ 52,852,850
Restricted assets	142,368
Receivables - (net of allowance for uncollectibles):	
Property tax	10,119,323
Sales tax	3,031,519
Franchise tax	696,920
Special assessments - current	1,229,568
Intergovernmental	997,699
Interest	181,696
Accounts	14,906
Inventory and prepaid expenses	390,617
Bond issuance costs, net	648,504
Special assessments receivables - noncurrent	6,859,562
Capital assets:	
Land and other capital assets, non-depreciable	132,230,131
Other capital assets, net of depreciation	202,540,745
Total assets	<u>411,936,408</u>
 Liabilities	
Accounts payable	2,232,732
Due to employees and others	1,124,359
Unearned revenue	10,420,334
Temporary notes payable	29,375,000
Accrued interest payable	1,054,662
Municipal court deposits	142,368
Long-term liabilities:	
Due within one year	6,774,649
Due in more than one year	47,759,483
Total liabilities	<u>98,883,587</u>
 Net Assets	
Invested in capital assets, net of related debt	282,198,655
Restricted for:	
Capital projects	908,463
Debt service	7,822,871
Other purposes	628,719
Unrestricted	21,494,113
Total net assets	<u><u>\$ 313,052,821</u></u>

See accompanying notes to the basic financial statements

Exhibit B

City of Leawood, Kansas

Statement of Activities

For the Year Ended December 31, 2007

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 5,348,073	\$ 2,163,970	\$ -	\$ -	\$ (3,184,103)
Public safety	12,478,924	131,806	34,638	-	(12,312,480)
Public works	21,700,170	2,906,444	1,973,045	4,793,850	(12,026,831)
Parks and recreation	5,123,793	1,258,691	-	-	(3,865,102)
Interest on long-term debt	3,484,390	-	-	-	(3,484,390)
Total governmental activities	48,135,350	6,460,911	2,007,683	4,793,850	(34,872,906)

General revenues:

Taxes:

Property taxes, levied for general purpose	10,037,224
Property taxes, levied for debt service	6,806,038
Sales taxes	14,819,839
Franchise taxes	2,930,764
Other taxes	840,948
Grants and contributions not restricted to specific programs	2,498,880
Unrestricted investment earnings	2,947,277
Miscellaneous	430,692
Total general revenues and transfers	41,311,662
Change in net assets	6,438,756
Net assets, beginning of year	306,614,065
Net assets, end of year	\$ 313,052,821

See accompanying note to the basic financial statements

City of Leawood, Kansas
Balance Sheet
Governmental Funds
December 31, 2007

	General Fund	Debt Service	Capital Projects	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets:						
Pooled cash and investments	\$ 13,289,927	\$ 7,735,763	\$ 17,410,276	\$ 3,531,434	\$ 10,885,450	\$ 52,852,850
Restricted assets	142,368	-	-	-	-	142,368
Receivables (net)						
Property tax	7,262,207	2,857,116	-	-	-	10,119,323
Sales tax	2,374,252	-	-	-	657,267	3,031,519
Franchise tax	696,920	-	-	-	-	696,920
Accounts	14,906	-	-	-	-	14,906
Interest	67,931	87,100	-	6,059	20,606	181,696
Intergovernmental	291,940	67,155	5,620	473,310	159,674	997,699
Special assessments	-	8,089,130	-	-	-	8,089,130
Inventory and prepaids	390,617	-	-	-	-	390,617
Due from other funds	-	-	-	-	158,944	158,944
Total assets	<u>\$ 24,531,068</u>	<u>\$ 18,836,264</u>	<u>\$ 17,415,896</u>	<u>\$ 4,010,803</u>	<u>\$ 11,881,941</u>	<u>\$ 76,675,972</u>
Liabilities:						
Accounts payable and accrued liabilities	\$ 454,632	\$ -	\$ 1,152,458	\$ 321,692	\$ 303,950	\$ 2,232,732
Due to employees and others	1,124,359	-	-	-	-	1,124,359
Due to other funds	158,944	-	-	-	-	158,944
Deferred revenue	7,496,062	11,013,401	-	-	-	18,509,463
Temporary notes payable	-	-	29,375,000	-	-	29,375,000
Accrued interest payable	-	-	364,292	-	-	364,292
Municipal court deposits	142,368	-	-	-	-	142,368
Total liabilities	<u>9,376,365</u>	<u>11,013,401</u>	<u>30,891,750</u>	<u>321,692</u>	<u>303,950</u>	<u>51,907,158</u>
Fund balances:						
Reserved for:						
Inventory and prepaids	390,617	-	-	-	-	390,617
Debt service	-	7,822,863	-	-	8	7,822,871
Unreserved (deficit)	14,764,086	-	(13,475,854)	3,689,111	-	4,977,343
Unreserved, reported in non-major funds:						
Special revenue funds	-	-	-	-	855,578	855,578
Capital projects funds	-	-	-	-	10,722,405	10,722,405
Total fund balances (deficit)	<u>15,154,703</u>	<u>7,822,863</u>	<u>(13,475,854)</u>	<u>3,689,111</u>	<u>11,577,991</u>	<u>24,768,814</u>
Total liabilities and fund balances	<u>\$ 24,531,068</u>	<u>\$ 18,836,264</u>	<u>\$ 17,415,896</u>	<u>\$ 4,010,803</u>	<u>\$ 11,881,941</u>	<u>\$ 76,675,972</u>

See accompanying notes to the basic financial statements

**Exhibit C
(continued)**

City of Leawood, Kansas
Reconciliation of the Balance Sheet to the Statement of Net Assets
Governmental Funds
December 31, 2007

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

Ending fund balances - total governmental funds	\$ 24,768,814
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	334,770,876
Long-term assets are not available to pay for current period expenditures and are therefore deferred in the fund statements.	8,089,130
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 issuance costs, 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:	
Bond issuance costs, net	648,504
Accrued interest payable	(690,371)
Long-term debt	<u>(54,534,132)</u>
Total net assets of governmental activities	<u>\$ 313,052,821</u>

See accompanying notes to the basic financial statements

City of Leawood, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	Debt Service	Capital Projects	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 19,915,347	\$ 6,583,191	\$ -	\$ -	\$ 2,750,992	\$ 29,249,530
Licenses and permits	2,120,409	-	1,050,283	-	307,414	3,478,106
Intergovernmental	6,624,559	408,295	6,120	2,337,379	1,680,291	11,056,644
Charges for services	1,220,845	-	-	2,695	-	1,223,540
Fines and forfeitures	1,752,614	-	-	-	6,649	1,759,263
Special assessments	-	1,456,331	-	-	-	1,456,331
Interest	835,242	447,230	992,354	200,905	471,546	2,947,277
Contributions and others	210,140	-	59,437	5,400	260,797	535,774
Total Revenues:	32,679,156	8,895,047	2,108,194	2,546,379	5,477,689	51,706,465
Expenditures:						
Current:						
General government	4,896,564	-	-	-	237,404	5,133,968
Public safety	11,491,384	-	-	-	7,000	11,498,384
Public works	5,082,036	-	-	-	-	5,082,036
Parks and recreation	3,799,153	-	-	-	860	3,800,013
Capital outlay	-	-	12,213,092	5,330,760	5,389,621	22,933,473
Debt service:						
Principal retirements	139,456	5,295,000	-	-	390,000	5,824,456
Interest and fiscal charges	15,837	1,839,475	1,495,036	-	85,300	3,435,648
Total Expenditures	25,424,430	7,134,475	13,708,128	5,330,760	6,110,185	57,707,978
Excess of revenues over (under) expenditures	7,254,726	1,760,572	(11,599,934)	(2,784,381)	(632,496)	(6,001,513)
Other financing sources (uses):						
Transfers in	156,900	139,525	789,792	2,731,598	7,160,073	10,977,888
Transfers out	(6,963,715)	-	(2,542,481)	-	(1,471,692)	(10,977,888)
Debt issuance premiums	-	-	50,337	-	-	50,337
Bonds issued	-	-	7,040,000	-	-	7,040,000
Total other financing sources (uses)	(6,806,815)	139,525	5,337,648	2,731,598	5,688,381	7,090,337
Net changes in fund balances	447,911	1,900,097	(6,262,286)	(52,783)	5,055,885	1,088,824
Fund balances (deficit), beginning of year	14,706,792	5,922,766	(7,213,568)	3,741,894	6,522,106	23,679,990
Fund balances (deficit), end of year	\$ 15,154,703	\$ 7,822,863	\$ (13,475,854)	\$ 3,689,111	\$ 11,577,991	\$ 24,768,814

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, 2007

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

Net changes in fund balances - total governmental funds	\$	1,088,824
<p>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.</p>		
Capital outlay		13,126,139
Depreciation expense		(7,850,436)
Loss on disposal of capital assets		(1,153,426)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Amount of donated assets		3,755,529
Change in deferred revenue for tax revenues		(782,806)
<p>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 issuance costs, 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.</p>		
Amortization of issuance costs		(52,070)
Interest expense		(47,009)
Issuance of long-term debt		(7,040,000)
Payment of long-term debt		5,824,456
Net post-retirement benefits obligation		(233,795)
<p>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.</p>		
Compensated absences		(196,650)
Total changes in net assets of governmental activities	\$	<u>6,438,756</u>

See accompanying notes to the basic financial statements.

City of Leawood, Kansas
Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2007

	<u>Agency Funds</u>
Assets	
Pooled cash and investments	\$ 274
Special assessments	1,455,000
Total assets	<u>\$ 1,455,274</u>
 Liabilities	
Due to employees	\$ 98
Due to bondholders	1,455,176
Total liabilities	<u>\$ 1,455,274</u>

See accompanying notes to the basic financial statements

Notes to the Basic
Financial Statements

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

Note 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 fifteen square miles in northeastern Johnson County, Kansas. The City provides many services to its estimated 31,284 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.

A. 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, 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 transfers made by the City to the PBC. 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 Public Building Commission (Special Revenue) Fund as a blended component unit. No separately issued financial statements are prepared for the PBC.

B. 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 assets 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 non-exchange transactions.

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

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. Internal activity is eliminated in the statement of activities to avoid "doubling up" revenues and expenses.

The City's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. 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 assets 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. Non-major 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
Notes to the Basic Financial Statements
December 31, 2007

Capital Improvement Fund

The Capital Improvement 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.

Fiduciary Funds

The City maintains four fiduciary funds. The Employee Giving Fund accounts for amounts withheld from employees for charitable purposes. The Cornerstone, Resurrection, and Villaggio Transportation Development District Funds account for special assessment collections and the related payments to bondholders for special assessment debt issued in which the City is not obligated in any manner.

C. 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. Non-exchange 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.

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.

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

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.

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. The reporting focus is on net assets. Changes in net assets and are reported using accounting principles similar to proprietary funds.

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, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. Financial Statement Accounts

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.

Pooled Cash and Investments

Pooled cash and investments include cash, certificates of deposit, U.S. Treasury securities and investment in the State Municipal Investment Pool are recorded on the financial statements at cost, which approximates fair value.

Cash and Cash Equivalents

The City considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

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 is expensed as incurred.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets. 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 & equipment	5-15
Infrastructure - Storm drainage systems	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. Each major infrastructure network can be divided into subsystems. For example, the street network can be subdivided into pavement, curbs, gutters, sidewalks, land, medians, etc. These networks and subsystems are not delineated in the basic financial statements

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:

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

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 will be 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 will be generated for the City indicating the number of lights that are out. The City Engineer will review 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 will be \$214,000.

Capital assets owned by the Leawood Public Golf Course Fund are stated at cost or estimated historical cost. Contributions of capital assets received are recorded at fair value at the time received. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	30
Golf course improvements	33-50
Equipment	5-10

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 up to the equivalent of twenty-five days 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 sick leave is recorded as a long-term liability of the City.

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

Long-Term Liabilities

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, capital leases payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds of the City and are retired from the Debt Service Fund. 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 revenue.

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 "interfund receivables and payables." 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 Assets.

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.

Equity Classifications

As noted previously, in the Government-wide statements, equity is classified as net assets and displayed in three components:

- *Invested in capital assets, net of related debt* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

- *Restricted net assets* – Consists of net assets 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.
- *Unrestricted net assets* – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Deferred Revenue

The City has recorded deferred revenue in the General and Debt Service Funds relating to property taxes not considered available until the following year.

Note 2: Stewardship, Compliance, and Accountability

A. 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 Revenues Funds requiring a legally adopted budget include the Special Alcohol Fund, the Special City Highway Fund, the Special Parks and Recreation Fund, the Special Law Enforcement Fund and the Kansas Byrne Grant 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.

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. During 2007, there were amendments to the budget.

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

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 proper fund 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 in the fund for the payment of the amount represented by the commitment. It makes no difference that the amount may not have to be paid until more monies are in the fund or until the following year. 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.

B. 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 revenues 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.

Note 3: Detailed Notes on All Funds

A. Deposits and Investments

The City's deposit and investment policy follows the Kansas state statutes which authorize the City, with certain restrictions, to deposit funds in open accounts, time deposits, certificate of deposit, repurchase agreements and United States treasury bills and notes. Statutes also require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less insured amounts and the underlying investments must be assigned for the benefit of the City. The statutes provide for an exception for peak deposit periods during tax paying time where, for a period of sixty days, the amount of required collateral can be reduced by one-half. Collateral securities must be held by the city or an independent third party and must be of the kind prescribed by state statutes and approved by the State. The City may also invest in the State of Kansas Municipal Investment Pool. The Pool is operated by the State Treasurer, is not an SEC registered pool and is regulated by the Pooled Money Investment Board.

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

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 Assets, as well as a summary of the City's investments is as follows:

Cash on hand	\$ 2,275
Carrying amount of deposits	29,157,587
Investments	<u>23,835,630</u>
Total cash and investments	<u>\$ 52,995,492</u>
Pooled cash and investments	\$ 52,852,850
Restricted cash	142,368
Cash and investments - agency funds	<u>274</u>
Total pooled cash and investments	<u>\$ 52,995,492</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.

At December 31, 2007, the City's deposits were insured by Federal depository insurance and uninsured deposits were fully collateralized by 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, 2007.

Interest Rate Risk

As a means of managing its exposure to fair value losses arising from increasing interest rates, the City limits 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.

As of December 31, 2007, all of the City's investments in securities and the Kansas Municipal Investment Pool had maturities of less than one year.

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

Credit Risk and Concentrations of Credit Risk

The credit risk for deposits and investments is the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligations. It is the City's policy to limit its investments to repurchase agreements, United States treasury securities, US Government Agency securities, and the State of Kansas Municipal Investment Pool. A table summarizing those limitations is shown below:

Investment Type	Maximum Percentage
Repurchase Agreements	40%
Collateralized Time and Demand Deposits	25%
U.S. Treasury Notes and Bills	100%
Kansas Municipal Investment Pool	30%
Bank Trust Department Municipal Pools	10%
Temporary Notes or No-Fund Warrants	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:

Investment Type	Fair Value	Rating as of 12/31/2007	Percentage
Kansas Municipal Investment Pool	\$ 554,131	AAA	2%
U.S. Treasury Securities	23,281,499	**	98%
Total	\$ 23,835,630		

** U.S. Treasury Securities are not rated because they are the highest quality securities

B. 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, 2006, on which the 2007 levy was based was \$691,644,917.

The City's property tax levies per \$1,000 assessed valuation for the year ended December 31, 2007, recognized as revenue in 2007 were as follows:

	Levy (Mills)
General Fund	\$ 14.618
Debt Service Fund	9.614
	\$ 24.232

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

Taxes receivable represent property taxes levied on November 1, 2007 for 2008 which have been recorded as deferred revenue, and delinquent property taxes, City sales taxes, consumers' use tax, and franchise taxes which have been recorded as revenues.

C. Intergovernmental Revenues

<u>Intergovernmental revenues:</u>	General <u>Fund</u>	Debt <u>Service</u>	Capital <u>Projects</u>	Capital <u>Improvements</u>	Other Governmental <u>Funds</u>	<u>Total</u>
Federal:						
Department of Transportation	\$ 4,595	\$ -	\$ -	\$ -	\$ -	\$ 4,595
State of Kansas:						
Special Liquor tax	275,816	-	-	-	551,632	827,448
Gasoline tax	-	-	-	-	892,952	892,952
Mutual aid	30,646	-	-	-	-	30,646
County and local:						
County sales tax	4,142,551	-	-	-	-	4,142,551
County consumer's use tax	978,938	-	-	-	-	978,938
Motor vehicle tax	1,192,013	408,295	-	-	-	1,600,308
County assisted road system	-	-	-	-	222,207	222,207
Interlocal agreements	-	-	6,120	2,337,379	13,500	2,356,999
	<u>\$ 6,624,559</u>	<u>\$ 408,295</u>	<u>\$ 6,120</u>	<u>\$ 2,337,379</u>	<u>\$ 1,680,291</u>	<u>\$ 11,056,644</u>

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

D. Interfund Activity

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

Transfers To	Transfers From			Total
	General Fund	Capital Projects Fund	Other Governmental Funds	
<u>Governmental Activities</u>				
General Fund	\$ -	\$ -	\$ 156,900	\$ 156,900
Debt Service Fund	-	139,525	-	139,525
Capital Projects Fund	-	-	789,792	789,792
Capital Improvements Fund	2,731,598	-	-	2,731,598
Other Governmental Funds	4,232,117	2,402,956	525,000	7,160,073
Total	\$ 6,963,715	\$ 2,542,481	\$ 1,471,692	\$ 10,977,888

Transfers from/to other funds consisted of the following:

From the General Fund to:

Municipal Equipment Reserve Fund for capital expenditures	\$ 1,275,300
Street Improvements Fund for capital expenditures	460,000
Special Highway Fund for capital expenditures	200,000
Public Building Commission for debt service	412,900
Capital Improvements Fund for capital expenditures	2,731,598
City Art Fund for capital expenditures	72,124
Public Safety Improvements Fund for capital expenditures	1,811,793
	6,963,715

From the Capital Project Fund to:

Debt Service Fund for debt service expenditures	139,525
Public Safety Improvements Fund for capital expenditures	2,402,956
	2,542,481

From Other Governmental Funds:

From the Special Alcohol Fund to:	
General Fund for expenditures	156,900
From So. Leawood Impact Fund to:	
Capital Projects Fund for capital expenditures	789,792
From K-150 Impact Fund to:	
Street Improvements Fund for capital expenditures	250,000
From 1/8 Cent Sales Tax Fund to:	
Special Highway Fund for capital expenditures	275,000
	1,471,692
Total	\$ 10,977,888

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

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

Governmental Activities

Due from the General Fund to:

Public Safety Improvements Fund \$ 158,944

Amounts due from the General to the Public Safety Improvements 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 Improvements Fund.

E. Capital Assets

Governmental capital asset activity for the year ended December 31, 2007 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land and right-of-way	\$ 107,459,250	\$ 1,180,991	\$ -	\$ 108,640,241
Infrastructure	12,713,767	1,055,515	60,394	13,708,888
Construction in progress	7,137,528	9,210,640	6,467,166	9,881,002
Total capital assets not being depreciated	<u>127,310,545</u>	<u>11,447,146</u>	<u>6,527,560</u>	<u>132,230,131</u>
Capital assets being depreciated:				
Buildings and improvements	38,618,154	40,252	95,593	38,562,813
Machinery and equipment	11,846,692	2,256,899	1,010,825	13,092,766
Infrastructure	230,954,038	9,604,537	1,517,220	239,041,355
Total capital assets being depreciated	<u>281,418,884</u>	<u>11,901,688</u>	<u>2,623,638</u>	<u>290,696,934</u>
Less accumulated depreciation for:				
Buildings and improvements	9,961,181	1,188,168	39,998	11,109,351
Machinery and equipment	6,745,095	1,308,842	943,382	7,110,555
Infrastructure	65,130,083	5,353,426	547,226	69,936,283
Total accumulated depreciation	<u>81,836,359</u>	<u>\$ 7,850,436</u>	<u>\$ 1,530,606</u>	<u>88,156,189</u>
Total capital assets being depreciated, net	<u>199,582,525</u>			<u>202,540,745</u>
Governmental activity capital assets, net	<u>\$ 326,893,070</u>			<u>\$ 334,770,876</u>

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

General government	\$ 455,503
Public safety	710,386
Public works	5,662,430
Parks and recreation	1,022,117
Total depreciation expense	<u>\$ 7,850,436</u>

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

F. 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
143	143rd to 151st at Nall	\$ 5,100,000	\$ 1,860,068
162	143rd Street	160,000	206,539
171	Creek Bank Stabilization	1,850,000	1,485,009
192	Mn Entry/Nall-N of 137th	1,422,832	622,040
195	Parkway Plaza Development	6,525,000	5,454,458
196	Park Place	4,700,000	4,372,801
197	Villiagio	4,400,000	4,064,881
198	Villiagio - Storm water	2,995,000	2,692,278
206	Residential Phase 4	1,500,000	1,465,138
80172	Erosion Control at Ironhorse	200,000	119,430
80403	Signalization at 135th and Fontana	820,000	318,419
80208	Residential Phase 5	2,500,000	53,930
80400	Signalization at 129th and State Line	340,000	19,600
		<u>\$ 32,512,832</u>	<u>\$ 22,734,591</u>

G. 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, 2007	Additions	Retirements	Balance December 31, 2007
Temporary notes	\$ 32,925,000	\$ 29,375,000	\$ 32,925,000	\$ 29,375,000

Temporary notes consisted of the following at December 31, 2007:

Maturing October 1, 2008:

4.000% General Obligation Temporary Notes	\$ 21,975,000
5.000% Taxable General Obligation Temporary Notes	7,400,000
	<u>\$ 29,375,000</u>

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

H. Long-Term Liabilities

The following is a summary of debt transactions of the City for the year:

	Balance January 1, 2007	Increases	Decreases	Balance December 31, 2007	Amount Due in 2008
<u>Governmental activities:</u>					
General obligation bonds to be paid with:					
Tax levies	\$ 40,519,400	\$ 6,589,322	\$ 4,039,200	\$ 43,069,522	\$ 4,083,522
Benefit districts	9,400,600	450,678	1,255,800	8,595,478	1,286,478
Revenue Bonds	2,070,000	-	360,000	1,710,000	365,000
Less deferred amounts on refunding	(937,032)	-	(70,622)	(866,410)	-
Total bonds payable	51,052,968	7,040,000	5,584,378	52,508,590	5,735,000
Capital leases	881,591	-	169,456	712,135	175,959
Compensated absences*	882,962	1,307,242	1,110,592	1,079,612	863,690
Net OPEB obligation	-	233,795	-	233,795	-
Total Governmental activity debt	<u>\$ 52,817,521</u>	<u>\$ 8,581,037</u>	<u>\$ 6,864,426</u>	<u>\$ 54,534,132</u>	<u>\$ 6,774,649</u>

* Compensated absences typically have been liquidated in the general fund.

The detail of debt at December 31, 2007, follows:

Governmental Activities Debt:

General obligation bonds to be paid with tax levies:

\$18,360,000, Series 1996-A and B General Obligation Refunding Bonds and Improvement Bonds due in annual installments through September 1, 2015; interest at 3.50% to 5.00%	\$ 3,030,000
\$5,760,000, Series 1998-A General Obligation Improvement Bonds due in annual installments through September 1, 2013; interest at 4.10% to 4.60%	2,295,200
\$7,529,862, Series 2000A General Obligation Improvement Bonds due in annual installments through September 1, 2009; interest at 4.625% to 6.00%	760,000
\$9,300,000, Series 2001-A General Obligation Improvement Bonds due in annual installments through September 1, 2021; interest at 4.00% to 6.00%	1,205,000

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

\$5,050,000, Series 2002-A General Obligation Improvement Bonds due in annual installments through September 1, 2023; interest at 2.75% to 4.65%	4,440,000
\$632,345, Series 2003-A General Obligation Improvement Bonds due in annual installments through September 1, 2018; interest at 3.55% to 6.79%	455,000
\$10,205,000, Series 2004-A General Obligation Refunding Bonds due in annual installments through September 1, 2020; interest at 2.00% to 4.13%	8,780,000
\$3,140,000, Series 2004-B General Obligation Improvement Bonds due in annual installments through September 1, 2024; interest at 3.00% to 5.00%	2,660,000
\$1,032,703, Series 2005-A General Obligation Improvement Bonds due in annual installments through September 1, 2020; interest at 3.05% to 5.00%	890,000
\$6,050,000, Series 2006-A General Obligation Improvement Bonds due in annual installments through September 1, 2021; interest at 3.75% to 4.00%	5,645,000
\$6,405,000, Series 2006-B General Obligation Refunding Bonds due in annual installments through September 1, 2020; interest at 3.50% to 4.00%	6,320,000
\$6,589,322, Series 2007-A General Obligation Improvement Bonds due in annual installments through September 1, 2022; interest at 4.000% to 4.375%	<u>6,589,322</u>
Subtotal	<u>43,069,522</u>

General obligation bonds to be paid with benefit district assessments:

\$6,580,000, Series 1998-A General Obligation Improvement Bonds due in annual installments through September 1, 2013; interest at 4.10% to 4.60%	1,064,800
\$780,138, Series 2000-A General Obligation Improvement Bonds due in annual installments through September 1, 2009; interest at 4.625% to 6.00%	130,000

City of Leawood, Kansas
Notes to the Basic Financial Statements
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\$4,427,655, Series 2003-A General Obligation Improvement Bonds due in annual installments through September 1, 2018; interest at 2.00% to 4.13%	3,245,000
\$155,000, Series 2004-A General Obligation Refunding Bonds due in annual through September 1, 2015; interest at 2.00% to 3.50%	155,000
\$1,140,000, Series 2004-B General Obligation Improvement Bonds due in annual installments through September 1, 2024; interest at 3.00% to 5.00%	900,000
\$3,057,297, Series 2005-A General Obligation Improvement Bonds due in annual installments through September 1, 2020; interest at 3.05% to 5.00%	2,650,000
\$450,678, Series 2007-A General Obligation Improvement Bonds due in annual installments through September 1, 2022; interest at 4.00% to 4.375%	<u>450,678</u>

Subtotal	<u>8,595,478</u>
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Revenue bond:

\$2,835,000, 2003 Leawood Public Building Commission Bonds due in annual installments through September 1, 2012; interest at 2.00% to 3.00%	<u>1,710,000</u>
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Bonds payable	<u>53,375,000</u>
Less deferred amounts on refunding	<u>(866,410)</u>
Total bonds payable	<u>52,508,590</u>

Capital leases:

Lease for park land, due in semiannual installments through September 1, 2009; interest at 6%	510,000
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Lease for fire ladder truck due in annual installments through September 14, 2008; interest at 4.76%	92,201
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City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

Lease for golf carts due in semiannual installments through May 1, 2009, interest at 4.5%	109,934
Total capital leases	712,135
Compensated absences	1,079,612
Net OPEB obligation (see Note 4)	233,795
Total	\$54,534,132

The annual debt service requirements to amortize the City's bonds and capital lease obligations at December 31, 2007, are as follows:

	Governmental activities					
	General Obligation Bonds					
	Governmental		Benefit Districts		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 4,083,522	\$ 1,672,101	\$ 1,286,478	\$ 313,373	\$ 5,370,000	\$ 1,985,474
2009	3,969,200	1,533,858	765,800	264,934	4,735,000	1,798,792
2010	3,944,200	1,379,736	765,800	239,495	4,710,000	1,619,231
2011	3,439,200	1,235,691	720,800	215,186	4,160,000	1,450,877
2012	3,184,200	1,107,783	720,800	190,100	3,905,000	1,297,883
2013-2017	13,779,200	3,772,900	3,140,800	584,287	16,920,000	4,357,187
2018-2022	10,070,000	1,252,923	1,195,000	86,208	11,265,000	1,339,131
2023-2026	600,000	32,820	-	-	600,000	32,820
	\$ 43,069,522	\$ 11,987,812	\$ 8,595,478	\$ 1,893,583	\$ 51,665,000	\$ 13,881,395

	Revenue Bonds		Capital Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2008	\$ 365,000	\$ 45,700	\$ 175,959	\$ 39,935	\$ 5,910,959
2009	380,000	37,488	536,176	31,327	5,651,176	1,867,607
2010	385,000	27,988	-	-	5,095,000	1,647,219
2011	395,000	17,400	-	-	4,555,000	1,468,277
2012	185,000	5,550	-	-	4,090,000	1,303,433
2012-2016	-	-	-	-	16,920,000	4,357,187
2017-2021	-	-	-	-	11,265,000	1,339,131
2022-2025	-	-	-	-	600,000	32,820
	\$ 1,710,000	\$ 134,126	\$ 712,135	\$ 71,262	\$ 54,087,135	\$ 14,086,783

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, 2007, \$10,630,000 of bonds outstanding is considered defeased.

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

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 capacity for the City of Leawood is \$228,130,856.

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 assets. As of December 31, 2007, the gross amount of capital assets under capital leases was \$1,240,000 in land and \$966,519 in equipment, with net accumulated amortization of \$356,017.

Transportation Development District (TDD) Bonds

The City issued the following no-commitment special assessment bonds related to three 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 8.0% (Cornerstone Project)	\$ 160,000
\$170,000, Series 2006 Taxable Transportation Development District Special Obligation Bonds due in annual installments through September 1, 2021; interest at 8.0% (Resurrection Project)	460,000
\$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)	<u>835,000</u>
	<u>\$ 1,455,000</u>

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 the Basic Financial Statements
December 31, 2007

Note 4: Other Information

A. Commitments and Contingencies

1. 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. 74-4975 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 2007 was 4.31%.

The City employer contributions to KPERS for the years ending December 31, 2007, 2006, and 2005 were \$282,214, \$234,734, and \$202,336, respectively, equal to the required contributions for each year. The KP&F uniform participating employer rate established for calendar year 2007 was 14.05%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The City contributions to KP&F for the years ending December 31, 2007, 2006, and 2005 were \$901,901, \$806,364, and \$755,914, 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 2007 were \$97,354 and \$489,233, respectively.

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

2. 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.

3. Federal and State Grants

The City of Leawood 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.

B. 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. 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 (OBEB) 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
Notes to the Basic Financial Statements
December 31, 2007

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 thirty 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	\$ 124,392
Amortization of unfunded actuarial accrued liability	<u>138,008</u>
Annual required contribution (ARC)	262,400
Interest on net OPEB obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost	262,400
Contributions made:	
Claims and fees paid on behalf of retirees	80,769
Retiree contributions	<u>52,164</u>
Net employer contributions	28,605
Change in net OPEB obligation	233,795
Net OPEB obligation, December 31, 2006	<u>-</u>
Net OPEB obligation, December 31, 2007	<u><u>\$ 233,795</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2007 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
<u>12/31/2007</u>	<u>\$ 262,400</u>	<u>10.90%</u>	<u>\$ 233,795</u>

Funded Status and Funding Progress

As of January 1, 2007, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$1,899,656, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,899,656. The covered payroll (annual payroll of active employees covered by the plan) was \$14.7 million, and the ratio of the UAAL to the covered payroll was 12.92 percent.

City of Leawood, Kansas
Notes to the Basic Financial Statements
December 31, 2007

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 basic 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, 2007, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 6 percent 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 percent initially, reduced by decrements to an ultimate rate of 6 percent after nine years. 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, 2007, was thirty years.

C. 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. These reports include an estimate of the claims' costs.

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
Notes to the Basic Financial Statements
December 31, 2007

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 million 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 include, 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 2007, 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

City of Leawood, Kansas
Required Supplementary Information
December 31, 2007

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
- Comparison of Needed-to-Actual Maintenance/Preservation for Streetlights and Traffic Signals.
- Schedule of Funding Progress – Other Postemployment Benefits

Budgetary Data

GAAP is the budgetary basis of accounting

City of Leawood, Kansas

Schedule of Revenues, Expenditures, and Changes in Fund Balance

- Budget and Actual - General Fund

For the Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance Over (Under) with Final Budget
Revenues:				
Taxes	\$ 19,110,908	\$ 19,110,908	\$ 19,915,347	\$ 804,439
Licenses and permits	1,709,600	1,709,600	2,120,409	410,809
Intergovernmental	5,652,547	5,652,547	6,624,559	972,012
Charges for services	1,736,800	1,736,800	1,220,845	(515,955)
Fines and forfeitures	1,700,500	1,700,500	1,752,614	52,114
Interest	449,960	449,960	835,242	385,282
Contributions and other	39,985	39,985	210,140	170,155
Total revenues	<u>30,400,300</u>	<u>30,400,300</u>	<u>32,679,156</u>	<u>2,278,856</u>
Expenditures:				
Current:				
General government	5,636,500	5,636,500	4,896,564	(739,936)
Public safety	12,521,200	12,521,200	11,587,973	(933,227)
Public works	5,785,800	5,785,800	5,082,036	(703,764)
Parks and recreation	5,165,908	5,165,908	3,857,857	(1,308,051)
Total expenditures	<u>29,109,408</u>	<u>29,109,408</u>	<u>25,424,430</u>	<u>(3,684,978)</u>
Excess of revenues over (under) expenditures	<u>1,290,892</u>	<u>1,290,892</u>	<u>7,254,726</u>	<u>5,963,834</u>
Other financing sources (uses):				
Transfers in	156,900	156,900	156,900	-
Transfers out	(5,151,922)	(5,151,922)	(6,963,715)	(1,811,793)
Total other financing sources (uses)	<u>(4,995,022)</u>	<u>(4,995,022)</u>	<u>(6,806,815)</u>	<u>(1,811,793)</u>
Net changes in fund balances	<u>\$ (3,704,130)</u>	<u>\$ (3,704,130)</u>	447,911	<u>\$ 4,152,041</u>
Fund balance, beginning of year			<u>14,706,792</u>	
Fund balances, end of year			<u>\$ 15,154,703</u>	

**City of Leawood, Kansas
Required Supplementary Information
Other Postemployment Benefits**

Schedule of Funding Progress:

<u>Actuarial valuation</u>	<u>(a) Actuarial value of assets</u>	<u>(b) Actuarial accrued liability (AAL)</u>	<u>(b) - (a) Unfunded AAL (UAAL)</u>	<u>(a)/(b) Funded ratio</u>	<u>(c) Annual covered payroll</u>	<u>(b)-(a)/(c) UAL as a percentage of covered payroll</u>
January 1, 2007	\$ -	\$ 1,899,656	\$ 1,899,656	0.00%	\$ 14,699,434	12.92%

City of Leawood, Kansas

Comparison of Needed-to-Actual Maintenance/Preservation
for Streetlights and Traffic Signals.
December 31, 2007

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 providers last three inspection reports show the following condition assessments: October 2007 – 98.5%; November 2007 – 99.0%; and December 2007 – 99.8%.

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

Streetlights and traffic signals

	2007	2006	2005	2004	2003
Needed	\$ 214,000	\$ 209,500	\$ 214,000	\$ 214,000	\$ 185,000
Actual	165,770	115,061	151,885	151,885	175,150

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Combining and Individual Fund
Statements and Schedules

City of Leawood, Kansas

Schedule of Expenditures - Budget and Actual - General Fund

For the Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance Over (Under) with Final Budget
General government:				
Administration:				
Personnel services	\$ 1,892,600	\$ 1,892,600	\$ 1,748,261	\$ (144,339)
Contractual services	1,338,100	1,338,100	988,042	(350,058)
Commodities	104,600	104,600	94,441	(10,159)
Total administration	<u>3,335,300</u>	<u>3,335,300</u>	<u>2,830,744</u>	<u>(504,556)</u>
Planning and development:				
Personnel services	542,800	542,800	449,364	(93,436)
Contractual services	57,600	57,600	73,580	15,980
Commodities	24,300	24,300	18,650	(5,650)
Total planning and development	<u>624,700</u>	<u>624,700</u>	<u>541,594</u>	<u>(83,106)</u>
Municipal court:				
Personnel services	471,400	471,400	440,987	(30,413)
Contractual services	60,400	60,400	37,163	(23,237)
Commodities	18,800	18,800	9,218	(9,582)
Total municipal court	<u>550,600</u>	<u>550,600</u>	<u>487,368</u>	<u>(63,232)</u>
Legal services:				
Personnel services	299,800	299,800	278,990	(20,810)
Contractual services	124,900	124,900	61,384	(63,516)
Commodities	3,700	3,700	969	(2,731)
Total legal services	<u>428,400</u>	<u>428,400</u>	<u>341,343</u>	<u>(87,057)</u>
Information services:				
Personnel services	441,600	441,600	455,779	14,179
Contractual services	128,400	128,400	123,539	(4,861)
Commodities	127,500	127,500	116,197	(11,303)
Total information services	<u>697,500</u>	<u>697,500</u>	<u>695,515</u>	<u>(1,985)</u>
Total general government	<u>5,636,500</u>	<u>5,636,500</u>	<u>4,896,564</u>	<u>(739,936)</u>

(Continued)

City of Leawood, Kansas

Schedule of Expenditures - Budget and Actual - General Fund

For the Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance Over (Under) with Final Budget
Public safety:				
Police:				
Personnel services	6,468,300	6,468,300	6,064,535	\$ (403,765)
Contractual services	674,700	674,700	530,482	(144,218)
Commodities	597,800	597,800	410,718	(187,082)
Total police	<u>7,740,800</u>	<u>7,740,800</u>	<u>7,005,735</u>	<u>(735,065)</u>
Fire:				
Personnel services	4,295,900	4,295,900	4,165,593	(130,307)
Contractual services	246,600	246,600	212,592	(34,008)
Commodities	141,300	141,300	107,464	(33,836)
Debt service	96,600	96,600	96,589	(11)
Total fire	<u>4,780,400</u>	<u>4,780,400</u>	<u>4,582,238</u>	<u>(198,162)</u>
Total public safety	<u>12,521,200</u>	<u>12,521,200</u>	<u>11,587,973</u>	<u>(933,227)</u>
Public works:				
Personnel services	3,216,400	3,216,400	3,110,651	(105,749)
Contractual services	1,712,800	1,712,800	1,298,194	(414,606)
Commodities	856,600	856,600	673,191	(183,409)
Total public works	<u>5,785,800</u>	<u>5,785,800</u>	<u>5,082,036</u>	<u>(703,764)</u>
Parks and recreation:				
Personnel services	2,244,151	2,244,151	2,454,265	210,114
Contractual services	2,283,200	2,283,200	937,442	(1,345,758)
Commodities	573,400	573,400	407,446	(165,954)
Debt Service	65,157	65,157	58,704	(6,453)
Total parks and recreation	<u>5,165,908</u>	<u>5,165,908</u>	<u>3,857,857</u>	<u>(1,308,051)</u>
Total expenditures	<u>\$ 29,109,408</u>	<u>\$ 29,109,408</u>	<u>\$ 25,424,430</u>	<u>\$ (3,684,978)</u>

City of Leawood, Kansas
Other Non-major Governmental Funds
December 31, 2007

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 over 6,000 populations, 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 a depository for monies forfeited to the City of Leawood Police Department pursuant to the provisions of K.S.A. 65-4135 and 65-4156 relating 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. Monies in the fund shall not be used for normal operating expenses of the City or its 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.

Public Building Commission Fund – established to acquire assets and construct facilities and infrastructure for the benefit of the City by issuance of revenue bonds.

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.

Insurance Proceeds- established to account for insurance proceeds received whenever any building or other structure is damaged as a result of fire, explosion, or windstorm, where the amount recoverable is in excess of 75% of the face value of the policy covering the building or structure. In the event that a structure is not properly repaired, the money in the fund may be used to make the necessary repairs. If the damaged structure is repaired to the satisfaction of the City, the money is returned to the insured party.

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

Municipal Equipment Reserve Fund – created to finance 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.

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 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.

1/8th Cent Sales Tax Fund – established to account for capital construction of stormwater projects that are not funded by the County's Stormwater Management Authority Council.

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.

Highway K-150 Corridor Impact Fee Fund – established to account for fees imposed on new development in the K-150 corridor for the purpose of assuring that K-150 highway transportation improvements are available and provides adequate transportation system capacity to support new development while maintaining levels of transportation service on Highway K-150 deemed adequate by the City. The impact fee shall be imposed on all new development in the K-150 corridor and all fees collected shall be utilized solely and exclusively for transportation improvements in the K-150 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 in Leawood.

Public Safety Improvement Fund – established to account for construction of a Justice Center funded by the 4 tenths of one cent public safety sales tax.

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

Park Place Debt Service Fund – established to account for collections and remittance of Transportation Development District taxes.

City of Leawood, Kansas
Combining Balance Sheet - Non-major Governmental Funds
December 31, 2007

Schedule 4

Assets	Special Alcohol	Special Highway	Special City Parks and Recreation	Special Law Enforcement	Public Building Commission	American Revolution Tri-Centennial	Insurance Proceeds	Municipal Equipment Reserve	Street Improvements
Pooled cash and investments	\$ 136,141	\$ 242,714	\$ 498,116	\$ 6,936	\$ -	\$ 7,643	\$ -	\$ 1,749,818	\$ 533,182
Receivables (net of allowance for uncollectibles)	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	189	-	-	-
Intergovernmental	55,000	-	55,000	-	-	-	-	-	49,674
Due from other funds	-	-	-	-	-	-	-	-	-
Total assets	\$ 191,141	\$ 242,714	\$ 553,116	\$ 6,936	\$ -	\$ 7,832	\$ -	\$ 1,749,818	\$ 582,856

Liabilities and Fund Balances

Liabilities:									
Accounts payable and accrued liabilities	\$ 233	\$ 15,855	\$ 130,073	\$ -	\$ -	\$ -	\$ -	\$ 73,841	\$ 82,504
Total liabilities	233	15,855	130,073	-	-	-	-	73,841	82,504

Fund Balances:

Reserved for:									
Debt Service	-	-	-	-	-	-	-	-	-
Unreserved	190,908	226,859	423,043	6,936	-	7,832	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	1,675,977	500,352
Total fund balance	190,908	226,859	423,043	6,936	-	7,832	-	1,675,977	500,352
Total liabilities and fund balances	\$ 191,141	\$ 242,714	\$ 553,116	\$ 6,936	\$ -	\$ 7,832	\$ -	\$ 1,749,818	\$ 582,856

City of Leawood, Kansas
Combining Balance Sheet - Non-major Governmental Funds
December 31, 2007

Schedule 4
(Continued)

Assets	City Art	Park Impact Fee	1/8th Cent Sales Tax Fund	South Leawood		K-150 Corridor Impact Fee	Public Art Impact Fee	Public Safety		Debt Service Park Place	Total Other Governmental Funds
				Transportation Impact Fee				Improvements			
Pooled cash and investments	\$344,452	\$239,093	\$ 538,471	\$ 22,379	\$ 577,563	\$ 235,037	\$ 1,452	\$ 5,752,453	\$ 1,452	\$ 10,885,450	
Receivables (net of allowance for uncollectibles)	-	-	143,133	-	-	-	-	514,134	-	657,267	
Sales tax	-	-	-	-	-	-	-	20,417	-	20,606	
Interest	-	-	-	-	-	-	-	-	-	159,674	
Intergovernmental	-	-	-	-	-	-	-	158,944	-	158,944	
Due from other funds	-	-	-	-	-	-	-	-	-	-	
Total assets	\$344,452	\$239,093	\$ 681,604	\$ 22,379	\$ 577,563	\$ 235,037	\$ 1,452	\$ 6,445,948	\$ 1,452	\$ 11,881,941	

Liabilities and Fund Balances

Liabilities:										
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,444	\$ 303,950
Total liabilities	-	-	-	-	-	-	-	-	1,444	303,950
Fund Balances:										
Reserved for:										
Debt Service	-	-	-	-	-	-	-	-	8	8
Unreserved										
Special revenue funds	-	-	-	-	-	-	-	-	-	855,578
Capital projects funds	344,452	239,093	681,604	22,379	577,563	235,037	6,445,948	6,445,948	-	10,722,405
Total fund balance	344,452	239,093	681,604	22,379	577,563	235,037	6,445,948	6,445,948	8	11,577,991
Total liabilities and fund balances	\$344,452	\$239,093	\$ 681,604	\$ 22,379	\$ 577,563	\$ 235,037	\$ 1,452	\$ 6,445,948	\$ 1,452	\$ 11,881,941

City of Leawood, Kansas
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-major Governmental Funds
For the year ended December 31, 2007

	Special Alcohol	Special Highway	Special City	Special Parks and Recreation	Special Law Enforcement	Public Building Commission	American Revolution Tri-Centennial	Insurance Proceeds	Municipal Equipment Reserve	Street Improvements
Revenues:										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	275,816	892,952	-	289,316	-	-	-	-	-	222,207
Fines and forfeitures	-	-	-	6,649	-	-	-	-	-	-
Interest	10,438	34,267	-	22,269	466	-	325	306	77,860	31,246
Contributions and other	-	-	-	2,000	-	-	-	184,759	73,282	-
Total revenues	286,254	927,219	927,219	313,585	7,115	-	325	185,065	151,142	253,453
Expenditures:										
Current:										
General government	52,339	-	-	-	-	-	-	185,065	-	-
Public safety	-	-	-	-	7,000	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	1,124,019	-	323,238	-	-	-	-	1,826,129	1,345,335
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal retirements	-	-	-	-	-	360,000	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	52,900	-	-	-	-
Total expenditures	52,339	1,124,019	1,124,019	323,238	7,000	412,900	-	185,065	1,826,129	1,345,335
Excess of revenues over (under) expenditures	233,915	(196,800)	(196,800)	(9,653)	115	(412,900)	325	-	(1,674,987)	(1,091,882)
Other financing sources (uses):										
Transfers in	-	200,000	-	-	-	412,900	-	-	1,275,300	985,000
Transfers out	(156,900)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(156,900)	200,000	200,000	-	-	412,900	-	-	1,275,300	985,000
Net changes in fund balances	77,015	3,200	3,200	(9,653)	115	-	325	-	(399,687)	(106,882)
Fund balances, beginning of year	113,893	223,659	223,659	432,896	6,821	-	7,507	-	2,075,664	607,234
Fund balances, end of year	\$ 190,908	\$ 226,859	\$ 226,859	\$ 423,043	\$ 6,936	\$ -	\$ 7,832	\$ -	\$ 1,675,977	\$ 500,352

City of Leawood, Kansas
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-major Governmental Funds
For the year ended December 31, 2007

	City Art	Park Impact Fee	1/8th Cent Sales Tax Fund	South Leawood Transportation Impact Fee	Highway K-150 Corridor Impact Fee	Public Art Impact Fee	Public Safety Improvements	Debt Service Park Place	Total Other Governmental Funds
Revenues:									
Taxes	-	\$ -	\$ 685,520	\$ -	\$ -	\$ -	\$ 2,085,472	\$ -	\$ 2,750,992
Licenses and permits	-	73,806	-	3,159	160,313	70,336	-	-	307,414
Intergovernmental	-	-	-	-	-	-	-	-	1,680,291
Fines and forfeitures	-	-	-	-	-	-	-	-	6,649
Interest	17,238	9,669	41,482	23,867	27,322	8,532	166,251	8	471,546
Contributions and other	-	-	-	-	-	756	-	-	260,797
Total revenues	17,238	83,275	727,002	27,026	187,635	79,624	2,231,723	8	5,477,689
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	-	237,404
Public safety	-	-	-	-	-	-	-	-	7,000
Parks and recreation	860	-	-	-	-	-	-	-	860
Capital outlay	92,800	-	669,941	-	-	7,635	524	-	5,389,621
Debt service:	-	30,000	-	-	-	-	-	-	390,000
Principal retirements	-	32,400	-	-	-	-	-	-	85,300
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	93,660	62,400	669,941	-	-	7,635	524	-	6,110,185
Excess of revenues over (under) expenditures	(76,422)	20,875	57,061	27,026	187,635	71,989	2,231,199	8	(632,496)
Other financing sources (uses):									
Transfers in	72,124	-	-	-	-	-	4,214,749	-	7,160,073
Transfers out	-	-	(275,000)	(789,792)	(250,000)	-	-	-	(1,471,692)
Total other financing sources (uses)	72,124	-	(275,000)	(789,792)	(250,000)	-	4,214,749	-	5,688,381
Net changes in fund balances	(4,298)	20,875	(217,939)	(762,766)	(62,365)	71,989	6,445,948	8	5,055,885
Fund balances, beginning of year	348,750	218,218	899,543	785,145	639,928	163,048	-	-	6,522,106
Fund balances, end of year	\$ 344,452	\$ 239,093	\$ 681,604	\$ 22,379	\$ 577,563	\$ 235,037	\$ 6,445,948	\$ 8	\$ 11,577,991

Schedule 6

City of Leawood, Kansas
Special Alcohol Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
- Budget and Actual -
For the Year Ended December 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues:			
Intergovernmental	\$ 203,282	\$ 275,816	\$ 72,534
Interest	12,918	10,438	(2,480)
Total revenues	<u>216,200</u>	<u>286,254</u>	<u>70,054</u>
Expenditures:			
General government	<u>102,600</u>	<u>52,339</u>	<u>(50,261)</u>
Total expenditures	<u>102,600</u>	<u>52,339</u>	<u>(50,261)</u>
Revenues over (under) expenditures	113,600	233,915	120,315
Other financing (uses):			
Transfers out	<u>(156,900)</u>	<u>(156,900)</u>	<u>-</u>
Net changes in fund balance	<u>\$ (43,300)</u>	77,015	<u>\$ 120,315</u>
Fund balance, beginning of year		<u>113,893</u>	
Fund balance, end of year		<u>\$ 190,908</u>	

City of Leawood, Kansas
Special City Highway Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 - Budget and Actual -
 For the Year Ended December 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues:			
Intergovernmental	\$ 879,950	\$ 892,952	\$ 13,002
Interest	5,050	34,267	29,217
Total revenues	<u>885,000</u>	<u>927,219</u>	<u>42,219</u>
Expenditures:			
Capital outlay	<u>1,192,700</u>	<u>1,124,019</u>	<u>(68,681)</u>
Revenues over (under) expenditures	(307,700)	(196,800)	110,900
Other financing sources:			
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net changes in fund balance	<u>\$ (107,700)</u>	3,200	<u>\$ 110,900</u>
Fund balance, beginning of year		<u>223,659</u>	
Fund balance, end of year		<u>\$ 226,859</u>	

Schedule 8

City of Leawood, Kansas
Special Parks and Recreation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
- Budget and Actual -
For the Year Ended December 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues:			
Intergovernmental	\$ 250,000	\$ 289,316	\$ 39,316
Interest	13,005	22,269	9,264
Contributions and other	-	2,000	2,000
	<u>263,005</u>	<u>313,585</u>	<u>50,580</u>
Expenditures:			
Capital outlay	<u>596,600</u>	<u>323,238</u>	<u>(273,362)</u>
	<u>596,600</u>	<u>323,238</u>	<u>(273,362)</u>
Net changes in fund balance	<u>\$ (333,595)</u>	(9,653)	<u>\$ 323,942</u>
Fund balance, beginning of year		<u>432,696</u>	
Fund balance, end of year		<u>\$ 423,043</u>	

City of Leawood, Kansas
Special Law Enforcement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
- Budget and Actual -
For the Year Ended December 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues:			
Fines and Forfeitures	\$ -	\$ 6,649	\$ 6,649
Interest	179	466	287
	<u>179</u>	<u>7,115</u>	<u>6,936</u>
Total revenues			
Expenditures:			
Public safety	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Net changes in fund balance	<u>\$ (6,821)</u>	115	<u>\$ 6,936</u>
Fund balance, beginning of year		<u>6,821</u>	
Fund balance, end of year		<u>\$ 6,936</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, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues:			
Taxes	\$ 6,679,435	\$ 6,583,191	\$ (96,244)
Intergovernmental	354,954	408,295	53,341
Special assessments	1,570,500	1,456,331	(114,169)
Interest	200,011	447,230	247,219
Total revenues	<u>8,804,900</u>	<u>8,895,047</u>	<u>90,147</u>
Expenditures:			
Debt service:			
Principal retirements	5,286,334	5,295,000	8,666
Interest and fiscal charges	2,109,269	1,839,475	(269,794)
Cash basis reserve	7,344,697	-	(7,344,697)
Total expenditures	<u>14,740,300</u>	<u>7,134,475</u>	<u>(7,605,825)</u>
Revenues over (under) expenditures	<u>(5,935,400)</u>	<u>1,760,572</u>	<u>7,695,972</u>
Other financing sources and (uses):			
Transfers in	-	139,525	139,525
Total other financing sources and (uses)	<u>-</u>	<u>139,525</u>	<u>139,525</u>
Net changes in fund balance	<u>\$ (5,935,400)</u>	<u>1,900,097</u>	<u>\$ 7,835,497</u>
Fund balance, beginning of year		<u>5,922,766</u>	
Fund balance, end of year		<u>\$ 7,822,863</u>	

City of Leawood, Kansas
Combining Statement of Changes in Assets and Liabilities -
All Agency Funds
For the Year Ended December 31, 2007

Agency Funds -	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Employee Giving				
Assets:				
Cash and investments	\$ 276	\$ 651	\$ 829	\$ 98
Liabilities:				
Due to employees	\$ 276	\$ 651	\$ 829	\$ 98
Transportation Development District - Resurrection Project				
Assets:				
Cash and investments	\$ -	\$ 24,278	\$ 24,190	\$ 88
Special assessments	170,000	-	10,000	160,000
	<u>\$ 170,000</u>	<u>\$ 24,278</u>	<u>\$ 34,190</u>	<u>\$ 160,088</u>
Liabilities:				
Due to bondholders	\$ 170,000	\$ 24,278	\$ 34,190	\$ 160,088
Transportation Development District - Cornerstone				
Assets:				
Cash and investments	\$ -	\$ 70,447	\$ 70,359	\$ 88
Special assessments	490,000	-	30,000	460,000
	<u>\$ 490,000</u>	<u>\$ 70,447</u>	<u>\$ 100,359</u>	<u>\$ 460,088</u>
Liabilities:				
Due to bondholders	\$ 490,000	\$ 70,447	\$ 100,359	\$ 460,088
Transportation Development District - Villaggio				
Assets:				
Cash and investments	\$ -	\$ 835,000	\$ 835,000	\$ -
Special assessments	-	835,000	-	835,000
	<u>\$ 490,000</u>	<u>\$ 1,670,000</u>	<u>\$ 835,000</u>	<u>\$ 835,000</u>
Liabilities:				
Due to bondholders	\$ -	\$ 835,000	\$ -	\$ 835,000
Total - All Agency Funds				
Assets:				
Cash and investments	\$ 276	\$ 930,376	\$ 930,378	\$ 274
Special assessments	660,000	835,000	40,000	1,455,000
Total assets	<u>\$ 660,276</u>	<u>\$ 1,765,376</u>	<u>\$ 970,378</u>	<u>\$ 1,455,274</u>
Liabilities:				
Due to employees	\$ 276	\$ 651	\$ 829	\$ 98
Due to bondholders	660,000	929,725	134,549	1,455,176
Total liabilities	<u>\$ 660,276</u>	<u>\$ 930,376</u>	<u>\$ 135,378</u>	<u>\$ 1,455,274</u>

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STATISTICAL SECTION

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.

<u>Contents</u>	<u>Tables</u>
Financial Trends	1-5
These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	6-9
These tables contain information to help the reader assess the City's most significant local revenue source: property taxes.	
Debt Capacity	10-13
These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	14-16
These tables offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	17-18
These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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.

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Table 1

City of Leawood, Kansas

Net Assets by Component

Last Five Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities					
Invested in capital assets, net of related debt	\$ 221,394,614	\$ 228,815,457	\$ 232,831,295	\$ 275,588,463	\$ 282,198,655
Restricted	4,688,880	7,166,833	7,522,989	7,606,885	9,360,053
Unrestricted	20,897,456	22,249,356	28,882,905	23,418,717	21,494,113
Total governmental activities net assets	\$ 246,980,950	\$ 258,231,646	\$ 269,237,189	\$ 306,614,065	\$ 313,052,821
Business-type activities					
Invested in capital assets, net of related debt	\$ 2,725,452	\$ 2,995,456	\$ 3,192,892	\$ -	\$ -
Unrestricted	(1,820,411)	(1,735,685)	(1,761,214)	-	-
Total business-type activities net assets	\$ 905,041	\$ 1,259,771	\$ 1,431,678	(2) \$ -	\$ -
Primary government					
Invested in capital assets, net of related debt	\$ 224,120,066	\$ 231,810,913	\$ 236,024,187	\$ 275,588,463	\$ 282,198,655
Restricted	4,688,880	7,166,833	7,522,989	7,606,885	9,360,053
Unrestricted	20,897,456	22,249,356	28,882,905	23,418,717	21,494,113
Total primary government net assets	\$ 247,885,991	\$ 259,491,417	\$ 270,668,867	\$ 306,614,065	\$ 313,052,821

(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 will be reported with governmental activities. Accordingly, the net assets of the business-type activities were transferred to the governmental activities at December 31, 2006.

Table 2

City of Leawood, Kansas

Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental activities:					
General Government	\$ 4,178,147	\$ 4,747,939	\$ 5,117,718	\$ 4,752,202	\$ 5,348,073
Public Safety	9,853,624	10,975,002	11,229,154	11,682,872	12,478,924
Public Works	10,153,561	12,658,853	15,546,967	17,121,498	21,700,170
Parks and Recreation	3,065,427	3,544,545	3,753,994	3,816,310	5,123,793
Interest on Long-Term Debt	2,407,122	2,498,981	2,737,987	3,496,801	3,484,390
Total governmental activities expenses:	29,657,881	34,425,320	38,385,820	40,869,683	48,135,350
Business-type activities: (1)					
Golf Course	2,214,698	2,287,663	2,414,478	2,153,020	-
Total business-type activities expenses:	2,214,698	2,287,663	2,414,478	2,153,020	-
Total primary government expenses	\$ 31,872,579	\$ 36,712,983	\$ 40,800,298	\$ 43,022,703	\$ 48,135,350
Program Revenues					
Governmental activities:					
Charges for Services					
General Government	\$ 2,209,868	\$ 2,010,249	\$ 2,096,548	\$ 2,053,315	\$ 2,163,970
Public Safety	99,639	98,647	93,050	114,496	131,806
Public Works	2,132,951	2,859,835	2,083,496	1,876,606	2,906,444
Parks and Recreation	988,692	990,564	1,029,053	1,109,853	1,258,691
Operating Grants and Contributions	613,345	859,665	152,984	792,403	2,007,683
Capital Grants and Contributions	12,818,493	7,707,622	16,893,649	8,476,782	4,793,850
Total Governmental activities program revenues:	18,862,988	14,526,582	22,348,780	14,423,455	13,262,444
Business-type activities: (1)					
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	-
Total primary government program revenues	\$ 20,901,305	\$ 16,723,425	\$ 24,355,827	\$ 16,248,599	\$ 13,262,444

	Fiscal Year				
	2003	2004	2005	2006	2007
Net (expense)/revenue:					
Governmental Activities	\$ (10,794,894)	\$ (19,898,738)	\$ (16,037,040)	\$ (26,446,228)	\$ (34,872,906)
Business-type Activities: (1)	(176,381)	(90,820)	(407,431)	(327,876)	-
Total primary government net expense:	<u>\$ (10,971,274)</u>	<u>\$ (19,989,558)</u>	<u>\$ (16,444,471)</u>	<u>\$ (26,774,104)</u>	<u>\$ (34,872,906)</u>

General Revenues and Other Changes in

Net Assets

Governmental activities:

Taxes

Property Taxes, levied for general purpose

Property Taxes, levied for debt service

Sales Taxes

Franchise Taxes

Other Taxes

Unrestricted Grants and Contributions

Unrestricted Investment Earnings

Miscellaneous

Transfers in(out)

Total Governmental activities:

Business-type activities: (1)

Unrestricted Investment Earnings

Miscellaneous

Transfers in(out)

Total Business-type activities:

Total Primary Government

Change in Net Assets

Governmental activities

Business-type activities: (1)

Total primary government

\$ 8,695,788	\$ 8,306,371	\$ 8,716,271	\$ 11,959,344	\$ 10,037,224
3,991,063	6,266,815	5,896,324	3,838,579	6,806,038
9,749,898	11,430,251	11,923,933	12,222,897	14,819,839
2,292,152	2,452,402	2,632,536	2,648,951	2,930,764
257,458	566,721	576,723	769,263	840,948
1,760,113	1,590,986	2,290,236	2,380,457	2,498,880
438,926	746,382	1,789,313	2,976,921	2,947,277
166,542	234,606	102,475	112,838	430,692
(165,637)	(445,100)	(579,137)	1,134,847	-
<u>27,186,303</u>	<u>31,149,434</u>	<u>33,348,674</u>	<u>38,044,097</u>	<u>41,311,662</u>
937	254	201	247	-
131,114	196	-	30,798	-
165,637	445,100	579,137	(1,134,847)	-
297,688	445,550	579,338	(1,103,802)	-
<u>\$ 27,483,991</u>	<u>\$ 31,594,984</u>	<u>\$ 33,928,012</u>	<u>\$ 36,940,295</u>	<u>\$ 41,311,662</u>
\$ 16,391,409	\$ 11,250,696	\$ 17,311,634	\$ 11,597,869	\$ 6,438,756
121,307	354,730	171,907	(1,431,678)	-
<u>\$ 16,512,717</u>	<u>\$ 11,605,426</u>	<u>\$ 17,483,541</u>	<u>\$ 10,166,191</u>	<u>\$ 6,438,756</u>

(1) Effective January 1, 2007, the activities of the City's business-type activity will be reported with governmental activities.

Table 3

City of Leawood, Kansas
Governmental Activities Tax Revenues By Source
Last Five Fiscal Years
(accrual basis of accounting)

Fiscal Year	City					Total
	Property Tax	Sales Tax	Franchise Tax	Other Taxes		
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	

Table 4

City of Leawood, Kansas
Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 219,370	\$ 80,584	\$ 350,624	\$ 805,954	\$ 1,309,030	\$ 1,239,976	\$ 1,197,867	\$ 1,076,631	\$ 55,185	\$ 390,617
Unreserved	4,269,481	5,759,011	8,301,513	6,960,602	7,921,720	9,607,178	11,974,459	11,751,740	14,651,607	14,764,086
Total General Fund	\$ 4,488,851	\$ 5,839,595	\$ 8,652,137	\$ 7,766,556	\$ 9,230,750	\$ 10,847,154	\$ 13,172,326	\$ 12,828,371	\$ 14,706,792	\$ 15,154,703
All other governmental funds										
Reserved	\$ 2,066,809	\$ 2,117,895	\$ 2,629,832	\$ 2,712,643	\$ 2,698,523	\$ 3,143,615	\$ 5,239,707	\$ 6,945,422	\$ 5,922,766	\$ 7,822,871
Unreserved, reported in:										
Special revenue funds	423,065	392,765	280,878	162,337	173,258	183,656	319,207	525,975	784,576	855,578
Capital projects funds	496,793	502,337	5,999,125	10,572,097	5,501,938	4,884,924	4,037,678	7,461,892	2,265,856	935,662
Total all other governmental funds	\$ 2,986,667	\$ 3,012,997	\$ 8,909,835	\$ 13,447,077	\$ 8,373,719	\$ 8,212,195	\$ 9,596,592	\$ 14,933,289	\$ 8,973,198	\$ 9,614,111

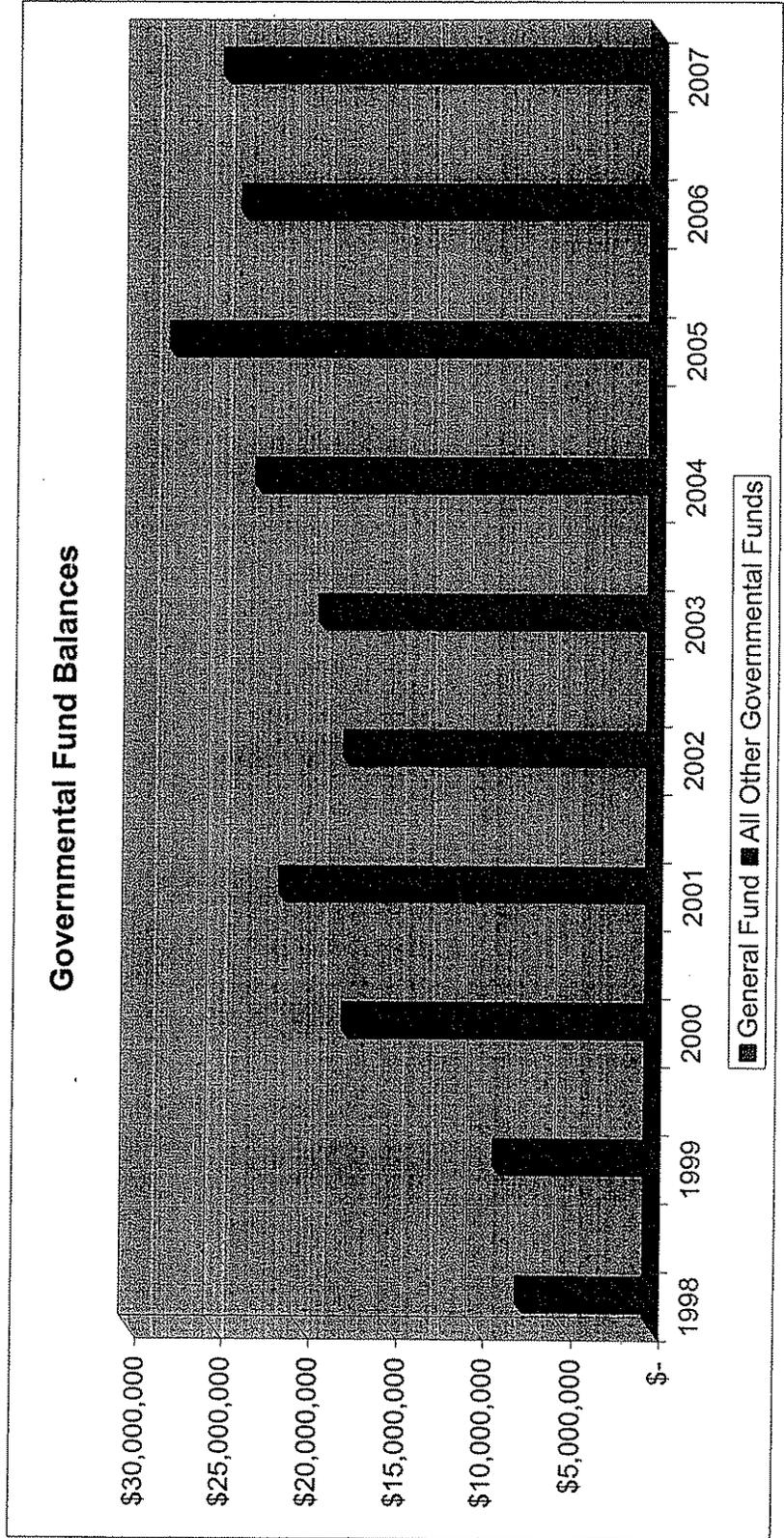


Table 5

City of Leawood, Kansas
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Taxes	\$ 12,681,417	\$ 14,107,298	\$ 15,792,474	\$ 17,303,981	\$ 18,012,526	\$ 19,633,539	\$ 22,456,229	\$ 23,835,129	\$ 25,158,674	\$ 29,249,530
Licenses and Permits	1,102,360	1,497,901	1,715,790	2,502,458	2,884,530	2,654,280	3,314,093	2,688,264	2,386,747	3,478,106
Intergovernmental	7,655,835	6,961,401	8,673,871	8,260,309	10,608,104	8,536,970	11,748,623	12,281,449	9,707,954	11,056,644
Charges for Services	1,024,927	1,287,452	948,730	1,031,295	1,169,993	1,090,801	1,088,487	1,106,078	1,208,832	1,223,940
Fines and Forfeitures	511,607	849,465	1,331,258	1,092,075	1,223,716	1,686,069	1,553,840	1,507,805	1,557,941	1,759,263
Special Assessments	1,017,609	1,500,174	1,301,357	1,318,124	1,633,358	1,078,020	1,408,127	1,383,982	1,609,097	1,456,331
Interest	954,978	827,019	1,342,370	1,114,728	616,654	438,926	746,382	1,789,313	2,976,921	2,947,277
Contributions and Others	272,071	160,988	220,967	465,662	842,827	363,687	694,737	205,384	807,892	535,774
Total Revenues	25,220,804	27,191,698	31,326,817	33,088,632	36,991,708	35,482,292	43,010,518	44,797,404	45,414,058	51,706,465
Expenditures										
General Government	3,352,681	3,309,126	3,400,791	3,946,423	3,541,020	3,951,170	4,561,019	4,494,045	4,675,142	5,133,968
Public Safety	6,509,602	6,845,612	7,412,129	8,120,894	9,895,329	9,185,875	10,350,561	10,488,343	10,948,107	11,498,384
Public Works	4,698,438	5,135,849	5,487,842	6,861,434	9,883,695	3,954,668	4,249,162	4,424,584	4,646,724	5,082,036
Parks and Recreation	1,732,094	1,703,024	1,798,480	2,125,696	2,469,044	2,547,194	2,964,727	2,944,389	3,007,512	3,800,013
Capital Outlay	3,444,480	3,585,440	7,244,698	11,861,441	13,860,890	12,968,799	14,346,905	13,564,787	21,668,357	22,933,473
Debt Service										
Principal	3,207,151	4,069,722	3,915,343	4,292,586	4,457,300	3,865,893	4,292,991	4,746,995	5,000,112	5,824,456
Interest and Fiscal Charges	2,507,232	2,000,098	2,131,544	2,099,046	2,534,243	2,163,860	2,801,361	2,914,082	3,510,916	3,435,648
Total Expenditures	25,451,678	26,648,871	31,390,827	39,307,520	46,641,521	38,637,459	43,566,726	43,577,225	53,456,870	57,707,978
Excess of Revenues over (under) Expenditures	(230,874)	542,827	(64,010)	(6,218,888)	(9,649,813)	(3,155,167)	(556,208)	1,220,179	(8,042,812)	(6,001,513)
Other Financing Sources (Uses)										
Transfer In	2,618,543	2,203,142	2,147,890	4,289,093	5,459,969	4,480,636	3,308,061	6,490,754	7,998,372	10,977,888
Transfers Out	(2,618,543)	(2,044,711)	(2,147,890)	(4,289,093)	(5,459,969)	(4,646,273)	(3,753,161)	(7,069,891)	(10,230,621)	(10,977,888)
Refunding Bonds Issued	-	-	-	-	-	2,835,000	7,795,000	-	6,405,000	-
Bonds Issued	12,340,000	675,720	8,772,941	9,870,256	5,050,000	5,060,000	4,280,000	4,090,000	6,050,000	7,040,000
Premium on Bonds Issued	-	-	-	-	-	-	338,200	261,700	105,571	50,337
Payments to Refunded Bonds Escrow Agent	-	-	-	-	-	(3,119,316)	(7,702,323)	-	(6,367,180)	-
Total Other Financing Sources (Uses)	12,340,000	834,151	8,772,941	9,870,256	5,050,000	4,610,047	4,265,777	3,772,563	3,961,142	7,090,337
Net Changes in Fund Balances	\$ 12,109,126	\$ 1,376,978	\$ 8,708,931	\$ 3,651,368	\$ (4,599,813)	\$ 1,454,880	\$ 3,709,569	\$ 4,992,742	\$ (4,081,670)	\$ 1,088,824
Debt Service as a percentage of noncapital Expenditures	25.97%	26.32%	25.04%	23.29%	19.79%	22.17%	21.77%	20.80%	22.82%	20.77%

Table 5 cont.

City of Leawood, Kansas

General Governmental Tax Revenues By Source (1) Last Ten Fiscal Years (modified accrual basis of accounting)

Fiscal Year	Property Tax	City		City		Total
		Sales Tax	Franchise Tax	City Consumers' Use Tax	City Consumers' Use Tax	
1998	\$ 7,340,330	\$ 3,374,684	\$ 1,619,829	\$ 346,574	\$ 12,681,417	
1999	8,424,989	3,613,566	1,715,571	353,172	14,107,298	
2000	9,038,077	4,115,932	2,126,254	512,212	15,792,474	
2001	9,772,091	4,589,872	2,433,290	508,728	17,303,981	
2002	10,681,729	4,434,337	2,341,374	555,086	18,012,526	
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	

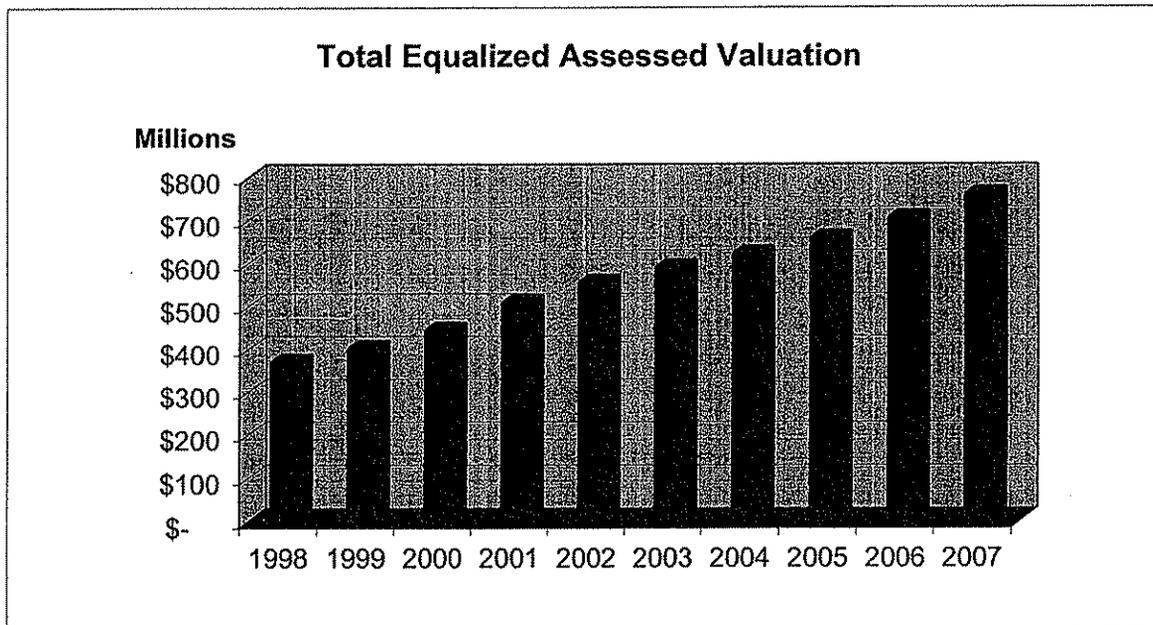
(1) Includes governmental activities as shown in the Fund Financial Statements.

CITY OF LEAWOOD, KANSAS

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Year Ended December 31,	Assessed Value Residential Property	Assessed Value Personal Property	State Assessed Utilities	Total Assessed Value
1998	\$ 300,942,697	\$ 9,763,285	\$ 5,463,373	\$ 316,169,355
1999	331,758,648	10,024,991	5,636,982	347,420,621
2000	370,034,534	11,995,333	6,322,011	388,351,878
2001	434,198,518	14,069,163	5,757,847	454,025,528
2002	478,263,332	14,964,257	5,847,070	499,074,659
2003	508,588,824	16,334,865	6,296,797	531,220,486
2004	539,398,377	13,900,623	6,294,133	559,593,133
2005	571,882,830	15,239,935	6,864,743	593,987,508
2006	615,197,839	15,600,418	7,319,540	638,117,797
2007	669,149,548	15,152,446	7,342,923	691,644,917



Source: Johnson County Treasurer's Office

(1) Utilities Estimated Actual Value is calculated by dividing the assessed value by 33%.

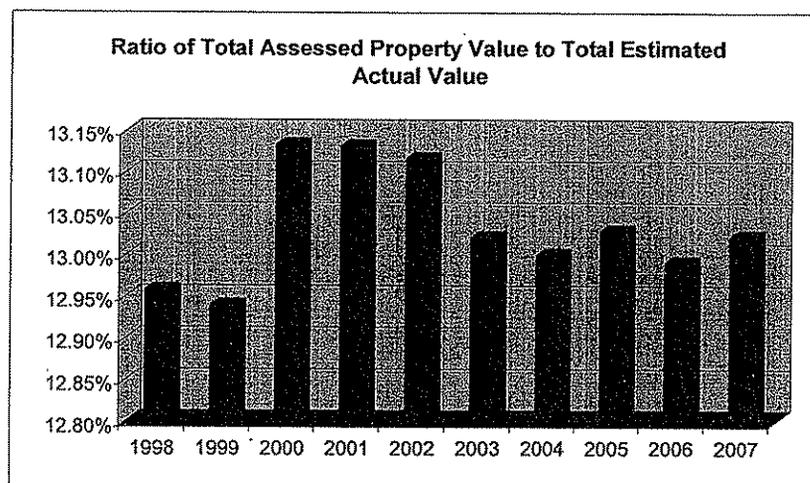
CITY OF LEAWOOD, KANSAS

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Assessed Value Motor Vehicle	Assessed Value Recreational Vehicles	Total Equalized Assessed Valuation	Total Direct Tax Rate	Year Ended December 31,
\$ 54,402,973	\$ 57,219	\$ 370,629,547	\$ 23.475	1998
55,822,425	76,324	403,319,370	23.456	1999
57,454,109	83,942	445,889,929	23.456	2000
55,595,022	100,080	509,720,630	21.747	2001
57,647,345	115,437	556,837,441	21.815	2002
60,469,320	129,601	591,819,407	21.820	2003
63,304,016	118,088	623,015,237	24.074	2004
65,756,344	112,840	659,856,692	24.233	2005
68,658,169	133,101	706,909,067	24.218	2006
70,120,907	123,244	761,889,068	24.232	2007

Real Property Estimated Actual Value	Personal Property Estimated Actual Value	Utilities Estimated Actual Value (1)	Total Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value	Year Ended December 31,
\$ 2,384,992,310	\$ 38,402,254	\$ 16,555,676	\$ 2,439,950,240	12.96%	1998
2,628,446,951	39,431,632	17,081,764	2,684,960,347	12.94%	1999
2,890,539,040	47,181,630	19,157,609	2,956,878,279	13.13%	2000
3,384,664,758	55,338,771	17,448,021	3,457,451,550	13.13%	2001
3,728,160,425	58,859,411	17,718,394	3,804,738,230	13.12%	2002
3,996,269,722	64,250,469	19,081,203	4,079,601,394	13.02%	2003
4,230,737,644	54,675,784	19,073,130	4,304,486,558	13.00%	2004
4,478,174,979	59,943,744	20,802,252	4,558,920,975	13.03%	2005
4,828,211,705	61,361,644	22,180,424	4,911,753,773	12.99%	2006
5,229,287,840	59,599,621	22,251,282	5,311,138,743	13.02%	2007



CITY OF LEAWOOD, KANSAS

Property Tax Rates
(Per \$1,000 of Assessed Value)

Direct and Overlapping Governments

Last Ten Fiscal Years

Tax/Fiscal Year	City		State of Kansas	Shawnee Mission School District	Blue Valley School District	Johnson County Community College	Unified Johnson County Sewer District	Johnson County Library	Johnson County Park	Total	
	General	Debt Service								Blue Valley Direct & Overlapping Rates	Shawnee Mission Direct & Overlapping Rates
1997/1998	\$15.884	\$ 7.591	\$ 1.500	\$ 51.808	\$ 74.168	\$ 8.540	\$ 5.938	\$ 3.254	\$ 1.512	\$ 133.692	\$ 111.332
1998/1999	15.894	7.562	1.500	42.968	69.847	7.746	5.704	3.174	1.437	127.209	100.330
1999/2000	15.209	8.247	1.500	41.246	65.597	7.184	5.166	3.137	1.451	123.603	99.252
2000/2001	12.346	9.401	1.500	40.327	65.689	7.646	4.647	2.981	1.322	121.208	95.846
2001/2002	14.102	7.713	1.500	38.699	64.216	7.743	4.181	2.971	1.382	120.141	94.624
2002/2003	14.317	7.503	1.500	42.238	68.588	9.428	-	2.948	1.602	122.107	95.757
2003/2004	13.322	10.752	1.500	37.774	64.551	9.432	-	2.954	2.365	121.257	94.480
2004/2005	14.763	9.470	1.500	42.655	64.197	9.438	-	2.956	2.367	120.732	99.190
2005/2006	18.815	5.403	1.500	49.748	63.329	8.960	-	2.955	2.286	121.170	107.589
2006/2007	14.618	9.614	1.500	51.980	60.700	8.872	-	2.960	2.290	118.503	109.783

Source: Johnson County Clerk's Office.

CITY OF LEAWOOD, KANSAS

Principal Property Taxpayers

Current Year and Nine Years Ago

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Town Center Plaza	\$ 25,935,959	1	3.40%	\$ 15,554,943	1	4.20%
95 West, L.P.	8,116,217	2	1.07%	5,340,858	2	1.44%
Academy 1740, Inc.	5,378,826	3	0.71%	-		0.00%
PCC Two, LLC	4,436,301	4	0.58%	-		0.00%
Kansas City Power & Light	3,824,137	5	0.50%	2,695,201	4	0.73%
Megaplex Nine, Inc.	3,325,001	6	0.44%	-		0.00%
Hallbrook Office Center	3,321,832	7	0.44%	-		0.00%
96-OP Property LLC	3,297,351	8	0.43%	-		0.00%
Ranch Mart North LLC	3,155,151	9	0.41%	1,265,478	10	0.34%
EPT Leawood	3,150,508	10	0.41%	-		0.00%
Northwestern Mutual Life	-		0.00%	3,014,449	3	0.81%
Gaylans Trading Company Inc.	-		0.00%	1,812,325	6	0.49%
Teacher's Insurance & Annuity	-		0.00%	2,505,625	5	0.68%
Knight-Ridder Financial, Inc.	-		0.00%	1,765,275	7	0.48%
Glenborough Properties, L.P.	-		0.00%	1,676,575	8	0.45%
Nooney Income Fund, Ltd	-		0.00%	1,350,000	9	0.36%
Total Principal Property Taxpayers	<u>\$ 63,941,283</u>		<u>8.39%</u>	<u>\$ 36,980,729</u>		<u>9.98%</u>

Source: Johnson County Clerk's Office

CITY OF LEAWOOD, KANSAS
 Property Tax Levies and Collections
 Last Ten Fiscal Years

Tax/Fiscal Year	Total Tax Levy	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the levy	Percentage of Levy		Amount	Percentage of Levy
1997/1998	\$ 7,422,076	\$ 7,275,457	98.0%	\$ 50,396	\$ 7,325,853	98.7%
1998/1999	8,149,076	8,067,870	99.0%	79,174	8,147,044	100.0%
1999/2000	9,085,881	8,938,484	98.4%	67,217	9,005,701	99.1%
2000/2001	9,873,694	9,687,443	98.1%	80,553	9,767,996	98.9%
2001/2002	10,887,313	10,611,435	97.5%	66,501	10,677,936	98.1%
2002/2003	11,591,232	11,374,397	98.1%	183,951	11,558,348	99.7%
2003/2004	13,471,645	13,270,757	98.5%	136,860	13,407,617	99.5%
2004/2005	14,329,935	14,189,005	99.0%	111,053	14,300,058	99.8%
2005/2006	15,425,036	15,277,797	99.0%	141,669	15,419,466	100.0%
2006/2007	16,759,938	16,502,849	98.5%	112,812	16,615,661	99.1%

Information provided by the Johnson County Treasurer's office.

1999 Delinquent Tax Collections only include Delinquent Real Estate Taxes. Delinquent Personal collections were distributed January 20, 2001.

2000 Delinquent Tax Collections include Delinquent Personal Property from 1999 and 2000 along with Delinquent Real Estate Taxes for 2000.

Source: Johnson County Treasurer's Office

City of Leawood
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds					Capital Leases							
	Tax Levies	To Be Paid With Special Assessments	Certificates of Participation	Capital Leases	General Obligation Bonds	Capital Leases	Capital Leases	Capital Leases	Capital Leases				
1998	\$ 33,365,068	\$ -	\$ -	\$ 1,371,808	\$ 6,174,933	\$ 139,985				\$ 41,051,794	*	\$ 1,578	
1999	23,492,800	6,444,200	450,000	1,373,798	5,738,000	384,516				37,883,314	*	1,370	
2000	28,484,162	6,493,538	330,000	1,534,834	5,482,300	274,695				42,599,529	3.13%	1,540	
2001	34,922,800	5,682,600	200,000	1,854,804	5,214,600	200,432				48,075,236	*	1,737	
2002	37,037,000	4,948,800	-	1,518,505	4,934,200	184,895				48,623,400	*	1,720	
2003	34,877,645	8,645,655	-	1,175,112	4,641,700	249,996				49,590,108	*	1,718	
2004	35,805,700	8,757,200	-	944,420	4,507,100	148,840				50,163,260	*	1,702	
2005	33,647,403	10,708,697	-	834,225	4,004,230	88,744				49,283,299	*	1,639	
2006	40,519,400	9,400,600	-	881,591	-	-				50,801,591	*	1,689	
2007	43,069,522	8,595,478	-	712,135	-	-				52,377,135	*	1,674	

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 Statics in Table 14

Note: Effective January 1, 2007, the activities of the City's business-type activity will be 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
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property		Per Capita (2)
				(1)	(2)	
1998	\$ 39,540,001	\$ 1,971,301	\$ 37,568,700	1.54%	\$	1,444
1999	35,675,000	2,006,658	33,668,342	1.25%		1,217
2000	40,460,000	2,411,472	38,048,528	1.29%		1,376
2001	45,820,000	2,476,561	43,343,439	1.25%		1,566
2002	46,920,000	2,489,872	44,430,128	1.17%		1,572
2003	48,165,000	2,912,003	45,252,997	1.11%		1,567
2004	49,070,000	5,239,707	43,830,293	1.02%		1,487
2005	48,360,330	6,945,422	41,414,908	0.91%		1,377
2006	49,920,000	5,922,766	43,997,234	0.90%		1,463
2007	51,665,000	7,822,863	43,842,137	0.83%		1,401

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 Table 6 for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statics in Table 14

City of Leawood
Direct and Overlapping Governmental Activities Debt
As of December 31, 2007

<u>Governmental unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Leawood (2)</u>	<u>Amount Applicable to City of Leawood</u>
Johnson County	\$ 210,710,000	9.06%	\$ 19,090,326
Johnson County Community College	6,905,000	9.06%	625,593
Shawnee Mission School District (U.S.D. 512)	271,495,000	4.68%	12,705,966
(U.S.D. 229)	238,910,000	25.04%	59,823,064
Fire District #2	2,625,000	1.12%	29,400
Parks and Recreation	4,570,000	9.06%	414,042
Subtotal, overlapping debt			92,688,391
City of Leawood direct debt (1)			52,377,135
Total direct and overlapping debt			<u>\$ 145,065,526</u>

Source: Johnson County Clerk's Office

(1) General obligation debt outstanding

(2) Determined by ration 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
Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt limit	\$ 111,188,864	\$ 120,564,244	\$ 133,275,188	\$ 153,469,075	\$ 166,430,928	\$ 176,694,980	\$ 186,057,454	\$ 197,222,884	\$ 211,196,094	\$ 228,130,856
Total net debt applicable to limit	37,568,700	27,224,142	31,554,990	37,660,839	39,481,328	36,607,342	35,073,093	30,706,211	43,997,234	43,842,137
Legal debt margin	\$ 73,620,164	\$ 93,340,102	\$ 101,720,198	\$ 115,808,236	\$ 126,949,600	\$ 140,087,638	\$ 150,984,361	\$ 166,516,673	\$ 167,198,860	\$ 184,288,719
Total net debt applicable to the limit as a percentage of debt limit	33.79%	22.58%	23.68%	24.54%	23.72%	20.72%	18.85%	15.57%	20.83%	19.22%

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value, real and personal property, 2007	\$ 691,644,917
Plus assessed value, motor vehicles, 2006	68,791,270
Total assessed value, 2007	\$ 760,436,187
Debt limit (30% of total assessed value)	228,130,856
Debt applicable to limit:	
General obligation bonds	51,665,000
Less: Amount set aside for repayment of general obligation debt	(7,822,863)
Total net debt applicable to limit	43,842,137
Legal debt margin	\$ 184,288,719

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
Demographic and Economic Statistics
Last Ten Fiscal Years

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)
1998	26,016	*	*	*	*	2.5%
1999	27,656	*	*	*	*	1.3%
2000	27,656	\$1,358,988	\$49,139	41.3	68.0%	1.5%
2001	27,670	*	*	*	*	2.5%
2002	28,270	*	*	*	*	2.7%
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%

* 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. Beginning in 1999, the City of Leawood met the Labor Bureau's criteria and data was collected specifically as it related to the city proper. Figures for 1995-1998 included all of Johnson County.

Table 15

**City of Leawood
Principal Employers
Current Year and Nine Years Ago**

Employer	2007			1998		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment (1)
CBiZ Accounting	450	1	3.0%			
American Academy of Family Physicians	350	2	2.3%			
Unified School District No. 229	329	3	2.1%	237	3	0.0%
Reece & Nichols	314	4	2.2%	170	8	0.0%
City of Leawood	268	5	1.8%	209	5	0.0%
Weight Watchers	190	6	0.8%			
Headache & Pain Center	149	7	1.2%			
Hy Yee	147	8	1.0%			
A.B. May	125	9	1.0%			
Cosentino's Price Chopper	125	10	0.8%			
Sprint				371	1	0.0%
American Management Association				220	4	0.0%
Jacobson's				250	2	0.0%
Hen House				200	6	0.0%
Root Dental Laboratories				180	7	0.0%
Galyan's				170	9	0.0%
Big Sky Distribution				90	10	0.0%
Total	2,447		16.1%	1,837		0.0%

(1) The Kansas Department of Labor did not separately track labor force figures for the City prior to 1999.

Sources: Kansas Department of Labor and Leawood Chamber of Commerce

City of Leawood
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of December 31									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General government	36.00	32.50	34.00	36.13	39.25	39.50	40.25	39.94	41.00	47.25
Public safety										
Police										
Officers	49.00	52.00	52.00	52.00	54.00	56.00	56.00	58.00	60.00	61.00
Civilians	21.00	22.00	22.00	23.60	22.60	22.60	22.60	22.60	22.60	22.60
Fire										
Firefighters and officers	48.00	48.00	48.00	52.42	51.69	54.69	54.69	54.69	54.69	54.69
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works	43.00	49.00	52.00	49.00	49.00	50.00	51.00	52.17	52.67	47.42
Parks & Recreation	23.00	23.00	23.00	42.87	43.37	46.13	51.24	56.40	58.99	69.35
Total Full-Time Equivalent	221.00	227.50	232.00	257.02	260.91	269.92	276.78	284.80	290.95	303.31

Source: City Budget Manager

* Full time equivalents were not counted in the totals until 2001.

**City of Leawood
Operating Indicators by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police										
Number of Traffic Violations	7,674	10,354	10,354	16,114	17,498	18,065	14,320	14,586	15,544	14,167
Number of Physical Arrests	1,014	1,083	788	1,158	1,386	1,572	1,735	1,659	1,704	1,437
Number of Dispatch Calls	17,867	15,830	30,367	28,146	31,711	34,846	32,861	33,961	36,553	35,446
Number of Alarm Calls	2,908	3,934	3,750	3,448	3,302	2,632	2,047	1,925	2,496	2,006
Fire										
Number of Fire Calls Answered	827	961	961	1,108	1,199	1,681	949	1,035	935	1,003
Number of Ambulance Calls Answered	888	1,106	1,106	1,042	1,200	1,170	1,223	1,334	1,265	1,324
Number of Fire Inspections	830	595	738	655	451	660	738	844	858	904
Parks & Recreation										
Number of Programs Offered	100	150	150	150	150	150	150	150	150	150

Source: Various City departments

**City of Leawood
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police											
Number of Police Stations	1	1	1	1	1	1	1	1	1	1	1
Number of Certified Officers	49	49	52	52	52	54	56	56	58	58	61
Number of Noncertified Personnel	20	21	22	22	24	23	23	23	23	23	23
Number of Patrol Districts	4	4	3	3	4	6	3	3	3	3	3
Fire											
Number of Fire Stations	2	2	2	2	2	3	3	3	3	3	3
Number of Paid Firefighters	44	48	48	48	51	51	51	51	54	54	54
Number of Volunteer Firefighters	6	6	2	2	2	0.7	0.7	0.7	0.7	0.7	0.7
Number of Nonfire Personnel	1	1	1	1	1	1	1	1	1	1	1
Public Works											
Streets (miles)	426	167	167	161	164.56	172.13	177.60	190.60	189.36	191	193
Streetlights	1278	1278	1278	1278	2135	2001	2497	2555	2625	2721	2800
Parks & Recreation											
Number of Parks	5	5	5	6	6	6	6	6	6	6	6
Park Acreage	245	245	245	255	423	423	423	423	423	423	423
Walking Trail Mileage	6	6	6	6	6	7.75	7.75	7.75	7.75	8	8
Aquatic Centers	1	1	1	1	1	1	1	1	1	1	1
Golf Courses	1	1	1	1	1	1	1	1	1	1	1
Tennis Courts	8	8	6	6	6	6	6	6	6	6	6
Soccer Fields	13	13	25	14	14	14	14	14	14	14	14
Baseball Diamonds	6	6	6	4	4	4	3	3	3	3	3

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