

2008

---

COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT

---



---

CITY OF LEAWOOD, KANSAS

---

FISCAL YEAR ENDED DECEMBER 31, 2008

---

**CITY OF LEAWOOD, KANSAS**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**  
*For The Year Ended December 31, 2008*

---



---

*Report prepared by Department Of Finance*

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

## Contents

---

### Page

#### **Part I - Introductory Section:**

Transmittal Letter.....	i - ix
Principal Officials .....	x
Organizational Chart .....	xi
GFOA Certificate Of Achievement .....	xii

#### **Part II - Financial Section:**

<b>Independent Auditors' Report .....</b>	<b>1 - 2</b>
<b>Management's Discussion And Analysis .....</b>	<b>3 - 14</b>

#### **Basic Financial Statements:**

### Page

##### Government-wide Financial Statements:

Statement Of Net Assets .....	15
Statement Of Activities.....	16

##### Fund Financial Statements:

Balance Sheet - Governmental Fund .....	17
Reconciliation Of The Governmental Funds Balance Sheet To The Statement Of Net Assets.....	18
Statement Of Revenues, Expenditures And Changes In Fund Balances - Governmental Funds.....	19
Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities .....	20
Statement Of Fiduciary Assets And Liabilities - Agency Funds .....	21

Notes To The Basic Financial Statements.....	22 - 48
--	---------

#### **Required Supplementary Information:**

### Page

Schedule Of Revenues, Expenditures, And Changes In Fund Balances - Budget And Actual - General Fund .....	49
Schedule Of Funding Progress - Other Postemployment Benefits.....	50
Comparison Of Needed-To-Actual Maintenance/Preservation For Streetlights And Traffic Signals .....	51

## Contents (Continued)

---

### Part II - Financial Section (Continued):

	<u>Page</u>
<b>Combining And Individual Fund Statements And Schedules:</b>	
Schedule Of Expenditures – Budget And Actual – General Fund .....	52
Combining Balance Sheet – Nonmajor Governmental Funds.....	53 - 54
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances Nonmajor Governmental Funds .....	55 - 56
Schedules Of Revenues, Expenditures, And Changes In Fund Balances - Budget And Actual:	
Special Alcohol Fund.....	57
Special City Highway Fund .....	58
Special Parks and Recreation Fund .....	59
Special Law Enforcement Fund.....	60
Debt Service Fund .....	61
Combining Schedule Of Fiduciary Assets And Liabilities - Agency Funds .....	62
Combining Schedule Of Changes In Assets And Liabilities - All Agency Funds .....	63

### Part III - Statistical Section: (Unaudited)

	<u>Schedule</u>	<u>Page</u>
Net Assets By Component Last Six Fiscal Years.....	1	64
Changes In Net Assets Last Six Fiscal Years .....	2	65
Governmental Activities Tax Revenues By Source Last Six Fiscal Years Accrual Basis Of Accounting .....	3	66
Fund Balances Of Governmental Funds Last Ten Fiscal Years Modified Accrual Basis Of Accounting.....	4	67
Changes In Fund Balances Of Governmental Funds Last Ten Fiscal Years Modified Accrual Basis Of Accounting .....	5	68
General Governmental Tax Revenues By Source Last Ten Fiscal Years Modified Accrual Basis Of Accounting.....	6	69
Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years .....	7	70
Property Tax Rates (Per \$1,000 Of Assessed Value) Direct And Overlapping Governments Last Ten Fiscal Years .....	8	71
Principal Property Taxpayers Current Year And Nine Years Ago .....	9	72
Property Tax Levies And Collections Last Ten Fiscal Years .....	10	73
Ratios Of Outstanding Debt By Type Last Ten Fiscal Years.....	11	74
Ratios Of General Bonded Debt Outstanding Last Ten Fiscal Years.....	12	75
Direct And Overlapping Governmental Activities Debt .....	13	76
Legal Debt Margin Information Last Ten Fiscal Years .....	14	77
Demographic And Economic Statistics Last Ten Fiscal Years .....	15	78
Principal Employers - Current Year And Nine Years Ago .....	16	79
Full-Time Equivalent City Government Employees By Function .....	17	80
Operating Indicators By Function .....	18	81
Capital Asset Statistics By Function.....	19	82

---

## **Introductory Section**

---

April 14, 2009

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, 2008.

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.

RubinBrown LLP, Certified Public Accountants, have issued an unqualified opinion on the City of Leawood's financial statements for the year ended December 31, 2008. 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 2008 population to be 32,483. Johnson County encompasses 476 square miles and with a 2008 estimated population of 537,607 is the most populous county in the State of Kansas. The City's land area is approximately 75% developed, and growth is expected to continue. The City is bounded to the east by the Kansas-Missouri state line and on all other sides by incorporated cities of Johnson County.

*"Growing with Distinction"*

*is a fitting motto for a city*

*whose landscape is now*

*rich with life. Leawood,*

*once a barren canvas, is*

*now a spectacular work of*

*art. Its many artists of the*

*past half century have*

*painted a strong foundation*

*to which future artists will*

*add their own unique*

*perspectives.*

Source: Leawood, A Portrait In  
Time

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

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

*The voters chose their first mayor, R.G. Bentrup as well as five city council*

*members, a city clerk, a city treasurer and a police judge.*

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

*has had 18 Mayors,*

*including the current*

*Mayor, Peggy Dunn. Mrs.*

*Dunn has served as Mayor*

*since 1997 and served as a*

*City Council member for*

*four years prior. Today the*

*Mayor and the eight City*

*Council positions are the*

*only elected positions.*

Source: Leawood, A Portrait In Time

## *Local economy*

There is no doubt that the United States economy has undertaken a significant downturn that has had severe repercussions throughout the world. Although we begin 2009 in what appears to be a global recession, I firmly believe that an economic upturn is on the horizon; and we remain optimistic that once the economic engine of this great nation of ours kicks into gear, we will see a long and steady rebirth of the national and world economies.

Closer to home, we are pleased to report that the economy of Leawood is continuing to prosper in defiance of the current economic malaise. The City's property values continued to rise, our sales tax revenues grew beyond our 2007 receipts, and our building activity remained strong and vibrant.

In 2008, the City issued 264 residential permits for new construction and remodels valued in excess of \$30 million. With regards to commercial and retail development activity, over 100 permits were issued for new commercial buildings and tenant finishes with a construction value of almost \$93 million. At Park Place, Leawood's first mixed use development, several retail establishments opened including Trezo Vino, Ingredient, Becker, Le Reve Salon, The Rice Gallery of Fine Art, Annabelle's, Envy Boutique, Park Place Gallery, The Learning Tree, Gobug, KC Surroundings and Paciugo Gelato.

Also under construction in Park Place is the City's first hotel, the Aloft, which is expected to open later in 2009.

At nearby One Nineteen, Crate & Barrel was joined by Solstice Sunglass Boutique, Mitsy London's, Apple , Natural Body Spa & Shop, North Restaurant, Soho 119, West Elm, JP Wine Bar, Salon 119 & Spa, Habitat Shoe Boutique, Sullivan's Restaurant and Z Gallerie.

To the north, the development activity at Mission Farms is also continuing at a brisk pace with the additions of Solutions Bank, Imagery, Natasha's Mulberry & Mott, Noel's, and Zest Restaurant. A new restaurant, Blanc-Burgers and Bottles is scheduled to open soon.

At State Line Road and 133rd Street, the Village of Seville Shopping Center saw the arrival of Solarium Tanning, Jane's Canines and Zepi's Pizza and Pub. A Capital Federal Bank building is also under construction.

Along the 135<sup>th</sup> Street Corridor, Parkway Plaza has been busy adding Massage Heights, Leawood Cosmetic & Family Dentistry, Tide Dry Cleaners, Jeff Thompson Orthodontics, Swim Quick, Integrite Salon, Eva Reynolds Fine Arts, Gentry Dental, Mandarinism Restaurant, and Pizza Fusion.

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

Source: Leawood, A Portrait In Time

In addition to the private sector, the City of Leawood is also doing its part. This past year, the City was awarded an Aaa bond rating from Moody's Investors Services, Inc.,--the highest rating available. In doing so, Leawood became only the second city in the State of Kansas to hold such a rating.

***LEAWOOD EARNS TOP BOND RATING***

The attainment of this Aaa rating sends a strong signal to the investment community that the City of Leawood is now a member of an elite group of local governments whose financial position and fiscal management is one to be envied.

*Leawood learned this week that it has achieved Aaa*

This accomplishment during our 60th anniversary year was due to a collaborative effort on the part of a dedicated and hard-working City Council, our fine professional staff and, in particular, the City's Finance Department, all working together to establish and implement sound fiscal and budgetary policies and procedures. It also reflects the strength of the City's businesses and the high quality of life our citizens enjoy.

*bond rating – the highest a City can receive from*

*Moody's Investors Service.*

*Source: Kansas City Star, April 5, 2008*

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 3.4 percent. The change in the unemployment rate is extremely difficult to project. More often than ever before citizens and neighbors are losing their jobs.

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. 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.

Debt service decreased 12% over the previous year. This decrease is partially due to the savings from vigilant debt refinancing of existing debt during this historically low interest rate environment. 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, soon to be five, community parks which offer a rich array of leisure activities for our citizens and the community. To support these activities, there has been a 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.

### ***Long-term financial planning***

The unreserved, undesignated fund balance in the general fund (52.2% of total general fund expenditures) falls well above the policy guidelines set by the Council for budgetary and planning purposes (i.e. between 8.33 and 15 percent of total general fund expenditures).

The City's continued control over expenditure growth has been, and will continue to be, a key factor in maintaining the City's strong financial position. The City Council has wisely taken advantage of the past years' financial prosperity to secure the future stability of the City. Funds have been 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***

There was no significant change in existing City financial policies.

### ***Major initiatives***

In looking back at the past year for the opportunity to recognize the efforts of Leawood residents who strive to improve people's lives in our community and beyond. Some of those individuals obtained especially notable achievements this past year.

## **AAA**

*The upgrade to Moody's*

*highest Aaa rating reflects*

*the City's affluent tax base*

*in the Kansas City*

*metropolitan area; well*

*managed financial*

*operations that are expected*

*to continue despite budgeted*

*transfers from the General*

*Fund; alternate liquidity*

*provided by the city's*

*Capital Fund reserves; and*

*debt levels that are expected*

*to remain affordable.*

*Source: Moody's Investors Service, April 2, 2008*

Leawood resident Robert Kipp was honored by the Urban Land Institute by receiving their 2008 Lifetime Achievement Award for his endeavors spanning both the public and private sectors over the past 30 years.

Leawood resident and Barstow student Joe Jarvis teamed up with schoolmate Brock Knapp of Overland Park to raise over \$40,000 in donations to repair the swimming pool at Spofford - a residential treatment center for abused and neglected children- where both of them have volunteered on a regular basis over the past three years.

Leawood resident and tireless educational advocate, Fred Logan was honored as the Johnson Countian of the Year by the Johnson County Community College Foundation in recognition of his significant impact on the lives of students at all levels of learning.

In yet another display of his commitment to education, Fred served as the Chairman for the Committee that led to the successful passage of the Education and Research Triangle referendum.

Leawood resident and CEO of Shawnee Mission Medical Center, Sam Turner was presented with the President's Volunteer Service Award by President George W. Bush in recognition of his seven years of volunteering, both locally and nationally, for the American Heart Association. This recognition was also due, in part, to Sam being named the American Heart Association's National Healthcare Volunteer in the previous year.

Leawood resident and Arts Council Chairman, Mary Tearney received the Outstanding Alumni Award from Missouri State University in recognition of her 34-year career as a dedicated and outstanding elementary school teacher, as well as for her volunteer efforts with the City of Leawood's Stage Company's productions and other cultural arts activities.

Leawood resident Jessie Colonna was crowned 2008 Miss Kansas Teen. She will represent the State of Kansas in the Miss Teen USA Pageant and will certainly be a tremendous ambassador for the City of Leawood and Kansas during her reign.

Leawood resident Bob Regnier was honored by the Council on Philanthropy as Philanthropist of the Year. Bob also received the 2008 Henry W. Bloch Human Relations Award from the Jewish Community Relations Bureau/American Jewish Committee for his personal commitment to civic leadership in the areas of health care, education and cultural arts.

*In November 1949,*

*Leawood bought a 1949*

*Ford Central 500-gallon-per-minute pumper. Brook*

*Beatty volunteered to serve*

*as the City's first Fire*

*Chief. In 1958 the Leawood*

*Fire Department welcomed*

*Its' first paid firefighter. By*

*1971 the department had 12*

*paid firefighters and 10*

*volunteers. Today the*

*department is staffed by 54*

*paid firefighters and 2*

*volunteers.*

Source: Leawood, A Portrait In Time

The City is proud of our staff and their accomplishments. While some City staff accomplishments receive formal recognition from the Governing Body and/or outside entities, others go well beyond the call of duty to reach out to our citizens and customers without much fanfare.

In November of last year, the City lost, due to his second retirement, the longest-tenured employee in the City's history. Jerry Strack was first employed in 1965 as a firefighter and retired as Fire Chief in 1996. He returned to the City as an Information Specialist for the City's Information Services Department until November of 2008. Jerry's career with the City consisted of eight different positions in two separate departments over a period of 42 years. This represents 70% of the lifespan of the City of Leawood.

Another notable achievement by City employees included Master Police Officer Shane Chambers and Police Officer Erik Butler receiving the life/safety award at the KMBC-TV9/ Metropolitan Chiefs and Sheriffs for Valor Annual Ceremony.

The City's Public Work fleet employees competed in the 2008 American Public Works Association Snowplow and Equipment Exposition. Chris Gish and Chris Skaggs placed third and fifth in the mechanics competition.

With regard to City departmental recognitions, the City's Police Department was noted in the monthly magazine, *Law Officer*, regarding its efforts to allow Leawood citizens to track criminal activity through the internet. Leawood residents can now go online and see the type and frequency of crimes in their particular geographical area of interest. This program has not only provided an immediate source of information, it has also served to free up police officers time to combat criminal activity in the City.

The City's Fire Department received the Life Safety Achievement Award in recognition for its success in ensuring that the City did not record any fire-related deaths in the previous year.

The City's Public Works Department was very busy this past year by overseeing the construction of nearly \$12 million of new public infrastructure. Public Works will continue to be busy in the foreseeable future due to the fact that the residents of Leawood, by an overwhelming majority, approved an extension of the City's one-eighth cent sales tax for the construction and repair of City streets and storm sewers.

*Leawood parks system*

*consists of four parks;*

*Brook Beatty Park,*

*Tomahawk Park, I-Lan*

*Park, and Ironwoods Park.*

*A new park, Gezer Park, is*

*currently under*

*construction.*

Source: Leawood, A Portrait In Time

The Parks and Recreation Department held the City's first annual Party in the Park at Ironwoods Park with over 500 citizens participating, and the City was designated Tree City USA for the 12th consecutive year.

The City's Art-in-Public-Places Program had two new additions in City parks in 2008, "Stones and Steps" by Ilan Averbuch and a second group of sculptures by Jorge Blanco.

In Northern Leawood, "Porch Lights", by Dennis Reynolds, is anticipated to be completed soon.

Although it has been a part of the City's art inventory since 1999, "Growing", by Sculptor Richard Hunt, was relocated to Tomahawk Creek Parkway due to the Johnson County Library Expansion. The new placement of this piece of art has elicited many favorable comments from citizens who have noticed it for the first time. "Growing" also represents the first of several future art pieces to be installed along Tomahawk Creek Parkway as part of the City's sculpture garden project.

The 2008 Art on Loan piece, "X", by John Northington, was on display at City Hall until February 2009.

### ***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, 2007. 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, 2009. 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.

We wish to take this opportunity to thank each member of the Governing Body for their interest and support in planning and

*For much of the early development of Leawood, the architect was Kroh Brothers Realty, a development firm whom began developing land in Johnson County in 1932. Their plan for Leawood envisioned a community which would offer people the chance to live far enough away from the hustle and bustle of City life to ensure tranquility, but yet close enough to the City to guarantee convenience.*

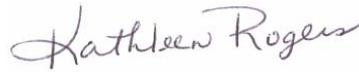
Source: Leawood, A Portrait In Time

conducting the financial operations of the City in a responsible and progressive manner. In closing, the preparation of this report was not accomplished without the efficient and dedicated services of key staff in the Finance Department as well as other City departments who assisted and contributed to its preparation. Thanks to each individual involved.

Respectfully submitted,



Scott Lambers  
City Administrator



Kathleen M. Rogers  
Finance Director



**FRONT ROW** [left to right]:  
Councilmember Jim Rawlings, Ward 2  
Councilmember Mike Gill, Ward 3  
Mayor Peggy Dunn  
Councilmember Julie Cain, Ward 4  
Councilmember Lou Rasmussen, Ward 2

**BACK ROW** [left to right]:  
Councilmember Debra Filla, Ward 1  
Councilmember Gary Bussing, Ward 3  
Councilmember Gregory Peppes, Ward 1  
Councilmember James Azeltine, Ward 4

***Sixty Sensational Years!***

*Alice & Mel Hawk, Co-Chairs*

*Renny Arensberg*

*Virginia Blasiar*

*Betty Burton*

*Chloe Deuvall*

*Kevin Jefferies*

*Patricia Hattaway*

*Gary Flick*

*Janet O'Neal*

Source: 60<sup>th</sup> Anniversary  
Committee

# **CITY OF LEAWOOD, KANSAS**

---

## **PRINCIPAL OFFICIALS**

### **Mayor**

Peggy J. Dunn

### **City Council**

Debra Filla  
Greg Peppes  
Louis Rasmussen  
Jim Rawlings  
Gary Bussing  
Mike Gill  
Julie Cain  
James Azeltine

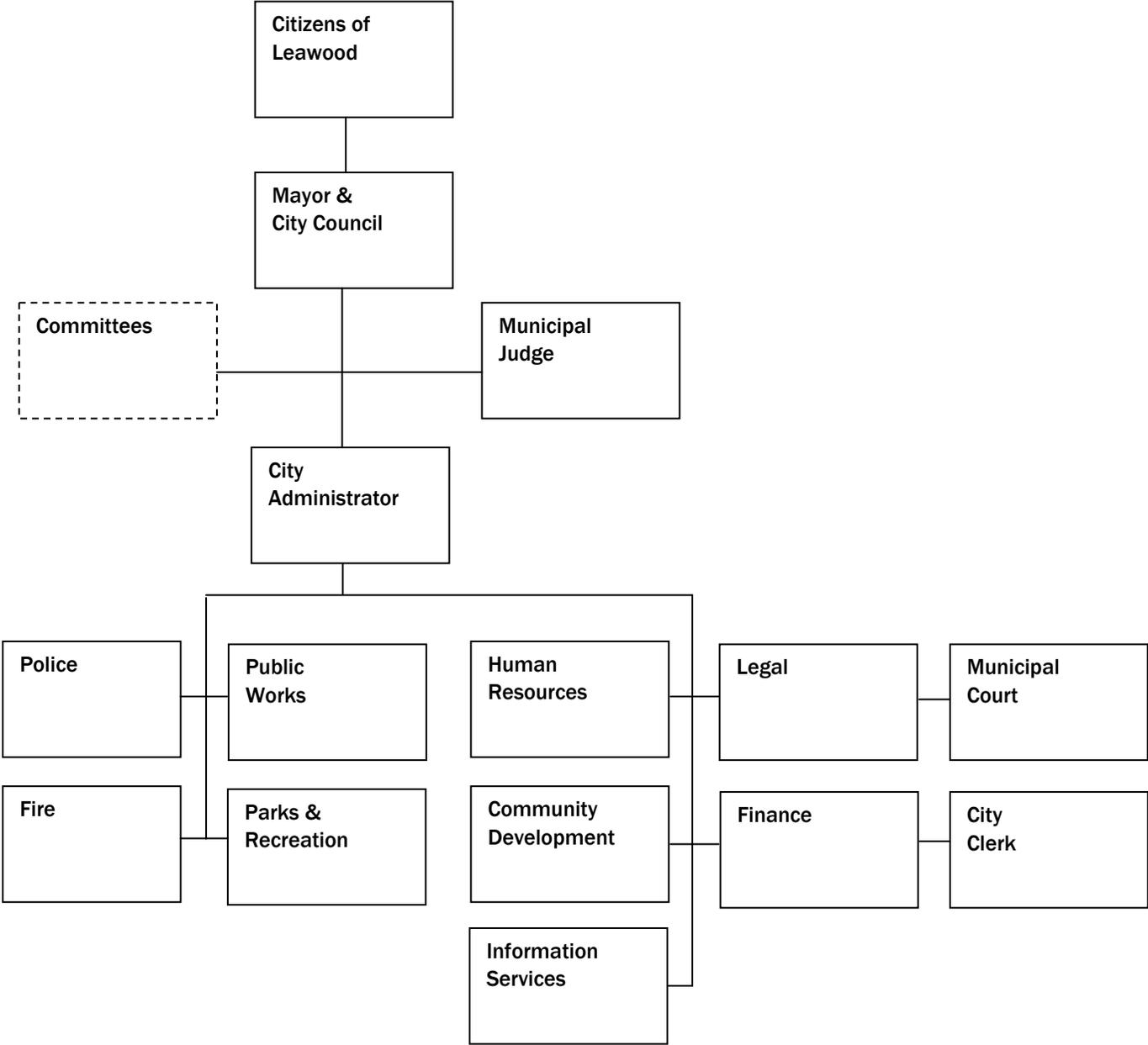
### **City Administrator**

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



# 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, 2007

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.



President

Executive Director

---

## **Financial Section**

---



RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

10975 Grandview Drive  
Suite 600  
Overland Park, KS 66210

T 913.491.4144  
F 913.491.6821

W [rubinbrown.com](http://rubinbrown.com)  
E [info@rubinbrown.com](mailto:info@rubinbrown.com)

## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Leawood, Kansas, as of and for the year ended December 31, 2008, which collectively comprise the City of Leawood, Kansas' basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Leawood, Kansas' 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. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Leawood, Kansas' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of City of Leawood, Kansas, as of December 31, 2008, 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.

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

---

The Management's Discussion and Analysis on pages 3 through 14, the Budgetary Comparison Information on page 49, the Schedule of Funding Progress on page 50, and the Comparison of Needed-to-Actual Maintenance/Preservation for Streetlights and Traffic Signals on page 51 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 opinions on the financial statements that collectively comprise the City of Leawood, Kansas' basic financial statements. The introductory section, the combining and individual fund financial statements and schedules - supplementary information and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules - supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*RubinBrown LLP*

April 14, 2009

---

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

---

# CITY OF LEAWOOD, KANSAS

---

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2008. 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 \$331,720,943.
- The City's total net assets increased by \$18,668,122, 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 \$34,257,313, an increase of \$9,488,499 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$14,399,679 or 51.2% of total general fund expenditures.
- Approximately 75% of the combined governmental fund balances, \$21,095,570, is considered unreserved and is available for spending at the City's discretion.
- The City of Leawood received its first AAA bond rating in 2008 from Moody's Investor Services.

### 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

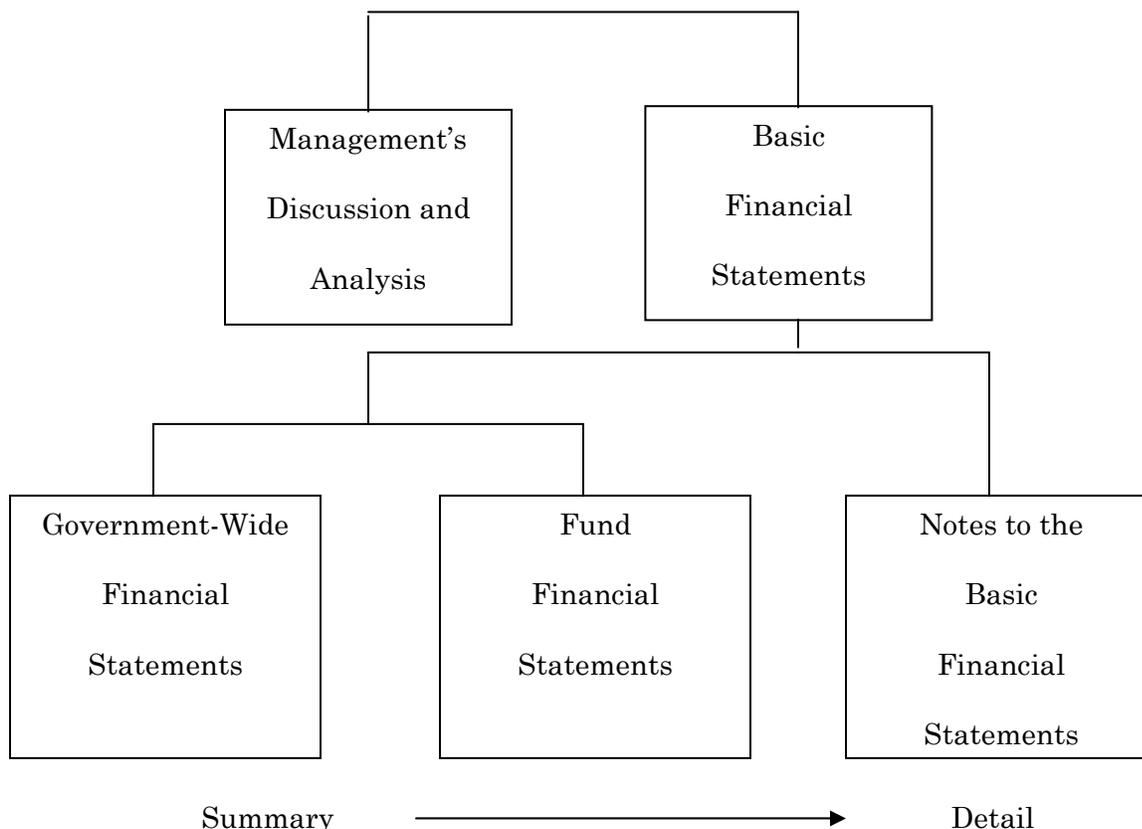
The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. The statements present governmental activities and business-type activities separately. These statements include assets of the City (including 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 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 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 22-48 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 the 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 49-52 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 two types of funds to manage its resources: governmental 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 Fund, the Villiaggio Transportation Development Fund, the 119 Transportation 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 captures such monies and a special committee of employees provides for the expenditure of monies when needed.

## CITY OF LEAWOOD, KANSAS

---

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

#### Government-Wide Financial Statements Net Assets- Figure 2

	Governmental Activities		
	2008	2007	Change
Current and other assets	\$ 70,913,110	\$ 70,305,970	\$ 607,140
Long-term receivables	14,359,473	6,859,562	7,499,911
Capital assets, net	343,912,524	334,770,876	9,141,648
<b>Total assets</b>	<b>429,185,107</b>	<b>411,936,408</b>	<b>17,248,699</b>
Other liabilities	35,473,650	44,349,455	(8,875,805)
Long-term debt	61,990,514	54,534,132	7,456,382
<b>Total liabilities</b>	<b>97,464,164</b>	<b>98,883,587</b>	<b>(1,419,423)</b>
Net assets:			
Investment in capital assets, net of related debt	284,021,389	282,198,655	1,822,734
Restricted	14,395,675	9,360,053	5,035,622
Unrestricted	33,303,879	21,494,113	11,809,766
<b>Total net assets</b>	<b>\$ 331,720,943</b>	<b>\$ 313,052,821</b>	<b>\$ 18,668,122</b>

Net assets may serve over time as one useful indicator of a government's financial condition. The City's net assets increased by \$18,668,122, or 6%, for the fiscal year ended December 31, 2008.

Current and other assets - Cash increased due to sales tax collections for the future Justice Center. The City is accumulating cash so the project does not create long-term debt for this building, but that it is cash financed from these funds. The voters approved a .4 cent sales tax in April 2007 that is restricted for this purpose. At year end \$4,899,650 is restricted for this use. Additionally, \$5,393,663 of the unrestricted balance has been informally earmarked by the Governing Body from the .25% County public safety sales tax collection to add to the project. Total collections, from both sources, of \$10,293,313 have been set aside for this project.

Long-term receivables in 2008 increased because of two large special benefit district projects that were completed and long term financed. The two projects are Parkway Plaza for \$6,098,607 and Villiaggio Stormwater for \$2,700,000. There were less receivables retired during the year than were added.

Capital asset increases 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 2008 as capital improvement projects were completed and bonded. More information on this can be found beginning on page 39 of this document.

## CITY OF LEAWOOD, KANSAS

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

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, 2008.

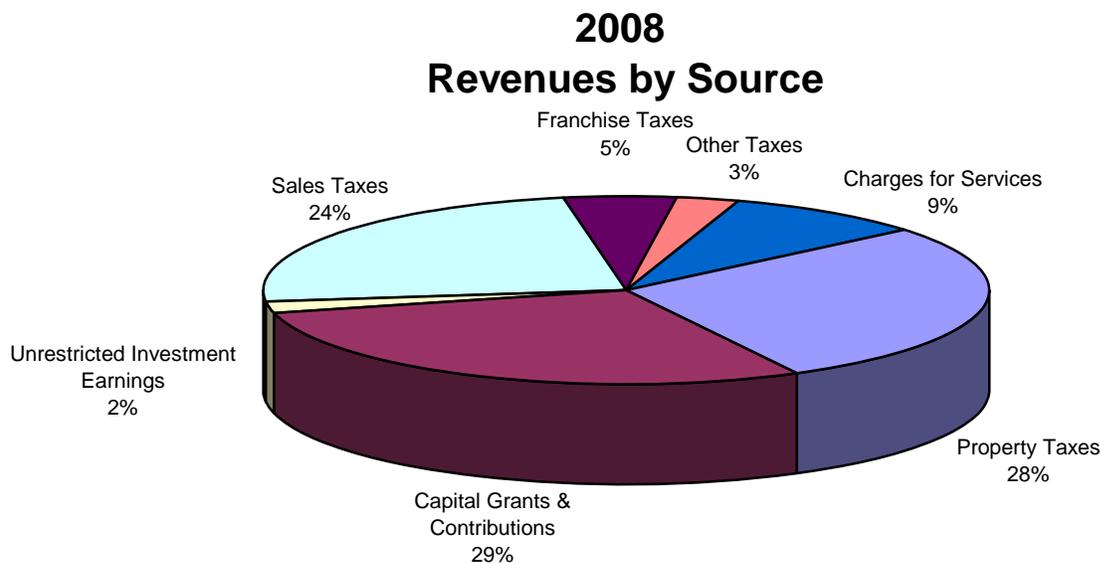
Restricted net assets total \$14,395,675 and represent assets with constraints placed on their use by either external groups such as creditors, grantors, contributors, laws or regulations of other governments, or law through constitutional provisions or enabling legislation. Unrestricted net assets, of \$33,303,879, 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>Change</u>
	<u>2008</u>	<u>2007</u>	
Revenues:			
Program revenues:			
Charges for services	\$ 5,790,561	\$ 6,460,911	\$ (670,350)
Operating grants and contributions	165,828	2,007,683	(1,841,855)
Capital grants and contributions	16,109,458	4,793,850	11,315,608
General revenues:			
Property taxes	18,212,359	16,843,262	1,369,097
Sales tax	15,592,847	14,819,839	773,008
Franchise tax	3,153,438	2,930,764	222,674
Other taxes	1,039,920	840,948	198,972
Grants and contributions not restricted to specific programs	2,468,242	2,498,880	(30,638)
Unrestricted investment earnings	1,200,836	2,947,277	(1,746,441)
Other	516,403	430,692	85,711
Total revenues	<u>64,249,892</u>	<u>54,574,106</u>	<u>9,675,786</u>
Expenses:			
General government	6,263,238	5,348,073	915,165
Public safety	14,073,114	12,478,924	1,594,190
Public works	16,772,929	21,700,170	(4,927,241)
Parks and recreation	5,432,457	5,123,793	308,664
Interest on long-term debt	3,040,032	3,484,390	(444,358)
Total expenses	<u>45,581,770</u>	<u>48,135,350</u>	<u>(2,553,580)</u>
Increase (decrease) in net assets.			
before transfers	18,668,122	6,438,756	12,229,366
Transfers	—	—	—
Change in net assets	<u>18,668,122</u>	<u>6,438,756</u>	<u>12,229,366</u>
Net assets, as of January 1	<u>313,052,821</u>	<u>306,614,065</u>	<u>6,438,756</u>
Net assets, December 31	<u>\$ 331,720,943</u>	<u>\$ 313,052,821</u>	<u>\$ 18,668,122</u>

The City's total revenues in 2008 were \$64,249,892 and expenses were \$45,581,770.

The following graph shows the composition of 2008 governmental activities.



Governmental revenues totaled \$64,249,892 for charges for services, operating and capital grants, general revenues, investments and others.

Several of the revenue and expense categories fluctuated between 2008 and 2007. Highlights include the following:

**Revenues**

- Charges for services in total in 2008 were \$5,790,561 compared to \$6,460,911 in 2007. In 2008, \$134,630 in impact fees from developers was collected compared to \$1,050,283 in 2007. Ironhorse Golf Course re-opened in July 2008, and generated \$505,038. This negated the significance of the reduction from impact fee collections.
- Capital grants and contributions totaled \$16,109,458. \$8,798,607 came from improvements to be paid by developers in the form of special assessments. \$320,053 in direct grants and \$414,601 in indirect grants from other governments. Additionally community developers donated \$6,568,196 in infrastructure and right of way during 2008. "My Mind", crafted by local artist, Michael MacLanahan, was donated to the City by Todd and Carl Haenisch.
- Property taxes increased due to an increase in assessed valuation from 2007.
- Sales and use tax revenue increased from \$14.8 million in 2007 to nearly \$15.6 million in 2008 an increase of 5% over 2007. The reason for this increase was that in 2008 the City saw a full year of collections from a .4-cent retailers' sales tax that became effective in April of 2007. This tax is restricted for the building of a new Justice Center in Leawood. The tax will expire when \$10,000,000 is collected or March 31, 2012, whichever comes first. Excluding the new tax this revenue increased approximately by .3%. This figure is skewed because of a large refund of use tax to a local telecommunications provider. Otherwise at the end of 2008, Leawood is still in a positive, but slight growth position, slightly under 3%.

## CITY OF LEAWOOD, KANSAS

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

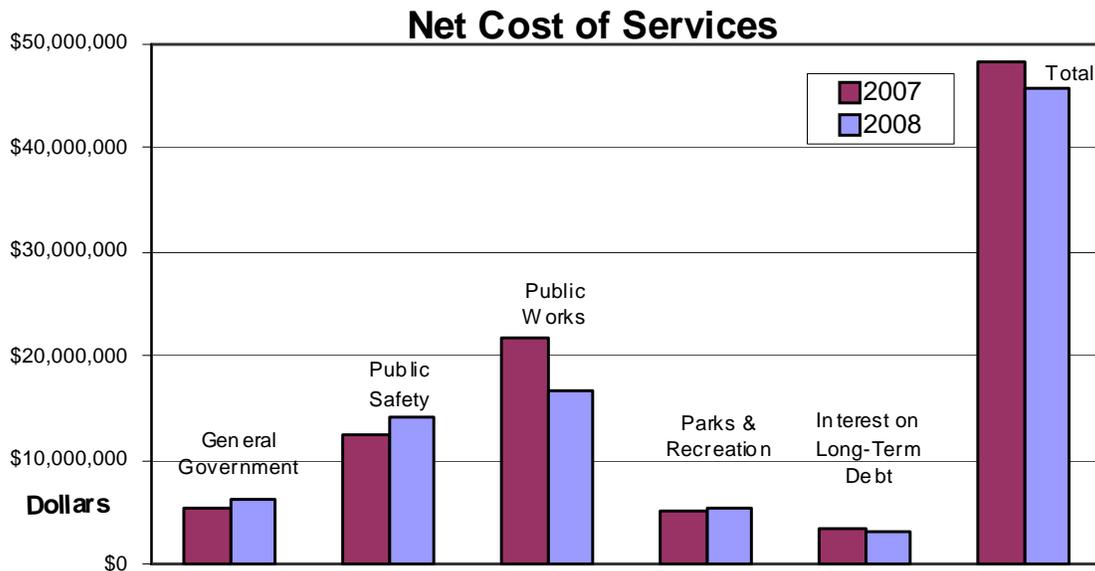
- Franchise Taxes increased approximately \$222,674. While traditional telephone franchise revenue decreased by 2.8%, natural gas saw a 7.8% or \$75,688 increase over the previous year due to the cost of gas. KCP& L also increased by 10.5% or \$134,112 due to the rising cost of energy. With the continuation of expanded services in the communications area and the bundling of services, the City's cable franchise saw a 1.8% increase of \$8,654.
- Investment earnings for 2008 decreased by 59%, despite the wide fluctuation of rates throughout the year.

### Expenses

Government activities expenses totaled \$45,581,770 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 \$8,189,158, an increase of \$338,722 over 2007.
- Wages, benefits, worker's compensation and energy costs increased in all operating divisions.
- The Public Works division capitalized \$12,843,743 in depreciable capital infrastructure during 2008 up from \$9,604,536 in 2007, resulting in a lower net cost of service in 2008.
- Interest on long-term debt, decreased due to refinancing existing debt at lower rates.

The following chart compares the governmental net cost of services for 2007 and 2008.



The total cost of services for 2008 was \$45,581,770; however the portion of these services covered by the City's taxpayers was \$23,515,923. The City funded the majority of this cost with property taxes and sales taxes. The remaining \$22,065,847 was funded by users directly benefiting from the services or by other organizations through grants and contributions.

## CITY OF LEAWOOD, KANSAS

---

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

#### **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.

At the close of the current fiscal year, the City of Leawood's governmental funds reported combined ending fund balances of \$34,257,313, an increase of \$9,488,499 in comparison with the prior year. The increase was primarily due to the increase in the Public Safety Fund resulting from the accumulation of funds, as well as the reduced borrowings against the Capital Projects Fund.

**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 \$14,683,698 a decrease of \$471,005 over the beginning balance of \$15,154,703. Interest revenues decreased by \$525,321 primarily due to the significant drop in interest rates for high quality instruments used to invest idle funds. The weighted average yield on our investment portfolio was 1.88% this year compared to 3.46% in 2007. Licenses and Permits decreased by \$298,000 due to a reduction in building permits and the associated inspection permits. Intergovernmental revenue also decreased as a result of the county use tax collections of around \$400,000. This decrease was due to a one time refund to a local communications company. Lastly, charges for services increased by \$814,566 due to the reopening of the golf course in July 2008. Expenditures increased overall by \$2,697,642, or 10.6%, with the largest increase primarily in the area of Parks & Recreation at \$1,270,460. Full year operations of the golf maintenance staff, as well as the mid-year opening of the course attributed to this change. General Government increased by \$695,137; Public Safety - Police and Fire increased by \$747,516; and Public Works decreased by \$15,471. Increases in wages and benefits, energy, oil and other upward fluctuations in other commodities and services accounted for much of the change.

**Debt Service Fund.** The ending fund balance of \$7,977,756 was up \$154,893 from last year. The mill levy was shifted to create this increase, to build a resilient base during economic uncertainty. This balance represents 107.7% of the 2008 annual debt service payments.

**Capital Projects Fund.** The fund balance in the City's Major Capital Project Fund resulted in a deficit of (\$9,226,177). 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. Leawood has been in a high growth mode for a number of years. Consequently multiple capital projects have been in progress as we have provided buildings, streets and parks to accommodate this growth. In 2008 several projects were transitioned to long-term debt, reducing this deficit recorded in recent years.

## CITY OF LEAWOOD, KANSAS

---

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

**Capital Improvements Fund.** The ending fund balance of \$2,610,594 decreased \$1,078,517 from last year as capital outlay expenditures exceeded revenues and other financing sources. Stormwater work to Dykes Branch concluded and renovations to the greens and the club house at Ironhorse Golf Course were completed in 2008.

**Public Safety Improvements Fund.** The ending fund balance of \$10,293,313 increased by \$6,445,948. A .4 cent Public Safety Sales tax, which began in April 2007, was in place for the entire 2008 year.

### General Fund Budgetary Highlights

The legally adopted budget for the General Fund was not amended by the Governing Body during 2008. On a budgetary basis, which can be found in the ***Required Supplementary Information*** on Schedule 1 page 50, the revenues and other sources, over expenditures, and transfers resulted in a decrease in fund balance of \$471,005. Actual revenues were \$463,364 greater than budgeted revenues. The General Fund experienced an increase in property tax revenue due to a 7.3% increase in the City's 2007 assessed valuation. City sales tax revenue increased by 2.8% , partially due to new retail development within the City.

General Fund expenditures were lower than the final budget by \$3.1 million. Over \$2.3 million of the savings, were in personnel costs from position vacancies, intentional delays in hiring, as well as reductions in overtime and lower workers' compensation costs. While commodities and professional and contractual support was higher, a careful and conservative approach was used throughout the year on spending decisions in the General Fund.

### Capital Asset and Debt Administration

**Capital Assets.** The amount invested in capital assets for the City at December 31, 2008, is \$343,912,524, net of accumulated depreciation. This amount includes all infrastructure assets acquired during 2008, 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		
	2008	2007	% change
Land/Right of Way	\$ 111,275,468	\$ 108,640,241	2%
Buildings and Improvements	29,338,518	27,453,462	7%
Machinery and equipment	6,699,837	5,982,211	12%
Infrastructure	190,848,299	182,813,960	4%
Construction in progress	5,750,402	9,881,002	-42%
<b>Total</b>	<b>\$ 343,912,524</b>	<b>\$ 334,770,876</b>	<b>3%</b>

## CITY OF LEAWOOD, KANSAS

---

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

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) performing condition assessments and summarizing the results using a measurement scale; and (3) estimating 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 2008, 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 2008 was 98.5%. For 2008 the city incurred expenditures of \$168,093 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 \$6,990,798 in donated infrastructure assets from developers and capital grants.
- Construction in progress consists of \$5,750,404 for street renovations primarily composed of Nall Avenue street reconstruction (from 135<sup>th</sup> to 143<sup>rd</sup>). The Gezer Park project had begun but was not completed and design work for 143<sup>rd</sup> Nall to Mission was also in progress.

Additional information on the City's capital assets can be found in Note 1 and Note 6 in the Basic Financial Statements.

**Long-Term Debt.** As of December 31, 2008, the City of Leawood had total bonded debt outstanding of \$60,080,000. Of this, \$58,735,000 in debt is backed by the full faith and credit of the City. The remainder of \$1,345,000 represents revenue bonds secured solely by a lease agreement from the City of Leawood to the Public Building Commission.

## CITY OF LEAWOOD, KANSAS

---

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

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

Figure 5

	Governmental Activities		
	2008	2007	Change
General obligation bonds	\$ 58,735,000	\$ 51,665,000	\$ 7,070,000
Revenue bonds	1,345,000	1,710,000	(365,000)
<b>Total</b>	<b>\$ 60,080,000</b>	<b>\$ 53,375,000</b>	<b>\$ 6,705,000</b>

The City of Leawood achieved its first AAA bond rating from Moody's Investor Service in April 2008 and it was re-affirmed again in September 2008. 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 \$193,374,509.

Additional information regarding the City of Leawood's long-term debt can be found in Note 9 beginning on page 39 of this report.

#### Economic Factors And Next Year's Budgets And Rates

The City of Leawood continues to assess and prepare to address recent economic changes. Commercial construction was still strong in Leawood; the 2008 budget reflects an increase in assessed valuation of 7.8% and 4.1% for 2009. For the 2009 budget year the mill levy is budgeted to stay the same. Sales and use taxes, excluding the .25 cent public safety tax, are projected at 28% of total approved revenue for 2009, unchanged from 2008. Our observations indicate that spending levels are still robust. However, retailers have slashed prices and added a variety of discounts and incentives. Early indications for 2009 results show decreases in total sales and use tax revenues of around 1.5% to 2% less in 2009 as compared to 2008. We expect this trend to continue for the rest of the year, but do not expect it to worsen. The .25 cent public safety tax, reference above has been allocated to the construction of a new Justice Center. Additionally, the citizens approved a .4 cent sales tax for construction of a Justice Center in 2007. The tax became effective in April of 2007. Funds are continuing to be set aside for this initiative. Budget costs for healthcare, workers' compensation, and retirement benefits continue to increase. However, no layoffs, wage freezes or reduction in working hours are planned for 2009. New hires are being delayed and critically re-evaluated. Some adjustments in capital projects and equipment have been temporarily delayed until the economic environment stabilizes. As we complete the first quarter of 2009, Leawood staff continues to deliver the high level of services our citizens expect. Increases in other necessary expenses, especially in the area of fuel and utilities, are expected to rise. Careful review and coordination in this area are currently under way. The City will continue to evaluate avenues to reduce costs while continuing a high level of service. Leawood is still fortunate to be in a stable financial position and maintain adequate reserves. The 2009 budget represents an ongoing commitment to cost containment and concern for maintaining excellent 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.

## **CITY OF LEAWOOD, KANSAS**

---

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

**Public Safety.** In 2008, Leawood police officers were involved with 34,510 calls for service, initiated 1,310 arrests and had 18,912 traffic stops. The Fire Department received the 2007 "Life Safety Achievement Award" in 2008 by the Kansas State Fire Marshall for having recorded zero fire-related fatalities. In addition, over 4,000 Leawood school children from Kindergarten to 5<sup>th</sup> grade were instructed in fire safety during the year.

**Recreation And Cultural.** Leawood celebrated its 60<sup>th</sup> anniversary year with a variety of activities, events and even a parade that were spearheaded by Co-Chairmen Alice and Mel Hawk. Leawood Welcomer's sponsored a 60<sup>th</sup> anniversary poster contest. The entry by Beth Ekis, a student at St. Michael the Archangel, was selected as the winner. Songwriter and musician David Basse, presented his musical creation, "Leawood, Long and Green." The 2008 Art on Loan piece, "X," by John Northington, is on display at City Hall until February 2009. The Leawood Arts Council opened their doors for several studio art shows with over 800 persons attending. Ironhorse Park was the site of the annual summer jazz concert series. 2008 was also an active year for the City's performing arts. The Leawood Stage Company presented a number of high-quality performances, including seven productions of "Annie Get Your Gun" to audiences in excess of 8,000 people. Leawood Arts Council hosted the Kansas City Symphony at Johnson County Community College Yardley Hall.

**Economic Development.** During 2008, the City's Building Department issued 264 residential permits for new construction and remodels valued in excess of \$30 million. With regard to commercial and retail development activity, over 100 permits were issued for new commercial buildings and tenant finishes with a construction value of almost \$93 million.

**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. In the year 2008, the continuation of the widening project on Nall Avenue with the segment from 135<sup>th</sup> Street south to 159<sup>th</sup> was essentially completed. 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 Executive 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, 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**

---

# CITY OF LEAWOOD, KANSAS

## STATEMENT OF NET ASSETS

December 31, 2008

	<b>Governmental Activities</b>
<b>Assets</b>	
Pooled cash and investments	\$ 53,753,410
Restricted assets	130,567
Receivables (net of allowance for uncollectibles):	
Property tax	10,418,149
Sales tax	2,888,430
Franchise tax	751,410
Special assessments - current	1,298,696
Intergovernmental	564,281
Interest	167,096
Accounts	9,740
Inventory and prepaid expenses	284,019
Bond issuance costs, net	647,312
Special assessments receivable - noncurrent	14,359,473
Capital assets:	
Land and other capital assets, nondepreciable	131,657,748
Other capital assets, net of depreciation	212,254,776
<b>Total Assets</b>	<u>429,185,107</u>
<b>Liabilities</b>	
Accounts payable	2,343,237
Due to employees and others	564,523
Unearned revenue	10,724,389
Temporary notes payable	20,760,000
Accrued interest payable	950,934
Municipal court deposits	130,567
Long-term liabilities:	
Due within one year	7,450,915
Due in more than one year	54,539,599
<b>Total Liabilities</b>	<u>97,464,164</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	284,021,389
Restricted for:	
Capital projects	5,941,069
Debt service	7,978,074
Other purposes	476,532
Unrestricted	33,303,879
<b>Total Net Assets</b>	<u>\$ 331,720,943</u>

# CITY OF LEAWOOD, KANSAS

## STATEMENT OF ACTIVITIES For The Year Ended December 31, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) And Changes In Net Assets
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
<b>Governmental Activities</b>					
General government	\$ 6,263,238	\$ 3,459,182	\$ —	\$ —	\$ (2,804,056)
Public safety	14,073,114	117,901	115,047	—	(13,840,166)
Public works	16,772,929	159,082	50,781	16,101,458	(461,608)
Parks and recreation	5,432,457	2,054,396	—	8,000	(3,370,061)
Interest on long-term debt	3,040,032	—	—	—	(3,040,032)
<b>Total Governmental Activities</b>	<b>\$ 45,581,770</b>	<b>\$ 5,790,561</b>	<b>\$ 165,828</b>	<b>\$ 16,109,458</b>	<b>(23,515,923)</b>

### General Revenues

Property taxes levied for:	
Property taxes for general purposes	12,887,965
Property taxes for debt service	5,324,394
Sales taxes	15,592,847
Franchise taxes	3,153,438
Other taxes	1,039,920
Grants and contributions not restricted to specific programs	2,468,242
Unrestricted investment earnings	1,200,836
Miscellaneous	516,403

<b>Total General Revenues</b>	<b>42,184,045</b>
-------------------------------	-------------------

Change in net assets	18,668,122
----------------------	------------

<b>Net Assets - Beginning Of Year</b>	<b>313,052,821</b>
---------------------------------------	--------------------

<b>Net Assets - End Of Year</b>	<b>\$ 331,720,943</b>
---------------------------------	-----------------------

# CITY OF LEAWOOD, KANSAS

## BALANCE SHEET - GOVERNMENTAL FUNDS December 31, 2008

	General	Debt	Capital	Capital	Major Funds	Nonmajor	Funds	Total
	Fund	Service	Projects	Improvements	Public Safety Improvement	Governmental	Other Funds	Governmental Funds
<b>Assets</b>								
Pooled cash and investments	\$ 12,525,331	\$ 7,913,449	\$ 13,127,258	\$ 2,705,348	\$ 9,568,681	\$ 7,913,343		\$ 53,753,410
Restricted assets	130,567	—	—	—	—	—		130,567
Receivables:								
Property tax	7,680,500	2,737,649	—	—	—	—	—	10,418,149
Sales tax	2,201,126	—	—	—	530,414	156,890		2,888,430
Accounts	9,740	—	—	—	—	—		9,740
Franchise tax	751,410	—	—	—	—	—		751,410
Interest	25,604	64,907	5,680	3,945	52,945	14,015		167,096
Intergovernmental	267,243	118,683	—	18,355	—	160,000		564,281
Special assessments	—	15,658,169	—	—	—	—		15,658,169
Inventories and prepaids	284,019	—	—	—	—	—		284,019
Due from other funds	—	—	—	—	141,273	—		141,273
<b>Total Assets</b>	<b>\$ 23,875,540</b>	<b>\$ 26,492,857</b>	<b>\$ 13,132,938</b>	<b>\$ 2,727,648</b>	<b>\$ 10,293,313</b>	<b>\$ 8,244,248</b>		<b>\$ 84,766,544</b>
<b>Liabilities And Fund Balances (Deficit)</b>								
<b>Liabilities</b>								
Accounts payable and accrued liabilities	\$ 487,422	\$ 600	\$ 1,412,042	\$ 117,054	\$ —	\$ 326,119		\$ 2,343,237
Due to employees and others	564,523	—	—	—	—	—		564,523
Due to other funds	141,273	—	—	—	—	—		141,273
Deferred revenue	7,868,057	18,514,501	—	—	—	—		26,382,558
Temporary notes payable	—	—	20,760,000	—	—	—		20,760,000
Accrued interest payable	—	—	187,073	—	—	—		187,073
Municipal court deposits	130,567	—	—	—	—	—		130,567
<b>Total Liabilities</b>	<b>9,191,842</b>	<b>18,515,101</b>	<b>22,359,115</b>	<b>117,054</b>	<b>—</b>	<b>326,119</b>		<b>50,509,231</b>
<b>Fund Balances (Deficit)</b>								
Reserved:								
Inventory and prepaids	284,019	—	—	—	—	—		284,019
Debt service	—	7,977,756	—	—	—	318		7,978,074
Capital projects	—	—	—	—	4,899,650	—		4,899,650
Unreserved (deficit)	14,399,679	—	(9,226,177)	2,610,594	5,393,663	—		13,177,759
Unreserved, reported in nonmajor funds:								
Capital projects	—	—	—	—	—	6,929,834		6,929,834
Special revenue	—	—	—	—	—	987,977		987,977
<b>Total Fund Balances (Deficit)</b>	<b>14,683,698</b>	<b>7,977,756</b>	<b>(9,226,177)</b>	<b>2,610,594</b>	<b>10,293,313</b>	<b>7,918,129</b>		<b>34,257,313</b>
<b>Total Liabilities And Fund Balances (Deficit)</b>	<b>\$ 23,875,540</b>	<b>\$ 26,492,857</b>	<b>\$ 13,132,938</b>	<b>\$ 2,727,648</b>	<b>\$ 10,293,313</b>	<b>\$ 8,244,248</b>		<b>\$ 84,766,544</b>

# CITY OF LEAWOOD, KANSAS

---

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS December 31, 2008

**Total Fund Balance - Governmental Funds** \$ 34,257,313

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

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

343,912,524

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

15,658,169

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	647,312
Accrued interest payable	(763,861)
Long-term debt	<u>(61,990,514)</u>

**Total Net Assets Of Governmental Activities** \$ 331,720,943

# CITY OF LEAWOOD, KANSAS

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For The Year Ended December 31, 2008

	General Fund	Debt Service	Capital Projects	Capital Improve- ments	Public Safety Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$23,182,315	\$ 5,029,918	\$ —	\$ —	\$ 2,834,179	\$ 705,899	\$ 31,752,311
Licenses and permits	1,821,978	—	—	—	—	134,646	1,956,624
Intergovernmental	6,379,353	574,855	—	102,834	—	1,848,858	8,905,900
Charges for services	2,035,411	—	—	—	—	—	2,035,411
Fines and forfeitures	1,798,526	—	—	—	—	—	1,798,526
Special assessments	—	1,524,043	—	—	—	—	1,524,043
Interest	309,921	220,088	235,578	94,650	194,542	146,057	1,200,836
Contributions and others	474,460	10	61,393	18,355	—	25,699	579,917
<b>Total Revenues</b>	<b>36,001,964</b>	<b>7,348,914</b>	<b>296,971</b>	<b>215,839</b>	<b>3,028,721</b>	<b>2,861,159</b>	<b>49,753,568</b>
<b>Expenditures</b>							
General government	5,591,701	—	—	—	—	101,349	5,693,050
Public safety	12,238,900	—	—	—	—	6,102	12,245,002
Public works	5,066,565	—	—	—	—	—	5,066,565
Parks and recreation	5,069,612	—	—	—	—	15,578	5,085,190
Capital outlay							
General government	—	—	—	—	—	184,941	184,941
Public safety	—	—	—	82,550	—	237,033	319,583
Public works	—	—	7,326,982	1,452,151	—	3,285,789	12,064,922
Parks and recreation	—	—	—	2,079,556	—	985,333	3,064,889
Debt service:							
Principal retirement	145,959	5,415,000	—	—	—	395,000	5,955,959
Interest and fiscal charges	9,335	1,986,461	1,196,948	—	—	76,300	3,269,044
<b>Total Expenditures</b>	<b>28,122,072</b>	<b>7,401,461</b>	<b>8,523,930</b>	<b>3,614,257</b>	<b>—</b>	<b>5,287,425</b>	<b>52,949,145</b>
<b>Revenues Over (Under) Expenditures</b>	<b>7,879,892</b>	<b>(52,547)</b>	<b>(8,226,959)</b>	<b>(3,398,418)</b>	<b>3,028,721</b>	<b>(2,426,266)</b>	<b>(3,195,577)</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	195,000	122,792	—	2,319,901	818,644	5,732,352	9,188,689
Transfers out	(8,545,897)	—	(122,792)	—	—	(520,000)	(9,188,689)
Payments to refunding escrow agent	—	(6,455,728)	—	—	—	—	(6,455,728)
Premiums	—	40,376	224,428	—	—	—	264,804
Bonds issued	—	6,500,000	12,375,000	—	—	—	18,875,000
<b>Total Other Financing Sources (Uses)</b>	<b>(8,350,897)</b>	<b>207,440</b>	<b>12,476,636</b>	<b>2,319,901</b>	<b>818,644</b>	<b>5,212,352</b>	<b>12,684,076</b>
<b>Net Changes In Fund Balances</b>	<b>(471,005)</b>	<b>154,893</b>	<b>4,249,677</b>	<b>(1,078,517)</b>	<b>3,847,365</b>	<b>2,786,086</b>	<b>9,488,499</b>
<b>Fund Balances - Beginning Of Year</b>	<b>15,154,703</b>	<b>7,822,863</b>	<b>(13,475,854)</b>	<b>3,689,111</b>	<b>6,445,948</b>	<b>5,132,043</b>	<b>24,768,814</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 14,683,698</b>	<b>\$ 7,977,756</b>	<b>\$ (9,226,177)</b>	<b>\$ 2,610,594</b>	<b>\$ 10,293,313</b>	<b>\$ 7,918,129</b>	<b>\$ 34,257,313</b>

# 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, 2008

**Net Change In Fund Balances - Total Governmental Funds** \$ 9,488,499

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	11,291,435
Depreciation expense	(8,189,158)
Loss on disposal of capital assets	(1,844,723)

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

Amount of donated assets	6,990,798
Change in deferred revenue for tax revenues	7,569,039

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.

Amortization of issuance costs and deferred amounts on refunding	37,698
Interest expense	(73,490)
Issuance of long-term debt	(18,875,000)
Payment of long-term debt	5,955,959
Payments to refunded bond escrow agent	6,455,728
Net post-retirement benefits obligation	(224,938)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	86,275
----------------------	--------

**Total Changes In Net Assets Of Governmental Activities** \$ 18,668,122

# CITY OF LEAWOOD, KANSAS

---

## STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES AGENCY FUNDS December 31, 2008

	<u>Agency Funds</u>
<b>Assets</b>	
Pooled cash and investments	\$ 1,006
Special assessments	<u>1,365,000</u>
<b>Total Assets</b>	<u>\$ 1,366,006</u>
<b>Liabilities</b>	
Due to employees	\$ 654
Due to bondholders	<u>1,365,352</u>
<b>Total Liabilities</b>	<u>\$ 1,366,006</u>

---

**Notes To Basic Financial Statements**

---

# CITY OF LEAWOOD, KANSAS

---

## NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2008

### 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 31,910 residents, including law enforcement, fire protection, and recreational facilities. Educational services are provided by separate governmental entities.

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

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

#### **Reporting Entity**

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

The PBC is a not-for-profit corporation established to acquire assets and construct facilities and infrastructure for the benefit of the City by issuance of revenue bonds. The Public Building Revenue Bonds are payable from annually appropriated 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.

#### **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 nonexchange transactions.

## CITY OF LEAWOOD, KANSAS

---

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

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

The City's net 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 Basic Financial Statements (*Continued*)

#### *Capital Improvements Fund*

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

#### *Public Safety Improvement Fund*

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

#### *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.

### **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.

## **CITY OF LEAWOOD, KANSAS**

---

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

#### *Revenue Recognition*

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

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

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

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

#### *Expenditure Recognition*

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

#### *Fiduciary Fund Financial Statements*

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net assets. Changes in net assets 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, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

#### *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.

**Financial Statement Accounts**

*Deposits and Investments*

The City temporarily pools available idle funds for the purpose of increasing revenue through investment activities. Each fund's portion of this pool is displayed on the financial statements as "Deposits, including investments". Interest earned on this pool is allocated to various funds on the basis of the fund's month end cash balance.

Investments are reported at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

The City typically invests available cash in demand deposits, time deposits, and U.S. Government securities ranging from 30 to 365 days to maturity. The average yield on investments during the year was 1.88% and the amount of investment revenue received was \$1,200,836.

*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.

## CITY OF LEAWOOD, KANSAS

---

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

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net 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 and 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.

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

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

*Streetlights and Traffic Signals* - City owned streetlights and traffic signals 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.

## CITY OF LEAWOOD, KANSAS

---

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

#### *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 pre-1984 sick leave is recorded as a long-term liability of the City.

#### *Long-Term Liabilities*

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

All long-term debt is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable and accrued compensated absences. Bond premiums and discounts as well as issuance costs are deferred and amortized over the life of the bonds using a method which approximates the effective interest method.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### *Special Assessments*

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

*Interfund Receivables and Payables*

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

*Equity Classifications*

Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. 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.
- *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 and special assessments not considered available until the following year.

## **2. Stewardship, Compliance And Accountability**

### **Budgetary Control**

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

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

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

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

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

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

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

## **CITY OF LEAWOOD, KANSAS**

---

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

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.

#### **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.

### **3. Detailed Notes On All Funds**

#### **Deposits And Investments**

Kansas State Statutes authorize the City, with certain restrictions, to invest in open accounts, time deposits, certificates of deposits, and U.S. Treasury notes. All deposits with banks are collateralized at 100% of market value, as required by the City's Cash and Investment Policy and State Statute, less insured amounts.

The City maintains a cash and investment program to pay for operating and capital requirements. The investment program consists of deposits, repurchase agreements, certificates of deposit, and U.S. Treasury securities. Nearly all maturities of securities were less than one year. At December 31, 2008, the bank balance and certificates of deposits were \$23,915,393, which were covered by federal depository insurance or collateral held in safekeeping in the City's name.

## CITY OF LEAWOOD, KANSAS

---

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

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	\$	4,734
Carrying amount of deposits		8,704,650
Investments		<u>45,175,599</u>
Total cash and investments	\$	<u>53,884,983</u>
Pooled cash and investments	\$	53,753,410
Restricted cash		130,567
Cash and investments - agency funds		<u>1,006</u>
Total pooled cash and investments	\$	<u>53,884,983</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, 2008, 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, 2008.

#### *Interest Rate Risk*

As a means of managing its exposure to fair value losses arising from increasing interest rates, the City's policy is to limit its investments to securities with stated maturities not exceeding two years. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk. The weighted average maturity of the City's investment portfolio is 286 days.

## CITY OF LEAWOOD, KANSAS

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

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

	<b>Maturity</b>			
	<b>Amount</b>	<b>6 Months Or Less</b>	<b>6 -12 Months</b>	<b>12 - 24 Months</b>
U.S. Treasury Bills	\$ 17,915,699	\$ 13,965,448	\$ 3,950,251	\$ —
U.S. Treasury Notes	12,250,214	4,004,038	6,114,157	2,132,019
Certificates Of Deposit	15,008,011	10,008,011	5,000,000	—
KS Municipal Investment Pool	1,675	1,675	—	—
	<b>\$ 45,175,599</b>	<b>\$ 27,979,172</b>	<b>\$ 15,064,408</b>	<b>\$ 2,132,019</b>

#### *Foreign Currency Risk*

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

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

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

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

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

<b>Investment Type</b>	<b>Maximum Percentage</b>
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%

## CITY OF LEAWOOD, KANSAS

---

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

Presented below is the actual rating by Standard and Poor's Investor Service as of year end for each investment type, as well as the issuers of securities, and the respective fair value of those securities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating As Of</u>	
		<u>December 31, 2008</u>	<u>Percentage</u>
Kansas Municipal Investment Pool	\$ 1,675	AAA	—
U.S. Treasury Securities	30,165,913	**	67%
Certificates of deposit	<u>15,008,011</u>	AAA collateral	33%
	<u>\$ 45,175,599</u>		

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

### Property Taxes

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

Assessed values are established by the County Appraiser. The assessed value for property located in the City as of January 1, 2007, on which the 2008 levy was based was \$742,394,866.

The City's property tax levies per \$1,000 assessed valuation for the year ended December 31, 2008 recognized as revenue in 2008 were as follows:

	<u>Levy (Mills)</u>
General fund	17.424
Debt service fund	<u>6.817</u>
	<u>24.241</u>

Taxes receivable represent property taxes levied on November 1, 2008 for 2009 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.

**CITY OF LEAWOOD, KANSAS**

Notes To Basic Financial Statements (*Continued*)

**4. Intergovernmental Revenues**

	General Fund	Debt Service	Capital Projects	Capital Improve- ments	Other Governmental Funds	Total
Federal:						
Department of Transportation	\$ 6,333	\$ —	\$ —	\$ —	\$ —	\$ 6,333
Department of Homeland Security	100,494	—	—	—	—	100,494
State Of Kansas:						
Special Liquor tax	346,640	—	—	—	693,278	1,039,918
Gasoline tax	—	—	—	—	887,580	887,580
Mutual aid	8,220	—	—	—	—	8,220
County and local:						
County sales tax	4,385,020	—	—	—	—	4,385,020
County consumer's use tax	526,837	—	—	—	—	526,837
Motor vehicle tax	1,005,809	574,855	—	—	—	1,580,664
County assisted road system	—	—	—	—	268,000	268,000
Interlocal agreements	—	—	—	102,834	—	102,834
	<u>\$ 6,379,353</u>	<u>\$ 574,855</u>	<u>\$ —</u>	<u>\$ 102,834</u>	<u>\$ 1,848,858</u>	<u>\$ 8,905,900</u>

**5. Interfund Transfers**

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

Transfers To	Transfers From			Total
	General Fund	Capital Projects Fund	Other Governmental Funds	
<b>Governmental Activities</b>				
General fund	\$ —	\$ —	\$ 195,000	\$ 195,000
Debt service fund	—	122,792	—	122,792
Capital improvements fund	2,319,901	—	—	2,319,901
Public safety improvements	818,644	—	—	818,644
Other governmental funds	5,407,352	—	325,000	5,732,352
	<u>\$ 8,545,897</u>	<u>\$ 122,792</u>	<u>\$ 520,000</u>	<u>\$ 9,188,689</u>

## CITY OF LEAWOOD, KANSAS

---

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

Transfers from/to other funds consisted of the following:

**From The General Fund To:**

Municipal Equipment Reserve fund for capital expenditures	\$ 2,682,000
Street Improvements Fund for capital expenditures	1,491,800
Special Highway Fund for capital expenditures	450,000
Public Building Commission for debt service	410,700
Capital Improvements Fund for capital expenditures	2,319,901
City Art Fund for capital expenditures	64,053
Public Safety Improvements Fund for capital expenditures	818,644
Park Impact Fund for capital expenditures	308,799
	<u>8,545,897</u>

**From Other Governmental Funds:**

From the Special Alcohol Fund to:	
General fund for expenditures	195,000
From 1/8-Cent Sales Tax Fund to:	
Street Improvements Fund for capital expenditures	325,000
	<u>520,000</u>

**From Capital Project Fund To:**

Debt Service Fund	122,792
	<u>122,792</u>
	<u>\$ 9,188,689</u>

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

**Governmental Activities**

Due from the General Fund to:

Public Safety Improvements Fund	<u>\$ 141,273</u>
---------------------------------	-------------------

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.

## CITY OF LEAWOOD, KANSAS

### Notes To Basic Financial Statements (Continued)

#### 6. Capital Assets

Governmental capital asset activity for the year ended December 31, 2008 was as follows:

	Balance - December 31, 2007	Increases	Decreases	Balance - December 31, 2008
Governmental activities:				
Capital assets not being depreciated:				
Land and right-of-way	\$ 108,640,241	\$ 2,662,572	\$ 27,345	\$ 111,275,468
Infrastructure	13,708,888	1,088,707	165,717	14,631,878
Construction in progress	9,881,002	3,885,306	8,015,906	5,750,402
Total capital assets not being depreciated	132,230,131	7,636,585	8,208,968	131,657,748
Capital assets being depreciated:				
Buildings and improvements	38,562,813	4,403,979	1,316,973	41,649,819
Machinery and equipment	13,092,766	2,307,127	1,064,482	14,335,411
Infrastructure	239,041,355	12,843,744	806,476	251,078,623
Total capital assets being depreciated	290,696,934	19,554,850	3,187,931	307,063,853
Less accumulated depreciation for:				
Buildings and improvements	11,109,351	1,235,989	34,039	12,311,301
Machinery and equipment	7,110,555	1,422,957	897,938	7,635,574
Infrastructure	69,936,283	5,530,212	604,293	74,862,202
Total accumulated depreciation	88,156,189	8,189,158	1,536,270	94,809,077
Total capital assets being depreciated, net	202,540,745	11,365,692	1,651,661	212,254,776
Governmental activity capital assets, net	\$ 334,770,876	\$ 19,002,277	\$ 9,860,629	\$ 343,912,524

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

General government	\$ 490,328
Public safety	738,093
Public works	5,875,044
Parks and recreation	1,085,693
Total depreciation expense	<u>\$ 8,189,158</u>

## CITY OF LEAWOOD, KANSAS

### Notes To Basic Financial Statements (Continued)

#### 7. Capital Projects Authorized

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

<u>Project Number And Name</u>	<u>Authorized</u>	<u>Project-To-Date At Year End</u>
80143 Nall Ave - 143rd to 139th Street	\$ 6,800,000	\$ 5,013,585
80162 143rd Street - Nall to Mission	13,500,000	598,960
80196 Park Place	5,500,000	5,017,265
80197 Villiaggio	4,400,000	4,432,277
80118 Park Improvements	600,000	5,438
80189 Roe Ave - 140th to 143rd	1,300,000	131,759
80403 Signalization at 135th and Fontana	820,000	715,315
80208 Residential Phase I Year 5	2,500,000	2,126,124
80209 Residential Phase II Year 1	1,500,000	29,380
80400 Signalization at 128th and State Line	340,000	271,410
	<u>\$ 37,260,000</u>	<u>\$ 18,341,513</u>

#### 8. Temporary Notes

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

	<u>Balance January 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2008</u>
Temporary notes	\$ 29,375,000	\$ 20,760,000	\$ 29,375,000	\$ 20,760,000

Temporary notes consisted of the following at December 31, 2008:

Maturing October 1, 2009:	
3% General Obligation Tempory Notes	\$ 15,800,000
3.375% Taxable General Obligation Tempory Notes	<u>4,960,000</u>
	<u>\$ 20,760,000</u>

# CITY OF LEAWOOD, KANSAS

## Notes To Basic Financial Statements (Continued)

### 9. Long-Term Liabilities

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

	Balance			Balance		Amount
	January 1,	Increases	Decreases	December 31,	Due	
	2008			2008	In 2009	
<b>Governmental Activities</b>						
General obligation bonds						
to be paid with:						
Tax levies	\$ 43,069,522	\$ 8,994,193	\$ 9,445,522	\$ 42,618,193	\$ 4,215,193	
Special Benefit District						
Assessments	8,595,478	9,880,807	2,359,478	16,116,807	1,359,807	
Revenue bonds	1,710,000	—	365,000	1,345,000	380,000	
Deferred amounts						
on refunding	(866,410)	(220,050)	(115,432)	(971,028)		
Total bonds payable	52,508,590	18,654,950	12,054,568	59,108,972	5,955,000	
Capital leases	712,135	893,296	175,958	1,429,473	701,246	
Compensated absences*	1,079,612	1,395,812	1,482,088	993,336	794,669	
Net OPEB Obligation	233,795	224,938	—	458,733		
<b>Total Governmental</b>						
<b>  Activity Debt</b>	<b>\$ 54,534,132</b>	<b>\$ 21,168,996</b>	<b>\$ 13,712,614</b>	<b>\$ 61,990,514</b>	<b>\$ 7,450,915</b>	

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

## CITY OF LEAWOOD, KANSAS

---

### Notes To Basic Financial Statements (Continued)

The detail of debt at December 31, 2008 follows:

#### Governmental Activities Debt:

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

\$7,529,862, Series 2000A General Obligation Improvement Bonds due in annual installments through September 1, 2009; interest at 4.625% to 6%	\$ 385,000
\$9,300,000, Series 2001-A General Obligation Improvement Bonds due in annual installments through September 1, 2021; interest at 4% to 6%	820,000
\$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%	4,230,000
\$632,345, Series 2003-A General Obligation Improvement Bonds due in annual installments through September 1, 2018; interest at 3.55% to 6.79%	410,000
\$10,205,000, Series 2004-A General Obligation Refunding Bonds due in annual installments through September 1, 2020; interest at 2% to 4.13%	7,825,000
\$3,140,000, Series 2004-B General Obligation Improvement Bonds due in annual installments through September 1, 2024; interest at 3% to 5%	2,495,000
\$1,032,703, Series 2005-A General Obligation Improvement Bonds due in annual installments through September 1, 2020; interest at 3.05% to 5%	825,000
\$6,050,000, Series 2006-A General Obligation Improvement Bonds due in annual installments through September 1, 2021; interest at 3.75% to 4%	5,240,000
\$6,405,000, Series 2006-B General Obligation Refunding Bonds due in annual installments through September 1, 2020; interest at 3.5% to 4%	6,300,000
\$6,589,322, Series 2007-A General Obligation Improvement Bonds due in annual installments through September 1, 2022; interest at 4% to 4.375%	6,155,000
\$5,417,800 Series 2008-A General Obligation Refunding Bonds due in annual installments through September 1, 2013; interest at 3% to 3.25%	4,356,800
\$3,576,393 Series 2008-B General Obligation Improvement Bonds due in annual installments through September 1, 2023; interest at 3% to 4.2%	3,576,393
	<u>42,618,193</u>

## CITY OF LEAWOOD, KANSAS

---

### Notes To Basic Financial Statements (Continued)

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

\$780,138, Series 2000-A General Obligation Improvement Bonds due in annual installments through September 1, 2009; interest at 4.625% to 6%	\$ 65,000
\$4,427,655, Series 2003-A General Obligation Improvement Bonds due in annual installments through September 1, 2018; interest at 2% to 4.13%	2,950,000
\$155,000, Series 2004-A General Obligation Refunding Bonds due in annual installments through September 1, 2015; interest at 2% to 3.5%	155,000
\$1,140,000, Series 2004-B General Obligation Improvement Bonds due in annual installments through September 1, 2024; interest at 3% to 5%	825,000
\$3,057,297, Series 2005-A General Obligation Improvement Bonds due in annual installments through September 1, 2020; interest at 3.05% to 5%	2,440,000
\$450,678, Series 2007-A General Obligation Improvement Bonds due in annual installments through September 1, 2022; interest at 4% to 4.375%	420,000
\$1,082,200, Series 2008-A General Obligation Refunding Bonds due in annual installments through September 1, 2013; interest at 3%	463,200
\$6,098,607, Series 2008-B General Obligation Improvement Bonds due in annual installments through September 1, 2023; interest at 3% to 4.2%	6,098,607
\$2,700,000, Series 2008-C Taxable General Obligation Improvement Bonds due in annual installments through September 1, 2023; interest at 5% to 5.375%	2,700,000
	<u>16,116,807</u>

#### Revenue Bond

\$2,835,000, 2003 Leawood Public Building Commission Bonds due in annual installments through September 1, 2012; interest at 2% to 3%	1,345,000
	<u>60,080,000</u>
Less: Deferred amounts on refunding	971,028

#### Total Bonds Payable

59,108,972

#### Capital Leases

\$1,240,000, Lease for park land, due in semiannual installments through September 1, 2009; interest at 6%	480,000
\$893,296, Lease for fire vehicles due in annual installments through March 1, 2013; interest at 4.1%	893,296
\$240,000, Lease for golf carts due in semiannual installments through May 1, 2009, interest at 4.5%	56,177
<b>Total Capital Leases</b>	<u>1,429,473</u>

#### Compensated Absences

993,336

#### Net OPEB Obligation (Note 10)

458,733

\$ 61,990,514

## CITY OF LEAWOOD, KANSAS

### Notes To Basic Financial Statements (Continued)

The annual debt service requirements to amortize the City's bonds and capital lease obligations at December 31, 2008 are as follows:

	Governmental Activities					
	General Obligation Bonds					
	Governmental		Benefit Districts		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 4,215,193	\$ 1,587,152	\$ 1,359,807	\$ 599,587	\$ 5,575,000	\$ 2,186,739
2010	4,175,100	1,445,220	1,354,900	565,106	5,530,000	2,010,326
2011	3,661,100	1,309,842	1,308,900	520,254	4,970,000	1,830,096
2012	3,402,900	1,185,557	1,307,100	474,747	4,710,000	1,660,304
2013	3,459,100	1,069,822	1,295,900	428,921	4,755,000	1,498,743
2014-2018	13,910,000	3,634,916	5,960,000	1,461,307	19,870,000	5,096,223
2019-2023	9,174,800	1,072,358	3,530,200	433,737	12,705,000	1,506,095
2024-2028	620,000	70,400	—	—	620,000	70,400
	\$ 42,618,193	\$ 11,375,267	\$ 16,116,807	\$ 4,483,659	\$ 58,735,000	\$ 15,858,926

	Revenue Bonds		Capital Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 380,000	\$ 37,488	\$ 701,246	\$ 67,350	\$ 1,081,246	104,838
2010	385,000	27,988	171,235	29,857	556,235	57,845
2011	395,000	17,400	178,256	22,837	573,256	40,237
2012	185,000	5,550	185,564	15,528	370,564	21,078
2013	—	—	193,172	7,920	193,172	7,920
	\$ 1,345,000	\$ 88,426	\$ 1,429,473	\$ 143,492	\$ 2,774,473	\$ 231,918

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

#### Current Refunding

On April 29, 2008, the City issued \$6,500,000 of Series 2008-A General Obligation Refunding Bonds with interest rates ranging from 3% to 3.25% to refund \$6,390,000 of the outstanding portion of the Series 1996-A & B & 1998 A General Obligation Bonds, with interest rates ranging for 4.1% to 5% . The net proceeds of \$6,455,728 were deposited in trust with an escrow agent to provide for the redemption of the Refunded Bonds on June 1, 2008. On June 1, 2008, the Refunded Bonds were redeemed and the related liability for these bonds has been removed from the long-term debt.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$220,050. This amount is reported as a deduction from general obligation bonds payable and is amortized over the remaining life of the refunded debt using the straight-line method. The City completed this current refunding to reduce its debt service payments by \$233,074 and to obtain an economic gain of \$212,211.

## CITY OF LEAWOOD, KANSAS

---

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

#### 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, 2008, \$10,625,000 of bonds outstanding are considered defeased.

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 \$193,374,509.

#### 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, 2008, the gross amount of capital assets under capital leases was \$1,240,000 in land and \$1,148,562 in equipment, with net accumulated amortization of \$160,789.

#### 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% (Cornerstone Project)	\$ 150,000
\$170,000, Series 2006 Taxable Transportation Development District Special Obligation Bonds due in annual installments through September 1, 2021; interest at 8% (Resurrection Project)	430,000
\$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>785,000</u>
	<u>\$ 1,365,000</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.

## **10. Other Information**

### **Fund Deficit**

The deficit of \$9,226,177 in the Capital Projects Fund will be eliminated by future revenues or transfers.

### **Commitments And Contingencies**

#### 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 2008 was 5.93%. The City employer contributions to KPERS for the years ended December 31, 2008, 2007, and 2006 were \$447,085, \$350,912 and \$296,016, respectively, equal to the required contributions for each year. The KP&F uniform participating employer rate established for calendar year 2008 was 14.6%. 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 ended December 31, 2008, 2007, and 2006 were \$1,037,862, \$899,235, and \$800,754, respectively, equal to the required contributions for each year.

## CITY OF LEAWOOD, KANSAS

---

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

#### *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 2008 were \$105,155 and \$510,710, respectively.

#### Golf Course

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

#### Federal and State Grants

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

#### Postemployment Benefits Other Than Pensions

##### *Plan Description*

The City sponsors a single-employer, defined benefit healthcare plan that provides healthcare benefits to retirees and their dependents, including medical and pharmacy coverage. Retiree health coverage is provided for under Kansas Statute 12-5040. Retirees who retire with at least 10 years of cumulative service with the City and commence retirement or disability benefits under the Kansas Public Employee Retirement System (KPERS) are eligible for benefits.

The City requires retirees to pay the same premiums charged to active participants, with a 2% additional charge for administrative expenses. The rates being paid by retirees for benefits are typically lower than those for individual health insurance policies. The difference between these amounts is the implicit rate subsidy, which is considered other post employment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 45 (GASB Statement 45).

Retirees and spouses have the same benefits as active employees. Retiree coverage terminates either when the retiree becomes covered under another employer health plan, or when the retiree reaches Medicare eligibility age which is currently age 65. Spousal coverage is available until the retiree becomes covered under another employer health plan, attains Medicare eligibility age, or dies.

## CITY OF LEAWOOD, KANSAS

### Notes To Basic Financial Statements (Continued)

#### *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.

#### *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	\$ 127,246
Amortization of unfunded actuarial accrued liability	138,008
Annual required contribution (ARC)	<u>265,254</u>
Interest on net OPEB obligation	14,028
Adjustment to annual required contribution	<u>(16,985)</u>
Annual OPEB cost	<u><u>\$ 262,297</u></u>
Contributions made:	
Claims and fees paid on behalf of retirees	\$ 94,902
Less: Retiree contributions	<u>57,543</u>
Net employer contributions	<u>37,359</u>
<b>Change In Net Pension Obligation</b>	224,938
<b>Net OPEB Obligation, December 31, 2007</b>	<u>233,795</u>
<b>Net OPEB Obligation, December 31, 2008</b>	<u><u>\$ 458,733</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 and 2008 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2007	\$ 262,400	10.90%	\$ 233,795
December 31, 2008	262,297	14.24%	458,733

*Funded Status and Funding Progress*

As of January 1, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$2,108,577, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,108,577. The covered payroll (annual payroll of active employees covered by the plan) was \$15,027,461 and the ratio of the UAAL to the covered payroll was 14.03%.

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

*Actuarial Methods and Assumptions*

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

In the January 1, 2008, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 6% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 6% after nine years. The 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, 2008 was 29 years.

**Risk Management**

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

## CITY OF LEAWOOD, KANSAS

---

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

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.

In addition, the City carries insurance for instances in which the City is held to be legally liable for bodily injury and property damage. Coverage includes general liability, firefighter's liability, automobile liability, physical damage to vehicles, law enforcement liability, employee dishonesty, public official's liability and excess liability coverage. The coverage provides \$500,000 limits per occurrence for all claims capped by the Kansas Tort Claims Act (KTCA). Liabilities that fall outside the KTCA are insured to an additional \$10,000,000 in excess liability limits with exception of Employment Practices Liability and Employee Benefit Plan Administration Liability which is covered up to \$2,000,000. Other miscellaneous coverage purchased 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 2008, 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.

---

**Required Supplementary Information**

---

# CITY OF LEAWOOD, KANSAS

---

## REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2008

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

Such information includes:

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

### **Budgetary Data**

GAAP is the budgetary basis of accounting

# CITY OF LEAWOOD, KANSAS

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL GENERAL FUND

For The Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance With Final Budget- Over (Under)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 22,330,183	\$ 22,330,183	\$ 23,182,315	\$ 852,132
Licenses and permits	1,739,600	1,739,600	1,821,978	82,378
Intergovernmental	6,556,657	6,556,657	6,379,353	(177,304)
Charges for services	2,318,100	2,318,100	2,035,411	(282,689)
Fines and forfeitures	1,550,000	1,550,000	1,798,526	248,526
Interest	1,000,060	1,000,060	309,921	(690,139)
Contributions and other	43,000	43,000	474,460	431,460
<b>Total Revenues</b>	<b>35,537,600</b>	<b>35,537,600</b>	<b>36,001,964</b>	<b>464,364</b>
<b>Expenditures</b>				
Current:				
General government	6,674,438	6,674,438	5,591,701	(1,082,737)
Public safety	13,076,200	13,076,200	12,238,900	(837,300)
Public works	5,622,600	5,622,600	5,066,565	(556,035)
Parks and recreation	5,695,600	5,695,600	5,069,612	(625,988)
Debt service:				
Principal retirement	146,010	146,010	145,959	(51)
Interest	9,390	9,390	9,335	(55)
<b>Total Expenditures</b>	<b>31,224,238</b>	<b>31,224,238</b>	<b>28,122,072</b>	<b>(3,102,166)</b>
<b>Revenues Over Expenditures</b>	<b>4,313,362</b>	<b>4,313,362</b>	<b>7,879,892</b>	<b>3,566,530</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	195,000	195,000	195,000	—
Transfers out	(8,976,262)	(8,976,262)	(8,545,897)	(430,365)
<b>Total Other Financing Sources (Uses)</b>	<b>(8,781,262)</b>	<b>(8,781,262)</b>	<b>(8,350,897)</b>	<b>430,365</b>
<b>Net Changes In Fund Balance</b>	<b>\$ (4,467,900)</b>	<b>\$ (4,467,900)</b>	<b>(471,005)</b>	<b>\$ 3,996,895</b>
<b>Fund Balance - Beginning Of Year</b>			<u>15,154,703</u>	
<b>Fund Balance - End Of Year</b>			<u>\$ 14,683,698</u>	

---

**CITY OF LEAWOOD, KANSAS**

**SCHEDULE OF FUNDING PROGRESS  
OTHER POSTEMPLOYMENT BENEFITS  
For The Year Ended December 31, 2008**

<b>Actuarial Valuation</b>	<b>(a) Actuarial Value Of Assets</b>	<b>(b) Actuarial Accrued Liability (AAL)</b>	<b>(b) - (a) Unfunded AAL (UAAL)</b>	<b>(a)/(b) Funded Ratio</b>	<b>(c) Annual Covered Payroll</b>	<b>(b)-(a)/(c) UAL As A Percentage Of Covered Payroll</b>
January 1, 2007	\$ —	\$ 1,899,656	\$ 1,899,656	—	\$ 14,669,434	12.92%
January 1, 2008	—	2,108,577	2,108,577	—	15,027,461	14.03%

# CITY OF LEAWOOD, KANSAS

---

## COMPARISON OF NEEDED-TO-ACTUAL MAINTENANCE/PRESERVATION FOR STREETLIGHTS AND TRAFFIC SIGNALS December 31, 2008

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 2008 – 97.8%; November 2008 – 97.9%; and December 2008 – 98.5%.

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Needed	\$ 214,000	\$ 214,000	\$ 209,500	\$ 214,000	\$ 214,000
Actual	168,093	165,770	115,061	151,885	151,885

---

**Supplementary Information**

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

---

# CITY OF LEAWOOD, KANSAS

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL – GENERAL FUND For The Year Ended December 31, 2008

	Original Budget	Final Budget	Actual	Variance Over (Under) With Final Budget
General government:				
Administration:				
Personnel services	\$ 2,022,638	\$ 2,022,638	\$ 1,787,704	\$ (234,934)
Contractual services	1,433,200	1,433,200	961,400	(471,800)
Commodities	108,500	108,500	119,311	10,811
<b>Total administration</b>	<b>3,564,338</b>	<b>3,564,338</b>	<b>2,868,415</b>	<b>(695,923)</b>
Community development:				
Personnel services	1,080,100	1,080,100	876,248	(203,852)
Contractual services	103,500	103,500	68,894	(34,606)
Commodities	32,700	32,700	41,266	8,566
<b>Total planning and development</b>	<b>1,216,300</b>	<b>1,216,300</b>	<b>986,408</b>	<b>(229,892)</b>
Municipal court:				
Personnel services	505,100	505,100	445,254	(59,846)
Contractual services	60,400	60,400	43,090	(17,310)
Commodities	20,600	20,600	4,419	(16,181)
<b>Total municipal court</b>	<b>586,100</b>	<b>586,100</b>	<b>492,763</b>	<b>(93,337)</b>
Legal services:				
Personnel services	329,300	329,300	309,967	(19,333)
Contractual services	165,200	165,200	128,023	(37,177)
Commodities	2,800	2,800	3,823	1,023
<b>Total legal services</b>	<b>497,300</b>	<b>497,300</b>	<b>441,813</b>	<b>(55,487)</b>
Information services:				
Personnel services	472,500	472,500	480,300	7,800
Contractual services	167,400	167,400	127,747	(39,653)
Commodities	170,500	170,500	194,255	23,755
<b>Total information services</b>	<b>810,400</b>	<b>810,400</b>	<b>802,302</b>	<b>(8,098)</b>
<b>Total general government</b>	<b>6,674,438</b>	<b>6,674,438</b>	<b>5,591,701</b>	<b>(1,082,737)</b>
Public safety:				
Police:				
Personnel services	6,699,400	6,699,400	6,274,929	(424,471)
Contractual services	746,100	746,100	504,117	(241,983)
Commodities	542,100	542,100	375,162	(166,938)
<b>Total police</b>	<b>7,987,600</b>	<b>7,987,600</b>	<b>7,154,208</b>	<b>(833,392)</b>
Fire:				
Personnel services	4,663,000	4,663,000	4,584,623	(78,377)
Contractual services	235,900	235,900	205,947	(29,953)
Commodities	189,700	189,700	294,122	104,422
<b>Total fire</b>	<b>5,088,600</b>	<b>5,088,600</b>	<b>5,084,692</b>	<b>(3,908)</b>
<b>Total public safety</b>	<b>13,076,200</b>	<b>13,076,200</b>	<b>12,238,900</b>	<b>(837,300)</b>
Public works:				
Personnel services	3,014,250	3,014,250	2,805,137	(209,113)
Contractual services	1,615,300	1,615,300	1,400,215	(215,085)
Commodities	993,050	993,050	861,213	(131,837)
<b>Total public works</b>	<b>5,622,600</b>	<b>5,622,600</b>	<b>5,066,565</b>	<b>(556,035)</b>
Parks and recreation:				
Personnel services	3,212,540	3,212,540	2,890,407	(322,133)
Contractual services	1,820,510	1,820,510	1,633,517	(186,993)
Commodities	662,550	662,550	545,688	(116,862)
<b>Total parks and recreation</b>	<b>5,695,600</b>	<b>5,695,600</b>	<b>5,069,612</b>	<b>(625,988)</b>
<b>Total expenditures</b>	<b>\$ 31,068,838</b>	<b>\$ 31,068,838</b>	<b>\$ 27,966,778</b>	<b>\$ (3,102,060)</b>

# CITY OF LEAWOOD, KANSAS

---

## OTHER NON-MAJOR GOVERNMENTAL FUNDS

December 31, 2008

**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 depository for monies forfeited to the City of Leawood Police Department pursuant to the provisions of K.S.A. 65-4135 and a65-4156 related to controlled substance investigation forfeitures. Expenditures from this fund shall be made only for authorized law enforcement purposes of the City of Leawood Police Department. Any monies forfeited to the City of Leawood Police Department pursuant to the provisions of K.S.A. 1988 Supp. 65-4156, and any subsequent amendments thereto, shall be deposited in this fund.

*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.

## CITY OF LEAWOOD, KANSAS

---

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

December 31, 2008

**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.

*One Nineteen Debt Service Fund* – established to account for collections and remittance of Transportation Development District taxes.

**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.

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

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

*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.

**CITY OF LEAWOOD, KANSAS**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**December 31, 2008**

**Page 1 Of 2**

	Special Revenue							Debt Service	
	Special Alcohol	Special City Highway	Special Parks And Recreation	Special Law Enforcement	Public Building Commission	American Revolution Tri-Centennial	Insurance Proceeds	Park Place	One Nineteen
<b>Assets</b>									
Pooled cash and investments	\$ 162,942	\$ 555,696	\$ 145,067	\$ 938	\$ —	\$ 8,011	\$ —	\$ 60,452	\$ —
Receivables:									
Sales tax	—	—	—	—	—	—	—	17,928	29
Interest	—	725	—	—	—	104	—	—	—
Intergovernmental	80,000	—	80,000	—	—	—	—	—	—
<b>Total Assets</b>	<b>\$ 242,942</b>	<b>\$ 556,421</b>	<b>\$ 225,067</b>	<b>\$ 938</b>	<b>\$ —</b>	<b>\$ 8,115</b>	<b>\$ —</b>	<b>\$ 78,380</b>	<b>\$ 29</b>
<b>Liabilities And Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable and accrued liabilities	\$ 530	\$ 44,976	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 78,062	\$ 29
<b>Fund Balances</b>									
Reserved for:									
Debt Service	—	—	—	—	—	—	—	318	—
Unreserved:									
Special revenue funds	242,412	511,445	225,067	938	—	8,115	—	—	—
Capital projects funds	—	—	—	—	—	—	—	—	—
<b>Total Fund Balances</b>	<b>242,412</b>	<b>511,445</b>	<b>225,067</b>	<b>938</b>	<b>—</b>	<b>8,115</b>	<b>—</b>	<b>318</b>	<b>—</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 242,942</b>	<b>\$ 556,421</b>	<b>\$ 225,067</b>	<b>\$ 938</b>	<b>\$ —</b>	<b>\$ 8,115</b>	<b>\$ —</b>	<b>\$ 78,380</b>	<b>\$ 29</b>

**CITY OF LEAWOOD, KANSAS**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**December 31, 2008**

**Page 2 Of 2**

	Capital Projects								Total Nonmajor Other Governmental Funds
	Municipal Equipment Reserve	Street Improve- ments	City Art	Park Impact Fee	1/8th Cent Sales Tax	Leawood Transportation Impact Fee	Highway K-150 Corridor Impact Fee	Public Art Impact Fee	
<b>Assets</b>									
Pooled cash and investments	\$ 3,024,638	\$ 1,756,227	\$ 362,291	\$ 523,743	\$ 457,354	\$ 22,753	\$ 638,984	\$ 194,247	\$ 7,913,343
Receivables:									
Sales tax	—	—	—	—	138,933	—	—	—	156,890
Interest	9,897	1,213	—	1,038	—	—	1,038	—	14,015
Intergovernmental	—	—	—	—	—	—	—	—	160,000
<b>Total Assets</b>	<b>\$ 3,034,535</b>	<b>\$ 1,757,440</b>	<b>\$ 362,291</b>	<b>\$ 524,781</b>	<b>\$ 596,287</b>	<b>\$ 22,753</b>	<b>\$ 640,022</b>	<b>\$ 194,247</b>	<b>\$ 8,244,248</b>
<b>Liabilities And Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable and accrued liabilities	\$ 53,005	\$ 43,202	\$ 40,000	\$ —	\$ 66,315	\$ —	\$ —	\$ —	\$ 326,119
<b>Fund Balances</b>									
<b>Reserved For</b>									
Debt Service	—	—	—	—	—	—	—	—	318
<b>Unreserved:</b>									
Special revenue funds	—	—	—	—	—	—	—	—	987,977
Capital projects funds	2,981,530	1,714,238	322,291	524,781	529,972	22,753	640,022	194,247	6,929,834
<b>Total Fund Balances</b>	<b>2,981,530</b>	<b>1,714,238</b>	<b>322,291</b>	<b>524,781</b>	<b>529,972</b>	<b>22,753</b>	<b>640,022</b>	<b>194,247</b>	<b>7,918,129</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 3,034,535</b>	<b>\$ 1,757,440</b>	<b>\$ 362,291</b>	<b>\$ 524,781</b>	<b>\$ 596,287</b>	<b>\$ 22,753</b>	<b>\$ 640,022</b>	<b>\$ 194,247</b>	<b>\$ 8,244,248</b>

# CITY OF LEAWOOD, KANSAS

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

For The Year Ended December 31, 2008

Page 1 Of 2

	Special Revenue						Debt Service		
	Special	Special	Special	Special	Public	American	Insurance	Park	One
	Alcohol	City Highway	Parks And Recreation	Law Enforcement	Building Commission	Revolution Tri-Centennial			
<b>Revenues</b>									
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Licenses and permits	—	—	—	—	—	—	—	—	—
Intergovernmental	346,640	887,578	346,640	—	—	—	—	—	—
Interest	1,213	14,379	3,425	104	—	283	—	310	—
Contributions and other	—	—	—	—	—	—	—	—	—
<b>Total Revenues</b>	<b>347,853</b>	<b>901,957</b>	<b>350,065</b>	<b>104</b>	<b>—</b>	<b>283</b>	<b>—</b>	<b>310</b>	<b>—</b>
<b>Expenditures</b>									
General government	101,349	—	—	—	—	—	—	—	—
Public safety	—	—	—	6,102	—	—	—	—	—
Parks and recreation	—	—	15,578	—	—	—	—	—	—
Capital outlay									
General government	—	—	—	—	—	—	—	—	—
Public safety	—	—	—	—	—	—	—	—	—
Public works	—	1,067,371	—	—	—	—	—	—	—
Parks and recreation	—	—	532,463	—	—	—	—	—	—
Debt service:									
Principal retirement	—	—	—	—	365,000	—	—	—	—
Interest and fiscal charges	—	—	—	—	45,700	—	—	—	—
<b>Total Expenditures</b>	<b>101,349</b>	<b>1,067,371</b>	<b>548,041</b>	<b>6,102</b>	<b>410,700</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Revenues Over (Under) Expenditures</b>	<b>246,504</b>	<b>(165,414)</b>	<b>(197,976)</b>	<b>(5,998)</b>	<b>(410,700)</b>	<b>283</b>	<b>—</b>	<b>310</b>	<b>—</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	—	450,000	—	—	410,700	—	—	—	—
Transfers out	(195,000)	—	—	—	—	—	—	—	—
<b>Total Other Financing Sources (Uses)</b>	<b>(195,000)</b>	<b>450,000</b>	<b>—</b>	<b>—</b>	<b>410,700</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net Change In Fund Balances</b>	<b>51,504</b>	<b>284,586</b>	<b>(197,976)</b>	<b>(5,998)</b>	<b>—</b>	<b>283</b>	<b>—</b>	<b>310</b>	<b>—</b>
<b>Fund Balances - Beginning Of Year</b>	<b>190,908</b>	<b>226,859</b>	<b>423,043</b>	<b>6,936</b>	<b>—</b>	<b>7,832</b>	<b>—</b>	<b>8</b>	<b>—</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 242,412</b>	<b>\$ 511,445</b>	<b>\$ 225,067</b>	<b>\$ 938</b>	<b>\$ —</b>	<b>\$ 8,115</b>	<b>\$ —</b>	<b>\$ 318</b>	<b>\$ —</b>

# CITY OF LEAWOOD, KANSAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For The Year Ended December 31, 2008

Page 2 Of 2

	Capital Projects								Total Nonmajor Other Governmental Funds
	Municipal Equipment Reserve	Street Improvements	City Art	Park Impact Fee	1/8th Cent Sales Tax	Leawood Transportation Impact Fee	Highway K-150 Corridor Impact Fee	Public Art Impact Fee	
<b>Revenues</b>									
Taxes	\$ —	\$ —	\$ —	\$ —	\$ 705,899	\$ —	\$ —	\$ —	\$ 705,899
Licenses and permits	—	—	—	27,095	—	—	52,218	55,333	134,646
Intergovernmental	—	268,000	—	—	—	—	—	—	1,848,858
Interest	57,061	28,230	6,392	10,394	9,774	374	10,241	3,877	146,057
Contributions and other	25,699	—	—	—	—	—	—	—	25,699
<b>Total Revenues</b>	<b>82,760</b>	<b>296,230</b>	<b>6,392</b>	<b>37,489</b>	<b>715,673</b>	<b>374</b>	<b>62,459</b>	<b>59,210</b>	<b>2,861,159</b>
<b>Expenditures</b>									
General government	—	—	—	—	—	—	—	—	101,349
Public safety	—	—	—	—	—	—	—	—	6,102
Parks and recreation	—	—	—	—	—	—	—	—	15,578
Capital outlay									
General Government	184,941	—	—	—	—	—	—	—	184,941
Public safety	237,033	—	—	—	—	—	—	—	237,033
Public works	776,969	899,144	—	—	542,305	—	—	—	3,285,789
Parks and recreation	260,264	—	92,606	—	—	—	—	100,000	985,333
Debt service:									
Principal retirement	—	—	—	30,000	—	—	—	—	395,000
Interest and fiscal charges	—	—	—	30,600	—	—	—	—	76,300
<b>Total Expenditures</b>	<b>1,459,207</b>	<b>899,144</b>	<b>92,606</b>	<b>60,600</b>	<b>542,305</b>	<b>—</b>	<b>—</b>	<b>100,000</b>	<b>5,287,425</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(1,376,447)</b>	<b>(602,914)</b>	<b>(86,214)</b>	<b>(23,111)</b>	<b>173,368</b>	<b>374</b>	<b>62,459</b>	<b>(40,790)</b>	<b>(2,426,266)</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	2,682,000	1,816,800	64,053	308,799	—	—	—	—	5,732,352
Transfers out	—	—	—	—	(325,000)	—	—	—	(520,000)
<b>Total Other Financing Sources (Uses)</b>	<b>2,682,000</b>	<b>1,816,800</b>	<b>64,053</b>	<b>308,799</b>	<b>(325,000)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5,212,352</b>
<b>Net Change In Fund Balances</b>	<b>1,305,553</b>	<b>1,213,886</b>	<b>(22,161)</b>	<b>285,688</b>	<b>(151,632)</b>	<b>374</b>	<b>62,459</b>	<b>(40,790)</b>	<b>2,786,086</b>
<b>Fund Balances - Beginning Of Year</b>	<b>1,675,977</b>	<b>500,352</b>	<b>344,452</b>	<b>239,093</b>	<b>681,604</b>	<b>22,379</b>	<b>577,563</b>	<b>235,037</b>	<b>5,132,043</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 2,981,530</b>	<b>\$ 1,714,238</b>	<b>\$ 322,291</b>	<b>\$ 524,781</b>	<b>\$ 529,972</b>	<b>\$ 22,753</b>	<b>\$ 640,022</b>	<b>\$ 194,247</b>	<b>\$ 7,918,129</b>

---

**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, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Intergovernmental	\$ 267,964	\$ 346,640	\$ 78,676
Interest	2,036	1,213	(823)
<b>Total Revenues</b>	270,000	347,853	77,853
<b>Expenditures</b>			
General government	229,000	101,349	(127,651)
<b>Excess Of Revenues Over Expenses</b>	41,000	246,504	205,504
<b>Other Financing Uses</b>			
Transfers out	(195,000)	(195,000)	—
<b>Net Change In Fund Balance</b>	<u>\$ (154,000)</u>	51,504	<u>\$ 205,504</u>
<b>Fund Balance - Beginning Of Year</b>		<u>190,908</u>	
<b>Fund Balance - End Of Year</b>		<u>\$ 242,412</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, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Intergovernmental	\$ 911,910	\$ 887,578	\$ (24,332)
Interest	15,090	14,379	(711)
<b>Total Revenues</b>	927,000	901,957	(25,043)
<b>Expenditures</b>			
Capital outlay	1,521,300	1,067,371	(453,929)
<b>Excess Of Expenses Over Revenues</b>	(594,300)	(165,414)	428,886
<b>Other Financing Sources</b>			
Transfers in	450,000	450,000	—
<b>Net Change In Fund Balance</b>	<u>\$ (144,300)</u>	284,586	<u>\$ 428,886</u>
<b>Fund Balance - Beginning Of Year</b>		<u>226,859</u>	
<b>Fund Balance - End Of Year</b>		<u>\$ 511,445</u>	

---

**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, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Intergovernmental	\$ 275,000	\$ 346,640	\$ 71,640
Interest	6,257	3,425	(2,832)
<b>Total Revenues</b>	<u>281,257</u>	<u>350,065</u>	<u>68,808</u>
<b>Expenditures</b>			
Parks and recreation	10,000	15,578	5,578
Capital outlay	613,177	532,463	(80,714)
<b>Total Expenditures</b>	<u>623,177</u>	<u>548,041</u>	<u>(75,136)</u>
<b>Net Change In Fund Balance</b>	<u>\$ (341,920)</u>	<u>(197,976)</u>	<u>\$ 143,944</u>
<b>Fund Balance - Beginning Of Year</b>		<u>423,043</u>	
<b>Fund Balance - End Of Year</b>		<u>\$ 225,067</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, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Interest	\$ 64	\$ 104	\$ 40
<b>Expenditures</b>			
Public safety	7,000	6,102	(898)
<b>Net Change In Fund Balance</b>	<u>\$ (6,936)</u>	<u>(5,998)</u>	<u>\$ 858</u>
<b>Fund Balance - Beginning Of Year</b>		<u>6,936</u>	
<b>Fund Balance - End Of Year</b>		<u>\$ 938</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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Taxes	\$ 5,092,603	\$ 5,029,918	\$ (62,685)
Intergovernmental	624,176	574,855	(49,321)
Special assessments	1,532,654	1,524,043	(8,611)
Interest	300,067	220,088	(79,979)
Contributions and other	—	10	10
<b>Total Revenues</b>	<b>7,549,500</b>	<b>7,348,914</b>	<b>(200,586)</b>
<b>Expenditures</b>			
Debt service:			
Principal retirement	5,472,900	5,415,000	(57,900)
Interest and fiscal charges	2,162,900	1,986,461	(176,439)
Cash basis reserve	7,477,000	—	(7,477,000)
<b>Total Expenditures</b>	<b>15,112,800</b>	<b>7,401,461</b>	<b>(7,711,339)</b>
<b>Excess Of Expenditures Over Revenues</b>	<b>(7,563,300)</b>	<b>(52,547)</b>	<b>7,510,753</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	—	122,792	122,792
Bonds issued	—	6,500,000	6,500,000
Premiums	—	40,376	40,376
Payments to refunding escrow agent	—	(6,455,728)	(6,455,728)
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>84,648</b>	<b>84,648</b>
<b>Net Change In Fund Balance</b>	<b>\$ (7,563,300)</b>	<b>32,101</b>	<b>\$ 7,595,401</b>
<b>Fund Balance - Beginning Of Year</b>		<b>7,822,863</b>	
<b>Fund Balance - End Of Year</b>		<b>\$ 7,854,964</b>	

**CITY OF LEAWOOD, KANSAS**

**COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES -  
AGENCY FUNDS  
December 31, 2008**

	<b>Employee Giving</b>	<b>TDD - Resurrection Project</b>	<b>TDD - Cornerstone</b>	<b>TDD - Villaggio</b>	<b>Total Agency Funds</b>
<b>Assets</b>					
Pooled cash and investments	\$ 654	\$ 176	\$ 176	\$ —	\$ 1,006
Special assessments	—	150,000	430,000	785,000	1,365,000
<b>Total Assets</b>	<b>\$ 654</b>	<b>\$ 150,176</b>	<b>\$ 430,176</b>	<b>\$ 785,000</b>	<b>\$ 1,366,006</b>
<b>Liabilities</b>					
Due to employees	\$ 654	\$ —	\$ —	\$ —	\$ 654
Due to bondholders	—	150,176	430,176	785,000	1,365,352
<b>Total Liabilities</b>	<b>\$ 654</b>	<b>\$ 150,176</b>	<b>\$ 430,176</b>	<b>\$ 785,000</b>	<b>\$ 1,366,006</b>

# CITY OF LEAWOOD, KANSAS

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

For The Year Ended December 31, 2008

	Balance Beginning Of Year	Additions	Deductions	Balance End Of Year
<b>Agency Funds - Employee Giving</b>				
Assets:				
Pooled cash and investments	\$ 98	\$ 872	\$ 316	\$ 654
Liabilities:				
Due to employees	\$ 98	\$ 872	\$ 316	\$ 654
<b>Transportation Development District - Resurrection Project</b>				
Assets:				
Pooled cash and investments	\$ 88	\$ 23,175	\$ 23,087	\$ 176
Special assessments	160,000	—	10,000	150,000
	\$ 160,088	\$ 23,175	\$ 33,087	\$ 150,176
Liabilities:				
Due to bondholders	\$ 160,088	\$ 23,175	\$ 33,087	\$ 150,176
<b>Transportation Development District - Cornerstone</b>				
Assets:				
Pooled cash and investments	\$ 88	\$ 67,175	\$ 67,087	\$ 176
Special assessments	460,000	—	30,000	430,000
	\$ 460,088	\$ 67,175	\$ 97,087	\$ 430,176
Liabilities:				
Due to bondholders	\$ 460,088	\$ 67,175	\$ 97,087	\$ 430,176
<b>Transportation Development District - Villaggio</b>				
Assets:				
Pooled cash and investments	\$ —	\$ 226,837	\$ 226,837	\$ —
Special assessments	835,000	—	50,000	785,000
	\$ 835,000	\$ 226,837	\$ 276,837	\$ 785,000
Liabilities:				
Due to bondholders	\$ 835,000	\$ 99,053	\$ 149,053	\$ 785,000
<b>Total - All Agency Funds</b>				
Assets:				
Pooled cash and investments	\$ 274	\$ 318,059	\$ 317,327	\$ 1,006
Special assessments	1,455,000	—	90,000	1,365,000
Total assets	\$ 1,455,274	\$ 318,059	\$ 407,327	\$ 1,366,006
Liabilities:				
Due to employees	\$ 98	\$ 872	\$ 316	\$ 654
Due to bondholders	1,455,176	189,403	279,227	1,365,352
Total liabilities	\$ 1,455,274	\$ 190,275	\$ 279,543	\$ 1,366,006

---

**Statistical Section**

---

**CITY OF LEAWOOD, KANSAS**  
**Statistical Section**  
**December 31, 2008**

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.

**Contents**

---

**Schedules**

**Financial Trends**

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time. .... 1 - 6

**Revenue Capacity**

These schedules contain information to help the reader assess the City’s most significant local revenue source: property tax ..... 7 - 10

**Debt Capacity**

These schedules 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..... 11 - 14

**Demographic And Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place. .... 15 - 17

**Operating Information**

These schedules 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. .... 18 - 19

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

**CITY OF LEAWOOD, KANSAS**  
**NET ASSETS BY COMPONENT**  
**LAST SIX FISCAL YEARS**  
**ACCRUAL BASIS OF ACCOUNTING**

**Schedule 1**

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<b>Governmental Activities</b>						
Invested in capital assets, net						
of related debt	\$ 221,394,614	\$ 228,815,457	\$ 232,831,295	\$ 275,588,463	\$ 282,198,655	\$ 284,021,389
Restricted	4,688,880	7,166,833	7,522,989	7,606,885	9,360,053	14,395,675
Unrestricted	20,897,456	22,249,356	28,882,905	23,418,717	21,494,113	33,303,879
<b>Total Governmental Activities Net Assets</b>	<b>\$ 246,980,950</b>	<b>\$ 258,231,646</b>	<b>\$ 269,237,189</b>	<b>\$ 306,614,065</b>	<b>\$ 313,052,821</b>	<b>\$ 331,720,943</b>
<b>Business-Type Activities</b>						
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)	—	—	—
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 905,041</b>	<b>\$ 1,259,771</b>	<b>\$ 1,431,678</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Primary government</b>						
Invested in capital assets, net						
of related debt	\$ 224,120,066	\$ 231,810,913	\$ 236,024,187	\$ 275,588,463	\$ 282,198,655	\$ 284,021,389
Restricted	4,688,880	7,166,833	7,522,989	7,606,885	9,360,053	14,395,675
Unrestricted	20,897,456	22,249,356	28,882,905	23,418,717	21,494,113	33,303,879
<b>Total Primary Government Net Assets</b>	<b>\$ 247,885,991</b>	<b>\$ 259,491,417</b>	<b>\$ 270,668,867</b>	<b>\$ 306,614,065</b>	<b>\$ 313,052,821</b>	<b>\$ 331,720,943</b>

- (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.

# CITY OF LEAWOOD, KANSAS

## CHANGES IN NET ASSETS LAST SIX FISCAL YEARS ACCRUAL BASIS OF ACCOUNTING

### Schedule 2

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<b>Expenses</b>						
Governmental activities:						
General government	\$ 4,178,147	\$ 4,747,939	\$ 5,117,718	\$ 4,752,202	\$ 5,348,073	\$ 6,263,238
Public safety	9,853,624	10,975,002	11,229,154	11,682,872	12,478,924	14,073,114
Public works	10,153,561	12,658,853	15,546,967	17,121,498	21,700,170	16,772,929
Parks and recreation	3,065,427	3,544,545	3,753,994	3,816,310	5,123,793	5,432,457
Interest on long-term debt	2,407,122	2,498,981	2,737,987	3,496,801	3,484,390	3,040,032
Total governmental activities	29,657,881	34,425,320	38,385,820	40,869,683	48,135,350	45,581,770
Business-type activities: (1)						
Golf course	2,214,698	2,287,663	2,414,478	2,153,020	—	—
<b>Total Primary Government Expenses</b>	<b>\$ 31,872,579</b>	<b>\$ 36,712,983</b>	<b>\$ 40,800,298</b>	<b>\$ 43,022,703</b>	<b>\$ 48,135,350</b>	<b>\$ 45,581,770</b>
<b>Program Revenues</b>						
Governmental activities:						
Charges for services						
General government	\$ 2,209,868	\$ 2,010,249	\$ 2,096,548	\$ 2,053,315	\$ 2,163,970	\$ 3,459,182
Public safety	99,639	98,647	93,050	114,496	131,806	117,901
Public works	2,132,951	2,859,835	2,083,496	1,876,606	2,906,444	159,082
Parks and recreation	988,692	990,564	1,029,053	1,109,853	1,258,691	2,054,396
Operating grants and contributions	613,345	859,665	152,984	792,403	2,007,683	165,828
Capital grants and contributions	12,818,493	7,707,622	16,893,649	8,476,782	4,793,850	16,109,458
Total governmental activities program revenues	18,862,988	14,526,582	22,348,780	14,423,455	13,262,444	22,065,847
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	—	—
<b>Total primary government program revenues</b>	<b>\$ 20,901,305</b>	<b>\$ 16,723,425</b>	<b>\$ 24,355,827</b>	<b>\$ 16,248,599</b>	<b>\$ 13,262,444</b>	<b>\$ 22,065,847</b>
Net (expense) revenue:						
Governmental activities	\$(10,794,894)	\$(19,898,738)	\$(16,037,040)	\$(26,446,228)	\$(34,872,906)	\$(23,515,923)
Business-type activities: (1)	(176,381)	(90,820)	(407,431)	(327,876)	—	—
<b>Total primary government net expense</b>	<b>\$(10,971,275)</b>	<b>\$(19,989,558)</b>	<b>\$(16,444,471)</b>	<b>\$(26,774,104)</b>	<b>\$(34,872,906)</b>	<b>\$(23,515,923)</b>
<b>General Revenues And Other Changes In Net Assets</b>						
Governmental activities:						
Taxes						
Property taxes, levied for general purpose	\$ 8,695,788	\$ 8,306,371	\$ 8,716,271	\$ 11,959,344	\$ 10,037,224	\$ 12,887,965
Property taxes, levied for debt service	3,991,063	6,266,815	5,896,324	3,838,579	6,806,038	5,324,394
Sales taxes	9,749,898	11,430,251	11,923,933	12,222,897	14,819,839	15,592,847
Franchise taxes	2,292,152	2,452,402	2,632,536	2,648,951	2,930,764	3,153,438
Other taxes	257,458	566,721	576,723	769,263	840,948	1,039,920
Unrestricted grants and contributions	1,760,113	1,590,986	2,290,236	2,380,457	2,498,880	2,468,242
Unrestricted investment earnings	438,926	746,382	1,789,313	2,976,921	2,947,277	1,200,836
Miscellaneous	166,542	234,606	102,475	112,838	430,692	516,403
Transfers in (out)	(165,637)	(445,100)	(579,137)	1,134,847	—	—
Total governmental activities	27,186,303	31,149,434	33,348,674	38,044,097	41,311,662	42,184,045
Business-type activities: (1)						
Unrestricted investment earnings	937	254	201	247	—	—
Miscellaneous	131,114	196	—	30,798	—	—
Transfers in (out)	165,637	445,100	579,137	(1,134,847)	—	—
Total business-type activities:	297,688	445,550	579,338	(1,103,802)	—	—
<b>Total Primary Government</b>	<b>\$ 27,483,991</b>	<b>\$ 31,594,984</b>	<b>\$ 33,928,012</b>	<b>\$ 36,940,295</b>	<b>\$ 41,311,662</b>	<b>\$ 42,184,045</b>
<b>Change In Net Assets</b>						
Governmental activities	\$ 16,391,409	\$ 11,250,696	\$ 17,311,634	\$ 11,597,869	\$ 6,438,756	\$ 18,668,122
Business-type activities: (1)	121,307	354,730	171,907	(1,431,678)	—	—
<b>Total primary government</b>	<b>\$ 16,512,716</b>	<b>\$ 11,605,426</b>	<b>\$ 17,483,541</b>	<b>\$ 10,166,191</b>	<b>\$ 6,438,756</b>	<b>\$ 18,668,122</b>

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

# CITY OF LEAWOOD, KANSAS

---

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

### Schedule 3

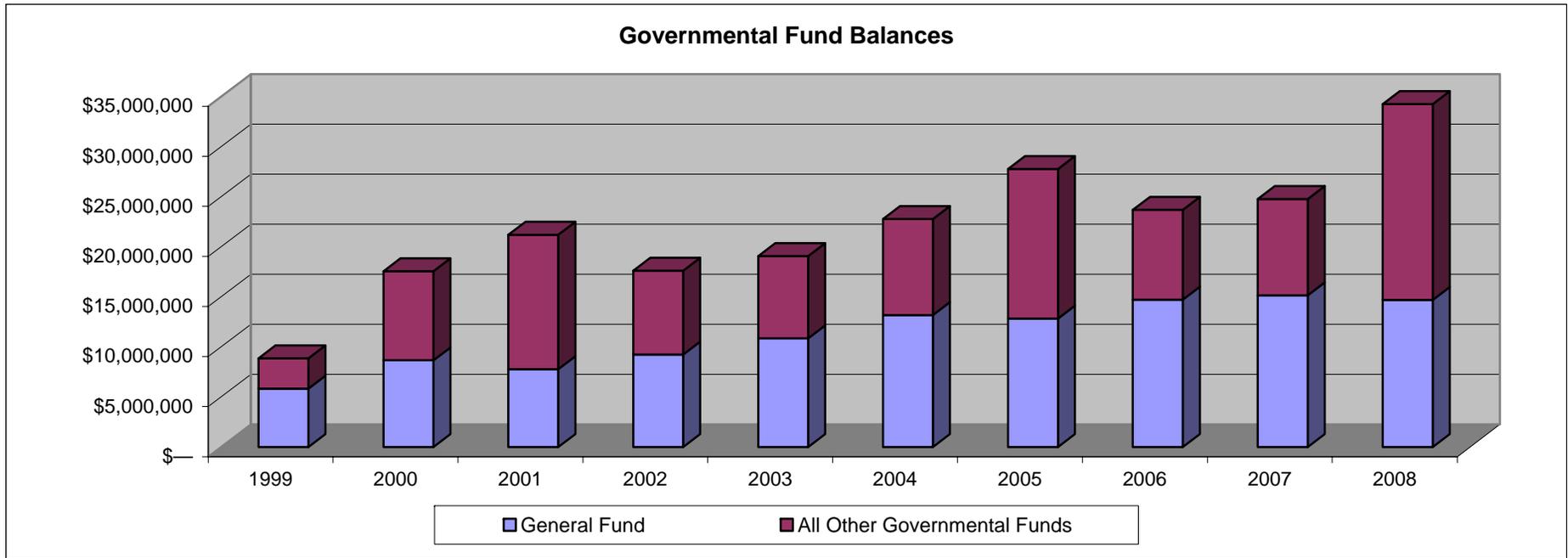
<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Other Taxes</b>	<b>Total</b>
2003	\$ 12,686,851	\$ 9,749,898	\$ 2,292,152	\$ 257,458	\$ 24,986,359
2004	14,573,186	11,430,251	2,452,402	566,721	29,022,560
2005	14,612,595	11,923,933	2,632,536	576,723	29,745,787
2006	15,797,923	12,222,897	2,648,951	769,263	31,439,034
2007	16,843,262	14,819,839	2,930,764	840,948	35,434,813
2008	18,212,359	15,592,847	3,153,438	1,039,920	37,998,564

# CITY OF LEAWOOD, KANSAS

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

### Schedule 4

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Fund</b>										
Reserved	\$ 80,584	\$ 350,624	\$ 805,954	\$ 1,309,030	\$ 1,239,976	\$ 1,197,867	\$ 1,076,631	\$ 55,185	\$ 390,617	\$ 284,019
Unreserved	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	14,399,679
<b>Total General Fund</b>	<b>\$ 5,839,595</b>	<b>\$ 8,652,137</b>	<b>\$ 7,766,556</b>	<b>\$ 9,230,750</b>	<b>\$ 10,847,154</b>	<b>\$ 13,172,326</b>	<b>\$ 12,828,371</b>	<b>\$ 14,706,792</b>	<b>\$ 15,154,703</b>	<b>\$ 14,683,698</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 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	\$ 12,877,724
Unreserved, reported in:										
Special revenue funds	392,765	280,878	162,337	173,258	183,656	319,207	525,975	784,576	855,578	987,977
Capital projects funds	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	5,707,914
<b>Total All Other Governmental Funds</b>	<b>\$ 3,012,997</b>	<b>\$ 8,909,835</b>	<b>\$ 13,447,077</b>	<b>\$ 8,373,719</b>	<b>\$ 8,212,195</b>	<b>\$ 9,596,592</b>	<b>\$ 14,933,289</b>	<b>\$ 8,973,198</b>	<b>\$ 9,614,111</b>	<b>\$ 19,573,615</b>



# CITY OF LEAWOOD, KANSAS

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

### Schedule 5

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Taxes	\$ 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	\$ 31,752,311
Licenses and permits	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	1,956,624
Intergovernmental	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	8,905,900
Charges for services	1,287,452	948,730	1,031,295	1,169,993	1,090,801	1,088,487	1,106,078	1,208,832	1,223,540	2,035,411
Fines and forfeitures	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	1,798,526
Special assessments	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	1,524,043
Interest	827,019	1,342,370	1,114,728	616,654	438,926	746,382	1,789,313	2,976,921	2,947,277	1,200,836
Contributions and other	160,988	220,967	465,662	842,827	363,687	694,737	205,384	807,892	535,774	579,917
<b>Total Revenues</b>	<b>27,191,698</b>	<b>31,326,817</b>	<b>33,088,632</b>	<b>36,991,708</b>	<b>35,482,292</b>	<b>43,010,518</b>	<b>44,797,404</b>	<b>45,414,058</b>	<b>51,706,465</b>	<b>49,753,568</b>
<b>Expenditures</b>										
General government	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	5,693,050
Public safety	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	12,245,002
Public works	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	5,066,565
Parks and recreation	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	5,085,190
Capital outlay	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	15,634,335
Debt service										
Principal	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	5,955,959
Interest and fiscal charges	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	3,269,044
<b>Total Expenditures</b>	<b>26,648,871</b>	<b>31,390,827</b>	<b>39,307,520</b>	<b>46,641,521</b>	<b>38,637,459</b>	<b>43,566,726</b>	<b>43,577,225</b>	<b>53,456,870</b>	<b>57,707,978</b>	<b>52,949,145</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>542,827</b>	<b>(64,010)</b>	<b>(6,218,888)</b>	<b>(9,649,813)</b>	<b>(3,155,167)</b>	<b>(556,208)</b>	<b>1,220,179</b>	<b>(8,042,812)</b>	<b>(6,001,513)</b>	<b>(3,195,577)</b>
<b>Other Financing Sources (Uses)</b>										
Transfer in	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	9,188,689
Transfers out	(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)	(9,188,689)
Refunding bonds issued	—	—	—	—	2,835,000	7,795,000	—	6,405,000	—	—
Bonds issued	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	18,875,000
Premium on bonds issued	—	—	—	—	—	338,200	261,700	105,571	50,337	264,804
Payments to refunded bonds escrow agent	—	—	—	—	(3,119,316)	(7,702,323)	—	(6,367,180)	—	(6,455,728)
<b>Total Other Financing Sources (Uses)</b>	<b>834,151</b>	<b>8,772,941</b>	<b>9,870,256</b>	<b>5,050,000</b>	<b>4,610,047</b>	<b>4,265,777</b>	<b>3,772,563</b>	<b>3,961,142</b>	<b>7,090,337</b>	<b>12,684,076</b>
<b>Net Changes In Fund Balances</b>	<b>\$ 1,376,978</b>	<b>\$ 8,708,931</b>	<b>\$ 3,651,368</b>	<b>\$ (4,599,813)</b>	<b>\$ 1,454,880</b>	<b>\$ 3,709,569</b>	<b>\$ 4,992,742</b>	<b>\$ (4,081,670)</b>	<b>\$ 1,088,824</b>	<b>\$ 9,488,499</b>
<b>Debt Service As A Percentage Of Noncapital Expenditures</b>	<b>26.32%</b>	<b>25.04%</b>	<b>23.29%</b>	<b>19.79%</b>	<b>22.17%</b>	<b>21.77%</b>	<b>20.80%</b>	<b>22.82%</b>	<b>20.77%</b>	<b>22.63%</b>

# CITY OF LEAWOOD, KANSAS

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

### Schedule 6

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>City Sales Tax</b>	<b>Franchise Tax</b>	<b>City Consumers' Use Tax</b>	<b>Total</b>
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
2008	17,917,885	8,648,719	3,153,437	2,032,270	31,752,311

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

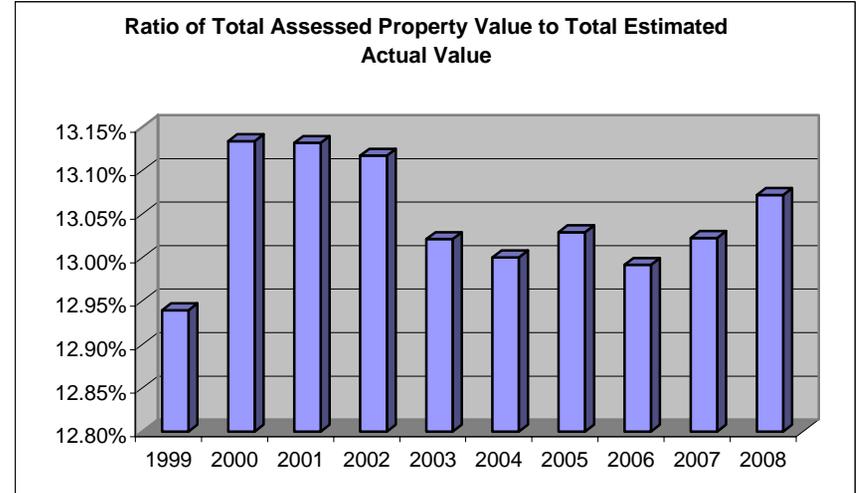
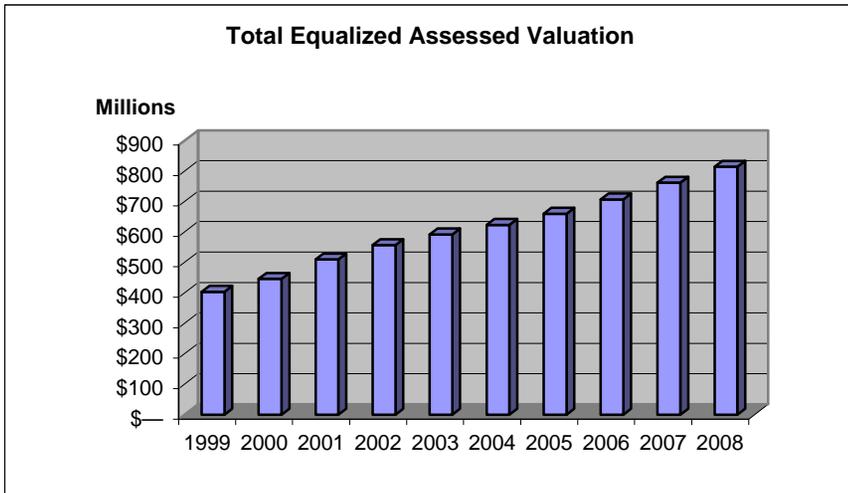
(2) In April 2007, the City began collecting a 0.4 cent sales tax for public safety.

# CITY OF LEAWOOD, KANSAS

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

### Schedule 7

Year Ended December 31,	Assessed Value		State Assessed Utilities	Total Assessed Value	Assessed Value		Total Equalized Assessed Valuation	Total Direct Tax Rate	Real Property Estimated Actual Value	Personal Property Estimated Actual Value	Utilities Estimated Actual Value (1)	Ratio Of Total Assessed Value To Total Estimated Actual Value	
	Residential Property	Personal Property			Motor Vehicles	Recreational Vehicles						Estimated Actual Value	Estimated Actual Value
1999	\$ 331,758,648	\$ 10,024,991	\$ 5,636,982	\$ 347,420,621	\$ 55,822,425	\$ 76,324	\$ 403,319,370	23.456	\$ 2,628,446,951	\$ 39,431,632	\$ 17,081,764	\$ 2,684,960,347	12.94%
2000	370,034,534	11,995,333	6,322,011	388,351,878	57,454,109	83,942	445,889,929	23.456	2,890,539,040	47,181,630	19,157,609	2,956,878,279	13.13%
2001	434,198,518	14,069,163	5,757,847	454,025,528	55,595,022	100,080	509,720,630	21.747	3,384,664,758	55,338,771	17,448,021	3,457,451,550	13.13%
2002	478,263,332	14,964,257	5,847,070	499,074,659	57,647,345	115,437	556,837,441	21.815	3,728,160,425	58,859,411	17,718,394	3,804,738,230	13.12%
2003	508,588,824	16,334,865	6,296,797	531,220,486	60,469,320	129,601	591,819,407	21.820	3,996,269,722	64,250,469	19,081,203	4,079,601,394	13.02%
2004	539,398,377	13,900,623	6,294,133	559,593,133	63,304,016	118,088	623,015,237	24.074	4,230,737,644	54,675,784	19,073,130	4,304,486,558	13.00%
2005	571,882,830	15,239,935	6,864,743	593,987,508	65,756,344	112,840	659,856,692	24.233	4,478,174,979	59,943,744	20,802,252	4,558,920,975	13.03%
2006	615,197,839	15,600,418	7,319,540	638,117,797	68,658,169	133,101	706,909,067	24.218	4,828,211,705	61,361,644	22,180,424	4,911,753,773	12.99%
2007	669,149,548	15,152,446	7,342,923	691,644,917	70,120,907	123,244	761,889,068	24.232	5,229,287,840	59,599,621	22,251,282	5,311,138,743	13.02%
2008	721,902,784	12,883,030	7,609,052	742,394,866	71,270,476	107,168	813,772,510	24.241	5,605,507,724	50,673,251	23,057,733	5,679,238,708	13.07%



Source: Johnson County Treasurer's Office

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

# CITY OF LEAWOOD, KANSAS

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

### Schedule 8

Tax/Fiscal Year	City		State Of Kansas	Johnson County	Shawnee	Blue	Johnson	Unified	Johnson County Library	Johnson County Park	Total Blue Valley Direct And Overlapping Rates	Total
	General	Debt Service			Mission School District	Valley School District	County Community College	Johnson County Sewer District				Shawnee Mission Direct And Overlapping Rates
1998/1999	\$ 15.894	\$ 7.562	\$ 1.500	\$ 14.345	\$ 42.968	\$ 69.847	\$ 7.746	\$ 5.704	\$ 3.174	\$ 1.437	\$ 127.209	\$ 100.330
1999/2000	15.209	8.247	1.500	16.112	41.246	65.597	7.184	5.166	3.137	1.451	123.603	99.252
2000/2001	12.346	9.401	1.500	15.676	40.327	65.689	7.646	4.647	2.981	1.322	121.208	95.846
2001/2002	14.102	7.713	1.500	16.333	38.699	64.216	7.743	4.181	2.971	1.382	120.141	94.624
2002/2003	14.317	7.503	1.500	16.221	42.238	68.588	9.428	—	2.948	1.602	122.107	95.757
2003/2004	13.322	10.752	1.500	16.381	37.774	64.551	9.432	—	2.954	2.365	121.257	94.480
2004/2005	14.763	9.470	1.500	16.041	42.655	64.197	9.438	—	2.956	2.367	120.732	99.190
2005/2006	18.815	5.403	1.500	17.922	49.748	63.329	8.960	—	2.955	2.286	121.170	107.589
2006/2007	14.618	9.614	1.500	17.949	51.980	60.700	8.872	—	2.960	2.290	118.503	109.783
2007/2008	17.424	6.817	1.500	17.985	52.008	59.503	8.749	—	2.962	2.295	117.235	109.740

Source: Johnson County Clerk's Office

# CITY OF LEAWOOD, KANSAS

## PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

### Schedule 9

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage Of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of Total Taxable Assessed Value
Town Center Plaza	\$ 26,033,159	1	3.20%	\$ 16,863,881	1	4.18%
95 West, L.P.	8,224,142	2	1.01%	5,955,179	2	1.48%
Park Place Village LLC	6,965,102	3	0.86%			0.00%
Academy 1740, Inc.	5,645,501	4	0.69%	4,931,552	3	1.22%
PCC Two, LLC	4,582,751	5	0.56%			0.00%
Kansas City Power & Light	3,812,362	6	0.47%	2,820,996	6	0.70%
Hallbrook Office Center	3,534,507	7	0.43%			0.00%
BP Market Square LLC	3,515,210	8	0.43%			0.00%
The Timberlands	3,464,001	9	0.43%			0.00%
96-OP Properties LLC	3,450,751	10	0.42%			0.00%
Northwestern Mutual Life	—		0.00%	3,158,958	4	0.78%
Teacher's Insurance & Annuity	—		0.00%	2,929,501	5	0.73%
Entertainment Properties Trust	—		0.00%	2,695,201	7	0.67%
Ranchmart, Inc.	—		0.00%	2,658,237	8	0.66%
Glenborough Properties, L.P.	—		0.00%	1,920,100	9	0.48%
Wells Fund XI	—		0.00%	1,902,775	10	0.47%
<b>Total Principal Property Taxpayers</b>	<b>\$ 69,227,486</b>		<b>8.51%</b>	<b>\$ 45,836,380</b>		<b>11.36%</b>

Source: Johnson County Clerk's Office

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

**Schedule 10**

Tax/Fiscal Year	Total Tax Levy	Collected Within The Fiscal Year Of The Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage Of Levy		Amount	Percentage Of Levy
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	16,660,228	16,502,849	99.1%	112,812	16,615,661	99.7%
2007/2008	17,959,445	17,742,463	98.8%	112,409	17,854,873	99.4%

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, KANSAS

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

### Schedule 11

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage Of Personal Income (1)	Per Capita (1)
	General Obligation Bonds To Be Paid With		Certificates Of Participation	Capital Leases	General Obligation Bonds	Capital Leases			
	Tax Levies	Special Assessments							
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	*	1,708
2008	42,618,193	16,116,807	—	1,429,473	—	—	60,164,473	*	1,885

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

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

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

Note: Effective January 1, 2007, the activities of the City's business-type activity 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, KANSAS**

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

**Schedule 12**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available In Debt Service Fund</b>	<b>Total</b>	<b>Percentage Of Estimated Actual Taxable Value Of Property (1)</b>	<b>Per Capita (2)</b>
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%	1,435
2007	51,665,000	7,822,863	43,842,137	0.83%	1,401
2008	58,735,000	7,977,756	50,757,244	0.89%	1,591

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

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

**CITY OF LEAWOOD, KANSAS**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**December 31, 2008**

**Schedule 13**

<b>Governmental Unit</b>	<b>Net Debt Outstanding</b>	<b>Percentage Applicable To City Of Leawood<sup>(2)</sup></b>	<b>Amount Applicable To City Of Leawood</b>
Johnson County	\$ 233,180,000	9.36%	\$ 21,825,648
Johnson County Community College	3,495,000	9.36%	327,132
Shawnee Mission School District (U.S.D. 512)	260,075,000	4.91%	12,769,683
(U.S.D. 229)	311,735,000	25.80%	80,427,630
Fire District #2	5,375,000	1.39%	74,713
Parks and Recreation	4,305,000	9.36%	<u>402,948</u>
Subtotal, overlapping debt			115,827,754
City of Leawood direct debt <sup>(1)</sup>			<u>60,164,475</u>
Total direct and overlapping debt			<u><u>\$ 175,992,229</u></u>

Source: Johnson County Clerk's Office

<sup>(1)</sup> General obligation debt outstanding

<sup>(2)</sup> 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, KANSAS

## LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

### Schedule 14

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 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	\$ 244,131,753
Total net debt applicable to limit	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	50,757,244
Legal debt margin	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	193,374,509
Total net debt applicable to the limit as a percentage of debt limit	22.58%	23.68%	24.54%	23.72%	20.72%	18.85%	15.57%	20.83%	19.22%	20.79%

#### Legal Debt Margin Calculation For Fiscal Year 2008

Assessed value, real and personal property - 2008	\$ 742,394,866
Plus assessed value, motor vehicles - 2007	71,377,644
<b>Total Assessed Value - 2008</b>	<u>813,772,510</u>
<b>Debt Limit (30% Of Total Assessed Value)</b>	<u>244,131,753</u>
<b>Debt Applicable To Limit</b>	
General obligation bonds	58,735,000
Less: Amount set aside for repayment of general obligation debt	7,977,756
<b>Total Net Debt Applicable To Limit</b>	<u>50,757,244</u>
<b>Legal Debt Margin</b>	<u>\$ 193,374,509</u>

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

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

# CITY OF LEAWOOD, KANSAS

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

### Schedule 15

Fiscal Year	Population	Personal Income (1) (Amounts Expressed In Thousands)	Per Capita Personal Income (1)	Median Age (1)	Percent Of Adult Population With At Least A Bachelors Degree	Unemployment Rate (2)
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%
2008	31,910 (3)	*	*	*	*	3.4%

\* 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.

(3) Population data from the 2008 Comprehensive Plan.

# CITY OF LEAWOOD, KANSAS

## PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

### Schedule 16

Employer	2008			1999		
	Employees	Rank	Percentage Of Total City Employment	Employees	Rank	Percentage Of Total City Employment (1)
CBiZ Accounting	450	1	2.9%			
American Academy of Family Physicians	350	2	2.3%			
Unified School District No. 229	329	3	2.0%			
Reece & Nichols	314	4	2.1%			
City of Leawood	268	5	1.7%	175	7	1.3%
Weight Watchers	190	6	0.8%			
Headache & Pain Center	149	7	1.2%			
Hy Vee	147	8	1.0%	375	1	2.7%
A.B. May	125	9	1.0%			
Cosentino's Price Chopper	125	10	0.8%			
Sprint						
American Management Association				175	8	1.3%
Jacobson's				175	3	1.3%
Hen House				375	2	2.7%
Leawood South Country Club				175	4	1.3%
Yahooz				175	5	1.3%
J.D. Reece				175	6	1.3%
Hereford House				175	9	1.3%
Big Sky Distribution				175	10	1.3%
<b>Total</b>	<b>2,447</b>		<b>15.8%</b>	<b>2,150</b>		<b>15.8%</b>

(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, KANSAS

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

### Schedule 17

#### Full-Time Equivalent Employees As Of December 31,

Function	1999*	2000*	2001*	2002	2003	2004	2005	2006	2007	2008
General government	32.50	34.00	36.13	39.25	39.50	40.25	39.94	41.00	47.25	48.25
Public safety										
Police										
Officers	52.00	52.00	52.00	54.00	56.00	56.00	58.00	60.00	61.00	63.00
Civilians	22.00	22.00	23.60	22.60	22.60	22.60	22.60	22.60	22.60	22.00
Fire										
Firefighters and officers	48.00	48.00	52.42	51.69	54.69	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	49.00	52.00	49.00	49.00	50.00	51.00	52.17	52.67	47.42	48.92
Parks and Recreation	23.00	23.00	42.87	43.37	46.13	51.24	56.40	58.99	69.35	72.93
<b>Total Full-Time Equivalent</b>	<b>227.50</b>	<b>232.00</b>	<b>257.02</b>	<b>260.91</b>	<b>269.92</b>	<b>276.78</b>	<b>284.80</b>	<b>290.95</b>	<b>303.31</b>	<b>310.79</b>

Source: City Budget Manager

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

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

**Schedule 18**

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Number of traffic violations	10,354	10,354	16,114	17,498	18,065	14,320	14,586	15,544	14,167	12,744
Number of physical arrests	1,083	788	1,158	1,386	1,572	1,735	1,659	1,704	1,437	1,310
Number of dispatch calls	15,830	30,367	28,146	31,711	34,846	32,861	33,961	36,553	35,446	34,510
Number of alarm calls	3,934	3,750	3,448	3,302	2,632	2,047	1,925	2,496	2,006	2,029
Fire										
Number of fire calls answered	961	961	1,108	1,199	1,681	949	1,035	935	1,003	1,021
Number of ambulance calls answered	1,106	1,106	1,042	1,200	1,170	1,223	1,334	1,265	1,324	1,349
Number of fire inspections	595	738	655	451	660	738	844	858	904	1,189
Parks and Recreation										
Number of programs offered	150	150	150	150	150	150	150	150	150	150

Source: Various City departments

# CITY OF LEAWOOD, KANSAS

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

### Schedule 19

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of certified officers	52	52	52	54	56	56	58	60	61	63
Number of noncertified personnel	22	22	24	23	23	23	23	23	23	22
Number of patrol districts	4	3	3	4	6	3	3	3	3	3
Fire										
Number of fire stations	2	2	2	3	3	3	3	3	3	3
Number of paid firefighters	48	48	51	51	51	51	54	54	54	54
Number of volunteer firefighters	2.0	2.0	2.0	0.7	0.7	0.7	0.7	0.7	0.7	1
Number of nonfire personnel	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (miles)	167.00	161.00	164.56	172.13	177.60	190.60	189.36	190.58	193.00	197
Streetlights	1,278	1,278	2,135	2,001	2,497	2,555	2,625	2,721	2,800	2,878
Parks and Recreation										
Number of parks	5	6	6	6	6	6	6	6	6	6
Park acreage	245	255	423	423	423	423	423	423	423	423
Walking trail mileage	6	6	6	8	8	8	8	8	8	8
Aquatic centers	1	1	1	1	1	1	1	1	1	1
Golf courses	1	1	1	1	1	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	6	6	6	6
Soccer fields	25	14	14	14	14	14	14	14	14	14
Baseball diamonds	6	4	4	4	3	3	3	3	3	3

Source: Various City departments