

---

**CITY OF LEAWOOD, KANSAS**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**  
*For The Year Ended December 31, 2018*

---



---

*Report prepared by Department Of Finance*

*Dawn Long, Finance Director*  
*Theresa Lodde, Senior Accountant*

## Contents

---

	<u>Page</u>	
<b>Part I - Introductory Section:</b>		
Transmittal Letter.....	i - vi	
Principal Officials .....	vii	
Organizational Chart .....	viii	
GFOA Certificate Of Achievement .....	ix	
<b>Part II - Financial Section:</b>		
<b>Independent Auditors' Report .....</b>	<b>1 - 3</b>	
<b>Management's Discussion And Analysis.....</b>	<b>4 - 21</b>	
<b>Basic Financial Statements: <span style="float: right;"><u>Page</u></span></b>		
Government-Wide Financial Statements:		
Statement Of Net Position .....	22	
Statement Of Activities.....	23	
Fund Financial Statements		
Balance Sheet - Governmental Funds.....	24	
Reconciliation Of The Governmental Funds Balance Sheet To The Statement Of Net Position.....	25	
Statement Of Revenues, Expenditures And Changes In Fund Balances - Governmental Funds .....	26	
Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities.....	27	
Statement Of Fiduciary Assets And Liabilities - Agency Funds .....	28	
Notes To The Basic Financial Statements.....	29 - 65	
<b>Required Supplementary Information: <span style="float: right;"><u>Page</u></span></b>		
Schedule Of Revenues, Expenditures, And Changes In Fund Balances - Budget And Actual - General Fund .....		66
Schedule Of Funding Progress - Other Postemployment Benefits.....	67 - 68	
Comparison Of Needed-To-Actual Maintenance/Preservation For Streetlights And Traffic Signals .....	69	
Schedules Of Selected Pension Information.....	70	
<b>Combining And Individual Fund Statements And Schedules:</b>		
Schedule Of Expenditures - Budget And Actual - General Fund.....	71	
Combining Balance Sheet - Nonmajor Governmental Funds.....	72 - 73	

## Contents

---

<b>Part II - Financial Section (Continued):</b>	<b><u>Page</u></b>
Combining Statement Of Revenues, Expenditures And Changes In Fund Balances Nonmajor Governmental Funds.....	74 - 75
Schedules Of Revenues, Expenditures And Changes In Fund Balances - Budget And Actual:	
Special Alcohol Fund.....	76
Special City Highway Fund.....	77
Special Parks And Recreation Fund.....	78
Special Law Enforcement Fund.....	79
Transient Guest Tax Fund.....	80
Debt Service Fund.....	81
Combining Statement Of Fiduciary Assets And Liabilities - Agency Funds.....	82
Combining Statement Of Changes In Assets And Liabilities - All Agency Funds.....	83

## Part III - Statistical Section: (Unaudited)

	<b><u>Schedule</u></b>	<b><u>Page</u></b>
Net Position By Component Last Ten Fiscal Years.....	1.....	84
Changes In Net Position Last Ten Fiscal Years.....	2.....	85
Governmental Activities Tax Revenues By Source Last Ten Fiscal Years Accrual Basis Of Accounting.....	3.....	86
Fund Balances Of Governmental Funds Last Ten Fiscal Years Modified Accrual Basis Of Accounting.....	4.....	87
Changes In Fund Balances Of Governmental Funds Last Ten Fiscal Years Modified Accrual Basis Of Accounting.....	5.....	88
General Governmental Tax Revenues By Source Last Ten Fiscal Years Modified Accrual Basis Of Accounting.....	6.....	89
Assessed Value And Estimated Actual Value Of Taxable Property Last Ten Fiscal Years.....	7.....	90
Property Tax Rates (Per \$1,000 Of Assessed Value) Direct And Overlapping Governments Last Ten Fiscal Years.....	8.....	91
Principal Property Taxpayers Current Year And Nine Years Ago.....	9.....	92
Property Tax Levies And Collections Last Ten Fiscal Years.....	10.....	93
Ratios Of Outstanding Debt By Type Last Ten Fiscal Years.....	11.....	94
Ratios Of General Bonded Debt Outstanding Last Ten Fiscal Years.....	12.....	95
Direct And Overlapping Governmental Activities Debt.....	13.....	96
Legal Debt Margin Information Last Ten Fiscal Years.....	14.....	97
Demographic And Economic Statistics Last Ten Fiscal Years.....	15.....	98
Principal Employers - Current Year And Nine Years Ago.....	16.....	99
Full-Time Equivalent City Government Employees By Function Last Ten Fiscal Years.....	17.....	100
Operating Indicators By Function Last Ten Fiscal Years.....	18.....	101
Capital Asset Statistics By Function Last Ten Fiscal Years.....	19.....	102

---

## **Introductory Section**

---



# City of Leawood

4800 Town Center Drive • Leawood, Kansas 66211 • (913) 339-6700  
(913) 339-6781 Fax

April 25, 2019

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, 2018.

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.

This report was prepared by City staff in accordance with general accepted accounting principles (GAAP), which are uniform minimum standards and guidelines for financial accounting and reporting in the United States. This report is intended to provide sufficient information to permit the assessment of stewardship and accountability and to demonstrate legal compliance.

RubinBrown, LLP, Certified Public Accountants, has issued an unmodified opinion on the City of Leawood's financial statements for the year ended December 31, 2018. 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.

## ***Government Structure***

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.

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.

## ***Local Economy And Outlook***

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 2018 population to be 35,101. Johnson County encompasses 476 square miles and 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 albeit at a moderate pace. The City is bounded to the east by the Kansas-Missouri state line and on all other sides by incorporated cities of Johnson County.

During the past year, Leawood was recognized for being highly acclaimed in a variety of areas. The City was voted "2018 Best Small City in America" by the leading personal finance outlet *WalletHub* out of nearly 1,300 cities. They analyzed 33 livability indicators, such as housing costs, schools, safety, and entertainment option for cities with populations of 25,000 to 100,000. The websites *Niche* and *HomeSnacks* also ranked the City as the "Best Place to Live in Kansas." *Zippia.com* rated Leawood as the "Most Successful City in Kansas."

Leawood is also known for being a safe community. In 2018 Leawood was ranked second "Safest City in Kansas" by the *National Council for Home Safety and Security* as well as third "Safest City in Kansas" by *SafeHome*.

According to the 2018 Johnson County Property Tax Listing, the average home in Leawood has a market value of \$523,167 compared to \$497,131 in 2017.

The City continued to see strong economic development in the past year. The total number of construction permits issued in 2018 was 1,969. Total construction value was \$150 million, up from \$148 million in 2017. In 2018 there were 139 commercial building permits issued with total construction value of \$86 million compared to 113 permits at a value of \$87 million in 2017. In the residential sector, there were 57 single-family home permits which included 13 rebuilds. There was also one multi-family permit for 81 units with a construction value of over \$19 million. Total residential construction value was \$64 million in 2018 compared to \$62 million in 2017.

The continued increase in construction within Leawood demonstrates the City's appeal to new businesses as well as new residents. A few highlights of the building taking place in the City include the new Brookwood Elementary School scheduled to open in March 2019, the 50,000 square foot headquarters for Tortoise Capital Advisors located in Park Place, the start of construction on an 81 unit apartment building and parking garage also in Park Place, and the Element Hotel construction began and will have 110 room and will encompass 73,000 square feet.

There have also been many new retail businesses move to Leawood during 2018. Diamonds Direct, Duck Donuts, The Breakfast Spot, and Woof Gang Bakery and Grooming are just a few.

On the residential side of construction, Hallbrook East Village is underway consisting of 33 single-family villas on approximately nine acres. The Hills of Leawood broke ground on the first phase which consists of 40 lots on 25 acres and construction also continues on the 16 acres of Village of Leawood.

## ***Major Initiatives***

### ***2018 Initiatives and highlights***

In 2018 the City of Leawood retained its AAA bond rating, continuing to ensure the Leawood business community and its residents that the City remains a solid investment opportunity for the Nation's capital markets.

The City's mill levy remained constant for the 15<sup>th</sup> sequential year while maintaining the second lowest mill levy in the State of Kansas among cities of the First Class.

During 2018 the second phase of improvements to 143rd street, from Windsor to Kenneth, began. This is a two phase project totaling over \$20 million with the first phase being bonded in 2017. When completed, 143rd street will go from a two-lane road with ditches to a four-lane undivided concrete road with curb and gutter, sidewalks, streetlights, bike/hike trail, storm sewers and traffic signal. The second phase is expected to be completed and bonded in 2020.

The City continues with its 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. This program is budgeted to spend \$3 million dollars every other year. In addition to this program, in 2017 the City started a new stormwater improvement program. It is also budgeted to spend \$3 million dollars on the opposite year as the street renovation program. This new program will allow for the replacement of failing corrugated pipe and will be coordinated in conjunction with street projects.

The City's Fire Department focused on continuous improvement with the International Accreditation and Insurance Services Organization 1 rating. They have also initiated moving from Basic Life Support to Advanced Life Support on their calls since they now utilize licensed Paramedics along with our Emergency Medical Technician (EMTs). This is especially significant because approximately 70% of their calls for service are for medical incidents.

The Parks and Recreation Department celebrated the 20<sup>th</sup> Anniversary of the Leawood Stage Company. The Stage Company puts on several productions each year and brings community theatre to Leawood and surrounding residents. The City also added a new sculpture titled "Dancers" in 2018. The City is very dedicated to bringing public art to its citizens and has many pieces located throughout.

The City's Information Services department upgraded the entire City's wireless network access points and the City's internet connection to new, faster Gigabyte speed levels. Fiber connection to Johnson County was also improved along with the City's webpage.

The Police Department received the "AAA Platinum Traffic Safety Award" for the fifth consecutive year. Violent crimes were reduced by 22% as well as a reduction in vehicle crashes from 2017.

### ***Future Initiatives***

Council Priorities are as follows:

To ensure that Leawood is fiscally responsible, while investing in the infrastructure of the City, modernizing the government, investing in human resources, and improving customer service.

To promote development that sustains rather than depletes the community, that is fiscally sound, that contributes to a high quality of life, and that nourishes the community.

To protect Leawood residents, visitors and businesses by providing quality police and homeland security services. To preserve life and property through excellence in training, community risk management, emergency preparedness and rapid emergency services response.

To maintain the current infrastructure and to provide the highest quality new improvements where economic benefits clearly justify new investment.

To promote a community that offers family-oriented activities and recreational and cultural opportunities that encourages and enhances the quality of life for citizens.

Several of the short-term goals set by Council that reflect these priorities include the following: leave select pond banks undisturbed from maintenance to ascertain if any impact of reducing goose population, along Tomahawk Creek Parkway and Ironhorse Golf Course; assess and maintain City tree canopy on City-owned property; Parks Maintenance Facilities relocation Implementation Plan and Construction Plan; and improve City communication regarding water conservation efforts on City web page.

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. The conservative budgets that were passed in prior fiscal years have contributed to this overall financial philosophy.

## ***Financial Information***

### ***Relevant financial policies***

The City implemented GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. Statement No 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. Note disclosure and required supplementary information requirements about OPEB also are addressed.

### ***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, 2017. The City has received this prestigious award for twenty two 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, 2019. It was the 17<sup>th</sup> consecutive year that the City has received this award. 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 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. Thank you to each individual involved.

Respectfully submitted,



Scott Lambers  
City Administrator



Dawn D. Long  
Director of Finance



**FRONT ROW** [left to right]:  
Councilmember Andrew Osman, Ward 1  
Councilmember Julie Cain, Ward 4  
Mayor Peggy Dunn  
Councilmember Mary Larson, Ward 2  
Councilmember James Azeltine, Ward 4

**BACK ROW** [left to right]:  
Councilmember Jim Rawlings, Ward 2  
Councilmember Lisa Harrison, Ward 3  
Councilmember Chuck Sipple, Ward 3  
Councilmember Debra Filla, Ward 1

# **CITY OF LEAWOOD, KANSAS**

---

## **PRINCIPAL OFFICIALS**

### **Mayor**

Peggy J. Dunn

### **City Council**

Debra Filla  
Andrew Osman  
Jim Rawlings  
Lisa Harrison  
Chuck Sipple  
James Azeltine  
Julie Cain  
Mary Larson

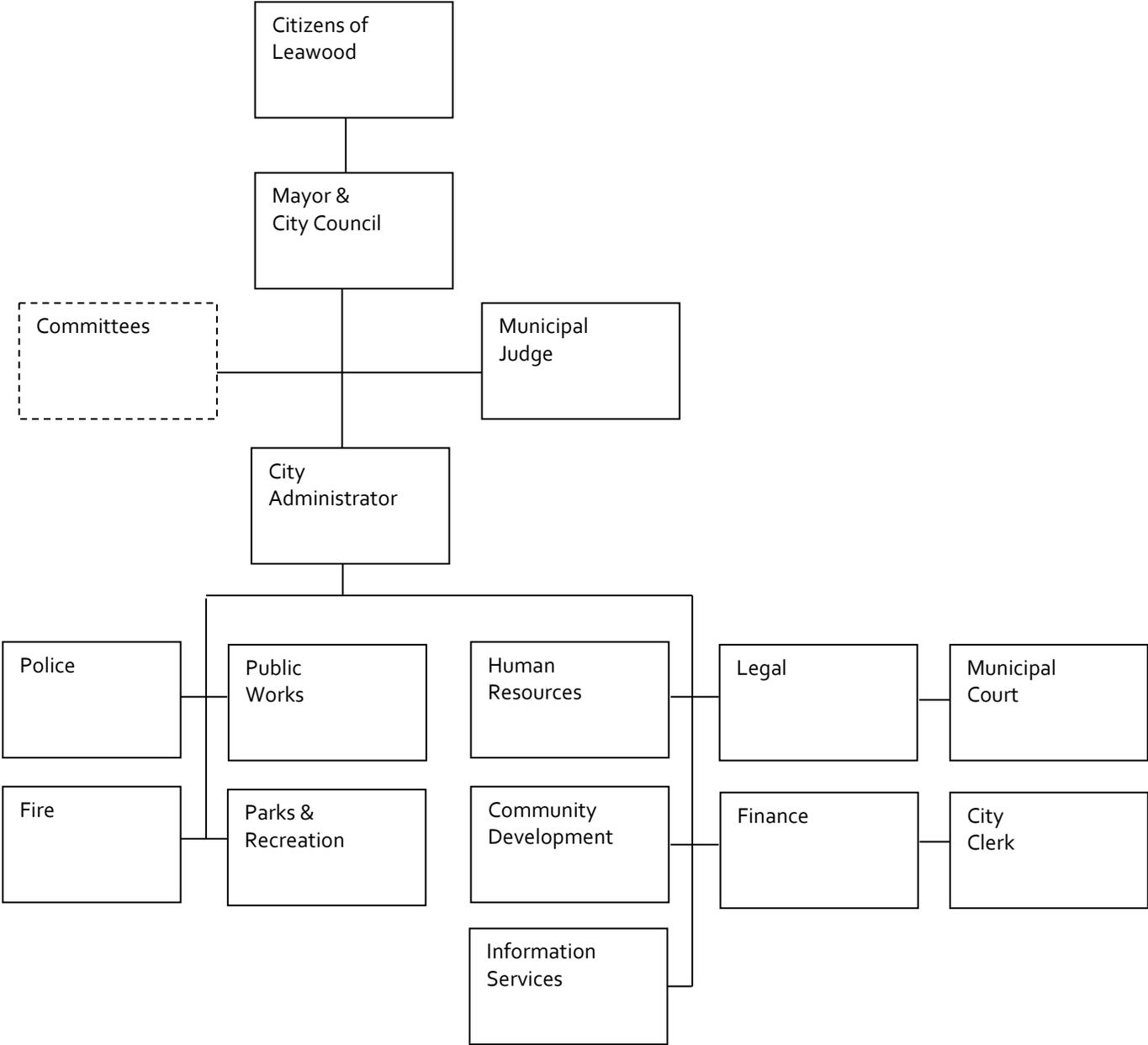
### **City Administrator**

Scott M. Lambers

### **Prepared By Department Of Finance**

Dawn Long, Finance Director  
Theresa Lodde, Senior Accountant

# CITY OF LEAWOOD, KANSAS ORGANIZATIONAL CHART





Government Finance Officers Association

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, 2017**

*Christopher P. Morill*

Executive Director/CEO

---

## **Financial Section**

---



RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

One Kansas City Place  
1200 Main Street  
Suite 1000  
Kansas City, MO 64105

T 816.472.1122

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

### Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Leawood, Kansas, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of Leawood, Kansas' basic financial statements as listed in the table of contents.

### *Management's Responsibility For The Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Leawood, Kansas as of December 31, 2018, and the respective changes in financial position thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis Of Matter***

As discussed in Note 1 to the financial statements, the City of Leawood, Kansas implemented GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* that restated net position as of January 1, 2018. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 21, the budgetary comparison information on page 66, the schedules of other post-employment benefits on pages 67 and 68, the comparison of needed-to-actual maintenance/preservation for streetlights and traffic signals on page 69, and the schedule of proportionate share of the net pension liability and schedule of contributions on page 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Leawood, Kansas' financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

---

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the financial statements 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 do not express an opinion or provide any assurance on them.

*RubinBrown LLP*

April 25, 2019

This page was intentionally left blank.

---

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

---

# CITY OF LEAWOOD, KANSAS

---

## MANAGEMENT'S DISCUSSION AND ANALYSIS Fiscal Year Ended December 31, 2018

The following Management Discussion and Analysis (MD&A) of the City of Leawood's financial performance provides an introduction and overview to the financial activities of the City for the fiscal year ended December 31, 2018. This narrative discussion and analysis focuses on the current year's activities, resulting changes and currently known facts; therefore, the information presented here should be considered in conjunction with additional information furnished in the letter of transmittal and the accompanying basic financial statements.

### FINANCIAL HIGHLIGHTS

#### Government-Wide

- The assets of the City exceeded its liabilities at December 31, 2018 by \$333.1 million (*net position*). Of this amount, \$38.0 million (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- Expenses were \$44.2 million greater than program revenues generated for governmental activities. Taxes, return on investments and other income for \$51.3 million provided funding toward City-wide programs and resulted in an increase in net position of \$7.1 million for the fiscal year ended December 31, 2018.

#### Fund Based

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$66.9 million. The net increase in fund balances for governmental funds were \$8.9 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7.8 million. The unassigned fund balance went from \$15.6 million at the end of 2017 to \$7.8 million at the end of the current fiscal year. The decrease in unassigned fund balance was due to an increase in appropriated funds for the 2019 budget year as well as a decrease in the 2018 total ending fund balance.
- During the year the City held temporary notes of \$23,777,457. There was long term debt issued during 2018 in the amount of \$12,930,000. It is anticipated that most of the temporary debt will be converted to longer term debt in 2019 or 2020.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the City 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 all assets of the City (including 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 Statement of Net position and the Statement of Activities and Changes in Net position report information about the City as a whole and about its activities. These statements include *all* assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in them. Net position is 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 position 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.

In the Statement of Net position and the Statement of Activities and Changes in Net position, we distinguish 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).

All of the City's basic services are reported in the governmental activities, including the General Government, Public Safety, Public Works and Parks and Recreation. Property and sales taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities. The City does not report any business-type activities.

The government-wide financial statements can be found on the pages immediately following this section as the first section of the Basic Financial Statements.

**Fund Financial Statements**

The Fund Financial Statements include statements for each of the two categories of activities: governmental and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The fiduciary activities are agency funds, which report a balance sheet, a statement of changes in assets and liabilities and do not have a measurement focus. Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

## **CITY OF LEAWOOD, KANSAS**

---

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

The Fund Financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

**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 between net assets in the Governmental Fund Financial Statement and net position reported in the Government-Wide Financial Statements are explained in the reconciliation schedule following each of the Governmental Fund Financial Statements.

The governmental fund financial statements can be found in the Basic Financial Statements section of this report.

**Fiduciary Funds** - The City is the trustee, or *fiduciary*, for certain funds held to account for activities reported in this category which include the receipt of special taxes and assessments used to pay principal and interest on related conduit debt that has no direct City liability, as well as receipt and disbursement of capital project proceeds related to the conduit debt. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Combining Schedule of Changes in Assets and Liabilities.

The fiduciary fund Statement of Fiduciary Net Position can be found in the Basic Financial Statements section of this report. The Combining Schedule of Changes in Assets and Liabilities can be found in the Supplementary Information section of this report.

### **Notes To The Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They are presented immediately following the Basic Financial Statements section of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide other post-employment benefits to its employees, budgetary comparison schedules for the general fund, schedules and disclosure of the modified approach for reporting the City's streetlights and traffic signals, and schedules of selected pension information.

## **CITY OF LEAWOOD, KANSAS**

---

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

Combining and individual statements for non-major governmental and proprietary funds and fiduciary funds are presented in the Supplementary Information section of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

This analysis focuses on the City's net position and changes in net position of the governmental activities for the fiscal year ending December 31, 2018.

The net position for the City increased by 1.9% from the \$327.0 million at December 31, 2017 balance to \$333.1 million at December 31, 2018. The increase was mostly due to an increase in general tax revenues and a decrease in expenditures. Property values increased during 2018 and therefore assessments increased resulting in higher property tax revenue of \$800,000. Sales taxes collected also increased by \$1 million during the year due to a stronger economy and the addition of new retail stores. On April 1<sup>st</sup>, 2017 Johnson County increased their sales tax by 0.25% to fund the building of a new jail and coroner facility. The City's portion received this year amounted to \$1.1 million compared to \$790,541 in 2017. Transient guest tax varies depending on the hotel usage. This tax decreased by approximately \$200,000 in 2018. Franchise fees were impacted largely by a decrease in fees from KS Gas. This decrease was due to the December usage tax that wasn't received within two months of the end of the year and therefore not included in 2018 revenues. Expenses were \$2.0 million less in 2018 than in 2017. Public works showed the largest decrease due to several large projects that were completed and bonded during the year.

Noncurrent liabilities, which totaled \$88.6 million at December 31, 2018 and \$91.8 million at December 31, 2017, primarily consist of long term debt. The City issued \$3.52 million in new bonds in 2018. The bond proceeds were used as permanent financing for several large capital projects. The 2018 debt payments were \$7.6 million which resulted in a reduction of long term debt at the end of 2018. The City also issued refunding bonds in the amount of \$9.5 million in order to save on financing costs. Current liabilities increased \$9.6 million due to an increase in temporary notes. The City started several new construction projects in 2018 that required temporary note funding.

The largest portion of the City's net position (84.4%) reflects the investment in capital assets such as land, buildings, machinery and equipment, less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to the citizens of the City of Leawood; therefore, they are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

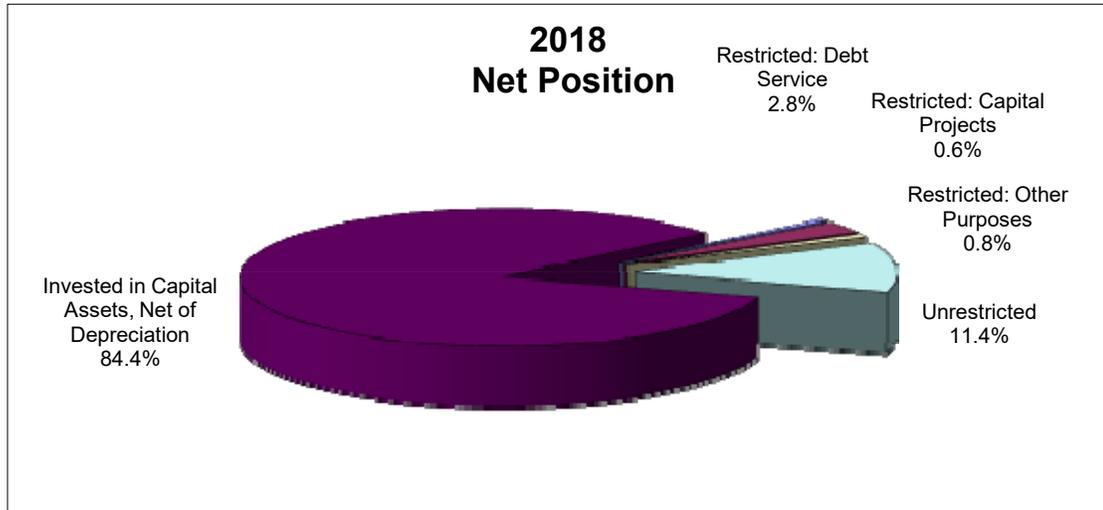
An additional portion of the City's net position (4.2%) represents various resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$38.0 million) may be used to meet the City's ongoing obligations to citizens and creditors.

## CITY OF LEAWOOD, KANSAS

---

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

The following graph demonstrated the component of the City's net position at fiscal year ended December 31, 2018:



Consistent with the prior fiscal year, as of the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the government as a whole.

## CITY OF LEAWOOD, KANSAS

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

The following schedule is a condensed version of the City's statement of net position at December 31, 2018 and 2017.

	<b>Governmental Activities</b>		
	<b>2018</b>	<b>2017</b>	<b>Change</b>
Current and other assets	\$ 120,332,379	\$ 100,615,172	\$ 19,717,207
Long-term receivables	6,095,904	7,661,380	(1,565,476)
Capital assets, net	342,979,215	347,049,809	(4,070,594)
<b>Total assets</b>	<b>469,407,498</b>	<b>455,326,361</b>	<b>14,081,137</b>
Deferred outflows of resources			
Deferred outflows related to pension	4,345,238	4,734,929	(389,691)
Deferred loss on refunding	254,258	523,723	(269,465)
<b>Total assets and deferred outflows</b>	<b>474,006,994</b>	<b>460,585,013</b>	<b>13,421,981</b>
Other liabilities	27,530,000	17,921,708	9,608,292
Long-term debt	65,539,290	68,683,037	(3,143,747)
Net pension liability	23,105,324	23,152,846	(47,522)
<b>Total liabilities</b>	<b>116,174,614</b>	<b>109,757,591</b>	<b>6,417,023</b>
Deferred inflows of resources			
Deferred inflows related to pension and OPEB	1,107,914	1,194,772	(86,858)
Deferred revenues	23,577,304	22,623,635	953,669
<b>Total deferred inflows</b>	<b>24,685,218</b>	<b>23,818,407</b>	<b>866,811</b>
Net position:			
Net investment in capital assets	281,113,331	280,071,534	1,041,797
Restricted	13,994,430	10,890,059	3,104,371
Unrestricted	38,039,401	36,047,422	1,991,979
<b>Total net position</b>	<b>\$ 333,147,162</b>	<b>\$ 327,009,015</b>	<b>\$ 6,138,147</b>

## CITY OF LEAWOOD, KANSAS

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

The City's programs for governmental activities include general government, public safety, public works and parks and recreation. A comparison of each program's revenues and expenses for the current year and prior year is presented below.

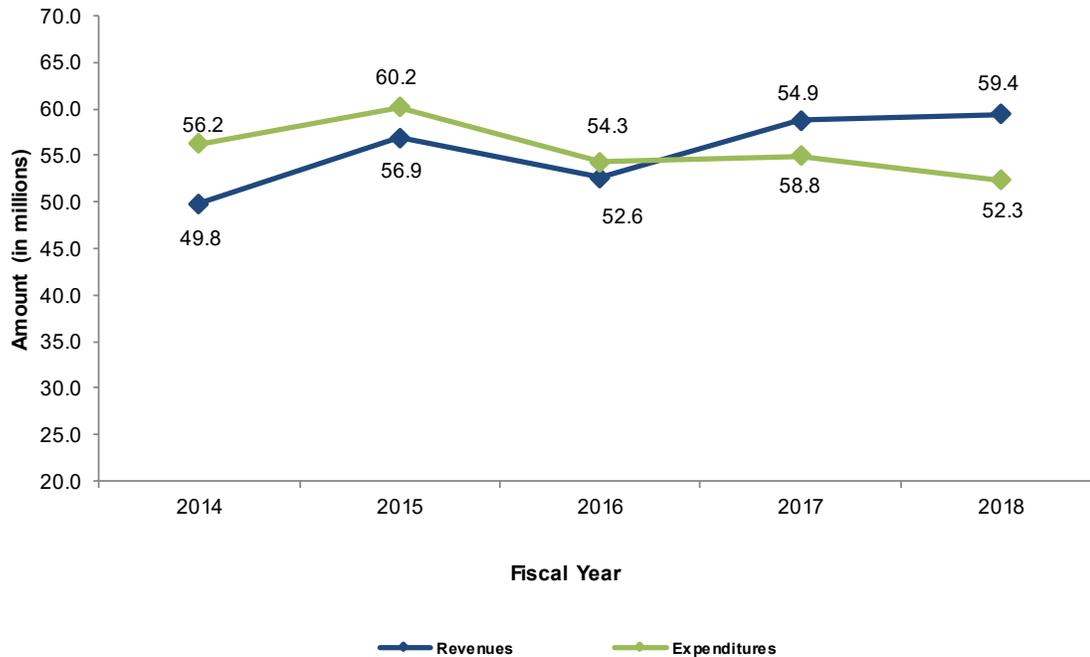
	<b>Governmental Activities</b>		Change
	2018	2017	
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 6,443,854	\$ 6,346,694	\$ 97,160
Operating grants and contributions	473,321	8,997	464,324
Capital grants and contributions	1,247,452	2,450,666	(1,203,214)
General revenues:			
Property taxes	22,883,330	22,007,441	875,889
Sales tax	18,403,286	17,516,872	886,414
Transient guest tax	327,874	557,446	(229,572)
Franchise tax	3,520,426	3,649,475	(129,049)
Other taxes	1,581,752	1,607,447	(25,695)
Grants and contributions not restricted to specific programs	2,993,274	2,905,833	87,441
Unrestricted investment earnings	1,138,750	681,670	457,080
Insurance recoveries	—	595,273	(595,273)
Other	440,520	511,754	(71,234)
<b>Total revenues</b>	<b>59,453,839</b>	<b>58,839,568</b>	<b>614,271</b>
<b>Expenses:</b>			
General government	7,578,714	7,636,870	(58,156)
Public safety	18,331,638	17,422,101	909,537
Public works	16,701,722	19,898,042	(3,196,320)
Parks and recreation	7,395,450	8,119,456	(724,006)
Interest on long-term debt	2,333,256	1,892,484	440,772
<b>Total expenses</b>	<b>52,340,780</b>	<b>54,968,953</b>	<b>(2,628,173)</b>
<b>Change in net position</b>	<b>7,113,059</b>	<b>3,870,615</b>	<b>3,242,444</b>
<b>Net position - beginning of year:</b>			
As previously reported	327,009,015	323,138,400	3,870,615
Adjustment due to adoption of GASB Statement No. 75	(974,912)	—	(974,912)
As restated	326,034,103	323,138,400	2,895,703
<b>Net position - end of year</b>	<b>\$ 333,147,162</b>	<b>\$ 327,009,015</b>	<b>\$ 6,138,147</b>

## CITY OF LEAWOOD, KANSAS

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

#### Governmental Activities

Total resources available during the year to finance governmental operations were \$385.4 million consisting of net position at December 31, 2017 of \$326.0 million, program revenues of \$8.2 million and general revenues of \$51.2 million. Total expenses of governmental activities during the year were \$52.3 million; thus, net position increased by \$7.1 million to \$333.1 million. The chart below presents revenues and expenses in governmental activities for the past five years.



The cost of all governmental activities for fiscal year ended December 31, 2018 was \$52.3 million. However, as shown in the Statement of Activities the amount that the taxpayers ultimately financed for these activities was only \$44.2 million because some of the cost was paid by those who directly benefitted from the programs (\$6.4 million), or by other governments and organizations that subsidized certain programs with operating grants and contributions and capital grants and contributions (\$1.7 million). Overall, the City's governmental program revenues were \$8.2 million. The City paid for the remaining "public benefit" portion of governmental activities with \$46.7 million in taxes (some of which could only be used for certain programs) other revenues, such as interest and general entitlements and reserves.

## CITY OF LEAWOOD, KANSAS

---

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

The following is an in-depth analysis of the major revenue sources and expenses.

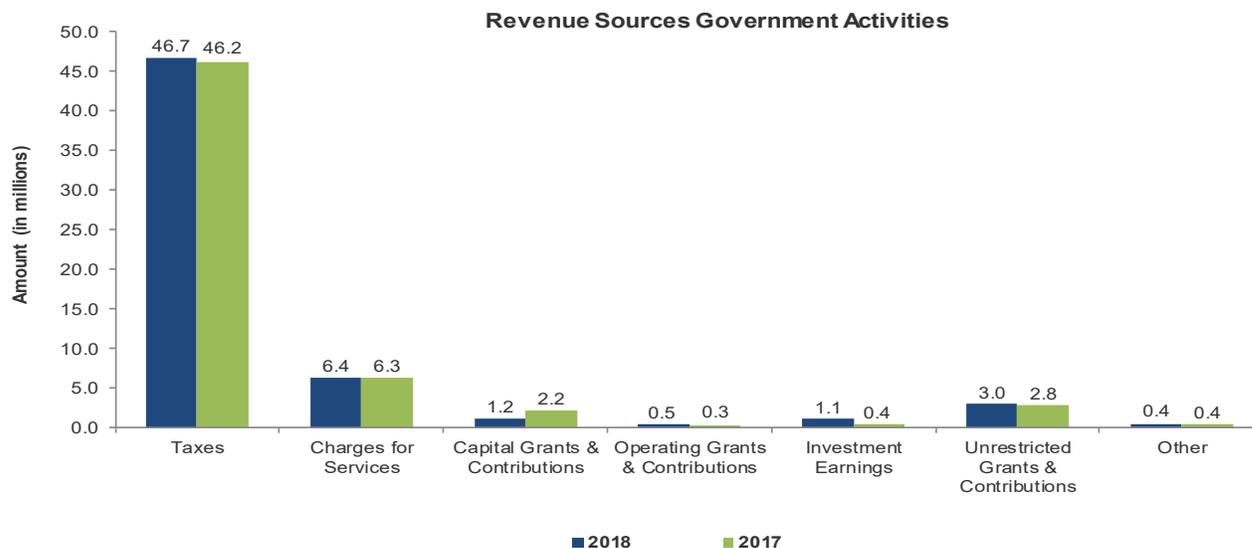
- Charges for services in total in 2018 were \$6.4 million compared to \$6.3 million in 2017. The category with the largest increase was Parks and Recreation. During 2017, the City opened Vista 154 at Ironhorse Golf Course. During the 2017 partial year of operation the event space collected \$75,000 in rental fees as well as an additional \$30,000 in food and beverage sales. 2018 was the first full year of operation and rental fees collected were \$95,000 and additional food and beverage sales were \$44,000. Golf greens fees increased by \$30,000 while golf cart rental fees remained consistent. Usage at the golf course is very dependent on weather throughout the year. Public Works charges for service increased by approximately \$100,000. The City collected several large impact fees in 2018 that accounted for the increase. Impact fees fluctuate with planned projects within the City. Impact fees are collected when the permits are issued so generally increase along with building permits. General Government and Public Safety charges for services remained level from 2017 to 2018.
- Capital and operating grants and contributions totaled \$1.7 million in 2018 compared to \$2.5 million in 2017. The large decrease is due to \$2.2 million in local grants received within the Public Works department in 2017 that the City did not receive in 2018. Grant receipts vary each year depending on the types of projects and the funding available from outside resources. Infrastructure donated in 2018 was \$1.1 million compared to \$0.4 million in 2017. These donated infrastructure amounts vary depending on the development project.
- Sales and use tax revenue increased slightly from \$17.5 million in 2017 to \$18.4 million in 2018. This is a 5% increase. Total sales tax increased from \$14.0 million in 2017 to \$14.6 million in 2018. Compensating use tax increased from \$3.5 million in 2017 to \$3.8 million in 2018. City sales tax has remained relatively stable but compensating use tax has progressively increased over the last three years. The increase in use tax can be attributed to the continued enforcement of sales tax collections for on-line sales as well as use tax collections for construction within the City. Use tax collections generally increase as building permits increase.
- The City recognized depreciation expense of \$10.3 million in 2018. This is a slight increase from the 2017 depreciation expense of \$10.1 million. The City had to replace a lot of parks machinery and equipment during 2017 due to a flood. The additional machinery resulting in higher depreciation expense in 2018.
- The City capitalized \$7.7 million in depreciable capital assets during 2018. This is comparable to the 2017 depreciable assets capitalized. Construction in progress went from \$4.7 million at the end of 2017 to \$2.4 million at the end of 2018. There were \$3.5 million in CIP projects that were completed and capitalized during 2018. The year end CIP balance included projects started in 2018 totaling \$1.2 million. Disposals of depreciable assets went from \$3.0 million in 2017 to \$1.2 million in 2018. During 2017 the City suffered a major flood that damaged or destroyed a parks maintenance building as well as the equipment stored there. The machinery disposals were recorded in 2017 and resulted in lower disposal amounts in 2018.
- Personnel Services increased to \$27.7 million in 2018 from \$26.4 million in 2017. Personnel expenses were effected by rises in health insurance and required contributions to KPERS.

## CITY OF LEAWOOD, KANSAS

---

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

The chart below illustrates the total revenue from governmental activities for the fiscal year ended December 31, 2018 and 2017, respectively.



## FUND FINANCIAL ANALYSIS

### General Fund

The General Fund is the chief operating fund of the City of Leawood. Fund balance for the General Fund decreased by \$4.7 million for the fiscal year ended December 31, 2018, with an ending balance of \$13.3 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund operating expenditures. Unassigned fund balance represents 21.5% of the total General Fund operating expenditures, while total fund balance represents 36.8% of that same amount.

Total fund balance is represented by five components: Non-spendable, Restricted, Committed, Assigned and Unassigned. The Non-spendable fund balance is \$0.1 million. This amount represents inventories and prepaid items that do not fluctuate a lot from year to year. The Assigned fund balance of \$5.4 million is for the budgeted use of fund balance reserves in 2019. The amount assigned for the 2018 budgeted use of fund balance was \$2.7 million. This amount varies depending on planned and budgeted expenditures for the following year. The unassigned fund balance is \$7.8 million in 2018 compared to the \$15.2 million in 2017.

## CITY OF LEAWOOD, KANSAS

---

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

The table below shows the City's General Fund balance for the past five years.

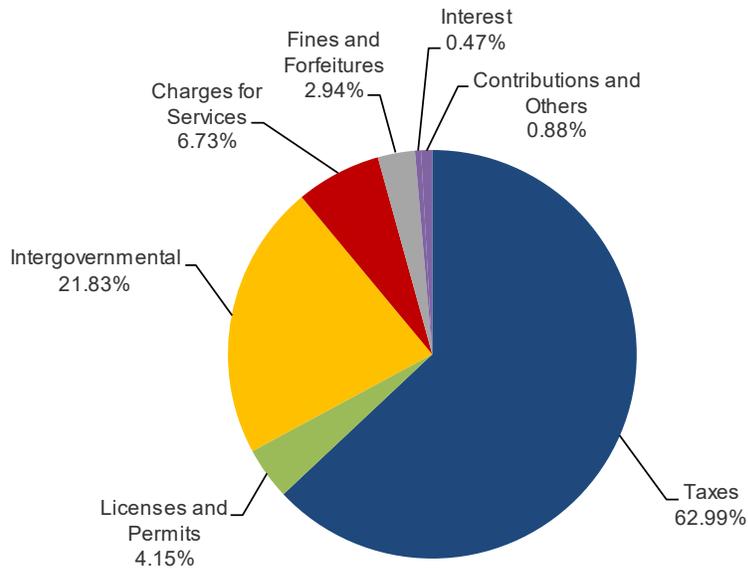
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Fund balance					
Nonspendable	\$ 129,986	\$ 116,641	\$ 123,218	\$ 140,462	\$ 132,689
Assigned	5,376,591	2,713,627	4,980,428	5,623,577	4,664,936
Unassigned	7,797,408	15,166,558	9,771,761	8,730,208	10,036,017
<b>Total fund balance</b>	<b>\$ 13,303,985</b>	<b>\$ 17,996,826</b>	<b>\$ 14,875,407</b>	<b>\$ 14,494,247</b>	<b>\$ 14,833,642</b>
Fund balance - beginning	\$ 17,996,826	\$ 14,875,406	\$ 14,494,247	\$ 14,833,642	\$ 13,216,611
Operating surplus	7,338,250	10,055,884	5,720,367	6,256,939	7,388,025
Transfers	(12,031,091)	(6,934,464)	(5,339,207)	(6,596,335)	(5,770,994)
<b>Fund balance - ending</b>	<b>\$ 13,303,985</b>	<b>\$ 17,996,826</b>	<b>\$ 14,875,407</b>	<b>\$ 14,494,246</b>	<b>\$ 14,833,642</b>

General Fund revenues were \$1.7 million lower in 2018 compared to 2017. Property taxes in 2018 were \$2.6 million lower than 2017 because of a shift in the tax levy between the general and debt service funds and also an increase in assessed valuation. Franchise fees in total were \$120,000 lower in 2018 compared to 2017. The December 2018 franchise fee for gas was not received within two months of year end so those anticipated fees of \$140,000 were not considered available and not recognized as income in 2018. City sales tax and City use tax both increased slightly in 2018. The increase in use tax is due to increased collections for on-line sales as well as collections on construction within the City. Motor vehicle taxes were \$125,000 higher than 2018 and are dependent on vehicle sales within the year. Fines and forfeitures were down by \$235,000 due to traffic enforcement. In 2018 there were 9,921 traffic violations compared to 12,350 in 2017. Parks and Recreation program revenues fluctuate from year to year because of weather and other factors. A new event space called Vista 154 was added at Ironhorse Golf Course in 2017 and operated for the full year of 2018. This new venue brought in additional rental income as well as food and beverage income. It is anticipated that the new event space will bring in additional revenue throughout the year despite the weather fluctuations. The City negotiated with the golf course management company, Troon Golf, to pay more in concession fees in 2018. This increase brought in additional revenue of \$25,000 that was not received in 2017.

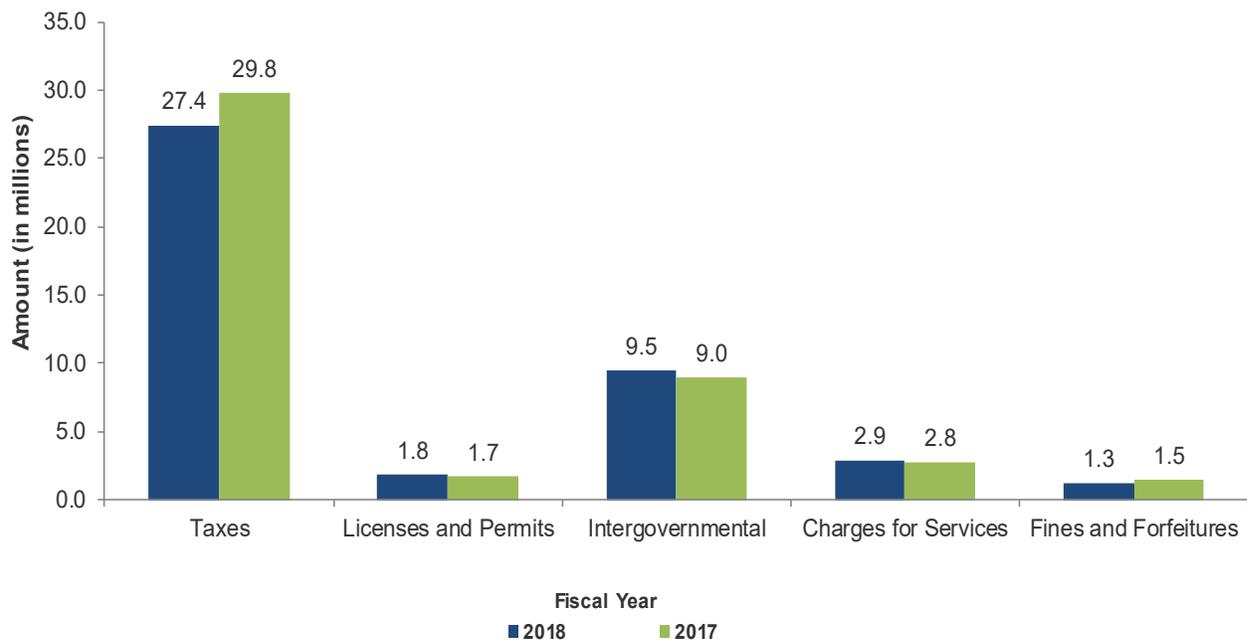
# CITY OF LEAWOOD, KANSAS

## Management's Discussion And Analysis (Continued)

The graph below illustrates General Fund revenues by source.



The graph below presents a comparison of each General Fund revenue source for the years ended December 31, 2018 and 2017.



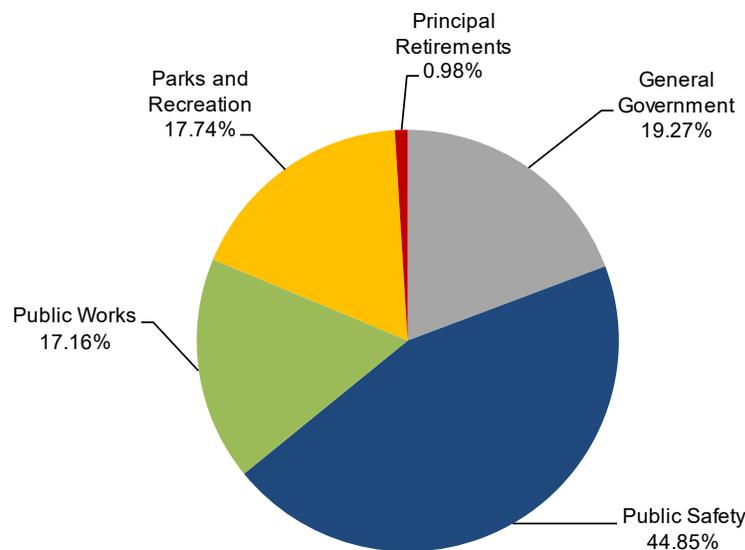
## CITY OF LEAWOOD, KANSAS

---

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

General Fund expenditures increased overall by \$1.2 million or 2.9%. The City's required contribution to KPERS and KP&F both increased from 2017 to 2018. This resulted in approximately \$125,000 more personnel costs across all departments. Personnel costs were also higher in 2018 due to pay increases and costs of benefits provided to employees. Parks and recreation showed a small decrease in contractual services and commodities. As program participation increases or decreases the expenses in parks and recreation reflect the change. All departments expenditures were below budget in 2018 for a total saving to the City of \$4.7 million.

The graph below presents General Fund expenditures by category.

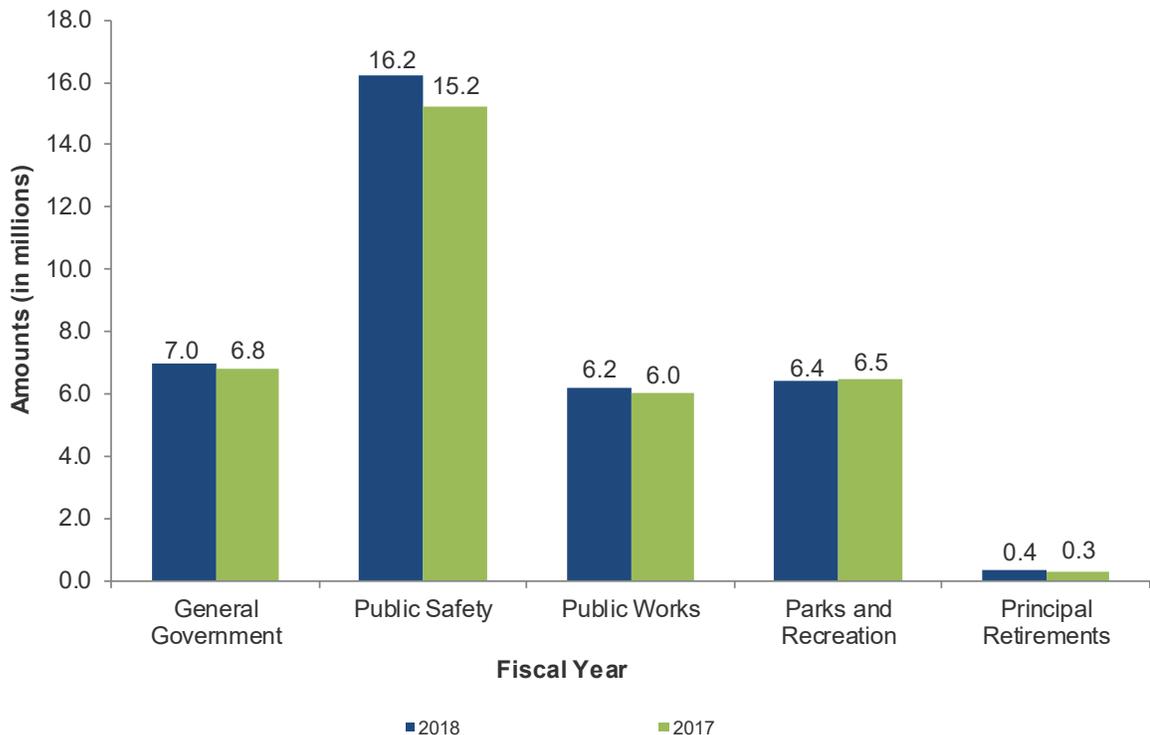


## CITY OF LEAWOOD, KANSAS

---

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

The graph below illustrates a comparison of each expenditure category for the years ended December 31, 2018 and 2017.



Transfers to other funds increased by \$4.7 million from the prior year. The capital equipment and pay-as-you-go project transfers fluctuate as necessary to fund the C.I.P (Capital Improvement Program) and the Vehicle and Equipment Replacement Schedules. Transfers to the Public Safety Improvement Fund from the General Fund stayed consistent with \$1.1 million in 2018 and \$1.0 million in 2017. This amount represents the public safety sales tax that comes into the City each year. The City established an Economic Development Fund in 2017 and transferred \$8.1 million into that fund in 2018 compared to \$0.8 million in 2017. The \$8.1 million included \$7.0 million from General Fund reserves and \$1.1 from sales tax collected in the General Fund.

### **Other Governmental Funds**

The fund balance for the Debt Service Fund increased \$1.8 million from last year. This balance represents 100% of the 2019 annual debt service payments.

The fund balance in the Capital Projects Fund went from \$0.5 million in 2017 to \$2.4 million at the end of 2018. This change in fund balance is a result of more temporary note borrowing for ongoing projects of which the note proceeds have not yet been expended. The City also had two projects that were completed and bonded during 2018 that totaled \$3.4 million

## CITY OF LEAWOOD, KANSAS

---

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

The Municipal Equipment Fund had an ending fund balance of \$10.4 million. This is a decrease of \$0.5 million over 2017. The decrease is due a reduction in transfers into this fund. In 2018 the transfers in were \$1.0 million as compared to \$1.7 million in 2017. There was also a reduction in insurance recoveries within this fund. During 2018 the City received \$468,469 in FEMA recoveries due to flooding during 2017. The FEMA reimbursement was to recover many costs incurred, including: insurance deductibles, debris removal, and repairs to structures, amenities (playgrounds, sports fields), and trails. During 2017 the City received \$930,931 in insurance deductibles for the same flood that were also designated as an extraordinary item.

### DEBT ADMINISTRATION

As of December 31, 2018, the City had total bonded debt outstanding of \$53,815,000. All of this debt is backed by the full faith and credit of the City.

#### **City Of Leawood's Outstanding Debt General Obligation And Revenue Bonds**

	<u>Governmental Activities</u>		
	<u>2018</u>	<u>2017</u>	<u>Change</u>
General Obligation Bonds	\$ 53,815,000	\$ 58,550,000	\$ (4,735,000)

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 August 2018. 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 \$253,084,606.

Additional information regarding the City's long-term debt can be found in Note 9.

### CAPITAL ASSETS

The capital assets of the City are those assets which are used in the performance of the City's functions including infrastructure assets. At December 31, 2018, net capital assets of the governmental activities (net position) totaled \$343.0 million. Depreciation on capital assets is recognized in the Government-Wide financial statements. Refer to the Notes to Basic Financial Statements No. 6 for detail regarding capital assets.

## 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. Under GASB Statement 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 characteristics of (1) an up-to-date inventory; (2) condition assessments and summarizing the results using a measurement scale; and (3) estimation of the 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. 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 2018, 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 2018 was 98.9%. For 2018 the city incurred expenditures of \$344,944 compared to the budgeted amount of \$413,000 to maintain the condition assessment level.

The table below presents summary information on the City's capital assets.

	<b>Governmental Activities</b>		
	<b>2018</b>	<b>2017</b>	<b>Percentage Change</b>
Land/right of way	<b>\$ 119,450,941</b>	\$ 118,950,448	0%
Buildings and improvements	<b>42,915,882</b>	44,367,463	-3%
Machinery and equipment	<b>9,927,840</b>	9,518,359	4%
Infrastructure	<b>168,291,342</b>	169,528,619	-1%
Construction in progress	<b>2,393,210</b>	4,684,920	-49%
<b>Total</b>	<b>\$ 342,979,215</b>	\$ 347,049,809	-1%

A street project and a retaining wall project were both completed and bonded in 2018. This resulted in the decrease in construction in progress at the end of the year.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The legally adopted budget for the General Fund was amended by the Governing Body during 2018 in order to provide for a transfer to the Economic Development Fund.

## CITY OF LEAWOOD, KANSAS

---

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

In total, the General Fund revenues had a favorable variance from the final budget by \$0.6 million. All areas of revenue except Intergovernmental and Fines and Forfeitures had a favorable variance with the largest variance being in Fines and Forfeitures. The revenue in this area is dependent upon traffic violations and fluctuates from year to year due to police staffing.

The General Fund expenditures of \$35.8 million show a favorable variance of \$4.7 million when compared to the final budget of \$40.6 million. General Government, Public Safety, Public Works and Parks and Recreation all reported favorable expenditure variances in 2018. Over \$1.6 million of the savings, were in personnel costs from position vacancies, intentional delays in hiring, as well as reductions in overtime and lower worker' compensation costs. Commodities and professional and contractual support was \$3.1 million below the final budget. Careful and conservative spending was used throughout the year.

Final budget	\$ 40,581,900
Expenditure actuals	<u>(35,839,285)</u>
Variance under	<u>\$ 4,742,615</u>

### ECONOMIC OUTLOOK

The 2018 economic outlook for Leawood remains consistent with prior year's actual results. Leawood continues to have a diversified revenue base with the largest category, 38%, coming from property taxes; followed by the other governmental revenue of 32% and lastly sales taxes of 30%. For the 2019 budget year, Leawood is anticipating a 4.18% increase in assessed valuation. Over the last 10 years the City's property tax base has increased 1.9% on average per year. The City is also anticipating an increase in sales tax in 2019. The City is anticipating a 2.95% in 2019 and has averaged a 1.8% increase in sales tax collections over the last 5 years.

At the close of 2019, the City's operating reserves are expected to be at 39% of expenditures, which is above the minimum goal of 11% set by the Governing Body. As major pay-as-you-go capital projects are completed, it is projected that the reserves over the next seven years will be above the 11% goal.

Debt reserves in 2019 are budgeted at \$9,197,100 or 99% of debt service expenditures. This reserve level provides a financial cushion for the City in the event that property tax collection rates fall. This level of reserves also provides an added layer of protection in the event that there are delayed payments from our special benefit debt.

Leawood will continue to use a financial forecasting and planning model to monitor financial progress in the coming years. Monitoring revenue and expenditures throughout the year ensures that fund balances remain within policy standards and will provide for the future needs of the City.

## **CITY OF LEAWOOD, KANSAS**

---

Management's Discussion And Analysis (*Continued*)

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Director of Finance, City of Leawood, 4800 Town Center Drive, Leawood, KS 66211 or phone 913-663-9121.

---

## **Basic Financial Statements**

---

# CITY OF LEAWOOD, KANSAS

## STATEMENT OF NET POSITION

December 31, 2018

	<b>Governmental Activities</b>
<b>Assets</b>	
Pooled cash and investments	\$ 88,306,177
Restricted cash	144,684
Receivables (net of allowance for uncollectibles):	
Property tax	23,561,079
Sales tax	3,463,686
Transient guest tax	107,344
Franchise tax	424,894
Special assessments - current	3,024,387
Intergovernmental	963,789
Interest	183,782
Accounts	22,571
Inventory and prepaid expenses	129,986
Special assessments receivable - noncurrent	6,095,904
Capital assets:	
Land and other capital assets, nondepreciable	142,434,082
Other capital assets, net of depreciation	200,545,133
<b>Total Assets</b>	<b>469,407,498</b>
<b>Deferred Outflows Of Resources</b>	
Deferred loss on refunding	254,258
Deferred contributions to pension plan	1,294,418
Proportionate share of collective deferred outflows of resources - pension plan	3,050,820
<b>Total Deferred Outflows Of Resources</b>	<b>4,599,496</b>
<b>Liabilities</b>	
Accounts payable	985,957
Due to employees and others	1,633,642
Temporary notes payable	23,777,457
Accrued interest payable	988,260
Municipal court deposits	144,684
Long-term liabilities:	
Due within one year	8,526,759
Due in more than one year	57,012,531
Net pension liability	23,105,324
<b>Total Liabilities</b>	<b>116,174,614</b>
<b>Deferred Inflows Of Resources</b>	
Property tax	23,577,304
Proportionate share of collective deferred inflows of resources - pension plan	1,059,029
Deferred inflows of resources - OPEB	48,885
<b>Total Deferred Inflows Of Resources</b>	<b>24,685,218</b>
<b>Net Position</b>	
Net investment in capital assets	281,113,331
Restricted for:	
Bridges, streets and signals	2,004,677
Debt service	9,375,415
Social services	466,555
Special parks and recreation	466,895
Tourism promotion	1,654,027
Law enforcement	26,861
Unrestricted	38,039,401
<b>Total Net Position</b>	<b>\$ 333,147,162</b>

# CITY OF LEAWOOD, KANSAS

## STATEMENT OF ACTIVITIES For The Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues			Net Expense And Changes In Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
<b>Governmental Activities</b>					
General government	\$ 7,578,714	\$ 2,856,279	\$ —	\$ —	\$ (4,722,435)
Public safety	18,331,638	185,640	4,446	—	(18,141,552)
Public works	16,701,722	528,259	406	1,247,452	(14,925,605)
Parks and recreation	7,395,450	2,873,676	468,469	—	(4,053,305)
Interest on long-term debt	2,333,256	—	—	—	(2,333,256)
<b>Total Governmental Activities</b>	<b>\$ 52,340,780</b>	<b>\$ 6,443,854</b>	<b>\$ 473,321</b>	<b>\$ 1,247,452</b>	<b>(44,176,153)</b>
<b>General Revenues</b>					
Property taxes levied for:					
Property taxes for general purposes					12,531,600
Property taxes for debt service					10,351,730
Sales taxes					18,403,286
Transient guest tax					327,874
Franchise taxes					3,520,426
Other taxes					1,581,752
Grants and contributions not restricted to specific programs					2,993,274
Unrestricted investment earnings					1,138,750
Miscellaneous					440,520
<b>Total General Revenues</b>					<b>51,289,212</b>
Change in net position					7,113,059
<b>Net Position - Beginning Of Year</b>					<b>327,009,015</b>
<b>Cumulative Effect Of Change In Accounting Principle</b>					<b>(974,912)</b>
<b>Net Position - Beginning Of Year, As Restated</b>					<b>326,034,103</b>
<b>Net Position - Ending</b>					<b>\$ 333,147,162</b>

# CITY OF LEAWOOD, KANSAS

## BALANCE SHEET - GOVERNMENTAL FUNDS December 31, 2018

	General Fund	Debt Service	Capital Projects	Municipal Equipment Reserve	Other Govern- mental Funds	Total Govern- mental Funds
<b>Assets</b>						
Pooled cash and investments	\$ 11,579,541	\$ 9,261,112	\$ 26,535,537	\$ 10,355,353	\$ 30,574,634	\$ 88,306,177
Restricted assets	144,684	—	—	—	—	144,684
Receivables:						
Property tax	17,235,388	6,325,691	—	—	—	23,561,079
Sales tax	3,284,001	—	—	—	179,685	3,463,686
Transient guest tax	—	—	—	—	107,344	107,344
Franchise tax	424,894	—	—	—	—	424,894
Special assessments	—	9,120,291	—	—	—	9,120,291
Intergovernmental	411,838	84,884	—	116,344	350,723	963,789
Interest	25,995	29,419	49,315	20,143	58,909	183,781
Accounts	22,571	—	—	—	—	22,571
Inventory and prepaid expenses	129,986	—	—	—	—	129,986
Due from other funds	—	—	—	—	380,506	380,506
<b>Total Assets</b>	<b>\$ 33,258,898</b>	<b>\$ 24,821,397</b>	<b>\$ 26,584,852</b>	<b>\$ 10,491,840</b>	<b>\$ 31,651,801</b>	<b>\$ 126,808,788</b>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ 524,145	\$ —	\$ 190,414	\$ 55,337	\$ 216,060	\$ 985,956
Due to employees and others	1,633,642	—	—	—	—	1,633,642
Due to other funds	380,506	—	—	—	—	380,506
Temporary notes payable	—	—	23,777,457	—	—	23,777,457
Accrued interest payable	—	—	236,656	—	—	236,656
Municipal court deposits	144,684	—	—	—	—	144,684
<b>Total Liabilities</b>	<b>2,682,977</b>	<b>—</b>	<b>24,204,527</b>	<b>55,337</b>	<b>216,060</b>	<b>27,158,901</b>
<b>Deferred Inflows Of Resources</b>						
Property tax	17,270,913	6,325,691	—	—	—	23,596,604
Special assessments	—	9,120,291	—	—	—	9,120,291
Other	1,023	—	—	—	—	1,023
<b>Total Deferred Inflows Of Resources</b>	<b>17,271,936</b>	<b>15,445,982</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>32,717,918</b>
<b>Fund Balances</b>						
<b>Nonspendable:</b>						
Inventory	129,986	—	—	—	—	129,986
<b>Restricted For:</b>						
Social services	—	—	—	—	466,554	466,554
Parks and recreation	—	—	—	—	466,894	466,894
Tourism promotion	—	—	—	—	1,654,027	1,654,027
Bridges, streets and signals	—	—	2,380,325	—	2,004,676	4,385,001
Debt service reserve	—	9,375,415	—	—	—	9,375,415
Law enforcement	—	—	—	—	26,861	26,861
<b>Committed To:</b>						
Economic development	—	—	—	—	9,113,325	9,113,325
Equipment purchases	—	—	—	10,436,503	—	10,436,503
Bridges, streets and signals	—	—	—	—	2,694,089	2,694,089
Justice center	—	—	—	—	6,690,318	6,690,318
City art	—	—	—	—	586,741	586,741
Park improvements	—	—	—	—	180,969	180,969
Other capital projects	—	—	—	—	7,542,578	7,542,578
<b>Assigned To:</b>						
Appropriation of fund balance for 2019	5,376,591	—	—	—	—	5,376,591
Other purposes	—	—	—	—	8,709	8,709
<b>Unassigned</b>	<b>7,797,408</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>7,797,408</b>
<b>Total Fund Balances</b>	<b>13,303,985</b>	<b>9,375,415</b>	<b>2,380,325</b>	<b>10,436,503</b>	<b>31,435,741</b>	<b>66,931,969</b>
<b>Total Liabilities, Deferred Inflows And Fund Balances</b>	<b>\$ 33,258,898</b>	<b>\$ 24,821,397</b>	<b>\$ 26,584,852</b>	<b>\$ 10,491,840</b>	<b>\$ 31,651,801</b>	<b>\$ 126,808,788</b>

# CITY OF LEAWOOD, KANSAS

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION December 31, 2018

**Total Fund Balance - Governmental Funds** \$ 66,931,969

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Net Position 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 Position. 342,979,215

Long-term assets are not available to pay for current period expenditures and are therefore deferred in the fund statements. 9,140,614

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 position. Also, governmental funds report the effect of 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:

Deferred loss on refunding	254,258
Deferred contributions to pension plan	1,294,418
Share of deferred outflows of pension plan	3,050,820
Share of deferred inflows of pension plan	(1,059,029)
Share of deferred inflows of OPEB	(48,885)
Unamortized premiums and discounts	(4,865,377)
Accrued interest payable	(751,604)
Net pension liability	(23,105,324)
Long-term liabilities	(60,673,913)

**Total Net Position Of Governmental Activities** \$ 333,147,162

# CITY OF LEAWOOD, KANSAS

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

For The Year Ended December 31, 2018

	General Fund	Debt Service	Capital Projects	Municipal Equipment Reserve	Other Govern- mental Funds	Total Govern- mental Funds
<b>Revenues</b>						
Taxes	\$ 27,420,847	\$ 8,716,939	\$ —	\$ —	\$ 1,245,732	\$ 37,383,518
Licenses and permits	1,805,154	—	—	—	426,848	2,232,002
Intergovernmental	9,504,191	471,837	63,462	468,469	2,031,140	12,539,099
Charges for services	2,930,520	—	—	—	—	2,930,520
Fines and forfeitures	1,280,402	—	—	—	930	1,281,332
Special assessments	—	1,635,144	—	—	—	1,635,144
Interest	205,392	174,880	255,709	142,582	360,186	1,138,749
Contributions and others	384,729	—	935	54,856	—	440,520
<b>Total Revenues</b>	<b>43,531,235</b>	<b>10,998,800</b>	<b>320,106</b>	<b>665,907</b>	<b>4,064,836</b>	<b>59,580,884</b>
<b>Expenditures</b>						
General government	6,974,313	—	—	—	367,250	7,341,563
Public safety	16,234,348	—	—	—	—	16,234,348
Public works	6,211,707	—	—	—	72,900	6,284,607
Parks and recreation	6,418,917	—	—	—	841	6,419,758
Capital outlay:						
General government	—	—	—	130,637	68,698	199,335
Public safety	—	—	18,049	649,892	389,808	1,057,749
Public works	—	—	1,685,802	1,111,604	2,171,996	4,969,402
Parks and recreation	—	—	—	250,310	1,637,291	1,887,601
Debt service:						
Principal retirement	304,578	7,255,000	—	—	—	7,559,578
Interest and fiscal charges	49,122	2,073,132	338,593	—	—	2,460,847
<b>Total Expenditures</b>	<b>36,192,985</b>	<b>9,328,132</b>	<b>2,042,444</b>	<b>2,142,443</b>	<b>4,708,784</b>	<b>54,414,788</b>
<b>Revenues Over (Under) Expenditures</b>	<b>7,338,250</b>	<b>1,670,668</b>	<b>(1,722,338)</b>	<b>(1,476,536)</b>	<b>(643,948)</b>	<b>5,166,096</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	247,000	20,104	—	1,000,000	11,778,091	13,045,195
Transfers out	(12,278,091)	—	(20,104)	—	(747,000)	(13,045,195)
Payments to refunding escrow agent	—	(10,410,000)	—	—	—	(10,410,000)
Premiums and discounts	—	1,031,724	192,427	—	—	1,224,151
Refunding bonds issued	—	9,450,000	—	—	—	9,450,000
Proceeds from borrowing	—	—	3,480,000	—	—	3,480,000
<b>Total Other Financing Sources (Uses)</b>	<b>(12,031,091)</b>	<b>91,828</b>	<b>3,652,323</b>	<b>1,000,000</b>	<b>11,031,091</b>	<b>3,744,151</b>
<b>Net Change In Fund Balances</b>	<b>(4,692,841)</b>	<b>1,762,496</b>	<b>1,929,985</b>	<b>(476,536)</b>	<b>10,387,143</b>	<b>8,910,247</b>
<b>Fund Balances - Beginning Of Year</b>	<b>17,996,826</b>	<b>7,612,919</b>	<b>450,340</b>	<b>10,913,039</b>	<b>21,048,598</b>	<b>58,021,722</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 13,303,985</b>	<b>\$ 9,375,415</b>	<b>\$ 2,380,325</b>	<b>\$ 10,436,503</b>	<b>\$ 31,435,741</b>	<b>\$ 66,931,969</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, 2018

**Net Changes In Fund Balances - Total Governmental Funds** **\$ 8,910,247**

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	5,465,002
Depreciation expense	(10,333,110)
Loss on disposal of capital assets	(350,749)

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

Acquisition value of donated assets	1,148,263
Change in deferred revenue for tax revenues	(1,275,309)

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 position. Also, governmental funds report the effect of 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 deferred loss on refunding and premiums	172,758
Interest expense	(45,167)
Issuance of long-term debt	(12,930,000)
Premium on long-term debt	(1,224,151)
Payment of long-term debt, including payments to refunding agent	17,969,579
Pension expense	(206,426)
Net post-retirement benefits obligation	(231,299)

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	43,421
----------------------	--------

**Total Changes In Net Position Of Governmental Activities** **\$ 7,113,059**

# CITY OF LEAWOOD, KANSAS

---

## STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS

December 31, 2018

### Assets

Pooled cash and investments	\$ 93,215
Special assessments receivable	<u>624,752</u>
<b>Total Assets</b>	<b><u>\$ 717,967</u></b>

### Liabilities

Due to employees	\$ 752
Due to other taxing jurisdiction	<u>717,215</u>
<b>Total Liabilities</b>	<b><u>\$ 717,967</u></b>

---

**Notes To Basic Financial Statements**

---

# CITY OF LEAWOOD, KANSAS

---

## NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

### 1. Summary Of Significant Accounting Policies

The following is a summary of significant accounting policies employed in the preparation of the accompanying financial statements.

#### **Reporting Entity**

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 15 square miles in northeastern Johnson County, Kansas. The City provides many services to its estimated 35,101 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.

#### **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 position 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.

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.

## **CITY OF LEAWOOD, KANSAS**

---

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

The City's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. 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 position 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. Nonmajor 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.

##### *Municipal Equipment Reserve Fund*

The Municipal Equipment Reserve Fund accounts for resources used for 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.

## **CITY OF LEAWOOD, KANSAS**

---

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

#### *Fiduciary Funds*

The City maintains seven fiduciary funds, all of which are agency funds. The Employee Giving Fund accounts for amounts withheld from employees for charitable purposes. The Resurrection, Cornerstone, Villaggio, One-Nineteen, and Park Place Transportation Development District Funds account for special assessment and/or sales tax collections along with related payments to bondholders for special assessment debt issued in which the City is not obligated in any manner. The Camelot Court Community Improvement District Fund accounts for sales tax collections within the Camelot Court Community Improvement District.

#### **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. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. This differs from the manner in which governmental fund financial statements are prepared; therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

##### *Governmental Fund Financial Statements*

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

##### *Revenue Recognition*

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

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.

## **CITY OF LEAWOOD, KANSAS**

---

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

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. Agency funds are custodial in nature and do not involve the measurement of results of operations. Agency funds apply the accrual basis of accounting, however they do not have a measurement focus.

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.

### **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 "Pooled cash and 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. 72, *Fair Value Measurement and Application*.

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 1.44% and the amount of investment revenue was \$1,138,750.

## CITY OF LEAWOOD, KANSAS

---

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

From time to time, the City invests available cash in the Kansas Municipal Investment Pool (KMIP). KMIP is a pooled investment vehicle offered by the State of Kansas as a voluntary investment alternative for municipalities in the State of Kansas. KMIP is governed by the State of Kansas Pooled Money Investment Board. Investments in the KMIP are reported at net asset value, which approximates fair value.

#### *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 capital assets, donated works of art, and similar items are recorded at acquisition 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 are expensed as incurred.

Depreciation on exhaustible assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position. 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 - fiber optic network	75
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.

## CITY OF LEAWOOD, KANSAS

---

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

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 are 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 is generated for the City indicating the number of lights that are out. The City Engineer reviews 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 to be \$413,000.

#### *Deferred Outflows Of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

#### *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. Employees are not paid for accumulated sick leave upon termination. Accrued vacation is recorded as a long-term liability of the City in the Government-wide financial statements. However, in the governmental fund financial statements, a liability is only reported in the amount that has matured and is due at the end of the year.

## CITY OF LEAWOOD, KANSAS

---

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

#### *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas Public Employees' Retirement System (KPERs) and additions to and deductions from KPERs' fiduciary net position have been determined on the same basis as they are reported by KPERs. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### *Other Post Employment Benefit Plans (OPEB)*

The City sponsors a single-employer, defined benefit healthcare plan and participates in the Kansas Public Employees Death and Disability Plan, a multiple-employer defined benefit plan. The total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the OPEB Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

#### *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 bonds payable, capital leases, net other post employment benefit obligations, net pension liability, and accrued compensated absences. Bond premiums and discounts 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 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.

#### *Deferred Inflows of Resources*

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

On the modified accrual basis of accounting, the City has recorded certain receivables where the related revenue is unavailable. Unavailable revenues have been reported as deferred inflows of resources on the governmental fund balance sheet.

## CITY OF LEAWOOD, KANSAS

---

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

#### *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 inflow of resources 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 position.

#### *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*

In the government-wide statements, equity is shown as net position and is classified into three components:

1. *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, related premiums or discounts, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. *Restricted net position* - Consists of net position 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.

## CITY OF LEAWOOD, KANSAS

---

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

3. *Unrestricted net position* - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental funds report fund balance in five different classifications:

1. *Nonspendable* - Assets legally or contractually required to be maintained or are not in spendable form. Such constraint is binding until the legal requirement is repealed or the amounts become spendable.
2. *Restricted* - Assets with externally imposed constraints, such as those mandated by creditors, grantors, and contributors, or laws and regulations. Such constraint is binding unless modified or rescinded by the applicable external body, laws or regulations.
3. *Committed* - Assets with a purpose formally imposed by ordinance of the City Council, binding unless modified or rescinded by the City Council through a similar action.
4. *Assigned* - Assets constrained by the expressed written intent of the City Council, City Manager, Director of Resource Management, or designee as set forth in the City’s purchasing policy pursuant to resolution #2149. Encumbrances shall be considered as assigned unless they specifically meet the requirements to be restricted or committed.
5. *Unassigned* - All amounts not included in the other fund balance classifications. The general fund shall be the only fund to report positive unassigned fund balance. All other governmental funds may report negative unassigned fund balance.

For the classification of fund balances, the City considers restricted amounts to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Expenditures are to be spent from restricted fund balance first, followed by committed, assigned and lastly unassigned.

### **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.

## CITY OF LEAWOOD, KANSAS

---

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

#### **New Accounting Standard**

For the year ended December 31, 2018, the City implemented GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*, as amended. Statement No. 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. As a result of the implementation, net positions as of January 1, 2018 was restated as follows:

<b>Net Position, As Previously Reported, January 1, 2018</b>	<u>\$ 327,009,015</u>
Prior period adjustments	
Net OPEB health liability (measurement date of December 31, 2017)	(753,758)
Net OPEB KPERS disability (measurement date of June 30, 2017)	<u>(221,154)</u>
Total prior period adjustments	<u>(974,912)</u>
<b>Net Position, As Restated, January 1, 2018</b>	<u><u>\$ 326,034,103</u></u>

## **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 Revenue Funds requiring a legally adopted budget include the Special Alcohol Fund, the Special City Highway Fund, the Special Parks and Recreation Fund, the Special Law Enforcement Fund, and the Transient Guest Tax Fund. A legal operating budget is not required for Capital Projects Funds or for the American Revolution Tri-Centennial Special Revenue Fund.

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.

## **CITY OF LEAWOOD, KANSAS**

---

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

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.

Kansas statutes prohibit cities from creating indebtedness unless there is money on hand in the treasury 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 for the payment of the amount represented by the commitment. 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 inflows 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.

## CITY OF LEAWOOD, KANSAS

---

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

### 3. Detailed Notes On All Funds

#### Deposits And Investments

Kansas statutes authorize the City, with certain restrictions, to invest in open accounts, time deposits, certificates of deposits, KMIP, and U.S. Treasury securities. All deposits with banks are collateralized at 105% 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, 2018, the bank balance of deposits, certificates of deposit and repurchase agreements were \$31,054,174.

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 position, as well as a summary of the City's cash and investments is as follows:

Cash on hand	\$	4,798
Carrying amount of deposits		187,846
Investments		<u>88,351,432</u>
Total cash and investments	\$	<u>88,544,076</u>
Pooled cash and investments	\$	88,306,177
Restricted cash		144,684
Pooled cash and investments - agency funds		<u>93,215</u>
Total cash and investments	\$	<u>88,544,076</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.

## CITY OF LEAWOOD, KANSAS

---

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

At December 31, 2018, the City's deposits were fully collateralized by federal depository insurance and 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, 2018.

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

	Maturity			
	Amount	6 Months Or Less	6 - 12 Months	12 - 24 Months
U.S. Treasury Notes	\$ 57,566,651	\$ 12,945,517	\$ 24,824,291	\$ 19,796,843
Repurchase agreements	30,784,781	30,784,781	—	—
	<u>\$ 88,351,432</u>	<u>\$ 43,730,298</u>	<u>\$ 24,824,291</u>	<u>\$ 19,796,843</u>

#### *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.

## CITY OF LEAWOOD, KANSAS

---

### Notes To Basic Financial Statements (Continued)

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

<u>Investment Type</u>	<u>Maximum Percentage</u>
Repurchase agreements	40%
Collateralized time and demand deposits	100%
U.S. Treasury notes and bills	100%
Kansas Municipal Investment Pool	30%
Bank trust department municipal pools	10%
Temporary notes or no-fund warrants	10%

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating As Of December 31, 2018</u>	<u>Percentage</u>
U.S. Treasury Notes	\$ 57,566,651	**	65.2%
Repurchase agreements	30,784,781	AAA Collateral	34.8%
	<u>\$ 88,351,432</u>		

\*\* Ratings are not required for U.S. Treasury Notes because they are the highest quality securities.

The City categorized its fair value measurements applicable for reporting its investments within the fair value hierarchy. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs. The City has one investment that is leveled. U.S. Treasury Notes are valued using quoted market prices (Level 1 inputs). The repurchase agreements are measured at amortized cost.

### 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, 2017 on which the 2018 levy was based was \$922,224,168.

# CITY OF LEAWOOD, KANSAS

## Notes To Basic Financial Statements (Continued)

The City's property tax levies per \$1,000 (Mills) assessed valuation for the year ended December 31, 2018 recognized as revenue in 2018 were as follows:

	<u>Levy (Mills)</u>
General fund	\$ 15.056
Debt service fund	<u>9.461</u>
	<u>\$ 24.517</u>

Taxes receivable represent property taxes levied on November 1, 2018 for 2019, which have been recorded as a deferred inflow; delinquent property taxes, City sales taxes, consumers' use tax, and franchise taxes which have been recorded as revenues.

### 4. Intergovernmental Revenues

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Municipal Equipment Reserve</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Federal:						
Department of transportation	\$ 2,030	\$ —	\$ —	\$ —	\$ —	\$ 2,030
Department of justice	2,415	—	—	—	—	2,415
FEMA - 2017 flood	—	—	—	468,469	—	468,469
State Of Kansas:						
Special liquor tax	526,802	—	—	—	1,053,604	1,580,406
Gasoline tax	—	—	—	—	941,812	941,812
County and local:						
County sales tax	6,093,157	—	—	—	—	6,093,157
County consumer's use tax	1,299,755	—	—	—	—	1,299,755
Motor vehicle tax	1,579,626	471,837	—	—	—	2,051,463
Interlocal agreements	406	—	63,462	—	35,724	99,592
	<u>\$ 9,504,191</u>	<u>\$ 471,837</u>	<u>\$ 63,462</u>	<u>\$ 468,469</u>	<u>\$ 2,031,140</u>	<u>\$ 12,539,099</u>

### 5. Interfund Transfers

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

<u>Transfers To</u>	<u>Transfers From</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	
<b>Governmental Activities</b>				
General fund	\$ —	\$ —	\$ 247,000	\$ 247,000
Debt service fund	—	20,104	—	20,104
Municipal equipment reserve fund	1,000,000	—	—	1,000,000
Other governmental funds	11,278,091	—	500,000	11,778,091
	<u>\$ 12,278,091</u>	<u>\$ 20,104</u>	<u>\$ 747,000</u>	<u>\$ 13,045,195</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:**

Public Safety Improvement Fund	\$ 1,056,133
Economic Development Fund	8,056,127
Municipal Equipment Reserve Fund	1,000,000
Street Improvements Fund	1,000,000
Special City Highway Fund	100,000
City Art Fund	65,831
Capital Improvements Fund	1,000,000
	<u>12,278,091</u>

**From Capital Projects Fund To:**

Debt Service Fund	<u>20,104</u>
-------------------	---------------

**From Other Governmental Funds:**

From the Special Alcohol Fund to:	
General Fund	247,000
From 1/8-Cent Sales Tax Fund to:	
Special City Highway Fund	<u>500,000</u>
	<u>747,000</u>
	<u>\$ 13,045,195</u>

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

**Governmental Activities**

Due from the General Fund to:

Public Safety Improvement Fund	\$ 190,253
Economic Development Fund	<u>190,253</u>
	<u>\$ 380,506</u>

Amounts due from the General Fund to the Public Safety Improvement Fund and Economic Development Fund are the result of a time lag created when the General Fund collects and subsequently transfers certain sales taxes designated for public safety capital improvements to the Public Safety Improvement Fund, and certain transfers to the Economic Development Fund.

# CITY OF LEAWOOD, KANSAS

## Notes To Basic Financial Statements (Continued)

### 6. Capital Assets

Governmental capital asset activity for the year ended December 31, 2018 was as follows:

	Balance - December 31, 2017	Increases	Decreases	Balance - December 31, 2018
Governmental activities:				
Capital assets not being depreciated:				
Land and right-of-way	\$ 118,950,448	\$ 500,493	\$ —	\$ 119,450,941
Infrastructure	19,862,538	745,989	18,596	20,589,931
Construction in progress	4,684,920	1,213,157	3,504,867	2,393,210
Total capital assets not being depreciated	143,497,906	2,459,639	3,523,463	142,434,082
Capital assets being depreciated:				
Buildings and improvements	71,583,410	862,454	51,600	72,394,264
Machinery and equipment	21,728,375	2,453,677	712,591	23,469,461
Infrastructure	275,530,128	4,342,359	388,632	279,483,855
Total capital assets being depreciated	368,841,913	7,658,490	1,152,823	375,347,580
Less accumulated depreciation for:				
Buildings and improvements	27,215,947	2,296,835	34,400	29,478,382
Machinery and equipment	12,210,016	1,863,341	531,736	13,541,621
Infrastructure	125,864,047	6,172,934	254,537	131,782,444
Total accumulated depreciation	165,290,010	10,333,110	820,673	174,802,447
Total capital assets being depreciated, net	203,551,903	(2,674,620)	332,150	200,545,133
Governmental activity capital assets, net	\$ 347,049,809	\$ (214,981)	\$ 3,855,613	\$ 342,979,215

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

General government	\$ 411,083
Public safety	1,557,367
Public works	6,740,826
Parks and recreation	1,623,834
Total depreciation expense	<u>\$ 10,333,110</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 Expenditures At Year End</u>
80129 143rd Street - Windsor to Kenneth	\$ 13,827,671	\$ 1,526,836
80158 Fire Station #1 Replacement	5,000,000	85,894
80175 Mission Rd, 135th to 143rd	14,806,000	—
80217 2019 Residential Streets	3,000,000	78,849
80255 2018 Storm Water	3,000,000	823,341
82065 Overhead Lines Mission 119th-127th	1,632,000	—
82074 Overhead Lines Mission 92nd to Ranchmart	969,000	—
	<u>\$ 42,234,671</u>	<u>\$ 2,514,921</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, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2018</u>
Temporary notes	\$ 14,913,830	\$ 23,777,457	\$ 14,913,830	\$ 23,777,457

Temporary notes consisted of the following at December 31, 2018:

Maturing September 1, 2018:	
2.00% General Obligation Temporary Notes	<u>\$ 23,777,457</u>

# CITY OF LEAWOOD, KANSAS

## Notes To Basic Financial Statements (Continued)

### 9. Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the City for the year:

	Balance January 1, 2018	Increases	Decreases	Balance December 31, 2018	Amount Due In 2019
<b>Governmental Activities</b>					
General obligation bonds to be paid with:					
Tax levies	\$ 49,139,805	\$ 11,667,073	\$ 14,526,517	\$ 46,280,361	\$ 5,548,930
Special Benefit District Assessments	9,410,195	1,262,927	3,138,483	7,534,639	1,436,070
Bond premiums	4,083,449	1,224,151	442,223	4,865,377	—
Total bonds payable	62,633,449	14,154,151	18,107,223	58,680,377	6,985,000
Capital leases	1,773,742	—	304,578	1,469,164	312,453
Compensated absences*	1,580,053	1,855,798	1,899,216	1,536,635	1,229,306
Net OPEB obligation*	3,670,700	190,844	8,430	3,853,114	—
<b>Total Governmental   Activity Debt</b>	<b>\$ 69,657,944</b>	<b>\$ 16,200,793</b>	<b>\$ 20,319,447</b>	<b>\$ 65,539,290</b>	<b>\$ 8,526,759</b>

\* Compensated absences and the net OPEB obligation 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, 2018 follows:

### Governmental Activities Debt:

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

\$700,000 Series 2012-A General Obligation Improvement Bonds due in annual installments through September 1, 2024; interest at 2% to 3%	\$ 375,000
\$1,865,000 Series 2012-A General Obligation Refunding Bonds due in annual installments through September 1, 2024; interest at 2% to 3%	595,000
\$5,920,000 Series 2014-A General Obligation Improvement Bonds due in annual installments through September 1, 2029; interest at 3% to 5%	4,320,000
\$2,695,000 Series 2014-A General Obligation Refunding Bonds due in annual installments through September 1, 2020; interest at 3% to 5%	815,000
\$7,067,777.5 Series 2015-A General Obligation Improvement Bonds due in annual installments through September 1, 2030; interest at 2% to 5%	5,646,688
\$2,230,000 Series 2015-A General Obligation Refunding Bonds due in annual installments through September 1, 2021; interest at 2% to 5%	1,095,000
\$7,126,100 Series 2016-A General Obligation Refunding Bonds due in annual installments through September 1, 2028; interest at 2% to 3%	4,791,600
\$18,190,000 Series 2017-A General Obligation Refunding Bonds due in annual installments through September 1, 2028; interest at 2% to 5%	16,975,000
\$3,480,000 Series 2018-A General Obligation Improvement Bonds due in annual installments through September 1, 2033; interest at 3% to 5%	3,480,000
\$8,187,073 Series 2018-A General Obligation Refunding Bonds due in annual installments through September 1, 2026; interest at 3% to 5%	8,187,073
	<u>46,280,361</u>

## CITY OF LEAWOOD, KANSAS

---

### Notes To Basic Financial Statements (Continued)

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

\$5,155,000 Series 2011-A General Obligation Improvement Bonds due in annual installments through September 1, 2026; interest at 1.5% to 4.15%	\$ 2,760,000
\$2,120,000 Series 2012-A General Obligation Refunding Bonds due in annual installments through September 1, 2019; interest at 2% to 3%	70,000
\$1,090,000 Series 2014-A General Obligation Refunding Bonds due in annual installments through September 1, 2020; interest at 3% to 5%	360,000
\$72,225 Series 2015-A General Obligation Improvement Bonds due in annual installments through September 1, 2025; interest at 2% to 5%	53,312
\$2,638,900 Series 2016-A General Obligation Refunding Bonds due in annual installments through September 1, 2023; interest at 2% to 3%	2,128,400
\$1,095,000 Series 2017-B General Obligation Refunding Bonds due in annual installments through September 1, 2023; interest at 2% to 2.125%	900,000
\$1,262,927 Series 2018-A General Obligation Refunding Bonds due in annual installments through September 1, 2025; interest at 5%	1,262,927
	<u>7,534,639</u>
General obligation bonds payable	53,815,000
Bonds premiums and discounts	<u>4,865,377</u>
<b>Total Bonds Payable</b>	<u><u>58,680,377</u></u>
<b>Capital Leases</b>	
\$1,190,486, Lease for fire pumpers due in annual installments through March 24, 2021; interest at 3.99%	407,192
\$234,926, Lease for golf carts due in annual installments through January 15, 2020; interest at 4.79%	157,617
\$1,112,198 Lease for fire platform truck due in annual installments through March 1, 2026; interest at 2.32%	904,355
<b>Total Capital Leases</b>	<u>1,469,164</u>
<b>Compensated Absences</b>	1,536,635
<b>Net OPEB Obligation (Note 10)</b>	<u>3,853,114</u>
	<u><u>\$ 65,539,290</u></u>

## 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, 2018 are as follows:

	Governmental Activities					
	General Obligation Bonds					
	Governmental		Benefit Districts		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 5,548,930	\$ 1,771,929	\$ 1,436,070	\$ 266,281	\$ 6,985,000	\$ 2,038,210
2020	5,497,223	1,545,358	1,357,777	218,795	6,855,000	1,764,153
2021	5,141,979	1,298,870	1,118,021	172,627	6,260,000	1,471,497
2022	4,406,918	1,111,143	1,123,082	137,037	5,530,000	1,248,180
2023	3,982,239	918,819	1,097,761	100,381	5,080,000	1,019,200
2024 - 2028	14,393,072	2,494,618	1,401,928	110,507	15,795,000	2,605,125
2029 - 2033	7,310,000	493,438	—	—	7,310,000	493,438
	\$ 46,280,361	\$ 9,634,175	\$ 7,534,639	\$ 1,005,628	\$ 53,815,000	\$ 10,639,803

	Capital Leases	
	Principal	Interest
2019	\$ 312,453	\$ 41,246
2020	322,060	31,641
2021	250,145	21,720
2022	111,601	13,561
2023	114,190	10,971
2024 - 2028	358,715	16,772
	\$ 1,469,164	\$ 135,910

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

#### 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. During 2018, the remaining bonds in trust were paid in full by the trustees.

Kansas statutes limit the amount of general obligation debt that a unit of government can issue to 30% of the total assessed value of taxable property located within the City's boundaries. The legal debt capacity for the City of Leawood is \$253,084,606.

## CITY OF LEAWOOD, KANSAS

---

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

#### Current Refunding

On August 29, 2018, the City issued \$9,450,000 of Series 2018-A General Obligation Refunding Bonds with interest rates ranging from 1.5% to 2.44% to refund \$10,410,000 of the outstanding portion of the Series 2010-A General Obligations with an interest rates ranging from 2.5% to 3.4%. For the bonds to be refunded, proceeds of \$10,410,000 were deposited into an irrevocable trust with an escrow agent to provide for the redemption of the Refunded Bonds on September 1, 2018. On September 1, 2018, the Refunded Bonds were redeemed and the related liability for these bonds has been removed from the long-term debt.

The refunding resulted in no deferred gain or loss. The City completed this current refunding to reduce its debt service payments by \$379,281 and to obtain an economic gain of \$343,460.

#### 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 depreciation, in the statement of net position. As of December 31, 2018, the gross amount of capital assets under capital leases was \$2,555,095 in equipment, with net accumulated amortization of \$752,668.

#### Transportation Development District (TDD) Bonds

The City issued the following conduit special assessment bonds related to four 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)	\$ 105,000
\$170,000, Series 2006 Taxable Transportation Development District Special Obligation Bonds due in annual installments through September 1, 2021; interest at 8% (Resurrection Project)	45,000
\$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)	310,000
	<hr/>
	\$ 460,000
	<hr/> <hr/>

## CITY OF LEAWOOD, KANSAS

---

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

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

### Commitments And Contingencies

#### *Encumbrances*

Listed below are the encumbrances by fund for the City:

	<b>Capital Projects</b>	<b>Other Govern- mental Funds</b>	<b>Total Govern- mental Funds</b>
<b>Committed To:</b>			
Public works	\$ 1,565,656	\$ 1,363,410	\$ 2,929,065
Public safety	174,951	79,069	254,019
Parks and recreation	—	404,836	404,836
<b>Total Encumbrances</b>	<b>\$ 1,740,606</b>	<b>\$ 1,847,314</b>	<b>\$ 3,587,921</b>

#### *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.

## CITY OF LEAWOOD, KANSAS

---

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

#### **Defined Benefit Pension Plan**

##### *Description of Pension Plan*

Employees of the City of Leawood, Kansas participate in the Kansas Public Employees Retirement System (KPERs) a cost-sharing multiple employer public employee retirement system (Pension Plan). The Pension Plan is administered by the KPERs, a body corporate and an instrumentality of the State of Kansas. KPERs provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
  - State/School employees
  - Local employees
- Police and Firemen
- Judges

Substantially all public employees are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

The employees participating in the Pension Plan for the City of Leawood are included in the Local Employee group or the Police and Firemen group.

KPERs issues a stand-alone comprehensive annual financial report, which is available on the KPERs website at [www.kpers.org](http://www.kpers.org).

##### *Benefits*

Benefits are established by statute and may only be changed by the General Assembly. Members (except Police and Firemen) with ten or more years of credited service may retire as early as age 55 (Police and Fireman may be age 50 with 20 years of credited service), with the actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85 (Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

## CITY OF LEAWOOD, KANSAS

---

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

#### *Contributions*

Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates are related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll.

The actuarially determined employer contribution rate and the statutory contribution rate for the local employee group are both 8.39%. Member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2018 is 6%. The actuarially determined employer contribution rate and the statutory contribution rate for the police and firemen group are both 20.61%. Member contribution rates for this group are 7.15%.

Contributions to the Pension Plan from the City for the local employee group and police and fireman group were \$805,700 and \$1,743,640, respectively, for the year ended December 31, 2018.

#### *Employer Allocations*

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Fireman
- Judges

To facilitate separate (sub)actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to the amounts presented in the schedules of pension amounts by employer and nonemployer.

## CITY OF LEAWOOD, KANSAS

---

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

The allocation percentages for the City's share of the collective pension amounts as of June 30, 2018 and 2017 were based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2018 and 2017, respectively.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2018, the City's proportion in the local employee group was 0.524%, which was a decrease of 0.016% from its proportion measured at June 30, 2017. The City's proportion in the police and fire group was 1.642%, which was an increase of 0.007% from its June 30, 2017 position.

#### *Net Pension Liability*

At June 30, 2018 the City's local employee group reported a liability of \$7,305,174 for its proportionate share of the net pension liability. The City's police and fire group reported net pension liability of \$15,800,150 at June 30, 2018.

There were no changes in the benefit terms during the KPERS plan year ended June 30, 2018 that affected the measurement of the total pension liability.

#### *Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018, using the following actuarial assumptions:

Price Inflation	2.75%
Payroll Growth	3.00%
Salary increases, including wage increases and	3.50 to 12.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.75%

Mortality rates were based on the RP-2014 Mortality Tables with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using scale MP-2016.

The actuarial cost method is entry age normal. The amortization method is level percentage of payroll, closed.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013 through December 31, 2015. The experience study is dated November 18, 2016.

## CITY OF LEAWOOD, KANSAS

---

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

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated November 18, 2016, as provided by KPERS' investment consultant, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Target Allocation (%)</u>	<u>Long-Term Expected Real Rate Of Return (%)</u>
Global equity	47.0	6.85
Fixed income	13.0	1.25
Yield driven	8.0	6.55
Real return	11.0	1.71
Real estate	11.0	5.05
Alternatives	8.0	9.85
Short-term investments	2.0	(0.25)
<b>Total</b>	<u><u>100.00%</u></u>	

#### *Discount Rate*

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate was based on member and employer contributions as outlined below:

In KPERS, the State/School and Local groups do not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap for Fiscal Year 2018 was 1.2%.

In recent years, the Legislature has made several changes to statutory rates that deviate from the scheduled contribution increases set under the caps established in 2012 for the State/School group. Under 2015 SB 4, the previously certified State/School statutory rate for Fiscal Year 2015 of 11.27% was reduced to 8.65% for the last half of the fiscal year as part of the Governor's allotment. That same session, SB 228 recertified statutory rates for the State/School group to 10.91% for Fiscal Year 2016 and 10.81% for Fiscal Year 2017 in anticipation of the issuance of \$1 billion in pension obligation bonds. Legislation in the 2016 session (SB 161) provided for the delay of up to \$100 million in State and School contributions to the Pension Plan. Legislation passed by the 2017 Legislature removed the repayment provisions included in SB 161.

## CITY OF LEAWOOD, KANSAS

---

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

In addition, 2017 S Sub. For Sub. HB 2052 delayed \$64.1 million in Fiscal Year State/School contributions, to be repaid over 20 years in level dollar installments. The first year payment of \$6.4 million was paid in full at the beginning of fiscal year 2018 and appropriations for Fiscal Year 2018 were made at the contribution rate of 12.01 for the State/School group. Additional Legislation in the 2017 session (S Sub for HB 2002) provided for a reduction of \$194 million from the previously certified contribution rate of 13.21% in the State/School contributions to Fiscal Year 2019. Like the Fiscal Year 2017 reduction, it is to be paid back over a 20 year period, beginning in Fiscal Year 2020. Therefore, both reductions will be accounted for as long-term receivables by the Pension Plan. The 2018 Legislature passed House Sub for Sen Bill 109, that provided additional funds for the school group of \$56 million in Fiscal Year 2018 and \$138 million in Fiscal Year 2019.

Based on employer contribution history as described above, it is a reasonable estimate that the State/School group's contribution rate may not be certified at the statutory rate. It has been assumed that contribution rates will be made within the same range as have been seen in the past few years between 11 and 12 percent. Using this assumption, actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date. The Local Kansas Police and Fireman, and judges groups are contributing at the full actuarial contribution rate.

#### *Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75% as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%) than the current rate:

	<b>1.00% Decrease (6.75%)</b>	<b>Current Rate (7.75%)</b>	<b>1.00% Increase (8.75%)</b>
Local	\$ 10,714,103	\$ 7,305,174	\$ 4,424,321
Police and Fireman	22,518,355	15,800,150	10,175,531
<b>Total</b>	<b>\$ 33,232,458</b>	<b>\$ 23,105,324</b>	<b>\$ 14,599,852</b>

#### *Pension Expense*

For the year ended December 31, 2018, the City recognized pension expense of \$2,693,418 which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

## CITY OF LEAWOOD, KANSAS

### Notes To Basic Financial Statements (Continued)

#### *Deferred Outflows of Resources and Deferred Inflows of Resources*

At December 31, 2018 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows Of Resources</b>	<b>Deferred Inflows Of Resources</b>
Differences between actual and expected experience	\$ 991,809	\$ 279,994
Net differences between projected and actual earnings on investments	582,091	—
Changes in assumptions	1,148,370	78,788
Changes in proportions	328,550	700,247
City contributions subsequent to the measurement date of June 30, 2018	1,294,418	—
	<b>\$ 4,345,238</b>	<b>\$ 1,059,029</b>

Contributions of \$1,294,418 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<b>Year Ended December 31,</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Local	\$ 258,214	\$ 122,923	\$ (131,335)	\$ (41,042)	\$ (11,305)
Police and Fireman	974,933	620,259	41,734	131,020	26,389
<b>Total</b>	<b>\$ 1,233,147</b>	<b>\$ 743,182</b>	<b>\$ (89,601)</b>	<b>\$ 89,978</b>	<b>\$ 15,084</b>

#### *Pension Plan Fiduciary Net Position*

Detailed information about the Pension Plan's fiduciary net position is available in the separately issued KPERS' financial report. At December 31, 2018, the Pension Plan's net position is sufficient to pay benefits.

#### *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 2018 were \$88,824 and \$757,843, respectively.

## **CITY OF LEAWOOD, KANSAS**

---

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

#### **Other Postemployment Benefit Plans – Defined Benefit Healthcare Plan**

##### *Plan Description*

The City sponsors a single-employer, defined benefit healthcare plan that provides healthcare benefits to retirees and their dependents, including medical, pharmacy and dental coverage. There is no separate audited statement for this plan. Retiree health coverage is provided under Kansas Statute 12-5040.

Benefits are provided through fully-insured plans administered by Blue Cross Blue Shield of Kansas. 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 Statement No. 75 (GASB Statement 75). The plan is funded on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

##### *Eligibility*

###### Police and Firefighters (KP&F)

Tier 1: employed before 7/1/1989. Age 50 with 20 years of service, or any age with 32 years of service.

Tier 2: employed on or after 7/1/1989. Age 50 with 20 years of service, or age 60 with 15 years of service.

###### All Others (KPERs)

Tier 1: employed before 7/1/2009. Age 65, or age 55 with 10 years of service, or any age when age + service is greater than or equal to 85.

Tier 2 & 3: employed on or after 7/1/2009. Age 65 with 5 years of service, or age 55 with 10 years of service, or age 60 with 30 years of service.

##### *Benefits*

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. A surviving spouse will have a continuation of benefits under COBRA for 3 years after death of the retiree or until the spouse turns 65, whichever is earlier.

## CITY OF LEAWOOD, KANSAS

---

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

#### *Employees Covered By Benefit Terms*

At December 31, 2018, the following employees were covered by the benefit terms:

Retirees and covered spouses	19
Active employees	258
	<hr/>
	277

#### *Total OPEB Liability and Actuarial Assumptions*

The City's total OPEB liability for this plan of \$3,640,390 reported as of December 31, 2018 was measured as of January 1, 2017 (the measurement date), and was determined by an actuarial valuation as of January 1, 2017, which was rolled forward to December 31, 2018, using the following actuarial assumptions:

Actuarial Cost Method:	Entry Age - Level Percent of Pay
Price inflation:	2.50%
Salary scale:	3.00%
Discount rate (based on S&P Municipal Bond 20 Year High Grade Rate Index):	3.70%

Mortality rates used for the health insurance benefits are based on 90% of the RP-2014 Total Dataset for pre-retirement, RP-2014 Total Dataset Healthy for post-retirement and RP-2014 Disabled Life Table for disabled retirees. All rates are projected into the future using Scale MP-2016.

Annual healthcare trend rates are based on plan experience, historical trends, and industry norms. The immediate trend rates were assumed to decrease to an ultimate trend rate over a period of 5 to 10 years. The ultimate rate is decreased over time to maintain this relationship. The healthcare trend is 9.00% for medical and pharmacy in year one trending down to 4.50% in year ten. Dental is 4.50% in all years.

#### *Changes in Total OPEB Liability*

The changes in the OPEB liability are as follows:

Net OPEB liability (GASB 45) - Beginning of Year	\$ 2,695,788
GASB 75 Implementation Adjustment (Note 1)	<hr/> 753,758
Net OPEB liability - Beginning of Year (as restated under GASB 75)	<hr/> 3,449,546
Changes for the year:	
Service cost	160,692
Interest	125,862
Benefit payments	(95,710)
Net Changes In OPEB Obligation	<hr/> 190,844
Net OPEB Obligation, December 31, 2018	<hr/> <hr/> \$ 3,640,390

## CITY OF LEAWOOD, KANSAS

---

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

#### *Sensitivity Analysis*

The following presents the City's total OPEB liability calculated using the discount rate of 3.7%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.7%) or 1-percentage point higher (4.7%) than the current rate:

<b>1.00% Decrease</b> <b>(2.70%)</b>	<b>Current Rate</b> <b>(3.70%)</b>	<b>1.00% Increase</b> <b>(4.70%)</b>
\$ 3,988,390	\$ 3,640,390	\$ 3,328,390

The following presents the City's total OPEB liability calculated using the current healthcare cost trend rates as well as what the City's total OPEB liability would be if it were calculated using trend rates that are 1-percentage point lower or 1-percentage point higher than the current trend rates:

<b>1.00% Decrease</b>	<b>Current</b> <b>Trend Rate</b>	<b>1.00% Increase</b>
\$ 3,252,390	\$ 3,640,390	\$ 4,099,390

#### *OPEB Expense*

For the year ended December 31, 2018, the City of Leawood recognized OPEB expense for this plan of \$190,844, which includes the changes in the total OPEB liability. There was no amortization of deferred outflows of resources or deferred inflows of resources for the current period.

#### **Other Postemployment Benefit Plans – Long-term Disability Benefits Sponsored By Kansas Public Employees Retirement System (KPERS)**

##### *Plan Description*

The City of Leawood participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

## CITY OF LEAWOOD, KANSAS

---

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

#### *Benefits*

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65<sup>th</sup> birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

#### *Covered Employees*

At December 31, 2018, the following employees were covered by the Plan:

Inactive employees or beneficiaries	
currently receiving benefit payments	—
Active employees	153
	<hr/>
	153

## CITY OF LEAWOOD, KANSAS

### Notes To Basic Financial Statements (Continued)

#### Total OPEB Liability and Actuarial Assumptions

The City's total OPEB liability of \$212,724 reported as of June 30, 2018 was measured at June 30, 2018 (the measurement date), and was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018, using the following actuarial assumptions:

Actuarial Cost Method:	Entry Age - Level Percent of Pay
Price inflation:	2.75%
Salary scale:	3.50%
Discount rate:	3.87%

Mortality rates used for the death benefits were based on 90% of the RP-2014 Total Dataset +2 for Males and 90% of the RP-2014 Total Dataset +1 for Females. Generational mortality improvements were projected for future years using MP-2018.

#### Changes in Total OPEB Liability

The changes in the OPEB liability are as follows:

Net OPEB liability (GASB 45) - beginning of year	\$ —
GASB 75 Implementation Adjustment (Note 1)	<u>221,154</u>
Net OPEB liability - beginning of year (as restated under GASB 75)	<u>221,154</u>
Changes for the year:	
Service cost	37,289
Interest	9,252
Differences between actual and expected experience	(53,010)
Changes in assumptions or other inputs	<u>(1,961)</u>
Net changes in OPEB obligation	<u>(8,430)</u>
Net OPEB obligation, December 31, 2018	<u><u>\$ 212,724</u></u>

#### Sensitivity Analysis

The following presents the City's total OPEB liability calculated using the discount rate of 3.87%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.87%) or 1-percentage point higher (4.87%) than the current rate:

1.00% Decrease (2.87%)	Current Rate (3.87%)	1.00% Increase (4.87%)
\$ 218,800	\$ 212,724	\$ 205,525

Healthcare cost trend rate sensitivity analysis is not applicable as healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERs.

## CITY OF LEAWOOD, KANSAS

---

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

#### *OPEB Expense*

For the year ended December 31, 2018, the City recognized OPEB expense for this plan of \$40,455, which includes the changes in the total OPEB liability, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

#### *Deferred Outflows Of Resources And Deferred Inflows Of Resources*

At December 31, 2018, the City reported deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows Of Resources</b>	<b>Deferred Inflows Of Resources</b>
Differences between actual and expected experience	\$ —	\$ 47,539
<u>Changes in assumptions</u>	<u>—</u>	<u>1,346</u>
	<u>\$ —</u>	<u>\$ 48,885</u>

#### **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. 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.

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 limited coverage for 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, automobile liability, physical damage to vehicles, law enforcement liability, employee dishonesty, public official's liability and excess liability coverage. Where applicable, 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. Other miscellaneous coverage purchased includes theft of cash/securities and underground storage tank liability, fiduciary liability and cyber liability.

## **CITY OF LEAWOOD, KANSAS**

---

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

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 2018, 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.

#### **FEMA Recoveries**

On July 27, 2017, a major flood occurred at the Parks and Recreation Maintenance Facility resulting in extensive damage to the building and loss of the equipment stored at this location. This event also caused significant damage to various park structures and amenities, and trails, resulting in significant expense for debris cleanup and restoration of many areas of the City. In 2017, the City received insurance recovery of \$930,931 for covered equipment and building loss. It was also determined that the loss qualified for cost recovery through FEMA. In 2018, the City received \$468,469 in reimbursement from FEMA for recovery of many costs incurred, including: insurance deductibles, debris removal, and repairs to structures, amenities (playgrounds, sport fields), and trails. This amount is reflected in the financial statements in intergovernmental revenues.

---

**Required Supplementary Information**

---

# CITY OF LEAWOOD, KANSAS

---

## REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2018

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
- Schedules of Selected Pension Information

### **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, 2018

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget- Over (Under)
	Original Budget	Final Budget		
<b>Revenues</b>				
Taxes	\$ 27,192,983	\$ 27,387,983	\$ 27,420,847	\$ 32,864
Licenses and permits	1,304,500	1,423,500	1,805,154	381,654
Intergovernmental	8,649,406	9,568,906	9,504,191	(64,715)
Charges for services	2,798,600	2,805,000	2,930,520	125,520
Fines and forfeitures	1,500,000	1,500,000	1,280,402	(219,598)
Interest	120,011	180,086	205,392	25,306
Contributions and other	81,000	81,000	384,729	303,729
<b>Total Revenues</b>	<b>41,646,500</b>	<b>42,946,475</b>	<b>43,531,235</b>	<b>584,760</b>
<b>Expenditures</b>				
Current:				
General government	8,220,200	8,075,500	6,974,313	(1,101,187)
Public safety	17,273,800	17,573,700	16,234,348	(1,339,352)
Public works	7,778,800	7,685,100	6,211,707	(1,473,393)
Parks and recreation	7,071,300	7,247,600	6,418,917	(828,683)
Total general government	40,344,100	40,581,900	35,839,285	(4,742,615)
Debt service:				
Principal retirement	330,400	304,700	304,578	(122)
Interest	46,800	49,200	49,122	(78)
<b>Total Expenditures</b>	<b>40,721,300</b>	<b>40,935,800</b>	<b>36,192,985</b>	<b>(4,742,815)</b>
<b>Revenues Over Expenditures</b>	<b>925,200</b>	<b>2,010,675</b>	<b>7,338,250</b>	<b>5,327,575</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	247,000	247,000	247,000	—
Transfers out	(8,575,100)	(12,297,031)	(12,278,091)	(18,940)
<b>Total Other Financing Uses</b>	<b>(8,328,100)</b>	<b>(12,050,031)</b>	<b>(12,031,091)</b>	<b>(18,940)</b>
<b>Net Change In Fund Balance</b>	<b>\$ (7,402,900)</b>	<b>\$ (10,039,356)</b>	<b>(4,692,841)</b>	<b>\$ 5,346,515</b>
<b>Fund Balance - Beginning Of Year</b>			<b>17,996,826</b>	
<b>Fund Balance - End Of Year</b>			<b>\$ 13,303,985</b>	

---

## CITY OF LEAWOOD, KANSAS

---

### SCHEDULE OF OTHER POST EMPLOYEMENT BENEFITS HEALTHCARE BENEFITS FOR PRE-MEDICARE RETIREES For The Year Ended December 31, 2018

<b>Total OPEB Liability - Healthcare Plan</b>	
Service cost	\$ 160,692
Interest	125,862
Effect of economic/demographic gains or (losses)	—
Effect of assumption changes or inputs	—
Changes in assumptions or other inputs	—
Benefit payments	<u>(95,710)</u>
Net change in total OPEB liability	190,844
Total OPEB liability - beginning	<u>3,449,546</u>
Total OPEB liability - ending	<u><u>\$ 3,640,390</u></u>
Covered payroll	\$ 16,305,200
Total OPEB liability as a percentage of covered payroll	22.33%

*Notes:*

Above schedules are intended to show information for 10 years. Additional years will be displayed as they become available. Information is provided on a measurement date and actuarial valuation as of January 1, 2017, rolled forward to December 31, 2018.

Changes for the January 1, 2017 actuarial valuation relative to the January 1, 2015 valuation includes the following:

1. Actuarial cost method was changed from Projected Unit Credit to Entry Age Normal as a level percentage of payroll.
2. Discount rate was decreased from 6.00% to 3.70%.
3. Per-capital costs were updated to reflect experience since the previous valuation.
4. Healthcare trend was updated to 9.00% medical and pharmacy in year one to 4.50% in year ten. Dental was 4.5% in all years.
5. Mortality, Withdrawal, Retirement, and Disability assumption have been updated to match the current assumptions used by the KPERS and KP&F systems.
6. Decreased participation assumption from 90% to 70%.

---

## CITY OF LEAWOOD, KANSAS

---

### SCHEDULE OF OTHER POST EMPLOYEMENT BENEFITS LONG-TERM DISABILITY BENEFITS SPONSORED BY KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM (KPERs) For The Year Ended December 31, 2018

	<u>June 30,</u>	
	<u>2018</u>	<u>2017</u>
<b>Total OPEB Liability - KPERs Disability Plan</b>		
Service cost	\$ 37,300	\$ 41,700
Interest	9,300	6,200
Effect of economic/demographic gains or (losses)	(53,000)	—
Effect of assumption changes or inputs	(2,000)	(4,000)
Changes in assumptions or other inputs	—	—
Benefit payments	—	—
Net change in total OPEB liability	(8,400)	43,900
Total OPEB liability - beginning	221,200	177,200
Total OPEB liability - ending	<u>\$ 212,800</u>	<u>\$ 221,200</u>
Covered payroll	\$ 8,973,000	\$ 9,260,000
Total OPEB liability as a percentage of covered payroll	2.47%	2.39%

*Notes:*

Above schedules are intended to show information for 10 years. Additional years will be displayed as they become available. Information is provided on a measurement date and actuarial valuation as of December 31, 2016 and 2017, rolled forward to June 30, 2017 and 2018.

#### **Changes Of Benefit Terms Or Assumptions**

There were no changes to benefit terms in the plan for the plan year ended June 30, 2018. The discount rate changed from 3.58% for the plan year ended June 30, 2017 to 3.87% for the plan year ended June 30, 2018.

# CITY OF LEAWOOD, KANSAS

---

## COMPARISON OF NEEDED-TO-ACTUAL MAINTENANCE/PRESERVATION FOR STREETLIGHTS AND TRAFFIC SIGNALS December 31, 2018

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 provider's last three inspection reports show the following condition assessments: October 2018 - 99.1%; November 2018- 99.1%; and December 2018 - 88.9%.

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

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Needed	\$ 413,000	\$ 413,000	\$ 410,000	\$ 340,000	\$ 321,000
Actual	344,944	310,746	312,096	298,252	290,075

# CITY OF LEAWOOD, KANSAS

## SCHEDULES OF SELECTED PENSION INFORMATION KANSAS PUBLIC EMPLOYEES' RETIREMENT SYSTEM December 31, 2018

### Schedule of Proportionate Share Of The Net Pension Liability

	June 30,				
	2018	2017	2016	2015	2014
City's local group proportion of the net pension liability	0.52412%	0.54006%	0.53514%	0.52701%	0.53164%
City's local group proportionate share of the net pension liability	\$ 7,305,174	\$ 7,822,573	\$ 8,278,697	\$ 6,919,848	\$ 6,543,519
City's local group covered payroll	9,363,095	9,523,225	9,156,287	8,768,458	8,722,548
City's local group proportionate share of net pension liability as a percentage of its covered payroll	78.02%	82.14%	90.42%	78.92%	75.02%
Plan fiduciary net position as a percentage of the total pension liability	68.88%	67.12%	65.10%	64.95%	66.02%

	June 30,				
	2018	2017	2016	2015	2014
City's police & fire proportion of the net pension liability	1.64208%	1.63472%	1.73561%	1.72633%	1.69681%
City's police & fire proportionate share of the net pension liability	\$ 15,800,150	\$ 15,330,273	\$ 16,119,675	\$ 12,535,171	\$ 11,128,367
City's police & fire covered payroll	8,353,034	8,164,212	8,257,255	7,860,825	7,553,871
City's police & fire proportionate share of net pension liability as a percentage of its covered payroll	189.15%	187.77%	195.22%	159.46%	147.32%
Plan fiduciary net position as a percentage of the total pension liability	68.88%	67.12%	65.10%	64.95%	66.60%

### Schedule Of Contributions

	December 31,				
	2018	2017	2016	2015	2014
Required local group contribution	\$ 805,700	\$ 844,747	\$ 857,087	\$ 846,519	\$ 765,168
Contributions made in relation to the required contribution	805,700	844,747	857,087	846,519	765,168
Contribution deficiency	—	—	—	—	—
City's local group covered payroll	9,584,459	9,439,708	9,336,434	8,967,225	8,805,129
Contributions as a percentage of local group covered payroll	8.41%	8.95%	9.18%	9.44%	8.69%
Required police & fire contribution	\$ 1,743,640	\$ 1,611,376	\$ 1,738,314	\$ 1,769,008	\$ 1,579,152
Contributions made in relation to the required contribution	1,743,640	1,611,376	1,738,314	1,769,008	1,579,152
Contribution deficiency	—	—	—	—	—
City's police & fire covered payroll	8,457,250	8,169,986	8,285,571	8,065,260	7,706,933
Contributions as a percentage of police & fire covered payroll	20.62%	19.72%	20.98%	21.93%	20.49%

#### Notes:

Above schedules are intended to show information for 10 years. Additional years will be displayed as they become available. Information is provided on a measurement date and actuarial valuation as of December 31, 2017, 2016, 2015, 2014, and 2013, rolled forward to June 30, 2018, 2017, 2016, 2015, and 2014.

#### Changes Of Benefit Terms Or Assumptions

There were no changes to benefit terms in the plan or changes to assumption in the valuation report for the plan year ended June 30, 2018.

---

**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, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under) With Final Budget
General government:				
Administration:				
Personnel services	\$ 2,341,300	\$ 2,324,800	\$ 2,169,539	\$ (155,261)
Contractual services	1,878,900	1,846,500	1,194,796	(651,704)
Commodities	152,800	145,200	60,019	(85,181)
<b>Total administration</b>	<b>4,373,000</b>	<b>4,316,500</b>	<b>3,424,354</b>	<b>(892,146)</b>
Community development:				
Personnel services	1,452,800	1,359,800	1,354,288	(5,512)
Contractual services	136,100	135,600	89,068	(46,532)
Commodities	44,900	44,900	24,819	(20,081)
<b>Total community development</b>	<b>1,633,800</b>	<b>1,540,300</b>	<b>1,468,175</b>	<b>(72,125)</b>
Municipal court:				
Personnel services	547,700	553,900	537,960	(15,940)
Contractual services	79,900	80,100	43,862	(36,238)
Commodities	14,700	14,500	3,985	(10,515)
<b>Total municipal court</b>	<b>642,300</b>	<b>648,500</b>	<b>585,807</b>	<b>(62,693)</b>
Legal services:				
Personnel services	456,500	459,900	455,396	(4,504)
Contractual services	53,800	53,800	32,410	(21,390)
Commodities	2,700	2,700	998	(1,702)
<b>Total legal services</b>	<b>513,000</b>	<b>516,400</b>	<b>488,804</b>	<b>(27,596)</b>
Information services:				
Personnel services	507,700	464,400	442,387	(22,013)
Contractual services	326,900	375,400	363,927	(11,473)
Commodities	223,500	214,000	200,859	(13,141)
<b>Total information services</b>	<b>1,058,100</b>	<b>1,053,800</b>	<b>1,007,173</b>	<b>(46,627)</b>
<b>Total general government</b>	<b>8,220,200</b>	<b>8,075,500</b>	<b>6,974,313</b>	<b>(1,101,187)</b>
Public safety:				
Police:				
Personnel services	8,659,600	8,752,900	8,197,526	(555,374)
Contractual services	997,000	974,050	721,146	(252,904)
Commodities	554,200	589,650	404,781	(184,869)
<b>Total police</b>	<b>10,210,800</b>	<b>10,316,600</b>	<b>9,323,453</b>	<b>(993,147)</b>
Fire:				
Personnel services	6,520,400	6,704,400	6,479,130	(225,270)
Contractual services	309,700	310,000	281,912	(28,088)
Commodities	232,900	242,700	149,853	(92,847)
<b>Total fire</b>	<b>7,063,000</b>	<b>7,257,100</b>	<b>6,910,895</b>	<b>(346,205)</b>
<b>Total public safety</b>	<b>17,273,800</b>	<b>17,573,700</b>	<b>16,234,348</b>	<b>(1,339,352)</b>
Public works:				
Personnel services	4,395,600	4,321,700	4,089,049	(232,651)
Contractual services	2,125,800	2,110,000	1,429,806	(680,194)
Commodities	1,257,400	1,253,400	692,852	(560,548)
<b>Total public works</b>	<b>7,778,800</b>	<b>7,685,100</b>	<b>6,211,707</b>	<b>(1,473,393)</b>
Parks and recreation:				
Personnel services	4,316,200	4,406,500	4,007,286	(399,214)
Contractual services	1,968,900	2,007,197	1,766,544	(240,653)
Commodities	786,200	833,903	645,087	(188,816)
<b>Total parks and recreation</b>	<b>7,071,300</b>	<b>7,247,600</b>	<b>6,418,917</b>	<b>(828,683)</b>
<b>Total general government expenditures</b>	<b>\$ 40,344,100</b>	<b>\$ 40,581,900</b>	<b>\$ 35,839,285</b>	<b>\$ (4,742,615)</b>

# CITY OF LEAWOOD, KANSAS

---

## OTHER NON-MAJOR GOVERNMENTAL FUNDS

December 31, 2018

**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 with a population exceeding 6,000, 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 65-4156 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.

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.

Transient Guest Tax Fund - established to account for monies levied by the City and paid by transient guests for lodging or sleeping accommodations in any hotel or motel. The tax monies collected will be used to promote economic development, conventions and tourism and related expenditures and such other purposes as may be determined by the Governing Body.

---

## CITY OF LEAWOOD, KANSAS

---

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

December 31, 2018

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

Capital Improvements Fund – established to account 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 - established to account for resources used to construct public safety improvements including a Justice Center and other necessary and related improvements.

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 Capital 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.

135<sup>th</sup> Street Corridor Impact Fee Fund - established to account for fees imposed on new development in the 135<sup>th</sup> Street corridor for the purpose of assuring that 135<sup>th</sup> Street highway transportation improvements are available and provides adequate transportation system capacity to support new development while maintaining levels of transportation service on Highway 135<sup>th</sup> Street deemed adequate by the City. The impact fee shall be imposed on all new development in the 135<sup>th</sup> Street corridor and all fees collected shall be utilized solely and exclusively for transportation improvements in the 135<sup>th</sup> Street 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 and commercial remodels in Leawood.

Economic Development Fund - established to provide payment for economic development promotion within the City.

---

# CITY OF LEAWOOD, KANSAS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

Page 1 Of 2  
December 31, 2018

	Special Revenue					
	Special Alcohol	Special City Highway	Special Parks And Recreation	Special Law Enforcement	American Revolution Tri-Centennial	Transient Guest Tax
<b>Assets</b>						
Pooled cash and investments	\$ 347,451	\$ 880,058	\$ 437,588	\$ 26,810	\$ 8,683	\$ 1,543,720
Receivables:						
Sales tax	—	—	—	—	—	—
Transient guest tax	—	—	—	—	—	107,344
Interest	566	2,098	788	51	26	2,963
Intergovernmental	126,000	—	126,000	—	—	—
Due from other funds	—	—	—	—	—	—
<b>Total Assets</b>	<b>\$ 474,017</b>	<b>\$ 882,156</b>	<b>\$ 564,376</b>	<b>\$ 26,861</b>	<b>\$ 8,709</b>	<b>\$ 1,654,027</b>
<b>Liabilities And Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable and accrued liabilities	\$ 7,463	\$ —	\$ 97,482	\$ —	\$ —	\$ —
<b>Fund Balances</b>						
<b>Restricted For:</b>						
Social services	466,554	—	—	—	—	—
Parks and recreation	—	—	466,894	—	—	—
Tourism promotion	—	—	—	—	—	1,654,027
Bridges, streets and signals	—	882,156	—	—	—	—
Law enforcement	—	—	—	26,861	—	—
<b>Committed To:</b>						
Economic development	—	—	—	—	—	—
Equipment purchases	—	—	—	—	—	—
Bridges, streets and signals	—	—	—	—	—	—
Justice Center	—	—	—	—	—	—
City art	—	—	—	—	—	—
Park improvements	—	—	—	—	—	—
Other capital projects	—	—	—	—	—	—
<b>Assigned To:</b>						
Other purposes	—	—	—	—	8,709	—
<b>Total Fund Balances</b>	<b>466,554</b>	<b>882,156</b>	<b>466,894</b>	<b>26,861</b>	<b>8,709</b>	<b>1,654,027</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 474,017</b>	<b>\$ 882,156</b>	<b>\$ 564,376</b>	<b>\$ 26,861</b>	<b>\$ 8,709</b>	<b>\$ 1,654,027</b>

# CITY OF LEAWOOD, KANSAS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

Page 2 Of 2  
December 31, 2018

	Capital Projects										Total Nonmajor Other Governmental Funds	
	Capital Improve- ments	Public Safety Improve- ment	Street Improve- ments	City Art	Park Impact Fee	1/8th Cent Sales Tax	Leawood Transportation Impact Fee	135th Street Corridor Impact Fee	Public Art Impact Fee	Economic Development Fund		
<b>Assets</b>												
Pooled cash and investments	\$ 7,547,539	\$ 6,487,789	\$ 2,264,080	\$ 451,775	\$ 180,624	\$ 911,026	\$ 279,587	\$ 142,150	\$ 158,818	\$ 8,906,936	\$ 30,574,634	
Receivables:												
Sales tax	—	—	—	—	—	179,685	—	—	—	—	179,685	
Transient guest tax	—	—	—	—	—	—	—	—	—	—	107,344	
Interest	15,452	12,276	4,738	841	345	1,562	548	213	306	16,136	58,909	
Intergovernmental	—	—	64,426	—	—	34,297	—	—	—	—	350,723	
Due from other funds	—	190,253	—	—	—	—	—	—	—	190,253	380,506	
<b>Total Assets</b>	<b>\$ 7,562,991</b>	<b>\$ 6,690,318</b>	<b>\$ 2,333,244</b>	<b>\$ 452,616</b>	<b>\$ 180,969</b>	<b>\$ 1,126,570</b>	<b>\$ 280,135</b>	<b>\$ 142,363</b>	<b>\$ 159,124</b>	<b>\$ 9,113,325</b>	<b>\$ 31,651,801</b>	
<b>Liabilities And Fund Balances</b>												
<b>Liabilities</b>												
Accounts payable and accrued liabilities	\$ 20,413	\$ —	\$ 61,653	\$ 24,999	\$ —	\$ 4,050	\$ —	\$ —	\$ —	\$ —	\$ 216,060	
<b>Fund Balances</b>												
<b>Restricted For:</b>												
Social services	—	—	—	—	—	—	—	—	—	—	466,554	
Parks and recreation	—	—	—	—	—	—	—	—	—	—	466,894	
Tourism promotion	—	—	—	—	—	—	—	—	—	—	1,654,027	
Bridges, streets and signals	—	—	—	—	—	1,122,520	—	—	—	—	2,004,676	
Law enforcement	—	—	—	—	—	—	—	—	—	—	26,861	
<b>Committed To:</b>												
Economic development	—	—	—	—	—	—	—	—	—	9,113,325	9,113,325	
Equipment purchases	—	—	—	—	—	—	—	—	—	—	—	
Bridges, streets and signals	—	—	2,271,591	—	—	—	280,135	142,363	—	—	2,694,089	
Justice Center	—	6,690,318	—	—	—	—	—	—	—	—	6,690,318	
City art	—	—	—	427,617	—	—	—	—	159,124	—	586,741	
Park improvements	—	—	—	—	180,969	—	—	—	—	—	180,969	
Other capital projects	7,542,578	—	—	—	—	—	—	—	—	—	7,542,578	
<b>Assigned To:</b>												
Other purposes	—	—	—	—	—	—	—	—	—	—	8,709	
<b>Total Fund Balances</b>	<b>7,542,578</b>	<b>6,690,318</b>	<b>2,271,591</b>	<b>427,617</b>	<b>180,969</b>	<b>1,122,520</b>	<b>280,135</b>	<b>142,363</b>	<b>159,124</b>	<b>9,113,325</b>	<b>31,435,741</b>	
<b>Total Liabilities And Fund Balances</b>	<b>\$ 7,562,991</b>	<b>\$ 6,690,318</b>	<b>\$ 2,333,244</b>	<b>\$ 452,616</b>	<b>\$ 180,969</b>	<b>\$ 1,126,570</b>	<b>\$ 280,135</b>	<b>\$ 142,363</b>	<b>\$ 159,124</b>	<b>\$ 9,113,325</b>	<b>\$ 31,651,801</b>	

# CITY OF LEAWOOD, KANSAS

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

Page 1 Of 2

For The Year Ended December 31, 2018

	Special Revenue					
	Special Alcohol	Special City Highway	Special Parks And Recreation	Special Law Enforcement	American Revolution Tri-Centennial	Transient Guest Tax
<b>Revenues</b>						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 327,874
Licenses and permits	—	248,651	—	—	—	—
Intergovernmental	526,802	941,811	526,800	—	—	—
Charges for services	—	—	—	—	—	—
Fines and forfeitures	—	—	—	930	—	—
Interest	3,040	18,002	4,634	332	46	18,713
Contributions and other	—	—	—	—	—	—
<b>Total Revenues</b>	529,842	1,208,464	531,434	1,262	46	346,587
<b>Expenditures</b>						
General government	367,250	—	—	—	—	—
Parks and recreation	—	—	—	—	—	—
Capital outlay:						
General government	—	—	—	—	—	—
Public safety	—	—	—	625	—	—
Public works	—	1,263,438	—	—	—	—
Parks and recreation	—	—	391,444	—	—	—
<b>Total Expenditures</b>	367,250	1,263,438	391,444	625	—	—
<b>Revenues Over (Under) Expenditures</b>	162,592	(54,974)	139,990	637	46	346,587
<b>Other Financing Sources (Uses)</b>						
Transfers in	—	600,000	—	—	—	—
Transfers out	(247,000)	—	—	—	—	—
<b>Total Other Financing Sources (Uses)</b>	(247,000)	600,000	—	—	—	—
<b>Net Change In Fund Balances</b>	(84,408)	545,026	139,990	637	46	346,587
<b>Fund Balances - Beginning Of Year</b>	550,962	337,130	326,904	26,224	8,663	1,307,440
<b>Fund Balances - End Of Year</b>	\$ 466,554	\$ 882,156	\$ 466,894	\$ 26,861	\$ 8,709	\$ 1,654,027

# CITY OF LEAWOOD, KANSAS

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

Page 2 Of 2

For The Year Ended December 31, 2018

	Capital Projects										Total
	Capital Improve- ments	Public Safety Improve- ment	Street Improvements	City Art	Park Impact Fee	1/8th Cent Sales Tax	Leawood Transportation Impact Fee	135th Street Corridor Impact Fee	Public Art Impact Fee	Economic Development Fund	Nonmajor Other Governmental Funds
<b>Revenues</b>											
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 917,858	\$ —	\$ —	\$ —	\$ —	\$ 1,245,732
Licenses and permits	—	—	—	—	18,067	—	—	141,728	18,402	—	426,848
Intergovernmental	—	—	—	—	—	35,727	—	—	—	—	2,031,140
Charges for services	—	—	—	—	—	—	—	—	—	—	—
Fines and forfeitures	—	—	—	—	—	—	—	—	—	—	930
Interest	118,590	77,019	33,551	5,643	2,222	7,572	3,710	743	2,468	63,901	360,186
Contributions and other	—	—	—	—	—	—	—	—	—	—	—
<b>Total Revenues</b>	118,590	77,019	33,551	5,643	20,289	961,157	3,710	142,471	20,870	63,901	4,064,836
<b>Expenditures</b>											
General government	—	—	—	—	—	—	—	—	—	—	367,250
Public works	—	—	—	—	—	—	—	72,900	—	—	72,900
Parks and recreation	—	—	—	841	—	—	—	—	—	—	841
Capital outlay:											
General Government	68,698	—	—	—	—	—	—	—	—	—	68,698
Public safety	315,269	73,914	—	—	—	—	—	—	—	—	389,808
Public works	294,202	—	535,115	—	—	67,120	12,121	—	—	—	2,171,996
Parks and recreation	948,642	—	—	79,120	—	—	—	218,085	—	—	1,637,291
<b>Total Expenditures</b>	1,626,811	73,914	535,115	79,961	—	67,120	12,121	72,900	218,085	—	4,708,784
<b>Revenues Over (Under) Expenditures</b>	(1,508,221)	3,105	(501,564)	(74,318)	20,289	894,037	(8,411)	69,571	(197,215)	63,901	(643,948)
<b>Other Financing Sources (Uses)</b>											
Transfers in	1,000,000	1,056,133	1,000,000	65,831	—	—	—	—	—	8,056,127	11,778,091
Transfers out	—	—	—	—	—	(500,000)	—	—	—	—	(747,000)
<b>Total Other Financing Sources (Uses)</b>	1,000,000	1,056,133	1,000,000	65,831	—	(500,000)	—	—	—	8,056,127	11,031,091
<b>Net Change In Fund Balances</b>	(508,221)	1,059,238	498,436	(8,487)	20,289	394,037	(8,411)	69,571	(197,215)	8,120,028	10,387,143
<b>Fund Balances - Beginning Of Year</b>	8,050,799	5,631,080	1,773,155	436,104	160,680	728,483	288,546	72,792	356,339	993,297	21,048,598
<b>Fund Balances - End Of Year</b>	\$ 7,542,578	\$ 6,690,318	\$ 2,271,591	\$ 427,617	\$ 180,969	\$ 1,122,520	\$ 280,135	\$ 142,363	\$ 159,124	\$ 9,113,325	\$ 31,435,741

---

**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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Intergovernmental	\$ 543,703	\$ 526,802	\$ (16,901)
Interest	3,736	3,040	(696)
<b>Total Revenues</b>	<u>547,439</u>	<u>529,842</u>	<u>(17,597)</u>
<b>Expenditures</b>			
General government	395,345	367,250	(28,095)
<b>Excess Of Revenues Over Expenditures</b>	152,094	162,592	10,498
<b>Other Financing Uses</b>			
Transfers out	(247,000)	(247,000)	—
<b>Net Change In Fund Balance</b>	<u>\$ (94,906)</u>	<u>(84,408)</u>	<u>\$ 10,498</u>
<b>Fund Balance - Beginning Of Year</b>		<u>550,962</u>	
<b>Fund Balance - End Of Year</b>		<u>\$ 466,554</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Licenses and permits	\$ —	\$ 248,651	\$ 248,651
Intergovernmental	933,700	941,811	8,111
Interest	5,970	18,002	12,032
<b>Total Revenues</b>	<b>939,670</b>	<b>1,208,464</b>	<b>268,794</b>
<b>Expenditures</b>			
Capital outlay	1,584,600	1,263,438	(321,162)
<b>Excess Of Expenditures Over Revenues</b>	<b>(644,930)</b>	<b>(54,974)</b>	<b>589,956</b>
<b>Other Financing Sources</b>			
Transfers in	600,000	600,000	—
<b>Net Change In Fund Balance</b>	<b><u>\$ (44,930)</u></b>	<b>545,026</b>	<b><u>\$ 589,956</u></b>
<b>Fund Balance - Beginning Of Year</b>		<u>337,130</u>	
<b>Fund Balance - End Of Year</b>		<u><u>\$ 882,156</u></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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Intergovernmental	\$ 543,703	\$ 526,800	\$ (16,903)
Interest	1,694	4,634	2,940
<b>Total Revenues</b>	545,397	531,434	(13,963)
<b>Expenditures</b>			
Capital outlay	770,000	391,444	(378,556)
<b>Net Change In Fund Balance</b>	<u>\$ (224,603)</u>	139,990	<u>\$ 364,593</u>
<b>Fund Balance - Beginning Of Year</b>		<u>326,904</u>	
<b>Fund Balance - End Of Year</b>		<u>\$ 466,894</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Fines and forfeitures	\$ —	\$ 930	\$ 930
Interest	377	332	(45)
<b>Total Revenues</b>	377	1,262	885
<b>Expenditures</b>			
Public safety	20,000	625	(19,375)
<b>Net Change In Fund Balance</b>	<u>\$ (19,623)</u>	637	<u>\$ 20,260</u>
<b>Fund Balance - Beginning Of Year</b>		<u>26,224</u>	
<b>Fund Balance - End Of Year</b>		<u>\$ 26,861</u>	

---

**CITY OF LEAWOOD, KANSAS**

---

**TRANSIENT GUEST TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
For The Year Ended December 31, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<b>Revenues</b>			
Taxes	\$ 600,000	\$ 327,874	\$ (272,126)
Interest	2,861	18,713	15,852
<b>Total Revenues</b>	<b>602,861</b>	<b>346,587</b>	<b>(256,274)</b>
<b>Expenditures</b>			
General government	1,910,300	—	(1,910,300)
<b>Net Change In Fund Balance</b>	<u>\$ (1,307,439)</u>	346,587	<u>\$ 1,654,026</u>
<b>Fund Balance - Beginning Of Year</b>		<u>1,307,440</u>	
<b>Fund Balance - End Of Year</b>		<u>\$ 1,654,027</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, 2018**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>Revenues</b>			
Taxes	\$ 8,762,984	\$ 8,716,939	\$ (46,045)
Intergovernmental	467,858	471,837	3,979
Special assessments	2,042,079	1,635,144	(406,935)
Interest	95,860	174,880	79,020
<b>Total Revenues</b>	<b>11,368,781</b>	<b>10,998,800</b>	<b>(369,981)</b>
<b>Expenditures</b>			
Unallocated expenses	50,000	—	(50,000)
Debt service:			
Principal retirement	7,293,900	7,255,000	(38,900)
Interest and fiscal charges	2,180,400	2,073,132	(107,268)
<b>Total Expenditures</b>	<b>9,474,300</b>	<b>9,328,132</b>	<b>(146,168)</b>
<b>Excess Of Revenues Over Expenditures</b>	<b>1,844,481</b>	<b>1,670,668</b>	<b>(173,813)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	—	20,104	20,104
Refunding bonds issued	—	9,450,000	9,450,000
Premiums	—	1,031,724	1,031,724
Payments to refunding escrow agent	—	(10,410,000)	(10,410,000)
<b>Total Other Financing Sources</b>	<b>—</b>	<b>91,828</b>	<b>91,828</b>
<b>Net Change In Fund Balance</b>	<b>\$ 1,844,481</b>	<b>1,762,496</b>	<b>\$ (81,985)</b>
<b>Fund Balance - Beginning Of Year</b>		<b>7,612,919</b>	
<b>Fund Balance - End Of Year</b>		<b>\$ 9,375,415</b>	

**CITY OF LEAWOOD, KANSAS**

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND  
LIABILITIES - AGENCY FUNDS  
December 31, 2018**

	<b>Employee Giving</b>	<b>TDD - Resurrection Project</b>	<b>TDD - Cornerstone</b>	<b>TDD - Villaggio</b>	<b>TDD - One Nineteen</b>	<b>TDD - Park Place</b>	<b>CID - Camelot Court</b>	<b>Total Agency Funds</b>
<b>Assets</b>								
Pooled cash and investments	\$ 752	\$ 506	\$ 4,568	\$ —	\$ (1)	\$ 26,532	\$ 60,858	\$ 93,215
Special assessments	—	45,000	105,000	310,000	—	51,952	112,800	624,752
<b>Total Assets</b>	<b>\$ 752</b>	<b>\$ 45,506</b>	<b>\$ 109,568</b>	<b>\$ 310,000</b>	<b>\$ (1)</b>	<b>\$ 78,484</b>	<b>\$ 173,658</b>	<b>\$ 717,967</b>
<b>Liabilities</b>								
Due to employees	\$ 752	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 752
Due to other taxing jurisdiction	—	45,506	109,568	310,000	(1)	78,484	173,658	717,215
<b>Total Liabilities</b>	<b>\$ 752</b>	<b>\$ 45,506</b>	<b>\$ 109,568</b>	<b>\$ 310,000</b>	<b>\$ (1)</b>	<b>\$ 78,484</b>	<b>\$ 173,658</b>	<b>\$ 717,967</b>

# CITY OF LEAWOOD, KANSAS

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS For The Year Ended December 31, 2018

	Balance Beginning Of Year	Additions	Deductions	Balance End Of Year
<b>Agency Funds - Employee Giving</b>				
Assets:				
Pooled cash and investments	\$ 1,142	\$ 1,640	\$ 2,030	\$ 752
Liabilities:				
Due to employees	\$ 1,142	\$ 1,640	\$ 2,030	\$ 752
<b>Transportation Development District - Resurrection Project</b>				
Assets:				
Pooled cash and investments	\$ 506	\$ 20,198	\$ 20,198	\$ 506
Special assessments receivable	60,000	—	15,000	45,000
	\$ 60,506	\$ 20,198	\$ 35,198	\$ 45,506
Liabilities:				
Due to other taxing jurisdiction	\$ 60,506	\$ 20,198	\$ 35,198	\$ 45,506
<b>Transportation Development District - Cornerstone</b>				
Assets:				
Pooled cash and investments	\$ 10,974	\$ 41,649	\$ 48,055	\$ 4,568
Special assessments receivable	140,000	—	35,000	105,000
	\$ 150,974	\$ 41,649	\$ 83,055	\$ 109,568
Liabilities:				
Due to other taxing jurisdiction	\$ 150,974	\$ 41,649	\$ 83,055	\$ 109,568
<b>Transportation Development District - Villaggio</b>				
Assets:				
Pooled cash and investments	\$ —	\$ 13,471	\$ 13,471	\$ —
Special assessments receivable	375,000	—	65,000	310,000
	\$ 375,000	\$ 13,471	\$ 78,471	\$ 310,000
Liabilities:				
Due to other taxing jurisdiction	\$ 375,000	\$ 13,471	\$ 78,471	\$ 310,000
<b>Transportation Development District - One Nineteen</b>				
Assets:				
Pooled cash and investments	\$ 93,020	\$ 134,524	\$ 227,545	\$ (1)
Special assessments receivable	—	—	—	—
	\$ 93,020	\$ 134,524	\$ 227,545	\$ (1)
Liabilities:				
Due to other taxing jurisdiction	\$ 93,020	\$ 134,524	\$ 227,545	\$ (1)
<b>Transportation Development District - Park Place</b>				
Assets:				
Pooled cash and investments	\$ 22,045	\$ 327,005	\$ 322,518	\$ 26,532
Special assessments receivable	54,036	51,952	54,036	51,952
	\$ 76,081	\$ 378,957	\$ 376,554	\$ 78,484
Liabilities:				
Due to other taxing jurisdiction	\$ 76,081	\$ 378,957	\$ 376,554	\$ 78,484
<b>Community Improvement District - Camelot Court</b>				
Assets:				
Pooled cash and investments	\$ 48,264	\$ 581,930	\$ 569,336	\$ 60,858
Special assessments receivable	112,730	112,800	112,730	112,800
Liabilities:				
Due to other taxing jurisdiction	\$ 160,994	\$ 694,730	\$ 682,066	\$ 173,658
<b>Total - All Agency Funds</b>				
Assets:				
Pooled cash and investments	\$ 175,951	\$ 1,120,417	\$ 1,203,153	\$ 93,215
Special assessments receivable	741,766	164,752	281,766	624,752
Total assets	\$ 917,717	\$ 1,285,169	\$ 1,484,919	\$ 717,967
Liabilities:				
Due to employees	\$ 1,142	\$ 1,640	\$ 2,030	\$ 752
Due to property owners	—	—	—	—
Due to other taxing jurisdiction	916,575	1,283,529	1,482,889	717,215
Total liabilities	\$ 917,717	\$ 1,285,169	\$ 1,484,919	\$ 717,967

---

**Statistical Section**

---

**CITY OF LEAWOOD, KANSAS**  
**Statistical Section**  
**December 31, 2018**

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 POSITION BY COMPONENT LAST TEN FISCAL YEARS ACCRUAL BASIS OF ACCOUNTING

### Schedule 1

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 286,691,065	\$ 276,985,062	\$ 276,065,957	\$ 287,460,684	\$ 295,287,754	\$ 288,988,301	\$ 278,859,226	\$ 275,353,842	\$ 280,071,534	\$ 281,113,331
Restricted component of net position	16,949,599	21,926,652	18,822,407	10,126,701	9,660,345	8,943,807	10,486,748	11,178,865	10,890,059	13,994,430
Unrestricted component of net position	31,043,291	45,976,509	56,862,450	58,858,210	49,769,835	50,083,971	35,495,155	36,605,693	36,047,422	38,039,401
<b>Total Governmental Activities Net Position</b>	<b>334,683,955</b>	<b>344,888,223</b>	<b>351,750,814</b>	<b>356,445,595</b>	<b>354,717,934</b>	<b>348,016,079</b>	<b>324,841,129</b>	<b>323,138,400</b>	<b>327,009,015</b>	<b>333,147,162</b>
<b>Primary government</b>										
Net investment in capital assets	286,691,065	276,985,062	276,065,957	287,460,684	295,287,754	288,988,301	278,859,226	275,353,842	280,071,534	281,113,331
Restricted component of net position	16,949,599	21,926,652	18,822,407	10,126,701	9,660,345	8,943,807	10,486,748	11,178,865	10,890,059	13,994,430
Unrestricted component of net position	31,430,291	45,976,509	56,862,450	58,858,210	49,769,835	50,083,971	35,495,155	36,605,693	36,047,418	38,039,401
<b>Total Primary Government Net Position</b>	<b>\$ 335,070,955</b>	<b>\$ 344,888,223</b>	<b>\$ 351,750,814</b>	<b>\$ 356,445,595</b>	<b>\$ 354,717,934</b>	<b>\$ 348,016,079</b>	<b>\$ 324,841,129</b>	<b>\$ 323,138,400</b>	<b>\$ 327,009,015</b>	<b>\$ 333,147,162</b>

- (1) Effective January 1, 2007, the activities of the City's business-type activity are reported with governmental activities. Accordingly, the net positions of the business-type activities were transferred to the governmental activities at December 31, 2006.
- (2) During 2010, the City determined that revenue in the amount of \$387,021 was recognized that should not have been. The 2009 fund balance reflects this prior period adjustment.

# CITY OF LEAWOOD, KANSAS

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS ACCRUAL BASIS OF ACCOUNTING

### Schedule 2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
General government	\$ 6,216,550	\$ 5,908,886	\$ 6,379,991	\$ 6,537,652	\$ 7,137,960	\$ 7,204,430	\$ 7,697,435	\$ 7,527,420	\$ 7,636,870	\$ 7,578,714
Public safety	13,599,525	13,606,931	14,164,738	14,351,473	16,194,126	16,926,744	17,065,802	17,740,710	17,422,101	18,331,638
Public works	15,358,193	14,657,989	15,525,753	14,761,231	19,340,679	21,855,009	25,345,029	19,011,541	19,898,042	16,701,722
Parks and recreation	6,602,530	7,161,381	6,732,828	7,703,873	8,241,801	8,201,559	7,788,247	8,020,569	8,119,456	7,395,450
Interest on long-term debt	2,800,190	2,807,480	2,499,718	2,716,815	2,093,219	2,210,558	2,288,821	2,027,693	1,892,484	2,333,256
Total governmental activities	44,576,988	44,142,667	45,303,028	46,071,044	53,007,785	56,398,300	60,185,334	54,327,933	54,968,953	52,340,780
<b>Total Primary Government Expenses</b>	<b>\$ 44,576,988</b>	<b>\$ 44,142,667</b>	<b>\$ 45,303,028</b>	<b>\$ 46,071,044</b>	<b>\$ 53,007,785</b>	<b>\$ 56,398,300</b>	<b>\$ 60,185,334</b>	<b>\$ 54,327,933</b>	<b>\$ 54,968,953</b>	<b>\$ 52,340,780</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 2,669,200	\$ 2,837,665	\$ 3,269,547	\$ 3,185,794	\$ 3,425,988	\$ 3,070,035	\$ 3,391,641	\$ 3,074,990	\$ 3,024,730	\$ 2,856,279
Public safety	117,873	111,455	137,569	138,412	140,960	201,685	141,736	144,833	140,880	185,640
Public works	36,547	235,842	84,177	126,418	76,829	114,269	234,490	65,031	421,700	528,259
Parks and recreation	2,448,775	2,444,912	2,475,831	2,702,437	2,500,932	2,494,541	2,478,862	2,428,335	2,759,384	2,873,676
Operating grants and contributions	468,238	30,874	57,000	393,409	294,988	226,565	1,833,975	311,027	8,997	473,321
Capital grants and contributions	1,014,264	5,125,371	5,421,018	1,814,607	1,320,140	675,914	3,187,073	151,258	2,450,666	1,247,452
Total governmental activities program revenues	6,754,897	10,786,119	11,445,142	8,361,077	7,759,837	6,783,009	11,267,777	6,175,474	8,806,357	8,164,627
<b>Total primary government program revenues</b>	<b>\$ 6,754,897</b>	<b>\$ 10,786,119</b>	<b>\$ 11,445,142</b>	<b>\$ 8,361,077</b>	<b>\$ 7,759,837</b>	<b>\$ 6,783,009</b>	<b>\$ 11,267,777</b>	<b>\$ 6,175,474</b>	<b>\$ 8,806,357</b>	<b>\$ 8,164,627</b>
Net expense:										
Governmental activities	\$ (37,822,091)	\$ (33,356,548)	\$ (33,857,886)	\$ (37,709,967)	\$ (45,247,948)	\$ (49,615,291)	\$ (48,917,557)	\$ (48,152,459)	\$ (46,162,596)	\$ (44,176,153)
<b>Total primary government net expense</b>	<b>\$ (37,822,091)</b>	<b>\$ (33,356,548)</b>	<b>\$ (33,857,886)</b>	<b>\$ (37,709,967)</b>	<b>\$ (45,247,948)</b>	<b>\$ (49,615,291)</b>	<b>\$ (48,917,557)</b>	<b>\$ (48,152,459)</b>	<b>\$ (46,162,596)</b>	<b>\$ (44,176,153)</b>
<b>General Revenues And Other Changes In Net Position</b>										
Governmental activities:										
Taxes										
Property taxes, levied for general purpose	\$ 13,654,784	\$ 13,584,154	\$ 14,470,011	\$ 11,452,716	\$ 13,677,125	\$ 14,230,694	\$ 13,971,849	\$ 14,852,878	\$ 15,389,306	\$ 12,531,600
Property taxes, levied for debt service	5,477,801	6,921,040	4,347,089	7,184,604	4,774,673	4,438,763	5,765,372	5,978,035	6,618,135	10,351,730
Sales taxes	14,798,437	15,018,242	14,335,987	14,643,273	14,600,331	15,662,006	15,802,522	16,255,542	17,516,872	18,403,286
Transient guest tax	22,610	202,626	271,632	345,817	372,164	383,736	453,511	528,112	557,446	327,874
Franchise taxes	3,042,295	3,153,238	3,194,165	3,205,207	3,524,489	3,532,699	3,394,074	3,568,312	3,649,475	3,520,426
Other taxes	1,167,753	1,267,170	1,317,006	1,427,880	1,589,280	1,605,177	1,592,386	1,626,944	1,607,447	1,581,752
Unrestricted grants and contributions	2,323,161	2,393,766	2,361,594	2,812,561	2,471,018	2,573,189	4,314,367	2,808,404	2,905,833	2,993,274
Unrestricted investment earnings	373,546	196,515	152,212	109,514	127,187	228,478	129,686	400,971	681,670	1,138,750
Insurance recoveries	—	—	—	—	—	—	—	—	595,273	—
Miscellaneous	311,716	437,065	270,781	1,223,176	2,384,020	258,694	196,800	430,529	511,754	440,520
Transfers in (out)	—	—	—	—	—	—	—	—	—	—
Total governmental activities	41,172,103	43,173,816	40,720,477	42,404,748	43,520,287	42,913,436	45,620,567	46,449,727	50,033,211	51,289,212
<b>Total primary government</b>	<b>\$ 41,172,103</b>	<b>\$ 43,173,816</b>	<b>\$ 40,720,477</b>	<b>\$ 42,404,748</b>	<b>\$ 43,520,287</b>	<b>\$ 42,913,436</b>	<b>\$ 45,620,567</b>	<b>\$ 46,449,727</b>	<b>\$ 50,033,211</b>	<b>\$ 51,289,212</b>
<b>Change In Net Position</b>										
Governmental activities	\$ 3,350,012	\$ 9,817,268	\$ 6,862,591	\$ 4,694,781	\$ (1,727,661)	\$ (6,701,855)	\$ (3,296,990)	\$ (1,702,732)	\$ 3,870,615	\$ 7,113,059
<b>Total primary government</b>	<b>\$ 3,350,012</b>	<b>\$ 9,817,268</b>	<b>\$ 6,862,591</b>	<b>\$ 4,694,781</b>	<b>\$ (1,727,661)</b>	<b>\$ (6,701,855)</b>	<b>\$ (3,296,990)</b>	<b>\$ (1,702,732)</b>	<b>\$ 3,870,615</b>	<b>\$ 7,113,059</b>

# CITY OF LEAWOOD, KANSAS

## GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE LAST TEN 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>Transient Guest Tax</b>	<b>Other Taxes</b>	<b>Total</b>
2009	\$ 19,132,585	\$ 14,798,437	\$ 3,042,295	\$ 22,610	\$ 1,167,753	\$ 38,163,680
2010	20,505,194	15,018,242	3,153,238	202,626	1,267,170	40,146,470
2011	18,817,100	14,335,987	3,194,165	271,632	1,317,006	37,935,890
2012	18,637,320	14,643,273	3,205,207	345,817	1,427,880	38,259,497
2013	18,451,798	14,600,331	3,524,489	372,164	1,589,280	38,538,062
2014	18,669,457	15,662,006	3,532,699	383,736	1,605,177	39,853,075
2015	19,737,221	15,802,522	3,394,074	453,511	1,592,386	40,979,714
2016	20,830,913	16,255,542	3,568,312	528,112	1,626,944	42,809,823
2017	22,007,441	17,516,872	3,649,475	557,446	1,607,447	45,338,681
2018	22,883,330	18,403,286	3,520,426	327,874	1,581,752	46,716,668

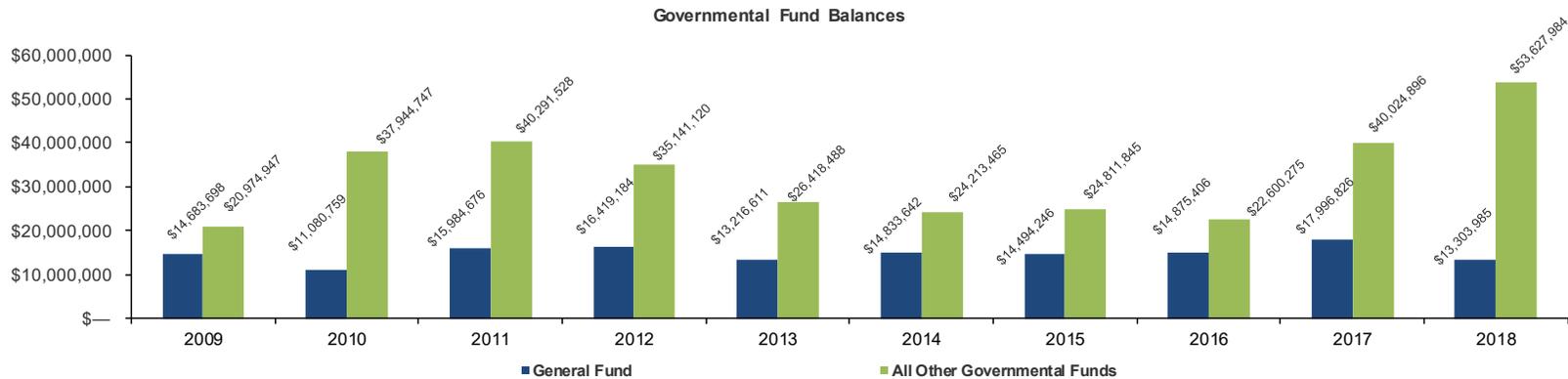
# CITY OF LEAWOOD, KANSAS

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

### Schedule 4

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Nonspendable	\$ —	\$ —	\$ 123,850	\$ 144,368	\$ 143,223	\$ 132,689	\$ 140,462	\$ 123,218	\$ 116,641	\$ 129,986
Assigned	—	—	3,399,131	6,051,836	3,969,571	4,664,936	5,623,577	4,980,428	2,713,627	5,376,591
Unassigned	—	—	12,461,695	10,222,980	9,103,817	10,036,017	8,730,207	9,771,760	15,166,558	7,797,408
Reserved	130,404	129,411	—	—	—	—	—	—	—	—
Unreserved	14,553,294	10,951,348	—	—	—	—	—	—	—	—
<b>Total General Fund</b>	<b>\$ 14,683,698</b>	<b>\$ 11,080,759</b>	<b>\$ 15,984,676</b>	<b>\$ 16,419,184</b>	<b>\$ 13,216,611</b>	<b>\$ 14,833,642</b>	<b>\$ 14,494,246</b>	<b>\$ 14,875,406</b>	<b>\$ 17,996,826</b>	<b>\$ 13,303,985</b>
<b>All Other Governmental Funds</b>										
Restricted	\$ —	\$ —	\$ 18,822,407	\$ 10,126,701	\$ 9,660,345	\$ 8,943,807	\$ 10,486,749	\$ 11,178,865	\$ 11,340,402	\$ 16,374,752
Committed	—	—	21,469,121	25,005,947	16,943,993	18,666,857	22,165,340	25,578,781	28,675,831	37,244,523
Assigned	—	—	—	8,472	8,512	8,544	8,567	8,620	8,663	8,709
Reserved	14,793,749	18,116,968	—	—	—	—	—	—	—	—
Unassigned	—	—	—	—	(194,362)	(3,405,743)	(7,848,811)	(14,165,991)	—	—
Unreserved, reported in:										
Special revenue funds	1,035,193	1,964,573	—	—	—	—	—	—	—	—
Capital projects funds	5,146,005	17,863,206	—	—	—	—	—	—	—	—
<b>Total All Other Governmental Funds</b>	<b>\$ 20,974,947</b>	<b>\$ 37,944,747</b>	<b>\$ 40,291,528</b>	<b>\$ 35,141,120</b>	<b>\$ 26,418,488</b>	<b>\$ 24,213,465</b>	<b>\$ 24,811,845</b>	<b>\$ 22,600,275</b>	<b>\$ 40,024,896</b>	<b>\$ 53,627,984</b>

Note: in 2011, the City implemented GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed the presentation requirements of fund balances.



# CITY OF LEAWOOD, KANSAS

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

### Schedule 5

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Taxes	\$ 31,778,195	\$ 32,463,706	\$ 30,851,203	\$ 30,880,257	\$ 30,943,658	\$ 31,934,217	\$ 32,737,683	\$ 34,462,542	\$ 36,196,956	\$ 37,383,518
Licenses and permits	1,214,492	1,556,370	1,848,739	1,845,752	2,132,269	1,815,305	2,159,728	1,475,531	2,057,069	2,232,002
Intergovernmental	8,553,089	9,602,150	8,910,116	10,270,005	11,130,384	10,908,095	15,945,613	11,008,762	13,624,022	12,539,099
Charges for services	2,466,140	2,387,857	2,506,439	2,724,439	2,514,336	2,566,759	2,499,008	2,491,008	2,770,531	2,930,520
Fines and forfeitures	1,591,763	1,685,388	1,610,087	1,581,363	1,497,014	1,486,446	1,587,760	1,743,936	1,516,598	1,281,332
Special assessments	2,015,839	3,569,901	1,972,928	2,563,491	2,420,803	2,339,422	2,305,933	1,790,552	1,674,521	1,635,144
Interest	373,546	216,935	152,212	109,514	127,187	228,475	129,686	400,950	681,609	1,138,749
Contributions and other	345,398	490,413	330,450	1,004,110	2,422,162	364,495	248,048	544,460	520,239	440,520
<b>Total Revenues</b>	<b>48,338,462</b>	<b>51,972,720</b>	<b>48,182,174</b>	<b>50,978,931</b>	<b>53,187,813</b>	<b>51,643,214</b>	<b>57,613,459</b>	<b>53,917,741</b>	<b>59,041,545</b>	<b>59,580,884</b>
<b>Expenditures</b>										
General government	5,850,652	5,645,370	6,047,715	6,212,958	6,667,668	7,101,754	7,345,177	7,028,199	7,126,310	7,341,563
Public safety	12,623,748	12,716,593	13,307,250	13,382,889	13,842,202	14,626,694	15,332,207	15,538,284	15,227,565	16,234,348
Public works	5,297,652	5,625,473	5,638,881	5,361,019	5,873,058	5,922,054	5,940,349	6,053,506	6,049,012	6,284,607
Parks and recreation	5,302,092	5,282,814	5,320,546	5,546,372	5,628,341	5,786,236	5,878,753	6,285,039	6,518,572	6,419,758
Capital outlay	8,127,300	13,959,576	9,222,271	18,052,831	25,365,064	17,904,378	22,459,447	13,747,051	16,512,407	8,114,087
Debt service										
Principal	6,656,245	5,856,235	5,618,125	5,658,409	5,676,753	4,322,277	5,823,057	6,111,951	6,459,715	7,559,578
Interest and fiscal charges	2,941,330	2,394,876	2,403,665	2,207,432	2,216,115	2,108,809	2,230,719	2,341,800	1,802,222	2,460,847
<b>Total Expenditures</b>	<b>46,799,019</b>	<b>51,480,937</b>	<b>47,558,453</b>	<b>56,421,910</b>	<b>65,269,201</b>	<b>57,772,202</b>	<b>65,009,709</b>	<b>57,105,830</b>	<b>59,695,803</b>	<b>54,414,788</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>1,539,443</b>	<b>491,783</b>	<b>623,721</b>	<b>(5,442,979)</b>	<b>(12,081,388)</b>	<b>(6,128,988)</b>	<b>(7,396,250)</b>	<b>(3,188,089)</b>	<b>(654,258)</b>	<b>5,166,096</b>
<b>Other Financing Sources (Uses)</b>										
Transfer in	6,661,307	10,755,350	4,201,942	11,945,937	14,958,186	7,172,316	7,682,547	7,550,191	8,304,365	13,045,195
Transfers out	(6,661,307)	(10,755,350)	(4,201,942)	(11,945,937)	(14,958,186)	(7,172,316)	(7,682,547)	(7,550,191)	(8,304,365)	(13,045,195)
Insurance recoveries	—	—	—	—	—	—	—	—	930,931	—
Refunding bonds issued	—	—	—	3,985,000	—	3,785,000	2,230,000	9,765,000	1,095,000	9,450,000
Bonds issued	—	16,980,000	5,155,000	700,000	—	5,920,000	7,140,000	—	18,190,000	3,480,000
Premium on bonds issued	248,912	147,183	33,821	329,769	156,183	847,613	690,234	680,481	1,829,442	1,224,151
Payments to refunded bonds escrow agent	—	(4,252,107)	—	(4,287,690)	—	(5,317,113)	(2,405,000)	(10,200,000)	(1,080,000)	(10,410,000)
Capitalized leases	—	—	1,438,156	—	—	305,496	—	1,112,198	234,926	—
<b>Total Other Financing Sources</b>	<b>248,912</b>	<b>12,875,076</b>	<b>6,626,977</b>	<b>727,079</b>	<b>156,183</b>	<b>5,540,996</b>	<b>7,655,234</b>	<b>1,357,679</b>	<b>21,200,299</b>	<b>3,744,151</b>
<b>Net Changes In Fund Balances</b>	<b>\$ 1,788,355</b>	<b>\$ 13,366,859</b>	<b>\$ 7,250,698</b>	<b>\$ (4,715,900)</b>	<b>\$ (11,925,205)</b>	<b>\$ (587,992)</b>	<b>\$ 258,984</b>	<b>\$ (1,830,410)</b>	<b>\$ 20,546,041</b>	<b>\$ 8,910,247</b>
<b>Debt Service As A Percentage Of Noncapital Expenditures</b>	<b>22.86%</b>	<b>20.34%</b>	<b>19.22%</b>	<b>18.87%</b>	<b>16.21%</b>	<b>12.83%</b>	<b>14.38%</b>	<b>17.14%</b>	<b>16.50%</b>	<b>20.47%</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>Transient Guest Tax</b>	<b>Franchise Tax</b>	<b>City Consumers' Use Tax</b>	<b>Total</b>
2009	\$ 18,508,788	\$ 8,414,265	\$ 22,610	\$ 3,042,295	\$ 1,790,237	\$ 31,778,195
2010	18,564,476	8,704,913	202,626	3,153,238	1,838,453	32,463,706
2011	18,207,076	7,560,359	271,632	3,194,165	1,617,971	30,851,203
2012	17,922,095	7,534,510	345,817	3,205,207	1,872,628	30,880,257
2013	17,893,675	7,624,014	372,164	3,524,489	1,529,316	30,943,658
2014	18,320,048	7,789,559	383,736	3,532,699	1,908,175	31,934,217
2015	19,166,340	7,795,464	453,511	3,394,075	1,928,293	32,737,683
2016	20,280,808	7,977,278	528,112	3,568,312	2,108,032	34,462,542
2017	21,474,013	8,171,286	557,445	3,649,475	2,344,737	36,196,956
2018	22,524,842	8,499,646	327,875	3,520,427	2,510,728	37,383,518

<sup>(1)</sup> Includes governmental activities as shown in the fund financial statements.

# CITY OF LEAWOOD, KANSAS

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

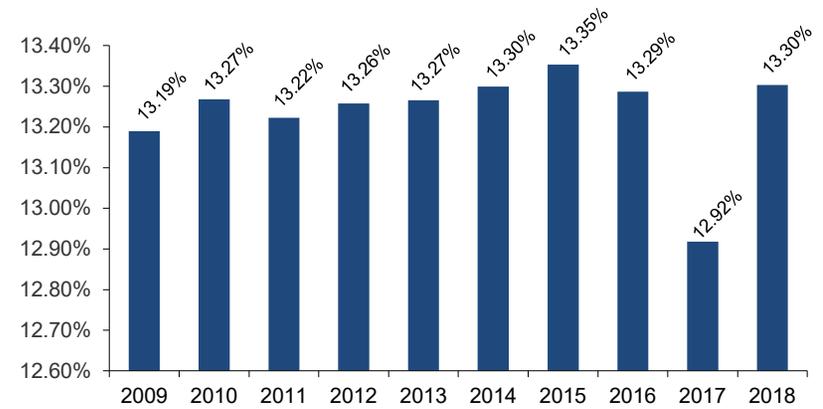
### Schedule 7

Year Ended December 31,	Assessed Value Residential Property	Assessed Value Personal Property	State Assessed Utilities	Total Assessed Value	Assessed Value Motor Vehicles	Assessed Value Recreational Vehicles	Total Equalized Assessed Valuation	Total Direct Tax Rate	Real Property Estimated Actual Value	Personal Property Estimated Actual Value	Utilities Estimated Actual Value (1)	Total Estimated Actual Value	Assessed Value To Total Estimated Actual Value
2009	\$ 756,413,919	\$ 10,455,746	\$ 7,945,694	\$ 774,815,359	\$ 70,024,959	\$ 116,987	\$ 844,957,305	24.251	\$ 5,809,307,620	\$ 41,125,937	\$ 24,077,861	\$ 5,874,511,418	13.19%
2010	761,494,540	7,801,915	7,800,453	777,096,908	67,852,377	123,523	845,072,808	24.259	5,802,721,110	30,687,532	23,637,736	5,857,046,378	13.27%
2011	734,831,763	6,169,490	7,659,760	748,661,013	67,937,265	118,471	816,716,749	24.382	5,614,486,330	24,266,660	23,211,394	5,661,964,384	13.22%
2012	730,282,905	5,643,192	7,116,199	743,042,296	67,112,252	114,344	810,268,892	24.393	5,560,934,270	22,196,555	21,564,239	5,604,695,064	13.26%
2013	728,226,705	5,346,482	7,039,023	740,612,210	69,471,416	80,475	810,164,101	24.393	5,540,475,900	21,029,496	21,330,373	5,582,835,769	13.27%
2014	737,569,632	4,778,738	7,148,950	749,497,320	72,541,429	114,202	822,152,951	24.477	5,591,579,790	22,434,498	21,663,485	5,635,677,773	13.30%
2015	774,847,227	4,087,234	7,209,112	786,143,573	75,582,776	107,805	861,834,154	24.492	5,845,637,610	19,736,956	21,845,794	5,887,220,360	13.35%
2016	816,290,245	3,521,444	7,398,079	827,209,768	79,744,865	125,294	907,079,927	24.508	6,185,374,430	18,084,771	22,418,421	6,225,877,622	13.29%
2017	866,259,543	3,142,599	7,522,042	876,924,184	81,923,342	135,616	958,983,142	24.513	6,749,316,280	16,484,758	22,794,067	6,788,595,105	12.92%
2018	911,435,862	2,879,015	7,909,291	922,224,168	85,601,079	139,978	1,007,965,225	24.517	6,892,861,150	15,497,626	23,967,548	6,932,326,324	13.30%

**Total Equalized Assessed Valuation**



**Ratio Of Total Assessed Property Value To Total Estimated Actual Value**



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	Blue Valley Park	Johnson	Johnson	Total Blue Valley Direct And Overlapping Rates	Total
	General	Debt Service	Total City			Mission School District	Valley School District	County Community College		County Library	County Park		Shawnee Mission Direct And Overlapping Rates
2007/2008	\$ 17.424	\$ 6.817	\$ 24.241	\$ 1.500	\$ 17.985	\$ 52.008	\$ 59.503	\$ 8.749	\$ —	\$ 2.962	\$ 2.295	\$ 117.235	\$ 109.740
2008/2009	17.894	6.357	24.251	1.500	17.767	52.094	61.127	8.768	—	3.057	2.341	118.811	109.778
2009/2010	17.758	6.501	24.259	1.500	17.716	55.318	65.079	8.784	—	3.151	2.346	122.835	113.074
2010/2011	19.408	4.974	24.382	1.500	17.748	57.192	71.049	8.799	2.235	3.158	2.350	131.221	115.129
2011/2012	18.102	6.291	24.393	1.500	17.700	56.135	72.828	8.776	2.237	3.145	2.343	132.922	113.992
2012/2013	18.643	5.750	24.393	1.500	17.717	55.766	72.027	8.785	2.237	3.149	2.344	132.152	113.654
2013/2014	19.017	5.460	24.477	1.500	17.745	55.611	70.036	9.551	2.201	3.155	2.347	131.012	114.386
2014/2015	17.837	6.655	24.492	1.500	17.764	55.911	67.939	9.461	2.201	3.157	2.349	128.863	114.634
2015/2016	17.945	6.563	24.508	1.500	19.582	54.059	67.889	9.469	2.200	3.912	3.101	132.161	116.131
2016/2017	18.875	5.638	24.513	1.500	19.590	54.940	66.255	9.473	2.200	3.915	3.102	130.548	117.033
2017/2018	15.056	9.461	24.517	1.500	19.318	53.663	66.614	9.503	2.199	3.921	3.112	130.684	115.534

Source: Johnson County Clerk's Office

**CITY OF LEAWOOD, KANSAS**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

**Schedule 9**

<b>Taxpayer</b>	<b>2018</b>			<b>2009</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage Of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage Of Total Taxable Assessed Value</b>
Town Center Plaza	\$ 30,045,750	1	2.98%	\$ 21,543,861	1	2.55%
Park Place Village LLC	22,139,755	2	2.20%	9,098,758	3	1.08%
119th Street Development, LLC	14,583,502	3	1.45%	11,529,661	2	1.36%
Camelot Court LLC	9,549,800	4	0.95%			
Hallbrook Office Center	7,887,569	5	0.78%	5,540,973	5	0.66%
Villa Milano, LLC	6,245,765	6	0.62%			
Academy 1740, Inc.	5,698,001	7	0.57%	5,524,501	6	0.65%
Aloft Hotel	4,975,250	8	0.49%			
Kansas City Power & Light Co.	4,564,169	9	0.45%	3,680,076	9	0.44%
Dick's Sporting Goods	4,136,750	10	0.41%			
PCC Two, LLC				4,404,251	7	0.52%
96-OP Property LLC				3,187,751	10	0.38%
95 West, L.P.				7,348,142	4	0.87%
BP Market Square LLC				3,829,828	8	0.45%
<b>Total Principal Property Taxpayers</b>	<b>\$ 109,826,311</b>		<b>10.90%</b>	<b>\$ 75,687,802</b>		<b>8.96%</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
2007/2008	\$ 17,959,445	\$ 17,742,463	98.8%	\$ 134,849	\$ 17,877,312	99.5%
2008/2009	18,692,644	18,360,535	98.2%	98,137	18,458,672	98.7%
2009/2010	18,756,996	18,369,886	97.9%	189,972	18,559,858	98.9%
2010/2011	18,095,209	17,863,489	98.7%	—	17,863,489	98.7%
2011/2012	17,952,637	17,758,139	98.9%	—	17,758,139	98.9%
2012/2013	18,014,374	17,861,771	99.2%	—	17,861,771	99.2%
2013/2014	18,324,277	18,169,881	99.2%	—	18,169,881	99.2%
2014/2015	19,105,302	18,959,596	99.2%	—	18,959,596	99.2%
2015/2016	20,233,618	20,058,450	99.1%	—	20,058,450	99.1%
2016/2017	21,448,464	21,276,527	99.2%	—	21,276,527	99.2%
2017/2018	22,528,082	22,386,564	99.4%	—	22,386,564	99.4%

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					Total Primary Government	Percentage Of Personal Income (1)	Per Capita (1)
	General Obligation Bonds							
	To Be Paid With							
	Tax Levies	Special Assessments	Revenue Bonds	Capital Leases				
2009	\$ 38,403,000	\$ 14,757,000	\$ 965,000	\$ 728,227	\$ 54,853,227	*	\$ 1,685	
2010	44,112,900	16,712,100	580,000	556,991	61,961,991	11.41%	1,898	
2011	41,067,623	20,313,200	185,000	1,752,024	63,317,847	*	1,979	
2012	38,792,734	18,321,100	—	1,408,615	58,522,449	*	1,820	
2013	35,354,506	16,445,200	—	988,116	52,787,822	*	1,633	
2014	38,313,334	14,544,200	—	1,186,335	54,043,869	*	1,664	
2015	41,910,604	12,875,425	—	973,278	55,759,307	*	1,708	
2016	37,761,072	11,165,990	—	1,868,531	50,293,593	*	1,548	
2017	53,223,254	9,410,195	—	1,773,742	64,407,191	*	1,844	
2018	51,145,738	7,534,639	—	1,469,163	60,149,540	*	1,714	

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.

# CITY OF LEAWOOD, KANSAS

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

### Schedule 12

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage Of Estimated Actual Taxable Value Of Property (1)	Per Capita (2)
2008	\$ 58,735,000	\$ 7,977,756	\$ 50,757,244	0.89%	\$ 1,591
2009	53,160,000	7,604,434	45,555,566	0.78%	1,400
2010	60,825,000	7,775,937	53,049,063	0.91%	1,625
2011	61,380,823	6,999,656	54,381,167	0.96%	1,699
2012	57,113,834	7,277,174	49,836,660	0.89%	1,550
2013	51,799,706	7,231,082	44,568,624	0.80%	1,379
2014	52,857,534	7,248,664	45,608,870	0.81%	1,404
2015	54,786,029	7,940,070	46,845,959	0.80%	1,435
2016	48,927,062	7,980,397	40,946,665	0.66%	1,248
2017	62,633,449	7,612,919	55,020,530	0.81%	1,575
2018	58,680,377	9,375,415	49,304,962	0.71%	1,405

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, 2018

### Schedule 13

<b>Governmental Unit</b>	<b>Net Debt Outstanding<sup>(1)</sup></b>	<b>Percentage Applicable To City Of Leawood<sup>(2)</sup></b>	<b>Amount Applicable To City Of Leawood</b>
Johnson County	\$ 308,457,300	9.04%	\$ 27,884,540
Johnson County Community College	58,850,000	9.04%	5,320,040
Shawnee Mission School District (U.S.D. 512)	329,390,000	5.39%	17,754,121
(U.S.D. 229)	395,355,031	23.69%	93,659,607
Parks and recreation	825,000	9.04%	74,580
Subtotal, overlapping debt			144,692,888
City of Leawood direct debt <sup>(1)</sup>			60,149,540
Total direct and overlapping debt			<u>\$ 204,842,428</u>

Source: Johnson County Clerk's Office

<sup>(1)</sup> General obligation debt outstanding and lease purchase obligations

<sup>(2)</sup> Determined by ratio 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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 253,487,192	\$ 253,521,842	\$ 245,015,025	\$ 243,080,668	\$ 243,049,230	\$ 246,645,885	\$ 258,550,246	\$ 272,123,978	\$ 287,694,943	\$ 302,389,568
Total net debt applicable to limit	45,555,566	53,049,065	54,000,344	49,157,826	43,948,918	45,608,870	46,845,959	38,494,602	55,020,530	49,304,962
Legal debt margin	207,931,626	200,472,777	191,014,681	193,922,842	199,100,312	201,037,015	211,704,287	233,629,376	232,674,413	253,084,606
Total net debt applicable to the limit as a percentage of debt limit	17.97%	20.92%	22.04%	20.22%	18.08%	18.49%	18.12%	14.15%	19.12%	16.31%

#### Legal Debt Margin Calculation For Fiscal Year 2018

Assessed value, real and personal property - 2018	922,224,168
Plus assessed value, motor vehicles - 2018	85,741,057
<b>Total Assessed Value - 2018</b>	<u>1,007,965,225</u>
<b>Debt Limit (30% Of Total Assessed Value)</b>	<u>302,389,568</u>
<b>Debt Applicable To Limit</b>	
General obligation bonds	58,680,377
Less: Amount set aside for repayment of general obligation debt	(9,375,415)
<b>Total Net Debt Applicable To Limit</b>	<u>49,304,962</u>
<b>Legal Debt Margin</b>	<u>\$ 253,084,606</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)
2009	32,548	*	*	*	*	4.0%
2010	32,643	\$ 5,431,698	\$ 170,449	43.2	73.9	4.4%
2011	32,000	*	*	*	*	3.7%
2012	32,160	*	*	*	*	3.2%
2013	32,321	*	*	*	*	3.4%
2014	32,483	*	*	*	*	3.0%
2015	32,644	*	*	*	*	2.6%
2016	32,807	*	*	*	*	3.0%
2017	34,926	*	*	*	*	2.3%
2018	35,101	*	*	*	*	2.6%

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

(1) Obtained from U.S. Census Bureau

(2) Obtained from Kansas Department of Human Resources, for the City of Leawood.

**CITY OF LEAWOOD, KANSAS**

---

**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

**Schedule 16**

<b>Employer</b>	<b>2018</b>			<b>2009</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage Of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage Of Total City Employment (1)</b>
AMC Theaters Support Center	450	1	2.6%			
Reece & Nichols	415	2	2.4%	314	4	2.0%
American Academy of Family Physicians	362	3	2.1%	350	2	2.2%
Unified School District No. 229	346	4	2.0%	329	3	2.1%
DEMDACO, Inc.	297	5	1.7%			
City of Leawood	256	6	1.5%	266	5	1.7%
Murphy-Hoffman Co.	250	7	1.4%			
Nueterra Holdings Co.	184	8	1.0%			
Euronet Worldwide	150	9	0.9%			
SCOR	140	10	0.8%			
CBIZ Accounting, Tax & Advisory Svc				450	1	2.9%
Weight Watchers				190	6	1.2%
Headache & Pain Center				149	7	1.0%
Hy Vee				147	8	0.9%
AB May				125	9	0.8%
Cosentino's Price Chopper				125	10	0.8%
<b>Total</b>	<b>2,850</b>		<b>16.2%</b>	<b>2,445</b>		<b>15.7%</b>

Sources: Kansas Department of Labor, Leawood Chamber of Commerce, and Johnson County Economic Research Institute

# CITY OF LEAWOOD, KANSAS

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

### Schedule 17

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	49.21	49.21	45.71	45.71	45.71	45.71	46.21	45.68	43.68	43.68
Public safety										
Police										
Officers	63.00	63.00	61.00	61.00	61.00	61.00	61.00	61.00	61.00	61.00
Civilians	22.00	22.00	22.00	22.00	22.00	22.00	22.00	23.00	23.00	23.23
Fire										
Firefighters and officers	54.69	54.69	52.69	52.69	52.69	52.69	52.69	52.44	52.69	52.69
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.80	0.80
Public works	50.92	50.23	48.23	48.23	48.23	48.23	49.23	49.71	49.71	49.71
Parks and recreation	74.81	62.57	61.57	61.57	61.57	61.57	63.82	63.09	63.21	62.87
<b>Total Full-Time Equivalent</b>	<b>315.63</b>	<b>302.70</b>	<b>292.20</b>	<b>292.20</b>	<b>292.20</b>	<b>292.20</b>	<b>295.95</b>	<b>295.92</b>	<b>294.09</b>	<b>293.98</b>

Source: City Budget Manager

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

**Schedule 18**

<b>Function</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Police										
Number of traffic violations	12,481	14,327	14,336	15,305	12,691	13,488	12,528	13,625	12,350	9,921
Number of physical arrests	1,771	1,678	1,778	1,690	1,637	1,330	1,314	1,123	1,018	1,120
Number of dispatch calls (includes Officer-Initiated Calls)	35,797	34,298	31,443	33,161	32,543	31,332	30,558	31,532	27,199	26,433
Number of alarm calls	1,826	1,978	1,739	1,819	1,840	1,837	1,826	1,673	1,678	1,611
Fire										
Number of fire calls answered	1,004	803	1,058	1,017	1,037	997	1,103	1,180	1,045	1,071
Number of ambulance calls answered	1,433	1,686	1,638	1,685	1,679	1,743	1,798	1,866	2,255	2,266
Number of fire inspections	1,514	1,688	1,603	1,628	952	841	910	1,038	1,124	1,037
Parks and Recreation										
Number of programs offered	150	150	150	150	150	>150	>150	166	166	96

Source: Various City departments

# CITY OF LEAWOOD, KANSAS

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

### Schedule 19

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police											
Number of police stations	1	1	1	1	1	1	1	1	1	1	1
Number of certified officers	63	63	63	61	61	61	61	61	61	61	61
Number of noncertified personnel	22	22	22	22	22	22	22	22	23	23	23
Number of patrol districts	3	3	3	3	3	3	3	3	3	3	3
Fire											
Number of fire stations	3	3	3	3	3	3	3	3	3	3	3
Number of Full-Time firefighters	54	54	54	53	53	52	52	52	52	52	53
Number of Part-Time firefighters	—	—	—	—	—	—	—	—	—	—	—
Number of volunteer firefighters	1	1	1	1	1	—	—	—	—	—	—
Number of nonfire personnel	1	1	1	1	1	1	1	1	1	1	1
Public Works											
Streets (miles)	197	197	200	200.7	201.5	201.5	201.8	202.0	202.0	202.0	202.0
Streetlights	2,878	2,887	2,935	2,935	2,962	3,695	4,093	4,106	4,131	4,136	4,165
Parks and Recreation											
Number of parks	6	6	6	6	6	6	6	6	6	6	6
Park acreage	423	423	423	478	478	486	486	486	486	486	486
Walking trail mileage	8	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25
Aquatic centers	1	1	1	1	1	1	1	1	1	1	1
Golf courses	1	1	1	1	1	1	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	6	6	6	6	6
Soccer fields	14	14	14	14	14	14	14	14	14	14	14
Baseball diamonds	3	3	3	3	3	3	3	3	3	3	3

Source: Various City departments