CITY of Leawood



2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2025





CITY OF LEAWOOD, KS

CITY OF LEAWOOD, KANSAS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025

CITY of Leawood

Report prepared by Department of Finance

Jeremy Willmoth, Finance Director
Janna Raper, Assistant Finance Director
Jason McElhiney, Accounting Manager

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CITY of Leawood

The Honorable Mayor Elkins,
Members of the City Council,
City Administrator Stoddard, and
The Citizens of Leawood, Kansas:

June 25, 2026

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, 2025.

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.

RSM US LLP, Certified Public Accountants, has issued an unmodified opinion on the City of Leawood's financial statements for the year ended December 31, 2025. 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 October 1 of each year; however, if the City is exceeding the Revenue Neutral Rate (RNR), the City must provide notice and conduct the hearing between August 20 and September 20. 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 2025 population to be approximately 34,046. Johnson County encompasses 476 square miles and is the most populous county in the State of Kansas. The City's land area is approximately 85% 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.

The City of Leawood remains one of the safest cities in Kansas. In 2025, our Police Department responded to more than 28,000 calls for service while major crimes dropped by 25 percent overall. Behind that headline number is a clear trend in the types of crimes residents worry about most. Burglaries dropped 19%, assaults were down 20%, auto theft was down 40%, and the most significant drop: auto burglaries were down 63% in 2025.

According to the Johnson County Appraiser's Office, the average home in Leawood had an appraised market value of $839,381 in 2025 compared to $792,809 in 2024.

Last year alone, more than 1,800 building permits were issued in Leawood, representing nearly $192 million in investment across homes, businesses, and community facilities. We welcomed new investment, such as the opening of Leawood Village on State Line Road, alongside several new businesses that are bringing fresh energy to our commercial areas, such as The Lockton

Companies HQ. The continued increase in construction within Leawood demonstrates the City's appeal to new businesses as well as new residents and the desire of our current residents to improve their properties.

Major Initiatives

2025 Initiatives and Highlights

In 2025, the City of Leawood retained its AAA bond rating for the 18th consecutive time since 2008, 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 Public Works Department continued delivering major infrastructure improvements across Leawood in 2025, highlighted by the successful reconstruction of Tomahawk Creek Parkway on time and on budget. The project addressed long-standing drainage concerns, expanded stormwater capacity, improved mobility for drivers, pedestrians, and cyclists, and strengthened protections for nearby homes, businesses, and trails during heavy rain events. The department also advanced neighborhood flood mitigation efforts through the Leawood South flooding study along Wenonga Lane, completed numerous roadway safety enhancements including new pedestrian crossings, flashing beacons, school zone upgrades, speed calming measures, sidewalk repairs, and additional traffic controls, while continuing the behind-the-scenes maintenance, snow operations, and infrastructure work residents rely on every day.

Future Initiatives

During 2024 and into 2025, the Leawood Governing Body developed and adopted a new Strategic Plan Framework for the next 3 to 5 years, which establishes five strategic pillars, each with specific goals and timeline to ensure transparency, accountability and progress. Those pillars and goals are:

Pillar I: Finances & Budgeting

- Goal A: Maintain balance between the fiscal support of existing services/infrastructure and new initiatives and taxes.
- Goal B: Enhance the council's and public's knowledge and understanding in city finances and financial planning.

Pillar II: Quality of Life

- Goal A: Maintain Leawood's leadership in providing an exceptional quality of life by maintaining high levels of city services.
- Goal B: Maximize operating efficiency and effectiveness in city services.

Goal C: Enhance community well-being by promoting health through programming.

Pillar III: Infrastructure

Goal A: Enhance and maintain infrastructure through planned and coordinated efforts.

Goal B: Create a long-term plan that considers varying infrastructure needs and environmental impact within the community.

Goal C: Ensure physical infrastructure to support city operations is efficient and includes appropriate technology.

Pillar IV: Community Engagement & Communication

Goal A: Enhance public safety by promoting prevention, resilience, and community.

Goal B: Design and implement a community communication plan with a focus on education and participation in civic life.

Goal C: Foster inclusivity, diversity, and community engagement to support the Leawood community values.

Pillar V: Community & Business Development

Goal A: Update the City's Comprehensive Plan and Leawood Development Ordinance.

Goal B: Strengthen Business Development in coordination with the Leawood Chamber of Commerce

Goal C: Explore options for beautification, preservation and utilization of city rights-of-way and green spaces.

The City's future initiatives include the launch of the city's Safe Streets and Roads for All Action Plan to guide long-term transportation safety improvements, continued modernization of development and land use policies through the "Leawood: Rooted and Reaching" comprehensive plan update, an updated Leawood Development Ordinance, expanded investments in pedestrian and bicycle infrastructure, business readiness efforts through the Leawood For the Goal initiative, neighborhood and volunteer beautification efforts, and major community events designed to showcase Leawood's quality of life, economic strength, and community pride on a regional and global stage.

Financial Information

Relevant Financial Policies

There was no significant change in existing City Financial Policies during 2025.

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2025. The City has received this prestigious award for twenty-nine consecutive years. In order to be awarded a Certificate of Achievement, the government has to publish an easily readable and efficiently organized ACFR 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 ACFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine eligibility for another certificate.

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 would not have been possible without the dedication, professionalism, and hard work of the Finance Department staff: Janna Raper, Jason McElhiney, Kristen Love, LaMonica Johnson, and Tracy Dammrich. Completing this report during the transition to a new financial system and budget software presented significant challenges, but through their commitment to excellence, teamwork, and perseverance, we were able to produce a high-quality final product. We would also like to extend our sincere appreciation to our auditors, RSM US, as well as the many City departments that assisted, contributed to, and supported the preparation of this report. Thank you to everyone whose efforts and collaboration made this achievement possible.

Respectfully submitted,



Jeremy Willmoth
Finance Director

City of Leawood, Kansas

Principal Officials

Mayor

Marc E. Elkins (Jan. 2024 – Jan. 2028)

City Council

Ward 1

Alan Sunkel (Jan. 2024 – Jan. 2028)
Matt Peppes (Jan. 2026 – Jan. 2030)

Ward 2

Sherri Gayed (Jan. 2024 – Jan. 2028)
Mary Larson (Jan. 2026 – Jan. 2030)

Ward 3

Lisa Harrison (Jan. 2024 – Jan. 2028)
Rachel Rubin (Jan. 2026 – Jan. 2030)

Ward 4

Steve Kaster (Jan. 2024 – Jan. 2028)
Julie Cain (Jan. 2026 – Jan. 2030)

City Administrator

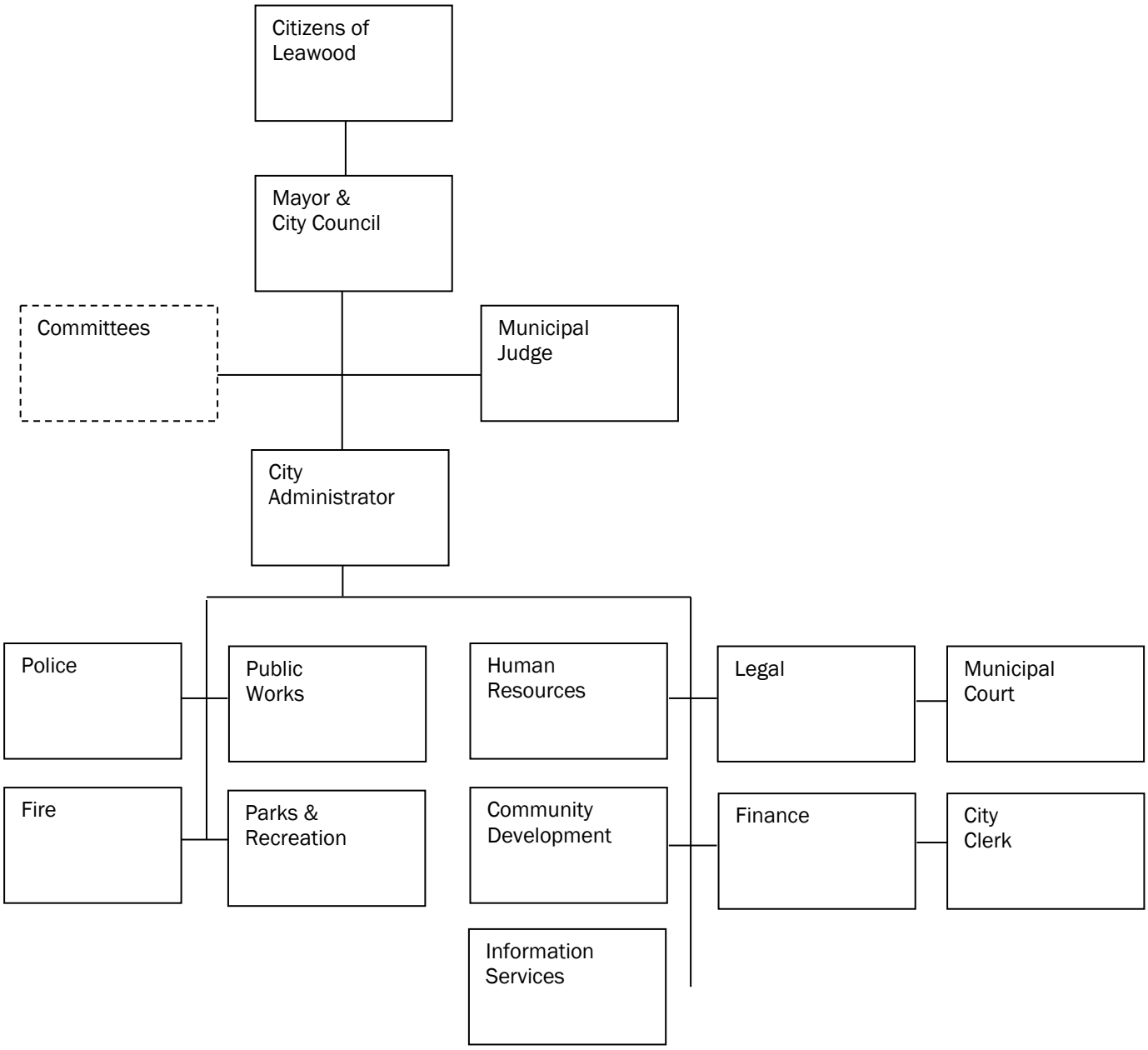
Diane Stoddard

Prepared by Department of Finance

Jeremy Willmoth, Director
Janna Raper, Assistant Director
Jason McElhiney, Accounting Manager

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

RSM US LLP

Independent Auditor's Report

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

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Leawood, Kansas (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

RSM US LLP is the U.S. member firm of RSM International, a global network of independent assurance, tax, and consulting firms.
Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, the pension related schedules, the OPEB related schedules, the modified approach infrastructure schedules, and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Financial Statements and schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Combining and Individual Fund Financial Statements and schedules, listed in the table of contents as supplementary information, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information
Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections, as listed in the table of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RSM US LLP

Kansas City, Missouri
June 25, 2026

The following Management's 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, 2025. This narrative discussion and analysis focus 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

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of 2025 by $377.12 million. Of this amount, $68.22 million is the unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased by $8.8 million, or 2.4%, attributable to the reduction in long-term debt which decreased by $7.2 million, or 7.5%, and the increase in capital assets which increased 7.3 million or 1.9%.

- Total assets at year end of 2025 increased slightly by $2.8 million, or 0.5%, over the prior year. Capital assets increased by $7.3 million, or 1.9% over 2024 for depreciation to assets. Pooled cash and investments of $119.7 million decreased by $8.2 million, or -6.4%, from the beginning of 2025 primarily from spending down capital project accounts.

- The City's total liabilities and deferred inflows decreased by $5.4 million, or 2.8%, from the beginning of 2025 to the year's end. Long-term debt liabilities saw a decrease of $7.2 million, or 7.5%, in 2025 due to the City not issuing any new debt.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the City of Leawood using the integrated approach as prescribed by GASB Statement No. 34. These statements include the Government-Wide Financial Statements, the Fund Financial Statements and notes to these statements.

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 regarding 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 like the accounting used by most private-sector companies. All the current year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements report on 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 the City's basic services are reported in the governmental activities, including the General Government, Public Safety, Public Works and Parks & 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 governmental activities. Governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Reconciliations of the fund financial statements to the government-wide financial statements are provided to explain the differences created by the integrated approach.

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 specific purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

All the funds presented in these statements are 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 and can be found in the Basic Financial Statements 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. Combining and individual statements for non-major governmental and proprietary funds and fiduciary funds are presented in the Supplementary Information section of this report.

Analysis of Government-Wide Financial Statements

Net Position

The following schedule is a condensed version of the City's statement of net position on December 31, 2025, and 2024.

	Governmental Activities		
	2025	2024	Change
Current and other assets	$ 165,464,554	$ 169,492,071	$(4,027,517)
Long-term receivables	2,955,000	3,445,000	(490,000)
Capital assets, net	386,061,790	378,783,083	7,278,707
Total assets	554,481,344	551,720,154	2,761,190
Deferred outflows of resources			
Deferred outflows – pension plan	9,223,058	8,783,553	439,505
Deferred outflows - OPEB	325,368	104,757	220,611
Total assets and deferred outflows	564,029,770	560,608,464	3,421,306
Other liabilities	19,775,894	19,938,074	(162,180)
Long-term debt	89,249,358	96,460,526	(7,211,168)
Net pension and OPEB liabilities	39,593,828	37,970,724	1,623,104
Total liabilities	148,619,080	154,369,324	(5,750,244)
Deferred inflows of resources			
Deferred gain on refunding	-	18,724	(18,724)
Inflows related to pension and OPEB	4,069,088	4,036,473	32,615
Deferred revenues	34,324,506	33,882,592	341,914
Total deferred inflows	38,293,594	37,937,789	355,805
Net position:			
Net investment in capital assets	286,058,445	282,758,183	3,300,262
Restricted	22,834,762	25,938,425	(3,103,663)
Unrestricted	68,223,889	59,604,743	8,619,146
Total net position	$ 377,117,096	$ 368,301,351	$ 8,815,745

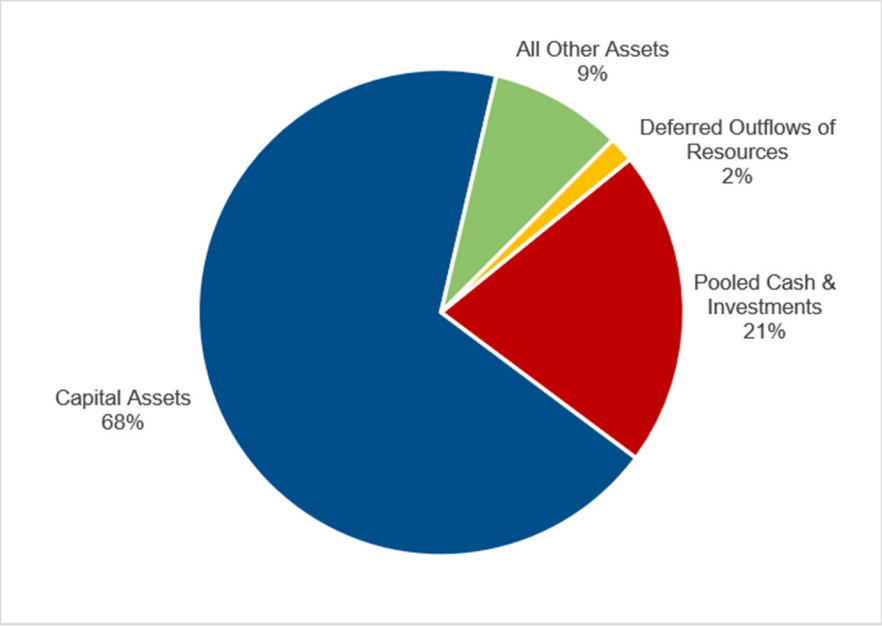
Net position may serve over time as one useful indicator of a government's financial condition. As shown above, the net position for the City increased by $8.8 million, or 2.4%, from $368.3 million at the end of 2024 to $377.1 million at the end of 2025. The change was largely the result of a long-term debt declining by $7.2 million as the result of the city paying down debt and not issuing any new debt in 2025.

The largest portion of the City's net position, $286.1 million, or 76%, reflects its investments in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related outstanding debt used to acquire those assets. 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 investments in its 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, $22.8 million, or 6%, represents various resources subject to external restrictions on how they may be used. The remaining balance of $68 million, or 18%, is the unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.

Assets

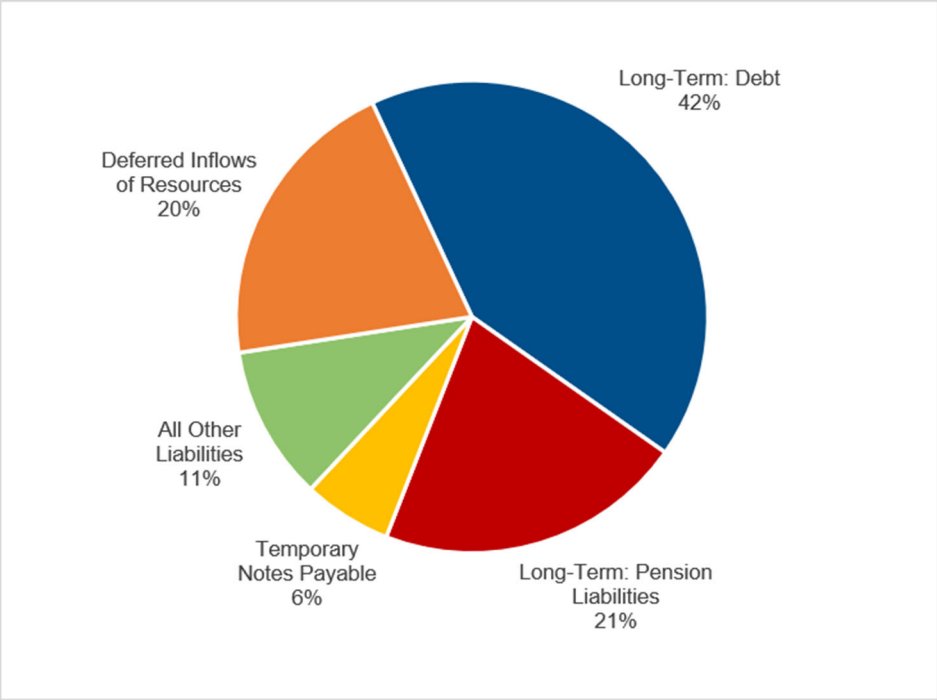
Total assets and deferred outflows of resources for the City are $564.03 million. The graph below shows the composition of this total, which is primarily comprised of $386.06 million in capital assets, and $119.70 million in pooled cash and investments.



Total assets and deferred outflows of resources increased by $3.4 million, or 0.6%, during the year. The increase is primarily the result of capital projects that were classified as "construction in progress" at the end of 2024 being finished and moved into the Building and Improvements and Infrastructure classifications during 2025. The City's cash and receivables also declined $8.15 million as those cash balances in capital accounts were depleted.

Liabilities

Total liabilities and deferred inflows of resources come to $186.9 million for 2025. The major items included in this total are: $77.9 million in long-term debt, $34.2 million in deferred inflows from property taxes, and $39.6 million in long-term net pension and other post-employment benefit (OPEB) liabilities. The majority of long-term liabilities are debt issued for major capital projects. Debt issues never extend longer than the useful life of the bonded projects.



Total liabilities and deferred inflows decreased by $5.4 million or 2.8%. This reduction is largely due to the City not issuing any bonds in 2025 as well as a reduction in the amount of temporary notes issued.

The increase in deferred inflows reflects the increase in levied property taxes of $342 thousand, a 1.0% increase from tax years 2024 to 2025. The City's levied property taxes are collected in arrears and are not received from the county treasurer until the following year. The deferred inflows also reflect an increase in pension plan inflows of $374 thousand, a 19.3% increase primarily from changes in the state-ran KPERS and KP&F pension plans for earnings and actuarial assumptions in 2025 from the prior year, though those were mostly offset by a decrease in OPEB of $341 thousand or -16.3%. Details of these changes are included in Note 10 to the Financial Statements.

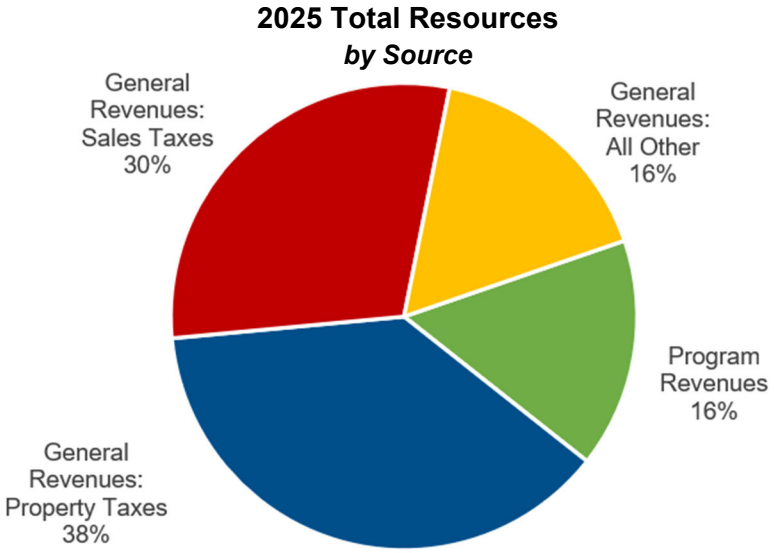
Statement of Activities

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 are presented in the following table.

	Governmental Activities		
	2025	2024	Change
Revenues			
Program Revenues			
Charges for services	$ 7,775,854	$ 9,180,287	$ (1,404,433)
Operating grants and contributions	1,293,109	48,718	1,244,391
Capital grants and contributions	4,987,928	3,421,967	1,565,961
General revenues:			
Property taxes	33,471,168	34,280,522	(809,354)
Sales tax	26,176,419	25,336,582	839,837
Transient guest tax	700,988	647,288	53,700
Franchise tax	3,390,384	3,324,897	65,487
Other taxes	1,774,578	1,838,023	(87,163)
Grants and contributions not restricted to specific programs	3,269,819	3,180,259	89,560
Unrestricted investment earnings (loss)	5,476,285	6,088,183	(611,898)
Other	29,860	597,144	(567,284)
Total revenues	88,346,392	87,943,870	378,804
Expenses:			
General government	13,668,809	13,056,808	612,001
Public safety	28,645,244	26,799,687	1,845,557
Public works	23,372,934	35,765,745	(12,392,811)
Parks and recreation	10,659,943	10,804,758	(144,815)
Interest on long-term debt	3,183,717	2,833,896	349,821
Total expenses	79,530,647	89,260,894	(9,730,247)
Change in net position	8,815,745	(1,317,024)	10,109,051
Net position - beginning of year	368,301,351	370,469,296	(2,167,945)
Change in accounting principle	-	(850,921)	850,921
Net position - end of year	$ 377,177,096	$ 368,301,351	$ 7,941,106

Total resources available during the year to finance governmental operations consisted of program revenues of $14.06 million and general revenues of $74.29 million, totaling $88.35 million.

The chart below shows the percentage of major sources of resources for the City.



General revenues in the statement are comprised of $33.5 million in property taxes, $26.2 million in sales taxes, and $14.6 million for all other general revenues. These general revenues decreased by $1.02 million, or -1.4%, over collections in 2024, primarily from decreases in Special Assessments of $809 thousand (-2.4%) and investment earnings of $611,898 (10%).

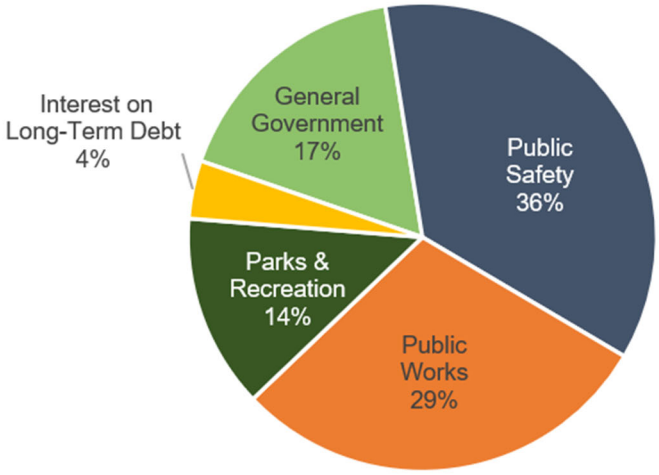
Public Works was responsible for 36% of program revenues, comprising $5.1 million of $14.1 million in program revenues. These revenues were comprised of $118 thousand in charges for services and $200 in operating grants and contributions, and $4.98 million in Capital grants and contributions. Parks and Recreation program revenues of $4.6 million in charges for services and $130 thousand in operating grants and contributions comprise another 34% total program revenues.

Specifically in 2025 program revenues, charges for services were $7.8 million, a decrease of $1.4 million, or 15.3%, from 2024. The decrease is almost entirely attributable to a one-time increase in right-of-way permits for the installation of Google Fiber internet during 2024. Operating grants and contributions increased in 2025 by $1.2 million primarily as a result of vehicle sales, donations to the Parks Department, and insurance payments for damages to city property.

Total expenses of governmental activities during the year were $79.5 million; thus, the net position increased by $8.8 million to $377.1 million. The total cost for services for 2025 was offset by program revenues that came from users directly benefiting from the services or by other organizations through grants and contributions. The composition of total expenses by function, as detailed in the statement, is shown in the following chart.

The chart below shows the total expenses by function for the City of Leawood in 2025.

2025 Total Expenses
by Function



Total expenses for 2025 were $79.5 million, a decrease of $9.7 million, or -10.9%, from the prior year. The total decrease in expenses is attributable to two functions: Public Works, which saw a $12.4 million decrease from 2024 due to a reduction in infrastructure projects, as well as various stormwater and residential street projects. Parks and Recreation saw a $145 thousand decrease from 2024 due to one time projects in 2024 as well.

Analysis of Fund Financial Statements

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, the amount of the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the chief operating fund of the City of Leawood. Fund balance for the General Fund increased by $3.3 million, or 8.6%, for the fiscal year ended December 31, 2025, with an ending balance of $41.86 million. This increase is the result of an operating surplus of revenues over expenses including transfers to other funds. Unassigned fund balance represents 77% of the total General Fund operating expenditures.

Total fund balance is represented by five components: Non-spendable, Restricted, Committed, Assigned and Unassigned. For the General Fund, only three of those components are represented. The non-spendable fund balance is $130,083. This amount represents inventories and prepaid items that do not fluctuate much from year to year. The unassigned fund balance is $41.4 million, an increase of $6.8 million, or 19.6%, compared to a balance of $34.6 million in 2024.

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

	2025	2024	2023	2022	2021
Fund balance					
Non-spendable	$ 130,083	$ 127,728	$ 98,110	$ 119,062	$ 75,762
Assigned/Committed	325,114	3,778,337	15,128,652	10,887,390	5,070,266
Unassigned	41,409,480	34,630,322	14,914,050	10,435,006	11,853,780
Total fund balance	$ 41,864,677	$ 38,536,387	$ 30,140,812	$ 21,441,458	$ 16,999,808
Fund balance - beginning	$ 38,536,387	$ 30,140,812	$ 21,441,458	$ 16,999,808	$ 13,237,132
Operating surplus	11,850,591	12,952,328	20,133,944	13,615,690	10,574,123
Transfers	(8,552,301)	(4,556,753)	(11,434,590)	(9,174,040)	(6,811,449)
Fund balance - ending	$ 41,864,677	$ 38,536,387	$ 30,140,812	$ 21,441,458	$ 16,999,806

General Fund revenues increased from $63.7 million in 2024 to $64.5 million in 2025, an increase of $844 thousand, or 1.3%, over 2024. The portion of the increase attributed to growth in tax revenues is $939 thousand, or 1.8% of the total. Investment earnings increased by $193 thousand, from $1.9 million in 2024 to $2.1 million in 2025. The increase in investments came from a continued investment strategy that moves idle funds into U.S. treasuries and the Kansas Municipal Investment Pool once funds from prior CDs at much lower rates became available for investment.

General Fund total expenditures increased by $2.97 million from $50.75 million in 2024 to $53.71 million in 2025, a 5.8% increase. The increase is attributable in large part to increases in salaries and benefits. Other increases in spending are attributed to price inflation and increasing property and liability insurance costs.

Other Governmental Funds

The fund balance for the Debt Service Fund declined to $8.6 million, decreasing by $1.2 million, or 12% below the 2024 balance. The balance in the fund at the end of 2025 is 86% of the annual debt service payments of $10.1 million in 2025. However, the draw down of fund balance was planned to fund temporary notes for several major capital projects that have been converted to long-term debt.

The fund balance in the Capital Projects Fund is a negative $11.5 million. This is due to the City not issuing permanent bonds in 2025. The negative balance reflects temporary notes in use as funding sources for a handful of projects in the Capital Projects Fund where they will not be reflected as revenue because of their short-term status. Once the temporary notes are converted to long-term debt, the Capital Project Fund is reimbursed from the revenues of the permanent financing.

Other Funds

The City created an internal service fund for Risk Management in the current year. All other funds are classified as non-major governmental funds and are discussed in the Supplementary Information section of this report. All information is included with the governmental activities information on the Government-wide Statements. Any asset, revenue, or expense fluctuations have been discussed in the Government-wide Statement section**.**

Budgetary Highlights

The legally adopted budget for the General Fund was not formally amended by the Governing Body during 2025. All line-item budget changes were made by staff internally, unless they were within the purview of the Governing Body according to the City's financial policies. In total, the General Fund had a favorable variance from the final budget of $2.09 million of revenues over expenditures, which resulted in a positive net change in the fund balance of $3.3 million after adjusting for other financing sources.

General Fund revenues totaled $64.5 million and had a variance of $777 thousand, or 1.2%, from the final budget, with the largest variance coming from charges for services at $485 thousand. Interest was also $357 thousand over the final budget. The City tends to budget revenues conservatively so as to not over extend our operating capacity.

The General Fund expenditures of $53.7 million shows a favorable variance of $1.3 million, or 2.4%, when compared to the final budget of $55.03 million. All functional areas of the budget showed underspending from the budget in 2025, with Public works and Parks and recreation having the largest total variances of $1.1 million and $895 thousand respectively. As for the character of expenditure, commodities and contractual services combined to be $1.7 million below the final budget, which came from conservative budgeting, favorable prices and the lack of emergencies or major unreimbursed weather events in 2025. Personnel costs were $934 thousand, or 2.4%, below the final budget, a result of some position vacancies.

Capital Asset and Debt Administration

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. On December 31, 2025, net capital assets of the governmental activities (net position) totaled $386,061,790. Depreciation of capital assets is recognized in the Government-Wide financial statements. Refer to the Notes to Basic Financial Statements No. 5 for detail regarding capital assets. The table below presents summary information on the City's capital assets.

	Governmental Activities		
	2025	2024	Percentage Change
Land/right of way	$ 122,205,799	$ 122,205,799	0%
Buildings and improvements	61,281,449	47,481,491	29%
Machinery and equipment	11,385,236	11,690,957	-3%
Infrastructure	175,209,296	176,917,284	-1%
Construction in progress	14,571,942	19,651,815	-26%
Right to use – leased equipment	580,502	36,481	1491%
Right to use – subscription assets	827,566	799,256	4%
Total	$ 386,061,790	$ 378,783,083	2%

The City has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for infrastructure reporting for its streetlights and traffic signals. 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 85% of their normal operating mode. Streetlights 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 2024, 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 2025 was 98%. For 2025, the City incurred expenditures of $438,701 compared to the budgeted amount of $475,000 to maintain the condition assessment level.

Debt Administration

As of December 31, 2025, the City of Leawood had total bonded debt and notes outstanding of $94,798,573. All of this debt is backed by the full faith and credit of the City.

	Governmental Activities		
	2025	2024	Change
General obligation bonds	$ 76,315,000	$ 83,065,000	$ (6,750,000)
Premium on bonds	7,138,147	7,937,923	(799,776)
Notes payable	11,345,426	14,880,927	(3,535,501)
TOTAL	$ 94,798,573	$ 105,883,850	$ (11,085,277)

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 2024. This bond rating is a clear indication of the sound financial condition of the City. 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 30% of the total assessed value of taxable property located within the City's boundaries. At the end of 2025, the City had a $360 million legal debt margin remaining. Stated in another way, the City's net debt equaled 5.2% of total equalized assessed value of taxable property in Leawood.

Additional information regarding the City of Leawood's long-term debt can be found in Notes to Basic Financial Statements No. 8.

Economic Outlook

The 2026 economic outlook for Leawood continues to be solid, but we also continued to see a slight slowing in growth in sales tax revenues as inflation has slowed and retail sales have somewhat stabilized. It is anticipated that sales tax and program revenues will continue to increase but at a more modest rate than in past years, with projections anticipating closer to 1.0%-2.0% increases in sales-based revenues. However, robust construction activity of both residential and commercial properties continues, even in a higher inflation environment for housing. Leawood continues to be a destination community for the area with access to some of the highest rated public schools and some of the most desirable housing properties in the area.

As demonstrated earlier in the revenues analysis, Leawood continues to have a diversified and balanced revenue base with 41% of revenues coming from property taxes; 30% from sales taxes and 29% from program revenues and other sources.

For tax year 2026, Leawood is anticipating a 4.9% increase in assessed valuation, which is only slightly higher than the 4.4% increase in tax year 2025. Over the last ten years the City's property tax base has increased 6.6% on average per year. The City is also anticipating the property tax base to continue to grow with the increase in new construction, such as Halbrook North, even if housing prices stagnate or slow to more sustainable levels in the next couple of years.

At the close of 2026, the City's operating reserves are expected to be at 80% of expenditures, which is above the minimum goal of 11% established by the Governing Body and the informal benchmark of 30%. The General Fund's operating reserves alone are expected to be at 68% at the end of 2026. This reserve level provides a financial cushion for the City in the event of another global economic issue, like the 2020 pandemic, or as a hedge against property value contraction as in the Great Recession of 2008.

Debt reserves in 2026 are budgeted at $8.4 million, which is 86% of debt service expenditures. This level of reserves also provides an added layer of protection in the event of delayed or defaulted payments from a special benefit district debt. As indicated earlier in this discussion, the City anticipates annual debt service payments to increase, to as much as $11.5 million by 2028, and the higher balances in debt reserves allow for gradual increases to the debt mill levy as well as adequate balances to adjust to any changes in the debt plan to take advantage of favorable market conditions.

Leawood will continue to use complex financial forecasting and planning models and to monitor financial progress. These actions ensure that fund balances remain within policy standards and will be sufficient to provide for the future needs of the City.

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 Finance Department, City of Leawood, 4800 Town Center Drive, Leawood, KS 66211 or phone 913-663-9121.

City of Leawood, Kansas

Statement of Net Position
December 31, 2025

	Governmental Activities
Assets	
Pooled cash and investments	$ 119,697,206
Restricted cash	138,574
Receivables:	
Property tax	34,224,506
Sales tax	5,103,650
Transient guest tax	201,214
Franchise fees	259,375
Special assessments—current	490,000
Intergovernmental	4,101,654
Interest	1,038,227
Accounts	80,065
Inventory	130,083
Special assessments receivable—noncurrent	2,955,000
Capital assets:	
Land and other capital assets, nondepreciable	163,916,985
Other capital assets, net of depreciation	222,144,805
Total assets	554,481,344
Deferred Outflows of Resources	
Deferred outflows of resources—pension plan	9,223,058
Deferred outflows of resources—OPEB	325,368
Total deferred outflows of resources	9,548,426
Liabilities	
Accounts payable	5,176,301
Due to employees and others	1,859,085
Temporary notes payable	11,345,426
Accrued interest payable	1,156,508
Municipal court deposits	138,574
Unearned revenue	100,000
Long-term liabilities:	
Due within one year	9,183,974
Total OPEB liability due within one year	174,330
Due in more than one year	80,065,384
Net pension liability due in more than one year	36,208,824
Total OPEB liability due in more than one year	3,210,674
Total liabilities	148,619,080
Deferred Inflows of Resources	
Property taxes	34,224,506
Deferred inflows of resources—pension plan	2,313,345
Deferred inflows of resources—OPEB	1,755,743
Total deferred inflows of resources	38,293,594
Net Position	
Net investment in capital assets	286,058,445
Restricted for:	
Bridges, streets and signals	6,416,667
Debt service	7,511,470
Parks and recreation	4,085,013
Tourism promotion	3,851,560
Other purposes	970,052
Unrestricted	68,223,889
Total net position	$ 377,117,096

See the notes to basic financial statements.

City of Leawood, Kansas

Statement of Activities
For the Year Ended December 31, 2025

Functions/programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Expense and Changes in Net Position
Governmental activities:					
General government	$ 13,668,809	$ 2,906,101	$ 1,150,291	$ -	$ (9,612,417)
Public safety	28,645,244	127,586	12,391	10,604	(28,494,663)
Public works	23,372,934	117,935	200	4,977,324	(18,277,475)
Parks and recreation	10,659,943	4,624,232	130,227	-	(5,905,484)
Interest on long-term debt	3,183,717	-	-	-	(3,183,717)
Total governmental activities	$ 79,530,647	$ 7,775,854	$ 1,293,109	$ 4,987,928	(65,473,756)
	General Revenues				
	Property taxes levied for:				
	Property taxes for general purposes				25,741,954
	Property taxes for debt service				7,729,214
	Sales taxes				26,176,419
	Transient guest taxes				700,988
	Franchise fees				3,390,384
	Other taxes				1,774,578
	Grants and contributions not restricted to specific programs				3,269,819
	Unrestricted investment earnings				5,476,285
	Miscellaneous				29,860
	Total general revenues				74,289,501
	Change in net position				8,815,745
	Net position, beginning of year				368,301,351
	Net position, ending				$ 377,117,096

See the notes to basic financial statements.

City of Leawood, Kansas

Balance Sheet—Governmental Funds
December 31, 2025

	General Fund	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and investments	$ 39,205,046	$ 8,528,701	$ 1,920,642	$ 69,040,565	$ 118,694,954
Restricted assets	138,574	-	-	-	138,574
Receivables:					
Property tax	27,234,266	6,990,240	-	-	34,224,506
Sales tax	4,456,272	-	-	647,378	5,103,650
Transient guest tax	-	-	-	201,214	201,214
Franchise fees	259,375	-	-	-	259,375
Special assessments	-	3,445,000	-	-	3,445,000
Intergovernmental	510,443	81,170	2,824,811	685,230	4,101,654
Interest	332,534	71,217	-	625,924	1,029,675
Accounts	80,065	-	-	-	80,065
Inventory and prepaid items	130,083	-	-	-	130,083
Due from other funds	-	-	-	526,549	526,549
Total assets	$ 72,346,658	$ 19,116,328	$ 4,745,453	$ 71,726,860	$ 167,935,299
Liabilities					
Accounts payable and accrued liabilities	$ 636,617	$ -	$ 3,737,924	$ 800,019	$ 5,174,560
Due to employees and others	1,845,975	13,110	-	-	1,859,085
Due to other funds	526,549	-	-	-	526,549
Temporary notes payable	-	-	11,345,426	-	11,345,426
Accrued interest payable	-	-	144,618	-	144,618
Municipal court deposits	138,574	-	-	-	138,574
Unearned revenue	100,000	-	-	-	100,000
Total liabilities	3,247,715	13,110	15,227,968	800,019	19,288,812
Deferred Inflows of Resources					
Property tax and special assessments	27,234,266	10,435,240	-	-	37,669,506
Unavailable revenue - intergovernmental	-	-	1,067,313	389,234	1,456,547
Total deferred inflows of resources	27,234,266	10,435,240	1,067,313	389,234	39,126,053
Fund Balances (Deficits)					
Nonspendable:					
Inventory and prepaid items	130,083	-	-	-	130,083
Restricted for:					
Social services	-	-	-	370,649	370,649
Economic development	-	-	-	490,368	490,368
Parks, recreation, and cultural arts	-	-	-	4,085,013	4,085,013
Tourism promotion	-	-	-	3,851,560	3,851,560
Bridges, streets and signals	-	-	-	6,416,667	6,416,667
Debt service	-	8,667,978	-	-	8,667,978
Public safety	-	-	-	109,035	109,035
Committed to:					
Economic development	-	-	-	12,767,458	12,767,458
Administration	9,363	-	-	-	9,363
Equipment purchases	-	-	-	11,891,978	11,891,978
Bridges, streets and signals	217,315	-	-	3,590,067	3,807,382
Public safety	64,059	-	-	12,946,969	13,011,028
Parks, recreation, and cultural arts	34,377	-	-	517,213	551,590
Other capital projects	-	-	6,770,472	13,500,630	20,271,102
Unassigned	41,409,480		(18,320,300)	-	23,089,180
Total fund balances (deficits)	41,864,677	8,667,978	(11,549,828)	70,537,607	109,520,434
Total liabilities, deferred inflows and fund balances (deficits)	$ 72,346,658	$ 19,116,328	$ 4,745,453	$ 71,726,860	$ 167,935,299

See the notes to basic financial statements.

City of Leawood, Kansas

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2025

Total Fund Balance — Governmental Funds	$ 109,520,434
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 and amortization. This is the amount of net capital assets reported in the statement of net position.	386,061,790
Certain long-term assets not collected within the 60-day availability period are not available to pay for current period expenditures and are therefore reported as a deferred inflow of resources in the fund financial statements.	4,901,547
Certain deferred outflows and inflows of resources related to pensions and OPEB represent a consumption or acquisition of net assets in a future period and therefore are not reported in the funds:	
Share of deferred outflows of pension plan	9,223,058
Deferred outflows—OPEB	325,368
Share of deferred inflows of pension plan	(2,313,345)
Deferred inflows—OPEB	(1,755,743)
Internal service funds are used by the City's management to charge the costs of various services to other funds. The assets and liabilities of the internal service fund are included with governmental activities.	1,009,063
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 liabilities and related items:	
Unamortized premiums and discounts	(7,138,147)
Accrued interest payable	(1,011,890)
Net pension liability	(36,208,824)
Total OPEB liability	(3,385,004)
Compensated absences	(2,741,685)
Finance purchases	(1,948,649)
Long-term leases	(547,514)
Subscription liability	(558,363)
Long-term debt	(76,315,000)
Total net position of governmental activities	$ 377,117,096

See the notes to basic financial statements.

City of Leawood, Kansas

Statement of Revenues, Expenditures and Changes in Fund Balances—
Governmental Funds
For the Year Ended December 31, 2025

	General Fund	Debt Service	Capital Projects	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 54,551,940	$ 7,037,219	$ -	$ -	$ 6,072,217	$ 67,661,376
Licenses and permits	1,788,954	-	50,000	-	-	1,838,954
Intergovernmental	10,604	-	3,258,203	-	-	3,268,807
Charges for services	4,667,998	-	-	-	-	4,667,998
Fines and forfeitures	1,268,902	-	-	-	-	1,268,902
Special assessments	-	698,602	-	-	-	698,602
Investment income	2,110,429	475,283	188,682	-	2,654,509	5,428,903
Contributions and other	144,054	-	126,342	-	1,022,713	1,293,109
Total revenues	64,542,881	8,211,104	3,623,227	-	9,749,439	86,126,651
Expenditures						
General government	9,796,702	-	68,271	-	2,064,153	11,929,126
Public safety	24,407,884	-	-	-	-	24,407,884
Parks and recreation	9,715,148	-	94,033	-	71,249	9,880,430
Public works	7,939,410	-	-	-	-	7,939,410
Capital outlay:						
General government	560,711	-	-	-	768,309	1,329,020
Public safety	-	-	2,814	-	1,361,869	1,364,683
Parks and recreation	458,815	-	2,291,143	-	883,377	3,633,335
Public works	-	-	18,849,874	-	1,965,495	20,815,369
Debt service:						
Principal retirement	776,501	6,750,000	-	-	146,496	7,672,997
Interest and fiscal charges	56,645	3,345,564	431,406	-	13,153	3,846,768
Total expenditures	53,711,816	10,095,564	21,737,541	-	7,274,101	92,819,022
Excess (deficiency) of revenues over (under) expenditures	10,831,065	(1,884,460)	(18,114,314)	-	2,475,338	(6,692,371)
Other Financing Sources (Uses)						
Transfers in	329,183	652,130	8,486,732	-	7,904,216	17,372,261
Transfers out	(8,851,484)	-	(52,862)	-	(9,467,915)	(18,372,261)
Issuance of leases and subscription assets	1,019,526	-	-	-	-	1,019,526
Total other financing sources (uses)	(7,502,775)	652,130	8,433,870	-	(1,563,699)	19,526
Net change in fund balances (deficits)	3,328,290	(1,232,330)	(9,680,444)	-	911,639	(6,672,845)
Fund balances (deficits), beginning of year, as originally reported	38,536,387	9,900,308	(1,869,384)	17,016,997	52,608,971	116,193,279
Change in reporting entity	-	-	-	(17,016,997)	17,016,997	-
Fund balances (deficits), beginning of year, as restated	38,536,387	9,900,308	(1,869,384)	-	69,625,968	116,193,279
Fund balances (deficits), end of year	$ 41,864,677	$ 8,667,978	$ (11,549,828)	$ -	$ 70,537,607	$ 109,520,434

See the notes to basic financial statements.

City of Leawood, Kansas

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

Net changes in fund balances — total governmental funds	$ (6,672,845)
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 depreciation and amortization expense exceeded capital outlays in the current period.	
Capital outlay	18,473,943
Depreciation and amortization expense	(12,245,615)
The effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, contributed capital assets) is to increase net position.	
Acquisition value of donated assets	1,020,519
Gain on disposal of capital assets	29,860
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred inflows for special assessments and intergovernmental revenue	1,121,980
Internal service funds are used by the City's management to charge the costs of various services to other funds. The revenues and expenses of the internal service fund are included with governmental activities.	1,009,063
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. However, the proceeds from or repayment of principal is not recognized in the statement of activities; instead, it increases or reduces the liability in the statement of 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 refunding and premiums	818,500
Interest expense	(155,449)
Issuance of lease and subscription assets	(1,019,526)
Payment of long-term debt	7,672,997
Pension expense	(991,930)
Other post employment benefits expense	(3,673)
Change in accrued compensated absences	(242,079)
Total changes in net position of governmental activities	$ 8,815,745

See the notes to basic financial statements.

City of Leawood, Kansas

Statement of Net Position—Proprietary Fund
December 31, 2025

	Internal Service Fund
Assets	
Pooled cash and investments	$ 1,002,252
Interest receivable	8,552
Total assets	$ 1,010,804
Liabilities	
Accounts payable and accrued liabilities	$ 1,741
Total liabilities	1,741
Net Position	
Unrestricted	1,009,063
Total net position	1,009,063
Total liabilities and net position	$ 1,010,804

See the notes to basic financial statements.

City of Leawood, Kansas

Statement of Revenues, Expenses and Changes in Net Position—
Proprietary Fund
For the Year Ended December 31, 2025

	Internal Service Fund
Operating revenues	
Charges for services	$ -
Total operating revenues	-
Operating expenses	
General government	38,319
Total operating expenses	38,319
Operating loss	(38,319)
Nonoperating revenue	
Investment income	47,382
Income before transfers	9,063
Transfers in	1,000,000
Total transfers	1,000,000
Change in net position	1,009,063
Net position, beginning of year	-
Net position, end of year	$ 1,009,063

See the notes to basic financial statements.

City of Leawood, Kansas

Statement of Cash Flows—
Proprietary Fund
For the Year Ended December 31, 2025

	Internal Service Fund
Cash flows from operating activities:	
Cash paid to suppliers of goods and services	$ (36,578)
Net cash used in operating activities	(36,578)
Cash flows from noncapital financing activities:	
Transfers in	1,000,000
Net cash provided by noncapital financing activities	1,000,000
Cash flows from investing activities:	
Purchase of investments	1,870,429
Sale of investments	(1,870,429)
Interest received	38,830
Net cash provided by investing activities	38,830
Net increase in cash and cash equivalents	1,002,252
Cash and cash equivalents, beginning	-
Cash and cash equivalents, ending	$ 1,002,252
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (38,319)
Net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
Accounts payable and accrued liabilities	1,741
Net cash used in operating activities	$ (36,578)

See the notes to basic financial statements.

Note 1. Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies

Reporting entity: The City of Leawood, Kansas (the City) was incorporated in November 1948 and 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 34,000 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, if any. 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.

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.

Note 1. Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies (Continued)

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.

The other governmental funds of the City are considered nonmajor and are reported as nonmajor governmental funds within these financial statements.

In addition, the City reports an Internal Service Fund which accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost reimbursement basis. The City's internal service fund is the Risk Management Fund, and was established in 2025.

Measurement focus and basis of accounting: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. 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. Any resources received before eligibility requirements (other than time requirements) are met are reported as unearned revenues. Any resources received before time requirements are met are reported as deferred inflows of resources. 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.

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.

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The internal service fund accounts for operations that provide services to other departments and agencies of the government on a cost-reimbursement basis. The City has a single internal service fund, the Risk Management Fund, which accounts for insurance premiums, claims, and other administrative expenses.

Note 1. Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Revenue recognition: In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available (collectible within the current year or within two months of year end (and three months for certain taxes) 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.

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

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 Statement No. 33 and GASB Statement 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, debt service expenditures, as well as expenditures related to certain compensated absences pensions, other postemployment benefits, and claims and judgments are recognized when the obligations are due and are expected to be liquidated with expendable available financial resources. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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

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. The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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 4.57% and the amount of investment income was $5,476,285.

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.

Note 1. Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Inventories and prepaid items: Inventory included on the City's financial statements is presented at cost if held by the City for its own use, and it is valued at the lower of cost or market, on a first-in first-out basis, if it is held for resale. Inventory 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. The City uses the consumption method for all inventory and the purchases method for all prepaid items, if any.

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 or amortization on exhaustible assets is recorded as an allocated expense in the statement of activities with accumulated depreciation/amortization reflected in the statement of net position. Depreciation or amortization is provided on the straight-line basis over the following estimated useful lives:

Assets	Years
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
Right-to-use lease assets	3 - 5
Right-to-use subscription assets	3 - 5

One-half year of depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include the street network, storm drainage network, streetlight network, traffic signal network, and pedestrian and vehicle bridges and buildings combined with the site amenities such as parking and landscaped areas used by the City in the conduct of its business. The City has elected to use the Modified Approach as defined by GASB Statement No. 34 for infrastructure reporting of its streetlights and traffic signals. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

Note 1. Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies (Continued)

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 $475,000.

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Compensated absences: The City recognizes a liability for compensated absences for leave that (a) is attributable to services already rendered, (b) accumulates, and (c) is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The City has adopted a first in, first out flows assumption which aligns with how compensated absences are likely to be paid/settled.

The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only for amounts due and payable. The liability for compensated absences includes salary-related benefits, where applicable.

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.

For types of compensated absences that are dependent upon the occurrence of a sporadic event that affects a relatively small proportion of employees in any particular reporting period (parental leave, military leave, and jury duty), a liability is not recognized until the leave commences. For unlimited leave and holiday leave, a liability is recognized when the leave is taken.

The liability for leave that has been used, but not yet paid, has been recognized in accrued salaries. The liability for leave that has not been used is recognized in compensated absences.

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.

Note 1. Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Other Post Employment Benefit Plans (OPEB): The City sponsors a single-employer, defined benefit health care 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: All long-term liabilities are reported as liabilities in the government-wide statements. Long-term liabilities consist primarily of bonds payable, financed purchases, long-term leases, other postemployment 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 liabilities for governmental funds are 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.

Leases: The City is a lessee in equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments, termination fees, residual value guarantees and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease liability and asset if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Note 1. Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies (Continued)

Subscription-Based Information Technology Arrangements (SBITAs): The City has entered into agreements where they subscribe to use a vendors software programs. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the commencement date of the agreement, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription liability and asset if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value and (2) the subscription term.

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

- The subscription term includes the noncancellable period of the agreement.

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 assets 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. In addition, in the governmental fund balance sheet and the government-wide financial statements, property tax revenues remain as a deferred inflow of resources and will become an inflow in the year for which the taxes are levied.

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 or in Special Revenue Funds. 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 primarily 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.

Note 1. Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies (Continued)

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 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 funds have been eliminated unless interfund services were provided.

Net Position classifications: In the government-wide statements, net position is classified into three components:

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.

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.

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:

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.

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.

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.

Assigned: Assets constrained by the expressed written intent of the City Council, City Manager, Finance Director, 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.

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. Residual deficit amounts of other governmental funds would also be reported as unassigned fund balance.

Note 1. Reporting Entity, Basis of Presentation and Summary of Significant Accounting Policies (Continued)

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 in the financial statements and note disclosures. Accordingly, actual results could differ from those estimates.

Note 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, 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, American Rescue Plan Fund, Opioid Settlement Fund, Park Place TDD, Community Improvement District Fund, Fire Insurance Proceeds Fund, or Special Law Enforcement 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.

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. Other financing sources excludes the issuance of long-term leases and subscription liabilities.

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.

Note 2. Stewardship, Compliance and Accountability (Continued)

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 received until the ensuing year. At December 31, such taxes are recorded as taxes receivable with a corresponding amount recorded as deferred inflows of resources on the balance sheets of the appropriate funds and on the statement of net position. 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.

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. The taxes are collected by the County and remitted to the City, generally after December 31.

Assessed values are established by the County Appraiser. The assessed value for property located in the City as of January 1, 2024 on which the 2025 levy was based was $1,456,299,986.

The City's property tax levies per $1,000 (Mills) assessed valuation for the year ended December 31, 2025 recognized as revenue in 2025 were as follows:

	Levy (Mills)
General fund	$ 18.701
Debt service fund	4.800
	$ 23.501

Note 3. Deposits and Investments

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 fair 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.

Note 3. Deposits and Investments (Continued)

Cash and investments are pooled. Investment income is allocated to the funds based on the respective cash and investment balances.

A reconciliation of cash and investments with the statement of net position, as well as a summary of the City's cash and investments is as follows:

Cash on hand	$ 5,630
Carrying amount of deposits	198,732
Investments	119,631,418
Total cash and investments	$ 119,835,780
Pooled cash and investments	$ 119,697,206
Restricted cash	138,574
Total cash and investments	$ 119,835,780

Custodial credit risk: The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's policy is to collateralize the demand deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name.

At December 31, 2025, 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, 2025.

Interest rate risk: As a means of managing its exposure to fair value losses arising from increasing interest rates, the City's investment policy limits its investments to securities with stated maturities of no more than two years. The City also utilizes overnight repurchase agreements for short-term liquidity purposes, which are considered to have minimal interest rate risk due to their overnight maturity. 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 bills	$ 20,387,467	$ -	$ 20,387,467	$ -
U.S. Treasury notes	82,323,991	-	11,991,031	70,332,960
Repurchase agreements	16,919,960	16,919,960	-	-
	$ 119,631,418	$ 16,919,960	$ 32,378,498	$ 70,332,960

Note 3. Deposits and Investments (Continued)

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

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

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

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

Investment Type	Percentage
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:

Investment Type	Fair Value	Rating 31-Dec-25	Percent
U.S. Treasury bills	$ 20,387,467	**	17.0%
U.S. Treasury notes	82,323,991	**	68.8%
Repurchase agreements	16,919,960	AAA Collateral	14.1%
	$ 119,631,418		

** Ratings are not required for U.S. Treasury Securities because they are explicitly guaranteed.

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's U.S. Treasury Bills and U.S. Treasury Notes are valued using quoted market prices (Level 1 inputs). The repurchase agreements are measured at amortized cost.

Note 4. Interfund Receivables, Payables and Transfers

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

	Transfers From			
Transfers to	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Governmental activities:				
General Fund	$ -	$ -	$ 329,183	$ 329,183
Debt Service Fund	-	130	652,000	652,130
Capital Projects Fund	-	-	8,486,732	8,486,732
Nonmajor Governmental Funds:				
Special City Highway Fund	400,000	-	-	400,000
Municipal Equipment Reserve Fund	2,500,000	-	-	2,500,000
Public Safety Improvements Fund	1,448,213	-	-	1,448,213
Street Improvements Fund	1,800,000	52,732	-	1,852,732
Capital Improvement Fund	92,826	-	-	92,826
City Capital Art Fund	162,240	-	-	162,240
Economic Development Fund	1,448,205	-	-	1,448,205
Internal Service Fund,				
Risk Management Fund	1,000,000	-	-	1,000,000
	$ 8,851,484	$ 52,862	$ 9,467,915	$ 18,372,261

General Fund transfers are made to various funds to include: annual purchases of equipment, arterial street improvements, capital improvement projects, citywide art projects as well as transferring of county sales tax portion to the Public Safety and Economic Development Funds. Nonmajor governmental fund transfers out primarily consist of funding for capital projects. In addition, in 2025 the General Fund made a $1 million transfer to establish the Risk Management internal service fund.

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

Due from the general fund to nonmajor governmental funds:	
Public Safety Improvement Fund	$ 263,275
Economic Development Fund	263,274
	$ 526,549

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.

Note 5. Capital Assets

Governmental capital asset activity for the year ended December 31, 2025 was as follows:

	Balance December 31, 2024	Increases	Decreases	Balance December 31, 2025
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land and right-of-way	$ 122,205,799	$ -	$ -	$ 122,205,799
Infrastructure	26,299,605	855,033	15,394	27,139,244
Construction in progress	19,651,815	14,890,755	19,970,628	14,571,942
Total capital assets not being depreciated/amortized	168,157,219	15,745,788	19,986,022	163,916,985
Capital assets being depreciated/amortized:				
Buildings and improvements	90,683,622	16,268,878	121,442	106,831,058
Machinery and equipment	31,797,032	2,296,069	1,959,291	32,133,810
Infrastructure	316,309,689	4,143,290	439,565	320,013,414
Right to use—leased equipment	245,205	458,815	-	704,020
Right to use—subscription assets	1,565,081	552,250	349,604	1,767,727
Total capital assets being depreciated/amortized	440,600,629	23,719,302	2,869,902	461,450,029
Less accumulated depreciation/amortization for:				
Buildings and improvements	43,202,131	2,468,920	121,442	45,549,609
Machinery and equipment	20,106,075	2,514,017	1,871,518	20,748,574
Infrastructure	165,692,010	6,615,220	363,868	171,943,362
Right to use—leased equipment	208,724	123,518	208,724	123,518
Right to use—subscription assets	765,825	523,940	349,604	940,161
Total accumulated depreciation/amortization	229,974,765	12,245,615	2,915,156	239,305,224
Total capital assets being depreciated/amortized, net	210,625,864	11,473,687	(45,254)	222,144,805
Governmental activity capital assets, net	$ 378,783,083	$ 27,219,475	$ 19,940,768	$ 386,061,790

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

General government	$ 859,268
Public safety	2,149,831
Public works	7,777,836
Parks and recreation	1,458,680
Total depreciation expense	$ 12,245,615

Note 6. Capital Projects Authorized

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

	Project Number and Name	Amount Authorized	Total Expend to Date December 31, 2025
00043	Facility Conservation Improvement Program (FCIP)	$ 9,135,000	$ 2,180,681
71030	Playground - Tomahawk Creek Parkway	635,000	635,000
71031	City Park Shelters	1,650,000	1,650,000
80173	Park Maintenance Facility	15,570,000	14,866,130
80176	83rd Street-State Line to W. City Limits	3,510,000	646,228
80179	Tomahawk Creek Parkway	6,247,680	6,247,680
80182	123rd Street - Mission to State Line	3,450,000	500,541
80223	2023 Residential Streets	9,000,000	6,251,752
80259	2026 Stormwater Improvements	42,000,000	6,603,425
		$ 91,197,680	$ 39,581,437

These projects will be funded by a combination of General Obligation Bonds, 1/8 cent sales tax, Johnson County's County Assistance Road System Projects (CARS) and Stormwater Management Program (SMP), Federal Grants, and Economic Development Fund.

Note 7. Temporary Notes

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

	Balance December 31, 2024	Additions	Retirements	Balance December 31, 2025
Temporary notes	$ 14,880,927	$ 11,345,426	$ 14,880,927	$ 11,345,426

Temporary notes consisted of the following at December 31, 2025:

Maturing September 1, 2026:	
3.00% General Obligation Temporary Notes	$ 11,345,426

Note 8. Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the City for the year ended December 31, 2025:

	Balance December 31, 2024	Increases	Decreases	Balance December 31, 2025	Amount Due in 2026
Governmental activities:					
General obligation bonds to be paid with:					
Tax levies	$ 79,110,796	$ -	$ 6,240,796	$ 72,870,000	$ 6,080,000
Special Benefit District Assessments	3,954,204	-	509,204	3,445,000	490,000
Bond premiums	7,937,923	-	799,776	7,138,147	-
Total bonds payable	91,002,923	-	7,549,776	83,453,147	6,570,000
Financed purchases*	2,387,397	-	438,748	1,948,649	447,437
Long-term leases*	224,976	458,815	136,277	547,514	136,464
Subscription liability*	345,624	560,711	347,972	558,363	351,997
Compensated absences**	2,499,606	242,079	-	2,741,685	1,678,076
Total governmental activity debt	$ 96,460,526	$ 1,261,605	$ 8,472,773	$ 89,249,358	$ 9,183,974

* The Financing purchases and long-term leases and subscriptions are privately placed.
** The increase or decrease for compensated absences has been presented on the net basis.

Developer escrow payment: In 2022, a developer purchased property that had multiple years of delinquent special benefit district assessments. The original debt for the district was issued with general obligation bonds of the City. In order to clean up the title by eliminating all future assessments, the new developer agreed to pay off the remaining outstanding general obligation bonds on the project. Since the bonds were general obligations, they were reported as the City's debt but were the responsibility of the original developer through the special benefit district.

The total amount needed to retire the bonds of $780,000 has been placed in an irrevocable escrow and pledged to retire the outstanding bonds which mature through 2029. Accordingly, these bonds are now considered defeased pursuant to their authorizing resolutions and no longer an obligation of the City. During 2025, $185,000 of this amount was used to retire bonds, and $130,000 remains as of December 31, 2025.

Note 8. Long-Term Liabilities (Continued)

The detail of long-term debt at December 31, 2025 follows:

General obligation bonds to be paid with tax levies:		
$5,920,000 Series 2014-A General Obligation Improvement Bonds due in annual installments through September 1, 2029; interest at 3% to 5%	$	1,560,000
$7,067,775 Series 2015-A General Obligation Improvement Bonds due in annual installments through September 1, 2030; interest at 2% to 5%		2,350,000
$7,126,100 Series 2016-A General Obligation Refunding Bonds due in annual installments through September 1, 2028; interest at 2% to 3%		190,000
$18,190,000 Series 2017-A General Obligation Refunding Bonds due in annual installments through September 1, 2028; interest at 2% to 5%		8,470,000
$11,667,073 Series 2018-A General Obligation Improvement and Refunding Bonds due in annual installments through September 1, 2033; interest at 3% to 5%		2,290,000
$2,080,000 Series 2020-A General Obligation Refunding Bonds due in annual installments through September 1, 2029; interest at 3%		1,700,000
$16,975,000 Series 2021-A General Obligation Improvement Bonds due in annual installments through September 1, 2036; interest at 1% to 4%		12,435,000
$8,275,000 Series 2023-A General Obligation Improvement Bonds due in annual installments through September 1, 2039; interest at 4% to 5%		7,500,000
$40,820,000 Series 2024-A General Obligation Improvement Bonds due in annual installments through September 1, 2044; interest at 3.875% to 5%		36,375,000
		72,870,000
General obligation bonds to be paid with benefit district assessments:		
$2,435,000 Series 2019-A General Obligation Refunding Bonds due in annual installments through September 1, 2026; interest at 2%		330,000
$2,435,000 Series 2019-A General Obligation Refunding Bonds due in annual installments through September 1, 2026; interest at 2%		3,115,000
		3,445,000
General obligation bonds payable		76,315,000
Bonds premiums		7,138,147
Total bonds payable		83,453,147

Note 8. Long-Term Liabilities (Continued)

Financed purchases:		
$1,112,198 Lease for fire platform truck due in annual installments through March 1, 2026; interest at 2.32%	$	122,029
$1,010,427 Lease for fire quint due in annual installments through March 20, 2029; interest at 2.18%		425,483
$742,495 Lease for fire pumper truck due in annual installments through January 15, 2030; interest at 3.49%		380,989
$736,830 Lease for fire pumper truck due in annual installments through January 15, 2031; interest at 1.78%		456,842
$781,280 Lease for velocity pumper due in annual installments through February 11, 2032; interest at 2.05%		563,306
Total financed purchases		1,948,649
Long-term leases:		
$232,068 Lease for velocity pumper due in annual installments through July 19, 2029; interest at 3.64%		178,739
$11,204 Lease for velocity pumper due in annual installments through August 13, 2028; interest at 3.75%		6,968
$458,815 Lease for golf cart due in annual installments through May 1, 2029; interest at 2.86%		361,807
Total financed purchases		547,514
Subscription liabilities:		
$35,340 Subscription for Axon software due in annual installments through December 31, 2027; interest at 4.50%		13,236
$54,000 Subscription for Lumen software due in monthly installments through December 31, 2027; interest at 4.64%		20,132
$587,157 Subscription for Tyler ERP software due in annual installments through December 31, 2026; interest at 4.09%		153,118
$500,769 Subscription for SHI software due in annual installments through May 31, 2028; interest at 3.91%		327,404
$51,481 Subscription for Segra software due in monthly installments through July 31, 2028; interest at 2.61%		44,473
Total subscription liabilities		558,363
Compensated absences		2,741,685
Total governmental activity debt	$	89,249,358

Note 8. Long-Term Liabilities (Continued)

The annual debt service requirements to amortize the City's bonds, financed purchases and long-term lease obligations at December 31, 2025 are as follows:

	Governmental Activities					
	General Obligation Bonds					
	Governmental		Benefit Districts		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 6,080,000	$ 2,879,120	$ 490,000	$ 156,550	$ 6,570,000	$ 3,035,670
2027	5,870,000	2,640,821	165,000	141,950	6,035,000	2,782,771
2028	5,705,000	2,407,470	175,000	133,700	5,880,000	2,541,170
2029	5,475,000	2,177,521	185,000	124,950	5,660,000	2,302,471
2030	5,000,000	1,969,007	195,000	115,700	5,195,000	2,084,707
2031-2035	19,850,000	7,218,651	1,125,000	422,250	20,975,000	7,640,901
2036-2040	13,970,000	3,786,674	1,110,000	121,400	15,080,000	3,908,074
2041-2044	10,920,000	1,072,231	-	-	10,920,000	1,072,231
	$ 72,870,000	$ 24,151,495	$ 3,445,000	$ 1,216,500	$ 76,315,000	$ 25,367,995

	Other Debt					
	Financed Purchases		Long-term Leases		Long-Term Subscriptions	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 447,437	$ 38,194	$ 136,464	$ 16,323	$ 351,997	$ 21,238
2027	331,443	29,026	140,786	12,001	196,061	7,392
2028	337,897	22,572	145,247	7,540	10,305	90
2029	344,478	15,991	125,017	3,070	-	-
2030	238,958	9,280	-	-	-	-
2031-2032	248,436	6,636	-	-	-	-
	$ 1,948,649	$ 121,699	$ 547,514	$ 38,934	$ 558,363	$ 28,720

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

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 $436,889,996.

Conduit Debt:

The City has issued taxable industrial revenue bonds to provide financial assistance to private business for economic development. Under related agreements, the City will lease the projects to the businesses and the rental therefrom shall be applied to pay the debt service on the bonds. The bonds and the interest thereon are special and limited obligations of the City payable solely from revenues derived from and in connection with the underlying rental agreements. The City is not obligated in any manner for repayment of the bonds and the City relinquishes the title to the related capital assets at the end of the arrangement. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements. As of December 31, 2025, there were two series of taxable industrial revenue bonds outstanding, with an aggregate principal amount payable of $33,050,000.

Note 9. 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 Firefighters
- 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 Firefighters group.

KPERS issues a stand-alone annual comprehensive financial report, which is available on the KPERS website at www.kpers.org.

Benefits: Benefits are established by statute and may only be changed by the General Assembly. Members (except Police and Firefighters) with ten or more years of credited service may retire as early as age 55 (Police and Firefighters 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 Firefighters 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.

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.

Note 9. Defined Benefit Pension Plan (Continued)

The actuarially determined employer contribution rate and the statutory contribution rate for the local employee group are both 9.71%. Member contribution rates as a percentage of eligible compensation for the plan's fiscal year ended June 30, 2025 is 6.00%. The actuarially determined employer contribution rate and the statutory contribution rate for the police and firefighters group are both 24.67%. 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 firefighters group were $1,361,455 and $3,191,279, respectively, for the year ended December 31, 2025.

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 Firefighters
- 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.

The allocation percentages for the City's share of the collective pension amounts were based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal year ended June 30, 2025.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2025, the City's proportion in the local employee group was 0.50%, which was an increase of 0.01% from its proportion measured at June 30, 2024. The City's proportion in the police and fire group was 1.61%, which is an increase of 0.06% from its proportion measured at June 30, 2024 position.

Net pension liability: At December 31, 2025 the City's local employee group reported a liability of $10,030,833 for its proportionate share of the net pension liability. The City's police and fire group reported net pension liability of $26,177,991 at December 31, 2025. The collective net pension liability of $36,208,824 (a net increase of $1,057,844 from the prior year net pension liability of $35,150,980) was measured as of June 30, 2025, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025.

There were no changes in the benefit terms during the KPERS plan year ended June 30, 2025 that affected the measurement of the total pension liability. The general fund has typically been used in prior years to liquidate the pension liabilities.

Note 9. Defined Benefit Pension Plan (Continued)

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2025 which was rolled forward to December 31, 2025, using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Price inflation	2.75%
Salary increases, including wage increases	3.50% to 15.50%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.00%, compounded annually

Mortality rates were based on the PUB 2010 Mortality Tables with age setbacks and age set forwards based on different membership groups. Future mortality improvements are anticipated using scale MP-2021.

The actuarial assumptions used in the December 31, 2024, valuation were based on the results of an actuarial experience study conducted for the period January 1, 2019 through December 31, 2022.

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 January 29, 2024, as provided by KPERS' investment consultant, are summarized in the following table:

Asset class	Long-Term Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Non-U.S. equities	43.00%	8.20
Alternatives	11.00%	12.00
Real estate	15.00%	5.70
Yield driven	12.00%	5.30
Infrastructure	3.00%	6.80
Core fixed income	13.00%	2.20
Short-Term investments	3.00%	0.30
	100.00%	

Note 9. Defined Benefit Pension Plan (Continued)

Discount rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate was based on member and employer contributions as outlined below:

The State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for Police & Firefighters, and Judges. Future employer contribution rates were also modeled for Police & Firefighters and Judges, assuming all actuarial assumptions are met in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 7.00% 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 or 1-percentage point higher than the current rate:

	1.00% Decrease (6.00%)	Current Rate (7.00%)	1.00% Increase (8.00%)
Local	$ 14,802,357	$ 10,030,833	$ 6,023,392
Police and firefighters	36,014,959	26,177,991	17,936,117
	$ 50,817,316	$ 36,208,824	$ 23,959,509

Pension expense: For the year ended December 31, 2025, the City recognized pension expense of $5,363,674 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.

Note 9. Defined Benefit Pension Plan (Continued)

Deferred outflows of resources and deferred inflows of resources: At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Local:		
Differences between actual and expected experience	$ 1,292,569	$ -
Net differences between projected and actual earnings on investments	-	344,492
Changes in assumptions	247,957	-
Changes in proportions	227,810	414,848
Police and firefighters:		
Differences between actual and expected experience	3,079,585	-
Net differences between projected and actual earnings on investments	-	680,051
Changes in assumptions	640,479	-
Changes in proportions	1,408,318	873,954
Total:		
Differences between actual and expected experience	4,372,154	-
Net differences between projected and actual earnings on investments	-	1,024,543
Changes in assumptions	888,436	-
Changes in proportions	1,636,128	1,288,802
Total	6,896,718	2,313,345
City contributions subsequent to the measurement date of June 30, 2025	2,326,340	-
	$ 9,223,058	$ 2,313,345

Note 9. Defined Benefit Pension Plan (Continued)

City contributions made subsequent to the measurement date will be a reduction in net pension liability in fiscal year 2026. 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:

	Year Ended December 31				
	2026	2027	2028	2029	Total
Local	$ 922,383	$ 64,059	$ 67,457	$ (44,903)	$ 1,008,996
Police and firefighters	2,314,393	554,169	450,622	255,193	3,574,377
	$ 3,236,776	$ 618,228	$ 518,079	$ 210,290	$ 4,583,373

Deferred outflows and inflows of resources related to the difference between expected and actual plan experience, changes in proportionate share and changes in assumptions are being amortized over a closed period equal to the average of the expected service lives of all employees at the beginning of each measurement period. Deferred outflows of resources related to the difference between projected and actual earnings on pension plan investments are being amortized over a closed 5-year period.

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% 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 for 2025 were $203,987.

Note 10. Postemployment Health Care Plans

Other postemployment benefit plans—defined benefit health care plan:

In addition to providing pension benefits, the City provides postemployment health care benefits through two plans described below.

Below is a summary of amounts reported by the City:

	City Plan	KPERS Plan	Total
Total OPEB liability	$ 3,208,756	$ 176,248	$ 3,385,004
Deferred outflows of resources	318,382	6,986	325,368
Deferred inflows of resources	1,523,322	232,421	1,755,743
OPEB expense (benefit)	9,023	(5,350)	3,673

Plan description: The City sponsors a single-employer, defined benefit health care plan that provides health care benefits to retirees and their dependents, including medical, pharmacy and dental coverage. No separate financial report is issued for the Plan. Retiree health coverage is provided under Kansas Statute 12-5040.

Note 10. Postemployment Health Care Plans (Continued)

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 postemployment 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 and 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.

Employees covered by benefit terms: At December 31, 2025, the following employees were covered by the benefit terms:

Retirees and covered spouses	17
Active employees	251
	268

Total OPEB liability and actuarial assumptions: The City's total OPEB liability for this plan of $3,208,756 reported as of December 31, 2025, was measured as of December 31, 2025, (the measurement date), and was determined by an actuarial valuation as of January 1, 2025, which was rolled forward to December 31, 2025, using the following actuarial assumptions:

Price inflation	2.50%
Salary scale	3.00%
Discount rate (based on S&P Municipal Bond 20 Year High Grade Rate Index):	
December 31, 2025	4.43%
December 31, 2024	4.28%

Note 10. Postemployment Health Care Plans (Continued)

Mortality rates used for the health insurance benefits are based on the PUB-2010 Safety Above Median Employees, set forward 2 years for pre-retirement and post-retirement, the PUB-2010 Safety Disabled Retirees, set forward two years for disabled retirees, and the PUB-2010 Safety Above Median Contingent Survivors, set forward 2 years for surviving spouses of decreases retirees. This was a change from prior year, which was 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 disabled retirees. All rates were projected into the future using Scale MP-2016.

Annual health care 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 health care trend is 7.5% for medical and pharmacy in year one trending down to 4.50% in year thirteen.

Changes in total OPEB liability: The changes in the OPEB liability are as follows:

Total OPEB liability, beginning of year	$ 2,637,249
Changes for the year:	
Service cost	146,509
Interest	130,676
Benefit payments	-
Difference between expected and actual experience	130,698
Changes in assumptions	163,624
Net changes in total OPEB liability	571,507
Total OPEB liability, December 31, 2025	$ 3,208,756

Sensitivity analysis: The following presents the City's total OPEB liability calculated using the discount rate of 4.43%, 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 or 1-percentage point higher than the current rate:

1.00% Decrease (3.43%)	Current Rate (4.43%)	1.00% Increase (5.43%)
$ 3,544,064	$ 3,208,756	$ 2,909,956

The following presents the City's total OPEB liability calculated using the current health care 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:

1.00% Decrease	Current Trend Rate	1.00% Increase
$ 2,826,492	$ 3,208,756	$ 3,662,339

OPEB expense: For the year ended December 31, 2025, the City of Leawood recognized OPEB expense for this plan of $9,023, which includes the changes in the total OPEB liability. OPEB liabilities have typically been liquidated in the General Fund.

Note 10. Postemployment Health Care Plans (Continued)

Deferred outflows of resources and deferred inflows of resources: For the year ended December 31, 2025, the City of Leawood reported deferred outflows of resources and deferred inflows of resources related to this plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 115,536	$ 493,934
Changes in assumptions	202,846	1,029,388
	$ 318,382	$ 1,523,322

Amounts reported as deferred outflows or deferred inflows of resources related to this plan will be recognized in OPEB expense as follows:

Years ending December 31:	
2026	$ (268,162)
2027	(271,788)
2028	(276,036)
2029	(204,081)
2030	(136,613)
Thereafter	(48,260)
	$ (1,204,940)

Other postemployment benefit plans—long-term disability benefits sponsored by Kansas Public Employees Retirement System (KPERS):

Plan description: The City of Leawood participates in an agent 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 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. The plan is included in the financial statements of KPERS and can we obtained online at www.KPERS.gov.

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% (prior to January 1, 2006, 66 2/3%) 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.

Note 10. Postemployment Health Care Plans (Continued)

The monthly long-term disability benefit is 60% 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 65th 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, 2025, the following employees were covered by the Plan:

Inactive employees or beneficiaries currently receiving benefit payments	-
Active employees	157
	157

Total OPEB liability and actuarial assumptions: The City's total OPEB liability of $176,248 was measured at June 30, 2025 (the measurement date), and was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025, using the following actuarial assumptions:

Price inflation	2.75%
Salary scale	3.50%
Discount rate (20-year municipal bond index)	
Measurement date	5.20%
Year preceding measurement date	3.93%

Mortality rates used for the death benefits were based on PUB-2010 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 Projection Scale MP-2021. This was a change from prior year, which was based on 90% of the RP-2014 Total Dataset +2 for Males and 90% of the RP-2014 Total Dataset +1 for Females.

Note 10. Postemployment Health Care Plans (Continued)

Changes in total OPEB liability: The changes in the OPEB liability for this plan are as follows:

Total OPEB liability, beginning of year	$ 182,495
Changes for the year:	
Service cost	27,821
Interest	8,265
Differences between actual and expected experience	(33,237)
Changes in assumptions or other inputs	(9,096)
Net changes in total OPEB liability	(6,247)
Total OPEB liability, December 31, 2025	$ 176,248

Sensitivity analysis: The following presents the City's total OPEB liability calculated using the discount rate of 5.20%, 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 or 1-percentage point higher than the current rate:

1.00% Decrease (4.20%)	Current Rate (5.20%)	1.00% Increase (6.20%)
$ 183,474	$ 176,248	$ 168,635

Health care cost trend rate sensitivity analysis is not applicable as health care trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS.

OPEB expense: For the year ended December 31, 2025, the City recognized OPEB benefit for this plan of $5,350, 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. OPEB liabilities have typically been liquidated in the General Fund.

Deferred outflows of resources and deferred inflows of resources: At December 31, 2025, the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ -	$ 184,943
Changes in assumptions	6,986	47,478
	$ 6,986	$ 232,421

Note 10. Postemployment Health Care Plans (Continued)

Amounts reported as deferred outflows or deferred inflows of resources related to this plan will be recognized in OPEB expense as follows:

Years ending December 31:	
2026	$ (41,303)
2027	(39,264)
2028	(34,484)
2029	(31,813)
2030	(29,402)
Thereafter	(49,169)
	$ (225,435)

Note 11. Other Information

Commitments and contingencies:

Encumbrances: Listed below are the encumbrances by fund for the City:

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
Earmarked for:				
Administration	$ 9,363	$ -	$ 313,964	$ 323,327
Public works	217,315	6,728,518	780,849	7,726,682
Public safety	64,059	-	39,240	103,299
Parks and recreation	34,377	41,954	309,416	385,747
Total encumbrances	$ 325,114	$ 6,770,472	$ 1,443,469	$ 8,539,055

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.

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.

Note 11. Other Information (Continued)

The City has addressed potential risk by purchasing various commercial insurance policies for certain insurable causes of loss. These policies cover property including buildings, contents, extra expenses, physical damage to vehicles, and contractor's equipment for direct damage due to many perils, including 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 for higher primary limits plus 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.

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 2025, 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.

Adopted and Pending Governmental Accounting Standards Board (GASB) Statements:

The GASB has issued a statement which was implemented by the City in the current year. GASB Statement No. 102, *Certain Risk Disclosures,* improves financial reporting by providing users of financial statements with essential information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The adoption of this statement did not have a material impact on the City's financial statements.

The GASB has also issued several statements that are not yet effective and have not yet been implemented by the City. The statements which might impact the City are as follows:

- GASB Statement No. 103, *Financial Reporting Model Improvements,* will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The statement will be effective for the City with its year ending December 31, 2026.

- GASB Statement No. 104, *Disclosure of Certain Capital Assets* will improve financial reporting by provided issuers of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. The statement will be effective for the City with its year ending December 31, 2026.

Note 11. Other Information (Continued)

- GASB Statement No. 105, *Subsequent Events* will improve financial reporting requirements for subsequent events, enhancing consistency in their application and better meeting the needs of financial statement users. The statement will be effective for the City with its year ending December 31, 2027.

The City's management has not yet determined the effect these statements will have on the City's financial statements.

City of Leawood, Kansas

Required Supplementary Information (Unaudited)
December 31, 2025

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 Changes in Other Postemployment Benefits Liability – City Plan and KPERS Plan
- Comparison of Needed-to-Actual Maintenance/Preservation for Streetlights and Traffic Signals
- Schedules of Selected Pension Information

Budgetary data: Presented using 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, 2025

	Budgeted Amounts			Variance Over (Under)
	Original Budget	Final Budget	Actual	Final Budget
Revenues				
Taxes	$ 54,408,045	$ 54,745,141	$ 54,551,940	$ (193,201)
Licenses and permits	1,665,500	1,805,000	1,788,954	(16,046)
Intergovernmental	-	-	10,604	10,604
Charges for services	4,128,800	4,182,800	4,667,998	485,198
Fines and forfeitures	1,250,000	1,250,000	1,268,902	18,902
Interest	1,334,000	1,753,000	2,110,429	357,429
Contributions and other	30,000	30,000	144,054	114,054
Total revenues	62,816,345	63,765,941	64,542,881	776,940
Expenditures				
Current:				
General government	11,576,172	9,825,742	9,796,702	(29,040)
Public safety	24,759,093	24,936,916	24,407,884	(529,032)
Parks and recreation	10,783,223	10,610,188	9,715,148	(895,040)
Public works	9,209,960	9,073,043	7,939,410	(1,133,633)
Total current	56,328,448	54,445,889	51,859,144	(2,586,745)
Debt service:				
Principal retirement	481,358	511,758	776,501	264,743
Interest	65,273	71,873	56,645	(15,228)
Capital outlay:				
General government	-	-	560,711	560,711
Parks and recreation	-	-	458,815	458,815
Total expenditures	56,875,079	55,029,520	53,711,816	(1,317,704)
Revenues over expenditures	5,941,266	8,736,421	10,831,065	2,094,644
Other Financing Sources (Uses)				
Issuance of leases and subscription assets	-	-	1,019,526	1,019,526
Transfers in	304,000	304,000	329,183	25,183
Transfers out	(6,062,000)	(9,446,000)	(8,851,484)	594,516
Total other financing uses	(5,758,000)	(9,142,000)	(7,502,775)	1,639,225
Net change in fund balance	$ 183,266	$ (405,579)	3,328,290	$ 3,733,869
Fund balance, beginning of year			38,536,387	
Fund balance, end of year			$ 41,864,677	

City of Leawood, Kansas

Schedule of Changes in Other Post Employment Benefits Liability—City Plan
Health care Benefits for Pre-Medicare Retirees
For the Year Ended December 31, 2025

	December 31		
	2025	2024	2023
Total OPEB Liability—Health care Plan			
Service cost	**$ 146,509**	$ 138,745	$ 125,911
Interest	**130,676**	121,566	120,852
Difference between expected and actual experience	**130,698**	(102,707)	(372,346)
Changes in assumptions or other inputs	**163,624**	(420,766)	(421,914)
Benefit payments	**-**	-	-
Net change in total OPEB liability	**571,507**	(263,162)	(547,497)
Total OPEB liability, beginning	**2,637,249**	2,900,411	3,447,908
Total OPEB liability, ending	**$ 3,208,756**	$ 2,637,249	$ 2,900,411
Covered employee payroll	**$ 20,901,141**	$ 25,245,057	$ 18,435,773
Total OPEB liability as a percentage of covered employee payroll	**15.35%**	10.45%	15.73%

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, 2025, rolled forward to December 31, 2025.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75

Changes for the January 1, 2025 actuarial valuation include relative to the January 1, 2024 valuation include the following:
1. Discount rate was increased from 4.28% to 4.43%
2. Immediate trend rate was increased from 7.00% to 7.50%, to reflect industry surveys and expectations
3. Per-capita claims costs were updated to reflect experience since the previous valuation
4. Police & fire mortality, termination, and disability rates were updated per the latest KPF assumption update
5. For all others, mortality and disability rates were updated per the latest KPERS assumption update

Changes for the January 1, 2024 actuarial valuation include an increase in discount rate from 4.00% to 4.28%.

Changes for the January 1, 2023 actuarial valuation relative to the January 1, 2021 valuation include the following:
1. Discount rate was reduced from 4.31% to 4.00%
2. Per-capita claims costs were updated to reflect experience since the previous valuation, per changes in the fully-insured premium rates
3. Assumed rates of morbidity used to age-adjust claims costs were updated to reflect a blend of tables published in the 2013 Society of Actuaries' Study Health Care Costs - From Birth to Death
4. Future retiree medical plan selection percentages were updated to reflect current experience

Changes for the January 1, 2021 actuarial valuation relative to the January 1, 2019 valuation include the following:
1. Discount rate was decreased from 3.64% to 1.93% and increased from 1.93% to 2.25% at fiscal year ended December 31, 2021
2. Immediate medical trend rate was increased from 7.00% to 7.50%
3. Per-capita costs were updated to reflect experience since the previous valuation
4. Plan participation rate for future retirees was decreased from 70% to 50%
5. Marriage and spousal participation rate for future retirees was increased from 35% to 45%
6. Retirement and Disability rates for KP&F participants were updated to match the current assumptions used by KP&F
7. Retirement, Withdrawal, and Disability rates for KPERS participants were updated to match the current assumptions used by KPERS

	December 31				
	2022	2021	2020	2019	2018
$	201,923	$ 209,840	$ 200,445	$ 194,607	$ 160,692
	85,653	73,096	148,243	140,015	125,862
	(135,707)	(146,997)	-	(255,536)	-
	(308,857)	(693,144)	-	322,776	-
	-	-	(117,485)	(111,354)	(95,710)
	(156,988)	(557,205)	231,203	290,508	190,844
	3,604,896	4,162,101	3,930,898	3,640,390	3,449,546
$	3,447,908	$ 3,604,896	$ 4,162,101	$ 3,930,898	$ 3,640,390
$	18,595,419	$ 18,681,897	$ 17,092,289	$ 16,594,456	$ 16,305,200
	18.54%	19.30%	24.35%	23.69%	22.33%

City of Leawood, Kansas

Schedule of Other Post Employment Benefits of Long-Term Disability Benefits Sponsored by Kansas Public Employees Retirement System (KPERS)
For the Year Ended December 31, 2025

	June 30		
	2025	2024	2023
Total OPEB Liability—KPERS Disability Plan			
Service cost	**$ 27,821**	$ 26,863	$ 28,838
Interest	**8,265**	7,369	7,566
Difference between actual and expected experience	**(33,237)**	(27,679)	(45,548)
Effect of assumption changes or inputs	**-**	-	-
Changes in assumptions or other inputs	**(9,096)**	908	(698)
Benefit payments	**-**	-	-
Net change in total OPEB liability	**(6,247)**	7,461	(9,842)
Total OPEB liability, beginning	**182,495**	175,034	184,876
Total OPEB liability, ending	**$ 176,248**	$ 182,495	$ 175,034
Covered employee payroll	**$ 11,592,284**	$ 10,556,264	$ 9,706,098
Total OPEB liability as a percentage of covered employee payroll	**1.52%**	1.73%	1.80%

Notes:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75.

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, rolled forward to June 30 of the current year.

Changes of benefit terms or assumptions:

There were no changes to benefit terms in the plan for the plan year ended June 30, 2025.

The discount rate changed from 3.93% for the plan year ended June 30, 2024 to 5.20% for the plan year ended June 30, 2025.

The discount rate changed from 3.65% for the plan year ended June 30, 2023 to 3.93% for the plan year ended June 30, 2024.

The discount rate changed from 3.54% for the plan year ended June 30, 2022 to 3.65% for the plan year ended June 30, 2023. The mortality projection scale was updated to the most recent table published by the Society of Actuaries.

June 30						
2022	2021	2020	2019	2018	2017
$ 50,234	$ 50,163	$ 41,109	$ 37,658	$ 37,289	$ 41,700
6,644	6,685	9,437	9,689	9,252	6,200
(66,021)	(51,985)	(40,627)	(34,050)	(53,010)	-
-	-	-	-	-	-
(63,364)	221	13,853	2,506	(1,961)	(4,000)
-	-	-	-	-	-
(72,507)	5,084	23,772	15,803	(8,430)	43,900
257,383	252,299	228,527	212,724	221,154	177,200
$ 184,876	$ 257,383	$ 252,299	$ 228,527	$ 212,724	$ 221,100
$ 10,165,317	$ 10,363,274	$ 10,213,036	$ 9,433,861	$ 8,973,000	$ 9,260,000
1.82%	2.48%	2.47%	2.42%	2.37%	2.39%

City of Leawood, Kansas

Comparison of Needed-to-Actual Maintenance/Preservation for Streetlights and Traffic Signals
December 31, 2025

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 2025 – 98.8%; November 2025 – 99%; and December 2025 – 98.9%.

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

	2025	2024	2023	2022	2021
Needed	**$ 475,000**	$ 475,000	$ 475,000	$ 413,000	$ 413,000
Actual	**438,701**	276,240	406,206	370,622	272,856

City of Leawood, Kansas

Schedules of Selected Pension Information
Kansas Public Employees' Retirement System
December 31, 2025

	June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's local group proportion of the net pension liability	**0.50048%**	0.49429%	0.47905%	0.54906%	0.55238%	0.55373%	0.54900%	0.52412%	0.54006%	0.53514%
City's local group proportionate share of the net pension liability	**$ 10,030,833**	$ 10,499,897	$ 10,049,972	$ 10,915,636	$ 6,628,282	$ 9,599,693	$ 7,671,532	$ 7,305,174	$ 7,822,573	$ 8,278,697
City's local group covered payroll	**12,798,108**	11,492,905	11,011,770	10,740,061	10,654,295	10,434,991	10,135,134	9,363,095	9,523,225	9,156,287
City's local group proportionate share of net pension liability as a percentage of its covered payroll	**78.38%**	91.36%	91.27%	101.63%	62.21%	92.00%	75.69%	78.02%	82.14%	90.42%
Plan fiduciary net position as a percentage of the total pension liability	**75.26%**	71.70%	70.55%	73.00%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%

	June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's police & fire proportion of the net pension liability	**1.61449%**	1.54648%	1.47522%	1.67268%	1.61132%	1.60011%	1.64244%	1.64208%	1.63472%	1.73561%
City's police & fire proportionate share of the net pension liability	**$ 26,177,991**	$ 24,651,083	$ 23,563,082	$ 24,123,895	$ 15,375,960	$ 19,732,472	$ 16,623,422	$ 15,800,150	$ 15,330,273	$ 16,119,675
City's police & fire covered payroll	**12,990,637**	11,112,651	10,061,676	9,952,663	9,127,632	8,791,146	8,779,230	8,353,034	8,164,212	8,257,255
City's police & fire proportionate share of net pension liability as a percentage of its covered payroll	**201.51%**	221.83%	234.19%	242.39%	168.46%	224.46%	189.35%	189.15%	187.77%	195.22%
Plan fiduciary net position as a percentage of the total pension liability	**75.26%**	70.50%	70.55%	73.00%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%

Schedule of Contributions

	December 31									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Required local group contribution	**$ 1,361,455**	$ 1,219,565	$ 900,856	$ 965,865	$ 963,607	$ 940,861	$ 935,245	$ 805,700	$ 844,747	$ 857,087
Contributions made in relation to the required contribution	**1,361,455**	1,219,565	900,856	965,865	963,607	940,861	935,245	805,700	844,747	857,087
Contribution deficiency	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's local group covered payroll	**$ 12,798,108**	$ 11,945,190	$ 11,011,770	$ 10,339,806	$ 10,339,806	$ 10,912,957	$ 10,500,082	$ 9,584,459	$ 9,439,708	$ 9,336,434
Contributions as a percentage of local group covered payroll	**10.64%**	10.21%	8.18%	9.34%	9.32%	8.62%	8.91%	8.41%	8.95%	9.18%
Required police and fire contribution	**$ 3,191,279**	$ 2,808,648	$ 2,253,338	$ 2,226,743	$ 2,151,779	$ 2,032,388	$ 2,014,301	$ 1,743,640	$ 1,611,376	$ 1,738,314
Contributions made in relation to the required contribution	**3,191,279**	2,808,648	2,253,338	2,226,743	2,151,779	2,032,388	2,014,301	1,743,640	1,611,376	1,738,314
Contribution deficiency	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's police and fire covered payroll	**$ 12,990,637**	$ 12,212,444	$ 10,061,676	$ 10,427,716	$ 9,432,239	$ 9,267,608	$ 8,912,828	$ 8,457,250	$ 8,169,986	$ 8,285,571
Contributions as a percentage of police and fire covered payroll	**24.57%**	23.00%	22.40%	21.35%	22.81%	21.93%	22.60%	20.62%	19.72%	20.98%

Changes of benefit terms or assumptions:

There were no changes to benefit terms in the plan in the valuation report for the plan year ended June 30, 2025.

City of Leawood, Kansas

Schedule of Current Expenditures—Budget and Actual—
General Fund
For The Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Over (Under) Final Budget
General government:				
Administration:				
Personnel services	$ 2,878,040	$ 2,857,525	$ 2,700,803	$ (156,722)
Contractual services	1,405,522	1,292,506	1,990,246	697,740
Commodities	71,200	81,000	42,478	(38,522)
Other	753,167	8,000	9,644	1,644
Total administration	5,107,929	4,239,031	4,743,171	504,140
Community development:				
Personnel services	2,122,698	2,040,402	1,982,736	(57,666)
Contractual services	357,700	195,200	176,987	(18,213)
Commodities	46,000	36,300	37,709	1,409
Total community development	2,526,398	2,271,902	2,197,432	(74,470)
Municipal court:				
Personnel services	780,063	576,306	553,140	(23,166)
Contractual services	72,300	66,800	36,644	(30,156)
Commodities	9,500	8,900	2,337	(6,563)
Other	600	600	-	(600)
Total municipal court	862,463	652,606	592,121	(60,485)
Legal services:				
Personnel services	655,866	631,385	669,745	38,360
Contractual services	254,900	102,500	35,691	(66,809)
Commodities	4,500	2,500	2,793	293
Total legal services	915,266	736,385	708,229	(28,156)
Information services:				
Personnel services	1,089,855	908,804	920,508	11,704
Contractual services	991,761	934,514	593,945	(340,569)
Commodities	82,500	82,500	41,296	(41,204)
Total information services	2,164,116	1,925,818	1,555,749	(370,069)
Total general government	11,576,172	9,825,742	9,796,702	(29,040)
Public safety:				
Police:				
Personnel services	12,148,827	11,816,683	11,838,721	22,038
Contractual services	1,262,665	1,262,315	965,104	(297,211)
Commodities	622,650	627,250	464,465	(162,785)
Total police	14,034,142	13,706,248	13,268,290	(437,958)
Fire:				
Personnel services	9,831,383	10,274,432	10,345,745	71,313
Contractual services	542,898	601,241	503,512	(97,729)
Commodities	350,670	354,995	290,337	(64,658)
Total fire	10,724,951	11,230,668	11,139,594	(91,074)
Total public safety	24,759,093	24,936,916	24,407,884	(529,032)
Public works:				
Personnel services	5,582,510	5,439,468	4,952,291	(487,177)
Contractual services	2,292,250	2,292,250	1,872,406	(419,844)
Commodities	1,335,200	1,341,325	1,114,713	(226,612)
Total public works	9,209,960	9,073,043	7,939,410	(1,133,633)
Parks and recreation:				
Personnel services	5,148,811	4,983,395	4,646,764	(336,631)
Contractual services	3,916,693	3,924,694	3,630,710	(293,984)
Commodities	1,717,019	1,702,099	1,435,632	(266,467)
Other	700	-	2,042	2,042
Total parks and recreation	10,783,223	10,610,188	9,715,148	(895,040)
Total current expenditures	$ 56,328,448	$ 54,445,889	$ 51,859,144	$ (2,586,745)

City of Leawood, Kansas

Other Nonmajor Governmental Funds
December 31, 2025

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.

American Rescue Plan Fund: Established to account for monies received from the Federal Government related to the American Rescue Plan act.

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.

Opioid Settlement Fund: Established to account for monies received from settlements with opioid manufacturers, distributors and retailers for actions contributing to the current opioid epidemic. These monies will be allocated yearly for distribution to agencies involved in drug and alcohol prevention and/or treatment programs that are approved by the City Council on a yearly basis.

Park Place TDD Fund: Established to account for 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.

Community Improvement District Fund: Established to account for 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.

Fire Insurance Proceeds Fund – Established for funds being received from the insurance company and held in an interest bearing account. Funds are then given back to the homeowner with interested once the Building Code Official has determined that the homeowner has satisfied the repairs.

Municipal Equipment Reserve Fund account 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.

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.

Capital Improvement 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.

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.

1/8th 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.

135th Street Corridor Impact Fee Fund: Established to account for fees imposed on new development in the 135th Street corridor for the purpose of assuring that 135th Street highway transportation improvements are available and provides adequate transportation system capacity to support new development while maintaining levels of transportation service on Highway 135th Street deemed adequate by the City. The impact fee shall be imposed on all new development in the 135th Street corridor and all fees collected shall be utilized solely and exclusively for transportation improvements in the 135th 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, 2025

	Special Revenue										
	Special Alcohol	Special City Highway	Special Parks and Recreation	Special Law Enforcement	American Revolution Tri-Centennial	American Rescue Plan Fund	Transient Guest Tax	Opioid Settlement	Park Place TDD	Community Improvement District Fund	Fire Insurance Proceeds Fund
Assets											
Pooled cash and investments	$ 221,448	$ 2,286,442	$ 3,301,747	$ 4,494	$ 9,285	$ 19,194	$ 3,620,113	$ 104,502	$ 47,088	$ 98,872	$ -
Receivables:											
Sales tax	-	151,485	-	-	-	-	-	-	94,508	249,900	-
Transient guest tax	-	-	-	-	-	-	201,214	-	-	-	-
Interest	1,203	44,508	26,928	38	78	-	30,233	-	-	-	1
Intergovernmental	147,998	-	147,998	-	-	-	-	389,234	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Total assets	$ 370,649	$ 2,482,435	$ 3,476,673	$ 4,532	$ 9,363	$ 19,194	$ 3,851,560	$ 493,736	$ 141,596	$ 348,772	$ 1
Liabilities											
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-	-	-	-	-	-	-	-
Deferred Inflows of Resources											
Unavailable revenue - intergovernmental	-	-	-	-	-	-	-	389,234	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	389,234	-	-	-
Fund Balances											
Restricted for:											
Social services	370,649	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	141,596	348,772	-
Parks, recreation, and cultural arts	-	-	3,476,673	-	9,363	19,194	-	-	-	-	-
Tourism promotion	-	-	-	-	-	-	3,851,560	-	-	-	-
Bridges, streets and signals	-	2,482,435	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	4,532	-	-	-	104,502	-	-	1
Committed to:											
Economic development	-	-	-	-	-	-	-	-	-	-	-
Equipment purchases	-	-	-	-	-	-	-	-	-	-	-
Bridges, streets and signals	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Parks, recreation, and cultural arts	-	-	-	-	-	-	-	-	-	-	-
Other capital projects	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	370,649	2,482,435	3,476,673	4,532	9,363	19,194	3,851,560	104,502	141,596	348,772	1
Total liabilities and fund balances	$ 370,649	$ 2,482,435	$ 3,476,673	$ 4,532	$ 9,363	$ 19,194	$ 3,851,560	$ 493,736	$ 141,596	$ 348,772	$ 1

City of Leawood, Kansas

Combining Balance Sheet—Nonmajor Governmental Funds
Page 2 of 2
December 31, 2025

	Capital Projects											Total Other
	Municipal Equipment Reserve	Public Safety Improvements	Street Improvements	Capital Improvement Fund	City Capital 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 Governmental Funds
Assets												
Pooled cash and investments	$ 12,147,434	$ 12,771,794	$ 3,553,391	$ 13,573,538	$ 513,429	$ 564,273	$ 3,217,290	$ 215,924	$ 311,053	$ 10,709	$ 12,448,545	$ 69,040,565
Receivables:												
Sales tax	-	-	-	-	-	-	151,485	-	-	-	-	647,378
Transient guest tax	-	-	-	-	-	-	-	-	-	-	-	201,214
Interest	90,410	106,013	36,676	139,432	3,784	4,712	33,037	1,803	3,640	89	103,339	625,924
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	685,230
Due from other funds	-	263,275	-	-	-	-	-	-	-	-	263,274	526,549
Total assets	$ 12,237,844	$ 13,141,082	$ 3,590,067	$ 13,712,970	$ 517,213	$ 568,985	$ 3,401,812	$ 217,727	$ 314,693	$ 10,798	$ 12,815,158	$ 71,726,860
Liabilities												
Accounts payable and accrued liabilities	$ 345,866	$ 194,113	$ -	$ 212,340	$ -	$ -	$ -	$ -	$ -	$ -	$ 47,700	$ 800,019
Total liabilities	345,866	194,113	-	212,340	-	-	-	-	-	-	47,700	800,019
Deferred Inflows of Resources												
Unavailable revenue - intergovernmental	-	-	-	-	-	-	-	-	-	-	-	389,234
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-	-	389,234
Fund Balances												
Restricted for:												
Social services	-	-	-	-	-	-	-	-	-	-	-	370,649
Economic development	-	-	-	-	-	-	-	-	-	-	-	490,368
Parks, recreation, and cultural arts	-	-	-	-	-	568,985	-	-	-	10,798	-	4,085,013
Tourism promotion	-	-	-	-	-	-	-	-	-	-	-	3,851,560
Bridges, streets and signals	-	-	-	-	-	-	3,401,812	217,727	314,693	-	-	6,416,667
Public safety	-	-	-	-	-	-	-	-	-	-	-	109,035
Committed to:												
Economic development	-	-	-	-	-	-	-	-	-	-	12,767,458	12,767,458
Equipment purchases	11,891,978	-	-	-	-	-	-	-	-	-	-	11,891,978
Bridges, streets and signals	-	-	3,590,067	-	-	-	-	-	-	-	-	3,590,067
Public safety	-	12,946,969	-	-	-	-	-	-	-	-	-	12,946,969
Parks, recreation, and cultural arts	-	-	-	-	517,213	-	-	-	-	-	-	517,213
Other capital projects	-	-	-	13,500,630	-	-	-	-	-	-	-	13,500,630
Total fund balances	11,891,978	12,946,969	3,590,067	13,500,630	517,213	568,985	3,401,812	217,727	314,693	10,798	12,767,458	70,537,607
Total liabilities and fund balances	$ 12,237,844	$ 13,141,082	$ 3,590,067	$ 13,712,970	$ 517,213	$ 568,985	$ 3,401,812	$ 217,727	$ 314,693	$ 10,798	$ 12,815,158	$ 71,726,860

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, 2025

	Special Revenue											
	Special Alcohol	Special City Highway	Special Parks And Recreation	Special Law Enforcement	American Revolution Tri-Centennial	American Rescue Plan Fund	Transient Guest Tax	Opioid Settlement	Park Place TDD	Community Improvement District Fund	Ranch Mart North CID	Fire Insurance Proceeds Fund
Revenues												
Taxes	$ 591,526	$ 1,703,115	$ 591,526	$ -	$ -	$ -	$ 700,988	$ -	$ 417,219	$ 1,284,575	$ -	$ -
Investment income	5,875	175,391	110,130	164	340	-	125,128	-	-	-	-	134
Contributions and other	-	-	-	-	-	10,616	-	62,453	-	-	-	110,550
Total revenues	597,401	1,878,506	701,656	164	340	10,616	826,116	62,453	417,219	1,284,575	-	110,684
Expenditures												
General government	305,930	-	-	-	-	-	14,165	-	372,455	1,260,885	-	110,718
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	855	70,394	-	-	-	-	-
Capital outlay:												
General government	-	-	-	-	-	-	-	85,000	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	28,969	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	16,030	-	-	-	-	-	-
Debt service:												
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	305,930	-	28,969	-	-	16,885	84,559	85,000	372,455	1,260,885	-	110,718
Excess (deficiency) of revenues over (under) expenditures	291,471	1,878,506	672,687	164	340	(6,269)	741,557	(22,547)	44,764	23,690	-	(34)
Other Financing Sources (Uses)												
Transfers in	-	400,000	-	-	-	-	-	-	-	-	-	-
Transfers out	(304,000)	(3,864,000)	-	-	-	-	-	-	-	(25,183)	-	-
Total other financing sources (uses)	(304,000)	(3,464,000)	-	-	-	-	-	-	-	(25,183)	-	-
Net change in fund balances	(12,529)	(1,585,494)	672,687	164	340	(6,269)	741,557	(22,547)	44,764	(1,493)	-	(34)
Fund balances, beginning of year, as originally reported	383,178	4,067,929	2,803,986	4,368	9,023	25,463	3,110,003	127,049	96,832	215,374	134,891	35
Change in reporting entity	-	-	-	-	-	-	-	-	-	134,891	(134,891)	-
Fund balances, beginning of year, as restated	383,178	4,067,929	2,803,986	4,368	9,023	25,463	3,110,003	127,049	96,832	350,265	-	35
Fund balances, end of year	$ 370,649	$ 2,482,435	$ 3,476,673	$ 4,532	$ 9,363	$ 19,194	$ 3,851,560	$ 104,502	$ 141,596	$ 348,772	$ -	$ 1

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, 2025

	Capital Projects											Total Other
	Municipal Equipment Reserve	Public Safety Improvements	Street Improvements	Capital Improvement Fund	City Capital 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 Governmental Funds
Revenues												
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ 783,268	$ -	$ -	$ -	$ -	$ 6,072,217
Investment income	416,407	471,140	109,679	619,267	13,910	20,613	126,601	7,820	16,133	387	435,390	2,654,509
Contributions and other	838,094	-	-	-	-	-	-	-	-	-	1,000	1,022,713
Total revenues	1,254,501	471,140	109,679	619,267	13,910	20,613	909,869	7,820	16,133	387	436,390	9,749,439
Expenditures												
General government	-	-	-	-	-	-	-	-	-	-	-	2,064,153
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-	-	-	71,249
Capital outlay:												
General government	376,222	-	-	28,507	-	-	-	-	-	-	278,580	768,309
Public safety	-	1,153,775	-	208,094	-	-	-	-	-	-	-	1,361,869
Parks and recreation	566,175	-	-	275,452	12,781	-	-	-	-	-	-	883,377
Public works	1,550,707	-	-	398,423	-	-	335	-	-	-	-	1,965,495
Debt service:												
Principal retirement	141,115	5,381	-	-	-	-	-	-	-	-	-	146,496
Interest and fiscal charges	12,279	874	-	-	-	-	-	-	-	-	-	13,153
Total expenditures	2,646,498	1,160,030	-	910,476	12,781	-	335	-	-	-	278,580	7,274,101
Excess (deficiency) of revenues over (under) expenditures	(1,391,997)	(688,890)	109,679	(291,209)	1,129	20,613	909,534	7,820	16,133	387	157,810	2,475,338
Other Financing Sources (Uses)												
Transfers in	2,500,000	1,448,213	1,852,732	92,826	162,240	-	-	-	-	-	1,448,205	7,904,216
Transfers out	-	(652,000)	(919,372)	(3,317,984)	-	-	(256,527)	-	(128,849)	-	-	(9,467,915)
Total other financing sources (uses)	2,500,000	796,213	933,360	(3,225,158)	162,240	-	(256,527)	-	(128,849)	-	1,448,205	(1,563,699)
Net change in fund balances	1,108,003	107,323	1,043,039	(3,516,367)	163,369	20,613	653,007	7,820	(112,716)	387	1,606,015	911,639
Fund balances, beginning of year, as originally reported	10,783,975	12,839,646	2,547,028	-	353,844	548,372	2,748,805	209,907	427,409	10,411	11,161,443	52,608,971
Change in reporting entity	-	-	-	17,016,997	-	-	-	-	-	-	-	17,016,997
Fund balances, beginning of year, as restated	10,783,975	12,839,646	2,547,028	17,016,997	353,844	548,372	2,748,805	209,907	427,409	10,411	11,161,443	69,625,968
Fund balances, end of year	$ 11,891,978	$ 12,946,969	$ 3,590,067	$ 13,500,630	$ 517,213	$ 568,985	$ 3,401,812	$ 217,727	$ 314,693	$ 10,798	$ 12,767,458	$ 70,537,607

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, 2025

	Budget	Actual	Variance Over (Under)
Revenues			
Taxes	$ 608,000	$ 591,526	$ (16,474)
Investment Income	5,400	5,875	475
Total revenues	613,400	597,401	(15,999)
Expenditures			
General government	315,000	305,930	(9,070)
Excess of revenues over expenditures	298,400	291,471	(6,929)
Other Financing Uses			
Transfers out	(304,000)	(304,000)	-
Net change in fund balances	$ (5,600)	(12,529)	$ (6,929)
Fund balances, beginning of year		383,178	
Fund balances, end of year		$ 370,649	

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, 2025

	Budget	Actual	Variance Over (Under)
Revenues			
Taxes	$ 1,704,000	$ 1,703,115	$ (885)
Investment income	85,000	175,391	90,391
Total revenues	1,789,000	1,878,506	89,506
Expenditures			
Capital outlay	-	-	-
Excess of revenues over expenditures	1,789,000	1,878,506	89,506
Other Financing Sources (Uses)			
Transfers in	400,000	400,000	-
Transfers out	(3,960,762)	(3,864,000)	96,762
Total other financing sources (uses)	(3,560,762)	(3,464,000)	96,762
Net change in fund balances	$ (1,771,762)	(1,585,494)	$ 186,268
Fund balances, beginning of year		4,067,929	
Fund balances, end of year		$ 2,482,435	

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, 2025

	Budget	Actual	Variance Over (Under)
Revenues			
Taxes	$ 608,000	$ 591,526	$ (16,474)
Investment income	78,500	110,130	31,630
Total revenues	686,500	701,656	15,156
Expenditures			
Capital outlay	147,000	28,969	(118,031)
Total expenditures	147,000	28,969	(118,031)
Net change in fund balances	$ 539,500	672,687	$ 133,187
Fund balances, beginning of year		2,803,986	
Fund balances, end of year		$ 3,476,673	

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, 2025

	Budget	Actual	Variance Over (Under)
Revenues			
Taxes	$ 600,000	$ 700,988	$ 100,988
Investment income	152,000	125,128	(26,872)
Total revenues	752,000	826,116	74,116
Expenditures			
General government	95,000	14,165	(80,835)
Miscellaneous	-	70,394	70,394
Total expenditures	95,000	84,559	(10,441)
Net change in fund balances	$ 657,000	741,557	$ 84,557
Fund balances, beginning of year		3,110,003	
Fund balances, end of year		$ 3,851,560	

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, 2025

	Budget	Actual	Variance Over (Under)
Revenues			
Taxes	$ 7,071,825	$ 7,037,219	$ (34,606)
Special assessments	676,351	698,602	22,251
Investment income	386,000	475,283	89,283
Total revenues	8,134,176	8,211,104	76,928
Expenditures			
Debt service:			
Principal retirement	6,750,000	6,750,000	-
Interest and fiscal charges	3,342,564	3,345,564	3,000
General Government	20,000	-	(20,000)
Total expenditures	10,112,564	10,095,564	(17,000)
Excess (deficiency) of revenues over (under) expenditures	(1,978,388)	(1,884,460)	93,928
Other Financing Sources			
Transfers in	-	652,130	652,130
Net change in fund balances	$ (1,978,388)	(1,232,330)	$ 746,058
Fund balances, beginning of year		9,900,308	
Fund balances, end of year		$ 8,667,978	

City of Leawood, Kansas
STATISTICAL SECTION
December 31, 2024

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	1-6
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	7-10
These schedules contain information to help the reader assess the City's most significant local revenue source: property taxes.	
Debt Capacity	11-14
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.	
Demographic and Economic Information	15-17
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	18-19
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.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Schedule 1

City of Leawood, Kansas

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	$275,353,842	$280,071,534	$281,113,331	$277,840,414	$275,110,399	$287,026,314	$286,347,548	$291,956,448	$282,758,183	$286,058,445
Restricted	11,178,865	10,890,059	13,994,429	13,294,227	14,681,544	16,257,628	19,569,263	20,314,930	25,938,425	22,834,762
Unrestricted	36,605,688	36,047,418	38,039,401	42,818,887	44,718,690	37,948,706	45,832,670	58,197,918	59,604,743	68,223,889
Total governmental activities net position	$323,138,395	$327,009,011	$333,147,161	$333,953,528	$334,510,633	$341,232,648	$351,749,481	$370,469,296	$368,301,351	$377,117,096
Business-type activities										
Net investment in capital assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total business-type activities net assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Primary government										
Net investment in capital assets	$275,353,842	$280,071,534	$281,113,331	$277,840,414	$275,110,399	$287,026,314	$286,347,548	$291,956,448	$282,758,183	$286,058,445
Restricted	11,178,865	10,890,059	13,994,429	13,294,227	14,681,544	16,257,628	19,569,263	20,314,930	25,938,425	22,834,762
Unrestricted	36,605,688	36,047,418	38,039,401	42,818,887	44,718,690	37,948,706	45,832,670	58,197,918	59,604,743	68,223,889
Total primary government net position	$323,138,395	$327,009,011	$333,147,161	$333,953,528	$334,510,633	$341,232,648	$351,749,481	$370,469,296	$368,301,351	$377,117,096

Schedule 2

City of Leawood, Kansas

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General Government	$ 7,527,421	$ 7,636,867	$ 7,578,714	$ 9,855,245	$ 10,002,388	$ 9,309,945	$ 10,533,000	$ 11,997,631	$ 13,056,808	$ 13,668,809
Public Safety	17,740,714	17,422,102	18,331,632	19,576,489	20,622,945	20,230,339	21,134,159	23,183,365	26,799,687	28,645,244
Public Works	19,011,541	19,898,041	16,701,720	22,010,482	21,852,089	15,941,572	15,821,667	15,918,636	35,765,745	23,372,934
Parks and Recreation	8,070,816	8,119,456	7,395,453	9,380,245	9,473,531	14,166,122	11,021,209	10,907,573	10,804,758	10,659,943
Interest on Long-Term Debt	1,977,438	1,892,484	2,333,256	2,245,592	1,829,162	1,449,591	1,618,916	2,928,616	2,833,896	3,183,717
Total governmental activities expenses:	54,327,930	54,968,950	52,340,775	63,068,053	63,780,115	61,097,569	60,128,951	64,935,821	89,260,894	79,530,647
Total primary government expenses	$ 54,327,930	$ 54,968,950	$ 52,340,775	$ 63,068,053	$ 63,780,115	$ 61,097,569	$ 60,128,951	$ 64,935,821	$ 89,260,894	$ 79,530,647
Program Revenues										
Governmental activities:										
Charges for Services										
General Government	$ 3,074,991	$ 3,024,731	$ 2,856,278	$ 2,505,738	$ 2,106,542	$ 1,580,112	$ 1,671,384	$ 1,523,666	$ 1,609,490	$ 2,906,101
Public Safety	144,832	140,880	185,640	115,220	68,260	111,177	111,535	218,445	94,483	127,586
Public Works	65,032	421,700	528,259	562,180	156,496	1,808,326	1,600,374	2,085,010	3,024,177	117,935
Parks and Recreation	2,428,334	2,759,379	2,873,673	2,916,514	2,360,577	3,390,937	4,042,594	4,201,771	4,452,137	4,624,232
Operating Grants and Contributions	311,027	8,997	473,320	179,092	956,683	542,473	140,973	5,385,956	48,718	1,293,109
Capital Grants and Contributions	151,258	2,450,665	1,247,452	3,060,897	7,010,453	3,102,745	2,206,186	2,555,069	3,421,967	4,987,928
Total Governmental activities program revenues:	6,175,474	8,806,352	8,164,622	9,339,641	12,659,011	10,535,770	9,773,046	15,969,917	12,650,972	14,056,891
Total primary government program revenues	$ 6,175,474	$ 8,806,352	$ 8,164,622	$ 9,339,641	$ 12,659,011	$ 10,535,770	$ 9,773,046	$ 15,969,917	$ 12,650,972	$ 14,056,891
Net (expense)/revenue:										
Governmental Activities	(48,152,456)	(46,162,598)	(44,176,153)	(53,728,412)	(51,121,104)	(50,561,799)	(50,355,905)	(48,965,904)	(76,609,922)	(65,473,756)
Total primary government net expense:	$(48,152,456)	$(46,162,598)	$(44,176,153)	$(53,728,412)	$(51,121,104)	$(50,561,799)	$(50,355,905)	$(48,965,904)	$(76,609,922)	$(65,473,756)

Schedule 2

City of Leawood, Kansas

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property Taxes, levied for general purpose	$ 14,852,878	$ 15,389,307	$ 12,531,600	$ 16,156,442	$ 18,035,567	$ 21,077,558	$ 21,244,400	$ 23,359,533	$ 25,163,528	$ 25,741,954
Property Taxes, levied for debt service	5,978,034	6,618,136	10,351,730	7,626,084	7,016,771	5,501,767	4,966,716	4,936,681	9,140,712	7,729,214
Sales Taxes	16,255,542	17,516,872	18,403,286	19,354,280	18,173,024	22,023,724	24,267,696	24,586,641	25,336,582	26,176,419
Transient Guest Taxes (2)	528,112	557,445	327,875	409,601	171,148	369,289	529,263	579,077	647,288	700,988
Franchise Fees	3,568,313	3,649,475	3,520,427	3,404,816	3,307,089	3,244,572	3,808,450	3,515,309	3,324,897	3,390,384
Other Taxes	1,626,945	1,607,445	1,581,752	1,507,257	922,475	1,572,357	1,726,714	1,858,698	1,838,023	1,774,578
Unrestricted Grants and Contributions	2,808,404	2,905,834	2,993,274	3,040,176	2,958,348	3,130,526	3,026,941	3,065,234	3,180,259	3,269,819
Unrestricted Investment Earnings	400,945	681,610	1,138,750	2,145,604	1,146,369	(81,337)	671,562	5,325,058	6,088,183	5,476,285
Miscellaneous	430,549	511,817	440,520	173,303	162,422	230,351	630,996	390,555	573,426	29,860
Insurance Recoveries	-	595,273	-	-	-	-	-	-	-	-
Total Governmental activities:	46,449,722	50,033,214	51,289,214	53,817,563	51,893,213	57,068,807	60,872,738	67,616,786	75,292,898	74,289,501
Total Primary Government	$ 46,449,722	$ 50,033,214	$ 51,289,214	$ 53,817,563	$ 51,893,213	$ 57,068,807	$ 60,872,738	$ 67,616,786	$ 75,292,898	$ 74,289,501
Change in Net Assets										
Governmental activities	(1,702,734)	3,870,616	7,113,061	89,151	772,109	6,507,008	10,516,833	18,650,882	(1,317,024)	8,815,745
Total primary government	$ (1,702,734)	$ 3,870,616	$ 7,113,061	$ 89,151	$ 772,109	$ 6,507,008	$ 10,516,833	$ 18,650,882	$ (1,317,024)	$ 8,815,745

Schedule 3

City of Leawood, Kansas

Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

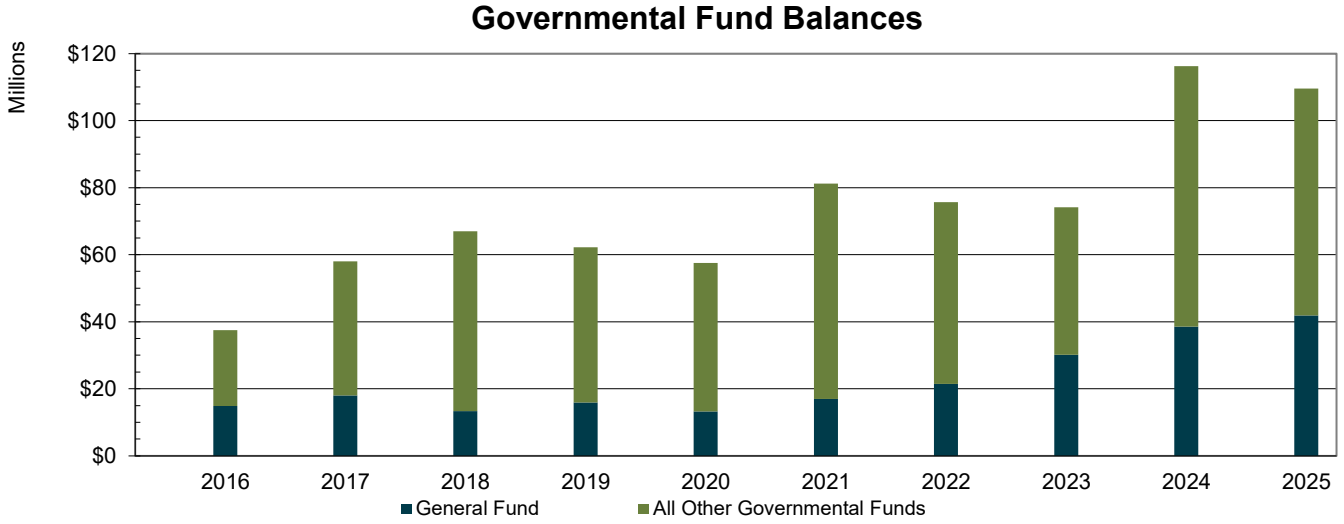
Fiscal Year	Property Tax (1)	City Sales Tax	Franchise Fees	Transient Guest Tax	Other Taxes	Total
2016	20,830,912	16,255,542	3,568,313	528,112	1,626,945	42,809,824
2017	22,007,443	17,516,872	3,649,475	557,445	1,607,445	45,338,680
2018	22,883,328	18,403,286	3,520,427	327,875	1,581,755	46,716,671
2019	23,782,527	19,354,280	3,404,816	409,601	1,507,257	48,458,481
2020	25,177,338	18,173,025	3,307,089	171,148	922,477	47,751,077
2021	26,579,325	22,023,724	3,244,572	369,289	1,572,357	53,789,267
2022	26,211,116	24,267,696	3,808,450	529,263	1,726,714	56,543,239
2023	28,296,214	24,586,641	3,515,309	579,077	1,858,698	58,835,939
2024	34,304,240	25,336,582	3,324,897	647,288	1,838,023	65,451,030
2025	33,471,168	26,176,419	3,390,384	700,988	1,774,578	65,513,537

Schedule 4

City of Leawood, Kansas

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 123,218	$ 116,641	$ 129,986	$ 104,630	$ 63,412	$ 75,762	$ 119,062	$ 98,110	$ 127,728	$ 130,083
Committed	-	-	-	-	-	-	-	-	-	325,114
Assigned	4,980,428	2,713,627	5,376,591	6,679,837	7,532,376	5,070,266	10,887,390	15,128,652	3,778,337	-
Unassigned	9,771,761	15,166,557	7,797,408	9,123,801	5,641,347	11,853,780	10,435,006	14,914,050	34,630,322	41,409,480
Total General Fund	$ 14,875,407	$ 17,996,825	$ 13,303,985	$ 15,908,268	$ 13,237,135	$ 16,999,808	$ 21,441,458	$ 30,140,812	$ 38,536,387	$41,864,677
All other governmental funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 383,178	$ -
Restricted	11,178,864	11,340,400	16,374,752	13,294,227	14,681,544	16,257,628	17,686,929	19,227,408	27,752,133	23,991,270
Committed	25,578,780	28,675,833	37,244,523	40,095,245	44,790,333	48,505,801	54,299,626	61,943,451	56,026,081	61,984,787
Assigned	8,620	8,663	8,709	8,748	8,751	8,757	8,759	8,797	859,058	-
Unassigned	(14,165,992)	-	-	(7,096,702)	(15,147,524)	(605,265)	(17,737,762)	(37,159,024)	(7,363,558)	(18,320,300)
Total all other governmental funds	$ 22,600,272	$ 40,024,896	$ 53,627,984	$ 46,301,518	$ 44,333,104	$ 64,166,921	$ 54,257,552	$ 44,020,632	$ 77,656,892	$67,655,757



Schedule 5

City of Leawood, Kansas

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

Revenues:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Taxes	$ 34,462,541	$ 36,196,956	$ 37,383,518	$ 39,084,197	$ 39,068,614	$ 56,669,340	$ 59,804,286	$ 61,833,170	$ 65,123,684	$ 67,661,376
Licenses and Permits	1,475,531	2,057,069	2,232,002	1,946,547	1,355,227	2,245,654	2,432,851	2,598,585	3,510,819	1,838,954
Intergovernmental	11,008,763	13,624,022	12,539,099	14,770,981	15,556,316	3,117,296	1,482,985	8,654,199	412,574	3,268,807
Charges for Services	2,491,006	2,770,580	2,930,520	2,913,372	2,308,721	3,370,863	3,658,610	4,142,519	4,401,764	4,667,998
Fines and Forteitures	1,743,936	1,516,598	1,281,332	1,239,576	1,027,926	1,274,035	1,334,426	1,287,788	1,267,704	1,268,902
Special Assessments	1,790,552	1,674,521	1,635,144	1,372,809	1,344,290	2,060,571	2,755,072	862,814	746,173	698,602
Investment income	400,945	681,610	1,138,749	2,145,604	1,146,367	(81,337)	671,562	5,325,058	6,088,183	5,428,903
Contributions and Others	544,459	520,238	440,520	438,053	241,288	393,052	630,996	390,555	642,813	1,293,109
Total Revenues	53,917,733	59,041,594	59,580,884	63,911,139	62,048,749	69,049,474	72,770,788	85,094,688	82,193,714	86,126,651
Expenditures										
General Government	7,028,199	7,126,082	7,341,563	8,950,873	9,056,892	9,236,234	9,523,604	10,767,698	11,204,135	11,929,126
Public Safety	15,538,286	15,207,848	16,234,348	17,285,814	17,323,461	18,509,410	18,984,767	19,617,396	22,805,920	24,407,884
Public Works	6,053,509	6,049,030	6,284,607	6,892,533	6,836,037	7,457,085	7,322,418	7,055,283	9,085,490	7,939,410
Parks and Recreation	6,285,034	6,518,606	6,419,758	6,889,123	6,897,518	7,006,615	8,133,902	8,605,957	7,377,936	9,880,430
Capital Outlay	13,747,050	16,532,348	8,114,087	20,474,161	19,895,963	14,287,067	24,711,237	40,293,255	25,151,130	27,142,407
Debt Service										
Principal	6,111,952	6,459,715	7,559,578	7,297,453	4,894,255	6,741,730	7,098,062	6,606,458	6,832,373	7,672,997
Interest and Fiscal Charges	2,341,797	1,802,223	2,460,847	2,610,986	4,615,899	1,917,951	2,464,517	3,283,530	3,199,702	3,846,768
Total Expenditures	57,105,827	59,695,852	54,414,788	70,400,943	69,520,025	65,156,092	78,238,507	96,229,577	85,656,686	92,819,022
Excess of Revenues over (under) Expenditures	(3,188,094)	(654,258)	5,166,096	(6,489,804)	(7,471,276)	3,893,382	(5,467,719)	(11,134,889)	(3,462,972)	(6,692,371)
Other Financing Sources (Uses)										
Transfer In	7,550,190	8,304,365	13,045,195	8,376,891	10,462,919	8,816,522	10,173,332	15,777,800	14,036,087	17,372,261
Transfers Out	(7,550,190)	(8,304,365)	(13,045,195)	(8,376,891)	(10,462,919)	(8,816,522)	(10,173,332)	(15,777,800)	(14,036,087)	(18,372,261)
Insurance Recoveries	-	930,931	-	-	-	-	-	-	-	-
Refunding Bonds Issued	9,765,000	1,095,000	9,450,000	2,435,000	2,080,000	-	-	-	-	-
Bonds Issued	-	18,190,000	3,480,000	-	-	16,975,000	-	8,275,000	40,820,000	-
Premium on Bonds Issued	680,481	1,829,442	1,224,151	19,976	360,259	1,991,281	-	541,043	3,483,463	-
Payments to Refunded Bonds Escrow	(10,200,000)	(1,080,000)	(10,410,000)	(2,415,000)	(11,024)	-	-	-		-
Issuance of Leases & Subscription Assets	1,112,198	234,926	-	1,010,427	742,495	736,830	-	781,280	1,191,344	1,019,526
Total Other Financing Sources (Uses)	1,357,679	21,200,299	3,744,151	1,050,403	3,171,730	19,703,111	-	9,597,323	45,494,807	19,526
Net Changes in Fund Balances	$ (1,830,415)	$ 20,546,041	$ 8,910,247	$ (5,439,401)	$ (4,299,546)	$ 23,596,493	$ (5,467,719)	$ (1,537,566)	$ 42,031,835	$ (6,672,845)
Debt Service as a percentage of noncapital Expenditures	17.14%	16.50%	20.47%	16.89%	16.67%	15.10%	17.02%	17.02%	21.10%	15.49%

Schedule 6

City of Leawood, Kansas

General Governmental Tax Revenues By Source (1)

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	Property Tax	City Sales Tax	County Sales & Use Tax	Transient Guest Tax	Franchise Fees	City Consumers' Use Tax	Motor Vehicle Tax	Alcohol Tax	Gasoline Tax	Other Taxes	Total
2016	$ 20,280,806	$ 7,977,277	$ -	$ 528,112	$ 3,568,313	$ 2,108,032	$ -	$ -	$ -	$ -	$ 34,462,541
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
2019	23,285,017	9,295,678	-	409,601	3,404,816	2,689,087	-	-	-	-	39,084,197
2020	24,854,370	7,913,158	-	171,148	3,307,089	2,822,849	-	-	-	-	39,068,614
2021	26,328,872	9,505,335	8,827,221	369,289	3,244,572	3,691,168	2,123,428	1,572,357	1,007,098	-	56,669,340
2022	26,445,222	10,681,980	9,413,367	529,263	3,808,450	4,172,349	2,102,118	1,726,714	924,823	-	59,804,286
2023	28,228,212	10,986,975	9,581,021	579,077	3,515,308	4,018,645	2,153,103	1,858,698	912,131	-	61,833,170
2024	30,785,929	11,254,546	9,853,850	647,288	3,324,897	4,228,186	2,270,812	1,834,473	920,153	3,550	65,123,684
2025	32,315,868	11,587,474	10,137,466	700,988	3,390,384	4,451,479	2,383,292	1,774,578	919,847	-	67,661,376

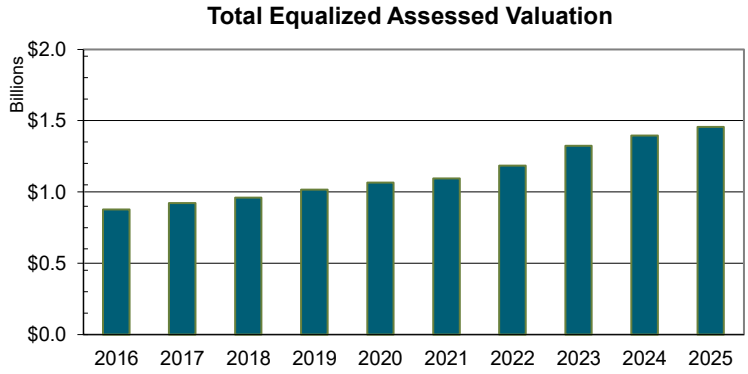
(1) Includes governmental activities as shown in the Fund Financial Statements.

Schedule 7

City of Leawood, Kansas

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Year Ended December 31,	Assessed Value Real Property	Assessed Value Personal Property	State Assessed Utilities (1)	Total Assessed Value
2016	$ 866,259,543	$ 3,142,599	$ 7,522,042	$ 876,924,184
2017	911,435,862	2,879,015	7,909,291	922,224,168
2018	949,689,662	2,807,768	8,215,953	960,713,383
2019	1,004,672,284	2,578,986	9,196,491	1,016,447,761
2020	1,053,359,605	2,239,860	9,934,697	1,065,534,162
2021	1,081,763,248	2,307,235	10,548,563	1,094,619,046
2022	1,169,745,146	1,985,621	11,755,350	1,183,486,117
2023	1,310,167,051	1,607,638	11,784,670	1,323,559,359
2024	1,380,254,631	1,556,442	12,770,948	1,394,582,021
2025	1,441,817,218	1,529,505	12,953,263	1,456,299,986



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

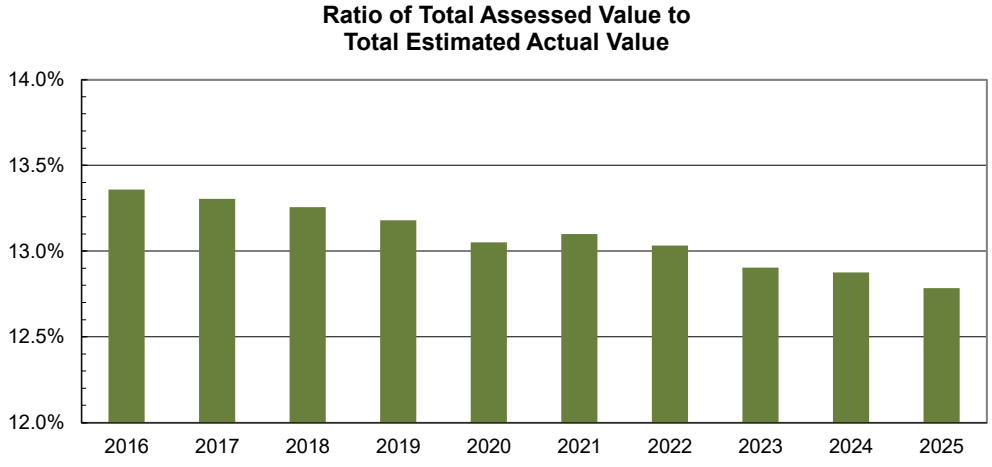
Source: Johnson County Treasurer's Office

City of Leawood, Kansas

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Assessed Value Motor Vehicle	Assessed Value Recreational Vehicles	Total Equalized Assessed Valuation	Total Direct Tax Rate	Year Ended December 31,
$ 79,744,865	$ 125,294	$ 956,794,343	24.508	2016
81,923,342	135,616	1,004,283,126	24.513	2017
85,601,079	139,978	1,046,454,440	24.517	2018
87,562,568	157,608	1,104,167,937	24.524	2019
88,798,632	143,405	1,154,476,199	24.548	2020
87,251,634	157,499	1,182,028,179	24.757	2021
88,805,453	171,932	1,272,463,502	24.077	2022
87,308,371	167,945	1,411,035,675	23.506	2023
90,897,189	162,040	1,485,641,250	23.514	2024
96,046,198	151,790	1,552,497,974	23.501	2025

Real Property Estimated Actual Value	Personal Property Estimated Actual Value	Utilities Estimated Actual Value	Total Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value	Year Ended December 31,
$ 6,523,778,550	$ 18,084,771	$ 22,418,421	$ 6,564,281,742	13.36%	2016
6,892,861,150	16,484,758	22,794,067	6,932,139,975	13.30%	2017
7,208,346,190	15,497,626	23,967,548	7,247,811,364	13.26%	2018
7,671,560,860	15,447,200	24,896,827	7,711,904,887	13.18%	2019
8,121,503,350	14,730,079	27,868,155	8,164,101,584	13.05%	2020
8,313,211,040	13,571,971	30,105,142	8,356,888,153	13.10%	2021
9,036,154,690	11,680,124	33,549,260	9,081,384,074	13.03%	2022
10,212,942,270	9,456,694	35,711,121	10,258,110,085	12.90%	2023
10,783,442,770	9,155,541	38,699,842	10,831,298,153	12.88%	2024
11,343,924,760	8,997,088	39,252,312	11,392,174,160	12.78%	2025



City of Leawood, Kansas

Property Tax Rates (1)
Direct and Overlapping Governments
Last Ten Fiscal Years

Tax/Fiscal Year	City General	City Debt Service	City Total City	State of Kansas	Johnson County	Shawnee Mission School District	Blue Valley School District	Johnson County Community College	Unified Johnson County Sewer District	Blue Valley Park	Johnson County Library	Johnson County Park	Total Blue Valley Direct & Overlapping Rates	Total Shawnee Mission Direct & Overlapping Rates
2015/2016	17.945	6.563	24.508	1.500	19.582	54.059	67.889	9.469	0.000	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	0.000	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	0.000	2.199	3.921	3.112	130.684	115.534
2018/2019	17.940	6.584	24.524	1.500	19.024	52.427	64.999	9.266	0.000	2.199	3.901	3.088	128.501	113.730
2019/2020	18.881	5.667	24.548	1.500	19.036	52.121	62.797	9.121	0.000	2.199	3.904	3.090	126.195	113.320
2020/2021	19.754	5.003	24.757	1.500	18.799	52.351	60.503	9.191	0.000	2.193	3.905	3.093	123.941	113.596
2021/2022	19.209	4.867	24.076	1.500	18.564	51.667	58.967	9.110	0.000	2.216	3.908	3.096	121.437	111.921
2022/2023	19.925	4.152	24.077	1.500	17.772	49.386	54.870	8.617	0.000	2.989	3.815	3.021	116.661	109.688
2023/2024	19.205	4.301	23.506	1.500	17.286	50.822	53.758	8.131	0.000	2.952	3.812	3.022	113.967	109.579
2024/2025	18.711	4.803	23.514	1.500	17.290	51.335	53.596	8.124	0.000	2.856	3.816	3.023	113.719	111.458

(1) Rates per $1,000 of Assessed Value

Source: Johnson County Clerk's Office.

Schedule 9

City of Leawood, Kansas

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2025 Taxable Assessed Value	2025 Rank	2025 Percentage of Total Taxable Assessed Value	2016 Taxable Assessed Value	2016 Rank	2016 Percentage of Total Taxable Assessed Value
Town Center Plaza	$ 30,124,250	1	2.07%	$ 29,643,000	1	3.38%
Park Place Village LLC	29,514,342	2	2.03%	22,169,006	2	2.53%
119th Street Development, LLC	14,546,250	3	1.00%	14,427,502	3	1.65%
Camelot Court	10,058,242	4	0.69%	8,679,000	4	0.99%
Hallbrook Office Center	8,653,250	5	0.59%	7,844,831	5	0.89%
RMO Leawood LLC	7,992,615	6	0.55%			
Residence At Park Place Apt	7,399,675	7	0.51%	4,633,005	8	0.53%
Academy 1740, Inc.	6,149,500	8	0.42%	5,879,501	6	0.67%
Leawood Village LLC	5,994,895	9	0.41%			
Mission 106 LLC	5,307,553	10	0.36%			
Villa Milano				5,468,596	7	0.62%
Dick's Sporting Goods				4,226,000	9	0.48%
Kansas City Power and Light				4,041,158	10	0.46%
Total Principal Property Taxpayers	$ 125,740,572		8.63%	$ 107,011,599		12.20%

Source: Johnson County Clerk's Office

Schedule 10

City of Leawood, Kansas

Property Tax Levies and Collections
Last Ten Fiscal Years

Tax/Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2015/2016	$ 20,233,618	$ 20,058,450	99.1%	$ 162,911	$ 20,221,361	99.9%
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%
2018/2019	23,476,049	23,307,454	99.3%	-	23,307,454	99.3%
2019/2020	24,922,130	24,733,742	99.2%	-	24,733,742	99.2%
2020/2021	26,328,000	26,144,135	99.3%	-	26,144,135	99.3%
2021/2022	26,352,078	26,161,340	99.3%	-	26,161,340	99.3%
2022/2023	28,496,011	28,186,826	98.9%	-	28,186,826	98.9%
2023/2024	31,113,771	30,770,824	98.9%	-	30,770,824	98.9%
2024/2025	32,799,404	32,472,200	99.0%	-	32,472,200	99.0%

Source: Johnson County Treasurer's Office

Schedule 11

City of Leawood, Kansas

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities: General Obligation Bonds To Be Paid With: Tax Levies	General Obligation Bonds To Be Paid With: Special Assessments	Revenue Bonds	Certificates of Participation	Lease Purchases	Subscription Purchases	Financed Purchases	Total Primary Government	Per Capita (1)
2016	$ 37,761,072	$ 11,165,990	$ -	$ -	$ 1,868,531	$ -	$ -	$ 50,795,593	$ 1,504
2017	53,223,254	9,410,195	-	-	1,773,742	-	-	64,407,191	1,884
2018	51,145,738	7,534,639	-	-	1,469,163	-	-	60,149,540	1,740
2019	45,146,154	6,118,569	-	-	2,167,136	-	-	53,431,859	1,541
2020	41,635,266	4,745,792	-	-	2,485,376	-	-	48,866,434	1,442
2021	54,965,616	3,617,772	-	-	2,993,057	-	-	61,576,445	1,825
2022	48,651,992	1,849,690	-	-	2,569,995	-	-	53,071,677	1,571
2023	51,719,752	1,049,746	-	-	57,901	304,070	2,817,055	55,948,524	1,651
2024	79,110,796	3,954,204	-	-	224,976	345,624	2,387,397	86,022,997	2,529
2025	80,008,147	3,445,000	-	-	547,514	558,363	1,948,649	86,507,673	2,537

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

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

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

Schedule 12

City of Leawood, Kansas

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2016	$ 48,927,062	$ 7,980,397	$ 40,946,665	0.59%	$1,213
2017	62,633,449	7,612,919	55,020,530	0.76%	1609
2018	58,680,377	9,375,415	49,304,962	0.64%	1426
2019	51,264,723	8,986,242	42,278,481	0.52%	1219
2020	46,381,058	10,519,614	35,861,444	0.43%	1058
2021	58,583,388	10,551,441	48,031,947	0.53%	1423
2022	50,501,682	10,638,634	39,863,048	0.39%	1180
2023	52,769,498	9,994,670	42,774,828	0.40%	1262
2024	91,002,923	9,900,308	81,102,615	0.71%	2384
2025	83,453,147	8,667,978	74,785,169	0.66%	2194

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on Schedule 7 for property value

(2) Population data can be found in the Schedule of Demographic and Economic Statics in Schedule 15

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

Schedule 13

City of Leawood, Kansas

Direct and Overlapping Governmental Activities Debt
As of December 31, 2025

Governmental unit	Net Debt Outstanding	Percentage Applicable to City of Leawood (2)	Amount Applicable to City of Leawood
Johnson County	$ 516,995,000	8.47%	$ 43,770,951
Johnson County Community College	-		-
Shawnee Mission School District (U.S.D. 512)	472,390,000	6.20%	29,289,245
Blue Valley School District (U.S.D. 229)	412,125,000	22.38%	92,289,796
Subtotal, overlapping debt			165,349,992
City of Leawood direct debt (1)			86,507,673
Total direct and overlapping debt			$ 251,857,665

(1) General obligation debt outstanding and lease purchase obligations

(2) Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in reporting unit.

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.*

Source: Johnson County Clerk's Office

City of Leawood, Kansas

Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	$272,123,978	$287,694,943	$302,389,568	$314,530,068	$331,616,939	$345,882,989	$355,078,929	$381,288,730	$445,692,375	$465,749,392
Total net debt applicable to limit	38,494,602	55,020,530	48,523,034	42,278,481	35,861,444	48,031,947	39,863,048	42,774,828	62,729,692	74,785,169
Legal debt margin	$233,629,376	$232,674,412	$253,866,534	$272,251,587	$295,755,495	$297,851,042	$315,215,881	$338,513,902	$382,962,683	$390,964,223
Total net debt applicable to the limit as a percentage of debt limit	14.1%	19.1%	16.0%	13.4%	10.8%	13.9%	11.2%	11.2%	14.1%	16.1%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed valuation, real and personal property, 2025	$ 1,456,299,986
Plus assessed valuation, motor vehicles, 2025	96,197,988
Total Equalized Assessed Valuation - 2025	$ 1,552,497,974
Debt limit (30% of total assessed value)	465,749,392
Debt applicable to limit:	
General obligation bonds	83,453,147
Less: Amount set aside for repayment of general obligation debt	(8,667,978)
Total Net Debt Applicable to Limit	74,785,169
Legal debt margin	$ 390,964,223

NOTE: *Details regarding the city's outstanding debt can be found in the notes to the financial statements.*

Schedule 15

City of Leawood, Kansas

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (1) (amounts expressed in thousands)	Median Household Income (1)	Median Age (1)	Percent of Adult Population with at least a Bachelors Degree	Unemployment Rate (2)
2016	33,763	*	$147,722	45.2	74.1	3.0%
2017	34,195	*	151,446	45.5	76.0	2.3%
2018	34,570	*	149,736	46.3	76.1	2.6%
2019	34,670	*	157,515	45.9	76.9	2.2%
2020	33,896	5,306,012	156,538	48.5	76.0	3.2%
2021	33,748	*	159,540	48.3	74.7	2.6%
2022	33,784	*	174,779	48.8	75.0	2.1%
2023	33,896	*	177,113	48.4	75.1	2.0%
2024	34,013	*	184,976	48.4	75.1	2.7%
2025	34,093	*	185,625	48.4	73.7	3.1%

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

(1) Obtained from U.S. Census Bureau, American Community Survey

(2) Obtained from Kansas Department of Labor, rate for December of each year

City of Leawood, Kansas

Principal Employers
Current Year and Nine Years Ago

	2025			2016		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Ascend Learning	550	1	3.0%			
Busey Bank	475	2	2.6%			
AMC Entertainment	470	3	2.6%	450	1	2.6%
American Academy of Family Physicians	400	4	2.2%	362	3	2.1%
City of Leawood	260	5	1.4%	256	8	1.5%
Blue Valley School District	250	6	1.4%	346	4	2.0%
KBP Brands	230	7	1.3%			
Kansas City Orthopedic Institute	200	8	1.1%			
Euronet Worldwide	200	9	1.1%			
Bukaty Companies	180	10	1.0%			
Nueterraa Holdings Co				200	10	1.2%
Murphey Hoffman				250	9	1.4%
Reece Nichols				415	2	2.4%
DEMDACO, Inc				297	6	1.7%
Select Quote				290	7	1.7%
Mariner				328	5	1.9%
Total	3,215		17.8%	3,194		18.5%

Sources: County Economic Research Institute (CERI)

Schedule 17

City of Leawood, Kansas

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	45.68	43.68	43.68	43.18	43.41	43.38	44.61	44.61	48.86	51.57
Public safety										
Police										
Officers	61.00	61.00	61.00	62.00	62.00	62.00	62.00	62.00	62.00	61.00
Civilians	23.00	23.00	23.23	22.23	22.23	21.98	21.98	22.23	22.23	22.46
Fire										
Firefighters and officers	52.44	52.69	52.69	53.69	54.00	54.00	54.00	54.00	55.00	55.00
Civilians	1.00	0.80	0.80	0.80	0.80	1.00	1.00	1.00	1.00	1.00
Public Works	49.71	49.71	49.71	49.71	49.71	49.96	49.96	49.96	50.01	49.78
Parks & Recreation	63.09	63.21	62.45	62.95	62.87	66.61	68.03	68.28	69.28	63.28
Total Full-Time Equivalent	295.92	294.09	293.56	294.56	295.02	298.93	301.58	302.08	308.38	304.09

Source: City Budget

City of Leawood, Kansas

Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police Department										
Number of Traffic Violations	13,625	12,350	9,921	9,795	7,769	10,744	16,567	16,136	15,659	15,911
Number of Physical Arrests	1,123	1,018	1,120	1,061	823	1,217	1,243	1,174	1,186	1,118
Number of Calls Dispatched (includes Officer-Initiated Calls)	31,532	27,199	26,433	28,960	31,793	35,186	30,714	28,898	28,663	28,485
Number of Alarm Calls	1,673	1,678	1,611	1,533	1,194	1,348	1,272	1,203	1,219	1,258
Fire Department**										
Number of Fire Incidents Answered	87	95	71	89	112	81	94	85	86	177
Number of EMS Incidents Answered	2,069	2,255	2,266	2,267	2,097	2,280	2,417	2,378	2,465	2,333
Number of Other Incidents Answered	890	950	1,000	1,044	878	984	1,070	1,099	1,087	1,399
Number of Fire Inspections	1,038	1,124	1,037	1,123	339	1,370	1,872	2,283	2,460	2,442
Parks & Recreation										
Number of Programs Offered	166	166	96*	96	96	96	96	103	100	100

** Significant decrease in Parks and Recreation programs offered in 2018 due to changes in organization of class sessions.*

*** For 2020, categories changed retroactively by Fire Chief to more correctly reflect categories tracked.*

Source: Various City departments

Schedule 19

City of Leawood, Kansas

Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Police Department										
Number of Police Stations	1	1	1	1	1	1	1	1	1	1
Number of Certified Officers	61	61	61	62	62	62	62	62	62	61
Number of Noncertified Personnel	23	23	23	22	22	22	22	22	22	22
Number of Patrol Districts	3	3	3	3	3	3	3	3	3	3
Fire Department										
Number of Fire Stations	3	3	3	3	3	3	3	3	3	3
Number of Full-Time Firefighters	52	52	53	53	53	53	54	55	55	55
Number of Nonfire Personnel	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (miles)	202.0	202.0	202.0	202.0	202.3	202.3	202.3	203.2	204.2	204.2
Streetlights	4131	4136	4165	4190	4238	4246	4258	4260	4333	4357
Parks & Recreation										
Number of Parks	6	6	6	6	6	7	7	7	7	7
Park Acreage	486	486	486	486	492	492	492	492	492	492
Walking Trail Mileage	8.25	8.25	8.25	8.25	8.25	9.30	9.30	9.30	9.30	9.30
Aquatic Centers	1	1	1	1	1	1	1	1	1	1
Golf Courses	1	1	1	1	1	1	1	1	1	1
Tennis/Pickle Ball Courts	6	6	6	6	6	6	6	6	6	6
Soccer Fields	14	14	14	14	14	14	14	14	14	14
Baseball Diamonds	3	3	3	3	3	3	3	3	3	3

Source: Various City Departments