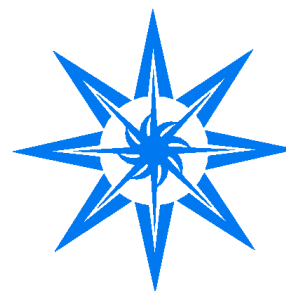




**The City of
Prairie Village, Kansas**

*Popular Annual Financial Report
For the Year Ended December 31, 2014*



The Star of Kansas



Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

**City of Prairie Village
Kansas**

For its Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

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2014 Citizen's Report

Dear Citizen's of Prairie Village,

We are pleased to present to you the City of Prairie Village's third Popular Annual Financial Report (PAFR) for the fiscal year ending December 31, 2014. The Citizen's Report is a condensed version of the 2014 Comprehensive Annual Financial Report (CAFR). The CAFR is comprised of 98 pages of detailed financial statements, notes, schedules and statistical information. The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by the CPA firm, Berberich Trahan & Co., receiving an unqualified opinion. An unmodified opinion is given when an auditor can state that the financial statements are accurately and fairly presented.

This report provides an analysis of the financial position of the City, where the revenues derive to operate the City, where those same dollars are spent, and how the local economy impacts Prairie Village's overall financial status. Our goal is to better communicate the results of the financial operations of the City in a reader friendly financial publication.

As you review the report, we invite you to share any questions, statements, or comments you may have. You may contact the Finance Department at 913.385.4661. The fully disclosed audited CAFR and summarized PAFR may be found online at www.pvkansas.com.

Respectfully,



Lisa Santa Maria
Finance Director



2014 Prairie Village Governing Body



Front row (left to right): Ashley Weaver, Ruth Hopkins, Mayor Ronald L. Shaffer, Jori Nelson, and Courtney McFadden

Middle row (left to right): Brooke Morehead, Laura Wassmer, Terrence Gallagher, and Andrew Wang

Back row (left to right): Ted Odell, Eric Mikkelson, and Dan Runion

Not pictured: Steve Noll

Ronald Shaffer	Mayor	mayor@pvkansas.com
Ashley Weaver	Ward 1	aweaver@pvkansas.com
Jori Nelson	Ward 1	jnelson@pvkansas.com
Steve Noll	Ward 2	snoll@pvkansas.com
Ruth Hopkins	Ward 2	rhopkins@pvkansas.com
Eric Mikkelson	Ward 3	emikkelson@pvkansas.com
Andrew Wang	Ward 3	awang@pvkansas.com
Laura Wassmer	Ward 4	lwassmer@pvkansas.com
Brooke Morehead	Ward 4	bmorehead@pvkansas.com
Courtney McFadden	Ward 5	cmcfadden@pvkansas.com
Dan Runion	Ward 5	drunion@pvkansas.com
Terrence Gallagher	Ward 6	tgallagher@pvkansas.com
Ted Odell	Ward 6	todell@pvkansas.com



The City as a Whole

Statement of Net Position

The Statement of Net Position looks at the City as a whole and is a useful indicator of the City's financial position. The table below provides a summary of the City's financial position over time. The full disclosed Statement of Net Position can be located in our 2014 CAFR at www.pvkansas.com.

	<u>2013</u>	<u>2014</u>
Current and other assets	\$25,561,701	\$24,913,569
Capital assets	71,875,139	71,362,867
Total assets	<u>\$97,436,840</u>	<u>\$96,276,436</u>
Long-term liabilities	\$5,451,581	\$4,714,828
Current liabilities	2,116,460	1,037,328
Other liabilities	1,344,319	1,224,053
Deferred inflows of resources	8,588,091	8,721,249
Total liabilities and deferred inflows of resources	<u>\$17,500,451</u>	<u>\$15,697,458</u>
Net position:		
Net investment in capital assets	\$64,573,343	\$65,944,703
Restricted	3,870,795	1,283,840
Unrestricted	11,492,251	13,350,435
Total net position	<u>\$79,936,389</u>	<u>\$80,578,978</u>
Total liabilities and deferred inflows of resources & net position	<u>\$97,436,840</u>	<u>\$96,276,436</u>

The largest portion of the City's assets (68%) reflects investments in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), less related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

Definitions:

Capital Assets. Land, improvements to land, easements, buildings, improvements to buildings, vehicles, machinery, and any other assets that are used in operations with an initial useful life extending beyond one reporting period.

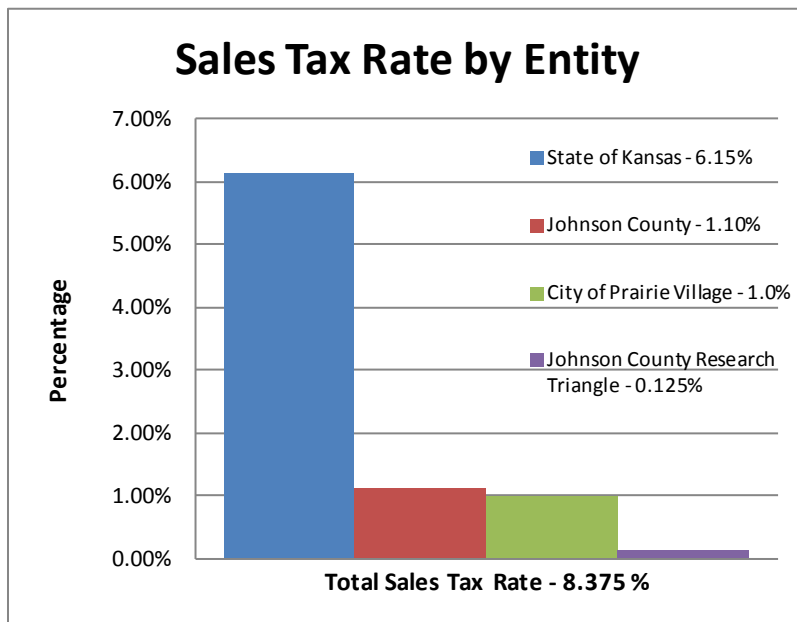
Net investment in capital assets. A measure of the level of investment in capital, found by subtracting non-cash depreciation from capital expenditures. This measure helps to give a sense of how much money is being spent on capital items (such as property, buildings and equipment), which are used for operations.

Net Position unrestricted = \$13.4 million

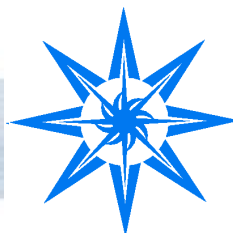
The City has \$13.4 million in available funds to pay for emergencies, shortfalls or other unexpected needs for the fiscal year ending December 31, 2014.

The City's combined net position increased by \$642,589 or 0.8% from 2013 to 2014. The majority of that increase was due to an increase in capital assets and a decrease in current and long-term liabilities. The change in net position as a percentage of assets is a good indicator of the government's financial position. The positive ratio of 0.8% indicates the City's financial condition has improved.

**Prairie Village's Sales Tax
8.375%**



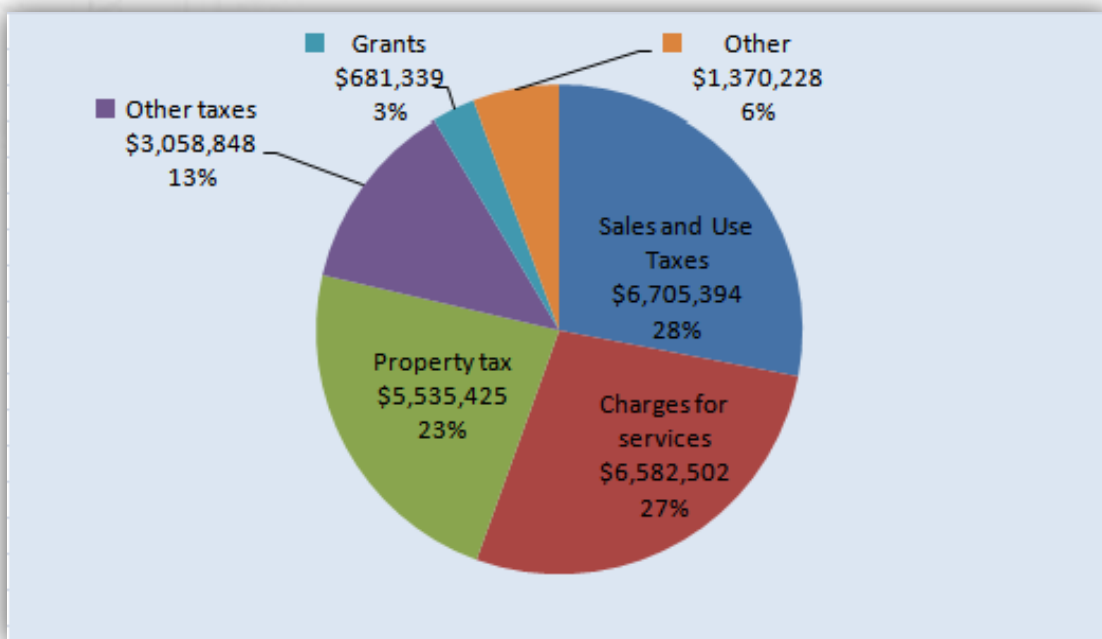
The City levies an additional 1 percent sales tax on taxable sales made at Prairie Village Shops and Corinth Shops for the Community Improvements Districts (CIDs).



City Services

City government provides a wide range of services including police protection and safety programs; construction and maintenance of streets, storm drainage and infrastructure; summer recreational activities and year-round cultural events; residential waste collection, recycling and composting services; and other general services for residents.

Where does the money come from?



Definitions:

Sales Tax. Sales tax revenue comes from two sources: Local Sales Tax and County Sales Tax. There is an additional 1.00% sales tax applied to purchases made within one of the two Community Improvement Districts (CID).

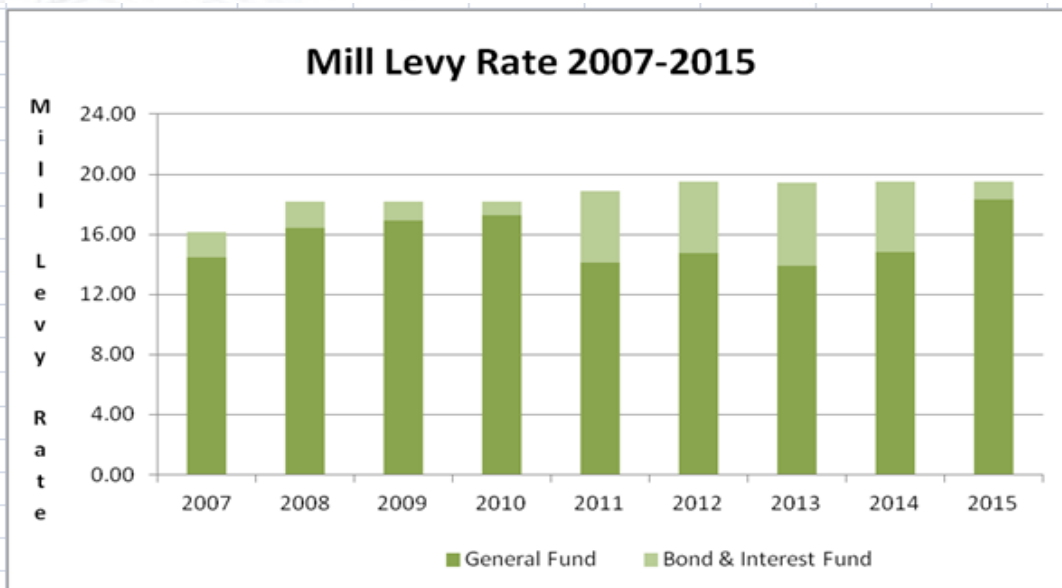
Charges for Services. This source includes revenue which is a charge for contract services and special assessments to recipients of certain services. The three largest sources of this revenue type are the police services contract with Mission Hills, special assessments for solid waste collection and the Stormwater Utility fee.

Other Taxes. This revenue source includes motor vehicle tax, liquor tax, licenses & permits, recreation fees, fines, interest income and miscellaneous revenue.



Prairie Village's Property Tax

Property Taxes. Taxes due on real estate and personal property. It is computed by applying the City's mill rate to the County's assessed valuation.



Residents Receive City Services

In 2014, the Average Market Value of a Prairie Village home is \$223,499. In 2016, on average a homeowner will pay \$42.00 each month for City services. The checkbook below illustrates how this amount is divided among various city programs.

Program	Monthly Cost
Public Safety	\$15.54
Public Works	\$14.28
Community Development	\$ 5.04
Administration	\$ 4.20
Parks & Recreation	\$ 1.68
Municipal Court	\$ 1.26

Average Homeowner 7555
City of Prairie Village

DATE May 15, 2015

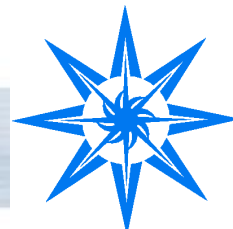
PAY TO THE CITY OF PRAIRIE VILLAGE \$42.00
Forty two and 00/100*****DOLLARS

MEMO: Monthly property tax for City Services TAXPAYER

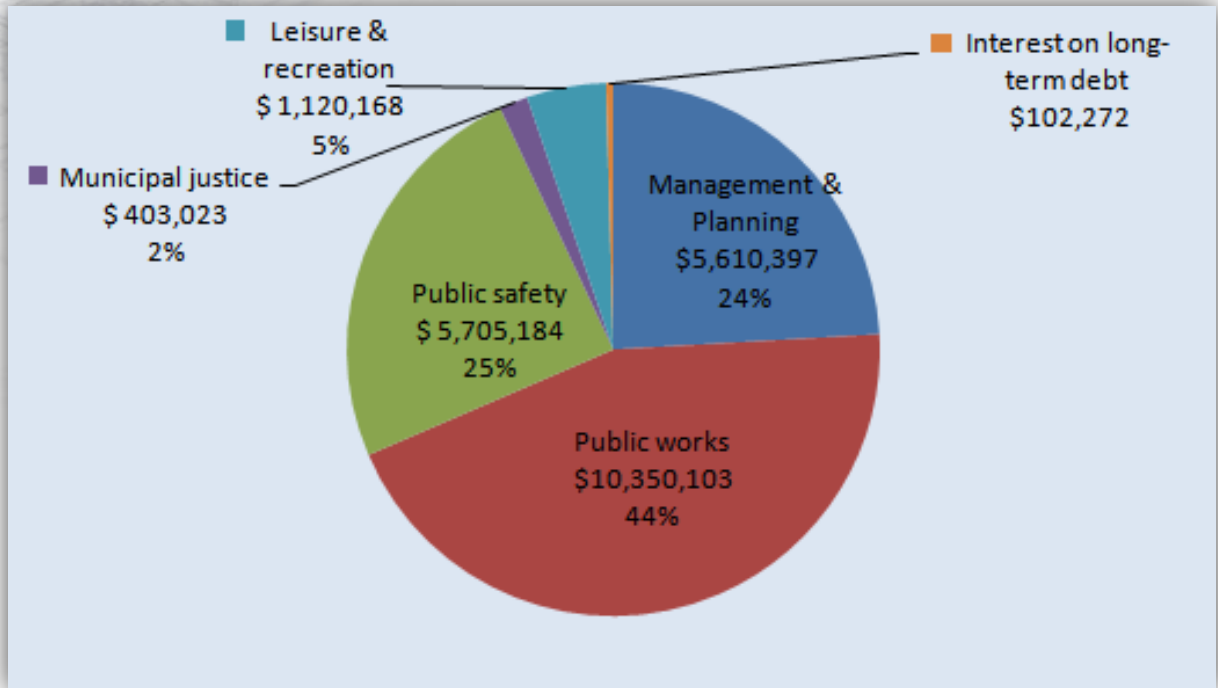
Your Property Taxes also include Special Assessments or Fees for Trash and Recycling Services and Stormwater System maintenance.

Trash Fee: \$174.00 per year or \$14.50 per month

Stormwater Fee: \$0.04/sq ft of impervious area



Where does the money go?



Definitions:

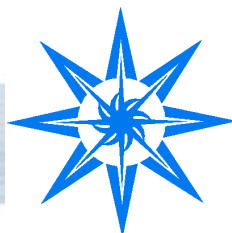
Management & Planning. Provides overall management of City operations, coordination of City planning and implementation of Council direction and policy.

Public Works. Includes costs associated with maintaining our roads and infrastructure.

Public Safety. Provides public safety services which include:

- Crime Prevention
- Patrol
- Investigations
- D.A.R.E
- Traffic

Leisure & recreation. Includes costs associated with park development, recreational opportunities and community programs.



Strategic Use of Debt

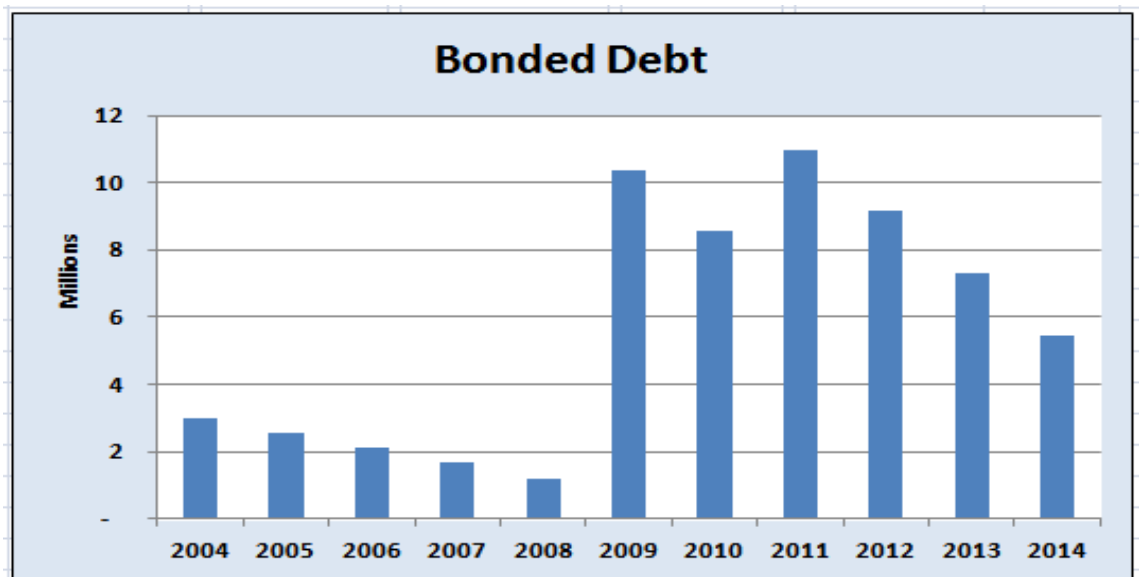
The City continues to maintain a favorable Aaa bond rating, and has \$5,418,164 in bonded debt for infrastructure improvements as of December 31, 2014.

Why rely on debt at all?

The City took advantage of historically low interest rates in 2009 to refinance some of its debt, and issue new debt to accelerate work on City infrastructure, primarily residential streets.

The City also chooses to use bonds when projects are so large, it would never be feasible to save up enough money to pay in cash. The smaller annual debt payments are manageable.

It's also about fairness. If the useful life of a \$1 million building improvement is 20 years, why should today's residents pay 100% of the cost of 1/20th of its use? By spreading out financing, the cost is distributed more fairly across time, and shared equally among the people who receive a benefit from the improvement.



Demographic and Economic Data

The City of Prairie Village was originally the vision of the late J.C. Nichols. He had visions of transforming the rolling hills into a well-planned community of beautiful homes and neighborhood shopping centers. Construction in Prairie Village started in 1941 and by 1949; Mr. Nichols' dream became a reality when the City was named the best planned community in America by the National Association of Home Builders.

Prairie Village was officially recognized by the State of Kansas in 1951. By 1957 it had become a first class city. It is one of 20 cities in Johnson County and is the sixth largest in population. Prairie Village is completely surrounded by other cities, sharing its eastern border, State Line Road, with Kansas City, Missouri. The City has a residential population of approximately 21,892 within its 6.7 square mile City limits.

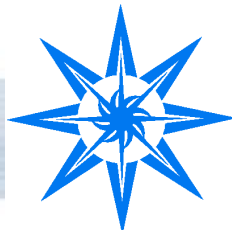
CITY OF PRAIRIE VILLAGE, KANSAS

DEMOGRAPHICS AND ECONOMIC STATICS LAST TEN YEARS

December 31, 2014

Fiscal Year	Population	School Enrollment	Unemployment (1) Rate	Per Capital Personal Income	Personal Income
2004	21,729	6,563	4.3%	34,667	753,279,243
2005	21,887	6,145	4.5%	34,667	758,756,629
2006	21,511	6,054	4.1%	34,667	745,721,837
2007	21,414	5,992	4.0%	34,667	742,359,138
2008	21,422	5,884	4.8%	34,667	742,636,474
2009	21,479	5,833	4.8%	34,667	744,612,493
2010	21,447	5,120	6.8%	34,667	743,503,149
2011	21,447	5,730	5.1%	34,667	743,503,149
2012	21,795	5,567	4.5%	48,640	1,060,108,800
2013	21,769	5,593	4.7%	49,067	1,068,139,523
2014	21,892	5,573	3.3%	46,150	1,010,315,800

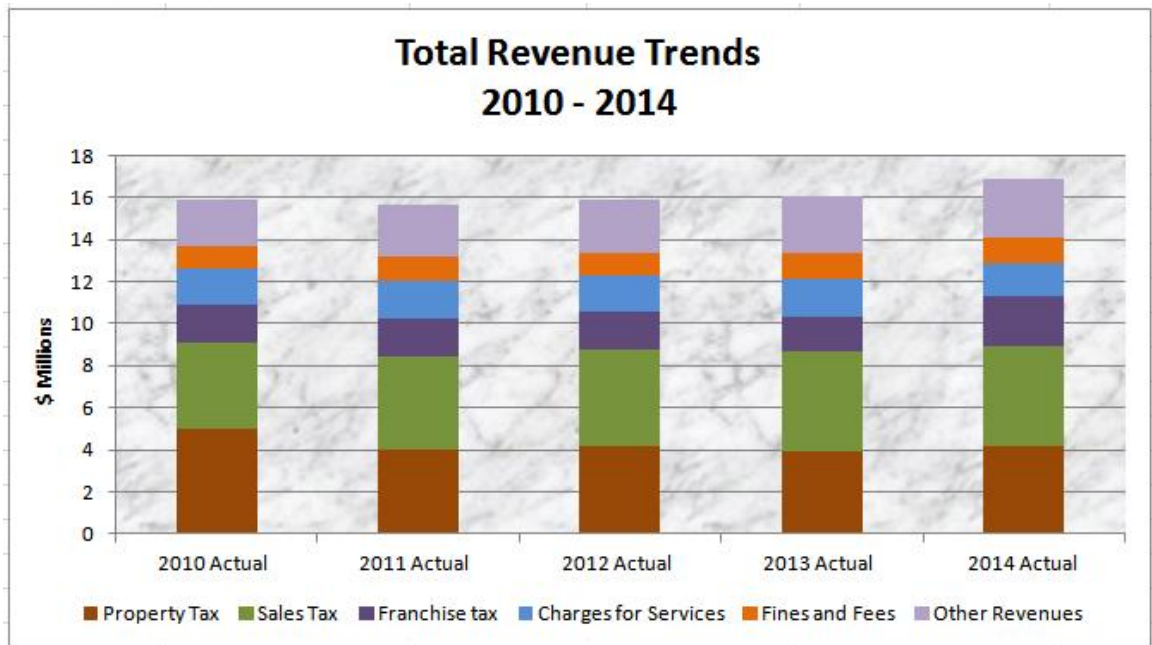
(1) Obtained from Johnson County Economic Research Institute and Bureau of Census. Unemployment rates are for Johnson County.



Economic Outlook

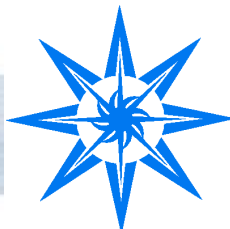
Prairie Village is located in the Kansas City metropolitan area and was named the 5th Best Suburb in America by *Business Insider Magazine*. The average home sale price increased 2.95% from 2013 to 2014. The composition of the City's property Tax base is 14% commercial and 86% residential. The area has experienced steady economic growth during the past two decades. The cyclical declines in the national economy over the last ten years have had a moderate affect on the City's economic growth.

The chart reflects the actual total General Fund revenue received for fiscal years 2010 – 2014. Based on current year revenue trends, the overall revenue growth is projected at 1.53% over the 2015 budget for fiscal year 2016.



Long Term Financial Planning

This City of Prairie Village prepared a Financial Forecast prior to the development of the budget. The five year model takes into account projected increases and decreases in revenues and expenditures. This information is shared during the budget deliberations. Financial forecasts are key to strategizing, studying different financial outcomes, modeling demographic trends, and anticipating changes in revenue streams



The City of Prairie Village encourages its citizens to be involved in the process of government. Contact information for your city officials is listed on this page. This document, known as the Popular Annual Financial Report (PAFR), is to be used as a quick reference for the citizens of Prairie Village, and to summarize the financials of the City. The information in the PAFR is taken directly from the Comprehensive Annual Financial Report (CAFR), which is a more comprehensive report and is available online at www.pvkansas.com

City of Prairie Village Department Heads and Appointed Officials

2014 Department Heads

City Administrator	Quinn Bennion	qbennion@pvkansas.com	913-385-4601
Assistant City Administrator	Kate Gunja	kgunja@pvkansas.com	913-385-4621
Asst. to the City Administrator	Nolan Sunderman	nsunderman@pvkansas.com	913-385-4635
City Clerk	Joyce Hagen Mundy	jhmundy@pvkansas.com	913-385-4616
Finance Director	Lisa Santa Maria	lsantamaria@pvkansas.com	913-385-4661
Police Chief	Wes Jordan	wjordan@pvkansas.com	913-385-4609
Public Works Director	Keith Bredehoeft	kbredehoeft@pvkansas.com	913-385-4642

2014 Appointed Officials

City Attorney	Katie Logan, Lathrop & Gage
City Treasurer	Fielding Norton, Jr.
Municipal Judge	Mary Virginia Clarke
Municipal Judge	M. Bradley Watson
City Prosecutor	Debra Vermillion

The City of Prairie Village, Kansas

7700 Mission Road, Prairie Village, KS 66208 | **ph** 913.385.4661 | **FX** 913.381.7755

www.pvkansas.com | lsantamaria@pvkansas.com

