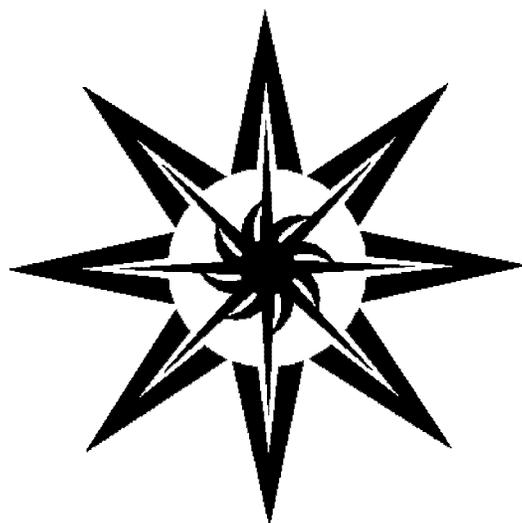


City of Prairie Village, Kansas



2019 Comprehensive Annual Financial Report

For the year ended
December 31, 2019

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

CITY OF PRAIRIE VILLAGE, KANSAS

For the Fiscal Year Ended

December 31, 2019

Prepared by:

FINANCE AND ADMINISTRATION DEPARTMENT

City of Prairie Village, Kansas

CITY OF PRAIRIE VILLAGE, KANSAS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Year Ended December 31, 2019

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION:	
Letter of Transmittal	i - v
Organizational Overview	vi
Principal Officials	vii
Government Finance Officers Association Certificate of Achievement	viii
FINANCIAL SECTION:	
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 13
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16 - 17
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	19 - 20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary Basis:	
General Fund	22 - 23
Solid Waste Management Fund	24
Stormwater Fund	25
Statement of Fiduciary Net Position	26
Statement of Changes in Fiduciary Net Position	27
Notes to Basic Financial Statements	28 - 85

CITY OF PRAIRIE VILLAGE, KANSAS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Year Ended December 31, 2019

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
Required Supplementary Information:	
Schedule of Changes in the City's Total OPEB Liability and Related Ratios – Health Insurance	86
Schedule of Changes in the City's Total OPEB Liability and Related Ratios – Disability Benefits and Life Insurance	87
Schedule of the City's Proportionate Share of the Collective Net Pension Liability – Kansas Public Employees Retirement System	88
Schedule of City's Contributions – Kansas Public Employees Retirement System	89
Schedule of Changes in Net Pension Liability – Prairie Village, Kansas Police Department Retirement Plan	90
Schedule of Employer Contributions – Prairie Village, Kansas Police Department Retirement Plan	91
Schedule of Investment Returns – Prairie Village, Kansas Police Department Retirement Plan	92
Other Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	93 - 94
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	95 - 96
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Budgetary Basis:	
Special City Street and Highway Fund	97
Special Parks and Recreation Fund	98
Special Alcohol Fund	99
Corinth CID Fund	100
PV Shops CID Fund	101
Bond and Interest Fund	102

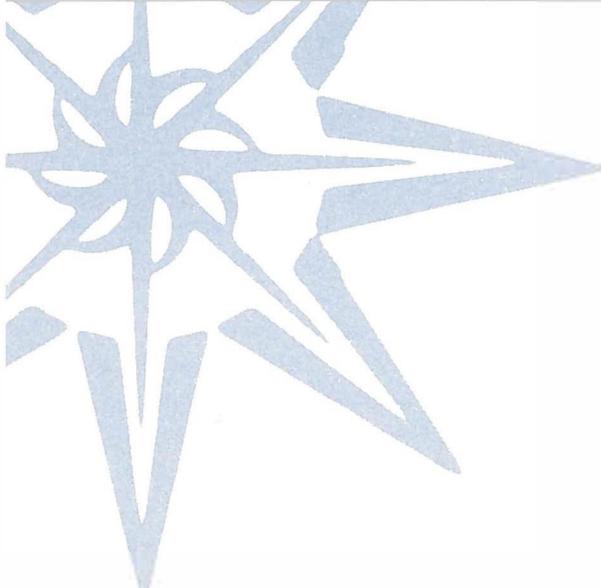
CITY OF PRAIRIE VILLAGE, KANSAS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Year Ended December 31, 2019

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
STATISTICAL SECTION:	
Financial Trends:	
Net Position by Component	103
Changes in Net Position	104
Fund Balances of Governmental Funds	105
Changes in Fund Balances of Governmental Funds	106
Tax Revenues of Governmental Funds by Source	107
Revenue Capacity:	
Local Sales Tax Collections	108 - 109
Assessed Value and Estimated Actual Value of Taxable Property	110 - 111
Direct and Overlapping Property Tax Rates	112
Principal Property Taxpayers	113
Property Tax Levies and Collections	114
Debt Capacity:	
Ratios of Outstanding Debt by Type	115
Ratios of General Bonded Debt Outstanding	116
Direct and Overlapping Debt	117
Legal Debt Margin	118
Demographic and Economic Information:	
Demographic and Economic Statistics	119
Principal Employers	120
Operating Information:	
Full-time City Government Employees by Function/Program	121
Operating Indicators by Function/Program	122
Capital Asset Statistics by Function/Program	123



THE CITY OF PRAIRIE VILLAGE

STAR OF KANSAS

June 10, 2020

To the Honorable Mayor, Members of the City Council and Citizens of the City of Prairie Village:

Kansas statutes require all cities to issue an annual report on its financial position and activity prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to the requirement, we hereby issue the comprehensive annual financial report (CAFR) of the City of Prairie Village for the fiscal year ended December 31, 2019.

The responsibility for accuracy, completeness, and fairness of the data presented, including all disclosures, rests with City management. City management is responsible for establishing and maintaining an internal control structure designed to earn the public's confidence and trust. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met in the areas of: safeguarding assets against loss from unauthorized use or disposition, reliability of financial records, and convenience of access for preparing financial statements and maintaining accountability for assets. The City's accounting system is continually evaluated to assure adequacy of internal controls. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. We believe the report as presented, is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position of the City, on a Government-wide and Fund basis.

The City of Prairie Village's financial statements have been audited by BT & Co., P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Prairie Village for the fiscal year ended December 31, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Prairie Village's financial statements for the fiscal year ended December 31, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's discussion and analysis immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

CITY OF PRAIRIE VILLAGE, KANSAS

Letter of Transmittal

For the Year Ended December 31, 2019

Profile of the Government

The City of Prairie Village was originally the vision of the late J.C. Nichols. After successfully developing the Country Club Plaza area in Kansas City, Missouri, Mr. Nichols turned his company direction and development toward his native Johnson County just a few miles from the Plaza. 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 Mr. Nichols' dream became reality in 1949 when the City was named the best-planned community in America by the National Association of Home Builders.

The State of Kansas officially recognized Prairie Village as a city in 1951 with a total population of 1,360 and land area of one-half mile. By 1957, it had become a city of the first class. Now, it is one of 20 incorporated cities in Johnson County and has the sixth largest population. It 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 22,389 within its 6.7 square mile city limits.

The City operates under the Mayor-Council form of government with an appointed professional City Administrator. The City is divided into six wards with two councilpersons elected from each ward to serve staggered four-year terms. The Mayor is elected by the City at large for a four-year term. The City Administrator has responsibility for administration of all City programs and departments in accordance with policies and the annual budget adopted by the Council.

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. Fire and health services are provided by the County; utilities are a service provided by the private sector.

The financial reporting entity includes all the funds of the City as legally defined. Component units are legally separate entities for which the primary government is financially accountable. The City has no component units.

The City maintains budgetary controls to ensure compliance with legal provisions associated with the annual appropriated budget which is approved by the governing body. Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds and the General Obligation Debt Service Fund.

In addition to general City activities, the Governing Body exercises or has the ability to exercise oversight of the revised Prairie Village Police Pension Plan Fund and the Supplemental Retirement Plan Fund; therefore, these activities are included in the report.

Local Economy

Local city sales and use tax collections increased 1%, and property tax collections were up 14% in 2019. Overall residential properties increased 8% and commercial property decreased 7% in Prairie Village. The average sales price increased 7% from 2018 to 2019 while the mean appraised value rose 8%.

The Johnson County unemployment rate at December 2019 was 2.5%, which was lower than the Kansas rate of 2.9%. Major employers include the school district and grocery stores.

CITY OF PRAIRIE VILLAGE, KANSAS

Letter of Transmittal

For the Year Ended December 31, 2019

The City is located in the Kansas City metropolitan area and is considered one of the most desirable suburban communities in the region. Although the City is fully-developed and land-locked, the value of tangible property in Prairie Village has been maintained over the past ten years. In 2011, the City created two Community Improvement Districts (CIDs) that have had a positive impact on the local economy. In 2016, a Tax Increment Financing District (TIF) was created for the redevelopment district located roughly between Roe and Nall and 95th and Somerset. The positive economic environment has also enabled the City to maintain the same quality and level of services without increasing property taxes.

Long Range Financial Plan

A five-year forecast of General Fund balances is prepared using current economic information and revenue and expenditure trends. The long-range analysis indicates that the City can maintain a General Fund balance of 25% of estimated revenues (less transfers) through 2025, which meets the Fund Balance Policy. The City Council adopted the "Village Vision" document in May 2007 and has implemented many of the ideas since its inception. Village Vision has contributed greatly to the viability of the community. Because of the importance of Village Vision, the Council has initiated the process of updating the document so it will continue to guide them in future strategic planning.

The City maintains a five-year Capital Infrastructure Program which serves as its planning document to ensure its facilities and infrastructure are well maintained and operating in peak condition. Projects are identified by name, cost and funding sources (property taxes, reserves, bonding, assessments, state/federal funding or other). The City also funds its equipment purchases through its budgetary process annually. This ensures that when a piece of equipment is scheduled to be replaced, a majority (if not all) of the funding is available for the purchase of the equipment. This allows the City to stabilize the impact on property tax revenues by building the required amount over a period of time.

2019 Major Initiatives

As a part of the preparation for the 2019 annual budget, the following priorities were established and achieved by the City Council:

- ❖ Maintain high quality services and programs
- ❖ Maintain quality streets, parks and infrastructure
- ❖ Continue strong financial position
- ❖ Maintain Aaa bond rating
- ❖ Reduce reliance on fund balance and reserves
- ❖ Be mindful of tax burden

Prairie Village is a desirable community in which to live because of its location, the quality of infrastructure and housing maintenance, the school system, and its sense of community, which pervades the services provided to residents. This prevailing climate has created a gradual change, which has helped maintain property values and is transforming the landlocked, fully developed, and aging City into a community which continues to experience improvement and redevelopment of residential and commercial property.

2019 Relevant Financial Policies

The minimum unassigned General Fund reserve balance of 25% of General Fund revenues (less transfers), provides working capital between semi-annual property tax settlements. As of December 31, 2019, reserves exceeded the requirement at 37% of actual revenues.

CITY OF PRAIRIE VILLAGE, KANSAS

Letter of Transmittal

For the Year Ended December 31, 2019

The City needs sufficient cash reserves to avoid short-term borrowing to finance operations. The City has unspendable or restricted fund balances for deferrals, prepaid items, and other legal obligations. The City also reports the committed and assigned fund balances for special purposes.

The primary goal of the City's investment policy is to ensure the safety of the principal invested. Cash temporarily idle during the year is invested primarily in certificates of deposit, obligations of the U.S. Treasury, Kansas Municipal Investment Pool, Kansas GO Bonds and Repurchase Agreements. Cash balances from all City funds are pooled into an investment fund and investment income is distributed on a monthly basis based on month end balances. A cash flow analysis is utilized and staggered in a way to meet projected liquidity needs.

Capital financing for major improvements is provided for during the budget or general obligation bonds. The City of Prairie Village has financial management policies that allow for the planning of adequate funding of services desired by the public, to manage the City finances wisely, and to carefully account for public funds.

In addition to the major initiatives discussed above, the 2019 budget reflected several financial policies the City has established.

- ❖ Continue to strive for financial transparency by implementing a Transparent PV link on the City website which gives citizens easy access to City documents
- ❖ Live Stream all meetings to improve access to for all citizens
- ❖ Conduct a thorough review of all budgeted items at the staff level
- ❖ Provide a revenue structure that pays the full cost of current services, and can be responsive to economic conditions
- ❖ Maintain financial accounting and budget practices that provide full disclosure of the City's financial affairs
- ❖ Assess and plan for technology needs
- ❖ Evaluate existing City services to determine the need and efficiency of such services

Awards and acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended December 31, 2018. This was the thirty-third consecutive year the government received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning January 1, 2019. This is the fourteenth year the City has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organizational guidance.

In addition, the City received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for its PAFR for the fiscal year ended December 31, 2019. This is the seventh year the City has received this prestigious award. In order to qualify to be awarded an Outstanding Achievement, the government must publish a financial report specifically designed to meet the needs of interested parties who may be unable or unwilling to use traditional financial reports. An Outstanding Achievement is valid for a period of one year only.

CITY OF PRAIRIE VILLAGE, KANSAS

Letter of Transmittal

For the Year Ended December 31, 2019

The preparation of the CAFR on a timely basis was made possible by the dedicated service of City staff. Those individuals who contributed to the preparation of this report have our sincere appreciation for their efforts.

Although City staff accomplished the preparation and documentation of this report, it is the leadership and support of the Governing Body that provides the policy direction and financial integrity on which the report is based.

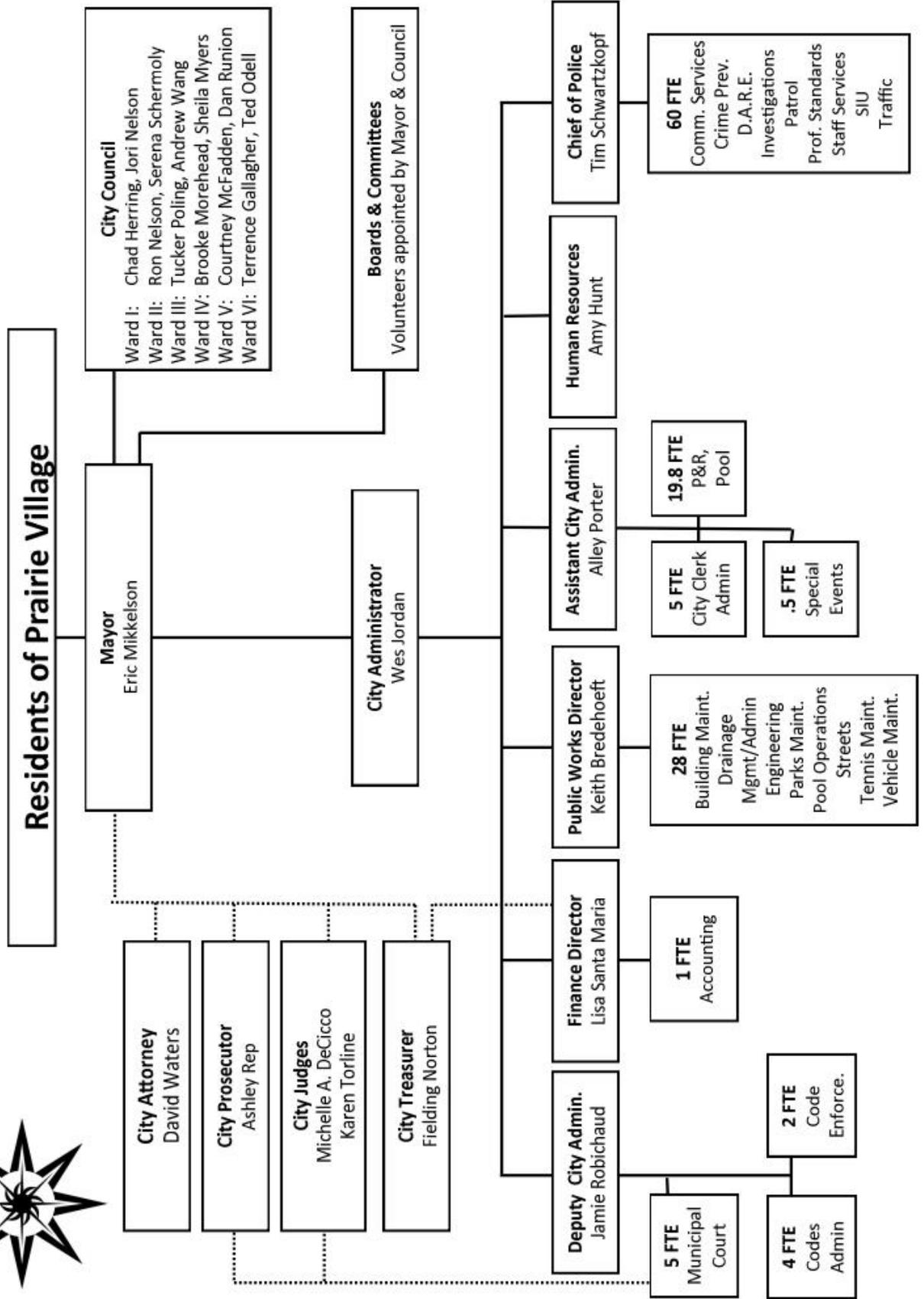
Respectfully submitted,

A handwritten signature in cursive script that reads "Lisa Santa Maria". The signature is written in black ink on a light-colored background.

Lisa Santa Maria
Finance Director



City of Prairie Village — Organizational Overview



CITY OF PRAIRIE VILLAGE, KANSAS

PRINCIPAL OFFICIALS – 2019

Elected Officials

Mayor	Eric Mikkelson
Council Member – Ward 1	Chad Herring
Council Member – Ward 1	Jori Nelson
Council Member – Ward 2	Ron Nelson
Council Member – Ward 2	Serena Schermoly
Council Member – Ward 3	Tucker Poling
Council Member – Ward 3	Andrew Wang
Council Member – Ward 4	Sheila Myers
Council Member – Ward 4	Brooke Morehead
Council Member – Ward 5	Courtney McFadden
Council Member – Ward 5	Dan Runion
Council Member – Ward 6	Terrence Gallagher
Council Member – Ward 6	Ted Odell

Appointed Officials

City Administrator	Wes Jordan
Deputy City Administrator	Jamie Robichaud
Chief of Police	Tim Schwartzkopf
Director of Public Works	Keith Bredehoeft
City Clerk	Adam Geffert
City Attorney	David Waters
City Prosecutor	Ashley Rep
Assistant City Attorney	Shannon Marcano
Municipal Judge	Karen Torline
Municipal Judge	Michelle DeCicco
City Treasurer	Fielding Norton, Jr.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Prairie Village
Kansas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council
City of Prairie Village, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Prairie Village, Kansas (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2019, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other 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 statements and schedules listed under other supplementary information in the accompanying table of contents and other information, including the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statements and schedules listed under other supplementary information in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

BT + Co., P.A.

June 10, 2020
Topeka, Kansas

CITY OF PRAIRIE VILLAGE, KANSAS

Management's Discussion and Analysis

For the Year Ended December 31, 2019

The management of the City of Prairie Village (City) offers this discussion and analysis of the City's financial performance and overall review of the financial activities for the fiscal year ended December 31, 2019. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance. To enhance comparability between governments, the City has followed guidelines prescribed by the Governmental Accounting Standards Board (GASB) Statement 34.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2019 are as follows:

- The City Council approved a \$40 million 2020 budget and did not have a property tax increase.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2019 by \$86,516,832 (net position). Of this amount, \$981,944 (unrestricted net position) may be used to meet the City's ongoing obligations.
- The City's total net position increased \$5,387,920 or 6.6%. Part of the reason for the increase was the significant increase in construction in progress.
- Net investment in capital assets increased by \$12,238,104, or 16.9% in part to due to a \$10 million bond issue for a new Public Works Facility and an increase in capital assets.
- Unrestricted net position decreased \$6,624,720 or 87% over the prior year. The decrease is mainly due to the unspent portion of the Public Works Facility bond issue at year end and a change in the pension obligation. The Public Works Facility bonds were issued on December 19, 2019.
- The City's total general obligation debt increased by \$8,680,000 during 2019 to a total of \$24,630,000. The Public Works Facility bond issue was the only new debt issued in 2019. Total debt service expenditures as a percent of total revenue is 7.5%.
- The City's total assessed valuation increased to \$437,852,863 from \$401,494,261 in 2019, a 9.1% increase.
- The unrestricted fund balance as a percentage of total revenues is 37%.
- Among major funds, the general fund had \$22,208,951 in revenues and other financing sources and \$22,486,662 in expenditures and other financing uses. The general fund's fund balance decreased from \$8,835,667 to \$8,557,956. The ending fund balance of \$8,557,956 is 38.5% of general fund revenues.
- The Net OPEB Liability as of 12/31/2019 is \$157,786.
- The Net KPERS OPEB Liability as of 12/31/2019 is \$81,027.

CITY OF PRAIRIE VILLAGE, KANSAS

Management's Discussion and Analysis

For the Year Ended December 31, 2019

- The Net Police Pension Liability as of 12/31/2019 is \$5,859,571.
- The Net Pension Liability as of 12/31/2019 is \$8,726,015.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis, the basic financial statements*, and other supplementary information which presents *combining and individual statements* for non-major government funds. The basic financial statements include two kinds of statements that present different views of the City.

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The financial statements also include notes that explain some of the information in the financial statements and provide more detail and are essential for the reader's understanding of the financial statements. The remaining statements provide other supplementary information for the reader.

Government-wide financial statements

The government-wide financial statements have been prepared using the accrual basis of accounting. The focus of these statements is the City's long-term financial picture. All of the fiscal year's revenues and expenses have been reported, regardless of when cash is received or disbursed.

The two government-wide statements report the City's net position and how it has changed. Net position is one way to measure the City's financial health.

The Statement of Net Position - reports all of the City's assets and liabilities. Net position, which is the difference between those assets and liabilities, is an important measure of the City's overall financial health. Changes in net position over time help the reader determine whether the City's financial health is improving or deteriorating.

The Statement of Activities - explains how revenues and expenses of the City affected net position during the fiscal year. A unique feature of this statement is how it reports the revenues and expenses of specific programs, and how much of those programs were supported by general revenues such as taxes. To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets.

CITY OF PRAIRIE VILLAGE, KANSAS

Management's Discussion and Analysis

For the Year Ended December 31, 2019

In preparing for the government-wide financial statements, management has considered all separate legal entities in which the City could be considered financially accountable. There are no component units for which the City is considered to be financially accountable.

Fund financial statements

A fund is a separate entity with a set of self-balancing accounts for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions or limitations. The fund financial statements provide information about the most significant funds, not the City as a whole. The City uses two types of funds to manage its resources: *governmental funds* and *fiduciary funds*.

Governmental funds - All of the City's basic services are reported in governmental funds, which are prepared using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available, while expenditures are recognized when the related liability is incurred. An exception to this is long-term debt and similar items, which are recorded when due. The focus of these reports is on the short-term financial resources available to the specific function rather than the City as a whole. The reconciliation at the end of the fund financial statements details the relationship between the two types of financial statements.

Fiduciary funds - Resources held by the City for the benefit of a third party are reported in fiduciary funds. Although these resources are not available for operations, and therefore not presented in the government-wide financial statements, the City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Basic Financial Statements

The notes to the financial statements are an integral part of the basic financial statements, containing valuable information necessary for gaining a better understanding of the City's financial statements.

Required Supplementary Information

In addition to the basic financial statements and notes described above, required supplementary information regarding the City's funding of its Police Pension Plan, Kansas Public Employees Retirement Plan and funding for postemployment benefits other than pensions have been included to give the reader further insight into the City's pension plan results.

Other Supplementary Information

Other supplementary information presents combining and individual statements for non-major funds. The Statistical Section provides statistical data about the City.

CITY OF PRAIRIE VILLAGE, KANSAS

Management's Discussion and Analysis

For the Year Ended December 31, 2019

Analysis of the Government-wide Financial Statements

The following table provides a summary of the City's net position for 2019 compared to 2018 as of December 31:

	<u>2018</u>	<u>2019</u>	<u>Percentage Change</u>
Current and other assets	\$29,414,942	\$35,864,962	21.93%
Capital assets	88,501,243	99,686,555	12.64%
Total assets	<u>117,916,185</u>	<u>135,551,517</u>	14.96%
Total deferred outflows of resources	<u>2,771,089</u>	<u>2,195,252</u>	-20.78%
Long-term liabilities	24,453,716	33,443,064	36.76%
Current liabilities	1,722,040	1,864,675	8.28%
Other liabilities	2,189,554	3,188,433	45.62%
Total liabilities	<u>28,365,310</u>	<u>38,496,172</u>	35.72%
Total deferred inflows of resources	<u>11,193,052</u>	<u>12,733,765</u>	13.76%
Net position:			
Net investment in capital assets	72,266,905	84,505,009	16.93%
Restricted	1,255,343	1,029,879	-17.96%
Unrestricted	7,606,664	981,944	-87.09%
Total net position	<u>\$81,128,912</u>	<u>\$86,516,832</u>	6.64%

The City's combined net position increased by \$5,387,920 or 6.6% from 2018 to 2019. The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$86,516,832 in 2019.

Net position is a useful indicator of the City's financial position. The positive ratio of 6.6% indicates the City's financial position has improved.

The City's total net position consists of the following three components:

1. Net investment in capital assets. The largest portion of the City's net position (\$84,505,009) represents its investment in capital assets (e.g. land structures and improvements, infrastructure, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The change from 2018 to 2019 is chiefly due to a budgeted increase in infrastructure spending in 2019 and the Public Works Facility bond issue which was unspent at 12/31/2019.

CITY OF PRAIRIE VILLAGE, KANSAS

Management's Discussion and Analysis

For the Year Ended December 31, 2019

2. Restricted net position. The City's restricted net position at year-end was \$1,029,879. Asset restrictions are primarily due to external restrictions imposed by State statutes.

3. Unrestricted net position. The City's unrestricted net position decreased from \$7,606,664 in 2018 to \$981,944 in 2019 or 87%. The decrease can be attributed to the unspent portion of the Public Works Facility bond issue at year end and a change in the pension obligation. The Public Works Facility bond was issued on December 19, 2019.

Statement of Activities

The table below shows the condensed revenues, expenses and changes in net position for 2018 and 2019.

	<u>2018</u>	<u>2019</u>	<u>Change</u>
REVENUES			
Program Revenues			
Charges for services	\$7,123,121	\$7,208,835	1.20%
Operating grants and contributions	1,015,625	1,039,094	2.31%
Capital grants and contributions	1,405,378	1,045,240	-25.63%
General revenues:			
Property taxes	7,156,558	8,178,935	14.29%
Sales and use taxes	4,441,994	4,397,073	-1.01%
Other taxes	2,852,552	2,652,181	-7.02%
Other revenues	4,189,675	4,463,564	6.54%
Total revenues	<u>\$28,184,903</u>	<u>\$28,984,922</u>	<u>2.84%</u>
EXPENSES			
Urban management and planning	\$7,425,936	\$6,509,668	-12.34%
Public works	7,761,346	7,766,100	0.06%
Public safety	7,413,304	7,775,763	4.89%
Municipal Justice	469,351	494,208	5.30%
Leisure, recreation and education	622,908	631,815	1.43%
Interest on long-term debt	392,595	419,448	6.84%
Total expenses	<u>\$24,085,440</u>	<u>\$23,597,002</u>	<u>-2.03%</u>
Increase/(decrease) in net position	\$4,099,463	\$5,387,920	31.43%
Prior period adjustment	1,363,783	-	
Net position, January 1	<u>75,665,666</u>	<u>81,128,912</u>	<u>7.22%</u>
Net position, December 31	<u>\$81,128,912</u>	<u>\$86,516,832</u>	<u>6.64%</u>

Overall, total revenues increased by 2.84%. The increase is mainly attributable to an increase in assessed valuation and therefor an increase in property taxes.

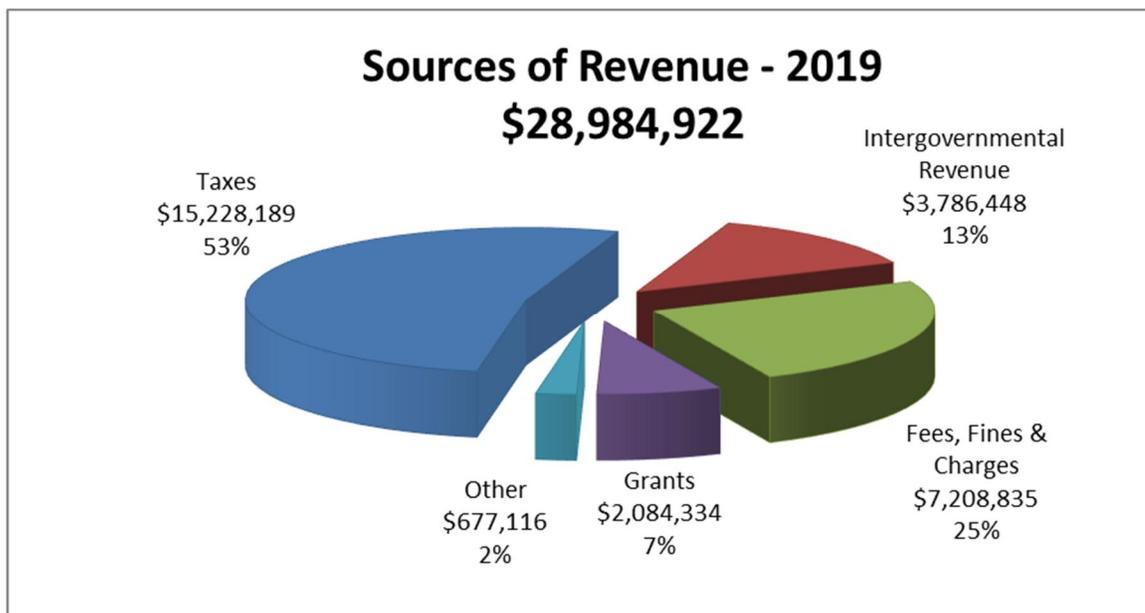
CITY OF PRAIRIE VILLAGE, KANSAS

Management's Discussion and Analysis

For the Year Ended December 31, 2019

Taxes (property, motor vehicle, local sales/use and franchise fees) and intergovernmental revenues (includes shared County sales/use taxes) continue to account for a majority of the City's revenues. Together they account for 66% of total revenues in 2019. Overall, local sales and use taxes increased 1.1%, while County sales and use taxes increased 2.2%. Property taxes increased 14.3% and franchise fees decreased 10.4%. Franchise fees include electric, gas, telephone, cable and open source video companies. The fee is 5% of gross receipts as defined and permitted by state statutes. Evergy (formally Kansas City Power and Light) accounts for the majority of the franchise fees. Other revenues account for 2% and include investment earnings and any unrealized gains and losses associated with those investments. Actual interest earnings increased 77% during 2019. The gain on disposal of assets increased in 2019 and is included in other revenues.

As illustrated by the following graph, 53% of the City's revenues are tax-related. Another 25% are directly related to the City's solid waste management assessments, stormwater assessments and public safety agreement with the City of Mission Hills. Intergovernmental revenues include Liquor, Special Highway, County and specialty sales and use taxes and grant revenue.



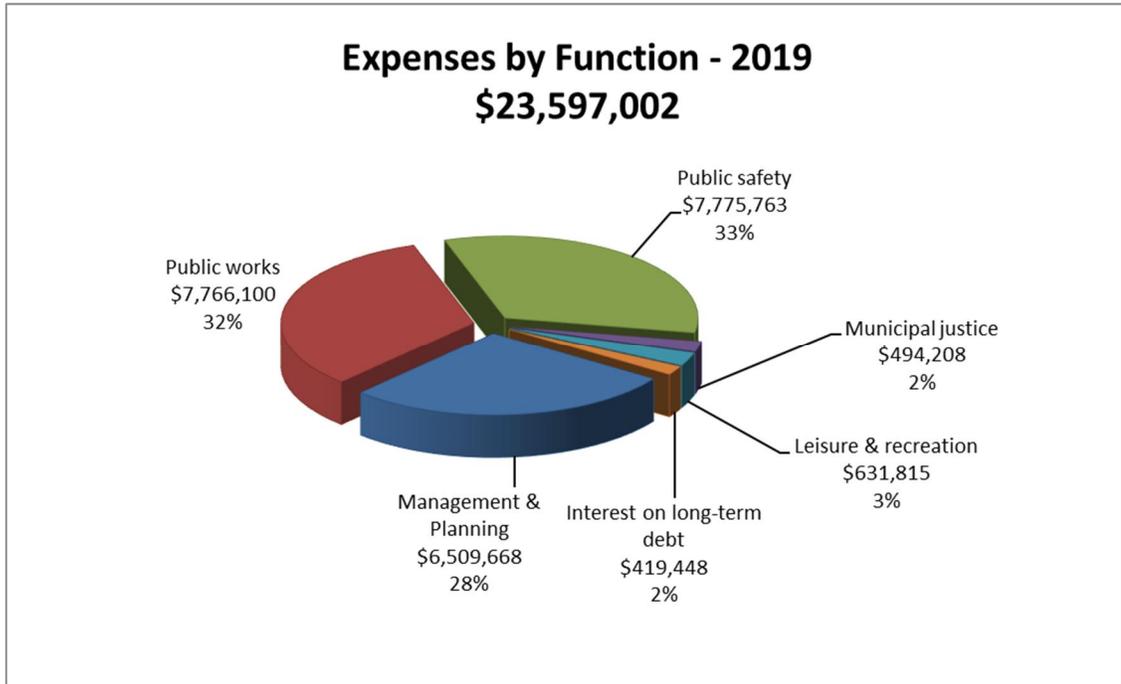
The graph, on the next page, illustrates that public safety and public works expenses, which include the depreciation of City infrastructure assets, comprise the largest use of resources.

Total expenses for 2019 were lower when compared with 2018 decreasing 2%. Urban Management and Planning expenses decreased 12.3% over 2018 and reflect declining activity in the Meadowbrook redevelopment district. Interest on long-term debt increased in 2019 reflecting bond payment activity. The increase in Public Safety and Municipal Justice is attributable to personnel services and increased 2019 budgeted expenditures.

CITY OF PRAIRIE VILLAGE, KANSAS

Management's Discussion and Analysis

For the Year Ended December 31, 2019



The net cost of each program is an important indicator of the financial burden placed on revenues, primarily tax sources. As shown on the chart below, \$14.3 million of the cost of services was paid by the City's tax payers. The decrease in Urban Management and Planning reflects declining activity in the Meadowbrook redevelopment district.

Function/Programs	Total Cost of Services			Net Cost of Services		
	2018	2019	% Chg	2018	2019	% Chg
Governmental activities:						
Urban management and planning	\$ 7,425,936	\$ 6,509,668	-12.3%	\$ 4,891,320	\$ 3,764,814	-23.0%
Public works	7,761,346	7,766,100	0.1%	4,688,195	5,056,197	7.8%
Public safety	7,413,304	7,775,763	4.9%	3,901,207	4,358,179	11.7%
Municipal Justice	469,351	494,208	5.3%	465,290	490,001	5.3%
Leisure and recreation	622,908	631,815	1.4%	202,709	215,194	6.2%
Interest on long-term debt	392,595	419,448	6.8%	392,595	419,448	6.8%
Total governmental activities	\$ 24,085,440	\$ 23,597,002	-2.0%	\$ 14,541,316	\$ 14,303,833	-1.6%

Additional information about program and general revenues may be found on the Statement of Activities located on page 15.

CITY OF PRAIRIE VILLAGE, KANSAS

Management's Discussion and Analysis

For the Year Ended December 31, 2019

Analysis of the Fund Financial Statements

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

General Fund. Fund balance decreased 3% in the General Fund mainly as a result of an increase in personnel services which includes health insurance and the Police Pension fund. The General Fund includes non-budgeted funds for Equipment Reserve, Risk Management Reserve and Economic Development Reserve. Additional information regarding the fund balance may be found on the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual-Budgetary Basis – General Fund located on page 22.

Solid Waste Management Fund. The Solid Waste Management Fund is used for solid waste collection, recycling, composting services and large item pickup as well as a portion of the City's administrative cost including personal services and supplies. The City collects the Solid Waste fee through a special assessment on property tax bills. The fund balance decreased 48% as a result of a significant cleanup of yard debris after a major winter storm.

Bond and Interest Fund. The City issued debt in 2019 for the construction of a new Public Works Facility. Prior to 2019, the City issued two general obligation bonds in 2016. The 2016-A Meadowbrook issue was for the tax increment financing (TIF) district roughly located at 95th and Nall, and the 2016-C bond issue was for the purchase of City streetlights from Kansas City Power and Light (KCP&L). In 2011 the City issued bonds for street infrastructure improvement project expenditures. The City's outstanding debt will be paid off in 2049, provided the City does not issue any new debt or restructure current debt. The outstanding general obligation bonds at December 31, 2019 totaled \$24,630,000.

Stormwater Fund. This fund was established at the end of 2008. It is used to account for the stormwater utility fee and the related stormwater management activities. The stormwater fee appeared on the December 2018 tax bills, the receipts from which are used to fund 2019 operations. All of the funds collected were used in stormwater management activities. The fund balance at December 31, 2019 totaled \$133,165. The balance represents a 12% increase over the 2018 balance due to a change in projects budgeted for 2019. The stormwater program is in compliance with NPDES guidelines.

Capital Projects Fund. The City's Capital Projects Fund accounts for major infrastructure improvement project expenditures. The 95% increase in fund balance is primarily a result of the 2019 bond issue for the construction of a new Public Works Facility. The increase also includes an increase in infrastructure projects in 2019 and projects under construction at 12/31/2019.

General Fund Budget

The legally adopted budget for the General Fund was not amended by the City Council during 2019. Departments within the City are allowed to transfer budget between line items within programs and between programs within the department. In addition, allocations of contingency budget are recorded as a budget transfer to the affected program. As a result of these budget transfers, the original budget and the final budget in some programs may not be the same.

CITY OF PRAIRIE VILLAGE, KANSAS

Management's Discussion and Analysis

For the Year Ended December 31, 2019

The following revenue and expenditure categories experienced significant differences between the final budget amount and the actual amount. The explanation of the difference is also included.

Category	Explanation
REVENUE	
Taxes	Budget to Actual decreased 23% because of the reclassification of shared sales and use taxes to Intergovernmental revenue.
Intergovernmental	Intergovernmental revenues increased a result of shared County assistance project funds and changes to Liquor, Special Highway, County and specialty sales and use taxes and grant revenue.
Licenses and Permits	Licenses and permit fees were 38% over budget because residential and commercial building permit requests increased. This category also includes admin and retail business licenses.
EXPENDITURE	
Public Works Street Operations and Maintenance	Provides for the maintenance and repair of approximately 112 miles of streets, 2800 traffic signs, 93 miles of sidewalks, and 1,530 ADA ramps. Actual expenditures were 90% of budgeted expenditures. Contract services for street repair were less than budgeted.
Public Works Building and Grounds Operation	Provides for the operation and maintenance of 14 parks, 6 fountains, 187 city islands, 10 pavilions and seven public buildings. Actual expenditures were 92% of budgeted expenditures. Contract services were less than budgeted.
Crime Prevention	Personal services, contract services and commodities were lower than budgeted due to a movement of personnel and unfilled positions in 2019. Actual expenditures were 72% of budgeted expenditures.
Special Investigations	Personal services were lower than budgeted due to a movement of personnel in 2019 and unfilled positions. Actual expenditures were 70% of budgeted expenditures.
Prosecutor	This program depends on the number of actual appeals and will vary depending on court needs. Actual expenditures were 84% of budgeted expenditures.
Tennis	This program's difference between budget and actual was due to the number of actual Tennis lessons given which were under the budgeted amount. Actual expenditures were 55% of budgeted expenditures.

CITY OF PRAIRIE VILLAGE, KANSAS

Management's Discussion and Analysis

For the Year Ended December 31, 2019

Capital Assets and Long-Term Debt Activity

Capital Assets. As presented below, the total amount invested in capital assets (net of accumulated depreciation) by the City at December 31, 2018 was \$99.7 million. Capital assets increased 12.6% from 2018.

NETWORK	2018	2019	% Chg
Land	\$ 14,961,866	\$ 14,961,866	0.00%
Buildings	2,736,187	2,576,359	-5.84%
Improvements other than buildings	643,982	607,199	-5.71%
Furniture and equipment	1,721,988	1,468,834	-14.70%
Infrastructure	50,470,961	53,769,695	6.54%
Construction in progress	17,966,259	26,302,602	46.40%
Total	<u>\$ 88,501,243</u>	<u>\$ 99,686,555</u>	12.64%

Improvements other than buildings decreased due to continued depreciation of these assets. Furniture and equipment decreased due to the disposal of older furniture and equipment and a higher dollar threshold to capitalize. Infrastructure increased due to increased project activity in 2019. Construction in progress includes 2019 projects that were not completed until early 2020. Drainage projects to address flooding issues made up 29% or \$7.6 million of the construction in progress at 12/31/2019. In conformity with GASB 34, Infrastructure completed in the current year has been capitalized. Infrastructure assets not completed by the year-end have been reported as construction in progress. Additional information regarding the City's capital assets can be found in Note I, as well as Note 5.

Long-term debt activity. As of December 31, 2019, the City had \$24,630,000 of outstanding general obligation bonds. Of the balance outstanding, 25.5% will be paid off within the next five years. Attesting to the City's favorable economic conditions and sound financial management, Prairie Village's general obligation bond rating remains at Aaa, with a stable outlook.

Kansas statutes limit the amount of general obligation debt a government entity to 30% of its total assessed valuation. The current debt limitation for the City is \$131,355,859 which is significantly in excess of the City's outstanding general obligation bonds. Additional information regarding the City's long-term debt activity can be found in Note 7 of the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

Management's Discussion and Analysis

For the Year Ended December 31, 2019

Outstanding Bonds		
General Obligation Bonds		
	Governmental Activities	
	2018	2019
General Obligation Bonds:		
Series 2009-A	\$225,000	-
Series 2011-A	\$2,170,000	\$1,615,000
Series 2016-A	\$11,300,000	\$11,300,000
Series 2016-C	\$2,255,000	\$1,825,000
Series 2019	-	\$9,890,000
Total	\$15,950,000	\$24,630,000

Economic Factors

Prairie Village is a land-locked, fully developed suburban city in Johnson County. The City benefits from the growth and development of the county and the region. Commercial properties in Prairie Village consist of five neighborhood shopping centers and several small office buildings. The City has two Community Improvement Districts (CIDs) where two of five the shopping centers are located. The shopping centers provide the City with a stable retail base that includes grocery stores and hardware stores as well as niche boutique shops that draw shoppers into the City. In 2016 the City issued bonds for the Meadowbrook Tax Increment Financing (TIF) district. The redevelopment district is located roughly between Roe and Nall and 95th and Somerset.

- Corinth Community Improvement District (CID)
- Prairie Village Shops Community Improvement District (CID)
- Meadowbrook Tax Increment Financing (TIF)

The outlook for the Prairie Village economy continues to remain very positive. The City issued 1,871 building permits for construction in 2019 valued at \$131,303,263. In 2018 the City issued 1,650 permits. The surrounding metropolitan area remains positive with continued growth in residential, commercial and industrial activity. Surrounding Cities are also seeing strong growth.

The City Council and staff remain committed to planning for and providing public services to enhance the quality of life for Prairie Village residents.

Requests for Information

This report is intended to give the reader a general overview of the City's finances. Questions about information contained in this report or requests for additional information should be directed to the Finance Director, 7700 Mission Rd, Prairie Village, Kansas 66208.

CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF NET POSITION

December 31, 2019

	Governmental Activities
Assets:	
Cash and investments	\$ 21,423,381
Receivables, net of allowance for uncollectibles:	
Taxes	8,459,724
Other assessments	3,521,872
Accounts	342,218
Due from other governments	1,616,470
Prepaid items	416,041
Restricted cash and investments	85,256
Capital assets not being depreciated:	
Land	14,961,866
Construction in progress	26,302,602
Capital assets, net of accumulated depreciation:	
Buildings	2,576,359
Improvements other than buildings	607,199
Furniture and equipment	1,468,834
Infrastructure	53,769,695
Total assets	<u>135,551,517</u>
Deferred outflows of resources:	
Deferred outflows - pensions	2,149,742
Deferred outflows - OPEB	45,510
Total deferred outflows of resources	<u>2,195,252</u>
Liabilities:	
Accounts payable	2,629,726
Accrued payroll	349,852
Payable from restricted assets	35,006
Accrued interest on long-term debt	173,849
Noncurrent liabilities:	
Due within one year	1,864,675
Due in more than one year	33,443,064
Total liabilities	<u>38,496,172</u>
Deferred inflows of resources:	
Deferred receivable - property taxes	8,459,724
Deferred receivable - other assessments	3,521,872
Deferred inflows - pensions	726,346
Deferred inflows - OPEB	25,823
Total deferred inflows of resources	<u>12,733,765</u>
Net position:	
Net investment in capital assets	84,505,009
Restricted:	
Special highway	94,708
Grant provisions	544,542
Development	318,305
Special alcohol	72,324
Unrestricted	981,944
Total net position	<u>\$ 86,516,832</u>

See accompanying notes to basic financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position-Governmental Activities</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contribution</u>
Governmental activities:					
Urban management and planning	\$ 6,509,668	\$ 2,744,854	\$ -	\$ -	\$ (3,764,814)
Public works	7,766,100	1,664,663	-	1,045,240	(5,056,197)
Public safety	7,775,763	2,378,490	1,039,094	-	(4,358,179)
Municipal justice	494,208	4,207	-	-	(490,001)
Leisure and recreation	631,815	416,621	-	-	(215,194)
Interest on long-term debt	419,448	-	-	-	(419,448)
Total governmental activities	\$ 23,597,002	\$ 7,208,835	\$ 1,039,094	\$ 1,045,240	(14,303,833)
General revenues:					
Property taxes					8,178,935
Sales and use tax					4,397,073
Motor vehicle tax					751,900
Franchise tax					1,900,281
Intergovernmental revenue not restricted to specific programs					3,786,448
Investment earnings					539,618
Miscellaneous					137,498
Total general revenues					19,691,753
Change in net position					5,387,920
Net position, beginning					81,128,912
Net position, ending					\$ 86,516,832

See accompanying notes to basic financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2019

	<u>General</u>
Assets:	
Cash and investments	\$ 7,283,957
Receivables:	
Taxes	8,459,724
Other assessments	-
Accounts	338,549
Due from other governments	1,259,209
Prepaid items	414,413
Restricted cash and investments	<u>35,006</u>
Total assets	<u>\$ 17,790,858</u>
Liabilities, deferred inflows of resources, and fund balances:	
Liabilities:	
Accounts payable	\$ 388,320
Accrued payroll	349,852
Payable from restricted assets	<u>35,006</u>
Total liabilities	<u>773,178</u>
Deferred inflows of resources:	
Unavailable revenue - property taxes	8,459,724
Unavailable revenue - other assessments	<u>-</u>
Total deferred inflows of resources	<u>8,459,724</u>
Fund balances:	
Nonspendable:	
Not in spendable form	414,413
Restricted	-
Committed	146,721
Assigned	426,447
Unassigned	<u>7,570,375</u>
Total fund balances	<u>8,557,956</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,790,858</u>

See accompanying notes to basic financial statements.

<u>Solid Waste Management</u>	<u>Bond and Interest</u>	<u>Stormwater</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 328,441	\$ 55,472	\$ 133,165	\$ 12,610,478	\$ 1,011,868	\$ 21,423,381
-	-	-	-	-	8,459,724
1,917,708	-	1,604,164	-	-	3,521,872
882	-	-	2,787	-	342,218
-	-	-	-	357,261	1,616,470
-	-	-	-	1,628	416,041
-	-	-	-	50,250	85,256
<u>\$ 2,247,031</u>	<u>\$ 55,472</u>	<u>\$ 1,737,329</u>	<u>\$ 12,613,265</u>	<u>\$ 1,421,007</u>	<u>\$ 35,864,962</u>
\$ 142,297	\$ -	\$ -	\$ 1,877,659	\$ 221,450	\$ 2,629,726
-	-	-	-	-	349,852
-	-	-	-	-	35,006
<u>142,297</u>	<u>-</u>	<u>-</u>	<u>1,877,659</u>	<u>221,450</u>	<u>3,014,584</u>
-	-	-	-	-	8,459,724
<u>1,917,708</u>	<u>-</u>	<u>1,604,164</u>	<u>-</u>	<u>-</u>	<u>3,521,872</u>
<u>1,917,708</u>	<u>-</u>	<u>1,604,164</u>	<u>-</u>	<u>-</u>	<u>11,981,596</u>
-	-	-	-	1,628	416,041
-	55,472	-	-	1,080,129	1,135,601
187,026	-	133,165	-	-	466,912
-	-	-	10,735,606	117,800	11,279,853
-	-	-	-	-	7,570,375
<u>187,026</u>	<u>55,472</u>	<u>133,165</u>	<u>10,735,606</u>	<u>1,199,557</u>	<u>20,868,782</u>
<u>\$ 2,247,031</u>	<u>\$ 55,472</u>	<u>\$ 1,737,329</u>	<u>\$ 12,613,265</u>	<u>\$ 1,421,007</u>	<u>\$ 35,864,962</u>

CITY OF PRAIRIE VILLAGE, KANSAS

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

December 31, 2019

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

Total fund balances, governmental funds	\$ 20,868,782
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	99,686,555
Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore are not reported in the funds.	2,195,252
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(35,481,588)
Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore are not reported in the funds.	<u>(752,169)</u>
Net position of governmental activities	<u><u>\$ 86,516,832</u></u>

See accompanying notes to basic financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

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

Year Ended December 31, 2019

	<u>General</u>
Revenues:	
Taxes:	
Property	\$ 8,281,176
Sales	3,333,914
Franchise	1,900,281
Intergovernmental	3,756,069
Licenses and permits	1,002,391
Charges for services	1,742,963
Fines and forfeitures	863,819
Recreational fees	416,621
Interest earnings	179,821
Other	115,413
Total revenues	<u>21,592,468</u>
Expenditures:	
Current:	
Urban management and planning	2,357,275
Public works	5,287,235
Public safety	6,773,784
Municipal justice	492,106
Leisure and recreation	585,464
Capital outlay	455,453
Debt service:	
Principal	-
Interest	-
Total expenditures	<u>15,951,317</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,641,151</u>
Other financing sources (uses):	
Transfers in	565,000
Transfers out	(6,535,345)
Sale of general capital assets	51,483
General obligation bonds issued	-
Premium on general obligation bonds issued	-
Total other financing sources (uses)	<u>(5,918,862)</u>
Net change in fund balances	(277,711)
Fund balances, beginning	<u>8,835,667</u>
Fund balances, ending	<u><u>\$ 8,557,956</u></u>

See accompanying notes to basic financial statements.

Solid Waste Management	Bond and Interest	Stormwater	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 960	\$ -	\$ -	\$ 648,699	\$ 8,930,835
-	-	-	-	1,063,159	4,397,073
-	-	-	-	-	1,900,281
-	-	-	1,045,240	881,360	5,682,669
1,295	-	12,600	-	-	1,016,286
1,745,068	-	1,583,676	-	-	5,071,707
-	-	-	-	-	863,819
-	-	-	-	-	416,621
39,973	2,974	78,586	88,956	62,174	452,484
-	-	-	-	87,139	202,552
<u>1,786,336</u>	<u>3,934</u>	<u>1,674,862</u>	<u>1,134,196</u>	<u>2,742,531</u>	<u>28,934,327</u>
1,958,342	-	-	-	1,719,278	6,034,895
-	-	-	-	-	5,287,235
-	-	-	-	111,713	6,885,497
-	-	-	-	-	492,106
-	-	-	-	46,351	631,815
-	-	-	13,712,632	-	14,168,085
-	1,210,000	-	-	-	1,210,000
-	110,358	-	-	292,201	402,559
<u>1,958,342</u>	<u>1,320,358</u>	<u>-</u>	<u>13,712,632</u>	<u>2,169,543</u>	<u>35,112,192</u>
<u>(172,006)</u>	<u>(1,316,424)</u>	<u>1,674,862</u>	<u>(12,578,436)</u>	<u>572,988</u>	<u>(6,177,865)</u>
-	1,320,358	-	7,084,805	-	8,970,163
-	-	(1,660,383)	-	(774,435)	(8,970,163)
-	-	-	-	-	51,483
-	-	-	9,890,000	-	9,890,000
-	-	-	822,595	-	822,595
<u>-</u>	<u>1,320,358</u>	<u>(1,660,383)</u>	<u>17,797,400</u>	<u>(774,435)</u>	<u>10,764,078</u>
<u>(172,006)</u>	<u>3,934</u>	<u>14,479</u>	<u>5,218,964</u>	<u>(201,447)</u>	<u>4,586,213</u>
<u>359,032</u>	<u>51,538</u>	<u>118,686</u>	<u>5,516,642</u>	<u>1,401,004</u>	<u>16,282,569</u>
<u>\$ 187,026</u>	<u>\$ 55,472</u>	<u>\$ 133,165</u>	<u>\$ 10,735,606</u>	<u>\$ 1,199,557</u>	<u>\$ 20,868,782</u>

CITY OF PRAIRIE VILLAGE, KANSAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

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

Net change in fund balances - total governmental funds	\$ 4,586,213
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.	11,186,193
The effect of various transactions involving capital assets is to decrease net position.	(881)
The issuance of long-term debt (e.g., bonds) 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, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(9,558,738)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(41,186)
Payments of pension and other postemployment benefits (OPEB) contributions are expenditures in the governmental funds, but reduce the net pension liability and total OPEB liability in the statement of net position. Additionally, the effects of changes in deferred outflows and deferred inflows for pensions and OPEB are only recorded in the statement of activities.	(783,681)
Change in net position of governmental activities	<u>\$ 5,387,920</u>

See accompanying notes to basic financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND

Year Ended December 31, 2019

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes	\$ 15,089,238	\$ 11,615,090	\$ (3,474,148)
Franchise fees	1,972,200	1,900,281	(71,919)
Intergovernmental	136,233	3,756,069	3,619,836
Licenses and permits	728,150	1,002,391	274,241
Charges for services	1,647,151	1,742,963	95,812
Fines and forfeitures	904,775	863,819	(40,956)
Recreation fees	431,350	416,621	(14,729)
Interest earnings	56,000	160,658	104,658
Other	2,938	74,677	71,739
Total revenues	20,968,035	21,532,569	564,534
Expenditures:			
Urban management and planning:			
City governance:			
Mayor and council	111,654	100,715	(10,939)
Management and planning	594,125	596,342	2,217
Administrative services:			
Legal services	175,000	143,134	(31,866)
Human resources	220,971	200,315	(20,656)
Finance	325,728	330,152	4,424
Codes administration	662,464	634,377	(28,087)
City clerk	322,677	304,321	(18,356)
Total urban management and planning	2,412,619	2,309,356	(103,263)
Public works:			
Administration	1,022,588	1,035,152	12,564
Vehicle maintenance	254,091	272,913	18,822
Street operations and maintenance	2,188,463	1,977,298	(211,165)
Drainage operations and maintenance	513,263	477,431	(35,832)
Buildings and grounds	1,232,601	1,129,635	(102,966)
Miscellaneous operations and maintenance	367,620	354,464	(13,156)
Total public works	5,578,626	5,246,893	(331,733)
Public safety:			
Administration	451,792	468,325	16,533
Staff services	1,377,614	1,364,670	(12,944)
Community services	213,669	168,768	(44,901)
Crime prevention	87,131	62,495	(24,636)
Patrol	3,339,250	3,378,000	38,750
Investigations	744,561	666,847	(77,714)
Special investigations	227,149	159,194	(67,955)
Professional standards	191,402	182,505	(8,897)
Off-duty contractual	46,240	34,131	(12,109)
Traffic	415,420	445,909	30,489
Total public safety	\$ 7,094,228	\$ 6,930,844	\$ (163,384)

(Continued)

CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL- BUDGETARY BASIS - GENERAL FUND
(Continued)

Year Ended December 31, 2019

	Original and Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
Municipal justice:			
Prosecutor	\$ 91,218	\$ 76,620	\$ (14,598)
Court clerks	448,317	422,588	(25,729)
Total municipal justice	539,535	499,208	(40,327)
Parks and community programs:			
Community programs	158,419	176,118	17,699
Swimming pool	345,987	382,282	36,295
Swimming pool food service	73,437	23,921	(49,516)
Tennis	16,605	9,143	(7,462)
Total parks and community programs	594,448	591,464	(2,984)
Contingency	500,000	-	(500,000)
Total expenditures	16,719,456	15,577,765	(1,141,691)
Excess of revenues over expenditures	4,248,579	5,954,804	1,706,225
Other financing sources (uses)			
Transfer in	565,000	565,000	-
Transfers out	(10,288,248)	(6,665,091)	3,623,157
Sale of general capital assets	-	51,483	51,483
Total other financing sources (uses)	(9,723,248)	(6,048,608)	3,674,640
Net change in fund balance	(5,474,669)	(93,804)	5,380,865
Fund balance, beginning, budget basis	6,825,054	7,148,008	322,954
Fund balance, ending, budget basis	\$ 1,350,385	\$ 7,054,204	\$ 5,703,819
<u>Reconciliation to GAAP</u>			
Current year encumbrances		426,447	
Fund balances on the basis of GAAP - General Fund only		7,480,651	
Fund balances for non-budgeted funds included with the General Fund on GAAP basis financials:			
Equipment reserve		699,271	
Risk management reserve		231,313	
Economic development		146,721	
Total fund balance, ending		\$ 8,557,956	

See accompanying notes to basic financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS -
SOLID WASTE MANAGEMENT FUND

Year Ended December 31, 2019

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:			
Licenses and permits	\$ 1,700	\$ 1,295	\$ (405)
Charges for services	1,720,776	1,745,068	24,292
Interest earnings	10,200	39,973	29,773
Total revenues	<u>1,732,676</u>	<u>1,786,336</u>	<u>53,660</u>
Expenditures:			
Urban management and planning	1,735,538	1,958,342	222,804
Personal service	33,900	-	(33,900)
Commodities	1,000	-	(1,000)
Miscellaneous	216,213	-	(216,213)
Total expenditures	<u>1,986,651</u>	<u>1,958,342</u>	<u>(28,309)</u>
Net change in fund balance	(253,975)	(172,006)	81,969
Fund balance, beginning	<u>253,975</u>	<u>359,032</u>	<u>105,057</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 187,026</u>	<u>\$ 187,026</u>

See accompanying notes to basic financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS -
STORMWATER FUND

Year Ended December 31, 2019

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:			
Licenses and permits	\$ 8,000	\$ 12,600	\$ 4,600
Charges for services	1,584,000	1,583,676	(324)
Interest earnings	11,500	78,586	67,086
Total revenues	<u>1,603,500</u>	<u>1,674,862</u>	<u>71,362</u>
Expenditures:			
Miscellaneous	46,252	-	(46,252)
Excess of revenues over expenditures	1,557,248	1,674,862	117,614
Other financing uses:			
Transfers out	<u>(1,660,383)</u>	<u>(1,660,383)</u>	-
Net change in fund balance	(103,135)	14,479	117,614
Fund balance, beginning	<u>103,135</u>	<u>118,686</u>	<u>15,551</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 133,165</u>	<u>\$ 133,165</u>

See accompanying notes to basic financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS
STATEMENT OF FIDUCIARY NET POSITION

December 31, 2019

	Pension Trust Fund
Assets:	
Restricted cash	\$ 523,991
Restricted investments, at fair value:	
Common stock	9,838,604
Fixed income	4,767,371
Total restricted investments	14,605,975
Interest receivable	36,245
Total assets	\$ 15,166,211
Net position:	
Restricted for pension	\$ 15,166,211

See accompanying notes to basic financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended December 31, 2019

	<u>Pension Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 750,000
Plan members	<u>122,022</u>
Total contributions	<u>872,022</u>
Investment earnings:	
Interest and dividends on investments	305,295
Net increase in the fair value of investments	<u>2,317,588</u>
Total investment earnings	<u>2,622,883</u>
Total additions	3,494,905
Deductions:	
Benefits	<u>1,050,879</u>
Change in net position	2,444,026
Net position restricted for pension, beginning	<u>12,722,185</u>
Net position restricted for pension, ending	<u><u>\$ 15,166,211</u></u>

See accompanying notes to basic financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2019

1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Prairie Village, Kansas (the City) is located in Johnson County and was incorporated in 1951. The City is a city of the first class and operates under a Mayor-Council form of government, providing services to its approximately 22,000 residents in many areas, including urban management and planning; public works; public safety; municipal justice; and parks and community programs.

Fiduciary Component Unit

The Prairie Village, Kansas Police Department Retirement Plan (the Plan) is a fiduciary component unit of the City and is reported as a fiduciary fund. The Plan is a legally separate entity. The City appoints a voting majority of the Plan's Board of Trustees and the City is legally obligated to make contributions to the Plan. The Plan is also administered through a trust that meets the criteria in paragraph 3 of Governmental Accounting Standards Board Statement No. 67.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All nonfiduciary activities of the City are governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to use in meeting the operational or capital requirements of a particular function. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Each fund is considered to be a separate accounting entity, accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Governmental resources are allocated to and accounted for within individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Property, sales, utility franchise taxes, interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

While property taxes receivable and special assessments receivable are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year end because statutory provisions prohibit their use until the year for which they were raised and budgeted. Instead, they are offset by unavailable revenue accounts.

The Pension Trust Fund is reported using the economic resources measurement focus and the accrual basis of accounting.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Solid Waste Management Fund* accounts for the operation of the City's solid waste management system, which provides for the collection, storage, and transportation of solid waste in a manner which ensures protection of the health, safety, and welfare of City residents and is funded by the solid waste management fee, a special assessment on all properties in the City based on square feet of impervious area.

The *Bond and Interest Fund* accounts for the accumulation of resources and payment of the City's long-term debt.

The *Stormwater Fund* accounts for the operation of the City's stormwater management program and is funded by the stormwater utility fee, a special assessment on all properties in the City based on square feet of impervious area.

The *Capital Projects Fund* accounts for major infrastructure project expenditures.

Additionally, the City reports the following fiduciary fund type:

The *Pension Trust Fund*, which reports the Prairie Village, Kansas Police Department Retirement Plan, accumulates the resources for pension benefit payments to qualified public safety employees.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Deposits and Investments

The City's cash and investments are considered to be demand deposits, time deposits, fixed income securities, mutual funds, money market mutual funds, and cash held by the State of Kansas Municipal Investment Pool. The City considers all highly liquid, short-term investments with original maturities of 90 days or less to be cash equivalents.

Investments are reported in the accompanying financial statements at fair value, except for certain certificates of deposit that are reported at cost because they are nontransferable, with terms unaffected by changes in market interest rates.

Changes in fair value that occur during the fiscal year are recognized as investment revenue reported for that fiscal year. Investment revenue includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

Receivables and Payables

Receivables are reported on the government-wide financial statements net of an allowance for uncollectibles. The largest allowance for uncollectibles is for property taxes, equal to 1.00% of the fiscal year's total property taxes assessment.

Tax statements are mailed November 1 each year and may be paid in full or one-half on or before December 20 with the remaining one-half due on or before May 10 of the following year. Taxes that are unpaid on the due dates are considered delinquent and accrue interest at a per annum rate established by State law until paid or until the property is sold for taxes. Real estate bearing unpaid taxes is advertised for sale on or before August 1 of each year and is sold by the County for taxes and all legal charges on the first Tuesday in September. Properties that are sold and not redeemed within two years after the tax sale are subject to foreclosure sale, except homestead properties which are subject to foreclosure sale after three years.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Receivables and Payables (Continued)

Personal taxes are due and may be paid in the same manner as real estate taxes, with the same interest applying to delinquencies. If personal taxes are not paid when due, and after written notice has been given, warrants are issued and placed in the hands of the sheriff for collection. If not paid on or before October 1, legal judgment is entered and the delinquent tax becomes a lien on the property. Unless renewed, a non-enforced lien expires five years after it is entered.

Motor vehicle taxes are collected periodically throughout the year concurrently with the renewal of motor vehicle tags based upon the value of such vehicles. Such tax receipts are distributed to all taxing subdivisions, including the State of Kansas, in proportion to the number of mills levied within each taxpayer's tax levy unit.

The City may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the City and the assessed valuations provided by the County appraiser.

The City also assesses fees for the solid waste and stormwater funds that are collected through the tax statements mailed on November 1 each year.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the governmental funds unavailable revenue is reported as follows:

General fund property taxes receivable	\$ 8,459,724
Solid waste management fund other assessments receivable	1,917,708
Stormwater fund other assessments receivable	<u>1,604,164</u>
	<u>\$ 11,981,596</u>

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items of governmental funds are recorded as expenditures when consumed rather than when purchased.

Restricted Assets

Certain cash and investments are classified as restricted assets on the statement of net position and balance sheet because their use is limited to payment of redevelopment costs, debt service, Municipal Court bonds, fire/explosion cleanup bonds, or employee Section 125 plan expenses.

Capital Assets

Capital assets, which include land, buildings, improvements, equipment, infrastructure assets (e.g. streets, curbs, sidewalks, drainage systems, etc.), and construction in progress are reported in the government-wide financial statements as assets. Capital assets are defined by the City as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Preservation costs, which are expected to extend the life of the asset, are capitalized.

Capital assets, excluding land and infrastructure assets, are depreciated using the straight-line method and the estimated asset useful lives listed below. Depreciation expense for infrastructure assets is calculated using a composite rate based on the estimated historical cost and estimated useful lives as follows:

Buildings	40 years
Improvements other than buildings	15 years
Vehicles	2 - 12 years
Office equipment	3 - 25 years
Field equipment	5 - 20 years
Infrastructure	20 - 40 years

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. See Notes 8 and 10 for more information on the deferred outflows for the pension plans and other post-employment benefits (OPEB) plans, respectively.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. One item, *unavailable revenue/deferred receivables*, is reported in the governmental funds balance sheet and the governmental activities in the government-wide statement of net position. The governmental funds and governmental activities report unavailable revenues/deferred receivables from two sources: property taxes and other assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other two items, which are reported only in the government-wide statement of net position, are deferred inflows for the pension plans and the OPEB plans. See Note 8 and Note 10 for more information on the deferred inflows for the pension plans and OPEB plans, respectively.

Compensated Absences

Full-time City employees earn vacation leave based upon length of service, and unused vacation days can be carried forward to future years with certain limitations. Sick leave is earned at a rate of one day per month of employment. Employees retiring from or terminating their employment with the City are eligible to receive payment for their accumulated vacation and for a portion of their accumulated sick leave.

All vested or accumulated vacation, scheduled holiday leave, and sick leave are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The City estimates that \$ 529,675 of the compensated absence liability, as of December 31, 2019, will be due within one year.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Pensions

For purposes of measuring the collective 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/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS, and information about the fiduciary net position of the Prairie Village, Kansas Police Department Retirement Plan (the Plan) and additions/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The investments are reported at fair value.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of December 31, 2019, fund balances for governmental funds are made up of the following:

Nonspendable fund balances include amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed fund balances include amounts that can only be used for specific purposes determined by a formal action, an ordinance, of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City Council taking the same formal action, an ordinance, that originally imposed the constraint.

Assigned fund balances include amounts intended to be used by the City for specific purposes that are neither restricted nor committed. The City Council authorizes by resolution the City Administrator to assign fund balances. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of the assignment.

Unassigned fund balances are used as the residual classification for the General Fund and include all amounts not contained in other classifications. The General Fund is the only fund that can report a positive unassigned fund balance amount. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

CITY OF PRAIRIE VILLAGE, KANSAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 (Continued)

1 - Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

The following is the detail for fund balance classifications in the financial statements:

	Major Governmental Funds					Other Governmental Funds	Total Governmental Funds
	General	Solid Waste Management	Bond and Interest	Stormwater	Capital Projects		
Fund balances:							
Nonspendable for:							
Prepaid items	\$ 414,413	\$ -	\$ -	\$ -	\$ -	\$ 1,628	\$ 416,041
Restricted for:							
Grants	-	-	-	-	-	544,542	544,542
Community improvement districts	-	-	-	-	-	235,002	235,002
Urban management and planning	-	-	-	-	-	83,303	83,303
Public works	-	-	-	-	-	94,708	94,708
Alcohol awareness programs	-	-	-	-	-	72,324	72,324
Debt	-	-	55,472	-	-	50,250	105,722
Committed for:							
Trash and recycling services	-	187,026	-	-	-	-	187,026
City infrastructure needs	146,721	-	-	133,165	-	-	279,886
Assigned for:							
Urban management and planning	426,447	-	-	-	-	4,197	430,644
Public works	-	-	-	-	10,735,606	102,882	10,838,488
Alcohol awareness programs	-	-	-	-	-	10,721	10,721
Unassigned	7,570,375	-	-	-	-	-	7,570,375
Total fund balances	<u>\$ 8,557,956</u>	<u>\$ 187,026</u>	<u>\$ 55,472</u>	<u>\$ 133,165</u>	<u>\$ 10,735,606</u>	<u>\$ 1,199,557</u>	<u>\$ 20,868,782</u>

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Net Position

In the government-wide financial statements, equity is displayed in three components as follows:

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Restricted net position includes \$ 235,002 for enabling legislation.

Unrestricted consists of net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources and deferred inflows of resources, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

1 - Summary of Significant Accounting Policies (Continued)

Pending Governmental Accounting Standards Board Statements

At December 31, 2019, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements that might impact the City are as follows:

GASB Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for periods beginning after June 15, 2021 as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this statement are effective for periods beginning after December 15, 2020 as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

GASB Statement No. 91, *Conduit Debt Obligations*, eliminates diversity in practice associated with government issuers' financial reporting of conduit debt obligations. The Statement achieves that objective by classifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer, establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improving required note disclosures. The requirements for this statement are effective for periods beginning after December 15, 2021 as a result of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

2 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$ (35,481,588) difference are as follows:

Bonds payable	\$ (24,630,000)
Issuance premium	(1,140,647)
Accrued interest payable	(173,849)
Compensated absences	(572,264)
Total other postemployment benefits liability	(238,813)
Net pension liability	<u>(8,726,015)</u>
 Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	 <u><u>\$ (35,481,588)</u></u>

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

2 - Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of the reconciliation explains that “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.” The details of this \$ 11,186,193 difference are as follow:

Capital outlay	\$ 13,860,208
Depreciation expense	<u>(2,674,015)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ 11,186,193</u>

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

2 - Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Another element of that reconciliation states that “The issuance of long-term debt (e.g. bonds) 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, however, 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 statements of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$ (9,558,738) difference are as follows:

Debt issued or incurred:	
General obligation bonds	\$ (9,890,000)
Plus premium	(878,738)
Principal repayments:	
General obligation debt	1,210,000
Net adjustment to reduce net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	\$ (9,558,738)

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

2 - Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$ (41,186) difference are as follows:

Compensated absences	\$ (24,297)
Amortization of bond premium	22,429
Accrued interest	<u>(39,318)</u>
Net adjustment to reduce net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (41,186)</u>

Another element of that reconciliation states that “payments of pension and other postemployment benefits (OPEB) contributions are expenditures in the governmental funds but reduce the net pension liability and total OPEB liability in the statement of net position. Additionally, the effects of changes in deferred outflows and deferred inflows for pensions and OPEB are only recorded in the statement of activities.” The details of this \$ (783,681) difference are as follows:

Pension payments	\$ (760,686)
OPEB payments	<u>(22,995)</u>
Net adjustment to reduce net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (783,681)</u>

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

3 - Stewardship, Compliance, and Accountability

Budgetary Information

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

The statutes allow for the governing body to increase the originally adopted budget 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 statutes permit management to transfer budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year end. Encumbered appropriations are carried forward.

A legal operating budget is not required for the Capital Projects Fund, Grant Fund, Meadowbrook TIF Fund, TIF fund, or the fiduciary fund.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

3 - Stewardship, Compliance, and Accountability (Continued)

Budgetary Information (Continued)

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather, as a restricted, committed, or assigned fund balance. At December 31, 2019, the City's recorded encumbrances in governmental funds were as follows:

General fund	<u>\$ 426,447</u>
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4 - Deposits and Investments

Deposits

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Kansas statutes require that deposits be collateralized, and that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the City. The City's deposit policy for custodial credit risk requires that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to K.S.A. 9-1402. If any mortgage is involved in the underlying value of the instruments pledged as security by an institution, City funds should be collateralized at market to 120% of total investment.

The City's cash is considered to be active funds by management and is invested according to K.S.A. 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the county or adjoining county in which the City is located and the banks provide an acceptable rate for active funds.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

4 - Deposits and Investments (Continued)

Deposits (Continued)

Custodial Credit Risk – Deposits (Continued)

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is included in cash and investments on the balance sheet. At December 31, 2019, the City's carrying amount of deposits, including certificates of deposit, was not exposed to custodial credit risk.

Investments

On December 31, 2019, the City's investments were as follows:

Investment Type	Fair Value	Rating	Maturity (in Years)			
			Less Than 1	1 - 3	3 - 6	6 - 10
State of Kansas Municipal Investment Pool	\$ 1,212,361	NR	\$ 1,212,361	\$ -	\$ -	\$ -
Money market mutual funds	2,705,897	NR	2,705,897	-	-	-
U.S. agencies	8,718,207	AA +	8,718,207	-	-	-
	<u>\$ 12,636,465</u>		<u>\$ 12,636,465</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NR - not rated

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

4 - Deposits and Investments (Continued)

Investments (Continued)

At December 31, 2019, the City has the following investments in its fiduciary fund:

Investment Type	Fair Value	Rating	Maturity (in Years)			
			Less Than 5	5 - 10	10 - 15	15+
Fixed income:						
Altria Group, Inc.	\$ 82,907	BBB	\$ 82,907	\$ -	\$ -	\$ -
Autonation, Inc.	80,204	BBB-	80,204	-	-	-
Bank of America Corp.	91,759	A-	91,759	-	-	-
Constellation Energy Group, Inc.	91,808	BBB	91,808	-	-	-
D R Horton, Inc.	32,012	BBB	32,012	-	-	-
Dollar Gen Corp.	103,290	BBB	103,290	-	-	-
FNMA	118,250	AA+/N/A	118,250	-	-	-
FHLMC	23,357	N/A	-	18,080	5,277	-
Ford Motor Credit Co., LLC	80,006	BBB-	80,006	-	-	-
GNMA	25,649	N/A	1,056	-	-	24,593
Goldman Sachs Group, Inc.	119,776	BBB+	119,776	-	-	-
Health Care REIT, Inc.	53,833	BBB+	-	53,833	-	-
Host Hotels & Resorts LP	26,688	BBB-	26,688	-	-	-
Ishares Intermediate Government/Credit Bond	286,945	N/A	-	-	-	286,945
Ishares Intermediate Corporate Bond	363,187	N/A	-	-	-	363,187
Ishares Short-Term Corporate Bond	440,892	N/A	-	-	-	440,892
JPMorgan Chase & Co.	107,839	A-	-	107,839	-	-
Macy's Retail Hldgs	50,463	BBB-	50,463	-	-	-
Marriott Intl Inc. 2015	26,746	BBB	-	26,746	-	-
Marriott Intl Inc. 2016	25,119	BBB	25,119	-	-	-
Mastercard Inc	42,448	A+	42,448	-	-	-
McDonalds Corp.	101,440	BBB+	101,440	-	-	-
Morgan Stanley	100,033	BBB+	100,033	-	-	-
Northrop Grumman Corp.	81,542	BBB	81,542	-	-	-
Omnicom Group Inc	79,025	BBB+	-	79,025	-	-
Packaging Corp.	80,587	BBB	80,587	-	-	-
Qualcomm Inc	41,011	A-	41,011	-	-	-
Republic Services, Inc.	56,823	BBB+	56,823	-	-	-
Roper Industrial, Inc.	86,267	BBB+	86,267	-	-	-
Salesforce.com, Inc.	104,023	A	104,023	-	-	-
Southwest Airlines Co.	51,210	BBB+	-	51,210	-	-
Stryker Corp.	25,019	A-	25,019	-	-	-
US Treasury Note	1,338,206	N/A	673,160	665,046	-	-
US Bancorp Mtns Bank	143,328	A+	143,328	-	-	-
US Treasury Bond	163,819	NR	-	163,819	-	-
Visa Inc	41,860	AA-	-	41,860	-	-
Total fixed income	4,767,371		\$ 2,439,019	\$ 1,207,458	\$ 5,277	\$ 1,115,617
Common stock	9,838,604					
Total	\$ 14,605,975					

N/A - not applicable

NR - not rated

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

4 - Deposits and Investments (Continued)

Investments (Continued)

Credit Risk

Various City investments are considered to be idle funds by management and are invested according to K.S.A. 12-1675. The statute requires that the City invest its idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the fund: U.S. Treasury bills or notes or the Kansas Municipal Investment Pool (KMIP). The City's investments in the KMIP were not rated by a rating agency as of December 31, 2019. Maturities of the above investments may not exceed two years by statute, except for certain bond proceeds and monies used to implement the City's multi-year capital improvements program.

The KMIP is under the oversight of the Pooled Money Investment Board (the Board). The Board is comprised of the State Treasurer and four additional members appointed by the State Governor. The Board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The fair value of the City's position in the KMIP is substantially the same as the value of the pool shares.

Some of the City's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, investment agreements with a financial institution, the obligations of which, at the time of investment, are rated in either of the three highest rating categories by Moody's investors service or Standard and Poor's corporation, and various other investments as specified in K.S.A. 10-131.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

4 - Deposits and Investments (Continued)

Investments (Continued)

Credit Risk (Continued)

The Pension Trust Fund investments are held by a bank's trust department in the City's name. By City policy, investments should be rated A or higher. Corporate debt securities should be of investment grade or better and only domestic fixed income securities are allowed. No more than ten percent of the fair value of the fixed income portion of the portfolio can be invested in any obligation of a single issuer, except for the U.S. Government and its agencies. In regard to interest rate risk, the portfolio duration will not vary from the duration of the benchmark by plus or minus 20 percent.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of managing its exposure to fair value losses arising from increasing interest rates, the City has a formally adopted investment policy that limits investment maturities. The policy states that the City must attempt to match investments with anticipated cash flow requirements.

Concentrations of Credit Risk

City policy states that funds held in the General Fund and other funds shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Diversification strategies shall be established, with periodic review and revision, as appropriate. Before a significant change in type of investments is made, staff will consult with the Finance Committee.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

4 - Deposits and Investments (Continued)

Investments (Continued)

Concentrations of Credit Risk (Continued)

In establishing specific diversification strategies, the following general policies and constraints will apply:

Maturities will be staggered in a way that avoids undue concentration of assets in a specific maturity sector. Maturities will be selected which provide for income stability and reasonable liquidity.

For short term cash management fund liquidity, investment practices will be followed which ensure that funds required for the next disbursement date and payroll date are covered through maturing investments or marketable U.S. Treasury securities.

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2019, the City's investments were not exposed to custodial credit risk.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation 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; Level 3 inputs are significant unobservable inputs. The City's investment in KMIP was considered a cash equivalent as all investments were held in the overnight pool. Investments that are considered cash equivalents are not classified in the fair value hierarchy.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

4 - Deposits and Investments (Continued)

Fair Value Measurement (Continued)

At December 31, 2019, the City's investments were categorized within the fair value hierarchy as follows:

Investment Type	Fair Value	Fair Value Measurements at Reporting Date Using		
		Level 1	Level 2	Level 3
Fixed income:				
U.S. agencies	\$ 8,718,207	\$ 8,718,207	\$ -	\$ -
Money market mutual funds	2,705,897	2,705,897	-	-
Total	\$ 11,424,104	\$ 11,424,104	\$ -	\$ -

At December 31, 2019, the City's fiduciary fund investments were categorized within the fair value hierarchy as follows:

Investment Type	Fair Value	Fair Value Measurements at Reporting Date Using		
		Level 1	Level 2	Level 3
Fixed income	\$ 4,767,371	\$ 4,767,371	\$ -	\$ -
Common stock	9,838,604	9,838,604	-	-
Total	\$ 14,605,975	\$ 14,605,975	\$ -	\$ -

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

5 - Capital Assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 14,961,866	\$ -	\$ -	\$ 14,961,866
Construction in progress	17,966,259	13,712,632	5,376,289	26,302,602
Total capital assets not being depreciated	32,928,125	13,712,632	5,376,289	41,264,468
Capital assets being depreciated:				
Buildings	6,815,565	-	-	6,815,565
Improvements other than buildings	1,445,899	-	-	1,445,899
Furniture and equipment	5,820,763	147,574	206,158	5,762,179
Infrastructure	70,940,660	5,376,291	11,788,468	64,528,483
Total capital assets being depreciated	85,022,887	5,523,865	11,994,626	78,552,126
Less accumulated depreciation for:				
Buildings	4,079,378	159,828	-	4,239,206
Improvements other than buildings	801,917	36,783	-	838,700
Furniture and equipment	4,098,775	399,847	205,277	4,293,345
Infrastructure	20,469,699	2,077,557	11,788,468	10,758,788
Total accumulated depreciation	29,449,769	2,674,015	11,993,745	20,130,039
Total capital assets being depreciated, net	55,573,118	2,849,850	881	58,422,087
Governmental activities capital assets, net	\$ 88,501,243	\$ 16,562,482	\$ 5,377,170	\$ 99,686,555

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

5 - Capital Assets (Continued)

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

Governmental activities:	
Urban management and planning	\$ 206,922
Public works	2,408,271
Public safety	<u>58,822</u>
Total depreciation expense	<u><u>\$ 2,674,015</u></u>

Capital Projects

The City is currently working on paving projects and performing various improvements. These projects are being funded primarily by the issuance of bonds.

Following is a summary of costs to December 31, 2019 for capital projects compared to the amount authorized:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitments</u>
Street improvements	\$ 7,344,909	\$ 261,637
Drainage programs	4,226,281	1,429,471
Park projects	1,878,481	892,665
Building improvements	34,986	73,000
ADA improvements	<u>741,935</u>	<u>279,819</u>
Total	<u><u>\$ 14,226,592</u></u>	<u><u>\$ 2,936,592</u></u>

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

6 - Interfund Receivables, Payables, and Transfers

Transfers to fund capital projects, insurance reserves, and economic development activities by fund for the year were as follows:

Transfers out	Transfers in			Total
	General Fund	Bond and Interest Fund	Capital Projects Fund	
General Fund	\$ -	\$ 1,074,975	\$ 5,460,370	\$ 6,535,345
Stormwater Fund	565,000	245,383	850,000	1,660,383
Nonmajor governmental funds	-	-	774,435	774,435
	<u>\$ 565,000</u>	<u>\$ 1,320,358</u>	<u>\$ 7,084,805</u>	<u>\$ 8,970,163</u>

7 - Long-Term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities such as the swimming pool, various public parks, and the public safety facility.

General obligation bonds payable at December 31, 2019 are comprised of the following issues:

	Interest Rates	Original Issue	Final Maturity	Principal Payments During 2019	Outstanding December 31, 2019
General obligation bonds:					
Series 2009-A	3.00%	\$ 10,085,000	9/1/2019	\$ 225,000	\$ -
Series 2011-A	1.85 - 2.00%	4,555,000	9/1/2021	555,000	1,615,000
Series 2016-A	2.00 - 5.00%	11,300,000	3/1/2036	-	11,300,000
Series 2016-C	3.00%	3,100,000	9/1/2023	430,000	1,825,000
Series 2019	3.00 - 4.50%	9,890,000	9/1/2049	-	9,890,000
				<u>\$ 1,210,000</u>	<u>\$ 24,630,000</u>

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

7 - Long-Term Debt (Continued)

General Obligation Bonds (Continued)

Call provisions at the option of the City included in the above bonds are as follows:

- Series 2011-A: Callable September 1, 2016 at par plus accrued interest
- Series 2016-A: Callable March 1, 2022 at par plus accrued interest
- Series 2019: Callable September 1, 2027 at par plus accrued interest

The installment ranges for the general obligation bonds are as follows:

	Installment Range	
	Low	High
General obligation bonds:		
Series 2011-A	\$ 800,000	\$ 815,000
Series 2016-A	100,000	935,000
Series 2016-C	435,000	475,000
Series 2019	195,000	545,000

Annual debt service requirements through maturity for general obligation bonds are as follows:

Year	Principal	Interest	Total
2020	\$ 1,335,000	\$ 629,243	\$ 1,964,243
2021	1,540,000	700,775	2,240,775
2022	1,250,000	652,300	1,902,300
2023	1,295,000	611,625	1,906,625
2024	850,000	575,650	1,425,650
2025-2029	4,740,000	2,519,278	7,259,278
2030-2034	5,685,000	1,795,634	7,480,634
2035-2039	3,190,000	1,031,250	4,221,250
2040-2044	2,185,000	611,100	2,796,100
2045-2049	2,560,000	234,900	2,794,900
Total	\$ 24,630,000	\$ 9,361,755	\$ 33,991,755

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

7 - Long-Term Debt (Continued)

Meadowbrook TIF Project

During 2016, the City issued \$ 11,300,000 in Series 2016-A general obligation bonds for the Meadowbrook TIF Project. This redevelopment project will support an 80-acre public park and a 50-acre private development on the site of the former golf course. The bonds constitute a general obligation of the City; however, incremental property tax and transient guest tax receipts will be captured from the private development, and the City has pledged those receipts, in part, to repay the bonds.

Change in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2019 was as follows:

	Balance December 31, 2018, Restated	Additions	Reductions	Balance December 31, 2019	Current Portion
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 15,950,000	\$ 9,890,000	\$ 1,210,000	\$ 24,630,000	\$ 1,335,000
Premium	284,338	878,738	22,429	1,140,647	-
Total bonds payable	<u>16,234,338</u>	<u>10,768,738</u>	<u>1,232,429</u>	<u>25,770,647</u>	<u>1,335,000</u>
Compensated absences	547,967	644,338	620,041	572,264	529,675
Total other postemployment benefits liability	226,340	29,833	17,360	238,813	-
Net pension liability	9,167,111	-	441,096	8,726,015	-
	<u>\$ 26,175,756</u>	<u>\$ 11,442,909</u>	<u>\$ 2,310,926</u>	<u>\$ 35,307,739</u>	<u>\$ 1,864,675</u>

For the governmental activities, compensated absences, the total other post-employment benefit liability, and the net pension liability are generally liquidated by the general, solid waste management, and special alcohol funds.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

7 - Long-Term Debt (Continued)

Conduit Debt Obligations

The City issued debt for economic development. This debt is issued for the benefit of third parties, and the City has no obligation beyond the initial lease or loan which has been assigned to various financial or banking entities. Therefore, the bonds are not reported as a liability in the accompanying financial statements. The following is a list of the outstanding bonds as of December 31, 2019:

Bond Issue	Interest Rate	Date Issue	Original Issue Amount	Final Maturity	Balance Outstanding
Silvercrest	2.00%	10/21/2019	\$ 35,000,000	12/31/2022	\$ 283,366
MB-18, LLC	2.00%	5/17/2016	22,500,000	12/31/2019	56,500
KCH MB Inn 54, LLC Project	2.00%	9/19/2018	9,000,000	9/1/2021	36,500

The City issued special obligation bonds during the year ended December 31, 2016. This debt is to be paid solely from incremental property tax generated by the private development of the Meadowbrook TIF project. Therefore, the bond is not reported as a liability in the accompanying financial statements. The following is a description of the outstanding special obligation bond as of December 31, 2019:

Bond Issue	Interest Rate	Date Issue	Original Issue Amount	Final Maturity	Balance Outstanding
Meadowbrook	6.00%	5/17/2016	\$ 8,135,000	3/1/2036	\$ 7,890,725

8 - Employee Retirement Systems and Defined Benefit Pension Plans

Pension Plans

All employees of the City, after meeting eligibility requirements, are covered under the Kansas Public Employees Retirement System (KPERs), except commissioned police officers, who are covered by the Prairie Village, Kansas Police Department Retirement Plan (the Plan). The Plan is accounted for as a separate Pension Trust Fund, while KPERs is administered by the State of Kansas. Each plan is described below.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Employee Retirement Systems and Defined Benefit Pension Plans (Continued)

Kansas Public Employees Retirement System

General Information About the Pension Plan

Description of Pension Plan

The City participates in a cost-sharing multiple-employer defined benefit pension plan (the Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides pension benefits to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which include:
 - State/School employees
 - Local employees
- Police and firemen
- Judges

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

Those employees participating in the Pension Plan for the City are included in the Local employees group.

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

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

8 - Employee Retirement Systems and Defined Benefit Pension Plans (Continued)

Kansas Public Employees Retirement System (Continued)

General Information About the Pension Plan (Continued)

Benefits Provided

Benefits are established by statute and may only be changed by the Kansas Legislature. Member employees (except police and firemen) with ten or more years of credited service may retire as early as age 55 (police and firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 points (police and firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees 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.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members, and employers. A new KPERS 3 cash balance retirement plan for new hires, starting January 1, 2015, was created. Normal retirement age for KPERS 3 members is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Employee Retirement Systems and Defined Benefit Pension Plans (Continued)

Kansas Public Employees Retirement System (Continued)

General Information About the Pension Plan (Continued)

Benefits Provided (Continued)

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6.00% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS 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 annual actuarial valuation for each of the three state-wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. KPERS is funded on an actuarial reserve basis.

For KPERS 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 related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.20% of total payroll.

The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate were 8.89% for the year ended December 31, 2019. Contributions to the Pension Plan from the City were \$ 342,574 for the year ended December 31, 2019.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Employee Retirement Systems and Defined Benefit Pension Plans (Continued)

Kansas Public Employees Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At December 31, 2019, the City reported a liability of \$ 2,866,444 for its proportionate share of the KPERS collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2019, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019.

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) 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 firemen
- Judges

To facilitate the 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 amounts presented in the schedules of pension amounts by employer and nonemployer. The City's proportion of the collective net pension liability was based on the ratio of the City's actual contributions to KPERS, relative to the total employer and nonemployer contributions of the Local group within KPERS for the KPERS fiscal year ended June 30, 2019. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. At June 30, 2019 the City's proportion was 0.205131%, which was an increase of 0.009924% from its proportion measured as of June 30, 2018.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Employee Retirement Systems and Defined Benefit Pension Plans (Continued)

Kansas Public Employees Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Continued)

For the year ended December 31, 2019, the City recognized pension expense of \$ 428,170. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,274	\$ 72,189
Net difference between projected and actual earnings on pension plan investments	67,438	-
Changes of assumptions	87,609	5,810
Changes in proportionate share	208,538	-
City contributions subsequent to measurement date	<u>171,379</u>	<u>-</u>
Total	<u>\$ 541,238</u>	<u>\$ 77,999</u>

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Employee Retirement Systems and Defined Benefit Pension Plans (Continued)

Kansas Public Employees Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Continued)

The \$ 171,379 reported as deferred outflows of resources related to pensions resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2020. Other 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 June 30,		
2020	\$	147,266
2021		31,289
2022		63,082
2023		48,219
2024		2,004
	\$	291,860

Actuarial Assumptions

The total pension liability for KPERS in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75 percent
Salary increases, including price inflation	3.50 to 12.00 percent
Long-term rate of return, net of investment expense, and including price inflation	7.75 percent

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

8 - Employee Retirement Systems and Defined Benefit Pension Plans (Continued)

Kansas Public Employees Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

Mortality rates were based on the RP-2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using scale MP-2016. Different adjustments apply to pre-retirement versus post-retirement versus post-disability mortality tables.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted for the three-year period ending December 31, 2015.

The long-term expected rate of return on 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 and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocations as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equities	47%	6.85%
Fixed income	13%	1.25%
Yield driven	8%	6.55%
Real return	11%	1.71%
Real estate	11%	5.05%
Alternatives	8%	9.85%
Short-term investments	2%	-0.25%
	100%	

CITY OF PRAIRIE VILLAGE, KANSAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 (Continued)

8 - Employee Retirement Systems and Defined Benefit Pension Plans (Continued)

Kansas Public Employees Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount rate

The discount rate used by KPERS to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the KPERS Board of Trustees for this group 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. 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 Collective Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share of the collective net pension liability	\$ 4,281,094	\$ 2,866,444	\$ 1,683,115

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Employee Retirement Systems and Defined Benefit Pension Plans (Continued)

Kansas Public Employees Retirement System (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources
Related to Pensions (Continued)**

Pension Plan Fiduciary Net Position

Detailed information about the Pension Plan's fiduciary net position is available in the separately issued KPERs financial report.

Prairie Village, Kansas Police Department Retirement Plan

Plan Description

Plan Administration

The City of Prairie Village, Kansas established and appointed the City of Prairie Village Police Pension Board of Trustees (the Pension Board) with responsibility to manage and administer the Prairie Village, Kansas Police Department Retirement Plan (the Plan), a single-employer defined benefit pension plan. The Plan provides pension benefits to eligible full-time commissioned law enforcement officers of the City who have been continually employed by the City for at least one year.

The Pension Board is composed of three members, with two of the members designated by the City and one member designated by the employees.

The Plan does not issue a stand-alone financial report but is included as a pension trust fund of the City.

CITY OF PRAIRIE VILLAGE, KANSAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 (Continued)

8 - Employee Retirement Systems and Defined Benefit Pension Plans (Continued)

Prairie Village, Kansas Police Department Retirement Plan (Continued)

Plan Description (Continued)

Plan Membership

As of January 1, 2019, pension plan membership consisted of the following:

Inactive plan members (or beneficiary) currently receiving benefits	46
Inactive plan members entitled to but not yet receiving benefits	13
Active plan members	47
	106

Benefits Provided

Retirement benefits for members are calculated as 2.5% of the member’s three-year final average salary times the member’s years of service (capped at 30). Plan members may retire at age 55 with five years of service or at any age with 20 years of service.

Disability retirement benefits are determined in the same manner as retirement benefits and are payable immediately with an actuarial reduction. Death benefits are determined as a lump sum of the actuarial value of the member’s accrued benefit reduced by any life insurance proceeds provided by the City.

The Pension Board reserves the right to amend the provisions of the Plan.

Contributions

Members contribute 4.0% of annual earnings (8.0% after 25 years of service). The City makes annual contributions based on a recommendation by an independent actuary. The five-year average contribution rate for plan years beginning 2015-2019 is 23.06% of annual payroll.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Employee Retirement Systems and Defined Benefit Pension Plans (Continued)

Prairie Village, Kansas Police Department Retirement Plan (Continued)

Contributions (Continued)

City contributions are authorized by local ordinances. The City may terminate the Plan or its contributions at any time. The actual employer contribution to the Plan during the year ended December 31, 2019 was \$ 750,000.

Investments

Investment Policy

Investment decisions are governed by the Pension Board. The objective of the Plan’s investment policy is to provide present and future retirement benefits by achieving an investment return that, at a minimum, equals the Plan’s actuarial interest rate assumption on an ongoing basis without exposing the Plan to undue risk. The following is the target asset allocation approved by the Pension Board:

Asset Class	Target Allocation
Large cap domestic equity	25%
Mid cap domestic equity	10%
Small cap domestic equity	10%
International equity	15%
Fixed income	35%
Other	5%
Total	100%

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Employee Retirement Systems and Defined Benefit Pension Plans (Continued)

Prairie Village, Kansas Police Department Retirement Plan (Continued)

Investments (Continued)

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 20.30%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The cash flows used as inputs in the calculation are determined on a monthly basis.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019.

Actuarial Assumptions

The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions:

Investment rate of return	7.25%
Discount rate	7.25%
Inflation rate	N/A
Salary scale	4.25%
Mortality table	PubS-2010 / MP 2018
Actuarial cost method	Entry age normal

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Employee Retirement Systems and Defined Benefit Pension Plans (Continued)

Prairie Village, Kansas Police Department Retirement Plan (Continued)

Net Pension Liability (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using benchmarking, recent performance and historical data to develop estimates of future real rates of return for each major asset class. These rates 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 ratio of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Large cap domestic equity	4.1%
Mid cap domestic equity	4.5%
Small cap domestic equity	4.6%
International equity	6.0%
Fixed income	0.1%
Other	0.5%
Cash	0.0%

Discount Rate

The discount rate used to measure the total pension liability as of December 31, 2019 was 7.25%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at 25.00% of covered payroll of current plan members for each year in the future plus contributions for future members in excess of their service costs. 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.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Employee Retirement Systems and Defined Benefit Pension Plans (Continued)

Prairie Village, Kansas Police Department Retirement Plan (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2018	\$ 19,168,520	\$ 12,722,185	\$ 6,446,335
Changes for the year:			
Service cost	425,927	-	425,927
Interest	1,456,843	-	1,456,843
Change of assumptions	851,203	-	851,203
Differences between expected and actual experience	174,169	-	174,169
Contributions-employer	-	750,000	(750,000)
Contributions-employee	-	122,022	(122,022)
Net investment income	-	2,622,884	(2,622,884)
Benefit payments, including refunds	(1,050,879)	(1,050,879)	-
Net changes	1,857,263	2,444,027	(586,764)
Balance at December 31, 2019	\$ 21,025,783	\$ 15,166,212	\$ 5,859,571

Plan fiduciary net position as a percentage of the total pension liability is 72.13%.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as the net pension liability calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 8,606,375	\$ 5,859,571	\$ 3,589,336

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

8 - Employee Retirement Systems and Defined Benefit Pension Plans (Continued)

Prairie Village, Kansas Police Department Retirement Plan (Continued)

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2019, the City recognized pension expense of \$ 1,424,514. At December 31, 2019, the City reported deferred outflows and inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 464,828	\$ -
Net difference between projected and actual earnings on pension plan investments	-	648,347
Changes of assumptions	1,143,676	-
	\$ 1,608,504	\$ 648,347

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,		
2020	\$	409,581
2021		290,682
2022		331,183
2023		(147,241)
2024		75,952
	\$	960,157

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

8 - Employee Retirement Systems and Defined Benefit Pension Plans (Continued)

Aggregate Pension Information

	Balances at December 31, 2019		
	KPERs	Police Department Retirement Plan	Total
Net pension liability	\$ 2,866,444	\$ 5,859,571	\$ 8,726,015
Deferred outflows of resources	541,238	1,608,504	2,149,742
Deferred inflows of resources	77,999	648,347	726,346
Pension expense	428,170	1,424,514	1,852,684

Deferred Compensation Plan

The City offers City employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plan are held in trust as described in IRC Section 457(g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the accounts and all other matters. Plan balances and activities are not reflected in the City's financial statements.

9 - Risk Management

The City is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

10 - Other Postemployment Benefit Healthcare Plans

Health Insurance

Plan Description

Benefits Provided and Contributions

The City offers postemployment health insurance for retired employees. The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the City. The other postemployment benefit (OPEB) plan (the OPEB Plan) provides medical benefits to eligible early retirees and their spouses. K.S.A. 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The OPEB Plan does not issue a standalone financial report.

The contribution requirements of plan participants and the City are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. If the employee retired prior to January 1, 2009, the contributions are equal to 100% of the full active premium. If the employee retired on or after January 1, 2009, the contributions are equal to 125% of the full active premium unless the employee accepted the early retirement incentive program during 2009, in which case they pay only 100% of the full active premium.

Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2019 totaled \$ 7,139.

Employees Covered by Benefit Terms

As of the actuarial valuation date of January 1, 2018, the following employees were covered by the benefit terms.

Inactive members currently receiving benefit payments	2
Active members	102
	104
	104

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

10 - Other Postemployment Benefit Healthcare Plans (Continued)

Health Insurance (Continued)

Total OPEB Liability

The City's total OPEB liability of \$ 157,786 was measured as of December 31, 2019 and was determined by an actuarial valuation performed as of January 1, 2018 updated to December 31, 2019 for year-end measurements.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate as of measurement date	3.44%
General inflation	2.50%
Salary increases	4.00%
Mortality table	RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2018 generational projection of future mortality improvement.
Future retiree participation rate	25.00%
Healthcare cost trend rates	
Current rate	7.75%
Ultimate rate	5.00%
Year ultimate rate is reached	2030
Actuarial cost method	Entry Age Normal - Level Percentage of Pay

The discount rate reflects the Bond Buyer index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

10 - Other Postemployment Benefit Healthcare Plans (Continued)

Health Insurance (Continued)

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2018	\$ 152,434
Changes for the year:	
Service cost	7,125
Interest	5,366
Benefit payments	(7,139)
Net changes	5,352
Balance at December 31, 2019	\$ 157,786

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.44 percent) or 1-percentage-point higher (4.44 percent) than the current discount rate:

	1% Decrease (2.44%)	Discount Rate (3.44%)	1% Increase (4.44%)
Total OPEB liability	\$ 178,843	\$ 157,786	\$ 139,829

CITY OF PRAIRIE VILLAGE, KANSAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 (Continued)

10 - Other Postemployment Benefit Healthcare Plans (Continued)

Health Insurance (Continued)

Changes in Total OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 138,132	\$ 157,786	\$ 180,902

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2019, the City recognized OPEB expense of \$ 16,466.

At December 31, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 4,429
Changes of assumptions	21,011
	\$ 25,440

CITY OF PRAIRIE VILLAGE, KANSAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 (Continued)

10 - Other Postemployment Benefit Healthcare Plans (Continued)

Health Insurance (Continued)

OPEB Expense and Deferred Outflows and Inflows of Resources (Continued)

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

Year Ended December 31,		
2020	\$	3,975
2021		3,975
2022		3,975
2023		3,975
2024		3,975
Thereafter		5,565
	\$	25,440

Disability Benefits and Life Insurance

Plan Description

Benefits Provided and Contributions

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

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

10 - Other Postemployment Benefit Healthcare Plans (Continued)

Disability Benefits and Life Insurance (Continued)

Plan Description (Continued)

Benefits Provided and Contributions (Continued)

Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2019 totaled \$ 38,535.

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

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 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.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

10 - Other Postemployment Benefit Healthcare Plans (Continued)

Disability Benefits and Life Insurance (Continued)

Plan Description (Continued)

Benefits Provided and Contributions (Continued)

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.

Employees Covered by Benefit Terms

As of the valuation date of December 31, 2018, the following employees were covered by the benefit terms.

Active plan members	64
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Total OPEB Liability

The City's total OPEB liability of \$ 81,027 was measured as of June 30, 2019 and was determined by an actuarial valuation performed as of December 31, 2018.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

10 - Other Postemployment Benefit Healthcare Plans (Continued)

Disability Benefits and Life Insurance (Continued)

Total OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.50%
Implicit inflation rate	2.75%
Mortality table	Local males: 90% of RP-2014 M Total Dataset +2 Local females: 90% of RP-2014 F Total Dataset +1 Generational mortality improvements were projected for future years using MP-2019.
Salary increases	3.50% (composed of 2.75% inflation and 0.75% productivity)
Payroll growth	4.00% long-term growth for actuarial valuation. 3.00% near-term growth for cash flow projections.
Actuarial cost method	Entry age normal

The discount rate was based on the Bond Buyer General Obligation 20-Year Municipal Index.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013 through December 31, 2015.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

10 - Other Postemployment Benefit Healthcare Plans (Continued)

Disability Benefits and Life Insurance (Continued)

Changes and items of impact relative to the prior valuation were as follows.

1. The discount rate was updated in accordance with the requirements of GASB 75.
2. The mortality projection scale was updated to the most recent table published by the Society of Actuaries.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2018	\$ 73,906
Changes for the year:	
Service cost	13,942
Interest on total OPEB liability	3,400
Effect of economic/demographic gains or losses	(11,104)
Effect of assumptions changes or inputs	883
Net changes	7,121
Balance at December 31, 2019	\$ 81,027

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 83,028	\$ 81,027	\$ 78,492

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

10 - Other Postemployment Benefit Healthcare Plans (Continued)

Disability Benefits and Life Insurance (Continued)

Changes in the Total OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 81,027	\$ 81,027	\$ 81,027

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2019, the City recognized OPEB expense of \$ 14,210. At December 31, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 24,321
Changes of assumptions	792	1,502
Benefit payments subsequent to the measurement date	19,278	-
	\$ 20,070	\$ 25,823

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

10 - Other Postemployment Benefit Healthcare Plans (Continued)

Disability Benefits and Life Insurance (Continued)

OPEB Expense and Deferred Outflows and Inflows of Resources (Continued)

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$ 19,278 consists of payments made to KPERS for benefits and administrative costs and will be recognized as a reduction in the total OPEB liability during the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,		
2020	\$	(3,132)
2021		(3,132)
2022		(3,132)
2023		(3,132)
2024		(3,132)
Thereafter		(9,371)
	\$	(25,031)

Aggregate OPEB Information

	Balances at December 31, 2019		
	Health Insurance	Disability Benefits and Life Insurance	Total
Total OPEB liability	\$ 157,786	\$ 81,027	\$ 238,813
Deferred outflows of resources	25,440	20,070	45,510
Deferred inflows of resources	-	25,823	25,823
OPEB expense	16,466	14,210	30,676

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

11 - Subsequent Events

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the City operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the pandemic.

It is unknown how long the adverse conditions associated with the pandemic will last and what the complete financial effect will be to the City. Accordingly, while management cannot quantify the financial and other impacts to the City as of December 31, 2019, management believes that a material impact on the City's financial position and results of future operations is reasonably possible.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PRAIRIE VILLAGE, KANSAS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Health Insurance

Last Two Fiscal Years¹

	<u>2019</u>	<u>2018</u>
Total OPEB liability:		
Service cost	\$ 7,125	\$ 6,851
Interest	5,366	5,168
Difference between expected and actual experience	-	5,813
Changes of assumptions	-	27,577
Benefit payments	<u>(7,139)</u>	<u>(5,898)</u>
Net change in total OPEB liability	5,352	39,511
Total OPEB liability, beginning	<u>152,434</u>	<u>112,923</u>
Total OPEB liability, ending	<u>\$ 157,786</u>	<u>\$ 152,434</u>
Covered payroll	6,305,728	6,063,200
City's total OPEB liability as a percentage of covered payroll	2.50%	2.51%

¹ GASB 75 requires the presentation of 10 years. Data was not available prior to fiscal year 2018. Therefore, 10 years of data is unavailable.

CITY OF PRAIRIE VILLAGE, KANSAS

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Disability Benefits and Life Insurance

Last Two Fiscal Years¹

	<u>2019</u>	<u>2018</u>
Total OPEB liability:		
Service cost	\$ 13,942	\$ 13,808
Interest on total OPEB liability	3,400	3,201
Effect of economic/demographic gains or losses	(11,104)	(18,092)
Effect of assumptions changes or inputs	<u>883</u>	<u>(617)</u>
Net change in total OPEB liability	7,121	(1,700)
Total OPEB liability, beginning	<u>73,906</u>	<u>75,606</u>
Total OPEB liability, ending	<u>\$ 81,027</u>	<u>\$ 73,906</u>
Covered payroll	3,664,095	3,392,912
City's total OPEB liability as a percentage of covered payroll	2.21%	2.18%

¹ GASB 75 requires the presentation of 10 years. Data was not available prior to fiscal year 2018. Therefore, 10 years of data is unavailable.

CITY OF PRAIRIE VILLAGE, KANSAS

Schedule of the City's Proportionate Share of the Collective Net Pension Liability

Kansas Public Employees Retirement System

Last Six Fiscal Years¹

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the collective net pension liability	0.205131%	0.195207%	0.188944%	0.185976%	0.181381%	0.175357%
City's proportionate share of the collective net pension liability	\$ 2,866,444	\$ 2,720,776	\$ 2,736,770	\$ 2,877,104	\$ 2,381,613	\$ 2,158,317
City's covered payroll ²	\$ 3,799,308	\$ 3,496,232	\$ 3,353,853	\$ 3,186,417	\$ 3,021,720	\$ 2,831,802
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	75.45%	77.82%	81.60%	90.29%	78.82%	76.22%
Plan fiduciary net position as a percentage of the total pension liability	69.88%	68.88%	67.12%	65.10%	64.95%	66.60%

¹ GASB 68 requires presentation of 10 years. Data was not available prior to fiscal year 2014. Therefore 10 years of data is unavailable.

² Covered payroll corresponds to the measurement date for the year ended June 30.

CITY OF PRAIRIE VILLAGE, KANSAS

Schedule of City's Contributions

Kansas Public Employees Retirement System

Last Nine Fiscal Years¹

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 342,574	\$ 308,260	\$ 287,269	\$ 301,098	\$ 297,680	\$ 259,273	\$ 222,595	\$ 219,294	\$ 198,937
Contributions in relation to the contractually required contribution	(342,574)	(307,554)	(287,336)	(301,218)	(297,680)	(259,771)	(219,417)	(219,294)	(199,650)
Contribution deficiency (excess)	\$ -	\$ 706	\$ (67)	\$ (120)	\$ -	\$ (498)	\$ 3,178	\$ -	\$ (713)
City's covered payroll ²	\$ 3,853,475	\$ 3,665,718	\$ 3,396,419	\$ 3,279,929	\$ 3,140,078	\$ 2,938,590	\$ 2,777,726	\$ 2,987,653	\$ 2,962,170
Contributions as a percentage of employee payroll	8.89%	8.41%	8.46%	9.18%	9.48%	8.82%	8.01%	7.34%	6.72%

¹ GASB 68 requires presentation of 10 years. Data was not available prior to fiscal year 2011. Therefore, 10 years of data is unavailable.

² Covered payroll is for the year ended December 31.

Source: KPERS and City of Prairie Village

CITY OF PRAIRIE VILLAGE, KANSAS

Schedule of Changes in Net Pension Liability

Prairie Village, Kansas Police Department Retirement Plan

Last Six Fiscal Years¹

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 425,927	\$ 387,903	\$ 367,757	\$ 345,522	\$ 339,165	\$ 330,280
Interest on the total pension liability	1,456,843	1,331,483	1,269,817	1,214,480	1,118,869	1,049,818
Changes of benefit terms	-	-	-	145,256	-	-
Difference between expected and actual experience	174,169	213,587	109,485	562,512	81,451	(162,703)
Changes of assumptions	851,203	572,317	-	467,966	-	-
Benefit payments	(1,050,879)	(1,056,498)	(961,959)	(945,835)	(822,334)	(671,716)
Net change in total pension liability	1,857,263	1,448,792	785,100	1,789,901	717,151	545,679
Total pension liability, beginning of year	19,168,520	17,719,728	16,934,628	15,144,727	14,427,576	13,881,897
Total pension liability, end of year (a)	<u>\$ 21,025,783</u>	<u>\$ 19,168,520</u>	<u>\$ 17,719,728</u>	<u>\$ 16,934,628</u>	<u>\$ 15,144,727</u>	<u>\$ 14,427,576</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 750,000	\$ 620,000	\$ 550,000	\$ 450,000	\$ 450,000	\$ 450,000
Contributions - member	122,022	107,036	102,564	98,234	100,926	103,250
Net investment income	2,622,884	(750,750)	1,811,945	872,971	21,764	683,502
Benefit payments	(1,050,879)	(1,056,498)	(961,959)	(945,835)	(822,334)	(671,716)
Net change in plan fiduciary net position	2,444,027	(1,080,212)	1,502,550	475,370	(249,644)	565,036
Plan fiduciary net position, beginning of year	12,722,185	13,802,397	12,299,847	11,824,477	12,074,121	11,509,085
Plan fiduciary net position, end of year (b)	<u>\$ 15,166,212</u>	<u>\$ 12,722,185</u>	<u>\$ 13,802,397</u>	<u>\$ 12,299,847</u>	<u>\$ 11,824,477</u>	<u>\$ 12,074,121</u>
Net pension liability (a) - (b)	<u>\$ 5,859,571</u>	<u>\$ 6,446,335</u>	<u>\$ 3,917,331</u>	<u>\$ 4,634,781</u>	<u>\$ 3,320,250</u>	<u>\$ 2,353,455</u>
Plan fiduciary net position as a percentage of the total pension liability	72.13%	66.37%	77.89%	72.63%	78.08%	83.69%
Covered payroll	\$ 2,902,309	\$ 2,540,676	\$ 2,590,141	\$ 2,552,502	\$ 2,646,019	\$ 2,602,453
Net pension liability as a percentage of the covered payroll	201.89%	253.73%	151.24%	181.58%	125.48%	90.43%

¹ GASB 67 requires presentation of 10 years. Data was not available prior to fiscal year 2014. Therefore, 10 years of data is unavailable.

CITY OF PRAIRIE VILLAGE, KANSAS

Schedule of Employer Contributions

Prairie Village, Kansas Police Department Retirement Plan

Last Six Fiscal Years¹

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 806,473	\$ 687,563	\$ 582,018	\$ 547,886	\$ 433,897	\$ 429,284
Actual contributions recognized during the year	<u>750,000</u>	<u>620,000</u>	<u>550,000</u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>
Contribution deficiency (excess)	<u>\$ 56,473</u>	<u>\$ 67,563</u>	<u>\$ 32,018</u>	<u>\$ 97,886</u>	<u>\$ (16,103)</u>	<u>\$ (20,716)</u>
Covered payroll	\$ 2,902,309	\$ 2,540,676	\$ 2,590,141	\$ 2,552,502	\$ 2,646,019	\$ 2,602,453
Contributions as a percentage of covered payroll	25.84%	24.40%	21.23%	17.63%	17.01%	17.29%

Methods and assumptions for actuarially determined contribution:

Actuarial cost method	Entry age normal
Amortization method	Average remaining service
Salary scale	4.25%
Investment rate of return	7.25%
Mortality table	PubS-2010/MP 2018

¹ GASB 67 requires presentation of 10 years. Data was not available prior to fiscal year 2014. Therefore, 10 years of data is unavailable.

CITY OF PRAIRIE VILLAGE, KANSAS

Schedule of Investment Returns

Prairie Village, Kansas Police Department Retirement Plan

Last Six Fiscal Years¹

<u>Fiscal Year</u>	<u>Annual Money-Weighted Rate of Return</u>
2019	20.03%
2018	-5.41%
2017	14.64%
2016	7.36%
2015	0.18%
2014	5.88%

¹ GASB 67 requires presentation of 10 years. Data was not available prior to fiscal year 2014. Therefore, 10 years of data is unavailable.

OTHER SUPPLEMENTARY INFORMATION

CITY OF PRAIRIE VILLAGE, KANSAS

COMBINING STATEMENTS – NONMAJOR GOVERNMENTAL FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

1. **Special City Street and Highway Fund** – This fund accounts for gasoline taxes designated for construction and maintenance of the City streets and curbing and related expenditures.
2. **Special Parks and Recreation Fund** – This fund is used to fund various City-sponsored park and recreation activities funded by the state liquor tax.
3. **Special Alcohol Fund** – This fund accounts for the operation of services and programs pertaining to alcohol misuse and is funded by the state liquor tax.
4. **Grant Fund** – This fund accounts for the revenues and expenditures related to state and federal grants.
5. **Corinth CID** – This fund accounts for monies received from the Community Improvement District additional 1% sales tax to be expended on development within Corinth Square.
6. **PV Shops CID** – This fund accounts for monies received from the Community Improvement District additional 1% sales tax to be expended on development within PV Shops.
7. **Meadowbrook TIF Fund** – This fund accounts for the payment of eligible public and private redevelopment costs. The fund also accounts for incremental property and sales tax revenue received from the redevelopment district.
8. **TIF Fund** – This fund accounts for property tax distributions that are held by the City for the commercial piece of the Meadowbrook TIF distributions.

CITY OF PRAIRIE VILLAGE, KANSAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

December 31, 2019

	Special City Street and Highway	Special Parks and Recreation	Special Alcohol
Assets:			
Cash and investments	\$ 4,521	\$ -	\$ 88,948
Due from other governments	157,159	-	-
Prepaid items	-	-	1,628
Restricted cash and investments	-	-	-
Total assets	\$ 161,680	\$ -	\$ 90,576
Liabilities and fund balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 5,903
Fund balances:			
Nonspendable:			
Not in spendable form	-	-	1,628
Restricted	94,708	-	72,324
Assigned	66,972	-	10,721
Total fund balances	161,680	-	84,673
Total liabilities and fund balances	\$ 161,680	\$ -	\$ 90,576

Special Revenue					Total Nonmajor Governmental Funds
Grant	Corinth CID	PV Shops CID	Meadowbrook TIF	TIF	
\$ 544,542	\$ 150,023	\$ 136,334	\$ -	\$ 87,500	\$ 1,011,868
-	88,594	111,508	-	-	357,261
-	-	-	-	-	1,628
-	-	-	50,250	-	50,250
<u>\$ 544,542</u>	<u>\$ 238,617</u>	<u>\$ 247,842</u>	<u>\$ 50,250</u>	<u>\$ 87,500</u>	<u>\$ 1,421,007</u>
\$ -	\$ 153,126	\$ 62,421	\$ -	\$ -	\$ 221,450
-	-	-	-	-	1,628
544,542	68,392	166,610	50,250	83,303	1,080,129
-	17,099	18,811	-	4,197	117,800
<u>544,542</u>	<u>85,491</u>	<u>185,421</u>	<u>50,250</u>	<u>87,500</u>	<u>1,199,557</u>
<u>\$ 544,542</u>	<u>\$ 238,617</u>	<u>\$ 247,842</u>	<u>\$ 50,250</u>	<u>\$ 87,500</u>	<u>\$ 1,421,007</u>

CITY OF PRAIRIE VILLAGE, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2019

	Special City Street and Highway	Special Parks and Recreation	Special Alcohol
Revenues:			
Property tax	\$ -	\$ -	\$ -
Sales tax	-	-	-
Intergovernmental	617,656	130,233	130,333
Interest earnings	34,558	67	2,664
Other	-	-	-
Total revenues	<u>652,214</u>	<u>130,300</u>	<u>132,997</u>
Expenditures:			
Current:			
Urban management and planning	-	-	-
Public safety	-	-	111,713
Leisure and recreation	-	-	46,351
Debt service:			
Interest	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>158,064</u>
Excess (deficiency) of revenues over (under) expenditures	<u>652,214</u>	<u>130,300</u>	<u>(25,067)</u>
Other financing uses:			
Transfers out	<u>(643,000)</u>	<u>(131,435)</u>	<u>-</u>
Net change in fund balances	9,214	(1,135)	(25,067)
Fund balances, beginning	<u>152,466</u>	<u>1,135</u>	<u>109,740</u>
Fund balances, ending	<u>\$ 161,680</u>	<u>\$ -</u>	<u>\$ 84,673</u>

Special Revenue					Total Nonmajor Governmental Funds
Grant	Corinth CID	PV Shops CID	Meadowbrook TIF	TIF	
\$ -	\$ -	\$ -	\$ -	\$ 648,699	\$ 648,699
-	525,041	538,118	-	-	1,063,159
3,138	-	-	-	-	881,360
-	8,434	6,960	5,294	4,197	62,174
-	-	-	87,139	-	87,139
<u>3,138</u>	<u>533,475</u>	<u>545,078</u>	<u>92,433</u>	<u>652,896</u>	<u>2,742,531</u>
-	606,846	517,422	-	595,010	1,719,278
-	-	-	-	-	111,713
-	-	-	-	-	46,351
-	-	-	292,201	-	292,201
-	<u>606,846</u>	<u>517,422</u>	<u>292,201</u>	<u>595,010</u>	<u>2,169,543</u>
<u>3,138</u>	<u>(73,371)</u>	<u>27,656</u>	<u>(199,768)</u>	<u>57,886</u>	<u>572,988</u>
-	-	-	-	-	(774,435)
3,138	(73,371)	27,656	(199,768)	57,886	(201,447)
<u>541,404</u>	<u>158,862</u>	<u>157,765</u>	<u>250,018</u>	<u>29,614</u>	<u>1,401,004</u>
<u>\$ 544,542</u>	<u>\$ 85,491</u>	<u>\$ 185,421</u>	<u>\$ 50,250</u>	<u>\$ 87,500</u>	<u>\$ 1,199,557</u>

CITY OF PRAIRIE VILLAGE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 BUDGETARY BASIS
 SPECIAL CITY STREET AND HIGHWAY FUND

Year Ended December 31, 2019

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 591,170	\$ 617,656	\$ 26,486
Interest earnings	6,500	34,558	28,058
Total revenues	597,670	652,214	54,544
Expenditures:			
Miscellaneous	51,216	-	(51,216)
Excess of revenues over expenditures	546,454	652,214	105,760
Other financing uses:			
Transfers out	(643,000)	(643,000)	-
Net change in fund balance	(96,546)	9,214	105,760
Fund balance, beginning	96,546	152,466	55,920
Fund balance, ending	\$ -	\$ 161,680	\$ 161,680

CITY OF PRAIRIE VILLAGE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 BUDGETARY BASIS
 SPECIAL PARKS AND RECREATION FUND

Year Ended December 31, 2019

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 136,233	\$ 130,233	\$ (6,000)
Interest earnings	1,200	67	(1,133)
Total revenues	<u>137,433</u>	<u>130,300</u>	<u>(7,133)</u>
Other financing uses:			
Transfers out	<u>(137,433)</u>	<u>(131,435)</u>	<u>(5,998)</u>
Net change in fund balance	-	(1,135)	(13,131)
Fund balance, beginning	<u>-</u>	<u>1,135</u>	<u>1,135</u>
Fund balance, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (11,996)</u></u>

CITY OF PRAIRIE VILLAGE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 BUDGETARY BASIS
 SPECIAL ALCOHOL FUND

Year Ended December 31, 2019

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:			
Intergovernmental	\$ 136,233	\$ 130,333	\$ (5,900)
Interest earnings	1,500	2,664	1,164
Total revenues	<u>137,733</u>	<u>132,997</u>	<u>(4,736)</u>
Expenditures:			
Public safety	117,833	111,713	(6,120)
Alcohol programs	55,000	46,351	(8,649)
Miscellaneous	67,452	-	(67,452)
Total expenditures	<u>240,285</u>	<u>158,064</u>	<u>(82,221)</u>
Net change in fund balance	(102,552)	(25,067)	77,485
Fund balance, beginning	<u>102,552</u>	<u>109,740</u>	<u>7,188</u>
Fund balance, ending	<u><u>\$ -</u></u>	<u><u>\$ 84,673</u></u>	<u><u>\$ 84,673</u></u>

CITY OF PRAIRIE VILLAGE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 BUDGETARY BASIS
 CORINTH CID FUND

Year Ended December 31, 2019

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:			
Sales tax	\$ 600,000	\$ 525,041	\$ (74,959)
Interest earnings	1,300	8,434	7,134
Total revenues	601,300	533,475	(67,825)
Expenditures:			
Urban management and planning	632,034	606,846	(25,188)
Net change in fund balance	(30,734)	(73,371)	(42,637)
Fund balance, beginning	30,734	158,862	128,128
Fund balance, ending	\$ -	\$ 85,491	\$ 85,491

CITY OF PRAIRIE VILLAGE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 BUDGETARY BASIS
 PV SHOPS CID FUND

Year Ended December 31, 2019

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Sales tax	\$ 500,000	\$ 538,118	\$ 38,118
Interest earnings	1,000	6,960	5,960
	<u>501,000</u>	<u>545,078</u>	<u>44,078</u>
Total revenues			
Expenditures:			
Urban management and planning	517,423	517,422	(1)
	<u>(16,423)</u>	<u>27,656</u>	<u>44,079</u>
Net change in fund balance			
Fund balance, beginning	16,423	157,765	141,342
	<u>16,423</u>	<u>157,765</u>	<u>141,342</u>
Fund balance, ending	\$ -	\$ 185,421	\$ 185,421
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

CITY OF PRAIRIE VILLAGE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 BUDGETARY BASIS
 BOND AND INTEREST FUND

Year Ended December 31, 2019

	Original and Final Budgeted Amounts	Actual Amounts Budgetary Basis	Variance with Final Budget
Revenues:			
Taxes	\$ -	\$ 960	\$ 960
Interest earnings	1,000	2,974	1,974
Total revenues	<u>1,000</u>	<u>3,934</u>	<u>2,934</u>
Expenditures:			
Debt service:			
Principal	1,210,000	1,210,000	-
Interest	110,358	110,358	-
Miscellaneous	41,390	-	(41,390)
Total expenditures	<u>1,361,748</u>	<u>1,320,358</u>	<u>(41,390)</u>
Deficiency of revenues under expenditures	(1,360,748)	(1,316,424)	44,324
Other financing sources:			
Transfers in	<u>1,320,358</u>	<u>1,320,358</u>	<u>-</u>
Net change in fund balance	(40,390)	3,934	44,324
Fund balance, beginning	<u>40,390</u>	<u>51,538</u>	<u>11,148</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 55,472</u>	<u>\$ 55,472</u>

CITY OF PRAIRIE VILLAGE, KANSAS

Statistical Section

This part of the City of Prairie Village's *Comprehensive Annual Financial Report (CAFR)* 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

Financial Trends 103 - 107

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 108 - 114

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity 115 - 118

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 Economical Information 119 - 120

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 121 - 123

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the CAFR for the relevant year.

CITY OF PRAIRIE VILLAGE, KANSAS

NET POSITION BY COMPONENT
LAST TEN YEARS
(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities:										
Net investment in										
capital assets	\$57,070,636	\$ 57,840,817	\$ 60,262,019	\$ 64,573,343	\$ 65,944,703	\$ 69,402,279	\$ 73,191,537	\$ 67,639,849	\$ 72,266,905	\$ 84,505,009
Restricted	241,470	815,844	4,174,238	3,870,795	1,283,840	1,188,395	1,025,181	1,782,120	1,255,343	1,029,879
Unrestricted	<u>13,092,359</u>	<u>15,547,991</u>	<u>13,320,442</u>	<u>11,492,251</u>	<u>13,350,435</u>	<u>7,555,949</u>	<u>3,751,188</u>	<u>6,243,697</u>	<u>7,606,664</u>	<u>981,944</u>
Total net position	<u>\$70,404,465</u>	<u>\$ 74,204,652</u>	<u>\$ 77,756,699</u>	<u>\$ 79,936,389</u>	<u>\$ 80,578,978</u>	<u>\$ 78,146,623</u>	<u>\$ 77,967,906</u>	<u>\$ 75,665,666</u>	<u>\$ 81,128,912</u>	<u>\$ 86,516,832</u>

Source: City of Prairie Village, Kansas Basic Financial Statements

CITY OF PRAIRIE VILLAGE, KANSAS

CHANGES IN NET POSITION
LAST TEN YEARS
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015 (1)	2016	2017	2018	2019
Expenses										
Governmental activities:										
Urban management and planning	\$3,272,655	\$3,895,696	\$4,244,767	\$4,775,294	\$5,610,397	\$4,882,050	\$8,623,968	\$12,353,285	\$7,425,936	\$6,509,668
Public works	9,767,738	8,609,223	8,594,229	8,957,801	10,350,103	8,923,476	8,505,865	8,121,135	7,761,346	7,766,100
Public safety	5,111,387	5,596,720	5,869,808	5,763,055	5,705,184	5,876,297	6,389,909	6,161,767	7,413,304	7,775,763
Municipal justice	370,192	395,493	417,302	427,211	403,023	403,523	428,880	438,568	469,351	494,208
Leisure and recreation	689,398	700,072	692,551	679,215	1,120,168	555,888	497,183	537,617	622,908	631,815
Interest on long-term debt	186,968	164,465	185,077	137,982	102,272	76,168	599,376	370,530	392,595	419,448
Total primary government expenses	19,398,338	19,361,669	20,003,734	20,740,358	23,291,147	20,717,402	25,045,181	27,982,902	24,085,440	23,597,002
Program revenues										
Governmental activities:										
Fees, fines, and charges for services:										
Urban management and planning	1,905,694	2,128,353	2,163,143	1,878,669	1,988,086	2,121,429	2,316,771	2,360,845	2,534,616	2,744,854
Public works	1,550,652	1,632,368	1,887,904	1,938,196	1,639,063	1,675,464	1,657,008	1,632,999	1,667,773	1,664,663
Public safety	2,326,639	2,544,678	2,352,645	2,521,270	2,528,803	2,232,943	2,259,804	2,258,140	2,496,472	2,378,490
Municipal justice	3,826	2,675	1,215	1,910	2,205	1,789	2,735	3,965	4,061	4,207
Leisure and recreation	473,123	457,726	482,082	432,665	424,345	426,651	433,456	429,929	420,199	416,621
Operating grants and contributions:										
Urban management and planning	2,517	3,472	-	-	-	-	-	-	-	-
Public works	169,534	-	-	-	-	-	-	-	-	-
Public safety	11,016	270,790	248,815	5,275	6,117	952,845	959,593	973,036	1,015,625	1,039,094
Capital grants and contributions:										
Public works	30,197	1,078,160	667,306	643,633	675,222	138,162	1,171,001	1,023,968	1,405,378	1,045,240
Public safety	201,359	-	-	-	-	-	-	-	-	-
Total primary government program revenues	6,674,557	8,118,222	7,803,110	7,421,618	7,263,841	7,549,283	8,800,368	8,662,882	9,544,124	9,293,169
Total primary government net (expense)	(12,723,781)	(11,243,447)	(12,200,624)	(13,318,740)	(16,027,306)	(13,168,119)	(16,244,813)	(19,300,020)	(14,541,316)	(14,303,833)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property	5,278,073	5,299,216	5,469,028	5,495,129	5,535,425	5,669,245	6,018,580	6,416,601	7,156,558	8,178,935
Sales and use	4,843,179	6,197,430	6,414,899	6,671,852	6,705,394	4,032,588	4,164,134	4,225,105	4,441,994	4,397,073
Motor vehicle	551,265	555,579	591,098	637,276	663,776	681,530	685,803	707,915	732,924	751,900
Franchise	1,792,180	1,820,275	1,798,641	1,594,085	2,395,072	1,979,976	1,991,903	1,961,828	2,119,628	1,900,281
Intergovernmental revenue not restricted to specific programs	935,569	955,456	1,073,000	1,077,749	1,148,390	3,015,993	3,036,688	3,469,454	3,750,019	3,786,448
Investment earnings	126,307	62,015	10,973	(25,845)	23,219	95,390	66,146	144,839	256,271	539,618
Gain (loss) on disposal of assets	-	-	29,683	36,200	68,700	17,638	21,331	-	-	-
Miscellaneous	111,587	153,663	186,339	101,163	129,919	148,759	81,511	72,138	183,385	137,498
Total primary government	13,638,160	15,043,634	15,573,661	15,587,609	16,669,895	15,641,119	16,066,096	16,997,780	18,640,779	19,691,753
Change in net position governmental activities	\$914,379	\$3,800,187	\$3,373,037	\$2,268,869	\$642,589	\$2,473,000	-\$178,717	-\$2,302,240	\$4,099,463	\$5,387,920

(1) Beginning in 2015, shared revenues received are being reported (1) either as unrestricted intergovernmental revenues or as operating/capital grants and contributions (if the revenues are restricted for specific programs) on the statement of activities and (2) as intergovernmental revenues on the statement of revenues, expenditures, and changes in fund balances.

Source: City of Prairie Village, Kansas Basic Financial Statements

CITY OF PRAIRIE VILLAGE, KANSAS
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN YEARS
 (modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund:										
Nonspendable	\$ -	\$ 96,836	\$ 103,927	\$ 108,959	\$ 173,325	\$ 210,673	\$ 259,796	\$ 292,655	\$ 356,434	\$ 414,413
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	1,659,165	2,053,036	1,994,854	1,942,029	1,887,943	1,603,200	620,075	547,748	146,721
Assigned	-	224,674	273,273	130,290	282,421	353,439	543,334	521,421	483,054	426,447
Unassigned	-	4,655,983	7,584,026	7,704,714	7,449,154	7,604,264	7,056,844	7,650,173	7,448,431	7,570,375
Reserved	223,607	-	-	-	-	-	-	-	-	-
Unreserved	4,610,498	-	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 4,834,105</u>	<u>\$ 6,636,658</u>	<u>\$ 10,014,262</u>	<u>\$ 9,938,817</u>	<u>\$ 9,846,929</u>	<u>\$ 10,056,319</u>	<u>\$ 9,463,174</u>	<u>\$ 9,084,324</u>	<u>\$ 8,835,667</u>	<u>\$ 8,557,956</u>
All other governmental funds:										
Nonspendable	\$ -	\$ 1,049	\$ 1,097	\$ 864	\$ 921	\$ 1,028	\$ 1,240	\$ 1,240	\$ 1,588	\$ 1,628
Restricted	-	6,869,182	3,150,862	757,583	1,315,273	1,216,879	9,003,452	1,782,120	1,389,874	1,135,601
Committed	-	2,699,470	1,708,872	1,390,809	623,657	643,148	732,851	543,442	477,718	320,191
Reserved	36,225	-	-	-	-	-	-	-	-	-
Assigned	-	-	2,888,400	3,579,303	3,185,852	2,244,690	3,182,118	3,114,346	5,577,722	10,853,406
Unreserved reported in:										
Special revenue funds	3,426,679	-	-	-	-	-	-	-	-	-
Capital project funds	5,604,888	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 9,067,792</u>	<u>\$ 9,569,701</u>	<u>\$ 7,749,231</u>	<u>\$ 5,728,559</u>	<u>\$ 5,125,703</u>	<u>\$ 4,105,745</u>	<u>\$ 12,919,661</u>	<u>\$ 5,441,148</u>	<u>\$ 7,446,902</u>	<u>\$ 12,310,826</u>

In 2011, the City implemented GASB Statements No. 54, under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned compared to the previous categories of reserved and unreserved.

Source: City of Prairie Village, Kansas Basic Financial Statements

CITY OF PRAIRIE VILLAGE, KANSAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015 ⁽¹⁾	2016	2017	2018	2019
Revenues:										
Taxes	\$12,464,717	\$13,857,373	\$14,273,666	\$14,398,342	\$15,299,667	\$12,363,339	\$12,860,420	\$13,311,349	\$14,451,104	\$15,228,189
Intergovernmental	1,232,019	2,187,709	1,845,599	1,573,842	1,666,363	3,949,255	5,020,889	5,297,606	5,991,483	5,682,669
Licenses and permits	441,168	468,647	462,139	513,642	519,991	680,469	831,578	748,657	840,706	1,016,286
Charges for services	4,665,931	4,976,771	4,974,070	4,693,746	4,569,935	4,570,600	4,603,404	4,732,874	4,971,602	5,071,707
Fines and forfeitures	992,645	1,154,857	1,075,209	1,239,844	1,195,088	905,453	911,058	899,054	1,043,189	863,819
Recreation fees	473,123	457,726	482,082	432,664	424,345	426,651	433,456	429,928	420,198	416,621
Interest earnings	126,307	59,316	10,973	(25,845)	23,219	95,390	66,146	144,839	256,271	452,484
Other	119,116	173,311	223,350	146,790	166,428	181,607	118,182	116,353	178,533	202,552
Total revenues	20,515,026	23,335,710	23,347,088	22,973,025	23,865,036	23,172,764	24,845,133	25,680,660	28,153,086	28,934,327
Expenditures:										
Urban management and planning	3,338,416	3,743,801	4,000,735	4,739,654	5,283,311	4,621,796	8,346,423	13,145,928	7,083,050	6,034,895
Public works	5,010,474	5,102,754	4,906,355	5,125,576	5,283,208	5,492,747	5,366,346	5,093,376	5,114,266	5,287,235
Public safety	5,386,918	5,448,152	5,583,686	5,413,123	5,591,436	5,544,123	5,610,246	5,822,294	6,466,404	6,885,497
Municipal justice	393,875	391,753	399,844	410,721	403,023	403,441	426,559	437,834	468,830	492,106
Leisure and recreation	520,703	531,525	526,896	483,523	496,462	531,771	457,295	534,216	605,360	631,815
Capital outlay	9,443,862	6,793,162	5,021,011	6,933,360	5,572,037	6,671,194	9,920,157	6,995,002	6,605,399	14,168,085
Debt service:										
Principal	1,790,000	2,130,000	1,810,000	1,835,000	1,870,000	725,000	730,000	1,170,000	1,175,000	1,210,000
Interest and other charges	169,654	275,459	190,486	164,385	129,003	92,750	168,442	432,973	425,163	402,559
Bond issuance costs	-	-	-	-	-	-	348,512	-43,675	-	-
Total expenditures	26,053,902	24,416,606	22,439,013	25,105,342	24,628,480	24,082,822	31,373,980	33,587,948	27,943,472	35,112,192
Excess of revenues over (under) expenditures	(5,538,876)	(1,080,896)	908,075	(2,132,317)	(763,444)	(910,058)	(6,528,847)	(7,907,288)	209,614	(6,177,865)
Other financing sources (uses):										
Transfer in	5,570,381	2,921,149	3,784,649	4,744,041	4,780,186	5,521,533	6,432,951	6,996,501	8,787,277	8,970,163
Transfer out	(5,570,381)	(3,299,379)	(3,784,649)	(4,744,041)	(4,780,186)	(5,521,533)	(6,432,951)	(6,996,501)	(8,787,277)	(8,970,163)
Bond premium	-	-	-	-	-	-	304,768	-	-	822,595
Bonds issued	-	4,555,000	-	-	-	-	14,400,000	-	-	9,890,000
Sale of general capital assets	-	-	29,683	36,200	68,700	99,490	44,850	49,925	28,470	51,483
Total other financing sources (uses)	-	4,176,770	29,683	36,200	68,700	99,490	14,749,618	49,925	28,470	10,764,078
Net change in fund balances	(5,538,876)	3,095,874	937,758	(2,096,117)	(694,744)	(810,568)	8,220,771	(7,857,363)	238,084	4,586,213
Debt service as a percentage of noncapital expenditures	10.78%	12.09%	10.39%	9.85%	8.80%	4.64%	4.15%	6.26%	7.44%	7.59%

(1) Beginning in 2015, shared revenues received are being reported (1) either as unrestricted intergovernmental revenues or as operating/capital grants and contributions (if the revenues are restricted for specific programs) on the statement of activities and (2) as intergovernmental revenues on the statement of revenues, expenditures, and changes in fund balances.

Source: City of Prairie Village, Kansas Basic Financial Statements

CITY OF PRAIRIE VILLAGE, KANSAS
TAX REVENUES OF GOVERNMENTAL FUNDS BY SOURCE
LAST TEN YEARS
December 31, 2019

Fiscal Year Ended December 31,	Property Tax	Local Sales Tax	County Sales Tax	Specialty Sales Tax	Local Use Tax	County Use Tax	Specialty Use Tax	Franchise Tax	Motor Vehicle Tax	Total
2010	\$ 5,278,073	\$ 2,023,730	\$ 1,412,107	\$ 698,682	\$ 370,801	\$ 224,738	\$ 113,121	\$ 1,792,180	\$ 551,285	\$ 12,464,717
2011	5,299,216	2,067,933	1,619,048	1,662,927	397,141	300,254	150,127	1,805,148	555,579	13,857,373
2012	5,469,028	2,128,521	1,673,584	1,734,383	425,411	302,000	151,000	1,798,641	591,098	14,273,666
2013	5,495,129	2,197,833	1,721,994	1,811,556	479,837	307,084	153,547	1,594,085	637,276	14,398,342
2014	5,535,425	2,334,913	1,595,213	1,826,004	496,419	301,891	150,953	2,395,072	663,776	15,299,667
2015	5,669,245	2,418,734	1,589,958	1,874,084	534,741	306,677	153,229	1,979,976	681,530	15,208,174
2016	6,018,580	2,446,696	1,593,331	1,890,761	623,346	325,845	162,923	1,991,903	685,803	15,739,188
2017	6,416,501	2,471,681	1,597,994	2,184,257	673,705	337,503	231,898	1,961,828	707,915	16,583,283
2018	7,156,558	2,579,258	1,671,494	2,409,481	718,067	355,538	266,639	2,119,628	732,924	18,009,587
2019	8,178,935	2,488,376	1,692,278	2,332,369	845,538	379,629	284,720	1,900,281	751,900	18,854,026

Source: City of Prairie Village, Kansas Basic Financial Statements

CITY OF PRAIRIE VILLAGE, KANSAS

LOCAL SALES TAX COLLECTIONS
LAST TEN YEARS

December 31, 2019

Category	Local Sales Tax Collected									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gas Station	\$ 20,727	\$ 19,393	\$ 8,862	\$ 4,673	\$ 6,025	\$ 9,904	\$ 7,344	\$ 13,870	\$ 12,354	\$ 7,737
Grocery Store	553,777	557,984	550,431	579,481	641,434	666,798	688,526	686,238	681,953	677,760
Home Occupation	12,515	11,138	21,640	-	-	-	-	-	-	-
Restaurant	225,575	279,777	302,587	307,726	331,021	364,811	382,643	357,940	336,600	342,969
Retail	709,671	694,473	761,662	815,508	843,497	873,401	913,356	1,013,840	1,118,613	1,070,311
Utility	501,464	495,168	483,339	490,445	512,936	503,820	454,827	399,793	429,738	389,599
Total	\$ 2,023,729	\$ 2,057,933	\$ 2,128,521	\$ 2,197,833	\$ 2,334,913	\$ 2,418,734	\$ 2,446,696	\$ 2,471,681	\$ 2,579,258	\$ 2,488,376

Source: Kansas Department of Revenue.

Note: The City of Prairie Village's sales tax rate is 1%

Note: Beginning In 2013 Home Occupation was included in Retail for reporting purposes

CITY OF PRAIRIE VILLAGE, KANSAS

LOCAL SALES TAX COLLECTIONS
 LAST TEN YEARS
 (Continued)
 December 31, 2019

Category	Taxable Sales									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gas Station	\$ 2,072,700	\$ 1,939,300	\$ 886,200	\$ 467,301	\$ 602,500	\$ 990,400	\$ 734,387	\$ 1,387,005	\$ 1,235,383	\$ 773,700
Grocery Store	55,377,700	55,798,400	55,043,100	57,948,062	64,143,400	66,679,800	68,852,606	68,623,824	68,195,304	67,776,000
Home Occupation	1,251,500	1,113,800	2,164,000	-	-	-	-	-	-	-
Restaurant	22,557,500	27,977,700	30,258,700	30,772,622	33,102,100	36,481,100	38,264,263	35,793,987	33,659,966	34,296,900
Retail	70,967,100	69,447,300	76,166,200	81,550,844	84,349,700	87,340,100	91,335,573	101,384,000	111,861,342	107,031,100
Utility	50,146,400	49,516,800	48,333,900	49,044,497	51,293,600	50,382,000	45,482,726	39,979,301	42,973,805	38,959,900
Total	\$ 202,372,900	\$ 205,793,300	\$ 212,852,100	\$ 219,783,326	\$ 233,491,300	\$ 241,873,400	\$ 244,669,555	\$ 247,168,117	\$ 257,925,800	\$ 248,837,600

CITY OF PRAIRIE VILLAGE, KANSAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY (1)
LAST TEN YEARS

December 31, 2019

Fiscal year	Real Property (1)		Personal Property (2)	
	Assessed Value	Estimated Value	Assessed Value	Estimated Value
2010	\$ 273,059,648	\$ 2,364,085,300	\$ 7,465,621	\$ 22,538,872
2011	275,222,619	2,384,685,380	6,395,619	20,012,266
2012	276,238,682	2,384,270,380	6,120,366	19,118,449
2013	278,850,945	2,389,964,100	6,287,981	19,615,340
2014	286,327,787	2,413,478,020	5,642,485	17,548,536
2015	300,666,306	2,477,316,120	5,560,812	17,240,189
2016	319,573,168	2,414,256,750	5,585,204	17,296,960
2017	359,573,532	2,557,425,060	5,768,976	17,835,450
2018	395,620,475	2,896,375,634	5,873,786	18,141,632
2019	431,833,977	3,205,167,790	6,018,886	18,560,129

(1) The County Assessor values real property as required by State Statute and rulings of the State Board of Tax Appeals. Prior to 1989, real property was valued at 24% of estimated values. Real property is now valued at different percentages which reflect the property's use. Residential land, improvement, and vacant lots (estimated at 83% of real property) are assessed at 11.5% of actual value. Commercial land and improvements are assessed at 25% of actual value.

(2) Personal property is assessed at 30% of actual value. State assessed utilities are assessed at 33%.

Total Assessed Value	Estimated Actual Value	Ratio of Assessed Value to Estimated Actual Value	Motor Vehicles Assessed Value	Recreational Vehicles Assessed Value	Total Direct Tax Rate
\$ 280,525,269	\$ 2,386,624,172	11.75%	\$ 31,100,970	\$ 62,281	\$ 18.877
281,618,238	2,404,697,646	11.71%	30,896,870	59,999	19.491
282,359,048	2,403,388,829	11.75%	30,641,443	55,022	19.478
285,138,926	2,409,579,440	11.83%	31,498,552	37,086	19.490
291,970,272	2,431,026,556	12.01%	32,571,090	63,084	19.493
306,227,118	2,494,556,309	12.28%	33,778,600	54,486	19.500
325,158,372	2,431,553,710	13.37%	34,568,257	55,983	19.471
365,342,508	2,575,260,510	14.19%	35,619,831	63,202	19.311
401,494,261	2,914,517,266	13.78%	36,872,192	67,717	19.314
437,852,863	3,223,727,919	13.58%	37,882,982	73,920	19.320

CITY OF PRAIRIE VILLAGE, KANSAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES
PER \$1,000 OF ASSESSED VALUATION
LAST TEN YEARS

December 31, 2019

Year Ended December 31,	State	General	Debt Service	Total City	County	School District	Johnson County Community College	Consolidated Fire District	Unified Waste Water	Johnson County Library	Johnson County Parks and Recreation
2010	\$ 1.5	\$ 14.101	\$ 4.776	\$ 18.877	\$ 17.7480	\$ 57.1920	\$ 8.799	\$ 10.074	\$ -	\$ 3.158	\$ 2.350
2011	1.5	14.763	4.728	19.491	17.7000	56.1350	8.776	10.098	-	3.145	2.343
2012	1.5	13.898	5.580	19.478	17.7170	55.7660	8.785	10.187	-	3.149	2.344
2013	1.5	14.790	4.700	19.490	17.7450	55.6110	9.551	11.004	-	3.155	2.347
2014	1.5	18.300	1.193	19.493	17.7640	55.9110	9.461	11.003	-	3.157	2.349
2015	1.5	17.796	1.704	19.500	19.5820	54.0590	9.469	11.757	-	3.912	3.101
2016	1.5	19.471	-	19.471	19.5900	54.9400	9.473	11.769	-	3.915	3.102
2017	1.5	19.311	-	19.311	19.3180	53.6630	9.503	11.760	-	3.921	3.112
2018	1.5	19.314	-	19.314	19.0240	52.4270	9.266	11.750	-	3.901	3.088
2019	1.5	19.320	-	19.320	19.0360	52.1210	9.121	11.753	-	3.904	3.090

Information provided by the Johnson County, Kansas County Clerk's Annual Abstract of Taxes

Note A: Overlapping rates are those of local and county government that apply to property owners within the City of Prairie Village. Not all overlapping rates apply to all Prairie Village property.

CITY OF PRAIRIE VILLAGE, KANSAS

PRINCIPAL PROPERTY TAXPAYERS

December 31, 2019 and Ten Years Ago

Taxpayer	Type of Business	2019 Assessed Valuation	Rank	% of Total Assessed Valuation	2009 Assessed Valuation	Rank	% of Total Assessed Valuation
GRI Prairie Village LLC	Real Estate	\$ 9,872,345	1	2.25%			
GRI Corinth North LLC	Real Estate	7,650,750	2	1.75%			
PV Retail Partners, LLC	Real Estate	-			\$ 6,695,184	1	2.33%
CSN Retail Partners, LLC	Real Estate				6,203,232	2	2.16%
KC-MF-282- Meadowbrook Inc	Real Estate	6,161,585	3	1.41%			
Mission Chateau Property Inc	Adult Living Facility	4,207,666	4	0.96%			
Prairie Property Kenilworth LLC	Real Estate	3,966,465	5	0.91%	1,949,365	6	0.68%
Tower Properties Company	Real Estate	3,938,444	6	0.90%	3,505,643	3	1.22%
State Line OPCO LLC	Retail	3,779,750	7	0.86%	2,957,250	4	1.03%
Kansas City Power & Light	Utility	3,107,315	8	0.71%	2,642,869	5	0.92%
GRI Corinth South LLC	Real Estate	2,791,252	9	0.64%			
CSS Retail Partners, LLC	Real Estate				1,900,502	7	0.66%
Kansas Gas Service	Utility	1,559,447	10	0.36%	1,364,888	9	0.48%
HCP MA4	Real Estate				1,539,777	8	0.54%
Prairie Village Office Center	Real Estate				1,063,750	10	0.37%
Total		<u>\$ 47,035,019</u>		<u>10.74%</u>	<u>\$29,822,460</u>		<u>10.39%</u>

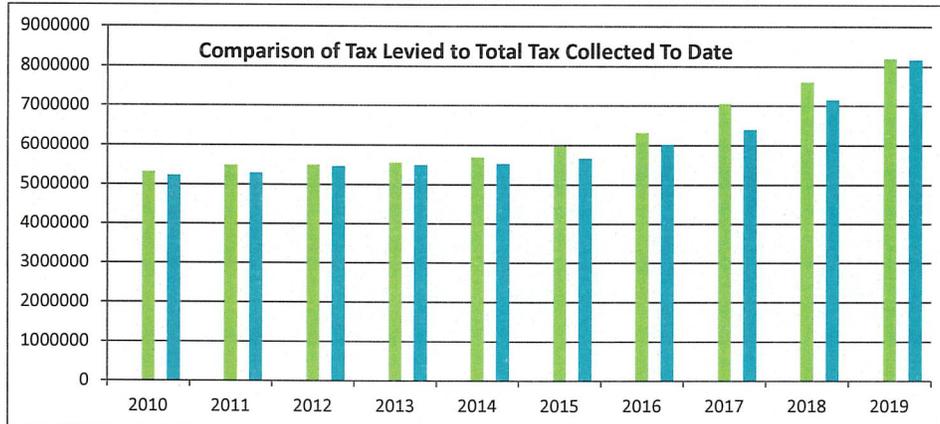
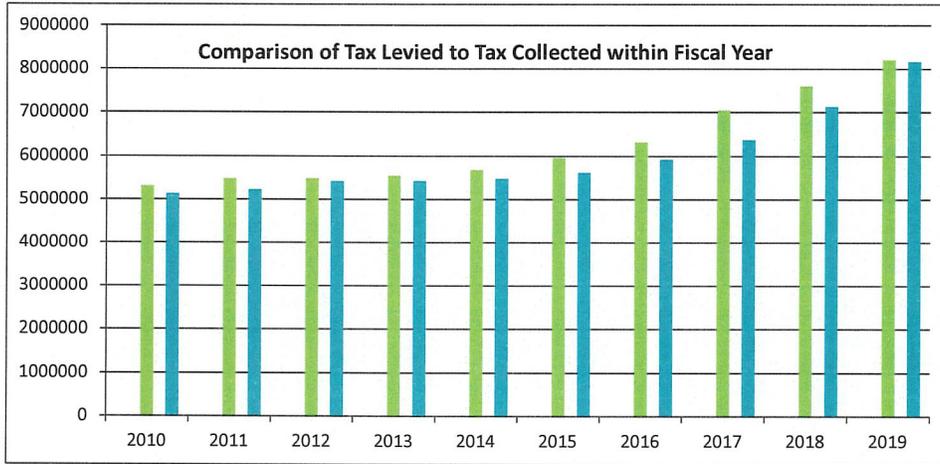
Source: Johnson County Clerks Office

CITY OF PRAIRIE VILLAGE, KANSAS

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

December 31, 2019

Fiscal Year Ended December 31,	Total Tax Levy for Fiscal Year	Collections within the Fiscal Year of the Levy			Total Collections to Date	
		Amount	Percent of to Tax Levy	Delinquent Tax Collections	Amount	Percentage to Tax Levy
2010	\$ 5,324,557	\$ 5,149,721	96.72%	\$ 82,606	\$ 5,232,327	98.3%
2011	5,492,575	5,244,806	95.49%	54,410	5,299,216	96.5%
2012	5,499,790	5,434,660	98.82%	34,368	5,469,028	99.4%
2013	5,556,292	5,445,494	98.01%	49,635	5,495,128	98.9%
2014	5,690,849	5,490,171	96.47%	45,253	5,535,424	97.3%
2015	5,972,115	5,629,840	94.27%	39,405	5,669,245	94.9%
2016	6,331,169	5,931,772	93.69%	86,808	6,018,580	95.1%
2017	7,055,343	6,383,508	90.48%	32,993	6,416,501	90.9%
2018	7,614,743	7,134,209	93.69%	22,349	7,156,558	94.0%
2019	8,208,703	8,176,112	99.60%	2,824	8,178,936	99.6%



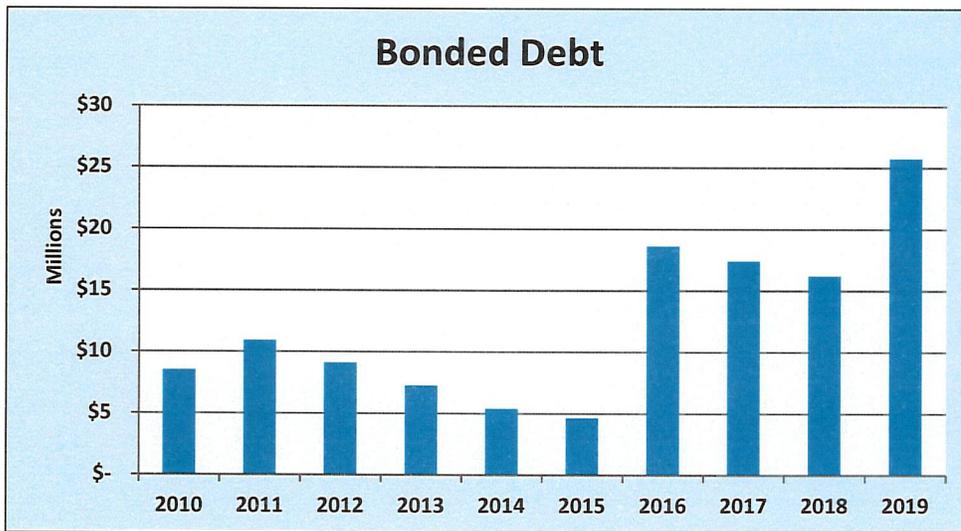
CITY OF PRAIRIE VILLAGE, KANSAS

RATIOS OF OUTSTANDING DEBT BT TYPE
LAST TEN YEARS

December 31, 2019

Fiscal Year	General Obligation Bonds	Total	City Population	Personal Income	Debt per Capita	Percentage of Personal Income
2010	\$ 8,562,696	\$ 8,562,696	21,477	\$ 743,717,619	\$ 399	1.15%
2011	10,974,064	10,974,064	21,477	743,717,619	511	1.48%
2012	9,150,430	9,150,430	21,795	1,060,108,800	420	0.86%
2013	7,301,798	7,301,798	21,769	1,068,139,523	335	0.68%
2014	5,418,165	5,418,165	21,892	1,010,315,800	247	0.54%
2015	4,679,531	4,679,531	21,877	1,034,213,298	214	0.45%
2016	18,629,312	18,629,312	21,877	1,041,760,863	852	1.79%
2017	17,434,325	17,434,325	21,805	1,072,893,220	800	1.62%
2018	16,234,338	16,234,338	22,368	1,116,096,096	726	1.45%
2019	25,770,647	25,770,647	22,389	1,174,907,553	1,151	2.19%

Source: US Census Bureau and City of Prairie Village Records.



CITY OF PRAIRIE VILLAGE, KANSAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS

December 31, 2019

Year Ended December 31,	Population	Assessed Value	Gross Bonded debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Ratio of Net Bonded Debt to Actual Value
2010	21,447	\$ 280,525,269	\$ 8,562,696	\$ 35,287	\$8,527,409	3.04%	\$ 397.60	0.36%
2011	21,447	281,618,238	10,974,064	4,442	10,969,622	3.90%	511.48	0.46%
2012	21,795	282,359,048	9,150,430	3,479	9,146,951	3.24%	419.68	0.38%
2013	21,769	285,138,926	7,301,797	43,448	7,258,349	2.55%	333.43	0.30%
2014	21,892	291,970,272	5,418,165	128,884	5,289,281	1.81%	241.61	0.22%
2015	21,877	306,227,118	4,679,531	81,628	4,597,903	1.50%	210.17	0.18%
2016	21,877	325,158,372	18,629,312	105,728	18,523,584	5.70%	846.71	0.76%
2017	21,805	365,342,508	17,434,325	72,058	17,362,267	4.75%	796.25	0.67%
2018	22,368	401,494,261	16,234,338	51,538	16,182,800	4.03%	723.48	0.56%
2019	22,389	437,852,863	25,770,647	55,472	25,715,175	5.87%	1,148.56	0.80%

CITY OF PRAIRIE VILLAGE, KANSAS

DIRECT AND OVERLAPPING DEBT

December 31, 2019

Name of Government Unit	Net Debt Obligation	Percentage Applicable to City of Prairie Village	Amount Applicable to City of Prairie Village
Direct Debt:			
City of Prairie Village	<u>\$25,770,647</u>	100.00%	<u>\$25,770,647</u>
Overlapping debt:			
Johnson County	520,916,200	3.91%	20,367,823
Johnson County Parks and Recreation	420,000	3.91%	16,422
Johnson County Community College	3,770,000	3.91%	147,407
Shawnee Mission School (U.S.D. 512)	312,560,000	10.73%	33,537,688
Fire District #2	<u>6,180,000</u>	42.40%	<u>2,620,320</u>
Total overlapping debt	<u>843,846,200</u>		<u>56,689,660</u>
Total direct and overlapping debt	<u>\$869,616,847</u>		<u>\$82,460,307</u>
Direct and overlapping debt per capita	3,683.07		
Direct and overlapping debt as a percentage of assessed value	18.83%		
Direct and overlapping debt as a percentage of actual value	2.56%		

(1) Information provided by Johnson County Clerk's Office.

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 overlapping debt of those overlapping governments that is borne by the resident and businesses of the City. This process recognizes that, when considering the City'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.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another government unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value. This approach was also applied to the other debt of the overlapping governmental units.

CITY OF PRAIRIE VILLAGE, KANSAS

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total assessed valuation of taxable property	\$280,255,557	\$281,618,238	\$282,359,048	\$285,138,926	\$291,970,272	\$306,227,118	\$325,158,372	\$365,342,508	\$401,494,261	\$437,852,863
Debt limit percent of assessed value	<u>30.00%</u>	<u>30.00%</u>								
Debt limit	84,076,667	84,485,471	84,707,714	85,541,678	87,591,082	91,868,135	97,547,512	109,602,752	120,448,278	131,355,859
Total net debt applicable to limit	<u>8,562,696</u>	<u>10,974,064</u>	<u>9,150,430</u>	<u>7,301,797</u>	<u>5,418,165</u>	<u>4,679,531</u>	<u>18,629,312</u>	<u>17,434,325</u>	<u>16,234,338</u>	<u>25,770,647</u>
Legal debt limit	<u>75,513,971</u>	<u>73,511,407</u>	<u>75,557,284</u>	<u>78,239,881</u>	<u>82,172,917</u>	<u>87,188,604</u>	<u>78,918,200</u>	<u>92,168,427</u>	<u>104,213,940</u>	<u>105,585,212</u>
Total net debt applicable to the limit as percentage of debt limit	10.18%	12.99%	10.80%	8.54%	6.19%	5.09%	19.10%	15.91%	13.48%	19.62%

Note: Under State finance law, the City's outstanding general obligation debt should not exceed 30 percent of the total property value.

Source: Assessed valuation from Johnson County Clerk.

CITY OF PRAIRIE VILLAGE, KANSAS

DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST TEN YEARS

December 31, 2019

<u>Fiscal Year</u>	<u>Population</u>	<u>School Enrollment</u>	<u>Unemployment¹ YTD AVG Rate</u>	<u>Per Capital Personal Income</u>	<u>Personal Income</u>
2010	21,447	5,652	6.1%	\$ 34,667	\$ 743,503,149
2011	21,447	5,730	5.4%	34,667	743,503,149
2012	21,795	5,567	4.6%	48,640	1,060,108,800
2013	21,769	5,593	4.3%	49,067	1,068,139,523
2014	21,892	5,573	3.8%	46,150	1,010,315,800
2015	21,877	5,644	3.4%	47,274	1,034,213,298
2016	21,877	5,657	3.3%	47,619	1,041,760,863
2017	21,805	5,806	3.1%	49,204	1,072,893,220
2018	22,368	5,718	2.9%	49,897	1,116,096,096
2019	22,389	5,854	2.8%	52,477	1,174,907,553

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

CITY OF PRAIRIE VILLAGE, KANSAS

PRINCIPAL EMPLOYERS

December 31, 2019 and Ten Years Ago

<u>Employer</u>	<u>December 31, 2019</u>			<u>December 31, 2009</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
USD #512	491	1	2.19%	492	1	2.29%
Hy-Vee	196	2	0.88%	196	2	0.91%
Hen House (2 locations)	178	3	0.80%	109	5	0.51%
Claridge Court	141	4	0.63%	121	3	0.56%
Brighton Gardens	131	5	0.59%	110	4	0.51%
City of Prairie Village	130	6	0.58%	105	6	0.49%
Macy's	122	7	0.54%	88	7	0.41%
Better Homes & Garden Real Estate	100	8	0.45%	Not Available		
Bijin Salon & Day Spa	98	9	0.44%	70	9	0.33%
WireCo WorldGroup Inc	91	10	0.41%	Not Available		
Country Club Bank				80	8	0.37%
Nation's Holding Company				70	10	0.33%
Total	1,678		7.49%	1,441		6.71%

Source: City of Prairie Village.

CITY OF PRAIRIE VILLAGE, KANSAS
 FULL TIME CITY EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Government										
City Governance *	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.35	2.4
Administrative Services *	15.10	13.10	12.10	11.60	11.60	11.60	11.60	11.70	11.70	11.70
Municipal Court *	5.25	5.25	5.25	5.25	5.25	5.25	5.25	6.10	6.10	6.10
Public Works	29.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00
Police	61.00	60.00	60.00	63.00	63.00	63.00	63.00	63.00	62.00	61.00
Parks & Recreation	<u>20.80</u>									
Total	133.6	129.6	128.6	131.1	131.1	131.1	131.1	132.0	130.95	130.0

Source: City of Prairie Village Budget Document.

* Note: Categories changed to reflect the categories used in the budget document.

CITY OF PRAIRIE VILLAGE, KANSAS
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Public Safety/Municipal Justice										
911 Calls Received	7,760	6,683	7,809	7,610	7,698	7,599	7,602	7,414	7,720	7,569
DUI Arrests	149	117	138	201	221	203	290	221	249	292
Traffic/Parking Complaints	9,294	8,520	8,049	8,587	10,201	9,498	9,475	7,971	7,643	8,426
Accidents	441	467	488	549	496	405	455	523	539	531
Investigations Cases	421	291	347	356	395	365	333	386	437	560
Total Court Cases Processed	9,735	10,702	10,347	9,347	11,014	12,707	15,419	12,677	13,279	12,597
Public Works										
Curb Miles Swept	1,620	1,664	1,911	1,609	2,272	2,950	3,229	3,101	1,970	1,933
Number of Catch Basins Cleaned	623	1,392	2,179	1,209	2,126	3,255	2,131	1,713	1,818	1,557
Number of Potholes Patched	1,382	864	562	2,154	2,154	1,336	2,392	1,244	3,951	7,986
Streets Slurry Sealed (Square Yards)	91,105	84,275	95,200	84,800	83,193	92,866	84,094	72,332	69,650	63,513
Streets Milled and Overlaid (Linear Feet)	27,425	13,358	40,762	35,055	34,520	21,648	8,500	14,450	26,500	17,451
Sidewalk Replaced (Square Yards)	13,235	7,914	11,307	19,800	12,027	9,396	9,301	7,806	12,583	10,966
Curb and Gutter Replaced (Linear Feet)	48,960	28,167	46,347	52,500	68,641	27,696	27,722	32,121	49,797	52,925
Acres of Lawn Mowed	1,228	911	1,255	1,112	1,145	1,219	1,203	1,187	1,230	1,231
Urban Management and Planning										
Building Permits Processed	1,871	1,650	1,778	1,635	1,613	1,315	1,390	1,313	1,157	1,138
Building Inspections Performed	4,520	4,085	3,981	3,706	3,234	2,931	3,602	2,622	2,477	2,371
Plan Reviews Performed	876	733	660	650	560	284	297	272	241	260
Leisure and Recreation										
Facility Reservations Processed	963	924	956	528	1,055	1,021	866	755	855	675
Facility Reservation Revenue	39,423	42,729	42,592	41,230	47,557	40,747	41,264	41,025	39,983	32,536
Pool Memberships Sold	3,782	3,914	3,959	3,836	3,956	4,108	3,706	4,163	4,119	4,583
Pool Revenue	362,709	363,241	376,189	375,869	348,890	335,478	338,941	397,568	384,098	396,373
Tennis Lessons Taught	0	79	63	109	105	107	132	136	140	258
Junior Tennis League Memberships Sold	80	37	37	72	55	70	70	72	64	67
Tennis Program Revenue	8,237	8,209	7,388	14,657	14,247	13,019	12,209	13,563	12,049	13,514

Source: City of Prairie Village

CITY OF PRAIRIE VILLAGE, KANSAS
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Police										
Stations	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Works										
Miles of streets	115.6	115.0	116.6	114.6	114.4	114.4	114.4	114.4	114.4	114.4
Streetlights	2,165	2,093	2,106	2,106	2,091	2,091	2,091	2,091	2,091	2,165
Parks & Recreation										
Parks	13.0	13.0	13.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Park acreage	64.6	64.6	64.6	61.6	61.6	61.6	61.6	61.6	61.6	64.0
Pools	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Golf courses (private)	-	-	-	-	-	1.0	1.0	1.0	1.0	1.0

Source: City of Prairie Village Budget Document.