



CITY OF PRAIRIE VILLAGE, KANSAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 1998

*Prepared by: Barbara Vernon
City Administrator*

CITY OF PRAIRIE VILLAGE, KANSAS

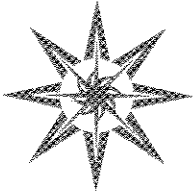
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THE CITY OF PRAIRIE VILLAGE *Star of Kansas*

June 8, 1999

To the Residents of the City of Prairie Village:

We are pleased to submit the comprehensive annual financial report (CAFR) of the City of Prairie Village, Kansas (City) for the year ended December 31, 1998. We believe this report presents comprehensive financial information about the City's activities during 1998. The report complies in all material respects with standards promulgated by the Governmental Accounting Standards Board. Responsibility for both the accuracy of the data and completeness and fairness of presentation rests with the City. We believe the data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of the operations of the City as measured by the financial activity of its various funds and account groups. In addition, we believe all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

The report is divided into three sections: Introductory, Financial, and Statistical. The Introductory Section contains a list of principal City officials, an organizational chart for the City, and a table of contents. The Financial Section contains the report of KPMG LLP, independent auditors, and the general purpose financial statements (GPFS) which are designed to provide an overview of the City's financial position and operating results. The GPFS may be issued separately from the CAFR, possibly for inclusion in official statements, bond offerings, or for distribution to users requiring less detailed information. The notes to financial statements presented with the GPFS are an integral part of the GPFS and should be read for a fuller understanding of the statements and information presented therein. In addition, the combining, individual fund, and account group statements and schedules are presented as other financial information in this section to provide more detailed information to the users of this report. The Statistical Section contains a number of statistical tables that present various financial, economic, social, and demographic data about the City for the last ten years.

The financial reporting entity includes all the funds and account groups 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. 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 and recycling and composting services; and other general services for residents.

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.

Background

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. 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. It is one of 22 cities in Johnson County and is the fifth largest in 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 23,500 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 council persons elected from each ward to serve staggered four-year terms. The Mayor is elected from 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.

Economic Condition and Outlook

The City is located in the Kansas City metropolitan area and is considered one of the most desirable suburban communities in the region. The City is conveniently located between the Kansas City, Missouri business/industrial center and the southern Johnson County business districts. The area has experienced steady economic growth during the past two decades, resisting the effects of the cyclical declines in the national economy over the last ten years. The value of tangible property increased significantly in 1989 as a result of statewide reappraisal. Values decreased somewhat in 1990 as adjustments were made to original appraisals. Subsequent reappraisals in 1994, 1996, and 1998 resulted in additional increases totaling more than 43%. During the last decade, Johnson County has experienced a substantial growth in the commercial sector of the economy with retail and office complexes providing the strongest growth. The area has generally maintained a long period of low unemployment, which is reflected by, and results in, a continuation of the stable economic condition of the entire region.

Based on current projections, the City will continue to be a desired location for those who work in the metropolitan area. As property values continue to increase and the City's housing stock ages, changes in the neighborhoods are inevitable. The City is committed to a program for maintenance of the community and future redevelopment, which will contribute to the quality of life for all of the City's residents.

Major Initiatives

For the Year

In preparing the 1998 budget, the City identified several major programs needed to meet residents' needs for services and to safeguard the quality of life in the community. These programs included major maintenance and improvements to the City's streets, improvements to the City's storm drainage system, and continued redevelopment of the park system.

Twelve years ago the City prepared a comprehensive major street maintenance and reconstruction plan. Through careful planning and approval of residents to increase taxes for this purpose, the condition of the City's streets is excellent. The plan was updated in 1990 and 1994. Streets identified as top priorities in the 1994 update were repaved as recommended. In 1999, the street maintenance program is based on the infrastructure inventory and condition rating developed through a complete software program designed for Public Works. This software program has several modules; in

addition to streets, there are modules for sidewalk, curbs, storm drains, trees, traffic marking, and traffic signals. The street maintenance program requires the entire street to be inventoried and its condition rated. The City continues to use the 1994 Storm Drainage Report for determining annual programs. In 1998, three projects were completed and six are in design for 1999 construction.

As a part of the preparation for the annual budget, department managers of the City prepare departmental goals and performance indicators for the service programs they manage. In 1998, the following major goals were planned and achieved:

Administration

- Develop and implement annual budget based on goals established by the governing body.
- Maintain open dialogue with all elements of the community.
- Manage the City's assets to meet long range goals of the governing body.
- Maintain property tax at an acceptable level.
- Facilitate a fair and discrimination-free work environment with appropriate training and a competitive salary and benefit policy.

Planning and Zoning

- Recommend zoning changes and planned development in the City to create harmony between and with residential neighborhoods, commercial development, and neighborhood redevelopment.
- Inform the public regarding Planning and Zoning issues and the Revised Comprehensive Plan.
- Develop comprehensive database about neighborhoods throughout the City.

Public Works

- Maximize the effectiveness of the Public Works Department programs through effective management of budgeted resources.
- Provide quality services in maintenance of infrastructure and City-owned property.
- Develop and implement programs which preserve the community environment.
- Design and develop improvement projects, which are cost-effective in the short and long-term.
- Remain attentive to the input of residents and respond quickly to requests for service.

Public Safety

- Carry out the directives, policies, and procedures established by the Mayor, Council, and City Administrator for operation of the Police Department.
- Coordinate the activities of the City's law enforcement programs to provide the citizens of Prairie Village the maximum degree of safety in their property and persons.
- Proactively address crime issues of concern fostering community involvement in crime prevention.

- Complete the self-assessment phase of the CALEA law enforcement accreditation process as well as a successful mock on-site.
- Manage Police Department's resources so the crime rate in the City does not exceed its 1997 level.

Park and Recreation

- Provide outdoor recreation equipment and facilities that are safe, durable, and accessible to all ages and abilities.
- Improve the City's neighborhoods by providing safe and convenient outdoor recreation opportunities.
- Provide the citizens of the City these amenities at a reasonable cost to the taxpayer.

For the Future

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 milieu has created a gradual change which significantly increased 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.

The City has taken steps to encourage redevelopment while reducing the negative impacts this would have on neighborhoods. Plans are being enacted to increase community development and involvement in redevelopment projects.

For the most part, older housing stock in the City has been well maintained. The City's Code Enforcement program, which strives to ensure continuation of a high level of maintenance, is coordinated with the building construction function in the Codes Department. The two disciplines, which are complimentary in nature, now work together to provide greater coverage. This has resulted in more vigorous enforcement and compliance with all City building and minimum standard codes.

The City Council budgeted funds for a strategic planning process in 1999. The process will involve residents, local business owners, and others to plan the future of this City through a plan which will take the City into the next century.

Financial Information

Officials of the City are responsible for establishing and maintaining an internal control structure designed to earn the public's confidence and trust. The procedures established in the City ensure that the assets of the City are protected from loss, theft, or misuse and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. 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. As demonstrated by the statements and schedules included in the Financial Section of this report, the City continues meeting its responsibility for sound management.

Budgeting Controls

Members of the City's governing body are involved not only in the development of programs and program costs during preparation of the annual budget, they continue throughout the year to monitor financial condition and program costs by regular review and discussion of quarterly reports. The governing body routinely reviews budgetary controls established to ensure compliance with legal provisions embodied in the annual appropriated budget. Activities of the General Fund, Special Revenue Funds, and Debt Service Fund are included in the annual appropriated budget. The City Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. This constitutes the City's level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount). The City also maintains an encumbrance accounting system as a method for accomplishing budgetary control.

General Government Functions

The following schedule presents a summary of General, Special Revenue, Debt Service, and Capital Projects Fund revenues for the year ended December 31, 1998, and the amount and percentage of increases and decreases in relation to prior year revenues:

<u>Revenues</u>	<u>1998</u>	<u>1997</u>	<u>Increase (Decrease) From 1997</u>	<u>Percentage Increase (Decrease)</u>
Taxes	\$ 8,631,974	7,969,985	661,989	8.3 %
Licenses and permits	319,890	319,496	394	0.1
Intergovernmental	3,984,037	3,865,837	118,200	3.1
Charge for services	946,877	890,460	56,417	6.3
Fines and forfeits	331,931	283,165	48,766	17.2
Recreational fees	253,775	234,347	19,428	8.3
Interest	538,683	543,903	(5,220)	(1.0)
Miscellaneous	148,118	17,146	130,972	763.9
Total	<u>\$ 15,155,285</u>	<u>14,124,339</u>	<u>1,030,946</u>	7.3

The City's revenue increased in all areas except interest revenue during the year. Overall, revenue increased 7.3%, or \$1,030,946.

Tax revenue includes funds received from ad valorem property taxes, sales taxes, and franchise fees. In total, revenue from tax sources increased by 8.3%. The large portion of the increase was attributable to sales tax and property taxes. Revenue from County-wide sales tax increased by 14%. Local sales tax growth was 5.3%. These increases reflect a strong economy, which increased retail sales in the City and County. The 1997 property reappraisal, which is used to finance the 1998 budget, resulted in revenue from property taxes of 10.6% more than revenue received in 1997.

Charge for services includes revenue from a contract with a neighboring city to provide police services. Another source of this revenue is solid waste collection, composting, and recycling provided to most residents on a contract basis. Revenue increased in 1998 by \$56,417. The majority of the increase was from the increased agreement amount for providing police services to residents of the City of Mission Hills.

Revenue from fines and forfeits increased 17.2% because judges increased fine schedules and an administrative fee was added to all cases.

Recreational fees include membership, lesson, and gate fees for the swimming pool and tennis complex. The City experienced an 8.3% increase from this source because of fee increases and increased participation.

Interest earnings declined \$5,220 due to the lower interest rate.

During recent years the City increased dependence on the property tax. Ninety percent of the City's expenditures are inflation responsive, while in the recent past less than one-third of the City's revenues were inflation responsive. This created an imbalance which could only lead to further dependence on property owners in the future. This situation was one of the major forces which motivated the governing body to engage in strategic planning. One result of the original process was improved communication and encouragement of the business community. Another effort resulting from that strategic plan was increased attention and investment in streets, parks, and other amenities in the City. These changes created reinvestment by the business community, which increased sales and property tax revenue. The County's strong economy is the third factor which has increased the City's inflation responsive revenue sources to more than one-third of the total. The Council anticipates further improvements as a result of the 1999 strategic planning process.

The following schedule represents a summary of General, Special Revenue, Debt Service, and Capital Projects Fund expenditures for the year ended December 31, 1998, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>1998</u>	<u>1997</u>	<u>Increase (Decrease) From 1997</u>	<u>Percentage Increase (Decrease)</u>
Current:				
Urban management and planning	\$ 1,770,380	1,743,545	26,835	1.5 %
Public works and environmental improvements	2,143,721	2,426,518	(282,797)	(11.7)
Public safety	3,075,701	2,983,763	91,938	3.1
Municipal justice	155,018	133,940	21,078	15.7
Leisure, recreation, and education	691,017	654,264	36,753	5.6
Capital	5,719,089	5,617,573	101,516	1.8
Debt service:				
Principal	350,000	330,000	20,000	6.1
Interest and fiscal charges	209,098	229,764	(20,666)	(9.0)
Total	<u>\$ 14,114,024</u>	<u>14,119,367</u>	<u>(5,343)</u>	—

Urban management and planning includes the cost of general administrative service in addition to solid waste collection, recycling, and composting for 8,500 households in the City. Total expenditures for this program were only 1.5 % more than 1997 expenditures.

Public Works and environmental improvement costs showed an 11.7% decrease in 1998. The decrease in Public Works was mainly caused by the cost of capital outlay in 1998 which was less than the previous year. Some projected major drainage projects in 1998 were postponed to a future year.

Public Safety costs increased approximately 3.1%. A majority of the cost for this service is personnel and significant salary adjustments were made in 1998 to ensure a competitive compensation package.

Municipal Justice costs increased 15.7% from 1997 because a part-time employee was made full-time in 1998.

Capital outlay relates to major maintenance of the infrastructure: streets, sidewalks, storm drainage systems, and intersection improvements. In the years 1991 and 1992, there were significant decreases of expenditures in this line item. However, in 1993, an increased commitment by the governing body to capital improvements was instituted as evidenced by the increased expenditures. The investment in capital projects in 1998 was 1.8% over the previous year. The City's funds were augmented by grant revenue; the result was significant improvements in the City's infrastructure.

General Fund Balance

The fund balance of the General Fund increased by approximately one million dollars, which is 24.7%, more than 1997.

Capital Projects Fund Balance

The Capital Projects Fund balance decreased by \$183,300. Revenue is contributed to the Capital Projects Fund to finance specific infrastructure improvement projects. The City's aggressive construction plans resulted in completion of major projects.

Fiduciary Funds

Operations of the Revised Prairie Village Police Pension Plan and the Supplementary Retirement Plan remained relatively stable in 1998. The annual actuarial valuation continues to reflect a positive trend in the City's funding of the Plans.

Debt Administration

On December 31, 1998 the City had three debt issues outstanding. The General Obligation Park Improvement Bonds, Series 1989 in the original amount of \$1,800,000 were the subject of a crossover refunding in early January 1994. During the process, the City received a rating upgrade from Aa to Aa1 from Moody's Investors' Service. The original bonds will be called in 1999. The refunding will save the City \$119,000. Under current State Statutes, the City's general obligation bonded debt issuances are subject to a legal limitation based on 30% of total assessed valuation. As of December 31, 1998, the City's net general obligation bonded debt was \$4,614,600. This is well below the legal limit of approximately \$63 million. Total net bonded debt per capita at year-end was \$139.42.

Cash Management

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, and obligations of the U.S. Treasury and the State of Kansas Municipal Investment Pool (as authorized by state law effective July 1, 1992). The City earned interest revenue of \$538,683 on investment of temporarily idle funds in 1998.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on invested funds. Accordingly, deposits are either insured by federal depository insurance or fully collateralized.

The Pension Trust Fund's investment portfolio allocations are recommended by the Board of Trustees for the plans in conformance with an investment policy adopted by the City Council.

Other Information

Independent Audit

Provisions of Kansas State Statutes require the City's financial records to be audited by an independent certified public accountant each year. The firm of KPMG LLP, selected by the City Council, was approved to perform this audit. The audit was conducted in such a manner as to enable the auditors to form an opinion on the general purpose financial statements taken as a whole. The report of the auditors has been included as part of this report.

Awards

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, 1997. This was the twelfth 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.

In addition, the City also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning January 1, 1997. This is the ninth 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.

Acknowledgments

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the staff of the Accounting Department and the City's auditing firm, KPMG LLP. 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,



Barbara Vernon
City Administrator

CITY OF PRAIRIE VILLAGE, KANSAS

Certificate of Achievement

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, 1997

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

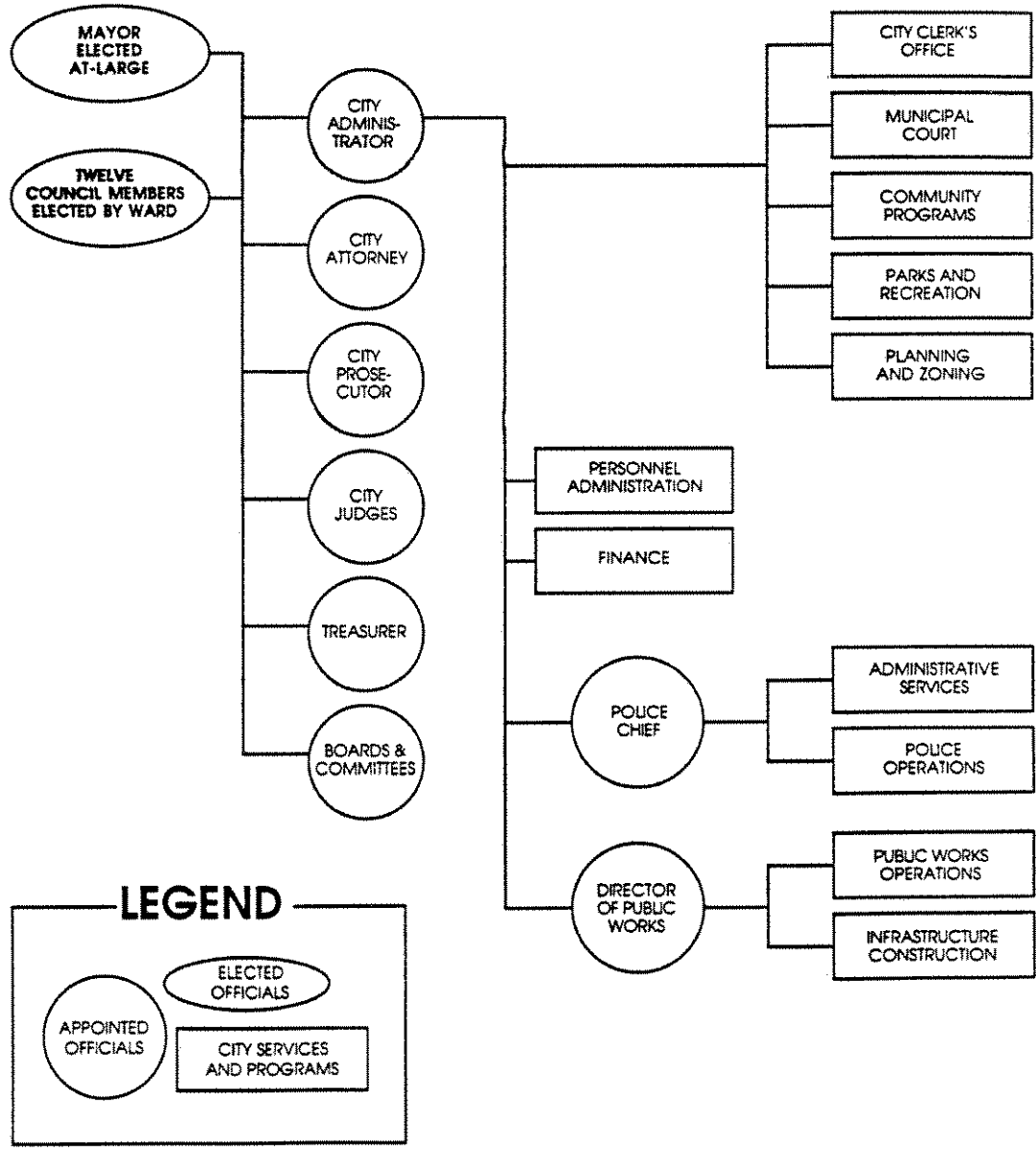


Douglas R. Ellsworth
President

Jeffrey L. Esser
Executive Director

CITY OF PRAIRIE VILLAGE, KANSAS

Organization Chart



CITY OF PRAIRIE VILLAGE, KANSAS

Municipal Officials

December 31, 1998

MAYOR

Monroe Taliaferro

CITY COUNCIL

*Ruth Hopkins – Council President
Ronald L. Shaffer
Terry Frederick
Bill Griffith
Edward Stevens
Diana Ewy-Lamberson*

*Laura Wassmer
John Kemp
Nancy Vennard
Steve Carman
Steve Noll
Nancy Wallerstein*

MAYOR'S APPOINTMENTS

*City Attorney
Assistant City Attorney
City Treasurer
Municipal Judge
Municipal Judge
City Administrator
City Clerk
Chief of Police
Director of Public Works
Assistant City Administrator*

*Charles E. Wetzler
Fred Logan
Fielding Norton, Jr.
Thomas Hamill
Mary Virginia Clarke
Barbara Vernon
Joyce Hagen Mundy
Charles Grover
Robert S. Pryzby
Douglas Luther*



1000 Walnut, Suite 1600
P.O. Box 13127
Kansas City, MO 64199

Independent Auditors' Report

The Honorable Mayor and Members
of the City Council
City of Prairie Village, Kansas:

We have audited the general purpose financial statements of the City of Prairie Village, Kansas as of and for the year ended December 31, 1998, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Prairie Village, Kansas at December 31, 1998 and the results of its operations and changes in plan net assets for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and account group financial statements, schedules, and other supplementary information, listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

As described in notes 3 and 10(a) to the general purpose financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statements No. 27, *Accounting for Pensions by State and Local Governments*, and No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.



The Year 2000 supplementary information in note 12 is not a required part of the general purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the nature of the subject matter underlying the disclosure requirements, and because sufficiently specific criteria regarding the matters to be disclosed have not been established. In addition, we do not provide assurance that the City is or will become Year 2000 compliant, that the City's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City does business are or will become Year 2000 compliant.

The pension supplementary information in note 10(b) is not a required part of the general purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information.

KPMG LLP

May 14, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS

The following portion of the Financial Section contains the General Purpose Financial Statements which are intended to provide report users with an overview and broad perspective of financial position and results of operations for the City of Prairie Village, Kansas, as a whole. The General Purpose Financial Statements report aggregated data for each generic fund type (General, Special Revenue, Debt Service, Capital Projects, and Fiduciary) and for the account groups (General Fixed Assets and General Long-term Debt) in separate adjacent columns, captioned with generic fund type and account group titles.

CITY OF PRAIRIE VILLAGE, KANSAS

Combined Balance Sheet – All Fund Types and Account Groups

December 31, 1998 (With Comparative Totals for 1997)

Assets and Other Debits	Governmental Fund Types				Fiduciary	Account Groups		Totals	
	General	Special Revenue	Debt Service	Capital Projects	Pension Trust Funds	General Fixed Assets	General Long-term Debt	(Memorandum Only)	
								1998	1997
Pooled cash and investments (note 3)	\$ 5,850,750	802,155	46,997	2,624,270	—	—	—	9,324,172	8,525,821
Receivables:									
Taxes	2,372,206	644,686	326,134	—	—	—	—	3,343,026	3,328,229
Interest	72,666	10,656	5,526	—	—	—	—	88,848	99,168
Other	123,791	—	—	—	—	—	—	123,791	55,664
Due from other governments (note 5)	1,332,735	189,921	—	—	—	—	—	1,522,656	1,673,491
Restricted assets (note 3):									
Cash	7,987	—	—	—	—	—	—	7,987	9,126
Investments	—	—	—	—	7,913,536	—	—	7,913,536	7,075,280
General fixed assets (note 6)	—	—	—	—	—	14,494,808	—	14,494,808	13,682,836
Amount available in Debt Service Fund	—	—	—	—	—	—	52,523	52,523	51,613
Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—	3,296,835	3,296,835	3,648,245
Total assets and other debits	\$ 9,760,135	1,647,418	378,657	2,624,270	7,913,536	14,494,808	3,349,358	40,168,182	38,149,473
Liabilities, Equity, and Other Credits									
Liabilities:									
Accounts payable and other liabilities	\$ 268,440	351,123	—	499,854	—	—	—	1,119,417	1,425,112
Compensated absences (note 7)	99,487	—	—	—	—	—	14,358	113,845	230,928
Liabilities payable from restricted assets:									
Municipal Court bonds	7,987	—	—	—	—	—	—	7,987	9,126
General obligation bonds payable (note 7)	—	—	—	—	—	—	3,335,000	3,335,000	3,685,000
Deferred revenue	3,357,537	644,686	326,134	—	—	—	—	4,328,357	4,227,220
Total liabilities	3,733,451	995,809	326,134	499,854	—	—	3,349,358	8,904,606	9,577,386
Equity and other credits:									
Investments in general fixed assets	—	—	—	—	—	14,494,808	—	14,494,808	13,682,836
Fund balances:									
Reserved for encumbrances	377,947	—	—	335,829	—	—	—	713,776	2,099,217
Reserved for pension benefits (note 10)	—	—	—	—	7,913,536	—	—	7,913,536	7,075,280
Reserved for debt service	—	—	52,523	—	—	—	—	52,523	51,613
Unreserved:									
Designated for contingencies (note 10(b))	768,455	—	—	—	—	—	—	768,455	899,000
Undesignated	4,880,282	651,609	—	1,788,587	—	—	—	7,320,478	4,764,141
Total equity and other credits	6,026,684	651,609	52,523	2,124,416	7,913,536	14,494,808	—	31,263,576	28,572,087
Commitments and contingencies (notes 9 and 10)	—	—	—	—	—	—	—	—	—
Total liabilities, equity, and other credits	\$ 9,760,135	1,647,418	378,657	2,624,270	7,913,536	14,494,808	3,349,358	40,168,182	38,149,473

See accompanying notes to general purpose financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances – All Governmental Fund Types

Year Ended December 31, 1998 (With Comparative Totals for 1997)

	Governmental Fund Types				Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	1998	1997
Revenues:						
Taxes (note 4)	\$ 7,640,567	547,623	443,784	—	8,631,974	7,969,985
Licenses and permits	317,142	2,748	—	—	319,890	319,496
Intergovernmental (note 5)	3,111,790	787,637	84,610	—	3,984,037	3,865,837
Charges for services	107,104	839,773	—	—	946,877	890,460
Fines and forfeits	331,931	—	—	—	331,931	283,165
Recreational fees	253,775	—	—	—	253,775	234,347
Interest	441,581	65,488	31,614	—	538,683	543,903
Miscellaneous	148,118	—	—	—	148,118	17,146
Total revenues	<u>12,352,008</u>	<u>2,243,269</u>	<u>560,008</u>	<u>—</u>	<u>15,155,285</u>	<u>14,124,339</u>
Expenditures:						
Current operating:						
Urban management and planning	826,539	943,841	—	—	1,770,380	1,743,545
Public works and environ- mental improvements	1,957,675	186,046	—	—	2,143,721	2,426,518
Public safety	2,789,606	286,095	—	—	3,075,701	2,983,763
Municipal justice	130,298	24,720	—	—	155,018	133,940
Leisure, recreation, and education	635,498	55,519	—	—	691,017	654,264
Capital outlay	—	—	—	5,719,089	5,719,089	5,617,573
Debt service:						
Principal retirement (note 7)	—	—	350,000	—	350,000	330,000
Interest	—	—	209,098	—	209,098	229,764
Total expenditures	<u>6,339,616</u>	<u>1,496,221</u>	<u>559,098</u>	<u>5,719,089</u>	<u>14,114,024</u>	<u>14,119,367</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,012,392</u>	<u>747,048</u>	<u>910</u>	<u>(5,719,089)</u>	<u>1,041,261</u>	<u>4,972</u>
Other financing sources (uses) (note 8):						
Operating transfers in	—	—	—	5,990,044	5,990,044	8,759,920
Operating transfers out	(4,817,744)	(718,000)	—	(454,300)	(5,990,044)	(8,759,920)
Total other financing sources (uses)	<u>(4,817,744)</u>	<u>(718,000)</u>	<u>—</u>	<u>5,535,744</u>	<u>—</u>	<u>—</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>1,194,648</u>	<u>29,048</u>	<u>910</u>	<u>(183,345)</u>	<u>1,041,261</u>	<u>4,972</u>
Fund balances beginning of year	<u>4,832,036</u>	<u>622,561</u>	<u>51,613</u>	<u>2,307,761</u>	<u>7,813,971</u>	<u>7,808,999</u>
Fund balances end of year	<u>\$ 6,026,684</u>	<u>651,609</u>	<u>52,523</u>	<u>2,124,416</u>	<u>8,855,232</u>	<u>7,813,971</u>

See accompanying notes to general purpose financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General, Special Revenue, and Debt Service Fund Types

Year Ended December 31, 1998

	General Fund		Special Revenue Funds		Debt Service Fund	
	Revised Budget	Actual	Revised Budget	Actual	Revised Budget	Actual
Revenues:						
Taxes	\$ 7,170,095	7,640,567	661,433	547,623	454,045	443,784
Licenses and permits	274,000	317,142	1,000	2,748	—	—
Intergovernmental	3,155,360	3,111,790	630,000	787,637	81,459	84,610
Charges for services	96,800	107,104	806,600	839,773	—	—
Fines and forfeits	250,000	331,931	—	—	—	—
Recreational fees	240,000	253,775	—	—	—	—
Interest	550,000	441,581	30,000	65,488	20,000	31,614
Miscellaneous	20,108	148,118	—	—	—	—
Total revenues	<u>11,756,363</u>	<u>12,352,008</u>	<u>2,129,033</u>	<u>2,243,269</u>	<u>555,504</u>	<u>560,008</u>
Expenditures:						
Current operating:						
Urban management and planning	878,764	829,366	952,549	942,521	—	—
Public works and environmental improvements	2,252,088	2,102,940	196,439	186,046	—	—
Public safety	2,988,760	2,897,559	276,573	286,095	—	—
Municipal justice	167,450	130,973	24,721	24,720	—	—
Leisure, recreation, and education	743,097	643,730	55,518	55,519	—	—
Debt service:						
Principal retirement	—	—	—	—	350,000	350,000
Interest	—	—	—	—	209,700	209,098
Total expenditures	<u>7,030,159</u>	<u>6,604,568</u>	<u>1,505,800</u>	<u>1,494,901</u>	<u>559,700</u>	<u>559,098</u>
Excess of revenues over (under) expenditures	<u>4,726,204</u>	<u>5,747,440</u>	<u>623,233</u>	<u>748,368</u>	<u>(4,196)</u>	<u>910</u>
Other financing uses – operating transfers out	<u>(5,555,441)</u>	<u>(4,817,744)</u>	<u>(718,000)</u>	<u>(718,000)</u>	—	—
Excess of revenues over (under) expenditures and other financing uses – budgetary basis	\$ <u>(829,237)</u>	929,696	<u>(94,767)</u>	30,368	<u>(4,196)</u>	910
Effect of current year encumbrances		377,947		—		—
Effect of prior year encumbrances		<u>(112,995)</u>		<u>(1,320)</u>		—
Excess of revenues over expenditures and other financing uses		1,194,648		29,048		910
Fund balances beginning of year (GAAP basis)		<u>4,832,036</u>		<u>622,561</u>		<u>51,613</u>
Fund balances end of year (GAAP basis)	\$	<u>6,026,684</u>		<u>651,609</u>		<u>52,523</u>

See accompanying notes to general purpose financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

Statement of Changes in Plan Net Assets –
Fiduciary Fund Type – Pension Trust Funds

Year Ended December 31, 1998 (With Comparative Totals for 1997)

	<u>Supplementary Retirement Fund</u>	<u>Revised Prairie Village Police Pension Fund</u>	<u>Totals (Memorandum Only)</u>	
			<u>1998</u>	<u>1997</u>
Additions:				
Contributions	\$ 73,643	17,312	90,955	106,133
Interest and dividends	63,785	268,043	331,828	308,402
Net appreciation in fair value of investments	<u>122,380</u>	<u>687,337</u>	<u>809,717</u>	<u>640,959</u>
Total additions	<u>259,808</u>	<u>972,692</u>	<u>1,232,500</u>	<u>1,055,494</u>
Deductions:				
Benefit payments	165,921	227,963	393,884	211,690
Other	<u>—</u>	<u>360</u>	<u>360</u>	<u>411</u>
Total deductions	<u>165,921</u>	<u>228,323</u>	<u>394,244</u>	<u>212,101</u>
Excess of additions over deductions	93,887	744,369	838,256	843,393
Plan net assets held in trust for pension benefits:				
Beginning of year	<u>1,146,176</u>	<u>5,929,104</u>	<u>7,075,280</u>	<u>6,231,887</u>
End of year	<u>\$ 1,240,063</u>	<u>6,673,473</u>	<u>7,913,536</u>	<u>7,075,280</u>

See accompanying notes to general purpose financial statements.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF PRAIRIE VILLAGE, KANSAS

Notes to General Purpose Financial Statements

Year Ended December 31, 1998

(1) Summary of Significant Accounting Policies

The City of Prairie Village, Kansas (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 23,500 residents in many areas including urban management and planning; public works and environmental improvement; public safety; municipal justice; and leisure, recreation, and education.

The general purpose financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The more significant of the City's accounting policies are described below.

A. Reporting Entity

In evaluating the City's financial reporting entity, management has considered all potential component units over which the City may be financially accountable. Financial accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). Based on these criteria, there are no entities for which the City is considered to be financially accountable and, as such, no component units are reported in the general purpose financial statements.

B. Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The City's funds are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental Funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds), the acquisition or construction of general fixed assets (Capital Projects Funds) and the servicing of general long-term debt (Debt Service Funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary Funds are used to account for assets held on behalf of outside parties or on behalf of other funds within the government. Two Pension Trust Funds have been used for those assets held under the terms of a formal trust agreement.

CITY OF PRAIRIE VILLAGE, KANSAS

Notes to General Purpose Financial Statements

Year Ended December 31, 1998

C. *Basis of Accounting*

The accounting and financial treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The Pension Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Their operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all Governmental Fund Types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. However, property taxes levied during any year are, under Kansas State Statutes, revenues to be used to finance the budget of the ensuing year. Therefore, property taxes are recognized as taxes receivable and deferred revenue at the levy date. A one-year availability period is used for revenue recognition for all other Governmental Fund Type revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, interest revenue, and intergovernmental revenue. Fines and forfeitures, licenses and permits, and charges for services are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by the Pension Trust Fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

D. *General Fixed Assets*

General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the Governmental Funds and capitalized at cost in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost when historical records are available and at estimated historical costs when records do not exist. Contributed fixed assets are recorded in general fixed assets at estimated fair market value at the time received.

CITY OF PRAIRIE VILLAGE, KANSAS

Notes to General Purpose Financial Statements

Year Ended December 31, 1998

Public domain (infrastructure) fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets.

Major outlays for capital assets and improvements are capitalized in the General Fixed Assets Account Group as construction-in-progress as projects are constructed.

No depreciation has been provided on general fixed assets, and interest has not been capitalized because it has not been material.

E. Compensated Absences

Full-time City employees earn vacation based upon length of service, and unused vacation days can be carried forward to future years with certain limitations. The City accrues the cost of vacation pay as it is earned as a liability in the General Fund.

Sick leave is earned by regular City employees at a rate of one day per month of employment, with total accumulation limited to 140 days. A liability has been recorded in the General Fund for those employees who will be retiring within a year. However, a portion of certain employees' accumulated leave will be paid upon their retirement and such amount is reported as compensated absences in the General Long-term Debt Account Group.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized in the Governmental Funds. Encumbrances are reported as reservations of fund balances because they do not constitute expenditures.

G. Reserves and Designations

Reserves are reported in the various funds to indicate that a portion of the fund balance is restricted by law or contract for a specific purpose. Designations of fund balances in Governmental Funds indicate City management's plans for use of financial resources in a future period.

H. Use of Estimates

The preparation of general purpose financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the general purpose 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 General Purpose Financial Statements

Year Ended December 31, 1998

I. Accounting for Investments

All investments are stated at fair value. The fair value of marketable securities is based on quotations which are generally obtained from national securities exchanges. Where marketable securities are not listed on an exchange, quotations are obtained from brokerage firms or national pricing services.

J. Memorandum Only – Total Columns

Total columns on the general purpose financial statements are captioned “memorandum only” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position and results of operations in conformity with GAAP. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

K. Comparative Data

Comparative total data for the prior year have been presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the government’s financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

(2) Budget Basis

Kansas State Statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute) and Debt Service Funds. Annual operating budgets are not adopted for the Capital Projects Fund; instead, budgetary control is maintained through the use of cumulative project authorizations.

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

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

The annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized on the modified accrual basis. Expenditures include disbursements, accounts payable, and encumbrances. All unencumbered appropriations lapse at year-end.

CITY OF PRAIRIE VILLAGE, KANSAS

Notes to General Purpose Financial Statements

Year Ended December 31, 1998

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 reported budgetary data represents the final approved budget after amendments as adopted by the City Council.

The Statutes permit transferring budgeted amounts between line items or departments within an individual fund by the governing body and the City Council has given the City Administrator that authority. The Statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. The City's legal level of control is at the fund level.

Kansas Statutes prohibit cities from creating indebtedness unless there is money on hand in the proper fund and unencumbered by previous commitments with which to pay the indebtedness. The execution of a contract, or the issuing of a purchase order, automatically encumbers the money in the fund for the payment of the amount represented by the commitment. It makes no difference that the amount may not have to be paid until more monies are in the fund or until the following year. An exception to this cash basis law is the issuance of debt, in the form of bonds, notes, or warrants, pursuant to statutory authority, referendum, or by the State Board of Tax Appeals. In the event debt is issued, funds need not be on hand for future payments.

(3) Cash and Investments

Kansas State Statutes authorize the City, with certain restrictions, to deposit or invest in open accounts, time deposits, certificates of deposit, repurchase agreements, and United States treasury bills and notes. Statutes also require that collateral pledged must have a fair value equal to 100% of the deposits (less insured amounts) and investments and must be assigned for the benefit of the City. The Statutes provide for an exception for peak deposit periods during tax paying time where, for a period of sixty days, the amount of required collateral can be reduced by one-half. The City maintains a cash and investment pool that is available for use by all funds, except for the Pension Trust Funds. Each fund type's portion of this pool is presented on the combined balance sheet as pooled cash and investments. Investment income is allocated to each fund based on specific identification. On January 1, 1998, the City adopted the provisions of Government Accounting Standards Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. This statement requires certain investments to be accounted for at fair value. Adoption of this statement was immaterial to the general purpose financial statements.

Deposits – At December 31, 1998, the carrying amount of the City's deposits, including certificates of deposit and amounts deposited with the State Municipal Investment Pool, was \$7,322,453. The bank balance was \$7,097,752 and the balance deposited with the State Municipal Investment Pool was \$430,353. Of the bank balance, \$300,000 was covered by federal depository insurance and \$6,797,752 was covered by collateral held by the Federal Reserve Bank under joint custody agreements between the depository institution and the City.

CITY OF PRAIRIE VILLAGE, KANSAS

Notes to General Purpose Financial Statements

Year Ended December 31, 1998

Investments -- At year-end, the City had investments with a fair value of \$9,992,392 summarized as follows:

U. S. treasury bills and notes	\$ <u>2,008,856</u>
Pension Trust Funds:	
Pooled investments	3,896,967
U. S. government agencies	2,238,372
Small Business Administration obligations	875,454
U. S. treasury notes	719,082
Nongovernment obligations	102,589
Money Market Fund	<u>81,072</u>
	<u>7,913,536</u>
	<u>\$ 9,922,392</u>

The U. S treasury bills and treasury notes are registered in the name of a bank's trust department and held at the Federal Reserve Bank in book entry form. The remaining Pension Trust Fund investments are held by the bank's trust department.

The investments of the Pension Trust Funds are held separately from those of other City funds with outside entities in investment pools.

A summary of deposits, investments, and petty cash and the financial statement classifications are as follows:

Total deposits	\$ 7,322,453
Total investments	9,922,392
Petty cash	<u>850</u>
	<u>\$ 17,245,695</u>
General purpose financial statement classifications:	
Pooled cash and investments	\$ 9,324,172
Restricted assets:	
Cash	7,987
Investments	<u>7,913,536</u>
	<u>\$ 17,245,695</u>

CITY OF PRAIRIE VILLAGE, KANSAS

Notes to General Purpose Financial Statements

Year Ended December 31, 1998

(4) Tax Revenue and Receivables

Tax revenue by fund type for the year was as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
Property tax	\$ 1,996,300	547,623	443,784
City sales tax	4,088,799	—	—
Local consumers' use tax	285,558	—	—
Franchise tax	1,269,910	—	—
	<u>\$ 7,640,567</u>	<u>547,623</u>	<u>443,784</u>

The City's property tax is levied and a lien attached each November 1 on the assessed value as of the prior January 1 for all property located in the City. Assessed values are established by the County Assessor. The assessed value for property located in the City as of January 1, 1998 on which the 1998 levy was based was \$183,137,667.

The City's property tax levy per \$1,000 assessed valuation for the year ended December 31, 1998 was \$16.011 (General Fund, \$11.203; Employee Benefits Fund, \$3.340 (a Special Revenue Fund type); and Debt Service Fund, \$1.468).

Property taxes are due in total by December 31 following the levy date, or may be paid in equal installments if paid by December 20 (first installment) and the following June 20 (second installment). They are remitted by the County Treasurer to the City subsequent to collection.

Taxes receivable represent property taxes levied on November 1, 1998 for 1999 which have been recorded as deferred revenue and franchise taxes which have been recorded as revenues.

CITY OF PRAIRIE VILLAGE, KANSAS

Notes to General Purpose Financial Statements

Year Ended December 31, 1998

(5) Intergovernmental Revenues and Receivables

Intergovernmental revenue by fund type during the year consisted of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
Federal:			
Federal Emergency Management Assistance	\$ 32,628	—	—
Community Development Block Grant	60,000	—	—
COPS Fast Grant	1,501	—	—
	<u>94,129</u>	<u>—</u>	<u>—</u>
State:			
Revenue sharing	194,855	—	—
Highway maintenance gasoline tax	—	677,794	—
Special liquor tax	26,021	52,042	—
Bingo tax	710	—	—
	<u>221,586</u>	<u>729,836</u>	<u>—</u>
County:			
Stormwater Management Advisory Council	1,681,293	—	—
County Assisted Road System	111,655	—	—
Motor vehicle tax	466,662	57,685	84,441
Recreational vehicle tax	937	116	169
	<u>2,260,547</u>	<u>57,801</u>	<u>84,610</u>
Local:			
Mission Hills	535,528	—	—
Total	<u>\$ 3,111,790</u>	<u>787,637</u>	<u>84,610</u>

CITY OF PRAIRIE VILLAGE, KANSAS
Notes to General Purpose Financial Statements
Year Ended December 31, 1998

Intergovernmental receivables at year-end consisted of the following:

	General	Special Revenue
Federal:		
Federal Emergency Management Assistance	\$ 32,628	—
State:		
Highway maintenance gasoline tax	—	189,921
County:		
Stormwater Management Advisory Council	1,254,027	—
Local:		
Mission Hills	46,080	—
	\$ 1,332,735	189,921

(6) General Fixed Assets

Following is a summary of changes in general fixed assets for the year:

	Balance Beginning of Year	Additions/ Transfers	Retirements/ Transfers	Balance End of Year
Land	\$ 1,716,555	—	—	1,716,555
Building	5,210,953	1,082,782	—	6,293,735
Improvements other than building	3,329,862	174,904	—	3,504,766
Furniture and equipment	2,815,353	372,271	207,872	2,979,752
Construction in process	610,113	—	610,113	—
	\$ 13,682,836	1,629,957	817,985	14,494,808

CITY OF PRAIRIE VILLAGE, KANSAS

Notes to General Purpose Financial Statements

Year Ended December 31, 1998

(7) General Long-term Debt

Following is a summary of general long-term debt transactions during the year:

	<u>General Obligation Bonds</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance beginning of year	\$ 3,685,000	14,858	3,699,858
Reductions	<u>(350,000)</u>	<u>(500)</u>	<u>(350,500)</u>
Balance end of year	<u>\$ 3,335,000</u>	<u>14,358</u>	<u>3,349,358</u>

General obligation bonds outstanding at the end of the year are as follows:

<u>Description</u>	<u>Interest Rates</u>	<u>Date</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Unmature Principal</u>
Pool improvements/ park purchase	6.4% - 7.0%	11/1/89	\$ 1,800,000	9/1/09	\$ 80,000
Police facility bonds	4.6% - 6.6%	7/1/94	2,600,000	9/1/13	2,015,000
Park refunding bonds	3.9% - 5.0%	1/1/94	1,240,000	9/1/09	<u>1,240,000</u>
					<u>\$ 3,335,000</u>

The annual requirements to amortize bonded debt at the end of the year are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$ 205,000	191,785	396,785
2000	240,000	153,531	393,531
2001	255,000	143,283	398,283
2002	270,000	132,162	402,162
2003	275,000	120,042	395,042
Thereafter	<u>2,090,000</u>	<u>538,804</u>	<u>2,628,804</u>
	<u>\$ 3,335,000</u>	<u>1,279,607</u>	<u>4,614,607</u>

In prior years, the City defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's general purpose financial statements. At December 31, 1998, bonds outstanding of \$1,113,672 are considered defeased.

CITY OF PRAIRIE VILLAGE, KANSAS

Notes to General Purpose Financial Statements

Year Ended December 31, 1998

Conduit Debt

The City has issued debt for economic development from time to time. 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. Debt still outstanding of this nature includes Taxable Industrial Revenue Bonds for Lockton Insurance Agency 85 for \$3,563,093, J. C. Nichols 85 for \$4,500,000, and Claridge Court 93 for \$9,645,000.

(8) Operating Transfers

Operating transfers by fund for the year were as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 4,817,744	—
Special Revenue:		
Special City Street and Highway	693,000	—
Special Parks and Recreation	25,000	—
	<u>718,000</u>	<u>—</u>
Capital Projects	<u>454,300</u>	<u>5,990,044</u>
Total	<u>\$ 5,990,044</u>	<u>5,990,044</u>

CITY OF PRAIRIE VILLAGE, KANSAS

Notes to General Purpose Financial Statements

Year Ended December 31, 1998

(9) Capital Projects Fund

As indicated in note 2, annual operating budgets are not adopted for the Capital Projects Fund. Instead, control is maintained through use of cumulative project authorization. Following is a summary of 1998 activity:

	<u>Project Authori- zation</u>	<u>Total Expenditures to Date</u>
Park projects:		
Franklin Park Improvement	\$ 54,900	54,893
Porter Park Improvements	25,600	25,554
Pool bath renovation	41,109	41,108
Harmon Park Mulch	5,000	5,069
Carroll Plaza Improvements	10,844	10,843
Pool Improvements	34,334	34,333
Portable Toilet Shelters	6,235	6,234
Building projects:		
City Hall Reroofing	168,468	168,468
Community Center renovation	199,030	199,029
Drainage projects:		
Storm drainage	1,321,980	1,256,652
Street projects:		
Street resurfacing and maintenance	2,235,696	2,235,694
Other projects:		
Sidewalk, ramps, bridges, and miscellaneous	<u>180,729</u>	<u>161,622</u>
Total	<u>\$ 4,283,925</u>	<u>4,199,499</u>

(10) Commitments and Contingencies

(a) Defined Pension Plans

All employees of the City, after meeting eligibility requirements, are covered under the Kansas Public Employees Retirement System and the Supplementary Retirement Plan, except commissioned police officers who are covered by the Revised Prairie Village Police Pension Plan. Kansas State Statutes require that current liabilities be funded currently. The City sponsors and administers the Supplementary Retirement Plan and the Revised Prairie Village Police Pension Plan. These two plans are accounted for as separate Pension Trust Funds. The Kansas Public Employees Retirement System is administered by the State of Kansas. Each plan is described below.

CITY OF PRAIRIE VILLAGE, KANSAS

Notes to General Purpose Financial Statements

Year Ended December 31, 1998

Kansas Public Employees Retirement System

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to KPERS (400 S.W. 8th Avenue, Suite 200; Topeka, KS 66603-3925) or by calling 1-800-228-0366.

Funding policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The City rate established by Statute for calendar year 1998 is 2.78%. The City contributions to KPERS for the years ending December 31, 1998, 1997, and 1996 were \$41,260, \$33,887, and \$32,789, respectively, equal to the statutory required contributions for each year.

Supplementary Retirement Plan

As a supplement to KPERS, the City provides a defined contribution Supplementary Retirement Plan to all eligible employees, except commissioned police officers. This is a defined contribution plan, in which the benefits depend solely on amounts contributed to the plan plus investment earnings. The City contributes 5% of the employee's base salary as of January 1 to a maximum of \$2,500 per employee per year. There are no employee contributions. The City's contributions (and investment earnings) are allocated to employee accounts and are vested 40% after four years of service, 45% after five years' service, 50% after six years' service, with such percentage increasing 10% per year thereafter resulting in full vesting after eleven years. There were no retirees and no vested terminees who received lump-sum payments in 1998. Participants include forty-three active employees (thirteen fully vested, twelve partially vested, and eighteen nonvested). City contributions for, and interest forfeited by, employees who leave employment before becoming fully vested are allocated to other participant accounts based upon length of service and annual salary.

The City's total payroll in 1998 was approximately \$3,621,000. The City's contributions to this defined contribution plan were based on covered payroll of approximately \$1,523,000. The City made the required 5% contribution, up to a maximum contribution of \$2,500 per employee, which amounted to \$73,643.

CITY OF PRAIRIE VILLAGE, KANSAS

Notes to General Purpose Financial Statements

Year Ended December 31, 1998

Revised Prairie Village Police Pension Plan

The Revised Prairie Village Police Pension Plan, a defined benefit plan (single employer pension plan), was established in 1966 and was amended to its current form in 1993. On January 1, 1998, the City adopted the provisions of the Government Accounting Standards Board Statement No. 27, *Accounting for Pensions by State and Local Governments*. This statement requires the measurement of the annual pension cost. The plan covers eligible full-time commissioned police officers who have been continuously employed by the City for at least one year and who have not attained the age of retirement established by the plan. The plan provides for lifetime benefits upon retirement, along with death and disability benefits. The Plan allows retirement upon attainment of twenty years of credited service, regardless of age, or attainment of age fifty-five and five years of service. A three-year average of earnings is used to determine benefits. The Plan requires each participating officer to contribute 1.09% of earnings which earns interest each year. At December 31, 1998, there were thirty-three active participants (four fully vested, fifteen partially vested, and fourteen nonvested), fourteen vested terminees (not currently receiving benefits), and eighteen retirees (currently receiving benefits). The City's total payroll for the years ended December 31, 1998 and 1997 was approximately \$3,621,000 and \$3,325,000, respectively, of which approximately \$1,330,000 and \$1,249,000, respectively, was payroll of plan participants.

The plan's funding policy provides for periodic employer contributions at actuarially determined rates that are expressed as percentages of annual covered payroll and are sufficient to accumulate sufficient assets to pay benefits when due. The plan's methods and assumptions are consistent with those under the Kansas Police and Fireman's Retirement Plan and the same as those used to compute the standardized measure of the pension obligation discussed above.

City contributions are as authorized by local ordinance and all actuarially required contributions are made. The City may terminate the plan or its contributions at any time.

***Unaudited Required Supplemental Information –
Schedule of Funding Progress***

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(a-b) Funded AAL (UAAL)</u>	<u>(c) Covered Payroll</u>	<u>((a-b)/(c)) AAL as a Percentage of Covered Payroll</u>
1993	\$ 4,270,503	3,449,748	124 %	\$ 820,755	1,212,287	68 %
1994	4,425,123	3,653,809	121	771,314	1,119,577	69
1995	4,680,641	3,762,175	124	918,466	1,146,532	80
1996	4,935,090	3,801,360	130	1,133,730	1,329,516	85
1997	5,325,400	3,911,490	136	1,413,910	1,273,872	111
1998	5,757,357	4,111,811	140	1,645,546	1,330,356	124

CITY OF PRAIRIE VILLAGE, KANSAS

Notes to General Purpose Financial Statements

Year Ended December 31, 1998

Schedule of Employer Contributions

<u>Fiscal Year Ending December 31</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
1993	\$ 48,585	100 %	\$ —
1994	40,750	100	—
1995	40,794	100	—
1996	24,500	100	—
1997	3,820	100	—
1998	—	—	—

The information presented in the required supplemental information was determined as part of the actuarial valuations as of the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 1999
Actuarial cost method	Entry Age Normal
Asset Valuation Method	Five-year average of adjusted market value of the trust fund assets
Authorization method	Level percentage open
Remaining amortization period	Approximately twenty years
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	6.5%

The actuarial methods and assumptions are the same as those used in the previous year valuation.

CITY OF PRAIRIE VILLAGE, KANSAS

Notes to General Purpose Financial Statements

Year Ended December 31, 1998

(b) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has provided commercial insurance coverage for up to the maximum of the statutory limit for each workers' compensation claim, \$1 million each for general liability, auto liability, and auto physical damage (\$1,000 deductible) with a \$10 million umbrella coverage, \$500,000 crime coverage (\$500 deductible), \$500,000 for surety bond coverage of the City Treasurer and City Clerk, \$1 million public officials coverage (\$5,000 deductible), \$500,000 in fiduciary coverage (\$5,000 deductible), and \$1 million in law enforcement coverage (\$10,000 deductible).

The City has a designated unreserved contingency amount in the General Fund for the purpose of funding any unforeseen and unanticipated expenditures. This account is set up at the beginning of the year and represents 5% of the City's annual budget. At December 31, 1998, the City had \$768,455 in this account. The designated unreserved contingency account supplements the City's commercial insurance coverage if any claims exceed the insured amounts. Settled claims have never exceeded the commercial coverage.

		<u>Beginning of Fiscal Year Liability</u>	<u>Current Claims and Estimated Changes</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-end</u>
1998	\$	—	—	—	—
1997		—	—	—	—

(11) Compliance With Kansas Statutes and Other Finance-related Legal Matters

The City was in compliance with Kansas Statutes and finance-related legal matters.

(12) Year 2000 – Required Supplemental Information (Unaudited)

The goal of the City's Year 2000 program is, with respect to Year 2000 processes, to continue to provide essential City services to residents without interruption on January 1, 2000 and beyond. Since early 1998, the City has been examining this issue and working to prepare for the Year 2000.

To achieve this goal, the City has taken a multi-faceted approach to addressing potential Year 2000 related issues with its computer hardware, software, embedded systems, and business partner relationships. The City's Year 2000 program has been organized into the following phases.

Inventory

A group of City employees representing all City departments developed an inventory of the City's computer hardware, software, equipment, and business partners who provide goods and services necessary to provide City services. This inventory serves as the foundation of the City's Year 2000 readiness program.

CITY OF PRAIRIE VILLAGE, KANSAS

Notes to General Purpose Financial Statements

Year Ended December 31, 1998

Assessment

Using the inventory as a guide, items identified in the inventory were assessed for their vulnerability to potential Year 2000 performance issues and priorities were set. As part of the assessment process, vendors and other business partners were contacted regarding the Year 2000 compliance of the goods/services they provide to the City as well as the business partners' ability to provide continued service to the City on and after January 1, 2000. Questionnaires regarding business partners' Year 2000 readiness efforts were distributed to over 100 business partners.

During this process, it was determined that upgrades to hardware, software, and other equipment would be necessary. The City's 1999 budget includes funding for Year 2000 readiness including software upgrades, replacement of computer hardware and software, and professional services to assist City staff in addressing potential Year 2000 issues. Where appropriate, these upgrades have been or will be installed before January 1, 2000. For example, the City is upgrading its Public Safety Radio System and replacing and/or upgrading PC hardware and software as part of its Year 2000 readiness program.

Remediation/Testing

When Year 2000 changes have been made to City systems, the manufacturers/providers of these systems have been required to provide assurances that the systems will be Year 2000 ready. In instances where business partners have indicated that Year 2000 issues exist with their products, the City is working with these business partners to implement appropriate solutions.

In addition, the City has contacted service providers such as electric, water, and wastewater providers regarding their Year 2000 readiness efforts.

Contingency Planning

Representatives from all City departments are working to develop contingency plans to address the potential failure or malfunctioning of internal computer and other automated systems. In many instances, it has been determined that many City services can be provided without the assistance of automated processes.

Working Cooperatively

Cities throughout the metropolitan area are working together to address the Year 2000. Utility representatives, critical service providers, and local government officials have been meeting since mid-1998 to address the Year 2000 issue in the Kansas City metropolitan area. The City has been a participant in this process. This effort has been facilitated by the Mid-America Regional Council (MARC) and has provided a forum allowing representatives from local governments throughout the region to share information about their Year 2000 readiness efforts.

The City is committed to being prepared for the Year 2000. Although the City cannot guarantee that all City functions and private organizations providing goods and services to Prairie Village residents will not experience difficulties due to Year 2000 issues, the City's employees and elected officials are aware of the Year 2000 issue and working toward Year 2000 readiness.

CITY OF PRAIRIE VILLAGE, KANSAS

Notes to General Purpose Financial Statements

Year Ended December 31, 1998

(13) Subsequent Events

On January 1, 1999, the City issued \$1,665,000 of general obligation refunding bonds to refund the Police Facility Bonds, 1994-B. The interest rates on the refunding bonds range from 3.6% to 4.0% and the maturity date is September 1, 2010. The City completed the advance refunding to reduce its total debt service payments over the next twelve years by approximately \$192,000 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$74,000.

**COMBINING, INDIVIDUAL FUND, ACCOUNT GROUPS,
AND OTHER SUPPLEMENTARY INFORMATION**

CITY OF PRAIRIE VILLAGE, KANSAS

Detail Schedule of Expenditures –
Budget and Actual – General Fund

Year Ended December 31, 1998 (With Comparative Actual Amounts for 1997)

	1998		1997
	Budget	Actual	Actual
Urban management and planning:			
Salaries	\$ 359,400	335,493	346,047
Services	406,742	387,900	378,065
Supplies	64,900	60,966	56,893
Capital outlay	47,722	45,007	60,762
	<u>878,764</u>	<u>829,366</u>	<u>841,767</u>
Public works and environmental improvements:			
Salaries	850,700	755,571	852,968
Services	1,069,465	1,061,030	1,061,789
Supplies	125,400	86,222	85,985
Capital outlay	206,523	200,117	322,531
	<u>2,252,088</u>	<u>2,102,940</u>	<u>2,323,273</u>
Public safety:			
Salaries	2,170,600	2,071,716	2,086,205
Services	502,860	505,062	439,432
Supplies	128,800	120,664	152,307
Capital outlay	186,500	200,117	167,121
	<u>2,988,760</u>	<u>2,897,559</u>	<u>2,845,065</u>
Municipal justice:			
Salaries	108,500	108,491	100,631
Service	56,440	20,006	18,415
Supplies	2,510	2,476	3,149
	<u>167,450</u>	<u>130,973</u>	<u>122,195</u>
Leisure, recreation, and education:			
Salaries	358,000	299,655	323,978
Services	227,345	208,575	160,718
Supplies	85,952	73,279	76,986
Capital outlay	71,800	62,221	52,370
	<u>743,097</u>	<u>643,730</u>	<u>614,052</u>
Total expenditures before other financing uses	7,030,159	6,604,568	6,746,352
Other financing uses – operating transfers out – Capital Project Fund	<u>5,555,441</u>	<u>4,817,744</u>	<u>6,074,505</u>
Total expenditures and other financing uses	<u>\$ 12,585,600</u>	<u>11,422,312</u>	<u>12,820,857</u>

See accompanying independent auditors' report.

SPECIAL REVENUE FUNDS

Solid Waste Management Fund accounts for the operation of the City's solid waste management system which provides for collection, storage, and transportation of solid waste in a manner which ensures protection of the health, safety, and welfare of City residents.

Employee Benefits Fund accounts for property and motor vehicle taxes designated for payment of a portion of the City's contributions to the Police Department Revised Retirement Plan.

Special City Street and Highway Fund accounts for gasoline taxes designated for construction and maintenance of the City streets and curbing and related expenditures.

Special Alcohol Program Fund accounts for the operation of services and programs pertaining to alcohol misuse. Financing is provided by the state liquor tax.

Special Park and Recreation Fund accounts for various City-sponsored park and recreation activities funded by the state liquor tax.

CITY OF PRAIRIE VILLAGE, KANSAS

Combining Balance Sheet – Special Revenue Funds

December 31, 1998 (With Comparative Totals for 1997)

Assets	Solid Waste Management	Employee Benefits	Special City Street and Highway	Special Alcohol Program	Special Park and Recreation	Totals	
						1998	1997
Pooled cash and investments	\$ 481,743	114,609	169,712	4,648	31,443	802,155	780,427
Receivables:							
Property taxes	—	644,686	—	—	—	644,686	463,351
Interest	10,656	—	—	—	—	10,656	15,173
Due from other governments	—	—	189,921	—	—	189,921	181,305
Total assets	\$ 492,399	759,295	359,633	4,648	31,443	1,647,418	1,440,256
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	\$ 349,998	1,125	—	—	—	351,123	354,344
Deferred revenue	—	644,686	—	—	—	644,686	463,351
Total liabilities	349,998	645,811	—	—	—	995,809	817,695
Fund balance:							
Reserved for encumbrances	—	—	—	—	—	—	1,320
Unreserved	142,401	113,484	359,633	4,648	31,443	651,609	621,241
Total fund balance	142,401	113,484	359,633	4,648	31,443	651,609	622,561
Total liabilities and fund balance	\$ 492,399	759,295	359,633	4,648	31,443	1,647,418	1,440,256

See accompanying independent auditors' report.

CITY OF PRAIRIE VILLAGE, KANSAS

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – Special Revenue Funds

Year Ended December 31, 1998 (With Comparative Totals for 1997)

	Solid Waste Management	Employee Benefits	Special City Street and Highway	Special Alcohol Program	Special Park and Recreation	Totals	
						1998	1997
Revenues:							
Property taxes	\$ ---	547,623	---	---	---	547,623	372,864
Licenses and permits	2,748	---	---	---	---	2,748	491
Intergovernmental	---	57,801	677,794	26,021	26,021	787,637	740,394
Charges for services	839,773	---	---	---	---	839,773	799,100
Interest	65,488	---	---	---	---	65,488	67,510
Total revenues	<u>908,009</u>	<u>605,424</u>	<u>677,794</u>	<u>26,021</u>	<u>26,021</u>	<u>2,243,269</u>	<u>1,980,359</u>
Expenditures:							
Urban management and planning	861,993	81,848	---	---	---	943,841	936,433
Public works and environmental improvements	---	186,046	---	---	---	186,046	86,628
Public safety	---	286,095	---	---	---	286,095	164,314
Municipal justice	---	24,720	---	---	---	24,720	12,494
Leisure, recreation, and education	---	30,519	---	25,000	---	55,519	37,756
Total expenditures	<u>861,993</u>	<u>609,228</u>	<u>---</u>	<u>25,000</u>	<u>---</u>	<u>1,496,221</u>	<u>1,237,625</u>
Excess (deficiency) of revenues over (under) expenditures	46,016	(3,804)	677,794	1,021	26,021	747,048	742,734
Other financing uses – operating transfers out	---	---	693,000	---	25,000	718,000	450,630
Excess (deficiency) of revenues over (under) expenditures and other financing uses	46,016	(3,804)	(15,206)	1,021	1,021	29,048	292,104
Fund balances beginning of year	<u>96,385</u>	<u>117,288</u>	<u>374,839</u>	<u>3,627</u>	<u>30,422</u>	<u>622,561</u>	<u>330,457</u>
Fund balances end of year	<u>\$ 142,401</u>	<u>113,484</u>	<u>359,633</u>	<u>4,648</u>	<u>31,443</u>	<u>651,609</u>	<u>622,561</u>

See accompanying independent auditors' report.

CITY OF PRAIRIE VILLAGE, KANSAS

Special Revenue – Solid Waste Management Fund

Schedule of Revenues and Expenditures – Budget and Actual

Year Ended December 31, 1998 (With Comparative Actual Amounts for 1997)

	<u>1998</u>		<u>1997</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues:			
Licenses and permits	\$ 1,000	2,748	491
Charges for services	806,600	839,773	799,100
Interest	<u>30,000</u>	<u>65,488</u>	<u>67,510</u>
Total revenues	837,600	908,009	867,101
Expenditures – urban management and planning	<u>870,700</u>	<u>860,673</u>	<u>886,317</u>
Excess (deficiency) of revenues over (under) expenditures – budgetary basis	\$ <u>(33,100)</u>	47,336	(19,216)
Effect of current year encumbrances		—	1,320
Effect of prior year encumbrances		<u>(1,320)</u>	—
Excess (deficiency) of revenues over (under) expenditures		46,016	(17,896)
Fund balance beginning of year (GAAP basis)		<u>96,385</u>	<u>114,281</u>
Fund balance end of year (GAAP basis)		<u>\$ 142,401</u>	<u>96,385</u>

See accompanying independent auditors' report.

CITY OF PRAIRIE VILLAGE, KANSAS

Special Revenue – Employee Benefits Fund

Schedule of Revenues and Expenditures – Budget and Actual

Year Ended December 31, 1998 (With Comparative Actual Amounts for 1997)

	1998		1997
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues:			
Property taxes	\$ 556,624	547,623	372,388
Intergovernmental	<u>58,474</u>	<u>57,801</u>	<u>49,723</u>
Total revenue	<u>615,098</u>	<u>605,424</u>	<u>422,111</u>
Expenditures:			
Urban management and planning	81,849	81,848	51,436
Public works and environmental impairments	196,439	186,046	86,628
Public safety	276,573	286,095	164,314
Municipal justice	24,721	24,720	12,494
Leisure, recreation, and education	<u>30,518</u>	<u>30,519</u>	<u>16,256</u>
Total expenditures	<u>610,100</u>	<u>609,228</u>	<u>331,128</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>4,998</u>	(3,804)	90,983
Fund balance beginning of year (GAAP basis)		<u>117,288</u>	<u>26,305</u>
Fund balance end of year (GAAP basis)		\$ <u>113,484</u>	<u>117,288</u>

See accompanying independent auditors' report.

CITY OF PRAIRIE VILLAGE, KANSAS

Special Revenue – Special City Street and Highway Fund

Schedule of Revenues and Expenditures – Budget and Actual

Year Ended December 31, 1998 (With Comparative Actual Amounts for 1997)

	1998		1997
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues – intergovernmental	\$ 630,000	677,794	644,141
Other financing uses – operating transfer out	<u>693,000</u>	<u>693,000</u>	<u>450,000</u>
Excess (deficiency) of revenues over (under) other financing uses	\$ <u>(63,000)</u>	(15,206)	194,141
Fund balance beginning of year (GAAP basis)		<u>374,839</u>	<u>180,698</u>
Fund balance end of year (GAAP basis)		\$ <u>359,633</u>	<u>374,839</u>

See accompanying independent auditors' report.

CITY OF PRAIRIE VILLAGE, KANSAS

Special Revenue – Special Alcohol Program Fund

Schedule of Revenues and Expenditures – Budget and Actual

Year Ended December 31, 1998 (With Comparative Actual Amounts for 1997)

	<u>1998</u>		<u>1997</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues – liquor tax	\$ 23,165	26,021	23,265
Expenditures – leisure, recreation, and education	<u>25,000</u>	<u>25,000</u>	<u>21,500</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(1,835)</u>	1,021	1,765
Fund balance beginning of year (GAAP basis)		<u>3,627</u>	<u>1,862</u>
Fund balance end of year (GAAP basis)		\$ <u>4,648</u>	<u>3,627</u>

See accompanying independent auditors' report.

CITY OF PRAIRIE VILLAGE, KANSAS

Special Revenue – Special Park and Recreation Fund

Schedule of Revenues and Expenditures – Budget and Actual

Year Ended December 31, 1998 (With Comparative Actual Amounts for 1997)

	1998		1997
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues – liquor tax	\$ 23,170	26,021	23,265
Other financing uses – operating transfers out	<u>25,000</u>	<u>25,000</u>	<u>—</u>
Excess (deficiency) of revenues over (under) other financing uses	\$ <u>(1,830)</u>	1,021	23,265
Fund balance beginning of year (GAAP basis)		<u>30,422</u>	<u>7,157</u>
Fund balance end of year (GAAP basis)		\$ <u>31,443</u>	<u>30,422</u>

See accompanying independent auditors' report.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets used in operations.

CITY OF PRAIRIE VILLAGE, KANSAS

Schedule of General Fixed Assets – By Source

December 31, 1998 (With Comparative Amounts for 1997)

	<u>1998</u>	<u>1997</u>
General fixed assets:		
Land	\$ 1,716,555	1,716,555
Building	6,293,735	5,210,953
Improvements other than building	3,504,766	3,329,862
Furniture and equipment	2,979,752	2,815,353
Construction in process	<u>—</u>	<u>610,113</u>
Total general fixed assets	<u>\$ 14,494,808</u>	<u>13,682,836</u>
Investment in general fixed assets from:		
General Fund	\$ 5,528,774	5,339,599
Solid waste management	8,787	8,787
Special Revenue Funds:		
Federal and state grants	627,713	627,713
Other	136,030	136,030
Special machinery and bridges	66,517	66,517
Park acquisition	633,747	633,747
Capital Projects Funds	7,431,841	6,809,044
Community Development Block Grant	<u>61,399</u>	<u>61,399</u>
Total investment in general fixed assets	<u>\$ 14,494,808</u>	<u>13,682,836</u>

See accompanying independent auditors' report.

CITY OF PRAIRIE VILLAGE, KANSAS
 Schedule of General Fixed Assets – By Function
 December 31, 1998

	<u>Total</u>	<u>Land</u>	<u>Building</u>	<u>Improvements Other Than Building</u>	<u>Furniture and Equipment</u>
Function:					
Urban management and planning	\$ 1,987,543	13,500	1,203,680	397,617	372,746
Public works and environ- mental improvement	—	1,004,472	839,086	864,343	1,358,702
Public safety	3,824,017	—	2,622,622	18,336	1,183,059
Municipal justice	31,253	—	—	—	31,253
Leisure, recreation, and education	4,585,392	698,583	1,628,347	2,224,470	33,992
Total general fixed assets	<u>\$ 14,494,808</u>	<u>1,716,555</u>	<u>6,293,735</u>	<u>3,504,766</u>	<u>2,979,752</u>

See accompanying independent auditors' report.

CITY OF PRAIRIE VILLAGE, KANSAS

Schedule of Changes in General Fixed Assets – By Function

Year Ended December 31, 1998

	<u>Beginning of Year</u>	<u>Additions/ Transfers In</u>	<u>Retirements/ Transfers Out</u>	<u>End of Year</u>
Function:				
Urban management and planning	\$ 1,668,964	321,685	(3,106)	1,987,543
Public works and environmental improvement	4,081,810	52,620	(67,827)	4,066,603
Public safety	3,704,085	209,220	(89,288)	3,824,017
Municipal justice	20,515	14,050	(3,312)	31,253
Leisure, recreation, and education	<u>4,207,462</u>	<u>1,032,382</u>	<u>(654,452)</u>	<u>4,585,392</u>
Total general fixed assets	<u>\$ 13,682,836</u>	<u>1,629,957</u>	<u>(817,985)</u>	<u>14,494,808</u>

See accompanying independent auditors' report.

Table 1

CITY OF PRAIRIE VILLAGE, KANSAS

General Governmental Expenditures by Function (1)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Urban Management and Planning</u>	<u>Public Works and Environmental Improvement</u>	<u>Public Safety</u>	<u>Municipal Justice</u>	<u>Leisure, Recreation, and Education</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1989 (2)	\$ 1,168,280	1,863,283	2,140,713	114,036	543,861	4,346,104	283,886	10,460,163
1990	1,319,831	1,931,821	2,421,410	104,783	433,150	3,149,379	431,225	9,791,599
1991	1,376,971	2,192,313	2,493,196	126,189	535,217	2,427,077	412,003	9,562,966
1992	1,761,097	2,128,528	2,568,628	117,014	381,870	1,600,831	407,323	8,965,291
1993	1,591,812	2,162,246	2,612,115	136,585	674,053	2,379,144	340,837	9,896,792
1994	1,611,095	2,007,576	2,742,506	127,611	697,188	4,395,382	278,322	11,859,680
1995	1,455,505	2,038,830	2,789,130	140,464	701,747	5,259,539	761,729	13,146,944
1996	1,599,628	2,959,690	2,918,653	136,489	606,109	5,414,025	565,717	14,200,311
1997	1,743,545	2,426,518	2,983,763	133,940	654,264	5,617,573	559,764	14,119,367
1998	1,770,380	2,143,721	3,075,701	155,018	691,017	5,719,089	559,098	14,114,024

(1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

(2) Beginning in 1989, employee benefits are included in the individual program/departmental expenditures.

Table 2

CITY OF PRAIRIE VILLAGE, KANSAS

General Governmental Revenues by Source (1)

Last Ten Fiscal Years

<u>Fiscal Year Ended</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter-governmental</u>	<u>Charges for Services</u>	<u>Fines and Forfeits</u>	<u>Recreational Fees</u>	<u>Interest</u>	<u>Miscellaneous</u>	<u>Total</u>
1989	\$ 6,665,297	170,954	603,915	941,340	270,374	191,072	353,860	110,600	9,307,412
%	71.61	1.84	6.49	10.11	2.90	2.05	3.80	1.19	
1990	6,995,367	193,426	630,054	977,535	279,221	208,877	363,100	58,557	9,706,137
%	72.07	1.99	6.49	10.07	2.88	2.15	3.74	0.60	
1991	6,951,444	253,466	484,578	963,326	207,440	215,833	299,391	87,449	9,462,927
%	73.46	2.68	5.12	10.18	2.19	2.28	3.16	0.92	
1992	7,166,544	277,564	614,798	1,155,027	201,858	181,368	207,631	125,413	9,930,203
%	72.17	2.80	6.19	11.63	2.03	1.83	2.09	1.26	
1993	7,766,564	269,244	414,492	1,233,331	211,584	201,697	181,676	158,814	10,437,402
%	74.41	2.58	3.97	11.82	2.03	1.93	1.74	1.52	
1994	7,150,107	265,323	3,208,752	1,372,990	216,872	235,886	399,378	42,900	12,892,208
%	55.46	2.06	24.89	10.65	1.68	1.83	3.10	0.33	
1995	7,439,077	286,592	2,448,858	1,295,329	233,740	242,259	614,451	28,183	12,588,489
%	59.09	2.28	19.45	10.29	1.86	1.92	4.88	0.22	
1996	7,781,869	272,331	3,642,539	809,456	253,711	239,480	644,086	121,495	13,764,967
%	56.53	1.98	26.46	5.88	1.84	1.74	4.68	0.88	
1997	7,969,985	319,496	3,865,837	890,460	283,165	234,347	543,903	17,146	14,124,339
%	56.43	2.26	27.37	6.30	2.01	1.66	3.85	0.12	
1998	8,631,974	319,890	3,984,037	946,877	331,931	253,775	538,683	148,118	15,155,285
%	56.96	2.11	26.29	6.25	2.19	1.67	3.55	0.98	

(1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

Table 2A

CITY OF PRAIRIE VILLAGE, KANSAS

General Governmental Tax Revenues by Source (1)

Last Ten Fiscal Years

<u>Fiscal Year Ended</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Gasoline Tax</u>	<u>Motor Vehicle Tax</u>	<u>Other</u>	<u>Total</u>
1989	\$ 1,990,172	2,465,527	1,007,050	458,969	704,251	39,328	6,665,297
1990	2,137,618	2,452,085	1,024,158	527,920	819,493	34,093	6,995,367
1991	2,254,778	2,406,198	1,113,388	530,754	606,121	40,207	6,951,446
1992	2,476,491	2,514,957	1,027,316	563,176	542,014	42,589	7,166,543
1993	2,489,530	2,847,546	1,149,829	610,989	607,401	61,269	7,766,564
1994	2,679,239	3,263,767	1,139,865	(2)	(2)	—	7,082,871
1995	2,738,868	3,481,116	1,131,035	(2)	(2)	—	7,351,019
1996	2,703,331	3,814,905	1,263,633	(2)	(2)	—	7,781,869
1997	2,714,480	3,952,780	1,302,725	(2)	(2)	—	7,969,985
1998	2,987,707	4,374,357	1,269,910	(2)	(2)	—	8,631,974

(1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

(2) For 1994 through 1998, motor vehicle tax and gasoline tax are included in intergovernmental revenue.

Table 3

CITY OF PRAIRIE VILLAGE, KANSAS

Property Tax Levies and Collections

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collection</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collection</u>	<u>Total Tax Collection</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Total Levy</u>
1989	\$ 1,894,830	1,894,830	100.00 %	\$ 18,979	1,913,809	101.00 %	\$ 47,562	2.51 %
1990	2,052,332	2,028,007	98.81	15,504	2,043,511	99.57	56,260	2.74
1991	2,180,297	2,144,570	98.36	13,344	2,157,914	98.97	89,321	4.10
1992	2,385,968	2,353,225	98.63	21,906	2,375,131	99.55	103,579	4.34
1993	2,406,815	2,373,963	98.64	12,861	2,386,824	99.17	91,800	3.81
1994	2,588,416	2,556,343	98.76	16,885	2,573,228	99.41	107,768	4.16
1995	2,635,675	2,604,424	98.81	20,353	2,624,777	99.59	150,878	5.72
1996	2,639,540	2,570,295	97.38	14,610	2,584,905	97.93	205,752	7.79
1997	2,656,669	2,579,573	97.10	16,639	2,596,212	97.72	189,590	7.14
1998	2,937,936	2,857,923	97.28	12,506	2,870,429	97.70	334,193	11.38 (1)

(1) The higher percentage of delinquent taxes are largely caused by the Claridge Court protest to pay the property taxes.

Table 4

CITY OF PRAIRIE VILLAGE, KANSAS

Assessed and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Real Property (1)		Personal Property (2)		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated	Assessed Value	Estimated	Assessed Value	Estimated	
		Actual Value		Actual Value		Actual Value	
1989 (3)	\$ 132,484,460	994,642,932	6,242,769	20,809,230	138,727,229	1,015,452,162	13.66 %
1990	132,309,101	991,710,281	6,555,619	21,852,063	138,864,720	1,013,562,344	13.70
1991	135,851,646	1,017,000,000 *	6,841,258	22,800,000	142,692,904	1,039,800,000	13.72
1992	135,608,879	1,009,455,181	7,296,711	24,322,369	142,905,590	1,033,777,550	13.82
1993	128,865,259	1,011,648,320	8,434,296	26,846,855	137,299,555	1,038,495,175	13.22
1994	129,944,765	1,024,372,559	9,720,021	31,010,518	139,664,786	1,055,383,077	13.23
1995	151,740,491	1,198,354,400	9,837,598	31,458,190	161,578,089	1,229,812,590	13.14
1996	152,606,792	1,205,195,550	9,692,058	31,101,793	162,298,850	1,236,297,343	13.13
1997	169,247,103	1,336,610,601	10,124,998	32,521,001	179,372,101	1,369,131,602	13.10
1998	172,775,588	1,364,476,426	10,362,079	33,337,140	183,137,667	1,397,813,566	13.10

(1) The County Assessor values real property as required by State Statute and rulings of the State Board of Tax Appeals. Prior to reassessment in 1989, real property was valued at 24% of estimated value. Real property is now valued at different percentages which reflect the property's use. Residential land, improvement, and vacant lots (\$140,475,095, estimated at 83%) are assessed at 11.5% of actual value. Commercial land and improvements (\$28,772,008, estimated at 17%) are assessed at 25% of actual value.

(2) Assessed personal property (\$6,069,325) is assessed at 30% of actual value. State assessed utilities (\$4,055,673) are assessed at 33%.

(3) Reassessment year.

* Estimated.

Table 5

CITY OF PRAIRIE VILLAGE, KANSAS

Property Tax Rates – Direct and Overlapping
Governments (Per \$1,000 of Assessed Value)

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>State</u>	<u>County</u>	<u>City</u>	<u>County Library</u>	<u>County Park</u>	<u>County Community College</u>	<u>School District</u>	<u>Consolidated Fire District</u>	<u>Unified Waste Water</u>	<u>Total</u>
1989	\$ 1.500	14.946	14.794	2.071	1.323	8.453	45.275	4.772	6.674	99.808
1990	1.500	15.470	15.700	2.172	1.425	8.914	43.647	6.985	6.005	101.818
1991	1.500	16.328	16.721	2.420	1.400	8.923	45.581	6.988	6.012	105.873
1992	1.500	16.112	16.842	2.787	1.534	10.658	56.873	6.783	6.497	119.586
1993	1.500	17.779	18.846	3.443	1.678	10.146	54.101	7.518	6.736	121.747
1994	1.500	17.389	18.846	3.608	1.676	10.138	62.107	7.513	6.814	129.591
1995	1.500	16.563	16.336	3.419	1.620	9.314	61.779	7.410	6.140	124.081
1996	1.500	16.590	16.369	3.478	1.620	8.946	56.233	8.107	6.041	118.884
1997	1.500	15.305	16.379	3.254	1.512	8.540	51.808	7.529	5.938	111.765
1998	1.500	14.345	16.011	3.174	1.437	7.746	42.968	7.522	5.704	100.407

Table 6

CITY OF PRAIRIE VILLAGE, KANSAS

Principal Taxpayers

December 31, 1998

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>State Assessed Utilities</u>	<u>1998 Total Assessed Valuation</u>	<u>Percentage of Total Assessed Value</u>
Highwoods Realty Limited	Real Estate	\$ 13,126,617	—	—	13,126,617	7.17 %
J. C. Nichols Co.	Real Estate	3,524,615	—	—	3,524,615	1.93
Kansas City Power & Light	Utility	—	—	2,457,460	2,457,460	1.34
Wilmington Trust Company	Real Estate	2,121,850	—	—	2,121,850	1.16
Victor L. Regnier Trust	Real Estate	1,149,856	—	—	1,149,856	0.63
Southwestern Bell Telephone	Utility	—	—	935,502	935,502	0.51
Melody W. Sutherland	Real Estate	802,476	—	—	802,476	0.44
Meadowbrook Golf & Country	Country Club	547,567	—	—	547,567	0.30
Lockton Insurance Agency, Inc.	Insurance Agent	—	544,677	—	544,677	0.30
Kansas Gas Service	Utility	—	—	524,313	524,313	0.29
Homestead Country Club	Country Club	489,602	—	—	489,602	0.27
Mid-America Development	Retail	474,326	—	—	474,326	0.26
Harold F. Danbury, Co-Trustee	Homeowner	464,922	—	—	464,922	0.25
Windsor-Continental Investors	Real Estate	398,276	—	—	398,276	0.22
Corinth Square Associates	Real Estate	382,126	—	—	382,126	0.21
Southgate Bank	Bank	358,353	—	—	358,353	0.20
Rosewood Development Co.	Real Estate	344,477	—	—	344,477	0.19
McGuire Mortgage Company	Mortgages	—	337,951	—	337,951	0.18
Total		\$ <u>24,185,063</u>	<u>882,628</u>	<u>3,917,275</u>	<u>28,984,966</u>	<u>15.85 %</u>
Total assessed valuation		\$ <u>172,775,990</u>	<u>6,253,934</u>	<u>3,970,306</u>	<u>183,000,230</u>	

Table 7

CITY OF PRAIRIE VILLAGE, KANSAS

Ratio of Net General Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Debt Service Monies Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1989 (5)	23,810 (1)	\$ 138,727,000	3,270,000	63,063	3,206,937	2.312 %	\$ 134.69
1990	23,137 (1)	138,864,000	3,025,000	117,087	2,907,913	2.094	125.68
1991	23,186 (1)	142,692,000	2,805,000	73,591	2,731,409	1.914	117.80
1992	23,108 (1)	142,906,000	2,575,000	14,050	2,560,950	1.792	110.83
1993	23,075 (2)	142,900,000	2,320,000	24,907	2,295,093	1.607	99.50
1994	23,824 (3)	139,664,786	4,775,000	256,842	4,518,158	3.235	189.65
1995	23,244 (3)	161,578,089	4,330,000	157,652	4,172,348	2.582	179.50
1996	23,056 (1)	162,298,850	4,015,000	124,776	3,890,224	2.397	168.73
1997	23,545 (4)	179,372,101	3,685,000	51,612	3,633,388	2.026	154.32
1998	23,545 (4)	183,137,667	3,335,000	52,437	3,282,563	1.792	139.42

(1) Source: Kansas Census Bureau.

(2) Estimated based on building information.

(3) Source: Kansas League of Municipalities.

(4) Source: U. S. Bureau of the Census (July 1996).

(5) Reassessment year.

CITY OF PRAIRIE VILLAGE, KANSAS

Computation of Direct and Overlapping Debt

December 31, 1998

<u>Jurisdiction</u>	<u>Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of Prairie Village, Kansas</u>	<u>Amount Applicable to City of Prairie Village, Kansas</u>
City of Prairie Village, Kansas	\$ 3,282,563	<u>100.00 %</u>	\$ 3,282,563
Subtotal – Direct Debt	<u>3,282,563</u>		<u>3,282,563</u>
Johnson County (1)	174,160,000	4.42	7,697,872
Johnson County Park and Recreation (1)	2,300,000	4.42	101,660
U. S. D. #512 (1)	138,980,000	9.12	12,674,976
Johnson County Consolidated Fire #2 (1)	<u>2,500,000</u>	<u>39.43</u>	<u>985,750</u>
Subtotal – Overlapping Debt	<u>317,940,000</u>		<u>21,460,258</u>
Total	<u>\$ 321,222,563</u>		<u>24,742,821</u>

(1) Information provided by office of the County Clerk, Johnson County, Kansas.

Table 9

CITY OF PRAIRIE VILLAGE, KANSAS

Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total Governmental Expenditures

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures (1)</u>	<u>Ratio of Debt Service to Total General Expenditures</u>
1989	\$ 190,000	93,886	283,886	10,460,163	2.71 %
1990	245,000	186,225	431,225	9,791,599	4.40
1991	220,000	192,003	412,003	9,562,966	4.31
1992	230,000	177,323	407,323	9,611,316	4.24
1993	255,000	161,835	416,835	9,896,792	4.21
1994	195,000	144,600	339,600	11,859,680	2.86
1995	445,000	301,837	746,837	12,657,080	5.90
1996	315,000	249,476	564,476	14,200,311	3.98
1997	330,000	229,764	559,764	14,119,367	3.96
1998	350,000	209,098	559,098	13,830,493	4.04

(1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

CITY OF PRAIRIE VILLAGE, KANSAS

Demographic Statistics

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
1989	23,810 (3)	5,853	2.6 % (5)
1990	23,137 (3)	5,514	2.6 (5)
1991	23,186 (3)	5,604	3.2 (5)
1992	23,108 (3)	5,658	2.9 (5)
1993	23,075 (1)	5,794	1.9 (5)
1994	23,824 (4)	5,895	2.0 (6)
1995	23,244 (4)	5,735	1.6 (6)
1996	23,056 (3)	5,811	1.8 (6)
1997	23,545 (2)	6,027	1.4 (6)
1998	23,545 (2)	7,002	1.6 (6)

- (1) Estimated based on building information.
(2) Source: United States Bureau of the Census (July 1996).
(3) Source: Kansas Census Bureau.
(4) Source: Kansas League of Municipalities.
(5) Source: Johnson County Census.
(6) Source: Kansas Department of Human Resources.

Table 11

CITY OF PRAIRIE VILLAGE, KANSAS

Computation of Legal Debt Limitation

December 31, 1998

Assessed value, real and personnel property, 1988	\$ 74,505,667
Plus assessed value, motor vehicles, 1988	<u>29,846,220</u>
Total assessed value, 1988	104,351,887
Debt limitation for 1989	<u>30%</u>
1989 debt limitation	\$ <u>31,305,566</u>
Assessed value, real and personnel property, 1989	\$ 75,374,185
Plus assessed value, motor vehicles, 1989	<u>30,916,420</u>
Total assessed value, 1989	\$ <u>106,290,605</u>
1989 debt limitation	\$ 31,305,566
Divided by 1989 total assessed value	<u>106,290,605</u>
Debt limitation percentage	<u>29.45%</u>
Assessed value, real and personnel property, 1997	\$ 179,372,101
Plus assessed value, motor vehicles, 1997	<u>34,428,355</u>
Total assessed value, 1997	213,800,456
Debt limitation percentage	<u>29.45%</u>
1998 debt limitation	\$ <u>62,964,234</u>

NOTE: Effective January 1, 1990, K.S.A. 79-5037 suspended the existing statutory debt limitations computed on the basis of a percentage of assessed valuation of a taxing district. Prior to January 1, 1990, the applicable percentage was 30% (K.S.A. 10-307 and 10-308).

K.S.A. 79-5037 provided that for the years 1990 and thereafter, the debt limitation of a taxing district is limited to a percentage which is calculated by dividing the amount of indebtedness authorized for the taxing district in 1988, the year before implementation (as calculated under the relevant statute before modification), by the total year-end assessed valuation for 1989, the year of implementation.

Table 12

CITY OF PRAIRIE VILLAGE, KANSAS

Property Value, Construction, and Bank Deposits

Last Ten Fiscal Years

Fiscal Year	Commercial Construction		Residential Construction		Total Real Property Value (in Thousands) (2)	Bank Deposits (in Thousands) (3)
	Number of Units (1)	Value (1)	Number of Units (1)	Value (1)		
1989	—	\$ —	12	\$ 2,121,400	994,643	758,239
1990	1	1,190,000	16	3,832,400	991,710	726,307
1991	—	—	8	2,735,000	1,071,000	676,332
1992	4	5,634,000	6	2,940,900	1,009,455	674,868
1993	2	2,468,000	4	739,880	1,011,648	912,816
1994	1	2,378,000	4	16,524,000	1,024,372	955,644
1995	1	3,690,428	2	527,000	1,198,354	13,867,379 (4)
1996	1	437,079	2	263,268	1,205,196	16,717,565
1997	1	9,148,000	1	135,000	1,336,611	24,316,844
1998	2	2,079,801	3	1,170,865	1,364,476	24,548,824

(1) Determined from building permit information.

(2) Source: Table 4.

(3) Information provided by financial institutions located in the City.

(4) Country Club Bank's first year of business in Prairie Village. In 1994, Intrust Bank reported City's deposits on hand, not the Bank's deposits; the difference was \$1,281,532,000. Mercantile Bank reported deposits on hand in the amount of \$11,974,448,000 in 1995 compared to \$510,151,716 in 1994 due to the merger of several other banks.

Table 13

CITY OF PRAIRIE VILLAGE, KANSAS

Miscellaneous Statistics

December 31, 1998

Date of incorporation	1951
Form of government	Mayor-Council-Administrator
Area	6.7 square miles
Miles of streets	112.5 miles
Number of street lights	1,990
Police protection:	
Number of stations	1
Number of police officers	39
Education:	
Private schools	4
Number of elementary schools	5
Number of junior high schools	2
Number of senior high schools	1
Recreation:	
Number of parks	9
Total park acres	64 acres
Number of golf courses	1 private
Number of swimming pools	5 public
Full-time City employees	90