Comprehensive Annual Financial Report

Year Ended December 31, 2002

(With Independent Auditors' Report Thereon)

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April 18, 2003

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, 2002. We believe this report presents comprehensive financial information about the City's activities during 2002. 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, are accurate in all material respects and are presented in a manner designed to fairly set forth the financial position and results of 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, 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

PUBLIC WORKS www.pvkansas.com neighborhood shopping centers. Construction in Prairie Village started in 1941 and Mr. Nichols' dream became reality in 1949 when the City was named the best-planned community in America by the National Association of Home Builders.

The State of Kansas officially recognized Prairie Village as a city in 1951 with a total population of 1,360 and land area of one-half mile. By 1957, it had become a city of the first class. Now, it is one of 22 cities in Johnson County and has the fifth largest population. It is completely surrounded by other cities, sharing its eastern border, State Line Road, with Kansas City, Missouri. The City has a residential population of approximately 22,000 within its 6.7 square mile city limits.

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

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.

Value of tangible property in Prairie Village increased significantly in 1989 as a result of statewide reappraisal. Values decreased somewhat in 1990 as adjustments were made to original appraisals, but have increased by 78% over the past ten years.

During the last decade, Johnson County has experienced 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 neighborhood 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

As a part of the preparation for the 2002 annual budget, the following priorities were established and achieved by the City Council:

- Maintain a "sense of place" and a "sense of community"
- · Balance development/redevelopment and quality of life
- Maintain parks and create recreational facilities
- Encourage development/redevelopment, define City's plan for the future

- Maintain financial strength by increasing tax base, not property tax rate
- Improve property values and Code Enforcement
- Continue current service levels

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.

To maintain a "sense of place" and a "sense of community," the following actions were taken:

- encouragement of new and existing homes associations
- pursuit of a "Main Street" development concept and partial implementation
- provide the public with information regarding the Governing Body's goals, projects, and events
- use of the City's web page and monthly newsletter

In order to balance development and quality of life, the following were considered:

- residential design standards to ensure compatibility of all development/redevelopment projects
- maintaining open lines of communication with neighborhoods when an adjacent area is considered for redevelopment

The need for additional recreational facilities was considered by the Park Board and resident groups.

• a committee was formed to raise money for a skate park

A plan to encourage/define the City's role in future development and redevelopment was achieved through:

- adoption of policies to define the City's role in development/redevelopment
- meetings between the Planning Commission and Council to discuss redevelopment

To maintain the fiscal strength of the City while increasing the tax base rather than increasing taxes:

- educating the public about the City's fiscal position through City-owned media, news releases, and public meetings
- a committee, appointed by the Mayor, made recommendations for a sound fiscal future for the City
- City leaders communicated with state and federal officials about the impact their decisions can have on the City

Improved property values and Code Enforcement were achieved by:

- maintaining the high level of Public Works services for clearing streets and drains
- continued investment in ongoing infrastructure improvements
- improvement code compliance through new software and the redirection of certain procedures

Current services were maintained during the year along with the following new expenditures:

- the addition of a new employee position in the Police Investigations program
- major technological enhancements to the City's computer systems

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 statement and schedules included in the Financial Section of this report, the City continues meeting its responsibility for sound management.

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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 through 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 City provides major services of planning, public works, public safety, parks, recreation, and event programming. Fire and health services are provided by the County; utilities are a service provided by the private sector.

Revenue to support City services is primarily derived from taxes and grants or fees from other governmental units.

The following schedule presents a summary of General, Special Revenue, Debt Service, and Capital Projects Fund revenues for the year ended December 31, 2002, and the amount and percentage of increases and decreases in relation to prior year revenues:

Revenues	-	2002	2001	Increase (decrease) from 2001	Percentage increase (decrease)
Taxes	\$	8,938,293	9,088,035	(149,742)	-1.65%
Licenses and permits		312,230	340,086	(27,856)	-8.19%
Intergovernmental		4,859,368	2,634,455	2,224,913	84.45%
Charges for services		1,547,521	1,467,068	80,453	5.48%
Fines and forfeits		488,565	381,582	106,983	28.04%
Recreational fees		442,569	390,023	52,546	13.47%
Interest		255,069	516,450	(261,381)	-50.61%
Miscellaneous	*********	173,425	59,274	114,151	192.58%
Total	\$	17,017,040	14,876,973	2,140,067	14.39%

In 2002, the City's revenues increased by \$2,140,067, or 14.39%. The primary reason for the increase was intergovernmental grant revenue related to the cleanup costs of an ice storm, which totaled \$2,155,993 in 2002.

The following schedule represents a summary of General, Special Revenue, Debt Service, and Capital Projects Fund expenditures for the year ended December 31, 2002, and the percentage of increases and decreases in relation to prior year amounts:

	2002	2001	Increase (decrease) from 2001	Percentage increase (decrease)
\$	2,619,356	2,273,108	346,248	15.23%
	,	, ,	,	10.20,0
	5,613,507	2,841,247	2,772,260	97.57%
	3,911,192	3,740,892	170,300	4.55%
	209,873	195,487	14,386	7.36%
	663,919	610,792	53,127	8.70%
	5,045,798	4,446,209	599,589	13.49%
			·	
	365,000	1,950,000	(1,585,000)	-81.28%
	186,844	288,814	(101,970)	-35.31%
\$ =	18,615,489	16,346,549	2,268,940	13.88%
	\$ \$ \$_	\$ 2,619,356 5,613,507 3,911,192 209,873 663,919 5,045,798 365,000 186,844	\$ 2,619,356 2,273,108 5,613,507 2,841,247 3,911,192 3,740,892 209,873 195,487 663,919 610,792 5,045,798 4,446,209 365,000 1,950,000 186,844 288,814	2002 2001 (decrease) from 2001 \$ 2,619,356 2,273,108 346,248 5,613,507 2,841,247 2,772,260 3,911,192 3,740,892 170,300 209,873 195,487 14,386 663,919 610,792 53,127 5,045,798 4,446,209 599,589 365,000 1,950,000 (1,585,000) 186,844 288,814 (101,970)

Nearly \$2.5 million in cleanup costs from the ice storm also caused significant expenditure variances from 2001 to 2002.

An increase in the annual cost of the City's Solid Waste Management program of \$241,451 caused by rebidding the service was responsible for the increase in urban management and planning expenditures for 2002.

Capital outlay expenditures are major maintenance of infrastructure, including streets, sidewalks, storm drainage systems, and intersection improvements. These expenditures vary significantly as various construction/infrastructure improvements are completed each fiscal year.

Debt service expenditures returned to normal levels from 2001, when the advance refunding of \$1.62 million in 1994-B General Obligation Police Facility Bonds was completed.

General Fund Balance

As planned, the General Fund's fund balance decreased 28%, or \$1,614,314, from 2001. While expenditures and other financing uses totaled \$15.5 million in 2002, revenues and other financing sources for the year totaled \$13.9 million.

Special Revenue Fund Balance

The \$22,948 decline in fund balance was the result of lower than anticipated Solid Waste Management assessment revenues and the planned reduction of fund balance in special alcohol related funds. As higher than anticipated revenue growth from State liquor taxes have exceeded annual appropriations from the last few years, current expenditures were increased to keep the funds from maintaining an excessive fund balance.

Capital Projects Fund Balance

Funding for the City's capital projects is comprised of transfers from other funds and intergovernmental grant agreements from Johnson County and other local municipalities. Revenues and other financing sources for the year exceeded expenditures by \$17,505.

Debt Administration

The City's policy is to use debt sparingly and only for major construction projects. Debt is only structured over the useful life of the project being financed. City affairs are managed to ensure continued bond ratings of Aa1 or better. As of December 31, 2002, the City had three debt issues outstanding.

Under current State Statutes, the City's general obligation bonded debt issuances are subject to a legal limitation based on 30% of the total assessed valuation. As of December 31, 2002, the City's net general obligation bonded debt level of \$3.75 million was 4.5% of the \$79 million legal limit.

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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 \$255,069 on investment of temporarily idle funds (excluding pensions assets) in 2002. This amount is equal to only 49% of the amount earned in 2001.

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 Funds' investment portfolios are recommended by the Board of Trustees for the plans in conformance with an investment policy adopted by the City Council.

Risk Management

The City's Risk Management Plan is recommended and monitored by a committee of professionals in the insurance industry. The plan is implemented by City staff. Members of the committee evaluate potential liabilities which the City could incur. These risks are covered by a plan which includes the purchase of insurance with relatively high deductible levels supported by a City insurance reserve account sufficient to finance a loss.

City staff regularly conducts safety programs developed to be both job specific and general in content. Police personnel have trained in "high liability" procedures on an annual basis to learn new techniques and as a "refresher." Recreation personnel, specifically lifeguards, are tested on their skills every year before they begin work for the season. They also have in-service training throughout the season.

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, 2002. This was the sixteenth 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, 2002. This is the fourteenth year the City has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including policy documentation, financial planning, and organizational guidance.

Acknowledgments

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the staff of the Finance 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,

_ T. Sell

Jamie T. Shell

Finance Director

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, 2001

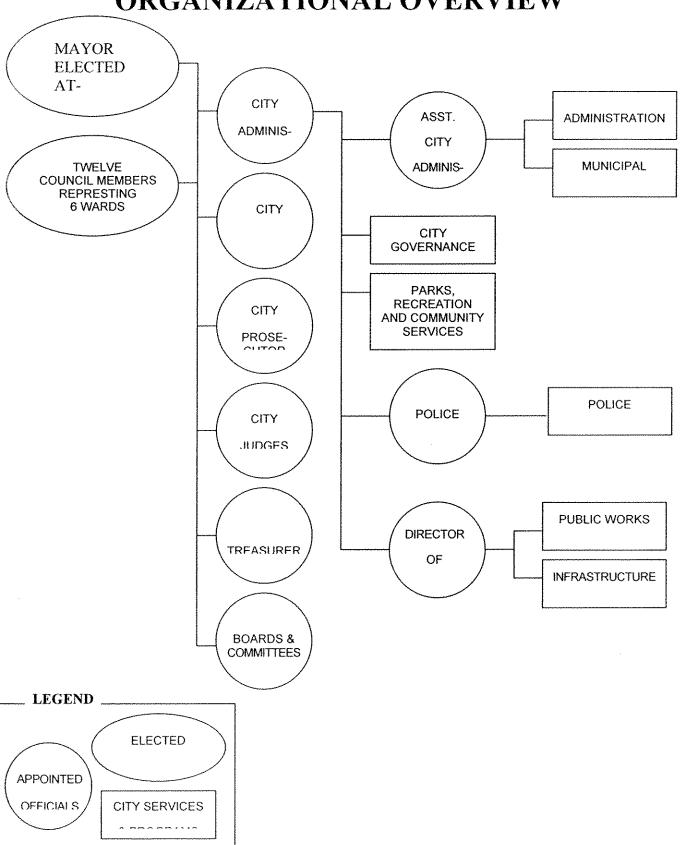
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

CITY OF PRAIRIE VILLAGE ORGANIZATIONAL OVERVIEW



Municipal Officials December 31, 2002

MAYOR

Ronald L. Shaffer

CITY COUNCIL

Laura Wassmer – Council PresidentJeff AnthonyDiana Ewy-LambersonSteve NollBill GriffithRuth HopkinsAl HerreraJerry KelsoPatty MarkleyBob PiersonKay WolfRoy True

MAYOR'S APPOINTMENTS

City Attorney Charles E. Wetzler Assistant City Attorney Stephen B. Horner City Treasurer Fielding Norton, Jr. Municipal Judge Thomas Hamill Municipal Judge Mary Virginia Clarke City Administrator Barbara Vernon City Clerk Joyce Hagen Mundy Chief of Police Charles Grover Director of Public Works Robert S. Pryzby Assistant City Administrator Douglas Luther



1000 Walnut, Suite 1600 P.O. Box 13127 Kansas City, MO 64106

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 (the City) as of and for the year then ended December 31, 2002, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, 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, 2002, and the results of its operations and changes in plan net assets for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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 groups financial statements and schedules, 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.

In accordance with Government Auditing Standards, we have also issued a report dated April 18, 2003 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The information included in the introductory and statistical sections listed in the accompanying table of contents is presented for purposes of additional analysis, and is not a required part of the general purpose financial statements. Accordingly, such information was not audited by us and we express no opinion on it.

KPMG LLP

April 18, 2003

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. 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.

Combined Balance Sheet - All Fund Types and Account Groups
December 31, 2002

December 31, 2002 (With comparative totals for 2001)

			C	3.e., b.		Fiduciary fund type	Account			
Assets and Other Debits	****	General	Governmenta Special revenue	Debt Service	Capital	Pension Trust	General fixed	General long-term	(memorai	tals idum only)
	****		***************************************		projects	Funds	assets	debt	2002	2001
Pooled cash and investments (note 3) Receivables:	\$	3,512,475	441,893	21,278	1,342,257	FFF \$100.		No An Adrica	5,317,903	7,311,458
Taxes (note 4) Interest		4,603,158		528,265		Nonema.			5,131,423	4,258,612
Other		57,699	566	30	******		******	**************************************	58,295	104,570
		205,294		remove		vanner.			205,294	142,602
Due from other governments (note 5) Due from other funds		189,569	160,964	waw	510,281				860,814	813,095
Restricted assets (note 3):		*******	voner.		160,964			-decom-	160.964	181,519
Cash		12015								,0,,0,,
Investments		12,945					manage.	VA=**	12,945	5,294
General fixed assets (note 6)				**************************************		7,862,233			7,862,233	8,914,406
Amount available in Debt Service Fund		1		******		*****	17,213,755		17,213,755	17,010,179
Amount to be provided for retirement of			Parkadia	******		*Famous		21,308	21,308	
general long-term debt								,		
•			VIII.	******	******	*****		3,743,692	3,743,692	4,130,000
Total assets and other debits	\$	8,581,140	603,423	549,573	2,013,502	7,862,233	17,213,755	3,765,000	40,588,626	42,871,735
Liabilities, Equity, and Other Credits							***************************************			
Liabilities:										
Accounts payable and other liabilities	S	394,843	377,694	Manager -	230,272					
Compensated absences (note 7)		237,528	w., yo., .	well-broom	شار ش _ا ن در در		***************************************	~~~~	1,002,809	1,143,491
Due to other funds			160,964		THOM	70000	house		237,528	238,503
Liabilities payable from restricted assets -			,.					ANY AMERICA	160,964	181,519
Municipal Court bonds		12,945					*****		12000	
General obligation bonds payable (note 7)		N-mark	75750048				****	3,765,000	12,945 3,765,000	5,294
Deferred revenue		3,838,772		528,265	75,603			3,765,600	4,442,640	4,130,000
Total liabilities		4,484,088	538,658				***************************************	***************************************		3,759,142
Equity and other credits:		7,707,000	230,030	528,265	305,875		***************************************	3,765,000	9,621,886	9,457,949
Investments in general fixed assets										
Fund balances:				*******			17,213,755	******	17,213,755	17,010,179
Reserved for encumbrances		234,573			****					
Reserved for pension benefits (note 10)		234,373	me soon	_	298,285	~~~	Ad	WANTE	532,858	1,023,407
Reserved for debt service		777000		21.240	_	7,862,233	APRILIA.	1071000	7,862,233	8,914,406
Unreserved:		******	***************************************	21,308	******	(manuar			21,308	*****
Designated for contingencies (note 10(b))		871,500	1986-							
Undesignated		2,990,979	64,765		1 400 242	HHAM	www	~	871,500	851,765
*		***************************************			1,409,342			*****	4,465,086	5,614,029
Total equity and other credits	****	4,097,052	64,765	21,308	1,707,627	7,862,233	17,213,755		30,966,740	33,413,786
Total liabilities, equity, and other										***************************************
credits	\$	8,581,140	603,423	549,573	2,013,502	7,862,233	17,213,755	3,765,000	40,588,626	AT 671 774
	- Jacob		······································		**************************************			2,100,000	40,200,0Z0	42,871,735

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

Year ended December 31, 2002 (With comparative totals for 2001)

		Government	Totals			
		Special	Debt	Capital	(memorano	
	General	revenue	service	projects	2002	2001
Revenues:						0.000.000
Taxes (note 4)	\$ 8,350,678	95,488	492,127	*****	8,938,293	9,088,035
Licenses and permits	312,230	740,051	75,436	501,420	312,230 4,859,368	340,086 2,634,455
Intergovernmental (note 5) Charges for services	3,542,461 422,449	1,125,072	73,430	201,420	1,547,521	1,467,068
Fines and forfeits	488,565	2,122,072			488,565	381,582
Recreational fees	442,569		*****	of market	442,569	390,023
Investment income	234,154	15,314	5,601	dente.	255,069	516,450
Miscellaneous	152,125			21,300	173,425	59,274
Total revenues	13,945,231	1,975,925	573,164	522,720	17,017,040	14,876,973
Expenditures:						
Current operating:						
Urban management and planning	1,370,787	1,248,569			2,619,356	2,273,108
Public works and environmental	1,510,707	1,240,507			24,017,000	m, m = , s = 0
improvements	5,613,507		_		5,613,507	2,841,247
Public safety	3,868,226	42,966			3,911,192	3,740,892
Municipal justice	209,873		/ whether	*****	209,873	195,487
Leisure, recreation, and	652,152	11.755	12		663,919	610,792
education Capital outlay	032,132	11,755	14- 	5,045,798	5,045,798	4,446,209
Debt service:				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, ,	
Principal retirement	_	w	365,000		365,000	1,950,000
Interest			186,844		186,844	288,814
Total expenditures	11,714,545	1,303,290	551,856	5,045,798	18,615,489	16,346,549
Excess (deficiency) of						
revenues over	2 220 (0)	(72 (25	21,308	(4,523,078)	(1,598,449)	(1,469,576)
(under) expenditures	2,230,686	672,635	21,308	(4,323,018)	(1,390,449)	(1,402,370)
Other financing sources (uses):				4,540,583	4,540,583	5,018,049
Operating transfers in (note 8) Operating transfers out (note 8)	(3,845,000)	(695,583)	· · · · · · · · · · · · · · · · · · ·	4,340,363	(4,540,583)	(5,018,049)
1 0	(3,843,000)	(673,363)		****	(1,210,30,3)	
Total other financing	(2.0.47.000)	((05 502)		4 5 40 602		
sources (uses)	(3,845,000)	(695,583)		4,540,583		
Excess (deficiency) of						
revenues and other financing sources over						
(under) expenditures						
and other financing uses	(1,614,314)	(22,948)	21,308	17,505	(1,598,449)	(1,469,576)
Fund balances, beginning of year	5,711,366	87,713	<u></u>	1,690,122	7,489,201	8,958,777
Fund balances, end of year	\$ 4,097,052	64,765	21,308	1,707,627	5,890,752	7,489,201
• •		***************************************		***		

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

Year ended December 31, 2002

		General fund			Budgeted special revenue funds			Debt service fund			
		evised	************************		Rev	ised	***************************************		Revis		- (
	b	udget		<u>Actual</u>	bud	lget	Actu	al	budg	et	Actual
Revenues:											
Taxes	\$ 8,	783,822		8,350,678					498	.878	492,127
Licenses and permits		338,900		312,230							
Intergovernmental	1,	412,803		3,542,461	79	5,000	740	.051	73	.927	75,436
Charges for services		317,000		422,449	1,00	8,600	1,125	072			
Fines and forfeits		371,900		488,565		·				*****	· ·
Recreational fees		388,700		442,569				Tarkeran.			
Investment income		270,000		234,154	1	7,500	15,	314	5.	000	5,601
Miscellaneous		78,500		152,125				*****			****
Total revenues	11.	961,625		13,945,231	1,82	1,100	1,880,	.437	577,	805	573,164
Expenditures:											
Current operating:											
Urban management and planning	1,	740,900		1,380,083	1,02	6,100	1,153,	081			
Public works and environmental											
improvements		315,900		5,672,547		_				****	
Public safety		935,564		3,810,747	4.	4,500	42,	966			*******
Municipal justice		221,800		209,874							
Leisure, recreation, and education		785,002		671,109	13	2,000	11,	755			12
Debt service:											
Principal retirement Interest				_		-		_	314,		365,000
Hiteresi									239,	300	186,844
Total expenditures	9,5	999,166		11,744,360	1,083	2,600	1,207,	802	553,	300	551,856
Excess (deficiency) of revenues over (under) expenditures		0/2 400		2 200 021							
, , ,		962,459		2,200,871	738	8,500	672,	635	24,	505	21,308
Other financing sources (uses):											
Operating transfers out	(4,7	287,000)		(3,845,000)	(780	(000,0	(695,	583)			******
Total other financing sources (uses)	(4.2	287,000)		(3,845,000)	(780	0,000)	(695,	583)			
و بر ب				(2,0,2,000)	7750	3,000)	(0),5,	70.57			
Excess (deficiency) of revenues and other financing sources over (under)											
expenditures and other financing											
uses – budgetary basis	\$ (2.3	324,541)		(1,644,129)	(41	1,500)	(22.4	140)	2.4		21.200
ů ,	J(2,	124,541)	=	(1,044,129)	(41	1,300)	(22,9	748)	24,	202	21,308
Effect of current year encumbrances				275,137				-			
Effect of prior year encumbrances				(245,322)							
Excess (deficiency) of revenues and											
other financing sources over (under)											
expenditures and other financing uses											
(GAAP basis)				(1,614,314)			(22,9	948)			21,308
Fund balances, beginning of year (GAAP basis)				5,711,366			87,	713			····
Fund balances, end of year (GAAP basis)			S	***************************************							
· mas commissed, one or just (Orania vaste)			-D	4,097,052			64,	/ O.S			21,308

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

Year ended December 31, 2002 (With comparative totals for 2001)

	Supplementary Retirement	Revised Prairie Village Police Pension	Totals (memorandum only)			
	<u>Fund</u>	<u>Fund</u>	2002	2001		
Additions: Contributions Interest and dividends Net depreciation in fair value of investments	\$ 96,163 37,895 (157,221)	18,835 176,762 (950,615)	114,998 214,657 (1,107,836)	115,491 277,400 (571,749)		
Total additions	(23,163)	(755,018)	(778,181)	(178,858)		
Deductions: Benefit payments Administrative expenses	10,562 5,851	244,783 12,796	255,345 18,647	309,526 7,628		
Total deductions	16,413	257,579	273,992	317,154		
Decrease in plan net assets	(39,576)	(1,012,597)	(1,052,173)	(496,012)		
Plan net assets held in trust for pension benefits: Beginning of year	1,502,408	7,411,998	8,914,406	9,410,418		
End of year	\$ 1,462,832	6,399,401	7,862,233	8,914,406		

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

Notes to General Purpose Financial Statements
December 31, 2002

(1) Summary of Significant Accounting Policies

The City of Prairie Village, Kansas (the City) is located in Johnson County and was incorporated in 1951. The City is a city of the first class and operates under a Mayor-Council form of government, providing services to its approximately 22,000 residents in many areas, including urban management and planning; public works 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 accounting principles generally accepted in the United States of America (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 Fund), and the servicing of general long-term debt (Debt Service Fund). 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.

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Notes to General Purpose Financial Statements
December 31, 2002

(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 combined 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 combined balance sheet. Their operating statements present additions and deductions in total net 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 (60 days) to be used to pay liabilities of the current period. Sales and utility franchise taxes are considered measurable when collected by the vendor and are recognized as revenue if they are determined to be available. Other major revenues that are susceptible to accrual included property taxes, interest revenue, and intergovernmental revenue. Fines and forfeits, recreational fees, licenses and permits, and charges for services are not susceptible to accrual because generally they are not measurable until received in cash. 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 sixty-day 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 longterm 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.

The accrual basis of accounting is utilized by the Pension Trust Fund. Under this method, additions are recorded when earned and deductions are recorded at the time liabilities are incurred. Benefits are recorded when due and payable under terms of the Plan.

(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.

Public domain (infrastructure) fixed assets, consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage

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(Continued)

Notes to General Purpose Financial Statements
December 31, 2002

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 1,140 hours or 142.5 days. A liability has been recorded in the General Fund.

(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 expenditures during the reporting period. Actual results could differ from those estimates.

(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.

Notes to General Purpose Financial Statements
December 31, 2002

(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.

(1) Governmental Accounting Standards Board (GASB) Statements

This report does not incorporate GASB Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments and related statements and interpretations. The City will adopt and implement the GASB 34 statement for the year ended December 31, 2003. The City has not completed the process of evaluating the impact of adopting this statement, and, therefore, is unable to disclose the impact that adopting this statement will have on its financial position and results of operations when such statement is implemented.

This report does not incorporate GASB Statement No. 40, Deposit and Investment Risk Disclosures. The City must adopt and implement the GASB 40 statement no later than for the year ended December 31, 2005. The City has not completed the process of evaluating the impact of adopting this statement, and, therefore, is unable to disclose the impact that adopting this statement will have on its financial position and results of operations when such statement is implemented.

(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 Fund. Annual operating budgets are not adopted for the TIF Project Fund (Special Revenue Fund) and 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.

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Notes to General Purpose Financial Statements

December 31, 2002

- 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.

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 budgetary 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 the General Fund, Solid Waste Management Special Revenue Fund, and the Debt Service Fund based on specific identification. The General Fund finances the capital projects through operating transfers and, as such, the investment income earned remains with the General Fund.

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Notes to General Purpose Financial Statements
December 31, 2002

Deposits – At December 31, 2002, the carrying amount of the City's deposits, including certificates of deposit, was \$2,913,362. The bank balance was \$2,934,363. Of the bank balance, \$200,000 was covered by federal depository insurance and \$2,734,363 was covered by collateral held by the City's agent in the City's name.

Investments – At year-end, the City had investments with a fair value of \$10,278,669 summarized as follows:

Kansas State Municipal Investment Pool	\$	408,936
Kansas State Municipal Investment Pool-1 year fixed rate		1,000,000
U.S. Treasury Note		1,007,500
Pension Trust Funds:		
Pooled investments		4,804,066
U.S. Government agencies		2,418,748
Small Business Administration obligations		201,036
Nongovernment obligations		438,383
	****	7,862,233
	\$_	10,278,669

The U.S. Treasury note is registered in the City's name and held with Merrill Lynch Pierce, Fenner & Smith, Inc. The Kansas State Municipal Investment Pool (the Pool) is governed by the State of Kansas Pooled Money Investment Board. The Pool invests in commercial paper, overnight repurchase agreements, certificates of deposit, and government agencies. The Pool maintains a separate account for each participant and the participant may then direct its investment in various investment options offered by the Pool. The Pool is accounted for at fair value, which is the same as the pool shares. The remaining Pension Trust Fund investments are held by the bank's trust department in the City's name.

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

\$200,000

Notes to General Purpose Financial Statements
December 31, 2002

A summary of deposits, investments, and petty cash and the financial statement classifications for the year ended 2002 are as follows:

Total deposits Total investments Petty cash	\$	2,913,362 10,278,669 1,050
	\$	13,193,081
General purpose financial statement classifications: Pooled cash and investments Restricted assets:	\$	5,317,903
Cash		12,945
Investments	*******	7,862,233
	\$	13,193,081

(4) Tax Revenue and Receivables

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

	 General	Special revenue	Debt <u>service</u>
Property tax	\$ 2,746,283	95,488	492,127
City sales tax	3,840,191	·	
Local consumers' use tax	338,867	VECTORIUM.	*************************************
Franchise tax	 1,425,337		<u></u>
	\$ 8,350,678	95,488	492,127

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, 2002, on which the 2002 levy was based, was \$244,150,272.

The City's property tax levy per \$1,000 assessed valuation for the year ended December 31, 2002 was \$15.744 (General Fund, \$13.818 and Debt Service Fund, \$1.926).

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, 2002 for 2003 which have been recorded as deferred revenue and franchise taxes which have been recorded as revenues.

During 1999, the City passed an ordinance to establish a Tax Increment Financing District (TIF). The establishment of this district allows the City to provide public improvements to encourage

Notes to General Purpose Financial Statements
December 31, 2002

developers to construct and make new investments within blighted conservation or economic areas. Through the use of a TIF district, the City can utilize the taxes generated by the incremental increase in property value from the date the TIF was established and the combined levies of all taxing jurisdictions for infrastructure improvements. 1999 was established as the base year for the TIF. Included in the City's 2002 assessed valuation is \$1,264,230, representing the incremental increase in property value since 1998. Tax revenue available to the TIF for the year ended December 31, 2002 was \$95,488 and is included as property tax revenue in the TIF Project Fund (a Special Revenue Fund).

(5) Intergovernmental Revenues and Receivables

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

	General	Special revenue	Debt service	Capital projects
Federal:				
U.S. Department of Justice Federal Emergency	\$ 43,609	Sealment districts	-turnishina	- September 1997
Management Assistance	1,906,575		***************************************	
	1,950,184			
State:				
Revenue sharing	85,382		widowidowidow	
Highway maintenance gasoline tax	w ^o r-manush*-	640,583	shut-masse	ermoren
State of Kansas Emergency Management	249,418			
Special liquor tax	49,734	99,468	***************************************	
Touring Program Grant	240			
Law Enforcement Training	7,625			
	392,399	740,051		
County:				
Stormwater Management				
Advisory Council	.arvanevanava.	windown.	ARADOLANO.	11,618
County Assisted Road System	shyttingatabate	*Antificialization*	*************	478,137
Motor vehicle tax Recreational vehicle	429,823	***************************************	75,184	
and heavy trucks tax	1,456	***************************************	252	A1———
	431,279		75,436	489,755
Local:				
Local CEP reimbursements		o-moreover.		11,665
Mission Hills	768,599	***************************************		
Total	\$3,542,461_	740,051	75,436	501,420

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Notes to General Purpose Financial Statements
December 31, 2002

Intergovernmental receivables at year-end consisted of the following:

	*****	General	Special revenue	Capital projects
Federal: Department of Justice	\$	43,609		n and considerate the consideration of the consider
State: Highway maintenance gasoline tax		epidentist.	160,964	******
County: County Assisted Road System		***************************************		498,427
Local: Mission Hills Consolidated Fire District No. 2 Shawnee Mission School District		135,050 383 10,527		11,854
	\$	189,569	160,964	510,281

(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		anname	1,716,555
Building Improvements other than		6,550,803	deph of the second	Wildeline,	6,550,803
building		5,226,942	13,463	4	5,240,405
Furniture and equipment	_	3,515,879	435,314	245,201	3,705,992
	\$ ₌	17,010,179	448,777	245,201	17,213,755

Notes to General Purpose Financial Statements
December 31, 2002

(7) General Long-Term Debt and Leases

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

		General obligation bonds
Balance, beginning of year	\$	4,130,000
Additions		
Reductions		(365,000)
Balance, end of year	\$_	3,765,000

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

Description	Interest rates	Date	_	Original amount	Final maturity	_	Unmatured principal
Park refunding bonds	3.90% - 5.00%	01/01/94	\$	1,240,000	09/01/09	\$	895,000
Police facility refunding Swimming pool	3.70% – 4.00%	01/01/99		1,660,000	09/01/10		1,495,000
improvement bonds	4.75% - 6.50%	2/15/00		1,600,000	09/01/14		1,375,000
						\$_	3,765,000

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

	<u>Prin</u>	cipal	Interest	Total
2003	\$ 38	30,000	170,783	550,783
2004	4(00,000	154,143	554,143
2005	43	5,000	136,338	551,338
2006	43	35,000	118,720	553,720
2007	45	55,000	99,863	554,863
Thereafter	1,68	30,000	255,313	1,935,313
	\$3,76	55,000	935,160	4,700,160

Park Improvement Bonds, Series 2000A

On February 15, 2000, the City issued \$1,600,000 of General Obligation Park Improvement Bonds, Series 2000A, to fund pool improvements. The interest rates on these bonds range from 4.75% to 6.5% and have a maturity date of September 1, 2014. The bonds maturing on or after September 1, 2009 are subject to redemption at the option of the City on September 1, 2008.

Notes to General Purpose Financial Statements
December 31, 2002

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 \$3,035,527, J. C. Nichols 85 for \$4,500,000, Claridge Court 93 for \$9,255,000, and Station Development 01 for \$3,299,110.

Operating Lease

The City entered into a three-year operating lease agreement for a public works storage facility in February 1999 and a five-year lease for a telephone system in July 2002. Rental expense in 2002 was \$30,454. Future minimum rental payments for each of the next five years are as follows:

	1	Amount
Fiscal year:		
2003	\$	55,164
2004		38,316
2005		38,316
2006		38,316
2007		21,595
Total	\$	191,707

(8) Operating Transfers

Operating transfers by fund for the year were as follows:

	Transfers out	Transfers in
General Fund	\$3,845,000	
Special Revenue Fund:		
Special City Street and Highway	640,583	
Special Park and Recreation	55,000	P
	695,583	
Capital Projects Fund		4,540,583
Total	\$ 4,540,583	4,540,583

Notes to General Purpose Financial Statements
December 31, 2002

(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 2002 activity:

	 Project authorization	Total expenditures to date
Park improvements	\$ 81,999	66,644
Building	7,515	952
Drainage projects – storm drainage	1,192,818	1,001,502
Street projects – street resurfacing and maintenance	3,953,086	3,024,495
Other projects – sidewalk, ramps, bridges, and miscellaneous	 820,941	599,765
Total	\$ 6,056,359	4,693,358

(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 (KPERS) 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. KPERS is administered by the State of Kansas. Each plan is described below.

Kansas Public Employees Retirement System

Plan description – The City participates in 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's 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, Kansas 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

Notes to General Purpose Financial Statements
December 31, 2002

established by statute for calendar year 2002 is 2.92%. The City contributions to KPERS for the years ending December 31, 2002, 2001, and 2000 were \$63,480, \$56,088, and \$34,976, 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 was one retiree who received a lump-sum payment in 2002. There was no lump-sum distribution due to a death. Participants include forty-eight active employees (fourteen fully vested, sixteen 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 2002 was approximately \$4,507,000. The City's contributions to this defined contribution plan were based on estimated payroll of approximately \$2,002,000. The City made the required 5% contribution, up to a maximum contribution of \$2,500 per employee, which amounted to \$94,655 and \$88,320 during 2002 and 2001, respectively.

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. 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, 2002, there were thirty-four active participants (six fully vested, nineteen partially vested, and nine nonvested), twelve vested terminees (not currently receiving benefits), and nineteen retirees (currently receiving benefits). The City's total payroll for the years ended December 31, 2002 and 2001 was approximately \$4,208,000 and \$4,044,000, respectively, of which approximately \$1,596,000 and \$1,517,220, 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

32 (Continued)

Notes to General Purpose Financial Statements
December 31, 2002

sufficient to accumulate sufficient assets to pay benefits when due. There were no required employer contributions for 2002.

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.

Schedule of Employer Contributions

	 Annual pension cost (APC)	Percentage of APC contributed	Net pension obligation (asset)
Fiscal year ending			
December 31:			
1997	\$ 820	100 % \$	*********
1998		100	<u></u>
1999	rentumberter	100	**********
2000	resolutions	100	AMANANIAMA
2001	**************************************	100	<u></u>
2002	ppyggategalak	100	

The information presented 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, 2002
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 seventeen years
Actuarial assumptions: Investment rate of return	8% per annum
Projected salary increases	6.5% per year

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

(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

33

Notes to General Purpose Financial Statements

December 31, 2002

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 (\$10,000 deductible), \$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 fund balance 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, 2002, the City had \$871,500 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.

(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) Excess of Expenditures Over Appropriations

For the year ended June 30, 2002, expenditures exceeded appropriations in the General Fund and the Solid Waste Management Special Revenue Fund by \$1,745,194 and \$126,981, respectively. The overexpenditures were funded by greater than anticipated revenues.

34 (Continued)

Required Supplementary Information (Unaudited)

Schedule of Funding Progress – Revised Prairie Village Police Pension Plan

For the year ended December 31, 2002

Actuarial valuation date (January 1)	(a) Actuarial value of assets	(b) Actuarial accrued liability (AAL)	(a/b) Funded ratio	(a-b) Funded AAL	(c) Covered payroll	((a-b)/(c)) AAL as a percentage of covered payroll
1997	\$ 4,935,090	3,801,360	130 %	\$ 1,133,730	1,329,516	85 %
1998	5,325,400	3,911,490	136	1,413,910	1,273,872	111
1999	5,757,357	4,111,811	140	1,645,546	1,330,356	124
2000	6,279,460	4,408,884	142	1,870,576	1,431,900	131
2001	6,818,770	4,786,591	142	2,032,179	1,517,220	134
2002	7,171,582	5,012,081	143	2,159,501	1,596,244	135

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

Detail Schedule of Expenditures – Budget and Actual – General Fund

Year ended December 31, 2002 (With comparative actual amounts for 2001)

		20	2001	
		Budget	Actual	Actual
Urban management and planning:				
Salaries	\$	824,700	747,962	671,873
Services		662,300	470,039	513,804
Supplies		113,100	98,534	91,035
Capital outlay		140,800	63,548	21,486
		1,740,900	1,380,083	1,298,198
Public works and environmental improvements:				
Salaries		1,185,800	1,193,585	1,071,848
Services		1,415,200	3,752,237	1,301,145
Supplies		336,700	347,967	312,355
Capital outlay	,,,,,,,,,,,	378,200	378,758	143,968
		3,315,900	5,672,547	2,829,316
Public safety:				
Salaries		3,012,100	2,962,248	2,806,510
Services		611,800	562,736	544,371
Supplies		167,600	146,409	149,011
Capital outlay		144,064	139,354	150,807
		3,935,564	3,810,747	3,650,699
Municipal justice:				
Salaries		188,800	172,854	158,975
Service		26,900	31,786	22,883
Supplies		5,100	4,208	4,013
Capital outlay	,	1,000	1,026	4,065
	***************************************	221,800	209,874	189,936
Leisure, recreation, and education:				
Salaries		379,500	308,043	291,384
Services		302,702	261,140	216,916
Supplies		90,800	97,622	100,049
Capital outlay		12,000	4,304	1,960
		785,002	671,109	610,309
Total expenditures before other				
financing uses		9,999,166	11,744,360	8,578,458
Other financing uses – operating transfers out:				
Capital Projects Fund		4,287,000	3,845,000	4,216,000
Debt Service Fund	-	= 1,000 ,000 ,000		10,539
Total expenditures and other				
financing uses	\$	14,286,166	15,589,360	12,804,997

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.

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.

TIF Project Fund accounts for TIF redevelopment projects of certain blighted areas within the City.

Combining Balance Sheet - Special Revenue Funds

December 31, 2002 (With comparative totals for 2001)

Assets	***	Solid waste management	Special city street and highway	Special alcohol program	Special park and recreation	TIF project fund	Tota	ls 2001
Pooled cash and investments Receivables:	\$	395,863	A	23,815	22,215	VALACISMIN	441,893	384,976
Property taxes			***************************************	#100000AAAA	малаланды	vendur	**********	2,781
Interest		566		****	минифифи	THEORY	566	HINAAAA
Due from other governments		**************************************	160,964		*******	······	160,964	178,738
Total assets	\$ _	396,429	160,964	23,815	22,215	Annamenta	603,423	566,495
Liabilities and Fund Balance								
Liabilities: Accounts payable Due to other funds	\$	376,445	 160,964	1,249			377,694 160,964	297,263 181,519
Total liabilities		376,445	160,964	1,249			538,658	478,782
Fund balance – unreserved and undesignated	***	19,984		22,566	22,215	***************************************	64,765	87,713
Total liabilities and fund balance	\$ _	396,429	160,964	23,815	22,215		603,423	566,495

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

Year ended December 31, 2002 (With comparative totals for 2001)

	Solid waste	Special city street and	Special alcohol	Special park and	TIF	Tota	Is
	management	highway	program	recreation	project	2002	2001
Revenues:							
Property taxes	\$ -000000001	AAAAAAAA			95,488	95,488	84,542
Intergovernmental	MACHINANA	640,583	49,734	49,734	100kmas	740,051	757,871
Charges for services	1,125,072	AAAAA	No. A ALLA AMA		···	1,125,072	861,644
Investment income	15,314					15,314	17,090
Total revenues	1,140,386	640,583	49,734	49,734	95,488	1,975,925	1,721,147
Expenditures:							
Urban management and planning	1,153,081			wheel	95,488	1,248,569	996,173
Public safety	washing.		42,966	*****	***********	42,966	15,000
Leisure, recreation, and education			11,755	***************************************	·	11,755	11,724
Total expenditures	1,153,081		54,721		95,488	1,303,290	1,022,897
Excess (deficiency) of revenues over							
(under) expenditures	(12,695)	640,583	(4,987)	49,734	***************************************	672,635	698,250
Other financing uses - operating transfers out	Victoria	(640,583)		(55,000)	& Valorinar	(695,583)	(713,789)
Excess (deficiency) of revenues over (under) expenditures and other							
financing uses	(12,695)		(4,987)	(5,266)		(22,948)	(15,539)
Fund balances, beginning of year	32,679		27,553	27,481		87,713	103,252
Fund balances, end of year	\$ 19,984		22,566	22,215		64,765	87,713

See accompanying independent auditors' report.

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Special Revenue - Solid Waste Management Fund Schedule of Revenues and Expenditures - Budget and Actual

Year ended December 31, 2002 (With comparative actual amounts for 2001)

	2002			2001	
		Budget		Actual	Actual
Revenues:					
Charges for services	\$	1,008,600		1,125,072	861,644
Investment income		17,500		15,314	17,090
Total revenues		1,026,100		1,140,386	878,734
Expenditures – urban management					
and planning		1,026,100		1,153,081	911,631
Deficiency of revenues under					
expenditures – budgetary basis	\$		=	(12,695)	(32,897)
Fund balance, beginning of year (GAAP basis)				32,679	65,576
Fund balance, end of year (GAAP basis)			\$ _	19,984	32,679

Special Revenue – Special City Street and Highway Fund Schedule of Revenues and Expenditures – Budget and Actual

Year ended December 31, 2002 (With comparative actual amounts for 2001)

	2002			2001	
	100000	Budget		Actual	Actual
Revenues - intergovernmental	\$	720,000		640,583	672,205
Other financing uses - operating transfer out	********	(725,000)		(640,583)	(686,789)
Deficiency of revenues under other financing uses	\$	(5,000)	:		(14,584)
Fund balance, beginning of year (GAAP basis)					14,584
Fund balance, end of year (GAAP basis)			\$ ₌		

Special Revenue - Special Alcohol Program Fund Schedule of Revenues and Expenditures - Budget and Actual

Year ended December 31, 2002 (With comparative actual amounts for 2001)

		200	2001	
		Budget	Actual	Actual
Revenues – intergovernmental	\$	37,500	49,734	42,833
Expenditures: Public safety Leisure, recreation, and education		44,500 12,000	42,966 11,755	15,000 11,724
Total expenditures	*****	56,500	54,721	26,724
Excess (deficiency) of revenues over expenditures	\$	(19,000)	(4,987)	16,109
Fund balance, beginning of year (GAAP basis)			27,553	11,444
Fund balance, end of year (GAAP basis)		\$	22,566	27,553

Special Revenue - Special Park and Recreation Fund

Schedule of Revenues and Expenditures - Budget and Actual

Year ended December 31, 2002 (With comparative actual amounts for 2001)

		2002			2001
	******	Budget		Actual	Actual
Revenues - intergovernmental	\$	37,500		49,734	42,833
Other financing uses - operating transfers out		(55,000)	. 	(55,000)	(27,000)
Excess of revenues over other financing uses	\$	(17,500)	<u>:</u>	(5,266)	15,833
Fund balance, beginning of year (GAAP basis)				27,481	11,648
Fund balance, end of year (GAAP basis)			\$	22,215	27,481

PENSION	TRUST	FUNDS
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To account for assets held by the government in a trustee capacity for pension benefit payments.

Combining Balance Sheet - Pension Trust Funds

December 31, 2002 (With comparative totals for 2001)

		Supplementary Retirement	Revised Prairie Village Police	То	tals
Assets		Fund	Pension Fund	2002	2001
Restricted assets:					
Investments, at fair value	\$	6,399,401	1,462,832	7,862,233	8,914,406
Total assets	\$	6,399,401	1,462,832	7,862,233	8,914,406
Fund Balance					
Total fund balance – reserved for pension benefits	\$.	6,399,401	1,462,832	7,862,233	8,914,406

GENERAL FIXED AS	SSETS A	ACCOUNT	GROUP
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To account for fixed assets used in operations.

Schedule of General Fixed Assets - By Source

December 31, 2002 (With comparative amounts for 2001)

	••••	2002	2001
General fixed assets:			
Land	\$	1,716,555	1,716,555
Building		6,550,803	6,550,803
Improvements other than building		5,240,405	5,226,942
Furniture and equipment		3,705,992	3,515,879
Total general fixed assets	\$ _	17,213,755	17,010,179
Investment in general fixed assets from:			
General Fund	\$	6,417,714	6,214,138
Solid waste management		8,787	8,787
Special Revenue Funds:		ŕ	,
Federal and state grants		631,713	631,713
Other		136,030	136,030
Special machinery and bridges		66,517	66,517
Park acquisition		633,747	633,747
Capital Projects Fund		9,257,848	9,257,848
Community Development Block Grant		61,399	61,399
Total investment in general fixed assets	\$ _	17,213,755	17,010,179

Schedule of General Fixed Assets – By Function December 31, 2002

	*****	Total	Land	Building	Improvements other than building	Furniture and equipment
Function:						
Urban management and planning	\$	2,020,494	13,500	1,220,665	421,322	365,007
Public works and environmental						
improvement		4,862,174	1,004,472	1,077,959	883,305	1,896,438
Public safety		4,014,921		2,623,832	30,204	1,360,885
Municipal justice		23,052		•	HAMAFAIFE	23,052
Leisure, recreation, and education	*******	6,293,114	698,583	1,628,347	3,905,574	60,610
Total general						
fixed assets	\$	17,213,755	1,716,555	6,550,803	5,240,405	3,705,992

See accompanying independent auditors' report.

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Schedule of Changes in General Fixed Assets – By Function Year ended December 31, 2002

	****	Beginning of year	Additions/ transfers in *	Retirements/ transfers out *	End of year
Function:					
Urban management					
and planning	\$	1,997,359	25,098	(1,963)	2,020,494
Public works and environmental					
improvement		4,723,281	254,678	(115,785)	4,862,174
Public safety		3,995,999	146,375	(127,453)	4,014,921
Municipal justice		23,052			23,052
Leisure, recreation, and education		6,270,488	22,626		6,293,114
Total general					
fixed assets	\$ _	17,010,179	448,777	(245,201)	17,213,755

^{*} Does not include transfers in/out of construction in process.

General Governmental Expenditures by Function (1)

Last Ten Fiscal Years

Fiscal Year	400	Urban management and planning	Public works and environmental improvement	Public safety	Municipal justice	Leisure, recreation, and education	Capital outlay	Debt service	Total
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
1999		1,929,823	2,649,379	3,437,676	187,706	741,997	5,174,062	476.113	14,596,756
2000		1,986,967	2,809,254	3,445,711	179,729	946,956	9,171,783	593,038	19,133,438
2001		2,273,106	2,841,247	3,740,892	195,487	610,793	4,446,209	2.238.814	16.346.548
2002		2,619,356	5,613,507	3,911,193	209,873	663,919	5,045,797	551,843	18,615,488

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

General Governmental Revenues by Source (1)

Last Ten Fiscal Years

Fiscal year ended	Taxes	Licenses and permits	Inter- governmental	Charges for services	Fines and forfeits	Recreational fees	Interest	Miscellaneous	Total
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	, ,
1999	8,763,221	313,003	2,712,642	912,188	263,803	248,347	607,584	72,866	13,893,654
%	63.07	2.25	19.53	6.57	1.90	1.79	4.37	0.52	, ,
2000	9,013,654	319,122	3,956,504	1,100,990	385,493	381,363	538,676	99,466	15,795,268
%	57.07	2.02	25.05	6.97	2.44	2.41	3.41	0.63	, , , , , , , , , , , , , , , , , , , ,
2001	9,088,035	340,086	2,634,454	1,467,067	381,582	390,023	516,450	59,274	14,876,972
%	61.09	2.29	17.71	9.86	2.56	2.62	3.47	0.40	.,,
2002	8,938,293	312,230	4,859,368	1,547,520	488,565	442,569	255,070	173,426	17,017,042
%	52.53	1.83	28.56	9.09	2.87	2.60	1.50	1.02	,

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

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\$50,000,000

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General Governmental Tax Revenues by Source (1)

Last Ten Fiscal Years

Fiscal year ended	Property tax	Sales tax	Franchise tax	Gasoline tax	Motor vehicle tax	Other	Total
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)	V-1	7,351,019
1996	2,703,331	3,814,905	1,263,633	(2)	(2)	wannang.	7,781,869
1997	2,714,480	3,952,780	1,302,725	(2)	(2)	ANTONNOM	7,969,985
1998	2,987,707	4,374,357	1,269,910	(2)	(2)		8,631,974
1999	3,060,193	4,414,019	1,289,009	(2)	(2)		8,763,221
2000	3,076,364	4,447,228	1,490,062	(2)	(2)	AND A COMMISSION	9,013,654
2001	3,118,194	4,314,964	1,654,877	(2)	(2)	***************************************	9,088,035
2002	3,333,898	4,179,059	1,425,336	(2)	(2)	e-resonant	8,938,293

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

⁽²⁾ For 1994 through 2002, motor vehicle tax and gasoline tax are included in intergovernmental revenue.

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CITY OF PRAIRIE VILLAGE, KANSAS

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal year.	Total tax levy	Current tax collection	Percent of levy collected	Delinquent tax collection	Total tax collection	Percent of total tax collections to tax levy	Outstanding delinquent taxes	Percent of delinquent taxes to total levy
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)
1999	2,932,216	2,872,644	97.97	26,529	2,899,173	98.87	386,166	13.17 (1)
2000	2,928,185	2,821,069	96.34	12,776	2,833,845	96.78	390,376	13.33 (1)
2001	2,983,450	2,889,696	96.86	18,774	2,908,470	97.49	293,812	* 9.84
2002	3,159,829	3,091,234	97.83	27,653	3,118,887	98.70	335,684	10.62

⁽¹⁾ The higher percentage of delinquent taxes were largely caused by the Claridge Court protest to pay the property taxes which were determined to be exempt in 2001.

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Ratio of

CITY OF PRAIRIE VILLAGE, KANSAS

Assessed and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

	Real pr	operty (1)	Personal P		т	otal	total assessed to total
Fiscal year	Assessed value	Estimated actual value	Assessed value	Estimated actual value	Assessed value	Estimated actual value	estimated actual value
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
1999	200,122,603	1,444,363,130	11,650,365	37,617,358	211,772,968	1,481,980,488	14.29
2000	212,804,428	1,680,599,839	11,111,072	35,917,337	223,915,500	1,716,517,176	13.04
2001	224,870,291	1,775,888,681	11,255,014	36,364,658	236,125,305	1,812,253,338	13.03
2002	233,177,860	1,841,496,804	10,972,412	36,364,658	244,150,272	1,877,861,462	13.00

⁽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 (\$186,642,341, estimated at 83%) are assessed at 11.5% of actual value. Commercial land and improvements (\$38,227,950, estimated at 17%) are assessed at 25% of actual value.

⁽²⁾ Assessed personal property (\$7,453,230) is assessed at 30% of actual value. State assessed utilities (\$3,801,784) are assessed at 33%.

^{*} Estimated.

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

Last Ten Fiscal Years

Fiscal year	State	County	City	County library	County park	County community college	School district	Consolidated fire <u>district</u>	Unified waste water	Total
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
1999	1.500	16.112	13.827	3.137	1,451	7.184	41.246	6.868	5.166	96.491
2000	1.500	15.676	13.324	2.981	1.322	7.646	40.327	7.197	4,647	94.620
2001	1.500	16.333	13.382	2.971	1.382	7.743	38.699	7.703	4.181	93.894
2002	1.500	16.221	15.744	2.948	1.602	9.428	42.238	8.008	HTM0404L	97.689

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Principal Taxpayers
December 31, 2002

Taxpayer	Type of business	 Real estate	Personal property	State assessed utilities	2002 Total assessed valuation	Percentage of total assessed value
Highwoods Realty Limited	Real Estate	\$ 15,092,259	ATTENDATE OF THE PARTY OF THE P	VPTPP AND	15,092,259	6.18 %
Wilmington Trust Company	Real Estate	2,788,451	**************************************	***************************************	2,788,451	1.14
Kansas City Power & Light	Utility			2,192,094	2,192,094	0.90
May Department Stores	Retail	1,475,000	296,770	AMAMANA	1,771,770	0.73
Kenilworth LLC	Real Estate	1,600,605	******	***************************************	1,600,605	0.66
Marriott Senior Living	Adult Living Facility	1,264,230	106,752		1,370,982	0.56
Melody W. Sutherland	Commercial Property	1,074,125			1,074,125	0.44
Southwestern Bell Telephone	Utility	and the contract of the contra	****	1,016,388	1,016,388	0.42
Corinth Paddock LLC	Real Estate	850,621			850,621	0.35
Lock/Line	Insurance Agent		626,244		626,244	0.26
Total		\$ 24,145,291	1,029,766	3,208,482	28,383,539	11.63 %
Total assessed valuation		\$ 233,177,860	7,141,071	3,831,341	244,150,272	

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

Last Ten Fiscal Years

Fiscal year	Population	Assessed value	Gross bonded debt	Debt service monies available	Net bonded debt	Ratio of net bonded debt to assessed value	Net bonded debt per capita
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
1999	23,365 (4)	211,772,968	4,790,000	1,669,821	3,120,179	1.473	133.54
2000	22,072 (4)	223,915,500	6,080,000	1,653,124	4,426,876	1.977	200.57
2001	21,962 (5)	236,125,305	4,130,000	-	4,130,000	1.749	187.11
2002	21,962 (5)	244,150,272	3,765,000	21,308	3,743,692	1.533	170.46

(1) Source: Kansas Census Bureau.

(2) Estimated based on building information.

(3) Source: Kansas League of Municipalities.

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

(5) Source: Kansas Secretary of State

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Computation of Direct and Overlapping Debt December 31, 2002

Jurisdiction		Bonded debt outstanding	Percentage applicable to city	Amount applicable to city
City of Prairie Village, Kansas (2)	\$ _	3,765,000	100.00 % 5	3,765,000
Subtotal - Direct Debt		3,765,000		3,765,000
Johnson County (1) Johnson County Park and Recreation (1) U. S. D. #512 (1)		230,265,000 6,865,000 133,365,000	4.03 4.03 9.13	9,279,680 276,660 12,176,225
Johnson County Consolidated Fire #2 (1) Subtotal – Overlapping Debt		2,215,000	38.90	861,635
Total	\$_	372,710,000 376,475,000	e V	22,594,200 26,359,200

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

⁽²⁾ Excludes amount available for repayment in the Debt Service Fund.

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

Last Ten Fiscal Years

Fiscal year	 Principal		Interest	Total debt service	Total governmental expenditures (1)	Ratio of debt service to total general expenditures
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	14,114,024	3.96
1999	205,000		271,113	476,113	14,596,756	3.26
2000	310,000		264,315	574,315	19,133,438	3.00
2001	1,950,000	(2)	288,814	2,238,814	16,346,548	13.70 (2)
2002	365,000		186,843	551,843	18,615,488	2.96

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

^{(2) \$1,760,000} of \$1,950,000 total is from cross-over refunding of Police Facility.

Demographic Statistics

Last Ten Fiscal Years

Fiscal year	Population	****	School enrollment	Unemployment rate	
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)
1999	23,365	(4)	7,219	1.1%	(6)
2000	22,072	(2)	6,682	1.5%	(6)
2001	21,962	(8)	6,954	3.7%	(7)
2002	21,962	(8)	6,750	4.3%	(7)

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

Computation of Legal Debt Margin December 31, 2002

Assessed valuation Plus assessed value, motor vehicles (1)	\$	244,150,272 31,986,057
Total assessed value for purposes of calculating legal debt limit		276,136,329
Legal debt limit (30% of assessed valuation)		30.00%
Amount of debt allowed		82,840,899
General obligation bond indebtedness		3,765,000
Legal debt margin	\$	79,075,899
Percentage of debt capacity used to date	:	4.54%

(1) Source: Johnson County Appraisers Office

Property Value, Construction, and Bank Deposits

Last Ten Fiscal Years

	Commercial construction			Residential construction			Total real		
Fiscal year	Number of units (1)		Value (1)	Number of units (1)		Value (1)	property value (in thousands) (2)	Bank deposits (in thousands)	
1993	2	\$	2,468,000	4	\$	739,880	1,011,648	912,816	(3)
1994	1		2,378,000	4		16,524,000	1,024,372	573,963	(4)
1995	1		3,690,428	2		527,000	1.198,354	617,858	(4)
1996	1		437,079	2		263,268	1,205,196	584,047	(4)
1997	1		9,148,000	1		135,000	1,336,611	582,147	(4)
1998	2		2,079,801	3		1,170,865	1,364,476	570,515	(4)
1999	***************************************			11		4,707,117	1,444,363	619,678	(4)
2000				10		5,207,400	1,680,600	572,249	(4)
2001	11		8,191,907	5		3,151,805	1,775,889	599,898	(4)
2002	***		*********	3		1,257,000	1.841.497	672,998	(4)

- (1) Determined from building permit information.
- (2) Source: Table 4.
- (3) Information provided by financial institutions located in the City.
- (4) Information provided by FDIC website (1994-2001).

Table 13

CITY OF PRAIRIE VILLAGE, KANSAS

Miscellaneous Statistics

December 31, 2002

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	41
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	97