

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF PRAIRIE VILLAGE, KANSAS

**Year Ended
December 31, 2008**

Prepared by the Finance and Administration Department

CITY OF PRAIRIE VILLAGE, KANSAS

Comprehensive Annual Financial Report
Year ended December 31, 2008

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THE CITY OF PRAIRIE VILLAGE

Star of Kansas

June 11, 2009

To the Mayor, Members of the City Council and 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, 2008. Provisions of Kansas State Statutes require the City's financial records to be audited by an independent certified public accountant each year. The report of the auditors has been included as part of this report, located on page 1.

Responsibility for both the accuracy of the data and completeness and fairness of presentation of these financials statements rests with City management. City management is responsible for establishing and maintaining an internal control structure designed to earn the public's confidence and trust. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. 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.

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

Profile of the Government

The City of Prairie Village was originally the vision of the late J.C. Nichols. After successfully developing the Country Club Plaza area in Kansas City, Missouri, Mr. Nichols turned his company direction and development toward his native Johnson County just a few miles from the Plaza. He had visions of transforming the rolling hills into a well-planned community of beautiful homes and neighborhood shopping centers. Construction in Prairie Village started in 1941 and Mr. Nichols' dream became reality in 1949 when the City was named the best-planned community in America by the National Association of Home Builders.

The State of Kansas officially recognized Prairie Village as a city in 1951 with a total population of 1,360 and land area of one-half mile. By 1957, it had become a city of the first class. Now, it is one of 19 incorporated cities in Johnson County and has the sixth largest population. It is completely surrounded by other cities, sharing its eastern border, State Line Road, with Kansas City, Missouri. The City has a residential population of approximately 22,000 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.

City government provides a wide range of services including: police protection and safety programs; construction and maintenance of streets, storm drainage and infrastructure; summer recreational activities and year-round cultural events; residential waste collection, recycling and composting services; and other general services for residents. Fire and health services are provided by the County; utilities are a service provided by the private sector.

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

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

Local Economy

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.

Although the City is fully-developed and land-locked, the value of tangible property in Prairie Village has increased considerably over the past ten years. During the same timeframe, Johnson County as a whole 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. 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.

Long Range Financial Plan

In 2001, the Mayor appointed a committee of Council members to analyze financial trends and the economic condition of the community. The committee established a long range financial plan which is used to develop the City's annual budget. In addition, the City engaged consultants in 2005 to prepare a financial analysis to include recommendations for changes that would stabilize the population and revenue base. The City Council adopted the "Village Vision" document in May 2007 and will use this document to guide them in strategic planning efforts to insure the viability of this community for the future.

Major Initiatives

As a part of the preparation for the 2008 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 and quality of life
- ❖ Maintain parks and create recreation facilities
- ❖ Improve property values and code enforcement
- ❖ Continue current service levels
- ❖ Maintain financial strength of the City

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.

Relevant Financial Policies

In addition to the major initiatives discussed above, the 2008 budget reflected several financial policies the City has established.

- ❖ Maintain operating expenditures at an annual growth rate of no more than 6%
- ❖ Increase City controlled revenue sources (fees, fines, etc.) by the CPI with periodic audits to make certain fees cover the agreed upon level of cost.

Other Information

Awards and acknowledgements. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended December 31, 2007. This was the twenty-second 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, 2008. This is the twentieth 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.

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

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

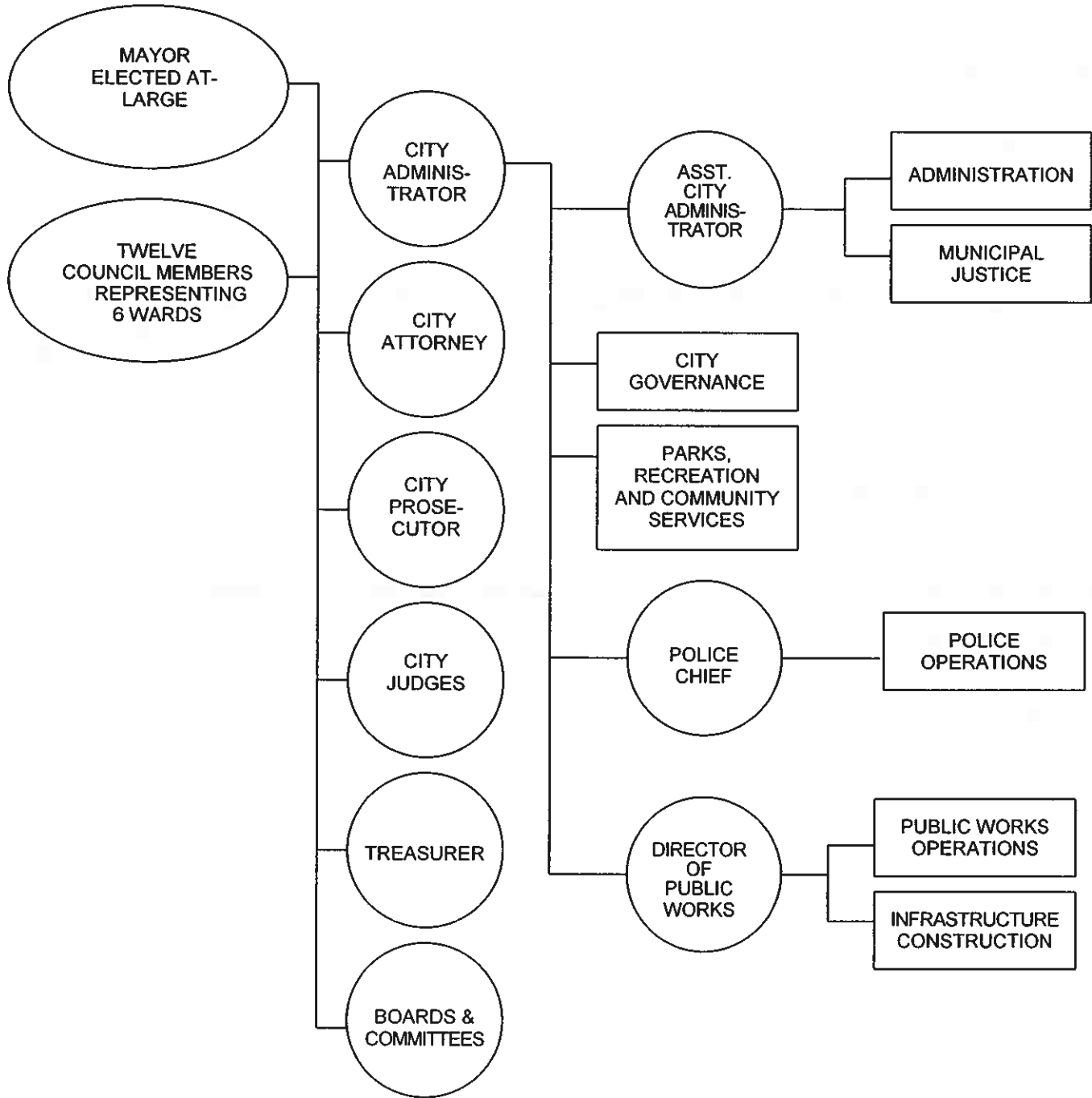
Respectfully submitted,



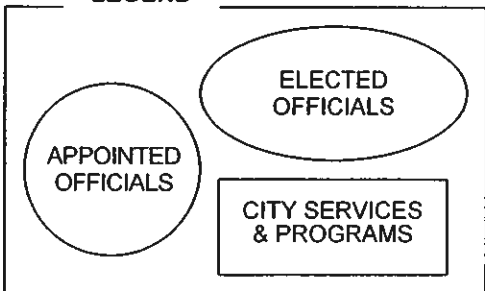
Karen E. Kindle, CPA, CPFO
Finance Director

CITY OF PRAIRIE VILLAGE, KANSAS

ORGANIZATIONAL OVERVIEW



LEGEND



CITY OF PRAIRIE VILLAGE, KANSAS

PRINCIPAL OFFICIALS - 2008

Elected Officials

Mayor	Ronald L. Shaffer
Council Member - Ward 1	Al Herrera
Council Member - Ward 1	Bill Griffith
Council Member - Ward 2	David Voysey
Council Member - Ward 2	Ruth Hopkins
Council Member - Ward 3	Michael Kelly
Council Member - Ward 3	Andrew Wang
Council Member - Ward 4	Laura Wassmer
Council Member - Ward 4	Dale Beckerman
Council Member - Ward 5	David Morrison
Council Member - Ward 5	Charles Clark
Council Member - Ward 6	David Belz
Council Member - Ward 6	Diana Ewy Sharp

Appointed Officials

City Administrator	Quinn Bennion
Assistant City Administrator	Dennis Enslinger
Chief of Police	Wes Jordan
Director of Public Works	S. Robert Pryzby
City Clerk	Joyce Hagen Mundy
City Attorney	Catherine Logan
Assistant City Attorney	Stephen Horner
Municipal Judge	M. Bradley Watson
Municipal Judge	Mary Virginia Clarke
City Treasurer	Fielding Norton, Jr.

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, 2007

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.



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

LOWENTHAL SINGLETON WEBB & WILSON
P R O F E S S I O N A L A S S O C I A T I O N

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Prairie Village, Kansas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Prairie Village, Kansas, as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the "Kansas Municipal Audit Guide". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Prairie Village, Kansas, at December 31, 2008, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund and the Solid Waste Management Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management discussion and analysis on pages 2 through 9 and the schedules of funding progress and schedules of employer contributions on pages 39 and 40 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. We did not audit the data included in the introductory and statistical sections of this report and therefore, we express no opinion on them.

Lowenthal, Singleton, Webb & Wilson

Professional Association
June 11, 2009

CITY OF PRAIRIE VILLAGE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year Ended December 31, 2008
(Unaudited)

This section of the report contains an overview and analysis of the City of Prairie Village's financial statements for the fiscal year ended December 31, 2008. It should be read in conjunction with the letter of transmittal on page i and the City's financial statements, which begin on page 10.

Financial Highlights

- As a result of the fiscal year's activity, the City's net assets increased by over \$2.1 million, the majority of which is due to an increase in capital assets.
- The City established the Economic Development Fund to provide funding for initiatives included in The Village Vision Strategic Investment Plan adopted by the City Council in May 2007. The proceeds from the county quarter cent sales tax for schools provided the funding for these expenditures. This sales tax ended on December 31, 2008.
- The City established the Stormwater Utility Fee as part of the 2009 budget process completed during 2008. The Stormwater Utility Fund was created to account for the Stormwater Utility Fee revenue and related stormwater management expenditures.

The Basic Financial Statements

This annual report consists of a series of financial statements. The basic financial statements include the government-wide financial statements and the fund financial statements. The notes to the financial statements follow the statements and are essential for the reader's understanding of the financial statements. The remaining statements provide other supplementary information for the reader.

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

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

The *Statement of Activities* explains how revenues and expenses of the City affected net assets during the fiscal year. A unique feature of this statement is how it reports the revenues and expenses of specific programs, and how much of those programs were supported by general revenues such as taxes.

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

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

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

CITY OF PRAIRIE VILLAGE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the year Ended December 31, 2008
 (Unaudited)

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

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

Other information. In addition to the basic financial statements and notes described above, required supplementary information regarding the City's funding of its Police Pension Plan has been included to give the reader further insight into the City's pension plan results. The Statistical Section provides statistical data about the City.

Analysis of the Government-wide Financial Statements

Net Assets. The combined net assets of the City as of December 31 were:

	<u>2007</u>	<u>2008</u>	<u>Change</u>
Current and other assets	\$ 19,574,025	\$ 20,147,346	2.93%
Capital assets	<u>57,456,952</u>	<u>60,126,876</u>	4.65%
Total assets	<u>\$ 77,030,977</u>	<u>\$ 80,274,222</u>	4.21%
Long-term liabilities	\$ 1,205,000	\$ 820,000	-31.95%
Other liabilities	<u>9,481,063</u>	<u>10,990,055</u>	15.92%
Total liabilities	<u>10,686,063</u>	<u>11,810,055</u>	10.52%
Net assets:			
Invested in capital assets, net of related debt	55,776,952	58,921,876	5.64%
Restricted	197,827	258,683	30.76%
Unrestricted	<u>10,370,135</u>	<u>9,283,608</u>	-10.48%
Total net assets	<u>66,344,914</u>	<u>68,464,167</u>	3.19%
Total liabilities & net assets	<u>\$ 77,030,977</u>	<u>\$ 80,274,222</u>	4.21%

The City's combined net assets increased by \$2.1 million or 3.19% from 2007 to 2008. The majority of that increase was due to an increase in capital assets and the City's continued accumulation of the revenue received from the school sales tax. At the end of 2008, school sales tax revenue accumulated in the Economic Development Fund totaled \$2,318,585.

CITY OF PRAIRIE VILLAGE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year Ended December 31, 2008
(Unaudited)

Statement of Activities. The table below shows the condensed revenues, expenses and changes in net assets for 2007 and 2008.

	<u>2007</u>	<u>2008</u>	<u>Change</u>
REVENUES			
Program Revenues			
Fines, fees and charges for services	\$ 4,342,542	\$ 4,530,243	4.32%
Operating grants and contributions	11,821	6,564	-44.47%
Capital grants and contributions	1,918,004	728,705	-62.01%
General revenues:			
Property taxes	4,476,911	5,177,298	15.64%
Sales and use taxes	5,262,107	5,219,057	-0.82%
Other taxes	2,212,644	2,343,404	5.91%
Other revenues	<u>1,624,391</u>	<u>1,393,392</u>	-14.22%
Total revenues	<u>19,848,420</u>	<u>19,398,663</u>	-2.27%
EXPENSES			
Urban management and planning	2,994,369	3,132,048	4.60%
Public works	8,203,320	7,684,541	-6.32%
Public safety	5,063,596	5,102,560	0.77%
Municipal Justice	349,769	370,433	5.91%
Leisure, recreation and education	924,399	917,170	-0.78%
Interest on long-term debt	<u>93,165</u>	<u>72,658</u>	-22.01%
Total expenses	<u>17,628,618</u>	<u>17,279,410</u>	-1.98%
Increase/(decrease) in net assets	2,219,802	2,119,253	-4.53%
Net assets, January 1	<u>64,125,112</u>	<u>66,344,914</u>	
Net assets, December 31	<u>\$ 66,344,914</u>	<u>\$ 68,464,167</u>	3.19%

Overall, total revenues decreased by 2.27%. The decrease is mostly due to the Stormwater Management Advisory Council (SMAC) Grant received from Johnson County for the Tomahawk Drainage Project in 2007 - a significant grant for the City. The City did not receive any SMAC Grants in 2008.

Tax source revenues (property, sales/use and franchise) continue to account for a majority of the City's revenues. Tax source revenues account for 66.0% of total revenues in 2008 compared with 60.21% in 2007. Sales and franchise taxes held steady in 2008 while property tax increased due to an increase in the mill levy rate and assessed valuation. The city raised the mill levy rate by two mills in 2008. Use tax decreased during 2008 due to a large use tax refund issued by the State of Kansas which affected cities in Johnson County.

Another significant change in City revenues was the decrease in operating grants and contributions. In 2007, the City deployed police officers to Greensburg, Kansas to assist with tornado relief efforts and received reimbursement for the related costs. While the City received reimbursements under the STEP Grant program administered by the Kansas Department of Transportation in 2008, the total is less than what was received in 2007 for the Greensburg deployment.

Interest earnings also decreased during 2008 due to the condition of the financial markets in the last quarter of 2008.

Total expenses for 2008 were slightly lower when compared with 2007, decreasing 1.98%. Interest on long-term debt expenses continue to decrease as the amount of debt outstanding decreases each year. The City has not

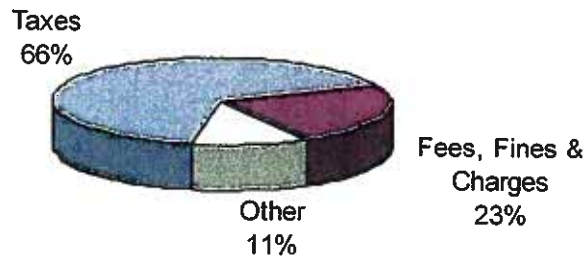
CITY OF PRAIRIE VILLAGE, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year Ended December 31, 2008
(Unaudited)

issued bonds since 2000. Also, Public Works expenses decreased due to a decrease in project costs that were expensed instead of capitalized. In 2007 there were a few capital projects which included repair work that was not capitalized.

A couple of areas experienced increased expenses. Urban Management and Planning expenses increased due to election costs, financial software system acquisition consulting services and a 4% increase in the solid waste contract. Municipal Justice expenditures increased in 2008 because of an increase in wages. One of the Court Clerk positions was vacant for period of time in 2007, but was fully staffed in 2008.

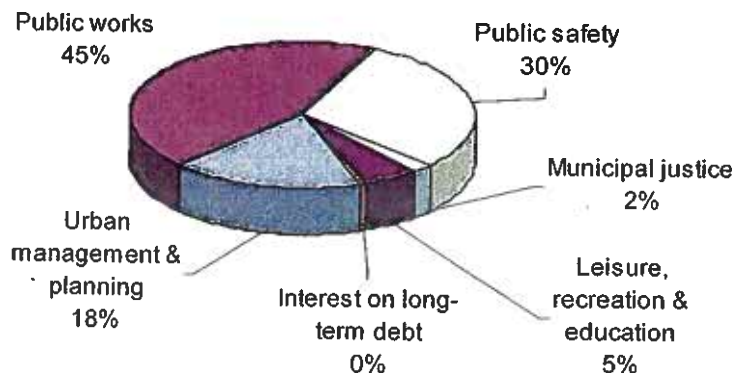
As illustrated by the following graphs, 66% of the City's revenues are tax-related. Another 23% are directly related to the City's solid waste management assessments and public safety agreement with the City of Mission Hills.

Sources of Revenue - 2008



The second graph illustrates that public works expenses, which include the depreciation of City infrastructure assets, comprise the largest use of resources.

Expenses by Function - 2008



CITY OF PRAIRIE VILLAGE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year Ended December 31, 2008
(Unaudited)

The net cost of each program is an important indicator of the financial burden placed on revenues, primarily tax sources. As shown below, \$12 million of the cost of services was paid by the City's tax payers.

Governmental	Total Cost of Services			Net Cost of Services		
	2007	2008	% Chg	2007	2008	% Chg
Urban management and planning	\$ 2,994,369	\$ 3,132,048	4.6%	\$ 1,387,983	\$ 1,408,368	1.5%
Public works	8,203,320	7,684,541	-6.3%	6,213,262	6,847,981	10.2%
Public safety	5,063,596	5,102,560	0.8%	2,888,612	2,891,592	0.1%
Municipal Justice	349,769	370,433	5.9%	290,229	305,708	5.3%
Leisure, recreation and education	924,399	917,170	-0.8%	483,000	487,591	1.0%
Interest on long-term debt	93,165	72,658	-22.0%	93,165	72,658	-22.0%
Total governmental activities	\$ 17,628,618	\$ 17,279,410	-2.0%	\$ 11,356,251	\$ 12,013,898	5.8%

Additional information about program and general revenues may be found on the Statement of Activities located on page 11.

Analysis of the Fund Financial Statements

General Fund. Fund balance declined in the General Fund as a result of transferring the remainder of the accumulated school sales tax proceeds as well as the 2008 proceeds to the Economic Development Fund. Moreover the City transferred more money to the Capital Projects Fund than in 2007 to fund more projects. The City also transferred funds to the newly established Equipment Reserve Fund to begin setting aside funds to replace the Police Radio system in 2011. The City also transferred funds to the Equipment Reserve Fund to provide for the purchase of new financial software.

Solid Waste Management Fund. Fund balance increased due to lower expenses for wages. The position for which part of the wages are allocated to this fund, was vacant for the first two months of 2008. In addition, there was a small fee increase in 2008.

Capital Projects Fund. The City's Capital Projects Fund accounts for major infrastructure improvement project expenditures. Funding for these projects comes from interfund transfers from the City's General Fund, Special Street & Highway Fund, and Special Parks and Recreation Fund. The City also receives intergovernmental grants from Johnson County for street and drainage improvements.

The Capital Projects Fund finished 2008 with an ending fund balance of \$2.4 million which remains in the fund for unfinished or future capital improvement projects. There were two large projects still in process at the end of 2008.

Economic Development Fund. The City continued to transfer the proceeds of the school sales tax from the General Fund into this fund. Expenditures from this fund are restricted to economic development activities as defined in the enabling ordinance. The City only had two small projects in 2008 which were paid from this fund.

Stormwater Fund. This fund was established at the end of 2008. It will be used to account for the stormwater utility fee and the related stormwater management activities. The stormwater fee appeared on the December 2008 tax bills, the receipts from which are used to fund 2009 operations.

Other Governmental Funds. The fund balance for these funds increased due to an increase in the fund balance for the Equipment Reserve Fund. This fund was new in 2008 and received a transfer from the General Fund for the first installment on the Police radio system, first installment for the new City website and the funding for the financial software system.

General Fund Budget

The legally adopted budget for the General Fund was not amended by the City Council during 2008. Departments within the City are allowed to transfer budget between line items within programs and between

CITY OF PRAIRIE VILLAGE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the year Ended December 31, 2008
 (Unaudited)

programs within the department. In addition, allocations of contingency budget are recorded as a budget transfer to the affected program. As a result of these budget transfers, the original budget and the final budget in some programs may not be the same.

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

Category	Explanation
Taxes	During 2008, the State of Kansas issued a large use tax refund resulting in a lower use tax distribution for cities within Johnson County.
Licenses & Permits	In 2008, the City reviewed all of its fees. Many had not been changed in over 10 years. The City Council approved increases to all license and permit fees in August 2008.
Fines & Forfeitures	Less tickets were written by the traffic unit in 2008 than in 2007.
Interest	Interest rates in 2008 decreased significantly. In addition, there were less funds available for investment in the General Fund due to transferring out the School Sales Tax to the Economic Development Fund.
Other	Sales of fixed assets and miscellaneous income were both less than anticipated when the budget was adopted in 2007. Both of these revenue items are difficult to predict and depend on what fixed assets are sold or what miscellaneous transactions occur.
Mayor & Council	The budget includes funding for consultants that may be needed by the Council during the year. In 2008, the Council did not utilize the full budget for consultants. In addition, the Council did not utilize the full budget for training.
Management & Planning	This program budget includes the contingency budget of \$700,000. The City only utilized 35% of the contingency budget.
Human Resources	The 2008 budget included funds for legal services. From time to time, the Human Resources staff consults attorneys regarding human resource issues. In 2008, the Human Resources staff did not utilize any of this budget.
Administrative Services	Some miscellaneous IT equipment replacement is included in the budget for this program. The City did not spend as much as anticipated on replacing miscellaneous equipment. Also, the insurance premiums budgeted for this program were less than expected due to a favorable insurance renewal rate.
Codes Administration	The savings in this program is due to favorable insurance renewal rates resulting in a lower insurance expense that was expected.
City Clerk	The City Clerk program budget includes the cost for a primary election related to City offices. The City did not need a primary for the 2008 municipal election.
Public Works Administration	The budget for this program includes funding for outside engineering services. The City utilizes outside engineering firms from time to time for special projects. The City did not have as many special projects in 2008 as they had had in the past.
Vehicle Maintenance	Fuel was the reason for this program going over budget. Fuel prices rose to levels never seen before, which could not have been foreseen during the 2008 budget development process.
Building & Grounds	This program experienced health insurance savings due to better than expected renewal rates and also spending less on maintenance/repairs that planned for 2008.
Staff Services	This program was under budget due to health insurance savings due to better than expected renewal rates. There were also less repair expenditures than estimated.
Community Services	This program was under budget due to health insurance savings from better than expected renewal rates. There were also less repair expenditures than estimated.

CITY OF PRAIRIE VILLAGE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year Ended December 31, 2008
(Unaudited)

Investigations	The captain in charge of this program retired at the beginning of 2008. The position was vacant for a short time and then filled with a sergeant. This program also experienced a savings in health insurance due to better than expected renewal rates.
Special Investigations	There are two officers assigned to this program. During 2008, there were several months when only one officer was assigned to this program resulting in salary savings.
DARE	The majority of this program was paid out of the Special Alcohol Fund. The portion charged to the General Fund is the portion not covered by the available revenue in the Special Alcohol Fund. In 2008, the actual expenditures that needed to be covered by the General Fund were less than planned due to a change in officers assigned to the DARE officer position.
Professional Standards	One sergeant is typically assigned to this program. In 2008, this sergeant was on leave for military duty and was replaced by another sergeant in the department. During the majority of 2008, the replacement sergeant's salary was charged to this program as well as the military differential pay for the sergeant on leave.
Prosecutor	The City did not incur as many legal fees related to the public defender or appeals as was anticipated during budget development.
Court Clerks	This program was under budget due to less jail fees than expected. Jail fees paid depend on how many defendants are housed in the county jail and for how long. In addition, this program experienced health insurance savings due to better than expected renewal rates.
Community Programs	This program experienced health insurance savings due to better than expected renewal rates. This program includes the budget for the City's community center building maintenance. There were less maintenance and repair costs than expected.
Swimming Pool	This program's difference between budget and actual was due to overtime savings from new scheduling procedures. Also, the City spent less on chemicals than planned.

Capital Assets and Long-Term Debt Activity

Capital Assets. As presented below, the total amount invested in capital assets (net of accumulated depreciation) by the City at December 31, 2008 was \$60.1 million. Capital assets increased 4.65% from 2007.

NETWORK	<u>2007</u>	<u>2008</u>	<u>% Chg</u>
Land	\$ 13,861,866	\$ 13,861,866	0.00%
Buildings	3,967,844	3,826,919	-3.55%
Improvements other than buildings	1,076,082	1,054,613	-2.00%
Furniture and equipment	864,864	1,110,638	28.42%
Infrastructure	34,487,203	36,434,312	5.65%
Construction in progress	3,199,093	3,838,528	19.99%
Total	<u>\$ 57,456,952</u>	<u>\$ 60,126,876</u>	4.65%

CITY OF PRAIRIE VILLAGE, KANSAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year Ended December 31, 2008
(Unaudited)

Furniture and equipment increased due to the rebanding of the radio system. All of the radios used by Police and Public Works were replaced. Infrastructure increased as a result of completing projects that were in progress at the end of 2007 as well as an increase in the number of projects for 2008. Construction in progress increased because many of the 2008 projects were not completed until early 2009.

Additional information regarding the City's capital assets can be found in Note I, Item C, Section 5, as well as Note III, Item C.

Long-term debt activity. As of December 31, 2008, the City had \$1,205,000 of outstanding general obligation bonds. Of the balance outstanding, 100% will be paid off within the next five years.

For the past 13 years, the City has received a credit rating of Aa1 from Moody's Investor Service, Inc., which represents the second-highest possible rating from Moody's.

Additional information regarding the City's long-term debt activity can be found in Note III, Item F.

Requests for Information

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

CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF NET ASSETS

December 31, 2008

Assets	
Current assets:	
Cash and investments	\$ 9,842,907
Tax receivable (net of uncollectibles)	5,394,531
Special assessments receivable (net of uncollectibles)	2,830,225
Interest receivable	23,684
Other receivable	515,757
Due from other governments	1,293,629
Prepaid expenses	159,246
Restricted cash and investments	<u>87,367</u>
Total current assets	<u>20,147,346</u>
Capital assets:	
Capital assets not being depreciated:	
Land	13,861,866
Construction in progress	<u>3,838,528</u>
Total capital assets not being depreciated	<u>17,700,394</u>
Capital assets being depreciated	128,343,779
Less: accumulated depreciation	<u>85,917,297</u>
Total capital assets being depreciated, net	<u>42,426,482</u>
Total capital assets, net	<u>60,126,876</u>
Total assets	<u>\$ 80,274,222</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 1,709,397
Accrued payroll	84,520
Payable from restricted assets	87,368
Unearned revenue	8,441,372
Accrued interests on long-term debt	19,478
Net other post employment benefit obligation	13,210
Current portion of compensated absences	249,710
Current portion of general obligation bonds	<u>385,000</u>
Total current liabilities	<u>10,990,055</u>
Noncurrent liabilities:	
General obligations bonds payable	<u>820,000</u>
Total noncurrent liabilities	<u>820,000</u>
Total liabilities	<u>\$ 11,810,055</u>
Net Assets	
Invested in capital assets, net of related debt	\$ 58,921,876
Restricted	
Debt service	35,735
Solid waste management	188,879
Parks and recreation	21,331
Special alcohol	12,738
Unrestricted	<u>9,283,608</u>
Total net assets	<u>\$ 68,464,167</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2008

	Program Revenues			Net [expense] Revenue and Changes in Net Assets-Govt Activities	
	Expenses	Fees, fines, and charges for services	Operating grants and contributions		Capital grants and contribution
Governmental activities:					
Urban management and planning	\$ 3,132,048	\$ 1,723,680	\$ -	\$ -	\$ [1,408,368]
Public works	7,684,541	107,855	-	728,705	[6,847,981]
Public safety	5,102,560	2,204,404	6,564	-	[2,891,592]
Municipal justice	370,433	64,725	-	-	[305,708]
Leisure and recreation	917,170	429,579	-	-	[487,591]
Interest on long-term debt	72,658	-	-	-	[72,658]
Total governmental activities	\$ 17,279,410	\$ 4,530,243	\$ 6,564	\$ 728,705	[12,013,898]
General Revenues:					
Property taxes levied for					
General purposes					4,677,647
Debt service					499,651
Sales and use tax					5,219,057
Motor vehicle tax					513,573
Franchise tax					1,829,831
Grants and contributions not restricted to specific programs					971,712
Investment earnings					335,599
Miscellaneous					86,081
Total general revenues					14,133,151
Change in net assets					2,119,253
Net assets - beginning					66,344,914
Net assets - ending					\$ 68,464,167

The notes to the financial statements are an integral part of this statement.

CITY OF PRAIRIE VILLAGE, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2008

	<u>General</u>	<u>Solid Waste Management</u>	<u>Stormwater</u>
ASSETS			
Cash and investments	\$ 3,894,537	\$ 402,402	\$ -
Receivables			
Taxes	5,013,473	-	-
Special assessments	-	1,386,815	1,443,410
Interest	5,771	-	-
Miscellaneous	513,165	-	-
Due from other governments	914,879	-	-
Due from other fund	2,592	-	-
Prepaid expenditures	158,146	-	-
Restricted assets	87,367	-	-
Total assets	<u>\$ 10,589,930</u>	<u>\$ 1,789,217</u>	<u>\$ 1,443,410</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 556,673	\$ 213,523	\$ -
Accrued payroll	83,932	-	-
Due to other funds	79,426	-	-
Payable from restricted assets	87,368	-	-
Deferred revenue	5,230,602	1,386,815	1,443,410
Total liabilities	<u>6,038,001</u>	<u>1,600,338</u>	<u>1,443,410</u>
Fund balance:			
Reserved for encumbrances	120,163	-	-
Reserved for debt service	-	-	-
Reserved for prepaid expenditures	158,146	-	-
Unreserved			
Undesignated, reported in:			
General fund	4,273,620	-	-
Special revenue funds	-	188,879	-
Capital projects fund	-	-	-
Total fund balance	<u>4,551,929</u>	<u>188,879</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 10,589,930</u>	<u>\$ 1,789,217</u>	<u>\$ 1,443,410</u>

<u>Economic Development</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,225,648	\$ 2,802,782	\$ 517,538	\$ 9,842,907
-	-	381,058	5,394,531
-	-	-	2,830,225
13,511	-	4,402	23,684
-	-	2,592	515,757
-	238,268	140,482	1,293,629
79,426	140,482	-	222,500
-	-	1,100	159,246
-	-	-	87,367
<u>\$ 2,318,585</u>	<u>\$ 3,181,532</u>	<u>\$ 1,047,172</u>	<u>\$ 20,369,846</u>
\$ 4,103	\$ 493,505	\$ 109,272	\$ 1,377,076
-	-	588	84,520
-	-	143,074	222,500
-	-	-	87,368
-	211,074	381,181	8,653,082
<u>4,103</u>	<u>704,579</u>	<u>634,115</u>	<u>10,424,546</u>
-	94,947	-	215,110
-	-	35,735	35,735
-	-	1,100	159,246
-	-	-	4,273,620
2,314,482	-	376,222	2,879,583
-	2,382,006	-	2,382,006
<u>2,314,482</u>	<u>2,476,953</u>	<u>413,057</u>	<u>9,945,300</u>
<u>\$ 2,318,585</u>	<u>\$ 3,181,532</u>	<u>\$ 1,047,172</u>	<u>\$ 20,369,846</u>

The notes to the financial statements are an integral part of this statement

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CITY OF PRAIRIE VILLAGE, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
December 31, 2008

Total Governmental Fund Balances \$ 9,945,300

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	13,861,866	
Construction in progress	3,838,528	
Infrastructure	116,466,224	
Buildings and improvements	7,724,419	
Vehicles and equipment	<u>4,153,136</u>	
	146,044,173	
Accumulated depreciation	<u>85,917,297</u>	60,126,876

Long-term liabilities, including bonds payable, are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net assets as follows:

General obligation bonds payable	1,205,000	
Interest payable	<u>19,478</u>	[1,224,478]

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Street lighting/traffic signal billings		[332,321]
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The City's costs for post-employment benefits other than pensions are not reported as expenditures in the governmental funds

Net other post employment benefit obligation		[13,210]
--	--	----------

The City's employee leave balances reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences		[249,710]
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Some of the City's revenues will be collected after year end, but are neither measurable or available as current financial resources. Therefore, these revenues are reported as deferred revenue in the funds.

Electric franchise fees		<u>211,710</u>
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Net Assets of Governmental Activities		<u>\$ 68,464,167</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF PRAIRIE VILLAGE, KANSAS

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

For the Year Ended December 31, 2008

	<u>General</u>	<u>Solid Waste Management</u>	<u>Stormwater</u>
Revenues			
Taxes	\$ 12,173,377	\$ -	\$ -
Intergovernmental	88,615	-	-
Licenses and permits	459,552	-	-
Charges for services	1,647,422	1,306,424	-
Fines and forfeitures	1,006,365	-	-
Recreational fees	429,579	-	-
Use of money and property	258,239	16,548	-
Other	45,828	-	-
Total revenues	<u>16,108,977</u>	<u>1,322,972</u>	<u>-</u>
Expenditures			
Current:			
Urban management and planning	1,692,027	1,298,636	-
Public works	4,301,887	-	-
Public safety	5,284,661	-	-
Municipal justice	372,212	-	-
Leisure and recreation	744,296	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>12,395,083</u>	<u>1,298,636</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>3,713,894</u>	<u>24,336</u>	<u>-</u>
Other financing sources [uses]			
Transfers in	-	-	-
Transfers [out]	<u>[6,002,824]</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>[6,002,824]</u>	<u>-</u>	<u>-</u>
Net change in fund balances	[2,288,930]	24,336	-
Fund balances, beginning	<u>6,840,859</u>	<u>164,543</u>	<u>-</u>
Fund balances, ending	<u>\$ 4,551,929</u>	<u>\$ 188,879</u>	<u>\$ -</u>

<u>Economic Development</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ -	\$ 553,979	\$ 12,727,356
-	728,705	773,038	1,590,358
-	-	-	459,552
-	-	-	2,953,846
-	-	-	1,006,365
-	-	-	429,579
45,545	-	15,268	335,600
-	-	40,253	86,081
<u>45,545</u>	<u>728,705</u>	<u>1,382,538</u>	<u>19,588,737</u>
66,868	-	96,902	3,154,433
-	-	-	4,301,887
-	-	78,545	5,363,206
-	-	-	372,212
-	-	14,998	759,294
-	5,956,049	108,593	6,064,642
-	-	475,000	475,000
-	-	79,770	79,770
<u>66,868</u>	<u>5,956,049</u>	<u>853,808</u>	<u>20,570,444</u>
<u>[21,323]</u>	<u>[5,227,344]</u>	<u>528,730</u>	<u>[981,707]</u>
948,314	5,431,745	415,010	6,795,069
<u>[117,000]</u>	-	<u>[675,245]</u>	<u>[6,795,069]</u>
<u>831,314</u>	<u>5,431,745</u>	<u>[260,235]</u>	-
809,991	204,401	268,495	[981,707]
<u>1,504,491</u>	<u>2,272,552</u>	<u>144,562</u>	<u>10,927,007</u>
<u>\$ 2,314,482</u>	<u>\$ 2,476,953</u>	<u>\$ 413,057</u>	<u>\$ 9,945,300</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PRAIRIE VILLAGE, KANSAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES WITH THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2008

Total Net Change In Fund Balances - Governmental Funds		\$ [981,707]
Amounts reported for governmental activities in the statement of activities are different because		
Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.		
Capital outlays	7,064,870	
Depreciation expense	<u>[4,394,945]</u>	2,669,925
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest decreased.		
		7,112
Some street lighting and traffic signals do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
		[38,893]
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		12,402
Expenditures for post employment benefits other than pensions are not considered expenditures in government funds		
		[13,210]
Some expenses will utilize future financial resources and are not considered expenditures in governmental funds.		
		[11,376]
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		
		<u>475,000</u>
Changes In Net Assets of Governmental Activities		<u>\$ 2,119,253</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PRAIRIE VILLAGE, KANSAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
GENERAL FUND
For the Year Ended December 31, 2008

	GAAP	Adjustments	Budgetary	Budgeted Amounts		Variance
	Basis Actual	Adjustments	Basis Actual	Original	Final	Positive [Negative]
Revenues						
Taxes	\$ 12,173,377	\$ -	\$ 12,173,377	\$ 12,232,788	\$ 12,232,788	\$ [59,411]
Intergovernmental	88,615	-	88,615	86,000	86,000	2,615
Licenses and permits	459,552	-	459,552	400,000	400,000	59,552
Charges for services	1,647,422	-	1,647,422	1,572,000	1,572,000	75,422
Fines and forfeitures	1,006,365	-	1,006,365	1,122,000	1,122,000	[115,635]
Recreation fees	429,579	-	429,579	460,000	460,000	[30,421]
Interest	258,239	-	258,239	510,000	510,000	[251,761]
Other	45,828	-	45,828	58,000	58,000	[12,172]
Total revenues	16,108,977	-	16,108,977	16,440,788	16,440,788	[331,811]
Expenditures						
Urban management and planning						
City Governance						
Mayor and council	95,683	-	95,683	152,847	152,847	57,164
Management and planning	467,772	[5,499]	462,273	912,315	912,315	450,042
Administrative Services						
Human resources	80,222	-	80,222	90,261	90,261	10,039
Administrative services	126,245	8,500	134,745	161,043	161,043	26,298
Financial management	223,573	4,450	228,023	231,602	231,602	3,579
Codes administration	337,822	-	337,822	356,863	356,863	19,041
City clerk	360,710	22,220	382,930	425,585	425,585	42,655
	<u>1,692,027</u>	<u>29,671</u>	<u>1,721,698</u>	<u>2,330,516</u>	<u>2,330,516</u>	<u>608,818</u>
Public works and improvements						
Administration	913,630	[103,988]	809,642	864,760	864,760	55,118
Vehicle and equipment maintenance	445,116	-	445,116	411,051	411,051	[34,065]
Streets and drain	2,119,650	8,630	2,128,280	2,084,082	2,084,082	[44,198]
Buildings and grounds	823,491	[1,445]	822,046	959,128	959,128	137,082
	<u>4,301,887</u>	<u>[96,803]</u>	<u>4,205,084</u>	<u>4,319,021</u>	<u>4,319,021</u>	<u>113,937</u>
Public safety						
Administration	554,730	[6,303]	548,427	541,691	541,691	[6,736]
Staff services	899,316	10,083	909,399	988,111	988,111	78,712
Community services	180,548	-	180,548	191,620	191,620	11,072
Community policing	86,114	-	86,114	89,390	89,390	3,276
Patrol	2,539,388	[2,681]	2,536,707	2,631,129	2,631,129	94,422
Investigations	430,682	-	430,682	471,698	471,698	41,016
Special investigations	131,497	-	131,497	170,624	170,624	39,127
DARE	3,115	-	3,115	17,469	17,469	14,354
Professional standards	160,742	3,125	163,867	151,990	151,990	[11,877]
Off duty contractual	58,026	-	58,026	59,911	59,911	1,885
Traffic	240,503	-	240,503	237,880	237,880	[2,623]
	<u>5,284,661</u>	<u>4,224</u>	<u>5,288,885</u>	<u>5,551,513</u>	<u>5,551,513</u>	<u>262,628</u>
Municipal justice						
Judicial	33,105	-	33,105	34,961	34,961	1,856
Prosecutor	44,560	-	44,560	49,715	49,715	5,155
Court clerks	294,547	1,024	295,571	325,179	325,179	29,608
	<u>372,212</u>	<u>1,024</u>	<u>373,236</u>	<u>409,855</u>	<u>409,855</u>	<u>36,619</u>
Leisure and recreation						
Community programs	175,813	-	175,813	186,172	186,172	10,359
Swimming pool	480,566	[9,245]	471,321	524,521	524,521	53,200
Swimming pool food service	64,796	-	64,796	65,767	65,767	971
Tennis	23,121	23,142	46,263	46,247	46,247	[16]
	<u>744,296</u>	<u>13,897</u>	<u>758,193</u>	<u>822,707</u>	<u>822,707</u>	<u>64,514</u>
Total expenditures	12,395,083	[47,987]	12,347,096	13,433,612	13,433,612	1,086,516
Excess (deficiency) of revenues over (under) expenditures	3,713,894	47,987	3,761,881	3,007,176	3,007,176	754,705
Other financing sources (uses)						
Transfers (out)	[6,002,824]	-	[6,002,824]	[6,440,557]	[6,440,557]	437,733
Total other financing sources (uses)	[6,002,824]	-	[6,002,824]	[6,440,557]	[6,440,557]	437,733
Net change in fund balance	[2,288,930]	47,987	[2,240,943]	\$ [3,433,381]	\$ [3,433,381]	\$ 1,192,438
Fund balance, beginning	6,840,859	[168,150]	6,672,709			
Fund balance, ending	\$ 4,551,929	\$ [120,163]	\$ 4,431,766			

The notes to the financial statements are an integral part of this statement.

CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 SOLID WASTE MANAGEMENT FUND
 For the Year Ended December 31, 2008

	GAAP Basis		Budgetary Basis Actual	Budgeted Amounts		Variance Positive [Negative]
	Actual	Adjustments		Original	Final	
Revenues						
Charges for services	\$ 1,306,424	\$ -	\$ 1,306,424	\$ 1,287,000	\$ 1,287,000	\$ 19,424
Use of money and property	16,548	-	16,548	37,000	37,000	[20,452]
Total revenues	1,322,972	-	1,322,972	1,324,000	1,324,000	[1,028]
Expenditures						
Urban management and planning	1,298,636	-	1,298,636	1,311,491	1,311,491	12,855
Total expenditures	1,298,636	-	1,298,636	1,311,491	1,311,491	12,855
Net change in fund balance	24,336	-	24,336	\$ 12,509	\$ 12,509	\$ 11,827
Fund balance, beginning	164,543	-	164,543			
Fund balance, ending	\$ 188,879	\$ -	\$ 188,879			

The notes to the financial statements are an integral part of this statement.

CITY OF PRAIRIE VILLAGE, KANSAS
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 December 31, 2008

	Pension Trust <u>Funds</u>
Assets	
Restricted cash	\$ 403,027
Restricted investments, at fair value	
Common stock	3,922,850
Pooled equity funds	1,655,453
Fixed income	<u>2,836,752</u>
Total restricted investments	<u>8,415,055</u>
Interest receivable	<u>33,557</u>
Total Assets	<u>\$ 8,851,639</u>
Liabilities	
Net assets	
Held in trust for pension benefits	<u>\$ 8,851,639</u>
Total net assets	<u>8,851,639</u>
Total liabilities and net assets	<u>\$ 8,851,639</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PRAIRIE VILLAGE, KANSAS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended December 31, 2008

	Pension Trust Funds
Additions:	
Contributions:	
Employer	\$ 359,332
Plan members	<u>92,300</u>
Total contributions	<u>451,632</u>
 Investment Earnings:	
Interest and dividends on investments	220,646
Non-cash asset changes	[111,092]
Net increase/decrease in the fair value of investments	<u>[2,790,247]</u>
Total investment earnings	<u>[2,680,693]</u>
Total additions	<u>[2,229,061]</u>
 Deductions:	
Benefits	<u>900,375</u>
Changes in net assets	[3,129,436]
Net assets - beginning	<u>11,981,075</u>
Net assets - ending	<u>\$ 8,851,639</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The accompanying basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to local governments. The more significant of the City's accounting policies are described below.

Component Units

In evaluating the City's financial reporting entity, management has considered whether certain organizations for which the primary government is financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. Generally, this requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit. Based on these criteria, there are no entities for which the City is considered to be financially accountable and, as such, no component units were reported in the basic financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information about the City as a whole, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. The statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Under Kansas State Statutes, property taxes levied during any year are considered revenues to be used to finance the budget of the ensuing year. Therefore, property taxes levied during the current year are reported as unearned revenue on the statement of net assets.

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

Program revenues reported on the statement of activities include charges for services, operational and capital grants. Program revenues are netted with program expenses to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expense. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expense.

CITY OF PRAIRIE VILLAGE, KANSAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Fund financial statements for the City's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in aggregate.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property, sales, and utility franchise taxes are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. Other major revenues susceptible to accrual include interest on investments and intergovernmental revenue. Licenses and permits, fines, and recreational fees are not susceptible to accrual because they generally are not measurable until received in cash.

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 in the fund financial statements as taxes receivable and deferred revenue at the levy date.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. Also, amounts paid to reduce long-term indebtedness are reported as fund expenditures.

The financial statements for the pension trust funds are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due, as the City has a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

The City reports the following major governmental funds:

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

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

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

The *Economic Development Fund* is used to finance activities that foster and promote economic development within the City and is funded by transfers from the General Fund.

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

Additionally the City reports the following fiduciary fund type:

Pension Trust Funds, which report the Supplemental Retirement Fund and the Revised Prairie Village Police Pension Fund.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Fund Balance, and Net Assets

1. Deposits and Investments

The City's cash and investments are considered to be demand deposits, time deposits, and cash held by the State of Kansas Municipal Investment Pool.

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

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

2. Receivables and Payables

Receivables are reported on the government-wide financial statements net of an allowance for uncollectibles. The largest allowance for uncollectibles is for property taxes, equal to 1.67% of the fiscal year's total property taxes assessment.

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. The taxes are due in total by December 31, or may be paid in equal installments if paid December 20 (first installment) and the following May 10 (second installment). They are collected by the County Treasurer and subsequently remitted to the City.

Taxes receivable include property taxes levied on November 1, 2008 for 2009 of \$6,837,941, which have been recorded as deferred revenue.

3. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

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

5. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, and infrastructure assets (streets, curbs, sidewalks, drainage systems, etc.), are reported in the government-wide financial statements as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Historically, governmental infrastructure assets have not been capitalized and reported in the financial statements. In conformity with GASB 34, infrastructure completed in the current year has been capitalized. Infrastructure assets not completed by year-end have been reported as construction in process.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Fund Balance, and Net Assets (Continued)

5. Capital Assets (Continued)

Retroactive reporting of the City's major infrastructure assets extends to all assets. Capital assets, excluding land, are depreciated over their useful lives in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the statement of net assets.

Depreciation expense is calculated for capital assets, excluding land and infrastructure assets using the straight-line method and the estimated asset useful lives listed below. Depreciation expense for infrastructure assets is calculated using a composite rate based on the estimated historical cost and estimated useful life of each network of assets. The following is the estimated useful life of each network:

Asset Classification	Estimated Life
Buildings	40
Improvements other than buildings:	
Playground equipment	15
Furniture and equipment:	
Vehicles:	
Patrol	2
Street sweepers/other	7
Public works trucks, trailers, tractors	10
Public works skid loaders, backhoes	12
Office equipment:	
Computer equipment	3
Computer software	5
Office equipment (including printers/fax)	5
Telephone systems, other	10
Kitchen equipment	12
Art work	25
Field equipment:	
Mowers	5
Police tactical vests	5
Miscellaneous equipment	7
Eyewitness video systems	8
Emergency warning sirens	10
Generators, intoxilyzers, portable difibulators, radar equipment, radios, salt spreaders, snow plows, traffic controllers, trailers	10
Light equipment	15
Firearms	20
Infrastructure:	
Pipes	40
Drainage channels	40
Drainage structures	40
Pavement - surface	20
Pavement - base & wear surface	40
Pavement - sidewalks	30
Pavement - curbs	30
Pavement - pedestrian ramps	30

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Fund Balance, and Net Assets (Continued)

6. Compensated Absences

Full-time City employees earn vacation leave based upon length of service, and unused vacation days can be carried forward to future years with certain limitations. Sick leave is earned at a rate of one day per month of employment, with a total accumulation limited to 1,120 hours or 142 days.

All vested or accumulated vacation and scheduled holiday leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The City estimates that the entire compensated absence liability, as of December 31, 2008, will be due within one year. The General, Solid Waste Management and the Special Alcohol Fund are used to liquidate the compensated absence liability.

7. Fund Balances

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for specific purposes.

8. Net Assets

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

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

Restricted - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Restricted net assets include \$35,735 for debt service, \$188,879 for solid waste, \$21,331 for parks and recreation, and \$12,738 for alcohol programs.

Unrestricted - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

9. Use of Estimates

The preparation of the basic financial statement in conformity with generally accepted accounting principles 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 basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), and debt service funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

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 2008 budget was not amended.

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

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

A legal operating budget is not required for the Stormwater Fund, Grant Fund, Equipment Reserve Fund, Risk Management Reserve Fund, Economic Development Fund, Capital Projects Fund and the fiduciary funds.

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

The actual data presented in the budgetary comparison statements differs from the data presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the effects on the ending fund balances caused by the difference in accounting between the budgetary basis and GAAP.

	Major Governmental Funds				Other Nonmajor Governmental Funds	Total Governmental Funds
	General	Economic Development	Solid Waste Management	Capital Project		
GAAP FUND BALANCE						
December 31, 2008	\$ 4,551,929	\$ 2,314,482	\$ 188,879	\$ 2,476,953	\$ 413,057	\$ 9,945,300
Adjustments:						
Unreserved fund balances not subject to the Kansas Budget Law:						
Capital Project Fund	-	-	-	[2,476,953]	-	[2,476,953]
Equipment Reserve Fund	-	-	-	-	[275,478]	[275,478]
Risk Management Reserve Fund	-	-	-	-	[67,775]	[67,775]
Economic Development Fund	-	[2,314,482]	-	-	-	[2,314,482]
Reserve for encumbrances	[120,163]	-	-	-	-	[120,163]
Total deductions	[120,163]	[2,314,482]	-	[2,476,953]	[343,253]	[5,254,851]
BUDGETARY FUND BALANCE						
December 31, 2008	\$ 4,431,766	\$ -	\$ 188,879	\$ -	\$ 69,804	\$ 4,690,449

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Various City investments are considered to be idle funds by management and are invested according to KSA 12-1675. The statute requires that the City invest its idle funds in only temporary notes of the City, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasury bills or notes or the Municipal Investment Pool (KMIP). Maturities of the above investments may not exceed two years by statute.

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

At December 31, 2008, the City has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Maturity</u>		
			<u>Less Than 5 Years</u>	<u>5 - 10 Years</u>	<u>10 - 15 Years</u>
Kansas Municipal Investment Pool	\$ 4,085,533	S&P AAAs/S1+	\$ 4,085,533	\$ -	\$ -
FHLB	888,065	AAA	512,814	375,251	-
FHLMC	533,027	AAA	533,027	-	-
FFCB	200,626	AAA	200,626	-	-
FNMA	401,002	AAA	401,002	-	-
GNMA	609,258	n/a	-	370,347	238,911
SBA	693	n/a	693	-	-
Corporate Bonds	204,081	A	204,081	-	-
Total	<u>\$ 6,922,285</u>				

The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the US government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. The fair value of the City's position in the municipal investment pool is substantially the same as the value of the pool shares.

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

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

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

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

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

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402. If any mortgage is involved in the underlying value of the instruments pledged as security by an institution, City funds should be collateralized at market to 120% of total investment.

The Pension Trust Fund investments are held by a bank's trust department in the City's name. By City policy, investments should be rated A or higher. Corporate debt securities should be of investment grade or better and only domestic fixed income securities are allowed. No more than 10% of the market value of the fixed income portion of the portfolio can be invested in any obligation of a single issuer, except for the U.S. Government and its agencies. In regard to interest rate risk, the portfolio duration will not vary from the duration of the benchmark (Lehman Brothers Intermediate Government/Corporate fixed Income Index) by plus or minus 20%.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables and Payables

Receivables as of December 31, 2008 for the City's major and nonmajor funds are as follows:

	<u>General</u>	<u>Stormwater</u>	<u>Economic Development</u>	<u>Solid Waste Management</u>	<u>Capital Project</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Taxes	\$ 5,025,666	\$ -	\$ -	\$ -	\$ -	\$ 383,504	\$ 5,409,170
Special assessments	-	1,443,410	-	1,386,815	-	-	2,830,225
Intergovernmental	914,879	-	-	-	238,268	140,482	1,293,629
Interest	5,771	-	13,511	-	-	4,402	23,684
Other	513,165	-	-	-	-	2,592	515,757
Gross receivables	6,459,481	1,443,410	13,511	1,386,815	238,268	530,980	10,072,465
Less allowance for uncollectibles	[12,193]	-	-	-	-	[2,446]	[14,639]
Net receivables	<u>\$ 6,447,288</u>	<u>\$ 1,443,410</u>	<u>\$ 13,511</u>	<u>\$ 1,386,815</u>	<u>\$ 238,268</u>	<u>\$ 528,534</u>	<u>\$ 10,057,826</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the year, the components of deferred revenue were as follows:

	<u>General Fund</u>	<u>Stormwater</u>	<u>Solid Waste Management</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
2008 property taxes	\$ 5,014,357	\$ -	\$ -	\$ -	\$ 381,181	\$ 5,395,538
Special assessments	-	1,443,410	1,386,815	-	-	2,830,225
Intergovernmental receivables	-	-	-	211,074	-	211,074
Franchise fee (unavailable)	216,245	-	-	-	-	216,245
Total deferred revenue	<u>\$ 5,230,602</u>	<u>\$ 1,443,410</u>	<u>\$ 1,386,815</u>	<u>\$ 211,074</u>	<u>\$ 381,181</u>	<u>\$ 8,653,082</u>

Accounts payable consist of amounts due to vendors and are expected to be paid within one year.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Restatements</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,861,866	\$ -	\$ -	\$ 13,861,866
Construction in progress	<u>3,199,093</u>	<u>6,408,596</u>	<u>5,769,161</u>	<u>3,838,528</u>
Total	<u>17,060,959</u>	<u>6,408,596</u>	<u>5,769,161</u>	<u>17,700,394</u>
Capital assets being depreciated:				
Buildings	6,255,699	22,821	-	6,278,520
Improvements other than buildings	1,426,253	19,646	-	1,445,899
Furniture and equipment	3,827,581	686,115	360,560	4,153,136
Infrastructure	<u>113,708,098</u>	<u>5,696,853</u>	<u>2,938,727</u>	<u>116,466,224</u>
Total	<u>125,217,631</u>	<u>6,425,435</u>	<u>3,299,287</u>	<u>128,343,779</u>
Less accumulated depreciation for:				
Buildings	2,287,855	163,746	-	2,451,601
Improvements other than buildings	350,171	41,115	-	391,286
Furniture and equipment	2,962,717	410,479	330,698	3,042,498
Infrastructure	<u>79,220,895</u>	<u>3,749,744</u>	<u>2,938,727</u>	<u>80,031,912</u>
Total	<u>84,821,638</u>	<u>4,365,084</u>	<u>3,269,425</u>	<u>85,917,297</u>
Total capital assets being depreciated, net	<u>40,395,993</u>	<u>2,060,351</u>	<u>29,862</u>	<u>42,426,482</u>
Governmental activities capital assets, net of depreciation	<u>\$ 57,456,952</u>	<u>\$ 8,468,947</u>	<u>\$ 5,799,023</u>	<u>\$ 60,126,876</u>

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

Governmental activities:	
Urban management and planning	\$ 47,933
Public works	3,945,630
Public safety	224,398
Municipal justice	2,562
Leisure and recreation	<u>174,422</u>
Total	<u>\$ 4,394,945</u>

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables, and Transfers

Receivables/Payables

Cash representing accrued revenue from the Special City Highway Fund was received by the City after December 31, 2008. This is represented by the amount of 2008 funds due to the Capital Projects Fund from the Special City Highway Fund. The remaining amounts represent administrative amounts owed to various funds.

	<u>Due from</u>	<u>Due to</u>
Major Funds:		
Capital Project Fund	\$ -	\$ 140,482
General Fund	79,426	2,592
Economic Development Fund	-	79,426
Nonmajor Funds:		
Special City Street and Highway Fund	140,482	-
Grant Fund	2,592	-

Transfers

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

	<u>To</u>	<u>From</u>
Major funds:		
General Fund	\$ -	\$ 6,002,824
Capital Projects Fund	5,431,745	-
Economic Development Fund	948,314	117,000
Nonmajor funds:		
Special City Street and Highway Fund	-	589,245
Special Parks and Recreation Fund	-	86,000
Equipment Reserve Fund	380,010	-
Risk Management Reserve Fund	<u>35,000</u>	<u>-</u>
	<u>\$ 6,795,069</u>	<u>\$ 6,795,069</u>

E. Leases

The City leases building and office facilities and other equipment under operating leases. Total costs for such leases were \$32,234 for the year ended December 31, 2008. The future minimum lease payments for these leases are as follows:

	<u>Amount</u>
Fiscal year ending December 31:	
2009	\$ 21,579
2010	18,897
2011	18,003
2012	18,003
2013	6,194

CITY OF PRAIRIE VILLAGE, KANSAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 December 31, 2008

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Liabilities

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

Change in long-term liabilities:

	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2008</u>	Current <u>Portion</u>
General Obligation Bonds	\$ 1,680,000	\$ -	\$ 475,000	\$ 1,205,000	\$ 385,000
Accrued Compensated Absences	<u>238,335</u>	<u>334,216</u>	<u>322,841</u>	<u>249,710</u>	<u>249,710</u>
	<u>\$ 1,918,335</u>	<u>\$ 334,216</u>	<u>\$ 797,841</u>	<u>\$ 1,454,710</u>	<u>\$ 634,710</u>

The balance outstanding as of December 31, 2008 was comprised of the following issues:

<u>Bond Issue</u>	<u>Interest Rate</u>	<u>Date Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Balance Outstanding</u>	<u>Interest paid in 2008</u>
Park refunding	3.90-5.00%	1/1/94	\$ 1,240,000	9/1/09	\$ 55,000	\$ 10,345
Police facility	3.70-4.00%	1/1/99	1,660,000	9/1/10	360,000	22,695
Pool improvement	4.75-6.50%	2/15/00	<u>1,600,000</u>	9/1/14	<u>790,000</u>	<u>46,730</u>
			<u>\$ 4,500,000</u>		<u>\$ 1,205,000</u>	<u>\$ 79,770</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year:			
2009	\$ 385,000	\$ 58,435	\$ 443,435
2010	265,000	41,278	306,278
2011	125,000	29,298	154,298
2012	135,000	22,798	157,798
2013	145,000	15,710	160,710
2014	<u>150,000</u>	<u>8,025</u>	<u>158,025</u>
Total	<u>\$ 1,205,000</u>	<u>\$ 175,544</u>	<u>\$ 1,380,544</u>

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Liabilities (Continued)

Conduit Debt

The City has issued debt for economic development in prior years. This debt is issued for the benefit of third parties and the City has no obligation beyond the initial lease or loan which has been assigned to various financial or banking entities. Therefore, the bonds are not reported as a liability in the accompanying financial statements. The following is a list of the outstanding bonds as of December 31, 2008.

<u>Bond Issue</u>	<u>Interest Rate</u>	<u>Date Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Balance Outstanding</u>
JC Nichols	Variable	12/1/85	\$ 4,500,000	12/1/15	\$ 4,500,000
Claridge Court	8.50-8.75%	8/28/03	9,410,000	8/1/23	9,410,000
Station Development	4.25%	7/1/01	4,000,000	2/1/12	2,949,420
			<u>\$ 17,910,000</u>		<u>\$ 16,859,420</u>

IV. OTHER INFORMATION

A. Employee Retirement Systems and Pension Plans

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. The Supplemental Retirement and Police Pension plans are accounted for as separate Pension Trust Funds, while KPERs is administered by the State of Kansas. Each plan is described below.

Kansas Public Employees Retirement System

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' 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 contacting KPERs (400 S.W. 8th Avenue, Suite 200, Topeka, Kansas, 66603-3925; 1-800-228-0366; or www.kpers.org).

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 employer rate was 5.93% from January 1 to December 31, 2008. The City contributions to KPERs for the years ending December 31, 2008, 2007, and 2006 were \$152,889, \$129,566, and \$96,221, respectively, equal to the statutory required contributions for each year.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

IV. OTHER INFORMATION (CONTINUED)

A. Employee Retirement Systems and Pension Plans (Continued)

Supplemental Retirement Plan

As a supplement to KPERS, the City provides a defined contribution supplementary retirement plan to all eligible employees, except commissioned police officers. The City established the plan and is the administrator of the plan. Plan provisions and contribution requirements are established by the plan document which is adopted by the City Council. 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 1st 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 based on years of service and annual salary. Employee accounts are vested 40% after four years' service, 45% after five years, 50% after six years service, with such percentage increasing 10% per year thereafter, resulting in full vesting after eleven years. Participants include sixty-two current and former employees (twenty-nine fully vested, seventeen partially vested and sixteen nonvested). City contributions for, and interest forfeited by, employees who leave employment before becoming fully vested are allocated to other participant accounts based upon their share of plan assets.

The City's total payroll in 2008 was approximately \$5.9 million. The City's contributions to this defined contribution plan were based on estimated payroll of approximately \$2.2 million. The City made the required 5% contribution up to a maximum contribution of \$2,500 per employee, which amounted to \$119,332 during 2008.

A stand alone financial report is not issued for the Plan. The financial statements for the supplemental retirement plan are as follows:

Supplemental Retirement Fund
Statement of Plan Net Assets
December 31, 2008

ASSETS

Restricted cash and investments	<u>\$ 1,663,282</u>
Total assets	<u>\$ 1,663,282</u>

LIABILITIES AND NET ASSETS

Liabilities	\$ -
Net assets	
Held in trust for pension benefits	<u>1,663,282</u>
Total net assets	<u>1,663,282</u>
Total liabilities and net assets	<u>\$ 1,663,282</u>

CITY OF PRAIRIE VILLAGE, KANSAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 December 31, 2008

IV. OTHER INFORMATION (CONTINUED)

A. Employee Retirement Systems and Pension Plans (Continued)

Supplemental Retirement Plan
 Statement of Changes in Plan Net Assets
 For the Year Ended December 31, 2008

Additions:	
Contributions :	
Employer	\$ 119,332
Total contributions	<u>119,332</u>
Investment Earnings:	
Non-cash asset changes	77,223
Net increase/decrease in the fair value of investments	<u>[762,550]</u>
Total investment earnings	<u>[685,327]</u>
Total additions	<u>[565,995]</u>
Deductions:	
Benefits	<u>361,898</u>
Changes in net assets	[927,893]
Net assets - beginning	<u>2,591,175</u>
Net assets - ending	<u>\$ 1,663,282</u>

Revised Prairie Village Police Pension Plan

The Revised Prairie Village Police Pension Plan, single-employer, defined benefit pension plan, was established in 1966 and was amended to its current form in 2006. The plan covers eligible full-time commissioned 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 4% of earnings which earns interest each year. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. At January 1, 2008, there were forty-one active participants (eight fully vested, seventeen partially vested and sixteen nonvested), seven vested terminees (not currently receiving benefits), and thirty-one retired participants and beneficiaries (currently receiving benefits).

Kansas State Statutes require that current liabilities are funded currently. The plan's funding policy provides for periodic employer contributions at actuarially determined amounts that are expressed as percentages of annual covered payroll and are sufficient to accumulate assets adequate to pay benefits when due. The City's actuarially determined contribution to this defined benefit plan in 2008 was \$251,409.

CITY OF PRAIRIE VILLAGE, KANSAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 December 31, 2008

IV. OTHER INFORMATION (CONTINUED)

A. Employee Retirement Systems and Pension Plans (Continued)

City contributions are authorized by local ordinance, and all actuarially required contributions were made. The City may terminate the plan or its contributions at any time. Administrative costs of the Plan are financed outside of plan assets.

The following is a schedule of employer contributions for the past three years:

Year:	<u>Annual Pension Cost [APC]</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2006	\$ 126,271	100%	\$ -
2007	139,270	100%	-
2008	251,409	100%	-

The increase in the annual pension cost is due to unfavorable actuarial experience, growth in total payroll and the mortality table updates. A separate pension plan report is not available. The financial statements for the Revised Prairie Village Police Pension Plan are as follows.

Revised Prairie Village Police Pension Plan
 Statement of Plan Net Assets
 December 31, 2008

ASSETS

Restricted cash and investments	\$ 7,154,800
Interest receivable	<u>33,557</u>
 Total assets	 <u>\$ 7,188,357</u>

LIABILITIES AND NET ASSETS

Liabilities	\$ -
Net assets	
Held in trust for pension benefits	<u>7,188,357</u>
Total net assets	<u>7,188,357</u>
 Total liabilities and net assets	 <u>\$ 7,188,357</u>

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

IV. OTHER INFORMATION (CONTINUED)

A. Employee Retirement Systems and Pension Plans (Continued)

Revised Prairie Village Police Pension Plan
Statement of Changes in Plan Net Assets
For the Year Ended December 31, 2008

Additions:	
Contributions :	
Employer	\$ 240,000
Plan members	<u>92,300</u>
Total contributions	<u>332,300</u>
Investment Earnings:	
Interest and dividends on investments	220,646
Non-cash asset changes	[188,315]
Net increase/decrease in the fair value of investments	<u>[2,027,697]</u>
Total investment earnings	<u>[1,995,366]</u>
Total additions	<u>[1,663,066]</u>
Deductions:	
Benefits	<u>538,477</u>
Changes in net assets	[2,201,543]
Net assets - beginning	<u>9,389,900</u>
Net assets - ending	<u>\$ 7,188,357</u>

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2008
Actuarial cost method	Aggregate
Asset valuation method	Actuarial value of plan assets as of the beginning of the prior year, increased by contributions paid and assumed interest earnings at the valuation interest rate, reduced by benefit payments during the year.
Amortization method	Average remaining service
Remaining amortization period	Approximately 8 years
Actuarial assumptions:	
Investment rate of return	8% per annum
Projected salary increases - due to merit	6.5% per year

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

IV. OTHER INFORMATION (CONTINUED)

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 for which the City carries commercial insurance coverage. The City has not been involved in any settlements where the amounts exceeded insurance coverage in the past three years. The following is a list of the maximum liability for each policy.

Policy	Deductible	Limit
Property	\$ 25,000	Agreed amounts
Equipment breakdown	25,000	Agreed amounts
Inland marine	25,000	Actual cash value
General liability	-	1,000,000
Employee benefit liability	1,000	1,000,000
Public official and employment practices	25,000	1,000,000
Law enforcement liability	25,000	1,000,000
Commercial auto	1,000	1,000,000
Crime	1,000	500,000
Umbrella	-	10,000,000
Fiduciary	10,000	1,000,000

C. Postemployment Healthcare Plan

Plan Description. The City operates a single employer defined benefit healthcare plan administered by the City. The Employee Benefit Plan (the Plan) provides medical benefits to eligible early retirees and their spouses. KSA 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No separate financial report is issued for the Plan.

Funding Policy. The contribution requirements of plan participants and the City are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. Plan participants contributed approximately 100% of total premiums to the Plan through their required contribution of \$383.76 per month for retiree-only coverage, \$914.56 for retiree plus one, and \$1,364.72 for retiree and family coverage.

Annual OPEB Cost and Net OPEB Obligation. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the Plan for the year, the amount actually contributed to the plan, and the changes in the City's net OPEB obligation to the Plan:

Annual required contribution	\$ 22,222
Annual OPEB cost (expense)	22,222
Benefit payments	<u>9,012</u>
Change in net OPEB obligation	13,210
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	<u>\$ 13,210</u>

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2008

IV. OTHER INFORMATION (CONTINUED)

C. Postemployment Healthcare Plan (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year ended December 31, 2008 was as follows:

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost</u>	Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>
December 31, 2008	\$ 22,222	\$ 9,012	\$ 13,210

The information for the two preceding years was not available.

Funding Status and Funding Progress. As of the year ended December 31, 2008, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$187,455 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$187,455. The covered payroll (annual payroll of active employees covered by the plan) was \$4,992,396, and the ratio of the UAAL to the covered payroll was 3.8%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statement, presents multiyear trend information about whether the actuarial value of plan assets (if any) are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan participants) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan participants to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the year ended December 31, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return, which is the rate of the employer's own investments as there are no plan assets and an annual healthcare cost trend of 10% initially, reduced by decrements to an ultimate rate of 5% after ten years. The UAAL is being amortized as a level dollar over an open thirty-year period.

CITY OF PRAIRIE VILLAGE, KANSAS

PRAIRIE VILLAGE POLICE PENSION PLAN
 REQUIRED SUPPLEMENTARY INFORMATION
 December 31, 2008

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) entry age (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll [(b-a)/c]
2000	\$ 6,279,640	\$ 4,408,884	[1,870,756]	142.4%	\$ 1,431,900	-130.6%
2001	6,818,770	4,786,591	[2,032,179]	142.5%	1,517,220	-133.9%
2002	7,171,582	5,012,081	[2,159,501]	143.1%	1,596,240	-135.3%
2003*	7,510,292	N/A*	N/A	N/A	1,665,102	N/A
2004	7,980,584	N/A*	N/A	N/A	1,877,088	N/A
2005	8,458,475	N/A*	N/A	N/A	1,964,033	N/A
2006	8,946,395	N/A*	N/A	N/A	2,002,039	N/A
2007**	9,472,318	8,608,129	[864,189]	110.0%	2,214,722	N/A
2008	9,986,591	9,822,242	[164,349]	101.7%	2,337,311	N/A

*The aggregate actuarial cost method does not have an unfunded actuarial accrual liability.

**The actuarial accrued liability determined using the entry age normal cost method is displayed beginning in 2007, in accordance with GASB No. 50.

Year:	Annual Pension Cost [APC]	Percentage of APC Contributed	Net Pension Obligation
2006	\$ 126,271	100%	\$ -
2007	139,270	100%	-
2008	251,409	100%	-

The increase in the annual pension cost is due to unfavorable actuarial experience, growth in total payroll and the mortality table updates.

Valuation date	January 1, 2008
Actuarial cost method	Aggregate
Asset valuation method	Actuarial value of plan assets as of the beginning of the prior year, increased by contributions paid and assumed interest earnings at the valuation interest rate, reduced by benefit payments during the year.
Amortization method	Average remaining service
Remaining amortization period	Approximately 8 years
Actuarial assumptions:	
Investment rate of return	8% per annum
Projected salary increases - due to merit	6.5% per year

CITY OF PRAIRIE VILLAGE, KANSAS
 OTHER POST-EMPLOYMENT BENEFITS
 REQUIRED SUPPLEMENTARY INFORMATION
 December 31, 2008

Schedule of Employer Contributions:

Fiscal Year <u>Ended</u>	Annual OPEB <u>Cost</u>	Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>
December 31, 2008	\$ 22,222	\$ 9,012	\$ 13,210

Schedule of Funding Progress:

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL <u>(b) - (a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as Percent of Payroll <u>(b-a)/(c)</u>
1/1/2008	\$ -	\$ 187,455	\$ 187,455	0.0%	\$ 4,992,396	3.8%

The information for the two preceding years was not available.

CITY OF PRAIRIE VILLAGE, KANSAS
COMBINING STATEMENTS - NONMAJOR FUNDS
NONMAJOR SPECIAL REVENUE FUNDS

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

1. **Special City Street and Highway Fund** - This fund accounts for gasoline taxes designated for construction and maintenance of the City streets and curbing and related expenditures.
2. **Special Parks and Recreation Fund** - This fund is used to fund various City-sponsored park and recreation activities funded by the state liquor tax.
3. **School Alcohol Fund** - This fund accounts for the operation of services and programs pertaining to alcohol misuse and is funded by the state liquor tax.
4. **Grant Fund** – This fund accounts for the revenues and expenditures related to state and federal grants.
5. **Equipment Reserve** – This fund accounts for large equipment purchases, including computer software, and is funded by transfers from the General Fund.
6. **Risk Management Reserve Fund** - This fund is used to pay the costs associated with uninsured losses and is funded by transfers from the General Fund.

NONMAJOR DEBT SERVICE FUNDS

The debt service funds are used to account for the accumulation of resources and payment of the City's long-term debt.

1. **Debt Service Fund** - This fund accounts for resources required to service long-term debt.

CITY OF PRAIRIE VILLAGE, KANSAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2008

	Total Nonmajor Special Revenue <u>Funds</u>	Total Nonmajor Debt Service <u>Fund</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS			
Cash and investments	\$ 481,680	\$ 35,858	\$ 517,538
Taxes receivable	-	381,058	381,058
Interest receivable	4,402	-	4,402
Other receivable	2,592	-	2,592
Prepaid expenditures	1,100	-	1,100
Due from other governments	140,482	-	140,482
Total assets	<u>\$ 630,256</u>	<u>\$ 416,916</u>	<u>\$ 1,047,172</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 109,272	\$ -	\$ 109,272
Accrued payroll	588	-	588
Due to other funds	143,074	-	143,074
Deferred revenue	-	381,181	381,181
Total liabilities	<u>252,934</u>	<u>381,181</u>	<u>634,115</u>
 Fund balance:			
Reserved			
For debt service	-	35,735	35,735
For prepaid expenditures	1,100	-	1,100
Unreserved			
Undesignated [deficit]	376,222	-	376,222
Total fund balance [deficit]	<u>377,322</u>	<u>35,735</u>	<u>413,057</u>
 Total liabilities and fund balances	 <u>\$ 630,256</u>	 <u>\$ 416,916</u>	 <u>\$ 1,047,172</u>

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2008

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ -	\$ 553,979	\$ 553,979
Intergovernmental	773,038	-	773,038
Other	40,253	-	40,253
Use of money and property	<u>8,863</u>	<u>6,405</u>	<u>15,268</u>
Total Revenues	<u>822,154</u>	<u>560,384</u>	<u>1,382,538</u>
Expenditures			
Current			
Urban management and planning	96,902	-	96,902
Public safety	78,545	-	78,545
Leisure, recreation	14,998	-	14,998
Capital outlay	108,593	-	108,593
Debt service			
Principal	-	475,000	475,000
Interest and other charges	<u>-</u>	<u>79,770</u>	<u>79,770</u>
Total Expenditures	<u>299,038</u>	<u>554,770</u>	<u>853,808</u>
Excess [deficiency] of revenues over [under] expenditures	<u>523,116</u>	<u>5,614</u>	<u>528,730</u>
Other Financing Sources [Uses]			
Transfers in	415,010	-	415,010
Transfers [out]	<u>[675,245]</u>	<u>-</u>	<u>[675,245]</u>
Total Other Financing Sources [Uses]	<u>[260,235]</u>	<u>-</u>	<u>[260,235]</u>
Net change in fund balances	262,881	5,614	268,495
Fund balance, beginning	<u>114,441</u>	<u>30,121</u>	<u>144,562</u>
Fund balance, ending	<u>\$ 377,322</u>	<u>\$ 35,735</u>	<u>\$ 413,057</u>

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2008

ASSETS	Special City Street and Highway	Special Parks and Recreation	Special Alcohol	Grant	Equipment Reserve	Risk Management Reserve	Totals
Cash and investments	\$ -	\$ 21,331	\$ 12,609	\$ -	\$ 382,676	\$ 65,064	\$481,680
Interest receivable	-	-	-	-	1,395	3,007	4,402
Other receivable	-	-	-	2,592	-	-	2,592
Prepaid expenditures	-	-	1,100	-	-	-	1,100
Due from other governments	<u>140,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,482</u>
Total assets	<u>\$ 140,482</u>	<u>\$ 21,331</u>	<u>\$ 13,709</u>	<u>\$ 2,592</u>	<u>\$ 384,071</u>	<u>\$ 68,071</u>	<u>\$630,256</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ 383	\$ -	\$ 108,593	\$ 296	\$109,272
Accrued payroll	-	-	588	-	-	-	588
Due to other funds	<u>140,482</u>	<u>-</u>	<u>-</u>	<u>2,592</u>	<u>-</u>	<u>-</u>	<u>143,074</u>
Total liabilities	<u>140,482</u>	<u>-</u>	<u>971</u>	<u>2,592</u>	<u>108,593</u>	<u>296</u>	<u>252,934</u>
Fund balances							
Reserved for prepaid expenditures	-	-	1,100	-	-	-	1,100
Unreserved and undesignated	<u>-</u>	<u>21,331</u>	<u>11,638</u>	<u>-</u>	<u>275,478</u>	<u>67,775</u>	<u>376,222</u>
Total fund balances	<u>-</u>	<u>21,331</u>	<u>12,738</u>	<u>-</u>	<u>275,478</u>	<u>67,775</u>	<u>377,322</u>
Total liabilities and fund balances	<u>\$ 140,482</u>	<u>\$ 21,331</u>	<u>\$ 13,709</u>	<u>\$ 2,592</u>	<u>\$ 384,071</u>	<u>\$ 68,071</u>	<u>\$630,256</u>

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2008

	Special City Street and Highway	Special Parks and Recreation	Special Alcohol	Grant	Equipment Reserve	Risk Management Reserve	Total
Revenues							
Intergovernmental	\$ 589,245	\$ 88,614	\$ 88,615	\$ 6,564	\$ -	\$ -	\$ 773,038
Other	-	-	66	-	-	40,187	40,253
Use of money and property	-	-	-	-	4,061	4,802	8,863
Total revenues	<u>589,245</u>	<u>88,614</u>	<u>88,681</u>	<u>6,564</u>	<u>4,061</u>	<u>44,989</u>	<u>822,154</u>
Expenditures							
Current:							
Urban management and planning	-	-	-	-	-	96,902	96,902
Public safety	-	-	71,981	6,564	-	-	78,545
Leisure, recreation	-	-	14,998	-	-	-	14,998
Capital outlay	-	-	-	-	108,593	-	108,593
Total expenditures	<u>-</u>	<u>-</u>	<u>86,979</u>	<u>6,564</u>	<u>108,593</u>	<u>96,902</u>	<u>299,038</u>
Excess [deficiency] of revenues over [under] expenditures	<u>589,245</u>	<u>88,614</u>	<u>1,702</u>	<u>-</u>	<u>[104,532]</u>	<u>[51,913]</u>	<u>523,116</u>
Other financing sources [uses]							
Transfers in	-	-	-	-	380,010	35,000	415,010
Transfers [out]	<u>[589,245]</u>	<u>[86,000]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[675,245]</u>
Total other financing sources [uses]	<u>[589,245]</u>	<u>[86,000]</u>	<u>-</u>	<u>-</u>	<u>380,010</u>	<u>35,000</u>	<u>[260,235]</u>
Net change in fund balances	-	2,614	1,702	-	275,478	[16,913]	262,881
Fund balances, beginning	<u>-</u>	<u>18,717</u>	<u>11,036</u>	<u>-</u>	<u>-</u>	<u>84,688</u>	<u>114,441</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ 21,331</u>	<u>\$ 12,738</u>	<u>\$ -</u>	<u>\$ 275,478</u>	<u>\$ 67,775</u>	<u>\$ 377,322</u>

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 SPECIAL CITY STREET AND HIGHWAY FUND
 For the Year Ended December 31, 2008

	GAAP Basis		Budgetary Basis Actual	Budgeted Amounts		Variance Positive [Negative]
	Actual	Adjustments		Original	Final	
Revenues						
Intergovernmental	\$ 589,245	\$ -	\$ 589,245	\$ 649,000	\$ 649,000	\$ [59,755]
Total revenues	<u>589,245</u>	<u>-</u>	<u>589,245</u>	<u>649,000</u>	<u>649,000</u>	<u>[59,755]</u>
Expenditures						
Public works	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>589,245</u>	<u>-</u>	<u>589,245</u>	<u>649,000</u>	<u>649,000</u>	<u>[59,755]</u>
Other financing sources [uses]						
Transfers [out]	<u>[589,245]</u>	<u>-</u>	<u>[589,245]</u>	<u>[649,000]</u>	<u>[649,000]</u>	<u>59,755</u>
Total other financing sources [uses]	<u>[589,245]</u>	<u>-</u>	<u>[589,245]</u>	<u>[649,000]</u>	<u>[649,000]</u>	<u>59,755</u>
Net change in fund balance	-	-	-	\$ -	\$ -	\$ -
Fund balance, beginning	-	-	-			
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 SPECIAL PARKS AND RECREATION FUND
 For the Year Ended December 31, 2008

	GAAP Basis		Budgetary Basis Actual	Budgeted Amounts		Variance Positive [Negative]
	Actual	Adjustments		Original	Final	
Revenues						
Intergovernmental	\$ 88,614	\$ -	\$ 88,614	\$ 86,000	\$ 86,000	\$ 2,614
Total revenues	<u>88,614</u>	<u>-</u>	<u>88,614</u>	<u>86,000</u>	<u>86,000</u>	<u>2,614</u>
Expenditures						
Leisure and recreation	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>88,614</u>	<u>-</u>	<u>88,614</u>	<u>86,000</u>	<u>86,000</u>	<u>2,614</u>
Other financing sources [uses]						
Transfers [out]	[86,000]	-	[86,000]	[86,000]	[86,000]	-
Total other financing sources [uses]	<u>[86,000]</u>	<u>-</u>	<u>[86,000]</u>	<u>[86,000]</u>	<u>[86,000]</u>	<u>-</u>
Net change in fund balance	2,614	-	2,614	\$ -	\$ -	\$ 2,614
Fund balance, beginning	<u>18,717</u>	<u>-</u>	<u>18,717</u>			
Fund balance, ending	<u>\$ 21,331</u>	<u>\$ -</u>	<u>\$ 21,331</u>			

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 SPECIAL ALCOHOL FUND
 For the Year Ended December 31, 2008

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 88,615	\$ -	\$ 88,615	\$ 86,000	\$ 86,000	\$ 2,615
Miscellaneous	66	-	66	-	-	66
Total revenues	<u>88,681</u>	<u>-</u>	<u>88,681</u>	<u>86,000</u>	<u>86,000</u>	<u>2,681</u>
Expenditures						
Public safety	71,981	-	71,981	71,000	71,000	[981]
Leisure, recreation	<u>14,998</u>	<u>-</u>	<u>14,998</u>	<u>15,000</u>	<u>15,000</u>	<u>2</u>
Total expenditures	<u>86,979</u>	<u>-</u>	<u>86,979</u>	<u>86,000</u>	<u>86,000</u>	<u>[979]</u>
Net change in fund balance	1,702	-	1,702	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,702</u>
Fund balance, beginning	<u>11,036</u>	<u>-</u>	<u>11,036</u>			
Fund balance, ending	<u>\$12,738</u>	<u>\$ -</u>	<u>\$ 12,738</u>			

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - ACTUAL AND BUDGET
 DEBT SERVICE FUND
 For the Year Ended December 31, 2008

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance Positive [Negative]
				Original	Final	
Revenues						
Taxes	\$ 553,979	\$ -	\$ 553,979	\$ 555,439	\$ 555,439	\$ [1,460]
Use of money and property	<u>6,405</u>	<u>-</u>	<u>6,405</u>	<u>-</u>	<u>-</u>	<u>6,405</u>
Total revenues	<u>560,384</u>	<u>-</u>	<u>560,384</u>	<u>555,439</u>	<u>555,439</u>	<u>4,945</u>
Expenditures						
Debt service						
Principal	475,000	-	475,000	475,000	475,000	-
Interest and other charges	<u>79,770</u>	<u>-</u>	<u>79,770</u>	<u>79,771</u>	<u>79,771</u>	<u>1</u>
Total expenditures	<u>554,770</u>	<u>-</u>	<u>554,770</u>	<u>554,771</u>	<u>554,771</u>	<u>1</u>
Net change in fund balance	5,614	-	5,614	<u>\$ 668</u>	<u>\$ 668</u>	<u>\$ 4,946</u>
Fund balance, beginning	<u>30,121</u>	<u>-</u>	<u>30,121</u>			
Fund balance, ending	<u>\$ 35,735</u>	<u>\$ -</u>	<u>\$ 35,735</u>			

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS
COMBINING STATEMENTS - FIDUCIARY FUNDS

Pension Trust Funds

1. The **Supplemental Retirement Fund** accounts for the activities of the Supplement Pension Benefit Plan and Trust, which accumulates resources for pension benefit payments to qualified employees.
2. The **Revised Prairie Village Police Pension Fund** accounts for the activities of the Prairie Village Police Department Retirement Trust, which accumulates resources for pension benefit payments to qualified public safety officers.

CITY OF PRAIRIE VILLAGE, KANSAS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 December 31, 2008

ASSETS	Supplemental Retirement Fund	Revised Prairie Village Police Pension Fund	Total
Restricted cash	\$ 7,829	\$ 395,198	\$ 403,027
Restricted investments, at fair value			
Common stock	-	3,922,850	3,922,850
Pooled equity funds	1,655,453	-	1,655,453
Fixed income	-	2,836,752	2,836,752
Total restricted investments	<u>1,655,453</u>	<u>6,759,602</u>	<u>8,415,055</u>
Interest receivable	-	33,557	33,557
Total assets	<u>\$ 1,663,282</u>	<u>\$ 7,188,357</u>	<u>\$ 8,851,639</u>
 LIABILITIES AND NET ASSETS			
Liabilities			
Net assets			
Held in trust for pension benefits	\$ 1,663,282	\$ 7,188,357	\$ 8,851,639
Total net assets	<u>1,663,282</u>	<u>7,188,357</u>	<u>8,851,639</u>
Total liabilities and net assets	<u>\$ 1,663,282</u>	<u>\$ 7,188,357</u>	<u>\$ 8,851,639</u>

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

For the Year Ended December 31, 2008

	Supplemental Retirement Fund	Revised Prairie Village Police Pension Fund	Total
Additions:			
Contributions :			
Employer	\$ 119,332	\$ 240,000	\$ 359,332
Plan members	-	92,300	92,300
Total contributions	<u>119,332</u>	<u>332,300</u>	<u>451,632</u>
Investment Earnings:			
Interest and dividends on investments	-	220,646	220,646
Non-cash asset changes	77,223	[188,315]	[111,092]
Net increase/decrease in the fair value of investments	<u>[762,550]</u>	<u>[2,027,697]</u>	<u>[2,790,247]</u>
Total investment earnings	<u>[685,327]</u>	<u>[1,995,366]</u>	<u>[2,680,693]</u>
Total additions	<u>[565,995]</u>	<u>[1,663,066]</u>	<u>[2,229,061]</u>
Deductions:			
Benefits	<u>361,898</u>	<u>538,477</u>	<u>900,375</u>
Changes in net assets	[927,893]	[2,201,543]	[3,129,436]
Net assets - beginning	<u>2,591,175</u>	<u>9,389,900</u>	<u>11,981,075</u>
Net assets - ending	<u>\$ 1,663,282</u>	<u>\$ 7,188,357</u>	<u>\$ 8,851,639</u>

See independent auditor's report on the financial statements.

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CITY OF PRAIRIE VILLAGE, KANSAS

Statistical Section (Unaudited)

This part of the City of Prairie Village's *Comprehensive Annual Financial Report (CAFR)*, presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economical Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Financial Report for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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CITY OF PRAIRIE VILLAGE, KANSAS
NET ASSETS BY COMPONENT
LAST TEN YEARS (1)
(Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities						
Invested in capital assets, net of related debt	\$ 18,554,912	\$ 45,044,626	\$ 46,196,856	\$ 52,232,309 (2)	\$ 55,776,952	\$ 58,921,876
Restricted	87,141	128,990	168,564	230,513	197,827	258,683
Unrestricted	<u>7,322,045</u>	<u>8,448,010</u>	<u>9,826,449</u>	<u>11,662,290</u>	<u>10,370,135</u>	<u>9,283,608</u>
Total Net Assets	<u>\$ 25,964,098</u>	<u>\$ 53,621,626</u>	<u>\$ 56,191,869</u>	<u>\$ 64,125,112</u>	<u>\$ 66,344,914</u>	<u>\$ 68,464,167</u>

(1) Data became available with the inception of GASB 34 during fiscal year 2003, therefore 10 years of data is unavailable

(2) The large increase in capital assets net of related debt is due to the City retroactive capitalization of the Drainage Channel and Sidewalk infrastructure network values prior to 2003.

Source: City of Prairie Village, Kansas Basic Financial Statements.

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CITY OF PRAIRIE VILLAGE, KANSAS
CHANGE IN NET ASSETS
LAST TEN YEARS (1)
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007	2008
Expenses						
Governmental Activities:						
Urban management and planning	\$ 2,660,559	\$ 2,843,833	\$ 2,929,560	\$ 2,843,021	\$ 2,994,369	\$ 3,132,048
Public works	3,597,853	6,743,408	6,174,532	8,807,244	8,203,302	7,684,541
Public safety	4,172,054	4,293,500	4,606,977	4,919,202	5,063,596	5,102,560
Municipal justice	240,887	260,073	280,708	343,226	349,769	370,433
Leisure and recreation	1,096,950	817,561	787,935	824,395	924,399	917,170
Interest on Long-Term Debt	165,211	148,189	130,238	112,434	93,165	72,658
Total Primary Government Expenses	11,933,514	15,106,564	14,909,950	17,849,522	17,828,600	17,279,410
Program Revenues						
Governmental Activities:						
Fees, fines, and charges for services						
Urban management and planning	1,496,591	1,551,881	1,582,253	1,591,817	1,606,386	1,723,680
Public works	60,140	58,243	53,508	72,508	72,054	107,855
Public safety	1,614,123	1,714,819	1,830,196	2,139,920	2,163,163	2,204,404
Municipal justice	48,818	46,922	46,916	65,557	59,540	64,725
Leisure and recreation	435,432	380,729	426,946	436,041	441,399	429,579
Operating grants and contributions						
Public safety	11,338	3,355	71,318	3,197	11,821	6,564
Capital grants and contributions						
Public works	390,246	745,288	544,352	517,484	1,918,004	728,705
Total Primary Government Program Revenues	4,056,688	4,501,237	4,555,489	4,826,524	6,272,367	5,265,512
Total Primary Government Net [Expense]	[7,876,826]	[10,605,327]	[10,354,461]	[13,022,998]	[11,356,233]	[12,013,898]
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes:						
Property taxes	3,996,633	4,027,484	4,149,331	4,217,789	4,476,911	5,177,298
Sales and use tax	4,735,080	5,237,058	5,298,202	5,301,867	5,262,107	5,219,057
Motor vehicle tax	431,049	560,644	569,568	556,985	531,497	513,573
Franchise tax	1,615,189	1,567,167	1,629,419	1,629,706	1,681,147	1,829,831
Grants and contributions not restricted to specific programs	899,494	890,611	935,916	957,868	912,307	971,712
Investment earnings	122,111	164,161	309,886	579,452	662,691	335,599
Miscellaneous	226,286	299,944	63,695	110,661	49,375	86,081
Total primary government	12,025,842	12,747,069	12,956,017	13,354,326	13,576,035	14,133,151
Change in Net Assets						
Governmental activities	\$ 4,149,016	\$ 2,141,742	\$ 2,601,556	\$ 331,330	\$ 2,219,802	\$ 2,119,253
		(2)		(2)		

(1) Data became available with the inception of GASB 34 during fiscal year 2003, therefore 10 years of data is unavailable.

(2) The decrease in the change in net assets between 2003 and 2004 is due to additional depreciation expense in 2004 resulting from the retroactive addition of most of the infrastructure networks.

The decrease in the change in net assets between 2005 and 2006 is due to additional depreciation expense in 2006 resulting from the retroactive addition of the Drainage Channel and Sidewalk infrastructure networks. In addition, the City incurred additional street maintenance expenses.

Source: City of Prairie Village, Kansas Basic Financial Statements.

TABLE 3
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General Fund				
Reserved	\$ 248,305	\$ 280,435	\$ 227,413	\$ 234,573
Unreserved	<u>4,422,630</u>	<u>5,228,920</u>	<u>5,483,953</u>	<u>6,862,479</u>
Total General Fund	<u>\$ 4,670,935</u>	<u>\$ 5,509,355</u>	<u>\$ 5,711,366</u>	<u>\$ 7,097,052</u>
 All Other Governmental Funds				
Reserved	\$ 4,768,372	\$ 616,004	\$ 795,994	\$ 298,285
Unreserved, reported in:				
Special revenue funds	426,576	103,252	87,713	64,765
Capital project funds	<u>[1,718,788]</u>	<u>197,011</u>	<u>894,128</u>	<u>1,409,342</u>
Total All Other Governmental Funds	<u>\$ 3,476,160</u>	<u>\$ 916,267</u>	<u>\$ 1,777,835</u>	<u>\$ 1,772,392</u>

Source: City of Prairie Village, Kansas Basic Financial Statements.

TABLE 3
(UNAUDITED)

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 203,932	\$ 372,558	\$ 301,539	\$ 106,738	\$ 261,411	\$ 278,309
<u>5,605,517</u>	<u>6,992,836</u>	<u>8,319,287</u>	<u>8,961,513</u>	<u>6,579,448</u>	<u>4,273,620</u>
<u>\$ 5,809,449</u>	<u>\$ 7,365,394</u>	<u>\$ 8,620,826</u>	<u>\$ 9,068,251</u>	<u>\$ 6,840,859</u>	<u>\$ 4,551,929</u>
\$ 318,886	\$ 328,523	\$ 1,017,735	\$ 945,184	\$ 1,116,475	\$ 131,782
87,141	126,483	155,504	233,061	1,783,241	2,879,583
<u>1,314,525</u>	<u>1,005,883</u>	<u>482,713</u>	<u>1,978,556</u>	<u>1,186,432</u>	<u>2,382,006</u>
<u>\$ 1,720,552</u>	<u>\$ 1,460,889</u>	<u>\$ 1,655,952</u>	<u>\$ 3,156,801</u>	<u>\$ 4,086,148</u>	<u>\$ 5,393,371</u>

TABLE 4
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN YEARS
(Modified Accrual Basis of Accounting)

	<u>1999</u>	<u>2000</u>	<u>2001</u>
Revenues			
Taxes, Net	\$ 8,763,221	\$ 9,013,654	\$ 9,088,035
Intergovernmental	2,712,642	3,956,504	2,634,454
Licenses and permits	313,003	319,122	340,086
Charges for services	912,188	1,100,990	1,467,067
Fines and forfeitures	263,803	385,493	381,582
Recreational fees	248,347	381,363	390,023
Use of money and property	607,584	538,676	516,450
Other	<u>72,866</u>	<u>99,466</u>	<u>59,274</u>
Total revenues	<u>13,893,654</u>	<u>15,795,268</u>	<u>14,876,971</u>
Expenditures			
Urban management and planning	1,929,823	1,986,967	2,273,106
Public works	2,649,379	2,809,254	2,841,247
Public safety	3,437,676	3,445,711	3,740,892
Municipal justice	187,706	179,729	195,487
Leisure and recreation	741,997	946,956	610,793
Capital outlay	5,174,062	9,171,783	4,446,209
Debt service			
Principal	205,000	310,000	1,950,000
Interest and other charges	<u>271,113</u>	<u>283,038</u>	<u>288,814</u>
Total expenditures	<u>14,596,756</u>	<u>19,133,438</u>	<u>16,346,548</u>
Excess of revenues over [under] expenditures	<u>[703,102]</u>	<u>[3,338,170]</u>	<u>[1,469,577]</u>
Other financing sources [uses]			
Transfers in	7,652,770	6,305,629	5,018,049
Transfers out	[7,652,770]	[6,305,629]	[5,018,049]
Sale of bonds	<u>1,664,786</u>	<u>1,600,000</u>	<u>-</u>
Total other financing sources [uses]	<u>1,664,786</u>	<u>1,600,000</u>	<u>-</u>
Net change in fund balances	<u>\$ 961,684</u>	<u>\$ [1,738,170]</u>	<u>\$ [1,469,577]</u>
Debt service as a percentage of noncapital expenditures	5.05%	5.95%	18.81%

Source: City of Prairie Village, Kansas Basic Financial Statements.

TABLE 4
(UNAUDITED)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$	8,938,293	\$ 10,687,234	\$ 11,394,015	\$ 11,639,349	\$ 11,709,149	\$ 11,927,153	\$ 12,727,356
	4,782,758	1,260,055	1,584,852	1,475,639	1,387,941	2,746,509	1,590,358
	312,230	351,017	350,032	384,820	390,233	396,755	459,552
	1,547,520	2,413,516	2,479,063	2,551,749	2,678,435	2,781,749	2,953,846
	488,565	727,073	751,101	820,766	1,047,023	999,862	1,006,365
	442,569	435,432	380,729	426,946	436,041	441,399	429,579
	255,070	122,110	164,160	312,631	579,452	662,691	335,600
	173,426	226,288	284,805	63,249	110,661	49,393	86,081
	<u>16,940,431</u>	<u>16,222,725</u>	<u>17,388,757</u>	<u>17,675,149</u>	<u>18,338,935</u>	<u>20,005,511</u>	<u>19,588,737</u>
	2,619,356	2,661,683	2,828,508	2,897,745	2,801,131	2,960,677	3,154,433
	5,613,507	3,396,033	3,339,749	3,194,551	3,721,868	4,080,429	4,301,887
	3,911,193	4,132,170	4,239,918	4,720,791	4,946,932	4,999,368	5,363,206
	209,873	238,120	256,843	279,083	333,271	359,473	372,212
	663,919	974,433	695,588	658,556	713,470	699,781	759,294
	5,045,797	2,630,252	4,278,825	3,891,276	3,320,269	7,648,966	6,064,642
	365,000	380,000	400,000	415,000	435,000	455,000	475,000
	186,843	170,785	154,154	136,338	118,720	99,862	79,770
	<u>18,615,488</u>	<u>14,583,476</u>	<u>16,193,585</u>	<u>16,193,340</u>	<u>16,390,661</u>	<u>21,303,556</u>	<u>20,570,444</u>
	<u>[1,675,057]</u>	<u>1,639,249</u>	<u>1,195,172</u>	<u>1,481,809</u>	<u>1,948,274</u>	<u>[1,298,045]</u>	<u>[981,707]</u>
	4,540,583	2,145,190	3,206,952	3,505,769	4,230,400	7,173,939	6,795,069
	[4,540,583]	[2,145,190]	[3,206,952]	[3,505,769]	[4,230,400]	[7,173,939]	[6,795,069]
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
\$	<u>[1,675,057]</u>	<u>\$ 1,639,249</u>	<u>\$ 1,195,172</u>	<u>\$ 1,481,809</u>	<u>\$ 1,948,274</u>	<u>\$ [1,298,045]</u>	<u>\$ [981,707]</u>
	4.07%	4.61%	4.65%	4.48%	4.24%	4.01%	4.11%

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CITY OF PRAIRIE VILLAGE, KANSAS
GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST TEN YEARS
December 31, 2008
(Unaudited)

<u>Fiscal Year</u> <u>December 31,</u>	<u>Property</u> <u>Tax</u>	<u>Local</u> <u>Sales</u> <u>Tax (1)</u>	<u>County</u> <u>Sales</u> <u>Tax (1)</u>	<u>Specialty</u> <u>Sales</u> <u>Tax (1)</u>	<u>Use</u> <u>Tax (1)</u>	<u>Franchise</u> <u>Tax</u>	<u>Motor</u> <u>Vehicle Tax(2)</u>	<u>Total</u>
1999	\$ 3,060,193	\$ 4,414,019	\$ -	\$ -	\$ -	\$ 1,289,009	\$ -	\$ 8,763,221
2000	3,076,364	1,988,529	1,690,748	422,686	345,265	1,490,062	-	9,013,654
2001	3,118,194	1,982,453	1,641,964	368,342	322,205	1,654,877	-	9,088,035
2002	3,333,898	1,861,125	1,583,295	395,772	338,867	1,425,336	-	8,938,293
2003	3,916,657	1,874,469	1,571,589	785,796	503,226	1,524,472	511,025	10,687,234
2004	4,027,484	1,930,870	1,578,930	789,467	937,791	1,568,829	560,644	11,394,015
2005	4,142,158	1,970,758	1,584,624	792,314	950,506	1,629,419	569,570	11,639,349
2006	4,217,789	1,972,630	1,582,283	791,143	955,811	1,632,508	556,985	11,709,149
2007	4,452,402	2,021,733	1,573,552	786,777	880,045	1,681,147	531,497	11,927,153
2008	5,177,298	2,053,216	1,651,955	825,979	687,907	1,817,429	513,572	12,727,356

(1) - Sales tax breakout not available for 1999.

(2)- For 1995 through 2002, motor vehicle property taxes were included as intergovernmental revenue

Source: City of Prairie Village, Kansas Basic Financial Statements.

TABLE 6
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
LOCAL SALES TAX COLLECTIONS
LAST TEN YEARS (1)
December 31, 2008
(Unaudited)

Category	Local Sales Tax Collected						
	2002	2003	2004	2005	2006	2007	2008
Gas Station	\$ 36,516	\$ 31,293	\$ 17,538	\$ 15,377	\$ 14,927	\$ 20,631	\$ 15,954
Grocery Store	539,611	505,803	515,013	526,631	524,210	549,053	577,775
Home Occupation	29,774	25,325	17,272	15,336	15,409	18,424	14,835
Restaurant	173,526	191,741	190,202	210,468	219,634	217,308	215,035
Retail	670,385	688,450	776,541	830,545	854,960	863,501	799,277
Utility	403,373	431,796	414,304	372,401	343,490	352,816	430,340
Total	<u>\$ 1,853,185</u>	<u>\$ 1,874,408</u>	<u>\$ 1,930,870</u>	<u>\$ 1,970,758</u>	<u>\$ 1,972,630</u>	<u>\$ 2,021,733</u>	<u>\$ 2,053,216</u>

Note (1) - Data became available in 2002, therefore 10 years of data is unavailable.

Source: Kansas Department of Revenue.

TABLE 6
(UNAUDITED)

Taxable Sales						
<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 3,651,630	\$ 3,129,300	\$ 1,753,800	\$ 1,537,700	\$ 1,492,700	\$ 2,063,100	\$ 1,595,400
53,961,100	50,580,300	51,501,300	52,663,100	52,421,000	54,905,300	57,777,500
2,977,400	2,532,500	1,727,200	1,533,616	1,540,900	1,842,400	1,483,500
17,352,600	19,174,100	19,020,200	21,046,800	21,963,400	21,730,800	21,503,500
67,038,500	68,845,000	77,654,100	83,054,500	85,496,000	86,350,100	79,927,700
<u>40,337,300</u>	<u>43,179,600</u>	<u>41,430,400</u>	<u>37,240,100</u>	<u>34,349,000</u>	<u>35,281,600</u>	<u>43,034,000</u>
<u>\$ 185,318,530</u>	<u>\$ 187,440,800</u>	<u>\$ 193,087,000</u>	<u>\$ 197,075,816</u>	<u>\$ 197,263,000</u>	<u>\$ 202,173,300</u>	<u>\$ 205,321,600</u>

TABLE 7
(UNAUDITED)

CITY OF PRAIRIE VILLAGE
ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY (1)
LAST TEN YEARS
December 31, 2008

Fiscal Year	<u>Real Property(1)</u>		<u>Personal Property(2)</u>	
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
1999	\$ 200,122,603	\$ 1,444,363,130	\$ 11,650,365	\$ 37,617,358
2000	212,804,428	1,680,599,839	11,111,072	35,917,337
2001	224,870,291	1,775,888,681	11,255,014	36,364,658
2002	233,177,860	1,841,496,804	10,972,412	35,413,694
2003	240,559,204	1,899,790,166	10,049,767	32,312,991
2004	246,178,002	2,072,880,390	9,613,535	30,783,709
2005	259,785,677	2,188,001,305	10,021,010	32,061,045
2006	266,529,461	2,285,977,515	10,021,789	32,062,360
2007	278,114,544	2,382,712,905	9,330,574	29,639,819
2008	284,173,687	2,440,934,520	8,211,168	25,875,024

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

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

TABLE 7
(UNAUDITED)

	<u>Total Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio of Assessed Value to Estimated Actual Value</u>	<u>Total Direct Tax Rate</u>
\$	211,772,968	\$ 1,481,980,488	14.29%	13.827
	223,915,500	1,716,517,176	13.04%	13.324
	236,125,305	1,812,253,339	13.03%	13.382
	244,150,272	1,876,910,498	13.01%	15.744
	250,608,971	1,932,103,157	12.97%	15.765
	255,791,537	2,103,664,099	12.16%	15.843
	269,806,687	2,220,062,350	12.15%	15.720
	276,551,250	2,318,039,875	11.93%	16.133
	287,445,118	2,412,352,724	11.92%	18.166
	292,384,855	2,466,809,544	11.85%	18.182

TABLE 8
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS
PER \$1,000 OF ASSESSED VALUATION
LAST TEN YEARS
December 31, 2008

Year Ended December 31,	State	City	County	School District	Johnson County Community College	Consolidated Fire District	Unified Waste Water	Johnson County Library	Johnson County Parks and Recreation
1999	1.5	13.827	16.1120	41.2460	7.184	6.868	5.166	3.137	1.451
2000	1.5	13.324	15.6760	40.3270	7.646	7.197	4.647	2.981	1.322
2001	1.5	13.382	16.3330	38.6990	7.743	7.703	4.181	2.971	1.382
2002	1.5	15.744	16.2210	42.2380	9.428	8.008	0.000	2.948	1.602
2003	1.5	15.765	16.3810	37.7740	9.432	9.240	0.000	2.954	2.365
2004	1.5	15.843	16.0410	42.6550	9.438	9.241	0.000	2.956	2.367
2005	1.5	15.720	17.9220	49.7480	8.960	9.405	0.000	2.955	2.286
2006	1.5	16.133	17.9490	51.9800	8.872	9.335	0.000	2.960	2.290
2007	1.5	18.166	17.9850	52.0080	8.749	9.356	0.000	2.962	2.295
2008	1.5	18.182	17.7670	52.0940	8.768	8.992	0.000	3.057	2.341

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

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

CITY OF PRAIRIE VILLAGE, KANSAS

PRINCIPAL TAXPAYERS
December 31, 2008 and Nine Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2008 Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>	<u>1999 Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>
Highwoods Realty Limited	Real Estate	\$ 14,672,301	1	5.02%	\$ 15,949,065	1	7.53%
J.C. Nichols Co.	Real Estate	-		0.00%	3,575,958	2	1.69%
Towers Properties Company	Real Estate	4,310,275	2	1.47%	-		0.00%
State Line OPCO LLC	Real Estate	4,113,650	3	1.41%	-		0.00%
Kansas City Power & Light	Utility	2,850,148	4	0.97%	2,503,906	3	1.18%
Wilmington Trust Company	Real Estate	-		0.00%	2,454,700	4	1.16%
Victor L. Regnier Trust	Real Estate	-		0.00%	1,404,658	5	0.66%
Southwestern Bell Telephone	Utility	-		0.00%	957,960	8	0.45%
Kenilworth L.L.C.	Real Estate	2,166,945	5	0.74%	-		0.00%
CNL Retirement	Adult living facility	1,717,357	6	0.59%	-		0.00%
Kansas Gas Service	Utility	1,276,702	7	0.44%	-		0.00%
Meadowbrook Center, L.L.C.	Real Estate	1,173,200	8	0.40%	-		0.00%
Prairie Village Office Center	Real Estate	1,057,350	9	0.36%	-		0.00%
Melody W. Sutherland	Real Estate	967,250	10	0.33%	1,000,951	7	0.47%
Homestead Country Club	Country Club	-		0.00%	738,319	9	0.35%
Meadowbrook Golf & Country	Country Club	-		0.00%	547,567	10	0.26%
Marriott Senior Living	Adult living facility	-		0.00%	1,076,693	6	0.51%
Total		\$ 34,305,178		11.73%	\$ 30,209,777		14.26%

Source: Johnson County Clerks Office

TABLE 10
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
December 31, 2008

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Taxes Collected</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>
1999	\$ 2,932,216	\$ 2,872,644	97.97%	\$ 26,529
2000	2,928,185	2,821,069	96.34%	12,776
2001	2,983,450	2,889,696	96.86%	18,774
2002	3,159,829	3,091,234	97.83%	27,653
2003	3,843,902	3,770,837	98.10%	38,661
2004	4,052,505	3,991,470	98.49%	36,014
2005	4,170,531	4,101,195	98.34%	40,963
2006	4,387,093	4,177,028	95.21%	40,761
2007	4,461,602	4,404,837	98.73%	47,565
2008	5,223,069	5,151,333	98.63%	25,965

TABLE 10
(UNAUDITED)

	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Total Levy</u>
\$	2,899,173	98.9%	\$ 386,166	13.32%
	2,833,845	96.8%	390,376	13.78%
	2,908,470	97.5%	293,812	10.10%
	3,118,887	98.7%	335,684	10.76%
	3,809,498	99.1%	370,088	9.71%
	4,027,484	99.4%	395,109	9.81%
	4,142,158	99.3%	423,482	10.22%
	4,217,789	96.1%	592,786	14.05%
	4,452,402	99.8%	601,986	13.52%
	5,177,298	99.1%	647,757	12.51%

TABLE 11
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Total</u>	<u>City Population</u>	<u>Personal Income</u>	<u>Debt Per Capita</u>	<u>Percentage of Personal Income</u>
1999	\$ 4,790,000	\$ 4,790,000	23,365	\$ 810,228,105	205	0.59%
2000	6,080,000	6,080,000	22,072	765,390,744	275	0.79%
2001	4,130,000	4,130,000	21,962	761,576,274	188	0.54%
2002	3,765,000	3,765,000	21,514	746,040,978	175	0.50%
2003	3,385,000	3,385,000	21,514	746,040,978	157	0.45%
2004	2,985,000	2,985,000	21,729	753,496,533	137	0.40%
2005	2,570,000	2,570,000	21,887	758,975,499	117	0.34%
2006	2,135,000	2,135,000	21,511	745,936,947	99	0.29%
2007	1,680,000	1,680,000	21,414	742,573,278	78	0.23%
2008	1,205,000	1,205,000	21,422	742,850,694	56	0.16%

Source: Johnson County Clerk and City of Prairie Village Records.

CITY OF PRAIRIE VILLAGE, KANSAS
 RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED
 VALUE AND NET GENERAL OBLIGATION DEBT PER CAPITA
 LAST TEN YEARS
 December 31, 2008

<u>Year Ended</u> <u>December 31,</u>	<u>Population(1)</u>	<u>Assessed</u> <u>Value</u>	<u>Gross</u> <u>Bonded</u> <u>Debt</u>	<u>Less</u> <u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Net</u> <u>Bonded</u> <u>Debt</u>	<u>Ratio of</u> <u>Net</u> <u>Bonded</u> <u>Debt to</u> <u>Assessed</u> <u>Value</u>	<u>Net</u> <u>Bonded</u> <u>Debt per</u> <u>Capita</u>
1999	23,365	\$ 211,772,968	\$ 4,790,000	\$ 1,669,821	\$ 3,120,179	1.47%	\$ 133.54
2000	22,072	223,915,500	6,080,000	1,653,124	4,426,876	1.98%	200.57
2001	21,962	236,125,305	4,130,000	-	4,130,000	1.75%	188.05
2002	21,514	244,150,272	3,765,000	21,308	3,743,692	1.53%	174.01
2003	21,514	250,608,971	3,385,000	20,601	3,364,399	1.34%	156.38
2004	21,514	255,791,537	2,985,000	48,181	2,936,819	1.15%	136.51
2005	21,887	269,806,687	2,570,000	52,633	2,517,367	0.93%	115.02
2006	21,511	276,551,250	2,135,000	48,310	2,086,690	0.75%	97.01
2007	21,414	287,445,118	1,680,000	30,121	1,649,879	0.57%	77.05
2008	21,422	292,384,855	1,205,000	35,735	1,169,265	0.40%	54.58

(1) Information provided by the Johnson County Economic Research Institute.

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CITY OF PRAIRIE VILLAGE, KANSAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
December 31, 2008

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Prairie Village</u>	<u>Amount Applicable to City of Prairie Village</u>
Direct debt:			
City of Prairie Village, Kansas	<u>\$ 1,205,000</u>	100.00%	<u>\$ 1,205,000</u>
Overlapping debt: (1)			
Johnson County	233,180,000	3.59%	8,371,162
Shawnee Mission School (U.S.D. 512)	260,075,000	9.20%	23,926,900
Fire District #2	1,595,000	38.73%	617,744
Johnson County Community College	3,495,000	3.59%	125,471
Johnson County Parks and Recreation	<u>4,305,000</u>	3.59%	<u>154,550</u>
Total overlapping debt	<u>502,650,000</u>		<u>33,195,827</u>
Total direct and overlapping debt	<u>\$ 503,855,000</u>		<u>\$ 34,400,827</u>

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

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the overlapping debt of those overlapping governments that is borne by the resident and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

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

TABLE 14
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Total Assessed Valuation of Taxable Property	\$ 211,772,968	\$ 223,915,500	\$ 236,125,305	\$ 244,150,272
Debt Limit Percent of Assessed Value	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>
Debt Limit	63,531,890	67,174,650	70,837,592	73,245,082
Total net debt applicable to limit	<u>4,790,000</u>	<u>6,080,000</u>	<u>4,130,000</u>	<u>3,765,000</u>
Legal Debt Margin	<u>\$ 58,741,890</u>	<u>\$ 61,094,650</u>	<u>\$ 66,707,592</u>	<u>\$ 69,480,082</u>
Total Net Debt Applicable To The Limit As A Percentage of Debt Limit	7.54%	9.05%	5.83%	5.14%

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

Source: Assessed valuation from Johnson County Clerk.

TABLE 14
(UNAUDITED)

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$ 250,608,971	\$ 255,791,537	\$ 269,806,687	\$ 276,551,250	\$ 287,445,118	\$ 292,384,855
30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
75,182,691	76,737,461	80,942,006	82,965,375	86,233,535	87,715,457
<u>3,385,000</u>	<u>2,985,000</u>	<u>2,570,000</u>	<u>2,135,000</u>	<u>1,680,000</u>	<u>1,205,000</u>
<u>\$ 71,797,691</u>	<u>\$ 73,752,461</u>	<u>\$ 78,372,006</u>	<u>\$ 80,830,375</u>	<u>\$ 84,553,535</u>	<u>\$ 86,510,457</u>
4.50%	3.89%	3.18%	2.57%	1.95%	1.37%

TABLE 15
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
 DEMOGRAPHIC STATISTICS
 LAST TEN YEARS
 December 31, 2008

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>School Enrollment</u>	<u>Unemployment Rate (1)</u>	<u>Per Capita Personal Income</u>	<u>Personal Income</u>
1999	23365	7219	1.1%	\$ 34,677	\$ 810,228,105
2000	22072	6682	1.5%	34,677	765,390,744
2001	21962	6954	3.7%	34,677	761,576,274
2002	21514	6750	4.3%	34,677	746,040,978
2003	21514	6573	3.9%	34,677	746,040,978
2004	21729	6563	4.3%	34,677	753,496,533
2005	21887	6145	4.5%	34,677	758,975,499
2006	21511	6054	4.1%	34,677	745,936,947
2007	21414	5992	4.0%	34,677	742,573,278
2008	21422	5884	4.8%	34,677	742,850,694

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

CITY OF PRAIRIE VILLAGE, KANSAS
PRINCIPAL EMPLOYERS
December 31, 2008 and Nine Years Ago

<u>Employer</u>	<u>December 31, 2008</u>			<u>December 31, 1999</u>		
	Employees	Rank	Percentage of Total Employment	Employees (1)	Rank	Percentage of Total Employment
USD #512	550	1	2.57%	Not Available		0.00%
Hy-Vee	196	2	0.91%	Not Available		0.00%
Claridge Court	120	3	0.56%	Not Available		0.00%
Brighton Gardens	110	4	0.51%	Not Available		0.00%
City of Prairie Village	103	5	0.48%	Not Available		0.00%
Macy's	88	6	0.41%	Not Available		0.00%
Country Club Bank	80	7	0.37%	Not Available		0.00%
Nation's Holding Company	70	8	0.33%	Not Available		0.00%
Bijin Salon and Day Spa	70	9	0.33%	Not Available		0.00%
O'Neill's Restaurant and Bar	50	10	0.23%	Not Available		0.00%
Total	<u>1,437</u>		<u>6.70%</u>	<u>-</u>		<u>0.00%</u>

Source: City of Prairie Village.

TABLE 17
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
For the Year Ended December 31, 2008

<u>Function/Program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Public Safety/Municipal Justice			
911 Calls Received	7,999	8,115	8,055
DUI Arrests	228	208	200
Traffic/Parking Complaints	9,815	8,563	11,960
Accidents	585	615	593
Investigations Cases	417	449	441
Total Court Cases Processed	13,729	11,849	12,522
Public Works			
Curb Miles Swept	2,897	1,630	1,360
Number of Catch Basins Cleaned	2,492	1,851	2,056
Number of Potholes Patched	4,660	2,874	1,002
Streets Slurry Sealed (Square Yards)	64,668	86,743	95,925
Streets Milled and Overlaid (Linear Feet)	13,482	15,759	11,895
Sidewalk Replaced (Square Yards)	7,556	6,023	3,951
Curb and Gutter Replaced (Linear Feet)	33,982	37,251	27,097
Acres of Lawn Mowed	1,214	1,314	1,319
Urban Management and Planning			
Building Permits Processed	1,007	1,215	1,169
Building Inspections Performed	2,230	2,651	2,309
Plan Reviews Performed	259	293	333
Leisure and Recreation			
Facility Reservations Processed	1,016	1,392	1,415
Facility Reservation Revenue	27,557	27,028	22,750
Pool Memberships Sold	4,192	4,317	4,724
Pool Revenue	357,444	400,951	198,717
Tennis Lessons Taught	133	121	186
Junior Tennis League Memberships Sold	82	98	104
Tennis Program Revenue	16,742	13,421	14,574

Source: City of Prairie Village

Data became available in 2006, therefore 10 years of data is unavailable.

TABLE 18
(UNAUDITED)

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

<u>Function/Program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General Government										
City Administrator	3.9	3.9	3.9	3.9	3.9	4.0	4.4	4.0	4.6	4.6
Legal	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Licensing/Personnel	6.0	6.0	6.0	6.0	6.0	6.0	4.9	4.9	3.9	3.9
Finance (Includes IT)	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Municipal Court	6.1	6.1	6.1	4.8	4.3	4.3	4.3	4.3	4.3	3.8
Planning	3.1	3.1	3.1	3.1	3.2	3.0	3.0	3.2	3.2	3.2
Public Works	29.0	29.0	29.0	29.0	27.0	28.0	28.0	27.0	31.5	30.5
Police	62.0	61.0	61.0	58.0	58.0	58.0	57.0	55.0	56.0	56.0
Parks & Recreation	<u>20.8</u>	<u>21.0</u>	<u>21.0</u>	<u>20.8</u>	<u>20.8</u>	<u>20.3</u>	<u>20.4</u>	<u>21.2</u>	<u>20.9</u>	<u>17.9</u>
Total	133.1	132.3	132.3	127.8	125.4	125.8	124.2	121.8	126.6	122.1

Source: City of Prairie Village Budget Document.

TABLE 19
(UNAUDITED)

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

<u>Function/Program</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Police										
Stations	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Works										
Miles of streets	114.4	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5
Streetlights	2,165.0	2,154.0	2,146.0	1,990.0	1,990.0	1,990.0	1,990.0	*	*	*
Parks & Recreation										
Parks	12.0	11.0	11.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Park acreage	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0
Pools	6.0	5.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Golf courses (private)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

Source: City of Prairie Village Budget Document.

* City owned streetlights were not accounted for prior to 2002.