

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**CITY OF PRAIRIE VILLAGE, KANSAS**

**Year Ended  
December 31, 2009**

**Prepared by the Finance and Administration Department**

CITY OF PRAIRIE VILLAGE, KANSAS  
 Comprehensive Annual Financial Report  
 Year ended December 31, 2009

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# THE CITY OF PRAIRIE VILLAGE

## STAR OF KANSAS

June 11, 2010

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, 2009. 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 financial 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 21,500 within its 6.7 square mile city limits.

The City operates under the Mayor-Council form of government with an appointed professional City Administrator. The City is divided into six wards with two 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. In 2008 and 2009, the City as well as Johnson County did experience the effects of the national economy but not to the extent that many other cities, counties and states have in other parts of the country.

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 2009 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 2009 budget reflected several financial policies the City has established.

- ❖ Ensure revenues equal or exceed expenditures.
- ❖ Increase City controlled revenue sources (fees, fines, etc.) by the Consumer Price Index (CPI) with periodic audits to make certain fees cover the agreed upon level of cost.
- ❖ Implement the stormwater utility fee to fund the stormwater management operations and related capital projects of the City.

### **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, 2008. This was the twenty-third consecutive year the government received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements.

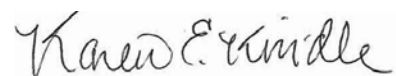
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, 2009. This is the twenty-first 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.

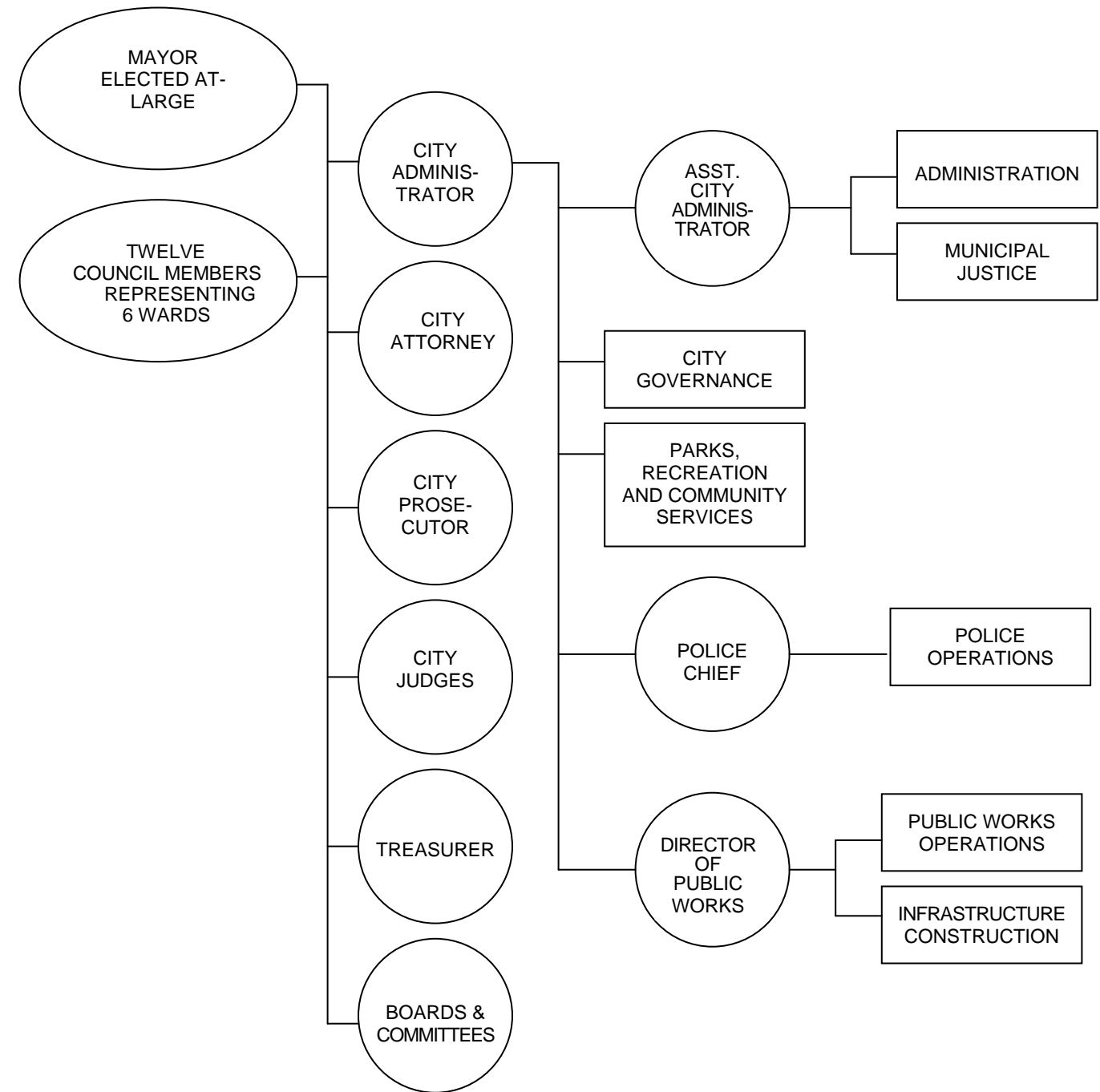
Respectfully submitted,



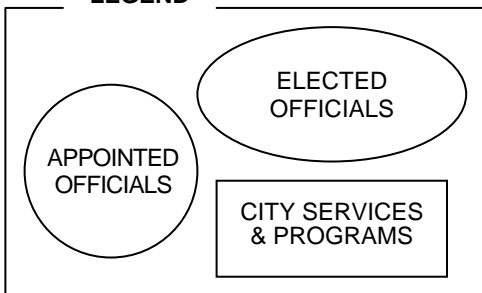
Karen E. Kindle, CPA, CPFO  
Finance Director

CITY OF PRAIRIE VILLAGE, KANSAS

ORGANIZATIONAL OVERVIEW



LEGEND





CITY OF PRAIRIE VILLAGE, KANSAS

PRINCIPAL OFFICIALS - 2009

Elected Officials

Mayor	Ronald L. Shaffer
Council Member - Ward 1	Al Herrera
Council Member - Ward 1	Dale Warman
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, 2008

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 stylized, handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

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# LOWENTHAL, WEBB & ODERMANN, P.A.

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David A. Lowenthal, CPA  
Patricia L. Webb, CPA  
Audrey M. Odermann, CPA

CERTIFIED PUBLIC ACCOUNTANTS

900 Massachusetts, Suite 301  
Lawrence, Kansas 66044-2868  
Phone: (785) 749-5050  
Fax: (785) 749-5061  
Website: www.lswwcpa.com

Abram M. Chrislip, CPA  
Caroline H. Eddinger, CPA  
Grant A. Huddin, CPA  
Brian W. Nyp, CPA

Members of American Institute  
and Kansas Society of  
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, 2009, 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, 2009, 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 42 and 43 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, Webb & Odermann, P.A.*

June 11, 2010

CITY OF PRAIRIE VILLAGE, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year Ended December 31, 2009  
(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, 2009. 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 \$1.0 million, the majority of which is due to an increase in capital assets.
- 2009 was the first year for the Stormwater Utility Fee. The fee was established 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, 2009

(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>2008</u>	<u>2009</u>	<b>Percentage Change</b>
Current and other assets	\$ 20,147,346	\$ 29,189,077	44.88%
Capital assets	60,126,876	60,911,619	1.31%
Total assets	<u>\$ 80,274,222</u>	<u>\$ 90,100,696</u>	12.24%
Long term liabilities	\$ 820,000	\$ 8,576,676	945.94%
Other liabilities	10,990,055	12,033,934	9.50%
Total liabilities	<u>11,810,055</u>	<u>20,610,610</u>	74.52%
Net assets:			
Invested in capital assets, net of related debt	58,921,876	62,148,880	5.48%
Restricted	258,683	233,847	-9.60%
Unrestricted	<u>9,283,608</u>	<u>7,107,359</u>	-23.44%
Total net assets	<u>68,464,167</u>	<u>69,490,086</u>	1.50%
Total Liabilities & net assets	<u>\$ 80,274,222</u>	<u>\$ 90,100,696</u>	12.24%

The City's combined net assets increased by \$1.0 million or 1.50% from 2008 to 2009. The majority of that increase was due to an increase in capital assets.

CITY OF PRAIRIE VILLAGE, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year Ended December 31, 2009  
(Unaudited)

**Statement of Activities.** The table below shows the condensed revenues, expenses and changes in net assets for 2008 and 2009.

	<u>2008</u>	<u>2009</u>	<u>Change</u>
<b>REVENUES</b>			
Program Revenues			
Fines, fees and charges for services	\$ 4,530,243	\$ 5,960,739	31.58%
Operating grants and contributions	6,564	37,890	477.24%
Capital grants and contributions	728,705	354,076	-51.41%
General revenues:			
Property taxes	5,177,298	5,265,998	1.71%
Sales and use taxes	5,219,057	4,839,903	-7.26%
Other taxes	2,343,404	2,261,507	-3.49%
Other revenues	<u>1,393,392</u>	<u>1,125,249</u>	-19.24%
Total revenues	<u>19,398,663</u>	<u>19,845,362</u>	2.30%
<b>EXPENSES</b>			
Urban management and planning	3,132,048	3,354,849	7.11%
Public works	7,684,541	8,834,376	14.96%
Public safety	5,102,560	5,453,093	6.87%
Municipal Justice	370,433	389,952	5.27%
Leisure, recreation and education	917,170	713,252	-22.23%
Interest on long-term debt	<u>72,658</u>	<u>88,186</u>	21.37%
Total expenses	17,279,410	18,833,708	9.00%
Increase/(decrease) in net assets	2,119,253	1,011,654	-52.26%
Prior period adjustment	-	14,265	
Net assets, January 1	<u>66,344,914</u>	<u>68,464,167</u>	
Net assets, December 31	<u>\$ 68,464,167</u>	<u>\$ 69,490,086</u>	1.50%

Overall, total revenues increased by 2.30%. The increase is mostly due to the Stormwater Utility Fee established for the 2009 Budget.

Tax source revenues (property, sales/use and franchise) continue to account for a majority of the City's revenues. Tax source revenues account for 62.0% of total revenues in 2009 compared with 66.0% in 2008. Sales and use taxes decreased in 2009 due to the economy and refunds issued by the State of Kansas. Property tax increased due to a small increase in assessed valuation.

Another significant change in City revenues was the increase in operating grants and contributions. In 2009, the City received reimbursements under the STEP Grant program administered by the Kansas Department of Transportation, the Safe Routes to School Grant and the Byrne Grant. In 2008, the city only received the STEP Grant.

Interest earnings also decreased during 2009 due to the economy and the low interest rates that prevailed in 2009.

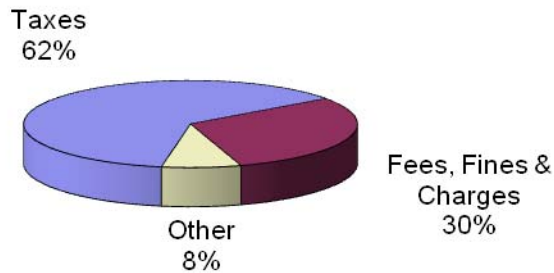
Total expenses for 2009 were higher when compared with 2008, increasing 9%. Pension costs for commissioned police officers doubled from 2008 due to portfolio losses related to the poor economy. In addition, the City issued debt in 2009 which caused the accrued interest to increase over what it was in 2008. Finally, there were a few capital projects for which some of the expenses were not capitalized due to the nature of the expenses.

CITY OF PRAIRIE VILLAGE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year Ended December 31, 2009  
(Unaudited)

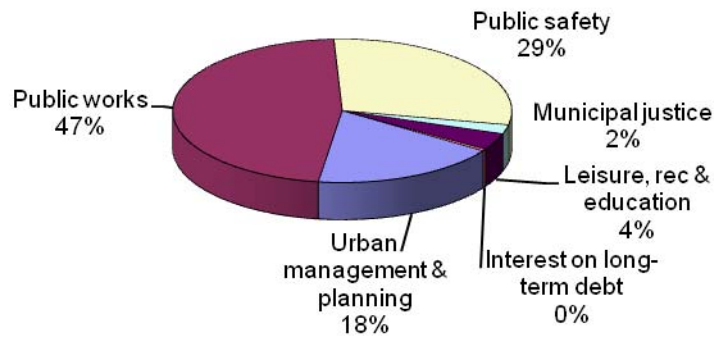
As illustrated by the following graphs, 62% of the City's revenues are tax-related. Another 30% are directly related to the City's solid waste management assessments, stormwater assessments and public safety agreement with the City of Mission Hills.

Sources of Revenue - 2009



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 - 2009



CITY OF PRAIRIE VILLAGE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year Ended December 31, 2009  
(Unaudited)

The net cost of each program is an important indicator of the financial burden placed on revenues, primarily tax sources. As shown below, \$12.4 million of the cost of services was paid by the City's tax payers.

Governmental	Total Cost of Services			Net Cost of Services		
	2008	2009	% Chg	2008	2009	% Chg
Urban management and planning	\$ 3,132,048	\$ 3,354,849	7.1%	\$ 1,408,368	\$ 1,572,134	11.6%
Public works	7,684,541	8,834,376	15.0%	6,847,981	6,981,800	2.0%
Public safety	5,102,560	5,453,093	6.9%	2,891,592	3,216,842	11.2%
Municipal Justice	370,433	389,952	5.3%	305,708	346,639	13.4%
Leisure, recreation and education	917,170	713,252	-22.2%	487,591	275,402	-43.5%
Interest on long-term debt	72,658	88,186	21.4%	72,658	88,186	21.4%
Total governmental activities	\$ 17,279,410	\$ 18,833,708	9.0%	\$ 12,013,898	\$ 12,481,003	3.9%

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 increased in the General Fund as a result of not spending 100% of the 2009 budget.

**Solid Waste Management Fund.** Fund balance decreased due to not collecting as much interest as budgeted due to the economy and the low interest rates that prevailed during 2009.

**Capital Projects Fund.** The City's Capital Projects Fund accounts for major infrastructure improvement project expenditures. The significant increase in fund balance is due to the issuance of the Series 2009A bonds. The bonds were issued to accelerate projects included in the City's four-year Capital Improvement Plan and take advantage of low construction prices.

**Economic Development Fund.** The school sales tax which made up the balance in this fund sunset on December 31, 2008. No further monies were transferred into this fund. The only revenue source was interest earnings, which were lower than in 2008 due to low interest rates. In addition, there were two projects charged to this fund in 2009: the Exterior Grant Program and a grant to the Johnson County Home Repair Program.

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

**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. In 2009 the City transferred the second funding installment for the radio system as well as 100% of the proceeds from the 2<sup>nd</sup> County Special Public Safety Sales Tax which went into effect on January 1, 2009. These proceeds were used to fund technology upgrades throughout the City, the majority of which were related to the Police Department. In addition, expenditures for the financial software system and the website redesign were delayed until 2010.

**General Fund Budget**

The legally adopted budget for the General Fund was not amended by the City Council during 2009. 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, 2009  
(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.

<b>Category</b>	<b>Explanation</b>
Intergovernmental	This category decreased due to reclassifying the public safety services contract with the City of Mission Hills from this category to the Charges for Services category.
Licenses & Permits	The decrease in this revenue source is related to less revenue from building permits in 2009 than in 2008. In 2008, the City issued permits for a major renovation at the high school located within the City. In 2009, the City did not have another large project for which it issued permits.
Charges for Services	This category increased due to reclassifying the public safety services contract with the City of Mission Hills from the Intergovernmental category.
Fines & Forfeitures	Less tickets were written by officers in 2009 than in 2008.
Interest	Interest rates in 2009 decreased significantly from 2008 and remained low throughout the year.
Other	Sales of fixed assets and miscellaneous income were both more than anticipated when the budget was adopted in 2008. 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 2009, the Council did not utilize the full budget for consultants. In addition, the Council did not utilize the full budget for training.
Information Technology	In 2009, the City consolidated all IT purchasing and consulting services into one program to better manage these costs. As a result of the consolidation, the City spent less on IT consulting services.
Legal Services	In 2009, the City consolidated all legal costs into one program to better manage these costs. The amount of legal expenditures depends on the contracts reviewed, ordinances drafted, law suits, etc. In 2009 the City experienced an increase in legal costs due to a couple of law suits as well as the review/negotiation of the financial software system contract.
Human Resources	The 2009 budget included funds for an updated salary study. Due to the economic conditions in 2009, the City did not complete an updated salary study.
Administrative Services	The remaining budget is due to lower health insurance costs than planned when the 2009 budget was adopted as well as lower property and workers comp insurance rates.
Vehicle Maintenance	Fuel was the reason for this program being under budget. Fuel prices were lower in 2009 than what was planned during the 2009 budget process.
Drainage Op & Maint	Health insurance costs were lower than what was planned when the 2009 budget was adopted. In addition, fuel and equipment maintenance costs were lower than planned.
Misc Op & Maint	Lower equipment maintenance costs contributed to lower expenditures for this program in 2009.
Building & Grounds	This program spent less on maintenance/repairs that planned for 2009.
Public Safety Administration	This program was under budget due to savings on pension administration costs. Many of these costs are based on the value of the portfolio, which significantly decreased in 2009 due to the economy.
Staff Services	This program was under budget due to health insurance savings due to better than expected renewal rates and salary savings from a position that was vacant for a portion of the year. There were also less repair expenditures than estimated.

CITY OF PRAIRIE VILLAGE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year Ended December 31, 2009  
(Unaudited)

Community Services	This program was under budget due to the Crime Prevention Officer position not being staffed for a portion of the year.
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 2009, 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	The sergeant was on leave for military duty for a portion of 2009 during which time the City only paid a small pay differential rather than the full salary and benefits.
Off-Duty Contractual	The expenditures in this program vary from year to year depending on the assignments worked by the officers and the officers who work the assignments.
Prosecutor	The City did not incur as many legal fees related to appeals as was anticipated during budget development.
Court Clerks	This program was under budget due to less salary expenditures than budgeted due to an error in calculating the salary budget during budget development.
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, 2009 was \$60.9 million. Capital assets increased 1.31% from 2008.

NETWORK	<u>2008</u>	<u>2009</u>	<u>% Chg</u>
Land	\$ 13,861,866	\$ 13,861,866	0.00%
Buildings	3,826,919	3,865,338	1.00%
Improvements other than buildings	1,054,613	977,624	-7.30%
Furniture and equipment	1,110,638	1,199,706	8.02%
Infrastructure	36,434,312	40,473,445	11.09%
Construction in progress	3,838,528	533,630	-86.10%
Total	<u>\$ 60,126,876</u>	<u>\$ 60,911,609</u>	1.31%

Improvements other than buildings decreased due to continued depreciation of these assets. Furniture and equipment increased due to capitalization of the public safety software, in-car laptop replacements and in-car video system replacements. Infrastructure increased due to the capitalization of projects open at the end of 2008. Construction in progress decreased because projects open at the end of 2008 were completed in early 2009 as well as most 2009 projects being completed by the end of 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, 2009, the City had \$10,366.329 of outstanding general obligation bonds. Of the balance outstanding, 90% 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. As of May 1, 2010, the City's rating was upgraded to Aaa as part of the global ratings recalibration project Moody's has undertaken in the last year.

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

CITY OF PRAIRIE VILLAGE, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year Ended December 31, 2009  
(Unaudited)

**Requests for Information**

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

CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF NET ASSETS  
December 31, 2009

Assets	
Current assets:	
Cash and investments	\$ 19,115,802
Tax receivable (net of uncollectibles)	5,356,244
Special assessments receivable (net of uncollectibles)	2,981,969
Interest receivable	15,444
Other receivable	1,308,769
Due from other governments	238,924
Prepaid expenses	95,346
Restricted cash and investments	<u>76,579</u>
Total current assets	<u>29,189,077</u>
Capital assets:	
Capital assets not being depreciated:	
Land	13,861,866
Construction in progress	<u>533,630</u>
Total capital assets not being depreciated	<u>14,395,496</u>
Capital assets being depreciated	130,060,561
Less: accumulated depreciation	<u>83,544,438</u>
Total capital assets being depreciated, net	<u>46,516,123</u>
Total capital assets, net	<u>60,911,619</u>
Total assets	<u>\$ 90,100,696</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 1,344,698
Accrued payroll	88,251
Payable from restricted assets	76,579
Unearned revenue	8,402,732
Accrued interests on long-term debt	41,444
Current portion of compensated absences	276,597
Current portion of general obligation bonds	<u>1,803,633</u>
Total current liabilities	<u>12,033,934</u>
Noncurrent liabilities:	
Net other post employment benefit obligation	13,200
Net pension obligation	780
General obligations bonds payable	<u>8,562,696</u>
Total noncurrent liabilities	<u>8,576,676</u>
Total liabilities	<u>\$ 20,610,610</u>
Net Assets	
Invested in capital assets, net of related debt	\$ 62,148,880
Restricted	
Debt service	20,013
Solid waste management	178,638
Parks and recreation	2,751
Special alcohol	32,445
Unrestricted	<u>7,107,359</u>
Total net assets	<u>\$ 69,490,086</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, 2009

	Expenses	Program Revenues			Net [expense]
		Fees, fines, and charges for services	Operating grants and contributions	Capital grants and contribution	Revenue and Changes in Net Assets-Govt Activities
<b>Governmental activities:</b>					
Urban management and planning	\$ 3,354,849	\$ 1,767,715	\$ 15,000	\$ -	\$ [1,572,134]
Public works	8,834,376	1,498,500	-	354,076	[6,981,800]
Public safety	5,453,093	2,213,361	22,890	-	[3,216,842]
Municipal justice	389,952	43,313	-	-	[346,639]
Leisure and recreation	713,252	437,850	-	-	[275,402]
Interest on long-term debt	88,186	-	-	-	[88,186]
<b>Total governmental activities</b>	<b>\$ 18,833,708</b>	<b>\$ 5,960,739</b>	<b>\$ 37,890</b>	<b>\$ 354,076</b>	<b>[12,481,003]</b>
<b>General Revenues:</b>					
Property taxes levied for					
General purposes					4,891,692
Debt service					374,306
Sales and use tax					4,839,903
Motor vehicle tax					544,505
Franchise tax					1,717,002
Grants and contributions not restricted to specific programs					919,500
Investment earnings					125,136
Miscellaneous					80,613
<b>Total general revenues</b>					<b>13,492,657</b>
Change in net assets					1,011,654
Net assets - beginning					68,464,167
Prior period adjustment					14,265
Net assets - beginning, restated					68,478,432
Net assets - ending					<b>\$ 69,490,086</b>

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

CITY OF PRAIRIE VILLAGE, KANSAS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2009

	<u>General</u>	<u>Solid Waste Management</u>	<u>Stormwater</u>
<b>ASSETS</b>			
Cash and investments	\$ 4,135,003	\$ 399,890	\$ 714
Receivables			
Taxes	5,088,889	-	-
Special assessments	-	1,476,529	1,505,440
Interest	5,715	841	-
Miscellaneous	1,275,947	-	-
Due from other governments	2,824	-	-
Due from other fund	32,822	-	-
Prepaid expenditures	94,246	-	-
Restricted assets	76,579	-	-
Total assets	<u>\$ 10,712,025</u>	<u>\$ 1,877,260</u>	<u>\$ 1,506,154</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 255,141	\$ 222,093	\$ 714
Accrued payroll	87,507	-	-
Due to other funds	68,580	-	-
Payable from restricted assets	76,579	-	-
Deferred revenue	5,323,733	1,476,529	1,505,440
Total liabilities	<u>5,811,540</u>	<u>1,698,622</u>	<u>1,506,154</u>
<b>Fund balance:</b>			
Reserved for encumbrances	147,275	-	-
Reserved for debt service	-	-	-
Reserved for prepaid expenditures	94,246	-	-
Unreserved			
Undesignated, reported in:			
General fund	4,658,964	-	-
Special revenue funds	-	178,638	-
Capital projects fund	-	-	-
Total fund balance	<u>4,900,485</u>	<u>178,638</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 10,712,025</u>	<u>\$ 1,877,260</u>	<u>\$ 1,506,154</u>

<u>Economic Development</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,179,619	\$ 11,603,590	\$ 796,986	\$ 19,115,802
-	-	267,355	5,356,244
-	-	-	2,981,969
3,259	3,144	2,485	15,444
-	-	32,822	1,308,769
-	88,667	147,433	238,924
-	147,433	68,580	248,835
-	-	1,100	95,346
-	-	-	76,579
<u>\$ 2,182,878</u>	<u>\$ 11,842,834</u>	<u>\$ 1,316,761</u>	<u>\$ 29,437,912</u>

\$ 2,500	\$ 469,640	\$ 1,231	\$ 951,319
-	-	744	88,251
-	-	180,255	248,835
-	-	-	76,579
-	58,975	267,478	8,632,155
<u>2,500</u>	<u>528,615</u>	<u>449,708</u>	<u>9,997,139</u>

-	253,859	-	401,134
-	-	20,013	20,013
-	-	1,100	95,346
-	-	-	4,658,964
2,180,378	-	845,940	3,204,956
-	11,060,360	-	11,060,360
<u>2,180,378</u>	<u>11,314,219</u>	<u>867,053</u>	<u>19,440,773</u>
<u>\$ 2,182,878</u>	<u>\$ 11,842,834</u>	<u>\$ 1,316,761</u>	<u>\$ 29,437,912</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, 2009

Total Governmental Fund Balances		\$ 19,440,773
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	533,630	
Infrastructure	117,675,456	
Buildings and improvements	7,924,382	
Vehicles and equipment	<u>4,460,723</u>	
	144,456,057	
Accumulated depreciation	<u>83,544,438</u>	60,911,619
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	10,366,329	
Interest payable	<u>41,444</u>	[10,407,773]
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		[393,379]
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		[13,200]
The City's costs for the police pension are not reported as expenditures in the governmental funds		
Net pension obligation		[780]
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		[276,597]
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>229,423</u>
Net Assets of Governmental Activities		<u>\$ 69,490,086</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 BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2009

	<u>General</u>	<u>Solid Waste Management</u>	<u>Stormwater</u>
Revenues			
Taxes	\$ 11,922,147	\$ -	\$ -
Intergovernmental	86,130	-	-
Licenses and permits	410,984	-	2,310
Charges for services	1,658,662	1,384,637	1,423,018
Fines and forfeitures	959,292	-	-
Recreational fees	437,850	-	-
Use of money and property	69,542	1,483	2,783
Other	79,009	-	-
Total revenues	<u>15,623,616</u>	<u>1,386,120</u>	<u>1,428,111</u>
Expenditures			
Current:			
Urban management and planning	1,770,500	1,396,361	-
Public works	4,540,778	-	-
Public safety	5,520,395	-	-
Municipal justice	389,608	-	-
Leisure and recreation	541,663	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>12,762,944</u>	<u>1,396,361</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>2,860,672</u>	<u>[10,241]</u>	<u>1,428,111</u>
Other financing sources [uses]			
Transfers in	338,494	-	-
Transfers [out]	[2,850,610]	-	[1,428,111]
Bond premium	-	-	-
Sale of bonds	-	-	-
Total other financing sources [uses]	<u>[2,512,116]</u>	<u>-</u>	<u>[1,428,111]</u>
Net change in fund balances	348,556	[10,241]	-
Fund balances, beginning	<u>4,551,929</u>	<u>188,879</u>	<u>-</u>
Fund balances, ending	<u>\$ 4,900,485</u>	<u>\$ 178,638</u>	<u>\$ -</u>

<u>Economic Development</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ -	\$ 427,547	\$ 12,349,694
-	314,332	797,939	1,198,401
-	-	-	413,294
-	-	-	4,466,317
-	-	-	959,292
-	-	-	437,850
32,665	14,563	4,079	125,115
-	-	1,616	80,625
<u>32,665</u>	<u>328,895</u>	<u>1,231,181</u>	<u>20,030,588</u>
126,769	-	21,362	3,314,992
-	-	-	4,540,778
-	-	89,959	5,610,354
-	-	-	389,608
-	-	14,366	556,029
-	4,939,670	278,793	5,218,463
-	675,000	385,000	1,060,000
-	7,785	58,435	66,220
<u>126,769</u>	<u>5,622,455</u>	<u>847,915</u>	<u>20,756,444</u>
<u>[94,104]</u>	<u>[5,293,560]</u>	<u>383,266</u>	<u>[725,856]</u>
-	3,909,497	723,484	4,971,475
[40,000]	-	[652,754]	[4,971,475]
-	136,329	-	136,329
-	10,085,000	-	10,085,000
<u>[40,000]</u>	<u>14,130,826</u>	<u>70,730</u>	<u>10,221,329</u>
[134,104]	8,837,266	453,996	9,495,473
<u>2,314,482</u>	<u>2,476,953</u>	<u>413,057</u>	<u>9,945,300</u>
<u>\$ 2,180,378</u>	<u>\$ 11,314,219</u>	<u>\$ 867,053</u>	<u>\$ 19,440,773</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, 2009

Total Net Change In Fund Balances - Governmental Funds		\$ 9,495,473
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	5,297,372	
Depreciation expense	<u>[4,512,630]</u>	784,742
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.		
		[21,966]
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.		
		[61,057]
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		17,713
Expenditures for pensions are not considered expenditures in government funds		
		[15,045]
Expenditures for post employment benefits other than pensions are not considered expenditures in government funds		
		10
Some expenses will utilize future financial resources and are not considered expenditures in governmental funds.		
		[26,887]
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets.		
		<u>[9,161,329]</u>
Changes In Net Assets of Governmental Activities		<u>\$ 1,011,654</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, 2009

	GAAP	Adjustments	Budgetary	Budgeted Amounts		Variance
	Basis		Basis	Original	Final	Positive
	Actual	Adjustments	Actual			[Negative]
Revenues						
Taxes	\$ 11,922,147	\$ -	\$ 11,922,147	\$ 12,323,050	\$ 12,323,050	\$ [400,903]
Intergovernmental	86,130	-	86,130	1,269,485	1,269,485	[1,183,355]
Licenses and permits	410,984	-	410,984	456,700	456,700	[45,716]
Charges for services	1,658,662	-	1,658,662	515,000	515,000	1,143,662
Fines and forfeitures	959,292	-	959,292	1,117,500	1,117,500	[158,208]
Recreation fees	437,850	-	437,850	467,500	467,500	[29,650]
Interest	69,542	-	69,542	250,000	250,000	[180,458]
Other	79,009	-	79,009	55,500	55,500	23,509
Total revenues	<u>15,623,616</u>	<u>-</u>	<u>15,623,616</u>	<u>16,454,735</u>	<u>16,454,735</u>	<u>[831,119]</u>
Expenditures						
Urban management and planning						
City Governance						
Mayor and council	90,337	8,500	98,837	131,097	131,097	32,260
Management and planning	374,759	[5,196]	369,563	383,894	383,894	14,331
Administrative Services						
Information technology	72,470	-	72,470	115,650	115,650	43,180
Legal services	157,535	-	157,535	177,500	177,500	19,965
Human resources	96,618	-	96,618	113,325	113,325	16,707
Administrative services	74,662	[8,500]	66,162	72,937	72,937	6,775
Financial management	226,923	778	227,701	231,426	231,426	3,725
Codes administration	375,293	222	375,515	354,973	354,973	[20,542]
City clerk	301,903	[22,220]	279,683	278,200	278,200	[1,483]
	<u>1,770,500</u>	<u>[26,416]</u>	<u>1,744,084</u>	<u>1,859,002</u>	<u>1,859,002</u>	<u>114,918</u>
Public works and improvements						
Administration	724,447	16,225	740,672	780,040	780,040	39,368
Vehicle and equipment maintenance	503,323	-	503,323	560,720	560,720	57,397
Streets and drain	1,854,446	25,757	1,880,203	1,804,119	1,804,119	[76,084]
Drainage operation and maintenance	376,763	-	376,763	414,714	414,714	37,951
Miscellaneous operation and maintenance	348,943	45,875	394,818	458,300	458,300	63,482
Buildings and grounds	732,856	-	732,856	803,402	803,402	70,546
	<u>4,540,778</u>	<u>87,857</u>	<u>4,628,635</u>	<u>4,821,295</u>	<u>4,821,295</u>	<u>192,660</u>
Public safety						
Administration	551,597	[6,812]	544,785	594,781	594,781	49,996
Staff services	765,934	[1,228]	764,706	895,990	895,990	131,284
Community services	189,561	-	189,561	197,232	197,232	7,671
Community policing	66,480	-	66,480	94,643	94,643	28,163
Patrol	2,722,246	-	2,722,246	2,758,809	2,758,809	36,563
Investigations	511,284	-	511,284	482,738	482,738	[28,546]
Special investigations	170,945	-	170,945	179,837	179,837	8,892
DARE	4,075	-	4,075	11,043	11,043	6,968
Professional standards	146,965	[3,125]	143,840	168,423	168,423	24,583
Off duty contractual	57,710	-	57,710	64,129	64,129	6,419
Traffic	333,598	-	333,598	356,750	356,750	23,152
	<u>5,520,395</u>	<u>[11,165]</u>	<u>5,509,230</u>	<u>5,804,375</u>	<u>5,804,375</u>	<u>295,145</u>
Municipal justice						
Judicial	32,952	-	32,952	34,675	34,675	1,723
Prosecutor	39,256	-	39,256	52,956	52,956	13,700
Court clerks	317,400	[22]	317,378	348,204	348,204	30,826
	<u>389,608</u>	<u>[22]</u>	<u>389,586</u>	<u>435,835</u>	<u>435,835</u>	<u>46,249</u>
Leisure and recreation						
Community programs	125,786	-	125,786	132,623	132,623	6,837
Swimming pool	306,852	-	306,852	371,170	371,170	64,318
Swimming pool food service	72,497	-	72,497	70,669	70,669	[1,828]
Tennis	36,528	[23,142]	13,386	14,514	14,514	1,128
	<u>541,663</u>	<u>[23,142]</u>	<u>518,521</u>	<u>588,976</u>	<u>588,976</u>	<u>70,455</u>
Total expenditures	<u>12,762,944</u>	<u>27,112</u>	<u>12,790,056</u>	<u>13,509,483</u>	<u>13,509,483</u>	<u>719,427</u>
Excess [deficiency] of revenues over [under] expenditures	<u>2,860,672</u>	<u>[27,112]</u>	<u>2,833,560</u>	<u>2,945,252</u>	<u>2,945,252</u>	<u>[111,692]</u>
Other financing sources [uses]						
Transfers in	338,494	-	338,494	338,624	338,624	[130]
Transfers [out]	[2,850,610]	-	[2,850,610]	[6,547,697]	[6,547,697]	3,697,087
Total other financing sources [uses]	<u>[2,512,116]</u>	<u>-</u>	<u>[2,512,116]</u>	<u>[6,209,073]</u>	<u>[6,209,073]</u>	<u>3,696,957</u>
Net change in fund balance	348,556	[27,112]	321,444	\$ [3,263,821]	\$ [3,263,821]	\$ 3,585,265
Fund balance, beginning	<u>4,551,929</u>	<u>[120,163]</u>	<u>4,431,766</u>			
Fund balance, ending	<u>\$ 4,900,485</u>	<u>\$ [147,275]</u>	<u>\$ 4,753,210</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  
 SOLID WASTE MANAGEMENT FUND  
 For the Year Ended December 31, 2009

	GAAP	Adjustments	Budgetary	Budgeted Amounts		Variance
	Basis Actual		Basis Actual	Original	Final	Positive [Negative]
Revenues						
Charges for services	\$ 1,384,637	\$ -	\$ 1,384,637	\$ 1,385,630	\$ 1,385,630	\$ [993]
Use of money and property	1,483	-	1,483	10,000	10,000	[8,517]
Total revenues	<u>1,386,120</u>	<u>-</u>	<u>1,386,120</u>	<u>1,395,630</u>	<u>1,395,630</u>	<u>[9,510]</u>
Expenditures						
Urban management and planning	1,396,361	-	1,396,361	1,407,958	1,407,958	11,597
Total expenditures	<u>1,396,361</u>	<u>-</u>	<u>1,396,361</u>	<u>1,407,958</u>	<u>1,407,958</u>	<u>11,597</u>
Net change in fund balance	[10,241]	-	[10,241]	<u>\$ [12,328]</u>	<u>\$ [12,328]</u>	<u>\$ 2,087</u>
Fund balance, beginning	<u>188,879</u>	<u>-</u>	<u>188,879</u>			
Fund balance, ending	<u>\$ 178,638</u>	<u>\$ -</u>	<u>\$ 178,638</u>			

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, 2009

	Pension Trust <u>Funds</u>
Assets	
Restricted cash	\$ 285,150
Restricted investments, at fair value	
Common stock	5,102,277
Pooled equity funds	2,182,945
Fixed income	<u>2,881,504</u>
Total restricted investments	<u>10,166,726</u>
Interest receivable	<u>24,703</u>
Total Assets	<u>\$ 10,476,579</u>
Liabilities	
Net assets	
Held in trust for pension benefits	<u>\$ 10,476,579</u>
Total net assets	<u>10,476,579</u>
Total liabilities and net assets	<u>\$ 10,476,579</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, 2009

	Pension Trust <u>Funds</u>
Additions:	
Contributions:	
Employer	\$ 672,660
Plan members	<u>101,329</u>
Total contributions	<u>773,989</u>
Investment Earnings:	
Interest and dividends on investments	180,068
Non-cash asset changes	[112,687]
Net increase/decrease in the fair value of investments	<u>1,414,527</u>
Total investment earnings	<u>1,481,908</u>
Total additions	<u>2,255,897</u>
Deductions:	
Benefits	<u>630,957</u>
Changes in net assets	1,624,940
Net assets - beginning	<u>8,851,639</u>
Net assets - ending	<u>\$ 10,476,579</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, 2009

**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, 2009

**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, 2009

**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, 2009 for 2010 of \$6,861,683, 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, 2009

**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 defibrillators, 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, 2009

**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, 2009, 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 \$20,013 for debt service, \$178,638 for solid waste, \$2,751 for parks and recreation, and \$32,445 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, 2009

**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 2009 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	Total
	General	Economic Development	Solid Waste Management	Capital Project	Nonmajor Governmental Funds	Governmental Funds
GAAP FUND BALANCE						
December 31, 2009	\$ 4,900,485	\$ 2,180,378	\$ 178,638	\$ 11,314,219	\$ 867,053	\$ 19,440,773
Adjustments:						
Unreserved fund balances not subject to the Kansas Budget Law:						
Capital Project Fund	-	-	-	[11,314,219]	-	[11,314,219]
Equipment Reserve Fund	-	-	-	-	[728,827]	[728,827]
Risk Management Reserve Fund	-	-	-	-	[83,017]	[83,017]
Economic Development Fund	-	[2,180,378]	-	-	-	[2,180,378]
Reserve for encumbrances	<u>[147,275]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[147,275]</u>
Total deductions	<u>[147,275]</u>	<u>[2,180,378]</u>	<u>-</u>	<u>[11,314,219]</u>	<u>[811,844]</u>	<u>[14,453,716]</u>
BUDGETARY FUND BALANCE						
December 31, 2009	<u>\$ 4,753,210</u>	<u>\$ -</u>	<u>\$ 178,638</u>	<u>\$ -</u>	<u>\$ 55,209</u>	<u>\$ 4,987,057</u>

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2009

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, 2009, the City has the following investments:

Investment Type	Fair Value	Rating	Maturity		
			Less Than 5 Years	5 - 10 Years	10 - 15 Years
Kansas Municipal Investment Pool	\$ 1,493,661	S&P AAAf/S1+	\$1,493,661	\$ -	\$ -
US Treasury Note	998,546	Aaa	998,546	-	-
FHLB	776,775	Aaa	673,369	103,406	-
FHLMC	219,094	Aaa	219,094	-	-
FNMA	74,297	Aaa	-	74,297	-
GNMA	492,723	n/a*	-	492,723	-
US Treasury Note	174,992	Aaa	174,992	-	-
AT&T Inc	56,413	A2	56,413	-	-
Bank New York	74,298	Aa2	-	74,298	-
Boeing	74,445	A2	74,445	-	-
BP Capital Markets	76,726	Aa1	76,726	-	-
Caterpillar Financial Services Corp	55,717	A2	55,717	-	-
Cisco Systems Inc	76,875	A1	-	76,875	-
Georgia Power	72,678	A2	-	72,678	-
Hewlett Packard	79,512	A2	79,512	-	-
JPMorgan Chase	75,222	Aa3	-	75,222	-
Oracle	77,348	A2	-	77,348	-
Shell	74,099	Aa1	-	74,099	-
Wachovia Corp	53,117	A1	53,117	-	-
John Deere Cap Corp	53,622	A2	53,622	-	-
Total	<u>\$ 5,130,158</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

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2009

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

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.

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 by plus or minus 20%.



CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2009

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Receivables and Payables**

Receivables as of December 31, 2009 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	\$ 5,096,080	\$ -	\$ -	\$ -	\$ -	\$ 267,891	\$ 5,363,971
Special assessments	-	1,505,440	-	1,476,529	-	-	2,981,969
Intergovernmental	2,824	-	-	-	88,667	147,433	238,924
Interest	5,715	-	3,259	841	3,144	2,485	15,444
Other	<u>1,275,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,822</u>	<u>1,308,769</u>
Gross receivables	6,380,566	1,505,440	3,259	1,477,370	91,811	450,631	9,909,077
Less allowance for uncollectibles	<u>[7,191]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[536]</u>	<u>[7,727]</u>
Net receivables	<u>\$ 6,373,375</u>	<u>\$ 1,505,440</u>	<u>\$ 3,259</u>	<u>\$ 1,477,370</u>	<u>\$ 91,811</u>	<u>\$ 450,095</u>	<u>\$ 9,901,350</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>
2009 property taxes	\$ 5,089,775	\$ -	\$ -	\$ -	\$ 267,478	\$ 5,357,253
Special assessments	-	1,505,440	1,476,529	-	-	2,981,969
Intergovernmental receivables	-	-	-	58,975	-	58,975
Franchise fee (unavailable)	<u>233,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,958</u>
Total deferred revenue	<u>\$ 5,323,733</u>	<u>\$ 1,505,440</u>	<u>\$ 1,476,529</u>	<u>\$ 58,975</u>	<u>\$ 267,478</u>	<u>\$ 8,632,155</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, 2009

**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2009 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>3,838,528</u>	<u>4,936,984</u>	<u>8,241,882</u>	<u>533,630</u>
Total	<u>17,700,394</u>	<u>4,936,984</u>	<u>8,241,882</u>	<u>14,395,496</u>
Capital assets being depreciated:				
Buildings	6,278,520	199,963	-	6,478,483
Improvements other than buildings	1,445,899	-	-	1,445,899
Furniture and equipment	4,153,136	540,137	232,550	4,460,723
Infrastructure	<u>116,466,224</u>	<u>7,862,170</u>	<u>6,652,938</u>	<u>117,675,456</u>
Total	<u>128,343,779</u>	<u>8,602,270</u>	<u>6,885,488</u>	<u>130,060,561</u>
Less accumulated depreciation for:				
Buildings	2,451,601	161,534	-	2,613,135
Improvements other than buildings	391,286	76,989	-	468,275
Furniture and equipment	3,042,498	397,383	178,864	3,261,017
Infrastructure	<u>80,031,912</u>	<u>3,823,037</u>	<u>6,652,938</u>	<u>77,202,011</u>
Total	<u>85,917,297</u>	<u>4,458,943</u>	<u>6,831,802</u>	<u>83,544,438</u>
Total capital assets being depreciated, net	<u>42,426,482</u>	<u>4,143,327</u>	<u>53,686</u>	<u>46,516,123</u>
Governmental activities capital assets, net of depreciation	<u>\$ 60,126,876</u>	<u>\$ 9,080,311</u>	<u>\$ 8,295,568</u>	<u>\$ 60,911,619</u>

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

Governmental activities:	
Urban management and planning	\$ 59,872
Public works	3,958,779
Public safety	273,413
Municipal justice	756
Leisure and recreation	<u>166,123</u>
Total	<u>\$ 4,458,943</u>

CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2009

**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, 2009. This is represented by the amount of 2009 funds due to the Capital Projects Fund from the Special City Highway Fund. The remaining amounts represent administrative amounts owed to various funds.

	Due from	Due to
Major Funds:		
Capital Project Fund	\$ 147,433	\$ -
General Fund	32,822	68,580
Nonmajor Funds:		
Special City Street and Highway Fund	-	147,433
Equipment Reserve Fund	68,580	-
Grant Fund	-	32,822

**Transfers**

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

	To	From
Major funds:		
General Fund	\$ 338,494	\$ 2,850,610
Capital Projects Fund	3,909,497	-
Stormwater Fund	-	1,428,111
Economic Development Fund	-	40,000
Nonmajor funds:		
Special City Street and Highway Fund	-	548,037
Special Parks and Recreation Fund	-	104,717
Equipment Reserve Fund	688,484	-
Risk Management Reserve Fund	35,000	-
	<u>\$ 4,971,475</u>	<u>\$ 4,971,475</u>

**E. Leases**

The City leases building and office facilities and other equipment under operating leases. Total costs for such leases were \$21,579 for the year ended December 31, 2009. The future minimum lease payments for these leases are as follows:

	Amount
Fiscal year ending December 31:	
2010	\$ 18,003
2011	18,003
2012	20,979
2013	9,170
2014	2,232

CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2009

**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>2008</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2009</u>	Current <u>Portion</u>
General Obligation Bonds	\$ 1,205,000	\$ 10,221,329	\$ 1,060,000	\$ 10,366,329	\$ 1,803,633
Accrued Compensated Absences	<u>249,710</u>	<u>349,679</u>	<u>322,792</u>	<u>276,597</u>	<u>276,597</u>
	<u>\$ 1,454,710</u>	<u>\$ 10,571,008</u>	<u>\$ 1,382,792</u>	<u>\$ 10,642,926</u>	<u>\$ 2,080,230</u>

The balance outstanding as of December 31, 2009 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>
Police facility	3.70-4.00%	1/1/99	\$ 1,660,000	9/1/10	\$ 145,000
Improvement & Refunding	2.00-3.00%	11/19/09	<u>10,221,329</u>	9/1/14	<u>10,221,329</u>
			<u>\$ 11,881,329</u>		<u>\$ 10,366,329</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year:			
2010	\$ 1,803,633	\$ 169,654	\$ 1,973,287
2011	1,803,633	176,275	1,979,908
2012	1,843,633	140,475	1,984,108
2013	1,878,633	103,875	1,982,508
2014	1,918,633	66,575	1,985,208
2015 - 2019	<u>1,118,165</u>	<u>91,375</u>	<u>1,209,540</u>
Total	<u>\$ 10,366,329</u>	<u>\$ 748,229</u>	<u>\$ 11,114,558</u>

During 2009, the City issued \$10,221,329 in general obligation refunding bonds with interest rates ranging from 2.00 to 3.00% to refund \$680,000 of 2000A General Obligation Bonds with interest rates ranging from 4.75 to 6.50%. As a result, the 2000A bonds are considered to be defeased and the liability for the defeased bonds has been removed from the City's financial statements. The transaction resulted in an economic gain of \$64,819 and a decrease of \$61,154 in future debt payments.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2009

**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, 2009.

<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	2,846,801
			<u>\$ 17,910,000</u>		<u>\$ 16,756,801</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. 8<sup>th</sup> Avenue, Suite 200, Topeka, Kansas, 66603-3925; 1-800-228-0366; or [www.kpers.org](http://www.kpers.org)).

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at either 4% or 6% of covered salary based on the employees tier. 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 6.54% from January 1 to February 28, 2009 and 5.54% from March 1 to December 31, 2009. The City contributions to KPERS for the years ending December 31, 2009, 2008, and 2007 were \$166,421, \$152,889, and \$129,566, respectively, equal to the statutory required contributions for each year.

CITY OF PRAIRIE VILLAGE, KANSAS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 December 31, 2009

**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 seventy-four current and former employees. 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 2009 was approximately \$6.1 million. The City's contributions to this defined contribution plan were based on estimated payroll of approximately \$3.2 million. The City made the required 5% contribution up to a maximum contribution of \$2,500 per employee, which amounted to \$123,328 during 2009.

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, 2009

ASSETS	
Restricted cash and investments	<u>\$ 2,190,774</u>
Total assets	<u>\$ 2,190,774</u>
LIABILITIES AND NET ASSETS	
Liabilities	\$ -
Net assets	
Held in trust for pension benefits	<u>2,190,774</u>
Total net assets	<u>2,190,774</u>
Total liabilities and net assets	<u>\$ 2,190,774</u>

CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2009

**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, 2009

Additions:	
Contributions :	
Employer	\$ 242,660
Total contributions	<u>242,660</u>
Investment Earnings:	
Non-cash asset changes	[112,687]
Net increase/decrease in the fair value of investments	<u>481,510</u>
Total investment earnings	<u>368,823</u>
Total additions	<u>611,483</u>
Deductions:	
Benefits	<u>83,991</u>
Changes in net assets	527,492
Net assets - beginning	<u>1,663,282</u>
Net assets - ending	<u><u>\$ 2,190,774</u></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, 2009, there were forty-one active participants (eight fully vested, seventeen partially vested and sixteen nonvested), six vested terminees (not currently receiving benefits), and thirty-four 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 2009 was \$445,120.

CITY OF PRAIRIE VILLAGE, KANSAS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 December 31, 2009

**IV. OTHER INFORMATION (CONTINUED)**

**A. Employee Retirement Systems and Pension Plans (Continued)**

City contributions are authorized by local ordinance. The City may terminate the plan or its contributions at any time. Administrative costs of the Plan are financed outside of plan assets.

The City's annual pension cost and changes in the City's net pension asset/obligation consisted of the following for the year ended December 31, 2009:

Annual required contribution	\$ 445,120
Interest on net pension obligation	[1,141]
Adjustment to annual required contribution	<u>1,066</u>
Annual pension cost	<u>\$ 445,045</u>
Annual pension cost	\$ 445,045
Less contributions made	<u>[430,000]</u>
Increase in net pension obligation	15,045
Net pension obligation/[asset] at beginning of year	<u>[14,265]</u>
Net pension obligation/[asset] at end of year	<u>\$ 780</u>

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

Year:	Annual Required Contribution <u>[ARC]</u>	Percentage of ARC Contributed	Annual Pension Cost	Net Pension Obligation	Net Pension Asset
2007	\$ 139,270	100%	\$ 140,272	-	\$ 26,609
2008	251,409	95%	252,344	-	14,265
2009	445,120	97%	445,045	780	-

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.



CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2009

**IV. OTHER INFORMATION (CONTINUED)**

**A. Employee Retirement Systems and Pension Plans (Continued)**

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, 2009

ASSETS

Restricted cash and investments	\$ 8,261,102
Interest receivable	<u>24,703</u>

Total assets	<u>\$ 8,285,805</u>
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LIABILITIES AND NET ASSETS

Liabilities	\$ -
Net assets	
Held in trust for pension benefits	<u>8,285,805</u>
Total net assets	<u>8,285,805</u>

Total liabilities and net assets	<u><u>\$ 8,285,805</u></u>
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CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2009

**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, 2009

Additions:	
Contributions :	
Employer	\$ 430,000
Plan members	<u>101,329</u>
Total contributions	<u>531,329</u>
Investment Earnings:	
Interest and dividends on investments	180,068
Net increase/decrease in the fair value of investments	<u>933,017</u>
Total investment earnings	<u>1,113,085</u>
Total additions	<u>1,644,414</u>
Deductions:	
Benefits	<u>546,966</u>
Changes in net assets	1,097,448
Net assets - beginning	<u>7,188,357</u>
Net assets - ending	<u>\$ 8,285,805</u>

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2009
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 7 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, 2009

**IV. OTHER INFORMATION (CONTINUED)**

**A. Employee Retirement Systems and Pension Plans (Continued)**

**Subsequent Event**

The City adopted a new plan design for the Supplemental Pension Plan effective January 1, 2010. The new design is based on a match system instead of the pool system as with the current plan design. The employee match portion is a contribution to their Section 457 plan (Deferred Compensation). The new plan design also allows the employee to manage their own investments within the options available. The employer matching schedule adopted with the new plan design is as follows:

Employee Match	City Match
<u>457 - %</u>	<u>401(a) - %</u>
0.00	3.50
1.00	4.00
2.00	4.50
3.00	5.00
4.00	5.50
5.00	6.00

Under the current plan design, forfeitures are allocated to any individual (active, separated, or retired) who has funds in the plan in proportion to the balance of the pension fund. Therefore, an individual (active, separated, or retired) who has 10% of the balance in the fund would receive 10% of the amounts forfeited. Forfeitures after 1/1/10 would revert to the City to offset future contributions.

**Vesting**

Currently, the vesting schedule is tiered over 11 years as shown below. The new plan has a shorter vesting period.

<u>Current Plan</u>		<u>New Plan</u>	
<u>Years</u>	<u>% Vested</u>	<u>Years</u>	<u>% Vested</u>
Less Than 4	0	Less Than 2	0%
4	40	2 +	100%
5	45		
6	50		
7	60		
8	70		
9	80		
10	90		
11	100		

**Timing of Contributions**

Under the current plan, the City's contribution is made once a year. Under the new plan, the City's contribution and employee match will occur at each pay period based on gross salary. The employee can change match levels at any time to be effective with the next pay period.

**Inactive/Retired Members**

When the Plan transitions to the new design, the balance of inactive/retired members' accounts as of December 31, 2009 will be transferred over to a 401(a) account and retired members will continue to receive payments just as they have in the past.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2009

**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.

<u>Policy</u>	<u>Deductible</u>	<u>Limit</u>
Property	\$ 25,000	Agreed amounts
Equipment breakdown	25,000	Agreed amounts
Inland marine	25,000	Actual cash value
General liability	-	2,000,000
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. If retired prior to January 1, 2009, the contributions are equal to 100% of the full active premium. If retired on or after January 1, 2009, the contributions are equal to 125% of the full active premium except if the employee accepted the early retirement incentive program during 2009 they pay only 100% of the full active premium. Premium amounts are as follows:

	<u>Health</u>	<u>Dental</u>	<u>Vision</u>	<u>Total</u>
<b>2009 Base Plan</b>				
Single	\$ 355.55	\$ 20.58	\$ 7.63	\$ 383.76
Single + 1	860.57	38.90	15.09	914.56
Family	1,268.21	71.70	24.81	1,364.72
<b>2009 Buy-up Plan</b>				
Single	\$ 439.97	\$ 31.10	\$ 7.63	\$ 478.70
Single + 1	1,064.91	58.80	15.09	1,138.80
Family	1,569.36	108.34	24.81	1,702.51

**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

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2009

**IV. OTHER INFORMATION (CONTINUED)**

**C. Postemployment Healthcare Plan (Continued)**

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	\$ 8,699
Interest on Net OPEB Obligation	594
Adjustment to Annual Required Contribution	<u>[776]</u>
Annual OPEB cost (expense)	8,517
Benefit payments	<u>8,527</u>
Change in net OPEB obligation	[10]
Net OPEB obligation - beginning of year	<u>13,210</u>
Net OPEB obligation - end of year	<u>\$ 13,200</u>

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, 2009 was as follows:

Fiscal Year <u>Ended</u>	Annual OPEB Cost	Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>	Percentage of Annual OPEB Cost <u>Contributed</u>
December 31, 2008	\$ 22,222	\$ 9,012	\$ 13,210	40.55%
December 31, 2009	8,517	8,527	13,200	100.00%

The information for the preceding year was not available.

**Funding Status and Funding Progress.** As of January 1, 2009, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was \$107,201 and the actuarial value of asset was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$107,201. The covered payroll (annual payroll of active employees covered by the plan) was \$5,242,016, and the ratio of the UAAL to the covered payroll was 2.0%.

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.

CITY OF PRAIRIE VILLAGE, KANSAS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 December 31, 2009

**IV. OTHER INFORMATION (CONTINUED)**

**C. Postemployment Healthcare Plan (Continued)**

In the year ended December 31, 2009, 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.

**D. Restatement**

In 2009, it was determined that an adjustment to record net pension assets was required. The effect of which is as follows:

	Governmental <u>Activities</u>
Net Assets December 31, 2008	\$ 68,464,167
Prior period adjustment	<u>14,265</u>
Net Assets December 31, 2008, restated	<u>\$ 68,478,432</u>

CITY OF PRAIRIE VILLAGE, KANSAS

PRAIRIE VILLAGE POLICE PENSION PLAN  
 REQUIRED SUPPLEMENTARY INFORMATION  
 December 31, 2009

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
2009	8,626,028	10,413,740	1,787,712	82.8%	2,369,803	75.4%

\*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 Required Contribution [ARC]	Percentage of ARC Contributed	Annual Pension Cost	Net Pension Obligation	Net Pension Asset
2007	\$ 139,270	100%	\$ 140,272	\$ -	\$ 26,609
2008	251,409	95%	252,344	-	14,265
2009	445,120	97%	445,045	780	-

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, 2009
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 7 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, 2009

Schedule of Employer Contributions:

Fiscal Year <u>Ended</u>	Annual OPEB Cost	Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>	Percentage of Annual OPEB Cost <u>Contributed</u>
December 31, 2008	\$ 22,222	\$ 9,012	\$ 13,210	40.55%
December 31, 2009	8,517	8,527	13,200	100.00%

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%
1/1/2009	-	107,201	107,201	0.0%	5,242,016	2.0%

The information for the preceding year 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, 2009

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 776,850	\$ 20,136	\$ 796,986
Taxes receivable	-	267,355	267,355
Interest receivable	2,485	-	2,485
Other receivable	32,822	-	32,822
Prepaid expenditures	1,100	-	1,100
Due from other governments	147,433	-	147,433
Due from other funds	68,580	-	68,580
Total assets	<u>\$ 1,029,270</u>	<u>\$ 287,491</u>	<u>\$ 1,316,761</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 1,231	\$ -	\$ 1,231
Accrued payroll	744	-	744
Due to other funds	180,255	-	180,255
Deferred revenue	-	267,478	267,478
Total liabilities	<u>182,230</u>	<u>267,478</u>	<u>449,708</u>
 Fund balance:			
Reserved			
For debt service	-	20,013	20,013
For prepaid expenditures	1,100	-	1,100
Unreserved			
Undesignated [deficit]	845,940	-	845,940
Total fund balance [deficit]	<u>847,040</u>	<u>20,013</u>	<u>867,053</u>
Total liabilities and fund balances	<u>\$ 1,029,270</u>	<u>\$ 287,491</u>	<u>\$ 1,316,761</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, 2009

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ -	\$ 427,547	\$ 427,547
Intergovernmental	797,939	-	797,939
Other	1,616	-	1,616
Use of money and property	3,913	166	4,079
Total Revenues	<u>803,468</u>	<u>427,713</u>	<u>1,231,181</u>
Expenditures			
Current			
Urban management and planning	21,362	-	21,362
Public safety	89,959	-	89,959
Leisure, recreation	14,366	-	14,366
Capital outlay	278,793	-	278,793
Debt service			
Principal	-	385,000	385,000
Interest and other charges	-	58,435	58,435
Total Expenditures	<u>404,480</u>	<u>443,435</u>	<u>847,915</u>
Excess [deficiency] of revenues over [under] expenditures	<u>398,988</u>	<u>[15,722]</u>	<u>383,266</u>
Other Financing Sources [Uses]			
Transfers in	723,484	-	723,484
Transfers [out]	[652,754]	-	[652,754]
Total Other Financing Sources [Uses]	<u>70,730</u>	<u>-</u>	<u>70,730</u>
Net change in fund balances	469,718	[15,722]	453,996
Fund balance, beginning	<u>377,322</u>	<u>35,735</u>	<u>413,057</u>
Fund balance, ending	<u>\$ 847,040</u>	<u>\$ 20,013</u>	<u>\$ 867,053</u>

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
December 31, 2009

ASSETS	Special City Street and Highway	Special Parks and Recreation	Special Alcohol	Grant	Equipment Reserve	Risk Management Reserve	Totals
Cash and investments	\$ -	\$ 2,751	\$ 32,140	\$ -	\$ 661,131	\$ 80,828	\$ 776,850
Interest receivable	-	-	-	-	-	2,485	2,485
Other receivable	-	-	-	32,822	-	-	32,822
Prepaid expenditures	-	-	1,100	-	-	-	1,100
Due from other governments	147,433	-	-	-	-	-	147,433
Due from other funds	-	-	-	-	68,580	-	68,580
Total assets	<u>\$ 147,433</u>	<u>\$ 2,751</u>	<u>\$ 33,240</u>	<u>\$ 32,822</u>	<u>\$ 729,711</u>	<u>\$ 83,313</u>	<u>\$ 1,029,270</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ 51	\$ -	\$ 884	\$ 296	\$ 1,231
Accrued payroll	-	-	744	-	-	-	744
Due to other funds	147,433	-	-	32,822	-	-	180,255
Total liabilities	<u>147,433</u>	<u>-</u>	<u>795</u>	<u>32,822</u>	<u>884</u>	<u>296</u>	<u>182,230</u>
Fund balances							
Reserved for prepaid expenditures	-	-	1,100	-	-	-	1,100
Unreserved and undesignated	-	2,751	31,345	-	728,827	83,017	845,940
Total fund balances	<u>-</u>	<u>2,751</u>	<u>32,445</u>	<u>-</u>	<u>728,827</u>	<u>83,017</u>	<u>847,040</u>
Total liabilities and fund balances	<u>\$ 147,433</u>	<u>\$ 2,751</u>	<u>\$ 33,240</u>	<u>\$ 32,822</u>	<u>\$ 729,711</u>	<u>\$ 83,313</u>	<u>\$ 1,029,270</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, 2009

	Special City Street and Highway	Special Parks and Recreation	Special Alcohol	Grant	Equipment Reserve	Risk Management Reserve	Total
Revenues							
Intergovernmental	\$ 548,037	\$ 86,137	\$ 86,130	\$ 37,890	\$ 39,745	\$ -	\$ 797,939
Other	-	-	12	-	-	1,604	1,616
Use of money and property	-	-	-	-	3,913	-	3,913
Total revenues	<u>548,037</u>	<u>86,137</u>	<u>86,142</u>	<u>37,890</u>	<u>43,658</u>	<u>1,604</u>	<u>803,468</u>
Expenditures							
Current:							
Urban management and planning	-	-	-	-	-	21,362	21,362
Public safety	-	-	52,069	37,890	-	-	89,959
Leisure, recreation	-	-	14,366	-	-	-	14,366
Capital outlay	-	-	-	-	278,793	-	278,793
Total expenditures	<u>-</u>	<u>-</u>	<u>66,435</u>	<u>37,890</u>	<u>278,793</u>	<u>21,362</u>	<u>404,480</u>
Excess [deficiency] of revenues over [under] expenditures	<u>548,037</u>	<u>86,137</u>	<u>19,707</u>	<u>-</u>	<u>[235,135]</u>	<u>[19,758]</u>	<u>398,988</u>
Other financing sources [uses]							
Transfers in	-	-	-	-	688,484	35,000	723,484
Transfers [out]	<u>[548,037]</u>	<u>[104,717]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[652,754]</u>
Total other financing sources [uses]	<u>[548,037]</u>	<u>[104,717]</u>	<u>-</u>	<u>-</u>	<u>688,484</u>	<u>35,000</u>	<u>70,730</u>
Net change in fund balances	-	[18,580]	19,707	-	453,349	15,242	469,718
Fund balances, beginning	<u>-</u>	<u>21,331</u>	<u>12,738</u>	<u>-</u>	<u>275,478</u>	<u>67,775</u>	<u>377,322</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ 2,751</u>	<u>\$ 32,445</u>	<u>\$ -</u>	<u>\$ 728,827</u>	<u>\$ 83,017</u>	<u>\$ 847,040</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, 2009

	GAAP		Budgetary Basis Actual	Budgeted Amounts		Variance Positive [Negative]
	Basis Actual	Adjustments		Original	Final	
Revenues						
Intergovernmental	\$ 548,037	\$ -	\$ 548,037	\$ 636,540	\$ 636,540	\$ [88,503]
Total revenues	<u>548,037</u>	<u>-</u>	<u>548,037</u>	<u>636,540</u>	<u>636,540</u>	<u>[88,503]</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>548,037</u>	<u>-</u>	<u>548,037</u>	<u>636,540</u>	<u>636,540</u>	<u>[88,503]</u>
Other financing sources [uses]						
Transfers [out]	<u>[548,037]</u>	<u>-</u>	<u>[548,037]</u>	<u>[636,540]</u>	<u>[636,540]</u>	<u>88,503</u>
Total other financing sources [uses]	<u>[548,037]</u>	<u>-</u>	<u>[548,037]</u>	<u>[636,540]</u>	<u>[636,540]</u>	<u>88,503</u>
Net change in fund balance	-	-	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>			
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, 2009

	GAAP Basis		Budgetary Basis Actual	Budgeted Amounts		Variance Positive [Negative]
	Actual	Adjustments		Original	Final	
Revenues						
Intergovernmental	\$ 86,137	\$ -	\$ 86,137	\$ 86,000	\$ 86,000	\$ 137
Total revenues	<u>86,137</u>	<u>-</u>	<u>86,137</u>	<u>86,000</u>	<u>86,000</u>	<u>137</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>86,137</u>	<u>-</u>	<u>86,137</u>	<u>86,000</u>	<u>86,000</u>	<u>137</u>
Other financing sources [uses]						
Transfers [out]	<u>[104,717]</u>	<u>-</u>	<u>[104,717]</u>	<u>[104,717]</u>	<u>[104,717]</u>	<u>-</u>
Total other financing sources [uses]	<u>[104,717]</u>	<u>-</u>	<u>[104,717]</u>	<u>[104,717]</u>	<u>[104,717]</u>	<u>-</u>
Net change in fund balance	[18,580]	-	[18,580]	\$ [18,717]	\$ [18,717]	\$ 137
Fund balance, beginning	<u>21,331</u>	<u>-</u>	<u>21,331</u>			
Fund balance, ending	<u>\$ 2,751</u>	<u>\$ -</u>	<u>\$ 2,751</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, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 86,130	\$ -	\$ 86,130	\$ 86,000	\$ 86,000	\$ 130
Miscellaneous	12	-	12	-	-	12
Total revenues	<u>86,142</u>	<u>-</u>	<u>86,142</u>	<u>86,000</u>	<u>86,000</u>	<u>142</u>
Expenditures						
Public safety	52,069	-	52,069	84,616	84,616	32,547
Leisure, recreation	<u>14,366</u>	<u>-</u>	<u>14,366</u>	<u>15,000</u>	<u>15,000</u>	<u>634</u>
Total expenditures	<u>66,435</u>	<u>-</u>	<u>66,435</u>	<u>99,616</u>	<u>99,616</u>	<u>33,181</u>
Net change in fund balance	19,707	-	19,707	<u>\$ [13,616]</u>	<u>\$ [13,616]</u>	<u>\$ 33,323</u>
Fund balance, beginning	<u>12,738</u>	<u>-</u>	<u>12,738</u>			
Fund balance, ending	<u>\$ 32,445</u>	<u>\$ -</u>	<u>\$ 32,445</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, 2009

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance Positive [Negative]
				Original	Final	
Revenues						
Taxes	\$ 427,547	\$ -	\$ 427,547	\$ 429,875	\$ 429,875	\$ [2,328]
Use of money and property	166	-	166	3,000	3,000	[2,834]
Total revenues	<u>427,713</u>	<u>-</u>	<u>427,713</u>	<u>432,875</u>	<u>432,875</u>	<u>[5,162]</u>
Expenditures						
Debt service						
Principal	385,000	-	385,000	385,000	385,000	-
Interest and other charges	<u>58,435</u>	<u>-</u>	<u>58,435</u>	<u>58,436</u>	<u>58,436</u>	<u>1</u>
Total expenditures	<u>443,435</u>	<u>-</u>	<u>443,435</u>	<u>443,436</u>	<u>443,436</u>	<u>1</u>
Net change in fund balance	[15,722]	-	[15,722]	<u>\$ [10,561]</u>	<u>\$ [10,561]</u>	<u>\$ [5,161]</u>
Fund balance, beginning	<u>35,735</u>	<u>-</u>	<u>35,735</u>			
Fund balance, ending	<u>\$ 20,013</u>	<u>\$ -</u>	<u>\$ 20,013</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  
STORMWATER FUND

For the Year Ended December 31, 2009

	GAAP Basis		Budgetary Basis Actual	Budgeted Amounts		Variance Positive [Negative]
	Actual	Adjustments		Original	Final	
Revenues						
Licenses and permits	\$ 2,310	\$ -	\$ 2,310	\$ 7,000	\$ 7,000	\$ [4,690]
Charges for services	1,423,018	-	1,423,018	1,431,413	1,431,413	[8,395]
Use of money and property	2,783	-	2,783	5,000	5,000	[2,217]
Total revenues	<u>1,428,111</u>	<u>-</u>	<u>1,428,111</u>	<u>1,443,413</u>	<u>1,443,413</u>	<u>[15,302]</u>
Expenditures						
Public works	-	-	-	15,172	15,172	[15,172]
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,172</u>	<u>15,172</u>	<u>[15,172]</u>
Excess [deficiency] of revenues over [under] expenditures	<u>1,428,111</u>	<u>-</u>	<u>1,428,111</u>	<u>1,428,241</u>	<u>1,428,241</u>	<u>[130]</u>
Other financing sources [uses]						
Transfers [out]	<u>[1,428,111]</u>	<u>-</u>	<u>[1,428,111]</u>	<u>[1,428,241]</u>	<u>[1,428,241]</u>	<u>130</u>
Total other financing sources [uses]	<u>[1,428,111]</u>	<u>-</u>	<u>[1,428,111]</u>	<u>[1,428,241]</u>	<u>[1,428,241]</u>	<u>130</u>
Net change in fund balance	-	-	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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  
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, 2009

ASSETS	Supplemental Retirement Fund	Revised Prairie Village Police Pension Fund	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Restricted cash	\$ 7,829	\$ 277,321	\$ 285,150
Restricted investments, at fair value			
Common stock	-	5,102,277	5,102,277
Pooled equity funds	2,182,945	-	2,182,945
Fixed income	-	2,881,504	2,881,504
Total restricted investments	<u>2,182,945</u>	<u>7,983,781</u>	<u>10,166,726</u>
Interest receivable	-	24,703	24,703
Total assets	<u>\$ 2,190,774</u>	<u>\$ 8,285,805</u>	<u>\$ 10,476,579</u>
 LIABILITIES AND NET ASSETS			
Liabilities			
Net assets			
Held in trust for pension benefits	\$ 2,190,774	\$ 8,285,805	\$ 10,476,579
Total net assets	<u>2,190,774</u>	<u>8,285,805</u>	<u>10,476,579</u>
Total liabilities and net assets	<u>\$ 2,190,774</u>	<u>\$ 8,285,805</u>	<u>\$ 10,476,579</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, 2009

	Supplemental Retirement Fund	Revised Prairie Village Police Pension Fund	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Additions:			
Contributions :			
Employer	\$ 242,660	\$ 430,000	\$ 672,660
Plan members	-	101,329	101,329
Total contributions	<u>242,660</u>	<u>531,329</u>	<u>773,989</u>
Investment Earnings:			
Interest and dividends on investments	-	180,068	180,068
Non-cash asset changes	[112,687]	-	[112,687]
Net increase/decrease in the fair value of investments	<u>481,510</u>	<u>933,017</u>	<u>1,414,527</u>
Total investment earnings	<u>368,823</u>	<u>1,113,085</u>	<u>1,481,908</u>
Total additions	<u>611,483</u>	<u>1,644,414</u>	<u>2,255,897</u>
Deductions:			
Benefits	<u>83,991</u>	<u>546,966</u>	<u>630,957</u>
Changes in net assets	527,492	1,097,448	1,624,940
Net assets - beginning	<u>1,663,282</u>	<u>7,188,357</u>	<u>8,851,639</u>
Net assets - ending	<u>\$ 2,190,774</u>	<u>\$ 8,285,805</u>	<u>\$ 10,476,579</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.*

TABLE 1  
(UNAUDITED)

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>	<u>2009</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	\$ 62,148,880
Restricted	87,141	128,990	168,564	230,513	197,827	258,683	233,847
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>	<u>7,107,359</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>	<u>\$ 69,490,086</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.



TABLE 2  
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS  
CHANGE IN NET ASSETS  
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>	<u>2009</u>
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	\$ 3,354,849
Public works	3,597,853	6,743,408	6,174,532	8,807,244	8,203,302	7,684,541	8,834,376
Public safety	4,172,054	4,293,500	4,606,977	4,919,202	5,063,596	5,102,560	5,453,093
Municipal justice	240,887	260,073	280,708	343,226	349,769	370,433	389,952
Leisure and recreation	1,096,950	817,561	787,935	824,395	924,399	917,170	713,252
Interest on Long-Term Debt	165,211	148,189	130,238	112,434	93,165	72,658	88,186
Total Primary Government Expenses	<u>11,933,514</u>	<u>15,106,564</u>	<u>14,909,950</u>	<u>17,849,522</u>	<u>17,628,600</u>	<u>17,279,410</u>	<u>18,833,708</u>
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	1,767,715
Public works	60,140	58,243	53,508	72,508	72,054	107,855	1,498,500
Public safety	1,614,123	1,714,819	1,830,196	2,139,920	2,163,163	2,204,404	2,213,361
Municipal justice	48,818	46,922	46,916	65,557	59,540	64,725	43,313
Leisure and recreation	435,432	380,729	426,946	436,041	441,399	429,579	437,850
Operating grants and contributions							
Urban management and planning	-	-	-	-	-	-	15,000
Public safety	11,338	3,355	71,318	3,197	11,821	6,564	22,890
Capital grants and contributions							
Public works	390,246	745,288	544,352	517,484	1,918,004	728,705	354,076
Total Primary Government Program Revenues	<u>4,056,688</u>	<u>4,501,237</u>	<u>4,555,489</u>	<u>4,826,524</u>	<u>6,272,367</u>	<u>5,265,512</u>	<u>6,352,705</u>
Total Primary Government Net [Expense]	<u>[7,876,826]</u>	<u>[10,605,327]</u>	<u>[10,354,461]</u>	<u>[13,022,998]</u>	<u>[11,356,233]</u>	<u>[12,013,898]</u>	<u>[12,481,003]</u>
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	5,265,998
Sales and use tax	4,735,080	5,237,058	5,298,202	5,301,867	5,262,107	5,219,057	4,839,903
Motor vehicle tax	431,049	560,644	569,568	556,985	531,497	513,573	544,505
Franchise tax	1,615,189	1,567,167	1,629,419	1,629,706	1,681,147	1,829,831	1,717,002
Grants and contributions not restricted to specific programs	899,494	890,611	935,916	957,868	912,307	971,712	919,500
Investment earnings	122,111	164,161	309,886	579,452	662,691	335,599	125,136
Miscellaneous	226,286	299,944	63,695	110,661	49,375	86,081	80,613
Total primary government	<u>12,025,842</u>	<u>12,747,069</u>	<u>12,956,017</u>	<u>13,354,328</u>	<u>13,576,035</u>	<u>14,133,151</u>	<u>13,492,657</u>
Change in Net Assets							
Governmental activities	<u>\$ 4,149,016</u>	<u>\$ 2,141,742</u>	<u>\$ 2,601,556</u>	<u>\$ 331,330</u>	<u>\$ 2,219,802</u>	<u>\$ 2,119,253</u>	<u>\$ 1,011,654</u>
		(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>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund				
Reserved	\$ 280,435	\$ 227,413	\$ 234,573	\$ 203,932
Unreserved	<u>5,228,920</u>	<u>5,483,953</u>	<u>6,862,479</u>	<u>5,605,517</u>
Total General Fund	<u>\$ 5,509,355</u>	<u>\$ 5,711,366</u>	<u>\$ 7,097,052</u>	<u>\$ 5,809,449</u>
 All Other Governmental Funds				
Reserved	\$ 616,004	\$ 795,994	\$ 298,285	\$ 318,886
Unreserved, reported in:				
Special revenue funds	103,252	87,713	64,765	87,141
Capital project funds	<u>197,011</u>	<u>894,128</u>	<u>1,409,342</u>	<u>1,314,525</u>
Total All Other Governmental Funds	<u>\$ 916,267</u>	<u>\$ 1,777,835</u>	<u>\$ 1,772,392</u>	<u>\$ 1,720,552</u>

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

TABLE 3  
(UNAUDITED)

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 372,558	\$ 301,539	\$ 106,738	\$ 261,411	\$ 278,309	\$ 241,521
<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>4,658,964</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>	<u>\$ 4,900,485</u>
\$ 328,523	\$ 1,017,735	\$ 945,184	\$ 1,116,475	\$ 131,782	\$ 274,972
126,483	155,504	233,061	1,783,241	2,879,583	3,204,956
<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>11,060,360</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>	<u>\$ 14,540,288</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>2000</u>	<u>2001</u>	<u>2002</u>
Revenues			
Taxes, Net	\$ 9,013,654	\$ 9,088,035	\$ 8,938,293
Intergovernmental	3,956,504	2,634,454	4,782,758
Licenses and permits	319,122	340,086	312,230
Charges for services	1,100,990	1,467,067	1,547,520
Fines and forfeitures	385,493	381,582	488,565
Recreational fees	381,363	390,023	442,569
Use of money and property	538,676	516,450	255,070
Other	<u>99,466</u>	<u>59,274</u>	<u>173,426</u>
Total revenues	<u>15,795,268</u>	<u>14,876,971</u>	<u>16,940,431</u>
Expenditures			
Urban management and planning	1,986,967	2,273,106	2,619,356
Public works	2,809,254	2,841,247	5,613,507
Public safety	3,445,711	3,740,892	3,911,193
Municipal justice	179,729	195,487	209,873
Leisure and recreation	946,956	610,793	663,919
Capital outlay	9,171,783	4,446,209	5,045,797
Debt service			
Principal	310,000	1,950,000	365,000
Interest and other charges	<u>283,038</u>	<u>288,814</u>	<u>186,843</u>
Total expenditures	<u>19,133,438</u>	<u>16,346,548</u>	<u>18,615,488</u>
Excess of revenues over [under] expenditures	<u>[3,338,170]</u>	<u>[1,469,577]</u>	<u>[1,675,057]</u>
Other financing sources [uses]			
Transfers in	6,305,629	5,018,049	4,540,583
Transfers out	[6,305,629]	[5,018,049]	[4,540,583]
Bond premium	-	-	-
Sale of bonds	<u>1,600,000</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>1,600,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ [1,738,170]</u>	<u>\$ [1,469,577]</u>	<u>\$ [1,675,057]</u>
Debt service as a percentage of noncapital expenditures	5.95%	18.81%	4.07%

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

TABLE 4  
(UNAUDITED)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$	10,687,234	\$ 11,394,015	\$ 11,639,349	\$ 11,709,149	\$ 11,927,153	\$ 12,727,356	\$ 12,349,694
	1,260,055	1,584,852	1,475,639	1,387,941	2,746,509	1,590,358	1,198,401
	351,017	350,032	384,820	390,233	396,755	459,552	413,294
	2,413,516	2,479,063	2,551,749	2,678,435	2,781,749	2,953,846	4,466,317
	727,073	751,101	820,766	1,047,023	999,862	1,006,365	959,292
	435,432	380,729	426,946	436,041	441,399	429,579	437,850
	122,110	164,160	312,631	579,452	662,691	335,600	125,115
	226,288	284,805	63,249	110,661	49,393	86,081	80,625
	<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>	<u>20,030,588</u>
	2,661,683	2,828,508	2,897,745	2,801,131	2,960,677	3,154,433	3,314,992
	3,396,033	3,339,749	3,194,551	3,721,868	4,080,429	4,301,887	4,540,778
	4,132,170	4,239,918	4,720,791	4,946,932	4,999,368	5,363,206	5,610,354
	238,120	256,843	279,083	333,271	359,473	372,212	389,608
	974,433	695,588	658,556	713,470	699,781	759,294	556,029
	2,630,252	4,278,825	3,891,276	3,320,269	7,648,966	6,064,642	5,218,463
	380,000	400,000	415,000	435,000	455,000	475,000	1,060,000
	170,785	154,154	136,338	118,720	99,862	79,770	66,220
	<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>20,756,444</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>	<u>[725,856]</u>
	2,145,190	3,206,952	3,505,769	4,230,400	7,173,939	6,795,069	4,971,475
	[2,145,190]	[3,206,952]	[3,505,769]	[4,230,400]	[7,173,939]	[6,795,069]	(4,971,475)
	-	-	-	-	-	-	136,329
	-	-	-	-	-	-	10,085,000
	-	-	-	-	-	-	10,221,329
\$	<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>	<u>9,495,473</u>
	4.61%	4.65%	4.48%	4.24%	4.01%	4.11%	7.29%

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TABLE 5  
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS  
GENERAL GOVERNMENT TAX REVENUES BY SOURCE  
LAST TEN YEARS  
December 31, 2009  
(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>
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
2009	5,265,998	1,953,924	1,510,595	755,300	620,084	1,699,288	544,505	12,349,694

(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, 2009  
 (Unaudited)

Category	Local Sales Tax Collected							
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Gas Station	\$ 36,516	\$ 31,293	\$ 17,538	\$ 15,377	\$ 14,927	\$ 20,631	\$ 15,954	\$ 10,932
Grocery Store	539,611	505,803	515,013	526,631	524,210	549,053	577,775	565,778
Home Occupation	29,774	25,325	17,272	15,336	15,409	18,424	14,835	11,147
Restaurant	173,526	191,741	190,202	210,468	219,634	217,308	215,035	203,252
Retail	670,385	688,450	776,541	830,545	854,960	863,501	799,277	755,276
Utility	403,373	431,796	414,304	372,401	343,490	352,816	430,340	407,539
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>	<u>\$ 1,953,924</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>	<u>2009</u>
\$ 3,651,630	\$ 3,129,300	\$ 1,753,800	\$ 1,537,700	\$ 1,492,700	\$ 2,063,100	\$ 1,595,400	\$ 1,093,200
53,961,100	50,580,300	51,501,300	52,663,100	52,421,000	54,905,300	57,777,500	56,577,800
2,977,400	2,532,500	1,727,200	1,533,616	1,540,900	1,842,400	1,483,500	1,114,700
17,352,600	19,174,100	19,020,200	21,046,800	21,963,400	21,730,800	21,503,500	20,325,200
67,038,500	68,845,000	77,654,100	83,054,500	85,496,000	86,350,100	79,927,700	75,527,604
<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>40,753,900</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>	<u>\$ 195,392,404</u>

TABLE 7  
(UNAUDITED)

CITY OF PRAIRIE VILLAGE  
ASSESSED AND ESTIMATED ACTUAL VALUE  
OF TAXABLE PROPERTY (1)  
LAST TEN YEARS  
December 31, 2009

Fiscal Year	<u>Real Property(1)</u>		<u>Personal Property(2)</u>	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
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
2009	279,586,647	2,411,417,190	7,465,621	23,451,017

(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>
\$	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
	287,052,268	2,434,868,207	11.79%	18.179

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, 2009

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
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
2009	1.5	18.179	17.7160	55.3180	8.784	8.991	0.000	3.151	2.346

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.

TABLE 9  
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS

PRINCIPAL TAXPAYERS

December 31, 2009 and Nine Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2009 Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>	<u>2000 Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>
Highwoods Realty Limited	Real Estate	\$ -		0.00%	\$ 14,525,310	1	6.49%
PV Retail Partners, LLC	Real Estate	6,695,184	1	2.33%	-		0.00%
CSN Retail Partners, LLC	Real Estate	6,203,232	2	2.16%	-		0.00%
J.C. Nichols Co.	Real Estate	-		0.00%	2,054,842	4	0.92%
Towers Properties Company	Real Estate	3,505,643	3	1.22%	-		0.00%
State Line OPCO LLC	Real Estate	2,957,250	4	1.03%	-		0.00%
Kansas City Power & Light	Utility	2,642,869	5	0.92%	2,238,725	3	1.00%
Wilmington Trust Company	Real Estate	-		0.00%	2,670,025	2	1.19%
May Department Stores	Retail	-			1,598,250	5	0.71%
Victor L. Regnier Trust	Real Estate	-		0.00%	1,375,835	6	0.61%
Southwestern Bell Telephone	Utility	-		0.00%	986,915	8	0.44%
Lockton Insurance Agency, Inc.	Insurance Agent	-			686,686	10	0.31%
Kenilworth L.L.C.	Real Estate	1,949,365	6	0.68%	-		0.00%
CSS Retail Partners, LLC	Real Estate	1,900,502	7	0.66%	-		0.00%
HCP MA4	Real Estate	1,539,777	8	0.54%	-		0.00%
Kansas Gas Service	Utility	1,364,888	9	0.48%	-		0.00%
Prairie Village Office Center	Real Estate	1,063,750	10	0.37%	-		0.00%
Melody W. Sutherland	Real Estate	-		0.00%	955,876	9	0.43%
Marriott Senior Living	Adult living facility	-		0.00%	1,089,853	7	0.49%
Total		<u>\$ 29,822,460</u>		<u>10.39%</u>	<u>\$ 28,182,317</u>		<u>12.59%</u>

Source: Johnson County Clerks Office

TABLE 10  
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS  
December 31, 2009

<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>
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
2009	5,316,020	5,229,025	98.36%	36,973

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>
\$	2,833,845	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%
	5,265,998	99.1%	697,779	13.25%

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>
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%
2009	10,366,329	10,366,329	21,479	744,827,283	483	1.39%

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



TABLE 12  
(UNAUDITED)

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, 2009

<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>
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
2009	21,479	287,052,268	10,366,329	20,013	10,346,316	3.60%	481.69

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

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TABLE 13  
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
December 31, 2009

<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	\$ 10,366,329	100.00%	\$ 10,366,329
Overlapping debt: (1)			
Johnson County	253,070,000	3.64%	9,211,748
Shawnee Mission School (U.S.D. 512)	249,200,000	9.38%	23,374,960
Fire District #2	1,515,000	38.81%	587,972
Johnson County Parks and Recreation	<u>4,030,000</u>	3.64%	<u>146,692</u>
Total overlapping debt	<u>507,815,000</u>		<u>33,321,372</u>
Total direct and overlapping debt	<u>\$ 518,181,329</u>		<u>\$ 43,687,701</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>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Total Assessed Valuation of Taxable Property	\$ 223,915,500	\$ 236,125,305	\$ 244,150,272	\$ 250,608,971
Debt Limit Percent of Assessed Value	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>
Debt Limit	67,174,650	70,837,592	73,245,082	75,182,691
Total net debt applicable to limit	<u>6,080,000</u>	<u>4,130,000</u>	<u>3,765,000</u>	<u>3,385,000</u>
Legal Debt Margin	<u>\$ 61,094,650</u>	<u>\$ 66,707,592</u>	<u>\$ 69,480,082</u>	<u>\$ 71,797,691</u>
Total Net Debt Applicable To The Limit As A Percentage of Debt Limit	9.05%	5.83%	5.14%	4.50%

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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 255,791,537	\$ 269,806,687	\$ 276,551,250	\$ 287,445,118	\$ 292,384,855	\$ 287,052,268
30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
76,737,461	80,942,006	82,965,375	86,233,535	87,715,457	86,115,680
<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>10,366,329</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>	<u>\$ 75,749,351</u>
3.89%	3.18%	2.57%	1.95%	1.37%	12.04%

TABLE 15  
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS  
 DEMOGRAPHIC STATISTICS  
 LAST TEN YEARS  
 December 31, 2009

<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>
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
2009	21479	5833	4.8%	34,677	744,827,283

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

TABLE 16  
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS  
PRINCIPAL EMPLOYERS  
December 31, 2009 and Nine Years Ago

<u>Employer</u>	December 31, 2009			December 31, 2000		
	Employees	Rank	Percentage of Total Employment	Employees (1)	Rank	Percentage of Total Employment
USD #512	492	1	2.29%	Not Available		0.00%
Hy-Vee	196	2	0.91%	Not Available		0.00%
Claridge Court	121	3	0.56%	Not Available		0.00%
Brighton Gardens	110	4	0.51%	Not Available		0.00%
Hen House #22	109	5	0.51%	Not Available		0.00%
City of Prairie Village	105	6	0.49%	Not Available		0.00%
Macy's	88	7	0.41%	Not Available		0.00%
Country Club Bank	80	8	0.37%	Not Available		0.00%
Nation's Holding Company	70	9	0.33%	Not Available		0.00%
Bijin Salon and Day Spa	70	10	0.33%	Not Available		0.00%
Total	<u>1,441</u>		<u>6.71%</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, 2009

<u>Function/Program</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Public Safety/Municipal Justice</b>				
911 Calls Received	7,806	7,999	8,115	8,055
DUI Arrests	236	228	208	200
Traffic/Parking Complaints	7,099	9,815	8,563	11,960
Accidents	467	585	615	593
Investigations Cases	414	417	449	441
Total Court Cases Processed	11,687	13,729	11,849	12,522
<b>Public Works</b>				
Curb Miles Swept	2,106	2,897	1,630	1,360
Number of Catch Basins Cleaned	1,923	2,492	1,851	2,056
Number of Potholes Patched	2,124	4,660	2,874	1,002
Streets Slurry Sealed (Square Yards)	68,725	64,668	86,743	95,925
Streets Milled and Overlaid (Linear Feet)	12,350	13,482	15,759	11,895
Sidewalk Replaced (Square Yards)	5,713	7,556	6,023	3,951
Curb and Gutter Replaced (Linear Feet)	36,016	33,982	37,251	27,097
Acres of Lawn Mowed	1,160	1,214	1,314	1,319
<b>Urban Management and Planning</b>				
Building Permits Processed	973	1,007	1,215	1,169
Building Inspections Performed	2,041	2,230	2,651	2,309
Plan Reviews Performed	235	259	293	333
<b>Leisure and Recreation</b>				
Facility Reservations Processed	724	1,016	1,392	1,415
Facility Reservation Revenue	35,578	27,557	27,028	22,750
Pool Memberships Sold	4,018	4,192	4,317	4,724
Pool Revenue	365,902	357,444	400,951	198,717
Tennis Lessons Taught	192	133	121	186
Junior Tennis League Memberships Sold	68	82	98	104
Tennis Program Revenue	14,293	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>2009</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>
General Government										
City Administrator	-	3.9	3.9	3.9	3.9	3.9	4.0	4.4	4.0	4.6
Legal	-	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
Finance (Includes IT)	-	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
Planning	-	3.1	3.1	3.1	3.1	3.2	3.0	3.0	3.2	3.2
City Governance *	2.4	-	-	-	-	-	-	-	-	-
Administrative Services *	12.7	-	-	-	-	-	-	-	-	-
Municipal Court *	6.1	-	-	-	-	-	-	-	-	-
Public Works	29.0	29.0	29.0	29.0	29.0	27.0	28.0	28.0	27.0	31.5
Police	61.0	62.0	61.0	61.0	58.0	58.0	58.0	57.0	55.0	56.0
Parks & Recreation	<u>20.8</u>	<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>
Total	132.0	133.1	132.3	132.3	127.8	125.4	125.8	124.2	121.8	126.6

Source: City of Prairie Village Budget Document.

\* Note: Categories changed to reflect the categories used in the 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>2009</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>
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	114.4	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5
Streetlights	2,165.0	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	12.0	11.0	11.0	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	6.0	5.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0
Golf courses (private)	10.0	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.