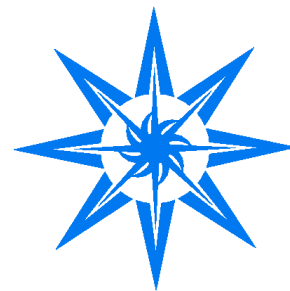




# The City of Prairie Village, Kansas

*Popular Annual Financial Report  
For the Year Ended December 31, 2013*



*The Star of Kansas*



Government Finance Officers Association

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

**City of Prairie Village  
Kansas**

For its Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**



Executive Director/CEO

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## 2013 Citizen's Report

Dear Citizen's of Prairie Village,

We are pleased to present to you the City of Prairie Village's second Popular Annual Financial Report (PAFR) for the fiscal year ending December 31, 2013. The Citizen's Report is a condensed version of the 2013 Comprehensive Annual Financial Report (CAFR). The CAFR is comprised of 94 pages of detailed financial statements, notes, schedules and statistical information. The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by the CPA firm, Berberich Trahan & Co., receiving an unqualified opinion. An unqualified opinion is given when an auditor can state that the financial statements are accurately and fairly presented.

This report provides an analysis of the financial position of the City, where the revenues derive to operate the City, where those same dollars are spent, and how the local economy impacts Prairie Village's overall financial status. Our goal is to better communicate the results of the financial operations of the City in a reader friendly financial publication.

As you review the report, we invite you to share any questions, statements, or comments you may have. You may contact the Finance Department at 913.385.4661. The fully disclosed audited CAFR and summarized PAFR may be found online at [www.pvkansas.com](http://www.pvkansas.com).

Respectfully,



Lisa Santa Maria  
Finance Director



## 2013 Prairie Village Governing Body



First row (left to right): Brooke Morehead, Ashley Weaver, Ruth Hopkins, Mayor Ron Shaffer, Steve Noll, Laura Wassmer

Back row (left to right): Ted Odell, David Belz, Charles Clark, Dale Warman, David Morrison, Andrew Wang

Not pictured: Michael Kelly

Ron Shaffer	Mayor	<a href="mailto:mayor@pvkansas.com">mayor@pvkansas.com</a>
Ashley Weaver	Ward 1	<a href="mailto:aweaver@pvkansas.com">aweaver@pvkansas.com</a>
Dale Warman	Ward 1	<a href="mailto:dwarman@pvkansas.com">dwarman@pvkansas.com</a>
Steve Noll	Ward 2	<a href="mailto:snoll@pvkansas.com">snoll@pvkansas.com</a>
Ruth Hopkins	Ward 2	<a href="mailto:rhopkins@pvkansas.com">rhopkins@pvkansas.com</a>
Michael Kelly	Ward 3	<a href="mailto:mkelly@pvkansas.com">mkelly@pvkansas.com</a>
Andrew Wang	Ward 3	<a href="mailto:awang@pvkansas.com">awang@pvkansas.com</a>
Laura Wassmer	Ward 4	<a href="mailto:lwassmer@pvkansas.com">lwassmer@pvkansas.com</a>
Brooke Morehead	Ward 4	<a href="mailto:bmorehead@pvkansas.com">bmorehead@pvkansas.com</a>
David Morrison	Ward 5	<a href="mailto:dmorrison@pvkansas.com">dmorrison@pvkansas.com</a>
Charles Clark	Ward 5	<a href="mailto:cclark@pvkansas.com">cclark@pvkansas.com</a>
David Belz	Ward 6	<a href="mailto:dbelz@pvkansas.com">dbelz@pvkansas.com</a>
Ted Odell	Ward 6	<a href="mailto:todell@pvkansas.com">todell@pvkansas.com</a>



## The City as a Whole

### Statement of Net Position

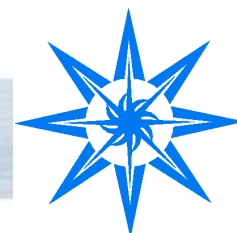
The Statement of Net Position looks at the City as a whole and is a useful indicator of the City's financial position. The table below provides a summary of the City's financial position over time. The full disclosed Statement of Net Position can be located in our 2013 CAFR at [www.pvkansas.com](http://www.pvkansas.com).

	<u>2012</u>	<u>2013</u>
Current and other assets	\$27,341,777	\$25,561,701
Capital assets	69,412,449	71,875,139
Total assets	<u>\$96,754,226</u>	<u>\$97,436,840</u>
Long-term liabilities	\$7,332,584	\$5,451,581
Current liabilities	2,125,905	2,116,460
Other liabilities	1,185,795	1,344,319
Deferred inflows / outflows	8,353,243	8,588,091
Total liabilities	<u>\$18,997,527</u>	<u>\$17,500,451</u>
Net position:		
Net investment in capital assets	\$60,262,019	\$64,573,343
Restricted	4,174,238	3,870,795
Unrestricted	13,320,442	11,492,251
Total net position	<u>\$77,756,699</u>	<u>\$79,936,389</u>
Total liabilities & net position	<u>\$96,754,226</u>	<u>\$97,436,840</u>

The largest portion of the City's assets (66%) reflects investments in capital assets (e.g. land, buildings, infrastructure, machinery and equipment), less related debt to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

#### Definitions:

**Capital Assets.** Land, improvements to land, easements, buildings, improvements to buildings, vehicles, machinery, and any other assets that are used in operations with an initial useful life extending beyond one reporting period.



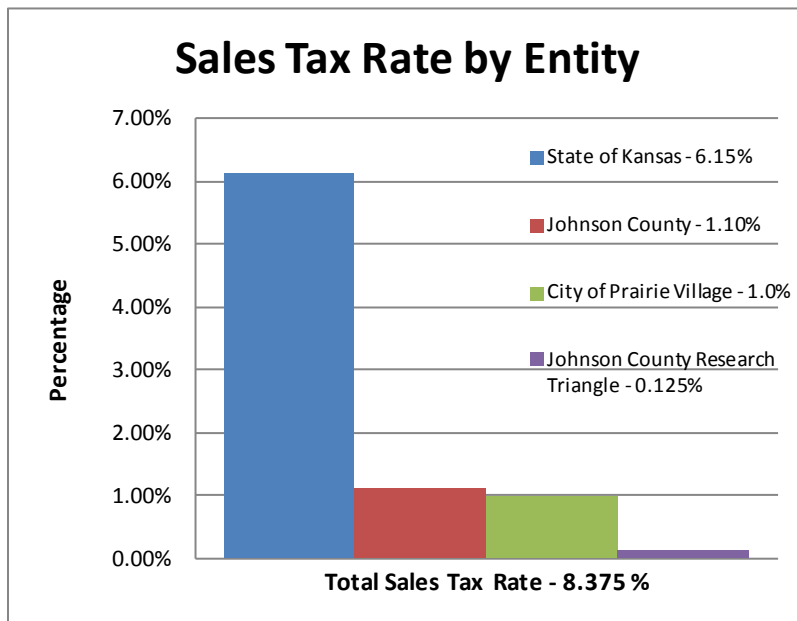
**Net investment in capital assets.** A measure of the level of investment in capital, found by subtracting non-cash depreciation from capital expenditures. This measure helps to give a sense of how much money is being spent on capital items (such as property, buildings and equipment), which are used for operations.

### **Net Position unrestricted = \$11.5 million**

The City has \$11.5 million in available funds to pay for emergencies, shortfalls or other unexpected needs for the fiscal year ended December 31, 2013.

Total assets increased by \$682,614 from 2012 to 2013, while the City's total liabilities decreased by \$1,497,076. The decrease in liabilities was mainly due to the scheduled retirement of bonded debt.

## **Prairie Village's Sales Tax 8.375%**



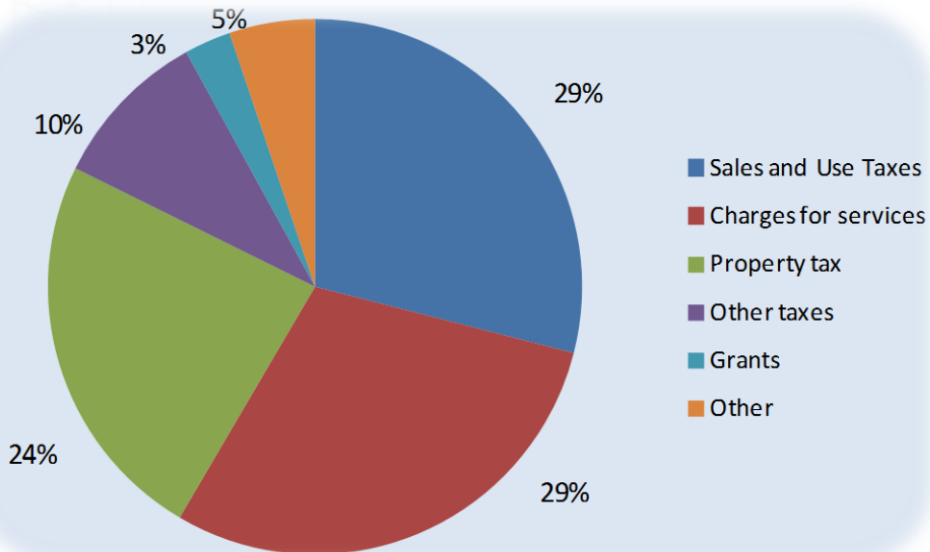
The City levies an additional 1% cent sales tax on taxable sales made at Prairie Village Shops and Corinth Shops for the Community Improvements Districts (CIDs).



## City Services

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.

### Where does the money come from?



#### Definitions:

**Sales Tax.** Sales tax revenue comes from two sources: Local Sales Tax and County Sales Tax. There is an additional 1.00% sales tax applied to purchase made within one of the two Community Improvement Districts (CID).

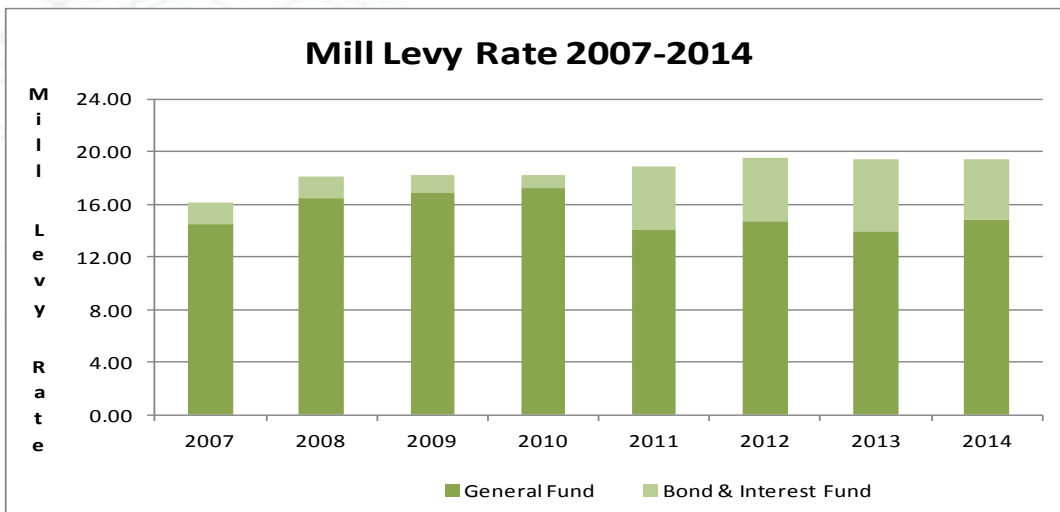
**Charges for Services.** This source includes revenue which is a charge for contract services and special assessments to recipients of certain services. The three largest sources of this revenue type are the police services contract with Mission Hills, special assessments for solid waste collection and the Stormwater Utility fee.

**Other Taxes.** This revenue source includes motor vehicle tax, liquor tax, licenses & permits, recreation fees, fines, interest income and miscellaneous revenue.



## Prairie Village's Property Tax

**Property Taxes.** Taxes due on real estate and personal property. It is computed by applying the City's mill rate to the County's assessed valuation.



### Residents Receive City Services

In 2013, the Average Market Value of a Prairie Village home is \$219,064. In 2014, on average a homeowner will pay \$40.89 each month for City services. The checkbook below illustrates how this amount is divided among various city programs.

<u>Program</u>	<u>Monthly Cost</u>
Public Safety	\$15.13
Public Works	\$13.49
Community Development	\$ 4.91
Administration	\$ 4.50
Parks & Recreation	\$ 1.63
Municipal Court	\$ 1.23

**Your Property Taxes also include Special Assessments or Fees for Trash and Recycling Services and Stormwater System maintenance.**

**Trash Fee: \$174.00 per year or \$14.50 per month**

**Stormwater Fee: \$0.04/sq ft of impervious area**

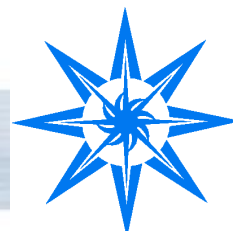
Average Homeowner 7555  
City of Prairie Village

DATE May 15, 2014

PAY TO THE CITY OF PRAIRIE VILLAGE \$40.89  
Forty and 89/100\*\*\*\*\*DOLLARS

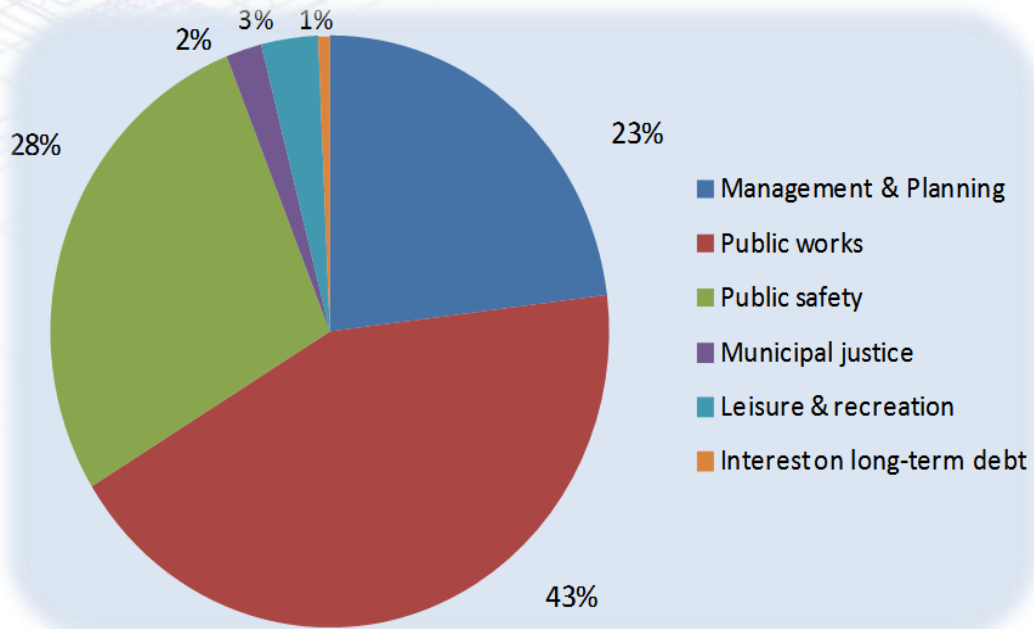
MEMO: Monthly property tax for City Services

TAXPAYER





## Where does the money go?



### Definitions:

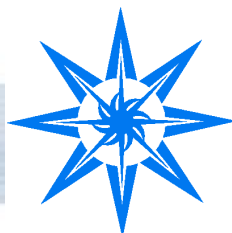
**Management & Planning.** Provides overall management of City operations, coordination of City planning and implementation of Council direction and policy.

**Public Works.** Includes costs associated with maintaining our roads and infrastructure.

**Public Safety.** Provides public safety services which include:

- Crime Prevention
- Patrol
- Investigations
- D.A.R.E
- Traffic

**Leisure & recreation.** Includes costs associated with park development, recreational opportunities and community programs.



## Strategic Use of Debt

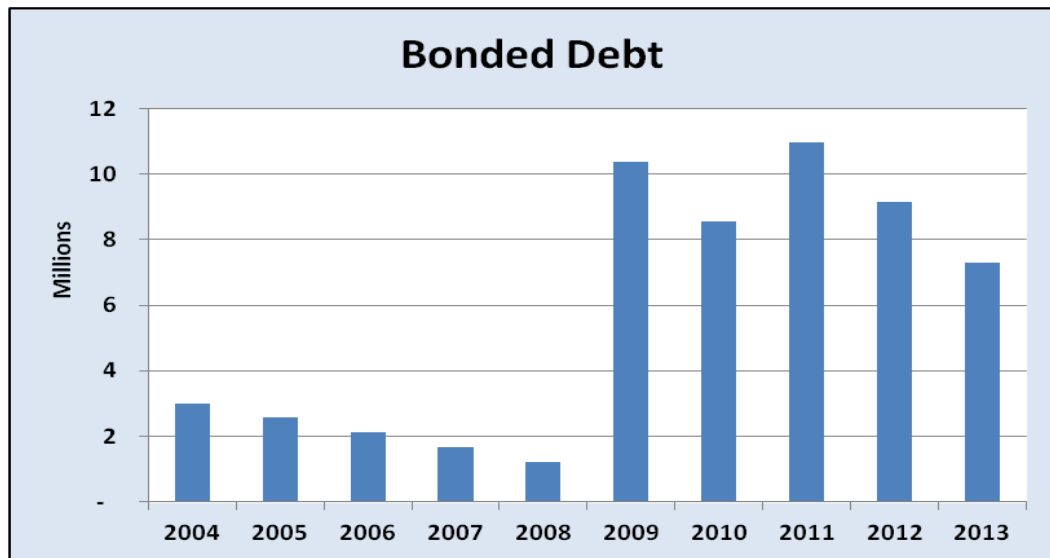
The City has \$7,301,797 in bonded debt for infrastructure improvements as of December 31, 2013.

### Why rely on debt at all?

The City recently took advantage of historically low interest rates to refinance some of its debt, and issue new debt to accelerate work on City infrastructure, primarily residential streets.

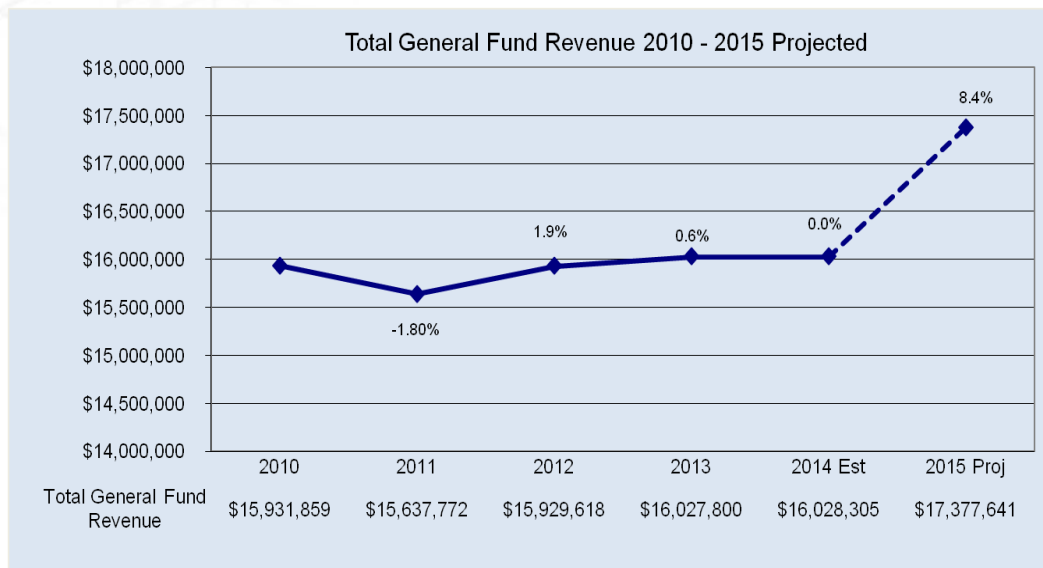
The City also chooses to use bonds when projects are so large, it would never be feasible to save up enough money to pay in cash. The smaller annual debt payments are manageable.

It's also about fairness. If the useful life of a \$1 million building improvement is 20 years, why should today's residents pay 100% of the cost of 1/20<sup>th</sup> of its use? By spreading out financing, the cost is distributed more fairly across time, shared equally among the people who receive a benefit from the improvement.



## Economic Outlook

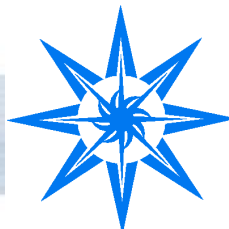
Prairie Village is located in the Kansas City metropolitan area and is considered one of the most desirable suburban communities in the region. The City is conveniently located between the Kansas City, Missouri business/industrial center and the southern Johnson County business districts. The area has experienced steady economic growth during the past two decades. The cyclical declines in the national economy over the last ten years have had a moderate affect on the City's economic growth.



This chart reflects the actual total General Fund revenue received for fiscal years 2010 – 2013. Fiscal year 2014 is an estimate. Based on current year revenue trends, the overall revenue growth is projected at 2.3% for fiscal year 2015. The overall change in projected revenue is 8.4%, which includes a 59% decrease in the scheduled bond and interest payment.

## Long Term Financial Planning

This City of Prairie Village prepared a Financial Forecast prior to the development of the budget. The five year model takes into account projected increases and decreases in revenues and expenditures. This information is shared during the budget deliberations. Financial forecasts are key to strategizing, studying different financial outcomes, modeling demographic trends, and anticipating changes in revenue streams.



The City of Prairie Village encourages its citizens to be involved in the process of government. Contact information for your city officials is listed on this page. This document, known as the Popular Annual Financial Report (PAFR), is to be used as a quick reference for the citizens of Prairie Village, and to summarize the financials of the City. The information in the PAFR is taken directly from the Comprehensive Annual Financial Report (CAFR), which is a more comprehensive report and is available online at [www.pvkansas.com](http://www.pvkansas.com)

## City of Prairie Village Department Heads and Appointed Officials

### Department Heads

City Administrator	Quinn Bennion	<a href="mailto:qbennion@pvkansas.com">qbennion@pvkansas.com</a>	913-385-4601
Assistant City Administrator	Kate Gunja	<a href="mailto:kgunja@pvkansas.com">kgunja@pvkansas.com</a>	913-385-4603
Asst. to the City Administrator	Danielle Dulin	<a href="mailto:ddulin@pvkansas.com">ddulin@pvkansas.com</a>	913-385-4635
City Clerk	Joyce Hagen Mundy	<a href="mailto:jhmundy@pvkansas.com">jhmundy@pvkansas.com</a>	913-385-4616
Finance Director	Lisa Santa Maria	<a href="mailto:lsantamaria@pvkansas.com">lsantamaria@pvkansas.com</a>	913-385-4661
Police Chief	Wes Jordan	<a href="mailto:wjordan@pvkansas.com">wjordan@pvkansas.com</a>	913-385-4621
Public Works Director	Keith Bredehoeft	<a href="mailto:kbredehoeft@pvkansas.com">kbredehoeft@pvkansas.com</a>	913-385-4642

### Appointed Officials

City Attorney	Katie Logan, Lathrop & Gage
City Treasurer	Fielding Norton, Jr.
Municipal Judge	Mary Virginia Clarke
Municipal Judge	M. Bradley Watson
City Prosecutor	Debra Vermillion

### The City of Prairie Village, Kansas

7700 Mission Road, Prairie Village, KS 66208 | **ph** 913.385.4661 | **FX** 913.381.7755

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