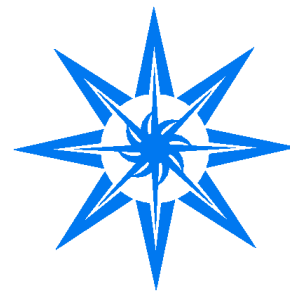




# The City of Prairie Village, Kansas

*Popular Annual Financial Report  
For the Year Ended December 31, 2015*



*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, 2014**

*Jeffrey R. Emen*

Executive Director/CEO

**Table of Contents**

<i>Letter from Finance Director</i>	3
<i>Governing Body</i>	4
<i>City as a Whole</i>	5
<i>Sales Tax Rate</i>	6
<i>City Services</i>	7
<i>Property Tax Rate</i>	8
<i>Where does the money go?</i>	9
<i>Strategic Use of Debt</i>	10
<i>Demographic &amp; Economic Data</i>	11-13
<i>Economic Outlook</i>	14
<i>Long Term Financial Planning</i>	14
<i>Department Heads &amp; Appointed Officials</i>	15





## 2015 Citizen's Report

Dear Citizen's of Prairie Village,

We are pleased to present to you the City of Prairie Village's fourth Popular Annual Financial Report (PAFR) for the fiscal year ending December 31, 2015. The Citizen's Report is a condensed version of the 2015 Comprehensive Annual Financial Report (CAFR). The CAFR is comprised of 108 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 unmodified opinion. An unmodified opinion is given when an auditor can state that the financial statements are accurately and fairly presented.

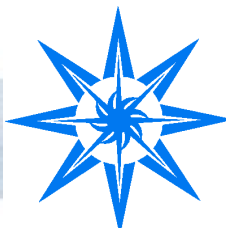
This report provides an analysis of the financial position of the City, where the revenues derive to operate the City, where those same dollars are spent, and how the local economy impacts Prairie Village's overall financial status. Our goal is to better communicate the results of the financial operations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



## 2015 Prairie Village Governing Body



Front row (left to right): Ruth Hopkins, Jori Nelson, Mayor Wassmer, Brooke Morehead and Steve Noll

Middle row (left to right): Ashley Weaver, Sheila Myers and Terrence Gallagher

Back row (left to right): Eric Mikkelson, Dan Runion, David Morrison and Ted Odell

Not pictured: Andrew Wang

Laura Wassmer	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>
Jori Nelson	Ward 1	<a href="mailto:jnelson@pvkansas.com">jnelson@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>
Eric Mikkelson	Ward 3	<a href="mailto:emikkelson@pvkansas.com">emikkelson@pvkansas.com</a>
Andrew Wang	Ward 3	<a href="mailto:awang@pvkansas.com">awang@pvkansas.com</a>
Sheila Myers	Ward 4	<a href="mailto:smyers@pvkansas.com">smyers@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>
Dan Runion	Ward 5	<a href="mailto:drunion@pvkansas.com">drunion@pvkansas.com</a>
Terrence Gallagher	Ward 6	<a href="mailto:tgallagher@pvkansas.com">tgallagher@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

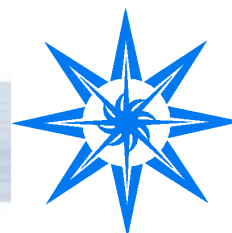
The Statement of Net Position looks at the City as a whole and is a useful indicator of the City's financial position. The table below provides a summary of the City's financial position over time. The full disclosed Statement of Net Position can be located in our 2015 CAFR at [www.pvkansas.com](http://www.pvkansas.com).

	<u>2014</u>	<u>2015</u>
Current and other assets	\$24,913,569	\$24,233,719
Capital assets	71,362,867	74,081,810
Total assets	<u>96,276,436</u>	<u>98,315,529</u>
Total deferred outflows of resources	-	1,011,310
Long-term liabilities	4,714,828	9,677,982
Current liabilities	1,037,328	1,173,456
Other liabilities	1,224,053	1,094,492
Total liabilities	<u>6,976,209</u>	<u>11,945,930</u>
Total deferred inflows of resources	<u>8,721,249</u>	<u>9,234,286</u>
Net position:		
Net investment in capital assets	65,944,703	69,402,279
Restricted	1,283,840	1,188,395
Unrestricted	13,350,435	7,555,949
Total net position	<u>\$80,578,978</u>	<u>\$78,146,623</u>
Total liabilities and deferred inflows of resources & net position	<u>\$96,276,436</u>	<u>\$98,315,529</u>

The largest portion of the City's assets (70%) 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.



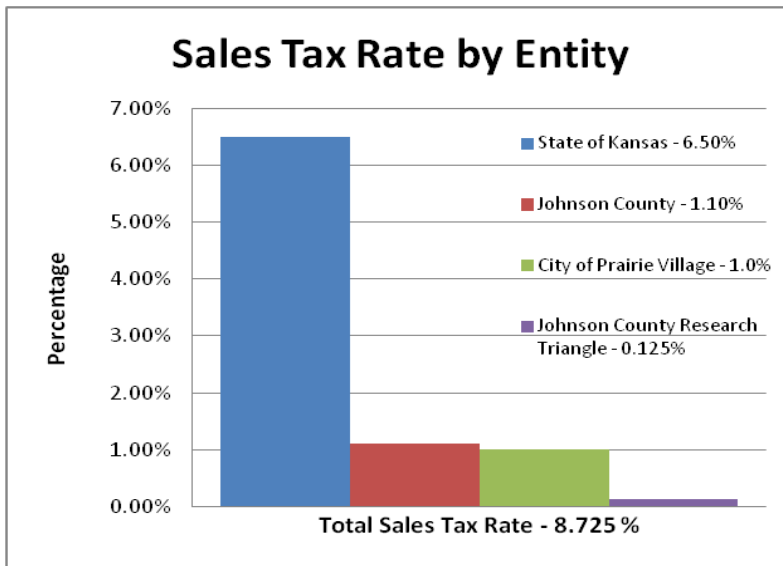
**Net investment in capital assets.** A measure of the level of investment in capital, found by subtracting non-cash depreciation from capital expenditures. This measure helps to give a sense of how much money is being spent on capital items (such as property, buildings and equipment), which are used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

**Net Position unrestricted = \$7.6 million**

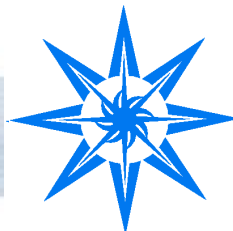
The City has \$7.6 million in available funds to pay for emergencies, shortfalls or other unexpected needs for the fiscal year ending December 31, 2015. The City's unrestricted net position decreased from \$13,350,435 in 2014 to \$7,555,949 in 2015 because of the implementation of GASB No. 68 Accounting and Financial Reporting for Pensions.

The City's combined net position also decreased by \$2,432,355 from 2014 to 2015 as a result of implementing GASB 68. The change in net position as a percentage of assets is a good indicator of the government's financial position. The negative ratio of -3.02% is a result of implementing GASB 68 and not an indication that the City's financial condition has declined.

**Prairie Village's Sales Tax  
8.725%**



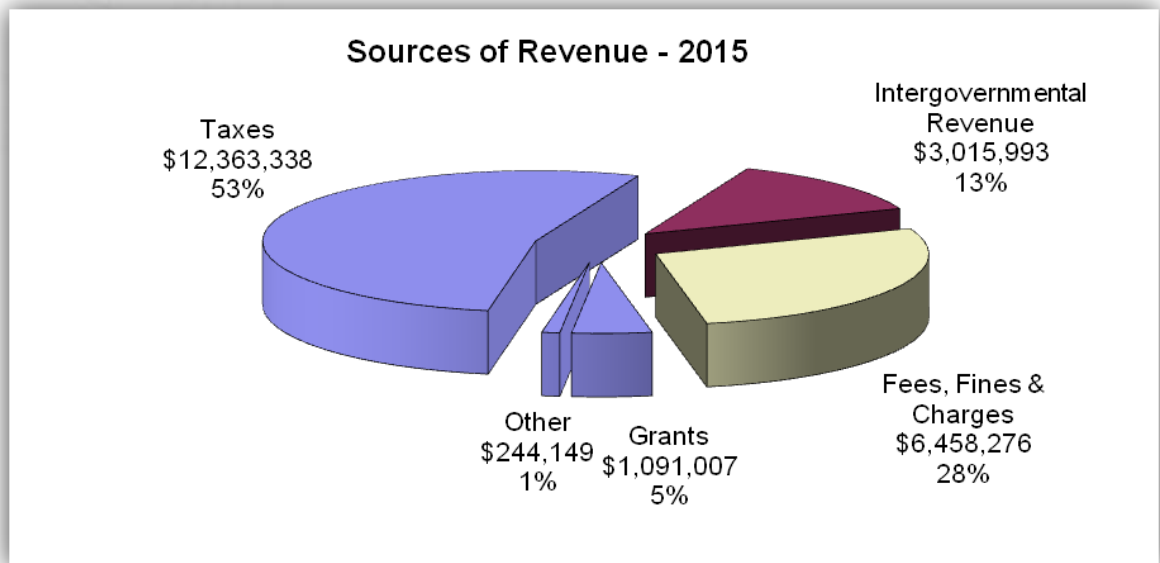
The City levies an additional 1 percent sales tax on taxable sales made at Prairie Village Shops and Corinth Shops for the Community Improvements Districts (CIDs).



## 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:

**Taxes.** Tax revenue includes property, motor vehicle, local sales and use and franchise fees. There is an additional 1.00% sales tax applied to purchases made within one of the two Community Improvement Districts (CID).

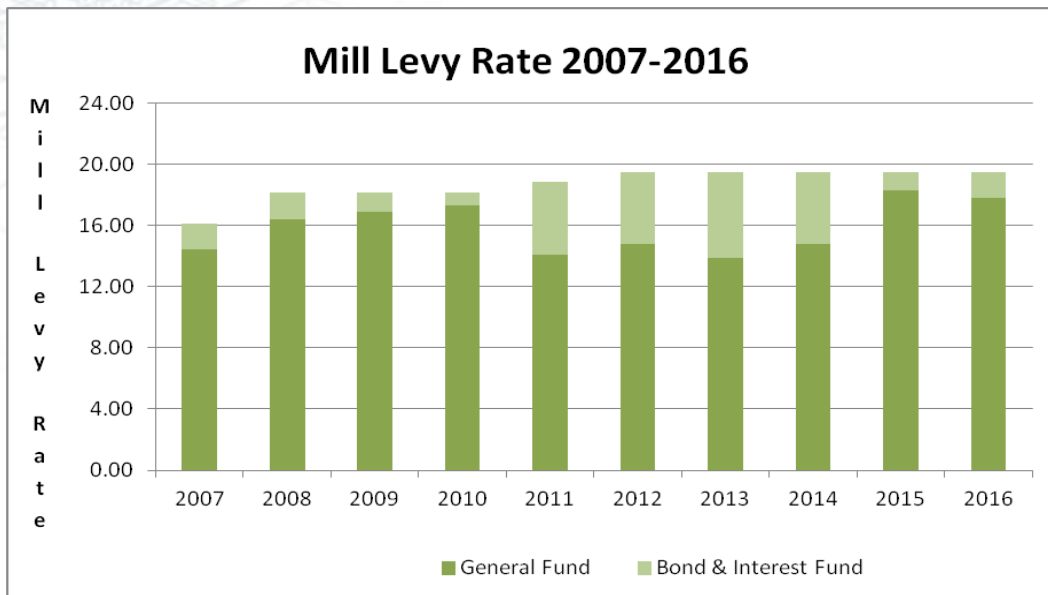
**Fees, Fines and Charges for Services.** This source includes revenue which is a charge for contract services and special assessments to recipients of certain services. The three largest sources of this revenue type are the police services contract with Mission Hills, special assessments for solid waste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

**Intergovernmental.** Included in this revenue source are liquor tax, County sales and use, Public Safety sales and use and Special Highway funds.



## 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 2015, the average market value of a Prairie Village Home is \$232,990. In 2016, on average, a homeowner will pay \$44.00 each month for City services. The checkbook below illustrates how this amount is divided among various City programs.

Program	Monthly Cost
Public Safety	\$15.84
Public Works	\$14.96
Community Development	\$ 5.28
Administration	\$ 4.84
Parks & Recreation	\$ 1.76
Municipal Court	\$ 1.32

Average Homeowner	7555
City of Prairie Village	DATE: <u>May 15, 2016</u>
<b>PAY TO:</b> <u>City of Prairie Village</u>	<b>\$ 44.00</b>
<u>Forty four and 00/100***** DOLLARS</u>	
MEMO <u>Monthly property tax for City services</u>	<u>TAXPAYER</u>

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

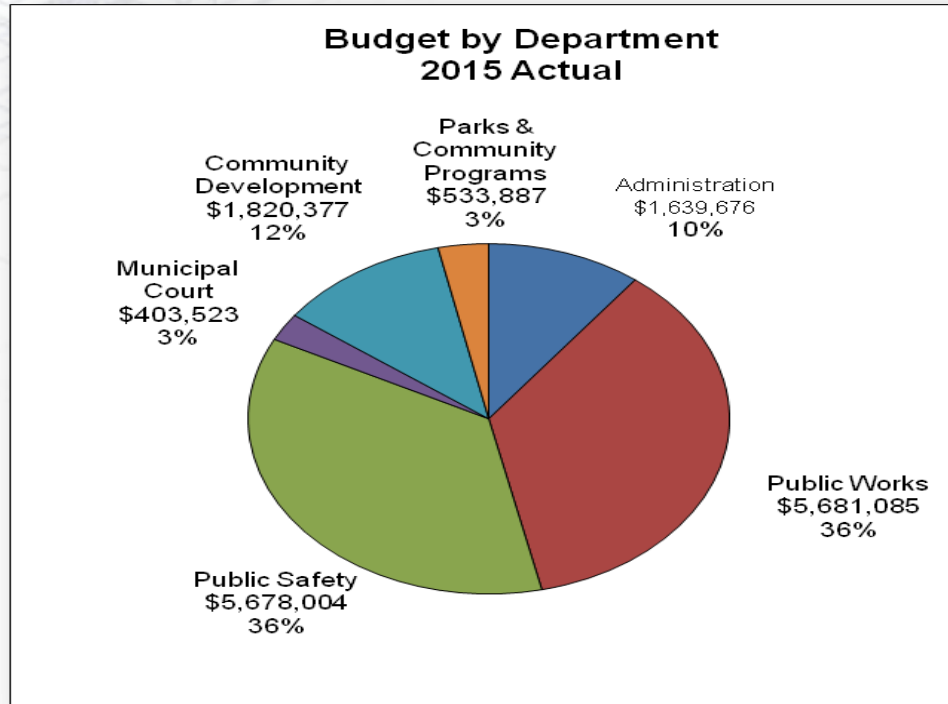
**Trash Fee: \$174.00 per year or \$14.50 per month**

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





## Where does the money go?



### Definitions:

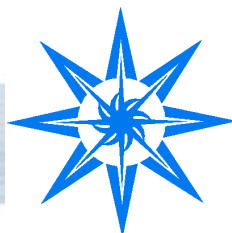
**Administration.** Provides overall management of City operations, coordination of City planning and implementation of Council direction and policy.

**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

**Community Development.** Includes costs associated with the safety of lives, health and welfare of the general public by the administration and enforcement of building codes and property maintenance codes.



## Strategic Use of Debt

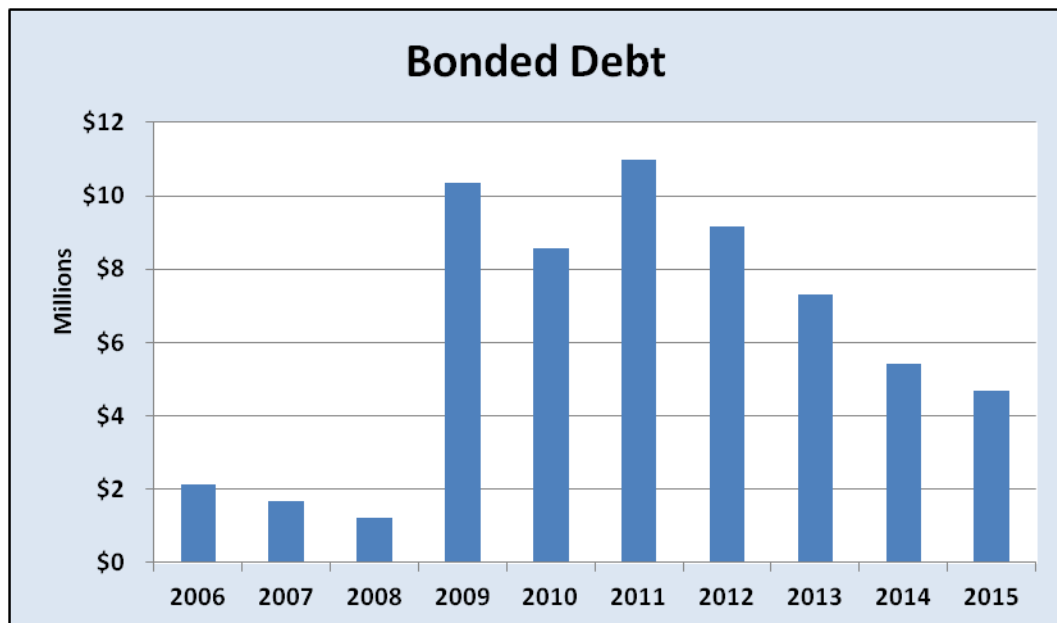
The City continues to maintain a favorable Aaa bond rating from Moody's, and has \$4,679,531 in bonded debt for infrastructure improvements as of December 31, 2015.

### Why rely on debt at all?

The City took advantage of historically low interest rates in 2009 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, and shared equally among the people who receive a benefit from the improvement.



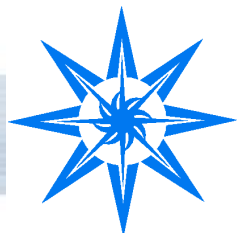
## Demographic and Economic Data

The City of Prairie Village was originally the vision of the late J.C. Nichols. 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 by 1949; Mr. Nichols' dream became a reality when the City was named the best planned community in America by the National Association of Home Builders.

Prairie Village was officially recognized by the State of Kansas in 1951. By 1957 it had become a first class city. It is one of 20 cities in Johnson County and is the sixth largest in population. Prairie Village 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 21,877 within its 6.7 square mile City limits.

## Economic Statics Last Ten Years December 31, 2015

Fiscal Year	Population	School Enrollment	Unemployment Rate	Per Capita Personal Income	Personal Income
2006	21,511	6,054	4.1%	\$34,667	\$745,721,837
2007	21,414	5,992	4.0%	34,667	742,359,138
2008	21,422	5,884	4.8%	34,667	742,636,474
2009	21,479	5,833	4.8%	34,667	744,612,493
2010	21,447	5,120	6.8%	34,667	743,503,149
2011	21,447	5,730	5.1%	34,667	743,503,149
2012	21,795	5,567	4.5%	48,640	1,060,108,800
2013	21,769	5,593	4.7%	49,067	1,068,139,523
2014	21,892	5,573	3.3%	46,150	1,010,315,800
2015	21,877	5,573	3.4%	47,274	1,034,213,298





## Principal Employers December 31, 2015

Employer	Number of Employees	Percentage of Total Employment
USD #512	424	1.94%
Hy-Vee	196	0.90%
WireCo World Group	156	0.71%
Claridge Court	141	0.64%
City of Prairie Village	131	0.60%
Brighton Gardens	110	0.50%
Hen House #22	102	0.47%
Better Homes & Garden Real Estate	100	0.46%
Macy's	98	0.45%
Bijin Salon & Day Spa	98	0.45%
<b>TOTAL</b>	<b>1,556</b>	<b>7.11%</b>



## Tax Revenues by Governmental Funds by Source Last Ten Years December 31, 2015 (in thousands)

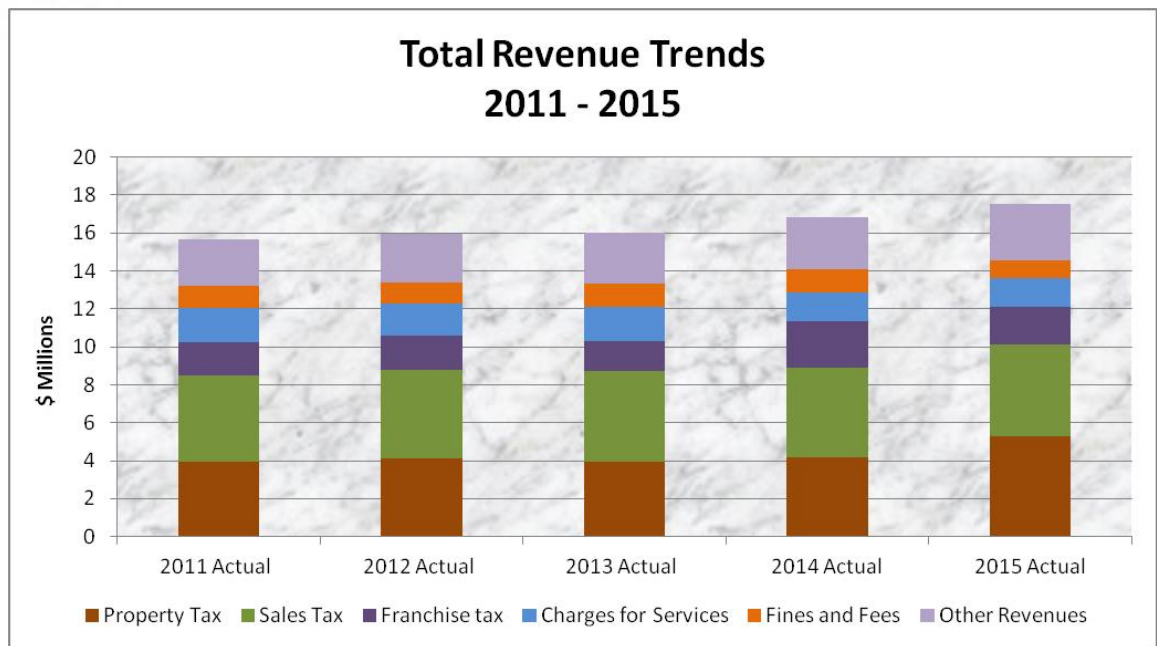
Fiscal Year	Property Tax	Local Sales Tax	County Sales Tax	Specialty Sales Tax	Local Use Tax	County Use Tax	Specialty Use Tax	Franchise Tax	Motor Vehicle Tax	Total
2006	4,218	1,973	1,582	791	339	411	206	1,633	557	11,710
2007	4,452	2,022	1,574	787	349	354	177	1,681	531	11,927
2008	5,177	2,053	1,652	826	366	215	107	1,817	514	12,727
2009	5,266	1,954	1,511	755	341	185	94	1,699	545	12,350
2010	5,278	2,024	1,412	699	371	225	113	1,792	551	12,465
2011	5,299	2,068	1,619	1,663	397	300	150	1,805	556	13,857
2012	5,469	2,129	1,674	1,734	425	302	151	1,799	591	14,274
2013	5,495	2,198	1,722	1,812	480	307	154	1,594	637	14,399
2014	5,535	2,335	1,595	1,826	496	302	151	2,395	664	15,299
2015	5,669	2,419	1,590	1,874	535	307	153	1,980	682	15,209



## Economic Outlook

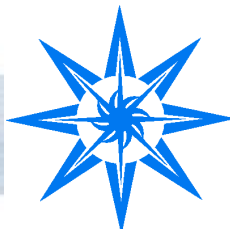
Prairie Village is located in the Kansas City metropolitan area and was named one of the top 10 best places to retire in Kansas by *Smart Asset* and one of the top ten best suburbs for young professional in Kansas City by *Movoto*. The average home sale price increased 2.95% from 2014 to 2015. The composition of the City's property Tax base is 14% commercial and 86% residential. 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.

The chart reflects the actual total General Fund revenue received for fiscal years 2011 – 2015. Total revenues received in 2015 were 4.08% greater than what was received in 2014, and were at 100.2% of budget.



## 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

### 2015 Department Heads

City Administrator	Quinn Bennion	<a href="mailto:qbennion@pvkansas.com">qbennion@pvkansas.com</a>	913-385-4601
Assistant City Administrator	Wes Jordan	<a href="mailto:wjordan@pvkansas.com">wjordan@pvkansas.com</a>	913-385-4621
Asst. to the City Administrator	Nolan Sunderman	<a href="mailto:nsunderman@pvkansas.com">nsunderman@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	Tim Schwartzkopf	<a href="mailto:tschwartzkopf@pvkansas.com">tschwartzkopf@pvkansas.com</a>	913-385-4609
Public Works Director	Keith Bredehoeft	<a href="mailto:kbredehoeft@pvkansas.com">kbredehoeft@pvkansas.com</a>	913-385-4642

### 2015 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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