

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**CITY OF PRAIRIE VILLAGE, KANSAS**

**Year Ended  
December 31, 2011**

**Prepared by the Finance and Administration Department**

CITY OF PRAIRIE VILLAGE, KANSAS  
 Comprehensive Annual Financial Report  
 Year ended December 31, 2011

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# THE CITY OF PRAIRIE VILLAGE

## STAR OF KANSAS

June 11, 2012

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, 2011. 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 one.

The responsibility for accuracy, completeness, and fairness of the data presented, including all disclosures, 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. We believe the report as presented, is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position of the City, on a Government-wide and Fund basis.

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 20 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 21,447 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. The cyclical declines in the national economy over the last ten years have had a moderate affect on the City's economic growth.

Although the City is fully-developed and land-locked, the value of tangible property in Prairie Village has been maintained over the past ten years. During the same timeframe, Johnson County as a whole has experienced economic challenges and a decline in appraisal values in the midst of a prolonged recession. While the current economy presents challenges, the City maintains a favorable financial outlook based on prudent financial practices. The City, as well as Johnson County, continues to experience the effects of the national economy but not to the extent that many 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.

### **2011 Major Initiatives**

As a part of the preparation for the 2011 annual budget, the following priorities were established and achieved by the City Council:

- ❖ Maintain high quality services and programs
- ❖ Provide quality transportation infrastructure
- ❖ Continue strong financial position
- ❖ Maintain Aaa bond rating
- ❖ Reduce reliance on fund balance and reserves

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 prevailing climate has created a gradual change, which has helped maintain 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.

### **2011 Relevant Financial Policies**

In addition to the major initiatives discussed above, the 2011 budget reflected several financial policies the City has established.

- ❖ Conduct a thorough review of all budgeted items at the staff level
- ❖ Provide a revenue structure that pays the full cost of current services, and can be responsive to economic conditions
- ❖ Maintain financial accounting and budget practices that provide full disclosure of the City's financial affairs
- ❖ Assess and plan for technology needs
- ❖ Evaluate existing City service to determine the need and efficiency of such services

### **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, 2010. This was the twenty-fifth 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, 2011. This is the twenty-third 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.

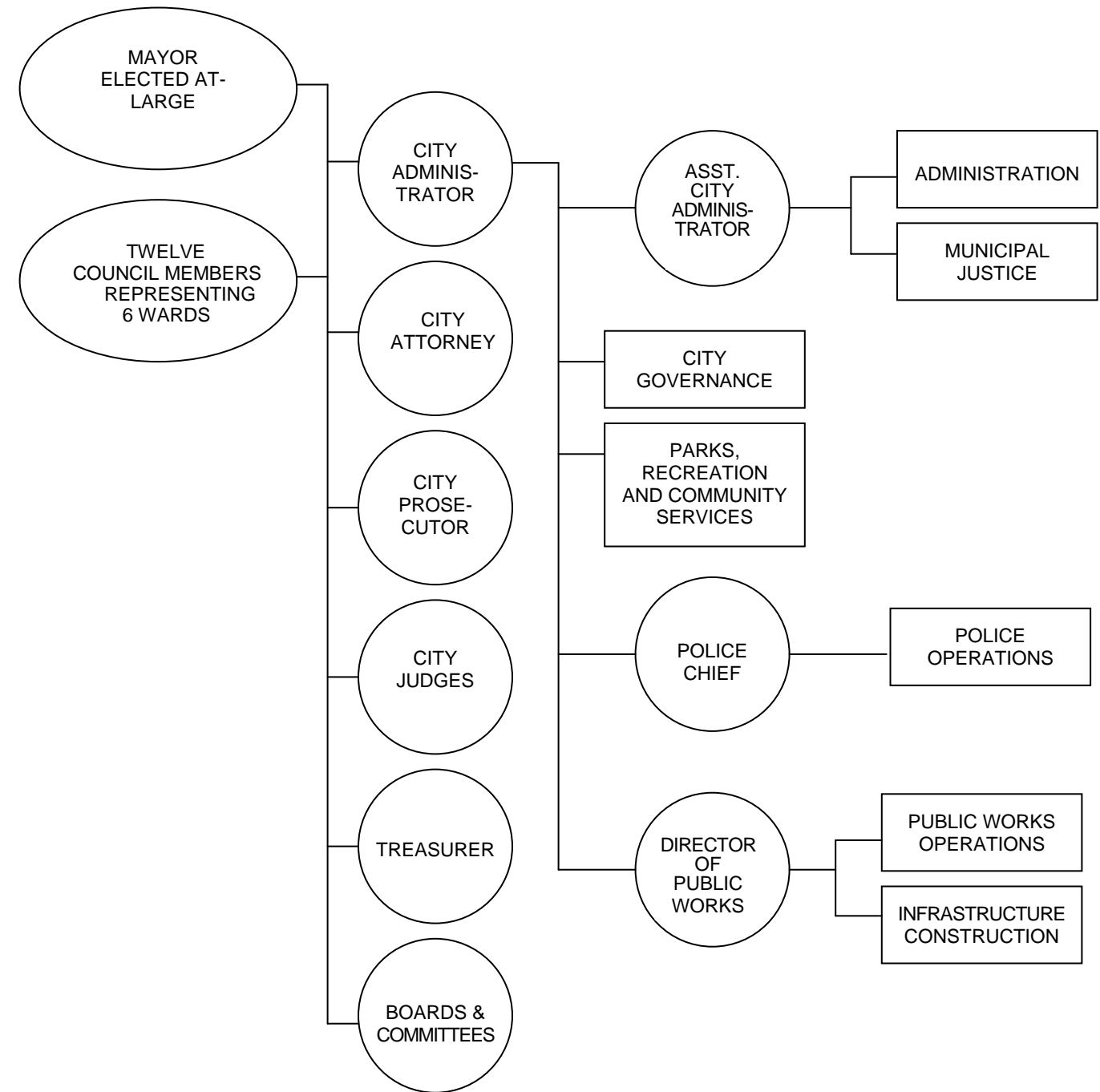
Respectfully submitted,



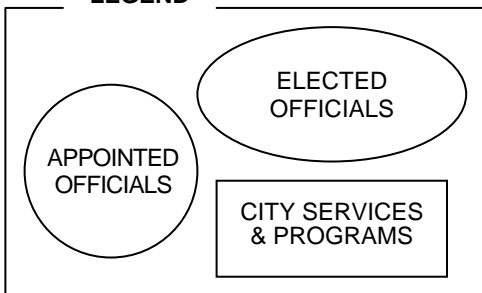
Lisa Santa Maria  
Finance Director

CITY OF PRAIRIE VILLAGE, KANSAS

ORGANIZATIONAL OVERVIEW



**LEGEND**





CITY OF PRAIRIE VILLAGE, KANSAS

PRINCIPAL OFFICIALS - 2011

Elected Officials

Mayor	Ronald L. Shaffer
Council Member - Ward 1	Al Herrera
Council Member - Ward 1	Dale Warman
Council Member - Ward 2	Steve Noll
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	Bruce McNabb
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, 2010

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.



*Linda C. Danson*

President

*Jeffrey R. Enos*

Executive Director



## INDEPENDENT AUDITOR'S REPORT

Mayor and City Council  
City of Prairie Village, Kansas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the City of Prairie Village, Kansas, as of and for the year ended December 31, 2011, 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 and the business-type activities, each major fund, and the aggregate remaining fund information of the City of Prairie Village, Kansas, at December 31, 2011, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund, Solid Waste Management Fund and the Stormwater Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and the schedules of funding progress and schedules of employer contributions on pages 48 and 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Mike Houser: Company PA*

June 11, 2012

CITY OF PRAIRIE VILLAGE, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year Ended December 31, 2011  
(Unaudited)

This discussion and analysis of the City of Prairie Village's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2011. It should be read in conjunction with the letter of transmittal on page I, the basic financial statements, which begin on page 11, and the accompanying notes to those financial statements.

**Financial Highlights**

- The City Council approved a \$26 million budget, including a 0.6 mill property tax increase to hire two additional police officers.
- The City's total assessed valuation decreased to \$280,265,557 from \$287,052,268 in 2010, a 2.4% decrease.
- As a result of the fiscal year's activity, the City's net assets increased by \$3.8 million, the majority of which is due to an increase in capital grants and the addition of two Community Improvement Districts.
- The City completed two major energy projects at City Hall and Police Department buildings. The building envelope was secured and insulated and a major geothermal heat pump system was installed and programmed. The annual energy savings are guaranteed to be at least \$46,118, but are expected to be more.
- As part of the Parks Master Plan, Weltner Park was renovated. The cost of renovation was just under \$340,000.

**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, 2011  
(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>2010</u>	<u>2011</u>	<u>Percentage Change</u>
Current and other assets	\$ 25,048,408	\$ 27,528,211	9.90%
Capital assets	<u>65,633,332</u>	<u>68,814,881</u>	4.85%
Total assets	<u>\$ 90,681,740</u>	<u>\$ 96,343,092</u>	6.24%
Long-term liabilities	\$ 6,792,300	\$ 9,178,738	35.13%
Other liabilities	<u>13,484,975</u>	<u>12,959,702</u>	-3.90%
Total liabilities	<u>20,277,275</u>	<u>22,138,440</u>	9.18%
Net assets:			
Invested in capital assets, net of related debt	57,070,636	57,840,817	1.35%
Restricted	241,470	815,844	237.87%
Unrestricted	<u>13,092,359</u>	<u>15,547,991</u>	18.76%
Total net assets	<u>70,404,465</u>	<u>74,204,652</u>	5.40%
Total liabilities & net assets	<u>\$ 90,681,740</u>	<u>\$ 96,343,092</u>	6.24%

The City's combined net assets increased by \$3,800,187 or 5.4% from 2010 to 2011. The majority of that increase was due to an increase in capital grants and the addition of two Community Improvement Districts.

CITY OF PRAIRIE VILLAGE, KANSAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year Ended December 31, 2011  
(Unaudited)

**Statement of Activities.** The table below shows the condensed revenues, expenses and changes in net assets for 2010 and 2011.

	<u>2010</u>	<u>2011</u>	<u>Change</u>
<b>REVENUES</b>			
Program Revenues			
Fines, fees and charges for services	\$ 6,259,934	\$ 6,765,800	8.08%
Operating grants and contributions	183,067	274,262	49.82%
Capital grants and contributions	231,556	1,078,160	365.62%
General revenues:			
Property taxes	5,278,073	5,299,216	0.40%
Sales and use taxes	4,843,179	6,197,430	27.96%
Other taxes	2,343,465	2,375,854	1.38%
Other revenues	1,173,443	1,171,134	-0.20%
Total revenues	<u>20,312,717</u>	<u>23,161,856</u>	<u>14.03%</u>
<b>EXPENSES</b>			
Urban management and planning	3,272,655	3,895,696	19.04%
Public works	9,767,738	8,609,223	-11.86%
Public safety	5,111,387	5,596,720	9.50%
Municipal Justice	370,192	395,493	6.83%
Leisure, recreation and education	689,398	700,072	1.55%
Interest on long-term debt	186,968	164,465	-12.04%
Total expenses	<u>19,398,338</u>	<u>19,361,669</u>	<u>-0.19%</u>
Increase/(decrease) in net assets	914,379	3,800,187	315.60%
Retroactive addition of infrastructure assets	-	-	
Prior period adjustment	-	-	
Net assets, January 1	<u>69,490,086</u>	<u>70,404,465</u>	<u>1.32%</u>
Net assets, December 31	<u>\$ 70,404,465</u>	<u>\$ 74,204,652</u>	<u>5.40%</u>

Overall, total revenues increased by 14.03%. The increase is due to capital grants and contributions and the additional sales tax received from the City's two Community Improvement Districts that began in 2011.

Tax source revenues (property, sales/use and franchise) continue to account for a majority of the City's revenues. Tax source revenues account for 60.0% of total revenues in 2011 compared with 61.0% in 2010. Sales and use taxes increased 27.96% and Property Taxes held steady in 2011. Sales tax from the two Community Improvement Districts accounted for 63% of the increase in sales and use tax.

Another significant change in City revenues was the increase in operating grants and contributions. In 2011, the City received reimbursements under the County Assisted Road program (CARS), STEP Grant program administered by the Kansas Department of Transportation, the Work Study program administered by the University of Kansas and the Community Development Block Grant (CDBG) which is administered by the U.S Department of Housing and Urban Development (HUD). In 2010, the city received reimbursements from the STEP Grant, Work Study program and Community Development Block Grant (CDBG) Grant.

Interest earnings also decreased during 2011 due to the economy and the low interest rates that prevailed in 2011.

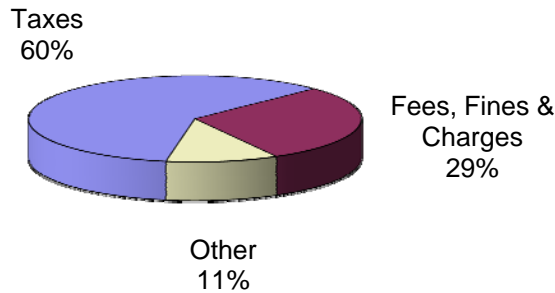
CITY OF PRAIRIE VILLAGE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year Ended December 31, 2011  
(Unaudited)

Total expenses for 2011 were slightly lower when compared with 2010, decreasing 0.19%. Interest on long-term debt decreased in 2011 because of the debt issued in 2011. Also, Public Works expenses decreased due to a decrease in project costs. Urban Management and Planning expenses increased as a result of the two Community Improvement Districts. The increase in Public Safety reflects the addition of two new police officers.

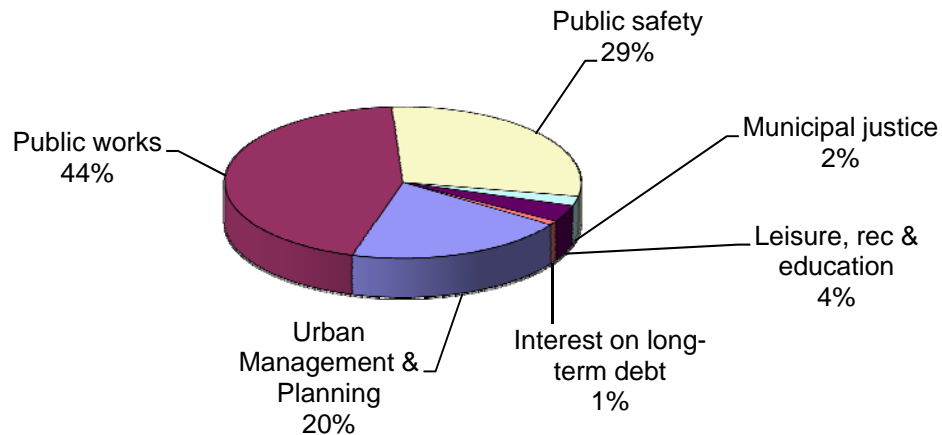
As illustrated by the following graphs, 60% of the City's revenues are tax-related. Another 29% are directly related to the City's solid waste management assessments, stormwater assessments and public safety agreement with the City of Mission Hills.

**Sources of Revenue - 2011**



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 - 2011**





CITY OF PRAIRIE VILLAGE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year Ended December 31, 2011  
(Unaudited)

The net cost of each program is an important indicator of the financial burden placed on revenues, primarily tax sources. As shown below, \$11.2 million of the cost of services was paid by the City's tax payers.

Governmental	Total Cost of Services			Net Cost of Services		
	2010	2011	% Chg	2010	2011	% Chg
Urban management and planning	\$ 3,272,655	\$ 3,895,696	19.0%	\$ 1,364,444	\$ 1,763,871	29.3%
Public works	9,767,738	8,609,223	-11.9%	8,017,355	5,898,695	-26.4%
Public safety	5,111,387	5,596,720	9.5%	2,572,373	2,781,252	8.1%
Municipal Justice	370,192	395,493	6.8%	366,366	392,818	7.2%
Leisure, recreation and education	689,398	700,072	1.5%	216,275	242,346	12.1%
Interest on long-term debt	186,968	164,465	-12.0%	186,968	164,465	-12.0%
Total governmental activities	\$ 19,398,338	\$ 19,361,669	-0.2%	\$ 12,723,781	\$ 11,243,447	-11.6%

Additional information about program and general revenues may be found on the Statement of Activities located on page 12.

**Analysis of the Fund Financial Statements**

**General Fund.** Fund balance increased 37.29% in the General Fund as a result of expending only 93% of budgeted expenditures in 2011 and an increase in sales and use tax revenue.

**Solid Waste Management Fund.** Fund balance increased as a result of not spending 100% of the 2011 budget and an increase in recycling revenue.

**Bond and Interest Fund.** The City issued general obligation bonds in 2011 for street infrastructure improvement project expenditures.

**Capital Projects Fund.** The City's Capital Projects Fund accounts for major infrastructure improvement project expenditures. The increase in fund balance is due to the issuance of the Series 2011A bonds in 2011. The bonds were issued for street projects included in the City's four-year Capital Improvement Plan and to take advantage of low construction prices.

**Economic Development Fund.** The only revenue source for this fund is interest earnings, which were down due to low interest rates. In addition, there were two projects charged to this fund in 2011: the Exterior Grant Program and the KCADC Joint Membership with the Chamber.

**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 2010 tax bills, the receipts from which are used to fund 2011 operations. All of the funds collected were used in stormwater management activities.

**General Fund Budget**

The legally adopted budget for the General Fund was not amended by the City Council during 2011. Departments within the City are allowed to transfer budget between line items within programs and between 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.

CITY OF PRAIRIE VILLAGE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
 For the year Ended December 31, 2011  
 (Unaudited)

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	The increase in this revenue source is a result of a higher Liquor Tax distribution than budgeted for 2011.
Interest	Interest rates in 2011 decreased from 2010 and remained low throughout the year.
Other	Sales of fixed assets and miscellaneous income were both more than budgeted for 2011. 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 2011, the Council did not utilize the full budget for consultants. In addition, the Council did not utilize the full budget for training and conferences.
Management & Planning	This program budget includes funding for consultants to assist with planning services. In 2011 the budget for consultants was not utilized. The budget for training and dues was also not fully utilized.
Information Technology	In 2011, the City spent less on IT consulting services than budgeted. In 2011, all software maintenance contracts, except PD and Court were also consolidated to this program. The 2011 budget for software maintenance was lower than planned.
Legal Services	The amount of legal expenditures depends on the contracts reviewed; ordinances drafted, law suits, etc. In 2011 the City did not utilize the full budget for legal services. These services are provided at an hourly rate.
Human Resources	In 2011, the budget for contract services was not fully utilized. These services were paid in part from another department's budget.
City Clerk	The budget includes funding for elections. In 2011, the City Clerk did not utilize the budget for elections. In addition, the City Clerk Council did not utilize the full budget for training and conferences.
Codes Administration	In 2011 the budget for training and dues was also not fully utilized.
Public Works Administration	In 2011 the budget for the GIS Tech and traffic engineer were not fully utilized.
Drainage Op & Maint	Contract services, which includes equipment rental and maintenance costs were lower than budgeted in 2011.
Misc Op & Maint	Contract services, which include building maintenance and utilities costs, were lower than budgeted in 2011.
Buildings & Grounds	Contract services, which include tree maintenance costs, were lower than budgeted in 2011.
Community Policing	Personal services were less than budgeted due to the Crime Prevention Officer position was not staffed for a portion of 2011.
Special Investigations	Personal services were less than budgeted due to a movement of personal in Public Safety.

CITY OF PRAIRIE VILLAGE, KANSAS

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year Ended December 31, 2011  
(Unaudited)

Professional Standards	Personal services were less than budgeted due to a movement of personal in Public Safety.
Off-Duty Contractual	This program depends on assignments and will vary from year to year.
Traffic	Contract services, which include vehicular maintenance costs, were higher than budgeted in 2011.
Judicial	This program depends on court case loads and will vary from year to year.
Prosecutor	In 2011 there were not as many appeals planned during the budget process.
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 commodities such as chemicals than was budgeted for 2011.
Swimming Pool and Food Service	This program's difference between budget and actual was due to overtime savings from new scheduling procedures. Also, the City was more efficient with food inventory and experienced less waste.

**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, 2011 was \$68.8 million. Capital assets increased 4.85% from 2010.

NETWORK	<u>2010</u>	<u>2011</u>	<u>% Chg</u>
Land	\$ 13,861,866	\$ 13,861,866	0.00%
Buildings	3,726,193	3,590,415	-3.64%
Improvements other than buildings	938,245	901,463	-3.92%
Furniture and equipment	1,544,900	1,898,214	22.87%
Infrastructure	37,789,876	40,530,432	7.25%
Construction in progress	7,772,252	8,032,491	3.35%
Total	<u>\$65,633,332</u>	<u>\$ 68,814,881</u>	4.85%

Improvements other than buildings and buildings decreased due to continued depreciation of these assets. Furniture and equipment increased due to capitalization of the court e-Ticketing system, document imaging software, and the Mitel phone system replacement. Infrastructure increased due to increased due to additional street projects completed during 2011. Construction in progress increased because some of the 2010 projects were not completed until early 2011. In conformity with GASB 34, Infrastructure completed in the current year has been capitalized. Infrastructure assets not completed by the year-end have been reported as construction in progress.

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, 2011, the City had \$10,974,064 of outstanding general obligation bonds. Of the balance outstanding, 64% will be paid off within the next five years.

Attesting to the City's favorable economic conditions and sound financial management, Prairie Villages' general obligation bond rating remains at Aaa, with a stable outlook.

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, 2011  
(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, 2011

	Governmental Activities
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 15,610,023
Tax receivable (net of uncollectibles)	5,604,294
Special assessments receivable (net of uncollectibles)	3,347,394
Other receivable	694,293
Due from other governments	2,025,800
Prepaid expenses	97,885
Bond issuance costs, net of amortization	99,184
Restricted cash and investments	49,338
Total current assets	<u>27,528,211</u>
Capital assets:	
Capital assets not being depreciated:	
Land	13,861,866
Construction in progress	8,032,491
Total capital assets not being depreciated	<u>21,894,357</u>
Capital assets being depreciated	133,818,297
Less: accumulated depreciation	86,897,773
Total capital assets being depreciated, net	<u>46,920,524</u>
Total capital assets, net	<u>68,814,881</u>
Total assets	<u>\$ 96,343,092</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	\$ 1,650,269
Accrued payroll	118,826
Payable from restricted assets	54,338
Unearned revenue	8,958,867
Accrued interests on long-term debt	60,582
Current portion of compensated absences	293,187
Current portion of general obligation bonds	1,823,633
Total current liabilities	<u>12,959,702</u>
Noncurrent liabilities:	
Net other post employment benefit obligation	13,835
Net pension obligation	14,472
General obligations bonds payable	9,150,431
Total noncurrent liabilities	<u>9,178,738</u>
Total liabilities	<u>\$ 22,138,440</u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	\$ 57,840,817
Restricted	
Debt service	4,442
Special highway	36,121
Special parks and recreation	7,548
Grant provisions	270,790
Development	461,316
Special alcohol	35,627
Unrestricted	15,547,991
Total net assets	<u>\$ 74,204,652</u>

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

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CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2011

	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	\$ 3,895,696	\$ 2,128,353	\$ 3,472	\$ -	\$ [1,763,871]
Public works	8,609,223	1,632,368	-	1,078,160	[5,898,695]
Public safety	5,596,720	2,544,678	270,790	-	[2,781,252]
Municipal justice	395,493	2,675	-	-	[392,818]
Leisure and recreation	700,072	457,726	-	-	[242,346]
Interest on long-term debt	164,465	-	-	-	[164,465]
<b>Total governmental activities</b>	<b>\$ 19,361,669</b>	<b>\$ 6,765,800</b>	<b>\$ 274,262</b>	<b>\$ 1,078,160</b>	<b>[11,243,447]</b>

**General Revenues:**

Property taxes levied for	
General purposes	3,968,397
Debt service	1,330,819
Sales and use tax	6,197,430
Motor vehicle tax	555,579
Franchise tax	1,820,275
Grants and contributions not restricted to specific programs	955,456
Investment earnings	62,015
Miscellaneous	153,663
<b>Total general revenues</b>	<b>15,043,634</b>
Change in net assets	3,800,187
Net assets - beginning	70,404,465
Net assets - ending	<u>\$ 74,204,652</u>

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

CITY OF PRAIRIE VILLAGE, KANSAS

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2011

	<u>General</u>	<u>Solid Waste Management</u>	<u>Bond and Interest</u>
<b>ASSETS</b>			
Cash and investments	\$ 5,722,153	\$ 393,929	\$ 4,565
Receivables			
Taxes	4,261,207	-	1,343,087
Special assessments	-	1,729,735	-
Miscellaneous	559,494	-	-
Due from other governments	955,340	-	-
Due from other fund	-	-	-
Prepaid expenditures	96,836	-	-
Restricted assets	49,338	-	-
Total assets	<u>\$ 11,644,368</u>	<u>\$ 2,123,664</u>	<u>\$ 1,347,652</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 239,279	\$ 129,516	\$ -
Accrued payroll	117,718	389	-
Due to other funds	85,972	-	-
Payable from restricted assets	54,338	-	-
Deferred revenue	4,510,403	1,729,735	1,343,210
Total liabilities	<u>5,007,710</u>	<u>1,859,640</u>	<u>1,343,210</u>
<b>Fund balance:</b>			
Nonspendable	96,836	-	-
Restricted	-	-	4,442
Committed	1,659,165	264,024	-
Assigned	224,674	-	-
Unassigned	4,655,983	-	-
Total fund balance	<u>6,636,658</u>	<u>264,024</u>	<u>4,442</u>
Total liabilities and fund balances	<u>\$ 11,644,368</u>	<u>\$ 2,123,664</u>	<u>\$ 1,347,652</u>



<u>Stormwater</u>	<u>Economic Development</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 318,691	\$ 2,116,755	\$ 5,704,788	\$ 734,681	\$ 14,995,562
-	-	-	-	5,604,294
1,617,659	-	-	-	3,347,394
-	-	-	134,799	694,293
-	-	752,962	317,373	2,025,675
-	-	253,397	-	253,397
-	-	-	1,049	97,885
-	-	-	-	49,338
<u>\$ 1,936,350</u>	<u>\$ 2,116,755</u>	<u>\$ 6,711,147</u>	<u>\$ 1,187,902</u>	<u>\$ 27,067,838</u>
\$ -	\$ -	\$ 657,809	\$ 121,335	\$ 1,147,939
-	-	-	719	118,826
-	-	-	253,397	339,369
-	-	-	-	54,338
1,617,659	-	-	-	9,201,007
<u>1,617,659</u>	<u>-</u>	<u>657,809</u>	<u>375,451</u>	<u>10,861,479</u>
-	-	-	1,049	97,885
-	-	6,053,338	811,402	6,869,182
318,691	2,116,755	-	-	4,358,635
-	-	-	-	224,674
-	-	-	-	4,655,983
<u>318,691</u>	<u>2,116,755</u>	<u>6,053,338</u>	<u>812,451</u>	<u>16,206,359</u>
<u>\$ 1,936,350</u>	<u>\$ 2,116,755</u>	<u>\$ 6,711,147</u>	<u>\$ 1,187,902</u>	<u>\$ 27,067,838</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, 2011

Total Governmental Fund Balances		\$ 16,206,359
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	8,032,491	
Infrastructure	120,415,655	
Buildings and improvements	7,981,111	
Vehicles and equipment	<u>5,421,531</u>	
	155,712,654	
Accumulated depreciation	<u>86,897,773</u>	68,814,881
Internal service funds are used by management to charge the costs of risk management and equipment to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		619376
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:		
Bond issuance costs, net of amortization	[99,184]	
General obligation bonds payable	10,974,064	
Interest payable	<u>60,582</u>	[10,935,462]
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		[421,148]
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		[13,835]
The City's costs for the police pension are not reported as expenditures in the governmental funds		
Net pension obligation		[14,472]
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		[293,187]
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>242,140</u>
Net Assets of Governmental Activities		<u>\$ 74,204,652</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, 2011

	<u>General</u>	<u>Solid Waste Management</u>	<u>Bond and Interest</u>	<u>Stormwater</u>
Revenues				
Taxes	\$ 11,521,089	\$ -	\$ 1,482,900	\$ -
Intergovernmental	93,541	-	-	-
Licenses and permits	463,187	2,310	-	3,150
Charges for services	1,779,785	1,663,311	-	1,533,675
Fines and forfeitures	1,154,857	-	-	-
Recreational fees	457,726	-	-	-
Use of money and property	14,023	2,967	2,449	4,023
Other	153,565	19,646	-	-
Total revenues	<u>15,637,773</u>	<u>1,688,234</u>	<u>1,485,349</u>	<u>1,540,848</u>
Expenditures				
Current:				
Urban management and planning	1,704,386	1,604,163	-	-
Public works	5,102,754	-	-	-
Public safety	5,379,923	-	-	-
Municipal justice	391,753	-	-	-
Leisure and recreation	516,525	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	1,790,000	-
Interest	-	-	176,275	-
Bond issuance costs	-	-	-	-
Refunding escrow	-	-	-	-
Total expenditures	<u>13,095,341</u>	<u>1,604,163</u>	<u>1,966,275</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	<u>2,542,432</u>	<u>84,071</u>	<u>[480,926]</u>	<u>1,540,848</u>
Other financing sources [uses]				
Transfers in	450,000	-	450,081	-
Transfers [out]	[1,189,879]	-	-	[1,483,500]
Sale of bonds	-	-	-	-
Total other financing sources [uses]	<u>[739,879]</u>	<u>-</u>	<u>450,081</u>	<u>[1,483,500]</u>
Net change in fund balances	<u>1,802,553</u>	<u>84,071</u>	<u>[30,845]</u>	<u>57,348</u>
Fund balances, beginning	4,834,105	179,953	35,287	261,343
Prior period adjustment	-	-	-	-
Fund balances, beginning, restated	<u>4,834,105</u>	<u>179,953</u>	<u>35,287</u>	<u>261,343</u>
Fund balances, ending	<u>\$ 6,636,658</u>	<u>\$ 264,024</u>	<u>\$ 4,442</u>	<u>\$ 318,691</u>

<u>Economic Development</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ -	\$ 853,384	\$ 13,857,373
-	1,078,160	1,016,008	2,187,709
-	-	-	468,647
-	-	-	4,976,771
-	-	-	1,154,857
-	-	-	457,726
8,958	26,568	328	59,316
-	-	100	173,311
<u>8,958</u>	<u>1,104,728</u>	<u>1,869,820</u>	<u>23,335,710</u>
39,485	-	395,767	3,743,801
-	-	-	5,102,754
-	-	68,229	5,448,152
-	-	-	391,753
-	-	15,000	531,525
-	6,793,162	-	6,793,162
-	340,000	-	2,130,000
-	-	-	176,275
-	87,038	-	87,038
-	12,146	-	12,146
<u>39,485</u>	<u>7,232,346</u>	<u>478,996</u>	<u>24,416,606</u>
<u>[30,527]</u>	<u>[6,127,618]</u>	<u>1,390,824</u>	<u>[1,080,896]</u>
-	2,021,068	-	2,921,149
-	-	[626,000]	[3,299,379]
-	4,555,000	-	4,555,000
-	6,576,068	[626,000]	4,176,770
<u>[30,527]</u>	<u>448,450</u>	<u>764,824</u>	<u>3,095,874</u>
2,147,282	5,604,888	839,039	13,901,897
-	-	[791,412]	[791,412]
<u>2,147,282</u>	<u>5,604,888</u>	<u>47,627</u>	<u>13,110,485</u>
<u>\$ 2,116,755</u>	<u>\$ 6,053,338</u>	<u>\$ 812,451</u>	<u>\$ 16,206,359</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, 2011

Total Net Change In Fund Balances - Governmental Funds \$ 3,095,874

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

Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.

Capital outlays	7,238,463	
Depreciation expense	<u>[4,483,837]</u>	2,754,626

Internal service funds are used by management to charge the costs of risk management and equipment to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. 254,887

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 increased. [1,823]

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. [8,766]

Expenditures for pensions are not considered expenditures in government funds 5,358

Expenditures for post employment benefits other than pensions are not considered expenditures in government funds [428]

Some expenses will utilize future financial resources and are not considered expenditures in governmental funds. 12,642

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. [2,312,183]

Changes In Net Assets of Governmental Activities \$ 3,800,187

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, 2011

	GAAP	Adjustments	Budgetary	Budgeted Amounts		Variance
	Basis		Basis	Original	Final	Positive
	Actual	Adjustments	Actual			[Negative]
<b>Revenues</b>						
Taxes	\$ 11,521,089	\$ -	\$ 11,521,089	\$ 11,072,945	\$ 11,072,945	\$ 448,144
Intergovernmental	93,541	-	93,541	-	-	93,541
Licenses and permits	463,187	-	463,187	454,900	454,900	8,287
Charges for services	1,779,785	-	1,779,785	1,743,000	1,743,000	36,785
Fines and forfeitures	1,154,857	-	1,154,857	1,092,000	1,092,000	62,857
Recreation fees	457,726	-	457,726	448,950	448,950	8,776
Interest	14,023	-	14,023	100,000	100,000	[85,977]
Other	153,565	-	153,565	138,700	138,700	14,865
<b>Total revenues</b>	<b>15,637,773</b>	<b>-</b>	<b>15,637,773</b>	<b>15,050,495</b>	<b>15,050,495</b>	<b>587,278</b>
<b>Expenditures</b>						
<b>Urban management and planning</b>						
City Governance						
Mayor and council	70,934	-	70,934	137,468	137,468	66,534
Management and planning	372,665	-	372,665	444,451	444,451	71,786
Administrative Services						
Information technology	122,121	-	122,121	184,550	184,550	62,429
Legal services	110,516	-	110,516	125,000	125,000	14,484
Human resources	103,956	-	103,956	118,363	118,363	14,407
Administrative services	76,180	-	76,180	-	-	[76,180]
Financial management	247,992	400	248,392	244,561	244,561	[3,831]
Codes administration	329,687	[16,728]	312,959	367,149	367,149	54,190
City clerk	270,335	-	270,335	315,392	315,392	45,057
	<b>1,704,386</b>	<b>[16,328]</b>	<b>1,688,058</b>	<b>1,936,934</b>	<b>1,936,934</b>	<b>248,876</b>
<b>Public works and improvements</b>						
Administration	712,329	[14,363]	697,966	766,723	766,723	68,757
Vehicle and equipment maintenance	472,759	-	472,759	485,589	485,589	12,830
Streets and drain	2,273,016	18,920	2,291,936	2,242,898	2,242,898	[49,038]
Drainage operation and maintenance	324,428	70,000	394,428	440,309	440,309	45,881
Miscellaneous operation and maintenance	536,253	17,368	553,621	628,929	628,929	75,308
Buildings and grounds	783,969	-	783,969	853,546	853,546	69,577
	<b>5,102,754</b>	<b>91,925</b>	<b>5,194,679</b>	<b>5,417,994</b>	<b>5,417,994</b>	<b>223,315</b>
<b>Public safety</b>						
Administration	363,513	-	363,513	384,477	384,477	20,964
Staff services	723,337	-	723,337	743,396	743,396	20,059
Community services	189,387	-	189,387	203,076	203,076	13,689
Community policing	73,536	-	73,536	81,160	81,160	7,624
Patrol	2,726,102	-	2,726,102	2,889,227	2,889,227	163,125
Investigations	591,909	-	591,909	609,060	609,060	17,151
Special investigations	155,083	-	155,083	183,643	183,643	28,560
DARE	101	-	101	-	-	[101]
Professional standards	153,622	-	153,622	173,284	173,284	19,662
Off duty contractual	72,124	-	72,124	66,170	66,170	[5,954]
Traffic	331,209	9,000	340,209	276,986	276,986	[63,223]
	<b>5,379,923</b>	<b>9,000</b>	<b>5,388,923</b>	<b>5,610,479</b>	<b>5,610,479</b>	<b>221,556</b>
<b>Municipal justice</b>						
Judicial	32,054	-	32,054	64,102	64,102	32,048
Prosecutor	46,858	-	46,858	54,150	54,150	7,292
Court clerks	312,841	-	312,841	320,354	320,354	7,513
	<b>391,753</b>	<b>-</b>	<b>391,753</b>	<b>438,606</b>	<b>438,606</b>	<b>46,853</b>
<b>Leisure and recreation</b>						
Community programs	133,272	-	133,272	130,764	130,764	[2,508]
Swimming pool	311,759	-	311,759	343,479	343,479	31,720
Swimming pool food service	58,477	-	58,477	82,064	82,064	23,587
Tennis	13,017	-	13,017	16,721	16,721	3,704
	<b>516,525</b>	<b>-</b>	<b>516,525</b>	<b>573,028</b>	<b>573,028</b>	<b>56,503</b>
<b>Total expenditures</b>	<b>13,095,341</b>	<b>84,597</b>	<b>13,179,938</b>	<b>13,977,041</b>	<b>13,977,041</b>	<b>797,103</b>
<b>Excess [deficiency] of revenues over [under] expenditures</b>	<b>2,542,432</b>	<b>[84,597]</b>	<b>2,457,835</b>	<b>1,073,454</b>	<b>1,073,454</b>	<b>1,384,381</b>
<b>Other financing sources [uses]</b>						
Transfers in	450,000	-	450,000	450,000	450,000	-
Transfers [out]	[1,189,879]	-	[1,189,879]	[4,722,894]	[4,722,894]	3,533,015
<b>Total other financing sources [uses]</b>	<b>[739,879]</b>	<b>-</b>	<b>[739,879]</b>	<b>[4,272,894]</b>	<b>[4,272,894]</b>	<b>3,533,015</b>
<b>Net change in fund balance</b>	<b>1,802,553</b>	<b>[84,597]</b>	<b>1,717,956</b>	<b>\$ [3,199,440]</b>	<b>\$ [3,199,440]</b>	<b>\$ 4,917,396</b>
<b>Fund balance, beginning</b>	<b>4,834,105</b>	<b>[140,077]</b>	<b>4,694,028</b>			
<b>Fund balance, ending</b>	<b>\$ 6,636,658</b>	<b>\$ [224,674]</b>	<b>\$ 6,411,984</b>			

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, 2011

	GAAP Basis		Budgetary Basis Actual	Budgeted Amounts		Variance Positive [Negative]
	Actual	Adjustments		Original	Final	
<b>Revenues</b>						
Charges for services	\$ 1,663,311	\$ -	\$ 1,663,311	\$ 1,674,700	\$ 1,674,700	\$ [11,389]
Licenses and permits	2,310	-	2,310	4,000	4,000	[1,690]
Other	19,646	-	19,646	-	-	19,646
Use of money and property	2,967	-	2,967	1,000	1,000	1,967
<b>Total revenues</b>	<u>1,688,234</u>	<u>-</u>	<u>1,688,234</u>	<u>1,679,700</u>	<u>1,679,700</u>	<u>8,534</u>
<b>Expenditures</b>						
Urban management and planning	<u>1,604,163</u>	<u>-</u>	<u>1,604,163</u>	<u>1,660,573</u>	<u>1,660,573</u>	<u>56,410</u>
<b>Total expenditures</b>	<u>1,604,163</u>	<u>-</u>	<u>1,604,163</u>	<u>1,660,573</u>	<u>1,660,573</u>	<u>56,410</u>
Net change in fund balance	84,071	-	84,071	<u>\$ 19,127</u>	<u>\$ 19,127</u>	<u>\$ 64,944</u>
Fund balance, beginning	<u>179,953</u>	<u>-</u>	<u>179,953</u>			
Fund balance, ending	<u>\$ 264,024</u>	<u>\$ -</u>	<u>\$ 264,024</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  
 STORMWATER FUND  
 For the Year Ended December 31, 2011

	GAAP	Adjustments	Budgetary	Budgeted Amounts		Variance
	Basis Actual		Basis Actual	Original	Final	Positive [Negative]
Revenues						
Licenses and permits	\$ 3,150	\$ -	\$ 3,150	\$ 4,600	\$ 4,600	\$ [1,450]
Charges for services	1,533,675	-	1,533,675	1,532,627	1,532,627	1,048
Use of money and property	4,023	-	4,023	1,000	1,000	3,023
Total revenues	<u>1,540,848</u>	<u>-</u>	<u>1,540,848</u>	<u>1,538,227</u>	<u>1,538,227</u>	<u>2,621</u>
Expenditures						
Public works	-	-	-	25,500	25,500	25,500
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,500</u>	<u>25,500</u>	<u>25,500</u>
Excess [deficiency] of revenues over [under] expenditures	<u>1,540,848</u>	<u>-</u>	<u>1,540,848</u>	<u>1,512,727</u>	<u>1,512,727</u>	<u>28,121</u>
Other financing sources [uses]						
Transfers [out]	<u>[1,483,500]</u>	<u>-</u>	<u>[1,483,500]</u>	<u>[1,763,300]</u>	<u>[1,763,300]</u>	<u>279,800</u>
Total other financing sources [uses]	<u>[1,483,500]</u>	<u>-</u>	<u>[1,483,500]</u>	<u>[1,763,300]</u>	<u>[1,763,300]</u>	<u>279,800</u>
Net change in fund balance	57,348	-	57,348	<u>\$ [250,573]</u>	<u>\$ [250,573]</u>	<u>\$ 307,921</u>
Fund balance, beginning	<u>261,343</u>	<u>-</u>	<u>261,343</u>			
Fund balance, ending	<u>\$ 318,691</u>	<u>\$ -</u>	<u>\$ 318,691</u>			

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

CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF NET ASSETS  
 PROPRIETARY FUND  
 December 31, 2011

	Governmental Activities - Internal Service Fund
ASSETS	
Current assets	
Cash and investments	\$ 614,461
Due from other governments	125
Due from other funds	<u>85,972</u>
Total current assets	<u>700,558</u>
Noncurrent assets:	
Capital assets being depreciated:	
Equipment	<u>457,971</u>
Total capital assets being depreciated	457,971
Less: accumulated depreciation	<u>31,048</u>
Total capital assets being depreciated, net	<u>426,923</u>
Total assets	<u><u>\$ 1,127,481</u></u>
LIABILITIES AND NET ASSETS	
Liabilities	
Current liabilities:	
Accounts payable	<u>\$ 81,182</u>
Total current liabilities	<u>81,182</u>
Total liabilities	<u>81,182</u>
Net assets	
Invested in capital assets, net of related debt	426,923
Unrestricted	<u>619,376</u>
Total net assets	<u>1,046,299</u>
Total liabilities and net assets	<u><u>\$ 1,127,481</u></u>

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

CITY OF PRAIRIE VILLAGE, KANSAS  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUND  
For the Year Ended December 31, 2011

	Governmental Activities - Internal Service Fund
Operating revenues	
Other local sources	\$ -
Total operating revenues	<u>-</u>
Operating expenses	
Urban management and planning	94,994
Depreciation	<u>31,048</u>
Total operating expenses	<u>126,042</u>
Operating income [loss]	<u>[126,042]</u>
Nonoperating revenues [expenses]:	
Investment earnings	<u>2,699</u>
Income [loss] before transfers	[123,343]
Transfers in	<u>378,230</u>
Change in net assets	<u>254,887</u>
Net assets, Beginning of year	-
Prior period adjustment	<u>791,412</u>
Net assets, Beginning of year, restated	<u>791,412</u>
Net assets, End of year	<u>\$ 1,046,299</u>

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

CITY OF PRAIRIE VILLAGE, KANSAS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 For the Year Ended December 31, 2011

	Governmental Activities - Internal Service Fund
Cash flows from operating activities	
Cash paid to other suppliers of goods or services	\$ [33,832]
Other operating receipts	<u>[2,821]</u>
Net cash [used in] operating activities	<u>[36,653]</u>
Cash flows from noncapital financing activities	
Transfers from other funds	<u>378,230</u>
Net cash provided by noncapital financing activities	<u>378,230</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	<u>[457,971]</u>
Net cash provided by capital and related financing activities	<u>[457,971]</u>
Cash flows from investing activities	
Interest received	<u>2,699</u>
Net cash provide by investing activities	<u>2,699</u>
Net increase [decrease] in cash and cash equivalents	[113,695]
Cash and cash equivalents, Beginning of year	<u>728,156</u>
Cash and cash equivalents, End of year	<u>\$ 614,461</u>
Reconciliation of operating [loss] to net cash [used in] operating activities	
Operating [loss]	\$ [126,042]
Adjustments to reconcile operating [loss] to net cash [used in] operating activities	
Depreciation expense	31,048
[Increase] decrease in other receivable	3,402
[Increase] decrease in due from other funds	[6,098]
[Increase] decrease in due from other governments	[125]
Increase [decrease] in accounts payable	<u>61,162</u>
Net cash [used in] operating activities	<u>\$ [36,653]</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, 2011

	Pension Trust Funds
Assets	
Restricted cash	\$ 761,648
Restricted investments, at fair value	
Common stock	5,321,523
Fixed income	3,021,440
Total restricted investments	<u>8,342,963</u>
Interest receivable	<u>23,338</u>
Total Assets	<u>\$ 9,127,949</u>
Liabilities	
Net assets	
Held in trust for pension benefits	\$ 9,127,949
Total net assets	<u>9,127,949</u>
Total liabilities and net assets	<u>\$ 9,127,949</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, 2011

	Pension Trust Funds
Additions:	
Contributions:	
Employer	\$ 450,000
Plan members	<u>102,366</u>
Total contributions	<u>552,366</u>
Investment Earnings:	
Interest and dividends on investments	177,119
Net increase/decrease in the fair value of investments	<u>[92,064]</u>
Total investment earnings	<u>85,055</u>
Total additions	<u>637,421</u>
Deductions:	
Benefits	<u>619,829</u>
Changes in net assets	<u>17,592</u>
Net assets - beginning	10,973,889
Prior period adjustment	<u>[1,863,532]</u>
Net assets - beginning, restated	<u>9,110,357</u>
Net assets - ending	<u>\$ 9,127,949</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, 2011

**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 21,447 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. Interfund services provided and used are not eliminated in the process of consolidation. All activities of the City are governmental activities. 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, 2011

**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 *Bond and Interest Fund* is used to account for the accumulation of resources and payment of the City's long-term debt.

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.



CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2011

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Additionally, the City reports the following fund types:

The Internal Service Fund accounts for the financing of goods and services provided to other funds of the City on a cost reimbursement basis and uses the accrual basis of accounting. The City's internal service funds are the Risk Management Fund and the Equipment Reserve Fund. The Internal Service Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, in this case. All other revenues and expenses not meeting this definition are nonoperating.

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.

**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.

Tax statements are mailed November 1 each year and may be paid in full or one-half on or before December 20 with the remaining one-half due on or before June 20 of the following year. The 2003 Legislature authorized the Governor to advance the required June 20 payment to be made on or before May 10. The Governor has now exercised such authority and published notice of such advancement. Taxes that are unpaid on the due dates are considered delinquent and accrue interest at a per annum rate established by State law until paid or until the property is sold for taxes. Real estate bearing unpaid taxes is advertised for sale on or before August 1 of each year and is sold by the County for taxes and all legal charges on the first Tuesday in September. Properties that are sold and not redeemed within two years after the tax sale are subject to foreclosure sale, except homestead properties which are subject to foreclosure sale after three years.

Personal taxes are due and may be paid in the same manner as real estate taxes, with the same interest applying to delinquencies. If personal taxes are not paid when due, and after written notice, warrants are issued and placed in the hands of the Sheriff for collection. If not paid on or before October 1, legal judgment is entered and the delinquent tax becomes a lien on the property. Unless renewed, a non-enforced lien expires five years after it is entered.

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2011

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**2. Receivables and Payables (Continued)**

Motor vehicle taxes are collected periodically throughout the year concurrently with the renewal of motor vehicle tags based upon the value of such vehicles. Such tax receipts are distributed to all taxing subdivisions, including the State of Kansas, in proportion to the number of mills levied within each taxpayer's tax levy unit.

The City may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the City and the assessed valuations provided by the County appraiser.

Taxes receivable include property taxes levied on November 1, 2011 for 2012 of \$5,397,354, 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. Prepaid items of governmental funds are recorded as expenditures when consumed rather than when purchased.

**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.

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.

CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2011

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**5. Capital Assets (Continued)**

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, 2011

**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, 2011, 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 fund balance in the following classifications: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance indicates that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city council. Assigned fund balances include amounts that are constrained by the City management's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available restricted amounts is considered to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the following is the order in which resources will be expended: committed, assigned and unassigned.

CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2011

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**7. Fund Balances (Continued)**

The following is the detail for fund balance classifications in the financial statements:

	Major Governmental Funds						Other Governmental Funds	Total Governmental Funds
	<u>General</u>	<u>Solid Waste Management</u>	<u>Bond and Interest</u>	<u>Stormwater</u>	<u>Economic Development</u>	<u>Capital Projects</u>		
Fund Balances:								
Nonspendable for:								
Inventory	\$ 96,836	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,049	\$ 97,885
Restricted for:								
Urban management and planning	-	-	-	-	-	-	732,106	732,106
Culture and recreation	-	-	-	-	-	-	7,548	7,548
Public works	-	-	-	-	-	-	36,121	36,121
Public safety	-	-	-	-	-	-	35,627	35,627
Capital improvements	-	-	-	-	-	6,053,338	-	6,053,338
Debt payments	-	-	4,442	-	-	-	-	4,442
Committed for:								
Urban management and planning	-	264,024	-	-	2,116,755	-	-	2,380,779
Public works	1,659,165	-	-	318,691	-	-	-	1,977,856
Assigned for:								
Urban management and planning	27,500	-	-	-	-	-	-	27,500
Public works	188,174	-	-	-	-	-	-	188,174
Public safety	9,000	-	-	-	-	-	-	9,000
Unassigned:	<u>4,655,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,655,983</u>
Total Fund Balances	<u>\$ 6,636,658</u>	<u>\$ 264,024</u>	<u>\$ 4,442</u>	<u>\$ 318,691</u>	<u>\$ 2,116,755</u>	<u>\$ 6,053,338</u>	<u>\$ 812,451</u>	<u>\$ 16,206,359</u>

**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 \$4,442 for debt service and \$811,402 for enabling legislation.

*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.

CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2011

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. 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.

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 2011 budget was amended for the Bond and Interest Fund.

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 Grant Fund, Equipment Reserve Fund, Risk Management Reserve Fund, Economic Development Fund, Corinth CID Fund, PV Shops CID 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).

CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2011

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

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	Stormwater	Bond And Interest	Economic Development	Solid Waste Management	Capital Project	Nonmajor Governmental Funds	Governmental Funds
GAAP FUND BALANCE								
December 31, 2011	\$ 6,636,658	\$ 318,691	\$ 4,442	\$ 2,116,755	\$ 264,024	\$ 6,053,338	\$ 812,451	\$ 16,206,359
Adjustments:								
Unreserved fund balances not subject to the Kansas Budget Law:								
Nonmajor governmental funds	-	-	-	-	-	-	[732,106]	[732,106]
Capital Project Fund	-	-	-	-	-	[6,053,338]	-	[6,053,338]
Economic Development Fund	-	-	-	[2,116,755]	-	-	-	[2,116,755]
Outstanding encumbrances	[224,674]	-	-	-	-	-	-	[224,674]
Total deductions	[224,674]	-	-	[2,116,755]	-	[6,053,338]	[732,106]	[9,126,873]
BUDGETARY FUND BALANCE								
December 31, 2011	\$ 6,411,984	\$ 318,691	\$ 4,442	\$ -	\$ 264,024	\$ -	\$ 80,345	\$ 7,079,486

**B. Restatement of Equity**

The implementation of GASB 54 required the reclassification of the governmental fund balances. The following is the reclassification of fund balance as of December 31, 2010.

	Fund Balance Classification		
	Unreserved	Reserved	Total
Governmental Fund:			
General Fund	\$ 4,610,498	\$ 223,607	\$ 4,834,105
Solid Waste Management Fund	179,953	-	179,953
Bond and Interest Fund	-	35,287	35,287
Stormwater Fund	261,343	-	261,343
Economic Development Fund	2,147,282	-	2,147,282
Capital Projects Fund	5,604,888	-	5,604,888
Other Governmental Fund	838,101	938	839,039
Total Governmental Funds	\$ 13,642,065	\$ 259,832	\$ 13,901,897

	Fund Balance Classification					
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
Governmental Fund:						
General Fund	\$ 83,530	\$ -	\$ -	\$ 140,077	\$ 4,610,498	\$ 4,834,105
Solid Waste Management Fund	-	-	179,953	-	-	179,953
Bond and Interest Fund	-	35,287	-	-	-	35,287
Stormwater Fund	-	-	261,343	-	-	261,343
Economic Development Fund	-	-	2,147,282	-	-	2,147,282
Capital Projects Fund	-	5,604,888	-	-	-	5,604,888
Other Governmental Fund	938	838,101	-	-	-	839,039
Total Governmental Funds	\$ 84,468	\$ 6,478,276	\$ 2,588,578	\$ 140,077	\$ 4,610,498	\$ 13,901,897

CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2011

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**B. Restatement of Equity**

In 2011, it was determined that the proper classification for two funds, previously categorized as special revenue funds, was internal service funds. The City also modified the supplemental retirement plan provisions. The City no longer administers the plan. The new plan design is for the employees to manage their own investments within the options available. The effect of which is as follows:

	Governmental Nonmajor Fund		Internal Service Fund		Supplemental Retirement Fund
	Risk Management Fund	Equipment Reserve Fund	Risk Management Fund	Equipment Reserve Fund	
Fund balance/Net assets, beginning	\$ 73,915	\$ 717,497	\$ -	\$ -	\$ 1,863,532
Change in fund classification	<u>[73,915]</u>	<u>[717,497]</u>	<u>73,915</u>	<u>717,497</u>	<u>[1,863,532]</u>
Fund balance/Net assets, beginning, restated	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,915</u>	<u>\$ 717,497</u>	<u>\$ -</u>

**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.



CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2011

III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

At December 31, 2011, 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	\$ 546,370	S&P AAAf/S1+	\$546,370	\$ -	\$ -
FHLB	259,058	AAA	259,058	-	-
FHLMC	135,470	AAA	135,470	-	-
FNMA	444,816	AAA	100,070	344,746	-
GNMA	293,044	n/a	-	293,044	-
US Treasury Note	543,208	n/a	543,208	-	-
AT&T Inc	55,121	A2	55,121	-	-
Bank New York	78,229	AA3	78,229	-	-
BP Capital Markets	78,813	A2	78,813	-	-
Caterpillar Financial Services Corp	54,506	A2	54,506	-	-
Cisco Systems Inc	86,942	A1	-	86,942	-
General Electric Corp	39,200	AA2	-	39,200	-
Georgia Power	83,663	A3	-	83,663	-
Hewlett Packard	77,134	A3	77,134	-	-
Home Depot Inc	81,717	A3	-	81,717	-
JPMorgan Chase	77,760	AA3	77,760	-	-
Oracle	88,425	A1	-	88,425	-
Overseas Private Invnt Corp	75,058	n/a	75,058	-	-
Shell	46,414	AA1	-	46,414	-
Wachovia Corp	52,755	A2	52,755	-	-
John Deere Cap Corp	52,088	A2	52,088	-	-
Anheuser Busch	53,908	BAA1	53,908	-	-
Berkshire Hathaway	79,512	AA2	79,512	-	-
Directv	52,044	BAA2	52,044	-	-
Sigma Aldrich	26,150	A2	-	26,150	-
Stryker Corp	28,018	A3	-	28,018	-
US Bancorp Medium	78,390	AA3	78,390	-	-
Total	<u>\$ 3,567,813</u>				

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

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

CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2011

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

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

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

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

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

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

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

**B. Receivables and Payables**

Receivables as of December 31, 2011 for the City's major and nonmajor funds are as follows:

	<u>General</u>	<u>Stormwater</u>	<u>Bond And Interest</u>	<u>Solid Waste Management</u>	<u>Capital Project</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Taxes	\$ 4,330,638	\$ -	\$ 1,365,323	\$ -	\$ -	\$ -	\$ 5,695,961
Special assessments	-	1,617,659	-	1,729,735	-	-	3,347,394
Intergovernmental	955,340	-	-	-	752,962	317,373	2,025,675
Other	559,494	-	-	-	-	134,799	694,293
Gross receivables	5,845,472	1,617,659	1,365,323	1,729,735	752,962	452,172	11,763,323
Less allowance for uncollectibles	[69,431]	-	[22,236]	-	-	-	[91,667]
Net receivables	<u>\$ 5,776,041</u>	<u>\$ 1,617,659</u>	<u>\$ 1,343,087</u>	<u>\$ 1,729,735</u>	<u>\$ 752,962</u>	<u>\$ 452,172</u>	<u>\$ 11,671,656</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:

CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2011

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

**B. Receivables and Payables (Continued)**

	General Fund	Stormwater	Solid Waste Management	Capital Projects	Bond And Interest	Total
2011 property taxes	\$ 4,262,093	\$ -	\$ -	\$ -	\$ 1,343,210	\$ 5,605,303
Special assessments	-	1,617,659	1,729,735	-	-	3,347,394
Franchise fee (unavailable)	248,310	-	-	-	-	248,310
Total deferred revenue	<u>\$ 4,510,403</u>	<u>\$ 1,617,659</u>	<u>\$ 1,729,735</u>	<u>\$ -</u>	<u>\$ 1,343,210</u>	<u>\$ 9,201,007</u>

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

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2011 was as follows:

	Beginning Balance	Additions/ Restatements	Disposals	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,861,866	\$ -	\$ -	\$ 13,861,866
Construction in progress	7,772,252	6,877,694	6,617,455	8,032,491
Total	<u>21,634,118</u>	<u>6,877,694</u>	<u>6,617,455</u>	<u>21,894,357</u>
Capital assets being depreciated:				
Buildings	6,509,759	25,453	-	6,535,212
Improvements other than buildings	1,445,899	-	-	1,445,899
Furniture and equipment	5,254,129	793,287	625,885	5,421,531
Infrastructure	118,081,998	6,617,455	4,283,798	120,415,655
Total	<u>131,291,785</u>	<u>7,436,195</u>	<u>4,909,683</u>	<u>133,818,297</u>
Less accumulated depreciation for:				
Buildings	2,783,566	161,231	-	2,944,797
Improvements other than buildings	507,654	36,782	-	544,436
Furniture and equipment	3,709,229	439,973	625,885	3,523,317
Infrastructure	80,292,122	3,876,899	4,283,798	79,885,223
Total	<u>87,292,571</u>	<u>4,514,885</u>	<u>4,909,683</u>	<u>86,897,773</u>
Total capital assets being depreciated, net	<u>43,999,214</u>	<u>2,921,310</u>	<u>-</u>	<u>46,920,524</u>
Governmental activities capital assets, net of depreciation	<u>\$ 65,633,332</u>	<u>\$ 9,799,004</u>	<u>\$ 6,617,455</u>	<u>\$ 68,814,881</u>

CITY OF PRAIRIE VILLAGE, KANSAS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 December 31, 2011

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

**C. Capital Assets**

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

Governmental activities:	
Urban management and planning	\$ 54,282
Public works	4,027,070
Public safety	263,319
Municipal justice	1,724
Leisure and recreation	<u>168,490</u>
Total	<u>\$ 4,514,885</u>

**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, 2011. This is represented by the amount of 2011 funds due to the Capital Projects Fund from the Special City Highway Fund. The remaining amounts represent administrative amounts owed to various funds.

	<u>Due From</u>	<u>Due To</u>
Major Funds:		
Capital Project Fund	\$ 253,397	\$ -
General Fund	-	85,972
Nonmajor Governmental Funds:		
Special City Street and Highway Fund	-	253,397
Nonmajor Internal Service Fund		
Equipment Reserve Fund	85,972	-

**Transfers**

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

	<u>To</u>	<u>From</u>
Governmental Funds:		
General	\$ 450,000	\$ 1,189,879
Bond and Interest	450,081	-
Stormwater	-	1,483,500
Capital Projects	2,021,068	-
Other Governmental Funds	-	626,000
Internal Service Funds:		
Risk Management	35,000	-
Equipment Reserve	<u>343,230</u>	<u>-</u>
	<u>\$ 3,299,379</u>	<u>\$ 3,299,379</u>

CITY OF PRAIRIE VILLAGE, KANSAS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 December 31, 2011

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

**E. Leases**

The City leases building and office facilities and other equipment under operating leases. Total costs for such leases were \$20,979 for the year ended December 31, 2011. The future minimum lease payments for these leases are as follows:

	Amount
Fiscal year ending December 31:	
2012	\$ 22,103
2013	10,334
2014	2,232

**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>2010</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2011</u>	Current <u>Portion</u>
General Obligation Bonds	\$ 8,562,696	\$ 4,555,000	\$ 2,143,632	\$ 10,974,064	\$ 1,823,633
Accrued Compensated Absences	<u>305,832</u>	<u>348,974</u>	<u>361,619</u>	<u>293,187</u>	<u>293,187</u>
	<u>\$ 8,868,528</u>	<u>\$ 4,903,974</u>	<u>\$ 2,505,251</u>	<u>\$ 11,267,251</u>	<u>\$ 2,116,820</u>

The balance outstanding as of December 31, 2011 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>
Improvement & Refunding	2.00-3.00%	11/19/09	\$ 10,221,329	9/1/14	\$ 6,419,064
Improvement & Refunding	.40 - 2.00%	10/19/11	<u>4,555,000</u>	9/1/21	<u>4,555,000</u>
			<u>\$ 14,776,329</u>		<u>\$ 10,974,064</u>

CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2011

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

**F. Long-Term Liabilities (Continued)**

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

Year:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,823,633	\$ 190,485	\$ 2,014,118
2013	1,848,633	164,385	2,013,018
2014	1,883,633	129,003	2,012,635
2015	738,633	92,750	831,383
2016	743,633	84,050	827,683
2017 - 2021	<u>3,935,899</u>	<u>229,445</u>	<u>4,165,344</u>
Total	<u>\$ 10,974,064</u>	<u>\$ 890,118</u>	<u>\$ 11,864,181</u>

**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, 2011.

<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	<u>4,000,000</u>	2/1/12	<u>2,528,858</u>
			<u>\$ 17,910,000</u>		<u>\$ 16,438,858</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), except commissioned police officers, who are covered by the Revised Prairie Village Police Pension Plan. The Police Pension plan is accounted for as a separate Pension Trust Fund, 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)).

CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2011

**IV. OTHER INFORMATION (CONTINUED)**

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

**Kansas Public Employees Retirement System (Continued)**

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 6.74% for the year ended December 31, 2011. The City contributions to KPERS for the years ending December 31, 2011, 2010, and 2009 were \$222,466, \$190,724, and \$166,421, respectively, equal to the statutory required contributions for each year.

**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, 2011, there were forty-one active participants (three fully vested, twenty-nine partially vested and nine nonvested), six vested terminees (not currently receiving benefits), and thirty-six 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 2011 was \$444,541.

CITY OF PRAIRIE VILLAGE, KANSAS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 December 31, 2011

**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, 2011:

Annual required contribution	\$ 444,541
Interest on net pension obligation	1,586
Adjustment to annual required contribution	<u>[1,485]</u>
Annual pension cost	<u>\$ 444,642</u>
Annual pension cost	\$ 444,642
Less contributions made	<u>[450,000]</u>
Increase in net pension obligation	[5,358]
Net pension obligation/[asset] at beginning of year	<u>19,830</u>
Net pension obligation/[asset] at end of year	<u>\$ 14,472</u>

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

Year:	Annual Required Contribution [ARC]	Percentage of APC Contributed	Annual Pension Cost [APC]	Net Pension Obligation	Net Pension Asset
2009	\$ 445,120	97%	\$ 445,045	\$ 780	-
2010	469,045	96%	469,050	19,830	-
2011	444,541	101%	444,642	14,472	-

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.

**Funding Status and Funding Progress.** As of the year ended January 1, 2011, the most recent actuarial valuation date, the plan was 86% funded. The actuarial accrued liability for benefits was \$11,625,339 and the actuarial value of asset was \$9,972,255, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,653,084. The covered payroll (annual payroll of active employees covered by the plan) was \$2,434,651, and the ratio of the UAAL to the covered payroll was 67.9%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The information for the plan's funded status and funding progress was prepared using the entry age actuarial cost method, and the information presented is intended to approximate the funded status and funding progress of the plan.



CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2011

**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 Plan  
Statement of Plan Net Assets  
December 31, 2011

ASSETS

Restricted cash and investments	\$ 9,104,611
Interest receivable	<u>23,338</u>
Total assets	<u>\$ 9,127,949</u>

LIABILITIES AND NET ASSETS

Liabilities	\$ -
Net assets	
Held in trust for pension benefits	<u>9,127,949</u>
Total net assets	<u>9,127,949</u>
Total liabilities and net assets	<u>\$ 9,127,949</u>

CITY OF PRAIRIE VILLAGE, KANSAS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2011

**IV. OTHER INFORMATION (CONTINUED)**

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

Revised Prairie Village Police Plan  
Statement of Changes in Plan Net Assets  
For the Year Ended December 31, 2011

Additions:	
Contributions	
Employer	\$ 450,000
Plan members	<u>102,366</u>
Total contributions	<u>552,366</u>
Investment Earnings:	
Interest and dividends on investments	177,119
Net increase/decrease in the fair value of investments	<u>[92,064]</u>
Total investment earnings	<u>85,055</u>
Total additions	<u>637,421</u>
Deductions:	
Benefits	<u>619,829</u>
Change in net assets	17,592
Net assets - beginning	<u>9,110,357</u>
Net assets - ending	<u>\$ 9,127,949</u>

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2011
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	Level percent of payroll, closed
Remaining amortization period	Approximately 5 years
Actuarial assumptions:	
Investment rate of return	8% per annum
Projected salary increases - due to merit	4.5% per year
Projected salary increases - inflation	2.0% per year

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

December 31, 2011

**IV. OTHER INFORMATION (CONTINUED)**

**B. Deferred Compensation Plan**

The City offers City employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plan were held in trust as described in IRC Section 457 (g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the accounts and all other matters. Plan balances and activities are not reflected in the City's financial statements.

**C. 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	1,000	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
Workers Compensation	10,000	1,000,000

**D. 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.

CITY OF PRAIRIE VILLAGE, KANSAS  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 December 31, 2011

**IV. OTHER INFORMATION (CONTINUED)**

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

Premium amounts are as follows:

	<u>Health</u>	<u>Dental</u>	<u>Vision</u>	<u>Total</u>
Base Plan				
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
Buy-up Plan				
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 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	\$ 9,995
Interest on Net OPEB Obligation	604
Adjustment to Annual Required Contribution	<u>[788]</u>
Annual OPEB cost (expense)	9,811
Benefit payments	<u>9,383</u>
Change in net OPEB obligation	428
Net OPEB obligation - beginning of year	<u>13,407</u>
Net OPEB obligation - end of year	<u>\$ 13,835</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, 2011 was as follows:

	<u>Annual Required Contribution</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>	<u>Percentage of Annual Required Contribution Contributed</u>
Year:				
2009	\$ 8,699	\$ 8,527	\$ 13,200	100%
2010	9,324	8,936	13,407	100%
2011	9,995	9,383	13,835	100%

CITY OF PRAIRIE VILLAGE, KANSAS

NOTES TO THE BASIC FINANCIAL STATEMENTS  
December 31, 2011

**IV. OTHER INFORMATION (CONTINUED)**

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

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.

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 inflationary impact assumption is 2%. The UAAL is being amortized as a level dollar over an open thirty-year period.

**E. Net Assets**

The amount reported on the statement of net assets identified as invested in capital assets, net of related debt is comprised of the following:

	Governmental <u>Activities</u>
Total net capital assets	\$ 68,814,881
Less:	
Current portion of general obligations bonds	[1,823,633]
Noncurrent portion of general obligations bonds	<u>[9,150,431]</u>
Net assets - invested in capital assets, net of related debt	<u>\$ 57,840,817</u>

CITY OF PRAIRIE VILLAGE, KANSAS

PRAIRIE VILLAGE POLICE PENSION PLAN  
 REQUIRED SUPPLEMENTARY INFORMATION  
 December 31, 2011

Actuarial valuation date	Actuarial value of assets (a)	Actuarial 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%
2010	9,300,644	11,312,478	2,011,834	82.2%	2,453,257	82.0%
2011	9,972,255	11,625,339	1,653,084	86.0%	2,434,651	67.9%

\*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 APC Contributed	Annual Pension Cost [APC]	Net Pension Obligation	Net Pension Asset
2009	\$ 445,120	97%	\$ 445,045	\$ 780	\$ -
2010	469,045	96%	469,050	19,830	-
2011	444,541	101%	444,642	14,472	-

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, 2011
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	Level percent of payroll, closed
Remaining amortization period	Approximately 5 years
Actuarial assumptions:	
Investment rate of return	8% per annum
Projected salary increases - due to merit	4.5% per year
Projected salary increases - inflation	2.0% per year

CITY OF PRAIRIE VILLAGE, KANSAS  
 OTHER POST-EMPLOYMENT BENEFITS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 December 31, 2011

Schedule of Employer Contributions:

Year:	<u>Annual Required Contribution</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>	<u>Percentage of Annual Required Contribution Contributed</u>
2009	\$ 8,699	\$ 8,527	\$ 13,200	100%
2010	9,324	8,936	13,407	100%
2011	9,995	9,383	13,835	100%

Schedule of Funding Progress:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (b)</u>	<u>Unfunded AAL (b) - (a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as Percent of Payroll (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%

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. **Corinth CID** – This fund accounts for monies received from the Community Improvement District additional 1% sales tax to be expended on development within Corinth Square.
7. **PV Shops CID** – This fund accounts for monies received from the Community Improvement District additional 1% sales tax to be expended on development within PV Shops.
8. **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.



CITY OF PRAIRIE VILLAGE, KANSAS  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2011

ASSETS	Special City Street and Highway	Special Parks and Recreation	Special Alcohol	Grant	Equipment Reserve	Corinth CID	PV Shops CID	Risk Management Reserve	Totals
Cash and investments	\$ 148,965	\$ 7,548	\$ 36,346	\$ 135,991	\$ -	\$ 205,285	\$ 200,546	\$ -	\$ 734,681
Other receivable	-	-	-	134,799	-	-	-	-	134,799
Prepaid expenditures	-	-	1,049	-	-	-	-	-	1,049
Due from other governments	<u>140,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,114</u>	<u>95,706</u>	<u>-</u>	<u>317,373</u>
<b>Total assets</b>	<b><u>\$ 289,518</u></b>	<b><u>\$ 7,548</u></b>	<b><u>\$ 37,395</u></b>	<b><u>\$ 270,790</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 286,399</u></b>	<b><u>\$ 296,252</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,187,902</u></b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>Liabilities</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,580	\$ 60,755	\$ -	\$ 121,335
Accrued payroll	-	-	719	-	-	-	-	-	719
Due to other funds	<u>253,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>253,397</u>
<b>Total liabilities</b>	<b><u>253,397</u></b>	<b><u>-</u></b>	<b><u>719</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>60,580</u></b>	<b><u>60,755</u></b>	<b><u>-</u></b>	<b><u>375,451</u></b>
<b>Fund balances</b>									
Nonspendable	-	-	1,049	-	-	-	-	-	1,049
Restricted	<u>36,121</u>	<u>7,548</u>	<u>35,627</u>	<u>270,790</u>	<u>-</u>	<u>225,819</u>	<u>235,497</u>	<u>-</u>	<u>811,402</u>
<b>Total fund balances</b>	<b><u>36,121</u></b>	<b><u>7,548</u></b>	<b><u>36,676</u></b>	<b><u>270,790</u></b>	<b><u>-</u></b>	<b><u>225,819</u></b>	<b><u>235,497</u></b>	<b><u>-</u></b>	<b><u>812,451</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 289,518</u></b>	<b><u>\$ 7,548</u></b>	<b><u>\$ 37,395</u></b>	<b><u>\$ 270,790</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 286,399</u></b>	<b><u>\$ 296,252</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,187,902</u></b>

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, 2011

	Special City Street and Highway	Special Parks and Recreation	Special Alcohol	Grant	Equipment Reserve	Corinth CID	PV Shops CID	Risk Management Reserve	Total
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 423,200	\$ 430,184	-	\$ 853,384
Intergovernmental	554,664	93,541	93,541	274,262	-	-	-	-	1,016,008
Other	-	-	100	-	-	-	-	-	100
Use of money and property	60	7	34	-	-	116	111	-	328
Total revenues	<u>554,724</u>	<u>93,548</u>	<u>93,675</u>	<u>274,262</u>	<u>-</u>	<u>423,316</u>	<u>430,295</u>	<u>-</u>	<u>1,869,820</u>
Expenditures									
Current:									
Urban management and planning	-	-	-	3,472	-	197,497	194,798	-	395,767
Public safety	-	-	68,229	-	-	-	-	-	68,229
Leisure, recreation	-	-	15,000	-	-	-	-	-	15,000
Total expenditures	<u>-</u>	<u>-</u>	<u>83,229</u>	<u>3,472</u>	<u>-</u>	<u>197,497</u>	<u>194,798</u>	<u>-</u>	<u>478,996</u>
Excess [deficiency] of revenues over [under] expenditures	<u>554,724</u>	<u>93,548</u>	<u>10,446</u>	<u>270,790</u>	<u>-</u>	<u>225,819</u>	<u>235,497</u>	<u>-</u>	<u>1,390,824</u>
Other financing sources [uses]									
Transfers [out]	<u>[540,000]</u>	<u>[86,000]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[626,000]</u>
Total other financing sources [uses]	<u>[540,000]</u>	<u>[86,000]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[626,000]</u>
Net change in fund balances	<u>14,724</u>	<u>7,548</u>	<u>10,446</u>	<u>270,790</u>	<u>-</u>	<u>225,819</u>	<u>235,497</u>	<u>-</u>	<u>764,824</u>
Fund balances, beginning	21,397	-	26,230	-	717,497	-	-	73,915	839,039
Prior period adjustment	-	-	-	-	[717,497]	-	-	[73,915]	[791,412]
Fund balances, beginning, restated	<u>21,397</u>	<u>-</u>	<u>26,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,627</u>
Fund balances, ending	<u>\$ 36,121</u>	<u>\$ 7,548</u>	<u>\$ 36,676</u>	<u>\$ 270,790</u>	<u>\$ -</u>	<u>\$ 225,819</u>	<u>\$ 235,497</u>	<u>\$ -</u>	<u>\$ 812,451</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, 2011

	GAAP		Budgetary Basis Actual	Budgeted Amounts		Variance Positive [Negative]
	Basis Actual	Adjustments		Original	Final	
Revenues						
Intergovernmental	\$ 554,664	\$ -	\$ 554,664	\$ 540,000	\$ 540,000	\$ 14,664
Use of money and property	60	-	60	-	-	60
Total revenues	<u>554,724</u>	<u>-</u>	<u>554,724</u>	<u>540,000</u>	<u>540,000</u>	<u>14,724</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>554,724</u>	<u>-</u>	<u>554,724</u>	<u>540,000</u>	<u>540,000</u>	<u>14,724</u>
Other financing sources [uses]						
Transfers [out]	<u>[540,000]</u>	<u>-</u>	<u>[540,000]</u>	<u>[540,000]</u>	<u>[540,000]</u>	<u>-</u>
Total other financing sources [uses]	<u>[540,000]</u>	<u>-</u>	<u>[540,000]</u>	<u>[540,000]</u>	<u>[540,000]</u>	<u>-</u>
Net change in fund balance	14,724	-	14,724	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,724</u>
Fund balance, beginning	<u>21,397</u>	<u>-</u>	<u>21,397</u>			
Fund balance, ending	<u>\$ 36,121</u>	<u>\$ -</u>	<u>\$ 36,121</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, 2011

	GAAP		Budgetary		Budgeted Amounts		Variance Positive [Negative]
	Basis Actual	Adjustments	Basis Actual	Original	Final		
Revenues							
Intergovernmental	\$ 93,541	\$ -	\$ 93,541	\$ 86,000	\$ 86,000	\$ 7,541	
Use of money and property	7	-	7	-	-	7	
Total revenues	<u>93,548</u>	<u>-</u>	<u>93,548</u>	<u>86,000</u>	<u>86,000</u>	<u>7,548</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>93,548</u>	<u>-</u>	<u>93,548</u>	<u>86,000</u>	<u>86,000</u>	<u>7,548</u>	
Other financing sources [uses]							
Transfers [out]	<u>[86,000]</u>	<u>-</u>	<u>[86,000]</u>	<u>[86,000]</u>	<u>[86,000]</u>	<u>-</u>	
Total other financing sources [uses]	<u>[86,000]</u>	<u>-</u>	<u>[86,000]</u>	<u>[86,000]</u>	<u>[86,000]</u>	<u>-</u>	
Net change in fund balance	7,548	-	7,548	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,548</u>	
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>				
Fund balance, ending	<u>\$ 7,548</u>	<u>\$ -</u>	<u>\$ 7,548</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, 2011

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance Positive [Negative]
				Original	Final	
Revenues						
Intergovernmental	\$ 93,541	\$ -	\$ 93,541	\$ 86,000	\$ 86,000	\$ 7,541
Use of money and property	34	-	34	-	-	34
Miscellaneous	100	-	100	-	-	100
Total revenues	<u>93,675</u>	<u>-</u>	<u>93,675</u>	<u>86,000</u>	<u>86,000</u>	<u>7,675</u>
Expenditures						
Public safety	68,229	-	68,229	73,939	73,939	5,710
Leisure, recreation	15,000	-	15,000	15,000	15,000	-
Total expenditures	<u>83,229</u>	<u>-</u>	<u>83,229</u>	<u>88,939</u>	<u>88,939</u>	<u>5,710</u>
Net change in fund balance	10,446	-	10,446	<u>\$ [2,939]</u>	<u>\$ [2,939]</u>	<u>\$ 13,385</u>
Fund balance, beginning	<u>26,230</u>	<u>-</u>	<u>26,230</u>			
Fund balance, ending	<u>\$ 36,676</u>	<u>\$ -</u>	<u>\$ 36,676</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, 2011

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance Positive [Negative]
				Original	Final	
Revenues						
Taxes	\$ 1,482,900	\$ -	\$ 1,482,900	\$ 1,563,191	\$ 1,538,820	\$ [55,920]
Use of money and property	2,449	-	2,449	-	-	2,449
Total revenues	<u>1,485,349</u>	<u>-</u>	<u>1,485,349</u>	<u>1,563,191</u>	<u>1,538,820</u>	<u>[53,471]</u>
Expenditures						
Debt service						
Principal	1,790,000	-	1,790,000	1,790,000	1,943,675	153,675
Interest and other charges	176,275	-	176,275	176,275	95,537	[80,738]
Total expenditures	<u>1,966,275</u>	<u>-</u>	<u>1,966,275</u>	<u>1,966,275</u>	<u>2,039,212</u>	<u>72,937</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[480,926]</u>	<u>-</u>	<u>[480,926]</u>	<u>[403,084]</u>	<u>[500,392]</u>	<u>19,466</u>
Other financing sources [uses]						
Transfers in	<u>450,081</u>	<u>-</u>	<u>450,081</u>	<u>450,081</u>	<u>450,830</u>	<u>[749]</u>
Total other financing sources [uses]	<u>450,081</u>	<u>-</u>	<u>450,081</u>	<u>450,081</u>	<u>450,830</u>	<u>[749]</u>
Net change in fund balance	[30,845]	-	[30,845]	<u>\$ 46,997</u>	<u>\$ [49,562]</u>	<u>\$ 18,717</u>
Fund balance, beginning	<u>35,287</u>	<u>-</u>	<u>35,287</u>			
Fund balance, ending	<u>\$ 4,442</u>	<u>\$ -</u>	<u>\$ 4,442</u>			

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS  
COMBINING STATEMENTS - NONMAJOR FUNDS  
NONMAJOR INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods and services provided to other funds of the City on a cost reimbursement basis.

1. **Risk Management Reserve Fund** - This fund is used to pay the costs associated with uninsured losses.
2. **Equipment Reserve** – This fund accounts for large equipment purchases, including computer software,.

CITY OF PRAIRIE VILLAGE, KANSAS

COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
December 31, 2011

ASSETS	<u>Risk Management</u>	<u>Equipment Reserve</u>	<u>Total</u>
Current assets			
Cash and investments	\$ 67,056	\$ 547,405	\$ 614,461
Due from other governments	125	-	125
Due from other funds	-	85,972	85,972
Total current assets	<u>67,181</u>	<u>633,377</u>	<u>700,558</u>
Noncurrent assets:			
Capital assets being depreciated:			
Equipment	-	457,971	457,971
Total capital assets being depreciated	-	457,971	457,971
Less: accumulated depreciation	-	31,048	31,048
Total capital assets being depreciated, net	<u>-</u>	<u>426,923</u>	<u>426,923</u>
Total assets	<u>\$ 67,181</u>	<u>\$ 1,060,300</u>	<u>\$ 1,127,481</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Current liabilities:			
Accounts payable	\$ 296	\$ 80,886	\$ 81,182
Total current liabilities	<u>296</u>	<u>80,886</u>	<u>81,182</u>
Total liabilities	<u>296</u>	<u>80,886</u>	<u>81,182</u>
Net assets			
Invested in capital assets, net of related debt	-	426,923	426,923
Unrestricted	<u>66,885</u>	<u>552,491</u>	<u>619,376</u>
Total net assets	<u>66,885</u>	<u>979,414</u>	<u>1,046,299</u>
Total liabilities and net assets	<u>\$ 67,181</u>	<u>\$ 1,060,300</u>	<u>\$ 1,127,481</u>

See independent auditor's report on the financial statements.



CITY OF PRAIRIE VILLAGE, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2011

	<u>Risk Management</u>	<u>Equipment Reserve</u>	<u>Total</u>
Operating revenues			
Other local sources	\$ -	\$ -	\$ -
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>
Operating expenses			
Urban management and planning	42,317	52,677	94,994
Depreciation	<u>-</u>	<u>31,048</u>	<u>31,048</u>
Total operating expenses	<u>42,317</u>	<u>83,725</u>	<u>126,042</u>
Operating income [loss]	<u>[42,317]</u>	<u>[83,725]</u>	<u>[126,042]</u>
Nonoperating revenues [expenses]:			
Investment earnings	<u>287</u>	<u>2,412</u>	<u>2,699</u>
Income [loss] before transfers	[42,030]	[81,313]	[123,343]
Transfers in	<u>35,000</u>	<u>343,230</u>	<u>378,230</u>
Change in net assets	<u>[7,030]</u>	<u>261,917</u>	<u>254,887</u>
Net assets, Beginning of year	-	-	-
Prior period adjustment	<u>73,915</u>	<u>717,497</u>	<u>791,412</u>
Net assets, Beginning of year, restated	<u>73,915</u>	<u>717,497</u>	<u>791,412</u>
Net assets, End of year	<u>\$ 66,885</u>	<u>\$ 979,414</u>	<u>\$ 1,046,299</u>

See independent auditor's report on the financial statements.

CITY OF PRAIRIE VILLAGE, KANSAS  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 For the Year Ended December 31, 2011

	<u>Risk Management</u>	<u>Equipment Reserve</u>	<u>Total</u>
Cash flows from operating activities			
Cash paid to other suppliers of goods or services	\$ [44,971]	\$ 11,139	\$ [33,832]
Other operating receipts	<u>3,277</u>	<u>[6,098]</u>	<u>[2,821]</u>
Net cash [used in] operating activities	<u>[41,694]</u>	<u>5,041</u>	<u>[36,653]</u>
Cash flows from noncapital financing activities			
Transfers from other funds	<u>35,000</u>	<u>343,230</u>	<u>378,230</u>
Net cash provided by noncapital financing activities	<u>35,000</u>	<u>343,230</u>	<u>378,230</u>
Cash flows from capital and related financing activities			
Purchase of capital assets	<u>-</u>	<u>[457,971]</u>	<u>[457,971]</u>
Net cash provided by capital and related financing activities	<u>-</u>	<u>[457,971]</u>	<u>[457,971]</u>
Cash flows from investing activities			
Interest received	<u>287</u>	<u>2,412</u>	<u>2,699</u>
Net cash provide by investing activities	<u>287</u>	<u>2,412</u>	<u>2,699</u>
Net increase [decrease] in cash and cash equivalents	[6,407]	[107,288]	[113,695]
Cash and cash equivalents, Beginning of year	<u>73,463</u>	<u>654,693</u>	<u>728,156</u>
Cash and cash equivalents, End of year	<u>\$ 67,056</u>	<u>\$ 547,405</u>	<u>\$ 614,461</u>
Reconciliation of operating [loss] to net cash [used in] operating activities			
Operating [loss]	\$ [42,317]	\$ [83,725]	\$ [126,042]
Adjustments to reconcile operating [loss] to net cash [used in] operating activities			
Depreciation expense	-	31,048	31,048
[Increase] decrease in other receivable	3,402	-	3,402
[Increase] decrease in due from other funds	-	[6,098]	[6,098]
[Increase] decrease in due from other governments	[125]	-	[125]
Increase [decrease] in accounts payable	<u>[2,654]</u>	<u>63,816</u>	<u>61,162</u>
Net cash [used in] operating activities	<u>\$ [41,694]</u>	<u>\$ 5,041</u>	<u>\$ [36,653]</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, 2011

ASSETS	Supplemental Retirement Fund	Revised Prairie Village Police Pension Fund	Total
Restricted cash	\$ -	\$ 761,648	\$ 761,648
Restricted investments, at fair value			
Common stock	-	5,321,523	5,321,523
Fixed income	-	3,021,440	3,021,440
Total restricted investments	-	8,342,963	8,342,963
Interest receivable	-	23,338	23,338
 Total assets	 \$ -	 \$ 9,127,949	 \$ 9,127,949
 LIABILITIES AND NET ASSETS			
Liabilities			
Net assets			
Held in trust for pension benefits	\$ -	\$ 9,127,949	\$ 9,127,949
Total net assets	-	9,127,949	9,127,949
 Total liabilities and net assets	 \$ -	 \$ 9,127,949	 \$ 9,127,949

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, 2011

	Supplemental Retirement Fund	Revised Prairie Village Police Pension Fund	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Contributions :			
Employer	\$ -	\$ 450,000	\$ 450,000
Plan members	-	102,366	102,366
Total contributions	<u>-</u>	<u>552,366</u>	<u>552,366</u>
Investment Earnings:			
Interest and dividends on investments	-	177,119	177,119
Net increase/decrease in the fair value of investments	<u>-</u>	<u>[92,064]</u>	<u>[92,064]</u>
Total investment earnings	<u>-</u>	<u>85,055</u>	<u>85,055</u>
Total additions	<u>-</u>	<u>637,421</u>	<u>637,421</u>
Deductions:			
Benefits	<u>-</u>	<u>619,829</u>	<u>619,829</u>
Changes in net assets	<u>-</u>	<u>17,592</u>	<u>17,592</u>
Net assets - beginning	1,863,532	9,110,357	10,973,889
Prior period adjustment	<u>[1,863,532]</u>	<u>-</u>	<u>[1,863,532]</u>
Net assets - beginning, restated	<u>-</u>	<u>9,110,357</u>	<u>9,110,357</u>
Net assets - ending	<u>\$ -</u>	<u>\$ 9,127,949</u>	<u>\$ 9,127,949</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>	<u>2010</u>	<u>2011</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	\$ 57,070,636	\$ 57,840,817
Restricted	87,141	128,990	168,564	230,513	197,827	258,683	233,847	241,470	815,844
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>	<u>13,092,359</u>	<u>15,547,991</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>	<u>\$ 70,404,465</u>	<u>\$ 74,204,652</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>	<u>2010</u>	<u>2011</u>
<b>Expenses</b>									
<b>Governmental Activities:</b>									
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	\$ 3,272,655	\$ 3,895,696
Public works	3,597,853	6,743,408	6,174,532	8,807,244	8,203,302	7,684,541	8,834,376	9,767,738	8,609,223
Public safety	4,172,054	4,293,500	4,606,977	4,919,202	5,063,596	5,102,560	5,453,093	5,111,387	5,596,720
Municipal justice	240,887	260,073	280,708	343,226	349,769	370,433	389,952	370,192	395,493
Leisure and recreation	1,096,950	817,561	787,935	824,395	924,399	917,170	713,252	689,398	700,072
Interest on Long-Term Debt	165,211	148,189	130,238	112,434	93,165	72,658	88,186	186,968	164,465
<b>Total Primary Government Expenses</b>	<b>11,933,514</b>	<b>15,106,564</b>	<b>14,909,950</b>	<b>17,849,522</b>	<b>17,628,600</b>	<b>17,279,410</b>	<b>18,833,708</b>	<b>19,398,338</b>	<b>19,361,669</b>
<b>Program Revenues</b>									
<b>Governmental Activities:</b>									
<b>Fees, fines, and charges for services</b>									
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	1,905,694	2,128,353
Public works	60,140	58,243	53,508	72,508	72,054	107,855	1,498,500	1,550,652	1,632,368
Public safety	1,614,123	1,714,819	1,830,196	2,139,920	2,163,163	2,204,404	2,213,361	2,326,639	2,544,678
Municipal justice	48,818	46,922	46,916	65,557	59,540	64,725	43,313	3,826	2,675
Leisure and recreation	435,432	380,729	426,946	436,041	441,399	429,579	437,850	473,123	457,726
<b>Operating grants and contributions</b>									
Urban management and planning	-	-	-	-	-	-	15,000	2,517	3,472
Public works	-	-	-	-	-	-	-	169,534	-
Public safety	11,338	3,355	71,318	3,197	11,821	6,564	22,890	11,016	270,790
<b>Capital grants and contributions</b>									
Public works	390,246	745,288	544,352	517,484	1,918,004	728,705	354,076	30,197	1,078,160
Public safety	-	-	-	-	-	-	-	201,359	-
<b>Total Primary Government Program Revenues</b>	<b>4,056,688</b>	<b>4,501,237</b>	<b>4,555,489</b>	<b>4,826,524</b>	<b>6,272,367</b>	<b>5,265,512</b>	<b>6,352,705</b>	<b>6,674,557</b>	<b>8,118,222</b>
<b>Total Primary Government Net [Expense]</b>	<b>[7,876,826]</b>	<b>[10,605,327]</b>	<b>[10,354,461]</b>	<b>[13,022,998]</b>	<b>[11,356,233]</b>	<b>[12,013,898]</b>	<b>[12,481,003]</b>	<b>[12,723,781]</b>	<b>[11,243,447]</b>
<b>General Revenues and Other Changes in Net Assets</b>									
<b>Governmental activities:</b>									
<b>Taxes:</b>									
Property taxes	3,996,633	4,027,484	4,149,331	4,217,789	4,476,911	5,177,298	5,265,998	5,278,073	5,299,216
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	4,843,179	6,197,430
Motor vehicle tax	431,049	560,644	569,568	556,985	531,497	513,573	544,505	551,285	555,579
Franchise tax	1,615,189	1,567,167	1,629,419	1,629,706	1,681,147	1,829,831	1,717,002	1,792,180	1,820,275
Grants and contributions not restricted to specific programs	899,494	890,611	935,916	957,868	912,307	971,712	919,500	935,569	955,456
Investment earnings	122,111	164,161	309,886	579,452	662,691	335,599	125,136	126,307	62,015
Miscellaneous	226,286	299,944	63,695	110,661	49,375	86,081	80,613	111,567	153,663
<b>Total primary government</b>	<b>12,025,842</b>	<b>12,747,069</b>	<b>12,956,017</b>	<b>13,354,328</b>	<b>13,576,035</b>	<b>14,133,151</b>	<b>13,492,657</b>	<b>13,638,160</b>	<b>15,043,634</b>
<b>Change in Net Assets</b>									
<b>Governmental activities</b>	<b>\$ 4,149,016</b>	<b>\$ 2,141,742</b>	<b>\$ 2,601,556</b>	<b>\$ 331,330</b>	<b>\$ 2,219,802</b>	<b>\$ 2,119,253</b>	<b>\$ 1,011,654</b>	<b>\$ 914,379</b>	<b>\$ 3,800,187</b>
		(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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	234,573	203,932	372,558	301,539
Unreserved	<u>6,862,479</u>	<u>5,605,517</u>	<u>6,992,836</u>	<u>8,319,287</u>
Total General Fund	<u>\$ 7,097,052</u>	<u>\$ 5,809,449</u>	<u>\$ 7,365,394</u>	<u>\$ 8,620,826</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Reserved	298,285	318,886	328,523	1,017,735
Unreserved, reported in:				
Special revenue funds	64,765	87,141	126,483	155,504
Capital project funds	<u>1,409,342</u>	<u>1,314,525</u>	<u>1,005,883</u>	<u>482,713</u>
Total All Other Governmental Funds	<u>\$ 1,772,392</u>	<u>\$ 1,720,552</u>	<u>\$ 1,460,889</u>	<u>\$ 1,655,952</u>

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

TABLE 3  
(UNAUDITED)

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,836
-	-	-	-	-	1,659,165
-	-	-	-	-	224,674
-	-	-	-	-	4,655,983
106,738	261,411	278,309	241,521	223,607	-
<u>8,961,513</u>	<u>6,579,448</u>	<u>4,273,620</u>	<u>4,658,964</u>	<u>4,610,498</u>	<u>-</u>
<u>\$ 9,068,251</u>	<u>\$ 6,840,859</u>	<u>\$ 4,551,929</u>	<u>\$ 4,900,485</u>	<u>\$ 4,834,105</u>	<u>\$ 6,636,658</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,049
-	-	-	-	-	6,869,182
-	-	-	-	-	2,699,470
945,184	1,116,475	131,782	274,972	36,225	-
233,061	1,783,241	2,879,583	3,204,956	3,426,679	-
<u>1,978,556</u>	<u>1,186,432</u>	<u>2,382,006</u>	<u>11,060,360</u>	<u>5,604,888</u>	<u>-</u>
<u>\$ 3,156,801</u>	<u>\$ 4,086,148</u>	<u>\$ 5,393,371</u>	<u>\$ 14,540,288</u>	<u>\$ 9,067,792</u>	<u>\$ 9,569,701</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>2002</u>	<u>2003</u>	<u>2004</u>
Revenues			
Taxes, Net	\$ 8,938,293	\$ 10,687,234	\$ 11,394,015
Intergovernmental	4,782,758	1,260,055	1,584,852
Licenses and permits	312,230	351,017	350,032
Charges for services	1,547,520	2,413,516	2,479,063
Fines and forfeitures	488,565	727,073	751,101
Recreational fees	442,569	435,432	380,729
Use of money and property	255,070	122,110	164,160
Other	<u>173,426</u>	<u>226,288</u>	<u>284,805</u>
Total revenues	<u>16,940,431</u>	<u>16,222,725</u>	<u>17,388,757</u>
Expenditures			
Urban management and planning	2,619,356	2,661,683	2,828,508
Public works	5,613,507	3,396,033	3,339,749
Public safety	3,911,193	4,132,170	4,239,918
Municipal justice	209,873	238,120	256,843
Leisure and recreation	663,919	974,433	695,588
Capital outlay	5,045,797	2,630,252	4,278,825
Debt service			
Principal	365,000	380,000	400,000
Interest and other charges	<u>186,843</u>	<u>170,785</u>	<u>154,154</u>
Total expenditures	<u>18,615,488</u>	<u>14,583,476</u>	<u>16,193,585</u>
Excess of revenues over [under] expenditures	<u>[1,675,057]</u>	<u>1,639,249</u>	<u>1,195,172</u>
Other financing sources [uses]			
Transfers in	4,540,583	2,145,190	3,206,952
Transfers out	[4,540,583]	[2,145,190]	[3,206,952]
Bond premium	-	-	-
Sale of bonds	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ [1,675,057]</u>	<u>\$ 1,639,249</u>	<u>\$ 1,195,172</u>
Debt service as a percentage of noncapital expenditures	4.07%	4.61%	4.65%

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

TABLE 4  
(UNAUDITED)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$	11,639,349	\$ 11,709,149	\$ 11,927,153	\$ 12,727,356	\$ 12,349,694	\$ 12,464,717	\$ 13,857,373
	1,475,639	1,387,941	2,746,509	1,590,358	1,198,401	1,232,019	2,187,709
	384,820	390,233	396,755	459,552	413,294	441,168	468,647
	2,551,749	2,678,435	2,781,749	2,953,846	4,466,317	4,665,931	4,976,771
	820,766	1,047,023	999,862	1,006,365	959,292	992,645	1,154,857
	426,946	436,041	441,399	429,579	437,850	473,123	457,726
	312,631	579,452	662,691	335,600	125,115	126,307	59,316
	63,249	110,661	49,393	86,081	80,625	119,116	173,311
	<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>	<u>20,515,026</u>	<u>23,335,710</u>
	2,897,745	2,801,131	2,960,677	3,154,433	3,314,992	3,338,416	3,743,801
	3,194,551	3,721,868	4,080,429	4,301,887	4,540,778	5,010,474	5,102,754
	4,720,791	4,946,932	4,999,368	5,363,206	5,610,354	5,386,918	5,448,152
	279,083	333,271	359,473	372,212	389,608	393,875	391,753
	658,556	713,470	699,781	759,294	556,029	520,703	531,525
	3,891,276	3,320,269	7,648,966	6,064,642	5,218,463	9,443,862	6,793,162
	415,000	435,000	455,000	475,000	1,060,000	1,790,000	2,130,000
	136,338	118,720	99,862	79,770	66,220	169,654	275,459
	<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>26,053,902</u>	<u>24,416,606</u>
	<u>1,481,809</u>	<u>1,948,274</u>	<u>[1,298,045]</u>	<u>[981,707]</u>	<u>[725,856]</u>	<u>[5,538,876]</u>	<u>[1,080,896]</u>
	3,505,769	4,230,400	7,173,939	6,795,069	4,971,475	5,570,381	2,921,149
	[3,505,769]	[4,230,400]	[7,173,939]	[6,795,069]	[4,971,475]	[5,570,381]	[3,299,379]
	-	-	-	-	136,329	-	-
	-	-	-	-	10,085,000	-	4,555,000
	-	-	-	-	10,221,329	-	4,176,770
\$	<u>1,481,809</u>	<u>1,948,274</u>	<u>[1,298,045]</u>	<u>[981,707]</u>	<u>9,495,473</u>	<u>[5,538,876]</u>	<u>3,095,874</u>
	4.48%	4.24%	4.01%	4.11%	7.29%	11.65%	14.00%

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TABLE 5  
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS  
GENERAL GOVERNMENT TAX REVENUES BY SOURCE  
LAST TEN YEARS  
December 31, 2011  
(Unaudited)

<u>Fiscal Year</u> <u>December 31,</u>	<u>Property</u> <u>Tax</u>	<u>Local</u> <u>Sales</u> <u>Tax</u>	<u>County</u> <u>Sales</u> <u>Tax</u>	<u>Specialty</u> <u>Sales</u> <u>Tax</u>	<u>Use</u> <u>Tax</u>	<u>Franchise</u> <u>Tax</u>	<u>Motor</u> <u>Vehicle Tax(1)</u>	<u>Total</u>
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
2010	5,278,073	2,023,730	1,412,107	698,682	708,660	1,792,180	551,285	12,464,717
2011	5,299,216	2,067,933	1,619,048	1,662,927	847,522	1,805,148	555,579	13,857,373

(1)- For 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  
December 31, 2011  
(Unaudited)

Category	Local Sales Tax Collected									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gas Station	\$ 36,516	\$ 31,293	\$ 17,538	\$ 15,377	\$ 14,927	\$ 20,631	\$ 15,954	\$ 10,932	\$ 20,727	\$ 19,393
Grocery Store	539,611	505,803	515,013	526,631	524,210	549,053	577,775	565,778	553,777	557,984
Home Occupation	29,774	25,325	17,272	15,336	15,409	18,424	14,835	11,147	12,515	11,138
Restaurant	173,526	191,741	190,202	210,468	219,634	217,308	215,035	203,252	225,575	279,777
Retail	670,385	688,450	776,541	830,545	854,960	863,501	799,277	755,276	709,671	694,473
Utility	403,373	431,796	414,304	372,401	343,490	352,816	430,340	407,539	501,465	495,168
Total	\$ 1,853,185	\$ 1,874,408	\$ 1,930,870	\$ 1,970,758	\$ 1,972,630	\$ 2,021,733	\$ 2,053,216	\$ 1,953,924	\$ 2,023,730	\$ 2,057,933

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>	<u>2010</u>	<u>2011</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	\$ 2,072,700	\$ 1,939,300
53,961,100	50,580,300	51,501,300	52,663,100	52,421,000	54,905,300	57,777,500	56,577,800	55,377,700	55,798,400
2,977,400	2,532,500	1,727,200	1,533,616	1,540,900	1,842,400	1,483,500	1,114,700	1,251,500	1,113,800
17,352,600	19,174,100	19,020,200	21,046,800	21,963,400	21,730,800	21,503,500	20,325,200	22,557,500	27,977,700
67,038,500	68,845,000	77,654,100	83,054,500	85,496,000	86,350,100	79,927,700	75,527,604	70,967,100	69,447,300
<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>50,146,400</u>	<u>49,516,800</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>	<u>\$ 202,372,900</u>	<u>\$ 205,793,300</u>

TABLE 7  
(UNAUDITED)

CITY OF PRAIRIE VILLAGE  
ASSESSED AND ESTIMATED ACTUAL VALUE  
OF TAXABLE PROPERTY (1)  
LAST TEN YEARS  
December 31, 2011

Fiscal Year	<u>Real Property(1)</u>		<u>Personal Property(2)</u>	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2002	\$ 233,177,860	\$ 1,841,496,804	\$ 11,255,014	\$ 35,413,694
2003	240,559,204	1,899,790,166	9,972,412	32,312,991
2004	246,178,002	2,072,880,390	10,049,767	30,783,709
2005	259,785,677	2,188,001,305	9,613,535	32,061,045
2006	266,529,461	2,285,977,515	10,021,010	32,062,360
2007	278,114,544	2,382,712,905	10,021,789	29,639,819
2008	284,173,687	2,440,934,520	9,330,574	25,875,024
2009	279,586,647	2,411,417,190	8,211,168	23,451,017
2010	273,059,648	2,364,085,300	7,465,621	22,538,872
2011	275,222,619	2,384,685,380	6,395,619	20,012,266

(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>Motor Vehicles Assessed Value</u>	<u>Recreational Vehicles Assessed Value</u>	<u>Total Direct Tax Rate</u>
\$	244,432,874	\$ 1,876,910,498	13.02%	\$ 31,883,210	\$ 102,847	15.744
	250,531,616	1,932,103,157	12.97%	32,559,955	98,789	15.765
	256,227,769	2,103,664,099	12.18%	32,567,896	98,815	15.843
	269,399,212	2,220,062,350	12.13%	32,826,881	103,536	15.720
	276,550,471	2,318,039,875	11.93%	32,518,171	92,267	16.133
	288,136,333	2,412,352,724	11.94%	32,353,006	82,897	18.166
	293,504,261	2,466,809,544	11.90%	32,244,915	69,068	18.182
	287,797,815	2,434,868,207	11.82%	31,919,314	63,215	18.179
	280,525,269	2,386,624,172	11.75%	31,100,970	62,281	18.877
	281,618,238	2,404,697,646	11.71%	30,896,870	59,999	19.491

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, 2011

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
		General	Debt Service	Total City							
2002	1.5	13.818	1.926	15.744	16.2210	42.2380	9.428	8.008	0.000	2.948	1.602
2003	1.5	13.731	2.034	15.765	16.3810	37.7740	9.432	9.240	0.000	2.954	2.365
2004	1.5	13.967	1.876	15.843	16.0410	42.6550	9.438	9.241	0.000	2.956	2.367
2005	1.5	13.961	1.759	15.720	17.9220	49.7480	8.960	9.405	0.000	2.955	2.286
2006	1.5	14.451	1.682	16.133	17.9490	51.9800	8.872	9.335	0.000	2.960	2.290
2007	1.5	16.418	1.748	18.166	17.9850	52.0080	8.749	9.356	0.000	2.962	2.295
2008	1.5	16.897	1.285	18.182	17.7670	52.0940	8.768	8.992	0.000	3.057	2.341
2009	1.5	17.277	0.902	18.179	17.7160	55.3180	8.784	8.991	0.000	3.151	2.346
2010	1.5	14.101	4.776	18.877	17.7480	57.1920	8.799	10.074	0.000	3.158	2.350
2011	1.5	14.763	4.728	19.491	17.7000	56.1350	8.776	10.098	0.000	3.145	2.343

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, 2011 and Nine Years Ago

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2011 Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>	<u>2002 Assessed Valuation</u>	<u>Rank</u>	<u>% of Total Assessed Valuation</u>
Highwoods Realty Limited	Real Estate	\$ -		0.00%	\$ 14,802,109	1	6.06%
PV Retail Partners, LLC	Real Estate	6,399,556	1	2.27%	-		0.00%
CSN Retail Partners, LLC	Real Estate	4,396,872	2	1.56%	-		0.00%
TVO Kenilworth LLC	Real Estate	-		0.00%	1,600,605	3	0.65%
Prairie Property LL, LLC	Real Estate	3,892,750	3	1.38%	-		
Towers Properties Company	Real Estate	3,230,568	4	1.15%	-		0.00%
State Line OPCO LLC	Real Estate	2,337,250	5	0.83%	-		0.00%
Kansas City Power & Light	Utility	2,255,424	6	0.80%	-		0.00%
Wilmington Trust Company	Real Estate	-		0.00%	2,788,451	2	1.14%
May Department Stores	Retail	-		0.00%	1,475,000	4	0.60%
WEC 99c-4 LLC-Marriot Internatic	Adult living facility	-		0.00%	1,264,230	5	0.52%
Meadowbrook Center, LLC	Adult living facility	-		0.00%	693,751	8	0.28%
Windsor-Continental Investors	Investment	-		0.00%	643,976	9	0.26%
Individual Assurance Company	Insurance Agent	-		0.00%	597,576	10	0.24%
CSS Retail Partners, LLC	Real Estate	1,602,252	7	0.57%	-		0.00%
HCP MA4	Real Estate	1,478,084	8	0.52%	-		0.00%
Kansas Gas Service	Utility	1,449,792	9	0.51%	-		0.00%
Prairie Village Office Center	Real Estate	987,500	10	0.35%	-		0.00%
Melody W. Sutherland	Real Estate	-		0.00%	1,074,125	6	0.44%
TVO Corinth Paddock LLC	Investment	-		0.00%	850,621	7	0.35%
<b>Total</b>		<b>\$ 28,030,048</b>		<b>9.94%</b>	<b>\$ 25,790,444</b>		<b>10.54%</b>

Source: Johnson County Clerks Office

TABLE 10  
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS  
December 31, 2011

<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>
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
2010	5,290,573	5,197,682	98.24%	80,391
2011	5,489,021	5,244,806	95.55%	54,410

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>
\$	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%
	5,278,073	99.8%		710,279	13.46%
	5,299,216	96.5%		900,084	16.99%

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>
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%
2010	8,562,696	8,562,696	21,447	743,717,619	399	1.15%
2011	10,974,064	10,974,064	21,447	743,717,619	512	1.48%

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, 2011

<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>	<u>Ratio of</u> <u>Net</u> <u>Bonded</u> <u>Debt to</u> <u>Actual</u> <u>Value</u>
2002	21,514	\$ 244,150,272	\$ 3,765,000	\$ 21,308	\$ 3,743,692	1.53%	\$ 174.01	0.20%
2003	21,514	250,608,971	3,385,000	20,601	3,364,399	1.34%	156.38	0.17%
2004	21,514	255,791,537	2,985,000	48,181	2,936,819	1.15%	136.51	0.14%
2005	21,887	269,806,687	2,570,000	52,633	2,517,367	0.93%	115.02	0.11%
2006	21,511	276,551,250	2,135,000	48,310	2,086,690	0.75%	97.01	0.09%
2007	21,414	288,136,333	1,680,000	30,121	1,649,879	0.57%	77.05	0.07%
2008	21,422	293,504,261	1,205,000	35,735	1,169,265	0.40%	54.58	0.05%
2009	21,479	287,797,815	10,366,329	20,013	10,346,316	3.59%	481.69	0.42%
2010	21,447	280,525,269	8,562,696	35,287	8,527,409	3.04%	397.60	0.36%
2011	21,447	281,618,238	10,974,064	4,442	10,969,622	3.90%	511.48	0.46%

(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, 2011

<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	\$ 10,974,064	100.00%	\$ 10,974,064
Overlapping debt: (1)			
Johnson County	240,750,000	3.76%	9,052,200
Shawnee Mission School (U.S.D. 512)	222,340,000	9.74%	21,655,916
Fire District #2	1,375,000	39.12%	537,900
Johnson County Parks and Recreation	<u>3,625,000</u>	3.76%	<u>136,300</u>
Total overlapping debt	<u>468,090,000</u>		<u>31,382,316</u>
Total direct and overlapping debt	<u>\$ 479,064,064</u>		<u>\$ 42,356,380</u>
Direct and Overlapping Debt per Capita	\$ 1,974.93		
Direct and Overlapping Debt as a Percentage of Assessed Valuation	15.04%		
Direct and Overlapping Debt as a Percentage of Actual Value	1.76%		

(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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Total Assessed Valuation of Taxable Property	\$ 244,150,272	\$ 250,608,971	\$ 255,791,537	\$ 269,806,687
Debt Limit Percent of Assessed Value	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>	<u>30.00%</u>
Debt Limit	73,245,082	75,182,691	76,737,461	80,942,006
Total net debt applicable to limit	<u>3,765,000</u>	<u>3,385,000</u>	<u>2,985,000</u>	<u>2,570,000</u>
Legal Debt Margin	<u>\$ 69,480,082</u>	<u>\$ 71,797,691</u>	<u>\$ 73,752,461</u>	<u>\$ 78,372,006</u>
Total Net Debt Applicable To The Limit As A Percentage of Debt Limit	5.14%	4.50%	3.89%	3.18%

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 276,551,250	\$ 287,445,118	\$ 292,384,855	\$ 287,052,268	\$ 280,265,557	\$ 281,618,238
30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
82,965,375	86,233,535	87,715,457	86,115,680	84,079,667	84,485,471
<u>2,135,000</u>	<u>1,680,000</u>	<u>1,205,000</u>	<u>10,366,329</u>	<u>8,562,696</u>	<u>10,974,064</u>
<u>\$ 80,830,375</u>	<u>\$ 84,553,535</u>	<u>\$ 86,510,457</u>	<u>\$ 75,749,351</u>	<u>\$ 75,516,971</u>	<u>\$ 73,511,407</u>
2.57%	1.95%	1.37%	12.04%	10.18%	12.99%

TABLE 15  
(UNAUDITED)

CITY OF PRAIRIE VILLAGE, KANSAS  
 DEMOGRAPHIC STATISTICS  
 LAST TEN YEARS  
 December 31, 2011

<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>
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
2010	21447	5120	6.8%	34,677	743,717,619
2011	21447	5730	5.1%	34,677	743,717,619

(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, 2011 and Nine Years Ago

<u>Employer</u>	December 31, 2011			December 31, 2002		
	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, 2011

<u>Function/Program</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Public Safety/Municipal Justice</b>						
911 Calls Received	7,720	7,569	7,806	7,999	8,115	8,055
DUI Arrests	249	292	236	228	208	200
Traffic/Parking Complaints	7,643	8,426	7,099	9,815	8,563	11,960
Accidents	568	531	444	585	615	593
Investigations Cases	437	560	414	417	449	441
Total Court Cases Processed	13,279	12,597	11,687	13,729	11,849	12,522
<b>Public Works</b>						
Curb Miles Swept	1,970	1,933	2,106	2,897	1,630	1,360
Number of Catch Basins Cleaned	1,818	1,557	1,923	2,492	1,851	2,056
Number of Potholes Patched	3,951	7,986	2,124	4,660	2,874	1,002
Streets Slurry Sealed (Square Yards)	69,650	63,513	68,725	64,668	86,743	95,925
Streets Milled and Overlaid (Linear Feet)	26,500	17,451	12,350	13,482	15,759	11,895
Sidewalk Replaced (Square Yards)	12,583	10,966	5,713	7,556	6,023	3,951
Curb and Gutter Replaced (Linear Feet)	49,797	52,925	36,016	33,982	37,251	27,097
Acres of Lawn Mowed	1,230	1,231	1,160	1,214	1,314	1,319
<b>Urban Management and Planning</b>						
Building Permits Processed	1,157	1,138	973	1,007	1,215	1,169
Building Inspections Performed	2,477	2,371	2,041	2,230	2,651	2,309
Plan Reviews Performed	241	260	235	259	293	333
<b>Leisure and Recreation</b>						
Facility Reservations Processed	855	675	724	1,016	1,392	1,415
Facility Reservation Revenue	39,983	32,536	35,578	27,557	27,028	22,750
Pool Memberships Sold	4,119	4,583	4,018	4,192	4,317	4,724
Pool Revenue	384,098	396,373	365,902	357,444	400,951	198,717
Tennis Lessons Taught	140	258	192	133	121	186
Junior Tennis League Memberships Sold	64	67	68	82	98	104
Tennis Program Revenue	12,049	13,514	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>2011</u>	<u>2010</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>
General Government										
City Administrator	-	-	-	3.9	3.9	3.9	3.9	3.9	4.0	4.4
Legal	-	-	-	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
Finance (Includes IT)	-	-	-	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
Planning	-	-	-	3.1	3.1	3.1	3.1	3.2	3.0	3.0
City Governance *	2.4	2.4	2.4	-	-	-	-	-	-	-
Administrative Services *	11.7	11.7	12.7	-	-	-	-	-	-	-
Municipal Court *	6.1	6.1	6.1	-	-	-	-	-	-	-
Public Works	28.0	28.0	29.0	29.0	29.0	29.0	29.0	27.0	28.0	28.0
Police	62.0	61.0	61.0	62.0	61.0	61.0	58.0	58.0	58.0	57.0
Parks & Recreation	<u>20.8</u>	<u>20.8</u>	<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>
Total	131.0	130.0	132.0	133.1	132.3	132.3	127.8	125.4	125.8	124.2

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>2011</u>	<u>2010</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>
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	114.4	114.4	112.5	112.5	112.5	112.5	112.5	112.5
Streetlights	2,091.0	2,165.0	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	12.0	12.0	11.0	11.0	9.0	9.0	9.0	9.0
Park acreage	61.6	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0
Pools	6.0	6.0	6.0	6.0	5.0	6.0	5.0	5.0	5.0	5.0
Golf courses (private)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0

Source: City of Prairie Village Budget Document.

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