COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF SHAWNEE, KANSAS

Year Ended December 31, 2010

Prepared by the Finance Department

Bryan Kidney, Finance Director
Debbie Kelly, Accounting Manager
Shelley Oldham, Senior Accountant

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CITY OF SHAWNEE, KANSAS

Comprehensive Annual Financial Report
Year ended December 31, 2010

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FAX (913) 631-7351

CIVIC CENTRE
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SHAWNEE, KS 66216
(913) 631-5200
FAX (913) 631-4651

FIRE
6501 QUIVIRA ROAD
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(913) 631-1080
FAX (913) 631-1628

POLICE
5850 RENNER ROAD
SHAWNEE, KS 66217
(913) 631-2155
FAX (913) 631-6389

MUNICIPAL COURT
5860 RENNER ROAD
SHAWNEE, KS 66217
(913) 742-6003
FAX (913) 962-0983

May 26, 2011

To the Honorable Mayor,
Members of the City Council,
and the Citizens of the City of Shawnee.

With great pleasure we proudly submit the Comprehensive Annual Financial Report (CAFR) of the City of Shawnee for the fiscal year ended December 31, 2010. The purpose of the report is to provide the Mayor, City Council, City Staff, citizens, bond holders, and other interested parties with useful information concerning the City's operations and financial position.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Shawnee for its comprehensive annual financial report for the fiscal year ended December 31, 2009. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy 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 comprehensive annual financial report 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.

The report was prepared by the City's Finance Department. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included, which includes management's discussion and analysis.

The Financial Reporting Entity

The Governmental Accounting Standards Board has established the criteria to determine the financial reporting entity for a municipal government's financial report. Therefore, the City used these criteria to examine the relationship of the City to other associated but legally separate entities to determine if their inclusion in this report would be necessary to fairly present the financial position of the City. This criterion generally

has to do with financial benefit or burden and levels of influence over the activities of these organizations. The financial reporting entity includes all funds of the City of Shawnee.

Profile of the Government

One of the State's earliest towns, Shawnee was also the site of the first territorial legislature, and home to the first territorial governor. Located at the intersection of early military and territorial roads leading to the Santa Fe Trail, Shawnee also became the first county seat of Johnson County. In 1856, when Kansas City was barely seven years old, Gum Spring became Shawneetown and was incorporated in 1922. The City became a City of the First Class in 1971.

Shawnee is a river city located in northwestern Johnson County adjacent to I-35 and I-435. The City has a mayor-council-manager form of government, with the mayor being elected at large and council members being elected by ward. The Mayor and council members serve four-year overlapping terms of office.

The City provides a full range of services, including police and fire protection, emergency preparedness, emergency medical response, street and storm drainage maintenance, comprehensive recreation and cultural events, planning and zoning management, codes administration and general administrative services.

Economic Condition and Outlook

Shawnee is a suburban community located in Johnson County, Kansas, approximately 9 miles southwest of downtown Kansas City. Shawnee contains 42 square miles in a strategic location within the metropolitan area. Its location along several major transportation routes, and ease in access to the entire metro area has been a major factor in the City's growth and development.

Shawnee has experienced rapid growth and development during the past ten years, particularly in terms of commercial space. Similar to the rest of the Midwest, however, during the recession Shawnee's growth rate has declined and continued to decline during the subsequent recession recovery. Since 1995, the number of business has continued to increase from 1,376 to 2,832. A total of 914 building permits were issued in 2010 with an estimated construction value of $38,323,681. Of the 914 building permits, 63 were for new single family residential permits an increase of 26% from 2009. However, the average new home size decreased slightly from 3,200 square feet to 3,159 square feet, and the value of new single family home construction, excluding the lot, rose from $278,995 to $294,349.
Significant projects include:

- Baugh-Marshall Chapel and Library
- Tomahawk Hills Club House
- RD Ranch Storage Building and Horse Stable

- Trinity Lutheran West Campus
- Westglen Eye Care

The total labor force and number of persons employed in the City of Shawnee has remained relatively stable as the number of businesses expanded and the population continued to grow. There is now an estimated 26,500 people working in the City. Shawnee's rate of growth in both the total labor force and total employment has increased at a much faster rate during the past decade. This trend has established Shawnee as a leader in residential and commercial development in the western portion of the Kansas City Metropolitan area. The City's unemployment rate continues to be lower than the state and county.

Today, with an official population of 62,209, Shawnee is one of the fastest growing cities in the State of Kansas. Shawnee has a projected population of 70,400 for 2020. The City's 2009 valuation for the 2010 fiscal year was $686,743,405 (which excludes motor vehicles and recreational vehicles) compare to $738,942,161 in 2009, a -7% decrease, further analysis and information on demographics are located in the statistical section of the CAFR.

2010 Initiatives and Highlights

The City, in conjunction with the State of Kansas, secured funds for improvements to K-7 Highway at the Johnson Drive intersection. The City continues to work with neighboring communities to implement the K-7 Corridor plan. This project will improve safety and bring additional economic development opportunities to western Shawnee. The intersection project began in March, 2009, and will conclude with completion of the Clear Creek overpass in October, 2011.

Other major improvements completed in 2010 were:

- Purchase and improvement of Traffic Signals
- Construction of Clear Creek Recreation Trail Phase I and Phase II
- Construction of Silverheel as a frontage road to K-7 Highway

Other projects that began in 2010 include Justice Center Stormwater Quality BMP Retrofit, Construction of "Shawnee Town 1929", and construction of a roundabout at Johnson Drive and Roberts.

Investment in the downtown area of the community passed the $35,650,000 mark since 2003. The reinvestment in this part of the community is a result of the adoption of several incentive programs geared to the older portion of the community established in 2003.

The city once again completed a review of their economic incentive packages. Changes included clarifying goals of the program and made incentives more business specific, with an emphasis on the biosciences and construction of multi-story buildings along major corridors. The City has enhanced these policies and now has a Tax

Increment Financing Policy (TIF), Transportation Improvement District (TDD) and a CID (Community Improvement District) policy.

The De Soto School District continued its rapid growth by completing construction of its sixth elementary school that opened for the 2010 school year. In addition, the District also continues to make improvements to Mill Valley High School located in Western Shawnee.

Shawnee Mission School District continued their reinvestment in educational facilities with construction of a new Nieman Elementary School, which opened in January, 2010. Numerous other small building improvement projects were also completed in district schools. Classrooms, performing arts enhancements and an auxiliary gymnasium addition to Shawnee Mission Northwest High School were completed in June 2010.

Future/Planned Initiatives

Economic Development:
The City continues to encourage development through the creation of benefit districts for property owners to improve major streets in areas designated for commercial and industrial development. City staff has created a development team to work with the Shawnee Economic Development Corporation to review progress on attracting new development. In 2010, the City continued to collaborate with Holliday Sand and Gravel to develop a future business park to surround a lake that will be created by the extraction of sand near the Kansas River, as well as the general area around the 43rd Street and K-7 intersection. The City is finishing up the completion of a comprehensive utility and transportation study for the area.

The I-435 Corridor study was completed in 2010, and amendments to the Comprehensive Plan were made to incorporate the development recommendations in the study.

Reinvestment: Promote programs such as downtown financial incentives to stimulate private development in the older portion of the community and continue to provide infrastructure investment in this portion of the community. In order to continue to encourage reinvestment in some of the City's older neighborhoods, storm water improvements are being undertaken in the 57th and Quivira and 50th and Nieman Road neighborhoods. Extensive storm water and street improvements are being undertaken in the southern portion of Shawnee Village in the area of 69th and Flint.

City Services: To continue to provide an excellent quality of life in the community that emphasizes the City's roots. Make Shawnee a place where new citizens and current residents feel a sense of pride. To ensure that adequate public services are provided to citizens in a rational manner to promote coordinated growth.

Stormwater Management: Implement the storm water management plan to identify, correct and construct improvements to the system as well as to assure new development adequately controls storm water collection using the latest design models.

Fiscal Responsibility: Continue the provision of exceptional value to residents of the City and provide opportunities to assure the long-term financial balance in the City's operational and capital improvement activities.

Financial Information

Internal Control Structure and Budgetary Controls

Management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. 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.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Governing Body. Activities of the General Fund, Special Revenue Funds (unless exempted by a specific statute), and Debt Service Fund are included in the annual appropriated budget, as required by Kansas Statutes. Spending in funds which are not subject to said Statutes are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the City.

As demonstrated by the statements and schedules included in the Financial Section of this report, the City continues to meet its responsibility for sound financial management.

Financial Policies

The City has numerous financial policies which include Debt, Investment, Risk Management, Pension, Purchasing, and Economic Development Policies. There was no significant impact on the current period's financial statement due to these policies.

Independent Audit

Kansas Statutes Annotated 75-1122 require an annual audit of the accounts, financial records and transactions of all administrative departments of the City by independent certified public accountants. The accounting firm of Lowenthal, Webb & Odermann, P.A. of Lawrence, Kansas was selected by the City Council. The auditors' report on the financial statements is included in the Financial Section of this report.

Acknowledgements

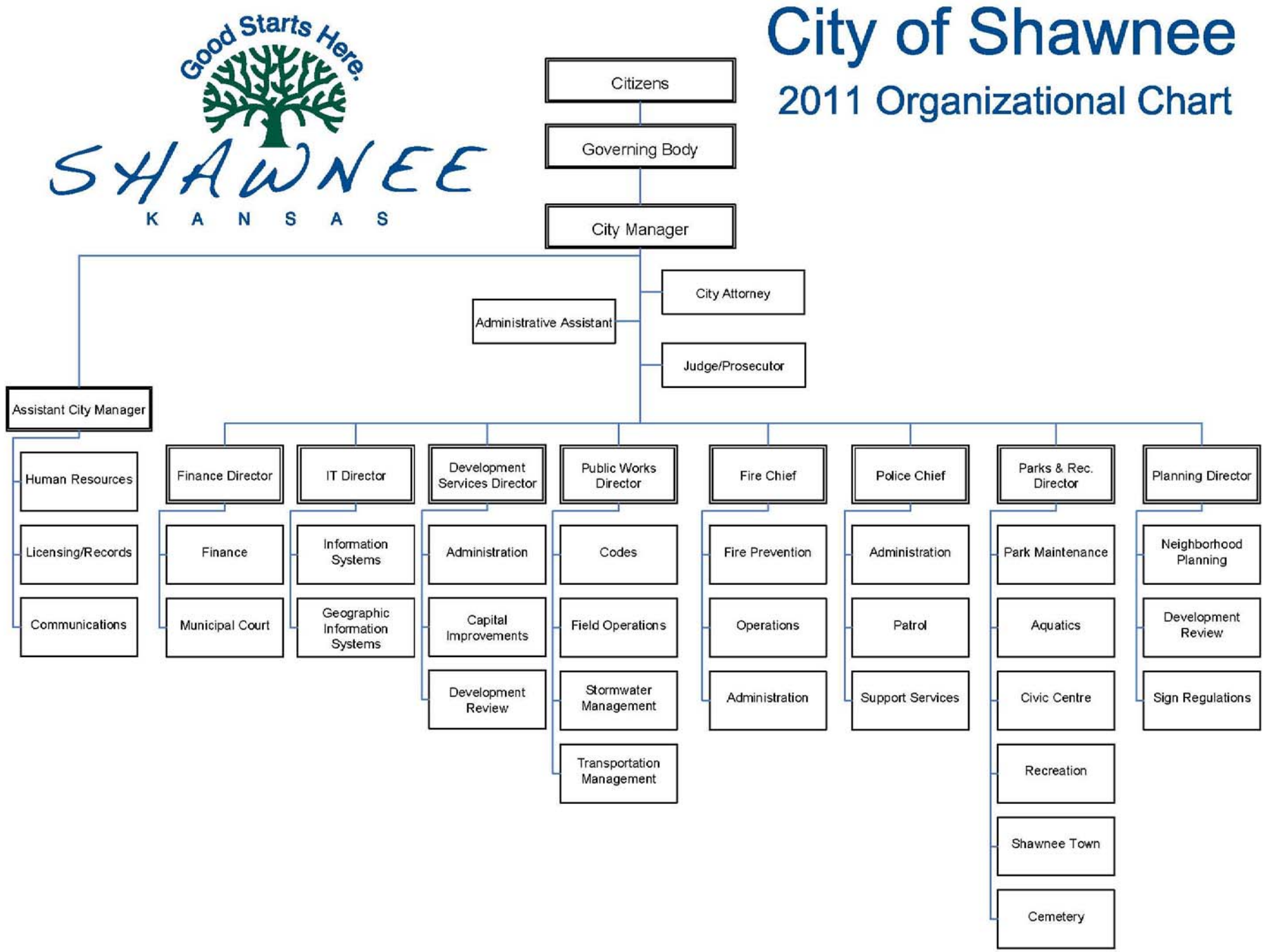
This CAFR has been a major undertaking for the Finance Department and could not have been completed without the incredible work done by our Accounting Manager, Debbie Kelly and Senior Accountant, Shelley Oldham. Finance relied heavily on the capable professionals in Public Works, Planning & Information Technology in order to comply with reporting requirements. This report could not have been completed without their help. They all have our sincere appreciation for their contributions made in preparation of this report.

In closing, without the leadership and support of the Governing Body, preparation of this report would not have been possible.

Sincerely,

Carol Gonzales
City Manager

Bryan Kidney
Finance Director


Good Starts Here.
SHAWNEE
KANSAS
City of Shawnee
2011 Organizational Chart
Citizens
Governing Body
City Manager
City Attorney
Administrative Assistant
Judge/Prosecutor
Assistant City Manager
Human Resources
Licensing/Records
Communications
Finance Director
Finance
Municipal Court
IT Director
Information Systems
Geographic Information Systems
Development Services Director
Administration
Capital Improvements
Development Review
Public Works Director
Codes
Field Operations
Stormwater Management
Transportation Management
Fire Chief
Fire Prevention
Operations
Administration
Police Chief
Administration
Patrol
Support Services
Parks & Rec. Director
Park Maintenance
Aquatics
Civic Centre
Recreation
Shawnee Town
Cemetery
Planning Director
Neighborhood Planning
Development Review
Sign Regulations



LIST OF PRINCIPAL OFFICIALS

MAYOR
JEFF MEYERS

CITY COUNCIL

WARD I
DAN PFLUMM
JIM NEIGHBOR

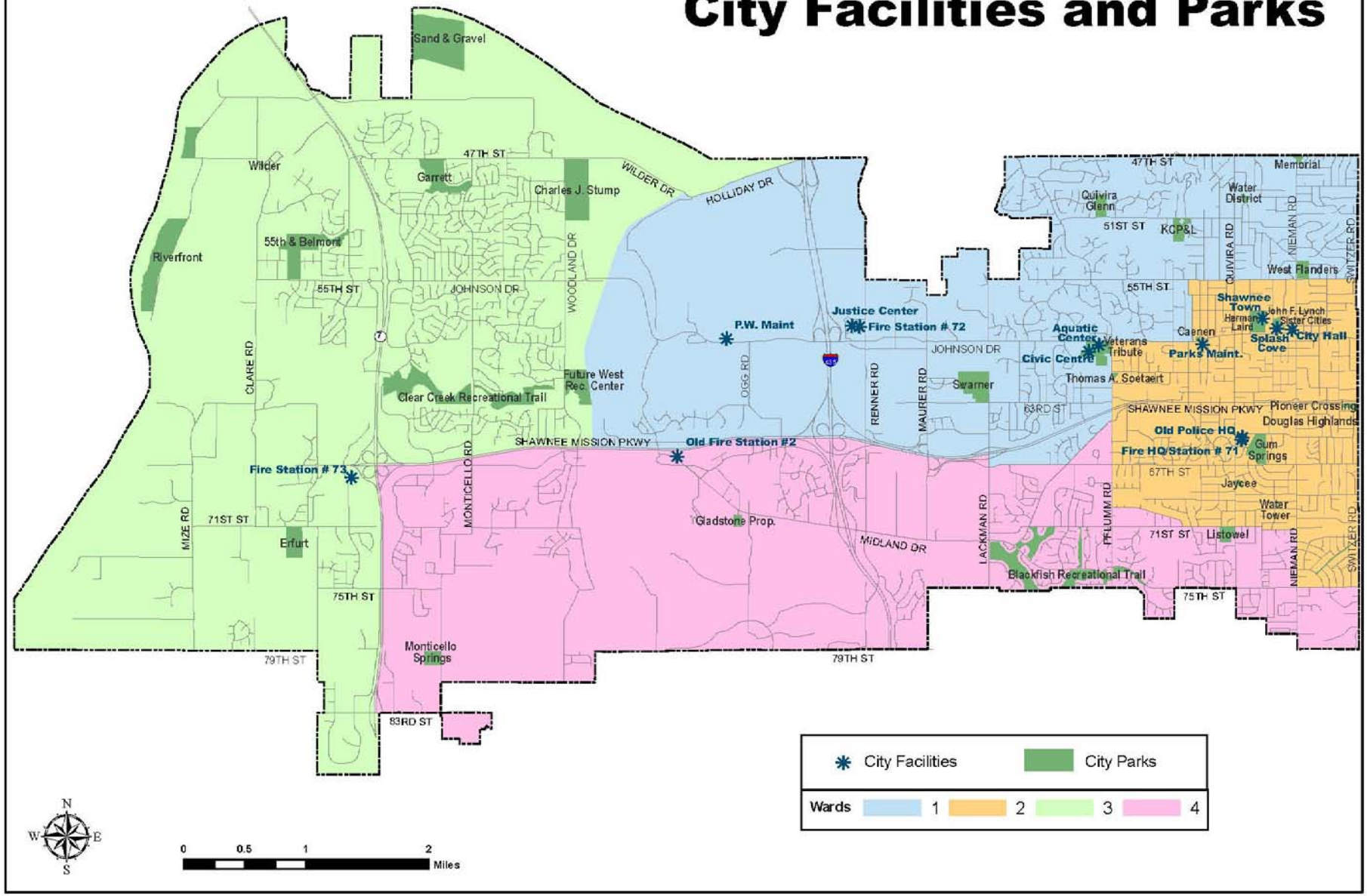
WARD II
DAVID MORRIS
NEAL SAWYER

WARD III
DAWN KUHN
JEFF VAUGHT

WARD IV
MICHELLE DISTLER
MICKEY SANDIFER

City of Shawnee

City Facilities and Parks



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Shawnee

Kansas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

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.



President

Executive Director

LOWENTHAL, WEBB & ODERMANN, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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and Kansas Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of Shawnee, Kansas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shawnee, Kansas, as of and for the year ended December 31, 2010, 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, the "Kansas Municipal Audit Guide," and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Shawnee, Kansas, at December 31, 2010, and the respective changes in financial position thereof and the respective budgetary comparisons for the General, Park and Recreation Land Use, and Parks and Pipes Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2011, on our consideration of the City of Shawnee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the schedules of funding progress on pages 51 and 52 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards 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.

Rowenthal, Wett & Odenmann, P.A.

June 6, 2011

City of Shawnee, Kansas
Management's Discussion and Analysis

Fiscal Year Ended December 31, 2010

As management of the City of Shawnee (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2010.

Financial Highlights

- The City's total assets exceeded its total liabilities at the end of 2010 by $663,700,790. Of this amount $8,786,669 is unrestricted net assets.
- The City's total net assets decreased by $6,385,682.
- As of the close of 2010, the City's governmental funds reported combined ending fund balances of $25,220,554, an increase of $3,528,208 from the prior year. The increase was due to controlling expenditures in the General Fund during this downturn in the economy and due to debt refinancing in the previous two years. In addition some infrastructure improvements were budgeted and money available but not being completed due to lower staffing levels.
- At the end of 2010, the fund balance for the general fund was $18,670,440 a healthy 57 percent of general fund expenditures.
- The City's total long-term debt liabilities decreased $264,345 during 2010. This is primarily due to a fire truck lease in 2010.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

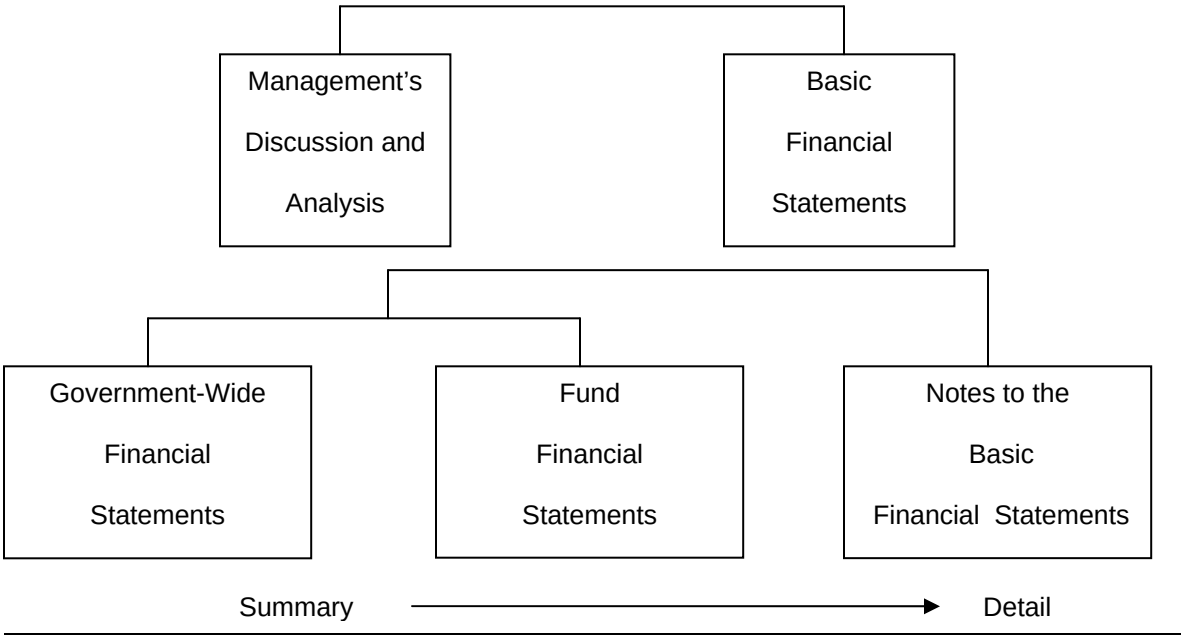
The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The government activities of the City include general government, public safety, public works, community services, and development services.

Required Components of Annual Financial Report



Fund financial statements

The City uses two types of funds to manage its resources: Governmental Funds and Fiduciary Funds. A fund is a fiscal entity with a set of self-balancing accounts recording financial resources, together with all related liabilities and residual equities and balances, and the changes therein. These accounting entities are separated for the purpose of carrying on specific activities or attaining certain objectives in accordance with regulations, restrictions or limitations.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and government activities.

The City maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Park and Recreation Land Use Fund, Parks and Pipes Fund, Debt Service Fund and the Capital Projects Fund all of which are considered to be major funds. Data from the other 11 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all funds excluding its capital project fund. A budgetary comparison statement has been provided for the General Fund, Park and Recreation Land Use Fund and the Parks and Pipes Fund to demonstrate compliance with this budget.

Fiduciary Funds are used by the City to account for resources held by the City for the benefit of a third party. Because the resources of these funds are not available for the City's operations, they are not presented in the government-wide statements. The City's Fiduciary Fund includes the Pension Trust Fund as well as agency funds which include: Mayor's Christmas Tree Fund, Cafeteria Plan Fund and the Municipal Court Bond Fund.

Notes to the basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide supplemental pension benefits to its employees and information regarding other post employment benefits. Required supplementary information can be found on pages 51 -52 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 53 - 55 of this report.

Government-wide Financial Analysis

Net assets may serve over time as one useful indicator of a government's financial condition. The City's net assets decreased by $6,385,682 or 0.9% for the fiscal year ended December 31, 2010.

By far the largest portion of the City's net assets (96 percent) reflects its investments in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Government-Wide Financial Statements
Net Assets

	Governmental Activities	
	2010	2009
Current and other assets	$ 53,972,860	$ 52,141,270
Capital assets	729,114,300	737,764,559
Total assets	$ 783,087,160	$ 789,905,829
Long-term liabilities	$ 100,453,592	$ 100,717,937
Other liabilities	18,932,778	19,101,420
Total liabilities	$ 119,386,370	$ 119,819,357
Net assets		
Invested in capital assets, net of related debt	$ 638,445,738	$ 645,143,950
Restricted for:		
Enabling Legislation	5,384,123	4,992,286
Restricted	11,084,260	11,558,484
Unrestricted	8,786,669	8,391,752
Total net assets	$ 663,700,790	$ 670,086,472

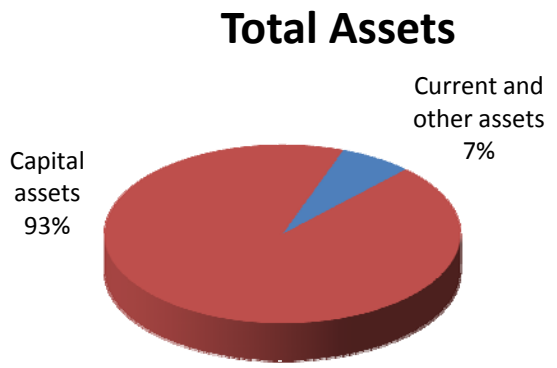
The largest portion of the City's net assets reflects its investment in capital assets.

A portion of the City's net assets (2.5 percent) represents resources that are subject to external restrictions on how they may be used.

The City's net assets decreased by $6,385,682 during 2010. This decrease was due primarily to the accumulated depreciation on the City's Capital assets.

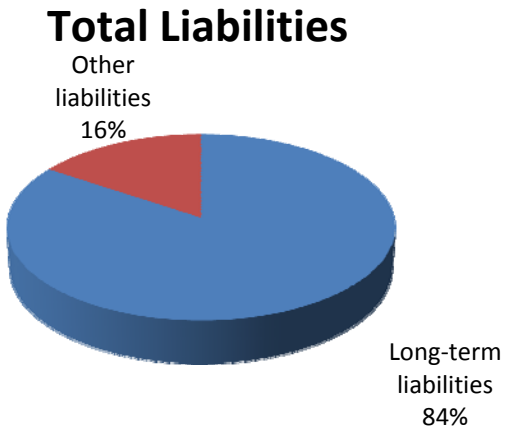
A review of the government-wide financial statement of net assets reveals the following:

The City ended 2010 with positive net assets. Total assets for the City are $783,087,160. Of these total assets, $728,458,890 are capital assets and $54,628,270 are other assets.



Total assets decreased by $6.4 million during the year ended December 31, 2010. Substantial portions of this decrease can be attributed to capital asset depreciation and fewer infrastructure improvements than in the past.

Total liabilities for the City are $119,386,370. Of the total liabilities, $100,453,592 is for long-term liabilities and $18,932,778 is for other liabilities. The majority of the long-term liabilities are for debt issued for major capital projects. Debt issues are never extended longer than the useful life of the project for which debt is being issued



Total liabilities decreased by $432,987 during the year ended December 31, 2010. The City refinanced two refunding bonds in 2010 which resulted in a net decrease in debt. Additionally during that time period, the City paid down existing bond issue principal

City of Shawnee, Kansas
Management's Discussion and Analysis

Fiscal Year Ended December 31, 2010

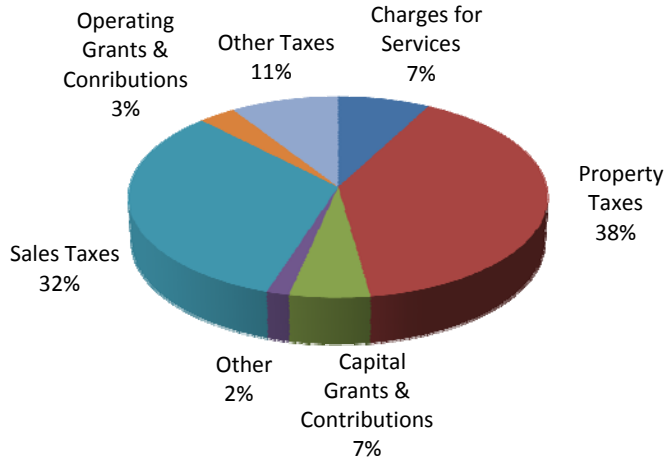
The following table reflects the revenues and expenses for the City's activities for the year ended December 31:

Government-Wide Financial Statements
Statement of Activities

	Governmental Activities	
	2010	**2009**
Revenues		
Program revenues		
Charges for services	$ 3,931,661	$ 4,263,475
Operating grants & contributions	1,822,103	1,728,751
Capital grants and contributions	3,879,534	3,079,861
General revenues		
Property Taxes	21,291,725	21,789,400
Sales Taxes	17,620,422	17,818,926
Other Taxes	5,859,153	5,004,472
Other	1,216,149	869,141
Total revenues	55,620,747	54,554,026
Expenses		
General government	5,296,574	5,757,787
Community development	2,246,676	2,468,459
Public works	26,832,787	23,486,764
Public safety	19,551,129	19,760,207
Culture & recreation	4,304,236	4,434,108
Human resources	172,962	131,347
Interest on long-term debt	3,580,411	3,728,286
Total expenses	61,984,775	59,766,958
Increase in net assets	(6,364,028)	(5,212,932)
Net assets - beginning of year	670,086,472	675,383,287
Prior period adjustment	(21,654)	(83,883)
Net assets - beginning of year, restated	670,064,818	675,299,404
Net assets - end of year	**$ 663,700,790**	**$ 670,086,472**

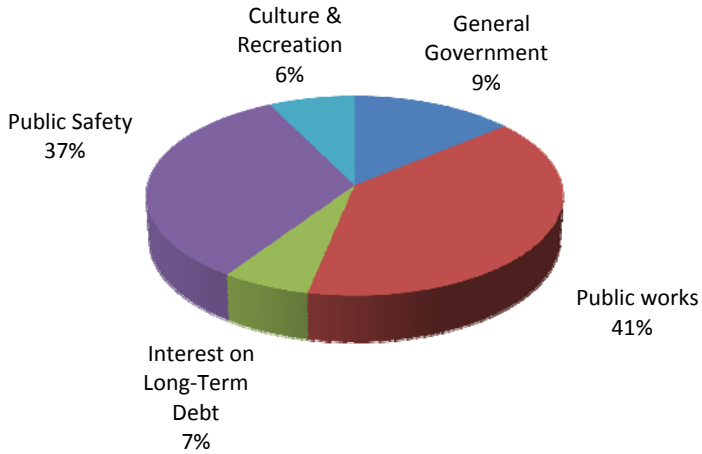
The total revenues for 2010 were $55.6 million. The largest revenue source was property tax at $21,291,725 followed closely by sales tax at $17,620,422.

Revenues by Source



The total cost of services for 2010 was $61.9 million; however $9.6 million was funded by users directly benefiting from the services or by other organizations through grants and contributions. The remaining $52.3 million of these services was funded primarily through property and sales taxes.

Net Costs of Services



During the year ended December 31, 2010, net assets decreased by $6,364,028 million, which is directly related to the decrease in the City's overall assessed property valuations resulting in less property tax receipts than in 2009.

City of Shawnee, Kansas
Management's Discussion and Analysis

Fiscal Year Ended December 31, 2010

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City. At the end of 2010, unreserved fund balance of the general fund was $17,642,551, while total fund balances reached $18,670,440. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 54 percent of the total general fund expenditures, while total fund balance represents 57 percent of that same amount.

The fund balance of the City's general fund increased by $1,804,317 during 2010, The increase was due to controlling expenditures by not filling multiple positions during this downturn in the economy. This also resulted in fewer infrastructure improvements due to lower staffing.

The park and recreation land use fund accounts for fees received by local builders and for the City's portion of the county sales tax that has been designated for the City's neighborhood park program. At the end of 2010, fund balance was $47,487. The fund balance of the park and recreation land use fund increased by $30,022. This increase is due to no projects being funded during 2010.

The parks and pipes fund accounts for the proceeds from a 1/8 cent sales tax to be used for storm drainage and park improvements. At the end of 2010, fund balance reached $1,819,562. The fund balance increased by $908,110. The increase can be attributed to building the reserve in order to cash fund projects in 2011.

The debt service fund has a total fund balance of $2,072,584, all of which is reserved for the payment of debt service. The net increase in the fund balance during the current year in debt service was $1,165,956. The increase can be attributed to transfers in from the Special Highway fund for current and future payment of debt issued for street projects.

The capital project fund has a total fund balance of $(3,570,911) million. The net decrease in the fund balance during the current year in the capital projects fund was $336,059. The deficit in the fund balance will be extinguished by a bond issue in 2011.

General Fund Budgetary Highlights

The legally adopted budget for the General Fund was not amended by the City Council during 2010.

There was no significant increase in revenues. This was a combination of a drop in property tax that were offset by an increase in the franchise tax revenue rate. With regards to expenditures, the most significant change was a decrease in employee cost due to a decrease in staffing due to attrition.

Capital Asset and Debt Administration

Capital assets

The City's investment in capital assets for its governmental activities as of December 31, 2010, amounts to $728,458,890 (net of accumulated depreciation). This investment in capital assets includes land, historical buildings, construction in process, buildings, land improvements, vehicles, equipment and infrastructure.

Capital Assets

	Governmental Activities	
	2010	2009
Land	$ 21,382,963	$ 21,223,317
Historical buildings	899,000	899,000
Construction in progress	12,238,850	2,664,128
Buildings	36,463,541	36,501,541
Land improvements	10,330,554	10,286,860
Motor vehicles	8,375,045	7,744,965
Machinery & equipment	5,107,291	4,860,984
Infrastructure	1,050,481,106	1,048,024,587
Total Capital Assets, cost	1,145,278,350	1,132,205,382
Less accumulated depreciation	(416,819,460)	(395,103,114)
Total Capital Assets, net	$ 728,458,890	$ 737,102,268

Additional information regarding the City's capital assets can be found in Note I, Item C, Section 3, as well as Note IV, Item C.

Long-term debt

At the end of 2010, the City had total bonded debt outstanding of $87,166,091 which is entirely backed by the full faith and credit of the City.

The City's total long-term debt liabilities decreased by $264,345 during 2010. The City issued $16,197,162 of new and refinancing general obligation bonds during 2010. The City paid down $13,325,000 in general obligation bonds, $1,385,000 in temporary notes and $5,820,010 in revolving loans. The City maintains an "Aa1" rating from Moody's for its general obligation bonds.

State statutes limit the amount of general obligation debt a government entity may issue to 30 percent of its total assessed valuation. The current debt limitation for the City is $241,315,676, which is significantly in excess of the City's outstanding general obligation bonds.

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

Requests for information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Shawnee, 11110 Johnson Drive, Shawnee, Kansas 66203.

CITY OF SHAWNEE, KANSAS

STATEMENT OF NET ASSETS
December 31, 2010

Assets	
Current assets:	
Cash and investments	$ 21,020,855
Tax receivable	16,465,010
Accounts receivable	587,966
Special assessments receivable	
Due within one year	1,460,072
Due in more than one year	7,267,275
Inventory	950,165
Due from other governments	5,129,336
Bond issuance costs, net of amortization	1,092,181
Total current assets	53,972,860
Noncurrent assets:	
Net pension assets	655,410
Capital assets not being depreciated:	
Land	21,382,963
Historical buildings	899,000
Construction in progress	12,238,850
Total capital assets not being depreciated	34,520,813
Capital assets being depreciated	1,110,757,537
Less: accumulated depreciation	416,819,460
Total capital assets being depreciated, net	693,938,077
Total capital assets, net	728,458,890
Total noncurrent assets	729,114,300
Total assets	$ 783,087,160
Liabilities	
Current liabilities:	
Accounts payable	$ 1,790,622
Accrued payroll	415,138
Retainage payable	62,457
Deposit held for others	199,551
Unearned revenue	16,465,010
Accrued interests on long-term debt	284,329
Current portion of compensated absences	883,944
Current portion of capital leases payable	206,933
Current portion of revolving loans payable	506,062
Current portion of general obligation bonds	8,773,801
Total current liabilities	29,587,847
Noncurrent liabilities:	
Compensated absences	5,802,639
Net other post employment benefits	824,528
Capital leases payable	1,030,504
Temporary notes payable	2,645,000
Revolving loans payable	1,103,562
General obligations bonds payable	78,392,290
Total noncurrent liabilities	89,798,523
Total liabilities	$ 119,386,370
Net Assets	
Invested in capital assets, net of related debt	$ 638,445,738
Restricted	
Debt service	11,084,260
Enabling legislation	5,384,123
Unrestricted	8,786,669
Total net assets	$ 663,700,790

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

CITY OF SHAWNEE, KANSAS

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2010

	Expenses	Program Revenues: Fees, fines, and charges for services	Program Revenues: Operating grants and contributions	Program Revenues: Capital grants and contribution	Net [expense] Revenue and Changes in Net Assets-Govt Activities
Governmental activities:					
General government	$ 5,296,574	$ 2,693,213	$ -	$ -	$ [2,603,361]
Community development	2,246,676	-	-	-	[2,246,676]
Public works	26,832,787	-	1,745,781	3,879,534	[21,207,472]
Public safety	19,551,129	-	57,592	-	[19,493,537]
Culture and recreation	4,304,236	1,238,448	18,730	-	[3,047,058]
Human resources	172,962	-	-	-	[172,962]
Interest on long-term debt	3,580,411	-	-	-	[3,580,411]
Total governmental activities	$ 61,984,775	$ 3,931,661	$ 1,822,103	$ 3,879,534	[52,351,477]
General Revenues:					
Property taxes levied for					
General purposes					14,636,645
Debt service					6,655,080
Sales and use tax					17,620,422
Motor vehicle tax					1,940,577
Liquor tax					705,555
Franchise tax					2,868,398
Excise tax					37,736
Other tax					306,887
Investment earnings					793,977
Miscellaneous					422,172
Total general revenues					45,987,449
Change in net assets					[6,364,028]
Net assets - beginning					670,086,472
Prior period adjustment					[21,654]
Net assets - beginning, restated					670,064,818
Net assets - ending					$ 663,700,790

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

CITY OF SHAWNEE, KANSAS

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2010

	General	Park and Recreation Land Use
ASSETS		
Cash and investments	$ 10,882,435	$ 47,487
Receivables		
Taxes	10,012,101	-
Special assessments	-	-
Accounts	587,966	-
Inventory	950,165	-
Due from other funds	4,460,086	-
Due from other governments	2,818,627	-
Total assets	$ 29,711,380	$ 47,487
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 429,560	$ -
Accrued liabilities	399,728	-
Retainage payable	-	-
Due to other funds	-	-
Deposits held for others	199,551	-
Deferred revenue		
Taxes	10,012,101	-
Special assessments	-	-
Total liabilities	11,040,940	-
Fund balance:		
Reserved for encumbrances	77,724	-
Reserved for inventory	950,165	-
Unreserved		
Undesignated, reported in:		
General fund	17,642,551	-
Special revenue funds	-	47,487
Debt service fund	-	-
Capital projects fund	-	-
Total fund balance [deficit]	18,670,440	47,487
Total liabilities and fund balances	$ 29,711,380	$ 47,487

Parks and Pipes	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
$ 1,624,581	$ 2,072,584	$ -	$ 6,393,768	$ 21,020,855
-	6,084,533	-	368,376	16,465,010
-	8,727,347	-	-	8,727,347
-	-	-	-	587,966
-	-	-	-	950,165
-	-	-	-	4,460,086
194,981	-	1,845,800	269,928	5,129,336
$ 1,819,562	$ 16,884,464	$ 1,845,800	$ 7,032,072	$ 57,340,765
$ -	$ -	$ 896,552	$ 464,510	$ 1,790,622
-	-	-	15,410	415,138
-	-	62,457	-	62,457
-	-	4,457,702	2,384	4,460,086
-	-	-	-	199,551
-	6,084,533	-	368,376	16,465,010
-	8,727,347	-	-	8,727,347
-	14,811,880	5,416,711	850,680	32,120,211
-	-	-	47,470	125,194
-	-	-	-	950,165
-	-	-	-	17,642,551
1,819,562	-	-	6,133,922	8,000,971
-	2,072,584	-	-	2,072,584
-	-	[3,570,911]	-	[3,570,911]
1,819,562	2,072,584	[3,570,911]	6,181,392	25,220,554
$ 1,819,562	$ 16,884,464	$ 1,845,800	$ 7,032,072	$ 57,340,765

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

CITY OF SHAWNEE, KANSAS

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
December 31, 2010

Total Governmental Fund Balances		$ 25,220,554
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	21,382,963	
Historical building	899,000	
Construction in progress	12,238,850	
Infrastructure	1,050,481,106	
Buildings and improvements	46,794,095	
Vehicles and equipment	13,482,336	
	1,145,278,350	
Accumulated depreciation	416,819,460	728,458,890
Long-term liabilities, including bonds payable, are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net assets as follows:		
General obligation bonds payable	87,166,091	
Temporary notes payable	2,645,000	
Revolving loans payable	1,609,624	
Bond issuance costs, net of amortization	[1,092,181]	
Capital leases payable	1,237,437	
Interest payable	284,329	[91,850,300]
Long-term assets are not available to pay for current period expenditures and are therefore deferred in the fund statements.		
Special assessments		8,727,347
Net pension asset		655,410
The City's employee leave balances and net other post employment benefits 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.		
Net other post employment benefits		[824,528]
Compensated absences		[6,686,583]
Net Assets of Governmental Activities		$ 663,700,790

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

CITY OF SHAWNEE, KANSAS

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	General	Park and Recreation Land Use	Parks and Pipes
Revenues			
Taxes and special assessments	$ 30,570,041	$ -	$ 1,122,201
Intergovernmental	48,909	-	-
Licenses and permits	715,646	28,851	-
Charges for services	1,751,668	-	-
Fines and forfeitures	1,392,105	-	-
Use of money and property	338,567	1,171	11,651
Miscellaneous	321,200	-	-
Total revenues	35,138,136	30,022	1,133,852
Expenditures			
Current:			
General government	4,903,054	-	-
Community development	2,026,295	-	-
Public works	4,195,459	-	-
Public safety	17,990,326	-	-
Culture and recreation	3,585,053	-	-
Human resources	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirements	-	-	-
Interest and other charges	-	-	-
Total expenditures	32,700,187	-	-
Excess [deficiency] of revenues over [under] expenditures	2,437,949	30,022	1,133,852
Other financing sources [uses]			
Transfers in	104,537	-	-
Transfers [out]	[738,169]	-	[225,742]
Proceeds from capital lease	-	-	-
Revolving loan	-	-	-
Issuance of bonds	-	-	-
Bond premium	-	-	-
Total other financing sources [uses]	[633,632]	-	[225,742]
Net change in fund balances	1,804,317	30,022	908,110
Fund balances, beginning	16,904,247	17,465	911,452
Prior period adjustment	[38,124]	-	-
Fund balances, beginning, restated	16,866,123	17,465	911,452
Fund balances, ending	$ 18,670,440	$ 47,487	$ 1,819,562

Debt Service	Capital Projects	Other Governmental Funds	Total
$ 9,042,040	$ -	$ 4,037,018	$ 44,771,300
-	5,521,013	1,773,194	7,343,116
-	-	-	744,497
-	-	43,391	1,795,059
-	-	-	1,392,105
100,965	-	341,623	793,977
-	-	100,972	422,172
9,143,005	5,521,013	6,296,198	57,262,226
-	-	15,590	4,918,644
-	-	205,034	2,231,329
-	-	1,865,951	6,061,410
-	-	546,240	18,536,566
-	-	36,740	3,621,793
-	-	170,737	170,737
-	13,886,142	-	13,886,142
18,876,827	1,653,181	-	20,530,008
3,378,208	71,954	443,480	3,893,642
22,255,035	15,611,277	3,283,772	73,850,271
[13,112,030]	[10,090,264]	3,012,426	[16,588,045]
2,753,930	1,147,212	855,326	4,861,005
-	[23,328]	[3,873,766]	[4,861,005]
-	732,650	-	732,650
-	579,565	-	579,565
11,524,056	7,265,944	-	18,790,000
-	52,162	-	52,162
14,277,986	9,754,205	[3,018,440]	20,154,377
1,165,956	[336,059]	[6,014]	3,566,332
906,628	[3,234,852]	6,187,406	21,692,346
-	-	-	[38,124]
906,628	[3,234,852]	6,187,406	21,654,222
$ 2,072,584	$ [3,570,911]	$ 6,181,392	$ 25,220,554

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

CITY OF SHAWNEE, 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, 2010

Total Net Change In Fund Balances - Governmental Funds		$ 3,566,332
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	14,003,240	
Loss on disposal	[138,860]	
Depreciation expense	[22,525,872]	[8,661,492]
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which interest decreased.		[1,298]
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.		
Compensated absences		[123,837]
Net other post employment benefits		[295,685]
Change in net pension assets		[5,238]
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in intergovernmental revenues		[1,641,479]
Bond issuance costs are recorded as expenditures in the fund financial statements. However, for the statement of net assets, these costs are shown as assets and amortized over the life of the bonds.		113,503
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.		685,166
Changes In Net Assets of Governmental Activities		$ [6,364,028]

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

CITY OF SHAWNEE, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
GENERAL FUND
For the Year Ended December 31, 2010

	GAAP Basis Actual	Adjustments	Budgetary Basis Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance Positive [Negative]
Revenues						
Taxes						
Ad valorem property tax	$ 10,772,117	$ -	$ 10,772,117	$ 10,484,000	$ 10,484,000	$ 288,117
Back tax property collections	161,705	-	161,705	58,000	58,000	103,705
Motor vehicle tax	1,156,616	-	1,156,616	1,161,300	1,161,300	[4,684]
Sales tax - county	6,398,413	-	6,398,413	7,049,300	7,049,300	[650,887]
Sales tax - city	8,977,607	-	8,977,607	9,317,400	9,317,400	[339,793]
Liquor tax	235,185	-	235,185	241,200	241,200	[6,015]
Utility franchise tax	2,868,398	-	2,868,398	2,887,847	2,887,847	[19,449]
Total taxes	30,570,041	-	30,570,041	31,199,047	31,199,047	[629,006]
Intergovernmental	48,909	-	48,909	-	-	48,909
Licenses and permits						
Occupational licenses	356,455	-	356,455	407,400	407,400	[50,945]
Building permits	149,598	-	149,598	303,000	303,000	[153,402]
Dog and cat tags	17,094	-	17,094	17,500	17,500	[406]
Other	192,499	-	192,499	98,900	98,900	93,599
Total licenses and permits	715,646	-	715,646	826,800	826,800	[111,154]
Charges for services						
Swimming pool admissions	494,659	-	494,659	566,600	566,600	[71,941]
Swimming pool concessions	77,589	-	77,589	103,000	103,000	[25,411]
Fees	1,179,420	-	1,179,420	1,317,900	1,317,900	[138,480]
Total charges for services	1,751,668	-	1,751,668	1,987,500	1,987,500	[235,832]
Fines and forfeitures						
Court fines	1,392,105	-	1,392,105	1,669,000	1,669,000	[276,895]
Investment earnings	338,567	-	338,567	300,000	300,000	38,567
Miscellaneous revenue	321,200	-	321,200	440,700	440,700	[119,500]
Total revenues	35,138,136	-	35,138,136	36,423,047	36,423,047	[1,284,911]
Expenditures						
General Government						
City Council:						
Personal services	106,769	-	106,769	105,600	105,600	[1,169]
Contractual services	79,071	-	79,071	127,700	127,700	48,629
Commodities	11,337	-	11,337	10,000	10,000	[1,337]
	197,177	-	197,177	243,300	243,300	46,123
City Manager:						
Personal services	263,830	-	263,830	288,392	288,392	24,562
Contractual services	48,494	-	48,494	24,800	24,800	[23,694]
Commodities	317	-	317	2,900	2,900	2,583
	312,641	-	312,641	316,092	316,092	3,451
City Clerk:						
Personal services	440,451	-	440,451	454,000	454,000	13,549
Contractual services	124,071	-	124,071	150,400	150,400	26,329
Commodities	3,630	-	3,630	36,300	36,300	32,670
	568,152	-	568,152	640,700	640,700	72,548
Finance:						
Personal services	443,116	-	443,116	486,900	486,900	43,784
Contractual services	105,613	-	105,613	124,900	124,900	19,287
Commodities	25,644	-	25,644	40,500	40,500	14,856
	574,373	-	574,373	652,300	652,300	77,927
General overhead:						
Contractual services	250,288	13,069	263,357	321,800	321,800	58,443
Commodities	6,336	-	6,336	14,700	14,700	8,364
Refunds	9,317	-	9,317	23,500	23,500	14,183
	265,941	13,069	279,010	360,000	360,000	80,990

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

CITY OF SHAWNEE, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET - CONTINUED
GENERAL FUND
For the Year Ended December 31, 2010

	GAAP Basis Actual	Adjustments	Budgetary Basis Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance Positive [Negative]
Expenditures, continued						
Legal:						
Personal services	$ 152,259	$ -	$ 152,259	$ 186,000	$ 186,000	$ 33,741
Contractual services	361,195	-	361,195	325,600	325,600	[35,595]
Commodities	1,122	-	1,122	2,500	2,500	1,378
	514,576	-	514,576	514,100	514,100	[476]
Human resources:						
Personal services	205,914	-	205,914	212,600	212,600	6,686
Contractual services	110,180	-	110,180	143,700	143,700	33,520
Commodities	20,548	-	20,548	41,200	41,200	20,652
	336,642	-	336,642	397,500	397,500	60,858
Information technology:						
Personal services	1,015,959	-	1,015,959	986,800	986,800	[29,159]
Contractual services	490,312	-	490,312	610,900	610,900	120,588
Commodities	38,509	-	38,509	55,800	55,800	17,291
Capital outlay	97,350	-	97,350	149,000	149,000	51,650
	1,642,130	-	1,642,130	1,802,500	1,802,500	160,370
Municipal court:						
Personal services	418,055	-	418,055	437,900	437,900	19,845
Contractual services	54,328	-	54,328	63,100	63,100	8,772
Commodities	19,039	-	19,039	25,500	25,500	6,461
	491,422	-	491,422	526,500	526,500	35,078
Total general government	4,903,054	13,069	4,916,123	5,452,992	5,452,992	536,869
Community Development						
Economic development:						
Contractual services	290,554	31,074	321,628	326,800	326,800	5,172
Development Services:						
Personal services	1,032,749	-	1,032,749	1,099,700	1,099,700	66,951
Contractual services	54,472	-	54,472	167,100	167,100	112,628
Commodities	15,357	-	15,357	80,000	80,000	64,643
	1,102,578	-	1,102,578	1,346,800	1,346,800	244,222
Planning:						
Personal services	518,862	-	518,862	523,300	523,300	4,438
Contractual services	110,000	-	110,000	126,154	126,154	16,154
Commodities	4,301	-	4,301	9,700	9,700	5,399
	633,163	-	633,163	659,154	659,154	25,991
Total community development	2,026,295	31,074	2,057,369	2,332,754	2,332,754	275,385
Public works						
Street maintenance:						
Personal services	1,884,763	-	1,884,763	1,991,400	1,991,400	106,637
Contractual services	1,497,487	165,733	1,663,220	1,953,500	1,953,500	290,280
Commodities	695,859	-	695,859	854,300	854,300	158,441
Capital outlay	117,350	13,000	130,350	352,000	352,000	221,650
	4,195,459	178,733	4,374,192	5,151,200	5,151,200	777,008
Public safety						
Police:						
Personal services	9,668,147	-	9,668,147	9,829,900	9,829,900	161,753
Contractual services	1,099,156	-	1,099,156	1,273,000	1,273,000	173,844
Commodities	463,375	-	463,375	704,200	704,200	240,825
Capital outlay	3,611	-	3,611	-	-	[3,611]
	11,234,289	-	11,234,289	11,807,100	11,807,100	572,811
Fire:						
Personal services	5,451,867	-	5,451,867	5,544,200	5,544,200	92,333
Contractual services	401,553	-	401,553	497,900	497,900	96,347
Commodities	82,099	-	82,099	129,200	129,200	47,101
	5,935,519	-	5,935,519	6,171,300	6,171,300	235,781

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

CITY OF SHAWNEE, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET - CONTINUED
GENERAL FUND
For the Year Ended December 31, 2010

	GAAP Basis Actual	Adjustments	Budgetary Basis Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance Positive [Negative]
Expenditures, continued						
Codes administration:						
Personal services	$ 740,527	$ -	$ 740,527	$ 735,400	$ 735,400	$ [5,127]
Contractual services	70,404	-	70,404	106,100	106,100	35,696
Commodities	9,587	-	9,587	38,300	38,300	28,713
Capital outlay	-	-	-	27,000	27,000	27,000
	820,518	-	820,518	906,800	906,800	86,282
Total public safety	17,990,326	-	17,990,326	18,885,200	18,885,200	894,874
Culture and recreation						
Parks maintenance:						
Personal services	623,911	-	623,911	602,200	602,200	[21,711]
Contractual services	664,353	20,582	684,935	692,000	692,000	7,065
Commodities	48,053	-	48,053	40,100	40,100	[7,953]
	1,336,317	20,582	1,356,899	1,334,300	1,334,300	[22,599]
Pools:						
Personal services	801,729	-	801,729	681,000	681,000	[120,729]
Contractual services	259,727	-	259,727	263,100	263,100	3,373
Commodities	60,948	-	60,948	95,600	95,600	34,652
	1,122,404	-	1,122,404	1,039,700	1,039,700	[82,704]
Civic Center:						
Personal services	250,973	-	250,973	237,500	237,500	[13,473]
Contractual services	203,571	-	203,571	209,700	209,700	6,129
Commodities	17,517	-	17,517	21,100	21,100	3,583
	472,061	-	472,061	468,300	468,300	[3,761]
Recreation and human services:						
Personal services	69,680	-	69,680	350,300	350,300	280,620
Contractual services	128,365	-	128,365	214,900	214,900	86,535
Commodities	17,697	-	17,697	31,700	31,700	14,003
	215,742	-	215,742	596,900	596,900	381,158
Old Shawnee Town:						
Personal services	300,463	-	300,463	335,600	335,600	35,137
Contractual services	128,463	[4,000]	124,463	170,700	170,700	46,237
Commodities	9,603	-	9,603	14,600	14,600	4,997
	438,529	[4,000]	434,529	520,900	520,900	86,371
Total culture and recreation	3,585,053	16,582	3,601,635	3,960,100	3,960,100	358,465
Contingency	-	-	-	15,344,022	15,344,022	15,344,022
Total expenditures	32,700,187	239,458	32,939,645	51,126,268	51,126,268	18,186,623
Excess [deficiency] of revenues over [under] expenditures	2,437,949	[239,458]	2,198,491	[14,703,221]	[14,703,221]	16,901,712
Other financing sources [uses]						
Transfers in	104,537	-	104,537	-	-	104,537
Transfers [out]	[738,169]	-	[738,169]	[750,000]	[750,000]	11,831
Total other financing sources [uses]	[633,632]	-	[633,632]	[750,000]	[750,000]	116,368
Net change in fund balance	1,804,317	[239,458]	1,564,859	$ [15,453,221]	$ [15,453,221]	$ 17,018,080
Fund balance, beginning	16,904,247	[788,431]	16,115,816			
Prior period adjustment	[38,124]	-	[38,124]			
Fund balance, beginning, restated	16,866,123	[788,431]	16,077,692			
Fund balance, ending	$ 18,670,440	$ [1,027,889]	$ 17,642,551			

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

CITY OF SHAWNEE, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
PARK AND RECREATION LAND USE FUND
For the Year Ended December 31, 2010

	GAAP Basis Actual	Adjustments	Budgetary Basis Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance Positive [Negative]
Revenues						
Licenses and permits	$ 28,851	$ -	$ 28,851	$ 40,400	$ 40,400	$ [11,549]
Use of money and property	1,171	-	1,171	1,000	1,000	171
Total revenues	30,022	-	30,022	41,400	41,400	[11,378]
Expenditures						
Capital outlay	-	-	-	91,075	91,075	91,075
Total expenditures	-	-	-	91,075	91,075	91,075
Net change in fund balance	30,022	-	30,022	$ [49,675]	$ [49,675]	$ 79,697
Fund balance, beginning	17,465	-	17,465			
Fund balance, ending	$ 47,487	$ -	$ 47,487			

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

CITY OF SHAWNEE, KANSAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
PARKS AND PIPES FUND
For the Year Ended December 31, 2010

	GAAP Basis Actual	Adjustments	Budgetary Basis Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance Positive [Negative]
Revenues						
Taxes	$ 1,122,201	$ -	$ 1,122,201	$ 1,164,800	$ 1,164,800	$ [42,599]
Use of money and property	11,651	-	11,651	8,700	8,700	2,951
Total revenues	1,133,852	-	1,133,852	1,173,500	1,173,500	[39,648]
Expenditures						
Culture and recreation	-	-	-	2,045,617	2,045,617	2,045,617
Total expenditures	-	-	-	2,045,617	2,045,617	2,045,617
Excess [deficiency] of revenues over [under] expenditures	1,133,852	-	1,133,852	[872,117]	[872,117]	2,005,969
Other financing sources [uses]						
Transfers [out]	[225,742]	-	[225,742]	-	-	[225,742]
Total other financing sources [uses]	[225,742]	-	[225,742]	-	-	[225,742]
Net change in fund balance	908,110	-	908,110	$ [872,117]	$ [872,117]	$ 1,780,227
Fund balance, beginning	911,452	-	911,452			
Fund balance, ending	$ 1,819,562	$ -	$ 1,819,562			

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

CITY OF SHAWNEE, KANSAS

STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
December 31, 2010

Assets	Pension Trust Funds	Agency Funds
Cash	$ -	$ 62,658
Restricted cash	8,678	-
Restricted investments, at fair value		
U.S. government/agency obligations	2,560,708	-
Domestic stocks	5,481,432	-
Real estate investment trusts	841,626	-
Total restricted investments	8,883,766	-
Total assets	$ 8,892,444	$ 62,658
Liabilities		
Due to others	$ -	$ 62,658
Total liabilities	$ -	$ 62,658
Net assets		
Held in trust for pension benefits	$ 8,892,444	$ -
Total net assets	$ 8,892,444	$ -

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

CITY OF SHAWNEE, KANSAS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Year Ended December 31, 2010

	Pension Trust Funds
Additions:	
Contributions:	
Employer	$ 727,429
Total contributions	727,429
Investment Earnings:	
Interest and dividends on investments	347,098
Net increase/decrease in the fair value of investments	519,272
Total investment earnings	866,370
Total additions	1,593,799
Deductions:	
Benefits	156,823
Plan management fees	8,792
Total deductions	165,615
Changes in net assets	1,428,184
Net assets - beginning	7,464,260
Net assets - ending	$ 8,892,444

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Shawnee, Kansas (the City) was incorporated in 1922 and covers an area of approximately 42.0 square miles in Johnson County, Kansas. The City operates under a Mayor/Council/City Manager form of government and provides services which include law enforcement, fire protection, community enrichment and development, and various social services.

The City is governed by an elected eight-member council and a mayor. As required by accounting principles generally accepted in the United States, these financial statements present the City (the primary government). There are no component units related to the City that should be accounted for in the City's basic financial statements in conformity with Governmental Accounting Standards Board (GASB) Statements No. 14 and No. 39.

The accompanying basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described in further detail in the following paragraphs.

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

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

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

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

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 *Parks and Recreation Land Use Fund* accounts for fees received by local builders and for City receipts of its share of County Sales Taxes that have been designated for the City's Neighborhood park program.

The *Parks and Pipes Fund* accounts for the proceeds from a 1/8 cent sales tax to be used for storm drainage and park improvements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Debt Service Fund* is used to account for the payment of principal and interest on all general obligation debt.

The City's *Capital Projects Fund* accounts for the financing and construction of major capital outlays including streets, drainage improvement projects and park improvements.

Additionally the City reports the following fiduciary funds:

Pension Trust Fund, which reports the Employee Supplemental Retirement Plan.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. Agency funds do, however, use the accrual basis of accounting. The following activities are accounted for in the agency funds:

The *Mayor's Christmas Tree Fund* is used to account for the amounts collected for the City Christmas tree.

The *Cafeteria Plan Fund* is used to account for monies collected for employee cafeteria plan contributions.

The *Municipal Court Bond Fund* is used to account for amounts collected for court bonds.

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

1. Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. The City is authorized by statute to invest in obligations of the U.S. government and interest bearing bank accounts. Interest return is allocated to the General Fund, the Employee Benefits Fund, the Debt Service Fund, the Capital Projects Fund, and Other Governmental Funds based on respective average balances or at the discretion of City management. Cash overdrafts from pooled cash and investments are reported as an interfund payable with an offsetting interfund receivable reported in a fund selected by management within the governmental fund statements.

The City's cash and cash equivalents include demand deposits, short-term investments, and certificates of deposit with original maturities of less than 90 days from the date of acquisition (including restricted assets).

Investments for the City are reported at fair value. The value of marketable securities is based on quotations which are generally obtained from the National Securities Exchanges. Where marketable securities are not listed on an exchange, quotations are obtained from brokerage firms.

2. Receivables and Payables

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are levied on November 1 of each year, due and payable November 30, delinquent after December 20, and the following September become a lien on the property. The County Treasurer is the tax collection agent for all taxing entities within Johnson County.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

Property owners have the option of paying one half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the next year. State statutes prohibit the County Treasurer from distributing the taxes collected in the year levied prior to January 1 of the next year. Consequently, for revenue recognition purposes, taxes levied during the current year are not available until the ensuing year. At November 1, such taxes are due and are recorded as taxes receivable, net of anticipated delinquencies, with a corresponding amount recorded as deferred revenue on the balance sheet of the appropriate funds. This amount is also reported as unearned revenue on the Statement of Net Assets.

Kansas statutes require projects financed in part by special assessments to be paid in installments must be financed through the issuance of general obligation bonds or temporary notes which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as revenue in the appropriate capital project. Special assessments received after the issuance of general obligation bonds are recorded as revenue in the Debt Service Fund. Further, Kansas statutes require levying additional general and ad valorem property taxes in the City's Debt Service Fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the City's Debt Service Fund. Special assessments are levied over a 10-year period, and annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears.

3. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. Capital assets are not included in the governmental fund financial statements, but are allocated to governmental activities in the government wide statements. Capital assets include items such as land, buildings and equipment as well as infrastructure assets (road, bridges, sidewalks, etc.).

The City has identified certain historical buildings related to Old Shawnee Town that it has elected to capitalize, but not depreciate, as allowed by generally accepted accounting principles for collections.

The City has elected to set a capitalization threshold for capital assets used for governmental-type activities as indicated in the table shown below.

Infrastructure and other capital assets are depreciated using straight line method over the following estimated useful lives:

Asset Classification	Estimated Life	Capitalization Threshold
Buildings	40 years	$ 100,000
Land improvements	30 years	100,000
Infrastructure	50 years	100,000
Motor vehicles	3 to 20 years	None
Operating equipment	5 to 10 years	10,000
Communications equipment	5 to 10 years	10,000
Office equipment	5 to 10 years	10,000

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Compensated Absences

Full time employees shall use 10 days of vacation leave per annum, after five years of employment. The maximum number of vacation hours that may be held in a balance at the end of the payroll year is 500 hours for full time non-firefighter employee, 250 hours for regular part-time employees and 698 hours for 24-hour shift firefighters. A maximum of 1,040 hours for full time non-firefighter employees, 520 hours for regular part-time employees, and 1,452 hours for 24-hour shift firefighters of sick leave can be accumulated. All accumulated vacation is paid upon termination, and sick leave is paid out based on one percent increments per completed year of service. The City's compensated absence liability is normally liquidated in the General Fund.

5. Interfund Activity

The City eliminates the effect of interfund activity in the government-wide financial statements to prevent any double counting of activity. The City has the following types of interfund activity:

Loans - amounts provided with a requirement of repayment. Interfund loans are reported as interfund receivables (i.e., due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

Services provided and used - sales and purchases of goods and services between funds for a price approximating their fair value. Interfund services provided and used are reported as revenues in funds providing the good or service and expenditures or expenses in the fund purchasing the good or service. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net assets.

Reimbursements - repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers - flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In government funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

6. Fund Balances

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

7. 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 $11,084,260 for debt service and $5,384,123 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."

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. 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.

9. Reclassification of Account Balances

Certain line items have been reclassified to conform to the presentation of the financial statements in the current year. This principally of consisted to capital grants reclassified as operating grants, as well as other operating and capital grants reclassified into different functions from the prior year. These reclassifications had no net effect on the City's net assets or changes there in for the current year.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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 2010 budget was amended for the following funds:

Fund	Original Budget Amount	Amended Budget Amount
Special Highway Aid Fund	$ 1,983,872	$ 2,103,848
Special Parks and Recreation Fund	621,100	1,108,377

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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

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

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 Capital Projects Fund, the CDBG Grant Fund and the fiduciary funds.

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

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

	Major Governmental Funds					Other	
	General Fund	Park and Recreation Land Use Fund	Park and Pipes Fund	Debt Service Fund	Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
GAAP FUND BALANCE December 31, 2010	$ 18,670,440	$ 47,487	$ 1,819,562	$ 2,072,584	$ [3,570,911]	$ 6,181,392	$ 25,220,554
Adjustments:							
Unreserved fund balances not subject to the Kansas Budget Law:							
CDBG Grant Fund	-	-	-	-	-	2,384	2,384
Capital Project Fund	-	-	-	-	3,570,911	-	3,570,911
Reserve for inventory	[950,165]	-	-	-	-	-	[950,165]
Reserve for encumbrances	[77,724]	-	-	-	-	[47,470]	[125,194]
Total deductions	[1,027,889]	-	-	-	3,570,911	[45,086]	2,497,936
BUDGETARY FUND BALANCE December 31, 2010	$ 17,642,551	$ 47,487	$ 1,819,562	$ 2,072,584	$ -	$ 6,136,306	$ 27,718,490

III. RESTATEMENT OF EQUITY

In 2010, it was determined that an adjustment to beginning capital assets was required. The effect of which is as follows:

	Governmental Activities
Fund Balance December 31, 2009	$ 670,086,472
Prior period adjustment	[21,654]
Fund Balance December 31, 2009, restated	$ 670,064,818

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At December 31, 2010, the City has the following deposits and investments:

	Governmental Activities	Fiduciary Funds	Total
Deposits	$ 21,020,855	$ 71,336	$ 21,092,191
Investments Recorded at Fair Value			
Bond mutual funds	-	2,560,708	2,560,708
Stock mutual funds	-	5,481,432	5,481,432
Real estate investment trusts	-	841,626	841,626
Total investments	-	8,883,766	8,883,766
Total cash and investments	$ 21,020,855	$ 8,955,102	$ 29,975,957

The City's deposits and investments are generally segregated into two parts: City-wide deposits and investments and Supplemental Pension deposits and investments. Below is a description of the policies associated with these categories of deposits and investments.

City-wide 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 an 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.

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

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.

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City has elected to use the segmented time distribution method of disclosure for its investments.

Credit Risk. Credit risk is associated with the credit quality or rating of debt instrument investments. The City has no specific policy regarding credit risk. The City uses the credit ratings issued by Standard and Poor's for disclosure of credit risk.

Custodial Credit Risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City's policy is to collateralize the demand deposits and repurchase agreements with securities held by the financial institution's agent and in the City's name. At December 31, 2010, the City's deposits were insured by Federal depository insurance and uninsured deposits were fully collateralized in accordance with the City's policy.

Concentration of Credit Risk. The City places no limit on the amount it may invest in any one issuer.

Supplemental Pension Plan Deposits and Investments

The investments of the Supplemental Pension (the Plan) are held separately from those of other City funds and are generally not restricted as to type.

Benefit Trust Company (the Custodian) and Investment Manager(s) chosen by the Trustees have discretionary authority concerning purchases of investments in the pension plan subject to the overall investment policy guidelines as approved by the City Council.

The Plan's investment policy permits investments in domestic fixed income securities, domestic equity securities, and international equities. Under the policy, the investment manager may select fixed income securities in domestic markets, including corporate debt securities and obligations of the U.S. government or its agencies. The investment manager may select domestic equity securities traded on major U.S. exchanges.

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Interest Rate Risk. Interest rate risk is the risk associated with a portfolio's sensitivity to changes in interest rates. The Plan has no specific policy regarding interest rate risk. The Plan has elected to use the segmented time distribution method of disclosure for its bond mutual funds. The following table summarizes these investments:

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less than 1	1 - 5	6 - 10
Bond mutual funds	$ 2,560,708	$ -	$ 2,560,708	$ -

Credit Risk. Credit risk is associated with the credit quality or rating of debt instrument investments. The Plan has no specific policy regarding credit risk. The Plan uses the credit ratings issued by Standard and Poor's for disclosure of credit risk.

The following table summarizes the Plan investments subject to credit risk:

Fund Name	Credit Rating
Allianz NFJ	Not Rated
Vanguard Group Primecap Core	Not Rated
Harbor Funds International	Not Rated
Lazard Emerging Markets	Not Rated
Vanguard Group REIT Index	Not Rated

Custodial Credit Risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Plan will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Plan's deposits were fully insured by Federal depository insurance. Custodial credit risk also applies to investment securities. At December 31, 2010 the Plan's investments consisted entirely of open-ended mutual funds or money markets and, accordingly, the Plan had no investment securities subject to custodial credit risk.

Concentration of Credit Risk. The Plan places no limit on the amount the Plan may invest in any one issuer. At December 31, 2010, the Plan's investments in debt securities were entirely in open-ended mutual funds or money markets and, accordingly, disclosures related to the concentration of credit risks were not applicable.

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Special Assessments Receivable and Due From Other Governments

The amortized annual outstanding special assessments receivable at December 31, 2010 is as follows:

Budget Year	Tax Year	Principal Portion	Interest Portion	Total
2011	2010	$ 1,159,011	$ 301,061	$ 1,460,072
2012	2011	979,910	251,450	1,231,360
2013	2012	996,723	211,682	1,208,405
2014	2013	763,897	171,553	935,450
2015	2012	789,986	140,873	930,859
Thereafter		2,726,967	234,234	2,961,201
		$ 7,416,494	$ 1,310,853	$ 8,727,347

Due from other governments as of December 31, 2010 for the City's major and nonmajor funds are as follows:

General	Parks and Pipes	Capital Projects	Other Governmental Funds	Total
$ 2,818,627	$ 194,981	$ 1,845,800	$ 269,928	$ 5,129,336

The Due from other government amounts above include $3,184,932 of sales tax, $74,947 of transient guest tax, $1,204,364 of KDOT reimbursements and $665,093 from miscellaneous sources.

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Adjustment	Increases	Decreases	Ending Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 21,223,317	$ -	$ 159,646	$ -	$ 21,382,963
Historical buildings	899,000	-	-	-	899,000
Construction in progress	2,664,128	1,811,302	11,981,019	4,217,599	12,238,850
Total capital assets not being depreciated	24,786,445	1,811,302	12,140,665	4,217,599	34,520,813
Capital assets being depreciated:					
Buildings	36,501,541	-	-	38,000	36,463,541
Land improvements	10,286,860	-	43,694	-	10,330,554
Motor vehicles	7,744,965	-	1,218,628	588,548	8,375,045
Operating equipment	3,011,757	-	520,972	212,557	3,320,172
Communications equipment	216,088	-	-	14,500	201,588
Office equipment	1,633,139	-	29,060	76,668	1,585,531
Infrastructure	1,048,024,587	[1,811,302]	4,267,821	-	1,050,481,106
Total capital assets being depreciated	1,107,418,937	[1,811,302]	6,080,175	930,273	1,110,757,537
Less accumulated depreciation for:					
Buildings	7,684,383	-	729,155	-	8,413,538
Land improvements	1,878,691	-	283,627	-	2,162,318
Motor vehicles	5,014,549	-	670,620	495,488	5,189,681
Operating equipment	2,191,307	-	215,745	204,767	2,202,285
Communications equipment	192,085	-	3,209	14,500	180,794
Office equipment	1,334,452	-	99,247	76,658	1,357,041
Infrastructure	376,807,647	[18,113]	20,524,269	-	397,313,803
Total accumulated depreciation	395,103,114	[18,113]	22,525,872	791,413	416,819,460
Total capital assets being depreciated, net	712,315,823	[1,793,189]	[16,445,697]	138,860	693,938,077
Governmental activities capital assets, net	$ 737,102,268	$ 18,113	$ [4,305,032]	$ 4,356,459	$ 728,458,890

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

Governmental activities:	
General government	$ 78,053
Public works	20,821,717
Public safety	972,604
Culture and recreation	653,498
Total	$ 22,525,872

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Interfund Receivables, Payables, and Transfers

Transfers

Transfers made between funds during the year ended December 31, 2010 are described below:

	Transfers In	Transfers Out	Due to Other Funds	Due from Other Funds
Major funds:				
General Fund	$ 104,537	$ 738,169	$ -	$ 4,460,086
Park and Recreation Land Use Fund	-	-	-	-
Parks and Pipes Fund	-	225,742	-	-
Debt Service Fund	2,753,930	-	-	-
Capital Projects Fund	1,147,212	23,328	4,457,702	-
Nonmajor funds:				
Other Governmental Funds	855,326	3,873,766	2,384	-
	$ 4,861,005	$ 4,861,005	$ 4,460,086	$ 4,460,086

Transfers from the Capital Projects Fund to the General Fund and the Debt Service Fund were made to reimburse these funds for amounts borrowed in anticipation of permanent financing or because certain projects were closed during 2010 and residual balances were returned for use in debt service payments. The due to/from is an interfund loan payable within one year.

E. Long-Term Debt

Changes in long-term debt outstanding are as follows:

	Balance December 31, 2009	Additions	Deductions	Balance December 31, 2010	Current Portion
General Obligation Bonds	$ 83,345,000	$ 16,145,000	$ 13,325,000	$ 86,165,000	$ 8,685,000
General Obligation Bonds Discount	[8,207]	-	[684]	[7,523]	[684]
General Obligation Bonds Premium	1,042,459	52,162	86,007	1,008,614	89,485
General Obligation Bonds, Net	84,379,252	16,197,162	13,410,323	87,166,091	8,773,801
Temporary Notes Payable	1,385,000	2,645,000	1,385,000	2,645,000	-
Revolving Loans Payable	6,850,069	579,565	5,820,010	1,609,624	506,062
Capital Leases Payable	728,997	732,650	224,210	1,237,437	206,933
Compensated Absences	6,562,746	1,044,971	921,134	6,686,583	883,944
	$ 99,906,064	$ 21,199,348	$ 21,760,677	$ 99,344,735	$ 10,370,740

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Debt (Continued)

At December 31, 2010, outstanding general obligation bonds consist of the following:

General Obligation Bonds	Interest Rate	Date of Issue	Final Maturity	Original Issue Amount	Balance Outstanding
Series 2002A, General Improvement Bonds	1.90 - 4.75%	06/01/02	12/01/17	$ 13,205,000	$ 1,830,000
Series 2003A, General Improvement Bonds	3.00 - 4.35%	08/25/03	12/01/18	12,160,000	7,200,000
Series 2004A, General Improvement Bonds	2.75 - 4.00%	12/07/04	12/01/19	15,825,000	10,340,000
Series 2005A, General Improvement Bonds	3.70 - 3.90%	11/17/05	12/01/20	7,355,000	5,340,000
Series 2006A, General Improvement Bonds	3.50 - 3.85%	12/04/06	12/01/21	7,239,921	5,702,477
Series 2007A, General Improvement Bonds	5%	06/25/07	12/01/27	20,204,782	18,448,826
Series 2008A, General Improvement Bonds	3.00 - 4.25%	09/18/08	12/01/23	7,110,367	5,991,651
Series 2008B, General Improvement Bonds	3.00 - 3.25%	09/18/08	12/01/14	5,873,741	4,740,827
Series 2008C, General Improvement Bonds	3.00 - 3.50%	09/18/08	12/01/16	14,460,155	10,068,866
Series 2009A, General Improvement Bonds	2.00 - 3.10%	09/24/09	12/01/19	1,428,090	1,306,281
Series 2010A, General Improvement Bonds	1.00 - 4.00%	11/18/10	12/01/25	10,612,163	10,612,163
Series 2010B, General Improvement Refunding Bonds	0.75 - 1.80%	11/18/10	12/01/17	5,585,000	5,585,000
					$ 87,166,091

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Debt (Continued)

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

Year Ended December 31,	Principal	Interest	Total
2011	$ 8,773,801	$ 3,276,535	$ 12,050,336
2012	9,123,801	2,984,426	12,108,227
2013	9,498,801	2,441,082	11,939,883
2014	9,268,801	2,160,880	11,429,681
2015	8,487,344	1,879,809	10,367,153
2014 - 2018	29,657,333	5,605,637	35,262,970
2019 - 2023	9,543,472	1,873,459	11,416,931
2024 - 2027	2,812,739	209,250	3,021,989
Total	$ 87,166,091	$ 20,431,078	$ 107,597,169

During 2010, the City issued $5,585,000 in general obligation refunding bonds with interest rates ranging from 0.75 to 1.80% to refund $5,395,000 of 2002A General Obligation Bonds with interest rates ranging from 1.90 to 4.75%. As a result, the 2002A bonds are considered to be defeased and the liability for the defeased bonds has been removed from the City's financial statements. The transaction resulted in an economic gain of $319,462 and a decrease of $339,443 in future debt payments.

Revolving Loans

The City entered into a loan agreement with the Kansas Department of Health and Environment (KDHE) on November 31, 2009. The interest rate on the loan is 2.35% with a final maturity of March 1, 2031. The total loan amount is $465,000, of which approximately $348,750 of principal forgiveness is available through an ARRA clean water state revolving fund program. As of December 31, 2010 no draws had been made on the loan.

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Debt (Continued)

The City has entered into multiple loan agreements with the Kansas Department of Transportation (KDOT). Information regarding each loan is as follows:

Loan	Interest Rate	Date of Issue	Final Maturity	Original Loan Amount	Balance Currently Outstanding
TR 0092	3.88%	06/08/09	08/01/24	$ 2,700,000	$ 8,415
TR 0093	3.88%	06/08/09	08/01/24	1,136,900	78,860
TR 0094	3.88%	06/08/09	08/01/24	522,786	474,900
TR 0095	3.88%	06/08/09	08/01/24	27,100	25,710
TR 0096	3.88%	06/08/09	08/01/24	625,000	576,081
TR 0097	3.88%	06/08/09	08/01/24	95,000	90,125
TR 0098	3.88%	06/08/09	08/01/24	660,000	355,533
Total					$ 1,609,624

Annual debt service requirements through maturity for the revolving loans, for the full proceeds amount are as follows:

Year Ended December 31,	Principal	Interest	Total
2011	$ 506,062	$ 48,674	$ 554,736
2012	65,867	45,604	111,471
2013	68,587	42,884	111,471
2014	71,420	40,051	111,471
2015	74,369	37,102	111,471
2016 - 2020	420,536	136,819	557,355
2021 - 2024	402,784	42,474	445,257
Total	$ 1,609,624	$ 393,607	$ 2,003,231

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Debt (Continued)

Capital Lease

The City has entered into a capital lease for the acquisition of certain equipment in the amount of $1,788,164. The annual debt service requirements to service the outstanding capital lease payable at December 31, 2010 are as follows:

Year Ended December 31,	Principal	Interest	Total
2011	$ 206,933	$ 45,237	$ 252,170
2012	121,441	37,235	158,676
2013	125,837	32,839	158,676
2014	130,393	28,283	158,676
2015	135,114	23,562	158,676
2016 - 2019	517,719	43,525	561,244
Total	$ 1,237,437	$ 210,681	$ 1,448,118

Temporary Notes

During 2010, the City issued temporary notes to finance capital improvements in the amount of $2,645,000. The interest rate on the notes is 0.65% and payments will begin on June 1, 2011. Final maturity on the temporary notes is December 12, 2012. The annual debt service requirements to service the outstanding temporary notes at December 31, 2010 are as follows:

Year Ended December 31,	Principal	Interest	Total
2011	$ -	$ 17,956	$ 17,956
2012	2,645,000	17,192	2,662,192
Total	$ 2,645,000	$ 35,148	$ 2,680,148

Legal Debt Margin

Kansas Statutes Annotated 10-308 prescribes that the indebtedness of a city shall be limited to 30% of such city's equalized assessed value of all tangible taxable property within the city, as certified to the County Clerk for the next succeeding year. The equalized assessed tangible valuation for computation of bonded debt limitations is computed by summing the assessed valuation of taxable tangible property and the equalized valuation of motor vehicles.

IV. DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Debt (Continued)

The legal debt margin computation for the year ended December 31, 2010 is as follows:

Assessed valuation of taxable tangible property	$	717,093,636
Equalized valuation of motor vehicles		87,291,949
Equalized assessed tangible valuation for computation of bonded debt limitations	$	804,385,585
Legal debt limit (30%)	$	241,315,676
Less:		
General obligation bonds		86,165,000
Plus:		
Debt Service Fund fund balance		2,072,584
Legal debt margin	$	157,223,260
Percentage of debt capacity used		34.8%

Conduit Debt

The City has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. The City has also issued multifamily housing bonds to provide mortgage loans for the construction and financing of multifamily rental and single-family residences of the City. These bonds are secured solely by the property financed by the respective bond issues and by credit guarantees of reinvestment-grade financial institutions. Title to property financed by industrial revenue bonds remains with the City so long as the bonds are outstanding. Industrial revenue bonds are not in any respect an obligation of the City. Accordingly, the bonds are not reported as a liability in the accompanying basic financial statements.

As of December 31, 2010, there were 36 issues of industrial revenue and multifamily housing bonds outstanding. These issues have an aggregate amount originally issued of approximately $194 million and an aggregate balance outstanding of approximately $132 million at December 31, 2010.

V. OTHER INFORMATION

A. Pension Plans

KPERS and KP&F

The City participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Fireman's Retirement System (KP&F). Both are cost-sharing multiple-employer defined benefit pension plans as provided by Kansas statutes (KSA 74-4901 et seq). KPERS and KP&F provide retirement benefits, life insurance, disability income benefits and death benefits. Kansas law established and amends benefit provisions. KPERS and KP&F issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by contacting KPERS (400 S.W. 8th Avenue, Suite 200, Topeka, Kansas, 66603-3925; 1-800-228-0366; or www.kpers.org).

Funding Policy - K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at up to 6% of covered salary. KSA 74-4975 establishes the KP&F member–employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provision of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates. The employer rate was 7.14% from January 1 to December 31, 2010. The City employer contributions to KPERS for the years ended December 31, 2010, 2009 and 2008 were $605,262, $550,989, and $485,464, respectively, equal to the required contributions for each year.

The KP&F employer rate established for fiscal years beginning in 2010 is 13.99%. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which are determined separately for each participating employer. The City's contributions to KP&F for the years ended December 31, 2010, 2009 and 2008 were $1,337,976, $1,361,716 and $1,435,237, respectively, equal to the retired contributions for each year.

Supplemental Retirement Plan

On January 1, 1998, in addition to the KPERS and KP&F plans, the City initiated the City of Shawnee, Kansas Employees Supplemental Pension Plan (the Plan). The Plan is a single employer defined benefit plan that operates as a qualified plan as defined in Section 401(a) of the Internal Revenue Code. The Plan provides retirement and death benefits to plan members and beneficiaries. A stand alone financial report is not issued for the Plan. The Plan is considered part of the City's reporting entity and is presented solely in the accompanying basic financial statements as a pension trust fund.

Under the Plan, full time employees meeting the eligibility requirement of one year of service may participate in the Plan. Employees are 100% vested after five years of service and obtain no vesting for the first four years of service.

Membership of the Plan consisted of the following at January 1, 2010, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	24
Terminated plan members, entitled to, but not yet receiving benefits	27
Active plan members	263
Total	314

Under the Plan, participants, upon retirement, are entitled to a monthly benefit, payable for life, equal to one percent of the participant's average monthly compensation multiplied by the number of years of service. The benefit from the Plan is reduced so that the maximum total benefit a participant can receive is 85% of average monthly compensation when benefits from this plan, KPERS and KP&F are added together. The normal

V. OTHER INFORMATION (CONTINUED)

A. Pension Plans (Continued)

retirement age from the City is 62 except for KP&F members. The normal retirement age for KP&F members is 55. If a participant who is actively employed dies, the participant's spouse is entitled to 50% of the accrued benefit, payable for life, commencing when the participant would have reached the normal retirement date. Under the Plan, participants are not required to contribute. All contributions to the Plan are made by the City. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the Plan are financed outside of plan assets.

Contributions to the Plan are designed to fund normal costs on a current basis and to fund past service costs over a 30 year period. The recommended contribution rate is determined by the Plan's consulting actuary using the Individual Entry Age Actuarial Cost Method. Based upon the January 1, 2011 actuarial valuation, the recommended contribution for the year ended December 31, 2010 was $734,298. The most recent actuarial valuation performed at January 1, 2011 included a recommended contribution for the City of $636,959 which is approximately 3.83% of covered payroll.

The City's annual pension cost and changes in the City's net pension asset consisted of the following for the year ended December 31, 2010:

Annual required contribution	$ 734,298
Interest on net pension asset	[49,549]
Adjustment to annual required contribution	47,918
Annual pension cost	$ 732,667
Contributions made	$ 727,429
Less annual pension cost	[732,667]
Increase in net pension asset	[5,238]
Net pension asset at beginning of year	660,648
Net pension asset at end of year	$ 655,410

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

	Annual Required Contribution (ARC)	Percentage of APC Contributed	Annual Pension Cost	Net Pension Obligation	Net Pension Asset
Year:					
2008	$ 632,868	102.3%	$ 627,921	$ -	$ 657,193
2009	779,981	100.0%	774,883	-	660,648
2010	734,298	99.3%	732,667	-	655,410

Funding Status and Funding Progress. As of the year ended December 31, 2010, the most recent actuarial valuation date, the plan was 77.5% funded. The actuarial accrued liability for benefits was $11,470,971 and the actuarial value of asset was $8,892,444, resulting in an unfunded actuarial accrued liability (UAAL) of $2,578,527. The covered payroll (annual payroll of active employees covered by the plan) was $16,648,293, and the ratio of the UAAL to the covered payroll was 15.5%.

V. OTHER INFORMATION (CONTINUED)

A. Pension Plans (Continued)

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.

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2011
Actuarial cost method	Individual entry age
Asset valuation method	Market value
Amortization method	Level percent of payroll, closed
Remaining amortization period	17 years
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	2.90%
Inflation assumption	1.10%

B. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of asset; errors and omissions; injuries to employees; and natural disasters. The City is a charter member of the Kansas Eastern Region Insurance Trust, Inc. (KERIT). KERIT, organized under the pooling laws of Kansas, is a risk sharing pool which self insures, up to certain limits, and reinsures, additional excess amounts up to certain limits, workers' compensation and other related expenses. The City pays annual premiums to KERIT based on historical experience and legal requirements mandated by the State of Kansas and participates in management decisions as a trustee. Members of the trust may be assessed additional premiums to cover losses up to the attachment point of excess coverage and for losses in excess of the aggregate loss limit of $5,000,000 in a particular year. The City has not been involved in any settlements where the amounts exceeded insurance coverage in the past three years.

C. Commitments and Contingencies

The City participates in federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, though the City expects such amounts, if any, to be immaterial.

The City is involved in various lawsuits arising in the ordinary course of business. Management expects a favorable outcome in these matters, except as discussed in the following paragraph. In the event of an unfavorable outcome, the City management believes any potential losses will not have a material impact on the financial position of the City.

In one instance, the City has been made aware of a claim related to a street improvement project. The City is unable to determine the likelihood of an unfavorable outcome or a reasonable range of loss. If the City were to incur a loss related to this claim, it would be considered part of the underlying street improvement project and the City would be able to finance the payment of the claim as part of its normal general obligation bond finance process for capital improvements.

V. OTHER INFORMATION (CONTINUED)

D. Long-term Rental Agreement

On January 24, 2001, the City received a donation of approximately 101 acres of land located in the City. The City estimated the fair value of the land as of the date of donation to be $210,000. The land was given to the City by Holliday Sand & Gravel Company (the Company). The Company retained the right to remove soil to enable them to mine sand and gravel for a period of up to fifteen (15) years commencing in January 2001. The Company is obligated to pay all taxes, reclamation and environmental remediation costs resulting from the mining operations.

The Company may terminate the rental agreement at any time. The rental agreement terminates automatically if the Company ceases to mine the property for twenty-four consecutive months. Upon early termination the Company must commence and complete the reclamation and environmental remediation as required by the State of Kansas. The Company is to pay the City an annual minimum rental of $10,000 per year plus 10 cents per ton of material mined each year in excess of 100,000 tons. Total rents received in 2010 were $39,340.

E. Capital Projects

Capital project expenditures often extend over more than one fiscal year. Project estimates of each project are prepared by the City Engineer and approved by the City Council. At December 31, 2010, certain projects were pending City Council authorization.

The costs of capital projects are permanently financed through general obligation bonds, costs reimbursement type grants from other governmental units, special assessment levies, and transfers from other governmental funds.

Fund balance deficits will be funded by general obligation notes or other permanent financing as discussed above. Upon completion of a project, residual funds related to that project in the Capital Projects Fund, if any, will be transferred to the Debt Service Fund for repayment of the related debt.

V. OTHER INFORMATION (CONTINUED)

E. Capital Projects (Continued)

The following is a schedule of the total open project authorizations compared with project expenditures from inception through December 31, 2010:

Project Number	Project Name	Project Authorizations	Total Project Expenditures To Date	[Over]/ Under
3282	57th & Cody to 57th & Monrovia Storm Drainage	$ 1,176,000	$ 127,888	$ 1,048,112
3283	70th & Flint to S. of Yager	3,226,000	1,984,588	1,241,412
3321	Monticello Road - Johnson Dr. to 66th	2,100,000	143,596	1,956,404
3322	Monticello Road - Midland to 75th	15,500,000	5,125,158	10,374,842
3324	I-435 & Johnson Drive TIF	-	22,404	[22,404]
3325	Silverheel - Clear Creek Pkwy. to 66th	5,200,000	3,791,042	1,408,958
3334	West 435 & Jo Dr & SMPKWY TIF	-	41,134	[41,134]
3336	Seville TIF	-	8,813	[8,813]
3339	Johnson Drive Improv. Ph2 - I435 to Renner	1,200,000	67,368	1,132,632
3340	Cobblestone Village TIF	-	123,486	[123,486]
3345	Johnson Drive & Roberts Road	1,200,000	987,449	212,551
3347	K-7 & jo Dr/55th Street Interchange	489,591	468,551	21,040
3348	50th Terr. & Nieman Storm Drainage	880,000	812,214	67,786
3350	70th Terrace and Flint Storm Drainage	3,266,000	46,849	3,219,151
3355	CLEAR CREEK REC TRAIL PHASE II	1,300,000	1,487,508	[187,508]
3356	Justice Center Stormwater Quality BMP Retrofit	575,000	442,263	132,737
3360	Shawnee Town 1929	592,000	333,854	258,146
3362	Traffic Signal Purchase	800,000	327,060	472,940
3364	HVAC Repairs	-	18,000	[18,000]
		$ 35,528,591	$ 15,886,276	$ 19,642,315

V. OTHER INFORMATION (CONTINUED)

F. Postemployment Healthcare Plan

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

Funding Policy. The contribution requirements of plan participants and the City are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. Plan participants contributed approximately 50% of total premiums to the Plan through their required contribution of 50% of premiums of $342.36 to $396.03 per month for retiree-only coverage and 50% of premiums of $944.92 to $1,093.05 for retiree and family coverage.

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

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

Annual required contribution	$ 372,269
Interest on Net OPEB Obligation	26,442
Adjustment to Annual Required Contribution	[38,026]
Annual OPEB cost (expense)	360,685
Benefit payments	65,000
Change in net OPEB obligation	295,685
Net OPEB obligation - beginning of year	528,843
Net OPEB obligation - end of year	$ 824,528

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, 2010 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation	Percentage of Annual OPEB Cost Contributed
December 31, 2008	$ 324,000	$ 75,000	$ 249,000	23.15%
December 31, 2009	341,843	62,000	528,843	18.14%
December 31, 2010	360,685	65,000	824,528	18.02%

V. OTHER INFORMATION (CONTINUED)

F. Postemployment Healthcare Plan (Continued)

The information for one preceding year was not available.

Funding Status and Funding Progress. As of the year ended December 31, 2010, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was $2,597,000 and the actuarial value of asset was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $2,597,000. The covered payroll (annual payroll of active employees covered by the plan) was $18,939,394, and the ratio of the UAAL to the covered payroll was 13.71%.

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, 2010, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 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 11% initially, reduced by decrements to an ultimate rate of 6% after ten years. The UAAL is being amortized as a level dollar over an open thirty-year period.

CITY OF SHAWNEE, KANSAS

REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2010

Employee Supplemental Pension Plan
Schedule of Funding Progress

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) entry age (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll [(b-a)/c]
2000	$ 922,000	$ 3,282,000	$ 2,360,000	28.1%	$ 9,572,000	24.7%
2001	1,328,000	3,880,000	2,552,000	34.2%	10,489,000	24.3%
2002	1,750,707	4,565,697	2,814,990	38.3%	12,112,360	23.2%
2003	2,615,000	5,059,675	2,444,675	51.7%	13,597,541	18.0%
2004	3,342,000	5,732,000	2,390,000	58.3%	13,934,000	17.2%
2005	4,032,000	6,771,000	2,739,000	59.5%	14,279,000	19.2%
2006	4,903,000	7,939,000	3,036,000	61.8%	15,425,000	19.7%
2007	5,717,000	8,717,000	3,000,000	65.6%	16,981,000	17.7%
2008	5,195,000	10,006,000	4,811,000	51.9%	16,960,000	28.4%
2009	7,464,000	11,000,000	3,536,000	67.9%	17,969,000	19.7%
2010	8,892,444	11,470,971	2,578,527	77.5%	16,648,293	15.5%

CITY OF SHAWNEE, KANSAS

OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2010

Schedule of Employer Contributions:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation	Percentage of Annual OPEB Cost Contributed
December 31, 2008	$ 324,000	$ 75,000	$ 249,000	23.15%
December 31, 2009	341,843	62,000	528,843	18.14%
December 31, 2010	360,685	65,000	824,528	18.02%

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percent of Payroll (b-a)/(c)
1/1/2008	$ -	$ 2,597,000	$ 2,597,000	0.0%	$ 18,939,394	13.71%

CITY OF SHAWNEE, KANSAS

COMBINING STATEMENTS - NONMAJOR FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

Other governmental funds are composed entirely of special revenue funds which have been established to account for resources allocated by law or contractual agreement for specific purposes and continue in existence as long as governmental resources are allocated for their specific purposes.

The City's Other Governmental Funds, along with a brief description for each, are as follows:

Public Safety Equipment Fund - This fund is used to account for the purchase of fire and rescue equipment.

Special Narcotics Fund - This fund accounts for police expenditures funded by drug confiscation proceeds.

Special Highway Aid Fund - This fund is used to account for costs relating to the repair and maintenance of city streets and highways. Financing is derived from the City's share of the Kansas gasoline tax.

Special Parks and Recreation Fund - This fund is used to account for parks and recreation expenditures funded from the state liquor tax.

Special Alcohol Abuse Fund - This fund is used to account for expenditures for alcohol rehabilitation programs funded from resources received from the state liquor tax.

Convention and Tourism Fund - This fund is used to account for fees received from the convention and tourism taxes.

Cemetery Fund - This fund is used to account for the operations of the municipal cemetery.

Stormwater Utility Fund - This fund is used to account for the City's stormwater management program.

Public Safety Fund - This fund is used to account for a 1/8 cent which is designated for the construction of a Justice Center and thereafter for public safety projects.

Neighborhood Revitalization Fund - This fund is used to account for the Neighborhood Revitalization Act.

CDBG Grant Fund – This fund is used to account for the CDBG grant.

CITY OF SHAWNEE, KANSAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2010

ASSETS	Public Safety Equipment	Special Narcotics	Special Highway Aid	Special Parks and Recreation	Special Alcohol Abuse
Cash and investments	$ 665,357	$ 140,628	$ 556,865	$ 685,473	$ 365,233
Taxes receivable	368,376	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	$ 1,033,733	$ 140,628	$ 556,865	$ 685,473	$ 365,233
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ -	$ -	$ 417,493	$ -	$ -
Due to other funds	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Deferred revenue	368,376	-	-	-	-
Total liabilities	368,376	-	417,493	-	-
Fund balances					
Reserved for encumbrances	-	-	-	-	-
Unreserved and undesignated	665,357	140,628	139,372	685,473	365,233
Total fund balances	665,357	140,628	139,372	685,473	365,233
Total liabilities and fund balances	$ 1,033,733	$ 140,628	$ 556,865	$ 685,473	$ 365,233

Convention and Tourism	Cemetery	Stormwater Utility	Public Safety	Neighborhood Revitalization	CDBG Grant	Totals
$ -	$ 53,738	$ 2,563,381	$ 1,298,570	$ 64,523	$ -	$ 6,393,768
-	-	-	-	-	-	368,376
74,947	-	-	194,981	-	-	269,928
$ 74,947	$ 53,738	$ 2,563,381	$ 1,493,551	$ 64,523	$ -	$ 7,032,072
$ -	$ 960	$ 44,396	$ -	$ 1,661	$ -	$ 464,510
-	-	-	-	-	2,384	2,384
-	-	15,410	-	-	-	15,410
-	-	-	-	-	-	368,376
-	960	59,806	-	1,661	2,384	850,680
-	-	47,470	-	-	-	47,470
74,947	52,778	2,456,105	1,493,551	62,862	[2,384]	6,133,922
74,947	52,778	2,503,575	1,493,551	62,862	[2,384]	6,181,392
$ 74,947	$ 53,738	$ 2,563,381	$ 1,493,551	$ 64,523	$ -	$ 7,032,072

CITY OF SHAWNEE, KANSAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2010

	Public Safety Equipment	Special Narcotics	Special Highway Aid	Special Parks and Recreation	Special Alcohol Abuse
Revenues					
Taxes	$ 446,279	$ 15,893	$ -	$ 235,186	$ 235,185
Intergovernmental	57,592	-	1,647,405	18,730	-
Charges for services	-	-	-	-	-
Other	-	-	-	100,000	-
Use of money and property	14,079	2,135	10,532	234,980	5,221
Total revenues	517,950	18,028	1,657,937	588,896	240,406
Expenditures					
Current:					
General government	-	-	-	-	-
Community development	-	-	-	-	-
Public works	-	-	466,705	-	-
Public safety	540,091	6,149	-	-	-
Culture and recreation	-	-	-	36,740	-
Human resources	-	-	-	-	170,737
Debt service:					
Interest and other charges	-	-	-	-	-
Total expenditures	540,091	6,149	466,705	36,740	170,737
Excess [deficiency] of revenues over [under] expenditures	[22,141]	11,879	1,191,232	552,156	69,669
Other financing sources [uses]					
Transfers in	-	-	365,800	-	-
Transfers [out]	[150,000]	-	[1,610,110]	[641,348]	-
Total other financing sources [uses]	[150,000]	-	[1,244,310]	[641,348]	-
Net change in fund balances	[172,141]	11,879	[53,078]	[89,192]	69,669
Fund balances, beginning	837,498	128,749	192,450	774,665	295,564
Fund balances, ending	$ 665,357	$ 140,628	$ 139,372	$ 685,473	$ 365,233

Convention and Tourism	Cemetery	Stormwater Utility	Public Safety	Neighborhood Revitalization	CDBG Grant	Totals
$ 281,952	$ -	$ 1,691,280	$ 1,122,201	$ 9,042	$ -	$ 4,037,018
-	-	-	-	-	49,467	1,773,194
-	43,391	-	-	-	-	43,391
-	-	-	-	972	-	100,972
376	529	44,274	29,497	-	-	341,623
282,328	43,920	1,735,554	1,151,698	10,014	49,467	6,296,198
-	15,590	-	-	-	-	15,590
173,900	-	-	-	31,134	-	205,034
-	-	1,347,395	-	-	51,851	1,865,951
-	-	-	-	-	-	546,240
-	-	-	-	-	-	36,740
-	-	-	-	-	-	170,737
-	-	-	443,480	-	-	443,480
173,900	15,590	1,347,395	443,480	31,134	51,851	3,283,772
108,428	28,330	388,159	708,218	[21,120]	[2,384]	3,012,426
-	-	464,526	-	25,000	-	855,326
[104,536]	-	[372,252]	[995,520]	-	-	[3,873,766]
[104,536]	-	92,274	[995,520]	25,000	-	[3,018,440]
3,892	28,330	480,433	[287,302]	3,880	[2,384]	[6,014]
71,055	24,448	2,023,142	1,780,853	58,982	-	6,187,406
$ 74,947	$ 52,778	$ 2,503,575	$ 1,493,551	$ 62,862	$ [2,384]	$ 6,181,392

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
PUBLIC SAFETY EQUIPMENT FUND
For the Year Ended December 31, 2010

	GAAP Basis Actual	Adjustments	Budgetary Basis Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance Positive [Negative]
Revenues						
Taxes	$ 446,279	$ -	$ 446,279	$ 436,100	$ 436,100	$ 10,179
Intergovernmental	57,592	-	57,592	-	-	57,592
Use of money and property	14,079	-	14,079	8,400	8,400	5,679
Total revenues	517,950	-	517,950	444,500	444,500	73,450
Expenditures						
Public safety	540,091	-	540,091	1,285,147	1,285,147	745,056
Total expenditures	540,091	-	540,091	1,285,147	1,285,147	745,056
Excess [deficiency] of revenues over [under] expenditures	[22,141]	-	[22,141]	[840,647]	[840,647]	818,506
Other financing sources [uses]						
Transfers [out]	[150,000]	-	[150,000]	-	-	[150,000]
Total other financing sources [uses]	[150,000]	-	[150,000]	-	-	[150,000]
Net change in fund balance	[172,141]	-	[172,141]	$ [840,647]	$ [840,647]	$ 668,506
Fund balance, beginning	837,498	-	837,498			
Fund balance, ending	$ 665,357	$ -	$ 665,357			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SPECIAL NARCOTICS FUND
For the Year Ended December 31, 2010

	GAAP Basis Actual	Adjustments	Budgetary Basis Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance Positive [Negative]
Revenues						
Taxes	$ 15,893	$ -	$ 15,893	$ 19,400	$ 19,400	$ [3,507]
Use of money and property	2,135	-	2,135	1,100	1,100	1,035
Total revenues	18,028	-	18,028	20,500	20,500	[2,472]
Expenditures						
Public safety	6,149	-	6,149	131,216	131,216	125,067
Total expenditures	6,149	-	6,149	131,216	131,216	125,067
Excess [deficiency] of revenues over [under] expenditures	11,879	-	11,879	$ [110,716]	$ [110,716]	$ 122,595
Fund balance, beginning	128,749	-	128,749			
Fund balance, ending	$ 140,628	$ -	$ 140,628			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SPECIAL HIGHWAY AID FUND
For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance Positive [Negative]
Revenues						
Intergovernmental	$ 1,647,405	$ -	$ 1,647,405	$ 1,738,420	$ 1,610,110	$ 37,295
Use of money and property	10,532	-	10,532	300	5,000	5,532
Total revenues	1,657,937	-	1,657,937	1,738,720	1,615,110	42,827
Expenditures						
Public works	466,705	[49,212]	417,493	229,152	493,738	76,245
Total expenditures	466,705	[49,212]	417,493	229,152	493,738	76,245
Excess [deficiency] of revenues over [under] expenditures	1,191,232	49,212	1,240,444	1,509,568	1,121,372	119,072
Other financing sources [uses]						
Transfers in	365,800	-	365,800	215,800	365,800	-
Transfers [out]	[1,610,110]	-	[1,610,110]	[1,754,720]	[1,610,110]	-
Total other financing sources [uses]	[1,244,310]	-	[1,244,310]	[1,538,920]	[1,244,310]	-
Net change in fund balance	[53,078]	49,212	[3,866]	$ [29,352]	$ [122,938]	$ 119,072
Fund balance, beginning	192,450	[49,212]	143,238			
Fund balance, ending	$ 139,372	$ -	$ 139,372			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SPECIAL PARKS AND RECREATION FUND
For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance Positive [Negative]
Revenues						
Taxes	$ 235,186	$ -	$ 235,186	$ 241,200	$ 241,200	$ [6,014]
Intergovernmental	18,730	-	18,730	-	-	18,730
Miscellaneous	100,000	-	100,000	100,000	345,000	[245,000]
Use of money and property	234,980	-	234,980	2,800	5,000	229,980
Total revenues	588,896	-	588,896	344,000	591,200	[2,304]
Expenditures						
Culture and recreation	36,740	-	36,740	621,100	1,108,377	1,071,637
Total expenditures	36,740	-	36,740	621,100	1,108,377	1,071,637
Excess [deficiency] of revenues over [under] expenditures	552,156	-	552,156	[277,100]	[517,177]	1,069,333
Other financing sources [uses]						
Transfers [out]	[641,348]	-	[641,348]	-	-	[641,348]
Total other financing sources [uses]	[641,348]	-	[641,348]	-	-	[641,348]
Net change in fund balance	[89,192]	-	[89,192]	$ [277,100]	$ [517,177]	$ 427,985
Fund balance, beginning	774,665	-	774,665			
Fund balance, ending	$ 685,473	$ -	$ 685,473			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
SPECIAL ALCOHOL ABUSE FUND
For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance Positive [Negative]
Revenues						
Taxes	$ 235,185	$ -	$ 235,185	$ 241,200	$ 241,200	$ [6,015]
Use of money and property	5,221	-	5,221	5,500	5,500	[279]
Total revenues	240,406	-	240,406	246,700	246,700	[6,294]
Expenditures						
Human resources	170,737	-	170,737	521,945	521,945	351,208
Total expenditures	170,737	-	170,737	521,945	521,945	351,208
Excess [deficiency] of revenues over [under] expenditures	69,669	-	69,669	$ [275,245]	$ [275,245]	$ 344,914
Fund balance, beginning	295,564	-	295,564			
Fund balance, ending	$ 365,233	$ -	$ 365,233			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
CONVENTION AND TOURISM FUND
For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance Positive [Negative]
Revenues						
Taxes	$ 281,952	$ -	$ 281,952	$ 331,100	$ 331,100	$ [49,148]
Use of money and property	376	-	376	1,200	1,200	[824]
Total revenues	282,328	-	282,328	332,300	332,300	[49,972]
Expenditures						
Community development	173,900	-	173,900	242,205	242,205	68,305
Total expenditures	173,900	-	173,900	242,205	242,205	68,305
Excess [deficiency] of revenues over [under] expenditures	108,428	-	108,428	90,095	90,095	18,333
Other financing sources [uses]						
Transfers [out]	[104,536]	-	[104,536]	[150,600]	[150,600]	46,064
Total other financing sources [uses]	[104,536]	-	[104,536]	[150,600]	[150,600]	46,064
Net change in fund balance	3,892	-	3,892	$ [60,505]	$ [60,505]	$ 64,397
Fund balance, beginning	71,055	-	71,055			
Fund balance, ending	$ 74,947	$ -	$ 74,947			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
CEMETERY FUND
For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance Positive [Negative]
Revenues						
Charges for services	$ 43,391	$ -	$ 43,391	$ 30,000	$ 30,000	$ 13,391
Use of money and property	529	-	529	-	-	529
Total revenues	43,920	-	43,920	30,000	30,000	13,920
Expenditures						
General government	15,590	-	15,590	31,896	31,896	16,306
Total expenditures	15,590	-	15,590	31,896	31,896	16,306
Net change in fund balance	28,330	-	28,330	$ [1,896]	$ [1,896]	$ 30,226
Fund balance, beginning	24,448	-	24,448			
Fund balance, ending	$ 52,778	$ -	$ 52,778			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
STORMWATER UTILITY FUND
For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance Positive [Negative]
Revenues						
Taxes	$ 1,691,280	$ -	$ 1,691,280	$ 1,632,800	$ 1,632,800	$ 58,480
Use of money and property	44,274	-	44,274	14,800	14,800	29,474
Total revenues	1,735,554	-	1,735,554	1,647,600	1,647,600	87,954
Expenditures						
Public works	1,347,395	32,620	1,380,015	2,869,967	2,869,967	1,489,952
Total expenditures	1,347,395	32,620	1,380,015	2,869,967	2,869,967	1,489,952
Excess [deficiency] of revenues over [under] expenditures	388,159	[32,620]	355,539	[1,222,367]	[1,222,367]	1,577,906
Other financing sources [uses]						
Transfers in	464,526	-	464,526	700,000	700,000	[235,474]
Transfers [out]	[372,252]	-	[372,252]	[215,800]	[215,800]	[156,452]
Total other financing sources [uses]	92,274	-	92,274	484,200	484,200	[391,926]
Net change in fund balance	480,433	[32,620]	447,813	$ [738,167]	$ [738,167]	$ 1,185,980
Fund balance, beginning	2,023,142	[14,850]	2,008,292			
Fund balance, ending	$ 2,503,575	$ [47,470]	$ 2,456,105			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
PUBLIC SAFETY FUND
For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance Positive [Negative]
Revenues						
Taxes	$ 1,122,201	$ -	$1,122,201	$ 1,164,800	$ 1,164,800	$ [42,599]
Use of money and property	29,497	-	29,497	14,300	14,300	15,197
Total revenues	1,151,698	-	1,151,698	1,179,100	1,179,100	[27,402]
Expenditures						
Principal	-	-	-	2,603,772	2,603,772	2,603,772
Interest and other charges	443,480	-	443,480	-	-	[443,480]
Total expenditures	443,480	-	443,480	2,603,772	2,603,772	2,160,292
Excess [deficiency] of revenues over [under] expenditures	708,218	-	708,218	[1,424,672]	[1,424,672]	2,132,890
Other financing sources [uses]						
Transfers [out]	[995,520]	-	[995,520]	-	-	[995,520]
Total other financing sources [uses]	[995,520]	-	[995,520]	-	-	[995,520]
Net change in fund balance	[287,302]	-	[287,302]	$ [1,424,672]	$ [1,424,672]	$ 1,137,370
Fund balance, beginning	1,780,853	-	1,780,853			
Fund balance, ending	$ 1,493,551	$ -	$1,493,551			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
NEIGHBORHOOD REVITALIZATION FUND
For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance Positive [Negative]
Revenues						
Taxes	$ 9,042	$ -	$ 9,042	$ 73,000	$ 73,000	$ [63,958]
Use of money and property	972	-	972	200	200	772
Total revenues	10,014	-	10,014	73,200	73,200	[63,186]
Expenditures						
Community development	31,134	-	31,134	89,717	89,717	58,583
Total expenditures	31,134	-	31,134	89,717	89,717	58,583
Excess [deficiency] of revenues over [under] expenditures	[21,120]	-	[21,120]	[16,517]	[16,517]	[4,603]
Other financing sources [uses]						
Transfers in	25,000	-	25,000	-	-	25,000
Total other financing sources [uses]	25,000	-	25,000	-	-	25,000
Net change in fund balance	3,880	-	3,880	$ [16,517]	$ [16,517]	$ 20,397
Fund balance, beginning	58,982	-	58,982			
Fund balance, ending	$ 62,862	$ -	$ 62,862			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - ACTUAL AND BUDGET
DEBT SERVICE FUND
For the Year Ended December 31, 2010

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts Original	Budgeted Amounts Final	Variance Positive [Negative]
Revenues						
Taxes	$ 9,042,040	$ -	$ 9,042,040	$ 9,007,723	$ 9,007,723	$ 34,317
Use of money and property	100,965	-	100,965	111,500	111,500	[10,535]
Total revenues	9,143,005	-	9,143,005	9,119,223	9,119,223	23,782
Expenditures						
Debt service						
Principal	18,876,827	[11,524,056]	7,352,771	12,093,765	12,093,765	4,740,994
Interest and other charges	3,378,208	-	3,378,208	-	-	[3,378,208]
Total expenditures	22,255,035	[11,524,056]	10,730,979	12,093,765	12,093,765	1,362,786
Excess [deficiency] of revenues over [under] expenditures	[13,112,030]	11,524,056	[1,587,974]	[2,974,542]	[2,974,542]	1,386,568
Other financing sources [uses]						
Transfers in	2,753,930	-	2,753,930	1,853,020	1,853,020	900,910
Issuance of bonds	11,524,056	[11,524,056]	-	-	-	-
Total other financing sources [uses]	14,277,986	[11,524,056]	2,753,930	1,853,020	1,853,020	900,910
Net change in fund balance	1,165,956	-	1,165,956	$ [1,121,522]	$ [1,121,522]	$ 2,287,478
Fund balance, beginning	906,628	-	906,628			
Fund balance, ending	$ 2,072,584	$ -	$ 2,072,584			

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

FIDUCIARY FUNDS

Trust funds are used to account for assets held by the City in a trustee capacity. Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

Pension Trust Fund accounts for the activities of the Employee Supplemental Retirement.

The **Mayor's Christmas Tree Fund** is used to account for the amounts collected for the City Christmas tree.

The **Cafeteria Plan Fund** is used to account for monies collected for employee cafeteria plan contributions.

The **Municipal Court Bond Fund** is used to account for amounts collected for court bonds.

CITY OF SHAWNEE, KANSAS

COMBINING STATEMENT OF NET ASSETS
FIDUCIARY FUNDS - PENSION TRUST
December 31, 2010

	Pension Trust Fund
ASSETS	
Restricted cash	$ 8,678
Restricted investments, at fair value	
Fixed income	2,560,708
Domestic stocks	5,481,432
Real estate investment trusts	841,626
Total restricted investments	8,883,766
Total assets	$ 8,892,444
Liabilities	
Due to others	$ -
Total liabilities	$ -
Net assets	
Held in trust for pension benefits	$ 8,892,444
Total net assets	$ 8,892,444

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

COMBINING STATEMENT OF NET ASSETS
FIDUCIARY FUNDS - AGENCY FUNDS
December 31, 2010

ASSETS	Mayor's Christmas Tree Fund	Cafeteria Plan Fund	Municipal Court Bond Fund	Total Agency Funds
Cash	$ 14,596	$ 18,147	$ 29,915	$ 62,658
Total assets	$ 14,596	$ 18,147	$ 29,915	$ 62,658
Liabilities				
Due to others	$ 14,596	$ 18,147	$ 29,915	$ 62,658
Total liabilities	$ 14,596	$ 18,147	$ 29,915	$ 62,658

CITY OF SHAWNEE, KANSAS

COMBINING STATEMENT OF CHANGES IN NET ASSETS
PENSION TRUST FUND
For the Year Ended December 31, 2010

	Pension Trust Fund
Additions:	
Contributions :	
Employer contributions	$ 727,429
Total contributions	727,429
Investment Earnings:	
Interest and dividends on investments	347,098
Net increase/decrease in the fair value of investments	519,272
Total investment earnings	866,370
Total additions	1,593,799
Deductions:	
Benefits	156,823
Plan management fees	8,792
Total deductions	165,615
Changes in net assets	1,428,184
Net assets - beginning	7,464,260
Net assets - ending	$ 8,892,444

See independent auditor's report on the financial statements.

CITY OF SHAWNEE, KANSAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended December 31, 2010

Mayor's Christmas Tree Fund	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
ASSETS				
Cash and cash equivalents	$ 16,540	$ -	$ 1,944	$ 14,596
Total assets	$ 16,540	$ -	$ 1,944	$ 14,596
LIABILITIES				
Due to others	$ 16,540	$ -	$ 1,944	$ 14,596
Total liabilities	$ 16,540	$ -	$ 1,944	$ 14,596

Cafeteria Plan Fund	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
ASSETS				
Cash and cash equivalents	$ 9,614	$ 202,123	$ 193,590	$ 18,147
Total assets	$ 9,614	$ 202,123	$ 193,590	$ 18,147
LIABILITIES				
Due to others	$ 9,614	$ 202,123	$ 193,590	$ 18,147
Total liabilities	$ 9,614	$ 202,123	$ 193,590	$ 18,147

Municipal Court Bond Fund	Balance January 1, 2010	Additions	Deductions	Balance December 31, 2010
ASSETS				
Cash and cash equivalents	$ 32,375	$ 89,425	$ 91,885	$ 29,915
Total assets	$ 32,375	$ 89,425	$ 91,885	$ 29,915
LIABILITIES				
Due to others	$ 32,375	$ 89,425	$ 91,885	$ 29,915
Total liabilities	$ 32,375	$ 89,425	$ 91,885	$ 29,915

See independent auditor's report on the financial statements.

Statistical Section
(Unaudited)

This part of the City of Shawnee'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 SHAWNEE, KANSAS

NET ASSETS BY COMPONENT
LAST EIGHT YEARS

	2010	2009	2008
Governmental Activities:			
Invested in capital assets, net of related debt	$ 638,445,738	$ 645,143,950	$ 653,590,043
Restricted	16,468,383	16,550,770	15,334,635
Unrestricted	8,786,669	8,391,752	6,458,609
Total governmental activities net assets	$ 663,700,790	$ 670,086,472	$ 675,383,287

* The City implemented GASB 46 changing the comparability of restricted and unrestricted net asset balances.
** The City implemented the retroactive infrastructure reporting provisions of GASB 34.

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

2007	2006	2005*/**	2004	2003
$ 652,542,908	$ 661,939,473	$ 668,490,283	$ 46,483,719	$ 31,094,058
13,292,749	12,728,148	14,287,160	4,723,602	14,920,280
8,840,752	6,112,093	3,632,234	14,931,873	[817,728]
$ 674,676,409	$ 680,779,714	$ 686,409,677	$ 66,139,194	$ 45,196,610

TABLE 2
UNAUDITED

CITY OF SHAWNEE, KANSAS

CHANGE IN NET ASSETS
LAST EIGHT YEARS

	2010	2009	2008
Expenses:			
Governmental Activities:			
General government	$ 5,296,574	$ 5,757,787	$ 5,353,221
Community development	2,246,676	2,468,459	1,998,193
Public works	26,832,787	23,486,764	29,216,735
Public safety	19,551,129	19,760,207	19,328,497
Culture-recreation	4,304,236	4,434,108	4,390,884
Human resources	172,962	131,347	183,399
Interest on long-term debt	3,580,411	3,728,286	4,212,788
Total primary government expenses	61,984,775	59,766,958	64,683,717
Program Revenues:			
Governmental Activities:			
Charges for services			
General government	2,693,213	2,961,536	2,857,959
Community development	-	59,582	70,763
Public works	-	-	-
Public safety	-	-	-
Culture-recreation	1,238,448	1,242,357	1,239,095
Operating grants and contributions			
Community development	-	-	-
Public works	1,745,781	1,631,157	4,495,699
Public safety	57,592	97,594	39,810
Culture-recreation	18,730	-	-
Capital grants and contributions			
Public works	3,879,534	3,079,861	3,436,477
Total primary government program revenues	9,633,298	9,072,087	12,139,803
Net [Expense] Revenue:			
Governmental activities	[52,351,477]	[50,694,871]	[52,543,914]
General Revenues and Other Changes in Net Assets:			
Governmental activities:			
Taxes:			
Property taxes	23,232,302	23,767,706	28,439,051
Sales taxes	17,620,422	17,818,926	19,205,265
Franchise taxes	2,868,398	2,083,176	2,038,422
Alcohol taxes	705,555	773,662	721,803
Other taxes	344,623	169,328	798,648
Unrestricted investment earnings	793,977	294,641	1,263,117
Miscellaneous	422,172	574,500	784,486
Capital contributions	-	-	-
Total primary government	45,987,449	45,481,939	53,250,792
Change in Net Assets:			
Governmental activities	$ [6,364,028]	$ [5,212,932]	$ 706,878

* The City implemented the retroactive infrastructure reporting provisions of GASB Statement No. 34 which increased government-wide expenses due to increased depreciation costs.

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

2007	2006	2005*	2004	2003
$ 4,999,484	$ 4,686,606	$ 4,377,738	$ 3,859,778	$ 3,509,251
1,069,717	954,353	957,524	914,810	1,299,772
30,161,414	28,909,941	27,355,524	7,481,081	7,271,903
19,711,262	17,998,334	17,059,693	16,605,443	15,023,792
4,827,830	4,166,789	3,928,185	2,900,386	3,394,130
182,988	186,159	190,267	187,980	247,147
3,707,423	3,062,098	3,000,896	2,716,830	2,457,015
64,660,118	59,964,280	56,869,827	34,666,308	33,203,010
3,148,433	3,391,076	3,046,746	3,259,124	5,489,313
110,081	117,389	137,997	59,944	100,047
65,516	100,464	1,167,293	1,161,239	1,928,968
-	-	-	-	985,960
1,347,217	1,156,905	1,208,313	866,846	1,123,789
-	16,440	76,775	-	-
1,807,718	1,714,731	1,578,867	13,763	74,213
20,357	29,943	265,826	399,155	437,252
-	12,007	14,088	-	-
6,241,422	7,665,971	13,116,119	14,830,981	18,376,346
12,740,744	14,204,926	20,612,024	20,591,052	28,515,888
[51,919,374]	[45,759,354]	[36,257,803]	[14,075,256]	[4,687,122]
20,689,526	17,061,414	14,543,072	13,423,274	12,302,953
19,608,022	20,056,603	18,839,153	17,207,171	15,071,138
1,896,640	1,824,181	1,735,226	1,629,300	1,649,589
565,536	597,066	560,664	565,526	536,958
693,114	857,194	217,346	1,640,812	164,158
1,755,269	1,674,965	626,154	199,397	204,180
500,595	428,479	429,805	218,814	232,705
-	-	-	133,546	-
45,708,702	42,499,902	36,951,420	35,017,840	30,161,681
$ [6,210,672]	$ [3,259,452]	$ 693,617	$ 20,942,584	$ 25,474,559

TABLE 3
UNAUDITED

CITY OF SHAWNEE, KANSAS

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS

	2010	2009	2008	2007
General Fund:				
Reserved for encumbrances	$ 77,724	$ 4,000	$ 140,439	$ 594,235
Reserved for inventory	950,165	784,431	682,994	407,619
Unreserved	17,642,551	16,115,816	14,420,022	11,374,079
Total General Fund	$ 18,670,440	$ 16,904,247	$ 15,243,455	$ 12,375,933
All Other Governmental Funds:				
Reserved for encumbrances	$ 47,470	$ 14,850	$ 23,385	$ 145,325
Reserved for inventory	-	49,212	147,080	368,063
Unreserved [deficit], reported in:				
Special revenue funds	8,000,971	7,052,261	7,341,699	11,686,967
Debt service fund	2,072,584	906,628	484,059	179,793
Capital project funds	[3,570,911]	[3,234,852]	[2,216,278]	7,577,166
Total All Other Governmental Funds	$ 6,550,114	$ 4,788,099	$ 5,779,945	$ 19,957,314

2006	2005	2004	2003	2002	2001
$ 292,532	$ -	$ -	$ -	$ -	$ -
305,369	-	-	-	-	-
15,017,785	15,601,050	14,776,860	15,383,713	12,791,836	11,145,545
$ 15,615,686	$ 15,601,050	$ 14,776,860	$ 15,383,713	$ 12,791,836	$ 11,145,545
$ 1,327,074	$ -	$ -	$ -	$ -	$ -
378,421	-	-	-	-	-
10,561,866	11,201,273	6,924,714	7,422,525	4,895,698	4,713,159
30,037	1,950,795	4,723,602	7,720,608	8,222,942	6,559,795
[9,498,868]	[12,058,646]	[8,637,679]	[20,468,000]	[20,057,981]	[16,632,368]
$ 2,798,530	$ 1,093,422	$ 3,010,637	$ [5,324,867]	$ [6,939,341]	$ [5,359,414]

TABLE 4
UNAUDITED

CITY OF SHAWNEE, KANSAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS

	2010	2009	2008
Revenues:			
Taxes and special assessments	$ 44,771,300	$ 44,612,798	$ 45,245,944
Intergovernmental	7,343,116	3,782,465	4,535,509
Licenses and permits	744,497	783,808	826,671
Charges for services	1,795,059	1,820,552	1,790,813
Fines, forfeitures and penalties	1,392,105	1,659,116	1,550,333
Investment earnings	793,977	289,543	1,263,117
Miscellaneous	422,172	574,500	784,486
Total revenues	57,262,226	53,522,782	55,996,873
Expenditures:			
General government	4,918,644	5,020,690	5,135,651
Community development	2,231,329	2,424,478	1,971,603
Public works	6,061,410	6,341,588	8,108,375
Public safety	18,536,566	18,298,897	18,476,886
Culture-recreation	3,621,793	3,757,955	3,791,225
Human resources	170,737	125,451	183,399
Capital outlay	13,886,142	6,096,743	19,905,169
Debt service			
Principal retirements	20,530,008	10,123,198	12,952,430
Interest and fiscal charges	3,893,642	3,869,431	4,232,778
Total expenditures	73,850,271	56,058,431	74,757,516
Excess of revenues over [under] expenditures	[16,588,045]	[2,535,649]	[18,760,643]
Other financing sources [uses]:			
Transfers in	4,861,005	4,534,226	8,362,035
Transfers out	[4,861,005]	[4,534,226]	[8,362,035]
Capital contributions	-	-	-
Proceeds from revolving loans	579,565	1,776,505	66,533
Proceeds from issuance of bonds	18,790,000	1,410,000	27,105,000
Premium on bonds	52,162	18,090	339,263
Discount on bonds	-	-	-
Proceeds from refunding of bonds	-	-	-
Proceeds from capital leases	732,650	-	-
Bond refunding	-	-	[20,060,000]
Proceeds from sale of assets	-	-	-
Total other financing sources [uses]	20,154,377	3,204,595	7,450,796
Net change in fund balances	$ 3,566,332	$ 668,946	$ [11,309,847]
Debt service as a percentage of noncapital expenditures	40.81%	30.71%	33.36%

Note: Taxes and Special Assessments are further detailed at Table 5.

2007	2006	2005	2004	2003	2002	2001
$ 44,212,189	$ 41,190,197	$ 36,708,884	$ 33,985,045	$ 30,483,753	$ 28,034,825	$ 26,679,974
5,754,614	4,353,517	7,288,686	7,257,789	6,617,270	6,436,528	6,350,609
956,603	1,068,459	1,300,723	1,376,842	1,533,515	1,292,623	1,163,026
1,940,579	2,099,136	2,800,053	2,481,902	3,998,984	2,031,147	1,657,182
1,774,065	1,598,239	1,459,573	1,488,409	1,444,035	1,181,976	824,814
1,755,269	1,674,965	1,057,853	529,432	471,764	601,212	1,294,711
500,595	428,479	429,805	218,814	219,399	393,584	351,124
56,893,914	52,412,992	51,045,577	47,338,233	44,768,720	39,971,895	38,321,440
4,946,328	4,501,510	4,384,382	3,594,552	3,283,323	3,080,310	2,744,778
1,055,965	941,990	948,521	901,711	845,250	787,364	670,085
10,829,839	9,796,121	8,733,559	8,791,949	7,997,010	8,442,076	6,717,953
18,909,880	17,125,341	16,755,985	16,352,173	15,114,130	14,596,504	12,516,918
4,260,660	3,768,037	3,552,057	3,542,342	3,029,429	2,910,996	3,882,402
177,362	170,092	175,367	172,318	234,089	23,956	78,318
28,543,737	13,050,557	15,348,929	12,441,282	15,613,547	16,916,945	20,307,200
6,947,004	6,050,000	6,278,506	6,565,647	4,335,000	3,525,000	7,095,000
3,630,920	3,068,306	3,438,598	3,208,370	2,840,997	2,737,879	2,756,493
79,301,695	58,471,954	59,615,904	55,570,344	53,292,775	53,021,030	56,769,147
[22,407,781]	[6,058,962]	[8,570,327]	[8,232,111]	[8,524,055]	[13,049,135]	[18,447,707]
8,372,661	8,523,978	972,609	4,125,290	1,426,586	3,839,791	-
[8,372,661]	[8,523,978]	[972,609]	[4,125,290]	[1,426,586]	[3,839,791]	-
-	-	-	133,546	-	-	-
6,764,663	-	-	-	-	-	-
28,600,000	7,250,000	7,355,000	15,825,000	12,160,000	13,115,497	10,555,197
854,782	-	-	-	-	-	-
-	[10,079]	-	-	-	-	-
-	-	-	-	6,025,000	-	-
-	-	-	-	532,642	-	-
-	-	-	-	[6,025,000]	-	-
-	-	122,305	2,216	37,764	-	-
36,219,445	7,239,921	7,477,305	15,960,762	12,730,406	13,115,497	10,555,197
$ 13,811,664	$ 1,180,959	$ [1,093,022]	$ 7,728,651	$ 4,206,351	$ 66,362	$ [7,892,510]
22.27%	20.07%	21.95%	22.66%	19.04%	17.35%	27.02%

TABLE 5
UNAUDITED

CITY OF SHAWNEE, KANSAS

GOVERNMENTAL FUND TYPES REVENUES BY SOURCE
LAST TEN YEARS

	2010	2009	2008	2007
Property	$ 21,623,589	$ 22,321,885	$ 21,709,244	$ 20,668,830
Special assessments	1,608,713	1,445,821	772,562	780,047
Sales county and city	17,620,422	17,818,926	19,205,265	19,608,022
Franchise	2,868,398	2,083,176	2,038,422	1,896,640
Other taxes	1,050,178	942,990	1,520,451	1,258,650
Total taxes	44,771,300	44,612,798	45,245,944	44,212,189
Licenses and permits	744,497	783,808	826,671	956,603
Intergovernmental	7,343,116	3,782,465	4,535,509	5,754,614
Charges for services	1,795,059	1,820,552	1,790,813	1,940,579
Fines, forfeitures and penalties	1,392,105	1,659,116	1,550,333	1,774,065
Interest income	793,977	289,543	1,263,117	1,755,269
Miscellaneous	422,172	574,500	784,486	500,595
Total	$ 57,262,226	$ 53,522,782	$ 55,996,873	$ 56,893,914
Sales tax breakdown				
City sales tax	$ 8,977,607	$ 8,918,753	$ 9,530,673	$ 9,599,939
County sales tax	8,642,815	8,900,173	9,674,592	10,008,083
Total sales tax	$ 17,620,422	$ 17,818,926	$ 19,205,265	$ 19,608,022
City sales tax	$ 8,977,607	$ 8,918,753	$ 9,530,673	$ 9,599,939
City property tax	21,623,589	20,343,579	20,073,522	19,054,894
Total tax revenue	44,771,300	44,612,798	45,245,944	44,212,189
	20%	20%	21%	22%
Total revenue	57,262,226	53,522,782	55,996,873	56,893,914
City sales tax to total	16%	17%	17%	17%
Property tax to total	38%	38%	36%	33%
Tax to total revenue	78%	83%	81%	78%
Retail sales	808,447,497	794,084,587	834,937,766	838,046,407
Percent change	1.81%	-4.89%	-0.37%	-1.41%

2006	2005	2004	2003	2002	2001
$ 17,051,717	$ 14,543,075	$ 13,423,271	$ 12,302,952	$ 11,537,282	$ 10,578,622
803,436	813,420	980,118	758,960	1,115,843	1,179,413
20,056,603	18,839,152	17,207,171	15,071,137	13,214,531	12,939,790
1,824,181	1,735,226	1,667,922	1,649,589	1,550,345	1,393,657
1,454,260	778,008	706,563	701,115	616,824	588,492
41,190,197	36,708,881	33,985,045	30,483,753	28,034,825	26,679,974
1,068,459	1,300,723	1,376,842	1,533,515	1,292,623	1,163,026
4,353,517	7,288,686	7,257,789	6,617,270	6,436,528	6,350,609
2,099,136	2,800,053	2,481,902	3,998,984	2,031,147	1,657,182
1,598,239	1,459,573	1,488,409	1,444,035	1,181,976	824,814
1,674,965	1,057,853	529,432	471,764	601,212	1,294,711
428,479	429,805	218,814	219,399	393,584	351,124
$ 52,412,992	$ 51,045,574	$ 47,338,233	$ 44,768,720	$ 39,971,895	$ 38,321,440
$ 10,208,999	$ 10,081,028	$ 8,932,501	$ 8,484,472	$ 8,159,767	$ 8,090,038
9,847,604	8,758,124	8,274,670	6,586,665	5,054,764	4,849,752
$ 20,056,603	$ 18,839,152	$ 17,207,171	$ 15,071,137	$ 13,214,531	$ 12,939,790
$ 10,208,999	$ 10,081,028	$ 8,932,501	$ 8,484,472	$ 8,159,767	$ 8,090,038
15,485,633	14,543,075	13,423,272	12,302,952	11,537,282	10,578,622
41,190,197	36,708,881	33,985,045	30,483,753	28,034,825	26,679,974
25%	27%	26%	28%	29%	30%
52,412,992	51,045,574	47,338,233	44,768,720	39,971,895	38,321,440
19%	20%	19%	19%	20%	21%
30%	28%	28%	27%	29%	28%
79%	72%	72%	68%	70%	70%
850,024,730	826,030,749	794,000,089	754,175,289	725,312,622	719,144,489
2.90%	4.03%	5.28%	3.98%	0.86%	15.81%

TABLE 6
UNAUDITED

CITY OF SHAWNEE, KANSAS

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

Tax Year	Budget Year	Total Tax Levy	Collection Of Current Year's Tax	Percentage Of Levy Collected	Collection Of Delinquent Tax	Total Collections	Percentage Of Levy To Total Collections
2009	2010	$ 17,707,372	$ 17,303,045	97.7%	$ 267,427	17,570,472	99.2%
2008	2009	18,245,796	17,766,382	97.4%	193,606	17,959,988	98.4%
2007	2008	18,243,395	17,474,113	95.8%	115,410	17,589,523	96.4%
2006	2007	17,339,550	17,021,394	98.2%	134,103	17,155,497	98.9%
2005	2006	13,720,272	13,526,503	98.6%	84,616	13,611,119	99.2%
2004	2005	12,660,813	12,491,075	98.7%	224,121	12,715,196	100.4%
2003	2004	11,561,445	11,324,527	98.0%	142,241	11,466,768	99.2%
2002	2003	10,610,748	10,422,258	98.2%	143,002	10,565,260	99.6%
2001	2002	9,927,248	9,790,523	98.6%	52,236	9,842,759	99.1%
2000	2001	9,040,374	8,807,228	97.4%	182,286	8,989,514	99.4%

TABLE 7
UNAUDITED

CITY OF SHAWNEE, KANSAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Tax Year December 31,	Fiscal Year December 31,	Real Estate	Personal Property	State Assessed Utilities	Total Taxable Assessed Value
2009	2010	$ 667,582,353	$ 29,463,234	$ 20,048,049	$ 717,093,636
2008	2009	685,061,149	33,101,080	20,758,632	738,920,861
2007	2008	677,140,494	40,825,753	21,710,209	739,676,456
2006	2007	640,488,961	43,964,451	20,440,203	704,893,615
2005	2006	598,551,243	41,471,015	19,030,922	659,053,180
2004	2005	548,175,264	40,851,342	18,045,144	607,071,750
2003	2004	497,119,305	41,655,411	16,438,210	555,212,926
2002	2003	457,921,974	36,172,325	16,039,880	510,134,179
2001	2002	425,422,724	31,582,430	15,588,247	472,593,401
2000	2001	379,148,488	34,279,747	14,585,905	428,014,140

Note: Assessed Values are broken out historically by Real Estate, Personal Property and State Assessed Utilities. These numbers also include any tax exempt property.

TABLE 7
UNAUDITED

Real Property Estimated Actual Value	Personal Property Estimated Actual Value	Utilities Estimated Actual Value	Total Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
$ 5,805,063,939	$ 98,210,780	$ 60,751,664	$ 5,964,026,383	12.02%	24.699
5,957,053,470	110,336,933	62,904,945	6,130,295,348	12.05%	24.693
5,888,178,209	136,085,843	65,788,512	6,090,052,564	12.15%	24.652
5,569,469,226	146,548,170	61,940,009	5,777,957,405	12.20%	24.621
5,204,793,417	138,236,717	57,669,461	5,400,699,595	12.20%	20.847
4,766,741,426	136,171,140	54,682,255	4,957,594,821	12.25%	20.856
4,322,776,565	138,851,370	49,812,758	4,511,440,693	12.31%	20.845
3,981,930,209	120,574,417	48,605,697	4,151,110,322	12.29%	20.835
3,699,328,035	105,274,767	47,237,112	3,851,839,914	12.27%	21.042
3,296,943,374	114,265,823	44,199,712	3,455,408,909	12.39%	21.157

TABLE 8
UNAUDITED

CITY OF SHAWNEE, KANSAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS

Tax Year Ended December 31,	Fiscal Year Ended December 31,	City Direct Rates: General & Special Revenue	City Direct Rates: Debt Service	City Direct Rates: Total Direct	State	County	Library
2009	2010	15.019	9.680	24.699	1.500	17.748	3.158
2008	2009	15.568	9.125	24.693	1.500	17.716	3.151
2007	2008	14.142	10.510	24.652	1.500	17.985	2.962
2006	2007	14.124	10.497	24.621	1.500	17.949	2.960
2005	2006	13.424	7.423	20.847	1.500	17.922	2.955
2004	2005	13.430	7.426	20.856	1.500	16.041	2.956
2003	2004	13.423	7.422	20.845	1.500	16.381	2.954
2002	2003	12.417	8.418	20.835	1.500	16.221	2.948
2001	2002	12.546	8.496	21.042	1.500	16.333	2.971
2000	2001	12.341	8.816	21.157	1.500	15.676	2.981

Source: All overlapping governments, Johnson County Clerk's office.

General Note: Levies shown are based on the largest taxing unit, within the Shawnee City limits, taxing unit No. 626T.

Note A: Tax Year - The tax levy is the following year's tax revenue.

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

Overlapping Rates						
County Community College	Park	Wastewater	Total Overlapping Without Schools	School District Shawnee Mission (512-HS6)	School District Desoto (SD-232)	School District Olathe (SD-233)
8.799	2.350	0.000	58.254	57.192	84.051	72.917
8.784	2.346	0.000	58.190	55.318	74.186	66.900
8.749	2.295	0.000	58.143	52.008	71.463	64.343
8.872	2.290	0.000	58.192	51.980	69.693	65.180
8.441	2.286	0.000	53.951	49.748	69.115	68.173
9.438	2.367	0.000	53.158	49.748	72.806	69.177
9.432	2.365	0.000	53.477	37.774	74.734	64.166
9.428	1.602	0.000	52.534	42.238	75.518	64.125
7.743	1.382	4.181	55.152	38.699	75.640	64.385
7.646	1.322	4.647	54.929	40.327	67.918	65.761

TABLE 9
UNAUDITED

CITY OF SHAWNEE, KANSAS

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2009 Tax Year/2010 Fiscal Year		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
The Shawnee Station LLC	$ 5,661,751	1	0.79%
Kansas City Power and Light	4,814,585	2	0.67%
Westar Energy	4,630,971	3	0.65%
Deffenbaugh Industries, Inc.	3,581,760	4	0.50%
Kansas Gas Service	3,379,895	5	0.47%
Bayer Corporation	3,285,366	6	0.46%
Southwestern Bell Telephone	3,215,278	7	0.45%
Wal-Mart	3,080,676	8	0.43%
Greens at Shawnee	2,840,615	9	0.40%
HSM/WDC Westbrooke	2,742,252	10	0.38%
Total	$ 37,233,149		
City of Shawnee	$ 717,093,636		

Source: Johnson County Clerks Office

TABLE 9
UNAUDITED

Taxpayer	2000 Tax Year/2001 Fiscal Year Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Weingarten Realty Investors	$ 4,904,018	1	1.15%
The Shawnee Station	4,420,981	2	1.03%
AFD LLC	4,159,249	3	0.97%
Dayton Hudson Corp.	2,591,451	4	0.61%
Deffenbaugh Industries	2,200,309	5	0.51%
Roman Catholic Archbishop	2,136,309	6	0.50%
RVM Ten Quivira LLC	2,129,736	7	0.50%
J.A. Peterson Realty Co.	1,818,121	8	0.42%
Oak Meadows LLC	1,749,450	9	0.41%
Beal Bank SSB	1,666,325	10	0.39%
Total	$ 27,775,949		
City of Shawnee	$ 428,014,140		

TABLE 10
UNAUDITED

CITY OF SHAWNEE, KANSAS

SALES TAX RATES
LAST TEN YEARS

Fiscal Year	City Sales	County Sales	County Public Safety Sales	County Bi-State Sales	County Research Triangle	County Stormwater
2010	1%	0.5%	0.25%	0.000%	0.125%	0.10%
2009	1%	0.5%	0.25%	0.000%	0.125%	0.10%
2008	1%	0.5%	0.25%	0.000%	0.125%	0.10%
2007	1%	0.5%	0.25%	0.000%	0.000%	0.10%
2006	1%	0.5%	0.25%	0.000%	0.000%	0.10%
2005	1%	0.5%	0.25%	0.000%	0.000%	0.10%
2004	1%	0.5%	0.25%	0.000%	0.000%	0.10%
2003	1%	0.5%	0.25%	0.000%	0.000%	0.10%
2002	1%	0.5%	0.25%	0.000%	0.000%	0.10%
2001	1%	0.5%	0.25%	0.125%	0.000%	0.10%
2000	1%	0.5%	0.25%	0.125%	0.000%	0.10%

Tax Rates from Kansas Department of Revenue

County School Sales	Park and Pipes Sales	State	Public Safety Sales	Total Direct
0.25%	0.125%	6.30%	0.125%	8.775%
0.25%	0.125%	5.30%	0.125%	7.775%
0.25%	0.125%	5.30%	0.125%	7.775%
0.25%	0.125%	5.30%	0.125%	7.650%
0.25%	0.125%	5.30%	0.125%	7.650%
0.25%	0.125%	5.30%	0.125%	7.650%
0.25%	0.125%	5.30%	0.000%	7.525%
0.25%	0.125%	5.30%	0.000%	7.525%
0.00%	0.125%	5.30%	0.000%	7.275%
0.00%	0.125%	4.90%	0.000%	7.000%
0.00%	0.000%	4.90%	0.000%	6.875%

City of Shawnee, Kansas
Taxable Retail Sales
2001-2010

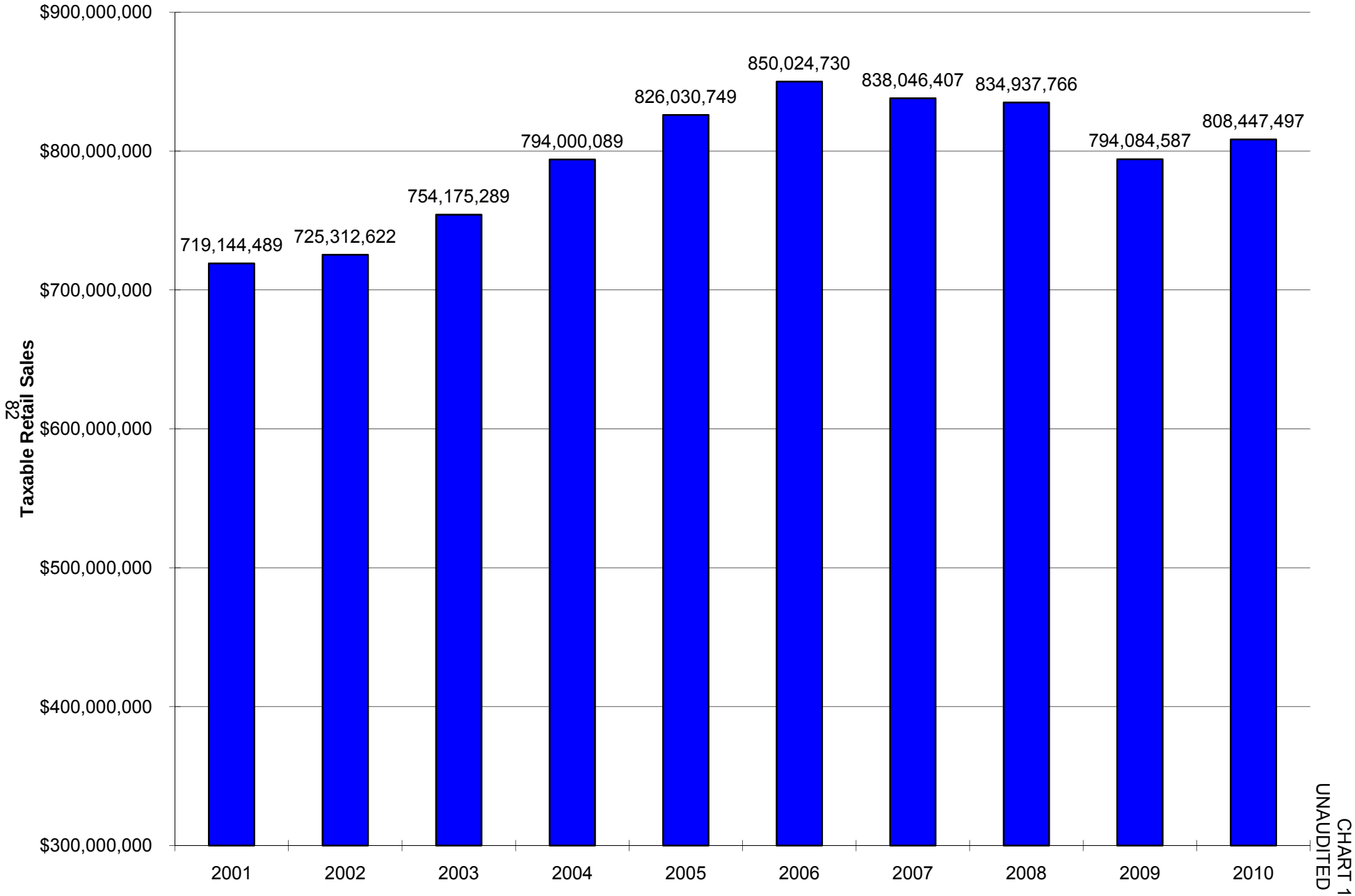


CHART 1
UNAUDITED

TABLE 11
UNAUDITED

CITY OF SHAWNEE, KANSAS

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

Fiscal Year	General Obligation Bonds	Revolving Loan	Capital Leases	Temporary Notes	Total Primary Government
2010	$ 87,166,091	$ 1,609,624	$ 1,237,437	$ 2,645,000	$ 92,658,152
2009	84,379,252	6,850,069	728,997	1,385,000	93,343,318
2008	90,494,676	5,516,762	258,520	3,605,000	99,874,958
2007	90,027,468	5,882,659	336,448	9,250,000	105,496,575
2006	75,929,921	-	109,468	-	76,039,389
2005	74,740,000	-	215,913	-	74,955,913
2004	73,560,000	-	319,418	-	73,879,418
2003	64,200,000	-	420,065	-	64,620,065
2002	56,325,000	-	-	-	56,325,000
2001	46,570,000	-	-	-	46,570,000

Note: City's outstanding debt is further detailed in the notes to the financial statements
* See Table 13 for personal income and population data.
** See Table 6 for property value data.

Total Outstanding Debt		General Obligation Debt Outstanding	
Percentage of of Personal Income*	Per Capita*	Percentage of Actual Taxable Value** of Property	Per Capita*
0.067%	0.067%	12.16%	0.071%
0.063%	0.065%	11.42%	0.072%
0.056%	0.061%	12.23%	0.067%
0.051%	0.056%	12.77%	0.066%
0.067%	0.076%	11.52%	0.076%
0.064%	0.075%	12.31%	0.075%
0.063%	0.072%	13.25%	0.073%
0.068%	0.081%	12.58%	0.081%
0.078%	0.091%	11.92%	0.091%
0.094%	0.109%	10.88%	0.109%

TABLE 12
UNAUDITED

CITY OF SHAWNEE, KANSAS

SCHEDULE OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2010

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt to be repaid with property taxes			
Johnson County, Kansas	$ 240,565,000	9.28%	$ 22,324,432
Johnson County Parks & Recreation	3,625,000	9.28%	336,400
U.S.D. #232 (Desoto)	193,375,000	71.70%	138,649,875
U.S.D. #233 (Olathe)	336,850,000	0.74%	2,492,690
U.S.D. #512 (Shawnee Mission)	236,370,000	14.10%	33,328,170
Subtotal, overlapping debt			197,131,568
City direct debt	91,420,715	100.0%	91,420,715
Total direct and overlapping debt			$ 288,552,283

Sources: Assessed value data used to estimate percentage were obtained from the Johnson County, Kansas Appraiser's Office. Debt outstanding data provided by Johnson County Department of Records and Tax Administration.
Johnson County and City of Shawnee Debt as of 12/31/10. Other debt as of 6/30/10.

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 13
UNAUDITED

CITY OF SHAWNEE, KANSAS

LEGAL DEBT MARGIN
LAST TEN YEARS

	2010	2009	2008	2007
Debt Limit	$ 241,315,676	$ 248,224,634	$ 248,218,244	$ 248,114,292
Total net debt applicable to limit	84,092,416	82,438,372	88,910,941	89,847,675
Legal Debt Limit	$ 157,223,260	$ 165,786,262	$ 159,307,303	$ 158,266,617
Total net debt applicable to the limit as a percentage of the limit	34.8%	33.2%	35.8%	36.2%

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

Legal Debt Margin Calculation for Year Ended December 31, 2010	
Assessed valuation of taxable tangible property	$ 717,093,636
Equalized valuation of motor vehicles	87,291,949
Equalized assessed tangible valuation for computation of bonded debt limitations	$ 804,385,585
Legal debt limit (30%)	$ 241,315,676
Less:	
General obligation bonds	86,165,000
Plus:	
Debt Service Fund fund balance	2,072,584
Legal debt margin	$ 157,223,260
Percentage of debt capacity used	34.8%

Fiscal Year					
2006	2005	2004	2003	2002	2001
$ 237,058,210	$ 222,550,264	$ 206,960,699	$ 190,364,438	$ 174,901,137	$ 141,778,020
75,899,884	72,789,205	68,836,398	56,479,392	48,102,058	40,010,205
$ 161,158,326	$ 149,761,059	$ 138,124,301	$ 133,885,046	$ 126,799,079	$ 101,767,815
32.0%	32.7%	33.3%	29.7%	27.5%	28.2%

TABLE 14
UNAUDITED

CITY OF SHAWNEE, KANSAS

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Fiscal Year	City Population (a)	County Population (b)	City Population Percent Change	Per Capita Personal Income (c)	Personal Income (c)	City Unemployment Rate (d)	State Unemployment Rate (d)
2010	62,209	544,179	2.9%	61,725	3,839,827,065	5.0%	6.8%
2009	60,464	524,723	0.0%	58,785	3,554,397,712	8.6%	6.3%
2008	60,484	509,862	2.1%	55,986	3,386,260,399	4.0%	4.9%
2007	59,252	526,319	2.6%	53,320	3,159,319,603	3.3%	3.9%
2006	57,758	516,731	3.1%	50,781	2,933,008,998	3.5%	4.1%
2005	56,000	506,562	4.7%	48,153	2,696,568,000	3.8%	5.1%
2004	53,500	496,892	2.4%	46,244	2,474,054,000	4.1%	5.6%
2003	52,250	486,852	1.9%	44,119	2,305,217,750	4.4%	5.6%
2002	51,300	475,939	1.4%	44,106	2,262,637,800	4.0%	5.1%
2001	50,600	463,901	5.4%	43,722	2,212,333,200	3.2%	4.3%

Note a: City of Shawnee Planning Department
Note b: www.census.gov
Note c: Per Capita Personal Income reflects that of Johnson County, Kansas. Figures are not available by municipality. 2001 - 2003 figures are from www.bea.gov and reflect Johnson Counties per capita personal income. 2004, 2005, 2006, 2007, 2008, 2009 and 2010 figures were not available.
Note d: www.laborstats.dol.ks.gov/lfe/lfecurrent.htm

TABLE 15
UNAUDITED

CITY OF SHAWNEE, KANSAS

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2009 Tax Year/2010 Fiscal Year		
Employer	Employees	Rank	Percentage of Total City Employment
Deffenbaugh Industries	1,040	1	3.84%
De Soto Unified School District No. 232	950	2	3.50%
FedEx Ground Package Systems, Inc.	950	3	3.50%
Bayer HealthCare, LLC	583	4	2.15%
Perceptive Software, Inc.	551	5	2.03%
Wal-Mart	450	6	1.66%
City of Shawnee	289	7	1.07%
Hy-Vee Food & Drug Store	230	8	0.85%
Target Super Store	200	9	0.74%
McClane Food Service	200	10	0.74%
Total	5,443		
City of Shawnee	27,117		

TABLE 15
UNAUDITED

	2000 Tax Year/2001 Fiscal Year		
Employer	Employees	Rank	Percentage of Total City Employment
Deffenbaugh Industries, Inc.	1,200	1	***
FedEx Ground Package System, Inc.	500	2	***
Wal-Mart Super Center	500	3	***
Target	425	4	***
Bayer, Inc.	350	5	***
Harte Hanks Kansas City	330	6	***
Airsys ATM Inc.	260	7	***
HyVee Food & Drug Store - West	250	8	***
HyVee Food & Drug Store - East	210	9	***
Millennium Marketing, Inc.	200	10	***
Total	4,225		
City of Shawnee	***		

*** Data not available prior to 2001

TABLE 16
UNAUDITED

CITY OF SHAWNEE, KANSAS

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST SEVEN YEARS

	Fiscal Year Ended December 31,						
	2010	2009	2008	2007	2006	2005	2004
Function/Program							
Police							
Physical Arrests	1,031	1,297	1,334	1,659	1,415	1,301	1,450
Parking Citations	161	323	219	283	445	434	532
Traffic Accidents	971	1,016	797	875	797	891	915
Fire							
Fire/Explosion Calls	140	139	149	139	175	135	125
Rescue Calls	2,555	2,427	2,701	2,636	2,498	2,312	2,281
Hazardous Conditions Calls	164	135	187	253	163	151	152
Service Calls	391	362	324	280	263	189	240
Good Intent Calls	771	833	887	778	699	496	514
False Calls	334	360	392	448	402	447	422
Public Works							
Pothole Patching (Man-Hours)	4,171.00	4,508.00	7,115.00	6,507.50	7,339.50	8,080.25	8,271.50
Street Sealing (Man-Hours)	-	116.00	1,211.50	941.50	1,093.00	590.00	80.00
Snow Removal/Sanding (Man-Hours)	5,193.00	5,749.00	8,678.00	4,989.50	1,588.00	3,039.50	1,782.00
Blade Patching (Man-Hours)	1,121.00	21.00	2,126.50	1,401.00	1,103.00	1,286.50	1,619.50
ROW Mowing (Man-Hours)	1,462.00	5,069.00	7,231.00	6,770.00	6,617.00	5,533.25	4,536.75
Parks & Recreation							
Aquatic Centers (Total Revenue)	680,307.00	657,763.00	613,304.00	673,333.00	492,740.00	486,355.00	418,614.00
Sports Programs (Total Revenue)	61,876.00	71,530.00	66,662.00	76,240.00	96,340.00	65,576.00	64,272.00
Facilities/Grounds Rental (Total Revenue)	260,771.00	211,879.00	213,853.00	243,934.00	251,761.00	204,320.00	173,775.00

Note: City began compiling data in 2004. Information not available prior to 2004.

Source: City of Shawnee Budget Document

TABLE 17
UNAUDITED

CITY OF SHAWNEE, KANSAS

FULL TIME CITY EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government										
City Manager	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Licensing/HR	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Finance	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
IT	10.00	10.00	10.00	10.00	9.00	7.00	7.00	7.00	3.00	3.00
Municipal Court	5.00	6.00	6.00	6.30	6.30	6.30	6.30	6.30	6.30	5.30
Planning	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Development Services	11.00	13.00	13.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Works	39.00	44.00	44.00	57.00	56.00	49.00	48.00	48.00	46.00	44.00
Police	107.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00	99.00
Fire										
Fire	55.00	58.00	58.00	55.00	52.00	49.00	49.00	49.00	49.00	45.00
Building Inspection	9.50	10.00	10.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Parks & Recreation										
Parks Maintenance	8.00	11.00	11.00	12.00	12.00	12.00	12.00	12.00	11.00	9.00
Civic Centre	7.00	7.00	7.00	5.00	5.00	5.00	5.00	4.00	4.00	2.00
Old Shawnee Town	3.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Total	273.5	294.0	294.0	290.3	285.3	273.3	272.3	271.3	264.3	240.3

Source: City of Shawnee Budget Document

TABLE 18
UNAUDITED

CITY OF SHAWNEE, KANSAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Police										
Stations	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire										
Stations	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Works										
Center Line Miles	333.00	327.50	330.00	329.93	351.85	341.06	339.04	314.50	304.50	288.00
Streetlights	3,967	3,910	3,842	3,821	3,584	3,464	3,171	3,019	2,693	2,242
Parks & Recreation										
Parks	34.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00
Civic Centre	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Pools	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Old Shawnee Town (Historical Buildings)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: City of Shawnee Budget Document

GOVERNMENTAL AUDIT SECTION

CITY OF SHAWNEE, KANSAS

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
U.S. Department of Transportation		
Passed Through Kansas Department of Transportation		
Highway Planning and Construction	20.205	$ 1,150,856
ARRA Highway Planning and Construction	20.205 - R	636,242
State and Community Highway Safety	20.600	5,360
Passed Through Kansas Wildlife and Parks		
Recreational Trails Program	20.219	18,732
Total U.S. Department of Transportation		1,811,190
U.S. Department of Housing and Urban Development		
Community Development Block Grant	14.218	308,310
Total U.S. Department of Housing and Urban Development		308,310
U.S. Department of Energy		
Energy Efficiency and Conservation Block Grant	81.128	104,959
Total U.S. Department of Energy		104,959
U.S. Department of Homeland Security		
Security Grant	97.044	51,236
Total U.S. Department of Homeland Security		51,236
Environmental Protection Agency		
Passed Through Kansas Department of Health and Environment		
Capitalization Grants for Clean Water State Revolving Funds	66.458	289,289
Total Environmental Protection Agency		289,289
U.S. Department of Justice		
Bulletproof Vest Partnership Program	16.607	16,216
Total U.S. Department of Justice		16,216
Total Expenditures of Federal Awards		$ 2,581,200

See independent auditor's report on the financial statements and notes to the schedule of expenditures of federal awards.

CITY OF SHAWNEE, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2010

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs of the City of Shawnee, Kansas. All expenditures of federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with accounting principles generally accepted in the United States of America.

CITY OF SHAWNEE, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2010

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes __X__ None reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes __X__ None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	____ Yes __X__ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.205, 20.205R	Highway Planning and Construction
14.218	CDBG

Dollar threshold used to distinguish between type A and type B programs:	$300,000
Auditee qualified as low-risk auditee?	____ Yes __X__ No

CITY OF SHAWNEE, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended December 31, 2010

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

None Noted

LOWENTHAL, WEBB & ODERMANN, P.A.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

Mayor and City Council
City of Shawnee, Kansas

We have audited the financial statements of the governmental activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the City of Shawnee, KS (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 6, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards."

However, we noted certain other matters that we have reported to management in a separate letter dated June 6, 2011.

This report is intended solely for the information and use of the city council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Lowenthal, Wett & Odenmann, P.A.

June 6, 2011

LOWENTHAL, WEBB & ODERMANN, P.A.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Mayor and City Council
City of Shawnee, Kansas

Compliance

We have audited the compliance of City of Shawnee, KS (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) "Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended December 31, 2010. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the city council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Lowenthal, Wett & Odenmann, P.A.

June 6, 2011