

City of Prairie Village

Fourth Quarter

Financial Report for the fourth quarter

Ended December 31, 2012

Relating to Fiscal Year 2012

Unaudited



GENERAL FUND

General Fund Balance. The chart, below, represents the fourth quarter and uses preliminary and unaudited results of operations for the financial year ending December 31, 2012. While the final steps for closing the fiscal year are not complete, this report provides a reasonably accurate estimate for FY 2012 results. Revenues are at 101.1 percent of projections, while expenditures are at 91.9 percent of appropriations. The chart also reports the audited fund balance at the start of 2012, which is \$5,535,465. The preliminary ending fund balance is at 39.3 percent of revenues (excluding transfers). The target ending fund balance is 25 percent of revenues (excluding transfers).

General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 5,535,465	\$ 5,535,465	
Revenues	15,614,499	15,782,522	101.1%
Expenditures	16,940,449	15,567,705	91.9%
Balance	4,209,515	5,750,282	

U.S. employers added 196,000 jobs in December, a steady gain, but not enough to push down the unemployment rate which increased from 7.8 to 7.9 percent. The housing market also began to rebound during the first half of 2012, as home buying increased due to low interest rates and affordable prices. Foreclosures are at their lowest level in 5 years. The modest recovery has had minimal impact to the City. The average sale price in Prairie Village increased 7.19% from 2011 to 2012 while the mean appraised value only rose 0.55% (from \$217,873 to \$219,064).

The focus of this report is on 2012 revenues and expenditures. The city’s goal is to achieve a “positive outlook” in all key financial areas.

Discussed below are differences between individual revenues and expenses between 2012 and 2011.

Rating Scale for Key Variances:

- Positive Outlook
- Reason for Concern or Comment
- Negative Outlook



Key variances include:

- **Sales Tax.** Sales tax revenues are \$142,375 greater compared to the last fiscal year, and are 111.2 percent of the budget estimate. This figure does not include the additional 1% sales tax that is applied to purchases made at Corinth and PV Shops due to the Community Improvement Districts (CIDs). The fourth quarter is traditionally the strongest month for sales tax revenue. In 2011 we were at 106.8 percent of the budget estimate.
- **Use Tax.** Use tax revenues are \$30,889 greater compared to the last fiscal year, and are at 121 percent of the budget estimate. Use tax is a tax on goods purchased outside our taxing jurisdiction but would have been taxable had they taken place within it. The fourth quarter is traditionally the strongest month for use tax revenue also. In 2011 we were at 128.4 percent of the budget estimate.
- **Motor Vehicle Tax.** Motor Vehicle tax revenues have declined \$38,430 compared to December 2012, but are at 103.4 percent of the budget estimate. The basis of this tax is the valuation of registered motor vehicles within the City. The Treasury and Financial Management Department at Johnson County provide the estimates that are used during the budget process. In 2011 we were at 116.9 percent of the budget estimate.
- **Liquor Tax.** Liquor tax revenues have increased \$31,042 compared to the last fiscal year, and are at 150.1 percent of the budget estimate. Liquor tax is allocated 1/3 General Fund, 1/3 Parks & Recreation and 1/3 Special Alcohol. Prairie Village currently has 17 On-Premise locations and 2 Off-Premise locations (liquor stores). In 2011 we were at 108.8 percent of the budget estimate.

- **Fines & Fees.** Fines and Fees have decreased \$79,648 compared to the last fiscal year, but are 108.4 percent of the budget estimate. This is a direct result of a drop of 900 in traffic citations issued through September. The decline in traffic violation revenue is attributable to being down one traffic officer since the beginning of the year and the time spent field training new officers, which takes away from traffic enforcement. In 2011 we were at 105.8 percent of the budget estimate.
- **Recreation Fees.** Recreation fee revenue is \$24,356 greater than last fiscal year, and is at 107.4 of the budget estimate. In 2011 we were at 102 percent of the budget estimate.
- **Interest on Investments.** Interest receipts have declined \$9,959 compared to December 2011, and are at 10.2 percent of the budget estimate. Interest revenue fluctuates based on the prevailing interest rates. The City began a new investment program in 2013 with the assistance of Columbia Capital. Columbia Capital is working with the City monthly to update liquidity needs and projections and to modify the investment approach as required. In 2011 we were at 14 percent of the budget estimate.
- **Capital Outlay.** Capital Outlay expenses are typically expenditures that add a fixed asset or increase the value of an existing fixed asset. These expenditures happen throughout the year.

The chart, on page 4, provides summary comparison information on revenues, expenditures and transfers for the fourth quarter ending December 2012 versus December 2011.

Year to Date Comparison to Prior Year				
General Fund	2012	2011	Over (Under)	
Revenues:				
Property Taxes	4,146,595	3,968,397	178,198	4.49%
Sales Taxes	4,638,898	4,496,523	142,375	3.17%
Use Tax	878,411	847,522	30,889	3.64%
Motor Vehicle Tax	365,068	403,498	(38,430)	-9.52%
Liquor Tax	124,583	93,541	31,042	33.19%
Franchise Fees	1,770,897	1,805,148	(34,251)	-1.90%
Licenses & Permits	457,034	463,187	(6,153)	-1.33%
Charges for Services	1,744,888	1,779,785	(34,897)	-1.96%
Fines & Fees	1,075,209	1,154,857	(79,648)	-6.90%
Recreational Fees	482,082	457,726	24,356	5.32%
Interest on Investments	4,064	14,023	(9,959)	-71.02%
Miscellaneous	94,792	153,565	(58,773)	-38.27%
Total Revenue	\$15,782,522	\$15,637,774	\$144,748	0.93%
Transfers from Other funds:				
Transfer from General Fund	-	-	-	
Transfer from Special Highway Fund	-	-	-	
Transfer from Stormwater Utility Fund	450,000	450,000	-	
Transfer from Special Parks & Rec Fun	-	-	-	
Transfer from Special Alcohol Fund	-	-	-	
Total	450,000	450,000	-	
Total Sources	\$16,232,522	\$16,087,774	\$144,748	
Expenditures:				
Personal Services	8,467,738	8,254,936	212,802	2.58%
Contract Services	3,888,483	3,634,575	253,908	6.99%
Commodities	884,287	864,405	19,883	2.30%
Capital Outlay	313,049	405,970	(92,921)	-22.89%
Debt Service	-	-	-	
Infrastructure	-	-	-	
Contingency	110,000	116,230	(6,230)	
Total Expenditures	13,663,556	13,276,115	387,441	
Transfers to Other Funds:				
Transfer to Capital Projects Fund	1,616,649	816,649	800,000	97.96%
Transfer to Bond & Interest Fund	-	-	-	
Transfer to Risk Management Fund	35,000	35,000	-	0.00%
Transfer to Economic Development	-	-	-	
Transfer to Equipment Reserve Fund	252,500	222,000	30,500	13.74%
Total	1,904,149	1,073,649	830,500	
Total Uses	15,567,705	14,349,764	1,217,941	

The charts, on page 5, provide information on revenue variances for the General Fund and Property Tax for the fourth quarter ending December 2012.

Revenue Variances. The chart, below, shows General Fund revenues.

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	4,192,109	4,146,595	98.9%
Sales Taxes	4,172,000	4,638,898	111.2%
Use Tax	726,000	878,411	121.0%
Motor Vehicle Tax	353,040	365,068	103.4%
Liquor Tax	83,000	124,583	150.1%
Franchise Fees	1,899,800	1,770,897	93.2%
Licenses & Permits	454,900	457,034	100.5%
Charges for Services	1,744,000	1,744,888	100.1%
Fines & Fees	992,000	1,075,209	108.4%
Recreational Fees	448,950	482,082	107.4%
Interest on Investments	40,000	4,064	10.2%
Miscellaneous	58,700	94,792	161.5%
Total Revenue	\$15,164,499	\$15,782,522	104.1%

The chart, below, shows Property Tax revenues

Property Tax	2012 Budget	YTD Comparison		Percent Budget Received
		2012	2011	
Revenues:				
General Fund	4,192,109	4,146,595	3,968,397	98.9%
Bond & Interest Fund	1,300,466	1,322,433	1,330,819	101.7%
Total Revenue	\$5,492,575	\$5,469,028	\$5,299,216	99.6%

OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended December 31, 2012 are shown on page 6.

	Solid Waste Management	Special Highway	Stormwater Utility	Special Parks & Rec	Special Alcohol	Bond & Interest	Capital Projects	Risk Mgmt	Economic Development	Equipment Reserve	CID Corinth	CID PV Shops
Revenues:												
Property Taxes						1,322,433					444,523	453,067
Sales Taxes												
Bond Proceeds												
Motor Vehicle Tax				124,585	124,583	226,030						
Liquor Tax												
Licenses & Permits	1,605	555,629	3,500				860,434					
Intergovernmental												
Charges for Services	1,680,763		1,569,763		11	107	4,240	39	1,299	229	120	142
Interest on Investments	255	68	399		100		27,463	955				
Miscellaneous	15,776											
Total Revenue	1,698,399	555,697	1,573,652	124,585	124,694	1,548,570	892,137	993	1,299	229	444,643	453,209
Transfers from Other funds:												
Transfer from General Fund							1,636,649	35,000		252,500		
Transfer from Special Highway							580,000					
Transfer from Storm Water Utility Fund						450,830	584,170					
Transfer from Special Parks & Rec Fund							83,000					
Total	-	-	-	-	-	450,830	2,883,819	35,000	-	252,500	-	-
Total Sources	1,698,399	555,697	1,573,652	124,585	124,694	1,999,400	3,775,956	35,993	1,299	252,729	444,643	453,209
Expenditures:												
Personal Services	24,785				67,619							
Contract Services	1,667,311				18,860			14,300	65,019		238,588	89,816
Commodities					4,703							
Capital Outlay						2,000,485				422,849		
Debt Service												
Infrastructure												
Bond Costs												
Total Expenditures	1,692,096	-	-	-	91,182	2,000,485	4,220,560	14,300	65,019	422,849	238,588	89,816
Transfers to Other Funds:												
Transfer to General Fund			450,000									
Transfer to Bond & Interest Fund			450,830									
Transfer to Capital Projects Fund		580,000		83,000								
Transfer to Equipment Reserve Fund												
Total	-	580,000	1,485,000	83,000	-	-	-	-	-	-	-	-
Total Uses	1,692,096	580,000	1,485,000	83,000	91,182	2,000,485	4,220,560	14,300	65,019	422,849	238,588	89,816
Sources Over (Under) Uses	6,303	(24,303)	88,652	41,585	33,513	(1,085)	(444,604)	21,693	(63,720)	(170,120)	206,055	363,393