

City of Prairie Village

Second Quarter

Financial Report for the second quarter

Ended June 30, 2013

Relating to Fiscal Year 2013

Unaudited



GENERAL FUND

General Fund Balance. The chart, below, shows with 50 percent of the year complete revenues are at 52.5 percent of projections while expenditures are at 34.5 percent of appropriations. The second quarter for 2012 ended with revenues at 55.8% of projections and expenditures at 36.8% of appropriations. The chart also reports the budgeted fund balance at the start of 2013, which is \$5,647,459 and the audited actual fund balance, which is \$7,490,278.

General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 5,647,459	\$ 7,490,278	
Revenues	16,192,382	8,498,720	52.5%
Expenditures	17,863,131	6,159,190	34.5%
Balance	3,976,710	9,829,808	

The economy showed positive signs of growth throughout the second quarter. The labor market continued to improve at a steady pace. Despite the fact that the unemployment rate increased from 7.5% in April to 7.6% in May and June, the economy added more jobs than expected. A major highlight of the quarter was the increase in consumer confidence. The Consumer Confidence Index, which measures consumers’ optimism with respect to both current and future expectations of the economy, increased from 61.9 in April to 81.4 in June. The index increased in all three months of the quarter for the first time since the fourth quarter 2010, and now stands at a recovery high.

Fed Chairman Bernanke remarked at a June 19th press conference that the “economy is continuing to grow at a moderate pace”. He also added the Fed will continue its current accommodative policies.

The focus of this report is on 2013 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 2013 and 2012.

Rating Scale for Key Variances:

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

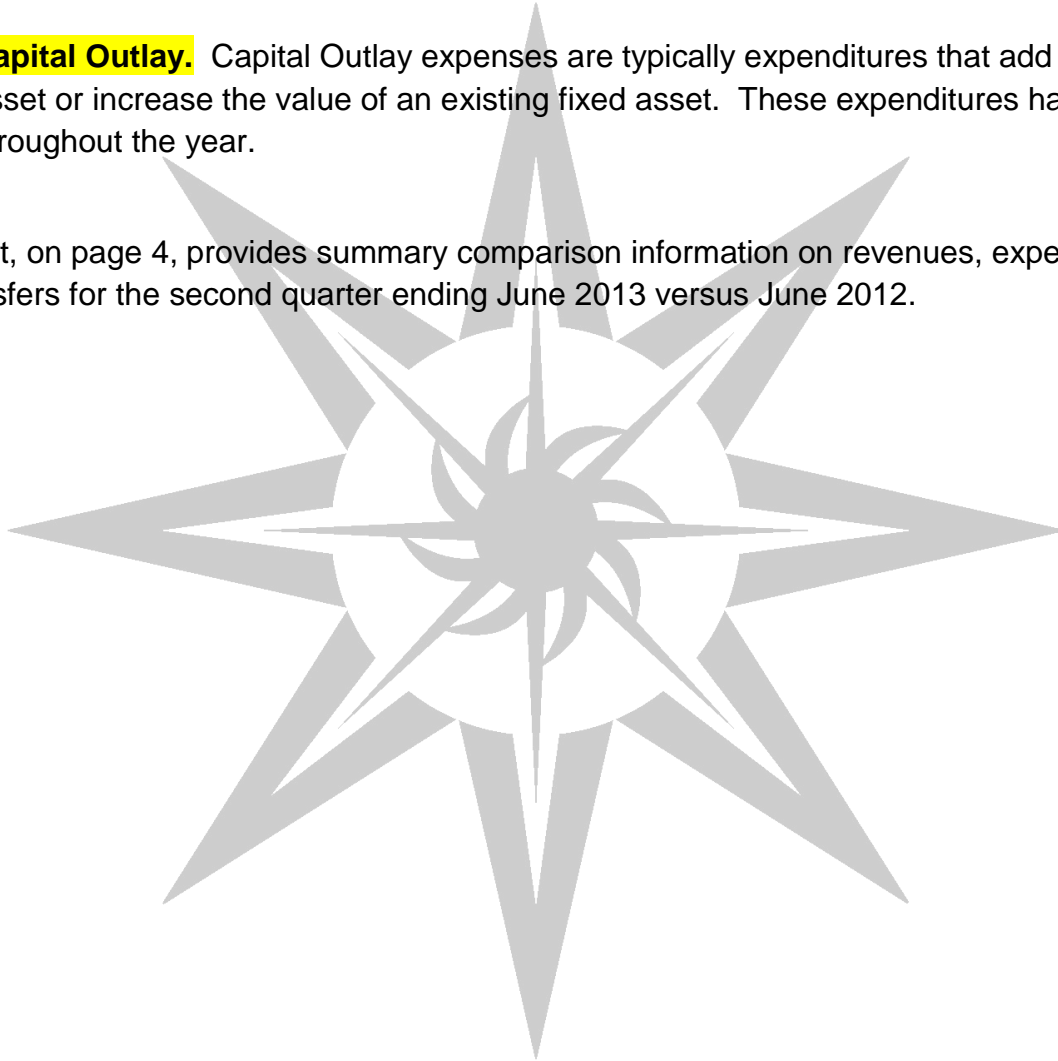


Key variances include:

- **Sales Tax.** Sales tax revenues are \$39,093 greater compared to the last fiscal year, and are at 32.5 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). In 2012 we were at 34.8 percent of the budget estimate.
- **Use Tax.** Use tax revenues are \$3,179 greater compared to the last fiscal year, and are at 32.5 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. In 2012 we were at 38.5 percent of the budget estimate.
- **Motor Vehicle Tax.** Motor Vehicle tax revenues are \$22,013 greater compared to 2012, and are at 52 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 2012 we were at 61 percent of the budget estimate.
- **Liquor Tax.** Liquor tax revenues have decreased \$2,783 compared to the last fiscal year, but are at 59.9 percent of the budget estimate. Liquor tax is allocated 1/3 General Fund, 1/3 Parks & Recreation and 1/3 Special Alcohol. In 2012 we were at 72.2 percent of the budget estimate.
- **Franchise Fees.** Franchise fee revenues have declined \$135,834 compared to the last fiscal year, and are at 32.8 percent of the budget estimate. The decline is in part a result of a change in how the KCP&L franchise fee (September 2012 to February 2013) was accounted for during the audit process. In 2012 we were at 38 percent of the budget estimate.

- **Recreation Fees.** Recreation fee revenue declined \$54,797 compared to last fiscal year, but is at 51.4 percent of the budget estimate. In 2012 we were at 66 percent of the budget estimate.
- **Interest on Investments.** Interest receipts are \$10,847 greater compared to 2012, and are at 49.6 percent of the budget estimate. The City began a new investment program in 2013 (March) with the assistance of Columbia Capital. In 2012 we were at 10.1 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 second quarter ending June 2013 versus June 2012.



Quarterly Financial report – Second Quarter Ending June 30, 2013

Year to Date Comparison to Prior Year				
General Fund	2013	2012	Over (Under)	
Revenues:				
Property Taxes	3,865,029	4,065,121	(200,092)	-4.92%
Sales Taxes	1,491,202	1,452,109	39,093	2.69%
Use Tax	282,513	279,333	3,179	1.14%
Motor Vehicle Tax	237,460	215,447	22,013	10.22%
Liquor Tax	57,145	59,928	(2,783)	-4.64%
Franchise Fees	585,843	721,677	(135,834)	-18.82%
Licenses & Permits	200,836	178,099	22,737	12.77%
Charges for Services	834,533	818,631	15,901	1.94%
Fines & Fees	618,147	537,589	80,559	14.99%
Recreational Fees	241,301	296,098	(54,797)	-18.51%
Interest on Investments	14,880	4,032	10,847	269.00%
Miscellaneous	69,832	78,023	(8,191)	-10.50%
Total Revenue	\$8,498,720	\$8,706,087	-\$207,367	-2.38%
Transfers from Other funds:				
Transfer from General Fund	-	-		
Transfer from Special Highway Fund	-	-		
Transfer from Stormwater Utility Fund	423,467	450,000	(26,533)	
Transfer from Special Parks & Rec Fun	-	-		
Transfer from Special Alcohol Fund	-	-		
Total	423,467	450,000	(26,533)	
Total Sources	\$8,922,187	\$9,156,087	(\$233,900)	
Expenditures:				
Personal Services	4,162,136	4,329,343	(167,207)	-3.86%
Contract Services	1,570,757	1,529,034	41,723	2.73%
Commodities	345,270	343,000	2,270	0.66%
Capital Outlay	81,027	31,999	49,028	153.22%
Debt Service	-	-	-	
Infrastructure	-	-	-	
Contingency	-	-	-	
Total Expenditures	6,159,190	6,233,376	(74,186)	
Transfers to Other Funds:				
Transfer to Capital Projects Fund	2,518,855	1,616,649	902,206	55.81%
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	275,000	252,500	22,500	8.91%
Total	2,828,855	1,904,149	924,706	
Total Uses	8,988,045	8,137,525	850,520	

The charts, on page 5, provide information on revenue variances for the General Fund and Property Tax for the second quarter ending June 2013.

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

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	3,924,171	3,865,029	98.5%
Sales Taxes	4,586,904	1,491,202	32.5%
Use Tax	868,837	282,513	32.5%
Motor Vehicle Tax	456,712	237,460	52.0%
Liquor Tax	95,422	57,145	59.9%
Franchise Fees	1,787,100	585,843	32.8%
Licenses & Permits	472,497	200,836	42.5%
Charges for Services	1,833,534	834,533	45.5%
Fines & Fees	1,166,406	618,147	53.0%
Recreational Fees	469,238	241,301	51.4%
Interest on Investments	30,000	14,880	49.6%
Miscellaneous	78,094	69,832	89.4%
Total Revenue	\$15,768,915	\$8,498,720	53.9%

The chart, below, shows Property Tax revenues.

Property Tax	2013	YTD Comparison		Percent Budget Received
	Budget	2013	2012	
Revenues:				
General Fund	3,924,171	3,865,029	4,065,121	98.5%
Bond & Interest Fund	1,575,598	1,544,566	1,296,506	98.0%
Total Revenue	\$5,499,769	\$5,409,595	\$5,361,627	98.5%

OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended June 30, 2013 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						1,544,566					137,072	138,941
Sales Taxes												
Bond Proceeds												
Motor Vehicle Tax						77,672						
Liquor Tax				57,145	57,145							
Licenses & Permits	90	128,115	2,450				168,357					
Intergovernmental												
Charges for Services	1,311,740		1,544,976									
Interest on Investments	1,399	2	2,498	88	125	1,588	19,594	175	3,602	725	806	1,189
Miscellaneous	5,844				1,454			2,479				
Total Revenue	1,319,072	128,117	1,549,924	57,233	58,724	1,623,825	187,951	2,655	3,602	725	137,879	140,131
Transfers from Other funds:												
Transfer from General Fund							2,518,855	35,000		275,000		
Transfer from Special Highway							566,813					
Transfer from Storm Water Utility Fund						312,752	840,357					
Transfer from Special Parks & Rec Fund							95,422					
Total	-	-	-	-	-	312,752	4,020,447	35,000	-	275,000	-	-
Total Sources	1,319,072	128,117	1,549,924	57,233	58,724	1,936,577	4,208,398	37,655	3,602	275,725	137,879	140,131
Expenditures:												
Personal Services	12,021											
Contract Services	588,916											
Commodities												
Capital Outlay										83,007		
Debt Service												
Infrastructure												
Bond Costs												
Total Expenditures	600,937	-	-	-	52,701	82,193	764,201	18,379	32,207	83,007	531,000	44,256
Transfers to Other Funds:												
Transfer to General Fund			423,467									
Transfer to Bond & Interest Fund			312,752									
Transfer to Capital Projects Fund		566,813	840,357	95,422								
Transfer to Equipment Reserve Fund												
Total	-	566,813	1,576,576	95,422	-	-	-	-	-	-	-	-
Total Uses	600,937	566,813	1,576,576	95,422	52,701	82,193	764,201	18,379	32,207	83,007	531,000	44,256
Sources Over(Under) Uses	718,135	(437,696)	(26,652)	(38,189)	6,023	1,854,385	3,444,197	19,276	(28,605)	192,718	(393,121)	95,874