

City of Prairie Village

First Quarter

Financial Report for the first quarter

Ended March 31, 2013

Relating to Fiscal Year 2013

Unaudited



GENERAL FUND

General Fund Balance. The chart, below, shows with 25 percent of the year complete revenues are at 24.4 percent of projections while expenditures are at 18.6 percent of appropriations. The chart also reports the budgeted fund balance at the start of 2013, which is \$5,647,459 and the preliminary actual fund balance, which is \$7,217,004. The 2013 target ending fund balance is 25 percent of budgeted revenues (excluding transfers) which is \$3,942,229. As shown below, the beginning 2013 fund balance is \$1,569,545 higher than what was budgeted.

General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 5,647,459	\$ 7,217,004	
Revenues	16,192,382	3,954,987	24.4%
Expenditures	17,863,131	3,327,487	18.6%
Balance	3,976,710	7,844,504	




The national economy grew at 2.5% in the first quarter, which is much slower than expected. The main reason for the slower than expected growth was an 11.5 percent annualized drop-off in military spending. The growth we did have was driven by stronger consumer spending, which increased at a 3.2% annual rate in the first quarter. The first quarter was also helped by the recovering housing market, increased economic activity and job growth early in the period.

Growth in the coming months, though, is expected to slow down as the impact of federal budget cuts ripple through the economy.

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:

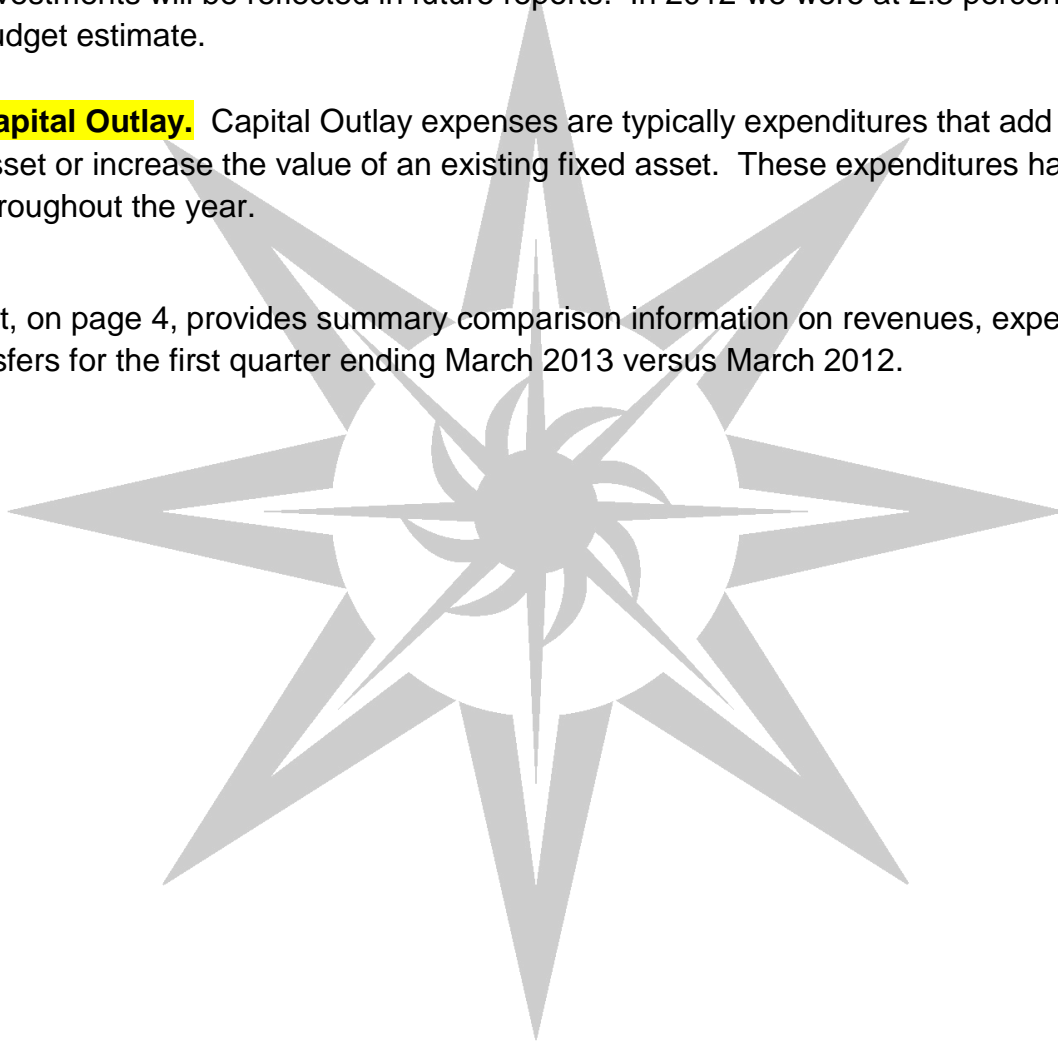
- Positive Outlook 
- Reason for Concern or Comment 
- Negative Outlook 

Key variances include:

- **Sales Tax.** Sales tax revenues have declined \$4,444 compared to the last fiscal year, and are 8.1 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 first quarter is traditionally the slowest for sales tax revenue. In 2012 we were at 9 percent of the budget estimate.
- **Use Tax.** Use tax revenues are \$580.00 greater compared to the last fiscal year, and are at 8.8 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 first quarter is traditionally the slowest for use tax revenue also. In 2012 we were at 10.5 percent of the budget estimate.
- **Motor Vehicle Tax.** Motor Vehicle tax revenues have declined \$25,373 compared to 2012, but are at 25 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 39.6 percent of the budget estimate.
- **Liquor Tax.** Liquor tax revenues have decreased \$1,521 compared to the last fiscal year, and are at 29.1 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 35.3 percent of the budget estimate.
- **Franchise Fees.** Franchise fee revenues have declined \$285,897 compared to the last fiscal year, and are at 12.6 percent of the budget estimate. The decline is 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 26.9 percent of the budget estimate.

- **Recreation Fees.** Recreation fee revenue declined \$2,518 compared to last fiscal year, and is at 2 percent of the budget estimate. In 2012 we were at 2.3 percent of the budget estimate.
- **Interest on Investments.** Interest receipts have declined \$221.00 compared to 2012, and are at 2.4 percent of the budget estimate. The City began a new investment program in 2013 (March) with the assistance of Columbia Capital. The return on these investments will be reflected in future reports. In 2012 we were at 2.3 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 first quarter ending March 2013 versus March 2012.



Quarterly Financial report – First Quarter Ending March 31, 2013

Year to Date Comparison to Prior Year				
General Fund	2013	2012	Over (Under)	
Revenues:				
Property Taxes	2,279,403	2,416,840	(137,437)	-5.69%
Sales Taxes	371,994	376,438	(4,444)	-1.18%
Use Tax	76,698	76,118	580	0.76%
Motor Vehicle Tax	114,379	139,752	(25,373)	-18.16%
Liquor Tax	27,744	29,265	(1,521)	-5.20%
Franchise Fees	224,301	510,198	(285,897)	-56.04%
Licenses & Permits	91,863	90,025	1,837	2.04%
Charges for Services	436,601	422,832	13,769	3.26%
Fines & Fees	294,921	284,711	10,211	3.59%
Recreational Fees	9,167	11,685	(2,518)	-21.55%
Interest on Investments	713	934	(221)	-23.70%
Miscellaneous	27,203	21,401	5,802	27.11%
Total Revenue	\$3,954,987	\$4,380,199	-\$425,212	-9.71%
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	\$4,378,454	\$4,830,199	(\$451,745)	
Expenditures:				
Personal Services	2,125,485	2,179,446	(53,961)	-2.48%
Contract Services	1,047,978	1,035,819	12,158	1.17%
Commodities	148,799	147,831	967	0.65%
Capital Outlay	5,225	1,452	3,773	259.93%
Debt Service	-	-	-	
Infrastructure	-	-	-	
Contingency	-	-	-	
Total Expenditures	3,327,487	3,364,549	(37,062)	
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	6,156,342	5,268,698	887,644	

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

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

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	3,924,171	2,279,403	58.1%
Sales Taxes	4,586,904	371,994	8.1%
Use Tax	868,837	76,698	8.8%
Motor Vehicle Tax	456,712	114,379	25.0%
Liquor Tax	95,422	27,744	29.1%
Franchise Fees	1,787,100	224,301	12.6%
Licenses & Permits	472,497	91,863	19.4%
Charges for Services	1,833,534	436,601	23.8%
Fines & Fees	1,166,406	294,921	25.3%
Recreational Fees	469,238	9,167	2.0%
Interest on Investments	30,000	713	2.4%
Miscellaneous	78,094	27,203	34.8%
Total Revenue	\$15,768,915	\$3,954,987	25.1%

The chart, below, shows Property Tax revenues.

Property Tax	2013 Budget	YTD Comparison		Percent Budget Received
		2013	2012	
Revenues:				
General Fund	3,924,171	2,279,403	2,416,840	58.1%
Bond & Interest Fund	1,575,598	907,930	768,615	57.6%
Total Revenue	\$5,499,769	\$3,187,333	\$3,185,455	58.0%

OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended March 31, 2013 are shown on page 6.

Quarterly Financial report – First Quarter Ending March 31, 2013

	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						907,930					27,673	28,210
Sales Taxes												
Bond Proceeds						38,740						
Motor Vehicle Tax				27,744	27,744							
Liquor Tax												
Licenses & Permits	90		1,120									
Intergovernmental							100,000					
Charges for Services	773,568		927,513									
Interest on Investments	30		63	4	4	20	719	14	163	19	30	48
Miscellaneous	2,146			1,354				2,479				
Total Revenue	775,834	-	928,697	27,744	29,101	946,690	100,719	2,493	163	19	27,703	28,257
Transfers from Other Funds:												
Transfer from General Fund							2,518,855	35,000		275,000		
Transfer from Special Highway							565,813					
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	775,834	-	928,697	27,744	29,101	1,259,442	4,121,166	37,493	163	275,019	27,703	28,257
Expenditures:												
Personal Services	5,461			20,921								
Contract Services	223,146			4,399				3,771	22,664			44,256
Commodities				68								
Capital Outlay							82,193			26,828		
Debt Service												
Infrastructure												
Bond Costs												
Total Expenditures	228,607	-	-	25,387	-	82,193	89,207	3,771	22,664	26,828	-	44,256
Transfers to Other Funds:												
Transfer to General Fund			423,467									
Transfer to Bond & Interest Fund			312,752									
Transfer to Capital Projects Fund		565,813	840,357	95,422								
Transfer to Equipment Reserve Fund												
Total	-	565,813	1,576,576	95,422	-	-	-	-	-	-	-	-
Total Uses	228,607	565,813	1,576,576	95,422	25,387	82,193	89,207	3,771	22,664	26,828	-	44,256
Sources Over(Under) Uses	547,227	(565,813)	(647,879)	(67,678)	3,714	1,177,250	4,031,959	33,722	(22,502)	248,191	27,703	(15,999)