

City of Prairie Village

Fourth Quarter

Financial Report for the fourth quarter

Ended December 31, 2013

Relating to Fiscal Year 2013

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, 2013. While the final steps for closing the fiscal year are not complete, this report provides a reasonably accurate estimate for the FY 2013 results. Revenues are at 101.4 percent of projections, while expenditures are at 91.2 percent 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. The target ending fund balance is 25 percent of revenues (excluding transfers).

General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 5,647,459	\$ 7,490,278	
Revenues	16,192,382	16,416,598	101.4%
Expenditures	17,863,131	16,295,284	91.2%
Balance	3,976,710	7,611,592	

In 2013 the federal government shut down for 16 days and a major U.S. city filed for bankruptcy. The nation’s economic growth was slow, but stable. American employers added 74,000 jobs in December, which lowered the U.S. unemployment rate to 6.7 percent, down from 7.9 percent at the start of 2013. The Kansas 2013 annual average unemployment rate was 5.4 percent.

On another note, industrial production in the U.S rose for a fifth month in December and helped to propel the economy. Manufacturing is a current source of strength for the economy. The production of vehicles and parts increased 1.6 percent after rising 3.6 percent in November. Auto assemblies rose in December to an 11.8 million annual rate, the fastest since March 2006.

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, on page 2, 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:

- **Property Tax.** Property tax is allocated between the General Fund and the Bond & Interest Fund. Though the General Fund is down \$220,528 compared to the last fiscal year, overall we are at 99.9 percent of the budget estimate.
- **Sales Tax.** Sales tax revenues are \$156,135 greater compared to the last fiscal year, and are at 104.5 percent of the budget estimate. This figure does not include the additional CID 1% sales tax that is applied to purchases made at Corinth and PV Shops. The fourth quarter is traditionally the strongest month for sales tax revenue. In 2012 we were at 111.2 percent of the budget estimate.
- **Use Tax.** Use tax revenues are \$62,058 greater compared to the last fiscal year, and are at 108.2 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 2012 we were at 121.0 percent of the budget estimate.
- **Motor Vehicle Tax.** Motor Vehicle tax revenues are \$116,393 greater compared to 2012, and are at 105.4 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 2012 we were at 103.4 percent of the budget estimate.
- **Franchise Fees.** Franchise fee revenues have declined \$204,556 compared to the last fiscal year, and are at 89.2 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. AT&T Franchise fees have also been steadily declining since 2009. In 2012 we were at 93.2 percent of the budget estimate.

- Recreation Fees.** Recreation fee revenue declined \$49,418 compared to last fiscal year, and was at 92.2 percent of the budget estimate. In 2012 we were at 107.4 percent of the budget estimate.
- Interest on Investments.** Interest receipts for the General Fund only are \$36,628 greater compared to 2012, and are at 135.6 percent of the budget estimate. Interest receipts for all funds was \$141,719.40, compared to \$10,972.07 received in 2012. The City began a new investment program in 2013 (March) with the assistance of Columbia Capital. The City paid Columbia Capital \$20,039.88 for their investment services in 2013.
- 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 2013 General Fund budget included:

Capital Outlay - 2013 Budget		
Item to be Replaced/Major Repair	Department	2013 Budget
Office Equipment	Administration	2,050
Council Chairs	All	12,000
MPR Furniture	All	16,000
Field Equipment	Codes	450
Miscellaneous Equipment	Codes	550
Office Equipment	Codes	250
Hardware for field staff	IT	5,000
Miscellaneous Equipment	IT	2,000
Monitors and printer replacement	IT	9,500
PC's - city-wide	IT	10,500
Pool Vacuum / Miscellaneous Equipment	Parks	5,000
Miscellaneous Equipment	Police	13,000
Office Equipment	Police	5,000
Taser Replacement (10)	Police	9,000
Vehicles (3)	Police	79,500
Building upgrades	Public Works	53,000
Drinking Fountain (Harmon)	Public Works	7,200
KW Generator	Public Works	4,350
Restroom (Harmon)	Public Works	5,000
Riding Mower	Public Works	13,500
Wood Chipper	Public Works	47,000
		\$ 299,850

Quarterly Financial report – Fourth Quarter Ending December 31, 2013

The chart, below, provides summary comparison information on revenues, expenditures and transfers for the fourth quarter ending December 2013 versus December 2012.

Year to Date Comparison to Prior Year				
General Fund	2013	2012	Over (Under)	
Revenues:				
Property Taxes	3,926,067	4,146,595	(220,528)	-5.32%
Sales Taxes	4,795,033	4,638,898	156,135	3.37%
Use Tax	940,469	878,411	62,058	7.06%
Motor Vehicle Tax	481,462	365,068	116,393	31.88%
Liquor Tax	123,403	124,583	(1,180)	-0.95%
Franchise Fees	1,594,085	1,798,641	(204,556)	-11.37%
Licenses & Permits	508,214	457,034	51,180	11.20%
Charges for Services	1,786,321	1,723,554	62,768	3.64%
Fines & Fees	1,239,844	1,075,209	164,635	15.31%
Recreational Fees	432,664	482,082	(49,418)	-10.25%
Interest on Investments	40,693	4,064	36,628	901.23%
Miscellaneous	124,876	214,144	(89,268)	-41.69%
Total Revenue	\$15,993,131	\$15,908,284	\$84,848	0.53%
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 Fur	-	-	-	
Transfer from Special Alcohol Fund	-	-	-	
Total	423,467	450,000	(26,533)	
Total Sources	\$16,416,598	\$16,358,284	\$58,315	
Expenditures:				
Personal Services	8,193,733	8,467,738	(274,005)	-3.24%
Contract Services	4,200,556	3,978,483	222,073	5.58%
Commodities	847,309	884,287	(36,978)	-4.18%
Capital Outlay	224,831	313,049	(88,217)	-28.18%
Debt Service	-	-	-	
Infrastructure	-	-	-	
Contingency	-	-	-	
Total Expenditures	13,466,429	13,643,556	(177,127)	
Transfers to Other Funds:				
Transfer to Capital Projects Fund	2,518,855	1,636,649	882,206	53.90%
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	1,924,149	904,706	
Total Uses	16,295,284	15,567,705	727,579	

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

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

General Fund	Budget	Received YTD Actual	Percent Received	
Revenues:				
Property Taxes	3,924,171	3,926,067	100.0%	
Sales Taxes	4,586,904	4,795,033	104.5%	
Use Tax	868,837	940,469	108.2%	
Motor Vehicle Tax	456,712	481,462	105.4%	
Liquor Tax	95,422	123,403	129.3%	
Franchise Fees	1,787,100	1,594,085	89.2%	
Licenses & Permits	472,497	508,214	107.6%	
Charges for Services	1,833,534	1,786,321	97.4%	
Fines & Fees	1,166,406	1,239,844	106.3%	
Recreational Fees	469,238	432,664	92.2%	
Interest on Investments	30,000	40,693	135.6%	
Miscellaneous	78,094	124,876	159.9%	
Total Revenue	\$15,768,915	\$15,993,131	101.4%	

The chart, below, shows Property Tax revenues.

Property Tax	2013	YTD Comparison		Percent Budget Received
	Budget	2013	2012	
Revenues:				
General Fund	3,924,171	3,926,067	4,146,595	100.0%
Bond & Interest Fund	1,575,598	1,569,061	1,322,433	99.6%
Total Revenue	\$5,499,769	\$5,495,128	\$5,469,028	99.9%

OTHER FUNDS

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

	02- Solid Waste Management	03- Special Highway	04- Stormwater Utility	09- Special Parks & Rec	10- Special Alcohol	11- Bond & Interest	19- Capital Projects	20- Risk Mgmt	21- Economic Development	22- Equipment Reserve	23- CID Covinth	24- CID P/V Shops
Revenues:												
Property Taxes						1,569,061						
Sales Taxes											476,882	459,468
Bond Proceeds												
Motor Vehicle Tax												
Liquor Tax				123,403	123,403							
Licenses & Permits	1,648	553,171	3,780				612,284					
Intergovernmental	1,335,909		1,571,516									
Charges for Services	3,685	17	4,397	282	457	1,726	71,579	547	11,090	3,111	1,138	2,999
Interest on Investments	12,512				1,554		31,349	4,433				
Miscellaneous												
Total Revenue	1,353,754	553,188	1,579,693	123,685	125,414	1,726,602	715,212	4,980	11,090	3,111	478,019	462,467
Transfers from Other funds:												
Transfer from General Fund							2,518,855	35,000		275,000		
Transfer from Special Highway							553,188					
Transfer from Storm Water Utility Fund							840,357					
Transfer from Special Parks & Rec Fund							95,422					
Total	-	-	-	-	-	312,752	4,007,822	35,000	-	275,000	-	-
Total Sources	1,353,754	553,188	1,579,693	123,685	125,414	2,039,354	4,723,033	39,980	11,090	278,111	478,019	462,467
Expenditures:												
Personal Services	20,426				66,227							
Contract Services	1,374,651				18,065			60,965	69,272		743,173	473,033
Commodities					4,490					221,198		
Capital Outlay						1,999,365	6,442,622					
Debt Service												
Infrastructure												
Bond Costs												
Total Expenditures	1,395,078	-	-	-	88,782	1,999,365	6,442,622	60,965	69,272	221,198	743,173	473,033
Transfers to Other Funds:												
Transfer to General Fund			423,467									
Transfer to Bond & Interest Fund			312,752									
Transfer to Capital Projects Fund		553,188	840,357	95,422								
Transfer to Equipment Resene Fund												
Total	-	553,188	1,576,576	95,422	-	-	-	-	-	-	-	-
Total Uses	1,395,078	553,188	1,576,576	95,422	88,782	1,999,365	6,442,622	60,965	69,272	221,198	743,173	473,033
Sources Over(Under) Uses	(41,324)	-	3,117	28,263	36,632	39,969	(1,719,569)	(20,985)	(53,182)	56,913	(265,153)	(10,566)