

City of Prairie Village

Third Quarter

Financial Report for the third quarter

Ended September 30, 2014

Relating to Fiscal Year 2014

Unaudited



GENERAL FUND

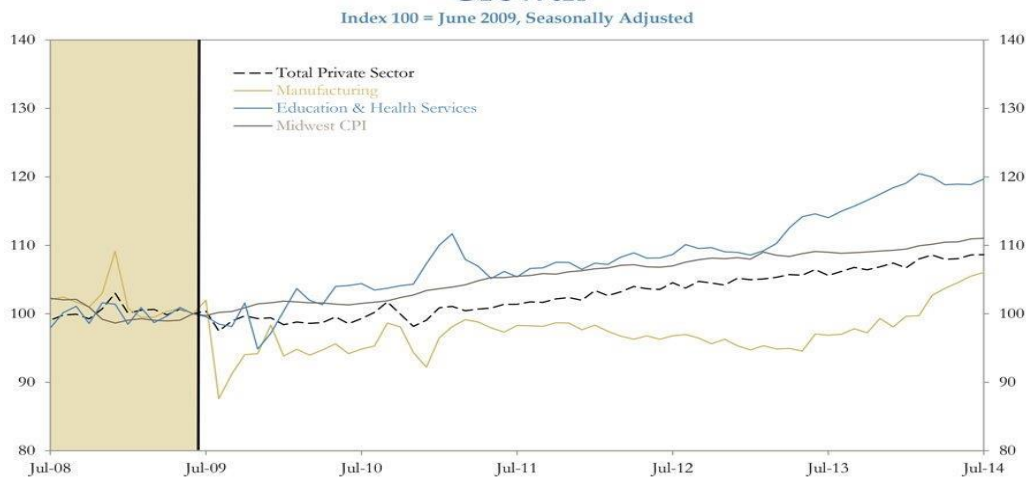
General Fund Balance. The chart, below, shows with 75 percent of the year complete revenues are at 78.4 percent of projections, while expenditures are at 73.2 percent of appropriations. The chart also reports the budgeted fund balance at the start of 2014, which is \$5,819,529 and the final audited fund balance, which is \$7,294,103. The 2014 target ending fund balance is 25 percent of revenues (excluding transfers).

General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 5,819,529	\$ 7,294,103	
Revenues	16,028,305	12,569,938	78.4%
Expenditures	18,259,428	13,362,134	73.2%
Balance	3,588,406	6,501,907	

The third quarter ended with the unemployment rate falling to 5.9% in September despite expectations for a flat month. Average hourly earnings were unchanged, regardless of forecasts for a continued rise. And, initial jobless claims dropped to 287,000 for the week ending September 27. Ongoing unemployment claims, reflecting delayed data, fell for the week of September 20, reaching a new post-recession low.

Based on the latest data, the third quarter represented the strongest period of expansion in nearly three years. Underlying trends were strong in a number of areas, including business investment, residential investment, and consumer spending.

Chart 5: Kansas Average Hourly Wage Growth






Source: Bureau of Labor Statistics
Shaded area indicates recession

The focus of this report is on 2014 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 2014 and 2013.

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. Overall, we are at 99.6 percent of the budget estimate. In 2013 we were at 99.9 percent of the budget estimate.
- **Liquor Tax.** Liquor tax revenues are \$16,090 greater compared to the last fiscal year, and are at 86.7 percent of the budget estimate. In 2013 we were at 92.2 percent of the budget estimate.
- **Franchise Fees.** Franchise fee revenues are \$363,876 greater compared to the last fiscal year, and are at 90.3 percent of the budget estimate. Kansas City Power and Light makes up 93 percent of the difference and is a result of a change in distribution of franchise fees and billing for street lights and traffic signals from semi annually to monthly.
- **Charges for Services.** Charges for Services revenues are down \$110,363 compared to the last fiscal year, and are at 64.3 percent of the budget estimate. In 2013 we were at 66.8 percent of the budget estimate. Services provided include the Shawnee Mission East Police, Off-Duty Contractual and the Mission Hills contract. In 2014, the CFA budget was removed. CFA was the name of the former software product the City used to track vehicle and fuel usage. CFA charges make up 63 percent of the difference. This revenue source will fluctuate depending on services provided.
- **Interest on Investments.** Interests receipts for the General Fund only are \$13,095 greater compared to 2013, and are at 53.3 percent of the budget estimate. Interest receipts for all funds are \$142,446, and are at 149 percent of the budget estimate.

- Contract Services.** Contract Services expenses are \$281,041 greater compared to the last fiscal year and are at 73 percent of the budget estimate. Legal fees account for 69 percent of the difference and increased insurance costs are another 19 percent. Miscellaneous expenses account for the remainder.
- Commodities.** Commodity expenses are down \$92,221 compared to the last fiscal year. Overall, we are at 64 percent of the budget estimate. In 2013 we were at 55 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 2014 General Fund budget included:

Capital Outlay - 2014 Budget		
Item to be Replaced/Major Repair	Department	2014 Budget
Office Equipment	Administration	4,000
Office Equipment	Codes	250
Field Equipment	Codes	450
Miscellaneous Equipment	Codes	550
Video Arraignment Equipment	Court	500
Communications Equipment	IT	450
Miscellaneous Equipment	IT	4,500
Laptop's	IT	5,000
PC's - city-wide	IT	10,500
Diving Blocks (2) / Miscellaneous Equipment	Parks	7,000
Miscellaneous Equipment	Parks	13,250
Community Center Chairs	Parks	16,000
Office Equipment	Police	4,500
Police Motorcycles (2)	Police	10,000
Miscellaneous Equipment	Police	11,000
Vehicles (3)	Police	79,500
Snow Plow Replacement	Public Works	2,500
Drinking Fountain (McCrum Park)	Public Works	7,200
Riding Mower	Public Works	12,500
Building upgrades	Public Works	32,000
		\$ 221,650

Quarterly Financial report – Third Quarter Ending September 30, 2014

The chart, below, provides summary comparison information on revenues, expenditures and transfers for the third quarter ending September 2014 versus September 2013.

Year to Date Comparison to Prior Year				
General Fund	2014	2013	Over (Under)	
Revenues:				
Property Taxes	4,199,992	3,924,792	275,199	7.01%
Sales Taxes	2,688,001	2,724,077	(36,076)	-1.32%
Use Tax	523,058	509,571	13,487	2.65%
Motor Vehicle Tax	420,437	422,950	(2,514)	-0.59%
Liquor Tax	104,033	87,943	16,090	18.30%
Franchise Fees	1,597,588	1,233,712	363,876	29.49%
Licenses & Permits	360,169	363,540	(3,371)	-0.93%
Charges for Services	1,115,267	1,225,630	(110,363)	-9.00%
Fines & Fees	955,745	923,802	31,944	3.46%
Recreational Fees	411,900	422,869	(10,969)	-2.59%
Interest on Investments	42,653	29,558	13,095	44.30%
Miscellaneous	151,095	102,722	48,373	47.09%
Total Revenue	\$12,569,938	\$11,971,167	\$598,771	5.00%
Transfers from Other funds:				
Transfer from General Fund	-	-	-	
Transfer from Special Highway Fund	-	-	-	
Transfer from Stormwater Utility Fund	423,467	423,467	-	
Transfer from Special Parks & Rec Fur	-	-	-	
Transfer from Special Alcohol Fund	-	-	-	
Total	423,467	423,467	-	
Total Sources	\$12,993,405	\$12,394,634	\$598,771	
Expenditures:				
Personal Services	6,160,867	6,064,450	96,416	1.59%
Contract Services	3,460,808	3,179,767	281,041	8.84%
Commodities	494,574	586,796	(92,221)	-15.72%
Capital Outlay	92,030	178,069	(86,039)	-48.32%
Debt Service	-	-	-	
Infrastructure	-	-	-	
Contingency	-	-	-	
Total Expenditures	10,208,279	10,009,082	199,197	
Transfers to Other Funds:				
Transfer to Capital Projects Fund	2,518,855	2,518,855	-	0.00%
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	600,000	275,000	325,000	118.18%
Total	3,153,855	2,828,855	325,000	
Total Uses	13,362,134	12,837,937	524,197	

The charts, on page 5, provide information on revenue variances for the General Fund and Property Tax for the third quarter ending September 2014.

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

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	4,217,185	4,199,992	99.6%
Sales Taxes	4,678,642	2,688,001	57.5%
Use Tax	886,214	523,058	59.0%
Motor Vehicle Tax	400,000	420,437	105.1%
Liquor Tax	120,000	104,033	86.7%
Franchise Fees	1,769,229	1,597,588	90.3%
Licenses & Permits	472,497	360,169	76.2%
Charges for Services	1,733,534	1,115,267	64.3%
Fines & Fees	1,112,689	955,745	85.9%
Recreational Fees	483,315	411,900	85.2%
Interest on Investments	80,000	42,653	53.3%
Miscellaneous	75,000	151,095	201.5%
Total Revenue	\$16,028,305	\$12,569,938	78.4%

The chart, below, shows Property Tax revenues.

Property Tax	2014 Budget	YTD Comparison		Percent Budget Received
		2014	2013	
Revenues:				
General Fund	4,217,185	4,199,992	3,924,792	99.6%
Bond & Interest Fund	1,339,107	1,333,689	1,568,561	99.6%
Total Revenue	\$5,556,292	\$5,533,680	\$5,493,353	99.6%

OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended September 30, 2014 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						1,333,689					287,685	276,642
Sales Taxes												
Bond Proceeds												
Motor Vehicle Tax				104,033	104,033	160,980						
Liquor Tax	180	278,337	3,360									
Licenses & Permits							142,116					
Intergovernmental												
Charges for Services	1,450,713		1,564,277									
Interest on Investments	4,590	499	4,411	433	612	2,122	72,312	144	10,786	2,126	472	1,286
Miscellaneous	9,917											
Total Revenue	1,465,400	278,837	1,572,048	104,466	104,645	1,496,790	214,428	144	10,786	2,126	288,157	277,927
Transfers from Other funds:												
Transfer from General Fund							2,518,855	35,000		600,000		
Transfer from Special Highway							500,000					
Transfer from Storm Water Utility Fund						563,368	590,000			87,600		
Transfer from Special Parks & Rec Fund							120,000					
Total	-	-	-	-	-	563,368	3,728,855	35,000	-	687,600	-	-
Total Sources	1,465,400	278,837	1,572,048	104,466	104,645	2,060,158	3,943,283	35,144	10,786	689,726	288,157	277,927
Expenditures:												
Personal Services	15,836											
Contract Services	926,121											
Commodities												
Capital Outlay										447,218		
Debt Service												
Infrastructure												
Bond Costs												
Total Expenditures	941,957	-	-	-	-	76,846	1,999,003	66,912	58,409	447,218	398,940	546,032
Transfers to Other Funds:												
Transfer to General Fund			423,467									
Transfer to Bond & Interest Fund			563,368									
Transfer to Capital Projects Fund		500,000	590,000	120,000								
Transfer to Equipment Reserve Fund			87,600									
Total	-	500,000	1,664,435	120,000	-	-	-	-	-	-	-	-
Total Uses	941,957	500,000	1,664,435	120,000	76,846	1,999,003	2,835,965	66,912	58,409	447,218	398,940	546,032
Sources Over(Under) Uses	523,443	(221,163)	(92,387)	(15,534)	27,799	61,156	1,107,317	(31,768)	(47,623)	242,508	(110,783)	(268,105)