

City of Prairie Village

Fourth Quarter

Financial Report for the fourth quarter

Ended December 31, 2014

Relating to Fiscal Year 2014

Unaudited



GENERAL FUND

General Fund Balance. The chart, below, represents the fourth quarter and uses preliminary and unaudited results for the operations for the fiscal year ending December 31, 2014. While the final steps for closing the fiscal year are not complete, this report provides a reasonably accurate estimate for the FY 2014 results. Revenues are at 107.8 percent of projections, while expenditures are at 95.4 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	17,275,621	107.8%
Expenditures	18,259,428	17,425,509	95.4%
Balance	3,588,406	7,144,215	




After a sluggish last couple of years, 2014 is the first year in which the economy picked up and looks like it will be on a more self-sustaining path moving into 2015. Monthly job growth in 2014 has been the strongest since 1999 and the unemployment rate is down to 5.8 percent, the lowest since mid-2008 and almost one percentage point lower than 12 months ago. At this time last year, the Federal Reserve had projected it'd be 6.8 percent to 7.3 percent by the end of 2014. As a result of these labor market improvements and other factors, Americans reported feeling the most confident about the economy in seven years, according to the Thomson Reuters/University of Michigan consumer sentiment index for December.

For all of 2014, the economy grew 2.4 percent compared to 2.2 percent in 2013. Consumer spending, which accounts for more than two-thirds of U.S. economic activity, advanced 4.3 percent in the fourth quarter – the fastest since the first quarter of 2006 and an acceleration from the third quarter's 3.2 percent pace.

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 \$15,948 greater compared to the last fiscal year, and are at 116.1 percent of the budget estimate. In 2013 we were at 129.3 percent of the budget estimate.
- **Franchise Fees.** Franchise fee revenues are \$800,987 greater compared to the last fiscal year, and are at 135.4 percent of the budget estimate. Kansas City Power and Light makes up 99 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.

KCPL Franchise Fees Received:

2013	\$ 605,108.37	(Sept 2012 – Aug 2013)	12 months
2014	\$1,396,694.00	(Sept 2013 – Dec 2014)	16 months

In addition to receiving 4 more months in 2014 (Sept 2014 - Dec 2014), fees received in 2014 also increased on average 19.6 percent over 2013.

- **Charges for Services.** Charges for Services revenues are down \$231,770 compared to the last fiscal year, and are at 89.7 percent of the budget estimate. In 2013 we were at 97.4 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 the difference. This revenue source will also fluctuate depending on services provided.

- **Interest on Investments** Interests receipts for the General Fund only are \$12,159 greater compared to 2013, and are at 66.1 percent of the budget estimate. Interest receipts for all funds are \$177,651 and are at 186 percent of the budget estimate.
- **Contract Services.** Contract Services expenses are \$808,161 greater compared to the last fiscal year and are at 97.3 percent of the budget estimate. Legal fees and KCPL account for 61 percent of the difference. Miscellaneous expenses account for the remainder.
- **Commodities.** Commodity expenses are down \$184,535 compared to the last fiscal year. Overall, we are at 86 percent of the budget estimate. In 2013 we were at 80 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 – Fourth Quarter Ending December 31, 2014

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

Year to Date Comparison to Prior Year				
General Fund	2014	2013	Over (Under)	
Revenues:				
Property Taxes	4,201,311	3,926,067	275,244	7.01%
Sales Taxes	4,728,158	4,795,033	(66,875)	-1.39%
Use Tax	949,264	940,469	8,795	0.94%
Motor Vehicle Tax	479,202	481,462	(2,260)	-0.47%
Liquor Tax	139,351	123,403	15,948	12.92%
Franchise Fees	2,395,072	1,594,085	800,987	50.25%
Licenses & Permits	513,933	508,214	5,719	1.13%
Charges for Services	1,554,551	1,786,321	(231,770)	-12.97%
Fines & Fees	1,195,088	1,239,844	(44,756)	-3.61%
Recreational Fees	424,345	432,664	(8,319)	-1.92%
Interest on Investments	52,852	40,693	12,159	29.88%
Miscellaneous	219,027	166,045	52,982	31.91%
Total Revenue	\$16,852,154	\$16,034,300	\$817,854	5.10%
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	\$17,275,621	\$16,457,767	\$817,854	
Expenditures:				
Personal Services	8,354,493	8,193,733	160,760	1.96%
Contract Services	4,998,717	4,190,556	808,161	19.29%
Commodities	669,274	853,809	(184,535)	-21.61%
Capital Outlay	272,274	224,831	47,443	21.10%
Debt Service	-	-	-	
Infrastructure	-	-	-	
Contingency	-	10,000	(10,000)	
Total Expenditures	14,294,758	13,472,929	821,829	
Transfers to Other Funds:				
Transfer to Capital Projects Fund	2,495,751	2,518,855	(23,104)	-0.92%
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	3,130,751	2,828,855	301,896	
Total Uses	17,425,509	16,301,784	1,123,725	

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

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

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	4,217,185	4,201,311	99.6%
Sales Taxes	4,678,642	4,728,158	101.1%
Use Tax	886,214	949,264	107.1%
Motor Vehicle Tax	400,000	479,202	119.8%
Liquor Tax	120,000	139,351	116.1%
Franchise Fees	1,769,229	2,395,072	135.4%
Licenses & Permits	472,497	513,933	108.8%
Charges for Services	1,733,534	1,554,551	89.7%
Fines & Fees	1,112,689	1,195,088	107.4%
Recreational Fees	483,315	424,345	87.8%
Interest on Investments	80,000	52,852	66.1%
Miscellaneous	75,000	219,027	292.0%
Total Revenue	\$16,028,305	\$16,852,154	105.1%

The chart, below, shows Property Tax revenues.

Property Tax	2014	YTD Comparison		Percent Budget Received
	Budget	2014	2013	
Revenues:				
General Fund	4,217,185	4,201,311	3,926,067	99.6%
Bond & Interest Fund	1,339,107	1,334,114	1,569,061	99.6%
Total Revenue	\$5,556,292	\$5,535,425	\$5,495,128	99.6%

OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended December 31, 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						1,334,114					516,652	511,320
Sales Taxes												
Bond Proceeds						184,574						
Motor Vehicle Tax												
Liquor Tax			4,200	139,351	139,351							
Licenses & Permits	1,858	566,971					627,278					
Intergovernmental			1,564,277									
Charges for Services	1,451,107	988	4,910	553	712	2,383	90,969	207	13,767	2,756	580	1,466
Interest on Investments	5,508						47,944					
Miscellaneous	13,101											
Total Revenue	1,471,574	567,959	1,573,387	139,904	140,063	1,521,071	766,191	207	13,767	2,756	517,232	512,786
Transfers from Other funds:												
Transfer from General Fund							2,495,751	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	3,705,751	35,000	-	687,600	-	-
Total Sources	1,471,574	567,959	1,573,387	139,904	140,063	2,084,439	4,471,942	35,207	13,767	690,356	517,232	512,786
Expenditures:												
Personal Services	22,462					69,203						
Contract Services	1,374,569					17,982		100,439	66,592		519,313	926,272
Commodities						8,778				568,758		
Capital Outlay							4,808,020					
Debt Service						1,999,003						
Infrastructure												
Bond Costs												
Total Expenditures	1,397,031	-	-	-	95,963	1,999,003	4,808,020	100,439	66,592	568,758	519,313	926,272
Transfers to Other Funds:												
Transfer to General Fund			423,467									
Transfer to Bond & Interest Fund			563,368									
Transfer to Capital Projects Fund		500,000		120,000								
Transfer to Equipment Reserve Fund			87,600									
Total	-	500,000	1,664,435	120,000	-	-	-	-	-	-	-	-
Total Uses	1,397,031	500,000	1,664,435	120,000	95,963	1,999,003	4,808,020	100,439	66,592	568,758	519,313	926,272
Sources Over(Under) Uses	74,543	67,959	(91,048)	19,904	44,100	85,437	(336,078)	(65,232)	(52,825)	121,598	(2,081)	(413,486)