

City of Prairie Village

Fourth Quarter

Financial Report for the fourth quarter

Ended December 31, 2015

Relating to Fiscal Year 2015

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, 2015. While the final steps for closing the fiscal year are not complete, this report provides a reasonably accurate estimate for the FY 2015 results. Revenues are at 100.2 percent of projections, while expenditures are at 93.8 percent of appropriations. The chart also reports the budgeted fund balance at the start of 2015, which is \$5,674,729 and the audited fund balance, which is \$7,059,237. The 2015 target ending fund balance is 25 percent of revenues (excluding transfers).

General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 5,674,729	\$ 7,059,237	
Revenues	17,911,132	17,940,205	100.2%
Expenditures	19,208,082	18,011,063	93.8%
Balance	4,377,779	6,988,378	

The U.S. unemployment rate fell in 2015 to 5% from 5.6% and the workforce expanded by 2.6 million employees. The economy, though, did not look that much different this year from what has been going on since the official end of the recession in 2009. The Federal Reserve entered 2015 saying it expected to begin raising short-term interest rates by year’s end and in December they voted to boost the fed funds target range to 0.25% - 0.5%. It is anticipated that the Fed will raise rates only gradually in 2016 and beyond.




Declining oil and natural gas prices affected more than 250,000 energy jobs globally, but was a boon for consumers who could fill up for less than \$2 a gallon in many regions.

The slow U.S. economy has had minimal impact to the City. The average sale price in Prairie Village increased 4.57% from 2014 to 2015 while the mean appraised value rose 5.31% (from \$223,739 to \$245,098).

The focus of this report is on 2015 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 2015 and 2014.

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 2014 we were also at 99.6 percent of the budget estimate.
- **Liquor Tax.** Liquor tax revenues are down \$10,997 compared to the last fiscal year, but are at 103.5 percent of the budget estimate. In 2014 we were at 116.1 percent of the budget estimate.
- **Franchise Fees.** Franchise fee revenues are \$415,095 less compared to the last fiscal year, but are at 128.4 percent of the budget estimate. In 2014 we were at 135.4 percent of the budget estimate. Kansas City Power and Light makes up 71 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 in 2014. Kansas Gas makes up another 23.5 percent between the current and prior year.

KCPL Franchise Fees Received:

2013	\$605,108.37	(Sept 2012 – Aug 2013)	12 months
2014	\$1,396,694	(Sept 2013 – Dec 2014)	15 months
2015	\$1,102,802	(Jan 2015 – Dec 2015)	12 months

- **Licenses & Permits.** License & Permit fee revenues are \$158,791 greater compared to the last fiscal year, and are at 137.7 percent of the budget estimate. In 2014 we were at 108.8 percent of the budget estimate. Building permits make up 63 percent of the difference and Right of Ways another 20 percent.

- Fines & Fees.** Fines and Fees revenues are down \$289,635 compared to the last fiscal year, and are at 73.5 percent of the budget estimate. In 2014 we were at 107.4 percent of the budget estimate. Included in this revenue source are Traffic Violations and Court and Jail fees. A decline in Traffic Violations makes up the difference.
- Interest on Investments** Interests receipts for the General Fund only are \$28,024 greater compared to 2014. Interest receipts for all funds are \$195,268.

The chart, below, provides summary comparison information on revenues, expenditures and transfers for the fourth quarter ending December 2015 versus December 2014.

Year to Date Comparison to Prior Year				
General Fund	2015	2014	Over (Under)	
Revenues:				
Property Taxes	5,314,495	4,201,311	1,113,184	26.50%
Sales Taxes	4,803,664	4,728,158	75,506	1.60%
Use Tax	994,647	949,264	45,383	4.78%
Motor Vehicle Tax	511,134	479,202	31,932	6.66%
Liquor Tax	128,353	139,351	(10,997)	-7.89%
Franchise Fees	1,979,976	2,395,072	(415,095)	-17.33%
Licenses & Permits	672,724	513,933	158,791	30.90%
Charges for Services	1,531,907	1,554,551	(22,643)	-1.46%
Fines & Fees	905,453	1,195,088	(289,635)	-24.24%
Recreational Fees	426,651	424,345	2,306	0.54%
Interest on Investments	80,876	52,852	28,024	53.02%
Miscellaneous	190,325	219,027	(28,702)	-13.10%
Total Revenue	\$17,540,205	\$16,852,153	\$688,052	4.08%
Transfers from Other funds:				
Transfer from General Fund	-	-	-	
Transfer from Special Highway Fund	-	-	-	
Transfer from Stormwater Utility Fund	400,000	423,467	(23,467)	
Transfer from Special Parks & Rec Fur	-	-	-	
Transfer from Special Alcohol Fund	-	-	-	
Total	400,000	423,467	(23,467)	
Total Sources	\$17,940,205	\$17,275,620	\$664,585	
Expenditures:				
Personal Services	8,571,094	8,354,493	216,601	2.59%
Contract Services	4,799,796	4,998,717	(198,920)	-3.98%
Commodities	619,749	669,274	(49,526)	-7.40%
Capital Outlay	241,000	272,274	(31,274)	-11.49%
Debt Service	-	-	-	
Infrastructure	-	-	-	
Contingency	-	-	-	
Total Expenditures	14,231,638	14,294,758	(63,119)	
Transfers to Other Funds:				
Transfer to Capital Projects Fund	3,144,425	2,495,751	648,674	25.99%
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	600,000	-	0.00%
Total	3,779,425	3,130,751	648,674	
Total Uses	18,011,063	17,425,509	585,555	

The charts, below, provide information on revenue variances for the General Fund and Property Tax for the fourth quarter ending December 2015.

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

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	5,342,519	5,314,495	99.5%
Sales Taxes	4,878,021	4,803,664	98.5%
Use Tax	956,975	994,647	103.9%
Motor Vehicle Tax	514,079	511,134	99.4%
Liquor Tax	124,000	128,353	103.5%
Franchise Fees	1,541,819	1,979,976	128.4%
Licenses & Permits	488,487	672,724	137.7%
Charges for Services	1,775,575	1,531,907	86.3%
Fines & Fees	1,231,835	905,453	73.5%
Recreational Fees	448,603	426,651	95.1%
Interest on Investments	40,000	80,876	202.2%
Miscellaneous	169,219	190,325	112.5%
Transfer from Stormwater Utility Fund	400,000	400,000	100.0%
Total Revenue	\$17,911,132	\$17,940,205	100.2%

The chart, below, shows Property Tax revenues.

Property Tax	2015 Budget	YTD Comparison		Percent Budget Received
		2015	2014	
Revenues:				
General Fund	5,342,519	5,314,495	4,201,311	99.5%
Bond & Interest Fund	348,330	354,751	1,334,114	101.8%
Total Revenue	\$5,690,849	\$5,669,246	\$5,535,425	99.6%

OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended December 31, 2015 are shown on page 5.

	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						354,751					527,280	551,832
Sales Taxes												
Bond Proceeds												
Motor Vehicle Tax						170,396						
Liquor Tax				128,353								
Licenses & Permits	1,515	576,554	6,230				135,287					
Intergovernmental												
Charges for Services	1,459,277		1,579,416									
Interest on Investments	6,143	4,119	5,707	716	3,218	3,240	68,138	487	13,747	6,039	1,689	1,148
Miscellaneous	7,150						2,876	61,622				
Total Revenue	1,474,085	580,672	1,591,353	129,070	131,571	528,387	206,300	62,109	13,747	6,039	528,968	552,979
Transfers from Other funds:												
Transfer from General Fund							3,144,425	35,000		600,000		
Transfer from Special Highway							555,000					
Transfer from Storm Water Utility Fund						242,108	1,000,000					
Transfer from Special Parks & Rec Fund							180,000					
Total	-	-	-	-	-	242,108	4,879,425	35,000	-	600,000	-	-
Total Sources	1,474,085	580,672	1,591,353	129,070	131,571	770,495	5,085,725	97,109	13,747	606,039	528,968	552,979
Expenditures:												
Personal Services	25,372						73,069					
Contract Services	1,378,467						27,878	3,000	67,833		550,021	566,367
Commodities										379,696		
Capital Outlay												
Debt Service							817,750					
Infrastructure							5,895,823					
Bond Costs												
Total Expenditures	1,403,839	-	-	-	116,759	817,750	5,895,823	3,000	67,833	379,696	550,021	566,367
Transfers to Other Funds:												
Transfer to General Fund			400,000									
Transfer to Bond & Interest Fund			242,108									
Transfer to Capital Projects Fund		555,000	1,000,000	180,000								
Transfer to Equipment Reserve Fund												
Total	-	555,000	1,642,108	180,000	-	-	-	-	-	-	-	-
Total Uses	1,403,839	555,000	1,642,108	180,000	116,759	817,750	5,895,823	3,000	67,833	379,696	550,021	566,367
Sources Over(Under) Uses	70,246	25,672	(50,755)	(50,930)	14,812	(47,255)	(810,098)	94,109	(54,086)	226,343	(21,052)	(13,388)