

City of Prairie Village

Second Quarter

Financial Report for the second quarter

Ended June 30, 2016

Relating to Fiscal Year 2016

Unaudited



GENERAL FUND

General Fund Balance. The chart, below, shows with 50 percent of the year complete revenues are at 57.9 percent of projections, while expenditures are at 53.1 percent of appropriations. The chart also reports the budgeted fund balance at the start of 2016, which is \$5,762,287 and the audited actual fund balance, which is \$6,931,243. The 2016 target ending fund balance is 25 percent of revenues (excluding transfers).

General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 5,762,287	\$ 6,931,243	
Revenues	18,200,017	10,537,848	57.9%
Expenditures	19,785,166	10,512,125	53.1%
Balance	4,177,138	6,956,966	

SUMMARY OF KANSAS ECONOMIC CONDITIONS




In Kansas, the unemployment rate was 3.7 percent in May, and total payroll employment was down 0.1 percent compared to the previous year. The Johnson County unemployment rate was 2.9 percent in May. Kansas home prices increased 3.4 percent in the first quarter of 2016 compared to a year ago. Home price indices estimate regional growth in home values based on repeat sales data for detached single residential properties. Home sales in Johnson county were up 7.5 percent from May 2015 to May 2016.

Interest rates for both US Treasury and public finance issues continues to decline overall during May and June. In the medium term (3+ years from now) the Fed has lowered its projected benchmark rate level to 3 percent a 0.25 percent drop. This indicates a slow and gradual approach to raise interest rates.

The focus of this report is on 2016 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 2016 and 2015.

Rating Scale for Key Variances:

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

Key variances include:

- **Motor Vehicle Tax.** Motor Vehicle tax estimates are provided by the Johnson County Treasurer. Motor Vehicle tax revenues are \$36,521 greater compared to the last fiscal year, and are at 43.8 percent of the budget estimate. Motor Vehicle tax is allocated between the General Fund and the Bond & Interest Fund. In 2015 we were at 49.8 percent of the budget estimate.
- **Franchise Fees.** Franchise fee revenues are \$68,467 less compared to the last fiscal year, and are at 38.4 percent of the budget estimate. In 2015 we were at 50.9 percent of the budget estimate. Kansas Gas distributions are down 26 percent compared to the same period last year and make up the difference.
- **Licenses & Permits.** License & Permit fee revenues are \$20,967 less compared to the last fiscal year, but are at 50.1 percent of the budget estimate. In 2015 we were at 55.8 percent of the budget estimate.
- **Recreational Fees.** Recreation fee revenues are \$21,784 greater compared to the last fiscal year, and are at 66.7 percent of the budget estimate. In 2015 we were at 61.4 percent of the budget estimate. Recreation fees are seasonal and are affected by weather conditions.
- **Interest on Investments.** Interests receipts for the General Fund only are \$36,260 less compared to 2015. Interest receipts will fluctuate depending on when investments mature and rates of return. Interest receipts for all funds are \$53,622.
- **Miscellaneous.** Miscellaneous receipts are \$18,077 less compared to 2015. Miscellaneous receipts are down because they are being applied to existing revenue accounts versus being coded as miscellaneous.

The chart, below, provides summary comparison information on revenues, expenditures and transfers for the second quarter ending June 2016 versus June 2015.

Year to Date Comparison to Prior Year				
General Fund	2016	2015	Over (Under)	
Revenues:				
Property Taxes	5,353,678	5,219,839	133,839	2.56%
Sales Taxes	1,533,929	1,536,721	(2,792)	-0.18%
Use Tax	316,263	301,642	14,621	4.85%
Motor Vehicle Tax	292,487	255,967	36,521	14.27%
Liquor Tax	69,375	65,603	3,772	5.75%
Franchise Fees	716,294	784,761	(68,467)	-8.72%
Licenses & Permits	251,759	272,727	(20,967)	-7.69%
Charges for Services	744,778	739,929	4,849	0.66%
Fines & Fees	488,442	497,138	(8,697)	-1.75%
Recreational Fees	297,322	275,538	21,784	7.91%
Interest on Investments	18,232	54,492	(36,260)	-66.54%
Miscellaneous	55,288	73,365	(18,077)	-24.64%
Total Revenue	\$10,137,848	\$10,077,721	\$60,126	0.60%
Transfers from Other funds:				
Transfer from General Fund	-	-	-	
Transfer from Special Highway Fund	-	-	-	
Transfer from Stormwater Utility Fund	400,000	400,000	-	
Transfer from Special Parks & Rec Fur	-	-	-	
Transfer from Special Alcohol Fund	-	-	-	
Total	400,000	400,000	-	
Total Sources	\$10,537,848	\$10,477,721	\$60,126	
Expenditures:				
Personal Services	4,266,233	4,309,249	(43,016)	-1.00%
Contract Services	1,796,354	1,938,407	(142,053)	-7.33%
Commodities	200,508	317,715	(117,207)	-36.89%
Capital Outlay	123,008	119,793	3,215	2.68%
Debt Service	-	-	-	
Infrastructure	-	-	-	
Contingency	-	-	-	
Total Expenditures	6,386,104	6,685,165	(299,061)	
Transfers to Other Funds:				
Transfer to Capital Projects Fund	4,091,021	3,144,425	946,596	30.10%
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)	-100.00%
Total	4,126,021	3,779,425	346,596	
Total Uses	10,512,125	10,464,590	47,535	

The charts, below, provide information on revenue variances for the General Fund and Property Tax for the second quarter ending June 2016.

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

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	5,450,150	5,353,678	98.2%
Sales Taxes	4,850,000	1,533,929	31.6%
Use Tax	953,000	316,263	33.2%
Motor Vehicle Tax	667,241	292,487	43.8%
Liquor Tax	140,000	69,375	49.6%
Franchise Fees	1,866,000	716,294	38.4%
Licenses & Permits	502,930	251,759	50.1%
Charges for Services	1,549,676	744,778	48.1%
Fines & Fees	1,109,450	488,442	44.0%
Recreational Fees	445,530	297,322	66.7%
Interest on Investments	70,000	18,232	26.0%
Miscellaneous	196,040	55,288	28.2%
Transfer from Stormwater Utility Fund	400,000	400,000	100.0%
Total Revenue	\$18,200,017	\$10,537,848	57.9%

The chart, below, shows Property Tax revenues.

Property Tax	2016 Budget	YTD Comparison		Percent Budget Received
		2016	2015	
Revenues:				
General Fund	5,450,150	5,353,678	5,219,839	98.2%
Bond & Interest Fund	521,965	519,822	348,514	99.6%
Total Revenue	\$5,972,115	\$5,873,500	\$5,568,353	98.3%

OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended June 30, 2016 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						519,822					177,403	168,624
Sales Taxes												
Bond Proceeds												
Motor Vehicle Tax						43,840						
Liquor Tax				69,375	69,375							
Licenses & Permits	275		5,600									
Intergovernmental		137,689					558,763					
Charges for Services	1,445,301		1,561,717									
Interest on Investments	2,091	334	2,757	88	284	886	22,909	181	3,595	1,616	285	362
Miscellaneous	2,777						5,175	463				
Total Revenue	1,450,444	138,023	1,570,074	69,463	69,659	564,548	586,947	645	3,595	1,616	177,688	168,985
Transfers from Other funds:												
Transfer from General Fund							4,091,021	35,000				
Transfer from Special Highway							570,000					
Transfer from Storm Water Utility Fund						237,608	1,000,000					
Transfer from Special Parks & Rec Fund							160,000					
Total	-	-	-	-	-	237,608	5,821,021	35,000	-	-	-	-
Total Sources	1,450,444	138,023	1,570,074	69,463	69,659	802,156	6,407,968	35,645	3,595	1,616	177,688	168,985
Expenditures:												
Personal Services	12,759						37,120					
Contract Services	587,299						33,355		13,329		315,000	275,000
Commodities							3,684			209,008		
Capital Outlay												
Debt Service												
Infrastructure							42,025					
Bond Costs												
Total Expenditures	600,057	-	-	-	74,159	42,025	1,361,784	5,674	13,329	209,008	315,000	275,000
Transfers to Other Funds:												
Transfer to General Fund			400,000									
Transfer to Bond & Interest Fund			237,608									
Transfer to Capital Projects Fund		570,000	1,000,000	160,000								
Transfer to Equipment Reserve Fund												
Total	-	570,000	1,637,608	160,000	-	-	-	-	-	-	-	-
Total Uses	600,057	570,000	1,637,608	160,000	74,159	42,025	1,361,784	5,674	13,329	209,008	315,000	275,000
Sources Over(Under) Uses	850,386	(431,977)	(67,534)	(90,537)	(4,500)	760,131	5,046,084	29,971	(9,734)	(207,382)	(137,312)	(106,015)