

City of Prairie Village

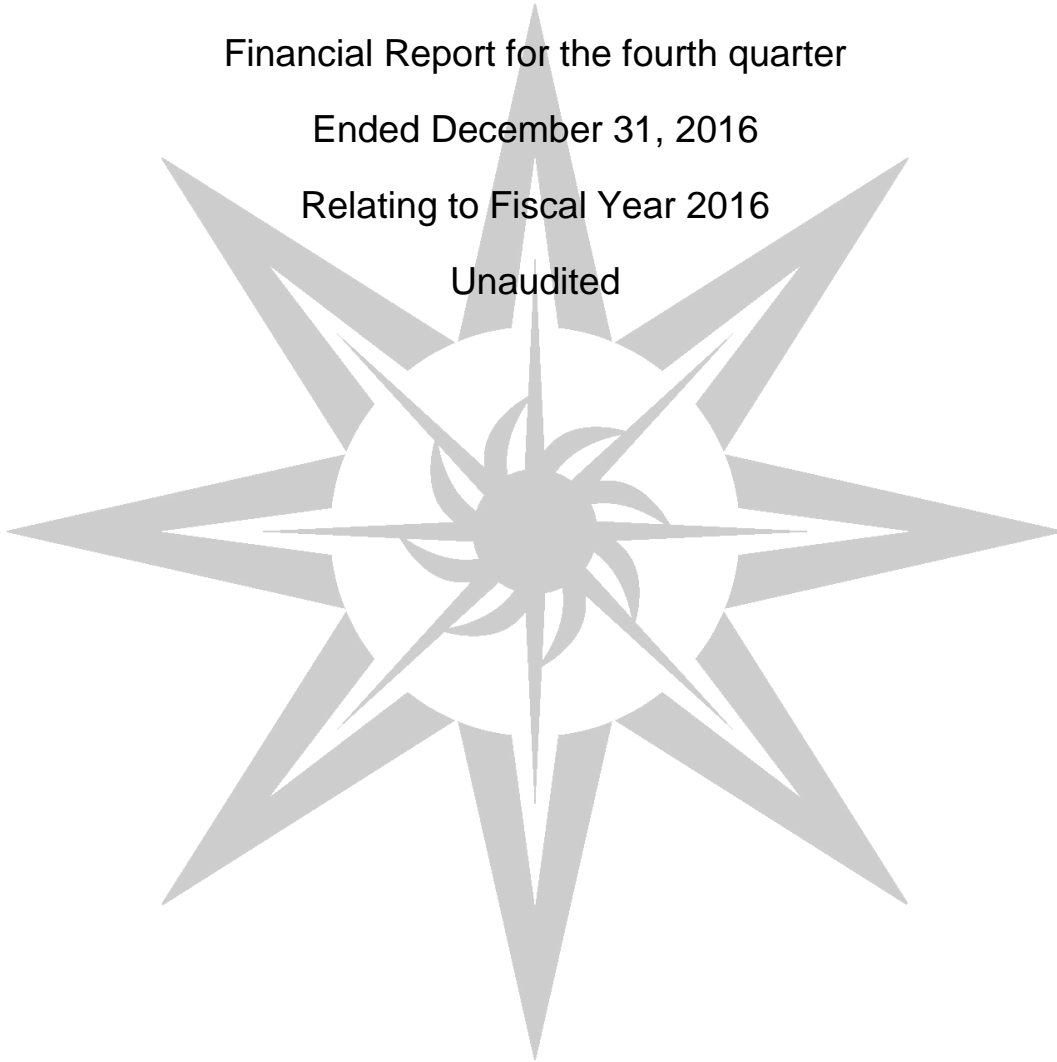
Fourth Quarter

Financial Report for the fourth quarter

Ended December 31, 2016

Relating to Fiscal Year 2016

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, 2016. While the final steps for closing the fiscal year are not complete, the report provides a reasonably accurate estimate for the FY 2016 results. Revenues are at 101.4 percent of projections, while expenditures are at 93.6 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	18,448,863	101.4%
Expenditures	19,785,166	18,526,794	93.6%
Balance	4,177,138	6,853,312	

SUMMARY OF KANSAS ECONOMIC CONDITIONS

The Kansas unemployment rate was 3.8 percent in January 2017, compared to 5.1 percent in the United States. The second estimate for fourth-quarter productivity growth matched the previous quarter rate of 1.3%, making 2016 the worst calendar-year performance in five years despite a 0.2% upward revision in manufacturing. Compensation growth slowed to 3% from an initial 4.1% estimate, while labor costs rose 1.7%.




In Johnson County the average price of homes sold increased 18.3% from the same time last year while residential building permits (single family units) increased 63.2% from the same time last year. In Prairie Village building permit revenue increased 57% over 2015, while retail sales rose 9%.

The service sector are anticipated to be the fastest growing segment of the Kansas economy in 2017, adding over 10,000 jobs for 1.6% employment growth.

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:

- **Use Tax.** Use tax revenues are \$117,467 greater compared to the last fiscal year, and are at 116.7 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. In 2015 we were at 103.9 percent of the budget estimate.
- **Motor Vehicle Tax.** Motor Vehicle tax estimates are provided by the Johnson County Treasurer. Motor Vehicle tax revenues are \$109,442 greater compared to the last fiscal year, and are at 93 percent of the budget estimate. Motor Vehicle tax is allocated between the General Fund and the Bond & Interest Fund. In 2015 we were at 99.4 percent of the budget estimate.
- **Licenses & Permits.** License & Permit fee revenues are \$146,774 greater compared to the last fiscal year, and are at 162.9 percent of the budget estimate. Included are building permits, which were up 57 percent (\$171,255) over 2015. In 2015 we were at 137.7 percent of the budget estimate.
- **Interest on Investments.** Interests receipts for the General Fund only are \$40,561 less compared to 2015. Interest receipts will fluctuate depending on when investments mature and rates of return. Interest receipts for all funds are \$121,629 or 60.6 percent of the budget estimate.
- **Miscellaneous.** Miscellaneous receipts are \$61,945 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 fourth quarter ending December 2016 versus December 2015.

Year to Date Comparison to Prior Year				
General Fund	2016	2015	Over (Under)	
Revenues:				
Property Taxes	5,484,905	5,314,495	170,410	3.21%
Sales Taxes	4,836,697	4,803,664	33,033	0.69%
Use Tax	1,112,114	994,647	117,467	11.81%
Motor Vehicle Tax	620,575	511,134	109,442	21.41%
Liquor Tax	128,934	128,353	581	0.45%
Franchise Fees	1,991,903	1,979,976	11,927	0.60%
Licenses & Permits	819,498	672,724	146,774	21.82%
Charges for Services	1,516,070	1,531,907	(15,837)	-1.03%
Fines & Fees	911,058	905,453	5,605	0.62%
Recreational Fees	433,456	426,651	6,804	1.59%
Interest on Investments	40,315	80,876	(40,561)	-50.15%
Miscellaneous	153,338	215,283	(61,945)	-28.77%
Total Revenue	\$18,048,863	\$17,565,163	\$483,700	2.75%
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 Fund	-	-	-	
Transfer from Special Alcohol Fund	-	-	-	
Total	400,000	400,000	-	
Total Sources	\$18,448,863	\$17,965,163	\$483,700	
Expenditures:				
Personal Services	8,775,727	8,571,094	204,633	2.39%
Contract Services	4,754,921	4,801,397	(46,477)	-0.97%
Commodities	620,381	621,565	(1,184)	-0.19%
Capital Outlay	249,745	266,000	(16,255)	-6.11%
Debt Service	-	-	-	
Infrastructure	-	-	-	
Contingency	-	-	-	
Total Expenditures	14,400,773	14,260,056	140,718	
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	18,526,794	18,039,481	487,314	

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

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

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	5,450,150	5,484,905	100.6%
Sales Taxes	4,850,000	4,836,697	99.7%
Use Tax	953,000	1,112,114	116.7%
Motor Vehicle Tax	667,241	620,575	93.0%
Liquor Tax	140,000	128,934	92.1%
Franchise Fees	1,866,000	1,991,903	106.7%
Licenses & Permits	502,930	819,498	162.9%
Charges for Services	1,549,676	1,516,070	97.8%
Fines & Fees	1,109,450	911,058	82.1%
Recreational Fees	445,530	433,456	97.3%
Interest on Investments	70,000	40,315	57.6%
Miscellaneous	196,040	153,338	78.2%
Transfer from Stormwater Utility Fund	400,000	400,000	100.0%
Total Revenue	\$18,200,017	\$18,448,863	101.4%

The chart, below, shows Property Tax revenues.

Property Tax	2016 Budget	YTD Comparison		Percent Budget Received
		2016	2015	
Revenues:				
General Fund	5,450,150	5,484,905	5,314,495	100.6%
Bond & Interest Fund	521,965	533,673	354,751	102.2%
Total Revenue	\$5,972,115	\$6,018,578	\$5,669,246	100.8%

OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended December 31, 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						533,673					551,399	542,693
Sales Taxes							3,267,475					
Bond Proceeds						65,228						
Motor Vehicle Tax				128,934	128,934							
Liquor Tax			10,360									
Licenses & Permits	1,720	584,317					1,163,891					
Intergovernmental			1,602,687									
Charges for Services	1,484,647	2,232	4,582	212	824	1,640	52,774	544	8,559	3,556	629	835
Interest on Investments	4,928						7,110					
Miscellaneous	9,698											
Total Revenue	1,500,993	586,549	1,617,629	129,146	129,758	600,542	4,491,249	544	8,559	3,556	552,027	543,528
Transfers from Other funds:												
Transfer from General Fund							4,091,021	35,000				
Transfer from Special Highway							544,322					
Transfer from Storm Water Utility Fund						237,608	1,000,000					
Transfer from Special Parks & Rec Fund							160,000					
Total	-	-	-	-	-	237,608	5,795,343	35,000	-	-	-	-
Total Sources	1,500,993	586,549	1,617,629	129,146	129,758	838,150	10,286,593	35,544	8,559	3,556	552,027	543,528
Expenditures:												
Personal Services	26,862						67,457					
Contract Services	1,364,449						37,589	39,748	293,302		608,785	615,231
Commodities							12,752			400,445		
Capital Outlay						814,050	9,256,045					
Debt Service							58,276					
Infrastructure												
Bond Costs												
Total Expenditures	1,391,311	-	-	-	117,799	814,050	9,314,322	39,748	293,302	400,445	608,785	615,231
Transfers to Other Funds:												
Transfer to General Fund			400,000									
Transfer to Bond & Interest Fund			237,608									
Transfer to Capital Projects Fund		544,322	1,000,000	160,000								
Transfer to Equipment Reserve Fund												
Total	-	544,322	1,637,608	160,000	-	-	-	-	-	-	-	-
Total Uses	1,391,311	544,322	1,637,608	160,000	117,799	814,050	9,314,322	39,748	293,302	400,445	608,785	615,231
Sources Over (Under) Uses	109,681	42,227	(19,979)	(30,854)	11,960	24,100	972,271	(4,205)	(284,743)	(396,890)	(56,758)	(71,703)