# City of Prairie Village Second Quarter

Financial Report for the second quarter

Ended June 30, 2012

Relating to Fiscal Year 2012

Unaudited

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Date: July 12, 2012

#### GENERAL FUND

**General Fund Balance.** The chart, below, shows with 50 percent of the year complete revenues are at 55.8 percent of projections while expenditures are at 36.8 percent of appropriations. The chart also shows the budgeted fund balance at the start of 2012, which is \$5,535,465.

General Fund	E	Budget	YTD	Percent
Fund Balance 1/1	\$ [	5,535,465 \$	5,535,465	•
Revenues Expenditures	A	15,614,499 16,940,449	8,706,087 6,233,376	55.8% 36.8%
Balance		4,209,515	8,008,176	
	M	Z		

The economy continues to be weak with first quarter growth at 1.9%. The unemployment rate rose to 8.2%. A year ago the unemployment rate was at 9.2%.

Long-term interest rates have dropped as reflected in the ten year Treasury. This decline reflects problems in Europe and investors are selling the Euro, purchasing US Dollars, and investing in US Treasury securities. It seems likely that interest rates will stay very low for a long time. The only pressure on raising rates will come from inflation or from credit risk as is the case with Greece, Spain, Portugal, etc.

Mortgage rates are also at historic lows with the 30 year at 3.75% and the 15 year below 3.0%.

The focus of this report is on 2012 revenues and expenditures. The city's goal is to achieve a "positive outlook" in all key financial areas.

Discussed on page 2 are differences between individual revenues and expenses between 2012 and 2011.

#### Rating Scale for Key Variances:

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



#### Key variances include:

- Sales Tax. Sales tax revenues are \$33,887 greater compared to the last fiscal year, but are only at 34.8% of the budget estimate.
- **Use Tax.** Use tax revenues are \$25,647 <u>greater</u> compared to the last fiscal year, and are at 38.5% 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.
- Motor Vehicle Tax. Motor Vehicle tax revenues have declined \$51,077 compared to June 2011, and are at 61% of the budget estimate. The basis of this tax is the valuation of registered motor vehicles within the City.
- Liquor Tax. Liquor tax revenues have <u>increased</u> \$22,053 compared to the last fiscal year, and are at 72.2% of the budget estimate. Liquor tax is allocated 1/3 General Fund, 1/3 Parks & Recreation and 1/3 Special Alcohol.
- Fines & Fees. Fines and Fees have <u>decreased</u> \$69,067 compared to the last fiscal year, and are 54.26% of the budget estimate.
- Interest on Investments. Interest receipts have declined \$5,797 compared to June 2011, and are at 10.1% of the budget estimate. Interest revenue fluctuates based on the prevailing interest rates.
- 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 chart, on page 3, provides summary comparison information on revenues, expenditures, transfers and debt service for the second quarter ending June 2012 versus June 2011.

The chart, on page 4, provides information on revenue variances for the General Fund for the second quarter ending June 2012.

Year to Date Co	mparison to P	rior Year		
General Fund	2012	2011	Over (Under)	
Revenues:				
Property Taxes	4,065,121	3,896,686	168,435	4.32%
Sales Taxes	1,452,109	1,418,222	33,887	
Use Tax	279,333	253,687		2.39%
Motor Vehicle Tax	279,333 215,447	266,525	25,647	10.11%
Liquor Tax			(51,077)	-19.169
Franchise Fees	59,928 <b>7</b> 04,637	37,874	22,053	58.239
Licenses & Permits	721,677	772,941	(51,264)	-6.639
	178,099	162,304	15,795	9.73%
Intergovernmental	000 000	000 000	-	4
Charges for Services	839,966	823,680	16,286	1.98%
Fines & Fees	537,589	606,655	(69,067)	-11.38%
Recreational Fees	296,098	278,153	17,944	6.45%
Interest on Investments	4,032	9,829	(5,797)	-58.98%
Miscellaneous	56,689	18,466	38,223	206.999
Total Revenue	\$8,706,087	\$8,545,023	\$161,064	1.88%
Transfers from Other funds: Transfer from General Fund Transfer from Special Highway Fund			1	
Transfer from Stormwater Utility Fund Transfer from Special Parks & Rec Fur Transfer from Special Alcohol Fund	450,000 - -	450,000	-	
Total	450,000	450,000		
Total Sources	\$9,156,087	\$8,995,023	\$161,064	
Expenditures:				
Personal Services	4,329,343	3,834,820	494,524	12.90%
Contract Services	1,529,034	1,469,500	59,533	4.05%
Commodities	343,000	333,825	9,175	2.75%
Capital Outlay	31,999	80,973	Table 1 and	
Debt Service	31,333	00,375	(48,974)	-60.48%
Infrastructure		1	- 104	
Contingency				
Total Expenditures	6,233,376	5,719,118	514,258	
-		7		
Transfers to Other Funds:				
Transfer to Capital Projects Fund Transfer to Bond & Interest Fund	1,616,649 -	901,649	715,000	79.30%
Transfer to Risk Management Fund	35,000	35,000	-	0.00%
Transfer to Economic Development		,	-	3.007
Transfer to Equipment Reserve Fund	252,500	222,000	30,500	13.74%
Total	1,904,149	1,158,649	745,500	15.747
Total Uses	8,137,525	6,877,767		
TOTAL COCO	0, 137,323	0,011,101	1,259,758	

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

		Received	Percent
General Fund	Budget	YTD Actual	Received
Revenues:			
Property Taxes	4,192,109	4,065,121	97.0%
Sales Taxes	4,172,000	1,452,109	34.8%
Use Tax	726,000	279,333	38.5%
Motor Vehicle Tax	353,040	215,447	61.0%
Liquor Tax	83,000	59,928	72.2%
Franchise Fees	1,899,800	721,677	38.0%
Licenses & Permits	454,900	178,099	39.2%
Intergovernmental	1	·	
Charges for Services	1,744,000	839,966	48.2%
Fines & Fees	992,000	537,589	54.2%
Recreational Fees	448,950	296,098	66.0%
Interest on Investments	40,000	4,032	10.1%
Miscellaneous	58,700	56,689	96.6%
Total Revenue	\$15,164,499	\$8,706,087	57.4%

## The chart, below, shows Property Tax revenues

	2012	YTD Com	parision	Percent Budget		
Property Tax	Budget	2012	2011	Received		
Revenues:						
General Fund	4,192,109	4,065,121	3,896,686	97.0%		
Bond & Interest Fund	1,300,466	1,296,506	1,306,604	99.7%		
Total Revenue	\$5,492,575	\$5,361,627	\$5,203,290	97.6%		

## OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended June 30, 2012 are shown on page 5.

Peeper   P		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
Safe Tarsee							1,296,506						
Motor Vehicle Tax	* *						,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,					137,797	142,104
Licenses & Permits   1,540   101,710   101,7													
Licenses & Permits   1,540   1,541   1,542   1,543					=0.000	<b>CO 000</b>	41,868						
Intergoemmental 133,840 103 103 105 100 101,710 101,710 102 103 105 103 105 100 100 100 100 100 100 100 100 100			1	1 540	59,928	59,928							
Charges for Services   1,847,024   1,543,910   1,645,910   1,645,302   133,943   1,545,615   59,828   60,031   1,388,452   107,589   285   1,468   317   104   102   102   103   104   102   104   102   104   1			133 840	1,340				101 710					
Interest on Investments 182 103 165 3 78 3.833 46 1.468 317 104 102 Miscellamous 8, 0.006 100 2.046 239 1 1.005 10.00 1.005 1.005 10.00 1.005 10.00 1.005 10.00 1.005 10.00 1.005 10.005	•	1.647.024	150,640	1.543.910		A HIS		10 111 10					
Total Revenue 1,655,302 133,943 1,545,615 58,928 60,031 1,339,452 107,589 285 1,468 317 137,901 142,205  Transfers from Other funds: Transfer from Special Flymay Transfer from Special Plarks & Rec Fund Total  Total Cources 1,655,302 133,943 1,545,615 59,928 60,031 1,789,282 2,971,408 35,000 252,500  Expenditures: Personal Services 12,211 337,044 Contract Services 712,090 15,597 34,947 97,489 10,421  Commodities 712,090 15,597 34,947 97,489 10,421  Commodities 712,090 15,597 34,947 97,489 10,421  Commodities 712,090 59,73 1,157,779  Debt Service Infrastructure  Brond Costs Transfers to Other Funds: Transfers to Other Funds: Transfers to General Fund Transfer to Bond & Interest Fund Transfer to Equipment Resene F	-		103			3	78	3,833	46	1,468	317	104	102
Transfers from Cliber funds: Transfer from General Fund Transfer from Special Highway Transfer from Special Parks & Rec Fund Transfer from Special Parks & Rec Fund Transfer from Special Parks & Rec Fund Total  Expenditures:  Expenditures:  Expenditures:  Expenditures:  Contract Services  12.211 37.044 Contract Services 12.211 37.044 Contract Services 12.211 37.044 Contract Services 11.455 Transfer to General Fund Transfer to Equipment Reserve Fund Total Total Total Uses Total Use	Miscellaneous	8,096	1/2		. //	100		2,046	239				
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Transfer from General Fund Transfer from Special Highway Transfer from Special Highway Transfer from Special Highway Transfer from Special Parks & Rec Fund Transfer from Special Parks & Rec Fund Total  Total Sources  1,655,302 133,943 1,545,615 59,928 60,031 1,789,282 2,971,408 35,000 252,500  Total Sources  Expenditures:  Personal Services 12,211 37,004 Contract Services 712,090 15,997 34,947 97,489 10,421 Contract Services 712,090 15,997 34,947 97,489 10,421 Contract Services 712,090 17,4145 32,990 Debt Service 90,873 Infrastructure Bond Costs Total Expenditures 724,301 54,186 90,873 1,157,779 34,947 92,910 97,489 10,421  Transfers to Other Funds: Transfers to General Fund Transfer to General Fund Transfer to Equipment Resene Fund Transfer to Equipment Resene Fund Total  Total Uses 724,301 580,000 1,485,000 83,000 54,186 90,873 1,157,779 34,947 92,910 97,489 10,421	Transfers from Other funds			the said									
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Transfer from Storm Water Utility Fund Transfer from Special Parks & Rec Fund Total Sources  1,655,302 133,943 1,545,615 59,928 60,031 1,789,282 2,971,408 35,285 1,468 252,817 137,901 142,206  Expenditures:  Personal Services  712,090 15,997 34,947 97,489 10,421  Contract Services 712,090 15,997 34,947 92,910 97,489 10,421  Commodities  Capital Outlay 90,873  Total Expenditures  Total Expenditures  Transfer to Other Funds:  Transfer to General Fund Transfer to Equipment Reserve Fund Transfer to Equipment Reserve Fund Transfer to Equipment Reserve Fund Total Uses  724,301 580,000 1,485,000 83,000 54,186 90,873 1,157,779 - 34,947 92,910 97,489 10,421					1	1	100	580,000	,				
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Contract Services 712,090 15,997 34,947 97,489 10,421 Commodities 92,910 92,910 97,489 10,421 Commodities 90,873 1,145 92,910 97,489 10,421 Commodities 90,873 1,157,779 South Costs 1,157,779 South C	Expenditures:					-			1000				
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Bond Costs Total Expenditures 724,301 54,186 90,873 1,157,779 - 34,947 92,910 97,489 10,421  Transfers to Other Funds: Transfer to General Fund Transfer to Bond & Interest Fund Transfer to Capital Projects Fund Transfer to Equipment Reserve Fund Total  Total Uses 724,301 580,000 1,485,000 83,000  Total Uses 724,301 580,000 1,485,000 83,000 54,186 90,873 1,157,779 - 34,947 92,910 97,489 10,421					4		90,873	1 157 770					
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Total - 580,000 1,485,000 83,000			000,000	551,	55,555								
	• •		580,000	1,485,000	83,000	<u></u>	•	•	[k]	•	\$7	•	
Sources Over(Under) Uses 931,001 (446,057) 60,615 (23,072) 5,844 1,698,410 1,813,630 35,285 (33,478) 159,906 40,411 131,785	Total Uses	724,301	580,000	1,485,000	83,000	54,186	90,873	1,157,779		34,947	92,910	97,489	10,421
	Sources Over(Under) Uses	931,001	(446,057)	60,615	(23,072)	5,844	1,698,410	1,813,630	35,285	(33,478)	159,906	40,411	131,785