

City of Prairie Village

Third Quarter

Financial Report for the third quarter

Ended September 30, 2013

Relating to Fiscal Year 2013

Unaudited



GENERAL FUND

General Fund Balance. The chart, below, shows with 75 percent of the year complete revenues are at 76.5 percent of projections while expenditures are at 56 percent of appropriations. The third quarter for 2012 ended with revenues at 76.8% of projections and expenditures at 59.5% of appropriations. The chart also reports the budgeted fund balance at the start of 2013, which is \$5,647,459 and the audited actual fund balance, which is \$7,490,278.

General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 5,647,459	\$ 7,490,278	
Revenues	16,192,382	12,394,634	76.5%
Expenditures	17,863,131	10,009,082	56.0%
Balance	3,976,710	9,875,830	

The economy tended to be mostly positive in the third quarter despite the Federal Reserve and government shut down. Employment numbers had a steady downtrend during the quarter. With the government shutdown there are no numbers on unemployment for the month of September. Unemployment numbers will not come out again until the government resumes operations.

Housing prices, as measured by the S&P, continue to rise, although at a slower rate than expected. The 20-city index rose 0.6% in July over the month, which was below the 0.8% expected.

The Consumer Confidence index fell from 82.1 at the end of June to 79.7 at the end of September. This could be an indication that consumers may be more frugal over the holiday season, which affects City sales and use tax revenues.

The uncertainty surrounding the US Budget and the debt ceiling can be expected to have both short term and long-term effects on the economy. How this will affect the local economy will depend on how long the two issues go unresolved.

The focus of this report is on 2013 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 2013 and 2012.

Rating Scale for Key Variances:

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



Key variances include:

- **Sales Tax.** Sales tax revenues are \$94,909 greater compared to the last fiscal year, and are at 59.4 percent of the budget estimate. The fourth quarter is traditionally the strongest month for sales tax revenue. In 2012 we were at 63 percent of the budget estimate, but by the end of the fourth quarter we had reached 111.2 percent.
- **Use Tax.** Use tax revenues are \$13,511 greater compared to the last fiscal year, and are at 58.6 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 also. In 2012 we were at 68.3 percent of the budget estimate, but by the end of the fourth quarter we had reached 121 percent.
- **Motor Vehicle Tax.** Motor Vehicle tax revenues are \$112,246 greater compared to 2012, and are at 92.6 percent of the budget estimate. The basis of this tax is the valuation of registered motor vehicles within the City. The Treasury and Financial Management Department at Johnson County provide the estimates that are used during the budget process. In 2012 we were at 88 percent of the budget estimate.
- **Liquor Tax.** Liquor tax revenues have decreased \$4,873 compared to the last fiscal year, but are at 92.2 percent of the budget estimate. Liquor tax is allocated 1/3 General Fund, 1/3 Parks & Recreation and 1/3 Special Alcohol. In 2012 we were at 111.8 percent of the budget estimate.
- **Franchise Fees.** Franchise fee revenues have declined \$184,956 compared to the last fiscal year, and are at 69 percent of the budget estimate. The decline is in part a result of a change in how the KCP&L franchise fee (September 2012 to February 2013) was accounted for during the audit process. In 2012 we were at 74.7 percent of the budget estimate.

- Recreation Fees.** Recreation fee revenue declined \$48,806 compared to last fiscal year, but is at 90.1 percent of the budget estimate. In 2012 we were at 105.1 percent of the budget estimate. The weather played a big role in pool attendance revenue this year. Daily admissions to the pool were \$23,239 below the budget estimate.
- Interest on Investments.** Interest receipts are \$26,654 greater compared to 2012, and are at 98.5 percent of the budget estimate. The City began a new investment program in 2013 (March) with the assistance of Columbia Capital. In 2012 we were at 7.3 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 2013 General Fund budget included:

Capital Outlay - 2013 Budget		
Item to be Replaced/Major Repair	Department	2013 Budget
Office Equipment	Administration	2,050
Council Chairs	All	12,000
MPR Furniture	All	16,000
Field Equipment	Codes	450
Miscellaneous Equipment	Codes	550
Office Equipment	Codes	250
Hardware for field staff	IT	5,000
Miscellaneous Equipment	IT	2,000
Monitors and printer replacement	IT	9,500
PC's - city-wide	IT	10,500
Pool Vacuum / Miscellaneous Equipment	Parks	5,000
Miscellaneous Equipment	Police	13,000
Office Equipment	Police	5,000
Taser Replacement (10)	Police	9,000
Vehicles (3)	Police	79,500
Building upgrades	Public Works	53,000
Drinking Fountain (Harmon)	Public Works	7,200
KW Generator	Public Works	4,350
Restroom (Harmon)	Public Works	5,000
Riding Mower	Public Works	13,500
Wood Chipper	Public Works	47,000
		\$ 299,850

Quarterly Financial report – Third Quarter Ending September 30, 2013

The chart, below, provides summary comparison information on revenues, expenditures and transfers for the third quarter ending September 2013 versus September 2012.

Year to Date Comparison to Prior Year				
General Fund	2013	2012	Over (Under)	
Revenues:				
Property Taxes	3,924,792	4,146,049	(221,257)	-5.34%
Sales Taxes	2,724,077	2,629,168	94,909	3.61%
Use Tax	509,571	496,060	13,511	2.72%
Motor Vehicle Tax	422,950	310,704	112,246	36.13%
Liquor Tax	87,943	92,816	(4,873)	-5.25%
Franchise Fees	1,233,712	1,418,668	(184,956)	-13.04%
Licenses & Permits	363,540	330,981	32,560	9.84%
Charges for Services	1,225,630	1,103,533	122,097	11.06%
Fines & Fees	923,802	791,829	131,973	16.67%
Recreational Fees	422,869	471,675	(48,806)	-10.35%
Interest on Investments	29,558	2,904	26,654	917.88%
Miscellaneous	102,722	98,897	3,825	3.87%
Total Revenue	\$11,971,167	\$11,893,284	\$77,883	0.65%
Transfers from Other funds:				
Transfer from General Fund	-	-	-	
Transfer from Special Highway Fund	-	-	-	
Transfer from Stormwater Utility Fund	423,467	450,000	(26,533)	
Transfer from Special Parks & Rec Fur	-	-	-	
Transfer from Special Alcohol Fund	-	-	-	
Total	423,467	450,000	(26,533)	
Total Sources	\$12,394,634	\$12,343,284	\$51,350	
Expenditures:				
Personal Services	6,064,450	6,326,604	(262,154)	-4.14%
Contract Services	3,179,767	2,996,601	183,166	6.11%
Commodities	586,796	532,709	54,087	10.15%
Capital Outlay	178,069	217,330	(39,261)	-18.07%
Debt Service	-	-	-	
Infrastructure	-	-	-	
Contingency	-	-	-	
Total Expenditures	10,009,082	10,073,244	(64,162)	
Transfers to Other Funds:				
Transfer to Capital Projects Fund	2,518,855	1,636,649	882,206	53.90%
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	275,000	252,500	22,500	8.91%
Total	2,828,855	1,924,149	904,706	
Total Uses	12,837,937	11,997,393	840,544	

The charts, on page 5, provide information on revenue variances for the General Fund and Property Tax for the third quarter ending September 2013.

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

General Fund	Budget	Received YTD Actual	Percent Received	
Revenues:				
Property Taxes	3,924,171	3,924,792	100.0%	
Sales Taxes	4,586,904	2,724,077	59.4%	Yellow
Use Tax	868,837	509,571	58.6%	Yellow
Motor Vehicle Tax	456,712	422,950	92.6%	Green
Liquor Tax	95,422	87,943	92.2%	Yellow
Franchise Fees	1,787,100	1,233,712	69.0%	Red
Licenses & Permits	472,497	363,540	76.9%	
Charges for Services	1,833,534	1,225,630	66.8%	
Fines & Fees	1,166,406	923,802	79.2%	
Recreational Fees	469,238	422,869	90.1%	Yellow
Interest on Investments	30,000	29,558	98.5%	Green
Miscellaneous	78,094	102,722	131.5%	
Total Revenue	\$15,768,915	\$11,971,167	75.9%	

The chart, below, shows Property Tax revenues.

Property Tax	2013 Budget	YTD Comparison		Percent Budget Received
		2013	2012	
Revenues:				
General Fund	3,924,171	3,924,792	4,146,049	100.0%
Bond & Interest Fund	1,575,598	1,568,560	1,322,424	99.6%
Total Revenue	\$5,499,769	\$5,493,352	\$5,468,473	99.9%

OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended September 30, 2013 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						1,568,561					259,032	250,151
Sales Taxes												
Bond Proceeds												
Motor Vehicle Tax				87,943	87,943							
Liquor Tax						137,076						
Licenses & Permits	193	263,222	3,360				168,357					
Intergovernmental												
Charges for Services	1,335,509		1,571,516		314	1,655	45,830	390	7,868	1,997	992	2,194
Interest on Investments	2,855	11	3,521	194				3,349				
Miscellaneous	9,344			1,454								
Total Revenue	1,347,900	263,232	1,578,397	88,137	89,711	1,707,292	214,188	3,739	7,868	1,997	260,024	252,345
Transfers from Other funds:												
Transfer from General Fund							2,518,855	35,000		275,000		
Transfer from Special Highway							565,813					
Transfer from Storm Water Utility Fund						312,752	840,357					
Transfer from Special Parks & Rec Fund							95,422					
Total	-	-	-	-	-	312,752	4,020,447	35,000	-	275,000	-	-
Total Sources	1,347,900	263,232	1,578,397	88,137	89,711	2,020,044	4,234,635	38,739	7,868	276,997	260,024	252,345
Expenditures:												
Personal Services	17,701				51,269							
Contract Services	925,258				17,092			41,823	62,306		605,272	411,546
Commodities					640							
Capital Outlay										94,817		
Debt Service												
Infrastructure												
Bond Costs												
Total Expenditures	942,959	-	-	-	69,000	1,999,385	3,877,304	41,823	62,306	94,817	605,272	411,546
Transfers to Other Funds:												
Transfer to General Fund			423,467									
Transfer to Bond & Interest Fund			312,752									
Transfer to Capital Projects Fund		565,813	840,357	95,422								
Transfer to Equipment Reserve Fund												
Total	-	565,813	1,578,576	95,422	-	-	-	-	-	-	-	-
Total Uses	942,959	565,813	1,578,576	95,422	69,000	1,999,385	3,877,304	41,823	62,306	94,817	605,272	411,546
Sources Over/(Under) Uses	404,941	(302,581)	1,821	(7,285)	20,711	20,659	357,331	(3,084)	(54,438)	182,181	(345,246)	(159,202)