

# **City of Prairie Village**

## **Second Quarter**

Financial Report for the second quarter

Ended June 30, 2014

Relating to Fiscal Year 2014

Unaudited

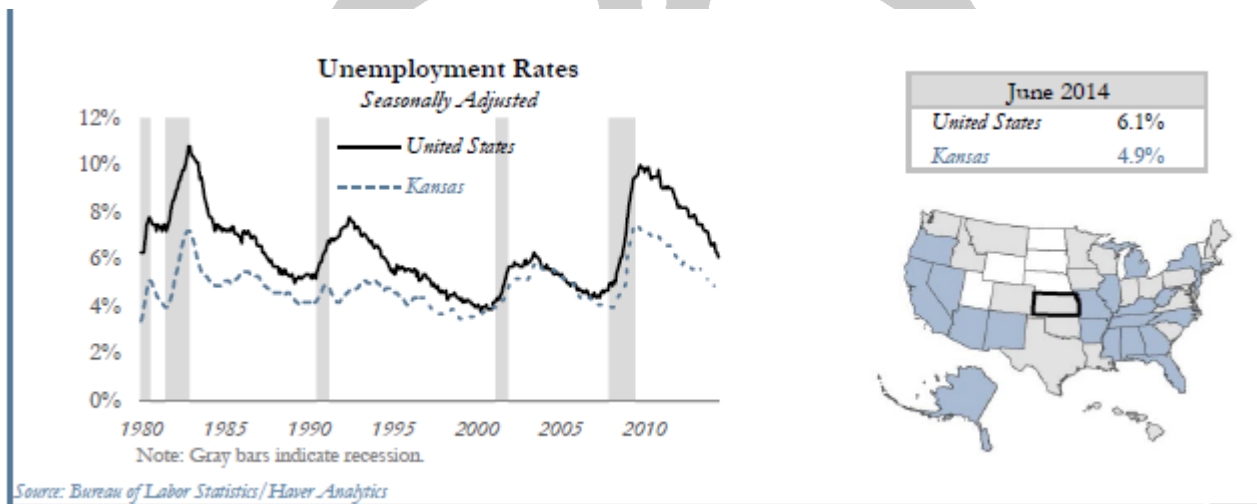


## GENERAL FUND

**General Fund Balance.** The chart, below, shows with 50 percent of the year complete revenues are at 59.3 percent of projections, while expenditures are at 37.1 percent of appropriations. The chart also reports the budgeted fund balance at the start of 2014, which is \$5,819,529 and the final audited fund balance, which is \$7,294,103. The 2014 target ending fund balance is 25 percent of revenues (excluding transfers).

General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 5,819,529	\$ 7,294,103	
Revenues	16,028,305	9,498,769	59.3%
Expenditures	18,259,428	6,777,710	37.1%
Balance	3,588,406	10,015,162	




The second quarter marks the halfway point through the year. The U.S. economy continues to recover, but at a very modest pace and interest rates are likely to remain low. The new jobs and unemployment reports showed a reduction in unemployment to 6.1% down from 6.3% in May. Even more important was the labor force participation rate which held steady at 62.8%. Job growth averaged 231,000 per month in the first six months of the year, the best start since 2006. In Johnson County, which also has the highest labor force, unemployment was 4.5% in June.



The focus of this report is on 2014 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 2014 and 2013.

**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 97.8 percent of the budget estimate. In 2013 we were at 98.5 percent of the budget estimate.
- **Liquor Tax.** Liquor tax revenues are \$12,498 greater compared to the last fiscal year, and are at 58 percent of the budget estimate. In 2013 we were at 59.9 percent of the budget estimate.
- **Franchise Fees.** Franchise fee revenues are \$621,810 greater compared to the last fiscal year, and are at 68.3 percent of the budget estimate. Kansas City Power and Light makes up 93.6 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.
- **Charges for Services.** Charges for Services revenues are down \$82,994 compared to the last fiscal year, and are at 43.4 percent of the budget estimate. In 2013 we were at 45.5 percent of the budget estimate. Significant services provided include the Shawnee Mission East Police, Off-Duty Contractual and the Mission Hills contract. This revenue source will fluctuate depending on services provided.
- **Fines & Fees.** Fines and Fees revenues are \$72,561 greater compared to last fiscal year, and are at 62.1 percent of the budget estimate. In 2013 we were at 53 percent of the budget estimate.
- **Recreational Fees.** Recreational fee revenues are \$44,579 greater compared to last fiscal year, and are at 59.1 percent of the budget estimate. In 2013 we were at 51.4 percent of the budget estimate.

- **Interest on Investments.** Interests receipts for the General Fund only are \$4,575 greater compared to 2013, and are at 24.3 percent of the budget estimate. Interest receipts for all funds were \$78,818, and are at 82.5 percent of the budget estimate.
- **Contract Services.** Contract Services expenses are \$648,605 greater compared to the last fiscal year. Kansas City Power and Light makes up 61.5 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. Legal fees account for another 15 percent, election expenses is 6 percent and increased insurance costs are 8.1 percent. Miscellaneous expenses account for the remainder.
- **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 2014 General Fund budget included:

Capital Outlay - 2014 Budget		
Item to be Replaced/Major Repair	Department	2014 Budget
Office Equipment	Administration	4,000
Office Equipment	Codes	250
Field Equipment	Codes	450
Miscellaneous Equipment	Codes	550
Video Arraignment Equipment	Court	500
Communications Equipment	IT	450
Miscellaneous Equipment	IT	4,500
Laptop's	IT	5,000
PC's - city-wide	IT	10,500
Diving Blocks (2) / Miscellaneous Equipment	Parks	7,000
Miscellaneous Equipment	Parks	13,250
Community Center Chairs	Parks	16,000
Office Equipment	Police	4,500
Police Motorcycles (2)	Police	10,000
Miscellaneous Equipment	Police	11,000
Vehicles (3)	Police	79,500
Snow Plow Replacement	Public Works	2,500
Drinking Fountain (McCrum Park)	Public Works	7,200
Riding Mower	Public Works	12,500
Building upgrades	Public Works	32,000
		\$ 221,650

Quarterly Financial report – First Quarter Ending March 31, 2014

The chart, below, provides summary comparison information on revenues, expenditures and transfers for the second quarter ending June 2014 versus June 2013.

Year to Date Comparison to Prior Year				
General Fund	2014	2013	Over (Under)	
<b>Revenues:</b>				
Property Taxes	4,124,544	3,865,029	259,514	6.71%
Sales Taxes	1,510,957	1,491,202	19,755	1.32%
Use Tax	292,930	282,513	10,417	3.69%
Motor Vehicle Tax	244,447	237,460	6,987	2.94%
Liquor Tax	69,643	57,145	12,498	21.87%
Franchise Fees	1,207,653	585,843	621,810	106.14%
Licenses & Permits	215,790	200,836	14,955	7.45%
Charges for Services	751,538	834,533	(82,994)	-9.94%
Fines & Fees	690,708	618,147	72,561	11.74%
Recreational Fees	285,880	241,301	44,579	18.47%
Interest on Investments	19,455	14,880	4,575	30.75%
Miscellaneous	85,225	69,832	15,392	22.04%
<b>Total Revenue</b>	<b>\$9,498,769</b>	<b>\$8,498,720</b>	<b>\$1,000,049</b>	<b>11.77%</b>
<b>Transfers from Other funds:</b>				
Transfer from General Fund	-	-	-	
Transfer from Special Highway Fund	-	-	-	
Transfer from Stormwater Utility Fund	423,467	423,467	-	
Transfer from Special Parks & Rec Fur	-	-	-	
Transfer from Special Alcohol Fund	-	-	-	
<b>Total</b>	<b>423,467</b>	<b>423,467</b>	<b>-</b>	
<b>Total Sources</b>	<b>\$9,922,236</b>	<b>\$8,922,187</b>	<b>\$1,000,049</b>	
<b>Expenditures:</b>				
Personal Services	4,213,061	4,162,136	50,926	1.22%
Contract Services	2,219,362	1,570,757	648,605	41.29%
Commodities	339,246	345,270	(6,024)	-1.74%
Capital Outlay	6,041	81,027	(74,986)	-92.54%
Debt Service	-	-	-	
Infrastructure	-	-	-	
Contingency	-	-	-	
<b>Total Expenditures</b>	<b>6,777,710</b>	<b>6,159,190</b>	<b>618,521</b>	
<b>Transfers to Other Funds:</b>				
Transfer to Capital Projects Fund	2,518,855	2,518,855	-	0.00%
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	275,000	325,000	118.18%
<b>Total</b>	<b>3,153,855</b>	<b>2,828,855</b>	<b>325,000</b>	
<b>Total Uses</b>	<b>9,931,565</b>	<b>8,988,045</b>	<b>943,521</b>	

The charts, on page 5, provide information on revenue variances for the General Fund and Property Tax for the second quarter ending June 2014.

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

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	4,217,185	4,124,544	97.8%
Sales Taxes	4,678,642	1,510,957	32.3%
Use Tax	886,214	292,930	33.1%
Motor Vehicle Tax	400,000	244,447	61.1%
Liquor Tax	120,000	69,643	58.0%
Franchise Fees	1,769,229	1,207,653	68.3%
Licenses & Permits	472,497	215,790	45.7%
Charges for Services	1,733,534	751,538	43.4%
Fines & Fees	1,112,689	690,708	62.1%
Recreational Fees	483,315	285,880	59.1%
Interest on Investments	80,000	19,455	24.3%
Miscellaneous	75,000	85,225	113.6%
<b>Total Revenue</b>	<b>\$16,028,305</b>	<b>\$9,498,769</b>	<b>59.3%</b>

The chart, below, shows Property Tax revenues.

Property Tax	2014	YTD Comparison		Percent Budget Received
	Budget	2014	2013	
Revenues:				
General Fund	4,217,185	4,124,544	3,865,029	97.8%
Bond & Interest Fund	1,339,107	1,309,712	1,544,566	97.8%
<b>Total Revenue</b>	<b>\$5,556,292</b>	<b>\$5,434,256</b>	<b>\$5,409,595</b>	<b>97.8%</b>

## OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended June 30, 2014 are shown on page 6.

	Solid Waste Management	Special Highway	Stormwater Utility	Special Parks & Rec	Special Alcohol	Bond & Interest	Risk Mgmt	Economic Development	Equipment Reserve	CID Corinth	CID PV Shops
<b>Revenues:</b>											
Property Taxes						1,309,712				161,083	160,075
Sales Taxes											
Bond Proceeds											
Motor Vehicle Tax				69,643		90,320					
Liquor Tax			2,100								
Licenses & Permits	180										
Intergovernmental			1,534,320								
Charges for Services	1,423,793		3,327	177	218	1,884	16	4,438	1,033	188	252
Interest on Investments	1,884										
Miscellaneous	6,716										
<b>Total Revenue</b>	<b>1,432,574</b>	<b>135,174</b>	<b>1,539,746</b>	<b>69,820</b>	<b>69,860</b>	<b>1,401,917</b>	<b>16</b>	<b>4,438</b>	<b>1,033</b>	<b>161,271</b>	<b>160,327</b>
<b>Transfers from Other funds:</b>											
Transfer from General Fund							35,000		600,000		
Transfer from Special Highway											
Transfer from Storm Water Utility Fund											
Transfer from Special Parks & Rec Fund											
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>563,368</b>	<b>35,000</b>	<b>-</b>	<b>687,600</b>	<b>-</b>	<b>-</b>
<b>Total Sources</b>	<b>1,432,574</b>	<b>135,174</b>	<b>1,539,746</b>	<b>69,820</b>	<b>69,860</b>	<b>1,965,285</b>	<b>35,016</b>	<b>4,438</b>	<b>688,633</b>	<b>161,271</b>	<b>160,327</b>
<b>Expenditures:</b>											
Personal Services	10,666				36,867						
Contract Services	477,674				15,957					258,940	546,032
Commodities					6,305						
Capital Outlay									142,704		
Debt Service											
Infrastructure											
Bond Costs											
<b>Total Expenditures</b>	<b>488,339</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59,128</b>	<b>64,501</b>	<b>66,912</b>	<b>34,412</b>	<b>142,704</b>	<b>258,940</b>	<b>546,032</b>
<b>Transfers to Other Funds:</b>											
Transfer to General Fund			423,467								
Transfer to Bond & Interest Fund			563,368								
Transfer to Capital Projects Fund		500,000		120,000							
Transfer to Equipment Reserve Fund				87,600							
<b>Total</b>	<b>-</b>	<b>500,000</b>	<b>1,664,435</b>	<b>120,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Uses</b>	<b>488,339</b>	<b>500,000</b>	<b>1,664,435</b>	<b>120,000</b>	<b>59,128</b>	<b>64,501</b>	<b>66,912</b>	<b>34,412</b>	<b>142,704</b>	<b>258,940</b>	<b>546,032</b>
<b>Sources Over(Under) Uses</b>	<b>944,234</b>	<b>(364,826)</b>	<b>(124,689)</b>	<b>(50,180)</b>	<b>10,732</b>	<b>1,900,784</b>	<b>(31,896)</b>	<b>(29,974)</b>	<b>545,928</b>	<b>(97,669)</b>	<b>(385,705)</b>