

City of Prairie Village

Third Quarter

Financial Report for the third quarter

Ended September 30, 2012

Relating to Fiscal Year 2012

Unaudited



GENERAL FUND

General Fund Balance. The chart, below, shows with 75 percent of the year complete revenues are at 76.8 percent of projections while expenditures are at 59.5 percent of appropriations. The chart also shows the budgeted fund balance at the start of 2012, which is \$5,535,465.

General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 5,535,465	\$ 5,535,465	
Revenues	15,614,499	11,996,631	76.8%
Expenditures	16,940,449	10,073,244	59.5%
Balance	4,209,515	7,458,852	

The Federal Reserve stated that the economy is still growing modestly and unemployment remains elevated. A Labor Department report on November 2nd is forecast to show that unemployment rose to 7.9% and employers added 120,000 workers to payrolls in October. The residential real estate market, however, has been the bright spot. Figures from the Commerce Department show that purchases of new homes rose in September to the highest level in more than two years. Home prices have been rising for six months and many economists believe the housing market has turned a corner. The economic conditions in Kansas, and specifically Prairie Village, have done better than the national average.




The Fed left unchanged its statement that a “highly accommodative monetary policy” will be appropriate “for a considerable time after the economic recovery strengthens” and repeated that interest rates are likely to stay near zero “at least through mid-2015”.

Major economic risk factors continue to be the global financial markets and the “fiscal cliff”. “Fiscal cliff” is the popular term used to describe what the U.S. government will face at the end of 2012, when the terms of the Budget Control Act of 2011 are scheduled to go into effect. The Congressional Budget Office (CBO) predicts if the full impact of the fiscal cliff is realized, it will cause joblessness to climb to 9 percent, along with a recession in the first half of 2013.

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 below are differences between individual revenues and expenses between 2012 and 2011.

Rating Scale for Key Variances:

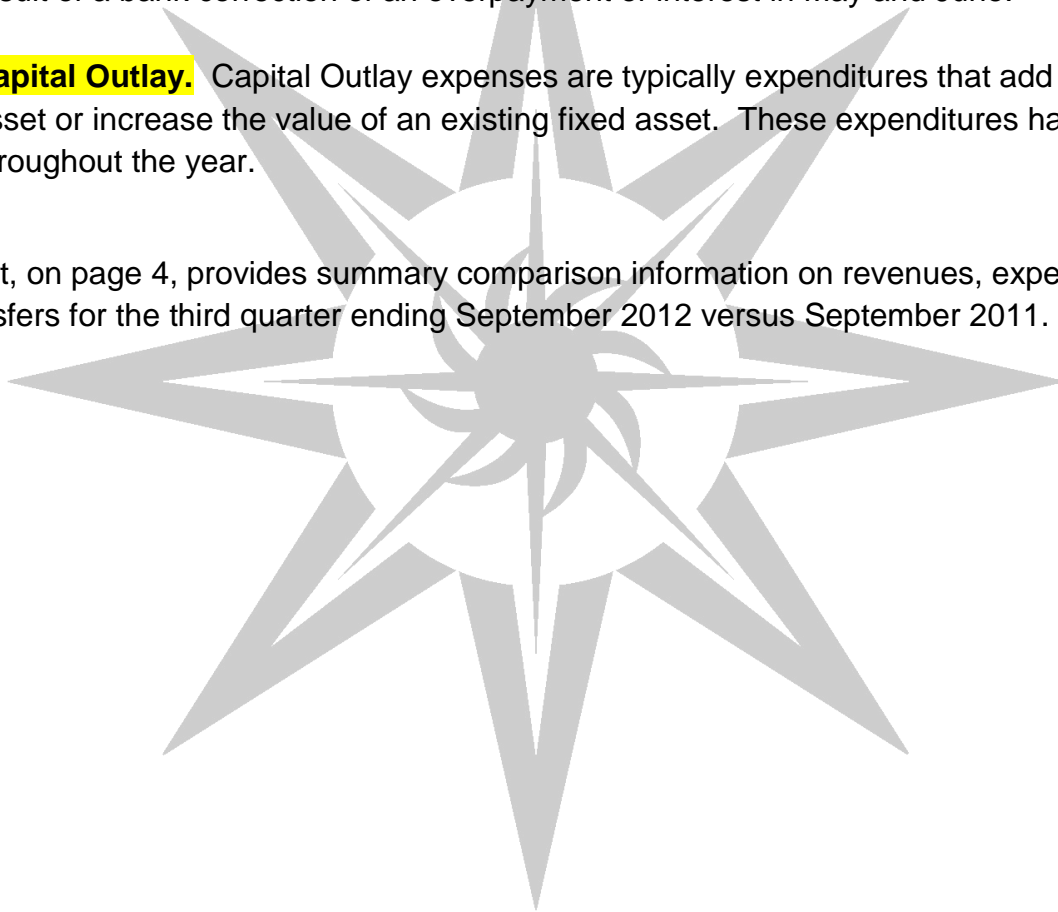
- Positive Outlook 
- Reason for Concern or Comment 
- Negative Outlook 

Key variances include:

- **Sales Tax.** Sales tax revenues are \$64,362 greater compared to the last fiscal year, but are only at 63 percent of the budget estimate. The fourth quarter is traditionally the strongest month for sales tax revenue. In 2011 we were at 60.9 percent of the budget estimate, but by the end of the fourth quarter we had reached 106.8 percent.
- **Use Tax.** Use tax revenues are \$25,909 greater compared to the last fiscal year, and are at 68.3 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 2011 we were at 71.2 percent of the budget estimate, but by the end of the fourth quarter we had reached 128.4 percent.
- **Motor Vehicle Tax.** Motor Vehicle tax revenues have declined \$31,890 compared to September 2011, and are at 88 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.
- **Liquor Tax.** Liquor tax revenues have increased \$27,529 compared to the last fiscal year, and are at 111.8 percent of the budget estimate. Liquor tax is allocated 1/3 General Fund, 1/3 Parks & Recreation and 1/3 Special Alcohol.
- **Licenses & Permits.** Licenses and permits have increased \$31,656 compared to the last fiscal year, and are at 72.8 percent of the budget estimate.

- **Fines & Fees.** Fines and Fees have decreased \$125,537 compared to the last fiscal year, and are 79.8 percent of the budget estimate. This is a direct result of a drop of 900 in traffic citations issued through September. The decline in traffic violation revenue is attributable to being down one traffic officer since the beginning of the year and the time spent field training new officers, which takes away from traffic enforcement.
- **Interest on Investments.** Interest receipts have declined \$8,897 compared to September 2011, and are at 7.3 percent of the budget estimate. Interest revenue fluctuates based on the prevailing interest rates. Please note that interest receipts for September are less than what was shown on the second quarter report. This is a result of a bank correction of an overpayment of interest in May and June.
- **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 4, provides summary comparison information on revenues, expenditures and transfers for the third quarter ending September 2012 versus September 2011.



Year to Date Comparison to Prior Year				
General Fund	2012	2011	Over (Under)	
Revenues:				
Property Taxes	4,146,049	3,965,729	180,320	4.55%
Sales Taxes	2,629,168	2,564,806	64,362	2.51%
Use Tax	496,060	470,151	25,909	5.51%
Motor Vehicle Tax	310,704	342,594	(31,890)	-9.31%
Liquor Tax	92,816	65,287	27,529	42.17%
Franchise Fees	1,418,668	1,462,813	(44,145)	-3.02%
Licenses & Permits	330,981	299,325	31,656	10.58%
Intergovernmental			-	
Charges for Services	1,228,215	1,275,683	(47,468)	-3.72%
Fines & Fees	791,829	917,366	(125,537)	-13.68%
Recreational Fees	471,675	451,421	20,254	4.49%
Interest on Investments	2,904	11,801	(8,897)	-75.39%
Miscellaneous	77,562	24,334	53,228	218.74%
Total Revenue	\$11,996,631	\$11,851,309	\$145,322	1.23%
Transfers from Other funds:				
Transfer from General Fund	-	-	-	
Transfer from Special Highway Fund	-	-	-	
Transfer from Stormwater Utility Fund	450,000	450,000	-	
Transfer from Special Parks & Rec Fun	-	-	-	
Transfer from Special Alcohol Fund	-	-	-	
Total	450,000	450,000	-	
Total Sources	\$12,446,631	\$12,301,309	\$145,322	
Expenditures:				
Personal Services	6,326,604	6,107,431	219,173	3.59%
Contract Services	2,996,601	2,938,614	57,987	1.97%
Commodities	532,709	631,709	(99,001)	-15.67%
Capital Outlay	217,330	122,684	94,647	77.15%
Debt Service				
Infrastructure				
Contingency	-	25,720	(25,720)	
Total Expenditures	10,073,244	9,826,159	247,085	
Transfers to Other Funds:				
Transfer to Capital Projects Fund	1,616,649	901,649	715,000	79.30%
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	252,500	222,000	30,500	13.74%
Total	1,904,149	1,158,649	745,500	
Total Uses	11,977,393	10,984,808	992,585	

The charts, on page 5, provide information on revenue variances for the General Fund and Property Tax for the third quarter ending September 2012.

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

General Fund	Received		Percent Received
	Budget	YTD Actual	
Revenues:			
Property Taxes	4,192,109	4,146,049	98.9%
Sales Taxes	4,172,000	2,629,168	63.0%
Use Tax	726,000	496,060	68.3%
Motor Vehicle Tax	353,040	310,704	88.0%
Liquor Tax	83,000	92,816	111.8%
Franchise Fees	1,899,800	1,418,668	74.7%
Licenses & Permits	454,900	330,981	72.8%
Intergovernmental			
Charges for Services	1,744,000	1,228,215	70.4%
Fines & Fees	992,000	791,829	79.8%
Recreational Fees	448,950	471,675	105.1%
Interest on Investments	40,000	2,904	7.3%
Miscellaneous	58,700	77,562	132.1%
Total Revenue	\$15,164,499	\$11,996,631	79.1%

The chart, below, shows Property Tax revenues

Property Tax	YTD Comparison		Percent Budget Received
	2012 Budget	2012 2011	
Revenues:			
General Fund	4,192,109	4,146,049 3,965,729	98.9%
Bond & Interest Fund	1,300,466	1,322,424 1,329,989	101.7%
Total Revenue	\$5,492,575	\$5,468,474 \$5,295,718	99.6%

OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended September 30, 2012 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						1,322,424					247,541	250,844
Sales Taxes												
Bond Proceeds												
Motor Vehicle Tax				92,816	92,816							
Liquor Tax												
Licenses & Permits	90	276,655	2,660									
Intergovernmental							123,569					
Charges for Services	1,680,563		1,569,753									
Interest on Investments	207	56	355		6	106	3,516	26	1,036	188	81	89
Miscellaneous	12,897				100			1,080				
Total Revenue	1,693,757	276,711	1,572,767	92,816	92,922	1,530,148	127,084	1,106	1,036	188	247,623	250,934
Transfers from Other funds:												
Transfer from General Fund												
Transfer from Special Highway							1,616,649	35,000		252,500		
Transfer from Storm Water Utility Fund							580,000					
Transfer from Storm Water Utility Fund							450,830	584,170				
Transfer from Special Parks & Rec Fund							83,000					
Total	-	-	-	-	-	450,830	2,863,819	35,000	-	252,500	-	-
Total Sources	1,693,757	276,711	1,572,767	92,816	92,922	1,980,978	2,990,903	36,106	1,036	252,688	247,623	250,934
Expenditures:												
Personal Services	17,837											
Contract Services	1,121,021											
Commodities												
Capital Outlay												
Debt Service												
Infrastructure												
Bond Costs												
Total Expenditures	1,138,858	-	-	-	69,890	2,000,485	2,364,285	14,300	49,628	343,388	97,489	10,421
Transfers to Other Funds:												
Transfer to General Fund			450,000									
Transfer to Bond & Interest Fund			450,830									
Transfer to Capital Projects Fund		580,000	584,170	83,000								
Transfer to Equipment Reserve Fund												
Total	-	580,000	1,485,000	83,000	-	-	-	-	-	-	-	-
Total Uses	1,138,858	580,000	1,485,000	83,000	69,890	2,000,485	2,364,285	14,300	49,628	343,388	97,489	10,421
Sources Over(Under) Uses	554,899	(303,289)	87,767	9,816	23,032	(19,507)	626,618	21,806	(48,592)	(90,700)	150,133	240,513