

City of Prairie Village

Second Quarter

Financial Report for the second quarter

Ended June 30, 2018

Relating to Fiscal Year 2018

Unaudited



GENERAL FUND

General Fund Balance. The chart, below, shows with 50 percent of the year complete revenues are at 60.4 percent of projections, while expenditures are at 44.2 percent of appropriations. The chart also reports the budgeted fund balance at the start of 2018, which is \$7,028,981 and the audited actual fund balance, which is \$7,515,510. The 2018 target ending fund balance is 25 percent of revenues (excluding transfers).

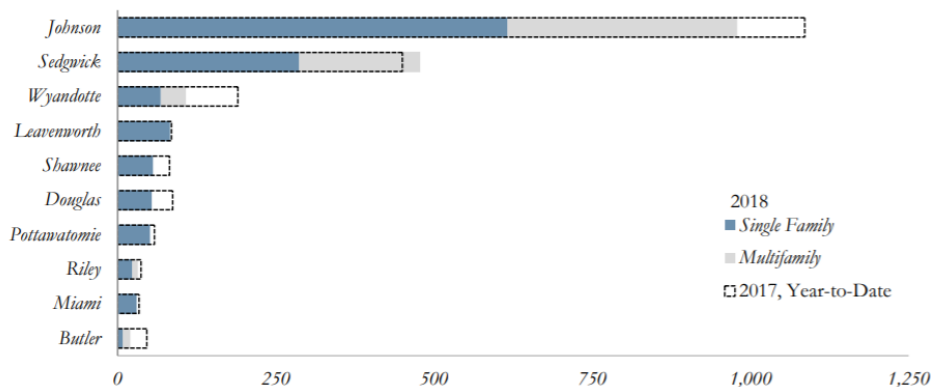
General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 7,028,981	\$ 7,515,510	
Revenues	20,644,530	12,475,249	60.4%
Expenditures	22,890,562	10,119,225	44.2%
Balance	4,782,949	9,871,535	

SUMMARY OF KANSAS ECONOMIC CONDITIONS

Home prices in Kansas increased 5.8 in the first quarter of 2018 compared to a year ago. According to the Federal Reserve, there is a large unmet demand for housing and the housing supply has responded weakly to this increasing demand. In order to fill the desire for more housing you need vacant existing housing units or newly constructed housing units. The two main constraints on housing availability is scarce construction workers and limited undeveloped land in desired locations. Prairie Village is a perfect example of a desired location that has limited vacant housing and little to no undeveloped land. The result has been elevated home prices and tear down and rebuilds.

Top 10 Kansas Counties for Permit Activity

Year-to-Date through April






Source: Federal Housing Finance Agency (FHFA) & Census Bureau/Haver Analytics

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The focus of this report is on 2018 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 2018 and 2017.

Rating Scale for Key Variances:

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

Key variances include:

- **Sales Tax.** Sales tax revenues are \$220,206 greater compared to the last fiscal year, and are at 33 percent of the budget estimate. In 2017 we were at 32 percent of the budget estimate.
- **Use Tax.** Use tax revenues are \$59,401 greater compared to the last fiscal year, and are at 40 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. In 2017 we were at 37 percent of the budget estimate.
- **Liquor Tax.** Liquor tax revenues are \$6,994 less compared to the last fiscal year, and are at 48 percent of the budget estimate. In 2017 we were at 57 percent of the budget estimate. The State levies a 10% surtax on the sale of all alcoholic beverages sold by any club, caterer, or drinking establishment. 70 percent of the taxes paid within the City limits are returned and must be allocated 1/3 to each of the following funds: General, Special Parks & Recreation, and Special Alcohol.
- **Franchise Fees.** Franchise fee revenues are \$114,574 greater compared to the last fiscal year, and are at 40 percent of the budget estimate. Kansas Gas, which is weather dependant, accounts for 58 percent of the increase over 2017. In 2017 we were at 37 percent of the budget estimate.
- **Licenses & Permits.** License and permit revenues are \$39,901 greater compared to last fiscal year, and are at 48 percent of the budget estimate. In 2017 we were at 51 percent of the budget estimate.
- **Fines & Fees.** Fines and fee revenues are \$81,655 greater compared to last fiscal year, and are at 60 percent of the budget estimate. Traffic violations, which is dependent on the number of officers on the street, accounts for 97 percent of the increase over 2017. In 2017 we were at 46 percent of the budget estimate.

The chart, below, provides summary comparison information on revenues, expenditures and transfers for the second quarter ending June 2018 versus June 2017.

Year to Date Comparison to Prior Year				
General Fund	2018	2017	Over (Under)	
Revenues:				
Property Taxes	6,737,622	6,189,443	548,179	8.86%
Sales Taxes	1,763,257	1,543,051	220,206	14.27%
Use Tax	421,574	362,173	59,401	16.40%
Motor Vehicle Tax	358,442	327,407	31,035	
Liquor Tax	66,452	73,446	(6,994)	-9.52%
Franchise Fees	847,165	732,591	114,574	15.64%
Licenses & Permits	345,067	305,166	39,901	13.08%
Charges for Services	807,844	749,073	58,771	7.85%
Fines & Fees	541,494	459,839	81,655	17.76%
Recreational Fees	280,663	281,256	(592)	-0.21%
Interest on Investments	29,383	15,408	13,976	90.71%
Miscellaneous	51,285	109,084	(57,799)	-52.99%
Total Revenue	\$12,250,249	\$11,147,937	\$1,102,312	9.89%
Transfers from Other funds:				
Transfer from General Fund	-	-		
Transfer from Special Highway Fund	-	-		
Transfer from Stormwater Utility Fund	225,000	200,000	25,000	
Transfer from Special Parks & Rec Fund	-	-		
Transfer from Special Alcohol Fund	-	-		
Total	225,000	200,000	25,000	
Total Sources	\$12,475,249	\$11,347,937	\$1,127,312	
Expenditures:				
Personal Services	4,804,388	4,514,136	290,252	6.43%
Contract Services	1,538,439	1,579,234	(40,795)	-2.58%
Commodities	243,582	214,580	29,002	13.52%
Capital Outlay	122,016	131,038	(9,022)	-6.89%
Debt Service				
Infrastructure				
Contingency	-	-	-	
Total Expenditures	6,708,426	6,438,989	269,437	4.18%
Transfers to Other Funds:				
Transfer to Capital Projects Fund	2,651,780	2,050,000	601,780	29.36%
Transfer to Bond & Interest Fund	516,519	240,348	276,171	114.90%
Transfer to Risk Management Fund	17,500	17,500	-	
Transfer to Economic Development	-	-	-	
Transfer to Equipment Reserve Fund	225,000	100,000	125,000	125.00%
Total	3,410,799	2,407,848	1,002,951	
Total Uses	10,119,225	8,846,837	1,272,388	

The charts, below, provide information on expenditure and revenue budget to actual variances for the General Fund for the second quarter ending June 2018.

Expenditure Variances

General Fund	Budget	Expended YTD Actual	Percent Expended
Expenditures:			
Personnel Services	10,068,038	4,804,388	47.7%
Contract Services	4,519,301	1,538,439	34.0%
Commodities	769,925	243,582	31.6%
Capital Outlay	211,700	122,016	57.6%
Contingency	500,000	-	0.0%
Transfers to Other Funds	6,821,598	3,410,799	50.0%
Total Expenditures	\$22,890,562	\$10,119,225	44.2%

Revenue Variances

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	7,055,343	6,737,622	95.5%
Sales Taxes	5,300,000	1,763,257	33.3%
Use Tax	1,060,000	421,574	39.8%
Motor Vehicle Tax	727,688	358,442	49.3%
Liquor Tax	138,647	66,452	47.9%
Franchise Fees	2,101,700	847,165	40.3%
Licenses & Permits	723,250	345,067	47.7%
Charges for Services	1,554,302	807,844	52.0%
Fines & Fees	907,400	541,494	59.7%
Recreational Fees	408,700	280,663	68.7%
Interest on Investments	55,000	29,383	53.4%
Miscellaneous	162,500	51,285	31.6%
Transfer from Stormwater Utility Fund	450,000	225,000	50.0%
Total Revenue	\$20,644,530	\$12,475,249	60.4%

OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended June 30, 2018 are shown on page 5.

	Solid Waste Management	Special Highway	Stormwater Utility	Meadowbrook TIF	Special Parks & Rec	Special Alcohol	Bond & Interest	Capital Projects	Risk Mgmt	Economic Development	Equipment Reserve	CID Corinth	CID PV Shops
Revenues:													
Property Taxes				303,276			236					191,630	168,547
Meadowbrook TIF													
Sales Taxes													
Bond Proceeds					66,452		12,116						
Motor Vehicle Tax													
Liquor Tax													
Licenses & Permits	545		5,460										
Intergovernmental		137,534						1,276,103					
Charges for Services	1,635,544		1,535,978										
Interest on Investments	12,116	3,940	22,091		53	755	197	34,682	30	198	107	642	622
Miscellaneous	27				100			1,000					
Total Revenue	1,648,232	141,475	1,563,529	303,276	66,505	67,307	12,549	1,311,785	30	198	107	192,272	169,168
Transfers from Other funds:													
Transfer from General Fund							516,519	2,651,780	17,500		225,000		
Transfer from Special Highway								321,500					
Transfer from Storm Water Utility Fund							120,917	500,000					
Transfer from Special Parks & Rec Fund							637,436	3,542,816	17,500		225,000		
Total	-	-	-	-	-	-	637,436	3,542,816	17,500	-	225,000	-	-
Total Sources	1,648,232	141,475	1,563,529	303,276	66,505	67,307	649,985	4,854,601	17,530	198	225,107	192,272	169,168
Expenditures:													
Personal Services	13,569												
Contract Services	717,453			361,246		48,015				19,452		315,936	210,000
Commodities						43,285							
Capital Outlay						8,627					80,850		
Debt Service							66,519						
Infrastructure													
Bond Costs													
Total Expenditures	731,021	-	-	361,246	-	99,927	66,519	1,875,500	-	19,452	80,850	315,936	210,000
Transfers to Other Funds:													
Transfer to General Fund			225,000										
Transfer to Bond & Interest Fund			120,917										
Transfer to Capital Projects Fund		321,500	500,000		69,536								
Transfer to Equipment Reserve Fund													
Total	-	321,500	845,917	-	69,536	-	-	-	-	-	-	-	-
Total Uses	731,021	321,500	845,917	361,246	69,536	99,927	66,519	1,875,500	-	19,452	80,850	315,936	210,000
Sources Over(Under) Uses	917,211	(180,025)	717,613	(57,970)	(3,031)	(32,620)	583,466	2,979,101	17,530	(19,254)	144,257	(123,664)	(40,832)