

City of Prairie Village

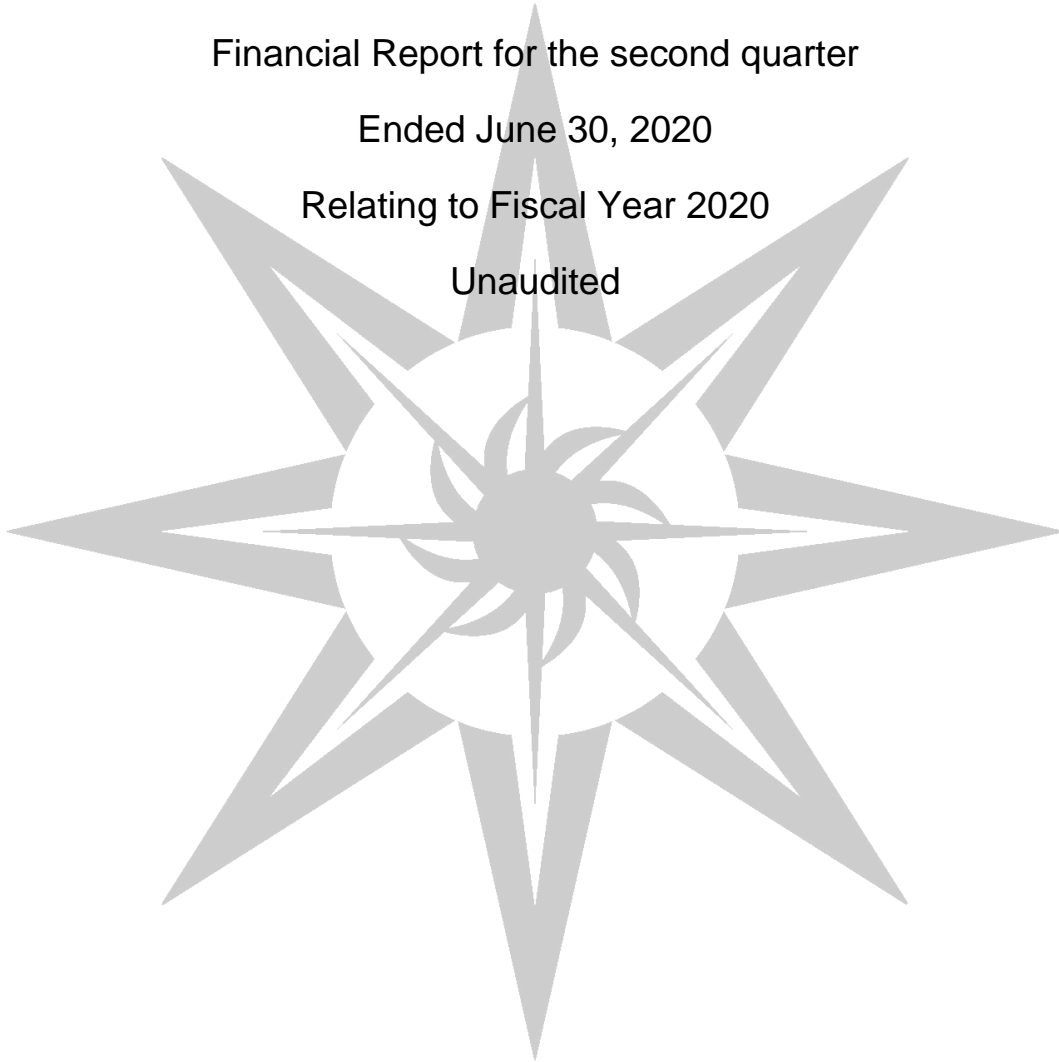
Second Quarter

Financial Report for the second quarter

Ended June 30, 2020

Relating to Fiscal Year 2020

Unaudited



GENERAL FUND

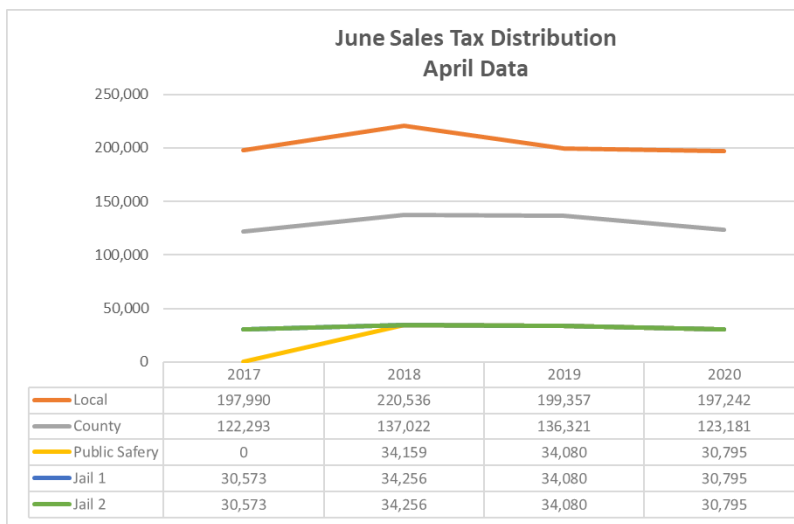
General Fund Balance. The chart, below, shows with 50 percent of the year complete revenues are at 58.1 percent of projections, while expenditures are at 44.9 percent of appropriations. The chart also reports the budgeted fund balance at the start of 2020, which is \$6,615,787 and the audited actual fund balance, which is \$7,480,651. The 2020 target ending fund balance is 25 percent of revenues (excluding transfers). As a comparison, in 2019 revenues were at 60.7 percent and expenditures were at 46.2 percent.

General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 6,615,787	\$ 7,480,651	
Revenues	22,778,855	13,234,818	58.1%
Expenditures	23,868,123	10,720,600	44.9%
Balance	5,526,519	9,994,869	

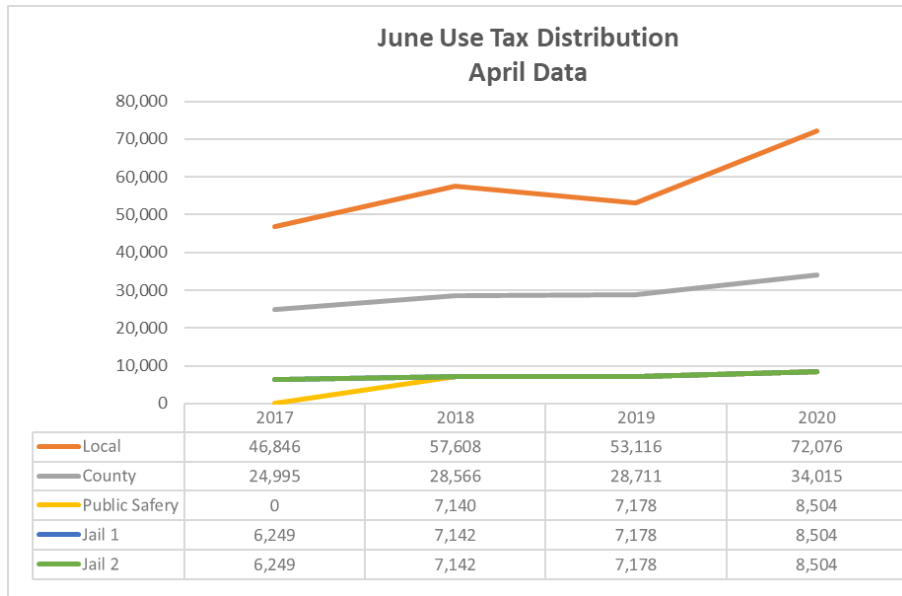
SUMMARY OF KANSAS ECONOMIC CONDITIONS

The speed and spread of the COVID-19 virus also led to a fast and wide ranging economic impact that has had an effect on our operations and services. Johnson County job losses mounted and unemployment skyrocketed. The Johnson County unemployment rate in May was 9.3%, compared to the highest unemployment rate for the same month in the previous 5 years, which was 3.5%.

Local sales tax collections for April 2020 compared to April 2019 were down 1%, compared to the County portion (County, Public Safety, Jail 1 and Jail 2) which were down 9.6%.



In comparison, Use tax collections over the same time period were very strong when compared to the previous 3 years. Use taxes are levied on goods or services bought in one state or municipality, then transported into, consumed in, or resold in another municipality or state. Use taxes aim to preserve sales tax revenues and protect local retailers from competition in jurisdictions with lower sales taxes or no sales taxes. Purchases made through Amazon are an example of Use tax.






Sales and Use tax make up about 32 percent of City revenues and are tied to personal consumption. A recovery in consumer spending will be important for the overall economic recovery since personal consumption makes up about 70 percent of the total U.S. gross domestic product.

The impact of Covid-19 will be affected by efforts to contain the virus and the ability for businesses to reopen. The economy has declined, but whether it has bottomed out is hard to tell. It is also unclear when the economy will recover to pre-pandemic levels. The City of Prairie Village has implemented strategies to contain costs and is in a good position if the economy continues to weaken.

The focus of this report is on 2020 revenues and expenditures. The city’s goal is to achieve a “positive outlook” in all key financial areas.

Rating Scale for Key Variances:

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

Key variances include:

- **Sales Tax.** Sales tax revenues are \$8,405 greater compared to the last fiscal year, and are at 30.5 percent of the budget estimate. In 2019 we were at 31.7 percent of the budget estimate.
- **Use Tax.** Use tax revenues are \$58,342 greater compared to the last fiscal year, and are at 35.3 percent of the budget estimate. In 2019 we were at 34.1 percent of the budget estimate.
- **Franchise Fees.** Franchise fee revenues are \$51,682 less compared to the last fiscal year, and are at 33.7 percent of the budget estimate. In 2019 we were at 37.6 percent of the budget estimate.
- **Licenses and Permits.** Licenses and permit revenues are \$61,906 less compared to the last fiscal year, and are at 38.8 percent of the budget estimate. In 2019 we were at 49.2 percent of the budget estimate. Building permit revenue makes up 82% of the change.
- **Fines and Fees.** Fines and fee revenues are \$120,081 less compared to the last fiscal year, and are at 31.3 percent of the budget estimate. In 2019 we were at 49.2 percent of the budget estimate. Traffic violations make up 99 percent of the decline.
- **Recreation Fees.** Recreation fee revenues are \$235,563 less compared to the last fiscal year, and are at 4.2 percent of the budget estimate. In 2019 we were at 58.6 percent of the budget estimate. Recreation fees include the City pools (closed due to COVID-19), community center (closed to public due to Public Works Facility), park pavilions and other city activities and rentals.
- **Interest on Investments.** Interest receipts for the General Fund only are \$3,649 greater compared to 2019, and are at 117.8 percent of the budget estimate. Interest receipts for all funds are \$277,509 and are at 147 percent of the budget estimate. Interest receipts depend on the maturity date of investments, type of investment and rate of interest.

Quarterly Financial report – Second Quarter Ending June 30, 2020

The chart, below, provides summary comparison information on revenues, expenditures and transfers for the second quarter ending June 2020 versus June 2019.

Year to Date Comparison to Prior Year				
General Fund	2020	2019	Over (Under)	
Revenues:				
Property Taxes	7,977,393	7,403,852	573,542	7.75%
Sales Taxes	1,697,901	1,689,496	8,405	0.50%
Use Tax	485,079	426,738	58,342	13.67%
Motor Vehicle Tax	360,653	382,017	(21,364)	-5.59%
Liquor Tax	66,251	66,845	(594)	-0.89%
Franchise Fees	690,630	742,312	(51,682)	-6.96%
Licenses & Permits	296,411	358,318	(61,906)	-17.28%
Charges for Services	840,902	831,915	8,987	1.08%
Fines & Fees	324,836	444,916	(120,081)	-26.99%
Recreational Fees	17,304	252,867	(235,563)	-93.16%
Interest on Investments	88,347	84,698	3,649	4.31%
Miscellaneous	106,611	98,596	8,015	8.13%
Total Revenue	\$12,952,318	\$12,782,570	\$169,748	1.33%
Transfers from Other funds:				
Transfer from General Fund	-	-	-	
Transfer from Special Highway Fund	-	-	-	
Transfer from Stormwater Utility Fund	282,500	282,500	-	
Transfer from Special Parks & Rec Fund	-	-	-	
Transfer from Special Alcohol Fund	-	-	-	
Total	282,500	282,500	-	
Total Sources	\$13,234,818	\$13,065,070	\$169,748	
Expenditures:				
Personal Services	5,434,083	5,389,461	44,622	0.83%
Contract Services	1,567,063	1,639,243	(72,180)	-4.40%
Commodities	275,989	282,714	(6,725)	-2.38%
Capital Outlay	188,604	159,723	28,881	18.08%
Contingency	-	-	-	
Total Expenditures	7,465,739	7,471,141	(5,403)	-0.07%
Transfers to Other Funds:				
Transfer to Capital Projects Fund	2,326,555	2,577,558	(251,004)	-9.74%
Transfer to Bond & Interest Fund	650,615	537,488	113,127	21.05%
Transfer to Risk Management Fund	17,500	17,500	-	
Transfer to Economic Development	32,500	-	32,500	
Transfer to Equipment Reserve Fund	227,693	200,000	27,693	13.85%
Total	3,254,862	3,332,546	(77,684)	
Total Uses	10,720,600	10,803,687	(83,087)	

The charts, below, provide information on expenditure and revenue budget to actual variances for the General Fund for the second quarter ending June 2020.

Expenditure Variances

General Fund	Budget	Expended YTD Actual	Percent Expended
Expenditures:			
Personnel Services	11,205,956	5,434,083	48.5%
Contract Services	4,605,594	1,567,063	34.0%
Commodities	775,200	275,989	35.6%
Capital Outlay	271,650	188,604	69.4%
Contingency	500,000	-	0.0%
Transfers to Other Funds	6,509,723	3,254,862	50.0%
Total Expenditures	\$23,868,123	\$10,720,600	44.9%

Revenue Variances

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	8,208,703	7,977,393	97.2%
Sales Taxes	5,575,000	1,697,901	30.5%
Use Tax	1,375,000	485,079	35.3%
Motor Vehicle Tax	789,025	360,653	45.7%
Liquor Tax	139,792	66,251	47.4%
Franchise Fees	2,048,154	690,630	33.7%
Licenses & Permits	763,850	296,411	38.8%
Charges for Services	1,673,906	840,902	50.2%
Fines & Fees	1,037,775	324,836	31.3%
Recreational Fees	411,050	17,304	4.2%
Interest on Investments	75,000	88,347	117.8%
Miscellaneous	116,600	106,611	91.4%
Transfer from Stormwater Utility Fund	565,000	282,500	50.0%
Total Revenue	\$22,778,855	\$13,234,818	58.1%

OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended June 30, 2020 are shown on page 6.

	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				1,198,339								158,531	180,318
Meadowbrook TIF					66,251								
Sales Taxes													
Bond Proceeds													
Motor Vehicle Tax													
Liquor Tax													
Licenses & Permits	1,330		6,370		66,251								
Intergovernmental		147,802						4,709,267					
Charges for Services	1,862,475		1,550,888										
Interest on Investments	38,560	9,516	47,987	5,225		885	1,093	71,006	3,313	562	2,351	3,356	5,408
Miscellaneous	494							2,905	191				
Total Revenue	1,902,859	157,317	1,605,146	1,203,564	66,251	67,136	1,093	4,783,178	3,504	562	2,351	161,887	185,725
Transfers from Other funds:													
Transfer from General Fund							650,615	2,326,555	17,500	32,500	227,693		
Transfer from Special Highway								305,020					
Transfer from Storm Water Utility Fund								500,000					
Transfer from Economic Development Fund													
Transfer from Special Parks & Rec Fund								66,251					
Total	-	-	-	-	-	-	650,615	3,197,826	17,500	32,500	227,693	-	-
Total Sources	1,902,859	157,317	1,605,146	1,203,564	66,251	67,136	651,708	7,981,004	21,004	33,062	230,043	161,887	185,725
Expenditures:													
Personal Services	17,411												
Contract Services	749,986												
Commodities				1,162,270									
Capital Outlay													
Debt Service													
Infrastructure													
Bond Costs													
Total Expenditures	767,397	-	-	1,162,270	-	101,947	115,430	2,376,620	1,869	27,102	190,817	105,000	248,180
Transfers to Other Funds:													
Transfer to General Fund			282,500										
Transfer to Bond & Interest Fund													
Transfer to Capital Projects Fund		305,020	500,000		66,251								
Transfer to Equipment Reserve Fund													
Total	-	305,020	782,500	-	66,251	-	-	-	-	-	-	-	-
Total Uses	767,397	305,020	782,500	1,162,270	66,251	101,947	115,430	2,376,620	1,869	27,102	190,817	105,000	248,180
Sources Over(Under) Uses	1,135,462	(147,703)	822,646	41,293	-	(34,810)	536,278	5,604,384	19,134	5,960	39,226	56,887	(62,454)