

City of Prairie Village

Third Quarter

Financial Report for the third quarter

Ended September 30, 2020

Relating to Fiscal Year 2020

Unaudited



GENERAL FUND

General Fund Balance. The chart, below, shows with 75 percent of the year complete revenues are at 75.4 percent of projections, while expenditures are at 67.9 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 79.3 percent and expenditures were at 69.8 percent.

General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 6,615,787	\$ 7,480,651	
Revenues	22,778,855	17,186,459	75.4%
Expenditures	23,868,123	16,204,220	67.9%
Balance	5,526,519	8,462,889	

The City's efforts to contain spending during these uncertain times has resulted in the General Fund expenditures being \$124,125 less than they were at the same time last year.

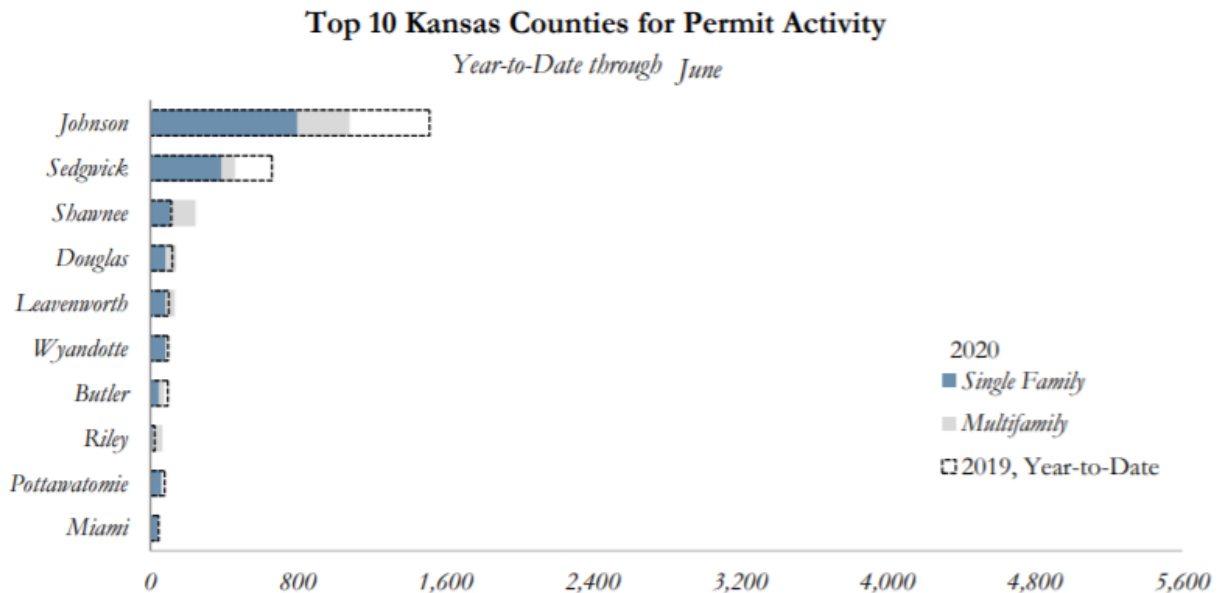
Year to Date Comparison to Prior Year			
General Fund	2020	2019	Over (Under)
Expenditures:			
Personal Services	8,107,068	8,134,553	(27,485)
Contract Services	2,619,378	2,587,035	32,344
Commodities	402,486	441,021	(38,535)
Capital Outlay	192,997	166,919	26,077
Contingency	-	-	-
Total Expenditures	11,321,928	11,329,527	(7,599)
Transfers to Other Funds:			
Transfer to Capital Projects Fund	3,489,832	3,866,337	(376,505)
Transfer to Bond & Interest Fund	975,922	806,231	169,691
Transfer to Risk Management Fund	26,250	26,250	-
Transfer to Economic Development	48,750	-	48,750
Transfer to Equipment Reserve Fund	341,539	300,000	41,539
Total	4,882,292	4,998,818	(116,526)
Total Uses	16,204,220	16,328,345	(124,125)

SUMMARY OF KANSAS ECONOMIC CONDITIONS

The outlook for both the regional and U.S. economies remains highly uncertain and tied to the path of the pandemic. Declines in consumption and job losses are most notable in service sectors of the economy, highlighting the unique nature of this public-health related downturn. The unemployment rate remains well above its longer run natural level but the labor market showed some signs of stabilization through the summer months. Persistent high unemployment can lead to lasting damage to the economy if workers lose key workplace skills or reduce their willingness to participate in the labor force. The Johnson County June unemployment rate was 6.5 percent, compared to the Kansas unemployment rate of 7.5 percent. The Kansas unemployment rate reached 11.9 percent in April, the highest on record for the state.

Prairie Village sales tax collections thru the third quarter were down 1.5 percent compared to the same time last year. In comparison, Use tax collections over the same time period were very strong and were 19.13 percent higher compared to last year. Online purchases, such as Amazon, are an example of use tax.



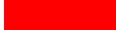
Residential real estate remains strong in Johnson County and Prairie Village. This is important since Prairie Village is considered a bedroom community.



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

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 \$46,748 less compared to the last fiscal year, and are at 55.2 percent of the budget estimate. In 2019 we were at 58.7 percent of the budget estimate.
- **Use Tax.** Use tax revenues are \$151,684 greater compared to the last fiscal year, and are at 68.7 percent of the budget estimate. In 2019 we were at 63.4 percent of the budget estimate.
- **Liquor Tax.** Liquor tax revenues are \$19,349 less compared to the last fiscal year, and are at 57.1 percent of the budget estimate. In 2019 we were at 72.8 percent of the budget estimate. Alcohol tax distributions are quarterly, and the third quarter distribution was 42 percent of the 2019 distribution.
- **Franchise Fees.** Franchise fee revenues are \$30,365 less compared to the last fiscal year, and are at 59.9 percent of the budget estimate. In 2019 we were at 63.8 percent of the budget estimate.
- **Licenses and Permits.** Licenses and permit revenues are \$110,377 less compared to the last fiscal year, but are at 71 percent of the budget estimate. In 2019 we were at 89.7 percent of the budget estimate. Building permit revenue makes up the majority of the change. The decline in building permit revenue was anticipated and budgeted for as large projects such as Meadowbrook are being completed.
- **Fines and Fees.** Fines and fee revenues are \$159,341 less compared to the last fiscal year, and are at 49.7 percent of the budget estimate. In 2019 we were at 74.6 percent of the budget estimate. Traffic violations make up 99 percent of the decline.

- **Recreation Fees.** Recreation fee revenues are \$386,483 less compared to the last fiscal year, and are at 6.6 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. The loss in revenues was offset by approximately \$322,248 in expenditures that were not incurred.
- **Interest on Investments.** Interest receipts for the General Fund only are \$15,249 greater compared to 2019, and are at 148.5 percent of the budget estimate. Interest receipts for all funds are \$350,332 and are at 185 percent of the budget estimate. Interest receipts depend on the maturity date of investments, type of investment and rate of interest.



Quarterly Financial report – Third Quarter Ending September 30, 2020

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

Year to Date Comparison to Prior Year				
General Fund	2020	2019	Over (Under)	
Revenues:				
Property Taxes	8,167,695	7,535,548	632,147	8.39%
Sales Taxes	3,080,102	3,126,849	(46,748)	-1.50%
Use Tax	944,676	792,992	151,684	19.13%
Motor Vehicle Tax	657,863	662,423	(4,560)	-0.69%
Liquor Tax	79,848	99,196	(19,349)	-19.51%
Franchise Fees	1,227,781	1,258,147	(30,365)	-2.41%
Licenses & Permits	542,645	653,023	(110,377)	-16.90%
Charges for Services	1,252,182	1,235,079	17,103	1.38%
Fines & Fees	515,669	675,011	(159,341)	-23.61%
Recreational Fees	27,111	413,593	(386,483)	-93.45%
Interest on Investments	111,348	96,099	15,249	15.87%
Miscellaneous	155,789	109,307	46,482	42.52%
Total Revenue	\$16,762,709	\$16,657,268	\$105,441	0.63%
Transfers from Other funds:				
Transfer from General Fund	-	-	-	
Transfer from Special Highway Fund	-	-	-	
Transfer from Stormwater Utility Fund	423,750	423,750	-	
Transfer from Special Parks & Rec Fund	-	-	-	
Transfer from Special Alcohol Fund	-	-	-	
Total	423,750	423,750	-	
Total Sources	\$17,186,459	\$17,081,018	\$105,441	
Expenditures:				
Personal Services	8,107,068	8,134,553	(27,485)	-0.34%
Contract Services	2,619,378	2,587,035	32,344	1.25%
Commodities	402,486	441,021	(38,535)	-8.74%
Capital Outlay	192,997	166,919	26,077	15.62%
Contingency	-	-	-	
Total Expenditures	11,321,928	11,329,527	(7,599)	-0.07%
Transfers to Other Funds:				
Transfer to Capital Projects Fund	3,489,832	3,866,337	(376,505)	-9.74%
Transfer to Bond & Interest Fund	975,922	806,231	169,691	21.05%
Transfer to Risk Management Fund	26,250	26,250	-	
Transfer to Economic Development	48,750	-	48,750	
Transfer to Equipment Reserve Fund	341,539	300,000	41,539	13.85%
Total	4,882,292	4,998,818	(116,526)	
Total Uses	16,204,220	16,328,345	(124,125)	

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

Expenditure Variances

General Fund	Budget	Expended YTD Actual	Percent Expended
Expenditures:			
Personnel Services	11,205,956	8,107,068	72.3%
Contract Services	4,605,594	2,619,378	56.9%
Commodities	775,200	402,486	51.9%
Capital Outlay	271,650	192,997	71.0%
Contingency	500,000	-	0.0%
Transfers to Other Funds	6,509,723	4,882,292	75.0%
Total Expenditures	\$23,868,123	\$16,204,220	67.9%

Revenue Variances

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	8,208,703	8,167,695	99.5%
Sales Taxes	5,575,000	3,080,102	55.2%
Use Tax	1,375,000	944,676	68.7%
Motor Vehicle Tax	789,025	657,863	83.4%
Liquor Tax	139,792	79,848	57.1%
Franchise Fees	2,048,154	1,227,781	59.9%
Licenses & Permits	763,850	542,645	71.0%
Charges for Services	1,673,906	1,252,182	74.8%
Fines & Fees	1,037,775	515,669	49.7%
Recreational Fees	411,050	27,111	6.6%
Interest on Investments	75,000	111,348	148.5%
Miscellaneous	116,600	155,789	133.6%
Transfer from Stormwater Utility Fund	565,000	423,750	75.0%
Total Revenue	\$22,778,855	\$17,186,459	75.4%

OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended September 30, 2020 are shown on page 7.

Quarterly Financial report – Third Quarter Ending September 30, 2020

	Solid Waste Management	Special Highway	Stormwater Utility	Meadowbrook TIF	Special Parks & Rec	Special Alcohol	Bond & Interest	Transient Guest Tax	Capital Projects	Risk Mgmt	Economic Development	Equipment Reserve	CID Corinth	CID PV Shops
Revenues:														
Property Taxes							-							
Meadowbrook TIF				1,219,711										
Transient Guest Tax								22,369						
Sales Taxes													318,065	305,505
Bond Proceeds														
Motor Vehicle Tax														
Liquor Tax					79,848	79,848								
Licenses & Permits	1,545		10,920											
Intergovernmental		274,856							4,901,257					
Charges for Services	1,906,471		1,600,095											
Interest on Investments	42,875	11,834	52,668	5,899	-	1,078	1,183	40	105,438	3,968	847	3,659	3,791	5,703
Miscellaneous	527					-			8,205	525				
Total Revenue	1,951,419	286,691	1,663,682	1,225,610	79,848	80,925	1,183	22,409	5,014,900	4,493	847	3,659	321,856	311,208
Transfers from Other funds:														
Transfer from General Fund							975,922		3,489,832	26,250	48,750	341,539		
Transfer from Special Highway									457,530					
Transfer from Storm Water Utility Fund									750,000					
Transfer from Economic Development Fund									-					
Transfer from Special Parks & Rec Fund									79,848					
Total	-	-	-	-	-	-	975,922	-	4,777,209	26,250	48,750	341,539	-	-
Total Sources	1,951,419	286,691	1,663,682	1,225,610	79,848	80,925	977,105	22,409	9,792,110	30,743	49,597	345,197	321,856	311,208
Expenditures:														
Personal Services	26,116					72,541								
Contract Services	1,227,995			1,183,643		56,366				1,869	56,768		245,000	388,180
Commodities						7,496								
Capital Outlay												641,220		
Debt Service							1,320,850		253,768					
Infrastructure									6,135,372					
Bond Costs														
Total Expenditures	1,254,111	-	-	1,183,643	-	136,402	1,320,850	-	6,389,139	1,869	56,768	641,220	245,000	388,180
Transfers to Other Funds:														
Transfer to General Fund			423,750											
Transfer to Bond & Interest Fund			-											
Transfer to Capital Projects Fund		457,530	750,000		79,848						-			
Transfer to Equipment Reserve Fund			-											
Total	-	457,530	1,173,750	-	79,848	-	-	-	-	-	-	-	-	-
Total Uses	1,254,111	457,530	1,173,750	1,183,643	79,848	136,402	1,320,850	-	6,389,139	1,869	56,768	641,220	245,000	388,180
Sources Over(Under) Uses	697,308	(170,840)	489,932	41,967	-	(55,477)	(343,745)	22,409	3,402,970	28,874	(7,171)	(296,022)	76,856	(76,972)