

City of Prairie Village

First Quarter

Financial Report for the first quarter

Ended March 31, 2021

Relating to Fiscal Year 2021

Unaudited



GENERAL FUND

General Fund Balance. The chart, below, shows with 25 percent of the year complete revenues are at 32.5 percent of projections, while expenditures are at 23.5 percent of appropriations. The chart also reports the budgeted fund balance at the start of 2021, which was \$6,592,651 and the unaudited actual fund balance, which is \$7,608,090. The 2021 target ending fund balance is 25 percent of revenues (excluding transfers). The ending 2020 fund balance was 35 percent.

General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 6,592,651	\$ 7,608,090	
Revenues	22,967,105	7,468,382	32.5%
Expenditures	24,349,734	5,712,312	23.5%
Balance	5,210,022	9,364,161	

SUMMARY OF KANSAS ECONOMIC CONDITIONS




The outlook for both the regional and U.S. economies remains 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. 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 unemployment rate continues to decline. The Johnson County March unemployment rate was 3.1 percent, compared to the stated Kansas unemployment rate of 3.7 percent.

Prairie Village sales tax collections through the first quarter were up 6 percent compared to the same time last year. In comparison, use tax collections over the same time period were very strong and were 54 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.

The focus of this report is on 2021 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 \$24,706 greater compared to the last fiscal year, and are at 8.5 percent of the budget estimate. Sales tax distributions lag by two months, so the first distribution for 2021 was in March for January. In 2020 we were at 7.8 percent of the budget estimate.
- **Use Tax.** Use tax revenues are \$67,010 greater compared to the last fiscal year, and are at 13.9 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. Use tax distributions also lag by two months, so the first distribution for 2021 was in March for January. In 2020 we were at 9.1 percent of the budget estimate.
- **Franchise Fees.** Franchise fee revenues are \$33,630 greater compared to the last fiscal year, and are at 16 percent of the budget estimate. However they continue to be a volatile revenue source with overall decreasing trends. In 2020 we were at 13.6 percent of the budget estimate.
- **Interest on Investments.** Interest receipts for the General Fund only are \$9,921 less compared to 2020, but are at 57.1 percent of the budget estimate. Interest receipts for all funds are \$68,898 and are at 26 percent of the budget estimate. Interest receipts depend on the maturity date of investments, type of investment and rate of interest.
- **Liquor Tax.** Liquor tax revenues are \$6,247 less compared to the last fiscal year, and are at 21.9 percent of the budget estimate. While this is a relatively small revenue source it does impact some programming and is an indicator for the local economy. Alcohol tax distributions are quarterly, and we anticipate this revenue source rebounding but continue to monitor.

Quarterly Financial report – First Quarter Ending March 31, 2021

The chart, below, provides summary comparison information on revenues, expenditures and transfers for the first quarter ending March 2021 versus March 2020.

Year to Date Comparison to Prior Year				
General Fund	2021	2020	Over (Under)	
Revenues:				
Property Taxes	5,103,853	4,714,761	389,092	8.25%
Sales Taxes	461,365	436,659	24,706	5.66%
Use Tax	192,015	125,005	67,010	53.61%
Motor Vehicle Tax	218,955	208,182	10,773	5.17%
Liquor Tax	29,889	36,136	(6,247)	-17.29%
Franchise Fees	312,792	279,162	33,630	12.05%
Licenses & Permits	208,486	161,190	47,296	29.34%
Charges for Services	426,140	429,550	(3,409)	-0.79%
Fines & Fees	246,123	213,171	32,952	15.46%
Recreational Fees	9,168	9,051	117	1.29%
Interest on Investments	34,260	44,182	(9,921)	-22.46%
Miscellaneous	75,337	61,499	13,838	22.50%
Total Revenue	\$7,318,382	\$6,718,547	\$599,835	8.93%
Transfers from Other funds:				
Transfer from General Fund	-	-		
Transfer from Special Highway Fund	-	-		
Transfer from Stormwater Utility Fund	150,000	141,250	8,750	
Transfer from Special Parks & Rec Fund	-	-		
Transfer from Special Alcohol Fund	-	-		
Total	150,000	141,250	8,750	
Total Sources	\$7,468,382	\$6,859,797	\$608,585	
Expenditures:				
Personal Services	3,114,601	3,136,376	(21,775)	-0.69%
Contract Services	747,204	807,355	(60,151)	-7.45%
Commodities	92,156	110,417	(18,261)	-16.54%
Capital Outlay	131,017	56,649	74,368	131.28%
Contingency	-	-	-	
Total Expenditures	4,084,978	4,110,797	(25,819)	-0.63%
Transfers to Other Funds:				
Transfer to Capital Projects Fund	1,130,950	1,163,277	(32,327)	-2.78%
Transfer to Bond & Interest Fund	329,884	325,307	4,576	1.41%
Transfer to Risk Management Fund	-	8,750	(8,750)	
Transfer to Economic Development	34,000	16,250	17,750	
Transfer to Equipment Reserve Fund	132,500	113,846	18,654	16.39%
Total	1,627,334	1,627,431	(97)	
Total Uses	5,712,312	5,738,228	(25,916)	

The charts, below, provide information on expenditure and revenue budget to actual variances for the General Fund for the first quarter ending March 2021.

Expenditure Variances

General Fund	Budget	Expended YTD Actual	Percent Expended
Expenditures:			
Personnel Services	11,463,729	3,114,601	27.2%
Contract Services	4,720,457	747,204	15.8%
Commodities	792,400	92,156	11.6%
Capital Outlay	363,814	131,017	36.0%
Contingency	500,000	-	0.0%
Transfers to Other Funds	6,509,334	1,627,334	25.0%
Intergovernmental			
Total Expenditures	<u>\$24,349,734</u>	<u>\$5,712,312</u>	<u>23.5%</u>

Revenue Variances

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	8,703,712	5,103,853	58.6%
Sales Taxes	5,450,000	461,365	8.5%
Use Tax	1,380,000	192,015	13.9%
Motor Vehicle Tax	762,507	218,955	28.7%
Liquor Tax	136,477	29,889	21.9%
Franchise Fees	1,959,500	312,792	16.0%
Licenses & Permits	652,883	208,486	31.9%
Charges for Services	1,799,226	426,140	23.7%
Fines & Fees	931,750	246,123	26.4%
Recreational Fees	410,150	9,168	2.2%
Interest on Investments	60,000	34,260	57.1%
Miscellaneous	120,900	75,337	62.3%
Transfer from Stormwater Utility Fund	600,000	150,000	25.0%
Total Revenue	<u>\$22,967,105</u>	<u>\$7,468,382</u>	<u>32.5%</u>

OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended March 31, 2021 are shown on page 5.

Quarterly Financial report – Fourth Quarter Ending March 31, 2021

	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				1,058,809			-						39,614	40,566
Meadowbrook TIF														
Sales Taxes														
Bond Proceeds								-	-					
Motor Vehicle Tax					29,889	29,889								
Liquor Tax														
Licenses & Permits	635		3,780											
Intergovernmental		-						8,006	1,746,069					
Charges for Services	1,067,289		992,170											
Interest on Investments	4,113	476	3,796	542	-	40	114	104	22,164	855	425	1,547	215	247
Miscellaneous						-								
Total Revenue	1,072,038	476	999,746	1,059,351	29,889	29,929	114	8,110	1,768,234	855	425	1,547	39,829	40,813
Transfers from Other funds:														
Transfer from General Fund							329,884		1,130,950	8,750	34,025	132,500		
Transfer from Special Highway								-	149,250					
Transfer from Storm Water Utility Fund							-		250,000					
Transfer from Economic Development Fund									-					
Transfer from Special Parks & Rec Fund									29,889					
Total	-	-	-	-	-	-	329,884	-	1,560,089	8,750	34,025	132,500	-	-
Total Sources	1,072,038	476	999,746	1,059,351	29,889	29,929	329,998	8,110	3,328,323	9,605	34,450	134,047	39,829	40,813
Expenditures:														
Personal Services	9,097					24,216								
Contract Services	307,755			1,018,486		30,284		28,674		5,372	40			
Commodities						97								
Capital Outlay												49,307		
Debt Service							115,430							
Infrastructure									2,127,410					
Bond Costs														
Total Expenditures	316,852	-	-	1,018,486	-	54,597	115,430	28,674	2,127,410	5,372	40	49,307	-	-
Transfers to Other Funds:														
Transfer to General Fund			150,000											
Transfer to Bond & Interest Fund			-											
Transfer to Capital Projects Fund		149,250	250,000		29,889									
Transfer to Equipment Reserve Fund			-											
Total	-	149,250	400,000	-	29,889	-	-	-	-	-	-	-	-	-
Total Uses	316,852	149,250	400,000	1,018,486	29,889	54,597	115,430	28,674	2,127,410	5,372	40	49,307	-	-
Sources Over(Under) Uses	755,186	(148,774)	599,746	40,865	-	(24,668)	214,568	(20,564)	1,200,913	4,233	34,409	84,741	39,829	40,813