

# **City of Prairie Village**

## **Second Quarter**

Financial Report for the second quarter

Ended June 30, 2021

Relating to Fiscal Year 2021

Unaudited



## GENERAL FUND

**General Fund Balance.** The chart, below, shows with 50 percent of the year complete revenues are at 64.3 percent of projections, while expenditures are at 46.4 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	14,756,521	64.3%
Expenditures	24,349,734	11,292,818	46.4%
Balance	5,210,022	11,071,793	

## 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. However the local economy is showing signs of recovery. The unemployment rate continues to decline. The Johnson County May unemployment rate was 3 percent, compared to the Kansas unemployment rate of 3.5 percent.

Prairie Village sales tax collections through the second quarter were up 10 percent compared to the same time last year. In comparison, use tax collections over the same time period were very strong and were 47 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:**

- **Property Tax.** Property tax revenues are \$528,048 greater compared to the last fiscal year, and are at 97.9 percent of the budget estimate. The majority of property taxes are distributed to the City in January and June. In 2020 we were at 97.2 percent of the budget estimate.
- **Sales Tax.** Sales tax revenues are \$181,657 greater compared to the last fiscal year, and are at 34.5 percent of the budget estimate. Sales and use tax distributions lag by two months, so this report includes 4 months of revenue. In 2020 we were at 30.5 percent of the budget estimate.
- **Use Tax.** Use tax revenues are \$227,810 greater compared to the last fiscal year, and are at 51.7 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 2020 we were at 35.3 percent of the budget estimate.
- **Recreation Fees:** Recreation Fees are \$247,986 greater compared to 2020, and are at 64.7 percent of the budget estimate. 2020 recreation fees were drastically reduced due to the pandemic, and we continue to monitor 2021 activity.
- **Franchise Fees.** Franchise fee revenues are \$45,626 greater compared to the last fiscal year, and are at 37.6 percent of the budget estimate. However they continue to be a volatile revenue source with overall decreasing trends.
- **Interest on Investments.** Interest receipts for the General Fund only are \$53,215 less compared to 2020, but are at 58.6 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 \$11,227 less compared to the last fiscal year, and are at 40.3 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.

Quarterly Financial report – Second Quarter Ending June 30, 2021

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

Year to Date Comparison to Prior Year				
General Fund	2021	2020	Over (Under)	
<b>Revenues:</b>				
Property Taxes	8,505,441	7,977,393	528,048	6.62%
Sales Taxes	1,879,558	1,697,901	181,657	10.70%
Use Tax	712,889	485,079	227,810	46.96%
Motor Vehicle Tax	413,388	360,653	52,735	14.62%
Liquor Tax	55,024	66,251	(11,227)	-16.95%
Franchise Fees	736,256	690,630	45,626	6.61%
Licenses & Permits	409,430	296,411	113,019	38.13%
Charges for Services	863,844	840,902	22,942	2.73%
Fines & Fees	491,951	324,836	167,116	51.45%
Recreational Fees	265,290	17,304	247,986	1433.12%
Interest on Investments	35,132	88,347	(53,215)	-60.23%
Miscellaneous	88,318	106,611	(18,293)	-17.16%
<b>Total Revenue</b>	<b>\$14,456,521</b>	<b>\$12,952,318</b>	<b>\$1,504,203</b>	<b>11.61%</b>
<b>Transfers from Other funds:</b>				
Transfer from General Fund	-	-	-	
Transfer from Special Highway Fund	-	-	-	
Transfer from Stormwater Utility Fund	300,000	282,500	17,500	
Transfer from Special Parks & Rec Fund	-	-	-	
Transfer from Special Alcohol Fund	-	-	-	
<b>Total</b>	<b>300,000</b>	<b>282,500</b>	<b>17,500</b>	
<b>Total Sources</b>	<b>\$14,756,521</b>	<b>\$13,234,818</b>	<b>\$1,521,703</b>	
<b>Expenditures:</b>				
Personal Services	5,591,486	5,434,083	157,403	2.90%
Contract Services	1,577,552	1,567,063	10,489	0.67%
Commodities	252,426	275,989	(23,563)	-8.54%
Capital Outlay	276,687	188,604	88,083	46.70%
Contingency	-	-	-	
<b>Total Expenditures</b>	<b>7,698,151</b>	<b>7,465,739</b>	<b>232,412</b>	<b>3.11%</b>
<b>Transfers to Other Funds:</b>				
Transfer to Capital Projects Fund	2,261,900	2,326,555	(64,655)	-2.78%
Transfer to Bond & Interest Fund	659,767	650,615	9,153	1.41%
Transfer to Risk Management Fund	-	17,500	(17,500)	
Transfer to Economic Development	408,000	32,500	375,500	
Transfer to Equipment Reserve Fund	265,000	227,693	37,308	16.39%
<b>Total</b>	<b>3,594,667</b>	<b>3,254,862</b>	<b>339,806</b>	
<b>Total Uses</b>	<b>11,292,818</b>	<b>10,720,600</b>	<b>572,217</b>	

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

**Expenditure Variances**

General Fund	Budget	Expended YTD Actual	Percent Expended
Expenditures:			
Personnel Services	11,463,729	5,591,486	48.8%
Contract Services	4,720,457	1,577,552	33.4%
Commodities	792,400	252,426	31.9%
Capital Outlay	363,814	276,687	76.1%
Contingency	500,000	-	0.0%
Transfers to Other Funds	6,509,334	3,594,667	55.2%
Intergovernmental			
Total Expenditures	\$24,349,734	\$11,292,818	46.4%

**Revenue Variances**

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	8,703,712	8,505,441	97.7%
Sales Taxes	5,450,000	1,879,558	34.5%
Use Tax	1,380,000	712,889	51.7%
Motor Vehicle Tax	762,507	413,388	54.2%
Liquor Tax	136,477	55,024	40.3%
Franchise Fees	1,959,500	736,256	37.6%
Licenses & Permits	652,883	409,430	62.7%
Charges for Services	1,799,226	863,844	48.0%
Fines & Fees	931,750	491,951	52.8%
Recreational Fees	410,150	265,290	64.7%
Interest on Investments	60,000	35,132	58.6%
Miscellaneous	120,900	88,318	73.1%
Transfer from Stormwater Utility Fund	600,000	300,000	50.0%
Total Revenue	\$22,967,105	\$14,756,521	64.3%

**OTHER FUNDS**

The Statement of Revenues and Expenses for the quarter ended June 30, 2021 are shown on page 5.

	02-	03-	04-	06-	09-	10-	11-	12-	19-	20-	21-	22-	23-	24-
	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				1,758,780			-							
Meadowbrook TIF													178,628	167,488
Sales Taxes														
Bond Proceeds														
Motor Vehicle Tax														
Liquor Tax					55,024	55,024								
Licenses & Permits	635		7,560											
Intergovernmental		184,825						45,931	1,801,093					
Charges for Services	1,800,841		1,584,350											
Interest on Investments	4,288	548	4,142	584	-	40	114	130	55,229	876	427	1,629	246	284
Miscellaneous														
Total Revenue	1,805,763	185,373	1,596,052	1,759,365	55,024	55,064	114	46,061	1,856,322	876	427	1,629	178,874	167,772
Transfers from Other funds:														
Transfer from General Fund							659,767		2,261,900		68,050	265,000		
Transfer from Special Highway									298,500					
Transfer from Storm Water Utility Fund									500,000					
Transfer from Economic Development Fund														
Transfer from Special Parks & Rec Fund									55,024					
Total	-	-	-	-	-	-	659,767	-	3,115,424	-	68,050	265,000	-	-
Total Sources	1,805,763	185,373	1,596,052	1,759,365	55,024	55,064	659,881	46,061	4,971,746	876	68,477	266,629	178,874	167,772
Expenditures:														
Personal Services	18,193					48,433								
Contract Services	802,381			1,689,412		59,202		28,674		9,994	35,155		140,000	105,000
Commodities						6,557								
Capital Outlay												98,475		
Debt Service							210,263							
Infrastructure									5,451,457					
Bond Costs														
Total Expenditures	820,574	-	-	1,689,412	-	114,192	210,263	28,674	5,451,457	9,994	35,155	98,475	140,000	105,000
Transfers to Other Funds:														
Transfer to General Fund			300,000											
Transfer to Bond & Interest Fund														
Transfer to Capital Projects Fund		298,500	500,000		55,024									
Transfer to Equipment Reserve Fund														
Total	-	298,500	800,000	-	55,024	-	-	-	-	-	-	-	-	-
Total Uses	820,574	298,500	800,000	1,689,412	55,024	114,192	210,263	28,674	5,451,457	9,994	35,155	98,475	140,000	105,000
Sources Over(Under) Uses	985,189	(113,127)	796,052	69,952	-	(59,128)	449,619	17,388	(479,712)	(9,118)	33,322	168,154	38,874	62,772