

# **City of Prairie Village**

## **Fourth Quarter**

Financial Report for the fourth quarter

Ended December 31, 2021

Relating to Fiscal Year 2021

Unaudited



## GENERAL FUND

**General Fund Balance.** The chart below shows with 100 percent of the year complete revenues are at 107.5 percent of projections, while expenditures are at 93.3 percent of appropriations. The chart also reports the budgeted fund balance at the start of 2021, which was \$6,592,651 and the actual fund balance, which was \$7,608,090. The 2021 target ending fund balance was 25 percent of revenues (excluding transfers). The projected ending 2021 fund balance is 42%, pending final audited figures.

General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 6,592,651	\$ 7,608,090	
Revenues	22,967,105	24,681,897	107.5%
Expenditures	24,349,734	22,724,346	93.3%
Balance	5,210,022	9,565,641	

## 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 and global conditions. 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 December unemployment rate was 1.7 percent, compared to the Kansas unemployment rate of 2.8 percent.

Prairie Village sales tax collections through the fourth quarter were up 12 percent compared to the same time last year. In comparison, use tax collections over the same time period were very strong and were 36 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. Building permit revenues were up 15% from the prior year. 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 \$488,453 greater compared to the last fiscal year, and are at 99.6 percent of the budget estimate. The majority of property taxes are distributed to the City in January and June. In 2020 we were also at 99.5 percent of the budget estimate.
- **Sales Tax.** Sales tax revenues are \$651,180 greater compared to the last fiscal year, and are at 112 percent of the budget estimate. In 2020 we were at 98 percent of the budget estimate. Budget estimates were conservative for 2021 due to the pandemic.
- **Use Tax.** Use tax revenues are \$646,712 greater compared to the last fiscal year, and are at 178 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 132 percent of the budget estimate.
- **Recreation Fees:** Recreation Fees are \$384,816 greater compared to 2020, and are at 101 percent of the budget estimate. 2020 recreation fees were drastically reduced due to the pandemic.
- **Franchise Fees.** Franchise fee revenues are \$28,298 greater compared to the last fiscal year, and are at 96 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 \$99,140 less compared to 2020, but are at 68 percent of the budget estimate and are a relatively small revenue source. Interest receipts depend on the maturity date of investments, type of investment and rate of interest and are highly contingent on the overall economy.
- **Fines and Fees.** Fines and fees revenues are \$134,327 greater compared to the last fiscal year, but are at 89 percent of the budget estimate. This revenue source consists of municipal court revenue which has been decreasing in recent years due to the pandemic and trends in court fines and fees. We will continue to monitor this source.

Quarterly Financial Report – Fourth Quarter Ending December 31, 2021

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

Year to Date Comparison to Prior Year				
General Fund	2021	2020	Over (Under)	
<b>Revenues:</b>				
Property Taxes	8,667,704	8,179,161	488,543	5.97%
Sales Taxes	6,098,163	5,446,984	651,180	11.95%
Use Tax	2,458,591	1,811,879	646,712	35.69%
Motor Vehicle Tax	798,074	746,852	51,223	6.86%
Liquor Tax	140,134	109,748	30,386	27.69%
Franchise Fees	1,871,269	1,842,970	28,298	1.54%
Licenses & Permits	835,741	728,297	107,444	14.75%
Charges for Services	1,788,547	1,722,975	65,572	3.81%
Fines & Fees	829,111	694,784	134,327	19.33%
Recreational Fees	414,560	29,745	384,816	1293.73%
Interest on Investments	40,534	139,674	(99,140)	-70.98%
Miscellaneous	139,467	263,103	(123,635)	-46.99%
<b>Total Revenue</b>	<b>\$24,081,897</b>	<b>\$21,716,171</b>	<b>\$2,365,726</b>	<b>10.89%</b>
<b>Transfers from Other funds:</b>				
Transfer from General Fund	-	-	-	
Transfer from Special Highway Fund	-	-	-	
Transfer from Stormwater Utility Fund	600,000	565,000	35,000	
Transfer from Special Parks & Rec Fund	-	-	-	
Transfer from Special Alcohol Fund	-	-	-	
<b>Total</b>	<b>600,000</b>	<b>565,000</b>	<b>35,000</b>	
<b>Total Sources</b>	<b>\$24,681,897</b>	<b>\$22,281,171</b>	<b>\$2,400,726</b>	
<b>Expenditures:</b>				
Personal Services	10,922,259	10,740,208	182,051	1.70%
Contract Services	4,247,731	3,972,364	275,366	6.93%
Commodities	705,568	581,970	123,598	21.24%
Capital Outlay	339,454	192,633	146,821	76.22%
Contingency	-	-	-	
<b>Total Expenditures</b>	<b>16,215,012</b>	<b>15,487,176</b>	<b>727,836</b>	<b>4.70%</b>
<b>Transfers to Other Funds:</b>				
Transfer to Capital Projects Fund	4,523,800	4,653,109	(129,309)	-2.78%
Transfer to Bond & Interest Fund	1,319,534	1,301,229	18,305	1.41%
Transfer to Risk Management Fund	-	35,000	(35,000)	
Transfer to Economic Development	136,000	65,000	71,000	
Transfer to Equipment Reserve Fund	530,000	455,385	74,615	16.39%
<b>Total</b>	<b>6,509,334</b>	<b>6,509,723</b>	<b>(389)</b>	
<b>Total Uses</b>	<b>22,724,346</b>	<b>21,996,899</b>	<b>727,447</b>	

The charts, below, provide information on expenditure and revenue budget to actual variances for the General Fund for the fourth quarter ended December 2021.

**Expenditure Variances**

General Fund	Budget	Expended YTD Actual	Percent Expended
Expenditures:			
Personnel Services	11,463,729	10,922,259	95.3%
Contract Services	4,720,457	4,247,731	90.0%
Commodities	792,400	705,568	89.0%
Capital Outlay	363,814	339,454	93.3%
Contingency	500,000	-	0.0%
Transfers to Other Funds	6,509,334	6,509,334	100.0%
Intergovernmental			
Total Expenditures	\$24,349,734	\$22,724,346	93.3%

**Revenue Variances**

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	8,703,712	8,667,704	99.6%
Sales Taxes	5,450,000	6,098,163	111.9%
Use Tax	1,380,000	2,458,591	178.2%
Motor Vehicle Tax	762,507	798,074	104.7%
Liquor Tax	136,477	140,134	102.7%
Franchise Fees	1,959,500	1,871,269	95.5%
Licenses & Permits	652,883	835,741	128.0%
Charges for Services	1,799,226	1,788,547	99.4%
Fines & Fees	931,750	829,111	89.0%
Recreational Fees	410,150	414,560	101.1%
Interest on Investments	60,000	40,534	67.6%
Miscellaneous	120,900	139,467	115.4%
Transfer from Stormwater Utility Fund	600,000	600,000	100.0%
Total Revenue	\$22,967,105	\$24,681,897	107.5%

**OTHER FUNDS**

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

	Solid Waste Management	Special Highway	Stormwater Utility	Meadowbrook TIF	Special Parks & Rec	Special Alcohol	Bond & Interest	Transient Guest Tax	ARPA Fund	Capital Projects	Risk Mgmt	Economic Development	Equipment Reserve	CID Corinth	CID PV Shops
Revenues:															
Property Taxes				1,767,968										612,766	569,574
Meadowbrook TIF															
Sales Taxes															
Motor Vehicle Tax					140,134	140,134									
Liquor Tax															
Licenses & Permits	2,845		14,140												
Intergovernmental		653,512						202,504	1,701,211	1,746,069					
Charges for Services	1,842,953		1,614,391												
Interest on Investments	4,671	1,035	4,397	642		77	252	304	15	53,392	1,021	583	2,479	367	459
Miscellaneous										3,800					
Total Revenue	1,850,468	654,547	1,632,928	1,768,611	140,134	140,212	252	202,808	1,701,226	1,803,261	1,021	583	2,479	613,133	570,033
Transfers from Other funds:															
Transfer from General Fund							1,319,534			4,523,800		136,000	571,153		
Transfer from Special Highway								-		597,000					
Transfer from Storm Water Utility Fund										1,000,000					
Transfer from Special Parks & Rec Fund										140,134					
Total	-	-	-	-	-	-	1,319,534	-	-	6,260,934	-	136,000	571,153	-	-
Total Sources	1,850,468	654,547	1,632,928	1,768,611	140,134	140,212	1,319,786	202,808	1,701,226	8,064,195	1,021	136,583	573,632	613,133	570,033
Expenditures:															
Personal Services	36,896					64,654									
Contract Services	1,870,968			1,897,461		60,689		144,978			35,410	103,046	8,883	575,319	434,239
Commodities						15,277									
Capital Outlay															
Debt Service							1,323,000			362,525			255,678		
Infrastructure										11,241,106					
Total Expenditures	1,907,864	-	-	1,897,461	-	140,620	1,323,000	144,978	-	11,603,631	35,410	103,046	264,560	575,319	434,239
Transfers to Other Funds:															
Transfer to General Fund			600,000												
Transfer to Bond & Interest Fund															
Transfer to Capital Projects Fund		597,000	1,000,000		140,134										
Transfer to Equipment Reserve Fund															
Total	-	597,000	1,600,000	-	140,134	-	-	-	-	-	-	-	-	-	-
Total Uses	1,907,864	597,000	1,600,000	1,897,461	140,134	140,620	1,323,000	144,978	-	11,603,631	35,410	103,046	264,560	575,319	434,239
Sources Over(Under) Uses	(57,395)	57,547	32,928	(128,851)	-	(409)	(3,214)	57,830	1,701,226	(3,539,436)	(34,389)	33,538	309,071	37,814	135,793