

# CITY OF PRAIRIE VILLAGE

Second Quarter Financial Report

Ended  
June 30, 2022

Relating to  
Fiscal Year 2022

Unaudited



## GENERAL FUND

**General Fund Balance.** The chart, below, shows with 50 percent of the year complete revenues are at 65.3 percent of projections, while expenditures are at 44.7 percent of appropriations. The chart also reports the budgeted fund balance at the start of 2022, which was \$7,591,246 and the unaudited actual fund balance, which is \$9,565,641. The 2022 target ending fund balance is 25 percent of revenues (excluding transfers). The ending 2021 fund balance was 40 percent.

General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 7,591,246	\$ 9,565,641	
Revenues	23,906,014	15,620,557	65.3%
Expenditures	25,638,229	11,465,964	44.7%
Balance	5,859,031	13,720,234	

## SUMMARY OF KANSAS ECONOMIC CONDITIONS

The outlook for both the regional and U.S. economies remains uncertain and tied to the path of recovery from the pandemic. Declines in consumption and job losses were 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 February unemployment rate was 2.1 percent, compared to the stated Kansas unemployment rate of 2.3 percent. The impacts of inflation and a tight labor market continue to impact recovery from the recession.



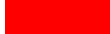
Prairie Village sales tax collections through the second quarter were up 9.7 percent compared to the same time last year. In comparison, use tax collections over the same time period were very strong and were 18.8 percent higher compared to last year. Online purchases, such as Amazon, are an example of use tax. Both sales and use tax increases are a function of higher personal consumption and higher prices due to inflation over the last year.

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 2022 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 \$181,510 greater compared to the last fiscal year, and are at 37.0% of the budget estimate. Sales tax distributions lag by two months, so the first distribution for 2022 was in March for January. In 2021 we were at 34.5% of the budget estimate.
- **Use Tax.** Use tax revenues are \$133,835 greater compared to the last fiscal year, and are at 54.5% 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 2022 was in March for January. In 2021 we were at 51.7% of the budget estimate.
- **Franchise Fees.** Franchise fee revenues are \$109,471 greater compared to the last fiscal year, and are at 44.4% of the budget estimate. Franchise fee receipts are strong; however they continue to be a volatile revenue source with seasonal fluctuations. In 2021 we were at 37.6% of the budget estimate.
- **Licenses & Permits.** License & permit revenues are \$148,553 greater compared to the last fiscal year and are at 65.3% of the budget estimate. This is driven by significant building permit revenue in 2022, with over 80% of the annual budgeted amount collected as of the end of the second quarter.
- **Interest on Investments.** Interest receipts for the General Fund only are \$29,189 greater compared to 2021, and are at 47.8% of the budget estimate. Interest receipts for all funds are \$104,002 and are at 32.0% of the budget estimate. Interest earnings are expected to increase throughout the year. Interest receipts depend on the maturity date of investments, type of investment and rate of interest.
- **Fines and Fees.** Fine and Fee revenues are \$196,254 less compared to the last fiscal year, and are at 34.0% of the budget estimate. In 2021 we were at 52.8% of budgeted revenue. Fine and fee collections are highly dependent on trends in traffic citations and the Court’s fine and fee collection approach. We continue to monitor.

Quarterly Financial Report – 2<sup>nd</sup> Quarter Ended June 30, 2022

The chart below provides summary comparison information on revenues, expenditures and transfers for the second quarter ending June 2022 versus June 2021.

Year to Date Comparison to Prior Year				
General Fund	2022	2021	Over (Under)	
<b>Revenues:</b>				
Property Taxes	8,845,192	8,505,441	339,751	3.99%
Sales Taxes	2,061,068	1,879,558	181,510	9.66%
Use Tax	846,724	712,889	133,835	18.77%
Motor Vehicle Tax	402,736	413,388	(10,652)	-2.58%
Liquor Tax	82,878	55,024	27,854	50.62%
Franchise Fees	845,726	736,256	109,471	14.87%
Licenses & Permits	557,983	409,430	148,553	36.28%
Charges for Services	858,685	863,844	(5,159)	-0.60%
Fines & Fees	295,697	491,951	(196,254)	-39.89%
Recreational Fees	315,583	265,290	50,293	18.96%
Interest on Investments	64,321	35,132	29,189	83.08%
Miscellaneous	143,964	88,318	55,646	63.01%
<b>Total Revenue</b>	<b>\$15,320,557</b>	<b>\$14,456,521</b>	<b>\$864,036</b>	<b>5.98%</b>
<b>Transfers from Other funds:</b>				
Transfer from General Fund	-	-	-	
Transfer from Special Highway Fund	-	-	-	
Transfer from Stormwater Utility Fund	300,000	300,000	-	
Transfer from Special Parks & Rec Fund	-	-	-	
Transfer from Special Alcohol Fund	-	-	-	
<b>Total</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	
<b>Total Sources</b>	<b>\$15,620,557</b>	<b>\$14,756,521</b>	<b>\$864,036</b>	
<b>Expenditures:</b>				
Personal Services	5,799,937	5,591,486	208,452	3.73%
Contract Services	1,854,498	1,577,552	276,945	17.56%
Commodities	349,944	252,426	97,518	38.63%
Capital Outlay	48,323	276,687	(228,364)	-82.54%
Debt Service				
Infrastructure				
Contingency	-	-	-	
<b>Total Expenditures</b>	<b>8,052,702</b>	<b>7,698,151</b>	<b>354,551</b>	<b>4.61%</b>
<b>Transfers to Other Funds:</b>				
Transfer to Capital Projects Fund	2,653,500	2,261,900	391,600	17.31%
Transfer to Bond & Interest Fund	525,363	659,767	(134,405)	-20.37%
Transfer to Risk Management Fund	-	-	-	
Transfer to Economic Development	68,000	408,000	(340,000)	
Transfer to Equipment Reserve Fund	166,400	265,000	(98,600)	-37.21%
<b>Total</b>	<b>3,413,263</b>	<b>3,594,667</b>	<b>(181,405)</b>	
<b>Total Uses</b>	<b>11,465,964</b>	<b>11,292,818</b>	<b>173,147</b>	

Quarterly Financial Report – 2<sup>nd</sup> Quarter Ended June 30, 2022

The charts below provide information on expenditure and revenue budget to actual variances for the General Fund for the quarter ending June 2022.

**Expenditure Variances**

General Fund	Budget	Expended YTD Actual	Percent Expended
Expenditures:			
Personnel Services	11,911,253	5,799,937	48.7%
Contract Services	5,284,151	1,854,498	35.1%
Commodities	840,850	349,944	41.6%
Capital Outlay	275,450	48,323	17.5%
Contingency	500,000	-	0.0%
Transfers to Other Funds Intergovernmental	6,826,525	3,413,263	50.0%
Total Expenditures	\$25,638,229	\$11,465,964	44.7%

**Revenue Variances**

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	9,110,562	8,845,192	97.1%
Sales Taxes	5,570,000	2,061,068	37.0%
Use Tax	1,554,004	846,724	54.5%
Motor Vehicle Tax	796,411	402,736	50.6%
Liquor Tax	105,052	82,878	78.9%
Franchise Fees	1,905,797	845,726	44.4%
Licenses & Permits	854,383	557,983	65.3%
Charges for Services	1,851,162	858,685	46.4%
Fines & Fees	868,762	295,697	34.0%
Recreational Fees	424,650	315,583	74.3%
Interest on Investments	134,608	64,321	47.8%
Miscellaneous	130,622	143,964	110.2%
Transfer from Stormwater Utility Fund	600,000	300,000	50.0%
Total Revenue	\$23,906,014	\$15,620,557	65.3%

**OTHER FUNDS**

The Statement of Revenues and Expenses for the quarter ended June 30, 2022 is shown on page 5.

Report Prepared by Jason Hannaman, Finance Director, August 25, 2022

Quarterly Financial Report – 2<sup>nd</sup> Quarter Ended June 30, 2022

	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				2,043,872											
Meadowbrook TIF														192,973	189,334
Sales Taxes															
Motor Vehicle Tax															
Liquor Tax					82,878	82,878									
Licenses & Permits	670		6,720												
Intergovernmental		143,083						96,017	1,701,211	720,584					
Charges for Services	1,873,518		1,558,306												
Interest on Investments	5,962	2,180	9,450	399		64	715	1,267	2,619	7,223	1,208	931	4,512	1,142	2,008
Miscellaneous	142														
<b>Total Revenue</b>	<b>1,880,293</b>	<b>145,263</b>	<b>1,574,476</b>	<b>2,044,271</b>	<b>82,878</b>	<b>82,942</b>	<b>715</b>	<b>97,284</b>	<b>1,703,830</b>	<b>727,807</b>	<b>1,208</b>	<b>931</b>	<b>4,512</b>	<b>194,115</b>	<b>191,342</b>
Transfers from Other funds:															
Transfer from General Fund							525,363			2,653,500		68,000	166,400		
Transfer from Special Highway										298,500					
Transfer from Storm Water Utility Fund										500,000					
Transfer from Special Parks & Rec Fund										82,878					
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525,363</b>	<b>-</b>	<b>-</b>	<b>3,534,878</b>	<b>-</b>	<b>68,000</b>	<b>166,400</b>	<b>-</b>	<b>-</b>
<b>Total Sources</b>	<b>1,880,293</b>	<b>145,263</b>	<b>1,574,476</b>	<b>2,044,271</b>	<b>82,878</b>	<b>82,942</b>	<b>526,077</b>	<b>97,284</b>	<b>1,703,830</b>	<b>4,262,685</b>	<b>1,208</b>	<b>68,931</b>	<b>170,912</b>	<b>194,115</b>	<b>191,342</b>
Expenditures:															
Personal Services	14,922					15,916									
Contract Services	821,812			1,974,527		51,505		35,000	1,511		393	20,573	50,803	140,000	105,000
Commodities									4,811						
Capital Outlay													77,980		
Debt Service							195,363								
Infrastructure										1,409,926					
<b>Total Expenditures</b>	<b>836,734</b>	<b>-</b>	<b>-</b>	<b>1,974,527</b>	<b>-</b>	<b>67,421</b>	<b>195,363</b>	<b>35,000</b>	<b>6,321</b>	<b>1,409,926</b>	<b>393</b>	<b>20,573</b>	<b>128,783</b>	<b>140,000</b>	<b>105,000</b>
Transfers to Other Funds:															
Transfer to General Fund			300,000												
Transfer to Bond & Interest Fund															
Transfer to Capital Projects Fund		298,500	500,000		82,878										
Transfer to Equipment Reserve Fund															
<b>Total</b>	<b>-</b>	<b>298,500</b>	<b>800,000</b>	<b>-</b>	<b>82,878</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Uses</b>	<b>836,734</b>	<b>298,500</b>	<b>800,000</b>	<b>1,974,527</b>	<b>82,878</b>	<b>67,421</b>	<b>195,363</b>	<b>35,000</b>	<b>6,321</b>	<b>1,409,926</b>	<b>393</b>	<b>20,573</b>	<b>128,783</b>	<b>140,000</b>	<b>105,000</b>
Sources Over(Under) Uses	<b>1,043,558</b>	<b>(153,237)</b>	<b>774,476</b>	<b>69,744</b>	<b>-</b>	<b>15,521</b>	<b>330,715</b>	<b>62,284</b>	<b>1,697,508</b>	<b>2,852,759</b>	<b>816</b>	<b>48,358</b>	<b>42,129</b>	<b>54,115</b>	<b>86,342</b>