

# CITY OF PRAIRIE VILLAGE

Third Quarter Financial Report

Ended  
September 30, 2022

Relating to  
Fiscal Year 2022

Unaudited



## GENERAL FUND

**General Fund Balance.** The chart, below, shows with 75% of the year complete revenues are at 86.9% of projections, while expenditures are at 69.5% of appropriations. The chart also reports the budgeted fund balance at the start of 2022, which was \$7,591,246 and the audited actual fund balance, which is \$9,565,635. 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	\$ 9,565,635	
Revenues	23,906,014	20,762,454	86.9%
Expenditures	25,638,229	17,828,120	69.5%
Balance	5,859,031	12,499,969	

## 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 September unemployment rate was 2.2%, compared to the stated Kansas unemployment rate of 2.5%. The impacts of inflation and a tight labor market continue to impact recovery from the recession.




Prairie Village sales tax collections through the third quarter were up 13% compared to the same time last year. In comparison, use tax collections over the same time period were very strong and were 25.1% 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 \$445,264 greater compared to the last fiscal year, and are at 69.5% 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 62.8% of the budget estimate.
- **Use Tax.** Use tax revenues are \$325,537 greater compared to the last fiscal year, and are at 104.5% 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 94.1% of the budget estimate.
- **Franchise Fees.** Franchise fee revenues are \$161,898 greater compared to the last fiscal year, and are at 74.1% 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 63.8% of the budget estimate.
- **Licenses & Permits.** License & permit revenues are \$148,553 greater compared to the last fiscal year and are at 111.0% of the budget estimate. This is driven by significant building permit revenue in 2022. In 2021 we were at 95.0% of the budget estimate.
- **Interest on Investments.** Interest receipts for the General Fund only are \$93,413 greater compared to 2021, and are at 96.1% of the budget estimate. Interest receipts for all funds are \$227,958 and are at 70.2% of the budget estimate. Interest earnings are expected to increase throughout the year as rates rise. Interest receipts depend on the maturity date of investments, type of investment and rate of interest.
- **Fines and Fees.** Fine and Fee revenues are \$190,654 less compared to the last fiscal year, and are at 53.4% of the budget estimate. In 2021 we were at 70.2% 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 – 3<sup>rd</sup> Quarter Ended September 30, 2022

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

Year to Date Comparison to Prior Year				
General Fund	2022	2021	Over (Under)	% change
<b>Revenues:</b>				
Property Taxes	9,128,589	8,656,557	472,032	5.45%
Sales Taxes	3,870,248	3,424,984	445,264	13.00%
Use Tax	1,623,658	1,298,121	325,537	25.08%
Motor Vehicle Tax	706,832	709,790	(2,958)	-0.42%
Liquor Tax	127,858	94,020	33,839	35.99%
Franchise Fees	1,412,868	1,250,970	161,898	12.94%
Licenses & Permits	948,650	620,456	328,194	52.90%
Charges for Services	1,284,337	1,278,254	6,084	0.48%
Fines & Fees	463,527	654,181	(190,654)	-29.14%
Recreational Fees	469,203	408,107	61,095	14.97%
Interest on Investments	129,403	35,990	93,413	259.55%
Miscellaneous	147,280	154,166	(6,886)	-4.47%
<b>Total Revenue</b>	<b>\$20,312,454</b>	<b>\$18,585,596</b>	<b>\$1,726,858</b>	<b>9.29%</b>
<b>Transfers from Other funds:</b>				
Transfer from General Fund	-	-	-	
Transfer from Special Highway Fund	-	-	-	
Transfer from Stormwater Utility Fund	450,000	450,000	-	
Transfer from Special Parks & Rec Fund	-	-	-	
Transfer from Special Alcohol Fund	-	-	-	
<b>Total</b>	<b>450,000</b>	<b>450,000</b>	<b>-</b>	
<b>Total Sources</b>	<b>\$20,762,454</b>	<b>\$19,035,596</b>	<b>\$1,726,858</b>	
<b>Expenditures:</b>				
Personal Services	8,980,252	8,306,851	673,400	8.11%
Contract Services	2,960,548	2,769,531	191,016	6.90%
Commodities	594,615	421,466	173,150	41.08%
Capital Outlay	172,811	306,226	(133,414)	-43.57%
Debt Service	-	-	-	
Infrastructure	-	-	-	
Contingency	-	-	-	
<b>Total Expenditures</b>	<b>12,708,226</b>	<b>11,804,074</b>	<b>904,152</b>	<b>7.66%</b>
<b>Transfers to Other Funds:</b>				
Transfer to Capital Projects Fund	3,980,250	3,392,850	587,400	17.31%
Transfer to Bond & Interest Fund	788,044	989,651	(201,607)	-20.37%
Transfer to Risk Management Fund	-	-	-	
Transfer to Economic Development	102,000	102,000	-	
Transfer to Equipment Reserve Fund	249,600	397,500	(147,900)	-37.21%
<b>Total</b>	<b>5,119,894</b>	<b>4,882,001</b>	<b>237,893</b>	
<b>Total Uses</b>	<b>17,828,120</b>	<b>16,686,075</b>	<b>1,142,045</b>	

Quarterly Financial Report – 3<sup>rd</sup> Quarter Ended September 30, 2022

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

**Expenditure Variances**

General Fund	Budget	Expended YTD Actual	Percent Expended
Expenditures:			
Personnel Services	11,911,253	8,980,252	75.4%
Contract Services	5,284,151	2,960,548	56.0%
Commodities	840,850	594,615	70.7%
Capital Outlay	275,450	172,811	62.7%
Contingency	500,000	-	0.0%
Transfers to Other Funds Intergovernmental	6,826,525	5,119,894	75.0%
Total Expenditures	\$25,638,229	\$17,828,120	69.5%

**Revenue Variances**

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	9,110,562	9,128,589	100.2%
Sales Taxes	5,570,000	3,870,248	69.5%
Use Tax	1,554,004	1,623,658	104.5%
Motor Vehicle Tax	796,411	706,832	88.8%
Liquor Tax	105,052	127,858	121.7%
Franchise Fees	1,905,797	1,412,868	74.1%
Licenses & Permits	854,383	948,650	111.0%
Charges for Services	1,851,162	1,284,337	69.4%
Fines & Fees	868,762	463,527	53.4%
Recreational Fees	424,650	469,203	110.5%
Interest on Investments	134,608	129,403	96.1%
Miscellaneous	130,622	147,280	112.8%
Transfer from Stormwater Utility Fund	600,000	450,000	75.0%
Total Revenue	\$23,906,014	\$20,762,454	86.9%

**OTHER FUNDS**

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

Report Prepared by Jason Hannaman, Finance Director, November 22, 2022

Quarterly Financial Report – 3<sup>rd</sup> Quarter Ended September 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															
Meadowbrook TIF				2,053,194											
Sales Taxes														366,535	335,246
Motor Vehicle Tax															
Liquor Tax					127,858	127,858									
Licenses & Permits	670		10,500												
Intergovernmental		301,321						179,340	1,701,211	720,584					
Charges for Services	1,920,328		1,639,607												
Interest on Investments	14,554	7,303	13,998	1,118		459	1,456	4,403	14,574	14,483	2,912	3,181	12,121	2,787	5,206
Miscellaneous	142					5,584				2,525					
<b>Total Revenue</b>	<b>1,935,694</b>	<b>308,624</b>	<b>1,664,105</b>	<b>2,054,313</b>	<b>127,858</b>	<b>133,901</b>	<b>1,456</b>	<b>183,743</b>	<b>1,715,784</b>	<b>737,592</b>	<b>2,912</b>	<b>3,181</b>	<b>12,121</b>	<b>369,322</b>	<b>340,453</b>
Transfers from Other funds:															
Transfer from General Fund							788,044			3,980,250		102,000	249,600		
Transfer from Special Highway										447,750					
Transfer from Storm Water Utility Fund										750,000					
Transfer from Special Parks & Rec Fund										127,858					
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>788,044</b>	<b>-</b>	<b>-</b>	<b>5,305,858</b>	<b>-</b>	<b>102,000</b>	<b>249,600</b>	<b>-</b>	<b>-</b>
<b>Total Sources</b>	<b>1,935,694</b>	<b>308,624</b>	<b>1,664,105</b>	<b>2,054,313</b>	<b>127,858</b>	<b>133,901</b>	<b>789,500</b>	<b>183,743</b>	<b>1,715,784</b>	<b>6,043,450</b>	<b>2,912</b>	<b>105,181</b>	<b>261,721</b>	<b>369,322</b>	<b>340,453</b>
Expenditures:															
Personal Services	22,383					24,286									
Contract Services	1,295,046			1,978,361		59,027		35,000	1,511		393	59,149	50,292	280,000	210,000
Commodities									4,811						
Capital Outlay													335,592		
Debt Service							1,050,725								
Infrastructure									45,694	2,207,881					
<b>Total Expenditures</b>	<b>1,317,429</b>	<b>-</b>	<b>-</b>	<b>1,978,361</b>	<b>-</b>	<b>83,314</b>	<b>1,050,725</b>	<b>35,000</b>	<b>52,015</b>	<b>2,207,881</b>	<b>393</b>	<b>59,149</b>	<b>385,884</b>	<b>280,000</b>	<b>210,000</b>
Transfers to Other Funds:															
Transfer to General Fund			450,000												
Transfer to Bond & Interest Fund															
Transfer to Capital Projects Fund		447,750	750,000		127,858										
Transfer to Equipment Reserve Fund															
<b>Total</b>	<b>-</b>	<b>447,750</b>	<b>1,200,000</b>	<b>-</b>	<b>127,858</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>1,317,429</b>	<b>447,750</b>	<b>1,200,000</b>	<b>1,978,361</b>	<b>127,858</b>	<b>83,314</b>	<b>1,050,725</b>	<b>35,000</b>	<b>52,015</b>	<b>2,207,881</b>	<b>393</b>	<b>59,149</b>	<b>385,884</b>	<b>280,000</b>	<b>210,000</b>
Sources Over(Under) Uses	<b>618,265</b>	<b>(139,126)</b>	<b>464,105</b>	<b>75,952</b>	<b>-</b>	<b>50,587</b>	<b>(261,225)</b>	<b>148,743</b>	<b>1,663,769</b>	<b>3,835,569</b>	<b>2,519</b>	<b>46,032</b>	<b>(124,162)</b>	<b>89,322</b>	<b>130,453</b>