

CITY OF PRAIRIE VILLAGE

Fourth Quarter Financial Report

Ended
December 31, 2022

Relating to
Fiscal Year 2022

Unaudited



GENERAL FUND

General Fund Balance. The chart, below, shows with the full year complete revenues are at 111.3% of projections, while expenditures are at 97.5% 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 projected ending 2022 fund balance is 43 percent, pending final audited figures.

General Fund	Budget	YTD	Percent
Fund Balance 1/1	\$ 7,591,246	\$ 9,565,635	
Revenues	23,906,014	26,617,803	111.3%
Expenditures	25,638,229	24,998,194	97.5%
Balance	5,859,031	11,185,244	

SUMMARY OF KANSAS ECONOMIC CONDITIONS




The outlook for both the regional and U.S. economies remains mixed, although improving in the second half of 2022. Q1 and Q2 showed declines in real GDP. Personal consumption ended the year with small year-over year gains, while the City seemed mostly insulated from harder-hit national sectors such as residential and non-residential investment. Job losses were most notable in the service sector of the economy. 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 be extremely low, both in Johnson County and Kansas as a whole. The Johnson County December unemployment rate was 2.3%, compared to the stated Kansas unemployment rate of 2.6%. The impacts of inflation and a tight labor market continue to impact recovery from the recession.

Prairie Village sales tax collections through the fourth quarter were up 10.6% compared to the same time last year. In addition, use tax collections over the same time period were very strong and were 13.7% 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 \$648,540 greater compared to the last fiscal year, and are at 121% 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 100% of the budget estimate.
- **Use Tax.** Use tax revenues are \$336,933 greater compared to the last fiscal year, and are at 180% 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 178% of the budget estimate.
- **Franchise Fees.** Franchise fee revenues are \$163,557 greater compared to the last fiscal year, and are at 107% 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 96% of the budget estimate.
- **Licenses & Permits.** License & permit revenues are \$362,020 greater compared to the last fiscal year and are at 140% of the budget estimate. This is driven by significant building permit revenue in 2022. In 2021 we were at 128% of the budget estimate.
- **Interest on Investments.** Interest receipts for the General Fund only are \$133,835 greater compared to 2021, and are at 129% of the budget estimate. Interest receipts for all funds are \$320,657 and are at 99% of the budget estimate. Interest earnings rose quickly in the second half of the year as interest rates rose. Investment interest rates continue to be strong in early 2023. Interest receipts depend on the maturity date of investments, type of investment and rate of interest.
- **Fines and Fees.** Fine and Fee revenues are \$228,134 less compared to the last fiscal year, and are at 69% of the budget estimate. In 2021 we were at 89% 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 – 4th Quarter Ended December 31, 2022

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

Year to Date Comparison to Prior Year				
General Fund	2022	2021	Over (Under)	% change
Revenues:				
Property Taxes	9,138,008	8,667,704	470,304	5.43%
Sales Taxes	6,746,703	6,098,163	648,540	10.63%
Use Tax	2,795,524	2,458,591	336,933	13.70%
Motor Vehicle Tax	790,061	798,074	(8,013)	-1.00%
Liquor Tax	176,393	140,134	36,259	25.87%
Franchise Fees	2,034,826	1,871,269	163,557	8.74%
Licenses & Permits	1,197,762	835,741	362,020	43.32%
Charges for Services	1,811,122	1,788,547	22,574	1.26%
Fines & Fees	600,977	829,111	(228,134)	-27.52%
Recreational Fees	479,401	414,560	64,840	15.64%
Interest on Investments	174,369	40,534	133,835	330.18%
Miscellaneous	72,659	139,467	(66,809)	-47.90%
Total Revenue	\$26,017,803	\$24,081,897	\$1,935,906	8.04%
Transfers from Other funds:				
Transfer from Stormwater Utility Fund	600,000	600,000	-	
Total	600,000	600,000	-	
Total Sources	\$26,617,803	\$24,681,897	\$1,935,906	
Expenditures:				
Personal Services	12,146,549	10,922,259	1,224,290	11.21%
Contract Services	4,913,241	4,247,731	665,510	15.67%
Commodities	858,988	705,568	153,420	21.74%
Capital Outlay	240,891	339,454	(98,563)	-29.04%
Contingency	-	-	-	
Total Expenditures	18,159,669	16,215,012	1,944,657	11.99%
Transfers to Other Funds:				
Transfer to Capital Projects Fund	5,319,000	4,523,800	795,200	17.58%
Transfer to Bond & Interest Fund	1,050,725	1,319,534	(268,809)	-20.37%
Transfer to Economic Development	136,000	136,000	-	
Transfer to Equipment Reserve Fund	332,800	530,000	(197,200)	-37.21%
Total	6,838,525	6,509,334	329,191	
Total Uses	24,998,194	22,724,346	2,273,848	

Quarterly Financial Report – 4th Quarter Ended December 31, 2022

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

Expenditure Variances

General Fund	Budget	Expended YTD Actual	Percent Expended
Expenditures:			
Personnel Services	11,911,253	12,146,549	102.0%
Contract Services	5,284,151	4,913,241	93.0%
Commodities	840,850	858,988	102.2%
Capital Outlay	275,450	240,891	87.5%
Contingency	500,000	-	0.0%
Transfers to Other Funds Intergovernmental	6,826,525	6,838,525	100.2%
Total Expenditures	\$25,638,229	\$24,998,194	97.5%

Revenue Variances

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	9,110,562	9,138,008	100.3%
Sales Taxes	5,570,000	6,746,703	121.1%
Use Tax	1,554,004	2,795,524	179.9%
Motor Vehicle Tax	796,411	790,061	99.2%
Liquor Tax	105,052	176,393	167.9%
Franchise Fees	1,905,797	2,034,826	106.8%
Licenses & Permits	854,383	1,197,762	140.2%
Charges for Services	1,851,162	1,811,122	97.8%
Fines & Fees	868,762	600,977	69.2%
Recreational Fees	424,650	479,401	112.9%
Interest on Investments	134,608	174,369	129.5%
Miscellaneous	130,622	72,659	55.6%
Transfer from Stormwater Utility Fund	600,000	600,000	100.0%
Total Revenue	\$23,906,014	\$26,617,803	111.3%

OTHER FUNDS

The Statement of Revenues and Expenses for the year ended December 31, 2022 is shown on page 5.

Report Prepared by Jason Hannaman, Finance Director, February 28, 2023

Quarterly Financial Report – 4th Quarter Ended December 31, 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										641,726	614,593
Sales Taxes															
Motor Vehicle Tax															
Liquor Tax					176,393	176,393									
Licenses & Permits	1,825		12,880												
Intergovernmental		618,182						288,557	1,701,211	720,584					
Charges for Services	1,925,191		1,641,036												
Interest on Investments	17,556	11,662	16,033	1,609		890	1,846	7,931	35,304	16,218	4,114	5,099	16,362	4,042	7,622
Miscellaneous	142					5,584				17,609	14,684				
Total Revenue	1,944,714	629,844	1,669,949	2,054,803	176,393	182,867	1,846	296,488	1,736,515	754,411	18,798	5,099	16,362	645,768	622,215
Transfers from Other funds:															
Transfer from General Fund							1,050,725			5,319,000		136,000	332,800		
Transfer from Special Highway										597,000					
Transfer from Storm Water Utility Fund										1,000,000					
Transfer from Special Parks & Rec Fund										105,000					
Total	-	-	-	-	-	-	1,050,725	-	-	7,021,000	-	136,000	332,800	-	-
Total Sources	1,944,714	629,844	1,669,949	2,054,803	176,393	182,867	1,052,571	296,488	1,736,515	7,775,411	18,798	141,099	349,162	645,768	622,215
Expenditures:															
Personal Services	43,673					89,616									
Contract Services	1,915,296			1,983,361		75,757		36,881	1,861		(14,000)	89,710	50,292	560,000	420,000
Commodities						7,179			4,811						
Capital Outlay													516,552		
Debt Service							1,050,725								
Infrastructure									58,129	5,444,437					
Total Expenditures	1,958,969	-	-	1,983,361	-	172,552	1,050,725	36,881	64,801	5,444,437	(14,000)	89,710	566,844	560,000	420,000
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		105,000										
Transfer to Equipment Reserve Fund															
Total	-	597,000	1,600,000	-	105,000	-	-	-	-	-	-	-	-	-	-
Total Uses	1,958,969	597,000	1,600,000	1,983,361	105,000	172,552	1,050,725	36,881	64,801	5,444,437	(14,000)	89,710	566,844	560,000	420,000
Sources Over(Under) Uses	(14,255)	32,844	69,949	71,442	71,393	10,315	1,846	259,607	1,671,714	2,330,974	32,798	51,389	(217,682)	85,768	202,215