

CITY OF PRAIRIE VILLAGE

Fourth Quarter Financial Report

Ended
December 31, 2024

Relating to Fiscal
Year 2024

Unaudited



GENERAL FUND

General Fund Balance. The chart below shows that at the end of the year (unaudited), revenues are at 107.2% of budget, while expenditures are at 96.3% of appropriations. The chart also reports the budgeted fund balance at the start of 2024, which was \$10,407,990 and the audited actual fund balance, which is \$11,317,714. The 2024 target ending fund balance is 25 percent of revenues (excluding transfers). The projected ending 2024 fund balance is 40 percent, pending final audited figures.

General Fund	CY Budget	YTD	Percent
Fund Balance 1/1	\$ 10,407,990	\$ 11,317,714	
Revenues	27,850,648	29,852,781	107.2%
Expenditures	31,586,176	30,417,745	96.3%
Balance	6,672,462	10,752,750	

SUMMARY OF KANSAS ECONOMIC CONDITIONS

The outlook for both the regional and U.S. economies continues to be strong, with recession fears fading into the rear-view mirror. 2024 showed increases in real GDP, total employment, and labor force participation in Kansas. Personal consumption ended the year with 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. The unemployment rate continues to be low, both in Johnson County and Kansas as a whole. The Johnson County December unemployment rate was 2.9% (down from 3Q 2024 at 3.2%), compared to the stated Kansas unemployment rate of 3.8% at both September and December 2024. The impacts of inflation and a tight labor market continue to drive costs for durable goods and capital projects higher.




Prairie Village sales tax collections for the year were up 0.6% compared to the same time last year. Use tax collections over the same time period were better at 5.3% higher than last year. Both sales and use tax growth are slowing after increasing rapidly during online purchasing booms of 2020-2022. In particular, local sales and use tax (on premise sales and local purchases) decreased, while the City's share of county-wide sales and use tax increased slightly. Sales and use tax growth are a function of higher personal consumption and higher prices due to inflation over the last three years.

Residential real estate remains strong in Johnson County and Prairie Village. This is important since Prairie Village is considered a bedroom community. According to the County Economic Research Institute (CERI), single-family residential building permits in Johnson County have been lower than population growth over the last ten years, which has combined with increasing

costs of labor and materials to drive the average price of homes sold up an average of 8.9% the last five years. New single-family residential building permits were up 26% over 2023, however 2023 had the lowest number of new homes built in the last decade.

The focus of this report is on 2024 revenues and expenditures. The city’s goal is to achieve a “positive outlook” in all key financial areas.

Rating Scale for Key Variances:

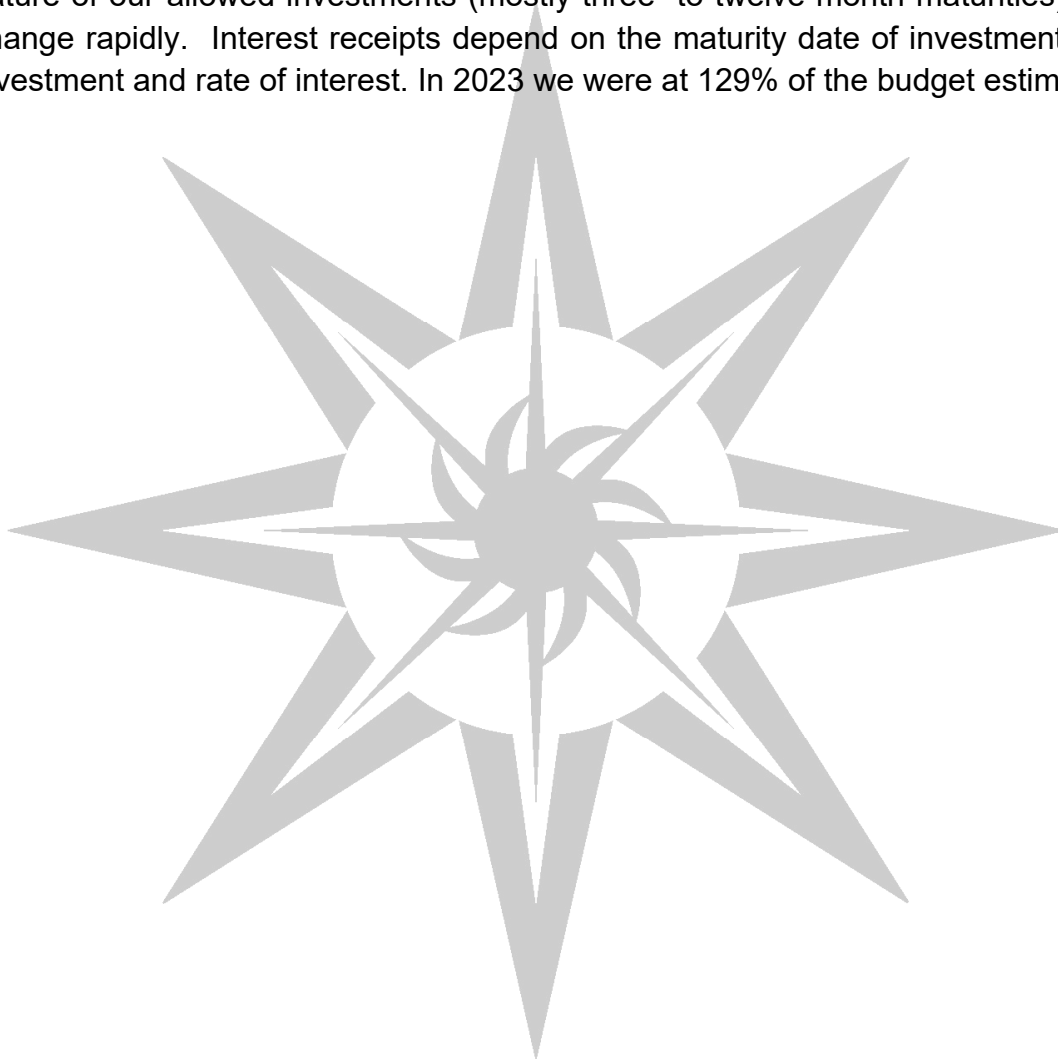
- Positive Outlook 
- Reason for Concern or Comment 
- Negative Outlook 

Key variances include:

- **Sales Tax.** Sales tax revenues are \$41,887 greater compared to the same period the last fiscal year, and are at 107% of the budget estimate. However, total sales tax collections for 2024 only increased by 0.6% over 2023. Sales tax distributions lag by two months, so the first distribution for 2024 was in March for January. In 2024 we were at 121% of the budget estimate. Sales tax collection growth has slowed significantly in the last several months, and has shown a slight drop from prior levels. Data for other cities in the county shows this to be common county-wide.
- **Use Tax.** Use tax revenues are \$152,542 greater compared to the last fiscal year, and are at 119% 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 2024 was in March for January. In 2023 we were at 147% of the budget estimate. Use tax collection growth slowed significantly in the first half of the year but has recovered somewhat the second half, and it does not yet appear to be dropping from prior levels.
- **Franchise Fees.** Franchise fee revenues are \$92,402 less, or -4.6% compared to the last fiscal year, and are at 106% of the budget estimate. Franchise fee receipts are a volatile revenue source that are highly weather-dependent, with seasonal fluctuations and occasional timing differences in when revenues are received. For example, natural gas franchise fees are highly dependent on winter temperatures, and early 2024 average temperatures were significantly higher than the same months in 2023. It does appear that natural gas and electricity franchise fees, which make up nearly 90% of expected franchise fees, are trending lower than in prior years. In 2023 we were at 106% of the budget estimate.
- **Licenses and Permits.** Licenses and permit revenues are \$157,448 greater compared to the last fiscal year and are at 118% of the budget estimate. 2023 finished the year at

99% of the annual budgeted revenue. Licenses and permits can see swings based on large individual permits (often commercial projects) or macroeconomic trends driving teardown/rebuilds.

- **Interest on Investments.** Interest receipts for the General Fund only are \$35,303 greater compared to 2023, and are more than triple the annual budget estimate. Interest earnings rose quickly in the second half of 2022 as interest rates rose and have stayed elevated. Investment interest rates continue to be strong, but due to the short-term nature of our allowed investments (mostly three- to twelve-month maturities), this can change rapidly. Interest receipts depend on the maturity date of investments, type of investment and rate of interest. In 2023 we were at 129% of the budget estimate.



Quarterly Financial Report – 4th Quarter Ended December 31, 2024

The chart below provides summary comparison information on revenues, expenditures and transfers for the year ending December 2024 versus December 2023.

Year to Date Comparison to Prior Year				
General Fund	2024	2023	Over (Under)	% change
Revenues:				
Property Taxes	10,935,932	9,532,181	1,403,751	14.7%
Sales Taxes	6,914,137	6,872,250	41,887	0.6%
Use Tax	3,007,476	2,854,934	152,542	5.3%
Motor Vehicle Tax	816,783	827,826	(11,043)	-1.3%
Liquor Tax	218,200	208,944	9,256	4.4%
Franchise Fees	1,901,281	1,993,683	(92,402)	-4.6%
Licenses & Permits	1,119,183	961,735	157,448	16.4%
Charges for Services	2,212,904	2,061,196	151,708	7.4%
Fines & Fees	667,995	684,269	(16,274)	-2.4%
Recreational Fees	564,439	501,225	63,214	12.6%
Interest on Investments	539,437	504,134	35,303	7.0%
Miscellaneous	341,905	487,549	(145,644)	-29.9%
Total Revenue	\$29,252,781	\$27,489,926	\$1,762,855	6.4%
Transfers from Other funds:				
Transfer from Stormwater Utility Fund	600,000	600,000	-	0.0%
Total	600,000	600,000	-	
Total Sources	\$29,852,781	\$28,089,926	\$1,762,855	
Expenditures:				
Personal Services	14,846,468	13,817,500	1,028,968	7.4%
Contract Services	5,591,225	5,595,666	(4,441)	-0.1%
Commodities	989,683	721,084	268,599	37.2%
Capital Outlay	279,314	303,945	(24,631)	-8.1%
Contingency	-	-	-	
Total Expenditures	21,706,690	20,438,196	1,268,494	6.2%
Transfers to Other Funds:				
Transfer to Capital Projects Fund	6,684,530	5,284,229	1,400,301	26.5%
Transfer to Bond & Interest Fund	1,160,525	1,048,000	112,525	10.7%
Transfer to Economic Development	266,000	266,000	-	0.0%
Transfer to Equipment Reserve Fund	600,000	600,000	-	0.0%
Total	8,711,055	7,198,229	1,512,826	
Total Uses	30,417,745	27,636,425	2,781,320	

Quarterly Financial Report – 4th Quarter Ended December 31, 2024

The charts below provide information on expenditure and revenue budget to actual variances for the General Fund for the year ending December 2024.

Expenditure Variances

General Fund	Budget	Expended YTD Actual	Percent Expended
Expenditures:			
Personnel Services	15,134,217	14,846,468	98.1%
Contract Services	5,925,554	5,591,225	94.4%
Commodities	1,010,150	989,683	98.0%
Capital Outlay	305,200	279,314	91.5%
Contingency	500,000	-	0.0%
Transfers to Other Funds	8,711,055	8,711,055	100.0%
Total Expenditures	\$31,586,176	\$30,417,745	96.3%

Revenue Variances

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	11,026,962	10,935,932	99.2%
Sales Taxes	6,430,000	6,914,137	107.5%
Use Tax	2,510,000	3,007,476	119.8%
Motor Vehicle Tax	794,356	816,783	102.8%
Liquor Tax	187,611	218,200	116.3%
Franchise Fees	1,795,500	1,901,281	105.9%
Licenses & Permits	945,258	1,119,183	118.4%
Intergovernmental	-	13,109	
Charges for Services	2,219,434	2,212,904	99.7%
Fines & Fees	608,700	667,995	109.7%
Recreational Fees	464,800	564,439	121.4%
Interest on Investments	118,192	539,437	456.4%
Miscellaneous	149,835	341,905	228.2%
Transfer from Stormwater Utility Fund	600,000	600,000	100.0%
Total Revenue	\$27,850,648	\$29,852,781	107.2%

OTHER FUNDS

The Statement of Revenues and Expenses for the year ended December, 2024 is shown on page 6.

Report Prepared by Jason Hannaman, Finance Director, April 1, 2025

Quarterly Financial Report – Year Ended December 31, 2024

	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				3,574,981										749,202	583,143
Sales Taxes															
Motor Vehicle Tax															
Liquor Tax					218,200	218,200									
Licenses & Permits	1,875		13,670												
Intergovernmental		623,315						380,581	-	3,949,411					
Charges for Services	2,075,347		1,653,326												
Interest on Investments	49,712	26,595	65,634	7,202	6,092	5,972	9,174	10,687	61,041	63,268	6,391	6,399	36,830	5,974	6,683
Miscellaneous	-					69,362				100,548	5,625				
Total Revenue	2,126,934	649,910	1,732,630	3,582,183	224,292	293,534	9,174	391,268	61,041	4,113,227	12,016	6,399	36,830	755,176	589,826
Transfers from Other funds:															
Transfer from General Fund							1,160,525			6,684,530		266,000	600,000		
Transfer from Special Highway										603,260					
Transfer from Storm Water Utility Fund										1,050,000					
Transfer from Economic Development Fund										-					
Transfer from Transient Guest Tax Fund										190,000					
Transfer from Special Parks & Rec Fund										276,913					
Total	-	-	-	-	-	-	1,160,525	-	-	8,804,703	-	266,000	600,000	-	-
Total Sources	2,126,934	649,910	1,732,630	3,582,183	224,292	293,534	1,169,699	391,268	61,041	12,917,930	12,016	272,399	636,830	755,176	589,826
Expenditures:															
Personal Services	42,004					129,269									
Contract Services	2,056,308			3,541,224		159,865		133,891	112,137		8,457	195,202	-	781,020	890,120
Commodities						13,942									
Capital Outlay													378,851		
Debt Service							559,525								
Infrastructure									-	11,206,642					
Total Expenditures	2,098,312	-	-	3,541,224	-	303,076	559,525	133,891	112,137	11,206,642	8,457	195,202	378,851	781,020	890,120
Transfers to Other Funds:															
Transfer to General Fund			600,000												
Transfer to Bond & Interest Fund		603,260	1,050,000		276,913			190,000							
Transfer to Capital Projects Fund															
Transfer to Equipment Reserve Fund															
Total	-	603,260	1,650,000	-	276,913	-	-	190,000	-	-	-	-	-	-	-
Total Uses	2,098,312	603,260	1,650,000	3,541,224	276,913	303,076	559,525	323,891	112,137	11,206,642	8,457	195,202	378,851	781,020	890,120
Sources Over(Under) Uses	28,622	46,650	82,630	40,959	(52,621)	(9,542)	610,174	67,377	(51,096)	1,711,288	3,559	77,197	257,979	(25,844)	(300,294)