

CITY OF PRAIRIE VILLAGE

First Quarter Financial Report

Ended
March 31, 2025

Relating to Fiscal
Year 2025

Unaudited



GENERAL FUND

General Fund Balance. The chart below shows that with 25% of the year complete revenues are at 32.1% of budget, while expenditures are at 23.1% of appropriations. The chart also reports the budgeted fund balance at the start of 2025, which was \$9,699,708 and the audited actual fund balance, which is \$10,752,750. The 2025 target ending fund balance is 25 percent of revenues (excluding transfers). The ending audited 2024 fund balance is 37 percent.

General Fund	CY Budget	YTD	Percent
Fund Balance 1/1	\$ 9,699,708	\$ 10,752,750	
Revenues	29,411,891	9,438,411	32.1%
Expenditures	32,005,383	7,400,949	23.1%
Balance	7,106,216	12,790,213	

SUMMARY OF KANSAS ECONOMIC CONDITIONS




As we move through 2025, the economic outlook for both the U.S. and our region remains stable and positive, with earlier concerns about a potential recession continuing to recede. Kansas experienced growth in real GDP, employment, and labor force participation during 2024, driven in part by strong consumer spending. Johnson County has remained relatively shielded from national slowdowns in areas like commercial development and residential construction. However, job losses have been most concentrated in the service sector, reflecting broader economic shifts. The county's unemployment rate rose slightly to 3.6% in December 2024, up from 2.9% in the previous quarter, though it remains below the state average of 3.8%. Inflation and a persistently tight labor market are contributing to rising costs for durable goods and capital projects—an important consideration as we plan future infrastructure and community investments. While the overall economic picture is healthy, these trends highlight the importance of strategic budgeting initiatives at the local level.

Prairie Village sales tax collections for the year were up 3.0% compared to the same time last year. Use tax collections over the same time period were better at 6.4% higher than last year. Both sales and use tax collections have slowed considerably after increasing rapidly during online purchasing booms of 2020-2022. In particular, local sales and use tax (on premise sales and local purchases) decreased slightly in 2024, 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 14% over 2024, however 2024 and 2023 were the two years with the lowest number of new homes built in the last decade. The focus of this report is on 2025 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 \$15,536 greater compared to the same period the last fiscal year, and are at 8.1% of the budget estimate. Sales tax distributions lag by two months, so the first distribution for 2025 was in March for January. In 2024 we were at 8.1% 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 \$14,906 greater compared to the same period the last fiscal year, and are at 9.3% 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 2025 was in March for January. In 2024 we were at 9.3% of the budget estimate. Use tax collection growth slowed significantly in the first half of 2024 but recovered somewhat the second half, and it does not yet appear to be dropping from prior levels.
- **Franchise Fees.** Franchise fee revenues are \$175,130 greater compared to the same period the last fiscal year, and are at 22.1% 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. While receipts are significantly higher the same period last year, in 2024 we didn’t receive two months of natural gas franchise fees until the second quarter. It does appear that natural gas and electricity franchise fees, which make up nearly 90% of expected franchise fees, are stagnant or trending lower than in prior years. In 2024 we were at 13.6% of the budget estimate.
- **Licenses and Permits.** Licenses and permit revenues are \$42,043 greater compared to the last fiscal year and are at 28.8% of the budget estimate. In 2024 we were at 23.6% of the budget estimate. Licenses and permits can see swings based on large individual permits (often commercial projects) or macroeconomic trends driving teardown/rebuilds.

Quarterly Financial Report – 1st Quarter Ended March 31, 2025

The chart below provides summary comparison information on revenues, expenditures and transfers for the quarter ending March 2025 versus March 2024.

Year to Date Comparison to Prior Year				
General Fund	2025	2024	Over (Under)	% change
Revenues:				
Property Taxes	6,694,937	6,273,875	421,062	6.7%
Sales Taxes	539,428	523,892	15,536	3.0%
Use Tax	247,755	232,849	14,906	6.4%
Motor Vehicle Tax	241,915	220,356	21,559	9.8%
Liquor Tax	51,963	51,963	-	0.0%
Franchise Fees	418,514	243,384	175,130	72.0%
Licenses & Permits	264,973	222,930	42,043	18.9%
Charges for Services	567,471	528,261	39,210	7.4%
Fines & Fees	158,411	178,171	(19,760)	-11.1%
Recreational Fees	9,273	10,806	(1,533)	-14.2%
Interest on Investments	72,533	121,308	(48,775)	-40.2%
Miscellaneous	21,238	75,500	(54,262)	-71.9%
Total Revenue	\$9,288,411	\$8,683,295	\$605,116	7.0%
Transfers from Other funds:				
Transfer from Stormwater Utility Fund	150,000	150,000	-	0.0%
Total	150,000	150,000	-	
Total Sources	\$9,438,411	\$8,833,295	\$605,116	
Expenditures:				
Personal Services	4,468,050	4,068,824	399,226	9.8%
Contract Services	977,693	1,040,521	(62,828)	-6.0%
Commodities	141,211	108,632	32,579	30.0%
Capital Outlay	106,282	10,762	95,520	887.6%
Contingency	-	-	-	
Total Expenditures	5,693,236	5,228,739	464,497	8.9%
Transfers to Other Funds:				
Transfer to Capital Projects Fund	1,363,750	1,533,883	(170,133)	-11.1%
Transfer to Bond & Interest Fund	139,963	139,881	81	0.1%
Transfer to Economic Development	66,500	66,500	-	0.0%
Transfer to Equipment Reserve Fund	137,500	150,000	(12,500)	-8.3%
Total	1,707,713	1,890,264	(182,551)	
Total Uses	7,400,949	7,119,003	281,946	

Quarterly Financial Report – 1st Quarter Ended March 31, 2025

The charts below provide information on expenditure and revenue budget to actual variances for the General Fund for the quarter ending March 2025.

Expenditure Variances

General Fund	Budget	Expended YTD Actual	Percent Expended
Expenditures:			
Personnel Services	16,106,447	4,468,050	27.7%
Contract Services	6,090,536	977,693	16.1%
Commodities	1,044,850	141,211	13.5%
Capital Outlay	282,700	106,282	37.6%
Contingency	500,000	-	0.0%
Transfers to Other Funds	7,980,850	1,707,713	21.4%
Total Expenditures	\$32,005,383	\$7,400,949	23.1%

Revenue Variances

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	11,592,854	6,694,937	57.8%
Sales Taxes	6,660,000	539,428	8.1%
Use Tax	2,785,000	247,755	8.9%
Motor Vehicle Tax	831,586	241,915	29.1%
Liquor Tax	219,262	51,963	23.7%
Franchise Fees	1,897,250	418,514	22.1%
Licenses & Permits	920,025	264,973	28.8%
Intergovernmental	-	-	-
Charges for Services	2,350,100	567,471	24.1%
Fines & Fees	683,700	158,411	23.2%
Recreational Fees	480,500	9,273	1.9%
Interest on Investments	239,679	72,533	30.3%
Miscellaneous	151,935	21,238	14.0%
Transfer from Stormwater Utility Fund	600,000	150,000	25.0%
Total Revenue	\$29,411,891	\$9,438,411	32.1%

OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended March 2025 is shown on page 5.

Report Prepared by Jason Hannaman, Finance Director, May 25, 2025

Quarterly Financial Report – 1st Quarter Ended March 31, 2025

	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				2,306,270										58,625	44,890
Meadowbrook TIF										4,745,000					
Sales Taxes															
Bond Proceeds															
Motor Vehicle Tax					51,962	51,962									
Liquor Tax															
Licenses & Permits	1,240		3,818												
Intergovernmental		-						44,017	-	1,569,650					
Charges for Services	1,226,202		1,014,961												
Interest on Investments	12,172	2,609	11,696	2,944	497	247	2,614	3,604	7,654	11,053	1,408	2,833	4,710	1,149	-
Miscellaneous	-					3,276				-	-				
Total Revenue	1,239,614	2,609	1,030,475	2,309,214	52,459	55,485	2,614	47,621	7,654	6,325,703	1,408	2,833	4,710	59,774	44,890
Transfers from Other funds:															
Transfer from General Fund							139,963			1,363,750		66,500	137,500		
Transfer from Special Highway										150,000					
Transfer from Storm Water Utility Fund										262,500					
Transfer from Economic Development Fund										-					
Transfer from Transient Guest Tax Fund										75,000					
Transfer from Special Parks & Rec Fund										51,962					
Total	-	-	-	-	-	-	139,963	-	-	1,903,212	-	66,500	137,500	-	-
Total Sources	1,239,614	2,609	1,030,475	2,309,214	52,459	55,485	142,577	47,621	7,654	8,228,915	1,408	69,333	142,210	59,774	44,890
Expenditures:															
Personal Services	12,915					28,848									
Contract Services	338,196			2,072,999		48,377		27,185	51,225	34,354	2,430	64,464	-	-	-
Commodities						653									
Capital Outlay													333,593		
Debt Service							167,425								
Infrastructure									-	5,018,644					
Bond Costs										3,201					
Total Expenditures	351,111	-	-	2,072,999	-	77,878	167,425	27,185	51,225	5,056,199	2,430	64,464	333,593	-	-
Transfers to Other Funds:															
Transfer to General Fund			150,000												
Transfer to Bond & Interest Fund															
Transfer to Capital Projects Fund		150,000	262,500		51,962			75,000							
Transfer to Equipment Reserve Fund															
Total	-	150,000	412,500	-	51,962	-	-	75,000	-	-	-	-	-	-	-
Total Uses	351,111	150,000	412,500	2,072,999	51,962	77,878	167,425	102,185	51,225	5,056,199	2,430	64,464	333,593	-	-
Sources Over(Under) Uses	888,504	(147,391)	617,975	236,215	497	(22,393)	(24,849)	(54,564)	(43,571)	3,172,716	(1,022)	4,869	(191,383)	59,774	44,890