

CITY OF PRAIRIE VILLAGE

Second Quarter Financial Report

Ended
June 30, 2025

Relating to Fiscal
Year 2025

Unaudited



GENERAL FUND

General Fund Balance. The chart below shows that with 50% of the year complete revenues are at 64.0% of budget, while expenditures are at 46.6% 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	18,829,753	64.0%
Expenditures	32,005,383	14,921,520	46.6%
Balance	7,106,216	14,660,983	

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 has been relatively flat for months, ending at 3.5% in May 2025, down from 3.7% in the previous quarter, though it remains below the state average of 3.7%. 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 3.3% compared to the same time last year. Use tax collections over the same time period were better at 6.3% 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 11% 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 \$71,126 greater compared to the same period the last fiscal year, and are at 33.5% 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 33.6% of the budget estimate. Sales tax collection growth has slowed significantly in the last year, although it has grown 3.3% from the same period last year. Data for other cities in the county shows this to be common county-wide, with county-wide total retail sales up 4.1% year to date.
- **Use Tax.** Use tax revenues are \$57,473 greater compared to the same period the last fiscal year, and are at 34.6% 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 36.2% 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 \$104,212 greater compared to the same period the last fiscal year, and are at 43.6% 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 than the same period last year, this is nearly all due to natural gas franchise fees being approximately \$100,000 higher in 2025 due to a cold winter. In 2024 we were at 40.3% of the budget estimate.
- **Licenses and Permits.** Licenses and permit revenues are \$140,613 greater compared to the last fiscal year and are at 65.5% of the budget estimate. In 2024 we were at 48.8% of the budget estimate. Licenses and permits can see swings based on large individual permits (often commercial projects) or macroeconomic trends driving teardown/rebuilds. In May there was one commercial permit issued that was nearly \$100,000 by itself.

Quarterly Financial Report – 2nd Quarter Ended June 30, 2025

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

Year to Date Comparison to Prior Year				
General Fund	2025	2024	Over (Under)	% change
Revenues:				
Property Taxes	11,188,875	10,724,363	464,512	4.3%
Sales Taxes	2,228,572	2,157,446	71,126	3.3%
Use Tax	964,875	907,402	57,473	6.3%
Motor Vehicle Tax	438,773	420,169	18,604	4.4%
Liquor Tax	100,364	109,475	(9,111)	-8.3%
Franchise Fees	828,021	723,809	104,212	14.4%
Licenses & Permits	602,364	461,751	140,613	30.5%
Charges for Services	1,146,552	1,064,046	82,506	7.8%
Fines & Fees	327,355	356,067	(28,712)	-8.1%
Recreational Fees	327,485	396,679	(69,194)	-17.4%
Interest on Investments	199,147	244,212	(45,065)	-18.5%
Miscellaneous	177,370	116,009	61,361	52.9%
Total Revenue	\$18,529,753	\$17,681,428	\$848,325	4.8%
Transfers from Other funds:				
Transfer from Stormwater Utility Fund	300,000	300,000	-	0.0%
Total	300,000	300,000	-	
Total Sources	\$18,829,753	\$17,981,428	\$848,325	
Expenditures:				
Personal Services	8,446,160	7,623,569	822,591	10.8%
Contract Services	2,307,556	2,206,164	101,392	4.6%
Commodities	374,537	310,663	63,874	20.6%
Capital Outlay	182,842	171,942	10,900	6.3%
Contingency	-	-	-	
Total Expenditures	11,311,095	10,312,338	998,757	9.7%
Transfers to Other Funds:				
Transfer to Capital Projects Fund	2,922,500	3,067,765	(145,265)	-4.7%
Transfer to Bond & Interest Fund	279,925	279,763	163	0.1%
Transfer to Economic Development	133,000	133,000	-	0.0%
Transfer to Equipment Reserve Fund	275,000	300,000	(25,000)	-8.3%
Total	3,610,425	3,780,528	(170,103)	
Total Uses	14,921,520	14,092,866	828,655	

Quarterly Financial Report – 2nd Quarter Ended June 30, 2025

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

Expenditure Variances

General Fund	Budget	Expended YTD Actual	Percent Expended
Expenditures:			
Personnel Services	16,106,447	8,446,160	52.4%
Contract Services	6,090,536	2,307,556	37.9%
Commodities	1,044,850	374,537	35.8%
Capital Outlay	282,700	182,842	64.7%
Contingency	500,000	-	0.0%
Transfers to Other Funds	7,980,850	3,610,425	45.2%
Total Expenditures	\$32,005,383	\$14,921,520	46.6%

Revenue Variances

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	11,592,854	11,188,875	96.5%
Sales Taxes	6,660,000	2,228,572	33.5%
Use Tax	2,785,000	964,875	34.6%
Motor Vehicle Tax	831,586	438,773	52.8%
Liquor Tax	219,262	100,364	45.8%
Franchise Fees	1,897,250	828,021	43.6%
Licenses & Permits	920,025	602,364	65.5%
Intergovernmental	-	-	-
Charges for Services	2,350,100	1,146,552	48.8%
Fines & Fees	683,700	327,355	47.9%
Recreational Fees	480,500	327,485	68.2%
Interest on Investments	239,679	199,147	83.1%
Miscellaneous	151,935	177,370	116.7%
Transfer from Stormwater Utility Fund	600,000	300,000	50.0%
Total Revenue	\$29,411,891	\$18,829,753	64.0%

Note that due to the timing of the distributions of property tax from Johnson County to the City, by June approximately 95% of the year's revenue has already been received.

OTHER FUNDS

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

Report Prepared by Jason Hannaman, Finance Director, July 21, 2025

Quarterly Financial Report – 2nd Quarter Ended June 30, 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				3,829,918										239,483	193,088
Meadowbrook TIF										4,745,000					
Sales Taxes															
Bond Proceeds															
Motor Vehicle Tax					100,364	100,364									
Liquor Tax															
Licenses & Permits	1,240		6,901												
Intergovernmental		141,320						144,489	-	1,668,709					
Charges for Services	2,055,126		1,613,687												
Interest on Investments	26,900	9,155	25,946	12,374	1,324	1,269	6,429	6,429	23,600	25,616	3,529	5,697	12,084	4,018	539
Miscellaneous	-					11,539				-	-				
Total Revenue	2,083,266	150,475	1,646,534	3,842,292	101,688	113,172	6,429	150,918	23,600	6,439,325	3,529	5,697	12,084	243,501	193,627
Transfers from Other funds:															
Transfer from General Fund							279,925			2,922,500		133,000	275,000		
Transfer from Special Highway										150,000					
Transfer from Storm Water Utility Fund										525,000					
Transfer from Economic Development Fund										-					
Transfer from Transient Guest Tax Fund										150,000					
Transfer from Special Parks & Rec Fund										100,364					
Total	-	-	-	-	-	-	279,925	-	-	3,847,864	-	133,000	275,000	-	-
Total Sources	2,083,266	150,475	1,646,534	3,842,292	101,688	113,172	286,354	150,918	23,600	10,287,189	3,529	138,697	287,084	243,501	193,627
Expenditures:															
Personal Services	25,829					57,697									
Contract Services	915,700			3,508,079		64,973		103,509	541,622	34,354	14,223	99,975	-	218,730	164,579
Commodities						638									
Capital Outlay						209							35,081		
Debt Service							167,425								
Infrastructure									-	6,187,337					
Bond Costs										3,201					
Total Expenditures	941,529	-	-	3,508,079	-	123,517	167,425	103,509	541,622	6,224,892	14,223	99,975	35,081	218,730	164,579
Transfers to Other Funds:															
Transfer to General Fund			300,000												
Transfer to Bond & Interest Fund		150,000	525,000		100,364			150,000							
Transfer to Capital Projects Fund															
Transfer to Equipment Reserve Fund															
Total	-	150,000	825,000	-	100,364	-	-	150,000	-	-	-	-	-	-	-
Total Uses	941,529	150,000	825,000	3,508,079	100,364	123,517	167,425	253,509	541,622	6,224,892	14,223	99,975	35,081	218,730	164,579
Sources Over(Under) Uses	1,141,737	475	821,534	334,213	1,324	(10,345)	118,929	(102,591)	(518,022)	4,062,297	(10,694)	38,722	252,003	24,771	29,048