

CITY OF PRAIRIE VILLAGE

Fourth Quarter Financial Report

Ended
December 31, 2025

Relating to Fiscal
Year 2025

Unaudited



GENERAL FUND

General Fund Balance. The chart below shows that at the end of the year (unaudited), revenues are at 108.0% of budget, while expenditures are at 97.8% 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% of revenues (excluding transfers). The projected ending 2025 fund balance is 37%, pending final audited figures.

General Fund	CY Budget	YTD	Percent
Fund Balance 1/1	\$ 9,699,708	\$ 10,752,750	
Revenues	29,411,891	31,990,853	108.8%
Expenditures	32,005,383	31,285,330	97.8%
Balance	7,106,216	11,458,272	

SUMMARY OF KANSAS ECONOMIC CONDITIONS

As we end 2025, the economic outlook for both the U.S. and our region remains stable although showing some mixed signals, with inflation still elevated with worldwide economic concerns. Kansas experienced growth in real GDP, employment, and labor force participation during 2024 and 2025, 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 but lower than last quarter, ending at 3.2% in December 2025, down from 3.5% in the previous quarter and slightly higher than the 3.0% in 4Q 2024. County unemployment remains below the statewide 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, consumer and business sentiment does seem to be on edge.



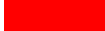
Prairie Village sales tax collections for the year were up 4% compared to the same time last year. Use tax collections over the same time period were better at 6% higher than last year. Both sales and use tax collections have slowed considerably after increasing rapidly during online purchasing booms of 2020-2022. In particular, local sales and use tax (on premise sales and local purchases) decreased slightly in 2024 but rebounded in 2025, while the City’s share of county-wide sales and use tax increased slightly in both years. 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 8.2% annually the last five years. New single-family residential building permits were up nearly identical to 2024, however the number of new single family homes built per year in Johnson county has not meaningfully increased 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:

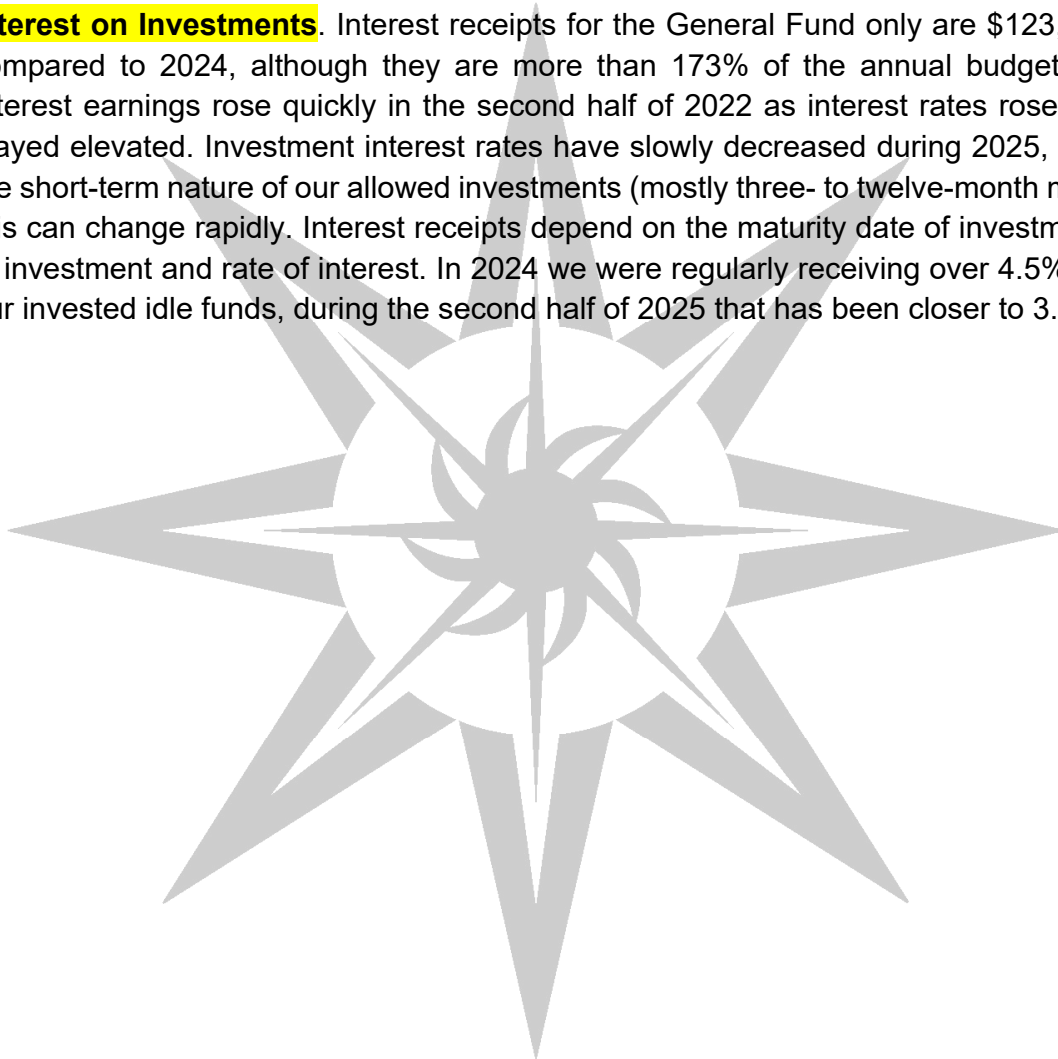
- Positive Outlook 
- Reason for Concern or Comment 
- Negative Outlook 

Key variances include:

- **Sales Tax.** Sales tax revenues are \$273,110 greater compared to the same period the last fiscal year, and are at 108% of the budget estimate. Total sales tax collections increased 4.0% for 2025 compared to 2024. Sales tax distributions lag by two months, so the first distribution for 2025 was in March for January. In 2024 we were at 107% of the budget estimate. Sales tax collection growth slowed somewhat in the first part of the year, fourth-quarter collections were strong. Our sales tax growth appears to be in line with county-wide retail sales, which are up 4.1% year to date.
- **Use Tax.** Use tax revenues are \$191,668 greater compared to the same period the last fiscal year, and are at 115% 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 119% of the budget estimate. Use tax collection growth also slowed somewhat in the first half of 2025 but recovered during the second half, and it does not yet appear to be dropping from prior levels. Sales and use tax collections indicate slow growth of on-premise sales within the city, but good growth of online sales.
- **Franchise Fees.** Franchise fee revenues are \$169,780 greater compared to the same period the last fiscal year, and are at 109% 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 \$180,000 higher in 2025 due to a cold winter. In 2024 we were at 106% of the budget estimate.
- **Licenses and Permits.** Licenses and permit revenues are \$87,688 greater compared to the last fiscal year and are at \$286,846 higher than the budget estimate. In 2024 we were at 118% 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.

- **Intergovernmental.** Intergovernmental revenues are typically unbudgeted, as they represent grants and reimbursements from other government agencies. These revenues are \$581,643 greater compared to the last fiscal year, nearly all of which is related to final receipt of FEMA storm damage reimbursements from a storm that hit Prairie Village in July 2023.
- **Interest on Investments.** Interest receipts for the General Fund only are \$123,012 lower compared to 2024, although they are more than 173% of 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 have slowly decreased during 2025, 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 2024 we were regularly receiving over 4.5% yields on our invested idle funds, during the second half of 2025 that has been closer to 3.5-3.75%.



Quarterly Financial Report – 4th Quarter Ended December 31, 2025

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

Year to Date Comparison to Prior Year				
General Fund	2025	2024	Over (Under)	% change
Revenues:				
Property Taxes	11,547,364	10,935,932	611,432	5.6%
Sales Taxes	7,187,247	6,914,137	273,110	4.0%
Use Tax	3,199,144	3,007,476	191,668	6.4%
Motor Vehicle Tax	865,037	816,783	48,254	5.9%
Liquor Tax	216,015	218,200	(2,185)	-1.0%
Franchise Fees	2,071,061	1,901,281	169,780	8.9%
Licenses & Permits	1,206,871	1,119,183	87,688	7.8%
Intergovernmental	581,643	13,109	568,534	
Charges for Services	2,388,670	2,212,904	175,766	7.9%
Fines & Fees	661,922	667,995	(6,073)	-0.9%
Recreational Fees	574,110	564,439	9,671	1.7%
Interest on Investments	416,425	539,437	(123,012)	-22.8%
Miscellaneous	475,344	341,905	133,439	39.0%
Total Revenue	\$31,390,853	\$29,252,781	\$2,138,072	7.3%
Transfers from Other funds:				
Transfer from Stormwater Utility Fund	600,000	600,000	-	0.0%
Total	600,000	600,000	-	
Total Sources	\$31,990,853	\$29,852,781	\$2,138,072	
Expenditures:				
Personal Services	16,321,743	14,846,468	1,475,275	9.9%
Contract Services	5,740,409	5,591,225	149,184	2.7%
Commodities	959,580	989,683	(30,103)	-3.0%
Capital Outlay	282,748	279,314	3,434	1.2%
Contingency	-	-	-	
Total Expenditures	23,304,480	21,706,690	1,597,790	7.4%
Transfers to Other Funds:				
Transfer to Capital Projects Fund	6,605,000	6,684,530	(79,530)	-1.2%
Transfer to Bond & Interest Fund	559,850	1,160,525	(600,675)	-51.8%
Transfer to Economic Development	266,000	266,000	-	0.0%
Transfer to Equipment Reserve Fund	550,000	600,000	(50,000)	-8.3%
Total	7,980,850	8,711,055	(730,205)	
Total Uses	31,285,330	30,417,745	867,585	

Quarterly Financial Report – 4th Quarter Ended December 31, 2025

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

Expenditure Variances

General Fund	Budget	Expended YTD Actual	Percent Expended
Expenditures:			
Personnel Services	16,106,447	16,321,743	101.3%
Contract Services	6,090,536	5,740,409	94.3%
Commodities	1,044,850	959,580	91.8%
Capital Outlay	282,700	282,748	100.0%
Contingency	500,000	-	0.0%
Transfers to Other Funds	7,980,850	7,980,850	100.0%
Total Expenditures	\$32,005,383	\$31,285,330	97.8%

Revenue Variances

General Fund	Budget	Received YTD Actual	Percent Received
Revenues:			
Property Taxes	11,592,854	11,547,364	99.6%
Sales Taxes	6,660,000	7,187,247	107.9%
Use Tax	2,785,000	3,199,144	114.9%
Motor Vehicle Tax	831,586	865,037	104.0%
Liquor Tax	219,262	216,015	98.5%
Franchise Fees	1,897,250	2,071,061	109.2%
Licenses & Permits	920,025	1,206,871	131.2%
Intergovernmental	-	581,643	
Charges for Services	2,350,100	2,388,670	101.6%
Fines & Fees	683,700	661,922	96.8%
Recreational Fees	480,500	574,110	119.5%
Interest on Investments	239,679	416,425	173.7%
Miscellaneous	151,935	475,344	312.9%
Transfer from Stormwater Utility Fund	600,000	600,000	100.0%
Total Revenue	\$29,411,891	\$31,990,853	108.8%

OTHER FUNDS

The Statement of Revenues and Expenses for the quarter ended December 2025 is shown on page 6.

Report Prepared by Jason Hannaman, Finance Director, March 26, 2026

Quarterly Financial Report – 4th Quarter Ended December 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															
Meadowbrook TIF				3,895,471										698,284	720,171
Sales Taxes										31,098,817					
Bond Proceeds															
Motor Vehicle Tax															
Liquor Tax					216,015	216,015									
Licenses & Permits	4,083		15,147												
Intergovernmental		621,711						405,704	-	1,670,830					
Charges for Services	2,110,261		1,658,660		2,923	4,277	23,136	18,310	39,261	83,496	6,052	21,667	37,570	6,328	4,252
Interest on Investments	54,648	30,590	48,102	27,150		40,102				63,459	-				
Miscellaneous	-														
Total Revenue	2,168,992	652,301	1,721,909	3,922,621	218,938	260,394	23,136	424,014	39,261	32,916,602	6,052	21,667	37,570	704,612	724,423
Transfers from Other funds:															
Transfer from General Fund							559,850			6,605,000		266,000	550,000		
Transfer from Special Highway										600,000					
Transfer from Storm Water Utility Fund										1,050,000					
Transfer from Grant Fund										482,875					
Transfer from Transient Guest Tax Fund										300,000					
Transfer from Special Parks & Rec Fund										290,329					
Total	-	-	-	-	-	-	559,850	-	-	9,328,204	-	266,000	550,000	-	-
Total Sources	2,168,992	652,301	1,721,909	3,922,621	218,938	260,394	582,986	424,014	39,261	42,244,806	6,052	287,667	587,570	704,612	724,423
Expenditures:															
Personal Services	52,084					119,429									
Contract Services	2,142,152			3,633,140		147,267		129,839	1,543,147	-	29,309	143,803	-	809,730	638,579
Commodities						1,893									
Capital Outlay						8,195							676,320		
Debt Service							638,538			4,850,529					
Infrastructure									-	12,756,864					
Bond Costs										325,244					
Total Expenditures	2,194,236	-	-	3,633,140	-	276,783	638,538	129,839	1,543,147	17,932,637	29,309	143,803	676,320	809,730	638,579
Transfers to Other Funds:															
Transfer to General Fund			600,000												
Transfer to Bond & Interest Fund															
Transfer to Capital Projects Fund		600,000	1,050,000		290,329			300,000							
Transfer to Equipment Reserve Fund															
Total	-	600,000	1,650,000	-	290,329	-	-	300,000	-	-	-	-	-	-	-
Total Uses	2,194,236	600,000	1,650,000	3,633,140	290,329	276,783	638,538	429,839	1,543,147	17,932,637	29,309	143,803	676,320	809,730	638,579
Sources Over(Under) Uses	(25,244)	52,301	71,909	289,481	(71,391)	(16,389)	(55,552)	(5,825)	(1,503,886)	24,312,169	(23,257)	143,864	(88,750)	(105,118)	85,844