



# City of Roeland Park

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To: The Roeland Park Governing Body  
From: Aaron Otto, City Administrator  
Re: May 2014 Financial Statements

Attached is a copy of the May Financial Statements. This report format was created by working with members of the governing body to highlight key financial information for the benefit of the governing body and residents overall.

A few important items to call attention to in this document include:

- p. 3- Revenues are at 39.79 percent compared to the 41.67 percent target (5 months executed thus far). The actual figure is a bit under the target which is not unexpected in May and that is due to the City having received one of the two major payments of property taxes. This number will increase when the second payment is received in June from the County. Overall expenses minus reserves are at 32.69 percent which is approximately 9 percent below the 41.67 percent five month target.
- p. 4- Total Revenue year to date collection are down \$29,224 compared to the budget. There is approximately \$200,000 of property tax receipts that go directly to the Tax Increment Finance (TIF) Districts rather than the General Fund, if this is taken into account revenues are up \$170,776. With only one of the two major installment payments from the County have been received for property taxes, having the variance that is positive and does not include the \$200,000 TIF transfer estimate is a favorable position for the City's overall budget at this time.
- p. 4- The General Fund allocation of sales tax (3/8<sup>th</sup> cent City wide sales tax and county sales taxes) for May, 2014 figures were \$9,620 higher than budgeted or 8.34 percent increase. Year to date the sales tax revenue is \$20,822 over budget.
- p. 5- Franchise tax can be difficult to estimate in the budget because natural gas and electricity franchise fees are heavily dependent on weather conditions and can vary greatly from year to year. Additionally, payment remittance dates from utilities can vary slightly causing payments to be received in a different month then previous years. Year to date franchise collections are down by \$28,662 or nearly 12 percent. The FY14 budget estimates were based on past performance trends for the franchise fees.
- p. 5- Property Tax Revenue appears to be down by \$21,116 or 2.4 percent. A small new property tax payment was received in March. However, it is estimated that \$200,000\* go directly into the TIF verses the general fund. Once that has been accounted (\$200,000\* in property tax revenue that typically is retained in TIF districts and dividing that number by 2 to better reflect the two property tax payments received from the County) property taxes are performing at \$78,884 over

budget or 10.3 percent favorable. No collections were received in April or May. *\*Property Tax Values have been adjusted based upon updated commercial property values that are retained in the TIF Districts for economic development.*

p. 6- Court Fine collections were lower year to date by \$1,089 or 1 percent compared to the budget estimates. The delta between the actual performance and budget figures have decreased in March and May. Staff expects that the number will shrink in the coming months due to better weather which allows for easier traffic enforcement. The City continues to send and receive collections for unpaid tickets monthly.

p. 6- Other revenue –intergovernmental Transfers - City/County Alcohol, Motor Vehicle, RV and Heavy Truck are lower than the budget year to date collections by \$28,813 (18.9 percent). There are typically quarterly payments are received for many aspects of this line item. Historically, the next projected receipt will be in June and would lower that amount. However, the Kansas Department of Revenue has implemented a new computer system and not provided Johnson County will transaction data so it appears the June commercial vehicle fees will not be made on time.

p. 7- Other revenue - licenses (e.g., contractor license, liquor license), permits (e.g., building permits, street cut permits), earning on investments are up for the year by \$29,634 or 8.1 percent.

p. 8- Expenditures- overall, year to date expenditures are lower than the budget by \$419,981 (21.6 percent). As a reminder, the large expenditure in April, 2013 was the payment of the City's portion of the Roe Boulevard CARS Project which was completed in late 2012.

p. 9- There was only one individual expenditure line items over the 41.67 percent execution target. Adjustments made in prorating the annual work comp payment and June employee health care payment would bring the employee benefits line item down to 37.21 percent. Additionally, the police line item includes the entire payment to the Northeast Johnson County Animal Control for the year. When that is prorated the police department line item would be 34.37 percent.

p. 12- The County sales taxes are coming in right above their estimated figure, 2.34 percent above the estimate or \$19,837 for year to date collections. Important to note, as mentioned above, this report has been modified from the past to show actual (accruals) collections for each month, rather than the 2-month delay in collections (actual cash basis). From 2013 to 2014, the sales tax is running 4.39 percent higher.

p. 14- The City's 27 sales tax accounts are coming in approximately .57 percent (or \$10,227) over year to date compared to budget. Important to note, as mentioned above, this report has been modified from the past to show actual (accruals) collections for each month, rather than the 2-month delay in collections (actual cash basis). From 2013 to 2014 the sales tax is running 0.76% percent lower.

p. 20- Under the title of "Other Funds" is a list of the Capital Equipment as adopted in the FY14 budget for reference. This graph shows the lease payments continued to be made for the street sweeper and dump trucks. Thus far the 2013 and 2014 police cars have been purchased, we have taken possession of one of the vehicles and the other will be delivered later this year. Also the

computer server equipment has not been purchased. The Public Works truck has been purchased and delivered.

p. 22- Since January, 2013, a one percent increase in sales tax for the Community Improvement District (CID) at the Roeland Park Shopping Center has been collected. Year to date it is estimated that \$179,339 was collected for this CID. This figure includes January – April actual and the estimate for May. The total cash balance for the CID at the end of 2013 was \$324,434 for future use on a reimbursement basis to improve that property. There have been no expenditures for FY14 from the CID account.