



# **Q1 2022 FINANCIAL REPORT**

May 2 2022

**PREPARED BY ERIN WINN, DIRECTOR OF FINANCE**

# KEY REVENUE INDICATORS



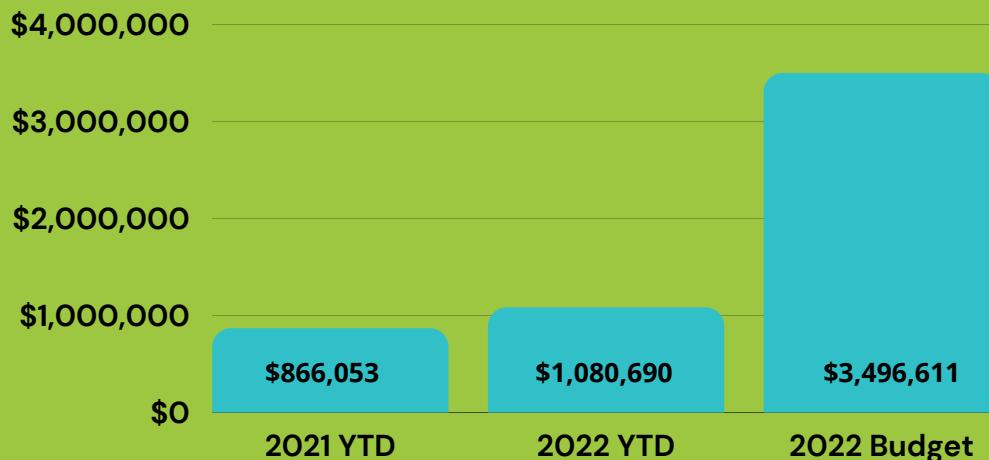
## Property Tax

The ad valorem tax revenues are derived from taxes levied on real property, personal property and state assessed utilities. This is one of the largest revenue sources for the City of Roeland Park, with ad valorem taxes levied for the General and Debt Service Funds. Property tax collections through the first quarter generated \$1,481,766 million, an 9% increase over 1st quarter 2021. The City generally receives half of total property taxes levied by the end of Q1 (through Q1 of 2022 receipts = 53% of all budgeted property tax revenue). The increase is attributable to the increase in taxable value between 2021 and 2022.



## Sales/Use Tax

Combined, sales taxes, excluding those in TDDs and the CID, are 25% greater than in 2021 YTD. This is significant and continues the trend that the City has been experiencing since 2020. Sales tax collections set a 5 year high in 2020. 2022 Q1 collections also reflect additional sales taxes from the capital improvement sales tax increase; the increase was not in effect in Q1 2021. Q1 sales tax collections reflect actual sales tax dollar incurred in November 2021, December 2021 and January 2022 as there is a two month delay in sales tax recording.



POSITIVE

CAUTION

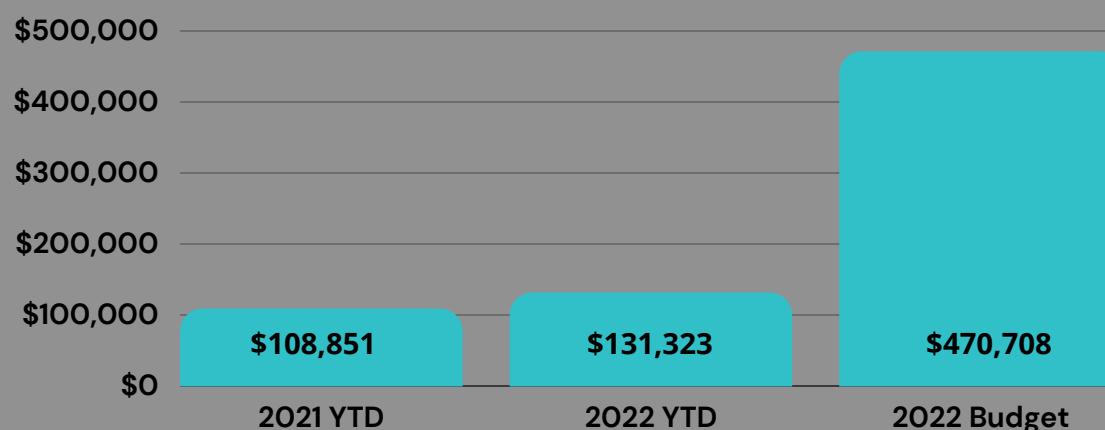
NEGATIVE

# KEY REVENUE INDICATORS



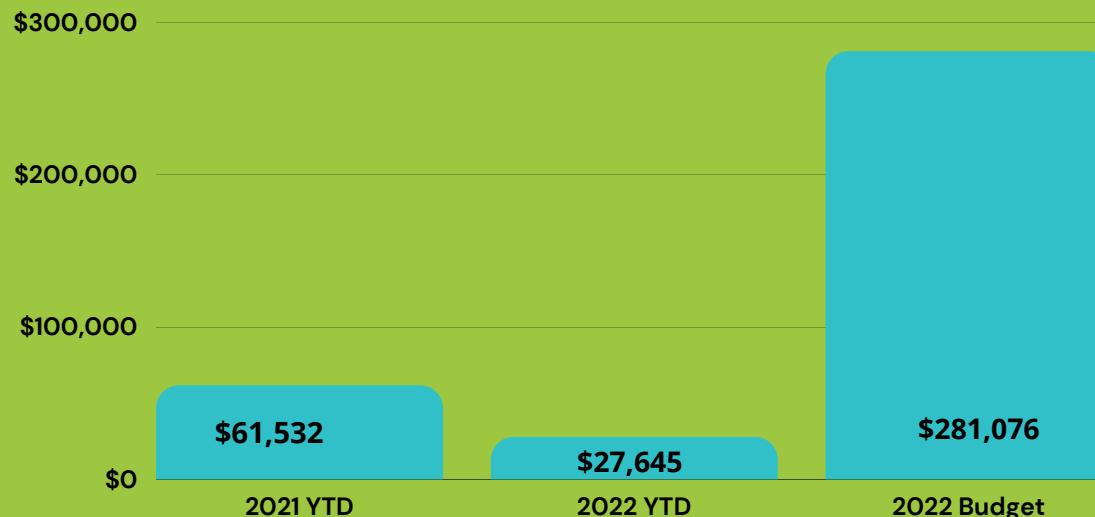
## Franchise Fees

Franchise agreements are long term and result in payments to the City of 5% of gross receipts from natural gas, electricity, telephone, cable and internet, and cellular providers. Natural gas franchise fees are high this quarter, 56% of total budget, due to rising prices in the industry. Telecommunications related franchise fees continue to decline. All franchise fee revenues are credited to the General Fund. Collections are 21% higher than they were in Q1 2021 and amount to 28% of the 2022 budget.



## Court Fees

Court fines and fees represent only about 7% of General Fund revenues. Interruptions to regular municipal court proceedings due to COVID-19 and staffing shortages in the last two years combined with a 2021 Budget Objective of reducing court fines have led to decreased court revenue. Q1 collections equate to 10% of the 2022 budget which is typical. Q1 tends to have less criminal activity due to harsh weather conditions. Staff is looking at court revenue trends to determine what adjustments should be made in the 2023 budget.



**POSITIVE**

**CAUTION**

**NEGATIVE**

# ALL FUNDS: BUDGET TO ACTUALS



As of end of Q1, revenues are running ahead of a standard 25% of budget for the funds that receive property taxes (General Fund, Debt Service Fund and the two TIF funds). This is due to the City receiving roughly half of annual property tax revenue in Q1. The two TDD funds are running ahead of a standard 25% due to sales tax collection being overall better than budgeted. The TIF 1 Fund received CARS revenue for the Roe Blvd work completed in 2021. This revenue will be journaled back to 2021 by the auditor. The Property Owner Association accounting activity has been completed already resulting in that fund reflecting 100% of budget.

Fund	YTD Actual Revenues	2022 Budgeted Revenues	Difference	% of Total Budget
General Fund	\$2,582,316	\$6,303,582	\$(3,721,266)	41%
Debt Service Fund	\$259,444	\$607,109	\$(347,665)	43%
Aquatic Center Fund	\$56,566	\$378,255	\$(321,689)	15%
Special Street Fund	\$387,343	\$1,778,855	\$(1,391,511)	22%
Community Center Fund	\$72,830	\$204,772	\$(131,942)	36%
Special Infrastructure Fund	\$230,846	\$1,101,015	\$(870,169)	21%
Equip & Bldg Reserve Fund	\$6,783	\$136,028	\$(129,245)	5%
TIF 1 Fund	\$821,267	\$729,875	\$22,392	103%
TDD #1 Fund	\$79,711	\$264,508	\$(184,797)	30%
TDD #2 Fund	\$36,073	\$128,285	\$(92,213)	28%
CID #1 Fund	\$1,313	\$33,655	\$(32,342)	4%
TIF 3 Fund	\$198,299	\$363,073	\$(164,775)	55%
Property Owner's Fund	\$33,847	\$33,847	\$(0)	100%
American Rescue Act Fund	\$0)	\$507,000	\$(507,000)	0%
<b>TOTAL</b>	<b>\$4,766,656</b>	<b>\$12,638,860</b>	<b>\$(7,872,2041)</b>	<b>38%</b>

# ALL FUNDS: BUDGET TO ACTUALS



Expenditures are running behind a standard 25% through the end of the first quarter, as is generally the case. The majority of capital expenses have not yet been incurred. The City's bi-annual debt service payments are due in June and December, so no expenses have yet been incurred in the Debt Service Fund. The Property Owner Association accounting activity has been completed already resulting in that fund reflecting 100% of budget.

Fund	YTD Actual Expenditures	2022 Budgeted Expenditures	Difference	% of Total Budget
General Fund	\$1,293,974	\$6,247,236	\$(4,953,261)	21%
Debt Service Fund	\$0	\$604,462	\$(604,462)	0%
Aquatic Center Fund	\$9,215	\$378,255	\$(369,040)	2%
Special Street Fund	\$285,250	\$2,340,467	\$(2,055,217)	12%
Community Center Fund	\$28,024	\$185,525	\$(157,500)	15%
Special Infrastructure Fund	\$14,598	\$929,250	\$(914,652)	2%
Equip & Bldg Reserve Fund	\$8,706	\$145,895	\$(137,189)	6%
TIF 1 Fund	\$817	\$222,528	\$221,711	0%
TDD #1 Fund	\$3,000	\$270,000	\$(267,000)	1%
TDD #2 Fund	\$1,100	\$129,000	\$(127,900)	1%
TIF 3 Fund	\$9,824	\$617,000	\$(607,176)	2%
Property Owner's Fund	\$31,890	\$31,875	\$(15)	100%
American Rescue Act Fund	\$27,896	\$663,000	\$(635,104)	4%
<b>TOTAL</b>	<b>\$1,724,446</b>	<b>\$15,833,951</b>	<b>\$(14,109,504)</b>	<b>11%</b>

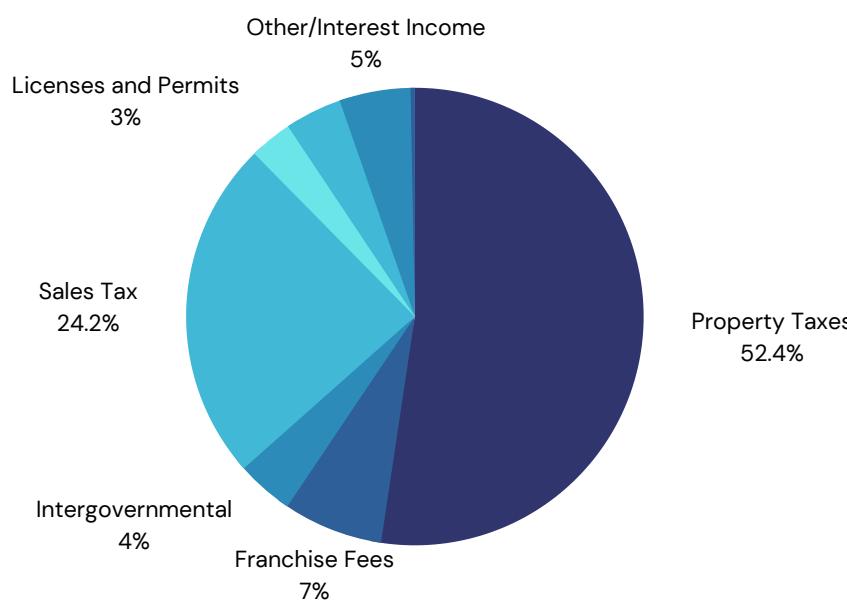
# GENERAL FUND SUMMARY:

## REVENUE



General Fund revenue collected in Q1 of 2022 is \$2,579,816, up 6% from Q1 2021. We have collected 41% of our projected revenues 1/4 of the way through the year. This is common due to roughly half of property taxes being collected in Q1. The primary growth in General Fund revenue from 2021 is from property taxes and sales taxes. Licenses and permits are at 14% of budget, which is typical considering Q1 is generally a less active quarter for this revenue category. Sales tax revenue is at 34% of budget due to the nearly 20% increase in collection experienced in Q1 2022 compared to Q2 2021.

Revenue Category	YTD Actuals	2022 Budget	Difference	% of Total Budget
<b>BEGINNING FUND BALANCE</b>	<b>\$3,002,545</b>	<b>\$2,646,361</b>	<b>\$356,184</b>	
Property Taxes & Assessments	\$1,724,270	\$3,281,049	\$1,556,779	53%
Franchise Fees	\$131,323	\$470,708	\$339,384	28%
Intergovernmental	\$57,389	\$227,433	\$170,043	25%
Sales Tax	\$521,365	\$1,540,843	\$1,019,478	34%
Licenses & Permits	\$23,502	\$164,050	\$140,548	14%
Fines & Forfeitures	\$27,645	\$281,076	\$253,431	10%
Other/Interest Income	\$88,115	\$312,605	\$224,489	28%
Transfer In	\$6,205	\$24,819	\$18,614	25%
<b>TOTAL REVENUES</b>	<b>\$2,579,816</b>	<b>\$6,302,582</b>	<b>\$3,722,766</b>	<b>41%</b>



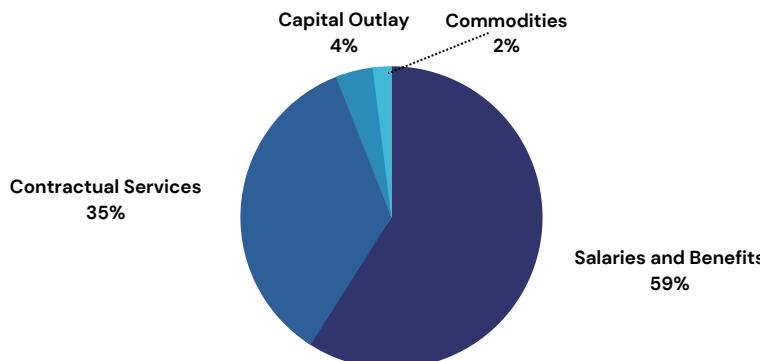
The largest sources of General Fund revenue are property and sales taxes. Property tax revenue is also accounted for the Debt Service and TIF funds. Sales and use tax (use tax means taxes on online purchases) revenue is also accounted for in the Aquatic Center, Special Street, Community Center, and the Special Infrastructure Fund.

# GENERAL FUND SUMMARY: EXPENDITURES



General Fund expenditures incurred in Q1 of 2022 are \$1,293,343, down 7% from Q1 2021. Vacant positions contributed to this decrease. The City anticipates General Fund positions being fully staffed by Q2 2022. The Employee Benefits department is at 28% of budget after Q1. This is due to a 2021 true-up payment for Worker's Compensation coverage. Neighborhood Services is slightly ahead of 25% of budget due to the purchasing of recently updated code books and vehicle maintenance.

Department	YTD Actuals	2022 Budget	Difference	% of Total Budget
General Overhead	\$281,211	\$1,686,228	\$1,405,017	17%
Police	\$281,932	\$1,294,879	\$1,012,947	22%
Court	\$22,367	\$122,034	\$99,668	18%
Neighborhood Services	\$34,767	\$134,280	\$99,513	26%
Administration	\$90,539	\$368,463	\$277,925	25%
Public Works	\$145,546	\$767,037	\$621,491	19%
Employee Benefits	\$305,620	\$1,126,813	\$821,193	28%
City Council	\$13,077	\$63,930	\$50,853	20%
Parks and Recreation	\$18,986	\$98,360	\$79,374	19%
Solid Waste	\$99,298	\$581,212	\$481,913	17%
<b>TOTAL EXPENDITURES</b>	<b>\$1,293,343</b>	<b>\$6,243,236</b>	<b>\$4,949,892</b>	<b>21%</b>
<b>INCREASE/DECREASE TO FUND BALANCE</b>	<b>\$1,286,476</b>	<b>\$59,937</b>		
<b>ENDING FUND BALANCE</b>	<b>\$4,289,018</b>	<b>\$2,705,707</b>		



General Fund expenditures make up 54% of all City-wide expenditures. The largest categories of General Fund expenditures are illustrated in the pie chart.

# INVESTMENT SUMMARY

In December 2015 the City began to invest its idle cash using Columbia Capital Management as the City's asset managers. The City's initial investment was \$2,423,718. The City now has a total of \$14,539,000 actively invested. Cash in excess of what is needed for general operations, capital projects and debt service has been reinvested in the City's portfolio. Interest is paid at maturity; the City holds all investments to maturity. Performance in Q1 shows an accrued interest of \$7,962. Total fees paid to Columbia Capital in Q1 are \$6,081. This is charged quarterly based on a three-month average balance charged at a 0.18% annual rate.

## Pooled Cash and Investments

Type of Investment	Actual %	Market Value	Yield to Maturity
<b>Fixed Income</b>			
Municipal Bonds	3%	\$518,337	0.50%
Agency Securities	63%	\$9,786,671	0.40%
Treasury Notes	7%	\$1,126,316	1.70%
<i>Subtotal</i>		<b>\$11,428,322</b>	
<b>Cash and Cash Equivalents</b>			
TD Ameritrade	7%	\$1,071,596	0.00%
Treasury Bills	20%	\$3,043,882	0.00%
<i>Subtotal</i>		<b>\$4,115,478</b>	0.00%
<b>Total Portfolio</b>	<b>100%</b>	<b>\$15,543,801</b>	<b>0.70%</b>

## Q1 TREASURER'S REPORT

Funds	12/31/2021 Balance	Receipts	Disbursements	3/31/2022 Balance
General Fund	\$ 1,593,514.84	\$ 2,580,945.44	\$ 3,825,562.00	\$ 348,898.28
Bond & Interest Fund	23,233.25	258,931.74	241,136.34	41,028.65
Aquatic Center Fund	7,026.46	55,171.49	52,636.79	9,561.16
Special Street Fund 27 - A	2,271.30	386,769.55	380,061.29	8,979.56
Community Center Fund Fund 27 - C	26,470.72	72,681.59	97,883.79	1,268.52
Special Infrastructure 27 - D	959.31	230,363.19	221,675.26	9,647.24
Equipment & Bldg Reserve Fund	43,734.58	6,200.01	42,909.88	7,024.71
TIF 1A/B - Bella Roe / Walmart	129,230.17	820,015.54	587,276.24	361,969.47
TDD #1 - Price Chopper	13,607.28	79,710.69	(2,000.01)	95,317.98
TDD #2 - Lowes	42,136.90	36,072.83	1,100.01	77,109.72
CID #1 - RP Shopping Center	1,890.69	-	(12,465.65)	14,356.34
TIF 2A/D - McDonalds / City Hall	6,763.25	-	2,896.24	3,867.01
TIF 3C - Old Pool Area	65,714.53	197,974.72	162,222.32	101,466.93
American Rescue Act	8,421.08	-	2,895.67	5,525.41
TIF 4 Fund	-	-	-	-
Property Owners Association Cash	24,121.51	33,847.00	31,890.00	26,078.51
	<b>\$ 1,989,095.87</b>	<b>\$ 4,758,683.79</b>	<b>\$ 5,635,680.17</b>	<b>\$ 1,112,099.49</b>

Liabilities and Obligations	
General Obligation Bonds	2,063,810.76
Sales Tax Revenue Bonds	2,608,308.00
Special Obligation Revenue Bonds	-
Capital Leases	-
<b>Total</b>	<b>4,672,118.76</b>

# DEBT SUMMARY



General Obligation Bonds	Approved by Council	Date Issued	Original Amount	Interest Rate	3/31/2022 Balance*	Date Expire	2022 Total Payment
2012 -1 Bond Issue: Refunding Portion 2008-1 (streets/stormwater)	Various, see original issue	May 2012	\$1,970,000	.65-2.4	\$673,716	12/1/2023	\$225,117

2020 - 1 Bond Issue: Refunding of 2010 - 1 and 2011 - 2; R Park and Pool Improvements	2020	Sept 2020	\$2,419,204	1.51	\$2,234,668	12/31/2030	\$356,752
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\*includes interest

\$2,908,384

\$581,869

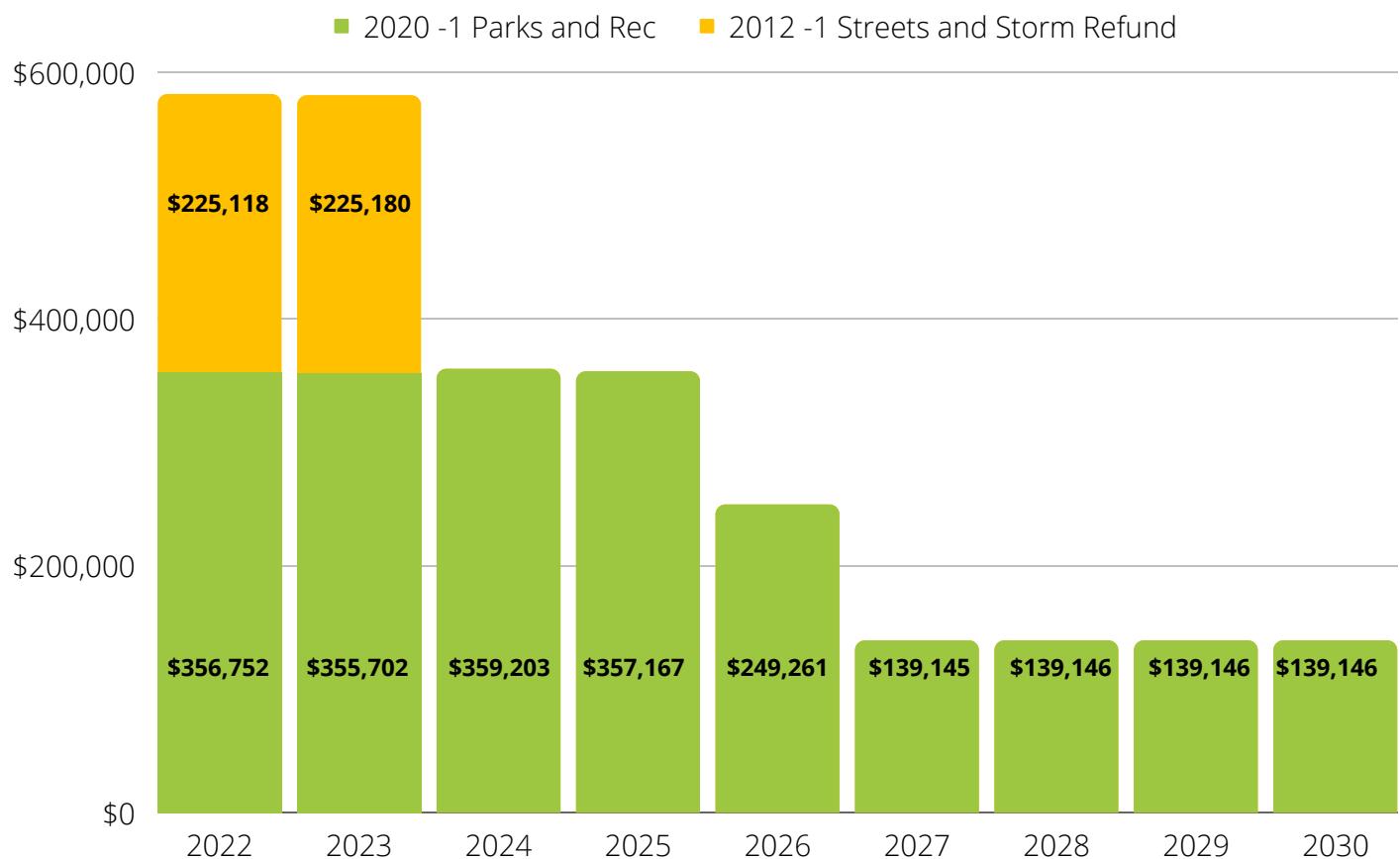
Transportation Development District	Approved by Council	Date Issued	Original Amount	Interest Rate	3/31/2022 Balance	Date Expire	2022 Total Payment
Sales Tax Revenue Bonds, 2005 - Price Chopper/Shopping Center	2005	Nov 2005	\$3,555,000	4.50-5.75	\$1,770,473	12/1/2025	\$1,770,473
Sales Tax Revenue Bonds, 2006A - Price Chopper/Shopping Center	2006	Jan 2006	\$1,090,000	5.875	\$644,455	12/1/2025	\$644,455
Sales Tax Revenue Bonds, 2006B -Lowe's	2006	Jan 2006	\$1,690,000	5.125-5.875	\$663,139	12/1/2025	\$663,139

The TDD debt is in default. Debt service resources are limited to the TDD sales tax revenues received. The City is not liable for debt. The interest payments are unknown as they are determined by the trustee as the debt is paid. The balance for TDDs reflects principal only.

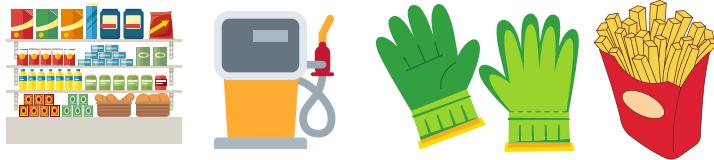
\$3,078,067

\$3,078,067

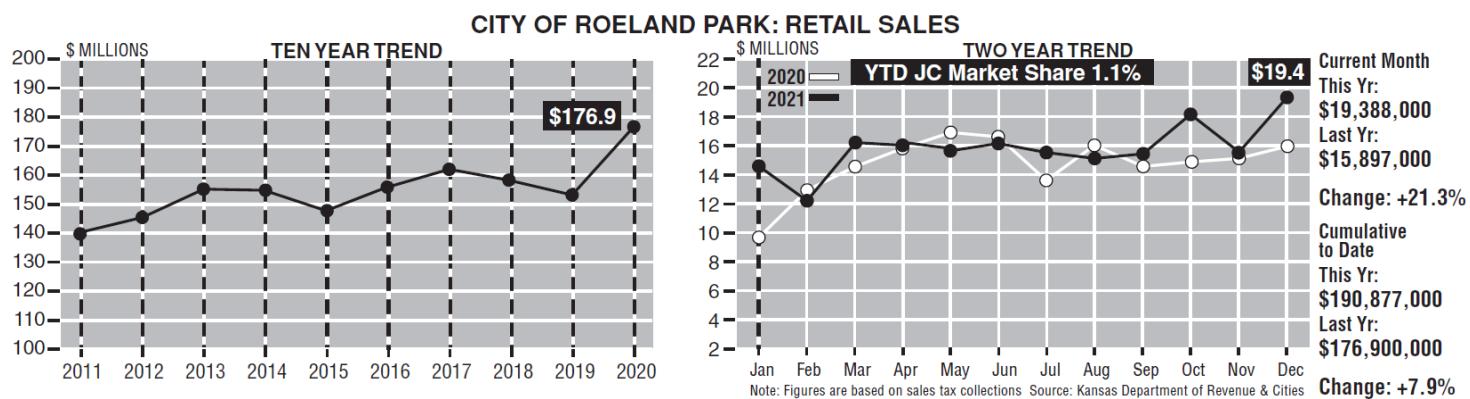
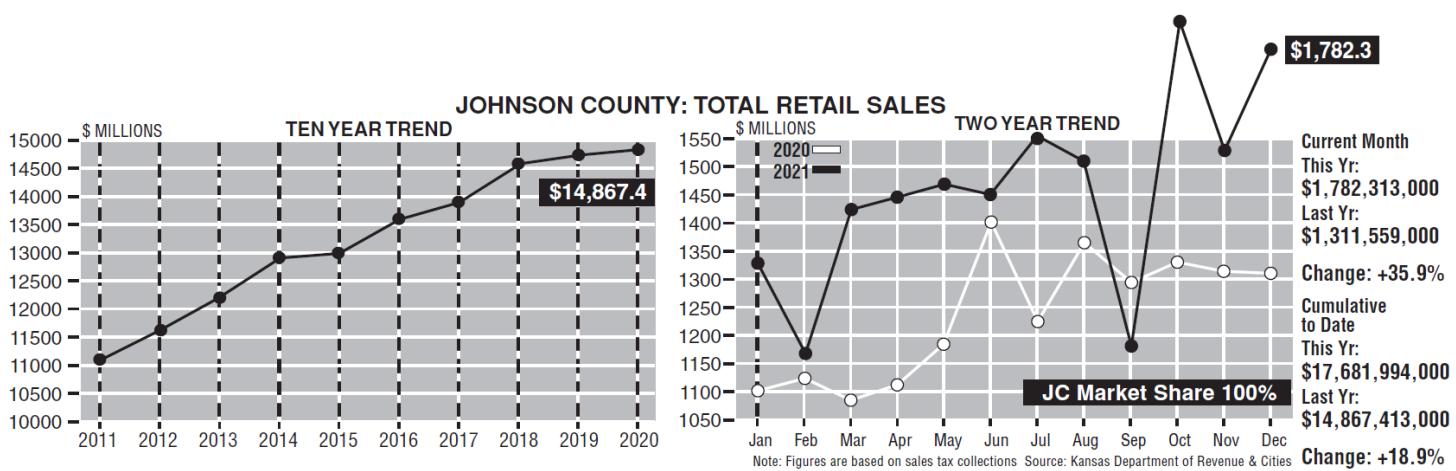
## ROELAND PARK ANNUAL DEBT SERVICE 2022 - 2030



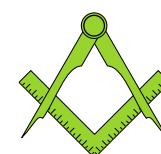
# COMMUNITY STATISTICS: RETAIL SALES



The County Economic Research Institute (CERI) provides information for all cities in Johnson County. CERI has provided retail sales figures for January – December 2021 which shows a 7.9% increase for Roeland Park compared to January – December 2020. As of December 2021, Johnson County as a whole experienced a 18.9% increase. For December alone, the County experienced a 35.9% increase compared to December 2020 and the City experienced a 21.3% increase. This is likely due to increased holiday activity in 2021 compared to COVID-19 restricted activity in 2020.

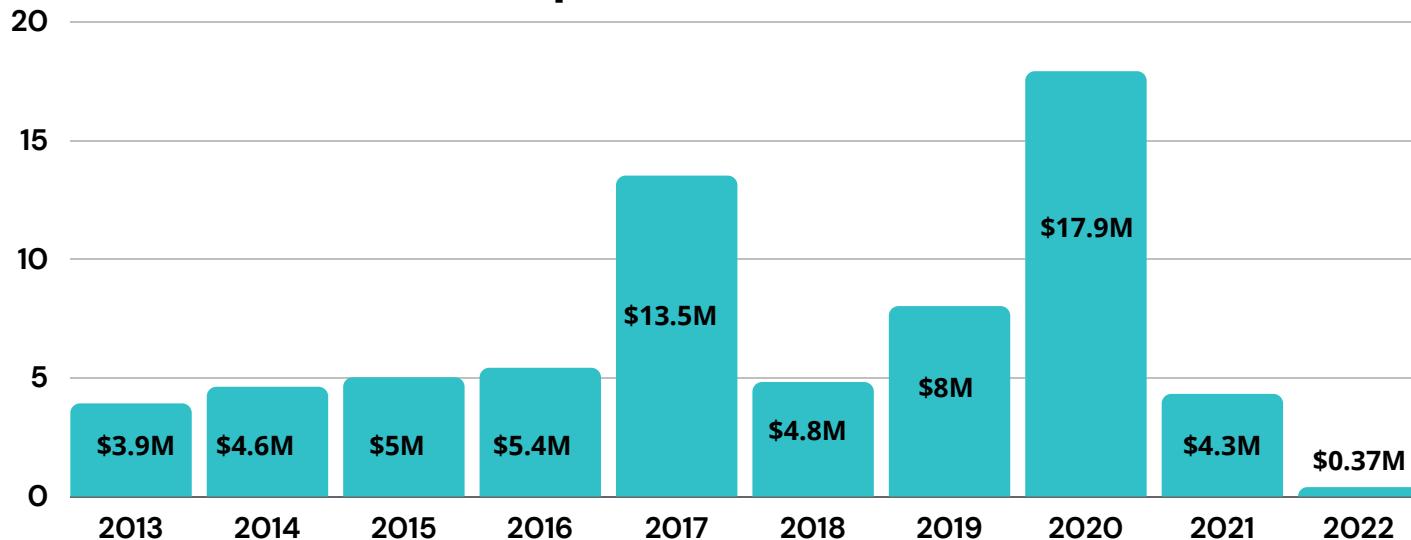


# COMMUNITY STATISTICS: BUILDING PERMITS



In Q1 2022, the City has issued 34 building permits at a value of approximately \$370k. No new single family home construction permits were issued. 4 residential remodel permits were issued with an average value of \$30k per project. Typically the number of building permits increases in Q2. Permit volume and value are indicators of economic health and investment in the community. The chart illustrates the number and value of building permits through the Q1 in the current year and the number and value of building permits for the entirety of prior years.

## Value of Improvements in millions



## Number of permits issued

