

# Financial Status Report

4th Quarter 2021



## KEY REVENUE INDICATORS OVERVIEW—ALL FUNDS

### 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 Bond Funds. Property tax collections through year-end generated \$2.40 million, a 9% increase over 2020 collections. The increase in part is attributable to the increase in taxable value from 2020 to 2021.



### SALES/USE TAX



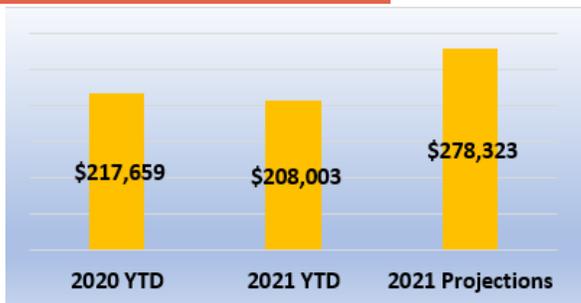
Combined, sales taxes, excluding those in TDDs and the CID, are 21% higher than 2021 projections and 13% higher than 2020. This is significant, although in line with the sales tax increases the City has seen since Q4 of 2020. More details on sales taxes on page 4.

Franchise agreements are long term and result in payments to the City of 5% of gross receipts. All franchise fee revenues are credited to the General Fund. Collections are 2% higher than they were in 2020 and 3% lower than 2021 projections. The chart reflects collections to date of franchise fees. Electric is up 3% and gas is up 12% due to sharp price increases in that sector. Everything else is down from the prior year; phone is down 13% and cable down 16% from 2020. Declines in telecommunications franchise fees is a continuing trend.

### FRANCHISE FEES



### COURT FINES



Court fines and fees represent about 7% of General Fund revenue and are down 5% in 2021 compared to 2020. Revenues are down 25% from 2021 projections. The projections anticipated a return to pre-2020 fine amounts due to the resumption of Municipal Court and a return to an average issuance of tickets. However, due to the unique nature of a majority of cases and a staffing shortage in the Court leading to continuances and postponed court dates, revenue fell short. Staff will use a more conservative model to forecast 2022 projected revenue.

**POSITIVE**

**CAUTION**

**NEGATIVE**

## City of Roeland Park 2021 Year End

### Unaudited Cash Carryforward

	2020 Year End Cash Carry Forward	2021 Year-End Cash Carry Forward (unaudited)	Difference Increase/ (Decrease)
<b>General Fund</b>	\$ 2,685,403	\$ 3,002,545	\$ 317,144

The fund balance in the General Fund increased by \$317,144. This fund balance is in excess of the requirements of the City financial policies. The Council adopted a policy to maintain \$1.41 million as a sales tax emergency reserve in a major retailer were to leave. Policy also dictates that the City maintain 25% of annual operating expenses as reserves in the General Fund. Any amount beyond this is directed to the Special Infrastructure Fund for capital improvements. In 2021 \$245,865 was transferred for this purpose, which includes \$36,378 from Aldi's 1% for Art contribution for the artistic staircase. Excluding the sales tax reserve and funds set aside for public art, the balance in the General fund is 25% of 2021 expenditures. The fund balance reflects unrestricted ending cash.

<b>Bond &amp; Interest Fund</b>	\$ 133,881	\$ 115,563	\$ (18,318)
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The ending fund balance decreased by \$18,318 in 2021. This fund balance accounts for 20% of annual debt service, well above the minimum requirement of 10-15%.

<b>Equipment &amp; Bldg Reserve Fund</b>	\$ 1,444,562	\$ 1,519,420	\$ 74,857
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The fund balance in the Equipment Reserve Fund increased by \$74,857 in 2021. This included 1/2 of the payment to the City of Mission for annexation of property where Sunflower Medical is now located. The second half will be paid in 2021. These payments come from the proceeds of the land sale at the northeast corner of Johnson & Roe.

Reserves:	Accumulated Year End Cash Reserve
City Hall Equipment & Building Expense	\$ 133,766
Public Works Equipment	\$ 13,000
Police Equipment	\$ 34,430
Reserves for Public Works Facility	\$ 1,225,245
Maintenance Reserve for Facilities	\$ 112,979
	<u>\$ 1,519,420</u>



4th Quarter 2021

Special Tax Funds	2020 Year End Cash Carry Forward	2021 Year-End Cash Carry Forward (unaudited)	Difference Increase/ (Decrease)
<b>Aquatic Center Fund</b>	\$ 177,376	\$ 280,149	\$ 102,773

The Aquatic Center Fund balance increased by \$102,773. The City transferred \$275,000 from the General Fund to cover the anticipated operating loss. However, the loss was less than anticipated due to some facility improvements that will now be occurring in 2022 instead of 2021.

<b>Combined Street &amp; Highway Fund 27- A</b>	\$ 1,217,461	\$ 743,985	(473,476)
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In 2021 the City spent over \$1,000,000 on the reconstruction of Reinhardt as part of the Residential Street Reconstruction program. The City spent almost \$200,000 on design for three separate CARS projects; Buena Vista, Johnson Drive, and Elledge. Construction on these projects will start in 2022.

<b>Community Center Fund 27 - C</b>	\$ 638,400	\$ 957,206	318,806
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The fund balance increased by \$318,806 in 2021. This is primarily due to a general fund transfer of \$290,000 to assist in covering a portion of the parking/stormwater/ADA improvement project which began in late 2021 and will be completed in 2022.

<b>Special Infrastructure 27 - D</b>	\$ 1,589,562	\$ 1,424,028	(165,535)
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The City issued \$1.25 million in GO Bonds for pool improvements in 2020. This helped complete \$900,000 in improvements for the Aquatic Center in 2021. In addition, the City completed stormwater maintenance and spent \$126,725 on annual street maintenance. There were some amenities replaced at Sweeney Park and phase 1 of the Cooper Creek Park Improvements were funded. \$36,000 was spent for the 48th Street retaining wall mural.

<b>Operating Funds - Total Cash Carry Forward</b>	\$ 7,886,645	\$ 7,686,712	(199,933)
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Special Revenue Funds	2020 Year End Cash Carry Forward	2021 Year-End Cash Carry Forward (unaudited)	Difference Increase/ (Decrease)
<b>TIF 1A/B - Bella Roe / Walmart</b>	\$ 462,961	\$ 299,108	(163,853)
<b>TDD#1 - Price Chopper</b>	\$ (1,945,530)	\$ (1,917,629)	27,901
<b>TDD#2 - Lowes</b>	\$ (421,802)	\$ (407,669)	14,133
<b>CID #1 - Roeland Park Shopping Ctr</b>	\$ 3,002,808	\$ 3,003,456	648
<b>TIF 2D - City Hall</b>	\$ 27,598	\$ 24,029	(3,569)
<b>TIF 3A/C - Boulevard Apts/48th &amp; Roe</b>	\$ 621,839	\$ 831,579	209,740
<b>Property Owners Association</b>	\$ 22,210	\$ 24,122	1,912
<b>American Rescue Plan Act</b>	\$ 0	\$ 508,421	508,421

The negative balances reflected in the TDDs reflect the default status of these bonds which do not have an impact on the City's financial status. Work in TIF 1 includes the bulk of Roe 2020 construction costs not covered by grants. TIF 2D included the new roof on City Hall, design work for the parking lot improvements, and construction of the City Hall carport. TIF 2D expired December 2021 and TIF 2 was subsequently terminated. Fund balance in TIF 3 is accumulating in anticipation of the Roe Parkway reconstruction starting in 2022. The first half of federal grant money under ARPA was received in 2021. The second half will be received in 2022. Funds must be expensed by December 2026.

# End-of-Year Financial Status Report

4th Quarter 2021



## GENERAL FUND OVERVIEW

### REVENUE

General Fund revenue collected in 2021 is \$6,153,471, up 1% from 2020. In 2020, the City received \$215,000 in CARES Act funding which was accounted for in the General Fund. We have collected almost exactly 100% of our projected revenues. Sales taxes are up considerably as described on the first page. Use taxes are up 16% from the prior year for both county and city share due to increased online sales. City sales taxes are up 4% from the prior year. Average year-over-year sales tax growth has been about 2%. Fines and forfeitures are down, as described on the first page. The decrease in other/interest income from last year is primarily attributable to the investment income being down significantly (more on that on the next page). The transfers in are from TIF 2 and the Community Center fund for payroll taxes and benefits. Ending fund balance was higher than anticipated. This will allow the City to transfer money to the Special Infrastructure Fund for capital projects.

Department	YTD Actuals	2021 Budget	Difference	% of Total Budget
<b>BEGINNING FUND BALANCE</b>	<b>\$ 2,685,401</b>	<b>\$ 2,642,812</b>	<b>\$ (42,589)</b>	
<b>Revenues</b>				
Property Taxes & Assessments	\$ 2,809,901	\$ 2,828,327	\$ 18,426	99%
Franchise Taxes	\$ 457,382	\$ 467,012	\$ 14,237	98%
Intergovernmental	\$ 221,196	\$ 220,533	\$ (1,263)	100%
Sales Tax	\$ 1,768,321	\$ 1,561,923	\$ (223,743)	113%
Licenses and Permits	\$ 156,833	\$ 164,450	\$ 7,617	95%
Fines and Forfeitures	\$ 208,003	\$ 278,323	\$ 70,320	75%
Other/Interest Income	\$ 257,548	\$ 329,135	\$ 53,946	78%
Transfer-In	\$ 273,865	\$ 273,865	\$ (0)	100%
<b>TOTAL REVENUES</b>	<b>\$ 6,153,049</b>	<b>\$ 6,123,567</b>	<b>\$ (60,461)</b>	<b>100%</b>
<b>Expenditures</b>				
General Overhead	\$ 1,550,463	\$ 1,665,320	\$ 338,218	93%
Police	\$ 1,182,811	\$ 1,253,135	\$ 103,204	94%
Court	\$ 111,389	\$ 128,608	\$ 12,526	87%
Neighborhood Services	\$ 147,637	\$ 160,330	\$ 12,040	92%
Administration	\$ 345,908	\$ 353,584	\$ 9,015	98%
Public Works	\$ 795,702	\$ 834,302	\$ 16,915	95%
Employee Benefits	\$ 951,688	\$ 1,050,280	\$ 183,055	91%
City Council	\$ 56,558	\$ 58,430	\$ 1,872	97%
Parks and Recreation	\$ 92,369	\$ 95,110	\$ 1,741	97%
Solid Waste	\$ 601,380	\$ 569,378	\$ (26,775)	106%
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,835,905</b>	<b>\$ 6,168,477</b>	<b>\$ 651,811</b>	<b>95%</b>
<b>INCREASE/DECREASE TO FUND BALANCE</b>	<b>\$ 317,144</b>	<b>\$ (44,910)</b>		
<b>ENDING FUND BALANCE</b>	<b>\$ 3,002,545</b>	<b>\$ 2,597,902</b>		

# End-of-Year Financial Status Report

## GENERAL FUND OVERVIEW (CONT)

4th Quarter 2021



### EXPENDITURES

General Fund expenditures are \$6,168,477, or 3% greater than in 2020. This increase is consistent with inflation and cost of service increases. Significant changes in spending from last year includes:

- Employee salaries and benefits increased according to the City's personnel policies.
- Police is up due to increase in vehicle maintenance and fuel expense, which is up significantly from 2020.
- Neighborhood Services is up due to a transfer to Equipment and Building Reserve for electric vehicles.
- Solid Waste is up due to an annual fee increase and an accidental double charge for our December contract with GFL. Staff is working with GFL and the auditor to adjust the payment

Pooled Cash & Investments			
Type of Investment	Actual %	Market Value	Yield to Maturity
<b>Fixed Income</b>			
Municipal Bonds	4%	\$ 519,418	0.50%
Agency Securities	72%	\$ 9,290,411	0.40%
Treasury Bonds	0%		0.02%
Treasury Notes	1%	\$ 123,889	1.70%
<i>Subtotal</i>		\$ 9,933,718	
<b>Cash and Equivalents</b>			
TD Ameritrade and US Bank	5%	\$ 672,304	0.00%
Certificate of Deposit	12%	\$ 1,500,000	0.00%
Treasury Bills	6%	\$ 799,741	0.00%
<b>Total Portfolio</b>	<b>100%</b>	<b>\$ 12,905,763</b>	<b>0.70%</b>
<b>Accrued Interest October - December 2021</b>		<b>\$ 29,282</b>	
<b>Interest Received Year-to-Date as of December, 2021</b>		<b>\$ 101,551</b>	

Starting 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 \$12,218,000 actively invested. Cash in excess of what is needed for capital projects and debt has been reinvested in the City's portfolio. Interest accrues at maturity. The yield to maturity is the anticipated return on a bond if held to maturity expressed in annual percentage rate terms. Performance in 2021 reflects accrued interest of \$101,551. Total fees paid to Columbia Capital through fourth quarter is \$24,570. This is charged quarterly and based on a six-month average balance charged at a 0.18% annual rate. Current net earnings from our investment account are **\$76,981**. Total interest income year-to-date is 35% below last year's total interest. However, the City had to record significant market losses in 2021 due to market uncertainty. These realized and unrealized gains/losses are recorded in December each year, as required by GAAP, and equate to a reduction in interest of \$77,229 for 2021. However, the City plans to hold investments to maturity so we aren't actually realizing these losses.

# End-of-Year Financial Status Report

4th Quarter 2021



## ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET/PROJECTIONS

Fund	YTD Actual Revenues	2021 Budgeted Revenues	Difference	% of Total Budget
General Fund	\$ 6,182,379	\$ 6,124,565	\$ 57,814	101%
Bond & Interest Fund	\$ 551,368	\$ 561,757	\$ (10,389)	98%
Aquatic Center Fund	\$ 358,959	\$ 429,540	\$ (70,581)	84%
Special Street Fund 27 - A	\$ 1,286,220	\$ 1,143,878	\$ 142,342	112%
Community Center 27 - C	\$ 518,729	\$ 492,694	\$ 26,035	105%
Special Infrastructure 27 - D	\$ 1,002,019	\$ 872,889	\$ 129,130	115%
Equipment & Bldg Reserve Fund	\$ 231,226	\$ 254,899	\$ (23,673)	91%
TIF 1A/B - Bella Roe / Walmart	\$ 1,122,914	\$ 1,132,000	\$ (9,086)	99%
TDD#1 - Price Chopper	\$ 294,371	\$ 261,883	\$ 32,488	112%
TDD#2 - Lowes	\$ 162,602	\$ 127,013	\$ 35,589	128%
CID #1 - RP Shopping Center	\$ 648	\$ 32,995	\$ (32,347)	2%
TIF 2A/D - McDonalds / City Hall	\$ 327,933	\$ 306,844	\$ 21,089	107%
TIF 3C - Old Pool Area	\$ 354,131	\$ 357,689	\$ (3,558)	99%
Property Owners Association	\$ 33,847	\$ 33,847	\$ -	100%
American Rescue Act	\$ 510,325	\$ 507,000	\$ 3,325	101%
<b>TOTAL</b>	<b>\$ 12,937,671</b>	<b>\$ 12,639,493</b>	<b>\$ 298,178</b>	<b>102%</b>

Fund	YTD Actual Expenditures	2021 Budgeted Expenditures	Difference	% of Total Projection
General Fund	\$ 5,859,525	\$ 6,166,607	\$ (307,082)	95%
Bond & Interest Fund	\$ 576,975	\$ 580,075	\$ (3,100)	99%
Aquatic Center Fund	\$ 256,187	\$ 453,453	\$ (197,266)	56%
Special Street Fund 27 - A	\$ 1,122,295	\$ 1,617,354	\$ (495,059)	69%
Community Center 27 - C	\$ 199,923	\$ 1,104,247	\$ (904,324)	18%
Special Infrastructure 27 - D	\$ 1,167,553	\$ 1,554,654	\$ (387,101)	75%
Equipment & Bldg Reserve Fund	\$ 156,369	\$ 447,068	\$ (290,699)	35%
TIF 1A/B - Bella Roe / Walmart	\$ 1,286,767	\$ 1,137,280	\$ 149,487	113%
TDD#1 - Price Chopper	\$ 266,470	\$ 260,000	\$ 6,470	102%
TDD#2 - Lowes	\$ 148,469	\$ 124,000	\$ 24,469	120%
TIF 2A/D - McDonalds / City Hall	\$ 331,502	\$ 334,441	\$ (2,939)	99%
TIF 3C - Old Pool Area	\$ 144,392	\$ 248,000	\$ (103,608)	58%
Property Owners Association	\$ 31,935	\$ 31,875	\$ 60	100%
American Rescue Act	\$ 1,904	\$ 58,000	\$ (56,096)	3%
<b>TOTAL</b>	<b>\$ 11,550,266</b>	<b>\$ 14,117,054</b>	<b>\$ (2,566,788)</b>	<b>82%</b>

# End-of-Year Financial Status Report

4th Quarter 2021



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## ALL BUDGETED FUNDS ACTUAL COMPARED TO BUDGET/PROJECTIONS

### REVENUES

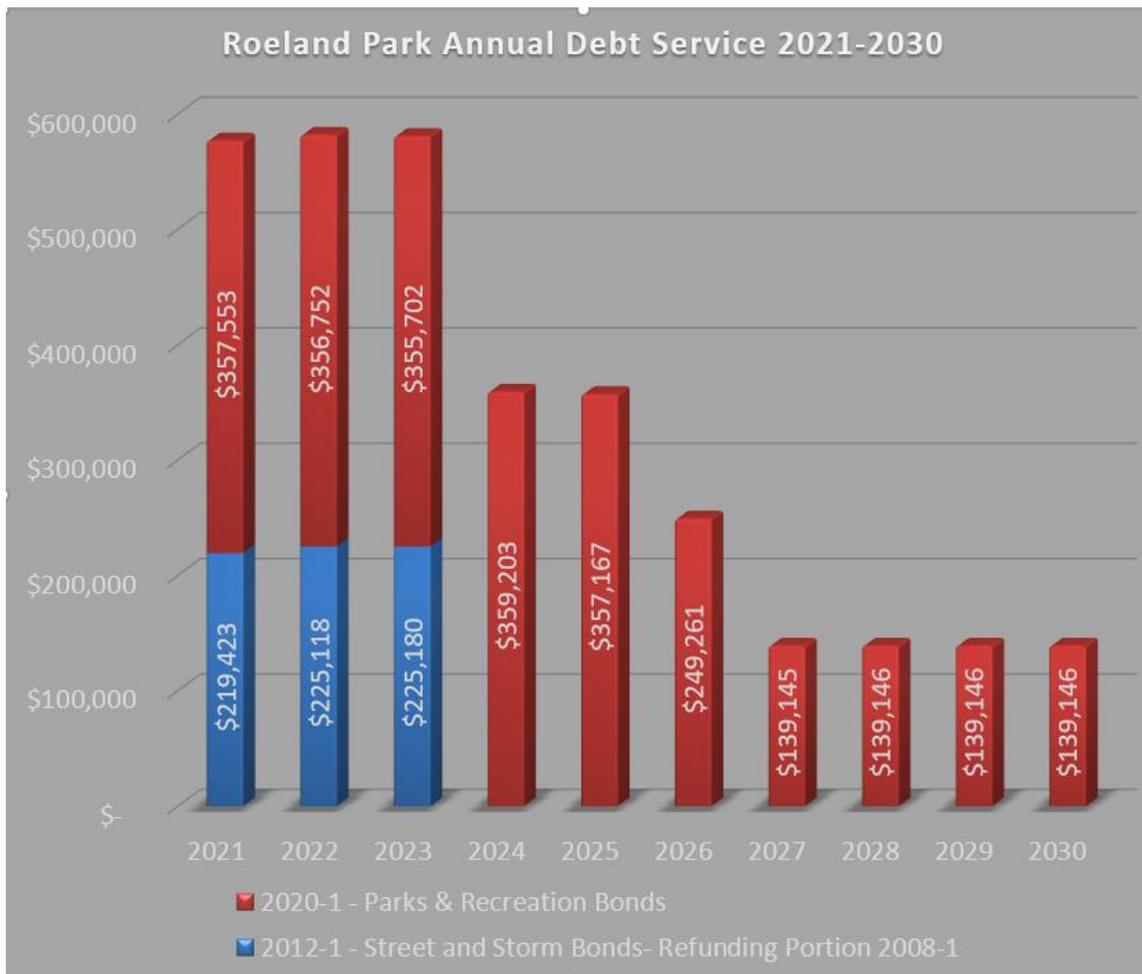
- Revenues for both TDD #1 and TDD #2 are sent directly to a trustee, as these funds are in default.
- The CID fund revenues aren't currently being collected due to a \$3 million cap in the development agreement. However, we must make a journal entry realize investment interest income in this account.

### EXPENDITURES

- Due to the agreement with the city's trustee, no expenditures are actually incurred in the TDD funds.
  - Expenditures are down in both the Aquatic Center and Community Center funds due to a portion of the parking/stormwater/ADA improvements at these facilities being moved to 2022.
  - There are outstanding payments to construction companies for 2021 Sidewalk Improvements and Residential Street Reconstruction in the Special Street Fund. These will be processed and journaled to 2021. This will increase total expenditures in the fund.
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# End-of-Year Financial Status Report

4th Quarter 2021



Debt Issue	Approved by Council	Date Issued	Original Amount	Interest Rate	12/30/2021 Balance (w/ interest)	Date Expire	2021 Total Payment
<b>General Obligations Bonds:</b>							
 2012-1 Bond Issue: Refunding Portion 2008-1 (streets/stormwater)	Various See original issue	May-12	\$ 1,970,000	.65-2.4	\$ 673,716	12/1/2023	\$ 223,318
 2020-1 Bond Issue: Refunding of 2010-1 and 2011-2 R Park & Pool improvements	2020	Sep-20	\$ 2,419,204	1.51	\$ 2,234,668	12/31/2030	\$ 357,553
					<u>\$ 2,908,384</u>		<u>\$ 580,871</u>
<b>Revenue Bonds:</b>							
<i>*Debt service resources are limited to TDD revenues received - City is not liable for debt</i>							
<i>*The interest payments due are unknown as they are determined by the trustee as debt is repaid. The balance for TDDs reflect principal only</i>							
<b>Transportation Development District:</b>							
Sales Tax Revenue Bonds, 2005 - Price Chopper/Shopping Center		Nov-05	\$ 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		Jan-06	\$ 1,090,000	5.875	\$ 644,455	12/1/2025	\$ 644,455
Sales Tax Revenue Bonds, 2006B - Lowes		Jan-06	\$ 1,690,000	5.125 - 5.875	\$ 663,139	12/1/2025	\$ 663,139
					<u>\$ 3,078,067</u>		<u>\$ 3,078,067</u>

\*Total Debt is less reimbursements from special assessments. Chart reflects principal & interest payments.

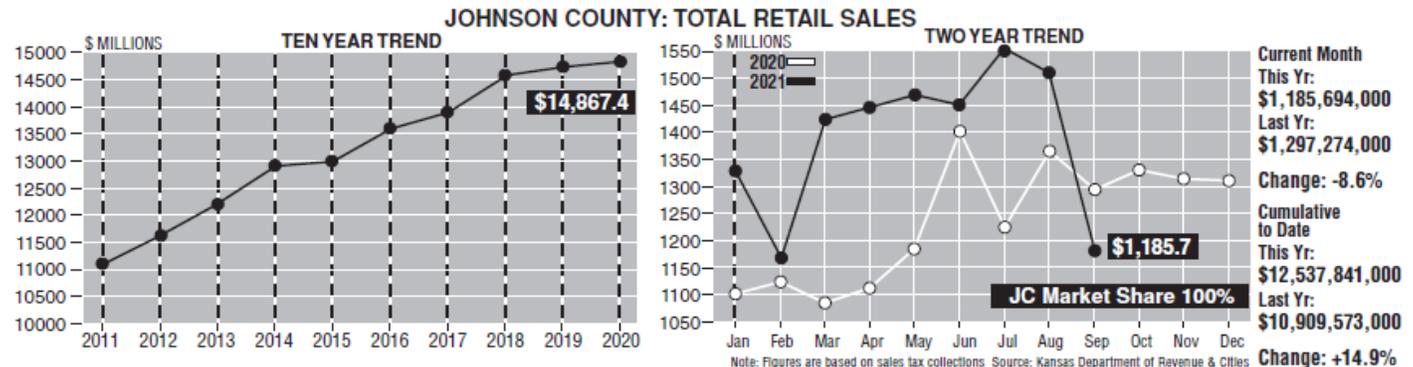
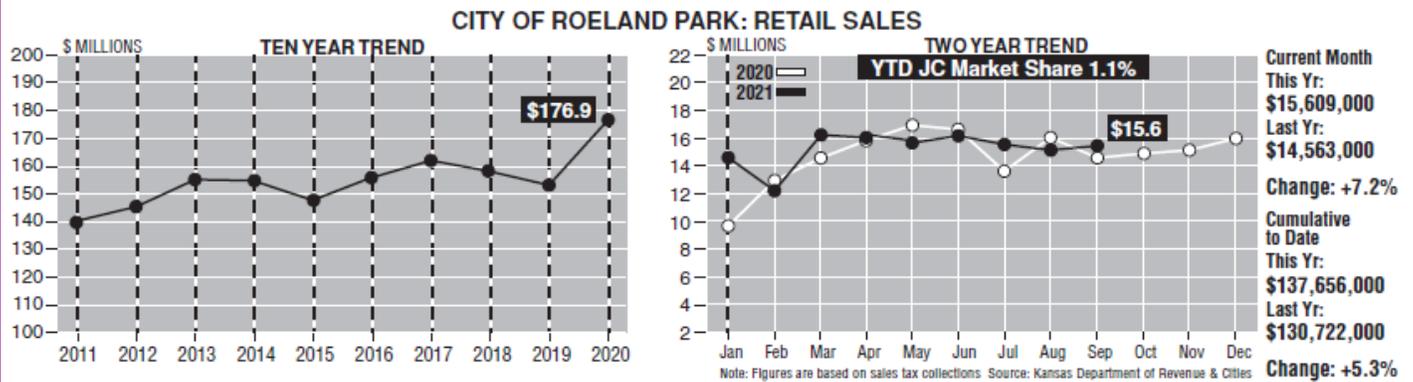
# Monthly Financial Status Report



4th Quarter 2021

## COMMUNITY STATISTICS

**Retail Sales:** The County Economic Research Institute (CERI) provides information for all cities in Johnson County. CERI has provided retail sales figures through September 2021 which shows a 5.3% YTD increase for Roeland Park compared to 2020. Attached is the latest report from CERI, December 2021. Johnson County as a whole has seen a 14.9% increase compared with 2020.



**Building Permits:** In 2021, the City has issued 336 building permits at a value of approximately \$4.3 million. This is significantly less than last year due to the issuance of the building permit for Sunflower Medical, which had a total value of \$9.2 million in 2020, and 3 new residential construction permits. In 201, we had 27 residential remodel projects with a value of \$2.16 million. This equates to an average remodel value of \$79,966 per project. We had one new residential construction permit issued for a home on Fontana with a value of \$325,000. Permit volume and value are indicators of economic health and reinvestment in the community. The chart illustrates the number and value of building permits comparing the current and prior years.