July 31, 2024 Monthly Financial Report and FY 2024-25 First Quarter Budget Analysis Report

Office of Management and Budget

October 22, 2024

Finance, Governance, and Public Safety Committee

General Fund Revenues Five Years as of July 31

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Current vs. Prior Year
Revenues						
Property Taxes	$ 1,157	1,140	1,180	1,258	1,817	$ 559
Local Use Taxes	14,171	12,230	16,679	17,472	24,215	6,743
Earnings Taxes	74,318	64,976	64,096	74,789	71,332	(3,457)
Gaming Taxes	555	3,197	3,117	3,140	3,187	47
Utility Taxes	19,409	7,481	20,894	28,482	7,176	(21,306)
Convention & Tourism Taxes	113	76	103	136	144	8
Licenses & Permits	2,425	3,843	3,810	3,398	3,149	(249)
Fines & Forfeitures	1,419	1,594	908	824	740	(83)
Interest & Rental Income	1,378	1,200	1,517	3,058	4,491	1,433
Service Charges	12,377	17,780	32,552	25,273	26,998	1,725
Grants	694	342	150	44	219	175
Special Assessments	-	-	-	-	-	-
All Other	436	1,113	1,269	1,016	(1,083)	(2,099)
Transfers	-	1,422	2,238	2,207	2,601	394
Total General Fund Revenues	**$ 128,454**	**116,394**	**148,512**	**161,096**	**144,986**	**$ (16,110)**

In thousands

General Fund Expenditures Five Years as of July 31

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Current vs. Prior Year
Revenues						
Personal Services	$ 108,704	100,704	108,398	115,522	129,706	$ 14,184
Contractual Services	50,626	64,354	64,969	76,243	94,464	18,221
Commodities	6,394	3,306	4,382	2,741	3,041	300
Capital Outlay	492	24	76	693	7,472	6,779
Debt Service	1,290	687	1,622	681	867	186
Contingent Approp	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Total General Fund Expenditures	**$ 167,507**	**169,074**	**179,447**	**195,881**	**235,549**	**$ 39,669**

In thousands

First Quarter Budget Analysis Report

Purpose

*Pursuant to **Section 2-1956** of the Code of Ordinances, a quarterly budget report analyzing actual and anticipated revenues and expenditures will be presented the first three quarters of every fiscal year.*

This summary focuses on the General Fund. Issues in other special revenue funds are highlighted when anomalies exist as defined in the Code of Ordinances, Section 2-1956(c).

Anomalies include:

1. Major expenditures or revenue exceptions that affects a fund's total expenditure budget by one percent or total over $500,000.00;
2. Significant variances that are not part of a normal pattern;
3. Variances that most likely negatively or positively impact the ending balances in a department or a fund at the end of the fiscal year.

Quarterly Reports are available at: www.kcmo.gov/BUDGET

Quarterly Budget Analysis

Assumptions: Personnel

- Approved CBAs for Local 42, Local 3808, and Local 500 are incorporated
- Salaries projected based on positions filled as of August 2, 2024

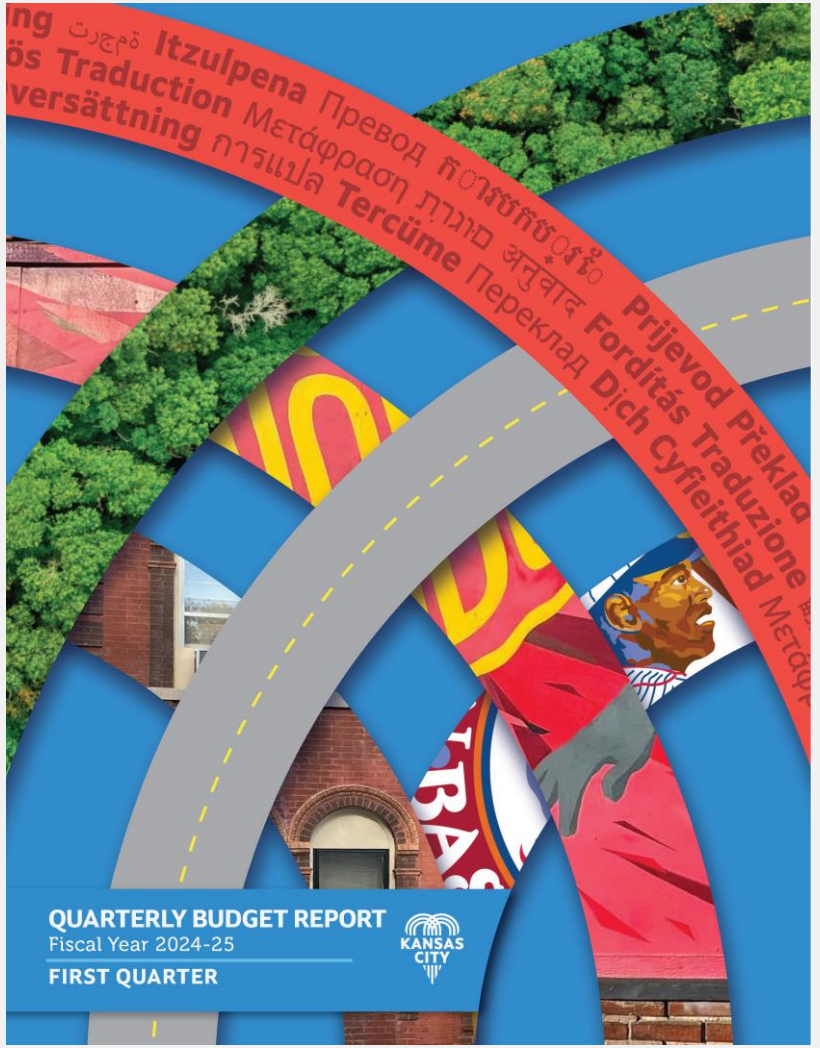
Assumptions: Other

- Projections built on expenditures as of July 31, 2024
- Contingent appropriation projected as spent; the current balance is $6,179,945 with pending legislation, Ordinance No. 240884, proposing additional use of $2.3 million
- Grants – matching expenditures and revenues. No impact to quarterly
- Known exceptions from departments and independent analysis are incorporated

Quarterly Budget Analysis Report

Quarterly Budget Analysis Report

- Overview
- Assumptions
- General Fund
- Highlighted Funds
- Schedules



Fund Schedule

A. Fund Balance Table

B. Revenue and Expenditure Detail

C. Unreserved Fund Balance begins the year

D. Year-Ending is Fiscal Year surplus/(deficit)

E. Final Ending Balance is projected balance at the end of Fiscal Year

Grant and Capital Funds are approached differently with multi-year funding considerations

SCHEDULE 11: SPECIAL REVENUE FUNDS

THIRD QUARTER FISCAL YEAR 2023 - 24

KCATA SALES TAX

A

TYPE	ACTUAL FY 2021-22	ACTUAL FY 2022-23	AMENDED FY 2023-24	ESTIMATED FY 2023-24
Type	FY2022	FY2023	FY2024	2024
C Unreserved Fund Balance	-$1,135,827	$3,354,247	$3,998,756	$3,998,756
Reserve and PY Adjustment	–	-$3,474,904	$3,474,904	$3,474,904
Total Beginning Balance	-$1,135,827	-$120,657	$7,473,660	$7,473,660
Revenues	$31,905,774	$36,402,107	$33,842,310	$36,823,190
Expenses	$27,415,700	$32,282,694	$40,671,461	$40,671,461
D Year-Ending Balance	$4,490,074	$4,119,413	-$6,829,151	-$3,848,271
E Final Ending Balance	$3,354,247	$3,998,756	$644,509	$3,625,389

B

TYPE	ACTUAL FY 2021-22	ACTUAL FY 2022-23	AMENDED FY 2023-24	ESTIMATED FY 2023-24		
Type	FY2022	FY2023	FY2024	FY2024	Difference	% Change
Revenue						
All Other	$92	$288	–	$18	-$18	–
Grants	$8,714	$9,615	–	$6,038	-$6,038	–
Sales Tax	$34,152,354	$38,671,837	$35,689,210	$38,671,837	-$2,982,627	-8%
Sales Tax - Redirections	-$2,255,386	-$2,279,633	-$1,846,900	-$1,854,703	$7,803	0%
REVENUE TOTAL	**$31,905,774**	**$36,402,107**	**$33,842,310**	**$36,823,190**	**-$2,980,880**	**-9%**
Transfer In						
–	–	–	–	–	–	–
TRANSFER IN TOTAL	**0**	**0**	**0**	**0**	**0**	**0**
Expenditure						
Pass Through Payments	$27,415,700	$32,276,889	$40,619,552	$40,619,552	$0	0%
EXPENDITURE TOTAL	**$27,415,700**	**$32,276,889**	**$40,619,552**	**$40,619,552**	**$0**	**0%**
Transfer Out						
Tfr to General Fund	–	$5,805	$51,909	$51,909	$0	0%
TRANSFER OUT TOTAL	**–**	**$5,805**	**$51,909**	**$51,909**	**$0**	**0%**

General Fund

General Fund – Overall Summary

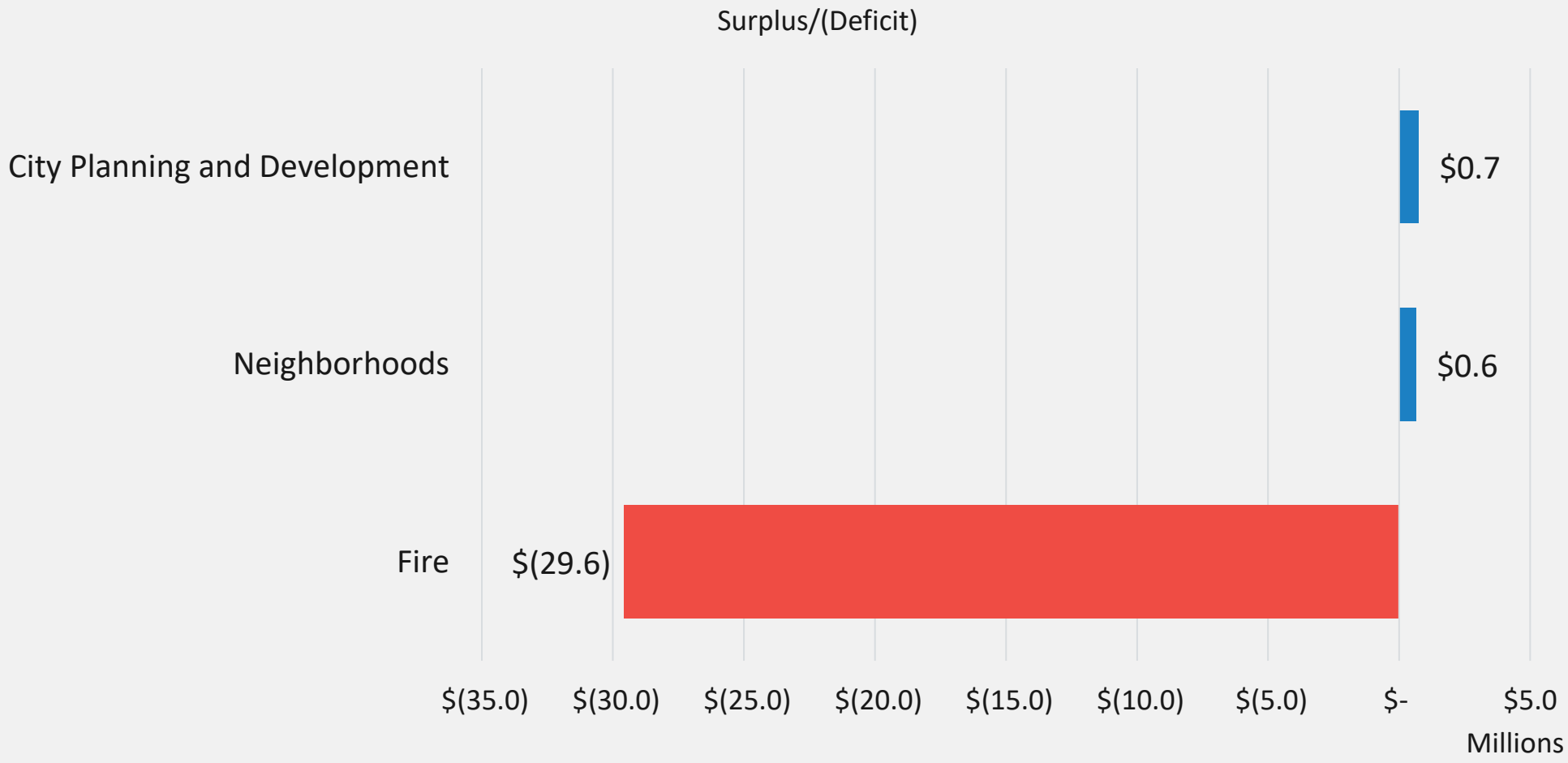
General Fund - Fund Balance			
Balance as of Year Ending 4/30/24	$ 332,003,584	$ 332,003,584	
Reserve for Encumbrances and Reappropriations	$ 35,887,762	$ 35,887,762	
Current Year Operations:	**Current Budget**	**First Quarter**	**Difference**
Revenues	$ 727,343,747	$ 762,115,768	$ 34,772,021
Expenditures	$ (745,140,436)	$ (771,042,318)	$ (25,901,882)
Transfers In	$ 23,749,557	$ 23,749,557	$ -
Transfers Out	$ (78,565,590)	$ (75,850,763)	$ 2,714,827
Estimated Fund Balance Year Ending 4/30/25	**$ 295,278,624**	**$ 306,863,590**	
General Fund - Fund Balance Target (Adopted Budget)	**Two Month Floor**	**Three Month Ceiling**	
	$ 118,645,981	$ 177,968,971	

(Quarterly Budget Report – Pages 3 & 28)

General Fund Revenue

(Quarterly Budget Report - Pages 3-4 & 28)

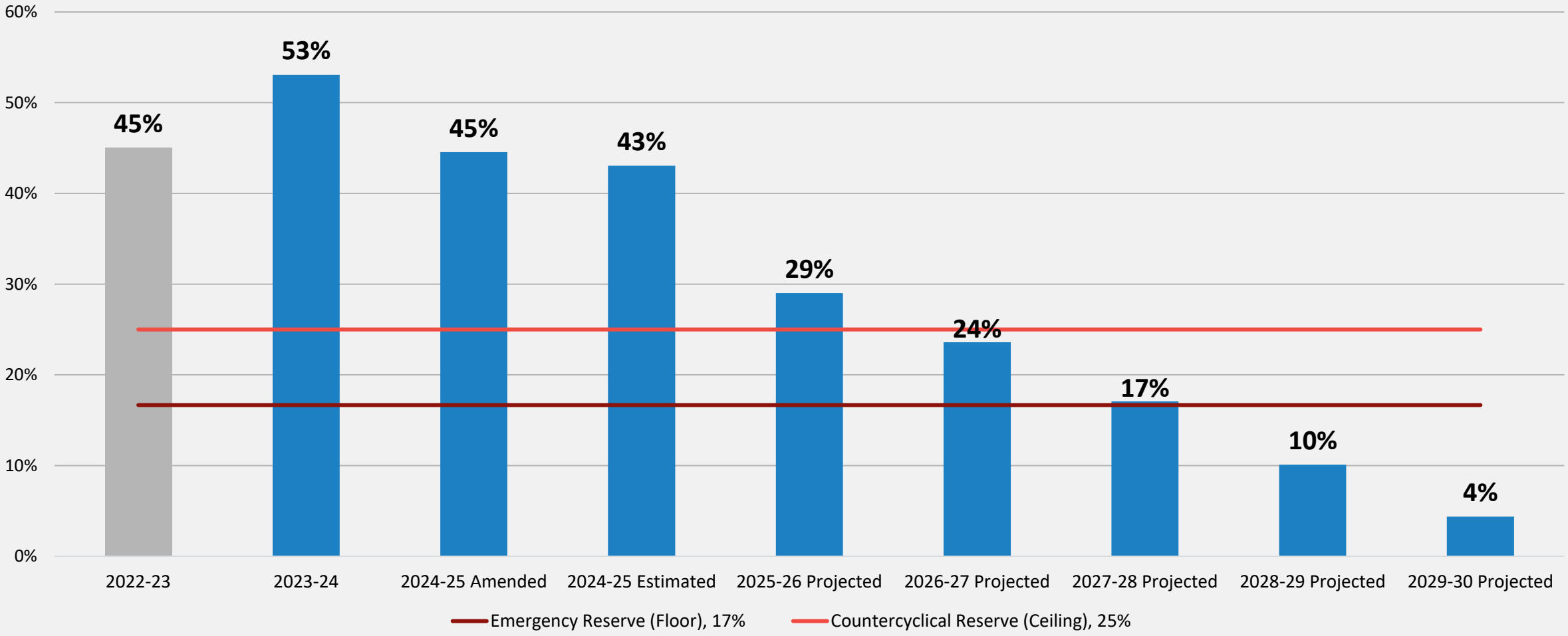
General Fund Expenditures by Department



(Quarterly Budget Report - Pages 4-5 & 27)

General Fund Balance

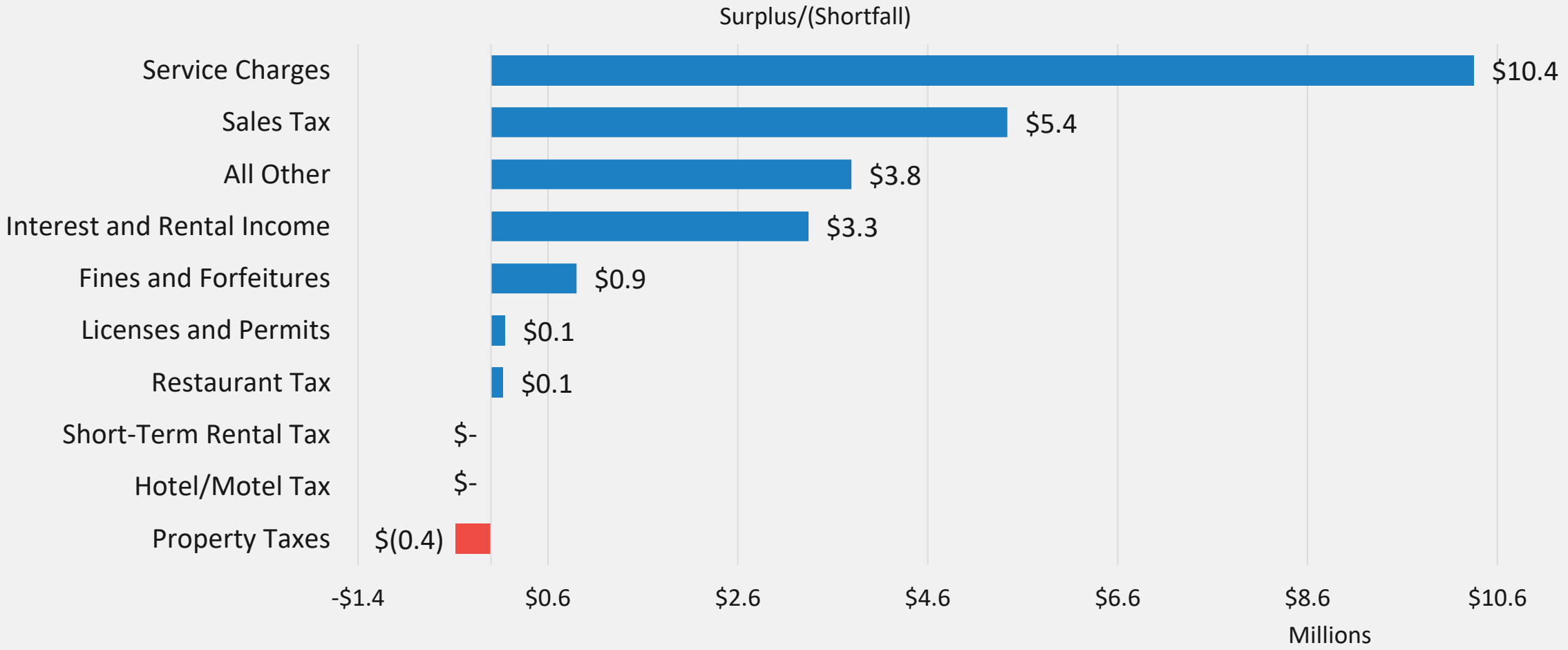
As a Percent of Expenditures



Special Revenue Funds

Dedicated Purpose

Special Revenue by Source



(Quarterly Budget Report - Pages 6 & 23-24)

Revenue by Type – All Funds

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Adopted	FY 2024-25 1Q Estimated
Earnings+	$288.3	$317.4	$326.3	$352.5	$347.8	$347.8
Sales^	$224.2	$293.0	$332.2	$335.4	$340.2	$347.0
Property	$171.2	$182.2	$190.3	$196.4	$205.6	$205.4
Hotel/Motel	$9.7	$22.1	$30.0	$34.0	$35.3	$35.3
Restaurant	$21.3	$30.2	$34.8	$37.9	$37.7	$37.9
Local Use	$55.6	$60.6	$73.0	$88.7	$89.7	$97.6
Utility	$96.9	$100.9	$98.8	$121.8	$100.8	$107.5
Licenses/Permits	$43.9	$55.9	$58.1	$65.0	$69.4	$70.1

+ Earnings Tax 2019 filing extension lowers FY 2019-20 and increases FY 2020-21 by $32.8 million due to timing. Earnings Tax 2020 filing extension lowers FY 2020-21 by $7.5 million and FY 2021-22 will be higher by that amount due to timing related to extension.

1. Dollar amounts are in millions and rounded to the first decimal
2. Chart represents gross Citywide revenue across all funds

^ New Fire Capital Sales Tax added $22.6 million in FY 2021-22 Actual; Marijuana Sales Tax added $1.5 million in FY 2023-24 Estimated

First Quarter Ordinance

Ordinance 240917

Ordinance 240917

- Section 1
  - From General Fund balance
    - $100,000 HR employee performance management system enhancement
    - $100,000 CREO Disparity Study anticipated cost above budget

- Section 2
  - $1.6 million for citywide cyber security response and prevention efforts from available fund balance of the IT Reimbursable Fund

Ordinance 240917

- Section 3
  - $62.0 million Water Services appropriations for various projects from FY 2024 yearend

- Sections 4 & 5
  - $1.7 million – 1/3 Houselessness Response, 1/3 Solid Waste, 1/3 Violence Prevention
    - Marijuana Sales Tax higher than anticipated

Ordinance 240917

- Section 6
  - $1.5 million increase to PIAC ($250,000/district)
    - Increase due to year end revenue for FY 2024 yearend in Capital Improvements Fund
- Section 7
  - $3.9 million appropriation for legal settlements from available fund balance of the Legal Expense Fund

Ordinance 240917

- Sections 8 & 9
  - $150,000 for T-Mobile Ice Plant Repair from increased revenue anticipated in the Downtown Arena Debt Fund
- Sections 10-16
  - Required adjustments to tax redirections pursuant to the Historic Northeast TIF Plan and Tax Contribution Agreement
- Section 17
  - Required pass-through of museum property tax levy to Kansas City Museum Foundation based on FY2024 yearend

Looking Ahead

October 2024

- Citywide Business Plan Discussion and Adoption
- Priority-Based Budgeting Update

January 2025

- Second Quarter Budget Analysis Report

February 13, 2025

- Fiscal Year 2025-26 Submitted Budget

Questions?

You can find us at:

www.kcmo.gov/FINANCE