

Monthly Financial Report Summary

January 2021

This monthly financial summary report is for the period ended January 31, 2021, as closed by the Finance department. This represents four months into the fiscal year, and represents 33.33% of the total budget. This report will focus on the General Fund as well as the Enterprise Funds (Airport, Port, Sanitation and Utility Funds), the Local Option Sales Tax (LOST) Fund and the Stormwater Capital Projects Fund.

General Fund Revenues:

The first data chart you will see, page 4, is for the General Fund (GF). Total revenues collected, including appropriation from fund balance through January 31, 2021 are \$24,096,906. This is 38.81% of the total GF budget.

- ❖ Ad Valorem, collected at 67.41%, became due November 1st and will not be late until April. These should increase rapidly up to that point as there is a discount to pay earlier.
- ❖ Local Business Tax was due October 1st and as such is collected at 95.35.
- ❖ Franchise Fees and Utility taxes run one to two months in arrears and are collected at 19.63% and 24.33 respectively.
- ❖ State Shared Revenues are collected at 28.48% and run one month in arrears.
- ❖ Charges for Service revenues are reflected as a negative, 4.44%. There is a \$220,393.32 in pending State reimbursements related to a PW agreement. This was accrued in FY 20 and reversed this FY. COVID19 has created a cash flow delay for the theater and as such the payment hasn't been received yet.
- ❖ Interest on Investments was not budgeted due to the uncertainty of interest rates and economic conditions. To date earnings exceed \$207,000.
- ❖ Transfers is a booked entry and reflects 50% now. The final 50% will be recorded in the second half of the fiscal year.

Budget adjustments and carryovers from the prior fiscal year have been recorded and are reflected in these statements.

General Fund Expenditures:

The data on the right side of the chart is for the General Fund Expenditures. Total expenditures through January 31, 2021 are \$27,355,417.52. This is 44.05% of the total GF budget.

- ❖ City Council is under budget due to staffing that has not been filled.
- ❖ Legal is also under budget, expended at 22.87%. This is due to operating expenditures being under budget. This is mostly made up of Professional Services, Transportation and Training.
- ❖ Non-Departmental is expended at 80.34%. The bulk of Non-Departmental is made up of Transfers, \$3,197,900 which has been fully expended, causing this overage.
- ❖ Fire and Police are slightly higher at 41.16% and 46.17% respectively. This is mostly due to fully funding of the General Pension Fund for both as well as fully funding the Police and Fireman's Pension Fund.

Page 5 is a graphic representation of the city's revenue collection to budgeted revenues.

Tree Planting Trust Fund:

The Budget in Brief Summary highlights the Tree Planting Trust Fund, which is a component of the General Fund. The full fund balance was appropriated to implement the tree trust management program for fiscal year 2021. Revenues of \$9,914 are comprised of Fees of \$8,800 and interest income of \$1,114. These revenues are detailed on page 6.

Enterprise Funds:

Enterprise Funds consist of Pensacola Energy, Sanitation Service, the Port, and the Airport. Revenues for all enterprise funds came to 41.28% of the total budget. Expenditures were higher the targeted expenditure rate of 33.33%, at 44.94%. Each fund is represented in the graphic on page 7 of this report. The bar graph on page 8 represents the revenues and expenditures compared to the total budget for each enterprise fund.

- ❖ Personnel is slightly higher due to the full funding of the general pension fund.
- ❖ Capital Outlay was expended at 85.03%, far higher than budgeted for this period. This is attributed to encumbered funds and P.O.s carried over.

- ❖ Debt Service is expended at 62.80%. This is due to 100% of principal being encumbered for Gas and Sanitation Funds and 51.00% of principal for the Airport fund.

Local Option Sales Tax Fund:

The Local Option Sales Tax (LOST) Fund is detailed out on page 9. City issued bonds were issued to fund the LOST capital projects. Per Finance “It will be necessary to draw upon the City’s pooled cash to cover cash shortfalls in the fund. This is projected to be necessary through the end of the life of the LOST IV Series.”

- ❖ Local Option Sales Tax: Fund 307: This revenue also runs one month in arrears and is collected at 25.29%. Fund 316 is funded via fund balance and is at 100%.
- ❖ The beginning budget for the LOST 307 fund was \$6,038,200 for Capital Projects. Subsequent budget amendments increased this by an additional \$15,724,548 for a total budgeted capital amount of \$21,762,748. This increase is to carryover funds for projects in the prior year that were not completed. Fund 316 also increased its beginning budget amount for capital projects via an amendment in the amount of \$1,030,879.

The Finance department has also provided a detailed spreadsheet of all LOST projects, costs, funding and where the projects are in the completion cycle. This report begins on page 11.

Stormwater Capital Projects Fund:

This is another large capital project fund. The summary of this fund can be found on page 10. The finance department also provides a detailed report for this fund’s capital projects. That detail can be found on page 15.

Revenue in this fund is primarily from fund balance and transfers in from the General Fund. As these are made at the beginning of the year the total collections are at 100% for fund balance and 68.92% of transfers. Operating expenditures 11.99%. Capital Outlay is at 33.23% primarily due to encumbered funds. The amount went down from November due to a budget amendment that increased the budgeted capital outlay by \$2,885,434, for a total budgeted capital outlay of \$5,836,845. Previously a budget adjustment in the amount of \$906,745 to the original adopted budget of \$2,735,000 was made in November 2020.