

# Financial Report

City of Pensacola

4th Quarter Financial Statement

Twelve Months Ending

September 30, 2019

(Unaudited)



# Overview

(Unaudited)

- Revenue Growth
  - Growth Continues
- Supplemental Budget Resolutions
  - Increased Estimated Revenues
- Expenditures in total, In Line with Budgeted Projections/Some Below Budgeted Projections



# General Fund

(Unaudited)

- Expenditures and Encumbrances Were Within Total Revenues
  - Revenues - \$57,586,900
  - Exp./Enc. - \$54,244,000
- **Revenues Increased by \$4,229,100 or 7.93% from FY 2018**
  - **Net of Inspections Fund Transfer In and Land Swap with YMCA Revenue Increased by \$1,669,300 or 3.13%**
- **Revenues \$3,893,500 Above Beginning Budget**
  - **Net of Inspections Fund Transfer In and Land Swap with YMCA Revenue \$1,333,700 Above Beginning Budget**



# General Fund

(Unaudited)

## •FY 2019 to FY 2018 Revenue Comparison

- **Property Tax Revenue – up by \$1,079,700 or 7.38%**
- **Half Cent Sales Tax – up by \$251,400 or 5.23%**
- **Investment Income – up by \$186,300 or 81.58%**
- **State Traffic Signal and Street Light Maintenance – up by \$46,900 or 7.13%**
- **Municipal Revenue Sharing - up by \$29,900 or 1.28%**
- **Local Business Tax Revenue – up by \$25,600 or 2.76%**

## •Department Expenditures Including Encumbrances Within Approved Appropriations

- **Expenditures and Encumbrances \$1,788,900 or 3.19% lower than Appropriations**



# General Fund

(Unaudited)



## ■ Categories of Fund Balance

- Non-Spendable
  - Not in a spendable form (pre-paid insurance)
- Restricted
  - Can be spent only for the specific purpose stipulated by external resource providers, external contractual obligations (such as encumbrances) or enabling legislation.



# General Fund

(Unaudited)



## ■ Categories of Fund Balance

- Committed
  - Can be used only for the specific purposes determined by a formal action (ordinance/resolution)
- Assigned
  - Amounts the City intends to use for a specific purpose
- Unassigned
  - The portion of fund balance which is not obligated or specifically designated and is available for any purpose.



# General Fund

(Unaudited)

## Components of FYE 2019 Fund Balance Compared with FYE 2018

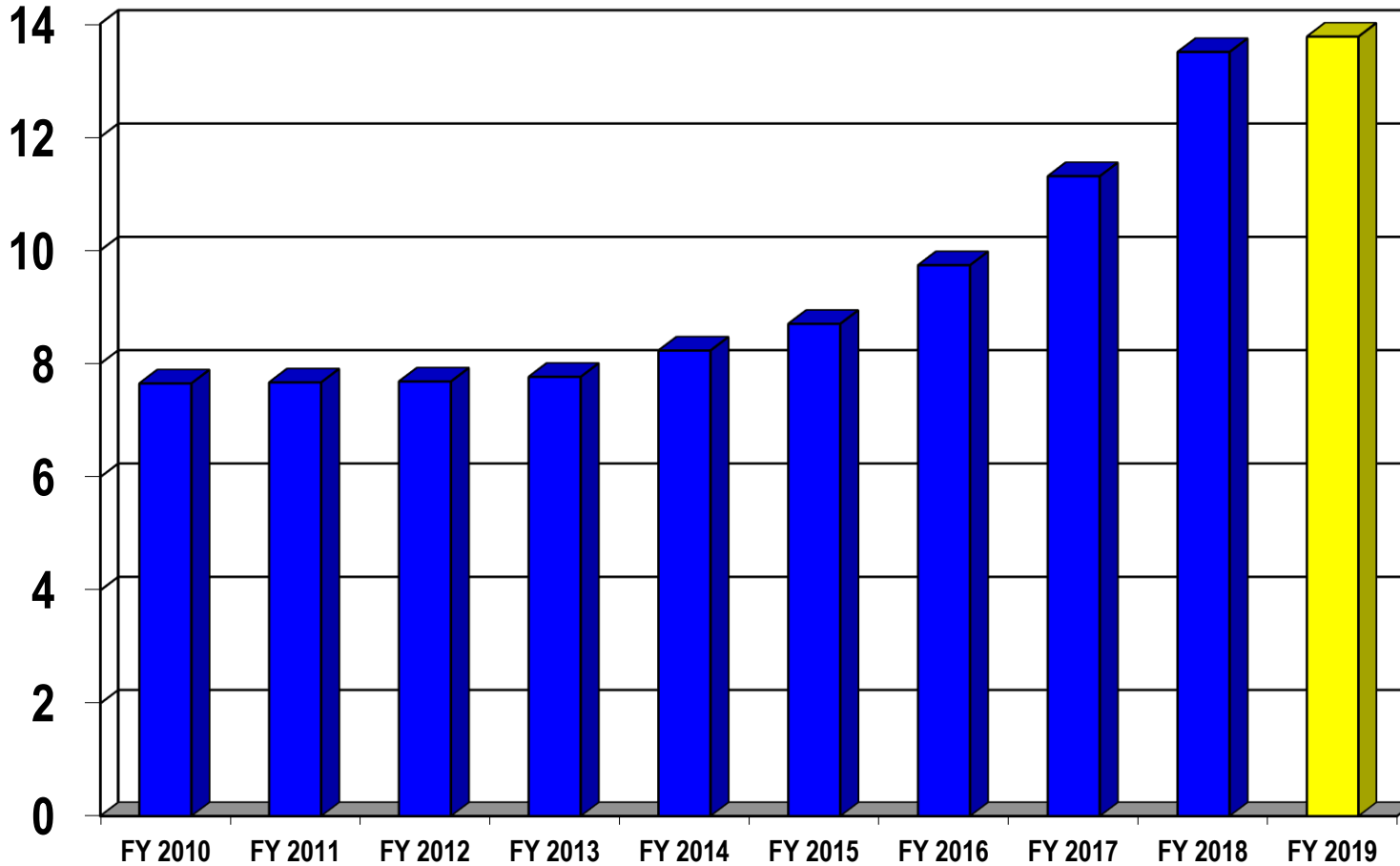
Amount		Description
2018	2019	
		<b><u>Non-Spendable</u></b>
\$ 23,422	\$ 26,600	- Prepaid Expenses
<u>23,422</u>	<u>26,600</u>	Sub-Total Non-Spendable
		<b><u>Restricted</u></b>
334,378	365,100	- Saenger Theatre Capital
704,134	532,400	- Encumbrance Carryforward Appropriation
<u>1,038,512</u>	<u>897,500</u>	Sub-Total Restricted
		<b><u>Committed</u></b>
13,522,262	13,793,000	- Council Reserve (23.89%)
391,414	495,500	- Tree Planting Trust Fund
103,559	109,200	- Park Purchases Fund
<u>14,017,235</u>	<u>14,397,700</u>	Sub-Total Committed
		<b><u>Assigned</u></b>
1,610,800	5,100,000	- Designation for Fund Balance (3%)(FY 2020-2022)
933,580	-	- Designation for Economic Incentives
440,490	449,300	- Designation for Inner-City Housing Initiatives
146,519	51,800	- Designation for Housing Initiatives
1,066,860	1,102,800	- Unencumbered Carryforward Appropriation
367,803	440,600	- Special Assessments
25,407	25,900	- Designation for Lien Amnesty
<u>4,591,459</u>	<u>7,170,400</u>	Sub-Total Assigned
		<b><u>Unassigned</u></b>
208,800	1,499,700	- Available Balance for Future Year Appropriations
<u>208,800</u>	<u>1,499,700</u>	Sub-Total Unassigned
<b><u>\$ 19,879,428</u></b>	<b><u>\$ 23,991,900</u></b>	<b>Total Fund Balance</b>



# General Fund

(Unaudited)

Millions



**Reserve For Contingency Increased By \$270,700 which Represents 23.89% of FY 2020 Beginning General Fund Appropriations (Expenditures)**





**CITY OF PENSACOLA**  
**FUND BALANCE (FB) – NET ASSETS (NA)**  
**BUDGET POSITION**  
**(UNAUDITED)**

Fund	Current Net-Assets 9/30/2019
<b>GENERAL GOVERNMENT</b>	
<b>001 General Fund</b>	<b>23,991,947</b>
<b><u>SPECIAL REVENUE FUNDS</u></b>	
<b>102 Special Grants Fund</b>	<b>154,737</b>
<b>103 Local Option Gas Tax Fund</b>	<b>1,364,378</b>
<b>104 Community Dev Blk Grant Fund</b>	<b>0</b>
<b>105 Community Redevelopment</b>	<b>4,455,117</b>
<b>106 Urban Core Redev Trust Fund</b>	<b>0</b>
<b>109 Stormwater Utility Fund</b>	<b>656,236</b>
<b>110 Hospital Special Assessment Fund</b>	<b>0</b>
<b>115 Section 8 Housing Assistance</b>	<b>3,220,515</b>

**CITY OF PENSACOLA**  
**FUND BALANCE (FB) – NET ASSETS (NA)**  
**BUDGET POSITION**  
**(UNAUDITED)**

Fund	Current Net-Assets 9/30/2019
<b>GENERAL GOVERNMENT (Continued)</b>	
<b><u>SPECIAL REVENUE FUNDS (Continued)</u></b>	
118 Law Enforcement Trust Fund	194,069
119 Natural Disaster Fund	2,674,472
120 Golf Course Fund	21,060
121 Eastside TIF	620,206
<b>122 Inspections Fund</b>	<b>(184,538)</b>
123 Westside TIF	89,775
124 Recreation Fund	552,483
125 Tennis Fund	120,621
126 CMP Management Services	1,049,986

**CITY OF PENSACOLA**  
**FUND BALANCE (FB) – NET ASSETS (NA)**  
**BUDGET POSITION**  
**(UNAUDITED)**

Fund	Current Net-Assets 9/30/2019
<b>GENERAL GOVERNMENT (Continued)</b>	
<b><u>DEBT SERVICE FUNDS</u></b>	
210 CRA Debt Service Fund	2,894,782
213 LOGT Debt Service Fund	1,560,364
<b><u>CAPITAL PROJECTS FUNDS</u></b>	
307 Local Option Sales Tax Fund	7,227,807
314 CRA Series 2017 Project Fund	11,267,554
315 CRA Series 2019 Project Fund	18,000,264
316 LOST Series 2017 Project Fund	7,176,184
329 Stormwater Capital Fund	5,093,802

**CITY OF PENSACOLA**  
**FUND BALANCE (FB) – NET ASSETS (NA)**  
**BUDGET POSITION**  
**(UNAUDITED)**

Fund	Current Net-Assets 9/30/2019
<b>PROPRIETARY FUNDS</b>	
<b><u>ENTERPRISE FUNDS</u></b>	
401 Gas Utility Fund	20,486,104
402 Sanitation Fund	1,102,674
403 Port Fund	620,026
404 Airport Fund	10,872,935
<b><u>INTERNAL SERVICE FUNDS</u></b>	
502 General Stock Fund	863,370
503 Insurance Retention Fund	5,470,123
504 Central Services Fund	3,247,467

# Tree Planting Trust Fund

(Unaudited)

- Revenue and Expenditures Recorded In General Fund
- Total Contributions Plus Interest Income - \$104,000
- No Expenditures/Encumbrances
- End of Year Unencumbered Balance - \$495,400



# Park Purchases Trust Fund

(Unaudited)

- Revenue and Expenditures Recorded In General Fund
- Total Contributions Plus Interest Income - \$5,600
- No Expenditures/Encumbrances
- End of Year Unencumbered Balance - \$109,200



# Housing Initiatives/Inner City Housing Initiatives Fund

(Unaudited)

- Balance for the Housing Initiatives Fund
  - Proceeds from Sale of City-Owned Surplus Properties – Housing Initiatives Fund
- Revenue and Expenditures Recorded In General Fund
- Housing Initiatives Fund – City Wide
  - Total Contributions Plus Interest Income - \$46,800
  - Total Expenditures - \$141,600
  - End of Year Unencumbered Balance - \$51,800
- Inner City Housing Initiatives Fund
  - Interest income received - \$8,800
  - No Expenditures
  - End of Year Unencumbered Balance- \$449,300



# Special Revenue Funds

(Unaudited)

- **Local Option Gasoline Tax**
  - Revenue above FY 2018 by \$7,400
  - Revenue Exceeded Beginning Budget By \$18,400
  - Revenue & Fund Balance of \$98,800 equals the Total Expenditures
  - Ending Restricted Fund Balance - \$1,364,400
    - Future Debt Service Payments





# Special Revenue Funds

(Unaudited)

- **Stormwater Utility Fund**
  - Revenue - \$2,831,100 (Equal to Budget)
  - Exp./Enc. - \$3,082,300 (Below Budget)
- Committed Fund Balance of \$642,800



# Special Revenue Funds

(Unaudited)

- **Natural Disaster Fund**

- Accounts for disaster-related activity (April 2014 Flooding)
- Receives revenues from Federal & State agencies on a reimbursement basis
- April 2014 Flooding
  - Federal – 75%
  - State – 12.5%
  - City of Pensacola – Balance of expenditures
- **Expenditures/Encumbrances Greater than Revenues by \$8,100**
  - Revenue - \$1,015,200
  - Expenditures/Encumbrances - \$1,023,300
  - Restricted Fund Balance of \$2,674,500



# Special Revenue Funds

(Unaudited)

- **Municipal Golf Course**

- Revenues At Budget

- Revenues - \$468,400

- **FY 2019 Revenues Below FY 2018 Revenues by \$5,000**

- **Exp./Enc. Under Budget by \$13,900**

- Exp./Enc. - \$704,500

- **Revenues \$236,100 below Expenditures and Encumbrances**

- General Fund Subsidy - \$250,000

- Assigned Fund Balance (After Subsidy) Zero



# Special Revenue Funds

(Unaudited)

- **Municipal Golf Course (Continued)**
  - Rounds Played in FY19 – 19,951/FY18 – 19,990
    - **Down 39**
  - Driving Range Usage in FY19 – 5,536/FY18 – 6,253
    - **Down 717**
  - Concession payments are current through the fourth quarter of FY 2019



# Special Revenue Funds

(Unaudited)

- **Inspection Services Fund**

- **Florida House Bill 447**

- **Supplemental Budget Resolutions to recoup funds for continuing services and allocated overhead covering FY 2008- FY 2015 (\$2,039,865)**

- **Revenues Exceeded Budget by \$178,700**

- **Expenditures Under Budget by \$28,500**

- **Revenues Exceeded Expenditures by \$305,700  
Excluding Transfers**

- **Restricted Fund Balance – **-\$184,500****



# Special Revenue Funds

(Unaudited)

## ■ Roger Scott Tennis Center

- City has a Three Year Contract for Operation & Management of Roger Scott Tennis Center
  - Gulf Coast Tennis Group, LLC
  - January 1, 2018 – December 31, 2020
  - City Receives Minimum Annual Revenue - \$125,000
- **Revenues Equal to Final Budget**
  - Revenues - \$131,300
- **Expenditures Below Budget by \$57,600**
  - Expenditures - \$71,000
- **Total Revenues Exceed Expenditures By \$60,200**
- Assigned Fund Balance - \$104,100



# Special Revenue Funds

(Unaudited)

## •Community Maritime Park Management Services Fund

- New Market Tax Credit (NMTC) - Completed May 2017
- Community Maritime Park Associates, Inc. (CMPA)
  - June 2017 - Dissolved
  - The Management Services & the Employee Leasing Agreement – Terminated
  - Assets & Liabilities transferred to City
- Fiscal Year 2018 First Full Year of Operation by the City  
Reported in the Maritime Park Management Services Fund
  - City Council approved Fourth Amendment to the Multi-Use Facility
    - Change to Variable Attendance surcharge to flat fee per ticket instead of a sliding scale per ticket on March 14, 2019



# Special Revenue Funds

(Unaudited)

## •Community Maritime Park Management Services Fund (Continued)

- **Revenues Exceeded Expenditures by \$74,300**
- **Renewal & Replacement Revenues Exceed Expenditures and Encumbrances by \$94,200**
- **Renewal & Replacement FYE 19 Cash Balance - \$703,400**
- **Restricted Fund Balance – excluding encumbrances, Parking and Renewal & Replacement - \$126,100**





# Capital Projects Funds

(Unaudited)

- **Local Option Sales Tax Fund**

- **Revenues Equal to Budget**

- Revenues - \$9,538,400

- **Exp./Enc. Within Budget**

- Exp./Enc. - \$7,396,800

- **Tax Collections Increased by 4.43% from FY 2018**

- **Restricted Fund Balance(Excluding Encumbrances and Bond Reserves) Increased from \$1,290,000 to \$3,926,400 in FY 2019**

- Citizens voted to extend LOST through December 31, 2028

- City issued Infrastructure Sales Surtax Revenue bond, Series 2017 to Fund Projects in LOST IV Plan – FYE 19 Cash Balance \$7,855,200



# Capital Projects Funds

(Unaudited)

- Stormwater Capital Projects Fund
  - Transfers from General Fund
    - Revenue Fee Collection - \$2,713,200
    - Exp./Enc. - \$3,055,000
  - Fund Balance of \$4,826,000 Carried Forward



# Enterprise Funds

(Unaudited)

## ▪ Gas Utility Fund

- **Revenues Exceeded Expenses by \$4,260,600**

- Revenue - \$51,373,800

- Purchase Gas Adjustment (PGA) – Additional \$0.10 per Ccf

- Pensacola Energy Reserve

- **Up by \$2,983,100 at FYE 19**

- Infrastructure Cost Recovery Revenue - \$3,466,200

- Net Current Assets

- **Increased by \$5 Million from Beginning FY 2019 to End of Year**  
- **\$20.5 Million**

- Total Equity Less Bond Reserves

- **Increased by \$8.5 Million from Beginning FY 2019 to End of Year**  
- **\$58.6 Million**



# Enterprise Funds

(Unaudited)

## ▪ Sanitation Fund

- **Expenses Exceeded Revenues by \$193,000** (Excluding Code Enforcement)

- Revenues - \$7,020,900

- Expenses - \$7,213,900

- **Code Enforcement Revenues Exceeded Expenses by \$269,800**

- Code Enforcement Revenues - \$1,519,700

- **Net Current Assets**

- **Decreased by \$363,100 from Beginning FY 2019 to End of Year - \$1,465,800 (Excluding Code Enforcement & Lot Cleaning)**

- **Total Fund Equity Less Bond Reserves**

- **Increased by \$680,000 from Beginning FY 2019 to End of Year – Negative \$889,500**



# Enterprise Funds

(Unaudited)

## ▪ Port of Pensacola

### • Revenues plus transfers in from Local Option Sales Tax were Above Operating Expenses by \$629,600

- Revenues – FY19 - \$2,406,800  
FY18 - \$1,257,600  
An Increase of \$1,149,200

- Transfers in - \$641,800
- Expenses - \$2,419,000

### • Port Reserve/Net Current Assets

- Supplemental Budget Resolution approved on April 11, 2019
  - Eliminating the Appropriated Fund Balance and Increased Est. Revenues and Appropriations Due to Increased Activity

- **Net Current Assets totaled - \$620,000**
  - **Increased \$630,200**

### • Total Equity Less Bond Reserves

- **Increased by \$3 Million from FY 2019 Beginning to End of Year \$16.3 Million**



# Enterprise Funds

(Unaudited)

## ▪ **Port of Pensacola (Continued)**

- All Port Lease Payments are Current

- April 11, 2019 City Council Authorized Write Off of Offshore Inland Marine & Oilfield Services abated payables.



# Enterprise Funds

(Unaudited)

## ■ Airport Fund

- **Revenues Exceeded Expenses (Excluding \$6.3 Million Principal Payment for the JPA Grant) By \$5.5 Million**
- **Revenues Increased by \$3.1 million from FY 2018**
- **Net Current Assets**
  - **Increased by \$1.1 Million from Beginning FY 2019 to End of Year - \$10.9 Million**
- **Total Fund Equity Less Required Bond Reserves**
  - **Increased by \$3.8 Million from Beginning FY 2019 to End of Year - \$157.3 Million**



# Internal Service Funds

(Unaudited)

- **Insurance Retention Fund/Central Services Fund**
  - **Provide Services To Other Operating Funds**
  - **Revenues and Expenses Below Budgeted Levels**





# Investment and Debt Service Schedules

(Unaudited)

- Provided For Information
  - Listing of City Investments
  - Listing of City's Debt Issues



# Legal Costs Schedule

(Unaudited)

- Schedule of Legal Costs paid to Attorneys and/or firms who have provided services to the City
  - FY 2019 Cost Less than FY 2018
  - Fiscal Year 2019 Legal Costs (Inside and Outside) Was Lower By \$325,807 Than Fiscal Year 2018



# Legal Costs Schedule

(Unaudited)

CITY OF PENSACOLA  
SCHEDULE OF LEGAL COSTS  
September 30, 2019  
(Unaudited)

<u>ATTORNEY NAME OR FIRM</u>	<u>AMOUNT PAID</u>	<u>NATURE OF SERVICES PROVIDED</u>
ALLEN NORTON & BLUE P A	\$74,908.79	Administrative, Collective Bargaining and Employee Matters
BEGGS & LANE	312,823.25	Contract and Real Estate Law
BRYANT MILLER OLIVE PA	75,237.19	Bond Counsel
CARLTON FIELDS JORDEN BURT	13,878.93	Environmental and Real Estate
COLLEEN CLEARLY ORTIZ PA	6,670.00	Police Forfeiture Claim
GRAY ROBINSON PA	23,936.63	Fee, Tax and Pension Plan Compliance and Litigation
GUNSTER YOAKLEY & STEWART PA	3,567.56	Natural Gas Matters
J NEVIN SHAFFER JR PA	900.00	Trademark Registration
LOCKE LORD LLP	2,500.00	Bond Disclosure Counsel and New Market Tax Credits
MCCARTER & ENGLISH LLP	23,209.29	Natural Gas Industry
NABORS GIBLIN & NICKERSON P A	710.36	Stormwater Assessment Program
PLAUCHE MASELLI PARKERSON LLP	1,314.50	Utility Litigation
QUINTAIROS PRIETO WOOD & BOYER PA	31,940.92	Workers Compensation and Liability Claims
RAY, JR LOUIS F	34,452.00	Code Enforcement Special Magistrate
RODERIC G. MAGIE, PA	54,650.80	Workers Compensation Claims
RUMBERGER KIRK & CALDWELL PA	18,768.45	Police Liability Claims
SNIFFEN & SPELLMAN PA	63,843.99	Police Liability Claims
STEINMEYER FIVEASH LLP	5,490.42	Environmental and Property Matters
WATSON SLOANE JOHNSON PLLC	7,000.00	Bank Legal Cost Urban Core Bond
WILSON HARRELL & FARRINGTON PA	<u>117,371.75</u>	Claims and Litigation
REPORT TOTAL	<u><u>\$873,174.83</u></u>	



# Police/Fire/General Pension Plans

(Unaudited)

- Interest Investment Rate Reported to City Pension Boards

- FY 2019 Investment Gain

	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FY 19</u>	<u>FYE 19</u> <u>Actuarial</u>
					*
General	8.8%	11.2%	8.0%	1.4%	7.4%
Fire	9.3%	11.3%	9.2%	3.0%	7.75%
Police	11.27%	13.89%	10.26%	4.66%	7.125%

\* Note - FYE 19 Actuarial Assumed Earnings Rate

- **Plans Achieved Lower Rate of Return Than Assumed Earnings Rate in FY 2019**

- General Pension and Police Pension Plans Closed



# Financial Report

City of Pensacola  
4th Quarter Financial Statement  
Twelve Months Ending  
September 30, 2018  
(Unaudited)

