

# Financial Report

City of Pensacola  
4th Quarter Financial Statement  
Twelve Months Ending  
September 30, 2021  
(Unaudited)



# Overview

(Unaudited)

- Revenue Growth
  - Growth in the Economy post COVID-19 Pandemic
  - Increases in Half-Cent & Local Option Sales Tax
  - Increases in Property Tax & License & Permits
- Expenditures in total, In Line with Budgeted Projections/Some Below Budgeted Projections
- Interest Rates
- Legal Services and Fees
- Contracts & Expenditures over \$25,000 Approved by Mayor



# General Fund

(Unaudited)

- Expenditures and Encumbrances Were Within Total Revenues

  - Revenues - \$58,718,500

  - Exp./Enc. - \$59,064,500

- **Revenues Increased by \$2,167,400 or 3.83% from FY 2020**

- **Revenues \$810,200 Above Beginning Budget**



# General Fund

(Unaudited)

## •FY 2021 to FY 2020 Revenue Comparison

- **Property Tax Revenue – up by \$1,184,100 or 6.98%**
- **Local Business Tax Revenue – down by \$23,000 or 2.40%**
- **Half Cent Sales Tax – up by \$1,083,100 or 22.02%**
- **Municipal Revenue Sharing - up by \$83,800 or 3.56%**

## •Department Expenditures Including Encumbrances Within Approved Appropriations

- **Expenditures and Encumbrances \$3,050,800 or 4.91% 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 2021 Fund Balance Compared with FYE 2020

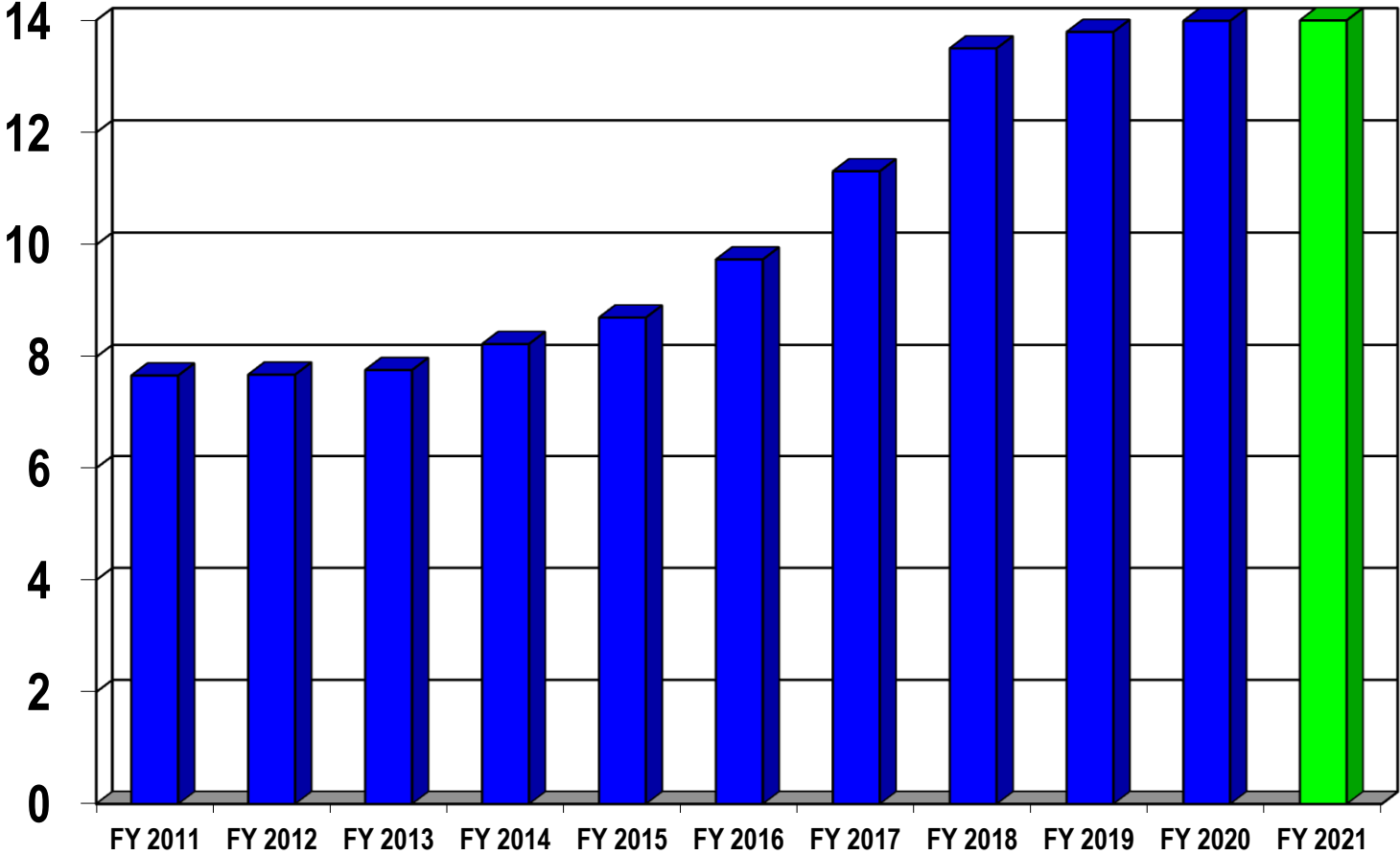
Amount			Description
2020	2021	Diff 2020-2021	
			<b>Non-Spendable</b>
\$ 50,814	\$ 43,890	\$ (6,924)	- Prepaid Expenses
50,814	43,890	(6,924)	Sub-Total Non-Spendable
			<b>Restricted</b>
341,163	387,344	46,181	- Saenger Theatre Capital
754,363	767,309	12,946	- Encumbrance Carryforward Appropriation
1,095,525	1,154,653	59,127	Sub-Total Restricted
			<b>Committed</b>
13,989,454	14,042,818	53,364	- Council Reserve (22.77%)
528,007	572,521	44,514	- Tree Planting Trust Fund
110,751	4,735	(106,015)	- Park Purchases Fund
14,628,211	14,620,074	(8,138)	Sub-Total Committed
			<b>Assigned</b>
5,100,000	5,100,000	-	- Designation for Fund Balance (FY 2022-2024)
515,879	494,402	(21,478)	- Designation for Housing Initiatives
1,800,000	2,461,495	661,495	- Designated for Natural Disaster 12.5% Match
1,037,295	478,949	(558,346)	- Unencumbered Carryforward Appropriation
-	100,000	100,000	- Unencumbered Carryforward Appropriation (there is HOPE)
271,300	691,700	420,400	- FY21 Fund Balance Draw - FOP and AFSCME Union
485,854	526,288	40,434	- Special Assessments
26,293	26,398	104	- Designation for Lien Amnesty
9,236,622	9,879,232	642,610	Sub-Total Assigned
			<b>Unassigned</b>
506,732	98,402	(408,330)	- Available Balance for Future Year Appropriations
506,732	98,402	(408,330)	Sub-Total Unassigned
<b>\$ 25,517,904</b>	<b>\$ 25,796,250</b>	<b>\$ 278,346</b>	<b>Total Fund Balance</b>



# General Fund

(Unaudited)

Million



**Reserve For Contingency Increased By \$53,400 which Represents 22.77% of FY 2022 Beginning General Fund Appropriations (Expenditures)**





# Tree Planting Trust Fund

(Unaudited)

- Revenue and Expenditures Recorded In General Fund
- Total Contributions Plus Interest Income - \$72,214
- Expenditures/Encumbrances - \$27,700
- End of Year Unencumbered Balance - \$572,521



# Park Purchases Trust Fund

(Unaudited)

- Revenue and Expenditures Recorded In General Fund
- Total Contributions Plus Interest Income - \$8,497
- Expenditures/Encumbrances - \$110,000
- End of Year Unencumbered Balance - \$4,735



# Housing Initiatives Fund

(Unaudited)

- Revenue and Expenditures Recorded In General Fund
  - Total Contributions Plus Interest Income - \$6,589
  - Total Expenditures - \$28,066
  - End of Year Unencumbered Balance - \$494,402
- Balance for the Housing Initiatives Fund
  - Proceeds from Sale of City-Owned Surplus Properties – Housing Initiatives Fund
  - On September 10, 2020, City Council Adopted Supplemental Budget Resolution No. 2020-36
    - Shifted the Balance of the City’s General Fund Inner City Housing Initiatives Fund to Housing Initiatives Fund.



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

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**GENERAL GOVERNMENT**

<b>001 General Fund</b>	<b>25,796,300</b>
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**SPECIAL REVENUE FUNDS**

<b>102 Special Grants Fund</b>	<b>110,600</b>
<b>103 Local Option Gas Tax Fund</b>	<b>1,079,500</b>
<b>105 Community Redevelopment</b>	<b>5,819,400</b>
<b>109 Stormwater Utility Fund</b>	<b>276,500</b>
<b>112 Parking Fund</b>	<b>422,400</b>
<b>115 Section 8 Housing Assistance</b>	<b>3,352,200</b>

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

Fund	Current Net-Assets 9/30/2021
<b>GENERAL GOVERNMENT (Continued)</b>	
<b><u>SPECIAL REVENUE FUNDS (Continued)</u></b>	
118 Law Enforcement Trust Fund	271,500
119 Natural Disaster Fund	(8,740,400)
120 Golf Course Fund	261,200
121 Eastside TIF	752,300
122 Inspections Fund	1,135,000
123 Westside TIF	884,600
124 Recreation Fund	957,000
125 Tennis Fund	220,500
126 CMP Management Services	1,816,900

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

Fund	Current Net-Assets 9/30/2021
<b>GENERAL GOVERNMENT (Continued)</b>	
<b><u>DEBT SERVICE FUNDS</u></b>	
210 CRA Debt Service Fund	3,485,100
213 LOGT Debt Service Fund	1,537,000
<b><u>CAPITAL PROJECTS FUNDS</u></b>	
307 Local Option Sales Tax Fund	3,153,000
314 CRA Series 2017 Project Fund	6,968,800
315 CRA Series 2019 Project Fund	16,596,200
329 Stormwater Capital Fund	3,751,200

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

Fund	Current Net-Assets 9/30/2021
<b>PROPRIETARY FUNDS</b>	
<b><u>ENTERPRISE FUNDS</u></b>	
401 Gas Utility Fund	23,746,500
402 Sanitation Fund	222,500
403 Port Fund	3,495,800
404 Airport Fund	14,001,000
<b><u>INTERNAL SERVICE FUNDS</u></b>	
502 General Stock Fund	863,400
503 Insurance Retention Fund	4,050,100
504 Central Services Fund	3,195,000

# Special Revenue Funds

(Unaudited)

- **Local Option Gasoline Tax**
  - Revenue above FY 2020 by \$110,200
  - Revenue above Beginning Budget By \$68,800
  - Revenue & Fund Balance of \$1,541,100 equals the Total Expenditures
  - Ending Restricted Fund Balance - \$1,079,500
    - Future Debt Service Payments





# Special Revenue Funds

(Unaudited)

- **Stormwater Utility Fund**
  - **Revenue - \$2,902,800 (Equal to Budget)**
  - **Exp./Enc. - \$3,055,400 (Below Budget)**
- Committed Fund Balance of \$264,200
  - Supplemental Budget Resolution No. 2021-106
    - Fund Balance Drawdown- \$58,700
      - \$58,700 Allocated Overhead Adjustment
- City Council approved an increase to the Stormwater Utility Fee
  - From \$72.24 per ESU to \$76.12 for FY2022



# Special Revenue Funds

(Unaudited)

- **Parking Management Fund**
  - **Revenues Exceeded Expenses and Encumbrances by \$121,700**
  - **Expenditures and Encumbrances totaled \$729,000**
  - **Revenues at budget at \$850,700**
  - **Restricted Fund Balance - \$421,600**



# Special Revenue Funds

(Unaudited)

- **Natural Disaster Fund**

- Accounts for disaster-related activity (Hurricane Sally)
- CARES Act Funding (Non-Airport related)
- Receives Revenues from Federal & State Agencies on a Reimbursement Basis
- Disaster Cost Split:
  - Federal – 75%
  - State – 12.5%
  - City of Pensacola – 12.5% Balance of expenditures
- **Expenditures/Encumbrances Greater than Revenues by \$13,462,700**
  - Revenue - \$3,984,400
  - Expenditures/Encumbrances - \$17,447,100
  - **Restricted Fund Balance negative \$8,740,000**



# Special Revenue Funds

(Unaudited)

- **Municipal Golf Course**

- Revenues At Budget

- Revenues - \$853,000

- **FY 2021 Revenues Exceeded FY 2020 Revenues by \$49,200**

- **Exp./Enc. Under Budget by \$96,200**

- Exp./Enc. - \$764,300

- **Revenues Exceeded Expenditures and Encumbrances by \$88,700**

- Increase in Revenues

- Mainly due to Good Weather
- Essential Services provided during COVID-19 Pandemic
- Not Required to Shut down during COVID-19 Pandemic
- Increase play resulted with the ability to Social Distance

- General Fund Subsidy - \$250,000



# Special Revenue Funds

(Unaudited)

- **Municipal Golf Course (Continued)**
  - Rounds Played in FY21 – 23,401/FY20 – 21,828
    - **Up 1,573**
  - Driving Range Usage in FY20 – 6,737/FY19 – 6,638
    - **Up 99**
  - Concession payments are current through the fourth quarter of FY 2021



# Special Revenue Funds

(Unaudited)

## • **Inspection Services Fund**

- **Revenues Exceeded Beginning Budget by \$1,292,000**
- **Expenditures Under Budget by \$1,157,000**
- **Revenues Exceeded Expenditures by \$1,142,600**
- **Restricted Fund Balance - \$1,135,000**



# Special Revenue Funds

(Unaudited)

## ■ Roger Scott Tennis Center

- Three Year Contract for Operation & Management of Roger Scott Tennis Center negotiations continue
  - Gulf Coast Tennis Group, LLC
  - January 1, 2018 – December 31, 2020
  - City Receives Minimum Annual Revenue - \$125,000
  - Deferral Program Due to COVID-19 Pandemic through June 30, 2020
- **Revenues Equal to Final Budget**
  - Revenues - \$131,600
- **Expenditures Below Budget by \$57,400**
  - Exp/Enc - \$74,300
- **Total Revenues Exceed Expenditures By \$57,400**
- Assigned Fund Balance - \$210,700



# Special Revenue Funds

(Unaudited)

## •Community Maritime Park Management Services Fund

- Impacted by COVID-19 Pandemic
  - Blue Wahoos Baseball Season resumed on May 4, 2021
  - Park activities continue to increase at fiscal year end
- **Revenues Exceeded Expenditures by \$360,400**
- **Renewal & Replacement Revenues Exceed Expenditures and Encumbrances by \$32,900**
- Restricted Fund Balance – excluding encumbrances, Parking and Renewal & Replacement - \$550,000





# Capital Projects Funds

(Unaudited)

- **Local Option Sales Tax Fund**
  - **Revenues Equal to Budget**
    - Revenues - \$10,718,900
  - **Exp./Enc. Within Budget**
    - Exp./Enc. - \$16,290,500
  - **Tax Collections Increased by 23.22% from FY 2020**
    - Due to economic recovery from the COVID-19 Pandemic
  - **Restricted Fund Balance(Excluding Encumbrances and Bond Reserves) Increased from a negative \$1,266,500 to a negative \$3,086,100 in FY 2021**
  - Citizens voted to extend LOST through December 31, 2028



# Capital Projects Funds

(Unaudited)

- **Local Option Sales Tax Fund (Continued)**
  - City issued Infrastructure Sales Surtax Revenue Bond, Series 2017 to Fund Projects in LOST IV Plan
  - Necessary to Draw Upon City’s Pooled Cash to Cover Cash Shortfalls
    - Projected to be Necessary through the End of the Life of LOST IV Series.
    - Fund Balance is Also Projected to be Negative Based on Project Completion Dates.



# Capital Projects Funds

(Unaudited)

- **Stormwater Capital Projects Fund**
  - Transfers from General Fund
    - Revenue Fee Collection - \$2,735,000
    - Exp./Enc. - \$4,432,000
  - City Council adopted Resolution No. 2021-32
    - Amending the Financial Planning & Admin Policy
    - Sets the General Fund Transfer at \$2,735,000 for future years
  - Fund Balance of \$2,857,200
    - Carried Forward - \$2,814,700



# Enterprise Funds

(Unaudited)

## ▪ Gas Utility Fund

– Revenues Exceeded Expenses by **\$1,348,100**

• Revenue - \$51,426,400

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

• Pensacola Energy Reserve

– FY 2021 \$1,103,380 Collected

– Infrastructure Cost Recovery Revenue - \$3,415,600

– Net Current Assets

• **Increased by \$1.4 Million from Beginning FY 2021 to End of Year - \$23.7 Million**

– Total Equity Less Bond Reserves

• **Increased by \$8.9 Million from Beginning FY 2021 to End of Year - \$73.4 Million**



# Enterprise Funds

(Unaudited)

## ■ Sanitation Fund

- **Expenses Exceeded Revenues by \$1,550,300** (Excluding Code Enforcement)
  - Revenues - \$7,585,600
  - Expenses - \$9,135,900
- **Code Enforcement Revenues Exceeded Expenses by \$274,600**
  - Code Enforcement Revenues - \$1,550,700
- Net Current Assets - \$222,500
  - **Decreased by \$1,067,200 from Beginning FY 2021 to End of Year - (Excluding Code Enforcement & Lot Cleaning)**
- Total Fund Equity Less Bond Reserves
  - **Increased by \$510,200 from Beginning FY 2021 to End of Year with a Balance of \$829,700**
- No CNG Rebates Received



# Enterprise Funds

(Unaudited)

## ▪ Port of Pensacola

- **Revenues plus transfers in from Local Option Sales Tax were Above Operating Expenses by \$1,407,000**
  - Revenues – FY21 - \$4,575,800  
FY20 - \$2,755,000
  - An Increase of \$1,820,800**
  - Transfers in from Local Option Sales Tax - \$87,700
  - Expenses - \$3,256,500
  - Increases Due to Port Tariff Rate Revisions, Storage Fees, Seville Harbor Lease, and Hurricane Sally Insurance Proceeds
- Net Current Assets
  - **Increased by \$2,092,600 from Beginning FY 2021 to End of Year - \$3,495,800**
- Total Equity Less Bond Reserves
  - **Increased by \$2,413,900 from FY 2021 Beginning to End of Year \$18.3 Million**



# Enterprise Funds

(Unaudited)

## ▪ Airport Fund

- Revenues were above Budget by **\$3,833,300**
- Revenues increased by **\$999,700 from FY 2020**
- Expenses (Excluding CARES Act Funding & Debt Service) were \$93,900 above FY 2020
- Transportation Industry is recovering from the Effects of COVID-19 Pandemic
  - Passenger Traffic Increasing
  - CARES Act Funding Received- \$10.2 Million (FY2020 through ending FY2021)
    - Funding for Operations & Maintenance recovery from COVID-19 Pandemic.



# Enterprise Funds

(Unaudited)

## ▪ Airport Fund

### – Net Current Assets

• **Increased by \$2.2 Million from Beginning FY 2021 to End of Year - \$14.0 Million (Majority of Which Related to Receiving CARES Act Funding)**

### – Total Fund Equity Less Required Bond Reserves

• **Increased by \$19.3 Million from Beginning FY 2021 to End of Year - \$185.6 Million**





# Internal Service Funds

(Unaudited)

## •Insurance Retention Fund/Central Services Fund

- Provide Services To Other Operating Funds
- Revenues and Expenses are Consistent with 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 2021 Cost more than FY 2020
  - Fiscal Year 2021 Legal Costs (Inside and Outside) Was Higher by \$110,400 than Fiscal Year 2020



# Legal Costs Schedule

(Unaudited)

CITY OF PENSACOLA  
SCHEDULE OF LEGAL COSTS

September 30, 2021

(Unaudited)

ATTORNEY NAME OR FIRM	AMOUNT PAID	NATURE OF SERVICES PROVIDED
<b>RISK MANAGEMENT:</b>		
COLLEEN CLEARY ORTIZ PA	\$ 52,239.25	Workers Compensation Claims
CLARK PARTINGTON HART LARRY	61,540.00	Claims and Litigation
QUINTAIROS PRIETO WOOD & BOYER PA	12,110.32	Workers Compensation and Liability Claims
RODERIC G. MAGIE, PA	24,482.51	Workers Compensation Claims
RUMBERGER KIRK & CALDWELL PA	4,515.50	Police Liability Claims
SNIFFEN & SPELLMAN PA	37,681.05	Police Liability Claims
WILSON HARRELL & FARRINGTON PA	114,065.99	Claims and Litigation
<b>SUBTOTAL:</b>	<b>306,634.62</b>	
<b>ST AEROSPACE:</b>		
BEGGS & LANE	194,028.10	Airport VT Mobile Aerospace Engineering Project
<b>SUBTOTAL:</b>	<b>194,028.10</b>	
<b>ALL OTHER LEGAL COSTS:</b>		
ALLEN NORTON & BLUE P A	93,455.20	Administrative, Collective Bargaining and Employee Matters
BEGGS & LANE	25,300.75	Contract and Real Estate Law
BRYANT MILLER OLIVE PA	25,671.00	Bond Counsel and CRA Matters
CARLTON FIELDS JORDEN BURT	54,050.00	Superfund and Other Environmental Matters
GALLOWAY, JOHNSON, TOMPKINS, BURR AND SMITH	7,647.50	Skanska Barge Matters
GRAY ROBINSON PA	61,226.00	Fee, Tax and Pension Plan Compliance
GUNSTER YOAKLEY & STEWART PA	7,507.20	Natural Gas Matters
LOCKE LORD LLP	2,500.00	Bond Disclosure Counsel
MCCARTER & ENGLISH LLP	22,836.60	Natural Gas Industry
NABORS GIBLIN & NICKERSON P A	1,703.26	Annual Stormwater Assessment Program
RAY, JR LOUIS F	36,952.00	Code Enforcement Special Magistrate
V. KEITH WELLS P.A.	7,000.00	Employee Personnel Board Attorney
<b>SUBTOTAL:</b>	<b>345,849.51</b>	
<b>REPORT TOTAL:</b>	<b>\$ 846,512.23</b>	



# Police/Fire/General Pension Plans

(Unaudited)

- Interest Investment Rate Reported to City Pension Boards

- FY 2020 Investment Gain

<u>FY 18</u>	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FYE 21</u> <u>Actuarial*</u>
8.0%	1.4%	8.7%	20.7%	7.2%
9.2%	3.0%	11.4%	22.8%	7.75%
10.26%	4.66%	9.35%	22.16%	7.125%

\* Note - FYE 20 Actuarial Assumed Earnings Rate

- **Plans Achieved Higher Rate of Return Than Assumed Earnings Rate in FY 2020**

- General Pension and Police Pension Plans Closed



# Financial Report

City of Pensacola  
4th Quarter Financial Statement  
Twelve Months Ending  
September 30, 2021  
(Unaudited)

