

MEMORANDUM

TO: HONORABLE MAYOR, CITY COMMISSIONERS AND CITY MANAGER

FROM: FINANCE DIRECTOR

SUBJECT: FINANCIAL REPORT, QUARTER ENDING JUNE 30, 2021

The Financial Report for quarter ending June 30, 2021, for the City of DeLand is submitted herewith. The Quarterly Financial Report is a supplemental report intended to provide information regarding the financial position of each fund and includes a review of balance sheets and schedules on revenues and expenditures.

The quarterly financial report is an attempt to bring to you a concise and readable interim report, and is not a substitute for the Comprehensive Annual Financial Report issued at the end of each fiscal year after the independent audit of the City's financial records. This quarterly report covers nine months of the fiscal year, a representation of seventy-five percent of the year.

To provide a more comparable and consistent presentation of fund balance reporting, the Governmental Accounting Standards Board Statement Number 54 – *Fund Balance Reporting and Government Fund Type Definitions* (Statement 54) has been implemented. Previously, fund balance for governmental funds was displayed in two broad components – Reserved and Unreserved. GASB 54 established five classifications comprising a hierarchy based primarily on the extent to which the government is bound to honor constraints for which monies can be spent. The classifications are: Non-spendable, Restricted, Committed, Assigned and Unassigned. This presentation only applies to Governmental Funds. The Proprietary Funds are presented in compliance with the GASB 34 balance sheet format: assets equal liabilities plus net assets and net assets will continue to be displayed as Invested in Capital Assets – net of related debt, Restricted and Unrestricted.

Non-spendable Fund Balance includes amounts that cannot be spent because they are either not in a spendable form or contractually must be maintained intact. Inventories, prepaid amounts, property acquired for resale, and the principal of a permanent fund are all examples of this type of classification.

Restricted Fund Balance reflects amounts that have externally or legally imposed constraints on their use. This category naturally would include resources subject to externally imposed restrictions (creditors, grantors, contributors, laws/regulations of other governments, constitutional provisions). It also would normally, but not always, include resources resulting from enabling legislation (i.e., legislation authorizing the raising of resources for a specific purpose).

Committed Fund Balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Commission, the highest level of decision making in the City. These committed amounts cannot be used for any other purpose unless the government removes or changes the specified use.

Assigned Fund Balance includes amounts that are constrained by the government's intent, but are neither restricted nor committed. The assignment conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the governmental fund. Intent is not imposed by a formal commission action. Unassigned Fund Balance is the residual classification for the general fund. The General Fund should be the only fund that reports a positive unassigned fund balance, since expenditures associated with other funds are incurred for the specific activity for which the fund is reporting.

GENERAL FUND

REVENUES DISCUSSION REGARDING BUDGET VARIATIONS

Revenues of the General Fund are \$27,617,284 as of June 30, 2021 and represent 88% of total revenues budgeted this fiscal year. Charges for government services represents allocated administrative costs charged out to other funds for governmental services provided. Transfers from other funds include transfers from the GIFT Fund for repayment of Hurricane Reserves and transfers from the Airport Fund for the repayment of debt.

REVENUE SOURCE	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 001 - GENERAL FUND				
AD VALOREM	12,916,662	13,046,223	101.00	11,986,807
OTHER TAXES	593,788	267,906	45.12	268,850
PUBLIC SERVICE TAXES	5,155,291	4,045,163	78.47	3,841,373
PERMITS, FEES, & SPECIAL ASSESSMENTS	276,734	175,078	63.27	337,581
FRANCHISE TAXES	3,370,007	2,352,119	69.80	2,330,299
OPERATING GRANTS	141,423	90,167	63.76	109,311
CAPITAL GRANTS	16,656	4,179	25.09	-
INTERGOVERNMENTAL REVENUE	3,007,342	2,757,941	91.71	2,415,255
CHARGES FOR SERVICES	665,577	1,014,900	152.48	823,305
CHARGES FOR GOVT SERVICES	1,961,032	1,470,774	75.00	1,484,350
FINES & FORFEITS	85,000	71,752	84.41	59,127
MISCELLANEOUS REVENUES	256,699	293,976	114.52	505,475
INTEREST REVENUES	90,000	47,934	53.26	213,854
RENTAL INCOME	67,926	71,972	105.96	60,170
TRANSFERS FROM OTHER FUNDS	2,688,607	1,907,200	70.94	1,919,281
	31,292,744	27,617,284	88.25	26,355,040
USE OF RESERVES	1,726,738	-		-
TOTAL REVENUES	33,019,482	27,617,284	83.64	26,355,040

- Property taxes are at 101% realization due to the majority of property owners that take advantage of discounts associated with paying their property taxes before the due date. This is comparable to the same quarter last year which was 101% realized.
- Other Taxes include 1st Local Option Gas tax at 99% realization this quarter and Fire Insurance and Casualty Insurance Premium taxes which are at 0% realization due to timing of collections which is expected in September each year.
- Franchise Taxes are lower than normal due to timing of revenues with only 8 months of solid waste taxes recorded at the end of the third quarter.

- Charges for Services are at 152% realization mainly due to \$515,136 of tree replacement revenues received through the third quarter which greatly exceed budget. Parks & Recreation charges for services are at 44% realized and planning services are at 133% realized this quarter.

EXPENDITURES DISCUSSION REGARDING BUDGET VARIATIONS

General Fund expenditures are at 67% of budgeted funds as of June 30, 2021. Expenditures by category as a percent of appropriated funds are personnel 68%, operating 65%, grants and aid 0%, contingencies 0%, and transfers to other funds 75%. Budgeted transfers to other funds include transfers to Homelessness Fund \$50,000, transfers to Grants & Special Revenue Fund \$304,244, transfers to Debt Service Fund \$1,753,150, and transfers to Capital Projects Fund \$959,646.

EXPENDITURES BY BUDGET CATEGORY	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 001 - GENERAL FUND				
Net PERSONNEL	22,071,546	15,003,120	67.97	14,700,699
Net OPERATING	7,384,943	4,832,330	65.43	4,833,682
Net GRANTS & AID	30,000	-	0.00	11,050
Net CONTINGENCY	465,953	-	0.00	-
Net TRANSFERS TO OTHER FUNDS	3,067,040	2,314,301	75.46	2,594,287
Fund 001 - GENERAL FUND: TOTAL EXPEND	<u>33,019,482</u>	<u>22,149,751</u>	67.08	<u>22,139,718</u>

EXPENDITURES BY FUNCTION	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 001 - GENERAL FUND				
GENERAL GOVERNMENT	6,304,361	4,316,735	68.47	4,346,980
COMMUNITY DEVELOPMENT	1,056,518	701,802	66.43	700,329
PUBLIC SAFETY	15,154,970	10,403,939	68.65	9,981,666
PUBLIC WORKS	3,677,958	2,255,265	61.32	2,386,296
PARKS AND RECREATION	3,292,682	2,157,707	65.53	2,130,160
CONTINGENCY	465,953	-	0.00	-
TRANSFERS	3,067,040	2,314,301	75.46	2,594,287
Fund 001 - GENERAL FUND: TOTAL EXPEND	<u>33,019,482</u>	<u>22,149,751</u>	67.08	<u>22,139,718</u>

- Contingency budget includes planned savings for the fiscal year for the Hurricane Reserve (\$200,000) and Sanborn Center Reserve (\$12,500). It also includes other planned contingencies for retirement payouts, labor union agreements and fuel expenses.

- Personnel expenses are lower than the third quarter benchmark of 75% due to the high rate of position vacancies throughout the fiscal year.
- All general fund departmental expenditures are within expected budget ranges of 75% or less at the end of the third quarter.

GENERAL FUND CAPITAL PROJECTS

The capital projects for the General Fund are recorded in the Grants & Special Revenues Fund and the Capital Projects Fund which are included in a separate section of this report.

GENERAL FUND RESERVE ANALYSIS

According to City policy, the City will manage its fiscal resources to ensure funding for City operations is not disrupted. A reserve equivalent to two month's operating needs shall be maintained in the General Fund. The funds available for this reserve are estimated to be \$5,386,862 which represents a reserve balance of \$129,680 above the two-month required Undesignated Reserve of \$5,257,182 at June 30, 2021.

General Fund
Fiscal Year 2021 Undesignated Reserve Analysis

	<u>1st QTR</u>	<u>2nd QTR</u>	<u>3rd QTR</u>	<u>4th QTR</u>
Estimated Available Reserve Funds	\$ 5,386,862	\$ 5,386,862	\$ 5,386,862	
Required 2 Month Undesignated Reserve	5,261,261	5,248,472	5,257,182	
Surplus/Deficit	<u>\$ 125,601</u>	<u>\$ 138,390</u>	<u>\$ 129,680</u>	<u>\$ -</u>

CONFISCATED TRUST FUND

REVENUES DISCUSSION REGARDING BUDGET VARIATIONS

Confiscated Trust Fund revenues are at \$7,799 or 260% of total revenues budgeted this fiscal year.

EXPENDITURES DISCUSSION REGARDING BUDGET VARIATIONS

Confiscated Trust Fund operating expenditures are at \$96 or 3% of the total budget this fiscal year.

HOMELESS SHELTER FUND

REVENUES DISCUSSION REGARDING BUDGET VARIATIONS

The Homeless Shelter Fund operating revenues are at \$377,094 or 79% of total revenues budgeted this fiscal year. Operating revenues are comprised of private donations totaling \$213,705 and interest income of \$889. Transfers from the general fund total \$37,500 or 75% of budgeted funds which will be used towards operations of the facility. Volusia County interlocal grant funding of \$125,000 was also received this quarter to be used towards the operation of the facility.

EXPENDITURES DISCUSSION REGARDING BUDGET VARIATIONS

The Homeless Shelter Operating Expenditures are at \$317,467 or 66% of total expenses budgeted this fiscal year. Expenses include payments to the West Volusia Neighborhood Center for operation of the shelter.

SPRING HILL COMMUNITY REDEVELOPMENT FUND

REVENUES DISCUSSION REGARDING BUDGET VARIATIONS

Spring Hill Community Redevelopment Fund revenues realized at June 30, 2021 are \$300,266 or 83% of budgeted revenues. CRA revenues are comprised of ad valorem taxes, federal, state and local grants, donations from private sources and miscellaneous revenues.

REVENUE SOURCE	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 160 - SPRING HILL CRA FUND				
AD VALOREM	228,980	292,067	127.55	191,278
CAPITAL GRANTS	132,881	-	0.00	455,225
MISCELLANEOUS REVENUES	1,200	7,700	641.63	4,000
INTEREST REVENUES	-	499	100.00	3,740
TOTAL REVENUES	363,061	300,266	82.70	654,243
USE OF RESERVES	66,554	-		-
TOTAL REVENUES	429,615	300,266	69.89	654,243

- Ad Valorem Property taxes are at 128% realization due to underbudgeting of Volusia County TIF revenues. Revenues from all taxing agencies have been received.
- Federal & State grants include CDBG grant funds for personnel expenses and State EPA funds for the Connection Assistance Spring Shed Initiative project. CDBG grant revenue has not been

received by the end of the third quarter due to timing of the Notice to Proceed for the executed grant agreement. 100% of the grant funds are anticipated to be collected this fiscal year.

- Miscellaneous revenues include donations for furniture and fixtures for the new Spring Hill Resource Center.

EXPENDITURES DISCUSSION REGARDING BUDGET VARIATIONS

Spring Hill Community Redevelopment Fund expenditures as of June 30, 2021 are \$213,439 or 50% of budget. Expenditures by category as a percent of appropriated funds are personnel 71%, operating 85%, grants & aid 5%, contingency 0%, transfers to other funds 93%, and capital outlay 86%.

EXPENDITURES BY BUDGET CATEGORY	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 160 - SPRING HILL CRA FUND				
Net PERSONNEL	106,240	75,057	70.65	64,950
Net OPERATING	45,812	38,954	85.03	21,068
Net GRANTS & AID	105,000	5,779	5.50	2,500
Net CONTINGENCY	66,438	-	0.00	-
Net TRANSFERS TO OTHER FUNDS	39,571	36,631	92.57	25,571
Net CAPITAL OUTLAY	66,554	57,018	85.67	853,724
Fund 160 - SPRING HILL CRA FUND: TOTAL EXPEND	<u>429,615</u>	<u>213,439</u>	49.68	<u>967,813</u>

- Operating expenses include water/sewer/garbage expenses and operating supplies which have come in higher than budget at the end of the third quarter.
- Transfers to Other Funds includes \$36,386 budgeted transfer to the debt service fund and \$3,185 budgeted transfer to the capital project fund. Transfers are based on timing of debt and capital expenses and don't always follow quarter benchmarks for the fiscal year.
- Capital Outlay expenses include Furniture, Fixtures and Equipment expenses for the Spring Hill Resource Center.

SPRING HILL COMMUNITY REDEVELOPMENT FUND CAPITAL PROJECTS

PROJECT DESCRIPTION	2020-21 AMENDED BUDGET	QTR BALANCE 06/30/2021	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDGT REMAIN
SPRING HILL RESOURCE CENTER	66,554	57,018	-	9,536	14.3
	66,554	57,018	-	9,536	14.3

GOVERNMENTAL IMPACT FEES TRUST FUND

REVENUES DISCUSSION REGARDING BUDGET VARIATIONS

Governmental Impact Fees Trust Fund revenues realized at June 30, 2021 are \$1,378,763 or 168% of budgeted funds. The Governmental Impact Fees Trust Fund was established to budget and account for projects using revenue collected from Police, Fire, Parks and Recreation, and General Government Building Impact Fees paid by new customers. Revenues are budgeted to match expenses and do not reflect planned savings for the fiscal year.

REVENUE SOURCE	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 170 - GIFT FUND				
IMPACT FEES - POLICE RESIDENTIAL	41,754	295,486	707.68	142,099
IMPACT FEES - FIRE RESIDENTIAL	73,000	144,067	197.35	74,422
IMPACT FEES - POLICE COMMERCIAL	-	9,614	100.00	-
IMPACT FEES - FIRE COMMERCIAL	-	4,666	100.00	-
IMPACT FEES - RECREATION RESIDENTIAL	496,403	661,696	133.30	450,250
IMPACT FEES - GEN GOVT RESIDENTIAL	211,000	252,972	119.89	175,402
IMPACT FEES - GEN GOV'T COMMERCIAL	-	8,589	100.00	-
PERMITS, FEES, & SPECIAL ASSESSMENTS	822,157	1,377,089	167.50	842,173
INTEREST REVENUES	-	1,674	100.00	6,589
TOTAL REVENUES	822,157	1,378,763	167.70	848,762
USE OF RESERVES	248,000	-		-
TOTAL REVENUES	1,070,157	1,378,763	128.84	848,762

EXPENDITURES DISCUSSION REGARDING BUDGET VARIATIONS

Governmental Impact Fees Trust Fund expenses as of June 30, 2021 are \$886,501 or 83% of budgeted funds.

EXPENDITURES BY BUDGET CATEGORY	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 170 - GIFT FUND				
Net TRANSFERS TO OTHER FUNDS	1,070,157	886,501	82.84	714,547
Net CAPITAL OUTLAY	-	-		55,175
Fund 170 - GIFT FUND: TOTAL EXPEND	<u>1,070,157</u>	<u>886,501</u>	82.84	<u>769,722</u>

- Budgeted transfers to the Debt Service Fund pay for debt funded impact projects such as Earl Brown Park, Sperling Sports Complex, and construction of City Hall, Fire Station and Police Evidence Building. A report of the Debt Service Fund is included in this report.
- Budgeted transfers to Other Funds include \$200,000 to repay hurricane reserves, \$248,000 for the construction of the new Police Evidence Building, and \$622,157 for the repayment of debt.

DOWNTOWN COMMUNITY REDEVELOPMENT FUND

REVENUES DISCUSSION REGARDING BUDGET VARIATIONS

Downtown Community Redevelopment Fund revenues are at \$593,026 or 82% of budgeted revenues this quarter. Revenues from all taxing agencies have been received which makes up most of the revenue totals. Charges for Services is 86% realized due to rent collections revenue exceeding budget.

REVENUE SOURCE	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 180 - DOWNTOWN CRA FUND				
AD VALOREM	526,705	529,055	100.45	499,853
CHARGES FOR SERVICES	58,105	49,908	85.89	48,616
MISCELLANEOUS REVENUES	14,604	12,276	83.41	12,354
INTEREST REVENUES	-	1,788	100.00	8,096
USE OF RESERVES	121,589	-	0.00	-
TOTAL REVENUES	<u>721,003</u>	<u>593,026</u>	82.25	<u>568,918</u>
Fund 180 - DOWNTOWN CRA FUND:				

EXPENDITURES DISCUSSION REGARDING BUDGET VARIATIONS

Downtown Community Redevelopment Fund expenditures are \$360,860 or 50% of total budgeted funds. Expenses by category as a percent of appropriated funds is operating expenses 50%, grants and aid 3%, contingencies 0%, transfers to debt service fund 100%, and capital outlay 126%.

EXPENDITURES BY BUDGET CATEGORY	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 180 - DOWNTOWN CRA FUND				
Net OPERATING	338,821	167,946	49.57	202,864
Net GRANTS & AID	27,500	850	3.09	4,840
Net CONTINGENCY	194,658	-	0.00	-
Net TRANSFERS TO OTHER FUNDS	38,435	38,435	100.00	-
Net CAPITAL OUTLAY	121,589	153,629	126.35	-
Fund 180 - DOWNTOWN CRA FUND: TOTAL EXPEND	<u>721,003</u>	<u>360,860</u>	50.05	<u>207,704</u>

- Operating expenses are below 75% of budget mainly due to contractual services. Expenses related to special events have also been impacted by COVID-19 shut downs.
- Contingency represents planned savings to the Downtown Redevelopment Fund this fiscal year.
- Transfers to other funds represents the transfer to the debt service fund to cover loan payments for downtown parking improvements.
- Capital Outlay is at 126% due to capital projects that have been approved but not budgeted to date. A future budget amendment will be presented to appropriate funds for parking lot improvements in the Downtown CRA.

DOWNTOWN COMMUNITY REDEVELOPMENT FUND CAPITAL PROJECTS

PROJECT DESCRIPTION	2020-21 AMENDED BUDGET	QTR BALANCE 06/30/2021	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDGT REMAIN
WAYFINDING SIGNS	50,000	18,060	7,790	24,150	48.3
PARKING LOTS 12, 4, & 5 REHABILITATION	-	62,230	1,700	(63,930)	0.0
PARKING LOT - 201 W. HOWRY AVE	-	1,750	-	(1,750)	0.0
STREET BANNER POLES	71,589	71,589	-	-	0.0
	<u>121,589</u>	<u>153,629</u>	<u>9,490</u>	<u>(41,530)</u>	<u>-34.2</u>

GRANTS & SPECIAL REVENUES FUND

REVENUES DISCUSSION REGARDING BUDGET VARIATIONS

Grants and Special Revenues Fund revenues realized at June 30, 2021 are \$590,658 or 37% of total budgeted revenues. The Grants and Special Revenues Fund was established to budget and account for all capital projects and expenditures relating to grants and other specific revenues that fund non-payroll operating expenses.

REVENUE SOURCE	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 190 - GRANT & SPECIAL REVENUE FUND				
OTHER TAXES	255,331	196,006	76.77	200,884
CAPITAL GRANTS	1,047,000	225,536	21.54	798,240
TRANSFERS FROM OTHER FUNDS	304,244	168,183	55.28	168,675
INTEREST REVENUES	-	933	100.00	10,278
TOTAL REVENUES	1,606,575	590,658	36.77	1,178,076
USE OF RESERVES	650,002	-	0.00	-
TOTAL REVENUES	2,256,577	590,658	26.17	1,178,076

- Transfers from other funds represents 1% of pilot revenues budgeted to cover repaving expenses this year and transfers from the general fund for city match requirements towards capital projects that are partially grant funded.
- Federal grant revenue is 7% realized this period. Grant revenues are billed quarterly based on progress of grant funded projects and will be collected in a subsequent period. The federal grant projects budgeted this year include CDBG funds for ADA Right of Way Improvements, EPA funds for the Brownfield Environmental projects, and JAG funds for security cameras at the police department.
- Local grant revenue is 49% realized this period. Local grant projects budgeted this year include the Volusia County interlocal agreement for construction of the Homeless Shelter which has been completed and ECHO grant funds for the Sperling Sports Complex improvements which is nearing completion.

EXPENDITURES DISCUSSION REGARDING BUDGET VARIATIONS

Grants and Special Revenues Fund expenditures as of June 30, 2021 are \$1,003,952 or 45% of total budgeted funds. Expenditures by category as a percent of appropriated funds are operating expenses \$34,349 or 5% and capital outlay \$969,602 or 63% of budget. Expenditures in this fund are based on timing of projects and will not always follow the normal benchmarks for a given quarter.

GRANTS & SPECIAL REVENUES FUND CAPITAL PROJECTS

PROJECT DESCRIPTION	2020-21 AMENDED BUDGET	QTR BALANCE 06/30/2021	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDGT REMAIN
HOMELESS SHELTER	14,025	4,944	7,790	1,291	9.2
GENERATOR - HOMELESS SHELTER	180,000	-	112,025	67,975	37.8
ROW ADA IMPROV (2020 CDBG)	116,438	25,846	-	90,592	77.8
ROW ADA IMPROV (2021 CDBG)	186,328	-	-	186,328	100.0
SPERLING SPORTS COMPLEX - ECHO	1,035,459	938,813	53,594	43,053	4.2
	1,532,250	969,602	173,409	389,239	25.4

DEBT SERVICE FUND

REVENUES DISCUSSION REGARDING BUDGET VARIATIONS

Revenues for the Debt Service Fund consists of transfers from other funds which are used to pay debt payments for the current fiscal year. As of June 30, 2021, \$2,251,917 or 91% of budget was transferred from other funds to cover debt payments made by the end of the third quarter.

EXPENDITURES DISCUSSION REGARDING BUDGET VARIATIONS

Debt Service Fund expenditures are \$2,251,917 or 91% of budgeted funds at the end of the third quarter. Expenditures by department for governmental related debt payments include general government (\$1,011,495), Fire (\$630,591), Police (\$267,186), Public Works (\$35,382), and Parks and Recreation (\$307,263). Timing of debt payments are based on predetermined amortization schedules and will vary from quarterly benchmarks throughout the year.

Annual Debt Service Schedule – FY 2021

Debt Instrument	Principal Payments	Interest Payments	Total Payment Due	Principal Bal Due @ 9/30/21
2004A Revenue Note Wells Fargo (\$8.5M)	494,564	67,385	561,949	2,114,805
2004B Revenue Note Wells Fargo (\$1.5M)	99,218	13,519	112,737	424,267
2013A Note BB&T - EB Park	119,574	60,269	179,843	1,703,783
2013B Note BB&T - EB Park	45,267	22,816	68,082	644,970
2018A Revenue Note BB&T - Non-taxable	365,162	97,646	462,808	2,816,180
2018B Revenue Note BB&T - Taxable	59,119	39,441	98,560	929,523
2019 Revenue Note - Chase Bank	582,983	155,257	738,240	8,983,669
	<u>1,765,887</u>	<u>456,332</u>	<u>2,222,219</u>	<u>17,617,197</u>

Capital Leases	Principal Payments	Interest Payments	Total Payment Due	Principal Bal Due
2020 Truist Bank Lease - Ladder Truck	185,288	18,939	204,227	1,167,494
2020 Printer/Copiers - DEX Imaging	39,597	-	39,597	161,689
	<u>224,886</u>	<u>18,939</u>	<u>243,825</u>	<u>1,329,183</u>
Total Capital Debt	<u>1,990,772</u>	<u>475,271</u>	<u>2,466,043</u>	<u>18,946,380</u>

CAPITAL PROJECTS FUND

REVENUES DISCUSSION REGARDING BUDGET VARIATIONS

Revenues for the Capital Projects Fund include transfers from other funds and the dedicated .2 mills of ad valorem revenue that was budgeted for FY 2021. Revenues by category are Ad valorem taxes 104%, transfers from other funds 47%, interest revenue 100%.

REVENUE SOURCE	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 300 - CAPITAL PROJECTS FUND				
AD VALOREM	391,446	407,051	103.99	371,873
TRANSFERS FROM OTHER FUNDS	2,094,998	984,636	47.00	1,509,939
INTEREST REVENUES	-	6,560	100.00	2,628
TOTAL REVENUES	<u>2,486,444</u>	<u>1,398,247</u>	56.23	<u>1,884,440</u>
USE OF RESERVES	7,493,455	-		-
TOTAL REVENUES	<u>9,979,899</u>	<u>1,398,247</u>	14.01	<u>1,884,440</u>

EXPENDITURES DISCUSSION REGARDING BUDGET VARIATIONS

Capital fund expenditures for the third quarter total \$6,680,792 or 67% of budgeted expenses. Operating capital expenses are \$34,349 and capital expenses are \$6,677,098.

CAPITAL PROJECTS FUND CAPITAL PROJECTS

PROJECT DESCRIPTION	2020-21 AMENDED BUDGET	QTR BALANCE 06/30/2021	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% 3DGT RE MAIN
CHILLERS - WIRELESS CONNECTION	7,935	7,935	-	-	0.0
REPLACE ERP SYSTEM	682,938	277,182	265,755	140,001	0.5
VIRTUAL DESKTOP INFRASTRUCTURE	2,247	-	-	2,247	100.0
RECORD MGMT PLAN SERVICES	36,750	-	-	36,750	100.0
ADA/ERP/PHONE	9,888	-	-	9,888	100.0
UPGRADE ACCESS DOOR	6,841	6,841	-	(0)	0.0
PANASONIC ARBITRATOR SYSTEM	19,900	-	-	19,900	100.0
ACCELA PLATFORM ENHANCEMENTS	207,000	33,543	89,693	83,765	0.5
BACKUP REPOSITORY	25,275	25,275	-	-	0.0
CLOSED CAPTIONING	15,000	-	-	15,000	100.0
FIREHOUSE INSPECTOR	12,600	-	8,939	3,661	9.1
FUEL MASTER	26,610	-	26,312	298	1.1
NEPTUNE (401)	23,000	22,674	-	326	1.4
WW POLE BARN CAMERAS (401)	9,950	-	-	9,950	100.0
SANBORN CENTER AVI	11,111	-	-	11,111	100.0
UPGRADE COMMISSION AUDIO VISUA	11,653	11,653	-	-	0.0
CUSTOMER SERVICE PAYMENT KIOSK	40,220	4,208	-	36,012	9.5
PLANAR 86 (401)	12,100	10,608	-	1,492	2.3
PLANAR FOR NEW FIRE STATION	13,627	12,550	-	1,077	7.9
2011 CHEVY VOLT, 117-5406	24,647	24,647	-	-	0.0
NEW FIRE STATION {81}	5,376,993	3,574,730	1,648,334	153,929	2.9
REPLACE VEHICLE 122-5179	5,619	5,619	-	-	0.0
2005 PIERCE ENFORCER 122-5022	934,505	934,505	-	0	0.0
2001 CHEVY TAHOE, 122-4758	39,689	37,074	-	2,615	5.6
2006 CHEVY SILVERADO, 122-5088	39,690	37,074	-	2,616	5.6
SCBA EQUIPMENT	249,986	249,986	-	0	0.0
NEW EVIDENCE BUILDING	1,437,210	971,214	465,995	1	0.0
2ND FLOOR STORAGE ROOM CONVER	27,000	20,541	-	6,459	3.9
2007 CHEVY IMPALA 127-5102	21,095	19,490	-	1,605	7.6
2008 FORD CROWN VIC 127-5740	67,088	50,858	11,217	5,013	7.5
2009 TOYOTA CAMRY 127-5249	31,500	28,189	-	3,311	0.5
2009 TOYOTA CAMRY 127-5250	31,682	28,976	-	2,706	3.5
2009 TOYOTA CAMRY 127-5248	23,814	21,145	-	2,669	1.2
2009 TOYOTA CAMRY 127-5269	23,814	19,490	-	4,324	8.2
2013 FLORD EXPLORER 127-5439	21,095	18,399	-	2,696	2.8
2013 FORD EXPLORER 127-5440	64,283	50,858	11,217	2,208	3.4
DOOR ACCESS CONTROL SYSTEM	84,752	1,239	83,513	1	0.0
2006 FORD RANGER 131-5063	24,647	24,647	-	-	0.0
HYDRAULIC TRUCK POST PULLER	6,650	-	-	6,650	100.0
REPLACE 123S WORK TABLE/ROLLER	18,970	-	14,750	4,220	2.3
REPLACE MOWER 132-5512	9,400	-	-	9,400	100.0
NEW 2019 VERMEER BRUSH CHIPPER	46,649	42,366	-	4,283	3.2
NEW KUBOTA GATOR	11,499	-	8,973	2,526	2.0
NEW PROPAGATION GREENHOUSE	26,636	-	10,200	16,436	1.7
REPLACE FUEL PUMP - STATION 82	7,887	-	7,886	1	0.0
ES HEAVY DUTY DIAGNOSTIC SCANNER	-	8,295	(8,295)	-	0.0
RENOVATE SPERLING SPORT COMPLE	15,063	15,063	-	-	0.0
SPERLING (3) SOFTBALL FENCING	31,500	31,500	-	-	0.0
RESURFACE SHUFFLEBOARD COURTS	26,155	-	-	26,155	100.0
2007 GATOR 4X4 UTV 143-0018	8,345	8,345	-	-	0.0
2002 FORD CREW CAB 143-4908	46,346	40,380	-	5,966	2.9
STADIUM SEATS - MELCHING FIELD	12,750	-	-	12,750	100.0
	9,971,604	6,677,098	2,655,125	650,017	5.5

WATER & SEWER FUND

REVENUES DISCUSSION REGARDING BUDGET VARIATIONS

Water & Sewer revenues as of June 30, 2021 are \$18,193,195 or 74% of budget for the year. Revenue by category as a percent of budget realized is charges for services 81%, miscellaneous revenues -3%, interest revenues 69%, charges for governmental services 69% and capital grant revenues 2%. Water sales are 79% realized at \$7,623,714 and sewer sales are 78% realized at \$8,341,117.

REVENUE SOURCE	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 401 - WATER & SEWER FUND				
CHARGES FOR SERVICES	22,127,529	17,992,449	81.31	17,223,295
MISCELLANEOUS REVENUES	412,357	(13,271)	(3.22)	335,085
INTEREST REVENUES	143,813	99,845	69.43	361,196
CHARGES FOR GOVT SERVICES	120,400	82,972	68.91	90,326
CAPITAL GRANTS	1,937,164	31,200	1.61	408,707
TOTAL REVENUES	24,741,263	18,193,195	73.53	18,418,607
USE OF RESERVES	12,028,041	-		-
TOTAL REVENUES	36,769,304	18,193,195	49.48	18,418,607

- Charges for services are at 81% realization this quarter which are above the expected range. Infrastructure fees are at 2,189% of budget for the third quarter mainly due to a conservative budget adopted each year.
- Miscellaneous revenues are negative at the end of the third quarter mainly due to the unrealized loss on the sale of investments. Miscellaneous revenues include penalty charges which are at 2% of budget due to COVID-19 internal policies to waive water and sewer penalty charges during the pandemic.

As of June 30, 2021, there are 24,280 water customers and 16,048 sewer customers billed each month. As reclaim lines are installed, irrigation accounts will decrease while reclaim accounts increase.

Meter Count and Consumption

June 2021

Water Meters:

Potable	21,461
Irrigation	1,526
Reclaim	1,281
Hydrant	12
Total Meters	24,280

Sewer:

Sewer	16,048
Total W & S	40,328

A Water, Wastewater, and Reclaimed Water Rate & Development Fee Study was performed during fiscal year 2021 by Raftelis Financial Consultants to determine the necessary water and sewer rate adjustments needed over the next five years in order to fund future capital projects including alternative water supply projects. Findings from the rate study were presented to the City Commission on 8/16/2021.

EXPENDITURES DISCUSSION REGARDING BUDGET VARIATIONS

Water and Sewer Fund expenditures are at \$13,112,620 or 39% of budgeted expenses as of June 30, 2021. Expenditures by category as a percent of appropriated funds are personnel 64%, operating expenses 58%, contingency 0%, transfers to other funds 68%, capital outlay 12%, and services provided by general government 75%.

EXPENDITURES BY BUDGET CATEGORY	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 401 - WATER & SEWER FUND				
Net PERSONNEL	8,130,486	5,200,438	63.96	5,077,626
Net OPERATING	6,098,252	3,533,547	57.94	3,522,720
Net TRANSFERS TO OTHER FUNDS	2,837,419	1,920,591	67.69	2,153,723
Net CAPITAL OUTLAY	15,766,093	1,830,708	11.61	2,600,325
Net SERVICES PROVIDED BY GEN GOVT	836,448	627,336	75.00	632,272
	33,668,698	13,112,620	38.95	13,986,666
Net CONTINGENCY	3,100,606	-		-
Fund 401 - WATER & SEWER FUND: TOTAL EXPEND	36,769,304	13,112,620	35.66	13,986,666

- Personnel costs are lower than expected due to the high number of vacancies experienced this fiscal year.

- Contingency includes budget for future surface water expenses which is intentional savings this year.

EXPENDITURES BY DEPARTMENT	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2022
4201 - UTILITIES ADMIN	4,716,979	2,771,561	58.76	2,679,539
4202 - ENGINEERING	928,231	566,135	60.99	533,010
4203 - WATER PRODUCTION	5,929,850	1,070,788	18.06	1,013,565
4204 - WATER DISTRIBUTION	5,432,638	2,154,298	39.65	2,340,049
4205 - WASTEWATER TREATMENT	8,417,203	1,618,578	19.23	2,256,648
4206 - UTILITIES MAINTENANCE	2,056,127	1,427,796	69.44	1,699,966
4208 - FACILITIES MAINTENANCE	983,550	514,680	52.33	609,117
4209 - CUSTOMER SERVICE	1,434,389	865,105	60.31	825,189
4210 - WASTEWATER COLLECTION	2,338,303	1,257,582	53.78	930,336
9990 - CONTINGENCY	3,100,606	-	0.00	-
9998 - CONTRIBUTIONS	836,448	627,336	75.00	632,272
9999 - TRANSFERS	594,980	238,761	40.13	466,974
TOTAL EXPENDITURES - FUND 401	<u>36,769,304</u>	<u>13,112,620</u>	35.66	<u>13,986,666</u>

- Water Production, Water Distribution, Wastewater Treatment and Wastewater Collection consistently have low percentages realized. During the same period last year, the percentages realized were 15%, 59%, 25%, and 30% respectively. Timing of capital project expenses included in departmental budgets affect percent of budget used each quarter.
- Contributions are budgeted annually and are based on an allocation of administrative and other shared operating cost of services provided by other departments to the fund.
- Transfers include transfers to the debt service for printer lease payments and transfers to capital projects which are recorded when expenses are incurred. Project expenses often cross several years and will not be fully expensed during one fiscal year.

WATER & SEWER FUND CAPITAL PROJECTS

PROJECT DESCRIPTION	2020-21 AMENDED BUDGET	QTR BALANCE 06/30/2021	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDGT REMAIN
UTILITIES ADMIN BLDG DESIGN	500,000	249	480,000	19,751	4.0
YEAR 7 OF GIS SVS & MAPPING	135,000	-	-	135,000	100.0
NEW FORD F150	34,500	32,808	-	1,692	4.9
2008 FORD RANGER 202-5021	35,500	26,197	-	9,303	26.2
WP#10 LAND PURCHASE	5,637	-	-	5,637	100.0
WP#2 ROOF REPLACEMENT	49,000	44,762	-	4,238	8.7
WP#3 CROM TANK CEILING REHAB	79,200	73,500	-	5,700	7.2
WTP #10 PROJECT A WELL SITE	583,236	14,866	9,974	558,396	95.7
WVWS BORROW PIT PROJ	84,798	-	-	84,798	100.0
WTP#10 SUPPLY WELLS FG1-2	1,431,701	10,361	196,681	1,224,659	85.5
WP#10 DESIGN	2,158,858	-	-	2,158,858	100.0
WP#3 NEW FENCING	11,615	11,615	-	0	0.0
WP#4 NEW FENCING	16,132	16,132	-	0	0.0
WP#12 PLC REPLACEMENT	76,668	66,947	-	9,722	12.7
WP#4 CROM TANK EXHAUST BLOWER	6,905	6,905	-	-	0.0
WP#4 HIGH SVC PUMP REPLACEMENT	35,000	-	-	35,000	100.0
WP#9 SUBMERSIBLE MIXING SYSTEM	64,781	23,232	-	41,549	64.1
WP#9 VFD REPLACEMENT	45,179	18,735	-	26,444	58.5
SHED#1 POLE BARN ENCLOSURE	50,200	-	-	50,200	100.0
SR44 BRIDGE UTILITY RELOCATION	89,009	15,268	8,991	64,750	72.8
WATER MAIN RELOCATION SR44	28,947	179	28,767	1	0.0
EDISON WATER MAIN	605,508	-	-	605,508	100.0
WOODLAND & MANDARIN WATER MAIN	60,282	-	-	60,282	100.0
W SR 44 UTILITY RELOCATION	460,000	1,200	-	458,800	99.7
AWNING FOR OUTSIDE SUPPLIES	15,300	-	-	15,300	100.0
GRUNDOMAT BORING TOOL	5,900	-	-	5,900	100.0
METER REPLACEMENT	480,000	-	-	480,000	100.0
RUBBER TRACK EXCAVATOR	31,500	26,135	-	5,365	17.0
VEHICLE, REPLACE 2012 F250 U/B, 204-5416	43,000	39,821	-	3,179	7.4
RECLAIM BORROW PIT LOAD	350,000	-	54,400	295,600	84.5
DIGESTER UPGRADES AND IMPR	1,871,526	31,347	1,749,111	91,069	4.9
RECLAIM ADELLE AVE LOOP	76,505	56,915	5,275	14,314	18.7
US92 RECLAIM STORAGE AND REPUM	3,466,701	48,469	3,137,700	280,532	8.1
RECLAIM BORROW PIT DESIGN	400,000	-	-	400,000	100.0
AMELIA WP-MAIN ENTRANCE FENCE	6,090	6,090	-	-	0.0
AMELIA WP-SOUTH FENCE BY POND	12,170	12,170	-	-	0.0
75HP ELECTRIC MOTOR (2)	11,898	11,898	-	0	0.0
REPLACE BLOCK DIGESTOR	12,400	10,823	-	1,577	12.7
REPLACE MOWER 205-5071	12,100	11,888	-	213	1.8
BRANDY/TRAILS CAMERA SECURITY SYSTEM	8,600	6,496	-	2,104	24.5
L/S #81 PERMANENT GENERATOR	41,400	39,679	-	1,721	4.2
L/S #125 HIBOCS ODOR CONTROL	52,500	-	-	52,500	100.0
L/S #15 AND PANEL BOX REPLACE	50,200	47,367	-	2,833	5.6
L/S #5 AND PANEL BOX REPLACE	50,200	47,190	-	3,010	6.0
L/S #51 AND PANEL BOX REPLACE	51,200	43,240	-	7,960	15.6
L/S #77 AND PANEL BOX REPLACEMENT	63,700	60,542	-	3,158	5.0
NEW VEHICLE 1/2 TON TRUCK WW COLL FORE I	34,500	32,828	-	1,672	4.9
REMOTE TELEMETRY UNIT L/S #130	13,000	12,058	-	942	7.3
TRAILER MOUNTED GENIE LIFT	34,000	28,016	-	5,984	17.6
VEHICLE, REPLACE 2004 FORD F205 208-3955	37,800	-	35,486	2,314	6.1
VEHICLE, REPLACE 2007 CHEVY VAN 208-5141	44,732	44,729	-	3	0.0
OVERHEAD DOORS (2)	19,358	7,130	-	12,228	63.2
VEHICLE, REPLACE 2011 CHEVY VOLT, 209-15	24,937	-	21,452	3,485	14.0
VEHICLE, REPLACE FORD FOCUS, 209-17	24,937	-	21,452	3,485	14.0

WATER & SEWER FUND CAPITAL PROJECTS (CONTINUED)

PROJECT DESCRIPTION	2020-21 AMENDED BUDGET	QTR BALANCE 06/30/2021	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDGT REMAIN
SPRING HILL SANITARY SEWER PH3	147,629	4,636	15,966	127,028	86.1
UTILITY RELOCATION ORANGE CAMP	1,341,799	763,085	458,112	120,602	9.0
UTILITY EXTENSION TO AUTOMALL	10,000	8,744	1,256	-	0.0
BOTTS LANDING FORCE MAIN	26,525	11,250	13,684	1,591	6.0
MANHOLE REHAB (35-50)	60,000	19,925	39,977	98	0.2
SEWER LINE REHABILITATION	150,000	-	149,997	3	0.0
QZ3 MANHOLE POLE CAMERA	19,500	18,500	-	1,000	5.1
PUSH ROD CAMERA SYSTEM	16,830	16,785	-	45	0.3
	15,766,093	1,830,708	6,428,281	7,507,104	47.6

WATER & SEWER FUND RESERVE ANALYSIS

According to city policy, the city will manage its fiscal resources to ensure funding for city operations is not disrupted. A reserve equivalent to three month's operating needs shall be maintained in the Water & Sewer Fund. The funds available for this reserve are estimated to be \$5,782,077 which represents a reserve balance of \$1,386,949 above the three-month required Undesignated Reserve of \$4,395,128 at June 30, 2021.

Water & Sewer Fund Fiscal Year 2021 Undesignated Reserve Analysis

	1st QTR	2nd QTR	3rd QTR	4th QTR
Estimated Available Reserve Funds	\$ 5,782,077	\$ 5,782,077	\$ 5,782,077	
Required 3 Month Undesignated Reserve	4,392,761	4,402,341	4,395,128	
Surplus/Deficit	\$ 1,389,316	\$ 1,379,736	\$ 1,386,949	\$ -

WATER & WASTEWATER TRUST FUND

REVENUES DISCUSSION REGARDING BUDGET VARIATIONS

Water & Wastewater Trust Fund revenues realized are \$2,782,667 or 47% of total budget as of June 30, 2021. Revenue by category as a percent of budgeted funds are permits, fees and special assessments 86%, capital grants 8%, miscellaneous revenue 100%, and interest earnings 100%.

REVENUE SOURCE	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 404 - WATER & WASTEWATER TRUST				
PERMITS, FEES, & SPECIAL ASSESSMENTS	3,000,000	2,565,515	85.52	2,242,654
CAPITAL GRANTS	2,913,208	227,723	7.82	48,070
MISCELLANEOUS REVENUES	-	(34,557)	100.00	4,622
INTEREST REVENUES	-	23,986	100.00	109,660
TOTAL REVENUES	5,913,208	2,782,667	47.06	2,405,006
USE OF RESERVES	7,319,544	-		
TOTAL REVENUES	13,232,752	2,782,667	21.03	2,405,006

EXPENDITURES DISCUSSION REGARDING BUDGET VARIATIONS

Water & Wastewater Trust Fund expenditures are \$2,424,910 or 18% as of June 30, 2021. All budgeted expenses in this fund are for capital outlay which is detailed in the Capital Project section below.

WATER & WASTEWATER TRUST FUND CAPITAL PROJECTS

PROJECT DESCRIPTION	2020-21 AMENDED BUDGET	QTR BALANCE 06/30/2021	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDGT REMAIN
2018 WATER MAIN IMPROVEMENTS	238,152	4	238,152	(4)	0.0
2019 WATER MAIN IMPROV	168,288	-	161,482	6,806	4.0
RECLAIM EXP PHASE 4 - DESIGN	98,704	30,607	63,442	4,655	4.7
2020 WATER MAIN IMPROVEMENT	1,443,815	305,075	1,085,889	52,851	3.7
SPRING HILL SANITARY SEWER PH	2,778,064	1,844,172	933,892	0	0.0
2021 WATER MAIN IMPROVEMENTS	1,775,936	90,373	72,342	1,613,221	90.8
ALABAMA/AMELIA RECLAIM EXT	800,000	48,787	66,173	685,040	85.6
RECLAIM WATER EXP 4A & ADELLE	5,760,407	96,190	4,606,930	1,057,287	18.4
WRF SOUTH REUSE PUMP STATION	169,386	9,702	159,684	-	0.0
	13,232,752	2,424,910	7,387,985	3,419,857	25.8

MUNICIPAL AIRPORT FUND

REVENUES DISCUSSION REGARDING BUDGET VARIATIONS

Municipal Airport Fund revenues realized as of June 30, 2021 are \$1,444,720 or 17% of total revenues budgeted this fiscal year. Revenues by category are grant revenues 2%, charges for services 26%, miscellaneous revenues 37%, interest revenues 54% and rental revenues 82%.

REVENUE SOURCE	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 430 - AIRPORT FUND				
CAPITAL GRANTS	6,586,622	105,986	1.61	159,114
CHARGES FOR SERVICES	98,149	25,800	26.29	74,704
MISCELLANEOUS REVENUES	5,000	1,843	36.87	31,849
INTEREST REVENUES	4,990	2,717	54.45	10,662
RENTAL INCOME	1,594,494	1,308,373	82.06	1,301,483
TOTAL REVENUES	8,289,255	1,444,720	17.43	1,577,811
USE OF RESERVES	1,074,434	-		-
TOTAL REVENUES	9,363,689	1,444,720	15.43	1,577,811

- Special Event revenue is realized seasonally and is collected for the Airport Showcase which is normally held in November. The Showcase was cancelled for November 2020 and is planned to resume in November 2021.
- Rental revenue is above the third quarter benchmark of 75% this quarter.
- Interest income is at 54% due to interest earnings on investments decreasing sharply due to the COVID-19 impact on the economy and interest rates.
- Federal and State grant revenues are 2% realized due to the timing of grant funded revenues collected throughout the year. All airport grants are reimbursement grants and revenues are collected after expenses are incurred and eligible for reimbursement.

EXPENDITURES DISCUSSION REGARDING BUDGET VARIATIONS

Municipal Airport Fund expenditures are \$1,094,776 or 12% of total budget for fiscal year ending June 30, 2021. Expenditures by category are personnel 67%, operating expenses 34%, transfers to other funds 34%, capital outlay 3%, and services provided by general government 75%.

EXPENDITURES BY BUDGET CATEGORY	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 430 - AIRPORT FUND				
Net PERSONNEL	560,384	375,352	66.98	387,571
Net OPERATING	796,557	268,384	33.69	436,406
Net TRANSFERS TO OTHER FUNDS	238,687	80,682	33.80	84,278
Net CAPITAL OUTLAY	7,528,855	190,954	2.54	325,493
Net SERVICES PROVIDED BY GEN GOVT	239,206	179,404	75.00	172,065
Fund 430 - AIRPORT FUND: TOTAL EXPENDITURES	9,363,689	1,094,776	11.69	1,405,813

- Operating expenses are at 34% of budget mostly due to EPA Brownfield professional services which are 0% expended to date. Showcase expenditures are also less than expected this quarter due to the cancellation of the Showcase event in 2020.
- Transfers to other funds includes transfers to the general fund for debt payments and transfers to capital projects for shared project costs.
- Capital outlay is at 3% of budget due to timing of capital projects planned for the airport.

MUNICIPAL AIRPORT FUND CAPITAL PROJECTS

PROJECT DESCRIPTION	2020-21 AMENDED BUDGET	QTR BALANCE 06/30/2021	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDGT REMAIN
T-HANGARS & ELEC GATE	1,787,500	41,884	93,226	1,652,390	92.4
TRANSIENT APRON EXPANSION	23,224	23,224	-	0	0.0
REHAB E&W APRON & ELEC HOMERUN	3,176,203	70,961	4,565	3,100,678	97.6
NW INDUSTRIAL BUS PK ACCESS RD	1,364,805	8,778	9,593	1,346,434	98.7
TAXIWAY D-REPAIR HOME RUN	21,188	21,187	-	1	0.0
3-1200 GAL FUEL FARM	804,935	24,920	70,015	710,000	88.2
SECURITY CAMERAS & FENCING	300,000	-	-	300,000	100.0
NEW FENCE - SPORT VILLAGE	31,000	-	-	31,000	100.0
WILDLIFE MANAGEMENT PLAN	20,000	-	-	20,000	100.0
	7,528,855	190,954	177,399	7,160,503	95.1

REFUSE COLLECTION FUND

REVENUES DISCUSSION REGARDING BUDGET VARIATIONS

Refuse Collection Fund revenues realized on June 30, 2021 are \$3,046,181 or 76% of budgeted revenues for the fiscal year.

EXPENDITURES DISCUSSION REGARDING BUDGET VARIATIONS

Refuse Collection Fund expended funds are \$2,710,412 or 67% of budgeted expenses for the fiscal year. Operating expenses are paid when incurred and timing of payments does not always correlate to period benchmarks. Transfers to other funds cover administrative and billing fees incurred by the water and sewer fund.

STORMWATER FUND

REVENUES DISCUSSION REGARDING BUDGET VARIATIONS

Stormwater Fund revenues are \$1,684,658 or 60% of total budgeted revenues for the fiscal year ending June 30, 2021. An annual stormwater fee is billed each year for property within the City limits to owners of property that is leased or developed parcels that do not have separate water/sewer accounts. Stormwater fees are typically billed at the end of the calendar year. A rate study was performed during FY 2020 to determine the necessary rate adjustment needed over the next five years to fund future capital projects. Beginning in FY 2022, stormwater rates will increase 4% annually through fiscal year 2026.

REVENUE SOURCE	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 450 - STORMWATER FUND				
CHARGES FOR SERVICES	1,796,274	1,640,850	91.35	1,550,086
MISCELLANEOUS REVENUES	2,000	37,472	1,873.61	3,393
INTEREST REVENUES	10,000	6,335	63.35	23,399
TOTAL REVENUES	1,808,274	1,684,658	93.16	1,576,878
USE OF RESERVES	987,161	-		-
TOTAL REVENUES	2,795,435	1,684,658	60.26	1,576,878

- Charges for services is 5.8% higher than the same period last year of \$1,550,086.
- Miscellaneous revenue includes sale and disposition of capital assets for \$27,295 which exceeds budget this quarter.
- Interest income is lower than one year ago due to significant decreases in interest rates due to economic impacts of COVID-19.

EXPENDITURES DISCUSSION REGARDING BUDGET VARIATIONS

Stormwater Fund expenditures are \$1,083,083 or 39% of total budgeted funds for the year. Expenses by category are personnel 54%, operating 46%, contingency 0%, transfers to other funds 36%, capital outlay 27%, and services provided by general government 75%.

EXPENDITURES BY BUDGET CATEGORY	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 450 - STORMWATER FUND				
Net PERSONNEL	600,386	321,886	53.61	327,186
Net OPERATING	287,778	131,709	45.77	195,487
Net CONTINGENCY	8,000	-	0.00	-
Net TRANSFERS TO OTHER FUNDS	12,361	4,439	35.91	4,298
Net CAPITAL OUTLAY	1,629,853	432,256	26.52	299,028
Net SERVICES PROVIDED BY GEN GOVT	257,057	192,793	75.00	199,144
Fund 450 - STORMWATER FUND: TOTAL EXPEND	<u>2,795,435</u>	<u>1,083,083</u>	38.74	<u>1,025,144</u>

STORMWATER FUND CAPITAL PROJECTS

PROJECT DESCRIPTION	2020-21 AMENDED BUDGET	QTR BALANCE 06/30/2021	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDGT REMAIN
REPLACE K-MART PUMP STATION	871,031	116,613	436,656	317,762	36.5
MISC SW IMPR (NEIGHBORHOOD)	7,705	-	7,705	-	0.0
CITY HALL DRAINAGE PIPE 24"	111,090	-	-	111,090	100.0
NEW HAMPSHIRE AVE POND ADDITION	90,384	16,306	-	74,078	82.0
BOSTON/RICH AVE DRAINAGE IMPRO	65,019	-	-	65,019	100.0
MISC SW NEIGHBORHOOD IMPROV	100,000	33,876	-	66,125	66.1
MISC SW POND IMPROV	20,000	-	-	20,000	100.0
915 E UNIV RETENT POND FENCE	8,394	8,394	-	-	0.0
STONE & AMBROSE POND FENCE	15,660	15,660	-	-	0.0
STORMWATER PIPE LINING	160,000	151,004	-	8,997	5.6
LEASE -NEW SWEEPER (5 YRS) 450-5026	65,200	-	-	65,200	100.0
BROOM ATTACH FOR NEW SKID STEER SLV95-2S	5,770	-	-	5,770	100.0
REPLACE PORTABLE PUMP, 450-PP-003	50,650	45,202	-	5,448	10.8
REPLACE PORTABLE PUMP, 450-PP-008	50,650	45,202	-	5,448	10.8
MOW HEAD ATTACH NEW SKID STEER SLV95-2S	8,300	-	-	8,300	100.0
	<u>1,629,853</u>	<u>432,256</u>	<u>444,361</u>	<u>753,235</u>	<u>46.2</u>

PERMITS & INSPECTIONS FUND

REVENUES DISCUSSION REGARDING BUDGET VARIATIONS

Permits & Inspections Fund revenue as of June 30, 2021 is \$1,755,007 or 101% of revenues budgeted this fiscal year.

REVENUE SOURCE	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 480 - PERMITS & INSPECTIONS FUND				
PERMITS, FEES, & SPECIAL ASSESSMENTS	1,596,986	1,530,892	95.86	994,106
CHARGES FOR SERVICES	127,000	226,888	178.65	136,040
MISCELLANEOUS REVENUES	3,000	(10,782)	(359.39)	6,057
INTEREST REVENUES	13,936	8,009	57.47	35,125
	<u>1,740,922</u>	<u>1,755,007</u>	<u>100.81</u>	<u>1,171,328</u>
USE OF RESERVES	1,374,114	-		-
TOTAL REVENUES	<u>3,115,036</u>	<u>1,755,007</u>	<u>56.34</u>	<u>1,171,328</u>

- Building permit fees are \$226,888 or 67% higher than this same quarter one year ago.
- Charges for services are higher than budget mainly due to building plan reviews and reinspection fees both at over 100% of budget at the end of the third quarter.

- Miscellaneous revenues are negative this quarter due to unrealized losses on investments this year.

EXPENDITURES DISCUSSION REGARDING BUDGET VARIATIONS

Permits & Inspections Fund expenditures are \$1,495,637 or 48% of total budgeted funds at the end of the third quarter. Expenditures by category as a percentage of appropriated funds is personnel 64%, operating expenses 7%, contingency 0%, transfers to other funds 23%, capital outlay 33%, and services provided by general government 75%.

EXPENDITURES BY BUDGET CATEGORY	2020-21 AMENDED BUDGET	YTD QUARTER BALANCE 06/30/2021	% BDGT USED	YTD QUARTER BALANCE 06/30/2020
Fund 480 - PERMITS & INSPECTIONS FUND				
Net PERSONNEL	1,432,705	920,493	64.25	909,412
Net OPERATING	682,149	47,614	6.98	30,247
Net CONTINGENCY	4,000	-	0.00	-
Net TRANSFERS TO OTHER FUNDS	300,999	67,856	22.54	61,721
Net CAPITAL OUTLAY	147,067	48,586	33.04	178,572
Net SERVICES PROVIDED BY GEN GOVT	548,116	411,087	75.00	420,715
Fund 480 - PERMITS & INSPECTIONS FUND: TOTAL EXPEND	3,115,036	1,495,637	48.01	1,600,668

- Personnel expenses are lower than the third quarter benchmark of 75% due to the high rate of position vacancies throughout the fiscal year.
- Operating expenses are at 7% of budget mainly due to \$440,000 budgeted for condemnations and plans reviews which are at 0% of budget this quarter and \$115,520 budgeted for operating capital at 1% this quarter.
- Transfers to other funds includes transfers for capital expenses in the Capital Fund and copier lease payments in the debt service fund. Transfers are recorded when expenses are incurred and will not follow normal benchmarks each quarter.

PERMITS & INSPECTIONS FUND CAPITAL PROJECTS

PROJECT DESCRIPTION	2020-21 AMENDED BUDGET	QTR BALANCE 06/30/2021	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDGT REMAIN
LAND MGMT UPGRADE	34,061	25,705	4,440	3,916	11.5
TRAINING ROOM IT UPGRADE	25,000	-	-	25,000	100.0
FORD F150 480002A 480-5861	22,881	22,881	-	-	0.0
2021 FORD F-150 CREW CAB	31,442	-	31,442	-	0.0
2021 FORD F-150 SUPER CAB TRUCK	33,683	-	33,683	-	0.0
	147,067	48,586	69,565	28,916	19.7

HEALTH INSURANCE COST CONTAINMENT FUND

The Health Insurance Cost Containment Fund (HICC) was created to account for the operation of a health center in an attempt to defray the rising costs of health insurance. The center provides free health care to all employees and the dependents of employees who are currently insured through the City's health plan. The HICC Fund results in reduced costs compared to regular health provider services and benefits employees by minimizing the annual increase in health insurance. The majority of revenue reflected in this fund represents transfers made from all other funds and totals \$447,922 or 75% of budget as of June 30, 2021.

Expended funds are \$382,333 or 64% at the end of the third quarter. Expenditures by category as a percentage of appropriated funds are operating expenses 63% and services provided by general government 75%.

WORKERS' COMPENSATION SELF-INSURANCE FUND

Premium revenues reflected in the Workers' Compensation Self-Insurance Fund represent transfers made from all other funds and totals \$595,699 or 75% at the end of the third quarter. Miscellaneous revenues total (\$7,320) and represents recovery checks deposited into the fund and unearned loss on investments for the quarter. Interest earnings total \$5,809 which are down significantly from one year ago due to economic effects on interest rates due to the COVID-19 pandemic.

Expended funds are \$463,930 for the quarter. Expenditures by category as a percentage of appropriated funds are operating 57% and services provided by general government 75%.

During the quarter ending September 30, 2019, the City received an updated actuarial report which increased the necessary reserve amount for FY-2021 to \$934,000. Available funds allow staff to maintain a confidence level of 75% at a \$150,000 deductible, as determined by the City's actuary, Cornerstone Actuarial Solutions. As of June 30, 2021, the fund had a recorded liability in the amount of \$468,393 for claims incurred but not reported losses, and a liability for reported losses of \$465,607. Listed below are the minimum total reserve amounts needed to meet specific confidence levels as determined by the City's actuary.

Estimated Worker's Compensation Deductible Losses

Confidence Level	Total Required Reserve at a \$100,000 Deductible		Total Required Reserve at \$150,000 Deductible		Total Required Reserve at \$300,000 Deductible	
	9/30/21	Increase/ (Decrease) Over Current Reserve	9/30/21	Increase/ (Decrease) Over Current Reserve	9/30/21	Increase/ (Decrease) Over Current Reserve
65%	\$ 579,000	\$ (1,274,399)	\$ 618,000	\$ (1,235,399)	\$ 790,000	\$ (1,063,399)
75%	\$ 830,000	\$ (1,023,399)	\$ 934,000	\$ (919,399)	\$ 1,210,000	\$ (643,399)
85%	\$ 1,300,000	\$ (553,399)	\$ 1,566,000	\$ (287,399)	\$ 2,061,000	\$ 207,601
90%	\$ 1,760,000	\$ (93,399)	\$ 2,221,000	\$ 367,601	\$ 2,956,000	\$ 1,102,601

Reserve Balance as of 9/30/20 \$ 1,853,399

Source: 7/9/19 Cornerstone Actuarial Solutions Worker's Comp Actuarial Report

CASH MANAGEMENT

The primary objectives of the City's investment activities are defined in the Investment Policy adopted by the City Commission. Those objectives are safety of principal, diversification to avoid incurring unreasonable risks and maintaining a portfolio sufficiently liquid to enable the City to meet all operating requirements, which may be reasonably anticipated.

The City's cash balance is \$72,857,088 which is 69% of the total cash and investment portfolio.

The investments held by the City as of this reporting period have a par value of \$33,000,000 a book value of \$32,999,000 and a fair value of \$32,704,030. The blended rate of return at the end of this reporting period was .63% with a weighted average maturity for the portfolio of 4.16. The Investment Policy sets a performance measurement for the City's portfolio with the objective of exceeding the average return on three-month US Treasury Bills or the average rate on federal funds, whichever is higher. The average three-month Treasury bill rate was 0.04% and the average rate on federal funds was 0.06%.

The City's investment portfolio is managed by Morgan Stanley. The primary liquid investments of the City are the Wells Fargo Pooled Cash account, money market accounts at Seaside Bank and Seacoast Bank, and a money market account at Morgan Stanley.

Governmental Accounting Standards Board (GASB) Statement No. 31 Accounting and Financial Reporting for Certain Investments and for External Investment Pools establish the accounting and financial reporting standards for governmental investments. Investments should be reported at fair value in the balance sheet and changes in the fair value of investments should be reported in the operating statement. As of June 30, 2021, the City has an unrealized loss of \$294,970. An unrealized loss is defined as the decrease in fair value of investments under the book value. The investment policy requires investments be structured within portfolio percentage limitations. Below are those limitations, along with comparisons of investments held in the City's portfolio at June 30, 2021:

	Policy Limitations	Investment Percentages	Market Value of Investments
Us Treasuries & Agencies	70 - 80%	0%	-
Step Up / Callable Notes & Bonds	60 - 70%	31%	32,704,030
Single Index Variable Rate	20 - 30%	0%	-
Banker's Acceptances	15 - 25%	0%	-
Commercial Paper	15 - 25%	0%	-
CD's, CDARS and Other Time Deposits	60 - 70%	69%	72,857,088
Mutual Funds	20 - 30%	0%	-
Local Government Surplus Fund (SBA)	65 - 75%	0%	-
		100%	\$ 105,561,118

A list of the City 's investment portfolio as of June 30, 2021 is included in this report.

CONCLUSION

The attached Financial Report is a presentation of the City's financial position and results of operation through June 30, 2021. Revenues for all funds are within an acceptable range for this reporting period except for those where concern was specifically expressed in this report. Expenditures for all funds are in line with what we would anticipate for this reporting period except for those where concern was specifically expressed in this report.

Please contact Daniel Stauffer, Finance Director, at 386-626-7079 or staufferd@deland.org should you have any questions or comments regarding this memorandum or the enclosed financial report.