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Title: Acceptance of the Quarterly Financial Report for the Fiscal Year 2020-2021 fourth quarter ended September 30, 2021.

Sponsors: Finance

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Attachments: 1. 2021 4Q Financial Report

Date	Ver.	Action By	Action	Result
1/4/2022	1	City Council		

Acceptance of the Quarterly Financial Report for the Fiscal Year 2020-2021 fourth quarter ended September 30, 2021.

Summary:

The City's quarterly financial report for the Fiscal Year 2020-2021 fourth quarter ended September 30, 2021 reports the preliminary and unaudited results for the fiscal year (October 2020 - September 2021). Note: The revenue and expenditure accounts for all funds do not yet include final entries for year-end accruals, interfund transfers, or audit adjustments, but do include some estimates.

In summary, the fiscal year-to-date revenues of the Governmental Funds - the General, Debt Service, Golf Course Lease, Special Revenue, and Capital Improvement Bond Funds - are approximately \$108.1 million, which includes almost \$50.4 million from the recent Series 2021 Certificates of Obligation and Series 2021 General Obligation Bonds and \$1.4 million from the Series 2020 Limited Tax Refunding Bonds (note: bond fund revenues are not budgeted). Net of these bond proceeds, these revenues total approximately \$56.3 million. The annual budget for these revenues, as amended, is \$56.5 million. Revenues primarily represent ad valorem (property) taxes. These tax collections for residential and commercial properties, including delinquent taxes and associated penalties and interest, are \$22.2 million for the fiscal year and exceed the annual budget by 2.7 percent. The industrial in-lieu of taxes revenues of approximately \$12.7 million represent 102.6 percent of the amount budgeted for these revenues for the fiscal year. The City's sales tax revenues of \$7.0 million for the fiscal year are 21.5 percent higher than budgeted, the budget projections being particularly conservative given the unknowns related to the impact of Covid-19. As compared to the prior year, these results are a slight 0.6 percent lower. Total fiscal year expenditures of approximately \$58.3 million for the Governmental Funds include approximately \$9.7 million of bond fund expenditures, which are not budgeted. Net of the bond fund expenditures, total expenditures total approximately \$48.5 million and are less than budgeted for the fiscal year. Similar to the revenue side, these expenditures do not include all reclassifications/adjustments and include estimates for

some of the fiscal year operating transfers.

Utility Fund revenues, including the Water/Sewer Fund and the Storm Water Fund, total approximately \$12.1 million for the fiscal year, however, these revenues do not include operating transfers and reclassifications/adjustments. These preliminary revenues are 4.9 percent less than budgeted but 4.2 percent higher than the prior year results. While the current fiscal year includes a 5 percent increase in water and sewer rates, water and sewer consumption is slightly lower in the current fiscal year as compared to the prior year. Total expenses of these enterprise funds are \$10.8 million for the fiscal year. Similar to the revenue side, these expenses do not yet include operating transfers and reclassifications/adjustments.

The new Capital Equipment Replacement Fund includes revenue of \$1.5 million representing the initial transfer from the unassigned fund balance of the General Fund.

Revenues of \$4.1 million in the Capital Improvements Fund include a \$1,005,985 reimbursement from HCFCD related to Delo-Elaine drainage, a \$2,047,466 reimbursement from HCFCD related to Heritage drainage, and a \$1.0 million transfer from the General Fund. The \$3.3 million of expenditures for the fiscal year include approximately \$2.5 million on drainage projects, \$448,700 for sidewalks, \$87,200 for traffic signal preemption equipment, and \$326,800 for parks projects and City facilities.

Revenues for the special revenue districts (the Crime Control and Prevention District and the Fire Control Prevention and EMS District), primarily represent sales tax collections. For the fiscal year, combined revenues for both districts total approximately \$3.4 million and combined expenditures total approximately \$2.8 million, primarily operating expenditures.

The City's Type B Corporation, the Deer Park Community Development Corporation ("Corporation"), fiscal year revenues of approximately \$3.5 million are primarily sales tax collections of the dedicated 0.50% Type B sales tax that became effective on October 1, 2015. Expenditures of the Corporation total approximately \$1.2 million and primarily represent funding for debt service payments.

As noted previously, the revenue and expenditure accounts for all funds do not yet include the final entries for year-end accruals, interfund transfers, or audit adjustments. The auditors plan to begin the final audit work in early February 2022. The final results of the Fiscal Year 2020-2021 audit will be presented to City Council no later than March 31, 2022.

Fiscal/Budgetary Impact:

N/A.

Accept the quarterly financial report for the Fiscal Year 2020-2021 fourth quarter ended September 30, 2021.