



Legislation Text

File #: ACT 21-007, **Version:** 1

Acceptance of the Quarterly Financial Report for the Fiscal Year 2020-2021 first quarter ended December 31, 2020.

Summary:

The City's quarterly financial report for the Fiscal Year 2020-2021 first quarter ended December 31, 2020 reports the preliminary and unaudited results for the first three months of the fiscal year (October 2020 - December 2020). 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 \$21.8 million. The annual budget for these revenues, as amended, is \$44.9 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 \$10.2 million through December 2020. The industrial in-lieu of taxes revenues of \$11.6 million through December 2020 represent 93.8 percent of the amount budgeted for these revenues. The City's first quarter sales tax revenues of \$546,400 represent 9.2 percent of the annual budget but are 16.9 percent lower than the prior year's first quarter. While the unfavorable comparison to the prior year reflects the ongoing impact of Covid-19, these revenues are also being impacted by changes resulting from federal legislation effective in July 2020 prohibiting state and local sales tax on internet service. Total expenditures of the Governmental Funds are approximately \$8.4 million for the first quarter.

Utility Fund revenues, including the Water/Sewer Fund and the Storm Water Fund, total approximately \$2.1 million through December 2020, which is 10.2 percent above the prior year's first quarter results. This difference reflects the 5 percent rate increase in the new fiscal year and increased water usage for the first quarter. Total expenses of these enterprise funds are \$1.6 million for the first quarter, which is 6.2 percent higher than the prior year's quarterly results.

The \$492,100 of expenditures in the Capital Improvements Fund for the first quarter primarily represent drainage projects but also include sidewalk projects and the new sign at the Jimmy Burke Activity Center.

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 first three months of the fiscal year, combined revenues for both districts total \$272,000, which is 16.8 percent lower than the prior year's first quarter. Combined expenditures total \$574,900, which is 10.4 percent lower than the prior year's first quarter.

First quarter revenues of \$274,000 for the City's Type B Corporation, the Deer Park Community Development Corporation ("Corporation"), primarily represent sales tax collections and are 16.7 percent lower than the prior year's first quarter. There have been no expenditures recorded for the

Corporation for the first quarter of this fiscal year.

Fiscal/Budgetary Impact:

N/A.

Accept the quarterly financial report for the Fiscal Year 2020-2021 first quarter ended December 31, 2020.