



Legislation Text

File #: RPT 21-033, **Version:** 1

Discussion of issues relating to the Quarterly Financial Report for the Fiscal Year 2020-2021 second quarter ended March 31, 2021.

Summary:

Review and discussion of the City's quarterly financial report for the Fiscal Year 2020-2021 second quarter ended March 31, 2021. A few highlights are as follows:

The City's quarterly financial report for the Fiscal Year 2020-2021 second quarter ended March 31, 2021 reports the preliminary and unaudited results for the first six months of the fiscal year (October 2020 - March 2021). 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 \$48.9 million. The annual budget for these revenues, as amended, is \$56.4 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 \$21.5 million through March 2021. The industrial in-lieu of taxes revenues of \$12.6 million through March 2021 represent 102.6 percent of the amount budgeted for these revenues. The City's sales tax revenues of \$2.2 million through the second quarter are 11.7 percent lower than the prior year's second quarter to-date. 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 \$33.7 million for the second quarter to-date, similar to the results for the prior year.

Total Utility Fund revenues, including the Water/Sewer Fund and the Storm Water Fund, total approximately \$5.2 million through March 2021, which is 5.2 percent below the prior year's second quarter to-date results as a result of the lower storm water revenue. The water and sewer revenue, which are 9.1 percent higher than the prior year, reflects the 5 percent rate increase in the new fiscal year and increased water usage for the second quarter to-date. Total expenses of these enterprise funds are \$5.8 million for the second quarter to-date, which is 18.0 percent lower than the prior year's results.

The \$1.9 million of expenditures in the Capital Improvements Fund for the second quarter to-date primarily represent drainage projects but also include sidewalk projects, the Dow Park concession stand, new signs, and traffic signal preemption equipment.

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 half of the fiscal year, combined revenues for both districts total \$1.1 million, which is 10.9 percent lower than the prior year's second quarter to-date. Combined expenditures total \$1.1 million, which is 35.7 percent lower than the prior year's second quarter to-date (note: the prior year's capital expenditures

included vehicles and equipment).

Second quarter to-date revenues of \$1.1 million for the City's Type B Corporation, the Deer Park Community Development Corporation ("Corporation"), primarily represent sales tax collections and are 11.7 percent lower than the prior year's second quarter to-date. Expenditures of \$1.2 million in the second quarter primarily represent the semi-annual debt service payments but also include the \$2,000 annual audit fee.

Fiscal/Budgetary Impact:

N/A.

Discussion only during workshop.