



## Legislation Text

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**File #:** RPT 21-044, **Version:** 1

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Discussion of issues relating to the Quarterly Financial Report for the Fiscal Year 2020-2021 third quarter ended June 30, 2021.

### Summary:

Review and discussion of the City's quarterly financial report for the Fiscal Year 2020-2021 third quarter ended June 30, 2021. A few highlights are as follows:

The City's quarterly financial report for the Fiscal Year 2020-2021 third quarter ended June 30, 2021 reports the preliminary and unaudited results for the first nine months of the fiscal year (October 2020 - June 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 \$50.4 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 \$22.0 million through June 2021. The industrial in-lieu of taxes revenues of \$12.7 million through June 2021 represent 102.6 percent of the amount budgeted for these revenues. The City's sales tax revenues of \$4.1 million through the third quarter are 5.9 percent lower than the prior year's third 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 \$39.3 million for the third quarter to-date, which is 12.8 percent lower than the prior year.

Total Utility Fund revenues, including the Water/Sewer Fund and the Storm Water Fund, total approximately \$8.9 million through June 2021, which is 6.1 percent higher than the prior year's third quarter to-date results. The water and sewer revenue, which are 7.9 percent higher than the prior year, reflects the 5 percent rate increase in the new fiscal year and increased water usage for the third quarter to-date. Total expenses of these enterprise funds are \$7.8 million for the third quarter to-date, which is 12.0 percent lower than the prior year's results.

The \$2.7 million of expenditures in the Capital Improvements Fund for the third 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 nine months of the fiscal year, combined revenues for both districts total \$2.0 million, which is 6.1 percent lower than the prior year's third quarter to-date. Combined expenditures total \$2.1 million, which is 10.1 percent lower than the prior year's third quarter to-date.

Third quarter to-date revenues of \$2.0 million for the City's Type B Corporation, the Deer Park Community Development Corporation ("Corporation"), primarily represent sales tax collections and are 6.0 percent lower than the prior year's third quarter to-date. Expenditures of \$1.2 million for the third quarter-to-date primarily represent the semi-annual debt service payments.

Fiscal/Budgetary Impact:

N/A.

Discussion only during workshop.