

Financial Report

City of Pensacola

4th Quarter Financial Statement

Twelve Months Ending

September 30, 2018

(Unaudited)



Overview

(Unaudited)

- Revenue Growth
 - Growth Continues
- Supplemental Budget Resolutions
 - Increased Estimated Revenues
- Expenditures in total, In Line with Budgeted Projections/Some Below Budgeted Projections



General Fund

(Unaudited)

- Expenditures and Encumbrances Were Within Total Revenues
 - Revenues - \$53,357,800
 - Exp./Enc. - \$51,248,100
- **Revenues Increased by \$2,535,500 or 4.99% from FY 2017**
- **Revenues \$1,476,200 Above Beginning Budget**



General Fund

(Unaudited)

- **FY 2018 to FY 2017 Revenue Comparison**
 - **Franchise Fees & Public Service Tax – up by \$1,129,900 or 7.02%**
 - **Property Tax Revenue – up by \$857,400 or 6.22%**
 - **Half Cent Sales Tax – up by \$330,900 or 7.39%**
 - **Communication Services Tax (CST)- up by \$127,900 or 4.31%**
- **Department Expenditures Including Encumbrances Within Approved Appropriations**
 - **Expenditures and Encumbrances \$2,295,400 or 4.29% lower than Appropriations**



General Fund

(Unaudited)



■ Categories of Fund Balance

- Non-Spendable
 - Not in a spendable form (pre-paid insurance)
- Restricted
 - Can be spent only for the specific purpose stipulated by external resource providers, external contractual obligations (such as encumbrances) or enabling legislation.



General Fund

(Unaudited)



■ Categories of Fund Balance

- Committed
 - Can be used only for the specific purposes determined by a formal action (ordinance/resolution)
- Assigned
 - Amounts the City intends to use for a specific purpose
- Unassigned
 - The portion of fund balance which is not obligated or specifically designated and is available for any purpose.



General Fund

(Unaudited)

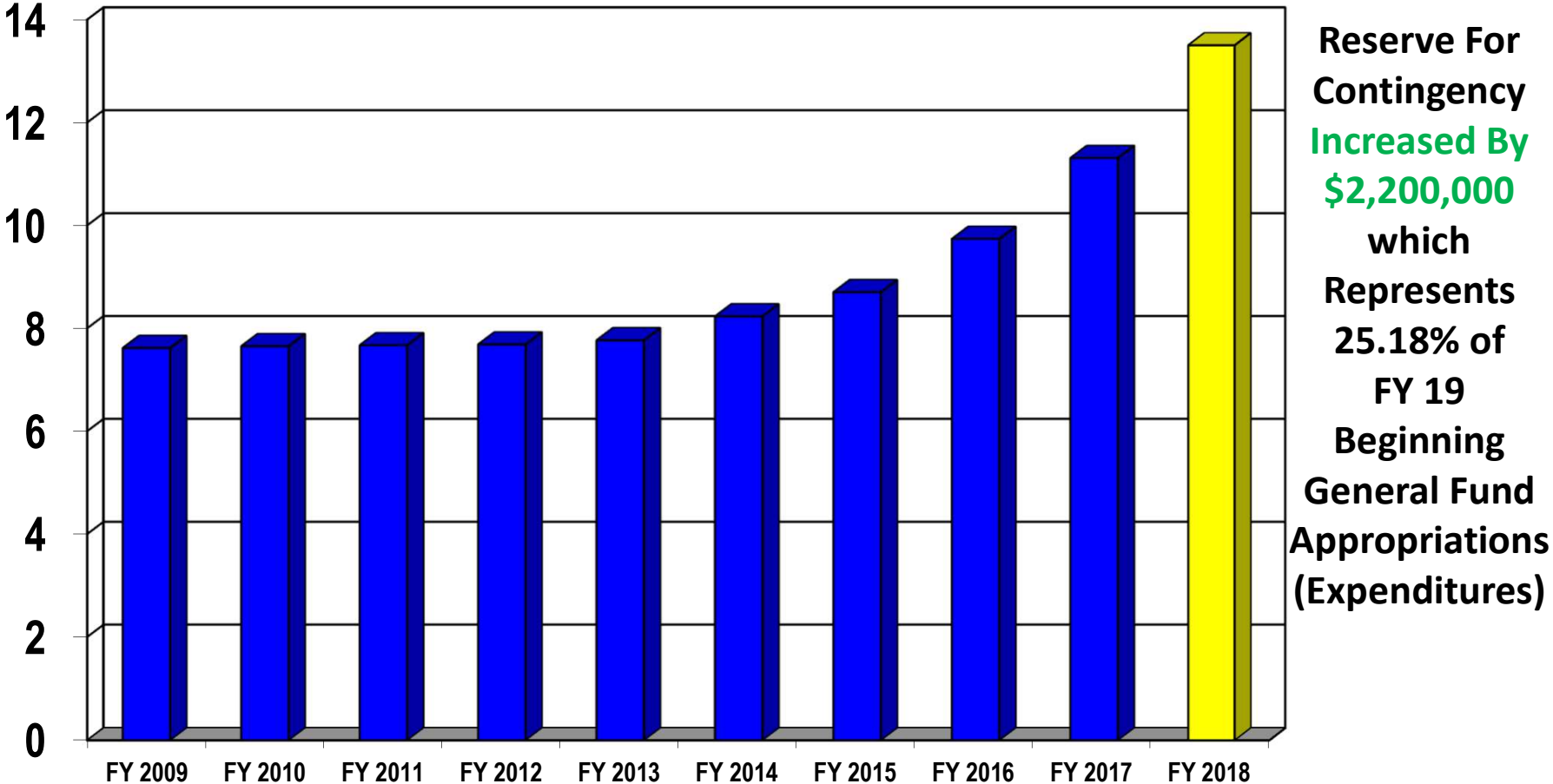
Components of FYE 2018 Fund Balance Compared with FYE 2017

Amount		Description
2017	2018	
		<u>Non-Spendable</u>
\$ 23,300	\$ 23,400	- Prepaid Expenses
<u>23,300</u>	<u>23,400</u>	Sub-Total Non-Spendable
		<u>Restricted</u>
329,600	334,400	- Saenger Theatre Capital
<u>562,300</u>	<u>704,100</u>	- Encumbrances
<u>891,900</u>	<u>1,038,500</u>	Sub-Total Restricted
		<u>Committed</u>
11,308,600	13,522,300	- Council Reserve
385,600	391,400	- Tree Planting Trust Fund
-	103,600	- Park purchases
<u>11,694,200</u>	<u>14,017,300</u>	Sub-Total Committed
		<u>Assigned</u>
930,700	933,600	- Designation for Economic Development Incentives
440,000	440,500	- Designation for Inner-City CRA Housing Initiatives
-	146,500	- Designation for Housing Initiatives - City Wide
987,500	1,066,900	- Unencumbered Carryforward Appropriation
1,700,000	1,610,800	- 3% Fund Balance For Future Years
309,400	367,800	- Special Assessments (Demolitions)
25,400	25,400	- Designation for Lien Amnesty
<u>4,393,000</u>	<u>4,591,500</u>	Sub-Total Assigned
		<u>Unassigned</u>
21,700	208,800	- Available Balance
<u>21,700</u>	<u>208,800</u>	Sub-Total Unassigned
<u>\$ 17,024,100</u>	<u>\$ 19,879,500</u>	Total Fund Balance



General Fund

Millions (Unaudited)



**CITY OF PENSACOLA
FUND BALANCE (FB) – NET ASSETS (NA)
BUDGET POSITION
(UNAUDITED)**

Fund	Current Net-Assets 9/30/2018
GENERAL GOVERNMENT	
001 General Fund	19,879,500
<u>SPECIAL REVENUE FUNDS</u>	
102 Special Grants Fund	144,370
103 Local Option Gas Tax Fund	1,463,134
104 Community Dev Blk Grant Fund	0
105 Community Redevelopment	4,679,942
106 Urban Core Redev Trust Fund	0
109 Stormwater Utility Fund	999,696
115 Section 8 Housing Assistance	3,306,083

**CITY OF PENSACOLA
FUND BALANCE (FB) – NET ASSETS (NA)
BUDGET POSITION
(UNAUDITED)**

Fund	Current Net-Assets 9/30/2018
GENERAL GOVERNMENT (Continued)	
<u>SPECIAL REVENUE FUNDS (Continued)</u>	
118 Law Enforcement Trust Fund	138,387
119 Natural Disaster Fund	2,644,323
120 Golf Course Fund	5,971
121 Eastside TIF	654,563
122 Inspections Fund	1,517,042
123 Westside TIF	80,904
124 Recreation Fund	455,980
125 Tennis Fund	60,364
126 CMP Management Services	852,836

**CITY OF PENSACOLA
FUND BALANCE (FB) – NET ASSETS (NA)
BUDGET POSITION
(UNAUDITED)**

Fund	Current Net-Assets 9/30/2018
GENERAL GOVERNMENT (Continued)	
<u>DEBT SERVICE FUNDS</u>	
210 CRA Debt Service Fund	3,622,273
213 LOGT Debt Service Fund	1,616,544
<u>CAPITAL PROJECTS FUNDS</u>	
307 Local Option Sales Tax Fund	4,348,866
314 CRA Series 2017 Project Fund	12,037,377
316 LOST Series 2017 Project Fund	15,526,715
329 Stormwater Capital Fund	5,062,799

**CITY OF PENSACOLA
FUND BALANCE (FB) – NET ASSETS (NA)
BUDGET POSITION
(UNAUDITED)**

Fund	Current Net-Assets 9/30/2018
PROPRIETARY FUNDS	
<u>ENTERPRISE FUNDS</u>	
401 Gas Utility Fund	15,515,270
402 Sanitation Fund	1,465,806
403 Port Fund	(10,196)
404 Airport Fund	12,339,463
<u>INTERNAL SERVICE FUNDS</u>	
502 General Stock Fund	863,370
503 Insurance Retention Fund	4,797,893
504 Central Services Fund	2,579,885

Tree Planting Trust Fund

(Unaudited)

- Revenue and Expenditures Recorded In General Fund
- Total Contributions Plus Interest Income - \$5,800
- No Expenditures/Encumbrances
- End of Year Unencumbered Balance - \$391,400



Housing Initiatives/Inner City Housing Initiatives Fund

(Unaudited)

- City Council authorized the establishment of an assigned Fund Balance for the Housing Initiatives Fund
 - Proceeds from Sale of City-Owned Surplus Properties – Housing Initiatives Fund
- Housing Initiatives Fund – City Wide
 - Total Contributions Plus Interest Income - \$251,600
 - Total Expenditures - \$105,100
 - End of Year Unencumbered Balance - \$146,500
- Inner City Housing Initiatives Fund
 - Interest income received - - \$500
 - No Expenditures
 - End of Year Unencumbered Balance- \$440,500



Special Revenue Funds

(Unaudited)

- **Local Option Gasoline Tax**
 - Revenue Exceeded Beginning Budget By \$10,900
 - Revenue & Fund Balance of \$43,700 equals the Total Expenditures
 - Ending Restricted Fund Balance - \$1,463,100
 - Future Debt Service Payments



Special Revenue Funds

(Unaudited)

- **Stormwater Utility Fund**
 - Revenue - \$2,846,500 (Equal to Budget)
 - Exp./Enc. - \$3,034,700 (Below Budget)
- Committed Fund Balance of \$696,200



Special Revenue Funds

(Unaudited)

- **Natural Disaster Fund**
 - Accounts for disaster-related activity (April 2014 Flooding)
 - Receives revenues from Federal & State agencies on a reimbursement basis
 - April 2014 Flooding
 - Federal – 75%
 - State – 12.5%
 - City of Pensacola – Balance of expenditures
 - **Expenditures/Encumbrances Greater than Revenues by \$188,900**
 - Revenue - \$610,100
 - Expenditures/Encumbrances - \$799,000
 - Restricted Fund Balance of \$2,606,000



Special Revenue Funds

(Unaudited)

- **Municipal Golf Course**

- Revenues At Budget

- Revenues - \$473,400

- **FY 2018 Revenues Below FY 2017 Revenues by \$45,200**

- **Exp./Enc. Under Budget by \$42,700**

- Exp./Enc. - \$738,800

- **Revenues \$265,400 below Expenditures and Encumbrances**

- General Fund Subsidy - \$220,000

- Assigned Fund Balance (After Subsidy) Zero



Special Revenue Funds

(Unaudited)

- **Municipal Golf Course (Continued)**
 - Rounds Played in FY18 – 19,990/FY17 – 21,751
 - **Down 1,761**
 - Driving Range Usage in FY18 – 6,253/FY17 – 5,643
 - **Up 610**
 - Concession payments are current through the fourth quarter of FY 2018



Special Revenue Funds

(Unaudited)

- **Inspection Services Fund**
 - **Revenues Exceeded Budget by \$127,400**
 - **Expenditures Under Budget by \$75,800**
 - Expenditures - \$1,390,200
 - **Revenues Exceeded Expenditures by \$144,300**
 - Revenues - \$1.53 million
- **Restricted Fund Balance - \$1,517,000**



Special Revenue Funds

(Unaudited)

■ Roger Scott Tennis Center

- **Revenues Under Budget by \$200**
 - Revenues - \$144,500
- **Expenditures Below Budget by \$40,400**
 - Expenditures - \$166,900
- **Total Revenues Were Less Than Expenditures By \$22,500**
- Assigned Fund Balance - \$59,000
- City Council Awarded a Contract for Operation & Management of Roger Scott Tennis Center
 - Gulf Coast Tennis Group, LLC
 - January 1, 2018 – December 31, 2020
 - City Receives Minimum Annual Revenue - \$125,000



Special Revenue Funds

(Unaudited)

•Community Maritime Park Management Services Fund

- New Market Tax Credit (NMTC) - Completed May 2017
- Community Maritime Park Associates, Inc. (CMPA)
 - June 2017 - Dissolved
 - The Management Services & the Employee Leasing Agreement – Terminated
 - Assets & Liabilities transferred to City
- Fiscal Year 2018 First Full Year of Operation by the City
Reported in the Maritime Park Management Services Fund
 - **Revenues of \$983,500 were equal to Budget Estimates (Excluding Renewal & Replacement)**



Special Revenue Funds

(Unaudited)

- **Community Maritime Park Management Services Fund (Continued)**

- **Expenditures were Below budget by \$209,100**
 - Expenditures - \$873,800
- **Revenues Exceeded Expenditures by \$109,700**
- **Renewal & Replacement Expenditures Exceed Revenues by \$7,500**
- **Renewal & Replacement FYE 18 Cash Balance - \$612,900**
- **Restricted Fund Balance - excluding Renewal & Replacement - \$175,400**



Capital Projects Funds

(Unaudited)

- **Local Option Sales Tax Fund**
 - **Revenues Above Budget By \$1,200**
 - Revenues - \$8,558,900
 - **Exp./Enc. Within Budget**
 - Exp./Enc. - \$7,267,500
 - **Tax Collections Increased by 8.15% from FY 2017**
 - **At FYE 2018 \$256,100 available for future allocation**
 - **Restricted Fund Balance Increased from (\$6,247,700) to \$1,290,000) in FY 2018**
 - Citizens voted to extend LOST through December 31, 2028
 - LOST Series 2017 Project Fund FYE 18 Cash Balance - \$16,970,600



Capital Projects Funds

(Unaudited)

- Local Option Gas Tax (LOGT) Series 2016 Project Fund
 - **Revenues & Expenditures & Encumbrances were equal to Budget**
 - Revenues/Fund Balance - \$2,600
 - Exp./Enc. - \$7.1 Million
 - At Fiscal Year End Fund was closed with the completion of the projects for the first and third phases.



Capital Projects Funds

(Unaudited)

- Stormwater Capital Projects Fund
 - Transfers from General Fund
 - Revenue Fee Collection - \$2,733,600
 - **Revenues & Appropriated Fund Balance Exceeded Expenditures & Encumbrances**
 - Exp./Enc. - \$4,498,900
 - Fund Balance of \$4,485,300 Carried Forward



Enterprise Funds

(Unaudited)

■ Gas Utility Fund

- **Revenues Exceeded Expenses by \$3,427,500**

- Revenue - \$51,565,500

- Purchase Gas Adjustment (PGA) – Additional \$0.10 per Ccf

- Pensacola Energy Reserve

- **Down by \$283,100 at End of FY 2018**

- Infrastructure Cost Recovery Revenue - \$3,477,500

- 2016 Bond Proceeds FYE 18 Cash Balance - \$3,585,000

- Net Current Assets

- **Increased by \$5.3 Million from Beginning FY 2018 to End of Year - \$15.5 Million**

- Total Equity Less Bond Reserves

- **Increased by \$6.1 Million from Beginning FY 2018 to End of Year - \$50.3 Million**



Enterprise Funds

(Unaudited)

▪ Sanitation Fund

- **Expenses Exceeded Revenues by \$147,000** (Excluding Code Enforcement)

- Revenues - \$6,766,100

- Expenses - \$6,913,100

- **Code Enforcement Revenues Exceeded Expenses by ~~\$14,200~~ \$169,500**

- Code Enforcement Revenues - ~~\$1,258,800~~ \$1,414,100

- **Net Current Assets**

- **Decreased by \$163,600 from Beginning FY 2018 to End of Year - \$1,629,400 (Excluding Code Enforcement & Lot Cleaning)**

- **Total Fund Equity Less Bond Reserves**

- **Increased by ~~\$294,700~~ \$450,000 from Beginning FY 2018 to End of Year – Negative ~~\$1.6~~ \$1.5 Million**



Enterprise Funds

(Unaudited)

■ Port of Pensacola

- **Revenues Below Expenses by \$377,400**

- Revenues - \$1,257,600
- Expenses - \$1,635,000

- Port Reserve/Net Current Assets

- **Decreased by \$381,000 from FY 2018 Beginning to End of Year - \$10,200**

- Total Equity Less Bond Reserves

- **Increased by \$2.2 Million from FY 2018 Beginning to End of Year \$13.3 Million**



Enterprise Funds

(Unaudited)

■ Port of Pensacola (Continued)

- All Port Lease Payments Current
- Offshore Inland – Balance of \$403,000
 - \$5,000.00 Current
 - \$398,000 More than 120 days past due (Includes \$363,000 pending grant reconciliation)
 - Being addressed via establishment of payment plan City Council approved In May2017.



Enterprise Funds

(Unaudited)

■ Airport Fund

- **Revenues Higher than Original Budget by \$3.43 million, and Higher Than Revised Budget Estimates By \$332,200**
 - Revenues - \$23.8 Million
- **Revenues Increased by \$1.75 million from FY 2017**
- **Airport Expenses Below Budget by \$4.7 Million**
 - Expenses - \$21.1 Million
- **Total Fund Expenses Below Revenues by \$2.65 Million**
- Net Current Assets
 - **Increased by \$1.8 Million from Beginning FY 2018 to End of Year - \$12.3 Million**
- Total Fund Equity Less Required Bond Reserves
 - **Increased by \$17.1 Million from Beginning FY 2018 to End of Year - \$155.7 Million**



Internal Service Funds

(Unaudited)

- **Insurance Retention Fund/Central Services Fund**
 - **Provide Services To Other Operating Funds**
 - **Revenues and Expenses Below Budgeted Levels**



Investment and Debt Service Schedules

(Unaudited)

- Provided For Information
 - Listing of City Investments
 - Listing of City's Debt Issues



Legal Costs Schedule

(Unaudited)

- Schedule of Legal Costs paid to Attorneys and/or firms who have provided services to the City



Legal Costs Schedule

(Unaudited)

ATTORNEY NAME OR FIRM	AMOUNT PAID	NATURE OF SERVICES PROVIDED
ALLEN NORTON & BLUE P A	\$114,033.70	Administrative, Collective Bargaining and Employee Matters
BEGGS & LANE	435,479.20	Contract and Real Estate Law
BRYANT MILLER OLME PA	110,395.49	Bond Counsel
CARLTON FIELDS JORDEN BURT	25,079.09	Environmental and Real Estate
COLLEEN CLEARY ORTIZ PA	7,368.00	Police Forfeiture Claim
GRAY ROBINSON PA	69,259.62	Fee, Tax and Pension Plan Compliance
GUNSTER YOAKLEY & STEWART PA	28,286.42	Natural Gas Matters
HAND ARENDALL HARRISON SALE	18,907.45	Contract and Real Estate Law
HARRISON SALE MCCLOY & JACKSON	18,210.76	Contract and Real Estate Law
JOLLY & PETERSON PA	79,973.28	Police Liability Claims
LOCKE LORD LLP	2,500.00	Bond Disclosure Counsel and New Market Tax Credits
MCCARTER & ENGLISH LLP	45,448.77	Natural Gas Industry
NABORS GIBLIN & NICKERSON P A	511.70	Annual Stormwater Assessment Program
PHILIP A BATES PA	150.00	Sanitation Matters
PLAUCHE MASELLI PARKERSON LLP	31,179.99	Utility Litigation
QUINTAIROS PRIETO WOOD & BOYER PA	60,875.22	Workers Compensation and Liability Claims
RAY, JR LOUIS F	34,452.00	Code Enforcement Special Magistrate
RAYMOND, MARK E	1,500.00	CFC Note Restructure
RODERIC G. MAGIE, PA	47,758.48	Workers Compensation Claims
SNIFFEN & SPELLMAN PA	6,501.25	Police Liability Claims
STEINMEYER FIVEASH LLP	46,354.36	Environmental and Property Matters
THE HAMMONS LAW FIRM PA	304.50	Code Enforcement Lien Foreclosures
WILSON HARRELL & FARRINGTON PA	192,498.05	Claims and Litigation
WOODEN LAW FIRM PC	51,505.00	Land Development Matters
REPORT TOTAL	<u>\$1,428,532.33</u>	



Police/Fire/General Pension Plans

(Unaudited)

- Interest Investment Rate Reported to City Pension Boards

- FY 2018 Investment Gain

	<u>FY 15</u>	<u>FY 16</u>	<u>FY 17</u>	<u>FY 18</u>	<u>FYE 18</u> <u>Actuarial*</u>
General	-1.9%	8.8%	11.2%	8.0%	7.6%
Fire	-1.8%	9.3%	11.3%	9.2%	7.75%
Police	-2.55%	11.27%	13.89%	10.26%	7.125%

* Note - FYE 18 Actuarial Assumed Earnings Rate

- Plans Achieved Greater Rate of Return Than Assumed Earnings Rate in FY 2018
- General Pension and Police Pension Plans Closed



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