

Financial Report

City of Pensacola

4th Quarter Financial Statement

Twelve Months Ending

September 30, 2014

(Unaudited)



Overview

(Unaudited)

- **Downturn in Economy**
 - Continues to Subside
- **Revenue Growth**
 - Half-Cent Sales and Local Option Sales Tax
- **Supplemental Budget Resolution**
 - 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 - \$48,242,700
 - Exp./Enc. - \$47,850,300
- **Revenues Increased by \$1,735,100 or 3.7% from FY 2013**
 - Franchise Fee, Public Service Tax, Half-Cent Sales Tax, Property Tax Revenues
- **Revenues \$1,334,300 Above Beginning Budget**



General Fund

(Unaudited)

- **Communication Services Tax – down by \$353,200 or 10.2% from FY 2013**
- **Franchise Fees & Public Service Tax – Up by \$1,559,700 or 11% from FY 2013**
- **Half Cent Sales Tax – up by \$209,000 or 5.4% from FY 2013**
- **Department Expenditures Including Encumbrances Within Approved Appropriations**
 - **Expenditures \$935,500 or 1.9% 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 2014 Fund Balance Compared with FYE 2013

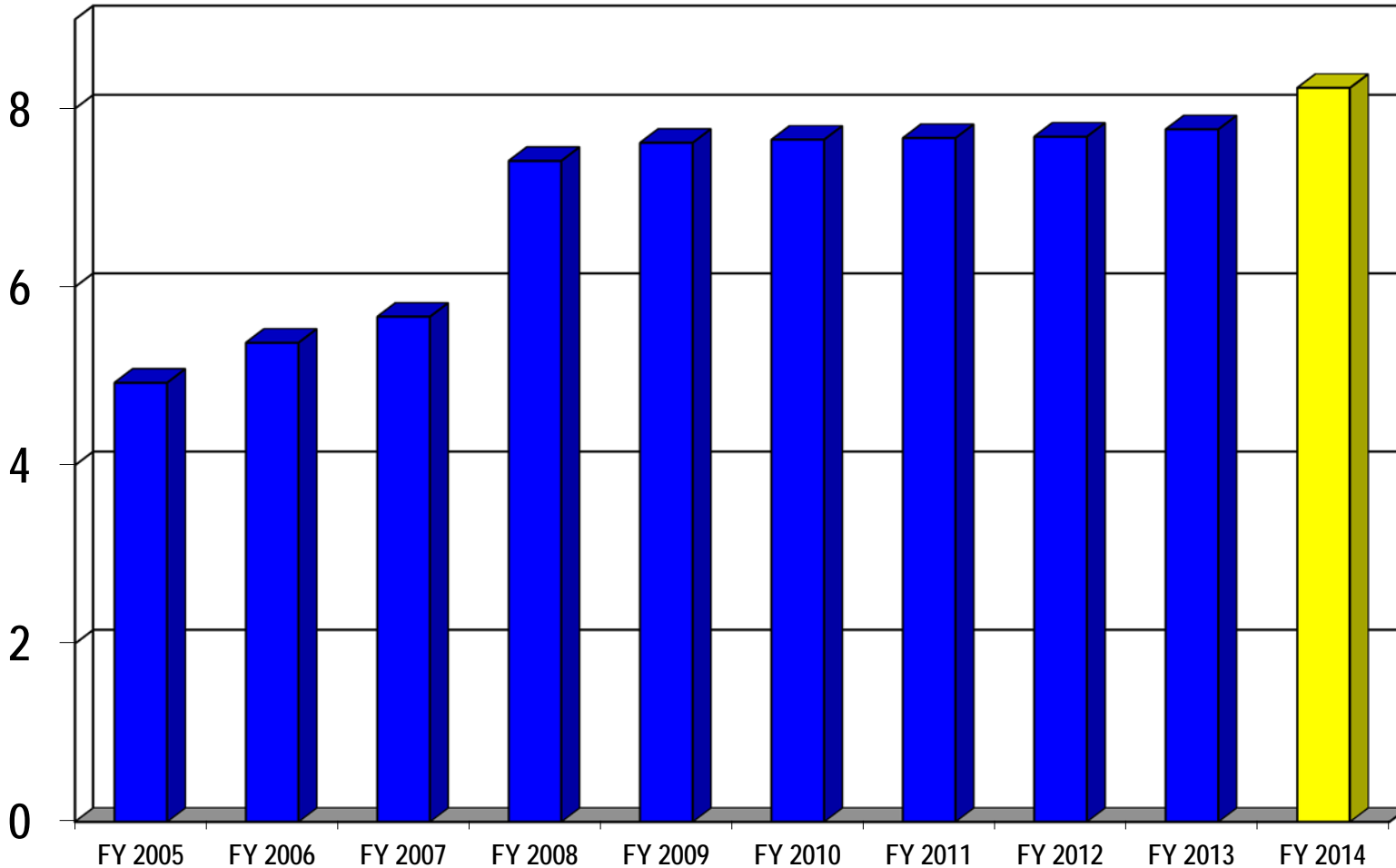
| Amount | | Description |
|-----------------------------|-----------------------------|---|
| 2013 | 2014 | |
| | | <u>Non-Spendable</u> |
| \$ 34,000 | \$ 37,500 | - Prepaid Expenses |
| <u>34,000</u> | <u>37,500</u> | Sub-Total Non-Spendable |
| | | <u>Restricted</u> |
| 158,400 | 155,300 | - Saenger Theatre Capital |
| <u>223,200</u> | <u>292,100</u> | - Encumbrances |
| <u>381,600</u> | <u>447,400</u> | Sub-Total Restricted |
| | | <u>Committed</u> |
| 7,766,700 | 8,216,700 | - Council Reserve |
| 38,200 | - | - Park Purchases (Carryforward Appropriation) |
| 657,400 | 586,100 | - Tree Planting Trust Fund |
| 192,200 | - | - Economic Development Incentives Fund |
| 200 | - | - Pensacola Fire Academy |
| - | 14,200 | - Interest Income |
| <u>8,654,700</u> | <u>8,817,000</u> | Sub-Total Committed |
| | | <u>Assigned</u> |
| - | 1,100,000 | - Appropriated Fund Balance |
| 807,800 | 1,000,000 | - Designation for Economic Incentives |
| 1,094,200 | 607,300 | - Unencumbered Carryforward Appropriation |
| - | 200 | - Pensacola Fire Academy |
| 216,900 | 236,300 | - Special Assessments |
| <u>77,200</u> | <u>42,600</u> | - Designation for Lien Amnesty |
| <u>2,196,100</u> | <u>2,986,400</u> | Sub-Total Assigned |
| | | <u>Unassigned</u> |
| - | 1,100,000 | - FY 2016 Projected Beginning Fund Balance |
| 1,160,600 | - | - FY 2014 & 2015 Fund Balance (Net Revenue/Expenditure Shortfall) |
| - | 10,600 | - Available Balance |
| <u>1,160,600</u> | <u>1,110,600</u> | Sub-Total Unassigned |
| <u>\$ 12,427,000</u> | <u>\$ 13,398,900</u> | Total Fund Balance |



General Fund

(Unaudited)

Millions



Reserve For Contingency Increased By \$464,200 which Represents 17.18% of FY 15 Beginning General Fund Revenue



Tree Planting Trust Fund

(Unaudited)

- **Revenue and Expenditures Recorded In General Fund**
- **Total Contributions Plus Interest Income - \$13,500**
- **Expenditures/Encumbrances - \$84,800**
- **End of Year Unencumbered Balance - \$586,100**



Park Purchases Fund

(Unaudited)

- **Revenue and Expenditures Recorded In General Fund**
- **Total Contributions Plus Interest Income - \$51**
- **Expenditures/Encumbrances - \$38,300**
- **End of Year Unencumbered Balance - \$0**



Economic Development Incentives Fund

(Unaudited)

- **Revenue and Expenditures Recorded In General Fund**
- **Total Contributions Plus Interest Income - \$132,800**
- **Expenditures/Encumbrances - \$0**
- **End of Year Unencumbered Balance - \$1 Million**



Special Revenue Funds

(Unaudited)

- **Local Option Gasoline Tax**
 - Levied Per Gallon Sold --- Not Cost Per Gallon
 - Interlocal Agreement
 - City Receives 18.22 % of Tax Collected
 - Calculation Based on Transportation Expenditures
 - Will Be Re-Calculated in Fiscal Year 2017
 - Revenue Exceeded Beginning Budget By \$22,800
 - Revenue & Fund Balance Exceeded Total Expenditures and Encumbrances by \$565,100
 - Revenue - \$3,093,000
 - Exp./Enc. - \$2,527,900
 - End of Year Unencumbered Balance - \$565,100 - Carry Forward
 - Local Option Gasoline Tax Expires August 31, 2016



Special Revenue Funds

(Unaudited)

- **Stormwater Utility Fund**
 - **Revenues Above Budget by \$1,600**
 - Revenue - \$2,698,400
 - Exp./Enc. - \$2,443,000 (within Budget)
 - **Committed Fund Balance of \$508,700**



Special Revenue Funds

(Unaudited)

- **Municipal Golf Course**
 - **Revenues Exceeded Budget By \$12,400**
 - Revenues - \$394,000 (Includes Capital Surcharge of \$24,000)
 - **Exp./Enc. Under Budget by \$30,300**
 - Exp./Enc. - \$671,300
 - **General Fund Subsidy - \$320,000**
 - Additional \$230,000 From Beginning Budget
 - **No Transfer to Local Option Sales Tax Fund**
 - April 2014 Flood
 - **Committed Fund Balance (After Additional Subsidy) - \$51,900**
 - **April 2014 Flood Damage**
 - **Concessionaire – Fusion Grill, Inc.**
 - Three-Year Concession Agreement
 - First payment due April 2015



Special Revenue Funds

(Unaudited)

- **Inspection Services Fund**

- **Revenues Exceeded Budget by \$283,300**
- **Expenditures Under Budget by \$58,700**
 - Expenditures - \$903,200
- **Revenues Exceeded Expenditures by \$298,100**
 - Revenues - \$1,200,000
- **Restricted Fund Balance - \$579,300**



Special Revenue Funds

(Unaudited)

■ Roger Scott Tennis Center

- **Revenues Over Budget by \$11,100**
 - Revenues - \$223,300
- **Exp./Enc. Below Budget Estimates by \$22,000**
 - Exp./Enc. - \$220,200
- **Total Revenues Exceeded Exp./Enc. By \$33,000**
- **Committed Fund Balance - \$102,400**
- **Concessionaire – Coastal Concessions, LLC**
 - **One-Year Agreement Executed in February, 2014**
 - **\$3,700 Received in FY 2014**
- **April 2014 Flood Damage**



Special Revenue Funds

(Unaudited)

- **Community Maritime Park Management Services Fund**
 - **Park Management Services Agreement**
 - **CMPA Insurance – 100% Reimbursed**
 - **Park Maintenance and Landscaping Services**
 - **CMPA paid \$147,300 in FY 2014**
 - **Event Scheduling and Planning, Management of Outside Kiosk Sales, Rentals, Food Services and Other Vendor Services, and Parking Management provided by Neighborhood Services**
 - **Fees Charged Reduced by Revenue Earned**
 - **Maximum Amount Payable - \$256,054**
 - **Revenues Exceeded Expenditures by \$2,303 paid to CMPA**
 - **Miscellaneous Appropriations Agreement**
 - **Appropriated Up To \$320,000**
 - **Actual Paid At End Of FY 2014 - \$173,000**
 - **Balance of \$147,000 Carried Forward to FY 2015**



Capital Projects Funds

(Unaudited)

- **Local Option Sales Tax Fund**
 - **Revenues Below Budget By \$18,400**
 - Revenues - \$7,020,000
 - **Exp./Enc. Within Budget**
 - Exp./Enc. - \$7,979,000
 - **Tax Collections Increased by 5.2% from FY 2013**
 - **Restricted Fund Balance Increased from (\$7,535,600) to (\$6,884,300) in FY 2014**
 - **Pooled Cash**
 - **\$6,588,100 Needed At End of FY 2014**
 - **LOST Extended Through December 31, 2028**



Capital Projects Funds

(Unaudited)

- **Stormwater Capital Projects Fund**
 - **Transfers from General Fund**
 - Revenue Fee Collection - \$2,597,100
 - **Revenues & Appropriated Fund Balance Exceeded Expenditures & Encumbrances**
 - Revenues/Fund Balance - \$7,110,700
 - Exp./Enc. - \$3,926,500
 - **\$1 Million Transfer to Hurricane Damage Fund**
 - **Committed Fund Balance of \$3,880,300 Carried Forward**



Enterprise Funds

(Unaudited)

■ Gas Utility Fund

- Revenue Exceeded Expenses by \$3.4 Million

- Revenue - \$50,285,100

- Purchase Gas Adjustment (PGA)

- Pensacola Energy Reserve

- Down by \$4.1 Million at End of FY 2014

- Infrastructure Cost Recovery Revenue - \$1,467,700

- Net Current Assets

- Decreased by \$700,000 from Beginning FY 2014 to End of Year - \$8.1 Million

- Total Equity Less Bond Reserves

- Increased by \$6.6 Million from Beginning FY 2014 to End of Year - \$40.5 Million



Enterprise Funds

(Unaudited)

▪ Sanitation Fund

- **Revenues Below Expenses by \$179,600 (Excluding Code Enforcement)**

- Revenues - \$5,782,900
- Expenses - \$5,962,500

- **Code Enforcement Revenues Exceeded Expenses by \$124,900**

- Code Enforcement Revenues - \$1,326,700

- **Net Current Assets**

- **Decreased by \$256,700 from Beginning FY 2014 to End of Year - \$1.7 Million (Excluding Code Enforcement & Lot Cleaning)**

- **Total Fund Equity Less Bond Reserves**

- **Decreased by \$24,100 from Beginning FY 2014 to End of Year - \$2.4 Million**



Enterprise Funds

(Unaudited)

■ Port of Pensacola

• Expenses Below Revenues by \$134,600

- Revenues - \$1,930,600
- Expenses - \$1,796,000

• Port Reserve/Net Current Assets

- Increased by \$134,600 from FY 2014 Beginning to End of Year - \$1.3 Million

• Total Equity Less Bond Reserves

- Decreased by \$773,900 from FY 2014 Beginning to End of Year - \$13 Million

• Port Lease Payments

- CEMEX

• Sine Qua Non Holdings

- Balances Less than 60 Days Past Due



Enterprise Funds

(Unaudited)

▪ Airport Fund

- **Revenues Below Revised Budget by \$352,300**
 - Revenues - \$18.96 Million
- Revenues Increased by \$86,500 from FY 2013
- Airport Expenses Below Budget by \$3.4 Million
 - Expenses - \$16.3 Million
- Total Fund Expenses Below Revenues by \$2.6 Million
 - Airport Agreement w/Airlines
- Net Current Assets
 - Increased by \$1.6 Million from Beginning FY 2014 to End of Year - \$8.3 Million
- Total Fund Equity Less Required Bond Reserves
 - Decreased by \$119,000 Million from Beginning FY 2014 to End of Year - \$109.5 Million



Internal Service Funds

(Unaudited)

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



Hurricane Damage Fund

(Unaudited)

- **Special Revenue Fund for Disaster-Related Activity**
- **Funded by Federal & State Revenue on a Reimbursement Basis**
 - **April 2014 Flooding Funding Breakdown:**
 - **Federal Government – 75%**
 - **State of Florida – 12.5%**
 - **City of Pensacola – Balance of Expenditures**
- **FY 2014 Supplemental Budget Resolution**
 - **\$1 Million Transfer for Stormwater Repair Projects**
 - **Enterprise Transfers for Required Match**
- **Revenue Below Expenditures by \$1,806,100**
 - **Revenues -\$2,969,400**
 - **Expenditures - \$4,775,500**
- **Restricted Fund Balance Before Encumbrances - \$1,056,400**



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



CITY OF PENSACOLA
 SCHEDULE OF LEGAL COSTS
 September 30, 2014
 (Unaudited)

| ATTORNEY NAME OR FIRM | AMOUNT PAID | NATURE OF SERVICES PROVIDED |
|---------------------------------------|------------------------------|--|
| 1. ALLEN NORTON & BLUE P A | \$187,351.31 | Administrative, Collective Bargaining and Employee Matters |
| 2. BEGGS & LANE | 267,837.31 | Contract and Real Estate Law |
| 3. BONDURANT MIXON & ELMORE LLP | 32,960.22 | Occupy Pensacola Litigation |
| 4. BRYANT MILLER OLIVE PA | 7,950.91 | Economic Development Matters |
| 5. CLARK PARTINGTON HART LARRY | 8,360.07 | Aviation Real Estate Closing |
| 6. COASTAL ASSOCIATION LAW GROUP | 3,917.36 | Contract and Real Estate Law |
| 7. COLLEEN CLEARY ORTIZ PA | 1,942.50 | Police Forfeiture Claim |
| 8. DAVIDSON & HIERS P A | 625.00 | Mediation |
| 9. EDWARDS WILDMAN PALMER LLP | 11,291.42 | Bond Disclosure Counsel and New Market Tax Credits |
| 10. GRAY ROBINSON PA | 30,070.74 | Tax and Pension Plan Compliance |
| 11. GUNSTER YOAKLEY & STEWART PA | 23,996.41 | Natural Gas Franchise Fee |
| 12. HAMMONS, LONGORIA, WHITTAKER PA | 7,671.69 | Code Enforcement Lien Foreclosures |
| 13. HARRISON SALE MCLOY & JACKSON | 287.50 | Review of Council Rules and Procedures |
| 14. JOLLY & PETERSON PA | 45,790.23 | Police Liability Claims |
| 15. LAW OFFICES OF WILLIAM I GAULT | 2,812.50 | Aviation Bankruptcy Claims |
| 16. LEWIS LONGMAN & WALKER P A | 135,479.82 | Environmental Matters and Property Issues |
| 17. LOCKLIN & SABA PA | 3,000.00 | Contract and Real Estate Law |
| 18. MCCARTER & ENGLISH LLP | 51,676.03 | Natural Gas Industry |
| 19. MCDONALD FLEMING MOORHEAD | 10,445.25 | Construction Contract Review and Litigation |
| 20. MCGUIREWOODS LLP | 9,501.00 | Bond Counsel |
| 21. MESSER CAPARELLO PA | 15,126.03 | Employee Matters |
| 22. MESSER LAW FIRM PA | 168,175.30 | City Attorney |
| 23. MILLER BALIS & O'NEIL PC | 12,630.43 | Natural Gas Industry |
| 24. NABORS GIBLIN & NICKERSON P A | 1,541.78 | Annual Stormwater Assessment Program |
| 25. PHILIP A BATES PA | 2,596.50 | Sanitation Claims |
| 26. PLAUCHE MASELLI PARKERSON LLP | 147,947.77 | Utility Litigation |
| 27. QUINTAIROS PRIETO WOOD & BOYER PA | 30,156.77 | Workers Compensation and Liability Claims |
| 28. RAY, JR LOUIS F | 18,009.00 | Code Enforcement Special Magistrate |
| 29. RODERIC G. MAGIE, PA | 50,482.65 | Workers Compensation Claims |
| 30. RUMBERGER KIRK & CALDWELL PA | 34,294.81 | Police Liability Claims |
| 31. SCHNADER HARRISON SEGAL & | 3,240.58 | Aviation Industry |
| 32. WELLS, WILLIAM D, JR DBA | 49,500.00 | Administration and Code Enforcement |
| 33. WILSON HARRELL & FARRINGTON PA | 74,718.95 | Claims and Litigation |
| REPORT TOTAL | <u>\$1,451,387.84</u> | |

□



Police/Fire/General Pension Plans

(Unaudited)

- Interest Investment Rate Reported to City Pension Boards
- FY 2014 Investment Gain

| | <u>FY 10</u> | <u>FY 11</u> | <u>FY 12</u> | <u>FY 13</u> | <u>FY 14</u> |
|---------|--------------|--------------|--------------|--------------|--------------|
| General | +9.6% | -0.80% | +19.1% | +14.9% | +11.3% |
| Fire | +10.3% | -2.20% | +18.1% | +14.0% | +10.2% |
| Police | +9.23% | +1.35% | +19.9% | +14.6% | +9.0% |

- Plans Exceeded Assumed Earnings Rate in FY 2014
- General Pension and Police Pension Plans Closed



Financial Report

City of Pensacola

4th Quarter Financial Statement

Twelve Months Ending

September 30, 2014

(Unaudited)

