

# FINANCIAL SUMMARY FOR THE PERIOD ENDING SEPTEMBER 30, 2021

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Attached are the revenue and expenditure reports for the period ending **September 30, 2021**. The expenditure report shows actual expenditures as of the end of the month as well as purchase orders outstanding and compares to the annual budgeted appropriations. The explanations provided are based on the year to date amounts excluding outstanding purchase orders as purchase order amounts may contain a full year of encumbrance. The revenue report shows actual receipts recorded as of the end of the month compared to the annual budgeted estimations. In this packet, all of the City's funds are presented.

## **GENERAL FUND**

General Fund revenues have exceeded the pro-rata share of the budget at this point in the fiscal year. Property tax bills are typically mailed in November and are delinquent February 1. Licenses & Permits and Charges for Services are above the pro-rata amount for the year. Municipal Court Fines are below budget due to COVID-19. The majority of the Intergovernmental revenue budget is the amount due from Southside Place in accordance with the Master Interlocal Cooperation Contract and payable in December.

All departments are below their pro-rata share of the budget. The first payroll paid in January 2021 was expensed back to December 2020 since it is for 2020 time worked. Vacancies have continued primarily in the Police and Public Works departments. The large transfer out represents the transfer of excess unassigned fund balance, which was approved by City Council on March 22, 2021.

## **WATER & SEWER UTILITY FUND**

With a one month lag due to billing in arrears, September's billing for August is slightly below pro-rata for the year. Transfer to Debt Service fund is above pro-rata due to the allocation of the debt service payment paid February 1 and interest payment paid August 1.

## **SOLID WASTE FUND**

With the one month lag in billing, August solid waste collection revenues are on target for this point in the fiscal year. Overall, expenditures for the fund are under the pro-rata for the period.

## **TECHNOLOGY MANAGEMENT FUND**

Technology is integral to the City's ability to provide efficient and necessary services to the citizens. The Technology Management Fund was created to centralize those expenditures, consolidate the management of the resources needed to maintain existing systems and to deploy new solutions. Revenues and expenditures are as expected for the current period.

## **VEHICLE REPLACEMENT FUND**

The Vehicle Replacement Fund finances the purchase of vehicles routinely used in providing City services. Each department makes contributions to the fund based on the estimated life and replacement cost of the vehicles it uses. The fund purchases vehicles when a combination of age and repair cost indicates the machine or vehicle has reached the end of its service life; therefore, the expenditures patterns do not follow the pro-rata model. To date, the only expenses incurred have been for upfitting of the animal control van, Fire Marshal truck and two patrol vehicles. The new fire truck, that was ordered and paid for in 2020, was also received and put in service in April 2021.

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## **ASSET REPLACEMENT FUND**

The Asset Replacement Fund (formerly known as the Equipment Replacement Fund) finances the purchase of assets routinely used in providing City services. The fund operates in the same manner as the Vehicle Replacement Fund in that each department makes contributions to the fund based on the estimated life and replacement cost of the equipment it uses. The fund purchases equipment when a combination of age and repair cost indicates the equipment has reached the end of its service life; therefore, the expenditures patterns do not follow the pro-rata model. To date, the only expenditures are for the deck renovations at Colonial Park and the Recreation Center and the replacement of a HVAC chiller unit.

## **EMPLOYEE BENEFIT FUND**

The Employee Benefit Fund facilitates accounting and oversight for the cost of medical and dental insurance, worker's compensation, life insurance, and disability benefits. Revenues and expenditures are on target for the month.

## **HUMAN RESOURCES SERVICES FUND**

The Human Resources Fund was created in 2020 to break out the non-medical related expenses from the Employee Benefit Fund. The General Fund contributes all funds needed for this fund. Examples of some of the expenses are hiring and recruiting, tuition reimbursement, and incentive/awards. Expenditures patterns in this fund will not follow the pro-rata model.

## **DEBT SERVICE FUND**

The Debt Service Fund is established by ordinances authorizing the issuance of general obligation bonds and Certificates of Obligation. The City uses debt financing to fund large capital investments. Streets, drainage, water and wastewater systems are all constructed with borrowed funds. Property tax dollars do not finance all of the City's bonded debt service. The Water and Sewer Fund also provides funds to repay debt. Funding the 2021 debt service payments requires an ad valorem tax rate of \$0.101584 per \$100 of assessed value in tax year 2020, a decrease of \$0.017936 per \$100. Debt Service payments are due semi-annually on February 1 and August 1. Principal and interest is due February 1 and interest only is due August 1. The payment of the bond principal and interest in February and interest only payment in August caused expenditures to be above the pro-rata for this period.

## **CAPITAL PROJECT FUNDS**

Capital Project Funds are used to account for the purchase or construction of equipment, property, and buildings. West University Place has five active capital project funds. They are the Capital Project, Capital Reserve, 2019 Certificates of Obligation, Transportation Improvement, and Water & Sewer Capital Funds. Expenses incurred to date are related to the Storm Water Management Program, Citywide Engineering Traffic Study, Citywide Facilities Condition & Security Assessment, Virtual Gate, Water Pumping & Storage Study, Alternative Storm Water Detention Options Study, Citywide Street & Drainage Improvements, WWTP Weir Replacement, 2021 WWTP Master Plan, Wake Forest Tank Repairs, SCADA Water System Replacement, WWTP Clarifier Automation, Buffalo Speedway Construction, Street Maintenance, WWTP Improvements, Reclamation Feasibility Study, and Drinking Water Efficiency Study. The personnel expenses for the Capital Projects Manager are included in the Transportation Improvement Fund.

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## **SPECIAL REVENUE FUNDS**

Special Revenue Funds are created to account for the proceeds from specific revenue sources that are restricted to expenditures for specific purposes. The City has 12 active Special Revenue Funds in 2021. Not all expenditures can be anticipated enough to include in the original budgeting process. Budget amendments for 2021, if necessary, will be made at year-end to reconcile any affected accounts. To date, the only large expenditure has been for Huffington Park Improvements.