

FY 19, Quarter 1 Financials Pt 1, Sept 2018

City of Petersburg VIRGINIA

By: Michael C. Rogers, Chief Operating Officer
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Topics of Discussion



Cash Flow Revenue & Expenditure Summary

- FY 18 Actual Cash Received in Bank from month to month
- FY 18 Actual Cash Spent from month to month

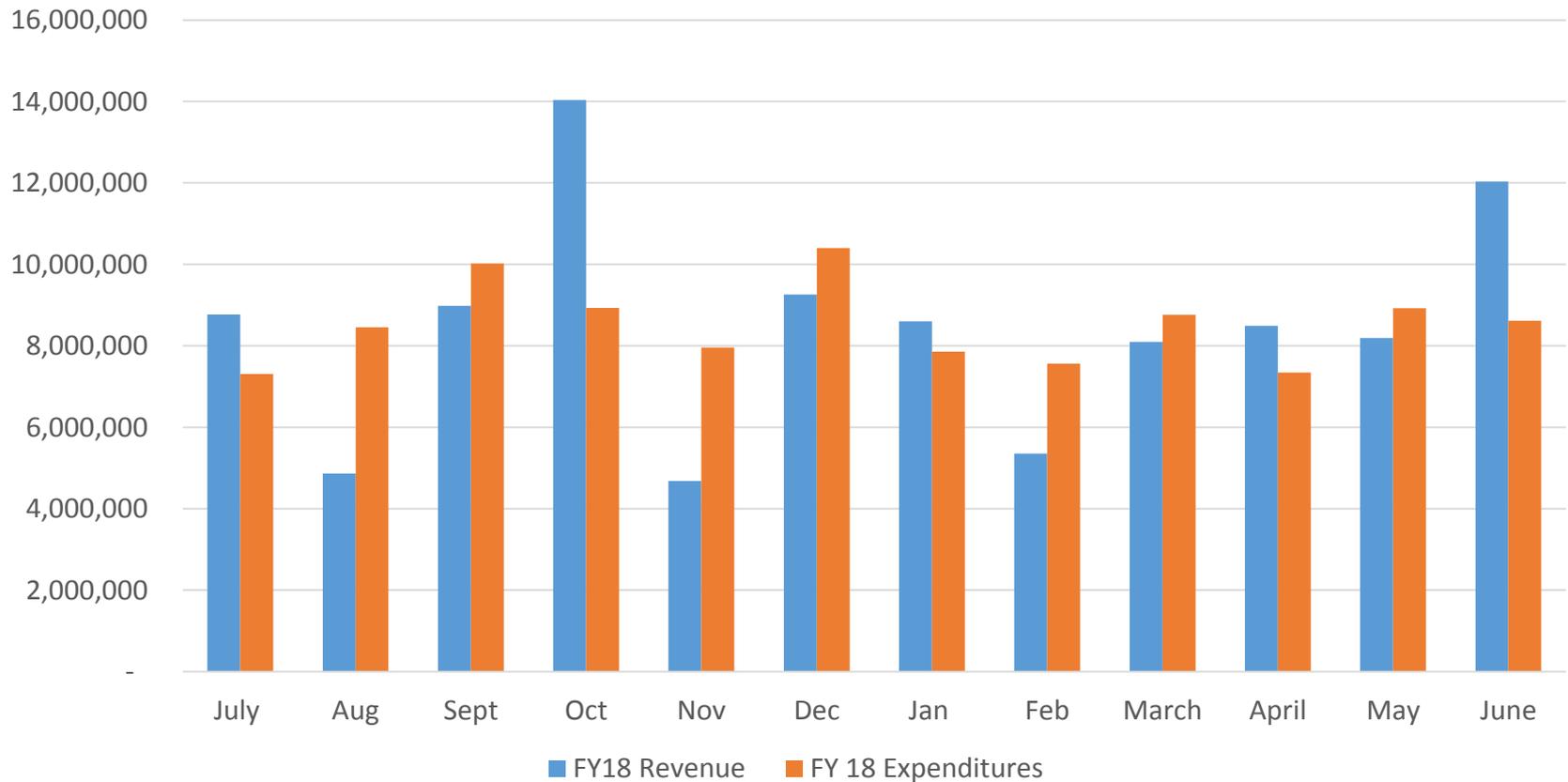
Revenue Anticipation Notes

- What is a RAN
- Why does Petersburg need a RAN
- How do we migrate away from relying on a RAN

FY 18 Monthly Cash Breakdown Summary



Cash Inflows and Cash Outflows





FY 18 CASH FLOW

FY 2018 Projected vs Actual Cash

Prepared by: Department of Finance, City of Petersburg, Virginia

Source: Monthly Treasury Cash reports, Accounts Payable Vendor History Reports, Payroll Control Sheets, and Bank Statements

Purpose: Complete a cash flow analysis as a necessary requirement for issuance of a revenue anticipation note or RAN

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Beginning Balances	7,030,053	8,494,853	4,529,735	3,115,742	7,852,220	4,195,302	2,673,575	3,418,762	1,210,596	540,834	1,692,145	903,673	
Total Revenues	8,771,572	4,864,541	8,981,054	7,539,710	4,677,195	9,257,067	8,601,849	5,351,819	8,092,923	8,490,717	8,192,356	12,030,474	94,851,278
Plus RAN*				6,500,000									6,500,000
Total Cash Flow Receipts	8,771,572	4,864,541	8,981,054	14,039,710	4,677,195	9,257,067	8,601,849	5,351,819	8,092,923	8,490,717	8,192,356	12,030,474	101,351,278
Less RAN payments	673,806	673,806	673,806	673,806				1,680,303			1,670,663		6,046,189
Less Expenditures	6,632,966	8,155,854	9,721,240	8,629,426	8,334,113	10,778,794	7,856,661	5,879,683	8,762,685	7,339,406	7,310,165	8,618,258	98,019,252
Total Cash Flow Expenditures	7,306,772	8,829,660	10,395,046	9,303,232	8,334,113	10,778,794	7,856,661	7,559,986	8,762,685	7,339,406	8,980,828	8,618,258	104,065,442
Revenues Over (Under) Expenditure:	1,464,800	(3,965,119)	(1,413,992)	4,736,478	(3,656,918)	(1,521,727)	745,188	(2,208,167)	(669,761)	1,151,311	(788,472)	3,412,216	(2,714,164)
Ending Balance	8,494,853	4,529,735	3,115,742	7,852,220	4,195,302	2,673,575	3,418,762	1,210,596	540,834	1,692,145	903,673	4,315,889	

*The City of Petersburg has issued revenue anticipation notes or RANs for several years to aid in or stabilize cash flow due to an unstructured and unprotected fund balance. Funds are being used to fund cash flow and not as new revenue.

FY 2019 Projected Cash Flow

	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Total
	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Beginning Balances	6,189,565	6,615,608	4,891,867	4,348,194	12,840,873	12,348,046	11,323,358	11,385,528	9,246,716	8,415,096	8,572,818	8,255,448	
Total Revenues	10,672,235	5,023,403	8,801,433	7,388,308	4,583,654	9,066,046	8,601,849	5,244,783	7,931,065	8,337,279	8,192,356	12,030,474	95,872,885
Plus RAN				6,500,000	-								6,500,000
Total Cash Flow Receipts	10,672,235	5,023,403	8,801,433	13,888,308	4,583,654	9,066,046	8,601,849	5,244,783	7,931,065	8,337,279	8,192,356	12,030,474	102,372,885
Less RAN Payment		1,670,663		1,655,442			840,151	1,680,303	840,151	840,151	1,670,663	840,151	10,037,675
Less Expenditures*	10,246,192	5,076,481	9,345,106	8,088,381	5,076,481	10,090,734	7,699,528	5,703,292	7,922,534	7,339,406	6,839,063	7,669,575	91,096,773
Total Cash Flow Expenditures	10,246,192	6,747,144	9,345,106	9,743,823	5,076,481	10,090,734	8,539,679	7,383,595	8,762,685	8,179,557	8,509,726	8,509,726	101,134,448
Revenues Over (Under) Expenditure:	426,043	(1,723,741)	(543,673)	8,492,679	(492,827)	(1,024,688)	62,170	(2,138,812)	(831,620)	157,722	(317,370)	3,520,748	1,238,437
Ending Balance	6,615,608	4,891,867	4,348,194	12,840,873	12,348,046	11,323,358	11,385,528	9,246,716	8,415,096	8,572,818	8,255,448	11,776,196	

From cash perspective, by the end of June 2019 we are projecting having only collected 70-74% of the \$102,116,709 budgetary revenue with the remaining being collected during the 60 day accrual period to account for YE June 2019 accounting period. Regarding expenditures, from a budgetary and cash expenditure perspective, the goal is to manage to a total of about \$101.1M expenses/cash out the door by the end of June. The additional RAN payments are included in this total, which allows for early pay-off however, this is contingent on finding other cost savings and amending the FY19 budget.



FY 18 EXPENDITURES

MAJOR VENDORS& REGIONAL PARTNER EXPENDITURES: Monthly or Qtrly Payments

Expenditure (Excludes RAN)	Payment Type	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Grand Total
Anthem BC/BS	Check	435,805	408,500	331,261	422,352	442,236	433,144	438,372	428,347	418,589	426,794	416,087	435,507	5,036,994
Appomattox River Water (Quarterly	Check	393,161						395,453			445,948			1,234,562
Central VA Waste Mgmt Authority	Check	122,579	137,777	122,279	119,715	123,912	121,390	120,995	121,245	121,369	121,120	121,680	122,159	1,476,218
Crater Youth Care (Quarterly & Mon	Check	22,459		65,196	22,459	65,195	22,459	22,459	65,195	22,459	22,459	65,195	44,918	440,453
Debt\Lease Payment(Property, rent	Wire/ACH	170,984	114,726	56,198	1,342,222	87,050	689,767	498,513	145,723	112,195	921,427	88,047	182,035	4,408,887
Dominion Virginia Power	Check	139,188	16,561	64,442	173,543	228,849	91,063	194,612	61,614	182,966	104,983	112,105	104,292	1,474,218
Greater Richmond Transit	Check	16,667	16,668	16,668	-	33,335	16,668	33,336	16,668	33,334	33,333		33,333	250,010
Microsoft Corporation	Check	3,222	3,055	3,159	3,259	3,148	3,157	3,157	3,157	3,158	3,158	3,158	3,968	38,754
Motorola Solutions	Check	25,460	25,460		25,460	49,085	24,542				73,627		59,411	283,045
Motorola Solutions Arrears	Check	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	54,000
Misc AP	Check	564,399	2,044,399	4,010,177	1,566,151	1,433,980	3,788,611	1,101,561	539,387	2,840,912	-	492,950	2,051,941	20,434,468
Office Rent	Check		34,606	14,158	13,915	25,599	15,014	2,732	14,514	29,028	14,514	9,938	4,776	178,793
Other Utility Payments	Check	132,856	55,308	42,070	89,476	86,223	51,173	51,173	51,173	51,173	51,173	51,173	51,173	764,144
Bank of America P-Card & T-Card	Wire/ACH		93,161	16,554	24,647	31,816	38,889	39,029	42,715	54,755	43,366	20,867	39,783	445,583
Superion	Check	16,668	16,668	16,668		33,335	16,667		16,668	33,334	33,333		33,333	216,674
Payroll	Wire/ACH	1,540,362	1,981,629	1,657,109	1,920,449	2,690,297	2,269,458	2,115,990	2,021,459	2,069,727	1,833,322	2,888,585	2,937,650	25,926,037
Petersburg Health Department	Check		147,887	147,887	71	148,045		88			147,887		80	591,944
Petersburg Public Schools Appropri	Wire/ACH	929,671	861,272	1,261,342	861,342	861,342	861,342	861,342	861,342	956,853	861,342	861,342	365,901	10,404,433
Petersburg Social Services - Welfare	Check	744,627	478,984	403,284	622,182	670,807	625,714	669,238	695,828	627,540	714,440	799,074	236,313	7,288,031
Riverside Regional Jail	Check	296,711	283,184	292,213	309,260	322,528	346,580	331,480	332,280	352,800	318,360	343,080	662,480	4,190,955
Southside Virginia Emergency Crew	Check	800		56,000			56,000			56,000				168,800
South Central Wastewater Authorit	Wire/ACH	375,975	376,134	376,134	375,975	375,975	375,975	375,975	375,975	375,975	375,975	375,975	375,975	4,512,023
The Robert Bobb Group LLC	Check	95,559	91,888	80,766	86,061								50,000	404,274
United States Postmaster	Check	5,000	20,715	5,524	5,404	7,294	5,262	5,000	542	11,210	5,182	15,225		86,358
VACORP	Check		274,718	63,719			333,710			66,946	450,000	300,000	450,000	1,939,093
VML VACO	Wire/ACH	30,400	33,663	46,045	85,250	18,463								213,820
VRS	Wire/ACH	555,313	634,392	567,889	545,132	591,099	587,710	581,055	81,352	337,862	333,162	341,184	358,128	5,514,279
Virginia Gateway Region	Check	10,601			10,601			10,601					10,601	42,404
Grand Total		6,632,966	8,155,854	9,721,240	8,629,426	8,334,113	10,778,794	7,856,661	5,879,683	8,762,685	7,339,406	7,310,165	8,618,258	98,019,252

*Verizon Communications, Comcast, MCI Comm Services, Columbia Gas, SouthSide Electric, Verizon



FY 18-19 RAN

- *What is a RAN?*
 - Revenue Anticipation Notes aka RANs are a form of note, or short-term debt instruments issued in anticipation of taxes or other revenues to be collected at a later date.
 - They are used to finance temporary cash flow shortfalls arising from the normal mismatch between the timing of expenditures and the receipt of revenues.
 - RANs are usually repaid in either the same fiscal year as issued OR in the following fiscal year- within a period of one year.
 - Because RANs are short-term they are reported as a fund liability in the fund receiving the proceeds.
- *Why does the City need a RAN?*
 - The purpose of issuing a RAN is to finance cash flow needs for general governmental operating expenses during high peak operating periods.
- *What does the City need to do NOT to rely on RANs*
 - The City would have to have at least a \$7 million Unassigned Fund Balance in order not to rely on RANs short term borrowings.



RAN & FUND BALANCE HISTORY

City has issued RANs last 10 years

DATE ISSUED	AMOUNT
2017	\$6.5M- 2.81% interest
2016	\$6.5M-4.5% interest
2015-2013	\$5M, respectively
2012	\$5.925M
2011	\$6M
2010	\$4.5M
2009-2007	\$5M, respectively

Unassigned Fund Balance

Year	Fund Balance
2007	\$10,227,794
2008	\$11,935,086
2009	\$14,837,698
2010	\$15,403,526
2011	\$6,522,487
2012	\$4,615,214
2013	\$1,725,979
2014	\$174,507
2015	(\$5,011,152)
2016	(\$7,728,395)
2017	(\$143,932)

Getting Back in the Green



Firm Grasp on Revenues/Collections

- Realistic Revenue Projections
- Stronger interdepartmental relationships/partnerships
- Emphasis on delinquent collections

Disciplined Spending

- Budgeting for NEED rather than WANT
- Cutting back on small purchases
- Detailed spending plans

Focusing on these areas will lay the foundation for building a fund balance which is necessary to succeed moving forward.



QUESTIONS?

COMMENTS