

ACCOUNTING DEPARTMENT

A draft of fiscal year 2021's audit report has been received but the audit is not yet complete. Fiscal year 2021's audit was delayed due to the late issuance of fiscal year 2020's audit report, mainly due to COVID-19. All figures presented for fiscal year 2022 are unaudited and on a cash basis. Figures presented for fiscal year 2021 are a mixture of audited and unaudited.

General Fund	FY 2021 (Unaudited)	FY 2022 (Unaudited)
Revenues	\$70,614,358.65	\$75,044,908.11
Expenditures	<u>\$61,515,376.20</u>	<u>\$69,550,227.54</u>
Excess of revenues over expenditures	\$9,098,982.45	\$5,494,680.57

For fiscal year 2021, the city had excess of revenues over expenditures of \$9,129,522 (preliminary audited figure), including other financing sources and transfers in/out. For fiscal year 2022, the city had excess of revenues over expenditures of \$5,494,680.57 (unaudited figure), including other financing sources and transfers in/out.

For fiscal year 2022, the effects of COVID-19 on revenues dissipated but the effects on product availability and pricing continued to impact operations. As compared to fiscal year 2021, the following revenues increased for fiscal year 2022

- Ad valorem/personal property taxes \$1.15 million
- Gaming/device taxes \$1.43 million
- Sales taxes \$1.54 million
- Use taxes \$1.33 million

In fiscal year 2022, ad valorem taxes increased due to reassessment of property values that occurs every four (4) years by the Harrison County Tax Assessor's Office and continued development of new subdivisions/homes and businesses.

In fiscal year 2022, gaming taxes totaled \$22,584,611 as compared to \$21,115,365 in fiscal year 2021. This was the highest revenue year since the inception of gaming.

Fiscal year 2022 was also a record setting year for sales taxes collected, or \$14,411,302 and for use taxes collected through the Infrastructure Modernization Act, or \$2,620,587.

In fiscal year 2021 the city received \$1,031,832 in CARES Act funding and half, or \$5,549,151, in American Rescue Plan Act funding. In fiscal year 2022, the city received the other half, or \$5,549,151, in American Rescue Plan Act funding in June 2022.

Water and Sewer Fund	FY 2021 (Unaudited)	FY 2022 (Unaudited)
Revenues	\$16,248,380.47	\$17,338,626.30
Expenses	<u>\$15,440,159.53</u>	<u>\$15,340,043.20</u>
Excess of revenues over expenses (before depreciation expense)	\$808,220.94	\$1,998,583.10

For fiscal year 2022, the city had excess of revenues over expenses before depreciation expense of \$1,998,583, including other financing sources and transfers in/out. For fiscal year 2021 the city had excess of revenues over expenses before depreciation expense of \$808,221, including other financing sources and transfers in/out.

For fiscal year 2022, water revenues and sewer revenues increased by approximately \$420,872, totaling \$15,672,635.

Through small water and sewer rate increases over the past several years the City of Biloxi has been able to provide funding for long needed repair and maintenance. In August 2020, the city amended Ordinance No. 2425 approving a 2% water and sewer rate increase for fiscal years 2021 through 2024.

The city currently has funding available for the following projects:

- Shriners Blvd Water Sewer Extension (Preserve Subdivision)
- Bay Vista Water Well
- Jim Byrd Road Water Main
- Point Cadet Marina Improvements
- Woolmarket Acres Infrastructure

In fiscal year 2020, the city received an **unmodified audit opinion** from its independent auditors. Fiscal year 2021's audit draft report includes an **unmodified audit opinion** as well. We do not expect this to change once the report is finalized. The city strives to present openly and transparent financial information and to maintain a level of professional in its financial handling. The city had no findings on its audited financial statements including the single audit for fiscal year 2020. There are findings for fiscal year 2021's audit report and include one audit finding on its financial statements, one audit finding on its federal awards and two audit findings on its single audit.

For fiscal year 2021, the city had a legal debt limit of \$131,233,454 (20% of assessed value of \$656,167,272). The city's legal debt margin was \$60,564,063. This is the excess of the available debt limit. For fiscal year 2022, the city's legal debt limit is \$140,416,636 (20% of assessed value of \$702,083,179) and the city's legal debt margin is \$73,793,281.

In May of fiscal year 2022, the city issued \$14,000,000 in Special Obligations Bonds, mainly for the Poppo Ferry Road extension and renovation to the city's sport facilities. Funding for Series 2022 Special Obligation Bonds is property tax millage and use taxes collected through the Infrastructure Modernization Act.