

**INDIAN RIVER COUNTY
INTER-OFFICE MEMORANDUM
OFFICE OF MANAGEMENT AND BUDGET**

TO: Members of the
Board of County Commissioners

DATE: September 26, 2022

SUBJECT: Interfund Borrowing – Fiscal Year 2021/2022

FROM: Kristin Daniels
Director, Office of Management & Budget

At the end of the fiscal year, it occasionally becomes necessary to cover cash deficits in individual funds with interfund borrowing. Staff anticipates the need for interfund borrowing in the funds below:

Due from Fund	Due to Fund	Fiscal Year 2020/21	Fiscal Year 2021/22 (Est.)
Metropolitan Planning Organization (MPO) - 124	General Fund - 001	\$85,000	\$90,000
Beach Restoration Fund - 128	General Fund – 001	\$0	\$5,750,000
Community Development Block Grant (CDBG) - 129	General Fund - 001	\$0	\$50,000
Federal/State Grants Fund - 136	General Fund – 001	\$7,000	\$7,000
Fleet Fund - 501	General Fund – 001	\$0	\$35,000

Interfund borrowing is necessary in most funds due to the fact that the County is awaiting reimbursement from the State or Federal government for various grant eligible expenditures. Borrowing in the Fleet Fund is necessary to cover the deficit cause by the substantial repair cost of the fuel canopy. Staff is requesting approval from the Board of County Commissioners for interfund borrowing in the funds listed above as well as other funds as necessary.

On January 15, 2019 the Board of County Commissioners approved \$1,300,000 of the first two years of the Amended and Restated Facility Lease Agreement with Major League Baseball to be funded with Tourist Tax/Cash Forward – Oct 1st. Since the lease year began on January 15, 2019, instead of the beginning of the fiscal year, an inter-fund loan of \$201,024 was made from the Tourist Tax Fund to cover the lost revenue from the portion of the fiscal year that had already past. Because of the negative impact COVID-19 had on tourism, the first-year shortfall (\$201,024) as well as the \$650,000 second-year contribution were reversed, and reclassified as an interfund loan between Optional Sales Tax and the Jackie Robinson Training Complex Fund.

This \$851,024 loan was to be paid back incrementally to Optional Sales Tax as the fund was able to do so each fiscal year-end. A total of \$250,000 was paid back at the end of fiscal year 2020/2021, leaving a current balance of \$601,024.

Although COVID-19 had an initial negative impact on local tourism, the industry has since rebounded and the Tourist Development Fund is now able to reimburse the Optional Sales Tax Fund for the current remaining balance of \$601,024. Staff will add this entry to the next budget amendment that is brought before the Board .

Staff Recommendation

Staff recommends approval for interfund borrowing as necessary to cover any cash deficits of individual funds that may occur, as well as the payback of \$601,024 to the Optional Sales Tax Fund from the Tourist Development Fund.

Distribution:

Elissa Nagy, Finance Director