



FINANCIAL UPDATE

For the Period Ended September 30, 2018

Presented November 27, 2018

CITY OF FARMERS BRANCH | 11/20/2018



Fourth Quarter Update

Explanatory Note on the Financial Details Presented in this Report

The Financial Results presented in this Fourth Quarter Report are PRELIMINARY and UNAUDITED. As of the date this report is presented to Council, the Finance Team is still performing year-end financial close procedures. These procedures include making significant estimates about items such as depreciable assets and recording other accruals which are only presented on an annual basis. For this reason, audited results (i.e. the details presented in the Comprehensive Annual Financial Report, the CAFR) will vary from the details presented in this Fourth Quarter report.

General Fund Results – Summary

September 2018 – Fiscal Year to Date

Revenues	YTD Budget	YTD Actual	Expenditures	YTD Budget	YTD Actual
Property Taxes	\$25,965,000	\$26,015,893	General Government	\$9,698,600	\$8,737,033
Sales & Use Taxes	14,032,000	14,304,158	Public Works	9,115,200	8,544,425
Franchise Fees	4,135,500	4,165,501	Public Safety	25,350,000	24,960,908
Other Taxes	236,000	235,877	Parks & Recreation	12,777,000	11,888,089
Licenses & Permits	4,686,200	5,016,007			
Charges for Service	6,120,300	5,956,753			
Fines, Forfeits & Assessments	1,725,500	1,808,662			
Interest, Contribution, & Misc.	1,265,000	1,252,531			
TOTAL	\$58,165,500	\$58,755,382	TOTAL	\$56,940,800	\$54,130,455

General Fund Results – Revenue

September 2018 – Fiscal Year to Date – Budget to Actual

	YTD Adjusted			Actual As	Expected As
	Budget	YTD Actual	Difference	% of Budget	% of Budget
Property Taxes	\$ 25,965,000	\$ 26,015,893	\$ 50,893	100.20%	100.00%
Sales & Use Taxes	14,032,000	14,304,158	272,158	101.94%	100.00%
Charges for Services	6,120,300	5,956,753	(163,547)	97.33%	100.00%
Franchise Fees	4,135,500	4,165,501	30,001	100.73%	100.00%
Licenses & Permits	4,686,200	5,016,007	329,807	107.04%	100.00%
Fines, Forfeits & Assessments	1,725,500	1,808,662	83,162	104.82%	100.00%
Interest, Contribution, Misc.	1,015,000	1,002,531	(12,469)	98.77%	100.00%
Other Taxes & Intergovt'l	486,000	485,877	(123)	99.97%	100.00%
	\$ 58,165,500	\$ 58,755,382	\$ 589,882	101.01%	100.00%

- **Property Taxes** performed better than budget due to the timing of payments and several parcels converting from Agriculture to Residential (5 years of property taxes paid).
- **Sales & Use Taxes** performed better than budget due to particularly high tax receipts during May and June 2018, which were approximately 15% higher than May and June 2017.
- **Charges for Services**, which includes several smaller revenue items, performed behind budget due to the timing of receipt of some of those revenue items. Additionally *Refuse Services* is performing behind budget due to a large, multi-year special waste project that ended Sept 2017.
- **Franchise Fees** performed behind budget due to a decline in personal usage of land phone lines. More people have moved to cellular phones for their primary phone.
- **Licenses & Permits** performed significantly better than budget due to West Side Development.
- **Fines, Forfeits & Assessments** performed ahead of budget due to Court revenue exceeding year-end estimates.



General Fund Results – Revenue

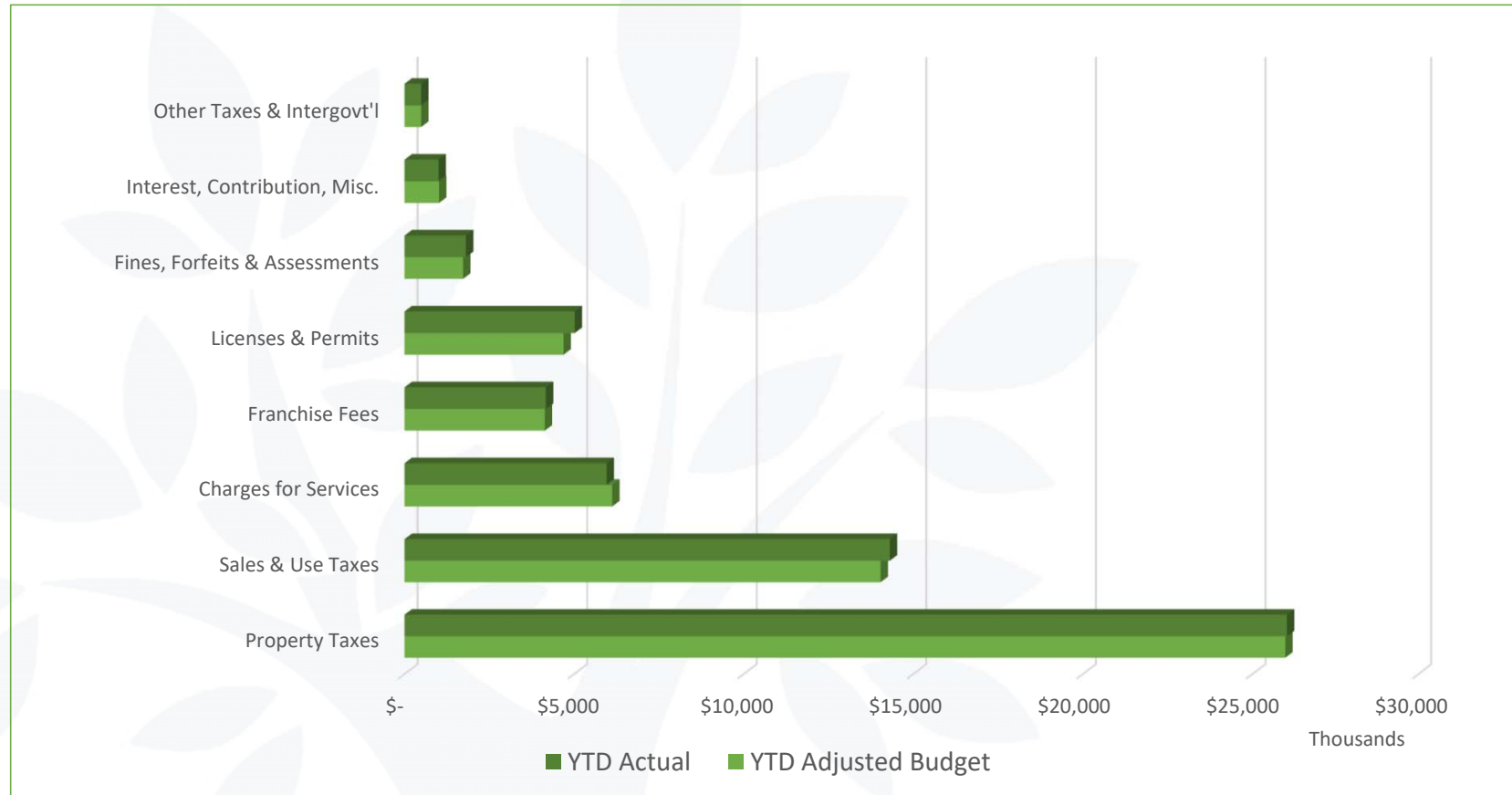
September 2018 – Fiscal Year to Date – CY Actual to PY Actual

	9/30/18 Actual	9/30/17 Actual	Difference	% Change
Property Taxes	\$ 26,015,893	\$ 23,550,492	\$ 2,465,401	10.47%
Sales & Use Taxes	14,304,158	13,546,811	757,347	5.59%
Charges for Services	5,956,753	5,448,155	508,598	9.34%
Franchise Fees	4,165,501	4,198,158	(32,657)	-0.78%
Licenses & Permits	5,016,007	2,024,572	2,991,435	147.76%
Fines, Forfeits & Assessments	1,808,662	2,239,688	(431,026)	-19.24%
Interest, Contribution, Misc.	1,002,531	1,039,007	(36,476)	-3.51%
Other Taxes & Intergovt'l	485,877	331,622	154,255	46.52%
	<u>\$ 58,755,382</u>	<u>\$ 52,378,505</u>	<u>\$ 6,376,877</u>	<u>12.17%</u>

- **Property Taxes** performed better than budget due to the timing of payments and growth of property tax base.
- **Licenses & Permits** performed better than prior year due to the increased development on the West Side and change in the fee structure for the 2017-18 year.

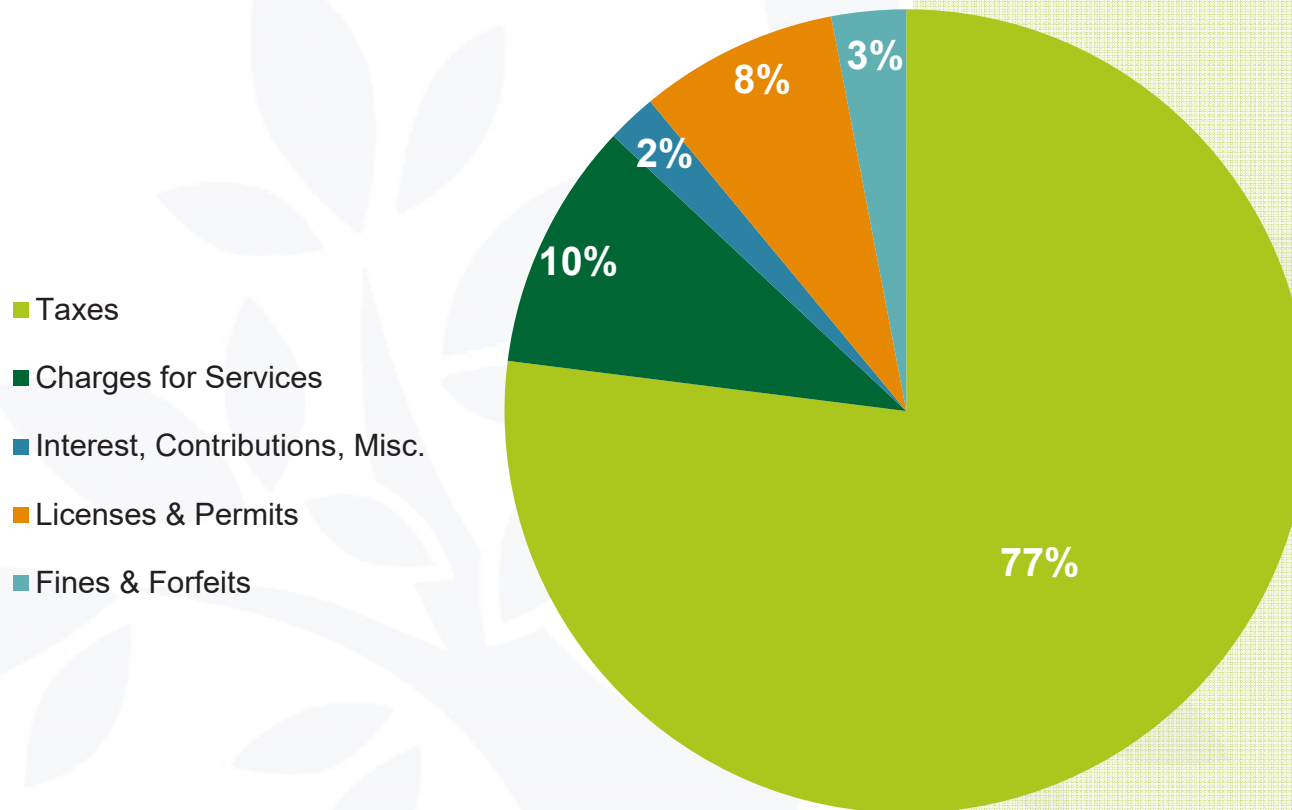
General Fund Results – Revenues

September 2018 – Fiscal Year to Date



General Fund Results – Revenues

September 2018



- Taxes continue to be the largest source of General Fund Revenue at 77%.
- Other revenue sources provide a valuable 23% of revenue to support General Fund activities.

General Fund Results – Expenditures

September 2018 – Fiscal Year to Date

	A	B	C = B/A
	Annual Budget	YTD Actual	% of Annual Budget
General Government	\$9,698,600	\$8,737,033	90.1%
Public Works	9,115,200	8,544,425	93.7%
Public Safety	25,350,000	24,960,908	98.5%
Parks	12,777,000	11,888,089	93.0%
	\$56,940,800	\$54,130,455	95.1%

General Fund Results – Expenditures

September 2018 – Detail by Department

	ADJUSTED BUDGET 2017-18	ACTUAL Y-T-D 9/30/2018	ACTUAL Y-T-D %	PROJECTED Y-T-D 9/30/2018	DIFFERENCE
General Government	\$9,698,600	\$8,737,033	90.09%	\$9,698,600	\$961,567
General Government	(\$368,300)	(\$870,198)	236.27%	(\$368,300)	\$501,898
General Administration	980,900	959,851	97.85%	980,900	21,049
Communications	656,300	613,110	93.42%	656,300	43,190
Economic Development	443,900	402,971	90.78%	443,900	40,929
Human Resources	1,002,600	917,884	91.55%	1,002,600	84,716
Finance	2,348,000	2,251,055	95.87%	2,348,000	96,945
Information Services	2,547,800	2,471,702	97.01%	2,547,800	76,098
Community Services	2,087,400	1,990,658	95.37%	2,087,400	96,742
Public Works	\$9,115,200	\$8,544,425	93.74%	\$9,115,200	\$570,775
Public Works	\$5,109,200	\$4,902,292	95.95%	\$5,109,200	\$206,908
Sustainability & Public Health	4,006,000	3,642,133	90.92%	4,006,000	363,867
Public Safety	\$25,350,000	\$24,960,908	98.47%	\$25,350,000	\$389,092
Police	\$13,816,200	\$13,488,109	97.63%	\$13,816,200	\$328,091
Fire	11,533,800	11,472,799	99.47%	11,533,800	61,001
Culture & Recreation	\$12,777,000	\$11,888,089	93.04%	\$12,777,000	\$888,911
Parks & Recreation	\$10,891,700	\$10,031,904	92.11%	\$10,891,700	\$859,796
Library	1,885,300	1,856,185	98.46%	1,885,300	29,115
TOTAL	\$56,940,800	\$54,130,455	95.06%	\$56,940,800	\$2,810,345

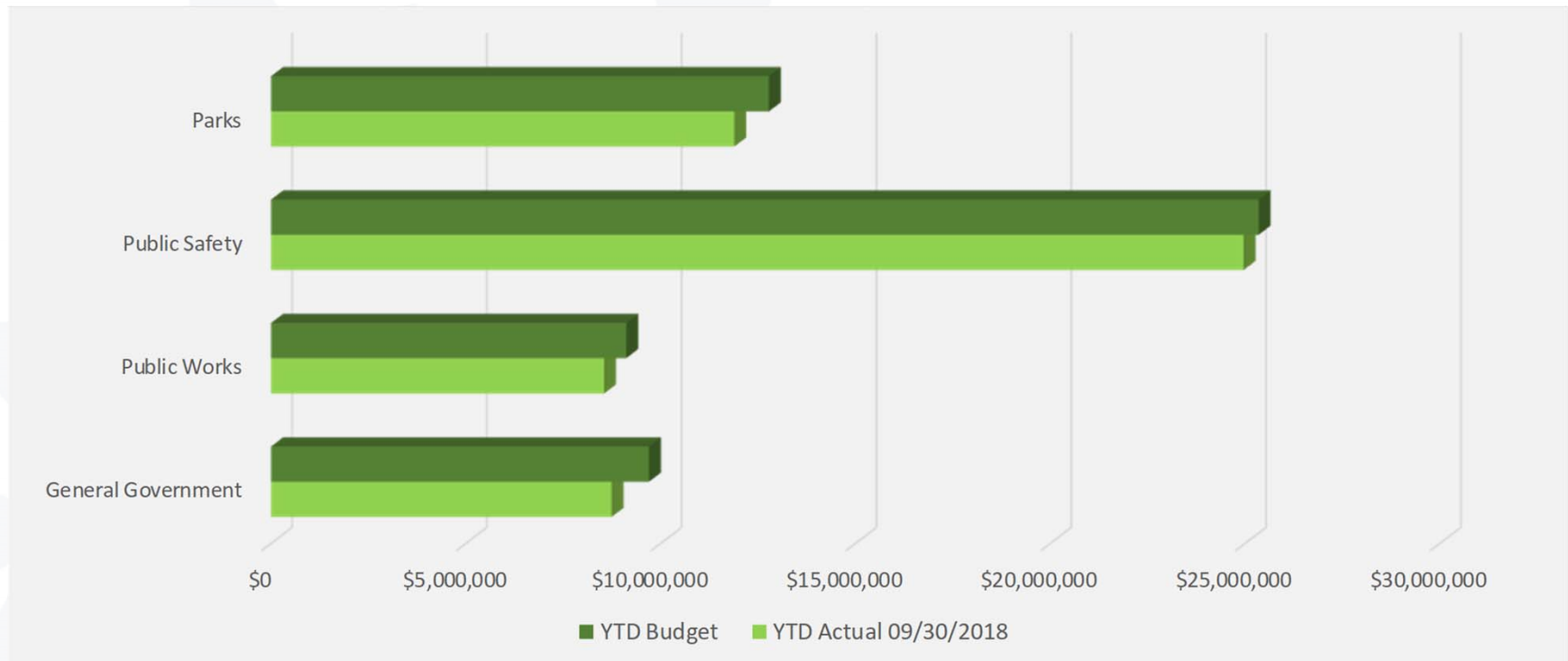
General Fund Results – Expenditures

September 2018 – Expenditure by Type

EXPENDITURES BY TYPE	ADJUSTED BUDGET 2017-18	% OF BUDGET	ACTUAL Y-T-D 9/30/2018	ACTUAL Y-T-D % 9/30/2018
Personal Services/Benefits	\$ 34,327,700	60.29%	\$ 33,706,045	59.19%
Purchased Prof & Tech Services	3,706,500	6.51%	3,587,880	6.30%
Supplies	2,092,100	3.67%	1,811,772	3.18%
Repairs & Maintenance	6,831,900	12.00%	6,604,493	11.60%
Services	7,141,300	12.54%	6,004,260	10.54%
Production & Disposal	23,000	0.04%	22,394	0.04%
Contracts	292,000	0.51%	292,000	0.51%
Events	463,300	0.81%	407,507	0.72%
Other Objects	1,261,300	2.22%	892,404	1.57%
Transfers	801,700	1.41%	801,700	1.41%
Total Appropriations	<u>\$ 56,940,800</u>	<u>100.00%</u>	<u>\$ 54,130,455</u>	<u>95.06%</u>

General Fund Results – Expenditures

September 2018 – Fiscal Year to Date



Enterprise Fund Results – Summary

September 2018 – Fiscal Year to Date

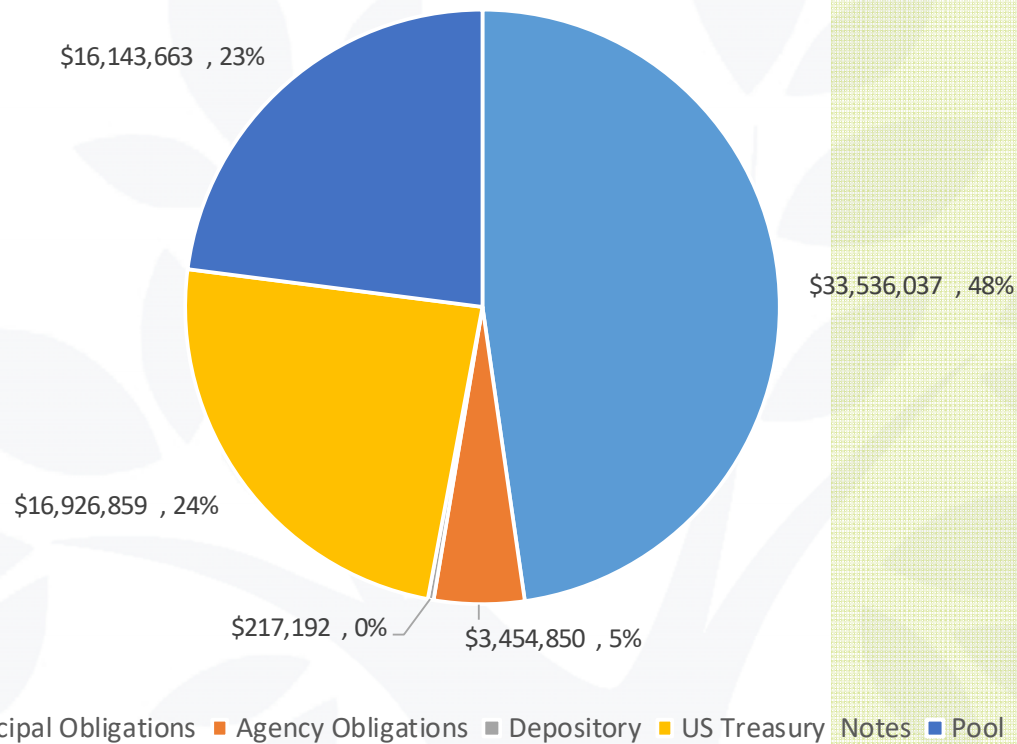
	Adjusted Budget	9/30/18 Actual	Actual As % of Budget	Expected As % of Budget	9/30/17 Actual (Period 12)	Difference	% Change
Revenues							
Water/Sewer Sales	\$ 23,497,800	\$ 23,529,308	100.13%	100.00%	\$ 19,491,903	\$ 4,037,405	20.71%
Stormwater Charges for Service	1,368,600	1,368,227	99.97%	100.00%	1,320,055	\$ 48,172	3.65%
Miscellaneous Fees & Interest	280,900	272,993	97.19%	100.00%	220,869	\$ 52,124	23.60%
	<u>\$ 25,147,300</u>	<u>\$ 25,170,528</u>	100.09%	100.00%	<u>\$ 21,032,827</u>	<u>\$ 4,137,701</u>	19.67%
Expenses							
Water/Sewer Administration	4,596,100	4,520,697	98.36%	75.00%	\$ 4,593,098	\$ (72,401)	-1.58%
Water/Sewer Operations	17,506,000	16,696,678	95.38%	75.00%	14,859,004	\$ 1,837,674	12.37%
Stormwater Utilities	1,259,000	571,306	45.38%	75.00%	255,802	\$ 315,504	123.34%
	<u>23,361,100</u>	<u>21,788,681</u>	93.27%	75.00%	<u>\$ 19,707,904</u>	<u>\$ 2,080,777</u>	10.56%
Net Income/(Loss)	<u>\$ 1,786,200</u>	<u>\$ 3,381,847</u>			<u>\$ 1,324,923</u>	<u>\$ 2,056,924</u>	

Hotel/Motel Fund Results – Summary

September 2018 – Fiscal Year to Date

	Adjusted Budget	9/30/18 Actual	Actual As % of Budget	Expected As % of Budget	9/30/17 Actual (Period 12)	Difference	% Change
Revenues							
Hotel/Motel Tax	\$ 2,800,000	\$ 2,824,613	100.88%	100.00%	\$ 2,879,478	\$ (54,865)	-1.91%
Special Revenues	55,800	63,597	113.97%	100.00%	44,279	19,318	43.63%
Interest	30,000	31,110	103.70%	100.00%	28,338	2,772	9.78%
	<u>\$ 2,885,800</u>	<u>\$ 2,919,320</u>	101.16%	100.00%	<u>\$ 2,952,095</u>	<u>\$ (32,775)</u>	-1.11%
Expenditures							
Historic Preservation	\$ 2,049,700	\$ 1,963,495	95.79%	100.00%	\$ 2,305,457	\$ (341,962)	-14.83%
Promotion of Tourism	1,336,200	1,276,801	95.55%	100.00%	1,132,707	144,094	12.72%
Convention Center	19,000	5,934	31.23%	100.00%	393,558	(387,624)	-98.49%
	<u>\$ 3,404,900</u>	<u>\$ 3,246,230</u>	95.34%	100.00%	<u>\$ 3,831,722</u>	<u>\$ (585,492)</u>	-15.28%
Net Increase/(Decrease) to Fund Balance							
	<u>\$ (519,100)</u>	<u>\$ (326,910)</u>			<u>\$ (879,627)</u>	<u>\$ 552,717</u>	

Investment Portfolio As of September 30, 2018



- Book Value at 9/30/18 - \$70,278,601
- Market Value at 9/30/18 - \$70,056,613
- Unrealized Loss - \$221,988
- Weighted Average Maturity at 9/30/18 – 275 Days
- Fiscal Year-to-Date Average Monthly Yield – 1.698%



Questions?