



**CITY OF FRISCO TEXAS
FINANCIAL SERVICES
DEPARTMENT
JANUARY 31, 2019
MONTHLY REPORT**





FINANCIAL SERVICES DEPARTMENT

Staff Report

To: **Honorable Mayor Cheney and the Frisco City Council**
Thru: **George Purefoy, City Manager**
Nell Lange, Assistant City Manager
From: **Anita Cothran, Director of Financial Services**
Date: **February 13, 2019**
Re: **Monthly Financial Report for January 2019**

Financial reports are provided for your review. Revenues and Expenses are tracking as projected in the Budget.

During the month, we finished the external audit field work with our auditors, Weaver. The Comprehensive Annual Financial Report will be sent to you next week in draft form to review before we submit for acceptance on March 5, along with the Popular Report, which is our short version of the annual report. Staff did an excellent job this year preparing the audit workpapers, the financial statements and notes and answering many questions from the audit team. As of today, we have no audit adjustments or major audit differences.

Also, during January, the Accounting staff prepared the annual required tax forms for our employees and the vendors that require a tax form. We also filed all the required quarterly and annual reports with the Federal government and State government for various tax returns, grant reports, 4A and 4B annual reports. In addition, we verified the open enrollment changes for payroll and processed the market adjustments effective in January. January is a very busy month in the Accounting Office.

We had a special bond sale for the \$35 million certificates of obligation. As announced at the Council Winter Worksession, both rating credit agencies assigned AAA/Aaa to the City's overall credit score. The markets were also very favorable on the day we held the sale with the City's true interest cost for this sale at 3.54%.

In conjunction with the new IT Security Officer, we are substantially complete with an audit of the credit card terminals throughout the City for PCI Compliance. This is a required questionnaire that we must certify each year with our Merchant Bank to ensure that our systems are secure. An updated internal review plan will be discussed with the Budget & Audit Committee at their April meeting.

The Point-in-Time Homeless Count was held in January and we had over 40 volunteers for this annual federal count. Our final statistics are being compiled for Collin County and

Denton County. The Frisco Police Department assisted our Community Development Division with this project. We also held Agency Training in January and are accepting the social service grant applications for FY 2020.

Some other projects we are working to complete include the Delinquent Tax Attorney Contract Renewal, Capital One Bank Contract Renewal for an additional two years, the selection of an architect to repurpose the Senior Center Facility for Municipal Court, and the change in the Reuse Fees Ordinance. Budget Office Staff is also diligently updating the department budget submission forms and processes to prepare for FY 2020 Budget Kickoff in late March.

Our *lean focus* for Financial Services this month is a change to the data processing for journal entries to the general ledger. The process was reviewed by two of our Accountants, flowcharted and workflow was set up in our accounting system to allow us to have staff process their own journals through excel upload, instead of keying to excel and then turning in for a Clerk to data enter. The journals go through an approval process to the Assistant Finance Director-Controller and duplicate data entry has been eliminated for most journals now. This process will save labor costs in our division. We have 27 of our 57 employees Bronze Certified, with others scheduled in the next few months to attend the training.

As always, if you have any questions, let me know.

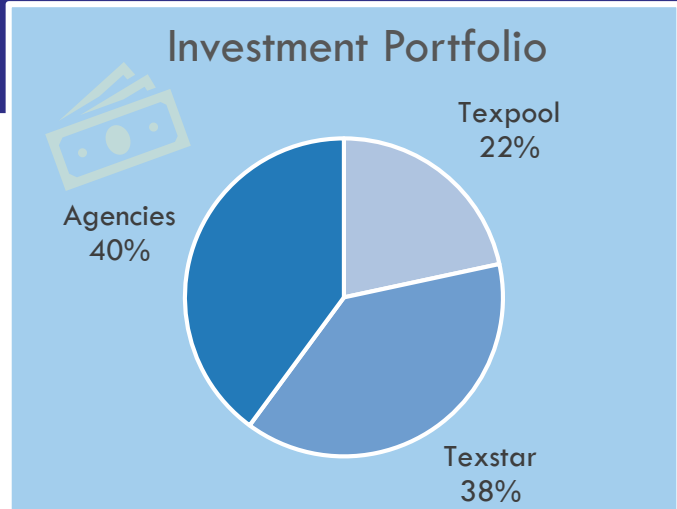
972-292-5510, acothran@friscotexas.gov.



Major Funds January 31	General	% of Budget FY19	% of Budget FY18	Utility	% of Budget FY19	% of Budget FY18
Revenue Budget	\$172,972,425			\$107,854,458		
YTD Actual	104,544,121	60%	61%	28,283,780	26%	30%
Expense Budget	175,582,082			102,253,473		
YTD Spent	46,053,883	26%	28%	27,610,267	27%	28%
Revenues Over (Under) Expenses	\$ 58,490,238			\$ 673,513		

General Fund: General Fund revenues for January include property tax collections of over \$28 million. Sales tax collections are tracking 5% above prior year collections. Overall major revenue collection streams in the General Fund are tracking as projected. Expenditures are tracking as projected in the budgeted appropriation.

Utility Fund: Utility Fund sales are still down from prior year, primarily due to weather patterns and customer consumption trends. Expenses are tracking as projected and consistent with prior year.

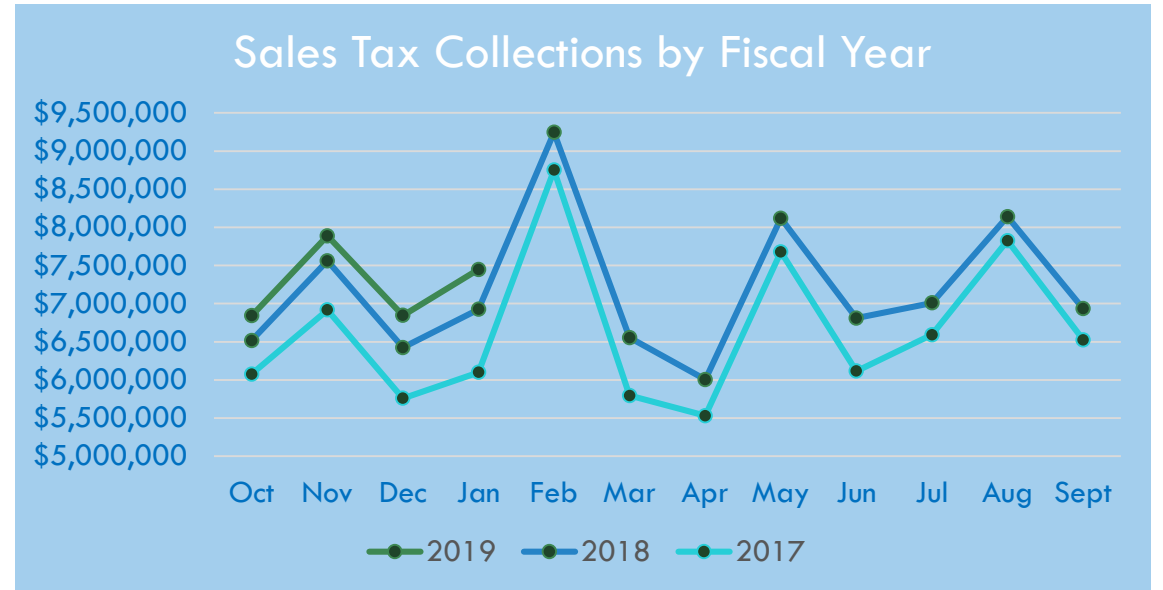


Key/Major <i>General Fund</i> Revenues	January Collections	YTD Collections	% of Budget Collected
Property Tax	\$ 28,356,791	\$ 75,763,699	92%
Sales Tax	\$ 3,722,861	\$ 14,509,417	31%
Franchise Tax	\$ 5,043,049	\$ 5,043,144	10%
Licenses & Permits	\$ 808,630	\$ 3,654,642	29%
Charges for Services	\$ 748,567	\$ 2,622,350	29%

Portfolio Balances	January
Texpool	\$138,505,805
TexStar	\$246,315,353
Agencies	<u>\$255,395,000</u>
Total	\$640,216,158

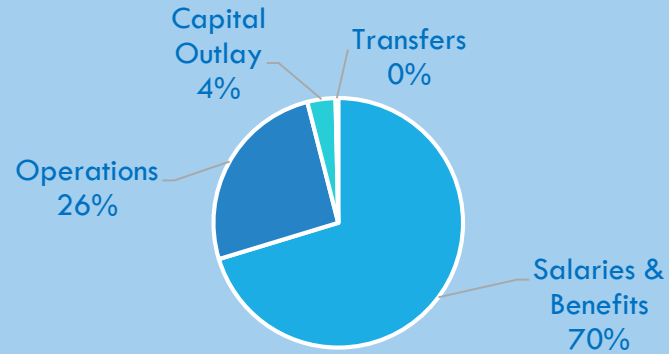
Investment Earnings YTD
\$4,386,358

Portfolio Yields	January
Texpool	2.39%
Texstar	2.39%
Agencies	2.46%

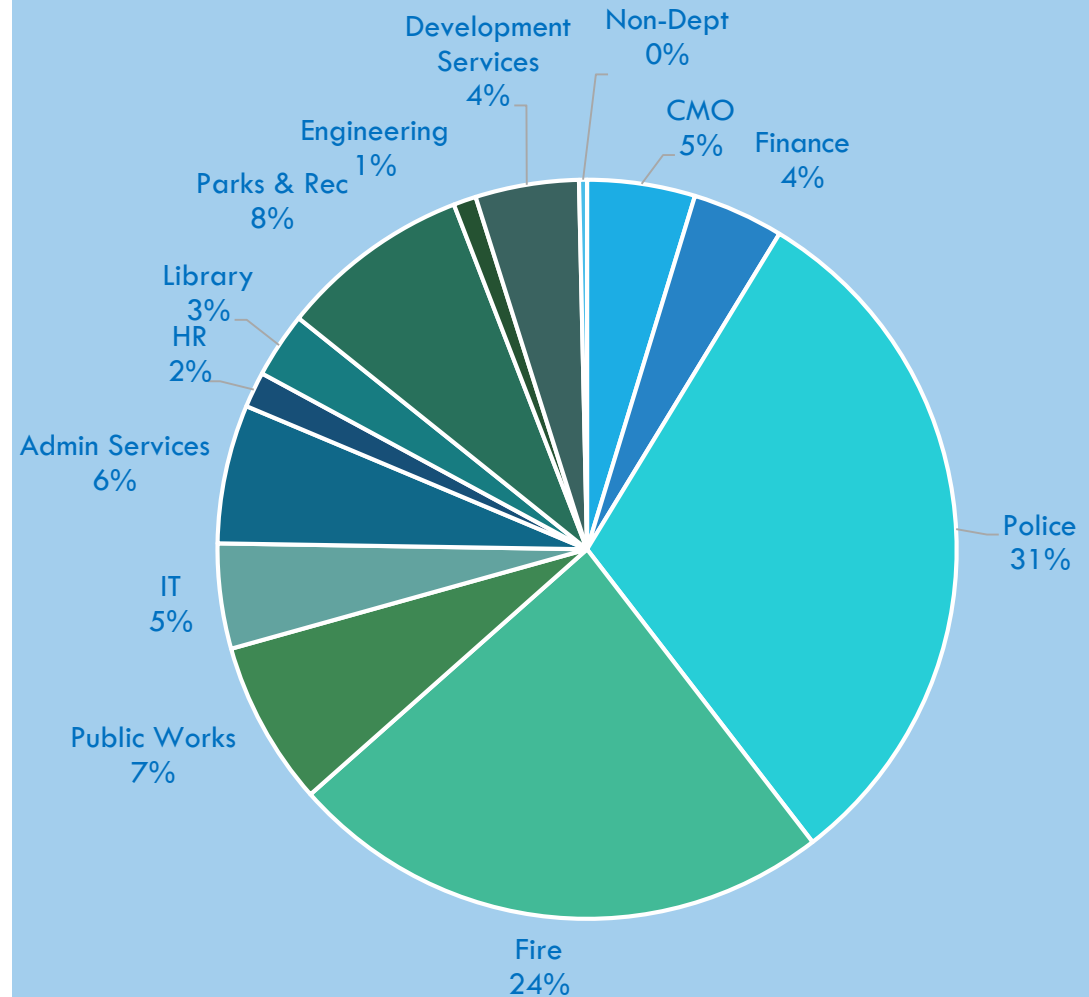





General Fund By Expenditure Category




General Fund By Expenditures by Department





 Building/Development Fees	Jan Activity
Fees Collected	\$666,345
Collin County Permits	660 Total/91 SF
Denton County Permits	382 Total/56 SF
Valuation	\$86 Million

Municipal Court 	Jan Activity
# of cases filed	1,487
# of cases closed	1,448
# warrants issued/cleared	22/309
% of on-line/phone payments	24%



Utility Billing	Jan Activity
# of active customers	57,324
# new meter sets	167
# new customers	177
# on line pay/% of total pay	14,193/25%
Fees collected UB	\$8 Million

Budget Summary for January
Fiscal Year 2019
(Compare to 33%)

	Approved Original FY19 Budget	Revised FY19 Budget	Monthly Actual	% of Bdgt	YTD Actual	% of Bdgt	Preliminary FY 18 Actual	Monthly Actual	% of YTD Act	YTD Actual	% of YTD Act	% Inc (Dec) 18/19
Gen Fund Rev												
Property Tax	82,543,680	82,543,680	28,356,791	34%	75,763,699	92%	73,986,486	26,992,473	36%	69,967,901	95%	8%
Sales Tax	46,785,104	46,785,104	3,722,861	8%	14,509,417	31%	43,104,372	3,475,624	8%	13,725,719	32%	6%
Beverage Tax	1,022,280	1,022,280	266,238	26%	266,238	26%	1,066,090	235,382	22%	235,382	22%	13%
Franchise Tax	10,649,743	10,649,743	5,043,049	47%	5,043,144	47%	10,191,809	4,559,555	45%	4,566,106	45%	10%
Licenses & Permits	12,677,795	12,677,795	808,630	6%	3,654,642	29%	12,906,768	902,560	7%	4,116,910	32%	-11%
Intergovernmental	2,166,413	2,166,413	416,610	19%	579,087	27%	2,517,437	1,050	0%	400,833	16%	44%
Charges for Services	9,106,357	9,106,357	748,567	8%	2,622,350	29%	9,206,883	671,454	7%	2,992,393	33%	-12%
Fines	2,243,745	2,243,745	144,191	6%	694,319	31%	2,273,490	123,560	5%	584,704	26%	19%
Interest Income	840,000	840,000	210,722	25%	591,633	70%	1,200,937	107,877	9%	268,791	22%	120%
Contributions	99,460	99,460	6,100	6%	16,686	17%	32,456	2,653	8%	24,058	74%	-31%
Rental Income	1,159,919	1,159,919	99,821	9%	367,997	32%	1,238,716	98,648	8%	348,536	28%	6%
Other Fees	682,617	682,617	76,324	11%	434,909	64%	445,598	22,943	5%	154,194	35%	182%
Transfers In	2,995,312	2,995,312	0	0%	0	0%	1,357,644	0	0%	0	0%	0%
Total	172,972,425	172,972,425	39,899,904	23%	104,544,121	60%	159,528,686	37,193,779	23%	97,385,527	61%	7%
Gen Fund Exp												
Administration	6,689,579	6,788,370	609,526	9%	1,968,587	29%	6,563,430	463,237	7%	1,850,772	28%	6%
Financial Services	13,960,017	14,018,437	516,131	4%	2,124,016	15%	11,048,673	442,860	4%	2,011,694	18%	6%
Police	43,943,517	44,317,123	3,983,399	9%	12,794,031	29%	39,124,610	3,012,199	8%	10,958,672	28%	17%
Fire	40,429,917	40,502,552	3,088,308	8%	11,388,829	28%	37,899,130	3,000,847	8%	11,265,363	30%	1%
Public Works	12,881,063	13,193,374	930,433	7%	3,006,846	23%	12,514,790	794,088	6%	3,629,076	29%	-17%
Human Resources	2,482,031	2,497,518	201,569	8%	666,656	27%	2,185,126	181,104	8%	591,163	27%	13%
Administrative Serv	9,468,705	10,590,618	784,716	7%	3,823,956	36%	9,296,169	798,262	9%	3,101,169	33%	23%
IT Serv	8,033,452	8,194,694	593,341	7%	1,777,281	22%	5,620,943	972,698	17%	1,834,754	33%	-3%
Library	5,252,472	5,329,410	369,645	7%	1,439,514	27%	5,143,811	365,513	7%	1,567,603	30%	-8%
Parks & Recreation	17,541,792	17,643,515	1,082,654	6%	4,152,261	24%	16,321,573	1,172,224	7%	4,308,745	26%	-4%
Engineering Serv	2,344,725	2,602,305	128,149	5%	531,612	20%	1,979,664	162,358	8%	476,961	24%	11%
Development Serv	8,622,687	8,714,688	584,698	7%	2,168,699	25%	7,135,037	533,322	7%	2,019,658	28%	7%
Non-departmental	1,189,478	1,189,478	44,906	4%	211,595	18%	3,102,321	16,512	1%	59,721	2%	254%
Total	172,839,435	175,582,082	12,917,475	7%	46,053,883	26%	157,935,277	11,915,224	8%	43,675,351	28%	5%
Rev-Exp	132,990	(2,609,657)	26,982,429		58,490,238		1,593,409	25,278,555		53,710,176		

Budget Summary for January
Fiscal Year 2019
(Compare to 33%)

	Approved Original FY19 Budget	Revised FY19 Budget	Monthly Actual	% of Bdgt	YTD Actual	% of Bdgt	Preliminary FY 18 Actual	Monthly Actual	% of YTD Act	YTD Actual	% of YTD Act	% Inc (Dec) 18/19
Utility Rev												
Water	59,219,882	59,219,882	3,153,458	5%	14,303,686	24%	56,585,320	3,214,861	6%	17,170,276	30%	-17%
Sewer	43,069,046	43,069,046	3,157,070	7%	12,745,710	30%	37,086,498	3,216,492	9%	11,863,228	32%	7%
Licenses & Permits	1,450,000	1,450,000	169,865	12%	627,209	43%	2,140,543	235,142	11%	824,858	39%	-24%
Interest	200,000	200,000	80,001	40%	276,002	138%	486,922	41,791	9%	128,667	26%	115%
Misc	570,000	570,000	62,132	11%	331,173	58%	1,084,219	89,009	8%	336,621	31%	-2%
Transfers In	3,345,530	3,345,530	0	0%	0	0%	3,319,743	0	0%	0	0%	NA
Total	107,854,458	107,854,458	6,622,526	6%	28,283,780	26%	100,703,245	6,797,295	7%	30,323,650	30%	-7%
Utility Exp												
Administration	157,347	157,347	12,701	8%	49,683	32%	286,151	11,560	4%	40,374	14%	23%
Financial Services	1,864,509	1,871,410	140,303	7%	559,296	30%	1,642,932	134,046	8%	497,746	30%	12%
Public Works	75,518,461	75,793,412	5,791,302	8%	24,889,179	33%	65,813,668	5,407,432	8%	23,056,056	35%	8%
Administrative Serv	212,775	212,775	15,038	7%	59,569	28%	178,586	12,314	7%	56,289	32%	6%
IT Serv	2,969,659	3,036,602	169,021	6%	833,988	27%	2,571,318	185,943	7%	765,473	30%	9%
Engineering Serv	4,080,047	4,105,363	296,653	7%	1,219,622	30%	3,875,651	369,383	10%	1,170,028	30%	4%
Non-departmental	17,076,564	17,076,564	750	0%	-1,070	0%	16,448,569	0	0%	0	0%	NA
Total	101,879,362	102,253,473	6,425,768	6%	27,610,267	27%	90,816,875	6,120,678	7%	25,585,966	28%	8%
Rev-Exp	5,975,096	5,600,985	196,758		673,513		9,886,370	676,617		4,737,684		
Utility Stormwater												
Revenue	3,998,821	3,998,821	330,002	8%	1,314,617	33%	3,810,970	319,650	8%	1,279,182	34%	3%
Expenses	3,360,332	3,623,664	224,367	6%	637,133	18%	3,870,457	262,681	7%	1,325,193	34%	-52%
Rev-Exp	638,489	375,157	105,635		677,484		(59,487)	56,969		(46,011)		
Environmental												
Revenue	17,386,179	17,386,179	1,454,329	8%	5,724,392	33%	16,367,092	1,291,538	8%	4,855,664	30%	18%
Expenses	17,385,988	17,452,973	1,339,333	8%	4,966,576	28%	16,188,496	1,110,195	7%	4,216,678	26%	18%
Rev-Exp	191	(66,794)	114,996		757,816		178,596	181,343		638,986		