

# **CITY OF PRINCETON**

**March 31, 2017**

**2<sup>nd</sup> Quarter Financial Report**

**(unaudited)**

**FY 2016-17**



# **CITY OF PRINCETON**

**March 31, 2017**

**2<sup>nd</sup> Quarter Financial Report (unaudited)**

**FY 2016-17**

**This report is designed for internal use and does not include all of the funds and accounts that are included in the City of Princeton's operations. For a complete report, refer to the City of Princeton Comprehensive Annual Financial Report, available on the City's website.**

**The Finance Department is dedicated to excellence in local government, comprehensive fiscal management, compliance, and reporting. The Quarterly Financial Report's aim is to provide users with the general awareness of the City's financial position and economic activity.**

**The information in this report provides a summary of the General Fund, Water and Sewer Fund, and other selected fund revenues and expenditures/expenses which offers readers an overview of the City's finances.**

# **FINANCIAL ANALYSIS**

# CITY OF PRINCETON

## General Fund Revenues 2nd Quarter Report (unaudited) March 31, 2017

*Revenues Summary:*

	<b>FY 2016-17</b>		
Revenues	Budget	as of 3/31/2017	% of Budget
Administration	\$ 3,647,088	\$ 2,963,572	81.26%
Library	21,908	11,169	50.98%
Community Relations	41,000	32,244	78.64%
Municipal Court	278,840	181,319	65.03%
Development	1,005,458	707,323	70.35%
Public Works	91,457	169	0.18%
Parks & Recreation	198,950	96,049	48.28%
Police	72,080	31,689	43.96%
Fire	130,448	70,392	53.96%
<b>Total</b>	<b>\$ 5,487,229</b>	<b>\$ 4,093,926</b>	<b>74.61%</b>

Property tax revenues are the main source of revenues for the General Fund. As of March 31, 2017, 88% of property tax revenues budgeted have been collected. This is slightly more than the prior year's collection rate of 79%. Another major source of revenue is sales tax that is 40% of budget. This is slightly less than the prior year due to sales tax revenues being recorded in the TIF Fund of \$128,150.

Revenues for the Development Department (permits, licenses, and inspections) are continuing to increase this fiscal year. As noted above, the revenue to-date is at 70% of budget.

FY2017 is the first year for the Parks & Recreation department. Collection of total revenues is currently at 48% of budget; however, this includes capital lease proceeds for two new vehicles. For fees pertaining to game registration, revenues are at 36% of budget.

Total General Fund revenues are 10% above the prior year's collection at March 31.

**CITY OF PRINCETON**  
**General Fund Expenditures**  
**2nd Quarter Report (unaudited)**  
**March 31, 2017**

*Expenditures Summary:*

	FY 2016-17		
	Budget	as of 3/31/2017	% of Budget
Administration	\$ 409,785	\$ 218,992	53.44%
City Council	14,800	3,763	25.43%
Finance	189,166	87,654	46.34%
Library	139,167	69,001	49.58%
Community Relations	140,976	96,613	68.53%
Municipal Court	266,605	128,594	48.23%
Development	491,306	351,924	71.63%
Public Works	712,165	332,402	46.67%
Parks & Recreation	422,293	233,171	55.22%
Police	1,698,926	885,885	52.14%
Emergency Management	9,650	17,161	177.83%
Fire	992,390	525,026	52.91%
<b>Total</b>	<b>\$ 5,487,229</b>	<b>\$ 2,950,186</b>	<b>53.76%</b>

Development's expenditures are higher than expected due to unexpected increase in engineering costs which has resulted in being 145% anticipated over budget. Revenues are collected for this expenditure and will be more than sufficient to cover this over-budget item.

Parks and Recreation department expenditures are slightly higher due to the timing of the purchase of the new budgeted vehicles;

Police Department is slightly above expected expenditures due to more money being spent on radio maintenance and programming and the unexpected cost of new server for computers; and

Fire Department has more than expected expenditures in uniforms & protective gear and education & training.

Total General Fund expenditures are 53.76% of budget at the end of this quarter.

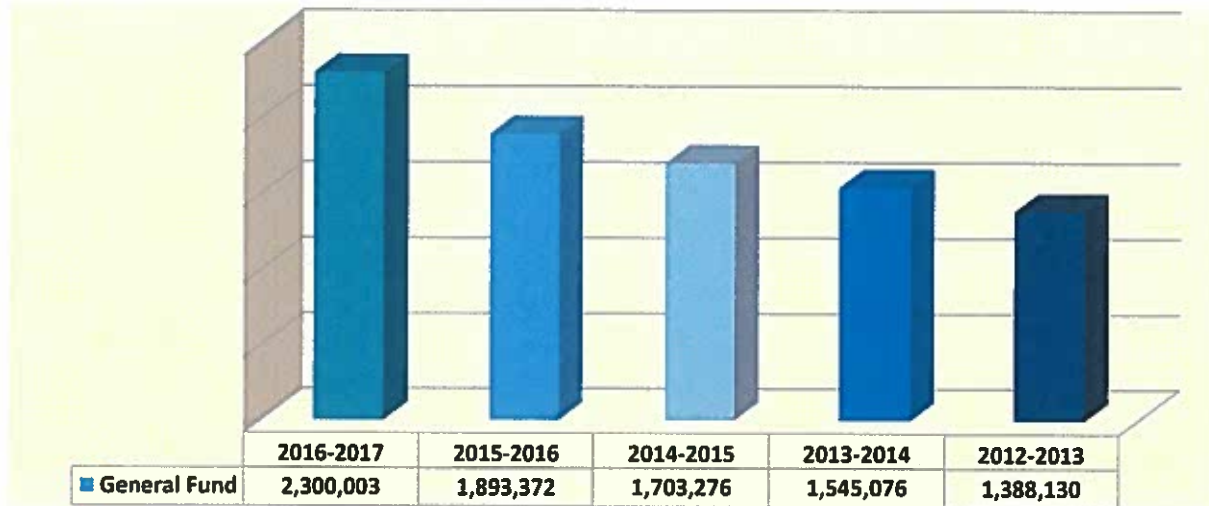
**CITY OF PRINCETON**  
**General Fund**  
**2nd Quarter Report (unaudited)**  
**March 31, 2017**

REVENUES	Current FY 2016-2017			Prior FY 2015-2016		
	Current Budget	Year-to-Date Actual	% of Budget	Current Budget	Year-to-Date Actual	% of Budget
Property Taxes	\$ 2,074,125	\$ 2,300,003	110.89%	\$ 1,965,028	\$ 1,893,372	96.35%
Sales Tax	1,109,432	445,320	40.14%	799,208	369,012	46.17%
Franchise Taxes	451,929	209,884	46.44%	306,667	163,926	53.45%
Interest	7,433	4,587	61.71%	7,475	3,340	44.68%
Miscellaneous	35,979	43,281	120.30%	65,487	52,570	80.28%
Donations & Grants	233,926	107,385	45.91%	233,524	85,962	36.81%
Court Fines	278,840	181,319	65.03%	273,040	115,435	42.28%
Parks & Recreation	290,407	95,049	32.73%	63,420	44,909	70.81%
Building Permits	411,000	276,376	67.24%	522,248	185,274	35.48%
Other Permits	139,410	170,670	122.42%	283,180	114,460	40.42%
Licenses & Fees	22,200	13,975	62.95%	54,767	13,918	25.41%
Construction & Consulting	432,548	246,077	56.89%	352,459	155,274	44.05%
<b>Total Revenue</b>	<b>\$ 5,487,229</b>	<b>\$ 4,093,926</b>	<b>74.61%</b>	<b>\$ 4,926,503</b>	<b>\$ 3,197,452</b>	<b>64.90%</b>

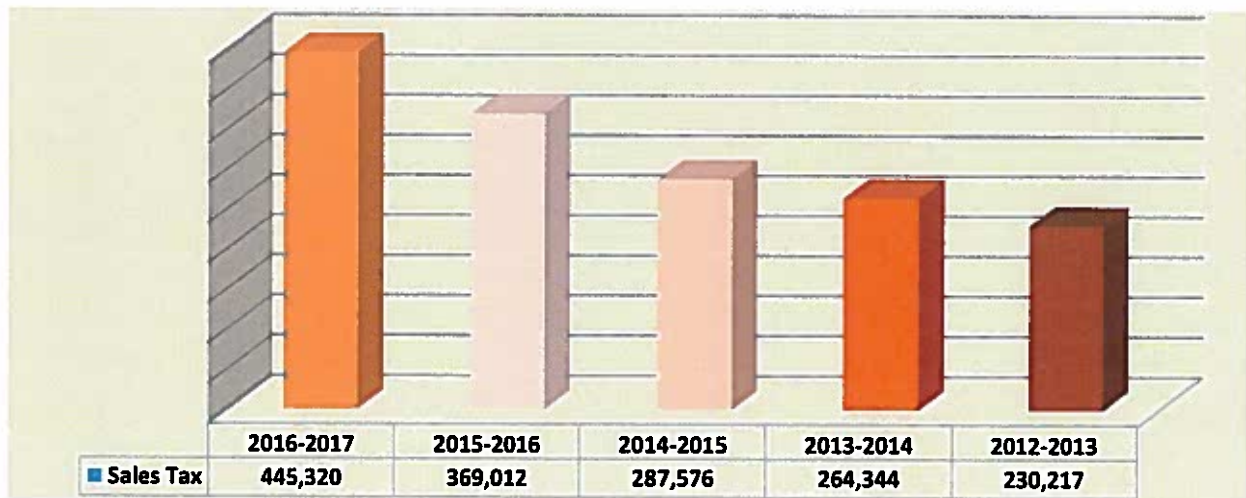
EXPENDITURES	Current FY 2016-2017			Prior FY 2015-2016		
	Current Budget	Year-to-Date Actual	% of Budget	Current Budget	Year-to-Date Actual	% of Budget
Administration	\$ 409,785	\$ 218,992	53.44%	\$ 383,904	\$ 198,934	51.82%
City Council	14,800	3,763	25.43%	19,181	6,198	32.31%
Finance	189,166	87,654	46.34%	189,888	69,481	36.59%
Library	139,167	69,001	49.58%	139,717	59,886	42.86%
Community Relations	140,976	96,613	68.53%	131,936	59,085	44.78%
Municipal Court	266,605	128,594	48.23%	260,533	114,092	43.79%
Development	404,349	305,469	75.55%	402,673	163,336	40.56%
Code Compliance	86,957	46,455	53.42%	82,621	38,641	46.77%
Facilities	323,829	161,219	49.79%	462,047	186,039	40.26%
Streets	388,336	171,183	44.08%	343,875	142,002	41.29%
Parks & Recreation	422,293	233,171	55.22%	N/A	N/A	N/A
Emergency Management	9,650	17,161	177.83%	9,194	7,838	85.25%
Police	1,698,926	885,885	52.14%	1,503,245	702,577	46.74%
Fire	992,390	525,026	52.91%	650,131	291,103	44.78%
<b>Total Expenditures</b>	<b>\$ 5,487,229</b>	<b>\$ 2,950,186</b>	<b>53.76%</b>	<b>\$ 4,578,945</b>	<b>\$ 2,039,212</b>	<b>44.53%</b>

**CITY OF PRINCETON**  
 General Fund  
 2nd Quarter Property Tax Collections  
 March 31, 2017

**Property Tax**

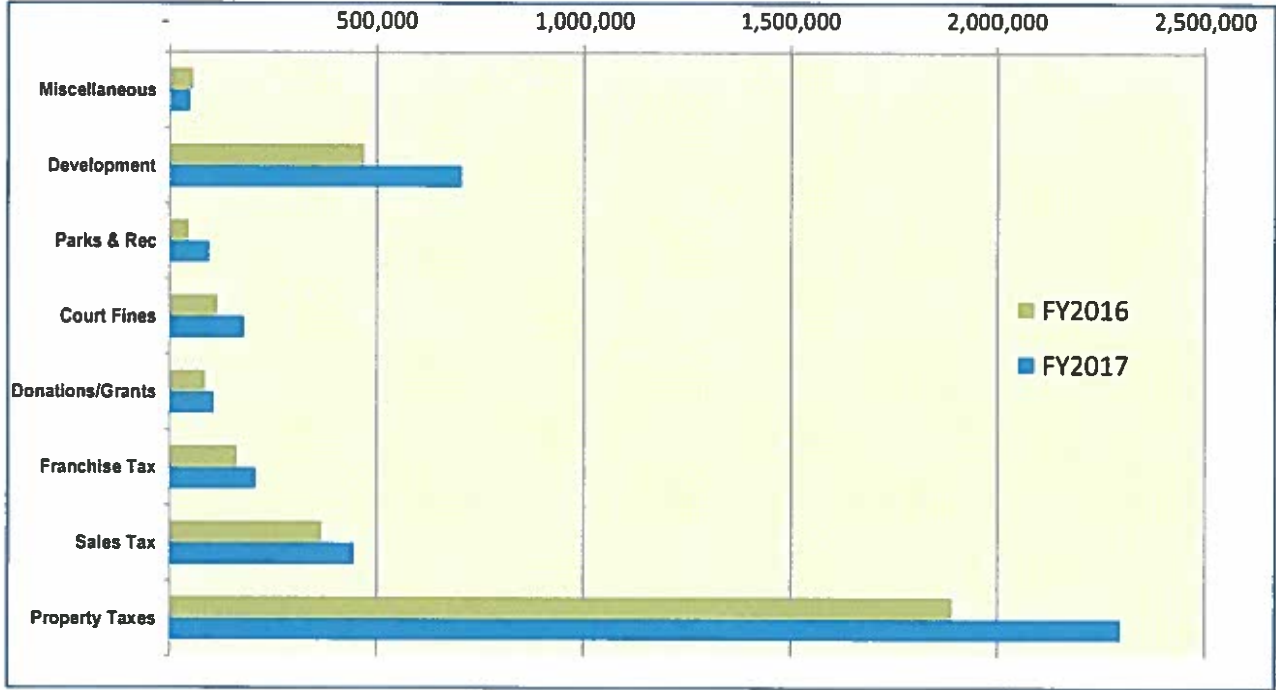


**Sales Tax**

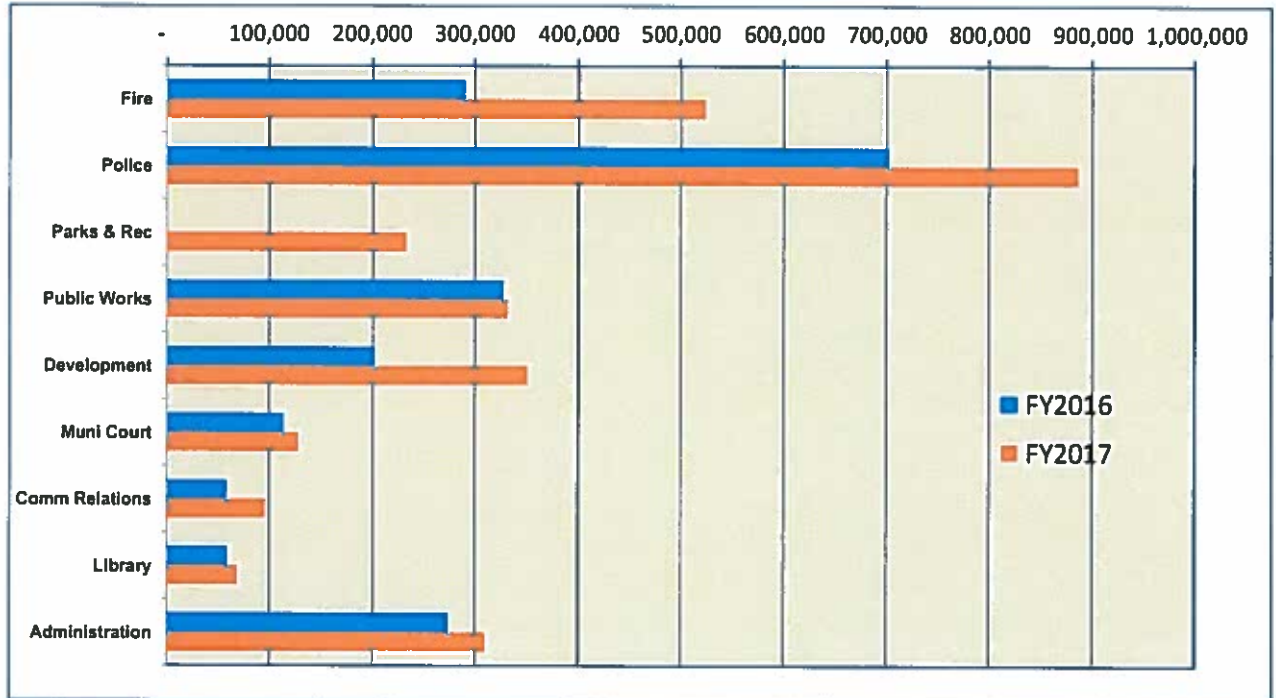


**CITY OF PRINCETON**  
 General Fund  
 2nd Quarter Property Tax Collections  
 March 31, 2017

**REVENUES**



**EXPENDITURES**





# CITY OF PRINCETON

## Debt Service Fund

2nd Quarter Report (unaudited)

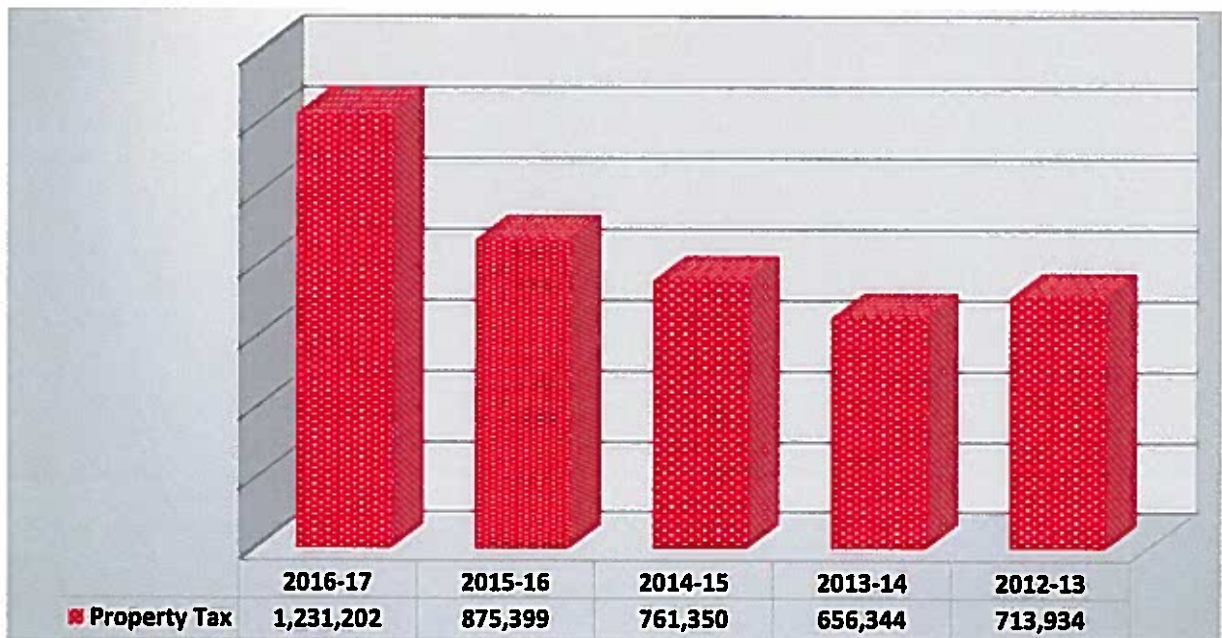
March 31, 2017

	<b>FY 2016-17</b>		
	Budget	as of 3/31/2017	% of Budget
<b>REVENUES</b>	\$ 1,134,945	\$ 1,231,202	108.48%
<b>EXPENDITURES</b>	1,106,508	632,209	57.14%
	<b>\$ 28,437</b>	<b>\$ 598,993</b>	

Property Tax revenue budget increased 28% over the prior year.

The property tax revenues collected in this fund are restricted to pay the City's bonded debt payments. The City is in compliance with all bond covenants.

### Property Tax revenue trend - 5 years



## CITY OF PRINCETON

Proprietary Funds  
2nd Quarter Report (unaudited)  
March 31, 2017

*Revenues Summary:*

	FY 2016-17		
	Budget	as of 3/31/2017	% of Budget
Water Department	\$ 4,000,337	\$ 1,996,765	49.91%
Wastewater Department	2,069,744	1,043,581	50.42%
MS4 Fund	212,561	141,521	66.58%
Impact Fees	1,003,733	1,731,368	172.49%
<b>Total</b>	<b>\$ 7,286,375</b>	<b>\$ 4,913,235</b>	<b>67.43%</b>

Revenues are in-line with budget at this halfway point of the fiscal year. Impact Fees are substantially more than budgeted due to a developer paying up-front for sewer impact fees in the amount of \$1,147,740 in March 2017 to assist with the Tickey Creek sewer project.

This is the first year to collect the Drainage fee from the utility customers. Currently, collections are above expectations. During the first six months of the fiscal year, there have been approximately 250 new customers have been added to the system.

*Expense Summary:*

	FY 2016-17		
	Budget	as of 3/31/2017	% of Budget
Customer Service			
Utility Billing	\$ 798,342	\$ 352,359	44.14%
Water Department	4,150,931	1,950,883	47.00%
Wastewater Department	1,120,808	662,590	59.12%
MS4 Fund	212,561	77,741	36.57%
Impact Fund	2,745,403	468,398	17.06%
<b>Total</b>	<b>\$ 9,028,045</b>	<b>\$ 3,511,971</b>	<b>38.90%</b>

Wastewater Department is slightly ahead of expected expenses due to unexpected engineering fees. However, total expenses are slightly less than this same time last year.

Impact fees collected are restricted for infrastructure improvements. Currently, there are several projects on-going: Hwy 380 16" water line, Tickey Creek wastewater line, and the gravity main south south of Hazelwood. Also, the drainage fees collected in the MS4 Fund are restricted for maintenance or improvements to storm drainage. There are several ongoing improvements being funded with these fees.

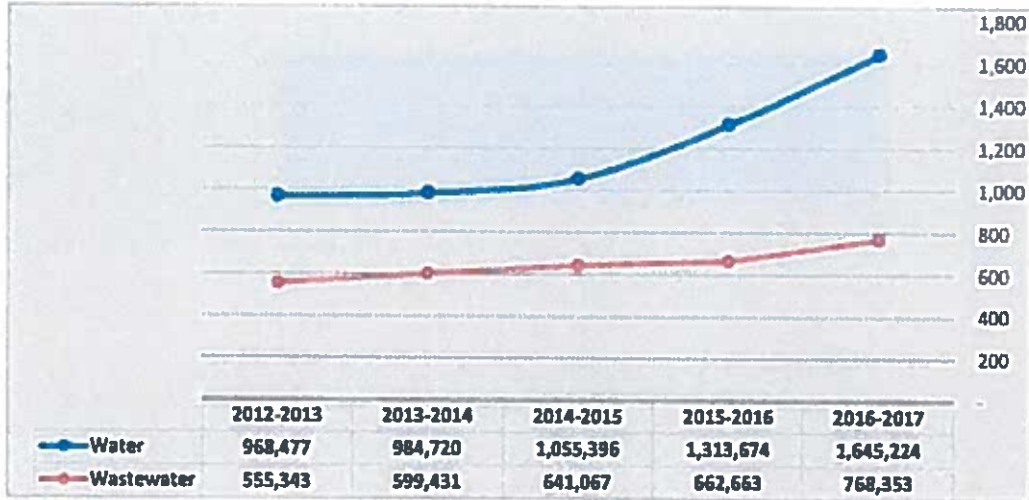
**CITY OF PRINCETON**  
**Proprietary Funds**  
**2nd Quarter Report (unaudited)**  
**March 31, 2017**

	Current FY 2016-2017			Prior FY 2015-2016		
	Current Budget	Year-to-Date Actual	% of Budget	Current Budget	Year-to-Date Actual	% of Budget
<b>REVENUES</b>						
Water Sales	\$ 3,433,677	\$ 1,645,224	47.91%	\$ 3,083,383	\$ 1,313,674	42.60%
Wastewater Sales	1,563,187	768,353	49.15%	1,430,509	662,663	46.32%
Impact Fees	1,000,000	1,726,138	172.61%	-	458,857	100.00%
Refuse	506,557	274,581	54.21%	501,542	245,385	48.93%
Drainage Fees	212,561	141,521	66.58%	N/A	N/A	N/A
Interest	4,362	6,541	149.95%	1,204	346	28.74%
Other Sales Revenues	544,503	334,428	61.42%	842,695	186,747	22.16%
Miscellaneous	21,528	16,449	76.41%	21,920	10,629	48.49%
<b>Total Revenue</b>	<b>\$ 7,286,375</b>	<b>\$ 4,913,235</b>	<b>67.43%</b>	<b>\$ 5,881,253</b>	<b>\$ 2,878,301</b>	<b>48.94%</b>

	Current FY 2016-2017			Prior FY 2015-2016		
	Current Budget	Year-to-Date Actual	% of Budget	Current Budget	Year-to-Date Actual	% of Budget
<b>EXPENDITURES</b>						
Refuse Collection	\$ 530,000	\$ 224,165	42.30%	\$ 461,689	\$ 202,281	43.81%
Water Purchases	1,229,287	512,205	41.67%	1,112,679	556,335	50.00%
Contract Services	1,290,204	645,102	50.00%	1,159,992	747,785	64.46%
Customer Svc/Util Billing	268,342	128,194	47.77%	244,855	118,219	48.28%
Water Operating Exp	1,631,440	793,576	48.64%	2,277,961	1,265,397	55.55%
Wastewater Operating Exp	1,120,808	662,590	59.12%	1,110,286	570,512	51.38%
MS4 Fund	212,561	77,741	36.57%	N/A	N/A	N/A
Impact Fund	2,745,403	468,398	17.06%	407,461	59,358	14.57%
<b>Total Expenditures</b>	<b>\$ 9,028,045</b>	<b>\$ 3,511,971</b>	<b>38.90%</b>	<b>\$ 6,774,923</b>	<b>\$ 3,519,887</b>	<b>51.95%</b>

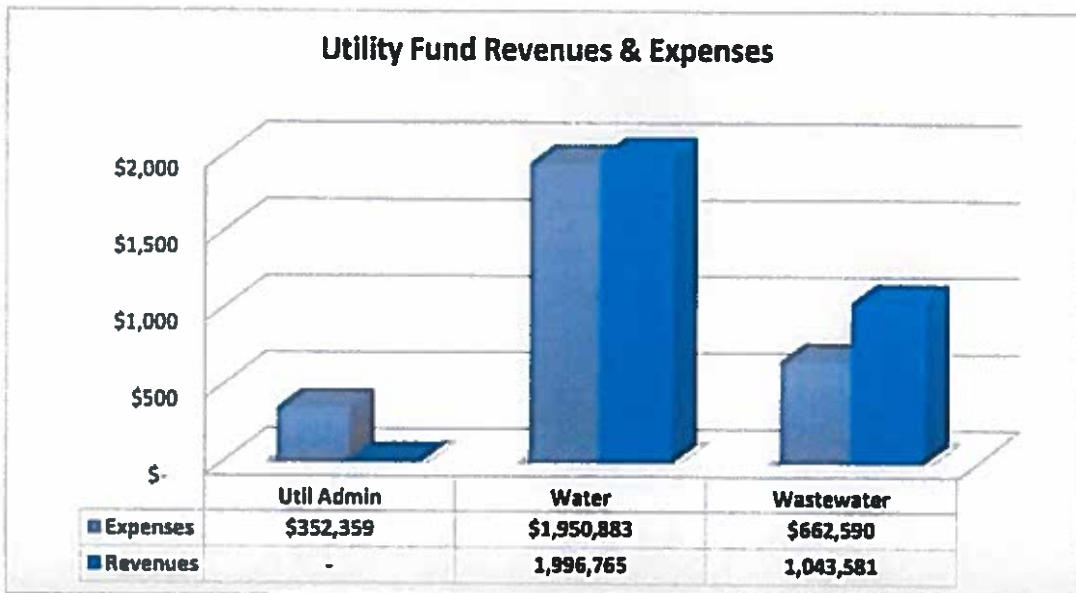
**CITY OF PRINCETON**  
**Utility Fund**  
**2nd Quarter Water and Wastewater Sales Revenues**  
**March 31, 2017**

**Water and Wastewater Sales**



Water Sales revenues continue to increase each fiscal year due to new customers being added to the system. The current year's budget is an increase of 23% over the prior year. Currently, the water sales collection are slightly more than prior year's 2nd quarter revenues by 9%.

As water sales increase so does wastewater collection. The current year's budget is a 3% increase over the prior year. Currently, sales collections are inline with budget.



# CITY OF PRINCETON

## Project Listing

2nd Quarter Report (unaudited)

March 31, 2017

Project Name	Proj #	Project Budget	Current FY Activity	Proj to-date Activity	Funding
Beauchamp Blvd (north & south)	R19. R05	\$ 5,021,936	\$ 518,665	\$ 3,158,132	Collin County, EDC, & 2015 & 2016 Bonds
Street Improvements	R27	985,000	425,096	918,639	2016 Bond
Prairie Creek Improvements	R28	245,000	221,775	359,466	2014 Tax Note & 2015 Bond
City Hall - eng/design	B47	135,000	5,191	5,191	2016 Bond
Public Works Building	B46	2,490,600	43,020	159,251	2015 & 2016 Bonds
Parkview park	P17	260,000	73,112	170,400	2016 Bond & park fees
Safer Routes	R37	659,130	25,868	67,357	NTCOG Grant, local match, & Court restricted revenue-school xing guard
First St (from Willow Ln)	R39	1,051,658	459,232	1,033,748	2014 Bond & Util Fund
El Camino & Monterey St	R40	776,521	60,164	757,179	2014 & 2015 Bonds & Util Fund
Tickey Creek wastewater line	S15	179,633	17,313	170,219	Util Impact Fees
Gravity main/Hazelwood	S30	152,750	32,625	44,637	Util Impact Fees
Gravity main/Monte Carlo	S31	235,000	-	-	Util Impact Fees
Hwy 380 water line	W32	1,159,000	82,797	94,422	Util Impact Fees

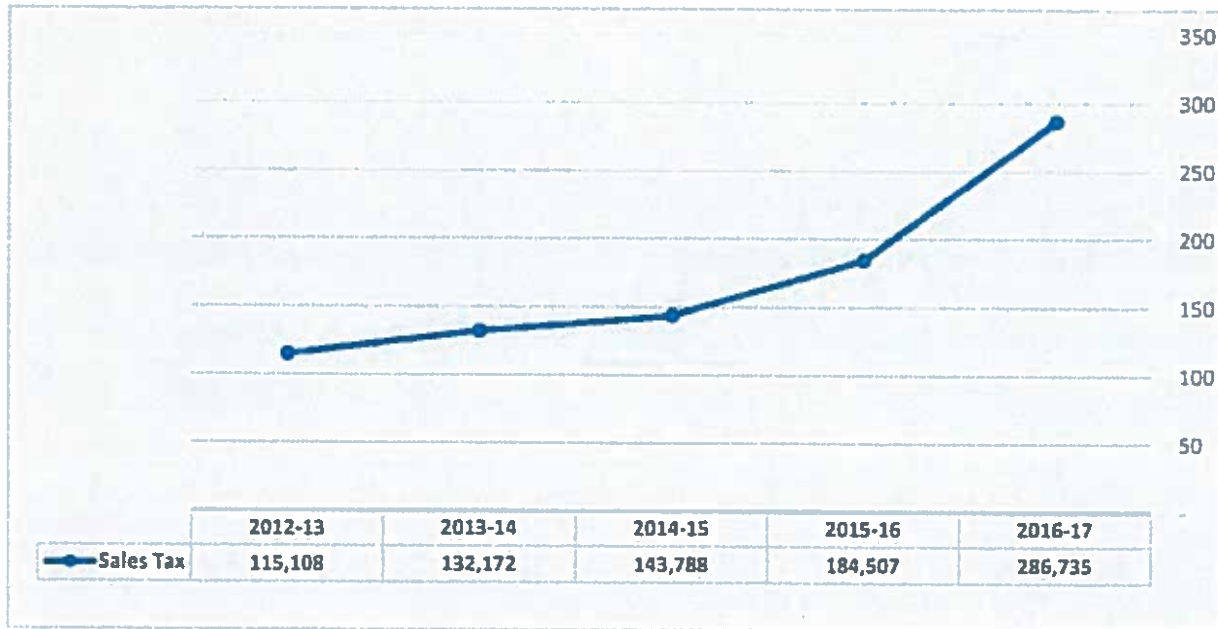
**CITY OF PRINCETON**  
**Economic Development Corporation**  
**2nd Quarter Report (unaudited)**  
**March 31, 2017**

	FY 2016-17		
	Budget	as of 3/31/2017	% of Budget
<b>REVENUES</b>	\$ 603,802	\$ 287,850	47.67%
<b>EXPENDITURES</b>	168,925	113,500	67.19%
	<b>\$ 434,877</b>	<b>\$ 174,350</b>	

The sales tax revenues budget for the current fiscal year is 55% more than the prior fiscal year.

Currently, committed funds to the City of \$12,500 to Community Relations and \$75,000 to the Debt Services fund have been expended.

**Sales Tax trend - 5 year**



**CITY OF PRINCETON**  
 Community Development Corporation  
 2nd Quarter Report (unaudited)  
 March 31, 2017

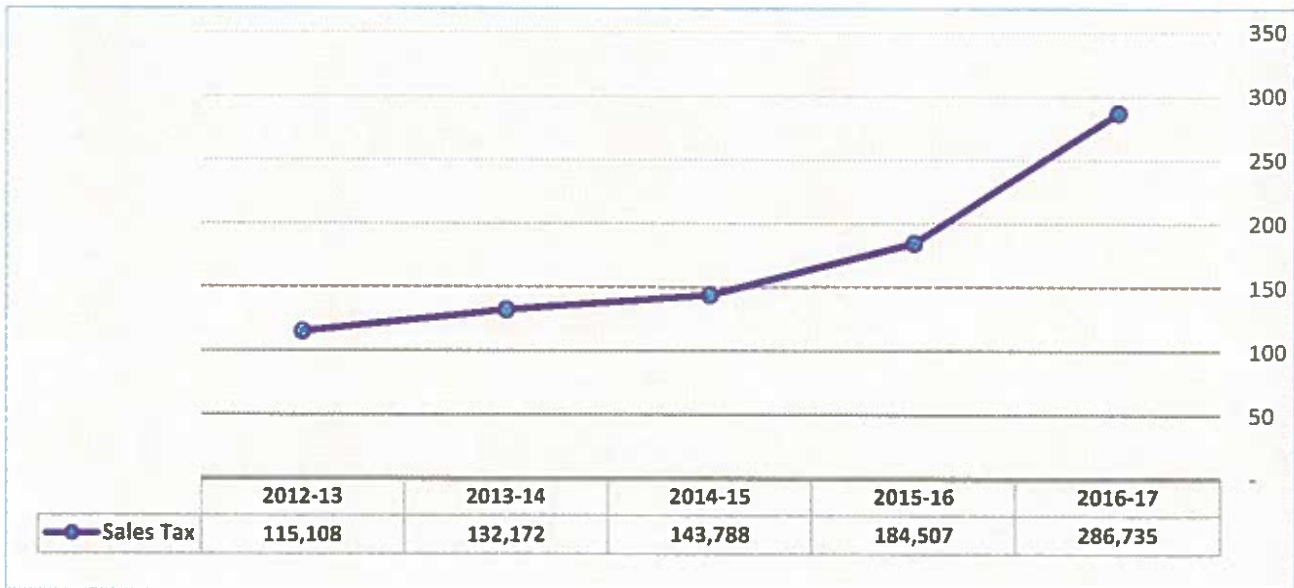
	FY 2016-17		
	Budget	as of 3/31/2017	% of Budget
<b>REVENUES</b>	\$ 603,167	\$ 287,966	47.74%
<b>EXPENDITURES</b>	270,058	136,609	50.59%
	<b>\$ 333,109</b>	<b>\$ 151,357</b>	

The sales tax revenues budget for the current fiscal year is 55% more than the prior fiscal year.

CDC has committed funds to the City for the Community Relations department of \$12,500 and Parks Department of \$14,426 for four scoreboards. These have been expended as of March 31.

Funds have also been committed for historical/preservation of the Methodist Church of which \$3,650 has been spent in the current fiscal year. Total cost for this project to-date is \$200,358. Expenditures for the Vertern's Memorial Park are \$5,235.

**Sales Tax trend - 5 year**



# **INVESTMENT REPORT**



FUND	DESC	BEGINNING BALANCE 12/31/2016	DEPOSITS	WITHDRAWALS	INTEREST	ENDING BALANCE 03/31/2017	% OF TOTAL	03/31/2017 YIELD/ APR	90 DAY T- BILL YIELD/ APR
<b>LOCAL GOVERNMENT INVESTMENT POOL - TEXPOOL</b>									
GENERAL FUND	TEXPOOL RESERVE FUND	\$ 676,715.76	\$ -	\$ -	\$ 942.72	\$ 677,658.48		0.6222%	
GENERAL FUND	TEXPOOL FIRE DEPARTMENT	65,479.56	396.44	-	93.34	65,969.34		0.6222%	
DEBT SERVICE FUND	TEXPOOL I&S FUND	905,348.22	393,513.67	-	1,688.78	1,300,550.67		0.6222%	
CDC CORPORATION	TEXPOOL COMMUNITY DEVELOPMENT COF	519,767.40	142,900.32	(106,799.93)	746.82	556,614.61		0.6222%	
EDC CORPORATION	TEXPOOL ECONOMIC DEVELOPMENT CORP	438,300.77	142,900.31	(114,892.29)	704.39	467,013.18		0.6222%	
ENTERPRISE FUND	TEXPOOL 2007 CO	5,617.86	-	-	7.99	5,625.85		0.6222%	
ENTERPRISE FUND	TEXPOOL UTILITY CUSTOMERS DEPOSITS	526,849.09	-	-	745.65	527,594.74		0.6222%	
ENTERPRISE FUND	TEXPOOL UTILITY IMPACT ACCOUNT	2,243,257.16	195,070.80	(304,390.18)	2,980.29	2,136,918.07		0.6222%	
<b>TOTAL - LOCAL GOVERNMENT INVESTMENT POOL - TEXPOOL</b>		<b>\$ 5,381,335.82</b>	<b>\$ 874,781.54</b>	<b>\$ (526,082.40)</b>	<b>\$ 7,989.98</b>	<b>\$ 5,737,944.94</b>	<b>27.40%</b>		<b>0.75%</b>
<b>TEXPOOL NET ASSET VALUE PER SHARE</b>									
						\$ 1.000018			
						44			
<b>TEXSTAR ACCOUNTS</b>									
TEXSTAR	TEXSTAR 2014 CERTIFICATE OF OBLIGATION	262,729.18	-	(64,047.39)	334.23	199,016.02		0.6269%	
TEXSTAR	TEXSTAR 2015 CERTIFICATE OF OBLIGATION	1,633,743.83	3,015.00	(396,768.09)	1,970.97	1,241,961.71		0.6269%	
TEXSTAR	TEXSTAR 2016 CERTIFICATE OF OBLIGATION	8,423,392.76	-	(73,954.54)	11,923.02	8,361,361.24		0.6269%	
<b>TOTAL - LOCAL GOVERNMENT INVESTMENT POOL - TEXSTAR</b>		<b>10,319,865.77</b>	<b>3,015.00</b>	<b>(534,770.02)</b>	<b>14,228.22</b>	<b>9,802,338.97</b>	<b>46.80%</b>		<b>0.75%</b>
<b>TEXSTAR NET ASSET VALUE PER SHARE</b>									
						\$ 1.000059			
						41			
<b>CITIZENS BANK</b>									
OPERATING ACCOUNT	CITIZENS CONSOLIDATED CASH	\$ 1,938,786.74	\$ 7,867,794.59	(6,967,236.72)	\$ 159.55	2,839,504.16		0.15%	
OPERATING MONEY MARKET	CITIZENS CONSOLIDATED CASH MONEY MAI	1,152,323.48	-	-	431.03	1,152,754.51		0.15%	
OPERATING PAYROLL	CITIZENS PAYROLL	923.37	-	-	-	923.37		0.00%	
CIP PARK ACCOUNT	CITIZENS PARK IMPROVEMENT	46,286.40	-	-	4.61	46,291.01		0.04%	
GEN. FUND POLICE ACCOUNT	CITIZENS LAW ENFORCEMENT SEIZURE	3,657.92	-	-	0.36	3,658.28		0.04%	
CIP STREET IMPROVE.	CITIZENS STREET IMPROVEMENT	162,385.15	-	-	101.24	162,486.39		0.25%	
WATER CUSTOMER DEP. EF	CITIZENS WATER METER	25,231.26	9,335.00	(26,140.99)	1.61	8,426.88		0.04%	
BEAUCHAMP BLVD SO CO BON	CITIZENS THOROUGHFARE PROJECT	376,793.68	-	-	140.95	376,934.63		0.15%	
BEAUCHAMP BLVD NR CO BON	CITIZENS THOROUGHFARE PROJECT	1,073.77	-	-	0.40	1,074.17		0.15%	
CITIZENS CD RESERVES	CITIZEN GENERAL RESERVES CD	512,771.49	-	-	711.17	513,482.66		0.50%	
<b>TOTAL - CITIZENS STATE BANK</b>		<b>4,220,233.26</b>	<b>7,877,129.59</b>	<b>(6,993,377.71)</b>	<b>1,550.92</b>	<b>5,105,536.06</b>	<b>24.38%</b>		<b>0.75%</b>

FUND	DESC	BEGINNING BALANCE 12/31/2016	DEPOSITS	WITHDRAWALS	INTEREST	ENDING BALANCE 03/31/2017	% OF TOTAL	03/31/2017 YIELD/ APR	90 DAY T-BILL YIELD/ APR
INDEPENDENT	INDEPENDENT BANK INDEX FUND	298,896.88	-	-	221.15	299,118.03		0.30%	0.75%
TOTAL - INDEPENDENT BANK		298,896.88	-	-	221.15	299,118.03	1.43%		
TOTAL CITIZENS BANK & INDEPENDENT BANK		4,519,130.14	7,877,129.59	(6,993,377.71)	1,772.07	5,404,654.09			
GRAND TOTAL CASH AND INVESTMENTS		\$ 20,220,331.73	\$ 8,754,926.13	\$ (8,054,230.13)	\$ 23,910.27	\$ 20,944,938.00			

COLLATERALIZATION OF BANK DEPOSITS

	BOOK VALUE	MARKET VALUE
TOTAL FEDERAL SECURITIES	3/31/2017	3/31/2017
	\$ 5,844,461.48	\$ 5,756,124.07
BANK BALANCE		\$ 5,404,654.09
FDIC COVERAGE		\$ (750,000.00)
DIFFERENCE		\$ 4,654,654.09
DIFFERENCE @ 102%		1.02
AMOUNT TO BE COVERED BY COLLATERAL		\$ 4,747,747.17

The undersigned serves as the Investment Officer for the City of Princeton. I certify that all instruments held in the City's investment portfolios for the period of Jan 1, 2017 through Mar 31, 2017: (a) met the investment guidelines and complied with the investment strategies as authorized by the City's Investment Policies, and (b) did not violate any applicable provisions of section 2256 of the Government Code of Texas.

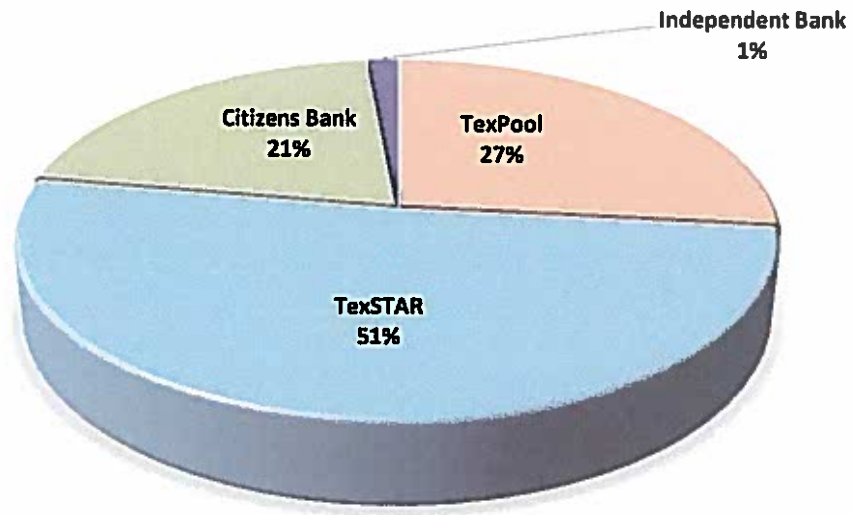
SIGNED: Janet Boy 4-13-2017  
INVESTMENT OFFICER DATE

SIGNED: Carrie Page 4.13.2017  
INVESTMENT OFFICER DATE

# CITY OF PRINCETON, TEXAS

Quarterly Portfolio Change  
as of March 31, 2017

as of 12/31/2016



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as of 3/31/2017

