



MEMORANDUM

FINANCE

TO: Mayor Bob Phelps and the
City Council

THRU: Charles S. Cox
City Manager

FROM: Sherrelle Evans-Jones, CPA
Director of Finance

DATE: January 16, 2017

SUBJECT: Financial Report – December 2016

Revenue and Expenditure Reports for December 2016 are attached. Revenues for this report include a column entitled "Expected as % of Budget Year-to-Date." This column, used primarily for revenues with budgets exceeding \$200,000, is used to more quickly identify revenue fluctuations based on a five-year historical trend.

The attached Pooled Cash and Investments report represents cash and investment totals by fund as of the end of December 2016.

Attachments

**GENERAL FUND
STATEMENT OF REVENUE
December 2016
(UNAUDITED)**

	ADOPTED BUDGET 2016-17	ACTUAL REVENUES Y-T-D 12/31/16	ACTUAL AS % OF BUDGET (Y-T-D)	EXPECTED AS % OF BUDGET (Y-T-D)	ACTUAL AS % OF EXPECTED (Y-T-D)
<u>TAXES</u>					
PROPERTY TAXES	\$24,350,000	\$7,775,493	31.93%	27.00%	118.27%
SALES & USE TAXES	14,130,000	3,520,924	24.92%	26.00%	95.84%
MIXED BEVERAGE	85,000	19,959	23.48%		
FRANCHISE FEES	4,516,000	989,236	21.91%	23.00%	95.24%
PENALTIES & INTEREST	100,000	4,823	4.82%		
SUB-TOTAL	\$43,181,000	\$12,310,435	28.51%	26.00%	109.65%
<u>LICENSES & PERMITS</u>					
HEALTH	\$45,000	\$12,240	27.20%		
BUILDING	1,509,000	317,932	21.07%	28.00%	75.25%
PLUMBING	100,000	29,446	29.45%		
ELECTRICAL	95,000	24,114	25.38%		
HVAC	60,000	20,920	34.87%		
MULTI-FAMILY INSPECTION	100,000	34,385	34.39%		
SUB-TOTAL	\$1,909,000	\$439,037	23.00%	27.00%	85.18%
<u>CHARGES FOR SERVICES</u>					
ZONING	\$20,000	\$4,736	23.68%		
PRINTING & DUPLICATING	12,000	2,506	20.88%		
POLICE SERVICES	219,100	37,263	17.01%		
AMBULANCE & 911 SERVICES	1,610,000	337,823	20.98%	25.00%	83.93%
FIRE SERVICES	20,000	5,557	27.79%		
REFUSE SERVICES	3,263,000	384,425	11.78%	19.00%	62.01%
HEALTH & INSPECTION FEE	85,000	24,053	28.30%		
ANIMAL CONTROL & SHELTER	35,000	5,360	15.31%		
AQUATIC CENTER FEES	446,800	25,575	5.72%	6.00%	95.40%
SENIOR CENTER FEES	35,000	6,462	18.46%		
PARKS & REC CONCESSIONS	223,200	45,350	20.32%	25.00%	81.27%
BUILDING USE FEES	490,000	78,875	16.10%	19.00%	84.72%
EVENTS	5,700	3,702	64.95%		
SUB-TOTAL	\$6,464,800	\$961,687	14.88%	21.00%	70.84%
<u>FINES, FORFEITS & ASSESSMENTS</u>					
COURT	\$2,557,000	\$407,825	15.95%	22.00%	72.50%
LIBRARY	160,000	29,633	18.52%		
SUB-TOTAL	\$2,717,000	\$437,458	16.10%	22.00%	73.19%

**GENERAL FUND
STATEMENT OF REVENUE
December 2016
(UNAUDITED)**

	ADOPTED BUDGET 2016-17	ACTUAL REVENUES Y-T-D 12/31/16	ACTUAL AS % OF BUDGET (Y-T-D)	EXPECTED AS % OF BUDGET (Y-T-D)	ACTUAL AS % OF EXPECTED (Y-T-D)
<u>INTEREST/RENTS/CONTRIBUTIONS</u>					
INTEREST	\$150,000	\$41,432	27.62%		
RENTS	580,000	219,989	37.93%	29.00%	130.79%
<i>SUB-TOTAL</i>	\$730,000	\$261,421	35.81%	16.00%	223.82%
<u>MISCELLANEOUS</u>					
MISCELLANEOUS	\$34,000	\$46,298	136.17%		
RECYCLING	10,000	641	6.41%		
SALE OF ASSETS	10,000	16,186	161.86%		
DEVELOPER ADVANCE	0	75,000	0.00%		
INSURANCE RECOVERY	21,500	2,498	11.62%		
<i>SUB-TOTAL</i>	\$75,500	\$140,623	186.26%	25.00%	745.02%
 GRAND TOTAL	\$55,077,300	\$14,550,661	26.42%	26.00%	101.61%

**ENTERPRISE FUNDS
STATEMENT OF REVENUE
December 2016
(UNAUDITED)**

	ADOPTED BUDGET 2016-17	ACTUAL REVENUES Y-T-D 12/31/16	ACTUAL AS % OF BUDGET (Y-T-D)	EXPECTED AS % OF BUDGET (Y-T-D)	ACTUAL AS % OF EXPECTED (Y-T-D)
<u>INTEREST/RENTS/CONTRIBUTIONS</u>					
INTEREST	\$8,000	(\$1,174)	-14.68%		
SUB-TOTAL	\$8,000	(\$1,174)	-14.68%	25.00%	-58.70%
<u>MISCELLANEOUS</u>					
RECONNECTS/SVC CHARGE	\$48,000	\$9,125	19.01%		
LATE FEES	175,000	45,281	25.87%		
SALE OF ASSETS	10,000	426	4.26%		
MISCELLANEOUS	2,800	275	9.82%		
SUB-TOTAL	\$235,800	\$55,107	23.37%	25.00%	93.48%
<u>WATER/SEWER SALES</u>					
WATER SALES	\$14,603,300	\$3,580,277	24.52%	27.00%	90.80%
SEWER SERVICE	6,231,300	1,581,709	25.38%	26.00%	97.63%
ADDISON SEWER	18,000	5,492	30.51%		
BACKFLOW PROGRAM	30,000	6,370	21.23%		
TAPPING FEES	11,000	550	5.00%		
SUB-TOTAL	\$20,893,600	\$5,174,398	24.77%	25.00%	99.06%
<u>STORMWATER UTILITIES</u>					
CHARGES FOR SERVICES	\$1,284,000	\$329,188	25.64%	25.00%	102.55%
SUB-TOTAL	\$1,284,000	\$329,188	25.64%	25.00%	102.55%
 GRAND TOTAL	\$22,421,400	\$5,557,519	24.79%	27.00%	91.80%

**HOTEL/MOTEL FUND
STATEMENT OF REVENUE
December 2016
(UNAUDITED)**

	ADOPTED BUDGET 2016-17	ACTUAL REVENUES Y-T-D 12/31/16	ACTUAL AS % OF BUDGET (Y-T-D)	EXPECTED AS % OF BUDGET (Y-T-D)	ACTUAL AS % OF EXPECTED (Y-T-D)
<u>OTHER TAXES</u>					
HOTEL/MOTEL TAX	\$2,850,000	\$722,586	25.35%	25.00%	101.42%
SUB-TOTAL	<u>\$2,850,000</u>	<u>\$722,586</u>	<u>25.35%</u>	<u>25.00%</u>	<u>101.42%</u>
<u>INTEREST/RENTS/CONTRIBUTIONS</u>					
INTEREST	\$7,000	\$4,740	67.71%		
SUB-TOTAL	<u>\$7,000</u>	<u>\$4,740</u>	<u>67.71%</u>	<u>25.00%</u>	<u>270.86%</u>
<u>SPECIAL REVENUES</u>					
MISCELLANEOUS	\$2,500	\$476	19.04%		
HISTORICAL PARK RENTALS	15,000	5,516	36.77%		
HISTORICAL PARK TEAS	5,300	5,650	106.60%		
EVENTS	33,200	17,241	51.93%		
SUB-TOTAL	<u>\$56,000</u>	<u>\$28,883</u>	<u>51.58%</u>	<u>25.00%</u>	<u>206.31%</u>
GRAND TOTAL	<u><u>\$2,913,000</u></u>	<u><u>\$756,209</u></u>	<u><u>25.96%</u></u>	<u><u>25.00%</u></u>	<u><u>103.84%</u></u>

**GENERAL FUND
STATEMENT OF EXPENDITURES
December 2016
(UNAUDITED)**

DIVISION	ADOPTED BUDGET 2016-17	ACTUAL EXPENDITURES AND ENCUMBRANCES 12/31/2016	ACTUAL AS % OF BUDGET (Y-T-D)
GENERAL GOVERNMENT	\$201,700	\$31,253	15.49%
GENERAL CONTRACTS	292,000	197,000	67.47%
ADMINISTRATION	717,100	158,117	22.05%
LEGAL	380,000	55,737	14.67%
NON-DEPARTMENTAL	(939,500)	(631,009)	67.16%
COMMUNICATIONS	628,900	199,142	31.67%
ECONOMIC DEVELOPMENT	613,000	146,392	23.88%
HUMAN RESOURCES	988,300	216,999	21.96%
FINANCE ADMINISTRATION	701,000	219,849	31.36%
ACCOUNTING	833,200	201,778	24.22%
INFORMATION SERVICES	2,747,600	772,750	28.12%
MUNICIPAL COURT	586,800	142,491	24.28%
PURCHASING	127,300	29,281	23.00%
PLANNING	373,300	88,228	23.63%
COMMUNITY SERVICES ADMIN.	417,100	97,712	23.43%
BUILDING INSPECTION	1,225,300	244,397	19.95%
ANIMAL SERVICES	772,900	181,759	23.52%
PUBLIC WORKS ADMINISTRATION	693,700	168,526	24.29%
SOLID WASTE COLLECTION	2,867,700	1,423,104	49.63%
STREET MAINTENANCE	3,899,700	831,446	21.32%
ENVIRONMENTAL SERVICES	471,600	78,816	16.71%
POLICE ADMINISTRATION	1,513,400	363,808	24.04%
POLICE INVESTIGATIONS	2,000,000	547,749	27.39%
POLICE PATROL	6,521,400	1,571,646	24.10%
POLICE DETENTION	1,081,400	292,352	27.03%
POLICE COMMUNICATIONS	1,831,200	800,985	43.74%
POLICE TRAINING	146,300	40,025	27.36%
FIRE ADMINISTRATION	1,398,700	360,110	25.75%
FIRE PREVENTION	503,900	136,955	27.18%
FIRE OPERATIONS	9,511,700	2,616,320	27.51%
PARKS & RECREATION ADMIN.	524,400	127,851	24.38%
PARK MAINTENANCE	5,181,700	1,271,277	24.53%
RECREATION	1,873,300	437,160	23.34%
SWIMMING POOL	979,200	156,571	15.99%
SENIOR CENTER	788,400	170,052	21.57%
PARK BOARD	9,800	374	3.82%
SENIOR ADVISORY BOARD	4,800	1,693	35.27%
EVENTS	931,000	146,107	15.69%
LIBRARY	1,873,000	552,726	29.51%
GRAND TOTAL	<u><u>\$55,272,300</u></u>	<u><u>\$14,447,529</u></u>	<u><u>26.14%</u></u>

**ENTERPRISE FUNDS
STATEMENT OF EXPENDITURES
December 2016
(UNAUDITED)**

DIVISION	ADOPTED BUDGET 2016-17	ACTUAL EXPENDITURES AND ENCUMBRANCES 12/31/16	ACTUAL AS % OF BUDGET (Y-T-D)
WATER & SEWER ADMINISTRATION	\$4,671,300	\$1,226,137	26.25%
WATER & SEWER OPERATIONS	15,115,500	3,152,898	20.86%
STORMWATER UTILITIES	<u>1,024,800</u>	<u>69,704</u>	<u>6.80%</u>
GRAND TOTAL	<u><u>\$20,811,600</u></u>	<u><u>\$4,448,739</u></u>	<u><u>21.38%</u></u>

**HOTEL/MOTEL FUND
STATEMENT OF EXPENDITURES
December 2016
(UNAUDITED)**

DIVISION	ADOPTED BUDGET 2016-17	ACTUAL EXPENDITURES AND ENCUMBRANCES 12/31/16	ACTUAL AS % OF BUDGET (Y-T-D)
HISTORICAL PRESERVATION	\$2,217,600	\$597,392	26.94%
PROMOTION OF TOURISM	1,274,400	542,654	42.58%
CONVENTION CENTER	<u>19,000</u>	<u>0</u>	<u>0.00%</u>
GRAND TOTAL	<u><u>\$3,511,000</u></u>	<u><u>\$1,140,046</u></u>	<u><u>32.47%</u></u>

Pooled Cash and Investments
Including Premiums/(Discounts)



December, 2016 (unaudited)

Cash and Investments

**FARMERS
BRANCH**

<u>Fund No.</u>	<u>Fund Name</u>	<u>Dec-31-2015</u>	<u>Oct-01-2016</u>	<u>Dec-31-2016</u>
<u>General Fund:</u>				
101	General	\$5,870,727	\$6,955,907	\$7,106,471
102	Payroll	882,342	928,727	959,034
103	Fixed Assets	946,586	812,149	1,218,918
105	Economic Development	3,090,085	2,715,318	2,740,318
Sub-Total		<u>10,789,740</u>	<u>11,412,100</u>	<u>12,024,741</u>
<u>Special Revenue Fund:</u>				
201	Hotel-Motel	1,426,644	2,057,093	1,967,446
202	Police Forfeitures	200,098	198,082	213,687
203	Special Revenue Donations	170,821	182,204	181,257
205	Youth Scholarship	16,695	16,852	16,665
206	Grant	13,180	1,913	2,908
207	Building Security	99,883	42,498	32,412
208	LF Closure/Post Closure	3,873,694	3,895,468	3,534,382
209	Court Technology	103,140	80,417	75,860
211	Stars Center	1,240,622	0	0
212	Cemetery	14,739	1,777	2,948
214	Photographic Light System	529,732	735,180	605,917
215	Dangerous Structures	189,013	5,796	5,977
216	PEG Access Channel	19,990	76,872	94,825
217	Farmers Branch Local Government Corp.	40,683	40,683	40,683
222	Police Forfeitures - Federal	66,886	30,252	(15,594)
228	Huffines Extension	0	700,153	700,213
233	Fixed Assets	152,694	152,694	167,193
Sub-Total		<u>8,158,513</u>	<u>8,217,934</u>	<u>7,626,780</u>
<u>Capital Fund:</u>				
301	Non-Bond Capital Improvement Programs	1,115,867	1,151,450	1,451,320
303	Hotel/Motel Capital Improvement	33,684	33,976	34,082
309	Radio System	798,260	699,945	656,395
323	Aquatics Center	261,586	238,679	222,979
327	* Non-Bond Utility	2,366,749	3,740,715	4,418,890
328	TIF District #1	54,023	9,230	9,881
329	TIF District #2	524,367	186,066	188,174
330	Consolidated Dispatch	494,679	124,845	576,411
331	Justice Center Improvements	0	2,603,020	2,631,004
332	Street Improvements	10,315,132	7,506,052	6,588,279
Sub-Total		<u>15,964,347</u>	<u>16,293,978</u>	<u>16,777,415</u>
<u>Debt Service Fund:</u>				
401	Debt Service	1,008,028	133,924	1,048,576
403	Stars Center	(263,612)	1,392,168	1,035,605
Sub-Total		<u>744,417</u>	<u>1,526,092</u>	<u>2,084,181</u>
<u>Enterprise Fund:</u>				
501	Water and Sewer	(16,460)	(1,009,595)	(529,981)
503	Fixed Assets - Water and Sewer	537,428	476,668	573,462
511	Stormwater Utility	223,516	827,570	890,169
513	Fixed Assets - Stormwater	(110,872)	53	53
Sub-Total		<u>633,612</u>	<u>294,696</u>	<u>933,703</u>
<u>Internal Service Fund:</u>				
601	Internal Services	531,880	943,251	958,867
602	Workers' Compensation	788,314	825,003	788,405
603	Fixed Assets	301,994	116,320	129,050
604	Health Claims	1,335,801	1,000,366	984,352
Sub-Total		<u>2,957,989</u>	<u>2,884,939</u>	<u>2,860,674</u>
GRAND TOTAL		<u>\$39,248,617</u>	<u>\$40,629,740</u>	<u>\$42,307,495</u>

* Reported in Enterprise Fund at year-end.

**City of Farmers Branch
Portfolio Summary Report
Quarter ending 12/31/16**

This quarterly report is in full compliance with the City of Farmers Branch's investment strategy as established for operating and pooled funds and the Public Funds Investment Act (Chapter 2256). Beginning period information is as of December 31, 2016.

Beginning Book Value	\$42,148,759
Beginning Market Value	\$42,285,985
WAM ¹ at Beginning Date	449 days
Ending Book Value	\$42,749,188
Ending Market Value	\$42,693,749
Unrealized Gain/(Loss)	\$ (55,439)
WAM at Ending Date	371 days
Change in Market Value	\$ 407,764 ²

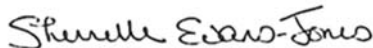
Yield Calculated on Weighted Average of Total Portfolio's Average Daily Balance	.939%
Fiscal Year to Date Average Monthly Yield	.971%
371 Day T-Bill at Dec 31, 2016	.964%

¹ WAM = Weighted Average Maturity

² Change in market value is due primarily to cash flow changes or new investments and investment maturities during the period. Cash from maturing investments is either reinvested or used to pay the City's bills.

The City follows a policy of holding investments to maturity. This policy would prevent any unrealized loss (or gain) noted above from actually occurring.

Approved by:



Sherrelle Evans-Jones
Finance Director

The City of Farmers Branch

Investment Portfolio

December 31, 2016

Trade Date	Maturity Date	Rating Moody/S&P	Type/ Broker Dealer	CUSIP	Weighted Average Maturity	Coupon	Yield	PAR Value	Purchase Principal	Market Value Dec-2016	Current Book Value	Unrealized Gain/(Loss)	Accrued Interest Receivable	Percent of Total Portfolio
Mar-26-2015	May-01-2017	/AA-	New Jersey ST HSG Cantor Fitzgerald	646108QB9	17	1.210%	1.161%	2,000,000	2,002,000	1,998,200	2,000,346	(2,146)	2,017	4.68%
Feb-10-2015	Jan-01-2018	A2/A	Georgia ST Muni Elec Cantor Fitzgerald	3735412D2	11	3.520%	1.438%	410,000	434,088	418,007	418,603	(595)	6,013	0.96%
Feb-20-2015	Nov-01-2018	Aa1/AAA	NYC TRANS FIN Auth Wells Fargo	64971QH55	346	1.280%	1.363%	7,200,000	7,178,472	7,155,792	7,189,236	(33,444)	7,680	16.85%
Jan-15-2015	Nov-01-2018	Aa1/AA+	Mass. ST BDS Raymond James	57582RAN6	193	1.400%	1.321%	4,000,000	4,011,600	4,001,400	4,005,674	(4,274)	4,667	9.36%
Feb-13-2015	Dec-01-2018	/AA	St. Clair CO SD Raymond James	788420FS1	14	1.700%	1.329%	285,000	288,905	285,633	286,995	(1,362)	0	0.67%
TOTAL MUNICIPAL OBLIGATIONS					582	1.379%	1.323%	13,895,000	13,915,064	13,859,032	13,900,853	(41,821)	20,377	32.53%
Jan-21-2015	Jan-21-2018	FDIC Ins	CDAR (3-yr) BOSC/Bank of Tx	1003743426	29	1.050%	1.050%	550,000	550,000	550,000	550,000	0	11,309	1.29%
Feb-11-2015	Feb-10-2018	FDIC Ins	CDAR (3-yr) BOSC/Bank of Tx	1003743426	157	1.070%	1.070%	2,800,000	2,800,000	2,800,000	2,800,000	0	56,175	6.55%
Jul-07-2016	Jul-05-2018	FDIC Ins	CDAR (2-yr) BOSC/Bank of Tx	1003743426	152	0.800%	0.800%	2,000,000	2,000,000	2,000,000	2,000,000	0	7,333	4.68%
Sep-28-2016	Sep-27-2018	FDIC Ins	CDAR (2-yr) BOSC/Bank of Tx	1003743426	166	0.830%	0.830%	1,900,000	1,900,000	1,900,000	1,900,000	0	4,600	4.45%
TOTAL CERTIFICATES of DEPOSITS					504	0.931%	0.931%	7,250,000	7,250,000	7,250,000	7,250,000	0	79,417	16.97%
Feb-06-2015	Feb-02-2017	Aaa/AA+	FAMCA Wells Fargo	31315PK73	9	0.650%	0.635%	3,500,000	3,501,050	3,499,315	3,500,066	(751)	7,583	8.19%
Apr-03-2014	Apr-20-2017	Aaa/AA+	FNMA Cantor Fitzgerald	3135G0ZB2	13	0.750%	0.997%	1,500,000	1,488,924	1,500,248	1,498,923	1,324	1,875	3.51%
Jan-08-2016	Jul-14-2017	Aaa/AA+	FHLMC - Discount Deutsche Bank	3137EADV8	32	0.750%	0.913%	2,000,000	1,995,100	1,999,217	1,998,231	987	6,250	4.68%
Sep-28-2016	Sep-11-2017	Aaa/AA+	FFCB - Discount Wells Fargo	313313LP1	39	0.000%	0.635%	1,900,000	1,888,371	1,884,705	1,891,763	(7,058)	0	4.45%
Jan-15-2015	Jan-04-2019	Aaa/AA+	FHLB Raymond James	3130A0G87	206	1.670%	1.171%	3,450,000	3,518,437	3,475,831	3,483,951	(8,120)	24,006	8.08%
TOTAL AGENCY OBLIGATIONS					299	0.863%	0.874%	12,350,000	12,391,881	12,359,315	12,372,933	(13,617)	39,715	28.91%
Dec-31-2016	May-31-2014	FDIC/Col	DEPOSITORY JPMorgan-Chase		1	0.300%	0.300%	120,841	120,841	120,841	120,841	0	0	0.28%
TOTAL DEPOSITORY (Collateralized)					1	0.300%	0.300%	120,841	120,841	120,841	120,841	0	0	0.28%
Dec-31-2016	Dec-31-2016	AAAm	Repo/BoA-Flexicash/TexPool		45	0.457%	0.457%	9,104,560	9,104,560	9,104,560	9,104,560	0	0	21.31%
TOTAL REPO AGREEMENTS (Collateralized)					45	0.457%	0.457%	9,104,560	9,104,560	9,104,560	9,104,560	0	0	21.31%

TOTAL INVESTMENTS **0.954%** **42,720,401** **42,782,347** **42,693,749** **42,749,188** **(55,439)** **139,509** **100.00%**

This Month's Yield Calculated on Weighted Average of Total Portfolio 0.939%
 Year to Date Average Monthly Yield through December 31, 2016 0.971%
 371 Day T-Bill Dated As of December 31, 2016 Jan-2018 0.964%
 Portfolio Weighted Average Maturity (WAM) in Days 371
 Portfolio Market to Book Value Percentage Gain/Loss -0.13%

All securities are recorded in a commingled pool entitled "Pooled Equity Fund".

For purposes of this report, all repurchase agreements are assumed to mature as of the reporting period end date.

Key: CDAR = Certificate of Deposit Account Registry Service, TB= US Treasury Bill, TN = US Treasury Note, FHLB = Federal Home Loan Bank Note, Repo = Repurchase Agreement, FFCB - Federal Farm Credit Bank Note.
 FNDN = Fannie Mae Discount Note, SLMA = Student Loan Marketing Association Note, FNMA = Fannie Mae Note, FHLMC = Freddie Mac, FAMCA = Farmer Mac Note

Shirley Evans-Jones

ALL INSTRUMENTS ARE HELD TO MATURITY

Director of Finance