

MONTHLY FINANCIAL REPORT FOR PERIOD ENDING OCTOBER 31, 2017

*Excellence
in Public
Service*



THE TOWN OF

Highland Park
TEXAS

An American Community Making a Difference

OVERVIEW

As of October 31, 2017, General and Utility Fund combined revenues are \$2,275,035. This is 6.6% of the annual projected amounts.

Combined expenses and encumbrances of \$2,750,768 are 8.2% of the annual budget. October 31st marks the first month of the FY 2018 Budget Year. Therefore, the year-to-date budget percentage for budgetary comparison is 8.3%.

YEAR-TO-DATE (YTD) ACTIVITY

- ▲ **Property Taxes** are 116.3% of the YTD projection
- ▲ **Sales Taxes** are 110.5% of the YTD projection
- ▲ **Building Permits** are 103.4% of the YTD projection
- ▼ **Water Sales** are 88.1% of the YTD projection

COMPARISON TO LAST YEAR

- **Property Taxes** are 95.5% of prior year
- ▲ **Sales Taxes** are 114.6% of prior year
- ▲ **Building Permits** are 255.6% of prior year
- ▲ **Water Sales** are 102.1% of prior year

GENERAL FUND REVENUES

Revenue Signal Key	
●	> 100% of Projected
●	95-100% of Projected
●	< 95% of Projected

	October 2017				Year-To Date				Annual			Prior Year		
	Signal	Actual	Projected	%	Signal	Actual	Projected	%	Actual	Projected	%	Actual	Projected	%
Property Taxes	●	\$ 622,073	\$ 535,084	116.3%	●	\$ 622,073	\$ 535,084	116.3%	\$ 622,073	\$ 13,129,384	4.7%	\$ 651,091	\$ 12,592,311	5.2%
Sales Taxes	●	270,751	245,042	110.5%	●	270,751	245,042	110.5%	270,751	3,720,000	7.3%	236,200	3,779,265	6.2%
Other Taxes	●	51,130	47,415	107.8%	●	51,130	47,415	107.8%	51,130	216,000	23.7%	42,344	192,000	22.1%
Franchise Fees	●	42,055	30,324	138.7%	●	42,055	30,324	138.7%	42,055	1,090,000	3.9%	47,139	1,040,000	4.5%
Licenses and Permits	●	83,220	85,152	97.7%	●	83,220	85,152	97.7%	83,220	1,139,087	7.3%	37,550	1,106,705	3.4%
Charges for Services	●	138,432	139,715	99.1%	●	138,432	139,715	99.1%	138,432	1,798,145	7.7%	109,193	1,403,620	7.8%
Fines and Forfeitures	●	72,816	55,717	130.7%	●	72,816	55,717	130.7%	72,816	584,985	12.4%	45,703	539,900	8.5%
Earnings on Investments	●	6,959	4,489	155.0%	●	6,959	4,489	155.0%	6,959	109,550	6.4%	3,145	48,225	6.5%
Miscellaneous	●	38,022	25,171	151.1%	●	38,022	25,171	151.1%	38,022	355,658	10.7%	22,443	335,045	6.7%
Transfers	-	-	-	-	-	-	-	-	-	1,161,700	-	-	1,148,900	-
Total Revenues	●	\$ 1,325,458	\$ 1,168,109	113.5%	●	\$ 1,325,458	\$ 1,168,109	113.5%	\$ 1,325,458	\$ 23,304,509	5.7%	\$ 1,194,808	\$ 22,185,971	5.4%

YEAR-TO-DATE OVERVIEW

Through October 31th, General Fund non-property tax revenues of \$703,385 are \$70,360 more than originally projected. Total revenues (including Property Taxes) are \$157,349 more than projected and are up 13.5% over the same period in the prior fiscal year.

PROPERTY TAXES

Tax collections of \$622,073 year-to-date have been received. As of October 31th, 4.7% of the annual budget had been collected.

SALES TAXES

Total revenues of \$270,751 are \$25,709 more than projected year-to-date. Current year revenue is \$34,551 more than this time last year.

OTHER TAXES

Mixed Beverage Tax receipts of \$51,130 are \$3,715 more than projected for this time of the year and \$8,786 more than this time last year. Mixed Beverage Taxes are received quarterly.

FRANCHISE FEES

Year-to-date Franchise Fees total \$42,055, which is \$11,731 more than projected and is down by (\$5,084) when compared to the amount received during the same period in the prior fiscal year. Franchise Fees are received monthly and quarterly with the exception of the Natural Gas franchise fee, which is one-time payment received each year.

LICENSES AND PERMITS

Revenues of \$83,220 are (\$1,932) less than projected year-to-date, and are \$45,670 more than the amount received prior year-to-date.

CHARGES FOR SERVICES

Revenues of \$138,432 are (\$1,283) less than projected at the end of October and are more than the previous fiscal year by \$29,939. Revenues are up compared to the prior fiscal year due to revenues associated with municipal court fees, as well as, alarm monitoring fees now being fully collected in the General Fund as opposed to the DPS Technology Fund as in the prior year.

FINES AND FORFEITURES

Total revenues of \$72,816 are 17,099 or 30.7% higher than projected through the end of October and \$27,113 more than the same period in the prior fiscal year.

EARNINGS ON INVESTMENTS

Interest earnings of \$6,959 for October are \$2,470 more than projected.

MISCELLANEOUS REVENUES

Total revenues of \$38,022 are up \$12,851 from the amount projected through October. Miscellaneous revenues include penalties on delinquent property taxes, tower lease rental charges, donations, contributions, and other non-major revenues.

TRANSFERS

Quarterly transfers consist of a reimbursement from the Utility Fund for the fund's share of G&A expenses and a transfer from the Court Security Fund to reimburse the General Fund for payroll related costs associated with the court bailiff.

GENERAL FUND EXPENDITURES

YEAR-TO-DATE OVERVIEW

October 31, 2017, marks the first month of the FY 2017 budget year. The year-to-date budget percentage for budgetary comparison is therefore 8.3%. Total General Fund expenditures and encumbrances of \$2,170,062 are 9.3% of the annual budget.

	October 2017			Prior Year		
	YTD Actual	Annual Budget	% of Budget	YTD Actual	Annual Budget	% of Budget
Administration	\$ 40,568	\$ 743,185	5.5%	\$ 37,735	\$ 753,194	5.0%
Public Safety	1,138,767	12,060,980	9.4%	937,004	11,131,434	8.4%
Town Services	251,376	547,182	45.9%	260,767	524,540	49.7%
Street	17,401	383,437	4.5%	21,350	404,138	5.3%
Street Lighting	12,188	185,751	6.6%	12,113	185,661	6.5%
Library	55,566	795,427	7.0%	199,298	771,626	25.8%
Parks	215,753	1,466,597	14.7%	105,954	1,496,923	7.1%
Swimming Pool	5,430	195,828	2.8%	5,002	189,712	2.6%
Municipal Court	28,818	402,762	7.2%	25,641	380,175	6.7%
Finance	68,224	862,276	7.9%	75,543	824,983	9.2%
Building Inspection	51,022	709,110	7.2%	47,369	603,990	7.8%
Non-Departmental	80,169	433,790	18.5%	59,584	416,690	14.3%
Information Technology	220,352	544,017	40.5%	265,230	553,412	47.9%
Transfers	-	3,974,034	-	-	3,970,982	-
Total Expenditures	\$ 2,185,634	\$ 23,304,376	9.4%	\$ 2,052,590	\$ 22,207,460	9.2%

ADMINISTRATION

Administration has expended and encumbered YTD 5.5% of the departmental budget or \$743,185.

PUBLIC SAFETY

Public Safety expended and encumbered year-to-date represent 9.4% of the departmental budget or \$12,060,980. Included in the YTD Actual is \$117,324 in encumbrances.

TOWN SERVICES

The Town Services Department has expended and encumbered \$251,376 or 45.9% of the departmental budget. The YTD actual includes an annual encumbrance for contract services related to the Director of Town Services contract with the Town.

PARKS

Parks has expended and encumbered year-to-date \$215,753 or 14.7% of the departmental budget. Encumbrances make up \$103,240 of this amount.

MUNICIPAL COURTS

Municipal Courts has expended and encumbered year-to-date \$28,818 or 7.2% of the departmental budget.

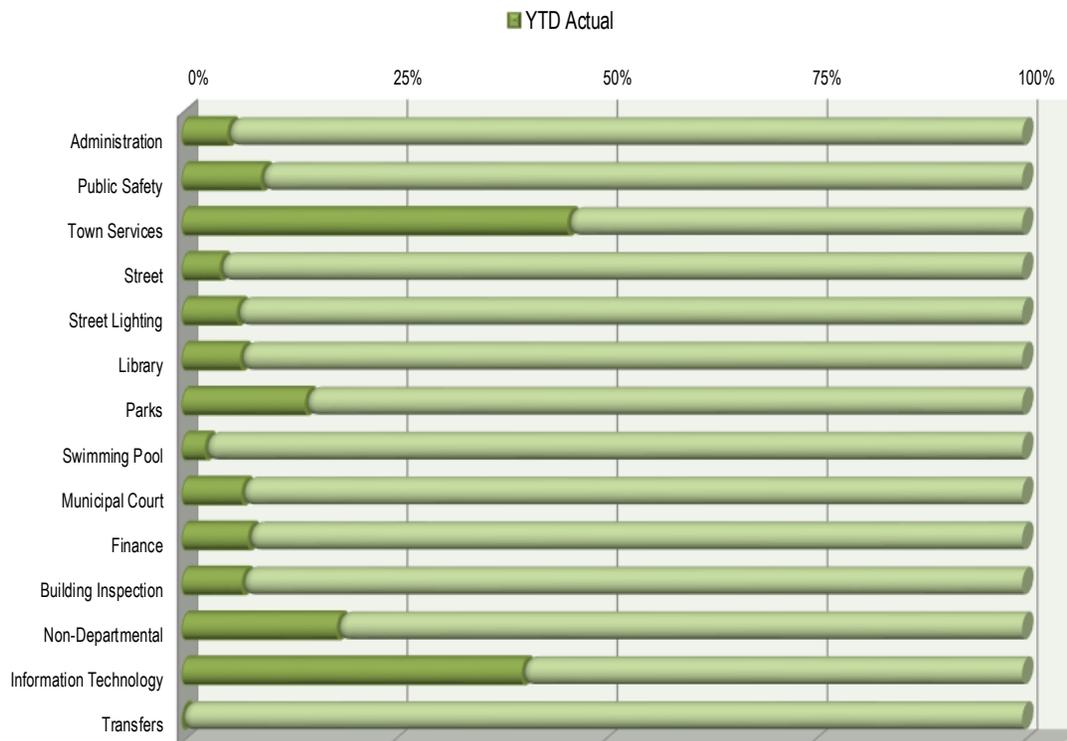
INFORMATION TECHNOLOGY

Information Technology expenditures and encumbrances year-to-date represent 40.5% of the departmental budget or \$220,352 which includes an annual encumbrance for contract services with Axxys Technologies.

TRANSFERS

Quarterly transfers include a transfer to the CIP Fund for infrastructure maintenance and rehabilitation. Additional transfers include a transfer to the Utility Fund for sanitation billing and collection services, transfers to the equipment and technology replacement funds to accumulate resources for future equipment and technology purchases and upgrades, and a transfer to the Building Maintenance Fund to fund the operational and maintenance budgets of the Town's Service Center and Town Hall building.

YTD Expenditures & Encumbrances Compared to Annual Budget



UTILITY FUND REVENUES

Revenue Signal Key	
●	> 100% of Projected
●	95-100% of Projected
●	< 95% of Projected

	October 2017				Year-To-Date				Annual			Prior Year		
	Signal	Actual	Projected	%	Signal	Actual	Projected	%	Actual	Projected	%	Actual	Projected	%
Water Sales	●	\$ 680,345	\$ 772,252	88.1%	●	\$ 680,345	\$ 772,252	88.1%	\$ 680,345	\$ 6,985,822	9.7%	\$ 666,148	\$ 6,985,822	9.5%
Sanitary Sewer Charges	●	243,991	281,516	86.7%	●	243,991	281,516	86.7%	243,991	2,964,169	8.2%	245,209	2,999,275	8.2%
Other Charges for Service	●	4,030	4,500	89.6%	●	4,030	4,500	89.6%	4,030	54,000	7.5%	280	7,650	3.7%
Licenses and Permits	●	7,000	5,333	131.3%	●	7,000	5,333	131.3%	7,000	64,000	10.9%	2,875	58,000	5.0%
Fines and Forfeitures	●	9,304	7,113	130.8%	●	9,304	7,113	130.8%	9,304	74,000	12.6%	7,521	72,400	10.4%
Earnings on Investments	●	4,556	1,797	253.5%	●	4,556	1,797	253.5%	4,556	37,356	12.2%	1,634	14,400	11.3%
Miscellaneous	●	351	183	191.8%	●	351	183	191.8%	351	484,200	0.1%	572	354,750	0.2%
Transfers	-	-	-	-	-	-	-	-	-	458,800	-	-	469,300	-
Total Revenues	●	\$ 949,577	\$ 1,072,694	88.5%	●	\$ 949,577	\$ 1,072,694	88.5%	\$ 949,577	\$ 11,122,347	8.5%	\$ 924,239	\$ 10,961,597	8.4%

YEAR-TO-DATE OVERVIEW

Total Utility Fund operational revenue (excluding transfers) of \$949,577 are (\$123,117) less than projected through October and are up about 2.7% when compared to the amount received through the same period in the prior year.

WATER SALES

Revenues totaling \$680,345 are (\$91,907) lower than projected through October. Water sales are up about 2.1% when compared to the amount of revenue generated during the same period last year. October water consumption is the sixth lowest October in 35 years and 11.2% below the average for months of October.

For the month of October the Town billed out 99,205,000 gallons, which is about 2.3% more than the same month in the prior fiscal year.

SEWER CHARGES

Revenues of \$243,991 are (\$37,525) less than projected through the end of October. Revenues for sanitary sewer are down 0.5% or (\$1,218) when compared to this same period for the previous fiscal year. Sanitary sewer billings are driven by water consumption.

OTHER CHARGES FOR SERVICES

Year-to-date revenues of \$4,030 are (\$470) less than projected through October. This revenue source is primarily driven by charges for meter installations.

LICENSES AND PERMITS

Licenses and permits revenue (i.e. Plumbing Permits) of \$7,000 are 31.3% more than projected, and 143.5% or \$4,125 more than the amount received through October of the prior fiscal Year.

FINES AND FORFEITURES

Revenues (penalties assessed on past due utility bills) of \$9,304 are 30.8% above projection through October. Late payment penalty revenue is driven by payment timing and the size of the past due balance.

EARNINGS ON INVESTMENTS

Interest earnings through October are \$4,556 and \$2,759 above projection.

MISCELLANEOUS REVENUE

Miscellaneous Revenue accounts for contributions, cost sharing related to repairs, maintenance, and capital projects from outside organizations.

TRANSFERS

Quarterly transfers consist of a transfer from the General Fund for reimbursement of the General Fund's share of Utility Fund admin costs. Additionally, transfers from the Capital Project and Storm Water Drainage Funds offset related Engineering services.

UTILITY FUND EXPENDITURES

	October 2017			Prior Year		
	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% of Budget</u>	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>% of Budget</u>
Utility Administration	\$ 45,967	\$ 396,787	11.6%	\$ 52,772	\$ 313,622	16.8%
Water	306,192	4,729,635	6.5%	851,617	4,956,001	17.2%
Sewer	168,329	2,776,847	6.1%	123,137	2,344,009	5.3%
Engineering	44,646	763,228	5.8%	56,927	795,315	7.2%
Transfers	-	1,756,564	-	-	1,744,933	-
Total Expenses	\$ 565,134	\$ 10,423,061	5.4%	\$ 1,084,453	\$ 10,153,880	10.7%

OVERVIEW

October 31, 2017, marks the first month of FY 2017 budget year. The year-to-date budget percentage for budgetary comparison is therefore 8.3%. Year-to-date expenditures, plus encumbrances and less non-cash expenditures of depreciation and bad debts, total \$10,423,061 or 5.4% of annual budget.

UTILITY ADMINISTRATION

The Utility Administration budget expended and encumbered through October of the current fiscal year is \$45,967 which represents 11.6% of the departmental operating budget.

WATER

At \$306,192, the Water Department has expended and encumbered 6.5% of the annual budget amount and includes \$6,600 in expenses and encumbrances for capital improvements.

SEWER

At \$168,329, the Sewer Department has expended and encumbered 6.1% of the annual budget amount, all of which related to operations through October.

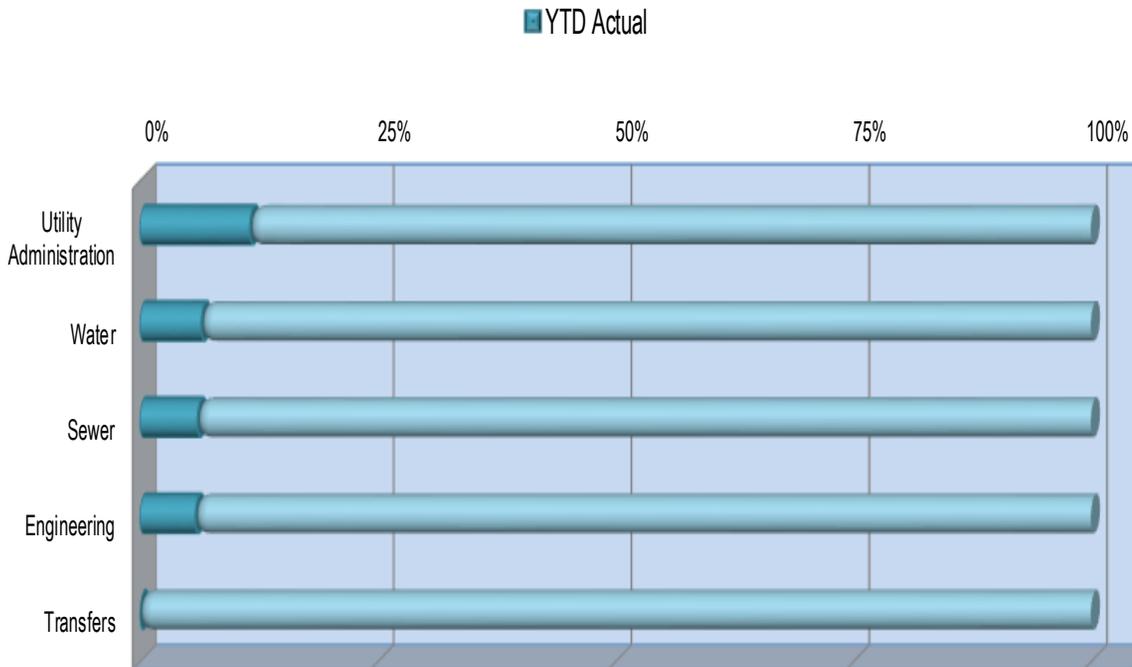
ENGINEERING

The Engineering budget expended and encumbered through October of this fiscal year is \$44,646 which represents 5.8% of the departmental operating budget.

TRANSFERS

Quarterly transfers to other funds include a transfer to the General Fund for the Utility Fund's share of General Fund G&A expenses, a transfer to the CIP Fund based on 5% of water and sanitary sewer revenues, a transfer to the Building Maintenance Fund for the Utility Fund's share of building maintenance expenditures, and transfers to the equipment and technology replacement funds to fund future equipment and technology purchases.

YTD Expenditures & Encumbrances Compared to Annual Budget



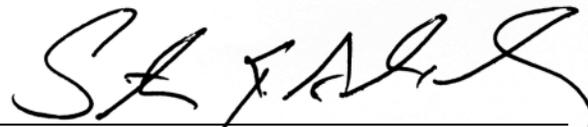
WORKING CAPITAL SUMMARY

Fund	Working Capital (1)	Dedicated Funds (2)	Available Working Capital (3)	Outstanding Encumbrances
General Fund	\$ 4,341,538	\$ 3,510,015	\$ 831,523	\$ 1,141,784
Utility Fund	5,205,402	1,849,215	3,356,187	219,034
Solid Waste Fund	80,937	80,937	-	18,572
Capital Projects Fund	5,857,114	5,857,114	-	611,708
Equipment Replacement Fund	3,052,332	3,052,332	-	490,756
Technology Replacement Fund	1,779,140	1,779,140	-	-
Storm Water Drainage Utility Fund	2,308,955	2,308,955	-	439,226
Building Maintenance Fund	642,335	642,335	-	69,799
Municipal Court Technology Fund	89,136	89,136	-	1,996
Municipal Court Security Fund	10,335	10,335	-	-
DPS Technology Fund	262,352	262,352	-	-
Other Funds	291,316	291,316	-	28,369
	<u>\$ 23,920,892</u>	<u>\$ 19,733,182</u>	<u>\$ 4,187,710</u>	<u>\$ 3,021,244</u>

- (1) Working Capital is defined as current assets less current liabilities. The Working Capital totals have not been reduced by outstanding encumbrances because expenditures are recognized in the period the liability is incurred. As of October 31, 2017, the Town had a total of \$3,021,244 in outstanding encumbrances.
- (2) Dedicated funds represent the amount of Working Capital that has been reserved to comply with financial management policies, special purpose, or lawful requirements.
- (3) Available Working Capital is the amount of Working Capital in excess of dedicated funds.

CASH AND INVESTMENTS

The market value of the Town's investment portfolio at October 31, 2017 was \$24,467,914. This amount is 100.00% of the recorded book value of \$24,467,913. The Town's investment practice is to invest funds for specific maturity or call dates (passive investment management), rather than buy and sell based upon market conditions (active investment management). The total portfolio yield is 1.331%.



Steven J. Alexander
Chief Financial Officer